

# FIS Steel & Scrap Morning Report

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Good Morning,

## FOB China HRC

The index kept flat last Friday (19.3.21) at US\$730/t, MTD US\$712.80/t.

Tangshan is mulling full year production curbs. Seven mills will be asked to halve output until 30 June and by 30pc in the second half of the year. Another 16 mills will be asked to cut output by 30pc for the rest of the year. Only two mills are exempt from the restrictions. Mills in Tangshan mainly produce HRC or narrow strips.

Major Chinese mills attended a meeting held by CISA to discuss the rebate changes. Participants expected the rebate will be likely to be reduced to over only 9pc of the VAT from present 13pc for HRC.

An Indian mill sold 10,000-20,000t SAE1006 grade coils at \$780-785/t cfr Vietnam last week and hiked offers to \$805/t cfr Vietnam after those deals. Positional Chinese SAE grade coils were workable at \$765-770/t cfr Vietnam, but no buying interest was induced before Chinese steel export tax rebate changes are confirmed. (Argus)

## Turkish Scrap

Mills continue to hold back for lower deals

US East Coast HMS dock prices heard around \$345/lt delivered

Turkish Deepsea import ferrous scrap prices continued to soften March 19, as US and Baltic sellers indicated lower tradable levels, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) March 19 at \$420/mt CFR, down \$5/mt on day.

One US recycler said \$420/mt CFR was workable for US-origin HMS 1/2 (80:20), with more resistance to lower levels, while a second US recycler cited a tradable value at \$435/mt CFR, adding that \$420/mt CFR was "not realistic - Turkey has competition from other markets."

US West Coast bulk scrap cargoes into South Korea and Bangladesh have been heard to be booked in recent days. "I do think we will see some US sellers sell at around \$420/mt CFR to keep their feed numbers suppressed," a US trading source said, citing US East Coast dock prices for HMS material at \$345/lt delivered. "If they feel confident in getting tons at this level, they can sell at \$430/mt CFR but maybe not \$420/mt CFR - if they continue to drop [dock] pricing then they can sell at \$420/mt CFR in a week or so," the trader added, estimating that mills still require 12 further April shipment cargoes. (Platts)

## US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,311.50/st EXW Indiana March 19, up \$2.25 from March 18.

A service centre source indicated the lowest offer at \$1,300/st from a converter for May production. A Southern mill source cited limited May availability left and was quoting new inquiries at a minimum of \$1,300/st. The bulk of recent transactions and indications fell within the \$1,300-\$1,350/st range. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	420.00	-5.00	445.17
Steel Rebar FOB Turkey (\$/mt)	615.00	-4.50	634.93
Argus HRC NW Europe (€/mt)	794.25	1.50	770.35
Argus FOB China HRC (\$/mt)	730.00	0.00	712.80

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Mar-21	725	735	730
Apr-21	745	755	750
May-21	735	745	740
Jun-21	715	725	720
Q2-21	732	742	737
Q3-21	678	688	683

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Mar-21	430	440	435
Apr-21	442	452	447
May-21	445	455	450
Jun-21	445	455	450
Q2-21	444	454	448
Q3-21	443	453	448

LME REBAR FOB TK			
	Bid	Ask	Value
Mar-21	620	630	625
Apr-21	623	633	628
May-21	623	633	628
Jun-21	623	633	628
Q2-21	623	633	628
Q3-21	619	629	624

BUSHELING			
	Bid	Ask	Value
Apr-21	585	595	590
May-21	620	630	625
Jun-21	605	615	610
Jul-21	595	605	600
Q2-21	603	613	608
Q3-21	595	605	600

US HRC USD/short ton			
	Bid	Ask	Value
Mar-21	1261	1271	1266
Apr-21	1340	1350	1345
May-21	1340	1350	1345
Jun-21	1323	1333	1328
Q2-21	1334	1344	1339
Q3-21	1255	1265	1260

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Mar-21	770	780	775
Apr-21	855	865	860
May-21	815	825	820
Jun-21	785	795	790
Q2-21	818	828	823
Q3-21	742	752	747