

**NAVIGATE**  
Commodities

# Steel Scrap Markets

## A Bird's Eye View

Commissioned by:



In Association With:



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# Report Overview:

“Steel Scrap Markets – a Bird’s Eye View” is a new report commissioned by the London Metal Exchange (LME), designed to give market participants a unique perspective on the highly fragmented and traditionally often opaque world of ferrous scrap markets.

This report includes a wealth of data and provides commentary on supply chains from the key steel scrap markets of Turkey, India, and Taiwan.

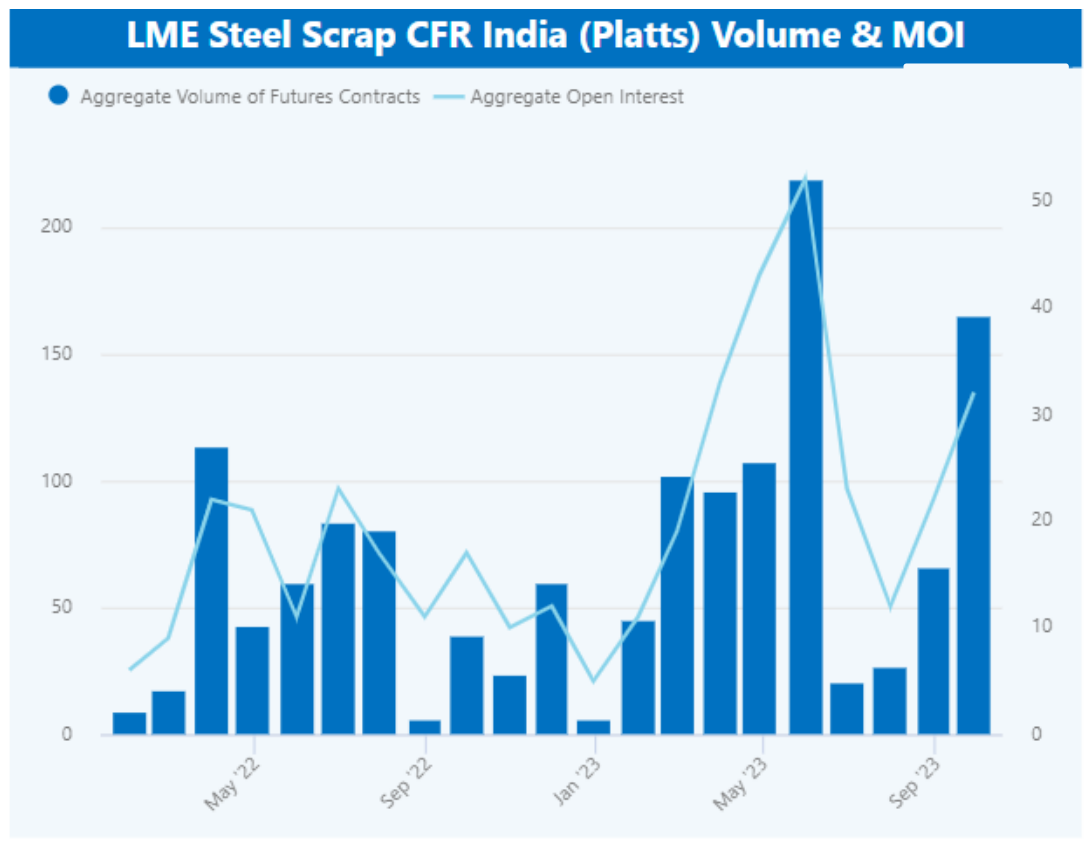
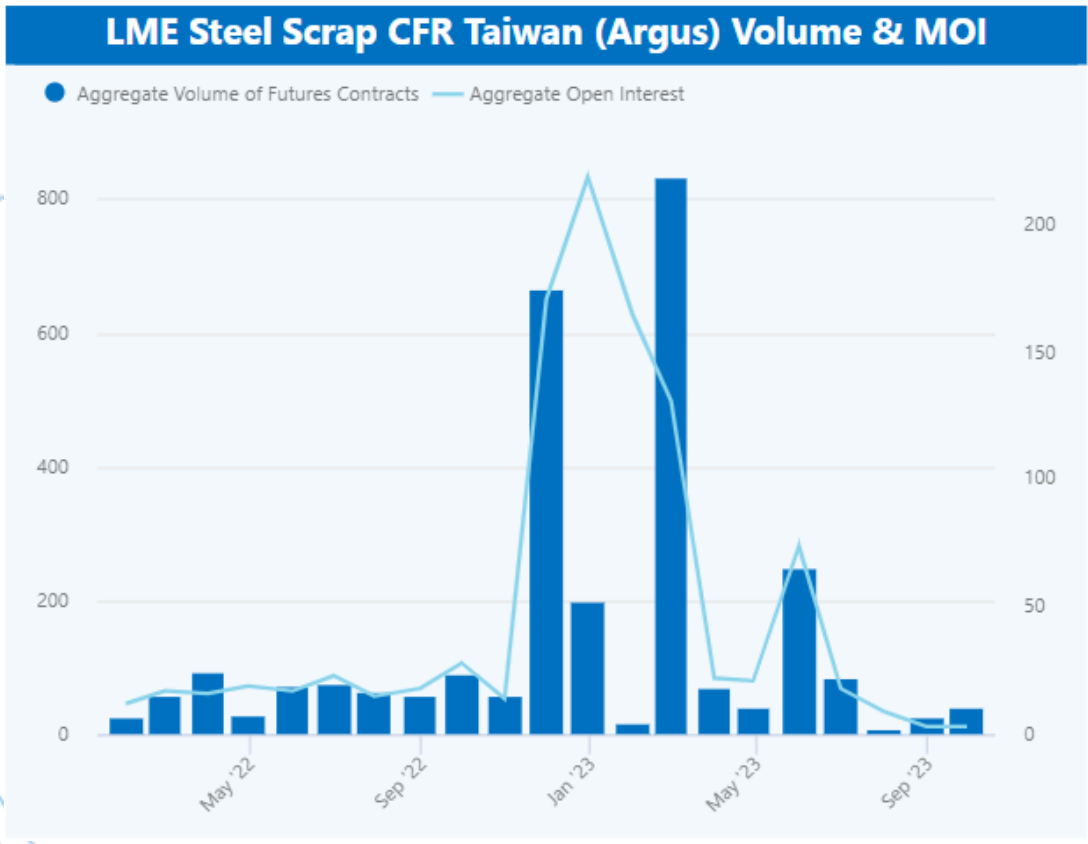
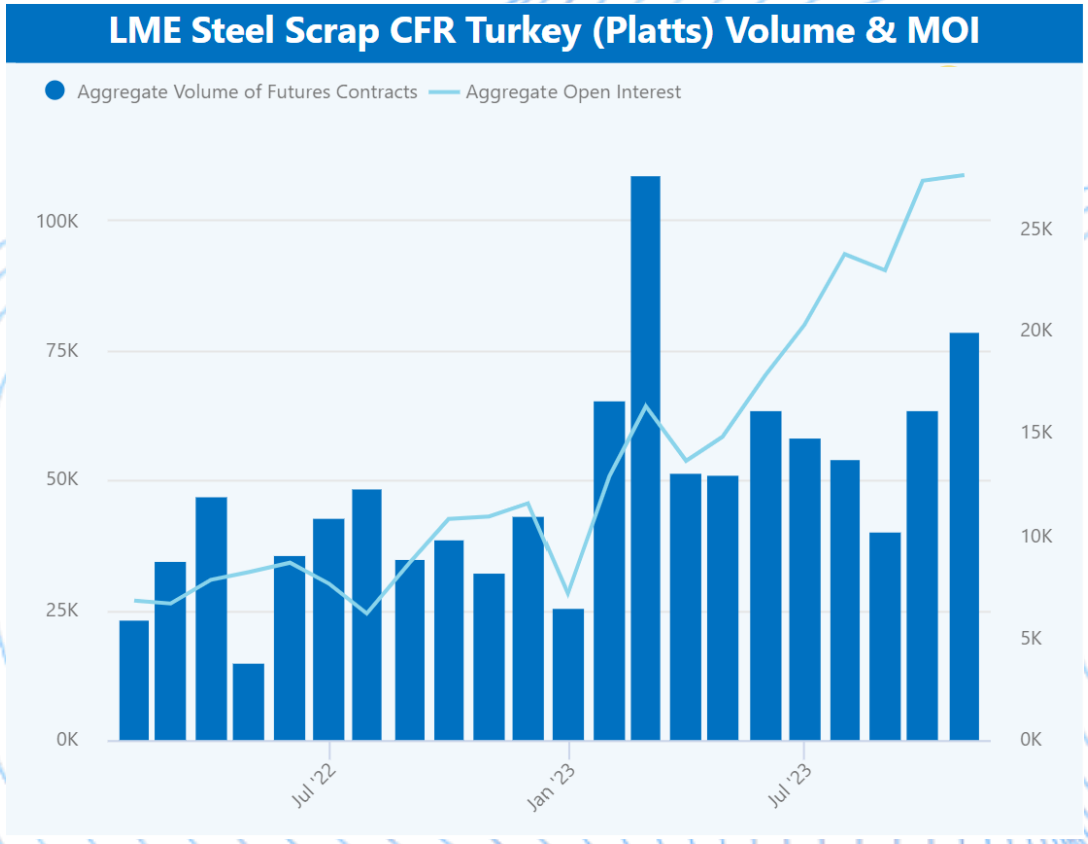
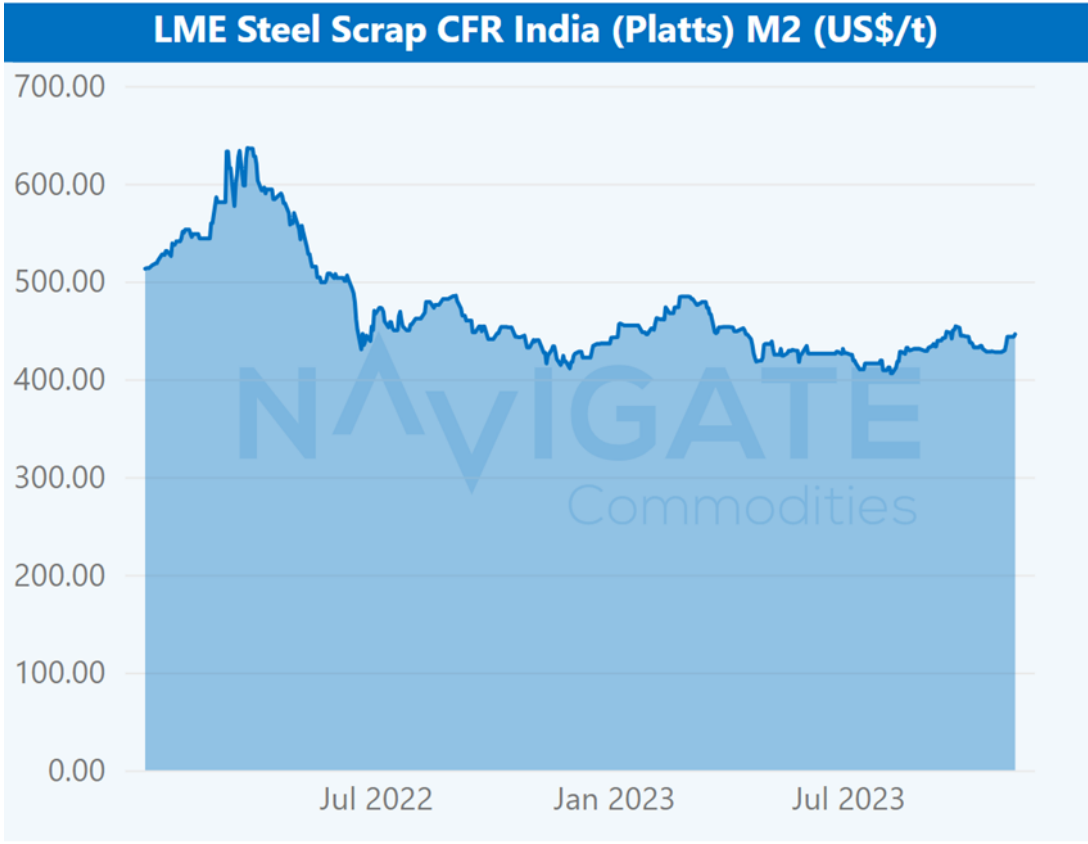
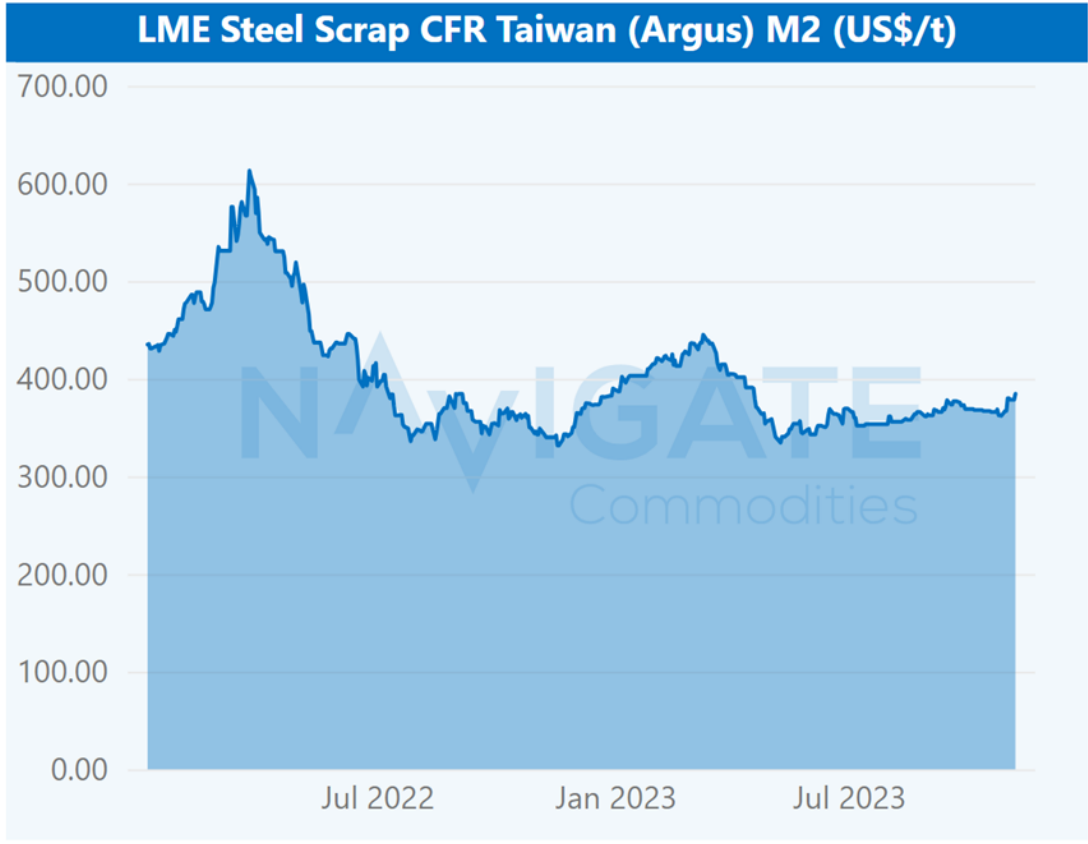
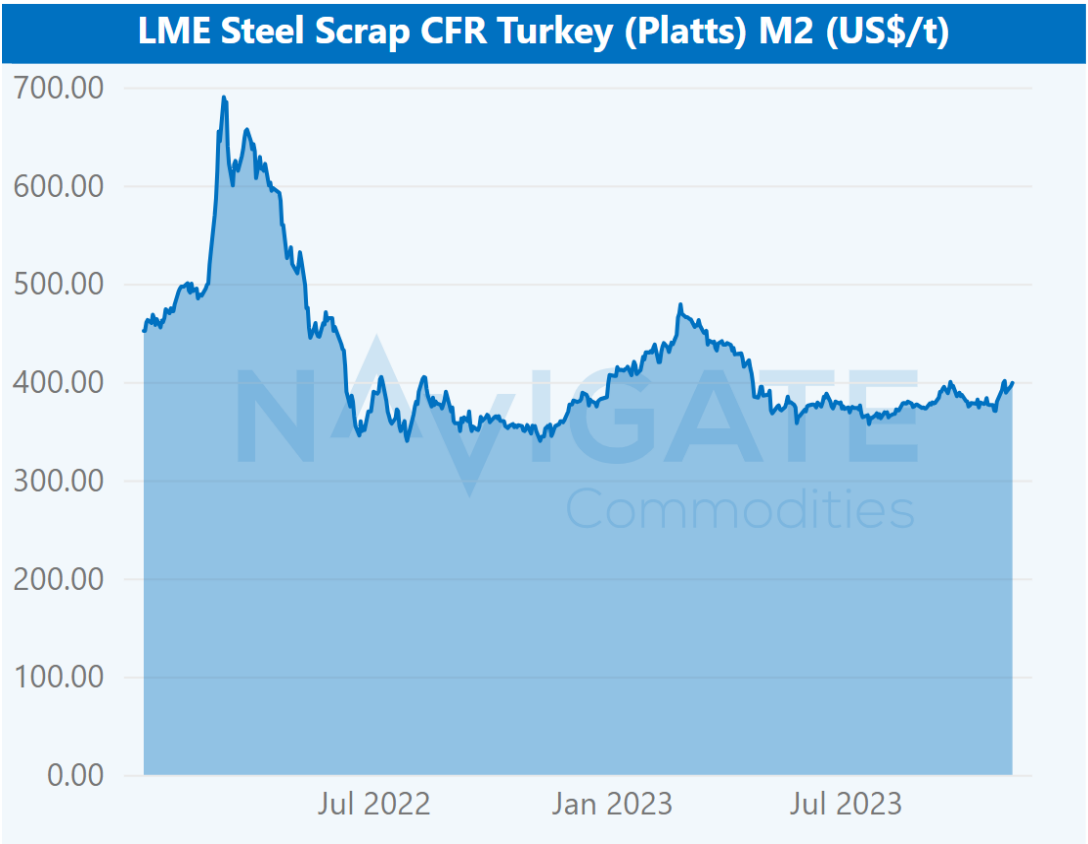
Authors Navigate Commodities and Earth-i use satellite imagery, AI and machine learning to monitor and assess data from steel mills, trade routes and ports to bring transparency to and insight on the world of steel scrap.



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# **LME Steel Scrap Futures**





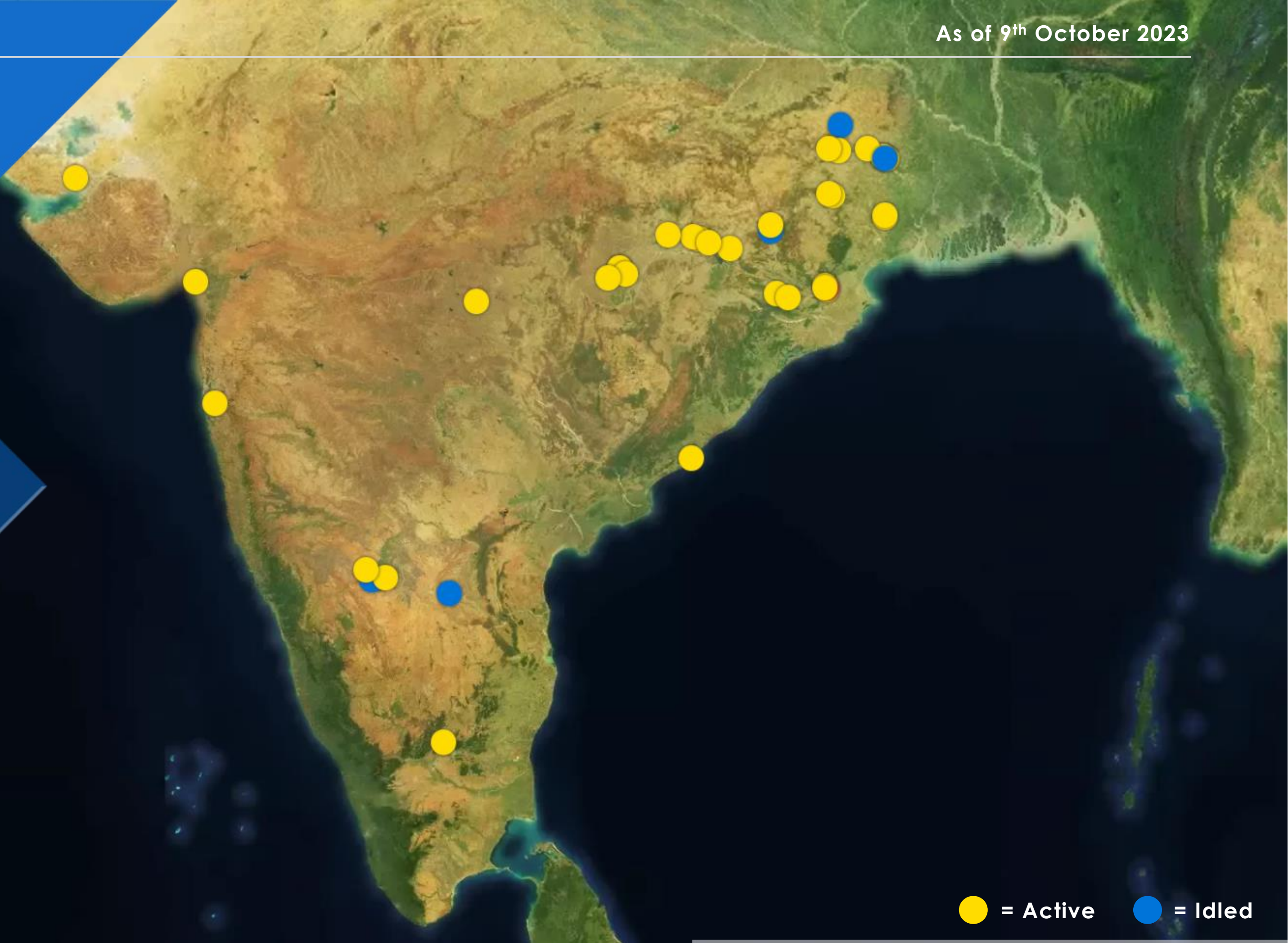
Source: Navigate Commodities, Bloomberg, London Metal Exchange (LME)



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# **India Steel Scrap Market Overview**





● = Active    ● = Idled

# India

Premiums for Indian Shredded Ferrous Scrap over equivalent Turkish grades shrunk by around circa US\$5-10/t over the past month to US\$32/t, as demand for containerized cargoes from South Asia's core market waned.

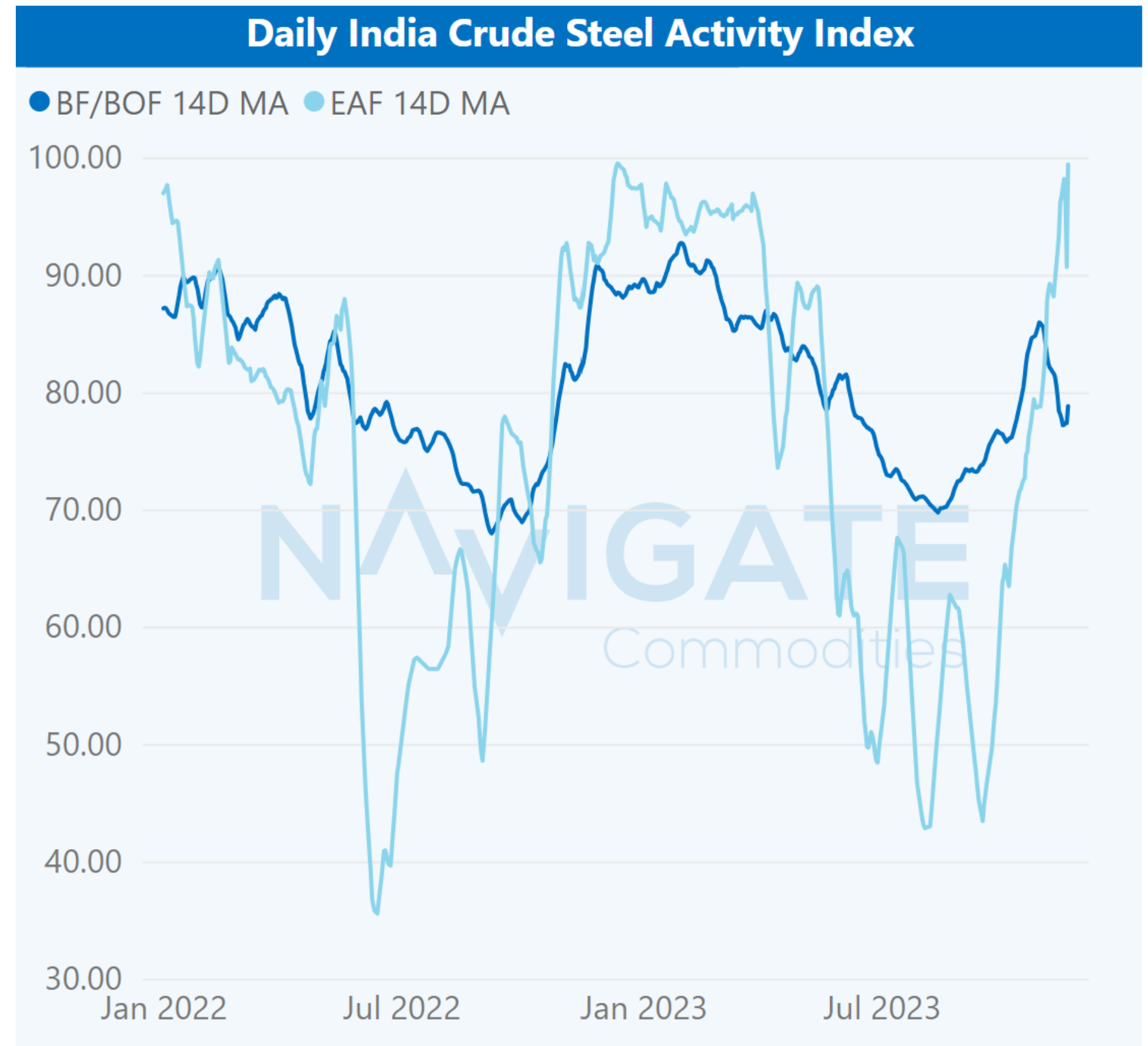
That's not to say India's consumption of Ferrous Scrap overall has deteriorated – for from it, but that interest has now switched towards availability of more competitive deepsea cargoes.

In fact, Indian-origin Ferrous Scrap demand has been bolstered by a sustained recovery in both domestic blast furnace/basic oxygen furnace (BF/BOF) and electric arc furnace (EAF) crude steel production over the past month.

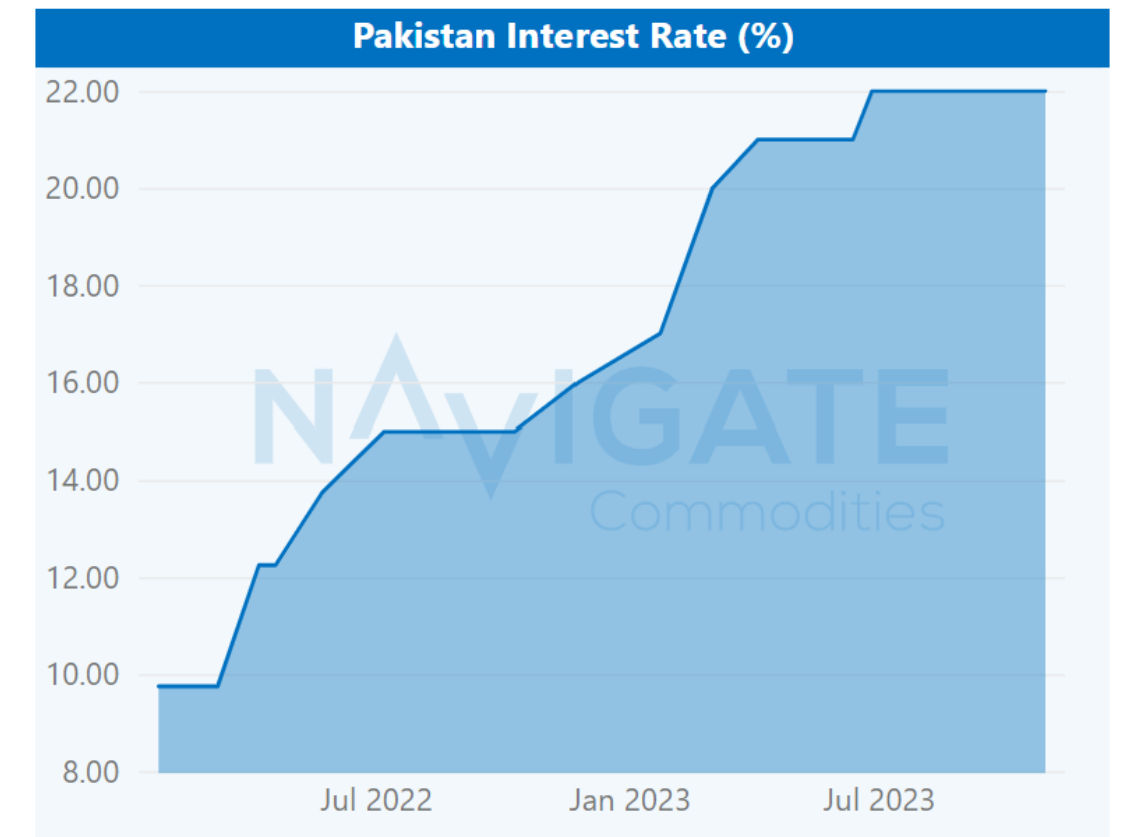
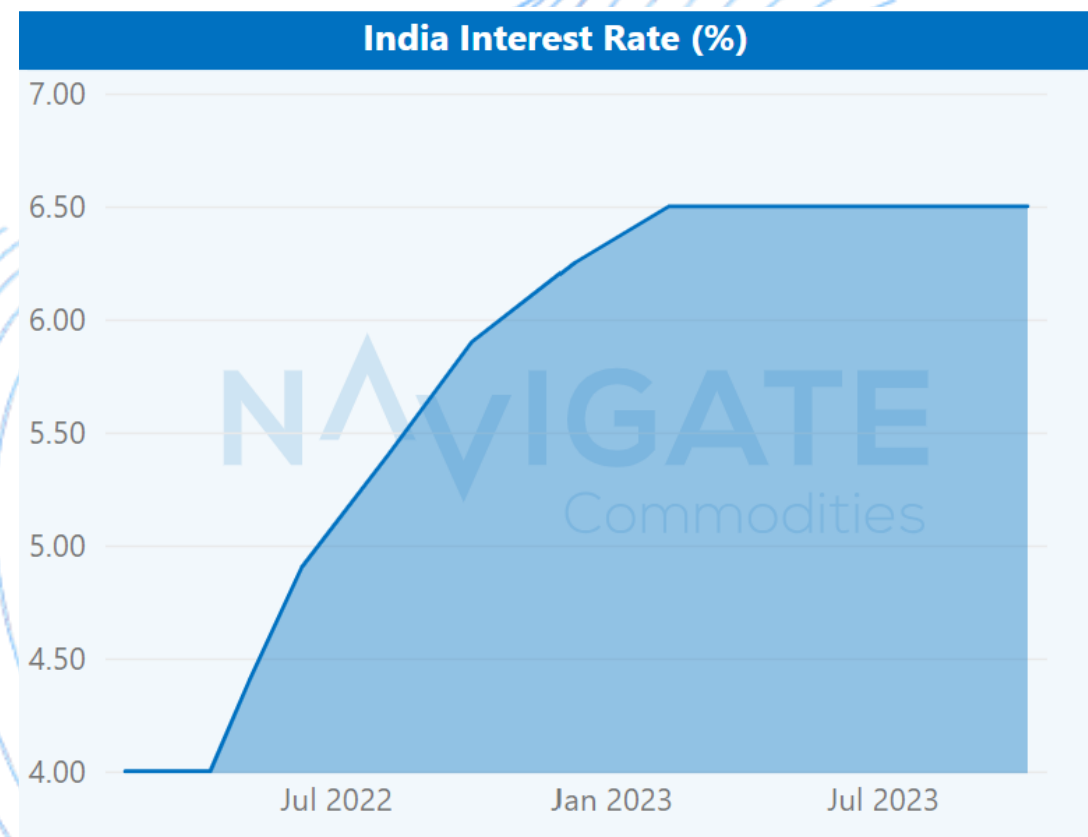
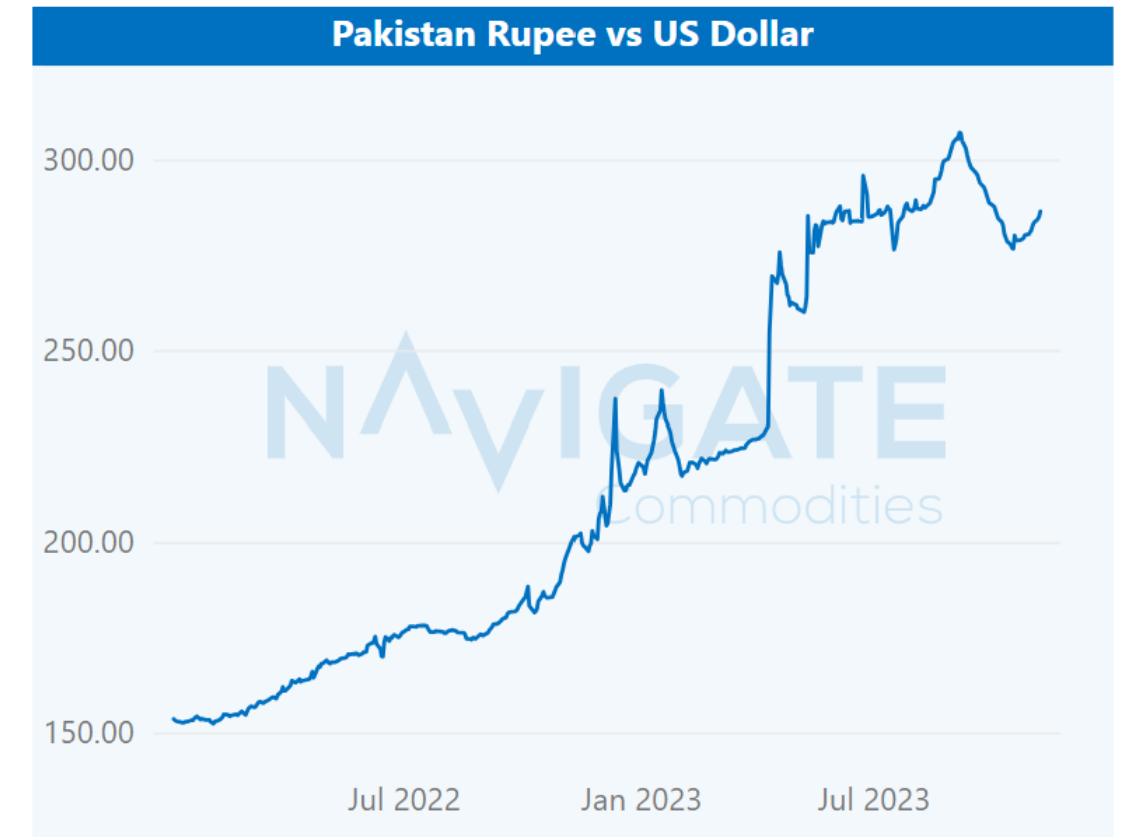
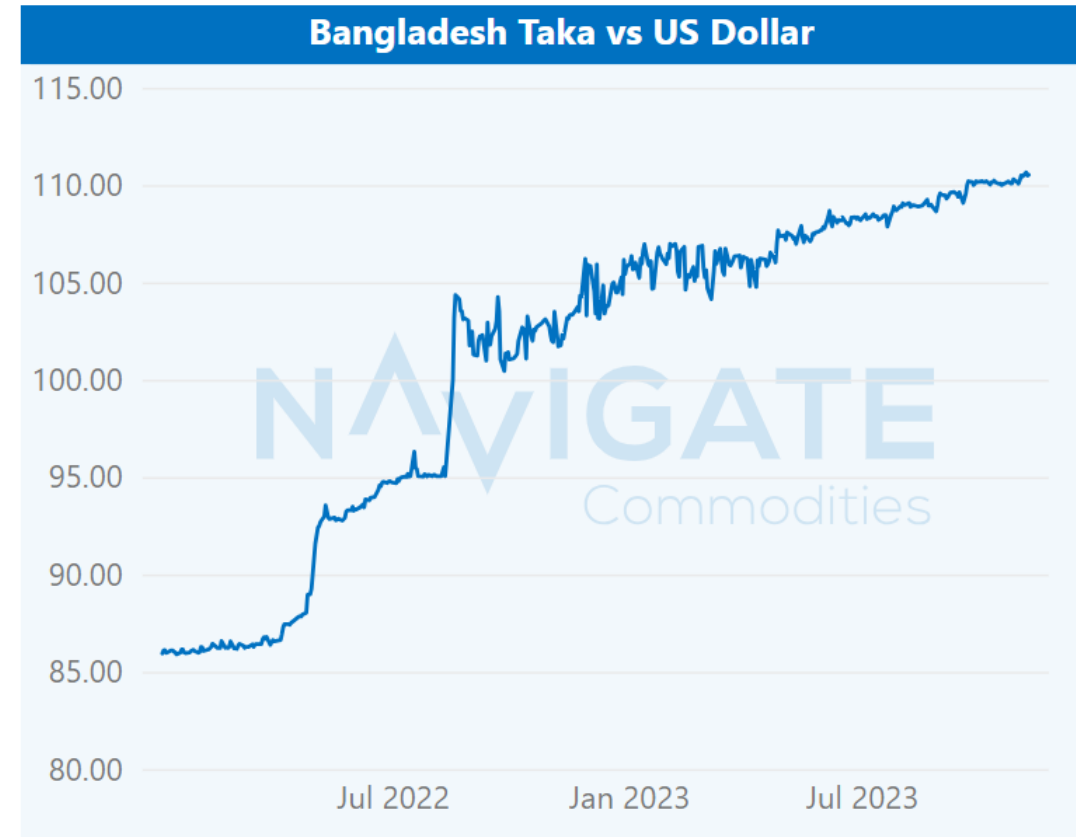
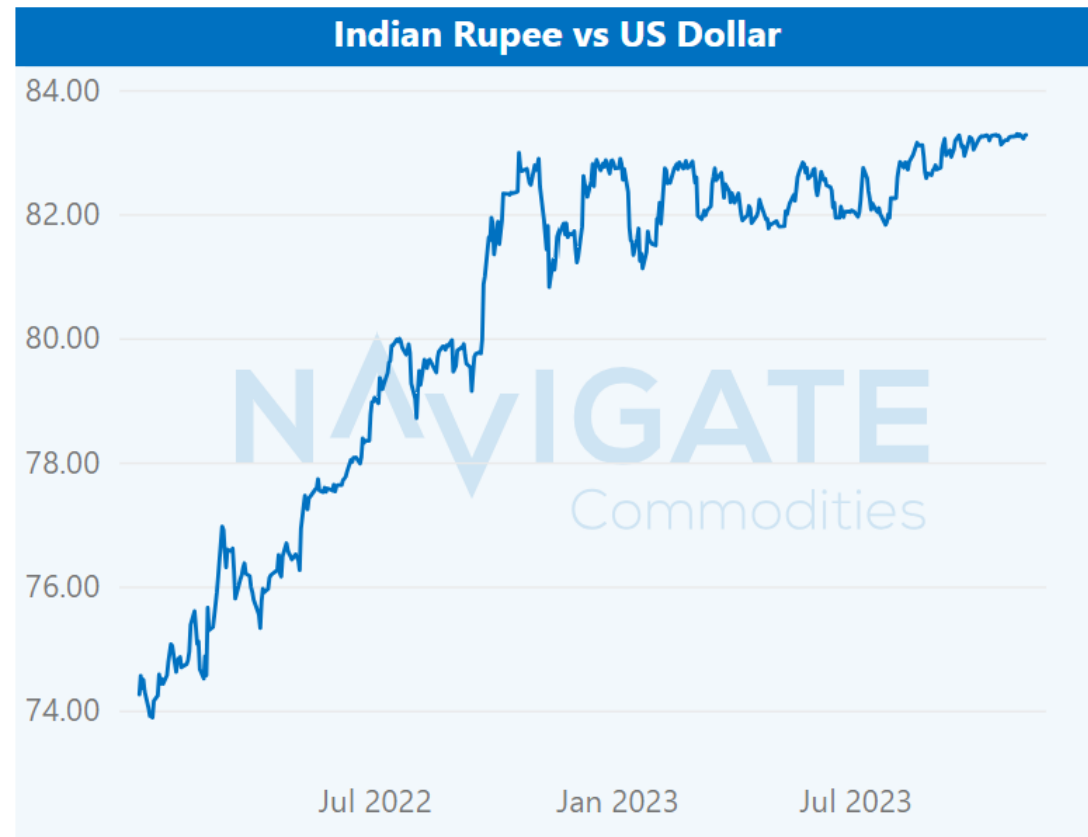
For example, Navigate Marine monitored shipments of at least five Ferrous Scrap-laden vessels departing Metro Metals, ABC Recycling, Tolmets, AIM Recycling, and SA Recycling destined for India totalling 155,000 tonnes over this period.

Unsurprisingly, India's heightened yet spasmodic interest in bulk deepsea Ferrous Scrap cargoes has likely contributed to elevated benchmarks over the past month; preventing them from falling at a faster pace.

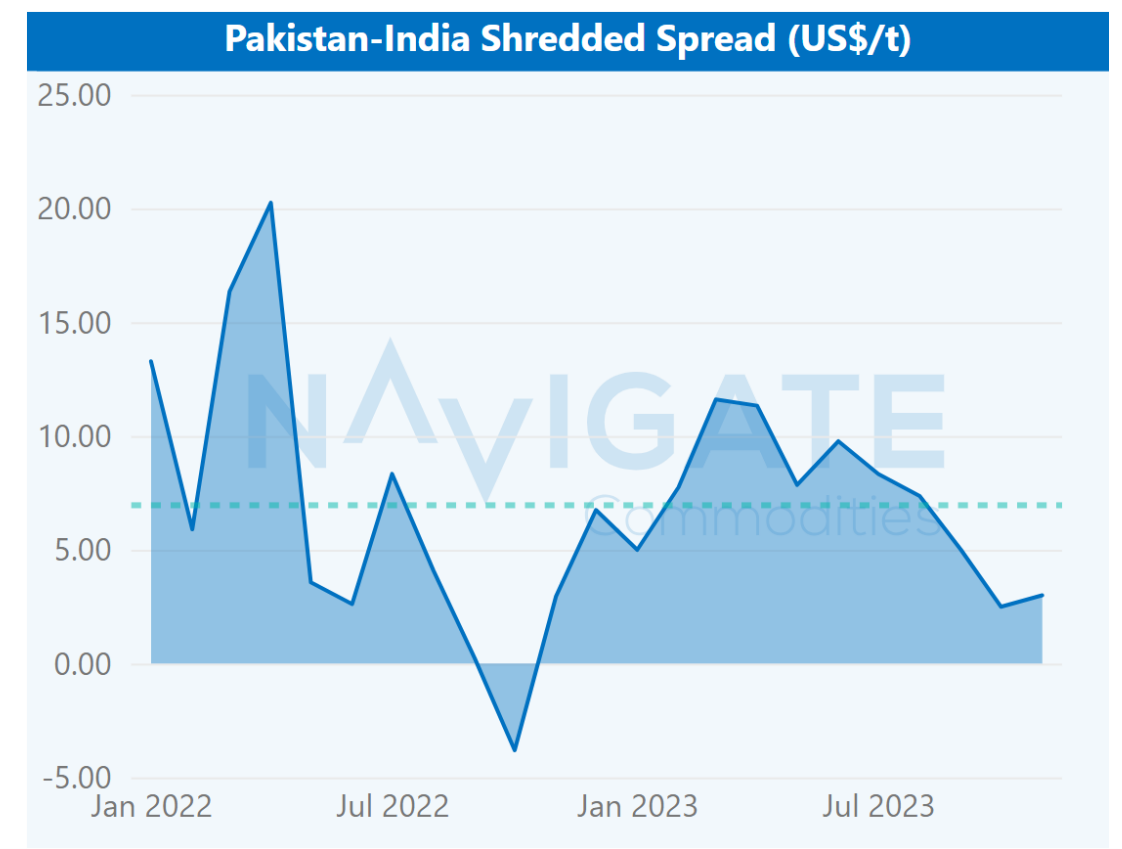
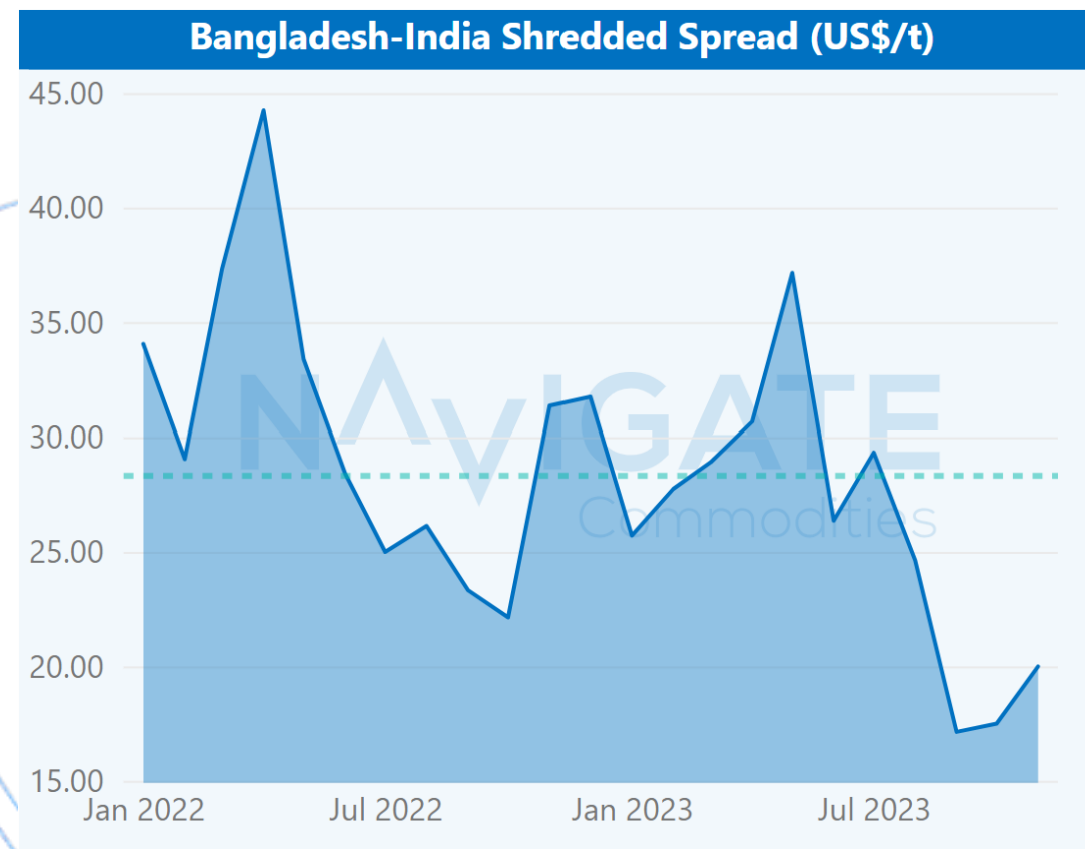
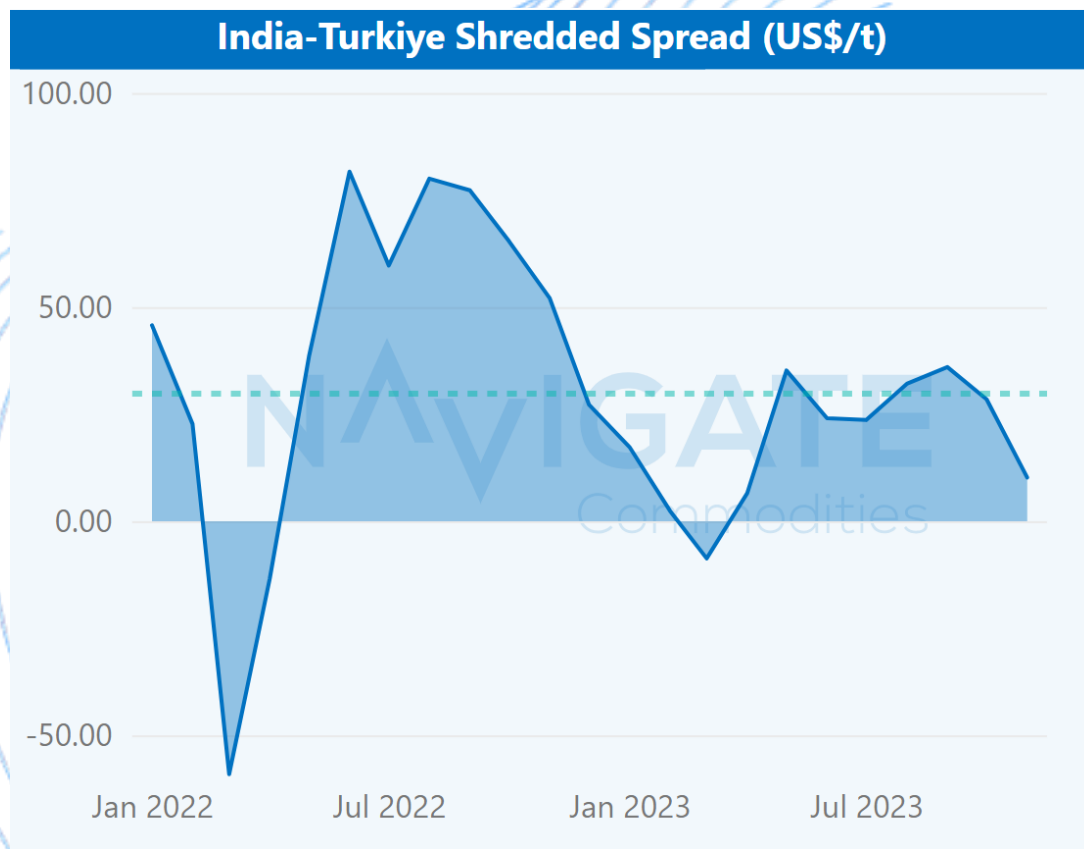
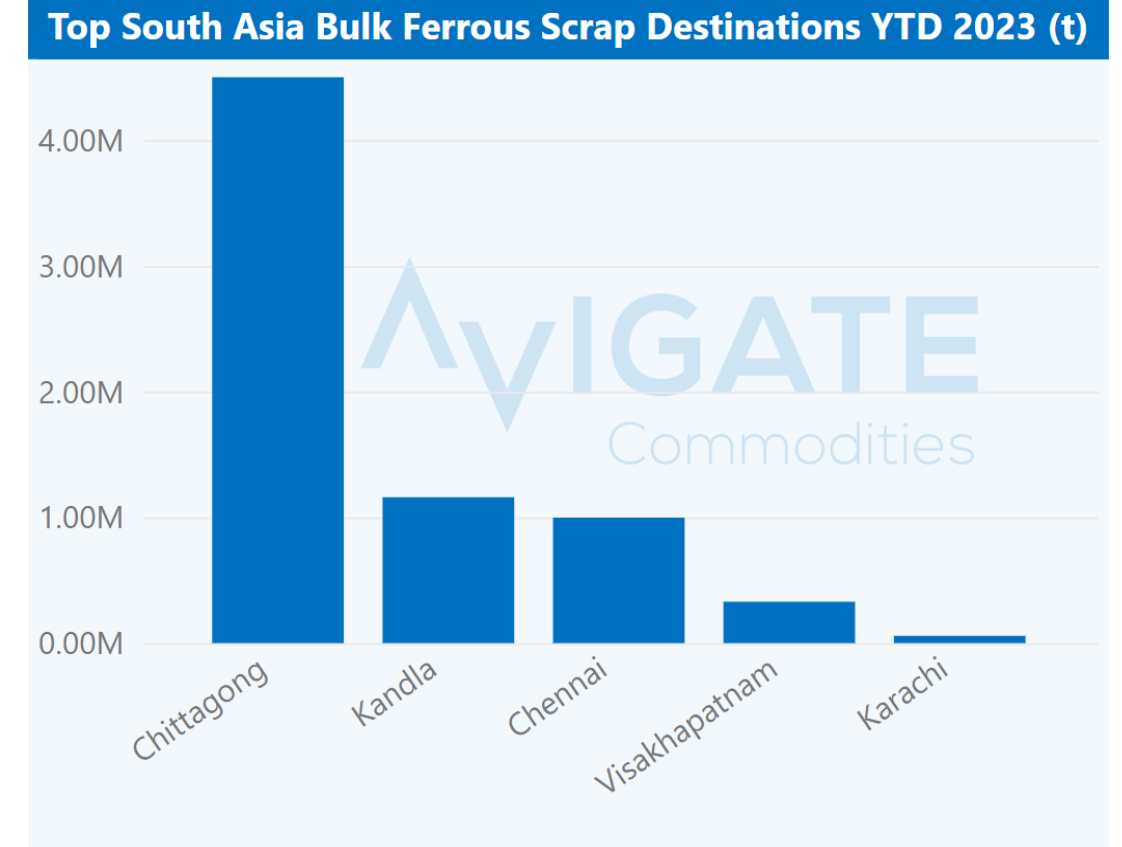
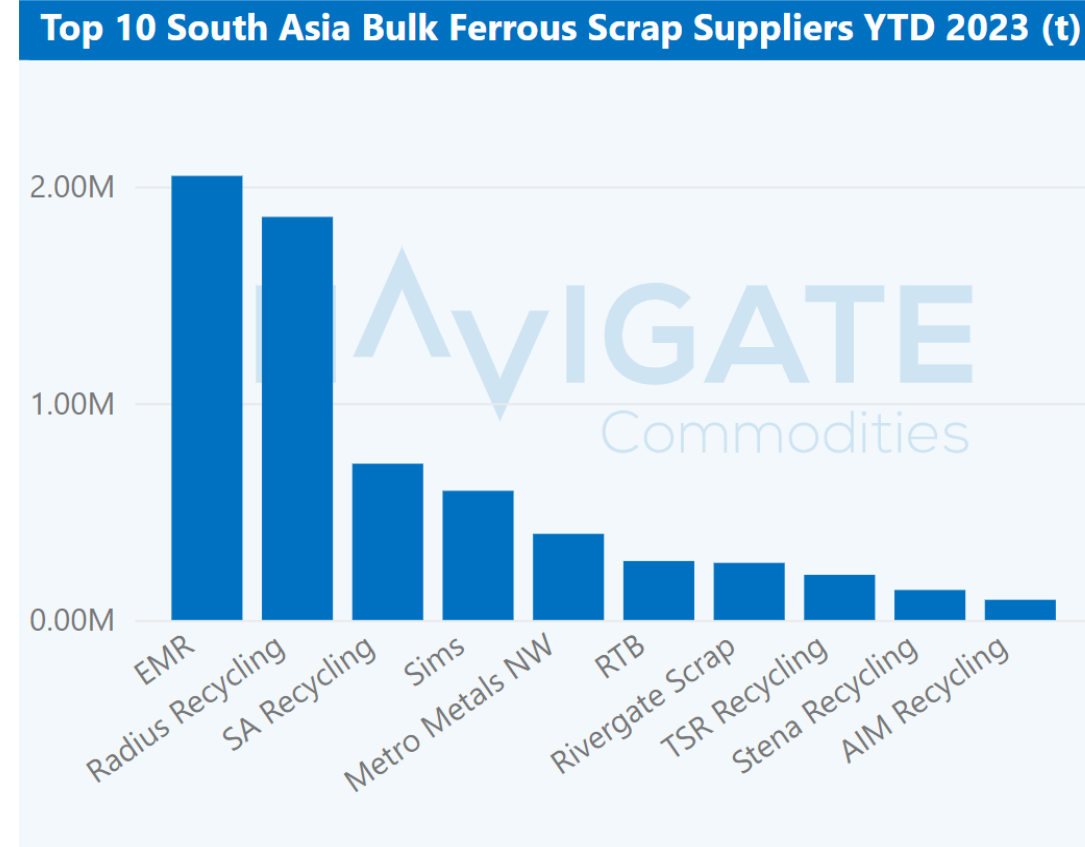
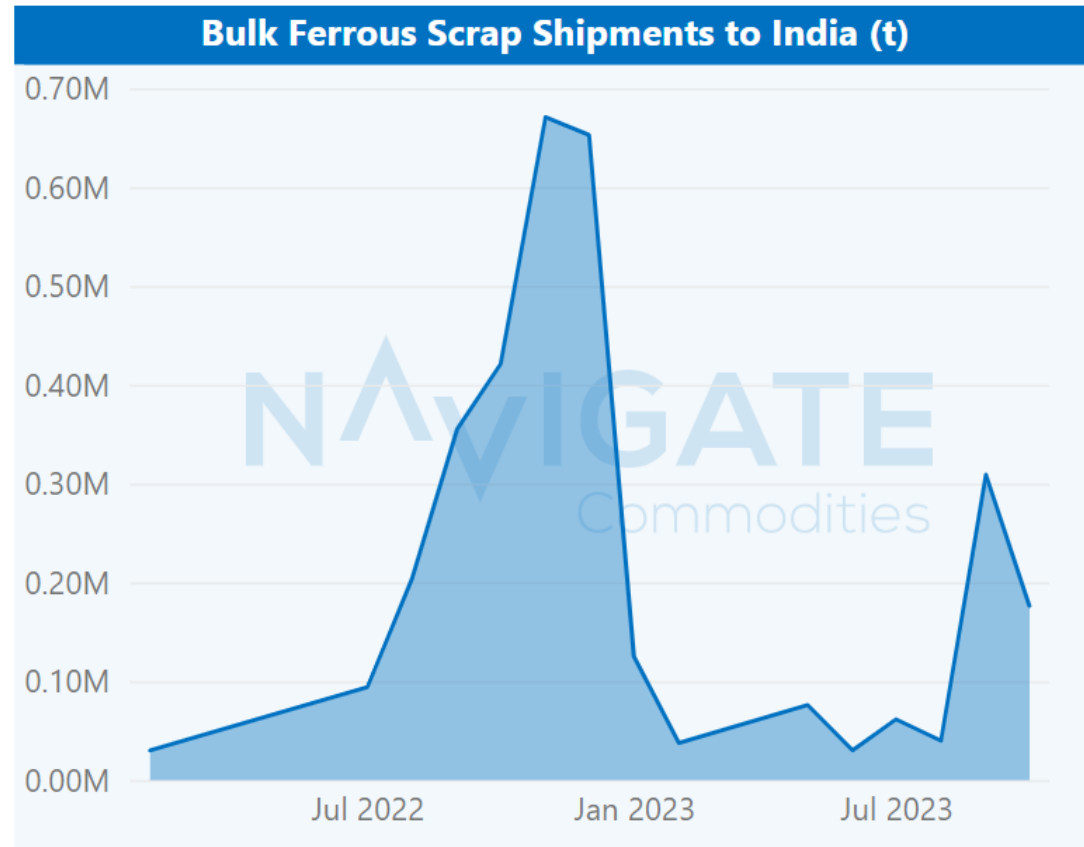
**Methodology:** The Daily Crude Steel Smelting Activity Index is calculated by detecting & monitoring heat signatures from unique plant-by-plant Areas of Interest (AOIs) using high-frequency Thermal Infrared Satellite Imagery (TIRS).



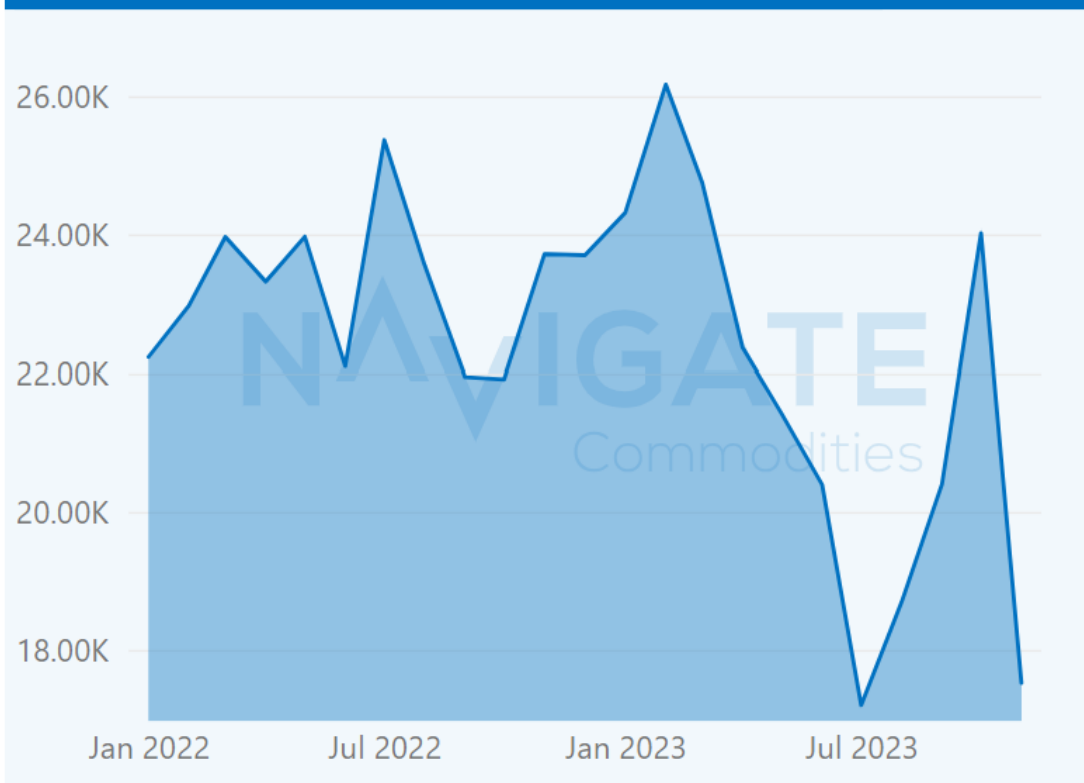
Source: Earth-i, Navigate Commodities



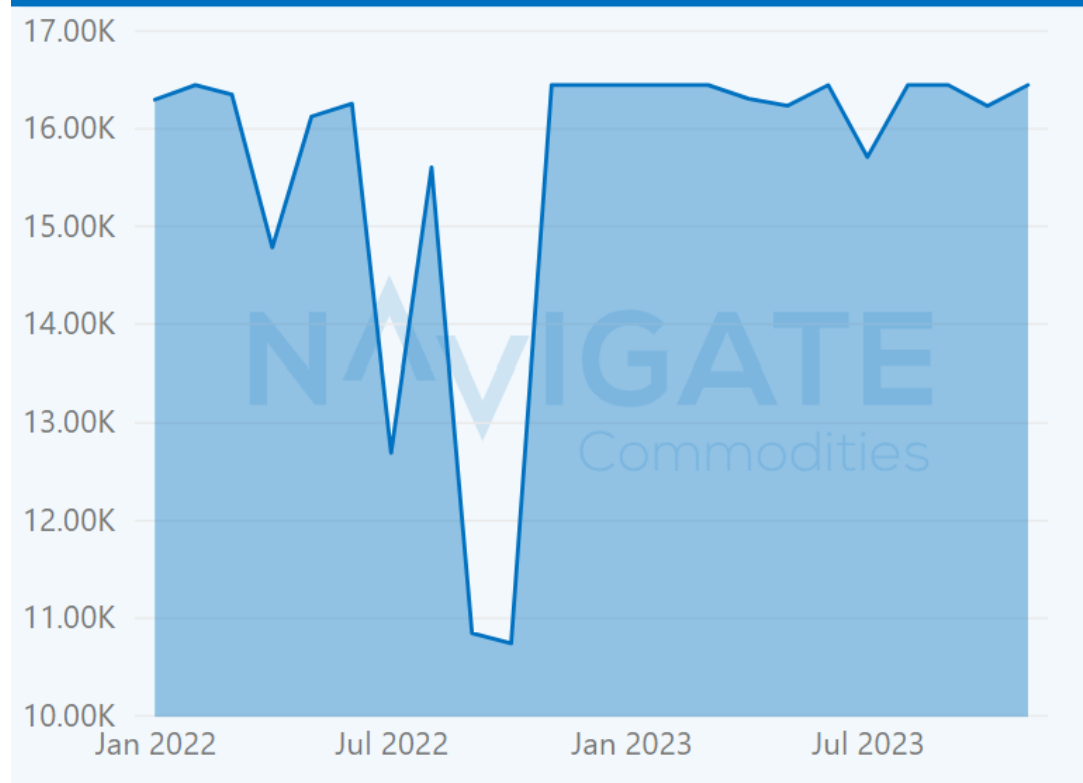




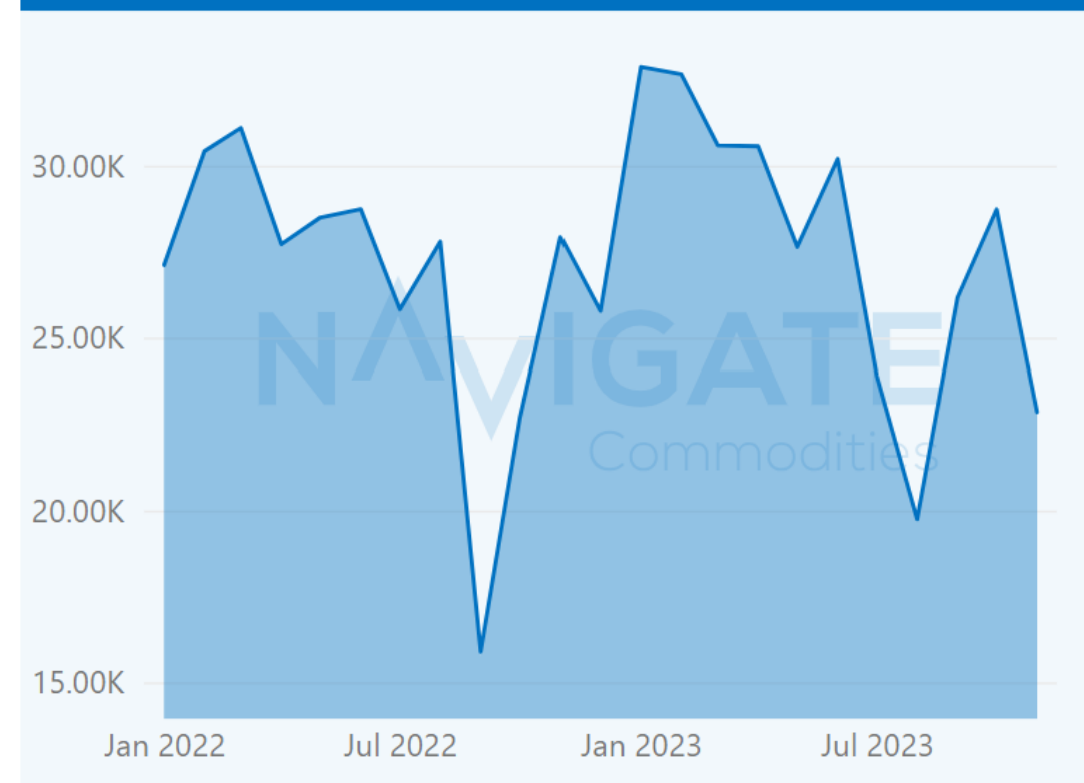
AcelorMittal Nippon Steel Output 30D MA (tonnes per day)



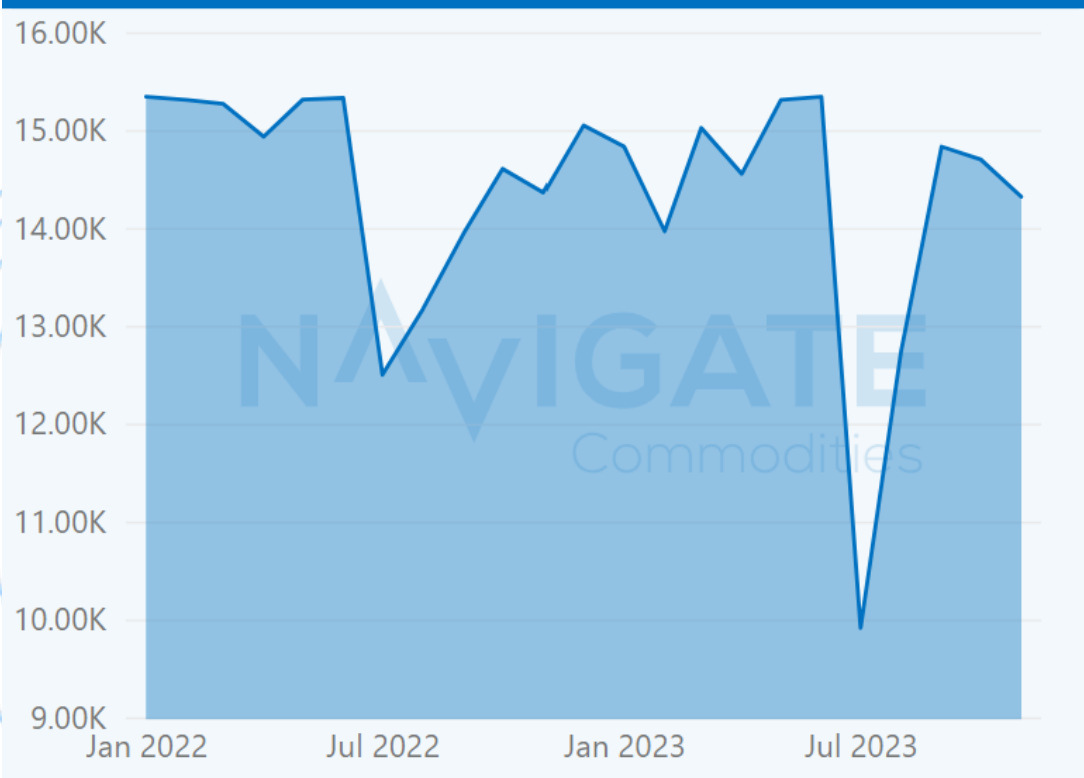
JSPL Odisha Steel Output 30D MA (tonnes per day)



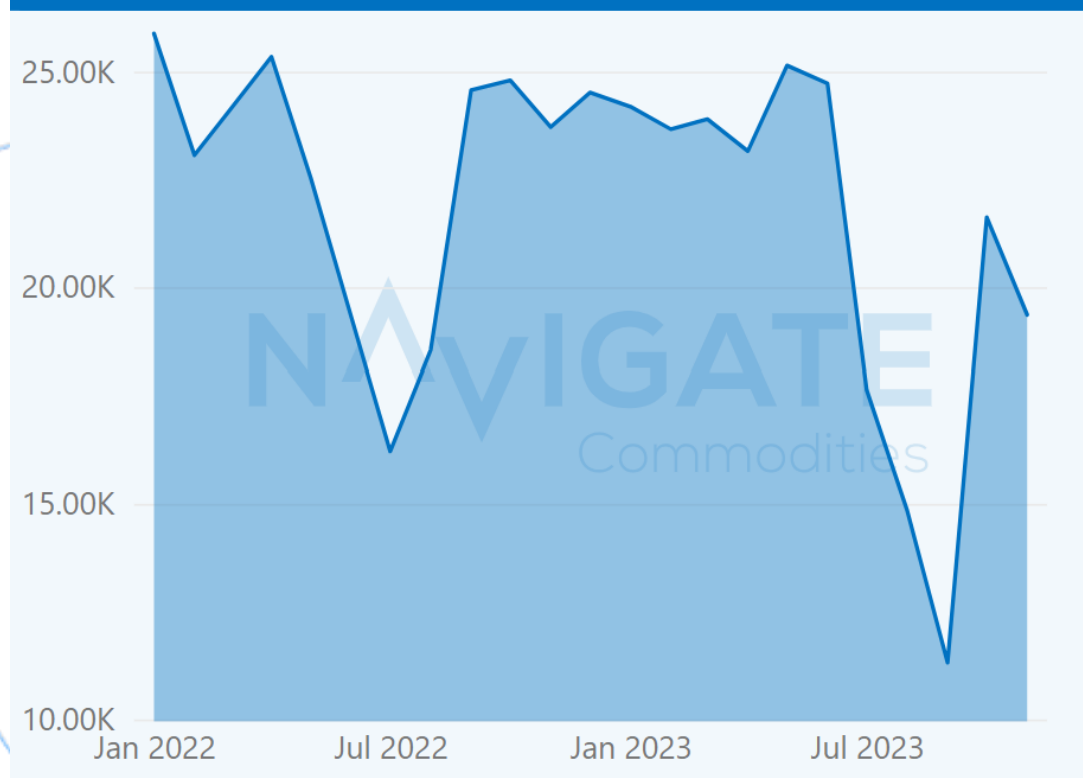
JSW Vijayanagar Steel Output 30D MA (tonnes per day)



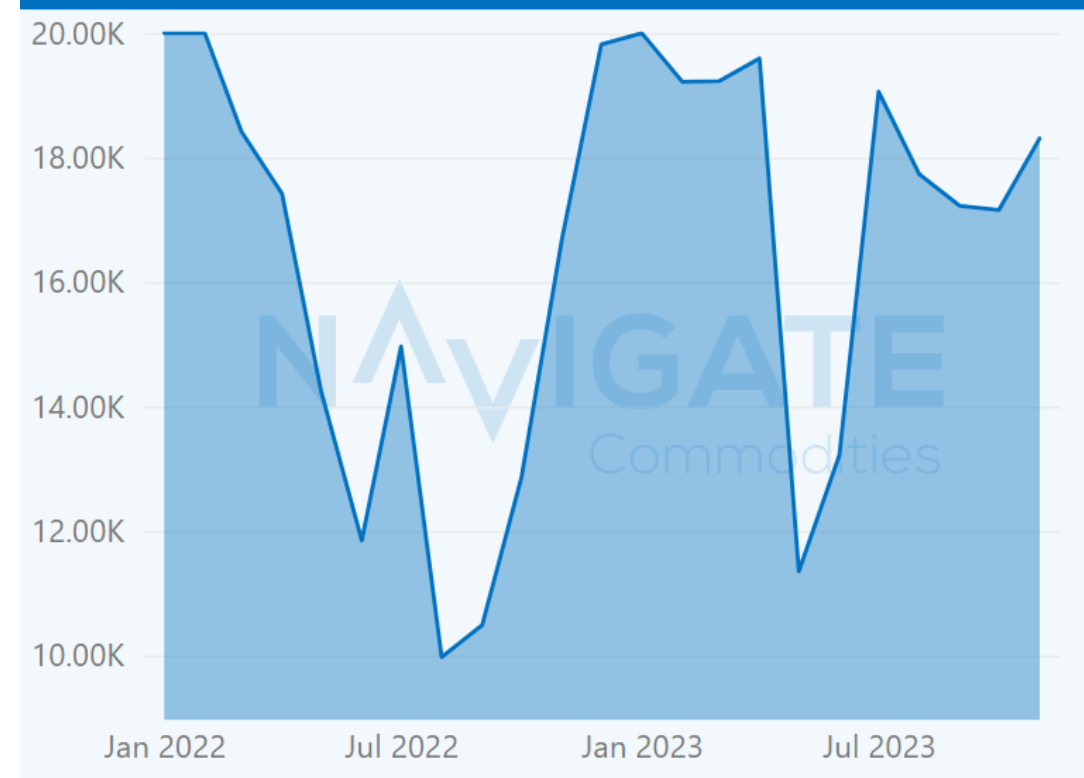
Tata Steel BSL Steel Output 30D MA (tonnes per day)



Tata Steel Jamshedpur Steel Output 30D MA (tonnes per day)



Vizag Steel Output 30D MA (tonnes per day)

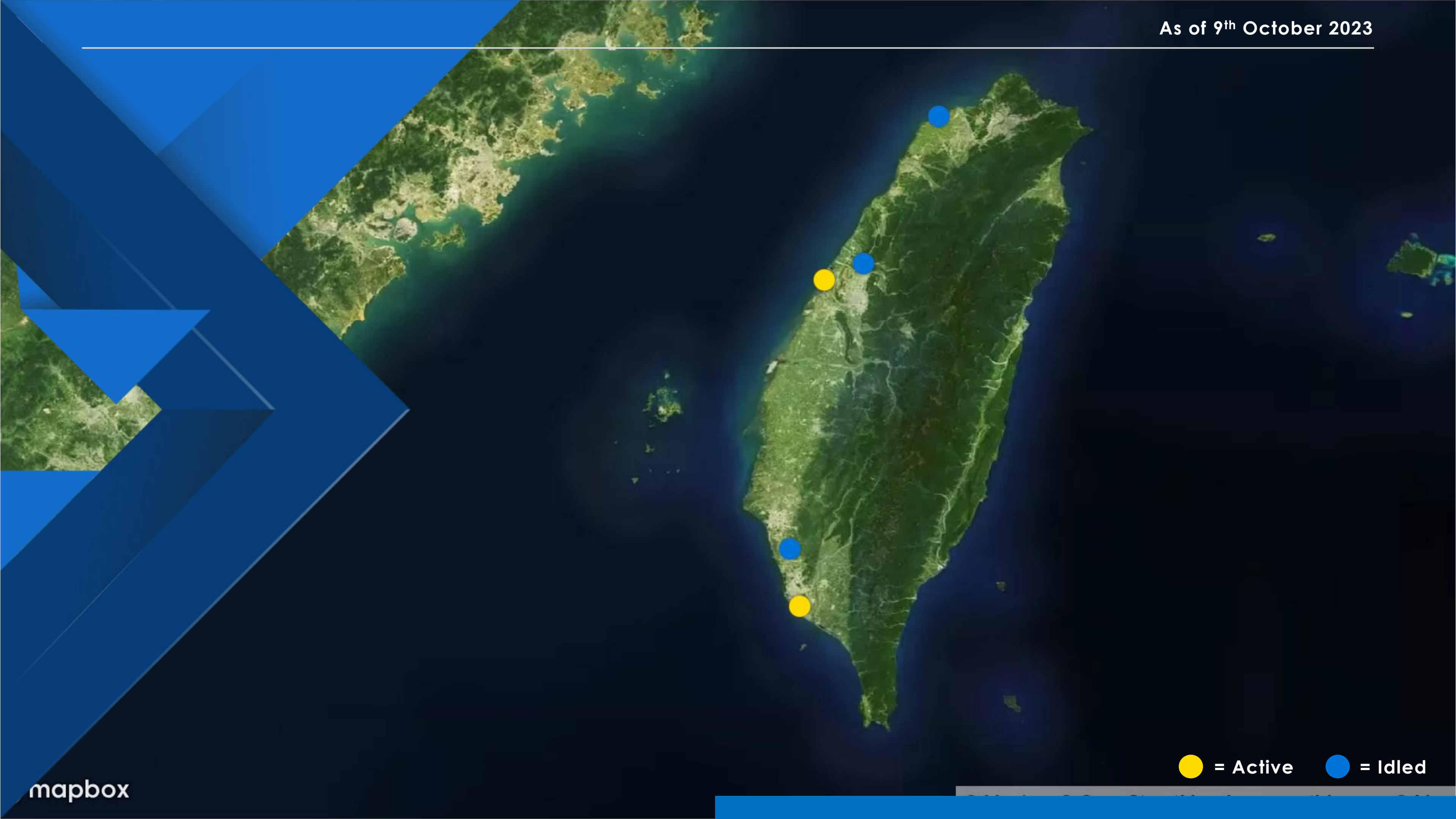




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# Taiwan Steel Scrap Market Overview





● = Active    ● = Idled

# Taiwan

The recent recovery in Taiwanese blast furnace/basic oxygen furnace-based (BF/BOF) steel production appears to have partially underpinned Ferrous Scrap benchmarks into this Northeast Asian destination over the past month.

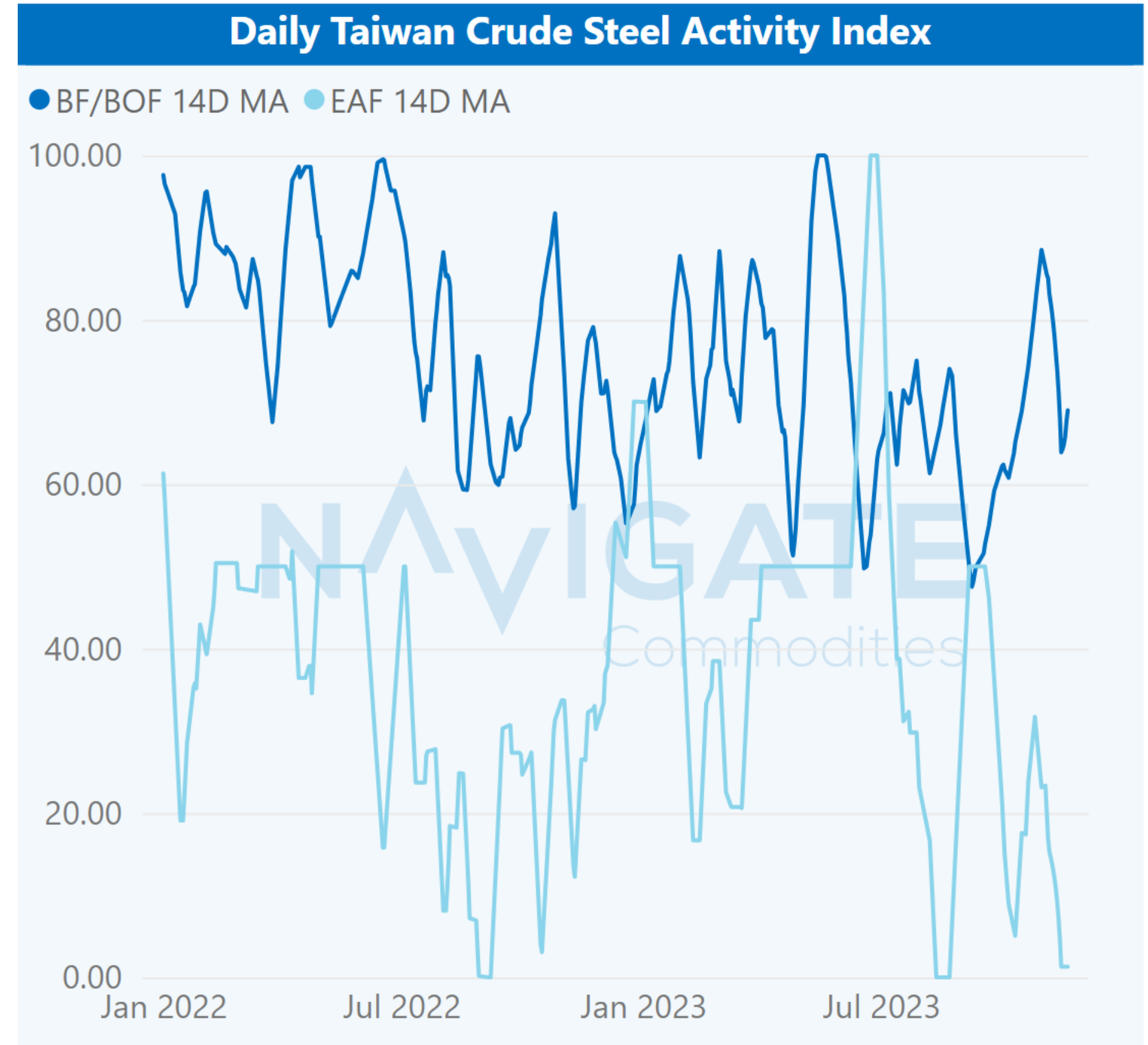
Despite the idling of the country's only two electric arc furnaces (EAFs) plants (Tung Ho, Feng Hsin), firm demand has kept Taiwanese HMS 1&2 (80:20) container prices elevated in a narrow range of US\$369-372/t CFR over this period.

While Taiwanese industrial production and manufacturing activity remained in contractionary territory last month, a material expansion in construction activity provided a pleasant surprise for associated steel demand.

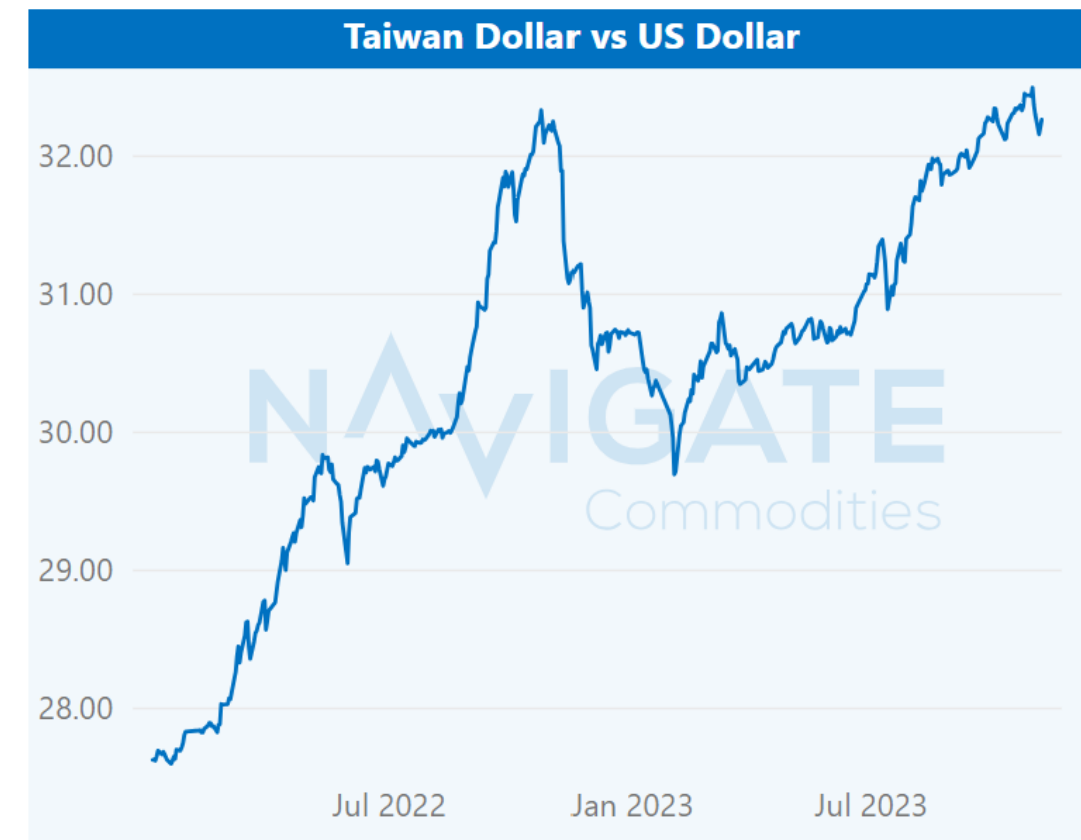
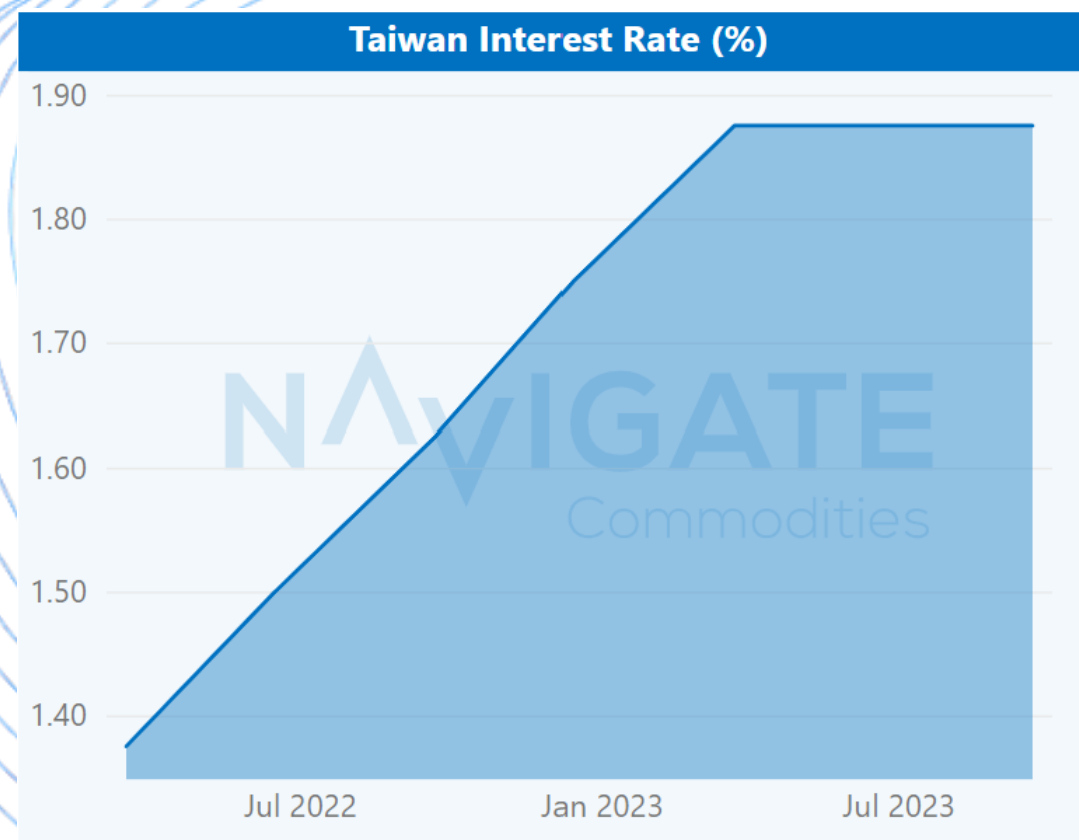
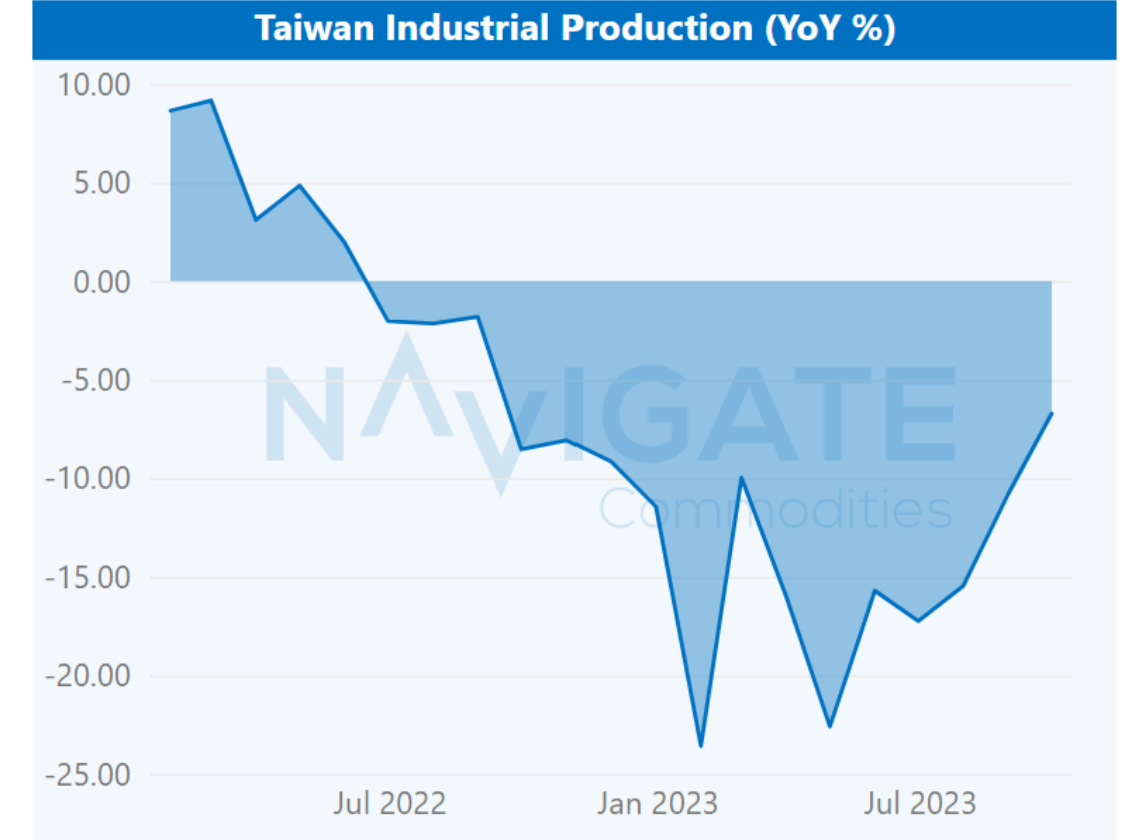
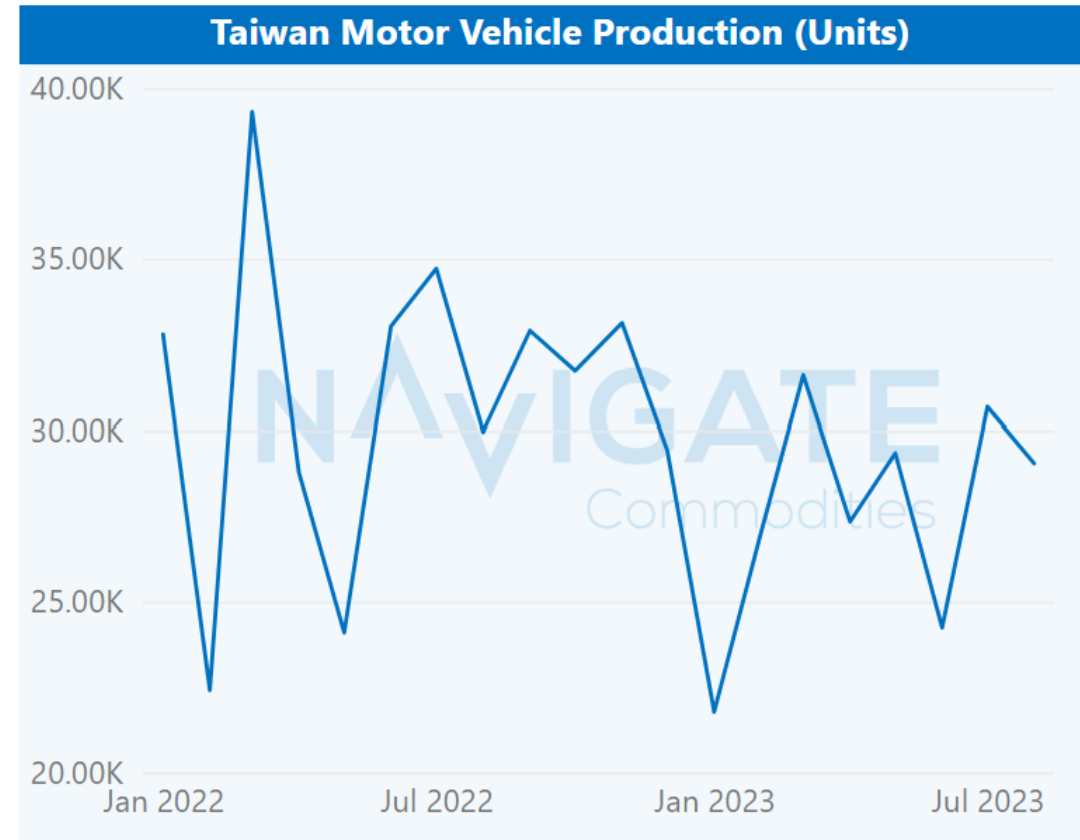
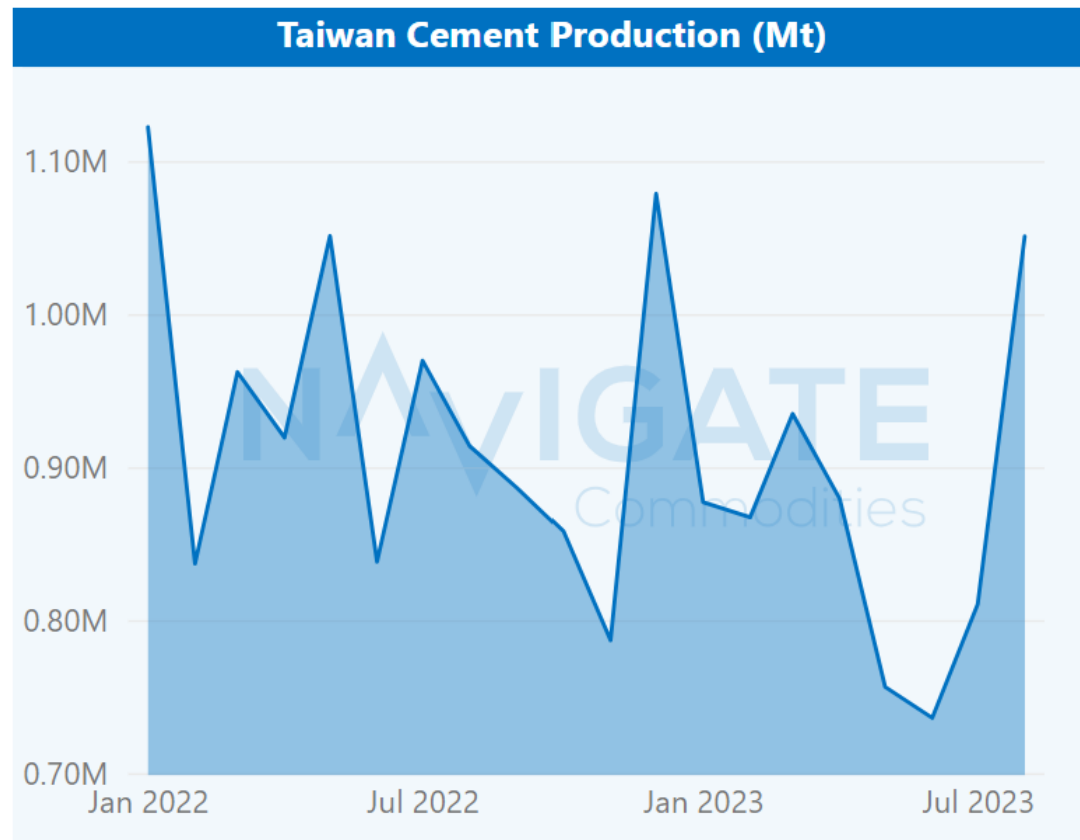
Moreover, two out of three of the country's three integrated (BF/BOF) production facilities (China Steel Corp, Dragon Steel Corp) remain operational and well positioned to benefit from improving domestic construction steel demand.

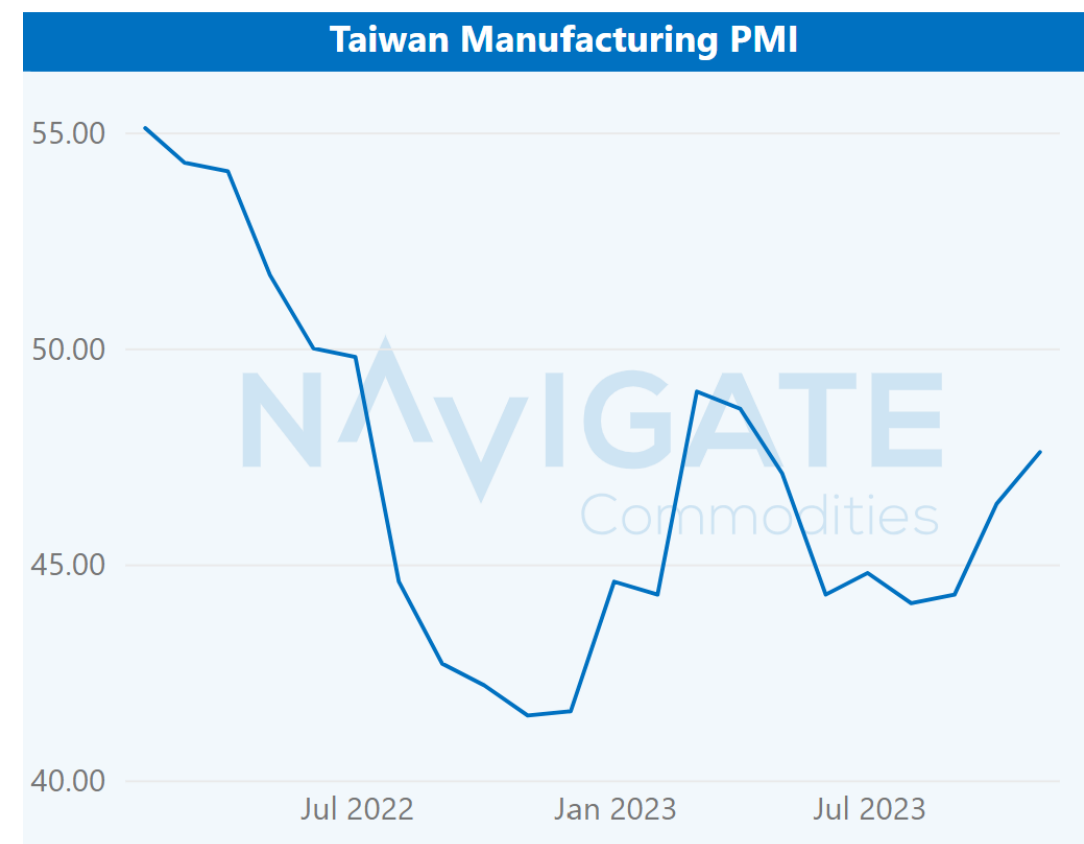
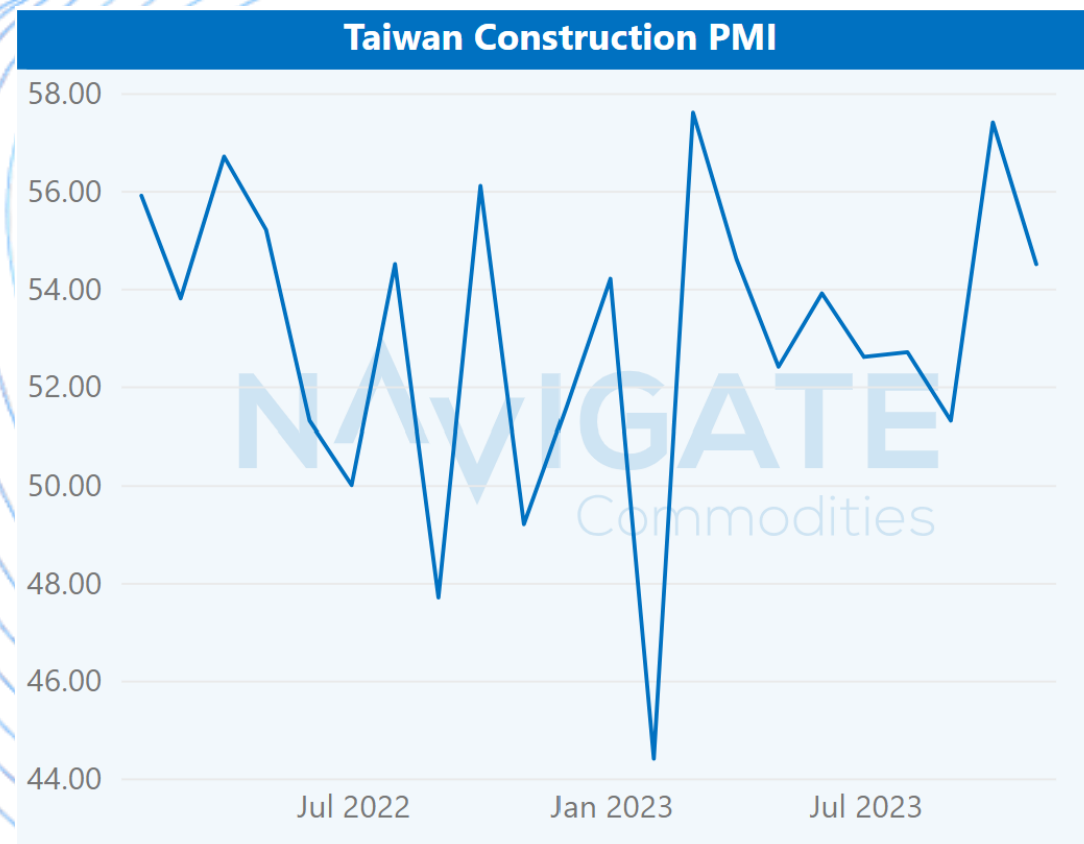
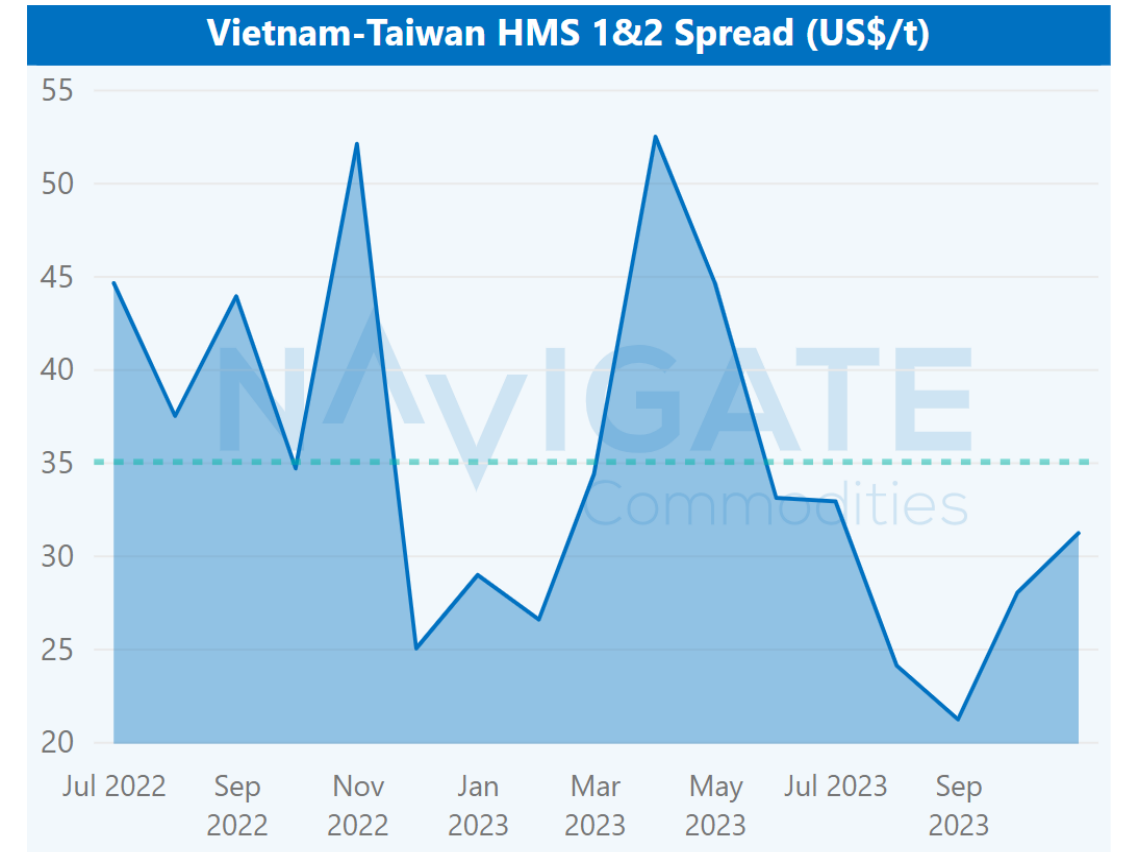
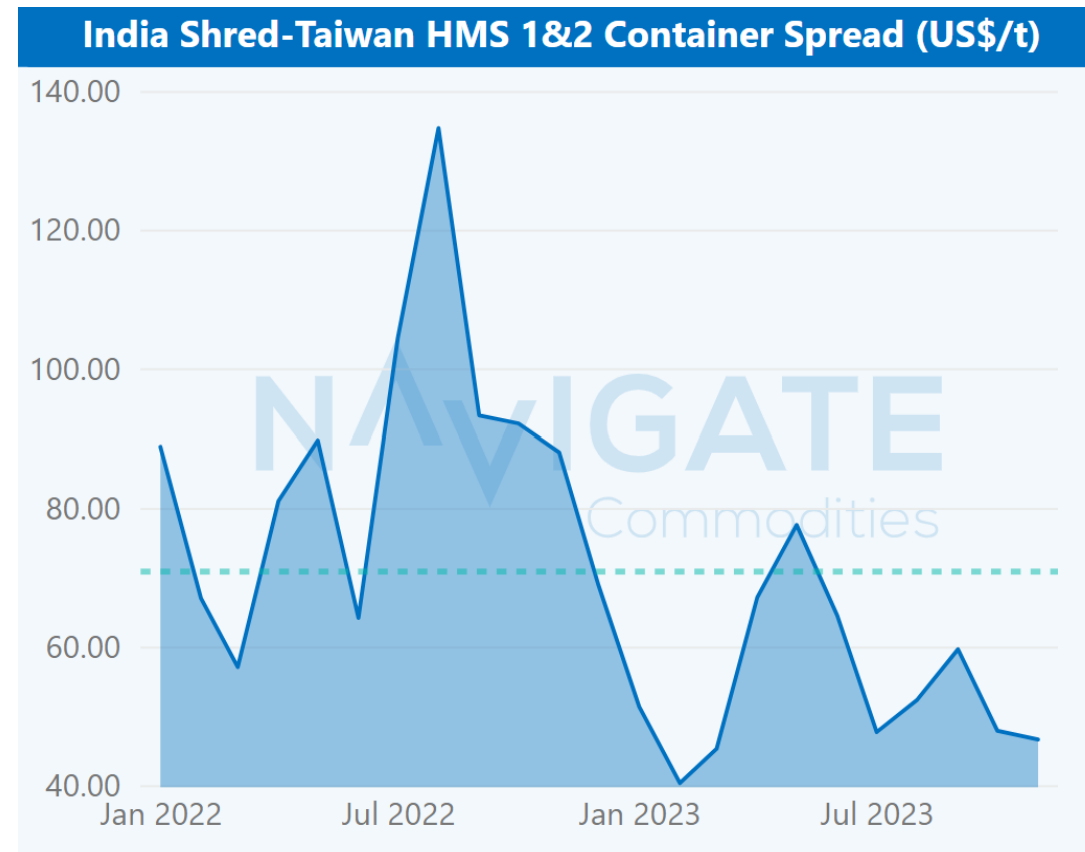
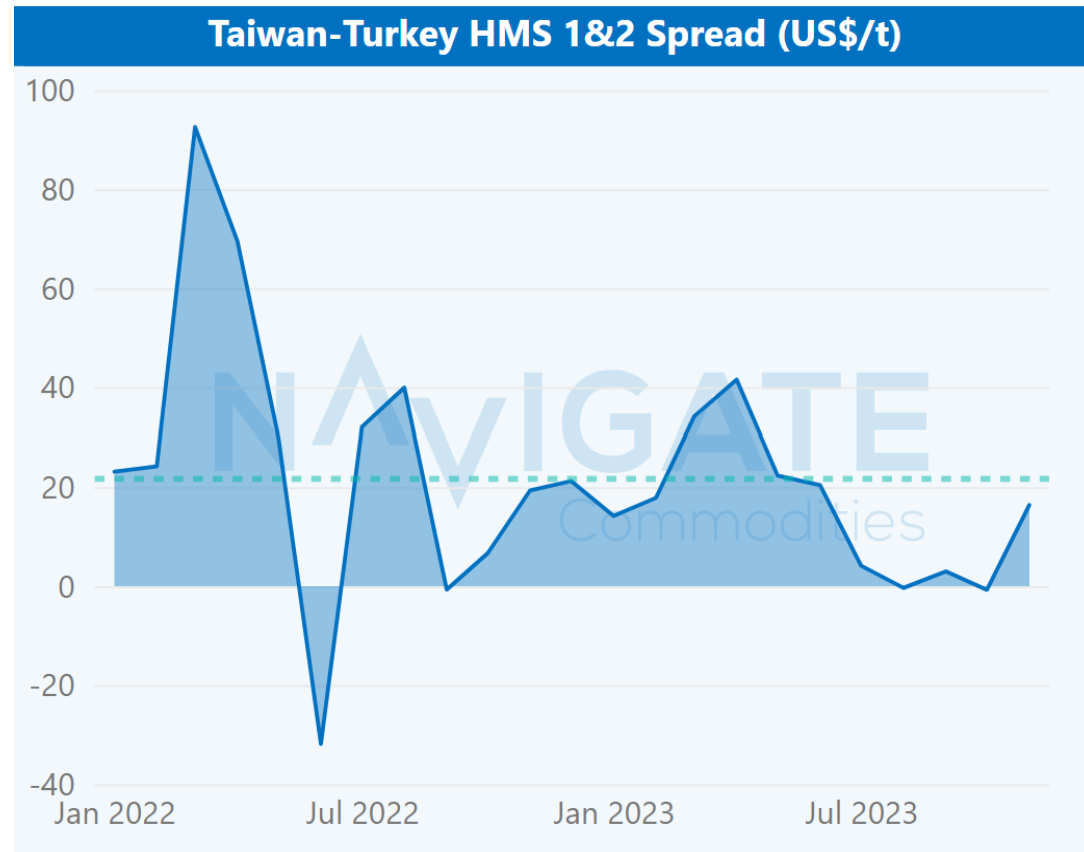
In fact, Taiwan's China Steel Corp (CSC) and Dragon Steel Corp (100% subsidiary of CSC) have the ability to switch freely between their rolling lines for flat and long semi-finished & finished steel products.

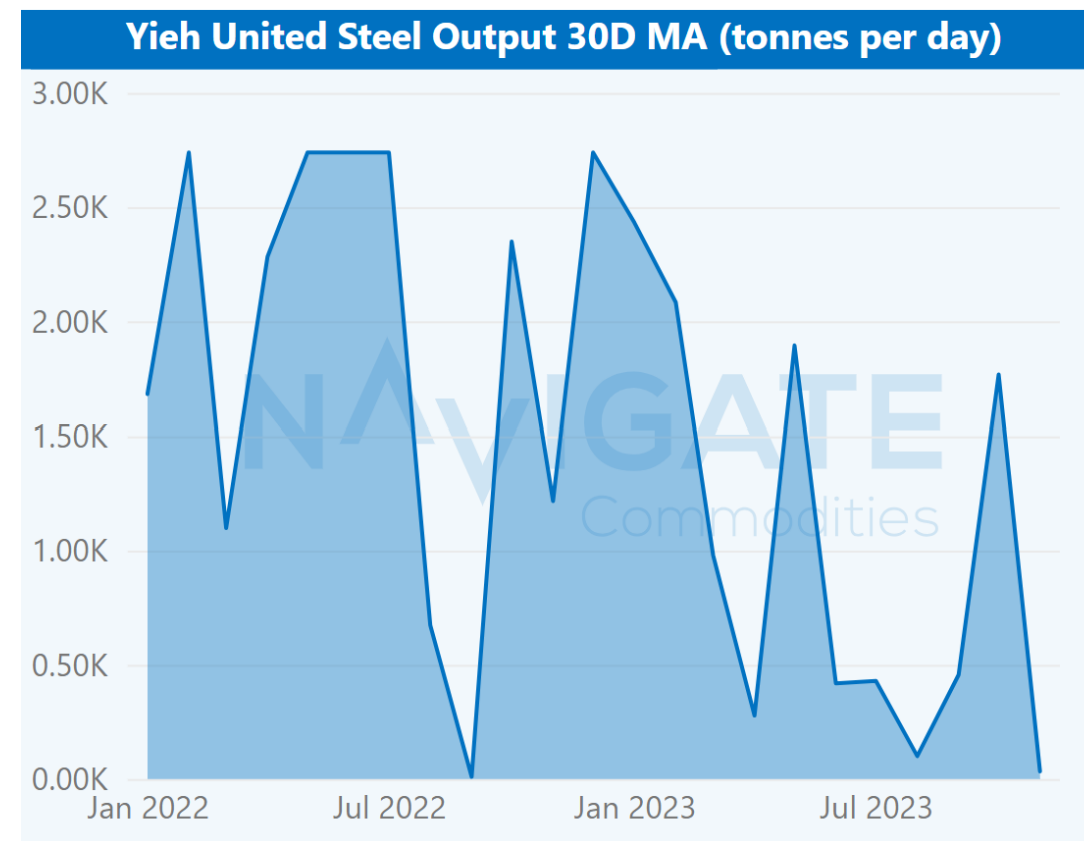
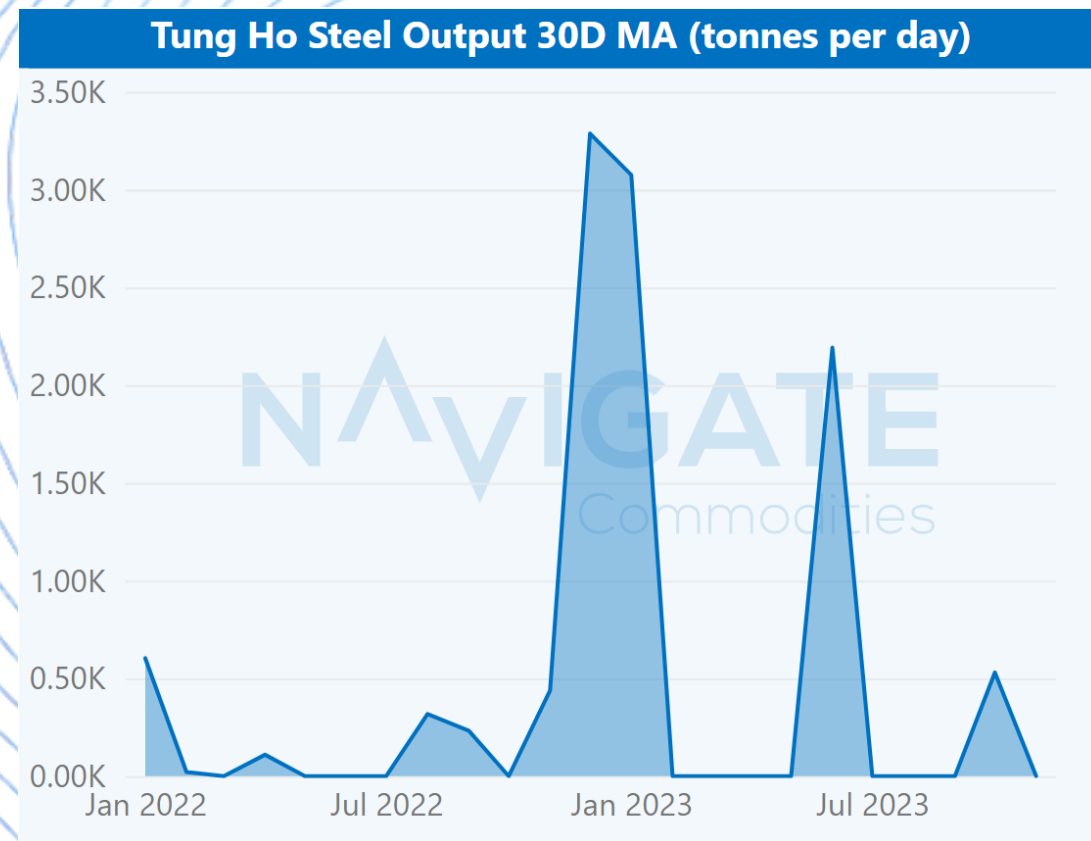
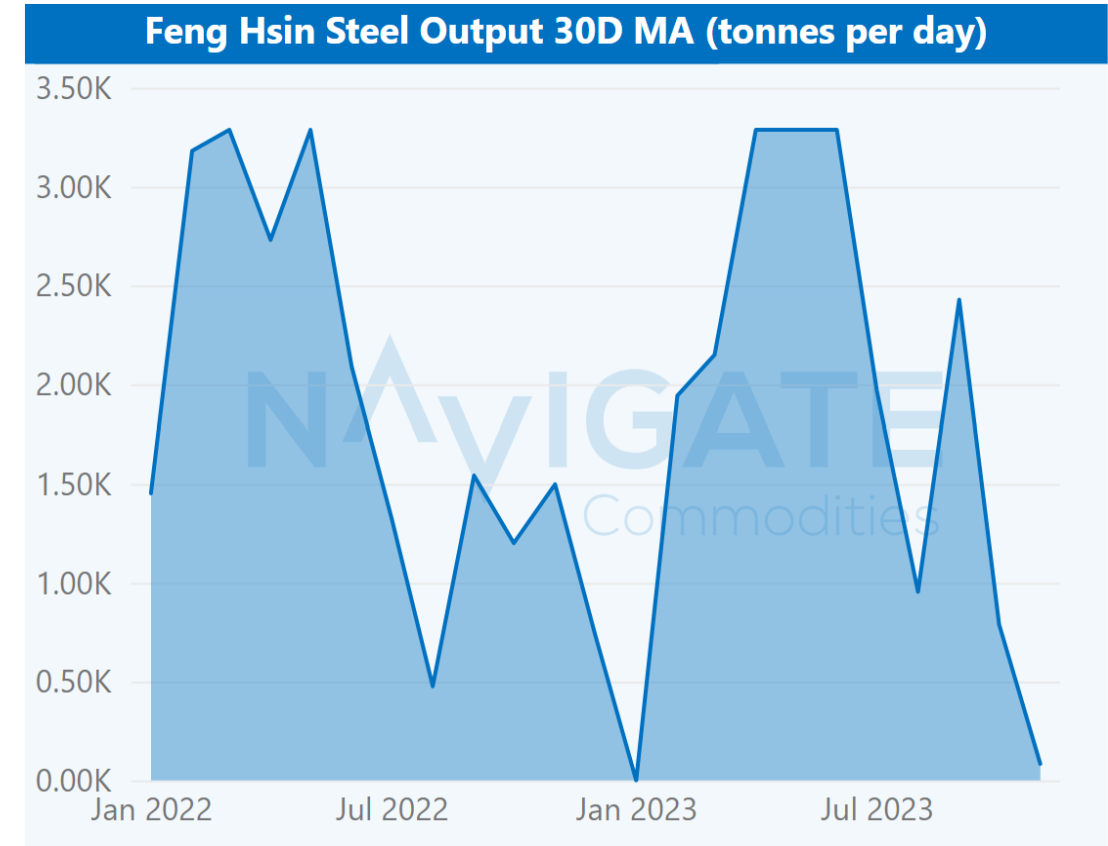
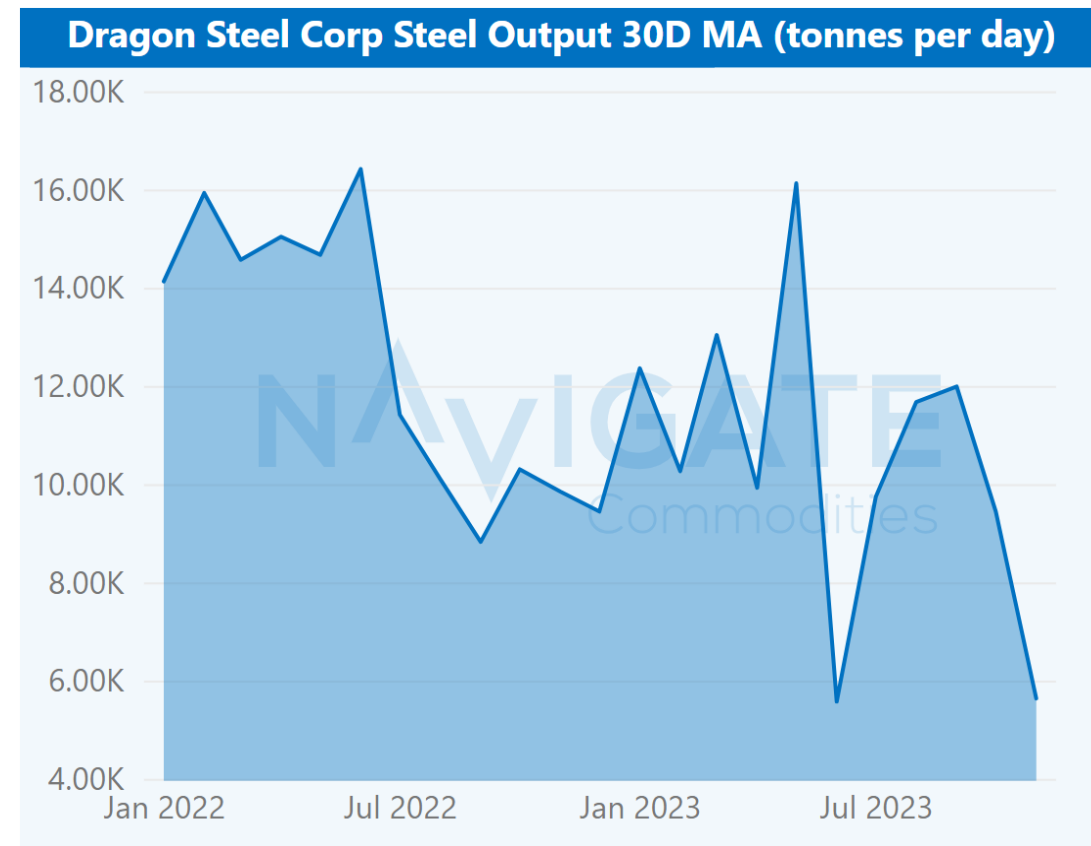
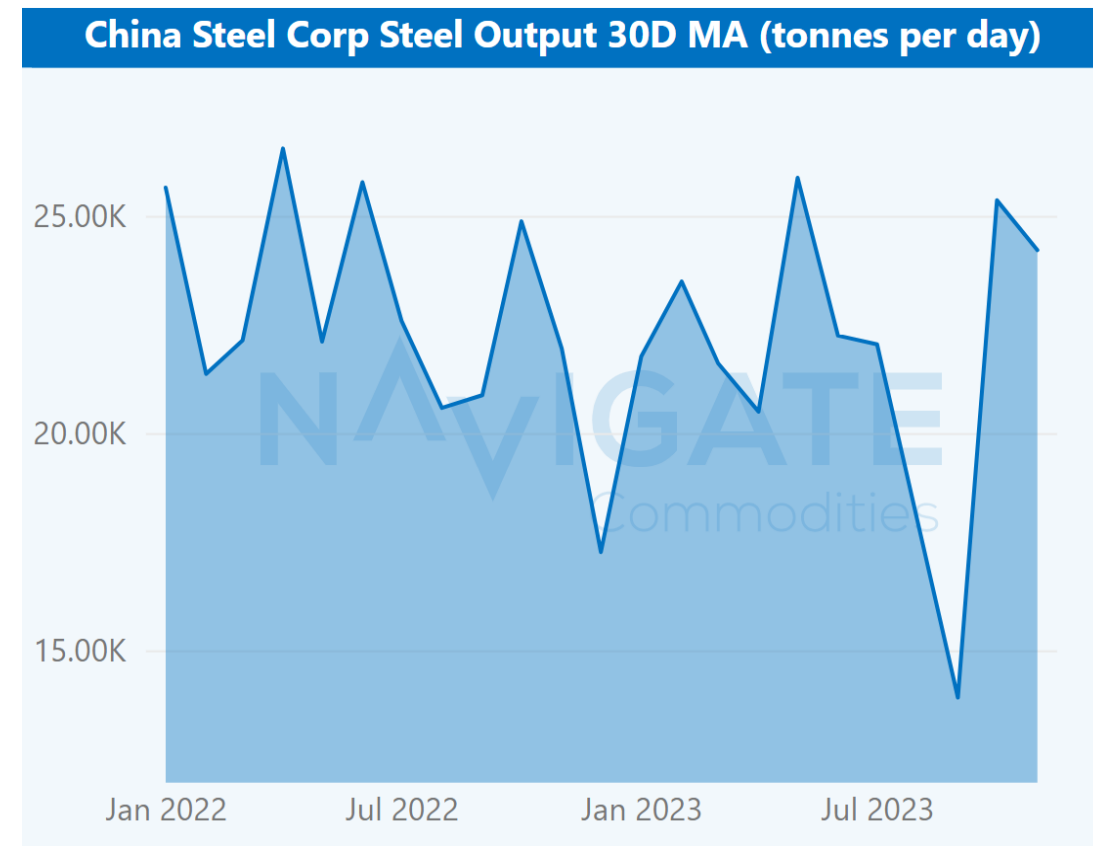
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Source: Earth-i, Navigate Commodities







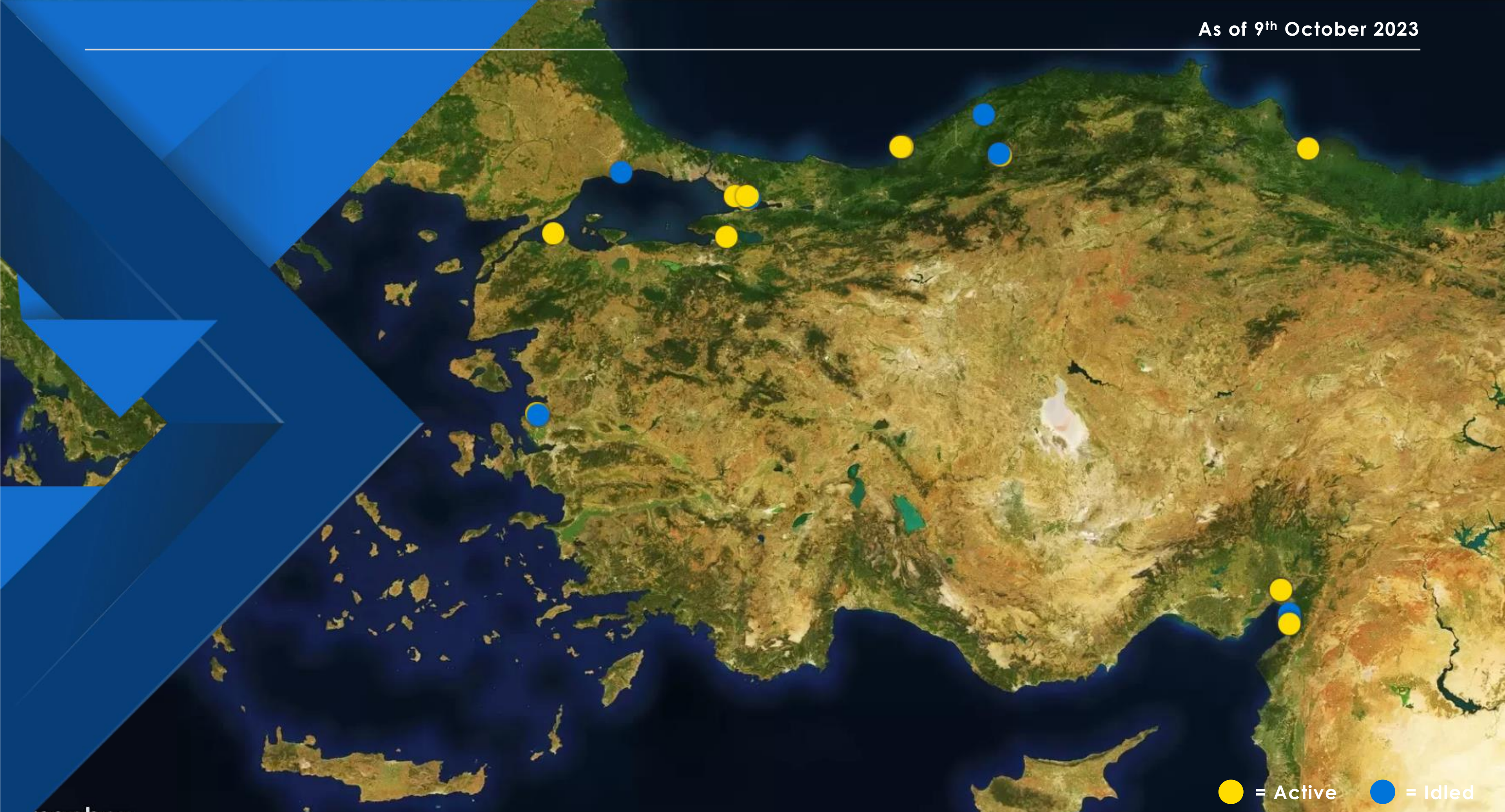




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# **Türkiye Steel Scrap Market Overview**





● = Active    ● = Idled

# Türkiye

Availability of competitive shortsea Ferrous Scrap shipments to Türkiye over the past month inflicted the desired outcome on what Turkish mills considered to be costly deepsea prices.

According to Navigate Marine's real-time Ferrous Scrap bulk cargo monitoring, we note that İçdaş, Mescier, and Yeşilyurt have been the most "active" in demand for shortsea cargoes, particularly from Romania.

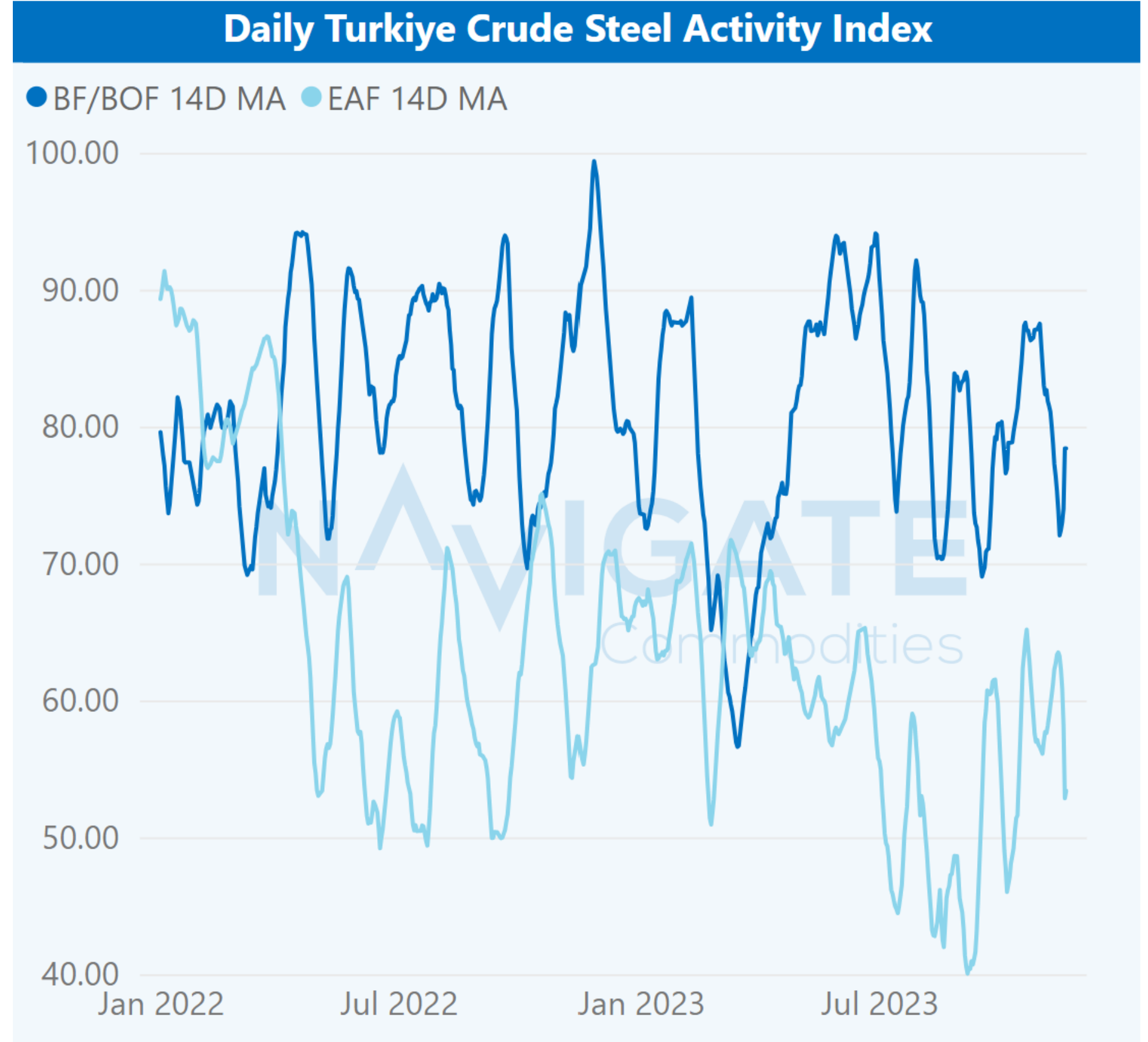
Unsurprisingly, the Turkish deepsea-shortsea Ferrous Scrap arb has now contracted US\$5/t over this period to US\$20-25/t in response to greater interest in shortsea volumes.

Following a handful of recently booked deepsea cargoes, these factors have contributed to the circa US\$10/t decline in HMS 1&2 (80:20) Ferrous Scrap benchmarks to US\$365/t CFR Türkiye (TKY).

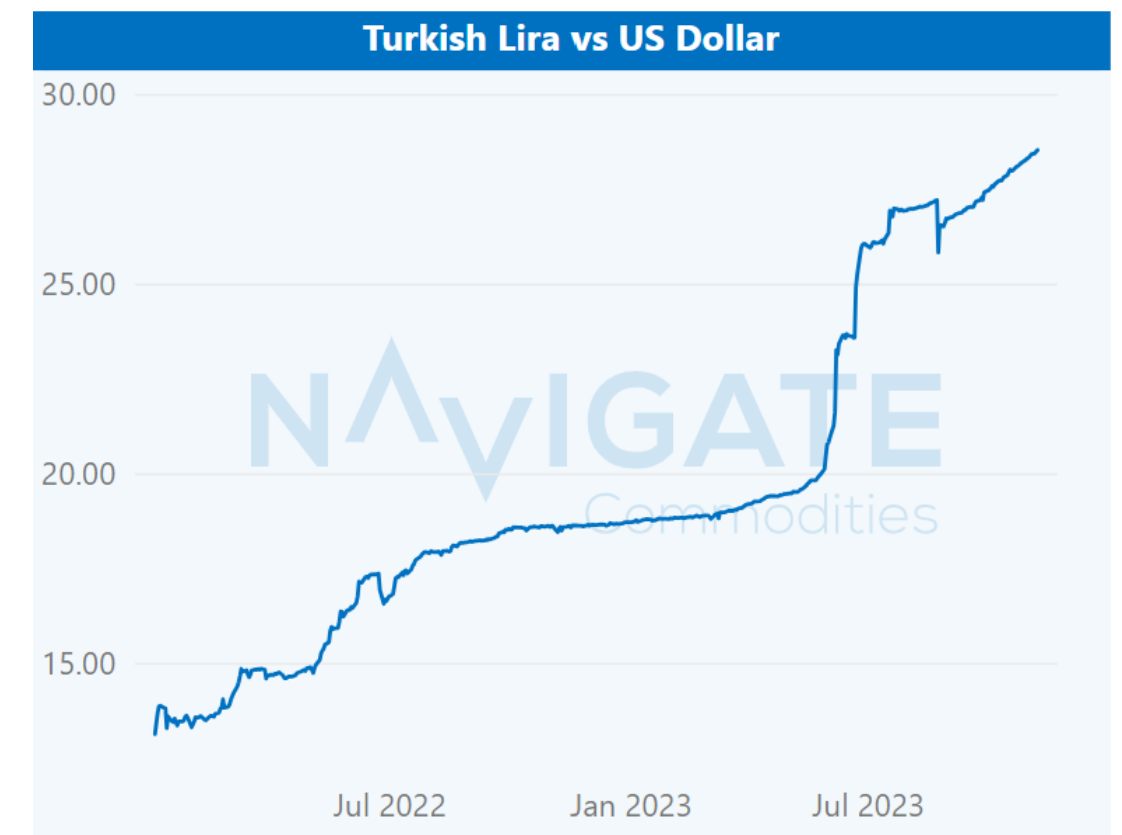
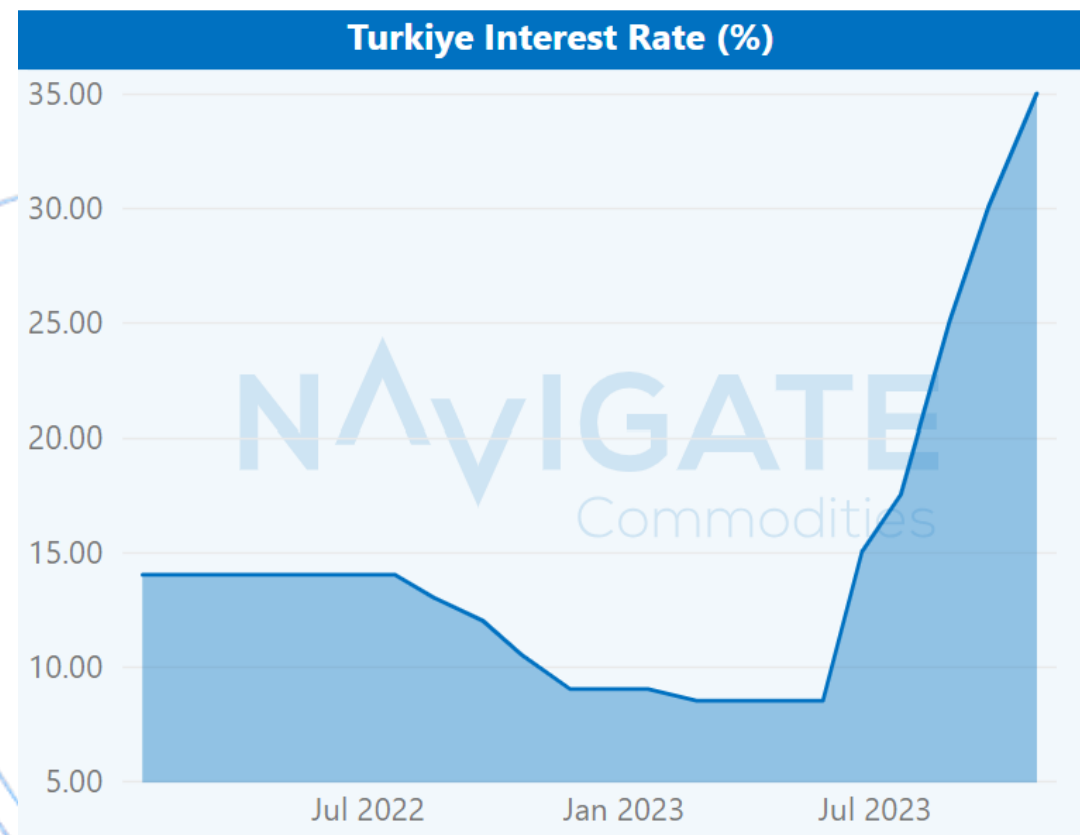
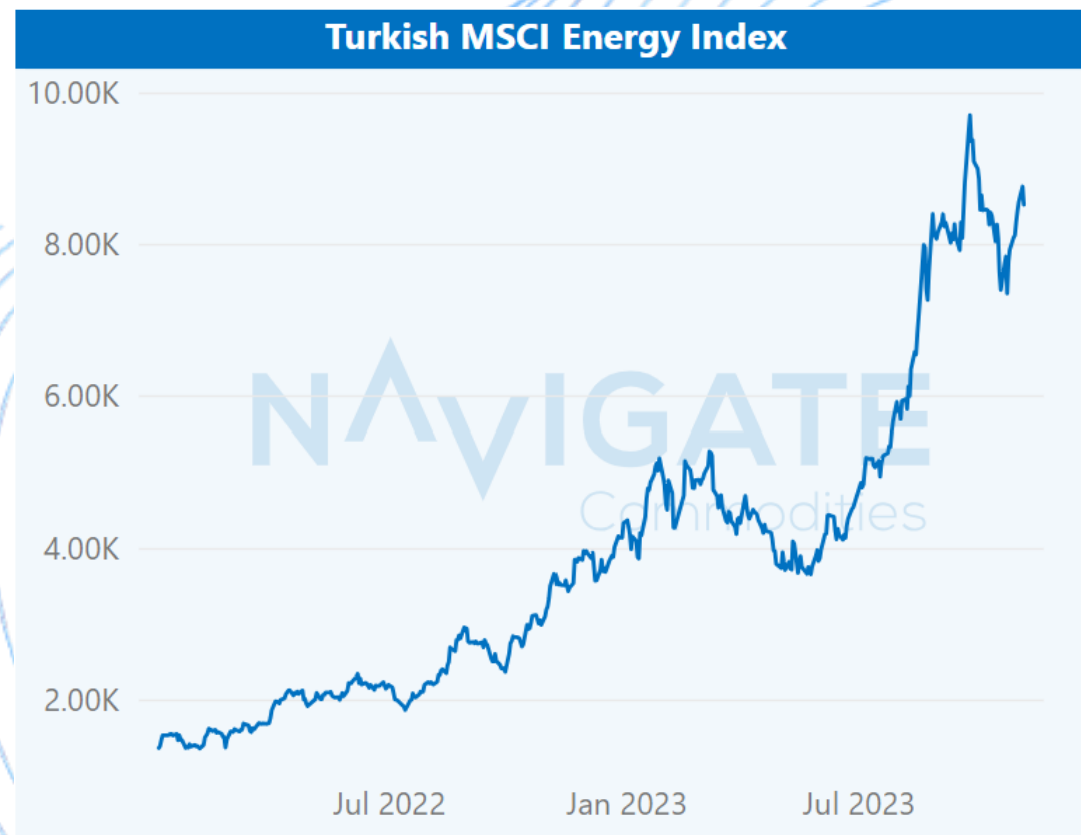
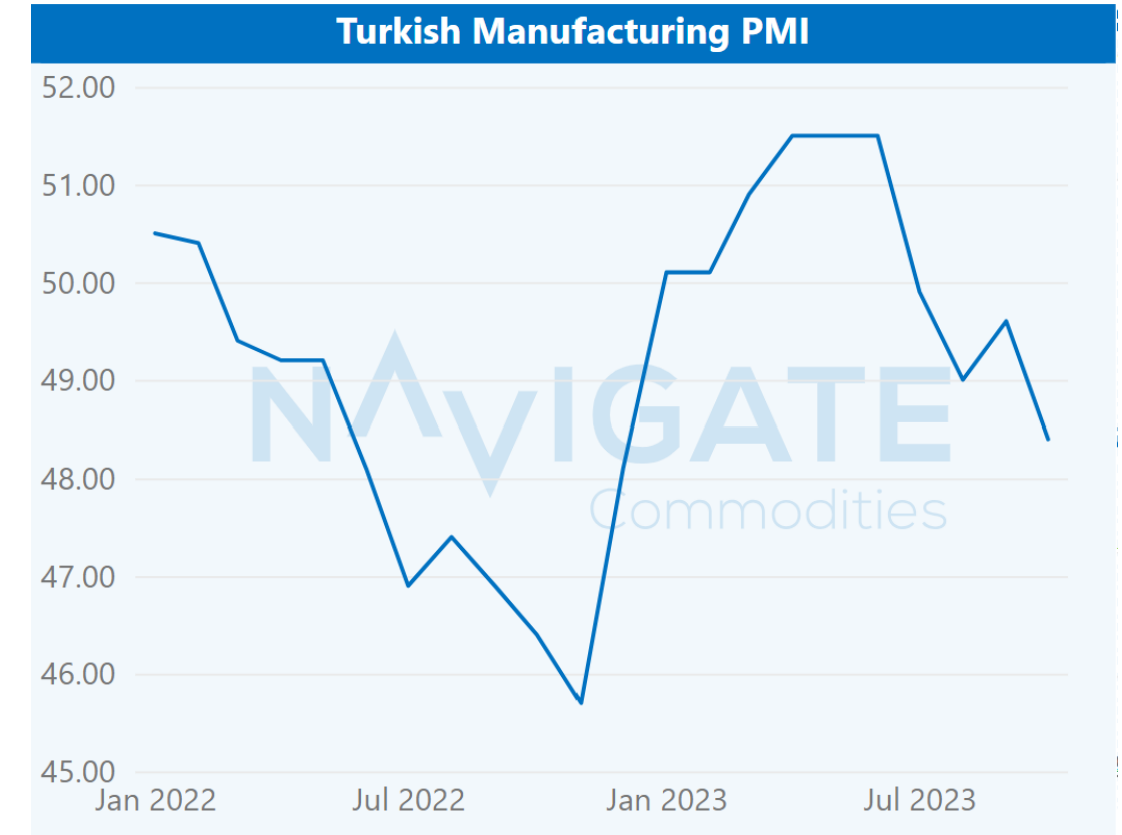
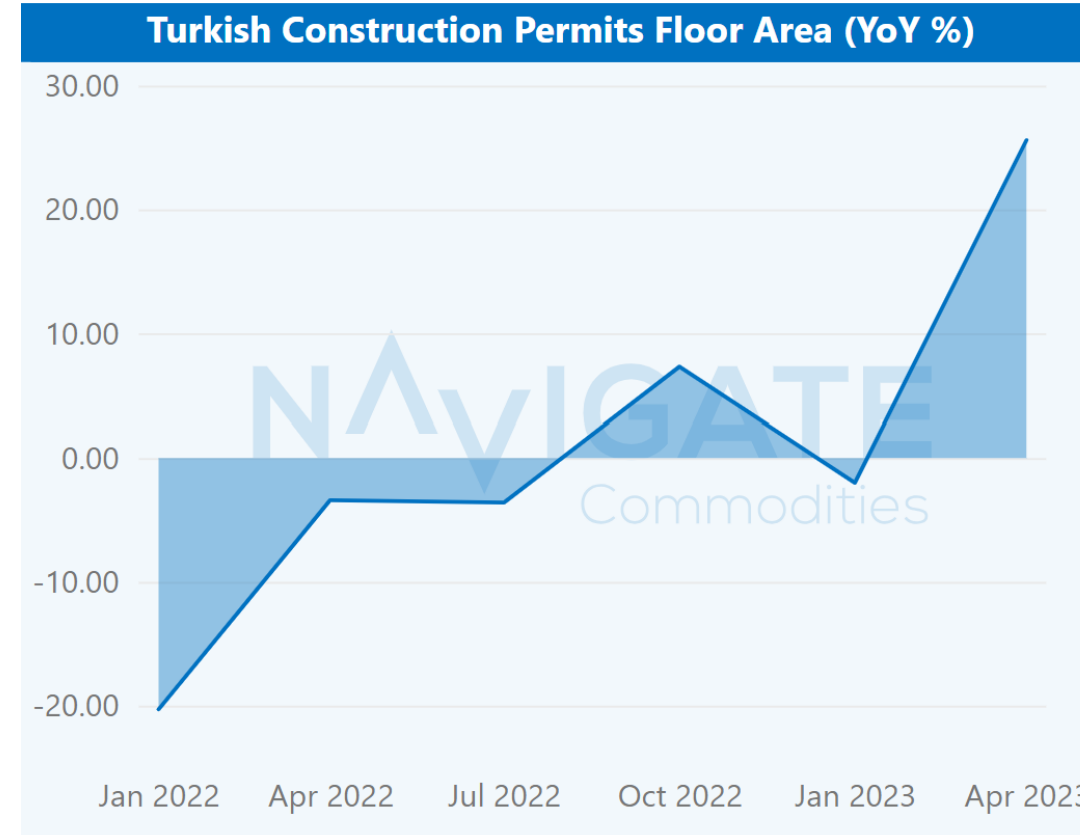
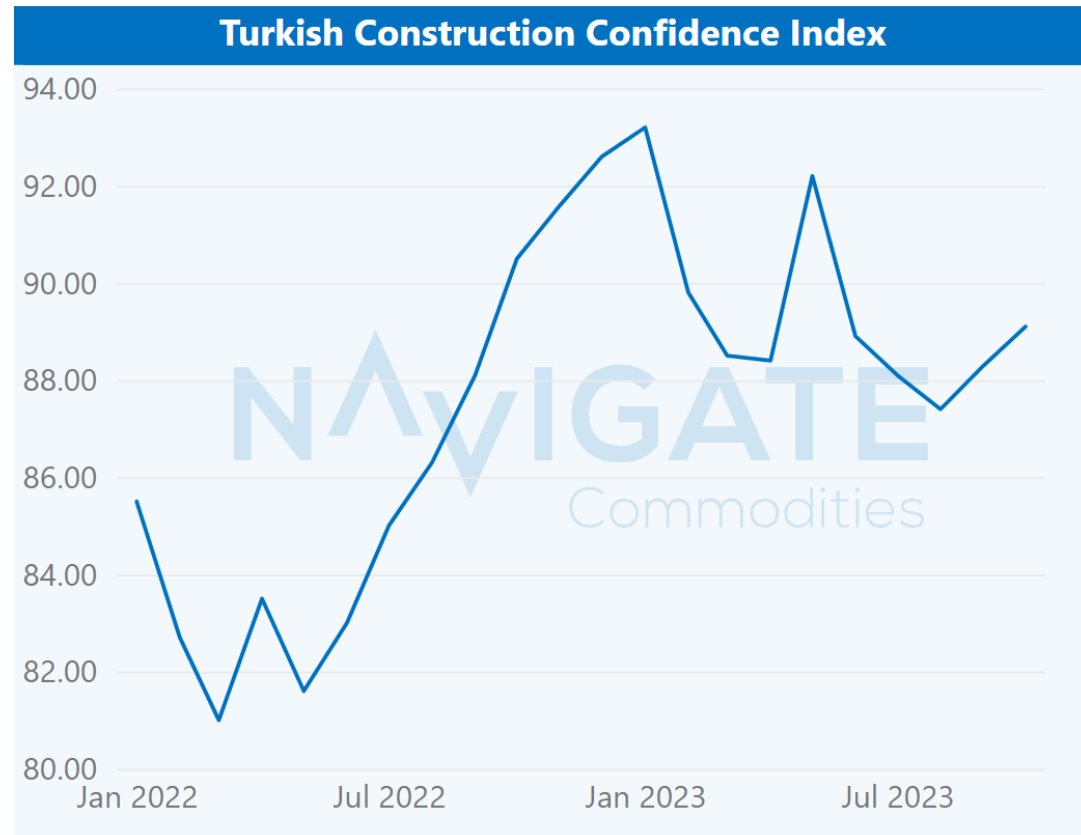
At the same time, relatively subdued Turkish electric arc furnace (EAF) Steel smelting activity through the second half of September has also contributed by undermining demand for deepsea cargoes.

Meanwhile, we were somewhat surprised that higher Iron Ore and associated Hot Metal production costs through Q3 2023 failed to translate into and/or underpin firmer Ferrous Scrap prices in recent weeks.

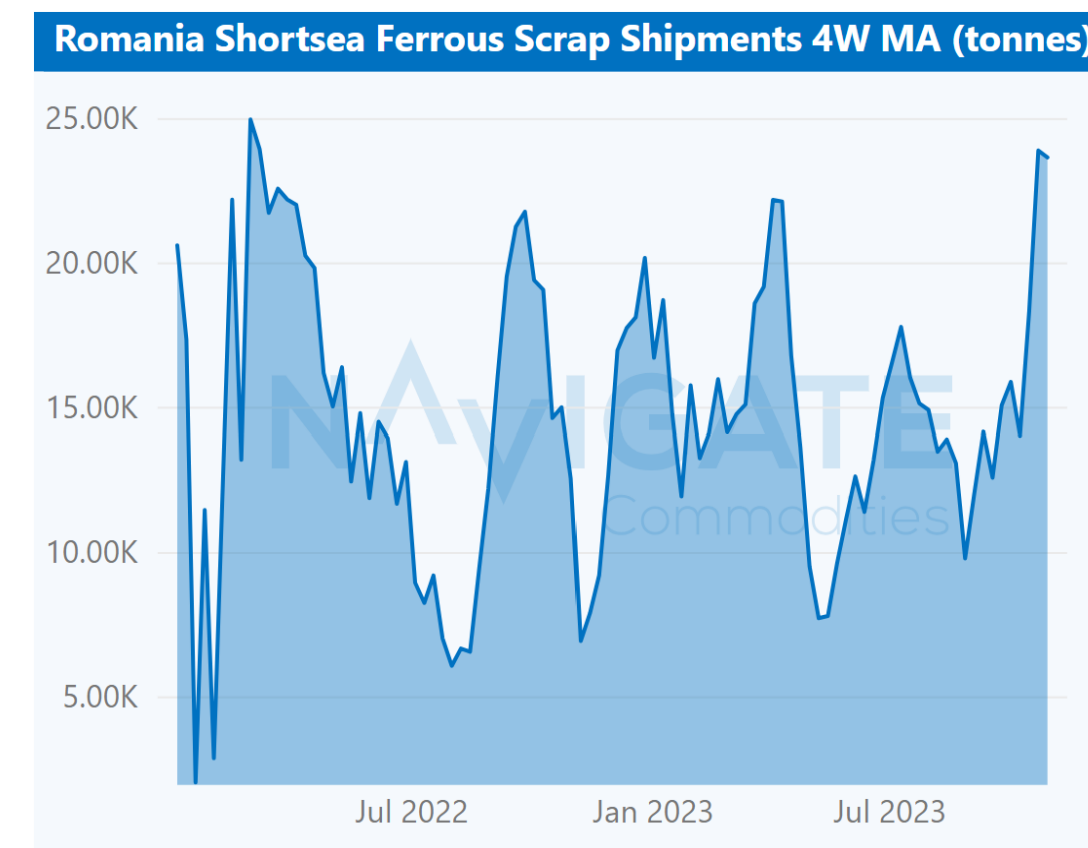
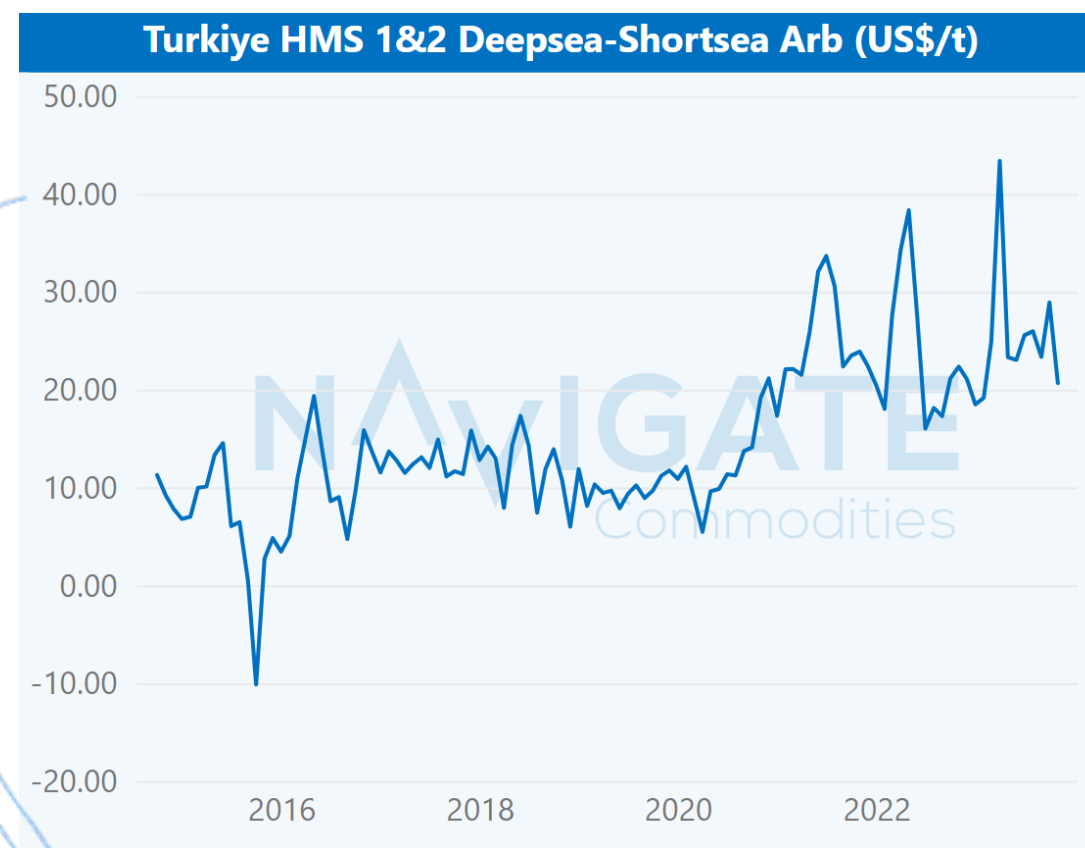
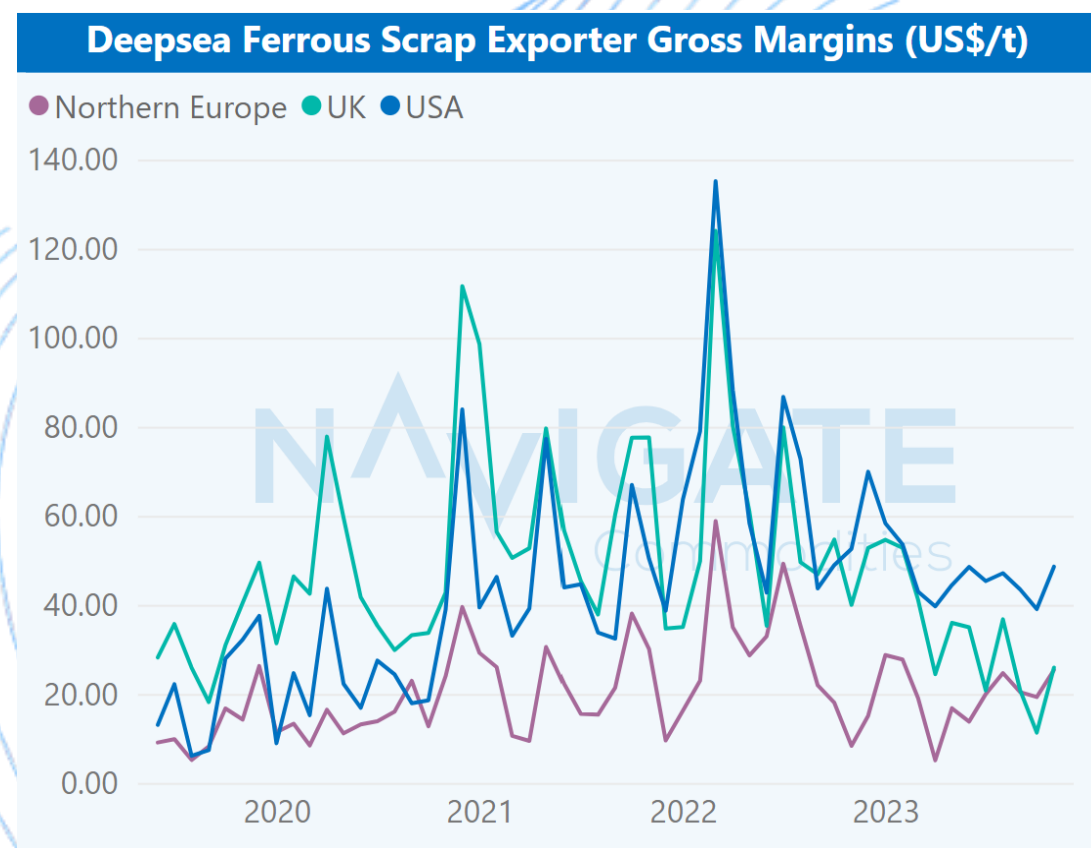
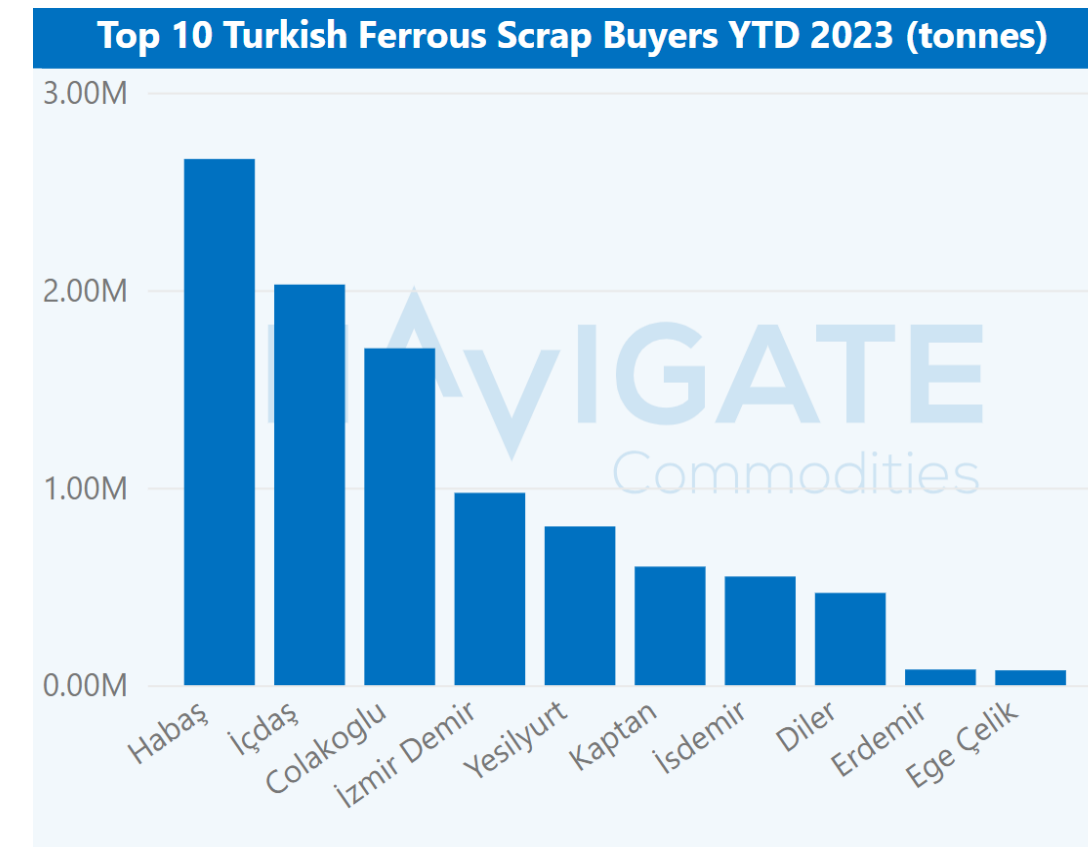
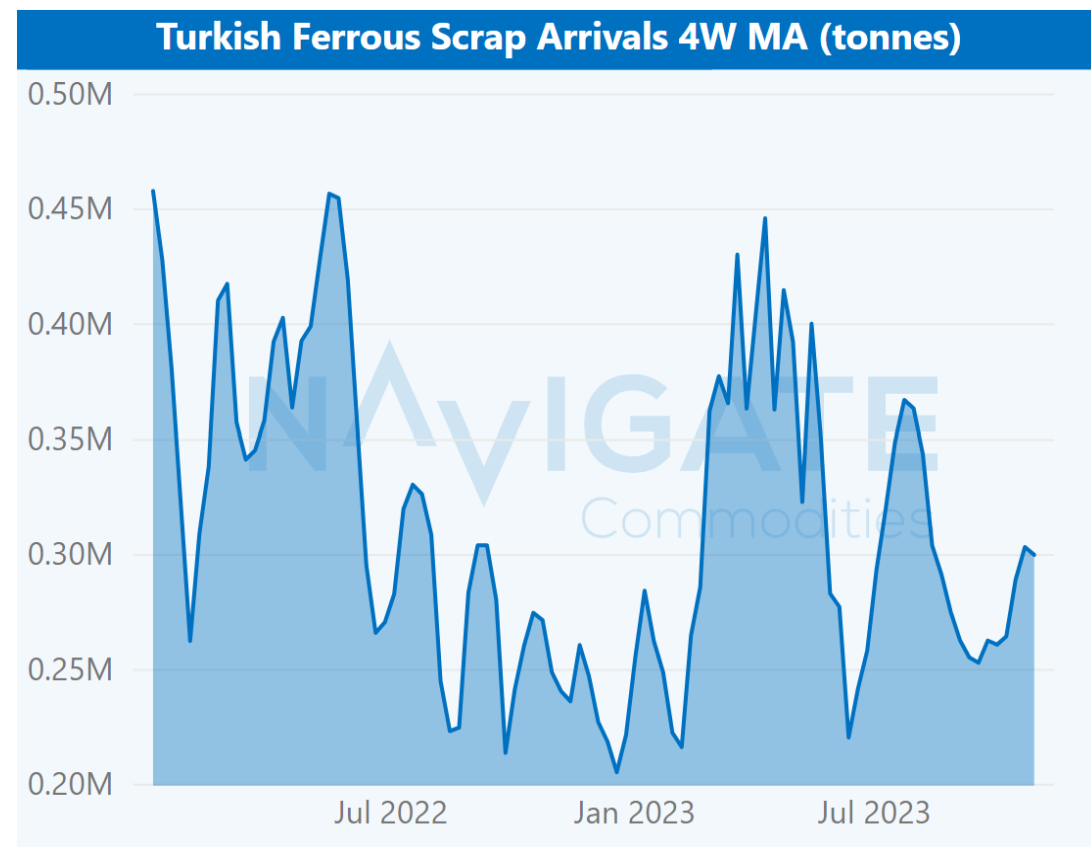
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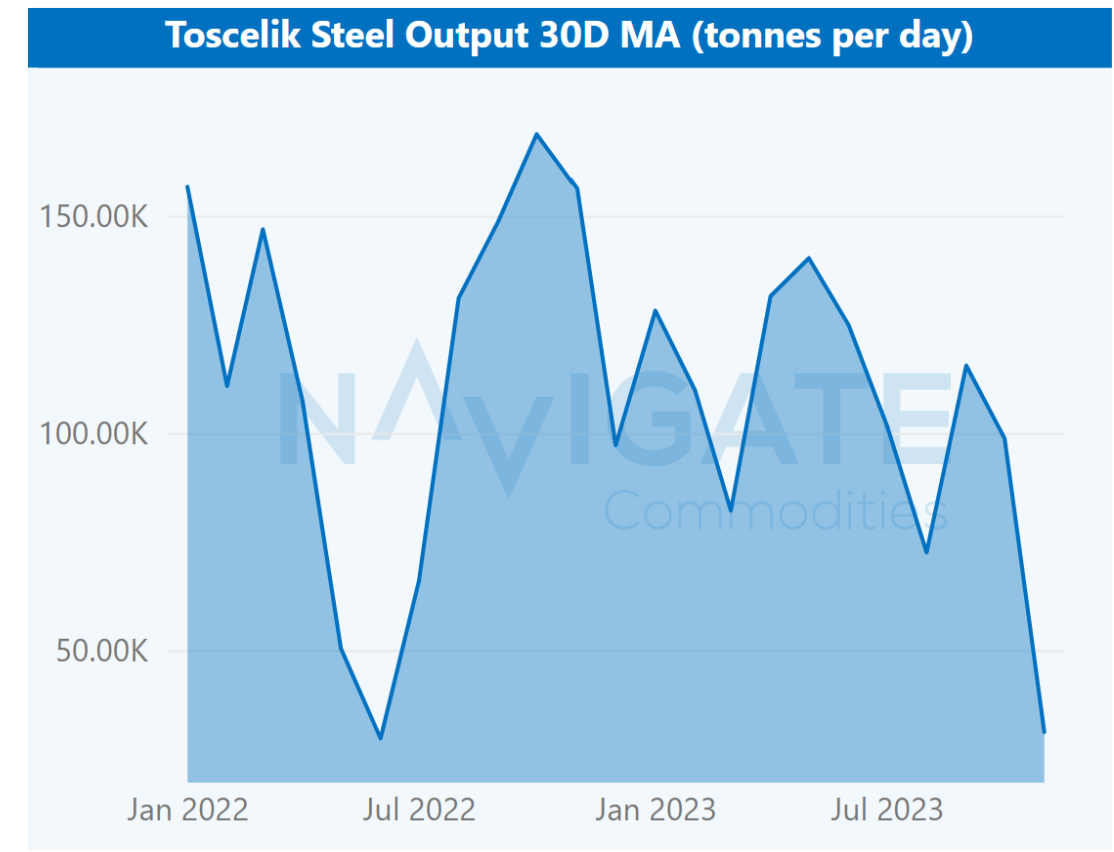
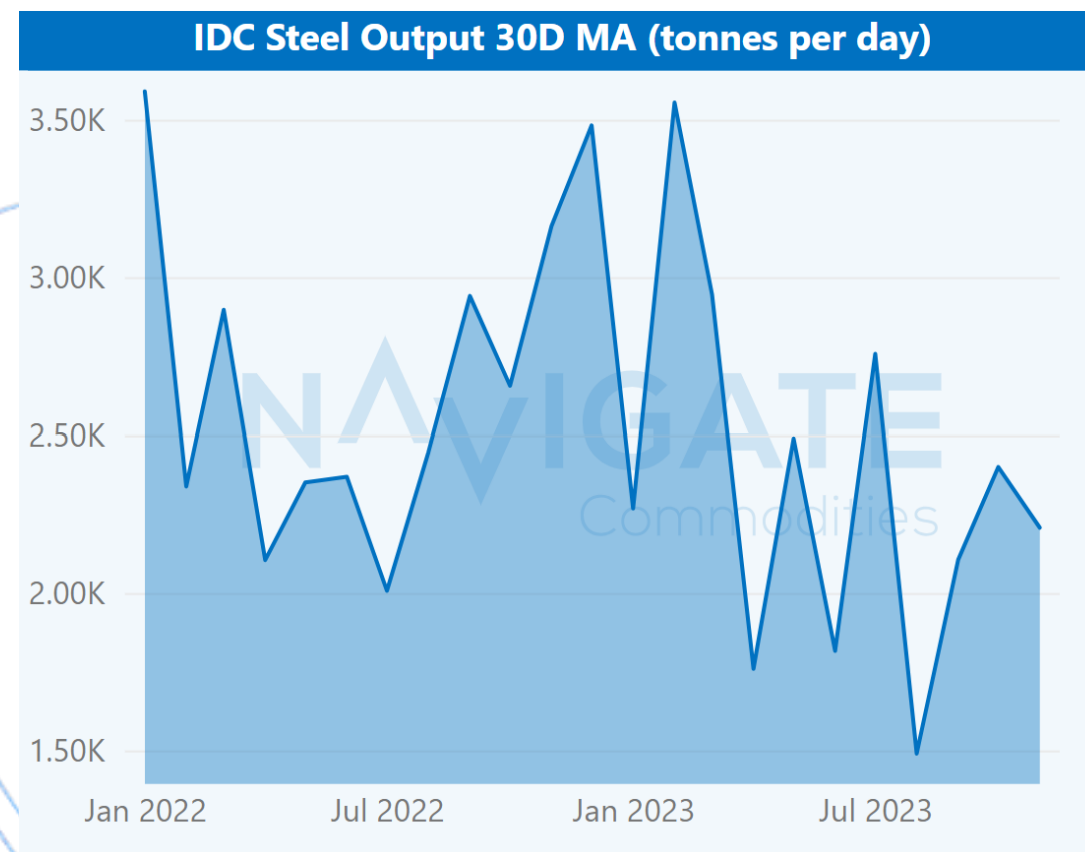
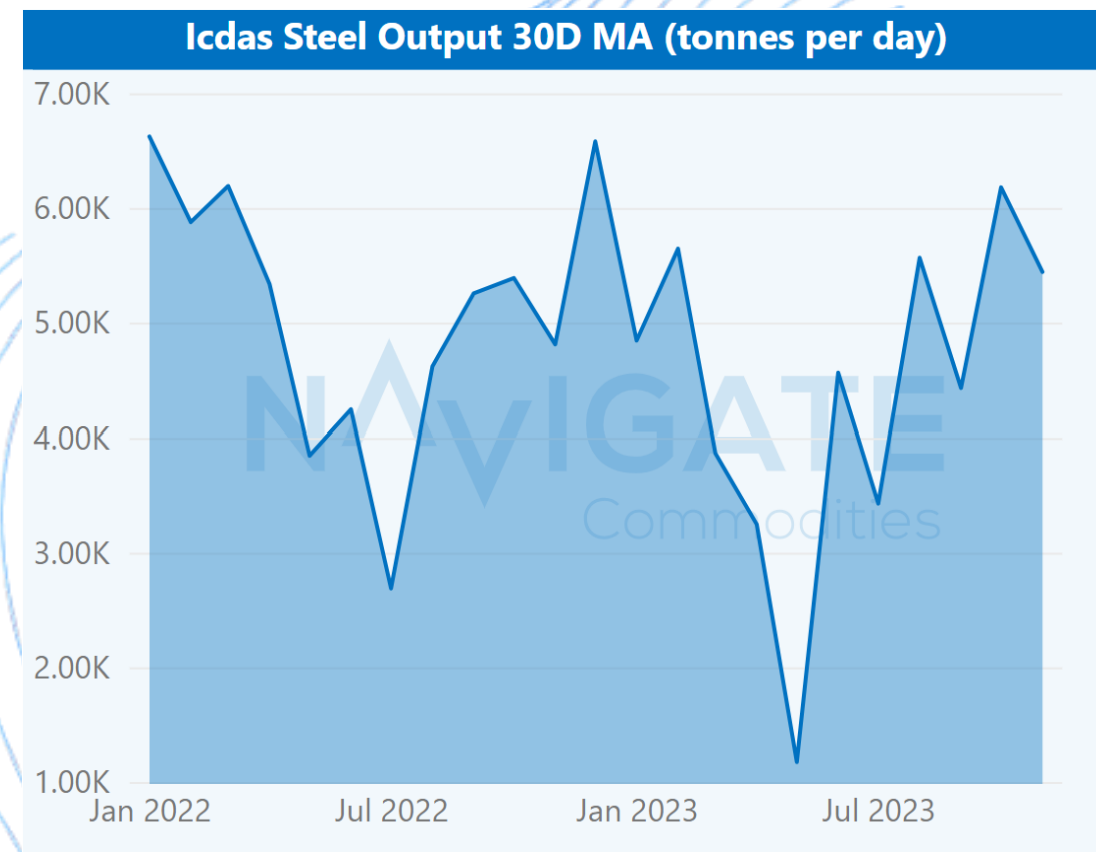
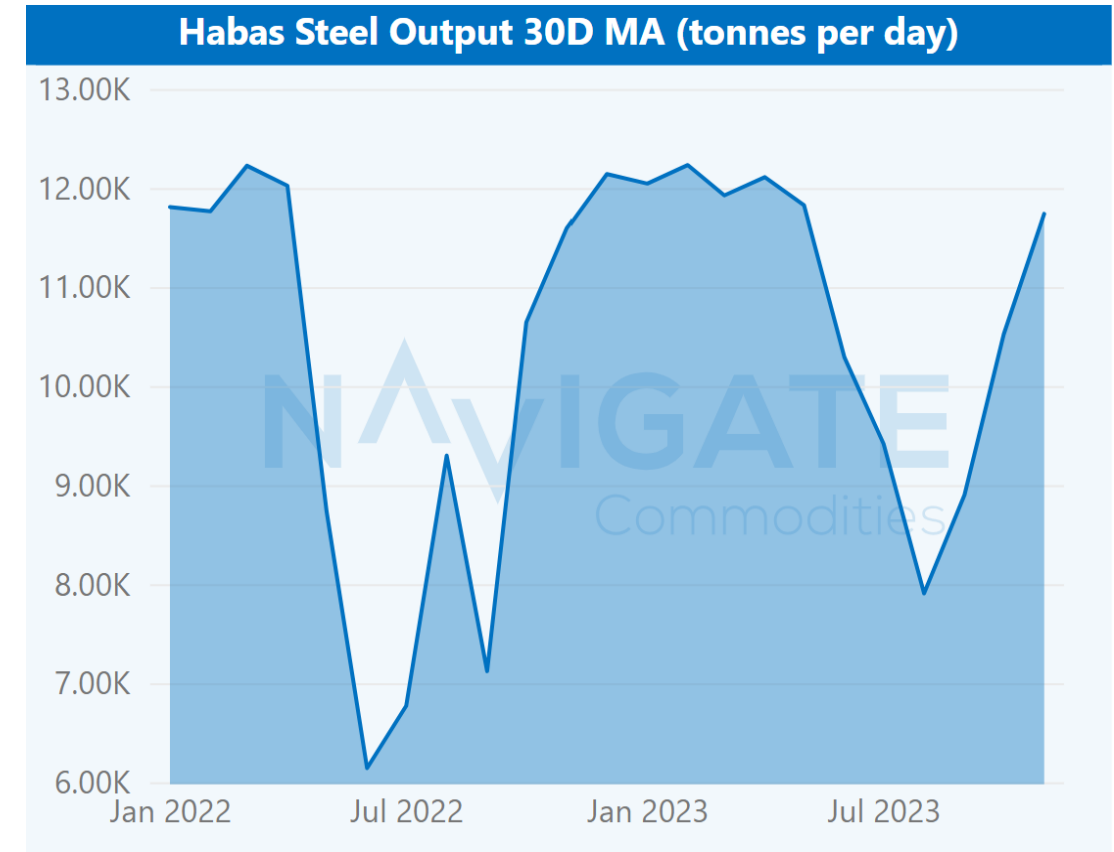
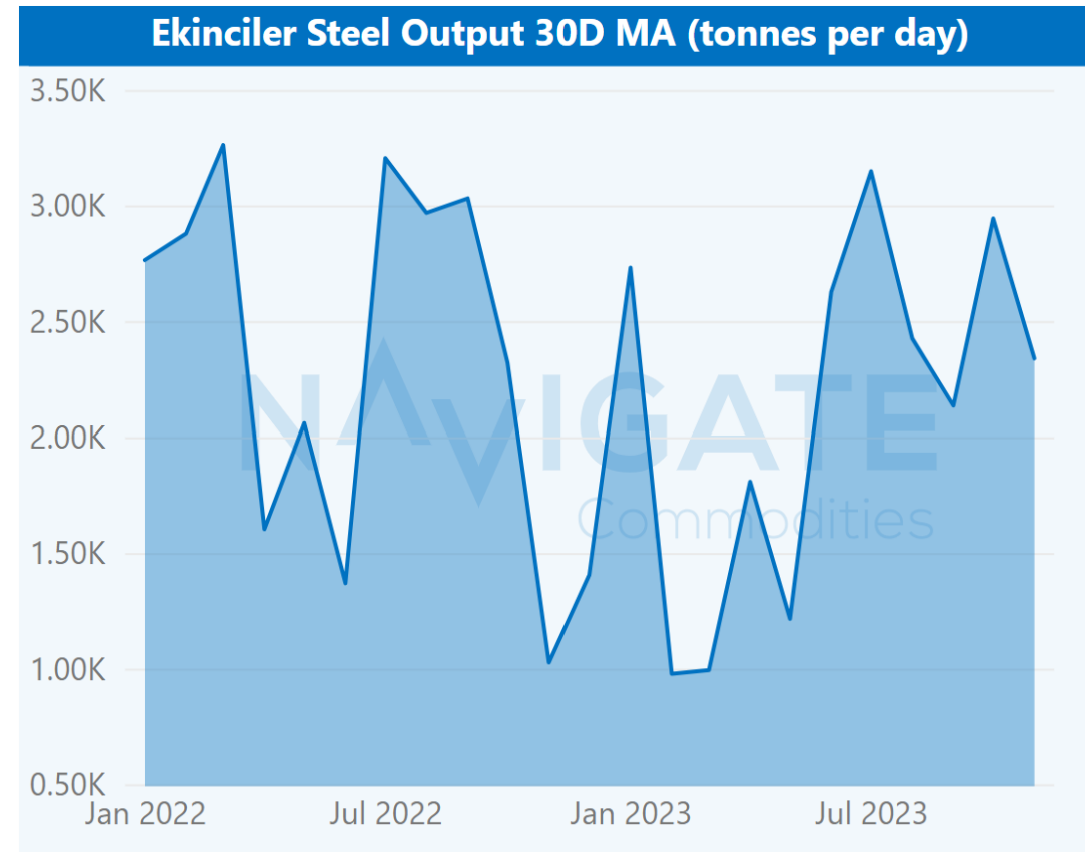
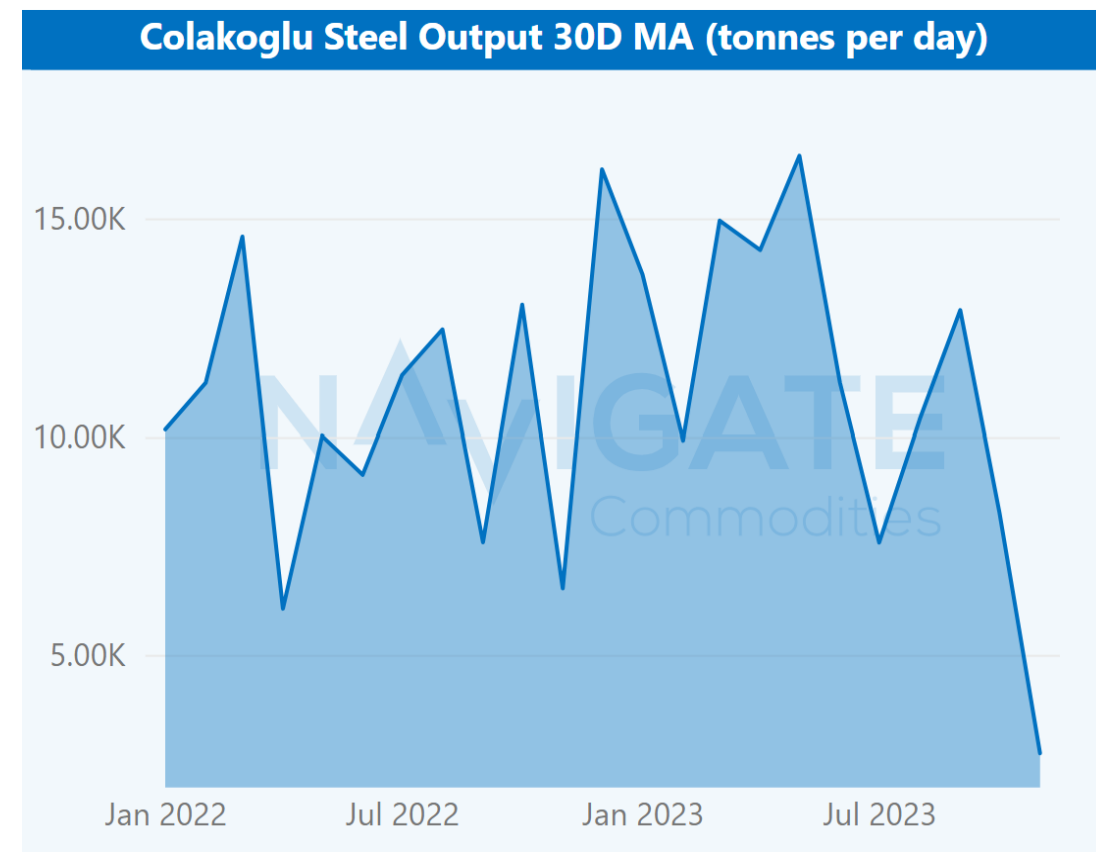


Source: Earth-i, Navigate Commodities



Source: Earth-i, Navigate Commodities, Bloomberg







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# Contact Us

## Address

Navigate Commodities Pte Ltd  
UIC Building, 5 Shenton Way #10-01, Singapore 068808

## Phone Number

+65 8318 2835

## Email Address

[phyllis.shung@navigatecommodities.com](mailto:phyllis.shung@navigatecommodities.com)





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