

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index kept flat yesterday (1.7.21) at US\$873/t, MTD US\$873/t.

Market activity was quiet with restrictions on mills and construction sites during events for the 100th anniversary of the Chinese communist party. Price outlooks for July have turned positive on expectations that domestic steel output would slow from the seasonal downturn in demand and from sustained production control policies.

Reduced supply could hurt Beijing's efforts to stabilize prices, but pollution remains an issue. Gansu provincial government asked its mills to not produce more steel in 2021 than they did in 2020, following the example of Anhui province. The policy could force output cuts in the second half.

Vietnamese buyers see the market still in on a downward trend after a Russian mill sold around 150,000t HRC to Vietnam this week at \$850-880/t cfr Vietnam. (Argus)

EU HRC

Buyers eye cheaper imports. Northwest European hot-rolled coil prices were quiet yesterday, as buyers opted for imported tonnages or stayed out of the market entirely.

Argus' NW EU HRC index was unchanged at €1,144.25(\$1,356)/t, while the daily cold-rolled coil assessment slipped €2.50/t to €1,300/t. Indian cold-rolled coil was offered at €1,200/t fca Antwerp today, while some north European buyers had purchased Brazilian material around this level on a delivered basis in the last few days.

But domestic producers were still quoting CRC as high as €1,370/t, with the most competitive offer around €1,300/t. Indian HRC was offered into the Iberian Peninsula at €1080/t ddp, inclusive of the 25pc duty as the country's July September quota is likely to oversubscribe multiple times very soon after opening. With Covid-19 impacting domestic demand, Indian mills were increasingly looking to export markets as a valve. Russian HRC was offered at €1120/t delivered, inclusive of duties, again below the offer levels of domestic NW mills. (Argus)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,742.75/st EXW Indiana July 1, up \$2.25 from June 30.

An integrated mill increased its offer price to \$1,820 for 1,000 st from \$1,780 for 2,000 st on June 28 to a service centre. The source had no buying interest at either level. Another buy-side source said the tradable value fell between \$1,720/st and \$1,820/st. An offer at a minimum of \$1,800/st from a mini-mill was excluded as the order was for expedited delivery in July. The buy-side source said it was at a premium price due to the short delivery time. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	498.00	1.00	498.00
Steel Rebar FOB Turkey (\$/mt)	720.00	0.00	720.00
Argus HRC NW Europe (€/mt)	1144.25	0.00	1144.25
Argus FOB China HRC (\$/mt)	873.00	0.00	873.00

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	500	510	505
Sep-21	492	502	497
Oct-21	490	500	495
Q3-21	498	508	487
Q4-21	482	492	487

LME REBAR FOB TK			
	Bid	Ask	Value
Jul-21	725	735	730
Aug-21	725	735	730
Sep-21	727	737	732
Oct-21	722	732	727
Q3-21	726	736	731
Q4-21	711	721	716

BUSHELING			
	Bid	Ask	Value
Jul-21	665	675	670
Aug-21	697	707	702
Sep-21	707	717	712
Oct-21	705	715	710
Q3-21	705	715	710
Q4-21	685	695	690

US HRC USD/short ton			
	Bid	Ask	Value
Jul-21	1803	1813	1808
Aug-21	1820	1830	1825
Sep-21	1807	1817	1812
Oct-21	1765	1775	1770
Q3-21	1810	1820	1815
Q4-21	1685	1695	1690

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jul-21	1165	1175	1170
Aug-21	1142	1152	1147
Sep-21	1100	1110	1105
Oct-21	1000	1010	1005
Q3-21	1136	1146	1141
Q4-21	959	969	964