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FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index rose by \$1/t last Friday (2.5.21) to US\$638/t, MTD US\$637.80/t.

HRC profit margins have narrowed in China ahead of the lunar new year holiday, which has begun to act as a floor, especially with support from manufacturing and construction to return after the holiday. Two north China mills that sold SS400 HRC at \$615-625/t fob the week before last week managed to lift deal levels to \$625-630/t fob last week.

The price spread between private mills and major state-owned steel mills remains wide. A major east China mill sold HRC at \$670/ fob to India. Major mills held workable levels firm at \$650-670/t fob. Spot sales to South America remain active with a deal of 20,000-30,000t SS400 HRC heard booked by a north China mill last Friday, but more details were not disclosed as some participants said it was still under negotiation. (Argus)

Turkish Scrap

Mills book UK- and Baltic-origin cargoes

LME scrap forward curve in contango as recovery expected

Turkish Deepsea import ferrous scrap prices continued to fall, as Turkish mills managed to book UK- and Baltic-origin cargoes at cheaper prices, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Feb. 5 at \$394/mt CFR, down \$3.50/mt on day. A UK-origin cargo totaling 18,000 mt was booked on Feb. 4 by an Iskenderun mill, with HMS 1/2 (80:20) at \$386.50/mt CFR. The deal was confirmed by both the buyer and seller, for first half March shipment.

A second UK-origin cargo was heard by multiple sources to be booked on Feb. 4 by an Izmir mill, with HMS 1/2 (80:20) at \$399/mt CFR, and shredded scrap at \$404/mt CFR, likely for March shipment, with the price difference between the two UK-origin cargoes put to shredded material in the latter cargo. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	394.00	-3.50	398.30
Steel Rebar FOB Turkey (\$/mt)	582.50	-2.50	587.00
Argus HRC NW Europe (€/mt)	711.00	0.00	637.80
Argus FOB China HRC (\$/mt)	638.00	1.00	709.25

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

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Feb-21	400	415	408
Mar-21	415	430	423
Apr-21	415	430	423
May-21	415	430	423
Q2-21	420	430	425
Q3-21	415	425	420

LME REBAR FOB TK			
	Bid	Ask	Value
Feb-21	585	595	590
Mar-21	595	605	600
Apr-21	595	605	600
May-21	595	605	600
Q2-21	590	600	595
Q3-21	590	600	595

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	1120	1130	1125
Apr-21	1015	1025	1020
May-21	615	940	778
Q2-21	913	923	918
Q3-21	780	790	785

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Feb-21	690	710	700
Mar-21	675	695	685
Apr-21	640	660	650
May-21	615	635	625
Q2-21	605	615	610
Q3-21	600	610	605