

Turkish Scrap

14/08/2023

Turkish deepsea import ferrous scrap prices rose further on Aug. 11, as an EU-origin deal booked for September shipment was largely considered repeatable on the day. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$361/mt CFR Aug. 11, up \$4 on the day. An EU-origin deal was booked on Aug. 10 by an Iskenderun mill, with HMS 1/2 (80:20) at \$356/mt CFR and bushelling scrap at \$381/mt CFR, for September shipment. The shipment totaled 30,000 mt and was confirmed on Aug. 11. Platts normalized the cargo to a premium HMS 1/2 (80:20) equivalent of \$361/mt CFR, which market participants considered repeatable on the day. Indicative tradable values for US/Baltic-origin or premium HMS 1/2 (80:20) were shared between \$360-\$365/mt CFR on the day, with indications largely clustered around \$361/mt CFR, in line with the normalization of the EU-origin deal booked Aug. 10. "There are not many sellers in the market, the offers from the US/EU are close to \$370/mt CFR now," a Turkey-based mill source said, expressing bullish price sentiment in the near term.

An agent source, meanwhile, said demand was strong and supply was limited because of slow inflows. "...so prices will increase a little bit more from now," the agent added. "The sellers are waiting for this." The agent source also said that recyclers were benefitting from a more active Indian market, which has enjoyed a flurry of activity in recent weeks as buyers restocked their low inventories of ferrous scrap following months of limited imports. Platts assessed Indian imports of containerized shredded scrap at \$417.50/mt CFR Nhava Sheva Aug. 11, unchanged on the week, but up \$17.50 from July 28 two weeks prior. The CFR Nhava Sheva shredded scrap assessment premium over the weekly average of the benchmark Platts CFR Turkey premium HMS 1/2 (80:20) index was \$62.45/mt on Aug. 11, up from \$32.90 on July 14. Historically, the India shredded scrap price has averaged \$23.04/mt over the Platts CFR Turkey premium HMS 1/2 (80:20) assessment. (Platts)

US HRC

Platts assessed the daily TSI US hot-rolled coil index at \$790/st on an ex-works Indiana basis Aug. 11, unchanged from the previous assessment. A Midwest service center source reported receiving an offer at \$830/st from a Midwest converter for 24 st with an early-September lead time. The same source also received an offer from a Midwest mini-mill at \$781/st for the same volume and lead time. A Canada-based buyer put tradable value from multiple Midwest mills in the range of \$760-\$820/st ex-works, depending on tonnage and lead time. The source said tradable value from one particular Midwest mill was \$800-\$840/st ex-works for 50-200-st quantities. A trader indicated value also in the range of \$760-\$820/st ex-works from Midwest mills. (Platts)

Market Rates

| Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt) | 361.00 | 4.00 | 352.81 |
|---|--------|--------|--------|
| Platts Steel Rebar FOB Turkey (\$/mt) | 555.00 | 2.50 | 551.00 |
| 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 | 370 | 380 | 375 |
| 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 | 740 | 750 | 745 |
| Q4-23 | 750 | 760 | 755 |
| Q1-24 | 775 | 785 | 780 |
| Q2-24 | 780 | 790 | 785 |

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

| NWE HRC EUR/metric ton | | | |
|------------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Aug-23 | 620 | 630 | 625 |
| Sep-23 | 640 | 650 | 645 |
| Oct-23 | 640 | 650 | 645 |
| Q4-23 | 650 | 660 | 655 |
| Q1-24 | 670 | 680 | 675 |
| Q2-24 | 680 | 690 | 685 |

| LME HRC FOB TIANJIN CHINA USD/mt | | | |
|----------------------------------|-----|-----|-------|
| | 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 |

| BUSHELING | | | |
|-----------|-----|-----|-------|
| | Bid | Ask | Value |
| Sep-23 | 455 | 465 | 460 |
| Oct-23 | 460 | 470 | 465 |
| Nov-23 | 460 | 470 | 465 |
| Q4-23 | 460 | 470 | 465 |
| Q1-24 | 470 | 480 | 475 |
| Q2-24 | 470 | 480 | 475 |

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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 | 52 | 60 | 20 | 19 | 0 | Eased |
| | AUG 23 | OCT 23 | 64 | 60 | 90 | 35 | 0 | Tightened |
| | AUG 23 | NOV 23 | 53 | 55 | 126 | 30 | 0 | Eased |
| | SEP 23 | OCT 23 | 12 | 0 | 70 | 16 | 0 | Tightened |
| | SEP 23 | NOV 23 | 1 | -5 | 106 | 11 | 0 | Tightened |
| | OCT 23 | NOV 23 | -11 | -5 | 36 | -5 | 0 | Eased |
| EU HRC | AUG 23 | SEP 23 | -20 | 0 | -3 | 0 | -20 | Eased |
| | AUG 23 | OCT 23 | -20 | -14 | -3 | 15 | 95 | Eased |
| | AUG 23 | NOV 23 | -25 | -15 | 2 | 10 | 95 | Eased |
| | SEP 23 | OCT 23 | 0 | -14 | 0 | 15 | 115 | Tightened |
| | SEP 23 | NOV 23 | -5 | -15 | 5 | 10 | 115 | Tightened |
| | OCT 23 | NOV 23 | -5 | -1 | 5 | -5 | 0 | Eased |
| Atlantic Spread (US-EU) | AUG 23 | AUG 23 | 181 | 169 | 298 | 175 | 45 | Tightened |
| | SEP 23 | SEP 23 | 109 | 109 | 275 | 156 | 25 | Unchanged |
| | OCT 23 | OCT 23 | 97 | 95 | 205 | 155 | 140 | Tightened |
| | NOV 23 | NOV 23 | 103 | 99 | 174 | 155 | 140 | Tightened |
| ARC Spread (Rebar - Scrap) | AUG 23 | AUG 23 | 196 | 198 | 208.5 | 244 | 267.5 | Eased |
| | SEP 23 | SEP 23 | 194 | 192.5 | 200 | 240 | 267 | Tightened |
| | OCT 23 | OCT 23 | 201 | 192.5 | 205 | 235.5 | 267 | Tightened |
| | NOV 23 | NOV 23 | 204 | 193.5 | 204.5 | 236 | 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 | 806 | 460 | 625 | 362 | 555 | 558 | Current |
| | 804 | 452 | 635 | 356 | 559 | 554 | T-1W |
| | 960 | 460 | 657 | 363 | 557 | 572 | T-1M |
| | 815 | 450 | 762 | 367 | 560 | 611 | T-3M |
| | 820 | 485 | 776 | 432 | 650 | 719 | T-6M |
| | 895 | 500 | 770 | 384 | 648 | 651 | T-12M |
| | 824 | 475 | 646 | 388 | 668 | 660 | YTD |

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