

16/02/2023**EU HRC**

The Argus daily Italian hot-rolled coil (HRC) index nudged up by €1/t to €775/t ex-works, while the northwest EU HRC index was unchanged at €788/t. In Italy, one producer was not offering material widely to the market, as it was trying to gauge prices and preferred to sell downstream products rather than base-grade HRC. It was previously reported to have given discounts for large orders. Another producer was working on long lead times and not fully clear on its allocations, amid continuous financial difficulties. Buyers said they saw material available in the range of €770-780/t ex-works in Italy. A South Korean mill was heard to have offered at €740/t cfr Italy, but was willing to negotiate to €730/t cfr.

Market participants in south Europe expected that it would accept as low as €720/t cfr. Several sources said €720/t cfr was available in the market. India was also offering HRC at €740/t cfr, pickled and oiled material at €770/t cfr and cold rolled coil at €830/t cfr. "There is low interest from the market due to long delivery times and current domestic prices," a market participant said. A trading firm said buy-side bids were close to €700-710/t cif for HRC, while offers had moved slightly higher based on currency fluctuations. In north Europe there was continued concern over the strength of underlying demand, with talk that automakers were still taking limited deliveries from mills and the wider supply chain. (Argus)

FOB China HRC

The index rose by \$1/t on Wednesday to US\$636/t (15.2.23), MTD US\$636.91/t. Sentiment improved after major steel mills announced to raise ex-works prices for March deliveries successively this week. A Hebei-based mill source said they can finish their targeted daily sales volumes this week and got light inventory pressures. Some traders raised export offers for SS400 HRC from \$620-625/t cfr Vietnam on 14 February to \$625-630/t on 15 February. Major Chinese steel mills kept their export offers for SS400 HRC firm at \$665-670/t fob, though the price was still way too high to attract any buying interest. Chinese traders raised their export offers for SAE1006 HRC by \$5/t to \$665-675/t cfr Vietnam to catch up with the upbeat of its domestic market. Some traders even offered at \$680/t cfr, which was too high to attract any deals at present. Buyers were awaiting new offers from Vietnam local steel producer Formosa, and participants said the mill may put its new prices for SAE1006 HRC at \$680/t cif Vietnam. (Argus)

Turkish Scrap

Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$418/mt CFR Feb. 15, unchanged on day. An EU recycler expected indicative offers for Benelux-origin HMS 1/2 (80:20) would not drop below the price level of the latest US-origin sale booked Feb. 10 at \$418/mt CFR. A Turkish agent source cited an indicative tradable value for US/Baltic-origin HMS 1/2 (80:20) at \$415-\$420/mt CFR. A reported US-origin deal, heard after the Platts 16.30 UK pricing deadline on Feb. 15, was reportedly booked the same day by a Marmara mill, with HMS 1/2 (80:20) at \$413/mt CFR and shredded, bonus scrap at \$433/mt CFR. The deal was thus not included in the Feb. 15 assessment. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	418	0.00	425.55
Steel Rebar FOB Turkey (\$/mt)	700	0.00	700.00
Argus HRC NW Europe (€/mt)	788	0.00	769.02
Argus FOB China HRC (\$/mt)	636.00	1.00	636.91
US HRC CRU	809.00	27.00	787.00
No.1 BUS	450.00	40.28	450.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Feb-23	417	423	420
Mar-23	422	432	427
Apr-23	428	438	433
Q2-23	433	443	438
Q3-23	430	440	435
Q4-23	428	438	433

US HRC USD/short ton			
	Bid	Ask	Value
Feb-23	796	806	801
Mar-23	890	900	895
Apr-23	895	905	900
Q2-23	886	896	891
Q3-23	843	853	848
Q4-23	817	827	822

LME REBAR FOB TK			
	Bid	Ask	Value
Feb-23	702	712	707
Mar-23	720	730	725
Apr-23	722	732	727
Q2-23	726	736	731
Q3-23	723	733	728
Q4-23	719	729	724

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Feb-23	776	786	781
Mar-23	810	820	815
Apr-23	815	825	820
Q2-23	808	818	813
Q3-23	798	808	803
Q4-23	795	805	800

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Feb-23	639	649	644
Mar-23	652	662	657
Apr-23	652	662	657
Q2-23	651	661	656
Q3-23	645	655	650
Q4-23	644	654	649

BUSHELING			
	Bid	Ask	Value
Mar-23	490	500	495
Apr-23	490	500	495
May-23	490	500	495
Q2-23	488	498	493
Q3-23	480	490	485
Q4-23	480	490	485

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

Spread Moves

SPREAD TABLE								
Metal	Front Mth	Back Mth	Current	T-1W	T-1M	T-3M	T-12M	Tight/Eased T-1W
US HRC	FEB 23	MAR 23	-94	-55	-25	-14	2	Eased
	FEB 23	APR 23	-98	-42	-43	-24	45	Eased
	FEB 23	MAY 23	-91	-31	-47	-34	45	Eased
	MAR 23	APR 23	-4	13	-18	-10	43	Eased
	MAR 23	MAY 23	3	24	-22	-20	43	Eased
	APR 23	MAY 23	7	11	-4	-10	0	Eased
EU HRC	FEB 23	MAR 23	-30	-11	-15	-25	5	Eased
	FEB 23	APR 23	-35	-9	-18	-45	75	Eased
	FEB 23	MAY 23	-30	-5	-23	-50	75	Eased
	MAR 23	APR 23	-5	2	-3	-20	70	Eased
	MAR 23	MAY 23	0	6	-8	-25	70	Eased
	APR 23	MAY 23	5	4	-5	-5	0	Tightened
Mill Margin	MAR 23	MAR 23	399	363	333	330	368	Tightened
	APR 23	APR 23	403	350	336	325	325	Tightened
	MAY 23	MAY 23	401	349	340	330	325	Tightened
	JUN 23	JUN 23	387	335	345	330	325	Tightened
Atlantic Spread (US-EU)	MAR 23	MAR 23	84	68	21	60	38	Tightened
	APR 23	APR 23	83	57	36	50	65	Tightened
	MAY 23	MAY 23	81	50	35	55	65	Tightened
	MAY 23	MAY 23	81	50	35	55	65	Tightened
	JUN 23	JUN 23	87	30	30	40	65	Tightened

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME \$CRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	802	490	776	422	644	711	Current
	803	495	779	428	635	711	T-1W
	768	460	757	408	646	673	T-1M
	716	400	645	355	568	634	T-3M
	896	480	890	377	635	644	T-6M
	910	540	875	432	753	661	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