

# FIS Steel & Scrap Morning Report

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Good Morning,

## FOB China HRC

The index rose by \$4/t on Wednesday to US\$641/t, MTD US\$610.83/t.

A north China producer sold around 10,000t SS400 HRC at \$640/t fob this week and withdrew offers from the market after the deal. Mainstream offers from Chinese mills reached to \$670-675/t fob with limited room left for price negotiation amid the bullish market sentiment. Chinese mills were also heard reducing shipments to domestic market in hopes of higher margins, several participants noted.

Some deals for SAE grade coils were concluded at \$662-665/t cfr Vietnam this week for Chinese origin HRC. Formosa offers were competitive at \$652-661/t cif Vietnam, but the mill cannot fulfill Vietnamese end-users' demand and Chinese prices were still the lowest compared with other countries. A Chinese mill rose offers to \$705-710/t cfr Vietnam for SAE grade coils, still lower than offers of \$720/t cfr Vietnam from Japan and South Korea. (Argus)

## EHR CME

Argus' daily northwest EU HRC index rose by €1.50/t to €640/t ex-works. While buyers were paying more to secure April-May HRC supply, they were also concerned about price developments headed into the second quarter given the potential of increased domestic and import supply — service centres fear real demand next year will not be as strong as suggested by rampant apparent buying in the last few weeks. It was clear from lead times and extended delays that mills were well booked and had no spare capacity — even output coming back online in the next few months could be sold already, given the current market tightness.

The 2021 calendar year deals that we have observed between mills and OEMS are, for the most part, up €100/t plus on the same deals for this year. Some carmakers are looking to shorten terms to avoid locking in at what they perceive the top of the market. On that note, HDG is still very tight — some NW mills have just pulled all offers and walked away mid-negotiation. Latest HRC deals in the north were done around €635-640/t base. (Argus)

## Turkish Scrap

Turkish scrap import prices gain on availability concerns

Turkish ferrous scrap imported prices showed more gains amid buyers' lasting concerns about the availability of scrap in the coming weeks, sources said on Dec. 16. Turkish ferrous scrap imported prices showed more gains amid buyers' rising concerns about the availability of scrap, sources said on Dec. 16.

S&P Global Platts daily HMS 1/2 (80:20) assessment reached \$435/ mt CFR Turkey on Dec. 16, up \$7.50/mt on day. The most recent sale of heavy melting scrap 1/2 (80:20) was concluded at \$435/mt CFR Iskenderun, 25,000 mt, Baltic-origin. The cargo also included 5,000 mt of bonus material priced at \$445/mt CFR. According to a market participant, the shipment was in the first half of February.

A Turkish steelmaker said he was not surprised to see another jump in pricing following earlier European cargoes reported at \$421 \$422/mt CFR. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	435.00	7.50	389.92
Steel Rebar FOB Turkey (\$/mt)	610.00	2.50	564.29
Argus HRC NW Europe (€/mt)	640.00	1.50	604.77
Argus FOB China HRC (\$/mt)	641.00	4.00	610.83

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Dec-20	620	630	625
Jan-21	652	662	657
Feb-21	625	635	630
Mar-21	600	545	573
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