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# FIS Steel & Scrap Morning Report

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Good Morning,

#### **FOB China HRC**

The index rose by \$2/t yesterday to US\$577/t, MTD US\$549.14/t.

China's steel PMI rose by 3.5 points to 49.3 in November for its second on-month gain since May, the CSLPC said. A large Chinese mill hiked its offer by \$15/t to \$605/t fob for SS400 HRC, February shipment. Another Chinese mill also increased offer by \$20/t to \$590/t fob, but that was for April shipment. Other Chinese mills would announce new weekly offers today.

Vietnamese buyers increased bids to as high as \$600/t CFR Vietnam for SAE1006 grade coils after witnessing higher offers of \$610-640/t CFR Vietnam. But even traders with positional Chinese coils on hands were reluctant to receive orders below \$605/t CFR Vietnam. SAE grade coils supply remained tight with some traders were even actively inviting bids for March shipment coils from China, South Korea and Japan. (Argus)

#### **EHR CME**

European hot-rolled coil (HRC) markets remained firm yesterday, underpinned by domestic supply scarcity and an ongoing lack of alternatives.

Argus' daily Italian HRC index rose by €4/t to €453/t ex-works, while the daily northwest EU HRC index was unchanged at €562/t.

Traders with material for December and January deliveries were able to achieve hefty premiums given the supply crunch, with most out of material for this year.

Despite talk of Italian mills being overbooked and sold out for the first quarter, all have confirmed to have availability for February, albeit at different levels, with some able to supply only limited amounts. Mills are withholding offers from the market in anticipation of higher prices in the next weeks and in January. Market participants see no change in the underlying dynamics and expect the tightness in supply to support prices at least until mid-January. (Argus)

### **Turkish Scrap**

Turkish import scrap prices continue to move higher

Mills see elevated shredded scrap premium over HMS 1/2 (80:20) as 'temporary' Expectations rise of return of Chinese import demand for ferrous scrap early 2021

Deepsea Turkish import scrap prices rose further as buyers' workable levels continued to move higher, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$357.50/mt CFR on Nov. 30, up \$2.50/mt on the day, to reach the highest level since May 9, 2018, when the index was at \$359.50/mt CFR. The index has now jumped a hefty \$63.50/mt since the beginning of November, when the index sat at \$294/mt CFR on Nov. 2. "Maybe \$360/mt CFR won't work today for mills but it can do later this week. And if they pay \$360/mt CFR today, it will go higher," a Turkish agent source said, adding that some US recyclers were still waiting for US domestic settlements for December to begin before offering cargoes into Turkey for January shipment. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	357.50	2.50	319.85
Steel Rebar FOB Turkey (\$/mt)	530.00	5.00	486.26
Argus HRC NW Europe (€/mt)	562.00	0.00	529.36
Argus FOB China HRC (\$/mt)	577.00	2.00	549.14

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Dec-20	580	590	585
Jan-21	580	590	585
Feb-21	560	570	565
Mar-21	561	545	553
Q1-21	556	566	561
Q2-21	556	566	561

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Dec-20	375	385	380
Jan-21	373	383	378
Feb-21	365	375	370
Mar-21	355	365	360
Q1-21	364	374	369
Q2-21	344	354	349

LME REBAR FOB TK			
	Bid	Ask	Value
Dec-20	555	565	560
Jan-21	525	535	530
Feb-21	520	530	525
Mar-21	528	538	533
Q1-21	520	530	525
Q2-21	519	529	524

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
Dec-20	790	800	795
Jan-21	835	845	840
Feb-21	820	830	825
Mar-21	805	815	810
Q1-21	820	830	825
Q2-21	746	756	751

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