

# FIS Steel & Scrap Morning Report

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Good Morning,

## FOB China HRC

The index rose by \$1/t last Friday (9.18.20) to US\$512/t, MTD US\$515.57/t.

Thin profits for steel have pushed sellers to raise prices last Friday. Gross profit margins for HRC were around Yn100-150/t, which was still higher than the margins for rebar at less than Yn100/t. WISCO was planning a one-week maintenance on an HRC production lines from 19 September, which would reduce HRC output by 80,000-90,000t. (Argus)

## EHR

European coil prices continued to rise on Friday, led by increased tightness in Italy after one mill cancelled deliveries on some service centres.

Argus' daily Italian hot-rolled coil (HRC) index rose by €3.25/t to €478.25/t ex-works.

One mill was offering €480/t ex-works for new business into Italy and northern Europe, with its second electric-arc furnace just re-starting. Another domestic producer was offering at €490/t ex-works, but not all buyers would place orders with the mill given delivery performance risk. A third mill had been achieving €475/t for smaller tonnages but expected to see realised prices move higher to €480-490/t in the coming week or so. From Monday it would likely offer €490/t base ex-works. (Argus)

## Turkish Scrap

Turkish import scrap prices largely stable as sellers hold firm

Majority of recyclers hold firm at \$300/mt target

Rare ex-Venezuela cargo heard to be booked by Izmir mill

Deepsea Turkish import scrap prices were largely stable on Sept. 18, as sell-side sources held minimum offer levels around \$300/mt CFR, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$295.50/mt CFR on Sept. 18, up 50 cents on day. A Turkish mill source cited an indicative tradable value for premium HMS 1/2 (80:20) at \$295-\$300/mt CFR, while a second mill source said the sell-side target of \$300/mt CFR was unlikely, given slow finished steel sales. (Platts)



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## Friday's Interests

LME Scrap (500t a side OCO)

Oct 291/298

Nov 293/298

Dec 294/296

HRC FOB China

Q4 v Q1 FOB China +14 offer in 500t/m

Q1 v Q2 FOB China +2 bid in 500t/m

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	295.50	0.50	298.46
Steel Rebar FOB Turkey (\$/mt)	455.00	0.00	456.00
Argus HRC NW Europe (€/mt)	481.50	1.00	469.45
Argus FOB China HRC (\$/mt)	512.00	0.00	515.57

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Sep-20	505	515	510
Oct-20	490	500	495
Nov-20	487	500	494
Dec-20	487	494	491
Q4 20	487	497	492
Q1 21	476	486	481

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Sep-20	293	303	298
Oct-20	291	303	297
Nov-20	291	300	296
Dec-20	292	302	297
Q4 20	291	301	296
Q1 21	287	297	292

LME REBAR FOB TK			
	Bid	Ask	Value
Sep-20	458	468	463
Oct-20	450	460	455
Nov-20	450	460	455
Dec-20	448	460	454
Q4 20	450	460	455
Q1 21	445	455	450

BUSHELING			
	Bid	Ask	Value
Sep-20	280	300	290
Oct-20	310	326	318
Nov-20	317	327	322
Dec-20	322	332	327
Q4 20	316	328	322
Q1 21	325	335	330

US HRC USD/short ton			
	Bid	Ask	Value
Sep-20	545	555	550
Oct-20	580	590	585
Nov-20	580	590	585
Q4 20	580	590	585
Q1 21	580	590	585
Q2 21	576	586	581

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Sep-20	465	485	475
Oct-20	475	485	480
Nov-20	475	495	485
Q4 20	472	492	482
Q1 21	465	485	475
Q2 21	462	482	472