



Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index fell by \$57/t yesterday (27.5.21) to US\$871/t, MTD US\$970.82/t.

The China Iron & Steel Association released a proposal that calls for self-discipline by the steel sector and appealed to major mills to calibrate production to make demand and maintain the supply-demand balance. Meanwhile, Beijing is studying ways to contain steel output based on carbon emissions, pollution emission and energy consumption, said an official from the MIIT at steel industry conference in Shanghai yesterday.

An east China mill cut is offer by \$50/t to \$910/t fob for SS400 HRC, which remained much higher than seaborne buyers' acceptable levels. Traders offered much lower at \$880/t fob. A deal for a small quantity of SS400 HRC was concluded at \$878/t cfr Vietnam, which was far below the mainstream market level. Offers decreased to \$930-935/t cfr Vietnam for SAE1006 grade coils produced by certain Chinese mills. Yet no bids were induced as the seller required Vietnamese buyers to take full responsibility for any tax changes. (Argus)

Turkish Scrap

Firm US, EU June domestic settlements may limit CFR Turkey downside

Turkish mills pull back, target \$505/mt CFR and below

Turkish Deepsea import ferrous scrap prices continued to inch downward May 27, as Turkish mills continued to hold back from buying, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) May 27 at \$507.50/mt CFR, down \$4.50/mt on day. Sell-side sources expected a limited downside to the CFR Turkey market, amid expectations of strong domestic US and EU markets for June contracts.

Market sources are expecting US June domestic prices to rise at least \$40-\$50/lt on month. "Europe has strong domestic demand, with a few mills starting to buy typical HMS qualities that would normally go into the export market," an EU recycler said. "For the moment, [HMS collection] prices are being maintained at around Eur360/mt levels, hence Europeans, today, won't consider sales prices below \$505/mt CFR Turkey." (Platts)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,616/st EXW Indiana May 27, up \$6.50 from May 26.

A Midwest buyer indicated an offer at \$1,640/st from a Midwest converter. A trader, meanwhile, put the market at 1,600-\$1,680/st. Upper-end of that indication, 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)	507.50	-4.50	499.64
Steel Rebar FOB Turkey (\$/mt)	750.00	-15.00	744.17
Argus HRC NW Europe (€/mt)	1140.25	11.00	1081.13
Argus FOB China HRC (\$/mt)	871.00	-57.00	970.82

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
May-21	990	1000	995
Jun-21	920	930	925
Jul-21	910	920	915
Aug-21	905	915	910
Q3-21	903	913	908
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	615	625	620
Jul-21	655	665	660
Aug-21	675	685	680
Sep-21	670	680	675
Q3-21	670	680	675
Q4-21	668	678	673

US HRC USD/short ton			
	Bid	Ask	Value
May-21	1507	1517	1512
Jun-21	1660	1670	1665
Jul-21	1660	1670	1665
Aug-21	1605	1615	1610
Q3-21	1593	1603	1598
Q4-21	1345	1355	1350

NWE HRC EUR/metric ton			
	Bid	Ask	Value
May-21	1072	1082	1077
Jun-21	1135	1145	1140
Jul-21	1045	1055	1050
Aug-21	995	1005	1000
Q3-21	988	998	993
Q4-21	887	897	892