

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index was flat on Thursday (29.7.21) at US\$930/t, MTD US\$903.05/t.

China announced it will remove the 13p export rebate for a series of steel products, including cold-rolled coils (CRC), hot-dip galvanised coils/sheets (HDG), electrogalvanised coils/sheets (EZ), and silicon steels as well as rails effective 1 August. The rebate cancellation was within expectations and will filter into higher export prices as more downstream products are likely to remain in China. However, the widely anticipated release of an export tax was not forthcoming, with market sources suggesting Beijing may want to see if the rebate cancellation is effective at retaining tonnes within China.

Most traders stopped offering for HRC export as they awaited clarity over the export policy. The lack of export tax announcement surprised some, but domestic sentiment was still firm. Some feared that quiet export activity might increase pressure on domestic prices.

Transactions for Indian HRC closed at \$925/t cfr Vietnam this week, which was regarded as the mainstream workable level for Indian cargoes, down from around \$930/t earlier this week. Some traders said Indian mills' HRC offers slipped to \$870/t fob today, from \$890/t fob earlier this week, on lethargic demand. Freight costs from India to Vietnam also rose from \$30-40/t to \$60-70/t as shippers were reluctant to sail to India given high Covid-19 cases in the country. (Argus)

EHR CME

European hot-rolled coil (HRC) prices were static yesterday, despite some extremely competitive imports heard on offer in north-west Europe.

The daily Italian HRC index was stable at €1,053.25/t ex-works, while the northwest Europe HRC index was unchanged at €1,154.50/t.

Import prices remain significantly below local values, but activity is slow ahead of the upcoming holiday period in August. Deals for cold-rolled coil (CRC) were heard done to southern Europe last week at €1,080-1,110/t cfr from India, which market participants did not expect to still be available considering news of the removal of the tax rebate in China on CRC and hot dip galvanised product.

Turkish HRC was heard on offer at \$1,050-1,070/t fob this week, but workable levels were estimated at \$1,030/t fob with shipment for October and November.

One Italian re-roller, which recently restarted production, is enquiring with Turkish mills about material. A re-roller in eastern Europe under the same umbrella company is also seeking product.

Russian coil was heard sold into Germany at €917/t cfr, including duty, way below other offers, but market participants said this was for smaller coils and not representative of the wider market. Brazilian HRC was offered at around €1,000/t effective for October arrival, with the €55/t duty payable. An Indonesian producer was offering around €940/t cfr for its limited size range. (Argus)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,857/st EXW Indiana July 29, down \$13.25 from July 28.

A service centre paid \$1,850/st for more than 2,000 st from an integrated mill for September production. The source also received an offer from a competing Midwest mill at \$1,860 but did not have any spot availability. Another Midwest service centre source had an indicative bid at \$1,840/st for 500 st of September production. The transaction and bid and offer moved the volume-weighted average lower. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	469.50	-1.00	485.67
Steel Rebar FOB Turkey (\$/mt)	715.00	-5.00	721.07
Argus HRC NW Europe (€/mt)	1154.50	0.00	1165.58
Argus FOB China HRC (\$/mt)	930.00	0.00	903.05

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jul-21	915	925	920
Aug-21	950	960	955
Sep-21	975	985	980
Oct-21	975	985	980
Q3-21	947	957	952
Q4-21	965	975	970

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jul-21	495	505	500
Aug-21	480	490	485
Sep-21	490	500	495
Oct-21	495	505	500
Q3-21	488	498	498
Q4-21	493	503	498

LME REBAR FOB TK			
	Bid	Ask	Value
Jul-21	725	735	730
Aug-21	730	740	735
Sep-21	730	740	735
Oct-21	740	750	745
Q3-21	728	738	733
Q4-21	737	747	742

BUSHELING			
	Bid	Ask	Value
Aug-21	650	660	655
Sep-21	657	667	662
Oct-21	685	695	690
Nov-21	695	705	700
Q3-21	695	705	700
Q4-21	686	696	691

US HRC USD/short ton			
	Bid	Ask	Value
Jul-21	1775	1785	1780
Aug-21	1883	1893	1888
Sep-21	1870	1880	1875
Oct-21	1780	1790	1785
Q3-21	1843	1853	1848
Q4-21	1719	1729	1724

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jul-21	1161	1171	1166
Aug-21	1175	1185	1180
Sep-21	1170	1180	1175
Oct-21	1130	1140	1135
Q3-21	1169	1179	1174
Q4-21	1120	1130	1125