

18/07/2023

Turkish Scrap

Turkish deepsea import ferrous scrap prices weakened again on July 17, as the spread between Turkish mill targets and recycler offers remained too wide to incite deal activity on the day. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$365/mt CFR July 17, down \$2/mt on day. Recyclers were heard to target \$365/mt CFR for EU/Baltic origin HMS 1/2 (80:20) and \$370/mt CFR and above for US-origin material, which was considered unworkable for buyers who targeted a maximum of \$360/mt CFR for premium HMS 1/2 (80:20). Market sentiment continued to remain largely bearish in both the deepsea and shortsea markets on the day with limited market activity reported. "We are not in the market for now, as with many other sellers," a European recycler said. "The mood is bad and there will likely be further drops, therefore most exporters are looking to stay out." The European recycler then cited an indicative tradable value for US/Baltic-origin HMS 1/2 (80:20) at stable levels for now, but that prices would slowly decline in the near-term. "The scrap market will not climb until Turkey manages some finished steel sales. The best thing the recyclers can do is lower their prices so the mills can get sales.

They are already doing this but it's very gradual," a Turkish mill source said, sharing an indicative tradable value for premium HMS 1/2 (80:20) at below \$365/mt CFR, and an indicative buyer target at below \$360/mt CFR. The mill source also reported that the mills would only import 10-15 cargoes for August shipment as they preferred to focus on purchasing from the domestic scrap market, which was heard to currently be trading at \$325-\$330/mt delivered to the mill. "The sellers seem firm, but they will have to drop soon. The Turkish mills will not pay above \$360/mt CFR today, and because of billet prices and the current scrap to billet conversion costs, they will be targeting \$340/mt CFR for 80:20 soon," a second Turkish mill source also said.

Platts assessed CIS export billet at \$460/mt FOB Black Sea July 17, unchanged on day, but down \$18/mt from one week earlier on July 10. The second Turkish mill source reported a conversion cost from scrap to billet at \$175/mt, which implied that Turkish mills would need to reduce scrap prices to \$340/mt CFR in order to make billet production workable at \$515/mt EXW, given that limited volumes were sold at \$525/mt EXW the week ended July 14. Elsewhere, a shortsea supplier reported a deal booked for Romania-origin shortsea A3 scrap at \$340/mt CFR in the week to July 14, while a Turkish mill source reported deals booked at \$335/mt CFR. An agent source also reported offers for the material at \$335/mt CFR. "The markets have deteriorated during the summer months, most sellers will wait for September since whatever deals will be made will be done by the end of the month, no one will work in August," a shortsea supplier said, citing an indicative tradable value for shortsea A3 scrap at \$340/mt CFR, with further declines likely in the near-term due to an oversupply of the material available in Romania. Platts assessed shortsea A3 scrap at \$335/mt CFR July 17, down \$5/mt on the day. (Platts)

Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	365.00	-2.00	373.27
Platts Steel Rebar FOB Turkey (\$/mt)	580.00	0.00	593.41
US HRC CRU	885.00	5.00	882.50

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jul-23	365	375	370
Aug-23	360	370	365
Sep-23	360	370	365
Q3-23	365	375	370
Q4-23	360	370	365
Q1-24	365	375	370

US HRC USD/short ton			
	Bid	Ask	Value
Jul-23	885	895	890
Aug-23	935	945	940
Sep-23	915	925	920
Q3-23	910	920	915
Q4-23	825	835	830
Q1-24	815	825	820

LME REBAR FOB TK			
	Bid	Ask	Value
Jul-23	570	580	575
Aug-23	565	575	570
Sep-23	585	595	590
Q3-23	575	585	580
Q4-23	570	580	575
Q1-24	570	580	575

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jul-23	655	665	660
Aug-23	655	665	660
Sep-23	660	670	665
Q3-23	655	665	660
Q4-23	665	675	670
Q1-24	665	675	670

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	550	560	555

BUSHELING			
	Bid	Ask	Value
Aug-23	455	465	460
Sep-23	455	465	460
Oct-23	470	480	475
Q4-23	470	480	475
Q1-24	470	480	475
Q2-24	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	-43	-53	-19	40	0	Tightened
	JUL 23	SEP 23	-26	-8	1	65	0	Eased
	JUL 23	OCT 23	44	41	6	82	0	Tightened
	AUG 23	SEP 23	17	45	20	25	0	Eased
	AUG 23	OCT 23	87	94	25	42	0	Eased
	SEP 23	OCT 23	70	49	5	17	0	Tightened
EU HRC	JUL 23	AUG 23	-18	-5	-2	20	50	Eased
	JUL 23	SEP 23	-13	-10	-9	25	30	Eased
	JUL 23	OCT 23	-3	-19	-9	30	145	Tightened
	AUG 23	SEP 23	5	-5	-7	5	-20	Tightened
	AUG 23	OCT 23	15	-14	-7	10	95	Tightened
	SEP 23	OCT 23	10	-9	0	5	115	Tightened
Atlantic Spread (US-EU)	JUL 23	JUL 23	237	247	260	185	-8	Eased
	AUG 23	AUG 23	262	295	277	165	42	Eased
	SEP 23	SEP 23	250	245	250	145	22	Tightened
	OCT 23	OCT 23	190	187	245	133	137	Tightened
ARC Spread (Rebar - Scrap)	JUL 23	JUL 23	204.5	212	223	234.5	283	Eased
	AUG 23	AUG 23	205	213.5	215.5	242	283	Eased
	SEP 23	SEP 23	199.5	207.5	215	247	283	Eased
	OCT 23	OCT 23	205	208	211.5	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	892	460	659	372	548	575	Current
	907	460	660	374	545	586	T-1W
	896	475	680	383	569	606	T-1M
	935	485	840	416	600	650	T-3M
	828	470	731	421	663	682	T-6M
	892	490	813	366	634	649	T-12M
	829	475	646	394	676	663	YTD

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