

NAVIGATE
Commodities

Steel Scrap Markets

A Bird's Eye View

Commissioned by:



Report Overview:

“Steel Scrap Markets – a Bird’s Eye View” is a new report commissioned by the London Metal Exchange (LME), designed to give market participants a unique perspective on the highly fragmented and traditionally often opaque world of ferrous scrap markets.

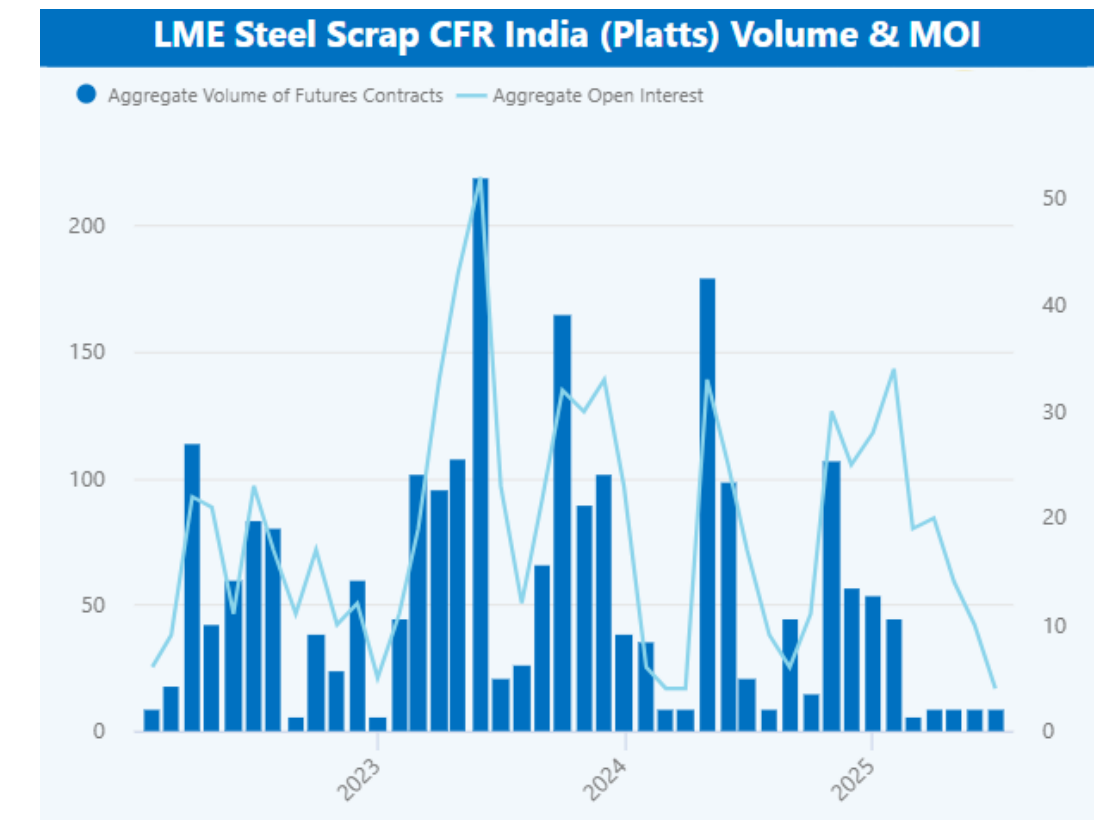
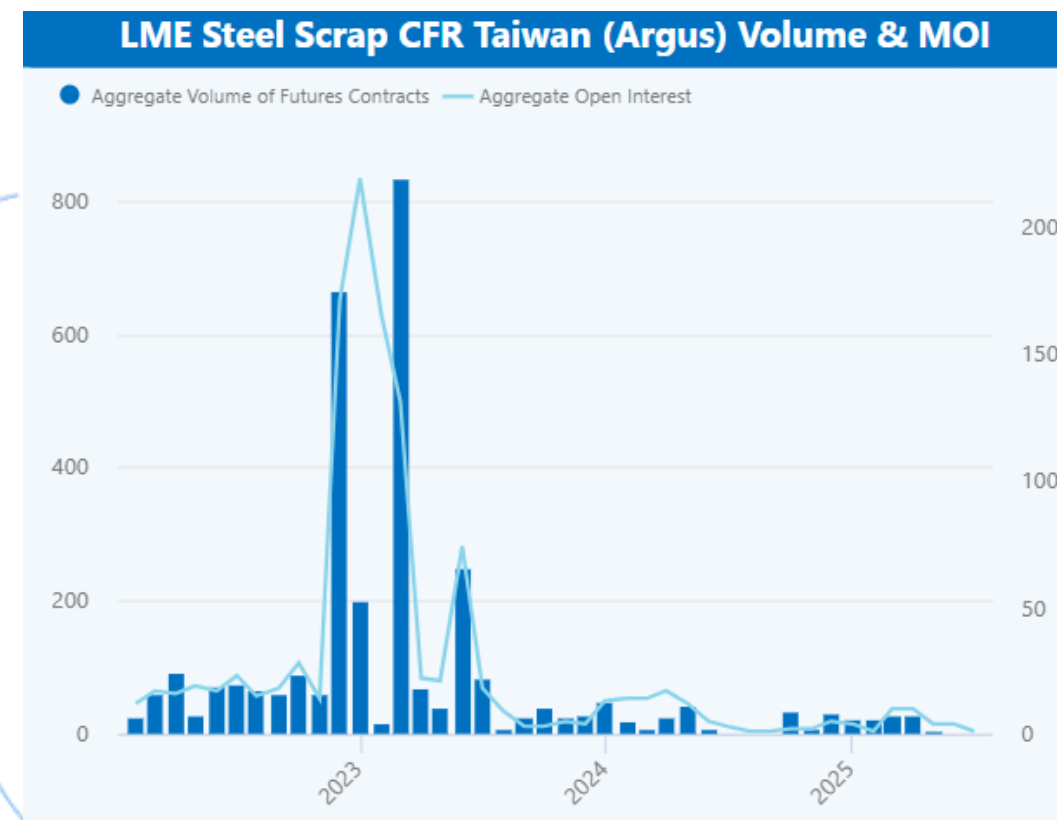
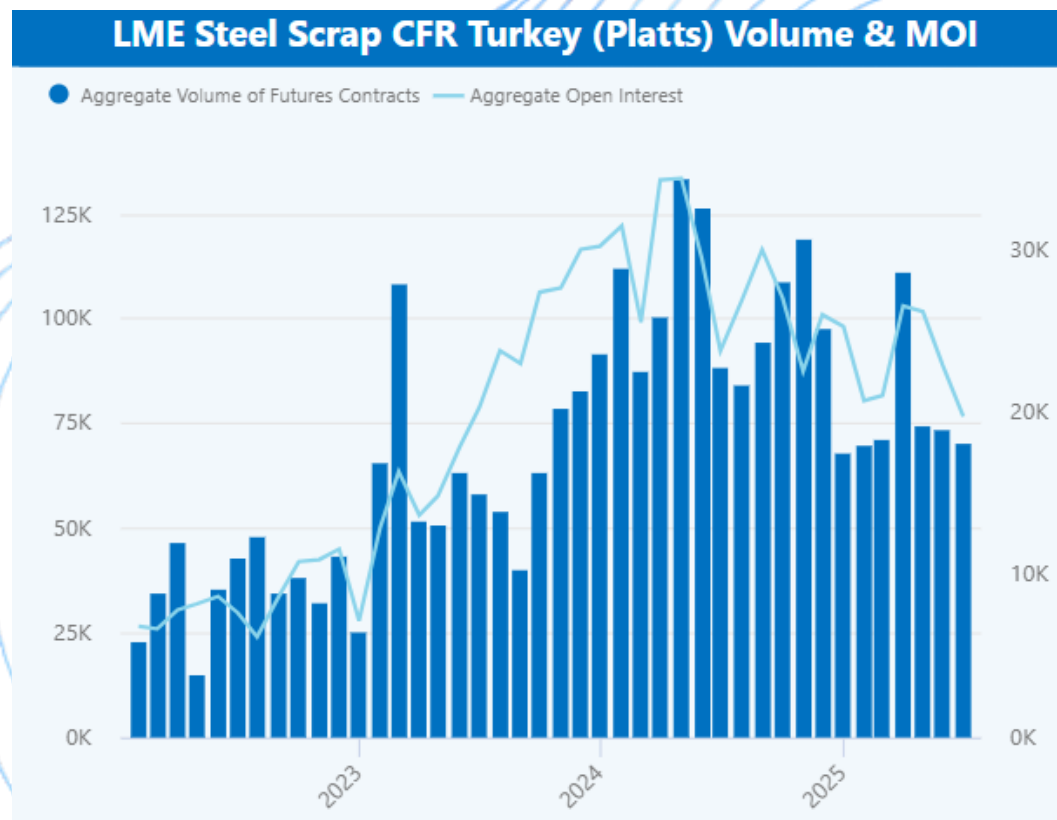
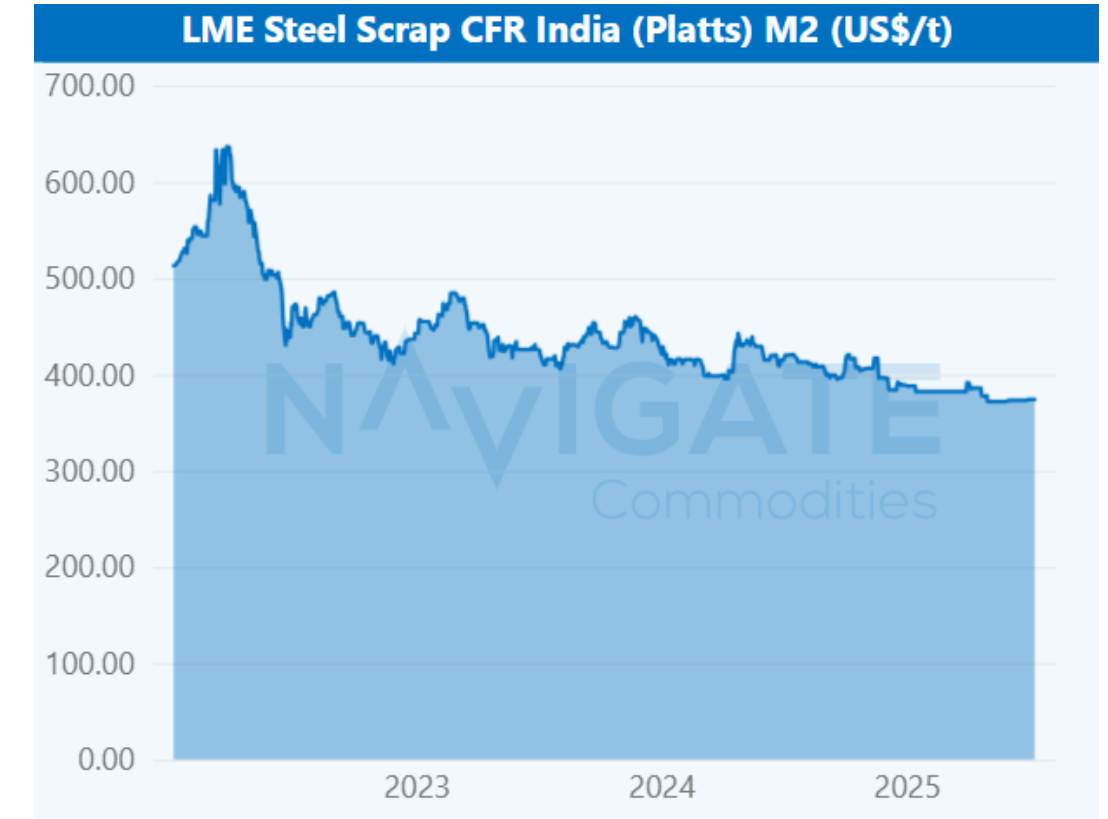
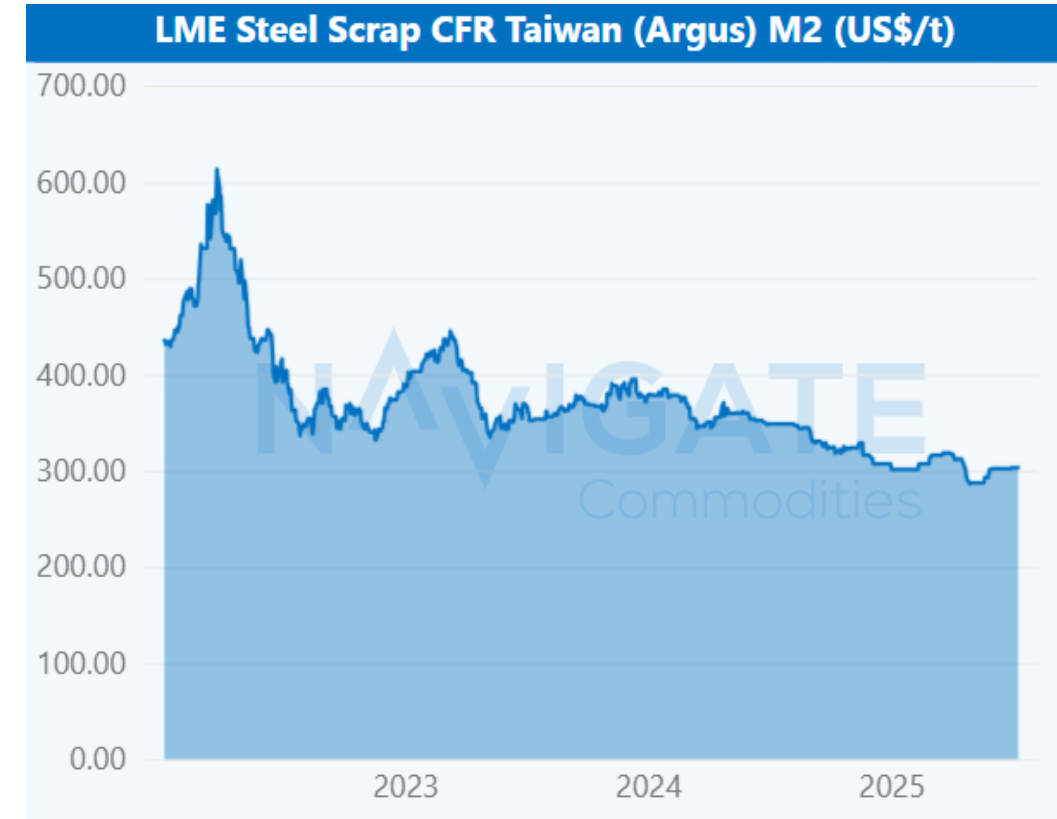
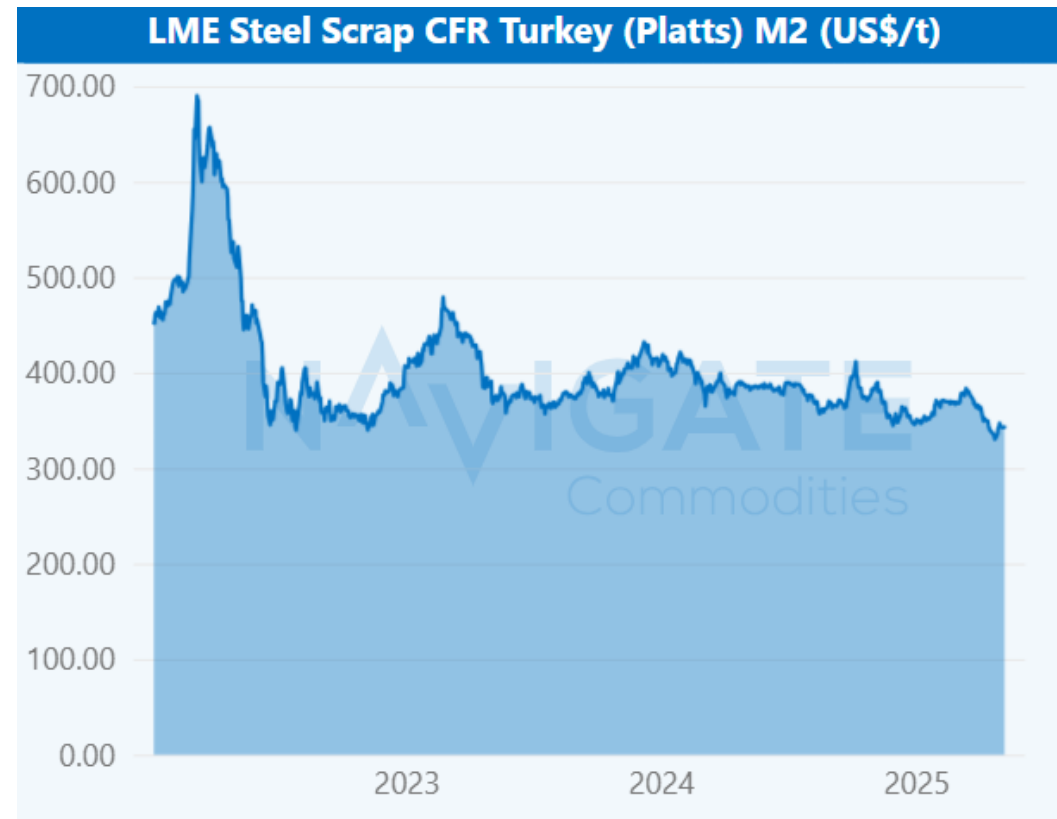
This report includes a wealth of data and provides commentary on supply chains from the key steel scrap markets of Turkey, India, and Taiwan.

Authors Navigate Commodities satellite-based technology, AI and machine learning to monitor and assess data from steel mills, trade routes and ports to bring transparency to and insight on the world of steel scrap.



LME Steel Scrap Futures

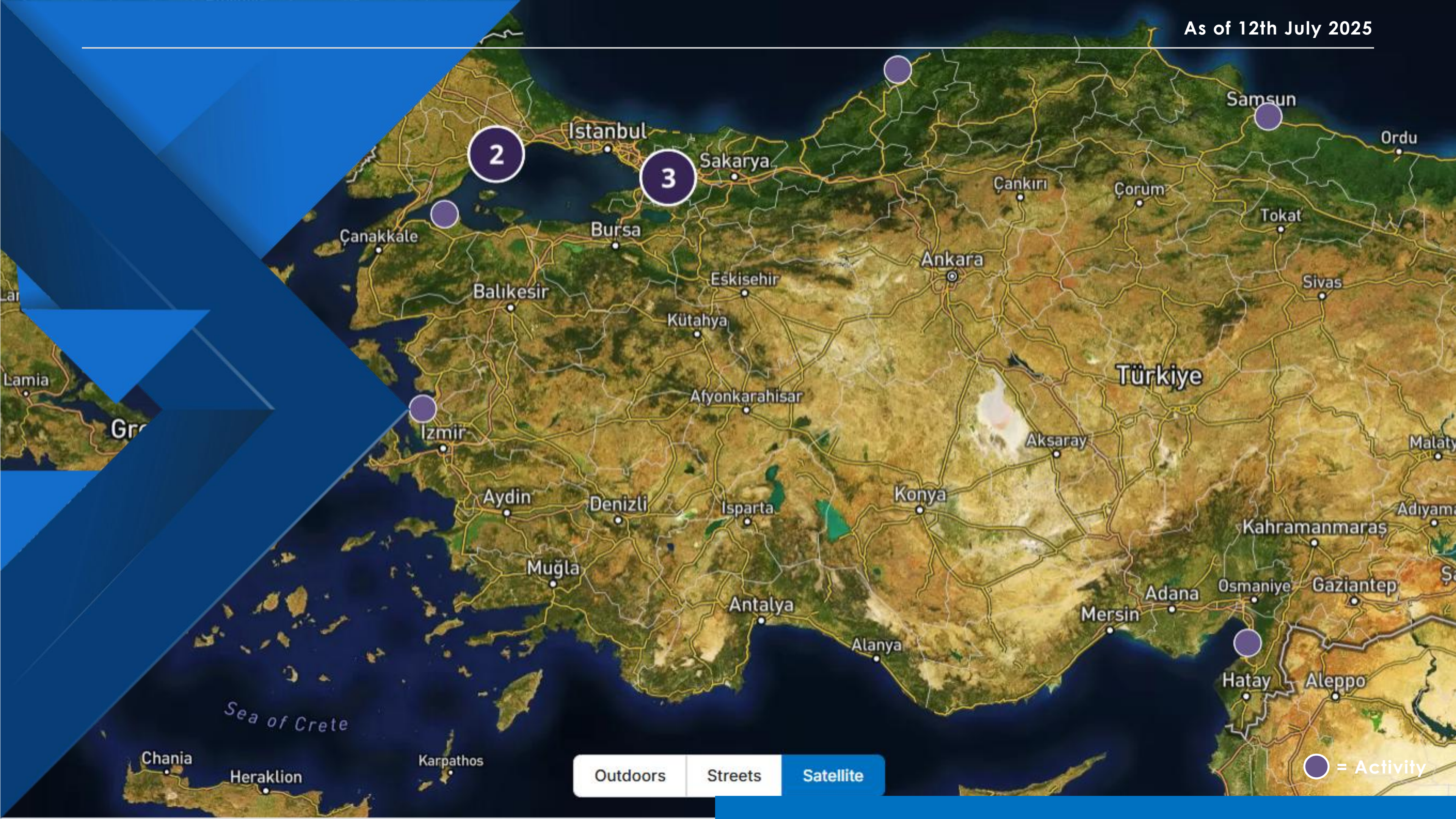






Türkiye Steel Scrap Market Overview





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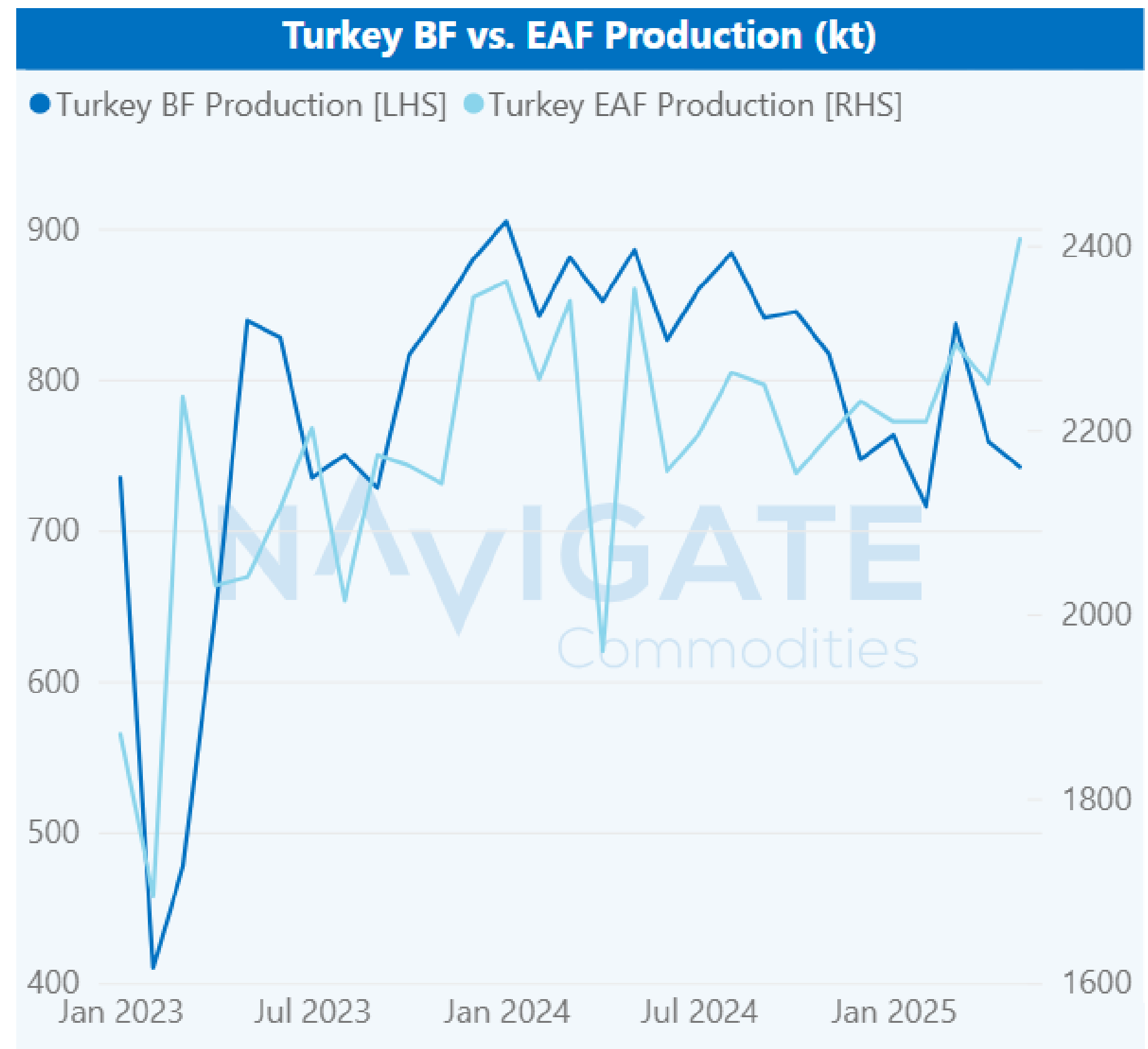
○ = Activity

Outdoors Streets Satellite

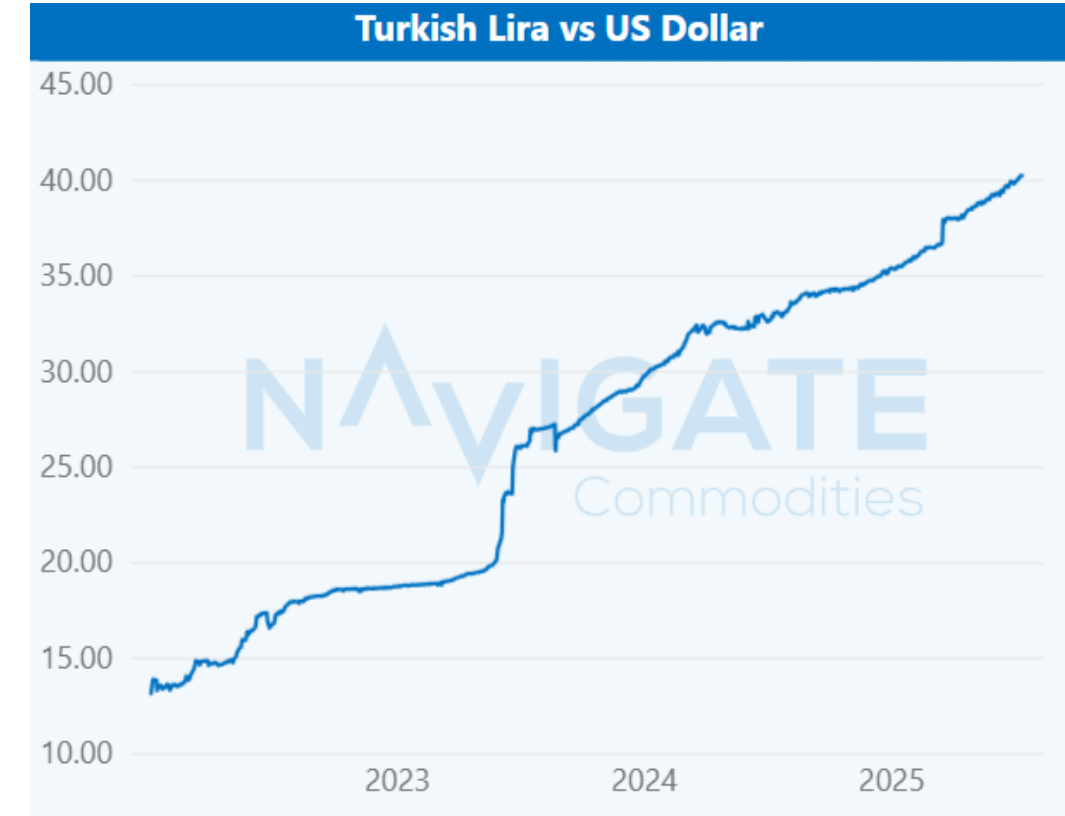
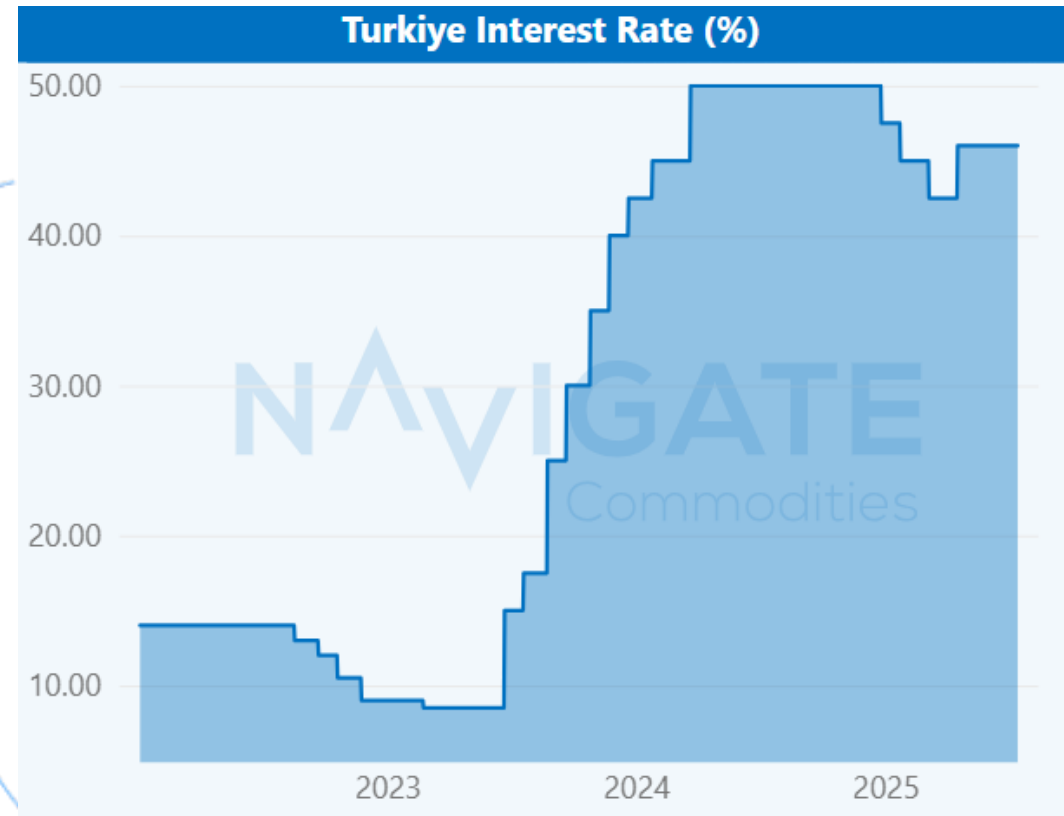
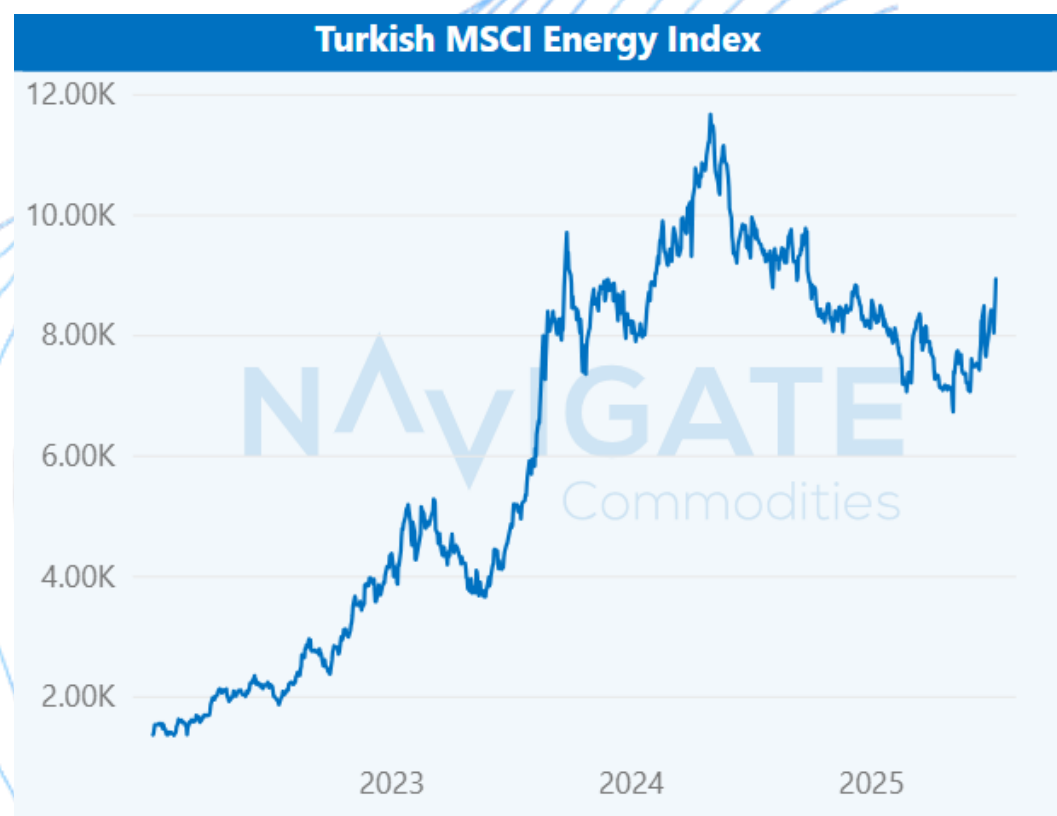
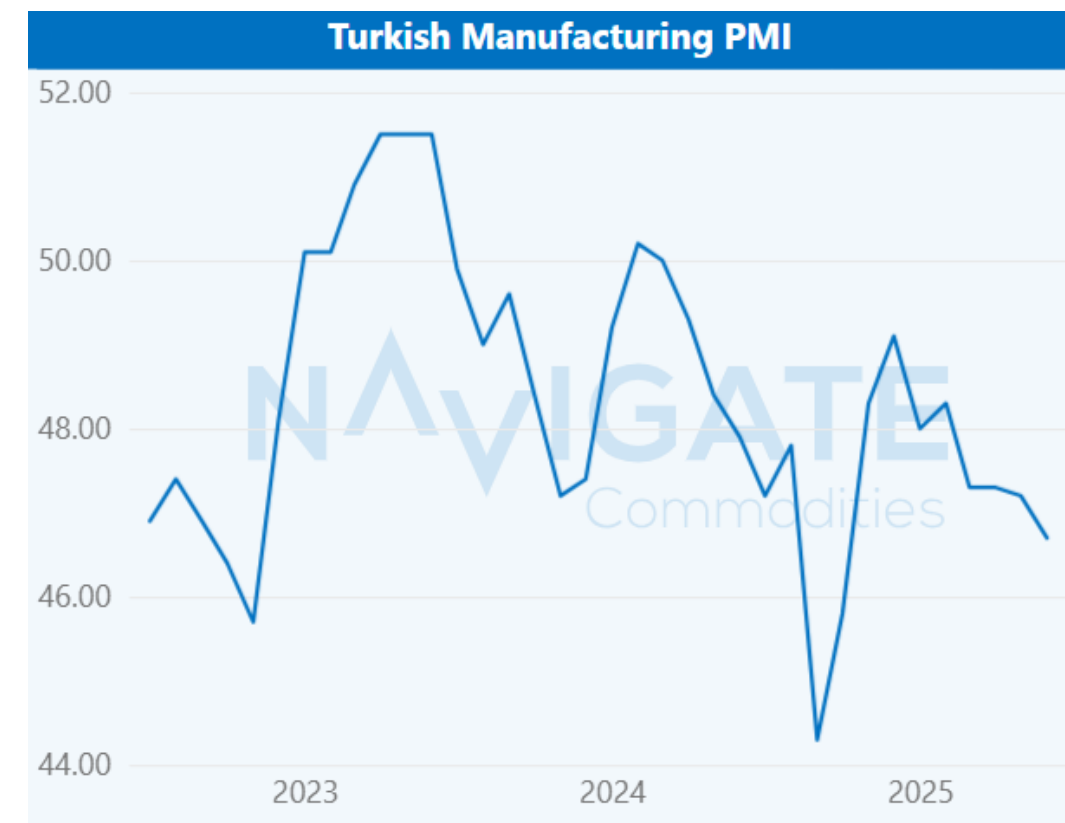
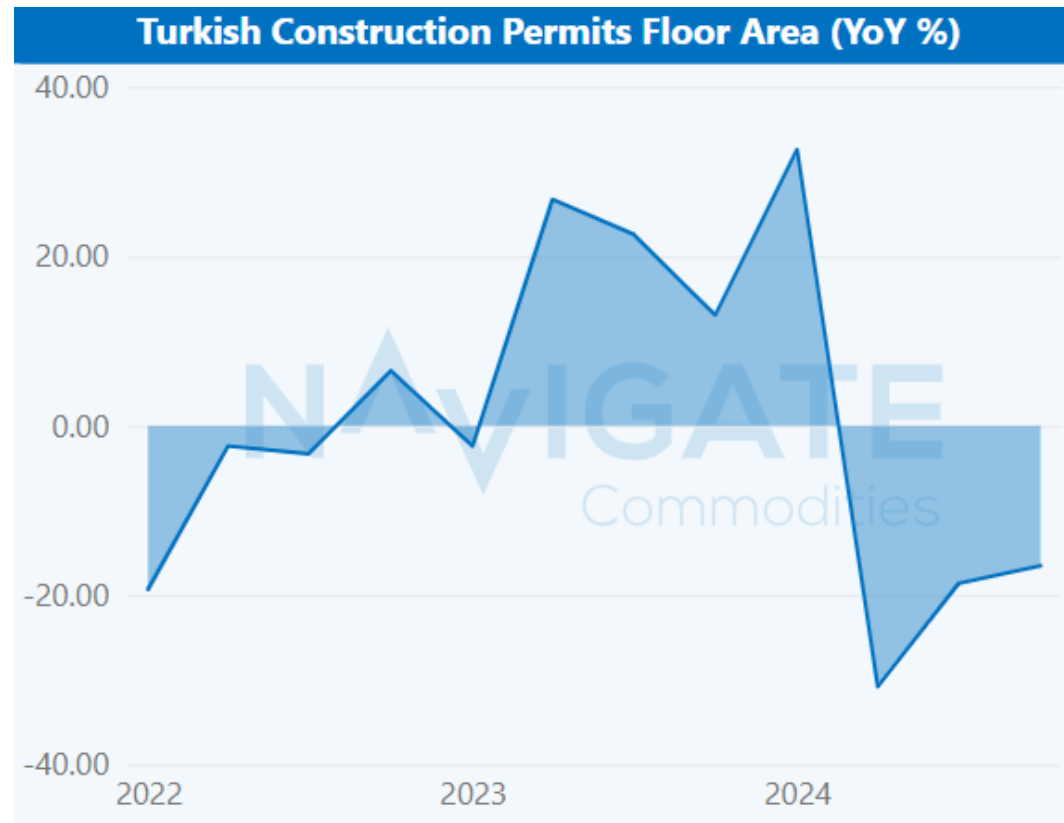
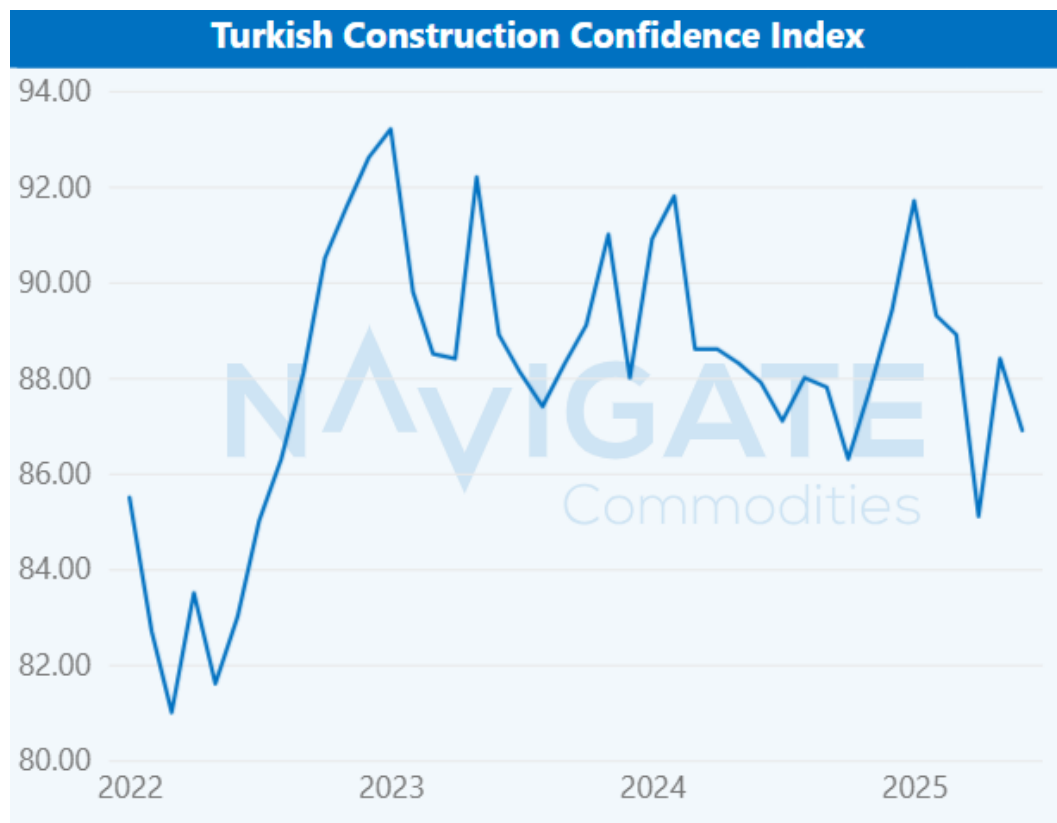
Türkiye

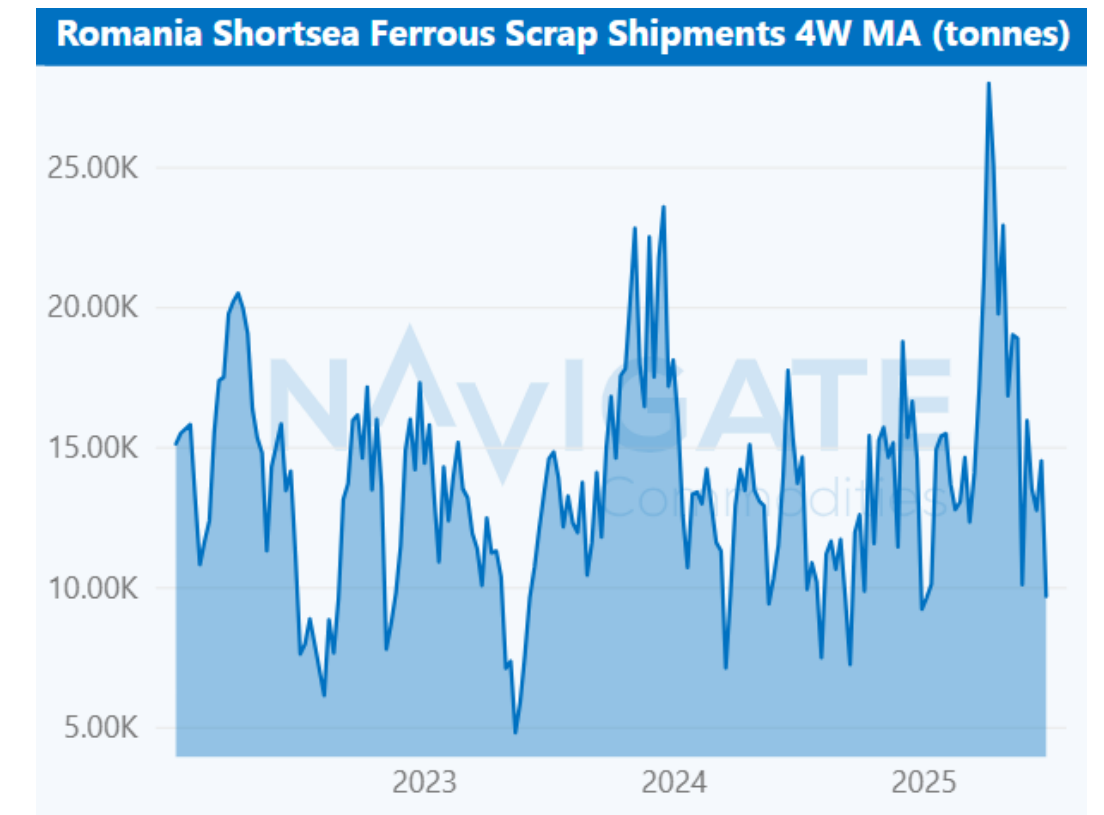
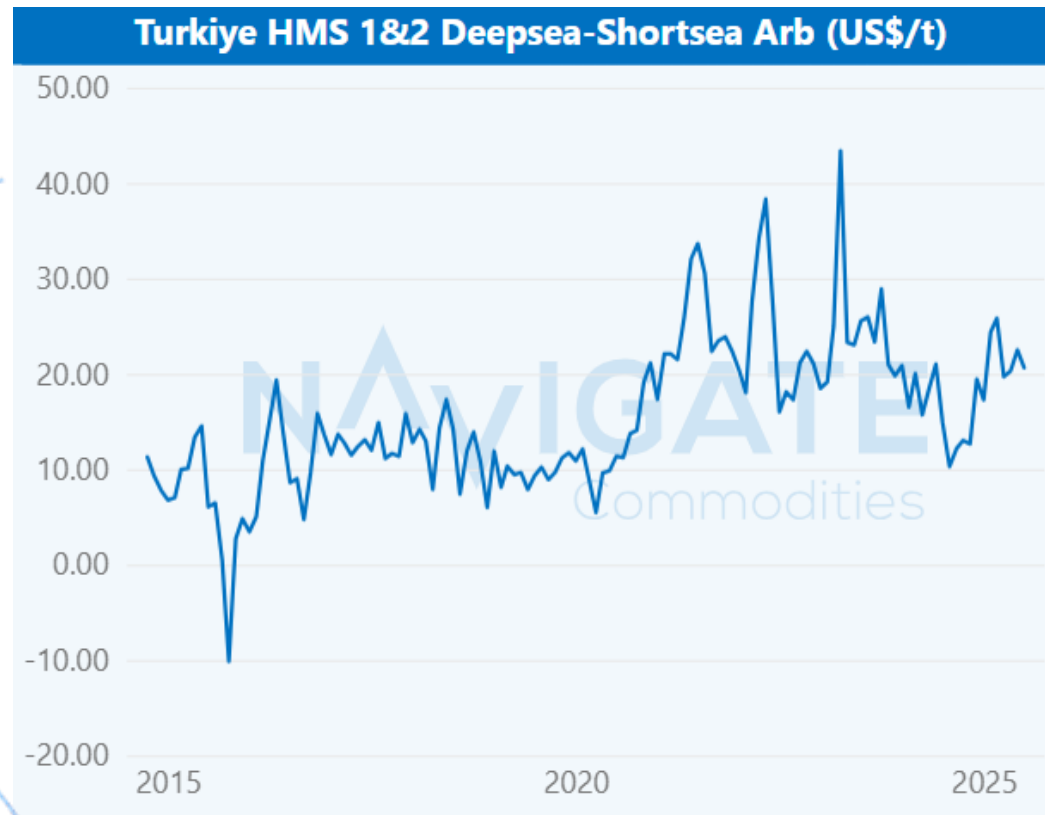
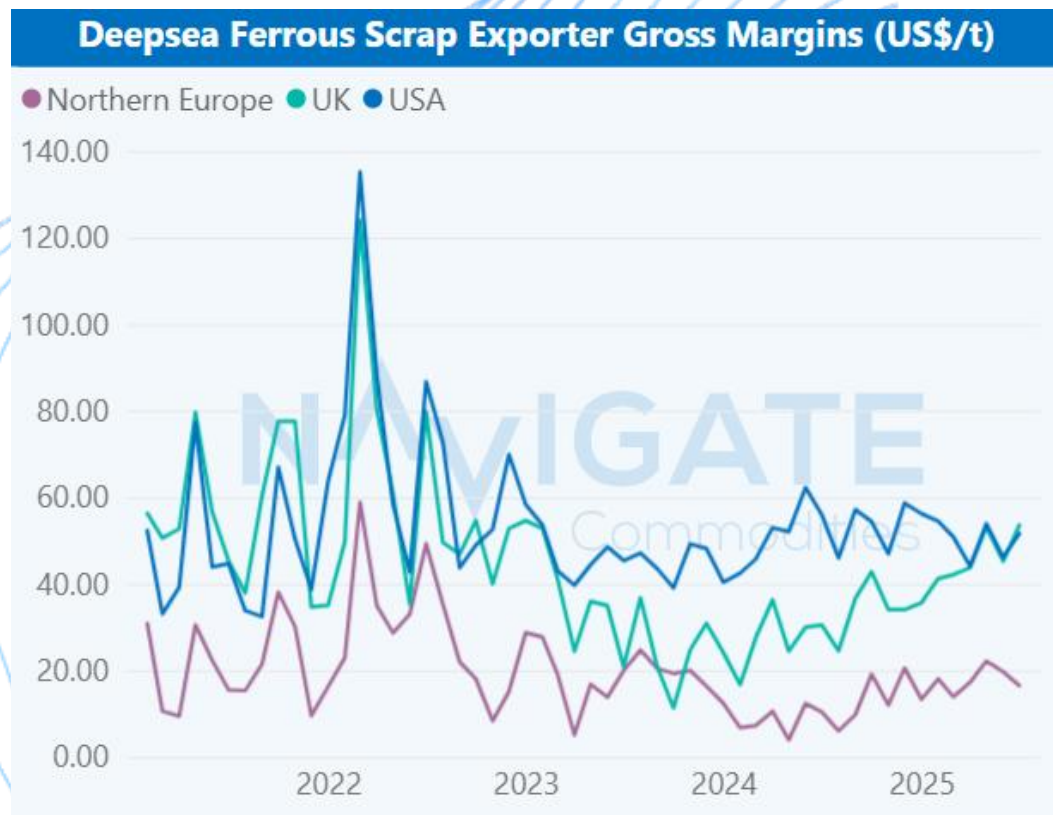
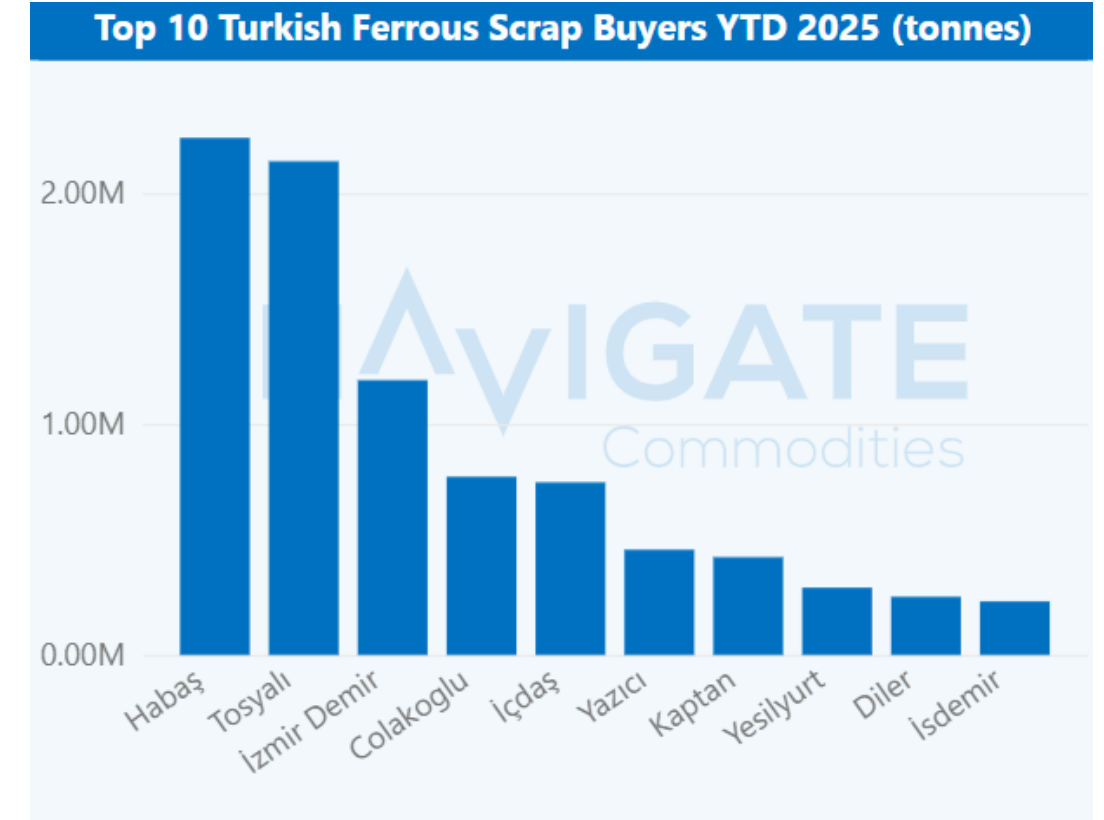
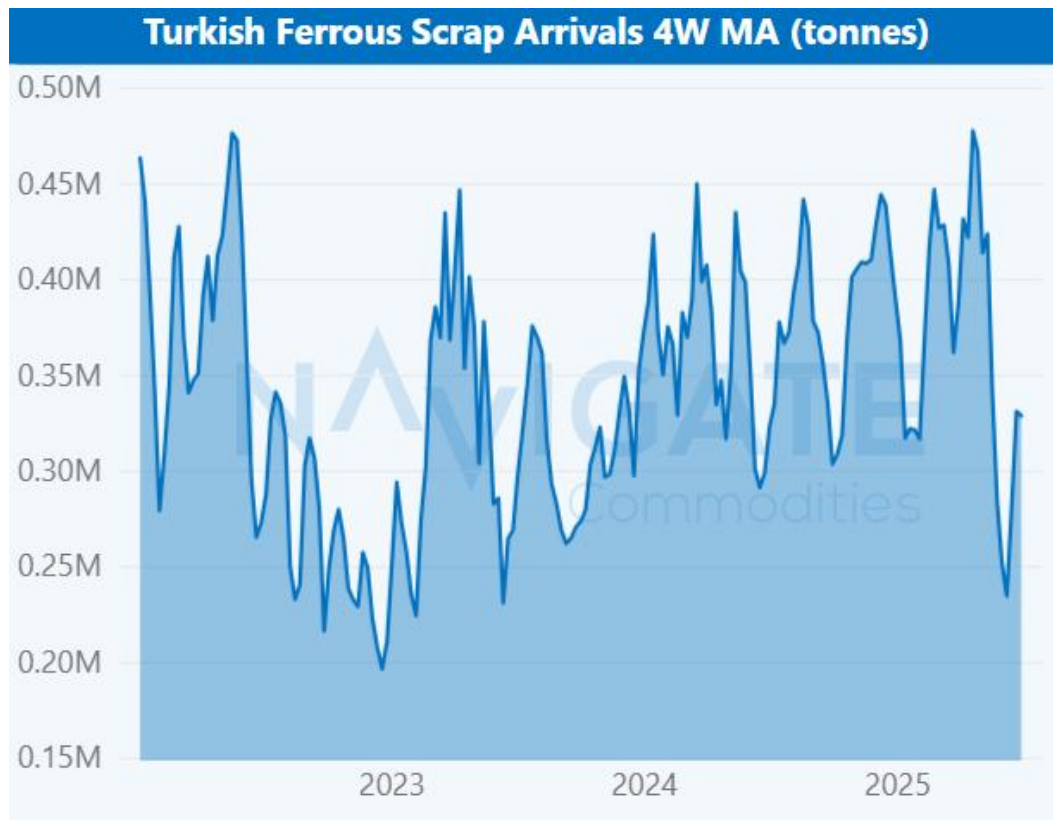
Over the past two months, Turkish Ferrous Scrap markets have transitioned from bearish oversupply conditions to a more stagflationary environment, characterised by rising input costs and stagnant downstream demand. Supply-side dynamics have tightened, particularly from the US, where mill capacity utilisation rates climbed from ~77.6% in late May to ~79.1% in July. This has constrained export volumes as domestic demand for industrial, bonus, and P&S Ferrous Scrap grades has improved. Concurrently, Atlantic Basin arbs have widened significantly with traditional US-EU differentials expanding from US\$5/t to US\$8-12/t; reflecting quality premiums and growing regional price fragmentation. On the demand side, Turkish mills continued to suppress melt schedules due to weak construction activity and prohibitively high project financing costs. Domestic Turkish rebar benchmarks have declined despite rising Ferrous Scrap input costs, underlining the fragility of demand.

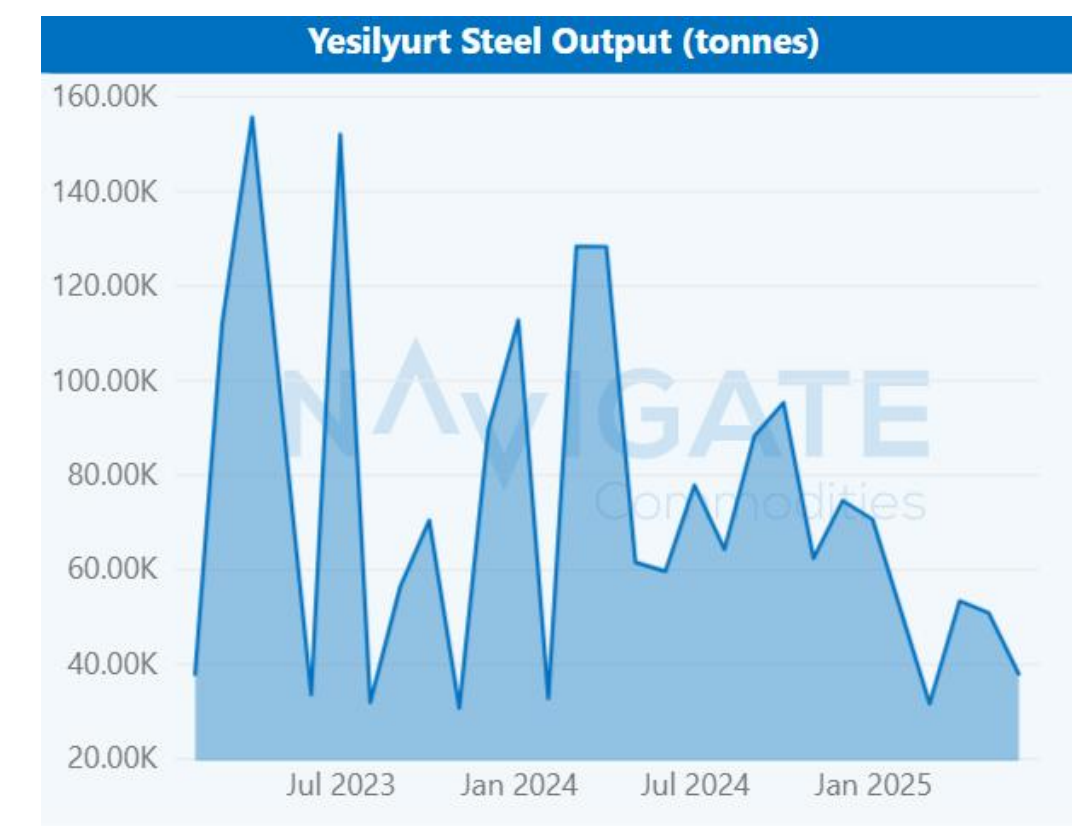
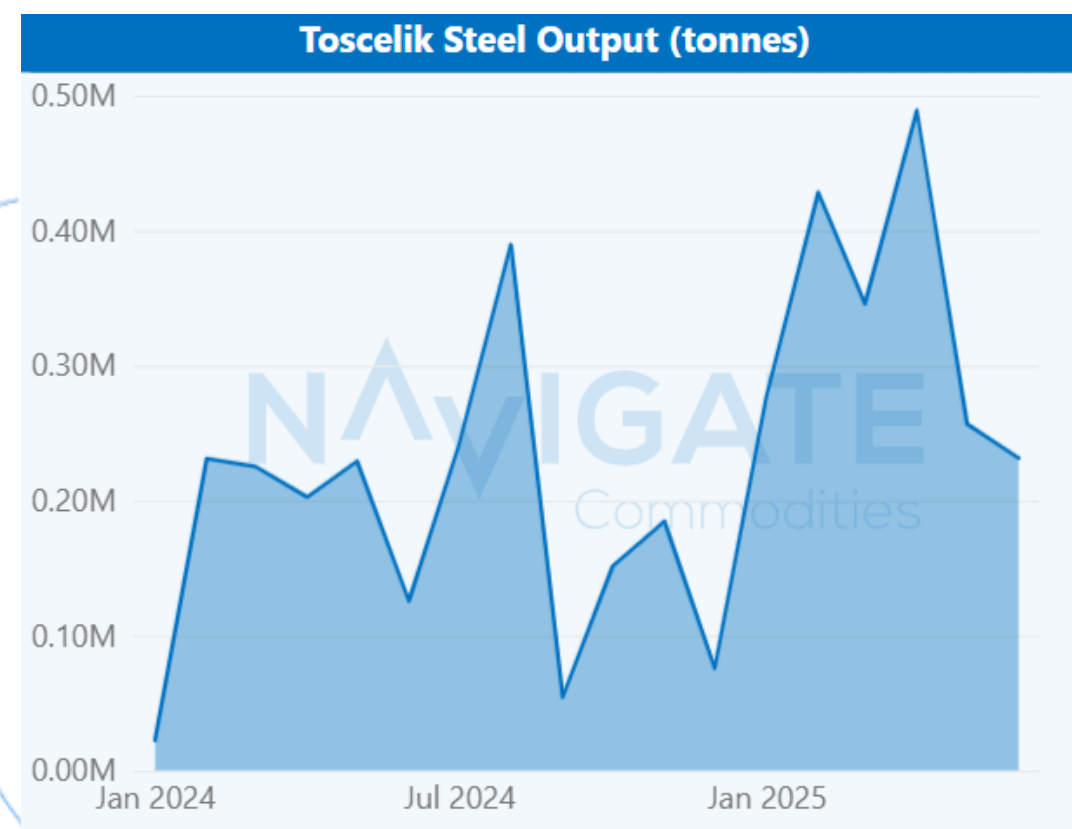
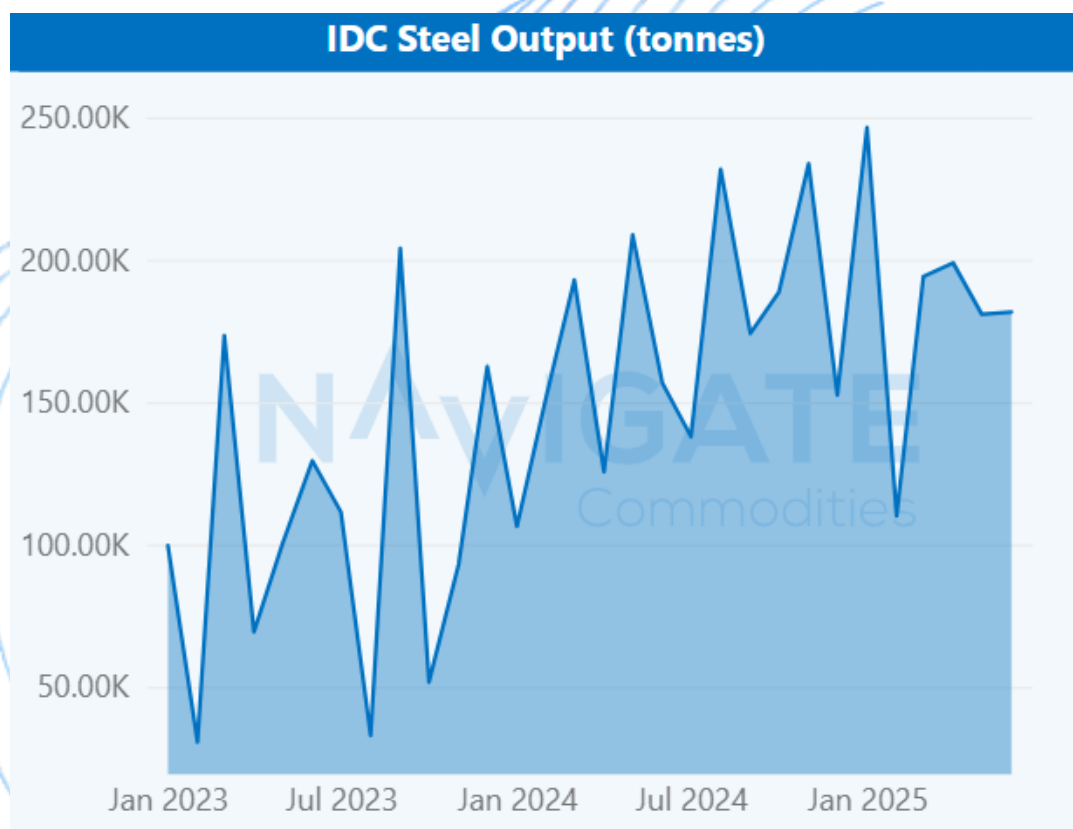
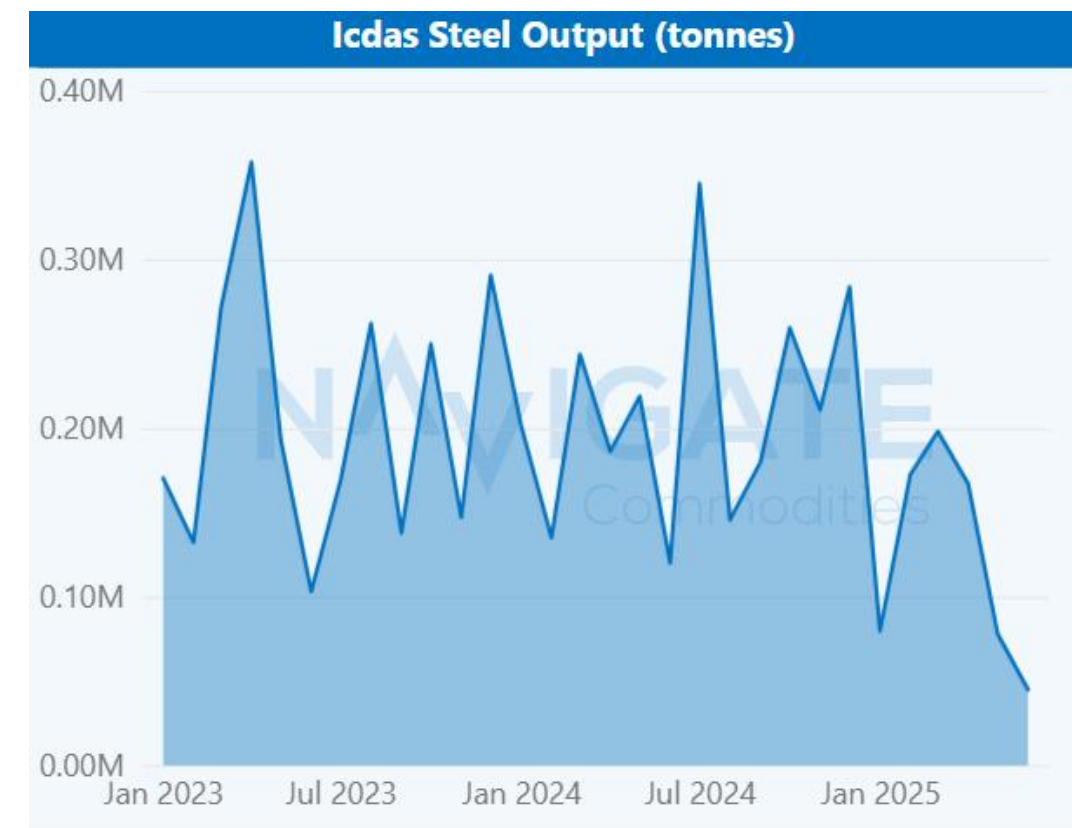
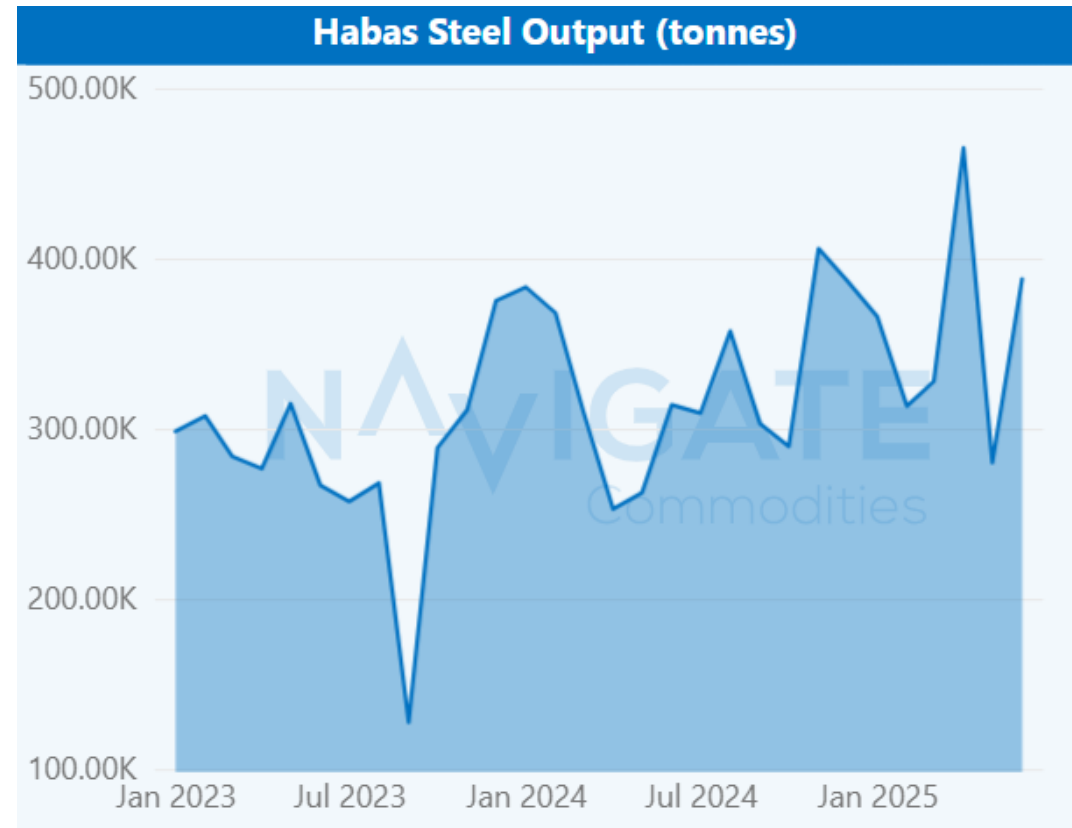
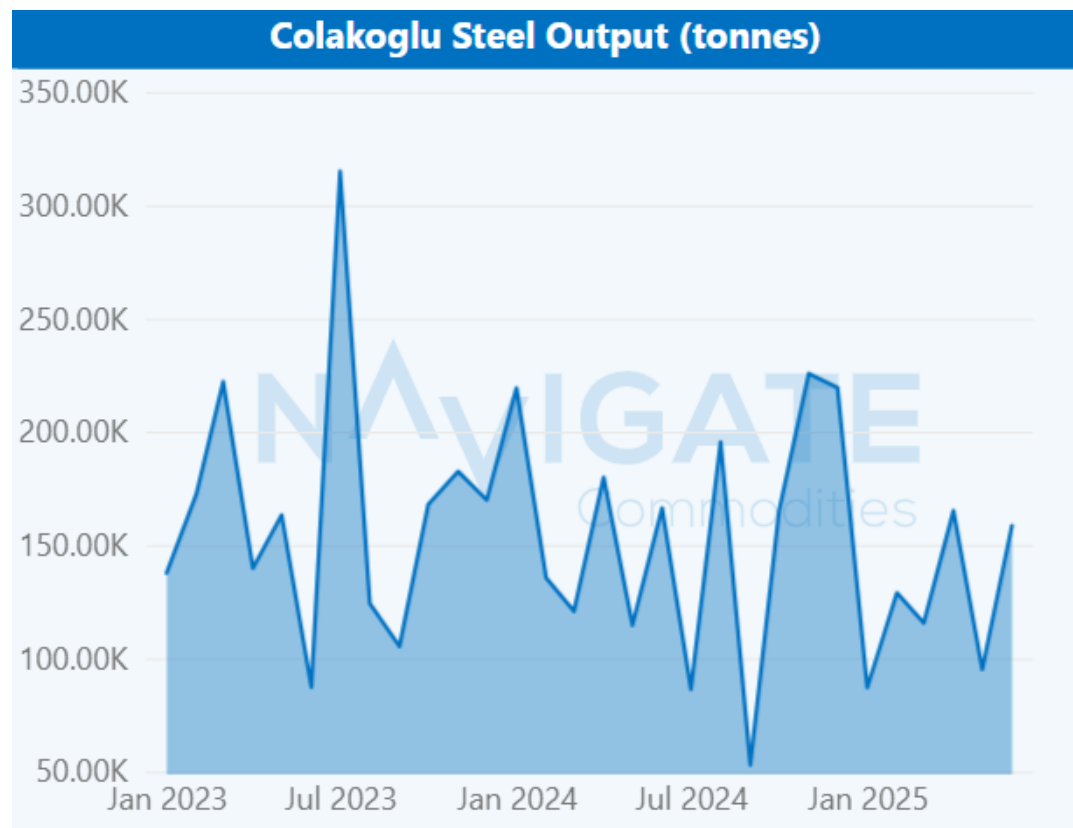
The arrival of competitively priced Asian (China, Malaysia, and Indonesia) Billets & Slabs (Semis) capped ferrous scrap price gains as mills considered substituting scrap with imported semis. Chinese market sentiment provided mixed signals. Rebar futures and corresponding physical Billet offers rallied in June & July on speculation of Steel capacity cuts and monetary stimulus. Yet, futures showed volatility as policy execution remained uncertain. Recent Red Sea vessel attacks have increased risk premiums on Asian Semis trade routes, with buyers now facing elevated bunker fuel costs and/or longer delivery timelines via the Cape of Good Hope.

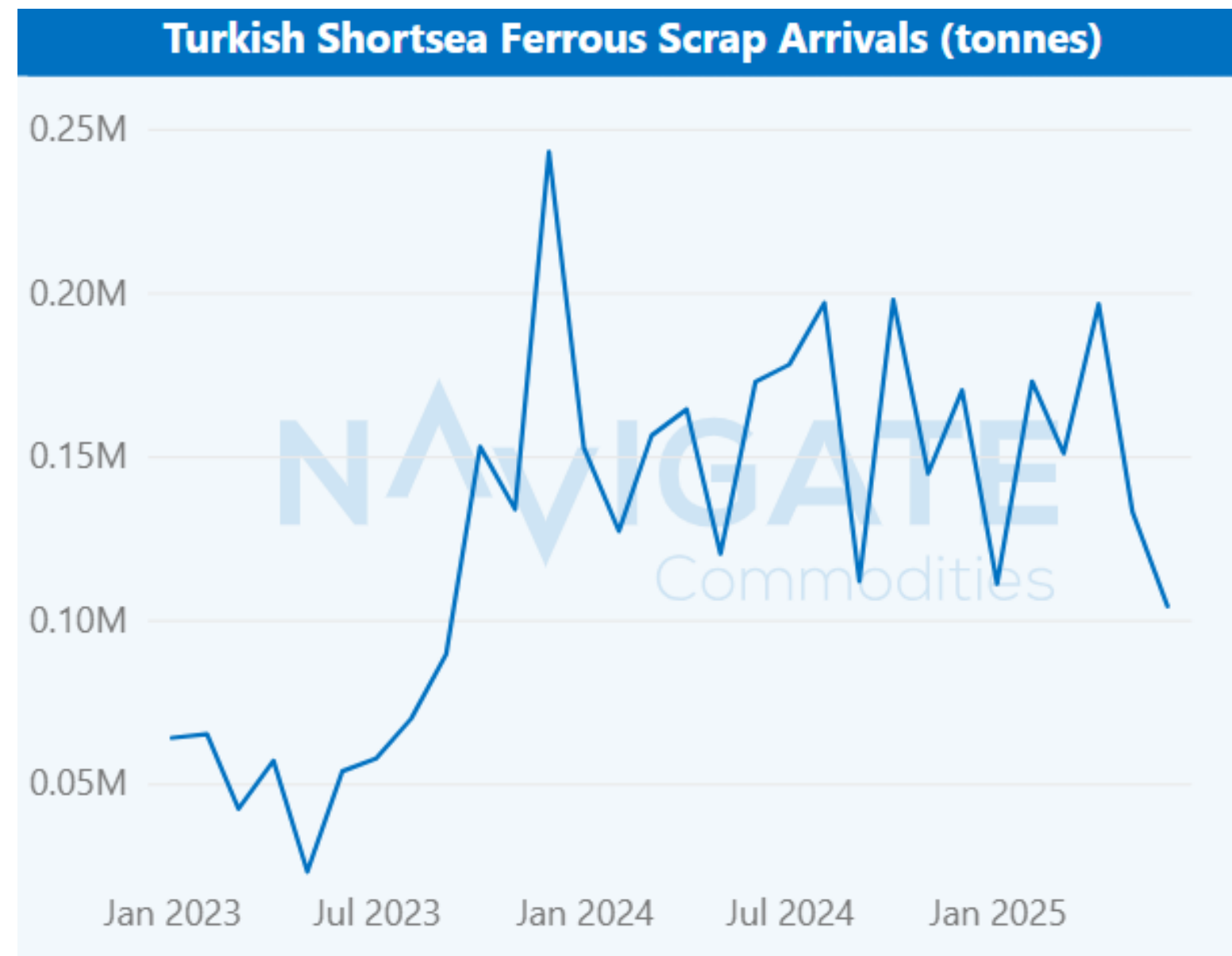
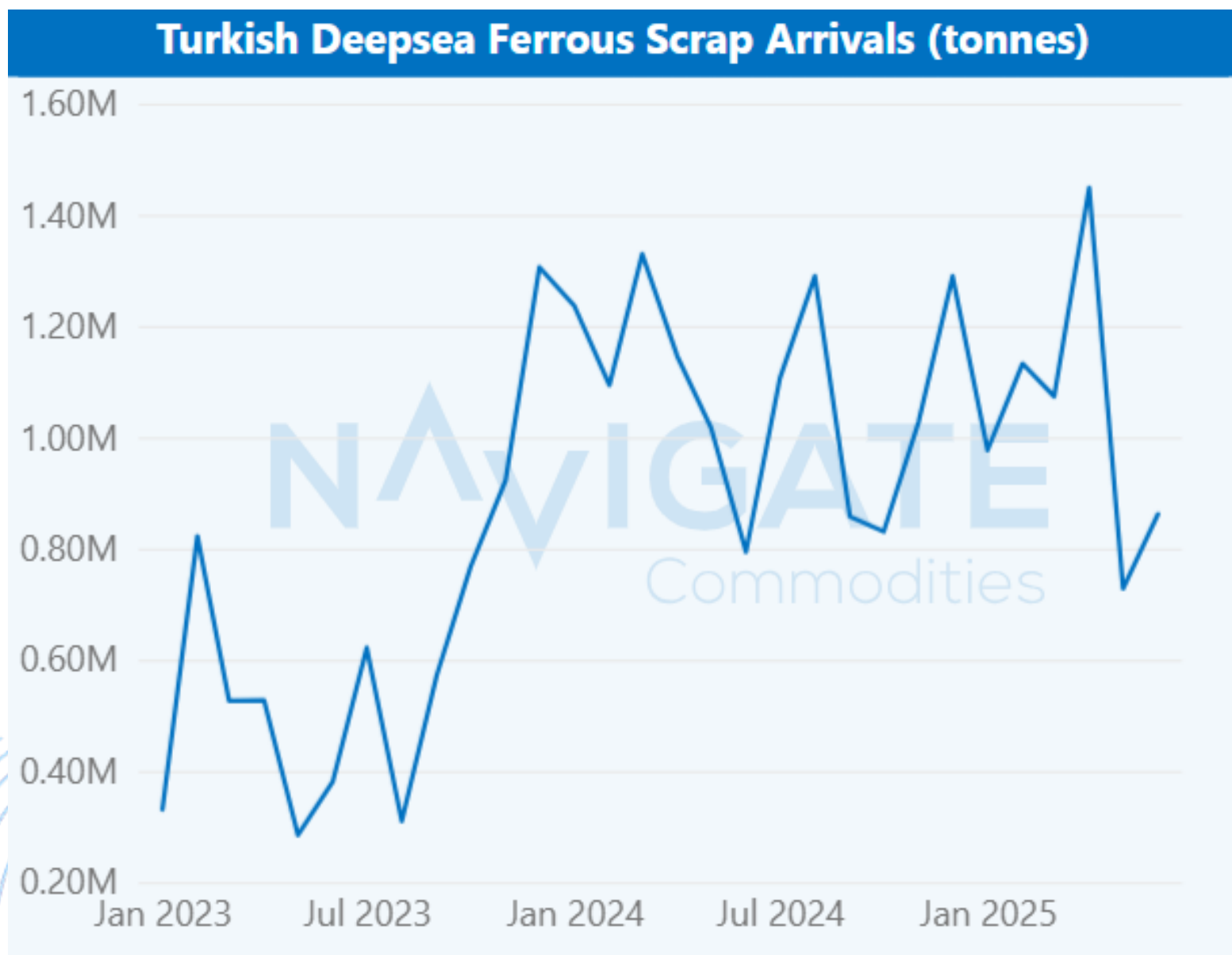


Source: Navigate Commodities







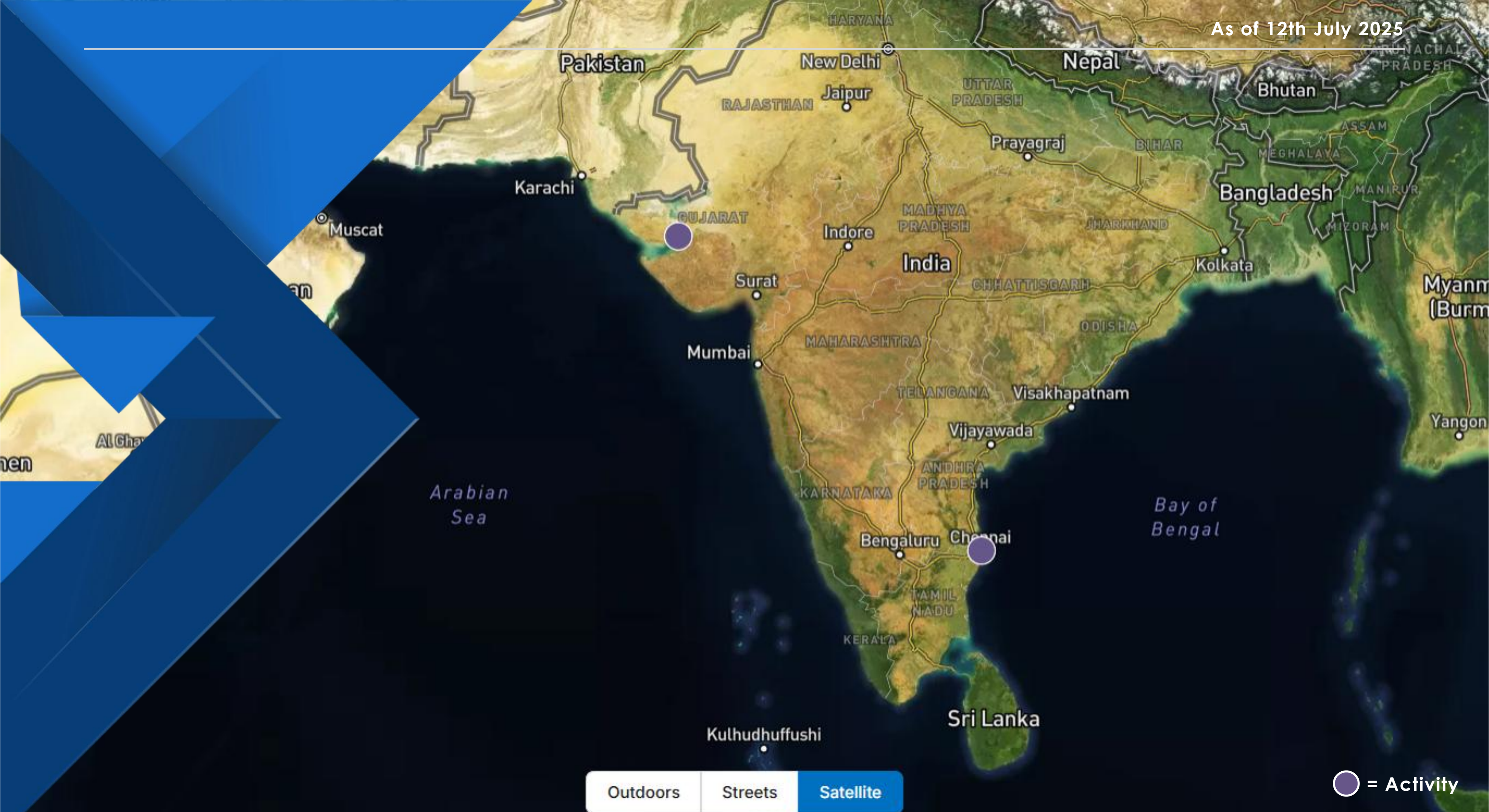




India Steel Scrap Market Overview



As of 12th July 2025



Outdoors Streets **Satellite**

○ = Activity

India

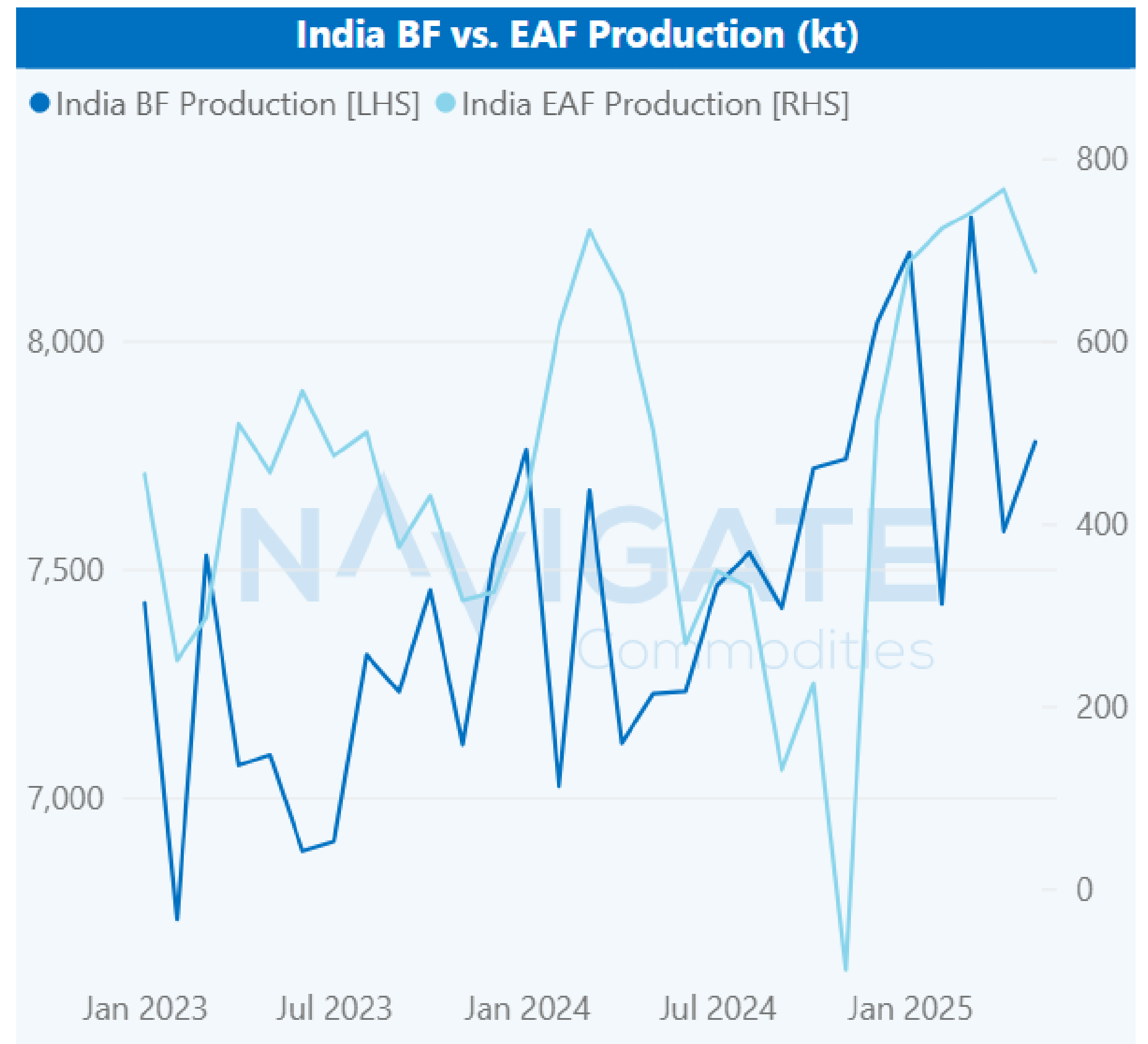
Indian Ferrous markets largely tracked sideways over the past couple of months, as the South Asian peninsular succumbed to the same fate as many other countries around the world – high imports of Chinese-origin Steel.

Despite the government's imposition of a provisional 12% safeguarding duty on imports of certain grades of Steel products for 200 days from 21st April 2025, metal continued to flow into the country.

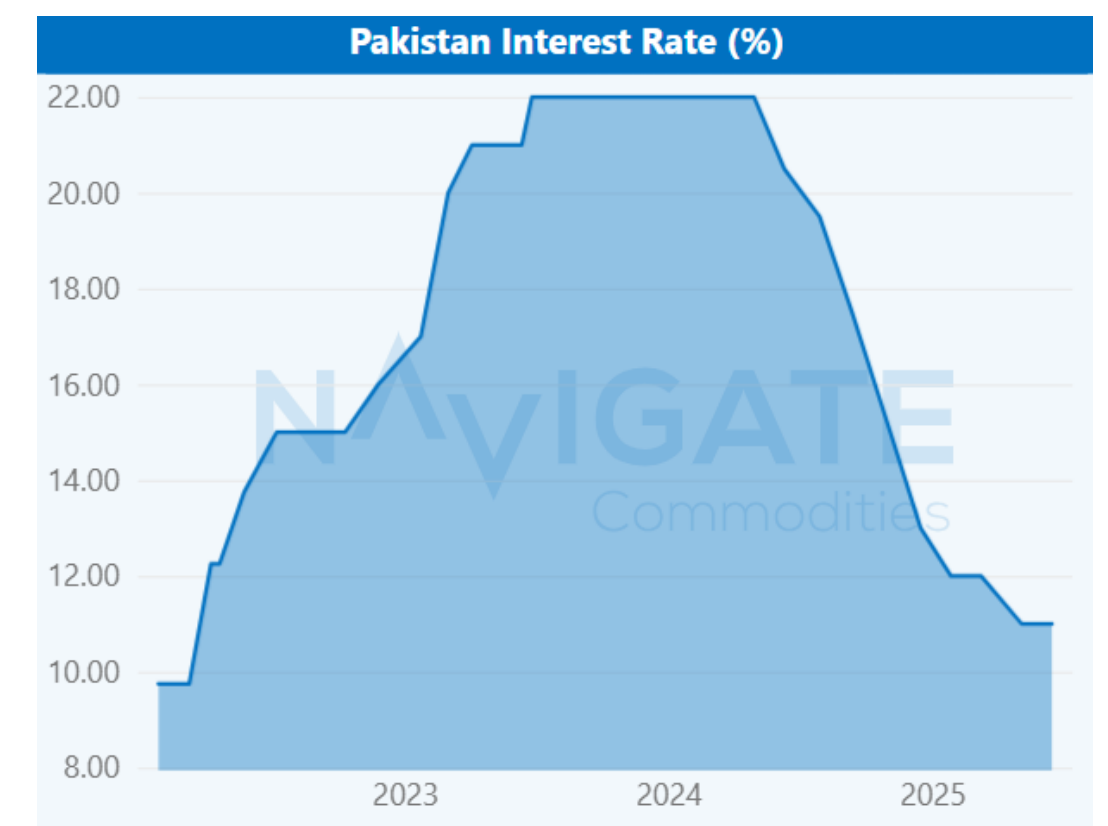
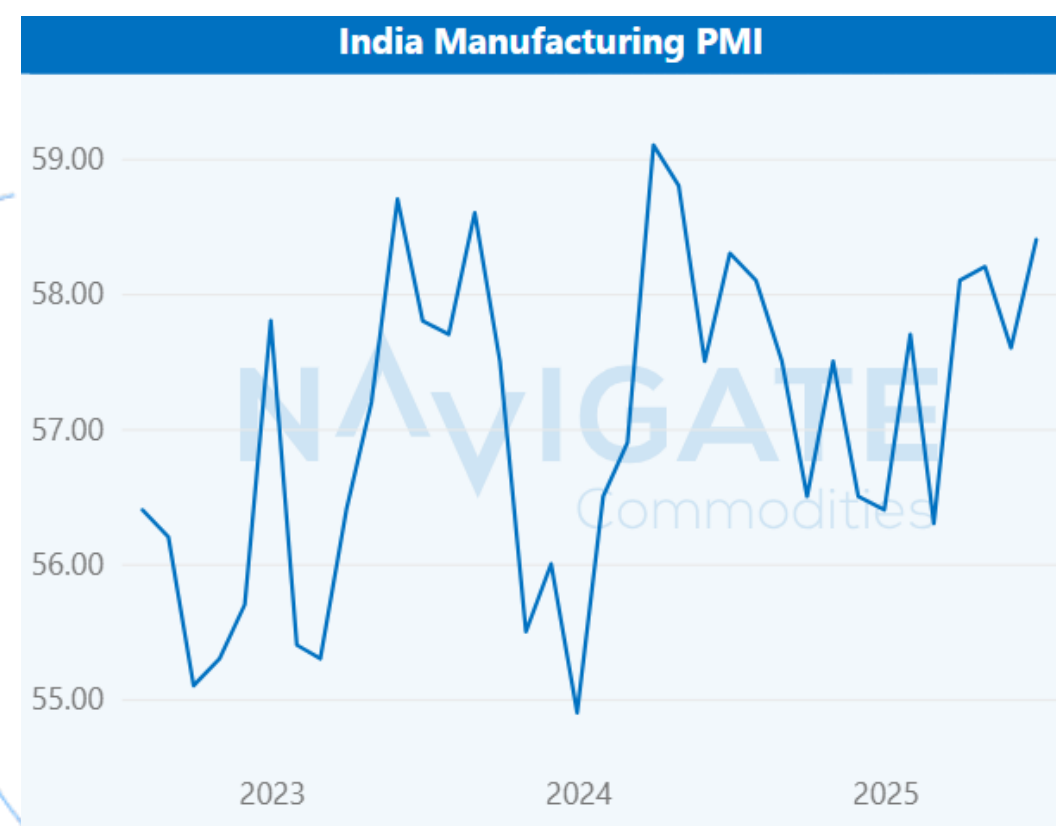
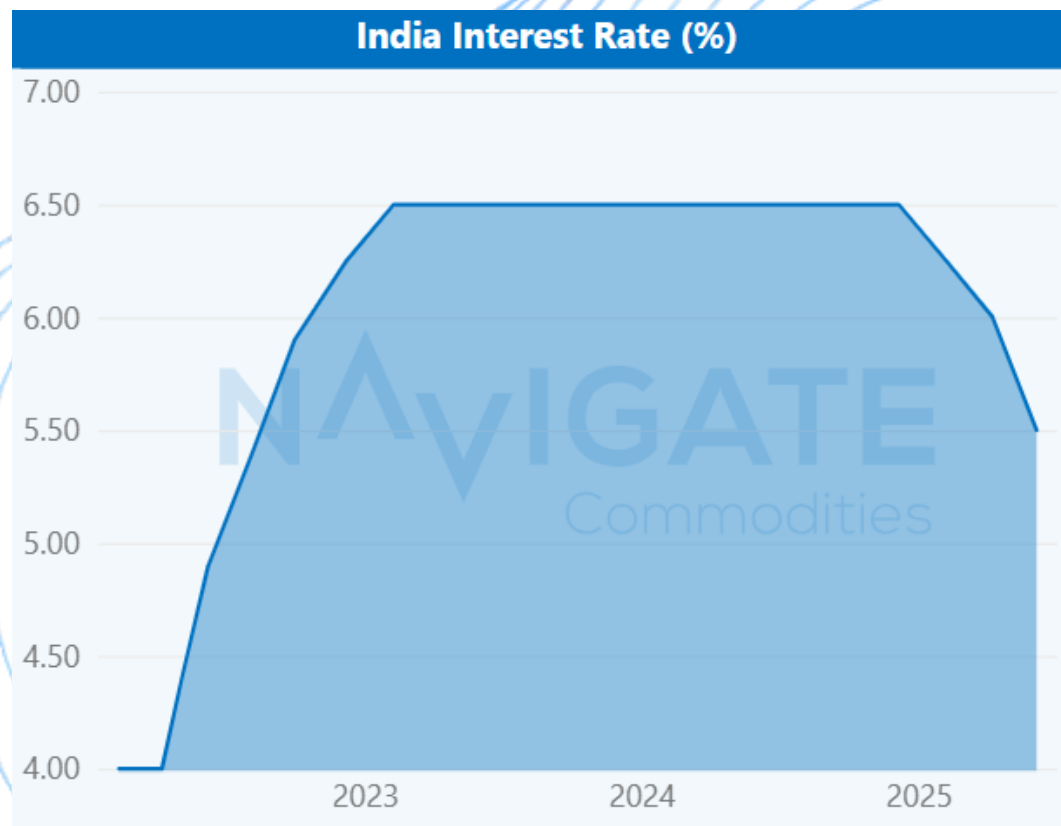
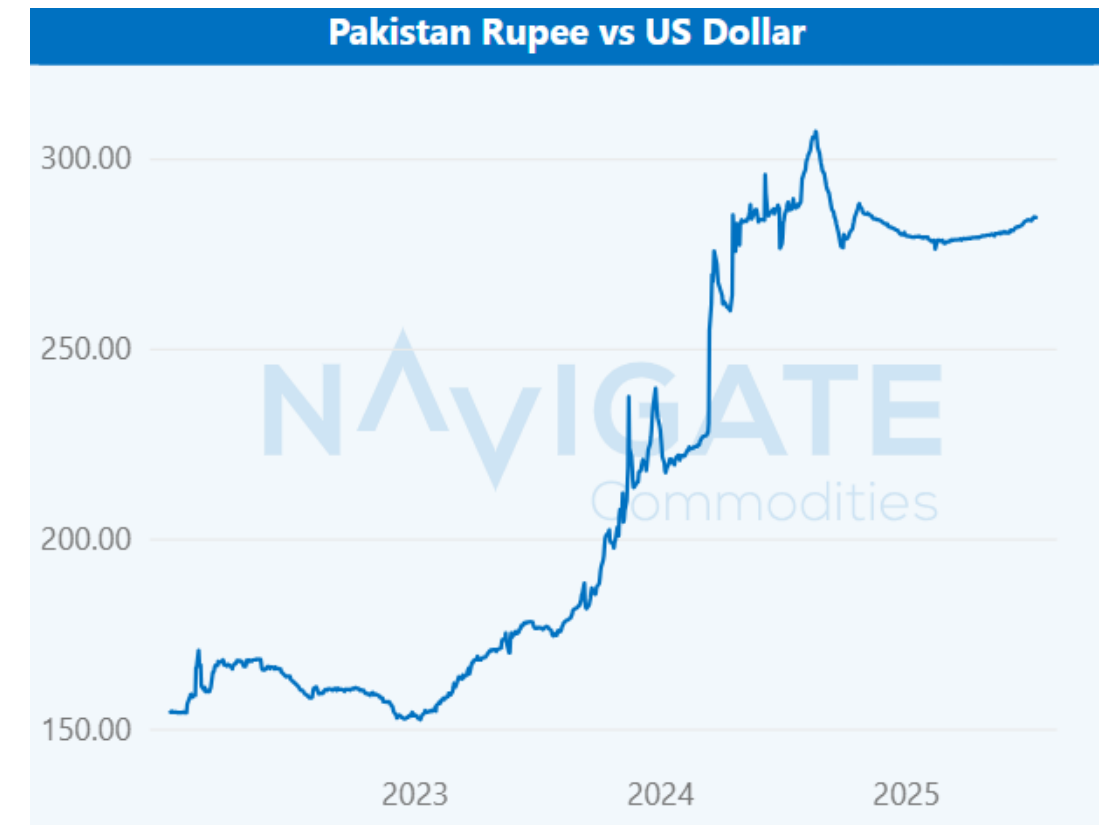
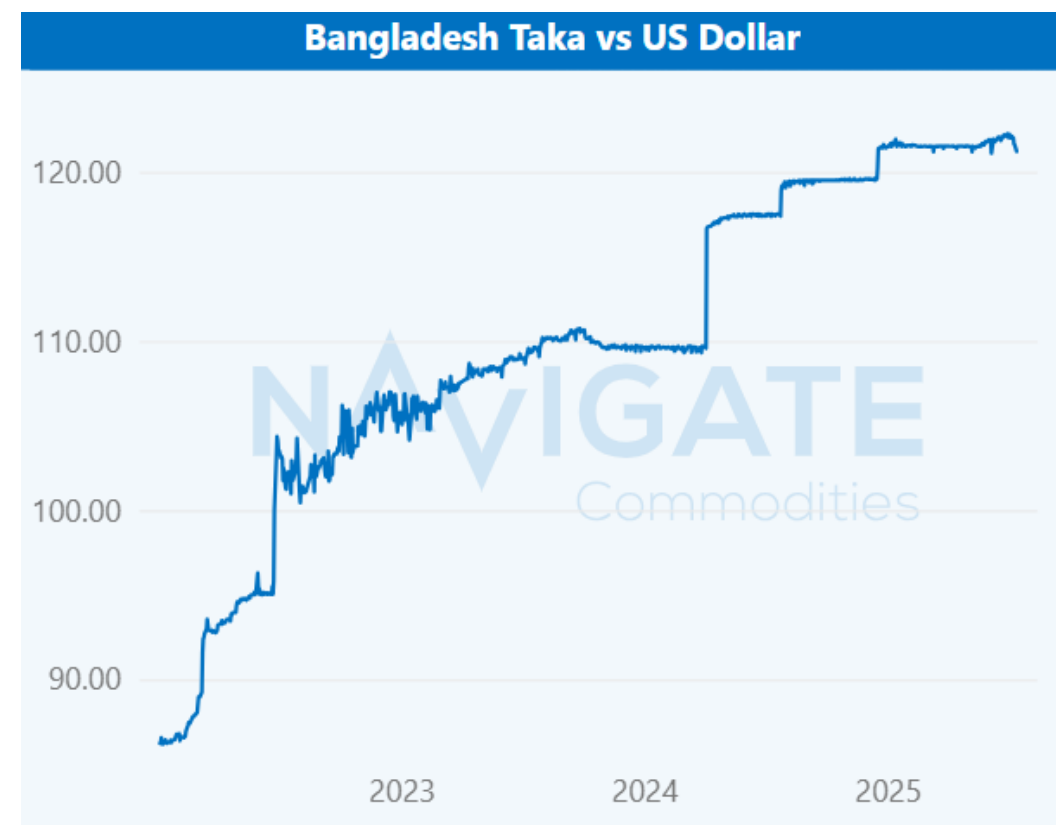
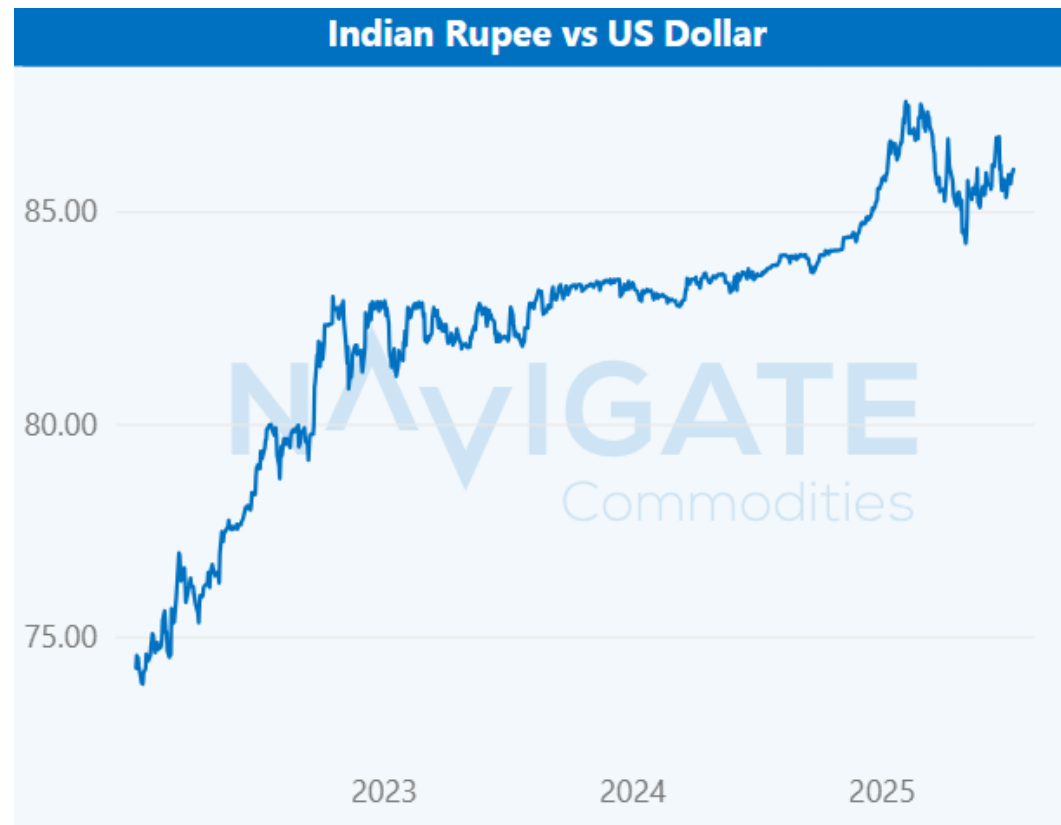
More recently, however, senior government officials have been considering doubling safeguarding duties on the same Steel products on concerns and complaints that some Chinese suppliers are circumventing tariffs.

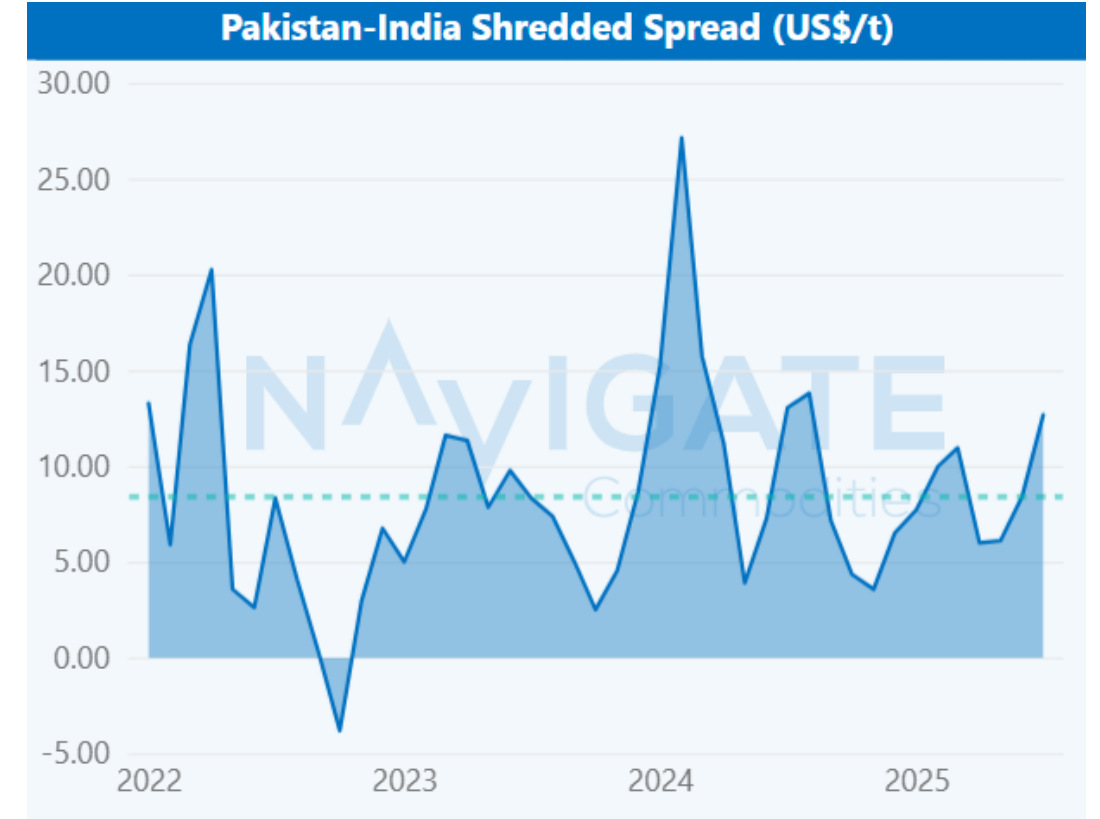
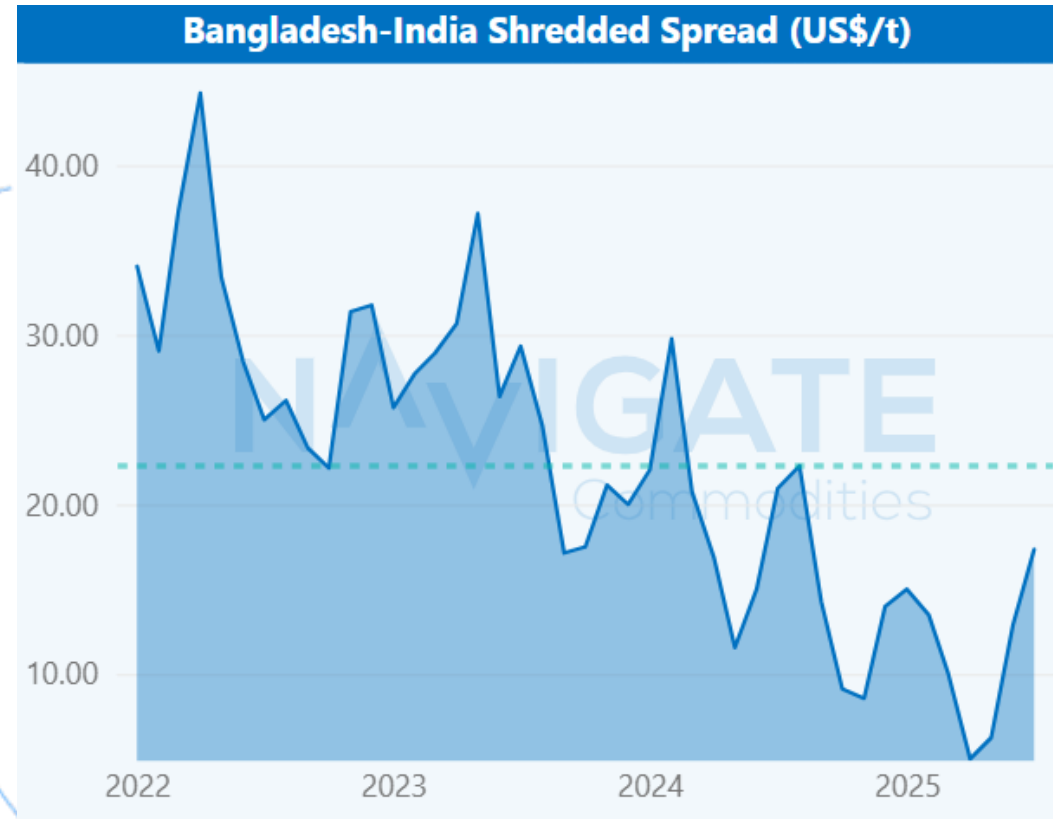
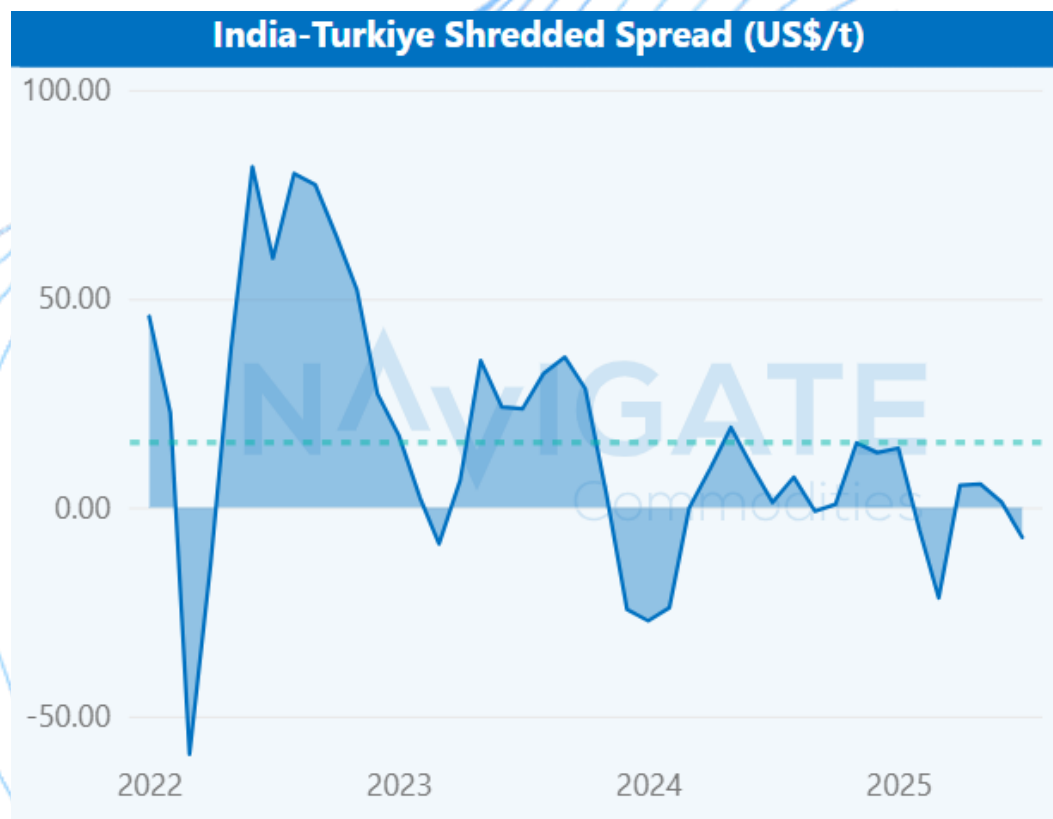
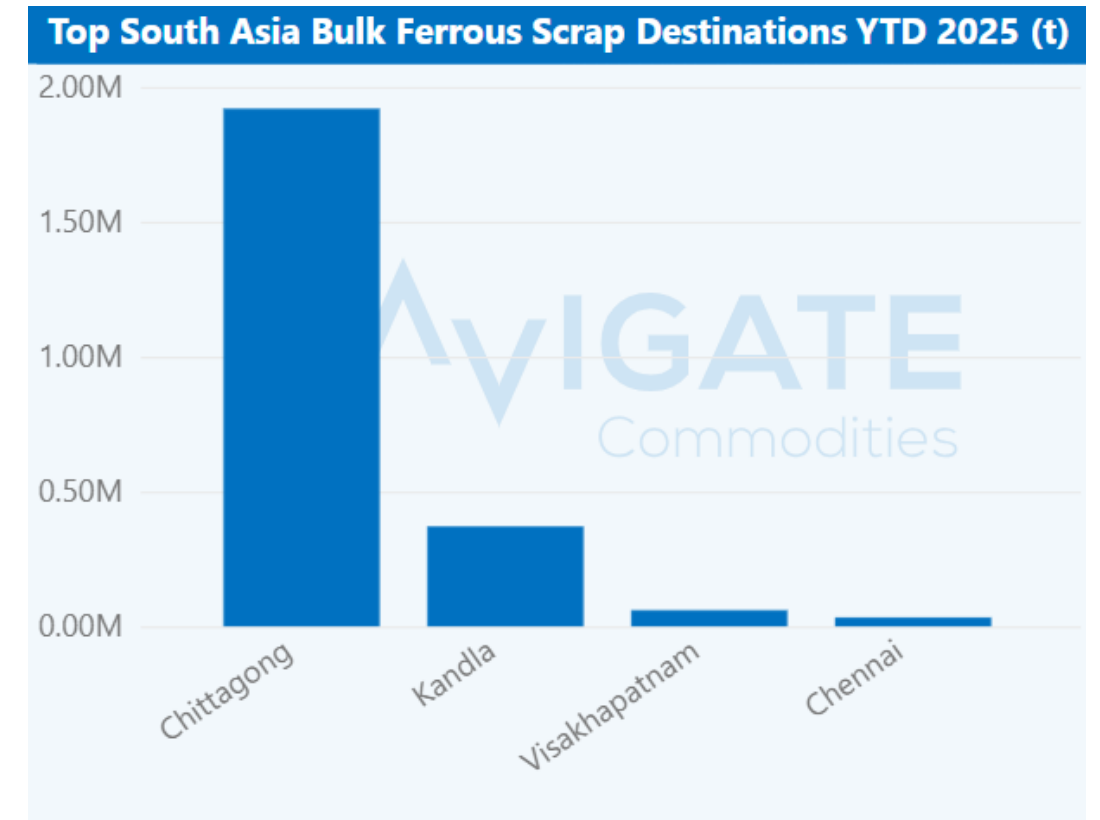
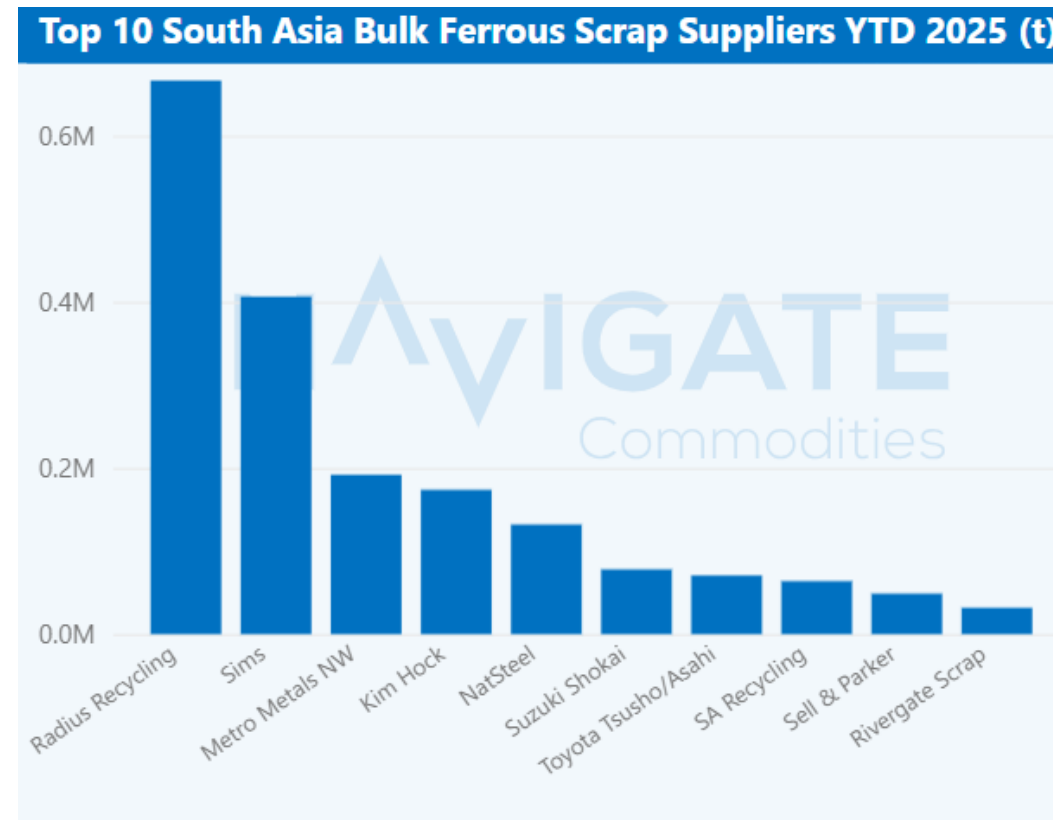
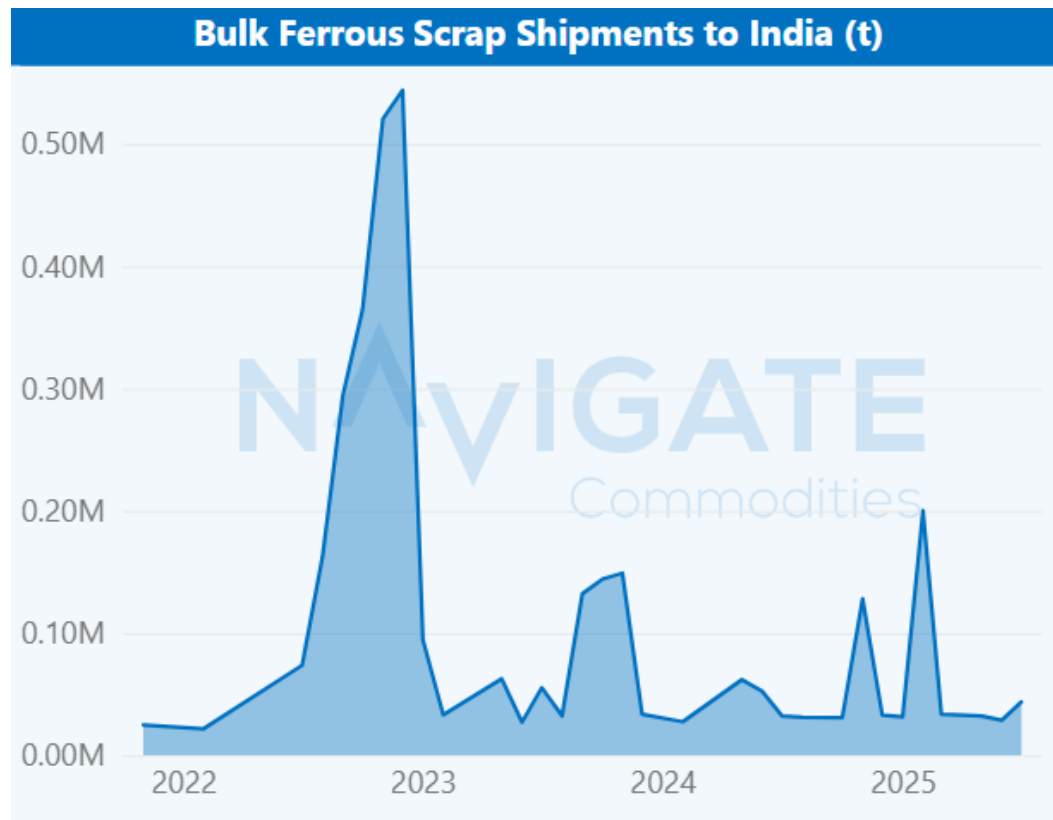
Unsurprisingly, increased penetration of relatively cheaper East Asian-origin Semi-Finished and Finished Steel products have partially displaced domestic Indian Steel production and underlying Ferrous Scrap consumption.

As a result, Indian Containerized Shredded Ferrous Scrap premiums in mid-April to mid-June have inverted to trading at a modest discount of -US\$2.50-8.50/t in the first half of July; reflecting dwindling local demand.



Source: Navigate Commodities

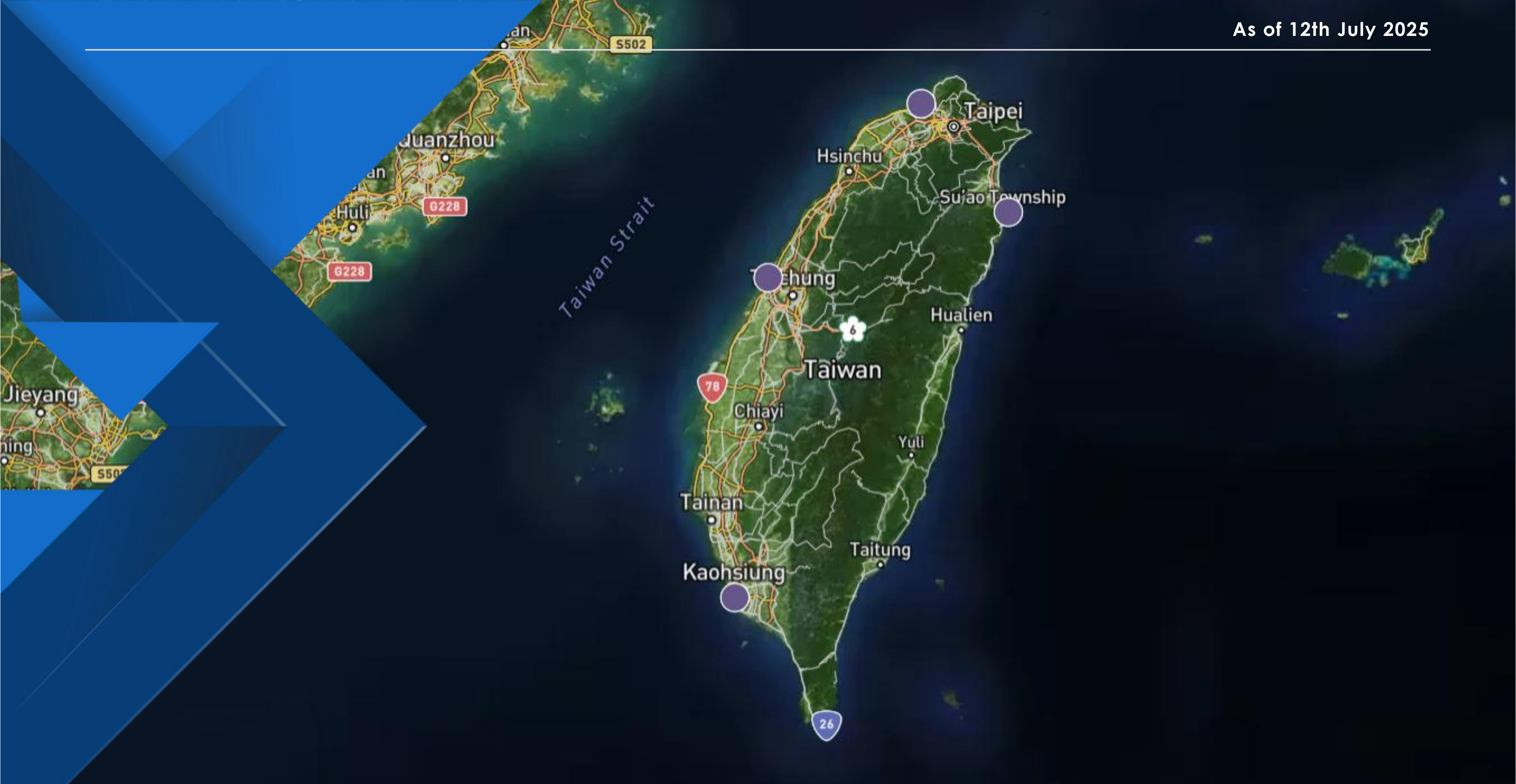






Taiwan Steel Scrap Market Overview





Taiwan

Taiwan has continued to suffer from a high-degree of Chinese-origin Semis & Finished Steel product import penetration over the past two months, which has heavily affected domestic blast furnace iron production over this period.

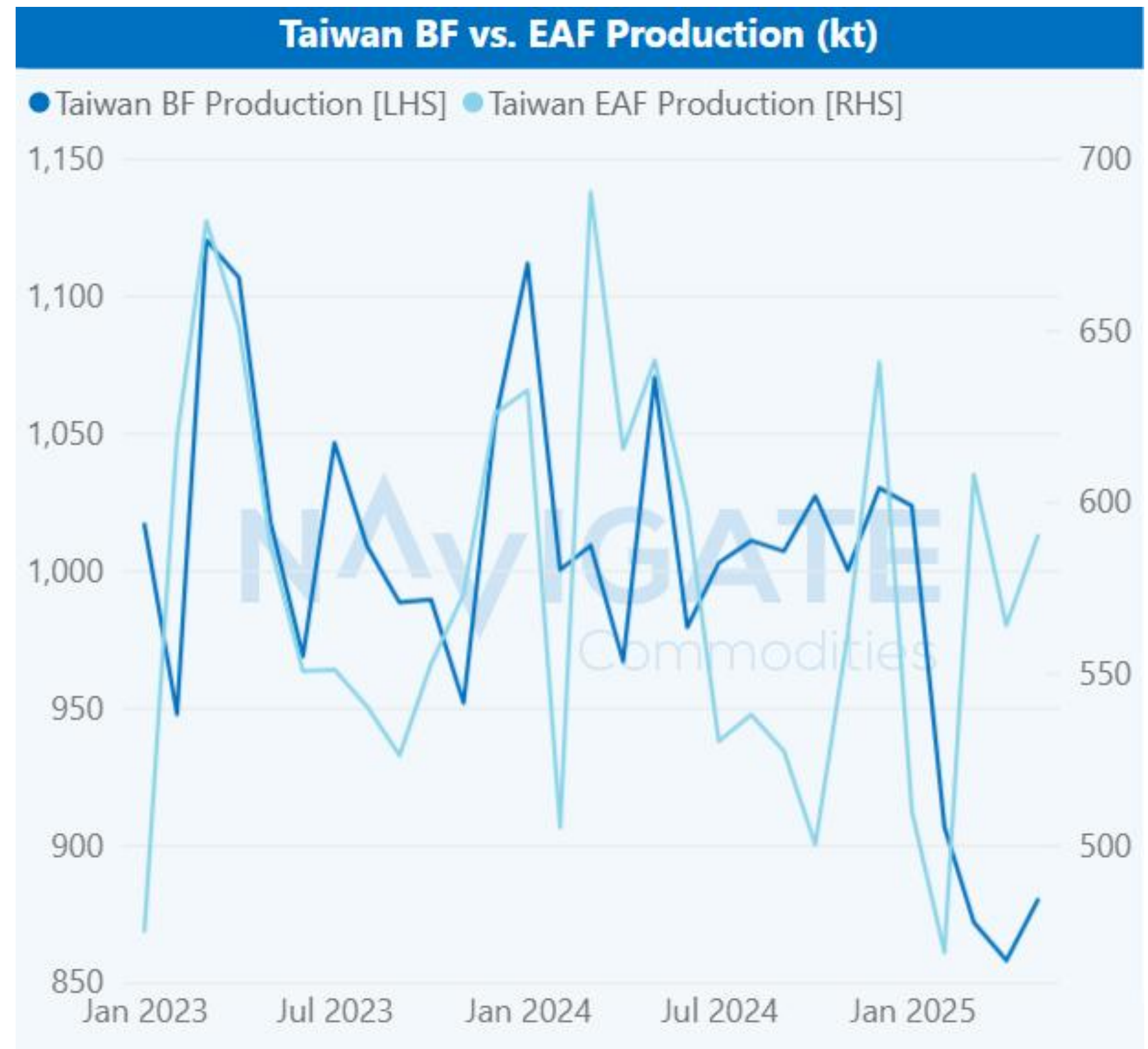
For example, Chinese-origin Steel export volumes to Taiwan ranged from 170-200kt in the second quarter (Apr-Jun) of 2025 compared with 40-107kt in the first quarter (Jan-Mar) of this same year.

At the very same time, dwindling Taiwanese manufacturing activity through the first half of the year has also placed downward pressure on the consumption of flat-rolled Steel products.

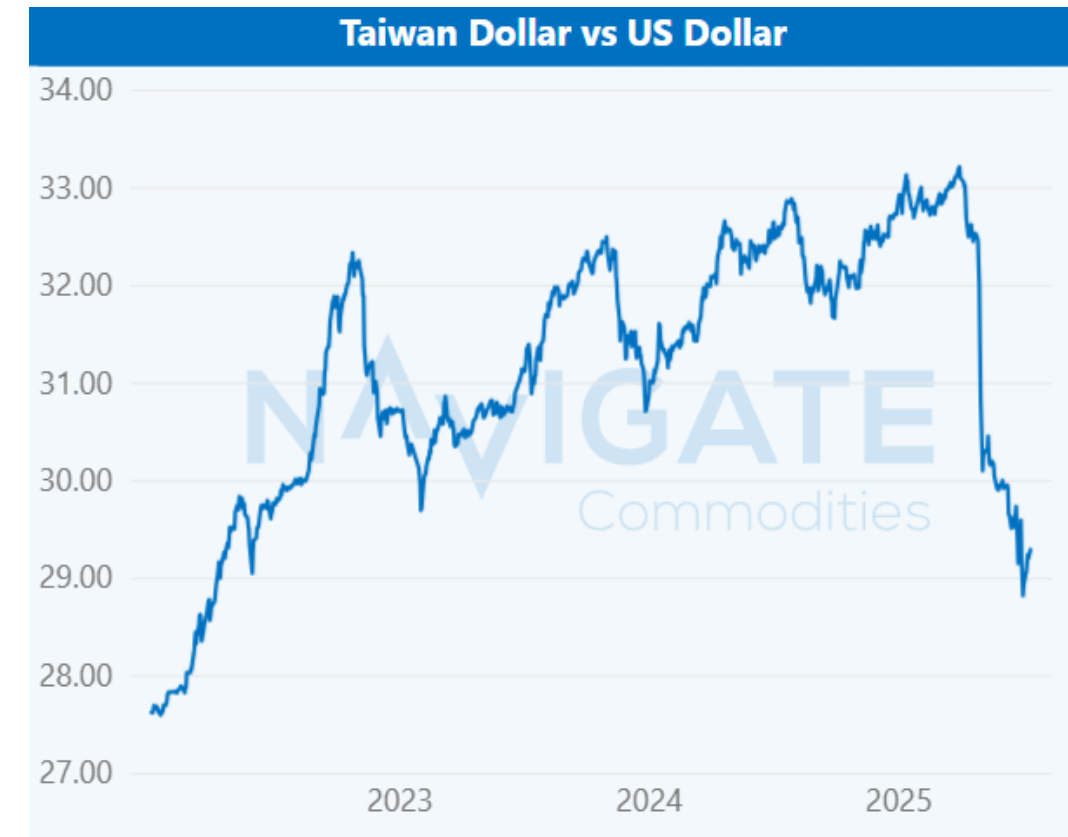
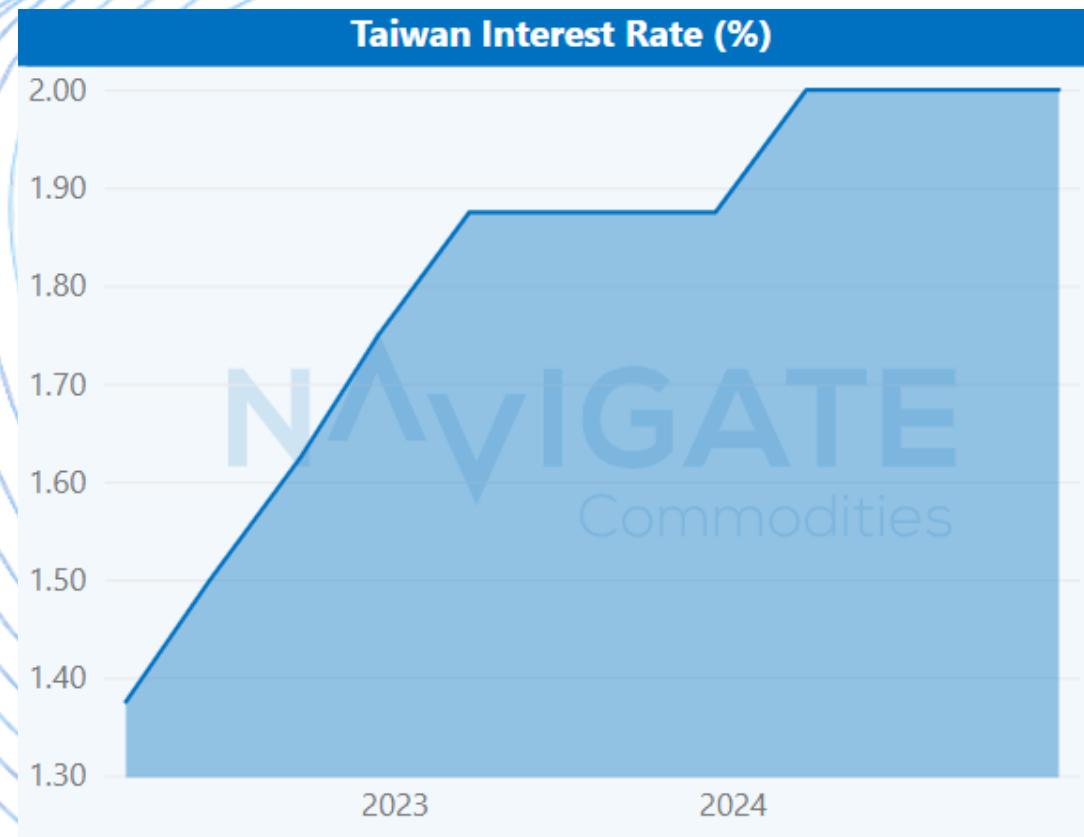
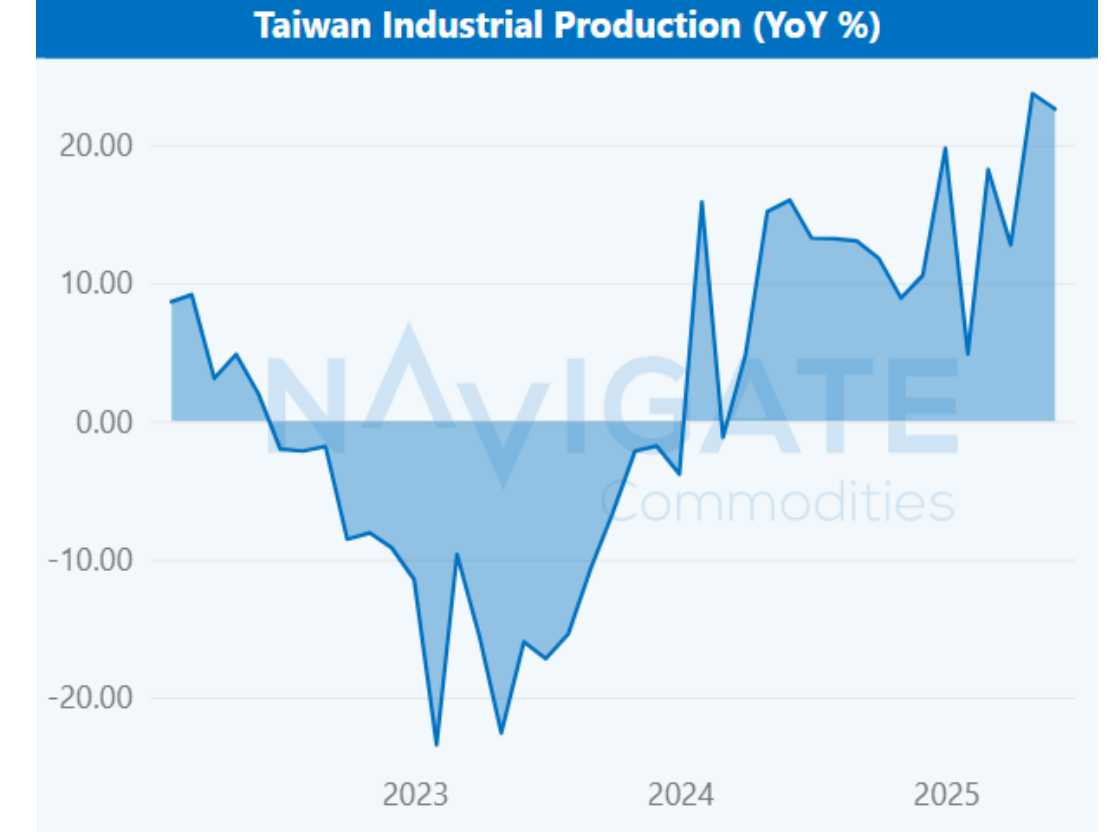
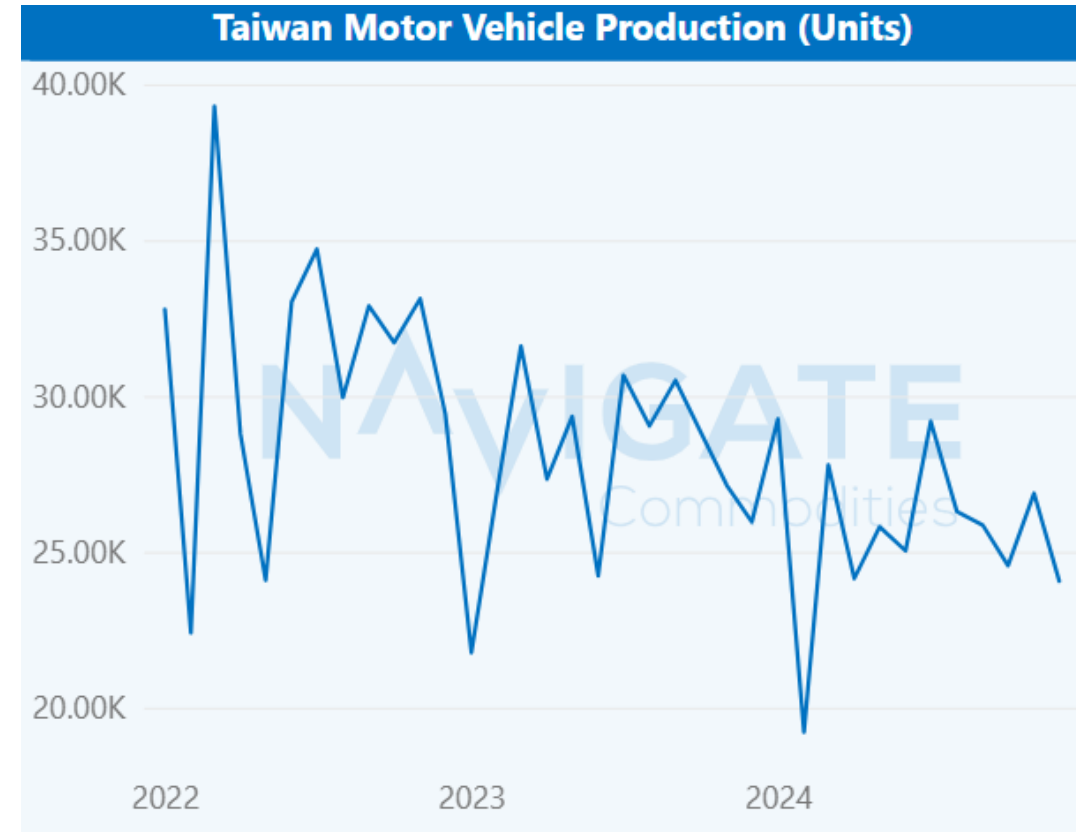
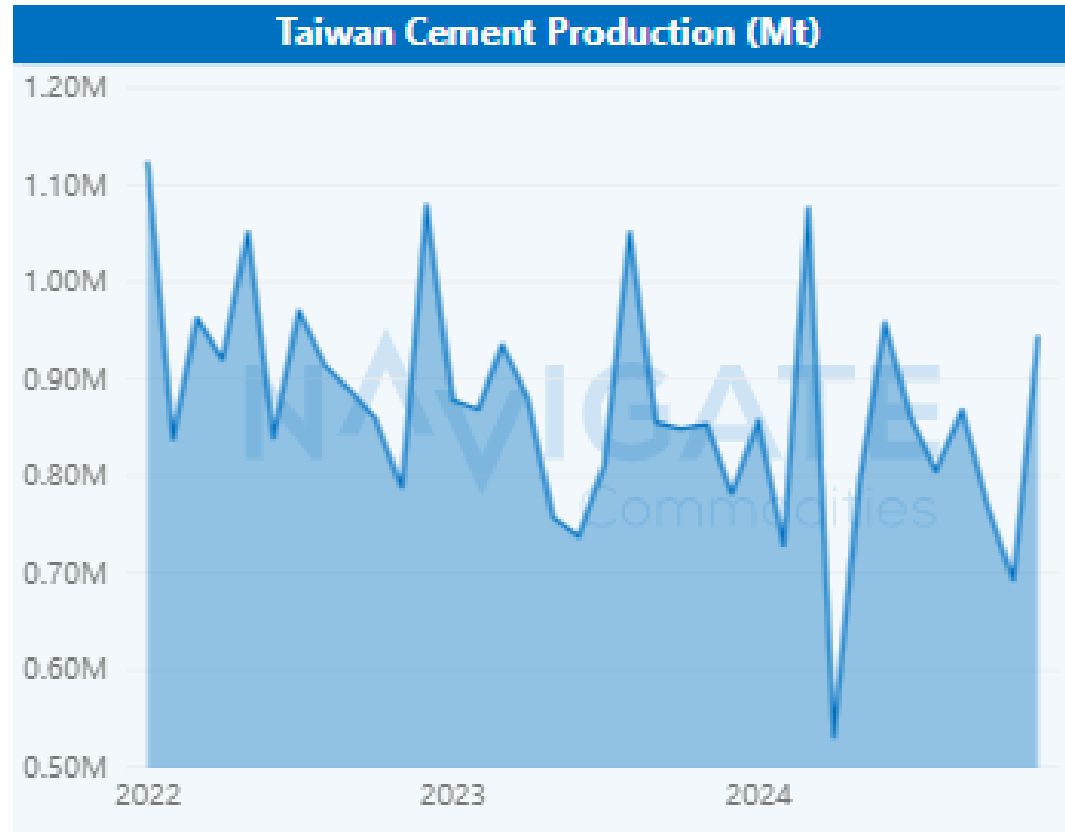
Given the corresponding deterioration in domestic Taiwanese motor vehicle production over the same period, it's highly likely that Taiwan's Steel-intensive automotive market is experiencing similar degrees of import penetration.

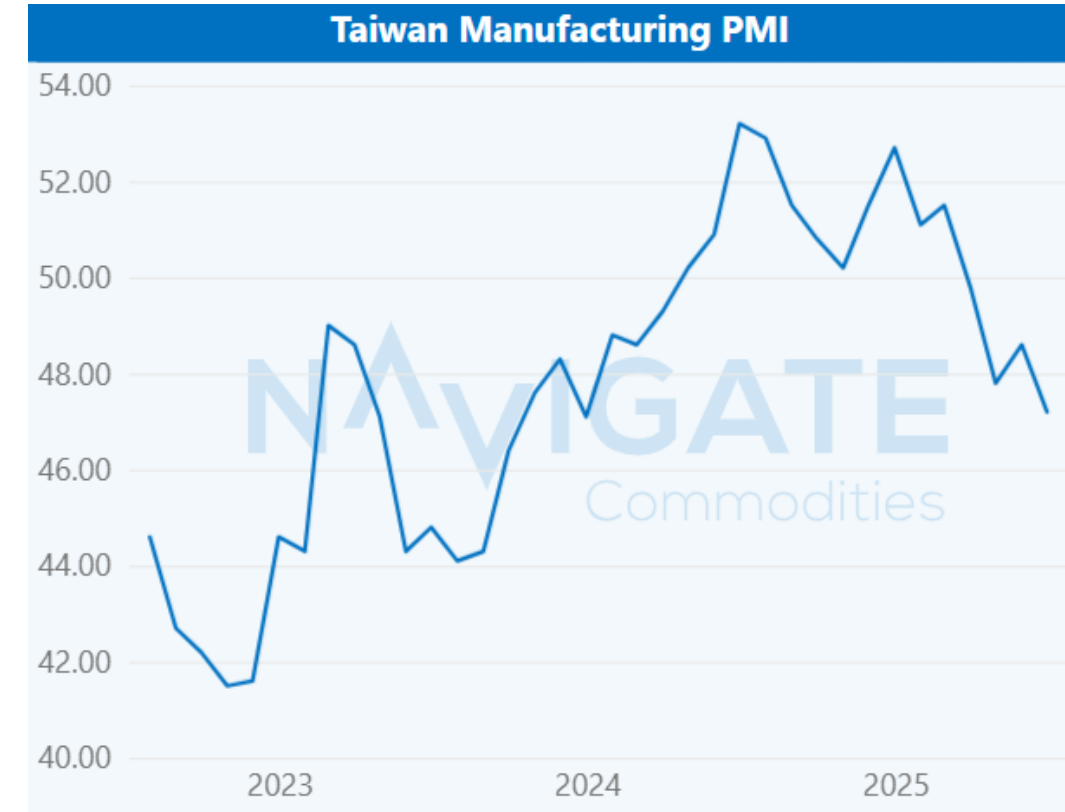
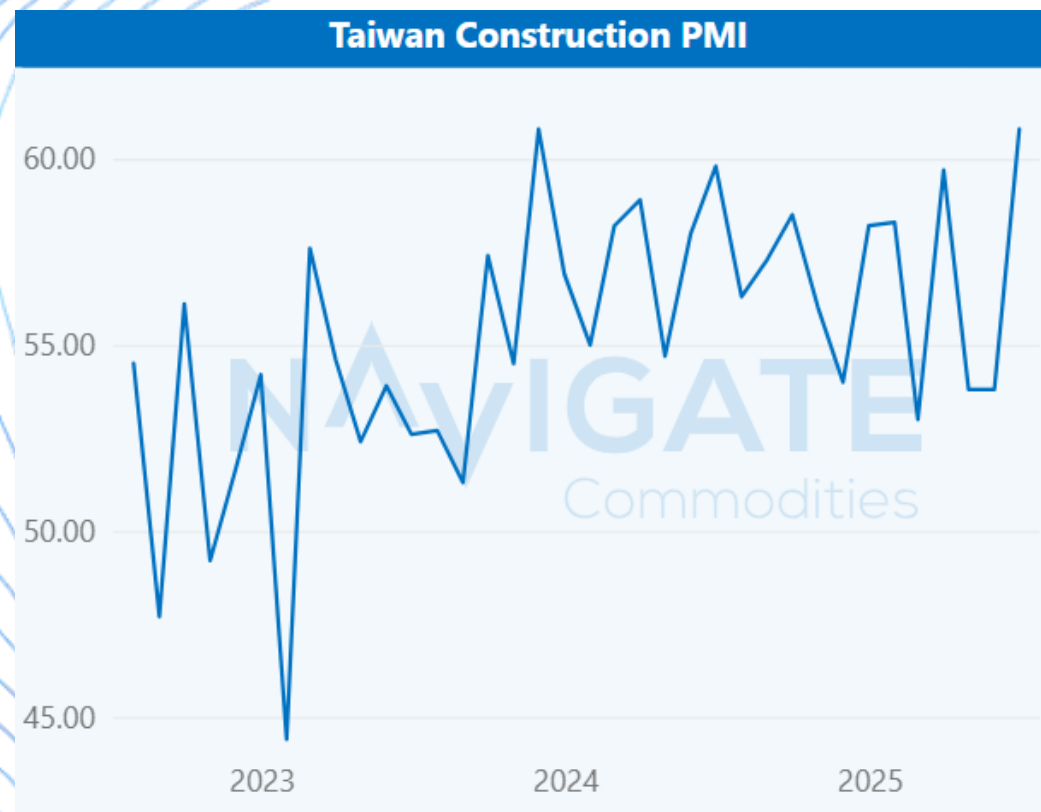
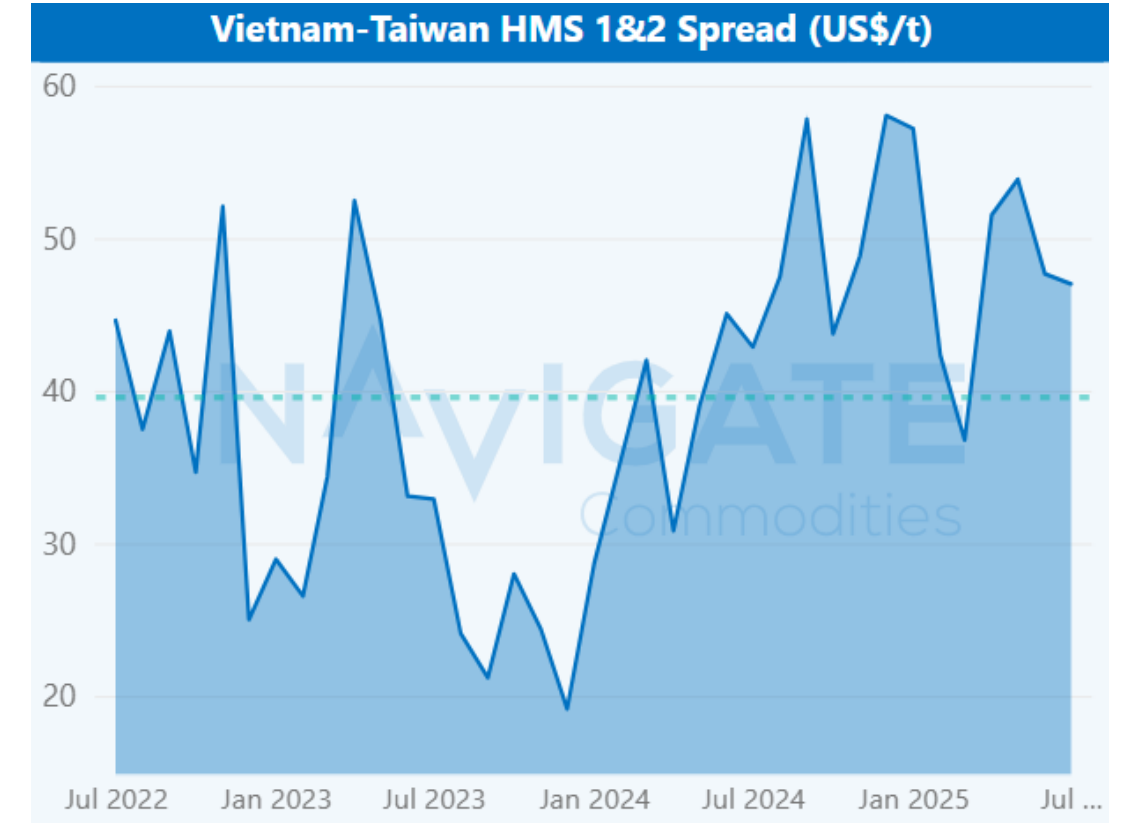
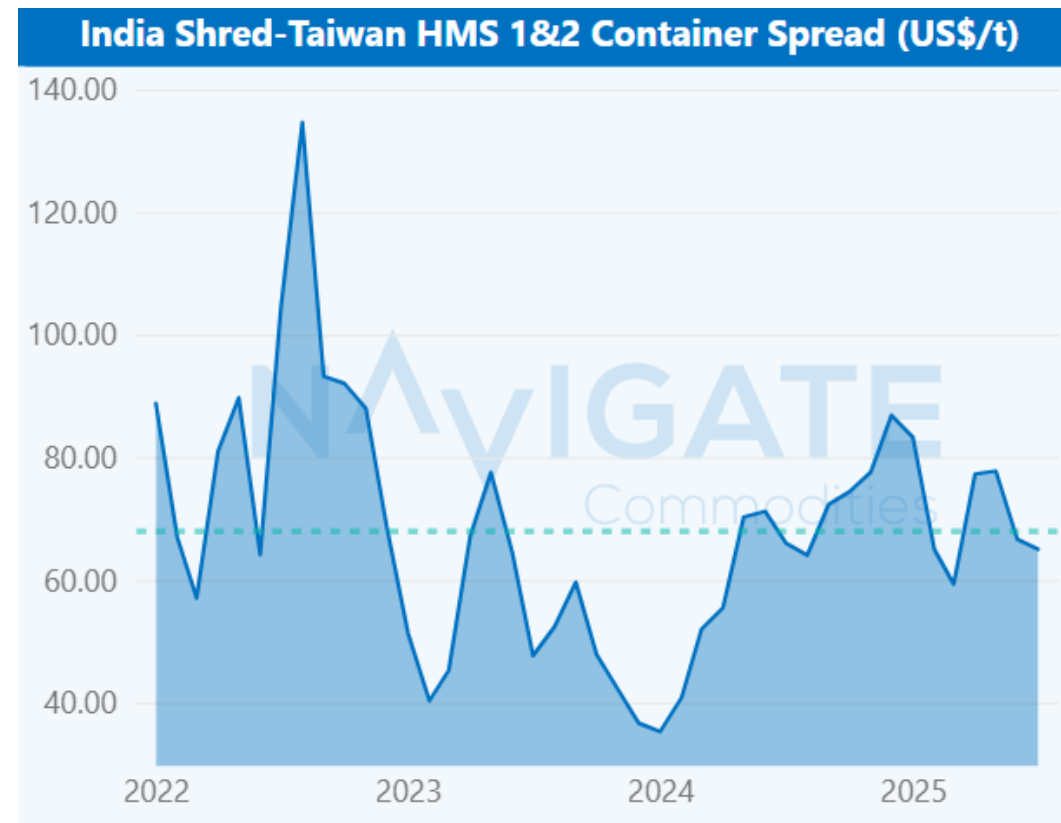
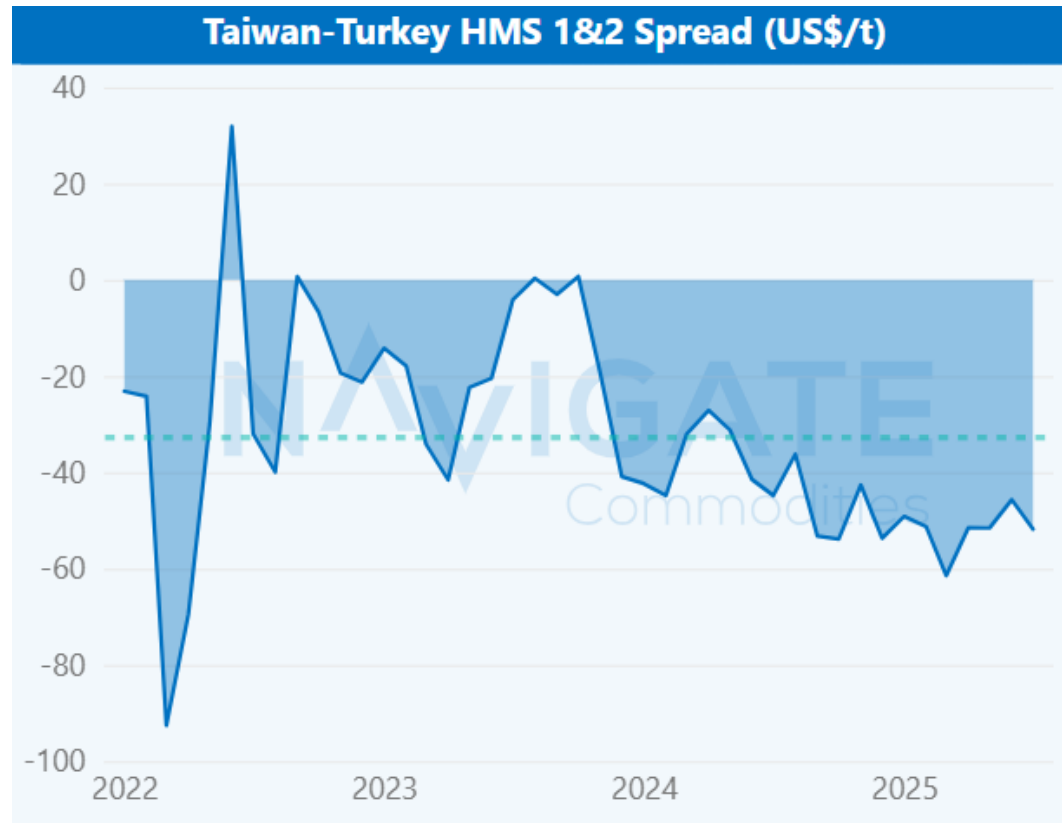
While the one bright spot for Taiwan's economy is the sustained growth in construction activity through the first half of the year, this sector has also succumbed to increased penetration of overseas construction Steel products.

As such, increased imports of long Steel products has partially displaced domestic production of the very same Finished products and underlying Ferrous Scrap consumption.



Source: Navigate Commodities

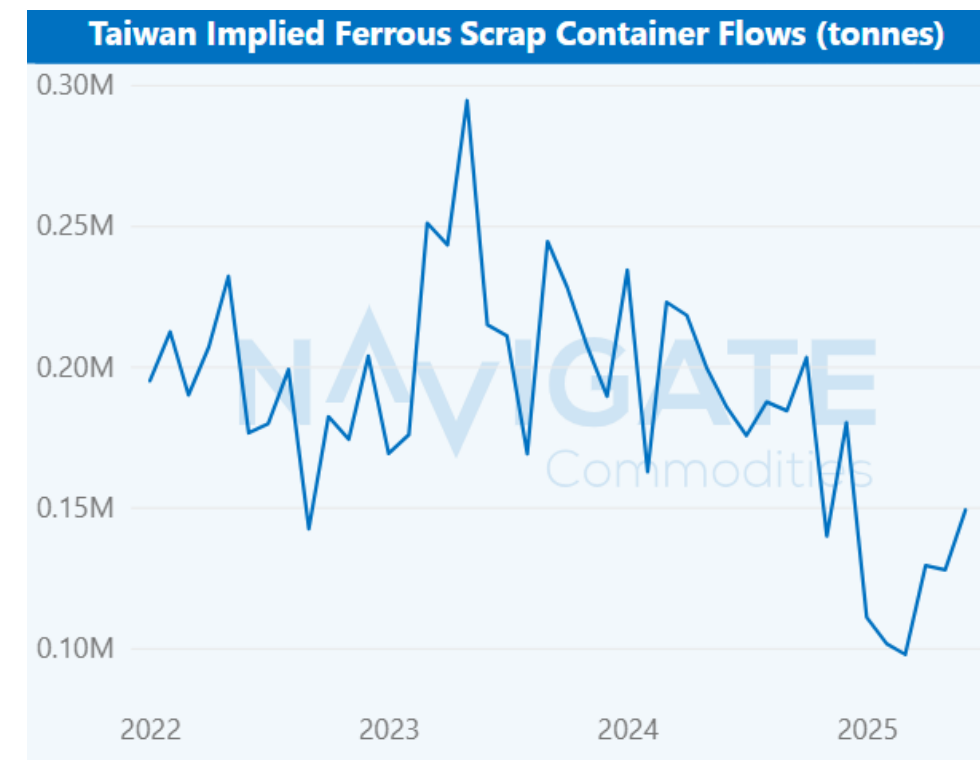
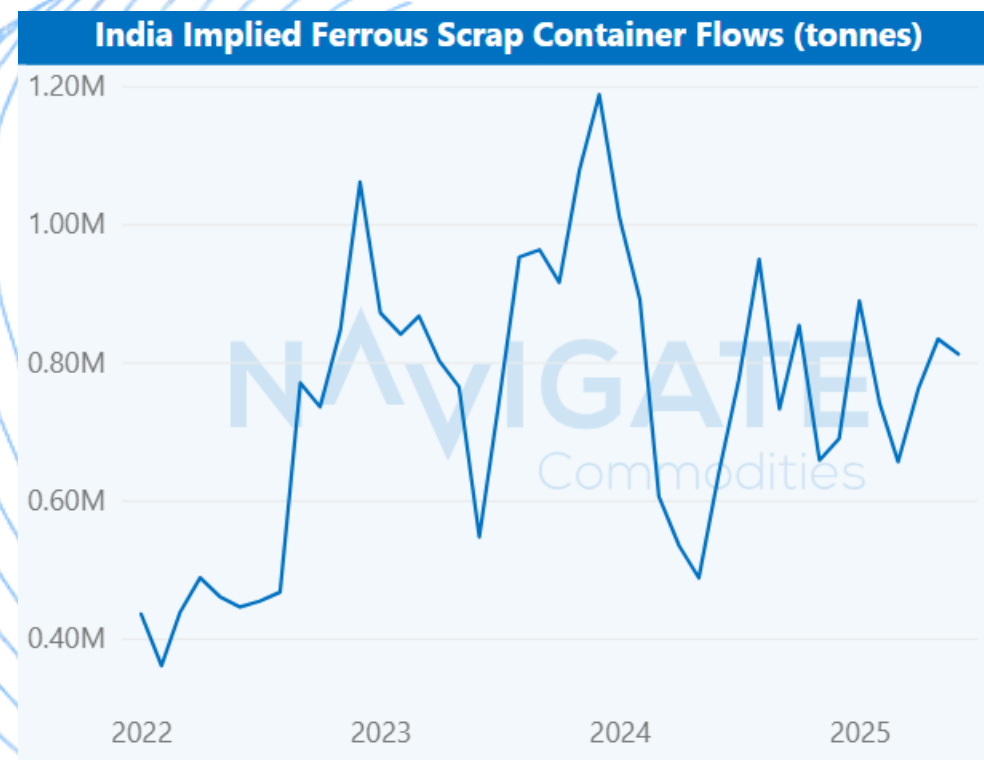
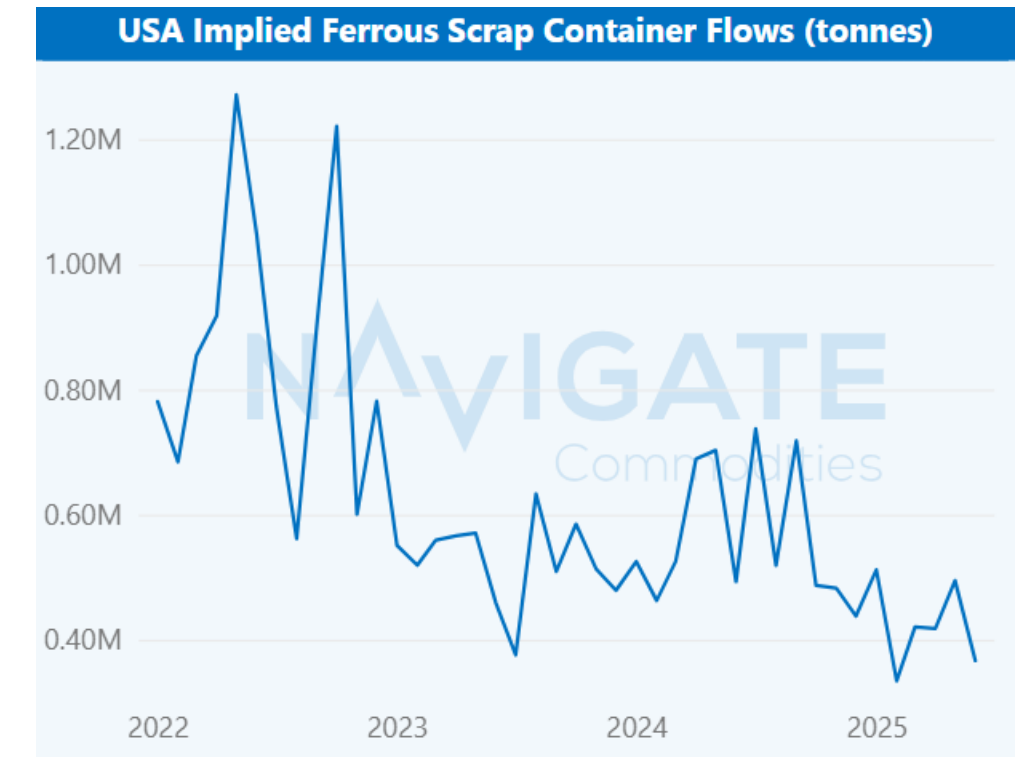
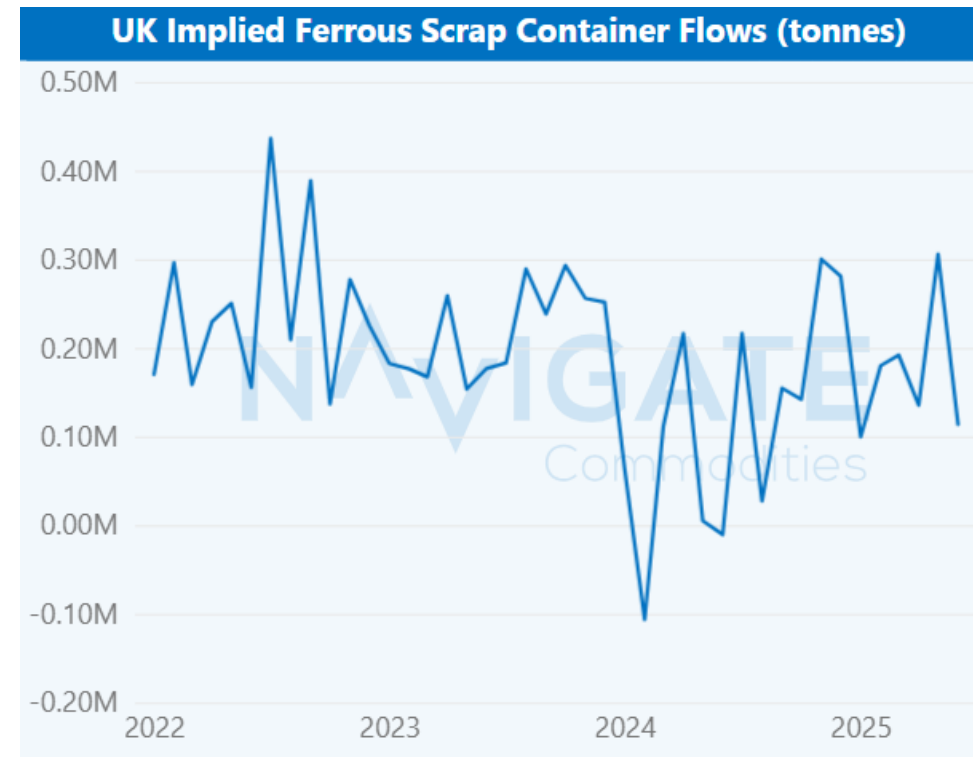
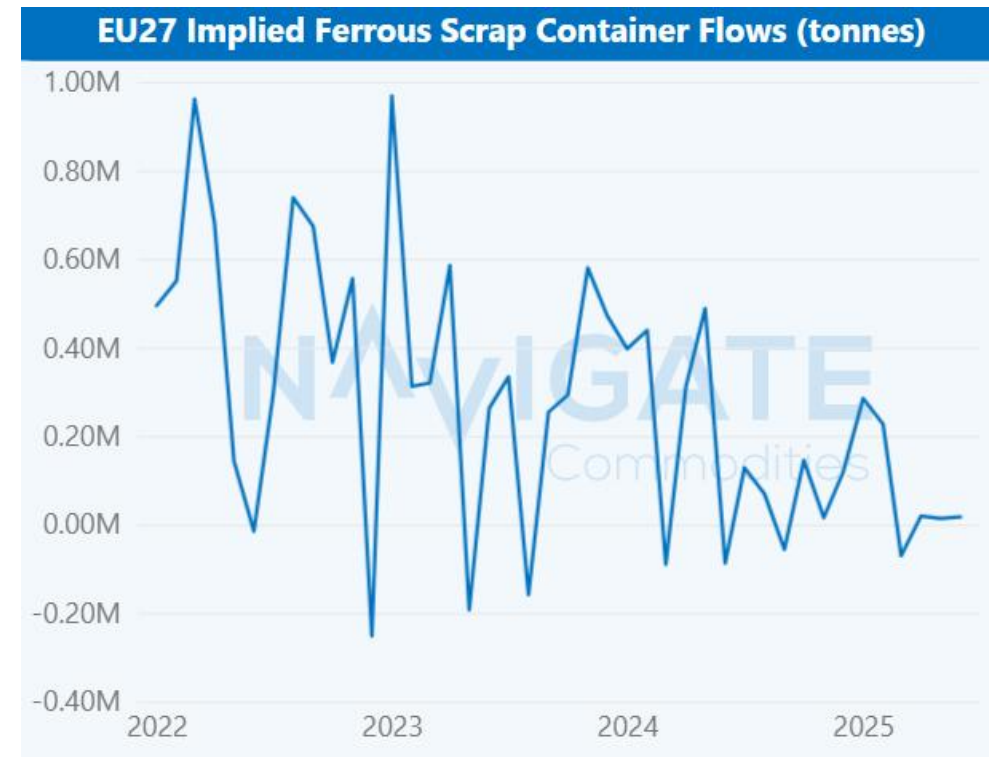






Steel Scrap Container Flows







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