

24/03/2023

FOB China HRC

The index fell by \$4/t yesterday (23.3.23) to US\$648/t, MTD US\$652.59/t. HRC inventory held by traders and mills decreased by 60,000t this week against last week's decline of over 170,000t. The inventory decline rate was below expectations, showing weaker demand in the past few days, an eastern China trader said.

Some sellers cut offers to an equivalent of \$640-645/t fob China for SS400 HRC given falling Chinese domestic sales prices. Those offers were much lower than major Chinese mills' offers at \$645-685/t fob China, but failed to induce any buying as seaborne buyers were cautious on placing orders amid the falling trend. Only limited Vietnamese buyers bid at \$620-625/t cfr Vietnam. Vietnamese buyers lowered bids to \$650/t cfr Vietnam from \$670/t cfr Vietnam days before for SAE1006-grade coil, as local sales prices were at around \$670-675/t, Vietnamese participants said. But the lowest levels sellers could accept were at \$690-695/t cfr Vietnam for Chinese SAE1006-grade coil and Japanese offers were higher at \$740/t cfr Vietnam. (Argus)

Turkish Scrap

Turkish deepsea import scrap prices remained stable March 23 as a weakened dollar strengthened the resistance of European sellers against lower mill targets. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$450/mt CFR on March 23, unchanged on day, as Turkish mills continued to refrain from purchasing on the first day of the Islamic holy month of Ramadan, which will end April 21. US sellers continued to hold offers firm amid a strong US domestic market and reported alternative demand from Mexico. Baltic and Benelux recyclers, who had softened offers and workable levels towards Turkish mill's buyer targets, seemed to reconsider their reduced offers as the US dollar continued to weaken against the Euro following the US federal reserve's latest interest rate hike of 25 basis points to a range of 4.75% to 5% announced March 22. "With the deteriorating dollar, I cannot consider anything below \$450/mt CFR." an EU recycler said.

Platts assessed the euro at \$1.0892 at 16.30 London time March 23, up from \$1.0620 a week earlier, reducing downside pressure on the US dollar-denominated CFR Turkey assessment. "Nothing is happening, we will just have to wait and see until buyers show appetite again. But with the exchange rate where it is, I do not expect Europe to be very aggressive with exports," a second EU recycler said, citing that they would prefer to wait before offering to Turkey. "Scrap is still on the high side and most mills want to wait for \$5-10/mt lower but some do have to go into the market soon to buy May shipment cargoes, so we could see some deals that keep prices stable," a Turkish mill source said, citing an indicative buyer workable value for premium HMS 1/2 (80:20) at \$450/mt CFR Turkey, before citing their own buyer target for US/Baltic origin HMS 1/2 (80:20) at \$440-\$445/mt CFR Turkey. However, market participants also noted the continued decline in Black Sea billet export prices could make billet imports a more attractive alternative to scrap imports for Turkish mills at current market levels. (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	450	0.00	456.65
Steel Rebar FOB Turkey (\$/mt)	710	0.00	732.94
Argus HRC NW Europe (€/mt)	840.75	-1.75	826.47
Argus FOB China HRC (\$/mt)	648.00	-4.00	652.59
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	430	440	435
May-23	425	435	430
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	1055	1065	1060
Apr-23	1195	1205	1200
May-23	1150	1160	1155
Q2-23	1130	1140	1135
Q3-23	930	940	935
Q4-23	815	825	820

LME REBAR FOB TK			
	Bid	Ask	Value
Mar-23	715	725	720
Apr-23	670	680	675
May-23	675	685	680
Q2-23	675	685	680
Q3-23	680	690	685
Q4-23	690	700	695

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Mar-23	820	830	825
Apr-23	805	815	810
May-23	795	805	800
Q2-23	795	805	800
Q3-23	770	780	775
Q4-23	745	755	750

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	525	535	530
Jun-23	535	545	540
Q2-23	550	560	555
Q3-23	495	505	500
Q4-23	460	470	465

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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	-145	-182	-63	0	45	Tightened
	MAR 23	MAY 23	-92	-162	-50	0	45	Tightened
	MAR 23	JUN 23	10	-82	-15	-3	45	Tightened
	APR 23	MAY 23	53	20	13	0	0	Tightened
	MAR 23	JUN 23	10	-82	-15	-3	45	Tightened
	MAY 23	JUN 23	102	80	35	-3	0	Tightened
EU HRC	MAR 23	APR 23	10	-19	-45	15	70	Tightened
	MAR 23	MAY 23	7	-19	-40	15	70	Tightened
	MAR 23	JUN 23	25	-9	-40	2	70	Tightened
	APR 23	MAY 23	-3	0	5	0	0	Eased
	MAR 23	JUN 23	25	-9	-40	2	70	Tightened
	MAY 23	JUN 23	18	10	0	-13	0	Tightened
Mill Margin	APR 23	APR 23	610	648	518	350	725	Eased
	MAY 23	MAY 23	592	628	500	350	725	Eased
	JUN 23	JUN 23	480	558	465	343	725	Eased
	JUL 23	JUL 23	402	490	465	342	365	Eased
Atlantic Spread (US-EU)	APR 23	APR 23	395	393	188	60	535	Tightened
	MAY 23	MAY 23	339	373	180	60	535	Eased
	MAY 23	MAY 23	339	373	180	60	535	Eased
	JUN 23	JUN 23	255	303	145	50	535	Eased
	JUL 23	JUL 23	152	230	140	39	-45	Eased

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME \$CRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	1056	590	826	454	652	720	Current
	1056	590	826	460	660	730	T-1W
	1020	565	850	465	670	760	T-1M
	800	450	755	384	608	662	T-3M
	780	450	805	365	624	660	T-6M
	1380	610	870	591	838	887	T-12M
	800	475	737	410	655	690	YTD

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