

# FIS Steel & Scrap Morning Report

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Good Morning,

## FOB China HRC

The index rose was flat on Thursday (22.7.21) at US\$927/t, MTD US\$894.47/t.

Nationwide weekly output for major five steel products including rebar, wire rod, HRC, CRC and plate fell by 3.4pc over last week to 10.33mn t, showing China's production control policy is gradually weighing in, market participants said. Nationwide steel inventories accelerated to fall in the meantime.

Shandong Ministry of Industry and Information Technology (MIIT) sent notices to local mills, requiring a production cut ranging from 3pc to 15pc depending on producers' environmental ratings and capacity utilization rates.

Chinese Mills' offers remained stable at range of \$1,000-1,030/t fob, and it was heard that some small deals were closed at \$1,025/t fob this week, but no details could be confirmed. Market chatters said that Beijing would impose 10-20pc export tax to HRC effective from 1 August, and most major steel mills do not have export quota available for the remainder of the year, since they have shipped out quite decent amount in the first half.

Indian offers stayed unchanged at around \$930-950/t cfr Vietnam with the workable levels stable at \$930/t cfr. It was heard that Russian HRC was offered by traders at around \$925/t cfr Vietnam for September or October shipment, but deals have not been confirmed made by far. (Argus)

## Turkish Scrap

Weaker euro, and softer US domestic August market could allow further CFR Turkey downside

Turkish mills hold back for finished steel demand return, target \$470s/mt CFR

Turkish Deepsea import ferrous scrap prices were stable July 22 in a quiet market, as Turkish mills looked to pull workable levels lower, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) July 22 at \$480/mt CFR, unchanged on day. The Turkish import scrap market remained quiet July 22 due to the Eid al-Adha religious holiday over July 19-23.

"If the cargo composition includes 50-70% PNS or shredded scrap, the best price will be \$475/mt CFR for HMS 1/2 (80:20) and \$10/mt more for premium grades, and if the cargo composition is 90-100% HMS 1/2 (80:20), it's difficult to find a buyer," one Turkish mill source said. The Turkish mill source said sellers cannot achieve \$480/mt CFR and above for premium HMS 1/2 (80:20) but added that "Turkish mills will wait [to buy scrap] till they will sell their material to export market." Sell side sources cited resistance to further drops, but a weaker euro-USD exchange rate and how negotiations begin for August domestic settlements in the US could prompt some further downside. (Platts)

## US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,823.75/st EXW Indiana July 22, down \$4 from July 21.

A Midwest service centre source indicated an offer at \$1,805/st for a small-tonnage inquiry from a Midwest converter with a late September lead time. A Midwest mini-mill source, meanwhile, said their recent spot transactions took place at \$1,800/st and slightly above that level. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	480.00	0.00	489.16
Steel Rebar FOB Turkey (\$/mt)	725.00	0.00	721.72
Argus HRC NW Europe (€/mt)	1176.75	0.00	1166.48
Argus FOB China HRC (\$/mt)	927.00	0.00	894.47

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jul-21	915	925	920
Aug-21	955	965	960
Sep-21	960	970	965
Oct-21	960	970	965
Q3-21	943	953	948
Q4-21	945	955	950

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jul-21	499	509	504
Aug-21	490	500	495
Sep-21	490	500	495
Oct-21	490	500	495
Q3-21	493	503	493
Q4-21	488	498	493

LME REBAR FOB TK			
	Bid	Ask	Value
Jul-21	725	735	730
Aug-21	740	750	745
Sep-21	740	750	745
Oct-21	740	750	745
Q3-21	735	745	740
Q4-21	730	740	735

BUSHELING			
	Bid	Ask	Value
Aug-21	650	660	655
Sep-21	680	690	685
Oct-21	687	697	692
Nov-21	687	697	692
Q3-21	687	697	692
Q4-21	684	694	689

US HRC USD/short ton			
	Bid	Ask	Value
Jul-21	1775	1785	1780
Aug-21	1833	1843	1838
Sep-21	1771	1781	1776
Oct-21	1710	1720	1715
Q3-21	1793	1803	1798
Q4-21	1667	1677	1672

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jul-21	1160	1170	1165
Aug-21	1155	1165	1160
Sep-21	1142	1152	1147
Oct-21	1105	1115	1110
Q3-21	1152	1162	1157
Q4-21	1058	1068	1063