

# FIS Steel and Scrap Report

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### FOB China HRC

The index kept stable last Friday (11.11.22) at US\$515/t, MTD US\$516.78/t.

Steel market outlooks improved on expectations that the US will slow its interest rate hikes while the loosening of Covid curbs by China also boosted outlook. Most mills and traders stopped quoting after Beijing announced the relax Covid measures and the yuan appreciated. A Chinese mill would not consider taking orders at and below \$530/t fob China any more for SS400 HRC, although buyers were quiet. Chinese mills and traders had no idea what levels they should offer and seaborne buyers were unwilling to take action at the end of the week. Some Vietnamese stockists were bullish on prices, bidding at \$530/t cfr Vietnam for SAE1006-grade coil from Japan. That level was too low to be accepted by Japanese mills. Nevertheless, other traders and end users in Vietnam were more cautious on the view that Chinese price rises could not be supported by steel demand. (Argus)

### Turkish Scrap

Turkish deepsea import scrap prices fall further amid negative sentiment  
 Recyclers aim to drop HMS collection prices across key export markets  
 Alternative Indian, Bangladesh bulk cargo demand softens

Turkish import deepsea scrap prices fell Nov. 11, as sell-side sources reported weaker scrap demand from Turkish buyers. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Nov. 11 at \$339/mt CFR, down \$5/mt on day. A reported Benelux-origin deal was heard by multiple sources to have been booked Nov. 9-10 by an Izmir mill, with HMS 1/2 (80:20) around \$334/mt CFR, but was not officially confirmed. "It does not look like that market will improve on short notice," one EU recycler said, citing an indicative tradable value for Benelux-origin HMS 1/2 (80:20) at \$334-\$335/mt CFR Turkey. A second EU recycler said this level was not workable due to high collection costs. "I think the year is done [for us]," the recycler said. Amid the falling CFR Turkey price, recyclers in the Benelux region looked to lower their HMS collection prices to Eur300/mt delivered to the dock and below, but reported very low inflows at these prices. In the UK, HMS collection prices were heard largely around GBP220- 225/mt delivered to the dock, down from around GBP235/mt delivered earlier in the week. In the UK's northeast region, trading sources reported HMS dock prices as low GBP200/mt delivered. "The market feels very soft – if someone needs to sell, it doesn't seem like there is anybody to buy, so they would have to take a haircut on the price," a Baltic recycler said, adding that \$340/mt CFR for Baltic origin HMS 1/2 (80:20) would be difficult to achieve amid the weak mill demand. "Indian [bulk cargo demand] is also quiet, we've also heard some issues with letters of credit in Bangladesh." (Platts)

### EU HRC

Market nudges lower The north European hot-rolled coil (HRC) market was quiet Friday, with some participants away in observance of Armistice Day and most still focused on destocking. Mill order books remained low, with some still offering December availability. Participants estimated tradeable values around €610-650/t on the day, although most agreed there was little activity at the higher end of the range. Some mills have said they are still securing higher levels, although no buyers have confirmed this. At least one mill is still offering November production for December delivery, and has tabled initial offers into Germany at €650/t delivered, which it will likely discount for tonnes. While pessimism prevails because of aggressive year-end destocking, exacerbated by the higher cost of capital, some expect the market to firm in the new year. One buyer said it is considering purchasing double its normal yearly tonnage of hot-dip galvanised, as it is concerned about domestic availability amid production restraints. Market supply of HRC reached its lowest level since August 2020 in August, according to Argus calculations, and mill output cuts could see this continue. European market leader ArcelorMittal said yesterday that it would reduce output by 20pc in the fourth quarter, to balance output with low apparent demand. The mill expects this destocking to support the market in the fourth quarter, as inventories will be low. News of relaxed Covid-19 controls in Beijing also bolstered sentiment today. The CME Group's North European HRC futures curve strengthened markedly on the back of the news: the second quarter traded at €725/t for 3,000t, while February traded €15/t higher on screen to €680/t, with March also firming by €25/t to €705/t. (Argus)

## Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	339.00	-5.00	349.33
Steel Rebar FOB Turkey (\$/mt)	632.50	-5.00	642.11
Argus HRC NW Europe (€/mt)	639.00	-1.50	650.47
Argus FOB China HRC (\$/mt)	515.00	0.00	516.78

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Nov-22	515	545	530
Dec-22	525	555	540
Jan-23	530	560	545
Q1-23	545	555	550
Q2-23	563	573	568
Q3-23	580	590	585

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Nov-22	347	357	352
Dec-22	341	351	346
Jan-23	345	355	350
Q1-23	350	360	365
Q2-23	360	370	365
Q3-23	367	377	372

LME REBAR FOB TK			
	Bid	Ask	Value
Nov-22	623	633	628
Dec-22	620	630	625
Jan-23	620	630	625
Q1-23	616	626	621
Q2-23	609	619	614
Q3-23	603	613	608

BUSHELING			
	Bid	Ask	Value
Dec-22	370	380	375
Jan-23	380	390	385
Feb-23	390	400	395
Q1-23	390	400	395
Q2-23	418	428	423
Q3-23	472	482	477

US HRC USD/short ton			
	Bid	Ask	Value
Nov-22	665	685	675
Dec-22	640	660	650
Jan-23	665	685	675
Q1-23	680	700	690
Q2-23	707	727	717
Q3-23	735	755	745

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Nov-22	625	645	635
Dec-22	640	660	650
Jan-23	655	675	665
Q1-23	675	685	680
Q2-23	708	718	713
Q3-23	730	740	735

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