

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index decreased by \$1/t last Friday (1.15.21) to US\$651/t, MTD US\$657.40/t.

Market sentiment in China strengthened from US President-elect Joe Biden's \$1.9 trillion stimulus package last Friday. The market also gained support from announced maintenance and output curbs. More mills in north China's Hebei province planned to scale back output as a result of raw material shortage caused by local traffic lockdowns to stop the spread of Covid-19.

But traders with positional coils on hand offered lower to liquidate cargoes on hands, fearing a price fall may happen this week. A deal for SS400 HRC was heard concluded at \$640/t cfr Vietnam last week, but most participants deemed that was no representative of the mainstream market level and offers were much higher at \$670-680/t fob China. (Argus)

EHR CME

Northwest European hot-rolled coil (HRC) buyers were increasingly worried about the sustainability of current price levels on Friday after purchasing at high levels.

Argus' daily benchmark NW EU HRC index nudged up by €0.50/t to €718.50/t.

A softer tone in scrap prices and competitive Chinese offers into Turkey and elsewhere worried service centres, despite Chinese export offers moving up lately to \$670-680/t fob. Buyers also noted a gradual increase in availability from some domestic mills that had been absent; they were only drip-feeding tonnes into the market, however, to keep buyers hungry. Output cuts in the automotive sector, driven by a shortage of semiconductors, also concerned buyers as strong demand from car makers has been a leading driver of the recent increases (Argus)

Turkish Scrap

Turkish Deepsea import scrap prices drop sharply to three-week low

Trend may allow recyclers to cut collection prices

Shortsea deals heard sharply lower

Turkish Deepsea import scrap prices fell sharply, as mills lowered workable levels amid poor rebar demand and recyclers pulled offers back amid negative sentiment, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Jan. 15 at \$459.50/mt CFR, down \$15/mt on day.

One Turkish mill source cited an indicative tradable value for premium HMS 1/2 (80:20) at around \$450-\$455/mt CFR, while a second Turkish mill source said market value was around \$460/mt CFR. "The [scrap] market was up in a very short time over December, and the mills waited for three weeks to find [rebar, billet] demand in domestic and export markets [at elevated prices]," the first Turkish mill source said. "The number of scrap offers are increasing so to support \$480-\$482/mt CFR is impossible – we expect \$435-\$450/mt CFR in near-term." (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	459.50	-15.00	477.83
Steel Rebar FOB Turkey (\$/mt)	640.00	-5.00	641.75
Argus HRC NW Europe (€/mt)	718.50	0.50	685.10
Argus FOB China HRC (\$/mt)	651.00	-1.00	657.40

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jan-21	645	665	655
Feb-21	650	660	655
Mar-21	640	650	645
Apr-21	610	620	615
Q1-21	647	657	652
Q2-21	620	630	625

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jan-21	460	470	465
Feb-21	450	465	458
Mar-21	445	460	453
Apr-21	425	435	430
Q1-21	410	463	437
Q2-21	410	420	415

LME REBAR FOB TK			
	Bid	Ask	Value
Jan-21	635	645	640
Feb-21	632	642	637
Mar-21	620	630	625
Apr-21	605	615	610
Q1-21	629	639	634
Q2-21	580	590	585

BUSHELING			
	Bid	Ask	Value
Jan-21	505	520	513
Feb-21	505	520	513
Mar-21	505	520	513
Apr-21	495	510	503
Q1-21	497	512	504
Q2-21	479	494	486

US HRC USD/short ton			
	Bid	Ask	Value
Jan-21	1060	1070	1065
Feb-21	1025	1035	1030
Mar-21	1010	1020	1015
Apr-21	980	990	985
Q1-21	1032	1042	1037
Q2-21	933	943	938

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jan-21	675	685	680
Feb-21	690	710	700
Mar-21	665	685	675
Apr-21	635	655	645
Q1-21	675	695	685
Q2-21	625	645	635