

10/02/2023

EU HRC

European hot-rolled coil (HRC) prices firmed again yesterday, with demand for imported tonnes picking up somewhat, especially in Italy. The Argus daily Italian HRC index nudged up by €1.25/t to €762.75/t ex-works, while the twice-weekly cif Italy HRC assessment was unchanged at €730/t. Traders said they were getting customer demand for imported material at €730-740/t cif yesterday, but there were offers at the equivalent of €715/t cif. Japanese material was heard indicatively offered at \$770/t cfr. Buyers said they were quoted from India at €770/t for pickled and oiled material, and dry HRC was unavailable, but an offer for the latter was heard, likely from stock or via a trader, at a low price. Italian mills were not very active. "There is a pause this week, but mills are bullish for the next weeks," a buy-side source said. "Demand is quiet, but normal after a strong December and January." Offers were heard at €780-800/t ex-works or delivered, but market participants expect one mill to agree to bids below €780/t.

"I am not sure if buyers are accepting at all, not hearing about any real deals," one trader said. North European HRC prices firmed yesterday, but the region still remained the problem child of the continental market, according to sellers. One German producer has diverted significant tonnes from the quiet automotive market into the general industry segment, loosening availability somewhat and causing service centres to take a more cautious approach to purchasing. Mills reported sales of €800/t and above outside of Germany, but in western Europe's largest market, such levels were not deemed achievable or sustainable by buyers, apart from for smaller volumes. Argus' daily northwest EU HRC index rose by €15.25/t to €773.25/t yesterday. One steel-making executive said his company was selling at €800/t into Spain, with similar levels and slightly higher heard in eastern Europe from a number of producer sources. (Argus)

FOB China HRC

The index rose by \$2/t yesterday (9.2.23) to US\$639/t, MTD US\$637.29/t. Traders' and producers' weekly HRC inventories increased by 11,400t this week, against last week's increase of 360,000t, market participants said. Major Chinese mills held offers stable at \$665-670/t fob China for SS400 HRC. Trading firms lifted sales prices by around \$5/t to \$640/t cfr Vietnam on domestic China gains. While Vietnamese buyers also increased bids by around \$5/t to \$625/t cfr Vietnam. Some buyers in the Middle East could accept as high as \$650-660/t fob China from small quantity orders, yet most customers were still cautious about placing orders. A north China mill sold around 40,000t SS400 HRC to trading firms on 8 February at about \$610-620/t fob China. But that transaction price was lower than mainstream market levels, participants in China said. Offers were flat at \$670-690/t cfr Vietnam for Chinese SAE1006-grade coil, but Vietnamese buyers lifted bids by \$5/t to \$655/t cfr Vietnam after seeing the increase in Chinese paper and physical markets. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	427.5	0.00	427.14
Steel Rebar FOB Turkey (\$/mt)	700	0.00	700.00
Argus HRC NW Europe (€/mt)	773.25	15.25	760.36
Argus FOB China HRC (\$/mt)	639.00	2.00	637.29
US HRC CRU	782.00	12.00	776.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Feb-23	425	435	430
Mar-23	430	440	435
Apr-23	432	442	437
Q2-23	435	445	440
Q3-23	434	444	439
Q4-23	432	442	437

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	829	839	834
Q3-23	797	807	802
Q4-23	776	786	781

LME REBAR FOB TK			
	Bid	Ask	Value
Feb-23	702	712	707
Mar-23	722	732	727
Apr-23	722	732	727
Q2-23	726	736	731
Q3-23	724	734	729
Q4-23	718	728	723

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Feb-23	772	782	777
Mar-23	790	800	795
Apr-23	790	800	795
Q2-23	789	799	794
Q3-23	772	782	777
Q4-23	763	773	768

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Feb-23	630	640	635
Mar-23	645	655	650
Apr-23	645	655	650
Q2-23	637	647	642
Q3-23	632	642	637
Q4-23	631	641	636

BUSHELING			
	Bid	Ask	Value
Feb-23	470	480	485
Mar-23	485	495	490
Apr-23	485	495	490
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	-49	-30	-22	-12	2	Eased
	FEB 23	APR 23	-48	-23	-32	-32	45	Eased
	FEB 23	MAY 23	-32	-13	-38	-29	45	Eased
	MAR 23	APR 23	1	7	-10	-20	43	Eased
	MAR 23	MAY 23	17	17	-16	-17	43	Unchanged
	APR 23	MAY 23	16	10	-6	3	0	Tightened
EU HRC	FEB 23	MAR 23	-10	5	-12	-15	5	Eased
	FEB 23	APR 23	-10	7	-14	-45	75	Eased
	FEB 23	MAY 23	-4	1	-14	-55	75	Eased
	MAR 23	APR 23	0	2	-2	-30	70	Eased
	MAR 23	MAY 23	6	-4	-2	-40	70	Tightened
	APR 23	MAY 23	6	-6	0	-10	0	Tightened
Mill Margin	FEB 23	FEB 23	322	322	323	278	370	Unchanged
	MAR 23	MAR 23	361	347	345	290	368	Tightened
	MAY 23	MAY 23	364	330	346	302	325	Tightened
	JUN 23	JUN 23	347	315	345	308	325	Tightened
Atlantic Spread (US-EU)	FEB 23	FEB 23	22	20	20	8	35	Tightened
	MAR 23	MAR 23	61	55	30	5	38	Tightened
	APR 23	APR 23	60	50	38	-5	65	Tightened
	MAY 23	MAY 23	50	34	44	-18	65	Tightened
	JUN 23	JUN 23	67	29	28	-22	65	Tightened

Front Month Price Grid

Field	US HRC	US BUS	NY EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	803	480	779	430	635	711	Current
	797	475	777	432	643	711	T-1W
	778	455	758	414	645	686	T-1M
	673	395	665	350	555	625	T-3M
	930	505	910	400	654	663	T-6M
	910	540	875	435	788	662	T-12M
	790	455	725	407	655	690	YTD

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