

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index kept flat last Friday (21.5.21) at US\$988/t, MTD US\$982.50/t.

China's steel markets remain under pressure from Beijing aiming to curb rapid price increases. Market participants are waiting for any further policy changes such as higher taxes on exports to discourage steel supply going offshore.

Turkish buyers expressed buying interest on Chinese CRC instead of HRC as the former one was at lower prices than the latter. Chinese CRC still enjoys the export tax rebate, yet there are market talks that the rebate would be cancelled. Plus, HRC might be a risk of any export tax levy, participants said.

Offers remained much higher at \$1,000/t cfr Vietnam for positional Chinese SAE1006 grade coils and \$1,070-1,100/t cfr Vietnam for coils from India and Japan. But no one would like to place orders before the market stabilizes. (Argus)

Turkish Scrap

Deepsea suppliers hold offers at elevated levels

Index breaches previous record high of \$510/mt CFR in January 2011

Turkish Deepsea import ferrous scrap prices inched up to a record index high May 21, as Deepsea suppliers held firm with elevated offers, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) May 21 at \$510.50/mt CFR, up \$1.75/mt on the day. The index reached its highest level since it began in April 2010, surpassing a record high of \$510/mt CFR in January 2011.

Turkish buyers were aiming to resist sharp increases in ferrous scrap prices, with one Turkish mill source citing an indicative tradable value for premium HMS 1/2 (80:20) at \$510/mt CFR maximum, while a second mill source said around \$500/mt CFR maximum was workable. "Scrap sellers don't really want more increases, in my opinion -- today, they are loading cargoes based on \$400-\$430/mt CFR, but today they are selling \$500-\$510/mt CFR for July shipment," a third Turkish mill source said, adding that market remains positive but sharp increases were unlikely. (Platts)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,594.75/st EXW Indiana May 21, up \$8.50 from May 20.

A Midwest buyer put the market at \$1,580-\$1,600/st, noting limited availability. A Midwest service centre reported transactions from a mini-mill at \$1,540/st and \$1,560/st for undisclosed tons while he also placed an order at \$1,600/st from an integrated mill. A third buy-side source, meanwhile, indicated an offer at \$1,630/st for a 200-st inquiry from a Midwest converter with a July lead time. That indication, however, was not factored into the volume-weighted average calculation based on Platts methodology but rising indications led to the exclusion of some lower data points. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	510.50	1.75	495.89
Steel Rebar FOB Turkey (\$/mt)	775.00	7.50	738.57
Argus HRC NW Europe (€/mt)	1131.50	39.50	1066.27
Argus FOB China HRC (\$/mt)	988.00	-9.00	0.00

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
May-21	990	1000	995
Jun-21	925	935	930
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	517	527	522
Jul-21	517	527	522
Aug-21	515	525	520
Q3-21	514	524	505
Q4-21	500	510	505

LME REBAR FOB TK			
	Bid	Ask	Value
May-21	765	775	770
Jun-21	770	780	775
Jul-21	760	770	765
Aug-21	755	765	760
Q3-21	757	767	762
Q4-21	733	743	738

BUSHELING			
	Bid	Ask	Value
Jun-21	610	620	615
Jul-21	652	662	657
Aug-21	663	673	668
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	1605	1615	1610
Jul-21	1581	1591	1586
Aug-21	1486	1496	1491
Q3-21	1491	1501	1496
Q4-21	1280	1290	1285

NWE HRC EUR/metric ton			
	Bid	Ask	Value
May-21	1061	1071	1066
Jun-21	1070	1080	1075
Jul-21	1020	1030	1025
Aug-21	990	1000	995
Q3-21	988	998	993
Q4-21	903	913	908