

FIS Steel and Scrap Report

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Turkish Scrap

Turkish deepsea import ferrous scrap prices rose sharply on Aug. 9, as an EU-origin deal booked on Aug. 8 was largely considered repeatable on the day. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$357/mt CFR Aug. 9 up \$6.75 on the day. An EU-origin deal totaling 40,000 mt was booked on Aug. 8 by an Iskenderun mill, with HMS 1/2 (80:20) at \$352/mt CFR and shredded and bonus scrap at \$377/mt CFR for first-half September shipment. The deal was confirmed on Aug. 9. Platts normalized the cargo to a premium HMS 1/2 (80:20) equivalent of \$357/mt CFR, which market participants considered repeatable on the day. "With a big price move like this to kick things off I think we'll be going even further up now," a UK-based trader said. Other deals were heard to be booked — including a Baltic-origin deal booked at \$350/mt CFR, a second EU-origin deal booked at \$355/mt CFR and a UK-origin deal booked at \$352/mt CFR, but they could not be verified on the day. Indicative tradable values for US/Baltic-origin or premium HMS 1/2 (80:20) were mostly shared between \$355-\$360/mt CFR and above on the day. "Everyone is starting to have a sense that the market has rebounded, and nobody is engaging with any lower bids anymore," a Europe-based recycler said. "Now we're just waiting for sentiment to improve in Turkey."

The Europe-based recycler shared an indicative near-term tradable value for HMS 1/2 (80:20) above \$370/mt CFR, while offers for US-origin material continued to be shared at above \$360/mt CFR. HMS collection prices in the Benelux region were also heard to increase in recent days, with the latest costs shared at Eur280-285/mt delivered to the docks, strengthening from Eur270-275/mt delivered in the week ended Aug. 4 "The recyclers think that by the end of August the market will be stronger so they are choosing to collect what they can no matter what," a second UK-based trader said. "Collection prices showed a huge resistance against drops, which means this increase in Turkish prices was inevitable." However, the buy-side continued to seem reluctant to purchase at current levels and hinted at choosing to wait unless a shipment was necessary. "If you look to the current rebar prices the Turkish mills should not be in the mood to pay these higher levels, but if they need a quick cargo they would have to pay a few dollars more," an agent source said.

A Turkey-based mill source also said that finished product prices in Turkey did not support purchasing HMS 1/2 (80:20) between \$350-\$355/mt CFR for their mill. Platts assessed Turkish exported rebar at \$550/mt FOB on Aug. 9, up \$1 on the day. As such, the outright spread between scrap and rebar stood at \$193/mt Aug. 9, narrowing \$5.75 on the day and falling to its tightest margin since March 10, 2021. Meanwhile, the forward curve for Turkey scrap futures contract on the London Metal Exchange, which settles basis the Platts assessment monthly average, steepened its contango, highlighting futures traders' bullish near-term price expectations. Platts assessed the LME August contract at \$357.50/mt on Aug. 9, up \$2 on the day, while the September contract was assessed at \$370.50/mt on Aug. 9, up \$5 on the day. (Platts)

Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	350.25	6.75	351.04
Platts Steel Rebar FOB Turkey (\$/mt)	550.00	1.00	550.21
US HRC CRU	812.00	-54.00	839.00

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

US HRC USD/short ton			
	Bid	Ask	Value
Aug-23	800	810	805
Sep-23	745	755	750
Oct-23	750	760	755
Q4-23	755	765	760
Q1-24	770	780	775
Q2-24	780	790	785

LME REBAR FOB TK			
	Bid	Ask	Value
Aug-23	550	560	555
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

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Aug-23	625	635	630
Sep-23	630	640	635
Oct-23	635	645	640
Q4-23	645	655	650
Q1-24	670	680	675
Q2-24	675	685	680

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Aug-23	555	565	560
Sep-23	560	570	565
Oct-23	560	570	565
Q4-23	560	570	565
Q1-24	555	565	560
Q2-24	555	565	560

BUSHELING			
	Bid	Ask	Value
Aug-23	445	455	450
Sep-23	445	455	450
Oct-23	445	455	450
Q4-23	450	460	455
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	AUG 23	SEP 23	54	55	34	20	0	Eased
	AUG 23	OCT 23	56	60	76	38	0	Eased
	AUG 23	NOV 23	49	56	112	36	0	Eased
	SEP 23	OCT 23	2	5	42	18	0	Eased
	SEP 23	NOV 23	-5	1	78	16	0	Eased
	OCT 23	NOV 23	-7	-4	36	-2	0	Eased
EU HRC	AUG 23	SEP 23	-17	-2	-5	5	-20	Eased
	AUG 23	OCT 23	-22	0	-10	5	95	Eased
	AUG 23	NOV 23	-22	-5	-5	5	95	Eased
	SEP 23	OCT 23	-5	2	-5	0	115	Eased
	SEP 23	NOV 23	-5	-3	0	0	115	Eased
	OCT 23	NOV 23	0	-5	5	0	0	Tightened
Atlantic Spread (US-EU)	AUG 23	AUG 23	180	175	255	165	66	Tightened
	SEP 23	SEP 23	109	118	216	150	46	Eased
	OCT 23	OCT 23	102	115	169	132	161	Eased
	NOV 23	NOV 23	109	114	138	134	161	Eased
ARC Spread (Rebar - Scrap)	AUG 23	AUG 23	198	196	216	235	265.5	Tightened
	SEP 23	SEP 23	193	195	206	236	262.5	Eased
	OCT 23	OCT 23	194.5	196	210.5	229.5	262.5	Eased
	NOV 23	NOV 23	192	195	207	232.5	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	801	455	629	357	559	555	Current
	815	455	640	354	556	550	T-1W
	930	460	672	367	548	583	T-1M
	825	465	755	375	572	610	T-3M
	808	480	780	435	650	730	T-6M
	916	500	780	391	655	657	T-12M
	824	475	646	388	668	660	YTD

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