

23/03/2023

## FOB China HRC

The index was flat yesterday (22.3.23) at US\$652/t, MTD US\$652.88/t. Local authorities in Tangshan city removed air pollution warnings that required mills to cut sintering output by 30-50pc. The market does not expect HRC output to increase in the remainder of this month as mills' profit margins had shrunk to zero after HRC prices fell by Yn160/t or 3.58pc since 14 March.

An east China mill cut its offer by \$5/t to \$675/t fob China for SS400 HRC, but failed to induce any buying interest given the large spread between offers and buyers' acceptable levels. Other major Chinese mills and trading firms held offers flat at \$645-685/t fob China and received no bids. Vietnamese buyers ignored trading firms' sales prices at \$640/t cfr Vietnam for positional Chinese SS400 HRC on poor local downstream steel products' demand, Vietnamese participants said. Offers were stable at \$700-705/t cfr Vietnam for Chinese SAE1006-grade coil. (Argus)

## Turkish Scrap

Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$450/mt CFR on March 22, down \$2.50 on the day. One Baltic-based recycler cited an indicative tradable value for Baltic-origin HMS 1/2 (80:20) at \$450/mt CFR Turkey, while another Baltic-based supplier was heard to offer HMS 1/2 (80:20) at \$454/mt CFR Turkey. A third Baltic-based recycler cited an indicative tradable value for Baltic-origin HMS 1/2 (80:20) at \$450-\$455/mt CFR Turkey, adding that lower seems difficult. A Turkey-based agent source cited a tradable value for Baltic-origin HMS 1/2 (80:20) at \$450/mt CFR Turkey, and for US-origin HMS 1/2 (80:20) at \$450-\$455/mt CFR Turkey. An EU-based supplier was unsure if Benelux-origin HMS 1/2 (80:20) was workable at \$445/mt CFR Turkey amid a weaker US dollar and increasing freight, while a UK-based recycler said \$445/mt CFR Turkey was tradable value for UK-origin HMS 1/2 (80:20).

A Turkey-based mill source cited an indicative tradable value for US/Baltic-origin HMS 1/2 (80:20) below \$450/mt CFR Turkey. A second agent also cited an indicative tradable value for US/Baltic-origin HMS 1/2 (80:20) below \$450/mt CFR Turkey. Meanwhile, a third agent source said \$444-\$445/mt CFR could be possible for EU-origin HMS 1/2 (80:20) from two to three suppliers, adding that US/Baltic-origin HMS 1/2 (80:20) could be workable in the \$450-\$460/mt CFR range, depending on the supplier. The third agent source added that US suppliers held indicative offers for US-origin HMS 1/2 (80:20) firm at \$460/mt CFR Turkey. A fourth agent source cited an indicative buyer target for EU-origin HMS 1/2 (80:20) at \$440/mt CFR Turkey and an indicative seller target for US-origin HMS 1/2 (80:20) at \$470/mt CFR Turkey. (Platts)

# Market Rates

| Indices                                     | Price   | Change | MTD     |
|---|---------|--------|---------|
| Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt) | 450     | -2.50  | 457.06  |
| Steel Rebar FOB Turkey (\$/mt)              | 710     | -10.00 | 734.38  |
| Argus HRC NW Europe (€/mt)                  | 842.5   | 1.00   | 825.58  |
| Argus FOB China HRC (\$/mt)                 | 652.00  | 0.00   | 652.88  |
| US HRC CRU                                  | 1129.00 | 39.00  | 1036.00 |
| 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               | 425 | 435 | 430   |
| May-23               | 425 | 435 | 430   |
| Q2-23                | 425 | 435 | 430   |
| Q3-23                | 430 | 440 | 435   |
| Q4-23                | 435 | 445 | 440   |

| US HRC USD/short ton |      |      |       |
|----------------------|------|------|-------|
|                      | Bid  | Ask  | Value |
| Mar-23               | 1055 | 1065 | 1060  |
| Apr-23               | 1185 | 1195 | 1190  |
| May-23               | 1160 | 1170 | 1165  |
| Q2-23                | 1140 | 1150 | 1145  |
| Q3-23                | 930  | 940  | 935   |
| Q4-23                | 820  | 830  | 825   |

| LME REBAR FOB TK |     |     |       |
|------------------|-----|-----|-------|
|                  | Bid | Ask | Value |
| Mar-23           | 715 | 725 | 720   |
| Apr-23           | 685 | 695 | 690   |
| May-23           | 690 | 700 | 695   |
| Q2-23            | 685 | 695 | 690   |
| Q3-23            | 690 | 700 | 695   |
| Q4-23            | 700 | 710 | 705   |

| NWE HRC EUR/metric ton |     |     |       |
|------------------------|-----|-----|-------|
|                        | Bid | Ask | Value |
| Mar-23                 | 830 | 840 | 835   |
| Apr-23                 | 815 | 825 | 820   |
| May-23                 | 835 | 845 | 840   |
| Q2-23                  | 825 | 835 | 830   |
| Q3-23                  | 840 | 850 | 845   |
| Q4-23                  | 775 | 785 | 780   |

| 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   |

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at [freightinvestorservices.com](http://freightinvestorservices.com)

## 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   | -120    | -163 | -66  | 0    | 75    | Tightened        |
|                         | MAR 23    | MAY 23   | -95     | -141 | -55  | 0    | 75    | Tightened        |
|                         | MAR 23    | JUN 23   | -22     | -53  | -27  | -3   | 75    | Tightened        |
|                         | APR 23    | MAY 23   | 25      | 22   | 11   | 0    | 0     | Tightened        |
|                         | MAR 23    | JUN 23   | -22     | -53  | -27  | -3   | 75    | Tightened        |
|                         | MAY 23    | JUN 23   | 73      | 88   | 28   | -3   | 0     | Eased            |
| EU HRC                  | MAR 23    | APR 23   | -15     | 0    | -45  | 15   | 70    | Eased            |
|                         | MAR 23    | MAY 23   | -10     | 1    | -45  | 15   | 70    | Eased            |
|                         | MAR 23    | JUN 23   | 0       | 8    | -30  | 2    | 70    | Eased            |
|                         | APR 23    | MAY 23   | 5       | 1    | 0    | 0    | 0     | Tightened        |
|                         | MAR 23    | JUN 23   | 0       | 8    | -30  | 2    | 70    | Eased            |
|                         | MAY 23    | JUN 23   | 10      | 7    | 15   | -13  | 0     | Tightened        |
| Mill Margin             | APR 23    | APR 23   | 585     | 629  | 487  | 350  | 725   | Eased            |
|                         | MAY 23    | MAY 23   | 595     | 607  | 471  | 350  | 725   | Eased            |
|                         | JUN 23    | JUN 23   | 512     | 529  | 443  | 343  | 725   | Eased            |
|                         | JUL 23    | JUL 23   | 404     | 489  | 444  | 342  | 365   | Eased            |
| Atlantic Spread (US-EU) | APR 23    | APR 23   | 345     | 399  | 152  | 60   | 535   | Eased            |
|                         | MAY 23    | MAY 23   | 325     | 378  | 141  | 60   | 535   | Eased            |
|                         | MAY 23    | MAY 23   | 325     | 378  | 141  | 60   | 535   | Eased            |
|                         | JUN 23    | JUN 23   | 262     | 297  | 128  | 50   | 535   | Eased            |
|                         | JUL 23    | JUL 23   | 154     | 247  | 124  | 39   | -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 | 1058   | 590    | 826        | 450          | 646         | 720          | Current   |
|       | 1056   | 590    | 820        | 459          | 659         | 735          | T-1W      |
|       | 986    | 565    | 855        | 480          | 678         | 775          | T-1M      |
|       | 800    | 450    | 755        | 384          | 608         | 662          | T-3M      |
|       | 780    | 450    | 805        | 365          | 624         | 660          | T-6M      |
|       | 1410   | 610    | 870        | 587          | 837         | 867          | T-12M     |
|       | 800    | 475    | 737        | 410          | 655         | 690          | YTD       |

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at [freightinvestorservices.com](http://freightinvestorservices.com)