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FOB China HRC

The index fell by \$3/t last Friday (1.7.22) to US\$636/t, MTD US\$636/t.

Traders cut Chinese SS400 HRC offers to \$670-673/t cfr Vietnam from \$685/t cfr Vietnam to induce buying, inducing bids at \$660/t cfr Vietnam at highest. Major Chinese mills were on the sidelines as they were reluctant to cut prices. Traders and sea-borne buyers expected a further price fall this week as regional demand was extremely low on the weakening global economy.

More Vietnamese mills may be pushed to cut steel output soon with no enquiries being received, participants said. Vietnamese buyers awaited a clearer market direction. Chinese mills and traders may cut prices further this week on sluggish buying and severe competition from India. (Argus)

EU HRC

Rising scrap bolsters sentiment Firmer scrap costs in Turkey continued to boost sentiment in the European hot-rolled coil (HRC) market, with trading firms and mills reporting brisker enquiries from service centres. An Italian mill reported a greater number of enquiries from German customers, citing some returning automotive demand.

The mill reportedly closed a deal for 10,000t of hot-dip galvanised at €985/t delivered. Northern European participants have also alluded to some more automotive demand returning, aided by the finalising of some half-yearly contracts at levels close to rollovers from January-June. In Italy, more service centres were buying than in the past two months, although volumes remained small.

Given firmer scrap and slightly more positive sentiment, some participants anticipate firmer demand in Italy this month, before the market leaves for holiday in August. But others allude to continued demand weakness and question the longevity and impact of rising Turkish scrap costs. One observer said the slight uptick "smelled like a dead cat", although it is clear that Turkish steelmakers will need to buy more scrap after months of staying out of the market. (Argus)

Turkish Scrap

Fresh Benelux-origin sales heard

US/Baltic recyclers heard to target as high as \$380-\$400/mt CFR in short-term

Turkish deepsea import ferrous scrap prices rose sharply on July 1, as Turkish mills actively sought July and early August shipment cargo to cover recent finished steel bookings, sources said. S&P Global Commodity Insights assessed the Platts Turkish imports of premium heavy melting scrap 1/2 (80:20) July 1 at \$368.75/mt CFR, up \$26.25/mt on day.

A Benelux-origin deal totaling 40,000 mt was booked July 1 by an Iskenderun mill, including 30,000 mt HMS and 10,000 mt shredded scrap, with cargo average at \$371/mt CFR. The deal was confirmed for prompt mid-July shipment. A second Benelux-origin deal was heard by multiple sources to be booked July 1 by a Marmara mill, with 18,000 mt HMS at \$361/mt CFR and 20,000 mt bonus scrap at \$381/mt CFR.

A UK-origin deal reportedly totaling 25,000 mt was booked June 30 by another Iskenderun mill and was heard by Platts June 30 after 16.30 UK time. The deal reportedly consisted of HMS 1/2 (80:20) at \$355/mt CFR, and bonus scrap at \$370/mt CFR. However, the market was heard to move subsequently higher on July 1. "There's a bit of prompt shipment demand for end-July shipment but not so much demand for first half August shipment yet from mills," a UK trader said. HMS collection prices were largely heard at Eur250-260/mt delivered to the dock, according to exporter and subsupplier sources, but the prices were heard to change swiftly amid the volatile CFR Turkey market. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	368.75	26.25	368.75
Steel Rebar FOB Turkey (\$/mt)	665.00	25.00	665.00
Argus HRC NW Europe (€/mt)	815.50	0.00	815.50
Argus FOB China HRC (\$/mt)	636.00	-3.00	636.00

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jul-22	630	660	645
Aug-22	640	670	655
Sep-22	640	670	655
Q3-22	647	657	652
Q4-22	640	650	645
Q1-23	610	620	615

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jul-22	380	390	385
Aug-22	390	400	395
Sep-22	390	400	395
Q3-22	387	397	385
Q4-22	380	390	385
Q1-23	355	365	360

LME REBAR FOB TK			
	Bid	Ask	Value
Jul-22	660	670	665
Aug-22	660	670	665
Sep-22	660	670	665
Q3-22	660	670	665
Q4-22	650	660	655
Q1-23	625	635	630

BUSHELING			
	Bid	Ask	Value
Jul-22	495	505	500
Aug-22	485	495	490
Sep-22	480	490	485
Q3-22	487	497	492
Q4-22	475	485	480
Q1-23	460	470	465

US HRC USD/short ton			
	Bid	Ask	Value
Jul-22	920	940	930
Aug-22	865	885	875
Sep-22	860	880	870
Q3-22	882	902	892
Q4-22	850	870	860
Q1-23	823	843	833

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jul-22	805	825	815
Aug-22	810	830	820
Sep-22	805	825	815
Q3-22	812	822	817
Q4-22	800	810	805
Q1-23	785	795	790

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