

09/05/2022**FOB China HRC**

The index fell by \$24/t last Friday (6.5.22) to US\$779/t, MTD US\$795/t.

A small quantity of Chinese SS400 HRC was sold at \$800/t cfr Vietnam last Friday. Another deal for the same grade Chinese coils was done at \$790/t cfr Vietnam. Those deals were sold by traders who were bearish on both Chinese domestic and export prices given the ongoing lockdown measures in China and weakening regional steel demand. China's insistence on a zero-Covid policy in Shanghai may have led some short-term bearishness on steel demand in China. The continuous depreciation of the yuan was another factor dragging down Chinese steel export prices.

A deal for Chinese SAE1006 grade coils was heard concluded at \$850/t cfr Vietnam last week. But no further details could be confirmed and most participants said Vietnamese buyers could not accept such a level as traders failed to include buying at \$820/t cfr Vietnam. Vietnamese buyers were reluctant to place orders after witnessing the sharp price falls, with limited ones bidding at \$800/t cfr Vietnam for Chinese SAE1006 grade coils. Major Chinese mills were silent on offers amid the uncertain market, while stockists in Vietnam had to incur losses to destock at low levels as soon as possible. (Argus)

EU HRC

Market down, trade quiet North European hot-rolled coil prices slipped again Friday in very slow trading. Some central and eastern European mills made deals around €1,170/t base delivered for small tonnages, but most buyers remained on the sidelines.

Slippage in China, where export prices fell \$24/t today to \$779/t, further spooked service centres, who were already withholding purchases in expectation of continued softening. Domestic producers still had June and July availability, and were making more and more ad hoc offers to buyers to try to fill their rolling programmes. Argus' daily northwest EU HRC index fell €19.50/t to €1,179.75/t Friday, while the daily Italian HRC index fell by €20.25/t to €1,126.75/t ex-works.

Bids have fallen below the €1,100/t ex-works mark, with some reported at €1,070/t ex-works by bigger buyers. Some import prices were today heard as low as \$970/t cfr from Asian suppliers. Chinese prices slumped today, so there could be further reductions next week from east Asian sellers and India. An Indian supplier was today heard seeking firm bids. (Argus)

US HRC

S&P Global Commodity Insights assessed the Platts TSI US hot-rolled coil index at \$1,400/st EXW Indiana May 6, unchanged from May 5.

The assessment remained at a repeatable tradable level based on inputs from May 5. One offer at \$1,360/st for 80 st was reported by a Midwest service center source but the price level was below more repeatable values in the wider market. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	535.00	0.00	537.25
Steel Rebar FOB Turkey (\$/mt)	877.50	-2.50	881.88
Argus HRC NW Europe (€/mt)	1179.75	-19.50	1201.88
Argus FOB China HRC (\$/mt)	779.00	-24.00	797.00

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
May-22	760	790	775
Jun-22	750	780	765
Jul-22	740	770	755
Q3-22	740	750	745
Q4-22	710	720	715
Q1-23	680	690	685

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
May-22	515	525	520
Jun-22	510	520	515
Jul-22	507	517	512
Q3-22	504	514	495
Q4-22	490	500	495
Q1-23	465	475	470

LME REBAR FOB TK			
	Bid	Ask	Value
May-22	840	850	845
Jun-22	835	845	840
Jul-22	825	835	830
Q3-22	815	825	820
Q4-22	790	800	795
Q1-23	765	775	770

BUSHELING			
	Bid	Ask	Value
May-22	695	705	700
Jun-22	665	675	670
Jul-22	645	655	650
Q3-22	625	635	630
Q4-22	575	585	580
Q1-23	545	555	550

US HRC USD/short ton			
	Bid	Ask	Value
May-22	1350	1370	1360
Jun-22	1190	1210	1200
Jul-22	1105	1125	1115
Q3-22	1068	1088	1078
Q4-22	1028	1048	1038
Q1-23	990	1010	1000

NWE HRC EUR/metric ton			
	Bid	Ask	Value
May-22	1110	1130	1120
Jun-22	1010	1030	1020
Jul-22	1000	1020	1010
Q3-22	995	1005	1000
Q4-22	965	975	970
Q1-23	935	945	940

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