

26/07/2022**FOB China HRC**

The index kept flat yesterday (25.7.22) at US\$582/t, MTD US\$601.69/t.

China's major steel mills' daily steel output stood at 2.038mn t/d in Mid-July, down by 1.78pc from early July, according to data from China iron and steel association. China produced 20.06mn t rebar in June, down by 19.3pc from one year earlier. January-June rebar production fell by 14.1pc on year to 117.69mn t, China's National Bureau of Statistics data shows. Participants were awaiting Beijing's mid-year economic conference at the end of this week for clearer signals for the second half of the year.

Two Chinese mills lowered offers to \$630/t fob China for SS400 HRC, while a north China mill's domestic selling price was at an equivalent of \$570-580/t fob China. Traders offered at \$590-605/t cfr Vietnam, netting back to around \$560-575/t fob China. All those prices were far above most seaborne buyers' acceptable level of around \$530/t fob China. The Vietnamese market was quiet with scant offers unchanged at \$605-610/t cfr Vietnam. Local buyers were silent as they expected prices to fall soon amid sluggish buying. (Argus)

EU HRC

Prices slip European hot-rolled coil (HRC) prices slipped yesterday, as end user demand remained tepid and service centre appetite also started to wane. Lower Asian import offers also weighed on sentiment.

Argus' daily northwest EU HRC index dropped by €7.25/t to €803/t, while the daily Italian index dipped €7/t to €785.25/t. Deals were concluded in Italy at €770-780/t delivered levels, and up to €800/t delivered, even if some offers are still being made at €800/t ex-works and above. The downtrend in scrap prices is proving difficult for one Italian mill to resist, as buyers see that Turkish prices have fallen by over \$40/t since 14 July.

End-user demand is not strong, with September-October expectations of some buyers now again bearish, as their stocks remain high at higher average prices, which they would like to bring down by the end of the year. That said, several steel service centres in Italy report brisker demand than in June, with some estimating around a 10pc increase, which compared to May is still some 10-20pc down, but less of a decline. Demand from the appliances sector is weak, while difficulties in the automotive sector continue. (Argus)

US HRC

The daily Platts TSI US hot-rolled coil index fell by \$10 to \$840/st on an ex-works Indiana basis July 25, according to data from S&P Global Commodity Insights.

The assessment fell to the latest transaction and below offer levels. A Midwest service center placed an order at \$840/st for approximately 350 st from a Midwest mini-mill late in the week ended July 22. The price level was below the low point of tradable values reported to the source by a Midwest mill during the same period, after indicating prices would be revised lower July 25. In addition, another service center source said \$850/st was his most competitive offer level but was beginning to bid lower. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	367.50	-2.50	394.96
Steel Rebar FOB Turkey (\$/mt)	670.00	-7.50	691.47
Argus HRC NW Europe (€/mt)	803.00	-7.25	814.85
Argus FOB China HRC (\$/mt)	582.00	0.00	601.69

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jul-22	595	625	610
Aug-22	580	610	595
Sep-22	585	615	600
Q3-22	597	607	602
Q4-22	604	614	609
Q1-23	617	627	622

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jul-22	400	410	405
Aug-22	355	365	360
Sep-22	350	360	355
Q3-22	368	378	345
Q4-22	340	350	345
Q1-23	325	335	330

LME REBAR FOB TK			
	Bid	Ask	Value
Jul-22	685	695	690
Aug-22	645	655	650
Sep-22	635	645	640
Q3-22	655	665	660
Q4-22	617	627	622
Q1-23	605	615	610

BUSHELING			
	Bid	Ask	Value
Aug-22	475	485	480
Sep-22	460	470	465
Oct-22	455	465	460
Q4-22	450	460	455
Q1-23	435	445	440
Q2-23	420	430	425

US HRC USD/short ton			
	Bid	Ask	Value
Jul-22	905	925	915
Aug-22	850	870	860
Sep-22	840	860	850
Q3-22	865	885	875
Q4-22	840	860	850
Q1-23	868	888	878

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jul-22	795	815	805
Aug-22	820	840	830
Sep-22	815	835	825
Q3-22	815	825	820
Q4-22	813	823	818
Q1-23	807	817	812

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