

21/04/2023

## TURKISH SCRAP

Turkish deepsea import ferrous scrap prices continued to decline April 20, as limited market activity was heard ahead of the Eid-Al Fitr holiday in Turkey. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$420/mt CFR April 20, down \$4 on the day. A US-origin deal was heard to be booked April 18 by an Izmir mill, with HMS 1/2 (80:20) at \$416/mt CFR Turkey, but was denied by the seller. A US-based recycler cited an indicative workable value at \$416-\$417/mt CFR, however, expecting further near-term downside toward \$400/mt CFR as Turkish mills continue to push for lower levels amid poor demand for finished steel. Otherwise, limited activity was heard April 20 because of the Eidal-Fitr public holidays in Turkey April 20-23, as market participants instead reported bearish indicative near-term tradable values.

“We are out of the market not due to prices, but due to our [finished steel] sales. We will not purchase until they pick up,” a Turkish mill source said, citing an indicative near-term tradable value below \$400/mt CFR. “I’m not seeing any demand until after the [presidential] elections [May 14] and then we will see the real market.” A trader said, “I think activity will pick up after the holiday period, and when it does, prices have a chance of dropping to \$400/mt CFR, but I have doubts about whether it will drop much further than that.” Meanwhile, European recyclers also reported retreating from the market, citing an unwillingness to offer their material into Turkey under current market conditions. “Doing nothing is cheaper than selling, offering into this market makes no sense,” a Benelux recycler said, “the stressed sellers [in the US] need to get rid of what they need to sell.” (Platts)

## FOB CHINA HRC

The index fell by \$2/t on Thursday (20.4.23) to US\$611/t, MTD US\$627.38/t. HRC inventory rose for second week in a row amid mills’ production cuts, showing physical demand was weak. Sentiment would remain soft before more significant production cuts were seen, although some mills have planned to scale back output, participants said.

Major Chinese mill held sales prices unchanged at \$600-630/t fob China for SS400 HRC. But some trading firms cut sales prices to \$600-610/t cfr Vietnam to attract buying, netting back to around \$590-600/t fob China. Vietnamese buyers can accept below \$590/t cfr Vietnam as a deal was concluded at that level this week without further details. Vietnamese mill Formosa Ha Tinh cut its offers to \$640/t cif Vietnam after it announced its monthly offer at \$682-692/t cif Vietnam on 14 April, market participants said. That level was in line with the mainstream market levels, but only limited buyers could accept it. The highest bid was at \$630/t cfr Vietnam for SAE-grade coil. Some trading firms cut sales prices to \$610-630/t cfr Vietnam for Chinese SAE1006-grade coil. (Argus)

## Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	416.00	-4.00	432.13
Steel Rebar FOB Turkey (\$/mt)	670.00	-5.00	685.63
Argus HRC NW Europe (€/mt)	834.25	-2.00	844.33
Argus FOB China HRC (\$/mt)	611.00	-2.00	627.38
US HRC CRU	1195.00	-8.00	1183.67
No.1 BUS	530.00	10.00	530.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Apr-23	415	425	420
May-23	380	390	385
Jun-23	380	390	385
Q2-23	390	400	395
Q3-23	380	390	385
Q4-23	390	400	395

US HRC USD/short ton			
	Bid	Ask	Value
Apr-23	1175	1185	1180
May-23	1105	1115	1110
Jun-23	1005	1015	1010
Q2-23	1095	1105	1100
Q3-23	885	895	890
Q4-23	825	835	830

LME REBAR FOB TK			
	Bid	Ask	Value
Apr-23	670	680	675
May-23	615	625	620
Jun-23	615	625	620
Q2-23	630	640	635
Q3-23	615	625	620
Q4-23	620	630	625

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Apr-23	840	850	845
May-23	790	800	795
Jun-23	760	770	765
Q2-23	795	805	800
Q3-23	730	740	735
Q4-23	710	720	715

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Apr-23	615	625	620
May-23	590	600	595
Jun-23	585	595	590
Q2-23	595	605	600
Q3-23	585	595	590
Q4-23	575	585	580

BUSHELING			
	Bid	Ask	Value
May-23	495	505	500
Jun-23	470	480	475
Jul-23	455	465	460
Q3-23	450	460	455
Q4-23	435	445	440
Q1-24	445	455	450

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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	68	58	16	-3	0	Tightened
	APR 23	JUN 23	168	158	107	-10	0	Tightened
	APR 23	JUL 23	243	228	180	-10	0	Tightened
	MAY 23	JUN 23	100	100	91	-7	0	Unchanged
	MAY 23	JUL 23	175	170	164	-7	0	Tightened
	JUN 23	JUL 23	75	70	73	0	0	Tightened
EU HRC	APR 23	MAY 23	40	40	9	-5	0	Unchanged
	APR 23	JUN 23	65	70	19	-10	0	Eased
	APR 23	JUL 23	90	80	24	-9	-100	Tightened
	MAY 23	JUN 23	25	30	10	-5	0	Eased
	MAY 23	JUL 23	50	40	15	-4	-100	Tightened
	JUN 23	JUL 23	25	10	5	1	-100	Tightened
Mill Margin	MAY 23	MAY 23	610	587	653	328	530	Tightened
	JUN 23	JUN 23	535	502	552	340	530	Tightened
	JUL 23	JUL 23	435	447	494	335	620	Eased
Atlantic Spread (US-EU)	MAY 23	MAY 23	310	312	383	17	310	Eased
	JUN 23	JUN 23	235	242	302	19	310	Eased
	JUL 23	JUL 23	185	182	234	20	210	Tightened
	AUG 23	AUG 23	155	165	179	21	260	Eased

## Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	1178	500	845	421	618	669	Current
	1175	530	845	429	625	680	T-1W
	1229	560	839	440	649	706	T-1M
	795	470	776	409	653	675	T-3M
	751	415	705	365	572	648	T-6M
	1110	580	800	481	834	776	T-12M
	817	475	750	405	674	681	YTD

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