

07/12/2022

**FOB China HRC**

The index rose by \$9/t yesterday (6.12.22) to US\$554/t, MTD US\$542.25/t.

China Iron and Steel Association member mills' crude steel output rose by 1.32pc from 11-20 November to 2.0285mn t/d over 21-30 November. Major Chinese mills pushed up offers to \$574-580/t fob China for SS400 HRC. Most of them were reluctant to take orders below \$570-575/t fob China. Traders also increased offers to equivalent of \$555-565/t fob China. Major seaborne buyers were silent, on poor regional demand and with the Chinese domestic spot and paper prices softening in the afternoon. Only limited buyers expressed buying interest at equivalent of around \$535-545/t fob China.

South Korean steel demand was weak and local truckers' strike has little impact on its domestic or imported steel delivery. Most South Korean buyers held steel inventory enough for around 1-2 months of normal operations. In addition, Japanese mills offers were much lower at \$510-515/t fob Japan, leaving Chinese offers unattractive to South Korean buyers, participants said.

Offers rose to \$570-590/t cfr Vietnam for Chinese SAE1006-grade coils, with some sellers reluctant to sell below \$585/t cfr Vietnam. Most Vietnamese buyers were silent as they expect the sharp price rise to be short-lived. Some buyers with immediate needs lifted bids to \$560-580/t cfr Vietnam, yet no deals were concluded. (Argus)

**Turkish Scrap**

Turkish import deepsea scrap prices continued to rise Dec. 6, as purchasing for prompt and January shipments continued. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$382/mt CFR Dec. 6, up \$2/mt. The assessment has increased \$45.50/mt from a recent low of \$336.50/mt CFR in mid-November.

"[Finished steel] sales are slowing down I think in Turkey, so we might see a lack of cargo and lack of purchases," a Turkish mill source said, noting that very few domestic rebar sales were done at the new mill offer levels of \$690/mt EXW. The Turkish mill source saw premium HMS 1/2 (80:20) at \$385/mt CFR but said the quality of Venezuela-origin cargo would not be confirmed until its arrival in Iskenderun. A second Turkish mill source said premium HMS 1/2 (80:20) was not available below \$380/mt CFR.

A Venezuela-origin deal totaling 17,000-18,000 mt was booked Dec. 6 by an Iskenderun mill, with HMS 1/2 (90:10) at \$385/mt CFR, for prompt shipment. The cargo was heard to be sold as HMS 1/2 (80:20) but the quality was considered HMS 1/2 (90:10). This was contested by other market participants who saw Venezuelan material as HMS 1/2 (80:20) grade. "There is no scrap whoever ... I have talked with our suppliers," one Turkish agent source said, citing an indicative seller tradable value for US/Baltic-origin HMS 1/2 (80:20) around \$390- \$400/mt CFR. (Platts)

**EU HRC**

Volumes on US exchange operator CME Group's north European hot-rolled coil (HRC) futures contract continue to climb, surpassing US HRC volumes in recent days. The north European contract saw 1,151 lots trade on 5 December, equating to 23,020t, while the US contract saw 1,104 lots clear, equating to 22,080 short tons, or 20,030t. North European HRC traded 855 lots on 1 December, versus 797 lots on the US contract. There have been a number of 10,000t trades in recent days, the highest single monthly clip since the European contract launched in March 2020.

In December so far, 46,520t have traded. October was the highest ever month for volume, with over 120,000t trading. Monthly volumes have surpassed 100,000t for four months in a row, with almost 850,000t trading over the year to date, compared with 277,020t in the whole of 2021. CME's north European contract traded just over 1.2mn t in its first 33 months — March 2020-November 2022. The US contract traded 871,480st, equating to 790,593t, in its first 33 months, after it launched in October 2008. The north European HRC contract cash settles against the Argus daily northwest EU HRC index. (Argus)

## Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	382.00	2.00	378.63
Steel Rebar FOB Turkey (\$/mt)	670.00	0.00	667.13
Argus HRC NW Europe (€/mt)	622.75	9.75	614.38
Argus FOB China HRC (\$/mt)	545.00	9.00	542.25

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Dec-22	550	580	565
Jan-23	555	585	570
Feb-23	570	580	575
Q1-23	569	579	574
Q2-23	575	585	580
Q3-23	590	600	595

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Dec-22	378	388	383
Jan-23	375	385	380
Feb-23	374	384	379
Q1-23	374	384	379
Q2-23	365	375	370
Q3-23	359	369	364

LME REBAR FOB TK			
	Bid	Ask	Value
Dec-22	668	678	673
Jan-23	665	675	670
Feb-23	663	673	668
Q1-23	663	673	668
Q2-23	642	652	647
Q3-23	605	615	610

BUSHELING			
	Bid	Ask	Value
Dec-22	380	390	385
Jan-23	400	410	405
Feb-23	405	415	410
Q1-23	405	415	410
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	710	730	720
Feb-23	725	745	735
Q1-23	723	743	733
Q2-23	743	763	753
Q3-23	758	778	768

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Dec-22	625	645	635
Jan-23	675	695	685
Feb-23	695	705	700
Q1-23	695	705	700
Q2-23	735	745	740
Q3-23	753	763	758

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