

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index kept flat last Friday (2.7.21) at US\$873/t, MTD US\$873/t.

Mills resumed operations late last Thursday after events commemorating the founding of the Chinese communist party. Market talk is still centred on potential provincial policies to control second-half steel output, but there are doubts how the targets could be met. Weaker summer demand will continue to weigh on steel prices.

Most Chinese mill stopped quoting in face of weakening domestic prices and lukewarm seaborne demand. Only limited traders were still offering at \$878-892/t cfr Vietnam for SS400 HRC produced by smaller Chinese mills.

Offers were unchanged at \$890-1,050/t for SAE1006 grade coils from China, India and Japan. Vietnamese buyers were silent on bids as they preferred to wait for local-based Formosa Ha Tinh's new price announcement this week. (Argus)

Turkish Scrap

Mills expected to pick up August shipment buying activity

Strong freight rates support CFR Turkey prices

Turkish Deepsea import ferrous scrap prices remained stable July 2, as most sell-side sources held offers unchanged, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) July 2 at \$498/mt CFR, unchanged on day.

A Turkish trader cited an indicative tradable value for premium HMS 1/2 (80:20) at \$495/mt CFR, after a Baltic-origin cargo was heard to be booked June 30 by an Izmir mill, with HMS 1/2 (80:20) at \$495/mt CFR for August shipment. However, Turkish mill sources indicated firmer workable levels July 2, despite talk that buyers were targeting prices as low as \$490/mt CFR. "The market is strong, and it is hard to find a buyer in this quiet market," one mill source said, citing a tradable value for premium material at \$500/mt CFR. The mill source did not expect Russian suppliers to offer lower-priced cargoes to book Turkish import sales before a Eur25/mt increase to the Russian ferrous scrap export duty to Eur70/mt is implemented in late July, instead noting that "Russia will try to lower the internal market first." (Platts)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,742.75/st EXW Indiana July 2, unchanged from July 1.

A service centre source indicated a bid at \$1,880/st for August availability. The bid, 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)	498.00	0.00	498.00
Steel Rebar FOB Turkey (\$/mt)	722.50	2.50	721.25
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	873	883	878
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	499	509	504
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	723	733	728
Q3-21	726	736	731
Q4-21	711	721	716

BUSHELING			
	Bid	Ask	Value
Jul-21	665	675	670
Aug-21	695	705	700
Sep-21	705	715	710
Oct-21	705	715	710
Q3-21	705	715	710
Q4-21	695	705	700

US HRC USD/short ton			
	Bid	Ask	Value
Jul-21	1784	1794	1789
Aug-21	1820	1830	1825
Sep-21	1809	1819	1814
Oct-21	1765	1775	1770
Q3-21	1804	1814	1809
Q4-21	1688	1698	1693

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jul-21	1173	1183	1178
Aug-21	1142	1152	1147
Sep-21	1095	1105	1100
Oct-21	1000	1010	1005
Q3-21	1137	1147	1142
Q4-21	995	1005	1000