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Turkish Scrap

Turkish deepsea import ferrous scrap prices fell further June 15 as domestic mills cited slow rebar sales to pull back from scrap purchasing. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$385/mt CFR June 15, down \$2/mt day on day. Offers for HMS 1/2 (80:20) with unspecified origin were heard at \$380-\$385/mt CFR Turkey. "The US is also offering lower because Mexican demand for its scrap has weakened, which has led to an abundance of cheaper scrap available from there," a shortsea supplier also said. "At the moment, the mills want \$375-\$380/mt CFR for deepsea cargoes, they tend to lowball the recyclers when they do not have an urgent need to buy," a UK trader said, "but European availability of HMS isn't great and it is not easy to get cargoes to the port, so everyone is still relatively firm."

A Turkish mill source said domestic rebar deals were booked earlier in the week at \$640/mt EXW before sales slowed down. "Scrap prices are falling and [I think] they will continue to fall down. We cannot manage any rebar sales for export, so only the domestic market is supporting us, and there has been no activity in Marmara and Iskenderun in the last few days," a Turkish mill source said. However, Turkish integrated long steelmaker Kardemir, from the Karabuk region, was heard to have sold 34,500 mt of steel rebar at \$635/mt EXW to the domestic market June 15, trade sources said. Elsewhere, Platts assessed shortsea A3 scrap down \$2.50/mt at \$362.50/mt CFR June 15, as tradable value indications ranged \$360-\$365/mt CFR. The forward curve for the London Metal Exchange's Turkey scrap futures, which settles basis Platts, shifted June 15 to a largely flat structure from a backwardation over the June to September period, as expectations of near-term downside decreased, but uncertainty remained over the near-term price direction. Platts assessed the LME June scrap contract at \$385/mt June 15, unchanged on the day, while the July contract was down 50 cents/mt on the day also at \$385/mt. The August and September contracts were at \$383/mt and \$385/mt, respectively. (Platts)

China HRC

The index was flat yesterday (15.6.23) at US\$550/t, MTD US\$541.40/t. HRC inventory held by traders and mills increased by more than 2,000t this week against a decline of 250,000t last week, showing demand slowed down further in mid-June, participants said. Steel mills were operating in margins of Yn100-200/t for HRC, and it was unlikely for mills to cut production at a time of profit, although demand was expected to remain weak in the month, traders said. Demand from the real estate sector did not show significant improvement in May, as the sector's investment in January-May fell by 7.2pc from the previous year, weakening from the on-year decline of 6.2pc in January-April, the National Bureau of Statistics of China said. The new project start-ups by area in January-May fell by 22.6pc from a year earlier, also slowing down further from the decline of 21.2pc in January-April. A deal for Chinese SS400 HRC was sold at \$550/t cfr South Korea this week, but no details could be confirmed. Participants said that should be sold by short sellers, who bet prices would fall in the future. Another deal for Chinese SS400 HR sheet was concluded at \$615/t cfr Singapore. Vietnamese buyers expected local mill Hoa Phat to cut domestic sales prices further on weak demand, hence they were not in a hurry to place orders or give bids, participants said. (Argus)

Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	385.00	-2.00	387.91
Steel Rebar FOB Turkey (\$/mt)	622.50	0.00	622.73
Argus HRC NW Europe (€/mt)	668.25	-1.75	690.02
Argus FOB China HRC (\$/mt)	550.00	0.00	541.40
US HRC CRU	939.00	-48.00	1008.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jun-23	385	395	390
Jul-23	385	395	390
Aug-23	385	395	390
Q3-23	385	395	390
Q4-23	385	395	390
Q1-24	390	400	395

US HRC USD/short ton			
	Bid	Ask	Value
Jun-23	925	935	930
Jul-23	895	905	900
Aug-23	890	900	895
Q3-23	885	895	890
Q4-23	845	855	850
Q1-24	830	840	835

LME REBAR FOB TK			
	Bid	Ask	Value
Jun-23	615	625	620
Jul-23	605	615	610
Aug-23	600	610	605
Q3-23	600	610	605
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	635	645	640
Q3-23	635	645	640
Q4-23	625	635	630
Q1-24	650	660	655

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jun-23	555	565	560
Jul-23	565	575	570
Aug-23	560	570	565
Q3-23	560	570	565
Q4-23	555	565	560
Q1-24	560	570	565

BUSHELING			
	Bid	Ask	Value
Jul-23	470	480	475
Aug-23	455	465	460
Sep-23	450	460	455
Q3-23	460	470	465
Q4-23	450	460	455
Q1-24	465	475	470

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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	30	70	94	70	0	Eased
	JUN 23	AUG 23	35	85	125	130	0	Eased
	JUN 23	SEP 23	54	97	140	149	0	Eased
	JUL 23	AUG 23	5	15	31	60	0	Eased
	JUL 23	SEP 23	24	27	46	79	0	Eased
	AUG 23	SEP 23	19	12	15	19	0	Tightened
EU HRC	JUN 23	JUL 23	30	42	20	20	-100	Eased
	JUN 23	AUG 23	32	47	40	14	-50	Eased
	JUN 23	SEP 23	35	52	45	18	-70	Eased
	JUL 23	AUG 23	2	5	20	-6	50	Eased
	JUL 23	SEP 23	5	10	25	-2	30	Eased
	AUG 23	SEP 23	3	5	5	4	-20	Eased
Mill Margin	JUL 23	JUL 23	430	383	366	489	386	Tightened
	AUG 23	AUG 23	435	377	350	429	386	Tightened
	SEP 23	SEP 23	416	371	340	415	386	Tightened
Atlantic Spread (US-EU)	JUL 23	JUL 23	255	218	176	247	-24	Tightened
	JUN 23	JUN 23	255	246	250	297	76	Tightened
	JUL 23	JUL 23	255	218	176	247	-24	Tightened
	AUG 23	AUG 23	252	208	165	181	26	Tightened
ARC Spread (Rebar - Scrap)	JUN 23	JUN 23	232	223.5	241	303.5	307.5	Tightened
	JUL 23	JUL 23	214	216	235	308.5	307.5	Eased
	AUG 23	AUG 23	211	214.5	235	316	307.5	Eased
	SEP 23	SEP 23	206.5	211.5	233	325.5	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	927	470	680	389	558	620	Current
	928	475	682	392	540	616	T-1W
	940	480	760	379	575	620	T-1M
	1109	550	820	435	673	739	T-3M
	815	445	650	383	603	660	T-6M
	876	490	900	368	691	675	T-12M
	827	475	646	397	674	668	YTD

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