

22/12/2022

### FOB China HRC

The index was unchanged at US\$583/t (22.12.22), MTD US\$566.67/t. Chinese domestic steel prices rebounded after falling for two days as mills and traders held positive outlooks for demand next year. An eastern China mill lowered its offers for SS400 HRC by \$5/t to \$605/t fob on 21 December. But their price was still higher than other mills, and thus attracted slim buying interest. Other mills offered at \$590-600/t fob.

Some buyers from Vietnam lifted their target prices slightly to \$595/t cfr, netting back to \$585/t fob China, after seeing Chinese domestic prices rose, but most others stayed quiet or gave low bids at \$585/t cfr Vietnam, which was not accepted by suppliers. Suppliers maintained offers for SAE1006 grade HRC stable at \$600-615/t cfr Vietnam, but local buyers' target level for import cargoes only at \$595/t cfr for SAE1006 HRC. Buyers and Chinese sellers held different views towards market trend, and seaborne trade was in stagnation. (Argus)

### European HRC

The first January-June hot-rolled coil (HRC) contracts for the automotive supply chain have been concluded above €800/t. Cold-rollers and service centres reported doing deals at around €820/t, down by around €180/t from the settlements for July-December this year. Some are still in negotiations and aiming for a larger decline of around €220/t. Some mills have also offered six-month deals direct to automakers, as opposed to the typical 12-month agreements — it is not clear whether any have shifted their terms, however. Mills will be likely to use the contracts to try and support spot pricing, to avoid a large gap between the two — given the increasing volatility in the market, there is regularly a large delta between spot and contract prices. In the spot market, north European HRC prices firmed further yesterday as mills pushed offers to €700/t and above, and service centres continued to restock. Argus' daily northwest EU HRC index rose by €15.50/t to €673.50/t.

One German service centre said it has booked so much January-March volume for the general industry segment that stocks are likely to stretch out for the first half of the year. Service centres have restocked in the past fortnight in anticipation of more meaningful production cuts going into next year, and as they expect firmer automotive demand. One German producer said it is booked out until March probably at reduced run rates — because of brisker demand from domestic carmakers. The Argus daily Italian HRC index rose by €8.25/t yesterday to €641.75/t ex-works. Mill offers were at €650-680/t delivered, but in some cases €650-660/t ex-works was the lowest price available. With many buyers expecting prices to move higher from EU sellers, these levels would be workable, with several saying they would buy imports at these prices, but most import offers stand higher now. (Argus)

### Turkish Scrap HMS 80:20

Turkish import deepsea scrap prices inched up Dec. 21, as a Marmara mill was heard to have bought a US- and Benelux-origin cargo. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$386.25/mt CFR Dec. 21, up \$1.25/mt on day. A US-origin cargo was booked Dec. 20 by a Marmara mill, with HMS 1/2 (80:20) at \$387/mt CFR. The deal was confirmed by the sellside for second half January shipment. A Benelux-origin cargo was also heard by multiple sources to have been booked Dec. 20 by the same Marmara mill, with HMS 1/2 (80:20) at \$380.50/mt CFR. "Some scrap purchasing needs are being covered and those mills buying US-origin scrap had to concede their [target] levels and seem to have accepted the price level of a US scrap seller because they needed to replenish their scrap inventory," one Turkish agent source said.

A Baltic recycler cited an indicative tradable value for US/ Baltic-origin HMS 1/2 (80:20) at \$385/mt CFR, adding that US suppliers were seeking higher levels. "Scrap collection is very slow, so I do not expect much activity from the Baltic sellers, as most have sold for December and January shipment and are now focusing on collection," the recycler said. Multiple Baltic suppliers were expected to wait before offering February shipment cargoes into Turkey. "Not much more business is expected to be done this week, perhaps three-four more cargoes, maybe," a second agent source said. Platts assessed Turkish export rebar at \$659/mt FOB Turkey Dec. 21, unchanged day on day. The daily outright spread between Turkish export rebar and import scrap was assessed at \$272.75/mt Dec. 21, down \$1.25/mt on day. (Platts)

# Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	386.25	1.25	384.18
Steel Rebar FOB Turkey (\$/mt)	659	0.00	665.43
Argus HRC NW Europe (€/mt)	673.5	15.50	637.80
Argus FOB China HRC (\$/mt)	583.00	0.00	566.67
US HRC CRU	664.00	-3.00	649.67
No.1 BUS	400.00	40.28	400.00

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Dec-22	559	589	574
Jan-23	586	616	601
Feb-23	598	608	603
Q1-23	596	606	601
Q2-23	589	599	594
Q3-23	588	598	593

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Dec-22	381	391	386
Jan-23	375	385	380
Feb-23	372	382	377
Q1-23	373	383	378
Q2-23	373	383	378
Q3-23	373	383	378

LME REBAR FOB TK			
	Bid	Ask	Value
Dec-22	658	668	663
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	428	438	433
Feb-23	445	455	450
Mar-23	445	455	450
Q1-23	439	449	444
Q2-23	455	465	460
Q3-23	455	465	460

US HRC USD/short ton			
	Bid	Ask	Value
Dec-22	652	672	662
Jan-23	755	775	765
Feb-23	787	807	797
Q1-23	779	799	789
Q2-23	800	820	810
Q3-23	803	823	813

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Dec-22	635	655	645
Jan-23	720	740	730
Feb-23	740	750	745
Q1-23	740	750	745
Q2-23	760	770	765
Q3-23	765	775	770

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