

# FIS Steel and Scrap Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

**08/03/2023**

## Turkish Scrap

Turkish deepsea imported scrap prices remained firm on March 7 after several deals were heard booked in a relatively tight price range. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$456.75/mt CFR March 7, up 75 cents on the day. A US-origin deal was booked by a Marmara mill March 6, with HMS 1/2 (90:10) at \$462/mt CFR and shredded scrap at \$477.50/mt CFR. A Benelux-origin deal totaling 40,000 mt was booked by the same Marmara mill March 6, with 24,000 mt HMS 1/2 (80:20), 8,000 mt shredded scrap and 8,000 mt bonus scrap at \$460/mt CFR cargo average. The HMS 1/2 (80:20) portion was calculated at \$452/mt CFR. A Baltic-origin deal was booked by the same Marmara mill March 6, with HMS 1/2 (80:20) at \$456/mt CFR shredded and bonus scrap at \$476/mt CFR.

A further Baltic-origin deal was also booked March 6 by an Izmir mill, with HMS 1/2 (80:20) at \$457/mt CFR, but the trade was heard after the 4:30 pm UK time pricing deadline on March 7. A 30,000 mt US-origin cargo was also reported to have been booked March 6 at \$456/mt CFR Marmara for HMS 1/2 (80:20) after the pricing deadline, but it was not confirmed. "Turkish mills' [scrap] inventories are not ready for new finished steel demand — and this demand won't come in March, but it will come in the second half of May or June for the reconstruction projects [in Southeastern Turkey], so the current scrap cargoes being booked will be converted into rebar in time for this demand," one Turkey-based trading source said. The trading source talked the price range for the week at \$455-460/mt, but said some scrap suppliers may pull back and see reactions from mills. One Turkey-based mill source expected the next deal level for US/Baltic-origin HMS 1/2 (80:20) around \$460/mt CFR. (Platts)

## FOB China HRC

The index rose by \$5/t yesterday (7.3.23) to US\$654/t, MTD US\$645.60/t. China's steel exports during January-February rose by 49pc from a year earlier to 12.19mn t, according to China's general administration of customs. The higher-than-expected steel export volume in January and February lifted domestic sentiment as they alleviated sales pressure on Chinese mills. China's auto vehicle production and sales, especially the sales of new energy vehicles were expected to post a rise in February, participants said.

Major Chinese mills lifted or kept offers flat at \$670-695/t fob China for SS400 HRC given firm domestic sales prices and expectations of firm demand in May. Some smaller Chinese mills or trading firms were still willing to receive orders at an equivalent of around \$635/t fob China, to liquidate coil stocks on hand. A north China-based mill sold around 15,000t SS400 HRC at \$670-675/t fob China to Turkey and South Korea last week, but buyers were reluctant to place orders at those levels this week amid uncertainties, the mill said. Deals for SS400 HRC produced by large Chinese mills were done at around \$666/t fob China last week, but no further details could be confirmed. Sellers lifted offers to \$700-710/t cfr Vietnam for Chinese SAE1006-grade coil, inducing no buying interest. Vietnamese end-users were reluctant to accept prices above \$670/t cfr Vietnam. But there were no lower-priced cargoes in the market, with no offers from mills from Japan, South Korea and Taiwan absent. (Argus)

# Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	456.75	0.75	454.05
Steel Rebar FOB Turkey (\$/mt)	740	0.00	740.00
Argus HRC NW Europe (€/mt)	817	-2.25	813.75
Argus FOB China HRC (\$/mt)	654.00	5.00	645.60
US HRC CRU	908.00	56.00	908.00
No.1 BUS	470.00	50.00	520.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Mar-23	455	465	460
Apr-23	453	463	458
May-23	453	463	458
Q2-23	453	463	458
Q3-23	452	462	457
Q4-23	450	460	455

US HRC USD/short ton			
	Bid	Ask	Value
Mar-23	1048	1058	1053
Apr-23	1239	1249	1244
May-23	1226	1236	1231
Q2-23	1210	1220	1215
Q3-23	1034	1044	1039
Q4-23	929	939	934

LME REBAR FOB TK			
	Bid	Ask	Value
Mar-23	747	757	752
Apr-23	753	763	758
May-23	759	769	764
Q2-23	678	688	683
Q3-23	760	770	682
Q4-23	765	775	679

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Mar-23	843	853	848
Apr-23	854	864	859
May-23	862	872	867
Q2-23	856	866	861
Q3-23	838	848	843
Q4-23	814	824	819

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Mar-23	658	668	663
Apr-23	678	688	683
May-23	679	689	684
Q2-23	678	688	683
Q3-23	677	687	682
Q4-23	674	684	679

BUSHELING			
	Bid	Ask	Value
Mar-23	535	545	540
Apr-23	588	598	593
May-23	580	590	585
Q2-23	581	591	586
Q3-23	545	555	550
Q4-23	519	529	524

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at [freightinvestorservices.com](http://freightinvestorservices.com)

## 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	-165	13	-3	0	Eased
	MAR 23	MAY 23	-181	-147	25	-5	0	Eased
	MAR 23	JUN 23	-123	-111	42	-10	0	Eased
	APR 23	MAY 23	4	18	12	-2	0	Eased
	MAR 23	JUN 23	-123	-111	42	-10	0	Eased
	MAY 23	JUN 23	58	36	17	-5	0	Tightened
EU HRC	MAR 23	APR 23	-32	-32	5	-10	70	Unchanged
	MAR 23	MAY 23	-22	-25	5	-10	70	Tightened
	MAR 23	JUN 23	-27	-25	3	-25	70	Eased
	APR 23	MAY 23	10	7	0	0	0	Tightened
	MAR 23	JUN 23	-27	-25	3	-25	70	Eased
	MAY 23	JUN 23	-5	0	-2	-15	0	Eased
Mill Margin	MAR 23	MAR 23	477	488	360	331	575	Eased
	APR 23	APR 23	641	598	347	334	575	Tightened
	MAY 23	MAY 23	627	580	345	336	575	Tightened
	JUN 23	JUN 23	564	554	328	341	575	Tightened
Atlantic Spread (US-EU)	MAR 23	MAR 23	203	183	75	42	315	Tightened
	APR 23	APR 23	356	316	67	35	385	Tightened
	MAY 23	MAY 23	362	305	55	37	385	Tightened
	MAY 23	MAY 23	362	305	55	37	385	Tightened
	JUN 23	JUN 23	299	269	36	27	385	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	847	455	663	749	Current
	1028	540	845	468	647	759	T-1W
	850	490	775	427	630	715	T-1M
	757	426	715	383	585	667	T-3M
	870	470	875	360	648	663	T-6M
	1185	610	870	604	842	836	T-12M
	800	460	737	410	655	690	YTD

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at [freightinvestorservices.com](http://freightinvestorservices.com)