

22/05/2023

Turkish Scrap

Turkish deepsea import ferrous scrap prices were rangebound on May 19, as recyclers mostly targeted higher levels, citing collection difficulties and more attractive alternative markets. Platts assessed Turkish imports of premium heavy melting scrap 1/2 at \$375.50/mt CFR May 19, up 50 cents on day. Indicative tradable values for US/Baltic-origin HMS 1/2 were cited at \$375/mt CFR by two Turkish mill sources, while a third mill source expected prices to remain largely rangebound at \$370-\$380/mt CFR, depending on origin in the near-term, with \$375-\$380/mt CFR likely to be workable for US-origin HMS 1/2. "We can see some scrap restocking, but the market will be clearer after next Sunday, [the presidential election run-off is on May 28]," the third mill source said. "I also expect the gap between the two interest rates [i.e. official central bank rate and real market rate available] to diminish once Erdogan wins – the gap is already closing."

Incumbent President Recep Tayyip Erdogan is the favourite to win against challenger Kemal Kilicdaroglu in the late-May runoff. The US dollar was at Lira 19.8180 at 16:30 UK time on May 19, according to xe.com, weakening further compared to Lira 19.6061 one week earlier. However, the exchange rate available from banks to purchase US dollars for Turkish market participants was reported to be as high as Lira 21-21.3. A Baltic recycler also said \$375/mt CFR was workable, while other sell-side sources gave indications ranging \$375-\$385/mt CFR for premium HMS 1/2. "There are strong alternative markets for sellers to consider and the Turkish domestic market is performing well," a Turkish trader said, reporting buyer interest from Bangladeshi and Indian mills. "Every mill is in the market right now. I haven't been collecting bids because I don't have a cargo [due to a recent sale to India], but the Turkish mills are still very low compared to India and Bangladesh, we would need to see higher from them to even consider," another seller source said, citing an indicative seller target for Venezuela-origin HMS 1/2 at \$390/mt CFR Turkey. (Platts)

Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	375.50	0.50	379.04
Steel Rebar FOB Turkey (\$/mt)	620.50	0.00	624.31
Argus HRC NW Europe (€/mt)	768.75	0.00	782.94
US HRC CRU	1089.00	-40.00	1129.33

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
May-23	375	385	380
Jun-23	370	380	375
Jul-23	375	385	380
Q3-23	375	385	380
Q4-23	380	390	385
Q1-24	380	390	385

US HRC USD/short ton			
	Bid	Ask	Value
May-23	1090	1100	1095
Jun-23	945	955	950
Jul-23	850	860	855
Q3-23	830	840	835
Q4-23	785	795	790
Q1-24	790	800	795

LME REBAR FOB TK			
	Bid	Ask	Value
May-23	615	625	620
Jun-23	600	610	605
Jul-23	590	600	595
Q3-23	595	605	600
Q4-23	595	605	600
Q1-24	590	600	595

NWE HRC EUR/metric ton			
	Bid	Ask	Value
May-23	765	775	770
Jun-23	690	700	695
Jul-23	670	680	675
Q3-23	660	670	665
Q4-23	435	445	440
Q1-24	635	645	640

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
May-23	570	580	575
Jun-23	555	565	560
Jul-23	550	560	555
Q3-23	550	560	555
Q4-23	550	560	555
Q1-24	545	555	550

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

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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	144	150	102	20	10	Eased
	MAY 23	JUL 23	239	248	177	54	10	Eased
	MAY 23	AUG 23	264	282	217	71	10	Eased
	JUN 23	JUL 23	95	98	75	34	0	Eased
	JUN 23	AUG 23	120	132	115	51	0	Eased
	JUL 23	AUG 23	25	34	40	17	0	Eased
EU HRC	MAY 23	JUN 23	66	67	40	15	0	Eased
	MAY 23	JUL 23	86	92	60	17	-100	Eased
	MAY 23	AUG 23	96	108	75	5	-50	Eased
	JUN 23	JUL 23	20	25	20	2	-100	Eased
	JUN 23	AUG 23	30	41	35	-10	-50	Eased
	JUL 23	AUG 23	10	16	15	-12	50	Eased
Mill Margin	JUN 23	JUN 23	445	443	515	406	315	Tightened
	JUL 23	JUL 23	380	370	455	412	405	Tightened
	SEP 23	SEP 23	353	345	391	395	405	Tightened
Atlantic Spread (US-EU)	JUN 23	JUN 23	255	248	240	131	95	Tightened
	JUN 23	JUN 23	255	248	240	131	95	Tightened
	JUL 23	JUL 23	180	175	185	99	-5	Tightened
	AUG 23	AUG 23	165	157	160	70	45	Tightened
ARC Spread (Rebar - Scrap)	MAY 23	MAY 23	236.5	239.5	230	302	283.5	Eased
	JUN 23	JUN 23	221	229	232.5	304.5	281	Eased
	JUL 23	JUL 23	217.5	235	223	307	281	Eased
	AUG 23	AUG 23	220	236	229.5	309.5	280	Eased

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	1094	500	768	378	572	615	Current
	1093	500	762	377	577	616	T-1W
	1092	475	835	385	585	615	T-1M
	986	560	783	472	672	774	T-3M
	740	425	639	373	567	633	T-6M
	905	580	1099	437	725	721	T-12M
	820	475	646	400	674	673	YTD

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