

08/12/2022**FOB China HRC**

The index kept flat yesterday (7.12.22) at US\$554/t, MTD US\$544.60/t.

China announced 10 more measures to loosen Covid-19 controls but the market sentiment did not improve. China's national health commission announced 10 measures that further loosen Covid curbs. These include relaxing quarantine and testing requirements, more targeted lockdown measures and encouraging vaccination among the elderly. Areas that are not designated "high risk" will be forbidden from halting business.

Sellers held offers unchanged at equivalents of \$565-580/t fob China for SS400 HRC, with bids at \$525-545/t fob China. Most seaborne buyers were silent as they were uncertain about the market trend. Certain South Korean buyers with immediate needs could accept \$560/t fob China but for small quantity orders.

Vietnamese buyers lifted bids to \$550-570/t cfr Vietnam with offers at \$575-602/t cfr Vietnam from China. Indian mills re-entered the market after a long period of absence, offering at \$590-600/t cfr Vietnam but their prices were unattractive to Vietnamese buyers. Limited buyers could accept \$580-585/t cfr Vietnam for SAE-grade coil, while others were unlikely to accept those offers because of the tight cash liquidity. (Argus)

Turkish Scrap

Turkish import deepsea scrap prices continued to increase Dec. 7 as two further EU-origin cargoes were heard into Turkey. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$385/mt CFR Dec. 7, up \$3/mt day on day.

The assessment has increased \$48.50/mt since a recent low of \$336.50/mt CFR in mid-November, when the recent round of mill restocking began. An EU-origin deal totaling 22,000 mt was booked Dec. 7 by an Iskenderun mill, with 9,000 mt HMS 1/2 (80:20) at \$380/mt CFR, 6,000 mt shredded scrap and 7,000 mt bonus scrap at \$400/mt CFR each. The deal was confirmed by both the buyer and sellside for second half January shipment. A second EU-origin cargo was booked Dec. 6 by an Izmir mill, with HMS 1/2 (80:20) at \$379/mt CFR. The deal was confirmed by the sellside for January shipment.

HMS collection prices were largely heard at Eur310-320/mt delivered to the dock in the Benelux region, while the strong euro was also putting upside pressure on the US dollar-denominated CFR Turkey price. "Sub-suppliers caught the bug and seem to demand ridiculous prices," one EU recycler said. "[HMS dock prices] should be max Eur310-315/mt delivered, but some want more." The recycler added that below \$378/mt CFR for Benelux-origin HMS 1/2 (80:20) was no longer possible. (Platts)

EU HRC

Italian hot-rolled coil (HRC) prices moved up further yesterday, while the northern market was static. The Argus daily Italian HRC index increased again to €615/t ex-works, up by €5.75/t on the day, while the northwest marker was unmoved at €622.75/t.

An Italian mill has started talking about a second increase next week, although it is yet to achieve higher prices after it sold a significant amount in November. Market participants suggest it will look to implement another €20-30/t increase. The seller is not expected to conclude much business over the weeks leading up to Christmas, as buyers have stepped back and will likely return to purchasing in the new year.

There is continued talk that the market leader will increase its offer to €700/t, but this could not be confirmed. Indian HRC was today heard offered at €620/t cfr into Iberia. Korean HRC was available into Italy at €595/t cfr, with some buyers pushing for €590/t cfr, whereas most bids were at €570-580/t cfr. Requests for South Korean coldrolled coils (CRC) were heard at €660/t cfr for end-February shipment.

Offers from Egypt are expected by some traders at \$610/t fob. Taiwan was understood to be off market, as was Japan. A number of sellers appear to be holding off while some, such as Japan, are concerned about a potential investigation by the EU, and others are expecting that prices would rise. Japanese and South Korean mills are still content to offer into the UK, where there has been no talk of a potential anti-dumping investigation. (Argus)

Market Rates

| Indices | Price | Change | MTD |
|---|--------|--------|--------|
| Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt) | 382.00 | 3.00 | 379.90 |
| Steel Rebar FOB Turkey (\$/mt) | 672.50 | 2.50 | 668.20 |
| Argus HRC NW Europe (€/mt) | 622.75 | 0.00 | 616.05 |
| Argus FOB China HRC (\$/mt) | 554.00 | 0.00 | 544.60 |

| LME HRC FOB TIANJIN CHINA USD/mt | | | |
|----------------------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Dec-22 | 559 | 589 | 574 |
| Jan-23 | 562 | 592 | 577 |
| Feb-23 | 574 | 584 | 579 |
| Q1-23 | 574 | 584 | 579 |
| 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 | 377 | 387 | 382 |
| Feb-23 | 375 | 385 | 380 |
| Q1-23 | 376 | 386 | 381 |
| Q2-23 | 368 | 378 | 373 |
| Q3-23 | 359 | 369 | 364 |

| LME REBAR FOB TK | | | |
|------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Dec-22 | 670 | 680 | 675 |
| Jan-23 | 666 | 676 | 671 |
| Feb-23 | 664 | 674 | 669 |
| Q1-23 | 664 | 674 | 669 |
| Q2-23 | 642 | 652 | 647 |
| Q3-23 | 605 | 615 | 610 |

| BUSHELING | | | |
|-----------|-----|-----|-------|
| | Bid | Ask | Value |
| Dec-22 | 385 | 395 | 390 |
| Jan-23 | 405 | 415 | 410 |
| Feb-23 | 415 | 425 | 420 |
| Q1-23 | 413 | 423 | 418 |
| Q2-23 | 428 | 438 | 433 |
| Q3-23 | 435 | 445 | 440 |

| US HRC USD/short ton | | | |
|----------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Dec-22 | 645 | 665 | 655 |
| Jan-23 | 705 | 725 | 715 |
| Feb-23 | 720 | 740 | 730 |
| Q1-23 | 718 | 738 | 728 |
| Q2-23 | 741 | 761 | 751 |
| Q3-23 | 760 | 780 | 770 |

| NWE HRC EUR/metric ton | | | |
|------------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Dec-22 | 620 | 640 | 630 |
| Jan-23 | 680 | 700 | 690 |
| Feb-23 | 700 | 710 | 705 |
| Q1-23 | 698 | 708 | 703 |
| Q2-23 | 733 | 743 | 738 |
| Q3-23 | 755 | 765 | 760 |

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