

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index fell by \$3/t yesterday (15.6.21) to US\$910/t, MTD US\$914.73/t.

Three electric arc furnace mills in Zhejiang province were asked to cut output by 30-50pc for the rest of June starting yesterday. The effect of the cuts will be limited as the mills were already not operating at full capacity and the cut would only shed 60,000t of output.

A large Chinese mill cut its offer by \$50/t to \$1,000/t fob for SS400 HRC after one week's absence from the market. That remained much higher than offers at \$900-970/t fob from other major Chinese mills. A north China mill offered only \$900/t fob but it requires buyers to assume full responsibility of any potential Chinese steel export tariff increases. It offered at \$950/t fob with the seller bearing the risk.

Vietnamese buyers were reluctant to place orders amid the falling trend even as traders cut offers to \$945-970/t cfr Vietnam for positional Chinese SAE1006 grade coils. (Argus)

Turkish Scrap

US recyclers book July shipment cargoes

Some sell-side sources expect near-term softening

Turkish Deepsea import ferrous scrap prices inched down June 15, as two fresh US-origin bookings were heard by sources. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) June 15 at \$500.50/mt CFR, down \$2/mt on day.

A US-origin cargo was booked June 14 by a Marmara mill, with HMS 1/2 (80:20) at around \$500/mt CFR, and shredded scrap heard at \$520/mt CFR. The deal was confirmed by the sell side for July shipment.

A second US-origin cargo was heard to also be booked June 14, by the same Marmara mill, with HMS 1/2 (80:20) at around \$501/mt CFR, with shredded/bonus scrap heard at \$520/mt CFR. The deal was also heard for July shipment.

Around six North American-origin cargoes were heard to have been booked since the week started June 7, with some market sources viewing the return of US suppliers into the Turkish market as a bearish signal for the near-term.

"The US [is] spoiling further increases for the moment," one EU recycler said, citing an indicative tradable value for Benelux-origin HMS 1/2 (80:20) at \$490-\$495/mt CFR.

A second EU recycler said this level was too low relative to current HMS collection prices, adding that Baltic suppliers were targeting \$505/mt CFR for HMS 1/2 (80:20). (Platts)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,689.25/st EXW Indiana June 15, up \$31.50 from June 14.

A Midwest service centre source indicated an offer at \$1,720/st for July production of an integrated mill. That indication remained outside the Platts methodology for the volume-weighted average calculation but moved the single standard deviation spread above and below the mean higher, excluding some lower data points in accordance with Platts methodology. The majority of recent indications remained at a minimum of \$1,680/st. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	500.50	-2.00	502.84
Steel Rebar FOB Turkey (\$/mt)	735.00	2.50	727.50
Argus HRC NW Europe (€/mt)	1125.75	0.00	1132.18
Argus FOB China HRC (\$/mt)	910.00	-3.00	914.73

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jun-21	905	915	910
Jul-21	900	910	905
Aug-21	895	905	900
Sep-21	885	895	890
Q3-21	893	903	898
Q4-21	858	868	863

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jun-21	500	510	505
Jul-21	510	520	515
Aug-21	507	517	512
Sep-21	505	515	510
Q3-21	507	517	503
Q4-21	498	508	503

LME REBAR FOB TK			
	Bid	Ask	Value
Jun-21	720	730	725
Jul-21	750	760	755
Aug-21	740	750	745
Sep-21	735	745	740
Q3-21	742	752	747
Q4-21	710	720	715

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

US HRC USD/short ton			
	Bid	Ask	Value
Jun-21	1653	1663	1658
Jul-21	1689	1699	1694
Aug-21	1679	1689	1684
Sep-21	1618	1628	1623
Q3-21	1662	1672	1667
Q4-21	1446	1456	1451

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jun-21	1134	1144	1139
Jul-21	1075	1085	1080
Aug-21	1012	1022	1017
Sep-21	988	998	993
Q3-21	1025	1035	1030
Q4-21	909	919	914