

28/07/2022**FOB China HRC**

The index fell by \$2/t yesterday (27.7.22) to US\$580/t, MTD US\$599.39/t.

Chinese market was generally stable with both positive and negative factors existing. Rising feedstock prices and steel mills' production cuts supported sentiment, but market talks for mills' plans to resume production amid the weak demand weighed on outlooks. Participants are waiting for policy instructions from upcoming Chinese politburo meeting later this week.

HRC produced by an east China mill were sold at a base price of \$580/t fob China yesterday. Enquiries were still limited from South America, South Korea or other countries, a north China mill said. Traders were willing to receive orders at an equivalent of \$560-570/t fob China for SS400 HRC. A South Korean mill was heard offering HRC at \$620/t cfr Malaysia, netting back to around \$585-590/t fob. South Korea is a traditional importer of HRC and its eagerness to export showed the demand in local market is quite weak, participants said.

SAE1006 grade coils offer was at \$650/t cfr Vietnam from Taiwan, which is too high to be accepted as sellers were willing to receive orders at \$590-600/t cfr Vietnam for coils from China and India. The acceptable levels for buyers could be around \$580-600/t cfr Vietnam depending on specifications. (Argus)

EU HRC

Northern mills target weakening Italy Italian hot-rolled coil (HRC) prices slipped yesterday, widening the gap with prices in northern Europe, which remained static in very subdued trading. Argus' daily Italian HRC index fell by €15/t to €768.50/t ex-works, while the daily northwest EU index was unchanged at €793.50/t.

A large European steelmaker is offering from its northern assets into Italy at around €800/t delivered, with more recent deals concluded around €780/t delivered and older business at €740/t, to service centres. Italian producers are, in the meantime, offering at €800/t ex-works and above, but some of the more sceptical buyers were bidding on par with import prices. Some pickled and oiled material was sold in Italy at the HRC base equivalent price of €750/t ex-works.

These prices are not achievable for most buyers, with mills needing to hold firm, because of high energy and other production costs. September is likely to bring energy costs up even further, which would force mills to raise prices more, or if they are not successful, squeeze margins further. In addition, with producers Arvedi, Marcegaglia and Acciaierie d'Italia all cutting production, supply in September could be tighter. (Argus)

US HRC

The daily Platts TSI US hot-rolled coil index was unchanged at \$840/st on an ex-works Indiana basis July 27, according to data from S&P Global Commodity Insights.

The assessment was unchanged with a reported offer and transaction being completed during the prior week. The price levels were not reflective of more recent levels. A Midwest buyer reported purchasing 40 st at \$870/st from a mini-mill during the week ended July 22, while a service center reported being quoted \$860/st for 140 st also during the week ended July 22. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	352.50	-7.00	390.86
Steel Rebar FOB Turkey (\$/mt)	637.50	-20.00	686.84
Argus HRC NW Europe (€/mt)	793.50	0.00	812.61
Argus FOB China HRC (\$/mt)	580.00	-2.00	599.39

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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