

# FIS Steel & Scrap Morning Report

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

Good Morning,

## FOB China HRC

The index kept stable yesterday (18.3.21) at US\$730/t, MTD US\$711.57/t.

North China's Tangshan government will require its steel mills that did not cut production in line with previous warnings to reduce sintering, pelletizing and blast furnace output by 30pc from 20 March to 20 April as kind of punishment. Some mills in north China reduced deliveries to sales agents under long-term contract in March and April.

Nationwide rebar inventory held by mills and traders posted its first weekly decline after the lunar new year holiday. HRC inventory at mills and traders' warehouses decreased by over 200,000t this week. China's excavator sales in January and February rose by 149pc on year to 47,906 unites among 26 key mainframe manufacturing enterprises, CCMA said.

A Chinese mill sold 10,000t SAE1006 grade coils at \$755/t cfr Vietnam this week to a Vietnamese end-user. The seller and buyer will renegotiate the price if China announces changes to its HRC export tax rebate. An Indian mil sold same grade coils higher at around \$780/t cfr Vietnam. (Argus)

## Turkish Scrap

Mills continue to target \$420/mt and lower

Deepsea-shortsea scrap spread at widest in four years

Turkish Deepsea import ferrous scrap prices continued to soften March 18, as Turkish mills continued to push for lower prices, sources said.

S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) March 18 at \$425/mt CFR, down \$2.50/mt on day. The index has steadily fallen from a recent high of \$462.50/mt CFR on March 8.

"From what I see, no buyer is rushing at all," an EU trading source said, citing an indicative tradable value for premium HMS 1/2 (80:20) at \$425/mt CFR, with down to \$420/mt CFR also considered possible.

A Turkish agent source cited an indicative tradable value for US-origin HMS 1/2 (80:20) at \$430/mt CFR and slightly below, with buyer targets of \$400-\$410/mt considered unworkable.

"These \$400-\$410/mt CFR target levels cited by buyers are not convincing, I might as well offer \$450/mt CFR then," the agent said. "Customers aren't serious right now so there's no point making serious offers, but we're close to the bottom - if the price remains sideways then perhaps mills need five more April shipment cargoes." (Platts)

## US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,309.25/st EXW Indiana March 18, up \$1.25 from March 17.

A Midwest service center source indicated \$1,325/st as a tradable from an integrated mill but was not yet able get any spot availability from the mill. Two separate Midwest mills quoted a 500 st inquiry at \$1,350/st and \$1,370/st for May production, according to another service center source. He ended up placing an order from the integrated mill at \$1,350/st. 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 \$1,330. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	425.00	-2.50	446.96
Steel Rebar FOB Turkey (\$/mt)	619.50	-5.50	636.36
Argus HRC NW Europe (€/mt)	792.75	2.25	768.64
Argus FOB China HRC (\$/mt)	730.00	0.00	711.57

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Mar-21	720	730	725
Apr-21	730	740	735
May-21	715	725	720
Jun-21	695	705	700
Q2-21	713	723	718
Q3-21	662	672	667

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Mar-21	433	443	438
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	625	635	630
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	585	595	590
May-21	620	630	625
Jun-21	620	630	625
Jul-21	605	615	610
Q2-21	608	618	613
Q3-21	605	615	610

US HRC USD/short ton			
	Bid	Ask	Value
Mar-21	1253	1263	1258
Apr-21	1320	1330	1325
May-21	1310	1320	1315
Jun-21	1283	1293	1288
Q2-21	1304	1314	1309
Q3-21	1228	1238	1233

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Mar-21	775	785	780
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