

**25/04/2023**

## TURKISH SCRAP

Turkish deepsea imported scrap prices fell further on April 24, as suppliers cited lower workable levels. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$412.50/mt CFR April 24, down \$3.50/mt on the day. Several deals booked over the week to April 21 were also heard. A Baltic-origin deal was booked on April 20 by a Marmara mill, with HMS 1/2 (80:20) at \$415/mt CFR and bonus scrap at \$435/mt CFR. The deal was confirmed by the sell side. A Benelux-origin deal was booked during the middle of the week started April 17 by an Iskenderun mill and was confirmed by both the sell side and the buy side.

The shipment consisted of HMS 1/2 (80:20) at \$415/mt CFR and bonus scrap at \$435/mt CFR. A second Baltic-origin deal was also heard by market sources to have been booked on April 20-21 by an Izmir mill, with HMS 1/2 (80:20) at \$415/mt CFR and bonus scrap at \$435/mt CFR. A US-origin deal was also booked by the same Izmir mill on April 20, with HMS 1/2 (80:20) at \$415/mt CFR. Prior to the news of the aforementioned European-origin deals, market participants had largely reported that Baltic and Benelux recyclers were stepping back from the market at prices below \$420/mt CFR, as high collection costs, an appreciating euro and a strong domestic European scrap market meant that Turkish buyer targets were unworkable for many recyclers on the continent. (Platts)

## EU HRC

Large Italian hot-rolled coil (HRC) buyers, especially in the pipe-making sector, have started curtailing production, being squeezed by high costs and low end-product prices.

The domestic Italian market was quiet today, amid public holidays, but certain buyers are reportedly operating on reduced shifts, taking extra days off around bank holidays, and asking employees to take annual leave, because they prefer to stop output rather than deepen losses. Some of them have struggled to find raw material at a price that would be workable for the final market, as end-product prices across many sectors in Italy and wider Europe have been sluggish, and altogether did not match the increases seen in HRC prices in the first quarter.

Many of those buyers are now looking at importing HRC for usage after the summer — currently the spread with domestic prices is at €150-200/t. Taiwanese and Vietnamese HRC were today reported offered at \$730/t cif southern Europe, which would equate to €660-665/t. But some want to wait for another few weeks in case prices fall further. (Argus)

# Market Rates

| Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt) | 412.50  | -3.50  | 429.57  |
|---|---------|--------|---------|
| Steel Rebar FOB Turkey (\$/mt)              | 660.00  | -10.00 | 682.68  |
| Argus HRC NW Europe (€/mt)                  | 834.00  | -0.25  | 842.88  |
| 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               | 420 | 430 | 425   |
| May-23               | 385 | 395 | 390   |
| Jun-23               | 380 | 390 | 385   |
| Q2-23                | 395 | 405 | 400   |
| Q3-23                | 380 | 390 | 385   |
| Q4-23                | 380 | 390 | 385   |

| US HRC USD/short ton |      |      |       |
|----------------------|------|------|-------|
|                      | Bid  | Ask  | Value |
| Apr-23               | 1175 | 1185 | 1180  |
| May-23               | 1085 | 1095 | 1090  |
| Jun-23               | 990  | 1000 | 995   |
| Q2-23                | 1080 | 1090 | 1085  |
| Q3-23                | 860  | 870  | 865   |
| Q4-23                | 795  | 805  | 800   |

| LME REBAR FOB TK |     |     |       |
|------------------|-----|-----|-------|
|                  | Bid | Ask | Value |
| Apr-23           | 670 | 680 | 675   |
| May-23           | 610 | 620 | 615   |
| Jun-23           | 605 | 615 | 610   |
| Q2-23            | 630 | 640 | 635   |
| Q3-23            | 605 | 615 | 610   |
| Q4-23            | 600 | 610 | 605   |

| NWE HRC EUR/metric ton |     |     |       |
|------------------------|-----|-----|-------|
|                        | Bid | Ask | Value |
| Apr-23                 | 840 | 850 | 845   |
| May-23                 | 775 | 785 | 780   |
| Jun-23                 | 720 | 730 | 725   |
| Q2-23                  | 780 | 790 | 785   |
| Q3-23                  | 685 | 695 | 690   |
| Q4-23                  | 665 | 675 | 670   |

| LME HRC FOB TIANJIN CHINA USD/mt |     |     |       |
|----------------------------------|-----|-----|-------|
|                                  | Bid | Ask | Value |
| Apr-23                           | 610 | 620 | 615   |
| May-23                           | 570 | 580 | 575   |
| Jun-23                           | 560 | 570 | 565   |
| Q2-23                            | 580 | 590 | 585   |
| Q3-23                            | 560 | 570 | 565   |
| Q4-23                            | 555 | 565 | 560   |

| BUSHELING |     |     |       |
|-----------|-----|-----|-------|
|           | Bid | Ask | Value |
| May-23    | 515 | 525 | 520   |
| Jun-23    | 470 | 480 | 475   |
| Jul-23    | 445 | 455 | 450   |
| Q3-23     | 445 | 455 | 450   |
| Q4-23     | 435 | 445 | 440   |
| Q1-24     | 445 | 455 | 450   |

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at [freightinvestorservices.com](http://freightinvestorservices.com)

## 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   | 93      | 53   | 39   | 9    | 0     | Tightened        |
|                         | APR 23    | JUN 23   | 189     | 160  | 138  | 7    | 0     | Tightened        |
|                         | APR 23    | JUL 23   | 278     | 240  | 228  | 9    | 0     | Tightened        |
|                         | MAY 23    | JUN 23   | 96      | 107  | 99   | -2   | 0     | Eased            |
|                         | MAY 23    | JUL 23   | 185     | 187  | 189  | 0    | 0     | Eased            |
|                         | JUN 23    | JUL 23   | 89      | 80   | 90   | 2    | 0     | Tightened        |
| EU HRC                  | APR 23    | MAY 23   | 45      | 40   | 10   | -10  | 0     | Tightened        |
|                         | APR 23    | JUN 23   | 104     | 75   | 30   | -10  | 0     | Tightened        |
|                         | APR 23    | JUL 23   | 135     | 90   | 35   | -10  | -100  | Tightened        |
|                         | MAY 23    | JUN 23   | 59      | 35   | 20   | 0    | 0     | Tightened        |
|                         | MAY 23    | JUL 23   | 90      | 50   | 25   | 0    | -100  | Tightened        |
|                         | JUN 23    | JUL 23   | 31      | 15   | 5    | 0    | -100  | Tightened        |
| Mill Margin             | MAY 23    | MAY 23   | 564     | 592  | 628  | 320  | 410   | Eased            |
|                         | JUN 23    | JUN 23   | 513     | 515  | 519  | 322  | 410   | Eased            |
|                         | JUL 23    | JUL 23   | 439     | 450  | 469  | 320  | 470   | Eased            |
| Atlantic Spread (US-EU) | MAY 23    | MAY 23   | 294     | 322  | 333  | 15   | 160   | Eased            |
|                         | JUN 23    | JUN 23   | 257     | 250  | 254  | 17   | 160   | Tightened        |
|                         | JUL 23    | JUL 23   | 199     | 185  | 169  | 15   | 60    | Tightened        |
|                         | AUG 23    | AUG 23   | 161     | 165  | 135  | 15   | 110   | Eased            |

## Front Month Price Grid

| Field | US HRC | US BUS | NW EUR HRC | LME \$CRAP TK | LME HRC FOB | LME REBAR TK | TimeFrame |
|-------|--------|--------|------------|---------------|-------------|--------------|-----------|
| PRICE | 1177   | 520    | 841        | 427           | 612         | 673          | Current   |
|       | 1175   | 530    | 840        | 427           | 628         | 684          | T-1W      |
|       | 1197   | 530    | 835        | 440           | 640         | 707          | T-1M      |
|       | 799    | 470    | 765        | 422           | 647         | 686          | T-3M      |
|       | 738    | 420    | 700        | 353           | 557         | 634          | T-6M      |
|       | 960    | 550    | 800        | 466           | 791         | 758          | T-12M     |
|       | 817    | 475    | 750        | 405           | 674         | 681          | YTD       |

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at [freightinvestorservices.com](http://freightinvestorservices.com)