

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index was unchanged yesterday (5.7.21) at US\$873/t, MTD US\$873/t.

Construction steel demand has come back quickly after restrictions were lifted for anniversary events for the Chinese communist party. Producers are facing margin pressure from rising raw material costs.

Major Chinese mills kept silent on offers as they would take more time to make decisions after witnessing rising Chinese domestic prices but still soft seaborne demand. Only an east China mill cut its offer by \$10/t to \$910/t fob for SS400 HRC, which is higher than traders' offers at an equivalent of \$865/t fob China for coils produced by smaller Chinese mills.

A large Chinese mill was heard having sold SS400 HRC at \$940/t cfr South Korea during the past two weeks, but no further details could be confirmed. Most seaborne buyers remain silent. (Argus)

EHR CME

EU hot-rolled coil (HRC) prices increased yesterday, despite buyers holding back from purchasing and lower import prices, as those with immediate needs must still rely on EU mill supply.

The daily Argus northwest European index increased by €5.50/t to €1,149.75/t ex-works, while the Italian index rose by €6.75/t ex-works to €1,106.50/t ex-works. European prices have fluctuated over the past month, but hovered at more or less similar values, with transactions sparse and the sentiment mismatched between the buy and sell side. Buyers have been looking at softening imports, particularly of Asian origin, and pushing down on negotiations for fourth-quarter tonnages, while mills have delayed finalising talks on lengthier-than-usual lead times. (Argus)

Turkish Scrap

Scrap continues to trade in tight band, with market activity expected to pick up

Spread between Deepsea and shortsea prices continues to widen

Turkish Deepsea import ferrous scrap prices softened July 5, as some sell side sources adjusted workable levels downwards, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) July 5 at \$495/mt CFR, down \$3/mt on the day. The index has traded within a tight band of \$495-\$509/mt CFR since June 1.

An EU recycler said \$490-\$495/mt CFR was a tradable level for Benelux-origin HMS 1/2 (80:20), down from close to \$500/mt CFR last week. "Some [Benelux sellers can accept these levels] as the biggest demand in Europe is for the higher grades and the lower grades like HMS can't be all absorbed domestically," the EU recycler said. A Baltic supplier cited an offer for HMS 1/2 (80:20) at \$500/mt CFR, and \$515-\$520/mt for shredded scrap. One Turkish agent source said \$495/mt CFR and lower was possible for Baltic-origin material, but that US recyclers were holding firm at \$500/mt CFR for US-origin HMS 1/2 (80:20). A second Turkish agent source cited an indicative tradable value for premium HMS 1/2 (80:20) at \$495/mt CFR. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	495.00	-3.00	497.00
Steel Rebar FOB Turkey (\$/mt)	720.00	-2.50	720.83
Argus HRC NW Europe (€/mt)	1149.75	5.50	1146.08
Argus FOB China HRC (\$/mt)	873.00	0.00	873.00

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jul-21	885	895	890
Aug-21	885	895	890
Sep-21	875	885	880
Oct-21	865	875	870
Q3-21	882	892	887
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	492	502	497
Oct-21	490	500	495
Q3-21	497	507	487
Q4-21	482	492	487

LME REBAR FOB TK			
	Bid	Ask	Value
Jul-21	730	740	735
Aug-21	725	735	730
Sep-21	727	737	732
Oct-21	722	732	727
Q3-21	727	737	732
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	704	714	709
Q4-21	685	695	690

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	1105	1115	1110
Oct-21	1050	1060	1055
Q3-21	1140	1150	1145
Q4-21	1012	1022	1017