

17/05/2022**FOB China HRC**

There was no index yesterday (16.5.22) given Singapore public holiday.

China's domestic market sentiment strengthened on the anticipated return of demand after Shanghai set out plans to restore business and industrial operations from June. But the seaborne segment remained weak on muted demand. China's central bank POBC cut the lowest commercial loan interest rate for first home buyers to 20 basis points below the loan prime rate, taking the lowest mortgage loan interest rate to 4.4pc. Beijing was mulling further support for the real estate sector to stabilize the economy and as a result, steel demand in the second half year is expected to increase sharply from the first half year level.

Major Chinese mills were silent on offers yesterday, with a large Chinese mill heard cut its HRC offer to \$770/t fob China, but no details could be confirmed. That level was deemed reasonable as traders cut Chinese SS400 HRC offers to \$757-773/t cfr Vietnam.

Traders cut Chinese SAE1006 grade coils offers to \$769-790/t cfr Vietnam amid sluggish buying. An Indian mill was heard offering SAE1006 grade coils at \$780-790/t cfr Vietnam, much lower than another Indian mill's offer at around \$850/t cfr Vietnam last week. (Argus)

EU HRC

Prices slip in quiet trade The European hot-rolled coil (HRC) market remained quiet yesterday, as buyers expected prices to decline further. Argus' daily Italian HRC index slipped by €5.75/t to €1,040/t, while the daily northwest EU HRC index slipped by €3/t to €1,097/t ex-works. In the north, steelmakers said any bids on the table were close to €1,000/t, but there was very little buying interest.

Asian material was offered to Antwerp at around €920/t cfr, while lower levels were obtainable in Italy. But most buyers were reluctant to purchase given the market consensus that prices could drop further. Some market participants expect that the Italian domestic market might find bottom close to €900/t ex-works, not too far off the amount that some of the largest buyers have been heard to be pushing for in domestic negotiations. That said, enquiries are very low. A transaction was heard concluded to a large tube maker above €1,000/t effective. Offers were coming in to steel service centres (SSCs) at above €1,100/t, but interest is lacklustre.

Imports under €900/t cfr have been rumoured since the middle of last week and continued today. Some offers were heard at €900-950/t cfr today from Asian sellers, but bids were absent as buyers expect a further slide. An offer from South Korea stood at €910-920/t cfr. Cold-rolled coil offers were heard at €1,030-1,040/t cfr from Japan and €1,100/t cfr from South Korea. (Argus)

US HRC

The Platts TSI US hot-rolled coil index was assessed unchanged at \$1,380/st on an ex-works Indiana basis on May 16, according to S&P Global Commodity Insights data.

One service center source indicated tradable value was \$1,300/st and another Midwest service center source reported an offer for pickled and oiled material at \$1,390/st, which normalized to around \$1,340/st excluding extras. The assessment remained unchanged as there were no repeatable bids, offers or transactions heard available to the wider market. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	475.00	0.00	509.90
Steel Rebar FOB Turkey (\$/mt)	790.00	-15.00	846.75
Argus HRC NW Europe (€/mt)	1097.00	-3.00	1159.38
Argus FOB China HRC (\$/mt)	HOL	HOL	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	1170	1190	1180
Jul-22	1030	1050	1040
Q3-22	1013	1033	1023
Q4-22	950	970	960
Q1-23	915	935	925

NWE HRC EUR/metric ton			
	Bid	Ask	Value
May-22	1100	1120	1110
Jun-22	940	960	950
Jul-22	915	935	925
Q3-22	912	922	917
Q4-22	893	903	898
Q1-23	865	875	870

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