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Turkish Scrap

Some Turkish mills have pulled down their domestic scrap purchase list prices in recent days in line with the ongoing decline in imported scrap prices in a sluggish finished product market. 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, part of S&P Global Commodity Insights, 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. According to Turkish steel producers' latest price lists seen by S&P Global, the DKP (auto bundle) grade scrap buying price for large alloy steel producer Asil Celik fell by Lira 100/mt (\$5/mt) on April 26 to Lira 8,200/mt (\$422/mt), while its extra grade domestic scrap buying price decreased by the same amount to Lira 7,670/mt. Turkish EAF-based long steelmaker Kroman Celik's DKP grade scrap purchase price declined to as low as Lira 8,040/mt and extra grade domestic scrap price fell to 7,205/mt. Turkey's largest steel producer Erdemir's purchase price for DKP grade domestic scrap was at Lira 8,400/mt and extra grade at Lira 8,395/mt on April 26.

Large Turkish steelmaker Colakoglu was maintaining its DKP grade and extra grade domestic scrap purchase prices flat since Feb. 24 at Lira 8,130/mt and Lira 7,605/mt, respectively. Turkish mills consume around 30 million mt/year of steel scrap of which one fourth is generally domestic. Trade activities in the domestic finished steel market, meanwhile, didn't show any recovery sign after the four days Eid Al Fitr holidays, while export demand also remained weak. Noting that Turkish mills have been offering rebar to the domestic market Lira 15,400-15,500/mt EXW in recent days, including 18% VAT, equating to around \$675/mt EXW, excluding VAT, a trade source said demand and prices could remain flat until the general elections on May 14. "We could see our way more clearly following the elections," he observed. Platts assessed Turkish exported rebar at \$655/mt FOB April 25, down a further \$5 on the day. (Platts)

China HRC

The index fell by \$2/t yesterday (26.4.23) to US\$592/t, MTD US\$620.35/t. Blast furnace steel mills in north China's Shanxi province scaled back production as local mills were under heavy inventory pressures, while mills in other regions have not reduced production significantly, although they had planned overhauls, participants said. An east China mill cut its offer by \$10/t to \$605/t fob China for SS400 HRC. Another mill in north China offered at \$600/t fob China for same grade coil.

Other major Chinese mills were not making any offers and were eager to negotiate prices for firm bids. Trading firms were aggressively offering Chinese HRC at around \$610/t cfr Turkey. That level was workable for coil produced by a north China mill, participants said. The mill's low sales levels weighed heavily on the market, leaving no scope for deals at other Chinese mills, they said. Vietnamese buyers lowered bids to \$550/t cfr Vietnam for Chinese SS400 HRC. Trading firms' prices at \$580-620/t cfr Vietnam failed to draw any SAE1006 coil buying. The market was quiet, as Vietnamese buyers expected further price reductions from China. Many sellers also stopped quoting, preferring to wait until next week--after the Labor Day holiday. (Argus)

Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	407.50	-2.50	426.97
Steel Rebar FOB Turkey (\$/mt)	650.00	-5.00	678.91
Argus HRC NW Europe (€/mt)	831.50	-2.50	841.61
Argus FOB China HRC (\$/mt)	592.00	-2.00	620.35
US HRC CRU	1168.00	-27.00	1179.75
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	390	400	395
Q2-23	400	410	405
Q3-23	390	400	395
Q4-23	390	400	395

US HRC USD/short ton			
	Bid	Ask	Value
May-23	1070	1080	1075
Jun-23	965	975	970
Jul-23	875	885	880
Q3-23	850	860	855
Q4-23	785	795	790
Q1-24	800	810	805

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

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Apr-23	835	845	840
May-23	780	790	785
Jun-23	715	725	720
Q2-23	775	785	780
Q3-23	685	695	690
Q4-23	660	670	665

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Apr-23	620	630	625
May-23	560	570	565
Jun-23	565	575	570
Q2-23	580	590	585
Q3-23	560	570	565
Q4-23	555	565	560

BUSHELING			
	Bid	Ask	Value
May-23	520	530	525
Jun-23	480	490	485
Jul-23	450	460	455
Q3-23	440	450	445
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	100	101	109	0	0	Eased
	MAY 23	JUL 23	190	180	209	0	0	Tightened
	MAY 23	AUG 23	222	215	252	0	0	Tightened
	JUN 23	JUL 23	90	79	100	0	0	Tightened
	JUN 23	AUG 23	122	114	143	0	0	Tightened
	JUL 23	AUG 23	32	35	43	0	0	Eased
EU HRC	MAY 23	JUN 23	50	48	10	5	0	Tightened
	MAY 23	JUL 23	115	82	30	5	0	Tightened
	MAY 23	AUG 23	125	97	35	5	-100	Tightened
	JUN 23	JUL 23	65	34	20	0	0	Tightened
	JUN 23	AUG 23	75	49	25	0	-100	Tightened
	JUL 23	AUG 23	10	15	5	0	-100	Eased
Mill Margin	MAY 23	MAY 23	550	615	624	320	400	Eased
	JUN 23	JUN 23	495	539	505	320	400	Eased
	JUL 23	JUL 23	420	475	460	320	470	Eased
Atlantic Spread (US-EU)	MAY 23	MAY 23	285	318	334	10	160	Eased
	JUN 23	JUN 23	250	251	245	10	160	Eased
	JUL 23	JUL 23	170	187	150	10	60	Eased
	AUG 23	AUG 23	148	172	116	10	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	1073	520	842	427	619	675	Current
	1115	500	845	424	618	673	T-1W
	1154	530	830	441	640	699	T-1M
	790	470	785	430	656	700	T-3M
	730	400	730	359	556	635	T-6M
	960	560	800	475	783	777	T-12M
	820	475	750	405	674	681	YTD

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