Platts
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SBB Daily Briefing

July 4, 2024

Price snapshot

	Symbol	Unit	Price	Change	% change	Date assessed
Daily prices						
Platts TSI North European CRC EXW Ruhr	STRRE00	Eur/mt	715.00	0.00	0.00	04-Jul
Platts TSI North European HRC EXW Ruhr	STHRE00	Eur/mt	625.00	0.00	0.00	04-Jul
HRC EXW Italy	SB01152	Eur/mt	625.00	0.00	0.00	04-Jul
Steel Rebar FOB Turkey	STCBM00	$/mt	577.50	+2.50	+0.43	04-Jul
HRC Ex-stock Shanghai VAT-inclusive	SB01260	Yuan/mt	3750.00	0.00	0.00	04-Jul
HRC CFR Southeast Asia	SB01142	$/mt	525.00	0.00	0.00	04-Jul
Platts TSI US CRC EXW Indiana	STRRI00	$/st	NA	NANA	NANA	04-Jul
Platts TSI US HRC EXW Indiana	STHRI00	$/st	NA	NANA	NANA	04-Jul
Platts TSI Steel Plate Delivered US Midwest	STPRI00	$/st	NA	NANA	NANA	04-Jul
Weekly prices						
Steel Hot Rolled Coil (HRC) FOB Black Sea	STHRB00	$/mt	540.00	-10.00	-1.82	03-Jul

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Asia

Flat Products

Asian HRC at standstill; buying indications lagging behind

- Bid-ask spread still about $10/mt
- Chinese HRC losing price competitiveness over Japanese and South Korean coils

The Asian hot-rolled coil market went through an uneventful trading day July 4, as buying ideas still fell short of recent offer hikes, with sources indicating overall improving buying interests.

Platts assessed SS400 HRC of 3 mm thickness steady on the day at $511/mt FOB China July 3. The same grade of coil was assessed unchanged over the same period at $525/mt CFR Southeast Asia.

Export offers were generally unchanged on the day at $520/mt FOB China, with bid still hovering at $510/mt FOB levels.

"The buying interests have improved today," said a Hebei-based mill source, but the bid would still leave a bid-ask spread of $10/mt that is impossible to work with.

Chinese export offers have gradually lost price competitiveness over Japanese and South Korean materials, with indicative offers for the latter two heard at $530/mt FOB Japan and $520/mt FOB South Korea, respectively.

The freight differences for a deepsea route would be minimal among the three origins. Moreover, Japanese, and South Korean mills usually charge much less premiums over thinner materials, compared with Chinese add-ons of $10-$20/mt, according to market participants.

Considering the minimal price differences and more restrictions or trading barriers over Chinese materials, some buyers may swing to other origins.

Within China, prices remain rangebound too. The most actively traded October contract on the Shanghai Futures Exchange closed at Yuan 3,801/mt July 4, down Yuan 8 on the day, or 0.2%.

Platts assessed the spot price of Q235B 5.75 mm HRC unchanged on the day at Yuan 3,750/mt ($516/mt) ex-stock Shanghai on July 4, including value added tax.

In Vietnam, Q235 offers were flat on the day at $530-$534/mt CFR, with little buying heard, as prices have surged $7-$10/mt from July 1, amid market chatter of tax investigation in China.

The SAE1006 market was sluggish with little buying interests. Indicative offers for South Korean and Japanese cargoes ranged at $560-$575/mt CFR Vietnam.

But rerollers would still focus on negotiations with Hoa Phat first, with another producer Formosa Ha Tinh Steel expected to release offers toward end of the coming week.

Platts assessed SAE1006 HRC flat on the day at $532/mt FOB China and unchanged over the same period at $531/mt CFR Southeast Asia July 4.

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— Joanne Ju

Indian rebar prices dip as mills lower offers in quiet market; HRC stable

- HRC mills offers competitively
- Rebar bids retreat

Indian rebar prices dipped July 4 as mills offered lower rates amid buyer retreats following a rebound, while hot-rolled coil prices in Mumbai were stable.

Platts assessed the spot price of IS2062, 2.5-10 mm thick HRC, excluding 18% goods and services tax, steady on the day at Rupees 52,300/mt ($626/mt) ex-works Mumbai on July 4.

Competitive offers for 2.5-10 mm thick HRC on an ex-works Mumbai basis were heard at around Rupees 52,500/mt.

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Contact Client Services:
E-mail: ci.support@spglobal.com; Americas: +1-800-752-8878; Europe & Middle East: +44-20-7176-6111; Asia Pacific: +65-6530-6430

Mills were heard cutting offer levels to get orders. In Kolkata, mills offered Rupees 52,000/mt ex-works cargo, but few were interested.

"Now that mills are willing to sell $650 CFR EU HRC, for us domestic buyers, we can just wait until there is further price correction," a trader in west India said.

Vietnam offered HRC at $570/mt CFR Chennai for the August shipment, unchanged on the week, but buyers showed little interest. Chinese mills were hesitant to offer to India following a domestic rebound, while HRC mills priced their offers competitively.

Importers were similarly unswayed by the Vietnamese offer of $570/mt CFR India.

Platts assessed IS1786 Fe500D/Fe550D 12-25 mm diameter rebar, excluding 18% GST, down Rupees 500 on the day at Rupees 46,500/mt ex-works Raipur on July 4.

According to traders, trading activity was subdued following the rebound over the past two days, with some saying current price levels were reasonable after last week's slump.

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— Shuocheng Ni

Long Products

Asian billet extends rise on higher offers

- Seaborne rebar prices rise on higher offers
- Domestic Chinese billet spot prices move sideways amid rangebound futures

Asian billet prices rose July 4 on higher offer levels after the July 3 spike in domestic Chinese futures, while buyers continued to monitor on the sidelines.

In the seaborne billet market, open-origin offers for 5SP 150 mm billet were heard indicated above $510/mt CFR Manila. A Vietnam-based mill was heard offering 3SP 150 mm billet at $495/mt FOB Vietnam, while an Indonesia-based mill was heard indicatively offering 3SP 150 mm billet at $485/mt FOB Indonesia.

Market activity remained quiet, with both sellers and buyers remaining on the sidelines in awaiting further price clarity. Fewer 5SP 130 mm cargo offers were heard available in the market, with the absence of competitive offers providing some support to spot price sentiments.

"Some offers are coming from countries with weak domestic demand, but after the prices rebounded, traders are not actively offering," said a Philippines-based trader.

Platts assessed 5SP 130 mm billet on a CFR Southeast Asia basis at $505/mt, up $3/mt day on day, and Chinese import 3SP 150 mm spot billet at $406/mt CFR China, unchanged on the day.

In the Chinese domestic billet market, spot prices remained steady amid stabilizing rangebound Chinese domestic futures sentiments, with deal and tradable levels aligning at Yuan 3,430/mt ex-stock Tangshan.

Platts assessed domestic billet at Yuan 3,430/mt on a Tangshan ex-stock basis for Q235 billet material, unchanged on the day.

In the domestic Chinese rebar landscape, spot prices remained steady as price sentiments stabilized after the previous day's spike in futures.

In Beijing, weak transaction activity was heard in the market, with deals heard difficult to conclude even as sellers attempted discounts, according to market participants. A deal and tradable levels were heard at Yuan 3,570/mt ex-stock Beijing.

Chinese national rebar production levels were heard to have decreased from last month, while total inventory levels were heard to have increased slightly month on month, according to market participants.

Platts assessed domestic Beijing HRB400 18-25 mm rebar spot prices at Yuan 3,570/mt ex-stock in theoretical weight, unchanged day on day.

In the seaborne rebar market, prices moved upward on higher offer levels as sellers recalibrated offers after yesterday's spike in domestic Chinese futures.

A Malaysian-origin mill was heard indicatively offered at $525/mt DAP Singapore, while Chinese-origin offer levels were heard between $525-$535/mt CFR Singapore.

Market activity remained quiet as buyers remained on the sidelines after the recent increase in offers, in continuing to monitor for near-term trends.

Outside of Singapore, rebar demand in South Korea was heard to be muted, with limited enquiries heard from prospective bidders, according to market participants.

"We do not expect that the buyer will follow prices; real estate shows little sign of recovery. Whenever prices increase, some might engage in short selling," said a South Korea-based trader.

Platts assessed 16-32 mm BS4449 grade 500 rebar at $521/mt CFR Southeast Asia, up $4/mt day on day, and Chinese export 16-40 mm diameter BS500B grade rebar at $511/mt FOB, up $2/mt day on day.

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— Jia hui Tan, Shuocheng Ni

EMEA

Flat Products

European HRC prices remains flat ahead of a quiet expected summer

- Demand to stay weak until September
- Interest in imported HRC remains low

Domestic prices for hot-rolled coil in Europe remained flat July 4, as the market prepares for a quiet summer ahead, with lackluster demand expected all the way up until September.

"It is not getting any better," a service center source said. "September is expected to look terrible."

Market sources have attributed the low activity levels to the lack of end-user demand, with imports in parts of Europe falling.

The new safeguard measures, in effect since July 1, have also been a point of contention for the market.

The European Commission has placed a new restriction cap of 15% on six countries that are large HRC exporters to the EU under the residual tariff-rate quota: Egypt, Vietnam, Japan, Taiwan, Australia, and Brazil. The measures have seen a wide array of mostly negative reactions, with market sources expressing their disappointment at the potential economic implications of reducing the quantity of imported steel entering the bloc.

Platts assessed Northwest European HRC at Eur625/mt July 4, flat on the day.

Tradable values were heard at Eur620-625/mt ex-works Ruhr.

Meanwhile, Platts assessed domestic HRC prices in South Europe at Eur625/mt EXW Italy, flat on the day.

Offers were reported at Eur630/mt EXW Italy. Tradable values were heard at Eur620-625/mt EXW Italy.

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— Geraint Moody, Devbrat Saha

UK HRC market remains stable on demand lull

- Buying interest remains weak
- Mills look for orders

In the week ending July 4, domestic prices for hot-rolled coil in the UK remained unchanged, following a prolonged period of low demand and excess supply.

"[Offers] seem at the top end," a trader said. "Prices haven't altered that much."

Market sources said that, as a result of lackluster demand, some of the larger suppliers in the UK are contacting service centers looking for orders and are even willing to sacrifice profitability by offering considerably lower prices than market value.

Furthermore, much like players in the European Union, market participants in the UK are looking toward imports from countries outside the quota caps as safeguard measure extensions come into effect.

A significant hurdle, however, are the costly levels of freight needed to transport the imported HRC, further narrowing margins.

"You need some big tonnages if you are importing," a distributor said. "At least eight to ten thousand tons."

Similarly, lead times on some imports from countries like Vietnam remain particularly long, proving a costly choice for consumers despite the initial discount they may offer.

"I don't think people are booking [with] the Vietnamese [producers]," a distributor said.

Platts assessed UK HRC flat on the week at GBP595/mt basis DDP West Midlands.

Platts is part of S&P Global Commodity Insights.

— Geraint Moody

Long Products

Turkish export rebar prices remain rangebound on day amid quiet market

- Export market sees weak demand
- Scrap import prices hold stable

Turkish rebar export prices continued to trade rangebound on July 4, amid continuously slow demand on the export market and firm Turkish mill offers, sources said.

Platts assessed Turkish exported rebar at $577.50/mt FOB, up $2.50 on the day, according to S&P Global Commodity Insights data.

Throughout the day, multiple sources indicated a range of workable levels and reported varying mill offers.

Tradable values were mostly at $575-$580/mt FOB, while mill offers were heard at $580-$595/mt FOB.

Despite the limited export demand reported, Turkish mills continued to hold their offers firm. One Marmara mill source reported their offer level at $590/mt FOB for 10,000 mt and confirmed domestic offers at $600/mt ex-works.

An EU-based trader reported buyer workable levels at $575/mt FOB and suggested that Marmara seller targets at $590/mt FOB were considered too high for buyers in Europe on the day.

In related markets, scrap import prices to Turkey remained stable on July 7. Platts assessed Turkish imports of premium heavy melting scrap at $390/mt CFR Turkey, stable on the day. Platts assessed the daily outright spread between Turkish export rebar and import scrap at $187.50/mt July 7, widening by $2.50.

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— Semra Ugur

Raw Materials and Scrap

Turkish deepsea import scrap prices remain stable as US deal confirms current levels

- Near-term price sentiment holds flat among futures traders
- Offers from Europe remain firm on the day

Turkish deepsea import ferrous scrap prices were unchanged on July 4, as a US-origin deal booked on July 3 was considered repeatable by market sources on the day.

Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at $390/mt CFR July 4, unchanged on day.

A US-origin deal was confirmed as booked on July 3 by a Marmara mill with HMS 1/2 (80:20) at $390/mt CFR and with shredded scrap at $410/mt CFR for August shipment.

Market sources considered the deal repeatable on the day and shared indicative tradable values for US-origin HMS 1/2 (80:20) at $390/mt CFR.

"The deal puts a cap on what price the European recyclers can sell at," a trader said, citing an indicative tradable value for EU-origin HMS 1/2 (80:20) at $385-$387/mt CFR.

Offers EU-origin HMS 1/2 (80:20) were reported at $388-$390/mt CFR on the day, with Turkish mill tradable values reported at lower levels, in a $385-$388/mt CFR range.

Recyclers in Europe were largely firm due to slow scrap inflows to the docks in recent weeks and high collection costs recently reported at Eur325-332/mt delivered to the docks, limiting the recyclers' ability to reduce export offers into Turkey.

"I don't think these prices are sustainable, scrap prices are too high," a Turkish mill source said, citing an indicative near-term tradable value at around $385-$386/mt CFR.

"I would target lower prices [than $390/mt CFR for premium HMS 1/2 (80:20), but I expect more silence in the market in the next few days," a second Turkish mill source said.

Elsewhere, the July-October portion of the forward curve for Turkey scrap futures on the London Metal Exchange, which settles basis the Platts HMS 1/2 (80:20) CFR Turkey assessment, remained largely flat on the day, suggesting that futures traders continued to rangebound price activity in the physical markets in the near term.

Platts assessed the July contract at $389.50/mt CFR and the August contract at $389.50/mt CFR.

The September and October scrap contracts were assessed at $389/mt CFR and $390/mt CFR, respectively.

Platts is part of S&P Global Commodity Insights.

— Abdi Salad

CIS

Long Products

Turkish billet market is quiet as ex-China offer levels almost match buyer targets

- Offers ex-China heard at $515-$518/mt CFR Turkey, maximum bids of $515/mt
- Buyers target $510/mt, offers ex-Russia indicated at $520/mt CIF TBS
- Traders include behind the curtain deals

Turkish market for imported billet remained dominated by ex-China offers, with levels reported by trader sources July 4 at $515-$518/mt CFR Turkey, including trader fees and other costs. In the meantime, the target level of Turkey-based buyers for Chinese billet was indicated at a maximum of $515/mt CFR, roughly matching the lower range of offers.

"Unfortunately, I haven't heard about new deals, maybe they are selling secretly without releasing the price," a trader source guessed. "Let's wait for open deals."

The trader's estimates for imported billet in Turkey were the most bearish compared with all other sources amid low domestic price of Kardemir and weak rebar sales.

The trader indicated tradable value for large cargoes at a maximum of $510/mt CIF Turkey and at $505-$507/mt for smaller ones. "Maybe section makers would pay a little higher price, but rebar makers won't."

Another trader source reported hearing offers ex-Russia to Turkey at $520/mt CIF Turkey Black Sea, with bids from Turkey for Russian billet were reported at $510/mt CIF TBS, $10 lower. The source mentioned market talks about a possible increase of electricity costs for Turkish mills in July as a potential trigger for billet deals, saying, "This may also push them to buy."

An Egypt mill source reported hearing merchants now offering billet ex-China and Ukraine at $550/mt CFR Egypt, compared with earlier reported offer levels ex-Ukraine at $570/mt CFR.

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— Sergey Babichenko

Americas

Industry news

China's steel market outlook remains subdued despite stimulus expectations

- Stimulus expected in top policy makers' conference
- Short-term effect of such stimulus limited: sources
- Property remains biggest drag on steel demand in H2

China's steel market outlook for the short to medium term remains subdued amid expectations of limited domestic demand from the property and automobile sectors, which is likely to temper any upside from policy measures set to be announced this month, sources told S&P Global Commodity Insights in early July.

According to mill and trade sources, steel demand in China's infrastructure and manufacturing sectors may improve in the second half of 2024, but the property sector may continue to weaken, lowering its steel demand. China's property sector accounts for around 30% of national steel demand.

China's steel futures market has seen some support since late June mostly on the back of expectations that a series of measures to reboot economic growth may be announced in mid-July during the country's top policy makers' conference.

The most actively traded October rebar contract on the Shanghai Futures Exchange increased from Yuan 3,522/mt ($484/mt) on June 24 to Yuan 3,616/mt ($497/mt) on July 4, exchange data showed.

However, some market participants pointed out that the central government has become more tolerant towards relatively slower economic growth and therefore drastic stimulus for property, infrastructure or consumer spending is unlikely.

Overall steel demand in 2024 still seems unlikely to surpass levels in 2023, said the mill and trade sources. As the domestic steel demand is likely to remain sluggish for the second half of 2024, the market trend will still depend on how strictly the steelmakers can rein in their steel production, market sources said.

Policy makers' gathering

The Third Plenum, which will be held in Beijing over July 15-18, is the Communist Party's top decision-making conference during which the country's major policies for the year ahead and beyond will be set.

Besides expectations for more policy easing to cushion slowing economic growth, a key matter of interest for the market will be consumption tax revenue, currently fully collected by the central government, which may be partly reallocated to local governments.

This reallocation, if implemented, will incentivize local governments to improve domestic consumption and also provide them necessary funds, market participants said.

"The reallocation of consumption tax revenue between central and local governments in the longer term will benefit consumer goods manufacturing and local infrastructure construction... but its boost will be limited in the short term, and consumer goods manufacturing will continue to be constrained by uncertainty in household future income this year, while the infrastructure growth will mainly depend on the strength of central government spending," said a mill source.

Manufacturing & infrastructure

"Exports of Chinese manufactured goods should remain strong in the second half of 2024 and generate further steel demand, but recently weaker car sales in the domestic market, due to a lack of consumer confidence in future income, may weigh on the growth rate in manufacturing steel demand," said another mill source.

China's passenger car retail sales are likely to reach 1.75 million units in June, down 7.6% on the year, according to the China Passenger Car Association.

The likely decline in June is steeper than the 1.9% drop on the year in May, and the 5.7% year-on-year drop in April, CPCA data showed.

"It will be a long and winding road towards a recovery in consumer confidence. And given the pressure of sluggish consumption and still declining property sector, I think the central government will boost its fiscal support further for infrastructure in the second half of the year," said a third mill source.

Some market sources expect more central government-backed large-scale infrastructure projects to be announced in the coming months which, combined with relatively low construction steel output and inventories, may support steel prices.

China's rebar production, the proxy for construction steel, fell 12.6% on the year to 83.98 million mt over January-May. The rebar inventories in major spot markets monitored by the China Iron & Steel Association reached 4.59 million mt on June 20, up 3.4% on the year but 30% lower than the same period in 2022.

Any uptick in China's steel prices might not be sustainable, and the prices might continue to be rangebound in the coming months, given the pressure from the weak property sector, some traders said.

Property

In June, the value of new home sales by 100 major property developers rebounded by 36.3% on the month but was still down 16.7% on the year at Yuan 438.93 billion ($60.38 billion), data from China Real Estate Information Corp showed.

Over January-June, the value of new home sales by 100 major developers fell by 39.5% on the year to Yuan 1.852 trillion.

Some market sources said the reduction of housing down payment ratios and loan rates of the housing provident fund on May 17 had improved second-hand home sales in some major cities, but so far had done little to improve new home sales.

"The property sector has still not bottomed out after peaking in mid-2021, and there is no sign that any aggressive stimulus measures will be introduced during the Third Plenum... property's adverse impact on steel demand in the second half of 2024 should not be underestimated," said a trade source.

The trade source added that if new home sales continue to fall, not only will new home starts fall for the foreseeable future but land purchases by developers are also likely to decline further, in turn weakening local governments' fiscal revenues and their funding for infrastructure.

— Jing Zhang: Market Specialist - Metals

Tata Steel UK closes Port Talbot's blast furnace 5

- Seeks to stem over $1.28 mil daily losses
- Plans to close remaining BF4 by the end of September
- Aims for more sustainable, competitive future

The UK's largest steelmaker Tata Steel UK has closed blast furnace 5 at its Port Talbot operations in Wales as part of its restructuring program to stem unsustainable losses of over GBP1 million ($1.28 million) a day, it said late July 4.

The company said in a statement that the safe isolation and decommissioning of BF5 and the associated plant started immediately after the last liquid iron was produced on July 4. The BF had been in operation since 1959.

Tata said supplies to customers would be safeguarded, with downstream mills and processing sites using substrate sourced from Tata Steel's global operations and other key suppliers.

It said it would "make every effort to mitigate the impact of this transformation on affected employees and the local community," adding that this included a financial support package, training facilities, upskilling activities and finance for small- and medium-sized businesses through the UK Steel Enterprise regeneration and job creation scheme.

"Our challenge is now to focus on a more sustainable and competitive future for our business that will ensure the continuation of steelmaking in the UK for generations to come," Tata Steel UK CEO Rajesh Nair said.

The company previously closed its Morfa coke ovens in March and plans to close its remaining BF4, along with other iron and steelmaking assets, by the end of September. It then plans to convert Port Talbot to an electric arc furnace to be commissioned in 2027.

On June 28, Tata said it would be forced to pause or stop heavy end operations, including both blast furnaces, at Port Talbot earlier than planned if a strike by the Unite union went ahead, but by July 1 had reverted to its original plan to continue BF4 until the end of September after the Unite union agreed to pause its industrial action.

Tata Steel UK produced 2.99 million mt of liquid steel in the financial year ended March 31, down 1% year on year, while deliveries stood at 2.80 million mt, down 5.1%.

The UK steel sector produces 5.6 million mt/year of crude steel, around 70% of the UK's annual demand of around 7.6 million mt.

Platts, part of S&P Global Commodity Insights, assessed the weekly UK hot-rolled coil price at GBP595/mt DDP West Midlands on July 4, down 7% since the start of 2024.

— Jacqueline Holman

TURKEY DATA: HRC exports double on year to 249,000 mt in May

- South European demand raises HRC exports
- Italy becomes top market by far
- Africa demand also supports volumes

Turkey's hot-rolled coil exports doubled year on year to 249,000 mt in May, the fifth consecutive month to see year-on-year increases, due to support from South European demand, showed data from Turkish Statistical Institute, or TUIK.

The May total was also 9% higher on the month, with around 130,000 mt shipped to South European countries.

Italy was the top destination at 98,000 mt, tripling year on year, while shipments to Greece totaled 20,500 mt from only 1,250 mt a year earlier.

Exports to Spain also increased significantly to 10,250 mt from 1,250 mt a year earlier.

A service center general manager told S&P Global Commodity Insights July 3 that the HRC exports had been supported by demand from Southern Europe, adding that recent increases in European mills' steel prices could also support Turkish HRC pricing ahead of summer.

Platts, part of S&P Global Commodity Insights, assessed Turkish domestic HRC at $585/mt ex-works on June 28, down 18.2% since the start of 2024.

African demand also supported Turkey's HRC exports, with 32,500 mt shipped to Egypt, up 43% year on year, and 16,300 mt sent to Morocco, up from no volumes a year earlier.

Turkey's other top markets in May were Iraq at 13,500 mt, Ukraine at 10,800 mt and Algeria at 10,200 mt, the data showed.

— Cenk Can

China's Baosteel to build new continuous caster in Shanghai for steel production

- Baosteel signs contract for new caster with Primetals
- To produce slab for appliances and automotive industries
- Features technologies for higher productivity

The world's largest steel producer, Baosteel, a part of Baowu Group, has signed a contract with Primetals Technologies to develop a continuous casting project at its Shanghai region plant, the engineering company said July 4.

This is the third caster order from Baowu Group in three months, with the new continuous caster set to produce both conventional and silicon steel grades for various industries, including home appliances and the automotive sector.

Baosteel's new 2.35 million mt/year caster will produce slab with 230 x 900 to 1,450 mm dimensions, the Chinese company added.

The caster will feature several innovative technologies, thanks to a ground-breaking model recently developed by Primetals Technologies, which reduces mold level fluctuations.

In January, Baosteel started production of direct reduction iron at its 1 million mt/year plant in Guangdong province, which uses natural gas, coke-oven gas and hydrogen.

Platts, part of S&P Commodity Insights, assessed SS400 HRC of 3 mm thickness steady on the day at $511/mt FOB China July 3. The same grade of coil was assessed unchanged over the same period at $525/mt CFR Southeast Asia.

— Annalisa Villa

UK new car registrations top 1 mil at mid-year for first time since 2019: SMMT

- June new registrations up 1.1%; H1 up 6% on year but down 21% vs 2019
- Private demand falls 15.3% in June but fleet uptake rises 14.2%
- Battery electric vehicles take record 19% market share in June

New UK car registrations breached the 1 million mark at the mid-year point for first time since 2019 and rose 1.1% on the year in June to 179,000 units, according to data published July 4 by the Society of Motor Manufacturers and Traders (SMMT).

From January to June 2024, 1,006,763 new cars were registered, up 6% on the previous year but still down by 20.7% from pre-pandemic levels in 2019.

According to the SMMT, June's growth was driven primarily by the fleet sector, where uptake climbed 14.2% on the year, while private retail demand fell for the ninth consecutive month, down 15.3%.

Battery electric cars recorded the highest monthly market share since December 2023, rising 9.2% on the year to 16, 604 units. Electrified vehicle uptake continued to grow robustly in June, with plug-in hybrid (PHEV) volumes jumping 31.2% to 16,604 units reaching a 9.3% market share, while hybrid electric vehicles (HEV) rose 27.2% to 26,702 to achieve 14.9% of the market.

Both powertrains also outpaced battery electric vehicle growth (BEV), which rose 7.4% but took its highest monthly share this year, accounting for 19% of all new vehicle registrations.

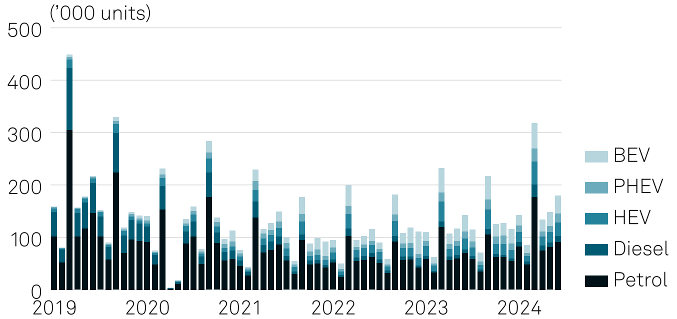
The SMMT also called on the next UK government to provide more support to the industry toward achieving zero-emission mobility. The UK is voting for a new government July 4.

"Re-instating fiscal incentives for the private consumer by way of a halving of VAT on BEVs for three years would re-energize the market, putting an additional 300,000 private BEVs — rather than petrol or diesel cars — on the road over the next three years, on top of current outlooks," the association said. This would help ensure that in 2035, half of all cars in use would be zero emission.

Vehicle excise duty plans should also be revised so zero-emission vehicles (ZEVs) are classed as essential rather than a "luxury" vehicle, the SMMT said. In addition, public-charge-point use could be made fairer by reducing VAT from 20% to 5%, in line with home charging, it added.

"The year's midpoint sees the new car market in its best state since 2021 — but this belies the bigger challenge ahead," Mike Hawes, SMMT Chief Executive, said. "The private consumer market continues to shrink against a difficult economic backdrop, but with the right policies in place, the next government can re-energize the market and deliver a faster, fairer zero-emission transition."

UK new car registrations



Source: Society of Motor Manufacturers and Traders (SMMT)

— Annalisa Villa

GERMANY DATA: June EV sales fall 14.7% on year: VDA

- H1 EV sales fall 9% on year
- 2024 EV sales, production forecasts lowered
- Overall sales rise 6% on year

Germany's sales of electric vehicles fell 14.7% year on year, but rose 34.4% month on month in June 2024 to 58,820 units, according to the latest data released July 4 by the German auto industry association, or VDA.

The EV sales made up 19.8% of the total market share and were split between 43,410 battery EVs, down 18% on the year, and 15,390 plug-in hybrid EVs, down 3%.

EV sales for the first half of 2024 fell 9% on the year to 273,700 units.

"Demand for electric vehicles remains weak in Germany and is mainly due to the abrupt end of funding by the federal government and the weak overall economic development," it said.

Germany previously reduced subsidies for BEVs and cancelled PHEV subsidies.

Due to lower demand, the VDA said it had adjusted its EV sales forecast for 2024 to 578,000 units, down 17% year on year down from the previous expectation of a 9% drop to 635,000 units.

It expected BEV sales to drop 25% to 393,000 vehicles, down from the previous forecast of a 14% drop to 451,000 units, although keeping its PHEV sales forecast unchanged at a 5% increase to 185,000 units in 2024.

The weaker demand also led the VDA to adjust its forecast for EV production in Germany lower to 1.33 million units in 2024, 5% higher than 2023, but was down from the previously expected increase of 16% to 1.47 million units.

"We are primarily assuming weaker growth in the production of purely BEVs," it said.

It had lowered its BEV production forecast from an increase of 20% to 1.15 million units to a 5% increase to 1 million BEVs, however, its forecast for domestic production of PHEVs remained the same as a 5% increase to 327,000 units.

Platts, part of S&P Global Commodity Insights, assessed both battery grade lithium carbonate and hydroxide at $12,900/mt CIF Europe on July 3, down 18.4% and 18.9% respectively since the start of 2024.

Overall sales rise 6% on year

Overall, German car registrations in June climbed 6.1% on the year and 25.8% month on month to 297,300 units, of which 199,200 were German brands, up 6% on the year and 19.7% higher on the month, and 98,100 were foreign brands, rising 7.4% from a year ago and jumping 40.1% from May.

The June sales volume brought the H1 total to 1.47 million units, up 5% on the year.

The VDA noted that despite the recent increase in car registrations, the gap to pre-crisis levels remains high, with the H1 2024 volume around 20% below H1 2019.

Domestic production for the month fell 9% year on year, but was 13.9% higher than May at 350,200 units, of which 275,800 were exports, which decreased 5% from a year ago, but rose 10.6% on the month, according to the VDA data.

— Jacqueline Holman

BRAZIL DATA: H1 EV sales jump 146% on year, says ABVA

- EV sales seen exceeding 150,000 units in 2024
- Govt has introduced transport decarbonization policy
- China's BYD to start EVs manufacture in Brazil

Electrified light vehicle sales in Brazil jumped 146% year on year to 79,304 units in the first half of 2024, marking an "exuberant" moment in electromobility as the nation looks forward to record EV sales in 2024, the Brazilian Association of Electric Vehicles, or ABVE, said.

ABVE now expects EV sales to exceed 150,000 units for the whole of 2024, more than 60% higher than in 2023, it said in a statement released July 3.

The June figure of 14,396 units brings light EV sales in Brazil to 299,735 since 2012.

The statistics include battery electric vehicles, plug-in hybrids, non-plug-in hybrids and micro-hybrids, ABVE said.

BEVs accounted for 39% of the total, while PHEVs accounted for 29.5%, the association said.

HEVs using gasoline or diesel accounted for 9.3% of sales, while HEVs using ethanol accounted for 14%. MHEVs accounted for 8%, it said.

Formal introduction in late June of the new “Mover” automotive policy program, designed to support and incentivize decarbonization in transport, is expected to uphold Brazil’s EV sales in H2.

However, an increase in EV import taxes to 18% from 10% from July 1 may temper short-term market growth, ABVE said. The import taxes are set to rise to 35% in July 2026.

Chinese EV maker BYD is preparing to start producing around 150,000 EVs/year in Brazil in late 2024 or early 2025.

— Diana Kinch

Snam, TenarisDalmine test hydrogen burner in Italian steel pipe production

- Six-month trial of hydrogen burners for steel process
- Hydrogen to be used in reheating furnace for hot rolling
- Snam provides electrolyzer, Tenova supplies burners

Snam, TenarisDalmine and Tenova have started a six-month trial to test hydrogen in a reheating furnace to hot roll seamless steel pipes in Italy, the companies said.

The trial at TenarisDalmine’s plant in Dalmine will evaluate the performance and reliability of using the alternative fuel in the steel industry, the companies said in a joint statement July 3.

Under the agreement, Snam will provide an alkaline electrolyzer system to TenarisDalmine, which will operate the system during the test. Tenova will supply the hydrogen burners.

The test will also help define safety guidelines and procedures, they said.

Snam is developing a “hydrogen as a service” offering, leasing electrolysis equipment to an end user.

“The program is part of Snam’s broader efforts, as a system operator, to guide the needs of industrial companies on their path to decarbonize processes that need to be tested in view of future large-scale infrastructure solutions,” it said.

Platts, part of S&P Global Commodity Insights, assessed the cost of green hydrogen production in Europe via alkaline electrolysis (Netherlands), backed by renewable power purchase agreements, at Eur8.06/kg ($8.70/kg) on July 3, up from Eur7.60/kg a month before.

The assessment reflects one possible pathway for producing EU Renewable Energy Directive-compliant green hydrogen.

— James Burgess

Assessment rationales

Platts EMEA Turkish Rebar Daily Rationale

Platts assessed Turkish exported rebar stable at $575/mt, down $2.50/mt on the day July 3, based on indications from market sources.

Tradable values were indicated at $570-$578/mt FOB Turkey. Mill offers were heard at $575-$580/mt FOB.

No data was excluded from the assessment.

Platts is part of S&P Global Commodity Insights.

The above rationale applies to the Platts daily Turkish rebar assessment, with the associated market data code: STCBM00

Platts EMEA Turkish Rebar Daily Rationale

Platts assessed Turkish exported rebar at $577.50/mt FOB on July 4, up $2.50 on the day, based on indications from market sources.

Tradable values were indicated at $575-$580/mt FOB Turkey. Mill offers were heard at $580-$595/mt FOB.

Exclusions: No market data was excluded from the assessment.

Platts is part of S&P Global Commodity Insights.

The above rationale applies to the Platts daily Turkish rebar assessment, with the associated market data code: STCBM00

Platts EMEA Turkish Ferrous Scrap Daily Rationale

Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at $390/mt CFR July 4, unchanged on day.

A US-origin deal was confirmed as booked on July 3 by a Marmara mill with HMS 1/2 (80:20) at $390/mt CFR, and with shredded scrap at $410/mt CFR for August shipment.

Market sources considered the deal repeatable on the day, and shared indicative tradable values for US-origin HMS 1/2 (80:20) at $390/mt CFR.

Indicative tradable values for EU-origin HMS 1/2 (80:20) were reported at $385-$387/mt CFR, which Platts normalized to a premium HMS 1/2 (80:20) equivalent of $390-$392/mt CFR.

No data was excluded from the assessment.

Platts is part of S&P Global Commodity Insights.

The above rationale applies to Platts-TSI assessment of Turkish premium deep-sea HMS 1/2 (80:20) imports, with the associated market data code: TS01011.

Platts FOB Black Sea Steel Billet Rationale

Platts assessed CIS export billet at $490/mt FOB Black Sea on July 4, unchanged from July 3, based on indications from market sources.

Platts assessed Turkish imports of billet at $515/mt CFR Turkey on July 4, also stable on the day.

An offer ex-Russia was indicated at $520/mt CIF Turkey Black Sea, netting back to $500/mt FOB Black Sea whereas a Turkish buyer’s tradable value ex-Russia was heard at maximum $515/mt CIF TBS, or $495/mt FOB.

Offers ex-China were reported in the range of $515-$518/mt CFR Turkey with Turkish buyers’ tradable level ex-China heard at maximum $515/mt CFR.

A tradable level of Turkish rebar producers for large cargoes of imported billet was heard at maximum $515/mt CFR Turkey and maximum $505-$507/mt CFR for small cargoes. A tradable level of Turkish sections producers for small cargoes of imported billet was indicated a little above $505-$507/mt CFR.

Traders' offer levels ex-China and Ukraine were heard at $550/mt CFR Egypt.

Exclusions: No market data was excluded from the assessment.

Platts is part of S&P Global Commodity Insights.

The above rationale applies to the Platts daily FOB Black Sea billet assessment, with the associated market data code: STBLB00

Platts EMEA HRC Assessment Rationale

Platts assessed hot-rolled coil in Northwest Europe at Eur625/mt ($675.75/mt) ex-works Ruhr July 4, flat on the day.

Tradable values were heard from Eur620-625/mt EXW Ruhr.

No offers, bids or deals were heard.

Platts is part of S&P Global Commodity Insights.

This rationale applies to symbol STHRE00.

Platts EMEA HRC Carbon-Accounted Daily Rationale

S&P Global Platts assessed Northwest European hot-rolled carbon-accounted coil at Eur750/mt ($810.9/mt) ex-works Ruhr July 4, flat on the day.

Offer for premiums were reported at Eur120-300/mt for CO2 emissions below 1mt, under scopes 1-3.

No tradable values, bids, or deals were heard throughout the day.

The assessment was calculated in line with the sum of Platts daily carbon-accounted steel premium (CASP) assessment and Platts daily hot-rolled coil price assessment in Northwest Europe.

No data was excluded from the assessment.

Platts is part of S&P Global Commodity Insights.

This rationale applies to symbol(s) <EHRSC00>

Subscriber Notes

Platts corrects July 2 HRC EXW Ruhr carbon-accounted assessment

Platts, part of S&P Global Commodity Insights, has corrected the hot-rolled coil ex-works Ruhr carbon-accounted assessment (EHRSC00) published July 2 to Eur754/mt.

Platts HRC EXW Ruhr carbon-accounted assessments are published on Platts Ferrous Metals Alert pages STL1200 and PMA1200, in Platts Steel Business Briefing, Steel Price Report, World Steel Review and Steel Markets Daily, on Platts Market Center, in Platts Connect and in the Platts price database.

For comments and questions, please contact Ferrous_EMEA@spglobal.com and pricegroup@spglobal.com.

Platts eliminates high/low price ranges for US Midwest ferrous scrap assessments

Platts, part of S&P Global Commodity Insights, has removed high/low price ranges for three of its US Midwest ferrous scrap price assessments.

The ranges have been replaced with a single closing value, effective July 1.

The following US scrap price assessments are impacted by the change: No. 1 busheling (SB01001), plate and structural (SB01174), and heavy melting scrap 1/2 (SB01135).

The change aligns these assessments with the single closing value already published for US Midwest shredded scrap and US Southeast ferrous scrap assessments.

Platts originally published the proposal on March 25, and the relevant note can be found at: https://www.spglobal.com/commodityinsights/en/our-methodology/subscriber-notes/032524-platts-proposes-elimination-of-highlow-price-ranges-for-us-midwest-ferrous-scrap-assessments .

Following market consultation, the changes were confirmed in a subscriber note April 15: https://www.spglobal.com/commodityinsights/en/our-methodology/subscriber-notes/041524-platts-to-eliminate-highlow-price-ranges-for-us-midwest-ferrous-scrap-assessments.

The daily assessments and associated monthly averages are published on Platts Connect; Platts Market Center; on Platts Steel Alert fixed pages 1318 and 1362; in the publications Steel Markets Daily and World Steel Review; and in the Platts price database.

Please send feedback, comments, or questions to MetalsAmericas@spglobal.com and pricegroup@spglobal.com.

For written comments, please provide a clear indication if comments are not intended for publication by Platts for public viewing.

Platts will consider all comments received and will make comments not marked as confidential available upon request.

US Independence Day holiday publishing schedule for US metals

US offices of Platts, part of S&P Global Commodity Insights, will be closed Thursday and Friday, July 4-5, 2024, in observance of the US Independence Day holiday.

The US aluminum transaction premium will have a value published based on the value assessed on the last working day prior to July 4-5. No other US metals assessments will be published. No prices based on NYMEX/COMEX will be published. US aluminum alloys/scrap and NY tin will be assessed once for the week on July 1. Weekly US assessments normally published on Thursday or Friday will be published on July 3. Steel Price Report will not be published July 4-5.

For full details of S&P Global Commodity Insights publishing schedule and services affected, please refer to http://www.platts.com/HolidayHome. For queries, please contact support@spglobal.com.