

20/07/2023

## Turkish Scrap

Turkish deepsea import ferrous scrap prices declined sharply on July 19, as a reported US-origin deal reinforced reduced mill targets, sources said. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$355/mt CFR July 19, down \$7.50 on the day. Market participants mostly discussed a US-origin deal reported late on July 18 after the 4:30 pm UK pricing deadline, which was largely considered repeatable on the day. The US-origin deal was heard to be booked July 18 by a Marmara mill, with HMS 1/2 (80:20) at \$355/mt CFR, shredded scrap at \$375/mt CFR and bonus scrap at \$375/mt CFR. “\$355/mt CFR could be workable today but from our location it would mean we would make no profit,” a Baltic-based recycler said, citing HMS collection costs in the Baltic region at Eur290/mt delivered to the docks, with a drop of Eur10 delivered expected in the near-term. HMS collection prices were also recently shared at a wide range of Eur270-Eur285/mt delivered to the docks in the Benelux region.

Another deepsea supplier added that there were hardly any buyers currently in the market for deepsea scrap cargoes. “Although that [US deal] price is a big drop in scrap, it is still not a very attractive price point for mills to buy at,” a UK-based trader said. “With rebar prices already below \$570/mt, they’ll need scrap at below \$350/mt CFR and even if that happened, they’d only need small volumes.” The same trader cited an indicative tradable value for premium HMS 1/2 (80:20) at \$350-\$352/mt CFR. Platts assessed Turkish exported rebar at \$570/mt FOB on July 19, down \$2.50 on the day and down \$15 from July 12. Some domestic rebar prices were heard below \$570/mt EXW Iskenderun. Late on July 19 after the Platts 4:30 pm pricing deadline, a UK-origin deal totaling 30,000 mt was heard booked by an Iskenderun mill, with HMS 1/2 (80:20) at \$362/mt CFR and shredded and bonus scrap at \$387/mt CFR.

The deal was reportedly booked for first-half August shipment and could not be officially confirmed by the time of publication. The latest deal would suggest the drop in the market may be short-lived, with some market participants less bearish. “The Turkish mills made it seem as if they were not going to purchase ever again, and a [US] seller panicked as we have seen, but I think we are close to the bottom now,” an agent source said. “Europe cannot match these prices with their current exchange rates and collection costs, so I am not sure if this [US-origin deal] is very repeatable for other sellers.” Platts assessed the euro against the US dollar at \$1.11970 at 4:30 pm London time July 19, down slightly on the day from \$1.1229 but up on the week from \$1.1125. “There are some mills who are willing to buy at the same levels [as the \$355/mt CFR deal], but there no sellers,” a second agent source said. (Platts)

# Market Rates

<b>Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)</b>	355.00	-7.50	371.04
<b>Platts Steel Rebar FOB Turkey (\$/mt)</b>	570.00	-2.50	590.00
<b>US HRC CRU</b>	823.00	-62.00	862.67

<b>LME HMS 80:20 CFR TK</b>			
	<b>Bid</b>	<b>Ask</b>	<b>Value</b>
<b>Jul-23</b>	360	370	365
<b>Aug-23</b>	350	360	355
<b>Sep-23</b>	350	360	355
<b>Q3-23</b>	355	365	360
<b>Q4-23</b>	355	365	360
<b>Q1-24</b>	355	365	360

<b>US HRC USD/short ton</b>			
	<b>Bid</b>	<b>Ask</b>	<b>Value</b>
<b>Jul-23</b>	855	865	860
<b>Aug-23</b>	880	890	885
<b>Sep-23</b>	855	865	860
<b>Q3-23</b>	860	870	865
<b>Q4-23</b>	805	815	810
<b>Q1-24</b>	810	820	815

<b>LME REBAR FOB TK</b>			
	<b>Bid</b>	<b>Ask</b>	<b>Value</b>
<b>Jul-23</b>	570	580	575
<b>Aug-23</b>	565	575	570
<b>Sep-23</b>	560	570	565
<b>Q3-23</b>	565	575	570
<b>Q4-23</b>	565	575	570
<b>Q1-24</b>	565	575	570

<b>NWE HRC EUR/metric ton</b>			
	<b>Bid</b>	<b>Ask</b>	<b>Value</b>
<b>Jul-23</b>	645	655	650
<b>Aug-23</b>	630	640	635
<b>Sep-23</b>	640	650	645
<b>Q3-23</b>	640	650	645
<b>Q4-23</b>	640	650	645
<b>Q1-24</b>	650	660	655

<b>LME HRC FOB TIANJIN CHINA USD/mt</b>			
	<b>Bid</b>	<b>Ask</b>	<b>Value</b>
<b>Jul-23</b>	540	550	545
<b>Aug-23</b>	550	560	555
<b>Sep-23</b>	555	565	560
<b>Q3-23</b>	550	560	555
<b>Q4-23</b>	555	565	560
<b>Q1-24</b>	555	565	560

<b>BUSHELING</b>			
	<b>Bid</b>	<b>Ask</b>	<b>Value</b>
<b>Aug-23</b>	455	465	460
<b>Sep-23</b>	455	465	460
<b>Oct-23</b>	465	475	470
<b>Q4-23</b>	465	475	470
<b>Q1-24</b>	465	475	470
<b>Q2-24</b>	465	475	470

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at [freightinvestorservices.com](http://freightinvestorservices.com)

## 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	-25	-84	-4	35	0	Tightened
	JUL 23	SEP 23	4	-54	17	69	0	Tightened
	JUL 23	OCT 23	40	18	41	95	0	Tightened
	AUG 23	SEP 23	29	30	21	34	0	Eased
	AUG 23	OCT 23	65	102	45	60	0	Eased
	SEP 23	OCT 23	36	72	24	26	0	Eased
EU HRC	JUL 23	AUG 23	14	-5	-1	20	50	Tightened
	JUL 23	SEP 23	4	-10	-5	25	30	Tightened
	JUL 23	OCT 23	2	-19	0	30	145	Tightened
	AUG 23	SEP 23	-10	-5	-4	5	-20	Eased
	AUG 23	OCT 23	-12	-14	1	10	95	Tightened
	SEP 23	OCT 23	-2	-9	5	5	115	Tightened
Atlantic Spread (US-EU)	JUL 23	JUL 23	215	239	266	187	-4	Eased
	AUG 23	AUG 23	254	318	269	172	46	Eased
	SEP 23	SEP 23	215	283	244	143	26	Eased
	OCT 23	OCT 23	177	202	225	122	141	Eased
ARC Spread (Rebar - Scrap)	JUL 23	JUL 23	208	205.5	210.5	227	280	Tightened
	AUG 23	AUG 23	213	207	205	230	280	Tightened
	SEP 23	SEP 23	213	204	210	228	280	Tightened
	OCT 23	OCT 23	207	203	206	224	263.5	Tightened

## Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME \$CRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	861	460	649	367	544	575	Current
	899	460	660	373	545	578	T-1w
	911	475	680	370	554	580	T-1M
	935	460	845	395	591	622	T-3M
	805	470	724	410	655	675	T-6M
	896	490	812	370	636	650	T-12M
	829	475	646	394	676	663	YTD

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at [freightinvestorservices.com](http://freightinvestorservices.com)