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Turkish Scrap

The Turkish imported deepsea scrap market lacked any momentum on the day July 11 as the standoff between buyers and sellers continued. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$374.50/mt CFR July 11, down 50 cents on the day. Market players reported only marginal movement in prices amid the absence of new bookings. US-based recyclers were generally firm at their target level of \$375/mt CFR Turkey, or even higher, for HMS 1/2 (80:20). According to a premium scrap supplier, buyers could accept \$370-\$375/mt CFR Turkey but they were waiting and “pretending they don’t need material and trying to push markets down.” “Turkish mills can’t book scrap at \$375/mt CFR when North African rebar prices are at \$550-\$560/mt FOB and Turkish mills are trying to sell at \$590-\$600/mt FOB,” a rebar producer in the Marmara region said. “I wouldn’t touch anything above \$370/mt CFR,” he added.

Market watchers agreed that there was barely any demand for Turkish long steel products, which was the main setback in the mills’ plans to buy August shipment scrap cargoes. “The steel export demand is dead...Domestic sales are there, but it is not enough to fill capacity,” an agent said. He expected a notable drop in the scrap volumes sold to Turkey for August shipment. “Normally Turkey needs fifty cargoes a month, but I think it will be thirty for August,” he added. The agent reckoned that mills could still pay \$375/mt CFR Turkey for premium HMS 1/2 (80:20) if they could sell rebar at \$590/mt FOB Turkey. A Turkish rebar producer said that he had tried to sell rebar at \$590/mt FOB, even at \$585/mt FOB, and there were still no takers.

To cut the rebar prices further to \$570/mt FOB, HMS 1/2 (80:20) would have to drop to \$350-\$360/mt CFR, the rebar producer said. “But recyclers say [\$350/mt] is their collection price,” the source added. One Baltic scrap exporter put the recyclers’ cost of HMS 1/2 (80:20) at \$370-\$380/mt CFR Turkey, with the Euro/USD exchange rate at Eur1/\$1.1. “In Europe, with the [current] exchange rate and low scrap collections, I don’t think they can reduce the price further,” an agent source said. A UK-based trader said that European recyclers faced problems collecting larger scrap volumes and therefore they remained firm on their prices. A Benelux recycler indicated a target level for HMS 1/2 (80:20) at \$370/mt CFR Turkey. He doubted that getting this price from Turkish buyers was still possible, however. (Platts)

Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	374.00	-1.00	375.64
Platts Steel Rebar FOB Turkey (\$/mt)	590.00	-7.50	600.36
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	365	375	370
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	955	965	960
Sep-23	910	920	915
Q3-23	920	930	925
Q4-23	830	840	835
Q1-24	810	820	815

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	665	675	670
Sep-23	665	675	670
Q3-23	665	675	670
Q4-23	670	680	675
Q1-24	670	680	675

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jul-23	540	550	545
Aug-23	545	555	550
Sep-23	550	560	555
Q3-23	545	555	550
Q4-23	545	555	550
Q1-24	545	555	550

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	455	465	460

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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	-57	-22	4	38	0	Eased
	JUL 23	SEP 23	-16	-4	17	70	0	Eased
	JUL 23	OCT 23	40	42	30	86	-12	Eased
	AUG 23	SEP 23	41	18	13	32	0	Tightened
	AUG 23	OCT 23	97	64	26	48	-12	Tightened
	SEP 23	OCT 23	56	46	13	16	-12	Tightened
EU HRC	JUL 23	AUG 23	-15	-5	5	5	50	Eased
	JUL 23	SEP 23	-20	-3	10	20	30	Eased
	JUL 23	OCT 23	-20	-3	15	30	145	Eased
	AUG 23	SEP 23	-5	2	5	15	-20	Eased
	AUG 23	OCT 23	-5	2	10	25	95	Eased
	SEP 23	OCT 23	0	0	5	10	115	Unchanged
Atlantic Spread (US-EU)	JUL 23	JUL 23	244	197	206	165	-20	Tightened
	AUG 23	AUG 23	286	214	207	132	30	Tightened
	SEP 23	SEP 23	240	198	199	115	10	Tightened
	OCT 23	OCT 23	184	152	191	109	137	Tightened
ARC Spread (Rebar - Scrap)	JUL 23	JUL 23	214.5	218	216	244	279	Eased
	AUG 23	AUG 23	208	211	211	244	279	Eased
	SEP 23	SEP 23	206.5	208	213	243	279	Eased
	OCT 23	OCT 23	212.5	206.5	212	246.5	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	907	460	660	374	545	586	Current
	874	465	677	370	547	588	T-1W
	846	460	682	375	545	591	T-1M
	950	500	850	420	622	664	T-3M
	830	475	719	409	647	676	T-6M
	880	490	810	371	628	650	T-12M
	829	475	646	394	676	663	YTD

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