

**10/11/2023**

## Turkish Scrap

Turkish deep-sea import ferrous scrap prices climbed further Nov. 9, with sources suggesting recent price increases could be driven by supply-side fundamentals with more deals booked on Nov. 8. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$377/mt CFR Nov. 9, up \$3.50/mt on day. A Baltic-origin deal was confirmed as booked on Nov. 8 at \$377/mt CFR by a Marmara mill, with HMS 1/2 (80:20) at \$377/mt CFR for December shipment. An EU-origin deal totaling 40,000 mt was confirmed as booked on Nov. 8 by a Turkish mill, with HMS 1/2 (80:20) at \$372/mt CFR. Platts normalized the cargo to a premium HMS 1/2 (80:20) equivalent of \$377/mt CFR, based on prevailing market feedback on quality differentials. Market participants shared indicative tradable values for premium or US/Baltic-origin HMS 1/2 (80:20) which largely clustered at around \$377/mt CFR, having considered the above deals repeatable on the day. A reported Croatia-origin deal was also heard to be booked by a Marmara mill, with HMS 1/2 (80:20) at \$363/mt CFR, but there was a lack of consensus on a premium HMS 1/2 (80:20) equivalent for the cargo. Sources suggested that the continued increase in scrap prices was likely due to tight supply of ferrous scrap globally, and reported little change in demand side fundamentals for Turkish finished steel that could have affected scrap prices.

“There haven’t been many active sales [of rebar] leading to aggressive demand [for scrap],” a Turkish mill source said. Platts assessed Turkish exported rebar at \$560/mt FOB on Nov. 9, down \$2.50 on day, with market participants reporting limited sales during the week. “The market dynamics have indeed changed, but I am a little cautious as I still see little exports from Turkey. There is zero interest in rebar [at the prices they offer],” an EU trader said, citing their feeling that premium HMS 1/2 (80:20) prices were closer to \$373-\$374/mt CFR given the lack of rebar sales. However, on the sell-side, US ferrous scrap prices maintained their upward trajectory during the traditional buy-week for November-delivered cargoes, with a lack of available volumes of shredded scrap reported as the buy-week progressed. “The US domestic market is tight on scrap; supply just isn’t there unless prices move even higher. If demand on the Turkish side also improved, then scrap prices would really jump, but I don’t see that happening,” a US recycler said, citing that they would consider exporting HMS 1/2 (80:20) to Turkey at \$400/mt CFR and above. Heavy melting scrap 1/2 prices were assessed at \$340-\$360/mt delivered Midwest Nov. 8, unchanged from Nov. 7 but, up from \$330-\$350/mt delivered Nov. 6. Elsewhere, shortsea prices also climbed sharply Nov 9, with a deal for Romania-origin material heard to be booked at \$359/mt CFR. Platts assessed Turkish imports of shortsea scrap at \$359/mt CFR Nov. 9, up \$9.25/mt on day, in line with the reported deal. (Platts)

# Market Rates

PRODUCT (WoW = Week on Week)	LAST	CHG	MTD AVG
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt) *CHG 1D*	377.00	3.50	371.43
Platts Steel Rebar FOB Turkey (\$/mt) *CHG 1D*	560.00	-2.50	558.57
US HRC CRU *CHG WoW*	853.00	51.00	827.50

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Nov-23	383	389	386
Dec-23	399	405	402
Jan-24	400	406	403
Q1-24	400	406	403
Q2-24	404	410	407
Q3-24	409	415	412

US HRC USD/short ton			
	Bid	Ask	Value
Nov-23	885	895	890
Dec-23	1020	1030	1025
Jan-24	1035	1045	1040
Q1-24	1005	1015	1010
Q2-24	905	915	910
Q3-24	855	865	862

LME REBAR FOB TK			
	Bid	Ask	Value
Nov-23	562	572	567
Dec-23	579	589	584
Jan-24	586	596	591
Q1-24	594	604	599
Q2-24	605	615	610
Q3-24	607	617	612

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Nov-23	655	665	660
Dec-23	690	700	695
Jan-24	710	720	715
Q1-24	715	725	722
Q2-24	720	730	725
Q3-24	735	745	740

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Nov-23	545	555	550
Dec-23	578	588	583
Jan-24	593	603	598
Q1-24	594	604	599
Q2-24	598	608	603
Q3-24	598	608	603

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	515	525	520

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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	-135	-115	-34	-12	0	Eased
	NOV 23	JAN 24	-152	-115	-40	-19	-25	Eased
	NOV 23	FEB 24	-115	-87	-37	-18	-25	Eased
	DEC 23	JAN 24	-17	0	-6	-7	-25	Eased
	DEC 23	FEB 24	20	28	-3	-6	-25	Eased
	JAN 24	FEB 24	37	28	3	1	0	Tightened
EU HRC	NOV 23	DEC 23	-30	-29	-7	-5	-5	Eased
	NOV 23	JAN 24	-55	-34	-15	-17	-60	Eased
	NOV 23	FEB 24	-65	-34	-17	-20	-60	Eased
	DEC 23	JAN 24	-25	-5	-8	-12	-55	Eased
	DEC 23	FEB 24	-35	-5	-10	-15	-55	Eased
	JAN 24	FEB 24	-10	0	-2	-3	0	Eased
Atlantic Spread (US-EU)	NOV 23	NOV 23	230	197	141	101	30	Tightened
	DEC 23	DEC 23	335	283	168	108	25	Tightened
	JAN 24	JAN 24	327	278	166	103	-5	Tightened
	FEB 24	FEB 24	280	250	161	99	-5	Tightened
ARC Spread (Rebar - Scrap)	NOV 23	NOV 23	180.5	181.5	202	195.5	262.5	Eased
	DEC 23	DEC 23	190	181	193	192.5	260.5	Tightened
	JAN 24	JAN 24	191	193.5	196	198	260.5	Eased
	FEB 24	FEB 24	205.5	195	196.5	189.5	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	889	444	660	382	550	585	Current
	873	440	676	378	547	580	T-1W
	775	425	617	368	532	570	T-1M
	761	463	630	373	569	569	T-3M
	789	435	755	375	556	608	T-6M
	760	400	637	365	560	628	T-12M
	824	460	646	385	673	650	YTD

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