

**13/09/2023**

## Turkish Scrap

Turkish deepsea import ferrous scrap prices remained stable on Sept. 12, as Turkish mills were heard to resist sharp increases in price due to narrow finished steel sales margins, sources said. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$377/mt CFR Sept. 12, unchanged from Sept. 11. A US-origin deal was booked on Sept. 12 by a Marmara mill, with HMS 1/2 (90:10) at \$382/mt CFR and shredded scrap at \$397/mt CFR. The deal was confirmed and considered repeatable on the day. Platts normalized the deal to an HMS 1/2 (80:20) equivalent of \$377/mt CFR, applying the prevalent \$20/mt discount to the price of shredded scrap in the cargo. Indicative workable values for US/Baltic-origin or premium HMS 1/2 (80:20) were shared between \$374-\$380/mt CFR on the day. "The mills are restocking, but they aren't selling much finished steel so they are not in an urgent rush to cover any sales," a Turkish mill source said, adding that the mills would not accept any offers above \$380/mt CFR in the current import cycle considering narrow production margins for the mills. Platts assessed Turkish exported rebar at \$567.50/mt FOB Sept. 12, unchanged on day as the export market remained muted. The outright scrap to rebar spread stood at \$190.50/mt Sept. 12, its tightest margin since March 15, 2021, and which market participants suggested was close to or below the mills' breakeven point.

Sales into the domestic rebar market in Turkey were also heard to be limited and in small volumes between \$575-\$580/mt ex-works. "The mills are already making sacrifices by paying as high as \$377/mt CFR, the pressure from all sides for the mills is very bad," an agent source said. "The price will not move above \$377/mt CFR because the mills would prefer not to buy and choose to wait instead. They are not in too much of a rush [to import scrap]." Market participants also discussed the futures contract for Turkish import ferrous scrap on the London Metal Exchange, which settles basis Platts, after it entered a sharper near-term contango, despite the lack of physical market bullishness cited by market sources. Platts assessed the LME September scrap contract at \$379/mt Sept. 12, up \$3/mt on the day, while the October contract strengthened by \$4.50/mt on the day to \$387.50/mt. The November and December contracts showed the sharpest increases on the day, with the former climbing \$10.50/mt to \$392/mt Sept. 12 and the latter by \$14/mt to \$395.50/mt on the day. "I think some people just don't want to be caught short at the end of the year," a broker said, with a second broker suggesting that the futures market may have just "piggybacked" off the strength in the iron ore markets. Platts assessed the 62% Fe Iron Ore Index at \$122.60/dry mt CFR North China Sept. 12, up \$1.95/dmt on the day, continuing its rally up from a recent low of \$104.10/mt on Aug. 15. (Platts)

# Market Rates

PRODUCT (WoW = Week on Week)	LAST	CHG	MTD AVG
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt) *CHG 1D*	377.00	0.00	375.50
Platts Steel Rebar FOB Turkey (\$/mt) *CHG 1D*	567.50	0.00	565.94
US HRC CRU *CHG WoW*	754.00	-13.00	754.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Sep-23	370	380	375
Oct-23	380	390	385
Nov-23	385	395	390
Q4-23	380	390	385
Q1-24	390	400	395
Q2-24	390	400	395

US HRC USD/short ton			
	Bid	Ask	Value
Sep-23	715	725	720
Oct-23	705	715	710
Nov-23	735	745	740
Q4-23	730	740	735
Q1-24	790	800	795
Q2-24	795	805	800

LME REBAR FOB TK			
	Bid	Ask	Value
Sep-23	565	575	570
Oct-23	570	580	575
Nov-23	575	585	580
Q4-23	575	585	580
Q1-24	580	590	585
Q2-24	580	590	585

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Sep-23	640	650	645
Oct-23	645	655	650
Nov-23	655	665	660
Q4-23	655	665	660
Q1-24	670	680	675
Q2-24	670	680	675

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Sep-23	540	550	545
Oct-23	560	570	565
Nov-23	560	570	565
Q4-23	560	570	565
Q1-24	565	575	570
Q2-24	570	580	575

BUSHELING			
	Bid	Ask	Value
Oct-23	415	425	420
Nov-23	430	440	435
Dec-23	445	455	450
Q4-23	430	440	435
Q1-24	455	465	460
Q2-24	455	465	460

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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	SEP 23	OCT 23	8	27	5	15	-10	Eased
	SEP 23	NOV 23	-13	1	-1	25	-10	Eased
	SEP 23	DEC 23	-38	-20	-20	24	-10	Eased
	OCT 23	NOV 23	-21	-26	-6	10	0	Tightened
	OCT 23	DEC 23	-46	-47	-25	9	0	Tightened
	NOV 23	DEC 23	-25	-21	-19	-1	0	Eased
EU HRC	SEP 23	OCT 23	-10	-3	0	-1	85	Eased
	SEP 23	NOV 23	-17	-4	-10	8	85	Eased
	SEP 23	DEC 23	-22	-8	-15	-1	85	Eased
	OCT 23	NOV 23	-7	-1	-10	9	0	Eased
	OCT 23	DEC 23	-12	-5	-15	0	0	Eased
	NOV 23	DEC 23	-5	-4	-5	-9	0	Eased
Atlantic Spread (US-EU)	SEP 23	SEP 23	76	65	105	191	36	Tightened
	OCT 23	OCT 23	58	35	100	175	131	Tightened
	NOV 23	NOV 23	72	60	96	174	131	Tightened
	DEC 23	DEC 23	92	77	110	166	131	Tightened
ARC Spread (Rebar - Scrap)	SEP 23	SEP 23	195	185.5	199.5	218	283	Tightened
	OCT 23	OCT 23	197.5	181	200.5	213.5	281.5	Tightened
	NOV 23	NOV 23	190	183	201	235	281.5	Tightened
	DEC 23	DEC 23	191	182.5	197	219	292	Tightened

## Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	719	423	643	378	547	572	Current
	717	425	652	374	556	560	T-1W
	750	463	625	373	559	572	T-1M
	850	465	682	377	553	595	T-3M
	1025	525	835	447	688	759	T-6M
	876	450	770	368	644	651	T-12M
	820	472	646	385	674	659	YTD

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