

14/03/2023

FOB China HRC

The index rose by \$2/t yesterday (13.3.23) to US\$660/t, MTD US\$650.89/t. China will introduce new policies to expand demand, advance reforms and prevent risks to enable the country's 5pc economic growth target this year, China's newly-elected premier Li Qiang said on 13 March. The Chinese economy is stabilizing and picking up, Li added. He was endorsed as premier by China's legislature over the weekend and made the comments at his first press conference on 13 March.

A major north China mill lifted its SS400 HRC export offers by \$10/t from last week to \$690/t fob and offers from another north China mill rose by \$5/t to \$650/t fob. The mainstream offer levels from mills were at \$680-690/t fob this week with limited room for negotiations. Sellers raised offers by \$10/t to \$720-730/t cfr Vietnam for Chinese SAE1006-grade coil, as China's domestic prices moved up further. Only limited cargoes were offered lower at \$710/t cfr Vietnam by traders. Buyers from Vietnam were silent and awaited prices from local supplier Formosa Ha Tinh. Participants expected Formosa to lift its HRC prices to \$720-730/t from the previous of \$694-699/t. (Argus)

Turkish Scrap

Turkish deepsea imported scrap prices rose on March 13, after a higher-priced Canada-origin sale was heard. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$463/mt CFR March 13, up \$5.75/mt on the day. The assessment has moved between \$450-\$463/mt CFR since Feb. 23, having risen sharply from \$413/mt on Feb. 16. A Canada-origin deal was booked March 13 by a Samsun mill, with HMS 1/2 (95:5) at \$475/mt CFR Turkey. Multiple market participants normalized the deal to \$463/mt CFR for premium HMS 1/2 (80:20), although some sources had indicated \$465/mt CFR. The same Canadian supplier also booked a cargo March 10 to an Iskenderun mill, with HMS 1/2 (95:5) at \$472/mt CFR Turkey. "I wasn't expecting this honestly as I was hearing some US suppliers ready to sell at \$460/mt CFR [for HMS 1/2 (80:20)] but perhaps the seller thinks this is the top of the market?," one Turkish agent said.

"I'm not seeing a lot of buyers in the market," a second agent source said. One Turkish mill source cited an indicative tradable value for US/Baltic-origin HMS 1/2 (80:20) at \$460/mt CFR Turkey, while a second Turkish mill source cited a buyer tradable value for premium HMS 1/2 (80:20) at \$456-\$458/mt CFR Turkey. An EU recycler cited an indicative seller tradable value for Benelux-origin HMS 1/2 (80:20) at close to \$460/mt CFR Turkey. Platts assessed Turkish export rebar at \$735/mt FOB Turkey March 13, down \$5/mt on the day. The daily outright spread between Turkish export rebar and import scrap fell \$10.25/mt on the day to \$272/mt March 13. The forward curve on Turkey scrap futures on the London Metal Exchange shifted into a soft backwardation as futures traders expected slight softening in the physical market in the near term. Platts assessed the March contract at \$460/mt March 13, up 50 cents/mt on the day, while the April contract was unchanged on the day to \$455/mt. The May contract fell \$7.50/mt on the day to \$449.50/mt. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	463	5.25	456.72
Steel Rebar FOB Turkey (\$/mt)	735	-5.00	739.44
Argus HRC NW Europe (€/mt)	830.75	6.50	818.11
Argus FOB China HRC (\$/mt)	660.00	2.00	650.89
US HRC CRU	1017.00	109.00	962.50
No.1 BUS	520.00	50.00	520.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Mar-23	455	465	460
Apr-23	445	455	450
May-23	445	455	450
Q2-23	445	455	450
Q3-23	445	455	450
Q4-23	440	450	445

US HRC USD/short ton			
	Bid	Ask	Value
Mar-23	1055	1065	1060
Apr-23	1260	1270	1265
May-23	1245	1255	1250
Q2-23	1225	1235	1230
Q3-23	1020	1030	1025
Q4-23	935	945	940

LME REBAR FOB TK			
	Bid	Ask	Value
Mar-23	740	750	745
Apr-23	745	755	750
May-23	750	760	755
Q2-23	745	755	750
Q3-23	755	765	760
Q4-23	760	770	765

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Mar-23	840	850	845
Apr-23	880	890	885
May-23	880	890	885
Q2-23	890	900	895
Q3-23	875	885	880
Q4-23	810	820	815

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Mar-23	660	670	665
Apr-23	695	705	700
May-23	695	705	700
Q2-23	695	705	700
Q3-23	690	700	695
Q4-23	685	695	690

BUSHELING			
	Bid	Ask	Value
Apr-23	590	600	595
May-23	565	575	570
Jun-23	575	585	580
Q2-23	575	585	580
Q3-23	580	590	585
Q4-23	535	545	540

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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	-207	-178	8	-10	130	Eased
	MAR 23	MAY 23	-195	-162	21	-11	130	Eased
	MAR 23	JUN 23	-129	-100	33	-9	130	Eased
	APR 23	MAY 23	12	16	13	-1	0	Eased
	MAR 23	JUN 23	-129	-100	33	-9	130	Eased
	MAY 23	JUN 23	66	62	12	2	0	Tightened
EU HRC	MAR 23	APR 23	-55	-33	0	-10	70	Eased
	MAR 23	MAY 23	-45	-33	5	-10	70	Eased
	MAR 23	JUN 23	-35	-23	8	-25	70	Eased
	APR 23	MAY 23	10	0	5	0	0	Tightened
	MAR 23	JUN 23	-35	-23	8	-25	70	Eased
	MAY 23	JUN 23	10	10	3	-15	0	Unchanged
Mill Margin	APR 23	APR 23	652	629	387	365	690	Tightened
	MAY 23	MAY 23	640	612	374	366	690	Tightened
	JUN 23	JUN 23	584	560	362	364	690	Tightened
	JUL 23	JUL 23	514	473	355	369	365	Tightened
Atlantic Spread (US-EU)	APR 23	APR 23	372	348	77	55	500	Tightened
	MAY 23	MAY 23	370	332	69	56	500	Tightened
	MAY 23	MAY 23	370	332	69	56	500	Tightened
	JUN 23	JUN 23	314	280	60	39	500	Tightened
	JUL 23	JUL 23	206	183	55	34	-45	Tightened

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME \$CRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	1055	590	835	456	671	747	Current
	1050	599	847	455	663	749	T-1W
	885	490	800	424	650	717	T-1M
	785	430	730	377	592	660	T-3M
	850	475	850	365	635	647	T-6M
	1430	610	870	544	791	802	T-12M
	800	475	737	410	655	690	YTD

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