

19/04/2023

TURKISH SCRAP

Turkish deepsea import ferrous scrap prices inched down slightly on April 18, as a lower US-origin deal booked April 14 was disclosed. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$428.50/mt CFR April 18, down \$1.50/mt day on day. A US-origin deal was booked on April 14 by a Marmara mill. The cargo consisted of HMS 1/2 (80:20) at \$428.50/mt CFR and bonus scrap at \$448.50/mt CFR. The deal was confirmed by the sellside. The day prior on April 13, the same US supplier sold a cargo to a different Marmara mill, with HMS 1/2 (80:20) priced at \$430/mt CFR. Various market sources also shared indicative near-term tradable values at below \$425/mt CFR Turkey for premium HMS 1/2 (80:20) on the day.

“It looks like for EU material, the best you can get is around \$420/mt CFR, but with the holidays coming up I don’t expect much action,” one EU recycler said. The forward curve for Turkey scrap futures on the London Metal Exchange, which settles basis Platts, entered a steeper backwardation over the April-July portion of the curve, highlighting future traders’ expectations of near-term declines in the physical price. Platts assessed the LME April scrap contract at \$428.50/mt April 18, down 50 cents/mt day on day, while the May contract was down \$4.50/mt day on day to \$416/mt. The June and July contracts were also down day on day at \$415.50/mt and \$415/mt, respectively. “Next week we should be more optimistic because suppliers are not getting enough material - It is hard to collect HMS even at Eur350-360/mt delivered in the Benelux region,” a second agent source said, suggesting some Baltic recyclers could sell below \$425/mt CFR Turkey for HMS 1/2 (80:20), with UK-origin HMS 1/2 (80:20) considered workable above \$420/mt CFR. (Platts)

FOB CHINA HRC

The index fell by \$4/t on Tuesday (18.4.23) to US\$618/t, MTD US\$630.18/t. China posted a gross domestic product (GDP) growth of 4.5pc on the year in the first quarter of 2023, according to National Bureau of Statistics released on 18 April. The data was higher than the market's expectation of a 4pc growth, and stoked confidence in China's economic recovery.

Prices in seaborne market continued to fall. A large Chinese mill cut its offer by \$10/t to \$650/t fob China for SS400 HRC. Two north China-based mills offered at \$630-635/t fob China. There were no deals against those offers, as seaborne buyers' acceptable levels were at \$600-610/t fob China. Sellers cut offers to \$635-650/t cfr Vietnam for Chinese SAE1006-grade coil, with bids at \$620-635/t cfr Vietnam. The wide spread left little possibility for deals and Vietnamese buyers were not in a hurry to place orders as they expect a further drop in international steel prices, participants in Vietnam said. (Argus)

Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	428.50	-1.50	434.95
Steel Rebar FOB Turkey (\$/mt)	677.50	-2.50	688.25
Argus HRC NW Europe (€/mt)	836.50	-7.00	846.15
Argus FOB China HRC (\$/mt)	618.00	-4.00	630.18
US HRC CRU	1203.00	50.00	1178.00
No.1 BUS	530.00	10.00	530.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Apr-23	425	435	430
May-23	410	420	415
Jun-23	410	420	415
Q2-23	415	425	420
Q3-23	410	420	415
Q4-23	405	415	410

US HRC USD/short ton			
	Bid	Ask	Value
Apr-23	1175	1185	1180
May-23	1110	1120	1115
Jun-23	1005	1015	1010
Q2-23	1095	1105	1100
Q3-23	895	905	900
Q4-23	835	845	840

LME REBAR FOB TK			
	Bid	Ask	Value
Apr-23	675	685	680
May-23	650	660	655
Jun-23	650	660	655
Q2-23	660	670	665
Q3-23	645	655	650
Q4-23	650	660	655

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Apr-23	840	850	845
May-23	795	805	800
Jun-23	760	770	765
Q2-23	800	810	805
Q3-23	730	740	735
Q4-23	715	725	720

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Apr-23	620	630	625
May-23	595	605	600
Jun-23	600	610	605
Q2-23	605	615	610
Q3-23	600	610	605
Q4-23	600	610	605

BUSHELING			
	Bid	Ask	Value
May-23	510	520	515
Jun-23	500	510	505
Jul-23	480	490	485
Q3-23	475	485	480
Q4-23	460	470	465
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	62	48	20	-2	0	Tightened
	APR 23	JUN 23	160	160	100	-9	0	Unchanged
	APR 23	JUL 23	244	234	183	-15	0	Tightened
	MAY 23	JUN 23	98	112	80	-7	0	Eased
	MAY 23	JUL 23	182	186	163	-13	0	Eased
	JUN 23	JUL 23	84	74	83	-6	0	Tightened
EU HRC	APR 23	MAY 23	40	10	0	-5	0	Tightened
	APR 23	JUN 23	65	45	10	-10	0	Tightened
	APR 23	JUL 23	90	65	20	-5	-100	Tightened
	MAY 23	JUN 23	25	35	10	-5	0	Eased
	MAY 23	JUL 23	50	55	20	0	-100	Eased
	JUN 23	JUL 23	25	20	10	5	-100	Tightened
Mill Margin	MAY 23	MAY 23	588	606	628	327	600	Eased
	JUN 23	JUN 23	520	509	558	339	600	Tightened
	JUL 23	JUL 23	436	450	490	345	690	Eased
Atlantic Spread (US-EU)	MAY 23	MAY 23	318	296	373	17	380	Tightened
	JUN 23	JUN 23	245	219	303	19	380	Tightened
	JUL 23	JUL 23	186	165	230	30	280	Tightened
	AUG 23	AUG 23	155	132	165	30	330	Tightened

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	1175	530	840	427	628	684	Current
	1184	530	850	430	620	681	T-1W
	1238	590	845	445	670	735	T-1M
	800	475	780	417	653	680	T-3M
	755	400	710	366	562	648	T-6M
	1180	580	800	515	831	809	T-12M
	817	475	750	405	674	681	YTD

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