

SteelWeek

Scrap prices forecast to remain firm through Q1

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International scrap prices are forecast to remain firm at least until the end of Q1, traders told an industry gathering in London last week.

Despite price falls in recent weeks in a number of regions, traders are optimistic about the market during the coming months due to the underlying growth in scrap demand, slower scrap collection in the winter, higher freight rates and firm prices for alternative inputs.

The industry will find it hard to satisfy demand for quality scrap, they said.

Commenting on the Asia-Pacific market, Jeremy Sutcliffe of Australia's Sims Group, told delegates at the Bureau of International Recycling's autumn convention, that demand from steelmakers "will underpin scrap at current and even slightly higher levels" through the winter months and Q1.

But he warned there would also be volatility along the way. Although China has been reducing steel imports and exporting more, this trend was seen as temporary in some quarters, he said.

"[Chinese] hot rolled coil is moving up towards the US domestic price rather than dragging it down," Bird added.

Although Russian scrap prices recently came down \$10/t, the outlook was for stable pricing, Denis Ilatovsky, of Russia's **MAIR** group, told the convention.

Domestic prices have come under pressure recently due to the large scrap stockpile held by mills, he said.

Russian scrap collection is projected to reach 27mt this year, up 28% from 2003, of which around 13mt will be exported, he added.