

27/06/2023

Taiwanese Scrap

Taiwan's electric-arc furnace-based steelmaker Feng Hsin Iron and Steel did not announce bid prices for domestic ferrous scrap and rebar on June 26 – as per usual for a Monday, according to trading sources. It therefore rolled over at T\$11,400/mt (\$367/mt) for HMS 1/2 80:20 excluding value added tax for deliveries to its Taichung mill. For domestic rebar, Feng Hsin's bid price keeps at T\$18,700/mt, ex-factory and excluding VAT. A possible reason for the delay in Feng Hsin's domestic price update could be a postponement after long holidays, according to a trading source based in Taiwan. "Flats market is bad. Longs are also not exciting", a second trader said, adding that prices for both raw materials and finished products would normally drop in summer, whereas in recent weeks that has not been the case. The price of seaborne HMS 80:20 scrap could edge up this week, the two sources said. "[But] both buyers and sellers are cautious", the second source said. Deals were heard at \$370-372/mt CR Taiwan for containerized heavy melting scrap 80:20 grade from the US, totaling 10,000- 15,000 mt, sources said. Platts assessed the price at \$372/mt at the last deal level, according to S&P Global Commodity Insights data. (Platts)

Turkish Scrap

Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$380/mt CFR June 26, stable on the day. The market anticipated some deal activity for Turkish imports of ferrous scrap after the interest rate announcement on June 22, and as such two deals were booked on June 22-23. A US-origin deal was heard booked on June 23 by a Marmara mill, with the shipment consisting of HMS 1/2 (80:20) at \$380/mt CFR. A Benelux-origin deal was booked on June 22 by an Iskenderun mill, with HMS 1/2 (80:20) at \$378/mt CFR. The deal was confirmed by the sellside. "The new sale from the US should [help to] decrease dock prices [in the Benelux region], but at the moment nothing is normal," an EU-based recycler said, citing an indicative tradable value for EU-origin HMS 1/2 (80:20) at \$375/mt CFR and an indicative tradable value for US-origin HMS 1/2 (80:20) at \$380/mt CFR.

HMS collection prices in the Benelux region were heard between Eur305-Eur315/mt delivered to the docks, relatively unchanged from the levels seen the week prior despite the recyclers' attempts to drop prices. However, despite these recent deals, various market sources noted that the commencement of Eid-Al-Adha public holidays in Turkey would largely mute trade activity in the week to June 30. On the day, tradable values for premium or US/Baltic-origin HMS 1/2 (80:20) were heard between \$377-\$383/mt CFR and above, while tradable values for EU-origin HMS 1/2 (80:20) were reported at \$370-\$375/mt CFR, normalizing to \$375-\$380/mt CFR on premium HMS 1/2 (80:20) CFR Turkey specifications. Limited market activity was heard on the day.

"The market is on holiday this entire week, so it will be very quiet," a Turkey-based trader said, citing an indicative tradable value for US/Baltic-origin HMS 1/2 (80:20) at \$380/mt CFR and above. Meanwhile, an agent source expected sentiment would strengthen after the holidays when domestic steel trade returns, adding that the interest rate hike was not enough. The Turkish central bank's monetary policy committee decided to lift the policy rate — the one-week repo auction rate — to 15% from 8.5% in a bid to reduce inflation, which stood at 35.6 in May, as soon as possible. The lower-than-expected hike in interest rates led to a devaluation of the Turkish lira, with the mid-market rate weakening to Lira 25.9462 against the US dollar in the early afternoon on June 26, depreciating from from Lira 23.548 against the dollar at 1630 London time on June 21 prior to the announcement, according to xe.com. (Platts)

Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	380.00	0.00	385.17
Platts Steel Rebar FOB Turkey (\$/mt)	612.50	0.00	619.75
US HRC CRU	851.00	-88.00	925.67

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jun-23	380	390	385
Jul-23	375	385	380
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	905	915	910
Jul-23	900	910	905
Aug-23	930	940	935
Q3-23	910	920	915
Q4-23	830	840	835
Q1-24	820	830	825

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

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

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

BUSHELING			
	Bid	Ask	Value
Jul-23	470	480	475
Aug-23	460	470	465
Sep-23	455	465	460
Q3-23	460	470	465
Q4-23	455	465	460
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	8	16	113	100	0	Eased
	JUN 23	AUG 23	-22	12	135	143	0	Eased
	JUN 23	SEP 23	7	33	143	149	0	Eased
	JUL 23	AUG 23	-30	-4	22	43	0	Eased
	JUL 23	SEP 23	-1	17	30	49	0	Eased
	AUG 23	SEP 23	29	21	8	6	0	Tightened
EU HRC	JUN 23	JUL 23	14	35	40	5	-100	Eased
	JUN 23	AUG 23	10	34	45	14	-50	Eased
	JUN 23	SEP 23	-5	30	50	15	-70	Eased
	JUL 23	AUG 23	-4	-1	5	9	50	Eased
	JUL 23	SEP 23	-19	-5	10	10	30	Eased
	AUG 23	SEP 23	-15	-4	5	1	-20	Eased
Mill Margin	JUL 23	JUL 23	432	426	347	460	371	Tightened
	AUG 23	AUG 23	467	440	335	417	371	Tightened
	SEP 23	SEP 23	438	429	327	411	371	Tightened
Atlantic Spread (US-EU)	JUL 23	JUL 23	246	266	192	150	-39	Eased
	JUN 23	JUN 23	240	247	265	245	61	Eased
	JUL 23	JUL 23	246	266	192	150	-39	Eased
	AUG 23	AUG 23	272	269	175	116	11	Tightened
ARC Spread (Rebar - Scrap)	JUN 23	JUN 23	230	232	230	250	284	Eased
	JUL 23	JUL 23	210.5	210.5	228	245	284	Unchanged
	AUG 23	AUG 23	209	205	228	255.5	284	Tightened
	SEP 23	SEP 23	201	210	229.5	252.5	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	910	475	674	384	536	615	Current
	927	485	680	383	547	615	T-1W
	935	475	770	370	550	600	T-1M
	1045	485	828	443	641	693	T-3M
	803	460	644	382	607	663	T-6M
	861	490	890	375	656	659	T-12M
	827	475	646	397	674	668	YTD

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