

10/01/2023

**FOB China HRC**

The index rose by \$8/t yesterday (9.1.23) to US\$607/t, MTD US\$596.20/t. China's steel production was expected to reach 1.01bn t in 2022, down by 2.2pc from 2021, an official from China Iron & Steel Association said on 8 January. China's top economic planning body the NDRC called a meeting to analyse the rise in iron ore prices, which hit a near six-month high last week, it said on 6 January. Several Chinese mills lifted offers to \$625-645/t fob China for SS400 HRC. Traders with positional coil also pushed up offers by around \$10-15/t to \$620-625/t cfr Vietnam. The bullish outlook for seaborne demand and Chinese yuan's appreciation against the US dollar were the main reasons behind the rises. Vietnamese buyers lifted bids to \$610/t cfr Vietnam, far below sellers' acceptable levels. Vietnamese mill Formosa Ha Tinh announced on 7 January that it will increase its monthly offers by around \$30/t to \$635/t cif Vietnam for March shipment SS400 HRC. It also increased its monthly offers by \$30-35/t to \$635-645/t for SAE1006-grade coil, in line with the market levels. Chinese SAE-grade coil offers were unchanged at \$635/t cfr Vietnam. (Argus)

**Turkish Scrap HMS 80:20**

Turkish deepsea heavy melting scrap prices moved sideways as steelmakers in Turkey were notably less active compared with the first week of January, sources said Jan. 9. Some fresh trades were still anticipated during the week, but the intensified buying activity Jan 2-6 is may not be repeated in the coming days. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$420/mt CFR Jan. 9, unchanged from Jan. 6. An agent source expected prices to move sideways in the week starting Jan. 9. "The market is warmed up quite enough," a Turkish mill source said, adding that he expected more sideways pricing during the week. He saw workable prices for premium HMS 1/2 (80:20) at \$415-\$420/mt CFR. A European scrap merchant expected buyers to return in the second half of the week with the intention of keeping workable prices for premium HMS 1/2 (80:20) at \$420-\$425/mt CFR. He said the buyers were holding back for the time being in order to prevent further price surges.

The last deepsea deal was for 15,000 mt HMS 1/2 (80:20) from Germany sold Jan. 6 at \$414/mt CFR Izmir, including 8,000 mt bonus and 2,000 mt shred bought at \$434/mt CFR, Platts heard Jan. 9 after the assessment deadline. A European recycler indicated that his target level was around \$420/mt CFR Turkey, but he conceded he had not seen this level for EU HMS 1/2 (80:20) yet. Collection prices in the Benelux market were reported at Eur320-325/mt (\$344-\$349/mt) for HMS 1/2 (75:25) delivered to the dock, a recycler said. No new offers US-origin HMS 1/2 (80:20) were reported by market players on the day. A mill source in Turkey said the last offers were at \$425/mt CFR Turkey dated Jan. 6. Many deepsea cargoes for February shipment had been-secured, and March shipment negotiations will start in the second half of January, a Turkish mill source said. He was still looking for shortsea cargoes, but his deepsea requirement had already been booked. (Platts)

**EU HRC**

European hot-rolled coil (HRC) prices climbed yesterday as more participants returned to the market and mills hiked offers further. The market leader tabled an offer of €760/t for March delivery HRC, up €30/t on last week. As a result, some smaller producers said they would be targeting €780/t delivered base into Germany and the Benelux. One seller suggested the market was around €715/t yesterday, while a German buyer said several thousand tonnes was at €700/t on an index equivalent basis from domestic mills. There was an expectation some of the rises would stick with costs for raw materials scrap and coking coal firming in recent days.

With slab sales into Turkey expected around \$580/t cfr, plus rolling costs, freight and duties, this would equate to around €680/t cif Europe for HRC. Argus' daily northwest EU HRC index rose by €19.25/t to €708.25/t yesterday, while the daily Italian index also surged by €19/t to €669.25/t ex-works. A bid for CRC to an Asian supplier was heard at €720/t cfr Italy. Traders reported that in the last week of December buyers had the option to purchase top-up HRC volumes on previous orders — done at €630/t cfr — at €650-660/t cfr. Some buyers were now looking to purchase at these prices, whereas others were waiting for offers from Egypt and Turkey. Late yesterday some higher Turkish HRC offers were heard at \$715-720/t fob, up from \$700/t fob on Friday. Egypt last was on the market at €650/t cfr.

Domestic Italian producers appear to have lengthened their lead times, with material available for March deliveries, although one claimed it was sold out for the first quarter for some products, with offers at €700/t delivered for HRC and €800/t for HDG, which marked a €30-50/t increase on December. Participants said they expect the market to reach that level in the near future, but prices were not there yet. Some said the recent uptick was driven by apparent demand from service centres that had not purchased for several months. (Argus)

# Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	420	0.00	414.00
Steel Rebar FOB Turkey (\$/mt)	690	0.00	685.50
Argus HRC NW Europe (€/mt)	708.25	19.25	692.35
Argus FOB China HRC (\$/mt)	607.00	8.00	596.20
US HRC CRU	692.00	28.00	692.00

US HRC USD/short ton			
	Bid	Ask	Value
Jan-23	729	739	734
Feb-23	775	785	780
Mar-23	794	804	799
Q1-23	766	776	771
Q2-23	809	819	814
Q3-23	813	823	818

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jan-23	728	738	733
Feb-23	753	763	758
Mar-23	760	770	765
Q1-23	747	757	752
Q2-23	760	770	765
Q3-23	773	783	778

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jan-23	622	632	627
Feb-23	642	652	647
Mar-23	634	644	639
Q1-23	633	643	638
Q2-23	644	654	649
Q3-23	641	651	646

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jan-23	407	417	412
Feb-23	405	415	410
Mar-23	404	414	409
Q1-23	405	415	410
Q2-23	398	408	403
Q3-23	394	404	399

LME REBAR FOB TK			
	Bid	Ask	Value
Jan-23	685	695	690
Feb-23	678	688	683
Mar-23	674	684	679
Q1-23	679	689	684
Q2-23	669	679	674
Q3-23	666	676	671

BUSHELING			
	Bid	Ask	Value
Jan-23	447	457	452
Feb-23	458	468	463
Mar-23	460	470	465
Q1-23	455	465	460
Q2-23	464	474	469
Q3-23	465	475	470

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