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US Scrap

While the near-term economic environment is showing signs of a slowdown, long-term structural demand for recycled metals remains positive, supported by an increased focus on decarbonization, the transition to low-carbon technologies, and anticipated US demand associated with infrastructure and Inflation Reduction Act spending, Schnitzer Steel CEO Tamara Lundgren said June 27. Additionally, Turkish imports of ferrous scrap are expected to rise “materially” as the country rebuilds following February’s devastating earthquakes, Lundgren said during the company’s fiscal third-quarter conference call. “Turkey’s need for 5 million [mt] of steel to support rebuilding efforts in the Iskenderun region implies a need for around 6 million [mt] of ferrous scrap,” she said. “We expect that even accounting for Turkish domestic scrap generated by earthquake cleanup activities, Turkey’s scrap imports should rise materially to meet this need.” Platts, part of S&P Global Commodity Insights, assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$380/mt CFR June 27. Schnitzer’s ferrous scrap sales volumes totaled 1,157 kt in the three-month period ended May 31, up slightly from 1,129 kt in the same period a year ago. Average ferrous scrap selling prices were reported at \$413/kt in fiscal Q3, down from an average of \$541/kt in the year-ago quarter. (Platts)

Turkish Scrap

Turkish deepsea import ferrous scrap prices remained stable on June 27, as the market remained largely muted as Turkey entered a public holiday period to celebrate Eid-Al-Adha. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$380/mt CFR June 27, stable on day. Tradable values for premium or US/Baltic-origin HMS 1/2 (80:20) were heard between \$375-\$380/mt CFR, with most indications clustered around \$380/mt CFR. Indications for Benelux-origin HMS 1/2 (80:20) were reported at \$380/mt CFR, normalizing to \$385/mt CFR on premium HMS 1/2 (80:20) CFR Turkey specifications. “There is no [Turkish] market to discuss right now,” a European recycler said, “but the top recyclers still need to collect material, and one is even targeting Eur280/mt delivered to the docks. The Rhine is drying up and freights will probably increase, so they need to reduce their collection prices.” The European recycler shared HMS collection prices in the Benelux region at Eur290/mt delivered to the docks on the day, but noted that availability at these levels were low. HMS collection prices in the Baltic region continued to be heard between Eur305-310/mt delivered. Meanwhile, the water level at Kaub, a bottleneck point near Frankfurt, was measured at 132 cm at 18:00 German time June 27, down from 225 cm at the same time one month earlier on May 27, according to the German Federal Institute of Hydrology, or BfG. Platts is part of S&P Global Commodity Insights. (Platts)

Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	380.00	0.00	384.89
Platts Steel Rebar FOB Turkey (\$/mt)	610.00	-2.50	619.24
US HRC CRU	851.00	-88.00	925.67

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jun-23	375	385	380
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
Jul-23	875	885	880
Aug-23	890	900	895
Sep-23	880	890	885
Q3-23	880	890	885
Q4-23	805	815	810
Q1-24	795	805	800

LME REBAR FOB TK			
	Bid	Ask	Value
Jun-23	615	625	620
Jul-23	595	605	600
Aug-23	595	605	600
Q3-23	595	605	600
Q4-23	590	600	595
Q1-24	585	595	590

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

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jun-23	535	545	540
Jul-23	550	560	555
Aug-23	550	560	555
Q3-23	550	560	555
Q4-23	555	565	560
Q1-24	550	560	555

BUSHELING			
	Bid	Ask	Value
Jul-23	465	475	470
Aug-23	465	475	470
Sep-23	465	475	470
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	JUL 23	AUG 23	-18	-19	22	43	0	Tightened
	JUL 23	SEP 23	-2	4	30	49	0	Eased
	JUL 23	OCT 23	47	42	38	71	-27	Tightened
	AUG 23	SEP 23	16	23	8	6	0	Eased
	AUG 23	OCT 23	65	61	16	28	-27	Tightened
	SEP 23	OCT 23	49	38	8	22	-27	Tightened
EU HRC	JUL 23	AUG 23	5	35	40	20	-100	Eased
	JUL 23	SEP 23	5	35	45	29	-50	Eased
	JUL 23	OCT 23	-10	30	50	30	-70	Eased
	AUG 23	SEP 23	0	0	5	9	50	Unchanged
	AUG 23	OCT 23	-15	-5	10	10	30	Eased
	SEP 23	OCT 23	-15	-5	5	1	-20	Eased
Mill Margin	JUL 23	JUL 23	416	434	347	451	375	Eased
	AUG 23	AUG 23	439	463	335	408	375	Eased
	SEP 23	SEP 23	423	445	327	402	375	Eased
Atlantic Spread (US-EU)	JUL 23	JUL 23	221	264	192	141	-35	Eased
	AUG 23	AUG 23	239	283	175	107	15	Eased
	SEP 23	SEP 23	208	255	172	102	-5	Eased
	OCT 23	OCT 23	169	222	169	90	137	Eased
ARC Spread (Rebar - Scrap)	JUN 23	JUN 23	229.5	230	230	247	291	Eased
	JUL 23	JUL 23	217	198	228	254.5	291	Tightened
	AUG 23	AUG 23	217.5	206	228	251.5	291	Tightened
	SEP 23	SEP 23	199.5	206	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	904	475	674	384	542	618	Current
	904	470	675	384	542	614	T-1W
	822	475	770	370	550	600	T-1M
	936	485	828	439	644	686	T-3M
	814	465	643	381	617	675	T-6M
	865	490	889	374	658	665	T-12M
	829	475	646	397	674	668	YTD

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