

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index kept flat yesterday (10.6.21) at US\$913/t, MTD US\$915.75/t.

Chinese domestic steel prices rose on expectations that Beijing will require crude steel output cuts in the second half of the year. The latest market chatter is that steelmakers will be required to reduce output by 20mn t in the second half of the year compared with the same period in 2020. This has left participants more positive about steel prices.

Most seaborne buyers are reluctant to give any bids considering potential Chinese steel export tariffs. Deals for positional hot-rolled strips were heard sold at \$885-895/t cfr Vietnam this week, which are more competitive than offers for HRC. Vietnamese buyers expressed little buying interest for imported SAE1006 grade coils as they can purchase at an equivalent level of around \$935-940/t cfr Vietnam for domestic sellers. (Argus)

Turkish Scrap

Cargoes with shred, bonus grades continue to enjoy higher premiums over HMS

Mills estimated to require around 10 further July shipment cargoes

Turkish Deepsea import ferrous scrap prices rose June 10, as a fresh North American cargo was booked, sources said.

S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) June 10 at \$509/mt CFR, up \$4.25/mt on day.

A North American cargo totalling 29,000 mt was booked June 9 by an Iskenderun mill, with 9,500 mt HMS 1/2 (95:5), 7,500 mt rail scrap, and 12,000 mt P&S, at a \$525/mt CFR cargo average. The cargo was for July shipment.

Multiple market sources put premium HMS 1/2 (80:20) around \$509-\$510/mt CFR relative to the cargo. The deal also highlighted the higher prices attainable by Deepsea suppliers for cargoes not including shredded scrap, but with large proportions of other high-yield grades instead.

The last two Deepsea cargoes heard to contain significant volumes of shredded scrap were booked June 8 from the UK and saw shredded scrap command a \$20/mt premium over HMS 1/2 (80:20). (Platts)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,648.75/st EXW Indiana June 10, down 25 cents from June 9.

A service centre source indicated an offer at \$1,650/st from a converter with a late July lead time but the size and specification availability from the mill was limited. A Midwest buyer said that a Midwest mini-mill was quoting its July production at \$1,700/st. That indication, however, 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)	509.00	4.25	503.22
Steel Rebar FOB Turkey (\$/mt)	725.00	5.00	725.63
Argus HRC NW Europe (€/mt)	1126.50	3.75	1134.59
Argus FOB China HRC (\$/mt)	913.00	0.00	915.75

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jun-21	915	925	920
Jul-21	903	913	908
Aug-21	898	908	903
Sep-21	885	895	890
Q3-21	895	905	900
Q4-21	858	868	863

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jun-21	505	515	510
Jul-21	525	535	530
Aug-21	515	525	520
Sep-21	505	515	510
Q3-21	515	525	503
Q4-21	498	508	503

LME REBAR FOB TK			
	Bid	Ask	Value
Jun-21	725	735	730
Jul-21	755	765	760
Aug-21	745	755	750
Sep-21	735	745	740
Q3-21	745	755	750
Q4-21	710	720	715

BUSHELING			
	Bid	Ask	Value
Jul-21	670	680	675
Aug-21	680	690	685
Sep-21	685	695	690
Oct-21	685	695	690
Q3-21	685	695	690
Q4-21	671	681	676

US HRC USD/short ton			
	Bid	Ask	Value
Jun-21	1642	1652	1647
Jul-21	1660	1670	1665
Aug-21	1640	1650	1645
Sep-21	1595	1605	1600
Q3-21	1632	1642	1637
Q4-21	1420	1430	1425

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jun-21	1132	1142	1137
Jul-21	1065	1075	1070
Aug-21	995	1005	1000
Sep-21	985	995	990
Q3-21	1015	1025	1020
Q4-21	907	917	912