

**16/05/2022****FOB China HRC**

The index fell by \$2/t last Friday (13.5.22) to US\$755/t, MTD US\$771.63/t.

China's total social financing in April fell to 910.2 bn yuan (\$134.1 bn), a sharp decline from the 4,650 bn yuan in March, Chinese central bank data showed. Traders and Chinese mills cut offers to equivalent of \$730-780/t fob for SS400 HRC to inducing buying, but they all failed to conclude any deals. It would be even hard to sell coils at and above \$750/t cfr Vietnam. Some traders offered as low as \$745/t cfr Vietnam for July shipment Chinese SS400 grade strips.

Traders cut Chinese SAE1006 grade coils offers to \$800-830/t cfr Vietnam amid sluggish buying. Some sellers were willing to receive orders at \$785/t cfr Vietnam for Chinese SAE1006 grade coils with thickness at and above 2.0mm. (Argus)

**EU HRC**

Buyers renege on recent purchases. European hot-rolled coil buyers have cancelled orders placed in the last couple of weeks as the market coalesces around falling prices going forward. The Argus daily northwest EU HRC index shed €39.75/t to reach €1,100/t Friday. Mills said that buyers were cancelling contracts placed at €1,200/t in recent weeks, while one large producer said it was making some sales below €1,100/t for commodity grades competing with falling imports.

Traders have been tabling offers for Asian HRC at €950/t fca Antwerp and below in recent days, without making sales. A contractual-focused German producer was offering spot cold-rolled coil at €1,250/t delivered, but buyers said they would hold out for lower levels. A large German service centre expected to book domestic HRC at €1,100/t base. Demand remains low, not helped by low automotive offtake.

German automotive production was down over 10pc in January-April compared to the same period last year, even though output then was hit by the pandemic. Service centres and cold-rollers servicing the automotive market say that demand is down around 20pc at present, leading to a backlog of stock in the supply chain. (Argus)

**Turkish Scrap**

Mills indicate a sharply lower target

Recyclers cut HMS collection prices to lower average scrap stock prices

Turkish deepsea import ferrous scrap prices continued to soften May 13, as buyers continued their absence from scrap purchasing, sources said. S&P Global Commodity Insights assessed the Platts Turkish imports of premium heavy melting scrap 1/2 (80:20) May 13 at \$475/mt CFR, down \$5. "The Turks have disengaged and, at some point, someone will have to sell," a UK recycler source said, citing an indicative tradable value for premium HMS 1/2 (80:20) at \$470-\$480/mt CFR.

A trading source said Venezuela-origin HMS 1/2 (80:20) was workable at \$480/mt CFR, with EU-origin HMS 1/2 (80:20) at \$470/mt CFR. The trader added that mill bids for premium HMS 1/2 (80:20) were at \$440/mt CFR.

A Turkish mill source said premium HMS 1/2 (80:20) would be workable at \$440-\$450/mt CFR, based on cheap Russian billet offers at \$640-\$650/mt CFR, but that there was no mill demand. The mill source also cited indicative offers for premium HMS 1/2 (80:20) at \$480-\$490/mt CFR but added that these were not workable. "There is no demand--all the mills are preparing for a stop and there are problems to sell July shipment [finished steel] and if we continue like this, most mills will skip first half June shipment purchases and will stop production for 10-15 days and undergo maintenance," the mill source said. (Platts)

## Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	475.00	-5.00	513.78
Steel Rebar FOB Turkey (\$/mt)	805.00	-15.00	853.06
Argus HRC NW Europe (€/mt)	1100.00	-39.75	1166.31
Argus FOB China HRC (\$/mt)	755.00	-2.00	775.11

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
May-22	760	790	775
Jun-22	720	750	735
Jul-22	710	740	725
Q3-22	710	720	715
Q4-22	695	705	700
Q1-23	680	690	685

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
May-22	510	520	515
Jun-22	440	450	445
Jul-22	435	445	440
Q3-22	430	440	420
Q4-22	415	425	420
Q1-23	397	407	402

LME REBAR FOB TK			
	Bid	Ask	Value
May-22	815	825	820
Jun-22	735	745	740
Jul-22	725	735	730
Q3-22	715	725	720
Q4-22	685	695	690
Q1-23	655	665	660

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	1370	1390	1380
Jun-22	1185	1205	1195
Jul-22	1030	1050	1040
Q3-22	1013	1033	1023
Q4-22	957	977	967
Q1-23	920	940	930

NWE HRC EUR/metric ton			
	Bid	Ask	Value
May-22	1100	1120	1110
Jun-22	940	960	950
Jul-22	930	950	940
Q3-22	925	935	930
Q4-22	895	905	900
Q1-23	865	875	870

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