

07/07/2023

## Turkish Scrap

Turkish deepsea scrap import prices slowly inched down July 6 as the anticipated post-holiday purchasing round failed to occur. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$375/mt CFR July 6, down \$1.50 from July 5. The deepsea scrap import has been muted this during the week, but mills were still looking for some spot cargoes, an agent said. He put offers from US and Baltic suppliers at \$378-\$380/ mt CFR Turkey for HMS 1/2 (80:20) for August shipment. EU offers stood at \$373-\$375/mt CFR. "The price for scrap is under pressure, looking from the end product sales activity," a scrap recycler said. Similar sentiment was expressed by other sources. Turkish exported rebar prices already slipped below \$600/mt FOB, according to market players. "Nobody can sell their end products," a mill source in Turkey said of the slow scrap market recently. However, the same mill source was still expecting some scrap deals to close soon and estimated the workable level for premium HMS 1/2 (80:20) at around \$375/mt CFR. One trader in Turkey said that what mills were really targeting for deepsea heavy melting scrap was no more than \$370/mt CFR. Turkish mills were putting pressure on scrap suppliers, who refused to make more significant concessions.

Some suppliers decided to hold back with offers, as the availability of scrap was also seasonally lower. "We are not able to offer, as there is only very limited material in the market to buy, due to holiday season," a Baltic-based scrap exporter said. "And the prices in India for shred are very competitive." The exporter put the minimum workable level for HMS 1/2 (80:20) at \$375/mt CFR Turkey. Amid the seasonally lower scrap collections and heavy melting scrap dock prices in Western Europe around Eur300/mt (\$326/mt) delivered, the space to cut prices for EU-based recyclers was limited, a Europe-based trader said. He put the near-term minimum level at \$370/mt CFR Turkey. The upside for the scrap prices was also unlikely in near term with billet, rebar and wire rod prices from Turkey coming down sharply recently. Shortsea scrap prices showed more weakness in the last few days, with offers reported by a mill source at \$350/mt CFR Turkey from Bulgaria and Romania. A recycler argued that bids were at \$350/mt CFR Turkey, while offers were pegged at \$355/mt CFR. Earlier in the week, the asking prices were closer to \$360/mt CFR. To some extent, the scrap demand was diminished by the availability of cheaper billet. Russian billet prices recently fell to \$500-\$510/mt CFR Turkey, with some deals reported in this range. (Platts)

## US Scrap

US ferrous scrap price negotiations for July-delivered volumes got underway in earnest July 6 when a Midwest mini-mill bid for \$20/lt and \$30/lt discounts from June price levels, although early bids from mills in other regions stoked the possibility of stable pricing in some parts of the domestic market. Platts, part of S&P Global Commodity Insights, assessed shredded scrap steady at \$410/lt delivered Midwest July 6, and at \$395/lt delivered Southeast. Prime scrap prices were unchanged at \$470-\$490/lt delivered Midwest, and at \$445/lt delivered Southeast. Although the first Midwest steelmaker to place its bids indicated it wanted to pay less for shredded scrap and busheling in July, they also bid for plate and structural scrap at no change in price levels from June, raising the possibility that shredded scrap could be priced lower than P&S on average for the first sustained period in years. A lack of demolition activity in the Midwest has kept the supply of P&S in the Midwest tight, market sources said. Platts assessed plate and structural scrap prices steady at \$395-\$415/lt delivered Midwest July 6. Shredded scrap was viewed as more abundant in the region, although this was also disputed. "I disagree with the downward sentiment on shred," a scrap dealer in the Mid-Atlantic said. "Shred is very tight in my opinion between the Ohio Valley and the East Coast." (Platts)

# Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	375.00	-1.50	376.38
Platts Steel Rebar FOB Turkey (\$/mt)	599.00	-3.50	604.00
US HRC CRU	880.00	2.00	880.00

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	895	905	900
Aug-23	920	930	925
Sep-23	885	895	890
Q3-23	900	910	905
Q4-23	820	830	825
Q1-24	810	820	815

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

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

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jul-23	550	560	555
Aug-23	555	565	560
Sep-23	555	565	560
Q3-23	555	565	560
Q4-23	555	565	560
Q1-24	560	570	565

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

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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	-22	-37	14	32	0	Tightened
	JUL 23	SEP 23	20	0	21	55	0	Tightened
	JUL 23	OCT 23	64	56	20	74	-22	Tightened
	AUG 23	SEP 23	42	37	7	23	0	Tightened
	AUG 23	OCT 23	86	93	6	42	-22	Eased
	SEP 23	OCT 23	44	56	-1	19	-22	Eased
EU HRC	JUL 23	AUG 23	-15	-13	1	0	50	Eased
	JUL 23	SEP 23	-10	-18	11	5	30	Tightened
	JUL 23	OCT 23	-20	-18	16	20	145	Eased
	AUG 23	SEP 23	5	-5	10	5	-20	Tightened
	AUG 23	OCT 23	-5	-5	15	20	95	Unchanged
	SEP 23	OCT 23	-10	0	5	15	115	Eased
Atlantic Spread (US-EU)	JUL 23	JUL 23	240	224	213	155	-30	Tightened
	AUG 23	AUG 23	247	248	200	123	20	Eased
	SEP 23	SEP 23	210	206	203	105	0	Tightened
	OCT 23	OCT 23	156	150	209	101	137	Tightened
ARC Spread (Rebar - Scrap)	JUL 23	JUL 23	216.5	218	214.5	251	294.5	Eased
	AUG 23	AUG 23	218.5	214	212.5	246	294.5	Tightened
	SEP 23	SEP 23	211.5	209.5	208.5	238.5	294.5	Tightened
	OCT 23	OCT 23	217	209	210	241.5	263.5	Tightened

## Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	895	475	673	374	555	595	Current
	881	475	672	374	544	592	T-1W
	849	480	674	379	554	593	T-1M
	920	490	850	428	630	679	T-3M
	810	465	727	404	653	680	T-6M
	870	490	805	395	670	690	T-12M
	829	475	646	394	676	663	YTD

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