

26/01/2023**EU HRC**

European hot-rolled coil (HRC) prices nudged lower yesterday as acceptance of higher offers remained slow, constrained by difficulties in passing off higher sheet prices. The daily Italian HRC index slipped yesterday by €1.50/t to €745/t ex-works. This was the first day the index has fallen since 2 December, when it stood at €603.50/t. Argus' daily northwest EU HRC index slipped by €1.50/t to €734/t. Buyers yesterday said that there were deals made at €750/t delivered Italy for March deliveries, and even if producers are trying to raise prices, acceptance has been slow. Several market participants mentioned the sluggish pace of downstream product price movements, with integrated producers offering sheets as low as €800/t delivered, whereas steel service centres are seeking above €850/t delivered.

“The €150-200/t increase in prices in Italy is due to the closure of capacities and lack of imports,” a market participant said. “This is the real threat to the increase in the market — if mills reopen capacity, due to the lack of good final-user demand, it will be a detriment to prices. [It] seems clear the automotive industry will keep calm until June-July. In north Europe, offers are about €780/t from the largest producers, but liquidity is nowhere near reaching these levels — deals remain about the €730/t mark, somewhat below new quotations. The lunar new year also curbed trading as the market awaited China to return. There was an expectation Asia would return at strong levels, potentially lifting offer prices out of the main export regions to Europe — Japan, Korea, Taiwan and India. At the same time, however, there was still concern over the strength of underlying demand and whether it would sustain the recent restocking phase, especially with capacity coming back online. US Steel Kosice is now operating all of its three furnaces, it said yesterday. (Argus)

CFR Taiwan Containerised Ferrous Scrap

The Taiwanese container scrap index was quiet on Wednesday 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 Wednesday, and the index's month-to-date average to \$396.30/t. No spot trades, bids, or offers were heard in the market on Wednesday. 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. Last week, Feng Hsin raised its local scrap collection prices by NT500/t (\$16.50/t) to NT\$12,700-12,800/t, and rebar prices by NT400/t to NT\$20,300/t. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	412.5	2.50	411.56
Steel Rebar FOB Turkey (\$/mt)	690	5.00	687.56
Argus HRC NW Europe (€/mt)	734	-1.50	717.21
Argus FOB China HRC (\$/mt)	631.00	0.00	612.69
US HRC CRU	748.00	38.00	715.50

US HRC USD/short ton			
	Bid	Ask	Value
Feb-23	774	784	779
Mar-23	782	792	787
Apr-23	782	792	787
Q2-23	783	793	788
Q3-23	785	795	790
Q4-23	785	795	790

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Feb-23	720	730	725
Mar-23	749	759	754
Apr-23	767	777	772
Q2-23	769	779	774
Q3-23	771	781	776
Q4-23	773	783	778

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Feb-23	645	655	650
Mar-23	645	655	650
Apr-23	645	655	650
Q2-23	645	655	650
Q3-23	651	661	656
Q4-23	647	657	652

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Feb-23	416	426	421
Mar-23	420	430	425
Apr-23	420	430	425
Q2-23	420	430	425
Q3-23	419	429	424
Q4-23	415	425	420

LME REBAR FOB TK			
	Bid	Ask	Value
Feb-23	684	694	689
Mar-23	680	690	685
Apr-23	680	690	685
Q2-23	678	688	683
Q3-23	673	683	678
Q4-23	671	681	676

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	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	FEB 23	MAR 23	-5	-15	-11	2	0	Tightened
	FEB 23	APR 23	-11	-30	-11	-21	4	Tightened
	FEB 23	MAY 23	-10	-32	-11	-26	34	Tightened
	MAR 23	APR 23	-6	-15	0	-23	4	Tightened
	MAR 23	MAY 23	-5	-17	0	-28	34	Tightened
	APR 23	MAY 23	1	-2	0	-5	30	Tightened
EU HRC	FEB 23	MAR 23	-35	-40	-15	-10	5	Tightened
	FEB 23	APR 23	-49	-50	-25	-30	10	Tightened
	FEB 23	MAY 23	-49	-50	-10	-40	80	Tightened
	MAR 23	APR 23	-14	-10	-10	-20	5	Eased
	MAR 23	MAY 23	-14	-10	5	-30	75	Eased
	APR 23	MAY 23	0	0	15	-10	70	Unchanged
Mill Margin	FEB 23	FEB 23	330	310	339	309	294	Tightened
	MAR 23	MAR 23	320	325	345	302	294	Eased
	APR 23	APR 23	316	325	350	320	290	Eased
	MAY 23	MAY 23	315	327	350	325	260	Eased
	JUN 23	JUN 23	321	339	343	320	260	Eased
	Atlantic Spread (US-EU)	FEB 23	FEB 23	24	0	44	22	-41
MAR 23		MAR 23	15	5	45	0	-36	Tightened
APR 23		APR 23	21	20	60	13	30	Tightened
MAY 23		MAY 23	15	17	60	8	0	Eased
JUN 23		JUN 23	16	19	50	-12	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	780	460	722	415	625	691	Current
	770	460	730	412	625	691	T-1W
	789	450	730	384	608	655	T-1M
	709	400	677	354	549	632	T-3M
	880	472	810	356	632	621	T-6M
	834	540	880	418	737	643	T-12M
	790	455	720	417	645	690	YTD

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