

20/03/2023

FOB China HRC

The index was flat last Friday (17.3.23) at US\$654/t, MTD US\$652.92/t. China's central bank announced late in the afternoon that it will lower the reserve requirement ratio for financial institutions by 0.25 points to 7.6pc from 27 March. The move is expected to boost liquidity. Handan city in north China's Hebei province rolled out pollution warnings from 17 March and local steel mills are required to cut sintering output by 50pc as a result. That also boosted market sentiment as potential steel output cuts in other cities were expected to curb pollution, some participants said.

Chinese mills and trading firms held offers unchanged at an equivalent of \$640-690/t fob China for SS400 HRC on firm domestic sales prices. But seaborne buyers were reluctant to give bids or place orders as they were uncertain about the sustainability of Chinese price rises. Regional demand remained weak. Sellers kept offers unchanged at \$705-715/t cfr Vietnam, with some willing to take orders at \$690/t cfr Vietnam for positional Chinese SAE1006-grade coil. But no buying interest was received, several Vietnamese participants said. The potential contagion effect of the Silicon Valley Bank (SVB) collapse and the plunge in Credit Suisse shares continued to stoke uncertainty about the financial markets. (Argus)

Turkish Scrap

Turkish deepsea import scrap prices were largely stable March 17 as Turkish mills continued to hold back from purchasing. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$459.50/mt CFR March 17, down 50 cents on the day. "No one is in a hurry to sell material and buyers have been purchasing so are not currently in a purchasing mood — the market is largely in balance," a Turkey-based mill source said. The mill source added that US/Baltic-origin HMS 1/2 (80:20) was workable at \$455-\$460/mt CFR Turkey if buyers pressure sellers, with EU-origin HMS 1/2 (80:20) workable at \$450-\$455/mt CFR Turkey. A second mill source cited indicative buyer tradable values for US-origin HMS 1/2 (80:20) at \$455/mt CFR Turkey and for Baltic-origin HMS 1/2 (80:20) at \$445-\$450/mt CFR Turkey. "I don't think mills will pay more than \$455/mt CFR for US/ Baltic scrap in today's market, which is part of the reason why the market has stalled," a Turkey-based agent source said.

A second agent said that US-origin HMS 1/2 (80:20) was not yet possible below \$460/mt CFR Turkey. Sellers remained largely bullish, however, with a Baltic-based recycler holding workable levels at \$460/mt CFR Turkey minimum. "Sellers are not in a rush now and the main reason is the slow scrap inflow, so I don't see much potential for a decrease," the Baltic-based recycler said. "Maybe next week, we can see some activity and the potential to see May shipment cargoes starting to be booked." EU suppliers were indicating workable levels around \$450- \$455/mt CFR Turkey for Benelux-origin HMS 1/2 (80:20), slightly lower compared to earlier in the week as Turkish mills sought to pull down workable levels. HMS collection prices in the Benelux region were heard at Eur370-Eur385/mt delivered to the docks, down from Eur380- Eur385/mt delivered heard on March 15-16. On the US East Coast, HMS collection prices were heard as high as \$380/lt, while in the UK, HMS dock prices remained around GBP300-GBP310/mt delivered. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	459.5	-0.50	457.92
Steel Rebar FOB Turkey (\$/mt)	730	-5.00	737.69
Argus HRC NW Europe (€/mt)	838.25	9.75	821.96
Argus FOB China HRC (\$/mt)	654.00	0.00	652.92
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	430	440	435
May-23	430	440	435
Q2-23	430	440	435
Q3-23	430	440	435
Q4-23	435	445	440

US HRC USD/short ton			
	Bid	Ask	Value
Mar-23	1060	1070	1065
Apr-23	1205	1215	1210
May-23	1185	1195	1190
Q2-23	1165	1175	1170
Q3-23	980	990	985
Q4-23	850	860	855

LME REBAR FOB TK			
	Bid	Ask	Value
Mar-23	725	735	730
Apr-23	710	720	715
May-23	715	725	720
Q2-23	715	725	720
Q3-23	720	730	725
Q4-23	740	750	745

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Mar-23	820	830	825
Apr-23	840	850	845
May-23	840	850	845
Q2-23	835	845	840
Q3-23	820	830	825
Q4-23	785	795	790

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Mar-23	665	675	670
Apr-23	665	675	670
May-23	670	680	675
Q2-23	670	680	675
Q3-23	670	680	675
Q4-23	655	665	660

BUSHELING			
	Bid	Ask	Value
Apr-23	585	595	590
May-23	585	595	590
Jun-23	575	585	580
Q2-23	580	590	585
Q3-23	560	570	565
Q4-23	520	530	525

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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	-154	-190	-10	1	110	Tightened
	MAR 23	MAY 23	-163	-185	-11	-8	110	Tightened
	MAR 23	JUN 23	-44	-121	9	-10	110	Tightened
	APR 23	MAY 23	-9	5	-1	-9	0	Eased
	MAR 23	JUN 23	-44	-121	9	-10	110	Tightened
	MAY 23	JUN 23	119	64	20	-2	0	Tightened
EU HRC	MAR 23	APR 23	-25	-45	-5	-5	70	Tightened
	MAR 23	MAY 23	-25	-45	8	-5	70	Tightened
	MAR 23	JUN 23	-15	-35	11	-5	70	Tightened
	APR 23	MAY 23	0	0	13	0	0	Unchanged
	MAR 23	JUN 23	-15	-35	11	-5	70	Tightened
	MAY 23	JUN 23	10	10	3	0	0	Unchanged
Mill Margin	APR 23	APR 23	600	655	390	374	690	Eased
	MAY 23	MAY 23	609	650	406	383	690	Eased
	JUN 23	JUN 23	500	596	386	385	690	Eased
	JUL 23	JUL 23	467	510	365	381	365	Eased
Atlantic Spread (US-EU)	APR 23	APR 23	365	365	85	69	500	Unchanged
	MAY 23	MAY 23	374	360	99	78	500	Tightened
	MAY 23	MAY 23	374	360	99	78	500	Tightened
	JUN 23	JUN 23	265	306	82	80	500	Eased
	JUL 23	JUL 23	207	206	58	66	-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	1056	590	826	455	654	730	Current
	1055	590	835	456	671	747	T-1W
	895	515	815	448	670	764	T-1M
	815	440	740	375	595	650	T-3M
	829	480	825	369	634	658	T-6M
	1410	610	870	571	831	855	T-12M
	800	475	737	410	655	690	YTD

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