

FIS Steel and Scrap Report

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Turkish Scrap

Turkish deepsea import ferrous scrap prices inched down June 13 but remained largely rangebound, as near-term market direction remained unclear to market participants. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$389/mt CFR June 13, down 50 cents. A Venezuela-origin top-up deal totaling 8,000mt of HMS 1/2 (80:20) was booked June 12 at \$390/mt CFR, implying a lower price level for a larger volume or full shipment for a later date. The deal was confirmed by the sell-side but fell below the Platts minimum 10,000/mt volume specification. Otherwise, limited market activity was heard on the day, as Turkish mills continued to retreat from the ferrous scrap market as their domestic rebar sales reportedly slowed down during the week. "Domestic product prices [for finished steel] are going down, so \$390/mt CFR for premium HMS 1/2 (80:20) does not work for the mills anymore," a Turkish mill source said. "Rebar demand in Marmara isn't as strong as it was in previous weeks and sales have reduced." The Turkish mill source also Platts reported offers for USorigin material at below \$390/mt CFR on the day.

"The recyclers are offering, but there is no reaction from the mill side," an agent source said, citing indicative tradable values for US-origin HMS 1/2 (80:20) at \$388-\$389/mt CFR, Baltic-origin HMS 1/2 (80:20) at \$385-\$387/mt CFR, and for EU-origin HMS 1/2 (80:20) at \$382-\$384/mt CFR. "Now everybody is confused, but whenever we manage to sell our end products, we will return to the import scrap market," a second Turkish mill source said, expecting a near-term price correction down to \$384-\$389/mt for premium HMS 1/2 (80:20). A trading source was more bullish, however, citing improvements in Chinese steel sentiment, sustained increases in iron ore prices, and expectations the US Federal Reserve will announce June 14 a pause in interest rate hikes. Platts assessed the 62% Fe Iron Ore Index at \$112.90/dmt CFR North China June 13, up 50 cents from June 12, and sharply up from its recent low of \$97.24/dmt May 24. "I can't see many macroeconomic factors that are bearish for the markets for now," the trader said. An EU recycler also described how recent strength in the euro affected their workable value for exports of Benelux-origin HMS 1/2 (80:20). "The dollar price is less attractive now, I believe European recyclers should obtain \$385-\$390/mt CFR as a result," the EU recycler said. Platts assessed the euro at \$1.0794 at 1630 London time June 13, appreciating from \$1.0692 June 6. HMS collection prices in the Benelux region continued to be heard at Eur325-330/mt delivered to the docks. (Platts)

China HRC

The index rose by \$4/t yesterday (13.6.23) to US\$545/t, MTD US\$539.25/t.

Sentiment was boosted as the interest rate for Yn2bn of 7-day tenor reverse repurchase operations went down by 10 basis points from the previous trading day to 1.9pc today, according to an announcement by China's central bank today. This added to the possibility of further cuts of Medium-term Lending Facility (MLF) and Loan Prime Rate (LPR) within the month, participants said. A north China mill lifted its offer by \$5/t to \$555/t fob China for SS400 HRC after Chinese domestic sales prices rose. Other major Chinese mills held offers unchanged at \$565-590/t fob China. Trading firms also pushed up sales prices by about \$5-10/t to equivalents of \$535-546/t fob China. But most sea-borne buyers were silent as they were uncertain about the sustainability of the price rises, participants said. Only limited buyers expressed buying interest at an equivalent of about \$535/t fob China, far below sellers' acceptable levels. Sellers lifted SAE1006-grade coil sales prices to \$575-580/t cfr Vietnam. (Argus)

Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	389.00	-0.50	388.33
Steel Rebar FOB Turkey (\$/mt)	625.00	2.50	622.78
Argus HRC NW Europe (€/mt)	680.00	-1.00	695.06
Argus FOB China HRC (\$/mt)	545.00	4.00	539.25
US HRC CRU	987.00	-21.00	1008.00

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

US HRC USD/short ton			
	Bid	Ask	Value
Jun-23	920	930	925
Jul-23	850	860	855
Aug-23	835	845	840
Q3-23	835	845	840
Q4-23	820	830	825
Q1-24	815	825	820

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	590	600	595
Q1-24	590	600	595

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jun-23	675	685	680
Jul-23	640	650	645
Aug-23	640	650	645
Q3-23	640	650	645
Q4-23	645	655	650
Q1-24	660	670	665

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jun-23	545	555	550
Jul-23	555	565	560
Aug-23	555	565	560
Q3-23	555	565	560
Q4-23	550	560	555
Q1-24	550	560	555

BUSHELING			
	Bid	Ask	Value
Jul-23	475	485	480
Aug-23	465	475	470
Sep-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	62	81	98	100	0	Eased
	JUN 23	AUG 23	73	95	133	150	0	Eased
	JUN 23	SEP 23	83	102	152	150	0	Eased
	JUL 23	AUG 23	11	14	35	50	0	Eased
	JUL 23	SEP 23	21	21	54	50	0	Unchanged
	AUG 23	SEP 23	10	7	19	0	0	Tightened
EU HRC	JUN 23	JUL 23	15	38	44	20	-100	Eased
	JUN 23	AUG 23	20	39	49	30	-50	Eased
	JUN 23	SEP 23	16	49	49	40	-70	Eased
	JUL 23	AUG 23	5	1	5	10	50	Tightened
	JUL 23	SEP 23	1	11	5	20	30	Eased
	AUG 23	SEP 23	-4	10	0	10	-20	Eased
Mill Margin	JUL 23	JUL 23	387	369	375	515	411	Tightened
	AUG 23	AUG 23	386	370	355	465	411	Tightened
	SEP 23	SEP 23	381	369	346	470	411	Tightened
Atlantic Spread (US-EU)	JUL 23	JUL 23	207	213	205	225	1	Eased
	JUN 23	JUN 23	254	256	259	305	101	Eased
	JUL 23	JUL 23	207	213	205	225	1	Eased
	AUG 23	AUG 23	201	200	175	185	51	Tightened
ARC Spread (Rebar - Scrap)	JUN 23	JUN 23	232	226	243	299.5	297	Tightened
	JUL 23	JUL 23	212.5	214.5	238	308	297	Eased
	AUG 23	AUG 23	217	212.5	244	312.5	297	Tightened
	SEP 23	SEP 23	220	208.5	240	308.5	283.5	Tightened

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	929	480	682	389	551	621	Current
	930	480	674	385	545	611	T-1w
	948	475	762	370	560	613	T-1M
	1175	560	835	452	699	752	T-3M
	794	430	650	381	596	661	T-6M
	901	490	893	381	720	678	T-12M
	827	475	646	397	674	668	YTD

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