



# Steel & Scrap Morning Report

London +44 20 7090 1120 | info@freightinvestor.com | www.freightinvestorservices.com

Good Morning,

## FOB China HRC

The index rose by \$10/t last Friday (12.18.20) to US\$658/t, MTD US\$616.86/t.

Steel price outlooks firmed with Asia still at a wide discount to EU and US prices and supply tightness showing no signs of easing. A South Korean mill was heard offering as high as \$850/t fob for SS400 HRC to the US, or a \$970/t cfr US equivalent. Two Chinese mills hiked offers by \$20/t and \$30/t respectively last Friday to \$662-700/t fob for SS400 HRC after witnessing sharp price increase in China.

A total tonnage of 30,000t SAE1006 grade coils produced by Japanese mills sold at \$700/t cfr Vietnam last week, for March shipment. A positional cargo of 10,000t SAE grade Chinese coils was concluded at \$680/t cfr Vietnam last week, for February shipment. (Argus)

## EHR CME

European coil prices firmed again Friday, on short supply and buy-side concern about securing supply.

Argus' daily northwest EU hot-rolled coil (HRC) index rose by €10.75/t to €654/t ex-works, while the daily Italian HRC index increased by €9.50/t to €647/t.

Russian HRC was sold into Antwerp at €645/t fca, as buyers sought to secure sufficient material. There was a more noticeable shortage of hot-dip galvanised (HDG) and cold-rolled coil (CRC) after one Benelux-based producer again pulled offers and was trying to renegotiate or cancel first-quarter deliveries. This was rippling throughout the supply chain as it left some large service centres short of material.

German mills were not in the market for DC01 CRC, further exacerbating the supply tightness. German buyers were ready to pay as much as €800/t base delivered for southern European CRC and HDG, in line with ArcelorMittal's recent €800/t offer for April-deliveries of HDG but on shorter lead-times. (Argus)

## Turkish Scrap

Turkish scrap trade pauses but sentiment remains bullish

No new deals

Offers indicated higher

Lack of US offers in the market

After a week of trades and price jumps, the Turkish ferrous scrap imports market paused on Dec. 18, while more activity and possibly further price upside was anticipated in the remainder of the year, sources said. In the week starting Dec. 14, market players saw heavy melting scrap prices climbing daily at rarely seen speed. S&P Global Platts daily HMS 1/2 (80:20) daily assessment reached \$450/mt CFR on Dec. 18, up \$6/mt on day and \$40/mt on week. The last deep-sea deal was reported on Dec. 17 at \$450/mt for HMS 1/2 (80:20) CFR Samsun, February shipment, Baltic-origin. A trader heard chatter about transactions at \$460/mt CFR Turkey. However, other sources did not confirm whether the talk referred only to speculations or real deals. Some offers were indicated at \$455/mt CFR Turkey, for premium Baltic cargoes. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	450.00	6.00	402.22
Steel Rebar FOB Turkey (\$/mt)	620.00	10.00	576.19
Argus HRC NW Europe (€/mt)	654.00	10.75	614.27
Argus FOB China HRC (\$/mt)	658.00	10.00	619.63

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Dec-20	630	640	635
Jan-21	680	690	685
Feb-21	655	665	660
Mar-21	635	545	590
Q1-21	610	620	615
Q2-21	555	565	560

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Dec-20	415	424	420
Jan-21	449	459	454
Feb-21	430	440	435
Mar-21	420	430	425
Q1-21	433	443	438
Q2-21	408	418	413

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	870	880	875
Jan-21	980	990	985
Feb-21	960	970	965
Mar-21	950	960	955
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