

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index kept flat yesterday (17.6.21) at US\$905/t, MTD US\$913.23/t.

China's main economic planning body the NDRC said yesterday that there is room for domestic steel demand to increase, especially over the next five years during its latest five-year plan that promotes green development of the steel industry and limits new capacity, it said. The threat of higher tariffs on steel exports that has stalled spot trade remains an option to shore up domestic supply.

Major Chinese mills kept offers unchanged at \$900-1030/t fob for SS400 HRC, receiving bids as low as \$900/t cfr Vietnam with the country's demand reduced by rising Covid cases and the rainy season. Vietnamese buyers could place orders from local mills like Formosa Ha Tinh and Hoa Phat at much lower prices compared with Chinese offers, while buyers with immediate needs from South America may consider placing orders at around \$930/t fob China. (Argus)

Turkish Scrap

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

Prompt shipment Venezuela-origin cargo bought at \$490/mt CFR

Firm US dollar may allow EU suppliers to accept lower levels into Turkey

Turkish Deepsea import ferrous scrap prices were unchanged June 17, as US and Baltic suppliers were heard to hold firm at \$500/mt CFR but mills pulled back, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) June 17 at \$500/mt CFR, unchanged on the day. A Venezuela-origin top-up cargo totalling around 13,000 mt was booked June 16 by an Izmir mill, with HMS 1/2 (80:20) at \$490/mt CFR for prompt shipment. The cargo would normalize to around \$495/mt CFR for premium HMS 1/2 (80:20) but multiple market sources said this level was not repeatable for premium HMS 1/2 (80:20) June 17.

"Mills are mostly done for July shipment, so I think market could be quiet over next 1-2 weeks - mills will look at domestic and export finished steel demand before starting purchases for August shipment scrap," a Turkish mill source said.

"Scrap is under pressure, and I am expecting a downtrend of \$5-\$10/mt but not more, as the EU market is very strong, and the US isn't bad either," the mill source said, noting that US suppliers were firm at \$500/mt CFR minimum for HMS 1/2 (80:20), but said some Russian suppliers could go below \$500/mt CFR for end-July shipment cargoes.

A second Turkish mill source cited a buyer target at \$490/mt CFR for premium HMS 1/2 (80:20), with US/Baltic suppliers holding firm at \$500/mt CFR, noting that the market sentiment was not positive, amid slow finished steel demand and currency volatility. (Platts)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,688.75/st EXW Indiana June 17, down \$6.75 from June 16.

A mill had a recent transaction at \$1,680 for approximately 100 st on an ex-works Midwest basis. Another mill source indicated tradable values at \$1,660-\$1,675. (Platts)

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| Indices | Price | Change | MTD |
|---|---------|--------|---------|
| Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt) | 500.00 | 0.00 | 502.40 |
| Steel Rebar FOB Turkey (\$/mt) | 730.00 | -2.50 | 728.08 |
| Argus HRC NW Europe (€/mt) | 1180.75 | 14.50 | 1138.54 |
| Argus FOB China HRC (\$/mt) | 905.00 | 0.00 | 913.23 |

| LME HRC FOB TIANJIN CHINA USD/mt | | | |
|----------------------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Jun-21 | 910 | 920 | 915 |
| Jul-21 | 900 | 910 | 905 |
| Aug-21 | 895 | 905 | 900 |
| Sep-21 | 890 | 900 | 895 |
| Q3-21 | 895 | 905 | 900 |
| Q4-21 | 860 | 870 | 865 |

| 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 | 505 | 515 | 510 |
| Q3-21 | 506 | 516 | 503 |
| Q4-21 | 498 | 508 | 503 |

| LME REBAR FOB TK | | | |
|------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Jun-21 | 725 | 735 | 730 |
| Jul-21 | 743 | 753 | 748 |
| Aug-21 | 738 | 748 | 743 |
| Sep-21 | 735 | 745 | 740 |
| Q3-21 | 739 | 749 | 744 |
| Q4-21 | 710 | 720 | 715 |

| BUSHELING | | | |
|-----------|-----|-----|-------|
| | Bid | Ask | Value |
| Jul-21 | 685 | 695 | 690 |
| Aug-21 | 695 | 705 | 700 |
| Sep-21 | 685 | 695 | 690 |
| 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 | 1740 | 1750 | 1745 |
| Aug-21 | 1725 | 1735 | 1730 |
| Sep-21 | 1685 | 1695 | 1690 |
| Q3-21 | 1717 | 1727 | 1722 |
| Q4-21 | 1493 | 1503 | 1498 |

| NWE HRC EUR/metric ton | | | |
|------------------------|------|------|-------|
| | Bid | Ask | Value |
| Jun-21 | 1141 | 1151 | 1146 |
| Jul-21 | 1095 | 1105 | 1100 |
| Aug-21 | 1035 | 1045 | 1040 |
| Sep-21 | 1000 | 1010 | 1005 |
| Q3-21 | 1043 | 1053 | 1048 |
| Q4-21 | 915 | 925 | 920 |