

08/02/2023

## EU HRC

The Argus daily Italian hot-rolled coil (HRC) index rose by €2.75/t to €759/t ex-works yesterday. The twice-weekly cif Italy assessment rose by €2.50/t to €730/t cif, while the weekly cold-rolled coil (CRC) assessment increased by €5/t to €855/t ex-works. The daily northwest EU HRC index was static at €758/t. One large mill was still offering at €780/t ex-works for March-April deliveries. Another producer claimed it is sold out for the whole first half of the year, indicatively quoting €820/t delivered now, but for an unknown delivery term. A change in sales software meant that it was experiencing issues with quoting accurate lead times, a market participant told Argus. On the import side, there was not that much activity, and most offers were made at unworkable prices for buyers. A Japanese mill had indicatively offered at €770/t cif — traders said it was just fishing for bids and gauging demand. A Vietnamese mill was heard to offer HRC at €720/t cfr. Indian pickled and oiled material was heard offered at €770/t cfr. Traders said there was no interest at €750/t cfr southern Europe. (Argus)

## Turkish Scrap

The Turkish deepsea imported scrap market was quiet on Feb. 7 in the wake of the earthquake that hit southern Turkey and northern Syria early the previous day. No scrap trades were reported on the day. Even though the mills in northern and western Turkey were not directly impacted by the disaster, many market players said that the normal business activity was on hold for a few days at least. “No trading at the moment,” a Marmara-based mill source said. For the steel mills in the Iskenderun region, it may take weeks before normal activity can be restarted amid reports of natural gas supply suspension and damages at the port of Iskenderun and in other infrastructure. A scrap supplier said he was not offering to Turkey this week yet, but he was checking whether the Iskenderun port would still be able to receive booked cargoes already at sea heading to Turkey.

A Turkey-based market participant said it was too early to know whether any vessels with scrap would need to be diverted to other ports. He was aware of the fire at the container terminal, but not of any damages at the bulk terminal. He was also waiting for more news regarding the situation at particular steel mills in the region and possible outages in operation. A Europe-based scrap recycler expected some delays and cancellations in scrap deliveries, as some mills would remain out of order for some time. “Some short sea suppliers have difficulties ... there are various problems in all of Turkey, even outside the epicenter [of the earthquake],” the scrap recycler added. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$427.50/mt CFR Feb. 7, unchanged from Feb. 6. (Platts)

## FOB China HRC

The index fell by \$1/t yesterday (7.2.23) to US\$636/t, MTD US\$637/t. A north China mill cut its offer by \$10/t to \$665/t fob China for SS400 HRC after witnessing falling Chinese domestic sales prices. Two east China mills kept offers unchanged at \$665-670/t fob China. Other major Chinese mills were silent on offers as they were unclear about the market trend. Some trading firms lowered selling prices by around \$2-4/t to \$616-618/t cfr Vietnam. These trading firms were bearish on prices in the near future as seaborne demand was still weak, market participants in Vietnam said, adding that major Chinese mills were reluctant to take orders at \$606-608/t fob China. Trading firms held offers flat at \$660-670/t cfr Vietnam for Chinese SAE1006-grade coil, higher than Vietnamese buyers' bids at \$650/t cfr Vietnam. Japanese mills offered SAE-grade coil at \$720-730/t cfr Malaysia, higher than its offers at \$700/t cfr in Vietnam. Vietnamese buyers were not in a hurry to place orders as they were unclear about the market trend, especially when Chinese physical and paper market fell, Vietnamese trading firms said. (Argus)

# Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	427.5	0.00	427.00
Steel Rebar FOB Turkey (\$/mt)	700	0.00	700.00
Argus HRC NW Europe (€/mt)	758	0.00	758.25
Argus FOB China HRC (\$/mt)	636.00	-1.00	637.00
US HRC CRU	770.00	22.00	770.00

US HRC USD/short ton			
	Bid	Ask	Value
Feb-23	794	804	799
Mar-23	840	850	845
Apr-23	830	840	835
Q2-23	816	826	821
Q3-23	784	794	789
Q4-23	774	784	779

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Feb-23	768	778	773
Mar-23	770	780	775
Apr-23	768	778	773
Q2-23	766	776	771
Q3-23	766	776	771
Q4-23	763	773	768

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Feb-23	623	633	628
Mar-23	625	635	630
Apr-23	627	637	632
Q2-23	629	639	634
Q3-23	626	636	631
Q4-23	626	636	631

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Feb-23	417	427	422
Mar-23	416	426	421
Apr-23	418	428	423
Q2-23	419	429	424
Q3-23	424	434	429
Q4-23	425	435	430

LME REBAR FOB TK			
	Bid	Ask	Value
Feb-23	702	712	707
Mar-23	702	712	707
Apr-23	700	710	705
Q2-23	700	710	705
Q3-23	706	716	711
Q4-23	704	714	709

BUSHELING			
	Bid	Ask	Value
Feb-23	475	485	480
Mar-23	475	485	480
Apr-23	475	485	480
Q2-23	475	485	480
Q3-23	475	485	480
Q4-23	475	485	480

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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	-36	-17	-5	-10	5	Eased
	FEB 23	APR 23	-29	-14	-17	-25	40	Eased
	FEB 23	MAY 23	-15	-2	-30	-35	40	Eased
	MAR 23	APR 23	7	3	-12	-15	35	Tightened
	MAR 23	MAY 23	21	15	-25	-25	35	Tightened
	APR 23	MAY 23	14	12	-13	-10	0	Tightened
EU HRC	FEB 23	MAR 23	-10	0	-10	-25	5	Eased
	FEB 23	APR 23	-10	3	-11	-55	75	Eased
	FEB 23	MAY 23	-10	-1	-19	-60	75	Eased
	MAR 23	APR 23	0	3	-1	-30	70	Eased
	MAR 23	MAY 23	0	-1	-9	-35	70	Tightened
	APR 23	MAY 23	0	-4	-8	-5	0	Tightened
Mill Margin	FEB 23	FEB 23	329	318	320	280	360	Tightened
	MAR 23	MAR 23	350	330	325	280	355	Tightened
	MAY 23	MAY 23	349	320	340	300	320	Tightened
	JUN 23	JUN 23	331	320	340	310	320	Tightened
Atlantic Spread (US-EU)	FEB 23	FEB 23	34	18	26	5	25	Tightened
	MAR 23	MAR 23	60	35	21	-10	25	Tightened
	APR 23	APR 23	53	35	32	-25	60	Tightened
	MAY 23	MAY 23	39	19	37	-20	60	Tightened
	JUN 23	JUN 23	51	10	25	-15	60	Tightened

## Front Month Price Grid

Field	US HRC	US BUS	NY EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	802	475	770	421	623	710	Current
	788	470	770	430	647	702	T-1W
	775	455	749	416	650	692	T-1M
	675	395	670	349	555	621	T-3M
	906	475	875	395	643	657	T-6M
	900	540	875	431	779	661	T-12M
	790	455	725	407	655	690	YTD

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