

12/01/2023

**FOB China HRC**

The index rose by \$3/t yesterday (11.1.23) to US\$613/t, MTD US\$600.57/t. Comprehensive measures were required to improve the operating and financing cash flow of real estate enterprises, the People's Bank of China said on 10 January, following a joint symposium with the China Banking and Insurance Regulatory Commission. The market interpreted the comment as a sign that the central bank may extend policies to support major real estate companies.

An east China mill lifted its offer by \$10/t to \$645/t fob China for SS400 HRC on 11 January. Two other Chinese mills increased offers by \$5/t to \$615/t and \$630/t fob China, respectively, after witnessing the rises of Chinese domestic sales prices. Most traders were reluctant to take orders below \$625/t cfr Vietnam. Major seaborne buyers were silent amid the rising prices. Deals for a total quantity of around 60,000t Chinese SAE1006-grade coil were concluded at \$635-640/t cfr Vietnam this week. Offers were higher at \$660/t cfr Vietnam for SAE-grade coil from an Indian mill. Talks emerged that a Taiwanese mill sold SAE-grade coil at \$650/t cfr Vietnam this week, but no further details could be confirmed and market participants deemed that level too high to be accepted by Vietnamese buyers. (Argus)

**Turkish Scrap HMS 80:20**

Turkish deepsea scrap prices inched down amid mixed sentiment, more offers floating in the market and hesitance from buyers, sources said Jan. 11. There were still unsold deepsea cargoes available for February shipment. At the same time, Turkish mills were delaying new orders, but their requirements were not full for February, fueling expectations that the trade would pick up again soon. A Turkish mill source said it was fairly normal that the market calmed down after a busy trading period. "No one is expecting a big drop," he said regarding near-term pricing, putting workable levels between \$417-\$423/mt CFR for US-origin HMS 1/2 (80:20). The mill source doubted that much higher levels were possible, because Turkish demand for scrap remained overall reduced due to the idled capacity that was not going to restart anytime soon.

The mill source said that the export demand for finished products was too weak and the prices were too low to justify higher capacity utilization levels. Turkey-based buyers still had to top up their February shipment requirements, while the availability was tight, a Europebased scrap dealer said, arguing that the minimum target level for the EU HMS 1/2 (80:20) was \$415/mt CFR Turkey. The scrap dealer added that Egypt had booked some scrap cargoes and India-based buyers were back for some bulk imports, which should prevent a stronger price erosion for the Turkish market. In addition, the heavy melting scrap collection cost was at minimum Eur340-Eur345/mt delivered, which did not allow HMS prices to go down, the recycler said. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$417/mt CFR Jan. 11, down 50 cents on the day. (Platts)

**EU HRC**

European hot-rolled coil (HRC) prices rose yesterday, although there is still concern from buyers that the rate of increases may stall activity. Argus' daily Italian HRC index rose by €4.75/t to €685.50/t ex-works, while the daily northwest EU HRC index rose by €3.25/t to €706/t. Some Italian service centres expect order intake will be weaker this month than last, although because of the high volume of orders taken in December, January deliveries will be higher. End-users still want to buy at December prices, but service centres are reluctant to acquiesce to such levels as they face higher HRC costs. Sheet prices were yesterday reported at €760-780/t delivered, depending on the position of the SSC, but independent ones are pushing for above €800/t now, and up to €850/t. Mills said they do not have much tonnage available for February-March deliveries, but market participants suggest a more gradual increase in offers could be more sustainable than one sharp hike.

An import deal was heard yesterday for 15,000t of Egyptian HRC at \$735/t cif south Europe, which would equate to just over €680/t cfr. Some Indian-origin HRC offers were heard at €690/t cfr and for CRC at €750/t cfr. CRC was available from Japan at €730-740/t cfr, according to market participants. In the north one seller said it has sold into Germany at around €705/t on an index basis, and was now offering at €725/t. Another large European producer has offered €760/t for March, but said it has little to sell, while it tries to finalise contractual talks with automotive tier suppliers. The mill was offering into Italy at a similar level. A Visegrad-based producer is off market and concentrating on local sales because it is operating one out of three furnaces. In the futures market January traded at €720/t on the CME's north European HRC contract, while February traded at €760/t and November traded at €795/t. Later in the day a July-December strip traded at €784/t. (Argus)

# Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	417	-0.50	414.93
Steel Rebar FOB Turkey (\$/mt)	689	0.00	686.50
Argus HRC NW Europe (€/mt)	706	3.25	695.79
Argus FOB China HRC (\$/mt)	613.00	3.00	600.57
US HRC CRU	712.00	28.00	702.00

US HRC USD/short ton			
	Bid	Ask	Value
Jan-23	721	731	726
Feb-23	772	782	777
Mar-23	795	805	800
Q1-23	762	772	767
Q2-23	811	821	816
Q3-23	820	830	825

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jan-23	712	722	717
Feb-23	756	766	761
Mar-23	767	777	772
Q1-23	745	755	750
Q2-23	777	787	782
Q3-23	781	791	786

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jan-23	623	633	628
Feb-23	648	658	653
Mar-23	648	658	653
Q1-23	640	650	645
Q2-23	650	660	655
Q3-23	654	664	659

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jan-23	415	425	420
Feb-23	409	419	414
Mar-23	409	419	414
Q1-23	411	421	416
Q2-23	404	414	409
Q3-23	403	413	408

LME REBAR FOB TK			
	Bid	Ask	Value
Jan-23	684	694	689
Feb-23	678	688	683
Mar-23	676	686	681
Q1-23	679	689	684
Q2-23	672	682	677
Q3-23	671	681	676

BUSHELING			
	Bid	Ask	Value
Feb-23	468	478	473
Mar-23	465	475	470
Apr-23	465	475	470
Q2-23	467	477	472
Q3-23	467	477	472
Q4-23	465	475	470

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# US HRC Volatility Overview

HRC Vol Table			+44 7889 720 076 JoshuaS@Freightinvestor.dk RobertB@FreightInvestor.com		
Contract	10DP	25DP	50D	25DC	10DC
Jan 23	41.80	40.03	37.36	36.33	36.33
Feb 23	41.75	39.93	37.30	36.32	36.34
Mar 23	44.51	42.29	39.37	38.50	38.60
Apr 23	45.54	43.35	40.66	39.75	39.56
Q1-23	42.69	40.75	38.01	37.05	37.09
Q2-23	46.15	44.04	41.22	40.32	40.03
Q3-23	45.70	44.16	40.96	40.20	40.05
Q4-23	44.99	43.21	40.24	39.50	39.29
Cal23	44.88	43.04	40.11	39.27	39.12

HRC Vol Chg 1D			+44 7889 720 076 JoshuaS@Freightinvestor.com RobertB@FreightInvestor.com		
Contract	10DP	25DP	50D	25DC	10DC
Jan 23	1.30	0.40	1.59	2.67	2.35
Feb 23	1.25	0.39	1.65	2.68	2.33
Mar 23	0.72	0.59	3.10	4.50	4.24
Apr 23	1.14	0.90	2.90	4.20	4.03
Q1-23	1.09	0.46	2.11	3.28	2.97
Q2-23	-0.85	0.04	0.22	-0.68	-0.97
Q3-23	-0.80	0.66	0.46	-0.30	-0.45
Q4-23	-1.01	0.21	0.24	-0.50	-0.71
Cal23	-0.39	0.34	0.76	0.45	0.21

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