

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index kept rising by \$2/t yesterday to US\$512/t, MTD US\$504.88/t.

Handan city in Hebei province issued Level III pollution warnings over 22-24 October and upgraded to Level II warnings over 25-28 October. Tangshan city also issued Level II pollution warnings from the night of 23 October.

A Chinese mill sold SS400 HRC at \$515/t fob this week to South America and South Korea after several other mills' deals at \$505-513/t fob. Positional Indian cargoes for SS400 HRC were sold earlier this week at \$517/t cfr Vietnam for November shipment. Vietnam-based Hoa Phat has sold some SS400 HRC at \$520/t cif Vietnam to limited customers with a close relationship in northern Vietnam for trial. The mill may start its commercial coils sales in next January or February. (Argus)

Turkish Scrap

Turkish import scrap prices largely firm on multiple ex-Baltic deals

Four fresh Baltic-origin deals heard

Mills already booking December shipment cargoes

Deepsea Turkish import scrap prices were largely stable on Oct. 22, as mills booked multiple Baltic-origin cargoes. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$289.50/mt CFR on Oct. 22, down 50 cents/mt on day. A Baltic-origin cargo totaling 30,000 mt was booked on Oct 21 by an Iskenderun mill, with 26,000 mt HMS 1/2 (80:20) at \$287.50/mt CFR, 2,000 mt bonus scrap at \$297.50/mt CFR, and 2,000 mt bushelling at \$302.50/mt CFR. The deal was confirmed by the sell side. A second Baltic-origin cargo was booked Oct. 21 by a Marmara mill, with HMS 1/2 (80:20) at \$291/mt CFR, shredded scrap at \$296/mt CFR, and bonus scrap at \$301/mt CFR, for first-half December shipment. The deal was also confirmed by the sell side. (Platts)

EHR

The northwest EU HRC index moved up by €4.50/t to €494.75/t, as some buyers started to panic about availability given brisk demand from some integral sectors, primarily automotive.

Tight supply of hot-rolled coil (HRC) continues to push Italian prices upwards, as those in need of end-of-year delivery need to pay up domestically.

Buyers are still unwilling to buy more than necessary, however, as there is uncertainty about the level of supply going forward. One producer was offering for February deliveries, a market participant said.

Import offers for HRC are scarce, with Turkey being one of the few active suppliers. The risk of retroactive duties made importing product a non-viable option for all buyers. A pipe maker was heard to have purchased from Turkey, after it was unable to find HRC elsewhere. Material from a mill was offered earlier in the week at \$520/t fob for December-January shipment, but this may no longer be available, as Turkish scrap prices are expected to increase. (Argus)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	289.50	-0.50	287.17
Steel Rebar FOB Turkey (\$/mt)	446.00	0.00	443.91
Argus HRC NW Europe (€/mt)	494.75	4.50	492.38
Argus FOB China HRC (\$/mt)	512.00	2.00	504.88

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Oct-20	501	511	506
Nov-20	511	521	516
Dec-20	518	528	523
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	305	295
Dec-20	299	305	302
Jan-21	299	309	304
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	672	682	677
Dec-20	666	676	671
Q4 20	656	666	661
Q1 21	615	625	620
Q2 21	611	621	616

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