

30/03/2023

Turkish Scrap

Turkish deepsea import ferrous scrap prices softened further March 29, as a fresh Baltic-origin deal was heard. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$440/mt CFR March 29, down \$2.50/ mt on day. A Baltic-origin deal was heard by multiple sources to have been booked March 28 by a Marmara mill, with HMS 1/2 (80:20) around \$440/mt CFR Turkey. Market sources said the buyer was an exception among Turkish mills, with most mills expected to hold back from buying cargoes for end-April and first half May shipment until March 30- 31 or the week starting April 3. However, sell side sentiment on near-term price direction remained mixed. "The mills will purchase soon for May shipment - they don't have good scrap inventories," one agent source said. Two Baltic recyclers cited indicative tradable values for premium HMS 1/2 (80:20) at \$440/mt CFR Turkey.

"I think that we will see further price decreases in the coming weeks as there is not much buying interest," one of the Baltic recyclers said, while the second Baltic recycler expects demand to return shortly. Further support for Turkish steel producers in the form of electricity and gas price cuts for the third consecutive month also prompted a mixed reaction. Turkish president Recep Tayyip Erdogan said earlier on March 29 that the wholesale price of natural gas for industrial users was being cut 20% from April 1. Electricity prices for all users will fall 15%. "We have to move rebar prices down so we can export, and we need to try to maintain margin so we can make some profit," a Turkish mill source said, citing an indicative tradable value for US/ Baltic-origin HMS 1/2 (80:20) at \$435-\$440/mt CFR Turkey.

"Rebar production costs could come down by about \$7-\$10/mt but these costs also depend on each mill's capacity utilization." The daily outright spread between Turkish export rebar and import scrap rose \$2.50/mt on the day to \$270/mt. Platts assessed Turkish exported rebar at \$710/mt FOB March 29, unchanged on the day. "[With the new energy costs] the mills have a [scrap-rebar] conversion cost of around \$220/mt, and so with rebar sold in the domestic market at \$715-\$720/mt EXW, it would mean mills would break-even with scrap at \$495-\$500/mt CFR for scrap," one EU supplier said. "In short, they are going to make \$55-\$60/mt which is more than fair and with the high logistics costs and tight availability, I would be surprised to see many sellers accepting to sell at a loss today." (Platts)

China HRC

The index was unchanged on Wednesday (29.3.23) at US\$646/t, MTD US\$651.38/t. Chinese mills kept export offers for SS400 HRC firm at \$660-680/t fob for May and June shipment cargoes, though buyers showed little interest. Mills prefer to wait and see the market in early April. A private mill in north China offered SS400 HRC at \$635-640/t fob this week, lower than other major mills' offers, but attracted little purchasing interests in the market. Chinese SAE1006 grade HRC offers were unchanged at \$680-695/t cfr Vietnam. The Chinese mill that offered \$695/t cfr Vietnam has not closed any deals as Vietnamese local buyers were not willing to replenish stocks given a cloudy market outlook. (Argus)

Market Rates

Indices	Price	Change	MTD
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	440	-2.50	454.24
Steel Rebar FOB Turkey (\$/mt)	710	0.00	728.57
Argus HRC NW Europe (€/mt)	841	-0.50	829.15
Argus FOB China HRC (\$/mt)	646.00	0.00	651.38
US HRC CRU	1152.00	23.00	1059.20
No.1 BUS	520.00	50.00	520.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Mar-23	450	460	455
Apr-23	430	440	435
May-23	430	440	435
Q2-23	430	440	435
Q3-23	435	445	440
Q4-23	435	445	440

US HRC USD/short ton			
	Bid	Ask	Value
Apr-23	1170	1180	1175
May-23	1115	1125	1120
Jun-23	1005	1015	1010
Q2-23	1095	1105	1100
Q3-23	875	885	880
Q4-23	830	840	835

LME REBAR FOB TK			
	Bid	Ask	Value
Mar-23	715	725	720
Apr-23	675	685	680
May-23	680	690	685
Q2-23	680	690	685
Q3-23	685	695	690
Q4-23	690	700	695

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Mar-23	825	835	830
Apr-23	835	845	840
May-23	815	825	820
Q2-23	820	830	825
Q3-23	780	790	785
Q4-23	755	765	760

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	580	590	585
May-23	525	535	530
Jun-23	520	530	525
Q2-23	540	550	545
Q3-23	465	475	470
Q4-23	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	APR 23	MAY 23	50	56	19	-3	0	Eased
	APR 23	JUN 23	155	144	43	-10	0	Tightened
	APR 23	JUL 23	250	226	122	-12	0	Tightened
	MAY 23	JUN 23	105	88	24	-7	0	Tightened
	MAY 23	JUL 23	200	170	103	-9	0	Tightened
	JUN 23	JUL 23	95	82	79	-2	0	Tightened
EU HRC	APR 23	MAY 23	-15	16	-55	-13	70	Eased
	APR 23	JUN 23	0	24	-56	-13	70	Eased
	APR 23	JUL 23	25	31	-61	-33	70	Eased
	MAY 23	JUN 23	15	8	-1	0	0	Tightened
	MAY 23	JUL 23	40	15	-6	-20	0	Tightened
	JUN 23	JUL 23	25	7	-5	-20	0	Tightened
Mill Margin	APR 23	APR 23	575	604	617	342	665	Eased
	MAY 23	MAY 23	560	608	593	345	665	Eased
	JUN 23	JUN 23	490	510	574	352	665	Eased
	JUL 23	JUL 23	355	468	555	354	785	Eased
Atlantic Spread (US-EU)	APR 23	APR 23	335	384	317	67	475	Eased
	MAY 23	MAY 23	300	336	297	70	475	Eased
	MAY 23	MAY 23	300	336	297	70	475	Eased
	JUN 23	JUN 23	220	255	268	57	475	Eased
	JUL 23	JUL 23	120	178	215	54	375	Eased

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	1170	590	829	454	656	723	Current
	1194	590	826	454	652	720	T-1W
	1217	600	845	467	655	764	T-1M
	817	475	737	410	655	690	T-3M
	810	410	790	364	595	660	T-6M
	1275	610	870	574	850	872	T-12M
	817	475	737	410	655	690	YTD

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