



Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index was unchanged yesterday (15.2.21) at US\$640/t, MTD US\$638.70/t.

While Asia is largely away, there is a notable 'bubbling up' underway around the Black Sea and Europe. The cold blast in Northern Europe is hampering freight movements and steel deliveries, pushing upwards at HRC prices. That's giving further confidence to Turkish coil exporters who are seeing good local demand and had already been realizing opportunities for US sales.

In turn, that's raising the price of Turkish scrap buying, which is raising expectations of offer levels into Taiwan being raised post-holidays. Japanese mainland scrap prices were already rising going into the break, with Tokyo Steel bumping gate prices up by US\$57/t. Absent market activity, FOB China's forward curve continues to rise during the holiday celebrations. (Argus)

Turkish Scrap

Turkish Deepsea import scrap prices stable in quiet market

Turkish Deepsea import ferrous scrap prices remained stable Feb. 15, in the absence of fresh trades. Market players anticipated trading activity to pick up in the week, with further upside still likely.

As the US market was closed for a holiday, no offers for US cargoes were reported. Many market participants were in a wait-and-see mode during the day. A few new cargoes were still expected to be booked in the week, however. S&P Global Platts daily heavy melting scrap 1/2 (80:20) assessment was stable at \$412.50/mt CFR Turkey on Feb. 15.

"The market seems positive and I expect more demand will come this week," a trader said. One buyer noted that a few cargoes for March shipment were still required by Turkish importers. Although some trades are still anticipated this week, a stronger buying spree is more likely to occur after the Lunar New Year holidays, which would be next week. (Platts)

EHR CME

European hot-rolled and cold-rolled coil (HRC, CRC) prices were supported by further production disruption yesterday.

German steelmaker Salzgitter declared force majeure last week, while ThyssenKrupp is having to source slab to feed its rolling mills after disruption to raw material deliveries. In the latest development in Italy's Ilva saga, a judge has ordered the closure of the plant's hot-end in the next 60 days.

Argus' daily Italian HRC index rose by €3/t to €697.25/t, while the daily northwest EU HRC index nudged up by €1.50/t to €728/t. The daily northwest Europe CRC assessment rose by €2.50/t to €822.50/t.

In Italy, ArcelorMittal is likely to bring its case to the supreme court, after a local court already rejected an appeal. While that might provide some delay to the decree, market participants did not see a resolution in sight. In any case, many did not expect to see production ramp up in the best case scenario any time soon, and in the worst case scenario, all production would shut within the timeframe. (Argus)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	412.50	0.00	401.86
Steel Rebar FOB Turkey (\$/mt)	600.00	0.00	588.86
Argus HRC NW Europe (€/mt)	728.00	1.50	717.05
Argus FOB China HRC (\$/mt)	640.00	0.00	638.82

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Feb-21	680	690	685
Mar-21	675	685	680
Apr-21	630	650	640
May-21	665	675	670
Q2-21	655	665	660
Q3-21	625	645	635

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Feb-21	447	457	452
Mar-21	447	457	452
Apr-21	447	457	452
May-21	447	457	452
Q2-21	447	457	452
Q3-21	420	440	430

LME REBAR FOB TK			
	Bid	Ask	Value
Feb-21	630	640	635
Mar-21	625	635	630
Apr-21	625	635	630
May-21	625	635	630
Q2-21	625	635	630
Q3-21	590	600	595

BUSHELING			
	Bid	Ask	Value
Mar-21	555	575	565
Apr-21	560	580	570
May-21	555	575	565
Jun-21	540	560	550
Q2-21	542	562	552
Q3-21	510	530	520

US HRC USD/short ton			
	Bid	Ask	Value
Feb-21	1165	1175	1170
Mar-21	1205	1215	1210
Apr-21	1170	1180	1175
May-21	655	1085	870
Q2-21	1085	1095	1090
Q3-21	862	872	867

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Feb-21	725	745	735
Mar-21	725	745	735
Apr-21	685	705	695
May-21	655	675	665
Q2-21	640	650	645
Q3-21	610	620	615