

23/05/2022

FOB China HRC

The index rose by \$2/t last Friday (20.5.22) to US\$728/t, MTD US\$758.67/t.

The people Bank of China lowered its five-year tenor loan prime rate by 15 basis points to 4.45pc from last Friday. That would benefit China's real estate sector by bringing down first-home buyers' lowest loan interest rates to 4.25pc after adjustment, the lowest in ten years. The Chinese yuan appreciated 37 basis points last Friday to 6.7487 against the US dollar.

Some traders pushed up offers by around \$10/t to \$760-770/t cfr Vietnam for Chinese SS400 HRC. The increase was supported by the rising Chinese domestic steel prices and the appreciation of the Chinese yuan. Vietnamese buyers were silent, skeptical about the sustainability of Chinese domestic price rises. Traders withdrew low sales prices at \$770-790/t cfr Vietnam for Indian SAE grade coils and offered at \$840-850/t cfr Vietnam. That was not attractive to Vietnamese buyers compared with much lower levels at and above \$770/t cfr Vietnam from China. (Argus)

EU HRC

North nudges lower again North European hot-rolled coil (HRC) prices fell further today, as buyers continued to bid substantially below offers amid thin liquidity. One HRC seller reported transactions around €1,050/t delivered Ruhr, while others were trying unsuccessfully to achieve €1,100/t.

Buyers were still bidding comfortably below €1,000/t, with some as low as €900/t. Larger sellers said negotiations were picking up pace in the background, although actual trade still seemed muted. An automaker said a leading mill had reduced its annual offer for June further, although the price was still too high. Argus' daily northwest EU HRC index slipped by €14.75/t to €1,043.50/t. The daily Italian index was unmoved at €996.50/t. Most mills were reluctant to drop prices while contract talks for the second half of the year, and June resetting auto contracts, were ongoing.

Mills are seeking €200/t plus increases for July-December, which buyers are reluctant to agree to given the fall in spot prices. In the import market, Turkish material was reportedly offered into Italy for August shipment at \$900/t cfr inclusive of duty. South Korean HRC was still on offer around \$900-950/t cfr — there was talk of a lower quotation but this could not be confirmed. (Argus)

Turkish Scrap

Sell-side sources hope for scrap restocking in near term
Buyers indicate firmer workable levels toward \$460/mt CFR

Turkish deepsea import ferrous scrap prices fell May 20, as sell-side sources indicated lower workable levels, expecting buyer demand to resurface soon, sources said. S&P Global Commodity Insights assessed the Platts Turkish imports of premium heavy melting scrap 1/2 (80:20) May 20 at \$460/mt CFR, down \$5/mt on the day.

A US recycler cited an indicative tradable value for US-origin HMS 1/2 (80:20) at \$460/mt CFR, adding that the premium for shredded scrap over HMS 1/2 (80:20) was still at \$20/mt CFR, despite a \$15/mt premium in the last US-origin deal booked. A US-origin deal was booked May 18 by a Marmara mill, with HMS 1/2 (80:20) at \$460/mt CFR, and shredded scrap at \$475/mt CFR. The deal was confirmed by the sell side. The same mill had also booked a Baltic-origin cargo May 18, with HMS 1/2 (80:20) at \$465/mt CFR, previously reported by Platts May 19.

"We have the view that the market is already basing to the bottom, and this development will finally ignite the long-overdue replenishment of stocks," an EU recycler said. A Turkish mill source cited an indicative tradable value for US/Baltic-origin HMS 1/2 (80:20) at \$450-\$460/mt CFR, while a second mill source reported offers for premium HMS 1/2 (80:20) at \$460/mt CFR, but said buyers were reluctant. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	460.00	-5.00	497.71
Steel Rebar FOB Turkey (\$/mt)	765.00	0.00	825.54
Argus HRC NW Europe (€/mt)	1043.50	-14.75	1131.34
Argus FOB China HRC (\$/mt)	728.00	2.00	762.08

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	1375	1395	1385
Jun-22	1170	1190	1180
Jul-22	1020	1040	1030
Q3-22	1002	1022	1012
Q4-22	925	945	935
Q1-23	905	925	915

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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