

06/12/2023

Turkish Scrap

Turkish deepsea import ferrous scrap prices increased Dec. 5, with sentiment remaining bullish due to a reported need for a further 10-15 cargoes for January shipment amid an active domestic rebar market, sources said. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$415/mt CFR Dec. 5, up \$2/mt on the day. Indicative tradable values for US/Baltic-origin or premium HMS 1/2 (80:20) were shared between \$410-\$420/mt CFR on the day, while seller targets and offers for US-origin HMS 1/2 (80:20) were heard to reach \$420-\$430/mt CFR. Various market sources expected prices to reach \$420/mt CFR in the near term, considering that current scrap prices were workable for recent domestic rebar sales. Strong interest in rebar was reported domestically with recent deals heard to be booked \$615-\$620/mt ex-works in Iskenderun and Marmara. A Turkish mill source also suggested that the mills would need to purchase cargoes for January and H1 February shipment before the end of the year, estimating that a total of 25-30 cargoes would need to be booked within 3-4 weeks, adding to the upward price pressure. "How will the mills be able to slow down the price [increases] if they still need 10-15 cargoes for January," a trader said, suggesting that the mills also face the pressure of holiday periods in December which would give them a shorter window of time to book the required cargoes within. Elsewhere, HMS collection costs in the Baltic region were reported at Eur320-325/mt delivered to the docks Dec. 5. (Platts; Abdi Salad)

US HRC

Platts assessed the daily TSI US hot-rolled coil index at \$1,090/st on an ex-works Indiana basis on Dec. 5, up \$90/st from the previous assessment.

A trader heard offers at \$1,100/st ex-works from Midwest mills and a transaction at \$1,100/st ex-works for 200 st from a Midwest mini-mill with a late-January lead time. The smaller tonnage likely commanded a small premium. A Southern mill reported offering at \$1,100/st ex-works with lead times into February. A Midwest service center reported hearing offers at \$1,100/st ex-works from multiple Midwest mills. (Platts)

Market Rates

PRODUCT (WoW = Week on Week)	LAST	CHG	MTD AVG
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt) *CHG 1D*	415.00	2.00	412.00
Platts Steel Rebar FOB Turkey (\$/mt) *CHG 1D*	598.00	5.50	592.67
US HRC CRU *CHG WoW*	968.00	1.00	897.60

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Dec-23	423	429	426
Jan-24	425	431	428
Feb-24	423	429	426
Q1-24	422	428	425
Q2-24	415	421	418
Q3-24	411	417	414

US HRC USD/short ton			
	Bid	Ask	Value
Dec-23	1040	1050	1045
Jan-24	1095	1105	1100
Feb-24	1045	1055	1050
Q1-24	1038	1048	1043
Q2-24	910	920	916
Q3-24	845	855	852

LME REBAR FOB TK			
	Bid	Ask	Value
Dec-23	596	606	601
Jan-24	606	616	611
Feb-24	605	615	610
Q1-24	605	615	610
Q2-24	603	613	608
Q3-24	602	612	607

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Dec-23	690	700	695
Jan-24	720	730	725
Feb-24	720	730	725
Q1-24	720	730	725
Q2-24	725	735	730
Q3-24	735	745	740

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Dec-23	551	561	556
Jan-24	580	590	585
Feb-24	599	609	604
Q1-24	593	603	598
Q2-24	594	604	599
Q3-24	592	602	597

BUSHELING			
	Bid	Ask	Value
Dec-23	495	505	500
Jan-24	530	540	535
Feb-24	530	540	535
Q1-24	530	540	535
Q2-24	525	535	530
Q3-24	525	535	532

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com

Spread Moves

SPREAD TABLE								
Metal	Front Mth	Back Mth	Current	T-1w	T-1M	T-3M	T-12M	Tight/Eased T-1w
US HRC	DEC 23	JAN 24	-71	-71	2	-22	-8	Unchanged
	DEC 23	FEB 24	-11	-29	27	-31	-8	Tightened
	DEC 23	MAR 24	45	32	61	-43	-8	Tightened
	JAN 24	FEB 24	60	42	25	-9	0	Tightened
	JAN 24	MAR 24	116	103	59	-21	0	Tightened
	FEB 24	MAR 24	56	61	34	-12	0	Eased
EU HRC	DEC 23	JAN 24	-23	-32	-5	-15	-24	Tightened
	DEC 23	FEB 24	-25	-34	-5	-15	-24	Tightened
	DEC 23	MAR 24	-25	-39	-15	-22	-24	Tightened
	JAN 24	FEB 24	-2	-2	0	0	0	Unchanged
	JAN 24	MAR 24	-2	-7	-10	-7	0	Tightened
	FEB 24	MAR 24	0	-5	-10	-7	0	Tightened
Atlantic Spread (US-EU)	DEC 23	DEC 23	340	349	317	77	23	Eased
	JAN 24	JAN 24	388	388	310	84	7	Unchanged
	FEB 24	FEB 24	326	344	285	93	7	Eased
	MAR 24	MAR 24	270	278	241	98	7	Eased
ARC Spread (Rebar - Scrap)	DEC 23	DEC 23	180	192.5	189.5	182.5	285	Eased
	JAN 24	JAN 24	186	190.5	195.5	181.5	284	Eased
	FEB 24	FEB 24	178	193	195	177	284	Eased
	MAR 24	MAR 24	180.5	194	202	183	272.5	Eased

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	1028	500	700	423	556	599	Current
	1044	490	646	400	569	593	T-1W
	1027	505	671	392	585	582	T-1M
	737	430	652	380	565	562	T-3M
	815	460	687	376	561	591	T-6M
	789	430	642	375	576	660	T-12M
	824	460	646	382	677	650	YTD

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com