

20/01/2023

FOB China HRC

The index rose by \$3/t yesterday (19.1.23) to US\$631/t, MTD US\$612.69/t. Coil inventories held by traders and mills in China increased by over 110,000t this week, compared to a rise of 130,000t last week. Production also picked up from a week ago, participants said. The inventory increase before the lunar new year holiday was within expectations, traders said. Participants were focused on mills' production levels rather than demand, because production levels will be crucial in driving the steel market post-holiday. A north China mill lifted its offer by \$15/t to \$665/t fob China for SS400 HRC while most of the other Chinese mills had exited the market ahead of the lunar new year holiday. Another mill in north China was willing to receive orders at \$630-635/t fob China. A third Chinese mill's offer was at \$670/t cfr Vietnam for SS400 HRC, far above seaborne buyers' acceptable level of \$630/t cfr Vietnam. (Argus)

Turkish Scrap HMS 80:20

Turkish deepsea scrap prices moved sideways as suppliers resisted some aggressive price indications from Turkish importers, sources said Jan. 19. The week starting Jan. 16 has remained quiet as buyers were holding off from placing orders for new cargoes even though the March shipment requirements had not been fulfilled yet. The main reason given by market observers for the lack of trade was the sluggish demand for rebar, both in the domestic and export markets. "There is no support for rebar price, it will go down further in coming days," a Turkish mill source said, adding that imported scrap prices would remain under pressure.

He believed that prices for deepsea heavy melting scrap 1/2 (80:20) above \$400/mt CFR were no longer achievable for suppliers. An agent said that Turkish mills were trying to close rebar deals during the week first, before entering the scrap market. He added that Turkish steel producers struggled to compete in the export market as suppliers from other regions, including Egypt and Algeria, were cheaper. "There is silent market yesterday and yesterday because [Turkish steelmakers] need to sell products first," another agent said. He saw no buying interest in either deepsea or shortsea cargoes. "Prices are weaker but at the same time there is no panic on the seller side," the agent added. While Turkish buyers insisted on prices below \$400/mt CFR for deepsea HMS 1/2 (80:20), offers were still around \$405-\$410/mt for EU-origin, and \$410-\$415/mt CFR for premium HMS 1/2 (80:20), the agent reported. (Platts)

EU HRC

Italian hot-rolled coil (HRC) prices nudged higher again today, while the north slipped a little. The Argus daily Italian HRC index rose by €3.50/t to €739.75/t ex-works, while the northwest EU HRC index dropped by €5.75/t, taking it to the same level of €739.75/t. The twice-weekly cif Italy HRC assessment increased by €5/t to €690/t. The uptrend in the Italian market continues, with offers for downstream products reported yesterday to be increasing further. Offers were heard at €740-760/t ex-works. But large buyers are bidding lower than €730/t ex-works and delivered in some cases, as they attempt to test mills' patience. Producers can afford to be more relaxed at present, as their lead times are longer than usual and they are following what market leader ArcelorMittal is doing. Larger mills remain off market and are expected to return at €800/t and perhaps even higher.

Some import offers heard from Asia yesterday were still in a range €680-700/t cfr, although earlier in the week, prices were moving up on the import side too, with offers appearing at above €700/t cfr. Trading firms said others are fishing for bids and not backed by mills at prices under €680/t. Japanese material was offered into Antwerp at \$750/t cfr, according to trading companies. But lead times are, as usual, a deciding factor, and uncertainty on the price direction and some expectations that the market may cool down again in the second quarter mean that material on longer lead times is offered at lower prices. Service centres in the north said some of their customers have woken up to the price increases, but others remain unconvinced, given more competitive offers from others. Most mills signalled that they were now full for March, but service centres questioned this as they could still get material, just at higher levels. Many were concerned about capacity coming back online, after it emerged that US Steel Kosice had already restarted a furnace. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	407	-0.50	412.69
Steel Rebar FOB Turkey (\$/mt)	689	0.00	687.96
Argus HRC NW Europe (€/mt)	739.75	-5.75	711.98
Argus FOB China HRC (\$/mt)	631.00	3.00	612.69
US HRC CRU	710.00	-2.00	704.67

US HRC USD/short ton			
	Bid	Ask	Value
Jan-23	712	722	717
Feb-23	770	780	775
Mar-23	785	795	790
Q1-23	756	766	761
Q2-23	802	812	807
Q3-23	810	820	815

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jan-23	725	735	730
Feb-23	765	775	770
Mar-23	775	785	780
Q1-23	755	765	760
Q2-23	782	792	787
Q3-23	782	792	787

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jan-23	623	633	628
Feb-23	645	655	650
Mar-23	645	655	650
Q1-23	638	648	643
Q2-23	648	658	653
Q3-23	662	672	667

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jan-23	408	418	413
Feb-23	402	412	407
Mar-23	405	415	410
Q1-23	405	415	410
Q2-23	406	416	411
Q3-23	400	410	405

LME REBAR FOB TK			
	Bid	Ask	Value
Jan-23	680	690	685
Feb-23	674	684	679
Mar-23	674	684	679
Q1-23	676	686	681
Q2-23	672	682	677
Q3-23	670	680	675

BUSHELING			
	Bid	Ask	Value
Feb-23	458	468	463
Mar-23	445	455	450
Apr-23	455	465	460
Q2-23	463	473	468
Q3-23	470	480	475
Q4-23	470	480	475

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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	-57	-43	-29	-2	0	Eased
	JAN 23	MAR 23	-73	-68	-37	-29	0	Eased
	JAN 23	APR 23	-86	-86	-36	-35	8	Unchanged
	FEB 23	MAR 23	-16	-25	-8	-27	0	Tightened
	FEB 23	APR 23	-29	-43	-7	-33	8	Tightened
	MAR 23	APR 23	-13	-18	1	-6	8	Tightened
EU HRC	JAN 23	FEB 23	-40	-39	0	-15	5	Eased
	JAN 23	MAR 23	-47	-54	-15	-30	10	Tightened
	JAN 23	APR 23	-70	-57	-20	-35	80	Eased
	FEB 23	MAR 23	-7	-15	-15	-15	5	Tightened
	FEB 23	APR 23	-30	-18	-20	-20	75	Eased
	MAR 23	APR 23	-23	-3	-5	-5	70	Eased
Mill Margin	FEB 23	FEB 23	314	308	372	312	320	Tightened
	MAR 23	MAR 23	330	333	375	339	320	Eased
	APR 23	APR 23	328	336	374	345	312	Eased
	MAY 23	MAY 23	334	340	383	340	312	Eased
	JUN 23	JUN 23	343	345	385	340	312	Eased
Atlantic Spread (US-EU)	FEB 23	FEB 23	4	11	82	27	-15	Eased
	MAR 23	MAR 23	13	21	75	39	-10	Eased
	APR 23	APR 23	3	36	69	40	52	Eased
	MAY 23	MAY 23	19	35	78	35	52	Eased
	JUN 23	JUN 23	28	30	80	25	52	Eased

Front Month Price Grid

Field	US HRC	US BUS	NY EUR HRC	LME \$CRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	718	460	730	412	625	691	Current
	725	460	718	417	625	688	T-1W
	778	435	725	379	599	654	T-1M
	720	410	680	357	556	650	T-3M
	869	477	788	370	624	648	T-6M
	860	540	880	409	753	640	T-12M
	744	455	720	417	645	690	YTD

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