

08/07/2022**FOB China HRC**

The index was flat yesterday (7.7.22) at US\$626/t, MTD US\$629.40/t.

Some outdoor construction projects in Shanghai were suspended due to college entrance examinations on 7-8 July. There was no consensus on outlook. Some participants expect prices to find support at current levels as mills' production cuts would increase in July, but others were still cautious as demand was unlikely to pick up significantly in the summer and uncertainties remained with Covid-19 cases in China increasing recently. Most Chinese blast furnace mills were incurring a loss of around Yn200/t for HRC production at the current domestic sales prices.

A deal for around 60,000t Indian SAE1006-grade coils were heard at \$660-665/t cfr Vietnam this week, but most participants said the deal price may reflect the renegotiated level for a previous deal last week. The quantity is large for one buyer and \$660-665/t cfr Vietnam is not an attractive level for buyers. Offers were stable at \$680/t cfr Vietnam for SAE1006 grade coils from other sellers. (Argus)

Turkish Scrap

Fresh Benelux-origin deal at \$406/mt CFR

Concerns remain over rebar demand at elevated prices

Turkish deepsea import ferrous scrap prices continued to rise July 7 as Turkish mills sought relatively prompt shipment cargoes to cover recent rebar and billet sales, sources said. S&P Global Commodity Insights assessed the Platts Turkish imports of premium heavy melting scrap 1/2 (80:20) July 7 at \$411/mt CFR, up \$8.50/mt on day.

A Benelux-origin sale was booked on July 7 by an Iskenderun mill, with HMS 1/2 (80:20) at \$406/mt CFR, for second half August shipment. The deal was confirmed by both parties. Prior to the deal, a Turkish mill source cited an indicative tradable value for premium HMS 1/2 (80:20) around \$400-\$405/mt CFR, while a second mill source said it was aiming for \$400/mt CFR and below but added that a high-quality cargo could see premium HMS 1/2 (80:20) be acceptable at \$405/mt and above.

A third mill source said \$370-\$390/mt CFR was workable for buyers but that offers for HMS 1/2 (80:20) ranged within \$400-\$420/mt CFR. A Turkish agent source cited an indicative near-term tradable value for premium HMS 1/2 (80:20) at \$405-\$420/mt CFR. However, concerns remained regarding the sustainability of the recent scrap price hike, as demand for rebar at prices above \$700 FOB was muted. (Platts)

US HRC

The daily Platts TSI US hot-rolled coil index was assessed unchanged at \$980/st on an ex-works Indiana basis July 7, according to data from S&P Global Commodity Insights.

The assessment remained unchanged despite lower pricing available as it required larger tonnages, less achievable by most buyers or included discounts based on order specifications. A Midwest service center source said a Midwest mini-mill was willing to sell at \$940/st for 100 st. The source said the order would have included a significant grade extra of approximately \$140/st. He did not believe the base price was repeatable for similar order sizes within Platts specifications.

Another service center source reported indicative offers at \$880/st for 3,000-4,000/st inquiries. The larger tonnage requirements were less attainable by buyers as most have indicated buying the bare minimum of tonnages needed to fulfill demand. Another offer at \$920/st was heard from a third service center source but no additional details about order size, mill or delivery were provided. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	411.00	8.50	390.45
Steel Rebar FOB Turkey (\$/mt)	695.00	0.00	685.00
Argus HRC NW Europe (€/mt)	810.75	-2.50	814.95
Argus FOB China HRC (\$/mt)	626.00	0.00	629.40

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	408	418	413
Aug-22	407	417	412
Sep-22	405	415	410
Q3-22	407	417	398
Q4-22	393	403	398
Q1-23	357	367	362

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	485	495	490
Aug-22	477	487	482
Sep-22	475	485	480
Q3-22	479	489	484
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	845	865	855
Sep-22	840	860	850
Q3-22	865	885	875
Q4-22	833	853	843
Q1-23	823	843	833

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jul-22	800	820	810
Aug-22	795	815	805
Sep-22	790	810	800
Q3-22	800	810	805
Q4-22	782	792	787
Q1-23	763	773	768

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