

**15/08/2023**

## Turkish Scrap

Turkey's scrap import prices gathered more momentum on Aug. 14, as Turkish mills returned to the market and were actively looking for new September shipments, sources said. The trade activity during the week was expected to remain elevated, with prices likely to show further upside. A Turkey-based rebar producer said that mills were in need of scrap cargoes. Other sources also agreed that the demand for scrap was increasing. Most Turkish mills planned to keep their production level at high capacity during September and October, and therefore they would have to buy large volumes of scrap, a market watcher said. A new US-origin deal to a Marmara mill was confirmed on Aug. 14, with 23,000 mt HMS 1/2 (80:20) at \$367/mt CFR, 5,000 mt shred at \$387/mt and 2,000 mt bonus at \$387/mt. Another booking of US-origin HMS 1/2 (80:20) at \$367/mt CFR Marmara was also reported by several sources but was not confirmed. Both bookings were a clear sign of the market rising. Subsequently, indicative offers from US-based and Baltic-based recyclers were reported at minimum \$370/mt CFR, with the tradable level expected to reach \$370/mt CFR Turkey or higher during the week.

A Baltic-based recycler said that further increase between \$5-\$10/mt was possible in the near term. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$367/mt CFR Aug. 14, up \$6 on Aug. 11. According to an agent, some Turkey-based steel producers had waited too long with September shipment procurement and returned to the market for scrap cargoes amid some chatter that the availability of scrap may become an issue soon. The agent cited some fears from the Turkish market that recyclers would sell to India and Bangladesh, leaving fewer, or even not enough, cargoes for Turkey. Higher prices paid for scrap imports in Turkey were seen alongside some strengthening in domestic rebar demand, allowing for hikes in the local rebar prices, a market player said. He cited new offers for rebar at \$585-\$590/mt ex-works and said an Izmir producer sold at \$580/mt ex-works. Shortsea scrap also saw a stronger upside amid the reports of offers at \$345/mt CFR Turkey. One source said that sales had already closed above \$330/mt CFR and he expected recyclers to target minimum \$345/mt CFR in their next steps. Platts assessed Turkish imports of A3 shortsea scrap at \$340/mt CFR Aug. 14, up \$15 on the day. (Platts)

# Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	367.00	6.00	354.23
Platts Steel Rebar FOB Turkey (\$/mt)	560.00	5.00	551.90
US HRC CRU	812.00	-54.00	839.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Aug-23	360	370	365
Sep-23	375	385	380
Oct-23	375	385	380
Q4-23	375	385	380
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	750	760	755
Oct-23	740	750	745
Q4-23	750	760	755
Q1-24	770	780	775
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	635	645	640
Oct-23	630	640	635
Q4-23	640	650	645
Q1-24	655	665	660
Q2-24	660	670	665

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Aug-23	550	560	555
Sep-23	555	565	560
Oct-23	555	565	560
Q4-23	550	560	555
Q1-24	550	560	555
Q2-24	555	565	560

BUSHELING			
	Bid	Ask	Value
Sep-23	455	465	460
Oct-23	455	465	460
Nov-23	455	465	460
Q4-23	455	465	460
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	48	54	20	11	0	Eased
	AUG 23	OCT 23	62	52	90	22	0	Tightened
	AUG 23	NOV 23	50	47	126	27	0	Tightened
	SEP 23	OCT 23	14	-2	70	11	0	Tightened
	SEP 23	NOV 23	2	-7	106	16	0	Tightened
	OCT 23	NOV 23	-12	-5	36	5	0	Eased
EU HRC	AUG 23	SEP 23	-5	-12	-3	9	-20	Tightened
	AUG 23	OCT 23	-10	-15	-3	12	95	Tightened
	AUG 23	NOV 23	-16	-25	2	5	95	Tightened
	SEP 23	OCT 23	-5	-3	0	3	115	Eased
	SEP 23	NOV 23	-11	-13	5	-4	115	Tightened
	OCT 23	NOV 23	-6	-10	5	-7	0	Tightened
Atlantic Spread (US-EU)	AUG 23	AUG 23	175	177	298	157	56	Eased
	SEP 23	SEP 23	122	111	275	155	36	Tightened
	OCT 23	OCT 23	103	110	205	147	151	Eased
	NOV 23	NOV 23	109	105	174	135	151	Tightened
ARC Spread (Rebar - Scrap)	AUG 23	AUG 23	196	194	208.5	236	262.5	Tightened
	SEP 23	SEP 23	193	192	200	230	262.5	Tightened
	OCT 23	OCT 23	194	192.5	205	237	262.5	Tightened
	NOV 23	NOV 23	197	193.5	204.5	228.5	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	804	459	627	364	553	555	Current
	802	452	625	356	558	550	T-1W
	960	460	657	363	557	572	T-1M
	811	455	762	377	571	613	T-3M
	842	485	776	435	650	727	T-6M
	906	490	770	375	645	638	T-12M
	824	475	646	388	668	660	YTD

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