FIS

Steel and Scrap Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

07/06/2022

FOB China HRC

The index rose by $7/t yesterday (6.6.22) to US$733/t, MTD US$726.25/t.

China's steel production hub, Tangshan city, plans to remove all blast furnaces below 1,000 cubic meters and convertors below 100t by end of 2022, according to a local government notice published late last week. Some market participants said that the plan will remove around 3mn t of hot metal output, but the official document did not specify the capacity or production affected.

A large Chinese mill announced its weekly offer at $775/t fob China for SS400 HRC, returning to the market after a long absence. A north Chinese mill and traders pushed up selling prices by around $5-10/t to above $730/t fob China. Traders lifted offers to $787/t cfr Vietnam for Chinese SAE1006 grade coils.

Traders were heard to invite bids at $730-745/t cfr Vietnam for Russian SAE grade coils, for July or August shipments. But Vietnamese buyers expressed no buying interests considering the payment constraints and the risk of being sanctioned by the US. (Argus)

EU HRC

Downtrend continues European hot-rolled (HRC) coil prices came under further pressure from limited demand today. Argus' daily Italian HRC index dropped by €27.50/t to €884.50/t ex-works, while the northwest EU marker nudged down by €8/t to €946/t. An Italian seller offered at €900-930/t delivered, while another was reportedly quoting €900/t ex-works, although some said this would only be attractive for quantities up to 2,000t.

One eastern European mill was offering into Italy at €880/t delivered on pre-payment terms. Demand remains sluggish, with buyers still in wait-andsee mode, although some traders expect this to change soon, as service centres and others need to restock. Import offers are still slipping, with some offers below €800/t cfr now. There was talk that South Korean material was booked at €820/t cfr, but this was not confirmed, and Indian boron-added material, only suitable for rerolling, was heard offered at €800/t cfr.

A Turkish offer stood at $815/t fob, although some prices were heard lower at $800-810/t fob, with lowest duty to be added on top and freight, which at $800/t fob would come to around €810/t cfr. A bid was last reported from a large reroller at €780/t cfr. Some bids at $770-780/t fob to Turkey had been rejected, according to traders. The north European market was quiet, with some countries observing holidays.

One large mill said it would be offering around €950/t base, although bids were predominantly under €900/t, below breakeven for some. A trader bought a small tonnage in Poland at €920/t base delivered, but had not resold given weak demand. Those with port stocks in Germany and Benelux said liquidity would likely be below €900/t today, although no mills were openly at this level as of yet. One producer was reportedly offering at €950/t base in Germany, but had not made many sales. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey ($/mt)	435.00	-4.00	435.00
Steel Rebar FOB Turkey ($/mt)	742.50	-5.00	742.50
Argus HRC NW Europe (€/mt)	946.00	-16.00	946.00
Argus FOB China HRC ($/mt)	733.00	7.00	726.25

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jun-22	720	750	735
Jul-22	717	747	732
Aug-22	715	745	730
Q3-22	724	734	729
Q4-22	700	710	705
Q1-23	678	688	683

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jun-22	430	440	435
Jul-22	429	439	434
Aug-22	427	437	432
Q3-22	427	437	423
Q4-22	418	428	423
Q1-23	397	407	402

LME REBAR FOB TK			
	Bid	Ask	Value
Jun-22	720	730	725
Jul-22	715	725	720
Aug-22	713	723	718
Q3-22	713	723	718
Q4-22	699	709	704
Q1-23	670	680	675

BUSHELING			
	Bid	Ask	Value
Jun-22	645	655	650
Jul-22	615	625	620
Aug-22	605	615	610
Q3-22	605	615	610
Q4-22	575	585	580
Q1-23	545	555	550

US HRC USD/short ton			
	Bid	Ask	Value
Jun-22	1160	1180	1170
Jul-22	1010	1030	1020
Aug-22	1000	1020	1010
Q3-22	993	1013	1003
Q4-22	920	940	930
Q1-23	895	915	905

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jun-22	880	900	890
Jul-22	870	890	880
Aug-22	860	880	870
Q3-22	865	875	870
Q4-22	835	845	840
Q1-23	805	815	810