

FIS STEEL AND SCRAP REPORT

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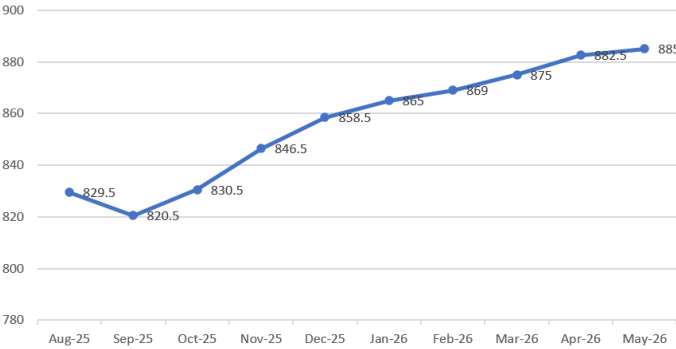
US HRC

Market Sentiment & Trading Dynamics

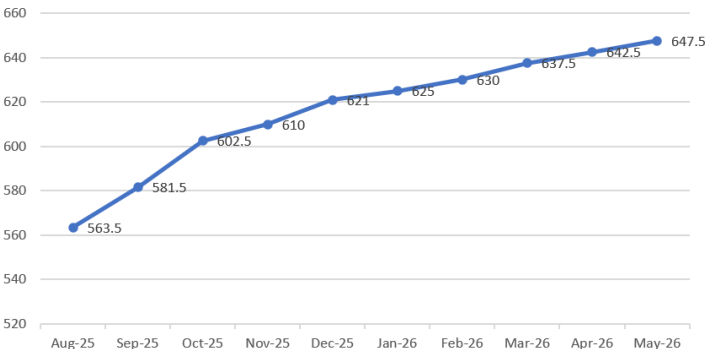
Sentiment across the HRC market remains decidedly defensive. Traders continue to adopt a cautious stance, with the prevailing view being that there is little justification for a meaningful near-term price recovery. Futures participants, in particular, are reluctant to take on aggressive long positions unless a clear and unexpected catalyst emerges — such as a significant spot transaction executed at a sharply lower number. Until such a development occurs, the futures market is expected to remain rangebound-to-lower, with most traders preferring to sell into strength rather than chase perceived bargains on weakness. That said, it is not entirely a one-sided conversation. While the consensus view points toward ongoing drift, there are some who maintain a more constructive outlook. Two industry veterans shared more optimistic scenarios in recent conversations.

- One suggested that 2026 could mark the beginning of a strong cyclical rebound if interest rates decline as widely expected. Lower rates would reduce financing costs across the economy, unlocking new activity in construction, boosting automotive sales, encouraging mortgage refinancing, and lifting consumer spending. Taken together, these dynamics could ignite steel demand more rapidly than supply can respond, creating the conditions for a sharp and sustained upturn.
- Another contact took a bolder near-term view, arguing that HRC prices could rally back to \$900/st by year-end. Their thesis hinges on two factors: a steep reduction in import volumes during the fourth quarter and continued inventory destocking among buyers. If both trends materialize, mills would find themselves with sufficient leverage to implement price hikes, potentially reversing the current downtrend. Still, they acknowledged that this view runs counter to the more cautious consensus being picked up in steel channel checks.

CME US HRC INDIC



CME EURO HRC INDIC



CME– US HRC

Period	CME Value	Prior	Diff	Open Int	Chg
Aug 25	832	833	+1	4985	+5
Sep 25	816	818	-2	5320	-4
Oct 25	826	828	-2	3850	+18
Nov25	847	845	+2	2455	+1
Dec25	855	852	+3	3123	+40
Jan26	865	866	-1	1160	+14
Feb26	866	869	-3	797	0
Mar26	875	871	+4	770	0
Apr26	889	885	+4	180	+1
May26	885	885	0	148	+2
Jun26	889	885	+4	87	+1
Jul26	889	885	+4	49	0

CME Block Trades – US HRC LAST

Sep25 US HRC @824 in 800t
Sep25 v Oct25 US HRC @-10 in 1ktpm (824 v 834)



Indices	Price	Change
Platts TSI HMS 1/2 80:20 (\$/mt CFR)	346	-0.5
Turkish Rebar (\$/mt FOB)	540	0
CRU HRC (\$/mt)	845	-24
Nucor CSP HRC (\$/mt)	875	-15
Cleveland Cliff HRC (\$/mt)	950	+40
Argus FOB China HRC (\$/mt)	480	0

Source: FIS, Nucor, Cliff

LME HRC FOB TIANJIN CHINA USD/mt			
Period	Bid	Ask	Value
Aug-25	465	475	470
Sep-25	470	480	475
Oct-25	473	483	478
Nov-25	474	484	479
Dec-25	476	486	481
Q4-25	474	484	479

LME HMS 80:20 CFR TK			
Period	Bid	Ask	Value
Aug-25	345	351	348
Sep-25	348	354	351
Oct-25	350	356	353
Nov-25	353	359	356
Dec-25	356	362	359
Q4-25	353	359	356

LME REBAR FOB TK			
Period	Bid	Ask	Value
Aug-25	538	548	543
Sep-25	540	550	545
Oct-25	545	555	550
Nov-25	545	555	550
Dec-25	545	555	550
Q4-25	545	555	550

CME US BUSHELING			
Period	Bid	Ask	Value
Aug-25	467	475	470
Sep-25	512	520	515
Oct-25	477	485	480
Nov-25	527	535	530

CME US HRC USD/short ton			
Period	Bid	Ask	Value
Aug-25	825	835	830
Sep-25	815	825	821
Oct-25	825	835	831
Nov-25	840	850	847
Dec-25	855	865	859
Q4-25	840	850	845

CME NWE HRC EUR/metric ton			
Period	Bid	Ask	Value
Aug-25	560	570	564
Sep-25	575	585	582
Oct-25	600	610	603
Nov-25	605	615	610
Dec-25	615	625	621
Q4-25	605	615	611

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