

FIS Steel & Scrap Morning Report

London +44 20 7090 1120 | info@freightinvestor.com | www.freightinvestorservices.com

Good Morning,

FOB China HRC

The index kept flat yesterday at US\$513/t, MTD US\$505.78/t.

The CISA predicted that China's crude steel output would exceed 1bn t this year, increasing by 3-5pc on year. China's daily crude steel output during 1-20 October was estimated by CISA at 3.05mn t.

A large Chinese mill announced late yesterday an increase in offers by \$5/t to \$545/t fob for SS400 HRC, for January shipment. That offer is significantly above the market level and was unlikely to be accepted by seaborne buyers' specifically when domestic prices are showing signs of weakness.

Participants in Vietnam remained cautious as another storm is expected to hit central Vietnam in two or three days, which is likely to cause another round of flooding and create uncertainty in the market. (Argus)

EHR

Argus' daily benchmark northwest European HRC index rose by €2.25/t to €498.50/t ex-works. The Italian index fell by €0.50/t to €484/t ex-works.

Some buyers are willing to pay higher prices, but these are still short of the kind of level producers are seeking. There is pressure on processed products from other European sources, and some steel service centres are still producing from coil bought when the market was at its lowest. This gives them more leeway in negotiations, so sheet prices are not rising enough to pull up HRC values.

Some buyers expect the market to cool and prices to stabilise or fall as supply is tight. Several producers in the north are experiencing multi-week delays to orders, so they are in no rush to accept new orders, and certainly not for less than their new higher offers. (Argus)

Turkish Scrap

Turkish heavy melting scrap prices hold firm, more upside uncertain

Prices stabilize on fresh bookings

Higher offers so far resisted

Outlook clouded by lira depreciation

Turkish heavy melting scrap import prices held up on fresh deals reported by market participants Oct. 26, while any further increase was becoming more questionable amid Turkish currency weakness, sources said. The last few bookings reported on Oct. 26 and finalized Oct. 23-24 put the market price for the premium material at \$290/mt CFR or slightly higher. A Baltic-origin cargo, consisting of 23,000 mt HMS 1/2 (80:20), was sold at \$292.50/mt CFR Iskenderun. The deal also included 7,000 mt shredded scrap and 5,000 mt bonus scrap, sold at \$297.50/mt and \$302.50/mt CFR Turkey, respectively. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	291.25	0.00	287.63
Steel Rebar FOB Turkey (\$/mt)	448.00	0.50	444.33
Argus HRC NW Europe (€/mt)	498.50	2.25	492.93
Argus FOB China HRC (\$/mt)	513.00	0.00	505.78

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Oct-20	503	513	508
Nov-20	510	520	515
Dec-20	511	521	516
Jan-20	504	509	507
Q4 20	508	518	513
Q1 21	502	512	507

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Oct-20	290	300	295
Nov-20	290	307	299
Dec-20	298	307	303
Jan-21	298	308	303
Q4 20	295	305	300
Q1 21	297	307	302

LME REBAR FOB TK			
	Bid	Ask	Value
Oct-20	442	452	447
Nov-20	454	464	459
Dec-20	454	452	453
Jan-21	440	419	430
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	503	492
Dec-20	481	501	491
Q4 20	481	501	491
Q1 21	471	491	481
Q2 21	466	486	476