

03/02/2023

EU HRC

European hot-rolled coil (HRC) prices nudged up again yesterday, although there was still some resistance to higher levels and the restocking drive of recent weeks continued to dissipate. Argus' daily northwest EU HRC index rose by €2.25/t to €761/t, while the daily Italian index nudged up €0.75/t to €755/t. The twice weekly cif Italy assessment nudged down by €7.50/t to €727.50/t. Although smaller orders are being placed close to mill offers in Italy, there is some resistance from large buyers to purchase at even above €750/t ex-works, according to sellers. Some bids even for a couple of thousand tonnes were heard below that level.

In the north one producer reported sales around €765/t on an ex-Ruhr basis, while buyers said they placed small tonnages at €755/t to cover stockouts. One buyer was offered yesterday for March/April deliveries at €750/t ex-works. But others have said this week that offers are now going to increase, with talks of €780/t and up to €800/t. Import offers were again heard yesterday from India at \$800/t cif Italy, with CRC quoted at \$880/t. There were Turkish origin CRC offers at \$20-40/t higher reported. Turkey was heard available to go down to \$760/t fob for HRC this week, although official offers were coming higher. (Argus)

Turkish Scrap

Turkish deepsea imported scrap price upward momentum became less clear on the day amid some widely varying transaction prices, but general price sentiment shared by market players was still predominantly positive Feb. 2. The first deal reported on the day to an Izmir mill and not officially confirmed was for a Benelux cargo with HMS 1/2 (80:20) at \$417/mt and bonus at \$437/mt CFR, closed Feb. 2. The price suggested a dip from the previously reported European trade at \$419/mt CFR Marmara. Another deal, to a Marmara mill, was confirmed by the recycler, with 15,000 mt HMS 1/2 (80:20) at \$428/mt and 15,000 mt bonus at \$448/mt, closed late Feb. 1. Both deals reported on the day spread between \$417-\$428/mt CFR for EU/UK HMS 1/2 (80:20) and implied \$422-\$433/mt CFR for premium HMS 1/2 (80:20).

No other booking was reported on the day. A European scrap recycler found the deal done at \$417/mt CFR "surprising," implying that higher prices were already achievable. According to another EU scrap recycler, most European scrap exporters were looking for minimum \$425/mt CFR Turkey for HMS 1/2 (80:20). A mill source in Turkey said he received more offers from European scrap suppliers pegged in the \$420s/mt CFR Turkey. "They are open for negotiation," the mill source added. Some mills had low scrap inventories, an agent source said, and some of them waited too long to book March shipment and had to accept higher prices asked by suppliers. "As we are speaking, some mills are trying to book cargoes," the agent said. "I sold our cargo [recently], and then I got complaints from some mills why I did not offer to them, so they need scrap." (Platts)

FOB China HRC

The index fell by \$1/t yesterday (2.2.23) to US\$637/t, MTD US\$637.50/t. HRC inventory held by traders increased by around 410,000t this week against a rise of 330,000t last week, participants said. HRC stockpiles at steel mills decreased by 40,000t this week, showing that the pressure to sell was transferred from mills to traders. The pace of demand recovery in the coming weeks will set market direction, traders said.

A north China mill sold a small quantity of SS400 HRC at \$665/t fob China earlier this week to South America. But that level was no longer available, as the highest bid for SS400 HRC was at \$635/t fob China on 2 February after Chinese domestic sales prices fell. Several deals for Chinese SS400 HRC were concluded at \$620-625/t cfr Vietnam over the last two days. Those levels were too low to represent the mainstream market levels as major Chinese mills were reluctant to take orders at those prices. Mills held offers above \$650/t fob China. Vietnamese buyers were silent on offers at \$655-670/t cfr Vietnam for Chinese SAE1006-grade coil, especially after seeing the drop in Chinese physical spot and paper markets. Deals for Chinese SAE-grade coil were concluded at \$660-670/t cfr Vietnam across last week and earlier this week. Only a few buyers were willing to place orders at \$660/t cfr Vietnam. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	427.5	2.50	426.25
Steel Rebar FOB Turkey (\$/mt)	700	0.00	700.00
Argus HRC NW Europe (€/mt)	761	2.25	759.88
Argus FOB China HRC (\$/mt)	637.00	-1.00	637.50
US HRC CRU	770.00	22.00	770.00

US HRC USD/short ton			
	Bid	Ask	Value
Feb-23	790	800	795
Mar-23	816	826	821
Apr-23	808	818	813
Q2-23	801	811	806
Q3-23	791	801	796
Q4-23	783	793	788

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Feb-23	768	778	773
Mar-23	772	782	777
Apr-23	772	782	777
Q2-23	770	780	775
Q3-23	771	781	776
Q4-23	771	781	776

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Feb-23	640	650	645
Mar-23	642	652	647
Apr-23	642	652	647
Q2-23	641	651	646
Q3-23	637	647	642
Q4-23	639	649	644

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Feb-23	425	435	430
Mar-23	428	438	433
Apr-23	430	440	435
Q2-23	430	440	435
Q3-23	430	440	435
Q4-23	430	440	435

LME REBAR FOB TK			
	Bid	Ask	Value
Feb-23	698	708	703
Mar-23	696	706	701
Apr-23	695	705	700
Q2-23	695	705	700
Q3-23	698	708	703
Q4-23	698	708	703

BUSHELING			
	Bid	Ask	Value
Feb-23	465	475	470
Mar-23	470	480	475
Apr-23	470	480	475
Q2-23	470	480	475
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	-21	-20	-21	-14	10	Eased
	FEB 23	APR 23	-13	-15	-31	-29	30	Tightened
	FEB 23	MAY 23	0	-15	-36	-30	30	Tightened
	MAR 23	APR 23	8	5	-10	-15	20	Tightened
	MAR 23	MAY 23	21	5	-15	-16	20	Tightened
	APR 23	MAY 23	13	0	-5	-1	0	Tightened
EU HRC	FEB 23	MAR 23	4	2	5	-22	5	Tightened
	FEB 23	APR 23	6	2	-5	-37	75	Tightened
	FEB 23	MAY 23	15	7	-10	-37	75	Tightened
	MAR 23	APR 23	2	0	-10	-15	70	Tightened
	MAR 23	MAY 23	11	5	-15	-15	70	Tightened
	APR 23	MAY 23	9	5	-5	0	0	Tightened
Mill Margin	FEB 23	FEB 23	323	315	304	286	350	Tightened
	MAR 23	MAR 23	354	330	320	295	340	Tightened
	MAY 23	MAY 23	328	320	325	306	320	Tightened
	JUN 23	JUN 23	325	320	325	311	320	Tightened
Atlantic Spread (US-EU)	FEB 23	FEB 23	23	-12	29	-2	15	Tightened
	MAR 23	MAR 23	48	10	55	-10	10	Tightened
	APR 23	APR 23	42	5	55	-10	60	Tightened
	MAY 23	MAY 23	38	10	55	-9	60	Tightened
	JUN 23	JUN 23	30	10	40	-4	60	Tightened

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	795	475	775	430	643	705	Current
	775	460	787	427	648	705	T-1W
	769	465	740	406	638	685	T-1M
	681	395	683	357	550	627	T-3M
	902	475	850	382	648	640	T-6M
	890	540	875	441	763	673	T-12M
	790	455	725	407	655	690	YTD

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