

07/07/2022

**FOB China HRC**

The index fell by \$4/t yesterday (7.7.22) to US\$626/t, MTD US\$630.25/t.

Chinese SS400 HRC offers decreased to equivalents of \$625-680/t fob China, with bids at equivalents of \$580-605/t fob China. Most seaborne buyers in South Korea, South America and Middle East were silent. Traders cut offers to \$680/t cfr Vietnam for Chinese SAE1006 grade coils, while some sellers were willing to receive orders at \$665/t cfr Vietnam for Indian SAE1006 grade coils. Some Vietnamese buyers bid at \$660/t cfr Vietnam.

A Vietnamese mill was heard to cut 15-20pc steel output on weak local demand, while talks also emerged that another Vietnamese mill is looking to cut its coils output by 50pc in the third quarter. The cuts may not be enough to support the market considering weak domestic and seaborne demand. Some Vietnamese galvanized steel exporters have not sold any cargoes in recent two weeks to Europe, but and their traditional markets in Mexico and southeast Asia. (Argus)

**Turkish Scrap**

Deepsea offers heard in \$410-\$420/mt CFR range  
Benelux subsuppliers hold back for higher HMS dock prices

Turkish deepsea import ferrous scrap prices recovered to price above \$400/mt CFR July 6 as recyclers largely held back offers, while mills continued to seek relatively prompt shipment cargoes, sources said. Platts Turkish imports of premium heavy melting scrap 1/2 (80:20) were assessed at \$402.50/mt CFR July 6, up \$12.50 on the day. This was the first time the assessment exceeded \$400/mt CFR since June 10.

A reported Benelux-origin cargo was heard with HMS 1/2 at \$394/mt CFR Izmir, while rumored Baltic-origin deals were heard likely booked July 5 with HMS 1/2 (80:20) at \$390/mt CFR Marmara and \$400/mt CFR Samsun after the 4:30 pm London time pricing deadline, however further details were not available. "If you can sell enough rebar at \$700/mt EXW on average, with a \$300/mt margin, then \$400/mt scrap would work," one Turkish mill source said, adding that prompt shipment cargoes could fetch above \$400/mt CFR for premium HMS 1/2 (80:20).

"If some mills have to buy, most possibly they need to pay around \$400/mt CFR or higher but most of the mills will wait as demand and sales quantity is not enough," a second mill source said. A third mill source also said premium HMS 1/2 (80:20) was possible at \$400/mt CFR, but that few offers were around. A Turkish agent source cited an indicative offers for US-origin HMS 1/2 (80:20) at \$420/mt CFR and for EU-origin HMS 1/2 (80:20) at \$410/mt CFR. A second agent said these prices were seller targets, with no real offers heard. (Platts)

**EU HRC**

Prices slip, some see rebound North European hot-rolled coil prices nudged downwards again today, but some service centres were preparing to buy in anticipation of a firmer market after summer. Tier-one and two automotive sub-suppliers were calling off slightly more material from service centres, as automakers have signalled they will be producing at higher levels in the coming months.

There is a strong expectation from some buyers that some key components have landed in Germany recently, enabling automakers to ramp up for a period, despite supply chain disruption continuing. Order books at automakers and others are very strong, should this disruption be overcome, participants noted.

Some were concerned that buyers would return en masse after summer, pushing out lead times and concerns over supply security similar to summer 2020, when demand recovered rapidly and mills had insufficient raw materials to ramp up quickly enough. However, demand on the whole remained limited given high stock levels. ArcelorMittal has implemented short-time working at its Bremen site in Germany, although no lines have been idled. There was continuing talk one mill in the Visegrad may idle a blast furnace, although the producer denied this recently. (Argus)

## Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	402.50	12.50	385.31
Steel Rebar FOB Turkey (\$/mt)	695.00	10.00	682.50
Argus HRC NW Europe (€/mt)	813.25	-3.50	816.00
Argus FOB China HRC (\$/mt)	626.00	-4.00	630.25

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jul-22	625	655	640
Aug-22	650	680	665
Sep-22	645	675	660
Q3-22	650	660	655
Q4-22	640	650	645
Q1-23	610	620	615

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jul-22	395	405	400
Aug-22	390	400	395
Sep-22	390	400	395
Q3-22	392	402	385
Q4-22	380	390	385
Q1-23	355	365	360

LME REBAR FOB TK			
	Bid	Ask	Value
Jul-22	690	700	695
Aug-22	675	685	680
Sep-22	665	675	670
Q3-22	677	687	682
Q4-22	650	660	655
Q1-23	625	635	630

BUSHELING			
	Bid	Ask	Value
Jul-22	480	490	485
Aug-22	477	487	482
Sep-22	475	485	480
Q3-22	477	487	482
Q4-22	465	475	470
Q1-23	452	462	457

US HRC USD/short ton			
	Bid	Ask	Value
Jul-22	910	930	920
Aug-22	850	870	860
Sep-22	840	860	850
Q3-22	867	887	877
Q4-22	835	855	845
Q1-23	823	843	833

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jul-22	785	805	795
Aug-22	780	800	790
Sep-22	775	795	785
Q3-22	785	795	790
Q4-22	773	783	778
Q1-23	763	773	768

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