

20/12/2022

FOB China HRC

The index fell by \$2/t (19.12.22) at US\$583/t, MTD US\$564.15/t. Chinese market sentiment cooled down after China's central economic work conference held on 15-16 December. More stimulus measures to economy have not been rolled out on the meeting, and for property sector, central government reiterated that "houses are for living, not for speculation". Offers from a north China mill fell by \$10/t to \$585-590/t fob on 19 December, with the decreasing trend in its domestic market.

Another eastern China mill raised its offers for SS400 HRC by \$10/t to \$610/t fob, as the mill foresaw current price retreat would be short-lived and they held positive outlooks for the long-term trend. Buyers were in wait-and-see attitude. Traders held off offers into Vietnam after a couple of deals were done last week. Market would maintain upward trend on positive outlooks towards Chinese economy next year, and China's steel mills were not in a hurry to take new orders as they sold well last week. (Argus)

European HRC

Mills in both the domestic EU hot-rolled coil (HRC) market and on the import side have in majority stepped back from trading, as the holiday period approaches, and as they wait to evaluate the achievable levels in January. The Argus daily Italian HRC index nudged up by €0.75/t to €632.75/t ex-works, whereas the northwest EU index held stable at €655/t ex-works. Lead times have now extended from a number of EU sellers, with some telling customers they are nearly sold out for February deliveries, and expecting to offer March deliveries at the start of January.

But this is not necessarily the case for all producers, and more tonnages for February might become available next month, as is usually the case when the market is starting to trend up. Many producers are preferring to keep off-market and mills are also reminding buyers about the production cuts they have implemented in negotiations. Steel service centres (SSC) report that they have taken orders in December compared with historic amounts for the same month, as demand from end-users has picked up, and as end-users have seen the uptick in HRC prices already, which also spooked them into buying. Stocks at SSCs have also been drawn down, but some in Italy say that they prefer to now buy for back-to-back business and are not looking to do a significant restock, as they want to evaluate the market further in January. (Argus)

Turkish Scrap HMS 80:20

Turkish import deepsea scrap prices softened slightly Dec. 19, as the latest sales for UK- and Benelux-origin cargoes were heard slightly lower. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$384/mt CFR Dec. 19, down \$3/mt from Dec. 16. A UK-origin deal was booked Dec. 16 by a Marmara mill, with HMS 1/2 (80:20) at \$379/mt CFR. The deal was confirmed by the sell side. An EU-origin deal was booked Dec. 15 by an Iskenderun mill, with HMS 1/2 (80:20) at \$380/mt CFR for second half January shipment. The deal was confirmed by both the buyer and seller.

The latest deal prices were largely stable for second half January shipment cargoes, compared to previous Europe-origin deals booked around Dec. 5-9, but were down from the more recently booked prompt shipment deals, as Turkish mills had paid higher prices to secure scrap cargoes with a shorter lead time for December and first-half January loading. "I hope the [scrap] price goes sideways, because a drop doesn't seem possible, and an increase in [scrap] prices would be difficult and mean a further cut in production – there is no demand for end products," a Turkish mill source said, citing indicative tradable values for US-origin HMS 1/2 (80:20) at \$385/mt CFR, and for EU-origin HMS 1/2 (80:20) at \$380/mt CFR.

A second Turkish mill source cited an indicative buyer tradable value for premium HMS 1/2 (80:20) at \$380/mt CFR. "The achievable [level] is \$380/mt CFR for [EU-origin] HMS 1/2 (80:20) and whether this is workable with dock prices of around Eur320/mt delivered is a personal decision – I guess some exporters have overpaid and now need to adjust since Turkey is not willing to pay higher," one EU recycler said. "It's the same problem in the domestic market and nobody wants to bet this will be better in January." The daily outright spread between Turkish export rebar and import scrap was assessed at \$276/mt Dec. 19, up 50 cents/mt on day. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	384	-3.00	383.96
Steel Rebar FOB Turkey (\$/mt)	660	-2.50	666.42
Argus HRC NW Europe (€/mt)	655	0.00	633.50
Argus FOB China HRC (\$/mt)	583.00	-2.00	564.15

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Dec-22	561	591	576
Jan-23	588	618	603
Feb-23	592	602	597
Q1-23	594	604	599
Q2-23	593	603	598
Q3-23	596	606	601

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Dec-22	381	391	386
Jan-23	377	387	382
Feb-23	377	387	382
Q1-23	376	386	381
Q2-23	373	383	378
Q3-23	373	383	378

LME REBAR FOB TK			
	Bid	Ask	Value
Dec-22	660	670	665
Jan-23	654	664	659
Feb-23	648	658	653
Q1-23	651	661	656
Q2-23	642	652	647
Q3-23	635	645	640

BUSHELING			
	Bid	Ask	Value
Jan-23	410	420	415
Feb-23	435	445	440
Mar-23	430	440	435
Q1-23	425	435	430
Q2-23	440	450	445
Q3-23	440	450	445

US HRC USD/short ton			
	Bid	Ask	Value
Dec-22	660	680	670
Jan-23	777	797	787
Feb-23	800	820	810
Q1-23	805	815	805
Q2-23	810	830	820
Q3-23	817	837	827

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Dec-22	635	655	645
Jan-23	715	735	725
Feb-23	715	725	720
Q1-23	722	732	727
Q2-23	749	759	754
Q3-23	756	766	761

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