

# FIS Steel & Scrap Morning Report

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Good Morning,

## FOB China HRC

The index decreased by \$2/t (21.6.21) to US\$903/t, MTD US\$912/t.

Handan city in Hebei province asked its steel mills to intensify production restrictions over 19-30 June to improve air quality. Mills in each of the city's four districts will cut sintering by 30pc and idle one blast furnace.

Two major mills in east China cut their offers by \$30-45/t to \$940/t fob for SS400 HRC, which was in line with falling Chinese domestic prices. Two other mills in north China kept offers unchanged at \$1,000-1,050/t fob. Mills that are offering at the higher end may bear the full risks for potential Chinese steel export tax.

Demand from Indonesia will slow down further with Covid cases increasing fast, and new lockdowns expected, participants said. Some mills started to consider attracting export orders with mills taking full risks for any export tax changes. (Argus)

## EHR CME

European hot-rolled coil (HRC) prices were largely stable in quiet trading today. Argus' daily northwest EU HRC index slipped by €0.75/t to €1,191.25/t, while the daily cold-rolled coil assessment was static at €1,310/t. The daily Italian index nudged up by €0.50/t to €1,117.50/t.

Egyptian material was offered into Italy around €1,050/t cif, as a mill in the country tried to take advantage of the fact that it had no quota or duty issues. A large re-roller bought directly from the producer, but the price level and tonnage was unclear.

Indian offers were considerably lower, at €870/t cif for July-August shipment, but quota issues meant a 25pc duty would be payable, bringing the price broadly in line with Egyptian prices. An Indonesian mill offered €1,025-1,030/t cif, considerably below domestic offers.

Italian mills were offering around €1,150-1,160/t base delivered, but liquidity was low. Chinese cold-rolled coil was offered around €1,250/t including duty by one mill, and at slightly lower levels by another. (Argus)

## US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,692/st EXW Indiana June 21, up \$7 from June 18.

A mini-mill source said that any spot availability would be at a minimum of \$1,700/st but did not have any tons to sell. A service centre source put the market at that level. A Midwest service centre source, meanwhile, was able to place an order at \$1,750/st for 1,100 st of August production from an integrated mill. That transaction, however, 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. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	497.50	0.00	501.75
Steel Rebar FOB Turkey (\$/mt)	727.50	0.00	728.00
Argus HRC NW Europe (€/mt)	1191.25	-0.75	1145.62
Argus FOB China HRC (\$/mt)	903.00	-2.00	912.00

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jun-21	910	920	915
Jul-21	895	905	900
Aug-21	885	895	890
Sep-21	882	892	887
Q3-21	887	897	892
Q4-21	860	870	865

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jun-21	505	515	510
Jul-21	495	505	500
Aug-21	492	502	497
Sep-21	490	500	495
Q3-21	492	502	485
Q4-21	480	490	485

LME REBAR FOB TK			
	Bid	Ask	Value
Jun-21	725	735	730
Jul-21	730	740	735
Aug-21	730	740	735
Sep-21	725	735	730
Q3-21	728	738	733
Q4-21	710	720	715

BUSHELING			
	Bid	Ask	Value
Jul-21	675	685	680
Aug-21	695	705	700
Sep-21	695	705	700
Oct-21	695	705	700
Q3-21	695	705	700
Q4-21	683	693	688

US HRC USD/short ton			
	Bid	Ask	Value
Jun-21	1656	1666	1661
Jul-21	1735	1745	1740
Aug-21	1740	1750	1745
Sep-21	1697	1707	1702
Q3-21	1724	1734	1729
Q4-21	1505	1515	1510

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jun-21	1160	1170	1165
Jul-21	1157	1167	1162
Aug-21	1103	1113	1108
Sep-21	1045	1055	1050
Q3-21	1102	1112	1107
Q4-21	956	966	961