

FIS Steel & Scrap Morning Report

London +44 20 7090 1120 | info@freightinvestor.com | www.freightinvestorservices.com

Good Morning,

FOB China HRC

The index fell by \$6/t (25.6.21) to US\$880/t, MTD US\$907.37/t.

A position cargo for SS400 HRC was heard to have closed at \$852/t cfr Vietnam with no further details available, while another deal was heard at \$857-860/t cfr. Participants noted the prices were lower than mainstream market level as it was even lower than the Chinese domestic level at equivalent to \$850-860/t fob.

A deal for a large amount of Chinese SAE1006 grade coils produced by smaller mills were sold at \$900-910/t cfr Vietnam last week, but that was for thicker coils not including 2.0mm thickness. Offers for Indian SAE1006 grade coils decreased to \$960-980/t cfr Vietnam, inducing bids at \$920/t cfr Vietnam only. But some market participant expect coils supply would tighten if Russia imposes an export tax on flat products from 1 August. (Argus)

EHR CME

Italian hot-rolled coil (HRC) prices rose slightly today, but domestic activity was limited because of long lead times and uncompetitive prices.

The Argus daily Italian HRC index increased by €3.50/t to €1114.25/t ex-works. The daily northwest Europe HRC and cold-rolled coil (CRC) markers were stable. Buyers are turning to imports, given high domestic prices and October lead times. One mill could supply for August-September, but is still unable to make sales without discounting as buyers are comfortable with their stock positions. Even mill sources admit it is difficult to move tonnes. Import prices, even for medium size buyers, are around €1,000/t cfr, with some above and some below, all of which are way below domestic levels.

There are lower trader offers too. Brazilian CRC was offered into the Iberian peninsula at €1,200/t effective, for October delivery, which is €150/t below the official base offer of ArcelorMittal — and the company has limited tonnes, if any, for October. Turkey was today heard to have sold a few thousand tonnes into Italy at \$1,120/t fob. With an exchange rate this week of \$1.19 to the euro, and estimated freight of \$30/t, plus 4.7pc duty, it would work out at around €1,010/t cfr. But there were sales concluded at similar and slightly lower fob values last week, which in euro terms works out significantly below the €1,000/t cfr mark, as the euro was stronger against the dollar at \$1.21-1.22. (Argus)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,738/st EXW Indiana June 25, up \$16.75 from June 24. A Midwest mill source reported recent transactions at \$1,730-\$1,750/st for it August production. With rising indications, data points at \$1,750/st were factored into the volume-weighted average calculation based on Platts methodology. (Platts)

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| Indices | Price | Change | MTD |
|---|---------|--------|---------|
| Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt) | 495.00 | 0.00 | 500.75 |
| Steel Rebar FOB Turkey (\$/mt) | 725.00 | 0.00 | 727.50 |
| Argus HRC NW Europe (€/mt) | 1199.75 | 0.00 | 1155.33 |
| Argus FOB China HRC (\$/mt) | 880.00 | -6.00 | 907.37 |

| LME HRC FOB TIANJIN CHINA USD/mt | | | |
|----------------------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Jun-21 | 910 | 920 | 915 |
| Jul-21 | 885 | 895 | 890 |
| Aug-21 | 880 | 890 | 885 |
| Sep-21 | 877 | 887 | 882 |
| Q3-21 | 881 | 891 | 886 |
| 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 | 491 | 501 | 496 |
| 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 | 732 | 742 | 737 |
| Aug-21 | 732 | 742 | 737 |
| Sep-21 | 732 | 742 | 737 |
| Q3-21 | 732 | 742 | 737 |
| Q4-21 | 710 | 720 | 715 |

| BUSHELING | | | |
|-----------|-----|-----|-------|
| | Bid | Ask | Value |
| Jul-21 | 700 | 710 | 705 |
| Aug-21 | 705 | 715 | 710 |
| 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 | 1659 | 1669 | 1664 |
| Jul-21 | 1783 | 1793 | 1788 |
| Aug-21 | 1795 | 1805 | 1800 |
| Sep-21 | 1785 | 1795 | 1790 |
| Q3-21 | 1788 | 1798 | 1793 |
| Q4-21 | 1620 | 1630 | 1625 |

| NWE HRC EUR/metric ton | | | |
|------------------------|------|------|-------|
| | Bid | Ask | Value |
| Jun-21 | 1145 | 1155 | 1150 |
| Jul-21 | 1180 | 1190 | 1185 |
| Aug-21 | 1123 | 1133 | 1128 |
| Sep-21 | 1077 | 1087 | 1082 |
| Q3-21 | 1127 | 1137 | 1132 |
| Q4-21 | 970 | 980 | 975 |