

# FIS Steel & Scrap Morning Report

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## FOB China HRC

The index rose further by \$3/t yesterday to US\$569/t, MTD US\$544.89/t.

China Iron and Steel Industry Association mills produced an average of 2.11mn t/d crude steel over 11-20 Nov, down by 1.52pc from 1-10 Nov. Major Chinese mills kept offers unchanged and were reluctant to accept orders below \$570/t fob for SS400 HRC. South Korean buyers may lift bids soon given potential local supply as a result of POSCO's one BF accident although it resumed operation yesterday morning.

A large Chinese mill was reported to have sold a total of 20,000t of SAE1006 grade coils at \$603/t cfr Vietnam in the last couple of days. It was for full 2.0mm thickness coils which has a premium of around \$5/t over common thickness sales. Some traders with positional Chinese coils on hand offered at \$595-600/t cfr Vietnam, much lower than international mills' official offers of \$610-640/t cfr Vietnam. (Argus)

## EHR CME

The European hot-rolled coil (HRC) market remained firm yesterday, as a lack of import options bolstered mills and contracts were done at higher levels.

Argus' daily northwest EU HRC index rose by €0.50/t to €546.75/t, while the daily Italian index slipped by €1.75/t to €534.75/t.

In the north, most talk focused on contractual agreements. Deals have recently been finalised at €540-550/t with some buyers, while one mill now targets stronger levels after having hiked its offer to €600/t. The concluded deals are up by about €100/t compared with July-December 2020 agreements, a major coup for steelmakers after a turbulent few years. There were few arguments to use against the rises being sought by mills, buyers said.

Some buyers were eyeing the rapid increase in prices and becoming concerned with the similarities to 2008-09. The main difference now is the lack of stock in the system, as well as the availability of cheap capital.

Automotive demand remains firm, probably supported by strong Chinese demand. Service centres and others selling into the automotive sector were having difficulties securing sufficient volumes of supply, which was compounded by the lack of import offers. One said material that it had on order for January had already been pushed later into the quarter. (Argus)

## Turkish Scrap

Turkish Import scrap prices climb to 28-month high on further bookings

Recent domestic Turkish rebar and billet sales underpin market strength

Turkish mills expect \$350/mt CFR in short-term

Deepsea Turkish import scrap prices continued to climb as further European-origin sales were heard into Turkey, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$344.50/mt CFR on Nov. 25, up \$5/mt on day, to reach the highest level since July 9, 2018, when the index was at \$349/mt CFR. The index has now jumped \$50.50/mt since the beginning of November, having sat at \$294/mt CFR on Nov. 2. A UK-origin cargo was heard to be booked Nov. 24 by a Marmara mill, with HMS 1/2 (80:20) at \$341.50/mt CFR. The same Marmara mill was also heard to book a Benelux-origin cargo Nov. 24 at an average price of \$335/mt CFR. A second Benelux-origin cargo was heard booked Nov 24 by an Iskenderun mill with a cargo average price of \$341/mt CFR. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	344.50	5.00	314.13
Steel Rebar FOB Turkey (\$/mt)	515.00	13.00	479.81
Argus HRC NW Europe (€/mt)	546.75	0.50	524.76
Argus FOB China HRC (\$/mt)	569.00	3.00	544.89

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