

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index rose was flat on Friday (26.7.21) at US\$927/t, MTD US\$896.50/t.

Market sentiment got boosted further on Friday with market chatters going that China Iron and Steel Association (Cisa) was holding meetings today to request mills for solid production reduction for the remainder of the year to meet the zero growth goal, and the steel industry carbon-to-peak roadmap was going to be released soon.

HRC offers were still limited offers on market when producers saw deals unlikely to get closed with the uncertain export tax issues. Only a few mills kept offering firm at range of \$940-1,040/t with little room for negotiation regarding the tight export allocation. An eastern China trader said they also face tight capitals recently which also dampened their export appetite. China's domestic level was at an equivalent price of \$940/t.

Indian offers remained the most competitive on Vietnam market with sales were heard done at \$928-930/t cfr. Local demand remained weak as Covid-19 cases kept increasing with Ho Chi Minh city requesting more serious lockdown measures. (Argus)

Turkish Scrap

Mills target \$475-\$480/mt CFR range for premium HMS

UK exporters lower HMS dockside prices

Turkish Deepsea import ferrous scrap prices softened July 23, as recyclers expected some lower-priced sales, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) July 23 at \$478/mt CFR, down \$2/mt on day. The last confirmed deals were US-origin cargoes booked July 12 and 13 at \$484-\$485/mt CFR. The Turkish import scrap market remained largely quiet July 22 due to the Eid al-Adha religious holiday over July 19-23.

"The mills want to buy at \$475-\$480/mt CFR and there may be some sales done at those levels but cares, because it'll be back up - my gut tells me September and October is going to be up - like over \$500/mt CFR," a US recycler said.

An EU trader cited an indicative tradable value for premium HMS 1/2 (80:20) at \$480/mt CFR, adding that workable levels could be within the \$478-\$485/mt CFR range. "I'd be very surprised if it doesn't drop to \$475/mt CFR as there is too much HMS around," a UK trader said. One UK recycler was heard to lower their HMS collection prices by GBP 10-20/mt delivered to the dock, with trading sources citing GBP 270-275/mt delivered as workable for larger HMS parcels. (Platts)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,833.50/st EXW Indiana July 23, up \$9.75 from July 22.

A Southern mill source reported transactions at \$1,840/st for more than 1,500 st of August production. A Midwest buyer indicated an offer at that level from a Midwest converter with a mid-September lead time. He also cited an offer at \$1,860/st for late August production from an integrated mill. A service centre source reported a 200 st transaction of pickled and oiled product from a mini-mill in the South for late August production at \$1,920/st after normalizing grade and extras. That transaction, however, was not factored into the volume-weighted average calculation based on Platts methodology. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	478.00	-2.00	488.50
Steel Rebar FOB Turkey (\$/mt)	720.00	-5.00	721.62
Argus HRC NW Europe (€/mt)	1176.75	0.00	1167.09
Argus FOB China HRC (\$/mt)	927.00	0.00	896.50

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jul-21	915	925	920
Aug-21	959	969	964
Sep-21	975	985	980
Oct-21	975	985	980
Q3-21	950	960	955
Q4-21	965	975	970

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

LME REBAR FOB TK			
	Bid	Ask	Value
Jul-21	725	735	730
Aug-21	737	747	742
Sep-21	740	750	745
Oct-21	740	750	745
Q3-21	734	744	739
Q4-21	730	740	735

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	684	694	689

US HRC USD/short ton			
	Bid	Ask	Value
Jul-21	1775	1785	1780
Aug-21	1835	1845	1840
Sep-21	1770	1780	1775
Oct-21	1709	1719	1714
Q3-21	1793	1803	1798
Q4-21	1661	1671	1666

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jul-21	1160	1170	1165
Aug-21	1170	1180	1175
Sep-21	1140	1150	1145
Oct-21	1105	1115	1110
Q3-21	1157	1167	1162
Q4-21	1060	1070	1065