

17/01/2023

FOB China HRC

The index rose by \$1/t yesterday (16.1.23) to US\$626/t, MTD US\$607.80/t. Chinese domestic coil prices fell on 16 January after feedstock prices dropped, but seaborne prices rose on tight supply. Iron ore prices were down in China after the country's top economic planning body, the NDRC, said on 15 January that it was paying close attention to the iron ore market and prices. The NDRC will work with relevant departments to further study and take measures to crackdown on illegal activities such as fabricating and disseminating information on price increases, hoarding, and price gouging, to effectively ensure the smooth operation of the iron ore market, it added.

An east China mill lifted its offer by \$10/t to \$655/ fob China for SS400 HRC. Another mill in north China increased offers by around \$5/t to \$630-635/t fob China. Other major Chinese mills were silent. They will announce offers starting 17 January or negotiate prices for each order on a case by case basis. Some traders with positional coils lifted offers by around \$5/t to \$630-635/t cfr Vietnam. The appreciation of the Chinese yuan against US dollar also supported prices, besides tight supply. A deal for a small quantity of Chinese Q195-grade coil was concluded at \$632/t cfr Vietnam on 16 January. (Argus)

Turkish Scrap HMS 80:20

Turkish deepsea scrap prices continued to soften as cheaper material was still available. The downside may be limited due to the Turkish scrap demand still being active and more premium scrap bookings being anticipated, sources said Jan. 16. An agent source said that Turkish mills were looking for cheaper cargoes when possible. A UK-origin cargo, 22,000 mt solely HMS 1/2 (80:20), was sold Jan. 13 at \$400/mt CFR Iskenderun. A market observer said that without any bonus or shred scrap in the cargo, it was more difficult to sell 22,000 mt HMS 1/2 (80:20), which warranted a discount. He added that the price can be much better if the ratio between HMS 1/2 (80:20) and higher grades is around 50-50. Prices in the range of \$413-\$417/mt CFR Turkey for premium HMS 1/2 (80:20) were still possible in the first half of January, when multiple deals were closed.

The most recently heard confirmed premium HMS 1/2 (80:20) trade was for the US cargo with the total volume of 45,000 mt, more or less equally split between HMS 1/2 (80:20) and PNS, sold Jan. 11 at \$413.50/mt and \$433.50/mt CFR Marmara, respectively, an agent said. He added that since then the market had softened and the maximum achievable level for US HMS 1/2 (80:20) was \$410-\$413/m CFR Turkey. Another deal that was heard on Jan. 16 but closed on Jan. 6, was for a Polish shipment, including HMS 1/2 (80:20) at \$414.5/ mt CFR Iskenderun and bonus/shred at \$434.50/mt, February shipment, the recycler said. The majority of recent trading activity was still concentrated on February shipment. However, an Izmir-based mill may have already bought a March US HMS 1/2 (80:20) cargo at \$416/mt CFR on Jan. 6. A Benelux 30,000-35,000 mt scrap trade was also heard on the day, with HMS 1/2 (80:20) sold at \$405/mt and shred at \$425/ mt CFR Iskenderun, done Jan. 12. The Turkish mill — said to be the buyer — denied the deal. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$408.50/mt CFR Jan. 16, down \$5.50/mt from Jan. 13. (Platts)

EU HRC

European hot-rolled coil (HRC) prices nudged up again yesterday as some mills were reportedly mulling further increases, and at a time of a lack of import offers. Argus' daily northwest EU HRC index rose by €10/t yesterday to €730.25/t ex-works, while the Italian index increased by €6.50/t to €709.50/t. There was talk Italian mills may try to push prices even higher yesterday, even if some had not offered last week officially. One north EU mill has been telling market participants it would implement another increase, which is incentivizing Italian producers to wait. One Benelux-based stockholder had received an unsolicited offer from an Italian re-roller, only for the offer to be pulled as the company was implementing an increase.

The increase was €20/t for stock material, according to market participants. One integrated Italian producer was heard to be focusing on downstream products to maximise margins, and only offering HRC to a select few customers. Some import deals took place last week, but with the exchange rate yesterday, most import offers are now closer to €700/t cfr for HRC than before. One Japanese mill was heard to have sold at €670/t cif south Europe. Traders said buyers are ready to book at €670/t cfr now, but suppliers are aiming higher by yesterday. An Indian mill was offering HRC at \$750/t cfr and cold-rolled coil at \$790-800/t cfr. Some remained sceptical about the longevity of the increase. Automotive-facing buyers said demand from their customers was still modest, although there was some re-stocking going on in the wider supply chain. These automotive-linked cold-rollers and service centres again confirmed finalising half-yearly deals about the €800/t mark for HRC, a €200/t cut from prices agreed for the July-December 2022 semester. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	408.5	-5.50	414.20
Steel Rebar FOB Turkey (\$/mt)	690	0.00	687.55
Argus HRC NW Europe (€/mt)	730.25	10.00	702.65
Argus FOB China HRC (\$/mt)	626.00	1.00	607.80
US HRC CRU	712.00	28.00	702.00

US HRC USD/short ton			
	Bid	Ask	Value
Jan-23	721	731	726
Feb-23	760	770	765
Mar-23	786	796	791
Q1-23	756	766	761
Q2-23	803	813	808
Q3-23	821	831	826

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jan-23	718	728	723
Feb-23	749	759	754
Mar-23	771	781	776
Q1-23	746	756	751
Q2-23	778	788	783
Q3-23	785	795	790

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jan-23	623	633	628
Feb-23	641	651	646
Mar-23	641	651	646
Q1-23	635	645	640
Q2-23	646	656	651
Q3-23	652	662	657

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jan-23	407	417	412
Feb-23	402	412	407
Mar-23	403	413	408
Q1-23	404	414	409
Q2-23	404	414	409
Q3-23	403	413	408

LME REBAR FOB TK			
	Bid	Ask	Value
Jan-23	677	687	682
Feb-23	667	677	672
Mar-23	667	677	672
Q1-23	670	680	675
Q2-23	666	676	671
Q3-23	667	677	672

BUSHELING			
	Bid	Ask	Value
Feb-23	455	465	460
Mar-23	465	475	470
Apr-23	470	480	475
Q2-23	470	480	475
Q3-23	473	483	478
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	-38	-48	-11	0	0	Tightened
	JAN 23	MAR 23	-64	-70	-12	-15	0	Tightened
	JAN 23	APR 23	-75	-80	-22	-25	15	Tightened
	FEB 23	MAR 23	-26	-22	-1	-15	0	Eased
	FEB 23	APR 23	-37	-32	-11	-25	15	Eased
	MAR 23	APR 23	-11	-10	-10	-10	15	Eased
EU HRC	JAN 23	FEB 23	-28	-35	5	-12	5	Tightened
	JAN 23	MAR 23	-53	-47	-5	-17	10	Eased
	JAN 23	APR 23	-49	-49	-25	-40	80	Unchanged
	FEB 23	MAR 23	-25	-12	-10	-5	5	Eased
	FEB 23	APR 23	-21	-14	-30	-28	75	Eased
	MAR 23	APR 23	4	-2	-20	-23	70	Tightened
Mill Margin	FEB 23	FEB 23	308	323	369	350	320	Eased
	MAR 23	MAR 23	329	345	360	365	320	Eased
	APR 23	APR 23	325	340	370	375	305	Eased
	MAY 23	MAY 23	340	346	370	385	305	Eased
	JUN 23	JUN 23	350	345	370	395	305	Tightened
Atlantic Spread (US-EU)	FEB 23	FEB 23	14	20	74	28	-15	Eased
	MAR 23	MAR 23	15	30	65	38	-10	Eased
	APR 23	APR 23	30	38	55	25	45	Eased
	MAY 23	MAY 23	25	44	55	30	45	Eased
	JUN 23	JUN 23	35	28	55	45	45	Tightened

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME \$CRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	725	460	721	410	625	680	Current
	730	455	723	417	624	692	T-1W
	793	435	735	383	606	661	T-1M
	740	390	700	357	570	654	T-3M
	865	462	790	361	614	645	T-6M
	860	540	880	421	732	640	T-12M
	744	455	720	417	645	690	YTD

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