

# FIS Steel and Scrap Report

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### EU HRC

European hot-rolled coil (HRC) prices nudged up again yesterday amid firmer offers, although activity was still quite subdued. The Argus daily Italian HRC index rose by €7.75/t to €754.25/t ex-works, while the daily northwest EU HRC index rose by €5/t to €758.75/t. In Italy buyers expect they will purchase at €780/t delivered for March/April, saying there are not many alternative options on the same lead times. North European buyers also anticipate paying more, although some question the €780/t levels given difficulties in passing off higher prices to their own customers. Some have already booked sheet close to €800/t on a coil equivalent basis, however.

One Italian seller was not quoting to every buyer, which according to some was forcing large clients to purchase import material as a backup. Traders said the mill was preferring to only quote special material with a lot of extras to maximise profit and avoided commodity grade offers. Some said it had oversold when the market was at its bottom in November, so was experiencing delays, hence why it was not offering to everyone. Some buyers are concerned that in February it will become clearer how real demand is performing, as in January apparent demand seemed strong, but it could have been skewed by the destocking activities that took part in the final months of 2022. (Argus)

### Turkish Scrap

Turkish deepsea imported scrap prices continued higher Feb. 1 amid stronger demand from steelmakers who were encouraged by improving finished steel prices. A Turkish steel producer in the Marmara region saw better demand for all finished products except for rebar exports. But local rebar demand was stronger, allowing for the workable prices to reach \$710/mt ex-works, the mill source said. The recent price increase in imported scrap was more manageable due to the reduced cost of energy implemented by the government for the Turkish industrial users in February, he added. One premium scrap recycler said he heard of rebar sales in the Izmir region at above \$700/mt, which explained why some Turkish buyers were bidding above \$425/mt CFR Turkey for premium heavy melting scrap 1/2 (80:20). A few other sources anticipated premium HMS 1/2 (80:20) prices to exceed the \$425/mt CFR Turkey mark soon but they did not report bids above it yet. The robust demand for scrap was manifested in a few fresh deepsea deals reported by market players.

Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$425/mt CFR Feb. 1, up \$3/mt from Jan. 31. According to a Turkish mill source, new offers for US HMS 1/2 (80:20) were between \$430-\$435/mt CFR Turkey. For the EU origin HMS 1/2 (80:20) offers were indicated by \$420-\$425/mt CFR, the mill source added. An EU scrap recycler said he was "not sure if someone is offering but think above \$420/mt CFR" would be a rough indication of the target level from European suppliers. An agent source cited EU offers at \$425/mt CFR. He also expected Turkish mills who can produce both flat and long products to shift their focus onto flat steel production, "and that will make life easier for rebar producers." Flat steel prices in Turkey have benefited from raising the import tariffs on coils recently. Subsequently, domestic HRC prices soared to \$770-\$790/mt ex-works, with mills selling April rolling already, a buyer said. (Platts)

### FOB China HRC

The index fell by \$4/t yesterday (1.2.23) to US\$638/t, MTD US\$638/t. Major Chinese mills held offers unchanged at \$650-675/t fob China for SS400 HRC, but they were willing to negotiate prices for firm bids because of falling domestic sales prices. Traders with positional coil in hand cut sales prices to \$625-633/t cfr Vietnam. The consecutive drop in prices in the physical spot and paper market in China pushed traders to destock. However, no deals were concluded as seaborne buyers moved to the sidelines. Vietnamese mill Hoa Phat announced SS400 and SAE1006-grade coil offers at \$650-656/t cif Vietnam for March or early April shipment. Its prices were competitive as sellers were reluctant to receive orders below \$660/t cfr Vietnam for Chinese SAE-grade coil. While Japanese mills' offers were at or above \$660/t fob Japan, participants said. (Argus)

# Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	425	3.00	425.00
Steel Rebar FOB Turkey (\$/mt)	700	5.00	700.00
Argus HRC NW Europe (€/mt)	758.75	5.00	758.75
Argus FOB China HRC (\$/mt)	638.00	-4.00	638.00
US HRC CRU	770.00	22.00	770.00

US HRC USD/short ton			
	Bid	Ask	Value
Feb-23	790	800	795
Mar-23	805	815	810
Apr-23	800	810	805
Q2-23	796	806	801
Q3-23	788	798	793
Q4-23	780	790	785

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Feb-23	765	775	770
Mar-23	770	780	775
Apr-23	770	780	775
Q2-23	772	782	777
Q3-23	770	780	775
Q4-23	769	779	774

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Feb-23	643	653	648
Mar-23	645	655	650
Apr-23	645	655	650
Q2-23	645	655	650
Q3-23	642	652	647
Q4-23	641	651	646

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Feb-23	425	435	430
Mar-23	427	437	432
Apr-23	428	438	433
Q2-23	429	439	434
Q3-23	429	439	434
Q4-23	429	439	434

LME REBAR FOB TK			
	Bid	Ask	Value
Feb-23	697	707	702
Mar-23	695	705	700
Apr-23	693	703	698
Q2-23	694	704	699
Q3-23	696	706	701
Q4-23	695	705	700

BUSHELING			
	Bid	Ask	Value
Feb-23	465	475	470
Mar-23	465	475	470
Apr-23	465	475	470
Q2-23	465	475	470
Q3-23	465	475	470
Q4-23	465	475	470

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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	-17	-14	-10	-13	0	Eased
	FEB 23	APR 23	-9	-15	-27	-23	20	Tightened
	FEB 23	MAY 23	-11	-11	-30	-27	20	Unchanged
	MAR 23	APR 23	6	-1	-17	-10	20	Tightened
	MAR 23	MAY 23	6	3	-20	-14	20	Tightened
	APR 23	MAY 23	-2	4	-3	-4	0	Eased
EU HRC	FEB 23	MAR 23	0	-5	-12	-25	5	Tightened
	FEB 23	APR 23	-4	-5	-25	-50	75	Tightened
	FEB 23	MAY 23	-6	-15	-25	-50	75	Tightened
	MAR 23	APR 23	-4	0	-13	-25	70	Eased
	MAR 23	MAY 23	-6	-10	-13	-25	70	Tightened
	APR 23	MAY 23	-2	-10	0	0	0	Tightened
Mill Margin	FEB 23	FEB 23	321	315	335	277	340	Tightened
	MAR 23	MAR 23	343	324	340	290	340	Tightened
	MAY 23	MAY 23	332	316	345	299	320	Tightened
	JUN 23	JUN 23	332	320	352	310	320	Tightened
Atlantic Spread (US-EU)	FEB 23	FEB 23	26	10	65	12	5	Tightened
	MAR 23	MAR 23	43	19	63	0	10	Tightened
	APR 23	APR 23	31	20	67	-15	60	Tightened
	MAY 23	MAY 23	31	6	70	-11	60	Tightened
	JUN 23	JUN 23	22	10	57	0	60	Tightened

## Front Month Price Grid

Field	US HRC	US BUS	NY EUR HRC	LME \$CRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	788	470	765	430	647	702	Current
	775	460	765	423	635	694	T-1W
	790	455	725	407	655	690	T-1M
	677	400	665	355	546	630	T-3M
	900	485	845	381	644	631	T-6M
	880	540	875	436	755	659	T-12M
	790	455	725	407	655	690	YTD

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