

**17/06/2022****FOB China HRC**

The index fell by \$12/t yesterday (16.6.22) to US\$704/t, MTD US\$725.92/t.

More steel mills in north China Tangshan city are expected to overhaul blast furnaces later this month or in July, but the production cuts' talks have failed to boost sentiment. Some mills in South Korea and Vietnam are at breakeven because of weak downstream steel demand, high feedstock prices and inflation and more steel output cuts are expected globally, participants outside China said.

Traders rushed to cut Chinese SS400 HRC sales prices to equivalents of \$675-690/t fob China amid sluggish buying. Customers cut SS400 HRC bids to \$700/t cfr Vietnam from around \$710/t cfr Vietnam the day before. Vietnamese buyers pushed down bids to \$700-710/t cfr Vietnam for SAE1006 grade coils from India and China, much lower than offers at \$730-745/t cfr Vietnam for Chinese coils. Vietnamese mill Hoa Phat is expected to cut its monthly offer for August shipment SAE grade coils to \$720-735/t cfr Vietnam. (Argus)

**EU HRC**

Demand woes continue European hot-rolled coil (HRC) prices nudged lower again today, as mills chased tonnes despite many service centres not needing to buy. The Argus daily Italian index nudged down by €1.50/t today to €830.25/t ex-works, while the daily northwest EU HRC index slipped by €0.50/t to €897.50/t. Stocks at Italian service centres are high, so for many purchasing is not a matter of a price level, but rather the need to buy, especially considering slow sales.

Purchasing has come to a pause for almost two months, and a lot of buyers are now receiving coil orders they placed at a time when the market was peaking, so it is difficult to shift this tonnage downstream at target levels. A central European service centre said it has sufficient inventory to produce for four months without purchasing another kilogram of steel, thus has no need to buy. Given very low apparent demand and a slowdown in real demand from some sectors, such as the construction of large storage sheds, lead times are low. In Italy, July is still available and mills are chasing prices and offering negotiable prices. Some are still targeting €880-890/t but will accept €850/t for large orders.

A north European buyer said an Italian mill was "extremely hungry" and very flexible on price, offering hot-dip galvanized at below €1,000/t del. Italian buyers expect €800-850/t to be realised in the coming weeks and question how far mills are away from break even, and whether they would breach this level before they reduce output in anticipation that the market could show some improvement after the summer. (Argus)

**US HRC**

The Platts TSI US hot-rolled coil index was assessed at \$1,070/st on an ex-works Indiana basis June 16, down \$20 from June 15, according to S&P Global Commodity Insights data.

The assessment moved below the latest competitive offer at \$1,080/st for a general inquiry with no specified tonnage for July delivery, reported by a Midwest buyer. The assessment was within a mini-mill's range of indicative tradable values at \$1,020-\$1,080/st in the market based on competitive feedback. (Platts)

## Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	378.00	-1.00	405.11
Steel Rebar FOB Turkey (\$/mt)	700.00	-7.50	723.33
Argus HRC NW Europe (€/mt)	897.50	-0.50	914.31
Argus FOB China HRC (\$/mt)	704.00	-12.00	725.92

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jun-22	715	745	730
Jul-22	670	700	685
Aug-22	670	700	685
Q3-22	678	688	683
Q4-22	670	680	675
Q1-23	645	655	650

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jun-22	405	415	410
Jul-22	355	365	360
Aug-22	355	365	360
Q3-22	353	363	350
Q4-22	345	355	350
Q1-23	325	335	330

LME REBAR FOB TK			
	Bid	Ask	Value
Jun-22	715	725	720
Jul-22	650	660	655
Aug-22	650	660	655
Q3-22	648	658	653
Q4-22	638	648	643
Q1-23	615	625	620

BUSHELING			
	Bid	Ask	Value
Jul-22	540	550	545
Aug-22	510	520	515
Sep-22	505	515	510
Q3-22	518	528	523
Q4-22	485	495	490
Q1-23	460	470	465

US HRC USD/short ton			
	Bid	Ask	Value
Jun-22	1115	1135	1125
Jul-22	965	985	975
Aug-22	950	970	960
Q3-22	948	968	958
Q4-22	912	932	922
Q1-23	895	915	905

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jun-22	850	870	860
Jul-22	810	830	820
Aug-22	800	820	810
Q3-22	810	820	815
Q4-22	800	810	805
Q1-23	777	787	782

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