

# FIS Steel & Scrap Morning Report

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Good Morning,

## FOB China HRC

The index fell by \$3/t (22.6.21) to US\$900/t, MTD US\$911.25/t.

China's excavator production decreased in May by 18.8pc on year, the second month of decline, according to National Bureau of Statistics. Sales of excavator in May fell by 14.3pc on year, the China Construction Machinery Association said.

An east China mill cut offer to \$925-935/t fob from \$940/t fob for SS400 HRC. Other mills kept silent on offers, but traders that are bearish on prices offered at \$887/t cfr Vietnam or \$900/t cfr Pakistan. Chinese domestic selling prices for SS400 HRC from smaller mills are at an equivalent of around \$850/t fob, so traders are daring to go short.

Traders also cut offers to \$930-940/t cfr Vietnam for Chinese SAE1006 grade coils. Sellers with positional Chinese coils on hands even lowered offers to \$920/t cfr Vietnam from \$930/t for July or June shipment. (Argus)

## Turkish Scrap

Turkish Deepsea scrap prices inch down on thin trading

Turkish steelmakers have yet to return to the market for August Deepsea scrap cargoes, which could determine scrap pricing in the short-term. Some early indications suggested further softening was possible due to weaker demand for steel in both domestic and export markets for Turkish mills, sources said June 22.

"The US and Baltic suppliers are resisting lower numbers, but I wonder how long it will take before they concede lower prices," one supplier said. He expected Turkish mills to try bids at \$490/mt CFR or lower for premium HMS 1/2 80:20. "If I hear anything above \$480/mt CFR Turkey, I'd be surprised," a scrap importer said. He added that the last bookings at \$500/mt CFR or slightly higher were done against more finished steel sales, but now that the sales have slowed down, scrap price expectations have worsened. He expected the average prices of August shipments to be lower than in the previous three months. "Psychologically, buyers feel they are well stocked, and they don't need to book [August]," the source added (Platts)

## US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,707.50/st EXW Indiana June 22, up \$15.50 from June 21.

A service centre source was able to place a 100-st order at \$1,680/st for late July availability from a converter in the South. He was also offered two railcars of HRC at \$1,720/st from Midwest converter with a mid-August lead time. Another service centre source, meanwhile, indicated an offer at \$1,730/st for August production from an integrated mill. The other integrated mill was offering its late July production at \$1,750/st, according to a third service center source. Indications and transactions below \$1,694/st and above \$1,739/st fell outside of the Platts methodology to be included in the volume-weighted average. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	495.00	-2.50	501.33
Steel Rebar FOB Turkey (\$/mt)	727.50	0.00	727.97
Argus HRC NW Europe (€/mt)	1206.00	14.75	1149.39
Argus FOB China HRC (\$/mt)	900.00	-3.00	911.25

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jun-21	910	920	915
Jul-21	895	905	900
Aug-21	880	890	885
Sep-21	877	887	882
Q3-21	884	894	889
Q4-21	858	868	863

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	735	745	740
Aug-21	735	745	740
Sep-21	735	745	740
Q3-21	735	745	740
Q4-21	710	720	715

BUSHELING			
	Bid	Ask	Value
Jul-21	695	705	700
Aug-21	710	720	715
Sep-21	710	720	715
Oct-21	705	715	710
Q3-21	705	715	710
Q4-21	683	693	688

US HRC USD/short ton			
	Bid	Ask	Value
Jun-21	1653	1663	1658
Jul-21	1745	1755	1750
Aug-21	1750	1760	1755
Sep-21	1705	1715	1710
Q3-21	1733	1743	1738
Q4-21	1537	1547	1542

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jun-21	1145	1155	1150
Jul-21	1195	1205	1200
Aug-21	1123	1133	1128
Sep-21	1077	1087	1082
Q3-21	1132	1142	1137
Q4-21	970	980	975