



# Steel & Scrap Morning Report

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Good Morning,

## FOB China HRC

The index kept flat yesterday (2.9.21) at US\$905/t, MTD US\$905/t.

Beijing will provide an extra 300bn yuan (\$46bn) in funding for small and medium-sized companies this year to ease their capital pressures. The stimulus is modest but the central bank has said it will adjust policies as required to maintain growth, so it could be a start for more stimulus, participants said. HRC inventory held by mills and traders decreased by 142,800t this week, faster than last week's decline of 60,000t, they added.

Soaring freight rates have slowed seaborne trade, with freight from China to South America as much as \$150/t. Freight rate from China to Brazil was heard at \$140-150/t and to Panama at \$195/t, but even so, vessels were still difficult to book. Vietnamese participants left the market for a two-day holiday from yesterday. (Argus)

## EU HRC

Lower import prices and eastern European offers weighed on the hot-rolled coil (HRC) market yesterday.

The daily NW EU HRC index slipped by €7.25/t to €1,119.50/t, while the daily Italian HRC index fell by €2/t to €1,026.50/t ex-works. The weekly cif Italy HRC assessment declined by €20/t to €900/t, and the daily NW EU cold-rolled coil marker nudged down €2.50/t to €1,297.50/t.

Mills are trying to hold prices stable in Italy, offering at similar levels as before the August holidays, but they are facing pushback from buyers. That said, at least one mill was heard to have sold decent volumes last month into Germany.

There is concern that import prices will hamper local values further. Some buyers are having issues with customs-clearing import orders, especially for downstream products and coils subject to investigation by the European Commission. (Argus)

## Turkish Scrap

Some Benelux exporters achieve lower HMS dock prices

Monthly drops in US, EU domestic Sep scrap trading expected

Turkish Deepsea import ferrous scrap prices inched down Sept. 2, as some Deepsea recyclers indicated lower workable levels, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Sept. 2 at \$445/mt CFR, down \$2/mt on the day.

"German [domestic] prices are decreasing now so maybe we are seeing the first signs of a more general adjustment of the price level. If demand is slowing down both in Europe and in the export markets of Turkey, we could see more downward movement," a Baltic recycler said. The recycler cited an indicative tradable value for Baltic-origin HMS 1/2 (80:20) at \$445/mt CFR, adding that "\$450/mt CFR will be hard to find." An EU recycler cited an indicative tradable value for EU-origin HMS 1/2 (80:20) at \$440/mt CFR, depending on various sellers' average HMS collection prices.

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	445.00	-2.00	446.00
Steel Rebar FOB Turkey (\$/mt)	667.50	0.00	667.50
Argus HRC NW Europe (€/mt)	1119.50	-7.25	1123.13
Argus FOB China HRC (\$/mt)	905.00	0.00	905.00

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Sep-21	910	920	915
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	440	450	445
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	665	675	670
Oct-21	665	675	670
Nov-21	665	675	670
Q4-21	663	673	668
Q1-22	663	673	668
Q2-22	642	652	647

BUSHELING			
	Bid	Ask	Value
Sep-21	605	615	610
Oct-21	595	605	600
Nov-21	610	620	615
Q4-21	605	615	610
Q1-22	615	625	620
Q2-22	615	625	620

US HRC USD/short ton			
	Bid	Ask	Value
Sep-21	1938	1948	1943
Oct-21	1895	1905	1900
Nov-21	1827	1837	1832
Q4-21	1820	1830	1825
Q1-22	1622	1632	1627
Q2-22	1435	1445	1440

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