

06/07/2023

Turkish Scrap

Turkish deepsea scrap import prices were unchanged July 5, as Turkish mills held back in search of lower levels, but sellers tried to hold firm on offers. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$376.50/mt CFR July 5, unchanged on the day, based on the market indications from mill sources, traders and recyclers. "Recyclers are trying for \$375-\$378/mt CFR for premium HMS 1/2 (80:20), but the mills want lower — below \$370/mt CFR," one Turkey-based mill source said, pointing to an expected \$20/mt monthly drop in the US domestic scrap settlements for July, as well as recent declines in bulk freight rates. The Platts New Jersey US East Coast-Aliaga Turkey dry bulk freight rate for a 40,000 mt Supramax was \$18/mt on July 5, up from a recent low of \$17.25/mt on July 3, but down sharply \$21 one month ago. Poor domestic finished steel demand in Turkey had seen most mills seek lower scrap prices. Workable levels for rebar have fallen to around \$600-\$615/mt EXW and workable levels for billet have fallen to around \$565-\$570/mt EXW, the mill source added.

Sentiment among recyclers was mixed. "Demand is quite weak, and there's a push down in the US domestic market so the US sellers can be more aggressive," a Baltic-based recycler said. "Europe is going on vacation mode and more mills are idling so there's no power in the domestic market either, but inflows are going to be very low during the summer period." The same recycler cited an indicative tradable value for Balticorigin HMS 1/2 (80:20) below \$375/mt CFR. However, one US-based recycler cited offer levels above \$380/mt CFR for HMS 1/2 (80:20), while indicative offers from EU suppliers ranged from slightly below \$375-\$380/mt CFR. "The Turk[ish] need to come back for more August shipments — at least 20 cargoes," an EU-based recycler said. "I don't expect the market to shoot up but maybe it could even go up \$5-\$10/mt. I don't believe the market is going down because I can't get my hands on scrap in any significant volumes, which is normal in summer months, so either scrap yards don't have it or are waiting." In the UK, HMS collection prices were mostly heard around GBP240-GBP245/mt delivered to the dock, although some suppliers were heard to pay as high as GBP270/mt delivered. Elsewhere, a Russia-origin cargo totaling 25,000 mt was heard booked during the week ended June 30 by a Turkish mill, with HMS 1/2 (80:20) at \$369/mt CFR, but it was unconfirmed. (Platts)

Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	376.50	0.00	376.83
Platts Steel Rebar FOB Turkey (\$/mt)	602.50	-2.50	605.67
US HRC CRU	880.00	2.00	913.75

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

US HRC USD/short ton			
	Bid	Ask	Value
Jul-23	870	880	875
Aug-23	890	900	895
Sep-23	865	875	870
Q3-23	875	885	880
Q4-23	810	820	815
Q1-24	810	820	815

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

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jul-23	670	680	675
Aug-23	675	685	680
Sep-23	675	685	680
Q3-23	675	685	680
Q4-23	690	700	695
Q1-24	680	690	685

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

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	465	475	470

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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	-21	-35	12	32	0	Tightened
	JUL 23	SEP 23	-1	-4	21	55	0	Tightened
	JUL 23	OCT 23	40	65	29	74	-22	Eased
	AUG 23	SEP 23	20	31	9	23	0	Eased
	AUG 23	OCT 23	61	100	17	42	-22	Eased
	SEP 23	OCT 23	41	69	8	19	-22	Eased
EU HRC	JUL 23	AUG 23	-5	-1	5	0	50	Eased
	JUL 23	SEP 23	-10	-9	20	5	30	Eased
	JUL 23	OCT 23	-30	-10	24	20	145	Eased
	AUG 23	SEP 23	-5	-8	15	5	-20	Tightened
	AUG 23	OCT 23	-25	-9	19	20	95	Eased
	SEP 23	OCT 23	-20	-1	4	15	115	Eased
Mill Margin	SEP 23	SEP 23	408	424	370	385	380	Eased
	OCT 23	OCT 23	367	355	357	381	402	Tightened
Atlantic Spread (US-EU)	AUG 23	AUG 23	218	259	184	123	20	Eased
	AUG 23	AUG 23	218	259	184	123	20	Eased
	SEP 23	SEP 23	193	220	190	105	0	Eased
	OCT 23	OCT 23	132	150	186	101	137	Eased
ARC Spread (Rebar - Scrap)	JUL 23	JUL 23	218	212	214	251	299.5	Tightened
	AUG 23	AUG 23	209.5	209.5	213	246	299.5	Unchanged
	SEP 23	SEP 23	207	207	213	238.5	299.5	Unchanged
	OCT 23	OCT 23	202	207	211	241.5	263.5	Eased

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	874	475	677	370	547	588	Current
	885	475	671	375	546	587	T-1W
	846	480	687	381	584	595	T-1M
	920	490	850	428	630	679	T-3M
	810	465	727	404	653	680	T-6M
	870	490	810	387	666	686	T-12M
	829	475	646	394	676	663	YTD

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