

# FIS Steel & Scrap Morning Report

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Good Morning,

## FOB China HRC

The index rose by \$2/t yesterday to US\$558/t, MTD US\$539.14/t.

Market outlook remains bullish in China as the central government encourages local provinces to increase vehicle registration quotas further and promote auto sales and vehicle replacement in rural areas. A large Chinese mill lifted workable levels to \$560/t fob after selling out January shipment SS400 HRC at around \$555/t fob China this week. Another east China mill also increased offers by \$10/t to \$575-580/t fob after selling large amounts of coils.

A third Chinese mill was reported to have sold out February shipment SAE1006 grade coils at around \$575/t cfr Vietnam. Offers rose further to \$585-594/t cfr Vietnam for Chinese coils and \$600/t cfr Vietnam for coils from Japan and South Korea. Taiwanese mills were also mulling pushing offers up to \$590/t cfr Vietnam. (Argus)

## EHR CME

European hot-rolled coil (HRC) prices firmed yesterday as ArcelorMittal announced that it will be increasing its offer to €600/t base equivalent.

Security of supply was increasingly important for buyers — several large monthly buyers said they would be finalising negotiations earlier than anticipated because of the apparent upside. Argus' daily benchmark northwest EU HRC index rose by €1.75/t to €536/t (month-to-date €519.46/t).

Import offers were effectively absent to the north, while levels as high as €550/t cif were being discussed in southern Europe. Some buyers seemed ready to acquiesce, but supplying mills were constantly ramping up offers. Argus' weekly cif Italy HRC assessment jumped by €50/t to €535/t.

The supply shortage was even more tangible in the market. In Italy, one domestic mill was offering volumes for the first quarter. Small January lots were available, and it was seeking €525-530/t ex-works. Buyers reported yesterday that it was seeking €515/t ex-works but withdrew its price. (Argus)

## Turkish Scrap

Fresh deal takes Turkish HMS prices higher in bullish market

The ongoing revival in finished-steel demand continued to push Turkish heavy melting import prices up Nov. 19 to the levels seen last in February 2019, with market players believing the peak was yet to be reached in the current cycle, sources said. So far, S&P Global Platts daily HMS 1/2 (80:20) assessment reached \$331.50/mt CFR Turkey on Nov. 19, up \$6.50/mt on day and over \$20/mt on week.

The last price jump happened on account of one EU-cargo booked for January shipment at an average price \$332.50/mt CFR for total 43,000 mt mixed cargo consisting of 15,000 mt HMS 1/2 (75:25), 12,000 mt shredded, 12,000 mt bonus and 4,000 mt cuttings. The deal was confirmed by the seller. The average price implied a workable level for HMS 1/2 (80:20) premium quality at slightly above \$330/mt. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	331.50	6.50	307.25
Steel Rebar FOB Turkey (\$/mt)	500.00	5.00	472.61
Argus HRC NW Europe (€/mt)	536.00	1.75	519.43
Argus FOB China HRC (\$/mt)	558.00	2.00	539.14

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
Dec-20	330	340	335
Jan-21	350	360	355
Feb-21	355	365	360
Mar-21	346	356	351
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