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FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index rose by \$6/t yesterday (16.3.21) to US\$723/t, MTD US\$708.50/t.

Chinese mills stay firm on offers on growing expectations that Beijing will reduce export tax rebates, while domestic prices fell on pressure from rebounding Tangshan steel production. A rebate reduction would push up export offers so mills could absorb the cost, making mills reluctant to reduce offer level. But no official announcement has been made. The Tangshan government lifted level II pollution warnings and restrictions on truck deliveries.

Both mills and traders kept SAE grade coils offers unchanged and remained positive on price outlooks given tight supply. Vietnamese buyers are sidelined after purchasing large tonnages last week from Vietnam-based Formosa Ha Tinh and Indian mills. Trade could become more active if all major supply regions stay firm on offer levels. (Argus)

Turkish Scrap

Mills target \$415-\$420/mt CFR for deepsea premium HMS 1/2 (80:20)

Shortsea prices collapse below \$400 CFR on 'desperate' sales

Turkish Deepsea import ferrous scrap prices fell sharply March 16 as mills continued to hold back from buying activity, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) March 16 at \$430/mt CFR, down \$7/mt on the day.

"Below \$430/mt CFR is a loss for [scrap] suppliers but if Turkish mills feel that they can control all deep sea scrap demand, they will tend to wait as much as they can [before buying]," a Turkish mill source said. "The long product market is no good in comparison with flat steel, and moreover, we have Ramadan [around April 12-May 12] in front of us."

The daily outright spread between Turkish export rebar and import scrap was assessed at \$197.50/mt March 16, up \$7/mt on the day. Despite low rebar demand, mills were able to remain firm in their pricing relative to scrap, amid rebar orderbooks filled for most of April production, sources said. (Platts)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,300/st EXW Indiana March 16, unchanged from March 15. A Midwest service centre source put the market at a minimum of \$1,300/st and cited limited availability. No other bids, offers or transactions were heard. Market conditions indicated unchanged prices. (Platts)

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| Indices | Price | Change | MTD |
|---|--------|--------|--------|
| Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt) | 430.00 | -7.00 | 450.42 |
| Steel Rebar FOB Turkey (\$/mt) | 627.50 | 0.00 | 638.71 |
| Argus HRC NW Europe (€/mt) | 785.00 | 1.50 | 764.81 |
| Argus FOB China HRC (\$/mt) | 723.00 | 6.00 | 708.50 |

| LME HRC FOB TIANJIN CHINA USD/mt | | | |
|----------------------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Mar-21 | 705 | 715 | 710 |
| Apr-21 | 695 | 705 | 700 |
| May-21 | 691 | 701 | 696 |
| Jun-21 | 680 | 690 | 685 |
| Q2-21 | 689 | 699 | 694 |
| Q3-21 | 660 | 670 | 665 |

| 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 | 595 | 605 | 600 |
| May-21 | 625 | 635 | 630 |
| Jun-21 | 620 | 630 | 625 |
| Jul-21 | 613 | 623 | 618 |
| Q2-21 | 613 | 623 | 618 |
| Q3-21 | 613 | 623 | 618 |

| U | US HRC USD/short ton | | | |
|--------|----------------------|------|-------|--|
| | Bid | Ask | Value | |
| Mar-21 | 1253 | 1263 | 1258 | |
| Apr-21 | 1315 | 1325 | 1320 | |
| May-21 | 1299 | 1309 | 1304 | |
| Jun-21 | 1249 | 1259 | 1254 | |
| Q2-21 | 1288 | 1298 | 1293 | |
| Q3-21 | 1163 | 1173 | 1168 | |

| NWE HRC EUR/metric ton | | | |
|------------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Mar-21 | 780 | 790 | 785 |
| Apr-21 | 825 | 835 | 830 |
| May-21 | 785 | 795 | 790 |
| Jun-21 | 753 | 763 | 758 |
| Q2-21 | 788 | 798 | 793 |
| Q3-21 | 709 | 719 | 714 |