FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index rose by $3/t last Friday (3.9.21) to US$908/t, MTD US$906/t.

Handan city in Hebei province asked mills to increase restriction ratios by 4.4 percentage points over September-October from July-August and will shut down 20 blast furnaces smaller than 1,000 cubic meters and 20 converters smaller than 100t by the end of the year. More than half of the closures should be completed this month and more than 70pc will be completed before the winter heating season starts in November.

Baowu's subsidiary Wisco will conduct maintenance on a HRC line for 15 days from 5 September, cutting 100,000t output. Anyang Steel in Henan province will overhaul an HRC line over 6-10 September, reducing 11,000t/d output. An east China mill was heard to cut steel output by over 10pc in September and a north China mill will cut 4,500t/d strip output for 10 days this month.

Chinese domestic selling prices for HRC is equivalent to around $900-910/t fob China. But most seaborne buyers are still sidelined and able to buy lower-priced coils from other countries including India and Russia. (Argus)

EHR HRC

Northwest EU HRC pricing cracked under the strain of cheaper Russian and Visegrad-origin material.

Visegrad mills were selling at around $1,050-1,070/t delivered into Germany, and there was little activity from larger tier-one mills. *Argus*' daily NW EU HRC index dropped by €29/t to €1,090.50/t. The news that Europe expects Section 232 tariffs to be replaced with a quota is going to be a negotiating tactic for producers, especially amid automotive contractual talks. But it may not be enough to prevent price pressure in the short-term, depending on how keen smaller producers' are for orders — some Visegrad mills are offering September shipment, October delivery material given a lack of orders and subdued demand. (Argus)

Turkish Scrap

Mills begin October shipment procurement

Benelux HMS dock prices heard at Eur315-320/mt delivered

Turkish Deepsea import ferrous scrap prices were largely stable Sept. 3, as several Baltic-origin cargoes were heard to be booked, sources said.

S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 80:20 Sept. 3 at $445.25/mt CFR, up 25 cents/mt on the day. A Baltic-origin cargo was booked Sept. 2 by an Iskenderun mill, with HMS 1/2 80:20 at $444.50/mt CFR. The deal was confirmed by the buyer and sell-side for October shipment. An Izmir mill was also heard to have booked two Baltic-origin cargoes, with HMS 1/2 80:20 at $445/mt CFR on Sept. 2. Another Baltic-origin cargo totalling 6,000 mt was booked Sept. 2 by an Iskenderun mill, with HMS 1/2 (95:5) at $444.50/mt CFR, but this was excluded from consideration, with index methodology specifying a minimum volume of 10,000 mt. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey ($/mt)	445.25	0.25	445.75
Steel Rebar FOB Turkey ($/mt)	667.50	0.00	667.50
Argus HRC NW Europe (€/mt)	1090.50	-29.00	1112.25
Argus FOB China HRC ($/mt)	908.00	3.00	906.00

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	450	460	455
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	585	595	590
Nov-21	595	605	600
Q4-21	597	607	602
Q1-22	615	625	620
Q2-22	615	625	620

US HRC USD/short ton			
	Bid	Ask	Value
Sep-21	1936	1946	1941
Oct-21	1906	1916	1911
Nov-21	1862	1872	1867
Q4-21	1847	1857	1852
Q1-22	1652	1662	1657
Q2-22	1450	1460	1455

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