

09/11/2023

Turkish Scrap

Turkish deepsea import ferrous scrap prices inched up Nov. 8 as market participants were largely expecting a further price upside in the near term, while Baltic-origin deals were reported as booked on the day. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$373.50/mt CFR Nov. 8, up \$1.50/mt day on day. A Baltic-origin deal was confirmed as booked Nov. 8 by a Marmara mill, with HMS 1/2 (80:20) at \$373/mt CFR for December shipment. A second Baltic-origin deal was heard to be booked Nov. 8 by a Samsun mill, with HMS 1/2 (80:20) at \$377/mt CFR. Platts normalized the deal to a premium HMS 1/2 (80:20) equivalent of \$374/mt CFR, based on market feedback on freight rate premiums for deals to Samsun being reported in a range of \$2- \$4/mt on the day. The two deals, when normalized to a premium HMS 1/2 (80:20) equivalent, averaged to \$373.50/mt CFR. Indicative tradable values for US/Baltic-origin HMS 1/2 (80:20) were mostly shared between \$373-\$375/mt CFR on the day. "The US recyclers are very confident they will be able to achieve more than \$375/mt CFR this week," an agent source said, as offers for US-origin HMS 1/2 (80:20) continued to be heard at \$380/mt CFR on the day. A second agent source shared an indicative near-term tradable value for premium HMS 1/2 (80:20) at \$380/mt CFR. "There are solid foundational reasons for scrap prices to stay high," a trader said. "Demand for flat steel has improved in the US due to the end of the UAW strikes, and prices are increasing daily. There is less pressure on the US recyclers to export scrap."

Market optimism in the US continued to be boosted by the recent announcements of tentative labor agreements between the United Auto Workers union and Ford, General Motors and Stellantis. Since the agreements, Platts assessed US hot-rolled coil at \$900/st on an ex-works Indiana basis Nov. 7, up from \$810/st Nov. 1, just a week prior. "Scrap prices typically increase in the winter due to seasonality as well," the trader said. HMS collection prices in the Benelux region were heard to increase to Eur300/mt delivered to the docks. An EU recycler shared an indicative workable value for EU-origin HMS 1/2 (80:20) at between \$365-\$370/mt CFR. Elsewhere, Platts assessed Turkish imports of shortsea scrap at \$349.75/mt CFR Nov. 8, up \$1.25/mt day on day, with a deal for Romania-origin material heard to be booked at this level Nov. 7. The futures contract for Turkish import ferrous scrap on the London Metal Exchange, which settles basis Platts, strengthened its contango, highlighting bullish price expectations from futures traders. Platts assessed the LME November scrap contract at \$380.50/mt Nov. 8, up \$4/mt on the day, with the December contract also strengthening by \$5/mt on the day to \$397.50/mt. The January contract also increased on the day, climbing \$4.50/mt to \$397.50/mt Nov. 8, while the February contract was stable on the day at \$398/mt. (Platts)

Market Rates

| PRODUCT (WoW = Week on Week) | LAST | CHG | MTD AVG |
|--|--------|-------|---------|
| Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt) *CHG 1D* | 373.50 | 1.50 | 370.50 |
| Platts Steel Rebar FOB Turkey (\$/mt) *CHG 1D* | 562.50 | 2.50 | 558.33 |
| US HRC CRU *CHG WoW* | 853.00 | 51.00 | 827.50 |

| LME HMS 80:20 CFR TK | | | |
|----------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Nov-23 | 384 | 390 | 387 |
| Dec-23 | 395 | 401 | 398 |
| Jan-24 | 395 | 401 | 398 |
| Q1-24 | 397 | 403 | 400 |
| Q2-24 | 399 | 405 | 402 |
| Q3-24 | 403 | 409 | 406 |

| US HRC USD/short ton | | | |
|----------------------|------|------|-------|
| | Bid | Ask | Value |
| Nov-23 | 887 | 897 | 892 |
| Dec-23 | 1035 | 1045 | 1040 |
| Jan-24 | 1045 | 1055 | 1050 |
| Q1-24 | 1012 | 1022 | 1017 |
| Q2-24 | 920 | 930 | 925 |
| Q3-24 | 875 | 885 | 880 |

| LME REBAR FOB TK | | | |
|------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Nov-23 | 563 | 573 | 568 |
| Dec-23 | 583 | 593 | 588 |
| Jan-24 | 595 | 605 | 600 |
| Q1-24 | 600 | 610 | 605 |
| Q2-24 | 605 | 615 | 610 |
| Q3-24 | 606 | 616 | 611 |

| NWE HRC EUR/metric ton | | | |
|------------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Nov-23 | 665 | 675 | 670 |
| Dec-23 | 705 | 715 | 710 |
| Jan-24 | 725 | 735 | 730 |
| Q1-24 | 735 | 745 | 740 |
| Q2-24 | 735 | 745 | 742 |
| Q3-24 | 760 | 770 | 765 |

| LME HRC FOB TIANJIN CHINA USD/mt | | | |
|----------------------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Nov-23 | 550 | 560 | 555 |
| Dec-23 | 580 | 590 | 585 |
| Jan-24 | 588 | 598 | 593 |
| Q1-24 | 590 | 600 | 595 |
| Q2-24 | 598 | 608 | 603 |
| Q3-24 | 596 | 606 | 601 |

| BUSHELING | | | |
|-----------|-----|-----|-------|
| | Bid | Ask | Value |
| Nov-23 | 440 | 450 | 445 |
| Dec-23 | 495 | 505 | 500 |
| Jan-24 | 515 | 525 | 520 |
| Q1-24 | 522 | 532 | 527 |
| Q2-24 | 530 | 540 | 535 |
| Q3-24 | 525 | 535 | 530 |

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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 | -155 | -110 | -32 | -16 | 0 | Eased |
| | NOV 23 | JAN 24 | -153 | -108 | -36 | -26 | -25 | Eased |
| | NOV 23 | FEB 24 | -129 | -84 | -41 | -26 | -25 | Eased |
| | DEC 23 | JAN 24 | 2 | 2 | -4 | -10 | -25 | Unchanged |
| | DEC 23 | FEB 24 | 26 | 26 | -9 | -10 | -25 | Unchanged |
| | JAN 24 | FEB 24 | 24 | 24 | -5 | 0 | 0 | Unchanged |
| EU HRC | NOV 23 | DEC 23 | -35 | -40 | -5 | -5 | -5 | Tightened |
| | NOV 23 | JAN 24 | -70 | -35 | -14 | -17 | -60 | Eased |
| | NOV 23 | FEB 24 | -65 | -43 | -16 | -20 | -60 | Eased |
| | DEC 23 | JAN 24 | -35 | 5 | -9 | -12 | -55 | Eased |
| | DEC 23 | FEB 24 | -30 | -3 | -11 | -15 | -55 | Eased |
| | JAN 24 | FEB 24 | 5 | -8 | -2 | -3 | 0 | Tightened |
| Atlantic Spread (US-EU) | NOV 23 | NOV 23 | 222 | 227 | 144 | 94 | 20 | Eased |
| | DEC 23 | DEC 23 | 342 | 297 | 171 | 105 | 15 | Tightened |
| | JAN 24 | JAN 24 | 305 | 300 | 166 | 103 | -15 | Tightened |
| | FEB 24 | FEB 24 | 286 | 268 | 169 | 100 | -15 | Tightened |
| ARC Spread (Rebar - Scrap) | NOV 23 | NOV 23 | 180 | 188 | 204 | 192 | 267.5 | Eased |
| | DEC 23 | DEC 23 | 191 | 191 | 197.5 | 190.5 | 265.5 | Unchanged |
| | JAN 24 | JAN 24 | 200.5 | 194 | 192.5 | 191.5 | 265.5 | Tightened |
| | FEB 24 | FEB 24 | 210.5 | 198 | 190.5 | 192 | 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 | 892 | 443 | 670 | 382 | 555 | 569 | Current |
| | 882 | 450 | 655 | 372 | 552 | 560 | T-1W |
| | 779 | 425 | 618 | 371 | 540 | 575 | T-1M |
| | 749 | 455 | 629 | 373 | 569 | 565 | T-3M |
| | 790 | 435 | 764 | 376 | 556 | 603 | T-6M |
| | 750 | 400 | 641 | 360 | 568 | 628 | T-12M |
| | 824 | 460 | 646 | 385 | 673 | 650 | YTD |

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