

12/04/2023

TURKISH SCRAP

Turkish deepsea imported scrap prices inched up April 11, following a recent US-origin sale to an Izmir mill booked April 7, during the Easter break. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$438/mt CFR April 11, up 50 cents/mt on the day. A US-origin deal was booked April 7 by an Izmir mill, with HMS 1/2 (90:10) at \$442/mt CFR Turkey, which was confirmed by both the buy-side and the sell-side. Multiple market participants normalized the deal within a range of \$437-\$440/mt CFR for premium HMS 1/2 (80:20).

The cargo was also heard to contain a small volume of bonus scrap at \$460/mt CFR. A second US-origin deal was also booked April 11 by an Iskenderun mill but was heard after the 4.30pm UK pricing deadline. The cargo contained 15,000 mt of HMS 1/2 (80:20) at \$439/mt CFR and 15,000 mt of shredded scrap at \$459/mt CFR, for May shipment. Few Turkish mills were heard to be actively seeking cargo in the scrap market on April 11, prior to the news of the second US-origin trade. "Other [mills] are not willing to pay even \$435/mt [for US-origin HMS 1/2 (80:20)]," one Turkish agent source said.

Before news of the second US-origin deal, various market sources shared negative near-term sentiment coming out of the brief Easter holiday period as Turkish mills were heard to focus on capturing finished steel demand, dropping both domestic and export rebar offers. Platts assessed Turkish exported rebar at \$687.50/mt FOB April 11, unchanged on the day. The daily outright spread between Turkish export rebar and import scrap dropped 50 cents/mt on the day to \$249.50/mt, its lowest level since August 31, 2022. "The problem in the market is the unsold finished steel, which was produced at a higher cost, so the Turkish mills must decide if they will produce now and pay the current [scrap price] levels. For now, nobody wants to show their hand and enter the market," a second agent source said. (Platts)

FOB CHINA HRC

The index was flat yesterday (11.4.23) at US\$631/t, MTD US\$635.50/t. Potential disruption to Australian iron ore supply pushed steel sellers to raise prices but some traders anticipated the effect to be limited, with steel demand likely to remain subdued. Baosteel held its HRC ex-works prices unchanged for May deliveries from April basis.

Major Chinese mills held offers unchanged at \$640-660/t fob China for SS400 HRC, above seaborne buyers' acceptable levels at an equivalent of \$580-610/t fob China. Some buyers from South Korea may consider placing orders for small quantity of SS400 HRC at around \$640/t fob China, but that level was too low for large Chinese mills. Trading firms lowered sales prices to \$640-650/t cfr Vietnam for positional Chinese SAE1006-grade coil, while large Chinese mills also cut their indications to around \$655-660/t cfr Vietnam for firm bids. But Vietnamese buyers were reluctant to give any bid as they expected a further price fall soon on low international buying. (Argus)

Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	438.00	0.50	438.00
Steel Rebar FOB Turkey (\$/mt)	687.50	0.00	695.00
Argus HRC NW Europe (€/mt)	847.00	-3.00	849.70
Argus FOB China HRC (\$/mt)	631.00	0.00	635.50
US HRC CRU	1153.00	1.00	1153.00
No.1 BUS	530.00	10.00	530.00

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

US HRC USD/short ton			
	Bid	Ask	Value
Apr-23	1165	1175	1170
May-23	1090	1100	1095
Jun-23	990	1000	995
Q2-23	1080	1090	1085
Q3-23	890	900	895
Q4-23	830	840	835

LME REBAR FOB TK			
	Bid	Ask	Value
Apr-23	680	690	685
May-23	670	680	675
Jun-23	670	680	675
Q2-23	675	685	680
Q3-23	675	685	680
Q4-23	680	690	685

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Apr-23	850	860	855
May-23	825	835	830
Jun-23	800	810	805
Q2-23	825	835	830
Q3-23	770	780	775
Q4-23	735	745	740

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

BUSHELING			
	Bid	Ask	Value
May-23	525	535	530
Jun-23	505	515	510
Jul-23	495	505	500
Q3-23	490	500	495
Q4-23	490	500	495
Q1-24	470	480	475

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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	71	78	11	-4	0	Eased
	APR 23	JUN 23	175	180	76	-9	0	Eased
	APR 23	JUL 23	242	247	192	-19	0	Eased
	MAY 23	JUN 23	104	102	65	-5	0	Tightened
	MAY 23	JUL 23	171	169	181	-15	0	Tightened
	JUN 23	JUL 23	67	67	116	-10	0	Unchanged
EU HRC	APR 23	MAY 23	20	35	-1	-8	0	Eased
	APR 23	JUN 23	45	55	9	-8	0	Eased
	APR 23	JUL 23	85	85	15	-8	-100	Unchanged
	MAY 23	JUN 23	25	20	10	0	0	Tightened
	MAY 23	JUL 23	65	50	16	0	-100	Tightened
	JUN 23	JUL 23	40	30	6	0	-100	Tightened
Mill Margin	MAY 23	MAY 23	567	544	670	340	625	Tightened
	JUN 23	JUN 23	483	447	615	345	625	Tightened
	JUL 23	JUL 23	436	415	519	355	735	Tightened
Atlantic Spread (US-EU)	MAY 23	MAY 23	267	269	370	25	425	Eased
	JUN 23	JUN 23	188	187	315	30	425	Tightened
	JUL 23	JUL 23	161	150	205	40	325	Tightened
	AUG 23	AUG 23	130	119	183	33	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	1165	530	850	435	626	680	Current
	1162	540	850	435	632	688	T-1W
	1271	590	889	457	700	760	T-1M
	811	475	782	410	647	676	T-3M
	760	400	730	360	580	651	T-6M
	1225	600	800	541	825	843	T-12M
	817	475	750	405	674	681	YTD

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