

25/09/2023

Turkish Scrap

Turkish deepsea import ferrous scrap prices remained unchanged on Sept. 22, in line with a US-origin deal booked on the day, as the market digested the potential impact of recently announced Russian steel export duties. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$375/mt CFR Sept. 22, unchanged on the day. A US-origin deal was booked on Sept. 22 by an Iskenderun mill, with 15,000 mt of HMS 1/2 (80:20) at \$375/mt CFR, and 15,000 mt of shredded scrap at \$395/mt CFR for October shipment. The deal was confirmed. A Baltic-origin deal was also heard to be booked on Sept. 19 by a Samsun mill, with HMS 1/2 (80:20) at \$368/mt CFR. Market participants normalized the deal to a premium HMS 1/2 (80:20) equivalent of \$371/mt CFR, considering quality and freight rate differentials, but the deal was not confirmed. "The [finished steel] markets are mostly idled and nobody [in Turkey] is managing to sell anything. The major mills seem to have completed their scrap restocking, so I don't expect to see higher prices," an EU trader said. Indicative tradable values for US/Baltic-origin or premium HMS 1/2 (80:20) were mostly shared at \$375/mt CFR, in line with the deals reported on the day, with some indications at around \$370-\$374/mt CFR.

However, other sources continued to cite elevated freight rates as a contributing factor in the resistance shown by the sell side as the Turkish mills restocked, with most deals booked throughout the week equivalent to \$375/mt CFR Turkey for premium HMS 1/2 (80:20). Near-term market sentiment also buoyed by a recent announcement of Russian export duties for almost all exports, including in their steel trade. The decree establishes the following duty rates: 4% of the customs value of goods at an average national currency exchange rate of over Rb80 per dollar but less than Rb85 per dollar; 4.5% if the forex rate in the 30-day period prior to the month of exports was in the region of Rb85-90 per dollar; 5.5% if the previous month's exchange rate exceeded Rb90 per dollar, but was less than Rb95 per dollar; and 7% if it rose to Rb95 per dollar. In the event the exchange rate drops to below Rb80 per dollar, the duties are reset to zero. On Sept. 22, the dollar was valued at Rb96 per dollar by Russia's Central Bank; the bank's rate has been exceeding the Rb80 per dollar mark since April 2023, and as for the Aug. 26-Sept. 26 reference period definitive for the October export tariffs, it has averaged at Rb96.4 per dollar, meaning that these customs duties will be at 7% at least throughout October, S&P Global noted. "The Russian suppliers are already trying to push prices up since the duty has been imposed, the mills will certainly have to import more scrap," a billet exporter said, citing their expectation for imports of US-origin HMS 1/2 (80:20) to increase to \$380/mt CFR in the near term. "If the Turkish mills can manage some export sales after this, they will have to buy more scrap and HMS 1/2 (80:20) prices could increase," an agent source said. (Platts)

Market Rates

PRODUCT (WoW = Week on Week)	LAST	CHG	MTD AVG
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt) *CHG 1D*	375.00	0.00	375.59
Platts Steel Rebar FOB Turkey (\$/mt) *CHG 1D*	567.50	0.00	566.41
US HRC CRU *CHG WoW*	687.00	-12.00	713.33

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Sep-23	369	379	374
Oct-23	374	384	379
Nov-23	390	400	395
Q4-23	385	395	390
Q1-24	395	405	398
Q2-24	395	405	400

US HRC USD/short ton			
	Bid	Ask	Value
Sep-23	697	707	702
Oct-23	710	720	715
Nov-23	765	775	770
Q4-23	758	768	763
Q1-24	835	845	842
Q2-24	845	855	852

LME REBAR FOB TK			
	Bid	Ask	Value
Sep-23	565	575	569
Oct-23	573	583	578
Nov-23	581	591	586
Q4-23	579	589	584
Q1-24	590	600	594
Q2-24	585	595	592

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Sep-23	630	640	635
Oct-23	615	625	620
Nov-23	635	645	640
Q4-23	635	645	638
Q1-24	675	685	682
Q2-24	690	700	697

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Sep-23	535	545	540
Oct-23	551	561	556
Nov-23	555	565	560
Q4-23	555	565	561
Q1-24	565	575	571
Q2-24	570	580	574

BUSHELING			
	Bid	Ask	Value
Oct-23	395	405	400
Nov-23	445	455	450
Dec-23	465	475	470
Q4-23	465	475	470
Q1-24	495	505	498
Q2-24	505	515	512

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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	-25	5	13	47	0	Eased
	SEP 23	NOV 23	-75	-25	-3	71	0	Eased
	SEP 23	DEC 23	-104	-52	-32	73	0	Eased
	OCT 23	NOV 23	-50	-30	-16	24	0	Eased
	OCT 23	DEC 23	-79	-57	-45	26	0	Eased
	NOV 23	DEC 23	-29	-27	-29	2	0	Eased
EU HRC	SEP 23	OCT 23	10	-2	-5	-2	50	Tightened
	SEP 23	NOV 23	-5	-14	-5	3	50	Tightened
	SEP 23	DEC 23	-26	-26	-10	3	50	Unchanged
	OCT 23	NOV 23	-15	-12	0	5	0	Eased
	OCT 23	DEC 23	-36	-24	-5	5	0	Eased
	NOV 23	DEC 23	-21	-12	-5	0	0	Eased
Atlantic Spread (US-EU)	SEP 23	SEP 23	75	70	77	240	35	Tightened
	OCT 23	OCT 23	110	63	59	191	85	Tightened
	NOV 23	NOV 23	145	81	75	172	85	Tightened
	DEC 23	DEC 23	153	96	99	170	85	Tightened
ARC Spread (Rebar - Scrap)	SEP 23	SEP 23	192	191	193.5	206.5	285.5	Tightened
	OCT 23	OCT 23	203	195.5	196	206.5	285.5	Tightened
	NOV 23	NOV 23	196	192.5	196	202	285.5	Tightened
	DEC 23	DEC 23	196	192.5	197	202	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	705	400	635	376	541	570	Current
	706	405	636	374	539	565	T-1W
	727	456	636	379	559	573	T-1M
	903	460	675	378	553	584	T-3M
	920	475	826	441	631	702	T-6M
	840	430	752	373	620	659	T-12M
	820	472	646	385	674	659	YTD

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