FIS

# 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 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 |

**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 |

**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 |

**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 |

**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 |