

29/03/2023

## Turkish Scrap

Turkish deepsea import ferrous scrap prices softened slightly on March 28, as Turkish mills held back in search of lower prices. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$442.50/mt CFR March 28, down \$1.25/mt on the day. Following the return of deal activity after a 10-day pause, with two US-origin sales to Turkey booked March 24, reported by Platts on March 27, limited trade activity was heard on March 28. "We need to see another new deal to comment [on market direction], there is a chance these US sales will not be followed by any others," an agent source said.

Platts heard indicative tradable values ranging, with buyers targeting \$435-\$440/mt CFR, and sellers aiming to resist these levels, citing \$440-\$445/mt CFR as workable for premium HMS 1/2 (80:20), amid mixed near-term sentiment. "Prices are going to decrease more, \$435-\$440/mt CFR is a logical drop. They [recyclers] do not want to sell at these prices but eventually they will," a Turkish mill source said. However, while the buy-side seemed confident in further downside in Turkish import scrap prices, sell-side sentiment was resistant. "We will see a recovery in the near term, this is just a temporary drop. Nobody wants to sell in a downward trend," a Baltic recycler said, putting workable levels for US-origin HMS 1/2 (80:20) at \$442-\$445/mt CFR. The Baltic recycler also noted that HMS collection prices were at Eur365/mt delivered to the docks in the Baltic region, which would allow suppliers to export HMS 1/2 (80:20) to Turkish mills at \$440/mt CFR. (Platts)

## US HRC

US domestic hot rolled coil (HRC) spot prices remained flat for the second week in a row as buyers took stock of their warehouse inventories and tons on order. The Argus weekly domestic US HRC Midwest and southern assessments were flat at \$1,150/short ton (st). No spot sales or purchases were reported in the last week, with offers between \$1,150-1,200/st and most at the \$1,150/st mark. HRC prices remain up by 83pc since late-November, when they bottomed out around \$630/st. The last price increase was a \$100/st announcement published by integrated steelmaker Cleveland-Cliffs' on 13 March, which brought its minimum HRC price to \$1,200/st. HRC lead times in the Midwest increased to 8-10 weeks from 6-8 weeks, with mills said to be booked into late-May and early June. The longer lead times do not seem to be creating additional demand nor allowing the mills to book higher priced spot tons. Buyers continued to review their order books as they mull their next moves, with more saying they will move to reduce their contract purchases in order to manage their inventories going into what they think will be a downward part of the price cycle.

One buyer reported that they were offered \$1,100/st for at least 5,000st of HRC. Few seem interested in booking larger amounts of volumes. Another buyer reported a portion of a large order was shipping about a month earlier than expected. There are concerns that supply will grow with the upcoming steel mill outages coming and going relatively quickly in April. Contract discounts of 5-9pc to the current Argus HRC assessment would be the equivalent of \$58-104/st. The spread between #1 busheling scrap delivered US Midwest mills and HRC was flat at \$659/st and was 17pc lower than a year ago, when US HRC prices were reaching their peak in March and April. The Argus HRC import assessment into Houston was flat at \$1,000/st, as prices remained outside of methodology for lead times. Offers were heard between \$880-1,000/st ddp Houston, with most between \$950-1,000/st. (Argus)

# Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	442.5	-1.25	454.95
Steel Rebar FOB Turkey (\$/mt)	710	0.00	729.50
Argus HRC NW Europe (€/mt)	841.5	1.00	828.56
Argus FOB China HRC (\$/mt)	646.00	0.00	651.65
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	425	435	430
May-23	430	440	435
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	1180	1190	1185
Apr-23	1135	1145	1140
May-23	1025	1035	1030
Q2-23	1030	1040	1035
Q3-23	885	895	890
Q4-23	815	825	820

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

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Mar-23	825	835	830
Apr-23	815	825	820
May-23	810	820	815
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	475	485	480

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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	-130	-173	-163	-6	45	Tightened
	MAR 23	MAY 23	-85	-157	-144	-10	45	Tightened
	MAR 23	JUN 23	27	-66	-120	-16	45	Tightened
	APR 23	MAY 23	45	16	19	-4	0	Tightened
	MAR 23	JUN 23	27	-66	-120	-16	45	Tightened
	MAY 23	JUN 23	112	91	24	-6	0	Tightened
EU HRC	MAR 23	APR 23	0	-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	0	9	-1	0	0	Eased
	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	595	639	617	326	715	Eased
	MAY 23	MAY 23	585	653	593	330	715	Eased
	JUN 23	JUN 23	463	552	574	341	715	Eased
	JUL 23	JUL 23	371	494	555	349	365	Eased
Atlantic Spread (US-EU)	APR 23	APR 23	370	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	238	302	268	48	525	Eased
	JUL 23	JUL 23	136	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	454	651	724	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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