

07/09/2022**FOB China HRC**

The index kept stable yesterday (6.9.22) at US\$564/t, MTD US\$568/t.

The suspension of operations at South Korean steelmaker Posco's Pohang Works facility on 6 September stoked supply concerns and expectations of higher prices. Most participants were of the view that the suspension would support international steel prices if operations are suspended for a month. Around 820,000t of monthly production of plate, wire rod and HRC is large enough to push up the market, a northeast China mill manager said, adding that it may have a greater impact on the European steel market. Others expect limited impact on Asian steel prices as regional steel demand was weak.

Major Chinese mills' steel output rose by 1.78pc from 11-20 August to 2.032mn t/d over 21-31 August, according to China iron and steel association. Mills would not be motivated to increase production further in September, as HRC steel mills were in losses of Yn100-300/t. Offers for Chinese SAE1006-grade coils rose to \$610/t cfr Vietnam on firm domestic sales prices. Traders kept offers unchanged at \$590-600/t cfr Vietnam for SAE-grade coils from Taiwan and other countries, but they may withdraw offers soon given the possibility of delayed steel deliveries from Asia, Vietnamese traders said. (Argus)

EU HRC

Italy rises, north slips Italian hot-rolled coil (HRC) prices rose yesterday on more bullish expectations for import prices, while prices in northwest Europe nudged marginally lower. The daily Italian HRC index increased by €1.25/t to €768.50/t ex-works today, while the weekly cold-rolled coils (CRCs) assessment rose by €30/t to €870/t ex-works. Argus' daily northwest EU HRC index slipped by €3.50/t to €769/t, while the daily CRC assessment increased by €10/t to €890/t. In Italy, HRC offers were €780-810/t delivered for November.

An offer was reported yesterday at €800/t ex-works. December deliveries from one mill were €40-50/ higher at €820-850/t delivered. One mill no longer has October avail ability, after selling some tonnages in the past week. CRC offers in Italy were heard over the past week at €870-910/t delivered, depending on the supplier. One offer stood at €910/t ex-works. Hot-dip galvanized offers were heard at €920-930/t ex-works. More buyers were heard turning to imports, with some HRC sold from Turkey to Italy over the past week too, to reportedly several buyers in smaller lots to fill a 30,000t vessel.

With import prices at the start of last week at a low of \$650/t cif Italy, and with domestic offers touching on €800-820/t ex-works, the spread made imports, despite the associated risks, worth it. But since then import prices have increased, and will likely move up more over the following days as news of supply issues at South Korea's Posco spread after a typhoon impacted its Pohang site. There was an expectation among some that flooding at the works could support European prices, as the company sells substantial amounts into some large export markets, such as India. Posco is the sixth-largest steelmaker in the world, making almost 43mn t/yr. (Argus)

US HRC

The daily Platts TSI US hot-rolled coil index was assessed at \$800/st on an ex-works Indiana basis Sept. 6, unchanged from the previous assessment. A trader and multiple service center sources reported tradable value at \$800/st, while a Midwest service center source indicated the market was at a minimum of \$800/st. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	379.75	-7.25	389.20
Steel Rebar FOB Turkey (\$/mt)	670.00	0.00	643.75
Argus HRC NW Europe (€/mt)	769.00	-3.50	759.01
Argus FOB China HRC (\$/mt)	564.00	0.00	592.59

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Sep-22	560	590	575
Oct-22	585	615	600
Nov-22	595	625	610
Q4-22	603	613	608
Q1-23	627	637	632
Q2-23	639	649	644

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Sep-22	365	375	370
Oct-22	350	360	355
Nov-22	350	360	355
Q4-22	348	358	349
Q1-23	344	354	349
Q2-23	338	348	343

LME REBAR FOB TK			
	Bid	Ask	Value
Sep-22	665	675	670
Oct-22	655	665	660
Nov-22	650	660	655
Q4-22	648	658	653
Q1-23	625	635	630
Q2-23	608	618	613

BUSHELING			
	Bid	Ask	Value
Sep-22	435	445	440
Oct-22	445	455	450
Nov-22	455	465	460
Q4-22	453	463	458
Q1-23	470	480	475
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	785	805	795
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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