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FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index rose by \$3/t yesterday (11.24.20) to US\$566/t, MTD US\$543.47/t.

Two major Chinese mills increased offers by \$10/t to \$580-585/t fob for SS400 HRC. Other mills kept offers unchanged at \$580-590/t fob, with most of them not willing to receive orders below \$570/t fob.

A large Chinese mill was reported to have sold around 5,000t of SAE1006 grade coils at \$594/t cfr Vietnam last week after another Chinese mill sold a similar cargo at \$585/t cfr Vietnam. Some limited Vietnamese buyers could even accept \$600/t cfr Vietnam for SAE1006 grade coils produced by larger mills after offers further increased to \$605/t cfr Vietnam from China, \$615/t cfr Vietnam from India, \$630/t cfr Vietnam from Taiwan and \$640/t cfr Vietnam from Japan and South Korea. (Argus)

EHR CME

The daily northwest EU HRC index rose by €1.25/t to €546.25/t ex-works

In northern Europe, another mill increased its offer to €570/t delivered to Germany for limited remaining first-quarter supply but failed to attract any demand. Buyers said they were able to buy at a maximum of €540/t delivered, on a dd11 basis, from first tier northwest European producers. One large mill offered at €600/t base from German and Spanish sites.

Some buyers expressed concern about the rapid price rise as they see parallels with 2008, and doubt that mills are as well booked as they suggest. Prices have risen quickly, as they did in 2008, but supply is clearly more constrained now than it was 12 years ago.

On the CME's North European HRC contract, December traded at €565/t for 1,000t. The forward curve is in contango until April, meaning forward prices are above the current spot market. Buyers are still in contractual talks with mills, which continue to ask for increases of €100/t or more compared with deals done for the second half of this year. (Argus)

Turkish Scrap

Turkish Import Scrap prices continue to firm at two-year high

US recyclers hold back

Turkish mills largely covered for Dec shipment

Deepsea Turkish import scrap prices continued to firm Nov. 24 as most US and Baltic recyclers were heard to hold back from active offering, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$339.50/mt CFR on Nov. 24, up \$3.25/mt day on day, to reach the highest level since Nov 1, 2018, when the index also sat at \$339.50/mt CFR. The index has jumped \$45.50/mt since the beginning of November, when it was at \$294/mt CFR on Nov. 2. "I don't think the Turkish mills are desperate for December shipment cargoes now, and will only buy if a good price is available," a Turkish trading source said, citing a tradable value for premium HMS 1/2 (80:20) at \$335-\$340/mt CFR, perhaps above \$340/mt CFR possible too. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	339.50	3.25	312.34
Steel Rebar FOB Turkey (\$/mt)	502.50	0.00	477.74
Argus HRC NW Europe (€/mt)	546.25	1.25	523.47
Argus FOB China HRC (\$/mt)	566.00	3.00	543.47

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Nov-20	545	555	550
Dec-20	565	575	570
Jan-21	555	565	560
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	313	323	318
Dec-20	365	375	370
Jan-21	363	373	368
Feb-21	350	360	355
Q1-21	351	361	356
Q2-21	331	341	336

LME REBAR FOB TK			
	Bid	Ask	Value
Nov-20	480	490	485
Dec-20	530	540	535
Jan-21	525	535	530
Feb-21	512	522	517
Q1-21	515	525	520
Q2-21	505	515	510

BUSHELING			
	Bid	Ask	Value
Dec-20	345	355	350
Jan-21	375	388	382
Feb-21	378	388	383
Mar-21	379	389	384
Q1-21	377	388	383
Q2-21	359	369	364

US HRC USD/short ton			
	Bid	Ask	Value
Nov-20	711	721	716
Dec-20	800	810	805
Jan-21	820	830	825
Feb-21	802	812	807
Q1-21	805	815	810
Q2-21	741	751	746

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Nov-20	520	530	525
Dec-20	565	573	569
Jan-21	563	570	567
Feb-21	553	560	557
Q1-21	525	545	535
Q2-21	510	530	520