

**13/04/2023**

## TURKISH SCRAP

Turkish deepsea imported scrap prices weakened slightly on April 12, as a lower-priced deal booked for Benelux-origin HMS 1/2 (80:20) was concluded. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$435.75/mt CFR April 12, down \$2.25 on the day. A Benelux-origin deal was booked on April 11 by a Marmara mill with HMS 1/2 (80:20) at \$427.50/mt CFR Turkey, which was confirmed by the sellside.

A US-origin deal was also booked on April 11 by an Iskenderun mill, consisting of 15,000 mt HMS 1/2 (80:20) at \$439/mt CFR and 15,000 mt shredded scrap at \$459/mt CFR for May shipment. The deal was confirmed by both the sellside and the buy-side. One EU-based recycler reported that HMS collection prices were yet to drop to below Eur365/mt delivered to the docks in the region, which, along with current freight and exchange rates, could make prices below \$435/mt CFR Turkey prohibitive for other Eurozone exporters. Platts assessed the bulk freight rate for 30,000 mt scrap for the Rotterdam-Aliaga route at \$22.25/mt April 11 — the date the deal was booked — while the euro was assessed at \$1.0913 at 4:30 pm London time on April 11, strengthening further to a one year high of \$1.0980 on April 12.

However, EU-origin offers were heard late on April 11 at \$428- \$430/mt CFR for HMS 1/2 (80:20), suggesting some continental EU-based suppliers may accept a lower sales price in order to pressure collection costs lower. “Deducting freight rates and costs, the profit margins for sellers are not typical at the moment, but if a seller had to sell, they would,” one Baltic-based recycler said. (Platts)

## FOB CHINA HRC

The index was stable yesterday (12.4.23) at US\$631/t, MTD US\$634.86/t. Blast furnace steel mills now were in profit margins of no more than Yn100/t for HRC and some were even in slight losses, but major steel mills were not planning to scale back HRC output in April, as they were ramping up production to fulfilling orders booked in February and March for April deliveries.

An east China mill cut its offer by \$5/t to \$635/t fob China for SS400 HRC, but it failed to induce any buying as buyers were silent on trading firms' sales prices at around \$600/t fob China. Other major Chinese mills held offers unchanged at \$640-660/t fob. Deals for Chinese SS400 HRC were concluded at \$590/t cfr Vietnam and \$610/t cfr South Korea, but no further details could be confirmed and most sellers were reluctant to take orders at those levels, participants said. Some South Korean buyers bought small quantity of Chinese SS400 HRC at around \$650/t fob China for immediate needs, but that level was too high to represent the mainstream market levels, they added. Sellers held sales prices unchanged at \$640-660/t cfr Vietnam for Chinese SAE1006-grade coil. Vietnamese buyers were reluctant to give any bid as they expected a further price fall soon on weak international steel demand. (Argus)

# Market Rates

<b>Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)</b>	437.50	-0.50	437.92
<b>Steel Rebar FOB Turkey (\$/mt)</b>	685.00	-2.50	693.33
<b>Argus HRC NW Europe (€/mt)</b>	845.50	-1.50	849.00
<b>Argus FOB China HRC (\$/mt)</b>	631.00	0.00	634.86
<b>US HRC CRU</b>	1203.00	50.00	1178.00
<b>No.1 BUS</b>	530.00	10.00	530.00

<b>LME HMS 80:20 CFR TK</b>			
	<b>Bid</b>	<b>Ask</b>	<b>Value</b>
<b>Apr-23</b>	425	435	430
<b>May-23</b>	420	430	425
<b>Jun-23</b>	415	425	420
<b>Q2-23</b>	420	430	425
<b>Q3-23</b>	415	425	420
<b>Q4-23</b>	415	425	420

<b>US HRC USD/short ton</b>			
	<b>Bid</b>	<b>Ask</b>	<b>Value</b>
<b>Apr-23</b>	1175	1185	1180
<b>May-23</b>	1130	1140	1135
<b>Jun-23</b>	1015	1025	1020
<b>Q2-23</b>	1105	1115	1110
<b>Q3-23</b>	900	910	905
<b>Q4-23</b>	835	845	840

<b>LME REBAR FOB TK</b>			
	<b>Bid</b>	<b>Ask</b>	<b>Value</b>
<b>Apr-23</b>	675	685	680
<b>May-23</b>	665	675	670
<b>Jun-23</b>	660	670	665
<b>Q2-23</b>	670	680	675
<b>Q3-23</b>	665	675	670
<b>Q4-23</b>	665	675	670

<b>NWE HRC EUR/metric ton</b>			
	<b>Bid</b>	<b>Ask</b>	<b>Value</b>
<b>Apr-23</b>	850	860	855
<b>May-23</b>	830	840	835
<b>Jun-23</b>	800	810	805
<b>Q2-23</b>	825	835	830
<b>Q3-23</b>	775	785	780
<b>Q4-23</b>	755	765	760

<b>LME HRC FOB TIANJIN CHINA USD/mt</b>			
	<b>Bid</b>	<b>Ask</b>	<b>Value</b>
<b>Apr-23</b>	620	630	625
<b>May-23</b>	615	625	620
<b>Jun-23</b>	620	630	625
<b>Q2-23</b>	615	625	620
<b>Q3-23</b>	615	625	620
<b>Q4-23</b>	615	625	620

<b>BUSHELING</b>			
	<b>Bid</b>	<b>Ask</b>	<b>Value</b>
<b>May-23</b>	520	530	525
<b>Jun-23</b>	500	510	505
<b>Jul-23</b>	490	500	495
<b>Q3-23</b>	490	500	495
<b>Q4-23</b>	490	500	495
<b>Q1-24</b>	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	APR 23	MAY 23	48	75	5	-4	0	Eased
	APR 23	JUN 23	158	176	69	-4	0	Eased
	APR 23	JUL 23	230	246	175	-14	0	Eased
	MAY 23	JUN 23	110	101	64	0	0	Tightened
	MAY 23	JUL 23	182	171	170	-10	0	Tightened
	JUN 23	JUL 23	72	70	106	-10	0	Tightened
EU HRC	APR 23	MAY 23	10	27	0	-5	0	Eased
	APR 23	JUN 23	45	55	10	-10	0	Eased
	APR 23	JUL 23	85	85	16	-10	-100	Unchanged
	MAY 23	JUN 23	35	28	10	-5	0	Tightened
	MAY 23	JUL 23	75	58	16	-5	-100	Tightened
	JUN 23	JUL 23	40	30	6	0	-100	Tightened
Mill Margin	MAY 23	MAY 23	602	551	650	340	625	Tightened
	JUN 23	JUN 23	507	455	596	345	625	Tightened
	JUL 23	JUL 23	450	430	510	355	735	Tightened
Atlantic Spread (US-EU)	MAY 23	MAY 23	292	268	360	35	425	Tightened
	JUN 23	JUN 23	217	195	306	30	425	Tightened
	JUL 23	JUL 23	185	155	206	40	325	Tightened
	AUG 23	AUG 23	143	123	162	40	375	Tightened

## Front Month Price Grid

Field	US HRC	US BUS	NY EUR HRC	LME \$CRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	1184	530	850	430	620	681	Current
	1166	540	850	429	626	674	T-1W
	1245	590	880	451	708	748	T-1M
	811	475	775	412	652	679	T-3M
	750	400	750	360	579	650	T-6M
	1225	600	800	530	824	836	T-12M
	817	475	750	405	674	681	YTD

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