

**09/06/2022**

## FOB China HRC

The index was unmoved yesterday (8.6.22) at US\$733/t, MTD US\$728.50/t.

The firm Chinese domestic steel prices meant that local mills were unwilling to cut export prices, while the weak regional demand pushed buyers on the sidelines. There is no strong signal yet that steel demand will pick up, although Shanghai has already lifted its lockdown measures from 1 June, causing skepticism among buyers on Chinese steel price rises.

Traders cut offers to \$760/t cfr Vietnam for Indian SAE1006 grade coils with boron added and some of them were willing to receive orders at \$745/t cfr Vietnam. Vietnamese buyers had no buying interest amid the falling local demand. Sellers kept Chinese SAE grade coils offers unchanged at \$760/t cfr Vietnam. (Argus)

## EU HRC

North and south slip again Liquidity remained very low in the northwest European hot rolled coil (HRC) market yesterday. A deepening shortage of parts — from rubber gaskets to tyres — caused by China's lockdown and the Ukrainian crisis is constraining industrial activity.

Automakers have been struggling with missing parts throughout Covid-19, but the supply chain disruption is now gripping other sectors and hitting their steel demand. As a result, service centre executives said demand was off by at least 30pc on their budgets, and in some cases more. With customers taking delivery of material very slowly, most service centres feel in no rush to buy, and are only procuring to fill stockouts.

A German mill made an unsolicited offer to a commodity grade buyer at €960/t (\$1,031/t), but lower prices were easily available from smaller producers. Central and eastern European producers were selling around €910/t.

There was continued talk that one Romanian producer has offered as low as €860/t delivered, but this could not be confirmed. One Visegrad-based mill said it was getting firm bids at €870/t delivered base, although it was able to get higher than this in small volumes for long-standing regular customers. A north European producer was selling around €920/t delivered base. Argus' daily northwest EU HRC index fell €20/t to €924/t ex-works today. (Argus)

## Turkish Scrap

Turkish Deepsea ferrous scrap import activity was subdued as market players reported no fresh deals, and price sentiment remained bearish. Some bookings may still close at the end of the week or early next week, but the price levels were very difficult to predict, several sources said. Most agreed, however, that some more downside was still possible.

A scrap importer in Turkey predicted another bigger drop in deepsea scrap prices in the near future. He added that, for premium HMS 1/2 (80:20), suppliers were already willing to accept \$430/mt CFR Turkey, but the target price for buyers was between \$400-\$410/mt CFR.

An agent source said that bids at \$400/mt CFR Turkey appeared already the week before, but he reckoned it was just Turkish mills "depressing the market" rather than realistically counting on buying at this level. All offers were still above \$430/mt CFR, and one US supplier was still quoting \$445/mt CFR Turkey for HMS 1/2 (80:20) and was perhaps ready to sell below \$440/mt CFR, but nowhere close to \$400/mt CFR, the agent said.

The agent added that Turkish steelmakers were struggling with finished steel sales at the moment, which explained more pressure on scrap prices. He doubted that the market hit the bottom at \$430/mt CFR. (Platts)

## Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	429.00	-3.50	432.17
Steel Rebar FOB Turkey (\$/mt)	740.00	-5.00	742.50
Argus HRC NW Europe (€/mt)	924.00	-20.00	938.00
Argus FOB China HRC (\$/mt)	733.00	0.00	728.50

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jun-22	725	755	740
Jul-22	720	750	735
Aug-22	715	745	730
Q3-22	725	735	730
Q4-22	700	710	705
Q1-23	678	688	683

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jun-22	420	430	425
Jul-22	430	440	435
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	1140	1160	1150
Jul-22	1020	1040	1030
Aug-22	1000	1020	1010
Q3-22	997	1017	1007
Q4-22	920	940	930
Q1-23	895	915	905

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jun-22	865	885	875
Jul-22	840	860	850
Aug-22	830	850	840
Q3-22	832	842	837
Q4-22	795	805	800
Q1-23	765	775	770

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