Steel & Scrap Morning Report

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. Good Morning,

FOB China HRC

The index fell by \$1/t on Tuesday (2.2.21) at US\$638/t, MTD US\$638.50/t.

Falling raw material prices of iron ore, coal and coke weighed on steel market sentiment. But Chinese Tangshan mills locked billet ex-works prices at Yn3,850/t (\$597/t) till 17 February as a custom to reflect the stagnant local demand ahead of the Lunar New Year.

The fob China HRC index fell by \$1/t to \$638/t with lower offers emerging. A north China offer at lower levels of \$635-640/t fob this week, and there were also deals concluded at this level, but details were not disclosed. Both mills and buyers were inactive in making deals concerning the risks of tax policy change. Vessels at Tianjin port were congested as the port was lacking labor forces, some participants complained, and it could delay shipment by 3-4 weeks.

A leading Vietnam producer is offering HRC at \$660/t to local buyers. But traders' offers for position cargo of Chinese coils were lower at \$640-650/t cfr Vietnam against bids at \$630/t cfr Vietnam. (Argus)

Turkish Scrap

US East Coast HMS dock prices drop sharply

Near-term downside in CFR Turkey prices expected

Turkish Deepsea import ferrous scrap prices were unchanged Feb. 2, as both mills and recyclers held back, sources said.

S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Feb. 2 at \$400/mt CFR, unchanged.

A Turkish agent source cited an indicative tradable value for premium HMS 1/2 (80:20) at \$400/mt CFR, while a second Turkish agent source cited a near-term indicative tradable value for premium HMS 1/2 (80:20) at below \$400/mt CFR. "None of the US sellers are aggressive now, but it's hard to say what level they are looking for," the first Turkish agent said. "We're really close to the bottom now as, in three weeks, the price fell from \$450/mt CFR, and it could even go down to \$375/mt CFR, but the Turks are consuming scrap so don't have three more weeks for that." (Platts)

EHR CME

The daily northwest EU HRC index was static at €707.50/t, although the increasing amount — and attractiveness — of import offers heightened nervousness and contributed to something a stand-off between buyers and sellers. The inaugural daily NW EU cold-rolled coil (CRC) index was €807.50/t ex-works, while the weekly Italian index was €800/t ex-works.

Some suppliers were offering HRC at less than €665-670/t cfr Italy. An offer for off-spec material with special conditions and delivery well into the second quarter, perhaps not backed by a mill, was heard as low as €650/t cfr Italy from a couple of sources. Offers into Antwerp were about €670/t cfr and slightly above. One Asian mill not typically seen in the European market was offering April delivery and looking to boost its presence in the market ahead of a production increase. (Argus)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	400.00	0.00	400.00
Steel Rebar FOB Turkey (\$/mt)	590.00	-2.50	591.25
Argus HRC NW Europe (€/mt)	707.50	0.00	638.50
Argus FOB China HRC (\$/mt)	638.00	-1.00	707.50

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

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

US HRC USD/short ton			
	Bid	Ask	Value
Feb-21	1154	1164	1159
Mar-21	1098	1108	1103
Apr-21	1008	1018	1013
May-21	615	935	775
Q2-21	926	936	931
Q3-21	783	793	788

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Feb-21	395	410	403
Mar-21	395	410	403
Apr-21	395	410	403
May-21	395	410	403
Q2-21	405	415	410
Q3-21	390	400	395

BUSHELING			
	Bid	Ask	Value
Feb-21	480	500	490
Mar-21	475	495	485
Apr-21	465	485	475
May-21	450	470	460
Q2-21	473	493	483
Q3-21	440	460	450

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Feb-21	680	700	690
Mar-21	655	675	665
Apr-21	630	650	640
May-21	615	634	625
Q2-21	605	615	610
Q3-21	600	610	605

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