

FIS Steel & Scrap Morning Report

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Good Morning,

EHR

European hot-rolled coil (HRC) buyers are turning to increasingly competitive Asian material amid a shortage of European supply until the end of the year.

Material for November and December shipment was heard booked at €480-485/t cif Italy for a few thousand tonnes from Vietnam and from India. A large re-roller was heard to have booked from Vietnam for November shipment at €475/t cif effective. There was talk that a tube maker had also purchased from Asia, although others said the deal might have been concluded with Turkey. (Argus)

Turkish Scrap

Sellers lower workable levels in Turkish import scrap market

Workable prices for Baltic-origin material heard at \$290-\$292/mt CFR

Some end-October shipment cargoes still available

Downside considered limited amid expectations of positive post-holiday China market

Workable Deepsea Turkish import scrap prices continued to inch down on Sept. 30, as recyclers lowered workable levels, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$292/mt CFR on Sept. 30, down 50 cents/mt on day. "If someone wants to sell, then it has to be at the last US-origin deal level [\$293/mt CFR] maximum, but if Turkish mills don't buy for a week, then price could drop below \$290/mt CFR, but this may not necessarily happen," a Turkish agent source said. The agent cited a tradable value for Baltic-origin HMS 1/2 (80:20) at \$291-\$291/mt CFR. (Platts)

FOB China HRC

The index was steady yesterday at US\$500/t, closing the month out at US\$511.14/t.

China's PMI exceeded expectations yesterday by two pips - coming in at 51.5, but that was not enough to turn around softening sentiment in ASEAN export markets. Direct Chinese mill sales to Vietnam on Wednesday came in beneath where Chinese traders had been offering. The VN market is bearish enough to ignore cheaper Russian coils at US\$500/t, as the offered discount is not enough to offset the uncertainty of market movements while goods ship. The forward curve suggests they'd have to shave another \$15-20/t off to entice action. (Argus)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	292.00	-0.50	298.46
Steel Rebar FOB Turkey (\$/mt)	450.00	-2.00	456.00
Argus HRC NW Europe (€/mt)	490.75	0.25	469.45
Argus FOB China HRC (\$/mt)	500.00	0.00	511.14

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Oct-20	482	492	487
Nov-20	478	488	485
Dec-20	477	490	484
Jan-21	477	484	481
Q4 20	477	487	482
Q1 21	470	480	475

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Oct-20	285	293	290
Nov-20	284	292	290
Dec-20	282	290	288
Jan-21	281	289	286
Q4 20	282	292	287
Q1 21	280	290	285

LME REBAR FOB TK			
	Bid	Ask	Value
Oct-20	455	465	460
Nov-20	440	450	445
Dec-20	440	450	445
Jan-21	438	435	437
Q4 20	435	445	440
Q1 21	435	445	440

BUSHELING			
	Bid	Ask	Value
Oct-20	280	300	290
Nov-20	300	310	305
Dec-20	310	320	315
Jan-21	320	330	325
Q4 20	310	320	315
Q1 21	330	340	335

US HRC USD/short ton			
	Bid	Ask	Value
Oct-20	545	555	550
Nov-20	582	592	587
Dec-20	578	588	583
Q4 20	579	589	584
Q1 21	578	588	583
Q2 21	574	584	579

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Oct-20	467	487	477
Nov-20	475	487	481
Dec-20	475	495	485
Q4 20	462	482	472
Q1 21	463	483	473
Q2 21	460	480	470