



Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index was flat yesterday (5.8.21) at US\$929/t, MTD US\$929/t.

Covid cases that began in Nanjing in Jiangsu province have spread to 18 provinces in China, leading to strict lockdown measures to contain the virus. Nationwide rebar inventories rose by 110,000t this week after falling by 20,000t last week, showing construction steel demand is weakening, market participants said. Nationwide coil inventories fell by 50,000t this week. Cisa member mills' crude steel output in late July averaged its slowest pace since late November 2020 and its first on-year decline since April 2020.

Export taxes for HRC are still a risk that hindered deals. Offers were unchanged at \$910-930/t cfr Vietnam for SAE1006 grade coils from Russia and India, inducing no buying. There are almost no offers from China in Vietnam given its unclear steel export tax policy and shrinking export allocation for some mills. (Argus)

Turkish Scrap

Weaker Turkish lira, iron ore drop dampens sentiment

Sell-side sources expect near-term softening but look to resist at \$460/mt CFR

Turkish Deepsea import ferrous scrap prices softened Aug. 5, as market sentiment turned bearish along with the Chinese market and amid a weakening in the Turkish lira, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Aug. 5 at \$462.50/mt CFR, down \$2/mt on day. The index has dropped sharply in recent weeks, down from a recent high of \$501.75/mt CFR on June 29. One trading source cited an indicative tradable value for premium HMS 1/2 (80:20) at \$460-\$465/mt CFR. "August is a quiet period, and the Turks do need to buy for September shipment, but iron ore crashed today -- this volatility will create panic in combination with a quiet August market -- so we could see \$450/mt CFR soon for scrap," the trading source added. Platts assessed the 62% Fe Iron Ore Index at \$170.05/dry mt CFR North China on Aug. 5, down \$13.10/dmt from Aug. 4. Market sources continued to see downside for Chinese iron ore demand on expectations that production cuts would continue to be stringent. Little demand was heard, and prices fell without any support. (Platts)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,887/st EXW Indiana August 5, up \$11.75 from August 4.

A Midwest service centre was able to place an order at \$1,870/st for 300 st of September production from an integrated mill. Another service centre source, meanwhile, reported transactions that would total about 1,500 st from two separate mills with September and October lead times at \$1,900/st. The bulk of recent indications fell within the \$1,860-\$1,900/st range. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	462.50	-2.00	484.83
Steel Rebar FOB Turkey (\$/mt)	705.00	0.00	720.57
Argus HRC NW Europe (€/mt)	1149.75	-4.75	1165.08
Argus FOB China HRC (\$/mt)	929.00	0.00	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	938	948	943
Q4-21	939	949	944
Q1-22	625	635	630

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Aug-21	463	473	468
Sep-21	473	483	478
Oct-21	478	488	483
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	717	727	722
Nov-21	715	725	720
Q4-21	716	726	721
Q1-22	680	690	685

BUSHELING			
	Bid	Ask	Value
Aug-21	641	651	646
Sep-21	642	652	647
Oct-21	660	670	665
Nov-21	665	675	670
Q3-21	667	677	672
Q4-21	650	660	655

US HRC USD/short ton			
	Bid	Ask	Value
Aug-21	1865	1875	1870
Sep-21	1850	1860	1855
Oct-21	1728	1738	1733
Nov-21	1624	1634	1629
Q4-21	1648	1658	1653
Q1-22	1513	1523	1518

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Aug-21	1150	1160	1155
Sep-21	1137	1147	1142
Oct-21	1125	1135	1130
Nov-21	1099	1109	1104
Q4-21	1100	1110	1105
Q1-22	963	973	968