

# FIS Steel & Scrap Morning Report

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Good Morning,

## FOB China HRC

The index rose by \$3/t yesterday to US\$572/t, MTD US\$546.32/t

HRC inventory at traders and mills' warehouses decreased by over 120,000t this week, even faster than last week, participants said. Two deals for small quantities of Chinese SS400 HRC were concluded at \$570-575/t fob this week. A Chinese mill sold same grade coils at \$585/t fob to South America, but it admitted that only limited buyers from South America could accept such a high level. In addition, the cargo was for January shipment and of a small volume, which could have accounted for the premium.

Another Chinese mill was heard to have sold SAE grade coils at \$590/t fob, yet no further details could be confirmed. Some traders with limited positional Chinese coils on hand were offering at only \$590/t cfr Vietnam, but they withdrew those low offers late yesterday after noticing the consecutive price rise. Certain Vietnamese buyers could accept \$620/t cfr Vietnam for coils from Japan, still much lower than its offer of \$640/t cfr Vietnam. (Argus)

## EHR CME

The differential between Italian hot-rolled coil (HRC) prices and northwest European HRC has tightened, with the worsening supply scarcity in the south raising the possibility it could trade at a premium.

The northwest European index was static at €446.75/t, leaving the differential at just €2/t — its lowest since Argus started publishing in February 2019.

Some steel service centres (SSCs) are reportedly purchasing HRC at parity or even above what they are able to sell processed sheets at. The HRC they are using for those sheets was purchased when the market was at its lowest, or just starting to pick up, but independent SSCs are targeting €620-630/t delivered. Mills were heard to have concluded contracts at a maximum of €600/t delivered, and in some instances below this — on par with some sales heard done for HRC by traders.

Buyers are fighting for supply, as limited allocations are to be released by mills closer to February, with some of their capacity already settled. The news of steelmaker ArcelorMittal's price increase has resulted in a lot of panicked scrambling for material, with buyers not even looking to negotiate if they find availability, according to traders. (Argus)

## Turkish Scrap

Turkish import scrap prices continue to surge on further ex-Baltic bookings

Three further ex-Baltic cargoes booked for Jan shipment

\$360/mt CFR for US-origin HMS 1/2 (80:20) possible

Deepsea Turkish import scrap prices rose further Nov. 26 as three Baltic-origin deals were heard into Turkey for January 2021 shipment, sources said.

S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$350/mt CFR on Nov. 26, up \$5.50/mt day on day, to reach the highest level since July 3, 2018, when the index was at \$352/mt CFR.

The index has now jumped a massive \$56/mt since the beginning of November, when it was at \$294/mt CFR on Nov. 2. A Baltic-origin cargo was booked on Nov. 25 by a Marmara mill, with HMS 1/2 (80:20) at \$350/mt CFR, shredded scrap at \$355/mt CFR, and bonus scrap at \$360/mt CFR.

A second Baltic-origin cargo was booked by a Samsun mill, with a cargo average price at \$353/mt CFR, and HMS 1/2 (80:20) valued about \$350/mt CFR. The cargo was for January 2021 shipment. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	350.00	5.50	316.01
Steel Rebar FOB Turkey (\$/mt)	520.00	5.00	481.92
Argus HRC NW Europe (€/mt)	546.75	0.00	525.92
Argus FOB China HRC (\$/mt)	572.00	3.00	546.32

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Nov-20	550	560	555
Dec-20	580	590	585
Jan-21	580	590	585
Feb-21	560	570	565
Q1-21	546	556	551
Q2-21	541	551	546

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Nov-20	312	322	317
Dec-20	380	390	385
Jan-21	378	388	383
Feb-21	365	375	370
Q1-21	366	376	371
Q2-21	346	356	351

LME REBAR FOB TK			
	Bid	Ask	Value
Nov-20	480	490	485
Dec-20	555	565	560
Jan-21	525	535	530
Feb-21	520	530	525
Q1-21	542	552	547
Q2-21	527	537	532

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