

31/01/2023**EU HRC**

European hot-rolled coil prices were broadly unchanged yesterday in slower trading. Argus' daily Italian HRC index nudged up by €0.75/t to €746.25/t ex-works, while the daily northwest EU HRC index edged down by €2.75/t to €752.75/t. Italian participants expect further hikes from local mills this week, amid a lack of viable import options. A large north European producer was offering at €780/t delivered for April, and Italian mills were expected to match this with a discount of around €10/t. However, some were still offering at €750/t Yesterday, and some questioned the ease with which mills would be able to implement increases, given a slightly quieter market. "The rhythm of the orders is decreasing, so they are prudent to propose new increases," one buyer said. "Not having the import as an alternative means that it is easier for [Italian mills] to achieve the number they are asking," another countered. Market participants are also waiting to see if the post lunar holiday mood out of Asia will persist. While the Asian market has reopened on a firm footing, participants want to see if this continues. Offers from Asian suppliers into Europe could have an effect on the Italian price this week, although lead times are indeed longer than domestic producers, some of which have March deliveries available. (Argus)

Turkish Scrap

Turkish deepsea imported scrap prices firmed up on Jan. 30 as offers from recyclers remained high and as Turkish steelmakers received a boost from lower energy prices and additional protection from imports sources said. The reduction in the energy costs for industrial users in Turkey starting in February was seen as a bullish development that should improve Turkish mills' margins by \$15-\$25/mt and potentially ease the pressure on other input like scrap, some market watchers said. In addition, the Jan. 28 announcement about doubling the customs duties on imports of flat steel to Turkey was expected to help local flat steel producers, possibly leading to higher production of coil in Turkey and higher demand for scrap. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$420.50/mt CFR Jan. 30, up 50 cents from Jan. 27. Flat steel producers in Turkey were already leading the scrap price increase by being ready to pay \$420/mt CFR Turkey for premium HMS 1/2 (80:20), an agent source said. "For long producers [\$420/mt CFR] does not makes sense. But they need to buy," the agent added. A scrap dealer believed that long steel mills were also comfortable purchasing deepsea HMS 1/2 (80:20) at \$420/mt CFR, as the domestic rebar market showed some bullish movement, prompting rebar producers to raise offers to \$715- \$730/mt ex-works.

"With scrap at \$420/mt CFR, [rebar] mills still have good [scrap-rebar] spread, especially with the reduction in energy cost coming [soon]," the scrap dealer said. The Platts daily Turkish rebar-scrap spread stood at \$275/mt on Jan. 30, up \$2 from Jan. 27. Between Jan. 3-30, the spread has averaged \$275.80/mt, compared to an average of \$286.60/mt for full-year 2022. Several sources shared their predictions of the market surpassing \$420/mt CFR soon for premium HMS 1/2 (80:20). Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$420/mt CFR Jan. 30, up 50 cents from Jan. 27. (Platts)

FOB China HRC

The index rose by \$7/t yesterday (30.1.23) to US\$638/t, MTD US\$618.17/t. A north China mill lifted its offer by \$10/t to \$675/t fob China for SS400 HRC. Another mill in east China pushed up its offer by \$20/t to \$675/t fob China. Two other north China mills increased offers to \$645/t and \$660/t fob China, respectively. Other major Chinese mills will announce new weekly offers on 31 January and they were expected to raise offers given firm domestic sales prices and expectations of strong seaborne demand. A deal for a small quantity of positional Chinese SS400 HRC was conclude at \$640/t cfr Vietnam on 30 January. Buyers could not guarantee coils at that level from Chinese mills, Vietnamese participants said. Offers rose to \$688-700/t cfr Vietnam for Chinese SAE1006-grade coil after sellers stopped offering about a week before the lunar new year holiday in the country from 20-26 January. Local buyers lifted bids to \$650/t cfr Vietnam, which was far below sellers' acceptable levels. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	420	0.50	412.55
Steel Rebar FOB Turkey (\$/mt)	695	2.50	688.43
Argus HRC NW Europe (€/mt)	752.75	-2.75	722.66
Argus FOB China HRC (\$/mt)	638.00	7.00	618.17
US HRC CRU	748.00	38.00	715.50

US HRC USD/short ton			
	Bid	Ask	Value
Jan-23	778	798	788
Feb-23	778	798	788
Mar-23	790	810	800
Q1-23	782	802	792
Q2-23	786	806	796
Q3-23	781	801	791

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jan-23	716	736	726
Feb-23	770	780	775
Mar-23	775	785	780
Q1-23	755	765	760
Q2-23	778	788	783
Q3-23	774	784	779

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jan-23	606	636	621
Feb-23	650	660	655
Mar-23	650	660	655
Q1-23	639	649	644
Q2-23	650	660	655
Q3-23	651	661	656

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jan-23	409	419	414
Feb-23	424	434	429
Mar-23	424	434	429
Q1-23	419	429	429
Q2-23	424	434	429
Q3-23	424	434	429

LME REBAR FOB TK			
	Bid	Ask	Value
Jan-23	685	695	690
Feb-23	697	707	702
Mar-23	693	703	698
Q1-23	692	702	697
Q2-23	690	700	695
Q3-23	688	698	693

BUSHELING			
	Bid	Ask	Value
Feb-23	450	460	455
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

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	T-1w	T-1M	T-3M	T-12M	Tight/Eased T-1w
US HRC	FEB 23	MAR 23	-4	-14	-10	-4	0	Tightened
	FEB 23	APR 23	-4	-24	-27	-21	4	Tightened
	FEB 23	MAY 23	-3	-24	-30	-16	9	Tightened
	MAR 23	APR 23	0	-10	-17	-17	4	Tightened
	MAR 23	MAY 23	1	-10	-20	-12	9	Tightened
	APR 23	MAY 23	1	0	-3	5	5	Tightened
EU HRC	FEB 23	MAR 23	-50	-43	-5	-10	5	Eased
	FEB 23	APR 23	-42	-58	-17	-20	10	Tightened
	FEB 23	MAY 23	-45	-53	-30	-60	80	Tightened
	MAR 23	MAY 23	5	-10	-25	-50	75	Tightened
Mill Margin	FEB 23	FEB 23	336	311	335	304	294	Tightened
	MAR 23	MAR 23	325	320	340	303	294	Tightened
	MAY 23	MAY 23	314	325	345	310	285	Eased
Atlantic Spread (US-EU)	FEB 23	FEB 23	11	6	65	29	-41	Tightened
	MAR 23	MAR 23	23	5	63	23	-36	Tightened
	APR 23	APR 23	20	20	67	0	30	Unchanged
	MAY 23	MAY 23	9	15	70	-10	25	Eased
	JUN 23	JUN 23	10	15	57	4	25	Eased

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	786	460	725	413	618	688	Current
	771	460	722	414	625	686	T-1W
	790	455	720	417	645	690	T-1M
	699	395	660	348	535	631	T-3M
	929	485	800	350	652	627	T-6M
	834	540	880	424	756	649	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