

22/11/2022**FOB China HRC**

The index fell by \$2/t yesterday (21.11.22) to US\$534/t, MTD US\$522/t.

China brought back tight Covid controls in some cities, including Shi Jiazhuang, in Hebei as cases increased sharply. The removal of iron ore export tax by India weighed on feedstock prices in China while the steel tax duty removal triggered caution among buyers who expect seaborne supply to rise, though Indian offers were not heard yesterday.

Several Chinese mills held offers or sales prices unchanged at \$535-550/t fob China for SS400 HRC after Chinese domestic sales prices fell. Traders cut offers to \$530-540/t cfr Vietnam. Vietnamese buyers also lowered bids by \$25-30/t to \$500-505/t cfr Vietnam. Some traders lowered Chinese SAE1006-grade coil offers to \$535/t cfr Vietnam, while others held offers unchanged at \$550/t cfr Vietnam. A trading firm offered \$535/t cfr Vietnam for positional Taiwanese SAE-grade coil, attracting no buying interest. (Argus)

Turkish Scrap

Turkish deepsea HMS inches up despite negative sentiment in finished steel market

New Baltic, US cargoes booked

Poor steel demand undermines stronger upside

Turkish imported deepsea scrap prices moved up as some suppliers managed to defy the bearish sentiment prevailing in the Turkish finished steel market, sources said. Two recently confirmed deepsea bookings for December shipment put the premium HMS 1/2 (80:20) prices at minimum \$340/mt CFR Turkey. A Baltic-origin deal, which closed on Nov. 18, included HMS 1/2 (80:20) at \$343/mt and bonus at \$363/mt, CFR Iskenderun, December shipment, several sources reported. An agent source believed that tighter Baltic scrap supply warranted the higher price level paid by the buyer. The collection prices paid by scrap recyclers were also "very high," the agent said. Another confirmed cargo, from the US, including HMS 1/2 (95:5) and shredded, was sold on Nov. 18 at the average price \$355/mt CFR Turkey, the seller said. This implied \$340/mt CFR Turkey for HMS 1/2 (80:20), he added.

According to a couple of sources, the market may climb further to reach \$345/mt CFR by the end of the week. Further recovery looked uncertain due to the persistently weak sales of Turkish finished steel products. Offers for Baltic cargoes were seen at \$345/mt CFR Turkey, a couple of sources said. One mill source estimated that \$340- \$342/mt CFR may work, "but \$345/mt CFR is a little bit high." He expected to see more scrap offers in the market due to steel output cuts in Turkey, which will push prices down eventually. Aggressive steel prices from China reaching Turkey and its captive export markets meant that Turkish steel prices would remain under pressure, which would have negative consequences for scrap pricing, the mill source added. (Platts)

EU HRC

Italian mill pulls back after sales Italian prices slipped yesterday, but the seller that has lowered its prices most aggressively has taken firm orders and satiated its demand for tonnes somewhat. Argus' daily Italian hot-rolled coil (HRC) index slipped by €3.50/t to €586.50/t ex-works, while the daily northwest EU HRC index nudged up by €1.75/t to €622.75/t ex-works. An Italian seller was reported to have received a firm amount of orders after it slashed prices, with deals heard concluded at €580-610/t delivered levels. The bulk of sales were done at €580-590/t ex-works, as speculative buyers booked some volumes at what some said are breakeven prices.

Buyers said the seller was now slightly more prudent and withholding from the market, perhaps also encouraged by the apparent disappearance of the lowest import prices from Asian mills. Some buyers believe this could embolden mills to increase offers to reaffirm their position that prices have stopped falling, although there is not much support considering end-demand. India's removal of export duties could hit sentiment further — as could rising Covid-19 cases in China — as it has been a fairly large seller into Europe in recent years, and one of the cheapest import options. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	341.50	2.00	345.07
Steel Rebar FOB Turkey (\$/mt)	630.00	0.00	636.77
Argus HRC NW Europe (€/mt)	622.75	1.75	640.28
Argus FOB China HRC (\$/mt)	534.00	-2.00	522.00

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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