

04/01/2024

Turkish Scrap

Turkish deepsea imported scrap prices edged up on stronger sentiment as recyclers stick to higher offers in hope of market upturn soon. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$415/mt CFR Jan. 3, up \$2 from Jan. 2. Market players held generally a more positive view on the price movement, with no decrease expected in the near term. Stronger scrap should be supported by seasonally lower collection volumes, higher dockside prices and higher freight rates. A couple of sources also mentioned the recent decrees by the Turkish president aimed at protecting the local steel producers, which should have a positive impact on their scrap demand. The decrees put a temporary customs duty on hot-rolled coil imports. In addition, Turkey imposed a provisional safeguard measure of \$175/mt on imports of non-alloy and alloy wire rod for 200 days. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$415/mt CFR Jan. 3, up \$2 from Jan. 2. A Turkish steelmaker said that "it was hard to get scrap". He did not see much space for prices to go down. "If we find \$415/mt CFR [for premium scrap] we might think about it," the steelmaker added.

The US recyclers were waiting for settlements with domestic buyers first before offering to Turkey. European and Baltic sellers were in turn waiting for the US suppliers to make the first move before offering. "Most sellers prefer to wait it out and sell by mid-January when most expect the price to be recovered," a recycler said. Indicative offers for US-origin HMS 1/2 (80:20) were meanwhile heard at \$425-\$430/mt CFR. An agent source said he doubted scrap suppliers would sell US material below \$425/mt CFR. US recyclers "aren't even indicating \$420/mt CFR," another agent said. A European scrap exporter was hoping to sell HMS 1/2 (80:20) at \$415-\$420/mt CFR Turkey once Turkish mills stop pushing for \$410/mt CFR and start to book more February shipment cargoes. "A lot depends on what the US will do," the exporter added. If US suppliers quote \$425-\$430/mt CFR, European recyclers could think about \$420/mt CFR, he said. European dockside prices were heard close to Eur330/mt (\$360/mt) delivered. "I don't think that market is really able to go down. The inflow stays low, so we still need to pay high levels to get a little bit of material," another EU scrap dealer said. The last reported deepsea trades, by an Iskenderun mill, still had Dec. 29 time stamps, with no trades closed in January confirmed yet. The two deals included UK-origin HMS 1/2 (80:20) at \$405/mt CFR and Baltic HMS 1/2 (85:15) at \$412/mt CFR. In the shortsea market "everybody is trying to understand the levels," an agent said. He cited Romanian offers at \$390-\$395/mt CFR Turkey. A shortsea recycler put offers at \$395/mt CFR, with the minimum target level in sales at \$390/mt CFR. A recent sale from Romania was reported at \$389/mt CFR Northern Turkey as well on the day.(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	414.00
Platts Steel Rebar FOB Turkey (\$/mt) *CHG 1D*	599.00	0.00	599.00
US HRC CRU *CHG WoW*	1098.00	-1.00	1098.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jan-24	410	416	413
Feb-24	410	416	413
Mar-24	414	420	417
Q1-24	412	418	415
Q2-24	413	419	416
Q3-24	413	419	416

US HRC USD/short ton			
	Bid	Ask	Value
Jan-24	1105	1115	1110
Feb-24	1110	1120	1115
Mar-24	1015	1025	1020
Q1-24	1077	1087	1082
Q2-24	900	910	907
Q3-24	865	875	870

LME REBAR FOB TK			
	Bid	Ask	Value
Jan-24	590	600	595
Feb-24	590	600	595
Mar-24	595	605	600
Q1-24	592	602	597
Q2-24	597	607	602
Q3-24	604	614	609

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jan-24	700	710	705
Feb-24	705	715	710
Mar-24	700	710	705
Q1-24	700	710	707
Q2-24	700	710	703
Q3-24	695	705	700

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jan-24	581	591	586
Feb-24	592	602	597
Mar-24	595	605	600
Q1-24	589	599	594
Q2-24	596	606	601
Q3-24	595	605	600

BUSHELING			
	Bid	Ask	Value
Jan-24	530	540	535
Feb-24	530	540	535
Mar-24	530	540	535
Q1-24	530	540	535
Q2-24	520	530	527
Q3-24	500	510	505

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	JAN 24	FEB 24	-22	51	39	-6	6	Eased
	JAN 24	MAR 24	73	148	96	-17	4	Eased
	JAN 24	APR 24	161	220	141	-27	0	Eased
	FEB 24	MAR 24	95	97	57	-11	-2	Eased
	FEB 24	APR 24	183	169	102	-21	-6	Tightened
	MAR 24	APR 24	88	72	45	-10	-4	Tightened
EU HRC	JAN 24	FEB 24	-9	0	10	-7	0	Eased
	JAN 24	MAR 24	-4	0	10	-19	0	Eased
	JAN 24	APR 24	6	4	6	-29	130	Tightened
	FEB 24	MAR 24	5	0	0	-12	0	Tightened
	FEB 24	APR 24	15	4	-4	-22	130	Tightened
	MAR 24	APR 24	10	4	-4	-10	130	Tightened
Atlantic Spread (US-EU)	JAN 24	JAN 24	394	449	366	168	33	Eased
	FEB 24	FEB 24	407	398	337	167	27	Tightened
	MAR 24	MAR 24	317	301	280	166	29	Tightened
	APR 24	APR 24	239	233	231	166	163	Tightened
ARC Spread (Rebar - Scrap)	JAN 24	JAN 24	176	191.4	187	199	267.5	Eased
	FEB 24	FEB 24	185.5	190.5	189.5	201	266.5	Eased
	MAR 24	MAR 24	183.5	186.8	191.5	198.5	266.5	Eased
	APR 24	APR 24	188	189.5	192	204	265	Eased

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	1110	540	719	413	586	595	Current
	1149	535	684	410	581	601	T-1W
	1106	525	714	424	581	611	T-1M
	811	461	610	379	574	578	T-3M
	798	465	667	382	552	576	T-6M
	823	445	725	395	649	662	T-12M
	1135	535	685	406	576	600	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