

# FIS Steel & Scrap Morning Report

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Good Morning,

## FOB China HRC

The index fell by \$2/t yesterday (1.20.21) to US\$642/t, MTD US\$654.54/t.

HRC margins have fallen to 150-200 yuan/t in north China where Covid-19 cases are hindering or blocking logistics for feedstocks and steel. A north China mill sold SS400 HRC at \$640/t fob this week after another mill in the same place sold lower at \$635/t cfr Vietnam. Yet most other sellers kept offers much higher at \$670-695/t fob China.

Traders with positional coils cut offers to \$670-690/t cfr Vietnam for SAE1006 grade coils. But those only induced bids at \$660-665/t cfr Vietnam at most although official offers were much higher at \$770-800/t cfr Vietnam from South Korea and Japan. A Russian mill was willing to receive orders at \$730-740/t cfr Vietnam for May shipment. Those mills in Russia, South Korea and Japan could sell much higher into other countries, hence they were reluctant to cut prices. (Argus)

## Turkish Scrap

Deepsea recyclers target drops in collection prices

Mills expect further downside

Turkish Deepsea import scrap prices continued to weaken Jan. 20, as mill expectations of further downside persisted, sources said.

S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Jan. 20 at \$440/mt CFR, down \$5/mt on day.

A Baltic-origin cargo was booked Jan. 19 by a Marmara mill, with HMS 1/2 (80:20) at \$440/mt CFR, shredded scrap at \$445/mt CFR, and bonus scrap at \$450/mt CFR. The deal was confirmed by the sell side and heard to be for March shipment.

"I am expecting some deals around \$430-\$435/mt CFR, but then after there should be some kind of stabilization," a Turkish agent source said. "After the Chinese New Year holiday [over Feb. 11-17], we will see the market [direction]."

A Turkish mill source cited an indicative near-term tradable value for premium HMS 1/2 (80:20) at \$430-\$435/mt CFR, while a second mill source cited an indicative near-term tradable value for premium HMS 1/2 (80:20) at \$415/mt CFR. (Platts)

## EHR CME

Northwest European hot-rolled coil (HRC) prices slipped yesterday as panic over availability abated somewhat on the back of longer validity for domestic offers and an increase in import availability.

Argus' daily benchmark northwest EU HRC index dropped by €6/t to €710.50/t ex-works.

Buyers reported deals at about €700/t delivered base, although one large mill was resolute in its offer of €730/t.

Russian material was still being offered to Antwerp at €695/t fca, which some buyers were lifting.

When domestic mills did offer — some were still officially off market — validity was for a couple of days, compared with just hours previously. Buyers were also watching continued slippage in Asian prices and scrap, expecting that import offers might drop in the coming weeks. As a result, they were in less of a rush to purchase, hoping that a domestic mill might be more flexible in its offer.

On CME's North European contract, a February-March spread trade for 1,000 t/month went through at +€25 (€700/675), both at lower levels compared with yesterday's settlement. (Argus)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	440.00	-5.00	470.83
Steel Rebar FOB Turkey (\$/mt)	630.00	-2.50	639.62
Argus HRC NW Europe (€/mt)	710.50	-6.00	692.04
Argus FOB China HRC (\$/mt)	642.00	-2.00	654.54

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jan-21	640	650	645
Feb-21	622	632	627
Mar-21	610	620	615
Apr-21	600	615	608
Q1-21	624	634	629
Q2-21	590	600	595

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jan-21	450	460	455
Feb-21	415	430	423
Mar-21	415	430	423
Apr-21	415	430	423
Q1-21	400	438	419
Q2-21	400	410	405

LME REBAR FOB TK			
	Bid	Ask	Value
Jan-21	630	640	635
Feb-21	595	605	600
Mar-21	595	605	600
Apr-21	595	605	600
Q1-21	607	617	612
Q2-21	590	600	595

BUSHELING			
	Bid	Ask	Value
Feb-21	481	510	496
Mar-21	471	500	486
Apr-21	461	490	476
May-21	450	478	464
Q1-21	471	500	486
Q2-21	457	480	469

US HRC USD/short ton			
	Bid	Ask	Value
Jan-21	1055	1065	1060
Feb-21	1128	1138	1133
Mar-21	1063	1073	1068
Apr-21	983	993	988
Q1-21	1082	1092	1087
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