

FIS Steel and Scrap Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

EU HRC

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European hot-rolled coil prices firmed again Friday on higher offers, but liquidity and acceptance remains low. Argus' daily northwest EU HRC index rose by €6/t to €779.25/t, while the daily Italian index increased by €3/t to €765.75/t ex-works. Italian mills were seeking €780/t as a minimum price Friday, intending to push up to €800/t. One mill heard flexible on prices depending on the enquiry, and looking to gain more profits on the extras for specifications, which meant the base price would sometimes come out lower than it would target for pure commodity grade coils. The relaunching of capacity does not seem to be adversely affecting price direction in the market, one participant said, and with the construction season coming up expectations are for prices to remain strong. In the downstream market, service centres reported they still face resistance from end-users, with offers for sheets at €880-900/t delivered for the independent SSCs.

As usual, mills were applying lower premiums for sheets so were more competitive, with sales heard €30-40/t below the offers. There is concern about the amount of import volumes booked for the second quarter, with some buyers expecting very small tonnages to be custom-cleared in April-June, which would mean that European producers would have a captive market. A lot of traders appear to be looking to take or offload positions in the market at present, which also explains the wide range of import prices heard and reported this week. Some said the only origin that has the potential to disrupt the market in the coming weeks is India, with fluctuations in Indian prices likely to guide the direction of Italian values. (Argus)

FOB China HRC

The index was flat last Friday (10.2.23) at US\$639/t, MTD US\$637.50/t. Trading activity weakened from earlier last week as futures fell. But some traders were positive that HRC prices would stay firm, as the volume of coils processed in warehouses last week has increased by over 20pc from the previous month, indicating an increase in demand. Demand in eastern China is better than that in the north where the winter is harsher, traders added. Two north China mills raised their HRC ex-works prices by Yn200/t for March deliveries from January-February basis. Chinese mills and trading firms held offers unchanged considering stable domestic selling prices. Major seaborne buyers were quiet too, reluctant to bid at the end of the week. The earthquake in Turkey has not yet affected the Asian steel markets yet, but participants expect it may cause tight supply in Turkey and push up global steel prices. Steel demand in Vietnam was weak and trading firms with positional coil in hand were still willing to take orders at \$620-625/t cfr Vietnam. While some buyers in South America and the Middle East could accept prices at around \$650/t fob China. Trading firms kept offers unchanged at \$670-680/t cfr Vietnam for Chinese SAE1006-grade coil. Vietnamese buyers were on the sidelines awaiting a clearer trend this week. (Argus)

Turkish Scrap

Domestic ferrous scrap prices in Northern Europe inched down slightly in February, as mills resisted seller attempts for further hikes amid growing export demand uncertainty, sources told S&P Global Commodity Insights on Feb. 10. In Northern Europe, Platts assessment for domestic shredded scrap was at Eur382.50/mt delivered to the mill Feb. 10, down Eur5/mt on month. Deals for shredded scrap were largely heard in the Eur375-385/mt delivered range in Germany, although some indications were also heard at Eur385-390/mt delivered to the mill. Earlier in the week ended Feb. 10, recyclers were heard to target Eur400/mt delivered, but these levels were accepted as unworkable on Feb. 10. Uncertainty over near-term scrap demand from Turkey, the largest seaborne import market for ferrous scrap, weighed on the sentiment in the EU domestic market. Turkish import scrap market activity paused following the 7.7 and 7.6 magnitude earthquakes that hit Southeast Turkey and Syria in succession on Feb. 6. The Turkish import scrap market had been bullish prior to the devastating earthquakes on Feb. 6, with scrap demand boosted by a cut in energy costs as well as the imposition of higher flat steel import duties, both of which supported Turkish steelmakers. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$427.50/mt CFR Feb. 10, unchanged since Feb. 3. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	427.5	0.00	427.19
Steel Rebar FOB Turkey (\$/mt)	700	0.00	700.00
Argus HRC NW Europe (€/mt)	779.25	6.00	762.72
Argus FOB China HRC (\$/mt)	639.00	0.00	637.50
US HRC CRU	782.00	12.00	776.00
No.1 BUS	450.00	40.28	450.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Feb-23	422	432	427
Mar-23	428	438	433
Apr-23	430	440	435
Q2-23	430	440	435
Q3-23	433	443	438
Q4-23	432	442	437

US HRC USD/short ton			
	Bid	Ask	Value
Feb-23	795	805	800
Mar-23	855	865	860
Apr-23	845	855	850
Q2-23	833	843	838
Q3-23	799	809	804
Q4-23	781	791	786

LME REBAR FOB TK			
	Bid	Ask	Value
Feb-23	701	711	706
Mar-23	723	733	728
Apr-23	723	733	728
Q2-23	723	733	728
Q3-23	716	726	721
Q4-23	713	723	718

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Feb-23	777	787	782
Mar-23	795	805	800
Apr-23	790	800	795
Q2-23	787	797	792
Q3-23	768	778	773
Q4-23	762	772	767

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Feb-23	639	649	644
Mar-23	645	655	650
Apr-23	647	657	652
Q2-23	647	657	652
Q3-23	643	653	648
Q4-23	643	653	648

BUSHELING			
	Bid	Ask	Value
Mar-23	487	497	492
Apr-23	487	497	492
May-23	487	497	492
Q2-23	483	493	488
Q3-23	475	485	480
Q4-23	475	485	480

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Spread Moves

SPREAD TABLE								
Metal	Front Mth	Back Mth	Current	T-1W	T-1M	T-3M	T-12M	Tight/Eased
US HRC	FEB 23	MAR 23	-61	-32	-25	-10	2	Eased
	FEB 23	APR 23	-52	-17	-43	-25	45	Eased
	FEB 23	MAY 23	-42	-3	-47	-30	45	Eased
	MAR 23	APR 23	9	15	-18	-15	43	Eased
	MAR 23	MAY 23	19	29	-22	-20	43	Eased
	APR 23	MAY 23	10	14	-4	-5	0	Eased
EU HRC	FEB 23	MAR 23	-20	2	-15	-20	5	Eased
	FEB 23	APR 23	-10	1	-18	-35	75	Eased
	FEB 23	MAY 23	-4	-1	-23	-45	75	Eased
	MAR 23	APR 23	10	-1	-3	-15	70	Tightened
	MAR 23	MAY 23	16	-3	-8	-25	70	Tightened
	APR 23	MAY 23	6	-2	-5	-10	0	Tightened
Mill Margin	MAR 23	MAR 23	364	355	333	290	368	Tightened
	APR 23	APR 23	360	340	336	305	325	Tightened
	MAY 23	MAY 23	370	326	340	305	325	Tightened
	JUN 23	JUN 23	342	311	345	315	325	Tightened
Atlantic Spread (US-EU)	MAR 23	MAR 23	59	70	21	0	38	Eased
	APR 23	APR 23	60	54	36	0	65	Tightened
	MAY 23	MAY 23	56	38	35	-5	65	Tightened
	MAY 23	MAY 23	56	38	35	-5	65	Tightened
	JUN 23	JUN 23	67	21	30	-5	65	Tightened

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	798	490	780	430	643	707	Current
	793	470	757	415	636	704	T-1W
	768	460	757	414	645	683	T-1M
	690	410	680	355	562	632	T-3M
	925	510	891	381	648	660	T-6M
	910	540	875	433	781	658	T-12M
	790	460	725	407	655	690	YTD

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