

05/07/2023

Turkish Scrap

Turkish scrap import trade picked up as expected after the holiday slowdown, with a Marmara-based mill booking a few cargoes and more deals expected in the coming days, sources said July 4. Scrap prices for the Turkish market showed little movement so far. One of the deals heard on the day was for US-origin HMS 1/2 (85:15) at \$381/mt CFR Marmara, normalized to \$379/mt CFR for HMS 1/2 (80:20), confirmed by an agent source. The cargo also included shred and a bonus booked at \$399/mt CFR. The same Marmara mill booked another deepsea mixed composition cargo from a Benelux supplier at \$369/mt CFR for HMS 1/2 (80:20). No further details about other components in the cargo were available, but the average price was reported at \$377/mt CFR Marmara. Both deepsea deals were conducted July 3. More deepsea bookings await during the week, particularly with the US suppliers' return to the market after the extended Independence Day holiday weekend.

So far, this week has brought no rapid change in sentiment, which remained stable to slightly lower, according to market players. Bids for US-origin material were heard at \$370-\$372/mt CFR Turkey, according to an agent source. He expected trades to close at a range of \$375-\$378/mt CFR Turkey. Another agent estimated the premium HMS 1/2 (80:20) at \$379-\$380/mt CFR Turkey. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$376.50/mt CFR July 4, down \$1 from July 3. An agent source also reported a shortsea deal from Romania at \$360/mt CFR Marmara. A couple of sources said that Turkish mills were pushing for \$350-\$355/mt CFR for shortsea cargoes, but were not successful in securing any deals. One shortsea scrap recycler put the market at around \$360/mt CFR Turkey. In the near term, he expected to see shortsea scrap prices at a minimum of \$355/mt CFR. (Platts)

Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	376.50	-1.00	377.00
Platts Steel Rebar FOB Turkey (\$/mt)	605.00	-4.50	607.25
US HRC CRU	878.00	27.00	913.75

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jul-23	365	375	370
Aug-23	360	370	365
Sep-23	365	375	370
Q3-23	365	375	370
Q4-23	370	380	375
Q1-24	375	385	380

US HRC USD/short ton			
	Bid	Ask	Value
Jul-23	860	870	865
Aug-23	885	895	890
Sep-23	850	860	855
Q3-23	865	875	870
Q4-23	795	805	800
Q1-24	805	815	810

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

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jul-23	665	675	670
Aug-23	675	685	680
Sep-23	680	690	685
Q3-23	675	685	680
Q4-23	685	695	690
Q1-24	675	685	680

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

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	460	470	465
Q1-24	460	470	465

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	JUL 23	AUG 23	-27	-36	15	31	0	Tightened
	JUL 23	SEP 23	-7	-1	21	59	0	Eased
	JUL 23	OCT 23	45	59	30	78	-19	Eased
	AUG 23	SEP 23	20	35	6	28	0	Eased
	AUG 23	OCT 23	72	95	15	47	-19	Eased
	SEP 23	OCT 23	52	60	9	19	-19	Eased
EU HRC	JUL 23	AUG 23	-1	-1	5	0	50	Unchanged
	JUL 23	SEP 23	-5	-9	15	10	30	Tightened
	JUL 23	OCT 23	-16	-9	15	25	145	Eased
	AUG 23	SEP 23	-4	-8	10	10	-20	Tightened
	AUG 23	OCT 23	-15	-8	10	25	95	Eased
	SEP 23	OCT 23	-11	0	0	15	115	Eased
Mill Margin	JUL 23	JUL 23	390	419	358	415	383	Eased
	SEP 23	SEP 23	402	440	362	351	383	Eased
	OCT 23	OCT 23	350	375	353	337	402	Eased
Atlantic Spread (US-EU)	JUL 23	JUL 23	186	238	188	150	-27	Eased
	AUG 23	AUG 23	212	273	178	119	23	Eased
	SEP 23	SEP 23	188	230	182	101	3	Eased
	OCT 23	OCT 23	125	170	173	97	137	Eased
ARC Spread (Rebar - Scrap)	JUL 23	JUL 23	216	215.5	218	254	299.5	Tightened
	AUG 23	AUG 23	214.5	212	216	259	299.5	Tightened
	SEP 23	SEP 23	213	211	215	257	299.5	Tightened
	OCT 23	OCT 23	206	209.5	214	250.5	263.5	Eased

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME \$CRAP TK	LME HRC FOB	LME REBAR TK	Timeframe
PRICE	860	475	674	372	547	593	Current
	894	475	674	375	548	591	T-1W
	838	480	685	381	560	599	T-1M
	915	500	850	433	634	687	T-3M
	803	465	730	404	653	676	T-6M
	873	490	825	387	666	686	T-12M
	829	475	646	394	676	663	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