

28/03/2023

FOB China HRC

The index fell by \$1/t on Monday (27.3.23) to US\$646/t, MTD US\$651.95/t. A large Chinese mill cut its offer by \$10/t to \$680/t fob China for SS400 HRC on scant buying. Another mill in east China also cut its offer by \$10/t to \$665/t fob China. But all those offers were far above seaborne buyers' acceptable levels as trading firms were willing to receive orders at \$635-640/t fob China for SS400 HRC produced by a north China mill. Downstream steel demand was weak in regions including South Korea and Vietnam. Some trading firms cut offers to \$680-685/t cfr Vietnam for Chinese SAE1006-grade coil, inducing no bids as Vietnamese buyers' acceptable levels were below \$660/t cfr Vietnam. Market sentiment was cautious in Vietnam with some trading firms betting prices would fall further. (Argus)

Turkish Scrap

Turkish deepsea import ferrous scrap prices fell further on March 27, as two US-origin scrap bookings marked an end to the 10-day mill pullback from the deepsea market. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$443.75/mt CFR March 27, down \$6 on the day, after the first reported deals heard since a Baltic-origin sale at \$460/mt CFR done on March 14. A US-origin deal totaling 40,000 mt was booked late on March 24 by a Marmara mill for April shipment. The cargo was comprised of 25,000 mt HMS 1/2 (80:20) at \$444/mt CFR, 12,000 mt shred at \$464/mt CFR and 3,000 mt bonus scrap at \$464/mt CFR. The deal was confirmed by the sellside. Multiple sources heard another US-origin deal that was also booked on March 24 by the same Marmara mill for first-half May shipment.

The cargo consisted of 30,000 mt of HMS 1/2 (85:15) at \$446/mt CFR and 15,000 mt shred at \$461/mt CFR. One agent source said the second US-origin cargo was normalized to \$443.50/mt CFR for HMS 1/2 (80:20), while a second agent source normalized the cargo to a range of \$441-\$443/mt CFR. Some market sources said the US-origin \$446/mt CFR deal was for HMS 1/2 (80:20), but this was not confirmed. Various buy-side sources and US sellers cited indicative tradable values for US/Baltic-origin HMS 1/2 (80:20) ranging between \$435-\$445/mt CFR Turkey following the deals reported on March 24. Indicative near-term tradable values were also heard below \$440/mt CFR on the day. "Turkey is still working on clearing debris [in the earthquakehit Southeastern region] — they aren't in a restocking mood yet," a US-based recycler said late on March 24. "The market is trying to pump up prices in Turkey, but it isn't working — US sellers are trying to show tonnage going into Mexico, but it was just one cargo, and the price was low — [Turkish] buyers are talking now about the \$440/mt CFR level coming up." (Platts)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	443.75	-6.00	455.61
Steel Rebar FOB Turkey (\$/mt)	710	0.00	730.53
Argus HRC NW Europe (€/mt)	840.5	1.25	827.88
Argus FOB China HRC (\$/mt)	646.00	-1.00	651.95
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	455	465	460
Apr-23	440	450	445
May-23	440	450	445
Q2-23	440	450	445
Q3-23	440	450	445
Q4-23	440	450	445

US HRC USD/short ton			
	Bid	Ask	Value
Mar-23	1055	1065	1060
Apr-23	1190	1200	1195
May-23	1150	1160	1155
Q2-23	1125	1135	1130
Q3-23	920	930	925
Q4-23	835	845	840

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	695	705	700

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Mar-23	825	835	830
Apr-23	825	835	830
May-23	815	825	820
Q2-23	810	820	815
Q3-23	785	795	790
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	525	535	530
Jun-23	535	545	540
Q2-23	550	560	555
Q3-23	480	490	485
Q4-23	455	465	460

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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	-133	-173	-163	-6	45	Tightened
	MAR 23	MAY 23	-85	-157	-144	-10	45	Tightened
	MAR 23	JUN 23	1	-66	-120	-16	45	Tightened
	APR 23	MAY 23	48	16	19	-4	0	Tightened
	MAR 23	JUN 23	1	-66	-120	-16	45	Tightened
	MAY 23	JUN 23	86	91	24	-6	0	Eased
EU HRC	MAR 23	APR 23	-10	-13	-55	5	70	Tightened
	MAR 23	MAY 23	0	-4	-56	5	70	Tightened
	MAR 23	JUN 23	25	6	-61	-8	70	Tightened
	APR 23	MAY 23	10	9	-1	0	0	Tightened
	MAR 23	JUN 23	25	6	-61	-8	70	Tightened
	MAY 23	JUN 23	25	10	-5	-13	0	Tightened
Mill Margin	APR 23	APR 23	598	639	617	326	715	Eased
	MAY 23	MAY 23	585	653	593	330	715	Eased
	JUN 23	JUN 23	489	552	574	341	715	Eased
	JUL 23	JUL 23	380	494	555	349	365	Eased
Atlantic Spread (US-EU)	APR 23	APR 23	363	390	317	51	525	Eased
	MAY 23	MAY 23	325	383	297	55	525	Eased
	MAY 23	MAY 23	325	383	297	55	525	Eased
	JUN 23	JUN 23	264	302	268	48	525	Eased
	JUL 23	JUL 23	145	234	215	46	-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	1060	590	828	456	651	725	Current
	1056	590	826	452	652	725	T-1W
	1054	600	845	467	655	764	T-1M
	790	470	750	385	609	673	T-3M
	810	425	817	364	609	663	T-6M
	1370	610	870	578	824	868	T-12M
	800	475	737	410	655	690	YTD

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