Issue: 32-23 | Date: 29 Aug 2023

聞 This week:

Scrap prices remain firm in Turkey and China, despite growing uncertainty

Three fresh bookings were heard in the Turkish scrap market on Friday, confirming that the market remained firm last week despite uncertainty growing.

The new orders follow recent bookings for HMS 1&2 80:20 at \$369/t cfr from the EU and at \$374/t cfr from the US. A Marmara mill bought another cargo from the US at \$374/t for 21,000 tonnes of HMS 1&2 80:20, \$394/t for 19,000t of shredded and \$394/t cfr for 5,000t of P&S on Friday. A Southern and a Marmara mill bought Netherlands-origin cargoes comprising HMS 1&2 80:20 at \$370/t and bonus grade at \$390/t cfr on Thursday.

The lira, which appreciated by almost 6% following the sharp interest rate hike on Thursday, has depreciated by almost 3% on Friday. Sharp fluctuations in exchange rates created uncertainty in the market and caused most mills to avoid offering steel on a TRY basis while some halted sales. At the same time, buyers remain reluctant to conclude purchases.

Consequently, most mills are adopting a wait-and-see stance in their scrap purchases due to the confusion and uncertainty in the steel markets.

Although scrap suppliers remain optimistic, some participants are cautious as they fail to see a clear picture of the market following Turkey's Central Bank's interest rate announcement. They expect more clarity by the middle of this week. Scrap suppliers do not expect to see a softening in prices at all. While some say prices will remain firm, others say prices will even increase further in the coming days due to tight inflow at their docks.

CHINA

China's steel scrap prices were basically flat last week as market panic accelerated shipments. On Friday, Kallanish assessed 6mm+ heavy scrap delivered to mills in eastern China's Yangtze River Delta at CNY 2,842/tonne (\$390/t), including VAT. This is CNY 2/t lower from Thursday and down CNY 1/t from the previous Friday.

Data from information provider Fubao show that 49 independent electric arc furnace mills in China reported a 47% operating rate and 51% utilisation rate last week. The operating rate and the utilisation rate each lost 1 percentage point from the previous Friday.

The average daily volume of scrap delivered to 255 steel enterprises was 470,800 tonnes, up by 1% from the prior Friday, Fubao data shows. The average daily scrap consumption of these mills was 489,800t, down 1.2% on-week.

Steel prices were under pressure and mills were struggling with margins, which has also led to a slight decline in the use of scrap, with lower utilisation rates. Rumours of production restrictions in some provinces reappeared last week, and concerns about demand led to an increase in shipments.

Japanese scrap offers stayed at \$410/t cfr China last week, a trader said. Fluctuations in the steel market have hit demand for scrap steel, which has also affected the attention of steel mills on scrap steel imports. The supply of local scrap steel has rebounded, and it is difficult to find buyers for imported resources. A mill source told that they are targeting not higher than \$400/t cfr, as imports must pay 13% VAT. Kallanish assessed Chinese HRS101 scrap at \$400/t cfr China, same as the week before.



In this weeks Issue:

PAGF 4

What was the impact on iron ore of the unexpected financial markets decline in China?

PAGE 5

What is happening to the German economy and steel sector?

Can infrastructure spending and an acquisition of US Steel boost pricing in the US?

PAGE 7

What is happening to the Turkish longs market after the interest rate hike?

Will China continue to support global crude steel production?

KORE INDEX



For Subscription & Other Enquiries:

CALL UK:

+44 7874 008654

Spain: Singapore: Bulğaria: USA: Shanghai:

+34 637 018 130 +65 9766 8175 +359 896 266 305 +1 920 253 8934 +86 150 2141 6087

EMAIL General Editorial

info@kallanish.com editorial@kallanish.com sales@kallanish.com

www.kallanish.com

© Copyright Kallanish 2023 Page 1 Kallanish Steel Weekly



Issue: 32-23 | Date: 29 Aug 2023

Global Overview

Americas:

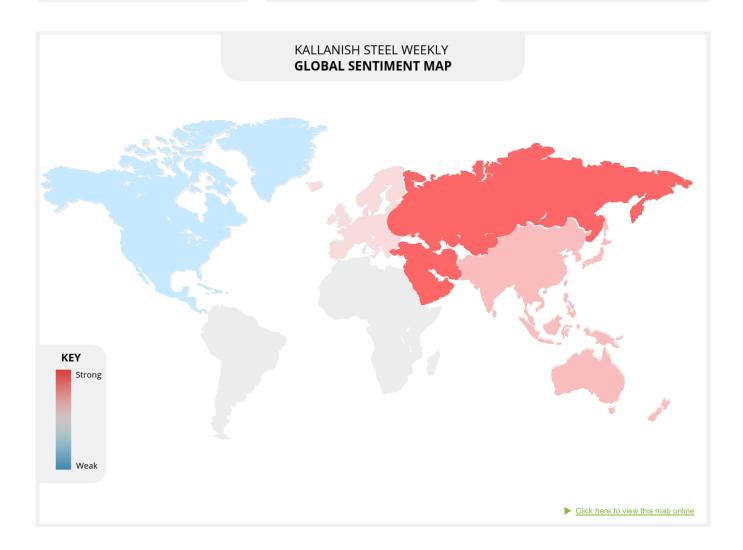
- US HRC prices hold, CRC prices
- US plate prices freeze as buyers foresee decreases
- US rebar prices hold steady on-

Europe:

- German steel industry outlook uncertain
- Benelux scrap prices firm NW EU coils demand might not jump in September

Asia:

- Chinese iron ore down
- Chinese steel prices hold amid uncertainty
- Authorities issue document to support Chinese steel



CIS:

- Russian billet suppliers raise
- MMK expects Russian deliveries to grow further

Middle East:

- Turkish scrap remains firm
- Turkish Lira appreciation hits longs market
- Iranian steel demand grows

© Copyright Kallanish 2023 Page 2

The ONLY event that brings together the entire metals supply chain

13-14 SEPTEMBER 2023 **▼** NEC





































FREE to attend - www.ukmetalsexpo.com







Order Form

Subscribe to Kallanish Steel Weekly today

Start your subscription to Kallanish Steel Weekly (KSW) today

Kallanish Steel Weekly is a new weekly publication from Kallanish Commodities.

The pricing options for 12 month subscriptions are available below.

To sign up complete the form below and return to us.

- Standard: Kallanish Steel Weekly US\$ 1900
- Premium: Kallanish Steel Weekly US\$ 2740

KSW Content:

The publication is filled with market information, charts and graphs.

- Supplied in PDF
- Pricing Table
- Price Spreads Table
- 8-9 pages
- · Special features
- · Prices to watch
- Word of the weekGlobal heat map

Start my subscription			
I Yes, please start my subscription so that I can read the Kallanish Steel Weekly. I Please choose your option below:			
Option 1: Standard KSW US\$ 1900 Option 2: Premium KSW US\$ 2740			
Your details:		Payment type:	Pay by invoice
l l Name:			Pay by credit card
l ı Job Title: l		Credit Card:	Amex
l Company:			Mastercard
Address:			Visa
l City:		Name on card:	
Country:		Card number:	
Phone:		CCV:	Expires:
l Email:		Signature	
Please tick below: I I I Confirm I am signing up for a 12 month subscription to KSW			
I I have read and agreed to the Kallanish Terms and Conditions.			
I ^I Signature: I		Date:	

© Copyright Kallanish 2023 Page 4

Issue: 32-23 | Date: 29 Aug 2023

Bars

Bars are long steel products of various different shapes, most of which are cross-sectional such as round, square, L-shaped (angle bars) and tees.



□ Contact

If you found this issue of Kallanish Steel Weekly interesting please let us know, we would love to hear from you.

Kallanish - UK Britannia House t: +44 7874 008654

Kallanish - Spain t: +34 910 062 451

Kallanish - Bulgaria t: +359 896 266 305

Kallanish - China Shanghai, China t: +86 182 1728 2941 **Kallanish - USA** t: +1 920 253 8934

Kallanish - Singapore t: +65 9766 8157 General Enquiries: www.kallanish.com info@kallanish.com

Social Media:

900000

Copyright 2023 Kallanish. No distribution is permitted without the prior consent of Kallanish. To find out about multiple user accounts or corporate subscription packages please contact us on info@kallanish.com or on +44 208 735 6520. Use of any information or material provided by Kallanish is entirely at your risk and in no circumstances is Kallanish responsible for any loss, damage or other negative consequence of use of information or material by you or anyone else.

© Copyright Kallanish 2023 Page 5