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# 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