



Steel & Scrap Morning Report

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

. Good Morning,

FOB China HRC

The index kept flat on last Friday (1.29.21) at US\$639/t, MTD US\$649.40/t.

China's central bank withdrew a net of 470.5bn yuan of capital liquidity this week after public operations, and market talks were worrying about high capital costs which coupled with high steel prices would restrain demand from downstream sector. SHFE May futures for rebar and hot-rolled coil (HRC) fell by 1.39pc and 2.12pc to Yn4,267/t and Yn4,390/t respectively.

Coil export market remains quiet with major Chinese mills keeping offers for SS400 coils unchanged given wide spread between offers and bids, as well as uncertainties before the Chinese Lunar New Year holiday. A deal for SAE grade coils from China was heard to be concluded as low as \$645/t cfr Vietnam this week. But no further details could be confirmed, and most participants thought it may be sold by traders with losses after witnessing consecutive steel and raw material price falls in China. (Argus)

Turkish Scrap

Deepsea exporters look to drop HMS collection prices

Poor finished steel demand continues

Turkish Deepsea import ferrous scrap prices fell sharply Jan. 29, as mills achieved fresh bookings at lower levels, sources said.

S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Jan. 29 at \$405/mt CFR, down \$11/mt on day, to reach the index's lowest level since Dec. 10, 2020 when it sat at \$400/mt CFR.

A reported US-origin cargo was heard to be booked Jan. 28 by a Marmara mill, with HMS 1/2 (80:20) at \$405/mt CFR. A reported Venezuela-origin cargo was also heard after the 4.30 pm London deadline to be booked Jan. 29 by an Izmir mill, with around 25,000 mt HMS 1/2 (80:20) at \$400/mt CFR, for mid-February shipment. The cargo, which was not included in the assessment, also put value for premium HMS 1/2 (80:20) at around \$405/mt CFR. (Platts)

EHR CME

Northwest European hot-rolled coil (HRC) prices moved slightly higher Friday, as service centres and mills reported a continued lack of availability.

However, many buyers still preferred to adopt a wait-and-see approach if possible, anticipating softening going forward.

Argus' northwest EU HRC index rose by €0.50/t to €707.50/t, taking the month-to-date average to €697.76.

Some large buyers said securing material was still complicated, with lead times long and stocks too low. One said its inventory was now about "two times too low", although it had managed to replenish some stock. Mills are reducing contractual supply to buyers for the first quarter, enabling them to catch up on delays and the build buffer stocks. Automakers with contract volumes booked at much cheaper levels than the general industrial market will struggle to get any more material than specified in contracts. (Argus)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	405.00	-11.00	453.26
Steel Rebar FOB Turkey (\$/mt)	600.00	-2.50	629.60
Argus HRC NW Europe (€/mt)	707.50	0.50	687.55
Argus FOB China HRC (\$/mt)	639.00	0.00	659.61

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Feb-21	620	630	625
Mar-21	615	625	620
Apr-21	600	615	608
May-21	605	615	610
Q2-21	595	605	600
Q3-21	590	600	595

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Feb-21	400	410	405
Mar-21	405	415	410
Apr-21	405	415	410
May-21	405	415	410
Q2-21	405	415	410
Q3-21	390	400	395

LME REBAR FOB TK			
	Bid	Ask	Value
Feb-21	590	600	595
Mar-21	590	600	595
Apr-21	590	600	595
May-21	590	600	595
Q2-21	585	595	590
Q3-21	570	580	575

BUSHELING			
	Bid	Ask	Value
Feb-21	481	510	496
Mar-21	471	500	486
Apr-21	461	490	476
May-21	450	478	464
Q2-21	471	500	486
Q3-21	457	480	469

US HRC USD/short ton			
	Bid	Ask	Value
Feb-21	1130	1140	1135
Mar-21	1055	1065	1060
Apr-21	975	985	980
May-21	615	915	765
Q2-21	910	920	915
Q3-21	765	775	770

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Feb-21	670	690	680
Mar-21	650	670	660
Apr-21	625	645	635
May-21	615	635	625
Q2-21	605	615	610
Q3-21	600	610	605