

# FIS Steel and Scrap Report

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## Turkish Scrap

Turkish deepsea imported scrap prices inched up on March 6 after an Iskenderun mill was heard to have booked two deepsea cargoes. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$456/mt CFR March 6, up \$3.50/mt on the day. A reported UK-origin deal was heard by multiple sources to have been booked March 3 by an Iskenderun mill, with HMS 1/2 (80:20) at \$455/mt CFR, and bonus/shred at \$475/mt CFR. The same mill was also heard to have booked another deepsea cargo, with HMS 1/2 (80:20) at \$450/mt CFR, and shredded/bonus scrap at \$470/mt CFR, but the origin was not disclosed. The same mill was also heard to have booked a France-origin shortsea cargo totaling 10,000 mt on March 6, with HMS 1/2 (80:20) at \$448/mt CFR, and bonus at \$468/mt CFR.

“We will see more activity as people know domestic demand will come — other mills will come [into the scrap market] this week and next week,” one Turkish mill source said, citing an indicative tradable value for US-origin HMS 1/2 (80:20) above \$455/mt CFR, with UK/Baltic-origin HMS 1/2 (80:20) at \$450- \$455/mt CFR. A second mill source cited an indicative tradable value for premium HMS 1/2 (80:20) at \$450-\$455/mt CFR and above. “Mills are still not willing to buy as I see,” one Turkish agent source said, a sentiment shared by other sell-side sources, ahead of a second meeting between the Turkish government and the steel producers scheduled for March 7. The meeting will be 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. One Turkish agent source cited an indicative offer for Baltic origin HMS 1/2 (80:20) at \$457-\$458/mt CFR, adding that “unless the US pulls a surprise, we shall hear more [activity] at \$455-\$460/mt CFR.” A second Turkish agent source cited an indicative tradable value for US-origin HMS 1/2 (80:20) closer to \$460/mt CFR. Market participants were awaiting the settlement of US domestic scrap market for March contracts. (Platts)

## FOB China HRC

The index rose by \$4/t yesterday (6.3.23) to US\$649/t, MTD US\$643.50/t. China’s gross domestic product (GDP) growth rate in 2023 was set at 5pc, according to the government work report delivered by Chinese premier Li Keqiang on 5 March. The target was lower than the market's expectation of a 5.5pc growth target this year. The country's GDP grew by 3pc year on year. No fresh stimulus policies for the real estate industry were disclosed in the work report, as the focus remained on defusing financial risks for top real estate companies and on facilitating access to housing for first-buyers.

A large Chinese mill lifted its offer by \$5/t to \$680/t fob China for SS400 HRC. Another mill in east China pushed up its offer by \$10/t to \$675/t fob China. A third mill in north China also raised its offer by \$10/t to \$685/t fob China. Other major Chinese mills preferred to wait until 7 March to announce new weekly offers. Trading firms with positional cargoes in hand were willing to receive orders at \$645/t cfr Vietnam for SS400 HRC produced by smaller mills in north China. But no deals were concluded as seaborne buyers were cautious after Chinese domestic sales prices fell. Trading firms offered Chinese SAE1006-grade coil at and above \$690/t cfr Vietnam and were reluctant to take orders below \$685/t cfr Vietnam, citing rising offers from Chinese mills. Mills from other countries, including Japan and South Korea, did not offer in Vietnam, leaving Vietnamese buyers with the option of only Chinese coil, market participants in Vietnam said. (Argus)

# Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	456	3.50	453.38
Steel Rebar FOB Turkey (\$/mt)	740	0.00	740.00
Argus HRC NW Europe (€/mt)	819.25	6.75	812.94
Argus FOB China HRC (\$/mt)	649.00	4.00	643.50
US HRC CRU	908.00	56.00	908.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Mar-23	453	463	458
Apr-23	461	471	466
May-23	458	468	463
Q2-23	459	469	464
Q3-23	457	467	462
Q4-23	455	465	460

US HRC USD/short ton			
	Bid	Ask	Value
Mar-23	1055	1065	1060
Apr-23	1272	1282	1277
May-23	1224	1234	1229
Q2-23	1223	1233	1228
Q3-23	1032	1042	1037
Q4-23	912	922	917

LME REBAR FOB TK			
	Bid	Ask	Value
Mar-23	748	758	753
Apr-23	761	771	766
May-23	762	772	767
Q2-23	664	674	669
Q3-23	766	776	667
Q4-23	769	779	665

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Mar-23	838	848	843
Apr-23	865	875	870
May-23	850	860	855
Q2-23	857	867	862
Q3-23	831	841	836
Q4-23	814	824	819

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Mar-23	655	665	660
Apr-23	663	673	668
May-23	665	675	670
Q2-23	664	674	669
Q3-23	662	672	667
Q4-23	660	670	665

BUSHELING			
	Bid	Ask	Value
Mar-23	535	545	540
Apr-23	589	599	594
May-23	580	590	585
Q2-23	581	591	586
Q3-23	545	555	550
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	-212	-163	9	-3	0	Eased
	MAR 23	MAY 23	-174	-144	27	-5	0	Eased
	MAR 23	JUN 23	-122	-120	35	-10	0	Eased
	APR 23	MAY 23	38	19	18	-2	0	Tightened
	MAR 23	JUN 23	-122	-120	35	-10	0	Eased
	MAY 23	JUN 23	52	24	8	-5	0	Tightened
EU HRC	MAR 23	APR 23	-12	-55	0	-10	70	Tightened
	MAR 23	MAY 23	-12	-56	0	0	70	Tightened
	MAR 23	JUN 23	-17	-61	-2	-15	70	Tightened
	APR 23	MAY 23	0	-1	0	10	0	Tightened
	MAR 23	JUN 23	-17	-61	-2	-15	70	Tightened
	MAY 23	JUN 23	-5	-5	-2	-15	0	Unchanged
Mill Margin	MAR 23	MAR 23	489	514	352	319	575	Eased
	APR 23	APR 23	690	617	343	322	575	Tightened
	MAY 23	MAY 23	632	593	335	324	575	Tightened
	JUN 23	JUN 23	575	574	327	329	575	Tightened
Atlantic Spread (US-EU)	MAR 23	MAR 23	205	209	62	5	315	Eased
	APR 23	APR 23	405	317	53	-2	385	Tightened
	MAY 23	MAY 23	367	297	35	10	385	Tightened
	MAY 23	MAY 23	367	297	35	10	385	Tightened
	JUN 23	JUN 23	310	268	25	0	385	Tightened

## Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME \$CRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	1058	569	853	456	660	747	Current
	1054	540	845	467	655	764	T-1W
	842	490	780	418	623	711	T-1M
	745	426	740	360	578	670	T-3M
	845	470	870	358	642	660	T-6M
	1185	610	870	535	836	766	T-12M
	800	460	737	410	655	690	YTD

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