

27/07/2022

Good Morning,

FOB China HRC

The index was flat yesterday (26.7.22) at US\$582/t, MTD US\$600.53/t.

Steel warehouses in Shanghai were requested to suspend operations over 26-28 July to control the spread of Covid-19. Sentiment improved yesterday afternoon as the market awaited economic stimulus policies given the rising prices of real estate stocks. A meeting between China Real Estate Association with Zhejiang Real Estate Association and some real estate companies in Yangtze River Delta area yesterday triggered expectations that the sector was looking to find out ways to tide over its difficulties.

Traders' offers were stable at \$590-610/t cfr Vietnam for SS400 HRC, inducing bids at \$550-570/t cfr Vietnam. Some small quantity of HRC was heard concluded at \$570/t cfr Vietnam late last week but details were unclear. Buyers from Pakistan were targeting at \$610-615/t cfr.

Offers for SAE1006 HRC from India was at \$630/t cfr Vietnam. Some traders said the lowest levels for Indian sellers would be around at \$600-605/t cfr Vietnam, which is lower than Chinese level at \$580-600/t fob. (Argus)

EU HRC

Mills turn to exports on sluggish demand The reality of weak demand weighed down on European hot-rolled coil (HRC) prices today, as the more positive sentiment of the past few weeks continued to dissipate and mills looked to cheaper export markets to offload tonnes. Argus' daily northwest EU HRC index dropped by €9.50/t today to €793.50/t, while the daily Italian index nudged down by €1.75/t to €783.50/t ex-works.

The €10/t spread between the two is the lowest level since 15 June 2021, when it was €7.50/t. North European service centres reported procuring from mills in the Visegrad group of countries around €780/t delivered, while a local producer was also at a similar level. European producers were once again trying to sell surplus tonnes to Turkey and Egypt given their low order books. One large mill reportedly sold into north Africa below \$700/t cfr. In Italy weak end demand put an end to the brief up-trend, as pipemakers and service centres refused to buy at higher levels.

In addition, several factors are hampering price growth in the country — declining scrap prices, lower import values and an aggressive northern EU mill, which is selling at a discount to Italian mill offers, with prices heard at around €770-780/t delivered. Italian sellers target €800- 820/t ex-works, and slightly lower for another one, offering on delivered basis. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	359.50	-8.00	392.99
Steel Rebar FOB Turkey (\$/mt)	657.50	-12.50	689.58
Argus HRC NW Europe (€/mt)	793.50	-9.50	813.67
Argus FOB China HRC (\$/mt)	582.00	0.00	600.53

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jul-22	590	620	605
Aug-22	585	615	600
Sep-22	580	610	595
Q3-22	595	605	600
Q4-22	580	590	585
Q1-23	565	575	570

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jul-22	395	405	400
Aug-22	340	350	345
Sep-22	335	345	340
Q3-22	357	367	330
Q4-22	325	335	330
Q1-23	310	320	315

LME REBAR FOB TK			
	Bid	Ask	Value
Jul-22	675	685	680
Aug-22	630	640	635
Sep-22	625	635	630
Q3-22	643	653	648
Q4-22	615	625	620
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	840	860	850
Sep-22	835	855	845
Q3-22	860	880	870
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	795	815	805
Sep-22	795	815	805
Q3-22	800	810	805
Q4-22	795	805	800
Q1-23	788	798	793

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