

# FIS Steel & Scrap Morning Report

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Good Morning,

## FOB China HRC

The index was stable yesterday (13.9.21) at US\$911/t, MTD US\$908.78/t.

The Chinese mainland reported 22 new locally transmitted Covid-19 cases in east China's Fujian province, the National Health Commission said yesterday. Shanghai issued a rainstorm warning that the city may expect significant rainfalls from the typhoon Chan-thu. Shanghai ports and transportation system shut down ahead of the storm yesterday.

Large Chinese mills are not active in export given limited export allocation, rising freight and weak seaborne demand. Smaller mills would still export with offers at around \$920/t fob for SS400 HRC, but that is unattractive to buyers considering much lower regional prices.

Vietnamese mill Formosa Ha Tinh on Saturday cut its monthly HRC offers by \$35/t to \$920-934/t cif Vietnam for November shipment. The mill cited weak local demand, especially after some Vietnamese mills stopped production under strict lockdowns and shrinking exports of Vietnamese downstream steel products as the main reasons for the price cut. (Argus)

## Turkish Scrap

Mills await other recyclers' reactions to lower US-origin deal

Exporters seek a higher premium for shredded scrap over HMS 1/2 (80:20)

Turkish deepsea import ferrous scrap prices dipped further Sept. 13, as a lower-priced US-origin cargo was heard, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Sept. 13 at \$437.50/mt CFR, down \$2.25.

Multiple sources heard that a US-origin cargo was booked Sept. 10 by a Marmara mill, with HMS 1/2 (80:20) at \$436.50/mt CFR, and bonus scrap at \$451.50/mt CFR. Market sources said the cargo quality was slightly below the usual US-origin HMS 1/2 (80:20).

A US recycler said \$435-\$440/mt CFR was workable for US-origin HMS 1/2 (80:20), but that cargoes, including shredded scrap, would also command a higher HMS price. "Shred has other outlets at better prices," the recycler added.

A second US recycler cited an indicative seller's target for US-origin HMS 1/2 (80:20) at \$450/mt CFR and \$470/mt CFR for shredded scrap. One Turkish agent source cited an indicative tradable value for Baltic-origin HMS 1/2 (80:20) at \$435-\$440/mt CFR, while a second Turkish agent said \$438-\$440/mt CFR was workable. (Platts)

## EU HRC

European coil prices came under further pressure yesterday from rising port stocks, as well as growing service centre inventories.

In the port of Antwerp, one logistics company has 1.2mn t of steel products in stock — the majority of which is hot-rolled coil (HRC) and hot-dip galvanised — up drastically from its usual 150,000-200,000t. There could be around 2mn t at the port in total, with quotas meaning that companies cannot clear customs when required. In addition, some service centres do not want to take delivery given increasing arrivals, from imports and domestic producers.

Some eastern European steelmakers are hungry for tonnes, offering October production to customers that mainly feel sufficiently booked for the rest of the year, given rising stocks and lower demand.

There were a few less import offers on the table, perhaps as some participants expect an uptick in China on harsher production restrictions. Asian and Russian material were still on offer into Antwerp at €960/t fca, with one German stockist reporting a booking at €940/t. Taiwanese and South Korean HRC were offered into Spain at €980/t cfr effective, for early-January delivery. Asian cold-rolled coil (CRC) was on offer at €1,100/t fca Antwerp.

Argus' daily northwest Europe HRC index dropped by €1.75/t to €1,097.25/t, while the daily Italian HRC index was static at €1,018.75/t. The daily northwest EU CRC assessment dropped by €40/t to €1,245/t ex-works, as domestic mills reduced their prices to compete with import offers of around €1,100/t fca. (Argus)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	437.50	-2.25	443.11
Steel Rebar FOB Turkey (\$/mt)	665.00	0.00	666.72
Argus HRC NW Europe (€/mt)	1097.25	-1.75	1098.06
Argus FOB China HRC (\$/mt)	911.00	0.00	908.78

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Sep-21	910	920	915
Oct-21	920	930	925
Nov-21	920	930	925
Q4-21	918	928	923
Q1-22	906	916	911
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	670	680	675
Oct-21	670	680	675
Nov-21	670	680	675
Q4-21	670	680	675
Q1-22	670	680	675
Q2-22	642	652	647

BUSHELING			
	Bid	Ask	Value
Oct-21	583	593	588
Nov-21	585	595	590
Dec-21	588	598	593
Q4-21	585	595	590
Q1-22	588	598	593
Q2-22	588	598	593

US HRC USD/short ton			
	Bid	Ask	Value
Sep-21	1920	1930	1925
Oct-21	1858	1868	1863
Nov-21	1779	1789	1784
Q4-21	1774	1784	1779
Q1-22	1543	1553	1548
Q2-22	1405	1415	1410

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Sep-21	1078	1088	1083
Oct-21	1035	1045	1040
Nov-21	1005	1015	1010
Q4-21	1006	1016	1011
Q1-22	927	937	932
Q2-22	856	866	861