

# Scrap traders' outlook glum at BIR nonferrous meetings

DUBLIN, Ireland — Gloom pervaded the market forecasts offered by scrap traders at the Bureau of International Recycling's nonferrous division meetings here.

Marc Natan of Malco, a Paris scrap trading firm and the nonferrous division's new president, pleaded with fellow members to deliver some optimism about the markets. Unfortunately, no one could provide any news to brighten up the session.

"The only good thing I can say about copper is that it still conducts electricity," said Robert Stein, manager of nonferrous metals at Louis Padnos Iron & Metal Co., Holland, Mich.

In the United States, Stein said, scrap discounts under terminal market values had tightened considerably in recent months. Dealers' intake had reduced dramatically and the market lacked any price incentive to attract material.

Unable to make an optimistic forecast for the coming months, Stein added: "Things all always look the worst at the bottom."

Fernando Duranti of Leghe & Metalli told delegates that Italian production of brass ingots and bars was down 30 percent this year and copper scrap prices had suffered as a result of the low consumption.

"The August holiday period seems to have been extended into September and October as the main copper customers found themselves with high stocks of unsold finished products," he said, adding that some consumers were facing liquidity problems.

Low prices of finished rod and the trough in London Metal Exchange copper and zinc prices were forcing producers toward buying copper cathode and high-grade zinc to melt and make rod, especially as they would get high yields with no melting losses. Scrap in general was set to become more expensive and difficult to source.

Hans Münster of Verein Deutsche Metallhändler said that German mills were criticizing the increasing export of scrap outside the European Union. "The existence of national mills is being put in danger," he said.

The uncertainty over whether Russian scrap exports would resume also was making the market nervous. With increasing economic activity in the Commonwealth of Independent States, he said, there was more likelihood of scrap metal remaining in those nations. Germany was making up some of the deficit by importing brass scrap from the United States.

The closure of the Tréfinmétaux brass rod factory at Pont de Chéruy delivered a blow to the French secondary industry, which this year saw most of its copper and brass scrap exported to Italy and Spain.

A report on the Belgian market estimated that copper availability had dropped by 20 percent this year, but coin scrap from the euro changeover already had been sold without affecting prices.