

04/01/2023

**FOB China HRC**

The index rose by \$1/t yesterday (3.1.23) to US\$588/t, MTD US\$588/t. The steel PMI rose by 4.2 points from the previous month to 44.3 in December, the China Steel Logistics Professionals Committee said. An east China mill lifted its offer by \$10/t to \$615/t fob China for SS400 HRC, while most other major Chinese mills were silent on weekly offers after the new year holiday. Traders also pushed up offers to \$595-600/t cfr Vietnam and were reluctant to take orders below \$590-595/t cfr Vietnam.

Deals for Chinese SS400 HRC were heard concluded at \$590/t cfr Vietnam on 3 January, but no further details could be confirmed. Deals involving 10,000t Chinese SAE1006-grade coil were concluded at \$625/t cfr Vietnam on 3 January. An east China mill sold 40,000t SAE-grade coil at \$610/t fob China to a large stockist in Vietnam on the same day. A Taiwanese mill sold SAE-grade coil at \$620/t cfr Vietnam last week, but no further details could be obtained. Chinese offers rose to \$630-635/t cfr Vietnam. (Argus)

**European HRC**

North European hot-rolled coil (HRC) prices continued to firm yesterday in quiet trade, as major mills signaled reduced availability and higher prices going forward. A north European steelmaker was telling customers it would be increasing its offer by €50/t, while a German mill was also quoting €40-50/t higher. One mill said it now had very little availability before April, even for its larger buyers, having booked at competitive levels before the holiday. Offers have risen to around €730-740/t from some mills. While liquidity was slim, with many participants just returning, the market appears to be restarting more quickly from the Christmas holiday than is typically the case. A Spanish service centre said it secured a January-June contract around €650/t, but this was below prices heard in the north European markets.

Mill sources said they finalised contracts around €790/t, while German service centres reported half-yearly automotive accords at similar levels. German buyers were expecting higher spot prices as mills try to narrow the gap with contract accords, and secure stronger levels for those that are still outstanding. One UK service centre said it had almost six months of inventory on order/in hand, after ordering big tonnages before the holiday in anticipation of further price rises. In the import market an Egyptian producer reportedly closed some last-minute allocations around \$690/t cfr (€654/t) last week. Argus' daily northwest EU HRC index rose to €687/t yesterday, up by €6.75/t from the last close on 30 December. Activity was yet to restart in Italy, and Argus' daily index was unchanged at €646.50/t. One mill in the country was offering at €690/t delivered. (Argus)

**Turkish Scrap HMS 80:20**

Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$402/mt CFR Jan. 3, up \$1 from the previous session. Turkish deepsea scrap price sentiment remained bullish as numerous market players anticipated a further price uptrend in the coming days. A couple of sources mentioned unconfirmed offers for the US-origin HMS 1/2 (80:20) already at \$420/mt CFR Turkey. The last confirmed US-origin sale closed around Dec. 20 at \$387/mt CFR Marmara but subsequent bookings of other origins allowed upward momentum to continue. The last deal confirmed by the buyer and seller was for a Benelux cargo including 30,000 mt HMS 1/2 (80:20), 5,000 mt shred, and 5,000 mt PNS, which averaged \$402/mt CFR Iskenderun and worked back to \$397/mt CFR for HMS 1/2 (80:20) or \$402/mt for premium HMS 1/2 (80:20).

A Turkish scrap importer said that prices for HMS 1/2 (80:20) should soon climb further. Another buyer said that the market would not accept US offers at \$420/mt CFR, but admitted that the market was moving up and put a workable level for buyers at \$402/mt CFR on the day. "We will see above \$405/mt CFR very soon," he predicted. An agent source expected the EU-origin prices to strengthen further because of higher costs on the recyclers' side. He put the break-even for EU recyclers at \$405-\$410/mt CFR Turkey, implying higher asking prices. A European recycler said he was not offering to Turkey. Another European scrap recycler said that he was waiting for the US scrap suppliers to make a move before offering any EU cargo. According to a senior trading source, scrap prices may rise further, but its strength would depend on rebar sales by Turkish mills. The domestic rebar market showed some activity recently and allowed for offers to reach a minimum of \$700/mt ex-works. A Turkish mill source said that local rebar sales improved as some stockists bought some volumes. "We have to see the end user demand [for steel]. If it doesn't improve, [scrap prices] will go back down," he added. (Platts)

# Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	402	1.00	402.00
Steel Rebar FOB Turkey (\$/mt)	680	10.00	680.00
Argus HRC NW Europe (€/mt)	687	6.75	687.00
Argus FOB China HRC (\$/mt)	588.00	1.00	588.00

US HRC USD/short ton			
	Bid	Ask	Value
Jan-23	715	735	725
Feb-23	760	780	770
Mar-23	780	800	790
Q1-23	752	772	762
Q2-23	781	801	791
Q3-23	792	812	802

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jan-23	715	735	725
Feb-23	730	740	735
Mar-23	740	750	745
Q1-23	730	740	735
Q2-23	754	764	759
Q3-23	770	780	775

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jan-23	595	625	610
Feb-23	619	629	624
Mar-23	629	639	634
Q1-23	617	627	622
Q2-23	642	652	647
Q3-23	653	663	658

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jan-23	405	415	410
Feb-23	398	408	403
Mar-23	395	405	400
Q1-23	399	409	404
Q2-23	393	403	398
Q3-23	389	399	394

LME REBAR FOB TK			
	Bid	Ask	Value
Jan-23	679	689	684
Feb-23	677	687	682
Mar-23	675	685	680
Q1-23	677	687	682
Q2-23	673	683	678
Q3-23	663	673	668

BUSHELING			
	Bid	Ask	Value
Jan-23	435	445	440
Feb-23	445	455	450
Mar-23	450	460	455
Q1-23	443	453	448
Q2-23	470	480	475
Q3-23	478	488	483

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