

FIS Steel and Scrap Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

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Turkish Scrap

Turkish deepsea import ferrous scrap prices fell slightly on July 25, as Turkish mills began to target even lower levels, citing continued financing issues and potential further production cuts. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$350/mt CFR July 25, down \$1 on the day. Market participants noted that financing and credit concerns in Turkey were discouraging scrap imports, as Turkish mills were heard to be struggling to borrow US dollars due to reportedly depleted foreign currency reserves in Turkey. “[This is] regardless of the interest rate the mills would be prepared to pay,” one Turkish mill source said. “Many of the mills are considering completely pausing production in August due to financing concerns and slow sales — of course there will be costs to doing this, but it will be cheaper than continuing to produce.” The mill source cited an indicative near-term buyer target of below \$340/mt CFR for premium HMS 1/2 (80:20). Platts assessed Turkish exported rebar at \$560/mt FOB on July 25, down \$5 on the day and down \$12.50 on the week from \$572.50/mt FOB July 18. As such, the outright scrap-rebar spread stood at \$210/mt July 24, down \$4 on the day, continuing to hover at a two-year low. There also continued to be talk of a potential hike in energy costs for the Turkish mills in August, which could put further downward pressure on scrap prices if the cost of producing rebar were to increase. “For the mills to pause production right now would be a good decision,” a UK-based trader said. “August is typically slow and we’re in a period of low demand, so they can afford to wait and see what happens.” The UK-based trader also suggested that Turkish deepsea import scrap prices were near the bottom, as HMS scrap collection prices in the Netherlands, Germany and the UK remained resilient and availability was limited.

“The general consensus is that not much will happen in the next few weeks due to holidays, but scrap prices cannot go much lower,” the UK-based trader said, citing an indicative minimum workable level for EU-origin HMS 1/2 (80:20) at \$360/mt CFR, considering collection costs. HMS collection prices in the Netherlands and parts of Germany were reported at Eur280-Eur285/mt delivered to the docks, while collection prices from other continental EU exporters were heard lower at Eur265-Eur275/mt delivered to the docks. “Nothing is coming [at Eur280-285/mt delivered], it will take a while for our suppliers to get used to these prices,” an EU-based recycler also said. Elsewhere, Platts assessed the shortsea market at \$320/mt CFR on July 25, down \$2.50 on the day. This was in line with a deal for Romania-origin material reportedly booked July 24 at the same level by an Izmir mill. Some Turkish mills were reported to have been targeting \$300-\$310/mt CFR on the day, but were met with sellside resistance. (Platts)

Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	350.00	-1.00	366.68
Platts Steel Rebar FOB Turkey (\$/mt)	560.00	-5.00	584.41
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	350	360	355
Sep-23	360	370	365
Q3-23	355	365	360
Q4-23	360	370	365
Q1-24	370	380	375

US HRC USD/short ton			
	Bid	Ask	Value
Aug-23	840	850	845
Sep-23	830	840	835
Oct-23	810	820	815
Q4-23	800	810	805
Q1-24	800	810	805
Q2-24	815	825	820

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	570	580	575

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jul-23	650	660	655
Aug-23	650	660	655
Sep-23	650	660	655
Q3-23	650	660	655
Q4-23	655	665	660
Q1-24	650	660	655

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jul-23	545	555	550
Aug-23	565	575	570
Sep-23	565	575	570
Q3-23	560	570	565
Q4-23	570	580	575
Q1-24	575	585	580

BUSHELING			
	Bid	Ask	Value
Aug-23	460	470	465
Sep-23	460	470	465
Oct-23	460	470	465
Q4-23	465	475	470
Q1-24	475	485	480
Q2-24	480	490	485

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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	AUG 23	SEP 23	5	21	25	27	0	Eased
	AUG 23	OCT 23	40	54	76	33	0	Eased
	AUG 23	NOV 23	53	77	101	57	0	Eased
	SEP 23	OCT 23	35	33	51	6	0	Tightened
	SEP 23	NOV 23	48	56	76	30	0	Eased
	OCT 23	NOV 23	13	23	25	24	0	Eased
EU HRC	AUG 23	SEP 23	-1	14	-4	9	50	Eased
	AUG 23	OCT 23	-1	4	-19	24	30	Eased
	AUG 23	NOV 23	-5	2	-14	36	145	Eased
	SEP 23	OCT 23	0	-10	-15	15	-20	Tightened
	SEP 23	NOV 23	-4	-12	-10	27	95	Tightened
	OCT 23	NOV 23	-4	-2	5	12	115	Eased
Atlantic Spread (US-EU)	AUG 23	AUG 23	195	255	271	145	45	Eased
	SEP 23	SEP 23	190	224	231	133	25	Eased
	OCT 23	OCT 23	151	189	185	139	140	Eased
	NOV 23	NOV 23	152	168	165	118	140	Eased
ARC Spread (Rebar - Scrap)	JUL 23	JUL 23	214.5	208	204	227.5	272	Tightened
	AUG 23	AUG 23	205	213	210	231	272	Eased
	SEP 23	SEP 23	202	211	207.5	230	272	Eased
	OCT 23	OCT 23	200	211.5	206	222	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	850	470	655	364	552	579	Current
	890	460	649	367	544	575	T-1W
	931	465	674	379	548	583	T-1M
	845	460	842	393	575	621	T-3M
	789	470	722	424	656	692	T-6M
	895	490	813	355	637	627	T-12M
	824	475	646	394	676	663	YTD

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