
Monday Market Monitor - Scrap (WEEK 49) - Runs out of steam

Monday, 07 Dec, 2009

Japan - On down trend

Japanese ferrous scrap demand is expected to keep decreasing in and after December. Domestic electric furnace steel makers try to build scrap inventory toward yearend and New Year holiday. However, the steel makers plan lower operation during the holiday under very slow steel demand. Ferrous scrap dealers expect the demand is lower than usual year during the holiday.

SEA - Cautious approach

Production cutbacks by longs producers to reduce high inventory levels, especially rebars, is bringing an end to the firmer scrap prices.

Hyundai Steel reduces the purchase price for Japanese scrap when the price is relative higher than US scrap under higher yen rate. South Korea's Hyundai Steel Co has made reduced bids of JPY 25,500 per tonne FOB for HMS 2 in the wake of the offers the company collected November 30 to purchase ferrous scrap from Japan. The bid is lower by JPY 1,000 per tonne than what the company made in the previous week in its procurement of Japanese ferrous scrap.

Turkey - Remains absent

Turkish steel mills abstained from buying last week

China - Buyers coming back signals untrue

There was hardly any buying by Chinese steel mills last week putting the news of surge in scrap prices to rest.

Scrap

6-8mm

Location	CNY	USD
Acheng	0	0
Anyang	0	0
Beijing	0	0
Benxi	0	0
Chongqing	0	0
Dalian	0	0
Guangzhou	0	0
Hefei	50	7
Jiangyin	0	0
Jinan	0	0
Kunming	0	0
Laiwu	0	0
Lanzhou	0	0

Lingyuan	0	0
Liupanshui	0	0
Loudi	0	0
Tangshan	-20	-3
Tianjin	60	9
Tonghua	0	0
Wuhan	80	12
Wuyang	150	22
Zhangjiagang	0	0

Change is on December 4th as compared to November 27th 2009

India - Long product demand hindering recovery

Indian scrap market remained subdued last week with minor corrections at various locations. Indian importers are resisting the offers at USD 300 per tonne plus due to lower domestic prices and weak sentiments in finished market.

Melting scrap

80:20

HMS

Location	Change
Chennai	500
Hyderabad	400
Kandla	-200
Kanpur	-178
Kolkata	185
Mandi	185
Mumbai	-100
Rudrapur	-44

Change is on December 4th as compared to November 27th 2009

Change is in INR per tonne

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