

30/06/2023

## Turkish Scrap

Turkish deepsea scrap imported price sentiment was mildly bearish, with sources saying that a moderate drop was still possible once Turkish buyers return to the market after the Eidal-Adha holidays. The activity on the day was very muted because of the public holiday, which runs June 28-July 1 in Turkey. No new trades were reported. The Turkish lira, having devalued sharply in June, stabilized around 26.05/\$1 during the week, according to Euronet data. When Turkish mills return to the market July 3, the negotiations for August shipment cargoes should resume. According to a Baltic recycler, the future price development in deepsea scrap would depend on Turkey's ability to sell its finished products.

"If end-products aren't selling well, there will be pressure on raw material prices," he said. He was not offering to Turkey on the day due to the holidays but is expected to target "not lower than \$380/mt CFR Turkey" for Baltic-origin HMS 1/2 (80:20). Another recycler admitted that there was no real potential for scrap prices to go up, but he was not anticipating any sharp drop either. He added that the collection prices had already come down quite significantly and, with further drops, the availability would suffer. He estimated the workable level for ex-Baltic HMS 1/2 (80:20) between \$378-\$380/mt CFR Turkey. A European recycler said that the trade to Turkey was very slow on the day, with normal market activity to return in the week starting July 3. He expected the prices for the EU-origin HMS 1/2 (80:20) to be between \$375-\$380/mt CFR Turkey. No upside in deepsea scrap prices in the short term was anticipated by a UK-based scrap supplier. "Mills will definitely be bearish. I think \$375/mt CFR Turkey for UK/EU HMS 1/2 (80:20) with some drop in the short term is possible," the supplier added. He noted that the finished steel demand was weighing on the Turkish mills' margins. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$379.50/mt CFR June 29, down 50 cents on the day. (Platts)

# Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	379.50	-0.50	384.40
Platts Steel Rebar FOB Turkey (\$/mt)	610.00	0.00	618.36
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	375	385	380
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	880	890	885
Q3-23	895	905	900
Q4-23	810	820	815
Q1-24	795	805	800

LME REBAR FOB TK			
	Bid	Ask	Value
Jun-23	615	625	620
Jul-23	585	595	590
Aug-23	580	590	585
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	655	665	660
Aug-23	655	665	660
Q3-23	655	665	660
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	540	550	545
Aug-23	540	550	545
Q3-23	540	550	545
Q4-23	540	550	545
Q1-24	540	550	545

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	-33	-28	13	31	0	Eased
	JUL 23	SEP 23	15	-2	25	54	0	Tightened
	JUL 23	OCT 23	52	45	27	70	-19	Tightened
	AUG 23	SEP 23	48	26	12	23	0	Tightened
	AUG 23	OCT 23	85	73	14	39	-19	Tightened
	SEP 23	OCT 23	37	47	2	16	-19	Eased
EU HRC	JUL 23	AUG 23	10	30	31	20	-100	Eased
	JUL 23	SEP 23	5	15	41	15	-50	Eased
	JUL 23	OCT 23	5	12	45	31	-70	Eased
	AUG 23	SEP 23	-5	-15	10	-5	50	Tightened
	AUG 23	OCT 23	-5	-18	14	11	30	Tightened
	SEP 23	OCT 23	0	-3	4	16	-20	Tightened
Mill Margin	JUL 23	JUL 23	417	426	330	444	383	Eased
	AUG 23	AUG 23	455	464	327	413	383	Eased
	SEP 23	SEP 23	407	443	320	385	383	Eased
Atlantic Spread (US-EU)	JUL 23	JUL 23	227	256	171	149	-27	Eased
	AUG 23	AUG 23	255	269	168	113	23	Eased
	SEP 23	SEP 23	207	240	160	106	3	Eased
	OCT 23	OCT 23	165	191	161	104	137	Eased
ARC Spread (Rebar - Scrap)	JUN 23	JUN 23	229.5	228.5	230	244.9	291.5	Tightened
	JUL 23	JUL 23	212	205	230	246.9	291.5	Tightened
	AUG 23	AUG 23	212	209	228	247.9	291.5	Tightened
	SEP 23	SEP 23	207	206.5	222.5	249	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	885	475	671	384	543	619	Current
	901	475	675	385	542	614	T-1W
	805	475	771	378	548	608	T-1M
	934	490	830	438	641	682	T-3M
	829	475	646	397	674	668	T-6M
	873	490	883	384	667	675	T-12M
	829	475	646	397	674	668	YTD

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