

01/04/2022**FOB China HRC**

The index was unmoved yesterday (31.3.22) at US\$858/t, MTD US\$854.83/t.

Caution gripped Chinese steel exports market on talks that the economic planning agency NDRC held meetings with several steel mills today to investigate steel feedstock market dynamics and steel exports. This led to expectations that an exports tax may be on the cards though there was no official word on this.

Sellers lifted offers to \$930-940/t cfr Vietnam for Chinese SAE1006 grade coils. Vietnamese buyers pushed up bids to \$920/t cfr Vietnam as they could not guarantee lower-priced coils from other countries. Two Russian mills were heard to be offering at \$850/t cfr Vietnam for SAE grade coils. That level induced no buying interest as Vietnamese buyers cannot handle business with Russian sellers without the global financial messenger service provider Swift. (Argus)

EU HRC

Low buyer confidence weighs European buyers are concerned about how long EU hot-rolled coil (HRC) prices can remain at current levels, so many have stepped back or turned to imports, which are priced far below local mills.

The Argus daily Italian HRC index nudged down by €2/t to €1,336.50/t ex-works, while the northwest EU index inched down by €2.25/t to €1,375/t ex-works. European service centres have mostly paused buying from EU producers, as they have raised their downstream product prices to determine if end users would accept these levels before they commit to buying HRC. But end users have paused purchasing themselves, so the market is mostly at a standstill.

At the same time, some EU mills have shorter order books, but they are still not very flexible on prices for prompt delivery and small tonnages. In the last round of negotiations with major buyers, discounts were granted on asking prices. Chinese coils were heard available in Europe at €1,310- 1,330/t cfr inclusive of anti-dumping duties. Buying material from China is risky not only because of the safeguard quotas, but also because of a rumoured export duty. Offers from the country have a clause indicating that buyers have to shoulder the risk on any export tax.

Indian material was last available in Europe at a similar level, but the risk there is that the safeguard quotas would fill up as quickly as they were filling up in 2021 and a partial safeguard duty is payable. (Argus)

US HRC

S&P Global Commodity Insights assessed the Platts TSI US hot-rolled coil index at \$1,450/st EXW Indiana March 31, up \$50/st from March 30.

The assessment moved to the latest repeatable transaction level of \$1,450/st. One mill source reported transacting at \$1,450/st base price for HRC while a buyer bought 350 tons at \$1,450/st. The price level was consistent with a transaction from a separate buyer earlier in the week from a different mill. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	653.75	1.25	640.88
Steel Rebar FOB Turkey (\$/mt)	960.00	0.00	925.33
Argus HRC NW Europe (€/mt)	1375.00	-2.25	1281.48
Argus FOB China HRC (\$/mt)	858.00	0.00	854.83

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Apr-22	880	910	895
May-22	855	885	870
Jun-22	840	870	855
Q2-22	868	878	873
Q3-22	817	827	822
Q4-22	795	805	800

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Apr-22	645	655	650
May-22	635	645	640
Jun-22	630	640	635
Q2-22	637	647	598
Q3-22	593	603	598
Q4-22	560	570	565

LME REBAR FOB TK			
	Bid	Ask	Value
Apr-22	955	965	960
May-22	945	955	950
Jun-22	920	930	925
Q2-22	940	950	945
Q3-22	882	892	887
Q4-22	848	858	853

BUSHELING			
	Bid	Ask	Value
Apr-22	870	880	875
May-22	875	885	880
Jun-22	870	880	875
Q2-22	872	882	877
Q3-22	852	862	857
Q4-22	837	847	842

US HRC USD/short ton			
	Bid	Ask	Value
Apr-22	1530	1550	1540
May-22	1580	1600	1590
Jun-22	1520	1540	1530
Q2-22	1543	1563	1553
Q3-22	1427	1447	1437
Q4-22	1312	1332	1322

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Apr-22	1380	1400	1390
May-22	1375	1395	1385
Jun-22	1360	1380	1370
Q2-22	1377	1387	1382
Q3-22	1345	1355	1350
Q4-22	1312	1322	1317

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