

16/01/2023

FOB China HRC

The index rose by \$2/t last Friday (13.23) to US\$625/t, MTD US\$605.78/t. A north China mill sold several thousand tonnes of SS400 HRC at \$640/t fob China on 13 January for March shipment. The coils were bought by seaborne end-users and trading firms. Most major Chinese mills had sold out March shipment supplies and stopped offering. Buyers looking for March shipments from traders were willing to pay higher prices as a result, a Chinese mill manager said. A deal for a small quantity of positional Chinese SS400 HRC was concluded at \$630/t cfr Vietnam on 13 January. A third deal for 10,000t Chinese Q195 HRC was sold at \$615/t cfr Vietnam last week. The Vietnamese market was quiet with nearly no offers in the market. The allocation for March shipment is tight and trading firms held limited positions in hands, which is why they were not eager to take orders now, a Vietnam-based trader said. (Argus)

Turkish Scrap HMS 80:20

The Turkish deepsea scrap import market remained quiet as buyers stayed out of the market, but they were expected to return for new deals soon, sources said. "Sellers are playing hide and seek and checking the demand," an agent source said, explaining the absence of new bookings. "Turkish mills booked enough, so they aren't under pressure [to buy] yet," a trader said. He said the stronger Asian prices during the week as well as hikes on offers from European mills let Turkish mills believe that the export demand for their long and flat products would improve soon. This would support the scrap demand and pricing. The trader said Turkish mills would have to book more scrap cargoes for February shipment in the next five to 10 days. He expected between 10 and 12 deals to close for February shipment. Scrap prices were not settled on the day as neither buyers nor sellers were giving firm bids or offers, and no deals had been confirmed for a few days.

An agent source expected Turkish mills to return to the market in the week starting Jan. 16. When the buying picks up, prices may climb back up to \$420/mt CFR again, he said. But in the absence of real business, the indications from Turkish importers were lower, the agent said. Turkish mill sources tended to lower their estimations of workable prices on a daily basis. For example, one mill source said that after "rebar demand disappeared," he saw the tradable level for US heavy melting scrap 1/2 (80:20) at \$385/mt CFR Turkey. Another Turkish mill source put a workable level on the day at \$410/mt CFR but expected further softening in the near term. Another Turkish mill source said European offers were already below \$415/mt CFR. "There were no serious buyers Friday," an agent source said. "With this [Euro-US dollar] exchange rate, it will go up again once they start buying." Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$414/mt CFR Jan. 13, down \$1/mt from Jan. 12 (Platts)

EU HRC

The Argus daily northwest EU HRC index rose to €720.25/t (\$778.45/t) Friday, up by €14.75/t, while the daily Italian index rose by €7.50/t to €703/t ex-works. Buyers purchased significant volumes in November-December and so are now withholding their purchases, seeing if prices will remain firm. In north Europe, a seller that had achieved sales at just above €700/t earlier this week reported closing deals at €730/t on an index equivalent basis, after raising its offer price. One mill that was offering at €780/t delivered Ruhr said it had not made any sales but expected to achieve €750/t delivered base into Germany and the Benelux.

A few supportive factors buoy market sentiment at present; domestic availability is reportedly lower, with mills having cut output since last September. This has pushed lead times into March and the second quarter. There is continued concern over demand levels going forward and so market participants are not expecting mills to restart production quickly, especially as sales are still close to break even and could fall back into the red should supply increase. There are less import offers around and at those that exist are at higher prices. There is little arbitrage for imported tonnes, particularly in Italy. Discussions about anti-dumping investigations in Japan, even if unlikely, mean that a major mill in the country is staying out of the market, while Korean producers are also being cautious. Turkish HRC remains less competitive, although some say that Turkish imports of Chinese substrate could lead to competitive cold-rolled coil and hot-dip galvanised coil offers. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	414	-1.00	414.83
Steel Rebar FOB Turkey (\$/mt)	690	0.00	687.28
Argus HRC NW Europe (€/mt)	720.25	14.75	699.58
Argus FOB China HRC (\$/mt)	625.00	2.00	605.78
US HRC CRU	712.00	28.00	702.00

US HRC USD/short ton			
	Bid	Ask	Value
Jan-23	725	735	730
Feb-23	765	775	770
Mar-23	770	780	775
Q1-23	753	763	758
Q2-23	809	819	814
Q3-23	819	829	824

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jan-23	716	726	721
Feb-23	745	755	750
Mar-23	775	785	780
Q1-23	745	755	750
Q2-23	783	793	788
Q3-23	780	790	785

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jan-23	618	628	623
Feb-23	638	648	643
Mar-23	641	651	646
Q1-23	632	642	637
Q2-23	646	656	651
Q3-23	651	661	656

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jan-23	410	420	415
Feb-23	407	417	412
Mar-23	406	416	411
Q1-23	408	418	413
Q2-23	406	416	411
Q3-23	407	417	412

LME REBAR FOB TK			
	Bid	Ask	Value
Jan-23	681	691	686
Feb-23	676	686	681
Mar-23	674	684	679
Q1-23	677	687	682
Q2-23	673	683	678
Q3-23	673	683	678

BUSHELING			
	Bid	Ask	Value
Feb-23	455	465	460
Mar-23	465	475	470
Apr-23	470	480	475
Q2-23	468	478	473
Q3-23	465	475	470
Q4-23	473	483	478

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Spread Moves

Metal	Front Mth	Back Mth	Current Spread	T-1W	T-1M	T-3M	T-12M	Tight/Eased T-1W
US HRC	JAN 23	FEB 23	-29	-48	-11	-5	0	Tightened
	JAN 23	MAR 23	-59	-70	-12	-10	0	Tightened
	JAN 23	APR 23	-74	-80	-22	-45	15	Tightened
	FEB 23	MAR 23	-30	-22	-1	-5	0	Eased
	FEB 23	APR 23	-45	-32	-11	-40	15	Eased
	MAR 23	APR 23	-15	-10	-10	-35	15	Eased
EU HRC	JAN 23	FEB 23	-28	-30	5	-15	5	Tightened
	JAN 23	MAR 23	-52	-45	-5	-20	10	Eased
	JAN 23	APR 23	-57	-35	-25	-50	80	Eased
	FEB 23	MAR 23	-24	-15	-10	-5	5	Eased
	FEB 23	APR 23	-29	-5	-30	-35	75	Eased
	MAR 23	APR 23	-5	10	-20	-30	70	Eased
Mill Margin	FEB 23	FEB 23	305	323	369	330	320	Eased
	MAR 23	MAR 23	330	345	360	335	320	Eased
	APR 23	APR 23	330	345	370	370	305	Eased
	MAY 23	MAY 23	340	350	370	372	305	Eased
	JUN 23	JUN 23	345	350	370	372	305	Eased
Atlantic Spread (US-EU)	FEB 23	FEB 23	14	18	74	10	-15	Eased
	MAR 23	MAR 23	20	25	65	10	-10	Eased
	APR 23	APR 23	30	45	55	15	45	Eased
	MAY 23	MAY 23	35	50	55	12	45	Eased
	JUN 23	JUN 23	30	35	55	17	45	Eased

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	725	460	718	417	625	688	Current
	730	455	730	417	621	695	T-1W
	793	435	735	383	606	661	T-1M
	715	390	695	357	577	655	T-3M
	865	462	790	361	614	645	T-6M
	860	540	880	421	732	641	T-12M
	744	455	720	417	645	690	YTD

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