

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index rose by \$5/t yesterday (1.3.21) to US\$691/t, MTD US\$691/t.

China's official manufacturing sector PMI fell to 50.6 in February as seasonal slowdown around the lunar new year holiday weighed on activity. But seaborne prices rose again as mills lifted offers as buyers chased. A large Chinese mill hiked its May shipment offer by \$30/t to \$740/t fob for SS400 HRC after it sold out its April shipment last week. Two other major Chinese mills also increased offers by \$5-10/t to \$710-730/t fob, in line with higher Chinese domestic selling prices.

Mills remain bullish on prices, citing tight supply from maintenance and production restrictions in north China to guarantee clear air quality during high-level government meetings in Beijing from 4 March. Some Vietnamese buyers may accept prices above \$730/t cfr Vietnam for SAE grade coils, while most others remained cautious with bids unchanged at \$710/t cfr Vietnam. (Argus)

Turkish Scrap

Mills await improved rebar demand and sales at elevated prices

Expectations for US domestic March shred settlements at \$50/lt up on month

Turkish Deepsea import ferrous scrap prices continued to remain firm, as mills held back from the scrap market in search of improved rebar demand, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) March 1 at \$457.50/mt CFR, up \$1.50/mt on the day.

One Turkish mill source cited an indicative tradable value for premium HMS 1/2 (80:20) at in between \$455-\$460/mt CFR, adding that \$460/mt CFR offers were not yet workable.

"I think the market may even cool down a bit, but it really depends on US suppliers and if they insist on higher prices," the mill source said. "Today, most US sellers are not in the market and there are still March shipment cargoes available, but it depends on price."

One US recycler offer was heard at \$465-\$470/mt CFR for HMS 1/2 (90:10) and at \$475-\$480/mt CFR for shredded scrap, with mills heard to resist \$460/mt CFR for premium HMS 1/2 (80:20), according to an agent source.

"We can say the US is waiting and some there are expecting \$50/lt up on shred [for the US domestic March settlements]," the agent source said, adding that three to five further March shipment cargoes were still in the market. (Platts)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,242.50/st EXW Indiana March 1, up \$30.75 from Feb 26.

A service centre source was able to place an order at \$1,250/st for less than 1,000 st from a southern US mill for April production. He also indicated an offer at \$1,240/st for a small-tonnage inquiry from a converter but its product availability for April was scarce. Another service centre source, meanwhile, indicated \$1,220/st as a tradable value but cited a lack of spot availability from most mills. The majority of recent transactions and indications fell within the \$1,240-\$1,250/st range and pulled the index higher. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	457.50	1.50	457.50
Steel Rebar FOB Turkey (\$/mt)	642.50	1.50	642.50
Argus HRC NW Europe (€/mt)	740.50	0.00	740.50
Argus FOB China HRC (\$/mt)	691.00	5.00	691.00

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Mar-21	690	700	695
Apr-21	680	690	685
May-21	677	687	682
Jun-21	670	680	675
Q2-21	676	686	681
Q3-21	661	671	666

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Mar-21	465	475	470
Apr-21	465	475	470
May-21	462	472	467
Jun-21	460	470	465
Q2-21	462	472	462
Q3-21	457	467	462

LME REBAR FOB TK			
	Bid	Ask	Value
Mar-21	655	665	660
Apr-21	650	660	655
May-21	650	660	655
Jun-21	648	658	653
Q2-21	649	659	654
Q3-21	638	648	643

BUSHELING			
	Bid	Ask	Value
Mar-21	563	675	670
Apr-21	585	700	695
May-21	585	690	685
Jun-21	584	690	685
Q2-21	585	595	590
Q3-21	573	583	578

US HRC USD/short ton			
	Bid	Ask	Value
Mar-21	1257	1267	1262
Apr-21	1250	1260	1255
May-21	1158	1168	1163
Jun-21	1065	1075	1070
Q2-21	1158	1168	1163
Q3-21	962	972	967

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Mar-21	767	777	772
Apr-21	720	730	725
May-21	680	690	685
Jun-21	690	700	695
Q2-21	445	707	702
Q3-21	450	679	674