

23/05/2023

## Turkish Scrap

Turkish deepsea import ferrous scrap prices remained rangebound on May 22, with market activity remaining paused as market participants awaited the second round of the Turkish presidential election on May 28. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$375/mt CFR May 22, down 50 cents on the day. The assessment has remained around \$375/mt CFR since May 10. Indicative tradable value indications for premium HMS 1/2 (80:20) remained clustered around \$375/mt CFR on the day, as market participants reported little change in the physical markets to begin the week in the run up to the Turkish presidential elections. Sellside sources did cite higher indicative offers, however, with seller targets heard at above \$375/mt CFR and a trading source for Venezuela-origin HMS 1/2 (80:20) citing their indicative offer at a minimum of \$380/mt CFR. However, the willingness of Turkish mills to pay above \$375/mt CFR amid the current market environment was in question on the day.

“The mills are not in good shape, so they will insist at the last deal levels,” an agent source said. Platts assessed Turkish exported rebar at \$620/mt FOB on May 22, down 50 cents on the day, as limited market activity was also reported on the day. “There hasn’t been any movement in the markets, everyone is mostly talking about a currency shortage at the moment,” a Turkey-based trader said. “The banks are not selling US dollars to companies even when they have payments due.” Market sources reported a gap almost as wide as 10% between the purchase and sale price of US dollars available to Turkish mills from commercial banks on the day. “If the mills have [sufficient] US dollars in their accounts they can cover themselves, but if not, buying US dollars in large enough amounts is a problem,” the Turkey-based trader added. Meanwhile, the midmarket rate for the Turkish lira slid further week on week to Lira 19.837 against the US dollar at 1630 London time on May 22, depreciating from Lira 19.673 against the dollar one week prior, according to xe.com. (Platts)

## Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	375.00	-0.50	378.75
Steel Rebar FOB Turkey (\$/mt)	620.00	-0.50	624.00
Argus HRC NW Europe (€/mt)	760.75	-8.00	781.36
Argus FOB China HRC (\$/mt)	564.00	-3.00	575.40
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	375	385	380
Jul-23	375	385	380
Q3-23	370	380	375
Q4-23	375	385	380
Q1-24	380	390	385

US HRC USD/short ton			
	Bid	Ask	Value
May-23	1085	1095	1090
Jun-23	930	940	935
Jul-23	825	835	830
Q3-23	815	825	820
Q4-23	775	785	780
Q1-24	785	795	790

LME REBAR FOB TK			
	Bid	Ask	Value
May-23	620	630	625
Jun-23	605	615	610
Jul-23	590	600	595
Q3-23	585	595	590
Q4-23	590	600	595
Q1-24	585	595	590

NWE HRC EUR/metric ton			
	Bid	Ask	Value
May-23	745	755	750
Jun-23	680	690	685
Jul-23	645	655	650
Q3-23	640	650	645
Q4-23	625	635	630
Q1-24	625	635	630

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
May-23	570	580	575
Jun-23	540	550	545
Jul-23	540	550	545
Q3-23	540	550	545
Q4-23	535	545	540
Q1-24	535	545	540

BUSHELING			
	Bid	Ask	Value
Jun-23	505	515	510
Jul-23	475	485	480
Aug-23	455	465	460
Q3-23	460	470	465
Q4-23	440	450	445
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	MAY 23	JUN 23	155	153	102	28	10	Tightened
	MAY 23	JUL 23	260	247	177	47	10	Tightened
	MAY 23	AUG 23	280	278	217	73	10	Tightened
	JUN 23	JUL 23	105	94	75	19	0	Tightened
	JUN 23	AUG 23	125	125	115	45	0	Unchanged
	JUL 23	AUG 23	20	31	40	26	0	Eased
EU HRC	MAY 23	JUN 23	67	70	40	15	0	Eased
	MAY 23	JUL 23	86	90	60	30	-100	Eased
	MAY 23	AUG 23	96	110	75	35	-50	Eased
	JUN 23	JUL 23	19	20	20	15	-100	Eased
	JUN 23	AUG 23	29	40	35	20	-50	Eased
	JUL 23	AUG 23	10	20	15	5	50	Eased
Mill Margin	JUN 23	JUN 23	425	435	515	443	315	Eased
	JUL 23	JUL 23	350	366	455	444	405	Eased
	SEP 23	SEP 23	354	340	391	410	405	Tightened
Atlantic Spread (US-EU)	JUN 23	JUN 23	241	250	240	128	95	Eased
	JUN 23	JUN 23	241	250	240	128	95	Eased
	JUL 23	JUL 23	155	176	185	124	-5	Eased
	AUG 23	AUG 23	145	165	160	103	45	Eased
ARC Spread (Rebar - Scrap)	MAY 23	MAY 23	236	247	230	305	292.5	Eased
	JUN 23	JUN 23	223	241	232.5	308.5	290	Eased
	JUL 23	JUL 23	219.5	235	223	310	290	Eased
	AUG 23	AUG 23	220	235	229.5	312.5	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	1090	510	768	378	572	614	Current
	1093	505	760	379	576	626	T-1W
	1092	475	835	385	585	615	T-1M
	1041	570	783	480	675	785	T-3M
	752	410	638	373	567	634	T-6M
	905	580	1102	441	735	734	T-12M
	820	475	646	400	674	673	YTD

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