

11/01/2023**FOB China HRC**

The index rose by \$3/t yesterday (10.1.23) to US\$610/t, MTD US\$598.50/t. Some Chinese mills had sold out all their March shipment allocations last week at around \$605-610/t fob China for SS400 HRC, so they stopped offering this week. Other major Chinese mills and trading firms kept offers unchanged or lifted them to the equivalent of around \$607-645/t fob China, with most of them being reluctant to take orders below \$615/t fob China. Seaborne buyers were silent on 10 January after the sharp price rises both from China and regional mills. A South Korean mill increased its HRC offers to \$630/t fob South Korea, in line with Chinese offers. Offers were unchanged at \$635/t cfr Vietnam for Chinese SAE1006-grade coil, although trading firms pushed up offers to \$650-665/t cfr Vietnam for SAE-grade coil from India and Taiwan. Vietnamese buyers may be pushed to place orders soon as Chinese prices remained competitive compared with offers from other countries. (Argus)

Turkish Scrap HMS 80:20

Turkish deepsea scrap import prices weakened Jan. 10 amid ample offers and fewer buyers. New fresh deepsea deals closed after Jan. 6 were reported on the day. A mill source said that there is still a market for February shipment volumes, and some importers "weren't done purchasing yet." But there isn't much room for discounts even as the number of offers from scrap dealers has risen, he said. A Turkish agent said it is not possible for EU suppliers to drop their prices much as the Euro has strengthened against the dollar. Turkish mills were still able to pay a premium for shortsea cargoes with prompt shipment, the agent said. A new shortsea deal from Bulgaria closed Jan. 9 at \$405/mt CFR Turkey for about 2,000-mt volume, according to a scrap merchant. A shortsea scrap dealer also cited his sale from the previous week at \$407/mt CFR, saying that mills have become more resistant to price increase, with one importer trying to buy in the \$396-\$397/mt CFR range.

Several sources, including a recycler, cited asking prices for deepsea EU-origin heavy melting scrap 1/2 (80:20) at \$415/mt CFR Turkey, down from \$420/mt CFR a week earlier. An agent source indicated offers for EU/Baltic origin HMS 1/2 (80:20) in the \$410-\$415/mt CFR Turkey range. The last EU deal was closed Jan. 6 with an Izmir-based mill at \$414/mt CFR for 15,000 mt HMS 1/2 (80:20), including an 8,000-mt bonus and 2,000-mt shred at \$434/mt CFR. The current HMS collection cost in North-west Europe was at Eur340/mt (\$365/mt) delivered to docks, a recycler said. Some scrap suppliers have tried pushing for Eur350/mt (\$376/mt), he said. "I'm hearing that appetite for scrap is not as strong as last week and mills are taking it slowly," an agent in Turkey said. Mills are focused on selling rebar in the domestic market at higher prices rather than buying scrap, the agent said. Platts assessed Turkish imports of premium HMS 1/2 (80:20) at \$417.5/mt CFR Jan. 10, down \$2.50/mt on the day. (Platts)

EU HRC

European hot-rolled coil (HRC) prices diverged yesterday, with Italy rising as the northwestern market nudged a touch lower. Argus' daily Italian HRC index rose by €11.50/t to €680.75/t ex-works, while the northwest EU HRC index slipped by €5.50/t to €702.75/t. The twice-weekly cif Italy HRC assessment increased by €20/t to €660/t, while the weekly cold-rolled coils (CRC) assessment surged by €30/t to €750/t ex-works. A major Italian producer remains off market, with market participants saying it was assessing the conditions to see how much it could raise prices. The seller was also making sure it understood how much volume it would have to offer and what tonnages other mills have available.

Sell-side sources said buyers are not yet ready to accept mill increases, with €700/t delivered achievable for small tonnages. Buyers said with offers from the northern EU countries at €750-760/t delivered or ex-works depending on the mill, they would expect domestic Italian prices to settle at around €710-720/t delivered. Traders said they expect offers in Italy to come to €740-750/t delivered in the coming days. Sheet prices are rising too, with service centres (SSCs) pushing for €850-860/t delivered, although one said some of its competitors were still selling at December levels. Considering that €730/t delivered from northern EU suppliers appears to have not been achieved, one buyer said new prices would "not be that easy to achieve, and mills will need some time to convince the market that it is feasible". "But the general perception is that all EU mills are in a good position, with good order books and a good portfolio," the buyer said. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	417.5	-2.50	414.58
Steel Rebar FOB Turkey (\$/mt)	689	-1.00	686.08
Argus HRC NW Europe (€/mt)	702.75	-5.50	694.08
Argus FOB China HRC (\$/mt)	610.00	3.00	598.50

US HRC USD/short ton			
	Bid	Ask	Value
Jan-23	729	739	734
Feb-23	780	790	785
Mar-23	799	809	804
Q1-23	769	779	774
Q2-23	814	824	819
Q3-23	817	827	822

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jan-23	713	723	718
Feb-23	758	768	763
Mar-23	770	780	775
Q1-23	747	757	752
Q2-23	771	781	776
Q3-23	775	785	780

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jan-23	623	633	628
Feb-23	642	652	647
Mar-23	643	653	648
Q1-23	636	646	641
Q2-23	648	658	653
Q3-23	652	662	657

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jan-23	413	423	418
Feb-23	409	419	414
Mar-23	410	420	415
Q1-23	410	420	415
Q2-23	404	414	409
Q3-23	403	413	408

LME REBAR FOB TK			
	Bid	Ask	Value
Jan-23	680	690	685
Feb-23	677	687	682
Mar-23	672	682	677
Q1-23	676	686	681
Q2-23	669	679	674
Q3-23	671	681	676

BUSHELING			
	Bid	Ask	Value
Feb-23	458	468	463
Mar-23	458	468	463
Apr-23	463	473	468
Q2-23	464	474	469
Q3-23	465	475	470
Q4-23	465	475	470

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