

23/12/2022

FOB China HRC

The index was unchanged at US\$583/t (22.12.22), MTD US\$567.69/t. Chinese domestic HRC prices decreased as rising inventories and surging Covid cases dampened market sentiment.

Major Chinese mills kept offers for SS400 HRC firm at \$590-600/t fob for February shipment. Traders offer at \$600-610/t cfr Vietnam with limited buying interest at \$595/t cfr Vietnam. A deal for SS400 HRC was closed at \$583/t cfr Vietnam this week, but participants said it was lower than mainstream level and details could not be confirmed. Chinese steel mills offered SAE1006 HRC at \$610-630/t cfr Vietnam, with a negotiation room of around \$10/t given firm bids, but the price was not competitive, as Taiwan-origin HRC was offered at \$600-610/t cfr Vietnam and Indian HRC was offered at \$610/t cfr Vietnam. (Argus)

European HRC

Northwest European hot-rolled coil (HRC) prices nudged higher on quiet trade yesterday, as news broke that Russian steelmaker NLMK declared force majeure at La Louviere. A German steelmaker reportedly increased its offer to €740/t ex-works, after a large producer offered at a similar level to the German market. A buyer of higher-grade S355 material said it was offered at a base-price equivalent of €750/t and was told by a large producer that this would be €20/t higher as of 23 December. Another large producer was still at €700/t, it said. Argus' daily northwest EU HRC index rose by €2.50/t to €676/t, while the daily Italian HRC index rose by €3.50/t to €645.25/t ex-works.

The twice-weekly cif Italy assessment moved up by €5/t to €630/t yesterday. Some Italian participants were expecting tightness in pickled and oiled supply. Buyers were not able to find offers, whereas trading companies said they had received more enquiries. Some trading firms said 2,000mm-wide HRC was also in tight supply. Sellers said capacity reductions and increased apparent consumption are fueling the expectation that the material will be harder to find in the first quarter of next year. If the automotive industry continues to show signs of recovering, any shortage would be exacerbated, buyers fear.

Production data from Italian association Federacciai show that in November, flat steel output plummeted again by 30pc on the year to 731,000t. The decrease for the October/November quarter is 27pc, and December output will probably decrease by a similar amount, as producers stop for extended holidays. EU 27 crude steel production declined to 10.5mn t in November, down by 17.9pc on the year, according to international steel industry organization Worldsteel. Assuming HRC accounts for 48pc of all crude steel output, this would put HRC output — for sale and internal use — at 50.4mn t, the second-lowest level this year after August. (Argus)

Turkish Scrap HMS 80:20

Turkish import deepsea scrap prices rose slightly Dec. 22, as further sales from Baltic and EU suppliers were heard. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$386.75/mt CFR Dec. 22, up 50 cents/mt on day. The assessment has remained in a relatively tight band of \$384-\$387.50/mt CFR since Dec. 7, highlighting the inability of Turkish mills to pull down scrap prices, despite poor finished steel demand, as recyclers held offer levels firm amid continued slow scrap collection rates.

A reported Benelux-origin cargo was heard to be booked Dec. 21 by an Izmir mill, with HMS 1/2 (80:20) at \$382/mt CFR. A reported Baltic-origin cargo was also heard to be booked by the same Izmir mill, with HMS 1/2 (80:20) at \$386.50/mt CFR, and bonus at \$406.50/mt CFR for 1H February shipment. A second reported Baltic-origin cargo was heard to be booked by the same Izmir mill, with HMS 1/2 (80:20) at \$387/mt CFR, and with shredded and bonus scrap both at \$407/mt CFR, but the deal was unconfirmed. A second reported EU-origin cargo was also heard to be booked by a Marmara mill, with HMS 1/2 (80:20) at \$381/mt CFR but was also unconfirmed.

Platts assessed Turkish export rebar at \$659/mt FOB Turkey on Dec. 22, unchanged on day. The daily outright spread between Turkish export rebar and import scrap was assessed at \$272.25/mt Dec. 22, down 50 cents/mt on day, reaching at its lowest level since early September. In the domestic market, integrated long steelmaker Kardemir was offering 12-32 mm rebar at Lira 12,100 mt (\$649/mt) exworks Dec. 21, down \$23/mt from its Dec. 8 list price. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	386.75	0.50	384.34
Steel Rebar FOB Turkey (\$/mt)	659	0.00	665.03
Argus HRC NW Europe (€/mt)	676	2.50	640.19
Argus FOB China HRC (\$/mt)	583.00	0.00	567.69
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	594	624	609
Feb-23	603	613	608
Q1-23	603	613	608
Q2-23	602	612	607
Q3-23	601	611	606

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Dec-22	383	393	388
Jan-23	379	389	384
Feb-23	378	388	383
Q1-23	378	388	383
Q2-23	377	387	382
Q3-23	377	387	382

LME REBAR FOB TK			
	Bid	Ask	Value
Dec-22	662	672	667
Jan-23	649	659	654
Feb-23	649	659	654
Q1-23	649	659	654
Q2-23	658	668	663
Q3-23	656	666	661

BUSHELING			
	Bid	Ask	Value
Jan-23	428	438	433
Feb-23	445	455	450
Mar-23	450	460	455
Q1-23	441	451	446
Q2-23	448	458	453
Q3-23	455	465	460

US HRC USD/short ton			
	Bid	Ask	Value
Dec-22	649	669	659
Jan-23	745	765	755
Feb-23	785	805	795
Q1-23	774	794	784
Q2-23	805	825	815
Q3-23	806	826	816

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Dec-22	645	665	655
Jan-23	715	735	725
Feb-23	737	747	742
Q1-23	737	747	742
Q2-23	741	751	746
Q3-23	770	780	775

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