



Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index rose by \$1/t last Friday to US\$513/t, MTD US\$505.35/t.

The Tangshan government issued level II pollution warnings last Friday, one day ahead of schedule after taking into consideration local air conditions. Two major Chinese mills increased offers further by \$5/t to \$525/t fob last Friday for SS400 HRC and one of them was reluctant to negotiate prices even for firm bids.

Seaborne buyers from Vietnam also lifted bids to \$522-523/t CFR Vietnam. Coils inventory in Vietnam is low, while local-based Formosa Ha Tinh delayed its shipment due to stuck transportation caused by flood in century Vietnam. Chinese offers were lifted to \$535-540/t CFR Pakistan later last week but attracting little buying interest. (Argus)

Turkish Scrap

Turkish import scrap prices rise on further Baltic-origin deals

Bearish sources note record Turkish lira low, softening iron ore prices

Bullish sources point to tight shredded scrap availability, requirements to fulfil large rebar orders

Deepsea Turkish import scrap prices inched up, as mills booked further Baltic-origin cargos. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$291.25/mt CFR on Oct. 23, up \$1.75/mt on day.

A Baltic-origin cargo totaling around 30,000 mt was booked on Oct 22 by a Marmara mill, with HMS 1/2 (80:20) at \$291/mt CFR, and shredded scrap at \$296/mt CFR. A second Baltic-origin cargo was heard by multiple sources to be booked Oct 22 by an Izmir mill, with around 19,000 mt HMS 1/2 (80:20) at \$291.50/mt CFR, and around 5,500 mt bonus scrap at \$301.50/mt CFR. Another Baltic-origin cargo was also heard to be booked Oct. 22 by the same Izmir mill, with HMS 1/2 (80:20) at \$291.50/mt CFR. (Platts)

EHR

The Northwest European HRC index rose by €1.50/t to €496.25/t ex-works on Friday.

A two-speed market has developed in the northwest European hot-rolled coil segment, depending on the sector service centres sell into.

Most automotive-led buyers expect to pay higher levels for the first quarter and half-year. Here supply is genuinely tight as the automotive chain continues to absorb significant amounts of tonnages. Mills with the most automotive exposure are all quoting above €500/t ex-works for HRC, in some cases at substantially higher levels. First quarter contract offers range between €520-535/t from most leading tier-one northwest European suppliers. (Argus)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	291.25	1.75	287.41
Steel Rebar FOB Turkey (\$/mt)	447.50	1.50	444.12
Argus HRC NW Europe (€/mt)	496.25	1.50	492.60
Argus FOB China HRC (\$/mt)	513.00	1.00	505.35

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Oct-20	503	513	508
Nov-20	513	523	518
Dec-20	508	518	513
Jan-20	504	509	507
Q4 20	508	518	513
Q1 21	497	507	502

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Oct-20	290	300	295
Nov-20	290	307	299
Dec-20	304	307	306
Jan-21	304	314	309
Q4 20	297	307	302
Q1 21	297	307	302

LME REBAR FOB TK			
	Bid	Ask	Value
Oct-20	442	452	447
Nov-20	460	470	465
Dec-20	460	452	456
Jan-21	440	413	427
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	635	645	640
Nov-20	682	692	687
Dec-20	675	685	680
Q4 20	664	674	669
Q1 21	630	640	635
Q2 21	600	610	605

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Oct-20	481	501	491
Nov-20	481	496	489
Dec-20	481	501	491
Q4 20	476	496	486
Q1 21	462	482	472
Q2 21	459	479	469