

19/12/2023

Turkish Scrap

Turkish deepsea scrap prices continued rangebound Dec. 18 as mills paused purchases and recyclers stuck to offers. Platts assessed its heavy melting scrap 1/2 (80:20) at \$425/ mt CFR Dec. 18, unchanged on the day and down 75 cents on the week. HMS 1/2 (80:20) prices were increasing since the end of October until Dec. 7, since then prices have plateaued at around \$425/mt CFR Turkey. Further price increase, albeit targeted by suppliers, was not widely accepted in the market.

As the market slowed down, the sentiment turned somewhat bearish, with mills already indicating lower tradable values, explaining it by weak sales of finished steel, particularly rebar. "The thing is that no satisfying orders are being received for rebar," a Turkey-based steelmaker said. "That's why no one wants to touch scrap," explaining the lack of new scrap trades. Despite the weaker demand, the steelmaker expected only moderate \$5- \$10/mt downward correction in scrap prices.

Another mill source also expected some drop in the deepsea market, adding that \$410-\$415/mt CFR Turkey made sense for premium HMS 1/2 (80:20). A Europe-based recycler argued that no softening was expected and offers for the EU-origin HMS 1/2 (80:20) remained at \$425/mt CFR Turkey.

An agent said that mills were no longer hungry for scrap, but were replenished for January shipment. Another agent said that mills were only putting pressure on scrap prices, but it had no effect on the actual spot market levels. The source saw little chance for a price drop considering flat steel prices moving up and rebar prices holding steady in the domestic market. "No reason to have the market down with the strong US [scrap], which will result in higher [seaborne] prices in January," a trader said.

Additionally, higher scrap settlement in the EU and continuing demand for scrap worldwide were supporting the deepsea levels, the trader said, adding that on the day there was no particular reason for the prices for Turkey to go up either. HMS 1/2 (80:20) prices were "very flat and stable" at \$425/mt CFR. (Platts)

Market Rates

PRODUCT (WoW = Week on Week)	LAST	CHG	MTD AVG
Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt) *CHG 1D*	425.00	0.00	421.54
Platts Steel Rebar FOB Turkey (\$/mt) *CHG 1D*	602.50	-0.50	600.71
US HRC CRU *CHG WoW*	1067.00	23.00	1055.50

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Dec-23	417	423	420
Jan-24	411	417	414
Feb-24	412	418	415
Q1-24	412	418	415
Q2-24	412	418	415
Q3-24	412	418	415

US HRC USD/short ton			
	Bid	Ask	Value
Dec-23	1065	1075	1070
Jan-24	1115	1125	1120
Feb-24	1085	1095	1090
Q1-24	1065	1075	1070
Q2-24	900	910	905
Q3-24	855	865	858

LME REBAR FOB TK			
	Bid	Ask	Value
Dec-23	600	610	605
Jan-24	590	600	595
Feb-24	592	602	597
Q1-24	592	602	597
Q2-24	596	606	601
Q3-24	604	614	609

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Dec-23	680	690	685
Jan-24	705	715	710
Feb-24	705	715	710
Q1-24	705	715	710
Q2-24	700	710	705
Q3-24	695	705	700

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Dec-23	556	566	561
Jan-24	573	583	578
Feb-24	580	590	585
Q1-24	578	588	583
Q2-24	583	593	588
Q3-24	590	600	595

BUSHELING			
	Bid	Ask	Value
Jan-24	545	555	550
Feb-24	545	555	550
Mar-24	535	545	540
Q1-24	535	545	540
Q2-24	520	530	523
Q3-24	495	505	500

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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	-51	-48	-33	-30	-8	Eased
	DEC 23	FEB 24	-21	6	5	-40	7	Eased
	DEC 23	MAR 24	68	67	57	-50	7	Tightened
	JAN 24	FEB 24	30	54	38	-10	15	Eased
	JAN 24	MAR 24	119	115	90	-20	15	Tightened
	FEB 24	MAR 24	89	61	52	-10	0	Tightened
EU HRC	DEC 23	JAN 24	-20	-35	-15	-10	-15	Tightened
	DEC 23	FEB 24	-20	-35	-16	-10	-15	Tightened
	DEC 23	MAR 24	-15	-30	-20	-15	-15	Tightened
	JAN 24	FEB 24	0	0	-1	0	0	Unchanged
	JAN 24	MAR 24	5	5	-5	-5	0	Unchanged
	FEB 24	MAR 24	5	5	-4	-5	0	Unchanged
Atlantic Spread (US-EU)	DEC 23	DEC 23	385	377	347	105	60	Tightened
	JAN 24	JAN 24	416	390	365	125	53	Tightened
	FEB 24	FEB 24	386	336	326	135	38	Tightened
	MAR 24	MAR 24	302	280	270	140	38	Tightened
ARC Spread (Rebar - Scrap)	DEC 23	DEC 23	180	183	182.5	186	279	Eased
	JAN 24	JAN 24	182	191.5	182.5	184.5	270	Eased
	FEB 24	FEB 24	187	187	188.5	187.5	270	Unchanged
	MAR 24	MAR 24	182.5	188	187	186	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	1070	555	684	420	561	605	Current
	1067	562	690	422	567	605	T-1W
	1042	525	651	398	572	580	T-1M
	775	465	635	394	550	580	T-3M
	878	480	680	386	551	588	T-6M
	835	430	645	379	597	658	T-12M
	824	450	646	382	677	650	YTD

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