

29/06/2023

Japanese Scrap

No deals were heard for Japanese H2 grade scrap in the seven days to June 28 as the yen depreciated and buyers were unwilling to bid for costly imports. Platts assessed the weekly spot H2 ferrous scrap FOB Japan price up Yen 1,000/mt on the week at Yen 50,400/mt (\$350/mt) on June 28, with basis ports within Tokyo Bay. The FOB bid price for H2 grade scrap was unavailable since Korean mills didn't open tenders for this product during the week. Domestic collection at Tokyo Bay FAS basis for H2 grade scrap was stable on the week and normalized to Yen 49,500-50,500/mt FOB basis after deducting port charges. H2 grade scrap offers to Vietnam were abundant, although few bids followed up. Offers from Japanese suppliers were in the \$385-\$400/mt (Yen 55,510-57,670/mt) range, while buyers' indicative bids were in the \$375-\$380/mt (Yen 54,060-54,780/mt) range. Only one firm bid was made at \$375/mt (Yen 54,060/mt) and no deals were heard concluded.

A \$385 offer for H2 grade scrap CFR Vietnam was normalized to \$350/mt (Yen 50,410/mt) FOB after deducting \$35 freight. A bid at \$375/mt CFR Vietnam was normalized to \$340/mt (Yen 49,000/mt) FOB. Considering the Platts methodology and a depreciating yen, H2 grade scrap was assessed at Yen 50,400/mt (\$350/mt) FOB. "Vietnamese buyers' target price is not competitive," with offer and bid gap around \$20-\$25/mt, said a Singapore-based trader. "We won't sell H2 [grade scrap] for export due to [the] offer-bid price gap." Meanwhile in Taiwan, H1/H2 50:50 grade scrap offers were in the \$385-\$390/mt range, or \$355-\$365/mt (Yen 51,120-52,560/mt) FOB basis after discounting for quality spread and freight.

Buyers' bid ideas were in the \$380-\$385/mt range, with only one firm bid at \$385/mt, normalized to \$355-\$360/mt (Yen 51,120-51,840/mt) H2 grade scrap FOB using the same method. Still no deals were heard concluded even when bids and offers were almost overlapping. H1/H2 50:50 grade scrap prices are linked to containerized heavy melting scrap 80:20, according to a Taiwanese trader. When Taiwan imported HMS 80:20 is strong, tradable values for H1/H2 50:50 grade scrap are likely to stay stable too. "[Last week's lower-than-expected Hyundai bid] reflects that buyers' intention to catch up with the prices is weak," said the trader. Platts assessed deepsea scrap prices CFR East Asia unchanged at \$399/mt in a slow market. Vietnam mills could consider buying deepsea HMS 80:20 scrap, said a trader based in Vietnam, adding that "it is about price" in a tepid market. (Platts)

Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	380.00	0.00	384.65
Platts Steel Rebar FOB Turkey (\$/mt)	610.00	0.00	618.78
US HRC CRU	878.00	27.00	913.75

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jun-23	380	390	385
Jul-23	370	380	375
Aug-23	370	380	375
Q3-23	370	380	375
Q4-23	370	380	375
Q1-24	375	385	380

US HRC USD/short ton			
	Bid	Ask	Value
Jul-23	890	900	895
Aug-23	920	930	925
Sep-23	890	900	895
Q3-23	900	910	905
Q4-23	810	820	815
Q1-24	805	815	810

LME REBAR FOB TK			
	Bid	Ask	Value
Jun-23	615	625	620
Jul-23	590	600	595
Aug-23	585	595	590
Q3-23	585	595	590
Q4-23	580	590	585
Q1-24	575	585	580

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

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	545	555	550
Q1-24	545	555	550

BUSHELING			
	Bid	Ask	Value
Jul-23	455	465	460
Aug-23	455	465	460
Sep-23	455	465	460
Q3-23	455	465	460
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	JUL 23	AUG 23	-36	-24	22	37	0	Eased
	JUL 23	SEP 23	2	0	30	57	0	Tightened
	JUL 23	OCT 23	62	49	38	71	-26	Tightened
	AUG 23	SEP 23	38	24	8	20	0	Tightened
	AUG 23	OCT 23	98	73	16	34	-26	Tightened
	SEP 23	OCT 23	60	49	8	14	-26	Tightened
EU HRC	JUL 23	AUG 23	15	20	40	20	-100	Eased
	JUL 23	SEP 23	13	15	45	29	-50	Eased
	JUL 23	OCT 23	5	5	50	44	-70	Unchanged
	AUG 23	SEP 23	-2	-5	5	9	50	Tightened
	AUG 23	OCT 23	-10	-15	10	24	30	Tightened
	SEP 23	OCT 23	-8	-10	5	15	-20	Tightened
Mill Margin	JUL 23	JUL 23	424	442	347	450	376	Eased
	AUG 23	AUG 23	465	476	335	413	376	Eased
	SEP 23	SEP 23	442	457	327	388	376	Eased
Atlantic Spread (US-EU)	JUL 23	JUL 23	239	272	192	126	-34	Eased
	AUG 23	AUG 23	273	291	175	98	16	Eased
	SEP 23	SEP 23	227	257	172	93	-4	Eased
	OCT 23	OCT 23	162	208	169	89	137	Eased
ARC Spread (Rebar - Scrap)	JUN 23	JUN 23	229.5	232.5	230	246	293	Eased
	JUL 23	JUL 23	217	203.5	228	247.5	293	Tightened
	AUG 23	AUG 23	215	203	228	250.5	293	Tightened
	SEP 23	SEP 23	210	205.5	229.5	253	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	894	475	674	385	540	621	Current
	917	475	665	382	542	615	T-1W
	822	475	770	370	550	600	T-1M
	920	470	829	441	640	687	T-3M
	820	475	647	385	648	665	T-6M
	866	490	886	380	662	673	T-12M
	829	475	646	397	674	668	YTD

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