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Turkish Scrap

Turkish deepsea imported scrap prices inched up with higher offers and stronger market sentiment Aug. 15. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$370/mt CFR on Aug. 15, up \$3/mt on the day. Although no new trades were confirmed following a couple of US deals at \$367/mt CFR Marmara heard earlier, market players discussed a possible new US-origin booking by an Izmir mill with the price around \$370/mt CFR Turkey. More new deals were anticipated in the week as multiple Turkish steelmakers had not secured September shipments yet, a trader said. An agent source cited a US deal at \$372/mt CFR. According to a different source, \$372/mt CFR was the target by a recycler, while the transaction concluded at a lower price.

US HMS 1/2 (80:20) offers were indicated at \$375/mt CFR Turkey, while bids were at \$370/mt CFR, an agent said. A trading source said that Turkish steelmakers had more positive expectations about September and October and were willing to accept higher cost of scrap for September shipments. The trader expected some trades to close at \$370/mt CFR first, followed by a further uptrend. However, \$380/mt CFR would only be possible with a stronger recovery in rebar sales, which looked uncertain. "I don't really see any reason to increase prices," a Turkish mill source said. Turkish rebar exporters were not competitive with current rebar offers and even higher scrap prices were not helping change the situation. "In my opinion, scrap should still be in low-\$350s/mt in order for Turkish mills to export rebar," the source said. (Platts)

China Steel Markets

China's crude steel production remained high in July and is likely to inch higher in August, weighing on the steel market amid lackluster steel demand. However, some market sources say they believe China will gradually carry out steel production cuts over the next few months for annual steel output controls, thus limiting further room for downside movement in steel prices. China's crude steel output in July was 11.5% higher year on year at 90.8 million mt, although daily output retreated 3.6% from June to 2.929 million mt, National Bureau of Statistics data showed Aug. 15. China's pig iron output in July rose 10.2% year on year to 77.6 million mt, while daily output fell 2.4% month on month to 2.503 million mt. Over January-July, China's crude steel and pig iron output increased by 2.5% and 3.5% year on year, respectively, to 626.51 million mt and 528.92 million mt. Moreover, after steel output controls to reduce air pollution at Tangshan city, China's biggest steelmaking hub, were lifted at the start of August, China's pig iron and steel production this month is likely to increase again from July levels, some market sources said. China Iron & Steel Association on Aug. 14 estimated China's daily crude steel and pig iron output for Aug. 1-10 at 2.953 million mt and 2.533 million mt, respectively, up 0.8% and 1.1% from July's average, and 9.1% and 10% higher year on year. Finished steel inventories at mills and spot markets monitored by the China Steel Industry Association reached 25.69 million mt as of Aug. 10, up 7.5% from the end of July, but still 6% lower year on year. In tandem with rebounding steel output and rising inventories, Chinese domestic rebar prices fell by Yuan 165/mt (\$22.6/mt) from Aug. 1 to Yuan 3,691/mt on Aug. 14, S&P Global Commodity Insights data showed. (Platts)

Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	370.00	3.00	355.66
Platts Steel Rebar FOB Turkey (\$/mt)	565.00	5.00	553.09
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	370	380	375
Oct-23	370	380	375
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	795	805	800
Sep-23	740	750	745
Oct-23	735	745	740
Q4-23	745	755	750
Q1-24	775	785	780
Q2-24	785	795	790

LME REBAR FOB TK			
	Bid	Ask	Value
Aug-23	555	565	560
Sep-23	575	585	580
Oct-23	575	585	580
Q4-23	575	585	580
Q1-24	570	580	575
Q2-24	570	580	575

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	640	650	645
Q1-24	670	680	675
Q2-24	675	685	680

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	450	460	455
Oct-23	450	460	455
Nov-23	455	465	460
Q4-23	455	465	460
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	56	20	15	0	Eased
	AUG 23	OCT 23	54	54	90	35	0	Unchanged
	AUG 23	NOV 23	42	52	126	40	0	Eased
	SEP 23	OCT 23	2	-2	70	20	0	Tightened
	SEP 23	NOV 23	-10	-4	106	25	0	Eased
	OCT 23	NOV 23	-12	-2	36	5	0	Eased
EU HRC	AUG 23	SEP 23	-8	-11	-3	5	-20	Tightened
	AUG 23	OCT 23	-10	-16	-3	5	95	Tightened
	AUG 23	NOV 23	-20	-26	2	5	95	Tightened
	SEP 23	OCT 23	-2	-5	0	0	115	Tightened
	SEP 23	NOV 23	-12	-15	5	0	115	Tightened
	OCT 23	NOV 23	-10	-10	5	0	0	Unchanged
Atlantic Spread (US-EU)	AUG 23	AUG 23	170	172	298	165	59	Eased
	SEP 23	SEP 23	110	105	275	155	39	Tightened
	OCT 23	OCT 23	106	102	205	135	154	Tightened
	NOV 23	NOV 23	108	94	174	130	154	Tightened
ARC Spread (Rebar - Scrap)	AUG 23	AUG 23	196.5	198	208.5	235	258.5	Eased
	SEP 23	SEP 23	201.5	194.5	200	233	258.5	Tightened
	OCT 23	OCT 23	205.5	194	205	233.5	258.5	Tightened
	NOV 23	NOV 23	206	192	204.5	232.5	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	630	367	553	563	Current
	801	452	629	357	559	555	T-1W
	960	460	657	363	557	572	T-1M
	815	460	760	380	569	615	T-3M
	848	485	788	441	658	736	T-6M
	909	470	770	380	635	638	T-12M
	824	475	646	388	668	660	YTD

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