

NEWS AND ANALYSIS

Asia-Pacific coking coal: Cfr China falls again

Chinese import prices fell below \$385/t cfr, the lowest since late August, as buyers retreat in anticipation of further price weakness.

First-tier coking coal prices to China fell by \$8.65/t to \$384.35/t on a cfr basis, while second-tier prices fell by \$6.35/t to \$356.65/t cfr north China.

Seaborne buying interest into China remains thin with import prices at a premium to domestic coals, even after declines over 25 consecutive trading days. "Imported premium coal is still at least \$40/t more expensive than comparable brands in the domestic market, making demand for these seaborne offers at a fixed price very unattractive to buyers," a Chinese coke producer said. But there is some expectation for Chinese domestic coking coal prices to stabilise on the back of tightening of Mongolian imports, he said.

Others echoed similar sentiments but said tighter Mongolian supply may have limited impact on domestic prices. "In the short term, prices would likely reach an equilibrium, but the general trend is still falling," a Singapore-based trader said. Prices are mainly affected by Chinese domestic supply and demand, while Mongolian coal is only a supporting source, he said.

The Argus-assessed Australian premium low-vol hard coking coal price fell by \$1.65/t to \$315/t fob, while the tier-two mid-volatile price was unchanged at \$288/t fob Australia.

The fob market is unphased by La Nina wet weather risks to Queensland supply, even as towns in the state away from

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formerly Argus Steel Feedstocks

PRICES

Key prices			
Specification	Price	±	MTD
Iron ore fines (daily) (2 Dec)			
62% Fe ICX™ cfr Qingdao	100.05	-3.45	101.78
62% Fe PCX fot Qingdao (Yn/wmt)	685	-1	686.00
62% Fe PCX seaborne equivalent	98.90	-0.15	98.98
Coking coal (daily) (2 Dec)			
Premium low-vol, fob Australia	315.00	-1.65	315.83
PCI low-vol, fob Australia	252.50	nc	252.50
Semi-soft mid-vol, fob Australia	225.00	nc	225.00
Metallurgical coke (daily) (2 Dec)			
62 CSR, fob north China	473.35	-8.65	477.68
Seaborne steel (daily) (2 Dec)			
HRC, fob Tianjin (SS400)	769.00	+1.00	768.50
Rebar, fob Zhangjiagang	741.00	nc	741.00
Steel wire rod, fob north China	736.00	+3.00	734.50
HRC, cfr ASEAN (SAE1006)	823.00	+1.00	822.50
Europe domestic (daily) (2 Dec)			
HRC, northwest Europe ex-works	921.25	-3.00	922.75
Ferrous scrap (daily)			
HMS 1/2 (80:20), cfr Turkey (2 Dec)	477.50	-5.00	480.00
HMS 1/2 (80:20), cfr Taiwan container (2 Dec)	455.00	nc	455.00

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mines are hit by floods, after Australian exports held at a strong pace in October.

A February-loading Panamax cargo of Peak Downs was bid at \$225/t fob Australia on the trading platform Global-coal today, with no responding offer.

An international trader seeking to buy a January tier one cargo indicated that they were targeting slightly below the level that the seller is looking at, which is above \$310/t fob.

Australian hard coking coal exports **rose to a four-month high in October**, with shipments to India surging by 39pc to a 10-month high. China imported 33mn t of Australian hard coking coal last year, but Beijing's informal ban on Australian coal led the exporter to shift sales to other markets, including India with shipments up by nearly 50pc year to date.

Premium hard coking coal prices to India fell by \$1.65/t to \$335/t on a cfr basis, while second-tier prices remained at \$308/t cfr east coast India.

IRON ORE PRICE ANALYSIS

China iron ore: ICX falls back near \$100/dmt

Seaborne iron ore prices fell today on lower demand expectations from another round of output curbs in Tangshan.

The Argus ICX 62pc index fell by \$3.45/dry metric tonne (dmt) to \$100.05/dmt cfr Qingdao. The 65pc index fell by \$3.45/dmt to \$115/dmt.

Tangshan, with more than 10pc of China's 1bn t/yr steel output, started new production curbs today over poor air

Change to UAE rebar ex-works assessment

Following consultation, Argus will move the monthly assessment date of its UAE rebar ex-works price from the last Thursday of the month before delivery to the first Thursday of the month of delivery to better capture market response to monthly posted prices in the region. The next assessment date will be moved from 25 November to 2 December.

Value-in-Market quality adjustments (daily) (2 Dec)				\$/dt
Adjustment	Change	Range		±
Iron	Per 1% Fe	60%-63.5%	1.60	-0.03
		63.5%-65% *	5.00	+0.25
Silica	Per 1% SiO ₂	<4.5%	0.20	nc
		4.5%-6%	1.10	nc
		>6%	1.70	nc
Alumina	Per 1% Al ₂ O ₃	1%-2.25%	4.50	-0.30
		2.25%-3%	6.60	nc
Phosphorus	Per 0.01% P	<0.08%	0.50	nc
		0.08-0.1%	0.00	nc
		>0.1%	6.90	nc

* Implied by the 65/62 differential

Seaborne iron ore prices (daily) (2 Dec)				\$/dt
Specification	Price	±	MTD	
Iron ore fines, cfr Qingdao				
<60% Fe				
56.7% Fe SSF seaborne equivalent	61.15	-0.30	61.30	
58% Fe fines	74.60	-3.50	76.35	
60-63.5% Fe				
62% Fe fines (ICX™)	100.05	-3.45	101.78	
62% Fe fines (ICX™) A\$/dt	140.96	-3.41	142.67	
62% PCX seaborne equivalent	98.90	-0.15	98.98	
62% Fe ICX-PCX seaborne average	99.45	-1.85	100.38	
>63.5% Fe				
65% Fe fines	115.00	-2.75	116.38	
Iron ore fines, fob Australia				
62% Fe fines (ICX™) netback	85.70	-2.95	87.18	
Iron ore lump, cfr Qingdao				
62% Fe lump \$/dt	108.10	-4.40	110.30	
62% Fe lump premium €/dmtu	13.00	-1.50	13.75	

Seaborne iron ore prices (weekly)				\$/dt
Specification	Price	±	MTD	
Iron ore pellet, cfr Qingdao (30 Nov)				
64% Fe 2% Al pellet	160.00	-9.00	168.00	
64% Fe 3% Al pellet	145.00	-8.00	150.60	
Iron ore concentrate, cfr Qingdao (1 Dec)				
Australian concentrate floating premium	-0.25	-0.75	-0.25	
Ukrainian concentrate floating premium	+0.25	-1.55	0.25	

China portside iron ore prices (daily) (2 Dec)				Yn/wt
Specification	Price	Diff to PCX	±	MTD
62% PCX fot Qingdao	685		-1	686.00
NHGF fot Qingdao	695	+10	-7	698.50
BRBF fot Qingdao	701	+16	-3	702.50
PBF fot Qingdao	679	-6	-1	679.50
PBF fot Caofeidian	673	-12	-10	678.00
SSF fot Qingdao	435	-250	-2	436.00
SSF fot Caofeidian	426	-259	-7	429.50
PBL fot Qingdao	799	+114	+16	791.00

Spot iron ore freight rates (daily) (2 Dec)		\$/t
Route and tonnage		rate
WC Australia-N China Capesize 160,000t		13.00
Tubarao-Antwerp Capesize 160,000t		17.20
Tubarao-Qingdao Capesize 160,000t		29.50
Saldanha Bay-Qingdao Capesize 160,000t		22.50

quality. The restrictions are expected to run until 11 December. The restrictions require banking blast furnace capacity and the shutdown of sintering units and shaft furnaces. "The restrictions dampened market sentiment some, with seaborne buying interest continuing to be low," a Shanghai-based trader said.

Seaborne trades remained slim amid weak sentiment. A cargo of Mining Area C Fines (MACF) traded at \$90.40/dmt on a 62pc basis on the Globalore platform. "The fixed price deal was equivalent to around \$10/dmt discount to January index, flat from yesterday," a south China trader said.

A cargo of Pilbara Blend Fines (PBF) with early January laycan was offered at \$100.65/dmt on a 62pc basis on Globalore, without a bid. "Buyers were not willing to accept fixed price when prices rebounded to above \$100/dmt," a Beijing mill manager said.

Ample off-screen supply is weighing on floating premiums. A cargo of PBF with early January laycan was offered at 70¢/dmt to January index, while the tradable level will be even lower," a Shanghai trader said.

"Market prices were in chaos as some mills and traders undercut prices to boost sales, leaving large price gaps on and off screen," a Beijing trader said.

A combo cargo of MACF and Newman Blend Lump (NBL)

ICX and PCX consultation outcome

Following consultation, Argus will make no change to the moisture specification of its ICX 62pc and PCX 62pc iron ore fines indexes at this time.

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In advanced PDF viewers, you can also hover over the price to see the underlying Argus PA code.

Seaborne iron ore pellet premiums (quarterly) (2 Sep) \$/dt		
Specification	Premium	±
Atlantic		
Blast Furnace grade pellet	47.00	na
Direct Reduced grade pellet	50.00	na

Seaborne iron ore brand quality adjustments (02 Dec) \$/dt				
Specification	Diff to ICX	±	Outright price	Diff MTD
Iron ore fines, cfr Qingdao				
Typical				
PBF	-1.98	+0.03	98.07	-2.00
NHGF	+0.38	+0.49	100.43	0.14
MACF	-11.66	+0.04	88.39	-11.68
JMBF	-22.29	+0.05	77.76	-22.32
BRBF	+2.78	-0.25	102.83	2.91
62% Fe basis				
PBF62	-0.38	nc	99.67	-0.38
NHGF62	-0.10	+0.50	99.95	-0.35
MACF62	-9.74	nc	90.31	-9.74
JMBF62	-19.89	nc	80.16	-19.89
BRBF62	+1.18	-0.22	101.23	1.29
<60% Fe Iron ore fines, cfr Qingdao				
YDF	-26.74	+0.01	73.31	-26.75
YDF58	-25.45	-0.05	74.60	-25.43
Iron ore lump, cfr Qingdao				€/dmtu
NBL	11.93	-1.42	-	-
PBL	12.37	-1.45	-	-

Seaborne iron ore implied floating premiums (2 Dec) \$/dt			
Specification	Premium	±	MTD
Typical			
Iron ore fines, cfr Qingdao			
PBF	-1.13	-0.50	-0.88
NHGF	-0.85	nc	-0.85
MACF	-10.49	-0.50	-10.24
JMBF	-20.64	-0.50	-20.39
BRBF	+0.43	-0.72	0.79
YDF	-21.06	-0.80	-20.66

Iron ore, 62pc fines derivatives (daily) (2 Dec) \$/t		
Timing	Price	±
Dec 21	100.30	-3.25
Jan 22	100.80	-2.95
Feb 22	100.80	-2.45
1Q 22	100.05	-2.50
2Q 22	98.60	-2.45
3Q 22	96.60	-2.80
2022	97.45	-2.75
2023	91.00	-2.75

was heard sold at a \$2/dmt discount to January index yesterday, with the MACF at the miner's discount and NBL with monthly lump premium. "Some low-price trades also emerged, but without details," the trader said.

The Argus PCX 62pc portside fines index fell today by 1 yuan/wet metric tonne (wmt) to Yn685/wmt free-on-truck Qingdao, taking its seaborne equivalent down by 15¢/dmt to \$98.90/dmt cfr Qingdao.

Portside trade volumes were similar to yesterday. "Traders showed more buying interest than mills, but traders' bids were lower. We decided to keep firm on our prices," a Beijing trader said.

Mills are cautious on procurement, given the downtrend in iron ore futures and paper swaps. Some mills in Tangshan were heard to halt their blast furnaces and sintering machines today because of the air pollution, which may be lifted on 11 December, a Tangshan trader said. Truck transportation was also prohibited from today until 10 December, he said.

PBF was traded at Yn665-680/wmt at Shandong and Tangshan.

Publishing schedule proposal for 27 December

Argus proposes to not publish the *Ferrous Bulletin* report and Asia-Pacific steel and steel feedstock prices on 27 December because of the regional Christmas holidays.

Argus will accept comments on this change to 14 December. To discuss comments on this proposal, please contact editor Siew Hua Seah at ferrousmarkets@argus-media.com or + 44 20 7199 6538.

Formal comments should be marked as such and may be submitted by email to ferrousmarkets@argusmedia.com and received by 14 December. Please note, formal comments will be published after the consultation period unless confidentiality is specifically requested.

Fob Australia brand differentials (daily) (2-Dec)				\$/t
Specification	Diff	+/-	MTD	
Peak Downs	+1.00	nc	1.00	
Saraji	+0.00	nc	0.00	
Illawarra	+2.50	nc	2.50	
German Creek	+0.00	nc	0.00	
Goonyella	+3.00	nc	3.00	
Moranbah North	+3.00	nc	3.00	
Glencore Low Vol	-2.50	nc	-2.50	
Oaky North	+0.00	nc	0.00	
Riverside	+3.00	nc	3.00	
Peak Downs North	+3.00	nc	3.00	

Asia-Pacific coking coal prices (daily) (2 Dec)				\$/t
Specification	Price	±	MTD	
Asia-Pacific premium hard coking coal low-vol				
fob Australia	315.00	-1.65	315.83	
cfr north China	384.35	-8.65	388.68	
delivered Japan	331.90	-1.70	332.75	
cfr east coast India	335.00	-1.65	335.83	
Asia-Pacific hard coking coal mid-vol				
fob Australia	288.00	nc	288.00	
cfr north China	356.65	-6.35	359.83	
cfr east coast India	308.00	nc	308.00	
Asia-Pacific semi-soft coking coal mid-vol				
fob Australia	225.00	nc	225.00	

fob Australia semi-soft coking coal diff (daily) (2 Dec)				\$/t
Specification	Diff	+/-	MTD	
High-vol differential to mid-vol	-4.73	nc	-4.73	

N China domestic hard coking coal prices (daily) (2 Dec)				Yn/t
Specification	Price	±	MTD	
Domestic low-vol	2,200	nc	2,200	
Domestic low-vol (\$/t)	345.49	-0.18	345.58	
Domestic mid-vol	1,900	nc	1,900	
Domestic mid-vol (\$/t)	298.38	-0.15	298.46	

Hard coking coal, Atlantic prices				\$/t
Specification	Price	±	MTD	
US seaborne, daily (02 Dec)				
fob Hampton Roads (low-vol)	320.20	-7.80	324.10	
fob Hampton Roads (high-vol A)	380.00	-15.00	387.50	
fob Hampton Roads (high-vol B)	310.00	-5.00	312.50	
Americas seaborne, weekly (30 Nov)				
delivered Rotterdam (US low-vol)	342.50	-21.60	418.72	
fob Colombia (mid-vol)	269.45	-19.55	312.07	

Asia-Pacific PCI prices (daily) (2 Dec)				\$/t
Specification	Price	+/-	MTD	
Asia-Pacific low-vol PCI				
fob Australia	252.50	nc	252.50	
cfr north China	203.75	-8.25	207.88	
cfr India	272.70	-0.10	272.75	

fob Australia PCI coal diff (daily) (2 Dec)				\$/t
Specification	Diff	+/-	MTD	
Mid-vol differential to low-vol	-0.35	nc	-0.35	

ARA, Baltic PCI prices (weekly) (1 Dec)				\$/t
Specification	Price	±	MTD	
Low-volatile PCI, fob Baltic	285.00	nc	285.00	
Mid-volatile PCI, fob Baltic	284.00	nc	284.00	
Low-volatile PCI, cif ARA	296.25	+0.40	296.25	
Mid-volatile PCI, cif ARA	295.25	+0.40	295.25	

ICX rationale

There was one ICX-eligible deal today.

A MACF cargo traded at \$90.40/dmt 62pc basis on Globalore, normalising at \$100.14/dmt.

The deal was given 100pc volume weighting.

There were 15 indicative prices, bilateral bids and offers with a pre-exclusion normalised average of \$99.74/dmt with each given a 5pc volume weighting. Normalised prices above \$100.32/dmt and below \$99.20/dmt were statistically excluded.

65pc fines rationale

Bilateral bids, offers and indicative prices had a post-exclusion normalised average of \$115.00/dmt and made up 100pc of the index.

Lump premium rationale

Bilateral bids, offers and indicative prices had a post-exclusion normalised average of 12.98¢/dmt unit and made up 100pc of the index.

COKING COAL PRICE ANALYSIS

Chinese met coke: Downtrend continues

Chinese metallurgical coke prices slowed their descent this week, after falling more than 20pc during November, as participants awaited clearer direction.

The Argus 62 CSR met coke index fell by \$8.65/t to \$473.35/t fob China, while the 65 CSR index fell by \$7.70/t to \$496.65/t fob China from last week. Portside traders are following suppliers' price cuts – domestic portside met coke prices are pegged at around 2,650-2,700 yuan/t (\$415-423/t) for 62 CSR and Yn2,750-2,820/t for 65 CSR today, market participants said.

Chinese domestic coke producers accepted the eighth round of Yn200/t price cuts early this week, bringing the cumulative decrease to Yn1,600/t since early November. Sentiment firmed this week as portside inventories fell and some restocking demand emerged, driven by improving profit margins of Chinese mills and low inventories.

A January-loading 65 CSR cargo was offered at \$475/t fob China, while a December-loading 62 CSR cargo was offered to a Vietnamese buyer at \$510/t cfr. This is a competitive offer, but southeast Asian buyers are targeting under \$500/t cfr for December, a southeast Asian trader said. A Chinese

Seaborne met coke prices			\$/t
Specification	Delivery Period	Price	±
North China (daily) (2 Dec)			
62 CSR coke, fob north China	0-60 days	473.35	-8.65
65 CSR coke, fob north China	0-60 days	496.65	-7.70
ARA, Baltic (fortnightly) (25 Nov)			
60 CSR coke, fob Baltic	0-60 days	600.00	-10.00
60 CSR coke, cif ARA	0-60 days	620.00	-20.00

Spot coal freight rates (daily) (2 Dec)		\$/t
Route and tonnage		Rate
Richards Bay - Rotterdam Capesize 150,000t		16.55
Richards Bay - Rotterdam Panamax 70,000t		21.50
Puerto Bolivar - Rotterdam Capesize 150,000t		18.00
Puerto Bolivar - Rotterdam Panamax 70,000t		23.50
Murmansk - Rotterdam Panamax 70,000t		13.40
Newcastle - Zhoushan Capesize 150,000t		19.35
Richards Bay - S China Capesize 150,000t		20.55
EC Australia - Japan Panamax 70,000t		17.60
EC Australia - EC India, 70,000t		21.10
EC Australia - S Korea Panamax 70,000t		16.90
US east coast - ARA Capesize 140,000t		19.75
US east coast - Japan Panamax 70,000t		46.00
Hay Point - Rotterdam Capesize 160,000t (30 Nov)		21.00

Coking coal, low vol derivatives (daily) (2 Dec)			\$/t
Timing	Price		±
Dec 21	313.25		+6.40
Jan 22	282.00		+13.85
Feb 22	257.00		+11.10
1Q 21	257.25		+9.95
2Q 21	211.25		+9.20
3Q 21	195.50		+8.80
2022	212.10		+8.50
2023	190.35		+2.80

coke exporter expects prices to rise. "Domestic coking coal prices are gradually stabilising, and coke plants have started to restock on raw materials," he said.

Two nut coke cargoes for December loading were sold to South Korea at \$460/t and \$480/t cfr this week.

STEEL PRICE ANALYSIS

Asia-Pacific steel: Prices up on stock fall

China's domestic market sentiment was boosted by the accelerated decline in steel stockpiles and market expectations of plans for further steel production curbs in Tangshan.

Rebar stockpiles held by mills and traders fell by over 650,000t this week, a larger drop from last week's decline of 460,000t. Hot-rolled coil (HRC) inventory fell by over 35,000t on the week, also faster than last week's decline of 20,000t, participants said.

Market expectations are growing for intensifying production restrictions at steel mills in Tangshan over 2-11 December, with some facilities damping down blast furnaces, some shutting down sintering facilities and some mills having to carry out both.

Flats

Shanghai mainstream HRC ex-warehouse prices rose by Yn30/t to Yn4,800/t. January HRC futures rose by 1.05pc to Yn4,703/t. Rapidly declining inventory has boosted market sentiment. But the physical market was not as responsive as the futures market, as buyers can only accept Yn4,800/t at most, despite some traders trying to hike prices to Yn4,830-4,850/t. Market divergence intensified, as some expected December output would pick up from November, weighing on prices amid sluggish trade. But others said that raw material prices had bottomed out and would support steel prices.

The fob China HRC index rose by \$1/t to \$769/t on rising workable levels after Chinese domestic prices continued to rise. A deal for a small quantity of Chinese SS400 HRC was sold at \$790-795/t cfr Vietnam earlier this week, netting back to \$760-765/t for China. But that level was not workable today as Chinese domestic prices kept rising for two consecutive days, leaving most mills or traders reluctant to take orders at low levels. There are many firm bids at around \$780/t cfr Vietnam, too low to be accepted by traders, an east China-based trader said, adding that \$770/t fob China is the lowest offer from some sellers.

The Asean HRC index rose by \$1/t to \$823/t on higher offers for Chinese coils. Two deals for around 40,000t of Chinese SAE1006 were concluded at \$780-790/t fob China, or \$810-820/t cfr Vietnam this week. But those levels were deemed to be too low for traders or Chinese mills today as sellers lifted offers to \$830-850/t cfr Vietnam for Chinese SAE1006 grade coils. It may take more time for Vietnamese buyers to digest the rising prices as local demand remained soft, a Vietnam-based trader said. A Russian mill's offer at \$760-800/t cfr Vietnam also failed to induce buying as its shipment is for March, too far ahead for buyers to consider

Asia-Pacific steel prices				
Specification		Price	±	MTD
Seaborne and domestic (daily) (02 Dec)				
HRC				
fob Tianjin (SS400)	\$/t	769.00	+1.00	768.50
cfr ASEAN (SAE1006)	\$/t	823.00	+1.00	822.50
ImpEx (Asian import-export)	\$/t	796.00	+1.00	795.50
Shanghai ex-warehouse	Yn/t	4,800	+30	4,785
Rebar				
fob Zhangjiagang	\$/t	741.00	nc	741.00
Shanghai ex-warehouse	Yn/t	4,770	+20	4,760
Taiwan ex-mill (SD280)	Twd/t	21,700	nc	21,700
Taiwan ex-mill (SD280)	\$/t	783.59	-0.45	783.82
Wire rod				
fob north China	\$/t	736.00	+3.00	734.50
Billet				
Tangshan ex-works	Yn/t	4,290	nc	4,290
Seaborne and domestic (weekly) (26 Nov)				
HRC				
India ex-works	Rs/t	69,000	nc	69,000
Rebar				
cfr ASEAN	\$/t	718.00	-2.00	718.00
Japan ex-mill (SD295A)	Yen/t	89,000	nc	89,000
Japan ex-mill (SD295A)	\$/t	771.54	-7.51	777.91
CRC				
Shanghai ex-warehouse	Yn/t	5,460	-82	5,460
Seamless steel pipe				
Shanghai ex-warehouse	Yn/t	5,900	+150	5,900
Billet				
cfr ASEAN	\$/t	647.00	+7.00	647.00

Flat steel diffs to fob Tianjin HRC (daily) (02 Dec)				\$/t
Specification	Diff	±	MTD	
CRC, fob China	+63.00	nc	63.00	
HDG, fob China	+150.00	nc	150.00	
Steel plate, fob China	+58.00	nc	58.00	

Country diff to HRC, cfr ASEAN (SAE1006) (daily) (2 Dec)				\$/t
Specification	Diff	±	MTD	
HRC, cfr ASEAN China origin	+0.00	nc	0.00	
HRC, cfr ASEAN India origin	+0.00	nc	0.00	
HRC, cfr ASEAN Japan origin	+15.00	nc	15.00	
HRC, cfr ASEAN South Korea origin	+35.00	nc	35.00	
HRC, cfr ASEAN Taiwan origin	+50.00	nc	50.00	

booking amid the uncertain market.

Mills' mainstream offers for SS400 plate was at \$850-855/t fob China, but the price was negotiable based on firm bids. Traders noted that the indicative levels would be around \$810-815/t fob for mills. Offers for plate into Vietnam were around \$850/t cfr by traders, and deals were heard closed at \$830/t cfr late last week, while some traders noted that bid levels moved up to around \$840/t cfr this week with \$30/t freight.

Chinese mills' export offers for cold-rolled coil (CRC) moved up from \$850/t fob to around \$870/t fob this week, with some deals closed at \$870-880/t fob to Latin America. A deal for cold-rolled full hard coil was sold at \$850-855/t cfr Philippines this week, and some traders were offering position cargoes at \$830/t fob for CRC.

Offers for hot-dipped galvanised steel (HDG) were reported at \$940-950/t fob China, and the workable levels were around \$920/t for sellers. But buyers' target levels were only at \$900/t fob for 120g Zn coils. Prices for 40g Zn HDG without spangles were much lower at \$875/t fob. A north China mill offered 140g Zn HDG at \$915-920/t fob late last week, but the mill was absent from the market this week.

Rebar

Shanghai mainstream rebar prices rose by Yn20/t to Yn4,770/t ex-warehouse on higher futures. May rebar futures rose by 1.32pc to Yn4,288/t. Market sentiment remains bullish amid falling inventory. But rebar output is also trending up with mills' profits increasing alongside higher steel prices. Rebar trade in major cities fell by 24,000t to 180,000t today from yesterday, market participants said.

The fob China rebar index was flat at \$741/t fob theoretical weight on mills' stable export offers. Major Chinese mills maintained rebar export offers firm at \$760-770/t fob theoretical weight for January and February shipment. But mills showed little interest in selling lower than their offer level with domestic prices firming. "We have no plan to sell below \$760/t fob theoretical weight as both rebar futures and physical prices are trending upwards," an east China mill said. The producer's domestic rebar ex-works prices stood at \$755/t theoretical weight for base sizes and grades.

Wire rod & billet

The Chinese wire rod export price rose by \$3/t to \$736/t fob on deals concluded at a higher level. A north China mill sold small quantities of wire rod at \$740/t fob for January shipment. But overall export liquidity showed some signals of slowing down with most buyers having finished restocking for January deliveries. "I am worried that a new wave of price rebound in domestic market will dampen export trade further," a north China mill said. Major producers kept their wire rod export offers at \$740/t fob for January and February shipment.

Steel HRC Europe swaps (daily) (2 Dec)			€/t
Timing	Price	±	
Dec 21	922.75	-1.50	
Jan 22	927.50	nc	
Feb 22	910.00	nc	

Europe, CIS and Middle East steel prices			
Specification	Price	±	MTD
Europe and CIS (daily) (2 Dec)			\$/t
HRC			
ex-works NW Europe €/t	921.25	-3.00	922.75
ex-works NW Europe	1,044.61	-1.09	1,045.15
ex-works Italy €/t	868.50	-6.75	871.88
ex-works Italy diff to NW Europe €/t	-52.75	-3.75	-50.88
fob Black Sea	800.00	-5.00	802.50
CRC			
fob Black Sea	890.00	nc	890.00
ex-works NW Europe €/t	1,082.50	nc	1,082.50
Rebar			
fob Turkey	720.00	-2.50	721.25
Billet			
fob Black Sea	607.50	-7.50	611.25
Europe and CIS (weekly)			\$/t
HRC (2 Dec)			
ddp West Midlands, UK £/t	850.00	nc	850.00
cif south Europe port €/t	820.00	-5.00	820.00
HRC (26 Nov)			
fob Turkey	860.00	-10.00	875.00
ex-works Turkey	870.00	-15.00	890.00
ex-works Turkey TL/t	10,560	+714	9,533
CRC (26 Nov)			
fob Turkey	1,030.00	-20.00	1,057.50
ex-works Turkey	1,030.00	-20.00	1,062.50
ex-works Turkey TL/t	12,502	+821	11,372
HDG (26 Nov)			
fob Turkey	1,175.00	nc	1,187.50
CRC (30 Nov)			
ex-works Italy €/t	1,050.00	-20.00	1,078.00
CRC (1 Dec)			
fca Antwerp €/t	985.00	nc	985.00
Rebar (2 Dec)			
fob Black Sea	715.00	nc	715.00
ex-works Turkey TL/t	11,500	+1,050	11,500
ex-works Turkey	856.53	-13.34	856.53
ex-works Italy €/t (1 Dec)	755.00	+10.00	755.00
Wire rod			
fob Black Sea (2 Dec)	780.00	nc	780.00
fob Turkey (1 Dec)	800.00	-5.00	800.00
del Italy €/t (1 Dec)	830.00	+10.00	830.00
Slab (2 Dec)			
fob Black Sea	640.00	-30.00	640.00
Billet (30 Nov)			
ex-works Turkey	680.00	-10.00	640.00
Europe and Middle East (monthly)			€/t
H-beam (1 Dec)			
ex-works Italy	980.00	nc	-
Merchant bars (1 Dec)			
ex-works Italy	880.00	nc	-
Plate (12 Nov)			
ex-works northwest Europe	960.00	-5.00	-
ex-works Italy	840.00	-20.00	-
Rebar (2 Dec)			
ex-works UAE Dh/t	2,430	nc	-
ex-works UAE \$/t	661.57	+0.02	-

Steel lead times			Weeks	
	Timing	Weeks	Prior	
HRC ex-works US lead time	30 Nov	4-4	4-5	
CRC ex-works US lead time	30 Nov	7-8	9-10	
HDG coil ex-works US lead time	30 Nov	6-8	10-12	
Plate delivered US lead time	30 Nov	5-8	6-8	

Tangshan billet ex-works prices stayed flat at Yn4,290/t today.

Summary of market activity heard by Argus

- HRC-China: Vietnam trading firm reports deal this week for SS400 grade HRC at \$792.50/t cfr Vietnam
- HRC-China: Vietnam mill reports deal this week for SS400 grade HRC at \$792.50/t cfr Vietnam
- HRC-Asean: Vietnam mill reports deal this week for China-origin SAE1006 grade at \$780/t fob China
- HRC-Asean: East China trading firm reports deal this week for China-origin SAE1006 grade at \$790/t fob China
- HRC-China: Vietnam trading firm reports offer for SS400 grade HRC at \$810/t cfr Vietnam
- HRC-China: Vietnam trading firm reports bid for SS400 grade HRC at \$780/t cfr Vietnam
- HRC-China: Vietnam trading firm reports indicative level for SS400 grade HRC at \$800/t cfr Vietnam
- CRC-China: East China trading firm reports indicative level for SPCC grade CRC at \$870/t fob China
- HRC-China: East China trading firm reports bid for SS400 grade HRC at \$780/t cfr Vietnam
- HDG-China: East China trading firm reports offer for SGCC grade HDG at \$920/t fob China
- HDG-China: East China trading firm reports indicative bid for SGCC grade HDG at \$900/t fob China
- HRC-China: Shanghai trading firm reports indicative level for SS400 grade HRC at \$770/t fob China
- HRP-China: Shanghai trading firm reports indicative level for SS400 grade plate at \$800/t fob China
- HRC-China: Vietnam trading firm reports offer for SS400 grade HRC at \$790/t fob China
- HRP-China: Vietnam trading firm reports offer for SS400 grade plate at \$855/t fob China
- HRC-China: Vietnam trading firm reports offer for SS400 grade HRC at \$795/t cfr Vietnam
- HDG-China: North China trading firm reports offer for SGCC grade HDG at \$940/t fob China
- CRC-China: East China trading firm reports indicative level for SPCC grade CRC at \$830/t fob China
- HDG-China: East China trading firm reports indicative level for SGCC grade HDG at \$875/t fob China
- HRC-Asean: Vietnam mill reports offer for Russia-origin SAE1006 grade at \$760/t cfr Vietnam
- HRC-Asean: Vietnam trading firm reports offer for Japan-origin SAE1006 grade at \$860/t cfr Vietnam
- HRC-Asean: Vietnam trading firm reports offer for China-origin SAE1006 grade at \$850/t cfr Vietnam
- HRC-Asean: Northeast China mill reports offer for Russia-origin SAE1006 grade at \$800/t cfr Vietnam

US steel prices (weekly) (30 Nov)				\$/st
Specification	Price	±	MTD	
HRC (30 Nov)				
ex-works US Midwest	1,800.00	+20.00	1,833.00	
ex-works US south	1,800.00	+20.00	1,830.00	
ddp Houston	1,410.00	nc	1,422.00	
CRC (30 Nov)				
ex-works US	2,140.00	-5.00	na	
HDG coil (30 Nov)				
ex-works US	2,135.00	-11.00	na	
Plate (30 Nov)				
del US	1,900.00	nc	na	

Steel mill cost analysis			\$/t
	Price	±	
China (daily) (2 Dec)			
Ferrous feed unit cost blast furnace	330.18	-6.41	
Blast spread fob China rebar	410.82	+6.41	
Blast spread fob China HRC	438.82	+7.41	
Ferrous feed unit cost BOF 15% charge	374.69	-5.81	
BOF spread 15% charge fob China rebar	366.31	+5.81	
BOF spread 15% charge fob China HRC	394.31	+6.81	
Turkey (daily) (2 Dec)			
Ferrous feed unit cost arc furnace	534.80	-5.60	
Arc spread fob Turkey rebar	185.20	+3.10	
Arc spread ex-works Turkey rebar	321.73	-7.74	
Taiwan (weekly) (2 Dec)			
Ferrous feed unit cost arc furnace	509.60	nc	
US (weekly) (30 Nov)			
US Midwest hot-rolled coil-#1 busheling spread	1,270.98	+20.00	

- HRC-Asean: Vietnam mill reports indicative level for China-origin SAE1006 grade at \$810/t cfr Vietnam
- HRC-Asean: Vietnam trading firm reports offer for China-origin SAE1006 grade at \$830/t cfr Vietnam
- HRC-Asean: Vietnam trading firm reports bid for China-origin SAE1006 grade at \$800/t cfr Vietnam
- Wire rod-China: East China mill reports offer for high carbon wire rod at \$835/t fob East China
- Wire rod-China: East China mill reports deal for SAE1008 wire rod at \$740/t fob North China
- Wire rod-China: North China producer reports offer for SAE1008 wire rod at \$740/t fob North China
- Wire rod-China: North China producer reports indicative level for SAE1008 wire rod at \$740/t fob North China
- Rebar-China: Vietnam trading firm reports offer for B500B rebar at \$760/t fob East China theoretical weight
- Rebar-China: East China mill reports indicative level for B500B rebar at \$760/t fob East China theoretical weight
- Rebar-Asean: Hong Kong trading firm reports bid for B500B rebar at \$710/t cfr Hong Kong actual weight

Turkey rebar: Local offers down on US dollar

Turkish mills further discounted local rebar offers on a US dollar-equivalent basis this morning, after scrap import costs dropped to the low \$480s cfr on 1 December for premium HMS 1/2 80:20.

The Turkish lira's appreciation against the US dollar will be key to new demand, as it would result in lower lira-denominated prices for rebar stockists and buyers in Turkey. However, the lira depreciated even further against the US dollar today, to TL13.47:\$1.00, when rebar producers introduced new offers this morning, and reached TL13.68:\$1.00 as *Argus* went to press.

An Iskenderun mill offered TL11,450/t ex-works, including value-added tax (VAT), this morning, equivalent to \$720.30/t ex-works, excluding VAT.

The *Argus* weekly Turkish domestic steel rebar assessment increased by TL1,050/t to TL11,500/t ex-works, including VAT, equivalent to \$723.50/t ex-works, excluding VAT. This was down by \$13.30/t, indicating how demand may continue to remain at low levels as a result of the increasing lira prices and despite the sacrifice of the US dollar value of offers.

The *Argus* daily fob Turkey rebar assessment decreased by \$2.50/t to \$720.00/t on an actual weight basis, as overseas buyers saw that Turkish scrap import prices were under more significant downward pressure and domestic Turkish bar demand remained low.

EU HRC: Prices slip again

North European hot-rolled coil (HRC) prices were under pressure again today in illiquid trading, with December looking like it may be a very quiet month.

Given the amount of material in the supply chain, at mills, ports and service centres, there is limited appetite to buy. Mills have rented warehousing space to keep coils that original equipment manufacturers cannot take. Congestion and logistical issues mean it is difficult to extract material from Antwerp, and other ports, which is further dampening appetite.

Turkish material was offered direct into Germany around €875/t cfr, without duty, but buy-side sources said this was not competitive enough against eastern European offers. There was talk of some Visegrad mills being as low as €820-830/t ex-works today, but this was not confirmed.

Sources said the market was around €920-950/t, but deals have been done in a wide range above and below these levels.

Argus' domestic northwest EU HRC index was down by €3/t at €921.25/t today.

Sources in Brussels said it was likely that the European Commission would accept producer Eurofer's request to open

registration of Turkish and Russian hot-dip galvanised coils, meaning they could be retroactively dutied if dumping is proven.

The *Argus* daily Italian HRC index fell by €6.75/t to €868.50/t ex-works.

Bids to local mills were at €850/t ex-works and lower, as big buyers were pushing down on mill prices.

Some participants are sceptical about the levels the largest buyers are communicating to the market as available to them. But that does not change the bids sellers are receiving, even if those buyers might not have lower-priced alternatives.

An offer was heard from Japan today at €820/t cif south Europe, whereas some bids were heard to importers at €810-820/t cif Italy. There were also reports of a north EU mill offering for the first quarter to southern EU at €850/t delivered.

CIS longs: Prices flat amid slow trading

CIS long product prices were relatively flat this week.

The *Argus* weekly fob Black Sea rebar and wire rod assessments remained at \$715/t and \$780/t, respectively.

Sentiment in Asia firmed in the past week, with south-east Asian producers raising offers to \$725/t cfr in the region, while Chinese mills continued to sell wire rod at around \$740/t fob. At the same time, Turkish mills concluded deals at \$800/t fob into west Africa and Lebanon.

Last indications from Russia were reported at \$780/t fob to the Middle East and north Africa (Mena) region, which was deemed to be workable in western Africa, but Turkish mills probably sold mixed cargoes or provided more favourable conditions. Customers in the Mena and Latin American regions were seeking much lower levels. European buyers looked to imports from alternative destinations amid tight quota allocations, favouring Egyptian wire rod, which was booked at \$835/t fob, with further negotiations heard at \$830-835/t fob.

Ukrainian wire rod was on offer at \$815-820/t fob to Europe, but no sales were heard.

Rebar was offered from Ukraine to Europe at \$760/t fob, with discounts of at least \$10/t available, but buyers were yet to place bids as they were still uncertain about further price market developments.

In Russia producers were focused on the domestic market, where prices remained well above international levels. Moreover, after a fire outbreak occurred at a steelmaking shop of MMK on 30 November, market participants estimated December production will be cut by at least 50,000t. The company said "the incident will have no impact on MMK fulfilling its production programme for 2021".

CIS Slab: Sharp price declines continue

Sentiment in the CIS slab market has further worsened, as customers watch developments in related segments and hold off on restocking.

The CIS slab assessment decreased by \$30/t to \$640/t fob Black Sea.

A Russian mill reportedly sold to Europe at \$660-670/t cfr from Baltic ports, while offers were heard at \$650/t fob last week. The sale was not confirmed by the time *Argus* went to press.

A Ukrainian mill was willing to sell below \$700/t cfr Europe this week, while in the second half of the month sales were reported at no lower than \$720/t cfr Europe. In the European plate segment, sentiment has softened, with prices [hovering in the range of €860-900/t ex-works for S235JR/S275JR grade earlier this week](#).

Turkish hot-rolled coil (HRC) offers remained at \$900/t fob and domestic at \$890-900/t ex-works, but the lira depreciation continues to impact the market with re-rollers delaying placing orders for slabs in order to achieve lower levels.

In the Americas, demand has been in sharp decline. Slab producers in Latin America are targeting \$610/t fob but some said even this low level is not workable at the moment. Reasons for the decline in slab demand include the lower-than-usual automotive production levels and the S232 US/EU rules providing less certainty. Furthermore, buyers understand slabs requirements fell sharply in all regions and they can dictate their terms, putting downward pressure on prices.

Meanwhile, in Asia, offers for Indonesian-origin slab were reported at \$660/t cfr Asia, with workable levels for Russian material reported at \$680/t cfr.

GCC Steel: Market subdued

Activity in the GCC steel market was subdued, as the UAE celebrated public holidays on 30 November and today, while logistical issues in Saudi Arabia continued to affect Sabic Hadeed's wire rod production.

The *Argus* monthly UAE rebar assessment was unchanged at 2,430 dirhams/t ex-works, as Emirates Steel (ESI) and other mills have [rolled over their prices for December deliveries](#).

In Saudi Arabia, Sabic Hadeed marginally increased the 12-32mm rebar price to 2,750 riyals/t (\$733/t ex-works). Wire rod exports are unlikely until the new year because of logistical problems. An Omani mill has also rolled over its rebar price from last month. Some UAE mills are yet to announce new prices, as many companies had four days off this week to extend the aforementioned UAE national holidays.

Two shipments of rebar from the Gulf-Co-operation Council (GCC) region were heard at the end of last week,

both to Hong Kong. One was sold by a Qatari mill at \$680/t fob actual weight, equating to \$720-730/t cfr. The other was sold by an Omani mill at \$710-720/t cfr, including freight costs of \$40-50/t.

Two shipments of billet from the GCC were heard this week. One was heard at \$630/t fob to Africa, but the quantity and country were not specified. And a Qatari mill sold billet to Egypt at \$625/t fob for prompt shipment, according to a trader. Local billet is priced at \$660/t ex-works in the UAE, but is in the range of \$640-650/t ex-works in Saudi Arabia, Oman and Bahrain.

In other news, the UAE government has announced new housing projects to the value of \$1.03bn, including the development of 2,000 residential plots and 900 villas. "Other housing projects will be announced early next year and this will help to rejuvenate the UAE steel industry," a UAE-based market participant said. The same participant also stated that UAE steel demand increased by 10pc in November, compared with October.

CIS billet: Mills cut prices to spur sales

CIS billet prices fell today as mills rushed to fill their order books ahead of winter holidays. The *Argus* daily Black Sea billet assessment fell by \$7.50/t today to \$607.50/t fob.

A Ukrainian producer booked 30,000t of billet at \$600-610/t fob to the Middle East and north Africa (Mena) region in the past week. While the sale destination was not specified, customers from Morocco, Tunisia, Egypt and Saudi Arabia were all in the market. Indications from Morocco and Tunisia were heard at \$615/t fob, probably for wire rod grade billets, while in the GCC local billet was available in a range of \$640-660/t cpt depending on supplier.

Russian billet was sold at \$610/t fob for January shipment to a trader in the past week, following a deal with another Russian producer at \$605-610/t fob. The cargoes were probably intended for the north African region. But Turkish customers were not willing to pay more than \$640-645/t cfr today as demand remained subdued and producers struggled to boost finished products sales to most markets amid the lira volatility locally and lower prices from alternative suppliers.

In Asia, billet producers started to push prices up as the finished products market showed [signs of recovery](#). A Russian producer was negotiating a level of \$600-605/t fob this week, after closing a sale at \$595/t fob with traders last week. In the meantime, traders were offering Russian billets at \$660/t cfr the Philippines.

But other suppliers in the region were still indicating quite low levels. Indonesian billet was quoted at \$625/t fob, while Indian material was at \$610/t fob.

METALLICS PRICE ANALYSIS

Turkey scrap: Price down as exporters cut offers

The Turkish scrap import price decreased on Thursday as premium HMS 1/2 80:20 offers moved down to \$480/t cfr for January and December shipment.

The Argus daily HMS 1/2 80:20 cfr Turkey steel scrap assessment fell \$5/t to \$477.50/t.

A Russian supplier and a Baltic supplier were heard to offer \$480/t cfr for HMS 1/2 80:20 for December and end January shipment, respectively.

There is clear pressure on any exporter with December shipment availability given the lack of remaining requirement from buyers for this shipment period. The maintenance periods of 10-25 days scheduled by several Turkish mills in January continue to drive expectation that Turkish January shipment scrap requirements will not be higher than their December shipment requirements, particularly given that close to no rebar has been sold domestically through the second half of November to today.

The fact that Turkish mills have to buy the majority of these January shipment cargoes before around 20 December will likely limit any sharp price fall in December. Fifteen or more deep-sea cargoes are expected to be bought for January shipment by around 20 December. Very few cargoes have been sold from the US or continental Europe for January shipment so Turkish mills will have a healthy choice of cargoes relative to their weak demand for this shipment period.

The potential for Turkish mills not to receive any increased rebar demand through December could continue to put pressure on scrap import prices going into January as a slowdown in steel orders for a sustained period would see Turkish mills back away from buying scrap in the early part of the month to a much stronger degree than currently anticipated.

The Turkish lira depreciated even further against the US dollar today, hitting TL13.47:\$1 when rebar producers introduced new offers this morning and reaching TL13.68:\$1

Ferrous scrap Japan Tokyo Steel domestic purchase price					
	Timing	Diff (Yen/t)	±	Diff (\$/t)	±
H1 to H2 differential	na	+1,500	nc	+13.28	+0.05
Shredded C to Shredded A diff	na	+500	nc	+4.43	+0.02

Ferrous scrap short-sea trades (average composition price, cif Marmara)

Date	Volume, t	Price, \$	Shipment	Buyer	Seller	Composition	Index relevant
26-Nov	3,000	468	November	Izmir	Bulgaria	3k 80:20	Y
26-Nov	3,000	471	November	Bartın	Bulgaria	3k 80:20	Y
26-Nov	3,000	465	November	Izmir	Adriatic	3k 80:20	Y
25-Nov	5,000	472	November	Marmara	Bulgaria	5k 80:20	Y

Seaborne ferrous scrap prices (daily) (2 Dec)			
	Low-High	Price	±
HMS 1/2 (80:20), cfr Turkey		477.50	-5.00
HMS 1/2 (75:25), fob Rotterdam		426.50	-5.00
HMS 1/2 80:20 (short-sea) cif Turkey		460.00	-5.50
HMS 1/2 (80:20), fob New York	442.50-443.50	443.00	-5.00
HMS 1/2 (80:20) container cfr Taiwan (2 Dec)		455.00	nc

Seaborne ferrous scrap prices (weekly) (29 Nov)				
Specification	Low-High	Price	±	MTD
HMS 1/2 (80:20), fas Los Angeles	395.00-400.00	397.50	nc	406.250
Shredded containerised cfr Nhava Sheva India	545.00-555.00	550.00	nc	550.000
H2, fob Japan		437.00	-4.00	437.00
H2, fob Japan ¥/t		50,400	nc	50,400
HS, fob Japan		510.00	-11.00	510.00
HS, fob Japan ¥/t		58,800	-700	58,800

Mill delivered ferrous scrap prices			
Specification	Low-High	Price	±
Daily (2 Dec)			
Heavy melt #3 posted del E China Yn/t		3,240	nc
Weekly (29 Nov)			
Shredded composite del US \$/gt		530.00	nc
Monthly			
E40 shredded del Germany national average €/t (15 Nov)	403.24-413.24	408.24	+27.92
E40 shredded del Spain €/t (15 Nov)	430.00-440.00	435.00	+30.00
E40 shredded del Italy €/t (15 Nov)	395.00-405.00	400.00	+25.00

Ferrous scrap Tokyo Steel purchase price (daily) (02-Dec)				
	Tahara plant			
	Price (Yen/t)	±	Price (\$/t)	±
H2	53,000	nc	469.24	+1.85
Shindachi Bara	61,000	nc	540.07	+2.13
Shredded A	56,500	nc	500.23	+1.97
	Utsunomiya Plant			
	Price (Yen/t)	±	Price (\$/t)	±
H2	53,500	nc	473.67	+1.87
Shindachi Bara	57,000	nc	504.65	+1.98
Shredded A	55,500	nc	491.37	+1.93

Ferrous scrap deep-sea trades (average composition price, cfr Turkey)							
Date	Volume, t	Price, \$	Shipment	Buyer	Seller	Composition	Index relevant
30-Nov	45,000	485 (80:20)	January	Marmara	USA	80:20, shred, bonus	Y
30-Nov	n/a	480 (80:20)	January	Iskenderun	Baltics	80:20, bonus	Y
27-Nov	n/a	492 (80:20)	December	Iskenderun	Scandinavia	80:20, shred, bonus	Y
27-Nov	40,000	491	December	Iskenderun	Russia	34k 80:20, 6k bonus	Y
27-Nov	40,000	487 (80:20)	December	Iskenderun	Baltics	20k 80:20, 10k 90:10, 1.5k bonus, 1k bush	Y
24-Nov	40,000	492	January	Marmara	Cont Europe	30k 75:25, 5k shred, 5k P&S	Y
24-Nov	40,000	508	December	Marmara	USA	25k 95:5, 15k P&S	Y
23-Nov	50,000	508	December	Marmara	Canada	50k 95:5	Y
23-Nov	n/a	499	January	Iskenderun	Cont Europe	HMS, shred, bonus	Y

at 16:00 GMT. Mills sacrificed USD-value of their lira-denominated offers amid the fall in scrap import prices and the weak rebar demand.

An Iskenderun mill offered TL11,450/t ex-works including VAT this morning, equivalent to \$720.30/t ex-works excluding VAT. The Argus weekly Turkish domestic steel rebar assessment increased TL1,050/t to TL11,500/t ex-works including VAT, equivalent to \$723.50/t ex-works excluding VAT, down \$13.30/t indicating how demand may continue to remain at very low levels because of the increasing lira prices and despite the sacrifice of the USD-value of offers.

Short-sea scrap import bid indications fell below \$460/t cif Marmara for western Black Sea-origin HMS 1/2 80:20 yesterday after the drop in deep-sea prices, with suppliers stating that prices around \$465/t cif Marmara were now out of question.

The Argus daily HMS 1/2 80:20 cif Turkey (short-sea) decreased \$5.50/t to \$460/t on Thursday.

Asia scrap: Prices stable on mixed outlook

The Taiwanese containerised ferrous scrap import market was stable on Thursday, as suppliers and buyers held a mixed outlook.

The Argus daily containerised HMS 1/2 80:20 cfr Taiwan assessment was assessed at \$455/t cfr today, unchanged from Wednesday. The Taiwanese import price has risen by \$10/t from \$445/t cfr week on week.

More spot trades were heard at the same level of \$455 on Wednesday.

Local steelmakers were more proactive in seeking cargoes as they do not want to be caught short before the year-end holidays. Some buyers said they would prefer to secure some cargoes in case prices start rising next week.

"I think \$455 is a reasonable price for seaborne scrap now, and we intend to do some restocking anyways," a buyer said today.

Scrap suppliers were also actively seeking buyers, fearing the repercussions of the omicron variant of the coronavirus. A seller said that it is hard to predict price indications as there was a lack of pricing cues. That said, some sellers

Ferrous scrap freight (weekly)				\$/t
	Low-High	Price	±	
26 Nov				
Bulk export New York-Turkey	34.00-35.00	34.50	+2.00	
Bulk export Los Angeles-South Korea	53.00-54.00	53.50	+3.00	
Bulk export Japan - Eastern China	45.00-50.00	47.50	nc	
30 Nov				
Containerised export New York-Mumbai	43.00-46.00	44.50	nc	
Containerised export Los Angeles-Taiwan	38.00-42.00	40.00	-2.50	

Pig iron prices (weekly)				
Specification	Loading	Price	±	
China ex-works (26 Nov)				
Tangshan, Hebei	immediate	3,650	+50	Yn/t
fob Black Sea (2 Dec)				
Russian basic	2-6 weeks	520.00	nc	\$/t
Ukrainian basic	2-6 weeks	520.00	nc	
fob Brazil (2 Dec)				
northern Brazil basic	prompt-6 weeks	525.00	-5.00	\$/t
southern Brazil basic	prompt-6 weeks	505.00	-7.50	

Ferro-alloys				
Specification	Frequency	Date	Price	±
Ferro-manganese				
HC 75% fob China (\$/t)	Weekly	30 Nov	1,715	-220
HC 75% Mn ex-works China (Yn/t)	Twice weekly	2 Dec	8,500	nc
HC min 80% Mn 6-8% C fob N America (\$/gt)	Weekly	2 Dec	2,550	nc
Silico-manganese				
65% Mn 17% Si fob China (\$/t)	Weekly	30 Nov	1,665	-100
65% Mn 15% Si fob India East Coast (\$/t)	Twice weekly	2 Dec	1,490	nc
65% Mn ddp Europe works (€/t)	Twice weekly	2 Dec	1,775	nc
Min 65% Mn 16% Si fob N America (\$/lb)	Weekly	2 Dec	1.36	nc

were convinced that prices were bound to head north and maintained offers at \$465-\$470/t cfr.

"I think domestic scrap prices in the US will rise in December, and this is due to firm domestic demand, so overseas' buyers will have to pay higher prices to secure scrap

tonnages," a trader said today.

Japan, South Korea and Vietnam

A major Japanese scrap buyer in South Korea aggressively cut bids this week amid scant buying interest in the Asian seaborne scrap market. Bids were down by ¥2,000 to ¥47,500/t for H2, by ¥3,000/t to ¥53,000/t for shred, by ¥1,000/t to ¥56,000/t for HS and by ¥3,500/t to ¥60,000/t for shindachi, all on a fob basis. The H2 price was almost ¥6,000/t (\$53/t) lower than the Tokyo Bay collection price. As such, many suppliers that have domestic sales channels did not participate in this tender. According to trade sources, the buyer still received many offers as exporters are unable to find interested buyers of Japanese scrap with the current market situation. "I don't know whether this mill really wants to buy, maybe they just want to bid at a very low price and test the market," a Japanese trader said.

Another South Korean mill also cut its bids for shindachi by ¥1,000/t from last week to ¥64,000/t cfr today, netting back to slightly lower than ¥60,000/t fob. "Japanese domestic mills are paying around ¥63,000/t for shindachi, but I think some suppliers will still accept this price," a trader said. The South Korean domestic scrap price fell by another \$8.5/t this week on improving inbound scrap flow.

Most buyers in other markets were still holding a cautious stance. Some Japanese traders expect the demand from Bangladesh to support the December Kanto tender, but several deep-sea bulk deals done to the Bangladesh market in recent weeks have already fulfilled some demand.

Domestic 1-3mm scrap in Vietnam fell by 100-200 dong/kg (\$4.40-8.80/t) this week to \$457-466/t in south Vietnam. Japanese H2 offers were unchanged at \$495-510/t cfr, which failed to entice Vietnamese buyers.

Pig iron: Market remains at a standstill

Overseas demand for CIS-origin basic pig iron (BPI) remained muted in the past week, with prices unchanged amid thin trading and a disconnect between buyers and sellers, resulting in scarce indications. But two pan-American deals slightly pressured prices for Brazil-origin material.

CIS, Europe

The *Argus* fob Black Sea weekly price assessments for Russian and Ukrainian BPI were both flat at \$520/t today with no assessment-relevant deals concluded and solid price indications for BPI from CIS sellers limited. Market participants cited a lack of clear understanding of a price development direction for the near term.

In Italy, traders might seek for lower prices from CIS sellers, sources said, but reportedly were unable to do that because they were buying quite high lately - \$575-585/t cfr - and have not resold those cargoes yet. As such, these

traders moved to support similar price levels until all the tonnage was distributed.

But concluding sales became more difficult amid softer prices on steel products, including slab and plate. This seeded uncertainty about demand from Italian BPI consumers, which were heard to be well-stocked.

Turkish consumers have stepped back from actively purchasing pig iron amid a struggle to sell finished steel products in a falling market. This was compounded by falling ferrous scrap prices and a depreciating lira.

Estimates for BPI prices in Turkey remained within \$550-560/t cfr, but no trading activity was heard.

As such, sellers selectively indicated at \$520-540/t fob Black Sea, while buyers estimated around \$510-520/t at best amid a fresh wave of Covid-19-related worries, with no business concluded.

US, Brazil

US buyers avoided placing any solid bids, remaining largely inactive during the Thanksgiving holidays last week and in anticipation for [clarity in the domestic ferrous scrap market](#) this week.

As a result, negotiations between pig iron buyers and sellers hit a standstill as offers stayed at or above \$575/t cfr Nola, according to traders. Market participants widely expect that steel mills will remain virtually absent from the spot market until after Christmas.

Based on that, the *Argus* weekly cfr Nola BPI assessment was unchanged from 29 November at \$560-570/t cfr today.

Meanwhile, Brazilian offers were limited and producers, most of which were sold out until late-January, continued to target a maximum of \$510/t fob Rio de Janeiro for February shipment. Still, two 30,000t cargoes, which were sold over the past week for January delivery - one to Peru and another to Mexico - at \$500-510/t fob, underpinned the decrease in the *Argus* assessments for Brazilian BPI.

As a result of these sales, the assessment for BPI fob south Brazil price slipped by an average of \$7.50/t to \$500-510/t from the prior week. The fob northern Brazil BPI assessment generally matched developments, declining by \$5/t on average to \$520-530/t, with no trading activity detected.

China, India

Chinese BPI buyers continued to be broadly out of the global market, indicating no interest at all. One cargo, initially destined for a Chinese customer, was reportedly resold to Taiwan, with no details emerging by the time *Argus* went to press.

India-origin pig iron was on offer to China at around \$490/t fob, which is noticeably below previous offers of \$510-540/t from mid-November but failed to induce any response from buyers anyway.

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ASIA PACIFIC

Australia's October resource export receipts fall

The value of energy and mineral export receipts from Australia in October fell by 8.2pc on the month because of a near 27pc slide in the value of its iron ore exports over the same period.

The value of its monthly iron ore export receipts dropped to a 20-month low, but this was partially offset by record LNG export receipts, according to October trade data from the Australian Bureau of Statistics (ABS).

The decline in iron ore export receipts also dragged down the value of total exports to Australia's largest trading partner China, which buys around 80pc of Australian iron ore. Total exports to China dropped by almost 8pc in October from September and were the lowest by value in 11 months, the ABS data showed.

Australian iron ore receipts extended their fall for a fourth consecutive month to A\$8.31bn (\$6.15bn) in October from A\$11.36bn in September and marked a further unwinding of a record-breaking monthly run earlier this year when receipts hit a record A\$18.13bn (\$13.5bn) in June, according to the ABS data. October's iron ore receipts were the lowest since A\$6.51bn in February 2020.

Iron ore had been underpinning record export receipts and trade surpluses for the first half of 2022, following a more than doubling of spot prices during the 2020-21 fiscal year to 30 June. But spot prices have since fallen by around 55pc. The Argus ICX iron ore price was last assessed at \$103.50/dry metric tonne (dmt) cfr Qingdao on a 62pc Fe basis on 1 December, up by \$2.10/t on the day and down from a high of \$235.55/dmt on 12 May. Iron ore prices have fallen from their peaks largely because Chinese authorities are urging steel producers to reduce emissions by cutting

steel output.

Australian LNG export receipts of A\$5.58bn in October hit a record for a third consecutive month, up by 9pc from the previous record of A\$5.12bn in September and by more than 150pc from A\$2.21bn in October 2020. The LNG export receipts have been aided by higher LNG prices because of energy shortages in Europe and China, which have also pushed up oil prices. The Argus LNG fob Australia price was last assessed at \$33.24/mn Btu on 1 December, down by \$0.77/mn Btu on the day but up from \$12.41/mn Btu at the end of June.

Combined thermal and coking coal export receipts of A\$6.53bn in October were the highest in more than two years, compared with A\$5.99bn in September and more than double the A\$3.09bn received in October 2020. The October coal export receipts were the highest since A\$6.62bn in June 2019.

The slide in Australia iron ore export receipts dragged down total bulk energy and mineral exports to A\$22.94bn in October, the lowest since A\$22.89bn in April and down by more than 8pc from A\$24.98bn in September but up from A\$18.44bn in October 2020. Australian energy and mineral exports accounted for around 59pc of the country's total merchandise exports of A\$38.42bn in October. Total exports, which include services, reached A\$43.05bn in October.

The lower energy and mineral export receipts narrowed Australia's trade surplus to A\$11.22bn in October from A\$11.84bn in September and a record A\$14.02bn in August. China accounted for less than 28pc of Australia's total shipments, with iron ore the most significant export. China is also a significant buyer of Australian LNG, although trade tensions between the two countries have seen trade in coking and thermal coal diminish.

Exports receipts from China fell to A\$11.96bn in October,

Australian export receipts for October											(A\$mn)
Period	Iron ore	Combined thermal and coking coal	Crude oil, petroleum products	LNG	Total exports of metal and energy	Trade balance	Exports to China	Japan	Asean	Imports from China	Trade balance with China
Oct '21	8,310	6,531	1,011	5,582	22,940	11,220	11,957	5,768	4,755	8,085	3,872
Sept '21	11,359	5,993	1,058	5,118	24,981	11,824	12,992	6,261	4,899	8,534	4,458
Oct '20	11,136	3,094	442	2,205	18,436	6,693	12,309	3,181	2,936	7,945	4,364
Jan-Oct '21	139,142	44,098	7,863	36,811	242,153	107,196	154,529	47,863	44,180	71,486	83,043
Jan-Oct '20	92,824	37,170	5,240	31,039	180,327	59,870	120,693	35,976	29,711	67,441	53,252
Y % ±	-25.38	111.09	128.73	153.15	24.43	67.64	-2.86	81.33	61.96	1.76	-11.27
M % ±	-26.84	8.98	-4.44	9.07	-8.17	-5.11	-7.97	-7.87	-2.94	-5.26	-13.14
2021 YTD vs 2020 YTD % ±	49.9	18.64	50.06	18.6	34.29	79.05	28.03	33.04	48.7	6	55.94

– ABS

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the lowest since A\$10.88bn in November 2020. Receipts from countries that belong to the Association of Southeast Asian Nations (Asean) were up by more than 48pc on the year in the first 10 months of 2021 to A\$44.18bn as Australia seeks to diversify its exports away from reliance on China.

By Kevin Morrison

Australia's met coal exports at 4-month high

Australia's metallurgical coal exports rose to a four-month high in October on a strong rise in hard coking coal shipments to India that hit a 10-month high, while pulverised coal injection (PCI) grade and semi-soft coking coal shipments were steady on the month.

Combined shipments of hard, PCI grade and semi-soft coking coal rose to 14.48mn t in October from 13.88mn t in September, which was revised from the original estimate of 13.65mn t and above the 13.73mn t shipped in October 2020, according to trade data published by the Australian Bureau of Statistics (ABS) and supplied by GTT.

October's stronger volumes reflected higher shipments of hard coking coal to 9.34mn t, up by 6pc from 8.81mn t in September and down by 4.3pc from 9.73mn t shipped in October 2020, the ABS/GTT data showed. The rise in hard coking coal shipments in October largely reflected the 38.5pc rise in shipments to India to 3.96mn t from 2.86mn t in September and 32pc above the 3mn t shipped in October 2020, the data showed.

Australian metallurgical coal exports for October 2021								
	Oct '21	Sep '21	Oct '20	Jan-Oct '21	Jan-Oct '20	YTD % ±	M % ±	Y % ±
Hard coking coal								
Japan	1.42	1.32	1.31	15.81	11.54	37.00	7.58	8.40
South Korea	0.74	1.20	0.95	9.75	5.69	71.35	-38.33	-22.11
Taiwan	0.61	0.55	0.34	4.93	4.28	15.19	10.91	79.41
India	3.96	2.86	3.00	34.15	23.68	44.21	38.46	32.00
Vietnam	0.17	0.60	0.32	4.44	3.56	24.72	-71.67	-46.87
Total	9.34	8.81	9.73	92.43	96.57	-4.29	6.02	-4.01
Semi-soft coking coal and PCI								
Japan	1.67	1.69	1.30	16.55	13.12	26.14	-1.18	28.46
South Korea	0.82	0.97	0.95	9.58	7.77	23.29	-15.46	-13.68
Taiwan	0.46	0.73	0.33	4.04	3.82	5.76	-36.99	39.39
India	1.03	1.03	0.88	11.24	9.68	16.12	0.00	17.04
Total	4.99	4.96	3.92	46.57	44.25	5.24	0.60	27.30
Combined total	14.48	13.88	13.73	140.65	141.20	-0.39	4.32	5.46

— ABS/GTT

Shipments to Japan rose by 7.6pc to 1.42mn t in October from 1.32mn t in September and 8.4pc above the 1.31mn t in October 2020, the latest data showed. [Japan's coking coal imports](#) slowed in October on the month, driven by falls from main supplier Australia that fell by 23pc on the month to the lowest level since September 2020.

The absence of shipments to China, which took 33mn t of hard coking coal from Australia last year, has largely been offset by increases in shipments to the key export destinations of India, Japan, South Korea and Vietnam, along with an increasingly diverse group of nations in the first 10 months of this year. Total hard coking coal shipments shrank by 4.3pc to 92.43mn t in January-October from 96.57mn t a year earlier.

There were no shipments of semi-soft and PCI to China for the 10th consecutive month.

The overall rise in metallurgical coal shipments were expected following [higher exports from the four largest coal export ports in Queensland](#), which is the largest exporting state of coking coal, despite another slow month of maintenance at the BHP Mitsubishi Alliance's Hay Point terminal.

The ports of Hay Point, Dalrymple Bay Coal Terminal (DBCT), Abbot Point and Gladstone shipped 16.66mn t in October, up from 15.6mn t in September and 15.5mn t in October 2020 but down from 17.5mn t in pre-pandemic October 2019.

The *Argus* premium low-volatile hard coking coal price averaged \$397.63/t in October, up by 15pc from the average of \$345.72/t in September and more than triple the average of \$122.46/t in October 2020. It averaged \$403.97/t in November, a record high since *Argus* launched the price in early 2010.

The average export price for Australian hard coking coal was \$202.87/t in October, up from \$185.04/t in September and up from the average of \$105.01/t in October 2020, and well below the record of \$325.03/t in April 2011. The October prices were based on the US-Australian dollar exchange rate of \$0.7403 used by the ABS for the month, which is below a peak for 2021 of \$0.7759 in May.

The average export price for semi-soft coking coal and PCI was \$139.17/t in October, down from \$142.06/t in September and above the average of \$79.22/t in October 2020.

The *Argus* semi-soft mid-volatile price averaged \$226.74/t in October, up from \$194.62/t in September and more than triple the average of \$71.20/t in October 2020. It averaged \$235.70/t in November, a record for a monthly average since *Argus* launched the price in late 2017. The

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PCI price averaged \$270.23/t fob Australia in October from \$221.15/t in September almost four times above the average of \$73.93/t in October 2020. It averaged \$277.33/t in November, a record high for a monthly average since *Argus* launched the price in the middle of 2015.

By Kevin Morrison

Indian rebar prices dip on weaker construction

Indian domestic rebar prices fell this week with demand under pressure from an extended construction ban in the northern states to limit air pollution and heavy rainfall in the southern states.

Ex-Delhi prices for 12mm thick blast-furnace grade rebar fell by 1,500 rupees/t (\$20/t) to Rs59,000/t, excluding goods and services tax, from two weeks earlier. Prices of scrap-melted rebar fell by Rs3,000/t to Rs48,000/t over the same period.

“There is literally no demand. The construction ban has muted all activity, except some critical projects that are running on special permissions,” a Delhi-based trader said, adding that prices are expected to dip further but the demand outlook is uncertain.

All construction and demolition activities in the national capital Delhi and national capital region are banned until further notice. Only non-polluting construction activities such as plumbing work, interior decoration and electrical work are allowed, but activities related to steel and cement that produce pollution are prohibited.

Demand is already slow during the winter months when fog hinders building activity. Consumption will pick up after the ban is withdrawn, but high activity levels are expected only after the new year, market participants said.

Delhi's ban on trucks, except for essential services and electrical work, and compressed natural gas vehicles is creating supply issues as well, participants said.

Meanwhile, heavy rainfall in the south Indian states is expected to keep demand on the back foot for a while.

“Demand did not pick up post-Diwali as we were expecting. The price volatility in the last two months have kept buyers away and they are now waiting for further price correction before committing to orders,” a north-India based distributor said.

“Prices could face some pressure from falling international prices... The fall in international rebar prices can be attributed to a slowdown in the real estate and infrastructure sectors in China with limited exports,” India Ratings analyst Siddharth Rego said.

The *Argus* domestic India hot-rolled coil (HRC) index

was at Rs69,000/t on 26 November, up by 47pc from a year earlier, while the *Argus* cfr Asean HRC index was at \$822/t yesterday, up by 36pc on the year. The spread between domestic rebar and HRC prices held at around Rs10,000/t.

By Sumita Layek

Australia iron ore exports drop to 18-month low

The value of Australian iron ore exports decreased in October to an 18-month low on lower prices and volumes, as shipments by UK-Australian firm Rio Tinto slipped.

Shipments were reduced because of tie-in and maintenance work at Rio Tinto's Pilbara operations in Western Australia (WA).

Australia shipped 72.71mn t in October, down from a stronger than average revised total of 77.1mn t in September and 75.66mn t in October 2020, according to data from the Australian Bureau of Statistics (ABS).

November shipments have slipped below October levels, as lower shipments from BHP, Roy Hill and Fortescue more than offset resurgent output from Rio Tinto ahead of the end of its financial year on 31 December, according to initial shipping data collated by *Argus*.

The value of Australian iron ore exports fell to \$6.15bn from \$8.31bn in September and to less than half the monthly peak of \$13.91bn in June, because of lower prices and volumes.

Australian exports to China decreased in October from September but were 7.5pc higher than a year earlier, with year-to-date shipments up by 1.7pc on 2020, despite the continuing trade dispute between Beijing and Canberra, and Beijing moving to constrain its steel-producing industry. The increase coincided with a weakening of iron ore prices from highs during May-July.

Exports to South Korea, Japan and Taiwan were lower

Australian iron ore exports					mn t
Destination	Oct	% ± vs Sep	% ± vs Oct '20	Jan-Oct	% ± vs Jan-Oct '20
China (excluding SARs and Taiwan)	62.82	-1.69	7.52	596.21	1.79
Japan	3.84	-24.61	-18.56	49.4	19.97
Korea, Republic of	3.64	-23.07	-25.21	45.05	4.45
Taiwan	1.33	-28.74	-11.66	14.27	21.6
Vietnam	0.89	-1.91	47.18	8.52	39.97
Total	72.71	-5.68	-3.9	719.07	-0.26

– GTT

Total includes all destinations not just those listed

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than a firm September and October 2020. Year-to-date shipments to Japan and Taiwan are around 20pc higher for the same period in 2020, when steel production capacity was constrained because of economic lockdowns triggered by the first wave of the Covid-19 pandemic. Vietnam continues to increase its take of iron ore from Australia, albeit at a slightly lower rate in October than in September.

Australia shipped 17.29mn t of lump and 60.05mn t of fines in September compared with 16.98mn t of lump and 56.95mn t of fines in August, and 16.95mn t of lump and 55.99mn t of fines in September 2020.

The average price for Australian iron ore fines was \$84.60/t in October, down from \$107.84/t in September and a peak of \$181.63/t in June, according to ABS data. The September prices were based on the US-Australian dollar exchange rate of \$0.7403 used by the ABS for the month. This was up from \$0.7319 in September but down from \$0.7759 in May, which was a peak for 2021.

The Argus ICX seaborne fines price for 62pc Fe ore delivered to China averaged \$120.97/dry metric tonne (dmt) cfr Qingdao in October, up from \$210.32/dmt in September but down from 214.61/dmt in June. The decline in Australian received prices compared to the stable Argus price partly reflects a pricing lag and lower-grade pricing discounts.

The Argus ICX iron ore was last assessed at \$103.50/dmt cfr Qingdao on a 62pc Fe basis on 1 December, up from \$90.05/dmt on 16 November but down from a high of \$235.55/dmt on 12 May. Argus assessed 58pc Fe at \$78.10/dmt cfr Qingdao on 1 December, up from \$63.80/dmt on 16 November but down from a high of \$207.10/dmt on 12 May.
By Jo Clarke

EMEA

H2 Green Steel, Iberdrola plan hydrogen plant

Swedish initiative H2 Green Steel (H2GS) has entered a partnership with Spanish energy company Iberdrola for the construction of a 1GW green hydrogen electrolysis facility in the Iberian Peninsula.

The hydrogen will be used for the direct reduction of iron ore in an accompanying 2m t/yr plant. The use of green hydrogen is expected to reduce steelmaking carbon emissions by 95pc, releasing 100kg of CO₂ per tonne, the company said. Several sites are currently under consideration, all in the Iberian Peninsula, with production expected to start in 2025-2026.

Tight supplies of the renewable energy required to produce green hydrogen through electrolysis have complicated

green steel efforts by other European steelmakers. Some have opted for grey hydrogen produced from fossil fuels in the meantime owing to a lack of readily available green hydrogen.

All sites currently under consideration have access to “cost-effective” renewable electricity, the company said. The exact source is yet to be decided but will likely be solar and wind power. The electrolyser will be jointly owned and operated by Iberdrola and H2GS. The former will deliver renewable energy to the plant, while direct reduced iron (DRI) production and any downstream processes will be owned and operated by H2GS. The project is estimated to cost about €2.3bn (\$2.60bn).

The companies will also explore the opportunity to co-locate a 2.5-5m t/yr flat steel production facility together with the plant. Here, DRI will be fed into an electric arc furnace to create steel. This would be H2GS’ second plant after it announced plans for a similar Swedish facility in February, with operation scheduled to start in 2024.

German carmaker BMW has agreed to buy H2GS steel from 2025. By 2030, the company aims to have 5m t/yr of green steel production capacity in Sweden. Swedish green steel initiative Hybrit delivered its first fossil-free steel using similar production methods in August to carmaker Volvo.

Several other European steelmakers, including Arcelor-Mittal, Tata Steel Europe, Thyssenkrupp and Salzgitter, have announced plans to decarbonise production using hydrogen and are in varying stages of implementation.

By Sam Angell

AMERICAS

US steelmakers raise rebar prices again

Steel manufacturers this week announced the second reinforcement bar (rebar) price increase in a month.

Steelmakers Gerdau, Nucor and Commercial Metals (CMC) notified customers of a \$30/short ton increase in prices, effective today.

The increase comes after a \$40/t increase a month ago as tight scrap supplies supported rebar prices.

Domestic rebar prices were discussed at \$1,000/t this week.

By Marialuisa Rincon

Mexican manufacturing index falls in November

A key measure of Mexican manufacturing activity declined in November, as the country’s economic recovery loses steam.

The Mexican Institute of Finance Executives (IMEF)

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manufacturing index fell by 0.4 points to 50.3 from 50.7 in October.

The index remained in expansion territory for the second straight month. Readings over the threshold of 50 signal growth while those below that level signal contraction.

The data “suggests a fading of the improvement in economic activity that had been expected for the fourth quarter of 2021,” IMEF said.

IMEF reported a decrease in four of the five components of the index – inventory, new orders, product delivery and employment – while the production sub-index rose.

The decline in the manufacturing index comes as Mexico GDP “registered a surprising decline” in the third quarter, according to IMEF. The economy grew by 4.5pc in the third quarter compared with the prior year but contracted by 0.4pc compared to the second quarter, as industrial activity and services were weaker than expected.

The weaker-than-expected economic performance last quarter was caused by an increase in Covid-19 cases, Mexico’s new law banning some forms of outsourcing and slowed auto production caused by the global semiconductor shortage, according to IMEF.

“It is probable that growth will be slower than expected at the end of 2021,” the institute said.

Mexican manufacturing had been bolstered by the US economic recovery, although IMEF noted that the expansion of the US economy also slowed in the third quarter amid the global supply chain disruptions.

In September, the IMEF index dipped into contraction territory for the first time in six months, largely driven by a slowdown in external demand caused by supply chain problems and rising transportation costs.

Private bank economists expect the economy to grow by 6pc this year, according to a 1 November survey published by the central bank. That would not offset the major declines in 2020, when the economy contracted by more than 8pc during the onset of the Covid-19 pandemic.

Economic performance is also affected by the investment climate, which business groups say has deteriorated because of recent changes backed by President Andres Manuel Lopez Obrador, including the outsourcing law and proposed energy reforms.

By Jens Gould

Mexico to reinstate temporary steel import tariffs

Mexico will reinstate temporary import tariffs on some steel products from countries with which it has no trade agree-

ments beginning next year.

A tariff of 15pc will go into effect in June 2022 and will be phased out at the end of 2024.

The tariffs will not apply to countries that have trade agreements with Mexico, such as the US and Canada, steel chamber Canacero said, adding that it supports the measure.

The move is aimed at helping Mexico’s domestic steel industry recover from the pandemic-induced recession and better combat unfair trade practices.

The decree issued by President Andres Manuel Lopez Obrador “aims to establish a favorable environment that will allow the steel industry to adjust to the global economic backdrop, incentivize the domestic market, and define a medium- and long-term tariff policy.”

Mexico could also take legal action against unfair trade practices, the decree said.

Under the decree, more than 100 steel products will be subject to the tariffs. They include hot rolled coil, cold rolled coil, and T-, L- and U-shaped steel products.

Under former US president Donald Trump, the US put import tariffs on steel in 2018, spurring Mexico to establish tariffs. In 2019, the US, Mexico and Canada agreed to lift retaliatory tariffs.

Canacero said it favored the new measure.

While Mexican steel companies were hurt at the onset of the pandemic, they have benefited more recently from spiking demand and high global steel prices.

One domestic steelmaker recently said his company was “full” and could not meet all its orders, which has led to greater profit margins.

As a result, Mexican manufacturers are increasingly resorting to importing steel as there is a shortage of the commodity in the domestic market.

In Latin America, steel demand is forecast to rise by 23.2pc in 2021, but will slow to a 0.9pc increase in 2022, according to industry association Worldsteel.

In 2020, 38pc of Mexico’s steel imports came from the US, while 18pc were from South Korea, 16pc from Japan, and 5pc from China, according to Canacero.

Mexico does not have a full free trade agreement with South Korea or China, but it does have one with Japan.

Mexico exported 3.5mn t of steel in 2019, and 66pc of its 2020 exports went to the US. The country produced 16.8mn t of steel in 2020, making it the world’s 15th largest producer.

By Jens Erik Gould

China iron ore: Daily deals and offers									
Date	Info type	Source*	Timing	Brand	Fe Basis %	Origin	Volume	Price	Additional Notes
02 Dec	Deal	globalORE	26 Dec 2021-04 Jan 2022	MACF62	62	Australia	80,000	90.40	
01 Dec	Deal	Off screen	26 Dec 2021-04 Jan 2022	MACF62	62	Australia	110,000	AM62 Jan -10.30	
02 Dec	Offer	Corex	11-20 Dec 2021	NBL	62	Australia	90,000	0.13	\$/dmu, fob basis
02 Dec	Offer	Corex	01-10 Jan 2022	YDF58	62	Australia	80,000	AM62 Jan -20.00	
02 Dec	Offer	globalORE	29 Dec 2021-07 Jan 2022	BRBF62	62	Malaysia	170,000	MB62LA Jan +0.75	
02 Dec	Offer	globalORE	Dec delivery	IOCJ	65	Brazil	180,000	114.50	
02 Dec	Offer	globalORE	01-10 Jan 2022	PBF62	62	Australia	170,000	100.65	
02 Dec	Indicative Bid	NM	early Jan laycan	BRBF62	62	Malaysia	170,000	P62 Jan +0.50	
02 Dec	Indicative Bid	Trader	early Jan laycan	BRBF62	62	Malaysia	170,000	P62 Jan +2.00	
02 Dec	Indicative Bid	ST	early Jan laycan	JMBF62	62	Australia	170,000	AM62 Jan -20.50	
02 Dec	Indicative Bid	NT	early Jan laycan	MACF62	62	Australia	170,000	AM62 Jan -10.50	
02 Dec	Offer Received	NM	Jan laycan	MACF62	62	Australia	80,000	AM62 Jan -9.00	
02 Dec	Indicative Bid	NT	early Jan laycan	PBF62	62	Australia	170,000	P62 Jan -0.50	
02 Dec	Indicative Bid	ST	early Jan laycan	PBF62	62	Australia	170,000	P62 Jan -0.50	
02 Dec	Offer Received	NM	late Nov laycan	PBF62	62	Australia	170,000	P62 Jan +0.45	
02 Dec	Indicative Bid	NM	early Jan laycan	PBF62	62	Australia	170,000	P62 Jan -0.80	
02 Dec	Indicative Bid	Trader	early Jan laycan	PBF62	62	Australia	170,000	P62 Jan -1.00	
02 Dec	Offer Received	NM	early Dec laycan	PBF62	62	Australia	170,000	P62 Dec +0.45	
02 Dec	Offer Received	NM	early Jan laycan	PBF62	62	Australia	170,000	P62 Jan +0.30	
02 Dec	Indicative Bid	NT	early Jan laycan	YDF58	62	Australia	170,000	AM62 Jan -21.00	
02 Dec	Indicative Bid	NM	early Jan laycan	YDF58	62	Australia	170,000	AM62 Jan -20.50	
02 Dec	Indicative Bid	NM	early Jan laycan	YDF58	62	Australia	170,000	AM62 Jan -21.00	
01 Dec	Deal	Corex	01-10 Jan 2022	YDF58	62	Australia	80,000	AM62 Jan -20.00	
01 Dec	Deal	Corex	15-24 Dec 2021	Australian fines 60pc			170,000	P62 Jan +0.00	with miner's discount
01 Dec	Deal	globalORE	01-10 Jan 2022	NBL	62	Australia	80,000	0.152	\$/dmu, fob basis
01 Dec	Deal	Off screen	Jan delivery	MACF62	62	Australia	90,000	AM62 Jan -10.20	
01 Dec	Deal	ET	January delivery	PBF62	62	Australia	170,000	P62 Feb +0.00	
27 Nov	Deal	ET	Nov laycan	Ukrainian C	65	Ukraine	170,000	P65 Jan +0.50	low-sulphur
27 Nov	Deal	ET	Nov laycan	Ukrainian C	65	Ukraine	170,000	P65 Jan +0.00	low-sulphur
1 29 Nov	Deal	Corex	15-31 Dec 2021	PBF62	62	Australia	100,000	P62 Jan -2.00	

China iron ore: Daily deals and offers									
Date	Info type	Source*	Timing	Brand	Fe Basis %	Origin	Volume	Price	Additional Notes
29 Nov	Deal	Corex	15-31 Dec 2021	PBL	62	Australia	70,000	P62 Jan -2.00	with LP
30 Nov	Deal	globalORE	06-15 Jan 2022	JMBF62	62	Australia	80,000	AM62 Jan -20.60	
29 Nov	Deal	NT	b/l 9 Nov	AF08 pellet			60,000	P65 Dec +47.50	
29 Nov	Deal	Corex	23 Dec 2021-01 Jan 2022	PBF62	62	Australia	170,000	P62 Jan +0.00	
29 Nov	Deal	Corex	29 Dec 2021-07 Jan 2022	PBF62	62	Australia	170,000	P62 Jan +0.10	
26 Nov	Deal	globalORE	27 Dec 2021-05 Jan 2022	PBL	62	Australia	70,000	0.135	\$/dmu
26 Nov	Deal	Off screen	Jan delivery	MACF62	62	Australia	80,000	AM62 Jan -10.20	
26 Nov	Deal	Off screen	Jan delivery	MACF62	62	Australia	80,000	AM62 Jan -10.20	
25 Nov	Deal	globalORE	26 Dec 2021-04 Jan 2022	PBL	62	Australia	70,000	0.134	\$/dmu
25 Nov	Deal	Off screen	Jan delivery	MACF62	62	Australia	90,000	AM62 Jan -10.20	
17 Nov	Deal	NT	Dec laycan	Karara C	65	Australia	65,000	P65 Dec +1.00	Tender, not confirmed
24 Nov	Deal	Off screen	Jan delivery	MACF62	62	Australia	80,000	AM62 Jan -10.20	
24 Nov	Deal	Off screen	Jan delivery	MACF62	62	Australia	80,000	AM62 Jan -10.20	
19 Nov	Deal	ET	Nov laycan	Ukrainian C	65	Ukraine	80,000	P65 Jan +1.80	low-sulphur
19 Nov	Deal	ET	Nov laycan	Ukrainian C	65	Ukraine	120,000	P65 Jan +0.00	high-sulphur
22 Nov	Deal	globalORE	B/L date 9 Nov	IO CJ	65	Brazil	170,000	109.15	
22 Nov	Deal	globalORE	25 Dec 2021-03 Jan 2022	PBF62	62	Australia	170,000	95.10	
17 Nov	Deal	Corex	B/L 7 Nov	IO CJ	65	Brazil	120,000	MB65 Dec +1.80	
17 Nov	Deal	Corex	Jan delivery	MACF	60.8	Australia	90,000	77.65	
17 Nov	Deal	Corex	09-18 Dec 2021	PBF	61	Australia	170,000	89.00	
11 Nov	Deal	ET	Nov laycan	Ukrainian C	65	Ukraine	175,000	P65 Jan +2.50	low-sulphur
17 Nov	Deal	ET	Dec laycan	Citic C	65	Australia	170,000	P65 Jan +1.00	Several cargoes, LTC price settlement
17 Nov	Deal	ET	Dec laycan	Citic C	65	Australia	170,000	P65 Jan +2.00	
16 Nov	Deal	Corex	11-20 Dec 2021	JMBF62	62	Australia	90,000	AM62 Dec -18.80	
16 Nov	Deal	globalORE	11-20 Dec 2021	NHGF62	62	Australia	90,000	89.80	
16 Nov	Deal	globalORE	Jan delivery	YDF58	62	Australia	90,000	AM62 Jan -20.35	
10 Nov	Deal	ET	11-20 Nov 2021	AF80 pellet			70,000	MB65 Dec +51.00	Tender, 65.5pc Fe, 2.5pc Si, 0.80pc Al
11 Nov	Deal	Trader	estimate Nov laycan	KIOCL pellet 63pc				150.00	FOB, 2pc Al, Tender
15 Nov	Deal	globalORE	17-26 Dec 2021	BRBF62	62	Malaysia	170,000	MB62LA Dec +1.80	
15 Nov	Deal	Off screen	11-20 Dec 2021	MACF62	62	Australia	90,000	AM62 Dec -9.60	

China iron ore: Daily deals and offers

Date	Info type	Source*	Timing	Brand	Fe Basis %	Origin	Volume	Price	Additional Notes
12 Nov	Deal	Corex	13-22 Dec 2021	BRBF62	62	Malaysia	170,000	MB62LA Dec +1.90	
12 Nov	Deal	Off screen	11-20 Dec 2021	YDF58	62	Australia	80,000	AM62 Dec -20.80	
11 Nov	Deal	Corex	11-20 Dec 2021	JMBF62	62	Australia	80,000	AM62 Dec -18.85	
11 Nov	Deal	Corex	11-20 Dec 2021	SSF	56.7	Australia	188,000	P62 Dec	-40.5pc, P62 fob Australia netback
11 Nov	Deal	globalORE	B/L 7 Nov	IOCJ	65	Brazil	80,000	109.20	
10 Nov	Deal	globalORE	05-14 Dec 2021	PBF62	62	Australia	170,000	89.45	
11 Nov	Deal	Off screen	11-20 Dec 2021	NBL	62	Australia	80,000	0.1205	\$/dmu, fob Australia
11 Nov	Deal	Off screen	01-10 Dec 2021	NHGF62	62	Australia	80,000	AM62 Dec +0.50	
10 Nov	Deal	Corex	Jan-Mar lay-cans	Australian fines 59.4pc			170,000	P62 +0.00	1 cargo per month, B/L month QP, with miner's discount
10 Nov	Deal	Off screen	06-15 Dec 2021	MACF62	62	Australia	90,000	AM62 Dec -9.10	
09 Nov	Deal	Corex	03-12 Dec 2021	PBF62	62	Australia	170,000	P62 Dec +0.90	
09 Nov	Deal	globalORE	03-12 Dec 2021	SSF	56.7	Australia	188,000	P62 Dec	-40.5%, P62 fob Australia netback
08 Nov	Deal	Off screen	06-15 Dec 2021	MACF62	62	Australia	80,000	AM62 Dec -9.70	
09 Nov	Deal	Off screen	06-15 Dec 2021	MACF62	62	Australia	90,000	AM62 Dec -9.70	
09 Nov	Deal	Off screen	06-15 Dec 2021	MACF62	62	Australia	80,000	AM62 Dec -9.60	
05 Nov	Deal	ST	08-17 Nov 2021	AF80 pellet			160,000	MB65 Dec +58.22	65.5pc Fe, 2.5pc Si, 0.80pc Al, Tender
08 Nov	Deal	Corex	01-10 Dec 2021	JMBF62	62	Australia	80,000	AM62 Dec -19.20	
08 Nov	Deal	globalORE	01-10 Dec 2021	MACF62	62	Australia	110,000	82.00	
08 Nov	Deal	globalORE	02-11 Dec 2021	PBF62	62	Australia	170,000	93.15	
08 Nov	Deal	Off screen	26 Nov-05 Dec 2021	NHGF62	62	Australia	90,000	AM62 Dec +0.90	
05 Nov	Deal	Corex	01-10 Dec 2021	SSF	56.7	Australia	188,000	P62 Dec	-40.5%, P62 fob Australia netback
03 Nov	Deal	Corex	07-16 Dec 2021	BRBF62	62	Malaysia	170,000	101.70	
03 Nov	Deal	Corex	01-10 Dec 2021	PBF	61	Australia	170,000	96.85	
03 Nov	Deal	Corex	06-15 Nov 2021	YDF58	62	Australia	130,000	AM62 Dec -1.00	with miner's discount
03 Nov	Deal	Off screen	01-10 Dec 2021	MACF62	62	Australia	90,000	AM62 Dec -8.39	
03 Nov	Deal	Off screen	01-10 Dec 2021	MACF62	62	Australia	90,000	AM62 Dec -8.39	
03 Nov	Deal	Off screen	26 Nov-05 Dec 2021	MACF62	62	Australia	80,000	AM62 Dec -8.39	
03 Nov	Deal	Off screen	26 Nov-05 Dec 2021	NHGF62	62	Australia	90,000	AM62 Dec +0.91	
02 Nov	Deal	globalORE	b/l 19 Oct	IOCJ	65	Brazil	150,000	MB65 Dec +1.80	

* ST/SM = South China trading firm/mill. NT/NM = North China trading firm/mill. E = East China. HK = Hong Kong. SG = Singapore.

ANNOUNCEMENT

Argus successfully completes annual losco assurance review

Argus has completed the ninth external assurance review of its price benchmarks covering crude oil, products, LPG, petrochemicals, biofuels, thermal coal, coking coal, iron ore, steel, natural gas and biomass benchmarks. The review was carried out by professional services firm PwC. Annual independent, external reviews of oil benchmarks are required by international regulatory group losco's Principles for Oil Price Reporting Agencies, and losco encourages extension of the reviews to non-oil benchmarks. For more information and to download the review visit our website <https://www.argusmedia.com/en/about-us/governance-compliance>

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The holiday calendar showing which Argus reports are not published on which days is now available online <https://www.argusmedia.com/en/methodology/publishing-schedule>



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