

FIS Steel and Scrap Report

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Turkish Scrap

Turkish deepsea import ferrous scrap prices edged down on Aug. 4, as Turkish mill targets weakened, while US offer levels remained firm. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$349.50/mt CFR Aug. 4, down 50 cents on the day. Indicative tradable values for US/Baltic-origin or premium HMS 1/2 (80:20) were mostly between \$349-\$350/mt CFR on the day. "The market is very quiet and there is a lack of demand," a Turkey-based mill source said. "I believe we will see lower prices after Aug. 15." The mill source cited an indicative buyer target for US/Baltic HMS 1/2 (80:20) at \$340-\$345/mt CFR. An agent source also reported that Turkey-based longs producers would be willing to pay a maximum of \$340-\$343/mt CFR for Baltic-origin HMS 1/2 (80:20) as sales of longs products remained limited.

The agent then shared Baltic-origin offers for HMS 1/2 (80:20) at \$343-\$345/mt CFR, but these were not confirmed on the day. A Baltic-based recycler said that \$345/mt CFR could now be workable for exports into Turkey, as the euro depreciated against the US dollar. Platts assessed the euro against the US dollar at \$1.1037 at 4:30 pm London time Aug. 4, up slightly on day from \$1.10948 Aug. 3, but down sharply from a recent peak of \$1.1238 on July 14. However, a second agent source said there were expectations that scrap would not see any more decreases, and cited an indicative minimum seller workable value for Baltic-origin HMS 1/2 (80:20) at \$350/mt CFR on the day as a result of difficulty in bringing down collection costs. "Collection prices are stuck at the moment its true, but the recyclers won't be collecting at these prices speculatively in the hopes that the Turkish market will recover, so their [sub]suppliers aren't seeing much demand at the moment either," a UK-based trader said. "If sales of Turkish rebar don't improve very soon then the mills will refuse to pay any higher for scrap, and collection prices will ultimately have to come down."

While some Europe-based and Baltic-based recyclers hinted at lower levels being workable as the week progressed, the USbased recyclers remained firm at \$350/mt CFR, as US-based domestic market participants anticipated steady or slightly higher domestic HMS settlements for August. The US buy week kicked off with a minimill in the Southeast bidding for August-delivered HMS at a price level \$20/lt, up from July-delivered volumes, with a mill in the Midwest similarly heard to have bid \$20/lt higher for July-delivered HMS. "If the US is seeing upward prices in their domestic markets, it's hard to see the market [for offers into Turkey] getting lower," a second trader said, sharing their expectation for US-origin offers of HMS 1/2 (80:20) to increase in the near-term. (Platts)

Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	349.50	-0.50	350.00
Platts Steel Rebar FOB Turkey (\$/mt)	550.00	0.00	550.63
US HRC CRU	866.00	-5.00	866.00

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

US HRC USD/short ton			
	Bid	Ask	Value
Aug-23	795	805	800
Sep-23	740	750	745
Oct-23	740	750	745
Q4-23	740	750	745
Q1-24	755	765	760
Q2-24	765	775	770

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

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Aug-23	620	630	625
Sep-23	625	635	630
Oct-23	630	640	635
Q4-23	635	645	640
Q1-24	660	670	665
Q2-24	655	665	660

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

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

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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	64	25	42	24	0	Tightened
	AUG 23	OCT 23	61	40	88	48	0	Tightened
	AUG 23	NOV 23	57	46	120	49	0	Tightened
	SEP 23	OCT 23	-3	15	46	24	0	Eased
	SEP 23	NOV 23	-7	21	78	25	0	Eased
	OCT 23	NOV 23	-4	6	32	1	0	Eased
EU HRC	AUG 23	SEP 23	-1	-5	2	0	-20	Tightened
	AUG 23	OCT 23	-11	-5	1	-4	95	Eased
	AUG 23	NOV 23	-7	-5	0	-5	95	Eased
	SEP 23	OCT 23	-10	0	-1	-4	115	Eased
	SEP 23	NOV 23	-6	0	-2	-5	115	Eased
	OCT 23	NOV 23	4	0	-1	-1	0	Tightened
Atlantic Spread (US-EU)	AUG 23	AUG 23	171	170	255	180	50	Tightened
	SEP 23	SEP 23	106	140	215	156	30	Eased
	OCT 23	OCT 23	99	125	168	128	145	Eased
	NOV 23	NOV 23	107	119	135	126	145	Eased
ARC Spread (Rebar - Scrap)	AUG 23	AUG 23	193.5	205.5	209	227.5	269.5	Eased
	SEP 23	SEP 23	193.5	196.5	205.5	214	264	Eased
	OCT 23	OCT 23	193	203	209	225	264	Eased
	NOV 23	NOV 23	195	207.5	204	215	261.5	Eased

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	803	455	630	355	561	549	Current
	825	465	653	358	575	564	T-1W
	940	460	674	369	549	578	T-1M
	835	465	750	376	559	603	T-3M
	795	475	770	426	633	707	T-6M
	900	470	805	383	646	653	T-12M
	824	475	646	388	668	660	YTD

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