

31/05/2022**FOB China HRC**

The index kept flat yesterday (30.5.22) at US\$719/t, MTD US\$746.17/t.

Shanghai decided to lift lockdowns for most districts, except those categorized as high and middle risk regions, after the city reported 65 Covid-19 infections on 29 May. Total cases in Shanghai fell to double-digits for the first time in two months.

Trader held offers unchanged at equivalents of \$720-725/t fob China for SS400 HRC. Offers were almost unchanged at \$770-790/t cfr Vietnam for Chinese SAE1006 grade coils, inducing bids at \$750-755/t cfr Vietnam. Talks emerged that an Indian mill was heard to have sold 30,000t SAE1006 grade coils with boron added at \$750/t cfr Vietnam. Most participants were skeptical about the deal. The buyer has lifted bids from \$730/t to \$750-755/t cfr Vietnam, Vietnamese traders said. Indian SAE-grade coils with alloy added were offered at around \$820/t cfr Middle East. (Argus)

EU HRC

Mill exports to Turkey A north EU producer of hot-rolled coil (HRC) was heard to have sold around 15,000t to Turkey at €750/t cfr base, in order to offload material amid sluggish EU demand.

The Argus daily northwest EU HRC index fell by €1.50/t to €975.50/t ex-works. The daily Italian HRC index dropped by €15.75/t to €926.75/t ex-works. The price into Turkey was circulated as \$750/t cfr, but this is below latest deals for Russian material. At €750/t base, or €800/t effective, it would come to just over \$800/t cfr, which is below certain offers from Asia and only slightly below Turkish manufacturers. Amid almost non-existent end-user demand in Europe, EU producers have been offering to north Africa and the US in the past weeks. Buyers are only purchasing if they really require the material so there is only interest for hand-to mouth volumes on prompt delivery to the bloc.

Demand is not strong and there is talk of EU mills close to cutting production or bringing forward operational maintenance. Some offers were still officially tabled in the north at €1,000-1,100/t but there is no interest at such prices, with buyers bidding below the €1,000/t mark. At the same time, an Italian producer was heard to offer €930/t delivered Italy with June or July delivery.

Lead times from north EU suppliers are around five to six weeks. A northern mill was seeking €950/t delivered Italy. Eastern and central EU producers are undercutting northwest and Italian suppliers and able to compete on delivery terms, unlike Asian importers. (Argus)

Turkish Scrap

Recyclers see market as 'close to the bottom'

Benelux HMS collection prices adjust down

Turkish deepsea import ferrous scrap prices edged down May 30, amid intense negotiations at a packed Irepas conference in Istanbul, sources said. S&P Global Commodity Insights assessed the Platts Turkish imports of premium heavy melting scrap 1/2 (80:20) May 30 at \$447.50/mt CFR, down \$3.50/mt on the day.

Several sell-side sources suggested that the market was "close to the bottom," suggesting there was further room for a slight downside, as several deepsea suppliers held cargo availability. "If we're not at the bottom, then we're very close to the bottom - there is an overabundance of scrap, so mills are trying to take advantage of this and buying stressed cargoes," an EU supplier said, adding that some UK suppliers may accept \$445-\$448/mt CFR for HMS 1/2 (80:20), and put value for premium HMS 1/2 (80:20) at \$450/mt CFR.

Other sellers were trying to resist at \$455-\$460/mt CFR for premium HMS 1/2 (80:20), in the hope that the Turkish mills would return to restock scrap en masse. Amid the closed-door negotiations between recyclers and mills, a Benelux-origin deal was heard by multiple participants to have been booked by a Marmara mill, with a cargo average price around \$448/mt CFR, and HMS 1/2 (80:20) estimated by sources at \$440/mt CFR. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	447.50	-3.50	485.90
Steel Rebar FOB Turkey (\$/mt)	750.00	-10.00	806.00
Argus HRC NW Europe (€/mt)	975.50	-1.50	1092.60
Argus FOB China HRC (\$/mt)	719.00	0.00	749.16

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
May-22	740	770	755
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	485	495	490
Jun-22	455	465	460
Jul-22	453	463	458
Q3-22	448	458	425
Q4-22	420	430	425
Q1-23	397	407	402

LME REBAR FOB TK			
	Bid	Ask	Value
May-22	805	815	810
Jun-22	740	750	745
Jul-22	735	745	740
Q3-22	728	738	733
Q4-22	700	710	705
Q1-23	670	680	675

BUSHELING			
	Bid	Ask	Value
Jun-22	650	660	655
Jul-22	625	635	630
Aug-22	615	625	620
Q3-22	615	625	620
Q4-22	598	608	603
Q1-23	570	580	575

US HRC USD/short ton			
	Bid	Ask	Value
May-22	1375	1395	1385
Jun-22	1185	1205	1195
Jul-22	1020	1040	1030
Q3-22	997	1017	1007
Q4-22	940	960	950
Q1-23	908	928	918

NWE HRC EUR/metric ton			
	Bid	Ask	Value
May-22	1085	1105	1095
Jun-22	915	935	925
Jul-22	900	920	910
Q3-22	892	902	897
Q4-22	855	865	860
Q1-23	825	835	830

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com