

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index was flat yesterday (17.2.21) at US\$640/t, MTD US\$638.92/t.

As market participants expected before the holiday, Chinese domestic prices for HRC did jump by Yn 110/t to Yn 4,750/t in the first working day after the week-long lunar new year holiday. That sharp increase together with the potential possibility that China may reduce or cut steel export rebate led Chinese mills to hold offers high at \$675-720/t fob for SS400 HRC.

Many participants have not yet fully returned from the holiday both in China and Vietnam with limited offers on the markets. Traders also lifted offers to \$675/t cfr Vietnam for HR strip today. While offers for SAE grade coil rose to \$690-710/t cfr Vietnam from China, \$750/t cfr Vietnam from India and \$780/t cfr Vietnam from South Korea. (Argus)

Turkish Scrap

Turkish imported Deepsea scrap strengthens on talks with US

The Turkish scrap market continued to inch up Feb. 17 on growing anticipation the trading activity would pick up soon as some buyers were actively looking for offers from suppliers and talks were in progress, particularly around US cargoes, sources said.

A Turkish steelmaker said the level \$420/mt CFR targeted by premium HMS suppliers had not been reached and importers were still pushing to purchase Deepsea cargoes below \$415/mt CFR. But further price increases, possibly to \$420-\$425/mt CFR, was likely next week, depending on what signals will come from China.

"Today, Turks are reluctant to confirm prices at \$415/mt CFR or higher, they want to see what China is going to do first," the Turkish steelmaker said. "Everybody bets that China will come back with positive news and they will do the same policy they did in 2020." (Platts)

EHR CME

European trading companies and buyers of hot-rolled coil (HRC) have been receiving a mixed bag of import offers this week, but the market is generally trending up.

The daily northwest EU HRC index nudged down by €0.25/t to €726.75/t ex-works, while the cold-rolled coil (CRC) assessment rose by €2.50/t to €825/t ex-works. The daily Italian HRC index fell by €1/t to €696.50/t ex-works.

Turkish offers in particular are on the rise, with mills quoting fob levels in a range of \$755-780/t for May and June shipment. An integrated producer was heard to offer shipment in the second week of June at \$760/t fob, while an offer from another mill was heard at more than €700/t cfr Italy for a small quantity. But trading firms say mills are realistically targeting \$730-750/t fob Turkey and buyers are, unsurprisingly, not interested, considering the existence of lower import offers. (Argus)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	414.00	1.50	403.62
Steel Rebar FOB Turkey (\$/mt)	612.50	0.00	592.50
Argus HRC NW Europe (€/mt)	726.75	-0.25	718.56
Argus FOB China HRC (\$/mt)	640.00	0.00	639.00

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	446	455	451
Mar-21	446	455	451
Apr-21	446	455	451
May-21	446	455	451
Q2-21	446	455	451
Q3-21	430	440	435

LME REBAR FOB TK			
	Bid	Ask	Value
Feb-21	625	635	630
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	1153	1163	1158
Mar-21	1259	1269	1264
Apr-21	1205	1215	1210
May-21	670	1155	913
Q2-21	1138	1148	1143
Q3-21	966	976	971

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