

26/05/2022

FOB China HRC

The index kept flat yesterday (25.5.22) at US\$721/t, MTD US\$751.60/t.

Sentiment in China was partly supported by market talk that the central government held meetings yesterday afternoon calling for further stimulus to stabilise economy including the issuance of special treasury bonds, large-scaled tax rebates and the promotion of new infrastructure constructions.

A deal for Chinese SS400 HRC was heard concluded at \$745/t fob China this week to South Africa, but no details could be obtained. Only limited buyers with immediate needs could accept the level of \$734-740/t fob China from South Korea and South America, too high to be accepted by most seaborne buyers. Vietnamese buyers are preferring to monitor the market further before taking committing, particularly as they are unsure about the stability of the Chinese domestic market. (Argus)

EU HRC

Mills struggle to make sales European hot-rolled coil (HRC) prices fell further yesterday, as domestic producers reduced offers to try to shore up their low order books.

The daily northwest EU HRC index dropped by €44.25/t (\$47.17/t) to €993/t ex-works, while the Italian index shed €16.25/t to €964.25/t ex-works. Some German producers have cut their prices to €950/t for certain clients, but some are still opting to wait given high inventories and low import offers.

One north European seller was transacting at €980/t to some customers. Lead times at some Italian mills are as short as three weeks, which means they really need to conclude deals and quickly, but there is still some resistance to the lowest of buyer bids. The biggest buyers are pushing close to €900/t, and it is not impossible that some deals have already concluded at this level, but are being kept quiet.

Service centres were heard looking for €950-1,000/t, but closer to the lower end of the range. But there are still some tiny transaction volumes being done at and above €1,000/t. The Indian export duty for now seems to have not spurred too much activity in Europe, especially on the hotrolled coil side. Further downstream, Japanese cold-rolled coil (CRC) was heard offered at \$1,050/t cfr, but attracted interest at much lower levels. The producer closed HRC sales as buyer expectations were far too low. (Argus)

Turkish Scrap

Improved finished steel sentiment boosts recycler optimism

Shortsea scrap offers heard in wide range

Turkish Deepsea import ferrous scrap prices continued largely unchanged May 25, as sell-side optimism increased following news of some improved finished steel demand, sources said. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) May 25 at \$465/mt CFR, up 50 cents/mt on day, according to S&P Global Commodity Insights.

Scrap market activity is expected to pick up closer to the time of the Irepas conference in Istanbul, Turkey, over May 29-31, the first face-to-face meeting of rebar and scrap suppliers in over two years. "Mills hesitate to buy, but it seems that mills would not accept more than \$470/mt CFR, and the sellers would not accept less than \$450/mt CFR, as I see it," one Turkish mill source said.

A second Turkish mill source cited an indicative tradable value for premium HMS 1/2 (80:20) at \$460-\$465/mt CFR. Improved domestic rebar demand in Turkey saw some mills raise their offers to \$770/mt EXW, while continued export sales for volumes around 6,000 mt and below were heard in the \$760-\$770/mt FOB range. (Platts)

Market Rates

| Indices | Price | Change | MTD |
|---------------------------------------------|--------|--------|---------|
| Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt) | 465.00 | 0.50 | 491.91 |
| Steel Rebar FOB Turkey (\$/mt) | 765.00 | 5.00 | 814.56 |
| Argus HRC NW Europe (€/mt) | 993.00 | -44.25 | 1112.41 |
| Argus FOB China HRC (\$/mt) | 721.00 | 0.00 | 754.81 |

| LME HRC FOB TIANJIN CHINA USD/mt | | | |
|----------------------------------|-----|-----|-------|
| | Bid | Ask | Value |
| May-22 | 750 | 780 | 765 |
| Jun-22 | 730 | 760 | 745 |
| Jul-22 | 720 | 750 | 735 |
| Q3-22 | 720 | 730 | 725 |
| Q4-22 | 695 | 705 | 700 |
| Q1-23 | 678 | 688 | 683 |

| LME HMS 80:20 CFR TK | | | |
|----------------------|-----|-----|-------|
| | Bid | Ask | Value |
| May-22 | 495 | 505 | 500 |
| Jun-22 | 465 | 475 | 470 |
| Jul-22 | 457 | 467 | 462 |
| Q3-22 | 450 | 460 | 425 |
| Q4-22 | 420 | 430 | 425 |
| Q1-23 | 397 | 407 | 402 |

| LME REBAR FOB TK | | | |
|------------------|-----|-----|-------|
| | Bid | Ask | Value |
| May-22 | 820 | 830 | 825 |
| Jun-22 | 747 | 757 | 752 |
| 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 | 660 | 670 | 665 |
| Jul-22 | 640 | 650 | 645 |
| Aug-22 | 630 | 640 | 635 |
| Q3-22 | 630 | 640 | 635 |
| Q4-22 | 600 | 610 | 605 |
| Q1-23 | 570 | 580 | 575 |

| US HRC USD/short ton | | | |
|----------------------|------|------|-------|
| | Bid | Ask | Value |
| May-22 | 1375 | 1395 | 1385 |
| Jun-22 | 1190 | 1210 | 1200 |
| Jul-22 | 990 | 1010 | 1000 |
| Q3-22 | 965 | 985 | 975 |
| Q4-22 | 930 | 950 | 940 |
| Q1-23 | 908 | 928 | 918 |

| NWE HRC EUR/metric ton | | | |
|------------------------|------|------|-------|
| | Bid | Ask | Value |
| May-22 | 1080 | 1100 | 1090 |
| Jun-22 | 940 | 960 | 950 |
| Jul-22 | 920 | 940 | 930 |
| Q3-22 | 915 | 925 | 920 |
| Q4-22 | 868 | 878 | 873 |
| Q1-23 | 835 | 845 | 840 |

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