

02/12/2022**FOB China HRC**

The index kept stable yesterday (1.12.22) at US\$533/t, MTD US\$533/t.

Traders and producers' HRC inventories fell by 75,000t this week against last week's inventory decrease of 140,000t, market participants said. Jiangsu Shagang kept HRC ex-works price flat at Yn4,050/t for December delivery.

Major Chinese mills and traders held offers unchanged at equivalent of \$535-560/t fob China for SS400 HRC. Most seaborne buyers were silent as they were awaiting a clearer price direction. Offers rose to \$550-570/t cfr Vietnam for SAE1006-grade coil from Taiwan, Japan and China. Bids were unchanged at \$530-535/t cfr Vietnam. Traders with positional cargoes on hands were reluctant to take orders below \$540-550/t cfr Vietnam after seeing higher offers from China. (Argus)

Turkish Scrap

Turkish deepsea imported scrap prices extended gains Dec. 1 as steelmakers in Turkey continued purchases, sources said. Three new premium heavy melting scrap 1/2 (80:20) deals were cited, all showing steady price increases above \$370/mt CFR Turkey. A US-origin cargo, shipment in the second half of December, closed at \$378/mt CFR for HMS 1/2 (85:15) and \$395/ mt CFR for shredded and PNS scrap. Two new Baltic cargoes were cited, with prices for HMS 1/2 (80:20) fixed at \$373-\$374/mt and \$373/mt CFR Turkey. Platts assessed Turkish imports of premium HMS 1/2 (80:20) at \$374/mt CFR Dec. 1, up \$3/mt from Nov. 30. Several sell-side sources placed tradable values around \$380/ mt CFR and higher. A premium HMS 1/2 (80:20) supplier said they were not actively offering because they have little material in stock but would quote in the \$380-\$382.50/mt CFR Turkey range. The supplier said that bids were already indicated "just below \$380/ mt CFR".

However, higher indications from sellers could not be confirmed in the wider market. An EU scrap merchant said the minimum level for EU-origin HMS 1/2 (80:20) was \$370/mt CFR Turkey, with collection dock prices at Eur305/mt (\$320/mt) CFR. Another EU scrap seller said the availability of scrap was "not existent" and the collection cost increased to minimum Eur310-Eur315/mt (\$326-\$331/mt) with some offers as high as Eur320/mt (\$336/mt). A Turkish steel producer said \$380/mt CFR would be the near-term top level for premium quality HMS 1/2 (80:20) if a buyer was desperate. The producer said the scrap's price may flatline in the week starting Dec. 5 following hefty increases over the last two weeks. Shortsea scrap offers were in the \$358-\$360/mt range for Italian HMS 1/2 (80:20) origin and \$350-\$355/mt CFR for A3 grade from other origins. A shortsea scrap supplier said Bulgarian material was priced at \$350/mt CFR Turkey. An agent source cited some indicative offers from Romania at \$360/mt CFR Turkey that would not be acceptable by buyers until deepsea cargoes sell in the \$380s/mt CFR. Platts assessed Turkish imports of shortsea A3 grade at \$350/ mt CFR Dec. 1, up \$2.50/mt from Nov. 30. Platts is part of S&P Global Commodity Insights. (Platts)

EU HRC

Prices buoyed by talk of higher offers European hot-rolled coil (HRC) prices rose yesterday, as participants prepared for the market leader to up its prices. Argus' daily northwest Europe HRC index increased by €9/t to €611.25/t, while the daily Italian index rose by €2.75/t to €605.25/t. Mill sources said demand was beginning to grow — even in the north, where high inventories have to some extent insulated the market from the recent rises seen in Italy. There was talk in southern Europe that one large producer was about to increase its offer by €30/t, although nothing has been officially announced yet. The mill is offering €660/t delivered base into Italy, although Spanish buyers said they can still book around €600/t delivered base.

A large German buyer said mills were withdrawing longer-term open quotations, and were only ready to book short-term business out to February. In the futures market, a 10,000t trade for January concluded at €672/t, while a smaller tonnage traded at €670/t. The market remained in clear contango, with a December January spread trading at €30/t, with the outright prices at €630-660/t. A second quarter/third-quarter spread traded at €14/t, while a February-March spread traded at €15/t. Prices firmed on screen, perhaps in anticipation of higher physical offers. December traded up by €10/t, at €640/t, while January climbed by €25/t to €685/t, and February up €20/t to €710/t. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	374.00	3.00	374.00
Steel Rebar FOB Turkey (\$/mt)	662.50	12.50	662.50
Argus HRC NW Europe (€/mt)	611.25	9.00	611.25
Argus FOB China HRC (\$/mt)	533.00	0.00	533.00

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Dec-22	548	578	563
Jan-23	555	585	570
Feb-23	567	577	572
Q1-23	567	577	572
Q2-23	575	585	580
Q3-23	590	600	595

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Dec-22	377	387	382
Jan-23	375	385	380
Feb-23	372	382	377
Q1-23	372	382	377
Q2-23	365	375	370
Q3-23	359	369	364

LME REBAR FOB TK			
	Bid	Ask	Value
Dec-22	660	670	665
Jan-23	658	668	663
Feb-23	655	665	660
Q1-23	654	664	659
Q2-23	632	642	637
Q3-23	605	615	610

BUSHELING			
	Bid	Ask	Value
Dec-22	375	385	380
Jan-23	400	410	405
Feb-23	410	420	415
Q1-23	410	420	415
Q2-23	427	437	432
Q3-23	472	482	477

US HRC USD/short ton			
	Bid	Ask	Value
Dec-22	655	675	665
Jan-23	705	725	715
Feb-23	710	730	720
Q1-23	712	732	722
Q2-23	725	745	735
Q3-23	735	755	745

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Dec-22	630	650	640
Jan-23	665	685	675
Feb-23	695	705	700
Q1-23	690	700	695
Q2-23	711	721	716
Q3-23	730	740	735

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com