

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index rose by \$3/t yesterday (12.7.21) to US\$890/t, MTD US\$879.75/t.

Mills' production cuts and maintenance boosted expectations for tighter supply. One large Chinese mill announced new weekly offer at \$1,010/t fob for SS400 HRC. Other major Chinese mills stopped quoting or may announce new offers today. Two eastern China mills stopped offering for exports on lack of output allocation as they are performing maintenance on blast furnaces. A blast furnace as one of the mills has suspended operating for a month.

Seaborne demand from Vietnam and South Korea reduced by the spreading pandemic. Vietnamese market sentiment is weaker with over 1,000 newly confirmed Covid cases announced each day. The lockdown measures in Ho Chi Minh City further weighed on outlooks, leading buyers to hesitate to bid. (Argus)

Turkish Scrap

Turkish Deepsea imported scrap prices edged down on a couple of recent bookings and reported softening in some offers for premium heavy melting scrap 1/2 (80:20), sources said July 12.

A steel mill source in Turkey said workable Deepsea HMS 1/2 (80:20) prices softened to around \$490-\$494/mt CFR Turkey. He said he believed the market was likely to edge down further because of a high number of offers from scrap recyclers. He added that Turkish steelmakers were under pressure from the lack of large rebar orders from the Far East in the last three weeks, "and the domestic market isn't enough." Rebar prices in the domestic market already slipped further Lira 50/mt (\$5.80/mt) this week, he added. Last sales reported in the market on the day were closed last Thursday. One US cargo fixed at \$493/mt CFR Marmara for 7,000 mt HMS 1/2 (80:20) and \$508/mt CFR for 7,000 mt shredded, was a top-up to a previous deal, sources said.

Another confirmed booking, with a breakdown of 25,000 mt HMS 1/2 (80:20) and 5,000 mt bonus, from Germany, was closed at the average price of \$486.50/mt CFR Marmara. This worked back to \$492/mt CFR for premium HMS 1/2 (80:20). Further scrap deals for August shipment were still expected this week before the market becomes much quieter next week because of public holidays. (Platts)

EHR CME

Lead times in the European coil market appear to have reduced somewhat, from a certain mill. A leading European producer was offering September production into the Iberian Peninsula from its Spanish electric arc furnace at €1,210-1,225/t effective. Another leading producer said it would soon start selling October production, despite previous talk that it had booked for the fourth quarter.

Argus' daily Italian hot-rolled coil (HRC) index slipped by €5.75/t yesterday to €1,097.50/t ex-works. The daily NW EU HRC index nudged up by €0.50/t to €1,170.25/t ex-works.

In Italy material was widely available at less than €1,100/t ex-works from local mills, with €1,060-1,080/t targeted all around, although there were higher offers to certain customers depending on their previous purchases and delivery windows.

Demand has slowed considerably and is below some market participants' expectations, with buyers stocked up until the end of September and most producers offering for October. Buyers are expected to resume purchasing from late August, after the annual maintenance stoppages in the country.

A French mill was heard to be offering at €1,150-1,170/t delivered Italy, while an Italian re-roller was offering pickled and oiled material at €1,200/t ex-works.

Import prices appear to have bottomed out for the time being. With Chinese futures on the rise, some competitive offers have disappeared from the market, especially from Asian suppliers, and some mills have limited allocations. Offers from Turkey stood at \$1,040-1,050/t fob Turkey, but discounts were expected as buyers were bidding lower. Turkish S355-grade HRC was sold into Antwerp at €1,050/t fot, effective, for October delivery, equating to €1,010-1,020/t for commodity grades. An Indonesian producer was offering about €970/t cfr into Antwerp and was seeking orders. Indian material was offered at \$1,000/t cfr and below, in the expectation that a 25pc duty would be payable with October-December. (Argus)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	492.50	-2.50	495.94
Steel Rebar FOB Turkey (\$/mt)	725.00	2.50	721.56
Argus HRC NW Europe (€/mt)	1170.25	0.50	1157.59
Argus FOB China HRC (\$/mt)	890.00	3.00	879.75

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jul-21	895	905	900
Aug-21	910	920	915
Sep-21	910	920	915
Oct-21	910	920	915
Q3-21	905	915	910
Q4-21	903	913	908

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jul-21	503	513	508
Aug-21	500	510	505
Sep-21	500	510	505
Oct-21	500	510	505
Q3-21	501	511	500
Q4-21	495	505	500

LME REBAR FOB TK			
	Bid	Ask	Value
Jul-21	735	745	740
Aug-21	730	740	735
Sep-21	730	740	735
Oct-21	730	740	735
Q3-21	732	742	737
Q4-21	727	737	732

BUSHELING			
	Bid	Ask	Value
Aug-21	675	685	680
Sep-21	690	700	695
Oct-21	695	705	700
Nov-21	695	705	700
Q3-21	695	705	700
Q4-21	683	693	688

US HRC USD/short ton			
	Bid	Ask	Value
Jul-21	1785	1795	1790
Aug-21	1781	1791	1786
Sep-21	1758	1768	1763
Oct-21	1713	1723	1718
Q3-21	1775	1785	1780
Q4-21	1659	1669	1664

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jul-21	1159	1169	1164
Aug-21	1161	1171	1166
Sep-21	1136	1146	1141
Oct-21	1093	1103	1098
Q3-21	1152	1162	1157
Q4-21	1054	1064	1059