

08/11/2023

Turkish Scrap

Turkish deepsea import ferrous scrap prices inched down slightly Nov. 7, as Turkish mills turned to the domestic scrap trade to alleviate upward pressure on import prices, sources said. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$372/mt CFR Nov. 7, down 50 cents/mt on day. Indicative tradable values for US/Baltic-origin or premium HMS 1/2 (80:20) were shared between \$370-\$372/mt CFR and largely clustered at around \$372/mt CFR on the day. Sell-side sentiment remained bullish on the day, with a Baltic recycler sharing an indicative offer at \$380/mt CFR and noting that they would wait until next week if they were not able to achieve that price as yet, despite sharing a workable level at \$370/mt CFR considering current freight rates, exchange rates and collection costs in the region. An offer for US-origin HMS 1/2 (80:20) was also reported at \$380/mt CFR on the day. However, the Turkish mills began to express caution, as they reportedly struggled to generate rebar sales at higher prices in the domestic market. "I can understand the sellers with strong offers, but the domestic rebar market cannot support higher scrap prices.

Everyone should be cautious because if costs get too high, the market will become quiet all over again," a Turkish mill source said, reporting that domestic rebar sales were limited at \$575/mt EXW and that recently reported deals booked to Romania and Bulgaria at \$550/mt FOB were for small tonnages. Platts assessed Turkish exported rebar at \$560/mt FOB on Nov. 7, stable on day, but up \$12.50/mt from Oct. 31, as mills increased their offers in response to elevated import scrap prices, despite weak demand. "The sellers are pushing for these higher prices, but in the long-term, upward pricing does not seem sustainable to me. The mills have bought what they need already, and I expect the days to come to be quiet," a second Turkish mill source said, citing an indicative tradable value at \$370/mt CFR, and a near-term indication at below this level. The mills were also heard to turn to the domestic market to attempt to fulfil remaining prompt scrap requirements, with bids for domestic HMS 1 reported at around Lira10,000/mt delivered to the mill, or approximately \$350-\$355/mt delivered. "The mills are increasing their bids to collect domestically, because they are not keen on paying \$375/mt CFR [for deepsea imports of HMS 1/2 (80:20)]," a Turkish trader said, citing an indicative tradable value for premium HMS 1/2 (80:20) at between \$371-\$372/mt CFR. "However, the quantities they can secure domestically is questionable," the trader continued, "imported scrap will probably test \$375-\$380/mt CFR," the trader added. (Platts)

Market Rates

PRODUCT (WoW = Week on Week)	LAST	CHG	MTD AVG
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt) *CHG 1D*	372.00	-0.50	369.90
Platts Steel Rebar FOB Turkey (\$/mt) *CHG 1D*	560.00	0.00	557.50
US HRC CRU *CHG WoW*	802.00	60.00	802.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Nov-23	375	381	378
Dec-23	395	401	398
Jan-24	399	405	402
Q1-24	400	406	403
Q2-24	402	408	405
Q3-24	404	410	407

US HRC USD/short ton			
	Bid	Ask	Value
Nov-23	890	900	895
Dec-23	1045	1055	1050
Jan-24	1055	1065	1060
Q1-24	1020	1030	1025
Q2-24	910	920	916
Q3-24	870	880	875

LME REBAR FOB TK			
	Bid	Ask	Value
Nov-23	562	572	567
Dec-23	579	589	584
Jan-24	591	601	596
Q1-24	593	603	598
Q2-24	598	608	603
Q3-24	602	612	607

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Nov-23	645	655	650
Dec-23	690	700	695
Jan-24	700	710	705
Q1-24	715	725	718
Q2-24	715	725	722
Q3-24	730	740	735

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Nov-23	542	552	547
Dec-23	575	585	580
Jan-24	585	595	590
Q1-24	586	596	591
Q2-24	593	603	598
Q3-24	595	605	600

BUSHELING			
	Bid	Ask	Value
Nov-23	445	455	450
Dec-23	495	505	500
Jan-24	515	525	520
Q1-24	523	533	528
Q2-24	525	535	530
Q3-24	520	530	525

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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	-152	-112	-25	-10	0	Eased
	NOV 23	JAN 24	-168	-112	-39	-20	-25	Eased
	NOV 23	FEB 24	-147	-87	-40	-21	-25	Eased
	DEC 23	JAN 24	-16	0	-14	-10	-25	Eased
	DEC 23	FEB 24	5	25	-15	-11	-25	Eased
	JAN 24	FEB 24	21	25	-1	-1	0	Eased
EU HRC	NOV 23	DEC 23	-40	-30	-9	-6	-5	Eased
	NOV 23	JAN 24	-50	-28	-18	-12	-45	Eased
	NOV 23	FEB 24	-60	-36	-20	-10	-45	Eased
	DEC 23	JAN 24	-10	2	-9	-6	-40	Eased
	DEC 23	FEB 24	-20	-6	-11	-4	-40	Eased
	JAN 24	FEB 24	-10	-8	-2	2	0	Eased
Atlantic Spread (US-EU)	NOV 23	NOV 23	230	216	145	105	15	Tightened
	DEC 23	DEC 23	342	298	161	109	10	Tightened
	JAN 24	JAN 24	348	300	166	113	-5	Tightened
	FEB 24	FEB 24	317	267	165	116	-5	Tightened
ARC Spread (Rebar - Scrap)	NOV 23	NOV 23	187	188	200.5	193.5	269.5	Eased
	DEC 23	DEC 23	177.5	187	195	193.5	268.5	Eased
	JAN 24	JAN 24	194.5	193.5	195.5	193	268.5	Tightened
	FEB 24	FEB 24	195	193.5	196.5	190	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	885	443	660	375	550	567	Current
	883	450	667	377	555	565	T-1W
	770	425	613	370	550	571	T-1M
	755	450	625	368	566	561	T-3M
	789	435	760	381	555	596	T-6M
	760	405	650	358	562	628	T-12M
	824	460	646	385	673	650	YTD

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