

# FIS Steel & Scrap Morning Report

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Good Morning,

## FOB China HRC

The index rose by \$2/t yesterday (4.8.21) to US\$929/t, MTD US\$929/t.

West China's Yunnan province said it will limit steel output to 16.5mn t in 2021 excluding Kungang, down from 22.33mn t produced in 2020. North China's Tangshan is requiring its mills to make extra production cuts from 10pm 3 Aug to 10am 10 Aug in response to poor air quality.

A deal for Chinese SS400 HRC sold at \$960/t cfr South Korea this week, but participants deemed that level higher than mainstream market level at \$950/t cfr. South Korean buyers bought Indian SS400 HRC at \$950/t cfr last week, so it may take time for them to lift prices further with the country in a summer holiday.

A small quantity of prompt shipment Chinese HRC with thickness below 2.0mm was heard sold by traders at \$1,025/t cfr Pakistan. A Russian mill was heard to have sold 30,000t SAE1006 grade coils at \$908/t cfr Vietnam on Tuesday, but most Vietnamese participants were skeptical on that deal, citing customers cannot accept prices above \$900/t cfr Vietnam for coils produced by this mill. (Argus)

## EHR CME

The market remained broadly quiet yesterday with the holiday season now in full swing. The *Argus* daily Italian hot-rolled coil (HRC) index today slipped by €0.75/t to €1,049.25/t ex-works, while the northwest EU HRC index nudged up to €1,154.50/t.

Turkish offers were heard today around the \$1,050/t fob mark, although some participants expect even \$1,020/t to be workable. The Turkish market is still under pressure from Indian offers, as well as CIS offers, which remain around \$950-970/t cfr, and could eventually see Turkish mill offers slip below the \$1,000/t mark.

The Italian market is quiet, as it will likely be for the next couple of weeks, but market participants are nervously keeping track of Chinese prices, with volatility this week underpinned by government output cut uncertainty. Developments in China and the broader Asian region are also expected to give direction to the market once it returns from holidays. But for now, buying activity is coming to a halt, with only those willing to risk, or with a bullish outlook, looking to purchase. Offers are scarcer on the import side as too, with India mostly dominating. (Argus)

## US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1875.25/st EXW Indiana Aug.4, unchanged from Aug. 3. No new domestic bids, offers or transactions were reported. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	464.50	0.75	484.83
Steel Rebar FOB Turkey (\$/mt)	705.00	0.00	720.57
Argus HRC NW Europe (€/mt)	1154.50	0.50	1165.08
Argus FOB China HRC (\$/mt)	929.00	2.00	904.62

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Aug-21	930	940	935
Sep-21	935	945	940
Oct-21	940	950	945
Nov-21	940	950	945
Q4-21	940	950	945
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	480	490	485
Nov-21	482	492	487
Q4-21	477	487	470
Q1-22	465	475	470

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

BUSHELING			
	Bid	Ask	Value
Aug-21	641	651	646
Sep-21	635	645	640
Oct-21	645	655	650
Nov-21	673	683	678
Q3-21	683	693	688
Q4-21	684	694	689

US HRC USD/short ton			
	Bid	Ask	Value
Aug-21	1865	1875	1870
Sep-21	1860	1870	1865
Oct-21	1755	1765	1760
Nov-21	1679	1689	1684
Q4-21	1686	1696	1691
Q1-22	1533	1543	1538

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Aug-21	1157	1167	1162
Sep-21	1161	1171	1166
Oct-21	1132	1142	1137
Nov-21	1112	1122	1117
Q4-21	1109	1119	1114
Q1-22	963	973	968