

FIS Steel & Scrap Morning Report

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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 sea-borne 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 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 |

| 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 |

| 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 |

| 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 |

| 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 |