

12/12/2022

**FOB China HRC**

The index rose by \$8/t last Friday (9.12.22) to US\$569/t, MTD US\$550.43/t. Economic growth stability will be the country's top economic priority in 2023, China's Politburo-the Chinese Communist Party's decision-making body-said following its meeting on 6 December. The country's annual central economic work conference, which sets the tone for next year's economic policy, is scheduled to take place this week. Stimulus measures are expected to be rolled out this week, especially those supporting the property sector. China has "optimized" its Covid-19 control policies recently and its economy will continue to rise, the country's premier, Li Keqiang, said at a meeting with the World Bank on 8 December.

Chinese SS400 HRC cargoes were sold at the equivalent of \$559-579/t fob China over the last two days of last week. Most were sold to buyers in Vietnam. Buyers, including traders, failed to guarantee coils at lower prices from Chinese mills after some of them withdrew offers in the afternoon of last Friday on expectations of a further price rise this week. Offers rose to \$595-600/t cfr Vietnam for SAE1006-grade coil from China and India. (Argus)

**Turkish Scrap**

Turkish import deepsea scrap prices remained firm Dec. 9, as Turkish mills pulled back from January shipment purchasing over uncertainty about near-term finished steel demand. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$387.50/mt CFR Dec. 9, up \$2.50/mt on the day. A UK-origin deal was booked earlier in the week started Dec. 5 by an Izmir mill, with HMS 1/2 (80:20) at \$384/mt CFR, for prompt shipment. The deal was confirmed by the sell side. Market sources said the deal put premium HMS 1/2 (80:20) \$389-\$390/mt CFR but this level was not considered repeatable amid buyer silence. A Turkish agent source said above \$385/mt CFR was only possible for December shipment cargoes of US/Baltic-origin for HMS 1/2 (80:20), with very limited availability heard for this loading date.

"Three weeks ago, nobody had any scrap quantities to keep melting, so everyone had to buy and was expecting some rebound," one Turkish mill source said, citing an indicative tradable value for US/Baltic-origin HMS 1/2 (80:20) at \$382-\$385/mt CFR. "Someone would pay this level [for scrap] but even then, they would need to see extra appetite for finished steel sales." A second Turkish mill source considered US/Baltic-origin HMS 1/2 (80:20) as workable at \$385/mt CFR on a firm bid. Sellside offers remained elevated amid continued slow scrap collection rates and firm dockside pricing. HMS collection prices remained at Eur310-320/mt delivered to the dock in the Benelux region, although some exporters tried to lower their bid prices to Eur310/mt delivered. In the UK, HMS collection prices were heard at GBP245-250/mt delivered to the dock, while on the US East Coast, HMS collections prices were largely heard at \$265-\$280/mt delivered to the dock, with \$280-\$290/mt paid for remote tons.

An EU supplier cited indicative tradable values for Baltic origin HMS 1/2 (80:20) at \$390/mt CFR, and for EU-origin HMS 1/2 (80:20) at \$384-\$385/mt CFR, for prompt December shipment, but added that these levels were too high to be workable for January shipment. A Baltic recycler cited an indicative seller tradable value for Baltic-origin HMS 1/2 (80:20) at \$389/mt CFR but was unsure if it can be achieved Dec. 9. Platts assessed Turkish export rebar at \$670/mt FOB Turkey on Dec. 9, unchanged on day. The daily outright spread between Turkish export rebar and import scrap was assessed at \$282.50/mt Dec. 9. (Platts)

**EU HRC**

North European hot-rolled coil (HRC) prices firmed further Friday as some sellers announced price increases. A mill in the Visegrad region increased its offer to €700/t delivered and there was continued talk the market leader would soon emerge with a similar quotation. It has a customer event in Prague next week, where sources anticipate the announcement could be made.

Buyers said more mills were withdrawing volumes and pushing for €30/t increases for the first quarter, while import offers also appeared to have dried up to an extent. Traders said offers into Antwerp were above \$630/t cfr now. At such levels there is little incentive for buyers when domestic material is available at similar prices on shorter lead times.

A service centre reported purchasing at €640/t, while another said offers had moved to €650/t from the low €600s/t. Argus' daily northwest EU HRC index rose by €11.75/t to €635.50/t, while the daily cold-rolled coil assessment increased by €10/t to €630/t. The daily Italian HRC index was unchanged at €615/t, as national holidays continued to stymie trading. In the futures market, a 5,000t December trade went through on CME at €655/t, while January rose by €20/t on screen to €715/t. (Argus)

## Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	387.5	2.50	381.71
Steel Rebar FOB Turkey (\$/mt)	670	0.00	668.71
Argus HRC NW Europe (€/mt)	635.5	11.75	619.93
Argus FOB China HRC (\$/mt)	569.00	8.00	550.43

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Dec-22	570	600	585
Jan-23	590	620	605
Feb-23	595	605	600
Q1-23	596	606	601
Q2-23	582	592	587
Q3-23	590	600	595

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Dec-22	385	395	390
Jan-23	385	395	390
Feb-23	384	394	389
Q1-23	384	394	389
Q2-23	370	380	375
Q3-23	359	369	364

LME REBAR FOB TK			
	Bid	Ask	Value
Dec-22	670	680	675
Jan-23	667	677	672
Feb-23	665	675	670
Q1-23	665	675	670
Q2-23	642	652	647
Q3-23	605	615	610

BUSHELING			
	Bid	Ask	Value
Dec-22	390	400	395
Jan-23	410	420	415
Feb-23	410	420	415
Q1-23	410	420	415
Q2-23	423	433	428
Q3-23	435	445	440

US HRC USD/short ton			
	Bid	Ask	Value
Dec-22	646	666	656
Jan-23	725	745	735
Feb-23	745	765	755
Q1-23	742	762	752
Q2-23	753	773	763
Q3-23	758	778	768

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Dec-22	637	657	647
Jan-23	695	715	705
Feb-23	710	720	715
Q1-23	710	720	715
Q2-23	735	745	740
Q3-23	753	763	758

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