

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 \$1/t yesterday (30.6.21) to US\$873/t, MTD US\$903/t.

Chinese domestic prices rose on support from expected second-half output cuts. Mills' announced maintenance plans fuelled expectations for more output cuts. Summer maintenance is not unusual during the slower construction season, and controlling inflation has taken priority over carbon targets recently. The market expects clearer signs from the government after 1 July events celebrating the founding of the Chinese communist party.

Traders offered \$897/t cfr Vietnam for SS400 HRC produced by a smaller Chinese mill. Indian and Japanese mills cut offers to \$900-1,050/t cfr Vietnam for SAE1006 grade coils after a Russian mill sold large quantity of HRC at \$850-885/t cfr Vietnam earlier this week. Chinese SAE1006 grade coils were workable at \$905/t cfr Vietnam. (Argus)

EHR CME

The daily Argus NW EU HRC index fell by €16.75/t yesterday to €1,144.25/t ex-works, while the Italian index moved up by €4.25/t to €1,096/t ex-works.

Market participants expect the July-September quota for India to be exhausted within a day of opening – some say there are hundreds of thousands of tonnes that will be rushed to be cleared from today. Many of those purchases would have a 25pc duty accounted for, given how strapped for material EU buyers were, but the average price from import purchases would have still been sufficiently attractive.

Yesterday there were lower offers to Europe from Turkey, with market participants saying that €980-990/t cfr main ports was available, inclusive of duties. Some traders said they were receiving fishing bids from buyers, as low as €900/t cfr Italy, but there was no material available at such prices. Thailand and Japan were heard offering at \$1,200/t cfr – understood as an effective rather than base price. (Argus)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,740.50/st EXW Indiana June 30, up 25 cents from June 29.

A service center source indicated an offer at \$1,770/st from a Midwest converter with a late August lead time but decided not to place an order at that level. A Midwest service center source, meanwhile, indicated \$1,680-\$1,730/st as a tradable value. The lower-end of that range, however, was not 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)	497.00	-4.75	500.55
Steel Rebar FOB Turkey (\$/mt)	720.00	0.00	726.48
Argus HRC NW Europe (€/mt)	1144.25	-16.75	1157.36
Argus FOB China HRC (\$/mt)	873.00	-1.00	903.00

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jul-21	875	885	880
Aug-21	875	885	880
Sep-21	870	880	875
Oct-21	865	875	870
Q3-21	873	883	878
Q4-21	855	865	860

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jul-21	502	512	507
Aug-21	498	508	503
Sep-21	490	500	495
Oct-21	485	495	490
Q3-21	497	507	485
Q4-21	480	490	485

LME REBAR FOB TK			
	Bid	Ask	Value
Jul-21	725	735	730
Aug-21	725	735	730
Sep-21	725	735	730
Oct-21	722	732	727
Q3-21	725	735	730
Q4-21	711	721	716

BUSHELING			
	Bid	Ask	Value
Jul-21	665	675	670
Aug-21	700	710	705
Sep-21	715	725	720
Oct-21	712	722	717
Q3-21	710	720	715
Q4-21	685	695	690

US HRC USD/short ton			
	Bid	Ask	Value
Jul-21	1805	1815	1810
Aug-21	1835	1845	1840
Sep-21	1820	1830	1825
Oct-21	1770	1780	1775
Q3-21	1820	1830	1825
Q4-21	1687	1697	1692

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jul-21	1155	1165	1160
Aug-21	1140	1150	1145
Sep-21	1115	1125	1120
Oct-21	1035	1045	1040
Q3-21	1137	1147	1142
Q4-21	987	997	992