

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index rose by \$6/t on Friday (30.7.21) at US\$936/t, MTD US\$904.62/t.

China's domestic market got boosted by more production cuts coupling with the announcement on export tax late afternoon yesterday, which also priced in coil export price. Eastern China's Jiangsu province would cut 8.12mn t of crude steel in the second half year, the provincial iron & steel association said. The province produced 121mn t of crude steel in 2020, ranking the second largest steelmaking center in China.

Major mills' offers stayed firm at \$1,000-1,040/t fob for September and October shipment, while workable levels from traders moved up from \$940-950/t to at least \$945/t fob, given sharp rise of China's domestic level today. Mills would lift offers next week to catch up with the rise of domestic level this week, an east China mill source said. Participants were seeing the imposition of export tax to HRC would be the next step Beijing may work out and it was delayed rather than averted. "It was very difficult to find trucks to bonded areas, and warehousing fees even rose to as much as \$50/t in northern region from usually \$10-20/t", an international trader said.

Deal levels remained flat at around \$925/t cfr Vietnam for Indian HRC, with offers stabilizing at \$925-940/t cfr. Chinese mills were asking for at least \$1,000/t fob for SAE1006 HRC amid limited export allocation. (Argus)

Turkish Scrap

Turkish Deepsea import scrap prices weaken on fresh Baltic, Benelux sales

Sell-side sources expect near-term price recovery for September shipment cargoes.

Iskenderun-based MMK Metalurji purchases first Deepsea import cargo.

Turkish Deepsea import ferrous scrap prices fell further July 30, as Turkish mills were heard to book four further August shipment cargoes, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) July 30 at \$467.25/mt CFR, down \$2.25/mt on day. The index has dropped \$29.75/mt over the past month, down from \$497/mt CFR on June 30. The index is at its lowest level since May 4, when it was assessed at \$457.50/mt CFR.

A Baltic-origin cargo was booked July 29 by Russian-owned Iskenderun-based flat steel producer MMK Metalurji, with HMS 1/2 (80:20) at \$469/mt CFR, and bonus scrap at \$484/mt CFR. The deal was confirmed by the buyer and sell side for August shipment. An MMK Metalurji representative confirmed to Platts that company had signed its first ever deal to purchase scrap from outside Turkey, adding that the shipment is scheduled for delivery in September.

A Benelux-origin cargo was booked July 29 by a Marmara mill, with HMS 1/2 (80:20) at \$465/mt CFR, and shredded and PNS/HMS1 at \$480/mt CFR. The deal was confirmed by the sell side for August shipment. A second Benelux recycler was also heard by multiple sources to have sold two cargoes to an Iskenderun mill and an Izmir mill, respectively, with HMS 1/2 (80:20) put at \$460/mt CFR. (Platts)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,858.50/st EXW Indiana July 30, up \$1.50 from July 29.

A trader indicated \$1,850/st as a tradable value for September production from a Midwest mill. A Midwest service centre source, meanwhile, put the market at \$1,880-\$1,900/st. Another service centre source saw \$1920/st as a tradable value from his suppliers. That indication, 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)	467.25	-2.25	484.83
Steel Rebar FOB Turkey (\$/mt)	710.00	-5.00	720.57
Argus HRC NW Europe (€/mt)	1154.50	0.00	1165.08
Argus FOB China HRC (\$/mt)	936.00	6.00	904.62

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Aug-21	945	955	950
Sep-21	965	975	970
Oct-21	970	980	975
Nov-21	970	980	975
Q4-21	962	972	967
Q1-22	625	635	630

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Aug-21	460	470	465
Sep-21	487	497	492
Oct-21	485	495	490
Nov-21	485	495	490
Q4-21	484	494	480
Q1-22	475	485	480

LME REBAR FOB TK			
	Bid	Ask	Value
Aug-21	725	735	730
Sep-21	735	745	740
Oct-21	740	750	745
Nov-21	740	750	745
Q4-21	737	747	742
Q1-22	683	693	688

BUSHELING			
	Bid	Ask	Value
Aug-21	643	653	648
Sep-21	650	660	655
Oct-21	685	695	690
Nov-21	695	705	700
Q3-21	695	705	700
Q4-21	682	692	687

US HRC USD/short ton			
	Bid	Ask	Value
Aug-21	1883	1893	1888
Sep-21	1868	1878	1873
Oct-21	1790	1800	1795
Nov-21	1731	1741	1736
Q4-21	1729	1739	1734
Q1-22	1550	1560	1555

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Aug-21	1160	1170	1165
Sep-21	1171	1181	1176
Oct-21	1135	1145	1140
Nov-21	1125	1135	1130
Q4-21	1119	1129	1124
Q1-22	963	973	968