FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index rose by $1/t last Friday (1.8.21) to US$661/t, MTD US$660.40/t.

The price rises in China last week and potential of tighter supply under the rising Covid-19 cases in north China led mills and traders with positional cargoes on hand withdraw low selling prices. A north China mill sold small tonnages of SS400 HRC at $720/t fob last week to South America. Vietnam-based Formosa increased its offers by $65/t to $715-720/t cif Vietnam for SS400 HRC late last Friday.

A deal for 5,000t of positional SAE1006 grade coils produced by a large Chinese mill was concluded at $685/t cfr Vietnam last Friday. Several other deals for over 10,000t of same grade positional Chinese coils were concluded at $680-688/t cfr Vietnam last week. Traders lifted selling prices to above $675/t cfr Vietnam on higher Chinese steel prices and limited availability of positional coils. Formosa lifted its offers to $717-729/t cif Vietnam for SAE grade coils. (Argus)

Turkish Scrap

Turkish mills have continued to book Deepsea import scrap purchases at incrementally higher prices, despite continued concern over end product demand, sources said Jan. 8.

S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Jan. 8 at $481.25/mt CFR, up $2.25/mt on day.

A US-origin cargo was heard by multiple sources to be booked Jan. 7 by a Marmara mill, with HMS 1/2 (80:20) at $481/mt CFR, for February shipment.

A Benelux-origin cargo was heard to be booked by an Izmir mill, with HMS 1/2 (75:25) at $471.50/mt CFR, and bonus scrap at $486.50/mt CFR, for February shipment. Value for premium HMS 1/2 (80:20) was put by sources at $481.50/mt CFR relative to the cargo.

Market chatter of a second EU-origin cargo booked by the same Izmir mill was heard after the 4.30 pm London deadline, with HMS 1/2 (75:25) put at around $470-$472/mt CFR but was unconfirmed. Another cargo was also heard to be booked by an Iskenderun mill at $476/mt CFR for HMS 1/2 (80:20) but was also unconfirmed. (Platts)

EHR CME

Northwest European steelmakers are trying to reduce contractual tonnages to cold-rollers and service centres given the strong upswing in spot hot-rolled coil (HRC) prices since the deals were finalised.

Mills are forcing buyers to submit specifications immediately, or face losing tonnes or receiving reduced allocations. Buyers believe the mills are looking to funnel more tonnes into the booming spot market. Market leader ArcelorMittal has increased its offer for HRC to €730/t for second quarter deliveries, up by €30/t. It also upped its cold-rolled coil (CRC) offer to €820/t and hot-dip galvanised to €850/t. (Argus)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey ($/mt)	481.25	2.25	480.75
Steel Rebar FOB Turkey ($/mt)	640.00	0.00	640.00
Argus HRC NW Europe (€/mt)	679.25	10.50	668.20
Argus FOB China HRC ($/mt)	661.00	1.00	660.40

LME HRC FOB TIANJIN CHINA USD/mt	Bid	Ask	Value
Jan-21	675	690	683
Feb-21	675	685	680
Mar-21	660	670	665
Apr-21	640	660	650
Q1-21	671	681	676
Q2-21	645	655	650

LME HMS 80:20 CFR TK	Bid	Ask	Value
Jan-21	480	495	488
Feb-21	480	495	488
Mar-21	460	475	468
Apr-21	445	455	450
Q1-21	425	486	455
Q2-21	425	445	435

LME REBAR FOB TK	Bid	Ask	Value
Jan-21	665	675	670
Feb-21	655	665	660
Mar-21	645	655	650
Apr-21	620	630	625
Q1-21	655	665	660
Q2-21	615	625	620

BUSHELING	Bid	Ask	Value
Jan-21	505	515	510
Feb-21	505	515	510
Mar-21	510	530	520
Apr-21	505	525	515
Q1-21	503	523	513
Q2-21	480	500	490

US HRC USD/short ton	Bid	Ask	Value
Jan-21	1075	1085	1080
Feb-21	1110	1120	1115
Mar-21	1060	1070	1065
Apr-21	1015	1025	1020
Q1-21	1082	1092	1087
Q2-21	955	965	960

NWE HRC EUR/metric ton	Bid	Ask	Value
Jan-21	670	690	680
Feb-21	685	705	695
Mar-21	675	695	685
Apr-21	650	670	660
Q1-21	677	697	687
Q2-21	610	630	620