

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The index rose by \$1/t yesterday (23.3.21) to US\$735/t, MTD US\$715.35/t.

Chinese market supply for flat steel remains tight after Tangshan restrictions and the biggest uncertainty remains its tax rebate policy. An east China mill hiked offers by \$15/t to \$765/t fob for SS400 HRC given strong domestic selling prices. A north China mill kept offer unchanged at \$790/t fob, above seaborne buyers' acceptable levels around \$735/t fob. Other major Chinese mills stopped quoting to wait for tax rebate changes. The two mills till offering have contract terms that require buyers to bear some of the cost of any reduced rebates.

Vietnam-based mill Hoa Phat hiked its May to early June delivery offers by \$75/t on month to \$760-765/t cif Vietnam for both SAE and SS400 HRC, the lowest prices in Vietnam and easily accepted by buyers. But the limited volume of its offers will reduce its effect on market balance. Offers from India and Taiwan rose further to \$805-830/t cfr Vietnam. (Argus)

Turkish Scrap

Scrap market activity remains slow following Lira volatility

Near-term LME scrap forward curve remains in contango

Turkish Deepsea import ferrous scrap market activity remained low March 23 as market participants stepped back following sharp volatility in the Turkish Lira, sources said.

S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$417.50/mt CFR March 23, unchanged day on day.

"You know the rule, first demand and then purchase -- so Turkish mills need to see what they can sell, in order to assess what they can buy as raw material," a mill source said. "Still there is not enough evidence for people to feel good regarding the economy -- the purchase power of the Turkish market weakened by about 15%."

The Turkish Lira had weakened to a near-record low on March 22, falling as low as Lira 8.48 against the dollar in intraday trading, after Turkish President Recep Erdogan fired Central Bank governor Naci Agbal on March 20. The Turkish Lira was trading at Lira 7.89722 against the dollar at 5 pm London time on March 23, down sharply from Lira 7.21206 on March 19, prior to the changes in the Central Bank leadership. (Platts)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,321.50/st EXW Indiana March 23, up 75 cents from March 22.

A Midwest buyer indicated an offer at \$1,320/st from a Midwest converter with a late May lead time. An end-user cited an offer at \$1,330/st from an integrated mill for May production. A Midwest mill source, meanwhile, said that their recent transactions remained within the \$1,300-\$1,350/st range. Those indications at \$1,300/st and \$1,350/st, however, were not factored into the volume-weighted average calculation based on Platts methodology. (Platts)

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| Indices | Price | Change | MTD |
|---|--------|--------|--------|
| Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt) | 417.50 | 0.00 | 441.91 |
| Steel Rebar FOB Turkey (\$/mt) | 615.00 | 2.50 | 632.44 |
| Argus HRC NW Europe (€/mt) | 804.25 | 4.75 | 774.06 |
| Argus FOB China HRC (\$/mt) | 735.00 | 1.00 | 715.35 |

| LME HRC FOB TIANJIN CHINA USD/mt | | | |
|----------------------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Mar-21 | 720 | 730 | 725 |
| Apr-21 | 735 | 745 | 740 |
| May-21 | 730 | 740 | 735 |
| Jun-21 | 715 | 725 | 720 |
| Q2-21 | 727 | 737 | 732 |
| Q3-21 | 678 | 688 | 683 |

| LME HMS 80:20 CFR TK | | | |
|----------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Mar-21 | 430 | 440 | 435 |
| Apr-21 | 440 | 450 | 445 |
| May-21 | 440 | 450 | 445 |
| Jun-21 | 440 | 450 | 445 |
| Q2-21 | 440 | 450 | 445 |
| Q3-21 | 440 | 450 | 445 |

| LME REBAR FOB TK | | | |
|------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Mar-21 | 620 | 630 | 625 |
| Apr-21 | 620 | 630 | 625 |
| May-21 | 620 | 630 | 625 |
| Jun-21 | 620 | 630 | 625 |
| Q2-21 | 620 | 630 | 625 |
| Q3-21 | 617 | 627 | 622 |

| BUSHELING | | | |
|-----------|-----|-----|-------|
| | Bid | Ask | Value |
| Apr-21 | 595 | 605 | 600 |
| May-21 | 615 | 625 | 620 |
| Jun-21 | 610 | 620 | 615 |
| Jul-21 | 600 | 610 | 605 |
| Q2-21 | 607 | 617 | 612 |
| Q3-21 | 593 | 603 | 598 |

| US HRC USD/short ton | | | |
|----------------------|------|------|-------|
| | Bid | Ask | Value |
| Mar-21 | 1263 | 1273 | 1268 |
| Apr-21 | 1344 | 1354 | 1349 |
| May-21 | 1343 | 1353 | 1348 |
| Jun-21 | 1332 | 1342 | 1337 |
| Q2-21 | 1340 | 1350 | 1345 |
| Q3-21 | 1245 | 1255 | 1250 |

| NWE HRC EUR/metric ton | | | |
|------------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Mar-21 | 765 | 775 | 770 |
| Apr-21 | 865 | 875 | 870 |
| May-21 | 840 | 850 | 845 |
| Jun-21 | 820 | 830 | 825 |
| Q2-21 | 842 | 852 | 847 |
| Q3-21 | 775 | 785 | 780 |