

**30/10/2023**

## Turkish Scrap

Turkish deepsea import ferrous scrap prices rose Oct. 27 after recent deals were concluded at higher levels, despite concerns over mill profit margins given recently lower rebar sales for export. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$357.50/mt CFR on Oct. 27, up \$5.50/mt on the day, according to indications from mills, traders, agents and recyclers. An EU-origin deal was confirmed booked Oct. 26 by an Izmir mill with HMS 1/2 (80:20) at \$352.50/mt CFR and bonus scrap at \$372.50/mt CFR. Platts normalized the deal to a premium HMS 1/2 (80:20) equivalent of \$357.50/mt CFR, based on prevailing quality differentials and market feedback. The Izmir mill also booked a US-origin deal Oct. 26 with HMS 1/2 (80:20) at \$358/mt CFR. A second US-origin deal was also confirmed booked Oct. 26 by a Marmara mill with HMS 1/2 (80:20) at \$356.75/mt CFR and shredded and bonus scrap at \$376.50/mt CFR. The above deals when normalized to a premium HMS 1/2 (80:20) equivalent averaged close to \$357.50/mt CFR on the day. A Croatia-origin deal was also booked Oct. 26 by the Izmir mill with 25,000 mt of HMS 1/2 (80:20) at \$345/mt CFR. Sell-side sentiment strengthened on the day. Market participants considered the deals repeatable and shared workable level indications at \$352.50/mt CFR for EU-origin HMS 1/2 (80:20) and \$357-\$358/mt CFR for US-origin HMS 1/2 (80:20) following reports of the deals.

US sell-side sentiment also improved after a tentative labor agreement between the United Auto Workers union and Ford, which has asked workers to return to work at the carmaker's US facilities more than a month after strike actions first began. The tentative agreement, announced late Oct. 25, still has to be ratified by union membership. A ratification vote is scheduled for Oct. 29. According to an analysis by S&P Global Mobility, as of the week ended Oct. 22, about 150,000 units of production have been lost due to the respective plant strikes. A US trader said the agreement would improve demand for US domestic ferrous scrap and could serve as a possible catalyst for an up-trend in prices soon. However, the buy-side was apprehensive over the mills' ability to pay higher prices for scrap with rebar prices still low. Market participants said Turkish mills could lose demand for rebar domestically as they hiked offers in response to higher import scrap prices.

Platts assessed Turkish exported rebar at \$545/mt FOB on Oct. 27, up \$2.50/mt on the day but down from \$570/mt FOB on Oct. 3. Rebar offers from the Turkish mills were heard at higher levels in the \$560-\$590/mt FOB range. "Some mills are already declaring [rebar offers at] \$570/mt ex-works. The only positive thing is the weather is good locally, so construction will [likely] continue countrywide," an agent source said. "This jump [in scrap prices] was unexpected, I have no doubt that it will not last long," a Turkish mill source said. Shortsea prices also recovered as the week drew to a close. Platts assessed Turkish imports of shortsea scrap at \$322/mt CFR on Oct. 27, up \$3.50/mt on the day. A deal for Romania-origin shortsea bonus scrap was heard booked at \$354/mt CFR on Oct. 26, which an agent source netted back to an HMS 1/2 (80:20) equivalent of \$324/mt CFR. Indicative tradable values for shortsea scrap were shared in the \$320-\$324/mt CFR range Oct. 27. "It is either the market is improving, or the mills have no choice but to import at higher prices and buy whatever they can. The mills may have concluded that there will be more demand soon," a shortsea supplier said. (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*	357.50	5.50	361.00
Platts Steel Rebar FOB Turkey (\$/mt) *CHG 1D*	545.00	2.50	557.63
US HRC CRU *CHG WoW*	742.00	28.00	702.25

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Oct-23	357	363	360
Nov-23	369	375	372
Dec-23	381	387	384
Q4-23	369	375	372
Q1-24	384	390	387
Q2-24	387	393	390

US HRC USD/short ton			
	Bid	Ask	Value
Nov-23	865	875	870
Dec-23	965	975	970
Jan-24	965	975	970
Q1-24	948	958	953
Q2-24	900	910	905
Q3-24	890	900	897

LME REBAR FOB TK			
	Bid	Ask	Value
Oct-23	554	564	559
Nov-23	561	571	566
Dec-23	569	579	574
Q4-23	561	571	566
Q1-24	578	588	583
Q2-24	585	595	590

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Oct-23	605	615	610
Nov-23	650	660	655
Dec-23	670	680	675
Q4-23	640	650	647
Q1-24	665	675	670
Q2-24	675	685	680

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Oct-23	529	539	534
Nov-23	545	555	550
Dec-23	554	564	559
Q4-23	542	552	547
Q1-24	557	567	562
Q2-24	565	575	570

BUSHELING			
	Bid	Ask	Value
Nov-23	437	447	442
Dec-23	465	475	470
Jan-24	475	485	480
Q1-24	495	505	500
Q2-24	520	530	525
Q3-24	515	525	518

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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	-114	-53	-20	0	-1	Eased
	NOV 23	JAN 24	-119	-54	-40	-6	-21	Eased
	NOV 23	FEB 24	-91	-49	-45	-11	-39	Eased
	DEC 23	JAN 24	-5	-1	-20	-6	-20	Eased
	DEC 23	FEB 24	23	4	-25	-11	-38	Tightened
	JAN 24	FEB 24	28	5	-5	-5	-18	Tightened
EU HRC	NOV 23	DEC 23	-35	-9	-25	0	0	Eased
	NOV 23	JAN 24	-45	-26	-35	5	0	Eased
	NOV 23	FEB 24	-49	-36	-54	-5	-45	Eased
	DEC 23	JAN 24	-10	-17	-10	5	0	Tightened
	DEC 23	FEB 24	-14	-27	-29	-5	-45	Tightened
	JAN 24	FEB 24	-4	-10	-19	-10	-45	Tightened
Atlantic Spread (US-EU)	NOV 23	NOV 23	215	190	170	115	34	Tightened
	DEC 23	DEC 23	319	226	180	120	35	Tightened
	JAN 24	JAN 24	320	217	181	116	10	Tightened
	FEB 24	FEB 24	296	204	175	121	28	Tightened
ARC Spread (Rebar - Scrap)	NOV 23	NOV 23	186.5	197.5	188.5	203	260	Eased
	DEC 23	DEC 23	189	183	191	203	260	Tightened
	JAN 24	JAN 24	195	191.5	191.5	197	262	Tightened
	FEB 24	FEB 24	195	192.5	189	198	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	866	442	610	359	535	561	Current
	810	445	611	360	526	555	T-1W
	795	435	631	378	548	573	T-1M
	780	465	654	371	585	573	T-3M
	795	420	841	389	575	618	T-6M
	779	405	693	369	559	631	T-12M
	824	460	646	382	679	656	YTD

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