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Turkish Scrap

Turkish deepsea import ferrous scrap prices fell slightly on July 12, while near-term price sentiment deteriorated as prices in adjacent markets fell sharply on the day. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$374/mt CFR July 12, down 50 cents/mt on day. A UK-origin deal was booked on July 11 by an Iskenderun mill, with 22,000 mt of HMS 1/2 (80:20) at \$367/mt CFR, which several market participants normalized to \$374-\$375/mt CFR for premium HMS 1/2 (80:20). "The [rebar and billet] markets are going down dramatically, we will hear big decreases in scrap in the coming days, prices cannot hold anymore," a Turkish mill source said, "Nobody will be eager to pay even \$1/mt more than \$350/mt CFR [as things stand]." "Scrap prices will continue to decline. There are offers for Russia-origin billet at \$490/mt CFR and Kardemir are offering at \$525/mt EXW and aren't managing sales. This will surely suppress scrap prices," a second Turkish mill source described, citing that mills would now be targeting below \$350/mt CFR for ferrous scrap imports. "I'm not sure if scrap priced at \$350/mt CFR can be found, but billet prices definitely indicate this," the second Turkish mill source said.

Platts assessed CIS export billet at \$463/mt FOB Black Sea July 12, down \$10/mt from July 11, and down from \$488/mt FOB Black Sea just one week earlier on July 5. Market participants expected major Turkish integrated steelmaker Kardemir to release new domestic rebar prices in Turkey at sharply lower levels on July 13 from their previous list price of \$605/mt EXW on July 6, which would put further pressure on scrap prices, as mills would attempt to recover narrowing margins. Platts assessed Turkish exported rebar at \$585/mt FOB on July 12, down a further \$5/mt on day, while scrap prices have remained relatively stable. This has caused the outright scraprebar spread to fall to a two-year low of \$211/mt on July 12, down from \$226/mt one week prior on July 5. However, sell-side indications remained quite firm amid limited availability and firm collection costs, although one recycler said that offers into Turkey could soften if collection prices fell. "If we manage to drop our collection costs by Eur10/mt, we will be able to make \$370-\$375/mt CFR workable, but it all depends on if the dockside prices fall. It is in a downward trend, so I think it is likely," a Baltic recycler said. HMS collection prices in the Baltic region were shared at Eur300/mt delivered to the docks, and a minimum workable level for exports into Turkey was consequently shared at \$375/mt CFR. (Platts)

Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	374.00	-0.50	375.50
Platts Steel Rebar FOB Turkey (\$/mt)	585.00	-5.00	598.44
US HRC CRU	885.00	5.00	882.50

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jul-23	370	380	375
Aug-23	365	375	370
Sep-23	370	380	375
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	895	905	900
Aug-23	970	980	975
Sep-23	935	945	940
Q3-23	935	945	940
Q4-23	840	850	845
Q1-24	810	820	815

LME REBAR FOB TK			
	Bid	Ask	Value
Jul-23	575	585	580
Aug-23	570	580	575
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	655	665	660
Aug-23	660	670	665
Sep-23	665	675	670
Q3-23	660	670	665
Q4-23	670	680	675
Q1-24	670	680	675

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	550	560	555

BUSHELING			
	Bid	Ask	Value
Jul-23	455	465	460
Aug-23	455	465	460
Sep-23	470	480	475
Q3-23	460	470	465
Q4-23	470	480	475
Q1-24	470	480	475

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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	-75	-35	4	36	0	Eased
	JUL 23	SEP 23	-40	6	17	61	0	Eased
	JUL 23	OCT 23	30	49	32	79	0	Eased
	AUG 23	SEP 23	35	41	13	25	0	Eased
	AUG 23	OCT 23	105	84	28	43	0	Tightened
	SEP 23	OCT 23	70	43	15	18	0	Tightened
EU HRC	JUL 23	AUG 23	-15	-12	-3	5	50	Eased
	JUL 23	SEP 23	-20	-10	1	20	30	Eased
	JUL 23	OCT 23	-20	-17	0	25	145	Eased
	AUG 23	SEP 23	-5	2	4	15	-20	Eased
	AUG 23	OCT 23	-5	-5	3	20	95	Unchanged
	SEP 23	OCT 23	0	-7	-1	5	115	Tightened
Atlantic Spread (US-EU)	JUL 23	JUL 23	240	222	207	160	-8	Tightened
	AUG 23	AUG 23	300	245	200	129	42	Tightened
	SEP 23	SEP 23	260	206	191	119	22	Tightened
	OCT 23	OCT 23	190	156	175	106	137	Tightened
ARC Spread (Rebar - Scrap)	JUL 23	JUL 23	214.5	223	219	246	279	Eased
	AUG 23	AUG 23	207	218.5	216	247	279	Eased
	SEP 23	SEP 23	203	211.5	218	242	279	Eased
	OCT 23	OCT 23	212.5	214	213.5	247	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	900	460	660	374	549	583	Current
	895	465	673	372	555	595	T-1W
	867	470	682	382	558	601	T-1M
	950	500	850	416	606	662	T-3M
	825	470	718	414	655	679	T-6M
	892	490	820	371	635	650	T-12M
	829	475	646	394	676	663	YTD

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