



Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index rose by \$5/t last Friday (4.6.21) to US\$923/t, MTD US\$917/t.

Mills in Xuzhou city in Jiangsu province have been asked to ensure their whole-year outputs are not higher than last year, market participants said last Friday. The province's January-April output increased by over 7mn t on year, so that means the province will have to slow its production for the remainder of the year to achieve the zero-growth target.

A deal for around 3,000t SS400 HRC produced by a north China mill sold at \$920/t fob to South America last week. A second deal for around 10,000t SAE1006 grade coils produced by an Indian mill was concluded at \$975/t cfr Vietnam last week. The buyer was a Vietnam-based re-roller who can export downstream steel products at much higher levels, so it could accept such a high level for HRC. Most other Vietnamese buyers could not follow that level. (Argus)

Turkish Scrap

Market silence continues amid lira volatility

Some suppliers ready to accept below \$500/mt CFR for HMS 1/2 (80:20)

Turkish Deepsea import ferrous scrap prices inched down June 4, as buyers continued to hold back from the market, sources said.

S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) June 4 at \$500/mt CFR, down \$1/mt on day. Buyers continued to hold back or indicate low bid levels, sources said.

Turkish President Recep Tayyip Erdogan's call on June 1 for the Turkish Central Bank to lower interest rates in order to reduce inflationary pressure on the economy, an unorthodox economic viewpoint, has seen the Turkish lira weaken to new record lows. Platts assessed the Turkish lira against the US dollar at Lira 8.6680 at 4.30 pm London time on June 4, recovering slightly from Lira 8.6967 on June 3. The currency had hit a record low of Lira 8.7508 on June 1, before trading at a slightly firmer range.

One Turkish mill source cited an indicative tradable value for premium HMS 1/2 (80:20) at \$500/mt CFR minimum, adding that it "looks like the bottom." However, some suppliers indicated workable levels for HMS material were possible below \$500/mt CFR, although mill interest in De cargoes without a shredded component was heard to be limited. (Platts)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,636.25/st EXW Indiana June 4, up \$2.25 from June 3.

A Midwest mill source reported recent transactions at \$1,620-\$1,650/st for their July production. Two separate buy-side sources also put the market at a minimum of \$1,620/st. A Midwest buyer indicated an offer at \$1,660/st from a Midwest converter with a mid-August lead time. A Midwest service canter source, meanwhile, cited an offer at that level from an integrated mill for a 500-st inquiry for its July production. He was able to book late July production from two separate mini-mills at base prices of \$1,620/st and \$1,680/st after normalizing grade and extras. Both orders were at a size of less than 500 st but the transaction at the upper-end 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)	500.00	-1.00	502.75
Steel Rebar FOB Turkey (\$/mt)	725.00	-5.00	730.00
Argus HRC NW Europe (€/mt)	1141.75	1.25	1141.13
Argus FOB China HRC (\$/mt)	923.00	5.00	917.00

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jun-21	915	925	920
Jul-21	910	920	915
Aug-21	907	917	912
Sep-21	900	910	905
Q3-21	906	916	911
Q4-21	862	872	867

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jun-21	505	515	510
Jul-21	505	515	510
Aug-21	503	513	508
Sep-21	502	512	507
Q3-21	503	513	503
Q4-21	498	508	503

LME REBAR FOB TK			
	Bid	Ask	Value
Jun-21	725	735	730
Jul-21	740	750	745
Aug-21	730	740	735
Sep-21	725	735	730
Q3-21	732	742	737
Q4-21	710	720	715

BUSHELING			
	Bid	Ask	Value
Jun-21	625	635	630
Jul-21	660	670	665
Aug-21	670	680	675
Sep-21	670	680	675
Q3-21	670	680	675
Q4-21	670	680	675

US HRC USD/short ton			
	Bid	Ask	Value
Jun-21	1648	1658	1653
Jul-21	1657	1667	1662
Aug-21	1640	1650	1645
Sep-21	1585	1595	1590
Q3-21	1627	1637	1632
Q4-21	1423	1433	1428

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jun-21	1151	1161	1156
Jul-21	1095	1105	1100
Aug-21	1020	1030	1025
Sep-21	995	1005	1000
Q3-21	1037	1047	1042
Q4-21	905	915	910