

26/10/2023

Turkish Scrap

Turkish deepsea import ferrous scrap prices were stable on Oct. 25, as sources reported a wide bid-offer spread in the market on the day. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$350/mt CFR Oct. 25, unchanged on day. While indicative tradable values premium HMS 1/2 (80:20) remained largely clustered around \$350/mt CFR on the day, buyer targets and bids for HMS 1/2 (80:20) were reported between \$330-\$350/mt CFR and seller targets were shared between \$355-\$375/mt CFR, as mills and recyclers targeted starkly different levels. "Nobody is really happy with what is going on in the market and a lot of people are prepared to lose money [on their next deal] at this point," an agent source said, citing that US recyclers would be willing to sell at just below \$355/mt CFR, but that mills recently bid \$350/mt CFR without success. Bids for Venezuela-origin HMS 1/2 (80:20) made on Oct. 25 were reported at \$330-\$335/mt CFR, which was considered unworkable for the seller, as buyside pressure on recyclers continued.

"The problem for Turkey is sales volume. They have been selling rebar at cheaper prices and it means they need scrap to drop to \$340-\$345/mt CFR, but the recyclers will not go that low," an EU mill source said. Platts assessed Turkish exported rebar at \$547.50/mt FOB on Oct. 25, stable on day, with Turkish mills reported to have achieved rebar sales to Europe and the Caribbean at between \$540-\$545/mt FOB in recent weeks. "The philosophy of the steel mills is the same: if there is a downward trend in rebar sales prices, scrap pricing should be lower," a Turkish mill source said. A second Turkish mill source shared an indicative workable value for US/Baltic-origin HMS 1/2 (80:20) at \$345/mt CFR. The outright scrap-rebar spread currently stands at \$197.50/mt Oct. 25, just shy of the \$200/mt target generally shared by the market. A Turkish trader expressed bearish price sentiment in the near-term due to the recently lower rebar sales by the Turkish mills, but suggested the scrap market could be close to bottoming. A second agent source, however, had a bullish outlook for the scrap market, suggesting that prices of premium HMS 1/2 (80:20) could recover by \$5/mt in the near-term because of a lack of offers at the mill's current targets. Elsewhere, a Baltic recycler reconfirmed current HMS collection costs in their region at Eur295/mt delivered to the docks. "The [sub]suppliers are not following the downtrend trend in their offers as quickly as prices have dropped in Turkey, and it is holding up collection prices here," the Baltic recycler said. (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	0.00	361.69
Platts Steel Rebar FOB Turkey (\$/mt) *CHG 1D*	547.50	0.00	559.17
US HRC CRU *CHG WoW*	742.00	28.00	702.25

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Oct-23	356	362	359
Nov-23	350	356	353
Dec-23	366	372	369
Q4-23	357	363	360
Q1-24	377	383	380
Q2-24	387	393	390

US HRC USD/short ton			
	Bid	Ask	Value
Nov-23	825	835	830
Dec-23	895	905	900
Jan-24	900	910	905
Q1-24	893	903	898
Q2-24	860	870	865
Q3-24	860	870	865

LME REBAR FOB TK			
	Bid	Ask	Value
Oct-23	549	559	554
Nov-23	547	557	552
Dec-23	555	565	560
Q4-23	550	560	555
Q1-24	567	577	572
Q2-24	581	591	586

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Oct-23	625	635	630
Nov-23	640	650	645
Dec-23	645	655	650
Q4-23	635	645	642
Q1-24	660	670	665
Q2-24	665	675	672

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Oct-23	526	536	531
Nov-23	539	549	544
Dec-23	552	562	557
Q4-23	539	549	544
Q1-24	555	565	560
Q2-24	567	577	572

BUSHELING			
	Bid	Ask	Value
Nov-23	440	450	445
Dec-23	465	475	470
Jan-24	480	490	485
Q1-24	492	502	497
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	-64	-57	-39	-5	-1	Eased
	NOV 23	JAN 24	-64	-55	-70	-11	-21	Eased
	NOV 23	FEB 24	-59	-45	-70	-11	-39	Eased
	DEC 23	JAN 24	0	2	-31	-6	-20	Eased
	DEC 23	FEB 24	5	12	-31	-6	-38	Eased
	JAN 24	FEB 24	5	10	0	0	-18	Eased
EU HRC	NOV 23	DEC 23	-25	-13	-15	0	0	Eased
	NOV 23	JAN 24	-42	-33	-30	0	0	Eased
	NOV 23	FEB 24	-45	-38	-45	-5	-28	Eased
	DEC 23	JAN 24	-17	-20	-15	0	0	Tightened
	DEC 23	FEB 24	-20	-25	-30	-5	-28	Tightened
	JAN 24	FEB 24	-3	-5	-15	-5	-28	Tightened
Atlantic Spread (US-EU)	NOV 23	NOV 23	192	185	140	120	17	Tightened
	DEC 23	DEC 23	239	222	164	125	18	Tightened
	JAN 24	JAN 24	236	215	180	126	10	Tightened
	FEB 24	FEB 24	226	198	165	116	28	Tightened
ARC Spread (Rebar - Scrap)	NOV 23	NOV 23	195	195	184.5	200.5	260.5	Unchanged
	DEC 23	DEC 23	193.5	188	188	201	260.5	Tightened
	JAN 24	JAN 24	193	187	186.5	200.5	262	Tightened
	FEB 24	FEB 24	193	186	191	203.5	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	827	445	610	361	531	555	Current
	810	445	612	363	532	558	T-1W
	755	430	632	372	542	564	T-1M
	790	475	654	370	580	570	T-3M
	788	420	842	397	566	619	T-6M
	779	415	692	358	552	626	T-12M
	824	460	646	382	679	656	YTD

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