# FIS 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 €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 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 |

| 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 |

| 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 | 670 | 690 | 680 |
| Mar-21 | 650 | 660 | 655 |
| Apr-21 | 635 | 655 | 645 |
| Q1-21 | 662 | 682 | 672 |
| Q2-21 | 625 | 645 | 635 |