

# FIS Steel & Scrap Morning Report

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Good Morning,

## FOB China HRC

The index was unchanged on Thursday (2.4.21) at US\$637/t, MTD US\$637.75/t.

Asia-Pacific seaborne market was quiet with transaction slowing down ahead of the Lunar New Year. But May futures for iron ore on DCE increased by 5.26pc to Yn991/t (\$153.3/t), supporting higher domestic hot-rolled coil (HRC) prices in China.

The fob China HRC index stayed flat at \$637/t with mills in China reluctant to offer or take large orders for April shipment on the possibility of a tax rebate cancelation after the Lunar New Year. Buyers from Vietnam also stayed muted with local Covid-19 cases seen increasing especially in northern region of the country. It was heard that a north China mill sold around SS400 hot-rolled plate at prices \$635-640/t fob today and had no allocation after the sales. (Argus)

## Turkish Scrap

Sell side expect possible near-term downside before recovery

Drop in US February domestic market likely to be tempered

Turkish Deepsea import ferrous scrap prices softened Feb. 4, as sell side participants cited lower workable levels, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Feb. 4 at \$397.50/mt CFR, down \$2.50/mt on day. "Today if you want to sell, it should be below \$400/mt CFR - buyers are relaxed," a Turkish agent source said.

An EU trading source cited an indicative tradable value for US-origin HMS 1/2 (80:20) around \$395-\$400/mt CFR, while a second Turkish agent source cited an indicative tradable value for premium HMS 1/2 (80:20) at \$395-\$400/mt CFR. (Platts)

## EHR CME

Northern prices firmed again yesterday as mills held their nerve despite little activity. Argus' domestic NW EU HRC index moved up by €1.75/t to €711/t ex-works. Some buyers that needed material, or had immediate back-to-back requirements, were still paying higher levels, although many were in wait-and-see mode on the back of falling Italian prices and raw material costs, and lower import offers.

The more spot orientated and import dependent Italian market typically leads the north, so buyers anticipated that domestic producers would curb their offers. Nevertheless, mills still reported deals at €735/t for commodity grade coils as some service centres looked to fill stockouts. Russian material in Antwerp was offered at €715/t fca for prompt shipment, which may be acceptable to buyers in need of quick delivery. (Argus)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	397.50	-2.50	399.38
Steel Rebar FOB Turkey (\$/mt)	585.00	0.00	588.13
Argus HRC NW Europe (€/mt)	711.00	1.75	637.75
Argus FOB China HRC (\$/mt)	637.00	0.00	708.81

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Feb-21	635	645	640
Mar-21	625	635	630
Apr-21	600	615	608
May-21	610	620	615
Q2-21	595	605	600
Q3-21	590	600	595

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Feb-21	402	412	407
Mar-21	410	420	415
Apr-21	410	420	415
May-21	410	420	415
Q2-21	405	415	410
Q3-21	390	400	395

LME REBAR FOB TK			
	Bid	Ask	Value
Feb-21	580	590	585
Mar-21	580	590	585
Apr-21	580	590	585
May-21	580	590	585
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	1140	1150	1145
Mar-21	1085	1095	1090
Apr-21	995	1005	1000
May-21	615	925	770
Q2-21	913	923	918
Q3-21	780	790	785

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Feb-21	685	705	695
Mar-21	670	680	675
Apr-21	635	655	645
May-21	615	635	625
Q2-21	605	615	610
Q3-21	600	610	605