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FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index rose by \$9/t yesterday (11.5.21) to US\$1,023/t, MTD US\$957.14/t.

Chinese domestic trade eyed government data that showed the manufacturing sector's producer price index (PPI) increased by 6.8pc in April, its fastest rise in more than three years. China's excavator sales in April increased by 2.5pc on year, with the domestic sales down by 5pc on year, and export volumes up by 166pc on year.

An east China mill lifted offer for SS400 HRC by \$70/t to \$1,110/t fob. A north China mill that had suspended offering last week offered at \$1,100/t fob. Another north China mill lifted offers to \$1,035/t fob from \$970/t. Buyers' bids moved up to \$995-1,000/t fob, remaining far below mills' offers.

An Indian mill sold around 20,000t SAE1006 grade coils at \$1,060/t cfr Vietnam last weekend. Vietnam-based Formosa Ha Tinh lifted its monthly HRC offers by \$120/t to \$1,030/t cif for base sizes of SAE1006 grade coils yesterday. (Argus)

Turkish Scrap

Suppliers hold for prices above \$500/mt CFR

Market activity expected to continue over Bayram holiday

Turkish Deepsea import ferrous scrap prices remained firm May 11, as suppliers maintained offers above \$500/mt CFR, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) May 11 at \$500/mt CFR, unchanged on day. The index remained at its highest level since Jan. 17, 2011, when it was at \$504/mt CFR. The Platts index record high was at \$510/mt CFR on Jan. 10, 2011.

A Venezuela-origin cargo sale totalling 25,000 mt was heard after Platts' 4:30 pm London deadline, with a price equivalent to around \$508-509/mt CFR Turkey for premium HMS 1/2 (80:20), highlighting firm demand from competing import scrap markets. "If the mills are confident of selling rebar at \$730-\$750/mt FOB, then they will be more keen to pay above \$500/mt CFR for scrap," a Turkish trading source said. "Depending on the cargo composition, I think the mills may buy five to six more June shipment cargoes but it's not a 'must' for them - and if they start selling for August shipment, then we will hear more July scrap bookings." (Platts)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,514.25/st EXW Indiana May 11, down 25 cents from May 10.

A mini-mill source indicated a minimum of \$1,500/st as a tradable value but noted limited availability. A Midwest mini-mill was at \$1,600/st for its July production, according to a Midwest service center source. That indication, however, was excluded as it was deemed anomalous. (Platts)

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| Indices | Price | Change | MTD |
|---|---------|--------|---------|
| Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt) | 500.00 | 0.00 | 482.63 |
| Steel Rebar FOB Turkey (\$/mt) | 730.00 | 15.00 | 697.92 |
| Argus HRC NW Europe (€/mt) | 1055.25 | 5.75 | 1045.54 |
| Argus FOB China HRC (\$/mt) | 1023.00 | 9.00 | 957.14 |

| LME HRC FOB TIANJIN CHINA USD/mt | | | |
|----------------------------------|------|------|-------|
| | Bid | Ask | Value |
| May-21 | 1035 | 1045 | 1040 |
| Jun-21 | 1045 | 1055 | 1050 |
| Jul-21 | 1055 | 1065 | 1060 |
| Aug-21 | 1015 | 1025 | 1020 |
| Q3-21 | 1022 | 1032 | 1027 |
| Q4-21 | 938 | 948 | 943 |

| LME HMS 80:20 CFR TK | | | |
|----------------------|-----|-----|-------|
| | Bid | Ask | Value |
| May-21 | 525 | 535 | 530 |
| Jun-21 | 555 | 565 | 560 |
| Jul-21 | 555 | 565 | 560 |
| Aug-21 | 550 | 560 | 555 |
| Q3-21 | 550 | 560 | 537 |
| Q4-21 | 532 | 542 | 537 |

| LME REBAR FOB TK | | | |
|------------------|-----|-----|-------|
| | Bid | Ask | Value |
| May-21 | 755 | 765 | 760 |
| Jun-21 | 805 | 815 | 810 |
| Jul-21 | 795 | 805 | 800 |
| Aug-21 | 790 | 800 | 795 |
| Q3-21 | 788 | 798 | 793 |
| Q4-21 | 742 | 752 | 747 |

| BUSHELING | | | |
|-----------|-----|-----|-------|
| | Bid | Ask | Value |
| Jun-21 | 615 | 625 | 620 |
| Jul-21 | 655 | 665 | 660 |
| Aug-21 | 685 | 695 | 690 |
| Sep-21 | 680 | 690 | 685 |
| Q3-21 | 680 | 690 | 685 |
| Q4-21 | 665 | 675 | 670 |

| US HRC USD/short ton | | | |
|----------------------|------|------|-------|
| | Bid | Ask | Value |
| May-21 | 1514 | 1524 | 1519 |
| Jun-21 | 1625 | 1635 | 1630 |
| Jul-21 | 1638 | 1648 | 1643 |
| Aug-21 | 1632 | 1642 | 1637 |
| Q3-21 | 1623 | 1633 | 1628 |
| Q4-21 | 1472 | 1482 | 1477 |

| NWE HRC EUR/metric ton | | | |
|------------------------|------|------|-------|
| | Bid | Ask | Value |
| May-21 | 1087 | 1097 | 1092 |
| Jun-21 | 1107 | 1117 | 1112 |
| Jul-21 | 1063 | 1073 | 1068 |
| Aug-21 | 1023 | 1033 | 1028 |
| Q3-21 | 1030 | 1040 | 1035 |
| Q4-21 | 915 | 925 | 920 |