

20/02/2023

EU HRC

The European Commission has repealed anti-dumping duties on hot-rolled flat steel products, including hot-rolled coil (HRC), originating in Ukraine. Anti-dumping duties on Ukrainian-origin products were suspended for a period of one year beginning 4 June 2022, with the EU looking to help the Ukrainian war effort by boosting exports. The new regulation ends the expiry investigation into this provisional measure, making the suspension permanent as of Friday. Previously, HRC from Metinvest, Ukraine's only flat steelmaker, was subject to a €60.50/t (\$64.25/t) antidumping duty, which had been imposed in October 2017. The anti-dumping duties were repealed because of the detrimental consequences of the war in Ukraine on that country's steel industry, the EU said.

"Steel capacities in Ukraine are not expected to return to normal operations in the short to medium term and it is therefore not likely that Ukrainian HRF exports would be able to contribute to a recurrence of injury to the EU industry any time soon," the commission said. Metinvest had argued that "continuation with the investigation would be unwarranted in view of the significant destruction of its production base in Ukraine", according to law firm Van Bael and Bellis, which assisted Metinvest with responding to the expiry investigation. Metinvest's crude steel production declined by 62pc to 2.7mn t in the first nine months of 2022 compared with same period last year. The EU imported 490,000t of HRC from Ukraine in 2022, a 20pc decrease from the previous year, according to data from European steel association Eurofer. (Argus)

FOB China HRC

The index rose by \$1/t last Friday (17.2.23) to US\$638/t, MTD US\$637/t. Handan city in north China's Hebei province rolled out pollution warnings from 17 February, and local steel mills were required to cut sintering output by 50pc as a result. The impact on steel production was limited at present, participants said. Traders raised export offers for SS400 HRC to \$640-650/t cfr Vietnam on 17 February, as China's domestic market maintained the upward momentum. But Vietnamese buyers were sidelined, and not ready to accept the price rise. A few buyers were seeking cargoes at \$620/t cfr Vietnam, but the price was far below sellers' target levels.

Chinese traders lifted export offers for SAE1006 HRC to \$685-690/t cfr Vietnam on 17 February in line with its domestic price rises. Some Vietnamese buyers lifted bids to \$670/t cfr, and deals were also heard at this level on 16 February. Suppliers were not willing to take orders below \$680/t cfr on 17 February. Most other buyers had limited interest in imported materials, as they turned to book from Vietnamese steel mill Formosa Ha Tinh after the mill pushed up its prices at \$694/t cif for April shipment. (Argus)

Turkish Scrap

Turkish deepsea imported scrap prices recovered Feb. 17, after fresh deepsea deals were heard, with further near-term increases expected. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$418.75/mt CFR Feb. 17, up \$5.75/mt on day. A US-origin deal was booked Feb. 16 by an Iskenderun mill, with HMS 1/2 (80:20) at \$420.50/mt CFR. The deal was confirmed by the buyer and heard for second half March shipment. The cargo was the first reported purchase by a steel mill in the Iskenderun region, which was badly affected by the earthquakes in Southeast Turkey and Northern Syria on Feb. 6, since market activity resumed. Another Iskenderun-based long steelmaker, Koc Metalurji, is aiming to restart production at its meltshop and rolling mill in Southeastern Turkey Feb. 20, while Turkey's largest integrated long and flat steelmaker Iskenderun Demir ve Celik, or Isdemir, is continuing due diligence studies at its production facilities, prior to any potential restart.

The Turkish government, which is aiming to start reconstruction work in the earthquake zone soon, has demanded 4 million mt of rebar from domestic producers and asked for the Turkish Steel Producers' Association's (TCUD) view on whether it would be possible to stabilize prices on a dollar basis, according to a TCUD letter sent to its member producers Feb. 14. According to the letter seen by S&P Global Commodity Insights, 4 million mt of rebar needs to be supplied to the region within three to four months, as the government is aiming to start construction work within March and complete it within a year. "Given talk of the need from the government for 4 million mt rebar, scrap prices will rise – I think we won't be able to purchase anything below \$420/mt CFR in the very near-future, and we will see above \$430/mt CFR for April shipment," a Turkish mill source said, expecting mills to shift their production focus to rebar and likely their hike capacity utilization up from 50%-60%. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	418.75	5.75	424.06
Steel Rebar FOB Turkey (\$/mt)	702.5	2.50	700.19
Argus HRC NW Europe (€/mt)	791	1.00	772.33
Argus FOB China HRC (\$/mt)	638.00	1.00	637.00
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	422	428	425
Mar-23	437	447	442
Apr-23	437	447	442
Q2-23	437	447	442
Q3-23	434	444	439
Q4-23	435	445	440

US HRC USD/short ton			
	Bid	Ask	Value
Feb-23	794	804	799
Mar-23	895	905	900
Apr-23	910	920	915
Q2-23	900	910	905
Q3-23	840	850	845
Q4-23	812	822	817

LME REBAR FOB TK			
	Bid	Ask	Value
Feb-23	700	710	705
Mar-23	745	755	750
Apr-23	752	762	757
Q2-23	754	764	759
Q3-23	750	760	755
Q4-23	746	756	751

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Feb-23	783	793	788
Mar-23	820	830	825
Apr-23	825	835	830
Q2-23	819	829	824
Q3-23	795	805	800
Q4-23	795	805	800

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Feb-23	636	646	641
Mar-23	662	672	667
Apr-23	667	677	672
Q2-23	662	672	667
Q3-23	660	670	665
Q4-23	660	670	665

BUSHELING			
	Bid	Ask	Value
Mar-23	500	510	505
Apr-23	510	520	515
May-23	500	510	505
Q2-23	502	512	507
Q3-23	485	495	490
Q4-23	472	482	477

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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	-104	-76	-18	-17	2	Eased
	FEB 23	APR 23	-121	-70	-28	-27	45	Eased
	FEB 23	MAY 23	-97	-65	-31	-32	45	Eased
	MAR 23	APR 23	-17	6	-10	-10	43	Eased
	MAR 23	MAY 23	7	11	-13	-15	43	Eased
	APR 23	MAY 23	24	5	-3	-5	0	Tightened
EU HRC	FEB 23	MAR 23	-27	-23	-10	-25	5	Eased
	FEB 23	APR 23	-32	-21	-10	-45	75	Eased
	FEB 23	MAY 23	-27	-17	-15	-50	75	Eased
	MAR 23	APR 23	-5	2	0	-20	70	Eased
	MAR 23	MAY 23	0	6	-5	-25	70	Eased
	APR 23	MAY 23	5	4	-5	-5	0	Tightened
Mill Margin	MAR 23	MAR 23	402	391	325	317	368	Tightened
	APR 23	APR 23	399	385	330	312	325	Tightened
	MAY 23	MAY 23	390	380	328	312	325	Tightened
	JUN 23	JUN 23	373	360	340	325	325	Tightened
Atlantic Spread (US-EU)	MAR 23	MAR 23	87	82	9	42	38	Tightened
	APR 23	APR 23	99	78	19	32	65	Tightened
	MAY 23	MAY 23	80	77	17	32	65	Tightened
	MAY 23	MAY 23	80	77	17	32	65	Tightened
	JUN 23	JUN 23	88	60	19	30	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	500	781	425	644	708	Current
	805	490	776	427	644	710	T-1W
	767	460	766	406	649	678	T-1M
	710	410	660	362	567	636	T-3M
	900	475	865	371	633	638	T-6M
	910	540	875	435	749	672	T-12M
	790	460	725	407	655	690	YTD

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