

24/01/2023**EU HRC**

European hot-rolled coil (HRC) prices moved in different directions yesterday, with the discount for northwestern material compared to Italian widening. Argus' daily Italian HRC index rose by €4.50/t to €744.25/t ex-works, while the northwest EU HRC marker nudged down by €0.25/t to €733.50/t. Mills continue to push prices up in Italy, quoting as high as €780/t ex-works yesterday, and at a minimum of €750/t ex-works. Offers were at similar levels in the north, with the market leader officially offering at €780/t. Another seller was offering at €750/t ex-works Benelux, while other mills remained off market.

While buyers are bidding at lower levels, options are increasingly limited for now, given rising import offers. Offers were made into southern Europe from a north EU mill at €780/t dap. Egypt was heard indicating \$770/t fob, which would equate to around \$800/t cif or €735/t cif. Indian material was offered into Antwerp around €720/t fca for April arrival — sources said this would constrain the ability of local producers to move much higher given the similarity in lead time. Service centres remained somewhat sceptical of the uptick, as the recent strengthening in apparent demand has not been matched by stronger end-user appetite. Large service centre groups, including mill-tied distributors, are still offering sheet and cut-to-length material at competitive prices to try and stimulate demand from reluctant customers. Where people have stockouts there is some possibility for increases, service centre executives said.

“Steel mills and buyers are running at a different speed. Mills have nice order books so they are pushing up, but buyers are struggling to obtain higher prices from end-users,” a market participant said. “Mills keep raising prices with no demand from the real market, but only restocking when prices are going down”, another market participant said. “Everyone knows that there is no reason to raise prices”, a third added. Some expect consumption to increase, and mills have the ability to sit on the sidelines given long lead times, which are now close to 10 weeks, compared to four and below before the holidays. The risk of more production coming back online remains, although some say that mills acknowledge the fragile state of the market, so they would not bring more material, at least until they are certain that demand will increase more substantially. There have been reports that a certain Italian producer has oversold material, which is seeing some speculate that if it were to reduce output further or even stop, it would be unable to supply its commitments, exacerbating the tighter supply. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	409	9.00	411.60
Steel Rebar FOB Turkey (\$/mt)	685	0.00	687.57
Argus HRC NW Europe (€/mt)	733.5	-0.25	714.87

US HRC USD/short ton			
	Bid	Ask	Value
Jan-23	708	718	713
Feb-23	765	775	770
Mar-23	775	785	780
Q1-23	749	759	754
Q2-23	791	801	796
Q3-23	805	815	810

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jan-23	726	736	731
Feb-23	765	775	770
Mar-23	775	785	780
Q1-23	755	765	760
Q2-23	783	793	788
Q3-23	793	803	798

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	646	656	651
Q3-23	650	660	655

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jan-23	405	415	410
Feb-23	404	414	409
Mar-23	408	418	413
Q1-23	406	416	411
Q2-23	408	418	413
Q3-23	409	419	414

LME REBAR FOB TK			
	Bid	Ask	Value
Jan-23	680	690	685
Feb-23	670	680	675
Mar-23	670	680	675
Q1-23	673	683	678
Q2-23	669	679	674
Q3-23	666	676	671

BUSHELING			
	Bid	Ask	Value
Feb-23	449	459	454
Mar-23	455	465	460
Apr-23	460	470	465
Q2-23	464	474	469
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	-54	-26	-14	0	Eased
	JAN 23	MAR 23	-70	-69	-37	-25	0	Eased
	JAN 23	APR 23	-77	-91	-37	-34	4	Tightened
	FEB 23	MAR 23	-13	-15	-11	-11	0	Tightened
	FEB 23	APR 23	-20	-37	-11	-20	4	Tightened
	MAR 23	APR 23	-7	-22	0	-9	4	Tightened
EU HRC	JAN 23	FEB 23	-44	-40	-15	-7	5	Eased
	JAN 23	MAR 23	-50	-50	-25	-32	10	Unchanged
	JAN 23	APR 23	-79	-65	-10	-37	80	Eased
	FEB 23	MAR 23	-6	-10	-10	-25	5	Tightened
	FEB 23	APR 23	-35	-25	5	-30	75	Eased
	MAR 23	APR 23	-29	-15	15	-5	70	Eased
Mill Margin	FEB 23	FEB 23	320	324	339	320	294	Eased
	MAR 23	MAR 23	318	339	345	331	294	Eased
	APR 23	APR 23	315	346	350	320	290	Eased
	MAY 23	MAY 23	312	350	350	325	260	Eased
	JUN 23	JUN 23	324	355	343	330	260	Eased
	Atlantic Spread (US-EU)	FEB 23	FEB 23	5	14	44	35	-41
MAR 23		MAR 23	12	19	45	21	-36	Eased
APR 23		APR 23	-10	26	60	25	30	Eased
MAY 23		MAY 23	-3	25	60	20	0	Eased
JUN 23		JUN 23	9	20	50	15	0	Eased

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	714	460	724	409	623	681	Current
	730	460	730	417	625	686	T-1W
	763	450	730	384	608	655	T-1M
	706	400	678	359	569	643	T-3M
	875	477	810	358	625	630	T-6M
	834	540	880	416	757	643	T-12M
	744	455	720	417	645	690	YTD

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