

06/12/2022**FOB China HRC**

About 19 cities in China including Beijing, Tianjin, Shanghai, Chongqing, and Hangzhou, have removed Covid test requirements for use of public transportation from 2 December. Shanghai will also remove Covid test requirements for most public places from 6 December, except for closed areas like schools, hospitals, and restaurants etc. Jiangxi and Zhejiang provinces in eastern China said they will stop routine Covid tests from 5 December while Mianyang in Sichuan province also ended free Covid tests from 5 December. The government has also allowed people to buy medicines without registration, indicating less scrutiny.

Three Chinese mills lifted offers to \$580/t fob China for SS400 HRC after domestic sales prices rose and the Chinese yuan appreciated against US dollar. Other major Chinese mills chose to wait until today to announce new weekly offers, but were likely to push up offers. Traders raised offers to above \$570/t cfr Vietnam. Seaborne buyers were uncertain if Chinese price rises were sustainable. Only limited buyers expressed buying at equivalent of \$525/t fob China. Offers rose to \$570-590/t cfr Vietnam for Chinese SAE1006-grade coils, while mills from Japan and Taiwan were silent. Some Vietnamese buyers also lifted bids to \$540-555/t cfr Vietnam, but major buyers were silent awaiting a clear market trend. (Argus)

Turkish Scrap

Turkish deepsea imported scrap extended gains in the week started Dec. 5 as buyer gradually absorb higher prices and offers from suppliers. The last confirmed deal was for a Venezuelan cargo at \$381/ mt CFR Turkey for heavy melting scrap 1/2 (80:20) Dec. 2. More recent HMS 1/2 (80:20) cargoes heard Dec. 5 — ex-UK at \$373.50/mt CFR Marmara and ex-US at \$383/mt CFR Iskenderun — were denied by either the buyer or seller. HMS prices in Turkey have risen with a recovery in rebar prices in the country. A trader said domestic rebar offers were at \$690/ mt ex-works and export at \$680-\$690/mt FOB.

The asking prices for premium HMS 1/2 (80:20) were indicated above \$380/mt CFR. Buyers, already paying much higher prices than two weeks ago, were trying to stabilize them at a maximum \$375/mt CFR for EU material and around \$380/mt CFR for US and Baltic cargoes. Sources cited the highest indications for tradable values in the low-\$380s/mt for US-origin HMS 1/2 (80:20). An agent estimated that \$380/mt CFR Turkey for premium deepsea HMS 1/2 (80:20) was workable for January shipment. "I still think there is room to go up as there's still demand," the agent said.

Turkish buyers would seek January shipments offered by a larger number of suppliers after the December shipment campaign was over, potentially slowing the price uptrend. An agent source said the workable level for premium HMS 1/2 (80:20) was already close to \$390/mt CFR Turkey. Other sources were more conservative. A trader said Turkish steelmakers need to sell rebar in the \$685-\$690/mt FOB range, which was not the case yet. Platts assessed the daily rebar price at \$670/mt FOB Turkey Dec. 5, up \$7.50/mt from Dec. 2. The trader doubted if Turkish buyers would pay over \$380/mt CFR for scrap unless they sell rebar at higher prices first. A Baltic scrap recycler said the "real" price for premium HMS 1/2 (80:20) was \$380/mt CFR Turkey. He sold a January shipment to a Marmara mill, with HMS 1/2 (80:20) price based on the threeweek reporting agency assessment average, including Platts. He warned that collections were low — currently about half the usual quantity — and are unlikely to recover until after winter. Shortsea scrap bookings were in the \$357-\$360/mt CFR range, December shipment, an agent said, adding that asking prices were \$370/mt CFR. (Platts)

EU HRC

European hot-rolled coil (HRC) prices appear to be stabilizing, as the quieter holiday period approaches and as mills have sold a substantial amount of their January delivery allocations. In addition, the lowest import offers have disappeared, as certain Asian mills hold back from the European market on concerns that the European Commission will crack down on them. The Argus daily northwest EU HRC index increased by €2.50/t to €613/t ex-works, while the Italian index rose by €1.50/t to €605/t ex-works.

European mills continue to push for higher prices across the bloc, as they see an opportunity to lower loss-making into the new year. Not many sales are expected to be concluded over the next few weeks, as buyers booked in the second half of November and as sellers are more relaxed about their order books now. But market participants say the market is still not stable enough, and if a buyer were to present a firm bid for a larger amount of HRC, mills would be open to discounts of €20-30/t from their target prices. A trader reported an export HRC offer from a EU mill at €600/t fob for north Africa and for January readiness — EU sellers would often look to the Middle East and north Africa region to offload pressure from order books, especially during term contract negotiation periods. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	380.00	1.50	376.25
Steel Rebar FOB Turkey (\$/mt)	670.00	5.00	664.25
Argus HRC NW Europe (€/mt)	613.00	2.50	610.88
Argus FOB China HRC (\$/mt)	545.00	8.00	535.00

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Dec-22	555	585	570
Jan-23	560	590	575
Feb-23	573	583	578
Q1-23	573	583	578
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	375	385	380
Q2-23	365	375	370
Q3-23	359	369	364

LME REBAR FOB TK			
	Bid	Ask	Value
Dec-22	670	680	675
Jan-23	665	675	670
Feb-23	662	672	667
Q1-23	662	672	667
Q2-23	642	652	647
Q3-23	605	615	610

BUSHELING			
	Bid	Ask	Value
Dec-22	380	390	385
Jan-23	405	415	410
Feb-23	410	420	415
Q1-23	410	420	415
Q2-23	428	438	433
Q3-23	435	445	440

US HRC USD/short ton			
	Bid	Ask	Value
Dec-22	655	675	665
Jan-23	705	725	715
Feb-23	725	745	735
Q1-23	722	742	732
Q2-23	745	765	755
Q3-23	760	780	770

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Dec-22	625	645	635
Jan-23	680	700	690
Feb-23	700	710	705
Q1-23	698	708	703
Q2-23	734	744	739
Q3-23	752	762	757

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