

05/12/2022**FOB China HRC**

The index rose by \$4/t last Friday (2.12.22) to US\$537/t, MTD US\$535/t.

Beijing, Tianjin, Guangzhou, and Chengdu will not require Covid tests for use of public transportation, including subway and buses from 2-5 December. Earlier the cities required passengers to show 48-72 hours Covid tests.

A north China mill lifted its offers for SS400 HRC by \$10/t from earlier this week to \$560/t fob. Other major Chinese mills have not adjusted their prices, but were not willing to take any orders, expecting prices to rise further this week. It was difficult to get any cargoes at prices lower than \$550/t fob China, traders said. But buyers were not active, and only a few bids came at equivalent price of \$525/t fob.

Offers for SAE1006 HRC were at \$550-580/t cfr Vietnam, with the upper end picking up by \$10/t from China. Buyers were silent but Chinese offer prices increased in line with the domestic level. An eastern China trader said they would wait and see rather than take orders at lower levels, as Chinese prices may rise further. (Argus)

Turkish Scrap

Turkish deepsea imported scrap prices continue rise ; Prices climb further on Venezuelan deal ; Buyers start to look for January shipment ; Prices supported by rebar sales

Turkish deepsea imported scrap prices moved up further Dec. 2 as buyers were clinching remaining December-shipment cargoes, sources said. A buyer in the Iskenderun region said he had to "choose whether to purchase [scrap for December shipment] or stop production." Subsequently he fixed a purchase of 32,000 mt Venezuelan HMS 1/2 (80:20) at \$381/mt CFR, closed Dec. 1. According to a few market participants, the Venezuelan cargo was similar to HMS 1/2 (90:10) in terms of quality and therefore justified paying over \$380/mt CFR level. A new Benelux-origin cargo was also reported to have been booked Dec. 1 at \$371/mt CFR Iskenderun for HMS 1/2 (80:20), which remained unconfirmed. This indicated roughly \$376/mt CFR for premium quality HMS 1/2 (80:20).

An earlier Benelux-origin booking, closed Nov. 29, was confirmed, with the price for HMS 1/2 (80:20) at \$371/mt CFR Izmir. The target prices from premium HMS 1/2 (80:20) were at minimum \$380/mt CFR, with tradable values reported by market participants anywhere between \$376-\$385/mt CFR. "There is good activity in scrap because the domestic rebar market is more active. There is some momentum in the market," a trader said. He noted that both domestic and export sales were bagged recently by some Turkish mills and offers for rebar jumped to \$660-\$680/mt FOB/ex-works. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$378.50/mt CFR Dec. 2, up \$4.50 from Dec.1. (Platts)

EU HRC

Mills suggest six-month auto deals Some European hot-rolled coil (HRC) producers have offered automobile makers half-yearly deals for 2023, as opposed to the typical yearly agreement normally adopted in the supply chain. Mills are trying to hold offers above €900/t, but realise such levels are unpalatable for buyers — sources within the supply chain suggest prices could settle around €750/t. Indeed, one automobile maker has reportedly agreed to such levels in Italy, although this could not be confirmed.

The spot market in the north remains largely quiet, although sources are anticipating a broad-based push for increases from producers. Some suggest the increases are purely psychological and linked to contract talks, rather than being justified by fundamentals — the north appears to have lagged the recent uptrend in Italy.

Argus' daily northwest EU HRC index was €610.50/t Friday, down by €0.75/t. The Argus daily Italian HRC index nudged down by €1.75/t to €603.50/t ex-works. An Italian mill is still quoting as high as €650/t to some buyers, but they say with sheet prices about €700/t, HRC at these levels is not viable. Service centres have this week started trying to implement increases and push prices up above €700/t delivered.

But certain sellers were heard Friday to be still taking orders at €600/t delivered Italy. An import offer from Taiwan was heard at €600/t cfr south Europe. A pickled and oiled offer was reported at €625-630/t cfr Italy from India. Japan remains out of the market. Traders said €590/t cfr can be obtained in the market. A Korean cold-rolled coil offer was heard at €645/t cfr. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	378.50	4.50	376.25
Steel Rebar FOB Turkey (\$/mt)	665.00	1.50	664.25
Argus HRC NW Europe (€/mt)	610.50	-0.75	610.88
Argus FOB China HRC (\$/mt)	537.00	4.00	535.00

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Dec-22	550	580	565
Jan-23	558	588	573
Feb-23	573	583	578
Q1-23	572	582	577
Q2-23	575	585	580
Q3-23	590	600	595

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Dec-22	380	390	385
Jan-23	377	387	382
Feb-23	375	385	380
Q1-23	374	384	379
Q2-23	365	375	370
Q3-23	359	369	364

LME REBAR FOB TK			
	Bid	Ask	Value
Dec-22	672	682	677
Jan-23	667	677	672
Feb-23	663	673	668
Q1-23	663	673	668
Q2-23	632	642	637
Q3-23	605	615	610

BUSHELING			
	Bid	Ask	Value
Dec-22	380	390	385
Jan-23	405	415	410
Feb-23	415	425	420
Q1-23	413	423	418
Q2-23	427	437	432
Q3-23	472	482	477

US HRC USD/short ton			
	Bid	Ask	Value
Dec-22	665	685	675
Jan-23	715	735	725
Feb-23	735	755	745
Q1-23	732	752	742
Q2-23	725	745	735
Q3-23	735	755	745

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Dec-22	635	655	645
Jan-23	675	695	685
Feb-23	705	715	710
Q1-23	702	712	707
Q2-23	711	721	716
Q3-23	730	740	735

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