

26/08/2022**FOB China HRC**

The index was flat yesterday (25.8.22) at US\$586/t, MTD US\$595.22/t.

Coils inventory held by Chinese traders and mills fell by 70,000t this week, slower than last week's decline of over 100,000t, and mills' output picked up slightly on the week, participants said. A Chinese mill sold a small quantity of SS400 HRC at \$610/t fob China to South America yesterday, but that deal was too small to represent the market levels as most seaborne buyers could not accept prices higher than \$580/t fob China. Buyers from other countries especially in Southeast Asia expressed no buying interest in Chinese coils as they could obtain lower-priced cargoes from other countries.

Vietnamese mill Hoa Phat has sold out its October shipment coils at \$595/t cif Vietnam, participants said. While deals for a total of 20,000t Indian SAE1006-grade coils were sold at \$590-595/t cfr Vietnam these days, but no further details could be confirmed. \$590-595/t cfr Vietnam were mainstream market levels for Vietnamese buyers for deals, far below Chinese offers at and above \$615/t cfr Vietnam. (Argus)

EU HRC

Lack of market confidence weighs Market participants' outlooks for the last quarter of the year are pessimistic, with expectations that more production cuts could be implemented to prevent mills from making further losses.

The Argus daily Italian hot-rolled coil (HRC) index fell by €8.50/t to €729.25/t ex-works, while the northwest Europe index edged up by €0.50/t to €720/t ex-works. The extent of mills' need to sell has become apparent over the past month and a half, as shorter lead times and buyers' inability to move material downstream have pushed prices into loss-making territory. Furthermore, the impact of power and gas prices will squeeze margins further, while simultaneously affecting demand as industrial activity slows.

Service centres also report that they expect more de stocking to take place in the final months of the year. No new offers have been heard in Italy so far this week from domestic sellers, but import offers were reported at \$650-720/t cif Italy this week, with the lower end of the range excluding dumping duties. The weekly cif Italy assessment stood at €650/t cif this week, down by €10/t. In northern Europe, mills' lead times have fallen to four to six weeks. Buyers are waiting for further price decreases before they decide to place orders. (Argus)

Turkish Scrap

Few deepsea offers into Turkey heard amid competing Asian demand
Mills focus on shortsea scrap

The Turkish import deepsea scrap market continued in a stalemate Aug. 25, as Turkish buyers held back amid weak demand for finished steel. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Aug. 25 at \$402/mt CFR, unchanged on the day.

"There are no offers for deep sea; it looks that Turkey has to cut more capacity," one Turkish mill source said, citing an indicative tradable value for US-origin HMS 1/2 (80:20) above \$400/mt CFR, Baltic-origin HMS 1/2 (80:20) at \$395-\$400/mt CFR. One Turkish agent source noted limited availability but cited a reported offer for EU-origin HMS 1/2 (80:20) around \$397-\$398/mt CFR, and a reported offer for US-origin shredded and bonus scrap around \$425/mt CFR cargo average, normalizing to around \$408/mt CFR for HMS 1/2 (80:20). "US East Coast suppliers can achieve \$390/mt FOB [from alternative destinations] so it's hard to imagine that the Turks can get a better price," the agent source said.

"There is additional bulk demand that is expected from India, Bangladesh, while Egypt and Mexico could also be interested." There was market chatter of a reported US-origin bulk cargo sale booked in the week started Aug. 22 to Bangladesh, totaling 32,000 mt, with HMS 1/2 (80:20) heard around \$455/mt CFR, but this was not confirmed. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	402.00	0.00	387.66
Steel Rebar FOB Turkey (\$/mt)	645.00	0.00	643.82
Argus HRC NW Europe (€/mt)	720.00	0.50	762.96
Argus FOB China HRC (\$/mt)	586.00	0.00	595.22

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Aug-22	590	620	605
Sep-22	590	620	605
Oct-22	595	625	610
Q4-22	610	620	615
Q1-23	629	639	634
Q2-23	639	649	644

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Aug-22	380	390	385
Sep-22	390	400	395
Oct-22	385	395	390
Q4-22	382	392	380
Q1-23	375	385	380
Q2-23	360	370	365

LME REBAR FOB TK			
	Bid	Ask	Value
Aug-22	653	663	658
Sep-22	640	650	645
Oct-22	640	650	645
Q4-22	640	650	645
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	795	815	805
Oct-22	805	825	815
Q4-22	832	852	842
Q1-23	875	895	885
Q2-23	897	917	907

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Aug-22	760	780	770
Sep-22	720	740	730
Oct-22	730	750	740
Q4-22	745	755	750
Q1-23	775	785	780
Q2-23	795	805	800

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