

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index fell by \$2/t yesterday (1.18.21) to US\$649/t, MTD US\$656.64/t.

China's crude steel output increased by 5.2pc over 2019 to a record 1.053bn t in 2020, data from NBS shows. China's industrial production rose by 7.3pc on the year in December, up from 7pc growth in November.

A north China mill offered at \$640-650/t fob for SS400 HRC after deals were done at \$645/t cfr Vietnam. Other major mills kept offers flat at \$710-720/t fob. Mills in north China may be pressured to cut prices amid the spread of Covid-19 there and weaker local demand. Seaborne buyers expressed little buying interest, bidding at only \$630-635/t cfr Vietnam.

A deal for SAE1006 grade Chinese coils was done at \$670/t cfr Vietnam last week. But most participants believe the deal was for thicker coils and is not representative. The mill's official offer remained much higher at \$722/t cfr Vietnam. (Argus)

Turkish Scrap

Turkish heavy melting scrap import pricing continued to soften Jan. 18 as suppliers faced downward pressure and diminished interest from Turkish buyers, sources said.

According to a couple of market participants, many US scrap sellers came to the market at the same time after a lengthy absence. As a result, Turkish buyers saw increased availability for February and March shipments, which started to weigh on scrap pricing.

In addition, Turkish steelmakers have had more difficulty finding export markets for rebar. Sources in the rebar market noted that the rebar prices started to slip.

Several sources expected prices of premium HMS to dip further although far from crashing. One trader suspected that the \$445/mt CFR could be the bottom. He added that while scrap suppliers were targeting \$460/mt CFR Turkey, the level \$455/mt CFR should be already negotiable. One importer claimed that for US premium HMS was already available at \$450/mt CFR.

The asking prices at \$460/mt CFR Turkey came under even more pressure after an unconfirmed deal of a US cargo was reported late on Jan. 18 at \$450/mt CFR for 6,500 mt HMS 1/2 (80:20), closed on Jan. 16. The deal included also 22,000 mt of shredded and 1,500 mt of bonus, both at \$460/mt CFR. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	457.50	-2.00	475.98
Steel Rebar FOB Turkey (\$/mt)	635.00	-5.00	641.14
Argus HRC NW Europe (€/mt)	718.50	0.00	688.14
Argus FOB China HRC (\$/mt)	649.00	-2.00	656.64

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jan-21	645	665	655
Feb-21	635	645	640
Mar-21	622	632	627
Apr-21	610	620	615
Q1-21	636	646	641
Q2-21	620	630	625

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jan-21	450	460	455
Feb-21	440	455	448
Mar-21	435	450	443
Apr-21	430	437	434
Q1-21	410	453	432
Q2-21	410	420	415

LME REBAR FOB TK			
	Bid	Ask	Value
Jan-21	630	640	635
Feb-21	622	632	627
Mar-21	617	627	622
Apr-21	605	615	610
Q1-21	623	633	628
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	1055	1065	1060
Feb-21	1010	1020	1015
Mar-21	1015	1025	1020
Apr-21	980	990	985
Q1-21	1027	1037	1032
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