

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index fell by \$5/t yesterday (16.6.21) to US\$905/t, MTD US\$913.92/t.

China's crude steel output rose to a record 99.45mn t in May while industrial and real estate data came in weaker and below expectations. Some participants turned cautious amid plans by Beijing to release reserves of copper, aluminum and zinc into the market for the first time in over a decade to ensure supplies and stabilize prices. The move follows warnings from the State Council, one of China's highest governing bodies, against "unreasonable" price increases and meetings with steel mills about prices last month.

A deal for a small quantity of SS400 HRC produced by a north China mill was sold at \$900/t fob this week, with the buyer and seller sharing the potential Chinese steel export tax risks. More traders with positional Chinese SAE1006 grade coils on hands cut offers to \$950-970/t cfr Vietnam and were willing to receive orders at \$940-945/t cfr Vietnam. (Argus)

Turkish Scrap

US, Baltic sellers heard to resist at \$500/mt CFR for HMS 1/2 (80:20)

July domestic markets in the US, EU expected to remain firm

Turkish Deepsea import ferrous scrap prices remained largely stable June 16, as US suppliers were heard to remain active in the market, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) June 16 at \$500/mt CFR, down 50 cents from June 15. "Suppliers are not cutting the price down below \$500/mt CFR," a Turkish mill source said.

A second Turkish mill source said \$495-\$500/mt CFR was workable for US-origin HMS 1/2 (80:20). "Turkey maybe needs four or five more cargoes for July shipment," a Turkish trading source said. "For now, July in the US and EU looks positive, so less shred or bonus availability is likely to Turkey, so there's a big chance Turkish mills will focus on finding cargoes with lots of shred or bonus." The trader said around \$500-\$502/mt CFR was workable, with suppliers likely to resist at \$500/mt CFR and buyers targeting \$490-\$500/mt CFR for premium HMS 1/2 (80:20). A second trading source cited an indicative offer for Venezuela-origin HMS 1/2 (80:20) at \$495/mt CFR.

A Turkish agent source cited an indicative tradable value for US-origin HMS 1/2 (80:20) at \$500/mt CFR minimum, while a second agent source cited indicative offers for US-origin HMS 1/2 (80:20) around \$500/mt CFR, with Russian offers ex-St. Petersburg likely to be in the market too. Baltic suppliers were heard to be largely holding back for August shipment demand, although one US supplier was heard to offer a first-half August shipment cargo. (Platts)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,695.50/st EXW Indiana June 16, up \$6.25 from June 15.

Two separate service centre sources put the market at a minimum of \$1,700/st. The majority of recent indications and transactions also remained at that level. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	500.00	-0.50	502.60
Steel Rebar FOB Turkey (\$/mt)	732.50	-2.50	727.92
Argus HRC NW Europe (€/mt)	1166.25	40.50	1135.02
Argus FOB China HRC (\$/mt)	905.00	-5.00	913.92

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jun-21	910	920	915
Jul-21	905	915	910
Aug-21	900	910	905
Sep-21	885	895	890
Q3-21	897	907	902
Q4-21	858	868	863

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jun-21	505	515	510
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	725	735	730
Jul-21	745	755	750
Aug-21	740	750	745
Sep-21	735	745	740
Q3-21	740	750	745
Q4-21	710	720	715

BUSHELING			
	Bid	Ask	Value
Jul-21	680	690	685
Aug-21	685	695	690
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	1655	1665	1660
Jul-21	1695	1705	1700
Aug-21	1685	1695	1690
Sep-21	1650	1660	1655
Q3-21	1677	1687	1682
Q4-21	1460	1470	1465

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jun-21	1131	1141	1136
Jul-21	1075	1085	1080
Aug-21	1012	1022	1017
Sep-21	987	997	992
Q3-21	1025	1035	1030
Q4-21	909	919	914