

14/06/2022**FOB China HRC**

The index fell by \$5/t yesterday (13.6.22) to US\$729/t, MTD US\$729.78/t.

Market sentiment turned bearish on poor steel demand as Shanghai officially entered the rainy season on 12 June. The increase in Covid-19 cases in Shanghai over the weekend also weighed on sentiment. Shanghai on 12 June reported 11 confirmed local Covid-19 cases and 26 asymptomatic infections.

Traders actively cut SS400 HRC offers to the equivalent of \$717-725/t fob China to promote sales after witnessing falling domestic selling prices. Those levels were much lower than an east China mill's flat offer of \$775/t fob. Traders also lowered sales prices to \$745-770/t cfr Vietnam for SAE1006 grade coils from India, China, South Korea and Japan. Local buyers are waiting for new monthly offers being announced by Vietnamese mills Formosa Ha Tinh and Hoa Phat this week. Formosa is expected to cut its SAE coils offers to \$760/t cif Vietnam, which remains unattractive to buyers especially compared with Indian coils at \$745/t cfr Vietnam. (Argus)

Turkish Scrap

Turkish import heavy melting scrap 1/2 (80:20) prices moved down sharply again June 13 as market players reported a fresh UK-origin cargo sold at a new low. The UK-origin cargo, unspecified volume, was booked on June 10, at \$380/mt CFR Iskenderun, reflecting a sharp drop from the previously reported booking of an EU-origin cargo at \$390-\$391.50/mt CFR Izmir.

An even cheaper deal, ex-Europe, at \$370/mt CFR for HMS 1/2 (80:20) and \$380/mt for shred, was rumored but subsequently denied by the reported buyer and seller. Platts Turkish imports of premium heavy melting scrap 1/2 (80:20) were assessed June 13 at \$385/mt CFR, down \$15/mt June 10. As the deepsea HMS 1/2 (80:20) has plummeted \$50/mt this month so far, reaching new lows, which was unexpected by some market players, the bottom level seemed even less possible to predict, a couple of sources said.

"We all thought [that the bottom] was already reached a long time back and so [I am] astonished to see such levels," a trader said on the UK deal at \$380/mt CFR. A trader said that the collection prices were also coming down, with another \$20/mt fall seen in the dock prices on the US East Coast, to \$280-\$290/mt. An agent source put the fast decrease of deepsea HMS prices down to the lack of interest from Turkish buyers in solely HMS cargoes, without any PNS or shredded material in the mix. He believed that \$380/mt CFR Turkey confirmed in the last booking was essentially the price for shortsea material. (Platts)

US HRC

The Platts TSI US hot-rolled coil index was assessed at \$1,100/st on an ex-works Indiana basis June 13, down \$40 from June 10, according to S&P Global Commodity Insights data.

The assessment fell below a deal and offer at \$1,120/st and was at the higher end of a trader's tradable value. The transaction at \$1,120/st was for 40 st, below the minimum 100 st requirement to be included in the assessment. A separate buyer received an offer at the same level for 200 st but had not expressed buying interest. The smaller tonnage deal and rejected offer indicated pricing below that level was needed for orders. The \$1,100/st level was the higher end of one trader's tradable values. Pricing below \$1,100 for larger orders was reported by multiple buyers but details could not be substantiated. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	385.00	-15.00	417.75
Steel Rebar FOB Turkey (\$/mt)	710.00	-10.00	732.08
Argus HRC NW Europe (€/mt)	898.75	-5.25	922.25
Argus FOB China HRC (\$/mt)	729.00	-5.00	729.78

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jun-22	725	755	740
Jul-22	715	745	730
Aug-22	715	745	730
Q3-22	724	734	729
Q4-22	713	723	718
Q1-23	683	693	688

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jun-22	410	420	415
Jul-22	380	390	385
Aug-22	380	390	385
Q3-22	380	390	378
Q4-22	373	383	378
Q1-23	365	375	370

LME REBAR FOB TK			
	Bid	Ask	Value
Jun-22	715	725	720
Jul-22	675	685	680
Aug-22	675	685	680
Q3-22	675	685	680
Q4-22	668	678	673
Q1-23	655	665	660

BUSHELING			
	Bid	Ask	Value
Jul-22	585	595	590
Aug-22	565	575	570
Sep-22	555	565	560
Q3-22	568	578	573
Q4-22	535	545	540
Q1-23	505	515	510

US HRC USD/short ton			
	Bid	Ask	Value
Jun-22	1130	1150	1140
Jul-22	990	1010	1000
Aug-22	975	995	985
Q3-22	973	993	983
Q4-22	918	938	928
Q1-23	906	926	916

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jun-22	885	905	895
Jul-22	835	855	845
Aug-22	823	843	833
Q3-22	829	839	834
Q4-22	802	812	807
Q1-23	777	787	782

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