

14/12/2022

FOB China HRC

The index rose by \$2/t yesterday (13.12.22) to US\$577/t, MTD US\$556.11/t. Physical trade slowed as the market awaited China's monthly economic data that is expected to be released this week. The US Federal Reserve's final meeting of the year, scheduled for later this week, is being watched for indications on the central bank's 2023 policies.

Two large Chinese mills lifted weekly offers for SS400 HRC by \$20-25/t to \$595-600/t fob China. Other major Chinese mills kept offers unchanged or raised them to \$590-600/t fob China. Most seaborne buyers were inactive, especially after seeing the drop in Chinese spot and paper prices. The highest bids would be around \$585/t cfr Vietnam or South Korea. A deal for 10,000t SS400 HRC, produced by a north China mill, was concluded at \$585/t cfr Vietnam this week. The market was quiet in Vietnam with offers stable at \$590-610/t cfr Vietnam for SAE1006-grade coil from India and China. Vietnamese buyers were still awaiting for local mill Formosa Ha Tinh's monthly offers. (Argus)

European HRC

European hot-rolled coil (HRC) prices increased yesterday as more mills pulled offers, and competitive import offers dried up somewhat. Argus' daily northwest EU HRC index rose by €14.25/t to €649.75/t ex-works, while the daily Italian index increased by €13/t to €628/t ex-works. A large producer was offering €685/t across Europe, while another HRC producer said it had withdrawn from the market after making sales around €650-660/t delivered base into the Ruhr. End-demand has increased in response to the recent uptick. One Italian service centre said it was now offering at €750/t delivered, although others said €700/t was still available. German market participants were talking about the increase in car production, suggesting automotive demand for steel could be firmer next year.

There was talk of Egyptian material sold into Spain at \$665/t cfr, for prompt shipment, although some said this was too high. An Indian producer has upped its offer to €620/t cfr Italy, up by €20/t. Taiwanese HRC was offered at around \$600/t cfr, but for mid-March shipment. Indonesian HRC was offered into Antwerp at around \$640/t (€601) cfr. In the futures market, a first-quarter strip traded on CME Group at €715/t. (Argus)

Turkish Scrap HMS 80:20

Turkish import deepsea scrap prices remained rangebound Dec. 13, as Turkish mills held back amid poor steel demand, while suppliers held offers high. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$387/mt CFR Dec. 13, down 50 cents/mt on day.

A Turkish mill source cited an indicative buyer tradable value for US/Baltic-origin HMS 1/2 (80:20) below \$380/mt CFR amid poor finished steel demand, adding that there was no mill interest for offers for US/Baltic-origin HMS 1/2 (80:20) heard at \$395/mt CFR. Platts assessed Turkish export rebar at \$667.50/mt FOB Turkey on Dec. 13, down \$2.50/mt on day, as mill sources lowered offers in search of finished steel demand. The daily outright spread between Turkish export rebar and import scrap was assessed at \$280.50/mt Dec. 13, down \$2/mt on day. Some sell-side sources expected a slight softening in the near term amid the weaker rebar prices. "The market has been quiet the last couple of days, it's difficult to say about prices but we are expecting around \$380/mt for premium HMS 1/2 (80:20)," one Turkish agent source said.

The weaker US dollar put upward may also put upward pressure on the CFR Turkey assessment. Platts assessed the euro at \$1.0657 at 4.30 pm London time on Dec. 13, up sharply on day from \$1.0543 Dec. 12 to its highest level since late June after US consumer price inflation rose less than expected in November. The shortsea scrap market softened Dec. 13, as Turkish mill bids for Bulgaria-origin A3 were heard at \$360/mt CFR. Platts assessed shortsea A3 scrap at \$365/mt CFR Dec. 13, down \$5/mt on day. "Everyone who needed prompt shipment managed to arrange it now, so there's no rush for material before the holidays – the general sentiment is a bit bearish but my sense and information is that the market will become rangebound between \$355-\$365/mt CFR Turkey until early January," one shortsea supplier said. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	387	-0.50	382.94
Steel Rebar FOB Turkey (\$/mt)	667.5	-2.50	668.72
Argus HRC NW Europe (€/mt)	649.75	14.25	624.97
Argus FOB China HRC (\$/mt)	577.00	2.00	556.11

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Dec-22	570	600	585
Jan-23	588	618	603
Feb-23	595	605	600
Q1-23	595	605	600
Q2-23	582	592	587
Q3-23	590	600	595

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Dec-22	387	397	392
Jan-23	382	392	387
Feb-23	380	390	385
Q1-23	380	390	385
Q2-23	381	391	386
Q3-23	372	382	377

LME REBAR FOB TK			
	Bid	Ask	Value
Dec-22	667	677	672
Jan-23	661	671	666
Feb-23	658	668	663
Q1-23	659	669	664
Q2-23	642	652	647
Q3-23	622	632	627

BUSHELING			
	Bid	Ask	Value
Jan-23	405	415	410
Feb-23	415	425	420
Mar-23	420	430	425
Q1-23	413	423	418
Q2-23	425	435	430
Q3-23	435	445	440

US HRC USD/short ton			
	Bid	Ask	Value
Dec-22	662	682	672
Jan-23	740	760	750
Feb-23	755	775	765
Q1-23	752	772	762
Q2-23	767	787	777
Q3-23	777	797	787

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Dec-22	627	647	637
Jan-23	700	720	710
Feb-23	715	725	720
Q1-23	715	725	720
Q2-23	737	747	742
Q3-23	753	763	758

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