

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index fell by \$9/t yesterday (20.5.21) to US\$988/t, MTD US\$982.08/t.

Chinese domestic and export prices fell after Beijing again warned against “unreasonable” price increases in bulk commodity markets. The state council issued its second warning in a week on prices and said one measure could be to increase taxes on steel exports to shore up domestic supply. Traders with positional cargoes on hand rushed to sell at a loss in seaborne markets.

One more Chinese mill cut its offer by \$50/t to \$1,010/t fob for SS400 HRC. But offers at \$980/t fob from another north China mill could hardly induce bids amid the falling trend. Traders with positional hot-rolled strip on hand cut offers to \$910/t cfr Vietnam after they sold cargoes at \$920/t cfr Vietnam the day before. Certain traders invited bids as low as \$950/t cfr Vietnam for positional Chinese SAE1006 grade coils. (Argus)

Turkish Scrap

Fresh deals heard from Baltic suppliers

Comfortable mill margin likely to support scrap

Turkish Deepsea import ferrous scrap prices continued to rise May 20, as Turkish mills were heard to book two further cargoes from Baltic suppliers, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) May 20 at \$508.75/mt CFR, up \$2.75. The index reached its highest level since it hit a record high \$510/mt CFR in January 2011. An Iskenderun mill booked a Baltic-origin cargo May 19 with HMS 1/2 (80:20) at \$507.50/mt CFR. The sell-side confirmed the deal for shipment in the first half of July. An Iskenderun mill also was heard to book a second Baltic-origin deal May 19, with HMS 1/2 (80:20) around \$510/mt CFR.

Elsewhere, a UK-origin cargo was reportedly sold to an Egyptian mill around \$502-\$505/mt, but could not be confirmed by the time of publication. "I feel like the market is getting prepared for some increase of around \$40-\$50/mt -- everybody is aware of the nice margin and the nice export lines from Turkey to Asia and also South America," a Turkish mill source said, citing an indicative tradable value for premium HMS 1/2 (80:20) at \$507.50-\$510/mt CFR. (Platts)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,586.25/st EXW Indiana May 20, up \$15.25 from May 19.

A Midwest service centre source was able to place an order at \$1,600/st for 1,000 st from a Midwest converter with a July lead time. Another service centre source also reported a transaction at \$1,600/st with an order size of 400 st from the Midwest converter. An end-user put the market at a minimum of that level. A third service centre source, meanwhile, said that he booked 200 st at \$1,560/st from a mini-mill in the South and he was only given a fraction of the tonnage that he inquired. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	508.75	2.75	494.77
Steel Rebar FOB Turkey (\$/mt)	767.50	-2.50	735.77
Argus HRC NW Europe (€/mt)	1092.00	0.00	1061.25
Argus FOB China HRC (\$/mt)	988.00	-9.00	982.08

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
May-21	990	1000	995
Jun-21	930	940	935
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	780	790	785
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	645	655	650
Jul-21	665	675	670
Aug-21	660	670	665
Sep-21	657	667	662
Q3-21	657	667	662
Q4-21	653	663	658

US HRC USD/short ton			
	Bid	Ask	Value
May-21	1507	1517	1512
Jun-21	1595	1605	1600
Jul-21	1567	1577	1572
Aug-21	1453	1463	1458
Q3-21	1464	1474	1469
Q4-21	1241	1251	1246

NWE HRC EUR/metric ton			
	Bid	Ask	Value
May-21	1064	1074	1069
Jun-21	1070	1080	1075
Jul-21	980	990	985
Aug-21	957	967	962
Q3-21	952	962	957
Q4-21	884	894	889