



Steel and Scrap Report

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FOB China HRC

The index fell by \$3/t last Friday (8.4.22) to US\$860/t, MTD US\$862.50/t.

The spot market was quiet in China because expectations grew that lockdown measures in Shanghai to curb the spread of Covid-19 may not be lifted before May with cases going up. A warehouse in northeast China's Shenyang city in Liaoning province said that it will not accept any coils cargoes from 8 April as its storage capacity is fully utilized with cargo sales suspended for over 20 days. The city has been in lockdown since 19 March.

Sellers cut SS400 HRC offers to equivalent of \$850-910/t fob China, inducing limited bids at \$830/t fob China. The softening Chinese domestic prices and consecutive rising confirmed cases, especially in Shanghai weighed on market sentiment. Around 20,000-40,000t Chinese SAE1006 grade coils were sold into Vietnam at \$920/t cfr the week before last week. (Argus)

EU HRC

Italy slips further Northwest European hot-rolled coil (HRC) prices rose slightly Friday, with trade still quiet. Liquidity was a problem for service centres, with low demand from some important sectors impacting sales, and mills pushing them to take delivery of previously booked material.

HRC sales actually increased to 267,134t in February, according to German steel distributors association BDS. That is a multi-year high and pulled the sales-stock ratio to a more normal level of 2:3. In December, service centres had 3.9 months of stock compared to sales. Buyers were also hesitating in the face of cheaper import prices. Asian material has been offered at €1,170-1,180/t cfr, with Chinese coils closer to €1,100/t.

The prospect of increased Chinese exports weighed heavy, with the country's production strong in recent months and Covid-19 infections impacting demand. Ports were still full of material. While Russian coils can be cleared into other countries' quotas and are still in the sanctions grace period, payment is a problem because of financial and banking sanctions. (Argus)

Turkish Scrap

Benelux HMS expected to trade below \$640/mt CFR: sources
Mills continue to wait, prices diverge for EU, non-EU destinations

Turkish deepsea import ferrous scrap prices inched down April 8 as mills held back amid multiple EU-origin offers, sources said.

Platts Turkish imports of premium heavy melting scrap 1/2 (80:20) was assessed at \$651/mt CFR April 8, down \$3.

"There have been a number of deals under the carpet at [\$650-\$655/mt CFR for HMS 1/2 (80:20)] but a small correction is possible to \$647-\$648/mt CFR, although I don't see a big decrease or increase happening - it all depends on the end product prices achieved," a Turkish mill source said. "There are many offers, especially from the EU, so perhaps they can soften prices a bit."

The same Turkish mill source cited an indicative tradable value for premium HMS 1/2 (80:20) at \$650/mt-\$655/mt CFR, with US-origin offers still around \$655/mt CFR. A second mill source cited indicative buyer targets for US-origin HMS 1/2 (80:20) at \$640/mt CFR, for Baltic-origin HMS 1/2 (80:20) at \$635/mt CFR, and for Benelux-origin HMS 1/2 (80:20) at \$625/mt CFR. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	651.00	-3.00	653.04
Steel Rebar FOB Turkey (\$/mt)	965.00	5.00	959.17
Argus HRC NW Europe (€/mt)	1350.75	0.75	1353.96
Argus FOB China HRC (\$/mt)	860.00	-3.00	862.50

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Apr-22	875	905	890
May-22	860	890	875
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	640	650	645
May-22	630	640	635
Jun-22	615	625	620
Q2-22	628	638	600
Q3-22	595	605	600
Q4-22	565	575	570

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
May-22	815	825	820
Jun-22	805	815	810
Jul-22	795	805	800
Q3-22	788	798	793
Q4-22	747	757	752
Q1-23	712	722	717

US HRC USD/short ton			
	Bid	Ask	Value
Apr-22	1480	1500	1490
May-22	1470	1490	1480
Jun-22	1440	1460	1450
Q2-22	1463	1483	1473
Q3-22	1372	1392	1382
Q4-22	1298	1318	1308

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Apr-22	1280	1300	1290
May-22	1240	1260	1250
Jun-22	1230	1250	1240
Q2-22	1255	1265	1260
Q3-22	1198	1208	1203
Q4-22	1165	1175	1170

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