

06/03/2023

FOB CHINA HRC

The index rose by \$5/t last Friday (3.3.23) to US\$645/t, MTD US\$641.67/t. HRC steel mills were in profits of Yn100-150/t after continuous price gains, an eastern China trader said. Some buyers hesitated to book more cargoes after a round of restocking in the past two weeks, while steel mills and trading firms were still positive about trends in the near future.

Trading firms lifted offers by around \$5/t to \$658/t cfr Vietnam for Chinese SS400 HRC. Those trading companies expected Chinese domestic and export prices to rise this week as the country is expected to announce stimulus policies during Two Sessions. Major Chinese mills held offers unchanged at \$660-675/t fob China for SS400 HRC. Seaborne buyers were cool to trading firms' price rises. (Argus)

TURKISH SCRAP

Turkish deepsea imported scrap prices remained stable on March 3, as domestic mills pulled back and sellers continued to hold their offers firm.

Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$452.50/mt CFR March 3, unchanged on the day.

"There are now lots of scrap offers in the market, so I think prices will fall ... there isn't enough demand for scrap right now," one Turkish mill source said, citing a workable level for premium HMS 1/2 (80:20) below \$450/mt CFR. "The Turkish market is quiet because domestic [steel] demand is over, and it seems like the Turkish government will put pressure on prices ... construction business has also stopped with permits canceled and new rules set to come in, so this could take one-two months."

However, other Turkish mill sources noted that recyclers were holding firm.

"Mills are waiting and trying to pressure scrap prices down, but [they] have to take scrap and don't have much time to wait while US scrap prices are being supported by high [domestic] steel prices in the US ... so nobody wants to sell at lower prices for now," a second mill source said, adding that suppliers were seeking above \$450-\$455/mt CFR for US/Baltic-origin HMS 1/2 (80:20). "Baltic and European recyclers will follow the US."

Market activity was largely quiet ahead of a second meeting between the Turkish government and the steel producers, scheduled for March 7, regarding pricing and supply of approximately 5 million mt of steel, including 3 million mt of rebar, in the regions affected by the Feb. 6 earthquakes for reconstruction projects.

An EU recycler cited an indicative seller target for premium HMS 1/2 (80:20) around \$470-\$480/mt CFR, basis a conversion cost of max \$300/mt and recent domestic Turkish rebar prices around \$770-\$780/mt EXW.

"The remainder is all speculation and mood," the recycler added, citing HMS collection prices in the Benelux region at Eur375/mt delivered to the docks. Other suppliers cited HMS dock prices around Eur365-380/mt delivered over the week ended March 3. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	452.5	0.00	452.50
Steel Rebar FOB Turkey (\$/mt)	740	0.00	740.00
Argus HRC NW Europe (€/mt)	812.5	2.50	810.83
Argus FOB China HRC (\$/mt)	645.00	5.00	641.67

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Mar-23	450	460	455
Apr-23	450	460	455
May-23	450	460	455
Q2-23	449	459	454
Q3-23	446	456	451
Q4-23	447	457	452

US HRC USD/short ton			
	Bid	Ask	Value
Mar-23	1050	1060	1055
Apr-23	1243	1253	1248
May-23	1218	1228	1223
Q2-23	1210	1220	1215
Q3-23	1033	1043	1038
Q4-23	923	933	928

LME REBAR FOB TK			
	Bid	Ask	Value
Mar-23	739	749	744
Apr-23	751	761	756
May-23	752	762	757
Q2-23	661	671	666
Q3-23	758	768	665
Q4-23	760	770	662

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Mar-23	838	848	843
Apr-23	865	875	870
May-23	870	880	875
Q2-23	864	874	869
Q3-23	835	845	840
Q4-23	814	824	819

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Mar-23	655	665	660
Apr-23	661	671	666
May-23	665	675	670
Q2-23	661	671	666
Q3-23	660	670	665
Q4-23	657	667	662

BUSHELING			
	Bid	Ask	Value
Mar-23	535	545	540
Apr-23	585	595	590
May-23	585	595	590
Q2-23	585	595	590
Q3-23	535	545	540
Q4-23	525	535	530

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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	-185	-91	15	-8	0	Eased
	MAR 23	MAY 23	-156	-68	29	-17	0	Eased
	MAR 23	JUN 23	-120	-44	44	-19	0	Eased
	APR 23	MAY 23	29	23	14	-9	0	Tightened
	MAR 23	JUN 23	-120	-44	44	-19	0	Eased
	MAY 23	JUN 23	36	24	15	-2	0	Tightened
EU HRC	MAR 23	APR 23	-15	-44	-1	-10	70	Tightened
	MAR 23	MAY 23	-15	-41	-3	0	70	Tightened
	MAR 23	JUN 23	-20	-46	-5	-15	70	Tightened
	APR 23	MAY 23	0	3	-2	10	0	Eased
	MAR 23	JUN 23	-20	-46	-5	-15	70	Tightened
	MAY 23	JUN 23	-5	-5	-2	-15	0	Unchanged
Mill Margin	MAR 23	MAR 23	486	504	355	318	550	Eased
	APR 23	APR 23	660	570	340	326	550	Tightened
	MAY 23	MAY 23	611	512	326	325	550	Tightened
	JUN 23	JUN 23	605	513	311	327	550	Tightened
Atlantic Spread (US-EU)	MAR 23	MAR 23	205	204	70	3	290	Tightened
	APR 23	APR 23	375	251	54	1	360	Tightened
	MAY 23	MAY 23	346	231	38	20	360	Tightened
	MAY 23	MAY 23	346	231	38	20	360	Tightened
	JUN 23	JUN 23	305	202	21	7	360	Tightened

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	1050	569	842	456	660	742	Current
	1044	540	840	460	650	757	T-1W
	825	470	755	415	634	710	T-1M
	743	425	740	378	579	668	T-3M
	840	460	856	356	642	655	T-6M
	1160	610	870	535	794	766	T-12M
	800	460	737	410	655	690	YTD

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