

17/11/2022**FOB China HRC**

The index rose by \$4/t yesterday (16.11.22) to US\$529/t, MTD US\$518.67/t.

Many regions in Hebei, Shandong and Shanxi provinces hit second-level pollution warnings from 16 November, with steel mills ordered to restrict production accordingly. Mills in Tangshan were required to cut sintering output by 30pc over 15-25 November. But local steel production would not be affected as mills have sufficient sintering ore stockpiles for production during this period, participants said. Some steel mills in Shandong province were asked to cut sintering output by 15-30pc, which may affect steel production to some extent. A steel mill in Jincheng city in Shanxi province was directed to idle two sintering facilities and two blast furnaces from 15 November. Major Chinese mills kept or lifted SS400 HRC offers by \$5-10/t to \$535-560/t fob China and were reluctant to take orders below \$530/t fob China. Traders also pushed up offers to \$550-560/t cfr Vietnam. Vietnamese buyers held bids unchanged at \$530/t cfr Vietnam, with some deals done at that level. But participants said those deals should be done earlier this week and were no longer available now. Some buyers from Pakistan could accept \$560-570/t cfr. But those levels were too high to be representative of mainstream market levels, participants said. Traders lifted Chinese SAE1006-grade coil offers to \$565-570/t cfr Vietnam from \$550-560/t cfr Vietnam. Small quantities of Taiwanese SAE-grade coil was sold at \$550/t cfr Vietnam this week, but no further details could be confirmed. (Argus)

EU HRC

Downtrend continues. EU hot-rolled coil (HRC) prices continued to decline yesterday, but there are more expectations that the market is nearing to touching the bottom. The Argus daily Italian HRC index fell by €3/t to €597.75/t ex-works, whereas the northwest EU index decreased by €5.75/t to €622/t ex-works. Many market participants have this week said they expect prices to bottom out in the next month or so, citing the improved outlook in China and Asia. Some reported that certain Asian mills had paused offering as they were waiting to see if they could achieve better prices regionally, especially for HRC. Offers are said to still being tabled for cold-rolled coils (CRC) and at attractive prices for buyers. That said, SSCs report continuously declining prices for sheets, with levels heard today from large sellers at €690-700/t delivered Italy. European mills appear to be adopting differing strategies — some are more bearish so are looking for any orders at low prices, concerned that they may be losing orders to imports. Prices at €580-590/t ex-works Italy are available to the wider market, and unlike previously, delivery options are extended for the first quarter as well, and not just December. Others are, for now, holding firm, offering as high as €660/t delivered Italy from the north for first-quarter deliveries, as they negotiate half-yearly contracts in the meantime. Buyers said they would need to drop by €50/t to be competitive. One Italian mill was heard quoting at these levels, although financial turmoil at the company means that it cannot afford to reduce prices, as it keeps production low. A couple of other north EU suppliers were accepting €630-645/t delivered Italy, buyers reported. (Argus)

Turkish Scrap

Turkish import deepsea scrap prices remained largely rangebound Nov. 16, as Turkish buyers continued to target sharply lower prices but met sell-side resistance. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Nov. 16 at \$336.50/mt CFR, down \$1/mt on day. A Baltic recycler cited an indicative tradable value for Baltic origin HMS 1/2 (80:20) at \$330-\$335/mt CFR for one or two suppliers for December shipment. "Indians are starting to look around after the steep price hike in China, and there are more cargoes to be booked than to be sold," an EU supplier said, citing Baltic-origin HMS 1/2 (80:20) as likely workable at \$335/mt CFR minimum. "I do wonder which Baltic recycler would sell at this EUR/USD parity as many are skipping December shipment sales." Platts assessed the euro at \$1.0406 at 4.30 pm UK time on Nov. 16, up sharply from \$1.0047 on the week to its highest level since July 4. Platts assessed the benchmark 62% Fe Iron Ore Index at \$98.10/dry mt CFR North China Nov. 16, up \$2.40/dmt from Nov. 15, on improved market sentiment following recently announced changes to China's COVID-19 controls and measures by the government to stabilize the domestic property market. The EU supplier also cited an indicative tradable value for US origin HMS 1/2 (80:20) at \$335-\$340/mt CFR Turkey. Sell-side sources reported indicative bids for deepsea bulk cargoes at \$385-\$390/mt CFR India for HMS 1/2 (80:20), roughly equivalent to around \$345-\$350/mt CFR Turkey, while Indian trading sources had suggested that Indian mills were targeting as low as \$360/mt CFR Chennai. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	336.50	-1.00	346.29
Steel Rebar FOB Turkey (\$/mt)	627.50	0.00	638.46
Argus HRC NW Europe (€/mt)	622.00	-5.75	644.96
Argus FOB China HRC (\$/mt)	529.00	4.00	518.67

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Nov-22	515	545	530
Dec-22	545	575	560
Jan-23	551	581	566
Q1-23	568	578	573
Q2-23	577	587	582
Q3-23	590	600	595

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Nov-22	347	357	352
Dec-22	335	345	340
Jan-23	342	352	347
Q1-23	347	357	352
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	655	675	665
Dec-22	670	690	680
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	615	635	625
Jan-23	630	650	640
Q1-23	652	662	657
Q2-23	688	698	693
Q3-23	730	740	735

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