

11/05/2022**FOB China HRC**

The index fell by \$9/t yesterday (10.5.22) to US\$755/t, MTD US\$780.80/t.

The Chinese mainland on 9 May reported 349 confirmed local Covid-19 cases and 3,077 asymptomatic infections, the National Health Commission said on Tuesday. The numbers are falling in China, but sporadic outbreaks continue. Seven provincial-level regions reported new locally transmitted cases.

Deals for small quantity of Chinese SS400 HRC were concluded at \$775-785/t cfr Vietnam last Friday. Those levels remained viable as traders cut offers to \$760-780/t cfr Vietnam. A smaller-scale north China mill, which has not been an active exporter, is willing to receive bids at \$755/t fob China for Q195 grade coils.

Offers decreased to \$830/t cfr Vietnam for SAE1006 grade coils produced by several Chinese mills, but all of them failed to induce any buying. Traders with positional coils on hands were incurring huge losses as they could not find any buyers for their April shipment coils produced by a large Chinese mill at high costs of \$920-940/t cfr Vietnam. (Argus)

EU HRC

Market slips, mills look to export Northwest European hot-rolled coil (HRC) prices slipped gain today as more mills competed for business amid scant demand. Argus' daily northwest EU HRC index dropped by €1/t to €1,149.75/t ex-works, while the daily cold-rolled coil (CRC) assessment dropped by €65/t to €1,250/t.

Mills reported sales at around €1,150/t, and slightly higher into Poland, but liquidity was thin and service centres were targeting closer to €1,100/t. One European HRC producer reportedly offered to a French customer at €1,060/t base. A European mill sold into the US out of France at around €1,110/t ddp Indiana, and was offering into Houston at around \$1,100/st ddp, according to stateside buyers and traders. This is some way below domestic prices given the cost of freight.

A European steelmaker that does not typically compete in the commodity grade spot market was offering at €1,150- 1,170/t delivered base to some buyers. The mill is heavily contractual focused and normally stays away from spot if possible. The futures market continued to trade lower today. On the CME Group's north European contract, August traded this morning at €970/t, before July and August traded at €950/t. August traded again later in the day at €950/t. Prices also slipped throughout the curve on screen, with July trading down by €56/t to €959/t, and August slipping by €65/t to €950/t.

September and October slipped by €40/t and €50/t, respectively, to €960/t and €950/t. November and December dropped to €955/t and €950/t, respectively, showing a fairly flat curve at much lower levels for the remainder of the year. The Argus daily Italian HRC index fell by €22/t to €1,095/t ex-works. The weekly CRC assessment fell to €1,200/t. (Argus)

US HRC

S&P Global Commodity Insights assessed the Platts TSI US hot-rolled coil index at \$1,380/st EXW Indiana May 10, down \$20 from May 9.

The assessment fell below the most repeatable offer at \$1,400/st to the high-end of a Midwest service center's indicated tradable value of \$1,380/st. The indications supported deals and offers over the past week reported below \$1,400/st that demonstrated repeatability. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	500.00	-30.00	529.83
Steel Rebar FOB Turkey (\$/mt)	835.00	-25.00	870.42
Argus HRC NW Europe (€/mt)	1149.75	-1.00	1184.67
Argus FOB China HRC (\$/mt)	755.00	-9.00	784.50

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
May-22	760	790	775
Jun-22	740	770	755
Jul-22	730	760	745
Q3-22	732	742	737
Q4-22	708	718	713
Q1-23	680	690	685

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
May-22	510	520	515
Jun-22	580	590	585
Jul-22	475	485	480
Q3-22	465	475	440
Q4-22	435	445	440
Q1-23	405	415	410

LME REBAR FOB TK			
	Bid	Ask	Value
May-22	815	825	820
Jun-22	785	795	790
Jul-22	775	785	780
Q3-22	758	768	763
Q4-22	725	735	730
Q1-23	697	707	702

BUSHELING			
	Bid	Ask	Value
Jun-22	640	650	645
Jul-22	630	640	635
Aug-22	620	630	625
Q3-22	620	630	625
Q4-22	575	585	580
Q1-23	545	555	550

US HRC USD/short ton			
	Bid	Ask	Value
May-22	1355	1375	1365
Jun-22	1160	1180	1170
Jul-22	1060	1080	1070
Q3-22	1050	1070	1060
Q4-22	1020	1040	1030
Q1-23	990	1010	1000

NWE HRC EUR/metric ton			
	Bid	Ask	Value
May-22	1100	1120	1110
Jun-22	990	1010	1000
Jul-22	930	950	940
Q3-22	925	935	930
Q4-22	895	905	900
Q1-23	865	875	870

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