

22/03/2023

FOB China HRC

The index fell by \$2/t yesterday (21.3.23) to US\$652/t, MTD US\$652.93/t. Talks about mandated steel output cuts persisted and some participants said Beijing was mulling a target of 2.5pc year on year decline in crude steel production. A 2.5pc year on year drop in steel output in China was unlikely to lend significant support to steel prices if the global steel demand turns out to be poor, international trading firms said. Concerns about the global financial markets weighed on sentiment, traders said, adding that buyers chose to gauge direction as a result instead of placing orders.

Some trading firms lowered sales prices by around \$10-15/t to an equivalent of \$625-630/t fob China for positional SS400 HRC given the decline in Chinese physical and paper markets. Seaborne buyers were silent, anticipating a further price fall. Other trading firms and major Chinese mills held offers unchanged at \$645-690/t fob China, but received no buying interest. Sellers cut offers to \$700-705/t cfr Vietnam from \$700-710/t cfr Vietnam for Chinese SAE1006-grade coil, with some willing to receive orders at \$690/t cfr Vietnam. Vietnamese buyers were not in a rush to take action given the price fall. Downstream steel product sales had also slowed, pushing coil importers to be more cautious, Vietnamese participants said. (Argus)

Turkish Scrap

Turkish deepsea imported scrap prices continued to edge downward March 21, as Benelux sellers reportedly dropped offers to below \$450/mt CFR but could not attract a deal, sources said. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$452.50/mt CFR March 21, down a further \$5/mt on day. "Many European sellers are willing to sell below \$450/mt CFR but there are just no bids — even \$450/mt CFR is not workable [for the mills] from any region," an agent source said. Instead, Turkish mills were heard to bid for EU-origin HMS 1/2 (80:20) at below \$440/mt CFR, while looking for between \$440- \$445/mt CFR for US/Baltic-origin material. "The mills in Turkey want to decrease prices and will push for as long as they can, if the exporters become weak, then the mills will succeed," an EU recycler said, "but the outcome of this contest is still unclear."

The EU recycler then cited a minimum workable value for EU-origin HMS 1/2 (80:20) at \$445/mt CFR. HMS collection prices were heard at approximately Eur370/mt delivered to the docks in the Benelux region, down from Eur370- 380/mt delivered in the week to March 17, as exporters looked to lower their buying prices in anticipation of lower CFR Turkey prices in the next round of sales. Meanwhile, seller targets from the US/Baltic regions remained firm on the day and were heard between \$455-\$460/mt CFR. "Bids from Turkish mills are currently \$10-\$15/mt lower than US/Baltic asking prices," a second agent source said, citing bids at \$440-\$445/mt CFR for US/Baltic-origin material. A third agent source described the market in these regions as "purely silent" as the bid-offer spread between the mills and the recyclers widened further. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	452.5	-5.00	457.53
Steel Rebar FOB Turkey (\$/mt)	720	-10.00	736.00
Argus HRC NW Europe (€/mt)	841.5	1.75	824.45
Argus FOB China HRC (\$/mt)	652.00	-2.00	652.93
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	445	455	450
Apr-23	435	445	440
May-23	435	445	440
Q2-23	435	445	440
Q3-23	435	445	440
Q4-23	435	445	440

US HRC USD/short ton			
	Bid	Ask	Value
Mar-23	1050	1060	1055
Apr-23	1225	1235	1230
May-23	1205	1215	1210
Q2-23	1180	1190	1185
Q3-23	975	985	980
Q4-23	855	865	860

LME REBAR FOB TK			
	Bid	Ask	Value
Mar-23	715	725	720
Apr-23	700	710	705
May-23	700	710	705
Q2-23	700	710	705
Q3-23	700	710	705
Q4-23	710	720	715

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Mar-23	825	835	830
Apr-23	815	825	820
May-23	825	835	830
Q2-23	820	830	825
Q3-23	805	815	810
Q4-23	770	780	775

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Mar-23	645	655	650
Apr-23	645	655	650
May-23	640	650	645
Q2-23	640	650	645
Q3-23	645	655	650
Q4-23	645	655	650

BUSHELING			
	Bid	Ask	Value
Apr-23	585	595	590
May-23	555	565	560
Jun-23	565	575	570
Q2-23	570	580	575
Q3-23	550	560	555
Q4-23	510	520	515

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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	-172	-193	-33	-5	110	Tightened
	MAR 23	MAY 23	-145	-177	-24	-5	110	Tightened
	MAR 23	JUN 23	-63	-100	-4	-5	110	Tightened
	APR 23	MAY 23	27	16	9	0	0	Tightened
	MAR 23	JUN 23	-63	-100	-4	-5	110	Tightened
	MAY 23	JUN 23	82	77	20	0	0	Tightened
EU HRC	MAR 23	APR 23	0	-37	-20	15	70	Tightened
	MAR 23	MAY 23	-10	-37	-5	15	70	Tightened
	MAR 23	JUN 23	-15	-28	10	2	70	Tightened
	APR 23	MAY 23	-10	0	15	0	0	Eased
	MAR 23	JUN 23	-15	-28	10	2	70	Tightened
	MAY 23	JUN 23	-5	9	15	-13	0	Eased
Mill Margin	APR 23	APR 23	632	665	440	360	690	Eased
	MAY 23	MAY 23	640	649	421	360	690	Eased
	JUN 23	JUN 23	548	582	406	350	690	Eased
	JUL 23	JUL 23	475	495	412	351	365	Eased
Atlantic Spread (US-EU)	APR 23	APR 23	407	386	130	70	500	Tightened
	MAY 23	MAY 23	370	370	136	70	500	Unchanged
	MAY 23	MAY 23	370	370	136	70	500	Unchanged
	JUN 23	JUN 23	283	302	131	57	500	Eased
	JUL 23	JUL 23	225	215	99	48	-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	452	652	725	Current
	1062	590	832	460	657	731	T-1W
	962	555	845	465	670	766	T-1M
	805	450	755	380	601	653	T-3M
	800	465	815	374	632	663	T-6M
	1410	610	870	587	831	867	T-12M
	800	475	737	410	655	690	YTD

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