

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index kept flat yesterday at US\$661/t, MTD US\$661/t.

Most major Chinese mills did not announce new weekly offers yesterday, except one kept offers unchanged at \$710/t fob for April shipment SS400 HRC. Limited traders with positional cargoes on hand offered much lower at \$660/t cfr Vietnam, but no deals were concluded.

A Chinese mill offered at \$695/t cfr Vietnam for pipe-making SAE grade coils. That was much lower than offers at \$720-770/t cfr Vietnam for coils from other mills. Traders with positional SAE grade coils on hand cut offers to \$685-690/t cfr Vietnam, inducing bids at \$670-675/t cfr Vietnam. Some deals were heard concluded at \$660-685/t cfr Vietnam last week before the New Year holiday. (Argus)

Turkish Scrap

Turkish Deepsea import scrap prices are expected to remain at largely elevated levels over the first quarter of 2021, amid firm mill order books and expected increases in US and EU domestic January scrap contracts, sources say.

S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$482.50/mt CFR on Jan. 4, up \$5/mt from Dec. 31, to reach its highest level in almost 10 years. The index was last assessed higher at \$490/mt CFR on Jan. 31, 2011.

"Scrap prices should continue upwards but not as sharply as before," a Turkish mill source said, adding that Chinese steel futures "looked positive."

The LME scrap forward curve over January-March contracts is in sharp backwardation, with January contracts assessed by Platts at \$478.75/mt on Jan. 4, and March contracts at \$442/mt on Jan. 4, suggesting future traders' expect some softening in physical prices in the near-term, but prices are expected to remain sharply above the 2020 average price of \$286.75/mt CFR. (Platts)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,009/st EXW Indiana Jan. 4, down 25 cents from Dec. 31.

A Midwest service centre source indicated a tradable value of \$1,000-\$1,050/st but emphasized the difficulty of finding a mill that would quote a spot inquiry. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	482.50	0.00	482.50
Steel Rebar FOB Turkey (\$/mt)	640.00	0.00	640.00
Argus HRC NW Europe (€/mt)	664.50	0.00	664.50
Argus FOB China HRC (\$/mt)	661.00	0.00	661.00

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jan-21	665	680	673
Feb-21	650	660	655
Mar-21	632	642	637
Apr-21	625	635	630
Q1-21	650	660	655
Q2-21	605	615	610

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jan-21	475	490	483
Feb-21	455	465	460
Mar-21	435	450	443
Apr-21	405	415	410
Q1-21	400	467	433
Q2-21	400	420	410

LME REBAR FOB TK			
	Bid	Ask	Value
Jan-21	650	660	655
Feb-21	632	642	637
Mar-21	617	627	622
Apr-21	633	643	638
Q1-21	550	560	555
Q2-21	587	597	592

BUSHELING			
	Bid	Ask	Value
Jan-21	480	500	490
Feb-21	480	500	490
Mar-21	475	495	485
Apr-21	465	485	475
Q1-21	453	470	462
Q2-21	389	399	394

US HRC USD/short ton			
	Bid	Ask	Value
Jan-21	1005	1015	1010
Feb-21	995	1005	1000
Mar-21	960	970	965
Apr-21	915	925	920
Q1-21	967	977	972
Q2-21	987	997	992

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jan-21	670	690	680
Feb-21	655	675	665
Mar-21	640	660	650
Apr-21	660	670	665
Q1-21	655	675	665
Q2-21	600	620	610