

EU ferrous scrap prices show signs of bottoming out as mills return, BIR chairman says

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Ferrous scrap prices are showing signs of bottoming out after days of a trading standstill as more consumers are prepared to come back, a recycling industry body said on Sunday May 22.

"There has been an 'overhang' in the European ferrous scrap market over the past 10 days, when suppliers struggled to even get any price from consumers. But we just spoke to some steel mills [such as those in Spain]. There has been more bidding and [inquiries] for scrap," Tom Bird, chairman of the Bureau of International Recycling (BIR), said ahead of the official opening of the 2022 World Recycling Convention & Exhibition in Barcelona over May 23-25.

Bird's remarks came as market prices experienced unprecedentedly steep declines over the past four weeks.

Fastmarkets' daily [steel scrap, HMS 1&2 \(80:20 mix\), North Europe origin, cfr Turkey index](#) has fallen by over 26% since mid-April, led by waning buying appetite among Turkish mills amid an influx of discounted steel products from Russia.

The index experienced a marginal uptick to \$452.32 per tonne last Thursday May 19 after [the emergence of the first transaction involving a deep-sea cargo in 10 days](#). The index was unchanged a day later.

Turkey is the world's largest consumer of ferrous scrap. It imported close to 25 million tonnes of the steelmaking raw material last year, official customs data showed.

Its buying appetite shrank when Russia started to sell steel billet aggressively to its limited pool of buyers, including Turkey and China, due to international sanctions arising from its invasion of Ukraine.

Many Turkish steel mills [said their steelmaking margins had thinned](#), which discouraged them from procuring raw materials.

"Russian supply [of ferrous products] is really the elephant in the room. We are still seeing a lot of them at the port," Bird, who has been in the ferrous scrap trading business for decades himself, said.

Offers of cheap Russian steel **have also emerged in China.**

Throughout April and May, China was reported to have booked 400,000-450,000 tonnes of Russian slab. This already exceeds its 2021 total import volume of 249,000 tonnes.

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