

23/10/2023

Turkish Scrap

Turkish deepsea import ferrous scrap prices weakened further on Oct. 20, with more reports of EU-origin deals heard to be booked amid softer HMS collection prices in the Benelux region. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$351.75/mt CFR Oct. 20, down \$5.75 on the day. An EU-origin deal was confirmed as booked on Oct. 19 by an Izmir mill, with HMS 1/2 (80:20) at \$348.50/mt CFR and bonus scrap at \$368.50/mt CFR, for second-half November shipment. Platts normalized the HMS 1/2 (80:20) in the cargo to a premium HMS 1/2 (80:20) equivalent of \$353.50/mt CFR, based on prevailing quality differentials and market feedback. A second EU-origin deal was heard by multiple sources to be booked on Oct. 19 by an Izmir mill, with HMS 1/2 (80:20) at \$345/mt CFR. Platts normalized the deal to a premium HMS 1/2 (80:20) equivalent of \$350/mt CFR, based on prevailing quality differentials and market feedback. The above deals, when normalized to premium HMS 1/2 (80:20) equivalents, averaged to \$351.75/mt CFR. The above deals were largely considered repeatable on the day. "Turkish [ferrous scrap import] prices seem to be softening fast," a UK-based trader said, citing an indicative tradable value for EU-origin HMS 1/2 (80:20) at \$345-\$348/mt CFR as the deals were heard.

The recently lower EU-origin deals came as a surprise to some market participants, who expected the sellside to resist the recent pressure on prices from Turkish mills prior to the deal activity. "I would have considered the level [for premium HMS 1/2 (80:20) at \$355/mt CFR, but given the recently lower deals all the mills are trying to push prices down even further," a second trader said. Indicative tradable values for US/Baltic-origin or premium HMS 1/2 (80:20) largely ranged between \$350-\$355/mt CFR on the day. Market participants suggested that recent declines in HMS collection prices in the Benelux region helped to soften prices for exports into Turkey. HMS collection costs were reported at Eur280-285/mt delivered to the docks, down from Eur290/mt delivered in the last week, with further downside expected in the near-term. Indicative workable values for EU-origin HMS 1/2 (80:20) were largely shared between \$345-\$350/mt CFR, which Platts normalized to a premium HMS 1/2 (80:20) equivalent of \$350-\$355/mt CFR. (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*	351.75	-5.75	363.92
Platts Steel Rebar FOB Turkey (\$/mt) *CHG 1D*	550.00	0.00	561.33
US HRC CRU *CHG WoW*	714.00	24.00	689.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Oct-23	356	362	359
Nov-23	354	360	357
Dec-23	373	379	376
Q4-23	361	367	364
Q1-24	379	385	382
Q2-24	382	388	385

US HRC USD/short ton			
	Bid	Ask	Value
Oct-23	698	708	703
Nov-23	800	810	805
Dec-23	850	860	855
Q4-23	783	793	788
Q1-24	850	860	857
Q2-24	835	845	842

LME REBAR FOB TK			
	Bid	Ask	Value
Oct-23	549	559	554
Nov-23	552	562	557
Dec-23	557	567	562
Q4-23	553	563	558
Q1-24	567	577	572
Q2-24	576	586	581

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	645	655	648
Q2-24	665	675	670

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Oct-23	521	531	526
Nov-23	535	545	540
Dec-23	538	548	543
Q4-23	531	541	536
Q1-24	553	563	558
Q2-24	560	570	565

BUSHELING			
	Bid	Ask	Value
Nov-23	430	440	435
Dec-23	450	460	455
Jan-24	465	475	470
Q4-23	448	458	453
Q1-24	480	490	487
Q2-24	490	500	495

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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	-106	-72	-45	20	0	Eased
	OCT 23	DEC 23	-151	-123	-81	20	-1	Eased
	OCT 23	JAN 24	-154	-133	-113	14	-21	Eased
	NOV 23	DEC 23	-45	-51	-36	0	-1	Tightened
	NOV 23	JAN 24	-48	-61	-68	-6	-21	Tightened
	DEC 23	JAN 24	-3	-10	-32	-6	-20	Tightened
EU HRC	OCT 23	NOV 23	-9	-14	-6	2	0	Tightened
	OCT 23	DEC 23	-35	-24	-27	2	0	Eased
	OCT 23	JAN 24	-40	-31	-45	-8	-45	Eased
	NOV 23	DEC 23	-26	-10	-21	0	0	Eased
	NOV 23	JAN 24	-31	-17	-39	-10	-45	Eased
	DEC 23	JAN 24	-5	-7	-18	-10	-45	Tightened
Atlantic Spread (US-EU)	OCT 23	OCT 23	93	84	100	173	41	Tightened
	NOV 23	NOV 23	190	142	139	155	41	Tightened
	DEC 23	DEC 23	209	183	154	155	42	Tightened
	JAN 24	JAN 24	207	186	168	151	17	Tightened
ARC Spread (Rebar - Scrap)	OCT 23	OCT 23	197	196.5	203	205	278.5	Tightened
	NOV 23	NOV 23	193.5	192.5	194	201.5	276.5	Tightened
	DEC 23	DEC 23	187	194	193	206	276.5	Eased
	JAN 24	JAN 24	186.5	188.5	197.5	206.5	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	360	528	557	Current
	698	445	614	364	528	561	T-1W
	729	450	635	379	558	582	T-1M
	810	470	654	365	563	570	T-3M
	818	435	635	381	573	610	T-6M
	786	415	693	365	568	644	T-12M
	824	460	646	382	679	656	YTD

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