

05/07/2022**FOB China HRC**

The index fell by \$7/t yesterday (4.7.22) to US\$629/t, MTD US\$632.50/t.

Sentiment crashed after Anhui reported an increase in Covid cases. A producer in Anhui will conduct equipment maintenance for one blast furnace and production lines from 5 July with estimated output cut of 75,000t. A north China mill will conduct equipment maintenance for one blast furnace and two HRC production lines from early July. Total output cut was estimated at over 100,000t. Traders rushed to cut prices to equivalents of \$612-638/t fob China for SS400 HRC given sharply falling Chinese domestic prices. Some traders were willing to receive orders at equivalents of \$605-620/t fob China, but induced bids at \$625/t cfr Vietnam.

SAE1006 grade coils offers fell to \$670/t cfr Vietnam from India, \$680/t cfr Vietnam from China, \$710-715/t cfr Vietnam from Japan and \$610/t cfr Vietnam from Russia. Vietnamese mill Formosa Ha Tinh is mulling to cut 5pc of its blast furnace output on sluggish local demand. (Argus)

EU HRC

Holiday mood setting in The European hot-rolled coil (HRC) market remained largely quiet yesterday, although there were some pockets of restocking ahead of holidays in the north. A mill in the Visegrad group of countries sold 2,000t of coil at the equivalent of €820/t ex-Ruhr. Consequently, Argus' daily north European HRC index nudged up by €3/t to €818.50/t.

Service centres said demand from industrial and automotive customers remained largely quiet, despite traders and mills suggesting there had been an increase in appetite on the back of firming Turkish scrap costs. Positive sentiment following rising Turkish scrap costs also seems to have been short-lived in Italy. The daily Italian HRC index nudged down by €2.75/t to €750/t.

In the domestic market, some mills were still offering at €760-770/t delivered, but found no buyers at such prices. Other mills were offering around €750/t ex-works officially but could be negotiated down to €700/t for bigger tonnages. Imports were still around €720-700/t cif Italy, but one large buyer was reported to have booked Asian-origin HRC at €680/t cif Italy. This price would also be achievable from South Korea for larger tonnages, according to one buyer in negotiations. Even this price was too high, given the risk of placing an order with long lead times in the current market, the buyer said. (Argus)

Turkish Scrap

Fresh reported US-origin sale heard

Mills seek deepsea scrap cargoes before Eid holiday period

Turkish deepsea import ferrous scrap prices rose sharply July 4, as Turkish mills actively sought further cargoes before the Eid al-Adha holidays begin July 8, sources said. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$380/mt CFR July 4, up \$11.25, according to S&P Global Commodity Insights.

Multiple sources heard a reported US-origin cargo was to have been booked July 1 by a Marmara mill, with value for HMS 1/2 (80:20) put around \$380/mt CFR, relative to the cargo. The same Marmara mill was also heard, after the 4:30 pm London pricing deadline, to have also booked a Baltic-origin cargo on July 1, with HMS 1/2 (80:20) at \$376/mt CFR. "Sellers are bullish, but I don't expect the scrap to go to more than \$400/mt CFR for now," a Turkish mill source said, citing an indicative tradable value for some buyers for premium HMS 1/2 (80:20) at \$380/mt CFR. A second mill source cited an indicative tradable value for HMS 1/2 (80:20) at \$370-\$380/mt CFR, depending on the origin, adding that very few deepsea cargo offers were currently in the market. "There are very few cargo offers left for end July shipment, so I think we'll see deals for first-half August shipment soon, as there's a big holiday period coming up in Turkey [Eid al-Adha July 8-14]," a Turkish agent source said, adding that \$370-\$375/mt CFR was workable for premium HMS 1/2 (80:20), but with sellers aiming for \$400/mt CFR. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	380.00	11.25	374.38
Steel Rebar FOB Turkey (\$/mt)	685.00	20.00	675.00
Argus HRC NW Europe (€/mt)	818.50	3.00	817.00
Argus FOB China HRC (\$/mt)	629.00	-7.00	632.50

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jul-22	640	670	655
Aug-22	650	680	665
Sep-22	645	675	660
Q3-22	655	665	660
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	680	690	685
Aug-22	675	685	680
Sep-22	665	675	670
Q3-22	673	683	678
Q4-22	650	660	655
Q1-23	625	635	630

BUSHELING			
	Bid	Ask	Value
Jul-22	485	495	490
Aug-22	482	492	487
Sep-22	480	490	485
Q3-22	482	492	487
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	860	880	870
Sep-22	860	880	870
Q3-22	880	900	890
Q4-22	850	870	860
Q1-23	823	843	833

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jul-22	820	840	830
Aug-22	810	830	820
Sep-22	805	825	815
Q3-22	817	827	822
Q4-22	800	810	805
Q1-23	785	795	790

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