

29/06/2022**FOB China HRC**

The index rose by \$4/t yesterday (28.6.22) to US\$638/t, MTD US\$693.65/t.

Beijing has cut quarantine time for overseas arrivals and close contacts of local confirmed cases from 14 days to 7 days, according to China's Joint Prevention and Control Mechanism of the State Council. And the in-home isolation time has also been shortened from 7 days to 3 days.

Major Chinese mills and traders lifted offers to equivalent of \$635-725/t fob China on rising Chinese domestic prices. Most of them were reluctant to lock deals below \$645/t fob China. Few buyers bid at an equivalent of \$620/t fob China. Enquiries increased compared with last week.

A deal for 60,000t Indian SAE1006 grade coils was heard at \$680/t cfr Vietnam. Most participants deemed that level low to be accepted by Indian mills as the lowest level they were willing to sell at was \$700/t cfr Vietnam. A Chinese mill was willing to sell SAE1006 grade coils at \$680/t cfr Vietnam, much lower than other mills' offers at \$692-710/t cfr Vietnam. (Argus)

Turkish Scrap

Turkish mills wait for improved finished steel demand
Recyclers point to slower scrap collection over summer holidays

Turkish deepsea import ferrous scrap prices were unchanged on the day June 28, as sellers raised offers and buyers remained hesitant amid slow finished steel demand, sources said. S&P Global Commodity Insights assessed the Platts Turkish imports of premium heavy melting scrap 1/2 (80:20) June 28 at \$332.50/mt CFR, unchanged on the day. "Sellers are confident nowadays - the offer range is \$340-\$350/mt CFR, but the end product market is weak, so I am not sure about a raise in scrap prices," one Turkish mill source said.

A second mill source was more bearish, citing an indicative near-term buyer target for EU-origin HMS 1/2 (80:20) below \$280/mt CFR, adding "demand is close to zero for finished products -- some players tried to trigger prices up, but scrap is not a tool today for a price increase." An EU trading source cited an indicative tradable value for US/Baltic-origin HMS 1/2 (80:20) at \$330-\$335/mt CFR, with EU-origin HMS 1/2 (80:20) at \$320-\$325/mt CFR. "Sellers are showing some resistance, as they are seeing limited incoming material [to the yard] into the holiday period, so they are not being so aggressive offer-wise on a CFR basis," a Turkish trader said, citing an indicative tradable value for US/Baltic-origin HMS 1/2 (80:20) at \$330-\$335/mt CFR. "We need to see more deals on the finished steel side to see any further increase on scrap." (Platts)

EU HRC

Mills suggest recovery ahead Market participants in the European hot-rolled coils (HRC) market were wondering yesterday if prices are close to the bottom, with some reporting that mills are warning customers that they expect that activity will pick up before mid-July. The Argus daily Northwest EU HRC index increased by €8.75/t to €812.50/t ex-works, while the Italian index continued to slip to reach €757.50/t today, down by €18/t.

Italian market participants report that the current price level varies widely from buyer to buyer, with some still being quoted prices at €780-800/t delivered, whereas others are offering as low as €700/t ex-works. Medium-sized buyers received offers at €730-760/t ex-works. Declining scrap prices in Europe are a concern for sellers, as one mill, producing from scrap can undercut other producers as it tries to fill out order books.

Expectations are that scrap values in Europe will continue declining. But in the north there was some activity today, with higher-priced deals reported, as some producers are pushing that the market is due to rebound. Some are talking more about recovery in the automotive sector and supply bottle necks easing. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	332.50	0.00	374.37
Steel Rebar FOB Turkey (\$/mt)	635.00	-5.00	695.88
Argus HRC NW Europe (€/mt)	812.50	7.75	882.53
Argus FOB China HRC (\$/mt)	638.00	4.00	693.65

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jun-22	705	735	720
Jul-22	640	670	655
Aug-22	635	665	650
Q3-22	645	655	650
Q4-22	630	640	635
Q1-23	610	620	615

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jun-22	395	405	400
Jul-22	350	360	355
Aug-22	365	375	370
Q3-22	357	367	340
Q4-22	335	345	340
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	530	540	535
Aug-22	505	515	510
Sep-22	495	505	500
Q3-22	510	520	515
Q4-22	485	495	490
Q1-23	470	480	475

US HRC USD/short ton			
	Bid	Ask	Value
Jun-22	1115	1135	1125
Jul-22	920	940	930
Aug-22	875	895	885
Q3-22	888	908	898
Q4-22	853	873	863
Q1-23	837	857	847

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jun-22	850	870	860
Jul-22	785	805	795
Aug-22	780	800	790
Q3-22	783	793	788
Q4-22	753	763	758
Q1-23	725	735	730

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