

**10/03/2023**

## Turkish Scrap

Turkish deepsea imported scrap prices rose on March 9, following news of a higher-priced US sale. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$462/mt CFR March 9, up \$4.50 on the day. A reported US-origin deal was heard to be booked by an Iskenderun mill March 8, with HMS 1/2 (80:20) at \$462/mt CFR and shredded/bonus scrap at \$482/mt CFR. Chatter of another US-origin deal at \$462-\$463/mt CFR Marmara was not confirmed. A US-based recycler cited an indicative seller target for USorigin HMS 1/2 (80:20) at \$465/mt CFR Turkey. Reported US-origin offers were heard for HMS 1/2 (80:20) at \$465/mt CFR Turkey and for HMS 1/2 (90:10) at \$470/mt CFR Turkey. The daily Platts TSI US Midwest shredded scrap assessment was assessed at \$490/lt on a delivered basis March 8, up \$40 from February settlements.

The Platts US domestic HMS 1/2 (80:20) assessment rose \$30 on the month to \$410/lt on March 8, while US Northeast Coast HMS collection prices were heard around \$365-\$375/lt delivered to the dock, as exporters hiked their offers in line with the sharp rise in the domestic market. Sentiment was mixed among Turkish mills regarding the nearterm price direction. "I think the market will stay around \$460-ish, as while the US domestic market is up, I think US export prices will move sideways," one Turkey-based agent source said. Another agent source said he was unsure whether the market was firmly standing at \$462-\$463/mt CFR yet, for premium HMS 1/2 (80:20). "It still smells like the product prices aren't moving [up]," the agent said. Meanwhile, a mill source said they believed scrap will increase to \$470/mt CFR, as Turkey was going to receive 15 cargoes. A second Turkey-based mill source cited an indicative tradable value at \$460-\$465/mt CFR minimum for premium HMS 1/2 (80:20), but expected near-term increases. (Platts)

## FOB China HRC

The index rose by \$2/t yesterday (9.3.23) to US\$657/t, MTD US\$648.57/t. HRC inventory held by traders and mills decreased by nearly 160,000t this week, against a decline of 130,000t last week. Mills' production also fell after some producers rolled out maintenances, participants said. The inventory decline and production reduction supported sentiment and urged buyers fearing further price rises to book more, traders said.

Trading firms lifted sales prices by \$10-15/t to an equivalent of around \$642-665/t fob China for SS400 HRC given consecutive rising domestic sales prices. Major Chinese mills held offers unmoved at \$670-695/t fob China, inducing no buying interest. Seaborne buyers were cautious on placing orders as they were uncertain about the sustainability of the price rise. Vietnamese buyers only lifted indications by \$2-3/t to an equivalent of less than \$635/t fob China, far below sellers' acceptable levels. A large Chinese mill sold a large quantity of SAE-grade coil at \$722/t cfr Turkey this week, with no further details known. SAE-grade coil has a premium of around \$20/t over SS400-grade coil currently, participants said. Sellers lifted offers by around \$10/t to \$710-720/t cfr Vietnam for Chinese SAE1006-grade coil. But Vietnamese buyers were not in a hurry to place orders as their downstream steel products sales were slow. Local buyers may wait until end-March to see a clear trend. (Argus)

# Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	462	4.50	455.68
Steel Rebar FOB Turkey (\$/mt)	740	0.00	740.00
Argus HRC NW Europe (€/mt)	822.25	5.25	815.43
Argus FOB China HRC (\$/mt)	657.00	2.00	648.57
US HRC CRU	1017.00	109.00	962.50
No.1 BUS	470.00	50.00	520.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Mar-23	458	468	463
Apr-23	463	473	468
May-23	463	473	468
Q2-23	462	472	467
Q3-23	459	469	464
Q4-23	452	462	457

US HRC USD/short ton			
	Bid	Ask	Value
Mar-23	1058	1068	1063
Apr-23	1280	1290	1285
May-23	1265	1275	1270
Q2-23	1244	1254	1249
Q3-23	1041	1051	1046
Q4-23	953	963	958

LME REBAR FOB TK			
	Bid	Ask	Value
Mar-23	744	754	749
Apr-23	756	766	761
May-23	764	774	769
Q2-23	693	703	698
Q3-23	764	774	696
Q4-23	766	776	690

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Mar-23	845	855	850
Apr-23	892	902	897
May-23	897	907	902
Q2-23	893	903	898
Q3-23	872	882	877
Q4-23	830	840	835

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Mar-23	670	680	675
Apr-23	689	699	694
May-23	697	707	702
Q2-23	693	703	698
Q3-23	691	701	696
Q4-23	685	695	690

BUSHELING			
	Bid	Ask	Value
Mar-23	525	535	530
Apr-23	610	620	615
May-23	610	620	615
Q2-23	598	608	603
Q3-23	573	583	578
Q4-23	535	545	540

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	-215	-186	10	-3	130	Eased
	MAR 23	MAY 23	-200	-159	20	-4	130	Eased
	MAR 23	JUN 23	-150	-116	33	-1	130	Eased
	APR 23	MAY 23	15	27	10	-1	0	Eased
	MAR 23	JUN 23	-150	-116	33	-1	130	Eased
	MAY 23	JUN 23	50	43	13	3	0	Tightened
EU HRC	MAR 23	APR 23	-45	-23	2	-10	70	Eased
	MAR 23	MAY 23	-42	-23	6	-10	70	Eased
	MAR 23	JUN 23	-25	-28	0	-25	70	Tightened
	APR 23	MAY 23	3	0	4	0	0	Tightened
	MAR 23	JUN 23	-25	-28	0	-25	70	Tightened
	MAY 23	JUN 23	17	-5	-6	-15	0	Tightened
Mill Margin	MAR 23	MAR 23	495	500	370	335	820	Eased
	APR 23	APR 23	680	656	360	338	690	Tightened
	MAY 23	MAY 23	665	629	360	339	690	Tightened
	JUN 23	JUN 23	625	596	342	336	690	Tightened
Atlantic Spread (US-EU)	MAR 23	MAR 23	230	208	61	35	560	Tightened
	APR 23	APR 23	400	371	53	28	500	Tightened
	MAY 23	MAY 23	388	344	47	29	500	Tightened
	MAY 23	MAY 23	388	344	47	29	500	Tightened
	JUN 23	JUN 23	355	296	28	11	500	Tightened

## Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	1075	580	845	463	675	749	Current
	1050	550	842	460	665	742	T-1W
	860	490	799	437	651	729	T-1M
	770	435	735	390	594	670	T-3M
	870	470	870	365	650	655	T-6M
	1430	610	870	550	833	806	T-12M
	800	460	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)