



Steel & Scrap Morning Report

London +44 20 7090 1120 | info@freightinvestor.com | www.freightinvestorservices.com

Good Morning,

FOB China HRC

The index was fell by \$2/t yesterday (31.8.21) to US\$906/t, MTD US\$919.90/t.

China's manufacturing industry PMI for August fell by 0.3 points to 50.1, while the steel PMI fell by 1.3 to 41.8, both 17-month lows. China's non-manufacturing sector PMI fell by 5.8 to 47.5 from July as Covid-19 lockdowns hit the services sector.

An east China mill cut offer by \$30/t to \$950/t fob for SS400 HRC after being absent from the market last week. Other major Chinese mills kept offers unchanged at \$920-1,000/t fob China, but some sellers were willing to receive orders at \$875-940/t fob China. Beijing may not impose any steel export tax this year with no new adjustments on the last day of August, participants said. But Chinese mills still have little chance to export with uncompetitive prices even without the tax risks. (Argus)

Turkish Scrap

US recyclers await September market direction

Bids heard below \$440/mt CFR

Turkish Deepsea import ferrous scrap prices were unchanged Aug. 31, as US and Baltic recyclers continued to resist lower workable levels, sources said.

S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Aug. 31 at \$446.50/mt CFR, unchanged.

A US recycler said exporters were waiting until Sept. 2 for guidance on pricing from the domestic market, with expectations for shredded scrap to fall \$20-\$30/lt delivered to mill month on month.

"If it's down \$20/lt, perhaps there [are] better options to keep shred here, if it's more than \$20/lt down, then not so much," the recycler said, citing shredded scrap interest from Mexico. Multiple sell-side sources said US and Baltic recyclers were looking to resist around \$450/mt CFR for HMS 1/2 (80:20). (Platts)

EHR CME

Northwest European hot-rolled coil (HRC) prices slipped again yesterday, as Visegrad mills cut prices to spur sales amid quiet demand.

Argus' daily benchmark NW EU HRC index dropped by €7.75/t to €1,122/t, while the daily NW EU cold-rolled coil assessment fell by €5/t to €1,300/t.

After a Russian producer offered at lower prices last week — around €950-960/t fca Antwerp — mills in Slovakia, Italy, Hungary and the Czech Republic were selling sheet at around €1,100/t on a coil parity basis. There were suggestions a German producer was offering at €1,100/t for the first quarter, although this could not be confirmed. On CME Group's north European HRC contract, the first quarter traded at €940/t, for 500 t/month.

A large European seller claimed that a Scandinavian producer offered at around €1,300/t in the Nordic region, but this could not be confirmed. Some mills have offered at this price, but it has been too high for buyers to accept. (Argus)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	446.50	0.00	454.73
Steel Rebar FOB Turkey (\$/mt)	667.50	-1.50	688.07
Argus HRC NW Europe (€/mt)	1122.00	-7.75	1140.58
Argus FOB China HRC (\$/mt)	906.00	-2.00	919.90

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Sep-21	905	915	910
Oct-21	905	915	910
Nov-21	903	913	908
Q4-21	903	913	908
Q1-22	900	910	905
Q2-22	892	902	897

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Sep-21	445	455	450
Oct-21	450	460	455
Nov-21	450	460	455
Q4-21	450	460	453
Q1-22	448	458	453
Q2-22	435	445	440

LME REBAR FOB TK			
	Bid	Ask	Value
Sep-21	670	680	675
Oct-21	670	680	675
Nov-21	670	680	675
Q4-21	670	680	675
Q1-22	667	677	672
Q2-22	642	652	647

BUSHELING			
	Bid	Ask	Value
Sep-21	620	630	625
Oct-21	610	620	615
Nov-21	610	620	615
Q4-21	610	620	615
Q1-22	618	628	623
Q2-22	615	625	620

US HRC USD/short ton			
	Bid	Ask	Value
Sep-21	1940	1950	1945
Oct-21	1895	1905	1900
Nov-21	1820	1830	1825
Q4-21	1812	1822	1817
Q1-22	1609	1619	1614
Q2-22	1432	1442	1437

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Sep-21	1090	1100	1095
Oct-21	1077	1087	1082
Nov-21	1031	1041	1036
Q4-21	1031	1041	1036
Q1-22	935	945	940
Q2-22	856	866	861