

28/09/2023

Turkish Scrap

Turkish deepsea import ferrous scrap prices were unchanged Sept. 27 as the pause in market activity seen this week persisted. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$374.50/mt CFR Sept. 27, unchanged on day, considering indications from mills, traders, agents and recyclers. Indicative tradable values for US/Baltic-origin or premium HMS 1/2 (80:20) were mostly shared in the range of \$370-\$375/mt CFR, while indicative workable values for EU-origin HMS 1/2 (80:20) were reported at a minimum of \$370/mt CFR, which Platts normalized to a premium HMS 1/2 (80:20) equivalent of \$375/mt CFR. Limited market activity was reported on the day, as some market participants said that the Turkish mills aimed to import less volumes for October shipment due to weak finished steel demand. "The mills are buying less than they need to because completely stopping production is not cheap, so slowing down their purchasing is the solution for them," an agent source said, citing an indicative workable value for US-origin HMS 1/2 (80:20) at \$373-\$375/mt CFR. "The mills seem to be trying to run hand-to-mouth, which is a very dangerous game to play.

If finished steel demand returns while their inventories are low, they could be caught short," a US recycler also said. Despite recent devaluations in the euro against the dollar, European recyclers shared resistant workable level indications at \$370/mt CFR on the day, citing strong alternative demand at workable prices as a factor. Platts assessed the euro at \$1.0519 at 16.30 London time Sept. 27, depreciating from \$1.0717 one week prior on Sept. 20. "The mills always expect lower prices, but we have no reason to drop our offers. Shred prices to India are still high and large volumes have already been sold," an EU recycler said. "The only thing that has changed recently is aggressive purchasing at the docks. If those costs soften then cheaper offers [for HMS 1/2 (80:20) into Turkey] could make sense," the EU recycler continued. HMS collection prices in the Benelux region were recently heard to be firm at Eur300-305/mt delivered to the docks, despite buy-side pressure to push prices down. The aforementioned US recycler also described how the Turkish market was currently only slightly more workable than the US domestic market for sales of HMS 1/2 (80:20), given the prices currently achievable in both regions, but noted that anticipated declines in the US domestic ferrous scrap prices in November's settlements could encourage exports to Turkey at lower prices. "Everyone's happy to sell to Turkey at \$375/mt CFR today and the Turkish mills are very stubborn at that number, but it isn't that far ahead of the prices we can achieve domestically. If domestic prices drop \$10-\$20/lit next week [for HMS], suddenly sales to Turkey would look really good," the US recycler 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*	374.50	0.00	375.39
Platts Steel Rebar FOB Turkey (\$/mt) *CHG 1D*	565.00	0.00	566.18
US HRC CRU *CHG WoW*	666.00	-21.00	701.50

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Sep-23	370	380	375
Oct-23	371	381	376
Nov-23	387	397	392
Q4-23	383	393	388
Q1-24	395	405	399
Q2-24	395	405	400

US HRC USD/short ton			
	Bid	Ask	Value
Oct-23	712	722	717
Nov-23	788	798	793
Dec-23	826	836	831
Q4-23	820	830	825
Q1-24	855	865	860
Q2-24	865	875	868

LME REBAR FOB TK			
	Bid	Ask	Value
Sep-23	560	570	566
Oct-23	567	577	572
Nov-23	582	592	587
Q4-23	577	587	582
Q1-24	585	595	589
Q2-24	585	595	590

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Sep-23	625	635	630
Oct-23	603	613	608
Nov-23	620	630	625
Q4-23	620	630	623
Q1-24	660	670	663
Q2-24	685	695	690

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Sep-23	537	547	542
Oct-23	537	547	542
Nov-23	546	556	551
Q4-23	545	555	552
Q1-24	565	575	572
Q2-24	570	580	577

BUSHELING			
	Bid	Ask	Value
Oct-23	395	405	400
Nov-23	435	445	440
Dec-23	465	475	470
Q4-23	463	473	468
Q1-24	495	505	498
Q2-24	495	505	500

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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	OCT 23	NOV 23	-70	-59	-16	26	0	Eased
	OCT 23	DEC 23	-102	-89	-36	35	0	Eased
	OCT 23	JAN 24	-122	-123	-55	40	0	Tightened
	NOV 23	DEC 23	-32	-30	-20	9	0	Eased
	NOV 23	JAN 24	-52	-64	-39	14	0	Tightened
	DEC 23	JAN 24	-20	-34	-19	5	0	Tightened
EU HRC	OCT 23	NOV 23	23	2	-5	0	42	Tightened
	OCT 23	DEC 23	6	-8	-5	0	42	Tightened
	OCT 23	JAN 24	-4	-20	-10	-6	42	Tightened
	NOV 23	DEC 23	-17	-10	0	0	0	Eased
	NOV 23	JAN 24	-27	-22	-5	-6	0	Eased
	DEC 23	JAN 24	-10	-12	-5	-6	0	Tightened
Atlantic Spread (US-EU)	OCT 23	OCT 23	110	86	59	170	101	Tightened
	NOV 23	NOV 23	163	135	75	144	101	Tightened
	DEC 23	DEC 23	185	153	90	129	101	Tightened
	JAN 24	JAN 24	190	164	104	119	66	Tightened
ARC Spread (Rebar - Scrap)	OCT 23	OCT 23	192.5	189	196	209.5	294	Tightened
	NOV 23	NOV 23	192	186	196	205	294	Tightened
	DEC 23	DEC 23	192.5	192	197	206.5	292	Tightened
	JAN 24	JAN 24	185	194	198.5	202	262	Eased

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	712	400	632	375	543	567	Current
	716	410	632	375	541	567	T-1W
	714	456	633	379	559	573	T-1M
	835	460	674	374	550	585	T-3M
	865	480	828	439	631	691	T-6M
	856	431	754	362	606	656	T-12M
	824	472	646	385	674	659	YTD

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