

GLOBAL FERROUS SCRAP

MONTHLY REVIEW FEBRUARY

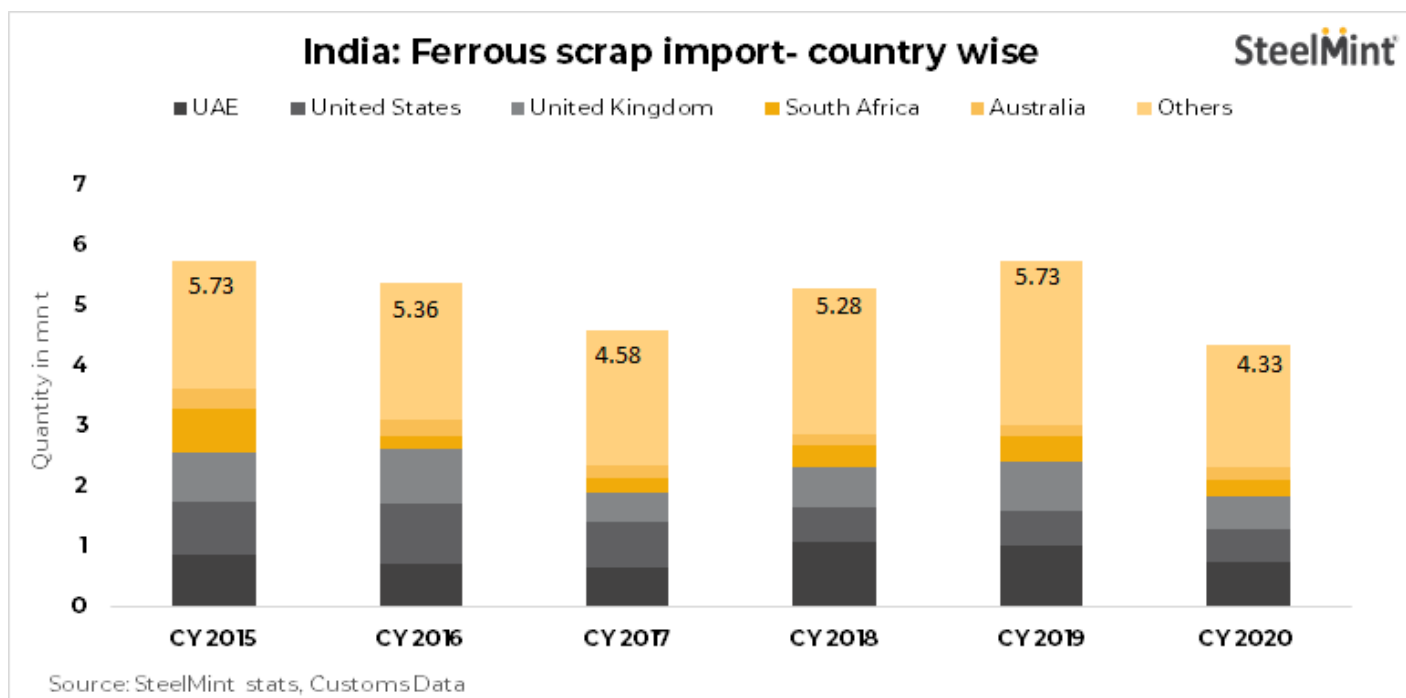
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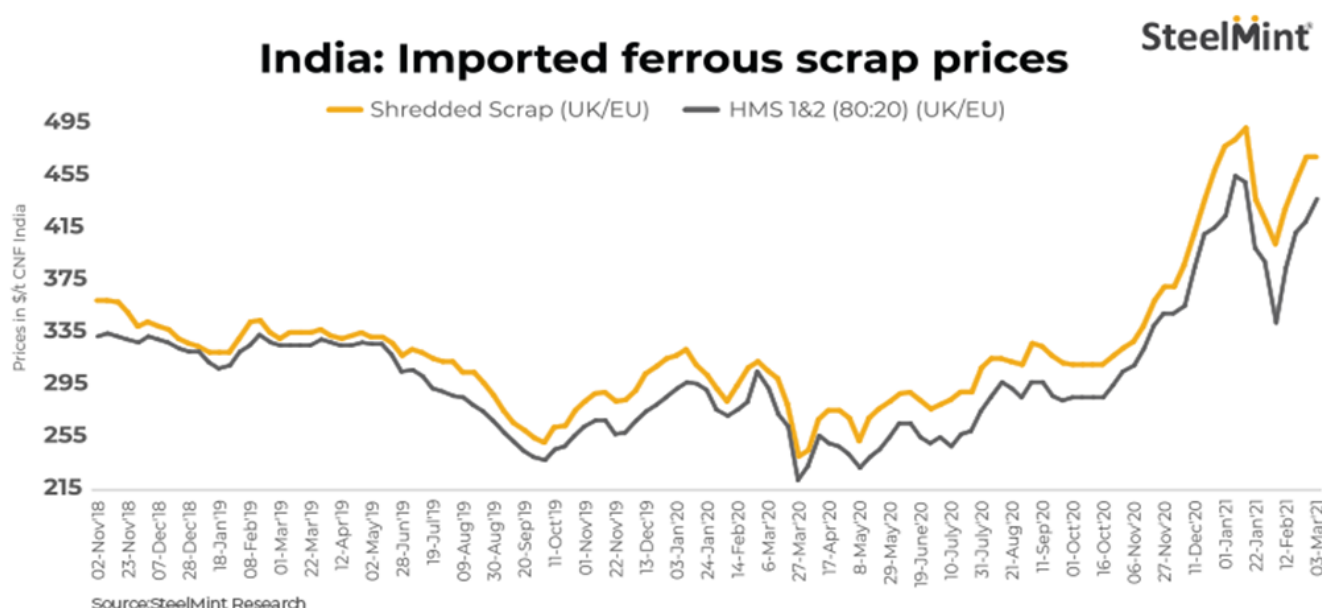
Indian ferrous scrap imports drop by 24% y-o-y in CY' 20

India a prominent ferrous scrap importer in South Asia region has witnessed a sharp decline in its yearly import volumes. Pakistan emerged as world's 2nd largest ferrous scrap importer in CY'20 at 4.57 mn t outstripping India and South Korea. India has imported around 4.33 mn t of ferrous scrap in CY'20, witnessing a sharp fall of 24% y-o-y basis as compared to 5.73 mn t of scrap imported in CY'21, as per customs data maintained with SteelMint.

UAE has remained the prominent scrap exporter to India followed by the other major suppliers like US, UK and South Africa. India imports around 5-6 mn t of scrap annually.



Imported scrap prices in India shot up in H2 CY'20 following global price hikes, but trades remained low as domestic scrap and sponge iron remained preference owing to cost effectiveness.



India's crude steel production have registered a drop of 12% y-o-y in CY'20. The country has produced around 95.58 mn t of crude steel in CY'20 as compared to 109.01 mn t in CY'19.

Changing market dynamics - Import duty on ferrous scrap was removed in the Indian budget presented on 01 Feb'21. The duty, that had been set at 2.5%, has been exempted up to 31st Mar'22.

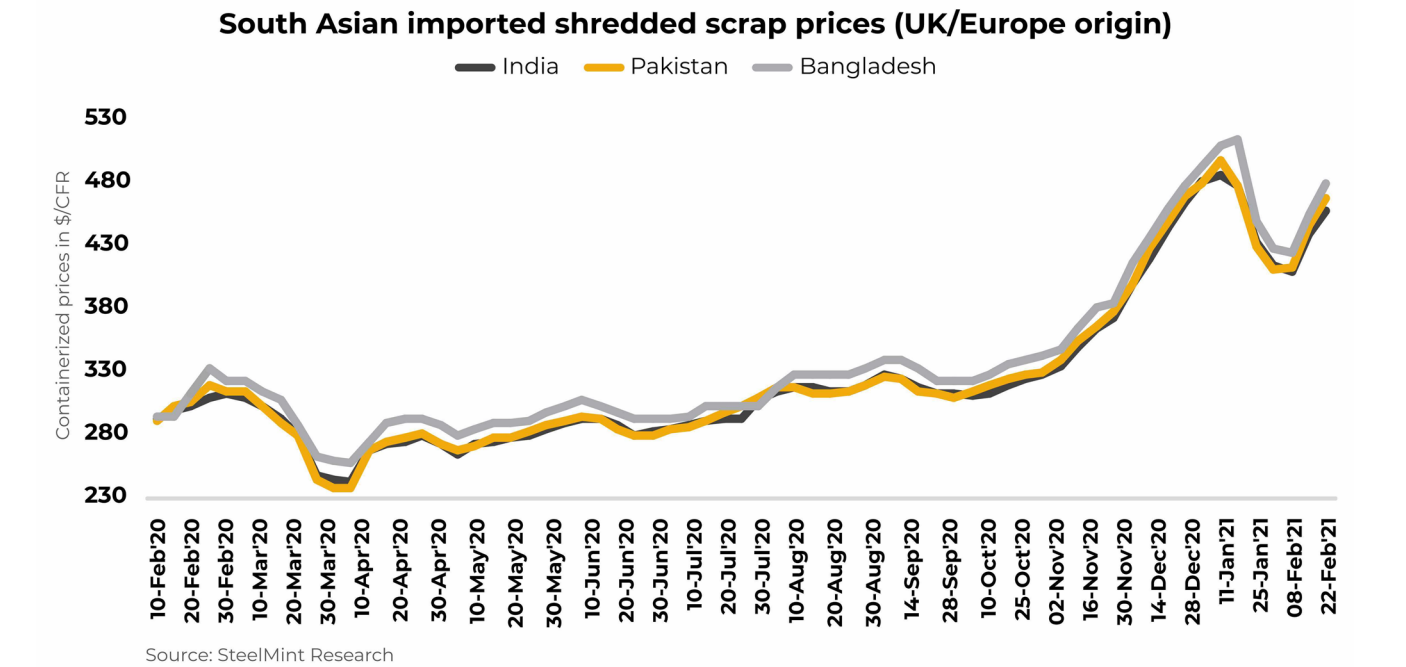
Also, a voluntary vehicle scrapping policy has been announced, to phase out old and unfit vehicles. Vehicles would undergo fitness tests in automated fitness centers after 20 years in case of personal vehicles, and after 15 years in case of commercial vehicles.

The Transport Ministry holds consultations with the industry stakeholders in relation to the Scrappage Policy.

"Consumers who would junk their old vehicles and buy a new one under the Vehicle Scrapping Policy, are likely to get about 5% rebate on the new purchase by the auto companies", stated by the Union minister, Nitin Gadkari. Also, 10-20% discount will be recommended by the Centre on road tax to States and vehicle registration charges to be most likely waived off. It would be interesting to see how above-mentioned reforms change the Indian ferrous scrap industry.

South Asia (India, Bangladesh and Paki-

Assessment	Feb'21 Avg	Lowest Price in Feb'21	Highest Price in Feb'21	Jan'21 Avg	% Change (m-o-m)	Feb'20 Avg
India						
India imported scrap (\$/t)						
Shredded, CNF Nhava Sheva	430	410 (8th Feb)	455 (22nd Feb)	465	8%	300
HMS 1&2 (80:20), ex UK, CNF Nhava	390	375 (8th Feb)	415 (22nd Feb)	430	9%	280
India Domestic scrap (₹/t)						
HMS (80:20) EXW Mandi	27,950	25,200 (4th Feb)	30,500 (27th Feb)	27,760	1%	22,555
HMS (80:20) EXW Mumbai	27,585	25,700 (4th Feb)	29,200 (27th Feb)	28,445	3%	22,975
Alang Ship yard melting scrap	28,380	25,800 (4th Feb)	31,500 (27th Feb)	29,460	4%	23,655
Indian Metallics (₹/t)						
C-DRI exw Raipur	25,340	23,500 (4th Feb)	28,000 (27th Feb)	26,255	3%	19,670
P-DRI exw Raipur	24,415	22,600 (4th Feb)	26,900 (27th Feb)	25,220	3%	18,715
Pig Iron (Steel Grd) Exw Durgapur	32,990	30,800 (6th Feb)	35,500 (27th Feb)	34,930	4%	27,660
Indian Domestic Billet (₹/t)						
Billet (DAP Mumbai)	37,875	35,400 (4th Feb)	41,000 (27th Feb)	39,520	4%	30,875
Billet (DAP Chennai)	37,340	34,800 (6th Fb)	40,500 (27th Feb)	41,635	10%	30,780
Bangladesh						
Bangladesh imported scrap (\$/t)						
Shredded, CNF Chittagong	445	420 (8th Feb)	475 (22nd Feb)	490	9%	305
HMS 1&2 (80:20), CNF Chittagong	425	400 (8th Feb)	450 (22nd Feb)	465	9%	280
Japanese H2 Bulk, CNF Chittagong	425	410 (1st Feb)	455 (22nd Feb)	480	11%	-
Bangladesh Domestic Scrap (₳/t)						
Chittagong Ship yard melting scrap	40,375	38,000 (3rd Feb)	42,500 (24th Feb)	38,000	6%	29,000
Bangladesh imported DRI (\$/t)						
DRI ex India, CNF Chittagong	385	355 (1st Feb)	405 (22nd Feb)	390	1%	300
Pakistan						
Pakistan imported scrap (\$/t)						
Shredded 211, CNF Qasim	430	410 (1st Feb)	465 (22nd Feb)	470	9%	300
Pakistan Domestic Scrap (PKR/t)						
Local Scrap Eq. to Shred, Exw Pun-	79,875	78,000 (6th Feb)	83,000 (23rd Feb)	83,300	4%	65,000
Pakistan Domestic prices (PKR/t)						
CC Billet, Grade 60 Exw Punjab	110,150	109,000 (9th	111,600 (23rd Feb)	113,700	3%	91,375
CC Rebar, Grade 60 Exw Punjab	127,000	126,000 (6th	129,000 (2nd Feb)	133,000	5%	105,000



Imported scrap trades in India remain subdued: Imported scrap market in India observed limited trades of high seas sales earlier in the month. Shredded scrap trades were taking place at \$465-470/t levels towards beginning of the month, however market remained mostly quiet for past one month.

Offers have reached to \$465-475/t CFR levels towards the closing of the month.

Imported scrap offers surge in Pakistan on global price gains: Pakistan's imported scrap market remained mostly quiet during in first two week. Market insiders were in perception that offers have bottomed out and less likely to fall further.

Prices was witnessed a sharp rebound as major mills actively concluded few deals at higher levels.

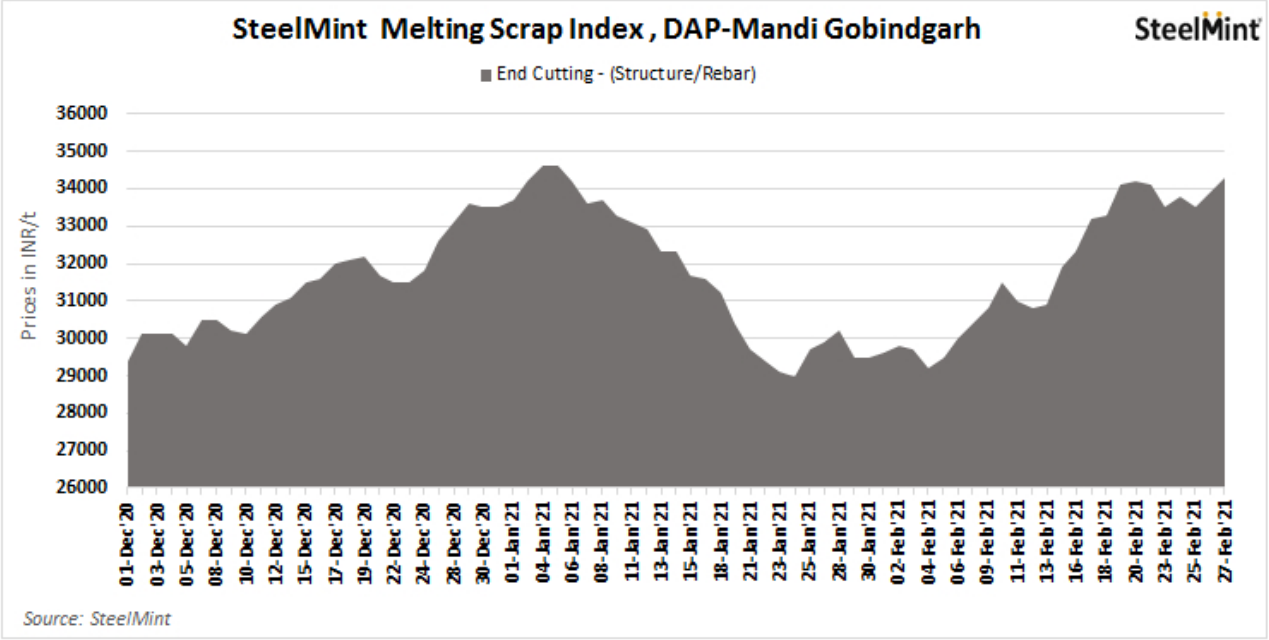
Increasing demand and tighter material availability with suppliers remained the major factors behind the sharp price hike.

Bangladesh buyer slow down bulk bookings on bid-offer disparity: Both bulk and containerised scrap prices were moved up significantly due to surge in freight rates. According to data maintained with SteelMint, around 3 bulk cargoes have been booked throughout the month.

Containerised imported scrap trades have slowed down on disparity between bids and offers coupled with low finished steel market sentiments.

India's domestic steel scrap index

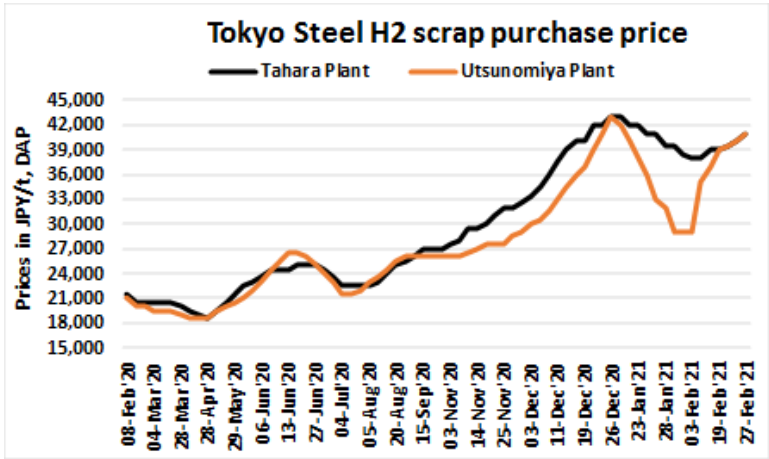
Market participants reported improved buying inquiries in semi-finished along with sponge iron prices. This resulted in constant price hike in domestic scrap. Preventive measures by govt. officials to control unaccountable supply movement of melting scrap has lifted buyer’s bid today.



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

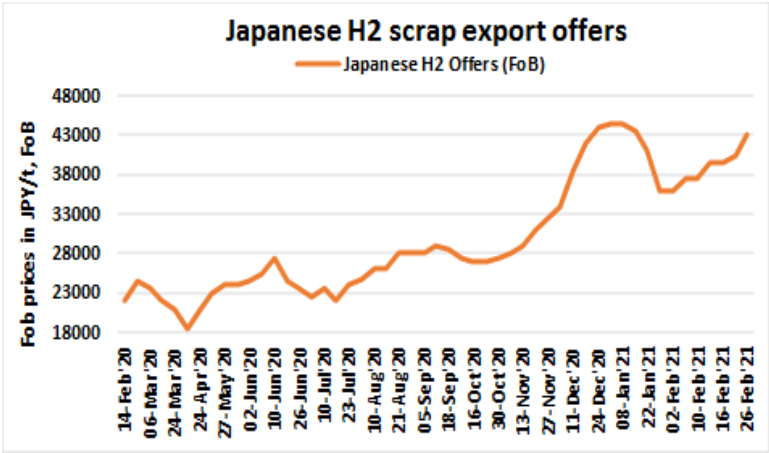
Assessment	Feb'21 Avg	Lowest Price in Feb'21	Highest Price in Feb'21	Jan'21 Avg	% Change (m-o-m)	Feb'20 Avg
Japan						
Tokyo Steel						
Tahara Plant (JPY/t, DAP)	39,210	38,000 (3rd Feb)	41,000 (27th Feb)	40,810	4%	21,600
Utsunomiya Plant (JPY/t, DAP)	37,210	29,000 (3rd Feb)	41,000 (27th Feb)	34,880	7%	21,200
Kanto Tetsugan Tender (JPY/t,	39,270	-	-	44,750	12%	22,750
South Korea						
Bulk Japanese H2 Offers (JPY/t	39,040	36,000 (2nd Feb)	43,000 (26th Feb)	42,050	7%	23,330
Vietnam						
Bulk Japanese H2 (CFR \$/t)	410	385 (1st	445 (22nd Feb)	455	10%	-
Bulk USA HMS 1&2 (80:20) (CFR \$/t)	420	400 (8th	440 (22nd Feb)	475	12%	-
Indonesia						
P&S Scrap 20 ft container (CFR \$/t)	430	420 (8th Feb)	445 (22nd Feb)	460	7%	-
Busheling scrap (CFR \$/t)	440	435 (1st Feb)	450 (22nd Feb)	470	6%	-



Japan’ domestic scrap prices hit one month high-

Japan's leading EAF mill- Tokyo Steel’s scrap purchase price in Utsunomiya factory in the Kanto region was already bottomed out early in the month and gradually synchronised with the market levels towards closing.

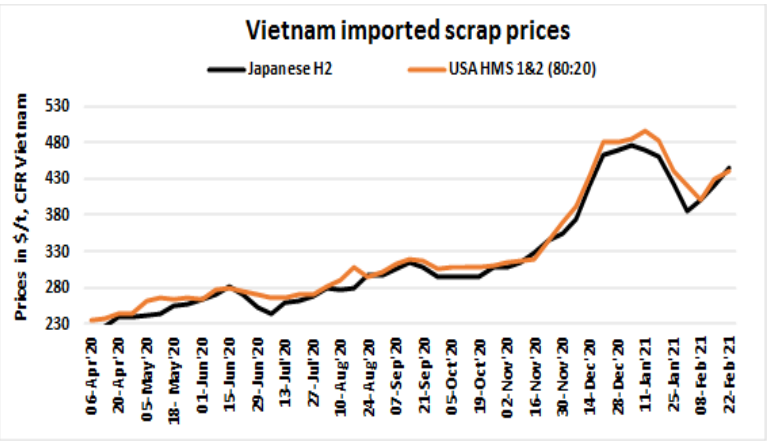
The prices for Utsunomiya have risen by up to JPY 12,000/t (\$) in Feb’21 and prices have hit over a month high. Domestic scrap prices have increased amid hike in Japanese export prices.



Japan Kanto tender fetched bids higher than expectations-

Japan's monthly Kanto Tetsugen ferrous scrap export tender for Feb'21 was concluded at higher-than-expected levels on 10th Feb'21. Around 15,000 t of Japanese H2 scrap was awarded at an average price of JPY 39,271/t (\$375) FAS, falling by JPY 5,480/t (\$52) m-o-m.

South Korean steel mills have actively booked bulk scrap cargoes. H2 scrap offers hit around JPY 42,000-44,000/t FoB levels towards the closing of the month.



Vietnamese buyers away from market on Tet holi-

days: Imported scrap offers to Vietnam have moved up sharply post Japan's monthly Kanto tender that was concluded at higher-than-expected levels during mid of the month.

Scrap buyers were away from the market for Tet holidays. The country has seen a sharp decline of 48% m-o-m in its imported scrap volumes to 0.38 mn t in Jan'21. Hike in scrap offers had kept buyers in wait-&-watch mode, limiting the bookings.



Indonesia's imported scrap market remains sub-

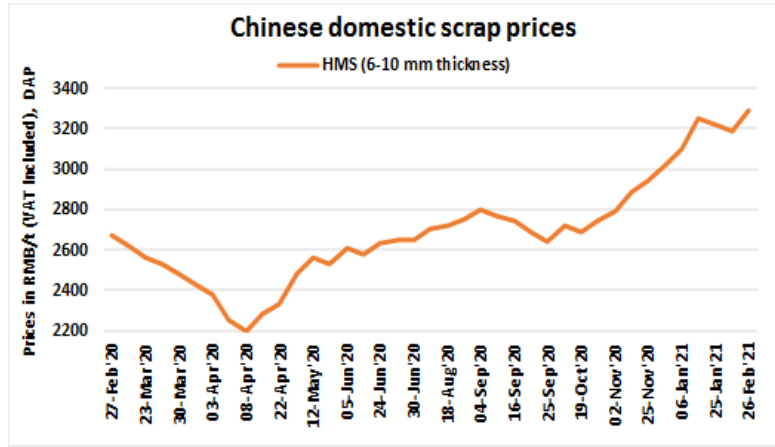
dued: Indonesian market was quiet last week, after the CNY holidays, as mills were hesitant to book fresh material on increased offers. A small number of deals were concluded because scrap import permits of many mills would be expired in Mar'21. range-bound

Indonesia has imported around 0.14 mn t of scrap in Dec’20, up by 17% as against 0.12 mn t in Nov’20, as per data maintain with SteelMint.

Source: SteelMint Re-

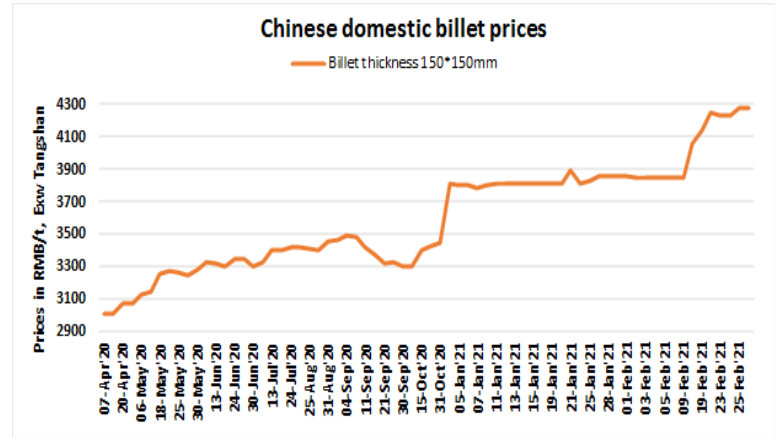
China & Taiwan

Assessment	Feb'21 Avg	Lowest Price in Feb'21	Highest Price in Feb'21	Jan'21 Avg	% Change (m-o-m)	Feb'20 Avg
China						
Shagang 6-10 mm price DAP Jiang-	3,290	3,290 (26th Feb)	3,290 (26th Feb)	3,190	3%	-
Billet Exw Tangshan (RMB/t)	4,030	3,850 (2nd Feb)	4,280 (26th Feb)	3,820	5%	-
Taiwan						
Domestic (HMS 80:20) (TWD/t)	9,675	9,300 (3rd Feb)	10,300 (24th Feb)	10,925	11%	6,825
Domestic Rebar (13 mm) (TWD/t)	18,575	18,300 (3rd Feb)	19,100 (24th Feb)	19,700	6%	15,050
USA HMS 1&2 (80:20) (\$/t)	385	360 (10th Feb)	415 (24th Feb)	435	11%	230
Japanese H2 (\$/t)	390	360 (3rd Feb)	430 (24th Feb)	440	11%	240



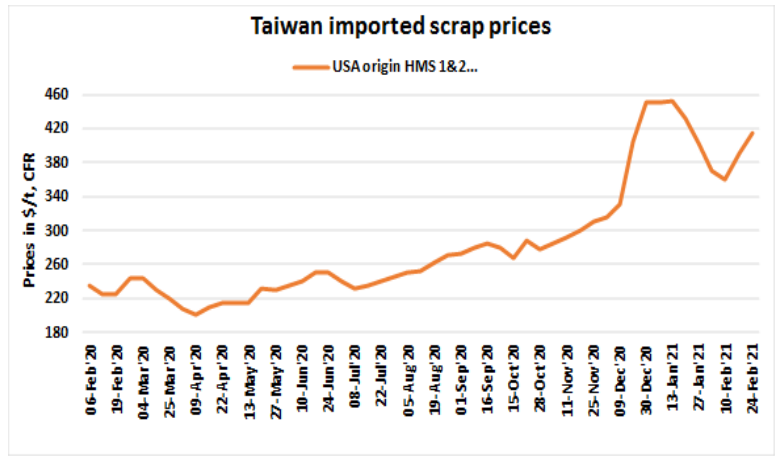
China’s domestic scrap prices up on falling inventories: China’s Shagang Steel group had followed the global price trend and was increased its scrap purchase price significantly by RMB 100/t (\$15) for all grades. Notably, this is the company's first price revision in Feb'21 and prices have hit a record high since data maintained with SteelMint from Oct'17 onwards.

With the prices of semi-finished steel and finished steel increased recently, scrap prices too continued to increase for the short-term. Imported scrap trades pick up after CNY holidays.



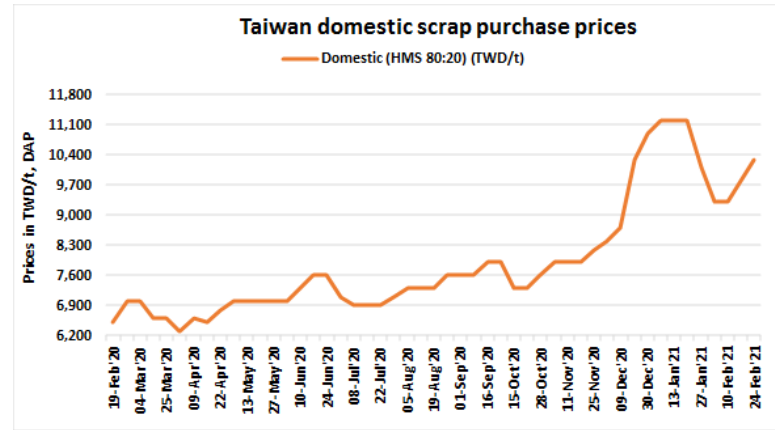
Chinese domestic billet price hit nine years high: Tangshan billet prices were hit nine-years high on production cuts. The local billet price surge was not only due to the high production costs and market optimism coupled with the latest re-strictions imposed by the government.

The rising Chines rebar futures pulled up the prices.



Taiwan imported scrap prices: The spread between international and local scrap prices was another factor that kept buyers away from the market.

The price of US-sourced HMS 1&2 80:20 scrap to Taiwan dropped by \$82/t over the past three weeks. The price for Japan-origin H2 scrap had plunged by \$100/t compared with the recent high seen at the start of this year.



Taiwan domestic prices: Local scrap suppliers in Taiwan have slowed their pace of delivery after noting the stronger global scrap market.

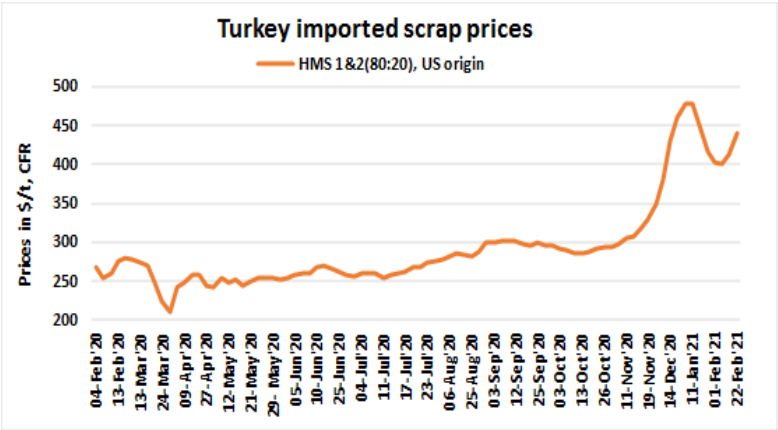
The uptick in domestic rebar and scrap prices was the firm support both have gained from higher raw material prices including iron ore and scrap. the revival in demand from the end-users as most construction sites in Taiwan have resumed normal operations post holidays.

Source: SteelMint Re-

Turkey, USA & Europe

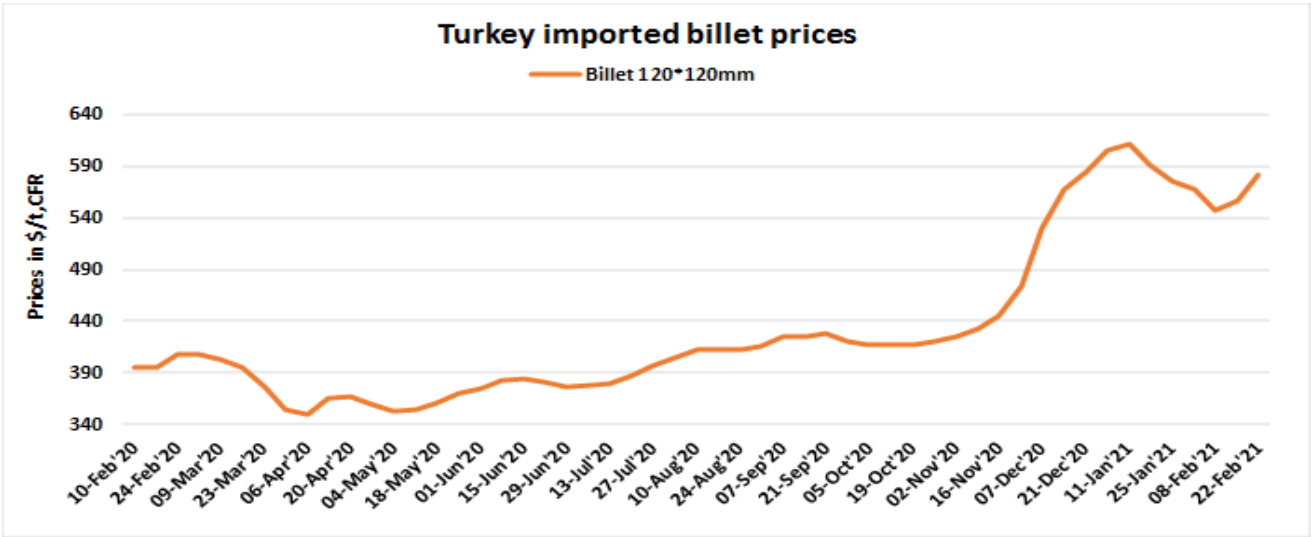
Assessment	Feb'21 Avg	Lowest Price in Feb'21	Highest Price in Feb'21	Jan'21 Avg	% change (m-o-m)	Feb'20 Avg
Turkey						
Bulk USA HMS, CNF Turkey (\$/t)	415	400 (2nd Feb)	440 (22nd Feb)	455	9%	265
Billet CNF Iskenderun (\$/t)	565	545 (8th)	580 (22nd Feb)	595	5%	400

Turkey country-wise ferrous scrap imports (in mn t)					
	Jan'21	Dec'20	Nov'20	Jan'20	Feb'20-Jan'21
Total Turkey Imports	1.93	2.23	2.01	1.70	22.40
USA	0.19	0.38	0.24	0.32	4.43
Netherland	0.21	0.40	0.35	0.24	3.15
Russia	0.21	0.19	0.19	0.12	2.38
UK	0.38	0.18	0.24	0.09	2.35
Others	0.94	1.08	0.99	0.92	10.09

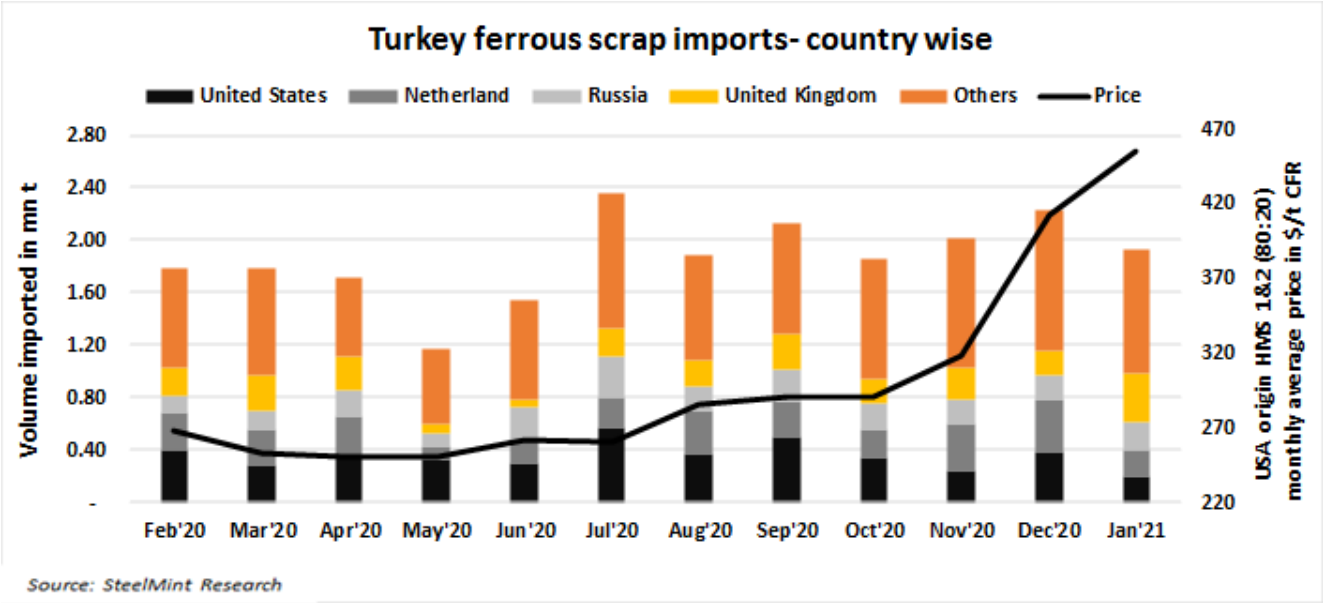


Supportive steel market sentiments boost bulk bookings in Turkey: Imported scrap prices continued to fluctuate throughout the month. Prices to Turkey have hit a one-month high in deals concluded from Baltic, Europe, and USA origin towards the closing of the month.

Supportive finished steel demand and increased steel prices have boost bulk scrap bookings for Mar'21 shipments. Suppliers tried to push scrap prices, whereas buyers resisted to pay high offers and disparity in bids and offers kept market activities slow.



Source: SteelMint Re-

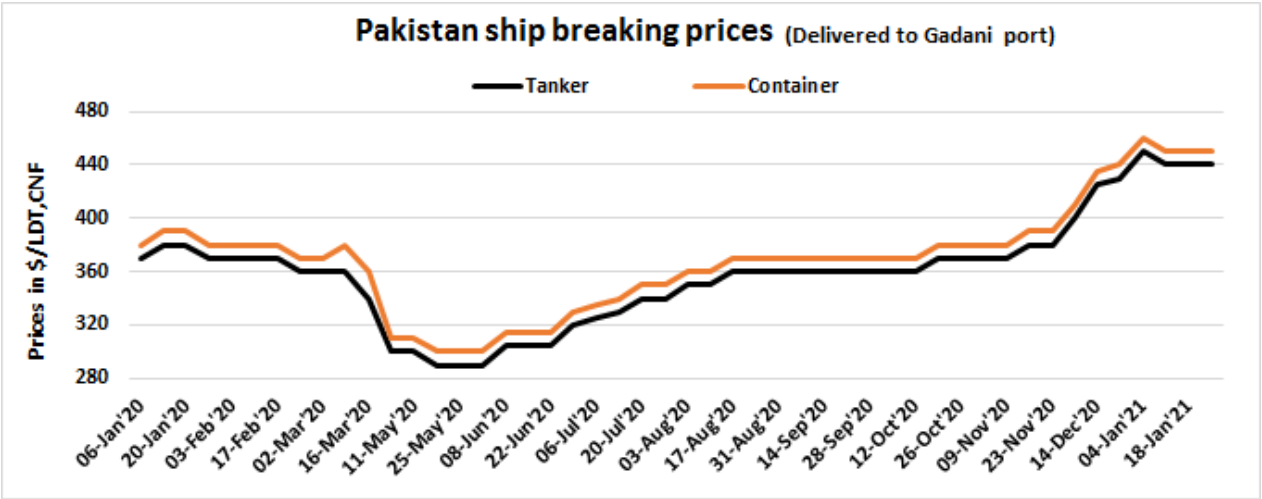
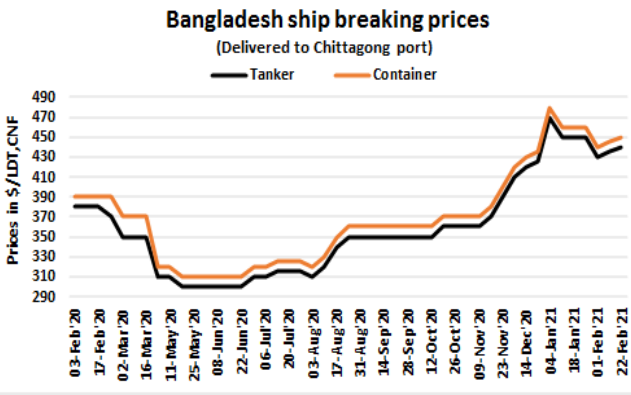
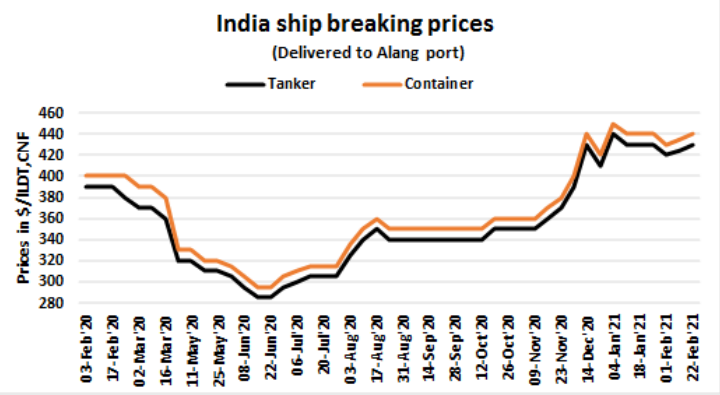


Source: SteelMint Research

Turkey statistic: Turkey- the world's largest ferrous scrap importer, observed a yearly increase of 14% to 1.93 mn t in Jan'21, as per data recorded with SteelMint. The UK remained the largest supplier to Turkey, followed by Russia and Netherlands. However, on monthly basis, imports have fallen by 13% compared to Dec'20 amid limited buying during New year holidays.

Ship Breaking

Assessment	Feb'21 Avg	Lowest Price in Feb'21	Lowest Price in Feb'21	Jan'21 Avg	% Change (m-o-m)	Feb'20 Avg
India						
Tanker (\$/LDT)	425	420 (1st Feb)	430 (22nd Feb)	430	1%	390
Container (\$/LDT)	435	430 (1st Feb)	440 (22nd Feb)	440	1%	400
Pakistan						
Tanker (\$/LDT)	425	410 (1st Feb)	435 (22nd Feb)	440	3%	365
Container (\$/LDT)	435	420 (1st Feb)	445 (22nd Feb)	450	3%	375
Bangladesh						
Tanker (\$/LDT)	435	430 (1st Feb)	440 (22nd Feb)	455	4%	375
Container (\$/LDT)	445	440 (1st Feb)	450 (22nd Feb)	465	4%	390

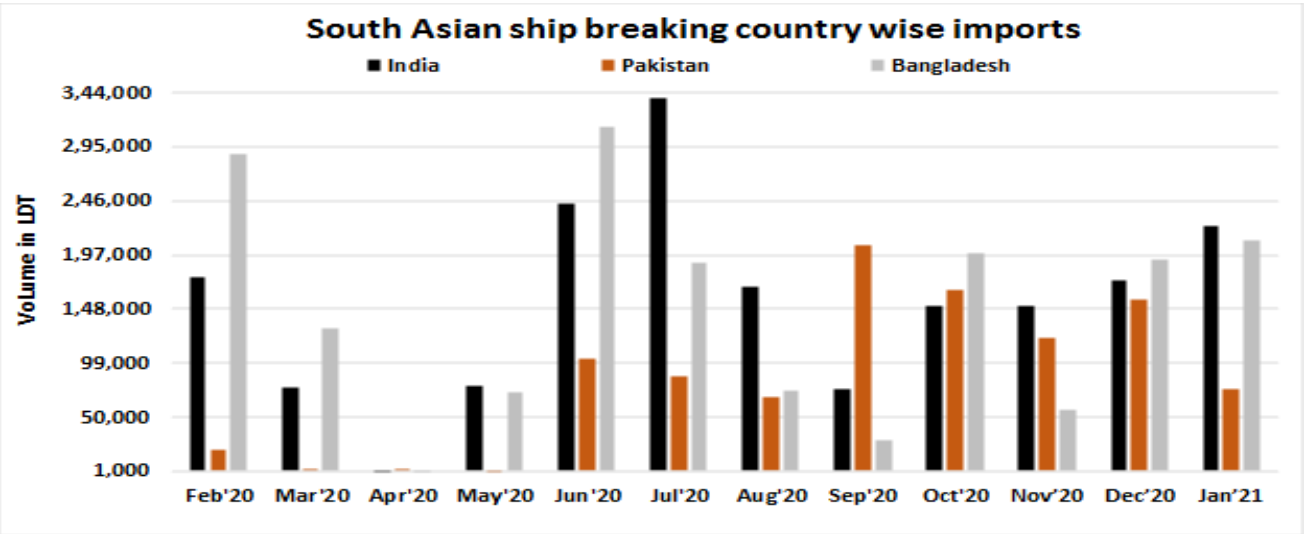


Ship Breaking country wise import			
	India	Pakistan	Bangladesh
Feb'20	177,419	20,159	288,467
Mar'20	76,559	2,484	131,030
Apr'20	-	1,284	-
May'20	78,003	-	73,120
Jun'20	243,809	102,448	312,856
Jul'20	339,707	87,254	190,082
Aug'20	167,715	67,495	73,223
Sep'20	75,217	205,189	28,876
Oct'20	151,267	164,554	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

Ship breaking: India continues to remain as the top recycling destination to secure HKC green tonnage. The budget announcement of plans being afoot to double the ship recycling capacity has also generated positivity in the market. Scrapped ship imports in Alang, Gujarat has increased to 222,772 LDT in Jan'21, a five-month high. The import volumes were up by 28% m-o-m against 173,485 LDT in Dec'20.

Pakistan’s Gadani market saw some improvement in prices due to steel plate prices. However, no major deals were concluded.

Demand of scrapped ships were increased slightly among Bangladesh based cash buyers and few deals were finalised in the market towards the closing of the month.



Source: SteelMint Research

Imported scrap bookings in Feb'21

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

Turkey					
S.no	Date	Origin	Grade	Quantity in (t)	Avg Price in (\$/t), CNF
1	4th Feb'21	UK	HMS (80:20) + shredded	NA	402
2	4th Feb'21	UK	HMS (80:20)	NA	387
3	5th Feb'21	EU	HMS (80:20) + bonus	NA	385
4	5th Feb'21	USA	Shredded	NA	400
5	6th Feb'21	USA	Shredded	NA	395
6	6th Feb'21	Baltic	HMS (80:20) + bonus	NA	380
7	10th Feb'21	UK	NA	15,000	396
8	10th Feb'21	Europe	HMS (80:20)		395
9	10th Feb'21	Russia	HMS (90:10)	18,000	400
10	17th Feb'21	USA	HMS (80:20)	NA	418
11	20th Feb'21	USA	Shredded + bonus	NA	443
12	23rd Feb'21	USA	HMS (80:20) + shredded	NA	448
13	24th Feb'21	EU	HMS (80:20) + Mix	35000	453
14	25th Feb'21	USA	HMS (80:20) + shredded	NA	459
15	27th Feb'21		HMS (80:20)	NA	456
Bangladesh					
1	17th Feb'21	Japan	H2	18,000	423
2	17th Feb'21	Japan	H2	NA	432
Pakistan					
1	2nd Feb'21	UK/EU	Shredded	1,000	405
2	2nd Feb'21	UK/EU	Shredded	1,000	410
3	2nd Feb'21	UK/EU	Shredded	2,000	415
4	11th Feb'21	UK/EU	Shredded	5,000	423
5	23rd Feb'21	UK/EU	Shredded	1,000	450
6	23rd Feb'21	UK/EU	Shredded	5,000	452

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

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