## Steel & Scrap Morning Report

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Good Morning,

## **FOB China HRC**

The index fell by \$2/t yesterday (15.9.21) to US\$909/t, MTD US\$909/t.

China's national statistics bureau data for August showed declines for real estate investment, new project starts, real estate sales and infrastructure on year. But supply also fell, with China's crude steel output in August falling to the lowest level since March 2020 after Beijing required mills to keep output flat to 2020. Steel mills in Shanxi province were asked to suspend sintering and blast furnace output over 14-15 September to ensure air quality for the China National Sports Games opening ceremony on 15 September in Xi'an Shaanxi.

Major Chinese mills are more willing to negotiate prices for firm bids as domestic selling prices decreased by Yn120/t this week. South Korean buyers shifted to buying locally or from Japanese mills as their prices are competitive and they can ship coils faster than Chinese mills. An Indian mill was heard to have sold SAE1006 grade coils at \$890/t cfr Vietnam this week, but no further details could be confirmed. (Argus)

## **Turkish Scrap**

Several Deepsea deals heard at slightly elevated levels

Firmer billet demand cited as support for scrap

Turkish Deepsea import ferrous scrap prices continued to firm on Sept. 15, as mills booked at least four more Deepsea cargoes for October shipment, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 80:20 Sept. 15 at \$441/mt CFR, up \$2.75/mt on day.

A Baltic-origin cargo was booked Sept. 14 by a Marmara mill, with HMS 1/2 80:20 at \$438/mt CFR, and bonus scrap at \$453/mt CFR. The deal was confirmed by the sell side. A Baltic-origin cargo totaling 39,000 mt was reported by multiple sources to have been booked Sept. 14 by the same Marmara mill, with 3,000 mt HMS 1/2 80:20, 4,000 mt bonus scrap and 32,000 mt shredded scrap at a cargo average price of \$457/mt CFR.

A US-origin cargo was booked Sept. 14 by a second Marmara mill, with HMS 1/2 80:2 at \$441.50/mt CFR, and shredded scrap at \$456.50/mt CFR. The deal was confirmed by the buy side. A Venezuela-origin cargo totaling 25,000 mt was booked Sept. 14 by an Izmir mill, with HMS 1/2 80:20 at \$436.50/mt CFR. The deal was confirmed by the sell side for first-half October shipment, with value for premium HMS 1/2 80:20 relative to the cargo put at \$441.50-\$442/mt CFR. (Platts)

## EU HRC

Continuously loosening supply is causing sentiment to weaken further in the European hot-rolled coil (HRC) market, with mills catching up on their backlogs and customers able to bide their time as inventories increase.

The majority of mills have wiped out their delivery backlogs and, in some cases, are getting ahead of schedule, which is a monumental change from just a couple of months ago, when they were all severely delayed. One German service centre said its current stock level is 20pc above "normal" levels as customers in the automotive supply chain postpone call-offs and arrivals from domestic producers increase. Higher production and softer demand has seen lead times shorten from most mills, with some — primarily some eastern European producers — now at just four weeks. It has also weighed on sheet prices, further dampening purchasing appetite.

Argus' domestic northwest EU HRC index fell by €4.75/t to €1,088/t yesterday, while the daily Italian HRC index was up slightly at €1,012.50/t. The daily NW EU cold-rolled coil (CRC) assessment slipped by another €5/t, to €1,225/t ex-works. The CRC index has dropped by €60/t in the past three days. (Argus)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	441.00	2.75	442.48
Steel Rebar FOB Turkey (\$/mt)	665.00	0.00	666.41
Argus HRC NW Europe (€/mt)	1088.00	-4.75	1096.66
Argus FOB China HRC (\$/mt)	909.00	-2.00	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 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

US HRC USD/short ton			
	Bid	Ask	Value
Sep-21	1918	1928	1923
Oct-21	1840	1850	1845
Nov-21	1748	1758	1753
Q4-21	1740	1750	1745
Q1-22	1507	1517	1512
Q2-22	1386	1396	1391

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Sep-21	440	450	445
Oct-21	445	455	450
Nov-21	445	455	450
Q4-21	445	455	445
Q1-22	440	450	445
Q2-22	435	445	440

BUSHELING			
	Bid	Ask	Value
Oct-21	585	595	590
Nov-21	595	605	600
Dec-21	595	605	600
Q4-21	592	602	597
Q1-22	595	605	600
Q2-22	588	598	593

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Sep-21	1082	1092	1087
Oct-21	1025	1035	1030
Nov-21	1005	1015	1010
Q4-21	995	1005	1000
Q1-22	915	925	920
Q2-22	852	862	857

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