

FIS Steel and Scrap Report

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EU HRC

North European hot-rolled coil (HRC) prices nudged a touch lower Friday as some buyers refused to lift higher mill offers. One producer that was offering at €770/t said there was liquidity at lower levels, closer to €740/t on an index basis. Buyers have taken a backward step after the restocking drive of December and earlier this month, as they are waiting for China to properly return next week — they also want to understand if demand will support continued buying. The cost of financing is one issue. Where end-users are not calling off as quickly as anticipated, it is costing service centres more to hold material — one said its cost of financing is more than €1mn more this year than last year based on current interest rates. Capacity restarts pose a risk to the recent uptrend. Several mills, including ArcelorMittal, SSAB and US Steel Kosice, have restarted furnaces in the past month. Liberty Galati is expected to restart a furnace soon, while Dunafer's only viable blast furnace also needs to restart before it becomes too cold. There is concern over the pace of restarts, but most mills appear well-booked and in no rush to win business. The mill offering €770/t said it was sticking to these levels despite lacklustre buyer appetite. Argus' daily northwest EU HRC index slipped by €5.50/t to €755.50/t Friday. The daily Italian index was static at €755/t. (Argus)

Turkish Scrap

Turkish deepsea imported scrap prices stayed firm amid continuing demand from Turkish mills, but weak steel demand raised concerns that scrap may peak soon, sources said Feb. 3. "Scrap is strong and Turkish mills have the appetite to pay higher," a trader said. He believed that the prices for premium heavy melting scrap 1/2 (80:20) may reach \$430/mt CFR Turkey soon or even higher but the number of bookings should be limited, followed by a downturn. The trader explained that the stronger scrap prices were driven by the reduction in the energy cost in Turkey and the increase in the import duties for coils from some countries, while the demand for Turkish finished products remained lackluster, particularly export demand for rebar and wire rod. A Turkish mill source said that more pressure on scrap prices may come soon as many mills had already booked March shipment and the activity may slow down. The mill source said that some US suppliers were rejecting bids at \$425/mt CFR Turkey for HMS 1/2 (80:20) as they targeted something closer to \$430/mt CFR.

A deal with Denmark-origin HMS 1/2 (80:20) at \$426/mt and bonus at \$446/mt, CFR Samsun, circulating in the market, was denied by the reported seller. A trader said that the deepsea scrap prices were firming up with the realistic level for premium HMS 1/2 (80:20) at \$428/mt CFR Turkey. Higher levels were not widely confirmed in the market. A Baltic supplier sought \$430-\$435/mt CFR but reported no closed deals yet. "We need to see new US deals [at \$430/mt CFR or higher] first," the Baltic supplier added. "For now, [Turkish] mills are trying to keep it lower than \$430/mt CFR," a scrap dealer said. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$427.50/mt CFR Feb. 3, unchanged from Feb. 2. In the shortsea market, the sentiment was "strongly bullish," a scrap merchant said. S&P Global Platts assessed Turkish imports of shortsea A3 grade at \$407.50/mt CFR Feb. 3, unchanged from Feb. 2. (Platts)

FOB China HRC

The index was flat last Friday (3.2.23) at US\$637/t, MTD US\$637.33/t. Major Chinese mills held offers unchanged at \$650-675/t fob China for SS400 HRC, while most seaborne buyers were quiet on bids. 20,000t SS400 HRC produced by a north China mill were sold at \$610/t fob China in the morning, but that level was no longer available in the afternoon as sellers insisted on selling at \$620/t fob China. Another deal for 3,000-5,000t Chinese SS400 HRC was concluded at \$613/t cfr Vietnam on 3 February. That price was not workable in the afternoon after sellers lifted offers or stopped quoting, Vietnamese participants said. Trading firms refrained from offering Chinese SAE1006-grade coil because of fluctuations in the Chinese domestic market. It was hard to guarantee cargoes at or below \$655/t cfr Vietnam from China, Vietnamese traders said. Offers for Japanese SAE-grade coil were at \$700-705/t cfr Vietnam, far above Vietnamese buyers' acceptable levels. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	427.5	0.00	426.67
Steel Rebar FOB Turkey (\$/mt)	700	0.00	700.00
Argus HRC NW Europe (€/mt)	755.5	-5.50	758.42
Argus FOB China HRC (\$/mt)	637.00	0.00	637.33
US HRC CRU	770.00	22.00	770.00

US HRC USD/short ton			
	Bid	Ask	Value
Feb-23	790	800	795
Mar-23	821	831	826
Apr-23	811	821	816
Q2-23	802	812	807
Q3-23	785	795	790
Q4-23	774	784	779

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Feb-23	769	779	774
Mar-23	772	782	777
Apr-23	770	780	775
Q2-23	767	777	772
Q3-23	761	771	766
Q4-23	768	778	773

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Feb-23	640	650	645
Mar-23	640	650	645
Apr-23	640	650	645
Q2-23	640	650	645
Q3-23	636	646	641
Q4-23	638	648	643

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Feb-23	428	438	433
Mar-23	428	438	433
Apr-23	428	438	433
Q2-23	428	438	433
Q3-23	427	437	432
Q4-23	426	436	431

LME REBAR FOB TK			
	Bid	Ask	Value
Feb-23	699	709	704
Mar-23	698	708	703
Apr-23	695	705	700
Q2-23	693	703	698
Q3-23	694	704	699
Q4-23	694	704	699

BUSHELING			
	Bid	Ask	Value
Feb-23	470	480	475
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	-29	-12	-5	-9	0	Eased
	FEB 23	APR 23	-22	-12	-17	-25	30	Eased
	FEB 23	MAY 23	-12	-12	-30	-28	30	Unchanged
	MAR 23	APR 23	7	0	-12	-16	30	Tightened
	MAR 23	MAY 23	17	0	-25	-19	30	Tightened
	APR 23	MAY 23	10	0	-13	-3	0	Tightened
EU HRC	FEB 23	MAR 23	5	0	-10	-22	5	Tightened
	FEB 23	APR 23	7	0	-11	-45	75	Tightened
	FEB 23	MAY 23	17	-5	-19	-50	75	Tightened
	MAR 23	APR 23	2	0	-1	-23	70	Tightened
	MAR 23	MAY 23	12	-5	-9	-28	70	Tightened
	APR 23	MAY 23	10	-5	-8	-5	0	Tightened
Mill Margin	FEB 23	FEB 23	323	328	320	305	350	Eased
	MAR 23	MAR 23	347	335	325	304	350	Tightened
	MAY 23	MAY 23	330	330	340	318	320	Unchanged
	JUN 23	JUN 23	315	330	340	320	320	Eased
Atlantic Spread (US-EU)	FEB 23	FEB 23	21	13	26	10	15	Tightened
	MAR 23	MAR 23	55	25	21	-3	20	Tightened
	APR 23	APR 23	50	25	32	-10	60	Tightened
	MAY 23	MAY 23	50	20	37	-12	60	Tightened
	JUN 23	JUN 23	30	20	25	-15	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	797	475	777	432	643	711	Current
	788	460	775	429	652	701	T-1W
	775	455	749	416	650	692	T-1M
	695	390	685	356	562	625	T-3M
	900	470	870	386	642	656	T-6M
	890	540	875	437	763	674	T-12M
	790	455	725	407	655	690	YTD

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