

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index fell by \$11/t yesterday (19.5.21) to US\$997/t, MTD US\$981.58/t.

China steel prices fell further after premier Li Keqiang said at a state council executive meeting late yesterday that China needs to take more steps to curb unreasonable price increases for bulk commodities to prevent those costs from being passed onto consumers and ensure supply.

Two Chinese mills cut offers sharply yesterday by \$50/t to \$980/t and \$1,010/t fob, respectively for SS400 HRC after witnessing fast falling Chinese domestic prices. Some traders offered at only \$975/t cfr Vietnam.

A deal for a small quantity of positional Chinese SS400 HR strip was concluded at \$920/t cfr Vietnam yesterday, turning market sentiment more bearish. The Vietnamese market was muted after traders cut offers to \$1,000/t cfr Vietnam for positional Chinese SAE1006 grade coils. (Argus)

Turkish Scrap

Fresh deals heard ex-Baltic, UK, and Venezuela

Concern over falling Chinese market, but US scrap market remains firm

Turkish Deepsea import ferrous scrap prices inched up May 19, as Turkish mills were heard to book four cargoes for both June and July shipment, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) May 19 at \$506/mt CFR, up \$1/mt on the day.

"I expect a stable market in the short-term - I don't expect a sharp increase or decrease, so it should be in the \$500-\$510/mt CFR range," a Turkish trader said. The Turkish import scrap market was quiet May 19, due to a national holiday in Turkey, with market sources waiting to see domestic and export finished steel demand following the holiday on May 20. A Baltic-origin cargo was booked May 18 by an Iskenderun mill, with HMS 1/2 (80:20) at \$506.50/mt CFR, and bonus scrap at \$516.50/mt CFR. The deal was confirmed by the buyer for first half July shipment. Another Baltic-origin cargo was booked May 18 by a Marmara mill, with HMS 1/2 (80:20) at \$507/mt CFR, and bonus scrap at \$517/mt CFR. The deal was confirmed by the sellside for first half July shipment. A UK-origin cargo totalling 20,000 mt was booked May 18 by an Izmir mill, with 15,000 mt HMS 1/2 (80:20) at \$500/mt CFR, and 5,000 mt shredded scrap at \$520/mt CFR. The deal was confirmed by the sellside for June shipment. (Platts)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,571/st EXW Indiana May 19, up \$20.25 from May 18.

A Midwest service centre source indicated an offer at \$1,600/st from a Midwest converter with a July lead time for a 1,000-st inquiry. He also cited an offer from an integrated mill at \$1,630/st. A Midwest buyer, meanwhile, placed an order from a Midwest mill at \$1,610/st for 280 st and at \$1,650/st for 200 st. The indication and the transaction above the \$1,610/st level were not factored into the volume-weighted average calculation based on Platts methodology but moved the single standard deviation spread above and below the mean higher. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	506.00	1.00	493.60
Steel Rebar FOB Turkey (\$/mt)	770.00	5.00	733.13
Argus HRC NW Europe (€/mt)	1092.00	7.25	1058.69
Argus FOB China HRC (\$/mt)	997.00	-11.00	981.58

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
May-21	990	1000	995
Jun-21	935	945	940
Jul-21	920	930	925
Aug-21	905	915	910
Q3-21	907	917	912
Q4-21	887	897	892

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
May-21	505	515	510
Jun-21	510	520	515
Jul-21	510	520	515
Aug-21	510	520	515
Q3-21	510	520	505
Q4-21	500	510	505

LME REBAR FOB TK			
	Bid	Ask	Value
May-21	765	775	770
Jun-21	775	785	780
Jul-21	770	780	775
Aug-21	760	770	765
Q3-21	762	772	767
Q4-21	733	743	738

BUSHELING			
	Bid	Ask	Value
Jun-21	610	620	615
Jul-21	638	648	643
Aug-21	650	660	655
Sep-21	650	660	655
Q3-21	650	660	655
Q4-21	653	663	658

US HRC USD/short ton			
	Bid	Ask	Value
May-21	1505	1515	1510
Jun-21	1555	1565	1560
Jul-21	1515	1525	1520
Aug-21	1410	1420	1415
Q3-21	1415	1425	1420
Q4-21	1213	1223	1218

NWE HRC EUR/metric ton			
	Bid	Ask	Value
May-21	1063	1073	1068
Jun-21	1038	1048	1043
Jul-21	982	992	987
Aug-21	948	958	953
Q3-21	958	968	963
Q4-21	877	887	882