

28/02/2023

## EU HRC

European hot-rolled coil (HRC) prices firmed further yesterday, but there are continued concerns over real demand levels. Argus' daily northwest EU HRC index rose by €3.25/t to €800.25/t, the first time it has surpassed €800/t since 25 July 2022. The daily Italian HRC index nudged up by €1/t to €785.50/t. German buyers reported placing orders for coils and sheet at €810-820/t for May-June rolling. There was still talk of the potential for European mills to sell into the US, given the huge price disparity, but an executive with one large producer said demand stateside was weak.

Nevertheless, service centres said the market appeared to be tight, although this was more to do with the delivery performance of local mills than demand. Service centre executives said demand remained quiet, with end-buyers having purchased what they need earlier in the year and not requiring to replenish at present. They also bemoaned the aggressive sheet prices of mill-owned distributors. Turkey's decision to postpone its increase in import duties was welcomed by some, who said it would prevent higher import offers to Europe. But the postponement only lasts until the start of April. Currency movements have made imports into Europe slightly more expensive. Trading firms were talking about €770/t fca Antwerp to end buyers, while some offers were heard to be closer to €760/t.(Argus)

## FOB China HRC

The index fell by \$4/t yesterday (27.2.23) to US\$640/t, MTD US\$638.74/t. A north China mill cut its offer by \$5/t to \$675/t fob China for SS400 HRC after Chinese domestic sales prices fell and China's currency the yuan depreciated. Another mill in east China cut its offer by \$15/t to \$650/t fob China. Other major Chinese mills would wait until 28 February to announce new weekly offers. Some traders were offering at \$650-660/t cfr Vietnam. A north China mill's domestic sales prices were at an equivalent of around \$635/t fob China, allowing those traders to offer much lower than other sellers, market participants said. But Vietnamese buyers could only consider placing orders at \$620-625/t cfr Vietnam. Buyers in other countries were silent. Offers were unchanged at and above \$685/t cfr Vietnam for SAE1006 grade coil from China and \$730/t cfr Vietnam for coil from Japan. Vietnamese buyers' indications were lower at \$660-665/t cfr Vietnam. (Argus)

## Turkish Scrap

Turkish imported deepsea scrap prices edged up Feb. 27 as market sources expected the robust demand for scrap from Turkish mills to continue. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$452.50/mt CFR Feb. 27, up \$2.50/mt from Feb. 24. The demand for scrap was driven by strong orders for rebar received by mills recently in the domestic market. This pushed local rebar prices to \$750/mt ex-works and higher, with offers reaching \$780/mt ex-works. The last reported scrap bookings in the week to Feb. 24 saw the prices of HMS 1/2 (80:20) reaching \$450/mt CFR Turkey. Market players generally agreed this was not the peak yet. "I am afraid it is going higher [than \$450/mt CFR]," a Turkish mill source said.

Another mill source also believed that the workable price levels were already above \$450/mt CFR. Some offers for premium HMS 1/2 (80:20) were already at much higher levels. An agent said that the offers he heard were at maximum \$465/mt CFR Turkey. A Turkish market watcher said one US cargo was offered at \$475/mt CFR for prompt shipment, adding that buyers were resistant. Another agent said that HMS 1/2 (80:20) may reach \$500/mt CFR in March if the steel prices, not only for rebar but for all products, go up further. A third agent agreed that scrap suppliers kept on pushing for hikes, while Turkish mills were still expected to need scrap to satisfy the demand for rebar. "Almost 1.1 million mt of steel have been sold post the earthquake. Mills will have to buy scrap now," a trader based in Istanbul said. (Platts)

# Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	452.5	2.50	429.74
Steel Rebar FOB Turkey (\$/mt)	740	25.00	705.13
Argus HRC NW Europe (€/mt)	800.25	3.25	779.82
Argus FOB China HRC (\$/mt)	640.00	-4.00	638.74
US HRC CRU	852.00	43.00	803.25
No.1 BUS	470.00	20.00	470.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Feb-23	430	436	433
Mar-23	463	473	468
Apr-23	470	480	475
Q2-23	470	480	475
Q3-23	459	469	464
Q4-23	455	465	460

US HRC USD/short ton			
	Bid	Ask	Value
Mar-23	1030	1040	1035
Apr-23	1170	1180	1175
May-23	1140	1150	1145
Q2-23	1135	1145	1140
Q3-23	997	1007	1002
Q4-23	920	930	925

LME REBAR FOB TK			
	Bid	Ask	Value
Feb-23	699	709	704
Mar-23	765	775	770
Apr-23	780	790	785
Q2-23	780	790	785
Q3-23	779	789	784
Q4-23	774	784	779

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Feb-23	760	770	765
Mar-23	830	840	835
Apr-23	880	890	885
Q2-23	855	865	860
Q3-23	837	847	842
Q4-23	814	824	819

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Feb-23	631	641	636
Mar-23	655	665	660
Apr-23	665	675	670
Q2-23	660	670	665
Q3-23	658	668	663
Q4-23	657	667	662

BUSHELING			
	Bid	Ask	Value
Mar-23	545	555	550
Apr-23	580	590	585
May-23	580	590	585
Q2-23	575	585	580
Q3-23	495	505	500
Q4-23	487	497	492

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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	-144	-17	5	-15	50	Eased
	MAR 23	MAY 23	-110	5	10	-15	50	Eased
	MAR 23	JUN 23	-50	27	10	-17	50	Eased
	APR 23	MAY 23	34	22	5	0	0	Tightened
	MAR 23	JUN 23	-50	27	10	-17	50	Eased
	MAY 23	JUN 23	60	22	0	-2	0	Tightened
EU HRC	MAR 23	APR 23	-85	-62	-1	-15	5	Eased
	MAR 23	MAY 23	-100	-63	-1	-25	75	Eased
	MAR 23	JUN 23	-120	-62	-1	-45	75	Eased
	APR 23	MAY 23	-15	-1	0	-10	70	Eased
	MAR 23	JUN 23	-120	-62	-1	-45	75	Eased
	MAY 23	JUN 23	-20	1	0	-20	0	Eased
Mill Margin	MAR 23	MAR 23	495	422	340	305	400	Tightened
	APR 23	APR 23	624	419	330	320	350	Tightened
	MAY 23	MAY 23	555	397	325	310	350	Tightened
	JUN 23	JUN 23	520	380	325	312	350	Tightened
Atlantic Spread (US-EU)	MAR 23	MAR 23	180	92	20	25	130	Tightened
	APR 23	APR 23	309	108	15	30	150	Tightened
	MAY 23	MAY 23	255	87	10	10	150	Tightened
	MAY 23	MAY 23	255	87	10	10	150	Tightened
	JUN 23	JUN 23	215	85	10	12	150	Tightened

## Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	1044	540	779	434	637	706	Current
	937	515	783	425	641	700	T-1W
	805	465	784	428	646	701	T-1M
	730	425	690	377	566	649	T-3M
	845	495	830	375	633	635	T-6M
	1000	600	875	513	769	748	T-12M
	800	460	725	407	655	690	YTD

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