

16/03/2023

## FOB China HRC

The index was flat yesterday (15.3.23) at US\$661/t, MTD US\$652.73/t. China's steel production rose by 5.6pc in the first two months this year from a year earlier, National Bureau of Statistics data shows. Participants feared that the rising production may stop further price increases or limit gains. The rise in production also stoked talks that the central government would roll out production cut targets again this year, but no official announcement was made. China did not roll out any mandated steel cuts last year.

Major Chinese mills held offers unchanged at \$675-690/t fob China for SS400 HRC although domestic sales prices fell. Chinese export prices remained competitive, participants said. But sea-borne buyers, especially in Vietnam, were silent on an uncertain outlook and weak regional downstream steel demand, they added. A north China mill sold a small quantity of SAE1006-grade coil at \$680/t fob China to Africa this week, but no further details were available. SAE-grade coil enjoys a premium of around \$20/t over SS400-grade coil at the moment, participants said. Vietnamese mill Formosa Ha Tinh lifted its monthly offers by around \$33/t to \$727-732/t cif Vietnam for SS400 and SAE grades coil, for April and May shipments. Those offers were in line with the market levels, but were still much higher than local buyers' acceptable levels, Vietnamese participants said. Trading firms were willing to receive orders at \$690/t cfr Vietnam for positional Chinese SAE-grade coil. (Argus)

## Turkish Scrap

Turkish deepsea imported scrap prices inched down March 15, as a fresh Baltic sale was heard. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$460/mt CFR March 15, down \$3 on the day. The assessment has fluctuated between \$456-\$463/mt CFR since March 6, having increased sharply from \$413/mt CFR on Feb. 16. A Baltic-origin deal was booked March 14 by a Marmara mill, with HMS 1/2 (80:20) at \$460/mt CFR Turkey and shredded/bonus scrap at \$480/mt CFR, for second-half April shipment. North America-based suppliers remained bullish, however. An offer for Canada-origin shredded scrap was heard March 15 at \$490/mt CFR Turkey, while an offer for US-origin HMS 1/2 (80:20) was heard at \$470/mt CFR Turkey and an offer for EU-origin HMS 1/2 (80:20) was heard at \$456/mt CFR Turkey.

"The demand situation in Europe isn't as strong as that in the US, which is causing this divergence," one Baltic-based recycler said. "The demand is not so strong in Turkey — there aren't so many mills bidding in Turkey, but I would not be surprised if prices continue to go up." One mill source considered \$460-\$465/mt CFR as tradable for US-origin HMS 1/2 (80:20), with mills trying to resist higher, while a second Turkey-based mill source cited an indicative tradable value for Baltic-origin HMS 1/2 (80:20) at \$460/mt CFR Turkey, suggesting US material would be around \$470/mt CFR Turkey. An EU-based trader cited an indicative tradable value for EU-origin HMS 1/2 (80:20) at \$455/mt CFR Turkey minimum, with sellers at \$455-\$460/mt CFR Turkey. "Offers hiked in the wake of a skyrocketing US market, as well as the presence of alternative markets such as Morocco, Egypt and Greece, while the Turks are still stocking on a hand-to-mouth basis — the longer they stay out, the higher may be the price," the EU-based trader said. (Platts)

# Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	460	-3.00	457.59
Steel Rebar FOB Turkey (\$/mt)	735	0.00	738.64
Argus HRC NW Europe (€/mt)	828.5	1.00	819.91
Argus FOB China HRC (\$/mt)	661.00	0.00	652.73
US HRC CRU	1090.00	73.00	1005.00
No.1 BUS	520.00	50.00	520.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Mar-23	450	460	455
Apr-23	440	450	445
May-23	440	450	445
Q2-23	440	450	445
Q3-23	430	440	435
Q4-23	435	445	440

US HRC USD/short ton			
	Bid	Ask	Value
Mar-23	1065	1075	1070
Apr-23	1245	1255	1250
May-23	1235	1245	1240
Q2-23	1210	1220	1215
Q3-23	1015	1025	1020
Q4-23	885	895	890

LME REBAR FOB TK			
	Bid	Ask	Value
Mar-23	730	740	735
Apr-23	725	735	730
May-23	740	750	745
Q2-23	735	745	740
Q3-23	745	755	750
Q4-23	760	770	765

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Mar-23	825	835	830
Apr-23	845	855	850
May-23	875	885	880
Q2-23	865	875	870
Q3-23	875	885	880
Q4-23	795	805	810

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Mar-23	655	665	660
Apr-23	685	695	690
May-23	705	715	710
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	600	610	605
Jun-23	570	580	575
Q2-23	585	595	590
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	-193	-250	-11	-10	110	Tightened
	MAR 23	MAY 23	-169	-215	4	-10	110	Tightened
	MAR 23	JUN 23	-102	-160	15	-10	110	Tightened
	APR 23	MAY 23	24	35	15	0	0	Eased
	MAR 23	JUN 23	-102	-160	15	-10	110	Tightened
	MAY 23	JUN 23	67	55	11	0	0	Tightened
EU HRC	MAR 23	APR 23	-33	-44	0	-20	70	Tightened
	MAR 23	MAY 23	-33	-51	10	-20	70	Tightened
	MAR 23	JUN 23	-28	-41	13	-20	70	Tightened
	APR 23	MAY 23	0	-7	10	0	0	Tightened
	MAR 23	JUN 23	-28	-41	13	-20	70	Tightened
	MAY 23	JUN 23	5	10	3	0	0	Eased
Mill Margin	APR 23	APR 23	645	700	396	370	690	Eased
	MAY 23	MAY 23	621	665	396	370	690	Eased
	JUN 23	JUN 23	564	620	385	370	690	Eased
Atlantic Spread (US-EU)	APR 23	APR 23	390	421	91	55	500	Eased
	MAY 23	MAY 23	366	379	86	55	500	Eased
	MAY 23	MAY 23	366	379	86	55	500	Eased
	JUN 23	JUN 23	304	334	78	55	500	Eased
	JUL 23	JUL 23	198	232	54	45	-45	Eased

## Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	1062	590	832	457	657	731	Current
	1060	610	845	463	675	749	T-1W
	905	520	825	432	660	737	T-1M
	805	445	740	378	602	654	T-3M
	825	470	820	369	636	653	T-6M
	1410	610	870	571	797	836	T-12M
	800	475	737	410	655	690	YTD

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