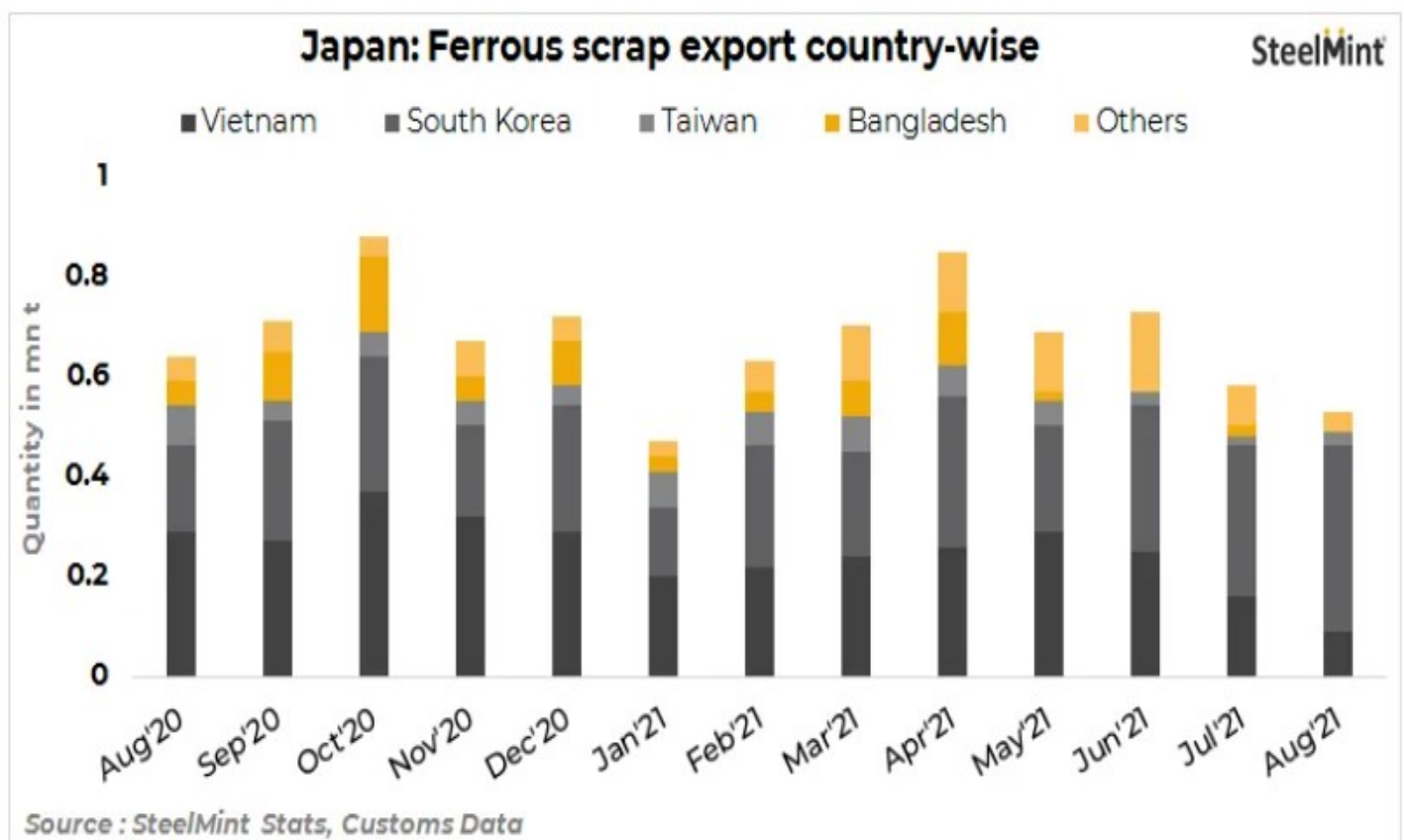


GLOBAL FERROUS SCRAP

MONTHLY REVIEW SEPTEMBER 2021

Index

Page No.	Content
01	Japan: Ferrous scrap exports hit 7-month low in Aug'21
02	South Asian Market Overview (India, Pakistan, Bangladesh) Imported & domestic scrap prices Metallics prices (DRI, pig iron) price trends Semi-finished steel (billet) prices
03	India's domestic steel scrap index
04	Japan, South Korea and South East Asia (Vietnam) Japan domestic scrap & export market overview Japanese monthly scrap export tender results SE Asia imported scrap price trends (Vietnam)
05	China and Taiwan China: Domestic scrap & billet price trends Taiwan: Domestic & imported scrap prices Rebar price trends in Taiwan
06	Turkey, USA and Europe Imported scrap price movements & deep-sea cargo deals Turkey country-wise scrap imports
07	Ship-breaking (India, Bangladesh and Pakistan) Ship breaking prices Vessel import data
08	Imported scrap bookings



Japan, one of the leading ferrous scrap exporting countries, recorded 0.52 million tonnes (mn t) of overseas sales of the material in Aug'21 as against 0.57 mn t in Jul'21, down 9% m-o-m, as per customs data maintained with SteelMint. Export volumes have fallen to seven-month lows as against 0.48 mn t in Jan'21.

The m-o-m fall was primarily due to weaker demand and bid-offer disparities from some of Japan's key buyers like Vietnam, Bangladesh and China.

On a y-o-y basis, scrap exports registered a fall of 20% as compared to 0.65 mn t in Aug'20.

Market highlights

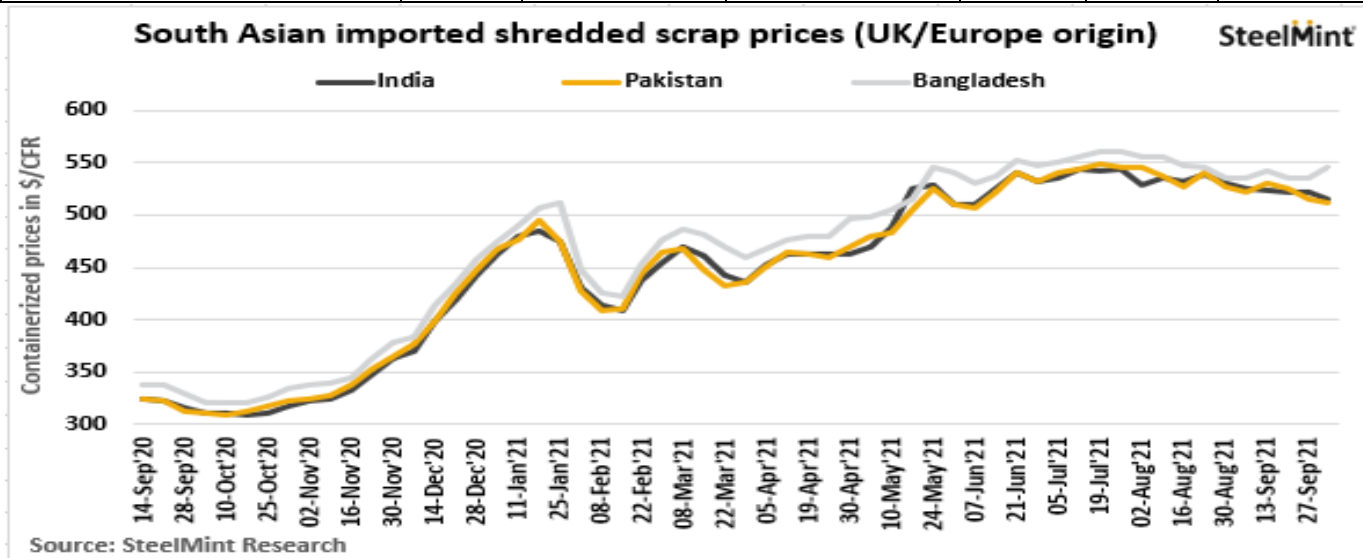
- **South Korea remains top importer:** Japan exported 0.37 mn t of ferrous scrap to South Korea in Aug'21 as against 0.30 in Jul'21, up by 23% m-o-m. Imports from the Korean mills rose owing to increased inquiries for Japanese high grade scrap (shredded and Shindachibara) backed by robust domestic demand and rise in automobile production.
- **Exports to Vietnam fall:** Volumes to Vietnam came in second at 0.09 mn t, representing a slump of 44% on the month as against 0.16 mn t in July. The import volumes fell due to Covid-19 lockdown in Vietnam's major cities since July which was extended till September-end, resulting in a fall in the nation's raw material demand following production cuts.
- **Exports to China down on bid-offer gaps:** China's ferrous scrap import volumes from Japan fell sharply by 64% to 12,911 tonnes (t) in Aug'21 as against 35,580 t in Jul'21. The plunge was due to poorer demand against the backdrop of stringent crude steel production cuts for the second half of 2021, which led to a sustained and wide bid-offer spread within the Chinese market. Meanwhile, the mills preferred consuming South Korean ferrous scrap.
- **Scrap export prices trend down:** SteelMint's price assessment for Japanese H2 scrap exports fell to JPY 47,920/t FOB in Jul'21 after hitting JPY 48,500/t FOB in June.

Outlook

Demand for Japanese imported scrap is expected to improve gradually in October as demand from Vietnam has slightly improved on active billets buying inquiries from China.

South Asia (India, Bangladesh and Pakistan)

Assessment	Sep'21 Avg	Lowest Price in Sep'21	Highest Price in Sep'21	Aug'21 Avg	% Change (m-o-m)	Sep'20 Avg
India						
India imported scrap (\$/t)						
Shredded, CNF Nhava Sheva	521	515 (27th Sep)	525 (6th Sep)	532	2%	320
HMS 1&2 (80:20), ex UK, CNF Nhava	480	470 (27th Sep)	485 (6th Sep)	480	0%	290
India Domestic scrap (₹/t)						
HMS (80:20) EXW Mandi	36,390	35,400 (8th Sep)	38,100 (30th Sep)	35,930	1%	-
HMS (80:20) EXW Mumbai	34,740	34,300 (1st Sep)	35,400 (30th Sep)	34,900	1%	23,845
Alang Ship yard melting scrap	35,800	35,100 (9th Sep)	37,000 (30th Sep)	35,900	0%	24,170
Indian Metallics (₹/t)						
C-DRI exw Raipur	32,111	31,200 (8th Sep)	34,700 (30th Sep)	33,060	3%	20,405
P-DRI exw Raipur	30,130	29,000 (8th Sep)	33,000 (30th Sep)	30,905	3%	19,410
Pig Iron (Steel Grd) Exw Durgapur	40,580	37,900 (2nd Sep)	45,000 (30th Sep)	38,900	4%	28,240
Indian Domestic Billet (₹/t)						
Billet (DAP Mumbai)	42,935	42,000 (8th Sep)	45,000 (30th Sep)	44,620	4%	30,405
Billet (DAP Chennai)	43,740	42,500 (1st Sep)	46,300 (30th Sep)	43,200	1%	31,290
Bangladesh						
Bangladesh imported scrap (\$/t)						
Shredded, CNF Chittagong	540	535 (13th Sep)	545 (27th Sep)	545	1%	330
HMS 1&2 (80:20), CNF Chittagong	501	500 (13th Sep)	503 (1st Sep)	510	2%	315
Japanese H2 Bulk, CNF Chittagong	550	535(13th Sep)	573(22nd Sep)	545	1%	-
Bangladesh Domestic Scrap (₳/t)						
Chittagong Ship yard melting scrap	50,180	49,000 (29th Sep)	51,500 (22nd Sep)	51,550	3%	30,600
Bangladesh imported DRI (\$/t)						
DRI ex India, CNF Chittagong	495	480 (6th Sep)	522 (27th Sep)	485	2%	320
Pakistan						
Pakistan imported scrap (\$/t)						
Shredded 211, CNF Qasim	520	511 (27th Sep)	530 (6th Sep)	530	2%	320
Pakistan Domestic Scrap (PKR/t)						
Local Scrap Eq. to Shred, Exw Punjab	111,575	108,000 (28th Sep)	115,000 (14th Sep)	109,200	2%	71,400
Pakistan Domestic prices (PKR/t)						
CC Billet, Grade 60 Exw Punjab	145,625	141,500 (28th Sep)	148,000 (7th Sep)	146,640	1%	97,000
CC Rebar, Grade 60 Exw Punjab	173,000	172,000 (28th Sep)	174,000 (7th Sep)	166,360	4%	110,900



Indian buyers less active in booking imported scrap: India's imported scrap market continued to remain subdued. Demand from end-users remained weak, with preference tilting towards domestic substitutes like sponge iron and domestically-generated scrap material.

In the second half of the month, the market witnessed some trading activity and some deals of South African and West Africa-origin HMS material were concluded.

Pakistan's imported scrap offers dip: Pakistan's scrap traders remained less active in Sep'21. As a result, limited deals were concluded during the month. Offers dipped to \$510-512/t CFR. Buyers remained cautious and waited for clearer market directions.

Continuous decline in iron ore prices, sluggishness on the part of Turkish buyers in making fresh bookings and subdued sentiments in neighbouring countries like India and Bangladesh, were the few factors which led to a drop in scrap prices.

Bangladesh scrap trade slows down on high offers: Container shortage and increasing freight rates impacted containerised bookings. A positive steel demand outlook after the monsoons has kept mills active in booking scrap cargoes. Increased inquiries resulted in active containerised HMS scrap bookings by mills.

Bangladesh-based bulk scrap buyers will likely resume restocking soon and suppliers expect them to return to the bulk market any time.

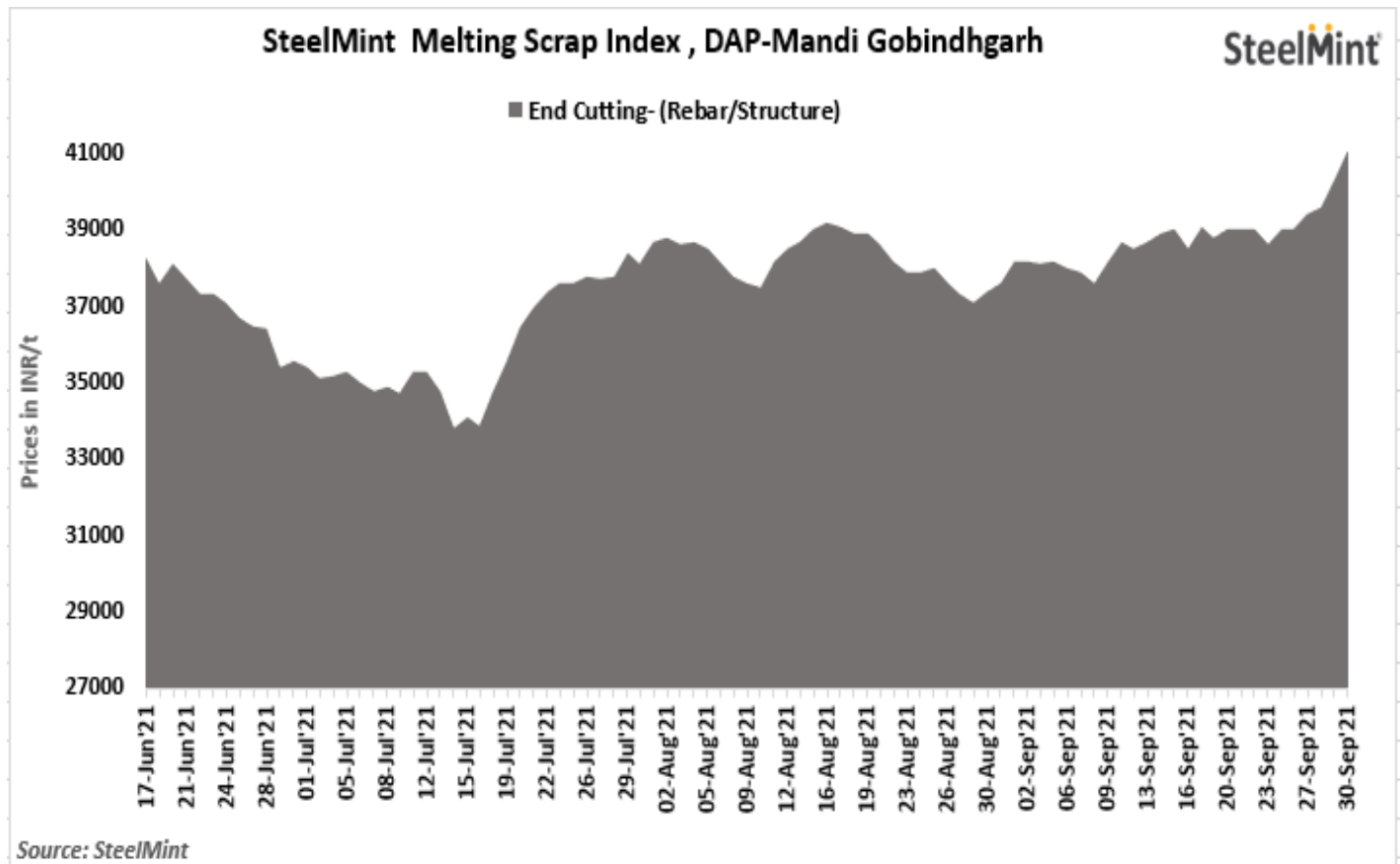
India's domestic steel scrap index

SteelMint's domestic steel scrap (end-cutting) index had increased by INR 3,000/tonne (t) DAP Mandi Gobindgarh throughout the month and towards month end prices were at INR 41,100/t.

Availability of the usual grades of scrap was better but higher quality grades was in tight supply. Although slight price disparity was there between domestic and imported scrap, importers preferred overseas material to unaccounted transactions in the domestic market.

Administrative checks on inter-state movements have been tightened and notices issued to some companies to control unaccountable trades, SteelMint reported.

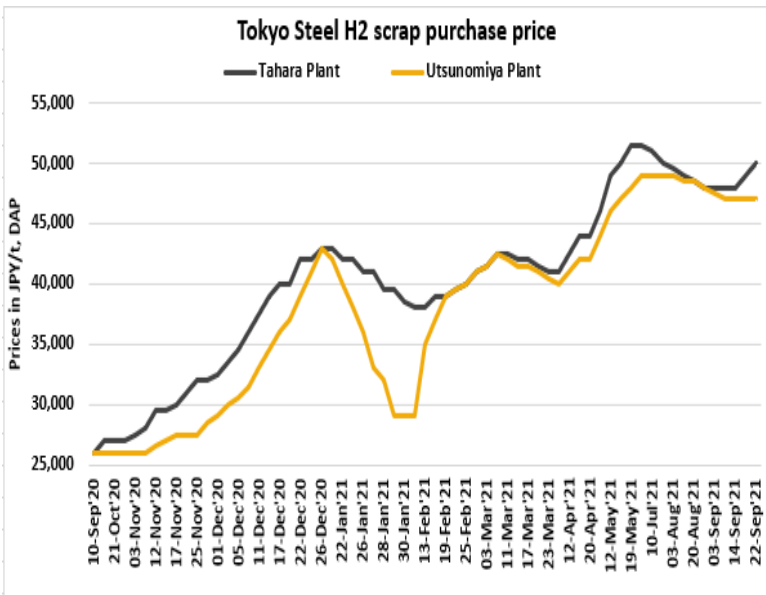
Further, finished steel demand was not adequate enough and forcing re-rolling mills to consider limited production utilisation ratio amid lack of future bookings.



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

Japan, South Korea and South East Asia

Assessment	Sep'21 Avg	Lowest Price in Sep'21	Highest Price in Sep'21	Aug'21 Avg	% Change (m-o-m)	Sep'20 Avg
Japan						
Tokyo Steel						
Tahara Plant (JPY/t, DAP)	48,600	48,000 (3rd Sep)	50,000 (22nd Sep)	48,750	0%	26,500
Utsunomiya Plant (JPY/t, DAP)	47,100	47,000 (9th Sep)	47,500 (3rd Sep)	48,500	3%	26,000
Kanto Tetsugan Tender (JPY/t, FoB)	46,260	46,260(9th Sep)	46,260 (9th Sep)	46,646	1%	29,370
South Korea						
Bulk Japanese H2 Offers (JPY/t FoB)	46,250	45,000 (3rd Sep)	47,500 (17th Sep)	45,500	2%	28,250
Vietnam						
Bulk Japanese H2 (CFR \$/t)	480	465 (6th Sep)	490 (27th Sep)	475	1%	305
Bulk USA HMS 1&2 (80:20) (CFR \$/t)	500	495 (20th Sep)	503 (27th Sep)	505	1%	315

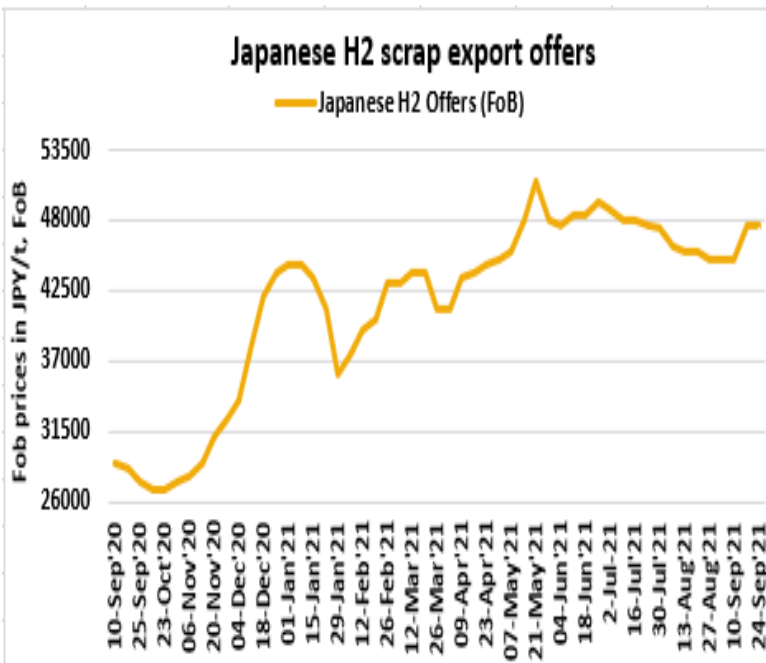


Japan's Tokyo Steel purchase prices stay high:

Japan's Tokyo Steel scrap purchase prices continued to move north in Sep, with a total of five price adjustments.

The highest bid price was set for the Okayama plant at JPY 52,000/t and the lowest price of JPY 47,000/t was recorded as delivered to the Utsunomiya plant, effective 22 Sep.

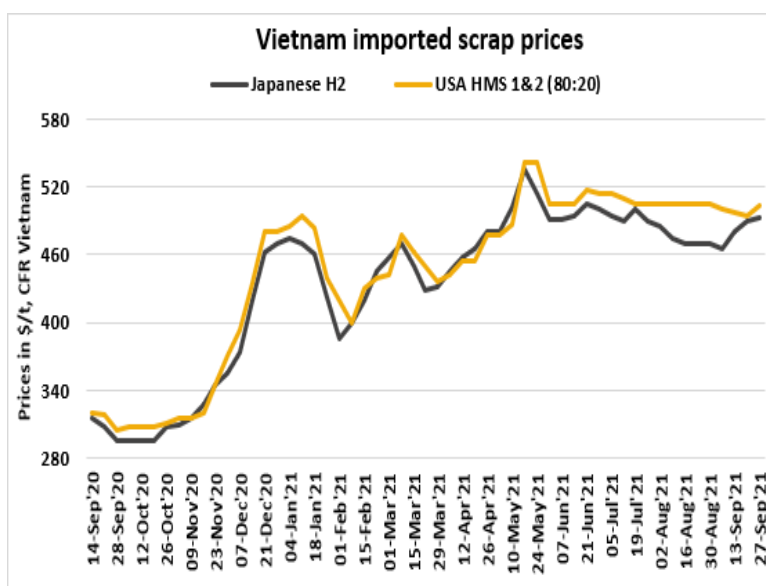
Increasing demand in Japan kept suppliers active in the market. Domestic scrap prices increased after a rebound in export prices.



Japan's Kanto tender prices fall for third successive month:

Japan's monthly Kanto Tetsugen ferrous scrap export tender fetched bids lower by JPY 386/t (\$4/t) against its last month's tender. A total of 20,000 t of Japanese H2 scrap was awarded to Vietnam at an average price of JPY 46,260/t (\$420/t) FAS, SteelMint learnt from sources. This is the third sequential drop in Kanto tender prices, sources informed.

The significant hike in freight rates was an obstacle for the other Japanese scrap buying countries like Vietnam, Taiwan, Bangladesh, and South Korea. However, limited deals were reported to South Korea and Vietnam.



Vietnamese scrap buyers on the sidelines:

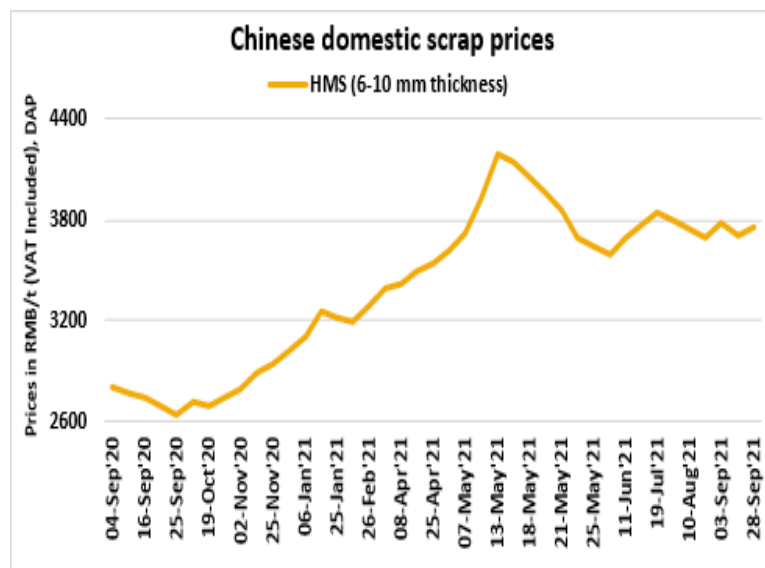
Vietnamese scrap buyers stayed away for the last couple of months from bulk scrap bookings, owing to COVID-19 curbs, which ended on 30 Sep.

Towards month-end, Vietnam-based mills increased inquiries for booking bulk scrap cargoes for restocking purposes.

Active inquiries resulted in a rise in imported bulk scrap offers from the US and Japan, with a few deals getting concluded.

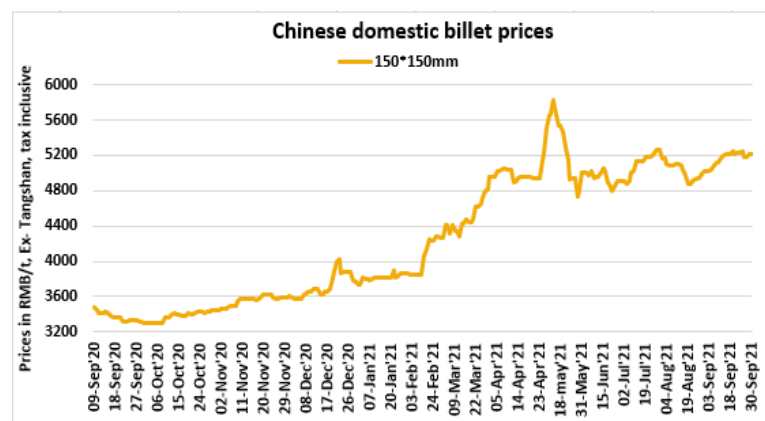
Source: SteelMint Research

Assessment	Sep'21 Avg	Lowest Price in Sep'21	Highest Price in Sep'21	Aug'21 Avg	% Change (m-o-m)	Sep'20 Avg
China						
Shagang 6-10 mm price DAP Jiangsu	3,750	3,710 (17th Sep)	3,780 (7th Sep)	3,750	0%	2,728
Billet Exw Tangshan (RMB/t)	5,169	5,020 (1st Sep)	5,240 (24th Sep)	5,032	3%	3,450
Taiwan						
Domestic (HMS 80:20) (TWD/t)	11,860	11,400 (1st Sep)	12,200 (23rd Sep)	11,500	3%	7,750
Domestic Rebar (13 mm) (TWD/t)	22,840	22,600 (1st Sep)	23,100 (23rd Sep)	22,800	1%	15,500
USA HMS 1&2 (80:20) (\$/t)	455	450 (1st Sep)	465 (28th Sep)	440	3%	280
Japanese H2 (\$/t)	480	470 (8th Sep)	495 (28th Sep)	470	2%	290



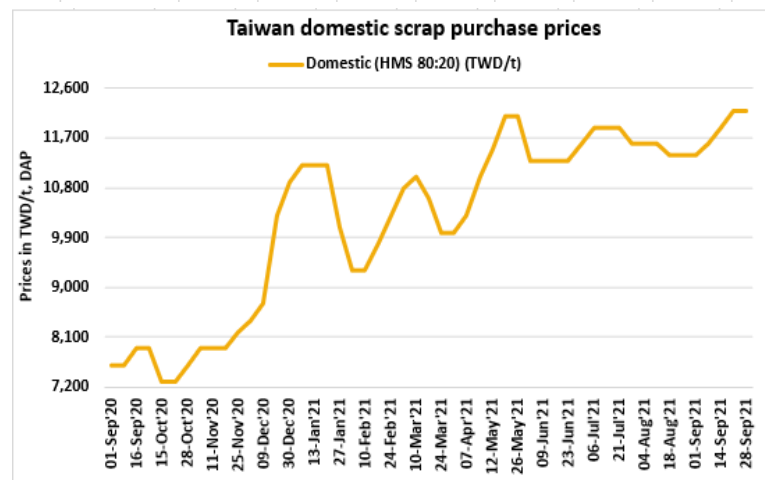
China's ferrous scrap buying prices edge up: China's domestic scrap purchase prices moved up by \$8/t towards the end of the month on active restocking demand due to the Chinese Golden Week holidays. Reduced production and consumption of scrap at Chinese mills due to power cuts resulted in low inventory which also supported the price hike. China's Shagang Steel raised purchase prices of HMS (6-10 mm) to RMB 3,760/t (\$583/t), inclusive of 13% VAT, delivered to headquarters.

Meanwhile, due to production restrictions, many Chinese mills have reduced scrap utilisation. Shangang Steel had lowered its scrap purchase price in the mid-month and put two steel bar production lines on maintenance, alternately from 16-30 Sep.



Chinese domestic billet prices remain uncertain: Domestic billet prices in China remained stable on 30 Sep'21. Prices of the commonly traded Q235 billet (150 mm) were reported at RMB 5,210/t (\$812/t) in Tangshan, including 13% VAT.

According to SteelMint, volatility in SHFE re-bar futures over the month resulted in pulling down the domestic billet offers.



Taiwan domestic scrap prices rise: Taiwan's largest rebar producer, Feng Hsin Steel based in central Taiwan, has set its purchase price at TWD 12,200/t for local HMS 1&2 (80:20) towards the month-end, after increasing its buying prices for three consecutive weeks by a total of TWD 800/t.

Due to higher scrap prices in the global market, the company raised its rebar list price and procurement price of locally-sourced scrap by TWD 200-300/t (\$7.2-10.8/t).



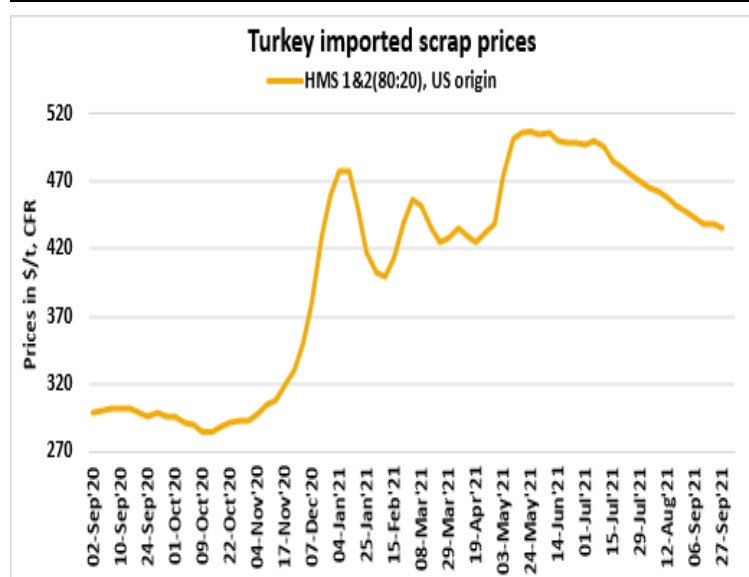
Taiwan imported scrap trade slows down: Even though Taiwan entered the traditional peak season of steel consumption from Sep, which will last till yearend, demand from end-users is not as strong as the market had expected.

Price of US-sourced HMS 1&2 (80:20) scrap was quoted at \$465/t CFR Taiwan and that of Japan-origin H2 scrap were at \$495/t CFR Taiwan towards end-Sep.

Source: SteelMint Research

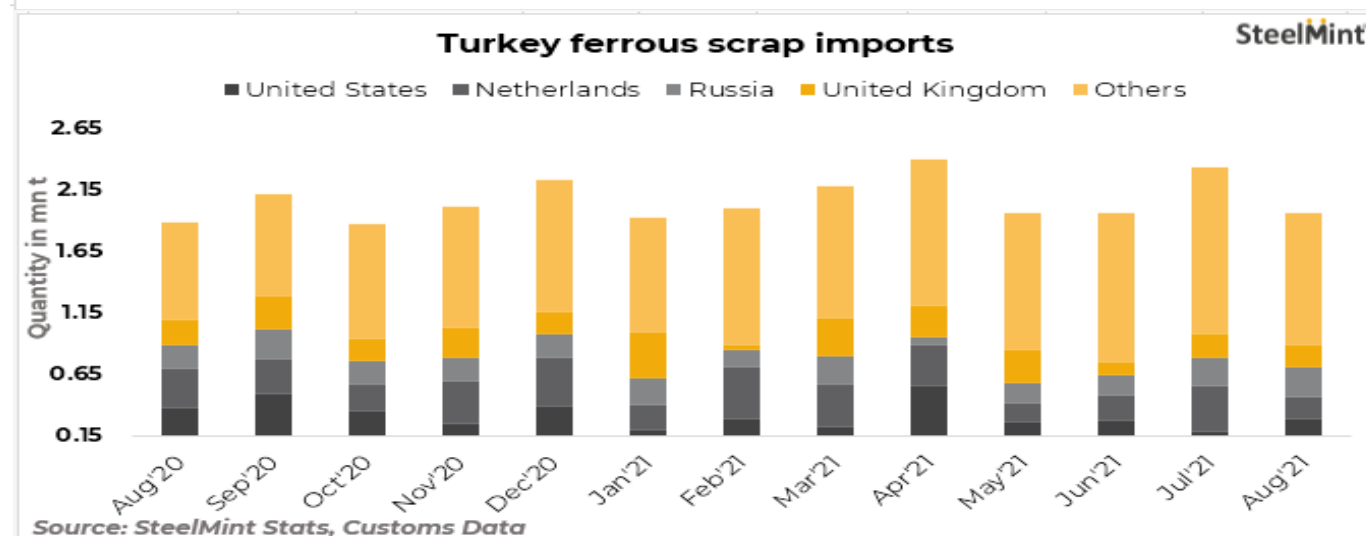
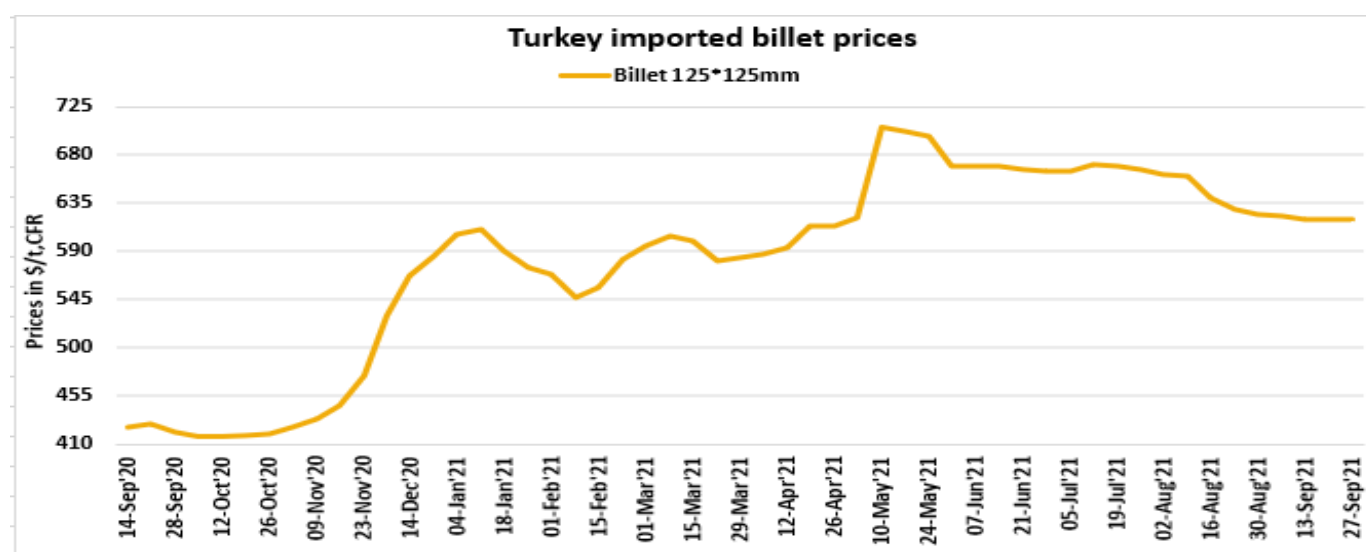
Assessment	Sep'21 Avg	Lowest Price in Sep'21	Highest Price in Sep'21	Aug'21 Avg	% Change (m-o-m)	Sep'20 Avg
Turkey						
Bulk USA HMS, CNF Turkey (\$/t)	440	435 (27th Sep)	443 (6th Sep)	455	3%	300
Billet CNF Iskenderun (\$/t)	621	620 (13th Sep)	623 (6th Sep)	645	4%	425

Turkey country-wise ferrous scrap imports (in mn t)						
	Aug'21	Jul'21	Jun'21	May'21	Sep'20-Aug'21	
Total Turkey Imports	1.96	2.3	1.9	1.96	18.18	
USA	0.28	0.18	0.28	0.26	3.69	
Netherlands	0.18	0.37	0.22	0.15	3.51	
Russia	0.24	0.23	0.17	0.17	2.28	
UK	0.19	0.20	0.11	0.27	2.63	
Others	1.07	1.35	1.12	1.11	6.07	



Turkish imported scrap prices supported: Imported ferrous scrap prices in the Turkish market remained supportive as mills were active in booking deep-sea scrap cargoes throughout the month. Market participants believe that robust demand for billets supported scrap prices.

Imported scrap trade to Turkey slowed down towards the month-end with some buyers opting to wait and watch for further price corrections. Prices bottomed out at \$435/t CFR levels in late-Sep.

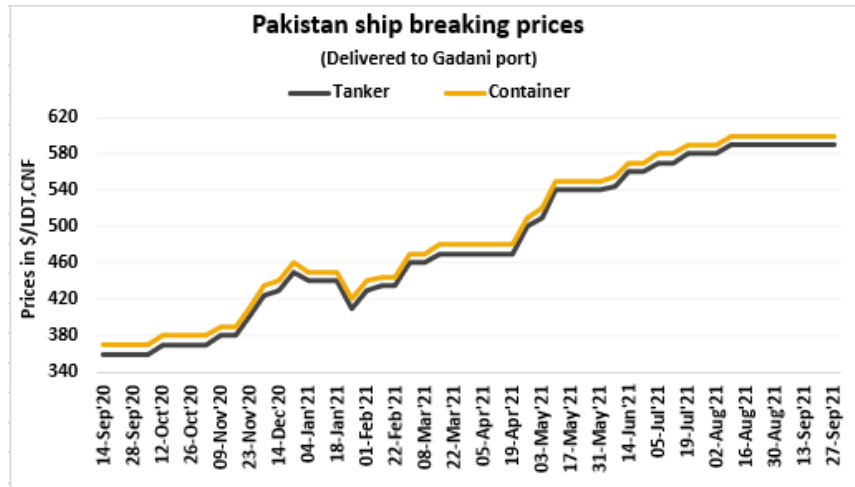
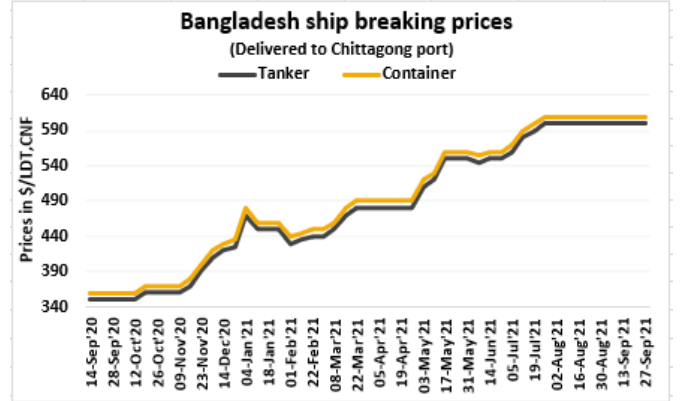
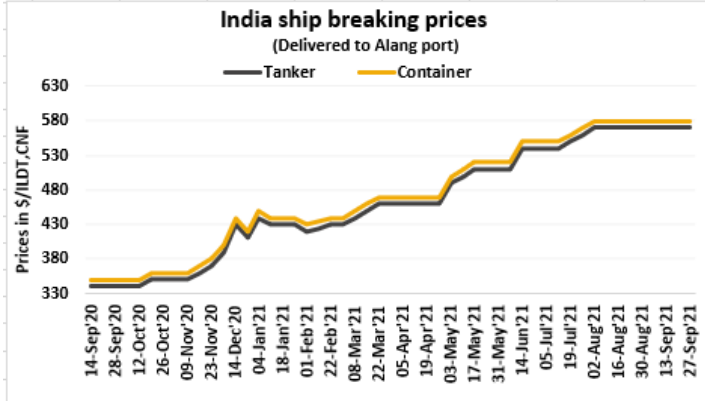


Turkey's scrap imports down in Aug: Turkey, the world's leading buyer of ferrous scrap, recorded imports of the material at 1.96 million tonnes (mn t) in Aug, a decrease of 17% against 2.35 mn t in Jul, as per SteelMint data.

The US was the top exporter of ferrous scrap to Turkey with 0.28 mn t in Aug as against 0.18 mn t in Jul. Russia was the second-largest exporter with 0.24 mn t, followed by the UK at 0.19 mn t in Aug.

Ship Breaking

Assessment	Sep'21 Avg	Lowest Price in Sep'21	Lowest Price in Sep'21	Aug'21 Avg	% Change (m-o-m)	Sep'20 Avg
India						
Tanker (\$/LDT)	570	570 (6th Sep)	570 (27th Sep)	570	0%	340
Container (\$/LDT)	580	580 (6th Sep)	580 (27th Sep)	580	0%	350
Pakistan						
Tanker (\$/LDT)	590	590 (6th Sep)	590 (27th Sep)	585	1%	360
Container (\$/LDT)	600	600 (6th Sep)	600 (27th Sep)	595	1%	370
Bangladesh						
Tanker (\$/LDT)	600	600 (6th Sep)	600 (27th Sep)	600	0%	350
Container (\$/LDT)	610	610 (6th Sep)	610 (27th Sep)	610	0%	360

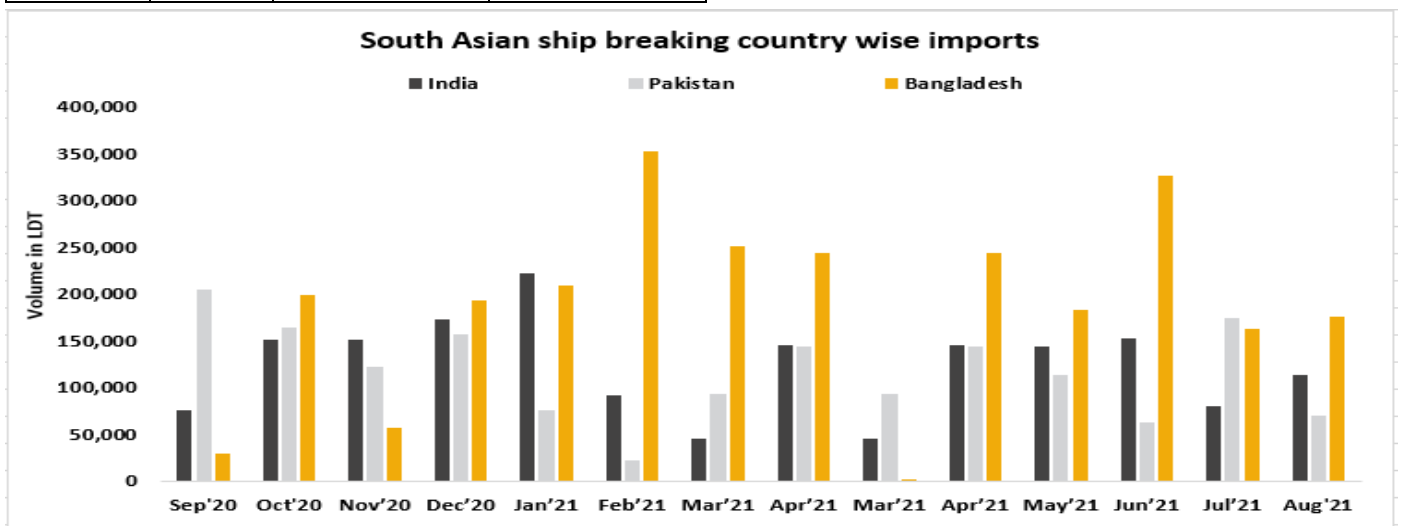


Ship Breaking country wise import			
	India	Pakistan	Bangladesh
Sep'20	75,217	205,189	28,876
Oct'20	151,267	164,554	199,055
Nov'20	150,934	121,796	57,241
Dec'20	173,485	157,140	193,317
Jan'21	222,772	75,434	209,587
Feb'21	91,221	22,192	352,302
Mar'21	45,918	92,834	251,393
Apr'21	146,003	143,793	244,186
May'21	144,049	113,033	182,743
Jun'21	152,308	63,505	327,243
Jul'21	80,426	174,053	162,758
Aug'21	113,315	69,435	175,459

Pakistan: Gadani buyers saw an overall decline in steel plate prices since the start of Sep. Moreover, the Pakistani rupee also dropped to PKR 169.31 from PKR 165.32 against the US dollar in the month-end.

India: Indian buyers kept away from concluding active deals amidst the weak dry and container markets and falling ship recycling prices, while Pakistan and Bangladesh remained highly competitive.

Bangladesh: Sentiments weakened in Bangladesh with limited sales being registered. Steel plate prices have also declined since the beginning of Sep. Despite the ongoing volatility, price levels in Bangladesh are steady, with ship owners being greeted to prices above \$600/LDT.



Source: SteelMint Research

Imported scrap bookings in Sep'21

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

Turkey					
S.no	Date	Origin	Grade	Quantity in (t)	Avg Price in (\$/
1	02- Sept'21	USA	HMS (80:20)	25,000	444
2	04- Sept'21	Baltic	HMS (80:20)		\$445
3	04- Sept'21	Russia	HMS (80:20) +Mix	30,000	440
4	07- Sept'21	USA	HMS (80:20) +Mix	NA	453
5	07- Sept'21	UK	HMS (80:20) +Mix	42,000	449
6	07- Sept'21	Europe	HMS (80:20)	NA	435
7	07- Sept'21	Europe	HMS (80:20)	NA	437
8	10- Sept'21	Europe	HMS (80:20)	NA	436
9	10- Sept'21	Europe	HMS (80:20)	NA	440
10	10- Sept'21	Europe	HMS (80:20) +Mix	NA	453
11	10- Sept'21	Europe	HMS (80:20) +Mix	NA	436
12	10- Sept'21	Europe	HMS (80:20) +Mix	NA	440
13	13- Sept'21	USA	HMS (80:20) +Mix	NA	444
14	14- Sept'21	Europe	HMS (80:20) +Mix	40,000	457
15	14- Sept'21	Baltic	HMS (80:20) +Mix	NA	446
16	16- Sept'21	USA	HMS (80:20)	NA	437
17	16- Sept'21	USA	Shredded+ Bonus	NA	460
18	16- Sept'21	Europe	HMs (80:20) +Mix	NA	447
19	25- Sept'21	Singapore	HMS (80:20) +Mix	25,000	442
20	25- Sept'21	Baltic	HMS (80:20)	NA	433
21	27- Sept'21	Europe	HMS (80:20) +Mix	NA	450
22	30- Sept'21	Europe	HMS (80:20) +Mix	40,000	442
23	30- Sept'21	Russia	HMS (80:20) +Mix	NA	443
24	30- Sept'21	Europe	HMS (80:20) +Mix	40000	442
25	30- Sept'21	Europe	HMS (80:20) +Mix	45000	442
26	30- Sept'21	USA	HMS (80:20) +Mix		442
27	30- Sept'21	Russia	HMS (80:20) +Mix	NA	443
Pakistan					
1	07-Sept'21	UK	Shredded	10,000 t	533
2	14-Sept'21	UK/EU	Shredded	1,000-1,500 t	528
3	14-Sept'21	UK	High-seas	2,000 t	516
4	21-Sept'21	UK	Shredded	7,000-8,000 t	525
5	28-Sept'21	UK/EU	Shredded	3,000-5,000t	513
6	28-Sept'21	UAE	HMS 1	1,000 t	478
India					
1	03-Sept'21	UK/EU	Shredded	5,000 t	523
2	17- Sept'21	UK	Shredded	1,000 t	525
3	17- Sept'21	West Africa	HMS 1&2	2,000 t	445
4	24- Sept'21	UAE	HMS 1&2	500 t	456
5	24- Sept'21	West Africa	HMS 1&2	500 t	445
6	24- Sept'21	South Africa	HMS 1	2,500 t	465
Bangladesh					
1	01- Sept'21	UK	HMS 1&2	8,000 t	499
2	08-Sept'21	UK	Shredded	2,000 t	525
3	15-Sept'21	Australia	HMS 1&2	25,000 t	515
4	22-Sept'21	UK	HMS 1&2	2,000-3,000 t	500
5	22-Sept'21		HMS(90:10)	1,000 t	508
6	22-Sept'21	USA	HMS 1&2		510
7	29-Sept'21	UK	HMS 1&2	8,000 t	495
8	29-Sept'21	UK& Mauritius	HMS 1&2	2,000 t	492
9	29-Sept'21	UK	P&S Grade	3,000-4,000 t	540
10	29-Sept'21	UK	HMS 1&2	19,000 t	498

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

CONTRIBUTORS

Ms. Reena Nishad
(Sr. Research Associate)
Email: reena@steelmint.com

Ms. Deepika Singh
(Research Associate)
Email: deepika.singh@steelmintgroup.com

Disclaimer

SteelMint has taken due care and caution in compilation of content. Information is just for reference not intended for trading purpose or to address your particular requirement. The content includes facts, views, and opinions are of individuals and not that of the SteelMint management. We and our content licensors do not guarantee or warrant the accuracy, completeness or timeliness of, or otherwise endorse these views, and opinions. SteelMint and its affiliates, or their employees, directors or agents shall not be liable or responsible for any loss or costs or any action whatsoever arising out of use or relying on the spot prices disseminated.