

07/12/2023

## Turkish Scrap

Turkish deepsea import ferrous scrap prices increased further on Dec. 6, as an active Turkish rebar market continued to support scrap prices, while elevated freight costs contributed to increased seller targets, sources said. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$420/mt CFR Dec. 6, up \$5/mt on the day, considering indications from mills, traders, agents and recyclers. Indicative tradable values for US/Baltic-origin or premium HMS 1/2 (80:20) were shared between \$415-\$423/mt CFR, and largely clustered at \$420/mt CFR on the day. An offer for EU-origin HMS 1/2 (80:20) was reported at \$422/mt CFR, while an offer for US-origin HMS 1/2 (80:20) was reported at \$425/mt CFR. Indicative offers for EU-origin HMS 1/2 (80:20) were reported at \$420-\$425/mt CFR, while the US recyclers were heard to target \$425-\$430/mt CFR. "There are offers in the market, but the mills are waiting to see a deal before they bid," an agent source said, suggesting that \$423/mt CFR was the tradable value for higher quality US-origin HMS 1/2 (80:20). A second agent source said that the Turkish mills could wait for a few days to view more offers to have more clarity on price ideas currently in the market from the selling side. Market participants suggested that a factor heard to be contributing to recent increases in ferrous scrap prices was consistent rebar sales at climbing prices, which has so far allowed Turkish mills to prevent significantly narrower outright margins between scrap and rebar.

Rebar sales in the export market were reported at \$610/mt FOB for 2,500 mt to the Balkan region by a Marmara-based mill on Dec. 6, and at \$600/mt FOB to Europe for 10,000 mt, but the latter could not be confirmed on the day. Platts assessed Turkish exported rebar at \$600/mt FOB on Dec. 6, up \$2/mt on the day. The outright scrap to rebar spread was assessed at \$180/mt FOB on the day, among the narrowest margins since Jan. 2021. Domestic rebar sales were also recently reported at \$615-\$620/mt EXW in the Marmara and Iskenderun regions. Elsewhere, a Europe-based recycler shared HMS collection costs in the Benelux region at Eur330/mt delivered to the docks and above, and said that inflows were limited at these prices. "It looks like with these surging freights and collection prices the market still has the legs to run further upwards," the EU based recycler said. Platts assessed the dry bulk freight rate for the Rotterdam Aliaga Turkey route for 30,000 mt Supramax at \$33.75/mt Dec. 6, up 25 cents/mt on the day and from \$25.50/mt from Nov. 15. Platts assessed Turkish imports of shortsea scrap at \$398/mt CFR Dec. 6, up \$8/mt on the day, in line with a reported Bulgaria origin deal booked on Dec. 5. The Turkish mills have also increased their domestic scrap prices rise for a second time in a week. (Platts; Abdi Salad)

# Market Rates

PRODUCT (WoW = Week on Week)	LAST	CHG	MTD AVG
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt) *CHG 1D*	420.00	5.00	414.00
Platts Steel Rebar FOB Turkey (\$/mt) *CHG 1D*	600.00	2.00	594.50
US HRC CRU *CHG WoW*	1044.00	76.00	1044.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Dec-23	426	432	429
Jan-24	428	434	431
Feb-24	423	429	426
Q1-24	425	431	428
Q2-24	419	425	422
Q3-24	415	421	418

US HRC USD/short ton			
	Bid	Ask	Value
Dec-23	1065	1075	1070
Jan-24	1110	1120	1115
Feb-24	1055	1065	1060
Q1-24	1053	1063	1058
Q2-24	905	915	912
Q3-24	855	865	860

LME REBAR FOB TK			
	Bid	Ask	Value
Dec-23	610	620	615
Jan-24	619	629	624
Feb-24	619	629	624
Q1-24	618	628	623
Q2-24	618	628	623
Q3-24	616	626	621

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Dec-23	705	715	710
Jan-24	730	740	735
Feb-24	725	735	730
Q1-24	725	735	732
Q2-24	505	515	511
Q3-24	735	745	740

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Dec-23	557	567	562
Jan-24	580	590	585
Feb-24	583	593	588
Q1-24	585	595	590
Q2-24	591	601	596
Q3-24	592	602	597

BUSHELING			
	Bid	Ask	Value
Dec-23	500	510	505
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

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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	DEC 23	JAN 24	-48	-67	-5	-18	-8	Tightened
	DEC 23	FEB 24	2	-32	30	-25	-8	Tightened
	DEC 23	MAR 24	57	29	55	-39	-8	Tightened
	JAN 24	FEB 24	50	35	35	-7	0	Tightened
	JAN 24	MAR 24	105	96	60	-21	0	Tightened
	FEB 24	MAR 24	55	61	25	-14	0	Eased
EU HRC	DEC 23	JAN 24	-35	-16	-20	-10	-24	Eased
	DEC 23	FEB 24	-20	-27	-30	-15	-24	Tightened
	DEC 23	MAR 24	-20	-35	-28	-22	-24	Tightened
	JAN 24	FEB 24	15	-11	-10	-5	0	Tightened
	JAN 24	MAR 24	15	-19	-8	-12	0	Tightened
	FEB 24	MAR 24	0	-8	2	-7	0	Tightened
Atlantic Spread (US-EU)	DEC 23	DEC 23	352	344	340	95	14	Tightened
	JAN 24	JAN 24	365	395	325	103	-2	Eased
	FEB 24	FEB 24	330	349	280	105	-2	Eased
	MAR 24	MAR 24	275	280	257	112	-2	Eased
ARC Spread (Rebar - Scrap)	DEC 23	DEC 23	181	184	187.5	183	280.5	Eased
	JAN 24	JAN 24	183.4	184	196	184	291.5	Eased
	FEB 24	FEB 24	191.5	188.5	196	177.5	291.5	Tightened
	MAR 24	MAR 24	180.5	191	199	175	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	1061	500	710	427	562	608	Current
	1044	485	646	410	567	594	T-1W
	1030	510	660	396	580	584	T-1M
	760	440	651	379	561	562	T-3M
	819	464	674	375	551	591	T-6M
	780	421	637	381	578	662	T-12M
	824	460	646	382	677	650	YTD

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