

15/09/2023

Turkish Scrap

Sept. 14 as US-origin deal activity continued amid improved Turkish domestic rebar sales, sources said. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$377/mt CFR Sept. 14, unchanged on the day. A US-origin deal was confirmed as booked Sept. 13 by an Iskenderun mill. The shipment comprised HMS 1/2 (80:20) at \$377/mt CFR and shredded scrap at \$397/mt CFR. A second US-origin deal was heard to be booked on Sept. 13 by a Marmara mill, with HMS 1/2 (80:20) at \$377/mt CFR, shredded scrap at \$397/mt CFR and bonus scrap at \$397/mt CFR. A third US-origin deal was heard to have been booked on Sept. 13 by a Turkish mill, with HMS 1/2 (90:10) at \$382-\$383/mt CFR but this was not confirmed on the day. The cargo would be normalized to a premium HMS 1/2 (80:20) equivalent of \$377- \$378/mt CFR. Tradable indications were largely in line with the USorigin deals booked Sept. 13, with the majority of participants considering the deals repeatable on the day. However, offers for Baltic/EU-origin HMS 1/2 (80:20) were reported at \$375-\$383/mt CFR on the day, with an offer for UKorigin HMS 1/2 (80:20) also heard to have reached \$389/mt CFR as seller targets strengthened further.

HMS collection costs in the Benelux region were indicated at Eur310/mt delivered to the docks, increasing on the week. "The sellers will be trying for higher prices because the Turkish markets have improved and demand is better," a Turkish mill source said, "but volatility is very high in Turkey and the increase in finished steel sales will not last very long." Sources reported rebar sales domestically at \$570-\$575/mt ex-works in the early part of the week, but the mills have since increased their offers, with some heard to have targeted as high as \$590/mt ex-works in some regions since. Bastug's price list shared with S&P Global Commodity Insights Sept. 12 showed that the company began offering 12-32 mm rebar at Lira 19,000/mt ex-works, including 18% value-added tax, which equated to \$588/mt ex-works, excluding VAT, \$10/mt lower than the week prior. The company also decreased the list prices of its 10 mm and 8 mm rebar by the same amount to Lira 19,400/mt exworks and Lira 19,600/mt ex-works, respectively, as of Sept. 12. The company was said to have sold some notable tonnages to the domestic market on Sept. 12 after lowering its list prices, but has since increased its offers for all grades of rebar by Lira 200/ mt, equating to around \$6/mt after taking into account the value added tax. "Activity is better domestically, but [sales at] \$570/ mt aren't helping the mills much [given current scrap prices]," an agent source said. Platts assessed Turkish exported rebar at \$567.50/mt FOB Sept. 14, stable on the day. The outright scrap-to-rebar spread remained at \$190.50/mt, hovering around lows last seen in March 2021. Elsewhere, deals for Bulgaria-origin shortsea scrap were reported at \$347/mt CFR and \$351/mt CFR Turkey. Platts assessed A3 shortsea scrap at \$349/mt CFR Sept. 14, down \$1/mt on the day. (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	375.67
Platts Steel Rebar FOB Turkey (\$/mt) *CHG 1D*	567.50	0.00	566.11
US HRC CRU *CHG WoW*	699.00	-55.00	726.50

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Sep-23	370	380	375
Oct-23	380	390	385
Nov-23	390	400	395
Q4-23	390	400	395
Q1-24	400	410	405
Q2-24	395	405	400

US HRC USD/short ton			
	Bid	Ask	Value
Sep-23	700	710	705
Oct-23	690	700	695
Nov-23	715	725	720
Q4-23	715	725	720
Q1-24	780	790	785
Q2-24	805	815	810

LME REBAR FOB TK			
	Bid	Ask	Value
Sep-23	565	575	570
Oct-23	575	585	580
Nov-23	585	595	590
Q4-23	580	590	585
Q1-24	585	595	590
Q2-24	590	600	595

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Sep-23	630	640	635
Oct-23	630	640	635
Nov-23	650	660	655
Q4-23	645	655	650
Q1-24	675	685	680
Q2-24	680	690	685

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	570	580	575
Q2-24	570	580	575

BUSHELING			
	Bid	Ask	Value
Oct-23	400	410	405
Nov-23	425	435	430
Dec-23	445	455	450
Q4-23	425	435	430
Q1-24	450	460	455
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	SEP 23	OCT 23	10	10	5	9	-10	Unchanged
	SEP 23	NOV 23	-16	-16	1	21	-15	Unchanged
	SEP 23	DEC 23	-46	-40	-14	26	-15	Eased
	OCT 23	NOV 23	-26	-26	-4	12	-5	Unchanged
	OCT 23	DEC 23	-56	-50	-19	17	-5	Eased
	NOV 23	DEC 23	-30	-24	-15	5	0	Eased
EU HRC	SEP 23	OCT 23	1	-5	-2	6	65	Tightened
	SEP 23	NOV 23	-19	-8	-12	7	65	Eased
	SEP 23	DEC 23	-24	-15	-22	7	65	Eased
	OCT 23	NOV 23	-20	-3	-10	1	0	Eased
	OCT 23	DEC 23	-25	-10	-20	1	0	Eased
	NOV 23	DEC 23	-5	-7	-10	0	0	Tightened
Atlantic Spread (US-EU)	SEP 23	SEP 23	68	70	113	217	35	Eased
	OCT 23	OCT 23	59	55	106	214	110	Tightened
	NOV 23	NOV 23	65	78	100	203	115	Eased
	DEC 23	DEC 23	90	95	105	198	115	Eased
ARC Spread (Rebar - Scrap)	SEP 23	SEP 23	195	183.5	201.5	212	277	Tightened
	OCT 23	OCT 23	192	180	203.5	210.5	277	Tightened
	NOV 23	NOV 23	192	182	206	207.5	277	Tightened
	DEC 23	DEC 23	192.5	181.5	197.5	200.5	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	704	405	636	378	544	571	Current
	720	430	650	377	544	561	T-1W
	751	462	630	379	562	580	T-1M
	863	454	680	385	564	597	T-3M
	999	525	832	447	682	756	T-6M
	855	450	767	370	632	647	T-12M
	820	472	646	385	674	659	YTD

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