

FIS Steel and Scrap Report

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China HRC

The index rose by \$5/t yesterday (5.6.23) to US\$536/t, MTD US\$533.50/t. Some steel mills in Tangshan city said they were asked by local authorities to cut sintering and blast furnace production within the month. But some market participants said the cuts have not been rolled out yet. Four steel mills in Qinhuangdao city in Hebei province were also asked to cut sintering output by idling 1-2 sintering facilities at each mill from 3-7 June to reduce pollution, participants said, citing a local government directive. Trading companies doubted the sustainability of price increases, because demand from consumers is still low as south China's rainy season has begun. Major Chinese mills lifted offers by around \$10-15/t to \$550-590/t fob China for SS400 HRC, given rising domestic Chinese sales prices. Trading firms also pushed up their sales prices, to \$545-555/t cfr Vietnam. Sellers pushed up offers to \$585-600/t cfr Vietnam for Chinese SAE1006-grade coil and were reluctant to take orders below \$575/t cfr Vietnam. Vietnamese buyers were silent as local demand remained soft given tight cash flow. (Argus)

Turkish Scrap

Turkish deepsea import ferrous scrap prices remained unchanged June 5, amid a wide price range between the latest Baltic and UK sales, but scrap recyclers remained bullish. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$387.50/mt CFR June 5, unchanged on day. A reported Baltic-origin deal was heard to be booked on June 5 by a Marmara mill for end-July shipment, with HMS 1/2 (80:20) at \$384/mt CFR. The reported deal level was lower than the majority of indications on June 5. An older UK-origin deal, booked on June 1 by an Iskenderun mill, was also circulated with HMS 1/2 (80:20) at \$387/mt CFR, shredded and bonus scrap at \$407/mt CFR. The deal was considered to normalize to \$390-\$392/mt CFR for premium HMS 1/2 (80:20), but lower sell-side indications were also heard on June 5. "The new government interest rate policy will determine the price trend," a Turkish mill source said, citing an indicative tradable value for US/Baltic-origin HMS 1/2 (80:20) at below \$390/mt CFR. Re-elected Turkish President Recep Tayyip Erdogan named former finance minister Mehmet Şimşek as treasury and finance minister in Turkey, with market participants expecting a greater chance of a return to more orthodox monetary policy as a result.

Market participants largely shared widely ranging indicative tradable values for US and Baltic-origin HMS 1/2 (80:20), with most indications for the former heard between \$390-\$395/mt CFR, while the latter ranged \$385-\$390/mt CFR. Turkish mills were heard to actively look to purchase cargoes on the day, with buyer interest in imports of ferrous scrap reported as strong by the sell side. An EU recycler cited indicative tradable value for EU-origin material at \$385/mt CFR, while a trading source reported bids from the Turkish mills at \$390/mt CFR for their material, against a \$395/mt CFR target. Sell-side sentiment also reported a willingness to sell to Turkish mills amid the current market conditions. "We're seeing parity between the EU domestic and the international scrap markets for June, so the Turkish market is now workable for us," a second EU recycler said, sharing their workable value at \$385/mt CFR for Benelux-origin HMS 1/2 (80:20). "HMS dock prices remain at Eur300/mt delivered and above and the EUR-USD exchange rate is quite good [for exports]," the EU recycler continued. Platts assessed the euro at \$1.0713 at 16:30 London time June 5, down from \$1.0737 on June 1. A third EU recycler shared collection costs in the Benelux region at a minimum of Eur305/mt delivered to the docks, whereas two other Europe-based market participants cited higher costs at a minimum of Eur310-315/mt delivered. "I would buy 50,000 mt today if any material was available at Eur300/mt delivered. Those prices just don't exist anymore," one of the exporters said, citing collection prices at Eur315/mt delivered. (Platts)

Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	387.50	0.00	386.67
Steel Rebar FOB Turkey (\$/mt)	622.50	0.00	621.67
Argus HRC NW Europe (€/mt)	710.50	0.00	711.92
Argus FOB China HRC (\$/mt)	536.00	5.00	533.50
US HRC CRU	1008.00	-68.00	1008.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jun-23	380	390	385
Jul-23	375	385	380
Aug-23	370	380	375
Q3-23	370	380	375
Q4-23	370	380	375
Q1-24	375	385	380

US HRC USD/short ton			
	Bid	Ask	Value
Jun-23	935	945	940
Jul-23	840	850	845
Aug-23	820	830	825
Q3-23	825	835	830
Q4-23	805	815	810
Q1-24	805	815	810

LME REBAR FOB TK			
	Bid	Ask	Value
Jun-23	610	620	615
Jul-23	590	600	595
Aug-23	585	595	590
Q3-23	590	600	595
Q4-23	585	595	590
Q1-24	585	595	590

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jun-23	695	705	700
Jul-23	665	675	670
Aug-23	640	650	645
Q3-23	645	655	650
Q4-23	630	640	635
Q1-24	625	635	630

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jun-23	545	555	550
Jul-23	555	565	560
Aug-23	550	560	555
Q3-23	550	560	555
Q4-23	550	560	555
Q1-24	545	555	550

BUSHELING			
	Bid	Ask	Value
Jun-23	515	525	520
Jul-23	475	485	480
Aug-23	460	470	465
Q3-23	460	470	465
Q4-23	450	460	455
Q1-24	465	475	470

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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	JUN 23	JUL 23	102	127	84	99	0	Eased
	JUN 23	AUG 23	113	142	119	161	0	Eased
	JUN 23	SEP 23	115	147	143	188	0	Eased
	JUL 23	AUG 23	11	15	35	62	0	Eased
	JUL 23	SEP 23	13	20	59	89	0	Eased
	AUG 23	SEP 23	2	5	24	27	0	Eased
EU HRC	JUN 23	JUL 23	26	40	25	10	-100	Eased
	JUN 23	AUG 23	40	45	30	15	-50	Eased
	JUN 23	SEP 23	45	50	30	35	-70	Eased
	JUL 23	AUG 23	14	5	5	5	50	Tightened
	JUL 23	SEP 23	19	10	5	25	30	Tightened
	AUG 23	SEP 23	5	5	0	20	-20	Unchanged
Mill Margin	JUN 23	JUN 23	425	432	444	608	375	Eased
	JUL 23	JUL 23	353	335	395	529	410	Tightened
	SEP 23	SEP 23	365	325	356	440	410	Tightened
Atlantic Spread (US-EU)	JUN 23	JUN 23	255	272	269	317	100	Eased
	JUN 23	JUN 23	255	272	269	317	100	Eased
	JUL 23	JUL 23	179	185	210	228	0	Eased
	AUG 23	AUG 23	182	175	180	171	50	Tightened
ARC Spread (Rebar - Scrap)	JUN 23	JUN 23	222.5	225	227	308	298	Eased
	JUL 23	JUL 23	218	223	222	311.5	298	Eased
	AUG 23	AUG 23	220	220.5	227.5	308.5	298	Eased
	SEP 23	SEP 23	212	223.5	214	309.5	283.5	Eased

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	945	520	685	388	550	615	Current
	937	505	769	375	544	600	T-1W
	954	510	750	368	565	595	T-1M
	1198	590	853	456	664	764	T-3M
	762	435	642	377	579	668	T-6M
	900	525	900	423	744	721	T-12M
	827	475	646	397	674	668	YTD

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