

01/02/2023

EU HRC

European hot-rolled coil (HRC) prices edged up a touch yesterday, supported by firmer import quotations, although demand remained somewhat subdued. Argus' daily northwest EU HRC index rose by €1/t to €753.75/t, while the daily Italian index nudged up by €0.25/t to €746.50/t. The daily northwest EU cold-rolled coil (CRC) assessment rose by €10/t to €850/t, while the weekly Italian assessment rose by €20/t to the same level. The twice weekly cif Italy HRC assessment jumped €35/t to €735/t. Italian participants expect the €780/t delivered level of sellers will eventually be achieved, although it has not yet been accepted. There is a little more skepticism in the north, given subdued demand. Some were questioning the strength and longevity of the recovery, which meant they were holding back after restocking in recent weeks.

There are a couple of risk factors for the European market. More capacity restarts could endanger the recovery, should it struggle to absorb the additional tonnes; several mills have restarted, or are looking to restart, pig iron output. There are also concerns over strength in China and increasing inventories there — should stocks continue to grow, Asian mills could once again be more active in Europe. An Indian mill offer on 30 January at €735/t cfr South Europe, or \$800/t cfr, was heard retracted to some buyers, whereas others still expected to be able to purchase at this level. On the CRC side, one re-roller was heard to have offered at €900/t ex-works to certain buyers, but prices at €880-890/t delivered were heard available too. That said, the differential with import prices is really wide — an Indian mill was yesterday offering €810/t cfr, and there were other offers around €20-30/t above. Lead times are crucial, as usual, with import material offered from sources on a lengthier term than domestic, and buyers said that orders for short delivery or with technical specification will be placed at higher prices with EU producers. (Argus)

Turkish Scrap

Turkish deepsea imported scrap prices continued to rise Jan. 31, as further deepsea cargoes were heard to be booked from North America, as well as from Benelux and Baltic suppliers. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$422/mt CFR Jan. 31, up \$2/mt on day. A US-origin deal was booked Jan. 30 by a Marmara mill, with HMS 1/2 (80:20) at \$422/mt CFR and shredded and bonus scrap at \$442/mt CFR. The deal was confirmed by the sell side and heard for March shipment. A UK-origin deal was also heard to have been booked Jan. 30 by an Iskenderun mill, with HMS 1/2 (80:20) at \$413/mt CFR but was not confirmed. "There is positive sentiment in the flat product segment, so I think flat steel producers will be buying scrap and focusing on flat products — long product demand is still weak," one Turkish mill source said, citing an indicative tradable value for US-origin HMS 1/2 (80:20) at \$422-\$423/mt CFR. Turkey increased customs duties on imports of flat steel with a presidential decree published on Jan. 28 to support the domestic industry. Platts assessed Turkish export rebar at \$695/mt FOB Turkey on Jan. 31, unchanged on day. The daily outright spread between Turkish export rebar and import scrap was assessed at \$273/mt Jan. 31, down \$2/mt on day. (Platts)

FOB China HRC

The index rose by \$4/t yesterday (31.1.23) to US\$642/t, MTD US\$619.42/t. Coil inventory held by traders and steel mills in China was higher than at the same time the previous year, participants said. Steel demand was slow to recover and steel feedstock prices were also under downside pressure, an eastern China trader said. A large Chinese mill increased its SS400 HRC offer to \$670/t fob China after making no offers for two weeks before the Chinese lunar new year holiday from 21 January. Several other major Chinese mills raised offers to \$650-675/t fob China as they expect strong seaborne steel demand soon. A north China mill sold a small quantity of SS400 HRC at \$650/t fob China on 31 January. Limited traders with positional coils in hand were willing to take orders at \$640/t cfr Vietnam. But the quantity at those levels was small, Vietnamese participants said. Sellers offered \$680/t cfr Vietnam for Chinese SAE1006-grade coil, with bids at \$650/t cfr Vietnam. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	422	2.00	413.00
Steel Rebar FOB Turkey (\$/mt)	695	0.00	688.74
Argus HRC NW Europe (€/mt)	753.75	1.00	724.14
Argus FOB China HRC (\$/mt)	642.00	4.00	619.42
US HRC CRU	748.00	38.00	715.50

US HRC USD/short ton			
	Bid	Ask	Value
Feb-23	788	798	793
Mar-23	805	815	810
Apr-23	795	805	800
Q2-23	790	800	795
Q3-23	788	798	793
Q4-23	783	793	788

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Feb-23	775	785	780
Mar-23	780	790	785
Apr-23	780	790	785
Q2-23	782	792	787
Q3-23	773	783	778
Q4-23	770	780	775

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Feb-23	650	660	655
Mar-23	650	660	655
Apr-23	650	660	655
Q2-23	649	659	654
Q3-23	649	659	654
Q4-23	649	659	654

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Feb-23	420	430	425
Mar-23	425	435	430
Apr-23	425	435	430
Q2-23	425	435	430
Q3-23	423	433	428
Q4-23	423	433	428

LME REBAR FOB TK			
	Bid	Ask	Value
Feb-23	693	703	698
Mar-23	692	702	697
Apr-23	691	701	696
Q2-23	690	700	695
Q3-23	687	697	692
Q4-23	685	695	690

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	-20	-7	-10	-2	0	Eased
	FEB 23	APR 23	-10	-19	-27	-19	4	Tightened
	FEB 23	MAY 23	8	-10	-30	-22	9	Tightened
	MAR 23	APR 23	10	-12	-17	-17	4	Tightened
	MAR 23	MAY 23	28	-3	-20	-20	9	Tightened
	APR 23	MAY 23	18	9	-3	-3	5	Tightened
EU HRC	FEB 23	MAR 23	-1	-14	-12	-25	5	Tightened
	FEB 23	APR 23	-1	-9	-25	-50	75	Tightened
	FEB 23	MAY 23	-2	-19	-25	-60	75	Tightened
	MAR 23	APR 23	0	5	-13	-25	70	Eased
	MAR 23	MAY 23	-1	-5	-13	-35	70	Tightened
	APR 23	MAY 23	-1	-10	0	-10	0	Tightened
Mill Margin	FEB 23	FEB 23	340	320	335	293	294	Tightened
	MAR 23	MAR 23	345	322	340	295	294	Tightened
Atlantic Spread (US-EU)	FEB 23	FEB 23	6	24	65	23	-41	Eased
	MAR 23	MAR 23	25	17	63	0	-36	Tightened
	APR 23	APR 23	15	34	67	-8	30	Eased
	MAY 23	MAY 23	-4	15	70	-15	25	Eased
	JUN 23	JUN 23	0	17	57	-6	25	Eased

Front Month Price Grid

Field	US HRC	US BUS	NY EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	788	460	784	428	646	701	Current
	780	460	756	420	641	691	T-1W
	790	455	725	407	655	690	T-1M
	698	405	675	358	539	635	T-3M
	903	485	830	375	644	635	T-6M
	834	540	875	423	752	658	T-12M
	790	455	725	407	655	690	YTD

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