

**25/07/2023**

## Turkish Scrap

Turkish deepsea import ferrous scrap prices softened on July 24, as a Baltic-origin deal was heard to have been booked in the week ended July 21. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$351/mt CFR July 24, down \$3/mt day on day. A Baltic-origin deal was booked, likely during the week ended July 21, by a Marmara mill, with HMS 1/2 (80:20) at \$351/mt CFR. The deal was confirmed on the day, but the exact date could not be verified. "I think many sellers have material on hand and don't have much time to sell," a Turkish mill source said, citing an indicative buyer target for premium HMS 1/2 (80:20) at below \$350/mt CFR. "The mills don't have much time either, but with all the production cuts, domestic scrap and shortsea market availability, there will be pressure on imported scrap prices." The mill source also shared that the Turkish mills would need to drop scrap prices in line with declining rebar prices in order to maintain slim profit margins in rebar production with the conversion cost currently standing at \$210/mt.

Turkish market participants were also anticipating a hike in energy costs in the near term to add to their cost of production, which may put further near-term buyer pressure on scrap pricing. Platts assessed Turkish exported rebar at \$565/mt FOB July 24, down \$5/mt day on day, and down \$15/mt week on week from \$580/mt FOB July 17. As such, the outright scrap-rebar spread stood at \$214/mt July 24, down from \$216/mt July 21 and still hovering around its two-year low. Sell-side sentiment was also bearish on the day, although prices for EU-origin HMS 1/2 (80:20) were heard at firmer levels in comparison with US/Baltic-origin material. A US recycler cited an indicative tradable value for US-origin HMS 1/2 (80:20) at \$350-\$355/mt CFR if a cargo was composed purely of HMS, and without shredded and bonus scrap grades. An EU recycler shared a minimum workable value for EU-origin material at \$360/mt CFR but cited an indicative workable level for premium HMS 1/2 (80:20) at \$355/mt CFR. "The main problem for us is the summer holidays," a second EU recycler said. "There isn't much material coming in, but I fear that if the market remains this weak, then below \$350/mt CFR may become a reality." Meanwhile, HMS collection costs in the Benelux region were shared at Eur265-275/mt delivered to the docks. (Platts)

# Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	351.00	-3.00	367.72
Platts Steel Rebar FOB Turkey (\$/mt)	565.00	-5.00	585.94
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	835	845	840
Sep-23	825	835	830
Q3-23	840	850	845
Q4-23	790	800	795
Q1-24	810	820	815

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

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

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	460	470	465
Q4-23	460	470	465
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	23	-56	-28	35	0	Tightened
	JUL 23	SEP 23	28	-33	-2	59	0	Tightened
	JUL 23	OCT 23	56	33	45	85	0	Tightened
	AUG 23	SEP 23	5	23	26	24	0	Eased
	AUG 23	OCT 23	33	89	73	50	0	Eased
	SEP 23	OCT 23	28	66	47	26	0	Eased
EU HRC	JUL 23	AUG 23	9	-1	-15	5	50	Tightened
	JUL 23	SEP 23	9	-4	-18	14	30	Tightened
	JUL 23	OCT 23	7	-10	-20	29	145	Tightened
	AUG 23	SEP 23	0	-3	-3	9	-20	Tightened
	AUG 23	OCT 23	-2	-9	-5	24	95	Tightened
	SEP 23	OCT 23	-2	-6	-2	15	115	Tightened
Atlantic Spread (US-EU)	JUL 23	JUL 23	204	234	256	196	-8	Eased
	AUG 23	AUG 23	190	289	269	166	42	Eased
	SEP 23	SEP 23	185	263	240	151	22	Eased
	OCT 23	OCT 23	155	191	191	140	137	Eased
ARC Spread (Rebar - Scrap)	JUL 23	JUL 23	210	203	205	222.5	276.5	Tightened
	AUG 23	AUG 23	198.5	206	209	220.5	277	Eased
	SEP 23	SEP 23	204	204	206.5	221	277	Unchanged
	OCT 23	OCT 23	199	208	206.5	222.5	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	858	470	654	365	547	570	Current
	887	460	653	372	548	575	T-1W
	901	465	675	379	546	584	T-1M
	895	460	842	392	572	614	T-3M
	790	470	722	425	655	688	T-6M
	892	490	815	360	638	637	T-12M
	829	475	646	394	676	663	YTD

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