



# Steel and Scrap Report

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### FOB China HRC

The index fell yesterday (30.9.21) by \$1/t to US\$908/t, MTD US\$909.14/t.

China's steel markets were in holiday mode yesterday ahead of the 1-7 October national day holiday. Participants' absence muted the uplift in sentiment from a quicker drop in rebar inventories this week, down by more than 1mn t, while coil registered a small decline. Output cuts remain an unbending trend with around 10 HRC mills in east and north China announcing cuts of between 50,000t-200,000t each for October.

There were limited fob offers yesterday, with Chinese mills going on holiday and priced out of overseas markets. The Argus Asean HRC index fell by \$2/t to \$863/t cfr Vietnam yesterday on lower offers and Vietnam's expected slow exit from lockdowns. Ho Chi Minh City opened up today, but the country will only slowly fully reopen as it monitors Covid cases. Russian SAE1006 coils are offered as low as \$840/t cfr and Indian coils are offered at \$850/t cfr. (Argus)

### EHR CME

European hot-rolled coil (HRC) prices fell further yesterday, as the spectre of huge tonnages clearing customs tomorrow weighed on sentiment, alongside increasingly cheap import offers.

The daily northwest EU HRC index dropped by €31.50/t today, to €997/t ex-works, the first time it has been below €1,000/t since 27 April this year. The daily Italian HRC price fell to €954.25/t ex-works today, down by €6.25/t, while the weekly cif Italy assessment decreased by €20/t to €810/t. The large spread between imports and domestic material was a real concern for European mills, as they risk losing market share without discounting, especially as the automotive supply chain continues to hand back significant tonnages.

In Italy, a lot of traders, as well as big end-users, expect significant tonnages to be custom cleared tomorrow. Some commentators expect around 450,000t or more of Indian HRC could clear into a quota of around 169,000t, while the Russian quota is likely to be subscribed, and perhaps overfilled, very quickly. Given the slide in prices, traders that are yet to sell some of that material could soon be making a loss, especially when a safeguard duty is added. (Argus)

### US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,956.50/st EXW Indiana Sept. 30, down \$2.75 from Sept. 29.

A service center source indicated \$1,900-\$1,940/st as a tradable value. Another service center source, meanwhile, said that he would bid at \$1,900/st for 500 st of November production. Those indications at \$1,900/st fell outside the Platts methodology for the volume-weighted average calculation. (Platts)

## Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	436.00	1.00	439.88
Steel Rebar FOB Turkey (\$/mt)	660.00	0.00	665.32
Argus HRC NW Europe (€/mt)	997.00	-31.50	1070.02
Argus FOB China HRC (\$/mt)	909.00	0.00	909.19

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Oct-21	895	905	900
Nov-21	895	905	900
Dec-21	895	905	900
Q4-21	895	905	900
Q1-22	890	900	895
Q2-22	887	897	892

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Oct-21	438	448	443
Nov-21	438	448	443
Dec-21	437	447	442
Q4-21	438	448	441
Q1-22	436	446	441
Q2-22	434	444	439

LME REBAR FOB TK			
	Bid	Ask	Value
Oct-21	670	680	675
Nov-21	675	685	680
Dec-21	675	685	680
Q4-21	673	683	678
Q1-22	673	683	678
Q2-22	670	680	675

BUSHELING			
	Bid	Ask	Value
Oct-21	590	600	595
Nov-21	585	595	590
Dec-21	585	595	590
Q4-21	587	597	592
Q1-22	582	592	587
Q2-22	570	580	575

US HRC USD/short ton			
	Bid	Ask	Value
Oct-21	1895	1905	1900
Nov-21	1795	1805	1800
Dec-21	1615	1625	1620
Q4-21	1768	1778	1773
Q1-22	1402	1412	1407
Q2-22	1245	1255	1250

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Oct-21	970	980	975
Nov-21	955	965	960
Dec-21	915	925	920
Q4-21	947	957	952
Q1-22	885	895	890
Q2-22	845	855	850

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