

24/08/2022

FOB China HRC

The index fell by \$2/t yesterday (23.8.22) to US\$583/t, MTD US\$596.38/t.

Chinese market sentiment was supported by slight positive outlooks for demand as many areas including Jiangsu, Anhui, Henan, and Shanghai, are expected to see a gradual decline in temperatures from 24 August, according to the weather bureau. This should allow outdoor activities to pick up. But seaborne prices fell after mills cut offers because of sluggish sales.

A large Chinese mill cut its offer by \$10/t to \$605/t fob for SS400 HRC. An east China mill cut its offer to \$595/t fob from \$600-610/t fob. Other major Chinese mills were silent, with some willing to receive orders at \$600/t fob China. All those prices were higher than traders' offers at \$595-610/t cfr Vietnam. Seaborne buyers were reluctant to take action given the falling trend, with bids at \$585-590/t cfr Vietnam.

Sellers cut offers to \$605-610/t cfr Vietnam for SAE1006-grade coil from Indonesia and Japan. Some trading firms were actively inviting bids at \$590/t cfr Vietnam for positional SAE-grade coils from Taiwan. Vietnamese buyers bid at \$580-590/t cfr Vietnam. (Argus)

EU HRC

Energy impact concerns market The European hot-rolled coils (HRC) market is concerned that the impact on energy costs, coupled with sluggish demand, will hit prices hard in the following months, especially as there have been insufficient steel production cuts. The daily Italian HRC index fell by €3.75/t to €747.50/t ex-works, whereas the northwest EU index nudged down by €1.50/t to €742/t ex-works.

One central EU producer was heard targeting €780/t delivered north Europe for HRC, but another, southern supplier, was seeing buyers open to negotiate closer to €750/t delivered. That said market participants said that north EU suppliers themselves were undercutting prices, looking for orders, as expectations for the final quarter of the year are not strong for most sectors, as high energy costs weigh on demand, and as end-users expect consumer spending to lessen.

In Spain some prices were heard at €700-720/t DAP from EU producers. No new offers were heard in Italy so far on the domestic side, but market participants expect mills to target a minimum of €750/t ex-works equivalent levels. Some import offers were still being heard at €/\$650-720/t cfr south Europe, but a couple of traders reported that large buyers are indicating they would see €620-630/t cfr levels as workable. If they were able to achieve such prices, those buyers would probably be targeting below w €700/t ex-works levels from domestic Italian producers. (Argus)

Turkish Scrap

Turkish Deepsea import prices strengthen as trade activity resumes

US-origin deal totaling 45,000 mt booked Aug. 22 to Marmara mill

Offers head higher as availability remains tight

Turkish imports of Deepsea scrap resumed after a period of reduced buyer interest after the recently announced decision to decrease Turkish interest rates.

Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Aug. 23 at \$402/mt CFR, up \$4.50/mt day on day.

A US-origin deal totaling 45,000 mt was booked by a Marmara mill Aug. 22, with 19,000 mt of HMS 1/2 (80:20) at \$402/mt CFR, 21,000 mt of shred at \$422/mt CFR, and 5,000 mt of plate and structural scrap at \$422/mt CFR. The deal was confirmed by the sell side and is for September shipment.

The deal was booked at a time when market sources expected a quiet week as Turkish mills digested the Aug. 18 Turkish central bank announcement to decrease interest rates amid an inflation rate of nearly 80%. The move weakened the Turkish lira and consequently reduced the purchasing power to import scrap. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	402.00	4.50	385.97
Steel Rebar FOB Turkey (\$/mt)	645.00	-2.50	643.68
Argus HRC NW Europe (€/mt)	742.00	-1.50	768.04
Argus FOB China HRC (\$/mt)	583.00	-2.00	596.38

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	890	910	900

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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