

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index kept stable yesterday at US\$556/t, MTD US\$537.69/t.

A large Chinese mill sold 40,000t SAE grade coils at \$580/t cfr Vietnam this week, for February shipment. Chinese domestic selling prices for CRC is around Yn1,000/t (\$153/t) higher than HRC, that's the reason why China's supply for SAE grade coils is tighter as mills could directly roll it into CRC for a larger profit. Most Chinese mills have shifted to offer SAE grade coils for February shipment after several other deals being concluded at \$573-575/t cfr Vietnam for January shipment.

Another China mill sold a small quantity of SS400 HRC at \$570/t fob China this week to South America, but there is a premium of around \$5/t over common quantity transaction. Most seaborne buyers kept bids unchanged at \$552-555/t fob China as the supply for SS400 HRC is ample. (Argus)

EHR CME

The intensifying scramble for hot-rolled coil (HRC) is providing more leverage to European steelmakers, with spot buyers expecting to pay more for dwindling February and March supply than they did for January.

Argus' daily northwest EU HRC benchmark was static yesterday at €534.25/t ex-works, taking the month-to-date average to €518.19/t.

Some buyers were embarking on February-March discussions, having only just finalised January purchases. Spot purchases were reported today at about €530/t delivered base for January, and the next round of negotiations was expected to begin at closer to €540/t and above.

Offer validity has reduced to just a few hours, and supply quickly disappears if buyers do not react quickly enough. Most service centres bemoaned that they did not have more supply given brisk end-user demand. Mills and service centres were offering customers reduced allocations given the scarcity of supply, which increasingly fed the perception of product scarcity. Import offers were lacking, and those on the table were high. Cold-rolled coil (CRC) was offered into Antwerp at €660/t cif. (Argus)

Turkish Scrap

Turkish HMS prices rise amid robust demand from mills

Turkish heavy melting scrap pricing strengthened further on rising expected or concluded transaction values, as well as an ongoing rally in finished steel prices, market sources said Nov. 18. The price level \$330/mt CFR Turkey continued to be debated by market participants as possibly the next step in the uptrend. Offers at \$330/mt CFR for premium cargoes were cited by multiple sources during the week.

The latest reported bookings were already very close to \$330/mt CFR. A Baltic-origin cargo was sold at \$329/mt for HMS 1/2 (80:20) and \$339/mt for bonus material, CFR Marmara, confirmed by the seller. Another deal of the EU-origin was reported by market watchers at \$326.50/mt CFR Marmara for HMS 1/2 (80:20). A source close to the seller said no such deal had been done, however. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	325.00	2.50	305.38
Steel Rebar FOB Turkey (\$/mt)	495.00	5.00	470.50
Argus HRC NW Europe (€/mt)	534.25	0.00	518.15
Argus FOB China HRC (\$/mt)	556.00	0.00	537.69

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Nov-20	558	569	564
Dec-20	570	580	575
Jan-21	567	587	577
Feb-21	550	560	555
Q1-21	548	558	553
Q2-21	530	540	535

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Nov-20	312	322	317
Dec-20	350	360	355
Jan-21	348	358	353
Feb-21	335	345	340
Q1-21	336	346	341
Q2-21	328	338	333

LME REBAR FOB TK			
	Bid	Ask	Value
Nov-20	485	495	490
Dec-20	534	544	539
Jan-21	495	505	500
Feb-21	505	515	510
Q1-21	515	525	520
Q2-21	505	515	510

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	713	723	718
Dec-20	762	772	767
Jan-21	758	768	763
Feb-21	722	732	727
Q1-21	727	737	732
Q2-21	682	692	687

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Nov-20	520	530	525
Dec-20	540	550	545
Jan-21	534	541	538
Feb-21	520	527	524
Q1-21	525	545	535
Q2-21	510	530	520