



# Steel & Scrap Morning Report

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Good Morning,

## FOB China HRC

The index rose by \$4/t yesterday to US\$509/t, MTD US\$501.90/t.

China's new yuan-denominated loans hit 1.9 trillion yuan (\$281.59bn) in September, up from Yn1.28 trillion in August and recorded a year-on-year increase of Yn204.7bn, central bank data shows.

A Chinese mill sold SS400 HRC at \$520/t cfr Vietnam, while some traders sold lower at around \$516/t cfr Vietnam in the last couple of days. The mill was also reported to have sold 10,000t SAE1006 grade coils at \$525/t cfr Vietnam. Offers were much higher at \$540-550/t cfr Vietnam from Taiwan and South Korea. Vietnam-based Formosa Ha Tinh cut its December shipment offers by around \$15/t to \$535-543/t cif for SAE grade coils depending on various customers late yesterday. (Argus)

## EHR

Most hot-rolled coil (HRC) buyers have been cautious in recent weeks, citing increased supply, softening Asian prices and relatively low real demand.

But China's strong return from holiday, mills' lack of flexibility, and a lack of competitive import offers have encouraged buying.

The Argus daily Italian index rose to €481.25/t ex-works yesterday, up by €0.75/t. The daily northwest EU HRC index was unchanged at €493/t.

Italian mills were targeting €480-500/t ex-works, but some gave discounts on extras. Traders said there have been sales concluded that net back to these prices, but on a delivered basis when premiums for extras are excluded.

Buyers said the shortage in the market meant mills were not willing to discount for base grade material. Some mills were undercutting steel service centres (SCCs) by targeting consumers, creating downstream pressure by being able to offer €20-40/t lower. Cut to length material was heard sold by a mill at €530-540/t delivered, while SCCs were targeting €550-570/t delivered. (Argus)

## Turkish Scrap

Turkish Deepsea import scrap prices rise on fresh us-origin deal

Sellers raise offers to \$290/mt CFR

Fresh, US and Venezuela-origin deals heard at \$287/mt

Deepsea Turkish import scrap prices moved higher on Oct. 14, as mills accepted higher levels following recent finished steel sales, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$287/mt CFR on Oct. 14, up \$2.25/mt on day. A US-origin cargo totaling 30,000 mt was booked on Oct. 13 by an Iskenderun mill, with 17,000 mt HMS 1/2 (80:20) at \$287/mt CFR, 7,000 mt shred at \$292/mt CFR, and 6,000 mt bonus scrap at \$297/mt CFR. The deal was confirmed by the buyer for second half November shipment. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	287.00	2.25	286.60
Steel Rebar FOB Turkey (\$/mt)	440.00	0.00	443.55
Argus HRC NW Europe (€/mt)	493.00	0.00	492.18
Argus FOB China HRC (\$/mt)	509.00	4.00	501.90

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Oct-20	499	509	504
Nov-20	503	513	508
Dec-20	498	508	503
Jan-20	500	507	504
Q4 20	500	510	505
Q1 21	495	505	500

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Oct-20	282	292	287
Nov-20	282	299	291
Dec-20	287	299	293
Jan-21	287	297	292
Q4 20	286	296	291
Q1 21	285	295	290

LME REBAR FOB TK			
	Bid	Ask	Value
Oct-20	442	452	447
Nov-20	448	458	453
Dec-20	448	452	450
Jan-21	440	425	433
Q4 20	435	445	440
Q1 21	435	445	440

BUSHELING			
	Bid	Ask	Value
Oct-20	300	309	305
Nov-20	295	305	300
Dec-20	295	305	300
Jan-21	302	312	307
Q4 20	299	309	304
Q1 21	308	317	313

US HRC USD/short ton			
	Bid	Ask	Value
Oct-20	632	642	637
Nov-20	656	666	661
Dec-20	647	657	652
Q4 20	645	655	650
Q1 21	602	612	607
Q2 21	598	608	603

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Oct-20	477	497	487
Nov-20	477	490	484
Dec-20	477	497	487
Q4 20	471	491	481
Q1 21	462	482	472
Q2 21	459	479	469