

**05/08/2022****FOB China HRC**

The index fell by \$2/t yesterday (4.8.22) to US\$600/t, MTD US\$600/t.

Market sentiment was affected as some mills resumed production this week. The decline in inventories also slowed. Coils inventory held by traders and mills decreased by over 47,000t this week, slower from last week's decline of over 100,000t. Coils mills were still under maintenance, with output decreasing further this week, but some mills' overhauls would end by mid-August.

Traders lowered offers to \$610/t cfr Vietnam for Chinese SS400 HRC on falling domestic sales prices. Vietnamese buyers could not accept prices above \$595/t cfr Vietnam as local mill Hoa Pha's domestic sale price is at that level. However, major Chinese mills were reluctant to cut prices.

Offers fell to \$610/t cfr Vietnam for SAE1006 grade coils from China, Taiwan and India, inducing bids at \$600/t cfr Vietnam. A deal for small quantity of Taiwanese SAE1006-grade coils were concluded at \$625/t cfr Vietnam this week, but that was for coils with thickness below 2.0mm, which typically command a premium over coils with thickness at and above 2.0mm. (Argus)

**Turkish Scrap**

Turkish deepsea import ferrous scrap prices continued to rebound Aug. 4 as Turkish mills looked to restock but recyclers held firm, sources said.

Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Aug. 4 at \$365/mt CFR, up \$10/mt from Aug. 3. Offers from US and Baltic suppliers were heard to be scarce, but sell-side sources indicated a target level of \$370-\$380/mt CFR for premium HMS 1/2 (80:20) as scrap collection rates were heard to remain slow.

HMS collection prices in the Benelux region were heard between Eur290-310/mt delivered to the dock, with one exporter lamenting that decent tonnages were unavailable even at Eur300/mt delivered. Suppliers into Turkey were also heard to have recently sold bulk cargoes into alternative markets, such as India.

"The Turks would like to buy scrap in the \$350s/mt CFR range, but there are no sellers around — all suppliers are concentrated on the Far East, and after adding the difference in freight, those markets are still paying a \$20-\$50/mt premium compared to Turkey," one Turkish agent source said. "In my opinion, the next booking may happen only if the Turks decide to pay \$370-\$380/mt CFR, [but] they may find a supplier in need of finance selling cheaper."

A Turkish mill source shared an indicative buyer tradable value for US-origin HMS 1/2 (80:20) at \$350-\$360/mt CFR, as well as an indicative seller target at \$370/mt CFR and above, but the source noted that there were few offers in the market at the moment. (Platts)

**US hot-rolled coil**

Market dips slightly.

Some sources expect further downward price pressure.

One source says market in period of overcorrection.

US hot-rolled coil prices continued to ease Aug. 4, with sources mixed on their approach to purchasing supply based on where they thought the market was heading.

The daily Platts US HRC index was assessed \$10 lower at \$810/st on an ex-works basis, according to S&P Global Commodity Insights data.

A trader source said general market pricing was at approximately \$820/st while larger orders ranging 1,500-3,000 st could go below \$800/st to \$780/st.

The source thought pricing would continue to gradually decline in the absence of labor disruptions looking ahead but expected a rebound in pricing if contract negotiations led to any work stoppages.

A buy-side source had received quotes also at the \$820/st level for 500 st from multiple mills before being able to buy from one at \$760/st. (Platts)

## Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	355.00	10.00	354.88
Steel Rebar FOB Turkey (\$/mt)	622.50	7.50	619.38
Argus HRC NW Europe (€/mt)	813.50	-15.25	806.38
Argus FOB China HRC (\$/mt)	602.00	-2.00	600.00

US HRC USD/short ton			
	Bid	Ask	Value
Aug-22	805	825	815
Sep-22	805	825	815
Oct-22	835	855	845
Q4-22	862	882	872
Q1-23	895	915	905
Q2-23	910	930	920

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Aug-22	800	820	810
Sep-22	815	835	825
Oct-22	830	850	840
Q4-22	847	857	852
Q1-23	865	875	870
Q2-23	840	850	845

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Aug-22	600	630	615
Sep-22	615	645	630
Oct-22	625	655	640
Q4-22	640	650	645
Q1-23	630	640	635
Q2-23	610	620	615

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Aug-22	365	375	370
Sep-22	375	385	380
Oct-22	380	390	385
Q4-22	382	392	380
Q1-23	375	385	380
Q2-23	360	370	365

LME REBAR FOB TK			
	Bid	Ask	Value
Aug-22	635	645	640
Sep-22	640	650	645
Oct-22	640	650	645
Q4-22	638	648	643
Q1-23	635	645	640
Q2-23	635	645	640

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

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at [freightinvestorservices.com](http://freightinvestorservices.com)