

09/10/2023

Turkish Scrap

Turkish deepsea import ferrous scrap prices fell slightly Oct. 6, as market participants cited lower indicative tradable values as mill targets softened further on the day. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$369/mt CFR Oct. 6, down \$1/mt day on day. Indicative tradable values and buyer targets for US/Baltic-origin or premium HMS 1/2 (80:20) were largely shared below \$370/mt CFR. Indicative tradable values for EU-origin HMS 1/2 (80:20) were shared at around \$365/mt CFR, which Platts normalized to a premium HMS 1/2 (80:20) equivalent of around \$370/mt CFR. The timing and price of a reported EU-origin deal booked by an Iskenderun mill could not be confirmed on the day. "If a deal were to get done today it would be around \$365/mt CFR [for premium HMS 1/2 (80:20)], but right now there is a standoff in the market," a trading source said. "Turkish mills will be pushing for close to \$360/mt CFR for EU-origin material and below \$370/mt CFR for US-origin scrap," a Turkish trader said. "The outlook depends on how the Chinese market returns from their holiday period."

Market participants were uncertain whether US recyclers were willing to drop below \$370/mt CFR on the day for a sale but noted that prices could become clearer Oct. 9. "Weak demand, increased energy costs, and decreasing freights. ... I think scrap prices will continue to fall," a Turkish mill source said, citing that weakness in the US domestic scrap market could also contribute to a drop in Turkish import prices in the near term. Platts assessed the Rotterdam-Aliaga 30,000 mt dry bulk freight scrap route at \$26/mt Oct. 6, up \$1.50/mt day on day but down from a recent peak of \$27.75/mt Sept. 22. Platts assessed the Riga-Aliaga 35,000 mt scrap at \$31.75/mt Oct. 6, up \$1.50/mt day on day but also down from a recent peak of \$33.75/mt Sept. 22. Platts assessed the New Jersey US East Coast-Aliaga Turkey 40,000 mt dry bulk freight scrap route at \$26.75/mt Oct. 6, up 75 cents/mt day on day but down slightly from a recent peak of \$27.25/mt Sept. 15. However, an EU recycler continued to share firmer sell-side sentiment, saying freight rates still remained too high in the European region and supply of HMS was limited. "Demand [in Turkey] looks pretty bad, but supply is worse," an EU recycler said, citing a seller target for EU-origin HMS 1/2 (80:20) at a minimum of \$370/mt CFR. "We are not able to drop our collection prices and availability is very limited, so scrap prices cannot fall. We are not willing to take a loss." (Platts)

Market Rates

PRODUCT (WoW = Week on Week)	LAST	CHG	MTD AVG
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt) *CHG 1D*	369.00	-1.00	371.20
Platts Steel Rebar FOB Turkey (\$/mt) *CHG 1D*	567.50	0.00	568.00
US HRC CRU *CHG WoW*	663.00	-3.00	663.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Oct-23	364	374	369
Nov-23	367	377	372
Dec-23	376	386	381
Q4-23	369	379	374
Q1-24	375	385	382
Q2-24	380	390	387

US HRC USD/short ton			
	Bid	Ask	Value
Oct-23	695	705	700
Nov-23	770	780	775
Dec-23	795	805	800
Q4-23	753	763	758
Q1-24	820	830	823
Q2-24	815	825	822

LME REBAR FOB TK			
	Bid	Ask	Value
Oct-23	565	575	571
Nov-23	566	576	571
Dec-23	569	579	574
Q4-23	567	577	572
Q1-24	575	585	578
Q2-24	580	590	583

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Oct-23	610	620	615
Nov-23	620	630	625
Dec-23	630	640	635
Q4-23	620	630	625
Q1-24	640	650	645
Q2-24	655	665	660

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Oct-23	545	555	550
Nov-23	545	555	550
Dec-23	558	568	563
Q4-23	550	560	554
Q1-24	575	585	579
Q2-24	575	585	580

BUSHELING			
	Bid	Ask	Value
Oct-23	400	410	405
Nov-23	420	430	425
Dec-23	445	455	450
Q4-23	422	432	427
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	-70	-90	-26	32	0	Tightened
	OCT 23	DEC 23	-95	-115	-50	39	0	Tightened
	OCT 23	JAN 24	-90	-129	-79	36	0	Tightened
	NOV 23	DEC 23	-25	-25	-24	7	0	Unchanged
	NOV 23	JAN 24	-20	-39	-53	4	0	Tightened
	DEC 23	JAN 24	5	-14	-29	-3	0	Tightened
EU HRC	OCT 23	NOV 23	-15	-17	-3	-1	0	Tightened
	OCT 23	DEC 23	-23	-32	-10	4	0	Tightened
	OCT 23	JAN 24	-30	-44	-13	-6	-35	Tightened
	NOV 23	DEC 23	-8	-15	-7	5	0	Tightened
	NOV 23	JAN 24	-15	-27	-10	-5	-35	Tightened
	DEC 23	JAN 24	-7	-12	-3	-10	-35	Tightened
Atlantic Spread (US-EU)	OCT 23	OCT 23	95	87	55	168	60	Tightened
	NOV 23	NOV 23	150	160	78	135	60	Eased
	DEC 23	DEC 23	167	170	95	133	60	Eased
	JAN 24	JAN 24	155	172	121	126	25	Eased
ARC Spread (Rebar - Scrap)	OCT 23	OCT 23	200.5	197	180	209	292.5	Tightened
	NOV 23	NOV 23	202.5	195	182	204	291.5	Tightened
	DEC 23	DEC 23	196.5	191.5	181.5	201	291.5	Tightened
	JAN 24	JAN 24	197	190	179.5	202	262	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	405	613	369	550	571	Current
	695	390	608	372	542	569	T-1W
	710	430	650	380	550	560	T-1M
	852	460	674	373	546	582	T-3M
	846	465	850	431	624	673	T-6M
	815	400	730	362	600	655	T-12M
	824	472	646	382	679	656	YTD

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