

**18/09/2023**

## US Scrap

The US ferrous scrap market remained under a cloud of uncertainty and dampened sentiment on Sept. 15 as a labor disruption got underway. Platts assessed No. 1 busheling down \$50 on the week to \$400/lb delivered Midwest on average and \$395/lb delivered Southeast, as steelmakers with limited prime scrap requirements pushed hard to reduce their input costs. Midwest hot-rolled coil prices fell to \$720/st ex-works Indiana on Sept. 15 from \$790/st a month earlier, in part due to weaker demand from a US auto industry facing a major labor disruption that got underway on Sept. 15 when about 12,700 workers downed tools at three auto plants in Michigan, Ohio and Missouri. The coordinated strike marked the first simultaneous labor stoppage at the Big Three automakers' production facilities, with the United Auto Workers union representing roughly 145,000 members. "Prime scrap settled lower by \$50/lb for September, but some dealers are instead holding onto their busheling supplies rather than selling," a Midwest US-based scrap dealer said.

"The general sentiment is that if the strike gets worked out relatively quickly, there could be an uptick for steel as well as scrap. Auto plants are a key source of busheling, so supply could be tighter at least by the time November scrap price discussions get underway." A prolonged auto-worker strike would be more clearly bearish for obsolete grades of scrap, which was supported by mostly sideways pricing in September buy-week negotiations amid a lack of available supply, another Midwest US-based scrap dealer said. Shredded scrap prices delivered Midwest dropped \$5 to \$395/lb in the week to Sept. 15, while shred delivered Southeast was stable at the same \$395/lb level. Plate and structural scrap prices decreased to \$390-\$410/lb delivered Midwest on Sept. 15 from \$395-\$405/lb. The grade was sold at a wide range of prices across the Midwest, including as high as \$430/lb in areas of great scarcity and as low as \$370-\$380/lb in pockets of the region where mini-mills had no specific plate and structural requirements. "If you needed it, you had to pay," a Midwest US-based broker said. "The grade is tight. (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	375.91
Platts Steel Rebar FOB Turkey (\$/mt) *CHG 1D*	567.50	0.00	566.36
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	385	395	390
Q1-24	395	405	400
Q2-24	395	405	400

US HRC USD/short ton			
	Bid	Ask	Value
Sep-23	695	705	700
Oct-23	695	705	700
Nov-23	715	725	720
Q4-23	720	730	725
Q1-24	790	800	795
Q2-24	805	815	810

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

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Sep-23	635	645	640
Oct-23	640	650	645
Nov-23	645	655	650
Q4-23	650	660	655
Q1-24	675	685	680
Q2-24	690	700	695

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	2	9	10	5	10	Eased
	SEP 23	NOV 23	-15	-14	-2	16	10	Eased
	SEP 23	DEC 23	-43	-35	-25	17	0	Eased
	OCT 23	NOV 23	-17	-23	-12	11	0	Tightened
	OCT 23	DEC 23	-45	-44	-35	12	-10	Eased
	NOV 23	DEC 23	-28	-21	-23	1	-10	Eased
EU HRC	SEP 23	OCT 23	-4	-8	-5	0	55	Tightened
	SEP 23	NOV 23	-27	-11	-8	0	55	Eased
	SEP 23	DEC 23	-39	-7	-10	0	55	Eased
	OCT 23	NOV 23	-23	-3	-3	0	0	Eased
	OCT 23	DEC 23	-35	1	-5	0	0	Eased
	NOV 23	DEC 23	-12	4	-2	0	0	Eased
Atlantic Spread (US-EU)	SEP 23	SEP 23	71	72	116	250	40	Eased
	OCT 23	OCT 23	65	55	101	245	85	Tightened
	NOV 23	NOV 23	59	75	110	234	85	Eased
	DEC 23	DEC 23	75	100	131	233	95	Eased
ARC Spread (Rebar - Scrap)	SEP 23	SEP 23	196.5	188	203.5	215	279	Tightened
	OCT 23	OCT 23	193.5	185.5	202	211.5	273.5	Tightened
	NOV 23	NOV 23	191	191	199.5	213.5	273.5	Unchanged
	DEC 23	DEC 23	183.5	192	198.5	206.5	292	Eased

## 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	638	376	544	573	Current
	720	423	648	377	547	565	T-1W
	746	465	631	379	555	582	T-1M
	895	465	680	385	566	600	T-3M
	960	525	826	450	670	748	T-6M
	850	445	758	376	632	655	T-12M
	820	472	646	385	674	659	YTD

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