

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index was flat yesterday (14.9.21) at US\$911/t, MTD US\$909/t.

China's National Health Commission reported 139 Covid cases from 10 to 14 September, all in Fujian province. Yunnan province in western China has asked its mills to cut at least 30pc output in September to meet its energy control targets for the third quarter, but it failed to lift the market outlooks as the province's steel capacity is much less than major producers in Hebei, Jiangsu and Shandong provinces.

Vietnamese mill Hoa Phat announced late Monday to cut its SS400 HRC offers by \$5/t to \$891-895/t cif Vietnam depending on port. Those prices were much lower than Chinese mills' offers at and above \$920/t fob China and traders' offers at \$905-910/t cfr Vietnam.

An Indian mill cut offer by \$10/t to \$900/t cfr Vietnam for SAE grade coils after witnessing Hoa Phat cut offers by \$5/t to \$896-900/t cif Vietnam. But no buying interest is induced as Russian coils did not sell at \$860-870/t cfr Vietnam. (Argus)

EU HRC

European coil prices came under further pressure from cheaper imports and lethargic apparent demand yesterday. The Italian hot-rolled coil (HRC) index dropped by €8.75/t (\$10.34/t) to €1,110/t ex-works, while the northwest EU HRC index fell by €4.50/t to €1,092.75/t ex-works.

An interesting situation was developing in the cold-rolled coil (CRC) market, with northern prices slipping more markedly than in Italy, probably because of the greater automotive focus in the former. Argus' daily NW EU CRC assessment dropped by €15/t to €1,230/t, while the weekly Italian assessment was static at €1,220/t. The NW EU CRC assessment has slumped by €55/t in the last two days on lower import values and tepid demand. In Italy, CRC is still in shorter supply, helped by brisk demand from appliance makers, which are even worried they may have to stop production because of ongoing backlogs from their steel suppliers.

CRC prices in the north have been much firmer than in Italy, probably driven by tight supply, which has lessened because of lower automotive production. Throughout August, the premium for NW CRC over Italian material was €60-75/t, but that has now shrunk to just €10/t. (Argus)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,949.75/st EXW Indiana Sept. 14, down \$4.75 from Sept. 13.

A service centre source was able to buy at \$1,920 for less than 200 st with late September production from a Midwest mini-mill. The price fell outside the range to be included in the volume-weighted average according to Platts methodology. The price did lower the standard deviation spread around the mean of included data points and led to a lower price. (Platts)

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| Indices | Price | Change | MTD |
|---|---------|--------|---------|
| Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt) | 438.25 | 0.75 | 442.63 |
| Steel Rebar FOB Turkey (\$/mt) | 665.00 | 0.00 | 666.55 |
| Argus HRC NW Europe (€/mt) | 1092.75 | -4.50 | 1097.53 |
| Argus FOB China HRC (\$/mt) | 911.00 | 0.00 | 909.00 |

| LME HRC FOB TIANJIN CHINA USD/mt | | | |
|----------------------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Sep-21 | 910 | 920 | 915 |
| Oct-21 | 910 | 920 | 915 |
| Nov-21 | 915 | 925 | 920 |
| Q4-21 | 913 | 923 | 918 |
| 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 | 665 | 675 | 670 |
| Oct-21 | 665 | 675 | 670 |
| Nov-21 | 665 | 675 | 670 |
| Q4-21 | 665 | 675 | 670 |
| Q1-22 | 665 | 675 | 670 |
| Q2-22 | 642 | 652 | 647 |

| BUSHELING | | | |
|-----------|-----|-----|-------|
| | Bid | Ask | Value |
| Oct-21 | 585 | 595 | 590 |
| Nov-21 | 585 | 595 | 590 |
| Dec-21 | 585 | 595 | 590 |
| Q4-21 | 585 | 595 | 590 |
| Q1-22 | 585 | 595 | 590 |
| Q2-22 | 585 | 595 | 590 |

| US HRC USD/short ton | | | |
|----------------------|------|------|-------|
| | Bid | Ask | Value |
| Sep-21 | 1925 | 1935 | 1930 |
| Oct-21 | 1890 | 1900 | 1895 |
| Nov-21 | 1805 | 1815 | 1810 |
| Q4-21 | 1801 | 1811 | 1806 |
| Q1-22 | 1580 | 1590 | 1585 |
| Q2-22 | 1420 | 1430 | 1425 |

| NWE HRC EUR/metric ton | | | |
|------------------------|------|------|-------|
| | Bid | Ask | Value |
| Sep-21 | 1079 | 1089 | 1084 |
| 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 |