

BIR 2019: Europe oversupplied with non-ferrous scrap with sellers eager to offload

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The screenshot shows the Fastmarkets MB website interface. At the top, there's a navigation bar with links for Products, About us, Contact us, and FAQs. Below this is a search bar and a 'Free Trial' button. The main navigation menu includes Non-ferrous, Steel, News, Prices, Daily + Magazine, Company Data, and Forecasts. The article title is 'BIR 2019: Europe oversupplied with non-ferrous scrap with sellers eager to offload'. The author is Julian Luk, published on October 16, 2019, at 18:58 GMT in Budapest. The article text begins with 'The European non-ferrous scrap market is oversupplied and sellers at this week's Bureau of International Recycling (BIR) conference in Hungary were eagerly approaching buyers in the hope of offloading materials by the end of this year.' It continues with a paragraph about the conference being held in Budapest from October 13-15, where scrap metal sellers are finding it difficult to destock after China implemented a quota system. To the right of the article is a promotional banner for the 'EUROPEAN STEEL CONFERENCE 2019' held from October 28-30 in Milan, Italy, with a 'REGISTER NOW' button. Below the banner is a 'MORNING BRIEFS' section with links to key stories from October 18 and 17.

The European non-ferrous scrap market is oversupplied and sellers at this week's Bureau of International Recycling (BIR) conference in Hungary were eagerly approaching buyers in the hope of offloading materials by the end of this year.

In a hotel lobby crowded with scrap market participants, a typical pick-up line one would hear at the conference, held October 13-15 in Budapest, was: "Are you buying?"

Scrap metal sellers are currently finding it unusually tough to destock after China implemented a quota system to limit its imports of ferrous and non-ferrous scrap metal, as well as imposing tariffs on US-origin scrap.

Trying to divert scrap metal to markets other than China, one favored destination could be Europe, home to major copper scrap buyers including Aurubis, Metallo, La Farga and Montanwerke Brixlegg.

The BIR conference became a magnet to scrap sellers fishing for potential buyers.

"When you can buy birch/cliff [No2 copper scrap with 94-96% copper content] at 85% of the LME price in Europe, it's clear that the market is full," a Europe-based buyer said.

"We are fully stocked until the end of year. There is no room to buy now. Other big buyers in Europe are likely to be well covered too," the source added.

Germany is one of the more popular markets. In the first six months of 2019, Germany's imports of copper scrap rose by 10.8% year on year to 115,713 tonnes.

"I had to keep saying 'no' to [sellers]," another secondary copper producer said. "Since China restricted scrap inflows, we have seen offers from Australia, Japan and South Africa. In the past, we rarely saw scrap offers from Japan."

For the second half of 2019, China announced that it would allow total copper scrap imports of 484,767 tonnes, as well as imposing a cap of 405,416 tonnes on aluminium scrap.

Quotas to allow purchases of overseas-origin scrap have become scarce in China. Some smaller firms that were not awarded quotas, and which could not source scrap domestically, were willing to pay a premium to larger importers to buy quotas.

"China's biggest copper scrap buyer still has some quotas but it is picky," a scrap trader based in Asia said.

"I am still struggling to sell a cargo now on the sea. It has been on the water for almost one month already," a third Taiwan-based trader said.

A similar story was apparent in the aluminium scrap market. Oversupply in Europe and limited appetite from China due to quota restrictions was putting pressure on the benchmark aluminium scrap price in Europe, which is now at a decade-low level.

Fastmarkets assessed the price for aluminium pressure diecasting ingot DIN226/A380, delivered Europe, at €1,260-1,290 (\$1,389-1,422) per tonne on October 11, down from €1,550-1,590 per tonne since the start of the year. The price was also at its lowest since June 2009.

<https://www.metalbulletin.com/Article/3899264/Scrap-and-secondary/BIR-2019-Europe-oversupplied-with-non-ferrous-scrap-with-sellers-eager-to-offload.html>