

INDICES	Location	Measure	Today's Price	Previous Price	Change	Monthly Average	Previous Month	Quarter Average	Previous Quarter
HRC Midwest Index	Midwest USA	\$/cwt (weekly)	37.75	38.00	-0.25	37.82	39.71	40.25	43.47

MARKET COMMENTARY

Hot-rolled coil prices stabilized in the United States over the past week, staying in a narrow band of \$37.75-38 per hundredweight.

Fastmarkets AMM's daily US Midwest hot-rolled coil index was at \$37.75 per cwt on Friday December 7 after starting the week at \$37.77 per cwt. The trailing five-day average of \$37.82 per cwt was down from the prior week's average of \$38.11 per cwt.

HRC markets started the week with little clarity on price direction but discounts lessened with mills gradually selling out December order books. Market participants predicted that mills would regain price discipline and pricing power once they had sold out December tons.

Lead times for most mills are now into January, one market participant said late on December 7.

Heard in the market

HRC prices were reported in a range of \$35-40 per cwt over the course of the week.

Buyers started the week on the sidelines but gradually returned to the market over the course of the week, partly due to growing talk of further price increases. Demand seemed fair despite typical seasonal weakness, market participants said.

Ferrous scrap prices in key Midwest regions such as Chicago and Detroit were sideways for many prime grades in December, bucking earlier expectations for a shift higher. No1 busheling in Chicago, for example, held at \$405 per gross ton and the same grade in Detroit was steady at \$400 per ton versus the November settlement.

Mini-mills were watching December scrap settlements closely for potential support for a price increase, sources have said in recent weeks.

HRC imports were poised to close November at 161,930 tonnes, license data updated on December 6 by the US Commerce Departments Enforcement and Compliance division show. This marks the third-lowest monthly total thus far this year, trailed only by February's 157,162 tonnes and June's 152,560 tonnes. Canada and Mexico continued to ship significant HRC volumes to the US, licensed at 55,102 tonnes and 17,347 tonnes respectively, despite 25% Section 232 tariffs.

Quotes of the week

"I don't think we are as optimistic that the market is firming quite yet. Futures are falling and I think there are still \$35-36 [per] cwt numbers out there for bigger tons," a distributor said.

"It looks like things are firming up," an end-user source said. "There [are] not as many options to get those year-end discounted buys right now."

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