

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index kept flat yesterday (15.3.21) at US\$717/t, MTD US\$707.18/t.

Production restrictions in north China's Tangshan would mainly reduce output of flats and some mills were heard to cut or postpone deliveries of steel products this month, which supported market sentiment. Hebei Iron & Steel said its carbon emissions will peak in 2022 and it expects to reduce carbon emissions by 10pc by 2025 from the peak level and reach carbon neutrality by 2050.

Major Chinese mills maintained offers unchanged given the firm domestic prices and possibility of steel export rebate reduction. An Indian mill sold SAE1006 grade coils at \$760/t cfr Vietnam last week, but participants believed most Vietnamese buyers could not accept that level although their acceptable levels also rose to above \$750/t cfr Vietnam. Mills from India would push up offers further after deals being concluded at \$750-755/t cfr Vietnam last week. (Argus)

Turkish Scrap

Sellers point to high bulk freight rates

\$430/mt CFR possible in near term, depending on number of aggressive offers

Turkish Deepsea import ferrous scrap prices were stable March 15, as mills held back from buying activity, sources said.

S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) March 15 at \$437/mt CFR, unchanged on day. A Turkish mill source cited an indicative tradable value for premium HMS 1/2 (80:20) at \$435/mt CFR, while a second mill source said premium HMS 1/2 (80:20) was workable at \$435-\$440/mt CFR.

"Perhaps \$430/mt CFR will be the bottom, if you [as a seller] don't care and want to cash out, but otherwise waiting a bit can cure the market," a Turkish agent source said. "There is a slowness in demand today, and bulk freights are a concern - if they were lower, I think we would see some more scrap buying."

An EU recycler said below \$440/mt CFR was not workable for EU-origin HMS 1/2 (80:20) due to high freights.

The Platts DBF Scrap Rotterdam-Aliaga 30,000 mt Supramax assessment was at \$31.50/mt March 15, up \$1.25/mt on day to reach a record high since the index began in early 2015. "With today's freight rates, I believe scrap is already underpriced," an EU trading source said, citing an indicative tradable value for premium HMS 1/2 (80:20) at \$435-\$440/mt CFR. (Platts)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,300/st EXW Indiana March 15, up \$1 from March 12.

A mini-mill source said recent sales were \$1,300-\$1,330 for limited tons available with April production. A service centre source also confirmed an offer at \$1,300 but did not place the order. Another service centre source in the Midwest said he was able to place an order at \$1,280 last week for a few hundred tons. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	437.00	0.00	452.27
Steel Rebar FOB Turkey (\$/mt)	627.50	-2.50	639.73
Argus HRC NW Europe (€/mt)	783.50	0.00	762.98
Argus FOB China HRC (\$/mt)	717.00	0.00	707.18

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Mar-21	695	705	700
Apr-21	690	700	695
May-21	680	690	685
Jun-21	670	680	675
Q2-21	680	690	685
Q3-21	650	660	655

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Mar-21	435	445	440
Apr-21	450	460	455
May-21	445	455	450
Jun-21	445	455	450
Q2-21	447	457	445
Q3-21	440	450	445

LME REBAR FOB TK			
	Bid	Ask	Value
Mar-21	630	640	635
Apr-21	632	642	637
May-21	632	642	637
Jun-21	632	642	637
Q2-21	632	642	637
Q3-21	631	641	636

BUSHELING			
	Bid	Ask	Value
Apr-21	599	609	604
May-21	620	630	625
Jun-21	620	630	625
Jul-21	613	623	618
Q2-21	613	623	618
Q3-21	613	623	618

US HRC USD/short ton			
	Bid	Ask	Value
Mar-21	1253	1263	1258
Apr-21	1320	1330	1325
May-21	1300	1310	1305
Jun-21	1240	1250	1245
Q2-21	1287	1297	1292
Q3-21	1149	1159	1154

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Mar-21	758	768	763
Apr-21	800	810	805
May-21	780	790	785
Jun-21	750	760	755
Q2-21	777	787	782
Q3-21	708	718	713