

21/11/2022**FOB China HRC**

The index kept stable last Friday (18.11.22) at US\$536/t, MTD US\$521.14/t.

China's excavator output decreased by 9.9pc on year to 26,235 in October, and the output over January-October dropped by 20.9pc on year, National Bureau of Statistics said. Handan city in north China's Hebei province has called on local steel mills to cut production to bring down pollution. Blast furnace production may see a limited impact though, with cuts focused on sintering operations.

Chinese mills held offers unchanged and were reluctant to take orders below \$530-540/t fob China for SS400 HRC. Some buyers from Thailand could accept those levels and deals may be done soon. Buyers in other countries were relatively quiet. Deals for Vietnamese HRC were concluded at \$560/t cfr Pakistan the week before last week and \$510-520/t fob Vietnam last week to India and Europe, participants said. The Vietnamese market was quiet with no changes to offers at \$550-555/t cif Vietnam from Vietnamese mill Formosa Ha Tinh. Offers from China were at and above \$565/t cfr Vietnam. (Argus)

Turkish Scrap

Turkish deepsea import scrap prices stable on latest US-origin sale
A second US-origin sale heard at \$339.50/mt CFR Izmir
Mills expected to lower capacity utilization further in the near term

Turkish import deepsea scrap prices remained stable Nov. 18, after a second US recycler sold a cargo at unchanged levels. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Nov. 18 at \$339.50/mt CFR, unchanged. A US-origin sale was booked by a Marmara mill Nov. 17, with HMS 1/2 (80:20) at \$339.50/mt CFR, for second half of December shipment. The deal was confirmed by the sell side. This was preceded by a reported US-origin sale booked Nov. 16 by an Izmir mill, with HMS 1/2 (80:20) also at \$339.50/mt CFR, for December shipment.

One Turkish mill source cited an indicative buyer tradable value for US/Baltic-origin HMS 1/2 (80:20) at \$335/mt CFR, while a second Turkish mill source cited an indicative buyer tradable value for US/Baltic-origin HMS 1/2 (80:20) below \$340/mt CFR. "I think all the mills will drop their production capacity [utilization] in December and January—although there has been a slight recovery in finished steel demand, it's mainly been to our usual markets like Israel and Yemen as we're still missing quantities out of Latin America," the second Turkish mill source said. "Maybe scrap can go up \$3-\$5/mt but we're not in a hurry to buy scrap, and if the Turkish mills don't buy, then the sellers will drop the price—for example, if a seller today says \$340/mt CFR [for premium HMS 1/2 (80:20) is available, then buyers won't be interested." (Platts)

EU HRC

Buyers have market floor in sight In the second half of last week, Italian hot-rolled coil (HRC) buyers have been trying to determine how close the market is to bottoming out. With prices reported at €580-590/t ex-works for special customers from one seller, and offers up to €610-620/t ex-works and delivered for smaller buyers, market participants are questioning how much further below the current level can the mill afford to take orders. This is especially as it is heard to also commit to these prices for the first quarter. But buyers see a bottoming in prices owing to the performance of the import market in particular. In the past six months, there have been more instances where Asian mills have started increasing offer levels, such as in July and in September.

Import offers have this week increased to a minimum of €570-580/t cfr. There appears to be some speculation on the market about the currency the offers were made in. There were reports of offers as high as \$620-630/t cfr Italy, but buyers have not confirmed the level. Meanwhile, stocks are on the decline, approaching more manageable levels. But there are likely to be still a few weeks left of destocking. Some said that they do expect the market to touch closer to €550/t ex-works before it bounces back but not all agree. Cold-rolled coil (CRC) from South Korea was heard sold in Italy at €650-660/t cfr. The Argus daily Italian HRC index nudged up by €1.25/t to €590/t ex-works, while the northwest EU index held stable at €621/t ex-works. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	339.50	0.00	345.32
Steel Rebar FOB Turkey (\$/mt)	630.00	0.00	637.25
Argus HRC NW Europe (€/mt)	621.00	0.00	641.54
Argus FOB China HRC (\$/mt)	536.00	0.00	521.14

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	343	353	348
Jan-23	350	360	355
Q1-23	355	365	360
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	623	633	628
Q2-23	610	620	615
Q3-23	603	613	608

BUSHELING			
	Bid	Ask	Value
Dec-22	375	385	380
Jan-23	380	390	385
Feb-23	400	410	405
Q1-23	394	404	399
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	703	723	713
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	620	640	630
Jan-23	635	655	645
Q1-23	655	665	660
Q2-23	688	698	693
Q3-23	730	740	735

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