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FIS STEEL & SCRAP WEBINAR

Join FIS for an insightful Q2 2023 Steel Outlook featuring a panel of the world's top players in the steel market from leading companies such as Anglo American, Argus, Bloomberg, Platts, M7, and Eusider. Gain valuable insights and market perspectives from some of the industry's most respected traders and index providers as they discuss the need to hedge against physical price risk in these uncertain times.

Date & Time: Feb 28 2023; 11AM UK time

Registration Link: [FIS STEEL & SCRAP WEBINAR | Feb 28 \(zohobackstage.eu\)](#)

EU HRC

Italian hot-rolled coil (HRC) prices fell slightly yesterday, while north European levels inched up. Argus' daily Italian HRC index fell by €0.75/t to €874.25/t exworks, while the daily northwest Europe HRC index rose by €0.25/t to €796/t. Market participants yesterday pinned the level at €780-800/t ex-works or delivered in Italy, but buying activity is thin. Sellers said it is difficult to close deals at present.

"The main issue is that end-users need to accept higher prices," a market participant said, but on the other hand mills are relatively well sold out, and availability is low. South Korean HRC was heard offered at €760/t cfr for May production. April rolling was sold at €730-740/t cfr last week. Indonesian material was most recently available at €730/t cfr. A trader deemed anything above €740/t cfr as unworkable for buyers. An offer was heard for Japanese HRC at €720/t cfr South Europe for May or June shipment, with market participants saying this was a trader fishing for bids. (Argus)

FOB China HRC

The index fell by \$1/t yesterday (22.2.23) to US\$644/t, MTD US\$638/t. Major Chinese mills kept offers unchanged at \$640-680/t fob China for SS400 HRC. But some trading firms lowered selling prices by around \$5/t to \$635/t fob China for SS400 HRC produced by a north China-based mill after the Chinese paper market softened. Other Chinese mills were reluctant to receive orders for less than \$650/t fob China as they still expect a price rise in the near future. Seaborne buyers adopted a cautious attitude amid uncertainties after prices rose sharply over the past two days, Chinese mills said. "They would only take actions when the market stabilizes," one added.

Offers were unchanged at \$685/t cfr Vietnam for Chinese SAE1006-grade coil, receiving no buying interest as Vietnamese downstream steel demand remained weak, Vietnamese participants said. It would take more time for local end-users to digest previous price rises, although local stockists purchased a large number of cargoes at higher levels earlier this week, they added. (Argus)

Turkish Scrap

Turkish deepsea imported scrap prices continued to increase Feb. 22, as offers were heard to be scarce, with recyclers awaiting mills' bids in a bullish market. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$440/mt CFR Feb. 22, up \$5/mt on the day. "Prices are increasing too sharply - sellers are targeting \$440/mt CFR and they might be able to sell at that level, but I think they will reach \$450/mt CFR soon," one Turkish mill source said. A second Turkish mill source cited an indicative tradable value for US/Baltic-origin HMS 1/2 (80:20) at \$440/mt CFR.

"Turkish mills previously were calculating prices based on 12-hour working days and the scrap stocks were ok for that, but now they are looking at over 80% capacity utilization, and this has left a shortage in scrap outside Iskenderun," a Turkish agent source said, referring to increased steel production to meet strong domestic demand owing to the post-earthquake reconstruction. "I'm not sure if the Turks can afford these prices — the LME March [futures contract] is around \$465/mt now — I personally wouldn't buy at this level." The near-term bullish pricing sentiment remained evident in the strong contango seen in the London Metal Exchange Turkey scrap futures, which settle basis the Platts CFR Turkey assessment's monthly average. Platts assessed the LME February scrap contract unchanged on the day at \$429/mt Feb. 22. The March contract gained \$13/mt on the day to \$463/mt, while the April contract jumped \$12.25/mt on the day to \$467/mt. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	440	5.00	425.78
Steel Rebar FOB Turkey (\$/mt)	715	10.00	701.72
Argus HRC NW Europe (€/mt)	796	0.25	776.44
Argus FOB China HRC (\$/mt)	644.00	-1.00	638.00
US HRC CRU	852.00	43.00	803.25
No.1 BUS	450.00	40.28	450.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Feb-23	425	431	428
Mar-23	460	470	465
Apr-23	460	470	465
Q2-23	463	473	468
Q3-23	461	471	466
Q4-23	460	470	465

US HRC USD/short ton			
	Bid	Ask	Value
Mar-23	960	970	965
Apr-23	995	1005	1000
May-23	985	995	990
Q2-23	962	972	967
Q3-23	881	891	886
Q4-23	864	874	869

LME REBAR FOB TK			
	Bid	Ask	Value
Feb-23	700	710	705
Mar-23	761	771	766
Apr-23	767	777	772
Q2-23	767	777	772
Q3-23	765	775	770
Q4-23	760	770	765

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Feb-23	784	794	789
Mar-23	852	862	857
Apr-23	862	872	867
Q2-23	850	860	855
Q3-23	795	805	800
Q4-23	795	805	800

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Feb-23	637	647	672
Mar-23	671	681	676
Apr-23	679	689	684
Q2-23	666	676	671
Q3-23	665	675	670
Q4-23	668	678	673

BUSHELING			
	Bid	Ask	Value
Mar-23	517	527	522
Apr-23	527	537	532
May-23	532	542	537
Q2-23	517	527	522
Q3-23	495	505	500
Q4-23	478	488	483

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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	MAR 23	APR 23	-18	-11	-8	-11	44	Eased
	MAR 23	MAY 23	-5	4	-4	-20	44	Eased
	MAR 23	JUN 23	12	15	-11	-30	44	Eased
	APR 23	MAY 23	13	15	4	-9	0	Eased
	MAR 23	JUN 23	12	15	-11	-30	44	Eased
	MAY 23	JUN 23	17	11	-7	-10	0	Tightened
EU HRC	MAR 23	APR 23	-62	-37	-10	-25	5	Eased
	MAR 23	MAY 23	-87	-37	-21	-45	75	Eased
	MAR 23	JUN 23	-58	-27	-26	-50	75	Eased
	APR 23	MAY 23	-25	0	-11	-20	70	Eased
	MAR 23	JUN 23	-58	-27	-26	-50	75	Eased
	MAY 23	JUN 23	29	10	-5	-5	0	Tightened
Mill Margin	MAR 23	MAR 23	452	400	314	322	369	Tightened
	APR 23	APR 23	430	396	322	333	325	Tightened
	MAY 23	MAY 23	412	396	318	342	325	Tightened
	JUN 23	JUN 23	400	385	325	352	325	Tightened
Atlantic Spread (US-EU)	MAR 23	MAR 23	122	80	8	37	39	Tightened
	APR 23	APR 23	115	91	5	28	65	Tightened
	MAY 23	MAY 23	131	86	-4	32	65	Tightened
	MAY 23	MAY 23	131	86	-4	32	65	Tightened
	JUN 23	JUN 23	150	78	-2	27	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	962	520	783	428	642	705	Current
	905	505	788	415	645	712	T-1W
	779	465	761	408	646	679	T-1M
	732	410	670	364	567	639	T-3M
	910	470	860	374	622	633	T-6M
	909	540	875	463	760	701	T-12M
	800	460	725	407	655	690	YTD

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