



# Steel & Scrap Morning Report

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Good Morning,

## FOB China HRC

The index rose by \$8/t on Tuesday to US\$637/t, MTD US\$608.09/t.

Mainstream offers for SS400 coil from Chinese mills increased to \$670-680/t fob for February and March shipment with only limited lower offers at \$640/t fob for March and April shipment. Most seaborne buyers have not followed up the offer level yet. Vietnam-based Formosa Ha Tinh (Formosa) lifted its monthly offer by \$95/t to \$652.50/t cif Vietnam for SS400 HRC, which is considered as a competitive price in the southeast Asian markets.

Formosa also increased its monthly offer by \$95/t to \$652-661/t cif Vietnam for SAE grade coils for February and March shipments. Vietnamese buyers are predicted to restock actively from Formosa considering the competitive offers, as there are no signs of any price cut from other countries amid tight international supply for SAE grade coils and strong Vietnamese demand. (Argus)

## EHR CME

Carmakers signed base grade HDG deals for €550-600/t depending on the supplier — at a large discount to Argus' northwest European hot-rolled coil (HRC) index, which was up €3.50/t yesterday to €638.50/t (month-to-date €602/t).

The annual automotive deals are much more divorced from the spot market than contractual deals between mills and general industry buyers. High extras for auto-grade HDG provide a margin for mills, even at these levels. Nevertheless, the deals look peculiar when service centres are now being offered base grade material above €800/t. One buyer was offered an opportunistic €950/t effective for HDG of late, which was declined. (Argus)

## Turkish Scrap

Turkish HMS prices climb; supply limited, demand high

Turkish import scrap pricing strengthened Dec. 15 further on lower availability of material from suppliers and so far strong interest from Turkish buyers in securing new cargoes, sources said. A trading company reported a sale of 15,000 mt heavy melting scrap and 5,000 mt bonus at prices, respectively, \$421/mt and \$431/mt, both CFR Marmara. The material was to be shipped from stock in Western Europe. Another cargo was heard to have been sold from Benelux at \$422/mt CFR Aliaga on Dec. 14, a trader said. Platts put its daily Turkish imported HMS 1/2 (80:20) assessment at \$427.50/mt CFR Turkey, up \$7/mt on day. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	427.50	7.00	385.82
Steel Rebar FOB Turkey (\$/mt)	607.50	0.00	560.14
Argus HRC NW Europe (€/mt)	638.50	3.50	601.57
Argus FOB China HRC (\$/mt)	637.00	8.00	608.09

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Dec-20	620	630	625
Jan-21	655	665	660
Feb-21	630	640	635
Mar-21	590	545	568
Q1-21	610	620	615
Q2-21	555	565	560

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Dec-20	402	409	406
Jan-21	425	435	430
Feb-21	415	425	420
Mar-21	420	430	425
Q1-21	420	430	425
Q2-21	395	405	400

LME REBAR FOB TK			
	Bid	Ask	Value
Dec-20	473	483	478
Jan-21	615	625	620
Feb-21	600	610	605
Mar-21	590	600	595
Q1-21	600	610	605
Q2-21	550	560	555

BUSHELING			
	Bid	Ask	Value
Dec-20	345	355	350
Jan-21	446	456	451
Feb-21	435	445	440
Mar-21	427	437	432
Q1-21	436	446	441
Q2-21	402	412	407

US HRC USD/short ton			
	Bid	Ask	Value
Dec-20	848	858	853
Jan-21	946	956	951
Feb-21	943	953	948
Mar-21	908	918	913
Q1-21	929	939	934
Q2-21	831	841	836

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Dec-20	591	601	596
Jan-21	635	645	640
Feb-21	641	651	646
Mar-21	525	545	535
Q1-21	528	548	538
Q2-21	500	520	510