

SBB STEEL MARKETS DAILY

Volume 10 / Issue 81 / April 26, 2016

US container scrap export prices spike \$25/mt

Washington, DC—US containerized scrap export prices spiked \$25/mt on Tuesday, as Taiwanese mills remained aggressive in the market and accepted offers of \$295/mt CFR for containerized heavy melting scrap 80:20 from US suppliers. The prices are up \$25/mt from last week, up \$75/mt from April 1 and up \$100/mt from March 16.

It was a “\$25 jump overnight,” one Asia-based supplier said.

A West Coast supplier was quoted \$285/mt FAS to a West Coast port for containerized HMS 80:20. The quote from a trader was up \$15/mt from Monday.

“I’m really dumbfounded with such a price jump,” one trader said. “In my [three decade-plus] career, I cannot ever remember such a jump, not in containers or in bulk.”

Platts assessed US West Coast containerized HMS 80:20 at \$280-\$285/mt FAS Port of Los Angeles on Tuesday. The

assessment was up \$22.50/mt on day.

Asian scrap import pricing has been on the rise since the Lunar New Year in February. The two-month ascent in pricing has surprised most and some questioned the sustainability this week in the wake of softening billet and iron ore prices.

Others have grown weary of calling a market peak after doubting the sustainability of higher prices earlier this month and being proven wrong time and time again. “It was inevitable,” a US supplier said of the jump to \$295/mt CFR. “I was surprised it didn’t hit \$300.”

Another trader added, “one day we will look back and see what is driving this.”

Some market sources reported hearing bulk negotiations from US suppliers to Korean mills at levels over \$300/mt CFR HMS I basis.

“That would be the driver [of the container increase],” another supplier said.

— *Nicholas Tolomeo*

IRON ORE MARKET

Bearish billet bites into seaborne spot iron ore prices

Singapore—Spot iron ore prices slipped for the third straight business day Tuesday, as sliding steel billet pricing further eroded raw materials demand. Platts 62% Fe IODEX tumbled \$3.95/dry mt to \$61.65/dmt CFR North China.

The front-month May IODEX swap fell \$2/dmt over the same period to \$60.15/dmt CFR North China. Spot prices of square billet tanked Yuan 120/mt on day to Yuan 2,430/mt (\$374.53/mt) ex-stock Tangshan.

Sources doubted the longevity of the iron ore price increases, as they thought recent raw materials gains had outpaced those in the steel market. This threatened margins and made buyers more reluctant to procure spot tons.

The provincial government in Hebei was planning to take tough measures against mills that restarted smaller furnaces when steel

[\(continued on page 2\)](#)

PLATTS RAW MATERIAL ASSESSMENTS, APRIL 26

	Close/Midpoint	Change	% Chg
IODEX Iron ore fines 62% Fe (\$/dmt)			
CFR North China	61.15-62.15	61.65	-3.95 -6.02
Please see Platts complete iron price/netbacks table, p.3			
Coking coal, premium low vol (\$/mt)			
FOB Australia	100.00	100.00	2.00 2.04
CFR China	99.25	99.25	0.75 0.76
Please see full metallurgical coal price/freight table, p.4			
Ferrous scrap			
HMS CFR Turkey, \$/mt	311.00-315.00	313.00	0.00 0.00
HMS FOB Rotterdam, \$/mt	286.00-291.00	288.50	0.00 0.00
A3, FOB Black Sea, \$/mt	284.00-286.00	285.00	0.00 0.00
Shredded del Midwest US, \$/lt	270.00-275.00	272.50	0.00 0.00
Shredded FOB East Coast, \$/mt	303.00-304.00	303.50	0.00 0.00
HMS del dock East Coast, \$/lt	225.00-245.00	235.00	0.00 0.00
HMS FAS US West Coast, \$/mt	280.00-285.00	282.50	22.50 8.65

TSI RAW MATERIAL INDICES, APRIL 26, 2016

	Frequency	Change	% Chg
Iron ore fines 62% Fe			
Chinese imports (CFR North China port), \$/dmt	64.10	Daily	-0.90 -1.38
Please see TSI's complete iron ore price table, p.2			
Coking coal			
Premium hard, Australian exports (FOB port), \$/mt	98.80	Daily	0.30 0.30
Premium JM25, Chinese imports (CFR port), \$/mt	99.00	Daily	3.40 3.56
Ferrous scrap			
HMS 1&2 80:20, Turkish imports (CFR port), \$/mt	304.00	Daily	0.00 0.00
Shredded, US domestic (del Midwest mill)*, \$/lt	255.00	Weekly (Fri)	0.00 0.00
Shredded, Indian imports (CFR port)*, \$/mt	262.00	Weekly (Fri)	-1.00 -0.38

* Latest index is for week beginning April 18, 2016.



TODAY IN RAW MATERIALS

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margins strengthened.

"Some smaller mills in Hebei were forced to idle their smaller or inefficient furnaces when steel margins were weak in December, and the local government does not want them to ramp up production again as it will undermine their previous efforts to reduce steel redundancy in the country," a source said.

Mills had restocked sufficiently when prices were rising last week, other sources explained. "We have more than 20 days' inventory level, enough for short-term usage. Nobody dares buy when [the] market is going down," one end-user said.

Port stock demand also slack

Port stock trading was also thin, with few firm bids heard. "We hardly see any transactions in some ports like Rizhao. End-users may have bought enough inventory last week," a trader in Zhejiang said.

Cargoes of 61.5% Fe Australian Pilbara Blend fines at Rizhao port in northern China were heard offered at Yuan 490/wmt (\$66/dmt on an import-parity basis) free-on-truck, including Yuan 27/wmt in port charges and 17% VAT. The offer was down Yuan 5/wmt from Monday.

Dockside volumes of iron ore at major ports in China were estimated at 98.43 million mt, down 960,000 mt from last Friday, in an

TSI DAILY IRON ORE PRICE INDICES**TSI DAILY IRON ORE INDICES, APRIL 26, 2016**

	\$/dmt	Change	% Chg	Low*	High*
62% Fe fines, 3.5% Al, CFR Tianjin port	64.10	-0.90	-1.38	37.00	68.70
58% Fe fines, 1.5% Al, CFR Qingdao port	57.40	-1.20	-2.05	35.30	59.90
62% Fe fines, 2% Al, CFR Qingdao port	64.40	-0.90	-1.38	37.30	69.00
63.5/63% Fe fines, 3.5% Al, CFR Qingdao port	64.90	-0.90	-1.37	38.00	69.50
65% Fe fines, 1% Al, CFR Qingdao port	69.90	-0.90	-1.27	40.80	74.50

* Past 12 months

PER 1% Fe DIFFERENTIALS, \$/dmt

	\$/dmt	Change
Range: 61-64% Fe	1.00	0.00
Range: 56-59% Fe	1.00	0.00

FOB NETBACK PER ROUTE / BASIS TSI 62% FE, 3.5% AI FINES

Origin	Vessel Type	FOB (\$/dmt)	Change	% Chg
W.Australia	Capesize	59.70	-0.85	-1.40
India	Supramax	58.15	-0.90	-1.52
Brazil	Capesize	55.10	-0.95	-1.69

ROLLING AVERAGES, \$/dmt

	5-day	Monthly	Quarterly
62% Fe fines, 3.5% Al, CFR Tianjin port	65.52	59.03	59.03
58% Fe fines, 1.5% Al, CFR Qingdao port	58.08	52.62	52.62
62% Fe fines, 2% Al, CFR Qingdao port	65.82	59.33	59.33
63.5/63% Fe fines, 3.5% Al, CFR Qingdao port	66.32	59.73	59.73
65% Fe fines, 1% Al, CFR Qingdao port	71.26	63.98	63.98

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industry report released Tuesday. "Buying interest has evaporated, there has not been any shortage of iron ore stocks," a Beijing-based trader said. However, higher-grade material appeared to command a significant premium over lower-grade material, as there was more of the latter at ports.

A downtrend in iron ore prices has led to a 5 cent/dmt decrease in the differential per 1% Fe for cargoes in the 60-63.5% Fe content range to \$1.15/dmt Tuesday.

— *Melvin Yeo with Han Lu and Sui Ling Phang*

COKING COAL MARKET

Premium HCC hits \$100/mt FOB, first time in over a year

Singapore—Spot Australian premium hard coal prices touched the \$100/mt FOB mark for the first time in over a year Tuesday, amid supply tightness and higher Chinese steel prices.

Platts assessed premium low-vol hard coking coal prices \$2/mt higher on day at \$100/mt FOB Australia Tuesday, a level unseen since March 2015.

Resilient Indian and Chinese spot demand was underpinning tradeable values amid limited Australian supply for May and June.

Transactions, bids and offers strengthened by \$2-\$3/mt and three deals for prime hard June-loading cargoes were seen at \$100-\$102/mt FOB Australia this week, sources said.

Outside China, only Indian mills had appetite for spot cargoes and were willing to bid near such levels. "There is demand because people were taken unawares in India and had not covered themselves previously," a large Indian spot buyer said. "Steel and coke prices are increasing, so coking coal will have to follow. There's no way out."

A source from an international trading house agreed. China's higher steel margins were pushing up import prices, which consequently nudged prices in other markets higher.

However, another Indian end-user said he was unsure whether the restocking drive in India would persist, as consumers had already purchased large spot volumes for May.

In the premium coal category, an Australian unblended premium mid-vol, with above 71% CSR, Panamax volume for mid-June laycan, was reported traded at \$101-\$102/mt FOB Australia. Sources reported May cargoes were tradeable at least \$1/mt lower than June.

An international trader said there was less demand for May compared to June: "I don't see many people trading May now, and there should be a significant discount."

Offers for non-premium coal to India also edged higher. An offer was reported for Australian 59-61% CSR, 23-24% VM with high fluidity HCC, Panamax, end-June laycan, at \$92/mt FOB Australia. An Australian low-vol PCI

PLATTS DAILY IRON ORE PRICE ASSESSMENTS

PLATTS DAILY IRON ORE ASSESSMENTS, APRIL 26

	\$/dmt	Midpoint	Change	% Chg
IODEX 62% Fe CFR North China	61.15-62.15	61.65	-3.95	-6.02
63.5/63% Fe CFR North China	62.35-63.35	62.85	-3.95	-5.91
65% Fe CFR North China	65.95-66.95	66.45	-3.85	-5.48
58% Fe low Al CFR North China	52.60-53.60	53.10	-3.95	-6.92
58% Fe* CFR North China	47.65-48.65	48.15	-3.95	-7.58
52% Fe CFR North China	37.65-38.65	38.15	-3.95	-9.38

*Al = 4.0% max

PER 1% DIFFERENTIALS (Range 60-63.5% Fe), \$/dmt

	Within Min-Max	\$/dmt	Change
Per 1% Fe	60-63.5% Fe	1.15	-0.05
Per 1% Alumina	1-2.5% Al ₂ O ₃	0.35	0.00
Per 1% Silica	4.5-6.5% SiO ₂	0.05	0.00
	6.5-9% SiO ₂	0.20	0.00
Per 0.01% Phosphorus	0.09-0.12% P	0.30	0.00

PLATTS WEEKLY IRON ORE LUMP PREMIUM SPOT ASSESSMENT, APRIL 20

	\$/dmtu	Midpoint	Change
Spot lump premium assessment	0.2050-0.2100	0.2075	0.0250

PELLET PREMIUMS

	\$/dmt	Change
Weekly CFR China 65% Fe spot assessment*	21.00	3.00

*assessed April 20

Estimated contract provisional pricing

	\$/dmt	Change
Atlantic Blast Furnace 65% Fe (Apr)	30.50	0.50
Direct Reduction 67.5% (Apr)	41.00	1.00

FOB NETBACKS PER ROUTE / BASIS IODEX 62% Fe

Route	Vessel Type	Freight rate (\$/wmt)	Moisture (%)	IODEX (\$/dmt)
Australia	Capesize	4.40	8.03	56.87
India West	Panamax	5.30	8.11	55.88
India West	Handymax	7.90	8.11	53.05
India East	Handymax	8.50	8.00	52.41
Brazil	Capesize	9.10	9.00	51.65
NW Europe (CFR)	Capesize	4.90	9.00	57.03
South Africa	Capesize	6.90	3.00	54.54

Reference ports are Port Hedland, Mormugao, Haldia/Paradip, Tubarao, Rotterdam (CFR), Saldanha Bay. NW Europe IODEX netback is calculated by adding Tubarao to Rotterdam Capesize freight to IODEX Brazil netback.

FREIGHT DIFFERENTIALS TO MAJOR IMPORT PORTS, \$/wmt

From Qingdao on a Free Out basis

To North China: Caofeidian, Tianjin & Xingang	0.10
To East China: Beilun	-0.10
To South China: Zhanjiang & Fangcheng	-0.30

ROLLING MONTHLY AVERAGE, \$/dmt

IODEX 62% Fe	59.59
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WEEKLY MANGANESE ORE (\$/dmtu)

	\$/dmtu	Weekly change	Assessed
44% Manganese Ore CIF Tianjin	3.95	-0.05	22-Apr-16
37% Manganese Ore CIF Tianjin	3.85	-0.05	22-Apr-16

with around 10% ash was reported offered at a 2-2.5% premium to the monthly average of the Platts low-vol PCI FOB Australia index. This was a Panamax cargo for end June.

Japanese and Korean demand weak

Meanwhile, spot demand from Japan, South Korea and Taiwan was relatively muted, sources said. A major northeast Asia steelmaker said it was operating at near full capacity and was unwilling to boost coking coal procurement at current price levels.

Elsewhere, in the futures market, an 8,000 mt trade was reported Tuesday afternoon at \$105/mt FOB Australia. This deal was cleared on the Chicago Mercantile Exchange and based on Platts Premium Low Vol FOB Australia index.

Bids and offers were little changed in Asia's spot clearing market, China. Prime hard prices rose 25 cents to \$99.25/mt, equating to \$92.65/mt FOB Australia after freight. This meant Australian coal traded into China was at a discount of \$7.35/mt to similar-quality material to other destinations, such as India.

Platts clarified on April 1 the method of assessing its Premium Hard Coking Coal FOB Australia assessment due to observed changes in the market. Lower gains in Chinese domestic coking coal prices have been depressing expectations for imports by end-users, sources said. Industry sources also said steel prices could start correcting after the steep rise since the start of April. "There is weakness in the iron ore and steel markets, and they are going down. We are at the top of the market now," an international trader said.

Platts assessed Q235 HRC 5.55 mm thick in Shanghai Tuesday at Yuan 3,060/mt with 17% VAT, down Yuan 80/mt day on day. This represents an increase of Yuan 540/mt since April 1. "Retail investors are [dabbling] in the futures market, so if it turns, it could all unwind pretty fast," the trader said.

— *Kenneth Foo with Edwin Yeo and Jebson Seo*

Atlantic met coal prices rise on low spot availability

Barcelona—Atlantic-basin coking coal prices rose further Tuesday on growing realizations that higher-quality met coals were in short supply.

A limited quantity of higher-quality US low-vol, combined with Australian and Canadian alternatives commanding higher prices on longer lead times, led to a crunch in near-term supplies.

The need to maintain coke quality amid lower supply was driving interest, one buyer said. There was growing unease as different brands and origins were evaluated at the currently higher price expectations.

Better US low-vols, mid-vols — both straight and blended — and high-vols were finding buyer demand at prices between the mid \$70s and high \$80s/mt FOB. June offers, when revealed, may be at higher prices still, sources said.

"I've just got a little left for June," one

PLATTS DAILY METALLURGICAL COAL ASSESSMENTS, APRIL 26

Asia-Pacific coking coal (\$/mt)

	FOB Australia	CFR China	CFR India	Australia	Change China	India
HCC Peak Downs Region	101.00	100.25	108.80	2.00	0.75	2.10
Premium Low Vol	100.00	99.25	107.80	2.00	0.75	2.10
HCC 64 Mid Vol	86.90	93.50	94.70	0.15	0.25	0.25
Low Vol PCI	75.40	82.00	83.20	-0.10	0.00	0.00
Mid Tier PCI	74.15	80.75	81.95	-0.10	0.00	0.00
Semi Soft	66.90	73.50	74.70	-0.10	0.00	0.00

Atlantic coking coal (\$/mt)

	FOB US East Coast	Change	VM	Ash	S
Low Vol HCC	90.00	2.00	19%	8%	0.80%
High Vol A	86.00	0.50	32%	7%	0.85%
High Vol B	76.50	0.00	34%	8%	0.95%

Detailed methodology and specifications are found here:

<http://platts.com/IM/Platts.Content/MethodologyReferences/MethodologySpecs/metcoalmethod.pdf>

Dry bulk freight assessments

Route	Vessel Class	Freight rate (\$/mt)	Change
Australia-China	Capesize	4.75	0.05
Australia-China	Panamax	6.60	0.10
Australia-India	Panamax	7.80	0.10
USEC-China	Panamax	16.25	0.00
USEC-India	Panamax	14.50	0.00
USEC-Rotterdam	Panamax	8.20	-0.05
USEC-Brazil	Panamax	6.65	-0.05

East Australia: basis Hay Point port. USEC: basis Hampton Roads. See methodology for further details.

PCC Met (Platts China Coal – Metallurgical) (Yuan/mt)*

	Ex-washplant	Free-on-Rail	DDP Tangshan
PCC Met Shanxi Premium Low Vol	540	575	730
PCC Met Shanxi High Sulfur Premium Low Vol	420	455	610
PCC Met North China Fat Coal	—	—	665
PCC Met Shanxi PCI	420	455	565
PCC Met Shandong Semi Soft	490	510	—
PCC Met Rail Freight Shanxi – Tangshan	195		
PCC Met Truck Freight Shanxi – Tangshan	190		

*weekly (assessed April 20)

North China prompt port stock prices

	Ex-stock Jingtang (Yuan/mt, incl VAT)	CFR Jingtang equivalent (\$/mt)**
Premium Low Vol*	725.00	90.86
HCC 64 Mid Vol*	710.00	88.88

*weekly (assessed April 22), 20-day delivery from date.

**ex-stock price, net of port charges, import tax and VAT

Source: Platts

The assessed price of HCC Peak Downs® originates with Platts and is based on price information for a range of HCCs with a CSR> 67% normalized to the standard of HCC Peak Downs® (CSR 74%). Peak Downs® is a registered trade mark of BM Alliance Coal Operations Pty Limited "BMA". This price assessment is not affiliated with or sponsored by BMA in any way.

METALLURGICAL COKE

	%CSR	\$/mt	Change	% Chg
FOB North China	66/65	159.50	0.50	0.31
FOB North China	62	158.50	0.50	0.32
CFR India	62	167.50	0.50	0.30
		Yuan/mt		
DDP North China (weekly)	62	850.00	40.00	4.94

supplier said of a US low-vol brand. He was looking to get pricing in line with index values.

Domestic-focused premium coals may be offered to European buyers scrambling for potential alternatives. Coals such as US mid-vol for export were normally limited in quantity, while available to domestic markets, and higher prices may be approaching arbitrage levels.

Lower current contract coke prices were pressing down and squeezing producers for now, while the outlook for higher Q3 prices may be rosier.

On Tuesday, Platts US low-vol hard coking coal assessment, based on good quality CAPP low-vol with 58% CSR and 1.5% MMR at 19% VM, rose \$2 on day to \$90/mt FOB US East Coast. The US high-vol A assessment was 50 cents higher on day at \$86/mt FOB USEC, while Platts assessed US high-vol B, based on 34% VM coal with 25,000 ddpm, stable at \$76.50/mt FOB USEC.

The US high-vol B segment was said to be better offered for Q2, while prices were no longer available in the low \$70s/mt and below, as seller expectations rose along with higher steel and raw materials prices. The need for higher-fluidity coals, partly to help optimize costs with other cheaper materials in coke blends, along with the use of grades that may not easily work together with alternatives, kept up interest in high-vols, especially the HVB grades.

With Teck reporting Q1 coking coal unit costs, including transportation charges, lower at C\$77/mt (\$56/mt), US miners remain at higher levels and enticing more volumes back for export will take time, sources said. The lowest US costs may be around the low \$40s/st Mine, and adjusted for transportation, could be more than \$10/mt higher. Most US coking coal mines operating are understood to be sitting on cost curves in the \$50-\$70s/st mine range.

— [Hector Forster](#)

COKING COAL SWAPS ASSESSMENT, APRIL 26

	\$/mt	Change	% Chg
Platts Premium Low Vol FOB Australia			
May 16	105.000	6.00	6.06
Jun 16	106.500	7.50	7.58
Jul 16	103.250	3.75	3.75
Q3 2016	103.000	3.00	3.00
Q4 2016	103.000	2.75	2.74
Q1 2017	103.000	2.75	2.75
2017	102.500	2.00	1.99

IODEX 62% Fe CFR NORTH CHINA OTC SWAPS ASSESSMENT, APRIL 26

	\$/dmt	Change	% Chg	switch TSI 62
IODEX 62%				
May 16	60.150	-2.000	-3.22	0.400
Jun 16	58.300	-2.100	-3.48	0.400
Jul 16	56.150	-2.100	-3.61	0.400
Q3 2016	54.200	-2.150	-3.82	0.400
Q4 2016	49.700	-1.950	-3.78	0.400
Q1 2017	46.900	-1.750	-3.60	0.400
Calendar 2017	44.400	-1.250	-2.74	0.400

Detailed methodology and specifications are found here: www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/ironore.pdf

PENALTIES & PREMIA: DIFFERENTIALS (\$/mt)

	Within Min-Max	% of Premium Low Vol FOB Australia assessment price	Net value (\$/mt)
Per 1% CSR	60-71%	0.50%	0.50
Per 1% VM (air dried)	18-27%	0.50%	0.50
Per 1% TM (as received)	8-11%	1.00%	1.00
Per 1% Ash (air dried)	7-10.5%	1.50%	1.50
Per 0.1%S (air dried)	0.3-1%	1.00%	1.00

US low-vol HCC Penalties & Premia; Differentials (\$/mt)

	Within Min-Max	% of US low-vol HCC FOB USEC assessment price	Net value (\$/mt)
Per 1% CSR	50-64%	0.25%	0.23
	40-49%	0.20%	0.18
Per 0.1% S	0.70-1.05%	0.75%	0.68
	1.06-1.25%	0.75%	0.68
Per 1% TM (as received)	6.0-11.0%	1.00%	0.90
Per 1% Ash	5.0-10.0%	1.25%	1.13

MARKETPLACE

- Iron ore: 62% Fe Australian Pilbara Blend fines — Cargo heard traded at \$62/dmt CFR Qingdao on globalORE, 90,000 mt, arriving in May
- Iron ore: 62% Fe Australian Pilbara Blend lump — Rio Tinto heard offered at +\$0.2130/dmtu over May average of Platts IODEX assessment CFR Qingdao on globalORE, 70,000 mt, arriving May. Sources earlier notified by the miner said actual loading laycan is May 9-18
- Iron ore: 62% Fe Australian Pilbara Blend lump — Bid heard at +\$0.20/dmtu over May average of Platts IODEX assessment CFR Qingdao on globalORE, 70,000 mt, arriving May
- Iron ore: 62% Fe Australian MNP fines — Cargo heard offered at \$62/dmt CFR Qingdao on globalORE, 90,000 mt, arriving in May
- Iron ore: 62% Fe Australian Pilbara Blend fines — Cargo heard offered at \$61/dmt CFR Qingdao on globalORE, 170,000 mt, arriving in June
- Met coal: semi-soft — Northeast Asia steelmaker would indicatively bid \$66-\$67/mt FOB Australia for Glencore Xstrata Hunter Valley coal
- Met coal: semi-soft — China trader would indicatively bid for Evraz GJ semisoft at \$75/mt FOB Australia
- Met coal: HCC — Offer reported to India for Australian 59-61% CSR, 23-24% VM with high fluidity HCC, Panamax, end-June laycan, at \$92/mt FOB Australia
- Met coal: premium HCC — International steelmaker would indicatively bid for BMA Goonyella at \$97-\$98/mt FOB Australia
- Met coal: PCI — Sell-side source would indicatively offer Russian low-vol PCI with 9-11% ash, 75,000 mt, end-May laycan, import tax not inclusive

(This is a sample of trade and market information gathered by Platts editors as they assessed the daily coking coal, steel, scrap and freight prices. They were first published on Platts Metals Alert earlier in the day as part of the market-testing process with market participants. For more related information about that process and our realtime news and price services, please request a trial to Platts Metals Alert or learn more about the product offering by visiting www.platts.com/Products/metalsalert)

SCRAP MARKET

Sideways pricing throws Turkish scrap into uncertainty

London—Rising prices ground to a halt on Tuesday for Turkish imported ferrous scrap, as new trades this week remained at the same level of Friday, ending a streak of trade-by-trade increases lasting over a week.

Sources said some slowdown was expected, though the sentiment on price direction was rife with uncertainty. Platts assessed heavy melting scrap I/II 80:20 CFR Turkey at \$313/mt on Tuesday, stable from Monday.

Two premium Baltic cargoes were spotted to the same Izmir electric arc furnace-based producer, both clocking in at \$312.50/mt for the HMS/II 80:20 portion of the cargo — a repeat of a premium US cargo sold Friday evening.

Sources expressed some uncertainty on whether this meant a stable market, despite the sideways pricing. Bullish sentiment has ruled for the last couple of weeks in the Turkish scrap market and expectations were for another \$10-\$15/mt upside, as some sources stuck to the idea that prices would continue upward.

The market gave a resounding shrug to what this meant for pricing in coming days, though one trader was focused on China. Prices in the domestic market had fallen sharply, he said, and the Turkish market was waiting to see what the result would be on Wednesday.

"Tomorrow we will understand if China is just profit taking or if it really will bounce back," he said.

Concern on the Chinese market was not isolated to one trader, and another based in Europe pointed to market data published by several financial bodies that pointed at Chinese steel increases being a bubble. Increases in international steel markets have been encouraged by Chinese market introspection



COMMODITY PULSE VIDEO

Post-sanctions Iran: enthusiastic about steel expansion

Platts editors discuss Iran's announcement that it plans to more than double steelmaking capacity to 55 million mt/year by 2025, which would make it one of the world's top ten steelmaking nations.

Watch at
<http://plts.co/ZxR97>

SBB-SMD RAW MATERIALS REFERENCE PRICES

	\$/mt	Change	% Chg
Coke and coal			
Charcoal - Brazil domestic (Real/mt)^	480.00	0.00	0.00
Iron			
SGX 62% Fe Iron Ore cash-settled swaps (dry mt) - front month	61.80	0.15	0.24
Iron ore concentrate 66% Fe dry - China domestic (Yuan/mt)*	585.00	30.00	5.41
Atlantic Basin iron ore pellets*** FOB Basis (\$ cents/dmtu)	127.53	15.41	13.74
Pig iron - FOB - Black sea export*	282.50	25.00	9.71
Pig iron - FOB Ponta da Madeira - Brazil export**	230.00	40.00	21.05
HBI - Venezuela export**	150.00	-50.00	-25.00

*Weekly ^Fortnightly **Monthly ***Reflects estimated monthly price term contract delivery

SBB-SMD FERROUS SCRAP REFERENCE PRICES

	Price (\$/mt)	Change	% Chg
Scrap, Europe/Turkey			
OA (plate & structural) - UK domestic, delivered	170.02	42.79	33.63
Shredded - delivered - N. Europe domestic, delivered	192.95	22.85	13.43
Shredded - delivered - S. Europe domestic, delivered*	230.46	15.97	7.45
Scrap, Asia*			
(\$/mt)			
H2 - del Okayama - Tokyo Steel purchase price, at works gate	160.02	31.53	24.54
H2 - del Utsunomiya - Tokyo Steel purchase price, at works gate	168.91	22.69	15.52
Heavy - Shanghai - China domestic	189.21	22.17	13.27
HMS 1/2 80:20 CFR - East Asia import*	267.50	20.00	8.08
Shredded Scrap CFR India*	267.50	10.00	3.88
Shindachi Bara - del Okayama - Tokyo Steel purchase (list) price	177.80	31.58	21.60
Shindachi Bara - del Utsunomiya - Tokyo Steel purchase (list) price	182.25	22.74	14.26
Shredded scrap A (auto) - del Okayama - Tokyo Steel purchase (list) price	164.47	31.54	23.73
Shredded scrap A (auto) - del Utsunomiya - Tokyo Steel purchase (list) price	173.36	22.71	15.07
H2 FOB Japan (Yen/mt)*	26500.00	3500.00	15.22
Scrap, Americas			
(\$/lt)			
#1 Busheling - N. America domestic, del, Midwest US*	270.00	0.00	0.00
HMS 1/2 - N. America domestic, del Midwest US*	225.00	0.00	0.00
Plate & Structural - N. America domestic, del Midwest US*	237.50	0.00	0.00
(Real/mt)			
HMS 1/2 - Brazil S.E. domestic*	395.00	-5.00	-1.25
Clean Steel Scrap - Brazil S.E. domestic, delivered*	405.00	-5.00	-1.22
Turnings - Brazil S.E. domestic, delivered*	290.00	-5.00	-1.69

Prices monthly unless otherwise noted. *Weekly

TSI FERROUS SCRAP INDICES

	Price (\$/mt)	Change	% Chg
Turkish imports			
(\$/mt)			
HMS 1&2 80:20, deep-sea (CFR Iskenderun port)	304.00	0.00	0.00
Shredded, deep-sea (CFR Iskenderun port)*	288.00	19.00	7.06
Plate and Structural, deep-sea (CFR Iskenderun port)*	293.00	19.00	6.93
A3, short-sea (CFR Marmara port)*	276.00	19.00	7.39
US domestic			
(\$/lt)			
Shredded, US domestic (del Midwest mill)*	255.00	0.00	0.00
Shredded, US domestic monthly 10 day avg. (del Midwest mill)**	254.00	50.00	24.51
Taiwanese imports			
(\$/mt)			
HMS 1&2 80:20, containerized (CFR Taiwanese port)*	268.00	21.00	8.50
Indian imports			
(\$/mt)			
Shredded, containerized (CFR West Coast Indian port)*	262.00	-1.00	-0.38

*Weekly price, latest index is for week beginning April 18, 2016

**Monthly price, latest index for April, published April 11, 2016

since February, meaning that a reversal in China could spread quickly beyond their borders.

There was some talk regarding a higher cargo in the late afternoon Tuesday, as an Asian trader said he had heard another Baltic cargo at \$317/mt. However, no further details were available, and the trade was not reflected in the assessment.

— [Simon Price](#)

OTHER NEWS

EU CO2 prices surge as France says it will set own floor

London—EU carbon dioxide allowance prices rallied sharply Tuesday, reaching a fresh three-month high after France said Monday it will set its own domestic carbon floor price

EU Allowance futures contracts for December 2016 delivery on the ICE Futures Europe exchange rallied as high as Eur6.71/mt (\$7.57/mt) on Tuesday, up 81 euro cents (or 12%) from the previous close.

French President Francois Hollande has said France will go it alone on setting a higher domestic carbon price, and will propose a rising price corridor for carbon allowances under the EU Emissions Trading System, media reports said Tuesday. French energy and environment minister Segolene Royal said the carbon market is not functioning currently and "somebody has got to make a start," the reports said.

The French proposal may be taken as a sign of declining French patience with the EU ETS, where low carbon allowance prices continue to allow coal-fired power plants to be more profitable to run than cleaner gas-fired units, despite being roughly twice as carbon intensive per unit of power generated.

France wants to curb coal-fired power and

STEEL HEADLINES

Tata goes for another strip price hike in north Europe

Tata Steel's European strip division is expected to announce another price increase Tuesday, as mills look to stay on track with events in the international markets.

For more steel news, please visit: www.sbb.com

- Iran issues securities to stimulate construction activity
- Iran raises iron ore production with go-ahead for new mine
- French auto producer to use Iranian sheet
- China's crude steel output rises by another 3%
- US sheet market poised for higher prices on tight supply
- Asian HRC stable as market stays in wait-and-see mode
- Erdemir sells more but revenue falls on low steel prices
- Erdemir flat product exports to EU jump; slump to US
- USS Gary Works No 14 blast furnace issues persist
- Steel shipments from Brazil's Usiminas sink 28.1% in Q1
- Usiminas prepares new round of price increases for May: executive
- Sections prices move up in Japan, with more to come
- North China rebar climbs again on low stocks
- Australia sets final AD duties against Chinese wire rod
- Asian rebar prices soften again
- Rebar exceeds \$500/mt in Turkey with new hike by Icdas
- Raw materials drive up Turkish export rebar offer level
- Tight availability at EU wire rod mills hits distributors
- US Midwest rebar steady, but more price hikes expected
- Saudi Steel Pipe Co back to profit with \$2.2 million Q1 income
- Stainless prices show signs of reviving in W. Europe
- Slovenian producer's output drops for third year in a row
- Stainless output dips for first time in six years
- Tianjin dissolves Bohai group, to control mills directly
- China's Hebei cut 41 million mt/year of steel capacity in 2011-15
- 'No plan' to restart quake-hit mill: Osaka Steel
- Suppliers see no order drop yet despite VW's struggles
- SSAB to reduce debt with shares, divestments and cost cuts
- No short-term solution for industry problems: WV Stahl
- US raw steel production steady week on week
- Brazil's CSN receives OK to participate in Usiminas meeting
- Argentina's March steel production down 26.1% on year
- LatAm's January-February steel consumption falls 16% on year: Alacero
- Scrap prices jump again in Turkey, but buyers wary: TSI
- SSAB posts loss in Q1 but sees some improvements

NEWS BRIEFS

Canada's Teck said Tuesday it expects to sell at least 6.5 million mt of coking coal in the second quarter, with pricing expected to be within 95% of the underlying quarterly benchmark of \$84/mt,

implying an improvement over Q1 realizations. Spot sales may benefit from current spot prices that "are significantly higher than the quarterly contract price," it said. Steelmaking coal unit costs, including transportation charges, fell to C\$77/mt (\$56/mt) in the first quarter of 2016, compared with the equivalent of C\$85/mt (\$68/mt) a year ago. For Q1, Teck saw average realized coking coal prices at \$75/mt with sales at 6.5 million mt and production at 6.6 million mt, weaker than year-earlier levels. Demand for Teck's coal in China and the rest of the world strengthened during Q1, it added. "While a better balance between demand and supply seems to be forming, pricing remains low, and we expect supply curtailments to continue to be implemented," it said.

Global coking coal prices are expected to rise over the next few years at a more stable rate, following a possible sharper price increase for Q3 2016 contracts, consultancy Wood Mackenzie said Tuesday. With spot prices now hitting around the \$100/mt FOB mark,

participants should be expecting a sharp adjustment for the quarterly benchmark from the \$84/mt agreed for Q2, Jim Truman, Wood Mac's director for global met coal markets, told the Eurocoke Summit in Barcelona. After that, fundamentals indicate a more gradual price rise, he added. "The fundamentals for next year are averaging out to a general rise going forward," Truman told delegates. He saw good demand for US fluidity coals, while the end of significant mining cost improvements is adding to a floor. Average HCC costs globally may be \$75/mt FOB, according to Wood Mac research.

Ukrainian miner and steelmaker Metinvest has concluded another voyage contract with the Turkish Canbaz Shipping Group, allowing Metinvest to use one of its 30,000 deadweight tons handysize bulk carrier.

The vessel, Esra C, will deliver Metinvest's steel products from the Azov Sea port of Mariupol to the Italian ports of Marghera, Monfalcone and Ravenna in northeast Italy. Late last week, Esra C received its first cargo, 23,500 mt of slab dispatched by Metinvest's Mariupol-based Azovstal Iron and Steel Works. With a view to cutting delivery times and costs, Metinvest launched shipping lines from

boost the economics of running renewable and nuclear generation. France also wants to close some nuclear reactors from 2018, potentially increasing reliance on other generation, including fossil fuel-powered units. The French proposal is expected to impose a minimum carbon price for power generators in France using a carbon tax. France is expected to release more details on the carbon floor price proposal later this year.

Vicious circle

One risk for the EU ETS is that further unilateral measures, such as the French carbon price floor proposal, drive additional CO2 reductions beyond those necessary to meet the cap under the EU ETS, further undermining demand for allowances, which in turn would perpetuate low EU carbon prices.

The French move has been taken as bullish in the carbon market, possibly because it raises pressure on EU lawmakers to take meaningful action to address the long-running surplus of allowances, or risk further member states moving ahead unilaterally to set their own domestic carbon price. Such an outcome

NEWS BRIEFS (CONTINUED)

Mariupol at the end of 2014 taking their freight up to 150,000 mt/month by last year. The company is now ferrying steel from Mariupol to Bulgaria, Turkey, Italy and Spain. By the end of this year, Metinvest aims to expand the number of vessels it can use to 12 and extend its geographical reach to the US, the Middle East and North Africa. "Developing line shipping will enable us to deal with the merchant fleet deficit [in Ukraine] and also counter the speculatively high freight rates during grain season, while also providing uninterrupted deliveries of our steel products during the [annual] period of frozen sea conditions," said Andrey Smirnov, marine transportation director at Metinvest.

Brazilian iron ore exports averaged \$33.25/mt FOB in the week ended April 24, down 0.64% from the previous week's \$33.46/mt FOB. Ministry of Development and Trade data showed Tuesday. Values include all types of iron ore and iron content percentages. The Platts 62% Fe IODEX average grew \$6.36/dmt over the same week to \$64.97/dmt CFR North China.

PLATTS STEEL INDUSTRY ASSESSMENTS, APRIL 26

		Close/Midpoint	Change	% Chg	
Asia					
Hot-rolled coil					
SS400 FOB China	\$/mt	447.00-452.00	449.50	-15.00	-3.23
SAE1006 Premium		10.00	10.00	0.00	0.00
Reinforcing bar					
FOB China	\$/mt	423.00-428.00	425.50	-4.50	-1.05

Europe

Hot-rolled coil					
Ex-works, Ruhr	Eur/mt	380.00-400.00	390.00	0.00	0.00
CIF Antwerp		390.00-400.00	395.00	0.00	0.00
DDP NW Europe		(Accessible to SBB Briefing subscribers at sbb.com)			

FOB Black Sea	\$/mt	435.00-445.00	440.00	0.00	0.00

Plate					
Ex-works, Ruhr	Eur/mt	455.00-465.00	460.00	10.00	2.22
CIF Antwerp		420.00-425.00	422.50	0.00	0.00

Reinforcing bar					
Ex-works, NW Eur	Eur/mt	410.00-430.00	420.00	20.00	5.00

FOB basis Turkey	\$/mt	488.00-492.00	490.00	5.00	1.03

Billet					
FOB Black Sea	\$/mt	425.00	425.00	5.00	1.19

North America

Hot-rolled coil					
Ex-works, Indiana	\$/st	510.00-530.00	520.00	0.00	0.00
CIF, Houston		480.00-510.00	495.00	35.00	7.61

Plate					
Ex-works, US SE	\$/st	590.00-610.00	600.00	0.00	0.00
CIF, Houston		460.00-500.00	480.00	0.00	0.00

Reinforcing bar					
Ex-works, US SE	\$/st	500.00-515.00	507.50	0.00	0.00
CIF, Houston		432.00-441.00	436.50	0.00	0.00

EUROPE AND US COLD-ROLLED COIL ASSESSMENTS, APRIL 26

	Eur/mt	Close/Midpoint	Change	% Chg
Ex-works, Ruhr	480.00-500.00	490.00	0.00	0.00
CIF Antwerp	490.00-500.00	495.00	0.00	0.00
DDP NW Europe	(Accessible to SBB Briefing subscribers at sbb.com)			

FOB Black Sea	\$/mt	485.00-495.00	490.00	0.00	0.00

Ex-works, Indiana	\$/st	690.00-710.00	700.00	0.00	0.00
CIF, Houston		580.00-610.00	595.00	45.00	8.18

SUBSCRIBER NOTE: PLATTS TO DISCONTINUE 52% FE IRON ORE ASSESSMENT

Following a period of industry feedback, Platts will be discontinuing publication of the daily 52% Fe Iron Ore price assessment (IODSC00), effective July 1, 2016. Liquidity of circa 52% Fe fines cargoes in the spot market has become scant, with such low-grade material no longer being transacted into China on a spot basis. This follows a three-year mining ban on west coast Indian suppliers, who used to be the primary source of such material, and even with the resumption of exports from that region this year, circa 52% Fe fines material is not representative of what is being produced and traded.

Platts intends to continue to publish this assessment until June 30, 2016, the last date it will be published. Platts recognizes the assessment may have some residual use in contract negotiation, settlement and/or royalty payments and therefore extends a period of market consultation and feedback until May 16, 2016, before a final decision is made. Any further questions of feedback should be directed to iodex@platts.com and pricegroup@platts.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.

risks rendering the EU ETS irrelevant as EU member states push ahead with their own emissions reduction policies, leaving the EU carbon market on the sidelines.

Separately from the French domestic carbon floor price, France also wants to establish a rising price corridor for EU Allowances. This would likely hit tough resistance from central and eastern European countries in the EU Council, which have thus far strongly resisted moves to raise carbon prices. The French domestic carbon price floor proposal may reflect the probability that a rising EU carbon price corridor is politically unworkable

due to opposition by the CEE countries.

Adding a further bullish note, separate reports Tuesday said members of the European Parliament may have an option to revise the EU ETS in 2025, to allow the system to take account of stronger international climate targets agreed last December in the UN's Paris Agreement on climate change. Under the Paris Agreement, the first global 'stock-take' is planned for 2023, where countries may increase the ambition of their climate pledges under the deal.

Currently, the Paris Agreement is not expected to alter the CO2 cap under the EU

ETS, which is set to deliver a 21% cut in CO2 emissions by 2020 from 2005 levels and a 43% cut by 2030, as part of the EU's wider climate and energy package, which aims to cut economy-wide greenhouse gases by 40% from 1990 levels by 2030. An EU ETS review in 2025 could change that by allowing a re-assessment of the rules to deliver stronger reductions by 2030, driving carbon prices higher.

MEP Ian Duncan, rapporteur for EU ETS reforms in the EU Parliament's environment committee (ENVI), is currently drafting proposed amendments to the EU ETS for

PLATTS DAILY ASIA PACIFIC METALLURGICAL COAL RELATIVITIES - APRIL 26, 2016

	CSR	VM ad	TM ar	Ash ad	S ad	P ad	Fluidity ddpm	Vit %	April 26 CFR China \$/mt	Spread vs PLV	Spread vs HCC 64
Peak Downs	74	20.50	9.50	10.50	0.60	0.03	400	71	100.25*	101.01%	
*Peak Downs FOB Australia (China netback) after accounting for Haypoint-Qingdao Panamax freight = \$93.65/mt											
Saraji	72	18.50	10.00	10.50	0.60	0.03	160	66	99.25	100.00%	
Premium Low Vol	71	21.50	9.70	9.30	0.50	0.045	500	65	99.25**	100.00%	
**Premium Low Vol FOB Australia (China netback) after accounting for Haypoint-Qingdao Panamax freight = \$92.65/mt											
German Creek	70	19.00	10.50	9.50	0.54	0.06	180	70	97.75	98.49%	
Illawarra	73	23.20	10.00	9.50	0.45	0.06	1200	53	98.75	99.50%	
Moranbah North	68	23.30	10.00	8.50	0.50	0.04	1800	58	98.25	98.99%	
Oaky Creek	67	24.50	10.00	9.50	0.60	0.07	4000	80	98.25	98.99%	
Goonyella	68	23.40	10.00	8.90	0.52	0.03	1100	62	98.25	98.99%	
Goonyella C	70	23.50	10.00	9.80	0.55	0.04	1200	62	97.50	98.24%	
Peak Downs North	68	22.80	10.50	9.80	0.51	0.05	900	63	97.25	97.98%	104.01%
Standard	70	22.50	9.00	9.50	0.45	0.06	150	53	96.25	96.98%	102.94%
Premium	70	25.50	9.00	8.80	0.50	0.07	300	56	96.25	96.98%	102.94%
Hail Creek	69	20.50	10.00	10.00	0.30	0.07	300	54	97.25	97.98%	
HCC 64 Mid Vol	64	25.50	9.50	9.00	0.60	0.05	1700	55	93.50	94.21%	100.00%
Mavis Downs	63	22.00	10.00	8.00	0.35	0.05	75		93.50		100.00%
Lake Vermont HCC	62	21.50	11.00	7.50	0.44	0.07	120	50	93.50		100.00%
Carborough Downs	58	22.50	11.00	8.00	0.35	0.04	30	44	92.50		98.93%
Middlemount Coking	57	19.00	10.00	10.00	0.50	0.045	50		90.75		97.06%
Poitrel Semi Hard	45	24.00	12.00	8.00	0.43	0.05	300	54	89.00		95.19%

April 26 freight rates. Australia to China: Panamax = \$6.60/mt Capesize = \$4.75/mt

Notes: ad = air-dried; ar = as received; CSR = coke strength after reaction; ddpm = dial divisions per minute

A detailed explanation of the Platts Metallurgical Coal Relativities can be found here: <http://www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/metcoalmethod.pdf>

For further information about this data please contact cokingcoal@platts.com

Source: Platts

PLATTS WEEKLY METALLURGICAL COAL RELATIVITIES TABLE APRIL 22, 2016

	CSR	VM d	TM ar	Ash d	S d	P d	Fluidity ddpm	Vit %	April 22, FOB Hampton Roads	Spread vs US LV
Oak Grove	70.50	21.75	8.00	9.30	0.56		900	65.20	93.25	109.06%
Blue Creek No. 7	71.00	19.85	7.00	8.92	0.72	0.03	1113	69.60	92.25	107.89%
Blue Creek No. 4	61.50	28.39	7.00	8.54	0.71	0.04	21387	68.80	87.50	102.34%
Beckley	62.00	16.75	7.50	7.00	0.82		50	68.60	86.00	100.58%
Low Vol FOB USEC*	58.00	19.38	8.00	8.16	0.82				85.50	100.00%
Windber	51.20	16.50	8.00	7.00	1.00		25		82.25	96.20%
Buchanan	40.00	18.68	7.00	5.26	0.73		100		82.00	95.91%
Pinnacle	43.00	15.80	8.00	7.00	1.00	0.014	7	68.00	79.50	92.98%

April 22 Panamax freight rates. Hampton Roads to Rotterdam = \$8.25/mt, Hampton Roads to Brazil = \$6.70/mt, Mobile to Rotterdam = \$9.75/mt.

d = dry; ar = as received; CSR = coke strength after reaction; ddpm = dial divisions per minute. *assumes inherent moisture of 2% for ad/d conversion.

For further information about this data please contact cokingcoal@platts.com

Source: Platts

the post-2020 period, and he has been vocally supportive of higher carbon prices. The environment committee shares joint competence with the Parliament's industry and energy committee (ITRE), which has a strong focus on protecting Europe's heavy industries from competitive disadvantage arising from carbon costs in Europe.

The ITRE committee is set to meet May 23 to discuss proposals by the panel's lead lawmaker Fredrick Federley to establish more tailored assistance for trade-exposed sectors using free allocation of EUAs.

The European Commission has said it supports a two-tiered approach in which trade-exposed companies deemed most at risk of relocating are given the largest share of free allowances. Federley is understood to back a multi-tiered approach in which more than two categories are established to provide varying levels of free allocation.

Any rule changes for the post-2020 period need the backing of the EU Parliament and Council before becoming law. A final decision on the proposed reforms is not expected until early 2017.

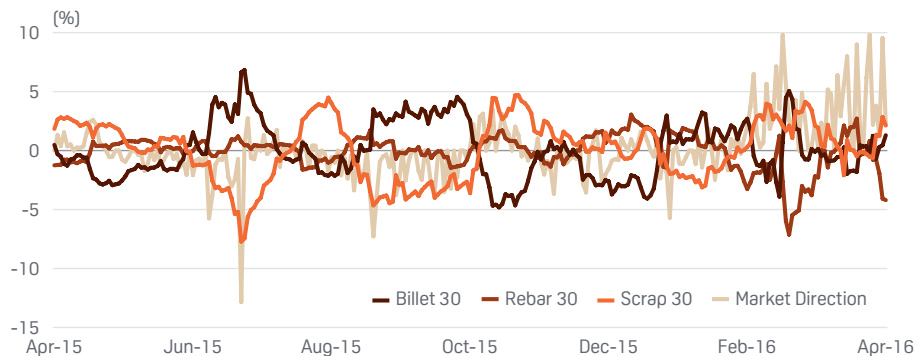
— [Frank Watson](#)

PLATTS TURKEY ARC STEEL TRACKER, APRIL 26, 2016

	Scrap		Billet		Rebar	
vs 30-day	2.12%	(\$6.44)	1.30%	(\$5.66)	-4.20%	(-\$20.56)
vs 60-day	3.84%	(\$11.69)	1.39%	(\$6.05)	-5.61%	(-\$27.49)
Market Direction:	2.19%	(\$10.00)	Industry Composite Index:		78.67	

Price moves relative to each commodity measured vs 30-day and 60-day moving averages.

PLATTS TURKEY ARC STEEL TRACKER BASED ON 30-DAY AVERAGES



Platts Turkey ARC is a relative strength indicator for Platts Turkey Rebar FOB, Platts Black Sea Billet CFR Turkey basis and Benchmark TSI Scrap CFR prices*. The daily index for each commodity shows the degree the price is over or below the average of price relationships with the others for the past 30 or 60 days, with 0 as equilibrium. Indices provide trading price signals for the commodity or for the wider complex, and potential changes in demand and supply for the steel industry. Source: Platts *effective March 1, 2016



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ASSESSMENT RATIONALES

Hard Coking Coal (Premium Low Vol) FOB Australia Assessment Rationale:

Platts assessed Premium low-vol HCC up \$2/mt at \$100/mt FOB Australia Tuesday. There was a deal done at \$101-\$102/mt FOB Australia for a premium mid-vol 72-74% CSR coal, mid-June laycan for a Panamax-size cargo. There was also an offer for the same-brand around \$100-\$101/mt FOB Australia for May laycan. Participants surveyed Tuesday said there was a time-spread between May and mid-June cargoes, which explained the difference in pricing between these two cargoes, although they were the same brand. This brand was assessed at a discount of 25 cents to the Platts Premium Low Vol FOB Australia assessment. The highest indicative bid for another Australian premium mid-vol 67-70% CSR HCC was at \$99-\$100/mt FOB Australia. This brand was assessed at parity to Platts Premium Low Vol FOB Australia assessment. No data was excluded from this assessment.

The above rationale applies to Platts premium low vol FOB Australia assessment, with the associated data code: PLVHA00

Hard Coking Coal (64 Mid Vol) FOB Australia Assessment Rationale:

Platts assessed HCC 64 mid vol up 15 cents at \$86.90/mt FOB Australia Tuesday. The assessment was calculated after accounting Panamax freight from HCC 64 mid vol CFR China, which was up 25 cents at \$93.50/mt CFR China. Panamax freight was assessed at \$6.60/mt. The highest indicative bid was for an Australian 62-64% CSR HCC, with around 8-9% ash, at \$90/mt CFR China. The most competitive indicative offer was heard at \$96/mt CFR China for such a brand. This brand was assessed at parity to Platts HCC 64 Mid Vol FOB Australia assessment. No data was excluded from this assessment.

The above rationale applies to Platts HCC 64 Mid Vol FOB Australia assessment, with the associated data code: HCCA000

Iron Ore 62% Fe CFR North China (Platts IODEX) Assessment Rationale:

Platts assessed the 62% Fe Iron Ore Index at \$61.65/dry mt CFR North China Tuesday, down \$3.95/dmt from Monday. A parcel of 62% Fe Australian Pilbara

Blend fines was traded at \$62/dmt CFR Qingdao on globalORE, for 90,000 mt arriving in May. Taking into account iron content, impurity adjustments, timing and the 15 cent/dmt premium PB fines currently command over other brands, the trade normalized to \$61.67/dmt. A cargo of 62% Fe Australian MNP fines was offered at \$62/dmt CFR Qingdao on globalORE, for 90,000 mt arriving in May. The offer normalized to \$61.76/dmt against IODEX specifications. Rio Tinto was heard to have offered 61% Fe Australian Pilbara Blend fines at \$65/dmt CFR North China on COREX, for 100,000 mt loading May 9-18. No market data was excluded from the April 26 assessment.

The above rationale applies to Platts 62% Fe IODEX, with the associated market data code: IODBZ00

Turkish Ferrous Scrap Assessment Rationale: Platts assessed HMS I/II 80:20 CFR Turkey at \$313/mt Tuesday, stable from Monday. Two trades were heard to a steel producer and sentiment was more uncertain on market direction. A premium Baltic merchant sold a cargo to an Izmir EAF-based producer containing 13,000 mt of 80:20 at \$312.50/mt, 10,000 mt of shredded at \$317.50/mt and 6,000 mt of bonus at \$322.50. A source close to the transaction confirmed the cargo and added it was for shipment in early June. The same producer bought a second cargo from another premium Baltic scrap supplier. This cargo contained 17,000 mt of 80:20 at \$312.50/mt, 6,000 mt of shredded at \$317.50/mt, 6,000 mt of bonus at \$322.50/mt and 6,000 mt of rails at \$327.50/mt for early-June shipment. A European trader put the market at \$315/mt. An agent in Turkey for a European yard called the market stable. Another agent said it could be stable at this point, but was uncertain. A third source said the market was too unpredictable. An Asian trader put 80:20 at \$312.50/mt. Another trader put scrap at "\$310 levels," while a final trader estimated value along the lines of the two trades. No data was excluded from the assessment.

The above rationale applies to Platts assessment of premium HMS I/II (80:20) imported into Turkey, with the associated market data code: FETK000

PLATTS STEEL ASSESSMENTS CURRENCY AND UNIT COMPARISONS, APRIL 26

	Eur/mt	\$/mt	\$/st	\$/CWT	Prior assessment \$/mt	\$ change	% change
Hot-rolled coil							
Ex-works, Ruhr*	390.00***	441.13	400.19	20.01	439.76	1.37	0.31%
FOB Black Sea*	389.00	440.00***	399.17	19.96	440.00	0.00	0.00%
CIF Antwerp*	395.00***	446.78	405.32	20.27	445.40	1.38	0.31%
Ex-works, Indiana**	507.79	573.19	520.00***	26.00	573.19	0.00	0.00%
CIF, US Gulf states, basis Houston**	483.37	545.63	495.00***	24.75	507.05	38.58	7.61%
Cold-rolled coil							
Ex-works, Ruhr*	490.00***	554.24	502.81	25.15	552.52	1.72	0.31%
FOB Black Sea*	433.21	490.00***	444.53	22.23	490.00	0.00	0.00%
CIF Antwerp*	495.00***	559.89	507.93	25.40	558.16	1.73	0.31%
Ex-works, Indiana**	683.56	771.60	700.00***	35.00	771.60	0.00	0.00%
CIF, US Gulf states, basis Houston**	581.03	655.86	595.00***	29.75	606.26	49.60	8.18%
Plate							
Ex-works, Ruhr*	460.00***	520.31	472.03	23.61	507.42	12.89	2.54%
CIF Antwerp*	422.50***	477.89	433.54	21.68	476.41	1.48	0.31%
Ex-works, US Southeast**	585.92	661.38	600.00***	30.00	661.38	0.00	0.00%
CIF, US Gulf states, basis Houston**	468.73	529.10	480.00***	24.00	529.10	0.00	0.00%
Reinforcing bar							
Ex-works, Northwest Europe*	420.00***	475.06	430.97	21.55	451.04	24.02	5.33%
East Mediterranean, basis Turkey*	433.21	490.00***	444.53	22.23	485.00	5.00	1.03%
Ex-works, US Southeast**	495.58	559.41	507.50***	25.38	559.41	0.00	0.00%
CIF, US Gulf states, basis Houston**	426.25	481.15	436.50***	21.83	481.15	0.00	0.00%

*LN 16:30 Eur/\$ ex rate = 1.1311; **NY 16:30 \$/Eur ex rate = 0.8859. ***the primary assessments and have not been converted

Please note: All Platts and TSI CIF and CFR prices (US, Europe, Southern Europe, Persian Gulf and Turkey) represent freely traded values. This means they do not reflect any restrictions or duties as a result of trade cases. For detailed specifics, The Platts Weekly Trade Case Status report can be found on the last pages of this issue.

TRADE CASE STATUS REPORT

Complainant	Duties	Product(s)	Origin(s)	Status/comments
North America				
US	AD	HRC	Brazil, Australia, Japan, South Korea, Netherlands, Turkey, UK	Preliminary AD duties of 4-7% for South Korea, Netherlands 5%, Turkey 5-7%, Japan 7-11%, Australia 23%, Brazil 34% and UK 49%
US	CVD	HRC	Brazil, Korea, Turkey	No prelim CVD margins for Korean and Turkish mills; Brazil hit with preliminary CVD of 7.42%, final determinations in May
US	AD	CRC	Brazil, China, India, South Korea, Russia, Japan, UK	Preliminary AD duties of 265.79% for China, Brazil 20.84-35.43%, Japan 71.35%, UK 5.79-31.39%, Korea 2.17-6.85%, India 6.78% Russia 12.62-16.89%
US	CVD	CRC	Brazil, China, India, Korea and Russia	Brazilian producers hit with 7.42% subsidy rate; China 227.29%; India 4.45%; Russia (except Severstal) 6.33%; negative for S. Korea
US	AD, CVD	Cut-to-length plate	Austria, Belgium, Brazil, China, France, Germany, Italy, Japan, South Korea, South Africa, Taiwan and Turkey, Brazil, China and South Korea	Alleged dumping margins are 158.27% for Austria; 75.27% for Belgium; 93.32% for Brazil, 76.58% for China; 28.84-121.62% for France; 43.09-194.50% for Germany; 127.04% for Italy; 187.7% for Japan; 42.59-244.19% for South Korea; 109.09% for South Africa; 6.53-74.24% for Taiwan, and 36.09-52.09% for Turkey
US	AD	Corrosion-resistant sheet	China, India, Italy, South Korea, Taiwan	Prelim AD duties of 255.8% for China; 6.64-6.92% for India; zero to 3.11% for Italy; 2.99-3.51% for Korea and zero for Taiwan
US	CVD	Corrosion-resistant sheet	China, India, Italy, South Korea, Taiwan	Prelim CVD margins of 26.26-235.66% for China; 2.85-7.71% for India; de minimis to 38.41% for Italy; de minimis to 1.37% for Korea and zero for Taiwan
US	AD	Rebar	Turkey	Commerce published a draft redetermination that found a de minimis weighted average dumping margin for Habas and a 3.64% margin for Icdas and all other Turkish producers and exporters
US	CVD	Structural tube	Turkey	Prelim CVD margins of 1.35-7.69% imposed; final ruling in May
US	AD	Structural tube	South Korea, Mexico, Turkey	Provisional dumping duties of 2.53-3.81% for Korean mills, 3.99-16.31% for Mexican mills, 14.48% for Turkish mills
US	AD, CVD	Welded pipe	India	Petition filed for stainless pressure welded pipe on September 30, 2015
US	AD, CVD	Circular welded carbon-quality steel pipe	Oman, Pakistan, United Arab Emirates, Vietnam	US found a preliminary 64.81% CVD margin on pipes from Pakistan
US	AD, CVD	Stainless sheet and strip	China	Preliminary determination postponed until July 11. Alleged dumping margins are 54-83%
US	CVD	Stainless seamless pipe	India	Preliminary CVD duties of 2.96-6.21% applied to welded stainless pressure pipe suppliers
Canada	AD, CVD	Hot rolled plate	India, Russia	Countries found not to have dumped in January announcement
Canada	AD, CVD	Line pipes	China	Preliminary duties issued in November, final ruling in May
Mexico	AD	HRC, CRC, slab, plate & wire rod	Brazil and other exporters	Local steelmakers preparing case
Mexico	AD	CR sheet	China	Duties (65.99-103.41%) imposed in June
Mexico	CVD	HRC	Russia and Ukraine	Duties (21% for Russia and 25% for Ukraine) extended for further five years
South America				
Colombia	AD	Wire rod	China	Provisional duties extended for two months in February
Chile	AD	Wire rod	All countries (China major importer) except Canada, Mexico, Peru and developing countries that account for no more than 3% of Chile's rod imports	Imposition of a 38.9% duty for at least the next six months
Chile	AD	Wire	Unspecified countries	Investigation begun in December
Peru	AD	Tubes	China	Duties imposed for three years from April 2015
Brazil	AD	Heavy plate (Chrome)	China	Duties extended to chrome-added heavy plate in August
Brazil	AD	HR bars	China	Investigation launched in December
Brazil	AD	Rebar	Turkey	Case started in January, no timeframe disclosed
Brazil	AD	Seamless pipes	China	Provisional duties ranging from \$810.46-1,151.76/mt valid for six month from February.
Europe and Turkey				
EU	AD	HR flats, HR plate and seamless tubes	China	EC opened investigation in February
EU	AD	CRC	China, Russia	EU imposed AD duties of 13.8-16% for Chinese producers and 19.8-26% for Russian producers with duties retroactive to mid-December
EU	AD	Rebar	China, Belarus	Preliminary duties of 9.3%-13% on Chinese rebar. EC opens AD case into imports from Belarus
EU	AD	GOES	China, US, Russia, South Korea	EC found dumping had occurred, preparing minimum import prices
EU	AD	Stainless CR	China, Taiwan	Duties imposed in August (China 24.3-25.2%, Taiwan 6.8%)
EU	AD	Silicon sheet	Japan, China, Russia, South Korea, US	Definitive duties imposed in November
Turkey	AD	Seamless pipe	China	Transitional measures of 22.15-50.35%
Turkey	AD	PPGI	China	Preliminary dumping margin of 30.01%
Turkey	AD	HRC	China, Russia, Japan, Slovakia	Final duties imposed January 2016: Russia 9.42-13.66%, Ukraine's Zaporizhye 1.12%, China 15.47-35.15%, Japan 6.95-8.9%, Slovakia 7.02-9.8%, France 0.42%
Africa and Middle East				
Morocco	Safeguard duties	Rebar, wire rod	All imports, duties extended by three years from December	Duty in effect since 2013 is dirham 0.55/kilogram. Tonnage allowed in duty-free rises by 10% per year
Morocco	Safeguard duties	CRC, coated sheet	All imports, duties extended by four years from December	Duty rates are 22% for 2015, 20% for 2016, 18% for 2017 and 16% for 2018
Egypt	Safeguard duties	Rebar	All imports for three years from May 2015	Tariff of 8%
Iran	Import duties	Flats (except HRC 2mm), longs and billet	China, Russia, Turkey	Duties raised from 10-15% in March
Asia				
Thailand	AD	HR sheet, tubes, pipes	Brazil, Turkey, Iran	Investigation set to begin
Thailand	AD	Tubes, pipes	China, South Korea	Investigation set to begin
Thailand	AD	HRC	14 countries inc South Korea, Japan, India, Taiwan, Russia	AD penalties maintained in May this year
Thailand	AD	Pickled and oiled HRC	South Korea	Investigation announced on February 4. Sahaviriya Steel Industries alleges a dumping margin of 22.11%
Malaysia	AD	HRC	China	Duties of 6.3-12.9% imposed in February
Malaysia	AD	CRC	China, South Korea, Vietnam	Preliminary duties imposed in January, ranging 4.58-23.78% (most Chinese exporters)
Malaysia	AD	Color coated coil	China, Vietnam	Duties of 00.6% to 52.10% (all Chinese exporters) imposed in January
Vietnam	AD	CR plate	China, Taiwan, Indonesia, Malaysia	Duties imposed in September 2014
Indonesia	Import duties	HRC, CRC, galv, wire rod	Most favored nations' inc India, South Korea, Japan, CIS, Latin America	Jakarta close to raising import duties
China	AD	Grain-oriented electrical steel	EU, South Korea and Japan	Provisional AD duties of 39-45.7% for Japan, 14.5-29.5% for South Korea and 46.3% for EU mills
India	Safeguard duties	HRC		Duties raised to 20% for 200 days from September 2015

TRADE CASE STATUS REPORT

Complainant	Duties	Product(s)	Origin(s)	Status/comments
India	AD	Stainless CR	South Korea, Taiwan, Thailand, South Africa, US	Duties extended for further five years until 2020
India	CVD	HR, CR stainless flat products	China	Unfair trade investigation opened into Jan-Dec 2015 period
India	AD	HR coil sheets and plates	China, Japan, South Korea, Russia, Brazil and Indonesia	Opened a new investigation with a provisional duty expected by June 15
India	Min import price	173 products, inc HRC, CRC, plate, galv	All importers products and 20% safeguard duty on HRC	Effective February 5 for six months; MIP for HRC listed as \$445/mt, does not factor in 12.5% import duty on flat
Pakistan	AD	CRC	China, Ukraine	Preliminary duties of 8-19% imposed on January 13, final ruling by June 13

Source: Compiled by Platts, updated weekly.