

**15/03/2023**

## FOB China HRC

The index rose by \$1/t yesterday (14.3.23) to US\$661/t, MTD US\$651.90/t. Major mills' steel production fell by 3.08pc from 21-28 February to 2.15mn t/d during 1-10 March, according to China Iron & Steel Association. Some mills cut output to reduce pollutions for periods around the National People's Congress that began on 5 March. Major Chinese mills lifted offers to \$675-690/t fob China for SS400 HRC, given firm domestic sales prices.

Some trading firms were willing to receive orders at an equivalent of around \$650-660/t fob China for positional coil, but buyers in Vietnam could not accept levels above an equivalent of \$645/t fob China. Customers in other regions including Turkey and Middle East could accept higher levels, but no deals or bids were received so far this week, a Chinese mill manager said. Offers were unchanged at and above \$710/t cfr Vietnam for Chinese SAE1006-grade coil, but the room for negotiation shrank, with sellers reluctant to take orders below \$680-692/t cfr Vietnam for positional cargoes considering rising official offers from Chinese mills. Vietnamese buyers were silent on bids, preferring to wait for local mill Formosa Ha Tinh's new monthly offers. (Argus)

## Turkish Scrap

Turkish deepsea imported scrap prices were unchanged March 14, as US recyclers held firm in their target levels. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$463/mt CFR March 14, unchanged on the day. Following two high-priced Canada-origin deals booked March 10 and March 13, deepsea suppliers were heard to hold firm in their target prices, contrary to mill expectations during the week ended March 10, after relatively lower deals from Benelux suppliers. "Most mills want to choose the best quality, so this is creating some limitations in terms of offers and loading terms," one Turkish mill source said. "This week will be busy as other mills will come into the market to buy for April shipment." The Turkish mill source cited an indicative seller tradable value for US/Baltic-origin HMS 1/2 (80:20) at \$465/mt CFR Turkey, adding that he was seeking premium origin material below \$460/mt CFR Turkey, but was unable to find such levels. A second Turkish mill source cited an indicative tradable value for US/Baltic-origin HMS 1/2 (80:20) at \$460-\$465/mt CFR Turkey, with EU-origin HMS 1/2 (80:20) at \$450-\$455/mt CFR Turkey.

The US domestic market dynamic is different— their finished steel prices are very high—so you have to pay more for scrap from there," a Turkish trading source said, citing an indicative tradable value for US/Baltic-origin HMS 1/2 (80:20) at \$463-\$465/mt CFR Turkey. "The spread between US and EU prices has rarely been so wide so EU sellers need to adjust their prices upwards." US ferrous scrap prices rose for the fourth consecutive month in March amid rising flat steel prices. Platts assessed the daily TSI US hot-rolled coil index at \$1,150/st on an exworks Indiana basis March 13, up \$330/st from one month earlier. US Midwest shredded scrap prices for March delivered was assessed at \$510/lt on a delivered basis March, up from \$450/lt delivered in February, while Midwest heavy melting scrap prices for March delivery rose \$30 on the month to \$410/lt. Near-term pricing sentiment on Turkish deepsea import prices was split among some Baltic suppliers. "The buyers could not find enough suppliers that want to sell especially high-quality scrap," one Turkish agent source said. "Suppliers will prefer to wait some more days, or they will ask not less than \$465/mt CFR [for Baltic-origin HMS 1/2 (80:20)]." (Platts)

# Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	463	0.00	457.35
Steel Rebar FOB Turkey (\$/mt)	735	0.00	739.00
Argus HRC NW Europe (€/mt)	827.5	-3.25	819.05
Argus FOB China HRC (\$/mt)	661.00	1.00	651.90
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	1060	1070	1065
Apr-23	1260	1270	1265
May-23	1245	1255	1250
Q2-23	1225	1235	1230
Q3-23	1030	1040	1035
Q4-23	930	940	935

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

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Mar-23	835	845	840
Apr-23	880	890	885
May-23	880	890	885
Q2-23	875	885	880
Q3-23	875	885	880
Q4-23	795	805	800

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Mar-23	660	670	665
Apr-23	690	700	695
May-23	695	705	700
Q2-23	695	705	700
Q3-23	685	695	690
Q4-23	675	685	680

BUSHELING			
	Bid	Ask	Value
Apr-23	590	600	595
May-23	575	585	580
Jun-23	570	580	575
Q2-23	580	590	585
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	-198	-191	-2	-15	130	Eased
	MAR 23	MAY 23	-179	-168	13	-15	130	Eased
	MAR 23	JUN 23	-123	-114	24	-15	130	Eased
	APR 23	MAY 23	19	23	15	0	0	Eased
	MAR 23	JUN 23	-123	-114	24	-15	130	Eased
	MAY 23	JUN 23	56	54	11	0	0	Tightened
EU HRC	MAR 23	APR 23	-55	-35	0	-10	70	Eased
	MAR 23	MAY 23	-45	-42	10	-5	70	Eased
	MAR 23	JUN 23	-35	-32	13	-5	70	Eased
	APR 23	MAY 23	10	-7	10	5	0	Tightened
	MAR 23	JUN 23	-35	-32	13	-5	70	Eased
	MAY 23	JUN 23	10	10	3	0	0	Unchanged
Mill Margin	APR 23	APR 23	650	651	413	365	690	Eased
	MAY 23	MAY 23	631	633	403	365	690	Eased
	JUN 23	JUN 23	585	589	392	365	690	Eased
	JUL 23	JUL 23	511	507	377	365	365	Tightened
Atlantic Spread (US-EU)	APR 23	APR 23	370	376	98	45	500	Eased
	MAY 23	MAY 23	361	346	93	50	500	Tightened
	MAY 23	MAY 23	361	346	93	50	500	Tightened
	JUN 23	JUN 23	315	302	85	50	500	Tightened
	JUL 23	JUL 23	226	204	72	40	-45	Tightened

## Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	1075	590	835	460	664	743	Current
	1065	605	845	460	670	744	T-1W
	906	495	810	429	650	724	T-1M
	800	450	760	383	600	665	T-3M
	830	475	830	369	637	652	T-6M
	1430	610	870	571	797	836	T-12M
	800	475	737	410	655	690	YTD

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