

FIS Steel and Scrap Report

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Turkish Scrap

Turkish deepsea import ferrous scrap prices rose June 7 as Turkish mill restocking continued for June and July shipment. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$390/mt CFR June 7, up \$3/mt day on day. An EU-origin deal was booked June 6 by a Marmara mill, with HMS 1/2 (80:20) at \$387/mt CFR, with a second EU-origin deal also booked June 6, with HMS 1/2 (85:15) at \$390/mt CFR Izmir. A reported Venezuela-origin deal was also heard to be booked June 6, with HMS 1/2 (80:20) at \$390/mt CFR Turkey, but further details were unavailable. A Baltic-origin deal was also heard to be booked by another Marmara mill, with HMS 1/2 (80:20) at \$382/mt CFR Turkey but was unconfirmed. "We're definitely seeing an increase in demand in Turkey — the market has really regained momentum," a Baltic recycler said, citing a tradable value for Baltic-origin HMS 1/2 (80:20) around \$390/mt CFR, with offers slightly higher. "Supply is difficult to come about as the general conditions in Europe are slower." In the Benelux region, HMS collection prices were cited as high as Eur320-325/mt delivered to the dock by one EU recycler, who said "not enough material is available."

An EU-origin offer was heard at \$393/mt CFR, while one Turkish agent cited offers for US-origin HMS 1/2 (80:20) at \$390/mt CFR Turkey. Other market participants said US-origin offers were up to \$400/mt CFR, while an offer for Russia-origin HMS 1/2 (80:20) was heard at \$387/mt CFR Turkey. "Domestic finished sales were good last week and also good now, and if sales continue like this, mills will purchase scrap," one Turkish mill source said, citing an indicative tradable value around \$390/mt CFR for premium HMS 1/2 (80:20). "But today we didn't offer rebar domestically as we can't fix the Turkish lira price. Most economists agree the Turkish lira will weaken to Lira 25-28 against the US dollar. Before the Turkish elections, the government tried to prop up the lira, but now the market is normalizing." The midmarket rate for the Turkish lira continued to decline sharply during the week, falling to Lira 23.189 against the US dollar at 16:30 London time June 7, depreciating sharply from Lira 21.5215 against the US dollar at the same time June 6, according to xe.com. The volatility in the Turkish lira could pause domestic rebar demand, which in turn could pause deepsea scrap purchasing until the lira settles at a new level, some market participants suggested. Export rebar demand continued to remain subdued as Platts assessed Turkish exported rebar at \$622.50/mt FOB June 7, unchanged from June 6. The daily outright spread between Turkish export rebar and import scrap was assessed at \$232.50/mt June 7, down \$3/mt on the week to the lowest level since Feb. 25, 2022, when the outright spread sat at \$231/mt. (Platts)

China HRC

The index rose by \$4/t yesterday (7.6.23) to US\$542/t, MTD US\$536.75/t. Major Chinese mills held offers unchanged at \$550-590/t fob China for SS400 HRC. Trading firms lifted sales prices to equivalents of around \$520-560/t fob China given high domestic sales prices. But seaborne buyers were cautious, being reluctant to place orders especially after witnessing falling Chinese domestic sales prices. A Japanese mill sold about 15,000t SAE1006-grade coil at \$570/t cfr Vietnam this week to several Vietnamese buyers. That level was in line with the market levels as a large Chinese mill was willing to take orders at the same price, Vietnamese participants said. Vietnamese mill Hoa Phat can sell coils to buyers at its offers at \$566-568/t cif Vietnam, they added. (Argus)

Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	390.00	3.00	387.40
Steel Rebar FOB Turkey (\$/mt)	622.50	0.00	622.00
Argus HRC NW Europe (€/mt)	692.75	-10.75	706.40
Argus FOB China HRC (\$/mt)	542.00	4.00	536.75
US HRC CRU	987.00	-21.00	1008.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jun-23	380	390	385
Jul-23	380	390	385
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	935	945	940
Jul-23	855	865	860
Aug-23	845	855	850
Q3-23	845	855	850
Q4-23	820	830	825
Q1-24	810	820	815

LME REBAR FOB TK			
	Bid	Ask	Value
Jun-23	610	620	615
Jul-23	595	605	600
Aug-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
Jun-23	670	680	675
Jul-23	620	630	625
Aug-23	620	630	625
Q3-23	615	625	620
Q4-23	615	625	620
Q1-24	630	640	635

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jun-23	535	545	540
Jul-23	550	560	555
Aug-23	550	560	555
Q3-23	550	560	555
Q4-23	550	560	555
Q1-24	550	560	555

BUSHELING			
	Bid	Ask	Value
Jun-23	515	525	520
Jul-23	475	485	480
Aug-23	460	470	465
Q3-23	465	475	470
Q4-23	460	470	465
Q1-24	475	485	480

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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	74	129	88	102	0	Eased
	JUN 23	AUG 23	80	140	130	149	0	Eased
	JUN 23	SEP 23	99	145	153	174	0	Eased
	JUL 23	AUG 23	6	11	42	47	0	Eased
	JUL 23	SEP 23	25	16	65	72	0	Tightened
	AUG 23	SEP 23	19	5	23	25	0	Tightened
EU HRC	JUN 23	JUL 23	49	36	20	4	-100	Tightened
	JUN 23	AUG 23	49	45	25	9	-50	Tightened
	JUN 23	SEP 23	64	50	25	26	-70	Tightened
	JUL 23	AUG 23	0	9	5	5	50	Eased
	JUL 23	SEP 23	15	14	5	22	30	Tightened
	AUG 23	SEP 23	15	5	0	17	-20	Tightened
Mill Margin	JUN 23	JUN 23	424	410	458	589	420	Tightened
	JUL 23	JUL 23	385	321	405	507	455	Tightened
	SEP 23	SEP 23	370	330	360	435	455	Tightened
Atlantic Spread (US-EU)	JUN 23	JUN 23	260	265	283	302	145	Eased
	JUN 23	JUN 23	260	265	283	302	145	Eased
	JUL 23	JUL 23	235	172	215	204	45	Tightened
	AUG 23	AUG 23	229	170	178	162	95	Tightened
ARC Spread (Rebar - Scrap)	JUN 23	JUN 23	223.5	226	227	296	300	Eased
	JUL 23	JUL 23	213.5	230	222	299	299	Eased
	AUG 23	AUG 23	211	222	227.5	304	299	Eased
	SEP 23	SEP 23	213	217	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	934	520	674	385	545	611	Current
	935	525	670	384	540	610	T-1W
	968	510	760	388	565	595	T-1M
	1179	590	845	459	675	755	T-3M
	767	426	635	380	583	665	T-6M
	945	525	890	423	749	723	T-12M
	827	475	646	397	674	668	YTD

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