



# Steel & Scrap Morning Report

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Good Morning,

## FOB China HRC

The index kept flat yesterday (31.3.21) at US\$763/t, MTD US\$725.35/t.

Market expectations have shifted from a partial rollback of rebates for steel exports to a larger or full cancellation of the rebate, which covers the full 13pc value-added tax on some steel products including HRC. A full cancellation of the rebate would add around \$100/t in taxes to HRC exports at current spot prices. An official announcement on tax changes is expected today, to take effect on 10 April. There was also speculation that China could reduce import taxes on imports including billet and ferrous scrap. Both sets of tax changes would help reduce China's steel carbon emissions.

The tax risks have frozen spot trade out of China, cutting spot seaborne supply. Mills from other countries including Japan, South Korea and Taiwan also pull offers but are expected to lift offers above \$850/t cfr Vietnam for SAE grade coils after the policy and trend is clearer. (Argus)

## Turkish Scrap

Strong export rebar demand to Asia continues

Mills raise workable scrap levels

Turkish Deepsea import ferrous scrap prices rose sharply March 31, as Turkish mills cited higher workable levels, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) March 31 at \$430/mt CFR, up \$8.50/mt on day. A Turkish mill source cited an indicative tradable value for premium HMS 1/2 (80:20) at \$430/mt CFR. A US-origin cargo was heard to be booked March 29 by an Izmir mill, with HMS 1/2 (80:20) at \$430/mt CFR, shredded scrap at \$435/mt CFR, and PNS at \$440/mt CFR, for May shipment.

A second Turkish mill source cited an indicative buyers' tradable value for premium HMS 1/2 (80:20) at \$420/mt CFR, while a Turkish mill source said below \$420-\$425/mt CFR was workable. "Every time we hear the Turkish mills don't need material, it's for the purpose of bringing scrap prices down, but there is demand in other markets - it is out of the customers' control," a Turkish agent source said. (Platts)

## US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,345/st EXW Indiana March 31, up \$2.50 from March 30.

A Midwest service center source was able to place a small tonnage order at \$1,350, while a second service center source indicated a tradable value at \$1,340 from a converter. In addition, a Southern mill indicated it would be selling late May availability at \$1,340-\$1,350. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	430.00	8.50	435.93
Steel Rebar FOB Turkey (\$/mt)	622.50	5.00	628.22
Argus HRC NW Europe (€/mt)	846.00	0.50	788.34
Argus FOB China HRC (\$/mt)	763.00	0.00	725.35

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Apr-21	785	795	790
May-21	785	795	790
Jun-21	765	775	770
Jul-21	755	765	760
Q2-21	778	788	783
Q3-21	728	738	733

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Apr-21	457	467	462
May-21	465	475	470
Jun-21	465	475	470
Jul-21	465	475	470
Q2-21	462	472	460
Q3-21	455	465	460

LME REBAR FOB TK			
	Bid	Ask	Value
Apr-21	635	645	640
May-21	635	645	640
Jun-21	635	645	640
Jul-21	625	635	630
Q2-21	635	645	640
Q3-21	620	630	625

BUSHELING			
	Bid	Ask	Value
Apr-21	575	585	580
May-21	585	595	590
Jun-21	600	610	605
Jul-21	600	610	605
Q2-21	587	597	592
Q3-21	593	603	598

US HRC USD/short ton			
	Bid	Ask	Value
Apr-21	1343	1353	1348
May-21	1312	1322	1317
Jun-21	1275	1285	1280
Jul-21	1210	1220	1215
Q2-21	1310	1320	1315
Q3-21	1163	1173	1168

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Apr-21	905	915	910
May-21	895	905	900
Jun-21	855	865	860
Jul-21	845	855	850
Q2-21	885	895	890
Q3-21	815	825	820