

14/02/2023

## EU HRC

Hungarian steelmaker Dunafer is restarting a blast furnace yesterday and hopes to have its hot strip mill online in March. The furnace has a capacity of around 800,000 t/yr, according to sources at the site, while the rolling capacity of the plant is around 2mn t/yr. At present there is only enough raw material to operate the furnace for a few days, but more is expected to arrive. Sources suggest Liberty Steel could be supplying this raw material. There is no plan to restart the other furnace at the site, so the company might use external slab to help feed the hot strip mill. Again, Liberty Steel will reportedly send 10,000t of slab from its Galati site to the mill. Galati itself is not producing slab at present, with both of its furnaces idled. Market sources suggest Galati could restart a furnace by the end of this month or early in March. (Argus)

## FOB China HRC

The index fell by \$4/t on Monday to US\$635/t (13.2.23), MTD US\$637.22/t. Two Chinese mills held offers unchanged at \$665/t fob China for SS400 HRC, while other major Chinese mills would wait until 14 February to announce new weekly offers. A north China mill's domestic sales price was equivalent to around \$610/t fob China, participants said. Trading firms cut offers to \$615-620/t cfr Vietnam, netting back to around \$605-610/t fob China. Some traders bet prices to fall further because of weak seaborne demand and Chinese yuan depreciation. Most seaborne buyers were silent after Chinese paper and physical prices fell. Some trading firms cut offers to \$655-660/t cfr Vietnam for SAE1006 grade HRC from \$670-680/t cfr Vietnam on 10 February. Vietnamese buyers expressed no buying interest amid the fluctuating market. Vietnamese mill Formosa Ha Tinh offered \$720/t fob Vietnam to seaborne buyers. (Argus)

## Turkish Scrap

Turkish deepsea imported scrap prices remained unchanged Feb. 13, as market activity continued to remain suspended due to the earthquake that hit southern Turkey and northern Syria on Feb. 6. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$427.50/mt CFR Feb. 13, unchanged from Feb. 10. "[The Iskenderun mills] just announced force majeure rules being applied, but that does not mean they are rejecting cargoes," one Turkish trading source said. "'be ready for a possible delay' ... they will do their best efforts to discharge and operate as fast as possible," the source added, reporting no trading activity, but cited an indicative tradable value for Baltic-origin HMS 1/2 (80:20) at \$430/mt CFR and above. Three large Turkish steel producers based in the earthquake struck southeast of the country issued a joint notice of force majeure, a source at one of the three companies told S&P Global Commodity Insights Feb. 10. The three steelmakers were Bastug Metalurji, Tosyali Demir Celik and Ekinciler Holding. The companies have production sites in the Osmaniye province and use ports in the Hatay province, both areas severely impacted by the earthquake. The notice obtained by S&P Global cited that the Turkish president's decree dated Feb. 8 has introduced the state of emergency in the regions impacted by the earthquakes as the legal basis for declaring force majeure.

"We haven't been trying to sell anything new but have been shifting cargos away from Iskenderun for now," another deepsea supplier said. "I expect very short-term prices to drop while the shifting [of cargoes] occurs, but in the short- to mid-term, prices should skyrocket as the rebar demand goes wild." The forward curve on the London Metal Exchange Turkey scrap futures contract, which settles based on Platts, remained in a soft contango Feb. 13, highlighting futures traders' expectations of a firm physical market in the near term. (Platts)

# Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	427.5	0.00	427.22
Steel Rebar FOB Turkey (\$/mt)	700	0.00	700.00
Argus HRC NW Europe (€/mt)	781.5	2.25	764.81
Argus FOB China HRC (\$/mt)	635.00	-4.00	637.22
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	430	440	435
Apr-23	430	440	435
Q2-23	430	440	435
Q3-23	431	441	436
Q4-23	431	441	436

US HRC USD/short ton			
	Bid	Ask	Value
Feb-23	800	810	805
Mar-23	880	890	885
Apr-23	875	885	880
Q2-23	868	878	873
Q3-23	819	829	824
Q4-23	805	815	810

LME REBAR FOB TK			
	Bid	Ask	Value
Feb-23	700	710	705
Mar-23	720	730	725
Apr-23	723	733	728
Q2-23	716	726	721
Q3-23	714	724	719
Q4-23	713	723	718

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Feb-23	777	787	782
Mar-23	800	810	805
Apr-23	795	805	800
Q2-23	790	800	795
Q3-23	771	781	776
Q4-23	763	773	768

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Feb-23	641	651	646
Mar-23	645	655	650
Apr-23	650	660	655
Q2-23	650	660	655
Q3-23	645	655	650
Q4-23	644	654	649

BUSHELING			
	Bid	Ask	Value
Mar-23	487	497	490
Apr-23	485	495	490
May-23	485	495	490
Q2-23	483	493	488
Q3-23	475	485	480
Q4-23	475	485	480

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at [freightinvestorservices.com](http://freightinvestorservices.com)

## 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	-86	-40	-25	-9	2	Eased
	FEB 23	APR 23	-74	-31	-43	-22	45	Eased
	FEB 23	MAY 23	-55	-13	-47	-23	45	Eased
	MAR 23	APR 23	12	9	-18	-13	43	Tightened
	MAR 23	MAY 23	31	27	-22	-14	43	Tightened
	APR 23	MAY 23	19	18	-4	-1	0	Tightened
EU HRC	FEB 23	MAR 23	-25	-10	-15	-20	5	Eased
	FEB 23	APR 23	-5	-10	-18	-40	75	Tightened
	FEB 23	MAY 23	-5	-10	-23	-40	75	Tightened
	MAR 23	APR 23	20	0	-3	-20	70	Tightened
	MAR 23	MAY 23	20	0	-8	-20	70	Tightened
	APR 23	MAY 23	0	0	-5	0	0	Unchanged
Mill Margin	MAR 23	MAR 23	397	352	333	312	368	Tightened
	APR 23	APR 23	390	343	336	320	325	Tightened
	MAY 23	MAY 23	391	335	340	316	325	Tightened
	JUN 23	JUN 23	372	327	345	325	325	Tightened
Atlantic Spread (US-EU)	MAR 23	MAR 23	87	62	21	12	38	Tightened
	APR 23	APR 23	95	53	36	5	65	Tightened
	MAY 23	MAY 23	76	35	35	6	65	Tightened
	MAY 23	MAY 23	76	35	35	6	65	Tightened
	JUN 23	JUN 23	67	25	30	15	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	805	490	776	427	644	710	Current
	802	490	770	421	623	710	T-1W
	768	460	757	414	645	683	T-1M
	708	405	685	363	562	634	T-3M
	925	510	891	381	648	660	T-6M
	910	540	875	438	758	668	T-12M
	790	460	725	407	655	690	YTD

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at [freightinvestorservices.com](http://freightinvestorservices.com)