

05/09/2022

**FOB China HRC**

The index fell by \$6/t last Friday (2.9.22) to US\$569/t, MTD US\$572/t.

Steel mills in China's Yunnan province were planning to shut down blast furnaces for maintenance due to losses, market participants said. Overhaul period and scale was undisclosed. Steel demand outlooks were clouded by the tightening Covid restrictions in some major cities like Chengdu and Tianjin.

A large quantity of Chinese SS400 HRC was sold at \$585/t cfr Vietnam to a large Vietnamese stockist the week before last week. Some other deals for small quantity of Chinese SS400 HRC were concluded at \$570-585/t cfr Vietnam last week. But those deals were done at losses or short-selling by traders who expect Chinese steel export prices to decrease further. Major Chinese mills were reluctant to receive orders below \$575/t fob China. Some traders were actively inviting bids at \$585/t cfr South Korea for Chinese SS400 HRC. There were some enquires from Africa last week, but local buyers were reluctant to accept prices higher than \$635-645/t cfr as Taiwanese SS400 HRC were offered at around those levels. (Argus)]

**EU HRC**

Prices firm on output cuts European hot-rolled coil (HRC) prices rose Friday as market leader ArcelorMittal announced a swathe of idling across its blast furnaces. Argus' daily northwest EU HRC index rose by €5.25/t today to €757.25/t, while the daily Italian HRC index rose by €4.25/t to €764.25/t ex-works. Italian producers offered to some at €800/t ex-works and up to €820/t ex-works, with cold-rolled coils at a premium of €110/t and hot-dipped galvanized at €120/t. Italian mill Arvedi was reported to be considering a production cut of one week in every month until the end of the year.

Market participants are continuing to call for further production cuts, saying many smaller players will likely not be able to cope with the inflated raw material and energy costs, and there could be bankruptcies over the coming months. ArcelorMittal announced a number of idlings today, including blast furnaces at Dunkirk, France, and Bremen, Germany, as well as idling hot-dip galvanising lines. Some of the larger market participants said today they were planning to catch any available orders for 2022 deliveries, as demand projections were bearish. With such low demand and import prices, it will be difficult for mills to retain current offer prices, a market participant said.

Turkish offers were heard at \$630-650/t fob Europe. Japan was heard offering at \$670/t cif Italy, but that is expected to rise by \$20-40/t early next week. South Korea was heard to have withdrawn offers, as was India, although there were reports of some offers at \$700/t cfr. An Egyptian mill, which has of late been focusing exclusively on the domestic market, is expected to increase prices, if it offers for export. (Argus)

**Turkish Scrap**

Recyclers fear high energy costs could prompt scrap demand slump  
Lower Baltic- and Venezuela-origin deals heard

Turkish import deepsea scrap prices softened Sept. 2, as some lower-priced deals, coupled with sharply rising production costs, raised concerns about scrap demand. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) on Sept. 2 at \$389.50/mt CFR, down \$10.50/mt on the day. A reported Baltic-origin cargo was heard by multiple sources to have been booked Aug. 31 by an Izmir mill, with HMS 1/2 (80:20) at \$386/mt CFR. A reported Venezuela-origin deal was also heard to be booked Sept. 1 by a Turkish mill, with HMS 1/2 (80:20) at \$397/mt CFR for September shipment. One Turkish agent source said \$397/mt CFR for premium HMS 1/2 (80:20) was still possible for prompt shipment.

"The scrap price direction will depend on how many cargoes mills will buy for October shipment," the agent source added. Elsewhere, an offer for US-origin HMS 1/2 (80:20) was heard at \$390/mt CFR Turkey. (Platts)

## Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	389.50	-10.50	389.20
Steel Rebar FOB Turkey (\$/mt)	660.00	0.00	643.75
Argus HRC NW Europe (€/mt)	757.25	5.25	759.01
Argus FOB China HRC (\$/mt)	569.00	-6.00	592.59

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Sep-22	570	600	585
Oct-22	582	612	597
Nov-22	590	620	605
Q4-22	601	611	606
Q1-23	627	637	632
Q2-23	639	649	644

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Sep-22	375	385	380
Oct-22	360	370	365
Nov-22	357	367	362
Q4-22	357	367	358
Q1-23	353	363	358
Q2-23	346	356	351

LME REBAR FOB TK			
	Bid	Ask	Value
Sep-22	665	675	670
Oct-22	650	660	655
Nov-22	643	653	648
Q4-22	644	654	649
Q1-23	625	635	630
Q2-23	608	618	613

BUSHELING			
	Bid	Ask	Value
Sep-22	445	455	450
Oct-22	457	467	462
Nov-22	460	470	465
Q4-22	461	471	466
Q1-23	478	488	483
Q2-23	498	508	503

US HRC USD/short ton			
	Bid	Ask	Value
Sep-22	780	800	790
Oct-22	790	810	800
Nov-22	805	825	815
Q4-22	805	825	815
Q1-23	838	858	848
Q2-23	878	898	888

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Sep-22	770	790	780
Oct-22	790	810	800
Nov-22	795	815	805
Q4-22	799	809	804
Q1-23	815	825	820
Q2-23	845	855	850

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