



# Steel & Scrap Morning Report

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Good Morning,

## FOB China HRC

The Argus index ended the week unchanged on Friday (11.6.21) at US\$913/t, MTD 915.44.

With today's Chinese holiday pending, activity in the spot market was light. Nevertheless, both domestic Chinese and regional HRC prices (i.e. Vietnam) were rising, improving the relative value of Chinese-origin material.

In Vietnam, Formosa is heard to have exported around 110,000 tons of coil to Europe, easing local market supply and emboldening their salespeople. Volumes-wise a little over 2,500 lots has traded at LME, month-to-date. (Platts)

## Turkish Scrap

Mills bring down workable levels amid ample Deepsea cargo availability

Shredded premium remains at around \$20/mt over HMS 1/2 (80:20)

Two fresh UK-origin sales heard into Egypt

Turkish Deepsea import ferrous scrap prices fell June 11, as Turkish mills were heard to procure a number of Northern American cargoes at lower levels amid an increased number of offers, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) June 11 at \$502.50/mt CFR, down \$6.50/mt on day.

A North American cargo totaling 35,000 mt was booked by an Iskenderun mill, with 17,500 mt HMS 1/2 (95:5) at \$507/mt CFR, and 17,500 mt shredded scrap at \$522/mt CFR. The deal was confirmed for July shipment. The same supplier was heard to sell two further cargoes, including one to an Izmir mill, at similar prices, but details of the trades could not be obtained by the time of publication. This flurry of deals followed another sale from the same seller on June 9 - a 29,000 mt July shipment cargo to an Iskenderun mill, with 9,500 mt HMS 1/2 (95:5), 7,500 mt rail scrap, and 12,000 mt PNS, at \$525/mt CFR cargo average.

"The mills are trying to keep the prices under control and since there is availability, they are not keen to pay something higher," a Turkish trading source said. "But every day that passes with firming steel prices worldwide will create pressure on them -- if they can keep on selling at better prices with better quantities for the domestic and export markets, they will be under more pressure to buy."

A Turkish mill source cited workable levels at \$500-\$505/mt CFR for premium HMS 1/2 (80:20), with shredded scrap at a \$20/mt premium. (Platts)

## US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,652/st EXW Indiana June 11, up \$3.25 from June 10.

Recent transactions fell within the \$1,660-\$1,670/st range and limited availability was left for July, according to a source from a Southern converter. Multiple buy-side sources cited mini-mill offers at \$1,680-\$1,700/st. One Midwest service center source placed a small-sized order at \$1,700/st from a Midwest mini-mill for its July production. Another Midwest service center source cited an offer at \$1,720/st from an integrated mill. Indications and transactions at \$1,700/st and above were 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)	502.50	-6.50	503.14
Steel Rebar FOB Turkey (\$/mt)	730.00	5.00	726.11
Argus HRC NW Europe (€/mt)	1125.75	-0.75	1133.61
Argus FOB China HRC (\$/mt)	913.00	0.00	915.44

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jun-21	915	925	920
Jul-21	905	915	910
Aug-21	898	908	903
Sep-21	885	895	890
Q3-21	896	906	901
Q4-21	858	868	863

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jun-21	505	515	510
Jul-21	520	530	525
Aug-21	515	525	520
Sep-21	505	515	510
Q3-21	513	523	503
Q4-21	498	508	503

LME REBAR FOB TK			
	Bid	Ask	Value
Jun-21	725	735	730
Jul-21	760	770	765
Aug-21	745	755	750
Sep-21	735	745	740
Q3-21	747	757	752
Q4-21	710	720	715

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

US HRC USD/short ton			
	Bid	Ask	Value
Jun-21	1642	1652	1647
Jul-21	1655	1665	1660
Aug-21	1640	1650	1645
Sep-21	1605	1615	1610
Q3-21	1633	1643	1638
Q4-21	1436	1446	1441

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jun-21	1145	1155	1150
Jul-21	1075	1085	1080
Aug-21	1005	1015	1010
Sep-21	995	1005	1000
Q3-21	1025	1035	1030
Q4-21	911	921	916