FIS Steel & Scrap Close

www.freightinvestorservices.com | info@freightinvestor.com | @freightinvestor

4 January 2022

Broad Update:

Happy New Year and welcome back to the frenzied steel market. Trading yesterday was muted with only BUS futures clearing. Would not have put that on my 2022 forecasts. BUS volumes were firm today with Jul22-Nov22 trading $5/t above the front. Will we see a pivot to contango? Sentiment for Jan22 scrap negotiations is bearish as of writing with US mills rolling out contract cancelations at the end of Dec21. Certainly an odd occurrence for Jan. HRC trading was focused on spreads with wild jumps between spread leg values and their outright counterparts. I'm looking at you Jan22 v Q322 HRC +400 (1450/1050) 3kt which was immediately followed by Q322 outright at 985. Additionally Jan22 v Feb22 traded +120 1kt and +130 6,920t! Let's hope large volume blocks are a theme of 2022. Please find updated curves below:

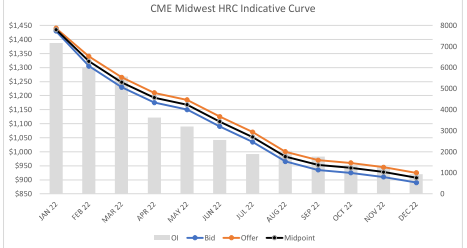
Index	Print	Change	MTD
LME Platts HMS	$463.00/MT	$0.00	$463.00
LME Platts Rebar	$695.00/MT	$5.00	$695.00
CME Argus EHR	£900.00/MT	€ 0.00	€ 900.00
LME Argus HRC China	$749.00/MT	$0.00	$749.00
CME/LME Platts HRC	$1,500.00/NT	$0.00	$1,500.00
CME CRU HRC	$1,536/NT	$9.00	$1,615.80
CME CRU HDG	$481/NT	($41.00)	$436.60
CME Fastmarkets BUS	$603.81/GT	$1.79	Dec-21
CME Platts SHR	$530.00/GT	$0.00	Dec-21

Today CME Block trade recap	
Jan22 v Feb22 HRC +120 700t	Jul22-Nov22 BUS 585 500t
Mar22 v Q2+Q322 +188 3kt	Feb22+Mar22 BUS 590 500t
Feb22 HRC 1322 500t	Feb22+Mar22 BUS 590 260t
Jan22 v Feb22 HRC +130 6920t	Feb22 v May22 HRC +157 500t
Feb22 HRC 1320 500t	
Jan22 v Q322 HRC +400 3kt	
Q322 HRC 985 500t	
May22 HRC 1165 1kt	
Feb22-Jun22 BUS 590 500t	

Monday CME Block trade recap
Feb22-Jun22 BUS 580 500t
Jul22-Nov22 BUS 575 1kt

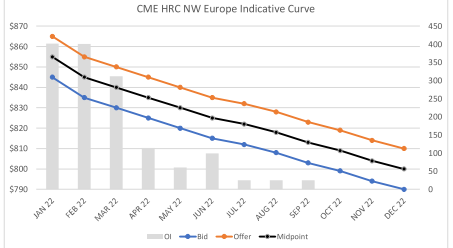
Product	HRC Midwest CRU		HR/HRC	
Exchange	CME		20 NT	
Period	Bid	Offer	Midpoint	OI
JAN 22	1430	1440	1435	7166
FEB 22	1305	1340	1323	6026
MAR 22	1230	1265	1248	5573
APR 22	1175	1210	1193	3630
MAY 22	1150	1185	1168	3200
JUN 22	1090	1125	1108	2558
JUL 22	1035	1070	1053	1898
AUG 22	965	1000	983	2045
SEP 22	935	970	953	1771
OCT 22	925	960	943	1364
NOV 22	910	945	928	1259
DEC 22	890	925	908	941
JAN+FEB22	1368	1390	1379	13192
Q122	1322	1348	1335	12403
Q222	1138	1173	1156	6501
1h22	1230	1261	1245	18904
Q322	978	1013	996	4394
Q422	908	943	926	941
Cal22	1087	1120	1103	24239

CRU U.S. Midwest HRC Index



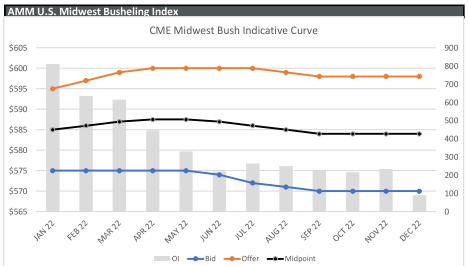
Product	HRC NW Europe		EHR	
Exchange	CME		€/MT	
Period	Bid	Offer	Midpoint	OI
JAN 22	845	865	855	402
FEB 22	835	855	845	401
MAR 22	830	850	840	312
APR 22	825	845	835	114
MAY 22	820	840	830	60
JUN 22	815	835	825	99
JUL 22	812	832	822	25
AUG 22	808	828	818	25
SEP 22	803	823	813	25
OCT 22	799	819	809	0
NOV 22	794	814	804	0
DEC 22	790	810	800	0
JAN+FEB22	840	860	850	803
Q122	837	857	847	827
Q222	820	840	830	184
1h22	828	848	838	1011
Q322	808	828	818	50
Q422	794	814	804	0
Cal22	815	835	825	1061

Argus HRC EXW Ruhr/ Northern Europe



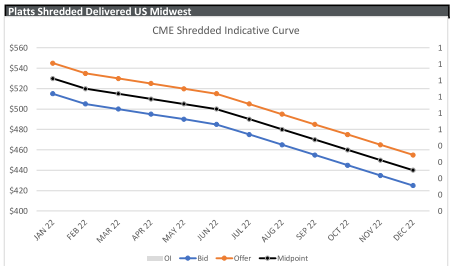
Product	Midwest Busheling		BUS	
Exchange	CME		20 GT	
Period	Bid	Offer	Midpoint	OI
JAN 22	575	595	585	811
FEB 22	575	597	586	636
MAR 22	575	599	587	615
APR 22	575	600	588	446
MAY 22	575	600	588	332
JUN 22	574	600	587	220
JUL 22	572	600	586	264
AUG 22	571	599	585	250
SEP 22	570	598	584	228
OCT 22	570	598	584	216
NOV 22	570	598	584	234
DEC 22	570	598	584	90
JAN+FEB22	575	596	586	1447
Q122	575	597	586	2062
Q222	575	600	587	998
1h22	575	599	587	3060
Q322	571	599	585	742
Q422	570	598	584	540
Cal22	573	599	586	4342

AMM U.S. Midwest Busheling Index



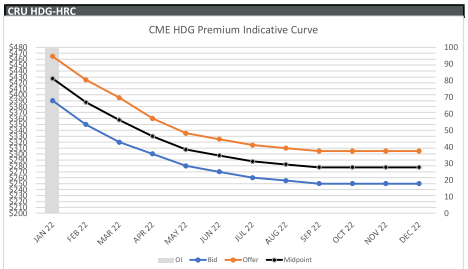
Product	Midwest Shredded		SHR	
Exchange	CME		20 GT	
Period	Bid	Offer	Midpoint	OI
JAN 22	515	545	530	0
FEB 22	505	535	520	0
MAR 22	500	530	515	0
APR 22	495	525	510	0
MAY 22	490	520	505	0
JUN 22	485	515	500	0
JUL 22	475	505	490	0
AUG 22	465	495	480	0
SEP 22	455	485	470	0
OCT 22	445	475	460	0
NOV 22	435	465	450	0
DEC 22	425	455	440	0
JAN+FEB22	510	540	525	0
Q122	507	537	522	0
Q222	490	520	505	0
1h22	498	528	513	0
Q322	465	495	480	0
Q422	435	465	450	0
Cal22	474	504	489	0

Platts Shredded Delivered US Midwest



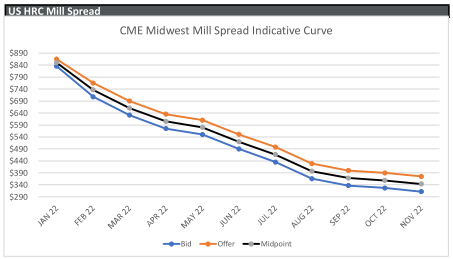
Product	HDG Premium		HDG	
Exchange	CME		$/NT	
Period	Bid	Offer	Midpoint	OI
JAN 22	390	465	428	100
FEB 22	350	425	388	0
MAR 22	320	395	358	0
APR 22	300	360	330	0
MAY 22	280	335	308	0
JUN 22	270	325	298	0
JUL 22	260	315	288	0
AUG 22	255	310	283	0
SEP 22	250	305	278	0
OCT 22	250	305	278	0
NOV 22	250	305	278	0
DEC 22	250	305	278	0
JAN+FEB22	370	445	408	100
Q122	353	428	391	0
Q222	283	340	312	0
1h22	318	384	351	0
Q322	255	310	283	0
Q422	250	305	278	0
Cal22	285	346	316	0

CRU HDG-HRC



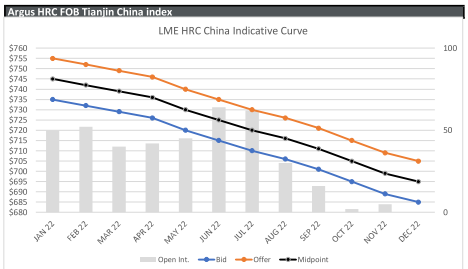
Product	HRC Mill Spread		BUS/HRC
Exchange	CME		Spread
Period	Bid	Offer	Midpoint
JAN 22	835	865	850
FEB 22	708	765	737
MAR 22	631	690	661
APR 22	575	635	605
MAY 22	550	610	580
JUN 22	490	551	521
JUL 22	435	498	467
AUG 22	366	429	398
SEP 22	337	400	369
OCT 22	327	390	359
NOV 22	312	375	344
DEC 22	292	355	324
Q122	725	773	749
Q222	538	599	569
1h22	632	686	659
Q322	379	442	411
Q422	310	373	342
Cal22	488	547	518

US HRC Mill Spread



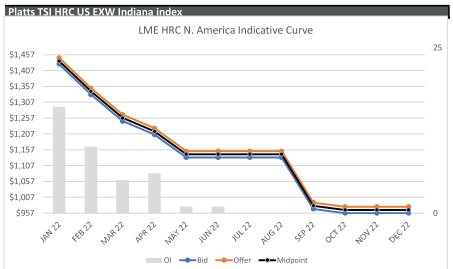
Product	HRC FOB China		HC/LCY	
Exchange	LME		10 MT	
Period	Bid	Offer	Midpoint	Open Int.
JAN 22	735	755	745	50
FEB 22	732	752	742	52
MAR 22	729	749	739	40
APR 22	726	746	736	42
MAY 22	720	740	730	45
JUN 22	715	735	725	64
JUL 22	710	730	720	62
AUG 22	706	726	716	30
SEP 22	701	721	711	16
OCT 22	695	715	705	2
NOV 22	689	709	699	5
DEC 22	685	705	695	0
JAN+FEB22	734	754	744	102
Q122	732	752	742	134
Q222	720	740	730	171
1h22	726	746	736	305
Q322	706	726	716	48
Q422	690	710	700	5
Cal22	712	732	722	358

Argus HRC FOB Tianjin China index



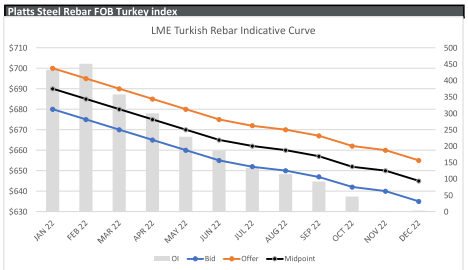
Product	HRC North America		HU/HRP/HUS	
Exchange	LME/CME		10 MT	
Period	Bid	Offer	Midpoint	OI
JAN 22	1428	1448	1438	16
FEB 22	1332	1352	1342	10
MAR 22	1248	1268	1258	5
APR 22	1205	1225	1215	6
MAY 22	1133	1153	1143	1
JUN 22	1133	1153	1143	1
JUL 22	1133	1153	1143	0
AUG 22	1133	1153	1143	0
SEP 22	970	990	980	0
OCT 22	957	977	967	0
NOV 22	957	977	967	0
DEC 22	957	977	967	0
JAN+FEB22	1380	1400	1390	26
Q122	1336	1356	1346	21
Q222	1157	1177	1167	2
1h22	1246	1266	1256	23
Q322	1078	1098	1088	0
Q422	957	977	967	0
Cal22	1132	1152	1142	23

Platts TSI HRC US EXW Indiana index



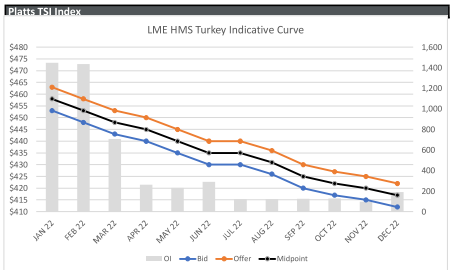
Product	LME STEEL REBAR		SR/JBP	
Exchange	LME		10 MT	
Period	Bid	Offer	Midpoint	OI
JAN 22	680	700	690	433
FEB 22	675	695	685	452
MAR 22	670	690	680	358
APR 22	665	685	675	300
MAY 22	660	680	670	229
JUN 22	655	675	665	187
JUL 22	652	672	662	133
AUG 22	650	670	660	115
SEP 22	647	667	657	92
OCT 22	642	662	652	46
NOV 22	640	660	650	2
DEC 22	635	655	645	3
JAN+FEB22	678	698	688	885
Q122	675	695	685	1,110
Q222	660	680	670	549
1h22	668	688	678	1,659
Q322	650	670	660	253
Q422	639	659	649	5
Cal22	656	676	666	1,917

Platts Steel Rebar FOB Turkey index



Product	HMS CFR Turkey		SC/JBO	
Exchange	LME		10 MT	
Period	Bid	Offer	Midpoint	OI
JAN 22	453	463	458	1,448
FEB 22	448	458	453	1,435
MAR 22	443	453	448	707
APR 22	440	450	445	261
MAY 22	435	445	440	232
JUN 22	430	440	435	291
JUL 22	430	440	435	123
AUG 22	426	436	431	122
SEP 22	420	430	425	125
OCT 22	417	427	422	127
NOV 22	415	425	420	98
DEC 22	412	422	417	190
JAN+FEB22	451	461	456	2,883
Q122	448	458	453	2,403
Q222	435	445	440	646
1h22	442	452	447	3,049
Q322	425	435	430	374
Q422	415	425	420	288
Cal22	431	441	436	3,711

Platts TSI Index



The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at www.freightinvestorservices.com