

20/09/2023

Turkish Scrap

Turkish deepsea import ferrous scrap prices inched down on Sept. 19, as the near-term price outlook weakened during the latest Irepas conference in Istanbul over Sept. 17-19. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$374.50/mt CFR Sept. 19, down 50 cents on the day. Indicative tradable values for US/Baltic-origin or premium HMS 1/2 (80:20) were mostly shared between \$373-\$375/mt CFR on the day. Buyside market participants at the Irepas conference expressed bearish term price sentiment, as slow finished steel sales limited mill demand for imports of scrap. They suggested that the already narrow scrap-rebar spread would prevent any upside in the import ferrous scrap prices. "There are no sales [of rebar] in the export market and very limited sales domestically at the moment," a Turkey-based mill source said. "The mills will only import scrap when they manage some domestic rebar sales and there are no sales now so they can afford to wait for prices to soften." Platts assessed Turkish exported rebar at \$565/mt FOB Sept. 19, stable on the day. The outright scrap-to-rebar spread remained at \$190.50/mt, among its most narrow margins since March 2021.

US price sentiment also weakened during Sept. 17-19, as the ongoing strikes in the automotive sector was expected to depress domestic ferrous scrap demand. After failing to reach new contract agreements with the "Big Three" automakers — Ford, General Motors and Stellantis — the United Auto Workers began targeted strikes on Sept. 15 at three US production facilities. The plants affected include Ford's Michigan Assembly Plant, GM's Wentzville Assembly Plant and Stellantis' Toledo Assembly Complex. S&P Global Mobility estimates that the combined impact of the strike could be about 3,200 units/d, on a straight-time production schedule. However, European sell-side sentiment remained firm during the conference, citing limited availability in the European region and steady demand from India-based buyers as contributing factors. Offers for Baltic-origin HMS 1/2 (80:20) were shared at \$380/mt CFR and above, while EU-based recyclers were heard to target \$375/mt CFR minimum for their material. An indicative workable value for EU-origin HMS 1/2 (80:20) was shared at around \$368/mt CFR, which Platts normalized to a premium HMS 1/2 (80:20) equivalent of \$373/mt CFR. Europe-based recyclers also suggested that limited collection and availability was preventing offers from dropping. HMS collection prices were recently shared at Eur300-305/mt delivered to the docks in the Benelux region, and were expected to soften in the near-term. (Platts)

Market Rates

PRODUCT (WoW = Week on Week)	LAST	CHG	MTD AVG
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt) *CHG 1D*	374.50	-0.50	375.73
Platts Steel Rebar FOB Turkey (\$/mt) *CHG 1D*	565.00	0.00	566.15
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	375	385	380
Nov-23	385	395	390
Q4-23	385	395	390
Q1-24	390	400	395
Q2-24	390	400	395

US HRC USD/short ton			
	Bid	Ask	Value
Sep-23	700	710	705
Oct-23	695	705	700
Nov-23	745	755	750
Q4-23	735	745	740
Q1-24	805	815	810
Q2-24	815	825	820

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

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Sep-23	630	640	635
Oct-23	635	645	640
Nov-23	655	665	660
Q4-23	655	665	660
Q1-24	680	690	685
Q2-24	685	695	690

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Sep-23	535	545	540
Oct-23	545	555	550
Nov-23	545	555	550
Q4-23	550	560	555
Q1-24	560	570	565
Q2-24	560	570	565

BUSHELING			
	Bid	Ask	Value
Oct-23	405	415	410
Nov-23	435	445	440
Dec-23	450	460	455
Q4-23	430	440	435
Q1-24	455	465	460
Q2-24	465	475	470

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com

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	7	10	24	0	Tightened
	SEP 23	NOV 23	-41	-12	-2	56	0	Eased
	SEP 23	DEC 23	-69	-40	-25	57	0	Eased
	OCT 23	NOV 23	-51	-19	-12	32	0	Eased
	OCT 23	DEC 23	-79	-47	-35	33	0	Eased
	NOV 23	DEC 23	-28	-28	-23	1	0	Unchanged
EU HRC	SEP 23	OCT 23	-5	-2	-5	5	60	Eased
	SEP 23	NOV 23	-25	-13	-8	5	60	Eased
	SEP 23	DEC 23	-40	-23	-10	5	60	Eased
	OCT 23	NOV 23	-20	-11	-3	0	0	Eased
	OCT 23	DEC 23	-35	-21	-5	0	0	Eased
	NOV 23	DEC 23	-15	-10	-2	0	0	Eased
Atlantic Spread (US-EU)	SEP 23	SEP 23	71	65	116	244	45	Tightened
	OCT 23	OCT 23	56	56	101	225	105	Unchanged
	NOV 23	NOV 23	87	64	110	193	105	Tightened
	DEC 23	DEC 23	100	82	131	192	105	Tightened
ARC Spread (Rebar - Scrap)	SEP 23	SEP 23	191	193.5	203.5	210	277	Eased
	OCT 23	OCT 23	190	194	202	206	277.5	Eased
	NOV 23	NOV 23	187	190	199.5	205.5	277.5	Eased
	DEC 23	DEC 23	194	190.5	198.5	206	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	706	405	635	375	538	566	Current
	707	414	642	377	544	570	T-1W
	746	465	631	379	555	582	T-1M
	894	465	680	370	550	580	T-3M
	967	525	826	434	670	710	T-6M
	860	455	752	379	632	656	T-12M
	820	472	646	385	674	659	YTD

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com