



# Steel & Scrap Morning Report

London +44 20 7090 1120 | info@freightinvestor.com | www.freightinvestorservices.com

Good Morning,

## FOB China HRC

The index was unchanged yesterday (16.2.21) at US\$640/t, MTD US\$638.82/t.

With the market hiatus ending tomorrow, scanning across regions highlights a very dynamic six month pricing period for major markets. FOB China prices weakened at the end of last year, while the US and Europe held steady and firmed. As CNY holidays draw to a close, European and US market premia sit at 12 month highs to China: US\$240/t & US\$738/t respectively.

Indicative Chinese margins have now fallen almost -20% from their December peak and the HRC/iron ore ratio (how many times more expensive HRC is to 62% ore in steelmaking proportions) is just a touch off a 12 month low.

While March EU HRC futures jumped 3% (22 Euros) day-on-day, FOB China managed 1.4% (US\$7), despite uncertainty around how firm the latter's return to market will prove. (Argus)

## Turkish Scrap

Turkish Deepsea import scrap market was poised for new deals, with possible price hikes in the coming days supported by stronger rebar, market players said Feb. 16.

Several industry sources said that Turkish steelmakers were in the market asking for offers.

Some recyclers were holding out for a stronger rebound in scrap prices on the back of stronger finished steel pricing. Recent rebar export sales gained significantly, to around \$610/mt FOB Turkey.

As the outright scrap-rebar spread widened to \$200/mt, scrap sellers started to think about \$440/mt CFR for premium heavy melting scrap rather offering \$415-\$425/mt CFR now, an agent said. "Sellers think \$170-\$180/mt is quite OK for a rebar mill and are dreaming of a \$440-\$450/mt CFR sale," the agent added. (Platts)

## EHR CME

Northwest European hot-rolled coil (HRC) prices edged nominally lower Yesterday, as one mill sold spot tonnes to larger customers around €720/t delivered base, and the weaker dollar made imports more competitive.

A German mill was offering around €750/t base for HRC, alongside another large producer. Nevertheless, trade was largely quiet with participants awaiting China's return from the lunar new year holiday. A lower hot-dip galvanised offer from India alarmed some buyers; 0.6mm thick material, with a 100g zinc coating, was quoted at €880/t fca Antwerp, just €60/t above cold-rolled coil (CRC) import offers.

Even customers that have covered their requirements recently were still waiting for the steel to arrive, and were concerned that it might be delayed further by recent production disruption.

Argus' daily NW EU HRC index slipped by €1/t yesterday to €727/t, while the CRC assessment was static at €822.50/t. (Argus)

# FIS Steel & Scrap Morning Report

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	412.50	0.00	402.75
Steel Rebar FOB Turkey (\$/mt)	612.50	12.50	590.83
Argus HRC NW Europe (€/mt)	727.00	-1.00	717.88
Argus FOB China HRC (\$/mt)	640.00	0.00	638.92

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Feb-21	685	695	690
Mar-21	680	690	685
Apr-21	630	650	640
May-21	670	680	675
Q2-21	660	670	665
Q3-21	625	645	635

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Feb-21	450	460	455
Mar-21	450	460	455
Apr-21	450	460	455
May-21	450	460	455
Q2-21	450	460	455
Q3-21	430	440	435

LME REBAR FOB TK			
	Bid	Ask	Value
Feb-21	630	640	635
Mar-21	630	640	635
Apr-21	630	640	635
May-21	630	640	635
Q2-21	630	640	635
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	1255	1265	1260
Apr-21	1210	1220	1215
May-21	670	1135	903
Q2-21	1123	1133	1128
Q3-21	862	872	867

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Feb-21	730	750	740
Mar-21	730	750	740
Apr-21	700	720	710
May-21	670	690	680
Q2-21	670	690	680
Q3-21	620	630	625