

20/05/2022**FOB China HRC**

The index fell by \$8/t yesterday (19.5.22) to US\$726/t, MTD US\$761.45/t.

Chinese mills and traders cut offers further, to equivalent of \$718-740/t fob China for SS400 HRC. Several large Chinese mills in north China were willing to entertain orders at around \$740/t fob, but only limited buyers were seen at \$715/t fob. The domestic coils transaction levels in north China are at an equivalent of around \$715/t, allowing some traders to invite bids at the same level for exports. Chinese mills are facing zero or negative gross profits at the present sales prices, which will push down raw material prices further and more mills may reduce production soon.

Traders cut sales prices to \$750-770/t cfr Vietnam for Chinese SAE1006 grade coils and \$770-790/t cfr Vietnam for Indian SAE1006 grade coils. Deals for Chinese SAE grade coils produced by large Chinese mills were heard at \$770/t cfr Vietnam, but no further details could be confirmed. (Argus)

EU HRC

Trade quiet as bids fall further European hot-rolled coil prices continued to fall yesterday, as buyers mainly held back or bid at much lower levels. The Argus daily Italian HRC index fell by €7/t to €996.5/t ex-works, while the daily northwest EU HRC index slipped by €8/t to €1,058.25/t.

The weekly HRC cif Italy assessment fell by €10/t to €890/t cfr. Some offers and even very small tonnages transacted around the €1,100/t ex-works mark in Italy, but there have been offers as low as €1,000/t this week and bids were certainly below this level, on par with import prices. Imports were heard still hovering around the €900/t cfr mark, with some offers as low as €880/t cfr for deliveries after the summer, while some offers were as high as €950/t cfr. A Saudi mill was reportedly offering HRC to a pipemaker below €900/t for large tonnage. But it appears import prices have somewhat stabilised this week, and although some mills were open to discussions, offers did not slump like over the past few weeks. Some traders are still expecting prices from non-EU suppliers to keep falling, as China is still not showing signs of bottoming out, and as demand is not strong.

In north Europe, mills reported small tonnage sales around €1,050/t base delivered, as they refused bids around €950/t from larger buyers. The spread between buy- and sell-side expectations was increasingly large, with service centres trying to book at levels closer to import parity. Some buyers were concerned the sixth sanctions package on Russia could include semi-finished steel, in light of talk suggesting oil could be included. (Argus)

US HRC

The Platts TSI US hot-rolled coil index was assessed at \$1,350/st on an ex-works Indiana basis on May 19, unchanged from May 18, according to S&P Global Commodity Insights data.

One Midwest service center source received an offer at \$1,360/st from a mini-mill, while a converter source reported being offered 200 st at the same price level after the May 18 market close. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	465.00	-4.00	500.62
Steel Rebar FOB Turkey (\$/mt)	765.00	-5.00	830.19
Argus HRC NW Europe (€/mt)	1058.25	-8.00	1138.10
Argus FOB China HRC (\$/mt)	726.00	-8.00	764.92

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	500	510	505
Jun-22	450	460	455
Jul-22	440	450	445
Q3-22	432	442	420
Q4-22	415	425	420
Q1-23	397	407	402

LME REBAR FOB TK			
	Bid	Ask	Value
May-22	830	840	835
Jun-22	745	755	750
Jul-22	740	750	745
Q3-22	730	740	735
Q4-22	700	710	705
Q1-23	670	680	675

BUSHELING			
	Bid	Ask	Value
Jun-22	645	655	650
Jul-22	635	645	640
Aug-22	625	635	630
Q3-22	625	635	630
Q4-22	595	605	600
Q1-23	565	575	570

US HRC USD/short ton			
	Bid	Ask	Value
May-22	1365	1385	1375
Jun-22	1160	1180	1170
Jul-22	1005	1025	1015
Q3-22	983	1003	993
Q4-22	925	945	935
Q1-23	902	922	912

NWE HRC EUR/metric ton			
	Bid	Ask	Value
May-22	1090	1110	1100
Jun-22	935	955	945
Jul-22	915	935	925
Q3-22	903	913	908
Q4-22	865	875	870
Q1-23	835	845	840

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