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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 \$5/t yesterday (22.4.21) to US\$895/t, MTD US\$843.20/t.

Handan city in north China's Hebei province released its production restriction plans for 21 April-30 June, requiring mills to varied production cuts based of emissions controls ratings. Specific ratios for each mill were not released, but participants said some mills were asked to cut output by 12pc.

Two Chinese mills sold SS400 HRC at \$880/t and \$920/t fob China, respectively, to regions including South America this week. One of them sold a large quantity of SAE1006 grade coils at \$920/t fob to Bangladesh too. Several other deals for more than 100,000t Chinese SAE grade coils were concluded at around \$980/t cfr Turkey. Turkey buyers sold steel products much higher to Europe and bought from China at lower levels for own use. (Argus)

Turkish Scrap

Fresh Venezuela-origin deal heard

Domestic finished steel market slows ahead of national holiday

Turkish Deepsea import ferrous scrap prices continued to firm April 22, as a fresh Venezuela-origin deal was heard, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) April 22 at \$429.50/mt CFR, up \$2/mt on the day.

"The mills can be pushed right now, but I don't expect the prices to skyrocket," a US trader said. A Venezuela-origin cargo totaling 25,000 mt was booked April 21 by an Iskenderun mill, with HMS 1/2 (80:20) at \$424.50/mt CFR, for end-May/early June shipment.

"I guess \$425-\$430/mt CFR is workable for Baltic-origin material but US-origin cargoes will define the exact level, in my opinion," a Turkish mill source said. "But in Turkey, Ramadan is slowing down the market, and the lira is depreciating [against the dollar]." Platts assessed the dollar at Lira 8.3062 on April 22, compared to Lira 8.0569 one week earlier on April 15, as the Turkish lira weakened sharply on market concerns over worsening US-Turkey diplomatic relations. (Platts)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,429.50/st EXW Indiana April 22, unchanged from April 21.

A service centre source indicated an offer at \$1,460/st from a Midwest mill for its June production. That indication, however, was 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) | 429.50 | 2.00 | 428.25 |
| Steel Rebar FOB Turkey (\$/mt) | 642.50 | 0.00 | 634.68 |
| Argus HRC NW Europe (€/mt) | 961.50 | 13.00 | 915.09 |
| Argus FOB China HRC (\$/mt) | 895.00 | 5.00 | 725.35 |

| LME HRC FOB TIANJIN CHINA USD/mt | | | |
|----------------------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Apr-21 | 860 | 870 | 865 |
| May-21 | 910 | 920 | 915 |
| Jun-21 | 895 | 905 | 900 |
| Jul-21 | 875 | 885 | 880 |
| Q2-21 | 888 | 898 | 893 |
| Q3-21 | 770 | 780 | 775 |

| LME HMS 80:20 CFR TK | | | |
|----------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Apr-21 | 425 | 435 | 430 |
| May-21 | 445 | 455 | 450 |
| Jun-21 | 450 | 460 | 455 |
| Jul-21 | 455 | 465 | 460 |
| Q2-21 | 440 | 450 | 460 |
| Q3-21 | 455 | 465 | 460 |

| LME REBAR FOB TK | | | |
|------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Apr-21 | 635 | 645 | 640 |
| May-21 | 645 | 655 | 650 |
| Jun-21 | 653 | 663 | 658 |
| Jul-21 | 650 | 660 | 655 |
| Q2-21 | 644 | 654 | 649 |
| Q3-21 | 648 | 658 | 653 |

| BUSHELING | | | |
|-----------|-----|-----|-------|
| | Bid | Ask | Value |
| May-21 | 595 | 605 | 600 |
| Jun-21 | 620 | 630 | 625 |
| Jul-21 | 670 | 680 | 675 |
| Aug-21 | 675 | 685 | 680 |
| Q2-21 | 628 | 638 | 633 |
| Q3-21 | 670 | 680 | 675 |

| US HRC USD/short ton | | | |
|----------------------|------|------|-------|
| | Bid | Ask | Value |
| Apr-21 | 1358 | 1368 | 1363 |
| May-21 | 1495 | 1505 | 1500 |
| Jun-21 | 1510 | 1520 | 1515 |
| Jul-21 | 1485 | 1495 | 1490 |
| Q2-21 | 1454 | 1464 | 1459 |
| Q3-21 | 1452 | 1462 | 1457 |

| NWE HRC EUR/metric ton | | | |
|------------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Apr-21 | 910 | 920 | 915 |
| May-21 | 960 | 970 | 965 |
| Jun-21 | 975 | 985 | 980 |
| Jul-21 | 950 | 960 | 955 |
| Q2-21 | 948 | 958 | 953 |
| Q3-21 | 918 | 928 | 923 |