

Europe Al: Scrap prices near a decade low

12 Oct 18, 11:45 - Metals, Non-ferrous, Scrap

London, 12 October (Argus) — European spot prices for aluminium scrap taint/tabor fell further in the last week as the market remained under pressure from weak alloy demand.

Argus assessed taint/tabor 2pc at €950-1,000/t on 12 October, down from €1,000-1,030/t in the previous assessment on 5 October.

Tense 2pc was unchanged at €1,000-1,050/t over the same period.

Larger scrap traders are now considering holding onto material in anticipation of rising LME prices.

Scrap and alloy prices are now near the lows after the financial crisis in 2008, according to market participants.

A European secondary alloy producer was seeking 226 alloy this week, as it is more profitable to use spot material to deliver against contract. The producer has also requested higher scrap volumes, and has been looking to secure fixed contracts while scrap prices are low.

Secondary smelters' margins are under pressure at these levels. One smelter, whose production costs are above those of others in Europe because it buys cleaner scrap, said operation is not profitable at these levels.

But abundant scrap supply has eased some of this price pressure.

High availability of twitch scrap – a grade processed from zorba – is pressuring European scrap prices.

Around 70pc of zorba scrap produced in Europe was exported to China last year, according to participants at the BIR Recycling conference in London last week. China is not accepting any European zorba exports at present.

Twitch prices delivered to European consumer were concluded at €1,050-1,100/t this week.

Mixed 5pc aluminium turnings were reported in a wider range at €800-830/t compared with €810-820/t a week earlier.

Three-month LME aluminium prices traded at \$2,048/t on 12 October, down from \$2,150.50/t a week earlier. The US Treasury extended the deadline by a month to 12 December for US companies to wrap up their dealings with sanctioned Russian smelter Rusal today.

Send comments to feedback@argusmedia.com

[Request more information](#) about Argus' energy and commodity news, data and analysis services.

Copyright © 2018 Argus Media group - www.argusmedia.com - All rights reserved.