

05/01/2023

### FOB China HRC

The index rose by \$3/t yesterday (4.1.23) to US\$591/t, MTD US\$589.50/t. Major Chinese mills lifted offers to \$600-615/t fob China for SS400 HRC on better seaborne demand and Chinese yuan appreciation. One US dollar was equivalent to more than Yn7 in early November 2022. The rate is now around Yn6.89:\$1. Vietnamese buyers lifted bids to \$590-595/t cfr Vietnam after deals at \$590/t cfr Vietnam earlier this week.

Buyers from other countries were silent, especially after witnessing the drop in Chinese domestic market. Talks that China may reopen imports of Australian coals added to uncertainties around steel feedstock prices and steel fell as a result, participants said. Offers were unchanged at \$625-635/t cfr Vietnam for Chinese SAE1006-grade coil, inducing bids at \$610-615/t cfr Vietnam. Most sellers would not consider taking orders below \$615-620/t cfr Vietnam. (Argus)

### European HRC

North European hot-rolled coil (HRC) prices nudged up again yesterday in quiet trade, as mills signalled higher offers. A leading European producer was offering at €730/t, although some expected this could increase to €750/t in the coming days. Most producers were signalling they were booked into March, with two suggesting they were even full for April after taking good orders at competitive prices before the holidays.

A German producer was reportedly settling automotive contracts at €830/t, slightly above the most recently heard half-yearly deals with the automotive chain closer to €800/t. Argus' daily northwest Europe HRC index edged up to €688.50/t. The Italian market remained quiet, with most participants still out of office. Argus' daily Italian HRC index was unmoved at €646.50/t. In the futures market, January was trading around €722-725/t in the broker market, and €722/t on screen, down slightly from Tuesday's settlement. In the broker market, February traded at €735/t and March €744/t. (Argus)

### Turkish Scrap HMS 80:20

Turkish deepsea scrap prices continued gathering upward momentum as suppliers were heard to be pushing for higher offers for limited availability in February shipment. "The market seems firm due to lack of material," an agent source said. This was repeated by other sources. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$410/mt CFR Jan. 4, up \$8/mt on day.

According to sources, even higher levels than \$410/mt CFR would be feasible particularly for the US/ Baltic premium quality. Several sources mentioned, after Platts assessment deadline on Jan 4, two Benelux-origin bookings at \$408/mt CFR Izmir and \$409/mt CFR Marmara. The seller said in the bookings said no sales had been concluded yet, however. Rumors about US offers at \$420/mt CFR were also heard and as the market was moving up, the workable levels were gradually following higher offers. A Turkish mill source said that \$420/mt CFR would be workable for HMS 1/2 (80:20) once local rebar prices reach \$720/mt ex-works. But with rebar prices at maximum \$700/mt ex works, the comfortable level for imported scrap was ideally \$400/mt CFR or \$404-\$405/mt CFR with a stretch, the mill source added.

However, bids even above \$405/mt CFR had been rejected by US suppliers, according to some market observers. EU scrap suppliers came back to the market in January with the intention to raise their offers. He added that Turkish buyers were comfortable paying prices above \$400/mt CFR and bids above \$405/mt CFR were rejected. "I think today the market is \$410/mt CFR Turkey at least, if mills are talking about \$405/mt CFR and bids being rejected," a trader said. "It may go up further to \$420/mt CFR, but the supply will increase later in better weather conditions and it will come down to \$380-\$385/mt CFR," the trader added. The latest jump in the imported deepsea scrap prices came as the local billet producer Kardemir hiked its billet price list to \$627/mt ex-works, up \$27/mt from the last December list price. (Platts)

# Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	410	8.00	406.00
Steel Rebar FOB Turkey (\$/mt)	682.5	2.50	681.25
Argus HRC NW Europe (€/mt)	688.5	1.50	687.75
Argus FOB China HRC (\$/mt)	591.00	3.00	589.50
US HRC CRU	692.00	28.00	692.00

US HRC USD/short ton			
	Bid	Ask	Value
Jan-23	715	735	725
Feb-23	760	780	770
Mar-23	775	795	785
Q1-23	750	770	760
Q2-23	789	809	799
Q3-23	803	823	813

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jan-23	715	735	725
Feb-23	735	745	740
Mar-23	745	755	750
Q1-23	733	743	738
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	625	635	630
Mar-23	630	640	635
Q1-23	620	630	625
Q2-23	642	652	647
Q3-23	647	657	652

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jan-23	409	419	414
Feb-23	404	414	409
Mar-23	401	411	406
Q1-23	405	415	410
Q2-23	396	406	401
Q3-23	393	403	398

LME REBAR FOB TK			
	Bid	Ask	Value
Jan-23	683	693	688
Feb-23	678	688	683
Mar-23	675	685	680
Q1-23	679	689	684
Q2-23	670	680	675
Q3-23	663	673	668

BUSHELING			
	Bid	Ask	Value
Jan-23	440	450	445
Feb-23	450	460	455
Mar-23	455	465	460
Q1-23	448	458	453
Q2-23	462	472	467
Q3-23	471	481	476

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 [freightinvestorservices.com](http://freightinvestorservices.com)