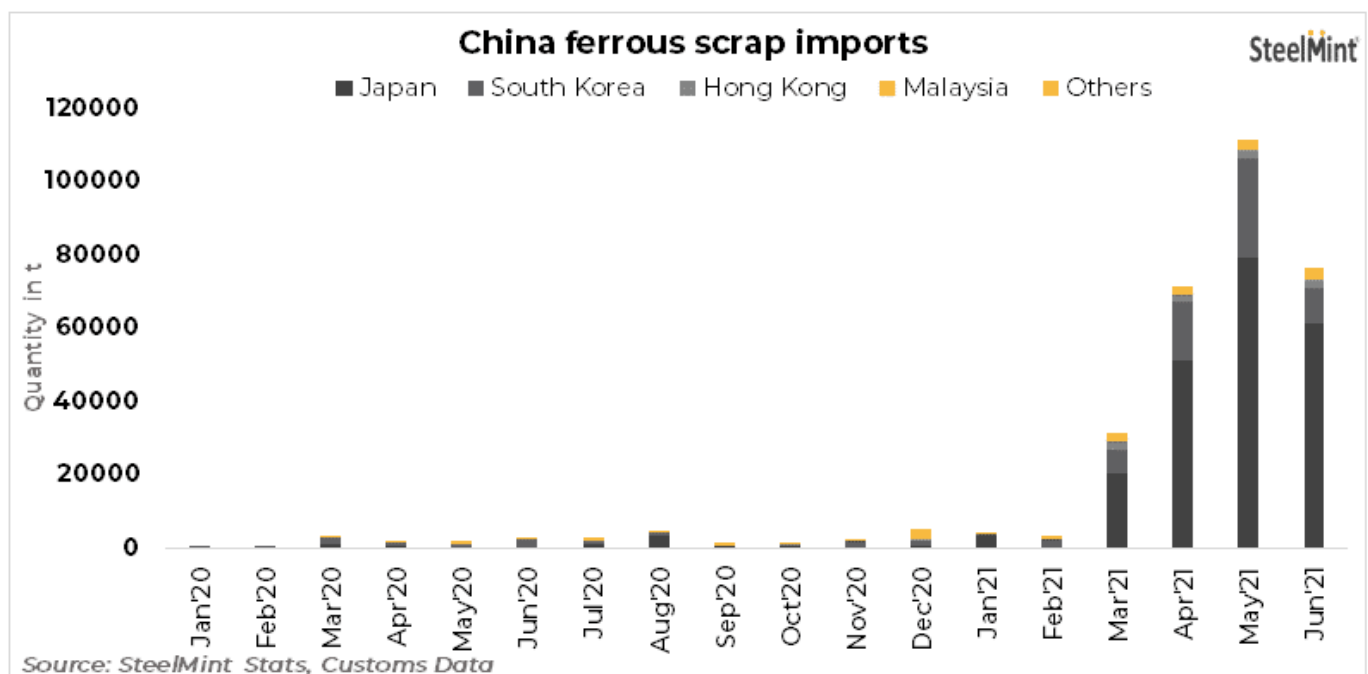


GLOBAL FERROUS SCRAP

MONTHLY REVIEW JUNE 2021

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China's ferrous scrap imports witnessed a sharp increase in H1 CY'21 after easing of import restrictions. China imported 0.3million tonnes (mn t) of ferrous scrap in Jan-Jun'21, sharp increase y-o-y as compared to just 10,000t in Jan-Jun'20. Import volumes into China rose on vigorous trading after the ban on imports of steel scrap was lifted in Jan'21 coupled with strong domestic demand, SteelMint understands.

Japan largest exporter: Japan was the largest exporter of scrap to China with 0.22mn t in Jan-Jun'21, accounting for more than 70% of total imports. The former continued to feed a strong Chinese appetite for high-grade scrap. South Korea was the second-largest exporter with 0.07 mn t in H1 CY'21.

On 31 Dec'20, China's Ministry of Industry and Information Technology jointly issued a notice to confirm the duty-free imports of recycled raw material for steelmaking with effect from 1 Jan'21. This move was taken to regulate the imports of recycled steel raw materials and promote the high-quality development of the country's steel industry.

China's strict standards and inspection processes are keeping import volumes limited. Buyers are targeting premium quality scrap. The imports have been mainly for Japanese HS that falls in China's new import grade category HRS101.

However, China's scrap imports faced a decline of 31% m-o-m in Jun'21 as compared to 0.11 mn t in May'21, SteelMint learnt from China's customs data released recently. This was largely due to the bid-offer disparity for Japanese scrap cargoes.

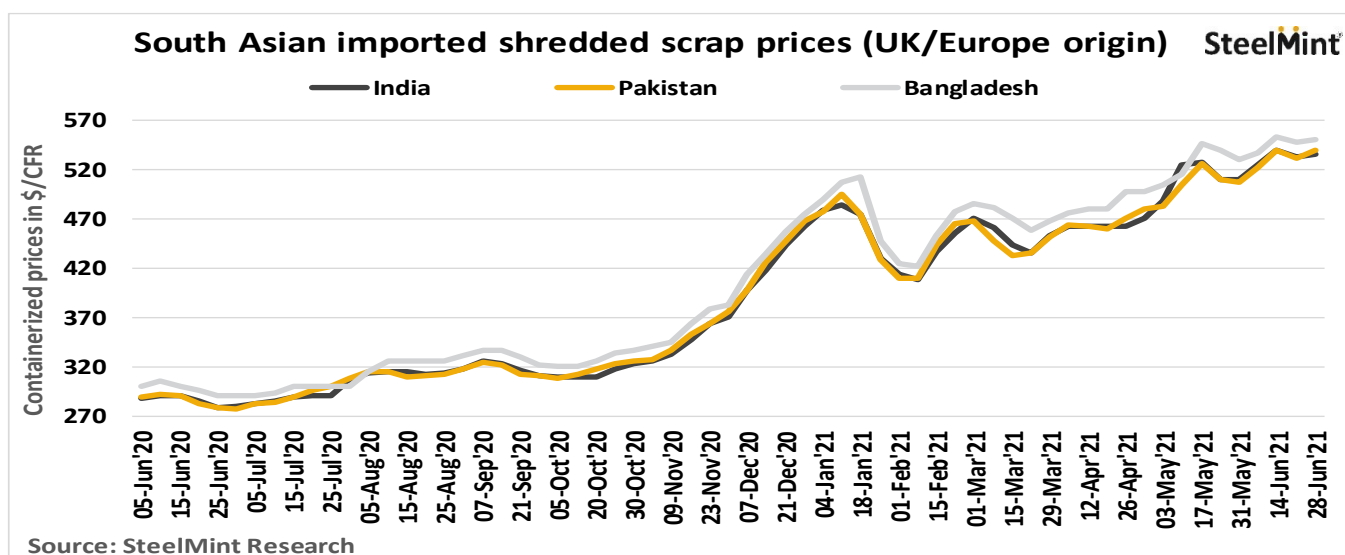
Imported offers from Japan rise: Offers for Japanese HRS 101 grade ferrous scrap increased tonne (t)-to \$570/t CFR China in end-Jun'21from \$500/tonne (t) CFR China in early-Apr'21, according to SteelMint.

Outlook

Chinese ferrous scrap imports from Japan may slow down in the near-term considering the disparities in bids and offers. However, imports from South Korea may witness a boost in the near-term.

South Asia (India, Bangladesh and Pakistan)

Assessment	Jun'21 Avg	Lowest Price in Jun'21	Highest Price in Jun'21	May'21 Avg	% Change (m-o-m)	Jun'20 Avg
India						
India imported scrap (\$/t)						
Shredded, CNF Nhava Sheva	530	525 (7th Jun)	540 (14th Jun)	510	4%	285
HMS 1&2 (80:20), ex UK, CNF Nhava	495	490 (28th Jun)	500 (14th Jun)	490	1%	260
India Domestic scrap (₹/t)						
HMS (80:20) EXW Mandi	36,550	33,600 (29th Jun)	38,800 (5th Jun)	37,170	2%	-
HMS (80:20) EXW Mumbai	34,360	33,300 (30th Jun)	34,700 (8th Jun)	35,650	4%	20,430
Alang Ship yard melting scrap	36,610	34,000 (30th Jun)	37,800 (12th Jun)	37,830	3%	21,500
Indian Metallics (₹/t)						
C-DRI exw Raipur	31,830	30,700 (29th Jun)	32,800 (4th Jun)	30,925	3%	16,490
P-DRI exw Raipur	30,500	29,300 (29th Jun)	31,200 (4th Jun)	29,790	2%	15,570
Pig Iron (Steel Grd) Exw Durgapur	38,810	37,300 (29th Jun)	40,000 (5th Jun)	38,710	0%	23,880
Indian Domestic Billet (₹/t)						
Billet (DAP Mumbai)	42,900	41,100 (30th Jun)	44,100 (5th Jun)	44,330	3%	28,330
Billet (DAP Chennai)	45,230	43,300 (30th Jun)	46,300 (4th Jun)	45,960	2%	29,740
Bangladesh						
Bangladesh imported scrap (\$/t)						
Shredded, CNF Chittagong	545	535 (7th Jun)	550 (28th Jun)	525	4%	295
HMS 1&2 (80:20), CNF Chittagong	525	510 (7th Jun)	535 (14th Jun)	510	3%	270
Japanese H2 Bulk, CNF Chittagong	550	535 (7th Jun)	560 (28th Jun)	530	4%	-
Bangladesh Domestic Scrap (₳/t)						
Chittagong Ship yard melting scrap	49,065	47,500 (9th Jun)	49,750 (30th Jun)	48,250	2%	28,460
Bangladesh imported DRI (\$/t)						
DRI ex India, CNF Chittagong	485	460 (28th Jun)	500 (7th Jun)	470	3%	265
Pakistan						
Pakistan imported scrap (\$/t)						
Shredded 211, CNF Qasim	535	520 (7th Jun)	540 (28th Jun)	500	7%	285
Pakistan Domestic Scrap (PKR/t)						
Local Scrap Eq. to Shred, Exw Punjab	95,300	94,000 (8th Jun)	97,000 (1st Jun)	93,210	2%	69,200
Pakistan Domestic prices (PKR/t)						
CC Billet, Grade 60 Exw Punjab	126,050	123,500 (1st Jun)	130,500 (29th Jun)	119,050	6%	96,250
CC Rebar, Grade 60 Exw Punjab	142,640	140,000 (1st Jun)	147,000 (29th Jun)	135,470	5%	112,100



India's imported scrap market quiet on falling steel margins: Imported scrap trade in India improved slightly after the government allowed temporary supply of oxygen to certain industries in the beginning of Jun'21.

However, due to the sluggish finished steel market which has been hit by heavy rains and slower construction and infrastructure activities, the imported scrap market remained mostly quiet. Later, in the month, Indian mills stayed away from bookings because of disparities in bids and offers.

Limited deals from Pakistan as bids, offers vary: Pakistan's imported scrap offers fell at the beginning of the month due to limited trade and less buying inquiries as buyers were awaiting the budget scheduled for the third week of Jun'21.

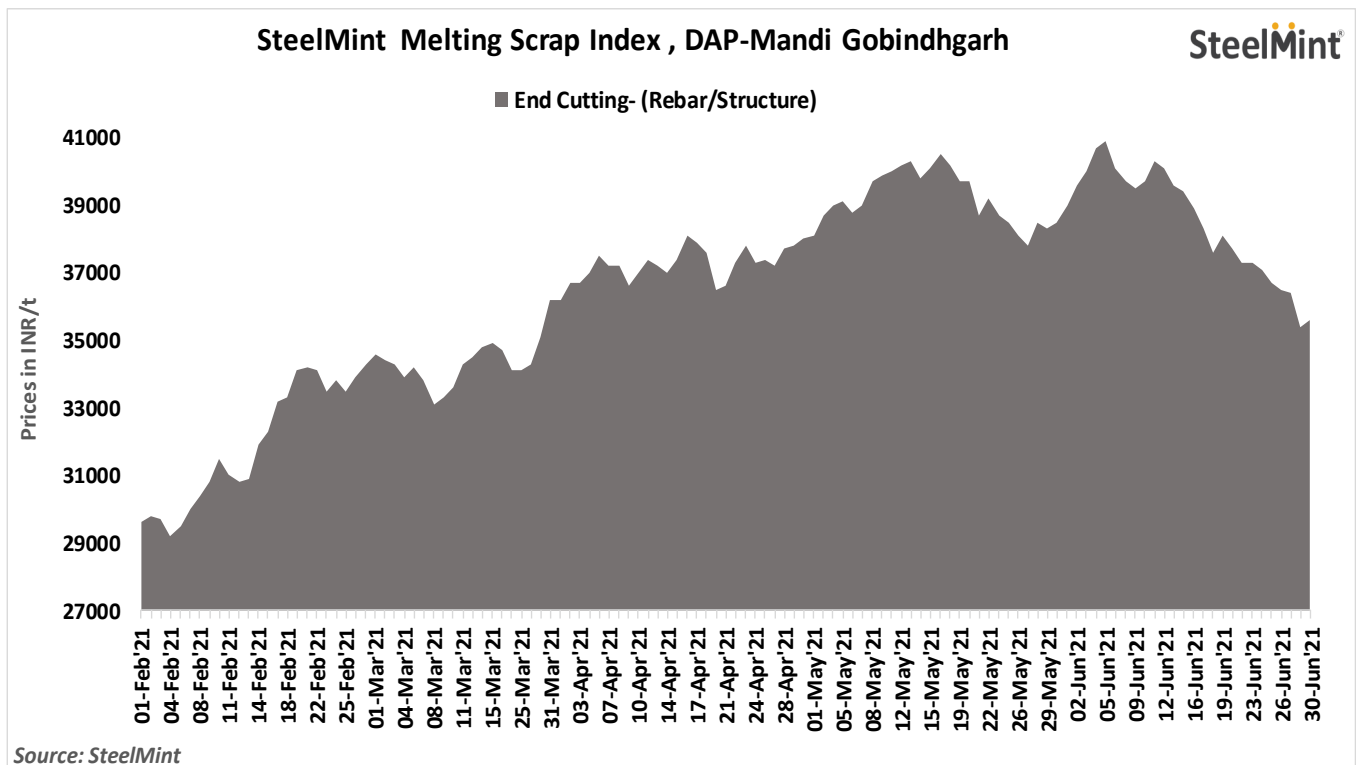
Pakistani buyers were less interested in booking fresh cargo and were waiting for prices to come down. Meanwhile, due to higher imported scrap offers, steel mills had increased their rebar prices.

Bangladesh books 5-6 bulk US cargoes: Bangladesh mills had actively booked around 5-6 US bulk cargoes throughout the month, given the restocking before monsoon and favourable prices. Japanese scrap offers were less viable for Bangladesh buyers due to a wide discrepancy in offers and bids.

Most scrap buyers shifted to bulk cargoes due to increased container prices as market activities and trade remained slow post-budget announcement earlier in the month. On the other hand, buyers and steel makers were waiting for prices to come down.

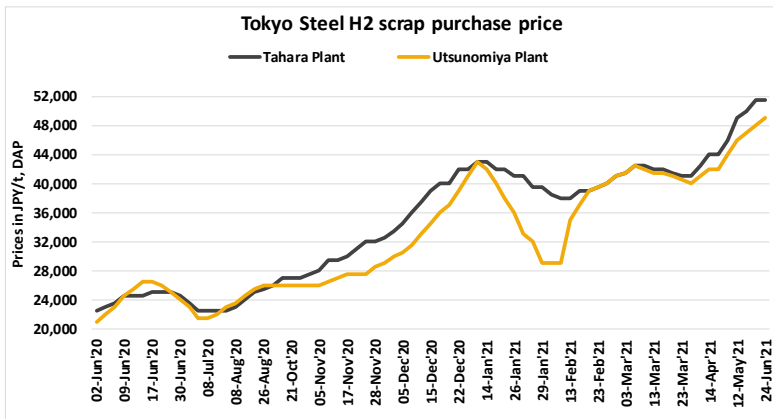
India's domestic steel scrap index

India's domestic steel scrap index hits new high: Positive trends and shortage of material drove prices to new highs as per the data maintained with SteelMint since Aug'13. Limited scrap accumulation forced buyers to raise their bids to procure requisite volumes. While later decline in semi-finished steel prices by around INR 800-1,000/t disrupted scrap movements.



Particulars	Specifications
Index	India Domestic Steel Scrap Price Index(End Cutting), DAP Gobindgarh Mandi, Punjab
Other Assessments	Old Scrap, HMS (80:20) Selected, CR Sheet Cutting
Dimensions	Length up to 3 Ft.
Packing	Loose
Quantity	50 MT - 100 t
Delivery Terms	Delivered at plant (DAP), (Induction Furnace) site located in Mandi Gobindgarh, Dist. Fatehgarh (Punjab)
Payment Terms	Immediate after delivery
Delivery Period	Within 3-5 days
Assessment Frequency	Daily
Data Submission (IST)	11.00 AM to 4.30 PM
Publication (IST)	1.00 PM & 5.00 PM

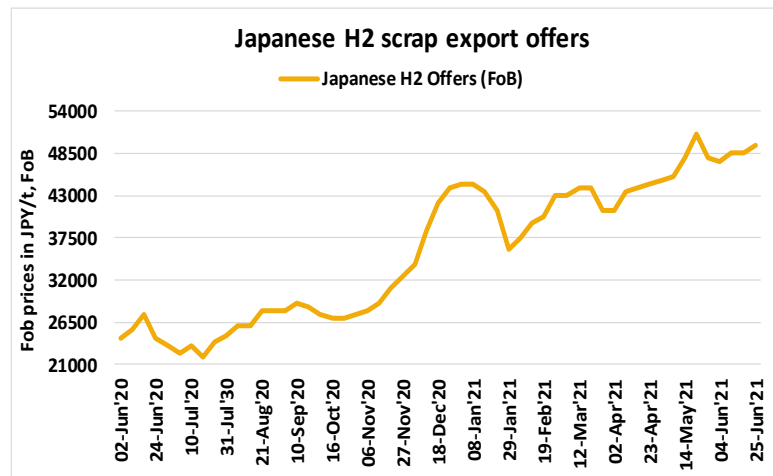
Assessment	Jun'21 Avg	Lowest Price in Jun'21	Highest Price in Jun'21	May'21 Avg	% Change (m-o-m)	Jun'20 Avg
Japan						
Tokyo Steel						
Tahara Plant (JPY/t, DAP)	51,500	51,500 (24th Jun)	51,500 (24th Jun)	49,125	5%	24,200
Utsunomiya Plant (JPY/t, DAP)	49,000	49,000 (24th Jun)	49,000 (24th Jun)	46,250	6%	24,400
Kanto Tetsugan Tender (JPY/t, FoB)	49,190	49,195 (9th Jun)	49,125 (9th Jun)	48,830	1%	26,630
South Korea						
Bulk Japanese H2 Offers (JPY/t FoB)	48,500	47,500 (4th Jun)	49,500 (25th Jun)	48,125	1%	25,100
Vietnam						
Bulk Japanese H2 (CFR \$/t)	500	490 (7th Jun)	505 (21st Jun)	505	1%	265
Bulk USA HMS 1&2 (80:20) (CFR \$/t)	510	505 (7th Jun)	520 (21st Jun)	510	0%	270
Indonesia						
P&S Scrap 20 ft container (CFR \$/t)	515	510 (7th Jun)	525 (21st Jun)	505	2%	270
Busheling scrap (CFR \$/t)	-	-	-	480	0%	280



Tokyo Steel hikes scrap buying price by \$9/t in June: Japan's leading EAF steel mill Tokyo Steel has declared hike by JPY 1,000/t (\$9) in its scrap purchase price on 23 Jun'21 after a month's hiatus.

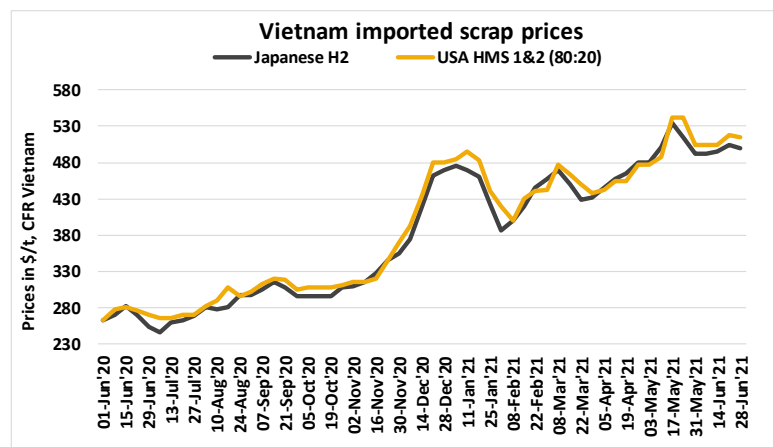
After the revision, the company would pay a bid price for H2 scrap at JPY 49,000/t (\$442) for the Utsunomiya works.

Strong domestic ferrous scrap demand in Japan has resulted in the hike in bids.



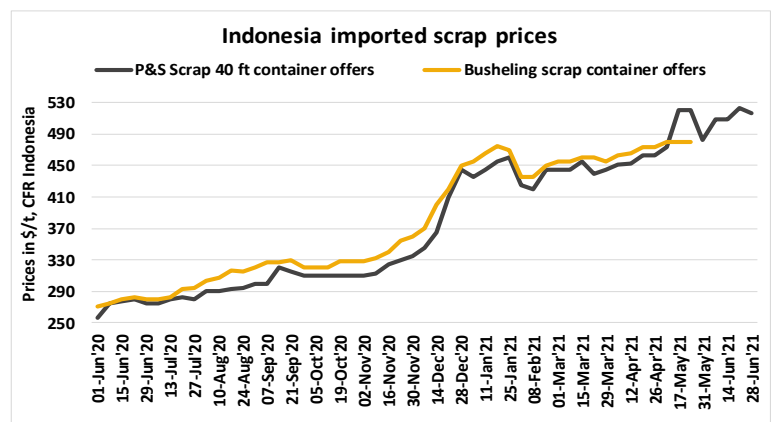
South Korean mills raise bids for Japanese scrap: South Korean mills raised bid price for Japanese scrap after the Kanto scrap export tender was concluded on 9 Jun'21. The steel giant, Hyundai Steel, had booked US -origin bulk scrap cargo, comprising 32,000 t of HMS 1 at around \$515/t, CFR South Korea. The company had also booked around 57,000 t of Russian A3 bulk scrap cargo earlier this week. The deal was concluded at \$518/t CFR.

However, later, the Korean mills showed their interest in higher grade scrap, owing to rise in automobile production which led to active bookings for Shindachibara.



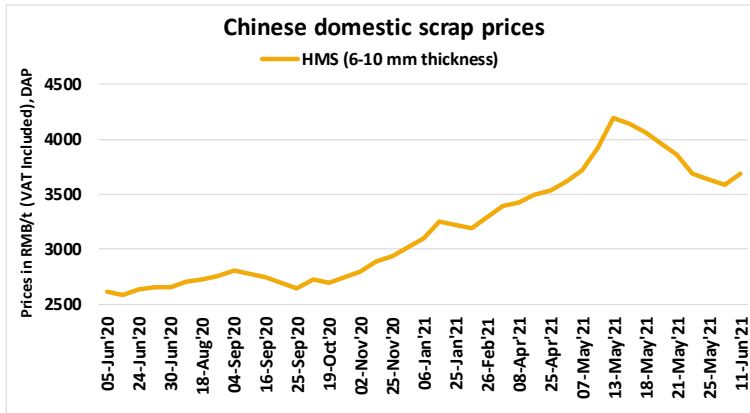
Vietnam's imported scrap market cools off on rising Covid cases: Trading activities improved following a decline in offers from the US. Nearly two to three bulk US scrap cargoes were booked by Vietnam-based steel mills last week at around \$510-515/tonne (t) CFR.

The nearest and most preferred Japanese scrap was available at elevated offers, post-the Kanto tender results. Steelmakers and buyers were not willing to pay these prices considering the slower domestic steel demand on increased Covid cases.



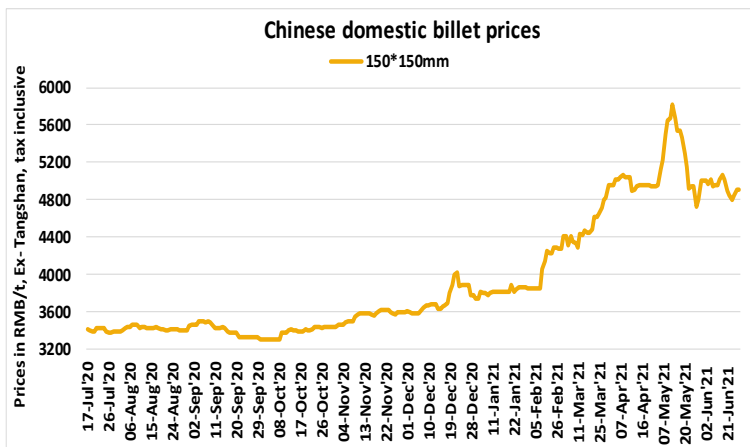
Indonesia's imported scrap demand low: Scrap demand from Indonesian mills was low early in the month. The most preferred Hong Kong-origin PNS grade scrap prices were at \$515-520/t CFR, Jakarta towards month end.

Assessment	Jun'21 Avg	Lowest Price in Jun'21	Highest Price in Jun'21	May'21 Avg	% Change (m-o-m)	Jun'20 Avg
China						
Shagang 6-10 mm price DAP Jiangsu	3,730	3,690 (11th Jun)	3,770 (16th Jun)	3,850	3%	2,624
Billet Exw Tangshan (RMB/t)	4,950	4,800 (23rd Jun)	5,060 (15th Jun)	5,280	6%	-
Taiwan						
Domestic (HMS 80:20) (TWD/t)	11,360	11,300 (9th Jun)	11,600 (30th Jun)	11,900	5%	7,370
Domestic Rebar (13 mm) (TWD/t)	22,760	22,700 (9th Jun)	23,000 (30th Jun)	22,200	3%	14,970
USA HMS 1&2 (80:20) (\$/t)	450	440 (9th Jun)	460 (29th Jun)	460	2%	240
Japanese H2 (\$/t)	500	470 (2nd Jun)	515 (23rd Jun)	485	3%	260



China's Shagang hikes scrap purchase prices twice in Jun'21: China's largest steel enterprise, Jiangsu Shagang Group, located in Jiangsu province, increased its scrap purchase prices twice in Jun'21. The company raised scrap procurement prices by a total of RMB 180/t (\$28/t) for all grades.

Tight material availability and rising prices of finished steel coupled with high imported scrap offers from Japan and rising Chinese steel futures resulted in hike in scrap prices.

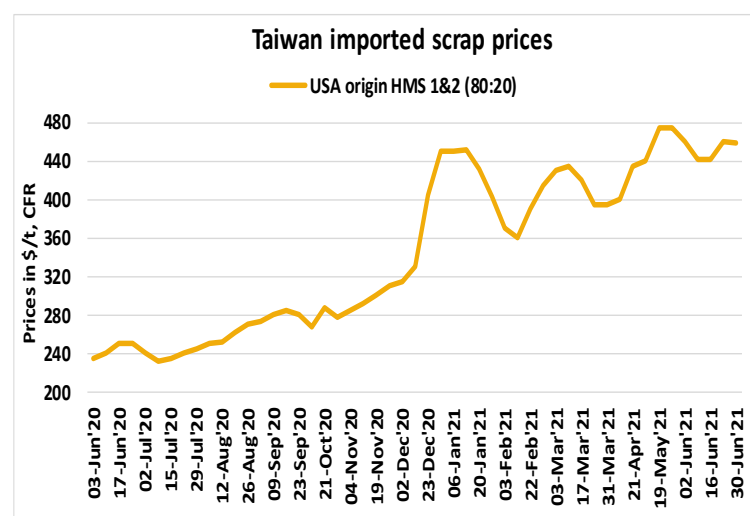


Chinese domestic billet prices fall: The domestic billet prices in China fell from RMB 5,000 exw tangshan (inclusive of 13% VAT) assessed towards month beginning to RMB 4,900/t exw levels towards month end. The sharp drop in rebar futures resulted in decline in domestic prices.



Taiwan's imported scrap prices on par with global prices: Imported and domestic scrap prices in Taiwan were almost at the same levels in Jun'21. Thus, the gap between local and global scrap prices narrowed.

Central Taiwan's mini mill ended the rollover since late May to TWD 11,600/t for locally-sourced HMS 1&2 80:20 scrap after kept it at TWD 11,300/t for the prior four weeks.



Taiwan's imported scrap trade subdued: Imported Japanese scrap prices into Taiwan remained at higher levels, thus no major deals were recorded. Taiwan buyers majorly booked the US material.

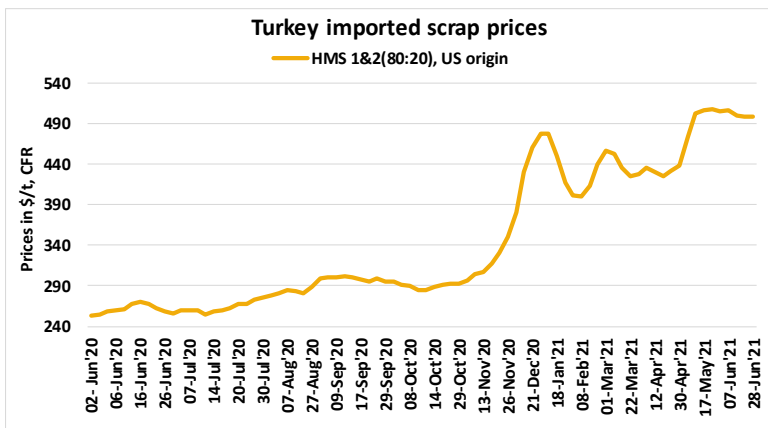
Towards month end, the price of US-sourced HMS 1&2 80:20 scrap, was at \$458/t CFR Taiwan, down \$2/t on week after gained for two weeks.

Source: SteelMint Research

Turkey, USA & Europe

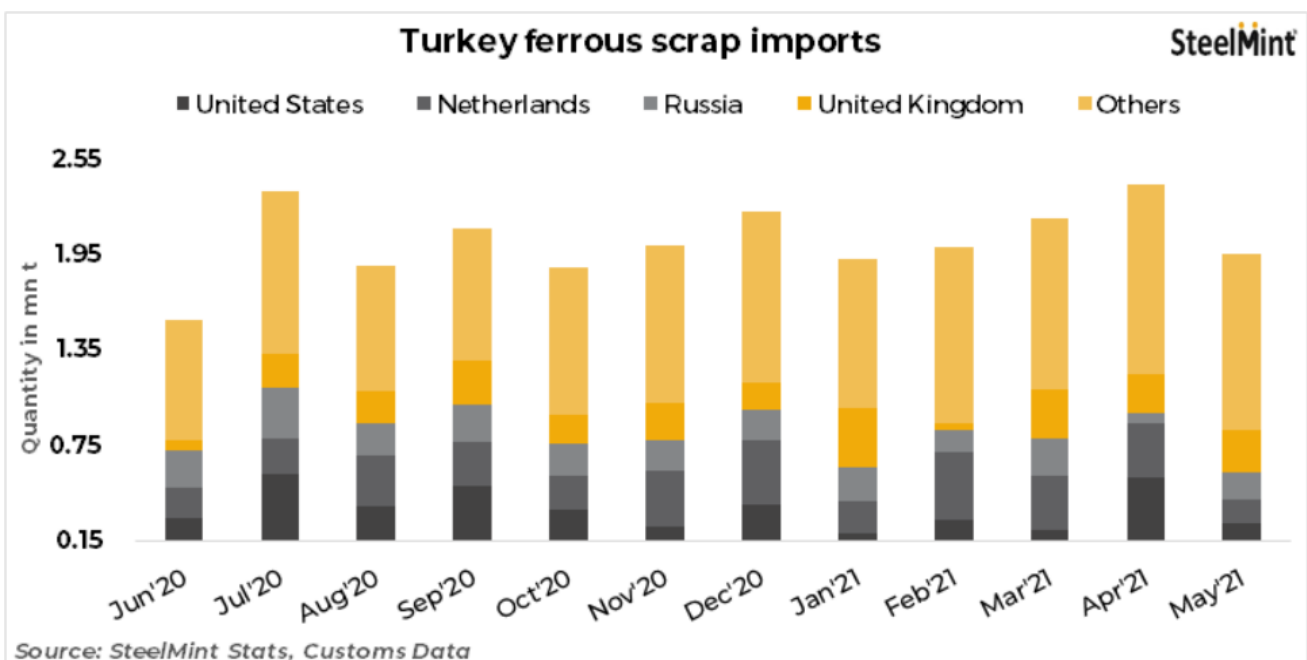
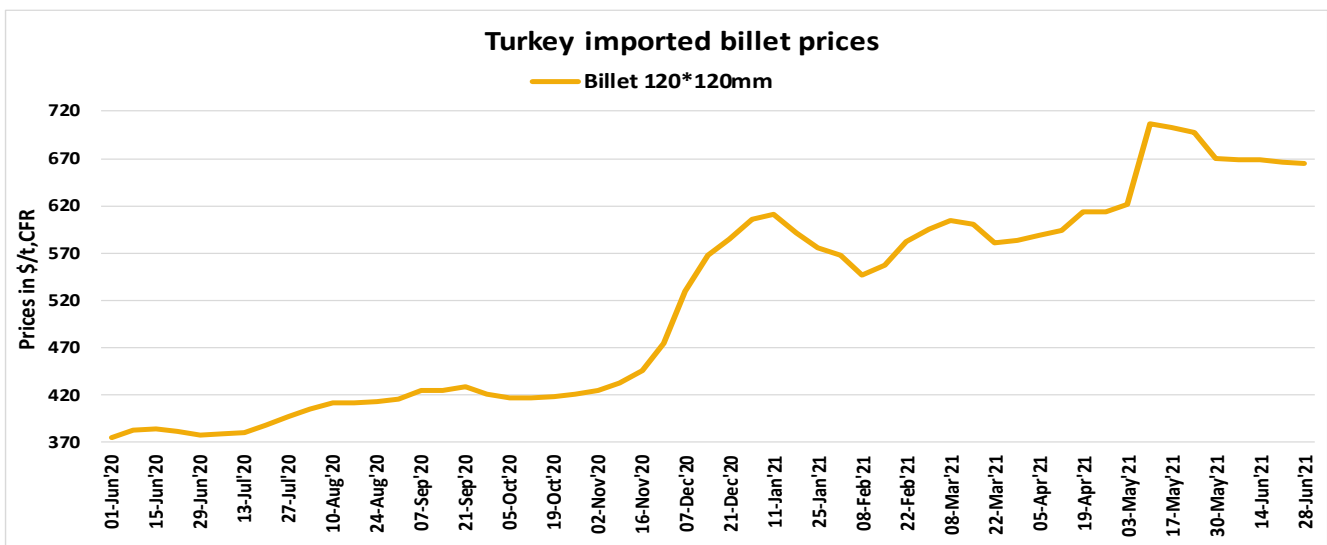
Assessment	Jun'21 Avg	Lowest Price in Jun'21	Highest Price in Jun'21	May'21 Avg	% Change (m-o-m)	Jun'20 Avg
Turkey						
Bulk USA HMS, CNF Turkey (\$/t)	500	500 (21st Jun)	505 (7th Jun)	500	0%	260
Billet CNF Iskenderun (\$/t)	665	665 (21st Jun)	670 (7th Jun)	680	2%	380

Turkey country-wise ferrous scrap imports (in mn t)					
	May'21	Apr'21	Mar'21	May'20	Jun'20-May'21
Total Turkey Imports	1.96	2.43	2.17	1.17	24.5
USA	0.26	0.55	0.22	0.33	4.18
Netherlands	0.15	0.34	0.34	0.09	3.47
Russia	0.17	0.07	0.23	0.11	2.4
UK	0.27	0.25	0.31	0.06	2.61
Others	1.11	1.22	1.07	0.58	11.84



Turkey's imported scrap market quiet: Imported scrap market in Turkey remained mostly quiet last month with limited bulk scrap bookings done amid disparities in bids-offers, dull finished steel demand in the domestic and overseas markets and depreciation of the national currency, lira.

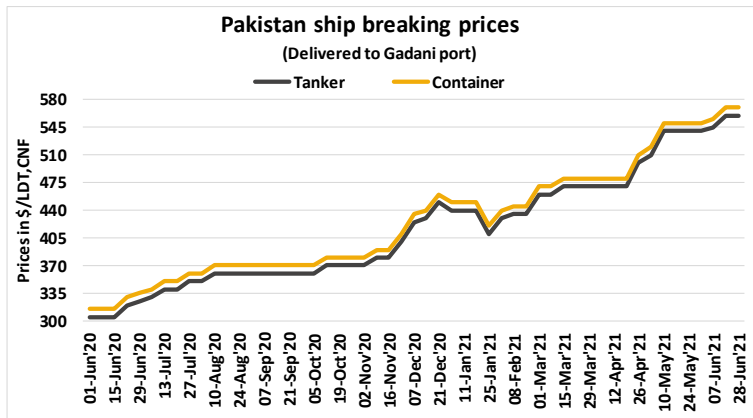
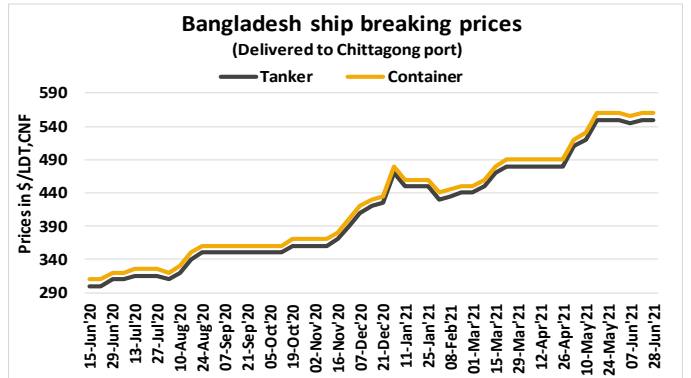
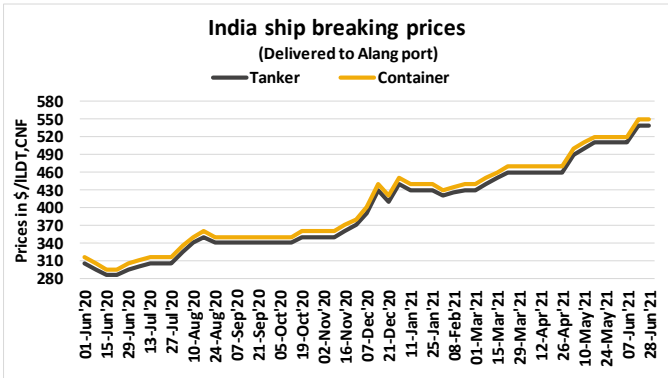
Imported scrap offers hovered in the range of \$497-505/t CFR Turkey levels. However, limited deals were recorded at these levels throughout the month.



Turkey's ferrous scrap imports drop 19% m-o-m in May'21: Turkey, the world's leading buyer of seaborne ferrous scrap, recorded imports at 1.96 million tonnes (mn t) in May'21, a straight 19% drop against 2.42 mn t in Apr'21. Owing to the Eid holidays, the country's steel mills remained less active in booking scrap cargoes in May. The UK was the top exporter to Turkey with 0.27 mn t, followed by the US and Russia, as per SteelMint data.

Ship Breaking

Assessment	Jun'21 Avg	Lowest Price in Jun'21	Lowest Price in Jun'21	May'21 Avg	% Change (m-o-m)	Jun'20 Avg
India						
Tanker (\$/LDT)	530	510 (7th Jun)	540 (28th Jun)	500	6%	290
Container (\$/LDT)	540	520 (7th Jun)	550 (28th Jun)	515	5%	300
Pakistan						
Tanker (\$/LDT)	555	545 (7th Jun)	560 (28th Jun)	525	6%	310
Container (\$/LDT)	565	555 (7th Jun)	570 (28th Jun)	535	6%	320
Bangladesh						
Tanker (\$/LDT)	550	545 (7th Jun)	550 (28th Jun)	535	3%	300
Container (\$/LDT)	560	555 (7th Jun)	560 (28th Jun)	545	3%	310

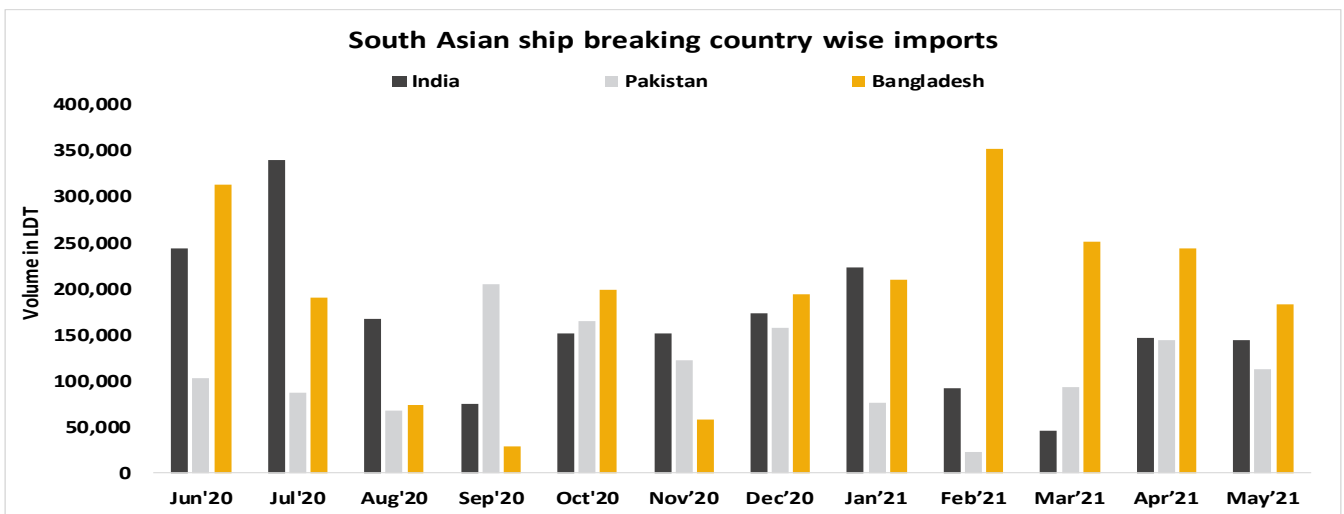


Ship Breaking country wise import			
	India	Pakistan	Bangladesh
Jun'20	243,809	102,448	312,856
Jul'20	339,707	87,254	190,082
Aug'20	167,715	67,495	73,223
Sep'20	75,217	205,189	28,876
Oct'20	151,267	164,554	199,055
Nov'20	150,934	121,796	57,241
Dec'20	173,485	157,140	193,317
Jan'21	222,772	75,434	209,587
Feb'21	91,221	22,192	352,302
Mar'21	45,918	92,834	251,393
Apr'21	146,003	143,793	244,186
May'21	144,049	113,033	182,743

India: Earlier in the month despite a rise in steel prices by nearly \$20/tonne (t) w-o-w, the supply of vessels to India were mainly non-ferrous (stainless steel) units. While, towards month end several small light displacement tonnage (LDT) vessels were beached in Alang lately.

Bangladesh: The Advance tax(AD) on imports of industrial raw materials has been reduced to 3% from the earlier 4% in annual budget. Few vessels were diverted to Pakistan due to increasing accumulation of tonnage in local yards, that were beached in Chattogram over the first six months of the year.

Pakistan: Pakistani market started to improve, owing growing demand and firm price outlook greater number of deals were concluded. The budget didn't impacted the local recycling industry. However, some guidelines have been released on the cleaning of tankers arriving in the country.



Source: SteelMint Research

Imported scrap bookings in Jun'21

The below table highlights the bulk scrap bookings recorded by SteelMint, which were booked in Jun'21 by Turkey and Bangladesh. Deals indicated under Pakistan and India are those of containerized scrap bookings.

Turkey					
S.no	Date	Origin	Grade	Quantity in (t)	Avg Price in (\$/t), CNF
1	6/9/2021	Russia	HMS (80:20) + bonus	NA	498
2	6/9/2021	UK	HMS (80:20) + shredded	NA	514
3	6/10/2021	Russia	HMS (80:20) + bonus	NA	511
4	6/10/2021	USA	Shredded	NA	521
5	6/10/2021	USA	HMS (95:5) +Mix	29,000	525
6	6/15/2021	USA	HMS (80:20) + shredded	NA	510.5
7	6/15/2021	USA	HMS (80:20) + shredded	NA	510
8	6/29/2021	UK	HMS (80:20) + shredded	45,000	505.5
9	6/30/2021	USA	NA	NA	497
Bangladesh					
1	09-Jun'21	US	Mix scrap (HMS1 + Shredded)	32,000	533
2	23-Jun'21	US	Shredded	32,000	540
3	23-Jun'21	US	Shredded	22,000	538
4	23-Jun'21	US	HMS (80:20)	10,000-12,000	538
Pakistan					
1	01-Jun'21	UK/EU	shredded	2,000	498
2	08-Jun'21	UK/EU	shredded	3,000	518
3	08-Jun'21	UK/EU	shredded	1,500	522
4	03-Jun'21	UK/EU	shredded	3,000-4,000	540
5	03-Jun'21	UK/EU	shredded	500-1,000	535
6	03-Jun'22	UK/EU	shredded	20,000-25,000	539
India					
1	04-Jun'21	High sea	Shredded	1,500	510
2	11-Jun'21	UK/EU	Shredded	500	520

NA=Not Available, The deal tables includes only those deals which are recorded by SteelMint

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