

06/04/2023

Turkish Scrap

Turkish deepsea import ferrous scrap prices were unchanged April 5 as Turkish mills continued to hold back from the deepsea market. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$437.50/mt CFR April 5, unchanged day on day.

“Turkish mills have not bought yet for May shipment and are expected to need 20-25 cargoes minimum compared to the 40 bought for April shipment — sellers not sold much for May shipment, so it seems so very balanced in availability and demand,” a Turkish trading source said, citing an indicative tradable value for premium HMS 1/2 (80:20) at \$435-\$440/mt CFR Turkey for one or two cargoes.

“Mills have cut purchasing lead times to 20-30 days, and their inventories are on the low side, so suppliers are not panicking,” the trader added. The weak US dollar was also supporting Eurozone and UK sell-side resistance to accept lower US dollar-denominated CFR Turkey prices. Platts assessed the euro at \$1.0920 at 16.30 London time April 5, down slightly day on day from a one year high of \$1.0955. In addition, Platts assessed pound sterling at \$1.2467 at 16.30 London time April 5, down day on day from \$1.2493, its highest level since June 9, 2022. “Right now, EU scrap seems firmer than the US, so we might see some decrease in US prices first and EU sellers then might follow,” a Turkish mill source said, citing an indicative tradable value for Benelux-origin HMS 1/2 (80:20) at \$430-\$435/mt CFR Turkey. The mill source added that buyers were targeting below \$430/mt CFR for US-origin HMS 1/2 (80:20). (Platts)

FOB CHINA HRC

The index was flat yesterday (5.4.23) at US\$639/t, MTD US\$639.33/t. The market was quiet yesterday as China was off for public holiday. Hebei registered a production rise of 27.8pc from a year earlier during January-February to 36.49mn t on expectations of increased demand. State-controlled producer Steel Authority of India (Sail) registered its highest ever crude steel output of 18.3mn t in the April 2022-March 2023 fiscal year. Output was higher by 5.2pc from 17.4mn t in 2021-22. Sail also recorded a 3.6pc increase in hot metal production to 19.4mn t during the period. (Argus)

Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	437.50	0.00	438.17
Steel Rebar FOB Turkey (\$/mt)	695.00	-5.00	700.00
Argus HRC NW Europe (€/mt)	850.50	-0.25	850.33
Argus FOB China HRC (\$/mt)	639.00	0.00	639.33
US HRC CRU	1153.00	1.00	1153.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Apr-23	425	435	430
May-23	425	435	430
Jun-23	425	435	430
Q2-23	425	435	430
Q3-23	430	440	435
Q4-23	430	440	435

US HRC USD/short ton			
	Bid	Ask	Value
Apr-23	1160	1170	1165
May-23	1080	1090	1085
Jun-23	995	1005	1000
Q2-23	1080	1090	1085
Q3-23	880	890	885
Q4-23	815	825	820

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

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Apr-23	840	860	850
May-23	805	825	815
Jun-23	780	800	790
Q2-23	810	830	820
Q3-23	750	770	760
Q4-23	730	750	740

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Apr-23	625	645	635
May-23	625	645	635
Jun-23	625	645	635
Q2-23	625	645	635
Q3-23	620	640	630
Q4-23	610	630	620

BUSHELING			
	Bid	Ask	Value
Apr-23	555	575	565
May-23	520	540	530
Jun-23	500	520	510
Q2-23	525	545	535
Q3-23	490	510	500
Q4-23	480	500	490

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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	73	56	40	-13	0	Tightened
	APR 23	JUN 23	177	156	72	-13	0	Tightened
	APR 23	JUL 23	251	244	171	-18	0	Tightened
	MAY 23	JUN 23	104	100	32	0	0	Tightened
	MAY 23	JUL 23	178	188	131	-5	0	Eased
	JUN 23	JUL 23	74	88	99	-5	0	Eased
EU HRC	APR 23	MAY 23	35	15	0	-8	0	Tightened
	APR 23	JUN 23	70	25	-5	-20	0	Tightened
	APR 23	JUL 23	85	45	5	-20	-100	Tightened
	MAY 23	JUN 23	35	10	-5	-12	0	Tightened
	MAY 23	JUL 23	50	30	5	-12	-100	Tightened
	JUN 23	JUL 23	15	20	10	0	-100	Eased
Mill Margin	APR 23	APR 23	613	575	671	327	675	Tightened
	MAY 23	MAY 23	571	579	630	340	675	Eased
	JUN 23	JUN 23	472	484	608	340	675	Eased
Atlantic Spread (US-EU)	APR 23	APR 23	319	325	394	32	475	Eased
	MAY 23	MAY 23	281	284	354	37	475	Eased
	MAY 23	MAY 23	281	284	354	37	475	Eased
	JUN 23	JUN 23	212	194	317	25	475	Tightened
	JUL 23	JUL 23	153	126	228	30	375	Tightened

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	1169	565	850	435	632	688	Current
	1165	590	840	435	645	684	T-1W
	1270	599	876	458	667	764	T-1M
	792	465	760	410	650	686	T-3M
	782	390	775	363	597	658	T-6M
	1275	600	800	545	852	853	T-12M
	817	475	750	405	674	681	YTD

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