

# FIS Steel & Scrap Morning Report

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Good Morning,

## FOB China HRC

The index fell by \$3/t yesterday (1.11.21) to US\$658/t, MTD US\$660/t.

Sentiment in China turned negative from the spread of Covid-19 cases in north China's Hebei province. A large Chinese mill cut its offer to \$720/t fob for SS400 HRC after two weeks absence of offers. However, that level remained much higher than other mills' or traders' offers at \$670-680/t fob. Some traders even offered at \$642/t fob China for positional coils after a deal for small quantity of coils sold at the same level last week, which was not representative of the mainstream market levels.

A deal for 10,000t positional Chinese SAE1006 grade coils sold at \$690/t cfr Vietnam last week. Offers were almost unchanged at \$690-740/t cfr Vietnam from China and \$790/t cfr Vietnam from a South Korean mill. (Argus)

## Turkish Scrap

Turkish mills were heard to book further Deepsea import scrap cargoes, despite continued concern over both domestic and export rebar demand, sources said.

S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Jan. 11 at \$482/mt CFR, up 75 cents/mt on day.

A US-origin cargo totaling 29,000 mt was booked Jan. 8 by an Iskenderun mill, with HMS 1/2 (90:10) at \$485/mt CFR, and shred, PNS material both at \$492/mt CFR, for end-February shipment. Value for premium HMS 1/2 (80:20) relative to the cargo was put at \$482/mt CFR.

Market sources also cited four EU-origin deals heard to be booked by Turkish mills over Jan. 6-7, including two reported sales from a Benelux recycler at \$472/mt CFR for HMS 1/2 (80:20) to two Marmara mills.

"The EU sellers are now well covered for February shipment, looking at what's been sold, but now the Turks almost fully open for March shipment," an EU recycler said. "They may look to test prices for March shipment, but I don't see any price collapse happening, as the supply situation is still difficult for Turkey." (Platts)

## EHR CME

Northwest European hot-rolled coil (HRC) prices continued to rise yesterday on limited supply, but buyers were wary of an increase in import offers and some domestic deliveries being ready earlier than anticipated.

Argus' daily northwest EU HRC index rose by €9.25/t to €688.50/t.

One buyer said material ordered for March was ready for delivery now, which seems at odds with talk of extended lead times. One German steelmaker was booked until May-June, while another large producer was reportedly sold out for the second quarter — some said it was 80,000-90,000 t/month short of HRC for the German market until July.

The return of European capacity remained a concern. ArcelorMittal is restarting the 2.3mn t/yr blast furnace B at its Gent site in Belgium early in February, according to industry sources, and ramping up its small Sestao electric arc furnace, which produces high-quality material. Other mills are also looking to increase output, while NLMK La Louviere will be back producing after a maintenance stoppage. (Argus)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	482.00	0.75	480.96
Steel Rebar FOB Turkey (\$/mt)	642.50	2.50	640.42
Argus HRC NW Europe (€/mt)	688.50	9.25	671.58
Argus FOB China HRC (\$/mt)	658.00	-3.00	660.00

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jan-21	650	660	655
Feb-21	660	670	665
Mar-21	640	650	645
Apr-21	640	660	650
Q1-21	650	660	655
Q2-21	645	655	650

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jan-21	475	485	480
Feb-21	470	480	475
Mar-21	450	460	455
Apr-21	425	435	430
Q1-21	425	475	450
Q2-21	425	445	435

LME REBAR FOB TK			
	Bid	Ask	Value
Jan-21	640	650	645
Feb-21	650	660	655
Mar-21	625	635	630
Apr-21	600	610	605
Q1-21	638	648	643
Q2-21	615	625	620

BUSHELING			
	Bid	Ask	Value
Jan-21	485	505	495
Feb-21	485	505	495
Mar-21	515	530	523
Apr-21	505	520	513
Q1-21	505	520	513
Q2-21	485	500	493

US HRC USD/short ton			
	Bid	Ask	Value
Jan-21	1063	1073	1068
Feb-21	1108	1118	1113
Mar-21	1068	1078	1073
Apr-21	1023	1033	1028
Q1-21	1080	1090	1085
Q2-21	979	989	984

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