

FIS Steel & Scrap Morning Report

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Good Morning,

Turkish Scrap

Turkish Deepsea import scrap prices jump on fresh US booking

Premium HMS 1/2 (80:20) prices jump \$8 to \$299/mt CFR
Short-term positive sentiment continues

Deepsea Turkish import scrap prices rose sharply on Sept. 2, as a fresh US-origin booking was heard, bringing prices within reach of a 2020 high. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$299/mt CFR on Sept. 02, up \$8/mt on day. The index is just \$3/mt below the 2020-high of \$302/mt CFR on Jan. 7. A US-origin cargo totaling 30,000 mt was booked Sept 1 by an Iskenderun mill, with 19,000 mt HMS 1/2 (80:20) cited at \$299/mt CFR, as well as 5,000 mt shredded scrap, and 6,000 mt PNS scrap, at a cargo average price of \$302/mt CFR. The deal was confirmed by the sell side for end-September shipment. (Platts)

FOB China HRC

The index kept flat yesterday (9.2.20) at US\$516/t, MTD US\$516/t.

Fengrun district in Tangshan asked its blast-furnace steel mills to cut sintering by 20-50pc and blast furnace output by up to 30pc in September. Billet supply will be halved as it was in August with rolling mills allowed to produce at normal pace until 15 September before they suspend production for the remainder of the month.

Chinese mills were reluctant to cut prices to stimulate sales amid volatile currency exchange rates and scant buying interest. A deal for Chinese HRC was reported to be concluded as low as \$534/t CFR Pakistan. However, no further details could be confirmed, and some traders are confident that the market is in a rising trend as seaborne prices catch up. (Argus)

NWE HRC

Order books at European producers of hot-rolled coil (HRC) have strengthened amid tight supply and a lack of import options, lengthening lead times in the north for most mills in November-December, while Italian sellers have October availability.

The Argus benchmark northwest European index increased by €4.25/t to €455/t ex-works today, while the Italian index nudged up by €0.75/t to €446/t ex-works.

Most market participants still expect the uptrend in European prices to continue, with some saying that the market could return to pre-Covid levels in September-October. In February, the Argus indexes averaged at €477.50/t ex-works northwest Europe and €443.50/t ex-works Italy, although Italian prices were already under pressure from the virus outbreak. In January, the average was €439.50/t ex-works Italy. (Argus)

Yesterday's Trades

Oct20 US HRC 568 in 500t

Nov20 BUS 323 in 2kt

Q121 US HRC 568 & 570 in 500t

Feb21 US HRC 569 in 1kt

Oct20 BUS 314 in 1kt

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	299.00	8.00	295.00
Steel Rebar FOB Turkey (\$/mt)	450.00	4.00	448.00
Argus HRC NW Europe (€/mt)	455.00	4.25	452.88
Argus FOB China HRC (\$/mt)	516.00	0.00	516.00

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Sep-20	517	527	522
Oct-20	514	524	519
Nov-20	511	524	518
Dec-20	511	518	515
Q4 20	511	521	516
Q1 21	505	515	510

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Sep-20	303	313	308
Oct-20	300	313	307
Nov-20	300	305	303
Dec-20	290	300	295
Q4 20	295	305	300
Q1 21	273	283	278

LME REBAR FOB TK			
	Bid	Ask	Value
Sep-20	455	465	460
Oct-20	454	464	459
Nov-20	450	464	457
Dec-20	452	468	460
Q4 20	454	464	459
Q1 21	430	440	435

BUSHELING			
	Bid	Ask	Value
Sep-20	280	290	285
Oct-20	313	323	318
Nov-20	318	328	323
Dec-20	323	333	328
Q4 20	318	328	323
Q1 21	325	335	330

US HRC USD/short ton			
	Bid	Ask	Value
Sep-20	522	532	527
Oct-20	550	560	555
Nov-20	560	570	565
Q4 20	558	568	563
Q1 21	563	573	568
Q2 21	564	574	569

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Sep-20	462	482	472
Oct-20	460	482	471
Nov-20	460	480	470
Q4 20	462	482	472
Q1 21	438	458	448
Q2 21	435	455	445