

Scrap Metal Demand to Weaken Through Year's End, Recyclers Say
2009-10-26 17:14:23.555 GMT

By Anna Stablum

Oct. 26 (Bloomberg) -- Demand for scrap metal probably will weaken through the end of this year because many consumers have filled their needs and inventory restocking is slowing, said the head of a European recycling group.

The discount between scrap prices and metals traded on the London Metal Exchange probably will widen, according to Robert Voss, president of the Brussels-based European Metal Trade and Recycling Federation, or Eurometrec.

"Demand for scrap is very poor," Voss said today in an interview during a Bureau of International Recycling conference in Amsterdam. Users of metals stocked up by making purchases during the third quarter, he said.

"Steel scrap is not great," Voss said. "It is horrible.

All the non-ferrous metals have been good, but now demand is not great, discounts are widening, and it is becoming more and more difficult to place material."

No. 2 copper scrap trades at about 86 percent to 88 percent of the LME price for metal for three-month delivery, according to Voss. "About six months ago, we were probably nearer 90 percent," he said.

Copper scrap will slide to between 83 percent and 84 percent of LME prices by the end of the year, Voss predicted.

The No. 2 grade contains 92 percent to 96 percent copper.

Almost half of all copper comes from recycled metal because reusing materials is cheaper than digging ore out of mines, according to the BIR.

For Related News and Information:

Copper and mining: [TNI COPPER MNG <GO>](#)

Top metal and mining stories: [METT <GO>](#)

Metals page: [METL <GO>](#)

--Editors: Dan Weeks, M. Shankar.

To contact the reporter on this story:

Anna Stablum in London at +44-20-7330-7500 or astablum@bloomberg.net.

To contact the editor responsible for this story:

Stuart Wallace at +44-20-7673-2388 or swallace6@bloomberg.net