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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