

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index rose by \$19/t yesterday (1.6.21) to US\$910/t, MTD US\$910/t.

Market chatter at midday yesterday was that the Tangshan city government had not approved a loosening of restrictions on mills that had upgraded emissions controls, contrary to what was reported the day before. The news boosted outlooks, as the curbs will keep supply tighter, and futures immediately moved higher.

Major Chinese mills offered at \$930-1,050/t fob for SS400 HRC, receiving nearly no bids as seaborne buyers prefer to wait more days to see if the market direction holds after recent volatility. Traders with positional coils on hand pushed up offers to \$940-983/t cfr Vietnam for SS400 HRC. Yet seaborne demand has slowed this week especially into Vietnam after rising confirmed Covid-19 cases in the country. Many companies started to work from home there. (Argus)

Turkish Scrap

US, EU domestic settlements for June expected to increase on month

Shortsea sellers raise offers

Turkish Deepsea import ferrous scrap prices rebounded June 1, as a fresh UK-origin deal was heard, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) June 1 at \$508/mt CFR, up \$5/mt on day.

A reported UK-origin cargo was heard by multiple sources to be booked May 31 by an Izmir mill, with HMS 1/2 (80:20) at \$505/mt CFR, and shredded scrap at \$520/mt CFR. The cargo was likely for July shipment. "The market sentiment has changed - we heard one Scandinavian supplier sold shred in Europe at the equivalent of \$530/mt CFR Turkey, and the from US, it seems like shred prices should be as high as \$540/mt CFR," a Turkish agent said, citing an indicative offer level for US-origin HMS 1/2 (80:20) at \$520/mt CFR minimum.

US domestic settlements for June are expected to rise by \$30-\$50/lt on month, sources said, who also pointed to positivity in the Chinese market, where futures contracts rose for the fourth consecutive day. A second Turkish agent source cited an indicative tradable value for premium HMS 1/2 (80:20) at \$510/mt CFR and above, while a third agent source said below \$500/mt CFR was not workable for Baltic-origin HMS 1/2 (80:20), adding that there were no aggressive sellers in the market. (Platts)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,620.75/st EXW Indiana June 1, up \$4.75 from May 28.

A Midwest buyer indicated an offer at \$1,650/st. A trader, meanwhile, put the market at a minimum of \$1,640/st. No other bids, offers or transactions were reported. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	508.00	5.00	508.00
Steel Rebar FOB Turkey (\$/mt)	735.00	-10.00	735.00
Argus HRC NW Europe (€/mt)	1140.25	0.00	1140.25
Argus FOB China HRC (\$/mt)	910.00	19.00	910.00

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jun-21	905	915	910
Jul-21	895	905	900
Aug-21	885	895	890
Sep-21	875	885	880
Q3-21	885	895	890
Q4-21	855	865	860

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jun-21	507	517	512
Jul-21	507	517	512
Aug-21	507	517	512
Sep-21	507	517	512
Q3-21	507	517	505
Q4-21	500	510	505

LME REBAR FOB TK			
	Bid	Ask	Value
Jun-21	740	750	745
Jul-21	740	750	745
Aug-21	735	745	740
Sep-21	730	740	735
Q3-21	735	745	740
Q4-21	715	725	720

BUSHELING			
	Bid	Ask	Value
Jun-21	616	626	621
Jul-21	660	670	665
Aug-21	665	675	670
Sep-21	665	675	670
Q3-21	670	680	675
Q4-21	670	680	675

US HRC USD/short ton			
	Bid	Ask	Value
Jun-21	1649	1659	1654
Jul-21	1646	1656	1651
Aug-21	1615	1625	1620
Sep-21	1540	1550	1545
Q3-21	1600	1610	1605
Q4-21	1365	1375	1370

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jun-21	1136	1146	1141
Jul-21	1055	1065	1060
Aug-21	999	1009	1004
Sep-21	940	950	945
Q3-21	998	1008	1003
Q4-21	891	901	896