

FIS Steel & Scrap Morning Report

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

Good Morning,

FOB China HRC

The index rose by \$7/t yesterday (17.3.21) to US\$730/t, MTD US\$710.15/t.

Chinese mills and trader are unwilling to offer given the risks from expected changes to export tax policy from 1 April. The China iron and steel association is heard to hold a meeting to discuss the rebate changes, leading both sellers and buyers to wait for clearer news before returning to the market. The ministry of industry and information technology is expected to announce cuts of 20mn t crude steel production this year soon, giving a boost to domestic market sentiment.

A north China mill sold a small quantity of SS400 HRC at \$725-730/t fob China to South Korea this week. More South Korean buyers could accept that level as offers are much higher at \$760/t fob China from other mills.

Vietnamese buyers have to accept the rising prices from India as they are still the lowest offers in the market. Several deals for Indian SAE1006 grade coils have sold at \$760-770/t cfr Vietnam this week. Indian mills lifted offers to \$785-790/t cfr Vietnam after the deals. (Argus)

Turkish Scrap

Baltic sellers seen more aggressive than US, EU

Mills expected to need 6-7 more April shipment cargoes

Turkish Deepsea import ferrous scrap prices have continued to soften, as lower workable levels were heard for Baltic-origin material, sources said.

S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) March 17 at \$427.50/mt CFR, down \$2.50/mt on day. A Turkish trading source cited an indicative tradable value for premium HMS 1/2 (80:20) at \$425-\$430/mt CFR, with bids heard at \$415-\$420/mt CFR.

"I expect mills only need six or seven more cargoes for April over the next 10-15 days, and it seems like there are 10-12 offers for April shipment still, so there's a supply-demand imbalance," the trading source said. "The market could touch a bottom by the end of March, and then mills will look to buy for May shipment so it could go down to \$400/mt CFR - but I don't see anything negative on the global market - Chinese steel futures are positive, and Turkish HRC prices near \$900/mt EXW," the trader added.

A Turkish agent source cited an indicative tradable value for Baltic-origin HMS 1/2 (80:20) at \$425-\$430/mt CFR, with recycler offers at \$430/mt CFR and higher. A reported Baltic-origin deal was heard with HMS 1/2 (80:20) at \$425-\$430/mt CFR but was not confirmed. (Platts)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,308/st EXW Indiana March 17, up \$8 from March 16.

Two separate service center sources indicated an offer at \$1,300/st from a converter for its May production. That level was also available from two Midwest mills for May production, according to a Midwest service center source. A third service center source, meanwhile, placed a small-tonnage order at \$1,350/st from an integrated mill. The transaction price, however, fell outside of the Platts methodology to be included in the volume-weighted average but led to the inclusion data points at \$1,320. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	427.50	-2.50	448.65
Steel Rebar FOB Turkey (\$/mt)	625.00	-2.50	637.65
Argus HRC NW Europe (€/mt)	790.50	5.50	766.79
Argus FOB China HRC (\$/mt)	730.00	7.00	710.15

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Mar-21	720	730	725
Apr-21	725	735	730
May-21	715	725	720
Jun-21	695	705	700
Q2-21	712	722	717
Q3-21	662	672	667

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Mar-21	435	445	440
Apr-21	444	454	449
May-21	450	460	455
Jun-21	450	460	455
Q2-21	448	458	450
Q3-21	445	455	450

LME REBAR FOB TK			
	Bid	Ask	Value
Mar-21	620	630	625
Apr-21	630	640	635
May-21	632	642	637
Jun-21	632	642	637
Q2-21	631	641	636
Q3-21	631	641	636

BUSHELING			
	Bid	Ask	Value
Apr-21	595	605	600
May-21	620	630	625
Jun-21	620	630	625
Jul-21	605	615	610
Q2-21	612	622	617
Q3-21	605	615	610

US HRC USD/short ton			
	Bid	Ask	Value
Mar-21	1253	1263	1258
Apr-21	1323	1333	1328
May-21	1300	1310	1305
Jun-21	1271	1281	1276
Q2-21	1298	1308	1303
Q3-21	1237	1247	1242

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Mar-21	763	773	768
Apr-21	830	840	835
May-21	800	810	805
Jun-21	775	785	780
Q2-21	802	812	807
Q3-21	713	723	718