

30/06/2022**FOB China HRC**

The index rose by \$4/t yesterday (29.6.22) to US\$642/t, MTD US\$691.19/t.

China's domestic prices were up yesterday, though direction was not clear as president Xi Jinping reiterated the country's zero Covid policy while Beijing relaxed Covid-control measures. Sellers lifted offers to equivalent of \$655-660/t fob China for SS400 HRC. Enquiries rose and seaborne buyers pushed up bids to equivalent of \$625-635/t fob China from \$620/t fob China. Chinese SS400 HRC was heard sold at \$660/t cfr Vietnam this week through traders, but no further details could be confirmed. Traders noted that the price was only workable for position cargoes, as mills were not willing to sell at below \$645-660/t fob.

An Indian mill was heard to have sold around 60,000t SAE1006 grade coils at \$670-675/t cfr Vietnam this week, but that level was only workable for one of its large customers with additional contract terms. The Indian mill would not consider selling below \$675-680/t cfr Vietnam for other buyers. Traders are inviting bids at \$675/t cfr Vietnam for SAE1006 grade coils produced by other Indian mills. Offers were unchanged at \$710-715/t cfr Vietnam for Chinese SAE1006 grade coils, with bids at \$670-675/t cfr Vietnam. Vietnamese mill Hoa Phat supplied a rebate of \$15/t for its last round of sales which were sold higher than present market levels. (Argus)

Turkish Scrap

Fresh Benelux and Baltic-origin sales heard

Mills tentatively restock scrap, hope for sustained finished steel demand

Turkish deepsea import ferrous scrap prices rose day on day June 29, as Turkish mills continued to restock scrap amid improved finished steel sentiment, sources said. Platts Turkish imports of premium heavy melting scrap 1/2 (80:20) was assessed June 29 at \$337/mt CFR, up \$4.50/mt day on day.

A reported Benelux-origin cargo was heard by multiple sources to be booked June 29 by an Izmir mill, with 20,000 mt HMS 1/2 (80:20) at \$329/mt CFR, and 10,000 mt bonus scrap and 10,000 mt shredded scrap reported at \$344/mt CFR or \$349/mt CFR. A reported Baltic-origin deal totaling 25,000 mt was also heard by multiple sources to have been booked June 28 by a Marmara mill, with HMS 1/2 (80:20) at \$340/mt CFR, and bonus scrap at \$355/mt CFR. Market chatter of a US-origin deal booked June 27 to an Iskenderun mill at \$335/mt CFR for HMS 1/2 (80:20) was also heard but could not be officially confirmed. (Platts)

EU HRC

Markets diverge Sentiment diverged in the European hot-rolled coil (HRC) markets yesterday. Prices in the north firmed as some buyers bought in anticipation that low import volumes and production cuts could tighten the supply and demand balance after summer. But Italian prices continued to slip in illiquid trade. Argus' daily northwest EU HRC index rose by €14.75/t to €827.25/t, while the Italian index dipped by €6.75/t to €750.75/t ex works. One mill that said it would have to accept €750/t into Germany on 27 June, was targeting above €900/t, after it made a sale in the past few days at €860/t.

Another north European producer reported a sale at about €833/t ex-Ruhr equivalent. Some buyers said the market had bottomed, citing output cuts and lesser import offers alongside firming scrap prices into Turkey. Turkish mills have concluded their first longs sales of 2022 into southeast Asia of late, and are now asking for higher prices as a result. That said, there are still question marks over whether the round of European buying would materialise in the coming weeks, and whether domestic scrap prices will follow Turkish levels.

Also, Turkish mills were still offering as low as €700/t cif Italy, inclusive of duties, for larger tonnages. One large European buyer said it would be able to close at \$650/t fob. While Europeans have reduced some capacity, it is not yet enough to support the market, the buyer said. Another said rising scrap and Asian markets may stop prices falling, but they will not increase without brisker demand. The vast majority of mills were not making offers, and quoting on a case-by-case basis. (Argus)

Market Rates

| Indices | Price | Change | MTD |
|---|--------|--------|--------|
| Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt) | 337.00 | 4.50 | 372.29 |
| Steel Rebar FOB Turkey (\$/mt) | 635.00 | -2.50 | 692.36 |
| Argus HRC NW Europe (€/mt) | 827.25 | 14.75 | 879.46 |
| Argus FOB China HRC (\$/mt) | 642.00 | 4.00 | 691.19 |

| LME HRC FOB TIANJIN CHINA USD/mt | | | |
|----------------------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Jun-22 | 690 | 720 | 705 |
| Jul-22 | 645 | 675 | 660 |
| Aug-22 | 635 | 665 | 650 |
| Q3-22 | 647 | 657 | 652 |
| Q4-22 | 630 | 640 | 635 |
| Q1-23 | 610 | 620 | 615 |

| LME HMS 80:20 CFR TK | | | |
|----------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Jun-22 | 375 | 385 | 380 |
| Jul-22 | 360 | 370 | 365 |
| Aug-22 | 365 | 375 | 370 |
| Q3-22 | 360 | 370 | 340 |
| Q4-22 | 335 | 345 | 340 |
| Q1-23 | 313 | 323 | 318 |

| LME REBAR FOB TK | | | |
|------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Jun-22 | 700 | 710 | 705 |
| Jul-22 | 650 | 660 | 655 |
| Aug-22 | 635 | 645 | 640 |
| Q3-22 | 637 | 647 | 642 |
| Q4-22 | 605 | 615 | 610 |
| 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 | 935 | 955 | 945 |
| Aug-22 | 900 | 920 | 910 |
| Q3-22 | 907 | 927 | 917 |
| Q4-22 | 865 | 885 | 875 |
| Q1-23 | 823 | 843 | 833 |

| NWE HRC EUR/metric ton | | | |
|------------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Jun-22 | 850 | 870 | 860 |
| Jul-22 | 820 | 840 | 830 |
| Aug-22 | 815 | 835 | 825 |
| Q3-22 | 820 | 830 | 825 |
| Q4-22 | 802 | 812 | 807 |
| Q1-23 | 785 | 795 | 790 |

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