聞 This week:

Turkish scrap corrects downward against earlier outlooks

Turkish mills concluded numerous imported scrap bookings during the last weeks. Although scrap suppliers were expecting prices to exceed \$500/tonne cfr for HMS 1&2 80:20, this has not materialised, mainly because of lower-than-expected demand and a large number of offers in the market

Demand has remained below expectations because Turkish mills concluded imported scrap bookings last week but kept them confidential. As a result, their remaining requirement for August-shipment cargoes appears lower than was anticipated.

A scrap supplier who expects prices to remain within the \$485-505/t cfr range, depending on origin, says less-than-expected demand will keep prices from rising, while strong EU and US domestic markets and high freight rates will prevent prices from falling.

Another supplier says: "In fact, Turkey's scrap booking requirement for August shipment is not as high as the market expects due to the recent deep-sea bookings that have been kept confidential. On the other hand, they continue buying short-sea and domestic scrap."

As US domestic obsolete scrap prices have not increased from June trading – instead decreasing in a few regions – US suppliers, who offered at above \$500/t cfr, have now accepted prices below \$500/t cfr Turkey. The latest bookings from the US appeared at \$496/t cfr for HMS 80:20.

There were US and Baltic suppliers offering HMS 1&2 80:20 at \$498/t cfr on Friday, while European offers were at \$490-493/t cfr for the same grade. A European supplier is heard to have updated its price from average \$512/t to below \$500/t cfr Turkey.

An EU-origin supplier is heard to have sold a cargo comprising 24,000 tonnes of HMS 1&2 75:25 and 6,000t of bonus grade at average \$486.5/t.

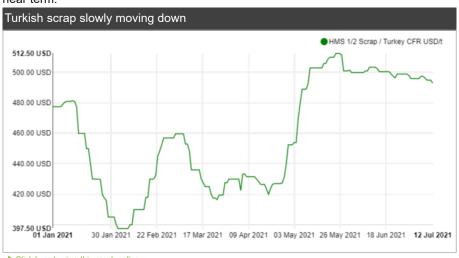
There are a large number of Romanian offers in the market, but fewer Ukrainian and Russian offers. Romanian offers stand at \$450-455/t cfr levels, whereas Ukrainian HMS 1&2 85:15 offers are at \$470-475/t cfr.

A Turkish mill explains: "There is almost 200,000t of unsold Libyan scrap that has already set sail. They are very aggressive to sell."

A supplier estimates Turkish mills' remaining requirement for August-shipment deep-sea imports is 10-12 cargoes.

Kallanish decreased on Friday its daily assessment for prime HMS 1&2 80:20 to \$495/t cfr Turkey from \$496.5/t cfr a day earlier.

A large number of offers are expected to exert stronger downward pressure on prices in the near term.



▶ Click here to view this graph online

In this weeks Issue:

▶ PAGE 3

Can Chinese prices hold despite weak local demand?

▶ PAGE 4

Can EU domestic coil prices move up further?

▶ PAGE 5

Will US domestic mills continue raising prices and push for \$2,000/st hot-rolled by year end?

▶ PAGE 6

Will the ned export Russian duties push billet prices up again?

▶ PAGE 9

Will President Biden fundamentally alter President Trump's steel policies?

KORE INDEX

	58%	62%	65%
W-o-w % Change	0.69%	0.09%	0.38%
9 Jul	179.82	211.35	243.59
8 Jul	179.28	211.08	243.39
7 Jul	183.13	217.00	249.94
6 Jul	184.65	217.82	250.40
5 Jul	184.10	217.52	249.73
Average	182.19	214.95	247.41
2 Jul	183.56	214.87	246.77
2 Jul 1 Jul	183.56 183.86	214.87 215.30	246.77 247.10
_ ••			
1 Jul	183.86	215.30	247.10
1 Jul 30 Jun	183.86 182.12	215.30 214.00	247.10 245.75

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Global Overview

North America:

- Plate rises \$100/st on-week Mills to push for \$2,000/st hot-rolled by year end Line pipe pricing rises 7.5% in June

Europe:

- HRC EU prices remain firm SSC hope for safeguard revision in 2022
- German car production keeps suffering

Asia:

- Chinese steel prices up slightly Tata Steel keeps rumping up Indian output Rumours of production cuts in China persist



CIS:

- CIS billet stabilise Impact of Russian export duties still debated

Middle East:

- Turkish scrap soften Turkish rebar market awaits export direction

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Word of the week

C1 Cash Costs



The costs of mining, milling and concentrating, onsite administration and general expenses, property and production royalties not related to revenues or profits, metal concentrate treatment charges, and freight and marketing costs less the net value of the by-product credits.

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If you found this issue of Kallanish Steel Weekly interesting please let us know, we would love to hear from you.

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