

# FIS Steel and Scrap Report

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**09/06/2023**

## Turkish Scrap

Turkish deepsea import ferrous scrap prices were unchanged on June 8, while Benelux recycler targets climbed as a result of recently increased collection costs. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$390/mt CFR June 8, unchanged on the day. An EU recycler and two EU traders reported HMS collection prices in the Benelux region at between Eur320-325/mt delivered, with the sharp increase in costs prices seen in recent days prompting elevated seller targets for exports into Turkey, up to a minimum of \$390/mt CFR. "The European recyclers are surprisingly above the other regions because of high collection prices and tight availability," an EU trader said. Market chatter was heard of a reported Benelux-origin deal to an Iskenderun mill at an average price of \$389/mt CFR, and a reported US-origin deal to an Izmir mill with HMS 1/2 (80:20) at \$387/mt CFR. No further details were heard on the day and both deals were denied by the sellside. US recyclers were also reported as offering between \$390- \$400/mt CFR on the day, while one Turkish mill source citing a maximum of \$392/mt CFR as workable for premium HMS 1/2 (80:20).

Other mills had previously cited \$385-\$390/mt CFR as workable. Trade is expected start June 8-9 for June delivered scrap in the US domestic market, with a mini-mill heard to bid down \$60/lt from May price levels for prime and shredded scrap in the Midwest. "The local US market is lower and thus the Turkish mills will be reluctant to meet the US offer levels," a shortsea supplier said, citing an indicative tradable value for Baltic-origin HMS 1/2 (80:20) at \$390/mt CFR. However, a US recycler said that domestic US mills were continuing to pay higher prices for scrap than the export market. Elsewhere, Marmara mills were heard to book Romania-origin A3 shortsea scrap at between \$365-\$370/mt CFR, while chatter of further Romania- and Bulgaria-origin deals at \$372-\$375/mt CFR was also heard on the day, but these could not be confirmed. Indicative tradable values for shortsea material were heard between \$365-\$370/mt CFR on the day, while offers reported to Platts ranged between \$375-\$385/mt CFR. Platts assessed A3 shortsea scrap up \$3/mt on the day at \$367.50/mt CFR June 8. (Platts)

## China HRC

The index fell by \$2/t yesterday (8.6.23) to US\$540/t, MTD US\$537.40/t. HRC inventories held by trading firms and mills decreased by more than 25,000t this week, slowing from the decline of nearly 90,000t last week, participants said. Mills' HRC production picked up slightly from the previous week, but the destocking pace slowed, indicating demand was still low and the outlook blurred, trading companies said. Some sellers lowered prices to \$520-540/t fob China for SS400 HRC, although major Chinese mills held offers stable at \$550-590/t fob China. The market was quiet with no changes for offers or sales prices at \$565-585/t cfr Vietnam for SAE1006-grade coil. A Taiwanese mill sold SAE-grade coil at \$570-575/t cfr Vietnam after a Japanese mill sold at \$570/t cfr Vietnam. But no further details could be confirmed. Most Vietnamese buyers had a cautious attitude as they could easily place orders at \$566-570/t cfr Vietnam for coil from local and Chinese mills, participants said. (Argus)

# Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	390.00	0.00	387.83
Steel Rebar FOB Turkey (\$/mt)	622.50	0.00	622.08
Argus HRC NW Europe (€/mt)	681.25	-11.50	702.21
Argus FOB China HRC (\$/mt)	540.00	-2.00	537.40
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	375	385	380
Aug-23	370	380	375
Q3-23	370	380	375
Q4-23	370	380	375
Q1-24	370	380	375

US HRC USD/short ton			
	Bid	Ask	Value
Jun-23	925	935	930
Jul-23	855	865	860
Aug-23	840	850	845
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	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	675	685	680
Jul-23	645	655	650
Aug-23	640	650	645
Q3-23	640	650	645
Q4-23	630	640	635
Q1-24	640	650	645

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

BUSHELING			
	Bid	Ask	Value
Jun-23	510	520	515
Jul-23	465	475	470
Aug-23	455	465	460
Q3-23	455	465	460
Q4-23	460	470	465
Q1-24	470	480	475

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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	63	125	92	108	0	Eased
	JUN 23	AUG 23	82	138	132	167	0	Eased
	JUN 23	SEP 23	91	146	155	195	0	Eased
	JUL 23	AUG 23	19	13	40	59	0	Tightened
	JUL 23	SEP 23	28	21	63	87	0	Tightened
	AUG 23	SEP 23	9	8	23	28	0	Tightened
EU HRC	JUN 23	JUL 23	40	39	18	6	-100	Tightened
	JUN 23	AUG 23	30	44	33	11	-50	Eased
	JUN 23	SEP 23	45	54	33	28	-70	Eased
	JUL 23	AUG 23	-10	5	15	5	50	Eased
	JUL 23	SEP 23	5	15	15	22	30	Eased
	AUG 23	SEP 23	15	10	0	17	-20	Tightened
Mill Margin	JUN 23	JUN 23	417	415	462	620	420	Tightened
	JUL 23	JUL 23	390	330	400	532	455	Tightened
	SEP 23	SEP 23	372	334	357	450	455	Tightened
Atlantic Spread (US-EU)	JUN 23	JUN 23	253	256	259	334	145	Eased
	JUN 23	JUN 23	253	256	259	334	145	Eased
	JUL 23	JUL 23	230	170	185	232	45	Tightened
	AUG 23	AUG 23	201	162	160	178	95	Tightened
ARC Spread (Rebar - Scrap)	JUN 23	JUN 23	226.5	225.5	229.5	299	295	Tightened
	JUL 23	JUL 23	220	223.5	225.5	301	293	Eased
	AUG 23	AUG 23	214	215	234	305.5	293	Eased
	SEP 23	SEP 23	213	217	230	303	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	928	511	681	388	540	618	Current
	940	525	684	385	544	611	T-1W
	967	505	764	360	584	590	T-1M
	1220	600	845	462	691	761	T-3M
	771	435	645	387	591	669	T-6M
	945	525	902	418	753	713	T-12M
	827	475	646	397	674	668	YTD

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