

FIS Steel and Scrap Report

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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

Concerns over real demand weighed on European hot-rolled coil markets somewhat yesterday. Argus' daily northwest EU HRC index nudged up by €0.25/t yesterday to €796.25/t, while the daily Italian HRC index nudged down by €0.50/t to €783.75/t. Buying activity remained thin as most buyers have now covered their requirements until later in April and are in no rush to book. But mills are also well booked and discounts of €5-10/t for bigger lots are disappearing from the market, indicating that mills are content to wait. Imports around €740/t cif were not interesting most buyers, with the discount not sufficient to local prices given the lead time; however, one tube-maker reportedly paid €740/t cfr for Asian tonnage in the last few days. Traders reported Indian and Taiwanese available around this level. The European futures market has roofed in the last few days, seemingly based on hikes in US futures on the back of physical price increase announcements. A slew of US mills have announced \$1,000/st as a floor price in the last few days, sparking a jump on the CME's futures contract. As a result, some European participants are saying they could buy EU steel and sell into the US — a narrative that local mills could well use given the slower pace of apparent demand. (Argus)

FOB China HRC

The index was flat yesterday (23.2.23) at US\$644/t, MTD US\$638.35/t. Coil inventory held by Chinese traders and mills decreased by nearly 80,000t this week, slowing down from the decrease of 100,000t last week. Major Chinese participants remained bullish on Chinese steel prices, citing resuming downstream demand. While seaborne buyers were uncertain about the price trend especially in China given fluctuating prices during the past two days. Major Chinese mills held offers flat at \$640-680/t fob China for SS400 HRC on firm domestic sales prices, although seaborne buyers were reluctant to place orders. A north China mill sold some special specification HRC at \$680/t fob China on 22 February to South America, which has a premium over prices for SS400 HRC. Customers in South Korea, the Middle East and Africa were all silent on bids as they were uncertain about Chinese steel export price trend, a Chinese mill manager said. Very limited seaborne buyers may consider purchasing at \$660-670/t fob China, he added. Some trading firms failed to induce buying at sales prices of \$645/t cfr Vietnam.

Trading firms held offers unchanged at \$685-690/t cfr Vietnam for Chinese SAE1006-grade coil. A Japanese mill offered higher at \$730/t cfr Vietnam for SAE-grade coil. Vietnamese buyers were unwilling to bid and they were not in a hurry to place orders when local downstream steel demand remained weak, Vietnamese traders said. (Argus)

Turkish Scrap

Turkish deepsea imported scrap prices continued to rise sharply Feb. 23, as further EU and US-origin deals were booked. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$450/mt CFR Feb. 23, up \$10. A US-origin deal was booked on Feb. 23 by an Iskenderun mill, with HMS 1/2 (85:15) at \$455/mt CFR, shredded scrap at \$470/mt CFR, and PNS at \$473/mt CFR, and heard for shipment at the end of March or early April shipment. The Iskenderun mill is expected to resume crude steel production during the week starting Feb. 27. Currently, three mills in the Iskenderun region were heard to be producing, with a fifth long steel producer also expected to restart soon, market sources said.

A Benelux-origin deal was also booked Feb. 23 by a Marmara mill, with HMS 1/2 (80:20) at \$440/mt CFR, and bonus scrap at \$462/mt CFR. Both deals were confirmed. One Turkish mill source cited an indicative tradable value for US/Baltic-origin HMS 1/2 (80:20) at \$450/mt CFR. "The Iskenderun mills [that are currently producing] are still working one shift, as many of their staff can't work and have to be with family [in the Feb. 6 earthquake aftermath]," the mill source said. "But production should be normal in one month's time or later and this means scrap prices will be going up for the next two to three weeks as most mills need end March or first week of April shipment, but I don't think there will be big daily increases." The mill source estimated that domestic scrap supply would increase in about six to eight weeks, generated from the demolished buildings in the earthquake-hit Southeast Turkey region, which may stabilize prices. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	450	10.00	427.21
Steel Rebar FOB Turkey (\$/mt)	715	0.00	702.50
Argus HRC NW Europe (€/mt)	796.25	0.25	777.60
Argus FOB China HRC (\$/mt)	644.00	0.00	638.35
US HRC CRU	852.00	43.00	803.25
No.1 BUS	470.00	20.00	450.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Feb-23	430	436	433
Mar-23	470	480	475
Apr-23	470	480	475
Q2-23	473	483	478
Q3-23	469	479	474
Q4-23	466	476	471

US HRC USD/short ton			
	Bid	Ask	Value
Mar-23	1015	1025	1020
Apr-23	1070	1080	1075
May-23	1055	1065	1060
Q2-23	1060	1070	1065
Q3-23	921	931	926
Q4-23	886	896	891

LME REBAR FOB TK			
	Bid	Ask	Value
Feb-23	702	712	707
Mar-23	770	780	775
Apr-23	775	785	780
Q2-23	775	785	780
Q3-23	778	788	783
Q4-23	774	784	779

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Feb-23	784	794	789
Mar-23	855	865	860
Apr-23	875	885	880
Q2-23	875	885	880
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	673	683	678
Apr-23	680	690	685
Q2-23	670	680	675
Q3-23	673	683	678
Q4-23	674	684	679

BUSHELING			
	Bid	Ask	Value
Mar-23	533	543	538
Apr-23	552	562	557
May-23	547	557	552
Q2-23	550	560	555
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	-52	-10	-10	-11	44	Eased
	MAR 23	MAY 23	-42	-11	-10	-20	44	Eased
	MAR 23	JUN 23	-10	9	-10	-30	44	Eased
	APR 23	MAY 23	10	-1	0	-9	0	Tightened
	MAR 23	JUN 23	-10	9	-10	-30	44	Eased
	MAY 23	JUN 23	32	20	0	-10	0	Tightened
EU HRC	MAR 23	APR 23	-67	-34	-15	-25	5	Eased
	MAR 23	MAY 23	-92	-39	-10	-45	75	Eased
	MAR 23	JUN 23	-92	-26	-15	-50	75	Eased
	APR 23	MAY 23	-25	-5	5	-20	70	Eased
	MAR 23	JUN 23	-92	-26	-15	-50	75	Eased
	MAY 23	JUN 23	0	13	-5	-5	0	Eased
Mill Margin	MAR 23	MAR 23	455	395	320	322	374	Tightened
	APR 23	APR 23	487	390	325	333	330	Tightened
	MAY 23	MAY 23	472	406	325	342	330	Tightened
	JUN 23	JUN 23	440	386	325	352	330	Tightened
Atlantic Spread (US-EU)	MAR 23	MAR 23	145	80	5	37	44	Tightened
	APR 23	APR 23	172	85	20	28	70	Tightened
	MAY 23	MAY 23	162	99	15	32	70	Tightened
	MAY 23	MAY 23	162	99	15	32	70	Tightened
	JUN 23	JUN 23	130	82	15	27	70	Tightened

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	1000	545	783	433	645	709	Current
	895	500	781	425	644	708	T-1W
	785	465	765	414	640	675	T-1M
	732	410	670	362	567	638	T-3M
	905	465	835	375	623	634	T-6M
	914	540	875	472	761	706	T-12M
	800	460	725	407	655	690	YTD

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