

21/06/2022**FOB China HRC**

The index fell by \$37/t yesterday (20.6.22) to US\$654/t, MTD US\$718.29/t.

China's steel demand has not shown signals of recovering after major domestic cities eased lockdown policies in early June, triggering concerns among participants about weaker market performance during the rainy season. Some Chinese mills are planning for production cuts with losses extending to 400-500 yuan/t.

An eastern China mill cut its SS400 HRC offer by \$50/t to \$710/t fob China, far above buyers acceptable levels as traders offered at an equivalent of around \$630-640/t fob for coils produced by a north China mill. A deal for small quantity of SS400 HRC from that north mill was sold at \$650/t cfr Vietnam yesterday. The mill's domestic selling price is at an equivalent of \$613/t. Other major Chinese mills were silent on offers, put off by the sharp fall in domestic sales prices and unsure at what level to make export offers because of the uncertain trend. Demand in Vietnam is extremely weak, with some mills having cut production already as they are facing huge losses at current domestic selling prices. (Argus)

Turkish Scrap

Bearish China market adds to negative Turkish sentiment

Turkish import scrap assessment reaches near 19-month low

Turkish deepsea import ferrous scrap prices fell sharply June 20 as buyers continued to target lower prices amid weak finished steel demand, sources said. Platts Turkish imports of premium heavy melting scrap 1/2 (80:20) were assessed at \$355/mt CFR June 20, down \$12.50 on the day to reach the lowest level since late November 2020.

"Mills will be pushing towards \$350/mt CFR but I'm not sure how sellers will react yet," a trading source said. An EU trading source cited an indicative tradable value for US/Baltic-origin HMS 1/2 (80:20) at \$360-\$365/mt CFR, with EU-origin HMS 1/2 (80:20) at \$350-\$355/mt CFR. The EU trader added that recyclers would try to resist amid slow collection rates at lower dock prices.

Another EU recycler declined to cite a workable level in an uncertain market, while another supplier said better bulk HMS 1/2 (80:20) prices were available in Asia if Turkish mills were holding at \$350/mt CFR maximum. A Turkish mill source cited an indicative buyer tradable value for US/Baltic-origin HMS 1/2 (80:20) at \$350/mt CFR, while a second mill source targeted below \$350/mt CFR.

"I think we are already at \$350/mt CFR today and most probably moving further down - China is down in finished products and it will affect us as well," a Turkish agent source said. Another agent source said there was "no hope" for deepsea scrap bookings to be achieved at \$350/mt CFR or above for premium HMS 1/2 (80:20). (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	355.00	-12.50	397.14
Steel Rebar FOB Turkey (\$/mt)	690.00	-5.00	717.73
Argus HRC NW Europe (€/mt)	874.25	-12.00	908.11
Argus FOB China HRC (\$/mt)	654.00	-37.00	718.29

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jun-22	715	745	730
Jul-22	635	665	650
Aug-22	630	660	645
Q3-22	640	650	645
Q4-22	625	635	630
Q1-23	610	620	615

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jun-22	405	415	410
Jul-22	345	355	350
Aug-22	340	350	345
Q3-22	340	350	335
Q4-22	330	340	335
Q1-23	315	325	320

LME REBAR FOB TK			
	Bid	Ask	Value
Jun-22	715	725	720
Jul-22	625	635	630
Aug-22	615	625	620
Q3-22	615	625	620
Q4-22	585	595	590
Q1-23	555	565	560

BUSHELING			
	Bid	Ask	Value
Jul-22	525	535	530
Aug-22	485	495	490
Sep-22	475	485	480
Q3-22	495	505	500
Q4-22	455	465	460
Q1-23	425	435	430

US HRC USD/short ton			
	Bid	Ask	Value
Jun-22	1115	1135	1125
Jul-22	920	940	930
Aug-22	890	910	900
Q3-22	893	913	903
Q4-22	843	863	853
Q1-23	840	860	850

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jun-22	850	870	860
Jul-22	790	810	800
Aug-22	780	800	790
Q3-22	785	795	790
Q4-22	755	765	760
Q1-23	725	735	730

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