

Metal Bulletin

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DAILY SCRAP REPORT: US hurricane will affect scrap collections, traders say

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Metal Bulletin's daily ferrous scrap index for HMS 1&2 (80:20) material rose by \$1.15 per tonne to \$382.76 per tonne on Tuesday October 30.

Hurricane Sandy, which hit large areas on the east coast of the USA on Tuesday morning, is expected to slow scrap collections in the region.

Sources speaking to Metal Bulletin sister title Steel First at the Bureau of International recycling (BIR) conference in Barcelona on Monday said they expected ferrous scrap prices into Turkey to rise on scant supply later in the week.

"It's too early to say what effect [the hurricane] will have on production, but the potential damage is significant," a US trader commented.

A deal for an unspecified tonnage of mixed cargo was rumoured to have concluded on Monday from a US producer to a Turkish mill at \$387 per tonne.

Black Sea cargoes of HMS 1&2 (80:20) were reported to have been offered to Turkey at \$400 per tonne, and market sources said that they expected prices to push up by the end of the week.

A Turkish trader source cautioned that, despite US scrap supplies becoming more and more limited, Turkish mills would try to push back on prices.

"People are waiting to see what the USA will do; they want to see what happens to the domestic market first," the source said.

"Today is not a day where the price is being openly spoken of – Turkish mills have not accepted prices for quite some time," he added.

US scrap supplies remain relatively low, putting upward pressure on US scrap export prices.

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