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EU HRC

European hot-rolled coil (HRC) prices diverged yesterday, with the northwest EU index increasing sharply, whereas Italy nudged down slightly. Producers bringing more production back on line remains one of the biggest risks to the price recovery, and already some buyers were heard to be cautious in purchasing for the second quarter as they expect increased availability from mills. But the Argus daily northwest EU index rose by €18.50/t yesterday to €752.50/t ex-works, while the Italian HRC index fell by €0.50/t to €744.50/t ex-works. The twice-weekly cif Italy assessment held stable at €700/t. Availability in the Italian market from mills is mostly for March and April delivery, whereas in the north, it is mostly from April onwards, but some suggested that as more capacity comes back on line, earlier availability might appear.

Sales in northwest EU were heard at €750-760/t ex-works for April delivery. Some bids were reported yesterday in Italy at under €740/t ex-works for 5,000-10,000t lots, whereas smaller lots were fetching above this price, with many sellers still not reaching €750/t ex-works for any significant tonnages. Prices at €780-800/t ex-works in both Italy and the northwest EU market are so far "virtual", market participants said. Italian sellers were heard seeking €780/t for March and €800/t for April, mimicking ArcelorMittal's offers. Sheet offers into northern EU were heard at €850-860/t delivered from eastern Europe and Italy, with sales reported at €830-840/t delivered Germany. A small volume was heard sold earlier this week from Japan via a trader at €700-710/t cif Italy to complete a vessel. Other import offers were mostly absent, especially from Asian suppliers. (Argus)

Turkish Scrap

Turkish deepsea scrap prices extended gains as the market remained firm Jan. 26, and market participants reported some higher offers. Scrap importers in Turkey were still looking for March shipment cargoes, and further bookings were expected. A European recycler said there was activity in the export market, and Turkish buyers were looking to pay \$410/mt CFR and there was already a booking at this level. The recycler added that the price increase was happening slowly as buyers were "very careful not to shock the system."

He also cited collection prices delivered to docks at Eur330-335/mt. Another European dealer said even higher than \$410/mt CFR was feasible, as a bid at \$412/mt CFR had already been rejected. For the US/Baltic HMS 1/2 (80:20) the workable level was at least \$415/mt CFR, the dealer said. A positive impulse came to the market from the Turkey's energy regulator, which lowered the ceiling price for electricity in Turkey from February. As a result, the electricity should be some 12% cheaper for industrial users, including electric arc furnace mills.

According to a market watcher in Turkey, the cut in electricity was equal to the saving of \$25/mt per ton of steel. Lower electricity prices should also mean less need for Turkish mills cut costs elsewhere, including scrap procurement. This may ease some pressure on scrap prices and prompt suppliers to seek hikes. A Baltic recycler said he was already asking minimum \$420/mt CFR for HMS 1/2 (80:20). Another Baltic supplier was heard to be in the market and checking interest from buyers. The supplier was looking for around \$420/mt CFR Turkey, a market source said. US offers for HMS 1/2 (80:20) were minimum \$420/mt CFR as well, an agent source said. He expected the workable range to be \$414-\$417/mt CFR Turkey. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$415/mt CFR Jan. 26, up \$2.50/mt from Jan. 25. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	415	2.50	411.75
Steel Rebar FOB Turkey (\$/mt)	692.5	2.50	687.83
Argus HRC NW Europe (€/mt)	752.5	18.50	719.17
Argus FOB China HRC (\$/mt)	631.00	0.00	616.13
US HRC CRU	748.00	38.00	715.50

US HRC USD/short ton			
	Bid	Ask	Value
Feb-23	773	783	778
Mar-23	785	795	790
Apr-23	785	795	790
Q2-23	784	794	789
Q3-23	785	795	790
Q4-23	785	795	790

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Feb-23	757	767	762
Mar-23	767	777	772
Apr-23	770	780	775
Q2-23	770	780	775
Q3-23	776	786	781
Q4-23	776	786	781

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	644	654	649
Q3-23	650	660	655
Q4-23	649	659	654

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Feb-23	418	428	423
Mar-23	420	430	425
Apr-23	420	430	425
Q2-23	422	432	427
Q3-23	421	431	426
Q4-23	418	428	423

LME REBAR FOB TK			
	Bid	Ask	Value
Feb-23	690	700	695
Mar-23	690	700	695
Apr-23	687	697	692
Q2-23	686	696	691
Q3-23	686	696	691
Q4-23	684	694	689

BUSHELING			
	Bid	Ask	Value
Feb-23	455	465	460
Mar-23	460	470	465
Apr-23	465	475	470
Q2-23	467	477	472
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	-17	-18	-8	0	0	Tightened
	FEB 23	APR 23	-15	-28	-19	-29	4	Tightened
	FEB 23	MAY 23	-15	-31	-19	-29	34	Tightened
	MAR 23	APR 23	2	-10	-11	-29	4	Tightened
	MAR 23	MAY 23	2	-13	-11	-29	34	Tightened
	APR 23	MAY 23	0	-3	0	0	30	Tightened
EU HRC	FEB 23	MAR 23	-41	-42	-15	-20	5	Tightened
	FEB 23	APR 23	-46	-52	-25	-40	10	Tightened
	FEB 23	MAY 23	-46	-52	-15	-50	80	Tightened
	MAR 23	APR 23	-5	-10	-10	-20	5	Tightened
	MAR 23	MAY 23	-5	-10	0	-30	75	Tightened
	APR 23	MAY 23	0	0	10	-10	70	Unchanged
Mill Margin	FEB 23	FEB 23	325	307	326	311	294	Tightened
	MAR 23	MAR 23	327	325	329	306	294	Tightened
	MAY 23	MAY 23	315	328	330	330	260	Eased
	JUN 23	JUN 23	320	340	343	326	260	Eased
Atlantic Spread (US-EU)	FEB 23	FEB 23	10	1	36	1	-41	Tightened
	MAR 23	MAR 23	22	9	34	-19	-36	Tightened
	APR 23	APR 23	20	19	55	0	30	Tightened
	MAY 23	MAY 23	15	17	55	-10	0	Eased
	JUN 23	JUN 23	15	19	45	-14	0	Eased

Front Month Price Grid

Field	US HRC	US BUS	NY EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	775	460	722	414	620	691	Current
	767	460	724	408	625	685	T-1W
	781	455	730	384	608	655	T-1M
	701	390	680	359	551	633	T-3M
	892	490	805	343	636	620	T-6M
	834	540	880	420	737	651	T-12M
	790	455	720	417	645	690	YTD

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