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Turkish Scrap

Turkish deepsea import ferrous scrap prices inched down Oct. 3, as Turkish buyers' targets fell due to increased input costs and weak finished steel demand, sources said. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$373/mt CFR Oct. 3, down \$1/mt on the day. Market participants noted that Turkish mills tried to pressure scrap prices Oct. 3 with buyer targets for EU-origin HMS 1/2 (80:20) heard to fall to \$365/mt CFR and \$370/mt CFR for USorigin HMS 1/2 (80:20). However, indicative tradable values for US/Baltic-origin or premium quality HMS 1/2 (80:20), which ranged around - \$375/mt CFR Turkey, largely clustered around \$373/mt CFR, as the sell-side continued to resist sharp drops in prices. "The European recyclers are pushing down collection costs and should be in a position to sell lower soon, but until the mills return to the market with serious interest, the recyclers will not show their hands," a Turkish trader said, citing indicative nearterm tradable values for EU-origin HMS 1/2 (80:20) at \$365/mt CFR and at \$370/mt CFR for US-origin material.

The Turkish trader also suggested that \$360/mt CFR was the current breakeven price for European recyclers Oct. 3, given HMS collection costs at Eur295/mt delivered to the docks in the Benelux region and the recent depreciation of the euro against the dollar. The euro was at \$1.0459 Oct. 3, down from \$1.0509 on the day and \$1.0575 on Sept. 26. A Turkish mill source also noted that mills would need to begin pressuring scrap prices to regain some margin due to the recent announcement of 20% increases in natural gas and electricity prices for the Turkish mills, which has been said to add \$10-\$15/mt to finished steel production costs for EAF producers. Platts assessed Turkish exported rebar at \$570/mt FOB Oct. 3, up \$2.50/mt on the day. The daily outright spread between Turkish export rebar and import scrap, which has begun to recover in recent days as Turkish mills increased their offers, was assessed at \$197/mt Oct. 3, up from \$193.50/mt the previous day. However, scrap-to-rebar conversion costs were recently shared at a minimum of \$200/mt since the increase in energy costs, implying that mills could be operating below breakeven prices. "[We face] high raw material prices, expensive energy costs, and low end-product demand ... but if you bring scrap prices down, then [buyers will expect] end-product prices go down too. I really don't know what [the mills] can pay for scrap," the Turkish mill 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*	373.00	-1.00	373.50
Platts Steel Rebar FOB Turkey (\$/mt) *CHG 1D*	570.00	2.50	568.75
US HRC CRU *CHG WoW*	666.00	-21.00	701.5 (Sep Avg)

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Oct-23	366	376	371
Nov-23	367	377	372
Dec-23	372	382	377
Q4-23	368	378	373
Q1-24	380	390	383
Q2-24	380	390	386

US HRC USD/short ton			
	Bid	Ask	Value
Oct-23	695	705	700
Nov-23	765	775	770
Dec-23	785	795	790
Q4-23	748	758	753
Q1-24	805	815	808
Q2-24	820	830	824

LME REBAR FOB TK			
	Bid	Ask	Value
Oct-23	570	580	574
Nov-23	568	578	573
Dec-23	570	580	575
Q4-23	569	579	574
Q1-24	575	585	580
Q2-24	580	590	583

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Oct-23	615	625	620
Nov-23	625	635	630
Dec-23	635	645	640
Q4-23	625	635	630
Q1-24	655	665	662
Q2-24	675	685	680

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Oct-23	540	550	545
Nov-23	543	553	548
Dec-23	555	565	560
Q4-23	545	555	551
Q1-24	570	580	577
Q2-24	575	585	580

BUSHELING			
	Bid	Ask	Value
Oct-23	395	405	400
Nov-23	420	430	425
Dec-23	445	455	450
Q4-23	420	430	425
Q1-24	470	480	473
Q2-24	480	490	485

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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	-74	-73	-21	24	0	Eased
	OCT 23	DEC 23	-96	-104	-39	29	0	Tightened
	OCT 23	JAN 24	-111	-126	-58	21	0	Tightened
	NOV 23	DEC 23	-22	-31	-18	5	0	Tightened
	NOV 23	JAN 24	-37	-53	-37	-3	0	Tightened
	DEC 23	JAN 24	-15	-22	-19	-8	0	Tightened
EU HRC	OCT 23	NOV 23	-7	-17	4	-1	0	Tightened
	OCT 23	DEC 23	-22	-27	0	-6	0	Tightened
	OCT 23	JAN 24	-42	-42	-20	-1	-35	Unchanged
	NOV 23	DEC 23	-15	-10	-4	-5	0	Eased
	NOV 23	JAN 24	-35	-25	-24	0	-35	Eased
	DEC 23	JAN 24	-20	-15	-20	5	-35	Eased
Atlantic Spread (US-EU)	OCT 23	OCT 23	71	104	37	140	71	Eased
	NOV 23	NOV 23	138	160	62	115	71	Eased
	DEC 23	DEC 23	145	181	76	105	71	Eased
	JAN 24	JAN 24	140	188	75	118	36	Eased
ARC Spread (Rebar - Scrap)	OCT 23	OCT 23	198	195	187	212	291.5	Tightened
	NOV 23	NOV 23	195.5	193	187	203.5	290.5	Tightened
	DEC 23	DEC 23	195	193	185.5	201	290.5	Tightened
	JAN 24	JAN 24	192.5	190	184	194.5	262	Tightened

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME \$CRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	689	390	618	372	543	570	Current
	712	400	632	375	542	570	T-1W
	697	430	650	375	564	582	T-1M
	819	465	667	373	553	585	T-3M
	859	500	654	437	623	685	T-6M
	826	406	745	369	606	661	T-12M
	824	472	646	382	679	656	YTD

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