

21/12/2022

FOB China HRC

The index was unchanged at US\$583/t (20.12.22), MTD US\$565.50/t. Chinese domestic steel prices fell on 20 December because of weak demand and labour shortages as Covid cases surged in the country. Steel firms said their operations had slowed because many of the staff caught Covid. Transportation by trucks also slowed down compared with last week on a paucity of drivers.

Major Chinese mills kept export offers for SS400 HRC unchanged at \$590-610/t fob this week. Major mills have sold out their January shipment cargoes and were not in a hurry to take bookings for February shipment. Buyers did not make enquires either, as they expect Chinese export prices to fall. An eastern China trader said that over 80pc of their workers were at home this week. Suppliers maintained SAE1006 grade HRC offers at \$600-615/t cfr Vietnam, while buyers were quiet after a round of booking last week. Some buyers chose to book from local steel producer Formosa Ha Tinh, as their prices were at \$605-610/t cif and with a shorter lead times. (Argus)

European HRC

More deals for imported hot-rolled coils (HRC) have been reported to Argus as of late, and at increased prices, as the amount of import offers has diminished, whereas prices have increased from both import and domestic origins. The Argus daily Italian HRC index nudged up by €0.75/t to €633.50/t ex-works, whereas the northwest EU index increased by €3/t to €658/t ex-works. The twice-weekly cif Italy HRC assessment increased by €20/t to €625/t. Several deals have been reported at €620-630/t cif Italy, with a few buyers saying they have purchased from India at €630/t cif. Traders said the highest bids they have obtained from the market stood at €630-640/t cif. Some sales have been reported done from Korea at €610-620/t cfr Italy over the past week, although offers have since risen.

It appears a larger portion of the purchases have been small, as steel service centres say they will wait until next year to make any large tonnage deals. Offers were reported at €650-660/t cfr Antwerp. A major Italian mill was off-market, and was expected to decide on its commercial strategy this week, but might postpone offering until after the holiday period. Another seller was heard officially quoting €670/t delivered Italy, but market participants said it was accepting orders at €650/t delivered. Some sellers were withholding from offering large tonnages on the market. Buyers said that if they enquire for 10,000t, they might get a quote back for 2,000-3,000t instead. Some half-yearly contracts were heard to have been settled already in northern Europe, but negotiations continue for others. Buyers reported settlements at a decrease on the second half of 2022. (Argus)

Turkish Scrap HMS 80:20

Turkish import deepsea scrap prices remained firm Dec. 20, as recycler offers remained elevated amid continued slow scrap collection rates and few offers in the market. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$385/mt CFR Dec. 20, up \$1/mt on day. One Turkish mill source cited indicative offers for US-origin HMS 1/2 (80:20) around \$390/mt CFR, with offers for Baltic-origin HMS 1/2 (80:20) heard slightly below \$390/mt CFR. "Scrap sellers are quiet and not so aggressive [to sell], as they have enough time with the Christmas holidays coming," the mill source said.

"Some mills are still looking for first half January shipment, but it's too late now to find this, while others are looking for full January shipment – it's difficult for mills as they need to purchase scrap to continue production, but end-product demand is poor." In the Turkish market, still weak demand for finished products don't allow mills to accept an increase in scrap prices," one agent source said. A US recycler said that US-origin HMS 1/2 (80:20) was unlikely to be available below \$390/mt CFR Turkey, adding that US domestic scrap prices are expected to increase \$20-\$30/lt on month for January settlements, while Mexico was paying higher equivalent prices to Turkey.

Platts assessed Turkish export rebar at \$659/mt FOB Turkey on Dec. 20, down \$1/mt on day. The daily outright spread between Turkish export rebar and import scrap was assessed at \$274/mt Dec. 20, down \$2/mt on day. Bids in the Turkish shortsea scrap market for Romania/ Bulgaria-origin A3 were heard lower at \$355-\$360/mt CFR, but suppliers were heard to be reluctant to sell at these levels. Platts assessed A3 shortsea scrap at \$363/mt CFR Dec. 20, down \$1/mt on day. "Considering the strong local market, I think most of the [shortsea] sellers don't want to sell now at the end of the year, they prefer to wait for the up-tick after the holidays that everyone expects to see," one supplier said. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	385	1.00	384.04
Steel Rebar FOB Turkey (\$/mt)	659	-1.00	665.89
Argus HRC NW Europe (€/mt)	658	3.00	635.25
Argus FOB China HRC (\$/mt)	583.00	0.00	565.50

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Dec-22	559	589	574
Jan-23	584	614	599
Feb-23	596	606	601
Q1-23	593	603	598
Q2-23	591	601	596
Q3-23	590	600	595

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Dec-22	381	391	386
Jan-23	377	387	382
Feb-23	374	384	379
Q1-23	375	385	380
Q2-23	375	385	380
Q3-23	374	384	379

LME REBAR FOB TK			
	Bid	Ask	Value
Dec-22	659	669	664
Jan-23	648	658	653
Feb-23	644	654	649
Q1-23	647	657	652
Q2-23	652	662	657
Q3-23	653	663	658

BUSHELING			
	Bid	Ask	Value
Jan-23	420	430	425
Feb-23	430	440	435
Mar-23	435	445	440
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	657	677	667
Jan-23	772	792	782
Feb-23	803	823	813
Q1-23	794	814	804
Q2-23	811	831	821
Q3-23	815	835	825

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Dec-22	635	655	645
Jan-23	715	735	725
Feb-23	720	730	725
Q1-23	723	733	728
Q2-23	738	748	743
Q3-23	747	757	752

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