

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index rose by \$8/t on Wednesday (21.7.21) to US\$927/t, MTD US\$892.14/t. Argus didn't publish HRC indexes on Tuesday (20.7.20) due to Singapore holiday.

Chinese HRC export prices maintain the upward trend as export supply remains tight with Chinese mills and traders cautious about selling given the potential tax risks.

More Chinese mills released offers for SS400 HRC at \$1,000-1,030/t fob this week with little room left for negotiation. And almost all mills were asking buyers to take full risks for any export tax changes, but buyers were not willing to accept this term. Most traders also stopped offering regarding the quiet market and uncertain tax issues, and some were preparing to ship cargoes into bonded areas beforehand to lock costs. Buyers from Vietnam were not interested to bid amid rising Covid-19 cases and weak local demand.

A deal of around 10,000t Indian HRC was heard concluded at \$930/t cfr Vietnam this week for September shipment, and the mainstream bid levels came up to around \$925-928/t cfr for Indian cargo. Indian coil prices were still attractive for Vietnam buyers despite the weak local demand as Chinese offers remained as high as \$1000/t cfr. (Argus)

Turkish Scrap

Near-term downside expected by sell side

Mills wait for signal from finished steel demand

Turkish Deepsea import ferrous scrap prices were stable July 21 in a holiday market, sources said.

S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) July 21 at \$480/mt CFR, unchanged on day.

The Turkish import scrap market was quiet July 21 due to the Eid al-Adha religious holiday over July 19-23. "I think the market will be stable at \$480/mt, with maybe a few dollars up or down - if the mills achieve good prices for billet and rebar, they should be able to afford higher prices for scrap as well - there's enough margin," a UK trader said. "Any lower scrap prices are going to be because of desperate sellers or those with logistics or cashflow issues, rather than a representation of the market price."

One Turkish mill source cited an indicative tradable value for premium HMS 1/2 (80:20) at \$480/mt CFR and below, while a second mill source said \$470/mt CFR for EU-origin HMS 1/2 (80:20) would not be surprising in the near-term, adding, "I guess we need to see the market for final products and the Asian market is also important." (Platts)

EU HRC

Italian prices continue to tumble, with mills agreeing to lower levels in order to fill order books for September and October, and not lose volumes to importers.

The Argus daily Italian hot-rolled coil (HRC) index fell by €9.75/t to €1,068.50/t ex-works yesterday, while the northwest EU index inched up by €1.25/t to €1,176.75/t ex-works.

Sales in Italy were heard at €1,050/t ex-works, several market participants said. Bids were reported coming closer to €1,000/t ex-works from large buyers with access to very competitively priced imports, understood under €950/t cfr. Pipemakers were heard expecting €1,030-1,040/t ex-works for September/October deliveries.

Availability from Italian mills is mostly in October-November, with some more limited tonnages still possible for September. More settlements are expected before the holiday periods, as sellers would like to fill order books better, although some buyers are postponing purchases until after the August holidays. (Argus)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	480.00	0.00	489.77
Steel Rebar FOB Turkey (\$/mt)	725.00	0.00	721.50
Argus HRC NW Europe (€/mt)	1176.75	1.25	1165.80
Argus FOB China HRC (\$/mt)	927.00	8.00	892.14

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jul-21	915	925	920
Aug-21	950	960	955
Sep-21	950	960	955
Oct-21	950	960	955
Q3-21	938	948	943
Q4-21	938	948	943

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jul-21	499	509	504
Aug-21	487	497	492
Sep-21	487	497	492
Oct-21	487	497	492
Q3-21	491	501	489
Q4-21	484	494	489

LME REBAR FOB TK			
	Bid	Ask	Value
Jul-21	725	735	730
Aug-21	735	745	740
Sep-21	735	745	740
Oct-21	732	742	737
Q3-21	732	742	737
Q4-21	727	737	732

BUSHELING			
	Bid	Ask	Value
Aug-21	645	655	650
Sep-21	680	690	685
Oct-21	687	697	692
Nov-21	687	697	692
Q3-21	687	697	692
Q4-21	682	692	687

US HRC USD/short ton			
	Bid	Ask	Value
Jul-21	1775	1785	1780
Aug-21	1811	1821	1816
Sep-21	1775	1785	1780
Oct-21	1720	1730	1725
Q3-21	1787	1797	1792
Q4-21	1688	1698	1693

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jul-21	1159	1169	1164
Aug-21	1165	1175	1170
Sep-21	1142	1152	1147
Oct-21	1105	1115	1110
Q3-21	1155	1165	1160
Q4-21	1067	1077	1072