

31/05/2023

Turkish Scrap

Turkish deepsea import ferrous scrap prices were unchanged May 30, as uncertainty persisted among market participants after President Recep Tayyip Erdogan's reelection in the presidential run-off May 28. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$385/mt CFR on May 30, unchanged on the session. A Baltic-origin deal totaling 24,000 mt was booked May 29 by a Marmara mill and was confirmed by buy and sell sides. The cargo consisted of HMS 1/2 (80:20) at \$378/mt CFR and shredded scrap, bonus scrap and bushelling each at \$398/mt CFR. Market sources said the deal had a \$3-\$10/mt discount to typical Baltic-origin HMS 1/2 (80:20) quality, with most suggesting a normalization of around \$5/mt. A reported EU-origin deal was also heard booked May 26 by an Iskenderun mill with HMS 1/2 (80:20) at \$378/mt, but this was not confirmed.

Market activity was limited May 30, while buyer targets for premium HMS 1/2 (80:20) largely fell because of a weaker Turkish lira. A depreciating lira was the primary focus for market participants, as it reduced their purchasing power to import scrap and thus buyer targets. The midmarket rate for the lira has continued to decline following the election results, falling to an all-time low of Lira 20.410 against the dollar at 4:30 pm London time May 30, from Lira 20.105 May 29, according to xe.com. "It's terrible. My bank is selling dollars for Lira 21.8 right now. No one knows how it will affect the markets. We will just have to see how the market will respond to the new faces in parliament," a Turkish mill source said, citing an indicative workable value for Baltic-origin HMS 1/2 (80:20) below \$385/mt CFR. "Everyone expected worse to be honest," a second Turkish mill source said. "But in the next few days the rates that the banks are offering, and the midmarket rate should converge and things will improve. (Platts)

China HRC

The index fell by \$2/t yesterday (30.5.23) to US\$538/t, MTD US\$567.43/t. Demand was likely to decline further with the approaching summer season in June, when high temperatures and rains usually slow down outdoor construction projects. Ferrous feedstock prices were also under pressure from oversupply, which undermined cost support for steel, participants said.

Major Chinese mills and trading firms cut sales prices to the equivalent of \$523-570/t fob China. A Taiwanese mills sold about 40,000t of SAE1006-grade coil at \$565-570/t cfr Vietnam last week, but those levels were no longer available this week. Most Vietnamese buyers lowered bids to \$550-565/t cfr Vietnam for SAE-grade coil, lower than sales prices at \$570/t cfr Vietnam from China and Taiwan. (Argus)

Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	385.00	0.00	379.08
Steel Rebar FOB Turkey (\$/mt)	622.50	0.00	623.08
Argus HRC NW Europe (€/mt)	732.00	-7.50	771.13
Argus FOB China HRC (\$/mt)	538.00	-2.00	567.43
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	365	375	370
Q3-23	365	375	370
Q4-23	365	375	370
Q1-24	365	375	370

US HRC USD/short ton			
	Bid	Ask	Value
Jun-23	940	950	945
Jul-23	810	820	815
Aug-23	790	800	795
Q3-23	795	805	800
Q4-23	770	780	775
Q1-24	780	790	785

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

NWE HRC EUR/metric ton			
	Bid	Ask	Value
May-23	760	770	765
Jun-23	660	670	665
Jul-23	620	630	625
Q3-23	615	625	620
Q4-23	605	615	610
Q1-24	600	610	605

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
May-23	560	570	565
Jun-23	530	540	535
Jul-23	535	545	540
Q3-23	535	545	540
Q4-23	525	535	530
Q1-24	525	535	530

BUSHELING			
	Bid	Ask	Value
Jun-23	500	510	505
Jul-23	470	480	475
Aug-23	460	470	465
Q3-23	465	475	470
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	JUN 23	JUL 23	137	102	75	79	0	Tightened
	JUN 23	AUG 23	150	131	107	124	0	Tightened
	JUN 23	SEP 23	158	143	135	156	0	Tightened
	JUL 23	AUG 23	13	29	32	45	0	Eased
	JUL 23	SEP 23	21	41	60	77	0	Eased
	AUG 23	SEP 23	8	12	28	32	0	Eased
EU HRC	JUN 23	JUL 23	100	100	70	-5	0	Unchanged
	JUN 23	AUG 23	140	145	92	21	-100	Eased
	JUN 23	SEP 23	165	150	105	26	-50	Tightened
	JUL 23	AUG 23	40	45	22	26	-100	Eased
	JUL 23	SEP 23	65	50	35	31	-50	Tightened
	AUG 23	SEP 23	25	5	13	5	50	Tightened
Mill Margin	JUN 23	JUN 23	442	436	455	574	321	Tightened
	JUL 23	JUL 23	345	359	415	555	416	Eased
	SEP 23	SEP 23	329	328	380	448	416	Tightened
Atlantic Spread (US-EU)	JUN 23	JUN 23	282	266	235	268	106	Tightened
	JUN 23	JUN 23	282	266	235	268	106	Tightened
	JUL 23	JUL 23	185	209	182	215	6	Eased
	AUG 23	AUG 23	197	185	163	175	56	Tightened
ARC Spread (Rebar - Scrap)	MAY 23	MAY 23	242	242	231	313.5	285.5	Unchanged
	JUN 23	JUN 23	223	217	233	311	286	Tightened
	JUL 23	JUL 23	224.5	232	230	311	286	Eased
	AUG 23	AUG 23	220.5	227	229	318.5	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	937	505	769	379	567	622	Current
	936	500	770	378	575	620	T-1W
	955	500	841	387	570	618	T-1M
	1174	600	780	466	666	780	T-3M
	747	435	633	375	568	647	T-6M
	906	585	1099	443	734	728	T-12M
	827	475	646	400	674	673	YTD

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