



# Steel & Scrap Morning Report

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Good Morning,

## FOB China HRC

The index fell by \$19/t yesterday (17.5.21) to US\$1,012/t, MTD US\$977.40/t.

Crude steel output increased by 13.4pc to 97.85mn t on year, exceeding the previous record of 94.85mn t in August 2020, data from the national bureau of statistics (NBS) shows.

Three Chinese mills cut offers by \$10-60/t to \$1,030-1,060/t fob for SS400 HRC yesterday given sharp falling Chinese domestic prices. Some traders have already started to sell off cargoes on hand at much lower levels since end of last week.

A deal for around 3,000-4,000t of positional Chinese SS400 HRC was concluded at \$960-980/t cfr Vietnam last Saturday, much lower than mainstream market levels and would not be accepted by most other mills or traders. Traders also cut offers to \$1,000-1,030/t cfr Vietnam for Chinese SAE1006 grade coils. (Argus)

## Turkish Scrap

Scrap prices stay flat

Suppliers keep stable offers

Sentiment weakens on downturn in China

Turkish heavy melting scrap import prices were flat May 17, as no new trades were reported, while buyers were hesitant to accept further price increases amid a downturn in Chinese steel prices in the last few days, sources said. Domestic scrap prices went up on the day, but import indications did not move, a senior trader said. Asked about the offers for premium heavy melting scrap 1/2 (80:20), several market players cited \$515-\$530/mt CFR for the US material, unchanged from last week.

The last booking price mentioned by market players was \$496/mt CFR Iskenderun from May 12, for approximately 25,000 mt in total, including other grades than HMS 1/2 (80:20). The cargo was of EU-origin and implied a workable level for premium HMS 1/2 (80:20) above \$500/mt CFR Turkey. S&P Global Platts daily HMS 1/2 (80:20) assessment was stable at \$503/mt CFR Turkey on May 17. A Turkish trader said that the demand for the long products would ultimately determine the price direction for scrap. He suspected that the level just above \$500/mt CFR Turkey might be the peak for the current cycle. (Platts)

## US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,554.50/st EXW Indiana May 17, down 25 cents from May 14.

A service centre source indicated \$1,540-\$1,560/st as a tradable value. Another service centre source, meanwhile, was able to place an order at \$1,595/st for 400 st from a mini-mill in the South with a mid-July lead time. That transaction, however, was not factored into the volume-weighted average calculation based on Platts methodology. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	503.00	0.00	491.23
Steel Rebar FOB Turkey (\$/mt)	765.00	-5.00	726.25
Argus HRC NW Europe (€/mt)	1084.75	28.00	1052.83
Argus FOB China HRC (\$/mt)	1012.00	-19.00	977.40

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
May-21	990	1000	995
Jun-21	935	945	940
Jul-21	930	940	935
Aug-21	920	930	925
Q3-21	920	930	925
Q4-21	893	903	898

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
May-21	500	510	505
Jun-21	525	535	530
Jul-21	515	525	520
Aug-21	505	515	510
Q3-21	507	517	495
Q4-21	490	500	495

LME REBAR FOB TK			
	Bid	Ask	Value
May-21	765	775	770
Jun-21	775	785	780
Jul-21	765	775	770
Aug-21	760	770	765
Q3-21	760	770	765
Q4-21	740	750	745

BUSHELING			
	Bid	Ask	Value
Jun-21	610	620	615
Jul-21	645	655	650
Aug-21	670	680	675
Sep-21	680	690	685
Q3-21	680	690	685
Q4-21	658	668	663

US HRC USD/short ton			
	Bid	Ask	Value
May-21	1485	1495	1490
Jun-21	1515	1525	1520
Jul-21	1475	1485	1480
Aug-21	1395	1405	1400
Q3-21	1403	1413	1408
Q4-21	1229	1239	1234

NWE HRC EUR/metric ton			
	Bid	Ask	Value
May-21	1070	1080	1075
Jun-21	1083	1093	1088
Jul-21	1010	1020	1015
Aug-21	967	977	972
Q3-21	973	983	978
Q4-21	903	913	908