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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 0.25/t to 0.25/t ex-works. The daily Italian HRC index fell by 1/t to 0.25/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 |