

10/01/2024

Turkish Scrap

Turkish deepsea import ferrous scrap prices were unchanged Jan. 9, as Baltic collection costs were heard to increase while Turkish mills expressed interest in further bookings. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$425/mt CFR Jan. 9, unchanged from Jan. 8. Indicative tradable values for US/Baltic-origin or premium HMS 1/2 (80:20) largely clustered at \$425/mt CFR, while indicative workable values for EU-origin HMS 1/2 (80:20) were shared between \$420-\$425/mt CFR. Sell-side sentiment was largely firm on the day, with offers for US-origin HMS 1/2 (80:20) reported between \$425-\$430/mt CFR, while offers for EU-origin HMS 1/2 (80:20) were reported in the low-\$420s/mt CFR. "At the moment it looks like the Europeans do not want to lower any prices. Availability is still very tight and costs are getting higher," a trader said. An EU recycler reported limited availability of HMS in the Benelux region, reporting that several yards were struggling to find material. HMS collection costs were reported at between Eur325-335/mt delivered to the docks in the Benelux region, largely stable on the week, but collection costs in the Baltic region were shared at Eur340/mt delivered to the docks Jan. 9, up Eur5/mt on the week. "The quantities available for [the] collection are lowering due to the recent cold weather," a Baltic recycler said, citing an indicative tradable value for Baltic-origin HMS 1/2 (80:20) at \$425/mt CFR.

On the buy side, Turkish mills were heard to be interested in further bookings of deepsea scrap cargoes due to recent rebar sales both for export and domestically. Rebar deals in the export market were recently reported between \$600-\$605/mt FOB, while domestic sales were heard to be achieved between \$610-\$615/mt ex-works in the Izmir region. The Turkish mills have since hiked their rebar offers to \$610-\$640/mt FOB in the export market, and up to \$630/mt EXW domestically. Platts assessed Turkish exported rebar at \$610/mt FOB Jan. 9, up \$5/mt on the day. "There is an uptrend in the Turkish market at the moment. Rebar traders were restocking so finished steel demand is good [for the mills]," a Turkish mill source said. "If this demand continues [with the newly hiked offers], then the mills may pay \$425-\$430/mt CFR for scrap." The Turkish mill source also suggested that Indian buyers could soon be competing with Turkish buyers for deepsea vessels of scrap due to recent sharp increases in freight rates for imports of containerized shredded scrap. Recent Houthi attacks on commercial ships in the Red Sea have led to more than 10 ship operators diverting their ships from the Red Sea to around the tip of Africa, adding about two weeks to their voyage time and pushing up freight rates and energy prices. A trader cited a container freight offer at \$2,150/TEU for UK-Nhava Sheva, including inland UK trucking, which would be equivalent to around \$78-\$79/mt for shredded scrap. "The container situation in India could make deepsea vessels more attractive for them instead, but demand for scrap is still very weak [in that region]," the aforementioned Turkish mill source said. Platts assessed imported containerized shredded scrap at \$407.50/mt CFR Nhava Sheva Jan. 5, unchanged on the week, as buyers and sellers held back amid uncertainty over the arrival of previously booked cargoes and the climbing freight rates. (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	0.00	420.29
Platts Steel Rebar FOB Turkey (\$/mt) *CHG 1D*	610.00	5.00	601.33
US HRC CRU *CHG WoW*	1098.00	-1.00	1098.00

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Jan-24	417	423	420
Feb-24	405	411	408
Mar-24	408	414	411
Q1-24	410	416	413
Q2-24	410	416	413
Q3-24	411	417	414

US HRC USD/short ton			
	Bid	Ask	Value
Jan-24	1070	1080	1075
Feb-24	975	985	980
Mar-24	885	895	890
Q1-24	977	987	982
Q2-24	845	855	850
Q3-24	835	845	840

LME REBAR FOB TK			
	Bid	Ask	Value
Jan-24	590	600	595
Feb-24	590	600	595
Mar-24	594	604	599
Q1-24	591	601	596
Q2-24	595	605	600
Q3-24	598	608	603

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Jan-24	715	725	720
Feb-24	730	740	735
Mar-24	720	730	725
Q1-24	720	730	727
Q2-24	710	720	717
Q3-24	705	715	710

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Jan-24	570	580	575
Feb-24	584	594	589
Mar-24	585	595	590
Q1-24	580	590	585
Q2-24	584	594	589
Q3-24	593	603	598

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	498
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	87	-15	53	3	5	Tightened
	JAN 24	MAR 24	182	84	117	-10	3	Tightened
	JAN 24	APR 24	211	159	178	-18	-1	Tightened
	FEB 24	MAR 24	95	99	64	-13	-2	Eased
	FEB 24	APR 24	124	174	125	-21	-6	Eased
	MAR 24	APR 24	29	75	61	-8	-4	Eased
EU HRC	JAN 24	FEB 24	-10	-11	1	-2	0	Tightened
	JAN 24	MAR 24	-2	-6	1	-10	0	Tightened
	JAN 24	APR 24	0	5	10	-16	130	Eased
	FEB 24	MAR 24	8	5	0	-8	0	Tightened
	FEB 24	APR 24	10	16	9	-14	130	Eased
	MAR 24	APR 24	2	11	9	-6	130	Eased
Atlantic Spread (US-EU)	JAN 24	JAN 24	353	401	387	166	40	Eased
	FEB 24	FEB 24	256	405	335	161	35	Eased
	MAR 24	MAR 24	169	311	271	166	37	Eased
	APR 24	APR 24	142	247	219	168	171	Eased
ARC Spread (Rebar - Scrap)	JAN 24	JAN 24	182	182	187	196	264	Unchanged
	FEB 24	FEB 24	189	185.5	186	196.5	263	Tightened
	MAR 24	MAR 24	189.5	185	187	195.5	263	Tightened
	APR 24	APR 24	181	184.5	194	195.5	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	1073	500	720	418	575	600	Current
	1120	540	719	413	586	595	T-1W
	1118	545	700	432	594	619	T-1M
	815	480	617	380	550	576	T-3M
	806	460	672	379	546	581	T-6M
	830	455	723	403	654	667	T-12M
	1135	535	685	406	576	600	YTD

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