

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index fell by \$5/t yesterday (2.8.21) to US\$931/t, MTD US\$931/t.

China's politburo urged for less aggressive decarbonization efforts in a meeting on 30 July, saying that overly aggressive programs to achieving peak carbon by 2030 should be corrected. There were over 30 confirmed Covid cases in central China's Henan province over the past two days, and 55 newly confirmed cases the day before yesterday in China.

An east China mill cut its offer by \$15/t to \$985/t fob for SS400 HRC after witnessing sharp falling Chinese paper and spot prices. Other major Chinese mills would announce new weekly offers today, but the negotiating room for firm bids is expected to widen.

Sellers cut workable levels to \$900-920/t cfr Vietnam for SAE1006 grade coils from India and Russia, inducing no buying as local buyers' sentiment was negatively affected by lockdowns extended until 15 August. (Argus)

EHR CME

Argus' domestic NW EU HRC index was unchanged at €1,154.50/t yesterday, while the domestic Italian HRC market was unchanged at €1,053.25/t. The daily NW EU cold-rolled coil assessment increased by €10/t to €1,310/t.

In the futures market, August traded at €1,155/t today, while a fourth quarter strip also traded at €1,110/t, down from €1,125/t on 29 July.

Northwest European mills are not reacting to lower import offers, citing strong order books, the impact of flooding in Germany and the curtailment of overseas shipments by safeguard measures.

A Russian mill has started offering September production at €1,080,1,090/t fca Antwerp including duties and has sold some material at this price — although not all customers are willing to pay this. The same mill was heard to have sold smaller coils at around €920/t cfr, but sources suggest this is not representative of the wider market. One Brazilian mill offered at €1,175/t fca Antwerp including duty but lowered its offer by €100/t when it failed to induce interest. With Turkish, Indian and Indonesian quotes much lower, it is not clear whether any sales were made out of Brazil. An Indonesian producer has been offering September delivery at around €940/t cfr, but for a limited size range. (Argus)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,858.25/st EXW Indiana Aug. 2, down 25 cents from July 30. A Midwest buyer indicated a tradable value at \$1,860. No other transactions, bids or offers were reported. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	467.25	0.00	484.83
Steel Rebar FOB Turkey (\$/mt)	705.00	-5.00	720.57
Argus HRC NW Europe (€/mt)	1154.50	0.00	1165.08
Argus FOB China HRC (\$/mt)	931.00	-5.00	904.62

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Aug-21	930	940	935
Sep-21	940	950	945
Oct-21	945	955	950
Nov-21	955	965	960
Q4-21	948	958	953
Q1-22	625	635	630

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Aug-21	471	481	476
Sep-21	483	493	488
Oct-21	482	492	487
Nov-21	481	491	486
Q4-21	481	491	480
Q1-22	475	485	480

LME REBAR FOB TK			
	Bid	Ask	Value
Aug-21	710	720	715
Sep-21	720	730	725
Oct-21	725	735	730
Nov-21	740	750	745
Q4-21	732	742	737
Q1-22	683	693	688

BUSHELING			
	Bid	Ask	Value
Aug-21	641	651	646
Sep-21	650	660	655
Oct-21	675	685	680
Nov-21	683	693	688
Q3-21	684	694	689
Q4-21	682	692	687

US HRC USD/short ton			
	Bid	Ask	Value
Aug-21	1854	1864	1859
Sep-21	1863	1873	1868
Oct-21	1760	1770	1765
Nov-21	1701	1711	1706
Q4-21	1709	1719	1714
Q1-22	1515	1525	1520

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Aug-21	1155	1165	1160
Sep-21	1143	1153	1148
Oct-21	1112	1122	1117
Nov-21	1112	1122	1117
Q4-21	1106	1116	1111
Q1-22	963	973	968