

09/01/2024

## Turkish Scrap

Turkish deepsea import ferrous scrap prices inched up on Jan. 8 following a confirmed Baltic-origin deal, but near-term price sentiment was mixed on reports of a weakening US domestic market. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$425/mt CFR Jan. 8, up \$2.50/mt from Jan. 5. A Baltic-origin deal was confirmed as booked on Jan. 8 by a Marmara mill, with HMS 1/2 (80:20) at \$425/mt CFR and bonus scrap at \$445/mt CFR, which market sources mostly considered repeatable on the day. An EU-origin deal was also confirmed as booked on Jan. 5 by an Izmir mill, with HMS 1/2 (80:20) at \$418/mt CFR and with bonus and shredded scrap at \$438/mt CFR. A US-origin deal was confirmed as booked on Jan. 5 by an Izmir mill with HMS 1/2 (80:20) at \$421/mt CFR and shredded and bonus scrap at \$441/mt CFR. A UK-origin deal was also heard to be booked on Jan. 5 by an Izmir mill with 20,000 mt of shredded scrap and 20,000 mt of bonus scrap at \$439/mt CFR, but was not confirmed on the day.

Indicative tradable values for US/Baltic-origin or premium HMS 1/2 (80:20) were reported between \$421-\$425/mt CFR and above. Some market participants suggested that the recent deal activity implied Turkish mills continued to demand imports of ferrous scrap due to recent strength in rebar sales both domestically and for export, which could drive scrap prices higher in the near-term. Platts assessed Turkish exported rebar at \$605/mt FOB on Jan. 8, up \$5/mt on day, with deals to Bulgaria and Romania reported at \$605/mt FOB, which were unconfirmed by the time of publication. Deals to Jamaica were also reportedly booked on Jan. 5 at \$600/mt FOB, but were unconfirmed on the day. "It seems that the [Turkish scrap] market is going up again after a short downhill period," a Baltic recycler said, reporting HMS collection costs in the Baltic region at Eur335/mt delivered to the docks Jan. 8. A European recycler reported HMS collection costs in the Benelux region at Eur330-335/mt delivered to the docks on the day.

However, other market sources reported less bullish sentiment on the day, owing to recent bearish market activity in the US domestic ferrous scrap market. "The Turkish producers do need cargoes [due to recent rebar sales], but I do not think these increases will go much further, especially due to the recent information from the US market," a Turkish mill source said. US ferrous scrap prices were at increasing risk of reversing December gains in January after a Midwest steelmaker announced a bid for January-delivered No. 1 busheling at down \$50/lt month on month, adding to concerns that mini-mills overbought at escalated price levels in December. The market is oversupplied and it's dropping big time," a US trader said, sharing an indicative tradable value for US-origin HMS 1/2 (80:20) at below \$425/mt CFR due to current sentiment in the domestic US HMS market. (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*	425.00	2.50	419.35
Platts Steel Rebar FOB Turkey (\$/mt) *CHG 1D*	605.00	5.00	599.60
US HRC CRU *CHG WoW*	1098.00	-1.00	1098.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jan-24	419	425	422
Feb-24	412	418	415
Mar-24	413	419	416
Q1-24	415	421	418
Q2-24	413	419	416
Q3-24	413	419	416

US HRC USD/short ton			
	Bid	Ask	Value
Jan-24	1075	1085	1080
Feb-24	1010	1020	1015
Mar-24	915	925	920
Q1-24	1000	1010	1005
Q2-24	845	855	850
Q3-24	840	850	845

LME REBAR FOB TK			
	Bid	Ask	Value
Jan-24	594	604	599
Feb-24	590	600	595
Mar-24	600	610	605
Q1-24	594	604	599
Q2-24	600	610	605
Q3-24	600	610	605

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jan-24	705	715	710
Feb-24	715	725	720
Mar-24	710	720	715
Q1-24	710	720	715
Q2-24	700	710	707
Q3-24	695	705	700

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jan-24	574	584	579
Feb-24	591	601	596
Mar-24	587	597	592
Q1-24	584	594	589
Q2-24	588	598	593
Q3-24	592	602	597

BUSHELING			
	Bid	Ask	Value
Jan-24	500	510	505
Feb-24	500	510	505
Mar-24	500	510	505
Q1-24	500	510	505
Q2-24	495	505	500
Q3-24	480	490	485

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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	JAN 24	FEB 24	76	18	53	-5	5	Tightened
	JAN 24	MAR 24	152	106	117	-7	3	Tightened
	JAN 24	APR 24	205	177	178	-15	-1	Tightened
	FEB 24	MAR 24	76	88	64	-2	-2	Eased
	FEB 24	APR 24	129	159	125	-10	-6	Eased
	MAR 24	APR 24	53	71	61	-8	-4	Eased
EU HRC	JAN 24	FEB 24	-15	-10	1	-2	0	Eased
	JAN 24	MAR 24	-6	-2	1	-7	0	Eased
	JAN 24	APR 24	-6	-1	10	-15	130	Eased
	FEB 24	MAR 24	9	8	0	-5	0	Tightened
	FEB 24	APR 24	9	9	9	-13	130	Unchanged
	MAR 24	APR 24	0	1	9	-8	130	Eased
Atlantic Spread (US-EU)	JAN 24	JAN 24	370	422	387	166	35	Eased
	FEB 24	FEB 24	279	394	335	169	30	Eased
	MAR 24	MAR 24	212	314	271	166	32	Eased
	APR 24	APR 24	159	244	219	166	166	Eased
ARC Spread (Rebar - Scrap)	JAN 24	JAN 24	182	186.5	187	192.5	269	Eased
	FEB 24	FEB 24	187.5	192	186	190.5	268	Eased
	MAR 24	MAR 24	180	188.5	187	189	268	Eased
	APR 24	APR 24	181	193	194	189.5	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	1080	505	710	420	579	602	Current
	1127	535	705	411	584	598	T-1W
	1118	545	700	432	594	619	T-1M
	815	480	618	385	560	577	T-3M
	816	460	674	380	546	582	T-6M
	825	450	730	398	648	667	T-12M
	1135	535	685	406	576	600	YTD

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