

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index rose further by \$1/t yesterday to US\$510/t, MTD US\$504.40/t.

The offshore yuan exchange rate hit a high of 6.6293 against the US dollar yesterday, and the highest level since July 2018. That is one of the major factors encouraging Chinese mills to increase selling prices. A northern China mill sold 10,000t of SS400 HRC at \$505/t fob earlier this week. Another deal for 10,000t of same grade coils produced by an eastern China mill was concluded at \$522/t cfr Vietnam subsequently. A third deal for around 2,000t SS400 HRC was done at \$520-523/t cfr Vietnam. (Argus)

Turkish Scrap

Turkish import scrap prices remain firm

Sellers cite stronger euro, higher freight and collection costs

LME scrap forward curve contango strengthens

Deepsea Turkish import scrap prices remained firm Oct. 21, as sell-side sources noted rising collection prices and freight rates. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$290/mt CFR on Oct. 21, unchanged on day. Market talk regarding a Russia-origin sale of an HMS 1/2 (95:5) cargo to an Iskenderun mill at \$298/mt CFR could not be confirmed at the time of publication, but sources said the cargo, if confirmed, would normalize to \$289-\$290/mt CFR for HMS 1/2 (80:20), based on previous sales. (Platts)

EHR

European hot-rolled coil (HRC) remained largely rangebound yesterday, with sellers maintaining firm offers but demand still scant.

The daily Italian HRC index nudged back up to €481.25/t ex-works, up by €0.50/t on the day. The daily northwest EU HRC index fell by €1/t to €490.25/t.

The Italian price has been fluctuating between €480/t and €485/t ex-works for the whole of October, while the north has been in a tight €490.25-493.50/t range, both testimony to the relative lack of activity compared with the brisker August and September months. Some suggest that the lack of activity is a deliberate ploy by mills to support spot prices as they conduct contractual talks. (Argus)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	290.00	0.00	287.02
Steel Rebar FOB Turkey (\$/mt)	446.00	1.00	443.77
Argus HRC NW Europe (€/mt)	490.25	-1.00	492.22
Argus FOB China HRC (\$/mt)	510.00	1.00	504.40

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Oct-20	501	511	506
Nov-20	511	521	516
Dec-20	512	523	518
Jan-20	504	509	507
Q4 20	510	520	515
Q1 21	495	505	500

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Oct-20	285	295	290
Nov-20	285	303	294
Dec-20	300	306	303
Jan-21	301	311	306
Q4 20	293	303	298
Q1 21	292	302	297

LME REBAR FOB TK			
	Bid	Ask	Value
Oct-20	442	452	447
Nov-20	451	461	456
Dec-20	451	452	452
Jan-21	440	422	431
Q4 20	435	445	440
Q1 21	458	468	463

BUSHELING			
	Bid	Ask	Value
Oct-20	295	305	300
Nov-20	297	307	302
Dec-20	297	307	302
Jan-21	299	309	304
Q4 20	297	307	302
Q1 21	304	314	309

US HRC USD/short ton			
	Bid	Ask	Value
Oct-20	630	640	635
Nov-20	664	674	669
Dec-20	659	669	664
Q4 20	651	661	656
Q1 21	605	615	610
Q2 21	601	611	606

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Oct-20	481	501	491
Nov-20	481	494	488
Dec-20	481	501	491
Q4 20	474	494	484
Q1 21	462	482	472
Q2 21	459	479	469