

25/04/2022

FOB China HRC

The index fell by \$2/t last Friday (22.4.22) to US\$832/t, MTD US\$852/t.

Traders were actively inviting bids at an equivalent of \$810-840/t fob China for SS400 HRC considering weakening Chinese physical and futures prices, as well as sluggish seaborne demand. Major Chinese mills have not yet cut offers, but they were more willing to negotiate prices for firm bids.

Some traders cut offers to \$890/t cfr Vietnam for Chinese SAE1006 grade coils last Friday, much lower than previous transaction levels of \$905/t cfr Vietnam for Chinese coils and offers at above \$920/t cif Vietnam for Vietnamese mills' offers. Continued declines in Chinese domestic steel prices and spreading Covid cases weighed on the market sentiment heavily. Traders with positional coils on hands were willing to receive orders at \$880/t cfr Vietnam but failed to induce any bids. (Argus)

EU HRC

North slips again, Italy inactive North European hot-rolled coil (HRC) prices slipped further on Friday as mills offered some service centres big discounts from their initial offers. One service centre was confronted with offers of around €1,300-1,360/t, but all the mills at the higher end were willing to provide healthy discounts given low demand — both real and apparent buying is slow at present, and service centres are only buying what is needed. The Argus northwest Europe HRC index slipped by €3.25/t to €1,314.25/t. Activity across Europe was low, with buyers unwilling to commit to such high prices. The Italian market was particularly inactive, with a number of import offers enticing no interest.

The Argus daily Italian HRC index was static at €1,233.50/t. On the CME Group's north European HRC contract, the forward curve softened somewhat and the backwardation between May and June steepened. A May-June spread traded today at €80/t, compared with €50/t yesterday. June traded at €1,130/t today, at a big discount to prevailing spot prices and €50/t below yesterday's settlement. (Argus)

Turkish Scrap

Shortsea market recovers slightly as suppliers hold firm

Reported US- and Benelux-origin cargoes circulated, adding to negative sentiment

Turkish deepsea import ferrous scrap prices continued to fall April 22, as mills continued to put pressure on suppliers for a further downward correction, sources said. S&P Global Commodity Insights assessed the Platts Turkish imports of premium heavy melting scrap 1/2 80:20 April 22 at \$605/mt CFR, down \$10/mt on day.

A US-origin cargo was heard to have been booked by an Izmir mill, with bonus and shredded scrap heard at \$595-\$596/mt CFR. The deal was not confirmed by the 4:30pm London pricing deadline, while the timing also could not be clarified although some market sources said it was heard as prompt shipment and booked April 22. Market chatter of a Benelux-origin cargo booked by an Iskenderun mill, with HMS 1/2 75:25 at \$571/mt CFR and bonus at \$596/mt CFR for late May shipment, was also heard after the 4:30pm pricing deadline, but was denied by the reported buyer.

A Turkish agent source cited an indicative tradable value for EU-origin HMS 1/2 80:20 at below \$600/mt CFR from limited sellers. One Turkish mill source cited an offer for Baltic-origin HMS 1/2 80:20 at \$600/mt CFR, while a second Turkish mill source said below \$600/mt CFR was possible for some US recyclers, citing an offer at \$590/mt CFR but this was not confirmed. The second mill source was expecting prices down to \$560-\$570/mt CFR for the week starting April 25. (Platts)

Market Rates

| Indices | Price | Change | MTD |
|---|---------|--------|---------|
| Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt) | 605.00 | -10.00 | 640.41 |
| Steel Rebar FOB Turkey (\$/mt) | 925.00 | -2.50 | 948.21 |
| Argus HRC NW Europe (€/mt) | 1314.25 | -3.25 | 1341.34 |
| Argus FOB China HRC (\$/mt) | 832.00 | -2.00 | 852.14 |

| LME HRC FOB TIANJIN CHINA USD/mt | | | |
|----------------------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Apr-22 | 835 | 865 | 850 |
| May-22 | 805 | 835 | 820 |
| Jun-22 | 803 | 833 | 818 |
| Q2-22 | 824 | 834 | 829 |
| Q3-22 | 805 | 815 | 810 |
| Q4-22 | 793 | 803 | 798 |

| LME HMS 80:20 CFR TK | | | |
|----------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Apr-22 | 635 | 645 | 640 |
| May-22 | 555 | 565 | 560 |
| Jun-22 | 545 | 555 | 550 |
| Q2-22 | 578 | 588 | 530 |
| Q3-22 | 525 | 535 | 530 |
| Q4-22 | 495 | 505 | 500 |

| LME REBAR FOB TK | | | |
|------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Apr-22 | 940 | 950 | 945 |
| May-22 | 855 | 865 | 860 |
| Jun-22 | 845 | 855 | 850 |
| Q2-22 | 880 | 890 | 885 |
| Q3-22 | 825 | 835 | 830 |
| Q4-22 | 795 | 805 | 800 |

| BUSHELING | | | |
|-----------|-----|-----|-------|
| | Bid | Ask | Value |
| May-22 | 715 | 725 | 720 |
| Jun-22 | 645 | 655 | 650 |
| Jul-22 | 635 | 645 | 640 |
| Q3-22 | 615 | 625 | 620 |
| Q4-22 | 555 | 565 | 560 |
| Q1-23 | 495 | 505 | 500 |

| US HRC USD/short ton | | | |
|----------------------|------|------|-------|
| | Bid | Ask | Value |
| Apr-22 | 1455 | 1475 | 1465 |
| May-22 | 1420 | 1440 | 1430 |
| Jun-22 | 1340 | 1360 | 1350 |
| Q2-22 | 1405 | 1425 | 1415 |
| Q3-22 | 1253 | 1273 | 1263 |
| Q4-22 | 1170 | 1190 | 1180 |

| NWE HRC EUR/metric ton | | | |
|------------------------|------|------|-------|
| | Bid | Ask | Value |
| Apr-22 | 1330 | 1350 | 1340 |
| May-22 | 1230 | 1250 | 1240 |
| Jun-22 | 1210 | 1230 | 1220 |
| Q2-22 | 1262 | 1272 | 1267 |
| Q3-22 | 1197 | 1207 | 1202 |
| Q4-22 | 1165 | 1175 | 1170 |

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