## Steel & Scrap Morning Report

London +44 20 7090 1120 | info@freightinvestor.com | www.freightinvestorservices.com

Good Morning,

## **FOB China HRC**

The index fell by \$2/t yesterday (8.6.21) to US\$915/t, MTD US\$916.67/t.

North China's Tangshan government required local steel mills to suspend sintering output during 10pm-9am over 7-10 June, while casting mills and independent rolling mills were also required to suspend production during 7-10 June because of poor air quality.

Two major Chinese mills cut offers by \$60/t and \$20/t, respectively to \$940/t and \$970/t fob China for SS400 HRC, which is still higher than offers at \$920-935/t fob China from other sellers. Some sellers expressed willingness to receive orders at \$900/t fob China. Demand in Vietnam has been heavily reduced by rising confirmed cases in Vietnam with sales running at half the normal pace.

There is another round of market chatter that China would levy export tariff on coils from mid-June or July, which has made seaborne buyers more cautious before making spot purchases. (Argus)

## **Turkish Scrap**

Lower domestic rebar sales soften sentiment

Most suppliers hold offers firm

Turkish Deepsea import ferrous scrap prices remained relatively stable June 8, as a fresh Baltic-origin deal was heard, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) June 8 at \$501/mt CFR, up \$1/mt on day.

A reported Baltic-origin cargo was heard by multiple sources to be booked June 8 by a Marmara mill, with HMS 1/2 (80:20) at \$501/ mt CFR, and bonus scrap at \$511/mt CFR, for end-July shipment. Prior to news of the deal, scrap market sentiment had softened as Turkish integrated long steel producer Kardemir had opened its lira-denominated rebar and wire rod order books on June 8 morning at sharply lower prices.

The company set its domestic 12-32 mm rebar list price at Lira 5,915/mt (\$686/mt) ex-works, and received orders totalling around 40,000-50,000 mt before closing its order books at noon Turkish time, sources said.

"The situation is complicated - on the scrap supplier side, they're taking support from domestic scrap demand [in the EU and US] and alternative markets [to Turkey]," a Turkish mill source said, citing an indicative tradable value for premium HMS 1/2 (80:20) at \$495-\$500/mt CFR but said recent domestic rebar sales at \$685/mt EXW could make scrap workable at \$500-\$505/mt CFR. (Platts)

## US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,644/st EXW Indiana June 8, up \$5.75 from June 7.

A service centre source indicated an offer at \$1,620/st. Another service centre source cited an offer at \$1,640/st from a converter with a late July lead time but he placed an order at \$1,645/st for more than 1,000 st from an integrated mill for its late July production. Still, bulk of recent transactions and indications fell within the \$1,620-\$1,660/st range. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	501.00	1.00	502.00
Steel Rebar FOB Turkey (\$/mt)	720.00	0.00	726.67
Argus HRC NW Europe (€/mt)	1121.25	-20.50	1137.92
Argus FOB China HRC (\$/mt)	915.00	-2.00	916.67

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 REBAR FOB TK			
	Bid	Ask	Value
Jun-21	725	735	730
Jul-21	740	750	745
Aug-21	725	735	730
Sep-21	715	725	720
Q3-21	727	737	732
Q4-21	710	720	715

US HRC USD/short ton			
	Bid	Ask	Value
Jun-21	1645	1655	1650
Jul-21	1666	1676	1671
Aug-21	1663	1673	1668
Sep-21	1603	1613	1608
Q3-21	1644	1654	1649
Q4-21	1428	1438	1433

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jun-21	505	515	510
Jul-21	507	517	512
Aug-21	505	515	510
Sep-21	503	513	508
Q3-21	505	515	503
Q4-21	498	508	503

BUSHELING			
	Bid	Ask	Value
Jun-21	625	635	630
Jul-21	655	665	660
Aug-21	675	685	680
Sep-21	685	695	690
Q3-21	685	695	690
Q4-21	672	682	677

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jun-21	1155	1165	1160
Jul-21	1106	1116	1111
Aug-21	1023	1033	1028
Sep-21	960	970	965
Q3-21	1030	1040	1035
Q4-21	905	915	910

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