

01/06/2022

FOB China HRC

The index rose by \$1/t yesterday (31.5.22) to US\$720/t, MTD US\$744.79/t.

The Chinese State Council published 33 measures to stabilise growth on 31 May, including tax relief, allowing enterprises to defer social security contributions, boosting infrastructure investment and domestic consumption. Among the tax relief policies announced, passenger vehicle sales are expected to receive a boost with Beijing reducing car purchase taxes by 50pc for buyers from 1 June to 31 December, in tax relief totalling Yn60bn.

Most Chinese mills continued to hold back on offers, while traders lifted the lowest selling prices to around \$745-750/t cfr Vietnam. Shanghai's plan to lift lockdown measures from 1 June has boosted market sentiment significantly but seaborne buyers remained cautious about orders as regional demand is still weak. An Indian mill was heard to have sold SAE-grade coils at \$748/t cfr Vietnam, but no further details could be confirmed. Traders were reluctant to sell Chinese SAE grade coils below \$760-765/t cfr Vietnam. (Argus)

Turkish Scrap

Short-term downside expected by recyclers

Large Marmara mill continues scrap restocking

Turkish deepsea import ferrous scrap prices fell May 31, after further deals were agreed at lower prices, sources said. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) May 31 at \$439/mt CFR, down \$8.50/mt on day, according to S&P Global Commodity Insights.

A US-origin deal booked May 30 by a Marmara mill, with HMS 1/2 (80:20) at \$439/mt CFR, and bonus/shredded scrap at \$454/mt CFR. A second US-origin deal was booked earlier on May 30 by the same Marmara mill, with HMS 1/2 (80:20) at \$445/mt CFR.

Two other Europe-origin deals were also heard to be booked around May 30 to Izmir and Iskenderun mills but further details were not available on the cargo.

"There is some overhang of scrap after a lack of activity in the last two months and suppliers are figuring out what to do with unsold scrap stocks, so that's weighing on the market - the short-term doesn't look great," a Baltic supplier said, citing an indicative tradable value for Baltic-origin HMS 1/2 (80:20) at \$445-\$450/mt CFR prior to news of the US-origin deals.

A second Baltic recycler said \$450/mt CFR was workable for Baltic-origin HMS 1/2 (80:20). "For public companies, that have [their financial] year-end on June 30, I would say it is necessary to sell, so anything is possible [including \$430-\$435/mt CFR]," a US recycler said. A Turkish agent source cited an indicative tradable value for US/Baltic-origin HMS 1/2 (80:20) at \$440/mt CFR and lower.

Platts assessed Turkish export rebar at \$747.50/mt FOB Turkey on May 31, down \$2.50/mt on day. The daily outright spread between Turkish export rebar and import scrap was assessed at \$308.50/mt May 31, up \$6/mt on day. In the shortsea market, sell-side optimism faded May 31, after offers were heard at \$420-\$430/mt CFR on May 30. After the drop in the deepsea market, one sell-side source said that \$400-\$405/mt CFR maximum was workable. The Platts daily A3 shortsea scrap assessment was at \$400/mt CFR Turkey May 31, down \$7.50/mt on the day. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	439.00	-8.50	483.67
Steel Rebar FOB Turkey (\$/mt)	747.50	-2.50	803.21
Argus HRC NW Europe (€/mt)	962.00	-13.50	1086.38
Argus FOB China HRC (\$/mt)	720.00	1.00	747.70

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jun-22	730	760	745
Jul-22	720	750	735
Aug-22	710	740	725
Q3-22	720	730	725
Q4-22	695	705	700
Q1-23	678	688	683

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jun-22	455	465	460
Jul-22	453	463	458
Aug-22	450	460	455
Q3-22	448	458	425
Q4-22	420	430	425
Q1-23	397	407	402

LME REBAR FOB TK			
	Bid	Ask	Value
Jun-22	740	750	745
Jul-22	735	745	740
Aug-22	730	740	735
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
Jun-22	1185	1205	1195
Jul-22	1020	1040	1030
Aug-22	1000	1020	1010
Q3-22	997	1017	1007
Q4-22	940	960	950
Q1-23	908	928	918

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jun-22	915	935	925
Jul-22	900	920	910
Aug-22	890	910	900
Q3-22	892	902	897
Q4-22	855	865	860
Q1-23	825	835	830

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