

FIS Steel & Scrap Morning Report

London +44 20 7090 1120 | info@freightinvestor.com | www.freightinvestorservices.com

Good Morning,

FOB China HRC

The index rose by \$33/t last Friday (9.4.21) to US\$820/t, MTD US\$783.33/t.

Chinese mills re-entered spot markets after long-time absence selling at wide range of price levels. Two mills sold SS400 HRC and SAE1006 grade coils in the range of \$800-875/t fob China to Vietnam, South Korea, South America and other countries. The mill's SAE1006 re-rolling grade coils have a premium of around \$15/t over its SS400 HRC coils. Counterparties are taking varied price risks in the deals. The highest price paid for HRC cargoes have the mill assuming any additional tax costs if China rolls back its 100pc rebate for 13pc VAT on exports. But the lowest price paid deal required buyers to take the full responsibility for any rebate cuts. Beijing has still not announced any tax changes.

A large Chinese mill sold 40,000t SAES1006 re-rolling grade coils at \$940/t cfr Vietnam, mostly to Vietnam-based trading firms. These sales followed deals done at \$900-930/t cfr Vietnam for coils from China and India. The Chinese mill that sold the cfr basis coils will assume all costs from any rebate cuts. (Argus)

Turkish Scrap

50,000 mt cargo ex-North America heard at \$436/mt average

Turkish mills await potential cut in Chinese steel export rebate

Turkish Deepsea import ferrous scrap prices softened April 9, as a fresh North American cargo was booked, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) April 9 at \$431/mt CFR, down \$3/mt on day.

A North American-origin cargo totaling 50,000 mt was booked April 8 by an Iskenderun mill, with 35,000 mt HMS 1/2 (95:5), and 15,000 mt shredded scrap, at a \$436/mt CFR cargo average. The deal was confirmed by the buyer and seller for second-half May shipment. Value for premium HMS 1/2 (80:20) was put at \$431/mt CFR relative to the cargo. The same North American supplier was heard to have sold another cargo, with higher shred proportion, to a second Iskenderun mill on April 7, with a cargo average price cited around \$438-\$439/mt CFR, but this level was not confirmed. (Platts)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,351.75/st EXW Indiana April 9, up \$6 from April 8.

A service centre source was able to buy at \$1,350 for 200 st from a mini-mill with a late-June lead time. He was also offered June production at \$1,370 but placed an order at the lower level. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	431.00	-3.00	431.60
Steel Rebar FOB Turkey (\$/mt)	634.50	-0.50	629.60
Argus HRC NW Europe (€/mt)	901.00	5.50	888.20
Argus FOB China HRC (\$/mt)	820.00	33.00	725.35

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Apr-21	805	815	810
May-21	830	840	835
Jun-21	820	830	825
Jul-21	810	820	815
Q2-21	818	828	823
Q3-21	770	780	775

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Apr-21	445	455	450
May-21	460	470	465
Jun-21	460	470	465
Jul-21	460	470	465
Q2-21	455	465	463
Q3-21	458	468	463

LME REBAR FOB TK			
	Bid	Ask	Value
Apr-21	625	635	630
May-21	642	652	647
Jun-21	645	655	650
Jul-21	645	655	650
Q2-21	637	647	642
Q3-21	642	652	647

BUSHELING			
	Bid	Ask	Value
Apr-21	552	562	557
May-21	580	590	585
Jun-21	607	617	612
Jul-21	595	605	600
Q2-21	580	590	585
Q3-21	605	615	610

US HRC USD/short ton			
	Bid	Ask	Value
Apr-21	1345	1355	1350
May-21	1349	1359	1354
Jun-21	1335	1345	1340
Jul-21	1283	1293	1288
Q2-21	1343	1353	1348
Q3-21	1260	1270	1265

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Apr-21	907	917	912
May-21	947	957	952
Jun-21	932	942	937
Jul-21	924	934	929
Q2-21	929	939	934
Q3-21	880	890	885