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FIS Steel & Scrap Morning Report

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

Good Morning,

FOB China HRC

The index rose by \$6/t yesterday (25.2.21) to US\$680/t, MTD US\$647/t.

A large Chinese mill sold SS400 and SAE grade coils at \$690/t and \$710/t fob, respectively, to South Korea and Vietnam this week. There is also demand from South America, but given the tight vessels availability, shipowners do not even offer for the freight. Many Vietnamese buyers lifted bids for SAE grade coils by \$10/t to \$710/t cfr Vietnam yesterday after witnessing rising offers at \$735-790/t cfr Vietnam.

Vietnamese steelmaker Hoa Phat offered as low as \$686-690/t cif Vietnam for both SAE and SS400 HRC, which would be easily accepted by local buyers. But the mill is only offering limited volume as buyers are still testing its quality. Hoa Phat will not export HRC for this monthly round as it will save on costs when seaborne prices are rising. (Argus)

Turkish Scrap

Recyclers heard to target \$480/mt CFR in near-term

US HMS dock prices heard higher as exporters seek tons

Turkish Deepsea import ferrous scrap prices rose further, as Turkish mills continued to book cargoes for end-March and first-half April shipment, sources said Feb. 25. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) Feb. 25 at \$455/mt CFR, up \$5/mt on the day. "I guess the next target will be the last peak of \$480/mt CFR," a Turkish mill source said, adding that the "[rebar-scrap] spread will drop for sure."

The index last reached levels around \$480/mt CFR in early January 2021, when the index was at a near 10-year high of \$482.50/mt CFR on Jan. 5. The daily outright spread between Turkish export rebar and import scrap was assessed at \$185/mt Feb. 25, down \$5/mt on the day. The spread has averaged \$189.08/mt so far over February 2021, up sharply from \$176.34/mt in January.

A second Turkish mill source cited an indicative tradable value for premium HMS 1/2 (80:20) at \$455/mt CFR, based on current finished steel prices. An EU recycler cited an indicative tradable value for EU-origin HMS 1/2 (80:20) at \$450/mt CFR minimum. A Turkish agent source cited a buyers' tradable value for premium HMS 1/2 (80:20) at \$455/mt CFR, with offers heard at \$460/mt CFR and above. (Platts)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,200/st EXW Indiana Feb. 25, unchanged from Feb 24.

A Midwest service center source indicated an offer at \$1,200/st from a Midwest mill for May production. Another service center source put the market at a minimum of that level. A third service center source, meanwhile, indicated a minimum of \$1,240/st as a tradable value. A mini-mill quoted a 500 st inquiry at \$1,280/st for May production, according to a fourth service center source. Those indications at 1,240/st and above that level, 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) | 455.00 | 5.00 | 414.47 |
| Steel Rebar FOB Turkey (\$/mt) | 640.00 | 0.00 | 603.55 |
| Argus HRC NW Europe (€/mt) | 733.50 | -0.25 | 722.59 |
| Argus FOB China HRC (\$/mt) | 680.00 | 6.00 | 646.63 |

| LME HRC FOB TIANJIN CHINA USD/mt | | | |
|----------------------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Feb-21 | 640 | 650 | 645 |
| Mar-21 | 695 | 705 | 700 |
| Apr-21 | 670 | 690 | 680 |
| May-21 | 675 | 685 | 680 |
| Q2-21 | 665 | 675 | 670 |
| Q3-21 | 640 | 650 | 645 |

| LME HMS 80:20 CFR TK | | | |
|----------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Feb-21 | 415 | 425 | 420 |
| Mar-21 | 475 | 485 | 480 |
| Apr-21 | 472 | 482 | 477 |
| May-21 | 469 | 479 | 474 |
| Q2-21 | 470 | 480 | 475 |
| Q3-21 | 460 | 470 | 465 |

| LME REBAR FOB TK | | | |
|------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Feb-21 | 605 | 615 | 610 |
| Mar-21 | 660 | 670 | 665 |
| Apr-21 | 656 | 666 | 661 |
| May-21 | 650 | 660 | 655 |
| Q2-21 | 640 | 650 | 645 |
| Q3-21 | 620 | 630 | 625 |

| 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 |
| Mar-21 | 1248 | 1258 | 1253 |
| Apr-21 | 1235 | 1245 | 1240 |
| May-21 | 1145 | 1155 | 1150 |
| Jun-21 | 1046 | 1090 | 1068 |
| Q2-21 | 1147 | 1157 | 1152 |
| Q3-21 | 965 | 975 | 970 |

| NWE HRC EUR/metric ton | | | |
|------------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Feb-21 | 730 | 750 | 740 |
| Mar-21 | 745 | 765 | 755 |
| Apr-21 | 715 | 735 | 725 |
| May-21 | 680 | 700 | 690 |
| Q2-21 | 670 | 690 | 680 |
| Q3-21 | 620 | 630 | 625 |