

FIS Steel and Scrap Report

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EU HRC

The north European hot-rolled coil market was quiet yesterday, with participants digesting the news ArcelorMittal will probably restart a furnace at its Fos-sur-Mer site in France in April. Argus' daily northwest Europe HRC index was unchanged at €791/t, while the daily Italian index nudged up by €2.25/t to €780.25/t ex-works. Lead times continue to grow, with most Italian mills saying April is finished and only limited May volumes left. Some north European buyers are yet to close their April purchases. The most recent deals for April deliveries in Italy were concluded at €780/t ex-works, while most mills are offering around €820/t delivered into Germany and northern Europe. Special qualities are becoming harder to find, some service centres say. An Italian buyer said it closed deals with a northern European mill at €790/t base delivered. Local mills were offering €800-810/t base delivered. A trader said the workable level for large volumes would be €760-780/t delivered Italy. Some service centres said they were concerned about paying higher prices, given weaker forward order books, with project business still quiet for some sectors. (Argus)

FOB China HRC

The index was flat yesterday (20.2.23) at US\$638/t, MTD US\$637.07/t. Several Chinese mills held offers unchanged at \$635-675/t fob China for SS400 HRC given firm domestic sales prices. Other major Chinese mills will wait until yesterday to announce new weekly offers. A north China-based mill sold around 3,000-5,000t SS400 HRC at \$638/t cfr Vietnam last week. A second north China-based mill sold a small quantity of SS400 HRC at \$675/t fob China to Africa last week, although most sea-borne buyers would be reluctant to accept this price. Offers were flat at \$670-700/t cfr Vietnam for SAE1006-grade coil from China, Taiwan and Japan, inducing limited bids at \$650-670/t cfr Vietnam. Most Vietnamese buyers were not in a hurry to place orders until the market direction became clearer. (Argus)

Turkish Scrap

Turkish deepsea imported scrap prices continued to rebound, after three further deepsea deals were heard. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$424.75/mt CFR Feb. 20, up \$6 from Feb. 17. An EU-origin deal was booked Feb. 17 by an Izmir mill, with HMS 1/2 (80:20) at \$416.50/mt CFR and shredded and bonus scrap at \$436.50/mt CFR. The deal was confirmed by the sell-side. A Benelux-origin deal was also booked by a Samsun mill, with HMS 1/2 (80:20) at \$418/mt CFR, with the deal also confirmed by the sell-side. A UK-origin deal was heard by multiple sources to have been booked Feb. 17 by a Marmara mill, with HMS 1/2 (80:20) at \$425/mt CFR.

The assessment has recovered from a recent low of \$413/mt CFR on Feb. 16, as workable levels had been temporarily pushed lower amid initial concerns of reduced bulk cargo demand following the devastating earthquakes in Southeast Turkey and Northern Syria Feb. 6. Following assessments that steel mill infrastructure damage was largely superficial in the Iskenderun region, a few Iskenderun producers announced gradual production restarts effective Feb. 20. The expectation of strong scrap demand, fueled by the Turkish government's request on Feb. 14 for 4 million mt of rebar to be supplied to Southeast Turkey within three-four months for reconstruction work, prompted at least 10 deepsea scrap deals to be booked since Feb. 15. The near-term bullish pricing sentiment was also evident in the strong contango seen in the London Metal Exchange Turkey scrap futures, which settle basis the Platts CFR Turkey monthly average. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	424.75	6.00	424.11
Steel Rebar FOB Turkey (\$/mt)	705	2.50	700.54
Argus HRC NW Europe (€/mt)	791	0.00	773.66
Argus FOB China HRC (\$/mt)	638.00	0.00	637.07
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	427	433	430
Mar-23	444	454	449
Apr-23	444	454	449
Q2-23	443	453	448
Q3-23	445	455	450
Q4-23	441	451	446

US HRC USD/short ton			
	Bid	Ask	Value
Feb-23	794	804	799
Mar-23	895	905	900
Apr-23	915	925	920
Q2-23	904	914	909
Q3-23	840	850	845
Q4-23	814	824	819

LME REBAR FOB TK			
	Bid	Ask	Value
Feb-23	701	711	706
Mar-23	756	766	761
Apr-23	763	773	768
Q2-23	764	774	769
Q3-23	757	767	762
Q4-23	754	764	759

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Feb-23	781	791	786
Mar-23	825	835	830
Apr-23	830	840	835
Q2-23	823	833	828
Q3-23	795	805	800
Q4-23	795	805	800

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Feb-23	639	649	644
Mar-23	665	675	670
Apr-23	670	680	675
Q2-23	665	675	670
Q3-23	663	673	668
Q4-23	663	673	668

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	-102	-81	-18	-14	2	Eased
	FEB 23	APR 23	-119	-73	-28	-24	45	Eased
	FEB 23	MAY 23	-95	-60	-31	-29	45	Eased
	MAR 23	APR 23	-17	8	-10	-10	43	Eased
	MAR 23	MAY 23	7	21	-13	-15	43	Eased
	APR 23	MAY 23	24	13	-3	-5	0	Tightened
EU HRC	FEB 23	MAR 23	-42	-24	-10	-25	5	Eased
	FEB 23	APR 23	-46	-24	-10	-45	75	Eased
	FEB 23	MAY 23	-27	-19	-15	-50	75	Eased
	MAR 23	APR 23	-4	0	0	-20	70	Eased
	MAR 23	MAY 23	15	5	-5	-25	70	Tightened
	APR 23	MAY 23	19	5	-5	-5	0	Tightened
Mill Margin	MAR 23	MAR 23	402	395	325	320	368	Tightened
	APR 23	APR 23	399	387	330	315	325	Tightened
	MAY 23	MAY 23	390	374	328	315	325	Tightened
	JUN 23	JUN 23	373	362	340	328	325	Tightened
Atlantic Spread (US-EU)	MAR 23	MAR 23	72	85	9	42	38	Eased
	APR 23	APR 23	85	77	19	32	65	Tightened
	MAY 23	MAY 23	80	69	17	32	65	Tightened
	MAY 23	MAY 23	80	69	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 \$CRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	800	500	781	433	644	709	Current
	804	490	776	422	646	707	T-1W
	787	460	766	406	649	678	T-1M
	711	405	658	361	567	636	T-3M
	900	475	865	371	633	638	T-6M
	910	540	875	454	757	687	T-12M
	790	460	725	407	655	690	YTD

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