

21/06/2023

Turkish Scrap

Turkish deepsea import ferrous scrap prices continued to drop on June 20, as the Turkish mill's withdrawal from the market continued. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$380/mt CFR June 20, down \$2 on the day. "The mills are able to stay away for the moment, and it seems there are a lot of sellers around," a Baltic-based recycler said, citing an indicative tradable value for Baltic-origin HMS 1/2 (80:20) slightly below \$380/mt CFR. Offers for US-origin HMS 1/2 (80:20) were reported between \$385-\$390/mt CFR on the day, while offers for EU-origin HMS 1/2 (80:20) were reported at \$380-\$385/mt CFR. However, an agent source said that the pressure being applied by the mills was working, and talked indicative tradable values for US-origin HMS 1/2 (80:20) at around \$380/mt CFR and for EUorigin HMS 1/2 (80:20) at \$375-\$380/mt CFR.

"We do not need any material for ten more days, nobody wants to take any risk under these market conditions," a Turkey-based mill source said, sharing their indicative buyer target for premium HMS 1/2 (80:20) at \$370/mt CFR. Mill targets for Benelux-origin HMS 1/2 (80:20) were also heard to have dropped to \$370/mt CFR, however, sellers from the region continued to cite that current collection costs and a stronger Euro make these levels unworkable. "As long as the mills have these numbers in mind the prices don't work for us, we would need \$385/mt CFR minimum," an EU-based recycler said. HMS collection prices in the Benelux region were heard at Eur305-Eur310/mt delivered to the docks, while the euro remained strong at a rate of \$1.0904 at 1630 London time June 20, up from \$1.0794 at the same time just one week prior, according to data from S&P Global Commodity Insights. "These collection prices mean we need a minimum of \$380- \$385/mt CFR," a second EU-based recycler added. (Platts)

China HRC

The index fell by \$3/t yesterday (20.6.23) to US\$548/t, MTD US\$543.31/t.

The People's Bank of China lowered the one-year loan prime rate (LPR) by 10 basis points from 20 June to 3.55pc while the rate for five-year loans was lowered to 4.2pc. The cuts were within the market's expectations, and had limited effect on market sentiment, participants said. The central parity rate of Chinese yuan against the US dollar weakened by 395 basis points to 7.1596 today, PBOC said.

Major Chinese mills held offers stable at \$565-585/t fob China for SS400 HRC, while trading firms lowered sales prices to equivalents of \$535-550/t fob China given falling Chinese domestic sales prices and lukewarm demand. Most seaborne buyers were silent, and only limited Vietnamese buyers expressed buying interest at \$540-545/t cfr Vietnam.

Sellers cut offers to \$585/t cfr Vietnam from \$580-590/t cfr for Chinese SAE1006-grade coil. A Japanese mill was willing to receive orders at \$580/t cfr Vietnam for September shipment SAE-grade coil for selected customers. (Argus)

Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	380.00	-2.00	386.64
Steel Rebar FOB Turkey (\$/mt)	617.00	-1.50	621.82
US HRC CRU	939.00	-48.00	963.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jun-23	375	385	380
Jul-23	370	380	375
Aug-23	370	380	375
Q3-23	370	380	375
Q4-23	375	385	380
Q1-24	375	385	380

US HRC USD/short ton			
	Bid	Ask	Value
Jun-23	920	930	925
Jul-23	910	920	915
Aug-23	920	930	925
Q3-23	910	920	915
Q4-23	845	855	850
Q1-24	840	850	845

LME REBAR FOB TK			
	Bid	Ask	Value
Jun-23	610	620	615
Jul-23	590	600	595
Aug-23	590	600	595
Q3-23	590	600	595
Q4-23	585	595	590
Q1-24	580	590	585

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

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jun-23	540	550	545
Jul-23	545	555	550
Aug-23	555	565	560
Q3-23	550	560	555
Q4-23	545	555	550
Q1-24	540	550	545

BUSHELING			
	Bid	Ask	Value
Jul-23	480	490	485
Aug-23	470	480	475
Sep-23	460	470	465
Q3-23	470	480	475
Q4-23	460	470	465
Q1-24	475	485	480

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	15	72	98	73	0	Eased
	JUN 23	AUG 23	0	79	124	128	0	Eased
	JUN 23	SEP 23	27	83	131	157	0	Eased
	JUL 23	AUG 23	-15	7	26	55	0	Eased
	JUL 23	SEP 23	12	11	33	84	0	Tightened
	AUG 23	SEP 23	27	4	7	29	0	Tightened
EU HRC	JUN 23	JUL 23	20	37	30	5	-100	Eased
	JUN 23	AUG 23	20	37	35	5	-50	Eased
	JUN 23	SEP 23	20	37	41	15	-70	Eased
	JUL 23	AUG 23	0	0	5	0	50	Unchanged
	JUL 23	SEP 23	0	0	11	10	30	Unchanged
	AUG 23	SEP 23	0	0	6	10	-20	Unchanged
Mill Margin	JUL 23	JUL 23	430	371	378	494	361	Tightened
	AUG 23	AUG 23	460	374	367	439	361	Tightened
	SEP 23	SEP 23	433	377	365	415	361	Tightened
Atlantic Spread (US-EU)	JUL 23	JUL 23	260	213	193	234	-49	Tightened
	JUN 23	JUN 23	255	248	261	302	51	Tightened
	JUL 23	JUL 23	260	213	193	234	-49	Tightened
	AUG 23	AUG 23	275	206	172	179	1	Tightened
ARC Spread (Rebar - Scrap)	JUN 23	JUN 23	231.5	232	221	266	287	Eased
	JUL 23	JUL 23	205	214.5	217.5	277	287	Eased
	AUG 23	AUG 23	205	210	220	266.5	287	Eased
	SEP 23	SEP 23	210	206.5	220	265.5	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	927	485	680	383	547	615	Current
	923	480	675	389	560	621	T-1W
	951	475	768	379	564	600	T-1M
	1122	555	826	439	646	705	T-3M
	810	460	645	380	594	660	T-6M
	851	490	899	364	656	651	T-12M
	827	475	646	397	674	668	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