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# 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 Chanthu. 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	

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Oct-21	670	680	675		Nov-21	585	
Sep-21	670	680	675		Oct-21	583	
	Bid	Ask	Value			Bid	
Lr	ME REBAR	<b>FOB TK</b>				BUSHEL	IN
				<u>.</u>			
Q2-22	893	903	898		Q2-22	435	
Q1-22	906	916	911		Q1-22	448	
Q4-21	918	928	923		Q4-21	450	

Nov-21	670	680	675		
Q4-21	670	680	675		
Q1-22	670	680	675		
Q2-22	642	652	647		
US HRC USD/short ton					
	Bid	Ask	Value		

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	

LME HMS 80:20 CFR TK Bid

440

450

450

588

585

588

588

Sep-21

Oct-21

Nov-21

Dec-21

Q4-21

Q1-22

Q2-22

Ask

450

460

460

460

458

445

Ask 593

595

598

595

598

598

NG

Value

445

455

455

453

453

440

Value

588

590

593

590

593

593

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