

15/11/2022**FOB China HRC**

The index rose by \$4/t yesterday (14.11.22) to US\$519/t, MTD US\$517/t.

People's Bank of China (PBOC) and China Banking and Insurance Regulatory Commission (CBIRC) have recently jointly issued a notice incorporating 16 measures to support "stable and healthy development" of the real estate sector, covering aspects like real estate development loans, trust loans, annexation loans and loan roll-overs. The notice was the first time this year that the central government officially announced support for the real estate industry, rather than informally in meetings. The yuan's central parity rate was at 7.0899 against the US dollar on 14 November, according to the Foreign Exchange Trade System. The yuan appreciated by 1008 basis points during the day, a record for a single day since 23 July 2005. Two north China-based mills lifted offers for SS400 HRC by \$15/t to \$540/t and \$550/t fob China, respectively, after domestic sales prices rose and the yuan appreciated. A third north China mill sold SS400 HRC at \$510/t fob China last week, but that level was no longer available today. Traders pushed up offers by over \$30/t to \$540-550/t cfr Vietnam. Most Vietnamese buyers were silent because of the rising trend as they could still purchase lower-priced coils from stockists. Traders lifted offers to \$545-570/t cfr Vietnam for SAE1006-grade coil from China, higher than offers at \$545-550/t cfr Vietnam for Taiwanese coil. There was market talk that Vietnamese mill Formosa Ha Tinh was planning to cut production by 15pc this month because of losses, which may support steel prices further, several Vietnamese participants said. (Argus)

Turkish Scrap

Turkish imported heavy melting scrap prices remained under pressure Nov. 14 as Turkish steel prices continued to soften. Trading activity in the Turkish scrap market was low on the day, as sources reported no new deepsea cargo bookings nor clear offers. A source said that offers for premium HMS 1/2 (80:20) were around \$338-340/mt CFR Turkey. This was not confirmed by the wider market, however. The sentiment was still bearish, and sources could not see any signs that the market may turn around during the week. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$337.50/mt CFR Nov. 14, down 1.50 from Nov. 11. "This week and the rest of the month will be the same negative," a Turkish long steel producer said. The already lackluster rebar demand was going to slow down even more now due to the move into winter, the producer added. He also said that Turkish steel exporters were less competitive than some other regions due to the relatively higher production cost in Turkey. This meant that the Turkish mills would keep pushing to reduce their cost, including the scrap input, to offset ongoing erosion in the finished steel prices. Platts assessed Turkish rebar export at \$627.50/mt FOB Turkey on Nov. 14, down \$12.50 on the week. Another mill source in Turkey said that local steelmakers would rather cut production than drop their prices further. He added that rebar was not selling, even after prices recently fell to \$630-\$635/mt FOB Turkey. Scrap suppliers have been following the downtrend seen in the market, as seen in the recent scrap trades into Turkey, the mill source said. "There is some resistance from [scrap] suppliers, but the market is still going down and I think it will go down to \$330/mt CFR for premium, and really scrap has to be at \$300-\$310/mt CFR based on the real finished product prices," the second mill source added. The second mill source believed that the premium HMS 1/2 (80:20) could already be bought at \$334-\$335/mt CFR Turkey with a firm bid. For the EU-origin HMS 1/2 (80:20), it should be feasible to achieve \$330/mt CFR, he added. A trader believed that EU suppliers were targeting \$335/mt CFR Turkey. Lower prices may be negotiable, depending of now in need of selling a participant was, the trader added. For premium Baltic and US cargoes, \$340/mt CFR was still realistic, he said. Platts is part of S&P Global Commodity Insights. (Platts)

EU HRC

Market slips further North European hot-rolled coil (HRC) prices slipped by €3.50/t yesterday in low liquidity, while the Italian market also fell as sellers acquiesced to lower levels. Argus' daily northwest European HRC index dipped to €635.50/t in quiet trade, while the Italian marker dropped by €4/t to €611.25/t ex-works. Service centres were still focused on destocking ahead of the year's end. Most were not interested in buying because they hold sufficient stocks and because of uncertainty about prices going forward. More service centres in Italy are temporarily laying off employees as they struggle to fill their orderbooks. As a result of ongoing buy-side caution, some sellers discounted to attract orders. One Italian mill was scrambling to secure December deliveries, with offers at €600-620/t delivered. Most participants were eyeing developments in China, after the government announced stimulus measures to aid the property sector. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	337.50	-1.50	348.15
Steel Rebar FOB Turkey (\$/mt)	627.50	-5.00	640.65
Argus HRC NW Europe (€/mt)	635.50	-3.50	648.98
Argus FOB China HRC (\$/mt)	519.00	4.00	517.00

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Nov-22	515	545	530
Dec-22	537	567	552
Jan-23	545	575	560
Q1-23	560	570	565
Q2-23	575	585	580
Q3-23	590	600	595

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Nov-22	347	357	352
Dec-22	347	357	352
Jan-23	352	362	357
Q1-23	356	366	370
Q2-23	365	375	370
Q3-23	368	378	373

LME REBAR FOB TK			
	Bid	Ask	Value
Nov-22	623	633	628
Dec-22	627	637	632
Jan-23	625	635	630
Q1-23	620	630	625
Q2-23	610	620	615
Q3-23	603	613	608

BUSHELING			
	Bid	Ask	Value
Dec-22	375	385	380
Jan-23	395	405	400
Feb-23	400	410	405
Q1-23	399	409	404
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	665	685	675
Jan-23	685	705	695
Q1-23	700	720	710
Q2-23	722	742	732
Q3-23	735	755	745

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Nov-22	625	645	635
Dec-22	650	670	660
Jan-23	660	680	670
Q1-23	677	687	682
Q2-23	708	718	713
Q3-23	730	740	735

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