

19/10/2023

Turkish Scrap

Turkish deepsea import ferrous scrap prices were again unchanged on Oct. 18, as sources reported a pause in market activity and mixed near-term price sentiment. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$360/mt CFR Oct. 18, unchanged on day. Indicative tradable values for US/Baltic-origin or premium HMS /2 (80:20) were shared between \$358-\$360/mt CFR and above. Indicative workable values for EU-origin HMS 1/2 (80:20) were mostly shared at \$355-\$356/mt CFR and above, which Platts normalized to a premium HMS 1/2 (80:20) equivalent of \$360- \$361/mt CFR, while Turkish mills targeted the low \$350s/mt CFR. Some buy-side market participants shared softer price sentiment on the day, suggesting that some recyclers in need of a sale would be willing to sell at lower prices. "Yesterday and today feel very different, I am not so sure the recyclers are as firm anymore," a Turkish mill source said. An agent source also shared indicative workable values for EU-origin HMS 1/2 (80:20) at \$350-\$352/mt CFR, and for US-origin HMS 1/2 (80:20) at \$358-\$362/mt CFR, but sell-side market participants were yet to consider this workable for them.

"The market is in a bad condition and the Turkish mills cannot pay much, but it turns out that the suppliers cannot sell lower either. The flows are very slow in the US and in Europe," a second agent source said, citing an indicative tradable value for US-origin HMS 1/2 (80:20) at around \$360/mt CFR. "On the other hand the Turkish mills have barely bought any tonnages for November, so they will need to slow down production if this [situation] continues," the second agent source added. Market participants estimated that the Turkish mills still needed to import approximately 20 cargoes of deepsea HMS to fulfil their November requirements and suggested that deal activity would likely recommence early next week. "This week will be quiet, but I expect a strong couple of weeks to come. The Turkish mills need material and are targeting below \$360/mt CFR but nobody will sell to them at those levels," a trader said. Offers for US-origin HMS 1/2 (80:20) were heard to be rejected by Turkish mills on the day. (Platts; Abdi Salad)

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	0.00	365.35
Platts Steel Rebar FOB Turkey (\$/mt) *CHG 1D*	552.50	-2.50	563.08
US HRC CRU *CHG WoW*	714.00	24.00	689.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Oct-23	358	368	363
Nov-23	360	370	365
Dec-23	378	388	383
Q4-23	365	375	370
Q1-24	382	392	387
Q2-24	383	393	388

US HRC USD/short ton			
	Bid	Ask	Value
Oct-23	698	708	703
Nov-23	775	785	780
Dec-23	815	825	820
Q4-23	763	773	768
Q1-24	830	840	835
Q2-24	840	850	845

LME REBAR FOB TK			
	Bid	Ask	Value
Oct-23	554	564	559
Nov-23	552	562	557
Dec-23	560	570	565
Q4-23	555	565	560
Q1-24	566	576	571
Q2-24	579	589	584

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Oct-23	605	615	612
Nov-23	615	625	620
Dec-23	625	635	630
Q4-23	615	625	621
Q1-24	640	650	647
Q2-24	665	675	670

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Oct-23	528	538	533
Nov-23	530	540	535
Dec-23	541	551	546
Q4-23	533	543	538
Q1-24	558	568	563
Q2-24	562	572	567

BUSHELING			
	Bid	Ask	Value
Nov-23	430	440	435
Dec-23	450	460	455
Jan-24	470	480	475
Q4-23	450	460	455
Q1-24	485	495	490
Q2-24	490	500	495

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com

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	-73	-65	-51	23	1	Eased
	OCT 23	DEC 23	-123	-111	-75	22	0	Eased
	OCT 23	JAN 24	-133	-115	-105	32	-20	Eased
	NOV 23	DEC 23	-50	-46	-24	-1	-1	Eased
	NOV 23	JAN 24	-60	-50	-54	9	-21	Eased
	DEC 23	JAN 24	-10	-4	-30	10	-20	Eased
EU HRC	OCT 23	NOV 23	-7	-16	-10	2	0	Tightened
	OCT 23	DEC 23	-6	-17	-20	2	0	Tightened
	OCT 23	JAN 24	-30	-30	-30	-8	-45	Unchanged
	NOV 23	DEC 23	1	-1	-10	0	0	Tightened
	NOV 23	JAN 24	-23	-14	-20	-10	-45	Eased
	DEC 23	JAN 24	-24	-13	-10	-10	-45	Eased
Atlantic Spread (US-EU)	OCT 23	OCT 23	92	81	50	189	36	Tightened
	NOV 23	NOV 23	158	130	91	168	35	Tightened
	DEC 23	DEC 23	209	175	105	169	36	Tightened
	JAN 24	JAN 24	195	166	125	149	11	Tightened
ARC Spread (Rebar - Scrap)	OCT 23	OCT 23	197	195.5	185	211.5	281.5	Tightened
	NOV 23	NOV 23	194	197.5	184	209.5	279	Eased
	DEC 23	DEC 23	183.5	197	186	209	279	Eased
	JAN 24	JAN 24	180	203.5	184.5	210.5	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	703	445	612	363	531	560	Current
	696	425	615	367	532	562	T-1W
	700	439	635	385	548	570	T-1M
	836	470	649	359	565	571	T-3M
	849	460	843	407	595	650	T-6M
	781	408	700	365	568	647	T-12M
	824	460	646	382	679	656	YTD

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com