

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index rose by \$7/t last Friday (12.3.21) to US\$717/t, MTD US\$706.20/t.

China's steel market was boosted by stricter production restrictions in Tangshan last Friday as local government has ordered 14 more mill blast furnaces to stop burning to improve air conditions, leading to over 52,000t/d of hot metal production being lost.

A north China mill sold small tonnages of SS400 HRC at \$755-760/t fob to South America last week. But only limited buyers with immediate needs will accept the level. Buyers from South Korea lifted bids to \$710-730/t fob China as South Korean mill POSCO lifted local HRC selling prices by around \$30-50/t this month. But the acceptable levels from Vietnamese buyers were much lower at around \$700/t fob China.

Vietnam-based steelmaker Formosa Ha Tinh was heard to have sold out all its May shipment coils allocation at and above \$755/t cif Vietnam for SAE grade coils. A large Chinese mill also sold SAE grade coils at around \$760/t cfr Vietnam last week. (Argus)

Turkish Scrap

Scrap price rebound depends on improved rebar demand

UK dock prices soften, US expected to follow

Turkish Deepsea import ferrous scrap prices continued to soften, as mills were heard to procure further Baltic-origin cargoes at lower levels, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) March 12 at \$437/mt CFR, down \$3/mt on day. A Baltic-origin cargo totaling 30,000 mt was booked on March 11 by a Marmara mill, with HMS 1/2 (80:20) at \$437/mt CFR, and bonus scrap at \$447/mt CFR. The deal was confirmed by the buy side, for first-half May delivery.

Market sources also cited talk of a second Baltic-origin cargo booked by an Iskenderun mill heard by Platts March 12, with HMS 1/2 (80:20) at \$437/mt CFR, and bonus scrap at \$447/mt CFR, but this was not confirmed. Some sources also cited the same deal, but with HMS 1/2 (80:20) at \$435/mt CFR Marmara and bonus scrap at \$445/mt CFR Marmara. A Turkish mill source cited an indicative tradable value for premium HMS 1/2 (80:20) at below \$437/mt CFR. "I don't know if there are more aggressive sellers in the market," a second Turkish mill source said. "[A rebound] depends on [rebar] demand and now the demand is not stable - the freight is too high to export rebar to Far East as I understand." (Platts)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,299/st EXW Indiana March 12, up \$32.50 from March 11.

A service center placed an order at \$1,320 for 400 st from a Midwest mini-mill with late April production. Another Midwest buyer said May production offers were now at a minimum of \$1,300. The transaction price fell just outside of the Platts methodology to be included in the volume-weighted average but led to the inclusion data points at \$1,300. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	437.00	-3.00	453.80
Steel Rebar FOB Turkey (\$/mt)	630.00	-7.50	640.95
Argus HRC NW Europe (€/mt)	783.50	3.50	760.93
Argus FOB China HRC (\$/mt)	717.00	7.00	706.20

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Mar-21	705	715	710
Apr-21	705	715	710
May-21	700	710	705
Jun-21	690	700	695
Q2-21	698	708	703
Q3-21	660	670	665

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Mar-21	435	445	440
Apr-21	453	463	458
May-21	453	463	458
Jun-21	453	463	458
Q2-21	453	463	454
Q3-21	449	459	454

LME REBAR FOB TK			
	Bid	Ask	Value
Mar-21	630	640	635
Apr-21	635	645	640
May-21	635	645	640
Jun-21	635	645	640
Q2-21	635	645	640
Q3-21	629	639	634

BUSHELING			
	Bid	Ask	Value
Apr-21	595	605	600
May-21	616	626	621
Jun-21	620	630	625
Jul-21	640	650	645
Q2-21	610	620	615
Q3-21	631	641	636

US HRC USD/short ton			
	Bid	Ask	Value
Mar-21	1253	1263	1258
Apr-21	1304	1314	1309
May-21	1295	1305	1300
Jun-21	1250	1260	1255
Q2-21	1283	1293	1288
Q3-21	1150	1160	1155

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Mar-21	760	770	765
Apr-21	795	805	800
May-21	765	775	770
Jun-21	745	755	750
Q2-21	768	778	773
Q3-21	685	695	690