

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index fell by \$6/t yesterday (7.6.21) to US\$917/t, MTD US\$917/t.

China's construction activity slows down in summer, and this week some construction sites in Shanghai have suspended operations during the 7-9 June national college entrance examinations. Tangshan mills were heard resuming production slightly from previous restriction ratio. The risk that China may slap taxes on steel exports lead to 34pc slowdown in China's steel exports in May from April to 5.27mn t, according to Chinese customs data.

Several Chinese mills and traders cut offers to \$920-935/t fob China for SS400 HRC. Some expressed a willingness to receive orders at an equivalent of around \$905-915/t fob China.

Vietnamese buyers expect prices to fall after Vietnam-based Hoa Phat cut its selling prices by around \$35/t at most for longs. Vietnamese HRC selling prices may follow the downtrend trend with Vietnamese steel demand hindered by the rising confirmed Covid-19 cases. (Argus)

Turkish Scrap

Turkish mills continue to hold back and target sub-\$500/mt CFR

Most suppliers hold offers firm, amid strong US, EU domestic June markets

Turkish Deepsea import ferrous scrap prices were unchanged June 7, as buyers continued to hold back, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) June 7 at \$500/mt CFR, unchanged on the day. "Prices in the EU are increasing," a Turkish agent said, citing HMS dock prices at Eur360/mt delivered, up from Eur350-355/mt delivered last week - a level at which exporters struggled to secure much inflow. "Nobody wants to sell cheaper, so it's difficult for Turkey to find cheap scrap," the agent said, citing indicative bids for premium HMS 1/2 (80:20) at \$490-\$495/mt CFR, with \$500-\$505/mt CFR as workable for Baltic-origin HMS 1/2 (80:20).

A second Turkish agent said around \$500/mt CFR was workable for Baltic-origin HMS 1/2 (80:20), adding that "we don't think mills will pay \$20/mt more [over HMS 1/2 (80:20)] for shred." A Turkish mill said \$500/mt CFR maximum was workable for premium material, with mills targeting \$490-\$495/mt CFR. "I think scrap will go sideways for this week as the market is still silent and waiting. The sentiment is still not clear in Turkey but not negative in my opinion," a second Turkish mill source said, citing an indicative tradable value for premium HMS 1/2 (80:20) at \$500-\$505/mt CFR. (Platts)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,638.25/st on June 7, up \$2 from June 4.

A Midwest service centre source placed an order at \$1,650 for 500 st for August production from an undisclosed mill. The deal fell between most indications and transactions at the end of last week ranging from \$1,620-\$1,670. (Platts)

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| Indices | Price | Change | MTD |
|---|---------|--------|---------|
| Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt) | 500.00 | 0.00 | 502.20 |
| Steel Rebar FOB Turkey (\$/mt) | 720.00 | -5.00 | 728.00 |
| Argus HRC NW Europe (€/mt) | 1141.75 | 0.00 | 1141.25 |
| Argus FOB China HRC (\$/mt) | 917.00 | -6.00 | 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 | 507 | 517 | 512 |
| Aug-21 | 503 | 513 | 508 |
| Sep-21 | 502 | 512 | 507 |
| Q3-21 | 504 | 514 | 503 |
| Q4-21 | 498 | 508 | 503 |

| LME REBAR FOB TK | | | |
|------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Jun-21 | 725 | 735 | 730 |
| Jul-21 | 725 | 735 | 730 |
| Aug-21 | 725 | 735 | 730 |
| Sep-21 | 725 | 735 | 730 |
| Q3-21 | 725 | 735 | 730 |
| Q4-21 | 710 | 720 | 715 |

| BUSHELING | | | |
|-----------|-----|-----|-------|
| | Bid | Ask | Value |
| Jun-21 | 630 | 640 | 635 |
| Jul-21 | 655 | 665 | 660 |
| Aug-21 | 675 | 685 | 680 |
| Sep-21 | 675 | 685 | 680 |
| Q3-21 | 670 | 680 | 675 |
| Q4-21 | 670 | 680 | 675 |

| US HRC USD/short ton | | | |
|----------------------|------|------|-------|
| | Bid | Ask | Value |
| Jun-21 | 1643 | 1653 | 1648 |
| Jul-21 | 1647 | 1657 | 1652 |
| Aug-21 | 1625 | 1635 | 1630 |
| Sep-21 | 1569 | 1579 | 1574 |
| Q3-21 | 1614 | 1624 | 1619 |
| Q4-21 | 1411 | 1421 | 1416 |

| NWE HRC EUR/metric ton | | | |
|------------------------|------|------|-------|
| | Bid | Ask | Value |
| Jun-21 | 1145 | 1155 | 1150 |
| Jul-21 | 1106 | 1116 | 1111 |
| Aug-21 | 1023 | 1033 | 1028 |
| Sep-21 | 960 | 970 | 965 |
| Q3-21 | 1030 | 1040 | 1035 |
| Q4-21 | 898 | 908 | 903 |