

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index rose by \$3/t on Tuesday (27.7.21) at US\$930/t, MTD US\$900.06/t.

China's domestic market sentiment was negatively affected by shaky demand outlooks brought by spreading Covid-19 cases in Nanjing city and sustained rains after Typhoon In-fa in most areas in eastern China, while Chinese export prices stayed firm amid tight supply.

More Chinese mills released HRC export offers highly at \$1,030-1,040/t fob for September shipment amid limited allocations. An eastern China mill closed offer this week after offering at \$1,000/t fob last week, as they showed little interest for exports. A north China mill that stopped offering HRC for two weeks resumed offering for SS400 HRC at \$950/t fob and SS400 hot-rolled sheet at \$960/t fob, with buyers taking full export tax liabilities.

Indian offers are stabilized at around \$930-940/t cfr Vietnam and bid levels flat at \$925-928/t cfr amid slow buying interest. Some home-appliance plants in Vietnam were heard to shut down workshops affected by increasing Covid-19 cases. Ho Chi Minh in Vietnam claimed a curfew during 6pm-6am from 26 July, banning all kinds of activities except for anti-Covid-19 and emergency healthcare services. (Argus)

EHR CME

Northwest European hot-rolled coil (HRC) prices slipped yesterday in very quiet trade, as some mills reacted to the large spread between Italian and northern European prices, and to lower import quotations.

Argus' daily benchmark northwest EU HRC index shed €25.75/t to stand at €1,151/t, while the daily Italian index slipped by €1.50/t to €1,057.50/t. The daily northwest EU cold-rolled coil index nudged down by €10/t to €1,300/t.

Most service centres were off the market, although some German buyers have placed tonnes for October-December to ensure supply given ThyssenKrupp's force majeure declaration.

One large service centre group secured October material at around €1,150/t and paid about €10/t higher for November-December deliveries. A Russian producer turned to Turkey after failing to sell some of its increased export allocation into Germany. The mill had been offering at €1,080-1,090/t fca Antwerp for several weeks, but did not sell as much as expected. (Argus)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,869.75/st EXW Indiana July 27, up \$31.25 from July 26.

A mini-mill source put the market at \$1,860-\$1,900/st. A service centre source indicated offers at \$1,840/st and \$1,920/st from two separate Southern mills but cited no buying interest. A Midwest service centre, meanwhile, reported a 200 st transaction at \$1,920/st from a mini-mill in the South. That transaction and indications at \$1,920/st were not factored into the volume-weighted average calculation based on Platts methodology but led to the inclusion data points at \$1,900. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	476.50	-1.50	487.32
Steel Rebar FOB Turkey (\$/mt)	720.00	0.00	721.45
Argus HRC NW Europe (€/mt)	1151.00	-25.75	1166.75
Argus FOB China HRC (\$/mt)	930.00	3.00	900.06

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jul-21	915	925	920
Aug-21	970	980	975
Sep-21	980	990	985
Oct-21	980	990	985
Q3-21	955	965	960
Q4-21	968	978	973

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jul-21	495	505	500
Aug-21	483	493	488
Sep-21	488	498	493
Oct-21	488	498	493
Q3-21	489	499	490
Q4-21	485	495	490

LME REBAR FOB TK			
	Bid	Ask	Value
Jul-21	725	735	730
Aug-21	735	745	740
Sep-21	738	748	743
Oct-21	738	748	743
Q3-21	733	743	738
Q4-21	729	739	734

BUSHELING			
	Bid	Ask	Value
Aug-21	650	660	655
Sep-21	682	692	687
Oct-21	685	695	690
Nov-21	688	698	693
Q3-21	688	698	693
Q4-21	680	690	685

US HRC USD/short ton			
	Bid	Ask	Value
Jul-21	1776	1786	1781
Aug-21	1860	1870	1865
Sep-21	1790	1800	1795
Oct-21	1716	1726	1721
Q3-21	1809	1819	1814
Q4-21	1665	1675	1670

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jul-21	1162	1172	1167
Aug-21	1175	1185	1180
Sep-21	1158	1168	1163
Oct-21	1111	1121	1116
Q3-21	1165	1175	1170
Q4-21	1075	1085	1080