

18/08/2022**FOB China HRC**

The index was fell by \$3/t yesterday (17.8.22) to US\$595/t, MTD US\$599.50/t.

China's excavator production decreased by 3.2pc on the year to 19,612 in July, and the January-July output went down by 25.6pc on the year to 185,743, according to National Bureau of Statistics (NBS). Sellers cut offers to an equivalent of \$585-640/t fob China for Chinese SS400 HRC on lower domestic prices. A deal for small quantity of positional Chinese SS400 HRC produced by a north China mill was concluded at \$597/t cfr Vietnam, netting back to around \$572/t fob China. But that deal was for prompt shipment which is not representative in the market.

Vietnamese mill Hoa Phat cut its monthly offers to \$595/t cif Vietnam for October shipment SS400 and SAE grades coils from \$610/t cif Vietnam. Vietnamese buyers were reluctant to accept import prices higher than \$595/t cfr Vietnam after Hoa Phat's price cut. (Argus)

EU HRC

North slips again North European hot-rolled coil (HRC) prices slipped marginally yesterday as mills reported spot sales around €740/t ex-works Ruhr. Argus' daily northwest EU HRC index slipped by €1.25/t to €745.50/t ex-works Ruhr. Trade remains scant, with most buyers concerned about prices after the summer break, with mills currently hungry to fill their order books. A large European producer is offering at €780/t delivered, but is not making sales at such levels and said spot liquidity is closer to €760/t.

Automakers are signalling they will take more steel as they look to increase production into the fourth quarter, but some are concerned whether or not this will be the case. Service centres are also concerned about demand from the construction industry given the recessionary economic climate and inflationary pressures.

In Germany there is much talk of a gas surcharge being imposed by the government, that will increase costs for mills. Some have already tried to implement their own surcharges to pass this off, but the market is not widely accepting given the weak pricing environment. The Argus daily Italian HRC index has remained stable over the past days at €755.75/t ex-works, with most companies' offices closed until the end of the week, and the market away. (Argus)

Turkish Scrap

Scrap recyclers hold back offers following recent sales

Finished steel demand concerns persist

Turkish Deepsea import ferrous scrap prices continued largely sideways on Aug. 17, as few scrap offers were heard, while mills pulled back from buying, sources said. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Aug. 17 at \$397.50/mt CFR, down \$1.50/mt on day.

One Turkish mill source said \$395/mt CFR was workable for premium HMS 1/2 (80:20), while a second said below \$397.50/mt CFR was workable for premium HMS 1/2 (80:20). "Producers will not be in a hurry to buy more as there is no demand for finished steel -- the scrap price may decline to \$380/mt CFR for 80:20 in the coming days," a third mill source said. A fourth mill source also indicated \$390-\$400/mt CFR but said this was not possible for buyers due to poor finished steel sales.

However, few deepsea cargo offers were heard as suppliers remained relatively firm in their target levels. A US-origin HMS 1/2 (90:10) offer was heard at \$405/mt CFR. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	397.50	-1.50	382.08
Steel Rebar FOB Turkey (\$/mt)	652.50	-2.50	642.31
Argus HRC NW Europe (€/mt)	745.50	-1.25	775.08
Argus FOB China HRC (\$/mt)	595.00	-3.00	599.50

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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