

13/10/2023

Turkish Scrap

Turkish deepsea import ferrous scrap prices continued to drop Oct. 12 as fears of wider conflict in the Middle East weakened sentiment, sources said. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$360/mt CFR Oct. 12, down \$2.50. A Venezuela-origin deal was booked by a Marmara mill Oct. 11, with HMS 1/2 (80:20) at \$356/mt CFR. Market participants largely said that the deal normalized to a premium HMS 1/2 (80:20) equivalent of between \$360-\$361/mt CFR, once agent fees and quality differentials were accounted for. Market participants reported widely ranging bid-offer spreads on the day, as Turkish mills continued to attempt to pressure prices, citing uncertainty over the conflict in the Middle East, but were met with some sell-side resistance. "The mills are in fear of a full-scale war breaking out and including other countries, so they are being overly cautious now. The mills will be bearish until the situation is clearer," a shortsea supplier said. Buyer targets for EU-origin HMS 1/2 (80:20) were shared at \$350/mt CFR, while sellers were heard to target \$355- \$358/mt CFR.

Indicative tradable values for US-origin or premium HMS 1/2 (80:20) were mostly shared between \$360-\$362/mt CFR, while seller targets were shared at the higher prices of \$367-\$368/mt CFR on the day. "I don't think the US sellers will come down to \$360/mt CFR yet, but the mood is very negative due to the war," a Turkish mill source said. "The mills will insist that the US drop [to \$360/mt CFR]," a Turkish trader also said. "We will see who is stronger." Elsewhere, the futures contract for Turkish import ferrous scrap on the London Metal Exchange, which settles basis Platts, was in a soft near-term contango, despite the lack of positive near-term sentiment expressed in the physical markets. Platts assessed the LME October scrap contract at \$366/mt Oct. 12, down \$3.50, while the November contract, at \$367/mt, softened by \$2.50. The December contract dipped \$2.50 to \$375/mt, while the January contracts slid \$4.75 to \$376.25/mt. (Platts)

Market Rates

PRODUCT (WoW = Week on Week)	LAST	CHG	MTD AVG
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt) *CHG 1D*	360.00	-2.50	367.72
Platts Steel Rebar FOB Turkey (\$/mt) *CHG 1D*	562.50	0.00	566.39
US HRC CRU *CHG WoW*	690.00	27.00	676.50

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Oct-23	361	371	366
Nov-23	365	375	370
Dec-23	379	389	384
Q4-23	368	378	373
Q1-24	375	385	382
Q2-24	380	390	385

US HRC USD/short ton			
	Bid	Ask	Value
Oct-23	690	700	695
Nov-23	770	780	775
Dec-23	800	810	805
Q4-23	753	763	758
Q1-24	820	830	825
Q2-24	820	830	827

LME REBAR FOB TK			
	Bid	Ask	Value
Oct-23	560	570	563
Nov-23	556	566	561
Dec-23	568	578	573
Q4-23	560	570	565
Q1-24	575	585	580
Q2-24	580	590	587

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Oct-23	610	620	615
Nov-23	630	640	635
Dec-23	635	645	640
Q4-23	625	635	630
Q1-24	645	655	650
Q2-24	660	670	665

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Oct-23	521	531	526
Nov-23	530	540	535
Dec-23	540	550	545
Q4-23	530	540	535
Q1-24	555	565	558
Q2-24	575	585	581

BUSHELING			
	Bid	Ask	Value
Nov-23	420	430	425
Dec-23	445	455	450
Jan-24	465	475	470
Q1-24	470	480	475
Q2-24	475	485	480
Q3-24	475	485	478

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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	-65	-65	-19	46	-1	Unchanged
	OCT 23	DEC 23	-107	-90	-47	47	-1	Eased
	OCT 23	JAN 24	-117	-104	-76	62	-21	Eased
	NOV 23	DEC 23	-42	-25	-28	1	0	Eased
	NOV 23	JAN 24	-52	-39	-57	16	-20	Eased
	DEC 23	JAN 24	-10	-14	-29	15	-20	Tightened
EU HRC	OCT 23	NOV 23	-13	-12	-11	5	0	Eased
	OCT 23	DEC 23	-12	-21	-21	5	0	Tightened
	OCT 23	JAN 24	-27	-30	-25	4	-35	Tightened
	NOV 23	DEC 23	1	-9	-10	0	0	Tightened
	NOV 23	JAN 24	-14	-18	-14	-1	-35	Tightened
	DEC 23	JAN 24	-15	-9	-4	-1	-35	Eased
Atlantic Spread (US-EU)	OCT 23	OCT 23	77	92	56	202	31	Eased
	NOV 23	NOV 23	129	145	64	161	32	Eased
	DEC 23	DEC 23	172	161	82	160	32	Tightened
	JAN 24	JAN 24	167	166	107	144	17	Tightened
ARC Spread (Rebar - Scrap)	OCT 23	OCT 23	195.5	202	194	203	277	Eased
	NOV 23	NOV 23	195	200.5	190	199	273.5	Eased
	DEC 23	DEC 23	197	195	190.5	201.5	273.5	Tightened
	JAN 24	JAN 24	208.5	195.5	185	201.5	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	696	425	615	367	532	562	Current
	705	425	613	369	550	571	T-1W
	700	435	642	384	558	578	T-1M
	881	475	660	369	556	572	T-3M
	871	485	850	420	620	667	T-6M
	786	400	695	365	586	642	T-12M
	824	460	646	382	679	656	YTD

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