

EU HRC

09/02/2023

The north European hot-rolled coil (HRC) market appears to be the weaker part of the continent, with mills achieving higher prices in other jurisdictions. Argus' daily Italian HRC index rose €2.50/t yesterday to €761.50/t ex-works, while the daily northwest EU HRC index was unchanged at €758/t for the third straight day. In Italy, offers are now about €790-800/t ex-works/delivered, depending on the buyer, with mills now offering for April. In north Europe, offers are still closer to €780/t from the largest mills, and these prices are not yet gaining traction with all buyers. Mills in eastern Europe have been able to push up prices in their local markets thanks to a number of furnaces still remaining off line.

An executive at one Visegrad-based producer said it was offering €830/t base in the local markets, although some received offers for small tonnages as high as €900/t. Europe's market leader is offering at €800/t base in the east, €20/t above its northern offer, and some say it is achieving such levels for now. Traders said offers into Antwerp were about \$790/t cfr. Some traders reported receiving stable demand for imported material, but others said there was not much interest in booking as the difference to EU mill prices was not large enough. Market participants also said that the latest prices announced into Italy by Italian and other EU mills are not being accepted, as buyers are spooked by the increases, and as small tonnages are being sold below asking prices. (Argus)

Turkish Scrap

Turkish deepsea scrap imports remained quiet on the day as market players tried to assess the impact of the Feb. 6 earthquake on the Turkish scrap import and steel trade. The daily HMS 1/2 (80:20) assessment was stable at \$427.50/mt CFR Turkey on Feb. 8, unchanged on the day. The assessment reflects the last market activity before the earthquake struck southern Turkey and northern Syria early on Feb. 6. Several scrap suppliers said they were not offering new cargoes to Turkey. "Nothing is happening, I don't think there will be any bookings at all for some time. I'm not offering now to Turkey and don't think anyone is doing it," a Baltic supplier said.

"Everyone is waiting till all calms down but I suppose tomorrow or Friday we will start hearing [scrap activity]," another dealer of Baltic scrap said. He added that the only activity seen in the market on the day was the northern Turkish mill announcing its new price list for billet at \$635/mt ex-works, up \$15/mt on the week. "Someone needs to kick-start the market," he added. A premium scrap supplier said that the market was still very much quiet as he was trying to assess the impact of the earthquake on the Turkish steel industry and future scrap demand. "Everything is sad at the moment, and [Turkish mills] don't want to discuss business," another European recycler said. Southern Turkey, where many steel producers are located, has been placed under emergency for three months. Local steel production is likely to have been reduced, if not paused. As no scrap trades in the physical market were reported on the day, the near-term scrap futures contracts on the London Metal Exchange recovered on the day. Platts assessed the February contract up \$10/mt to \$428/mt on day. The March contract was up \$14/mt to \$427/mt on day, while the April and May contracts increased, respectively, \$5/mt to \$426.50/mt and \$8.50/mt to \$428.50/mt on the day. (Platts)

FOB China HRC

The index rose by \$1/t yesterday (8.2.23) to US\$637/t, MTD US\$637/t. Major Chinese mills kept offers unchanged at \$665-670/t fob China for SS400 HRC. Trading firms lifted selling prices by about \$5-10/t to \$620-635/t cfr Vietnam after witnessing rising Chinese domestic sales prices. Vietnamese buyers held bids flat at \$617-620/t cfr Vietnam. Some trading firms were willing to take orders at about \$650/t cfr Turkey for SS400 HRC produced by north Chinese mills. Those traders were bearish on prices, both in China and seaborne markets given weak demand, participants in China said. But it was risky to go short now as prices rose in China, one of them added. Offers rose to \$670-690/t cfr Vietnam for Chinese SAE1006-grade coil, inviting bids at \$640-650/t cfr Vietnam. Vietnamese buyers were cautious on placing orders as they were uncertain about the sustainability of the price rise, Vietnamese participants said. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	427.5	0.00	427.08
Steel Rebar FOB Turkey (\$/mt)	700	0.00	700.00
Argus HRC NW Europe (€/mt)	758	0.00	758.21
Argus FOB China HRC (\$/mt)	637.00	1.00	637.00
US HRC CRU	782.00	12.00	776.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Feb-23	423	433	428
Mar-23	422	432	427
Apr-23	425	435	430
Q2-23	424	434	429
Q3-23	422	432	427
Q4-23	422	432	427

US HRC USD/short ton			
	Bid	Ask	Value
Feb-23	796	806	801
Mar-23	850	860	855
Apr-23	840	850	845
Q2-23	825	835	830
Q3-23	800	810	805
Q4-23	783	793	788

LME REBAR FOB TK			
	Bid	Ask	Value
Feb-23	701	711	706
Mar-23	708	718	713
Apr-23	706	716	711
Q2-23	711	721	716
Q3-23	706	716	711
Q4-23	705	715	710

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Feb-23	770	780	775
Mar-23	780	790	785
Apr-23	780	790	785
Q2-23	776	786	781
Q3-23	766	776	771
Q4-23	763	773	768

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Feb-23	631	641	636
Mar-23	635	645	640
Apr-23	635	645	640
Q2-23	638	648	643
Q3-23	632	642	637
Q4-23	631	641	636

BUSHELING			
	Bid	Ask	Value
Feb-23	470	480	485
Mar-23	480	490	485
Apr-23	480	490	485
Q2-23	477	487	482
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	-54	-23	-22	-9	5	Eased
	FEB 23	APR 23	-44	-20	-32	-24	40	Eased
	FEB 23	MAY 23	-29	-6	-37	-34	40	Eased
	MAR 23	APR 23	10	3	-10	-15	35	Tightened
	MAR 23	MAY 23	25	17	-15	-25	35	Tightened
	APR 23	MAY 23	15	14	-5	-10	0	Tightened
EU HRC	FEB 23	MAR 23	-10	-2	-15	-25	5	Eased
	FEB 23	APR 23	0	6	-5	-40	75	Eased
	FEB 23	MAY 23	-15	0	-5	-45	75	Eased
	MAR 23	APR 23	10	8	10	-15	70	Tightened
	MAR 23	MAY 23	-5	2	10	-20	70	Eased
	APR 23	MAY 23	-15	-6	0	-5	0	Eased
Mill Margin	FEB 23	FEB 23	324	320	323	283	360	Tightened
	MAR 23	MAR 23	363	338	345	282	355	Tightened
	MAY 23	MAY 23	358	326	350	307	320	Tightened
	JUN 23	JUN 23	335	321	350	317	320	Tightened
Atlantic Spread (US-EU)	FEB 23	FEB 23	29	20	18	13	25	Tightened
	MAR 23	MAR 23	73	41	25	-3	25	Tightened
	APR 23	APR 23	73	46	45	-3	60	Tightened
	MAY 23	MAY 23	43	26	50	2	60	Tightened
	JUN 23	JUN 23	55	31	35	7	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	800	475	766	427	631	709	Current
	795	475	775	430	643	705	T-1W
	778	455	760	415	647	685	T-1M
	673	390	660	348	560	625	T-3M
	915	485	910	410	654	657	T-6M
	900	540	875	436	768	654	T-12M
	790	455	725	407	655	690	YTD

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