

FOB China HRC**13/01/2023**

The index rose by \$10/t yesterday (12.1.23) to US\$623/t, MTD US\$603.38/t. HRC inventory held by traders and mills increased by over 130,000t this week, against an increase of nearly 110,000t last week, and steel mills' HRC production decreased by 40,000t from last week, participants said. China's top steel producer, Baowu Steel, expects finished steel demand to remain weak in the short term due to Covid spread. The producer said the steel industry may rebound from the middle of 2023 after the effect of Covid fades and the Chinese domestic economy starts recovering. Baowu made the remarks on an online interactive platform with investors on 9 January.

A north China-based mill sold around 10,000t SS400 HRC at \$620-630/t fob China to South Korea this week. Two other Chinese mills sold SS400 HRC at \$620/t fob China this week, but no further details could be confirmed. Most orders the placed by traders who were bullish on prices after Chinese lunar new year holiday and most seaborne end-users could not accept such prices yet. The highest bid was at \$620/t cfr Vietnam for Chinese SS400 HRC, a Vietnamese trading firm said. That level was too low to be accepted by sellers, and most mills stopped offering on 12 January. Offers for Chinese, Indian and Taiwanese coils disappeared because of the wide bid-offer spread. The Vietnamese market is likely to be quiet in the coming days because of the approaching lunar new year holiday, a Vietnam-based trader said. (Argus)

Turkish Scrap HMS 80:20

Turkish deepsea scrap import prices edged slightly lower Jan. 12 as trade remained thin and as possible discounts from scrap suppliers were limited, sources said. A Europe-based scrap exporter said that the main issue was finding a buyer for scrap, even at reduced prices. He put a new acceptable price level for HMS 1/2 (80:20) at \$405/mt CFR Turkey. "I don't think anything is happening in scrap at the moment," a Turkey-based trader said, adding that some long steel producers turned to billet imports instead. A couple of Russian billet deals were reported this week, with prices heard at \$585/mt CFR Bartın and \$585/mt CFR İzmir. "They are going to import billet from Iran and Russia, shut their EAFs or just buy domestic scrap and import billet and wait till [imported] scrap comes back to feasible levels," the trader said.

Market participants heard asking prices for deepsea scrap shipments slightly lower than previously heard — some were set at \$410/mt CFR Turkey for the EU HMS 1/2 (80:20). An agent source indicated an offer for a Baltic cargo, basis February shipment, at close to \$420/mt CFR. Levels lower than \$418/mt CFR Turkey were not interesting, however, because buyers in the Far East were paying \$445-\$450/mt CFR for bulk cargoes, the agent said. India was also booking plenty of bulk HMS cargoes from Europe and the US, sources reported. A Europe-based trader said that the EU suppliers would be less willing to offer discounts to Turkey as the euro continued to strengthen against the US dollar, trading at \$1.0814/Eur1 Jan. 12, compared with \$1.075/Eur1 on Jan. 11, according to Platts data. At the same time, the US suppliers remained focused on sales to Bangladesh and Vietnam and were not pushing sales in Turkey, the same Europe-based trader added. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$415/mt CFR Jan. 12, down \$2 from Jan. 11. (Platts)

EU HRC

Market questions pace of rises Italian hot-rolled coil (HRC) prices rose yesterday, although sources said the quick pace of the increases could stymie demand. Argus' daily Italian HRC index rose by €10/t to €695.50/t ex-works yesterday, while the twice weekly cif Italy assessment rose by €10/t to €670/t. The daily northwest EU HRC index nudged down marginally, falling €0.50/t to €705.50/t. Some expect the rapid pace of hikes will bring the market to a standstill. Trading companies said it was driven by decreased availability rather than any tangible rise in demand. Indeed, flat steel production in Italy was on track to decline by close to 15pc for 2022, but it is wider EU stoppages that are driving prices up across the bloc, with Eastern and Central mills' availability particularly low.

One mill was heard mulling to offer between €730-750/t in Italy, but no official offers were reported yet. Expectations among buyers are for offers at €750/t. Another mill was offering at around €700/t ex-works by yesterday, and had taken a significant amount of orders in previous weeks, but there was concern, as usual, if it will be able to supply orders, especially from March onwards. Import offers were in the meantime higher yesterday, with prices between €680-700/t cfr, and in some cases above. Turkey is no closer to being workable Another large north European producer is offering €760/t but has limited March quantities available. A slab derailment on its hot-strip mill has left it with less spare capacity to sell than previously anticipated, sources suggest. An Italian producer was offering into Germany at €690/t delivered, which appeared to be the lowest level on the market. A mill-tied distributor said it was offered Indian HRC around €700/t cfr. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	415	-2.00	414.94
Steel Rebar FOB Turkey (\$/mt)	680	-9.00	685.69
Argus HRC NW Europe (€/mt)	705.5	-0.50	697.00
Argus FOB China HRC (\$/mt)	623.00	10.00	603.38
US HRC CRU	712.00	28.00	702.00

US HRC USD/short ton			
	Bid	Ask	Value
Jan-23	720	730	725
Feb-23	766	776	771
Mar-23	798	808	803
Q1-23	761	771	766
Q2-23	811	821	816
Q3-23	816	826	821

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jan-23	712	722	717
Feb-23	757	767	762
Mar-23	775	785	780
Q1-23	748	758	753
Q2-23	781	791	786
Q3-23	785	795	790

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jan-23	624	634	629
Feb-23	645	655	650
Mar-23	646	656	651
Q1-23	638	648	643
Q2-23	646	656	651
Q3-23	648	658	653

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jan-23	417	427	422
Feb-23	413	423	418
Mar-23	413	423	418
Q1-23	414	424	419
Q2-23	408	418	413
Q3-23	406	416	411

LME REBAR FOB TK			
	Bid	Ask	Value
Jan-23	688	698	693
Feb-23	681	691	686
Mar-23	679	689	684
Q1-23	682	692	687
Q2-23	675	685	680
Q3-23	675	685	680

BUSHELING			
	Bid	Ask	Value
Feb-23	468	478	473
Mar-23	468	478	473
Apr-23	470	480	475
Q2-23	470	480	475
Q3-23	473	483	478
Q4-23	473	483	478

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