



Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index rose by \$20/t yesterday (22.2.21) to US\$664/t, MTD US\$641.27/t.

Steel prices rose sharply yesterday as participants expect stronger steel demand and less supply into China's spring construction season. China's Shagang is planning maintenance on one of its HRC production lines over 1-20 March that will cut its HRC output by 200,000t. Some north China mills also made maintenance plans for March. Tangshan government issued Level II pollution warnings from 23 February, and market talk also focused on the Fengrun district in Tangshan mulling a month of pollution controls from 20 February and power cuts independent rolling mills that do not meeting emission standards by end of May.

Major Chinese mills hiked offers to \$690-730/t fob for SS400 HRC. Vietnamese buyers lifted bids to \$660-665/t cfr Vietnam. They also pushed up bids for SAE grade coils to \$680-695/t cfr Vietnam on sharp rising offers of \$725-760/t cfr Vietnam from China, \$720-750/t cfr Vietnam from India, \$780/t cfr Vietnam from Taiwan and \$790/t cfr Vietnam from South Korea. (Argus)

Turkish Scrap

Buy-side sources expect \$440/mt CFR in near term

Benelux HMS dock prices heard at Eur305/mt delivered

Turkish Deepsea import ferrous scrap prices rose sharply Feb. 22, following a fresh US-origin booking, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Feb. 22 at \$435.50/mt CFR, up \$13/mt on day.

An US-origin cargo was booked Feb. 20 by a Samsun mill, with shredded scrap at \$440/mt CFR, and bonus scrap at \$445/mt CFR. The deal was confirmed by the sell side for second-half March shipment. Market sources put value for premium HMS 1/2 (80:20) at \$435/mt CFR relative to the deal. "Spreads have been widened recently, so increasing the scrap price is reasonable according to market pricing," a Turkish mill source said.

The daily outright spread between Turkish export rebar and import scrap was assessed at \$187/mt Feb. 22, down \$8/mt on day. The Turkish mill source cited indicative offers for premium HMS 1/2 (80:20) around \$440/mt CFR minimum, with lower offers difficult to find. The mill source also cited an indicative tradable value for premium HMS 1/2 (80:20) at \$435/mt CFR and a near-term tradable value for premium HMS 1/2 (80:20) at \$440/mt CFR. (Platts)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,199.75/st EXW Indiana Feb. 22, unchanged from Feb 19.

A service centre source indicated an offer at \$1,200/st from a converter for April production. A Midwest service centre source, meanwhile, said that an integrated mill and a mini-mill were quoting at \$1,240/st but lacked spot availability. A mini-mill recently booked an order at \$1,240/st but sold out its April production, according to another Midwest service centre source. Those indications at \$1,240/st, however, fell outside the Platts methodology for the volume-weighted average calculation. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	435.50	13.00	407.81
Steel Rebar FOB Turkey (\$/mt)	622.50	5.00	597.34
Argus HRC NW Europe (€/mt)	730.00	0.25	720.67
Argus FOB China HRC (\$/mt)	664.00	20.00	641.19

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

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Feb-21	410	420	415
Mar-21	450	460	455
Apr-21	448	458	453
May-21	446	456	451
Q2-21	447	457	452
Q3-21	440	450	445

LME REBAR FOB TK			
	Bid	Ask	Value
Feb-21	600	610	605
Mar-21	635	645	640
Apr-21	630	640	635
May-21	627	637	632
Q2-21	625	635	630
Q3-21	615	625	620

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	1143	1153	1148
Mar-21	1225	1235	1230
Apr-21	1195	1205	1200
May-21	1110	1120	1115
Q2-21	1107	1117	1112
Q3-21	933	943	938

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