

19/12/2022

FOB China HRC

The index rose by \$1/t (16.12.22) at US\$585/t, MTD US\$562.58/t. Market sentiment weakened after China's central government NDRC voiced on 16 December that the related administrative institutions will strengthen inspections on price manipulations and illegal hoardings. But major Chinese mills kept export prices firm because of tight supply in seaborne market.

Major Chinese mills' offers were unchanged at \$590-600/t fob for SS400 HRC, but the lower end price was of limited supply. A north China mill lifted offers to above \$605/t fob amid active bookings. Traders' offers were firm at \$600-610/t cfr Vietnam, and some buyers lifted bid levels to \$590-595/t cfr Vietnam from \$585/t cfr earlier this week. After Vietnam local supplier, Formosa Ha Tinh set HRC prices at \$605-610/t cif in its domestic market on 15 December, some stockists in Vietnam were seeking to build stocks at \$600-605/t cfr Vietnam for SAE1006 HRC originating from China. Deals for Chinese SAE1006 HRC were concluded at \$600-615/t cfr Vietnam this week. (Argus)

European HRC

North European and Italian hot-rolled coil (HRC) prices nudged higher again Friday as service centres continued to restock. Argus' daily northwest EU HRC index rose by €5.25/t to €655/t ex-works. Most mills were offering €675-700/t base parity or had withdrawn from the market until January. Some producers have quietly informed buyers of the increases and will officially announce in January. A German producer said it was booked until week 10 (6- 10 March) for HRC and until week 13 for hot-dip galvanized, helped by stronger direct demand from automakers. No contract talks have been settled yet, but mills are still pushing for more than €800/t in their 2023 discussions, with some offering atypical half-yearly deals to automakers.

A big tonnage of South Korean HRC was reportedly sold at about €600/t cfr, and Turkish producers said they were getting brisk demand from north European buyers too. A European trading firm said it closed a deal with one north European producer for 2,000t for north Africa at €620/t fob. In the futures market, January traded at €730/t on the Comex (CME), while a first-quarter trade was done at €735/t and a second-quarter trade at €755/t. The daily Italian HRC index nudged up by €0.75/t to €632/t ex-works. Mills were not willing to go far below €640-650/t ex works or delivered for larger lots, and the market expectation is that buyers would come back to purchasing in the first half of January.

A north EU mill was offering at €680/t delivered Italy for February. South Korean HRC was heard to have been offered Friday at €640/t cfr Italy for March-April shipment — far too high to be workable for buyers, as it is comparable with domestic mills, and also on a lengthy lead time. The white goods sector was heard to have bought substantial amounts for the first quarter and some even for the first half of next year, which meant enquiries to importers were also high as buyers were trying to gauge how competitive the domestic market was. South Korean cold-rolled coil (CRC) was heard to have been offered at €700/t cfr, but deals last week were done at as low as €650-660/t cfr, some of which have had to be renegotiated this week. Japan was still heard to be out of market, whereas another Asian mill was offering CRC at €680-690/t cfr Italy. (Argus)

Turkish Scrap HMS 80:20

Turkish imported deepsea scrap prices remained stable as more new bookings of remaining January shipments were yet to be confirmed. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$387/mt CFR Dec. 16, unchanged from Dec. 15. Sources were waiting to see whether Turkish buyers would return to the market to book again premium HMS 1/2 (80:20) in the high \$380s/mt CFR Turkey.

A scrap merchant believed that \$387-\$388/mt CFR Turkey was still workable for US cargoes provided the shipment was in the first half of January. Late January shipments may fetch slightly lower prices, the merchant added. He sold a Baltic cargo for the shipment in late January at \$380/mt CFR Iskenderun, closed in the week to Dec. 9. He added that some suppliers, offering shipment no later than first half of January, managed to push the prices to over \$380/mt CFR. For longer lead times, Turkish buyers were more resistance.

Another older unconfirmed deal, US-origin, was reported at \$384/mt CFR Izmir, several sources said. A scrap seller said that most suppliers stuck to their offers above \$385/mt CFR Turkey during the week. He added that Turkish importers were ready to pay above \$380/mt CFR for premium HMS 1/2 (80:20) but suppliers were pushing for closer to \$390/mt CFR. The scrap demand was sufficient to resist buyers' downward pressure, the scrap dealer said. The EU sellers were not giving discounts either. An agent said that the EU-origin HMS 1/2 (80:20) was available at minimum \$380/mt CFR. A Benelux recycler said that the market was "firm" and scrap collections were "very bad." He estimated the workable levels for HMS 1/2 (80:20) between \$380-\$390/mt CFR Turkey. In the shortsea scrap market, bids were seen at \$360/mt CFR Turkey, so far without positive response from sellers. Offers stood at around \$370/mt CFR, an agent said. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	387	0.00	383.96
Steel Rebar FOB Turkey (\$/mt)	662.5	0.00	666.96
Argus HRC NW Europe (€/mt)	655	5.25	631.71
Argus FOB China HRC (\$/mt)	585.00	1.00	562.58

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	405	415	410
Feb-23	430	440	435
Mar-23	435	445	440
Q1-23	423	433	428
Q2-23	440	450	445
Q3-23	440	450	445

US HRC USD/short ton			
	Bid	Ask	Value
Dec-22	655	675	665
Jan-23	768	788	778
Feb-23	788	808	798
Q1-23	784	804	794
Q2-23	805	825	815
Q3-23	805	825	815

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Dec-22	640	660	650
Jan-23	723	743	733
Feb-23	730	740	735
Q1-23	729	739	734
Q2-23	754	764	759
Q3-23	756	766	761

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