

FIS Steel & Scrap Morning Report

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Good Morning,

EU HRC

Buyers reported that hot-rolled coil (HRC) orders were delayed in Europe after floods hit the region last week.

Some deliveries, transported from Belgium and the Netherlands, were heard disrupted, along with deliveries from steelmaker ThyssenKrupp, which announced a force majeure at the end of last week.

But market participants said the extent of the damage is not yet known, and neither are expectations of how the floods will affect the market and prices, with further rainfall forecast over the coming days. Some expect that this will be clearer in a few weeks' time but many market participants will be away from the market by then. Annual maintenance closures in Italy will start in around two weeks.

The Argus daily northwest EU HRC index edged down by €2.50/t today to €1,175.50/t ex-works, while the Italian index fell by €1/t to €1,078.25/t ex-works. (Argus)

Turkish Scrap

Sell-side sources expect next deals at lower levels

Outright rebar-scrap spread widens to highest level since May 26

Turkish Deepsea import ferrous scrap prices continued to inch down July 20, as sell-side sources continued to cite lower workable levels, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 80:20 July 20 at \$480/mt CFR, down \$2.50/mt on day. The Turkish import scrap market was quiet July 20 due to the Eid al-Adha religious holiday taking place over July 19-23. Market activity is expected to pick up towards the end of the week. "Based on fundamentals, scrap should be at \$500/mt CFR, but the Turks have been good at keeping the numbers down," a UK recycler said, citing a tradable value for US-origin HMS 1/2 80:20 at \$480/mt CFR. The UK recycler noted the incoming Eur70/mt Russian ferrous scrap export duty in late July, as well as expected crude steel production cuts in China over the second half of 2021, which could allow Turkish mills to reenter the wider Southeast Asia rebar market. (Platts)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,829.75/st EXW Indiana July 20, down \$9.50 from July 19.

A service centre source was able to book 500 st at \$1,800/st and 1,000 st at \$1,820/st from two separate mini-mills in the South for late August production. He added that a converter in the South was also offering its late August availability at \$1,820/st but he decided to hold off on that. A Midwest service centre source, meanwhile, indicated an offer at \$1,875/st for late August production of an integrated mill. That indication, however, was not factored into the volume-weighted average calculation based on Platts methodology. Recent transactions led to the inclusion of data points at \$1,800/st and pulled the index lower. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	480.00	-2.50	490.46
Steel Rebar FOB Turkey (\$/mt)	725.00	5.00	721.25
Argus HRC NW Europe (€/mt)	1175.50	-2.50	1165.02
Argus FOB China HRC (\$/mt)	HOL	HOL	889.46

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jul-21	895	905	900
Aug-21	940	950	945
Sep-21	950	960	955
Oct-21	950	960	955
Q3-21	928	938	933
Q4-21	938	948	943

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jul-21	500	510	505
Aug-21	488	498	493
Sep-21	487	497	492
Oct-21	485	495	490
Q3-21	492	502	488
Q4-21	483	493	488

LME REBAR FOB TK			
	Bid	Ask	Value
Jul-21	735	745	740
Aug-21	732	742	737
Sep-21	732	742	737
Oct-21	732	742	737
Q3-21	733	743	738
Q4-21	727	737	732

BUSHELING			
	Bid	Ask	Value
Aug-21	660	670	665
Sep-21	680	690	685
Oct-21	687	697	692
Nov-21	687	697	692
Q3-21	687	697	692
Q4-21	683	693	688

US HRC USD/short ton			
	Bid	Ask	Value
Jul-21	1775	1785	1780
Aug-21	1807	1817	1812
Sep-21	1762	1772	1767
Oct-21	1711	1721	1716
Q3-21	1781	1791	1786
Q4-21	1680	1690	1685

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jul-21	1160	1170	1165
Aug-21	1164	1174	1169
Sep-21	1149	1159	1154
Oct-21	1104	1114	1109
Q3-21	1158	1168	1163
Q4-21	1066	1076	1071