SteelMint®

Global
Ferrous Scrap

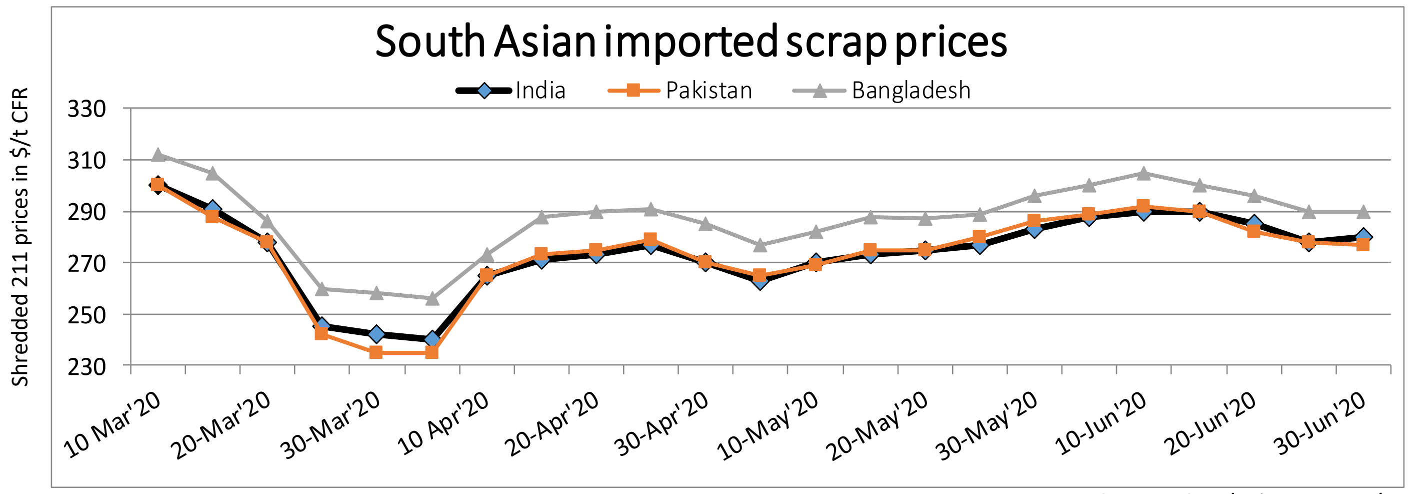
Monthly Overview

June 2020

Index

South Asia (India, Bangladesh and Pakistan)

Assessment	Jun'20 Avg Price	Lowest Price in Jun'20	Highest Price in Jun'20	May'20 Avg Price	Apr'20 Avg Price	Jul'19 Avg Price
India						
India imported scrap ($/t)						
Shredded, CNF Nhava Sheva	284.75	277 (26th Jun)	290 (12th Jun)	270.4	275	317.5
HMS 1&2 (80:20), ex UK, CNF Nhava Sheva	258.75	250 (26th Jun)	265 (12th Jun)	243	249	297.75
HMS 1, ex SA, CNF Nhava Sheva	278.9	268 (22th Jun)	275 (8th Jun)	253	Lockdown	308
India Domestic scrap (₹/t)						
HMS (80:20) EXW Mumbai	20,440	19,400 (20th Jun)	21,300 (5th Jun)	20,500	Lockdown	21,440
Alang Ship yard melting scrap	21,360	20,800 (29th Jun)	22,500 (8th Jun)	22,167	Lockdown	22,640
Indian Metallics (₹/t)						
C-DRI exw Raipur	16,540	15,600 (22nd Jun)	17,100 (1st Jun)	16,467	Lockdown	17,340
P-DRI exw Raipur	15,580	14,600 (22nd Jun)	16,150 (1st Jun)	15,517	Lockdown	19,820
Pig Iron (Steel Grd) Exw Durgapur	23,980	23,100 (22nd Jun)	24,600 (12th Jun)	23,567	Lockdown	25,720
Indian Domestic Billet (₹/t)						
Billet (DAP Mumbai)	28,200	27,100 (18th Jun)	29,300 (2nd Jun)	29,600	Lockdown	28,180
Billet (DAP Chennai)	29,800	29,400 (27th Jun)	30,200 (2nd Jun)	30,333	Lockdown	29,430
Bangladesh						
Bangladesh imported scrap ($/t)						
Shredded, CNF Chitagong	296.4	290 (24th Jun)	300 (10th Jun)	284	274.8	330
HMS 1&2 (80:20) CNF Chittagong (Brazil origin)	268	260 (24th Jun)	275 (10th Jun)	251	255	310
HMS 1 CNF Chittagong (Australia origin)	284	272 (24th Jun)	290 (10th Jun)	268	264	321
Bangladesh Domestic Scrap (৳/t)						
Chittagong Ship yard melting scrap	28,500	28,000 (24th Jun)	29,000 (10th Jun)	30,000	31,500	34,500
Bangladesh imported DRI ($/t)						
DRI ex India, CNF Chittagong	264	259 (15th Jun)	273 (8th Jun)	267	269	288
Bangladesh Domestic Billet (৳/t)						
Billet (Exw Dhaka)	41,000	40,500 (30th Jun)	41,500 (3rd Jun)	42,000	43,000	48,000
Pakistan						
Pakistan imported scrap ($/t)						
Shredded 211, CNF Qasim	284	273 (30th Jun)	290 (9th Jun)	274	271	317
HMS 1&2, Ex Dubai, CNF Qasim	260	254 (2nd Jun	270 (16th Jun)	240	233	306
Pakistan Domestic Scrap (PKR/t)						
Local Scrap Eq. to Shred,Exw Punjab	69,200	67,000 (2nd Jun)	71,000 (23rd Jun)	66,000	Lockdown	67,375
Pakistan Domestic Billet (PKR/t)						
Bala Biilet, Exw Punjab	91,600	88,000 (2nd Jun)	93,000 (23rd Jun)	87,500	Lockdown	87,750
CC Billet, Grade 40 Exw Punjab	95,400	92,000 (2nd Jun)	96,500 (23rd Jun)	93,000	Lockdown	95,500
CC Billet, Grade 60 Exw Punjab	96,400	93,000 (2nd Jun)	97,500 (23rd Jun)	94,000	Lockdown	96,625



Source: SteelMint Research

India - With most Indian steel mills resuming operations by Jun'20, albeit at lower production levels, some improvement in raw material demand was witnessed m-o-m.

* By latter half of Jun'20, fresh bookings for imported scrap begun concluding to West Indian regions also, taking advantage of falling global price levels at the time.

Pakistan - In June-opening, top mill, Mughal Steel booked a 32,000t Shredded bulk cargo from US at 282.5/t CFR, while container bookings picked up, against a slow May and quiet April.

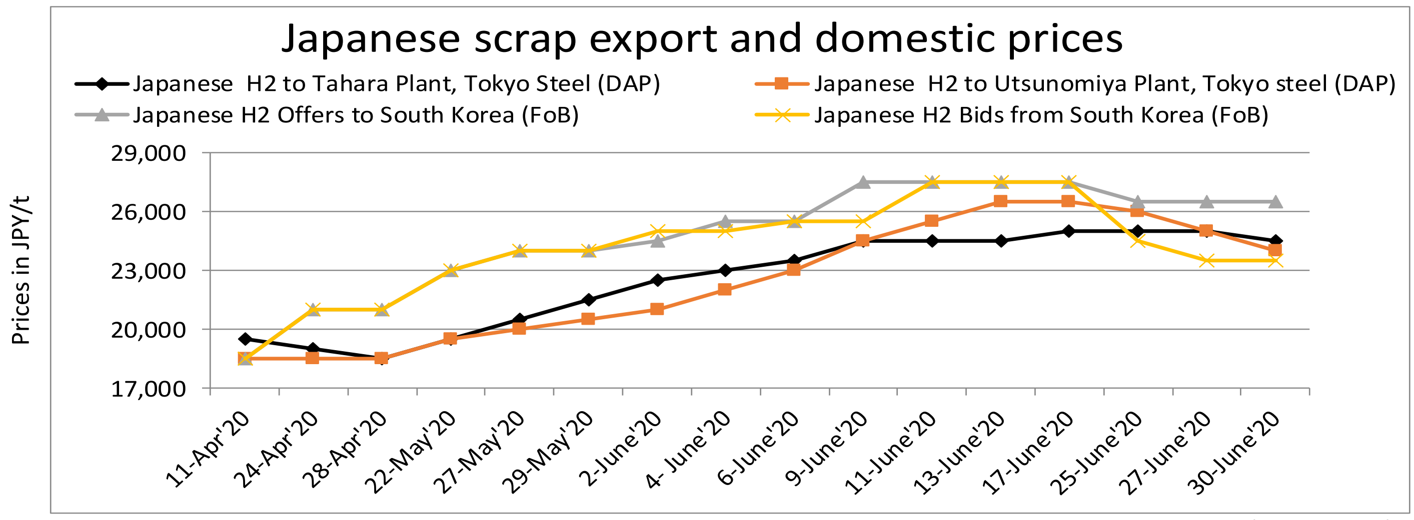
* Pakistan's annual budget for FY21, additional customs duty of 2% on import of Shredded scrap was removed, among other benefits to Steel sector

Bangladesh - Bulk scrap imports resumed with one US origin mixed cargo of 37,000t booked at $280/t Shredded basis CFR, among a few other Japanese cargo bookings in 2nd half of June.

* Trades in containers for imported scrap remained slow, with medium mills preferring ship yard melting scrap on cheaper availability, while limited steel demand kept production levels and consequently scrap requirement on lower side

Japan, South Korea and South East Asia

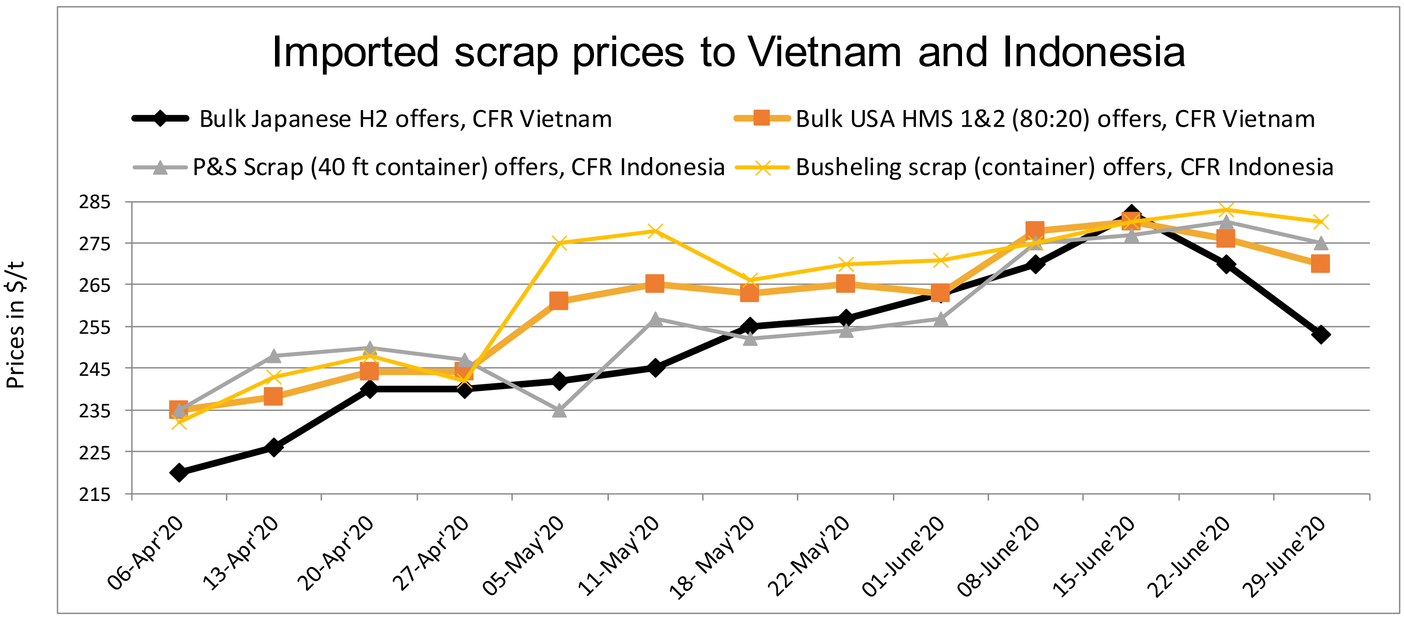
	Jun'20 Avg Price	Lowest Price in Jun'20	Highest Price in Jun'20	May'20 Avg Price	Apr'20 Avg Price	Jul'19 Avg Price
Japan						
Tokyo Steel						
Tahara Plant (JPY/t)	24,200	22,500 (2nd Jun)	25,000 (17th Jun)	20,500	19,000	26,600
Utsunomiya Plant (JPY/t)	24,400	21,000 (2nd Jun)	26,500 (13th Jun)	20,000	18,500	26,125
Kanto Tetsugen Tender (JPY/t)	26,360	-	-	22,476	20,656	28,060
South Korea						
Japanese H2 Offers (JPY/t FoB)	26,125	25,000 (2nd Jun)	26,500 (10th Jun)	23,667	19,750	27,000
Japanese H2 Bid (JPY/t FoB)	25,100	23,500 (26th Jun)	26,500 (10th Jun)	23,667	19,750	27,000
Vietnam						
Japanese H2 (CFR $/t)	268	253 (29th Jun)	282 (15th Jun)	250	232	-
USA HMS 1&2 (80:20) (CFR $/t)	274	270 (29th Jun)	280 (15th Jun)	264	244	-
Indonesia						
P&S Scrap 40 ft container (CFR $/t)	273	257 (1st Jun)	280 (2nd Jun)	250	248	-
Busheling scrap (CFR $/t)	277	270 (1st Jun)	283 (22nd Jun)	274	243	-



Source: SteelMint Research

Japan Domestic - In continuation to last month's trend, Japanese domestic scrap prices kept rising in 1st half of June, on account of scrap shortage and supply tightness, in addition to the rally in export prices.
*But in latter half of the month, easing of supply, continued poor demand, as well as fall in export offers, pulled down domestic Japanese prices as well, with Tokyo Steel's Utsunomiya plant (Kanto) observing sharpest price corrections.

Japan Export to South Korea - After last month's strong rally in prices, major South Korean buyers had considerably slowed down their bookings for Japanese scrap In early June, instead preferring North American and Russian cargoes and domestic Korean scrap, thus putting pressure of Japanese export offers.
*Consequently, by the latter half of June, Japanese export offers began to fall and some deals for Japanese cargoes were concluded in the last 2 weeks, at prices lower by JPY 2000-3000/t since mid-wJune's peak.



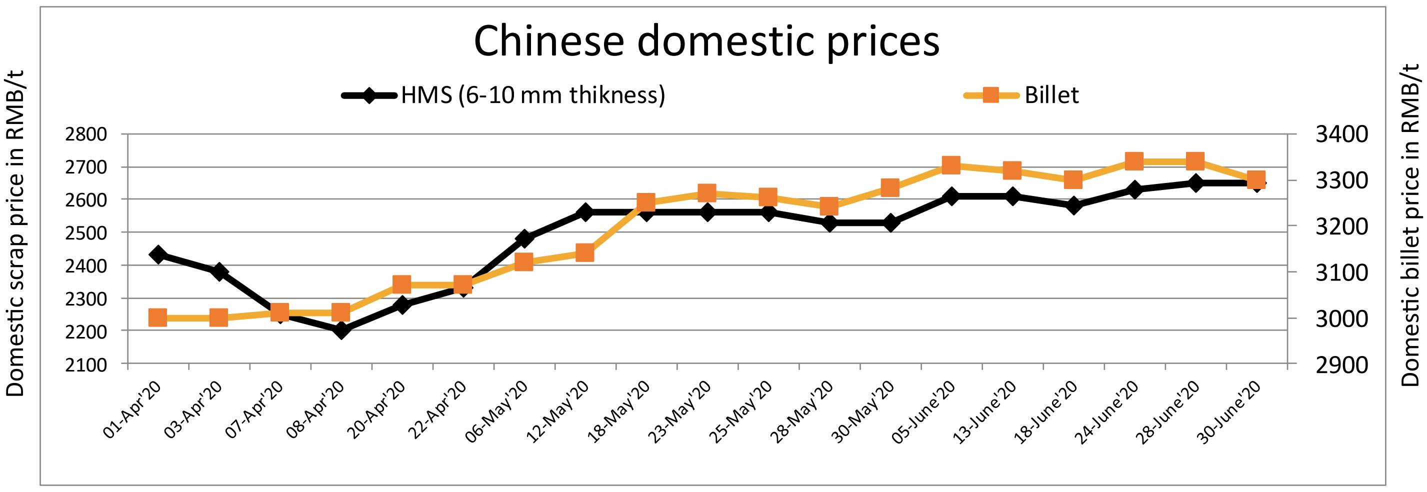
Source: SteelMint Research

Vietnam - In the first half of June, active bookings by Vietnamese steelmakers was observed on restocking needs, even as Japanese offers continued to surge. Decent bookings of American cargoes were also reported.
* But later in the month, buying slowed down with very high prices not being viable in current finished steel market, pulling down offers from both Japanese and North American origins by June-end.

Indonesia - Indonesian buyers remained active in the market throughout June, consistently booking Busheling and P&S via containers, against a slower May'20, while fewer HMS grade bookings were reported, on cheaper domestic HMS.

China & Taiwan

	Jun'20 Avg Price	Lowest Price in Jun'20	Highest Price in Jun'20	May'20 Avg Price	Apr'20 Avg Price	Jul'19 Avg Price
China						
Jiangsu Shagang Group (RMB/t)	2,618	2,580 (18th Jun)	2,650 (28th Jun)	2,523	2,312	2,785
Billet Exw Tangshan (RMB/t)	3,316	3,300 (18th Jun)	3,340 (23rd Jun)	3,223	3,080	-
Taiwan						
Domestic (HMS 80:20) (TWD/t)	7,375	7,000(3rd Jun)	7,600 (17th Jun)	7,000	6,640	-
Domestic Rebar (13 mm) (TWD/t)	14,975	14,600 (3rd Jun)	15,200 (17th Jun)	14,600	14,520	-
USA HMS 1&2 (80:20) ($/t)	244	235 (3rd Jun)	250 (17th Jun)	226	209	-
Japanese H2 ($/t)	257	242 (3rd Jun)	273 (17th Jun)	235	218	-



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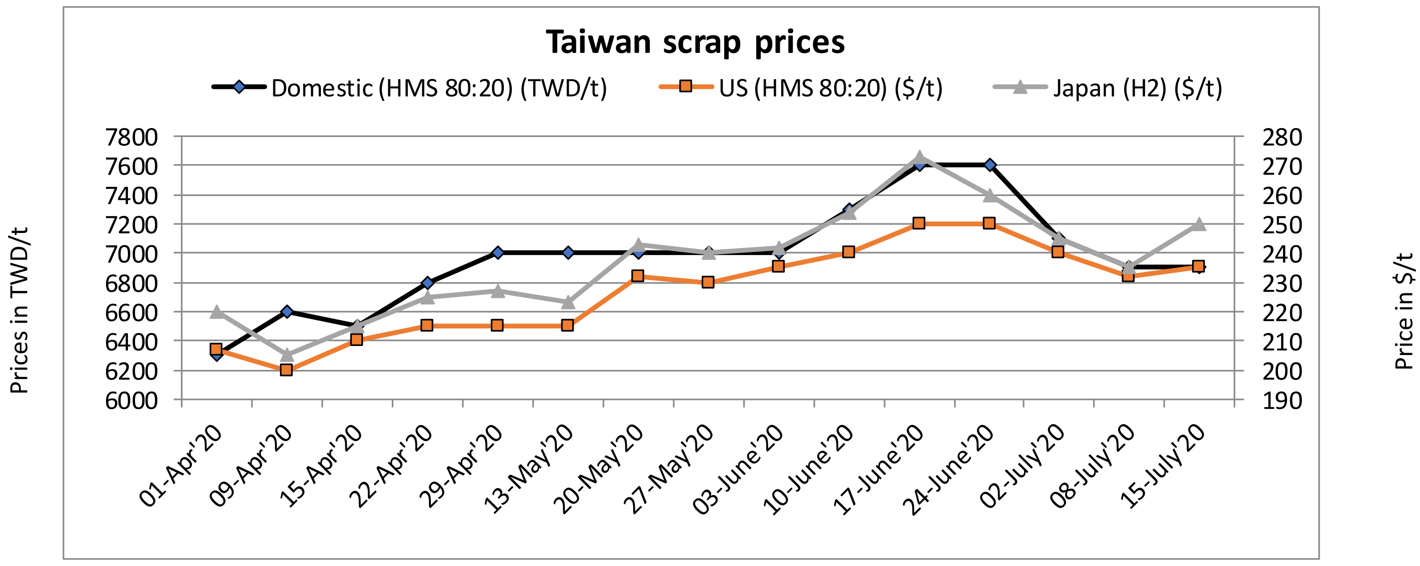


Source: SteelMint Research

China - After Sharp surge in domestic scrap prices in April and May, when mills were increasing their production level, leading to sharp rise in demand, June witnessed stability in scrap prices with more balance in demand and supply.

*Leading mill and scrap consumer in East China, Shagang Steel observed only 3 small price revisions for domestic scrap procurement, keeping price for HMS (6-10mm) mostly stable in the range of RMB 2580-2630/t, DAP Zhangjiagang, inclusive of taxes.

Taiwan - Imported scrap prices to Taiwan witnessed strengthening in the first 3 weeks of June, on the back of surge in global prices from Western as well as Japanese origins, during this period.

*In Anticipation of Dragon Boat festival and holidays in last week of June, buying activities remained strong earlier in June, with buyers looking to decent secure material for July shipments.

*Amid active buying, USA HMS prices in containers were driven to around 4.5 month high levels by mid-June, while aggressive procurement for Japanese scrap too continued, even as Japanese export offers had rallied to 6 month high levels by 2nd week.

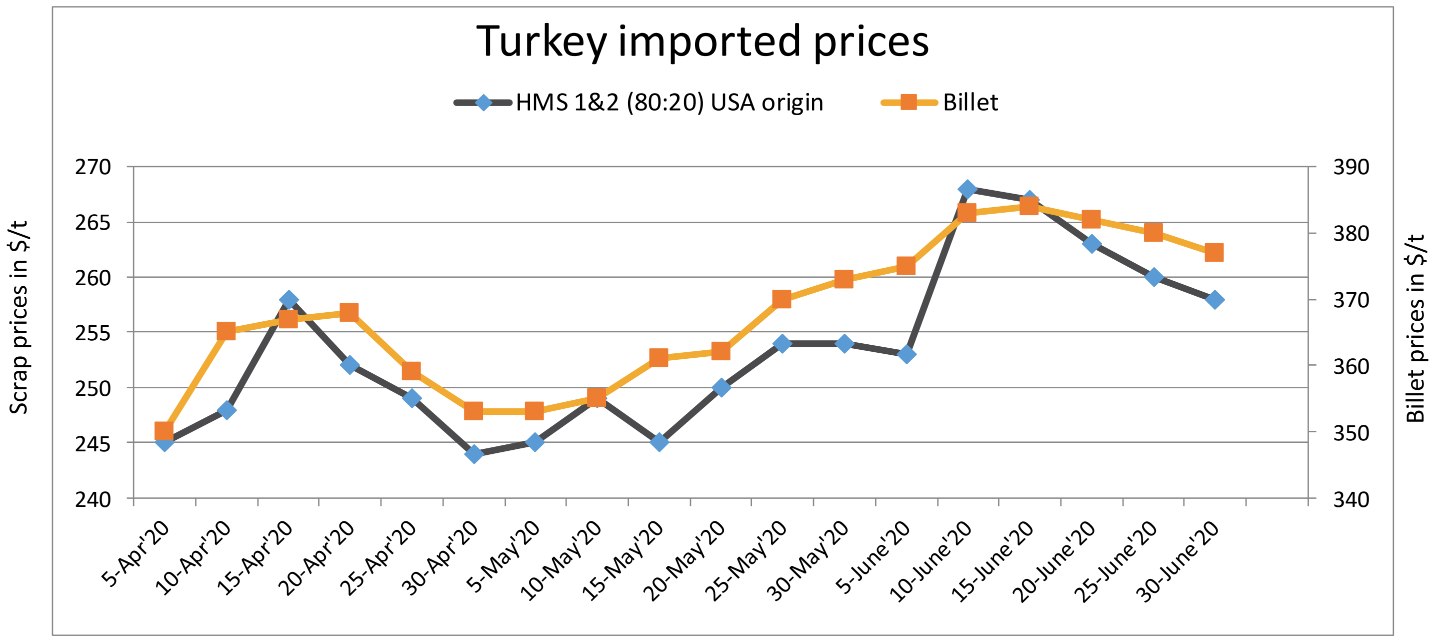
*Leading Steelmaker Feng Hsin hiked its domestic scrap procurement price and its Rebar offer price, twice in Jun’20, by a total of TWD 600/t ($ 20), and rolled over the prices in latter half of the month with steel demand generally expected to slow down from July month onwards in summer.

Turkey, USA & Europe

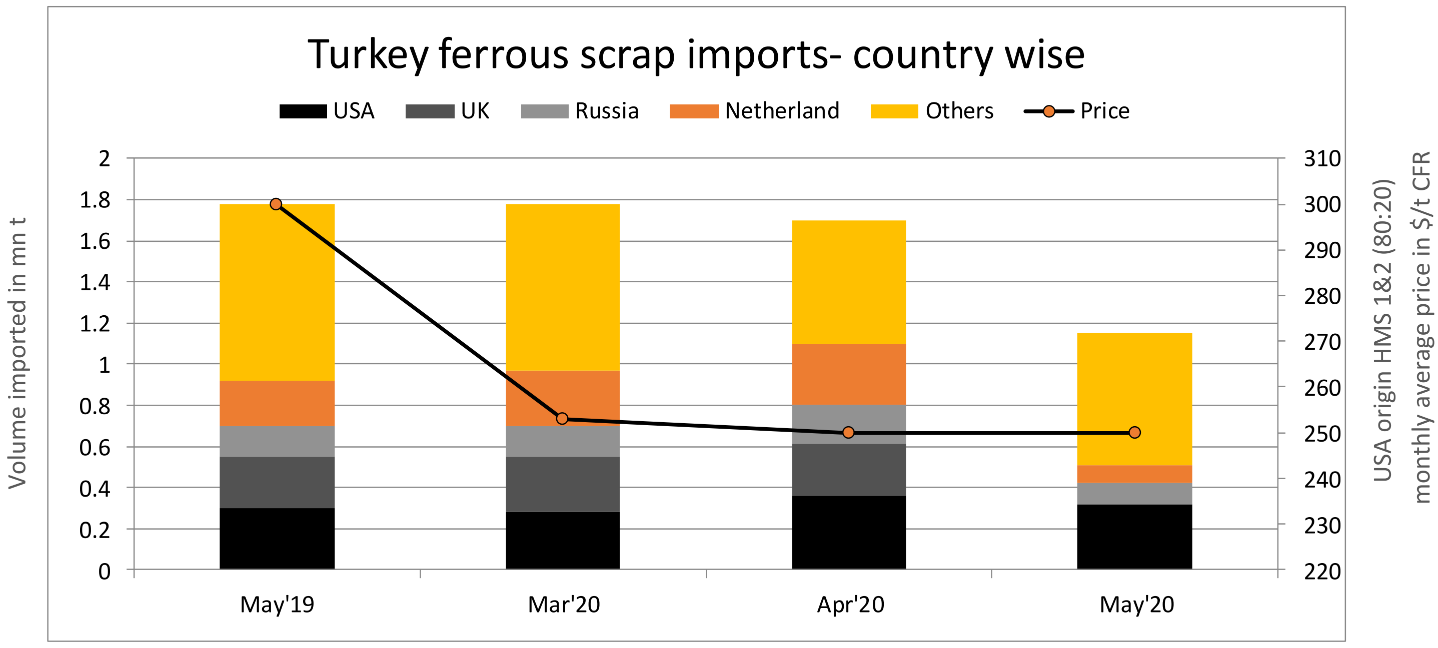
	Jun'20 Avg Price	Lowest Price in Jun'20	Highest Price in Jun'20	May'20 Avg Price	Apr'20 Avg Price	Jul'19 Avg Price
Turkey						
HMS 1&2 (80:20) ($/t)	262	253 (2nd Jun)	270 (16th Jun)	250	252	295
Billet CNF Iskenderun ($/t)	380	375 (5th Jun)	384 (15th Jun)	360	361	429

Turkey country-wise ferrous scrap imports

Exporting Country	May'20	Apr'20	Mar'20	May'19	Jun'19-May'20
Total Turkey Imports	1,167,318	1,721,994	1,793,746	1,812,211	19,275,318
USA	326,844	361,596	282,432	308,952	4,147,508
UK	-	257,368	271,013	251,517	1,934,160
Russia	107,042	194,946	153,611	155,492	1,676,246
Netherland	90,807	300,724	271,340	228,555	2,670,661
Others	642,625	607,360	815,350	867,695	8,846,743



Source: SteelMint Research



Source: SteelMint Research

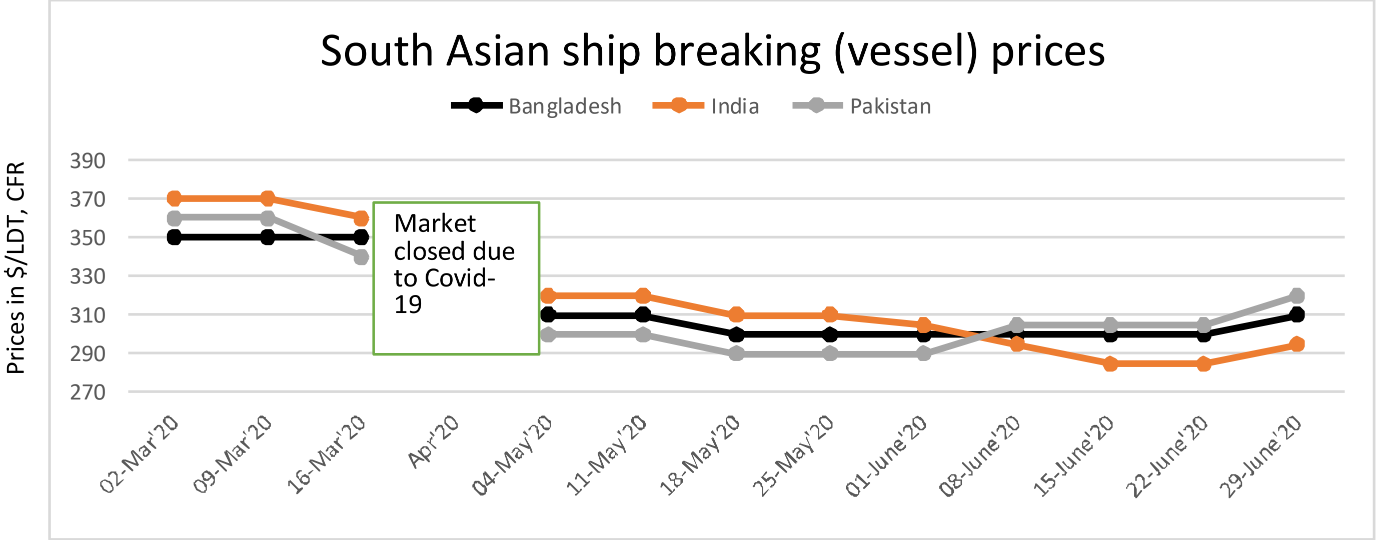
Turkey - Turkish imported scrap market witnessed 2 completely opposite trend in the two halves of June 2020.

*In the first half, major Turkish steelmakers were very active for deep sea cargoes of scrap, with several bookings from USA, Canada, Baltic, Benelux and UK origins getting concluded. USA suppliers remained particularly active in early June, unlike previous months.

*As Turkish mills hurried for booking July shipment cargoes on anticipation of improving demand in the coming months, prices shot up by $16-17/t in the 1st 2 weeks.

*However, in the 2nd half of June, Turkish mills either remained out of the market for fresh bookings or were bidding at very low levels, on low domestic and export price for finished steel and having booked sufficiently earlier, thus pulling offers down again.

	Jun'20 Avg Price	Lowest Price in Jun'20	Highest Price in Jun'20	May'20 Avg Price	Apr'20 Avg Price	Jul'19 Avg Price
India						
Tanker ($/LDT)	293	285 (15th Jun)	305 (1st Jun)	315	Lockdown	393
Container ($/LDT)	303	295 (15th Jun)	315 (1st Jun)	305	Lockdown	402
Pakistan						
Tanker ($/LDT)	295	290 (1st Jun)	320 (29th Jun)	305	Lockdown	396
Container ($/LDT)	315	300 (1st Jun)	330 (29th Jun)	305	Lockdown	405
Bangladesh						
Tanker ($/LDT)	302	300 (1st Jun)	310 (29th Jun)	305	Lockdown	407
Container ($/LDT)	312	310 (1st Jun)	320 (29th Jun)	315	Lockdown	416



Source: SteelMint Research

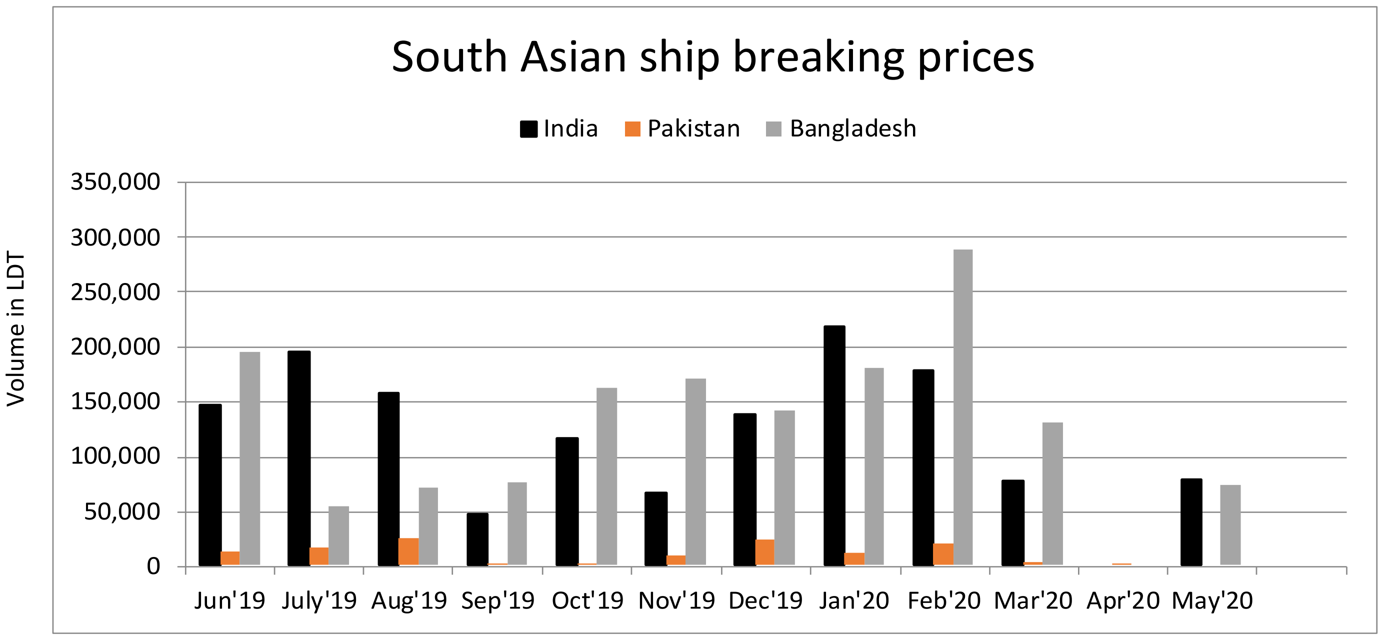
Ship Breaking country wise import	India	Pakistan	Bangladesh
Jun'19	146,565	12,296	194,382
July'19	195,297	16,229	53,732
Aug'19	157,729	24,538	70,969
Sep'19	46,494	1,148	75,893
Oct'19	115,264	1,179	162,063
Nov'19	66,586	9,193	170,684
Dec'19	138,316	23,772	141,570
Jan'20	217,740	11,875	180,564
Feb'20	177,419	20,159	288,467
Mar'20	76,559	2,484	131,030
Apr'20	-	1,284	-
May'20	78,003	-	73,120

*After a gap, ship recyclers in South Asia returned to market gradually for fresh bookings of scrapped vessels from beginning of June, post Eid holidays.

*Prices of all types of vessels had already plunged by around $60-70/t in May after the lockdown, while in June, prices further moved down $20/t to Bangladesh and Pakistan and by $30/t or more to India.

*Pakistan and Bangladesh competed for fresh vessels on renewed demand and good demand from end users due to high imported scrap prices being less viable.

*India on the other hand, was less active, with sufficient stock available of breaking, at a time when labour shortage issue not being fully resolved resulted in slow operations at yards, turning fresh bookings not very necessary.



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