

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index rose by \$13/t yesterday (6.5.21) to US\$938/t, MTD US\$928.25/t.

China's stricter steel capacity swap programme will take effect from 1 June aimed at cutting overcapacity and air pollution with a preference for cleaner scrap-based capacity over the blast furnace route. That is mostly unchanged from a draft that cuts the replacement ratio key steel-producing "2+26" areas by 20pc from 1.25:1 to 1.5:1.

Major Chinese mills hiked offers to \$940-980/t fob for SS400 HRC. HRC is pricing nearly at parity with downstream CRC because the latter still has a full 13pc export tax rebate. China CRC export prices are more competitively priced even with HRC and may lead to an increase in CRC exports. Some sellers in east China started to consider export CRC to Europe given the huge price gaps, even with EU anti-dumping duties.

An Indian mill sold around 20,000t SAE1006 grade coils at \$980/t cfr Vietnam over the holiday. Offers jumped to \$1,010-1,020/t cfr Vietnam for coils from India, \$1,050/t for coils from South Korea and \$980-1034/t cfr from China. (Argus)

Turkish Scrap

Near-term expectations of \$490-\$500/mt CFR grow

US East Coast HMS dock prices heard as high as \$380/lt delivered

Turkish Deepsea import ferrous scrap prices continued to jump May 6, as Turkish mills were heard to book further Baltic-origin cargoes at elevated levels, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) May 6 at \$479.25/mt CFR, up \$10.25/mt on day, and up \$44.25/mt on the week. The index is now at its highest level since Jan. 12, when it was at \$480/mt CFR. A Baltic-origin cargo was booked May 6 by a Marmara mill, with HMS 1/2 (80:20) at \$479/mt CFR, and bonus scrap at \$489/mt CFR. The deal was confirmed by the sell side. A second Baltic-origin cargo was also heard to be booked May 6 by the same Marmara mill, with HMS 1/2 (80:20) at \$480/mt CFR. Another Baltic-origin cargo was heard to be booked May 6 by an Izmir mill, with HMS 1/2 (80:20) at \$479/mt CFR. (Platts)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,504/st EXW Indiana May 6, up \$23 from May 5.

A service centre source said prices were still at \$1,540 with limited availability. The level was still unchanged from a previous transaction the prior week. A mini-mill source indicated the market was approximately \$1,500 but deals were heard as high as \$1,600. The price reflects recent transactions at \$1,490 and \$1,520 as well as new indications. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	479.25	10.25	468.58
Steel Rebar FOB Turkey (\$/mt)	690.00	10.00	680.83
Argus HRC NW Europe (€/mt)	1049.75	6.75	1039.58
Argus FOB China HRC (\$/mt)	938.00	13.00	928.25

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
May-21	975	985	980
Jun-21	955	965	960
Jul-21	935	945	940
Aug-21	915	925	920
Q3-21	915	925	920
Q4-21	865	875	870

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
May-21	475	485	480
Jun-21	480	490	485
Jul-21	480	490	485
Aug-21	480	490	485
Q3-21	477	487	465
Q4-21	460	470	465

LME REBAR FOB TK			
	Bid	Ask	Value
May-21	725	735	730
Jun-21	705	715	710
Jul-21	695	705	700
Aug-21	685	695	690
Q3-21	678	688	683
Q4-21	633	643	638

BUSHELING			
	Bid	Ask	Value
May-21	575	585	580
Jun-21	615	625	620
Jul-21	655	665	660
Aug-21	670	680	675
Q3-21	670	680	675
Q4-21	660	670	665

US HRC USD/short ton			
	Bid	Ask	Value
May-21	1514	1524	1519
Jun-21	1590	1600	1595
Jul-21	1595	1605	1600
Aug-21	1595	1605	1600
Q3-21	1587	1597	1592
Q4-21	1449	1459	1454

NWE HRC EUR/metric ton			
	Bid	Ask	Value
May-21	1059	1069	1064
Jun-21	1096	1106	1101
Jul-21	1042	1052	1047
Aug-21	1007	1017	1012
Q3-21	1016	1026	1021
Q4-21	917	927	922