

# FIS Steel & Scrap Morning Report

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

Good Morning,

## FOB China HRC

The index kept flat yesterday (11.3.21) at US\$710/t, MTD US\$705/t.

China's HRC inventory at traders' and mills' warehouses decreased by over 120,000t on week, the first decline after the lunar new year holiday. Chinese mills kept offers unchanged at \$740-765/t fob for SS400 HRC. But rising dry bulk freight costs have prevented seaborne buyers from moving their price expectations in line. Vietnamese buyers stayed quiet while South Korean buyers were only bidding at \$710/t cfr.

A large Indian mill sold 10,000-20,000t of SAE1006 grade coils at \$750/t cfr Vietnam this week. Some Indian mills increased offers to \$770/t cfr Vietnam after that deal, yet traders with positional coils on hands may still consider receiving orders at \$750/t cfr Vietnam. Vietnam-based Formosa Ha Tinh was heard willing to offer a discount of around \$10/t for large quantity orders. (Argus)

## Turkish Scrap

Mills continue to hold back amid low scrap offers

Outright rebar-scrap spread widens as mills hold rebar offers

Turkish Deepsea import ferrous scrap prices fell sharply for the third consecutive day March 11, as mills continued to hold back from buying, sources said.

S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) March 11 at \$440/mt CFR, down \$9.50/mt on day. The index has fallen from a recent high of \$462.50/mt CFR on March 8. One Turkish mill source cited an indicative tradable value for premium HMS 1/2 (80:20) at \$440-\$445/mt CFR, and an EU-origin HMS 1/2 (80:20) offer at \$442/mt CFR. "We're sitting back and watching to see if we can catch a lower price," the mill source added.

A second mill source cited an indicative tradable value for premium HMS 1/2 (80:20) at below \$450/mt CFR. "Turkey is using the same scrap for either flats or long steel production, and HRC production has a big margin now [compared to rebar], so if the flat steel mills go on maintenance, of course it affects the market," the second mill source said, adding that domestic and export rebar demand remains slow but mills were aiming hold firm on prices. (Platts)

## US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,266.50/st EXW Indiana March 11, up \$9.75 from March 10.

A Midwest mill source reported transactions at \$1,275-1,300/st and cited success in booking more than 1,000 st on March 10 at the upper-end of that range. A Midwest buyer confirmed that the Midwest mill was targeting \$1,300/st for its spot availability. A Midwest service center source, meanwhile, was able to place an order at \$1,300/st for 100 st from a Midwest mini-mill for April production. Those indications at \$1,300/st fell outside the Platts methodology for the volume-weighted average calculation but removed some lower prices from the calculation. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	440.00	-9.50	455.67
Steel Rebar FOB Turkey (\$/mt)	637.50	-2.00	642.17
Argus HRC NW Europe (€/mt)	780.00	3.25	758.42
Argus FOB China HRC (\$/mt)	710.00	0.00	705.00

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Mar-21	700	710	705
Apr-21	695	705	700
May-21	685	695	690
Jun-21	675	685	680
Q2-21	685	695	690
Q3-21	650	660	655

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Mar-21	435	445	440
Apr-21	442	452	447
May-21	443	453	448
Jun-21	443	453	448
Q2-21	443	453	444
Q3-21	439	449	444

LME REBAR FOB TK			
	Bid	Ask	Value
Mar-21	630	640	635
Apr-21	628	638	633
May-21	628	638	633
Jun-21	628	638	633
Q2-21	628	638	633
Q3-21	627	637	632

BUSHELING			
	Bid	Ask	Value
Apr-21	600	610	605
May-21	616	626	621
Jun-21	626	636	631
Jul-21	640	650	645
Q2-21	614	624	619
Q3-21	640	650	645

US HRC USD/short ton			
	Bid	Ask	Value
Mar-21	1253	1263	1258
Apr-21	1319	1329	1324
May-21	1300	1310	1305
Jun-21	1295	1305	1300
Q2-21	1305	1315	1310
Q3-21	1143	1153	1148

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Mar-21	785	795	790
Apr-21	780	790	785
May-21	750	760	755
Jun-21	730	740	735
Q2-21	753	763	758
Q3-21	677	687	682