## Steel & Scrap Morning Report

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Good Morning,

## **FOB China HRC**

The index rose by \$2/t last Friday (12.4.20) to US\$594/t, MTD US\$590/t.

Two northern China mills pushed up offers to \$610-620/t fob last Friday for SS400 HRC after deals were done at \$590-595/t fob. Demand from South America was strong with some buyers accepting as high as \$600/t fob China. The continued appreciation of the Chinese yuan has given firm support to export prices.

A deal for 10,000t SAE1006 grade coils produced by a Chinese mill was reported to be concluded at \$635/t cfr Vietnam after another 20,000t Chinese SAE grade coils being sold at \$620/t cfr Vietnam earlier last week. Vietnamese stockists were active in restocking, while end users were more cautious before receiving new offers from local-based Formosa Ha Tinh. (Argus)

## EHR CME

Luxembourg-based steelmaker ArcelorMittal increased offers for hot-rolled coils (HRC) for April deliveries onwards today to €650/t ex-works across all European plants.

The producer will target €750/t ex-works for galvanised material.

The last price increase, on 19 November, pegged offers at €600/t ex-works and €700/t, respectively.

But the uptrend in prices, supported by supply tightness across the continent, is giving confidence to the mill it will be able to reach higher levels for the second quarter.

The supply scarcity has been brought on the market by reduced production after the initial outbreak of Covid-19 and subsequent lockdowns, and exacerbated by import restrictions such as the safeguards, and the European Commission's anti-dumping and anti-subsidy investigations on Turkish HRC.

This coincided with a revival of demand, especially from the automotive industry, after production stops in spring and early summer, which led to reduced car inventories into the autumn. (Argus)

## **Turkish Scrap**

Turkish import scrap prices continue to strengthen amid strong mill margins

Turkish rebar-scrap spread hits 8-month high

Sources expect \$370/mt CFR to be achievable in near-term

Deepsea Turkish import scrap prices rose further, as firm rebar sales at higher prices prompted mills to raise workable scrap levels, sources said.

S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$365/mt CFR on Dec. 4, up \$4/mt on the day to reach the index's highest level since March 27, 2018, when the price was \$369/mt CFR.

"The offers would be at \$365/mt CFR for Europe, \$370/mt CFR for Baltic material but the problem is there is no offer as far as I know — the sell side stepped back," a Turkish mill source said, citing a tradable value for premium HMS 1/2 (80:20) at \$365/mt CFR. "The \$540/mt FOB rebar level supports maximum \$380/mt CFR, so there is room to go up for scrap," the mill source added.(Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	365.00	4.00	361.38
Steel Rebar FOB Turkey (\$/mt)	540.00	6.00	534.13
Argus HRC NW Europe (€/mt)	575.00	0.00	571.88
Argus FOB China HRC (\$/mt)	594.00	2.00	590.00

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Dec-20	595	605	600
Jan-21	590	600	595
Feb-21	560	570	565
Mar-21	555	545	550
Q1-21	550	560	555
Q2-21	550	560	555

LME REBAR FOB TK			
	Bid	Ask	Value
Dec-20	550	560	555
Jan-21	545	555	550
Feb-21	525	535	530
Mar-21	520	530	525
Q1-21	512	522	517
Q2-21	512	522	517

US HRC USD/short ton			
	Bid	Ask	Value
Dec-20	806	816	811
Jan-21	860	870	865
Feb-21	835	845	840
Mar-21	816	826	821
Q1-21	837	847	842
Q2-21	754	764	759

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Dec-20	385	395	390
Jan-21	380	390	385
Feb-21	365	375	370
Mar-21	350	365	358
Q1-21	366	376	371
Q2-21	341	351	346

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

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

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