



Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index fell by \$5/t yesterday (1.19.21) to US\$644/t, MTD US\$655.58/t.

The market remains bearish with China reported 118 newly confirmed Covid-19 cases, up from 93 cases on Sunday and including 106 locally transmitted cases. Two mills in north China cut offers to \$624-640/t fob for SS400 HRC. While some other mills also cut prices to \$670-700/t fob China after witnessing price falls in the domestic market.

A Russian mill was heard to have returned to Vietnam market, offering \$750-760/t cfr Vietnam for SAE1006 grade coils. The offer was well above Chinese offers at \$680-730/t cfr Vietnam and was for May shipment. The high offer is because the mill is able to sell at much higher to EU buyers. (Argus)

EHR CME

The Northwest European HRC market appears to have paused for breath in recent days, with service centres feeling compelled to negotiate July deliveries onwards with their own customers, given extended lead times. Customers are beginning to postpone purchases with commodity grade sheet prices nudging over €800/t delivered.

Service centres are also having to rethink their business plans, focusing on what tonnage they will be able to procure, rather than the amount they intend to sell.

Most north European mills suggest they have achieved €700/t and above, with larger distributors also confirming deals above this level in the last few days. A recent Russian offer around €695/t fca Antwerp received takers, despite the comparatively long lead time. Other import offers were deemed too expensive, with insufficient price arbitrage compared to domestic coil. One European mill transacted just below €700/t for dry HRC, but this offer had limited validity and has risen since. With US prices at \$1,100/st and potentially firming further, European mills were selling into North America, and using this as leverage with buyers that refused to pay their asking prices. (Argus)

Turkish Scrap

Turkish Deepsea import scrap prices continued to soften, reaching a one-month low on Jan. 19, as sell-side parties lowered workable levels, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Jan. 19 at \$445/mt CFR, down \$12.50/mt on day to its lowest level since \$444/mt CFR on Dec. 17, 2020.

A Turkish agent source cited an indicative tradable value for premium HMS 1/2 (80:20) at \$445-\$450/mt CFR, adding that he expected mills to be in the market for roughly 15 more March shipment cargoes. A second Turkish agent cited an indicative near-term tradable value for premium HMS 1/2 (80:20) at below \$445/mt CFR. A third agent said \$445/mt CFR was workable, with mills targeting \$430-\$435/mt CFR. A fourth agent source said around \$450/mt CFR was workable, with lower possible in the near-term. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	445.00	-12.50	473.40
Steel Rebar FOB Turkey (\$/mt)	632.50	-2.50	640.42
Argus HRC NW Europe (€/mt)	716.50	-2.00	690.50
Argus FOB China HRC (\$/mt)	644.00	-5.00	655.58

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	600	615	608
Q1-21	636	646	641
Q2-21	620	630	625

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jan-21	445	455	450
Feb-21	425	440	433
Mar-21	425	440	433
Apr-21	425	440	433
Q1-21	410	443	427
Q2-21	410	420	415

LME REBAR FOB TK			
	Bid	Ask	Value
Jan-21	620	630	625
Feb-21	610	620	615
Mar-21	607	617	612
Apr-21	605	615	610
Q1-21	612	622	617
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	1058	1068	1063
Feb-21	1128	1138	1133
Mar-21	1043	1053	1048
Apr-21	983	993	988
Q1-21	1076	1086	1081
Q2-21	931	941	936

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jan-21	675	685	680
Feb-21	685	705	695
Mar-21	660	680	670
Apr-21	635	655	645
Q1-21	672	692	682
Q2-21	625	645	635