

19/01/2023

**FOB China HRC**

The index was stable yesterday (18.1.23) at US\$628/t, MTD US\$611.17/t. Expectations of a stronger economic performance from China this year were fueled by comments from the Chinese vice premier that the real estate sector was a pillar for the China's economy. The country is still undergoing rapid urbanisation, which means there is a huge demand potential to support real estate industry, vice premier Liu He said on 17 January on the World Economic Forum in Davos.

Most Chinese mills stopped offering with the approaching lunar new year holiday on 21-29 January. Those offering kept offers for SS400 HRC unchanged at \$635-655/t fob China. There are some enquiries from seaborne buyers, but the supplies are tight and mills who were still offering were reluctant to negotiate prices, participants in China said. Some traders offered at \$636/t cfr Vietnam, but no deals were concluded given the wide spread between offers and bids. (Argus)

**Turkish Scrap HMS 80:20**

Turkish import deepsea scrap prices softened Jan. 18, as Turkish mills continued to hold back for lower prices, while sell-side indications also softened. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$407.50/mt CFR Jan. 18, down \$1. "The market is now in a downward trend, with the mills concentrating on finished product sales and if they don't succeed to sell, they will push for a lower scrap price," a Baltic supplier said, citing an indicative tradable value for Baltic-origin HMS 1/2 (80:20) at \$405-\$410/mt CFR. "We are now collecting for previously sold cargoes, so we're not selling additional quantities now, while collection volumes in the local Baltic market are slow as always in January and February," the supplier added.

Despite talk of slow collection rates, other sources said there were a number of deepsea offers still in the Turkish market, albeit at \$410/mt CFR for Baltic-origin HMS 1/2 (80:20), and above \$410/mt CFR for US-origin material "There are many offers shopping around and no appetite to buy for the moment," one Turkish agent source said, expecting workable levels for EU-origin HMS 1/2 (80:20) to drop down to \$390/mt CFR in the near term, and for US-origin HMS 1/2 (80:20) to drop down to \$400-\$402/mt CFR. Deepsea exporters were heard to try and lower HMS collection prices in the Benelux region following the stronger euro against the US dollar.

"We are trying to buy at Eur330-335/mt due to the EUR/USD rate at \$1.085, but no material lands as subcontractors are either selling domestically, where prices steeply increased since this week, or they are waiting for higher levels from next week. "I will hold off from trading until the end of the month because I think China will step up [after the Lunar New Year holidays are over], leading for more profitable times," one shortsea supplier said. (Platts)

**EU HRC**

Italian hot-rolled coil (HRC) prices jumped again yesterday on higher offers, both from domestic and overseas mills. Argus' daily Italian HRC index rose by €14/t yesterday to €736/t ex-works. The northwest EU HRC index nudged up more marginally, rising by €1.50/t to €745.50/t — the €9.50/t gap between the two is the smallest since 8 December, as increases in the north outpaced the south last month. In Italy, sellers have been quoting €740-770/t ex-works this week. Some expect the mills would accept €730-735/t ex-works for big buyers, but small tonnages are already moving at about the €750/t ex-works mark. Some sellers expect big tonnage orders to be less than €750/t ex-works. One trader said there are bids at €730/t delivered to Italy, whereas some sales were heard made at €720-730/t exworks to large buyers from two mills, which is likely to have been last week, according to market participants, although some said it was this week. Traders also said import prices at €700/t cfr are disappearing, with some offers yesterday heard at €720-730/t cfr from India. A Turkish mill was heard offering at €760/t cfr Italy — completely unworkable. More offers were expected from Asian suppliers at €730-740/t cfr.

A Korean mill was heard to have withdrawn offers from the market, having received about 50,000t worth of enquiries, but it did not want to sell in case prices in the EU were to rise further. "There is no reason for a €100/t increase all of a sudden." In the north, activity quietened somewhat, as overseas mills and major domestic mills withdrew from the market, likely to return at higher levels. There is talk in Germany that mills will return at €850/t for second-quarter deliveries, with some saying April availability is already scarce, but this is too high, according to participants. Others expect mills will offer about €800/t given a lack of competitive offers. Turkish CRC was quoted into Antwerp about €850/t cfr, which was deemed too high. (Argus)

# Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	407.5	-1.00	413.17
Steel Rebar FOB Turkey (\$/mt)	689	-1.00	687.88
Argus HRC NW Europe (€/mt)	745.5	1.50	709.67
Argus FOB China HRC (\$/mt)	628.00	0.00	611.17
US HRC CRU	710.00	-2.00	704.67

US HRC USD/short ton			
	Bid	Ask	Value
Jan-23	706	716	711
Feb-23	781	791	786
Mar-23	795	805	800
Q1-23	760	770	765
Q2-23	813	823	818
Q3-23	819	829	824

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jan-23	730	740	735
Feb-23	774	784	779
Mar-23	785	795	790
Q1-23	763	773	768
Q2-23	796	806	801
Q3-23	802	812	807

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jan-23	623	633	628
Feb-23	649	659	654
Mar-23	649	659	654
Q1-23	640	650	645
Q2-23	653	663	658
Q3-23	659	669	664

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jan-23	411	421	416
Feb-23	412	422	417
Mar-23	413	423	418
Q1-23	412	422	417
Q2-23	414	424	419
Q3-23	415	425	420

LME REBAR FOB TK			
	Bid	Ask	Value
Jan-23	687	697	692
Feb-23	680	690	685
Mar-23	681	691	686
Q1-23	683	693	688
Q2-23	681	691	686
Q3-23	679	689	684

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

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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	-69	-48	-23	-7	0	Eased
	JAN 23	MAR 23	-85	-74	-30	-25	0	Eased
	JAN 23	APR 23	-95	-83	-40	-35	8	Eased
	FEB 23	MAR 23	-16	-26	-7	-18	0	Tightened
	FEB 23	APR 23	-26	-35	-17	-28	8	Tightened
	MAR 23	APR 23	-10	-9	-10	-10	8	Eased
EU HRC	JAN 23	FEB 23	-49	-38	5	-15	5	Eased
	JAN 23	MAR 23	-71	-56	-20	-30	10	Eased
	JAN 23	APR 23	-71	-63	-30	-40	80	Eased
	FEB 23	MAR 23	-22	-18	-25	-15	5	Eased
	FEB 23	APR 23	-22	-25	-35	-25	75	Tightened
	MAR 23	APR 23	0	-7	-10	-10	70	Tightened
Mill Margin	FEB 23	FEB 23	324	316	368	327	320	Tightened
	MAR 23	MAR 23	340	342	370	345	320	Eased
	APR 23	APR 23	335	336	380	355	312	Eased
	MAY 23	MAY 23	335	340	380	350	312	Eased
	JUN 23	JUN 23	341	345	380	350	312	Eased
Atlantic Spread (US-EU)	FEB 23	FEB 23	6	19	88	42	-15	Eased
	MAR 23	MAR 23	0	27	70	45	-10	Eased
	APR 23	APR 23	10	29	70	45	52	Eased
	MAY 23	MAY 23	20	25	65	30	52	Eased
	JUN 23	JUN 23	26	30	65	20	52	Eased

## Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	715	460	731	415	625	693	Current
	728	460	719	418	623	685	T-1W
	785	440	725	382	599	659	T-1M
	720	400	670	362	558	649	T-3M
	870	477	788	375	619	648	T-6M
	860	540	880	409	736	642	T-12M
	744	455	720	417	645	690	YTD

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