



# Steel & Scrap Morning Report

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Good Morning,

## FOB China HRC

The index kept flat yesterday at US\$520/t, MTD US\$519.67/t.

Participants were watching closely at the outcome of the US election for the effect on the value of the US dollar and seaborne market sentiment. Coil supply in China was still tight with cargoes from north China slow to arrive. Some Pakistan buyers were targeting \$540/t cfr for SS400 HRC, but Chinese mills were holding positive outlooks and not willing to negotiate prices any further.

Major Chinese mills or traders were reluctant to receive orders below \$540/t cfr Vietnam for SAE1006 grade coils. Vietnamese buyers also lifted bids to \$530-535/t cfr Vietnam. Coils produced by a Russian mill was offered at \$525/t cfr Vietnam after deals done at \$520/t cfr Vietnam, for February shipment. (Argus)

## EHR

The benchmark northwest European index was stable at €511.50/t ex-works.

Despite tightening Covid-19 related restrictions across Europe, these are not anticipated to affect the steel industry in the near term, but could have implications for demand further down the road. Industrial activity will continue unrestricted and tightening supply will remain the main factor for any price increases.

Demand from steel service centres and pipe manufacturers is stable, as they struggle to find material with delivery for the next couple of months. While they are looking to buy, they are reluctant to commit to large tonnages, considering the lockdowns.

Strong automotive demand has meant producers have allocated larger volumes for the sector, but that is creating a very large spread between reported prices, especially in northern Europe. Other steel consuming segments have not seen the same resurgence in demand.

Some market participants question if automotive producers will be able to find outlets for their car production and as a result expect that there might be a build-up of stocks in the coming months. (Argus)

## Turkish Scrap

Turkish import scrap prices hold firm amid fresh bookings

Recyclers expected to target \$295-\$300/mt range in short-term

Expectations of firm November US and EU domestic scrap settlements

Deepsea Turkish import scrap prices remained firm, as Turkish mills were heard to book four further Deepsea cargoes at largely unchanged levels, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$294.25/mt CFR on Nov. 4, up 25 cents/mt on day. A US-origin cargo totaling 30,000 mt to an Iskenderun mill was booked on Nov. 3, with 17,000 mt HMS 1/2 (80:20) at \$296.50/mt CFR, 10,000 mt shredded scrap at \$301.50/mt CFR, and 3,000 mt bonus scrap at \$306.50/mt CFR. The deal was confirmed by both the buyer and seller. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	294.25	0.25	294.08
Steel Rebar FOB Turkey (\$/mt)	459.00	-1.00	458.00
Argus HRC NW Europe (€/mt)	511.00	-0.50	508.17
Argus FOB China HRC (\$/mt)	520.00	0.00	519.67

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Nov-20	518	528	523
Dec-20	515	525	520
Jan-21	513	518	516
Feb-21	509	519	514
Q1-21	505	515	510
Q2-21	495	505	500

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Nov-20	293	303	298
Dec-20	300	308	304
Jan-21	302	312	307
Feb-21	301	311	306
Q1-21	300	310	305
Q2-21	297	307	302

LME REBAR FOB TK			
	Bid	Ask	Value
Nov-20	455	465	460
Dec-20	457	467	462
Jan-21	456	466	461
Feb-21	456	466	461
Q1-21	456	466	461
Q2-21	451	461	456

BUSHELING			
	Bid	Ask	Value
Nov-20	302	312	307
Dec-20	317	327	322
Jan-21	323	333	328
Feb-21	326	336	331
Q1-21	324	334	329
Q2-21	317	327	322

US HRC USD/short ton			
	Bid	Ask	Value
Nov-20	693	703	698
Dec-20	688	698	693
Jan-21	670	680	675
Feb-21	647	657	652
Q1-21	651	661	656
Q2-21	622	632	627

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Nov-20	503	513	508
Dec-20	512	522	517
Jan-21	480	490	485
Feb-21	470	480	475
Q1-21	487	507	497
Q2-21	477	497	487