

23/08/2022**FOB China HRC**

The index was unchanged on Monday (22.8.22) at US\$585/t, MTD US\$597.27/t.

China's central bank today lowered its five-year and above tenor loan prime rate (LPR) by 15 basis points to 4.3pc and one-year LPR was down by 5 basis points to 3.65pc. The rate cut for five-year and above tenor was sharper than the expected 10 basis points, which would inject more steam for economic growth in the second half year, but the real effect to steel sector remains to be seen. An east China mill cut its offer by \$5/t to \$610/t fob China for SS400 HRC, while a north China mill cut offer to \$620/t fob China. Both offers were far above traders' unchanged offers at \$580-615/t cfr Vietnam, netting back to around \$555-590/t fob China. Those traders were bearish on Chinese steel export prices and bet mills will cut prices further to induce seaborne buying.

Sellers held offers unchanged at \$585-605/t cfr Vietnam for SAE1006 grade coil, with some of them willing to receive orders at \$590-595/t cfr Vietnam. But only limited Vietnamese buyers bid as low as \$570/t cfr Vietnam, far below sellers' acceptable levels. (Argus)

EU HRC

Prices nudge down Although there are still lingering hopes that the hot-rolled coils (HRC) market in Europe will bounce back in September, there are still no signals of improved underlying conditions. The Argus daily northwest EU HRC index nudged down by €0.75/t to €743.50/t ex-works, while the Italian index fell by €4.5/t to €751.25/t ex-works.

Although a large portion of the Italian market remains off for the holidays, activity is expected to slowly resume over the next two weeks. With import prices heard as low as €650/t cfr Italy, from Asia, participants do not expect Italian mills to be able to hold to pre-holiday offers despite their high production costs. The exchange rate parity is not helping Italian prices either, but no new offers were heard today on the market from domestic sellers. An offer was heard today from Turkey at \$650/t cif south Europe, excluding duties. An offer was heard from India at \$680/t cfr Europe. There has been talk over the past few weeks of €/ \$650/t cif Europe available from Asian suppliers like Japan, Taiwan and Korea.

In northern Europe, sellers report that they are unable to close deals and activity has been sluggish. Mill order books are short, which buyers are aware of so they are postponing buying. Downstream prices are being pushed down by both end-users and competition, especially from East and Central European sellers. (Argus)

Turkish Scrap

Turkish deepsea import scrap prices flat amid thin trade

Mills reduce production of finished steel due to low margins, poor demand

Bids heard from the Middle-East, North Africa and Asia

Turkish deepsea import ferrous scrap prices were unchanged Aug. 22 as trading remained thin, sources said. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Aug. 22 at \$397.50/mt CFR, unchanged day on day. "They [other regions] are willing to pay more than the Turkish mills are," an agent source said before reporting bids received over the past weekend at \$420/mt CFR Middle-East, \$420/mt CFR North Africa and \$435-\$440/mt CFR Asia. "In Europe, collection prices are sky-high - recyclers must sell at \$420/mt CFR Turkey to break-even they will not sell below this," the same source continued, "but the Turkish buyers are only willing to pay \$390-\$400/mt CFR."

However, a Turkish mill source stated that – after freight costs are taken into account – the other regions were still purchasing scrap at similar levels to what Turkish buyers were willing to pay. "It's a psychological game from the recyclers," the source said, before stating that some Turkish mills would need to purchase in preparation for September and noted their own intention to start purchasing from next week. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	397.50	0.00	384.97
Steel Rebar FOB Turkey (\$/mt)	647.50	0.00	643.59
Argus HRC NW Europe (€/mt)	743.50	-0.75	769.67
Argus FOB China HRC (\$/mt)	585.00	0.00	597.27

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Aug-22	590	620	605
Sep-22	600	630	615
Oct-22	602	632	617
Q4-22	618	628	623
Q1-23	630	640	635
Q2-23	610	620	615

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Aug-22	380	390	385
Sep-22	375	385	380
Oct-22	372	382	377
Q4-22	371	381	369
Q1-23	364	374	369
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	455	465	460
Oct-22	460	470	465
Nov-22	465	475	470
Q4-22	467	477	472
Q1-23	495	505	500
Q2-23	500	510	505

US HRC USD/short ton			
	Bid	Ask	Value
Aug-22	780	800	790
Sep-22	800	820	810
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	760	780	770
Oct-22	770	790	780
Q4-22	798	808	803
Q1-23	860	870	865
Q2-23	875	885	880

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