Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index fell by \$1/t yesterday (1.21.21) to US\$641/t, MTD US\$653.57/t.

HRC inventory at traders' warehouses decreased by over 40,000t this week against an increase of over 60,000 last week. It expressed traders' cautiousness for building any stocks at current price level, which was Yn630/t higher than the price at the same period last year. Two major Chinese mill cut offers by \$15-20/t to \$675-690/t fob for SS400 HRC amid scant buying activity. Traders with positional coils also cut prices to \$630-660/t fob, inducing limited bids at \$625-630/t fob.

Offers decreased to \$660-690/t cfr Vietnam for positional Chinese SAE1006 grade coils although a Chinese mill kept offer highly at \$705/t cfr Vietnam as it sold some as high as \$730/t fob China to Africa. However, Vietnamese buyers lowered bids by around \$10/t of \$650/t cfr Vietnam, fearing a further price fall would happen. (Argus)

EHR CME

The market in the North was quiet, but there were some signs of potential softening. One large mill reported selling a 15,000-20,000t cargo into Spain at \notin 715/t base delivered for the first quarter — the price is strong, but the mill claimed to be sold out into the second quarter.

Mill sources said automakers' semiconductor-related stoppages have had no impact on delivery schedules yet, but they were concerned about the auto market given lockdowns enduring across much of Europe. Some said the hiatus in activity was not necessarily a sign of a weaker market, and just a natural pause after the frenetic purchasing of the previous few months.

In the paper market it was a record day on EHR with 550 contracts trading and new counterparties entering the market this week. (Argus)

Turkish Scrap

Mill requirements for March shipment estimated at around 15 cargoes

Sources await signal from China over near-term market direction

Turkish Deepsea import scrap prices continued to weaken Jan. 21, as mills held back from buying, sources said.

S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Jan. 21 at \$435/mt CFR, down \$5/mt on day.

One Turkish agent source cited an indicative tradable value for premium HMS 1/2 (80:20) at \$435-\$440/mt CFR, while a second Turkish agent source cited an indicative tradable value for premium HMS 1/2 (80:20) at \$435/mt CFR, with lower possible in the near-term.

"There is now lots of availability from different sources for mills, who have no pressure to buy for February shipment, and can even wait until the start of February, before buying for March shipment," a Turkish trading source said, citing an indicative recycler tradable value for premium HMS 1/2 (80:20) at \$438-\$439/mt CFR. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	435.00	-5.00	468.27
Steel Rebar FOB Turkey (\$/mt)	620.00	-10.00	638.21
Argus HRC NW Europe (€/mt)	709.50	-1.00	693.29
Argus FOB China HRC (\$/mt)	641.00	-1.00	653.57

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jan-21	640	650	645
Feb-21	622	632	627
Mar-21	615	625	620
Apr-21	600	615	608
Q1-21	626	636	631
Q2-21	590	600	595

LME REBAR FOB TK			
	Bid	Ask	Value
Jan-21	630	640	635
Feb-21	605	615	610
Mar-21	605	615	610
Apr-21	610	620	615
Q1-21	613	623	618
Q2-21	590	600	595

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

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jan-21	450	460	455
Feb-21	425	440	433
Mar-21	425	440	433
Apr-21	425	440	433
Q1-21	410	445	428
Q2-21	410	420	415

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

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jan-21	675	685	680
Feb-21	670	690	680
Mar-21	650	660	655
Apr-21	635	655	645
Q1-21	662	682	672
Q2-21	625	645	635

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