

FIS Steel & Scrap Morning Report

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Good Morning,

FOB China HRC

The Argus index saw no movement on Tuesday (4.5.21), holding at US\$925/t, MTD US\$925.00

Although there has been little activity in the physical market, the forward curve has flipped from backwardation to contango: up \$20/t overnight in prompt months.

That may partially reflect reducing opportunities for lower-priced alternatives. The Indian market is roiled by Covid and seeing domestic HRC offers revised sharply higher. Meanwhile, European importers are simply paying safeguarding duties of 25% on previously booked Indian HRC imports, as the cargoes are deep enough in the money to absorb the 25pc hit. (Argus)

Turkish Scrap

Buy-side sources expect \$470/mt CFR likely to be tradable in near term

Benelux HMS dock prices at Eur330-335/mt delivered

Turkish Deepsea import ferrous scrap prices continued their sharp rise May 4, as mills cited higher workable levels and recyclers hiked offers, sources said. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) May 4 at \$457.50/mt CFR, up \$9.50/mt on the day.

"It seems \$450-\$455/mt CFR is a nice price for buyers today," one Turkish mill source said. A US-origin offer was heard at \$462/mt CFR, while a Baltic-origin offer was heard at \$465/mt CFR. A second Turkish mill source cited an indicative tradable value for premium HMS 1/2 (80:20) at \$460/mt CFR minimum, with offers up at \$465/mt CFR.

Another mill source said \$450-\$455/mt CFR was workable, while a fourth mill source cited a near-term tradable value at \$470/mt CFR for premium HMS 1/2 (80:20). Mills were estimated to require around 10-15 further cargoes for June shipment, with buyers focusing on second-half June shipment now. "We need to watch the collection prices for a couple days," a Turkish agent source said, citing collection prices for HMS material in the Baltic region as equivalent to \$450-\$455/mt CFR Turkey without margin. (Platts)

US HRC

The S&P Global Platts TSI US hot-rolled coil index was calculated at \$1,481/st EXW Indiana May 4, up \$9 from May 3.

A Midwest service center source placed a small-sized order at \$1,440/st April 30 from a Midwest converter for its late June or early July production. Another service centre source, meanwhile, placed an order at \$1,520/st for 500 st from a mini-mill in the South with a July lead time. That transaction, however, remained outside the Platts methodology for the volume-weighted average calculation but moved the single standard deviation spread above and below the mean higher, excluding some lower data points in accordance with Platts methodology. (Platts)

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Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	457.50	9.50	457.50
Steel Rebar FOB Turkey (\$/mt)	672.50	15.00	672.50
Argus HRC NW Europe (€/mt)	1026.00	17.75	1026.00
Argus FOB China HRC (\$/mt)	925.00	0.00	925.00

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
May-21	935	945	940
Jun-21	930	940	935
Jul-21	920	930	925
Aug-21	905	915	910
Q3-21	770	780	775
Q4-21	740	750	745

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
May-21	470	480	475
Jun-21	480	490	485
Jul-21	480	490	485
Aug-21	480	490	485
Q3-21	477	487	465
Q4-21	460	470	465

LME REBAR FOB TK			
	Bid	Ask	Value
May-21	695	705	700
Jun-21	705	715	710
Jul-21	695	705	700
Aug-21	685	695	690
Q3-21	678	688	683
Q4-21	633	643	638

BUSHELING			
	Bid	Ask	Value
May-21	575	585	580
Jun-21	625	635	630
Jul-21	665	675	670
Aug-21	675	685	680
Q3-21	680	690	685
Q4-21	663	673	668

US HRC USD/short ton			
	Bid	Ask	Value
May-21	1499	1509	1504
Jun-21	1566	1576	1571
Jul-21	1565	1575	1570
Aug-21	1558	1568	1563
Q3-21	1546	1556	1551
Q4-21	1411	1421	1416

NWE HRC EUR/metric ton			
	Bid	Ask	Value
May-21	1035	1045	1040
Jun-21	1035	1045	1040
Jul-21	1010	1020	1015
Aug-21	975	985	980
Q3-21	982	992	987
Q4-21	892	902	897