

25/02/2022**FOB China HRC**

The index fell by \$5/t yesterday (24.2.22) to US\$799/t, MTD US\$797.69/t.

Russia launched attacks across Ukraine yesterday, while seaborne steel trade stalled as participants wait for impacts from possible disruptions to Ukrainian exports of steel and steel feedstocks. Chinese HRC inventory held by traders and mills decreased by nearly 70,000t this week, amid rising production, showing HRC demand was picking up quickly from this week, participants said.

Traders cut offers to an equivalent of \$780-800/t fob China for SS400 HRC although major Chinese mills kept offers unchanged at \$825-835/t fob. Most seaborne buyers were silent amid uncertainties, with only limited Vietnamese buyers bidding at \$800/t cfr Vietnam. A deal for Chinese SS400 HRC was heard concluded at \$812/t cfr Vietnam this week, but no further details could be confirmed. (Argus)

EU HRC

European producers of hot-rolled coils (HRC) withdrew their offers from the market yesterday, after the global market was hit by uncertainty as Russian forces invaded Ukraine.

The Argus daily Italian HRC index increased by €4.25/t to €889.75/t ex-works, while the northwest EU HRC index nudged up by €0.50/t to €943.75/t ex-works.

Market participants are bracing for big price increases next week, when the severity of the war's impact on raw materials and finished steel supply will be clearer. Import offers from suppliers including but not limited to material of Indian and southeast Asian origin were also withdrawn from the market. There were reports of cancelled orders too from Asian suppliers. Traders with stocks at ports received high levels of enquiries today, but buyers were only trying to understand current import offers, with no interest to book new material.

Several market participants expect prices to surpass the €1,000/t mark in both northern and southern Europe over the coming weeks. Mills are still determining their strategy, but they anticipate that energy costs and raw material prices will be higher, with the likely absence of CIS supply and disruptions to trade flow. Ports and steelmaking plants in Ukraine were closed today. (Argus)

Turkish Scrap

25,000 mt Benelux cargo booked for late April shipment
Recyclers expect further increases in near-term

Turkish deepsea import ferrous scrap prices inched up Feb. 24 as a fresh deepsea cargo covered, sources said. S&P Global Platts assessed Turkish imports of premium heavy-melting scrap 1/2 (80:20) at \$508/mt CFR Feb. 24, up \$1.

An Iskenderun mill booked an EU-origin cargo totaling 25,000 mt Feb. 24, with HMS 1/2 (80:20) at \$503/mt CFR. The deal was confirmed by both the buyer and seller for latest shipment April 25.

"Turkish mills tend to hunt in packs -- they are all out of the market right now and it will take them time to adjust as they have bought a lot of material recently, but it's a different ball game now," a UK recycler said, referring to the market impact of the escalating Russia-Ukraine conflict. "I think scrap prices are definitely up, it can't be anything but upward," the recycler added.

Market sources said ferrous scrap prices in the region could be supported by a fall in regional supply and production of competing raw materials, such as basic pig iron, from Ukrainian producers. Ukrainian steel and mining operations have also been affected by rail and port logistics stoppages Feb. 24 because of Russia's military invasion of Ukraine. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	508.00	1.00	502.14
Steel Rebar FOB Turkey (\$/mt)	741.00	1.00	736.00
Argus HRC NW Europe (€/mt)	943.75	0.50	927.85
Argus FOB China HRC (\$/mt)	799.00	-5.00	793.39

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Feb-22	805	815	810
Mar-22	785	795	790
Apr-22	775	785	780
Q2-22	765	775	770
Q3-22	738	748	743
Q4-22	735	745	740

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Feb-22	495	505	500
Mar-22	525	535	530
Apr-22	520	530	525
Q2-22	510	520	487
Q3-22	482	492	487
Q4-22	470	480	475

LME REBAR FOB TK			
	Bid	Ask	Value
Feb-22	730	740	735
Mar-22	755	765	760
Apr-22	750	760	755
Q2-22	735	745	740
Q3-22	695	705	700
Q4-22	658	668	663

BUSHELING			
	Bid	Ask	Value
Mar-22	550	560	555
Apr-22	620	630	625
May-22	620	630	625
Q2-22	620	630	625
Q3-22	603	613	608
Q4-22	570	580	575

US HRC USD/short ton			
	Bid	Ask	Value
Feb-22	1107	1127	1117
Mar-22	985	1005	1000
Apr-22	990	1010	1005
Q2-22	991	1011	1001
Q3-22	977	997	987
Q4-22	962	982	972

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Feb-22	925	935	930
Mar-22	970	980	975
Apr-22	980	990	985
Q2-22	980	990	985
Q3-22	955	965	960
Q4-22	912	922	917

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com