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## International scrap prices on a match winning performance

Thursday, 09 Sep, 2010

The saying “Fools rush in where angels fear to tread” can aptly sum the meanderings in global scrap market.

Typically in the pre recession era scrap prices have trotted on the footprints of finished product prices. However the recessionary shock seems to have thrown all rational dynamics haywire. The ever sagging demand of finished products has left ample vacuum for entrants. Turkey has been the pathfinder in this dark alley being the consumption hub of this seed material.

Turkish mills have been ruling the roost during this recessionary morass waxing and waning the prices with its strategic consumption pattern. In April the catastrophe by almost USD 100 per tonne within a week was followed by an equally meteoric rise in July to August by USD 120 per tonne within a month.

Ever since the scrap levels have been inching towards record levels of USD 410 per tonne to USD 415 per tonne CNF Turkish port in the last few days .The prices for European and Russian scrap keep at USD 395 per tonne CFR. In ASEAN countries it reached USD 420 per tonne CFR. Japanese H2 scrap is offered at USD 375 per tonne to USD 385 per tonne CFR in Korea and China and at the prices up to USD 420 per tonne CFR in Taiwan.

The reasons for this unprecedented spike in scrap levels can be summed up as follows

The immediate reason for frenzied scrap purchases is acute shortage of scrap in global market. In summer the collecting volumes were rather small, and the demand grew significantly recently in Eastern Asia, Japan and the USA.

Turkish companies resumed purchases and thus gave the suppliers the opportunity to return the prices to the level of the H1 of August.

The gradual improvement in production as the global economy comes out of hibernation has led to hiked demand.

The coming weeks will see no let up in prices escalation as Middle East opens after Ramadan rearing to replenish stocks.

But as per latest reports, Europe which is warming up after the holidays is not responding well to the positive sentiments and in last 2 days price of scrap has gone down by about EUR 10 per tonne. The negative sentiment for scrap is arising out of weakness in long product market in Europe as nobody wants debars and mills have to decrease if they want to sell. Billets are reported to have gone down by EUR 20 per tonne.

In addition the wild card of Turkish steel mills withdrawing to pressurize traders and China vacillating some mild aberration cannot be ruled out towards end September.

[www.steelprices-europe.com](http://www.steelprices-europe.com) is a comprehensive service for tracking real time steel prices and trends in both South and North Europe on weekly basis.

The scope of service includes

1. Domestic pricing information in Germany, Italy and Spain
2. Import pricing information in Germany, Italy and Spain
3. Import levels at Antwerp and Turkey
4. Export levels from Turkey, Rotterdam, China, India and Black Sea

The service is specifically designed to assist steel makers, traders, users and others connected with the industry to keep track of real time prices prevailing in the market and thus comprehensively evaluate steel pricing trends in the region

Methodology and access

1. Benchmark products in each category with fixed commonly used sizes and grades
2. Base prices or effective, as per market trends
3. Average transaction levels which have settled well, based on continuous interactions with domestic mills, overseas suppliers, importers stockiest & service centers and buyers
4. On fixed market oriented payment terms

5. Weekly updates

6. Data available since February 2009

5. Access through web site

Products covered

1. Input materials and semis in Europe
2. Long Products in Europe
3. Flat Products in Europe
4. CFR Turkey prices
5. FOB levels for export FOB Black Sea, China, Turkey and India

Price basis and payment terms for Europe

1. Price basis - B- Base price and E - Effective price
2. Payment term - All prices in Europe are net to the final customer with following payment terms

A. Italy & Spain

1. Domestic prices are EXW or DDP with payment 90 days from delivery
2. Import prices are CIF FO with LC at 90 days from BL date

B. Germany

1. Domestic prices are EXW or DDP with payment on the 15th of the following month
2. Import prices are CFR FO with open term payment at 30 days from date of arrival

1. Input materials and semis in Europe

Billets

Grade	Size	DOMESTIC (E)	IMPORTED (E)
3Sp/Ps	130 -150	Italy	Italy

Slabs

Grade	Size	IMPORTED (E)
S275JR	250-300x1800	Italy

2. Long Products in Europe

Merchant bars

Grade	Size	DOMESTIC (B)	IMPORTED (B)
S235JR	5 to 150 mm	Spain, Italy & Germany	Spain, Italy & Germany

IPN / UPN

Grade	Size	DOMESTIC (B)	IMPORTED (B)
S235JR	50 to 400 mm	Spain, Italy & Germany	Spain, Italy & Germany

HEA/B/M

Grade	Size	DOMESTIC (E)	IMPORTED (E)
S235JR	100 to 600 mm	Spain, Italy & Germany	Spain, Italy & Germany

De-Bars

Grade	Size	DOMESTIC (E)	IMPORTED (E)
FE500	6 to 40 mm	Spain, Italy & Germany	Spain, Italy & Germany

W.R. Mesh

Grade	Size	DOMESTIC (E)	IMPORTED (E)
S235JR	5,5 to 16 mm	Spain, Italy & Germany	Spain, Italy & Germany

#### W.R. Drawing

Grade	Size	DOMESTIC (E)	IMPORTED (E)
SAE 1006/8	5,5 to 16 mm	Spain, Italy & Germany	Spain, Italy & Germany

### 3. Flat Products in Europe

#### HRP

Grade	Size	DOMESTIC (B)	IMPORTED (E)
S275JR	5-20x2000	Germany, Italy & Spain	Germany, Italy & Spain
S275JR	10-50x2500-3000	Germany & Spain	Germany & Spain
S275JR	8-50x2500-3000	Italy	Italy
S235JR	8-60x2500-3000	Germany	Germany, Antwerp
S355J2+N	10-60x2500		Antwerp

#### HRC

Grade	Size	DOMESTIC (B)	IMPORTED (E)
S235JR	2-12x1000-1500	Spain, Italy & Germany	Spain, Italy & Germany & Antwerp
S275JR	2-12x1000-1500	Spain & Italy	Spain & Italy
S235JR	5-20x2000	Italy & Germany	Italy & Germany

#### CR

Grade	Size	DOMESTIC (B)	IMPORTED (E)
DC 01	0.60 Avx1250	Spain, Italy & Germany	Spain, Italy, Germany & Antwerp

#### HDG

Grade	Size	DOMESTIC (B)	IMPORTED (E)
DX 51 Z100-120 AS	0.55-0.57x AW	Spain, Italy & Germany	Spain, Italy & Germany
DX 51 Z180 MA-C Cr free	0.60 Avx1250	Spain, Italy & Germany	Spain, Italy, Germany & Antwerp

#### PPGI

Grade	Size	DOMESTIC (B)	IMPORTED (E)
Dx51 25/-10	0,6 mm av.	Spain	
25+10 / 7 - Z180 STD RAL	0.50-1.00		Spain & Italy

### 4. CFR Turkey prices

Billets	Grade	Size
Scrap	A3	500x500x1500

Billets	3Sp/Ps	125x125
HRC	S235JR	3-12x1000-1500
PLTS	S275JR	10-40x2500-3000

#### 5. FOB levels for export FOB Black Sea, China, Turkey and India

##### A. Input & semis

Product	Location
Scrap	Rotterdam, Turkey
Billets	CIS, China & Turkey

##### B. Long Products

Product	Location
Rebars	CIS, China, Turkey
Wire Rods	CIS, China, Turkey

##### C. Flat products

Product	Location
HR	CIS , China
CR	CIS , China
HDG	CIS , China, India
PPGI	India
Plates	CIS , China & India

#### Other features

The prices are displayed on weekly and monthly basis. They also have search facilities to access old data from the archives. Graphical representation of trends and comparison of price movement 2 or more products is also available.

In addition, you can monitor currency exchange rates, metal prices, BDI for the day as well as access their archives for past data.

Other features include converters for weight, length etc, glossary and advanced search functions. The benchmark product price information is supplemented by global pricing news.

#### Subscription charges for 12 months access

Currency	Single	2-5	6-12	13-25	26-40	40-60
In EUR	825	1,650	2,750	5,500	8,250	11,000

#### How to subscribe

1. Register at [www.steelprices-europe.com](http://www.steelprices-europe.com) and pay on line or ask for invoice
2. Send mail to [admin@steelprices-europe.com](mailto:admin@steelprices-europe.com).

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