

22/06/2022**FOB China HRC**

The index fell by \$5/t yesterday (21.6.22) to US\$649/t, MTD US\$713.67/t.

A major steel mill in South China's Guangdong province shut down two blast furnaces yesterday to ensure safety amid heavy rains and floods. A deal for a small quantity of SS400 HRC produced by a north China mill was concluded at \$672/t cfr Vietnam yesterday. Another mill in east China was willing to receive orders at \$640-650/t fob, although its official offers are higher at \$680-685/t fob China. A north China mill mulled an offer at \$710/t fob and was willing to negotiate prices for firm bids. Other major Chinese mills were silent, preferring to offer after the market stabilizes.

A Chinese mill was willing to sell SAE1006 grade coils at \$700/t cfr Vietnam, lower than offers at \$710-730/t cfr Vietnam for coils from other Chinese mills and Indian mills. Vietnamese buyers were reluctant to bid as they expected a further price fall on lukewarm demand in Vietnam and other regional markets. (Argus)

Turkish Scrap

Mills hold back for lower prices

Recyclers continue to cut collection prices

Turkish Deepsea import ferrous scrap prices continued to slide on June 21, as buyers continued to target lower prices amid weak finished steel demand, sources said. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) June 21 at \$350/mt CFR, down \$5/mt on day, S&P Global Commodity Insights.

"The problem is the same -- Turkey can't sell enough finished steel volumes to the domestic and export markets and so prices will fall further -- some mills may stop for maintenance or due to poor market conditions soon," a Turkish mill source said. "Some scrap companies didn't sell as they thought there was a possibility of a rebound, but mills are also under pressure and I can really see a big drop, as everyone needs cashflow and financing."

Platts assessed Turkish export rebar at \$670/mt FOB Turkey on June 21, down \$20/mt on day. The daily outright spread between Turkish export rebar and import scrap was assessed at \$320/mt June 21, down \$15/mt on day. A second Turkish mill source cited an indicative tradable value for HMS 1/2 (80:20) below \$350/mt CFR from all origins.

A Turkish agent source cited an indicative tradable value for US/Baltic-origin HMS 1/2 (80:20) at \$350/mt CFR, while a second agent said mills were now targeting prices at \$330-\$335/mt CFR. A Turkish trader cited an indicative tradable value for premium HMS 1/2 (80:20) close to \$350/mt CFR. An EU recycler declined to provide an indication in a negative market, adding that large volumes of Russia-origin billet at low prices flowing into the Turkish market are reducing appetite for scrap. (Platts)

EU HRC

Prices soften further European hot-rolled coil (HRC) prices fell as a poorly attended conference in Germany did little to stoke sentiment. Argus' daily benchmark northwest European HRC index dropped by €1.50/t to €872.75/t ex-works, while the Italian index dropped by €8/t to €811.25/t. Italian buyers think the market is close to bottoming and deals could be concluded in the coming weeks. But expectations that the German industry event could spur liquidity were squashed by steep falls in Chinese prices.

A Japanese producer was offering, but withdrew the quote at a time of poor sentiment. Some prices were heard at \$850 cfr, while from Turkey, prices were heard at \$700-720/t fob. Other import offers were heard at €740-820/t cfr with the lowest level from India for boron-added material. In the north, one producer was reportedly closing deals at €840/t delivered, but this could not be confirmed before market close. There was talk of Chinese HRC being offered at \$620/t fob but this could not be confirmed. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	350.00	-5.00	393.21
Steel Rebar FOB Turkey (\$/mt)	670.00	-20.00	713.75
Argus HRC NW Europe (€/mt)	872.75	-1.50	905.17
Argus FOB China HRC (\$/mt)	649.00	-5.00	713.67

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jun-22	705	735	720
Jul-22	625	655	640
Aug-22	620	650	635
Q3-22	631	641	636
Q4-22	623	633	628
Q1-23	610	620	615

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jun-22	395	405	400
Jul-22	335	345	340
Aug-22	340	350	345
Q3-22	333	343	322
Q4-22	317	327	322
Q1-23	313	323	318

LME REBAR FOB TK			
	Bid	Ask	Value
Jun-22	710	720	715
Jul-22	630	640	635
Aug-22	615	625	620
Q3-22	617	627	622
Q4-22	585	595	590
Q1-23	555	565	560

BUSHELING			
	Bid	Ask	Value
Jul-22	520	530	525
Aug-22	485	495	490
Sep-22	475	485	480
Q3-22	493	503	498
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	910	930	920
Aug-22	890	910	900
Q3-22	890	910	900
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	780	800	790
Aug-22	770	790	780
Q3-22	775	785	780
Q4-22	750	760	755
Q1-23	725	735	730

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