

26/05/2023

Turkish Mills

Turkish steel mills, whose lira-denominated domestic ferrous scrap purchase prices had been unchanged since the beginning of May, have started to announce price cuts. Erdemir, Turkey's largest steel producer, lowered its prices May 24, to be followed by some other large producers on May 25. According to Turkish steel producers' latest domestic scrap purchase price lists, Colakoglu cut its DKP grade (auto bundle) and extra grade domestic scrap purchase prices by Lira 100/mt (\$5/mt) to Lira 8,030/mt and Lira 7,505/mt, respectively.

Long steelmaker Kroman Celik cut its DKP grade scrap purchase price to Lira 7,550/mt and extra grade domestic scrap price to Lira 7,250/mt. Other producers were also expected to follow in coming days, particularly following the second round of the presidential elections on May 28. Both domestic long and flat trade, however, remained slowed amid cash flow problems and concern about the lira's weakening following the elections, sources said. Turkish deepsea import ferrous scrap prices have been steady with activity in the physical market paused whereas the futures market entered a steep backwardation on weak steel sentiment in China. Platts, part of S&P Global Commodity Insights, assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$375/mt CFR on May 24, unchanged on the day. Turkish mills consume around 30 million mt/year of steel scrap of which a quarter is generally domestic. (Platts)

China HRC

The index fell by \$1/t yesterday (25.5.23) to US\$550/t, MTD US\$571.83/t. HRC inventory held by traders and mills decreased by nearly 30,000t this week against a decline of around 10,000t last week, but mills' productions also increased, weighing on sentiment, participants said.

A north China mill cut its offer by \$10/t to \$580/t fob China for SS400 HRC and was willing to negotiate prices for firm bids. Other major Chinese mills were silent on offers as the spread between offers and bids was wide. Chinese domestic sales prices were at an equivalent of around \$525/t fob China for another north China mill. Some trading firms failed to induce buying at \$520-530/t cfr Vietnam. Offers fell to \$580/t cfr Vietnam for SAE1006-grade coil from Taiwanese mills. Japanese mills also cut SAE1006-grade coil offers to \$600/t cfr Vietnam. Vietnamese buyers were uninterested for some sellers' indications at \$570/t cfr Vietnam as they feared a further price fall soon. (Argus)

Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	380.00	5.00	378.38
Steel Rebar FOB Turkey (\$/mt)	622.50	5.00	623.15
Argus HRC NW Europe (€/mt)	739.75	-4.25	775.28
Argus FOB China HRC (\$/mt)	550.00	-1.00	571.83
US HRC CRU	1076.00	-13.00	1116.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
May-23	375	385	380
Jun-23	370	380	375
Jul-23	360	370	365
Q3-23	355	365	360
Q4-23	355	365	360
Q1-24	355	365	360

US HRC USD/short ton			
	Bid	Ask	Value
May-23	1090	1100	1095
Jun-23	925	935	930
Jul-23	825	835	830
Q3-23	800	810	805
Q4-23	770	780	775
Q1-24	785	795	790

LME REBAR FOB TK			
	Bid	Ask	Value
May-23	615	625	620
Jun-23	580	590	585
Jul-23	580	590	585
Q3-23	580	590	585
Q4-23	580	590	585
Q1-24	580	590	585

NWE HRC EUR/metric ton			
	Bid	Ask	Value
May-23	770	780	775
Jun-23	660	670	665
Jul-23	615	625	620
Q3-23	610	620	615
Q4-23	600	610	605
Q1-24	595	605	600

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
May-23	570	580	575
Jun-23	540	550	545
Jul-23	535	545	540
Q3-23	530	540	535
Q4-23	520	530	525
Q1-24	520	530	525

BUSHELING			
	Bid	Ask	Value
Jun-23	485	495	490
Jul-23	460	470	465
Aug-23	450	460	455
Q3-23	455	465	460
Q4-23	435	445	440
Q1-24	440	450	445

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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	166	143	103	35	10	Tightened
	MAY 23	JUL 23	266	241	193	55	10	Tightened
	MAY 23	AUG 23	301	267	228	90	10	Tightened
	JUN 23	JUL 23	100	98	90	20	0	Tightened
	JUN 23	AUG 23	135	124	125	55	0	Tightened
	JUL 23	AUG 23	35	26	35	35	0	Tightened
EU HRC	MAY 23	JUN 23	100	78	65	0	0	Tightened
	MAY 23	JUL 23	155	108	86	15	-100	Tightened
	MAY 23	AUG 23	165	113	95	20	-50	Tightened
	JUN 23	JUL 23	55	30	21	15	-100	Tightened
	JUN 23	AUG 23	65	35	30	20	-50	Tightened
	JUL 23	AUG 23	10	5	9	5	50	Tightened
Mill Margin	JUN 23	JUN 23	440	451	475	465	330	Eased
	JUL 23	JUL 23	365	378	420	465	425	Eased
	SEP 23	SEP 23	330	365	378	425	425	Eased
Atlantic Spread (US-EU)	JUN 23	JUN 23	265	261	240	145	115	Tightened
	JUN 23	JUN 23	265	261	240	145	115	Tightened
	JUL 23	JUL 23	220	193	171	140	15	Tightened
	AUG 23	AUG 23	195	172	145	110	65	Tightened
ARC Spread (Rebar - Scrap)	MAY 23	MAY 23	241	236.5	228.5	299	286.5	Tightened
	JUN 23	JUN 23	219	221	235	307	286	Eased
	JUL 23	JUL 23	226	217.5	227.5	310.5	286	Tightened
	AUG 23	AUG 23	227	220	231	313	280	Tightened

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	1099	490	775	379	574	620	Current
	1094	500	768	378	572	615	T-1W
	1073	495	842	397	575	625	T-1M
	1070	570	783	470	672	769	T-3M
	740	410	638	373	567	634	T-6M
	925	585	1085	444	723	730	T-12M
	820	475	646	400	674	673	YTD

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