

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index jumped by \$17/t yesterday (6.4.21) to US\$780/t, MTD US\$768.67/t.

The Tangshan government underscored the seriousness of its pollution control efforts in meetings with mills on 3 April, asking them to be pro-active in solving problems and submit correction plans within three days. Mills without strict controls systems or other shortcomings will be degraded to D-level ratings. China's central government has also kicked off the second round of environmental protection inspections in eight provinces to review corrections to problems found in earlier inspections.

Only one Chinese mill announced a weekly offer yesterday, lifting it by \$20/t to \$870/t fob for SS400 HRC. The price is well above market levels because the mill would take full responsibility of any cost increases from potential tax changes.

An Indian mill sold a large quantity of SAE1006 grade coils at \$860-880/t cfr Vietnam after a large Chinese mill sold at \$860/t cfr Vietnam. Both mills hiked offers to \$900-920/t and \$970/t cfr Vietnam late yesterday, respectively, after seeing sharp price increases in China and Vietnam. (Argus)

Turkish Scrap

Turkish deepsea import ferrous scrap prices were firm April 6, as mills largely held back from US- and Baltic-origin cargoes to seek any remaining lower priced EU cargoes, sources said.

S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) April 6 at \$429/mt CFR, down \$1/mt on day. "From the buyers' point of view, [the workable level] should be around \$425/mt CFR," one Turkish mill source said. "Mills are not so active, but they could be after [the expected] Chinese export rebate change next week."

Speculation around changes to China's tax rebate policy for steel exports has been rife in regional Asian rebar markets, a key target for Turkish exports. Market participants are awaiting an official announcement, amid expectations of an impending cut in the export rebate for various steel products, which could cause FOB Chinese prices to jump, and thus make Turkish material more competitive. (Platts)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,345/st EXW Indiana April 6, down 25 cents from April 5.

A service centre source put the market at a minimum of \$1,340/st and noted very limited spot market participation. Still, the majority of recent transactions and indications fell within the \$1,340-\$1,350/st range. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	429.00	-1.00	430.00
Steel Rebar FOB Turkey (\$/mt)	625.00	2.50	624.50
Argus HRC NW Europe (€/mt)	846.00	0.00	881.50
Argus FOB China HRC (\$/mt)	780.00	17.00	725.35

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Apr-21	825	835	830
May-21	830	840	835
Jun-21	815	825	820
Jul-21	805	815	810
Q2-21	823	833	828
Q3-21	770	780	775

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Apr-21	457	467	462
May-21	470	480	475
Jun-21	470	480	475
Jul-21	470	480	475
Q2-21	466	476	462
Q3-21	457	467	462

LME REBAR FOB TK			
	Bid	Ask	Value
Apr-21	635	645	640
May-21	645	655	650
Jun-21	645	655	650
Jul-21	645	655	650
Q2-21	642	652	647
Q3-21	628	638	633

BUSHELING			
	Bid	Ask	Value
Apr-21	562	572	567
May-21	600	610	605
Jun-21	610	620	615
Jul-21	585	595	590
Q2-21	591	601	596
Q3-21	568	578	573

US HRC USD/short ton			
	Bid	Ask	Value
Apr-21	1358	1368	1363
May-21	1350	1360	1355
Jun-21	1330	1340	1335
Jul-21	1218	1228	1223
Q2-21	1346	1356	1351
Q3-21	1165	1175	1170

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Apr-21	910	920	915
May-21	910	920	915
Jun-21	900	910	905
Jul-21	865	875	870
Q2-21	907	917	912
Q3-21	822	832	827