

**29/09/2023**

## Turkish Scrap

Turkish deepsea import ferrous scrap prices were unchanged Sept. 28, but sentiment became more bearish amid rumors of an energy price increase in October and softer HMS collection costs in the Benelux region. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$374.50/mt CFR Sept. 28, unchanged. 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. An EU-origin deal was confirmed to be booked by an Iskenderun mill Sept. 26, with 27,000 mt of HMS 1/2 (80:20) at \$369/mt CFR and 3,000 mt of bonus scrap at \$384/mt CFR. Market participants normalized the deal to a US-origin or premium HMS 1/2 (80:20) equivalent of between \$374-\$377/mt CFR on the day, largely clustering around \$374-\$375/mt CFR. Reports of a second EU-origin deal booked by a Marmara mill, with HMS 1/2 (80:20) at \$368/mt CFR could not be confirmed on the day and the timing was unclear. Near-term price sentiment weakened on the day as HMS collection costs in the Benelux region were heard to soften, causing workable level indications for EU-origin HMS 1/2 (80:20) to decline. HMS collection prices were shared between Eur295-300/mt delivered to the docks Sept. 28, with trades also reported at Eur297-298/mt delivered.

Availability of larger volumes was heard to be limited at Eur295/mt delivered. An EU trader said that the recent weakness in the euro and the falling collection costs meant \$365-\$368/mt CFR was now workable for European recyclers and also left a profit margin. Platts assessed the euro at \$1.0568 at 1630 London time Sept. 28, depreciating from \$1.0660 Sept. 21. Despite weaker collection costs, however, a UK trader said there "wasn't much room" for prices of HMS 1/2 (80:20) to drop in the near term, due to elevated freight rates. "Prices can't really rally, but they can't fall far, either. Once you get closer to \$360/mt CFR for EU-origin HMS 1/2 (80:20) it doesn't make sense for recyclers to collect for sales to Turkey anymore," the UK trader said.

The near-term price outlook also weakened later in the day as rumors began to circulate of a potential energy price hike as high as 20% from state gas distributor Botas in Turkey to be implemented starting Oct. 1, although no official announcement has been made. If true, the rumor would put more pressure on already narrow mill margins for Turkey, as the daily outright spread between Turkish export rebar and import scrap was assessed flat on the day at \$190.50/mt, while sources recently reported scrap to rebar conversion costs at around \$190-\$200/mt. Platts assessed Turkish exported rebar at \$565/mt FOB, stable on the day, as sales remained muted. Sources did note that sales of rebar were being achieved sporadically in Turkey in recent days, reporting deals between \$564-\$575/mt ex-works, but also said that the domestic Turkish finished steel market was yet to gain enough momentum to spur stronger import demand for ferrous scrap. (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	375.35
Platts Steel Rebar FOB Turkey (\$/mt) *CHG 1D*	565.00	0.00	566.13
US HRC CRU *CHG WoW*	666.00	-21.00	701.50

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Sep-23	371	381	376
Oct-23	367	377	372
Nov-23	377	387	382
Q4-23	374	384	379
Q1-24	385	395	388
Q2-24	380	390	386

US HRC USD/short ton			
	Bid	Ask	Value
Oct-23	702	712	707
Nov-23	794	804	799
Dec-23	819	829	824
Q4-23	816	826	821
Q1-24	845	855	848
Q2-24	860	870	863

LME REBAR FOB TK			
	Bid	Ask	Value
Sep-23	560	570	565
Oct-23	564	574	569
Nov-23	567	577	572
Q4-23	570	580	575
Q1-24	585	595	588
Q2-24	585	595	589

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Sep-23	625	635	630
Oct-23	600	610	605
Nov-23	615	625	620
Q4-23	615	625	620
Q1-24	660	670	665
Q2-24	690	700	695

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Sep-23	538	548	543
Oct-23	540	550	545
Nov-23	543	553	548
Q4-23	550	560	554
Q1-24	570	580	575
Q2-24	575	585	579

BUSHELING			
	Bid	Ask	Value
Oct-23	400	410	405
Nov-23	435	445	440
Dec-23	465	475	470
Q4-23	460	470	465
Q1-24	490	500	493
Q2-24	490	500	495

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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	-90	-45	-16	20	0	Eased
	OCT 23	DEC 23	-116	-81	-42	29	0	Eased
	OCT 23	JAN 24	-141	-113	-63	15	0	Eased
	NOV 23	DEC 23	-26	-36	-26	9	0	Tightened
	NOV 23	JAN 24	-51	-68	-47	-5	0	Tightened
	DEC 23	JAN 24	-25	-32	-21	-14	0	Tightened
EU HRC	OCT 23	NOV 23	21	6	-5	-1	42	Tightened
	OCT 23	DEC 23	11	0	-10	-1	42	Tightened
	OCT 23	JAN 24	-4	-21	-15	-1	42	Tightened
	NOV 23	DEC 23	-10	-6	-5	0	0	Eased
	NOV 23	JAN 24	-25	-27	-10	0	0	Tightened
	DEC 23	JAN 24	-15	-21	-5	0	0	Tightened
Atlantic Spread (US-EU)	OCT 23	OCT 23	94	100	61	150	85	Eased
	NOV 23	NOV 23	174	139	72	130	85	Tightened
	DEC 23	DEC 23	185	154	93	121	85	Tightened
	JAN 24	JAN 24	195	168	109	130	50	Tightened
ARC Spread (Rebar - Scrap)	OCT 23	OCT 23	198	203	191.5	207	295.5	Eased
	NOV 23	NOV 23	195.5	194	194	204	295.5	Tightened
	DEC 23	DEC 23	196	193	195	202.5	292	Tightened
	JAN 24	JAN 24	197	197.5	194.5	196	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	715	400	632	376	542	565	Current
	729	405	635	376	541	570	T-1W
	716	456	633	372	543	566	T-1M
	820	465	671	375	549	582	T-3M
	849	470	829	439	630	692	T-6M
	840	411	754	362	606	658	T-12M
	824	472	646	385	674	659	YTD

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