

21/07/2023

Turkish Scrap

Turkish deepsea import ferrous scrap prices were unchanged July 20, with sell-side sentiment bearish for near-term pricing. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$355/mt CFR on July 20, stable on the day. A UK-origin deal totaling 30,000 mt was heard booked July 19 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 heard booked for first-half August shipment but could not be officially confirmed. Market sources were skeptical of the deal's timing and repeatability of the price level in the wider market, suggesting that it may be reflective of longer payment terms and some specific conditions. A Russia-origin deal was also heard booked July 19 by a Turkish mill, with HMS 1/2 (80:20) at \$355/mt CFR but was not officially confirmed.

Indicative workable values for US/Baltic-origin or premium HMS 1/2 (80:20) were largely clustered around \$355/mt CFR from buyers and sellers July 20. "There is nothing positive, no demand in the EU domestic market and seems to be an overhang of scrap from the US, with Turkey the only destination to go to," a Baltic recycler said, citing a tradable value below \$355/mt CFR. "It's a buyers' market now but we can see some lower deals and availability dry up soon as scrap inflows are pretty bad." Two EU recyclers cited tradable values for Benelux-origin HMS 1/2 (80:20) at \$350-\$355/mt CFR, which normalized to \$355-\$360/mt CFR for premium HMS 1/2 (80:20).

"The collection from the first circle in the supply chain does not support these levels [\$350-\$355/mt CFR], combined with low [scrap] generation, summer holidays and low water levels," a third EU-based supplier said. HMS collection prices were heard in a wide range of Eur270/mt to Eur285/mt delivered to the docks in the Benelux region, but inflows at these prices were unattractive for subsuppliers. The water level at Kaub, a bottleneck point on the River Rhine near Frankfurt, was measured at 108 cm at 6:00 pm German time July 20, down from a recent high of 153 cm on July 17, according to the German Federal Institute of Hydrology. "Mills reduced their [production] capacities already and they don't sell anything now, thus they don't want to buy," a Turkish agent source said. Platts assessed Turkish exported rebar at \$570/mt FOB on July 20, unchanged on the day, but offers were also heard at \$570/mt FOB Iskenderun, implying lower workable levels from that region. (Platts)

Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	355.00	0.00	371.04
Platts Steel Rebar FOB Turkey (\$/mt)	570.00	0.00	590.00
US HRC CRU	823.00	-62.00	862.67

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

US HRC USD/short ton			
	Bid	Ask	Value
Jul-23	855	865	860
Aug-23	855	865	860
Sep-23	845	855	850
Q3-23	850	860	855
Q4-23	800	810	805
Q1-24	815	825	820

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

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

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

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

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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	-1	-63	-19	40	0	Tightened
	JUL 23	SEP 23	8	-43	4	74	0	Tightened
	JUL 23	OCT 23	39	27	42	97	0	Tightened
	AUG 23	SEP 23	9	20	23	34	0	Eased
	AUG 23	OCT 23	40	90	61	57	0	Eased
	SEP 23	OCT 23	31	70	38	23	0	Eased
EU HRC	JUL 23	AUG 23	14	-5	0	15	50	Tightened
	JUL 23	SEP 23	4	-8	-5	35	30	Tightened
	JUL 23	OCT 23	2	-8	0	40	145	Tightened
	AUG 23	SEP 23	-10	-3	-5	20	-20	Eased
	AUG 23	OCT 23	-12	-3	0	25	95	Eased
	SEP 23	OCT 23	-2	0	5	5	115	Eased
Atlantic Spread (US-EU)	JUL 23	JUL 23	209	240	264	185	-3	Eased
	AUG 23	AUG 23	224	298	283	160	47	Eased
	SEP 23	SEP 23	205	275	255	146	27	Eased
	OCT 23	OCT 23	172	205	222	128	142	Eased
ARC Spread (Rebar - Scrap)	JUL 23	JUL 23	207	207.5	198	223	279	Eased
	AUG 23	AUG 23	205.5	208.5	206	229.5	279	Eased
	SEP 23	SEP 23	204.5	200	206	226.5	279	Tightened
	OCT 23	OCT 23	203	205	200	228.5	263.5	Eased

Front Month Price Grid

Field	US HRC	US BUS	NY EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	858	460	654	368	546	576	Current
	897	460	657	372	548	580	T-1W
	904	460	675	378	549	576	T-1M
	915	460	835	387	575	610	T-3M
	805	470	724	410	655	675	T-6M
	897	490	815	360	637	639	T-12M
	829	475	646	394	676	663	YTD

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