

# 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   |