

25/01/2023**EU HRC**

European hot-rolled coil (HRC) prices rose yesterday on firmer offers, although there was still concern about real demand levels. The Argus daily Italian HRC index rose by €2.25/t to €746.50/t ex-works, while the north European index nudged up by €2/t to €735.50/t. The twice-weekly cif Italy HRC assessment increased by €10/t to €700/t, whereas the weekly cold-rolled coil (CRC) assessment was up by €30/t to €830/t ex-works. In Italy, mills were seeking €760-780/t ex-works, or €780-800/t delivered, with one mill indicating a minimum level at €740/t ex-works for HRC. Sales were reportedly done at €760/t delivered, several market participants said, and producers were looking to raise prices further.

One mill said customers were asking for additional tonnages on old orders and looking to keep the same price, indicating that buyers expect little room for negotiation on new orders. That said, sheet prices are not moving in tandem with coils, as service centres (SSCs) are selling sheets from material purchased when the market was at the bottom, and instead of moving prices up in line with the increase in HRC they are applying the usual premium for sheets on the old HRC purchases. This means there are expectations that sheet prices will catch up in February-March, unless by that time the HRC market starts showing weakness again. Meanwhile, demand for CRCs is suffering from the underperformance of the white goods industry, as well as lower import prices. Some market indications were heard at around €840-860/t ex-works, but pressure is more severe there also as the latest import prices from Asian suppliers — pre-lunar new year holidays — were quoted significantly below at around €760-780/t cif Italy. Although these will likely be higher next week, many suppliers are out of the market for now, waiting for a clearer direction of prices from China next week.

There was growing concern among some about the strength of automotive demand, and real demand in general, as the current SSC restock would unlikely be sustainable without stimulus from consumers. Lead times for new vehicles are reducing, while inventory appears to be increasing, despite strong registrations within the EU. As in Italy, SSCs were still struggling to pass off increases in sheet prices. Some independent SSCs bemoaned aggressive competition from their mill-owned counterparts. (Argus)

CFR Taiwan Containerised Ferrous Scrap

The Taiwanese container scrap index was quiet on Friday as Taiwanese trade sources observe the lunar new year public holiday and will return on 30 January. The Argus daily containerised HMS 1/2 80:20 cfr Taiwan assessment remained flat day on day at \$405/t on Friday. The index is up \$10/t week on week, bringing the index's month-to-date average to \$395.68/t. No spot trades, bids, or offers were heard in the market on Friday. Some international traders said that pricing outlook for US containerised HMS 1/2 80:20 scrap will likely remain mixed and will only present further clarity when trade sources return from their holiday. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	410	1.00	411.50
Steel Rebar FOB Turkey (\$/mt)	685	0.00	687.41
Argus HRC NW Europe (€/mt)	735.5	2.00	716.16

US HRC USD/short ton			
	Bid	Ask	Value
Feb-23	772	782	777
Mar-23	782	792	787
Apr-23	792	802	797
Q2-23	793	803	798
Q3-23	800	810	805
Q4-23	798	808	803

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Feb-23	762	772	767
Mar-23	770	780	775
Apr-23	775	785	780
Q2-23	780	790	785
Q3-23	788	798	793
Q4-23	788	798	793

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Feb-23	643	653	648
Mar-23	645	655	650
Apr-23	645	655	650
Q2-23	645	655	650
Q3-23	650	660	655
Q4-23	647	657	652

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Feb-23	409	419	414
Mar-23	412	422	417
Apr-23	412	422	417
Q2-23	413	423	418
Q3-23	413	423	418
Q4-23	411	421	416

LME REBAR FOB TK			
	Bid	Ask	Value
Feb-23	678	688	683
Mar-23	675	685	680
Apr-23	672	682	677
Q2-23	672	682	677
Q3-23	672	682	677
Q4-23	670	680	675

BUSHELING			
	Bid	Ask	Value
Feb-23	449	459	454
Mar-23	455	465	460
Apr-23	465	475	470
Q2-23	466	476	471
Q3-23	470	480	475
Q4-23	470	480	475

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com

Spread Moves

Metal	Front Mth	Back Mth	Current Spread	T-1W	T-1M	T-3M	T-12M	Tight/Eased T-1W
US HRC	FEB 23	MAR 23	-7	-13	-11	-11	0	Tightened
	FEB 23	APR 23	-19	-31	-11	-20	4	Tightened
	FEB 23	MAY 23	-21	-41	-11	-25	34	Tightened
	MAR 23	APR 23	-12	-18	0	-9	4	Tightened
	MAR 23	MAY 23	-14	-28	0	-14	34	Tightened
	APR 23	MAY 23	-2	-10	0	-5	30	Tightened
EU HRC	FEB 23	MAR 23	-44	-44	-15	-10	5	Unchanged
	FEB 23	APR 23	-59	-69	-25	-30	10	Tightened
	FEB 23	MAY 23	-49	-69	-10	-40	80	Tightened
	MAR 23	APR 23	-15	-25	-10	-20	5	Tightened
	MAR 23	MAY 23	-5	-25	5	-30	75	Tightened
	APR 23	MAY 23	10	0	15	-10	70	Tightened
Mill Margin	FEB 23	FEB 23	323	323	339	318	294	Unchanged
	MAR 23	MAR 23	315	336	345	324	294	Eased
	APR 23	APR 23	317	339	350	318	290	Eased
	MAY 23	MAY 23	319	349	350	323	260	Eased
	JUN 23	JUN 23	328	354	343	310	260	Eased
Atlantic Spread (US-EU)	FEB 23	FEB 23	8	8	44	48	-41	Unchanged
	MAR 23	MAR 23	0	-4	45	39	-36	Tightened
	APR 23	APR 23	22	14	60	38	30	Tightened
	MAY 23	MAY 23	19	19	60	33	0	Unchanged
	JUN 23	JUN 23	18	14	50	5	0	Tightened

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	773	460	722	414	625	686	Current
	783	460	731	415	625	693	T-1W
	789	450	730	384	608	655	T-1M
	718	400	660	354	552	632	T-3M
	870	477	810	358	632	633	T-6M
	834	540	880	426	766	652	T-12M
	790	455	720	417	645	690	YTD

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com