

Steel Price Tracker

Brazil HRC and rebar hikes in the horizon?

Industry Overview

Tracking global steel and raw materials price variations

Our Steel Price Tracker aims to track variations in steel prices across the globe, as well as regional simplified cash margins. We also provide a snippet of key news articles related to price movements, as well as a weekly tracking of import parity premiums in Brazil and a summary of the latest industry data.

We hope you find it useful. We welcome any feedback or suggestions readers may have.

Exhibit 1: Snapshot of steel prices (USD/t)

Summary of weekly price movements

Steel Price Reference	Current Price (USD/t)	w/w Change (USD/t)	w/w Change (%)
China Domestic			
HRC	563.7	-5.81	-1.02%
Rebar	537.1	-9.93	-1.81%
China Export			
HRC	557.0	-9.00	-1.59%
Rebar	565.0	0.00	0.00%
Brazil Domestic*			
HRC	4,000.0	0.00	0.00%
Rebar	3,750.0	0.00	0.00%
US Domestic			
HRC	1,212.5	0.00	0.00%
Rebar	875.0	-5.00	-0.57%
Türkiye Export			
HRC	685.0	15.00	2.24%
Rebar	610.0	10.00	1.67%
Raw Materials			
HCC Australia	337.8	5.00	1.50%
HCC China	320.0	-8.00	-2.44%
Iron Ore 58	116.7	-7.90	-6.34%
Iron Ore 62	131.2	-9.10	-6.49%
Iron Ore 65	143.2	-7.70	-5.10%
Iron Ore Pellet	156.5	-2.53	-1.59%
Brazil Pig Iron	452.5	12.50	2.84%
Black Sea Pig Iron	395.0	5.00	1.28%
Scrap			
US	447.8	-9.84	-2.15%
Brazil	195.7	0.86	0.44%
Türkiye	423.0	0.50	0.12%

Source: BofA Global Research, Platts

(*) Brazilian prices in BRL

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HRC = hot rolled coil

CRC = cold rolled coil

HDG = hot dip galvanized

HMS = heavy melting scrap

HCC = hard coking coal

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Weekly news flow

Asia: Prices mixed w/w; BF op rates up to 82.56%

Steel export prices were mixed w/w in China last week, with Chinese exported hot rolled coil (HRC) down \$9/t to \$557/t, and rebar flat w/w at \$565/t. Chinese steel spot cash margins rose RMB61/t w/w to -RMB384/t for rebar and RMB46/t w/w to -RMB548/t for HRC. Weekly production fell 0.8% w/w for rebar and 2.1% w/w for HRC, while apparent consumption dropped 3.6% w/w for rebar and 3.8% w/w for HRC. Mill inventory dropped 1.9% w/w, while social inventory rose 4.0% w/w. Our colleagues in China noted that subjected to industry-wide loss-making, steel mills were less willing to produce; consumption trended lower during the off-season, while social inventory continued to ramp up (see BofA's Basic Materials team update). The blast furnace (BF) capacity utilization rate among the 247 Chinese steel producers under Mysteel's regular tracking ended a 10-week drop and rebounded to 82.56% during January 5-11, higher by 0.97 percentage point on week. More mills in the country resumed production from maintenance stoppages during the survey week, Mysteel Global learned.

China property – Major sales: weak start for 2024

Primary home sales volume in 33 major cities declined by 53% y/y during the past week (Jan 7th to Jan 13th) or was down by 47% ytd. Weak start for 2024 was seen across all cities: tier 1/2/3 cities saw 52%/44%/48% decrease ytd. Secondary home transaction volume continued outperforming primary's. During the past week, secondary home sales in 11 major cities increased by 4% y/y and was up by 2% ytd. In late Jan, we will see easier comps due to the Chinese New Year season in 2023; however, starting from Feb towards April, the comps would become much tougher owing to the reopening pent-up demand ([link to our team's tracker](#)).

Türkiye: mills looking to increase prices

Turkish export rebar prices were up \$10/t w/w to \$610/t last week. Platts reported that Turkish mills were holding firm to their higher offers, as the Turkish domestic market remained strong. Mills were offering rebar between \$615-630/t, but most mills were in the \$620-630/t range. Some buyers were pushing for discounts, but mills generally refused. Some of Platts' contacts mentioned that the market was stable and mills would have a hard time with these higher prices, as tradable prices were considered around \$600-615/t. Platts assessed the Turkish heavy melting scrap at \$423/t. The spread between rebar and scrap was \$187/t.

Europe: mills targeting higher prices as supply increases

Platts reported that some market participants were concerned over the lack of demand improvements in the European HRC market, while suppliers were restarting their idled blast furnaces. Some contacts mentioned prices should touch EUR 750/t. Mills were offering higher prices, with some announcing EUR 735/t for smaller orders, while other mills announced a target price of EUR 800/t earlier this week.

North America: limited spot market activity

Platts' weekly prices were flat w/w at \$1,212.5/t for US HRC and down \$5/t w/w to \$875/t for rebar last week. Platts' US lead times dropped w/w to 7.9 weeks for HRC and 8.7 weeks for CRC. Platts reported that steel buyers were hesitant to snap up HRC volumes on the spot market given a more cautious price outlook. Some contacts mentioned that prices should remain stable in the coming weeks as buyers would have to purchase volumes. While there were some steel buyers with a more bearish outlook, mills held higher offers, backed by still high lead times. As for rebar, some buyers were trying to push back on the recently announced hike, especially targeting mills that had more available volumes. Overall, mills held firm to their offers, but some of Platts' contacts mentioned mills were willing to negotiate for larger volumes.

Latin America: hikes expected in the coming weeks

Brazilian steel prices were flat w/w at R\$3,750/t for rebar and at R\$4,000/t for HRC. Platts reported that there were talks of mills increasing HRC prices in Brazil by 6-8% by early February. As of now there were no official announcements and some of Platts' sources mentioned that weak demand and pressure from imported volumes, especially from China, would hinder the hike prospects. However, other contacts mentioned that market participants were mentioning a price increase trend in the coming 30 days. Meanwhile, Platts noted rebar producers were also pushing for an 8% rebar price hike. On the other hand, some of Platts' contacts mentioned rain in Brazil was impacting rebar demand and some contacts pointed the rainy season could drive some demand uncertainty until March.

Brazilian steel domestic sales up 4.0% y/y in December

Brazilian steel domestic sales increased 4.0% y/y in December, up 3.1% for flat steel and up 6.7% for long products, as per the Brazilian Steel Institute (IABR). Domestic sales are down 4.3% ytd to ~19Mt, down 3.3% for flats and 6.6% for longs (Exhibit 2).

Brazilian steel exports down 10.6% y/y in December

Total Brazilian exports dropped 10.6% y/y in December, now down 1.8% ytd (as reported by SECEX, including steelmakers not associated to IABR). The drop y/y was driven by long steel down 7.7% y/y, while flat steel exports were down 7.1% y/y and slabs exports down 12.9% y/y. Ytd, rolled products exports decreased and semi-finished exports increased. Rolled products exports contracted 29.1% ytd, with flats down 37.9% ytd and longs down 15.3%. Semi-finished exports were up 11.4% ytd, as slabs exports are up 12.7% ytd and ingots, blooms, and billets exports were down 36.9% ytd.

Imports up 50.8% y/y; apparent consumption up 14.2% y/y

Total imports increased 50.8% y/y and are up 48.6% ytd, with flat steel imports up 55.1% y/y and up 40.1% ytd and long steel imports up 74.8% y/y and up 35.3% ytd. December apparent consumption increased 14.2% y/y to ~1.9Mt as flats rose 12.5% and longs increased 17.1% y/y. Ytd, apparent consumption is up 1.5%, with flat steel up 4.0% but long steel down 2.1%. Import penetration was up m/m for flat and long steels, now at 27% for flats (was 21% in November and 19% in December 2022), while at 23% for longs (from 14% in November and 15% in December 2022). Total crude steel production rose 0.9% y/y in December to 2.5Mt, down 6.5% ytd to 31.9Mt.

Exhibit 2: Brazil steel data overview (Kt)

Domestic sales up 4.0% y/y, apparent consumption up ~14.2% y/y

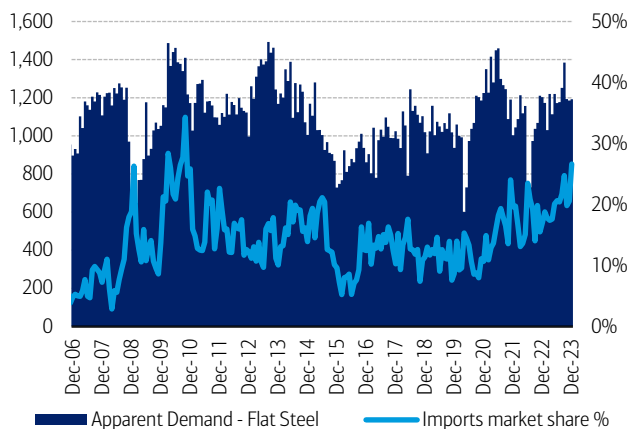
	December		y/y %	Year-to-date		
	2023	2022		2023 ytd	2022 ytd	y/y %
Domestic Sales						
Rolled Products	1,412	1,351	4.5%	19,048	19,984	-4.7%
Flat Products	866	839	3.1%	11,117	11,496	-3.3%
Long Products	546	512	6.7%	7,931	8,488	-6.6%
Semi-Finished Products for Sale	22	28	-22.4%	387	319	21.6%
Slabs	9	17	-45.6%	244	163	49.8%
Ingots, Blooms and Billets	13	12	10.3%	144	156	-7.8%
TOTAL	1,434	1,379	4.0%	19,436	20,302	-4.3%
Exports						
Rolled Products	258	279	-7.3%	2,770	3,905	-29.1%
Flat Products	151	162	-7.1%	1,471	2,371	-37.9%
Long Products	107	116	-7.7%	1,299	1,534	-15.3%
Semi-Finished Products for Sale	584	664	-12.0%	8,952	8,036	11.4%
Slabs	574	659	-12.9%	8,823	7,831	12.7%
Ingots, Blooms and Billets	11	5	114.3%	129	204	-36.9%
TOTAL	842	943	-10.6%	11,722	11,941	-1.8%
Imports						
Total	513	341	50.8%	5,076	3,416	48.6%
Flat Products (including special steel)	319	206	55.1%	2,967	2,117	40.1%
Imports mkt share (%)	27%	19%	70 bps	21%	15%	60 bps
Long Products (including special steel)	163	93	74.8%	1,476	1,091	35.3%
Imports mkt share (%)	23%	15%	80 bps	16%	11%	40 bps
Semi-Finished	31	41.5	-25.2%	633	208	n.a.
Apparent consumption						
Flat products	1,194	1,061	12.5%	14,328	13,776	4.0%
Long Products	723	617	17.1%	9,551	9,758	-2.1%
TOTAL	1,916	1,678	14.2%	23,878	23,534	1.5%
Production						
Crude Steel	2,523	2,500	0.9%	31,869	34,089	-6.5%
Rolled Products	1,652	1,424	16.0%	21,787	23,434	-7.0%
Flat Products	1,093	947	15.4%	12,676	13,633	-7.0%
Long Products	559	477	17.2%	9,111	9,801	-7.0%
Semi-Finished Products for Sale	827	753	9.8%	9,645	8,075	19.4%
Slabs	768	709	8.2%	8,983	7,328	22.6%
Ingots, Blooms and Billets	59	43	36.2%	663	748	-11.3%
Pig Iron	2,197	2,223	-1.2%	25,770	26,813	-3.9%

Source: BofA Global Research, IABr

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Exhibit 3: Brazil flat steel apparent consumption (Kt)

Rose 12.5% y/y to 1.2Mt in December

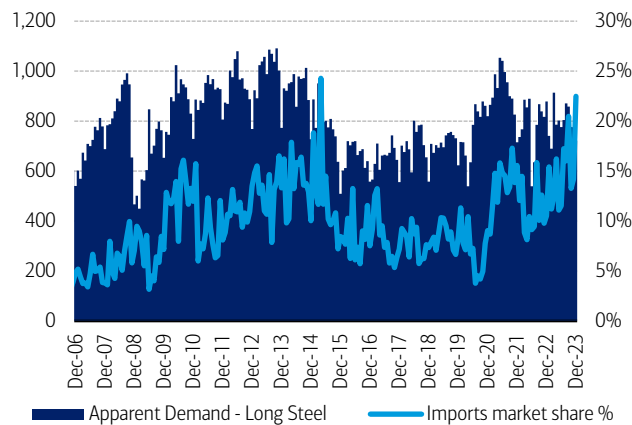


Source: BofA Global Research, IABr

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Exhibit 4: Brazil long apparent consumption (Kt)

Increased 17.1% y/y to ~0.7Mt in December



Source: BofA Global Research, IABr

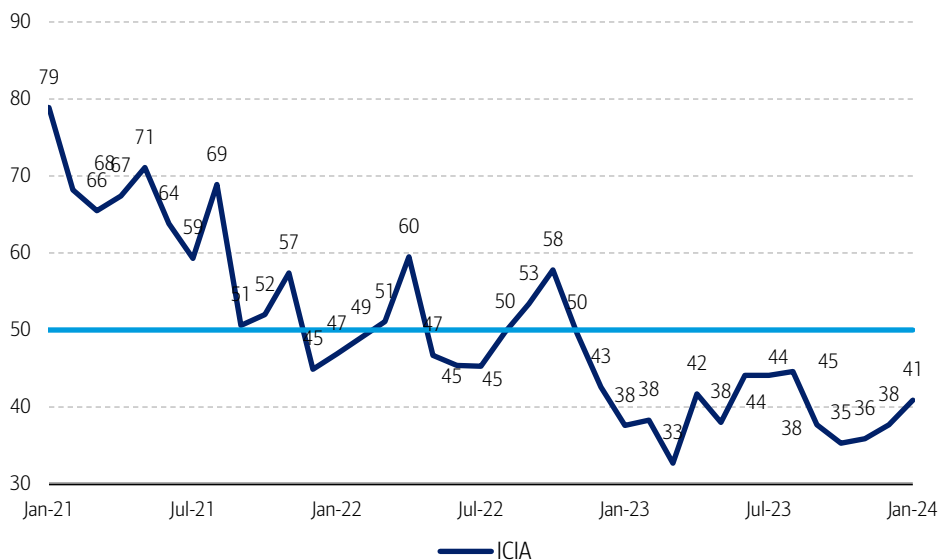
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November ICIA confidence index up m/m to 40.9

Brazil's steel industry confidence index (ICIA) was up m/m to 40.9 in December (Exhibit 5). Confidence was below the 50 threshold for the fifteenth straight month. The ICIA measures the industry's CEO expectations regarding their companies and the Brazilian economy. Results above 50 represent optimism both on the current situation and expectations for the next six months.

Exhibit 5: Brazil's steel industry confidence index (ICIA)

The ICIA measures the industry's CEO expectations regarding their companies and the Brazilian economy



Source: BofA Global Research, IABr

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Exhibit 6: Summary of steel price movements

Steel prices up w/w in China last week

Steel Price Reference	Current Price (USD/t)	w/w Change (USD/t)	w/w Change (%)	m/m Change (%)	y/y Change (%)	Last Change
China Domestic						
HRC	563.7	-5.81	-1.02%	0.54%	-9.08%	12-Jan-24
HRC Cash Margin	-55.2	-8.27	-17.64%	-31.68%	n.m.	12-Jan-24
Rebar	537.1	-9.93	-1.81%	-4.42%	-11.14%	12-Jan-24
Rebar Cash Margin	-68.5	-9.52	-16.14%	-93.37%	n.m.	12-Jan-24
China Export						
HRC	557.0	-9.00	-1.59%	-0.36%	-9.43%	10-Jan-24
Rebar	565.0	0.00	0.00%	0.71%	-9.60%	4-Jan-24
Brazil Domestic*						
HRC	4,000.0	0.00	0.00%	0.00%	-10.11%	15-Sep-23
HRC Cash Margin	1,986.7	54.98	2.85%	2.06%	-21.08%	12-Jan-24
Rebar	3,750.0	0.00	0.00%	0.00%	-12.79%	27-Oct-23
Rebar Cash Margin	2,800.0	0.00	0.00%	0.18%	-16.85%	16-Dec-23
Mexico Domestic						
HRC	1,226.0	24.27	2.02%	12.03%	60.69%	12-Jan-24
HRC Cash Margin	778.2	34.11	4.58%	22.22%	125.77%	12-Jan-24
Rebar	1,067.4	25.48	2.45%	10.97%	7.50%	12-Jan-24
Rebar Cash Margin	619.6	35.32	6.05%	22.87%	7.82%	12-Jan-24
Argentina Domestic						
HRC	889.0	0.00	0.00%	0.00%	0.00%	1-Mar-18
HRC Cash Margin	474.3	9.45	2.03%	0.58%	-7.03%	12-Jan-24
Rebar	805.0	0.00	0.00%	3.87%	3.87%	14-Dec-23
Rebar Cash Margin	390.3	9.45	2.48%	9.16%	-1.48%	12-Jan-24
US Domestic						
HRC	1,212.5	0.00	0.00%	0.00%	50.68%	7-Dec-23
HRC Cash Margin	764.7	9.84	1.30%	1.30%	97.91%	11-Jan-24
Rebar	875.0	-5.00	-0.57%	5.11%	-7.41%	12-Jan-24
Rebar Cash Margin	427.2	4.84	1.15%	13.96%	-18.90%	12-Jan-24
Türkiye Domestic						
HRC	710.0	-5.00	-0.70%	2.90%	0.00%	12-Jan-24
HRC Cash Margin	287.0	-5.50	-1.88%	8.30%	-2.71%	12-Jan-24
Rebar	750.9	10.34	1.40%	1.23%	-11.74%	12-Jan-24
Rebar Cash Margin	327.9	9.84	3.09%	3.51%	-24.75%	12-Jan-24
Türkiye Export						
HRC	685.0	15.00	2.24%	2.24%	-2.14%	12-Jan-24
Rebar	610.0	10.00	1.67%	0.83%	-11.59%	9-Jan-24
Russia Domestic						
HRC	452.9	0.00	0.00%	-0.83%	6.79%	16-Dec-23
HRC Cash Margin	38.1	9.45	32.96%	-2.67%	-15.57%	12-Jan-24
Rebar	412.8	2.53	0.62%	-1.01%	22.14%	10-Jan-24
Rebar Cash Margin	-1.9	11.98	86.28%	-335.30%	95.34%	12-Jan-24
Black Sea Export						
HRC	585.0	0.00	0.00%	-1.68%	-11.36%	27-Dec-23
Rebar	550.0	0.00	0.00%	1.38%	-6.38%	1-Jan-24

Source: BofA Global Research, Platts

(*) Brazilian prices in BRL

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Exhibit 7: Summary of raw materials price movements

Raw material prices were mostly down last week

Steel Price Reference	Current Price (USD/t)	w/w Change (USD/t)	w/w Change (%)	m/m Change (%)	y/y Change (%)	Last Change
Raw Materials						
HCC Australia	337.8	5.00	1.50%	1.27%	12.49%	12-Jan-24
HCC China	320.0	-8.00	-2.44%	-3.03%	2.56%	12-Jan-24
Iron Ore 62 Kallanish	132.6	-7.78	-5.54%	-2.44%	6.71%	12-Jan-24
Iron Ore 58	116.7	-7.90	-6.34%	-3.79%	11.73%	12-Jan-24
Iron Ore 62	131.2	-9.10	-6.49%	-3.46%	6.11%	12-Jan-24
Iron Ore 65	143.2	-7.70	-5.10%	-2.52%	4.15%	12-Jan-24
Iron Ore 58 Discount to 62	14.5	-1.20	-7.64%	-0.68%	-24.48%	12-Jan-24
Iron Ore 65 Premium to 62	12.0	1.40	13.21%	9.09%	-13.36%	12-Jan-24
Iron Ore 62 Lump	146.4	-5.49	-3.62%	-0.11%	14.24%	12-Jan-24
Iron Ore Pellet	156.5	-2.53	-1.59%	1.33%	4.39%	12-Jan-24
Brazil Pig Iron	452.5	12.50	2.84%	5.23%	-1.63%	8-Jan-24
Black Sea Pig Iron	395.0	5.00	1.28%	3.95%	1.28%	12-Jan-24
Scrap						
US	447.8	-9.84	-2.15%	-2.15%	7.06%	11-Jan-24
Brazil	195.7	0.86	0.44%	0.79%	7.03%	12-Jan-24
Türkiye	423.0	0.50	0.12%	-0.47%	1.93%	12-Jan-24
Semi-Finished						
Türkiye Billet	522.5	0.00	0.00%	0.00%	-18.36%	1-Nov-23
Black Sea Billet	515.0	15.00	3.00%	0.49%	-6.79%	12-Jan-24
Southeast Asia Billet	541.0	-1.00	-0.18%	0.56%	-7.52%	12-Jan-24
Latin America Billet	545.0	5.00	0.93%	9.00%	18.48%	11-Jan-24
Black Sea Slab	500.0	0.00	0.00%	4.17%	-7.41%	20-Dec-23
Southeast Asia Slab	620.0	0.00	0.00%	12.73%	7.83%	1-Jan-24
Brazil Slab	690.0	0.00	0.00%	3.76%	26.61%	29-Dec-23
Futures						
Iron Ore Active Contract	94.3	-0.27	-0.28%	0.05%	-23.72%	12-Jan-24
China HRC Active Contract	563.7	-10.84	-1.89%	-1.15%	N/A	N/A
China Rebar Active Contract	781.9	-2.23	-0.28%	0.05%	-6.11%	12-Jan-24
China HRC Simplified Cash Margin**	412.8	-10.41	-2.46%	-1.58%	n.m.	N/A
China Rebar Simplified Cash Margin**	631.0	-1.80	-0.28%	0.05%	-0.63%	12-Jan-24

Source: BofA Global Research, Platts, MySteel, Bloomberg

(**) Simplified cash margins calculated based on steel futures prices - iron ore futures

Exhibit 8: Steel price period comparison

Most prices have been above their historical averages

Steel Price Reference	Current Price	Last Week Price	Last Month Price	Last Year Price	12M Average	5Y Average
China Domestic						
HRC	564	569	561	620	566	631
HRC Cash Margin	-55	-47	-42	9	-14	31
Rebar	537	547	562	604	547	612
Rebar Cash Margin	-68	-59	-35	17	-8	38
China Export						
HRC	557	566	559	615	576	615
Rebar	565	565	561	625	570	577
Brazil Domestic*						
HRC	4,000	4,000	4,000	4,450	4,407	4,334
HRC Cash Margin	1,987	1,932	1,947	2,517	2,558	2,658
Rebar	3,750	3,750	3,750	4,300	3,847	3,750
Rebar Cash Margin	2,800	2,800	2,795	3,367	2,829	2,635
Mexico Domestic						
HRC	1,226	1,202	1,094	763	988	998
HRC Cash Margin	778	744	637	345	560	617
Rebar	1,067	1,042	962	993	1,009	853
Rebar Cash Margin	620	584	504	575	581	471
Argentina Domestic						
HRC	889	889	889	889	889	889
HRC Cash Margin	474	465	472	510	518	553
Rebar	805	805	775	775	801	886
Rebar Cash Margin	390	381	358	396	431	550
US Domestic						
HRC	1,213	1,213	1,213	805	1,027	1,045
HRC Cash Margin	765	755	755	386	599	664
Rebar	875	880	833	945	899	873
Rebar Cash Margin	427	422	375	527	471	491
Türkiye Domestic						
HRC	710	715	690	710	707	701
HRC Cash Margin	287	293	265	295	310	324
Rebar	751	741	742	851	754	695
Rebar Cash Margin	328	318	317	436	357	318
Türkiye Export						
HRC	685	670	670	700	685	685
Rebar	610	600	605	690	620	587
Russia Domestic						
HRC	453	453	457	424	445	576
HRC Cash Margin	38	29	39	45	75	240
Rebar	413	410	417	338	400	489
Rebar Cash Margin	-2	-14	0	-41	30	153
Black Sea Export						
HRC	585	585	595	660	644	630
Rebar	550	550	543	588	555	551
Raw Materials						
HCC Australia	338	333	334	300	297	238
HCC China	320	328	330	312	283	265
Iron Ore 62 Kallanish	133	140	136	124	120	121
Iron Ore 58	117	125	121	104	105	98
Iron Ore 62	131	140	136	124	120	121
Iron Ore 65	143	151	147	138	133	137
Iron Ore 58 Discount to 62	15	16	15	19	16	23
Iron Ore 65 Premium to 62	12	11	11	14	12	16
Iron Ore 62 Lump	146	152	147	128	131	139
Iron Ore Pellet	157	159	154	150	143	164
Brazil Pig Iron	453	440	430	460	455	450
Black Sea Pig Iron	395	390	380	390	373	412
Scrap						
US	448	458	458	418	428	381
Brazil	196	195	194	183	204	224
Türkiye	423	423	425	415	397	377

Exhibit 8: Steel price period comparison

Most prices have been above their historical averages

Steel Price Reference	Current Price	Last Week Price	Last Month Price	Last Year Price	12M Average	5Y Average
Semi-Finished						
Türkiye Billet	523	523	523	640	570	542
Black Sea Billet	515	500	513	553	512	505
Southeast Asia Billet	541	542	538	585	543	540
Latin America Billet	545	540	500	460	523	509
Black Sea Slab	500	500	480	540	536	536
Southeast Asia Slab	620	620	550	575	569	566
Brazil Slab	690	690	665	545	667	617
Futures						
Iron Ore Active Contract	94	95	94	124	107	120
China HRC Active Contract	564	574	570	N/A	N/A	N/A
China Rebar Active Contract	782	784	781	833	791	698
China HRC Simplified Cash Margin**	413	423	419	N/A	N/A	N/A
China Rebar Simplified Cash Margin**	631	633	631	635	619	613

Source: BofA Global Research, Platts, MySteel, Bloomberg

(*) All prices are quoted in USD per metric ton, except Brazil Domestic prices and margins which are quoted in BRL per metric ton. (**) Simplified cash margins calculated based on steel futures prices – iron ore futures

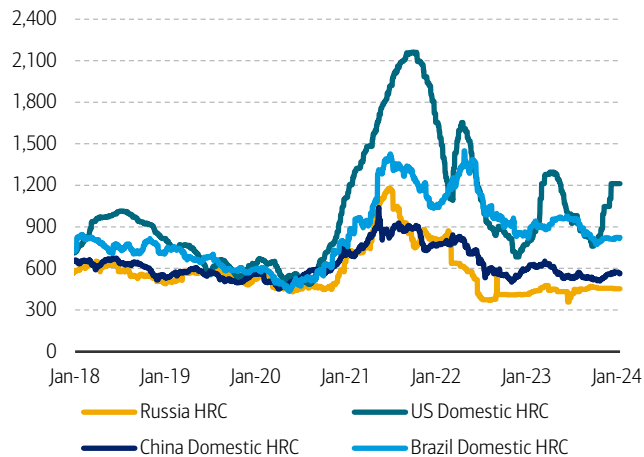
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Key charts

Main global steel references

Exhibit 9: HRC price comparison around the globe (US\$/t)

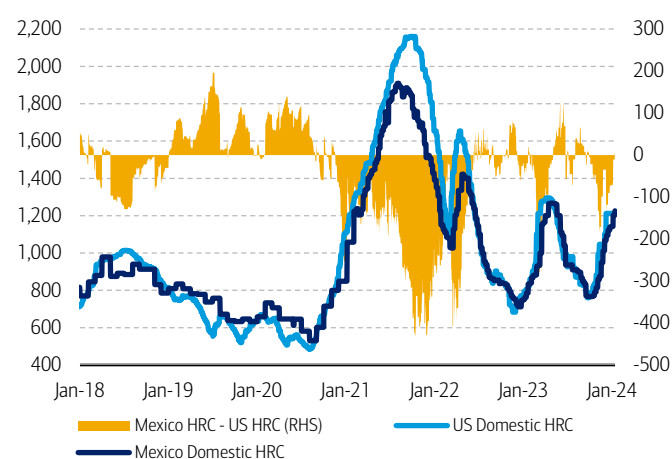
US HRC prices are currently increasing



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Exhibit 10: Mexico HRC and US HRC prices (US\$/t)

Mexican HRC historically follows US prices, and both are currently increasing



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Exhibit 11: China HRC domestic prices (US\$/t)

HRC prices are rebounding, but remain below recent peaks



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Exhibit 12: China rebar domestic prices (US\$/t)

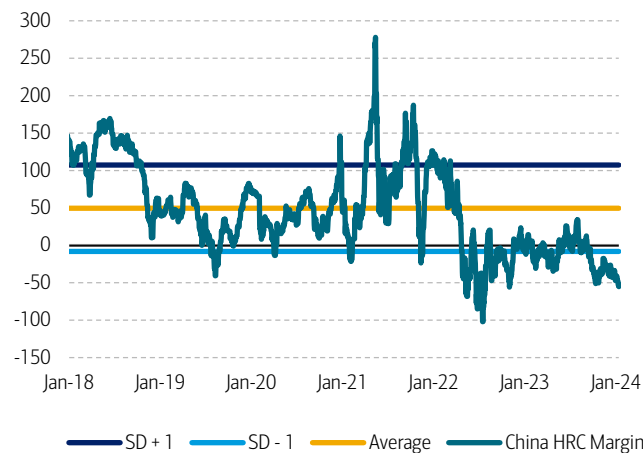
Prices remain below recent peaks, close to 2019 levels



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Exhibit 13: China HRC margins (US\$/t)

Margins are below the historical average

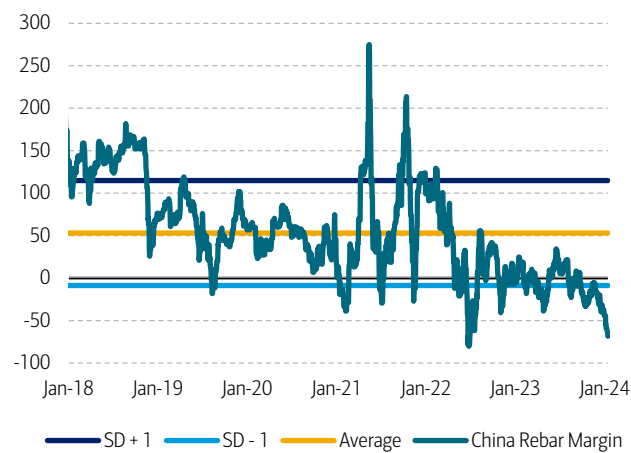


Source: BofA Global Research, Platts

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Exhibit 14: China rebar margins (US\$/t)

Margins are below the historical average



Source: BofA Global Research, Platts

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China Exports**Exhibit 15: China HRC export prices (US\$/t)**

HRC prices began 2024 increasing



Source: BofA Global Research, Platts

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Exhibit 16: China rebar export prices (US\$/t)

Prices are recovering early in 2024



Source: BofA Global Research, Platts

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Brazil

Exhibit 17: Brazil HRC domestic prices (R\$/t)

HRC prices have been under pressure



Source: BofA Global Research, Platts

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Exhibit 18: Brazil rebar domestic prices (R\$/t)

Long steel prices started to drop in the second half of 2022 and remain flat



Source: BofA Global Research, Platts

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Exhibit 19: Brazil HRC margins (R\$/t)

Margins are close to the historical avg. of ~R\$2,200/t

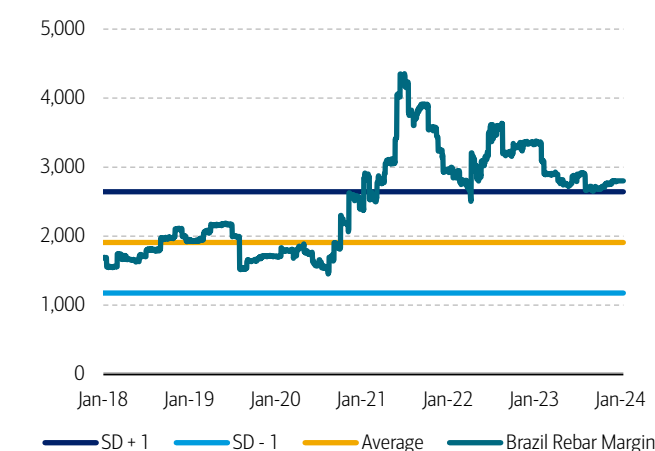


Source: BofA Global Research, Platts

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Exhibit 20: Brazil rebar margins (R\$/t)

Margins are still above average



Source: BofA Global Research, Platts

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Exhibit 21: Brazil HRC parity premium/discount calculation

We estimate Brazilian HRC at an 8.8% premium, considering a \$60/t freight

Brazilian HRC import parity calculation	
Chinese HRC price (US\$/t)	557
Freight (US\$/t)	60
Insurance rate (%)	0.5%
Insurance (US\$/t)	3.1
Import tariff rate (%)	10.8%
Import tariff (US\$/t)	67.0
Other costs (US\$/t)	70
Total (US\$/t)	757
USDBRL	4.85
Imported HRC price (R\$/t)	3,675
Brazilian HRC price (R\$/t)	4,000
Premium/discount	8.8%

Source: BofA Global Research, Platts, Bloomberg

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Exhibit 22: Brazil Rebar parity premium/discount calculation

We estimate Brazilian Rebar at a 3.5% discount, considering a \$55/t freight

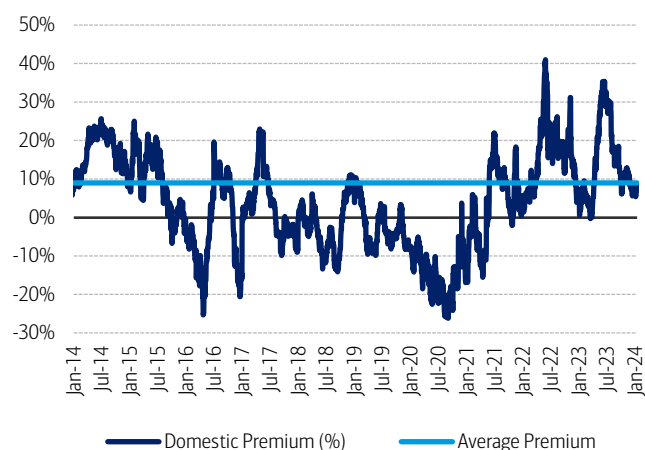
Brazilian rebar import parity calculation	
Turkish Rebar price (US\$/t)	610
Freight (US\$/t)	55
Insurance rate (%)	0.5%
Insurance (US\$/t)	3.33
Import tariff rate (%)	10.8%
Import tariff (US\$/t)	72
Other costs (US\$/t)	60
Total (US\$/t)	801
USDBRL	4.85
Imported rebar price (R\$/t)	3,886
Brazilian rebar price (R\$/t)	3,750
Premium/discount	-3.5%

Source: BofA Global Research, Platts, Bloomberg

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Exhibit 23: Brazilian historical premium/discount to Chinese HRC landed prices (%)

The premium is currently at ~8.8%

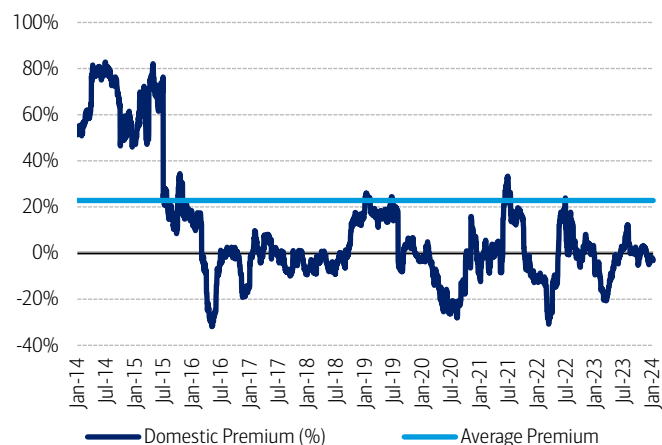


Source: BofA Global Research, Platts, Bloomberg

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Exhibit 24: Brazilian historical premium/discount to Turkish rebar landed prices (%)

The discount is currently at ~-3.5%



Source: BofA Global Research, Platts, Bloomberg

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Mexico

Exhibit 25: Mexico HRC prices (US\$/t)

HRC prices are recently increasing as US prices are moving up



Source: BofA Global Research, Platts

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Exhibit 26: Mexico rebar prices (US\$/t)

Rebar prices are rising, still at high levels

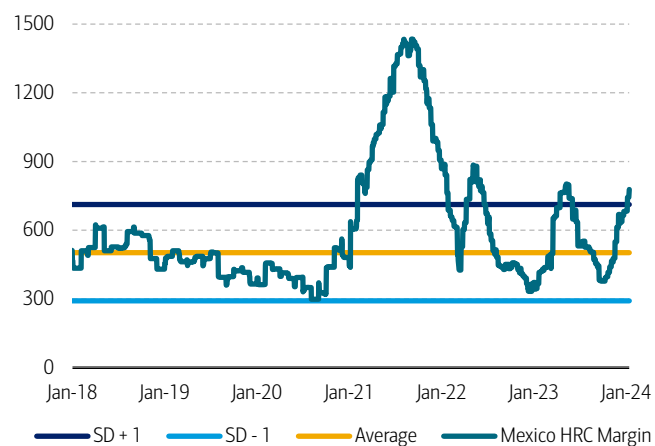


Source: BofA Global Research, Platts

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Exhibit 27: Mexico HRC margins (US\$/t)

Margins are now above the historical average



Source: BofA Global Research, Platts

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Exhibit 28: Mexico rebar margins (US\$/t)

Rebar margins are above historical average



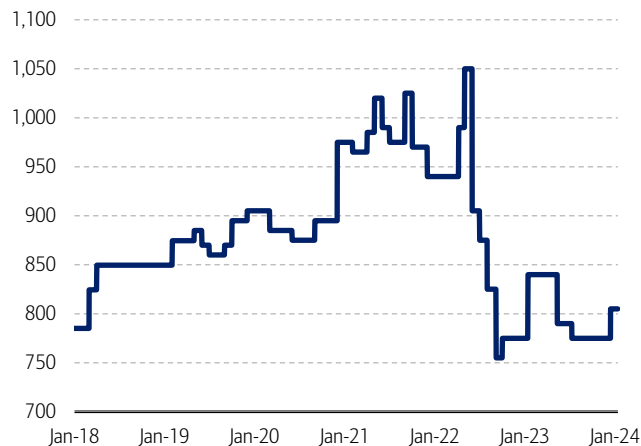
Source: BofA Global Research, Platts

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Argentina

Exhibit 29: Argentina rebar prices (US\$/t)

Rebar prices remained low by early 2024

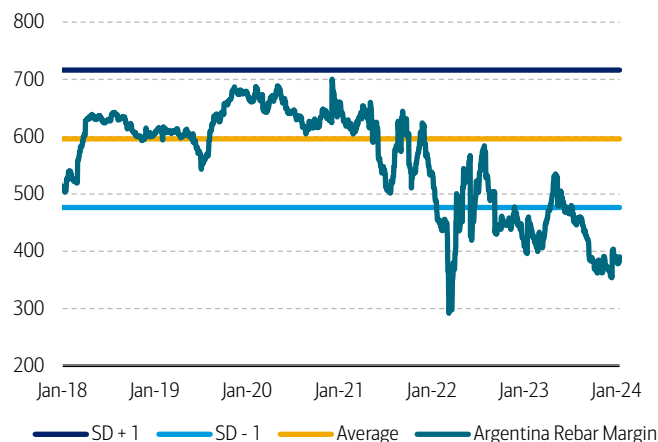


Source: BofA Global Research, Platts

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Exhibit 30: Argentina rebar margins (US\$/t)

Margins are below historical average in Argentina



Source: BofA Global Research, Platts

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US

Exhibit 31: US HRC prices (US\$/t)

US HRC prices are increasing recently

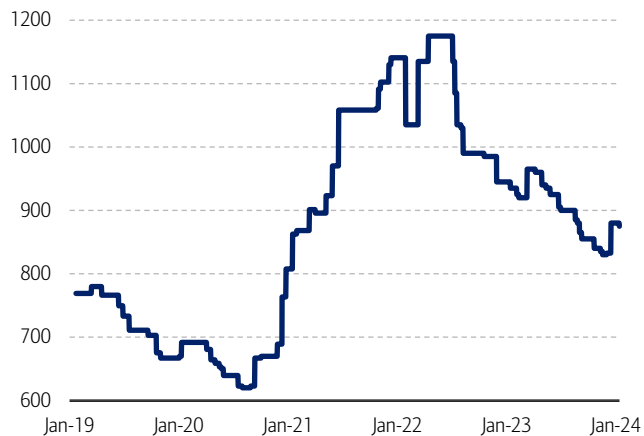


Source: BofA Global Research, Platts

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Exhibit 32: US rebar prices (US\$/t)

Rebar prices are recovering in the US



Source: BofA Global Research, Platts

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Exhibit 33: CRU – US monthly steel prices

Prices were mixed m/m in the US

	Jan-23	Dec-23	m/m%	y/y%
U.S.				
Scrap price (\$/gt)	410	410	0.0%	17.1%
Rebar prices (\$/st)	880	830	6.0%	-2.2%
Metal spread (rebar vs. scrap) (\$/gt)	566	511	10.8%	-12.5%
Beam price (\$/st)	1,345	1,295	3.9%	1.9%
M. bar price (\$/st)	1,176	1,116	5.4%	5.4%

Source: BofA Global Research, CRU

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Exhibit 34: CRU – US weekly prices

Prices mostly up w/w in the US

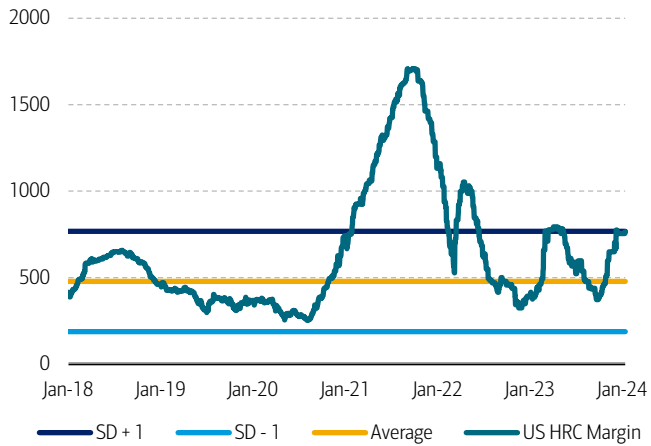
	10-Jan-24	w/w%	m/m%	y/y%
U.S. Flat steel weekly				
HRC price (\$/st)	1,096	-0.2%	2.7%	53.9%
CRC price (\$/gt)	1,331	1.6%	2.3%	42.4%
HDG (\$/st)	1,422	0.6%	2.8%	41.8%
Plate (\$/gt)	1,388	-0.1%	2.8%	-3.5%

Source: BofA Global Research, CRU

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Exhibit 35: US HRC margins (US\$/t)

Margins have followed price's movements and are above the historical avg

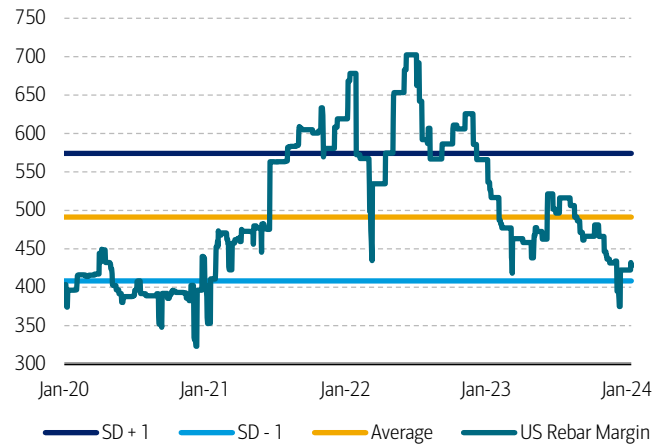


Source: BofA Global Research, Platts

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Exhibit 36: US rebar margins (US\$/t)

Margins are below the historical average

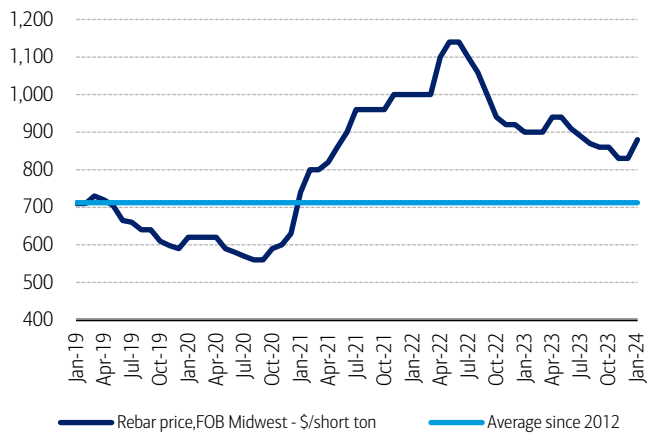


Source: BofA Global Research, Platts

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Exhibit 37: US rebar prices (US\$/short ton)

Rebar prices are currently above the historical average

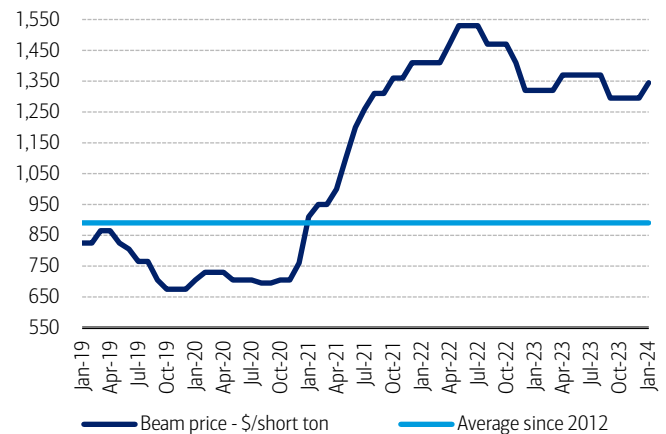


Source: BofA Global Research, CRU

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Exhibit 38: US beam prices (US\$/short ton)

Beam prices are currently above the historical average

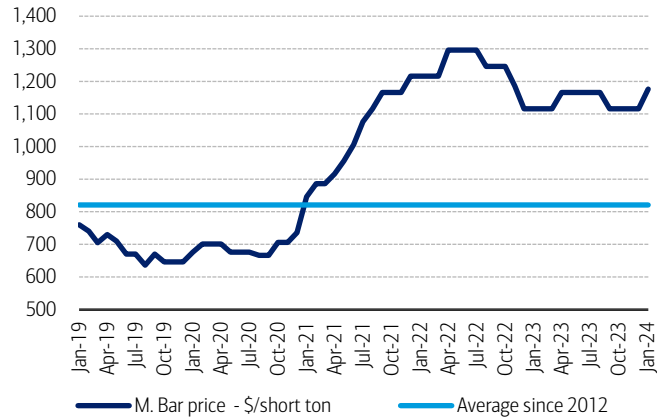


Source: BofA Global Research, CRU

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Exhibit 39: US M. bar prices (US\$/short ton)

M. bar prices are currently above the historical average

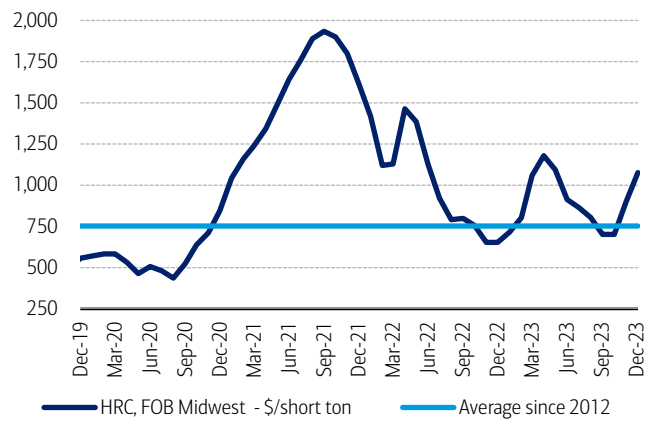


Source: BofA Global Research, CRU

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Exhibit 40: US HRC prices (US\$/short ton)

US HRC prices are above the historical average

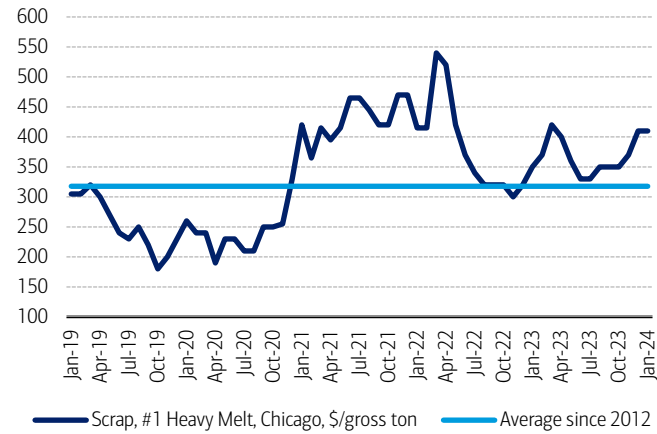


Source: BofA Global Research, CRU

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Exhibit 41: US scrap prices (US\$/gross ton)

US scrap prices are above the historical average

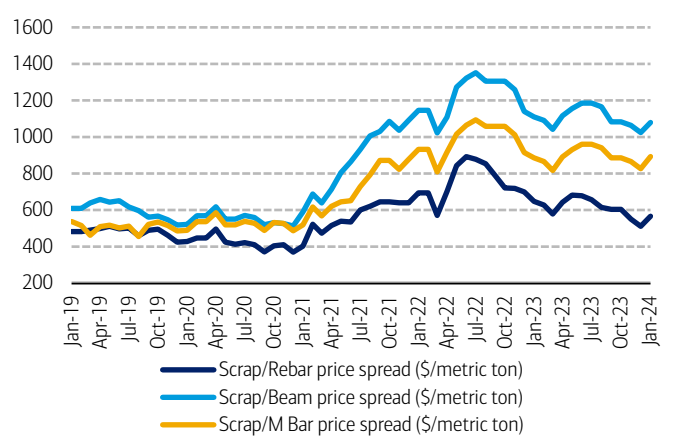


Source: BofA Global Research, CRU

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Exhibit 42: Long steel metal spreads (US\$/t)

Spreads are rebounding



Source: BofA Global Research, CRU

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Türkiye

Exhibit 43: Türkiye HRC prices (US\$/t)

HRC prices declined after peak post the Russian invasion in Ukraine



Source: BofA Global Research, Platts

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Exhibit 44: Türkiye rebar prices (US\$/t)

Rebar prices dropped from peaks in 2022

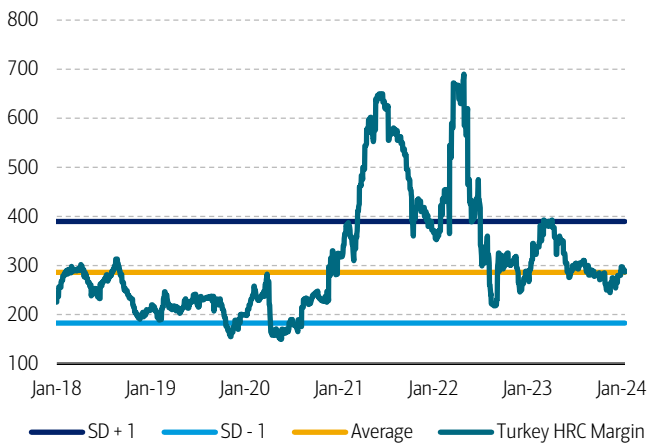


Source: BofA Global Research, Platts

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Exhibit 45: Türkiye HRC margins (US\$/t)

Margins are close to the historical level

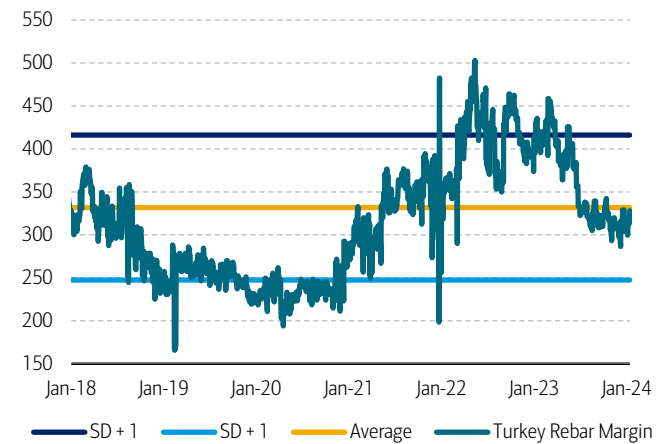


Source: BofA Global Research, Platts

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Exhibit 46: Türkiye rebar margins (US\$/t)

Margins are close to the historical average



Source: BofA Global Research, Platts

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Türkiye & Black Sea exports

Exhibit 47: Türkiye HRC export prices (US\$/t)

HRC prices are rebounding recently



Source: BofA Global Research, Platts

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Exhibit 48: Türkiye rebar export prices (US\$/t)

Rebar prices declined and are lower than 2021 levels



Source: BofA Global Research, Platts

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Exhibit 49: Black Sea HRC export prices (US\$/t)

Prices for Black Sea HRC are declining



Source: BofA Global Research, Platts

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Exhibit 50: Black Sea rebar export prices (US\$/t)

Prices for Black Sea's rebar have corrected, but remain above past years



Source: BofA Global Research, Platts

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Russia

Exhibit 51: Russia HRC prices (US\$/t)

Russia HRC prices dropped sharply since conflict with Ukraine



Source: BofA Global Research, Platts

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Exhibit 52: Russia rebar prices (US\$/t)

Russia rebar have recently started to rise



Source: BofA Global Research, Platts

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Exhibit 53: Russia HRC margins (US\$/t)

HRC margin levels have bottomed and are now way below historical average



Source: BofA Global Research, Platts

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Exhibit 54: Russia rebar margins (US\$/t)

Margins have dropped strongly, now below historical average



Source: BofA Global Research, Platts

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Raw Materials

Exhibit 55: Iron ore 62% CFR China prices (US\$/t)

Prices have been rising

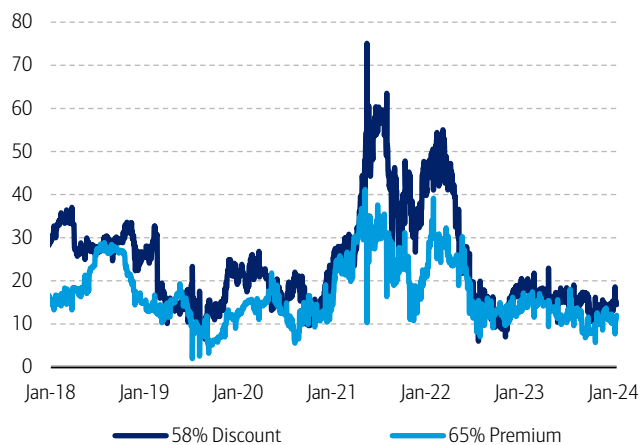


Source: BofA Global Research, Platts

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Exhibit 56: Iron ore grade discount/premium to 62% Fe content benchmark product (US\$/t)

Discounts dropped from higher levels last year

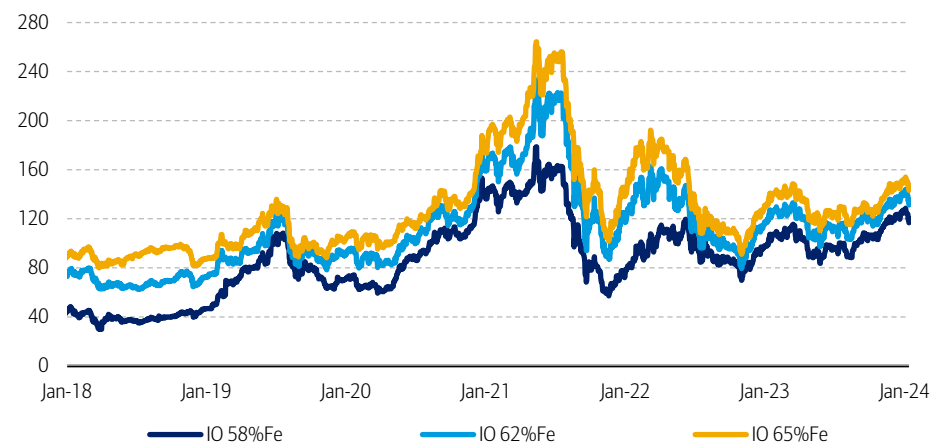


Source: BofA Global Research, Platts

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Exhibit 57: Iron ore prices by grade (US\$/t)

Prices have been increasing since the end of 2022

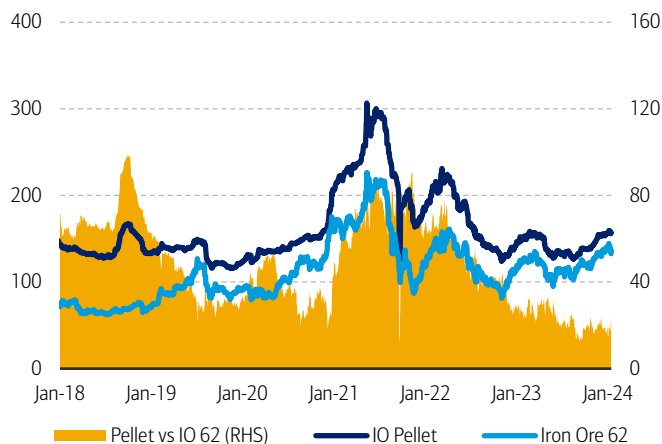


Source: BofA Global Research, Platts

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Exhibit 58: Iron ore pellets (US\$/t)

Iron ore pellet prices are increasing, premium below 2022 level

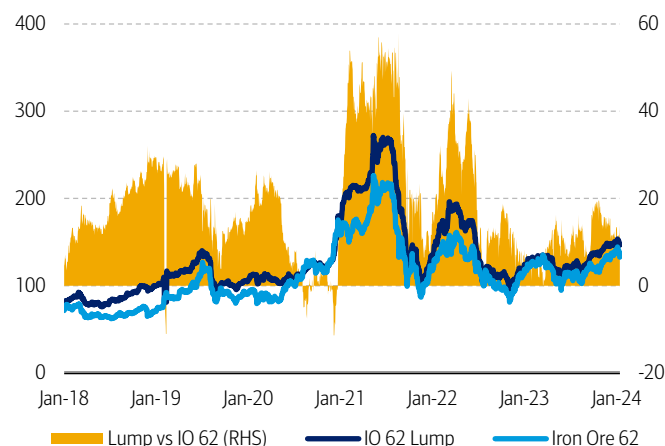


Source: BofA Global Research, Bloomberg

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Exhibit 59: Iron ore 62% lump (US\$/t)

Iron ore lump premium showing positive recover after bottom by the end of 2021



Source: BofA Global Research, Bloomberg

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Exhibit 60: Pig iron prices (US\$/t)

Pig iron close to 2020 levels



Source: BofA Global Research, Platts

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Exhibit 61: Hard cooking coal (HCC) prices (US\$/t)

Coal prices are increasing again in Australia and China

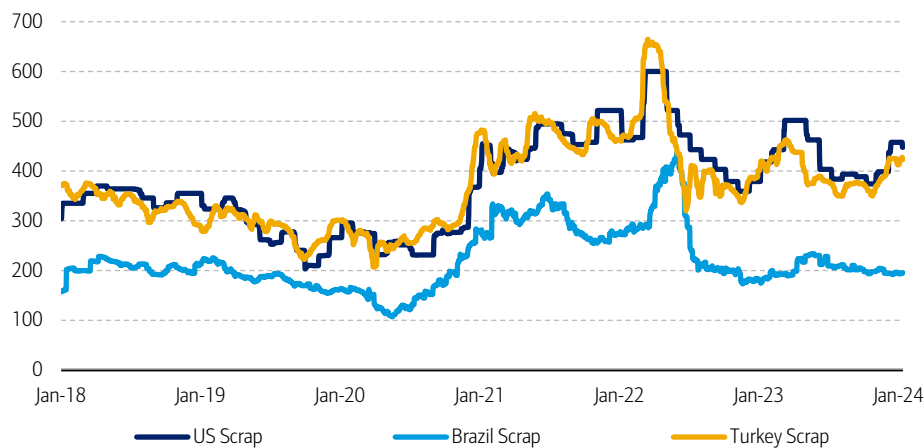


Source: BofA Global Research, Platts

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Exhibit 62: Scrap prices (US\$/t)

Scrap prices remain on elevated levels, especially for Türkiye and the US, while Brazilian scrap started to correct



Source: BofA Global Research, Platts

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Semi-Finished**Exhibit 63: Türkiye billet prices (US\$/t)**

Türkiye billet prices started to normalize after the peak in 2021, but still at high levels



Source: BofA Global Research, Platts

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Exhibit 64: Black Sea billet prices (US\$/t)

Black Sea billet prices are mainly dropping during 2023



Source: BofA Global Research, Platts

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Exhibit 65: Southeast Asia billet prices (US\$/t)

Southeast Asia billet has been relatively stable



Source: BofA Global Research, Platts

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Exhibit 66: Latin America billet prices (US\$/t)

As for Latin America, billet prices are currently above US\$500/t



Source: BofA Global Research, Platts

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Exhibit 67: Black Sea slab prices (US\$/t)

Black Sea slab prices are decreasing



Source: BofA Global Research, Platts

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Exhibit 68: Southeast Asia slab prices (US\$/t)

Southeast Asian slab started rising in the end of 2022



Source: BofA Global Research, Platts

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Exhibit 69: Brazil slab prices (US\$/t)

Brazilian slab prices are recovering recently



Source: BofA Global Research, Platts

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