

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index kept flat yesterday at US\$553/t, MTD US\$534.36/t.

China's investment in property and fixed assets in October accelerated gains from September while crude steel output slowed from the record pace, according to China's bureau of statistics. A large Chinese mill kept offers unchanged at \$575/t fob for SS400 HRC late yesterday, citing a firm domestic market. Another Chinese mill also maintained offer at the same level after it sold coils at \$555/t fob last week.

Vietnam-based Hoa Phat was heard to be offering as low as \$545-550/t cif Vietnam for SAE grade coils, much lower than workable levels of \$570/t cfr Vietnam for coils from China and India. But Hoa Phat only offered to select customers to test the quality of its newly produced coils, which was not representative of the market. Still, that dampened buyers' sentiments and led them to be cautious to place orders at current levels. (Argus)

EHR CME

European hot-rolled coil (HRC) prices firmed further yesterday, as an almost complete lack of import offers for the first quarter meant domestic producers had a captive market.

Argus' daily benchmark northwest Europe HRC index increased by €5.75/t to €529.50/t ex-works, taking the month-to-date average to €515.27/t.

A lack of import alternatives, low stocks and extended domestic lead times continued to push prices upwards. A few weeks ago, many buyers expected the current uptrend to be a bubble and withheld their purchases as a result. But upon their return import prices are stronger, if anything, and European mills are pushing for further increases. Allocations for the first quarter are severely limited, meaning buyers must shop around with atypical suppliers to get enough tonnage.

A large Spanish buyer was being offered €565/t effective for commodity-grade material by a domestic mill at the end of last week. A mill reported selling at €520-530/t into Germany for small commodity-grade volumes, while buyers expected to pay similar levels after eastern European producers increased their offers. (Argus)

Turkish Scrap

Turkish heavy melting scrap rallies alongside surge in steel prices

HMS prices increase further

Suppliers indicate hikes

Turkish rebar prices strongly up

Turkish premium heavy melting scrap prices sustained a rally amid a strong upturn in steel pricing, market sources said Nov. 16. The market was characterized by bullish sentiment and anticipation of further price gains in the deep-sea scrap trade on the day. One booking of a UK-origin cargo, December shipment, 38,000 mt in total, consisting of HMS 1/2 (80:20) at \$318/mt CFR Iskenderun and shredded at \$323/mt, was widely cited by market participants. The deal was not confirmed by either the buyer or seller. A UK-based scrap supplier noted that a level of \$318/mt CFR was attractive for recyclers. This implied workable price levels for premium US and Baltic cargoes above \$320/mt CFR. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	320.50	8.00	302.05
Steel Rebar FOB Turkey (\$/mt)	487.00	7.00	466.50
Argus HRC NW Europe (€/mt)	529.50	5.75	515.23
Argus FOB China HRC (\$/mt)	553.00	0.00	534.36

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Nov-20	555	562	559
Dec-20	575	585	580
Jan-21	561	571	566
Feb-21	545	555	550
Q1-21	548	558	553
Q2-21	538	548	543

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Nov-20	310	320	315
Dec-20	338	348	343
Jan-21	336	346	341
Feb-21	327	332	330
Q1-21	327	337	332
Q2-21	319	329	324

LME REBAR FOB TK			
	Bid	Ask	Value
Nov-20	470	480	475
Dec-20	500	510	505
Jan-21	491	501	496
Feb-21	487	497	492
Q1-21	493	503	498
Q2-21	483	493	488

BUSHELING			
	Bid	Ask	Value
Nov-20	299	309	304
Dec-20	330	340	335
Jan-21	350	360	355
Feb-21	355	365	360
Q1-21	350	360	355
Q2-21	326	337	331

US HRC USD/short ton			
	Bid	Ask	Value
Nov-20	711	721	716
Dec-20	755	765	760
Jan-21	750	760	755
Feb-21	708	718	713
Q1-21	714	724	719
Q2-21	652	662	657

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Nov-20	520	530	525
Dec-20	530	540	535
Jan-21	534	541	538
Feb-21	520	527	524
Q1-21	505	525	515
Q2-21	490	510	500