FIS Steel & Scrap Morning Report

London +44 20 7090 1120 | info@freightinvestor.com | www.freightinvestorservices.com

Good Morning,

FOB China HRC

The index kept stable yesterday (1.26.21) at US$640/t, MTD US$651.24/t.

China's physical trade was almost frozen, as some downstream users had exited the market for Lunar New Year holiday, particularly with the resurgence of Covid-19 cases in Shanghai. Major Chinese mills cut or kept offers highly unchanged at $660-720/t fob for SS400 HRC. Limited buyers from South America may be willing to accept $690/t fob China for immediate needs, but most seaborne buyers remained silent amid market uncertainty. Some traders were actively inviting bids at $635/t cfr Vietnam for positional coils.

Traders cut offers to $655/t cfr Vietnam for SAE grade coils produced by several mills based in north China. Those were much lower than offers at $780/t cfr Vietnam for coils from Taiwan and Japan. (Argus)

Turkish Scrap

Ex-UK deal heard after week-long silence

LME scrap forward curve in Feb-March contango

Turkish Deepsea import ferrous scrap prices fell to a six-week low on Jan. 26, following news of a fresh UK-origin sale into Turkey, sources said.

S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Jan. 26 at $413/mt CFR, down $17/mt on day.

The index has fallen $69.50/mt since a near 10-year high of $482.50/mt CFR on Jan. 5, returning to its lowest level since Dec. 11, 2020, when the index was at $410/mt CFR.

A UK-origin cargo totalling 23,500 mt was booked Jan. 26 by an Izmir mill, with 9,500 mt HMS 1/2 (80:20) at $408/mt CFR, and 14,000 mt shredded scrap at $419/mt CFR. The deal was confirmed by the sell side for February shipment. Market sources put value for premium HMS 1/2 (80:20) around $413/mt CFR. (Platts)

EHR CME

Argus' daily northwest EU HRC index slipped by €0.50/t to €709/t

Import prices from Egypt have dropped, spooking participants in the European hot-rolled coil segment.

A mill offered at $800/t fob in the last day or so, for April delivery, and is willing to negotiate for firm bids. Traders are already discussing against this offer at around €660-670/t cif Italy/Iberia, but some buyers are even reluctant to purchase at this level despite substantially higher headline offers from domestic producers. One mill-tied distributor said some buyers were now bidding as low as €660/t effective delivered for HRC, expecting mills to reduce prices. (Argus)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey ($/mt)	413.00	-17.00	460.66
Steel Rebar FOB Turkey ($/mt)	615.00	0.00	634.38
Argus HRC NW Europe (€/mt)	709.00	-0.50	696.12
Argus FOB China HRC ($/mt)	640.00	0.00	651.24

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jan-21	645	655	650
Feb-21	620	630	625
Mar-21	610	620	615
Apr-21	600	615	608
Q1-21	625	635	630
Q2-21	600	610	605

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jan-21	450	460	455
Feb-21	420	435	428
Mar-21	420	435	428
Apr-21	420	435	428
Q1-21	410	442	426
Q2-21	410	420	415

LME REBAR FOB TK			
	Bid	Ask	Value
Jan-21	625	635	630
Feb-21	595	605	600
Mar-21	605	615	610
Apr-21	605	615	610
Q1-21	608	618	613
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	1125	1135	1130
Mar-21	1070	1080	1075
Apr-21	990	1000	995
Q1-21	1083	1093	1088
Q2-21	916	926	921

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jan-21	675	685	680
Feb-21	670	690	680
Mar-21	645	665	655
Apr-21	625	645	635
Q1-21	662	682	672
Q2-21	625	645	635