

30/01/2023

EU HRC

In light of limited import options and longer lead times from EU mills, some Italian buyers were heard to have purchased Turkish hot-rolled coils (HRC) at a premium price. The daily Italian HRC index nudged up by €1/t to €745.50/t ex-works. The northwest EU index was up by €3/t to €755.50/t ex-works Friday. An Italian mill was heard to offer Friday at €760/t base delivered for April deliveries, but indicating that it will move prices up. Buyers reported that at least two sellers had warned that they will increase offers next week. This will, of course, depend on how the Chinese market opens next week as it will guide the volume and prices that Asian suppliers offer into Europe.

A Turkish mill was heard to have sold into Italy at €735- 740/t cif inclusive of duty, which is a signal that buyers expect prices to continue increasing next week once China is back from holiday. Lead times from Turkey are shorter than they are from Asian suppliers, with India this week offering at a lower price. The deal from Turkey is understood to receive shipment between the end of March to mid-April. An offer was heard at €820/t cif Italy for cold-rolled coils of undisclosed origin. Some market participants were Friday talking about a further shortage of coils in the open Italian market in the mid-term, pointing to more tube making and re-rolling capacity coming on line from a certain Italian mill. "Everyone is buying right now because the people are talking about increases," a market participant said. "But I don't think there's a real increase in the market." (Argus)

Turkish Scrap

Turkish deepsea imported scrap prices strengthened further on new bookings, but the latest fixed prices merely returned to the level seen earlier in the month and any stronger upside remains questionable due to the slow rebar sales, sources said Jan. 27. Turkish steel producers welcomed the news about that the country's state gas distributor Botas and the Energy Market Regulatory Authority, or EPDK, lowered natural gas and electricity prices for industrial use from Feb. 1. This was expected to significantly cut the scrap-rebar conversion cost for local producers and ease the downward pressure on scrap. The sentiment in the scrap market was still bullish as market players increasingly saw workable prices for premium HMS 1/2 (80:20) at around \$420/mt CFR Turkey or even higher. He noted the lack of support for higher scrap prices from the Turkish rebar prices. He also doubted that the restart of the Asian market after the Lunar New Year holidays would make any positive difference for Turkish rebar exporters.

A couple of new deals were confirmed, however, showing that prices extended gains further. A UK scrap dealer reported his sale at \$410/mt CFR Iskenderun for 12,000 mt HMS 1/2 (80:20), including also 3,000 mt shred and 1,000 mt bonus at \$430/mt, UK origin, end of February or beginning of March shipment, closed Jan. 26. Also, a European scrap dealer confirmed a deal closed Jan. 26 at \$414/mt CFR Marmara for HMS 1/2 (80:20), including also bonus at \$434/mt CFR. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$419.50/mt CFR Jan. 27, up \$4.50/mt from Jan. 26. He said his last sale had been closed at \$410/mt CFR Turkey before the market turned down, and he had another 5,000 mt ready but was reluctant to sell it below \$400/mt CFR. He added that the local market was Eur370/mt [\$402/mt] "so it doesn't make sense to sell to Turkey if you are not in a hurry for cash." (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	419.5	4.50	412.16
Steel Rebar FOB Turkey (\$/mt)	692.5	0.00	688.08
Argus HRC NW Europe (€/mt)	755.5	3.00	721.08
Argus FOB China HRC (\$/mt)	631.00	0.00	617.00
US HRC CRU	748.00	38.00	715.50

US HRC USD/short ton			
	Bid	Ask	Value
Jan-23	763	783	773
Feb-23	777	797	787
Mar-23	789	809	799
Q1-23	776	796	786
Q2-23	786	806	796
Q3-23	779	799	789

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jan-23	714	734	724
Feb-23	778	788	783
Mar-23	778	788	783
Q1-23	758	768	763
Q2-23	775	785	780
Q3-23	776	786	781

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jan-23	600	630	615
Feb-23	650	660	655
Mar-23	650	660	655
Q1-23	637	647	642
Q2-23	648	658	653
Q3-23	652	662	657

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jan-23	409	419	414
Feb-23	422	432	427
Mar-23	422	432	427
Q1-23	418	428	427
Q2-23	422	432	427
Q3-23	420	430	425

LME REBAR FOB TK			
	Bid	Ask	Value
Jan-23	684	694	689
Feb-23	697	707	702
Mar-23	693	703	698
Q1-23	691	701	696
Q2-23	676	686	681
Q3-23	686	696	691

BUSHELING			
	Bid	Ask	Value
Feb-23	449	459	454
Mar-23	455	465	460
Apr-23	460	470	465
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	T-1W	T-1M	T-3M	T-12M	Tight/Eased T-1W
US HRC	FEB 23	MAR 23	-9	-14	-10	-4	0	Tightened
	FEB 23	APR 23	-10	-22	-27	-23	4	Tightened
	FEB 23	MAY 23	-10	-18	-30	-14	26	Tightened
	MAR 23	APR 23	-1	-8	-17	-19	4	Tightened
	MAR 23	MAY 23	-1	-4	-20	-10	26	Tightened
	APR 23	MAY 23	0	4	-3	9	22	Eased
EU HRC	FEB 23	MAR 23	-56	-37	-5	0	5	Eased
	FEB 23	APR 23	-55	-47	-17	-20	10	Eased
	FEB 23	MAY 23	-61	-58	-30	-30	80	Eased
	MAR 23	MAY 23	-5	-21	-25	-30	75	Tightened
Mill Margin	FEB 23	FEB 23	335	305	335	312	294	Tightened
	MAR 23	MAR 23	329	314	340	311	294	Tightened
	MAY 23	MAY 23	320	318	345	316	268	Tightened
Atlantic Spread (US-EU)	FEB 23	FEB 23	5	4	65	32	-41	Tightened
	MAR 23	MAR 23	15	8	63	16	-36	Tightened
	APR 23	APR 23	10	5	67	25	30	Tightened
	MAY 23	MAY 23	20	-4	70	6	8	Tightened
	JUN 23	JUN 23	15	-2	57	15	8	Tightened

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	785	460	722	412	623	683	Current
	765	460	724	409	623	681	T-1W
	790	455	720	417	645	690	T-1M
	702	390	670	360	543	631	T-3M
	929	485	800	350	652	627	T-6M
	834	540	880	420	756	651	T-12M
	790	455	720	417	645	690	YTD

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