

SAMPLE

Top News:

# Scrap recovery pauses, iron ore moves up

Last week the ongoing recovery in scrap prices paused slightly, while iron ore prices continued to strengthen.

Although some Turkish mills were still inquiring about scrap at the beginning of last week, most were seen to have taken a wait-and-see stance for their scrap purchases. After an intense period of bookings in previous weeks, Turkish mills have now seemingly focused on finished steel sales.

In the absence of buyers, there are not many suppliers in the market circulating offers. While there are only a few of these in the market, Baltic and European suppliers are heard to have offered HMS I/II 80:20 at \$263-265/tonne cfr last week. However, Turkish mills, who are not willing to pay more for scrap, have kept their price ideas for the same quality unchanged at \$260/t cfr.

The latest European scrap deal was concluded at \$262/t cfr average price. The cargo consisted of 20,000 tonnes of HMS 1/2 75:25, 7,500t HMS 1 P&S and 5,000t busheling. As collection prices continue to trend favourably in Europe, European offers in the Turkish market are not expected to decrease in the short term.

In the short-sea scrap market, last week's deals were concluded at \$250-251/t cfr from the Adriatic, Bulgaria and Romania. Since most Russian suppliers are still out of the market, only one deal from Russia was heard at \$259/t cfr Turkey for 3,000t of A3. A small-quantity cargo was also sold from Israel at \$235/t cfr Iskenderun.

Excluding Russia, this week's short-sea offers stand at \$253-254/t cfr.

A Turkish scrap supplier explained: "There may be offers at higher levels; I also heard some deep-sea offers at above \$265/t cfr. What's important is what levels Turkish mills will accept to pay. I observe not higher than \$260/t, at least last week. I think the market will stay at current levels for a while longer."

Some mills that have not completed December-shipment scrap purchases are expected to conclude deals soon, but on the whole not much activity is awaited in the market. Imported scrap prices into Turkey are therefore not foreseen recording significant changes.

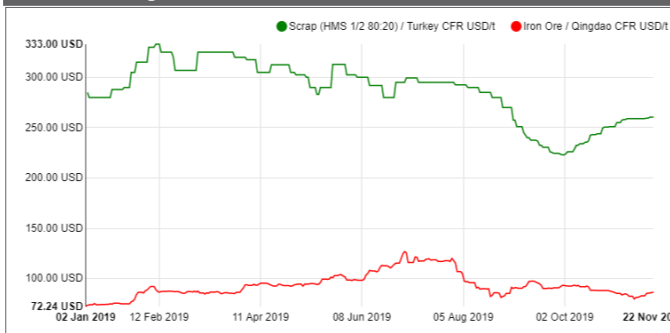
## IRON ORE

Seaborne iron ore prices have continued to trend higher despite rising port stocks. China meanwhile, has used its economic forecast to make GDP targets more achievable.

The KORE 62% Fe index gained \$0.57/t to \$86.63/dry metric ton cfr Qingdao during the weekend, up \$3.75/t over the week and the highest level since 30 October. On the Dalian Commodity Exchange January 2020 iron ore settled up CNY 7.5/t at CNY 644/t (\$91.55/t), while on the Singapore Exchange December 62% Fe futures settled up \$1.38/t at \$86.45/t. In Tangshan, billet prices regained CNY 10/t to CNY 3,450/t.

Iron ore port stocks increased over last week as mills drew down inventories more slowly. Across 35 ports, port stocks were up 1.12 million tonnes over the week to 115.51mt, according to a count by SMM. Stocks are likely to increase in the coming week as shipments to ports are expected to be strong.

Turkish scrap vs Chinese iron ore



[Click here to download this chart and/or access the data](#)

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KORE 62% Fe / Qingdao CFR USD/t

**W-o-w avg change** **+5.37%**

22 Nov 2019 \$ 86.63 high

21 Nov 2019 \$ 86.07

20 Nov 2019 \$ 85.75

19 Nov 2019 \$ 85.54

18 Nov 2019 \$ 85.15 low

**Average** \$ 85.83

15 Nov 2019 \$ 82.88 high

14 Nov 2019 \$ 81.86

13 Nov 2019 \$ 81.36

12 Nov 2019 \$ 81.40

11 Nov 2019 \$ 79.75 low

**Average** \$ 81.45

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# Global Overview

# SAMPLE

## North America

- US sheet, plate base prices rise
- Stelco prepares to enter pig iron market
- USMCA ratification still frozen

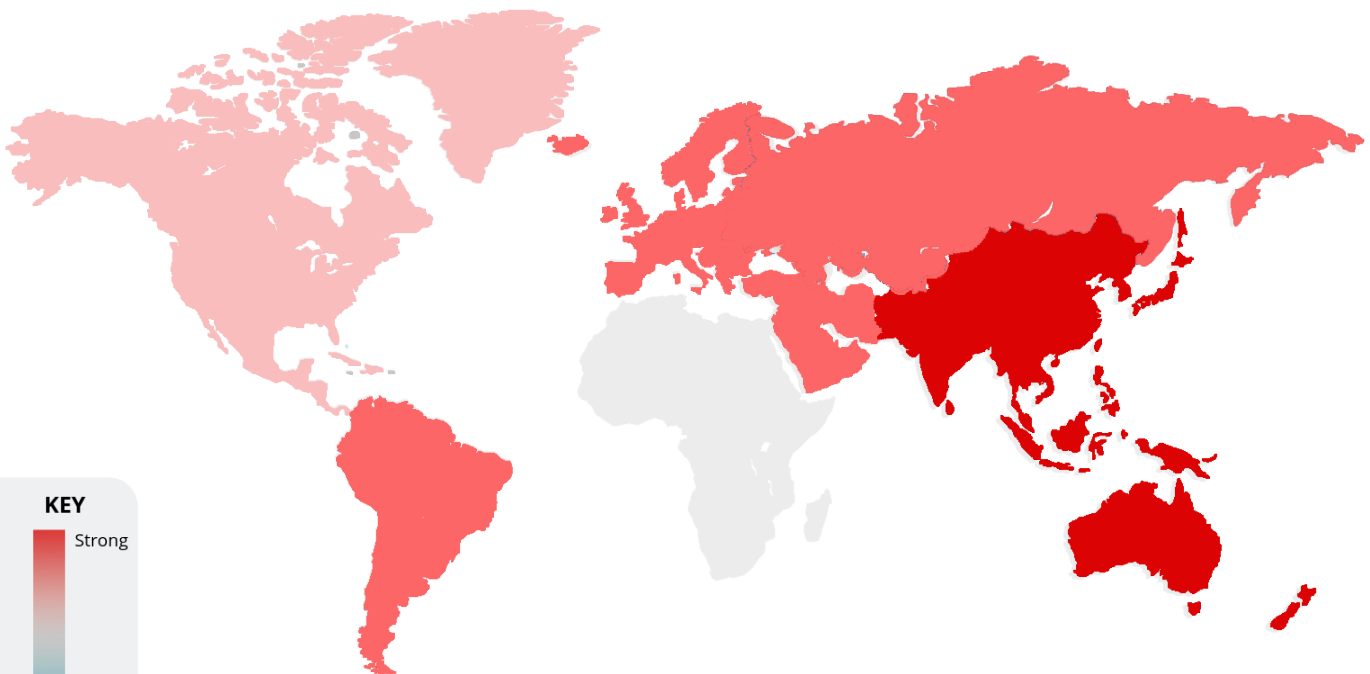
## Europe

- European coil prices look up
- Eurofer requests further safeguard review
- Scrap levels in Europe continue to recover

## Asia

- Chinese rebar prices jump
- Iron ore recovers
- Vietnam imposes duties on Malaysian longs

## KALLANISH STEEL WEEKLY GLOBAL SENTIMENT MAP



### KEY



[See the interactive version online](#)

## South America

- Brazilian pig iron up
- Brazil to auction iron ore extraction

## Middle East

- Scrap bookings cease, mills hold bids
- Turkish mills raise rebar quotes despite slower demand
- Turkish merchant bar makers unable to sell higher

## CIS

- CIS HRC prices increase further
- CIS pig iron sentiment strong despite lower activity

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# Word of the Week

## Tin Plate

This is thin sheet steel with a very thin coating of metallic tin. Tin plate is used primarily in canmaking. It has good corrosion resistance and food compatibility – although many products require a thin coating of lacquer to maximise the shelf life of the contents.

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If you found this issue of Kallanish Steel Weekly interesting please let us know, we would love to hear from you.

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