

# FIS Steel & Scrap Morning Report

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

Good Morning,

## FOB China HRC

The index kept flat yesterday (1.28.21) at US\$639/t, MTD US\$649.95/t.

Rebar inventory at both mills and traders' warehouses rose by more than 1mn t, double the rise last week and the traders' stocks the highest for late January since 2017. HRC inventory rose by less than 100,000t to weight on its markets. Sharp declines in equities also weight on sentiment. Beijing's push for lower steel output in 2021 weighed on iron and metallurgical coke prices yesterday but is expected to support steel prices.

Buyers worry about more price declines during China's demand offseason through February. Offers may decreased further especially for those traders with positional coils on hands, some market participants said. But some others expect prices may rise after the Lunar New Year holiday when construction demand returns. (Argus)

## Turkish Scrap

Fresh US deals heard

Mills voice concerns over impact of poor finished steel demand

Turkish Deepsea import ferrous scrap prices inched up Jan. 28, as news of fresh US-origin cargoes were heard, sources said.

S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Jan. 28 at \$416/mt CFR, up \$3/mt on day.

Prior to Jan. 28 increase, the index has fallen \$69.50/mt to \$413/mt CFR on Jan. 26 from a near 10-year high of \$482.50/mt CFR on Jan. 5. However, the fall had been preceded by an increase of over \$200/mt from a recent low of \$282.25/mt on Oct. 8, 2020.

A US-origin cargo was booked Jan. 27 by an Iskenderun mill, with HMS 1/2 (80:20) at \$416/mt CFR, shredded scrap at \$421/mt CFR, and bonus scrap at \$426/mt CFR. The deal was confirmed by the sell side. A reported US-origin cargo was also heard to be booked Jan. 27 by an Izmir mill, with 25,000 mt shredded scrap at \$420/mt CFR, and PNS at \$425/mt CFR, while the same Izmir mill was heard to have booked another US-origin cargo with HMS 1/2 (80:20) at \$420/mt CFR but this could not be confirmed by the time of publication. (Platts)

## EHR CME

ArcelorMittal's second January revision to its second-quarter hot-rolled coil (HRC) offer — to €750/t — met with scepticism. Market participants are questioning the hike, given that the producer struggled to achieve its previous target levels.

The Argus benchmark northwest European HRC index edged up by €0.25/t to €707/t ex-works yesterday, while the Italian index rose by €1.50/t to €707.50/t ex-works.

This is ArcelorMittal's fifth price hike since 19 November, and while the first three met little resistance, the latest two have raised questions. Some participants even said today's price increase was to signal that it will not settle for less than its previous target of €730/t, having failed to achieve this level in some markets.

Other mills are offering lower than €730/t ex-works in Germany, and now Italian producers have accepted lower prices too. ArcelorMittal had been seeking €730/t delivered into Italy, but is now targeting €750/t delivered. This could prompt Italian mills to try again for €720-730/t ex-works, despite recent sales concluding lower. (Argus)

# FIS Steel & Scrap Morning Report

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

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	416.00	3.00	455.80
Steel Rebar FOB Turkey (\$/mt)	602.50	-2.50	631.16
Argus HRC NW Europe (€/mt)	707.00	0.25	690.11
Argus FOB China HRC (\$/mt)	639.00	0.00	657.09

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jan-21	645	655	650
Feb-21	620	630	625
Mar-21	615	625	620
Apr-21	600	615	608
Q1-21	627	637	632
Q2-21	595	605	600

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jan-21	450	460	455
Feb-21	418	428	423
Mar-21	418	428	423
Apr-21	418	428	423
Q1-21	410	439	424
Q2-21	410	420	415

LME REBAR FOB TK			
	Bid	Ask	Value
Jan-21	625	635	630
Feb-21	590	600	595
Mar-21	590	600	595
Apr-21	590	600	595
Q1-21	602	612	607
Q2-21	585	595	590

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	1027	1037	1032
Apr-21	965	975	970
Q1-21	1069	1079	1074
Q2-21	916	926	921

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jan-21	675	685	680
Feb-21	665	685	675
Mar-21	645	665	655
Apr-21	625	645	635
Q1-21	660	680	670
Q2-21	625	645	635