

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC rose by \$1/t yesterday (8.17.20) to US\$504/t, MTD US\$494.50/t.

An eastern China mill increased offer by \$5/t to \$515/t fob China yesterday for SS400 HRC after deals were done at \$500-505/t fob China last week. Another large Chinese mill announced an increase of \$5/t early this morning. Vietnamese buyers were willing to place orders at around \$505-510/t CFR Vietnam as local-based Formosa had sold 90pc of its HRC allocated for October shipment at that level.

Turkish scrap pricing under pressure, with Scrap offers unchanged and market sentiment weakening, suppliers stay put.

Turkish ferrous scrap import pricing remained flat amid a lack of new bookings Aug. 17. However, sentiment was more bearish as market sources predicted the next round of bookings is likely to be closing with some discounts compared with the previous deals, sources said Aug. 17. Scrap prices peaked last week at \$285.50/mt CFR Turkey and subsequently dipped with buyers resisting to further upside.

The negative views were not shared unanimously. One agent source argued that the market should go up over \$285/mt CFR to nearly \$290/mt CFR Turkey. He added that the improvement in the global steel market included Europe, the Persian Gulf, the US and China. Apart from the physical steel markets improving, the Chinese futures market is also creating more of a bullish outlook, he said.

Yesterday's Trades

Sep20 HRC 503 in 3kt

Sep20 v Q121 HRC -43 (503/546)

Dec20-Feb21 HRC 544 in 300t/m

Dec20-Feb21 HRC 544 in 760t/m

Q121 HRC 548 in 200t/m

Sep20 HRC 505 in 500t/m

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	284.75	0.00	284.18
Steel Rebar FOB Turkey (\$/mt)	442.50	-2.50	440.32
Argus HRC NW Europe (€/mt)	423.25	6.50	414.66
Argus FOB China HRC (\$/mt)	504.00	1.00	494.18

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Aug-20	498	508	503
Sep-20	498	508	503
Oct-20	495	505	500
Nov-20	487	497	492
Q4 20	488	498	493
Q1 21	475	485	480

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Aug-20	287	297	292
Sep-20	281	291	286
Oct-20	277	287	282
Nov-20	273	283	278
Q4 20	275	285	280
Q1 21	273	283	278

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LME REBAR FOB TK			
	Bid	Ask	Value
Aug-20	443	453	448
Sep-20	443	453	448
Oct-20	440	450	445
Nov-20	438	448	443
Q4 20	436	446	441
Q1 21	430	440	435

BUSHELING			
	Bid	Ask	Value
Sep-20	275	285	280
Oct-20	297	307	302
Nov-20	302	312	307
Dec-20	306	316	311
Q4 20	302	312	307
Q1 21	314	324	319

US HRC USD/short ton			
	Bid	Ask	Value
Aug-20	450	460	455
Sep-20	500	510	505
Oct-20	522	532	527
Q4 20	527	537	532
Q1 21	539	549	544
Q2 21	545	555	550

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Aug-20	409	429	419
Sep-20	425	445	435
Oct-20	430	450	440
Q4 20	432	452	442
Q1 21	435	455	445
Q2 21	432	452	442