

FIS Steel and Scrap Report

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Turkish Scrap

Turkish deepsea import ferrous scrap prices remained stable on July 7, as buy-side near-term sentiment weakened on the announcement of VAT increases in Turkey. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$375/mt CFR July 7, stable on day. The Turkish government has raised the value added tax on many products including steel, a presidential decree published in the official gazette July 7, and seen by S&P Global Commodity Insights, showed. According to the decree, the VAT on steel products, such as rebar, increased to 20%, from 18%, a move that would raise the domestic sale price of these products. "These market conditions are desperate, credit is tightening, interest rates are up and now VAT is increasing, everything is negative for the markets in Turkey," a Turkish mill source said, "We still cannot export [finished steel] so we will have to rely on our domestic market and there is already too much production." The mill source then reported an offer for EU-origin HMS 1/2 (80:20) at below \$370/mt CFR, but noted that their buyer interest in the cargo was limited. "Everyone always says the mills need X amount of cargos for X month shipment, but that is not the case anymore.

We have no sales, so we do not need to import any scrap," the mill source concluded. As the market digested the impact of the announcement, near-term tradable value indications were shared at below \$370/mt CFR. "The mills want the low \$370's/mt CFR for premium HMS 1/2 (80:20) and below \$370/mt CFR for EU-origin material, but there isn't much room for the recyclers to soften their offers due to tight availability and current collection prices," a Turkish trader said. HMS collection prices in the US were heard at \$290-\$310/lt delivered to the docks for remotely-acquired HMS, while Benelux collection prices were recently heard at Eur300/mt delivered. UK HMS collection prices were largely shared at GBP240-245/mt delivered to the docks. Despite the weaker buyer targets heard from market participants on the day, a Europe-based recycler shared their higher offer at \$382/mt CFR for new business ex-UK, with a minimum premium of \$25/mt for shredded and bonus scrap, saying that they have already realized that they can achieve these levels in alternative markets. An EU-origin deal was heard to be booked by an Iskenderun mill on July 5, with 27,000 mt of HMS 1/2 (75:25) at \$372/mt CFR and 3,000 mt of bonus scrap at \$397/mt CFR, for August shipment. This deal was not confirmed on the day. Elsewhere, Platts assessed Turkish imports of shortsea A3 scrap at \$350/mt CFR July 7, down \$2.50/mt on day. (Platts)

Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	375.00	0.00	376.10
Platts Steel Rebar FOB Turkey (\$/mt)	599.00	0.00	603.00
US HRC CRU	880.00	2.00	880.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jul-23	370	380	375
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	900	910	905
Aug-23	930	940	935
Sep-23	895	905	900
Q3-23	910	920	915
Q4-23	825	835	830
Q1-24	805	815	810

LME REBAR FOB TK			
	Bid	Ask	Value
Jul-23	580	590	585
Aug-23	575	585	580
Sep-23	575	585	580
Q3-23	575	585	580
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	680	690	685
Sep-23	680	690	685
Q3-23	675	685	680
Q4-23	680	690	685
Q1-24	685	695	690

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jul-23	535	545	540
Aug-23	540	550	545
Sep-23	540	550	545
Q3-23	540	550	545
Q4-23	540	550	545
Q1-24	545	555	550

BUSHELING			
	Bid	Ask	Value
Jul-23	465	475	470
Aug-23	455	465	460
Sep-23	455	465	460
Q3-23	460	470	465
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	-32	-28	15	32	0	Eased
	JUL 23	SEP 23	-3	0	27	60	0	Eased
	JUL 23	OCT 23	45	46	32	71	-7	Eased
	AUG 23	SEP 23	29	28	12	28	0	Tightened
	AUG 23	OCT 23	77	74	17	39	-7	Tightened
	SEP 23	OCT 23	48	46	5	11	-7	Tightened
EU HRC	JUL 23	AUG 23	-10	-8	5	0	50	Eased
	JUL 23	SEP 23	-5	-12	10	5	30	Tightened
	JUL 23	OCT 23	-10	-12	15	20	145	Tightened
	AUG 23	SEP 23	5	-4	5	5	-20	Tightened
	AUG 23	OCT 23	0	-4	10	20	95	Tightened
	SEP 23	OCT 23	-5	0	5	15	115	Eased
Atlantic Spread (US-EU)	JUL 23	JUL 23	230	198	218	155	-15	Tightened
	AUG 23	AUG 23	252	218	208	123	35	Tightened
	SEP 23	SEP 23	228	186	201	100	15	Tightened
	OCT 23	OCT 23	175	140	201	104	137	Tightened
ARC Spread (Rebar - Scrap)	JUL 23	JUL 23	215.5	222	216	251	278.5	Eased
	AUG 23	AUG 23	207.5	217.5	214.5	246	278.5	Eased
	SEP 23	SEP 23	199	210.5	211.5	238.5	278.5	Eased
	OCT 23	OCT 23	211	211	210	241.5	263.5	Unchanged

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	905	470	674	372	543	580	Current
	865	475	667	370	545	592	T-1W
	858	475	682	382	550	598	T-1M
	920	490	850	428	630	679	T-3M
	820	470	723	406	660	671	T-6M
	885	490	806	395	669	673	T-12M
	829	475	646	394	676	663	YTD

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