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EU HRC

European hot-rolled coil (HRC) prices rose further yesterday, but liquidity was low with service centres struggling to pass off higher costs to end-users. Argus' daily Italian HRC index rose by €5/t to €790.50/t, while the daily northwest EU HRC index nudged up by €2.25/t to €802.50/t. The cif Italy HRC assessment ticked up €10/t to €755/t, while the Italian and northwest Europe coldrolled markers both rose to €890/t. Strong Turkish import appetite was bolstering suppliers' expectations yesterday. There was talk of higher-grade Egyptian material booked at \$800/t cfr for prompt shipment, while some said Russian sales had also occurred at similar prices.

If traders and overseas mills can repeatably secure such levels in Turkey where demand is strong, it could absorb tonnes from the quieter European market. Indian offers were heard into Europe yesterday about €760-770/t cfr. EU demand for imports is sluggish, with sheet prices not justifying any further increments in HRC prices at present. Competition in the sheet market soured the mood somewhat among service centres and distributors. Italian sheet prices were about €810/t, according to one trader. Appetite for domestic material has also quietened after the restocking in recent weeks, with service centres awaiting their cues from real demand levels. Mills are signalling to service centres that automotive demand has increased, further tightening their order books for May-June. At the same time, service centres and cold-rollers say they cannot feel the effects of this firmer demand yet. (Argus)

FOB China HRC

The index was flat yesterday (28.2.23) at US\$640/t, MTD US\$638.80/t. Major Chinese mills held offers unchanged at \$660-675/t fob China for SS400 HRC although domestic sales prices decreased. Most seaborne buyers were silent as they were reluctant to negotiate prices after the Chinese domestic market softened, market participants said. Some buyers in Africa bid at \$655/t fob China for thinner coil with thickness at and below 2.0mm. A deal for Chinese SS400 HRC was concluded at \$635/t cfr Vietnam on Monday, but no further details could be confirmed. Another deal for a small of Q195-grade coil was done at \$630/t cfr Vietnam on Monday. Those deals should be for positional coil held by trading firms in hand as no mills were willing to receive orders at those levels at present, market participants in China and Vietnam said. Sellers held offers unchanged at and above \$685/t cfr Vietnam for SAE1006-grade coil from China, inducing no buying interest as end users have enough cargoes for normal operation, Vietnamese participants said. (Argus)

Turkish Scrap

Turkish imported deepsea ferrous scrap prices were flat on Feb. 28 as buyers took a breather from placing new orders in an attempt to decelerate the recent price increases, sources told S&P Global Commodity Insights. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$452.50/mt CFR Feb. 28, unchanged from Feb. 27. Since Feb. 16, the HMS 1/2 (80:20) prices have recovered \$39.50/mt, according to Platts data. The daily HMS 1/2 (80:20) assessment averaged at \$430.90/mt in February. After a round of deals and a steep price upturn in the second half of February, the market appeared much quieter in the final two days of the month.

"Turks stopped pushing the gas pedal, but I expect they are just trying to avoid [paying] \$500/mt CFR," a scrap supplier said. "Looks like market is a bit slump," a Turkish mill source said. The demand for imported scrap may also be tempered by the anticipated higher availability of scrap in the domestic market, sourced from the buildings destroyed in the earthquake. An agent source believed that some steelmakers were trying to consolidate the increase achieved in the domestic rebar price and see whether the market would continue to pay higher price levels. Perhaps some mills were also out of the scrap market to evaluate the impact of the 21%-26% cut in gas prices for industrial users announced by the Turkish state gas distributor Botas on Feb. 28. This is expected to have a positive effect on Turkish mills' margins and ease pressure on scrap. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	452.5	0.00	430.88
Steel Rebar FOB Turkey (\$/mt)	740	0.00	706.88
Argus HRC NW Europe (€/mt)	802.5	2.25	780.95
Argus FOB China HRC (\$/mt)	640.00	0.00	638.80
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
Mar-23	470	480	475
Apr-23	469	479	474
May-23	462	472	467
Q2-23	464	474	469
Q3-23	461	471	466
Q4-23	462	472	467

US HRC USD/short ton			
	Bid	Ask	Value
Apr-23	1038	1048	1043
May-23	1205	1215	1210
Jun-23	1176	1186	1181
Q2-23	1173	1183	1178
Q3-23	1027	1037	1032
Q4-23	955	965	960

LME REBAR FOB TK			
	Bid	Ask	Value
Mar-23	701	711	706
Apr-23	760	770	765
May-23	782	792	787
Q2-23	663	673	668
Q3-23	778	788	666
Q4-23	775	785	663

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Mar-23	#VALUE!	#VALUE!	#N/A N/A
Apr-23	915	925	920
May-23	852	862	857
Q2-23	875	885	880
Q3-23	859	869	864
Q4-23	822	832	827

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Mar-23	650	660	655
Apr-23	650	660	655
May-23	671	681	676
Q2-23	663	673	668
Q3-23	661	671	666
Q4-23	658	668	663

BUSHELING			
	Bid	Ask	Value
Mar-23	545	555	550
Apr-23	598	608	603
May-23	598	608	603
Q2-23	596	606	601
Q3-23	548	558	553
Q4-23	519	529	524

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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	-147	-33	3	-15	50	Eased
	MAR 23	MAY 23	-114	-24	15	-20	50	Eased
	MAR 23	JUN 23	-102	-4	15	-22	50	Eased
	APR 23	MAY 23	33	9	12	-5	0	Tightened
	MAR 23	JUN 23	-102	-4	15	-22	50	Eased
	MAY 23	JUN 23	12	20	0	-2	0	Eased
EU HRC	MAR 23	APR 23	-55	-20	3	-15	70	Eased
	MAR 23	MAY 23	-55	-5	-1	-15	70	Eased
	MAR 23	JUN 23	-35	10	-10	-15	70	Eased
	APR 23	MAY 23	0	15	-4	0	0	Eased
	MAR 23	JUN 23	-35	10	-10	-15	70	Eased
	MAY 23	JUN 23	20	15	-9	0	0	Tightened
Mill Margin	MAR 23	MAR 23	513	442	330	310	440	Tightened
	APR 23	APR 23	610	440	322	325	390	Tightened
	MAY 23	MAY 23	572	421	320	320	390	Tightened
	JUN 23	JUN 23	565	406	320	322	390	Tightened
Atlantic Spread (US-EU)	MAR 23	MAR 23	218	117	35	20	180	Tightened
	APR 23	APR 23	310	130	35	20	200	Tightened
	MAY 23	MAY 23	277	136	19	25	200	Tightened
	MAY 23	MAY 23	277	136	19	25	200	Tightened
	JUN 23	JUN 23	285	131	10	27	200	Tightened

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	1054	540	845	470	655	764	Current
	962	520	845	465	670	766	T-1W
	805	475	770	433	644	700	T-1M
	735	425	715	376	573	659	T-3M
	830	490	860	371	633	638	T-6M
	1050	610	870	535	794	766	T-12M
	800	460	737	410	655	690	YTD

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