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Turkish Scrap

Turkish deepsea imported scrap prices softened further on April 25, as Turkish mills continued to pressure recyclers by dropping bids and buyer targets, sources said. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$410/mt CFR April 25, down \$2.50/mt on the day. Platts heard reported bids for US/Baltic-origin HMS 1/2 (80:20) at \$400-\$405/mt CFR and for EU-origin HMS 1/2 (80:20) as low as at \$385-\$390/mt CFR as Turkish mills were heard to continue to apply downward pressure on prices. "The pressure is on because finished steel demand is so low," a Turkish mill source said, citing an indicative workable value for US/Baltic-origin HMS 1/2 (80:20) at \$405-\$410/mt CFR. Platts assessed Turkish exported rebar at \$655/mt FOB, down \$5/mt on the day, reaching its lowest level since Nov. 30, 2022. The daily outright spread between Turkish export rebar and import scrap decreased \$2.50/mt on the day to \$245/mt April 25, the lowest level since Aug. 31, 2022.

However, an agent source cited an indicative minimum workable value for US-origin HMS 1/2 (80:20) at a minimum of \$415/mt CFR and reported that US recyclers had mostly paused offering, with the exception of two recyclers, one of which was heard to target \$420/mt CFR for HMS 1/2 (90:10). "The offer price is not so important today, the thing is what level the factory will bid," another Turkish agent source said. Elsewhere, an EU recycler described that they would be stepping back from the market at current prices, adding to the two other EU-based recyclers that reported the same on April 24. "Doing nothing is cheaper than selling at a level that you cannot collect at. As soon as collection prices reach the correct [workable] levels, we will be back," the EU recycler said. Platts heard exporters had lowered HMS collection prices in the Benelux region to Eur330/mt delivered to the docks, but market sources continued to note that inflows at these prices were limited due to low volumes. "It seems deal activity will pause for the next couple of days until the recyclers' collection prices come down a little more," a Turkish trader said. (Platts)

China HRC

The index fell by \$4/t yesterday (25.4.23) to US\$594/t, MTD US\$622.13/t. In a meeting on 24 April, the China Iron and Steel Association (Cisa) called for domestic mills to maintain a healthy cash flow and cut output to stabilise the steel market. Steel mills in Handan and Xingtai in north China's Hebei province slashed hot-rolled strip prices by Yn200/t from last month to Yn4,080/t as the settlement price for buyers' April bookings.

Major Chinese mills were silent on offers as they preferred to negotiate prices case by case amid sluggish buying. Seaborne buyers could no longer accept SS400 HRC prices above \$600/t fob China, even those in Turkey and South America where buyers generally can accept prices higher than those in southeast Asia. Vietnamese buyers were reluctant to place orders above \$580/t cfr Vietnam as short sellers were offering at those levels. Sellers held sales prices unchanged at \$620/t cfr Vietnam for SAE1006-grade coil produced by large Chinese mills and \$580/t cfr Vietnam for coil produced by smaller Chinese mills. Japanese offers were also flat at \$640/t cfr Vietnam. But Vietnamese buyers lowered acceptable levels to \$600-610/t cfr Vietnam for SAE-grade coil produced by large mills. (Argus)

Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	410.00	-2.50	428.27
Steel Rebar FOB Turkey (\$/mt)	655.00	-5.00	680.83
Argus HRC NW Europe (€/mt)	834.00	0.00	842.28
Argus FOB China HRC (\$/mt)	594.00	-4.00	622.13
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	390	400	395
Jun-23	385	395	390
Q2-23	400	410	405
Q3-23	390	400	395
Q4-23	385	395	390

US HRC USD/short ton			
	Bid	Ask	Value
May-23	1070	1080	1075
Jun-23	980	990	985
Jul-23	885	895	890
Q3-23	850	860	855
Q4-23	795	805	800
Q1-24	800	810	805

LME REBAR FOB TK			
	Bid	Ask	Value
Apr-23	670	680	675
May-23	620	630	625
Jun-23	615	625	620
Q2-23	635	645	640
Q3-23	610	620	615
Q4-23	605	615	610

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Apr-23	835	845	840
May-23	790	800	795
Jun-23	725	735	730
Q2-23	785	795	790
Q3-23	690	700	695
Q4-23	660	670	665

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Apr-23	615	625	620
May-23	565	575	570
Jun-23	560	570	565
Q2-23	580	590	585
Q3-23	560	570	565
Q4-23	560	570	565

BUSHELING			
	Bid	Ask	Value
May-23	515	525	520
Jun-23	490	500	495
Jul-23	455	465	460
Q3-23	450	460	455
Q4-23	420	430	425
Q1-24	430	440	435

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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	MAY 23	JUN 23	109	98	99	-4	0	Tightened
	MAY 23	JUL 23	190	173	189	-4	0	Tightened
	MAY 23	AUG 23	229	212	232	-3	0	Tightened
	JUN 23	JUL 23	81	75	90	0	0	Tightened
	JUN 23	AUG 23	120	114	133	1	0	Tightened
	JUL 23	AUG 23	39	39	43	1	0	Unchanged
EU HRC	MAY 23	JUN 23	45	43	10	-10	0	Tightened
	MAY 23	JUL 23	104	78	30	-10	0	Tightened
	MAY 23	AUG 23	135	93	35	-10	-100	Tightened
	JUN 23	JUL 23	59	35	20	0	0	Tightened
	JUN 23	AUG 23	90	50	25	0	-100	Tightened
	JUL 23	AUG 23	31	15	5	0	-100	Tightened
Mill Margin	MAY 23	MAY 23	565	582	628	316	400	Eased
	JUN 23	JUN 23	501	514	519	320	400	Eased
	JUL 23	JUL 23	435	454	469	320	470	Eased
Atlantic Spread (US-EU)	MAY 23	MAY 23	295	312	333	6	160	Eased
	JUN 23	JUN 23	245	249	254	10	160	Eased
	JUL 23	JUL 23	195	189	169	10	60	Tightened
	AUG 23	AUG 23	161	170	135	14	110	Eased

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	1086	520	842	427	617	680	Current
	1112	530	843	427	623	679	T-1W
	1158	530	835	440	640	707	T-1M
	786	470	770	426	648	692	T-3M
	735	410	717	353	549	626	T-6M
	960	560	800	464	790	764	T-12M
	820	475	750	405	674	681	YTD

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