

03/08/2023

## Turkish Scrap

Turkish deepsea import ferrous scrap prices were unchanged for the third day in a row on Aug. 2, as recent deal activity confirmed price stability in the market. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$350.25/mt CFR Aug. 2, unchanged on day. A Venezuela-origin deal was booked on Aug. 1 by an Iskenderun mill, with 23,000mt of HMS 1/2 (80:20) at \$346.50/ mt CFR for Aug. shipment and was confirmed on Aug. 2. Platts applied a normalization for quality differentials to a premium HMS 1/2 (80:20) equivalent of \$349.50/mt CFR, considering feedback from market participants. An EU-origin deal was also heard to be booked by Iskenderun mill on Aug. 1, with HMS 1/2 (80:20) at \$346/mt CFR, but was not confirmed on the day. Platts normalized the deal to a premium HMS 1/2 (80:20) equivalent of \$351/mt CFR. The deals, when normalized to premium HMS 1/2 (80:20), averaged to \$350.25/mt CFR. Meanwhile, market participants largely shared indicative tradable values for US/Baltic-origin or premium HMS 1/2 (80:20) at between \$349-\$351/mt CFR on the day. "As of today, the Turkish mills are beginning to hint that they want a maximum of \$345/mt CFR even for premium HMS 1/2 (80:20)," an EU trader said, but the sell side was heard to resist further drops as HMS collection costs remained sticky. HMS collection costs in the Baltic region were recently shared at Eur280/mt delivered to the docks, while collection costs in the Benelux region were heard to range Eur270-280/mt delivered. "I don't expect much to happen in the next three to four weeks, it'll be a sideways market for a while because anything below these current prices will be difficult to collect for," an agent source said. "But rebar prices are continuing to drop, so the mills won't want to pay any higher." Platts assessed Turkish exported rebar at \$550/mt FOB Aug. 2, down a further \$2.50/mt on day. As such, the outright scrap-rebar spread weakened to \$199.75/mt Aug. 2, weakening \$2.50/mt on day and reaching its lowest level since April 7, 2021. Scrap to rebar conversion costs were shared at \$210/mt on Aug. 2, which suggested that Turkish mills were currently operating at a loss. "The cost of stopping [production] would be bigger I guess, but we will see what happens for September cargoes," a Turkish mill source said. (Platts)

# Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	350.25	0.00	350.25
Platts Steel Rebar FOB Turkey (\$/mt)	550.00	-2.50	551.25
US HRC CRU	866.00	-5.00	866.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Aug-23	345	355	350
Sep-23	360	370	365
Oct-23	360	370	365
Q4-23	360	370	365
Q1-24	365	375	370
Q2-24	370	380	375

US HRC USD/short ton			
	Bid	Ask	Value
Aug-23	815	825	820
Sep-23	760	770	765
Oct-23	755	765	760
Q4-23	755	765	760
Q1-24	765	775	770
Q2-24	775	785	780

LME REBAR FOB TK			
	Bid	Ask	Value
Aug-23	550	560	555
Sep-23	560	570	565
Oct-23	565	575	570
Q4-23	565	575	570
Q1-24	565	575	570
Q2-24	570	580	575

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Aug-23	640	650	645
Sep-23	645	655	650
Oct-23	650	660	655
Q4-23	650	660	655
Q1-24	655	665	660
Q2-24	660	670	665

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Aug-23	560	570	565
Sep-23	565	575	570
Oct-23	565	575	570
Q4-23	565	575	570
Q1-24	575	585	580
Q2-24	570	580	575

BUSHELING			
	Bid	Ask	Value
Aug-23	450	460	455
Sep-23	440	450	445
Oct-23	445	455	450
Q4-23	455	465	460
Q1-24	455	465	460
Q2-24	455	465	460

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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	55	10	28	26	0	Tightened
	AUG 23	OCT 23	51	30	74	40	0	Tightened
	AUG 23	NOV 23	58	41	98	45	0	Tightened
	SEP 23	OCT 23	-4	20	46	14	0	Eased
	SEP 23	NOV 23	3	31	70	19	0	Eased
	OCT 23	NOV 23	7	11	24	5	0	Eased
EU HRC	AUG 23	SEP 23	-25	-5	-4	5	-20	Eased
	AUG 23	OCT 23	-5	-5	-4	15	95	Unchanged
	AUG 23	NOV 23	0	-5	-5	9	95	Tightened
	SEP 23	OCT 23	20	0	0	10	115	Tightened
	SEP 23	NOV 23	25	0	-1	4	115	Tightened
	OCT 23	NOV 23	5	0	-1	-6	0	Tightened
Atlantic Spread (US-EU)	AUG 23	AUG 23	180	171	218	180	50	Tightened
	SEP 23	SEP 23	100	156	186	159	30	Eased
	OCT 23	OCT 23	124	136	140	155	145	Eased
	NOV 23	NOV 23	122	125	115	144	145	Eased
ARC Spread (Rebar - Scrap)	AUG 23	AUG 23	197.5	203.5	217.5	236.5	255	Eased
	SEP 23	SEP 23	197	199	210.5	237	255	Eased
	OCT 23	OCT 23	193.5	203	211	232.5	255	Eased
	NOV 23	NOV 23	201	198.5	203.5	236.5	261.5	Tightened

## Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	815	455	635	354	561	552	Current
	826	470	654	360	570	564	T-1W
	833	465	667	370	548	588	T-1M
	850	465	779	388	565	624	T-3M
	785	480	777	434	643	701	T-6M
	900	475	825	385	644	640	T-12M
	824	475	646	388	668	660	YTD

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