

25/10/2023

Turkish Scrap

Shortsea prices decline sharply on recent deals Turkish deepsea import ferrous scrap prices weakened on Oct. 24 with market participants expressing largely bearish near-term price sentiment as Turkish mills continued to target lower levels. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$350/mt CFR Oct. 24, down \$1.75/mt on the day. Indicative tradable values for premium HMS 1/2 (80:20) largely clustered around \$350/mt CFR on the day. Sources largely described the market as quiet, with formal enquiries from the mills and offers from the sell side heard limited on the day. "Some of the Baltic recyclers are trying to achieve above \$355/mt CFR, but it is not realistic. This is definitely not a seller's market for the time being, the mills will not pay the prices the sellers want," a Baltic recycler said, citing an indicative tradable value for Baltic-origin HMS 1/2 (80:20) between \$350- \$355/mt CFR. The Baltic recycler also said that HMS collection costs remained firm at Eu295/mt delivered to the docks in the Baltic region, which they said was preventing sellers from being able to accept lower Turkish mill targets as yet. Turkish mills were heard targeting as low as \$335/mt CFR for EU-origin HMS 1/2 (80:20) on the day as they continued to pressure prices, but market participants considered this unworkable for the sell side. "If this continues in the market, sellers will have to accept lower prices eventually," a Turkish mill source said, citing a current indicative tradable value for premium HMS 1/2 (80:20) at \$350/mt CFR.

The pressure being applied by Turkish mills was more apparent in the shortsea market, with prices for the material falling further on the week in comparison to Turkish imports of scrap from deepsea exporters. Platts assessed Turkish imports of shortsea scrap at \$316.50/ mt CFR Oct. 24, down \$8.50/mt on the day, with deals for Romania-origin shortsea scrap heard to be booked late in the week to Oct. 20 at between \$316-\$317.50/mt CFR. The outright spread between Turkish imports of premium heavy melting scrap 1/2 (80:20) and shortsea scrap stood at \$33.50/mt CFR Oct. 24, widening from \$30/mt on Oct. 16. "It will be difficult to get the same [price] reaction from deepsea exporters; Turkish mills cannot be as aggressive [with targets] as they can be with shortsea sellers," a Turkish trader said. "The exporters are between a rock and a hard place. We can attribute this decline to the war and short-term market fluctuations for now, but if this continues then it is a sign of very deep problems," a shortsea supplier said, reporting that Turkish mills were now targeting \$310/mt CFR for shortsea scrap, which sellers were resisting. (Abdi Salad; Platts)

Market Rates

PRODUCT (WoW = Week on Week)	LAST	CHG	MTD AVG
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt) *CHG 1D*	350.00	-1.75	362.38
Platts Steel Rebar FOB Turkey (\$/mt) *CHG 1D*	547.50	-2.50	559.85
US HRC CRU *CHG WoW*	714.00	24.00	689.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Oct-23	359	365	362
Nov-23	353	359	356
Dec-23	370	376	373
Q4-23	361	367	364
Q1-24	381	387	384
Q2-24	391	397	394

US HRC USD/short ton			
	Bid	Ask	Value
Nov-23	807	817	812
Dec-23	855	865	860
Jan-24	860	870	865
Q1-24	862	872	867
Q2-24	855	865	862
Q3-24	855	865	860

LME REBAR FOB TK			
	Bid	Ask	Value
Oct-23	549	559	554
Nov-23	550	560	555
Dec-23	557	567	562
Q4-23	552	562	557
Q1-24	568	578	573
Q2-24	582	592	587

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Oct-23	605	615	611
Nov-23	625	635	630
Dec-23	640	650	645
Q4-23	625	635	629
Q1-24	655	665	658
Q2-24	665	675	670

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Oct-23	526	536	531
Nov-23	540	550	545
Dec-23	553	563	558
Q4-23	540	550	545
Q1-24	557	567	562
Q2-24	564	574	569

BUSHELING			
	Bid	Ask	Value
Nov-23	435	445	440
Dec-23	460	470	465
Jan-24	465	475	470
Q1-24	487	497	492
Q2-24	500	510	505
Q3-24	500	510	503

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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	NOV 23	DEC 23	-55	-48	-36	-3	-10	Eased
	NOV 23	JAN 24	-62	-50	-71	-8	-30	Eased
	NOV 23	FEB 24	-44	-50	-79	-8	-48	Tightened
	DEC 23	JAN 24	-7	-2	-35	-5	-20	Eased
	DEC 23	FEB 24	11	-2	-43	-5	-38	Tightened
	JAN 24	FEB 24	18	0	-8	0	-18	Tightened
EU HRC	NOV 23	DEC 23	-17	-5	-6	2	0	Eased
	NOV 23	JAN 24	-35	-23	-30	-1	0	Eased
	NOV 23	FEB 24	-45	-32	-43	4	-45	Eased
	DEC 23	JAN 24	-18	-18	-24	-3	0	Unchanged
	DEC 23	FEB 24	-28	-27	-37	2	-45	Eased
	JAN 24	FEB 24	-10	-9	-13	5	-45	Eased
Atlantic Spread (US-EU)	NOV 23	NOV 23	185	161	149	140	25	Tightened
	DEC 23	DEC 23	222	191	161	140	35	Tightened
	JAN 24	JAN 24	219	184	183	150	10	Tightened
	FEB 24	FEB 24	191	178	173	150	28	Tightened
ARC Spread (Rebar - Scrap)	NOV 23	NOV 23	198.5	197.5	182	198.5	277.5	Tightened
	DEC 23	DEC 23	189	183.5	187	197.5	277.5	Tightened
	JAN 24	JAN 24	186	180.5	187.5	200	262	Tightened
	FEB 24	FEB 24	188	184	190.5	196	267	Tightened

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	812	445	611	359	531	553	Current
	778	445	612	363	531	560	T-1W
	759	429	631	372	540	561	T-1M
	797	475	655	365	575	565	T-3M
	786	420	842	389	566	612	T-6M
	770	420	690	358	560	638	T-12M
	824	460	646	382	679	656	YTD

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