

# FIS Steel & Scrap Morning Report

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Good Morning,

## FOB China HRC

The index was stable yesterday (8.9.21) at US\$910/t, MTD US\$907.67/t.

China's excavator sales in August fell by 13.7pc on year to 18,075, its fourth monthly decline. Domestic sales fell by 31.7pc on year but exports rose by 100pc from last year, according to China Construction Machinery Association. Market sentiment was also hit by the economic planning agency the NDRC ordering a Shaanxi-based company to stop publishing thermal coal prices following an investigation into what it described as false price information.

Chinese domestic selling prices for HRC is at an equivalent of around \$900/t fob China, allowing some traders to actively inviting bids at least \$30/t lower than mills' offers. Sellers were willing to receive orders at and above \$860/t cfr Vietnam for Russian SAE1006 grade coils and \$890-900/t cfr Vietnam for Indian coils. But Vietnamese buyers prefer to wait for Vietnamese mills' new monthly offers next week. (Argus)

## Turkish Scrap

Negotiations center on premium for shred, bonus scrap over HMS 1/2 (80:20)

Shortsea scrap availability remains tight

Turkish Deepsea import ferrous scrap prices continued to soften Sept. 8, as negotiations continued over further October shipment sales, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Sept. 8 at \$442.50/mt CFR, down \$1/mt on day. A Baltic recycler cited an indicative tradable value for Baltic-origin HMS 1/2 (80:20) at \$440-\$445/mt CFR. "The main issue is shredded scrap as the Turks also want shred in the cargoes -- if it's a full HMS cargo, they can pressure the price down, but most buyers want like something 10,000-15,000 mt shredded scrap in the cargo," a Baltic recycler said. "There is good shredded scrap demand in the US and EU domestic markets, as well as the container export market." The shredded scrap premium largely has fluctuated between \$15/mt and \$20/mt over HMS 1/2 (80:20) since early May, with suppliers now looking to target \$20/mt or higher for new October shipment sales. (Platts)

## EU HRC

Russian producers are struggling with a weak domestic market and have large export allocations for October production as a result. One reportedly had 280,000t to export, with 100,000t earmarked for Turkey — it recently visited Turkey to stimulate demand. Indian pickled and oiled coil was offered at €875/t cif Italy.

With these cheaper offers, however, there is a strong likelihood that quotas will be payable, with the duty-free quantity for India, and perhaps Russia, likely to be exceeded very quickly. Egyptian material was offered at \$1,100/t cif, or €930/t cif.

Some traders said there was more appetite emanating from Italy, although most buyers appeared to want to wait until 1 October to see how much material clears customs — most service centres have relatively healthy stock levels, with German inventories seemingly above Italian, and were in no rush to buy given cheaper CIS offers. Ukrainian cold-rolled coil was offered into Italy at \$970/t fob, which would be workable for certain users. There were market reports that at least one Italian mill still had some November production, but only wanted to produce higher, value-added grades. (Argus)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	442.50	-1.00	444.71
Steel Rebar FOB Turkey (\$/mt)	667.00	0.00	667.25
Argus HRC NW Europe (€/mt)	1084.00	0.00	1098.04
Argus FOB China HRC (\$/mt)	910.00	0.00	907.67

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Sep-21	910	920	915
Oct-21	930	940	935
Nov-21	925	935	930
Q4-21	927	937	932
Q1-22	915	925	920
Q2-22	893	903	898

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	660	670	665
Oct-21	665	675	670
Nov-21	670	680	675
Q4-21	665	675	670
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	613	623	618
Q2-22	615	625	620

US HRC USD/short ton			
	Bid	Ask	Value
Sep-21	1918	1928	1923
Oct-21	1890	1900	1895
Nov-21	1838	1848	1843
Q4-21	1821	1831	1826
Q1-22	1618	1628	1623
Q2-22	1455	1465	1460

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Sep-21	1090	1100	1095
Oct-21	1045	1055	1050
Nov-21	1025	1035	1030
Q4-21	1021	1031	1026
Q1-22	931	941	936
Q2-22	856	866	861