

**17/08/2022****FOB China HRC**

The index was flat yesterday (16.8.22) at US\$598/t, MTD US\$599.91/t.

Soft demand and key mills' production restarts in China weighed on sentiment. Cisa member mills' crude steel output rose by 2.81pc to 1.94mn t/d over 1-10 August from 21-31 July. A large Chinese mill cut its offer to \$600/t fob China for SS400 HRC after being absent from the market for a long time. Other major Chinese mills kept offers or sales prices unchanged at \$600-615/t fob China, inducing no buying interest. Mills in South Korea cut their local selling prices to around \$580/t fob.

Offers decreased to \$620/t cfr Vietnam for SAE1006-grade coils produced by a Taiwanese mill. The mill may consider orders at and below \$610/t cfr Vietnam, Vietnamese participants said. Traders offered at \$620/t cfr Vietnam for 2.0mm thickness SAE1006-grade coils from China or India, with bids below \$600/t cfr Vietnam. The market sentiment was weak after Vietnamese mill Formosa Ha Tinh cut its offers to \$610/t cif on 15 August and most local buyers preferred to wait for another Hoa Phat's offers expected next week. (Argus)

**EU HRC**

Record open interest on CME N Europe HRC futures Open interest on the CME Group's north European hot-rolled coil (HRC) futures contract hit a new record Monday.

Often deemed the true measure of a contract's success, open interest hit 4,047 lots, equating to 80,940t. Some 59,280t has traded on the contract this month, up by almost 300pc year on year, and making August volumes the fifth highest on record — March, May and June's totals each set new records, and all look likely to be exceeded in the coming days. This year, 418,410t has traded on the contract, far surpassing 277,020t for the whole of last year. Some big names are using the contract to hedge. In its 2021 annual report, German steelmaker Salzgitter said it was hedging its sales exposure "on the basis of the north European HRC index, ex-w Ruhr". Other producers are also hedging using the CME contract, while a number of energy firms buying plate for wind turbines are also active. The forward curve remains in contango, although prices have slipped in the last week or so. October traded at €815/t today, while the fourth quarter traded at €840/t, having been as high as €890/t last week.

In recent weeks, a deluge of buying interest through two banks from large end-users — most likely in the wind turbine sector — pushed futures prices higher, as paper looked cheap compared to physical contract offers for next year. To buy sufficient volumes, the banks regularly lifted offers, which saw sellers push their paper offers up strongly. (Argus)

**Turkish Scrap**

Scrap recyclers hold back offers following recent sales  
Finished steel demand concerns persist in market

Turkish deepsea import ferrous scrap prices remained largely stable on Aug. 16 as scrap recyclers held firm on workable levels following a spate of recent bookings, sources said.

Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$399/mt CFR Aug. 16, up \$1 on the day. "Around \$400/mt CFR is the price now, but next week we will see lower numbers definitely - Turkey has finished purchasing, there is no more demand right now," one Turkish mill source said.

A second Turkish mill source cited an indicative tradable value for US/Baltic-origin HMS 1/2 (80:20) at \$400/mt CFR, but noted that scrap sellers were hanging back. A third mill source cited an indicative tradable value for US/Baltic-origin HMS 1/2 (80:20) at \$395/mt CFR maximum, expecting prices to soften in the near-term. However, the source said that mills would continue purchasing further September deepsea cargoes in the coming week amid tighter domestic scrap supply. (Platts)

## Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	399.00	1.00	380.79
Steel Rebar FOB Turkey (\$/mt)	655.00	-2.50	641.46
Argus HRC NW Europe (€/mt)	746.75	0.00	777.54
Argus FOB China HRC (\$/mt)	598.00	0.00	599.91

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Aug-22	590	620	605
Sep-22	610	640	625
Oct-22	615	645	630
Q4-22	630	640	635
Q1-23	630	640	635
Q2-23	610	620	615

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Aug-22	385	395	390
Sep-22	383	393	388
Oct-22	380	390	385
Q4-22	377	387	374
Q1-23	369	379	374
Q2-23	360	370	365

LME REBAR FOB TK			
	Bid	Ask	Value
Aug-22	653	663	658
Sep-22	635	645	640
Oct-22	635	645	640
Q4-22	635	645	640
Q1-23	628	638	633
Q2-23	613	623	618

BUSHELING			
	Bid	Ask	Value
Sep-22	477	487	482
Oct-22	475	485	480
Nov-22	480	490	485
Q4-22	480	490	485
Q1-23	495	505	500
Q2-23	500	510	505

US HRC USD/short ton			
	Bid	Ask	Value
Aug-22	785	805	795
Sep-22	805	825	815
Oct-22	820	840	830
Q4-22	840	860	850
Q1-23	883	903	893
Q2-23	898	918	908

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Aug-22	760	780	770
Sep-22	807	827	817
Oct-22	805	825	815
Q4-22	798	808	803
Q1-23	780	790	785
Q2-23	765	775	770

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