

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index fell by \$4/t yesterday (3.8.21) to US\$927/t, MTD US\$929/t.

Most Chinese mills did not announce new weekly offers as they were busy in negotiating with buyers about export tax liabilities for CRC and HDG for earlier orders. Participants remain worried of further changes to China's coils export tariff and are sidelined given the many uncertainties. Widening travel restrictions to slow the spread of Covid cases in China are snarling logistics.

Two Chinese mills held offers at \$950-985/t fob for SS400 HRC, inducing no buying interest. Other mills prefer to negotiate with buyers on a case by case, but there are hardly any inquiries with domestic prices falling. Limited buyers from Vietnam bid at \$910/t cfr. Offers were almost flat at \$910-935/t cfr Vietnam for Russian and Indian SAE1006 grade coils, inducing bids at \$880-920/t cfr Vietnam. (Argus)

EHR CME

European hot and cold-rolled coil prices edged down yesterday during thin activity.

The daily Italian HRC index fell by €3.25/t to €1,050/t ex-works, while the daily northwest Europe HRC index fell by €0.50/t to €1,154/t. The daily northwest Europe cold-rolled coil (CRC) assessment slipped by €10/t to €1,300/t, while the weekly Italian assessment dropped by €10/t to €1,240/t.

Indicative levels in the quiet Italian market were heard at €1,040-1,080/t ex-works today, with at least one mill looking for orders. But activity is even slower than usual for the start of August, with the holiday period getting under way.

The Italian market seems to be lacking direction, with no firm picture of end-August prices and various factors pulling in opposite directions. The differential to northern Europe was at €104/t today, but the differential with import prices in Italy is also wider than usual.

Import offers were heard at €860-1,000/t cfr today, with the lower end of the range from India, and the higher from Japan.

CRC was heard offered at €1,080/t cfr Italy from India. Offers from Vietnam were heard at €1,200-1,210/t cfr Europe for October-November shipment. Meanwhile, prices in the Italian market were heard at €1,230-1,260/t ex-works.

Vietnamese material was sold into Antwerp at €1,100/t cfr effective, but this was a special deal with a discount attached. Indian offers were heard around €1,130/t cfr Antwerp effective, but some said there could be quota problems with Indian material in the fourth quarter. (Argus)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,875.25/st EXW Indiana August 3, up \$17 from August 2.

A Midwest service centre source placed a small-tonnage order at \$1,900/st from a Midwest converter with a late September lead time. Another service center source said he would bid at the same level for 500 st of September production. The market was at \$1,880/st, according to a trader. A broker, meanwhile, said that the majority of spot volumes were being traded at \$1,860-\$1,880/st. The bulk of recent indications fell within the \$1,850-\$1,900/st range. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	463.75	-3.50	484.83
Steel Rebar FOB Turkey (\$/mt)	705.00	0.00	720.57
Argus HRC NW Europe (€/mt)	1154.00	-0.50	1165.08
Argus FOB China HRC (\$/mt)	927.00	-4.00	904.62

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Aug-21	905	915	910
Sep-21	910	920	915
Oct-21	915	925	920
Nov-21	925	935	930
Q4-21	918	928	923
Q1-22	625	635	630

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Aug-21	465	475	470
Sep-21	475	485	480
Oct-21	477	487	482
Nov-21	475	485	480
Q4-21	474	484	470
Q1-22	465	475	470

LME REBAR FOB TK			
	Bid	Ask	Value
Aug-21	700	710	705
Sep-21	705	715	710
Oct-21	710	720	715
Nov-21	720	730	725
Q4-21	715	725	720
Q1-22	680	690	685

BUSHELING			
	Bid	Ask	Value
Aug-21	641	651	646
Sep-21	650	660	655
Oct-21	665	675	670
Nov-21	669	679	674
Q3-21	675	685	680
Q4-21	682	692	687

US HRC USD/short ton			
	Bid	Ask	Value
Aug-21	1835	1845	1840
Sep-21	1840	1850	1845
Oct-21	1738	1748	1743
Nov-21	1651	1661	1656
Q4-21	1666	1676	1671
Q1-22	1539	1549	1544

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Aug-21	1154	1164	1159
Sep-21	1145	1155	1150
Oct-21	1115	1125	1120
Nov-21	1099	1109	1104
Q4-21	1098	1108	1103
Q1-22	963	973	968