

05/06/2023

Turkish Scrap

Turkish deepsea import ferrous scrap prices advanced June 2 as a fresh UK-origin deal prompted higher US and UK seller targets on the day. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$387.50/mt CFR on June 2, up \$2.50/mt on the day. A UK-origin deal was booked on June 1 by an Iskenderun mill, with the cargo comprising HMS 1/2 (80:20) at \$383/mt CFR and a large proportion of shredded scrap at \$403/mt CFR. The deal would normalize to \$388/mt CFR for premium HMS 1/2 (80:20) but lower sell-side indications were also heard on the day. Rumors of two Baltic-origin deals booked by Iskenderun and Samsun mills, respectively, were also widely circulated during the day, with HMS 1/2 (80:20) at \$387/mt CFR, but both were denied by the sell side.

Domestic rebar sales in the Iskenderun region were reported to Platts around \$635/mt ex-works, which likely prompted recent activity in scrap imports to the region. Some mills in the region were also heard targeting \$640-\$650/mt EXW for rebar. As news of the UK-origin deal spread through the market, US and UK seller targets became notably higher, with various market sources sharing US recycler targets for HMS 1/2 (80:20) at \$395- \$400/mt CFR, while a UK recycler shared its updated target level of \$385/mt CFR on the day. "I think it was difficult for anyone to achieve more than \$380/ mt CFR for premium HMS 1/2 (80:20) this week, but we will see an increase in prices as the restocking for July shipments continues," a Baltic recycler said, citing an indicative seller target in the \$385-\$390/mt CFR range for its material. A second Baltic recycler also reported its workable value at \$385/mt CFR, while a shortsea supplier was bullish in its nearterm price expectation for the Baltic region. "I would not exclude the possibility of sales from the Baltic region climbing to \$390/mt very soon," the shortsea supplier said. UK exporters were heard hiking dock prices for HMS by GBP5/ mt and for shred and PNS by GBP15/mt on June 2. US East Coast HMS dock prices were heard stable around \$260-\$270/ It delivered to the dock, and in continental Europe, an exporter cited collection prices at Eur300/mt delivered to the dock for HMS. Platts assessed A3 shortsea scrap stable on the day at \$370/ mt CFR on June 2, with offers for Bulgaria-origin material at \$375/ mt CFR seeing limited buyer interest. (Platts)

China HRC

There was no index price for 2 June as it was a Singapore public holiday. Some traders said steel demand was unlikely to increase significantly given the summer lull and they preferred to take the chance to de-stock. Others were eager to build stocks fearing further rises as market talks emerged again today that China would roll out stimulus measures soon to boost its real estate industry. Measures such as giving a higher upper limit for property developers' debt ratios or extending the transition period for developers to bring down their liability ratios were mentioned in the talks, but no official news was confirmed.

Most traders stopped offering for exports after prices rebounded in the afternoon of 1 June as they were uncertain how long Chinese domestic sales price rises would continue. A Taiwanese mill sold around 40,000t of SAE1006-grade coil at \$570/t cfr Vietnam last week, but Vietnamese buyers were reluctant to place orders at that level this week as they could buy local coils or import from China at lower levels. Some trading firms were inviting bids at \$560/t cfr Vietnam for SAE-grade coil produced by a small north China-based mill, yet no buying interest was induced as Vietnamese buyers preferred to wait until next week for a clearer market trend. (Argus)

Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	387.50	2.50	386.25
Steel Rebar FOB Turkey (\$/mt)	622.50	2.50	621.25
Argus HRC NW Europe (€/mt)	710.75	-4.00	712.75
Argus FOB China HRC (\$/mt)	531.00	0.00	531.00
US HRC CRU	1008.00	-68.00	1008.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jun-23	385	395	390
Jul-23	375	385	380
Aug-23	375	385	380
Q3-23	375	385	380
Q4-23	375	385	380
Q1-24	375	385	380

US HRC USD/short ton			
	Bid	Ask	Value
Jun-23	940	950	945
Jul-23	815	825	820
Aug-23	800	810	805
Q3-23	805	815	810
Q4-23	785	795	790
Q1-24	790	800	795

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

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jun-23	680	690	685
Jul-23	640	650	645
Aug-23	640	650	645
Q3-23	640	650	645
Q4-23	625	635	630
Q1-24	620	630	625

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jun-23	540	550	545
Jul-23	545	555	550
Aug-23	545	555	550
Q3-23	545	555	550
Q4-23	545	555	550
Q1-24	540	550	545

BUSHELING			
	Bid	Ask	Value
Jun-23	520	530	525
Jul-23	480	490	485
Aug-23	465	475	470
Q3-23	465	475	470
Q4-23	455	465	460
Q1-24	470	480	475

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com

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	127	113	84	77	0	Tightened
	JUN 23	AUG 23	138	135	119	131	0	Tightened
	JUN 23	SEP 23	142	143	143	171	0	Eased
	JUL 23	AUG 23	11	22	35	54	0	Eased
	JUL 23	SEP 23	15	30	59	94	0	Eased
	AUG 23	SEP 23	4	8	24	40	0	Eased
EU HRC	JUN 23	JUL 23	40	40	25	10	-100	Unchanged
	JUN 23	AUG 23	40	45	30	15	-50	Eased
	JUN 23	SEP 23	45	50	30	35	-70	Eased
	JUL 23	AUG 23	0	5	5	5	50	Eased
	JUL 23	SEP 23	5	10	5	25	30	Eased
	AUG 23	SEP 23	5	5	0	20	-20	Unchanged
Mill Margin	JUN 23	JUN 23	417	430	444	596	350	Eased
	JUL 23	JUL 23	330	347	395	539	410	Eased
	SEP 23	SEP 23	340	327	356	445	410	Tightened
Atlantic Spread (US-EU)	JUN 23	JUN 23	257	265	269	296	100	Eased
	JUN 23	JUN 23	257	265	269	296	100	Eased
	JUL 23	JUL 23	170	192	210	229	0	Eased
	AUG 23	AUG 23	159	175	180	180	50	Eased
ARC Spread (Rebar - Scrap)	JUN 23	JUN 23	225.5	230	227	298.5	280	Eased
	JUL 23	JUL 23	224	228	222	303.5	280	Eased
	AUG 23	AUG 23	221	228	227.5	303.5	280	Eased
	SEP 23	SEP 23	217.5	229.5	214	304	283.5	Eased

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	940	525	684	385	544	611	Current
	935	505	770	370	550	600	T-1W
	954	510	750	368	565	595	T-1M
	1166	570	842	464	670	762	T-3M
	767	435	638	377	583	657	T-6M
	900	550	920	441	744	721	T-12M
	827	475	646	397	674	666	YTD

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com