

**16/12/2022****FOB China HRC**

The index rose by \$7/t (15.12.22) at US\$584/t, MTD US\$560.55/t.

China's November crude steel outputs fell by 3.4pc from October to 2.48mn t/d, and the January-November crude steel output fell by 1.4pc from one year earlier to 935.11mn t, China's National Bureau of Statistics (NBS) said on 15 December. The steel production for the whole year was expected to be lower from 2021, participants said.

Major Chinese mills kept offers firm at \$590-600/t fob for SS400 HRC, with limited room for negotiations, as they expected steel prices to move up further. Some trading firms lifted offers by \$10/t to \$600-610/t cfr Vietnam to catch up with its domestic level. Formosa Ha Tinh updated its new monthly offers on 15 December, raising HRC prices by \$55/t from November to \$605-610/t cif for SAE1006 grade HRC. Some local buyers said a level at \$600-605/t cif could be reached too from Formosa depending on quantities. Traders said Formosa would get active bookings from its buyers this time, as its prices were much lower than offers from China at \$625/t cfr Vietnam. (Argus)

**European HRC**

Italy rises more European hot-rolled coil (HRC) prices firmed again yesterday. The Argus daily Italian HRC index rose by €2.25/t to €631.25/t ex-works, while the twice-weekly cif Italy HRC assessment edged up by €5/t to €605/t. Argus' daily northwest Europe HRC index nudged down to €649.75/t ex-works. The Italian HRC market has moved up substantially from late-November deals, when for some tonnages producers needed to take what buyers were willing to pay — this stimulated restocking among buyers as they saw the market bottoming out. With order books in a healthier position, and a sufficient amount of service centres (SSCs) managing to bring down stock levels for end of the year financial purposes, producers have been emboldened to seek higher prices. Some said inventories and new orders this month are comparable with December last year. These prices have even been accepted in some cases, for back-to-back business by certain SSCs, which were able to secure a higher price from their clients.

That said, not all SSCs have optimised inventories, as they saw indications that HRC prices were moving up and were expecting a fast increase in sheet values too. But sheet prices have not moved up as quickly, so some SSCs were still hungry for volumes and selling sheet at unreasonable prices, given where HRC stands now. Big orders for sheets were still being concluded at €700/t delivered, whereas most targets have now been adjusted to €750/t. Some SSCs plan to raise up to €800/t delivered into the new year, but were achieving around €730/t recently. In the meantime, mills were heard to be dipping in and out of the market, tabling an offer and withdrawing it a few days later, possibly with a view to stoking further concern about a price rally in the first quarter. Big buyers were heard to be still able to find HRC at €620/t, but with current scrap pricing and also import levels, mills were looking at moving closer to €650/t ex-works or delivered. (Argus)

**Turkish Scrap HMS 80:20**

Turkish deepsea imported scrap prices stagnate as mills hesitate to buy HMS 1/2 (80:20) prices stay flat on day. Offers at \$390/mt CFR Turkey gain no traction. Buyers stand in wait-and-see mode.

Turkish deepsea imported scrap prices stagnated Dec. 15 as buyers stalled the remaining purchases for January shipments, waiting for an uptick in rebar demand. The near-term scrap price development will depend on whether the demand for Turkish finished products returns, an agent source said. Sources did not expect any dramatic moves in pricing either way in the near term. As Turkish long steel producers struggled to sell their products, they were also hesitating to book scrap, another agent said. "All the buyers have stepped back," the second agent added.

Market players said trading activity in the scrap market was low during the week. Several sources cited an unconfirmed new US booking for January shipment, including HMS 1/2 (80:20) at \$388/mt CFR and shredded scrap at \$408/mt, CFR Izmir. While the deal was denied by the seller, a few sources considered the prices to be realistic. A Turkey-based mill source said that generally steelmakers in Turkey were reluctant to buy HMS 1/2 (80:20) at around \$388/mt CFR, but on the other hand they might have to pay this level, as January shipments were not secured by all buyers and the supply was limited. Another Turkey-based mill source said that suppliers of premium HMS 1/2 (80:20) pushed for \$390/mt CFR, but there was no chance for buyers to accept it. He believed that some mills in Turkey may still be interested to purchase at \$380-\$385/mt CFR. (Platts)

# Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	387	0.00	383.68
Steel Rebar FOB Turkey (\$/mt)	662.5	0.00	667.36
Argus HRC NW Europe (€/mt)	649.75	-1.25	629.59
Argus FOB China HRC (\$/mt)	584.00	7.00	560.55
US HRC CRU	618.00	-8.00	618.00
No.1 BUS	400.00	40.28	400.00

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Dec-22	570	600	585
Jan-23	592	622	607
Feb-23	599	609	604
Q1-23	599	609	604
Q2-23	583	593	588
Q3-23	590	600	595

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Dec-22	387	397	392
Jan-23	380	390	385
Feb-23	377	387	382
Q1-23	377	387	382
Q2-23	379	389	384
Q3-23	372	382	377

LME REBAR FOB TK			
	Bid	Ask	Value
Dec-22	667	677	672
Jan-23	661	671	666
Feb-23	654	664	659
Q1-23	656	666	661
Q2-23	642	652	647
Q3-23	622	632	627

BUSHELING			
	Bid	Ask	Value
Jan-23	420	430	425
Feb-23	430	440	435
Mar-23	433	443	438
Q1-23	428	438	433
Q2-23	435	445	440
Q3-23	435	445	440

US HRC USD/short ton			
	Bid	Ask	Value
Dec-22	667	687	677
Jan-23	775	795	785
Feb-23	785	805	795
Q1-23	783	803	793
Q2-23	797	817	807
Q3-23	801	821	811

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Dec-22	647	667	657
Jan-23	725	745	735
Feb-23	740	750	745
Q1-23	740	750	745
Q2-23	753	763	758
Q3-23	753	763	758

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