

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index rose by \$3/t last Friday to US\$575/t, MTD US\$547.75/t.

Several major Chinese mills further lifted offers by around \$5-10/t to \$590-600/t fob for SS400 HRC last Friday after deals were done at \$570-575/t fob China earlier last week. The profit for exported coils is around Yn 200/t higher than domestic sales after recent sharp price increase, participants said.

A Chinese mill was heard to have sold SAE grade coils as high as \$610/t cfr Vietnam to certain traders as the latter expect prices would keep rising this week. Traders with positional Chinese coils on hands also withdrew low offers of \$590/t cfr Vietnam and were reluctant to receive orders below \$600/t cfr Vietnam. Indian offers for SAE grade coils also followed suit to rise to \$620/t cfr Vietnam. (Argus)

EHR CME

Northwest European hot-rolled coil (HRC) prices jumped Friday as increasingly tonnage hungry customers were met with a worsening lack of availability.

Argus' daily benchmark northwest EU HRC index rose by €15.25/t — its largest ever jump — to €562/t ex-works, taking the month-to-date average to €527.75/t. The index is up by €60/t this month, and by €117.50/t since reaching a low of €384.50/t on 25 June.

Buyers reported paying as much as €580/t delivered to secure the limited spot tonnes available, with supply rapidly dwindling and the majority of mills closed for January-June and not offering for the next quarter. Mills said some buyers were submitting their specifications to lock in volume without even considering price, which has been a regular theme in the market recently.

One southern European producer was expected to increase its offer into Germany to €600/t delivered next week, from €580/t delivered. It had been selling spot in the €570-580/t delivered range into Germany and the Benelux and closed some January-June contracts at €540/t base. A German buyer negotiating its own contracts said it would be likely to have to settle in the €540-550/t range too — it had been offered April-arriving imported material at €580/t cfr, but said this was too high. Contractual availability was tight but should be sufficient to meet demand, the buyer said. (Argus)

Turkish Scrap

Turkish import scrap prices continue steep climb to 30-month high

Sharp increase in premium for shredded material

Three deepsea cargoes heard for Jan shipment

Deepsea Turkish import scrap prices rose further Nov. 27 as buyers' workable levels were heard higher 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 \$355/mt CFR on Nov. 27, up \$5/mt day on day, to reach the highest level since May 14, 2018, when the index was at \$357/mt CFR. The index has now jumped \$61/mt since the beginning of November, when it sat at \$294/mt CFR on Nov. 2. A UK-origin cargo was booked Nov. 27 by an Izmir mill, and was heard by Platts after the 4:30 pm London time deadline, with HMS 1/2 (80:20) at \$350/mt CFR, and shredded scrap at \$360/mt CFR. The deal was confirmed by the sell-side, and put value for premium HMS 1/2 (80:20) at about \$355/mt CFR. "All the signs are that scrap prices will go higher," a Turkish mill source said, citing a tradable value for premium HMS 1/2 (80:20) at \$350-\$355/mt CFR, with an expected US-origin offer level for HMS 1/2 (80:20) at \$360-\$365/mt CFR. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	355.00	5.00	317.96
Steel Rebar FOB Turkey (\$/mt)	525.00	5.00	484.08
Argus HRC NW Europe (€/mt)	562.00	15.25	527.73
Argus FOB China HRC (\$/mt)	575.00	3.00	547.75

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	375	385	380
Jan-21	373	383	378
Feb-21	365	375	370
Q1-21	364	374	369
Q2-21	344	354	349

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	534	544	539

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