

06/10/2023

Turkish Scrap

Turkish deepsea import ferrous scrap prices were unchanged Oct. 5, with market participants continuing to express bearish near-term sentiment despite reported interest from Turkish mills. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$370/mt CFR Oct. 5, unchanged day on day. "There will be more of a correction on scrap prices, maybe extra \$5-\$7/mt CFR down," an agent source said, citing an indicative tradable value for premium HMS 1/2 (80:20) at \$370/mt CFR on the day. Market participants also reported ongoing negotiations for US-origin HMS 1/2 (80:20) by an Izmir mill on the day, but said that no deal had been reached yet.

Two other mills were also heard to have expressed interest in imports of ferrous scrap for November shipment, targeting \$365/mt CFR, though indicative tradable values for US-origin HMS 1/2 South Korean market dulls Domestic scrap prices in Vietnam fell on the week Oct. 5 after downstream finished steel market weakened even as local supply has been limited.

Vietnam's southern region bids were down about Dong 100/ kg at Dong 8,700-8,800/kg (\$358-362/mt) week on week Oct. 5, while bids from mills in the northern region for domestic type 1 (3-6 mm) scrap declined Dong 100-200/mt to Dong 9,300-9,600/ mt, according to trading sources. "Rebar and wire rod [prices] decreased, so they must decrease raw material prices even amid supply shortage," said a Vietnamese mill source. There was market chatter about cheap Chinese-origin 3SP billet imports at \$505/mt CFR Vietnam, which pressured Vietnamese finished steel prices.

A second mill source in Vietnam said, the "scrap market remains quiet as buyers and sellers are all waiting for China to come back from the Golden Week holiday. Billet prices dropped, and it is possible that a mill imported some cargoes to reroll and sell to Cambodia. "However, domestic scrap prices are not good because the local economy is bad after the government's new policy on tightening short-term capital for long-term loans," the mill source said. Indicative workable values for Baltic-origin HMS 1/2 (80:20), however, were softer on the day and were shared between \$367- \$368/mt CFR. "I haven't heard any US recyclers willing to drop below \$370/ mt CFR yet," a shortsea supplier said, noting that the softer Baltic-origin workable values were adjustments to account for the strength in the US dollar.

Platts assessed the euro at \$1.0527 Oct. 5, depreciating from \$1.0568 Sept. 28, one week prior. Indicative tradable values for EU-origin HMS 1/2 (80:20) continued to be shared at \$365/mt CFR, which Platts normalized to a premium HMS 1/2 (80:20) equivalent of \$370/mt CFR. Elsewhere, Platts assessed Turkish imports of shortsea scrap at \$340/mt CFR Oct. 5, down \$2/mt on the day and from \$347/mt CFR Sept. 28, one week prior. Indicative tradable values for Romania-origin shortsea scrap were shared at \$337-\$342/mt CFR on the day, while Bulgaria- origin material was heard to range \$345-\$350/mt CFR. "I am not confident in the market, so we have adopted a new strategy — we sell the minute we get the cargo available. We don't want the risk right now," the aforementioned shortsea supplier 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*	370.00	0.00	371.75
Platts Steel Rebar FOB Turkey (\$/mt) *CHG 1D*	567.50	0.00	568.13
US HRC CRU *CHG WoW*	663.00	-3.00	663.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Oct-23	363	373	368
Nov-23	365	375	370
Dec-23	373	383	378
Q4-23	367	377	372
Q1-24	375	385	380
Q2-24	380	390	386

US HRC USD/short ton			
	Bid	Ask	Value
Oct-23	700	710	705
Nov-23	760	770	765
Dec-23	782	792	787
Q4-23	747	757	752
Q1-24	815	825	821
Q2-24	815	825	820

LME REBAR FOB TK			
	Bid	Ask	Value
Oct-23	565	575	571
Nov-23	565	575	570
Dec-23	568	578	573
Q4-23	566	576	571
Q1-24	570	580	576
Q2-24	575	585	582

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Oct-23	615	625	620
Nov-23	620	630	625
Dec-23	630	640	635
Q4-23	620	630	627
Q1-24	640	650	647
Q2-24	660	670	665

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Oct-23	541	551	546
Nov-23	545	555	550
Dec-23	558	568	563
Q4-23	550	560	553
Q1-24	575	585	580
Q2-24	575	585	580

BUSHELING			
	Bid	Ask	Value
Oct-23	385	395	390
Nov-23	415	425	420
Dec-23	440	450	445
Q4-23	413	423	418
Q1-24	475	485	480
Q2-24	475	485	480

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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	-62	-91	-26	28	0	Tightened
	OCT 23	DEC 23	-82	-111	-47	36	0	Tightened
	OCT 23	JAN 24	-113	-131	-69	41	0	Tightened
	NOV 23	DEC 23	-20	-20	-21	8	0	Unchanged
	NOV 23	JAN 24	-51	-40	-43	13	0	Eased
	DEC 23	JAN 24	-31	-20	-22	5	0	Eased
EU HRC	OCT 23	NOV 23	-14	-25	-1	-1	0	Tightened
	OCT 23	DEC 23	-23	-35	-5	5	0	Tightened
	OCT 23	JAN 24	-30	-54	-20	4	-35	Tightened
	NOV 23	DEC 23	-9	-10	-4	6	0	Tightened
	NOV 23	JAN 24	-16	-29	-19	5	-35	Tightened
	DEC 23	JAN 24	-7	-19	-15	-1	-35	Tightened
Atlantic Spread (US-EU)	OCT 23	OCT 23	95	104	35	156	72	Eased
	NOV 23	NOV 23	143	170	60	127	72	Eased
	DEC 23	DEC 23	154	180	77	125	72	Eased
	JAN 24	JAN 24	178	181	84	119	37	Eased
ARC Spread (Rebar - Scrap)	OCT 23	OCT 23	199.5	195.5	181	214	292.5	Tightened
	NOV 23	NOV 23	203	188.5	183	211	291	Tightened
	DEC 23	DEC 23	200	191	182.5	210	291	Tightened
	JAN 24	JAN 24	199.5	191.5	181.5	207.5	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	705	390	612	369	544	570	Current
	704	390	631	378	548	573	T-1W
	690	425	652	378	563	559	T-1M
	846	465	673	377	562	591	T-3M
	846	465	850	431	624	673	T-6M
	827	400	725	363	606	655	T-12M
	824	472	646	382	679	656	YTD

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