

17/01/2024

Turkish Scrap

Turkish mills 'in no rush' to import Turkish deepsea import ferrous scrap prices rose slightly Jan. 16, as sell-side market participants expressed bullish price sentiment, while Turkish mills said prices could decline in the near term. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$425/mt CFR Jan. 16, up \$2/mt on the day. Market participants shared indicative tradable values for US/ Baltic-origin HMS 1/2 (80:20) in the \$420-\$430/mt CFR range on the day that largely clustered at \$425/mt CFR. An EU-origin deal was confirmed as booked by a Marmara mill Jan. 12, with HMS 1/2 (80:20) at \$420/mt CFR, bonus scrap at \$445/mt CFR and bush-elling at \$452/mt CFR. Near-term sentiment for price direction was largely split on the day, as buy-side sources said that the mills were in no rush to purchase as rebar sales slowed, while the sell side suggested that higher collection costs and limited availability of HMS amid colder weather in Europe and the US could lead to increased scrap prices. "Sentiment is weaker as the mills think \$425/mt CFR is the peak," a Turkish mill source said. A second mill source said the mills were "in no rush" to import scrap as sales of finished steel slowed.

Platts assessed Turkish exported rebar at \$609/mt FOB, down \$1/mt on the day, with a slowdown in market activity reported this week. "The mills can support their stocks with imports from the shortsea," the second Turkish mill source said, citing an indicative tradable value for shortsea scrap in the \$395-\$400/mt CFR range. Platts assessed Turkish imports of shortsea scrap at \$400/mt CFR on Jan. 16, down \$3/mt on the day. Turkish mills said that recent declines in iron ore prices could be suggestive of near-term price drops in the Turkish import scrap market. Platts assessed the 62% Fe Iron Ore Index at \$129.45/dry mt CFR North China on Jan. 16, up 50 cents/dmt from Jan. 15, but down from a recent peak of \$143.95/dry mt on Jan. 3. However, sell-side market participants expressed more positive near-term sentiment, citing a recent lack of scrap availability at the ports as a contributing factor. "There is a shortage of scrap, no one is delivering to the yards because of the extreme snow [in the Baltic region], so prices will be stable to up," a Baltic recycler said, suggesting an indicative tradable value for US/Baltic-origin HMS 1/2 (80:20) at \$425/mt CFR. The Baltic recycler shared HMS collection costs in the Baltic region at Eur345/mt delivered to the docks, up Eur5/mt on the week due to a slowdown in collection. The futures contract for Turkish import ferrous scrap on the London Metal Exchange, which settles basis Platts, showed futures traders expecting a slight correction in prices in the near term. Platts assessed the LME January contract at \$415.50/mt on Jan. 16 unchanged on the day, while the February scrap contract was assessed at \$406.50/mt. The March and April contracts were assessed respectively at \$404.50/mt and \$403.50/mt on Jan. 16. (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 | 2.00 | 422.30 |
| Platts Steel Rebar FOB Turkey (\$/mt) *CHG 1D* | 609.00 | -1.00 | 605.18 |
| US HRC CRU *CHG WoW* | 1096.00 | -2.00 | 1097.00 |

| LME HMS 80:20 CFR TK | | | |
|----------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Jan-24 | 415 | 421 | 418 |
| Feb-24 | 403 | 409 | 406 |
| Mar-24 | 402 | 408 | 405 |
| Q1-24 | 406 | 412 | 409 |
| Q2-24 | 400 | 406 | 403 |
| Q3-24 | 398 | 404 | 401 |

| US HRC USD/short ton | | | |
|----------------------|------|------|-------|
| | Bid | Ask | Value |
| Jan-24 | 1065 | 1075 | 1070 |
| Feb-24 | 910 | 920 | 915 |
| Mar-24 | 830 | 840 | 835 |
| Q1-24 | 935 | 945 | 940 |
| Q2-24 | 825 | 835 | 832 |
| Q3-24 | 835 | 845 | 840 |

| LME REBAR FOB TK | | | |
|------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Jan-24 | 597 | 607 | 602 |
| Feb-24 | 597 | 607 | 602 |
| Mar-24 | 597 | 607 | 602 |
| Q1-24 | 597 | 607 | 602 |
| Q2-24 | 598 | 608 | 603 |
| Q3-24 | 597 | 607 | 602 |

| NWE HRC EUR/metric ton | | | |
|------------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Jan-24 | 715 | 725 | 720 |
| Feb-24 | 720 | 730 | 725 |
| Mar-24 | 710 | 720 | 715 |
| Q1-24 | 715 | 725 | 720 |
| Q2-24 | 700 | 710 | 703 |
| Q3-24 | 700 | 710 | 705 |

| LME HRC FOB TIANJIN CHINA USD/mt | | | |
|----------------------------------|-----|-----|-------|
| | Bid | Ask | Value |
| Jan-24 | 572 | 582 | 577 |
| Feb-24 | 576 | 586 | 581 |
| Mar-24 | 582 | 592 | 587 |
| Q1-24 | 577 | 587 | 582 |
| Q2-24 | 583 | 593 | 588 |
| Q3-24 | 591 | 601 | 596 |

| BUSHELING | | | |
|-----------|-----|-----|-------|
| | Bid | Ask | Value |
| Feb-24 | 490 | 500 | 495 |
| Mar-24 | 485 | 495 | 490 |
| Apr-24 | 480 | 490 | 485 |
| Q2-24 | 485 | 495 | 490 |
| Q3-24 | 475 | 485 | 482 |
| Q4-24 | 475 | 485 | 480 |

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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 | 146 | 159 | 35 | 5 | 5 | Eased |
| | JAN 24 | MAR 24 | 224 | 248 | 115 | -3 | 3 | Eased |
| | JAN 24 | APR 24 | 241 | 255 | 180 | -3 | -1 | Eased |
| | FEB 24 | MAR 24 | 78 | 89 | 80 | -8 | -2 | Eased |
| | FEB 24 | APR 24 | 95 | 96 | 145 | -8 | -6 | Eased |
| | MAR 24 | APR 24 | 17 | 7 | 65 | 0 | -4 | Tightened |
| EU HRC | JAN 24 | FEB 24 | -10 | -5 | 2 | -8 | 0 | Eased |
| | JAN 24 | MAR 24 | 2 | 2 | 10 | -13 | 0 | Unchanged |
| | JAN 24 | APR 24 | 9 | 5 | 5 | -25 | 130 | Tightened |
| | FEB 24 | MAR 24 | 12 | 7 | 8 | -5 | 0 | Tightened |
| | FEB 24 | APR 24 | 19 | 10 | 3 | -17 | 130 | Tightened |
| | MAR 24 | APR 24 | 7 | 3 | -5 | -12 | 130 | Tightened |
| Atlantic Spread (US-EU) | JAN 24 | JAN 24 | 352 | 363 | 410 | 192 | 50 | Eased |
| | FEB 24 | FEB 24 | 196 | 199 | 377 | 179 | 45 | Eased |
| | MAR 24 | MAR 24 | 130 | 117 | 305 | 182 | 47 | Tightened |
| | APR 24 | APR 24 | 120 | 113 | 235 | 170 | 181 | Tightened |
| ARC Spread (Rebar - Scrap) | JAN 24 | JAN 24 | 181.5 | 184 | 178.5 | 186 | 259 | Eased |
| | FEB 24 | FEB 24 | 200.5 | 193.5 | 182.5 | 192.5 | 259 | Tightened |
| | MAR 24 | MAR 24 | 202 | 186 | 180 | 192 | 259 | Tightened |
| | APR 24 | APR 24 | 197.5 | 190 | 183 | 198.5 | 265 | Tightened |

Front Month Price Grid

| Field | US HRC | US BUS | NW EUR HRC | LME SCRAP TK | LME HRC FOB | LME REBAR TK | TimeFrame |
|-------|--------|--------|------------|--------------|-------------|--------------|-----------|
| PRICE | 1071 | 495 | 720 | 420 | 574 | 600 | Current |
| | 1078 | 495 | 715 | 415 | 571 | 599 | T-1W |
| | 1125 | 570 | 684 | 422 | 580 | 600 | T-1M |
| | 837 | 490 | 610 | 384 | 558 | 570 | T-3M |
| | 809 | 474 | 659 | 370 | 557 | 578 | T-6M |
| | 840 | 455 | 730 | 415 | 654 | 674 | T-12M |
| | 1135 | 550 | 685 | 406 | 576 | 600 | YTD |

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