

10/06/2022

FOB China HRC

The index rose by \$1/t yesterday (9.6.22) to US\$734/t, MTD US\$729.29/t.

Chinese HRC inventory extended the rising trend for three weeks in a row. The weaker-than-expected demand resumption and the high production levels fueled a note for caution about the market for the rest of the month.

Major Chinese mills and traders kept offers unchanged at equivalent of \$740-770/t fob for SS400 HRC. But some traders lifted their sales prices above \$740/t fob after Chinese domestic sales prices rose. Major seaborne buyers were silent on uncertainties, with limited customers from South Korea and South America able to accept \$740/t fob levels for immediate needs. Steel demand in Vietnam is weak, with an Indian mill willing to receive orders at \$745/t cfr Vietnam for SS400 HRC but there was no deal. Vietnamese buyers were reluctant to place orders, although Indian mills were willing to sell at \$745-750/t cfr Vietnam for SAE1006 grade coils. (Argus)

Turkish Scrap

UK, Benelux HMS dock prices continue to soften
Shortsea scrap booked below \$380/mt CFR from Romania

Turkish deepsea import ferrous scrap prices continued to soften June 9, as Turkish buyers continued to hold back from deepsea purchasing, sources said. S&P Global Commodity Insights assessed Platts Turkish imports of premium heavy melting scrap 1/2 (80:20) June 9 at \$425/mt CFR, down \$4/mt on the day. "Most of the sellers in Europe and the US keep waiting for now," a Turkish agent source said, citing an indicative tradable value for premium HMS 1/2 (80:20) at \$420-\$425/mt CFR, adding that \$410-\$415/mt CFR could be possible in the near term.

Domestic settlement negotiations for June are underway in the US, EU and UK, with all regional markets expected to fall sharply in line with the recent drop in the benchmark deepsea Turkish import scrap price. "Those who needed to sell have sold, so in the UK and EU, there's no glut of material," the UK recycler said, adding that HMS collection prices at GBP260/mt delivered to the dock would not allow for UK-origin HMS 1/2 (80:20) below \$425-\$430/mt CFR.

An EU recycler cited an indicative seller tradable value for Benelux-origin HMS 1/2 (80:20) at \$430/mt CFR. HMS dock prices in the Benelux region were heard as low as Eur315-325/mt delivered, down from Eur330-335/mt delivered over the week ending June 3, according to one sub-supplier. The sub-supplier added that he preferred to sell into the domestic market where better prices were achievable compared to the deepsea docks. (Platts)

EU HRC

Losses continue North European hot-rolled coil (HRC) prices nudged a touch lower yesterday, as mills admitted recent sales of about €950/t were no longer realistic with larger service centres. Even some larger European mills said €920/t would be more representative of the market level this week, after getting higher levels last week.

Demand remains extremely quiet, with very few service centres in the market as slower real consumption means their inventories are lasting longer than anticipated — the amount of stock in the supply chain has been increased by the panic buying in response to the crisis in Ukraine. Argus' daily northwest EU HRC index fell €7.25/t to €916.75/t, while the daily Italian HRC index fell by €6.75/t to €875/t ex-works.

There have been more bids at €850/t ex-works, and some of the largest buyers were bidding even below that level in light of import offers. Some offers were still heard at €900/t delivered, but market participants expect discounts for orders of 5,000t or more. Smaller quantity offers were heard at €920/t delivered. Although pressure on prices remains, some sellers believe there could be business concluded at an industry event in Dusseldorf in the second half of the month. An offer for Vietnamese material through traders was heard today at €790-800/t cfr Europe. A Turkish offer was heard at €840/t cfr inclusive of duties, and Korean at €860/t cfr. Neither of those prices attracted interest, but over the past couple of weeks prices at about €820/t cfr have indeed materialised into orders. Indian material was still around the €800/t cfr mark. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	425.00	-4.00	430.38
Steel Rebar FOB Turkey (\$/mt)	735.00	-5.00	740.63
Argus HRC NW Europe (€/mt)	916.75	-7.25	932.69
Argus FOB China HRC (\$/mt)	734.00	1.00	729.29

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jun-22	725	755	740
Jul-22	730	760	745
Aug-22	727	757	742
Q3-22	737	747	742
Q4-22	715	725	720
Q1-23	683	693	688

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jun-22	420	430	425
Jul-22	412	422	417
Aug-22	410	420	415
Q3-22	410	420	407
Q4-22	402	412	407
Q1-23	392	402	397

LME REBAR FOB TK			
	Bid	Ask	Value
Jun-22	722	732	727
Jul-22	720	730	725
Aug-22	717	727	722
Q3-22	717	727	722
Q4-22	706	716	711
Q1-23	672	682	677

BUSHELING			
	Bid	Ask	Value
Jun-22	645	655	650
Jul-22	585	595	590
Aug-22	575	585	580
Q3-22	575	585	580
Q4-22	538	548	543
Q1-23	505	515	510

US HRC USD/short ton			
	Bid	Ask	Value
Jun-22	1140	1160	1150
Jul-22	1025	1045	1035
Aug-22	1010	1030	1020
Q3-22	1005	1025	1015
Q4-22	950	970	960
Q1-23	913	933	923

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jun-22	885	905	895
Jul-22	860	880	870
Aug-22	850	870	860
Q3-22	855	865	860
Q4-22	825	835	830
Q1-23	795	805	800

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