



# Steel & Scrap Morning Report

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Good Morning,

## FOB China HRC

The index kept flat yesterday (2.8.21) at US\$638/t, MTD US\$637.83/t.

Chinese domestic prices for coil rose by Yn 80/t (\$12/t) yesterday on expectations that steel demand will return quickly after the lunar new year holiday with Covid-19 quarantine rules keeping many workers in place. North China's Tangshan government issued a Level II pollution warning from 8 February that requires independent hot-rolling steel mills to suspend production and cold-rolling steel mills to stop transportation by road, with no end date given. China's auto sales are expected to rise by 32pc to 2.54mn units in January, according to CAAM.

Only one north China mill was offering as high as \$700/t fob for SS400 HRC. Several other major mills said they would not announce any offers before the holiday as there is no time to issue letters of credit. (Argus)

## EHR CME

Storm Darcy was impacting the northwest European hot-rolled and cold-rolled coil markets yesterday, with deliveries to and from service centres disrupted, and some mills struggling to maintain incoming raw material flows.

This further crimped activity in an already quiet market, although buyers were fairly sanguine as the disruption was only expected to be temporary with the snow likely to clear in the next day or two.

German producers were having issues with incoming raw material deliveries, and as a result reduced blast furnace run rates. One is already booked into July-August and experiencing delays. Another large European producer is reportedly delaying the restart of a blast furnace in Belgium, which was anticipated to restart in the coming week or two.

The daily northwest EU HRC index was static at €711/t, while the daily cold-rolled coil index was unchanged at €812.50/t. (Argus)

## Turkish Scrap

Mills wait US stance following US domestic February settlements

Improved domestic rebar demand may boost scrap demand

Turkish Deepsea import ferrous scrap prices were stable Feb. 8, as Turkish mills held back and awaited fresh US-origin offers, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Feb. 8 at \$394/mt CFR, unchanged on day.

"I think the mills won't be aggressive in trying to reduce the scrap price, because if scrap continues to decrease, they have to decrease their finished products' price," one Turkish agent source said, citing an indicative tradable value for premium HMS 1/2 (80:20) at \$390-\$395/mt CFR

A second Turkish agent source also cited an indicative tradable value for premium HMS 1/2 (80:20) at \$390-\$395/mt CFR, while an EU trading source also said \$390-\$395/mt CFR was workable, with towards \$395/mt CFR considered more likely. (Platts)

# FIS Steel & Scrap Morning Report

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	394.00	0.00	397.58
Steel Rebar FOB Turkey (\$/mt)	580.00	-2.50	585.83
Argus HRC NW Europe (€/mt)	711.00	0.00	637.83
Argus FOB China HRC (\$/mt)	638.00	0.00	709.54

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Feb-21	640	650	645
Mar-21	645	655	650
Apr-21	600	615	608
May-21	625	635	630
Q2-21	625	635	630
Q3-21	590	600	595

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Feb-21	405	415	410
Mar-21	420	435	428
Apr-21	420	435	428
May-21	415	430	423
Q2-21	415	430	423
Q3-21	410	420	415

LME REBAR FOB TK			
	Bid	Ask	Value
Feb-21	590	600	595
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	1152	1162	1157
Mar-21	1130	1140	1135
Apr-21	1030	1040	1035
May-21	640	950	795
Q2-21	945	955	950
Q3-21	803	813	808

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Feb-21	690	710	700
Mar-21	685	705	695
Apr-21	660	680	670
May-21	640	660	650
Q2-21	640	650	645
Q3-21	600	610	605