

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.

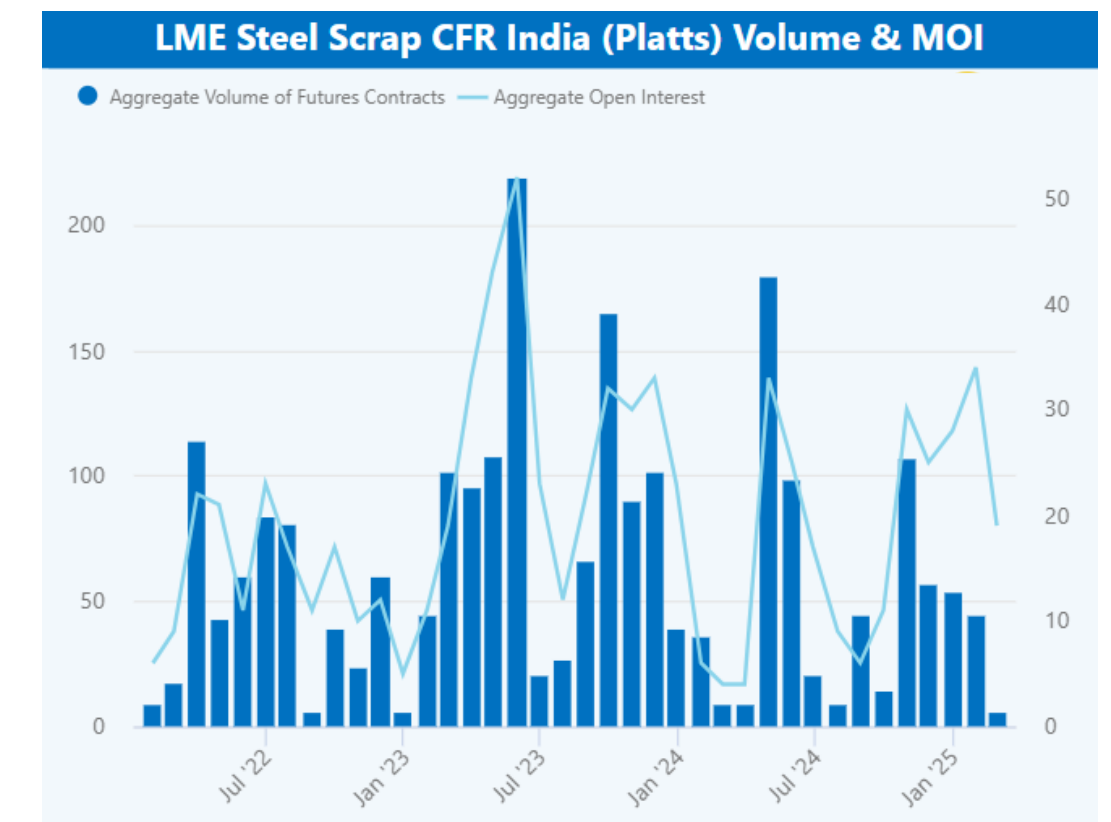
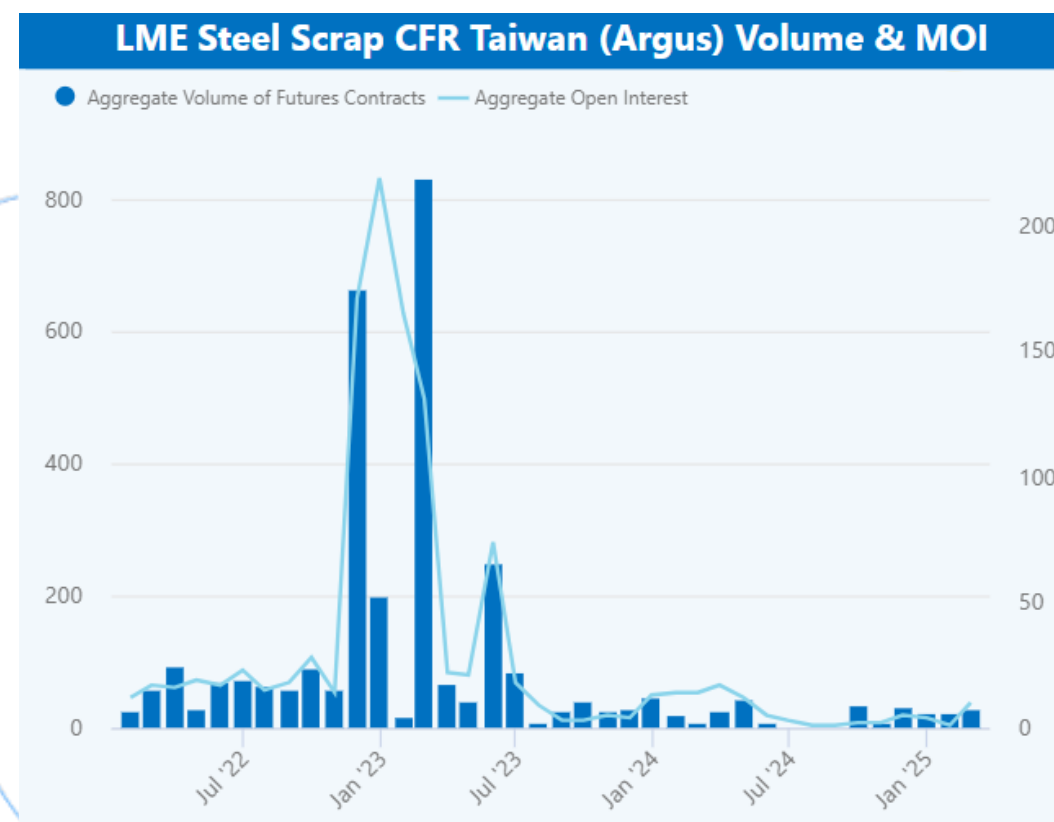
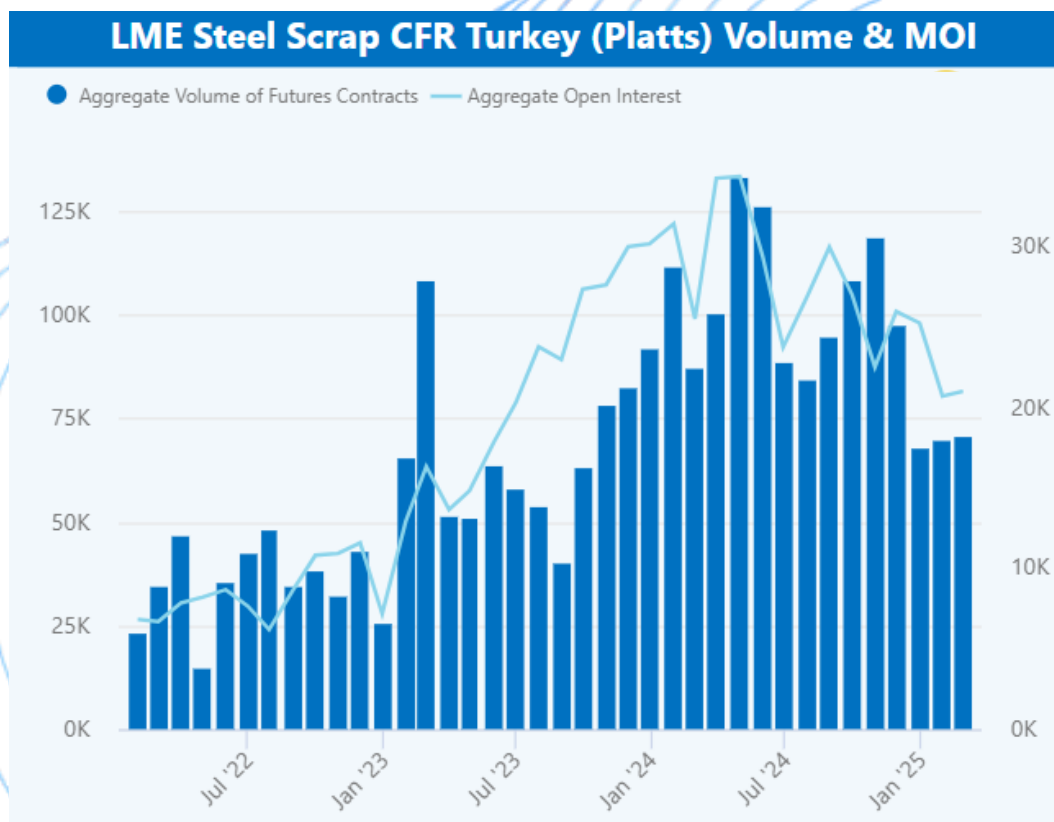
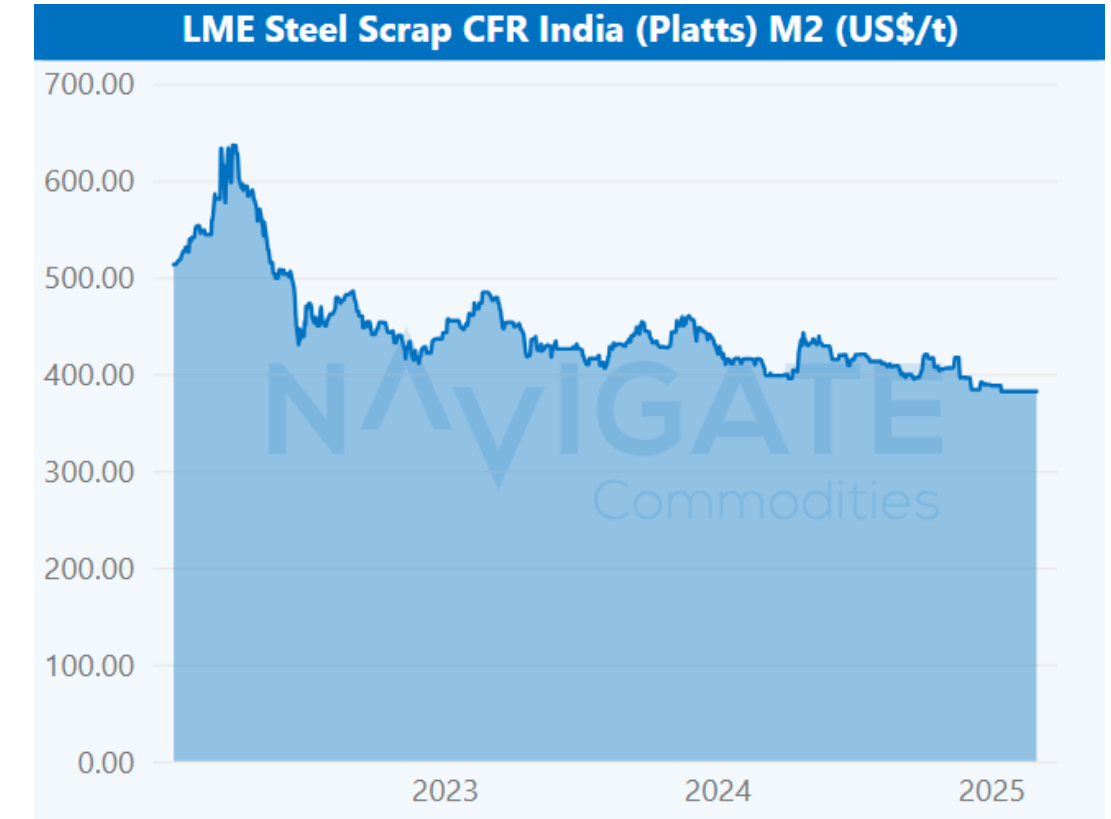
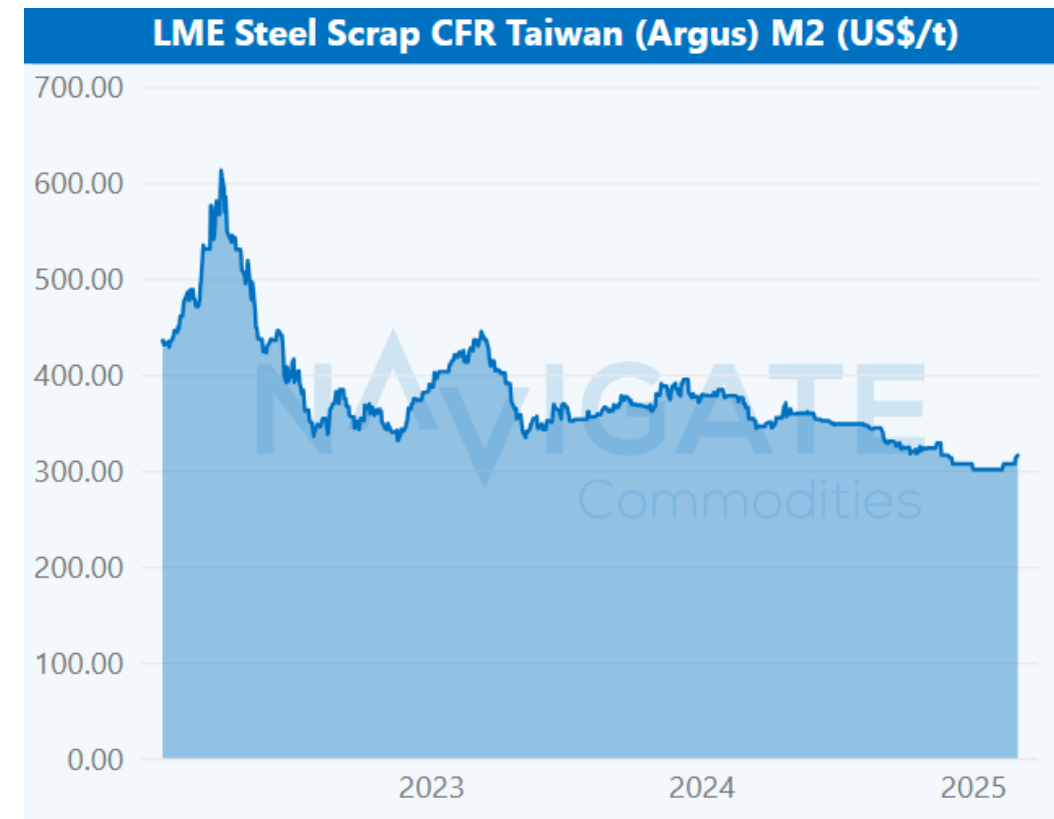
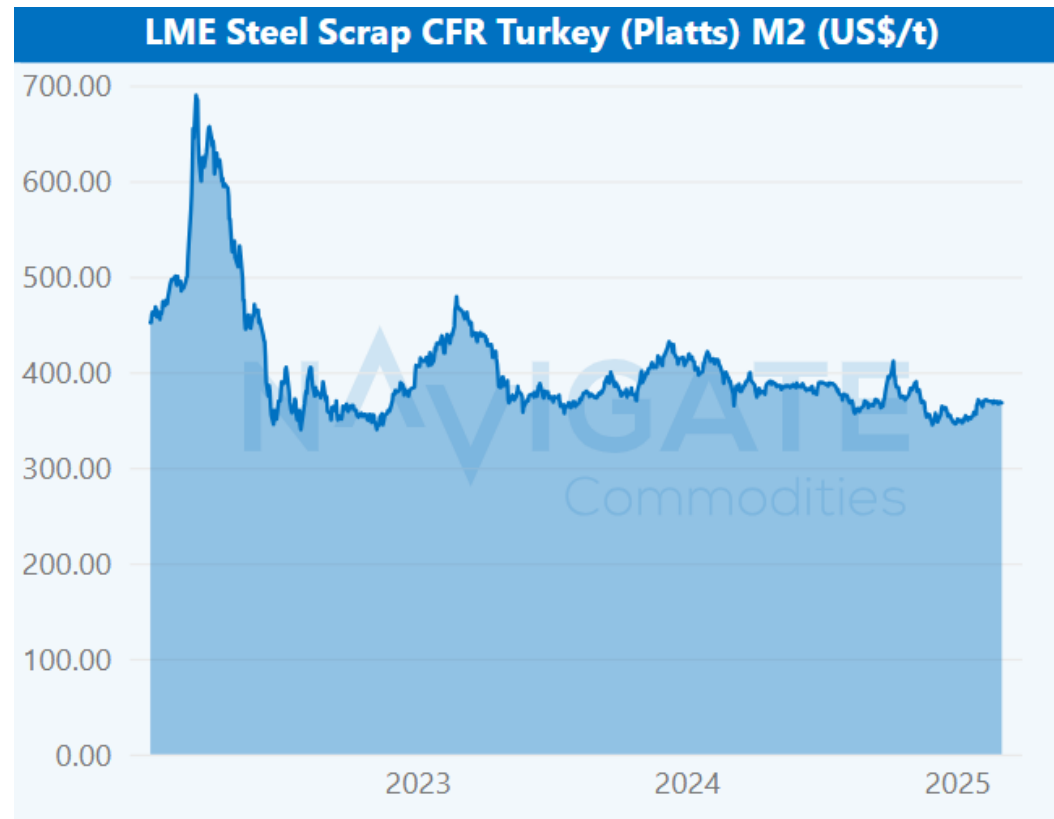
This report includes a wealth of data and provides commentary on supply chains from the key steel scrap markets of Turkey, India, and Taiwan.

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

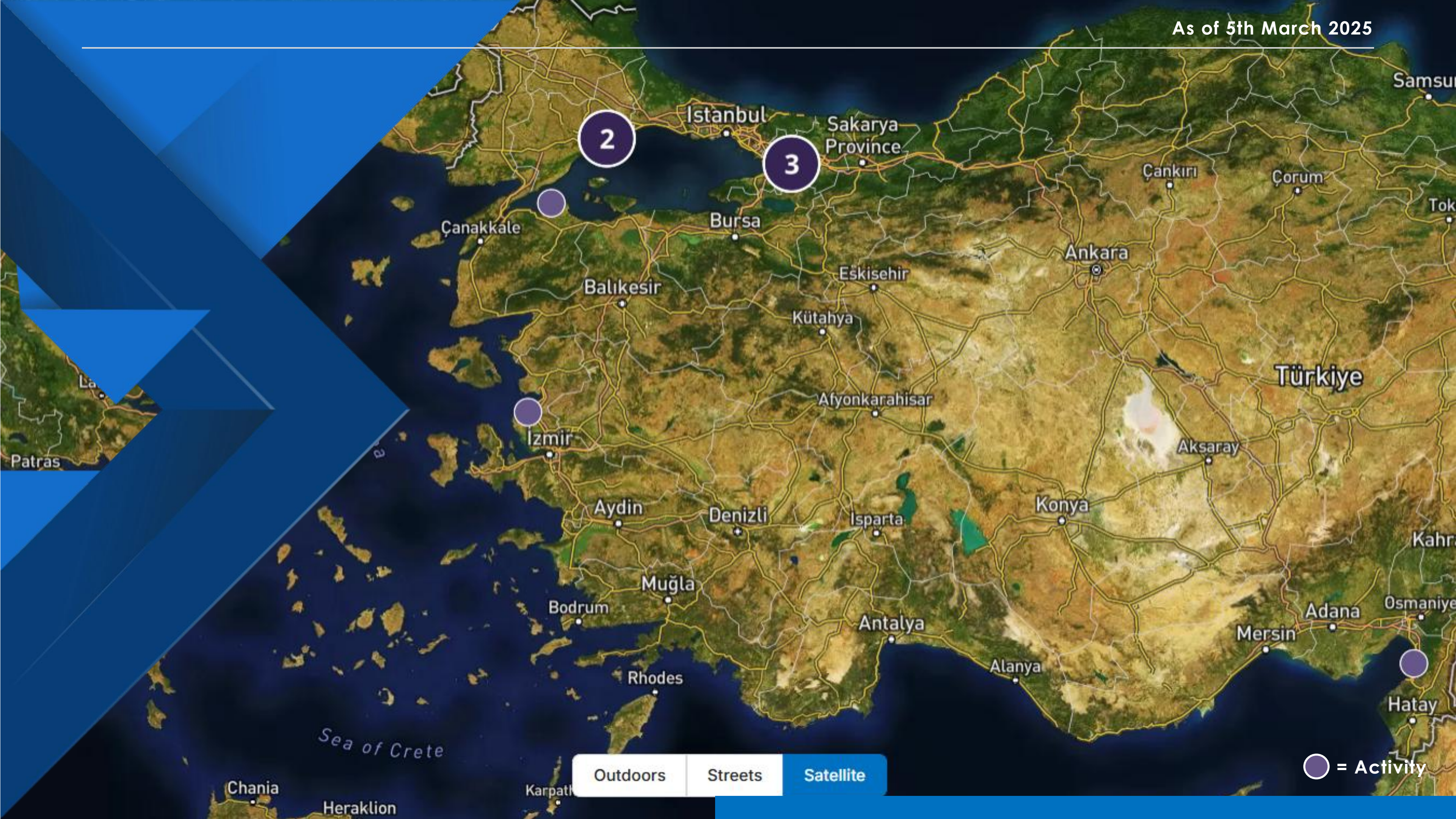






Türkiye Steel Scrap Market Overview





2

3

Türkiye

Outdoors

Streets

Satellite

○ = Activity

Türkiye

Turkish HMS 1&2 (80:20) benchmarks climbed US\$11.50/t over the past month to US\$370-371/t CFR Türkiye (TKY), as tightening US Ferrous Scrap fundamentals transmitted to the seaborne market via the East Coast export mechanism.

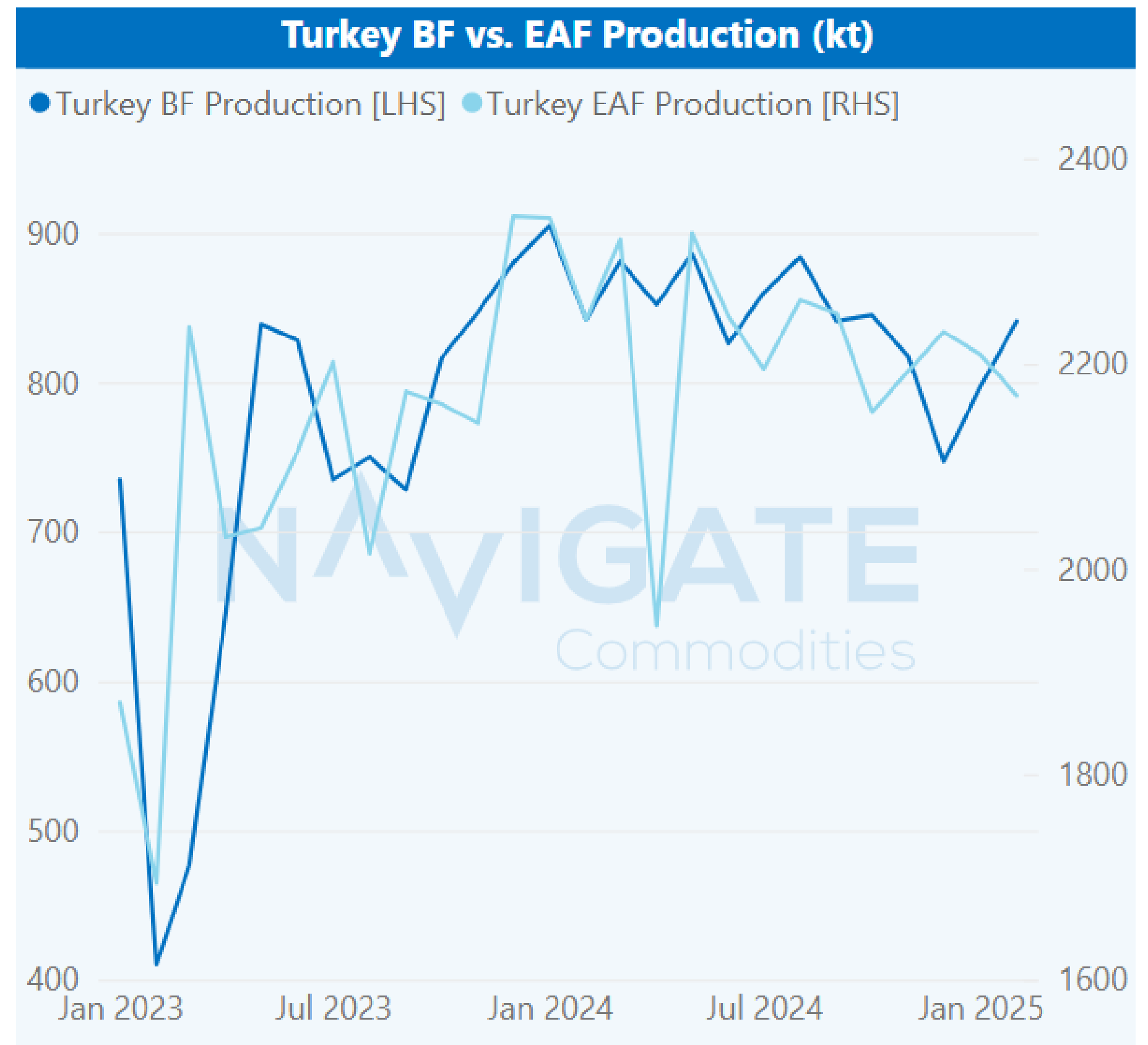
For now, 25% US tariffs on Canadian- and Mexican-origin goods has restricted the flow of Steel and prompt/prime Ferrous Scrap grades across the border; inextricably tightening the respective market fundamentals.

Depressed UK & European Steel production rates have kept a lid on corresponding regional Ferrous Scrap consumption and seaborne price hikes, temporarily opening a wider Atlantic (US East Coast vs. UK/EU) arbitrage over the same period. That said, Continental European export prices have been dragged kicking & screaming higher as some Turkish mills eventually shied away from relatively more expensive US material.

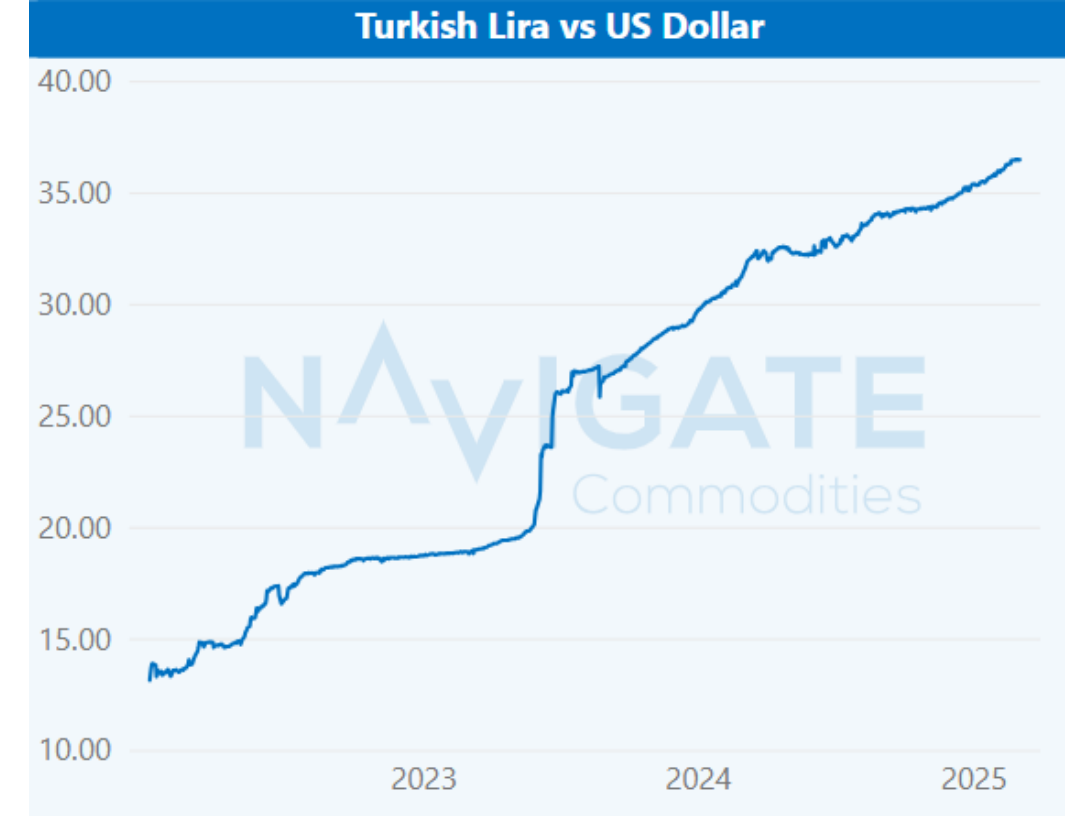
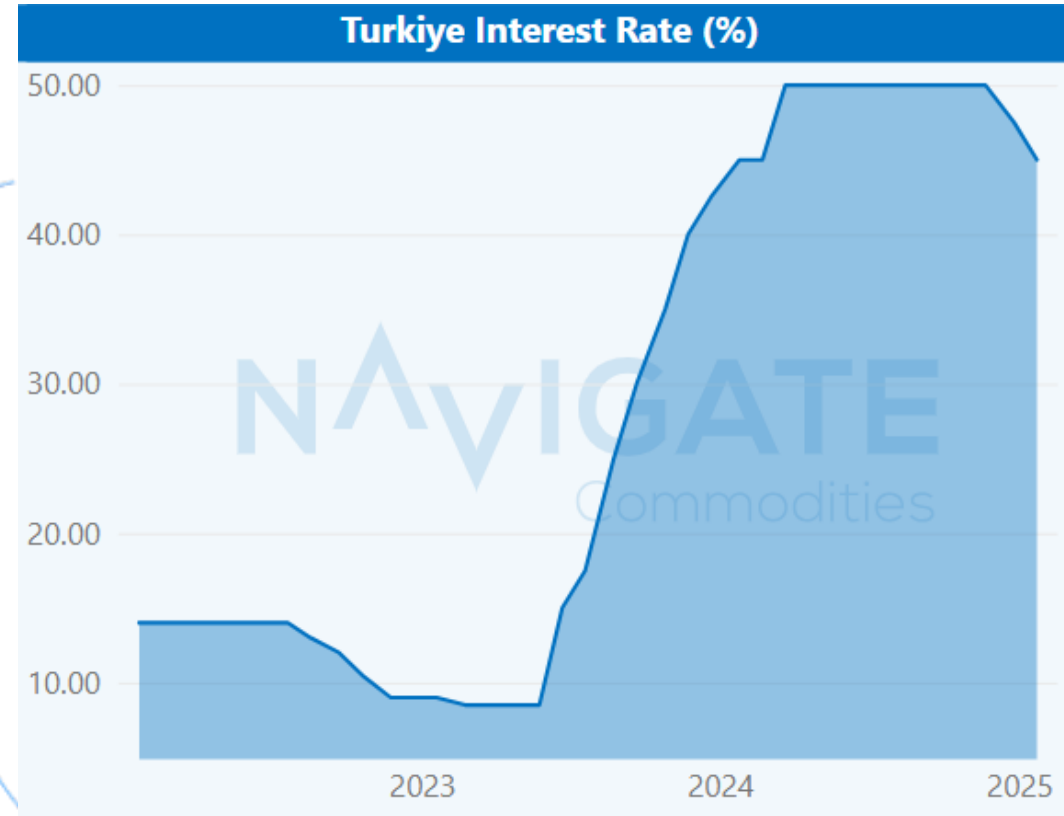
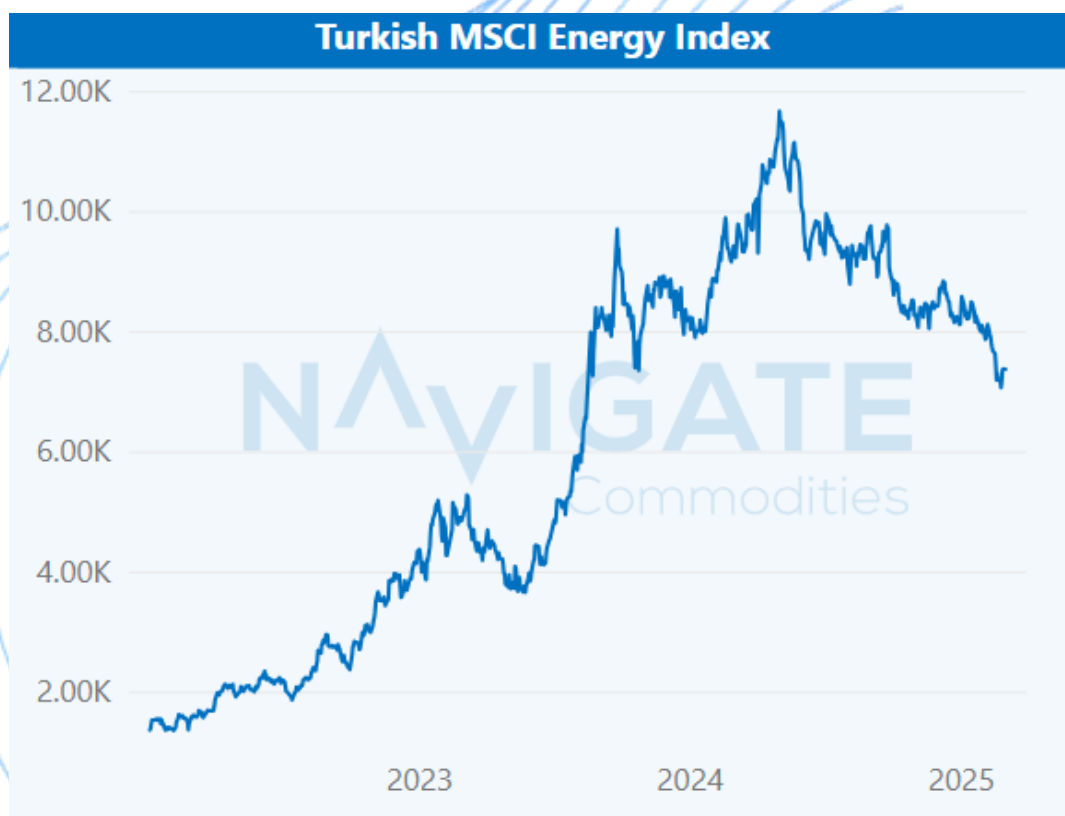
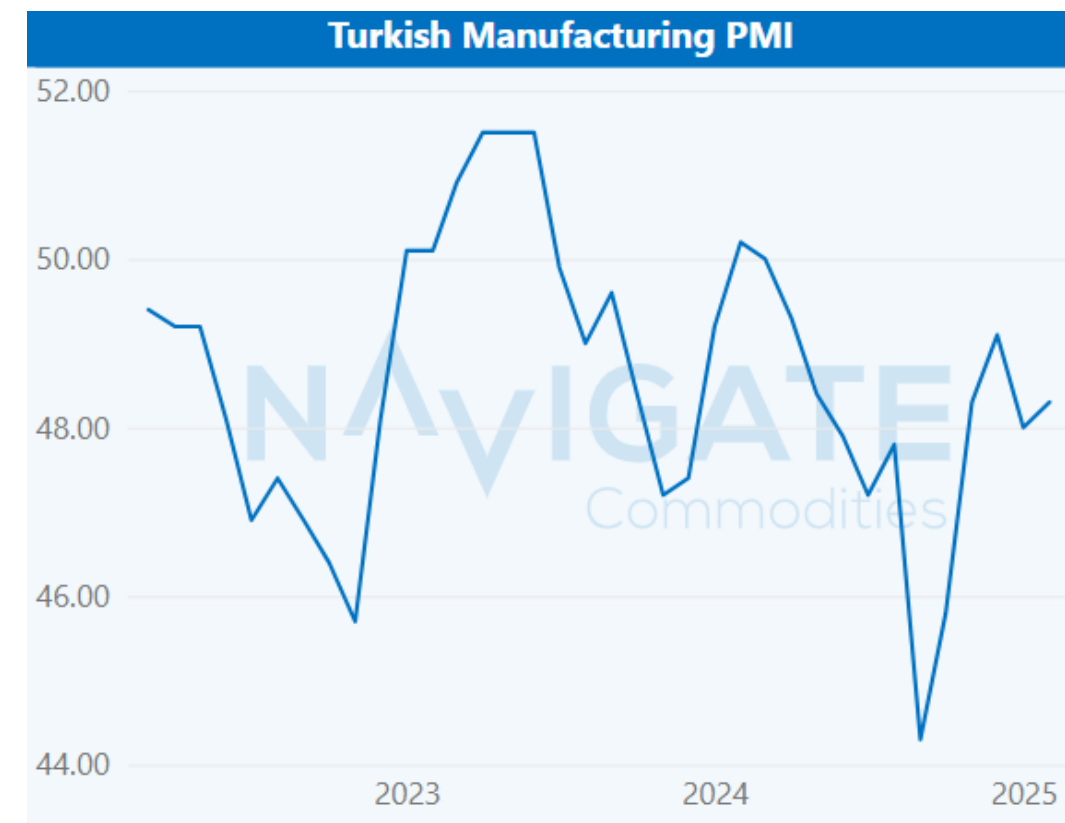
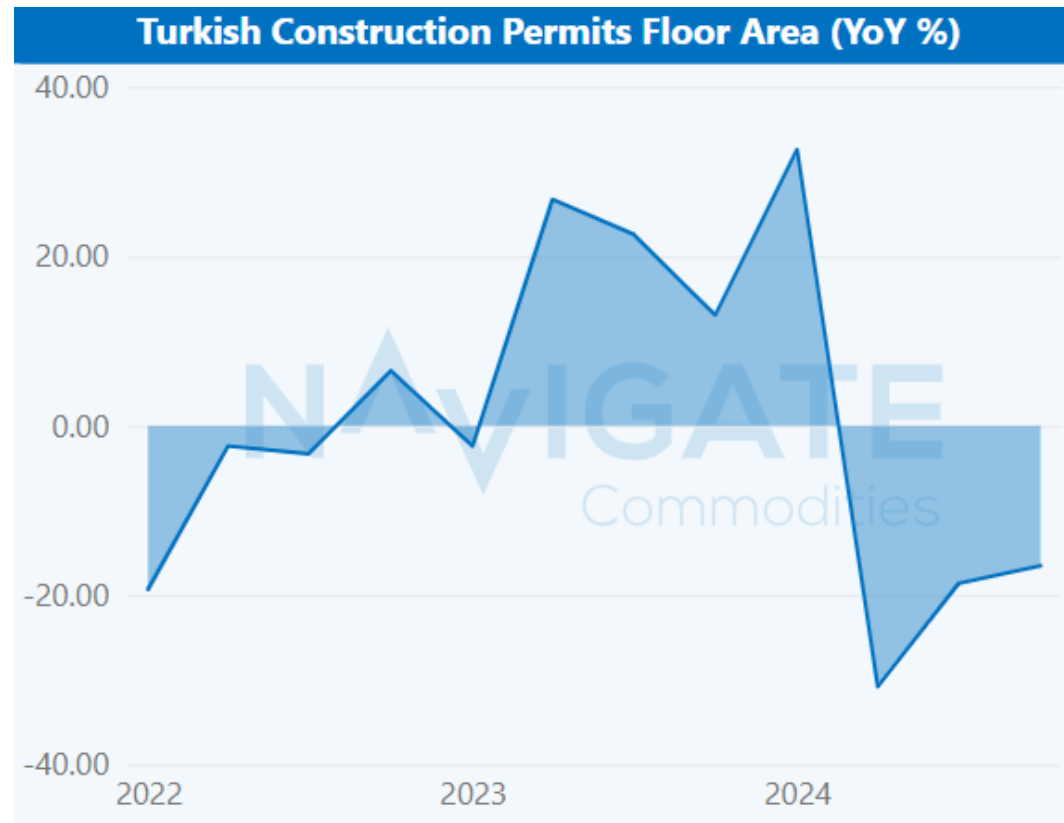
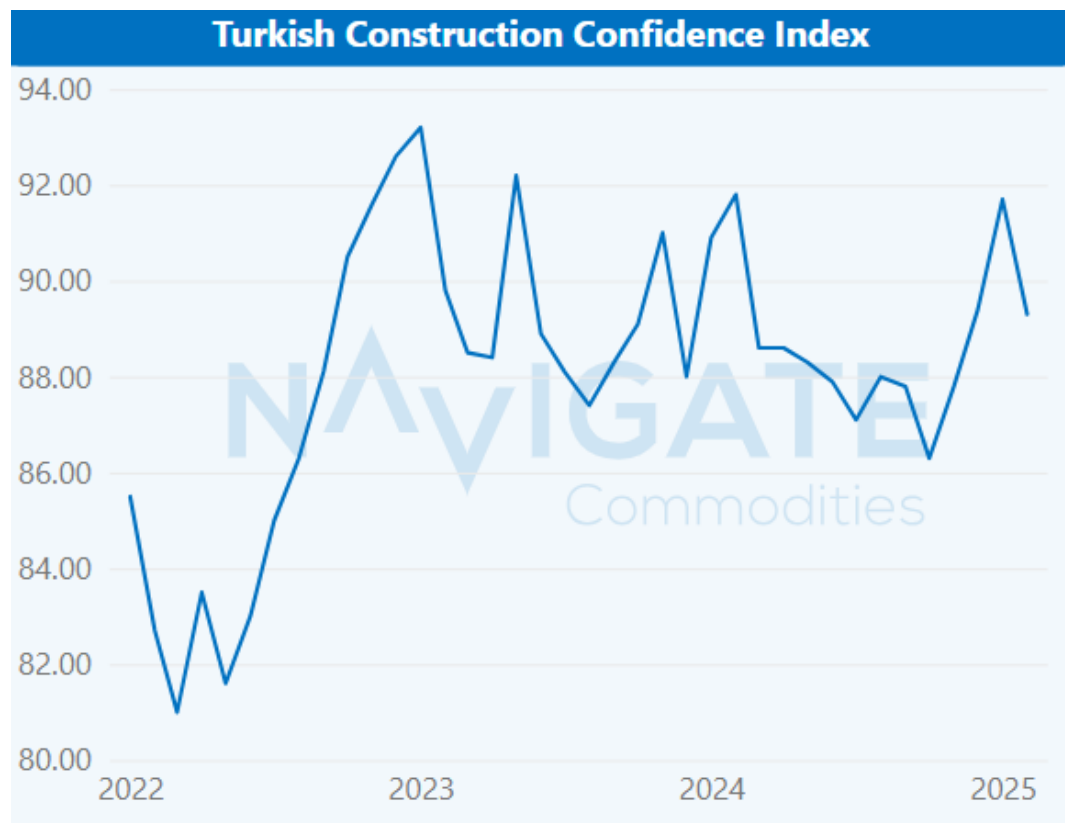
While robust domestic US Steel & Ferrous Scrap have recently been commanding the pricing-floor, relatively cheaper physical Chinese Billets exports have dictated the pricing-ceiling for Ferrous Scrap.

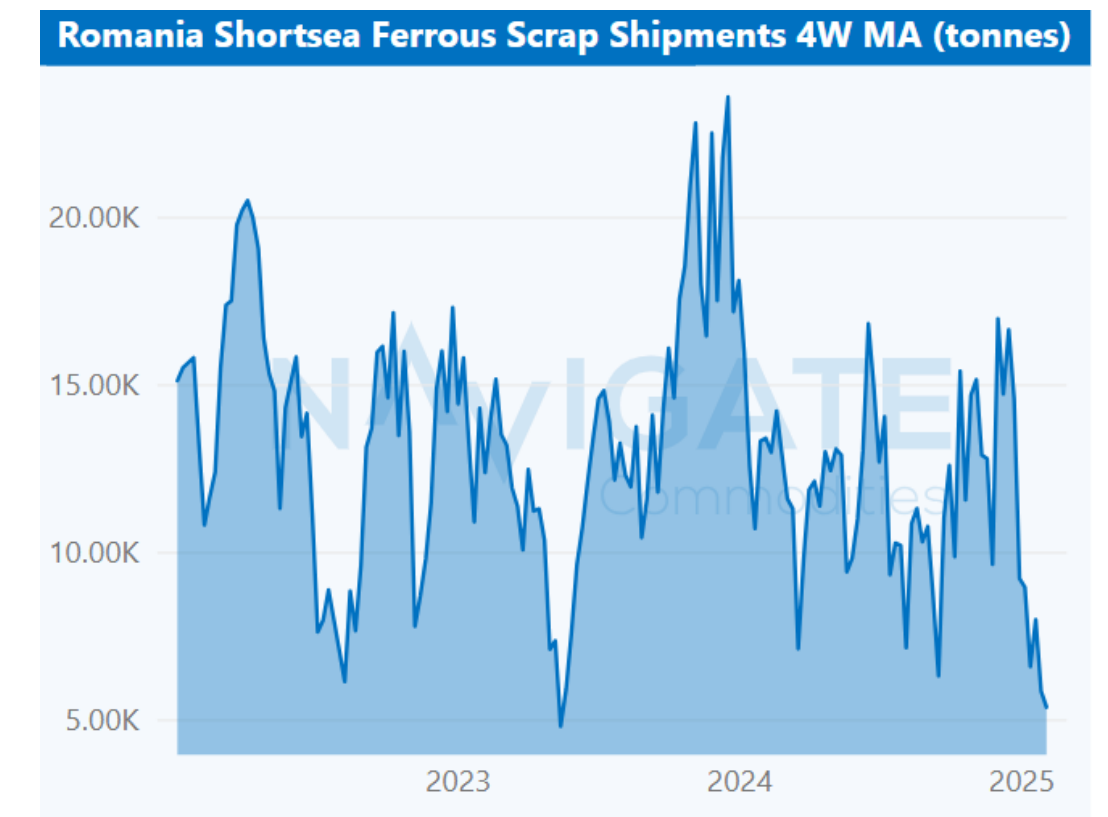
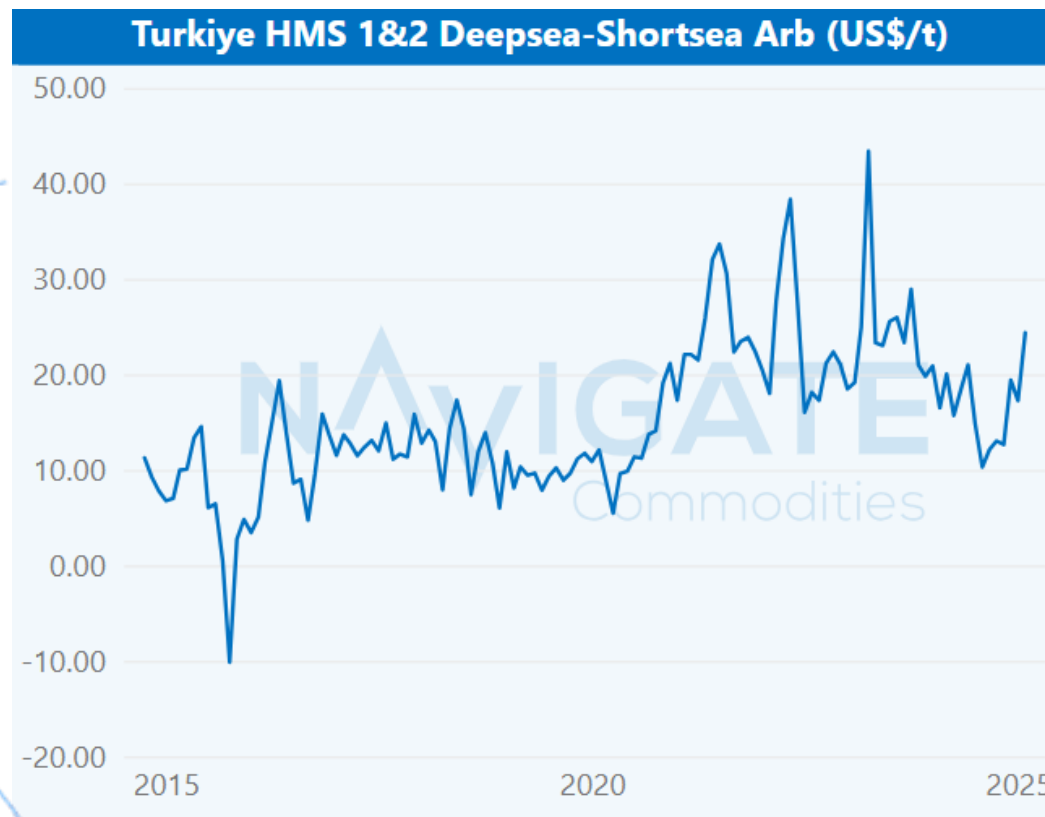
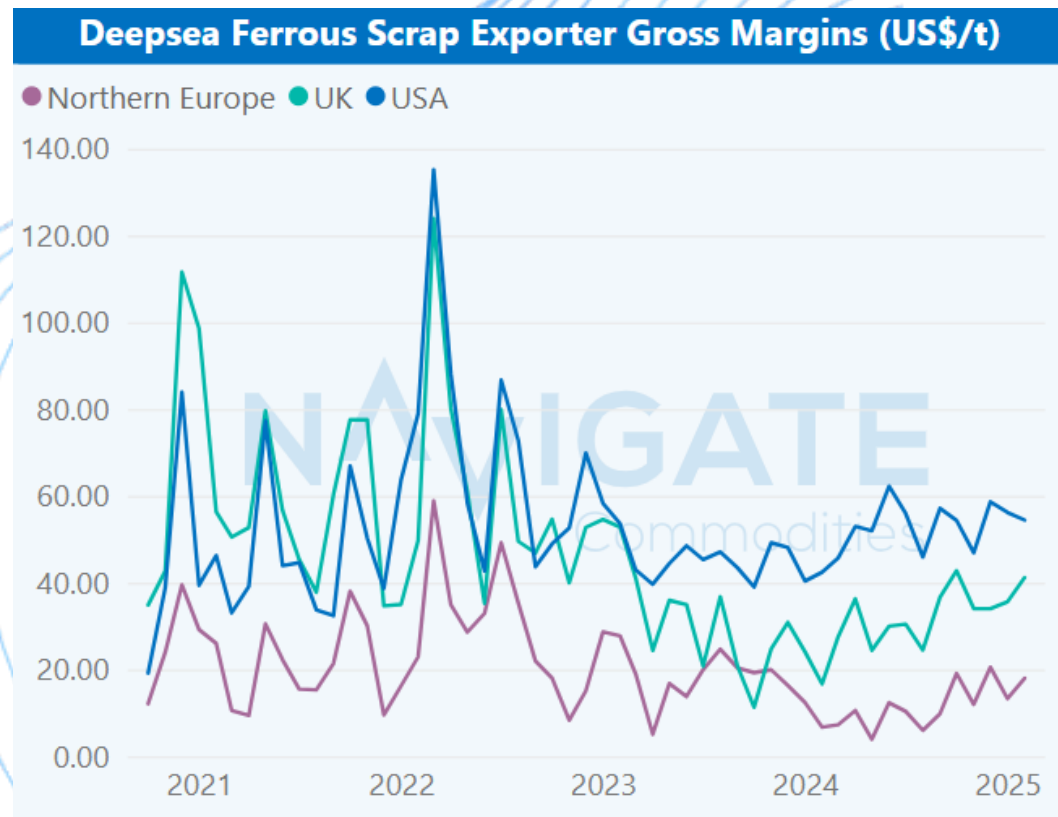
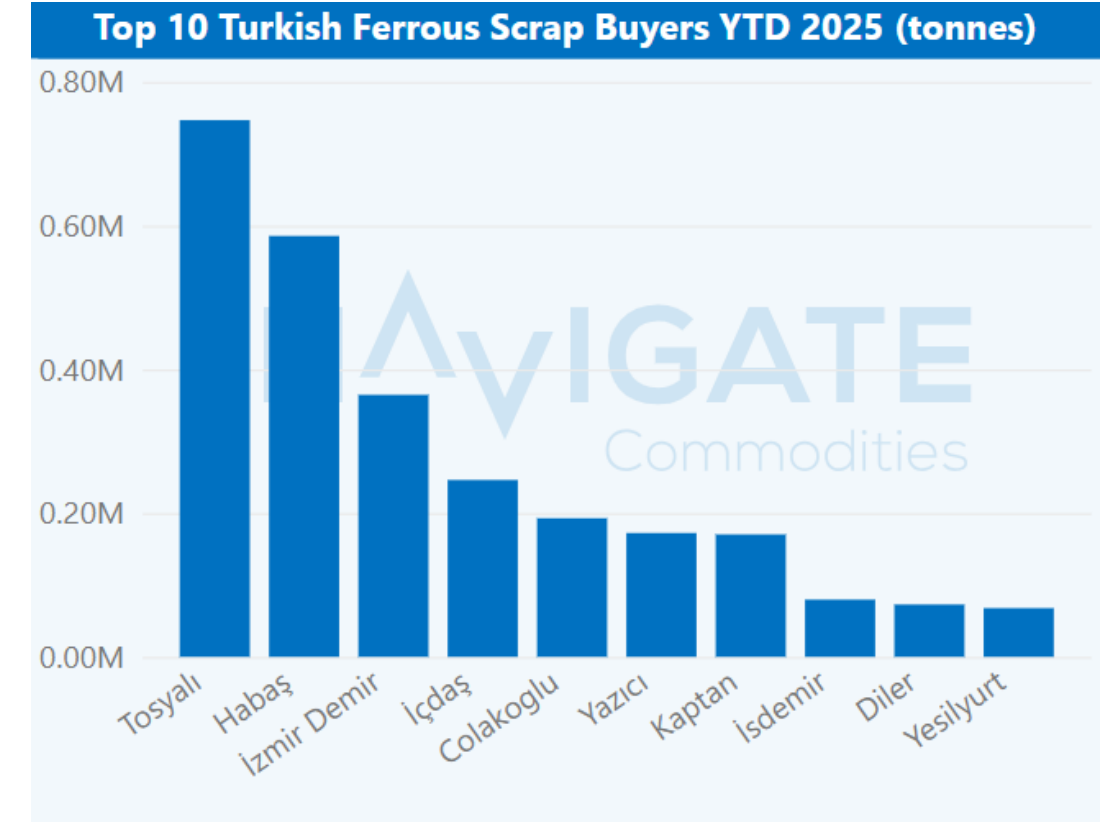
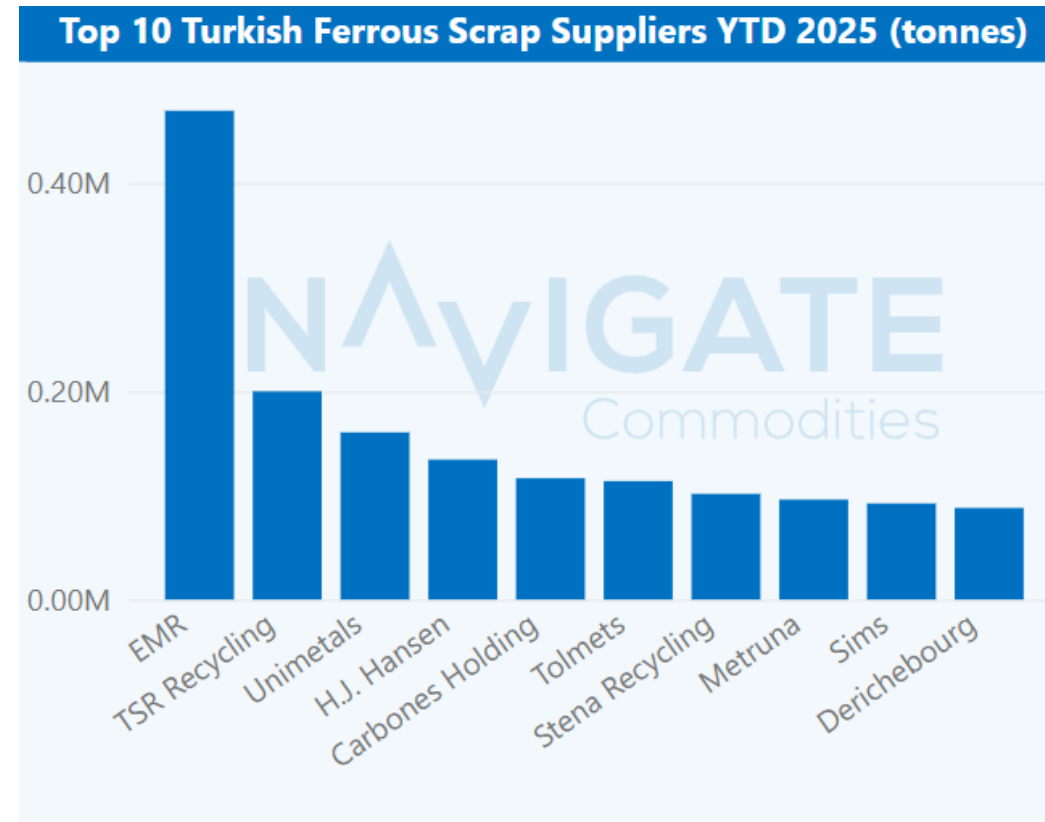
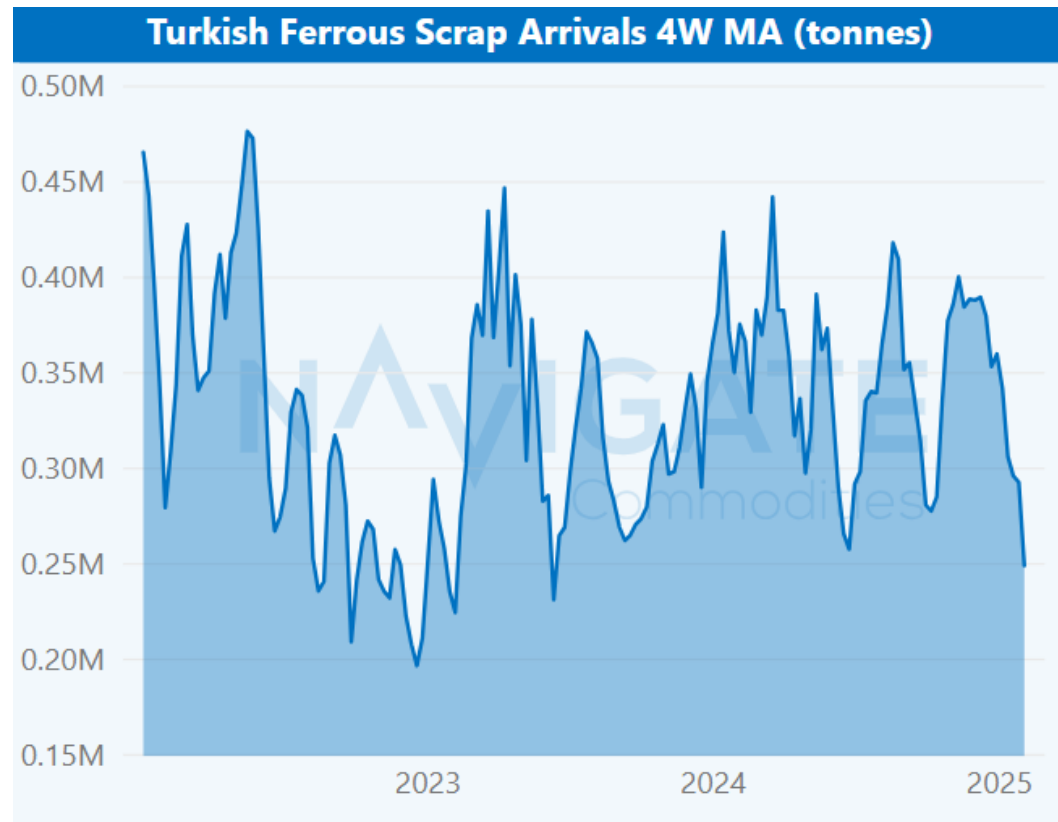
As such, gains in Turkish HMS 1&2 (80:20) benchmarks have been largely attritional in nature compared with the material Ferrous scrap prices hikes witnessed in the US markets.

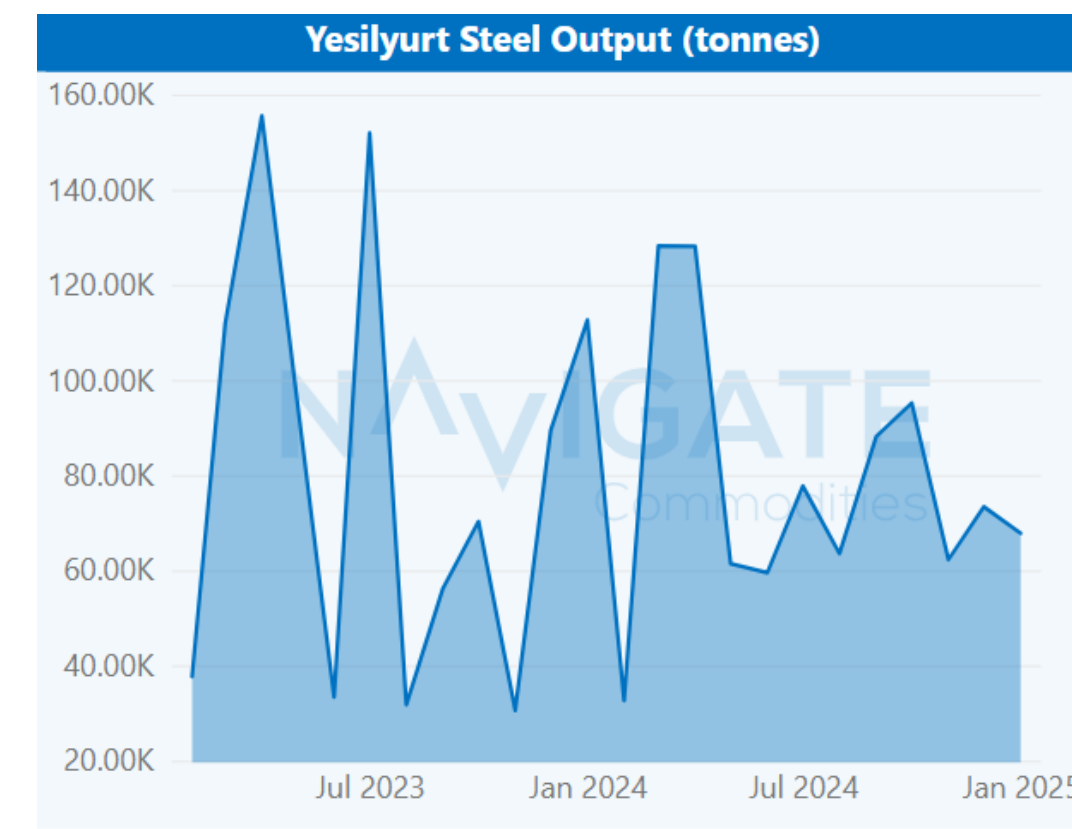
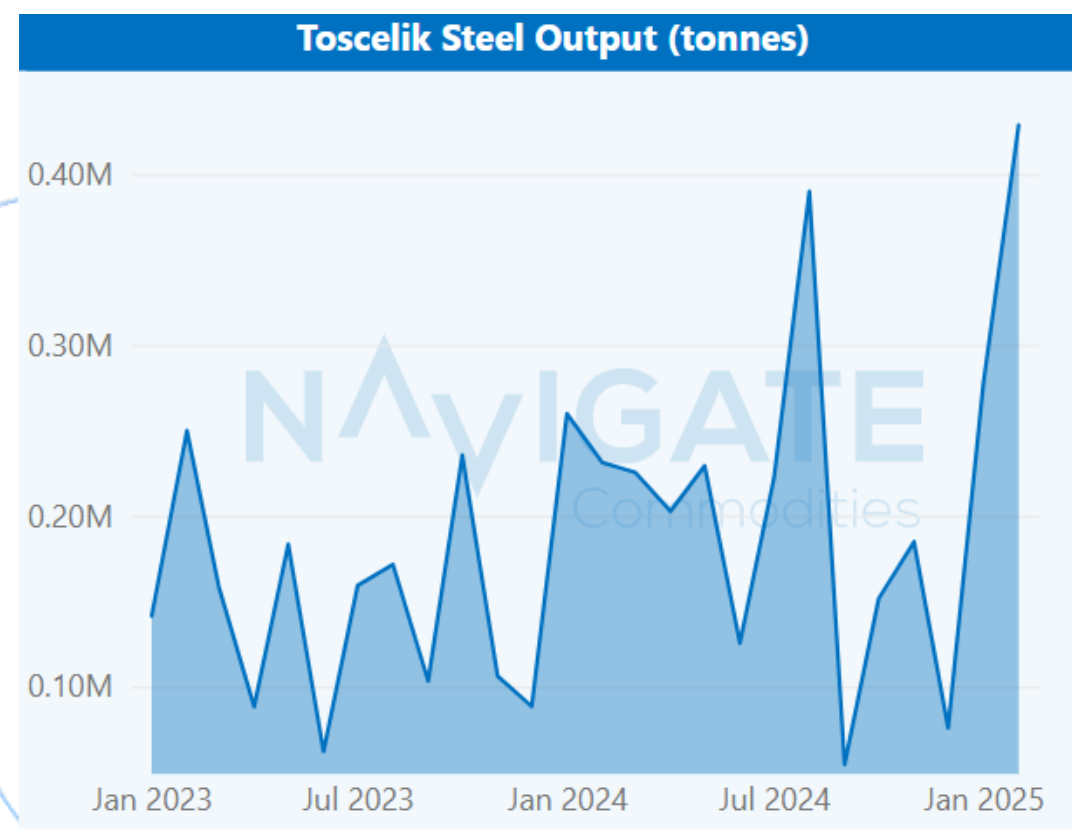
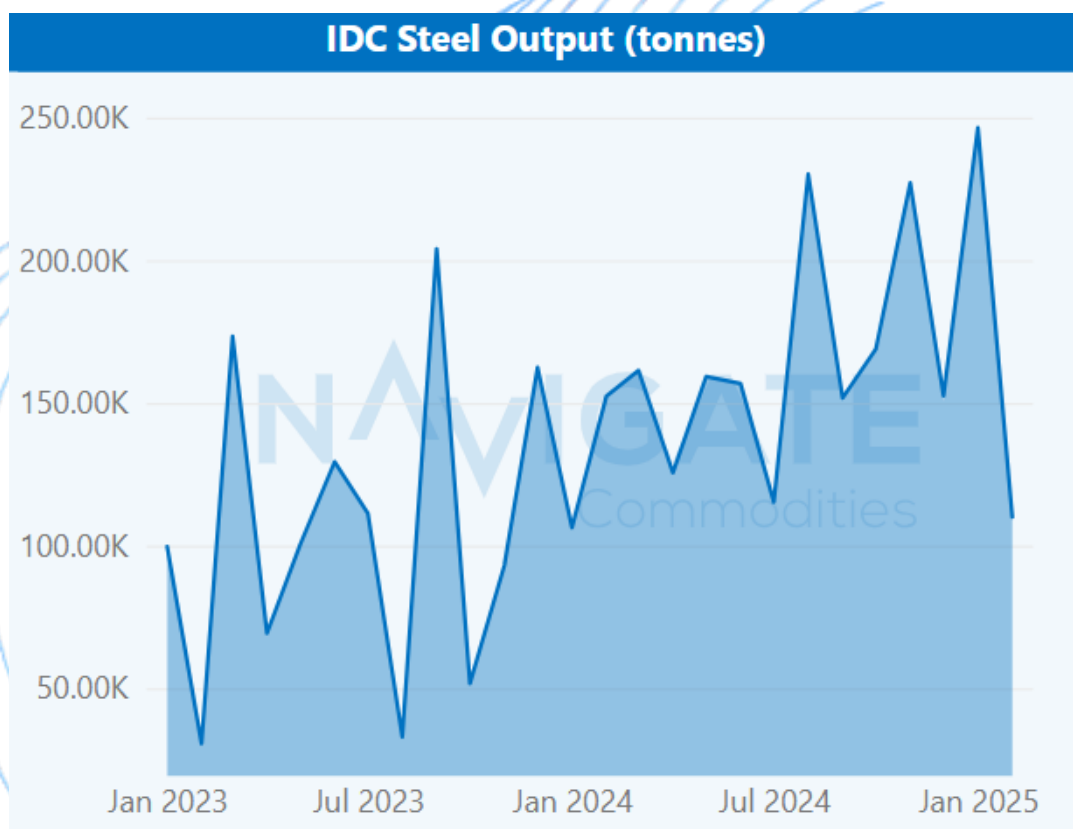
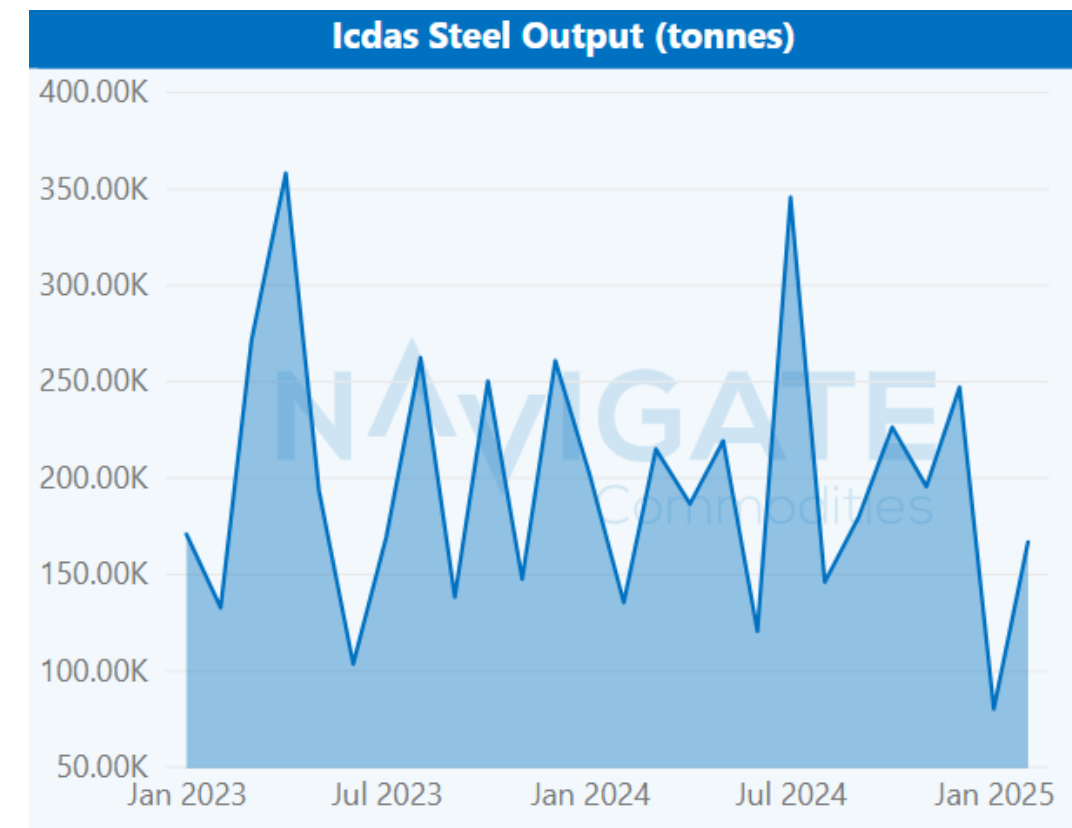
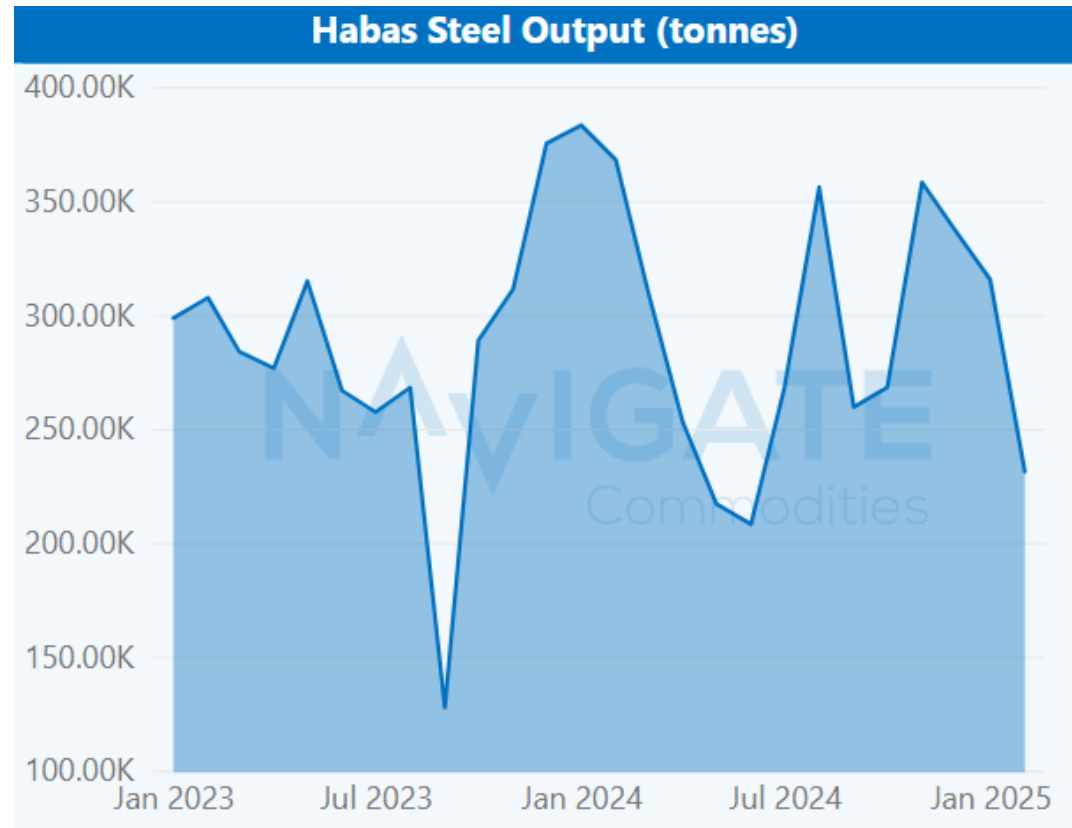
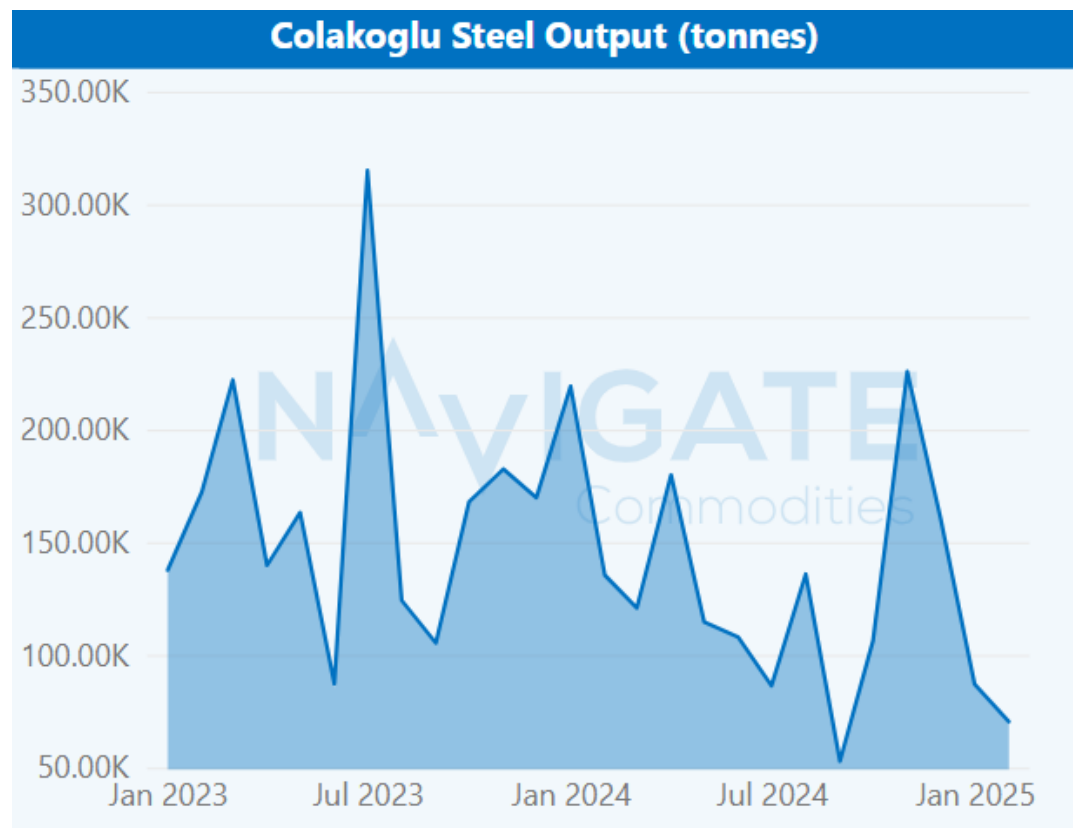
Methodology: Daily BF and EAF Smelting Activity is calculated by detecting & monitoring heat signatures from unique plant-by-plant Areas of Interest (AOIs) using high-frequency Thermal Infrared Satellite Imagery (TIRS).




Source: Navigate Commodities




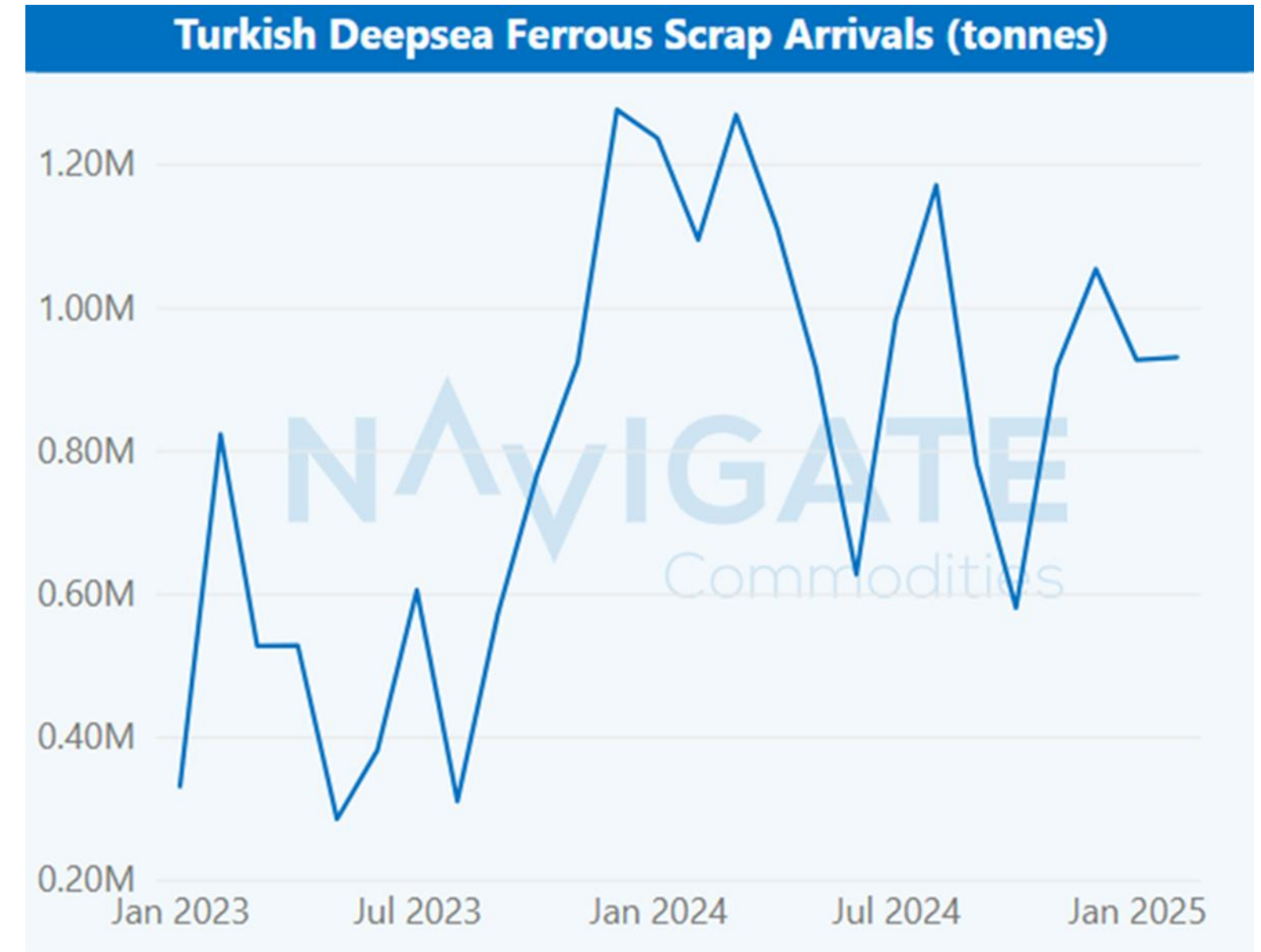
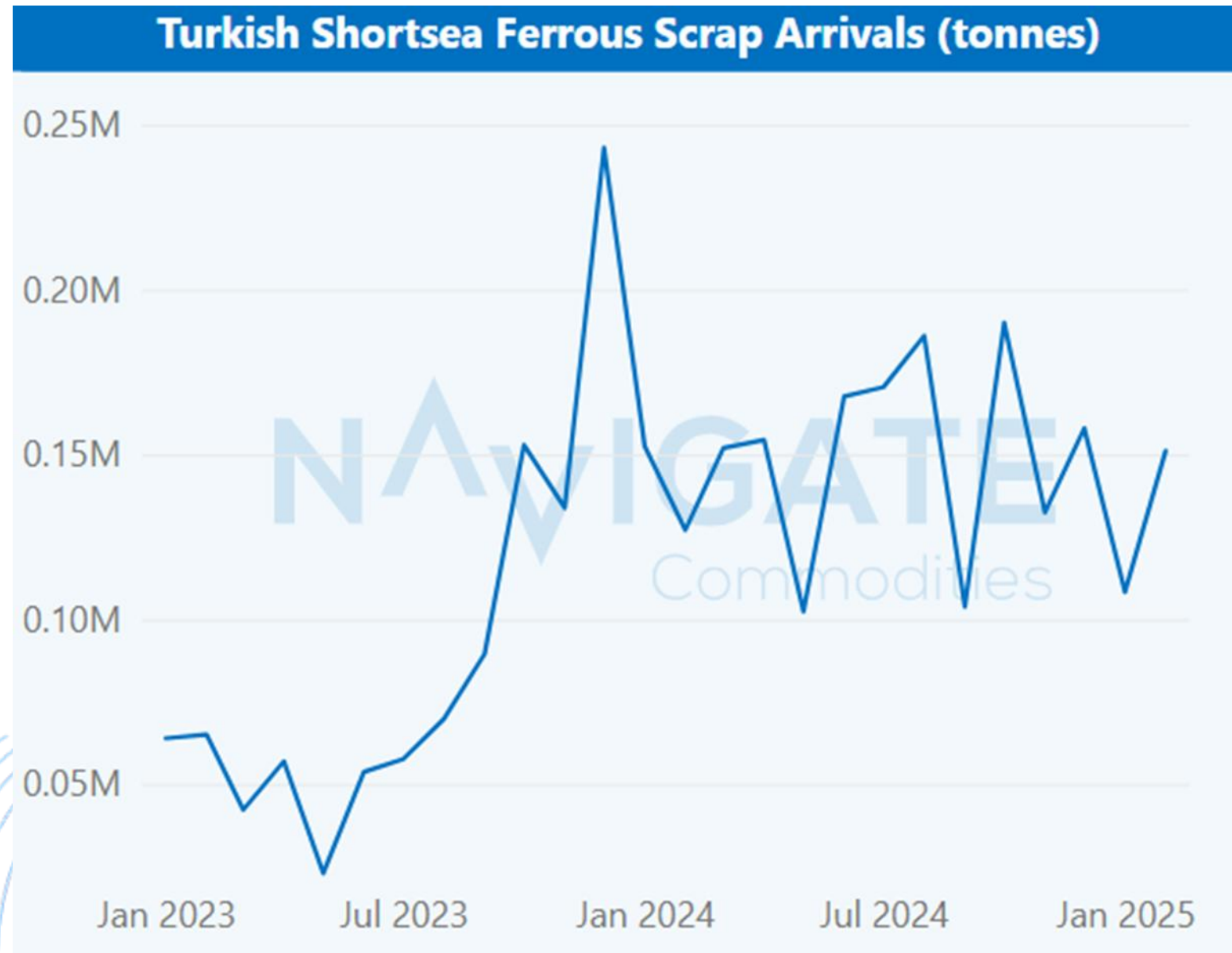






Turkiye Steel Scrap Shortsea vs Deepsea



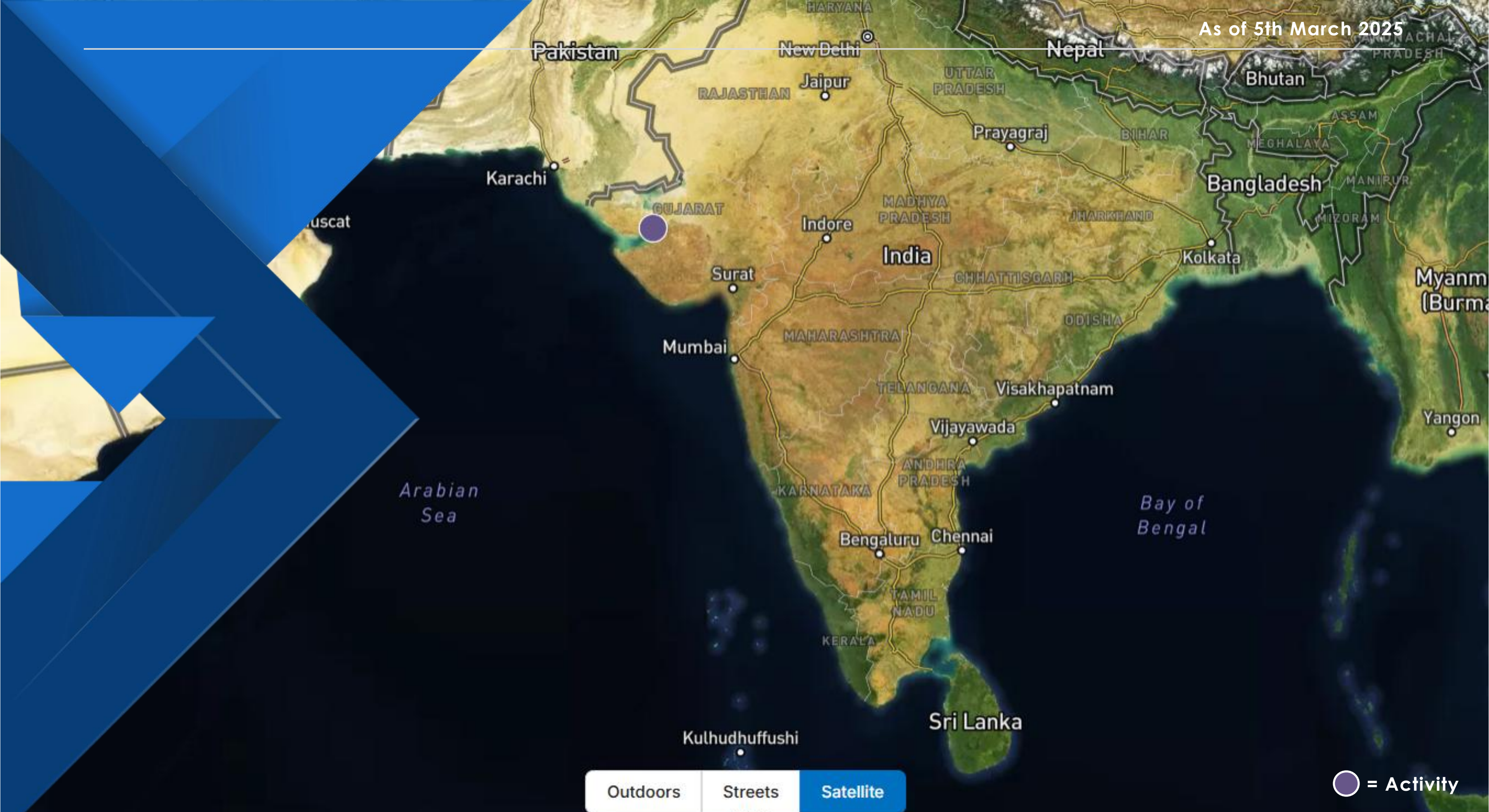




India Steel Scrap Market Overview



As of 5th March 2025



Outdoors Streets **Satellite**

○ = Activity

India

Despite a robust rebound in Indian blast furnace (BF)- and electric arc furnace (EAF)-based Steel production in January and February 25, India's corresponding Ferrous Scrap demand has deteriorated over the same period.

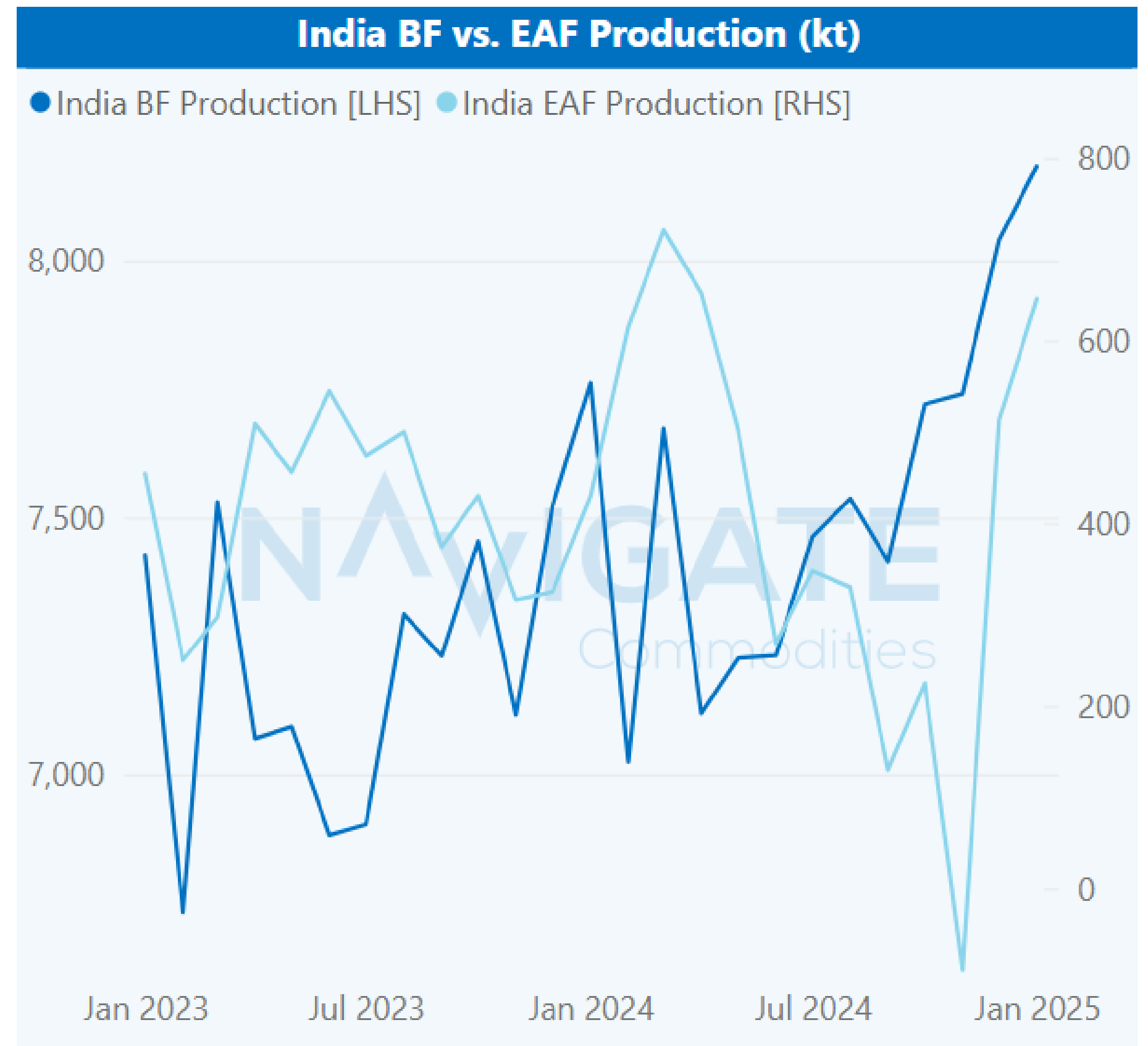
We believe this has largely been a function of stronger Turkish import pricing of equivalent Shredded Ferrous Scrap grades; resulting in respective offers for containerized material to India now trading at a material discount.

For example, India containerized Shredded cargoes traded at a US\$10-11/t discount compared with equivalent Turkish Ferrous Scrap grades in late February/early March versus a US\$10-11/t premium only a month earlier.

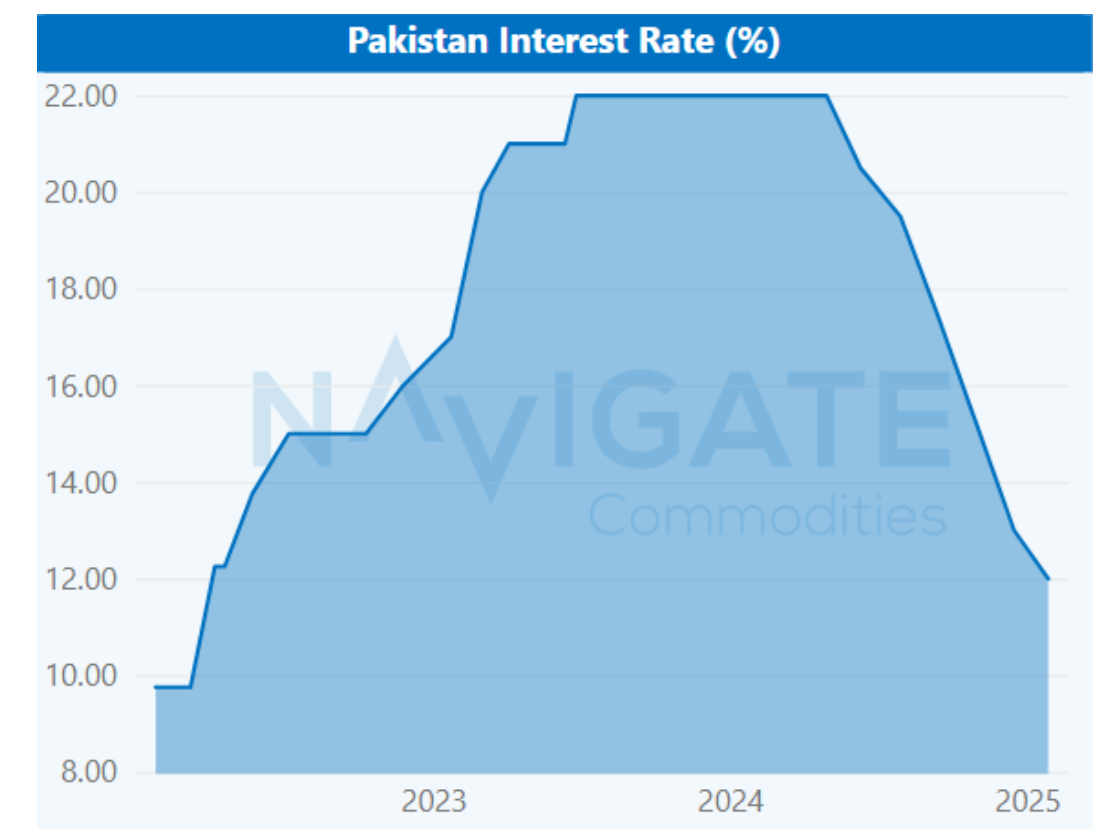
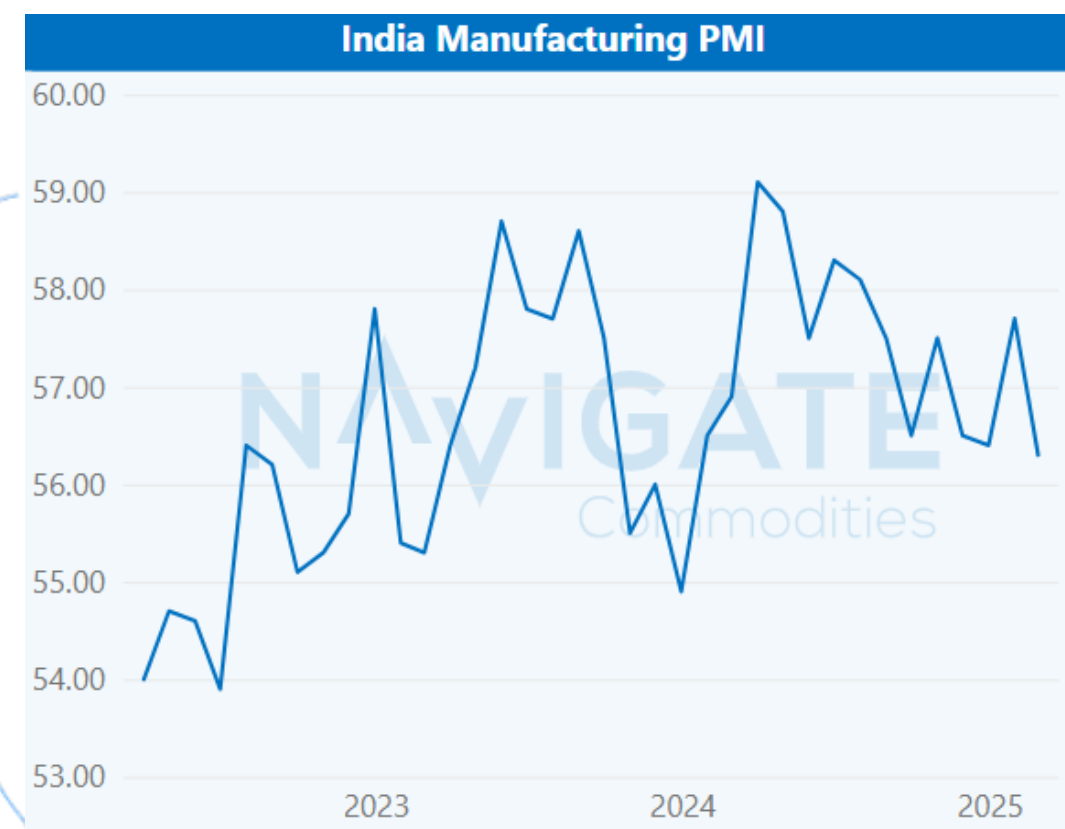
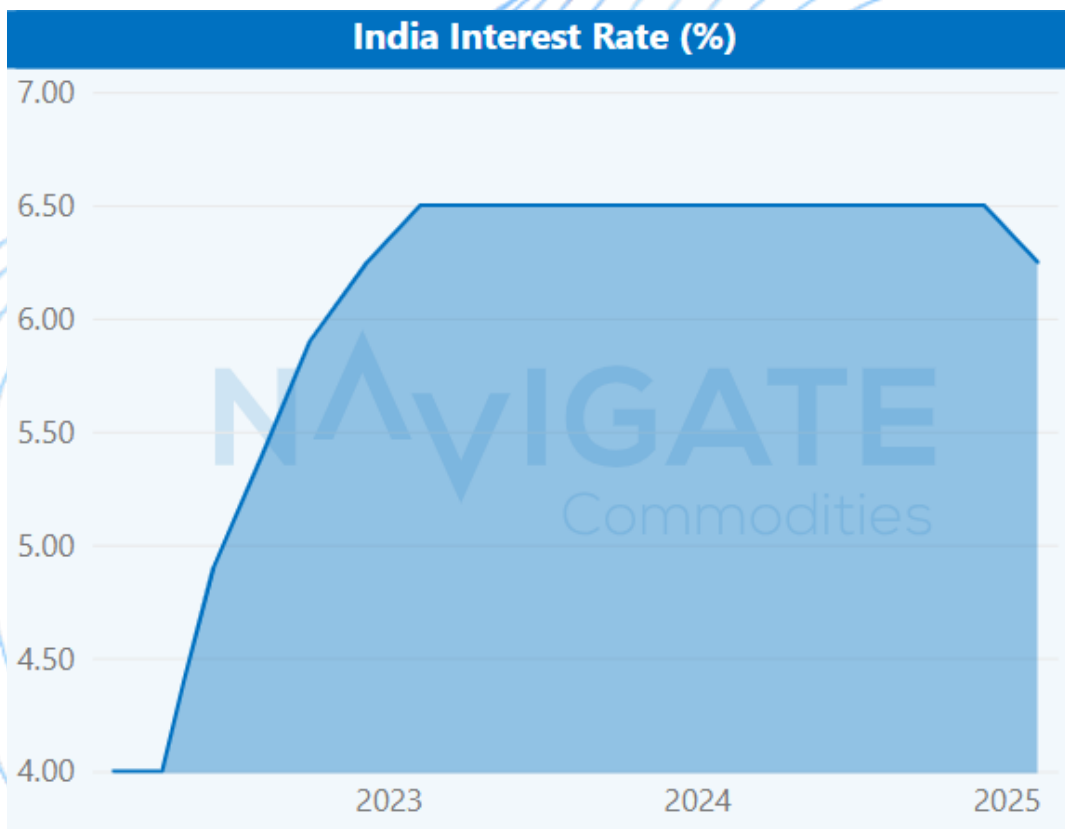
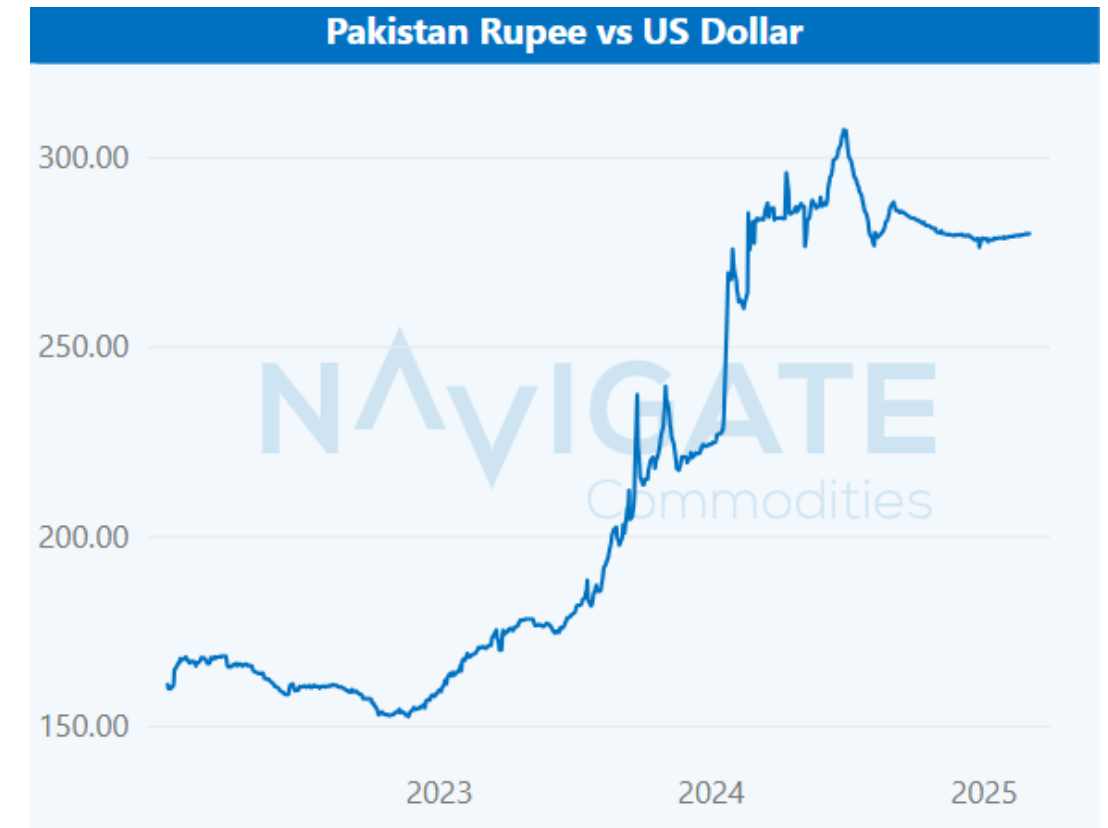
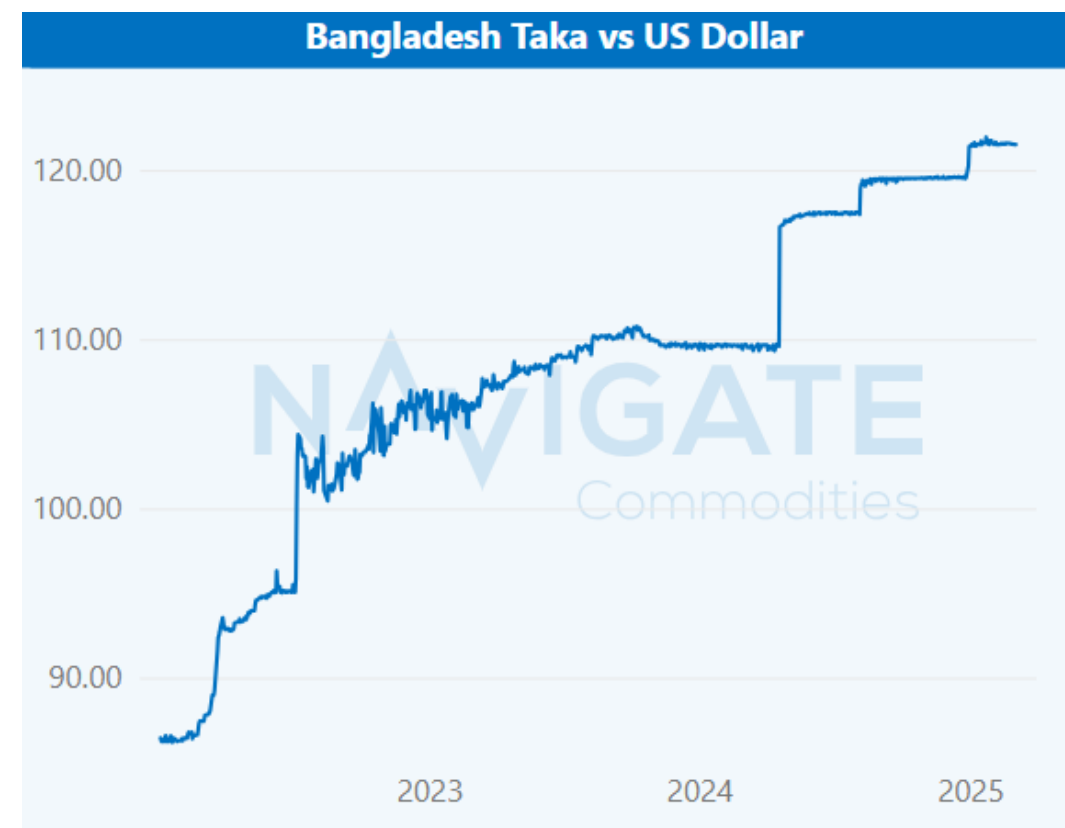
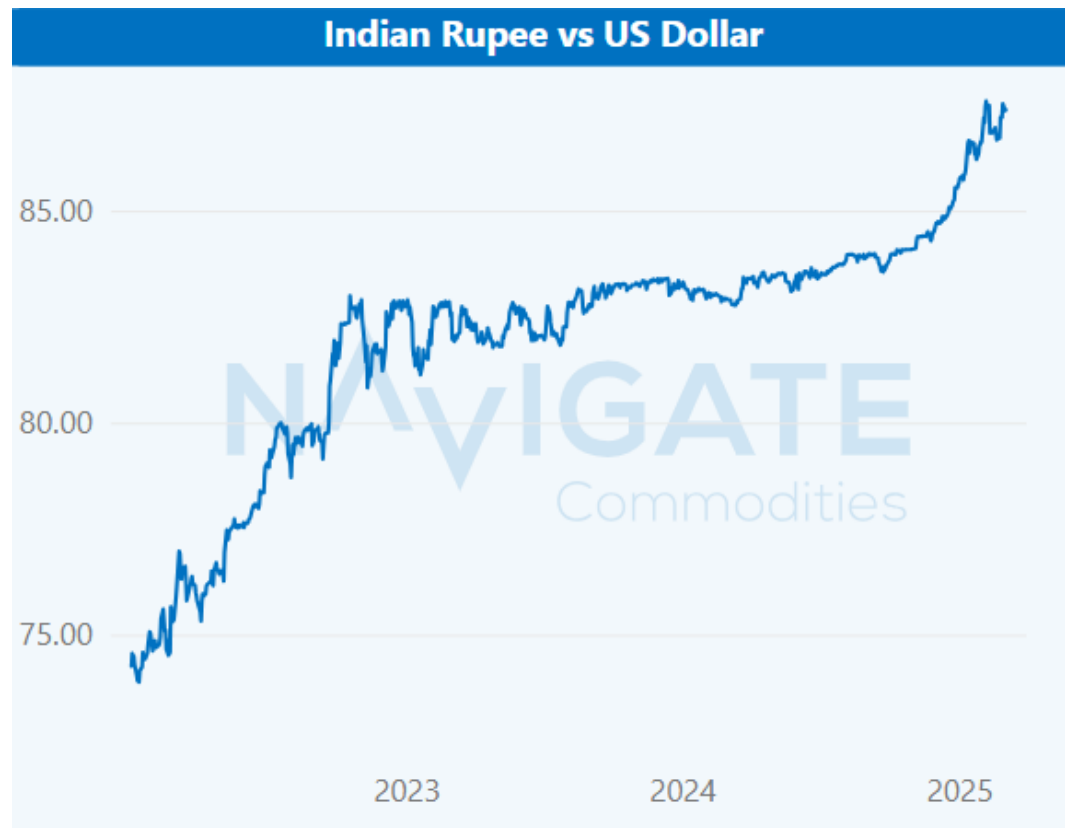
As such, the economics do not currently justify offering containerized Ferrous Scrap cargoes to the South Asian peninsular, given the premiums on offer for bulk cargoes to destinations such as Egypt and Turkey.

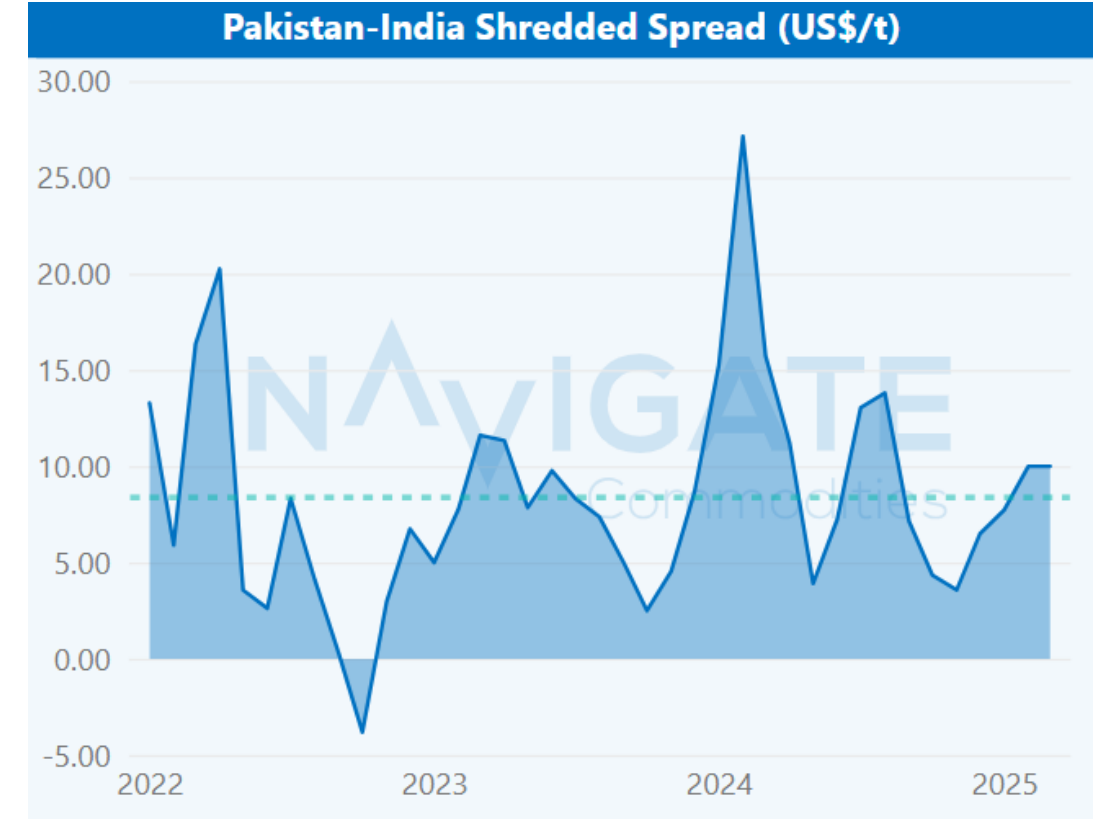
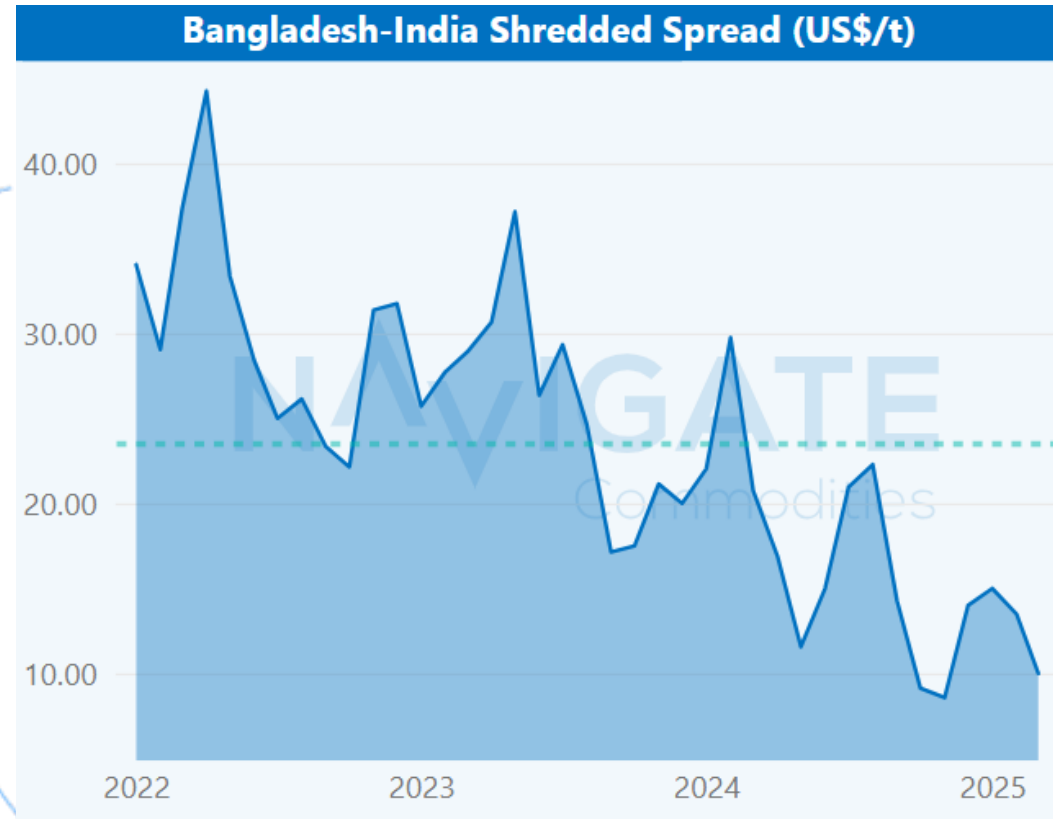
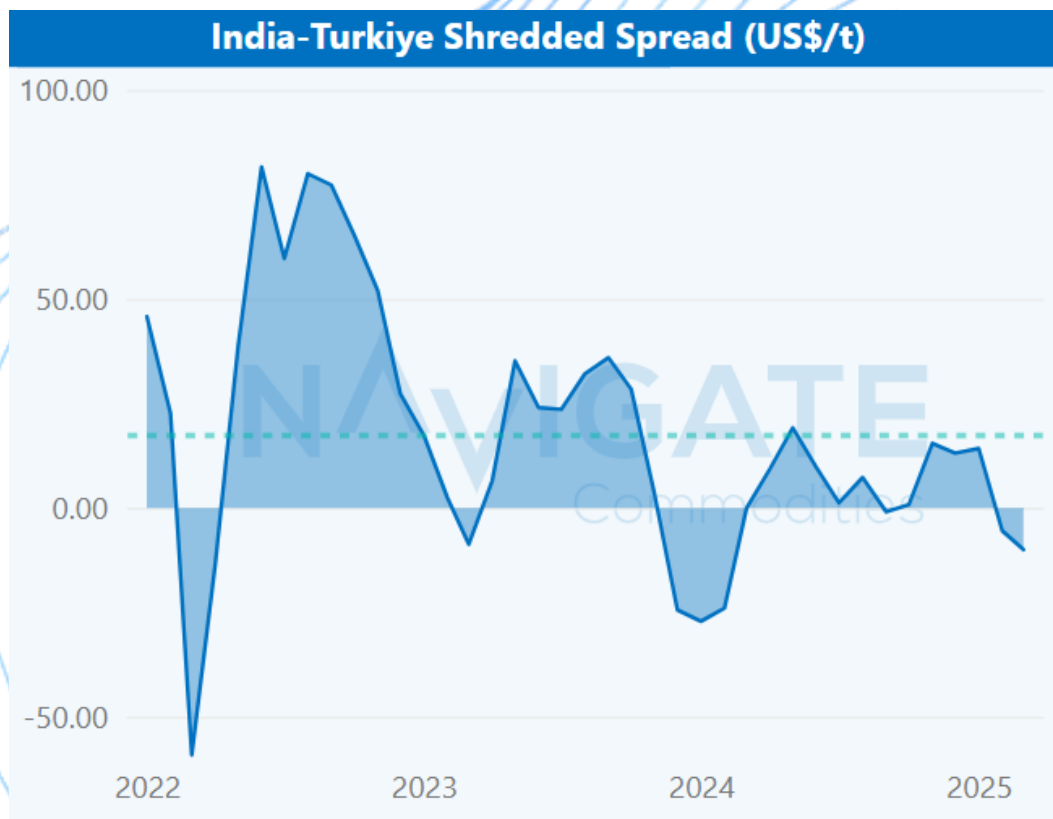
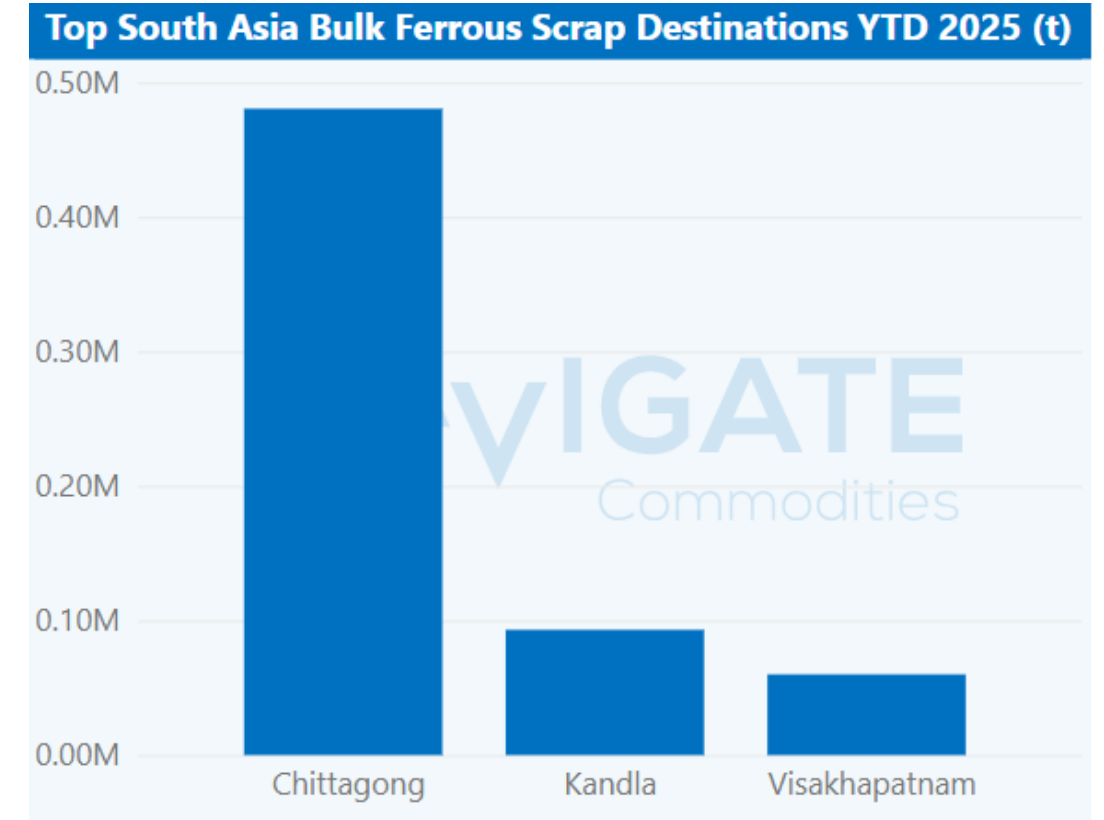
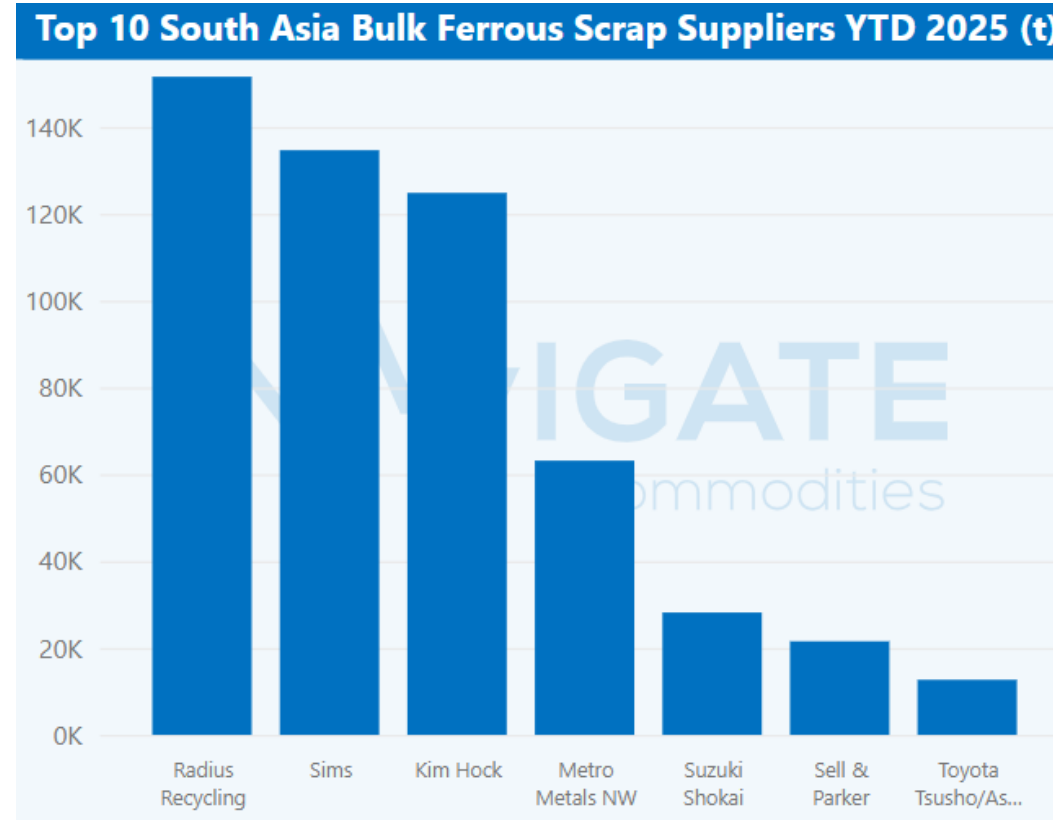
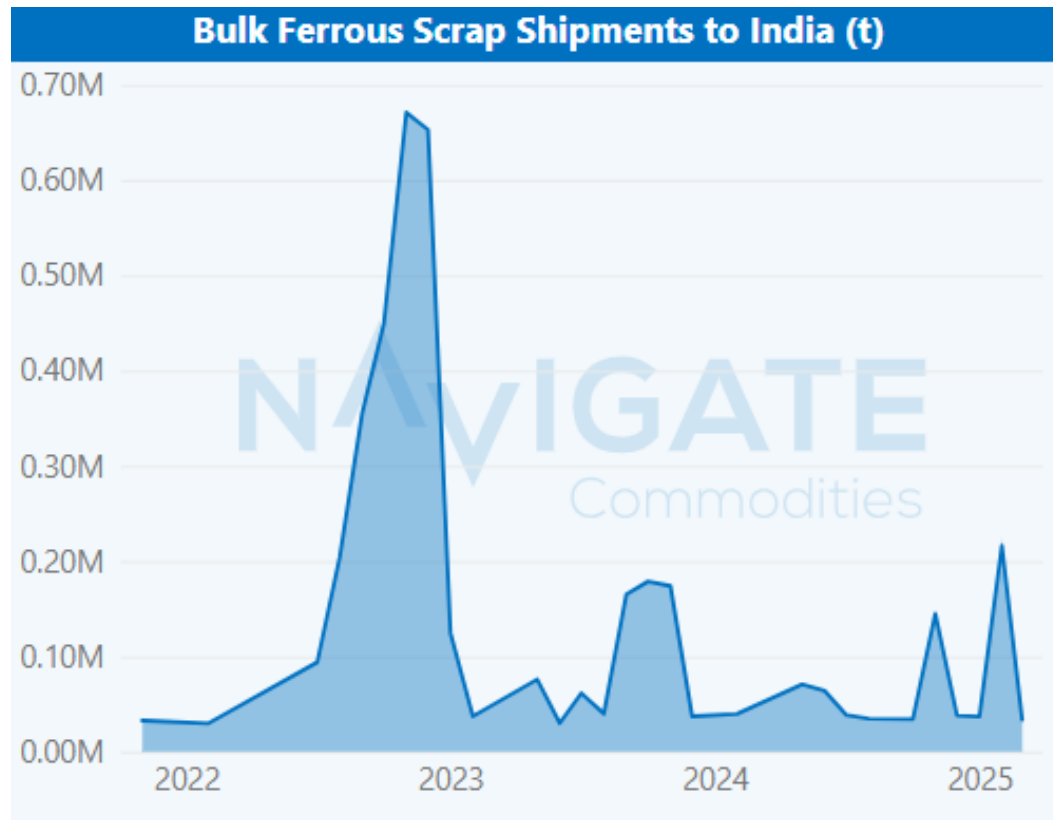
Furthermore, deteriorating domestic Hot Metal and DRI/Sponge Iron production costs, particularly for Iron Ore and Metallurgical Coal, have also significantly increased the competitiveness of this production process and input costs.

Methodology: Daily BF and EAF Smelting Activity is calculated by detecting & monitoring heat signatures from unique plant-by-plant Areas of Interest (AOIs) using high-frequency Thermal Infrared Satellite Imagery (TIRS).



Source: Navigate Commodities







Taiwan Steel Scrap Market Overview





Taiwan

Taiwanese HMS 1&2 (80:20) containerized Ferrous Scrap benchmarks edged US\$10-15/t higher over the past month to US\$310-315/t CFR Taiwan, despite relatively depressed demand from reduced smelting rates.

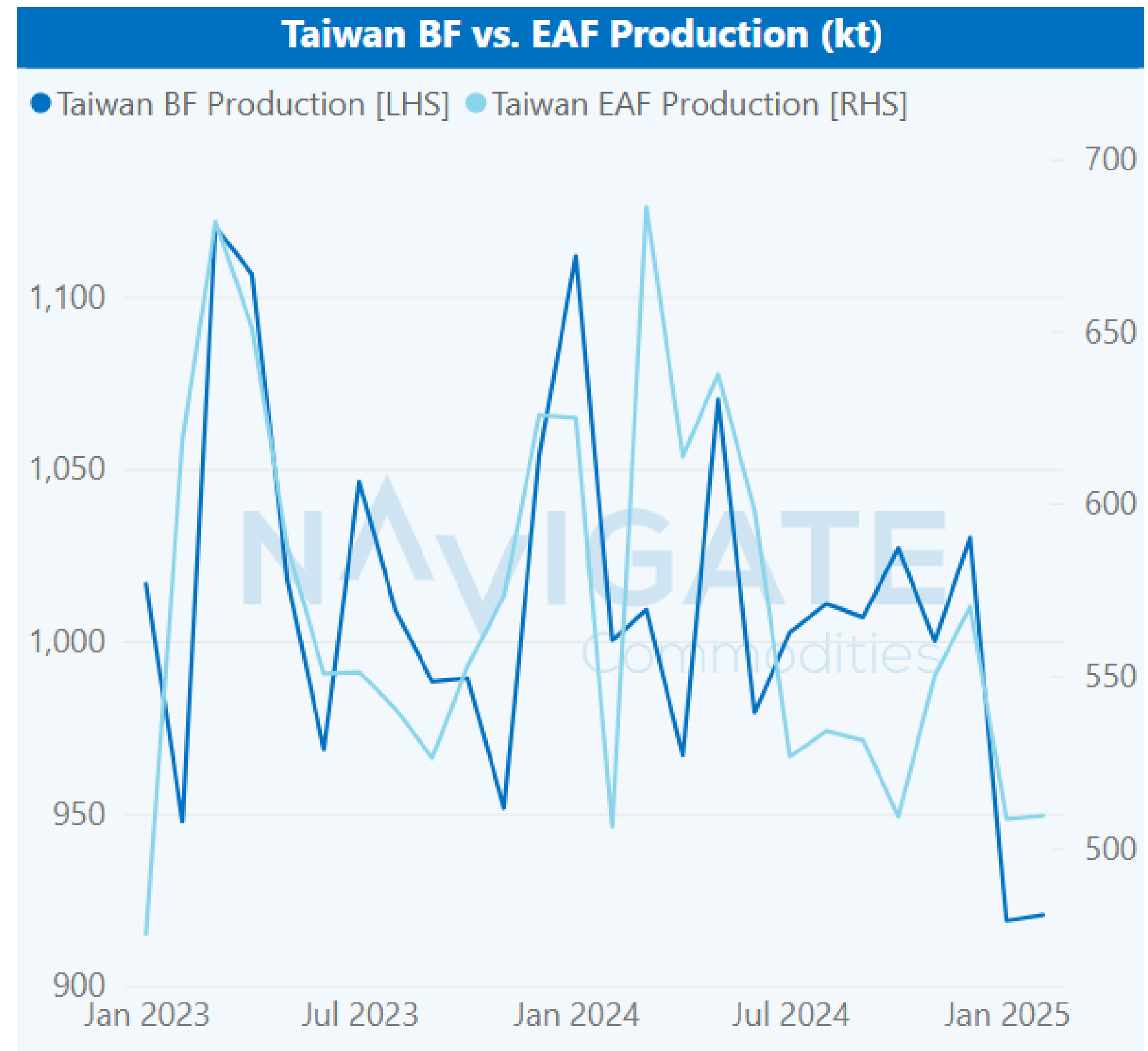
We believe Taiwanese blast furnace (BF) and electric arc furnace (EAF) production rates have remained suppressed in response to elevated volumes of relatively cheap Chinese Steel exports.

Nevertheless, Taiwanese Ferrous Scrap buyers have had to pay higher prices for predominantly US-origin containerized flows, given increasingly tighter supply fundamentals in the United States.

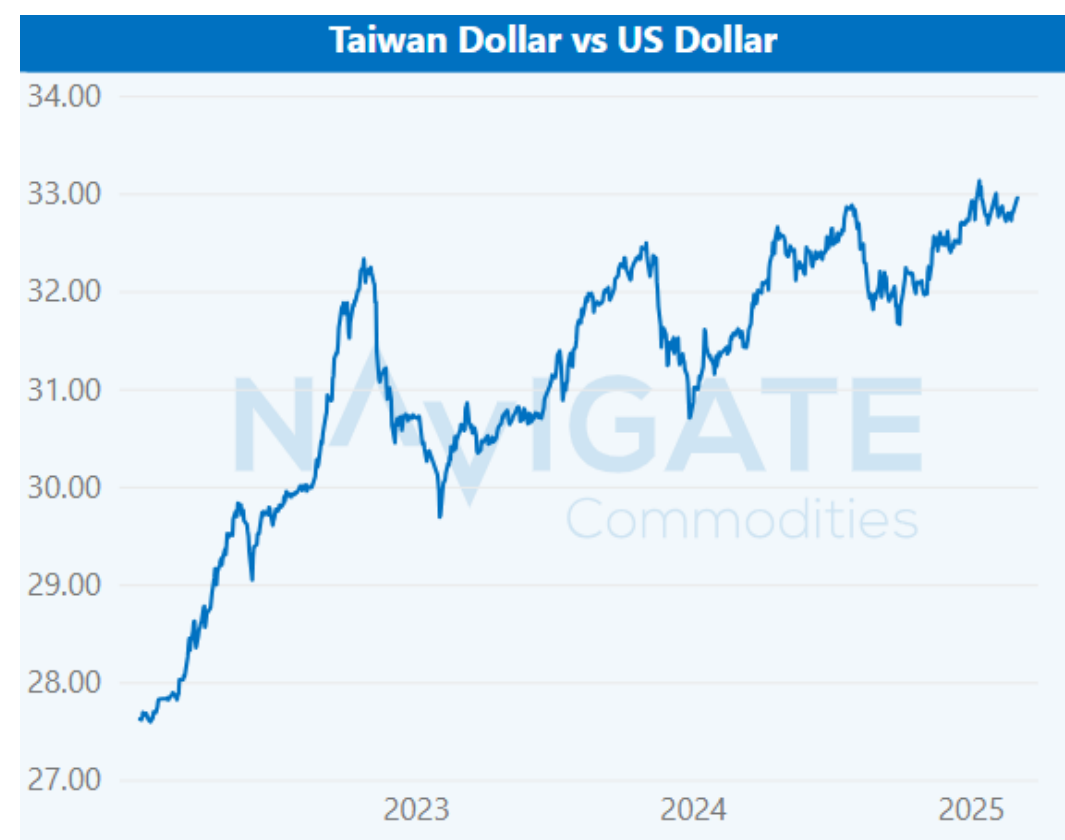
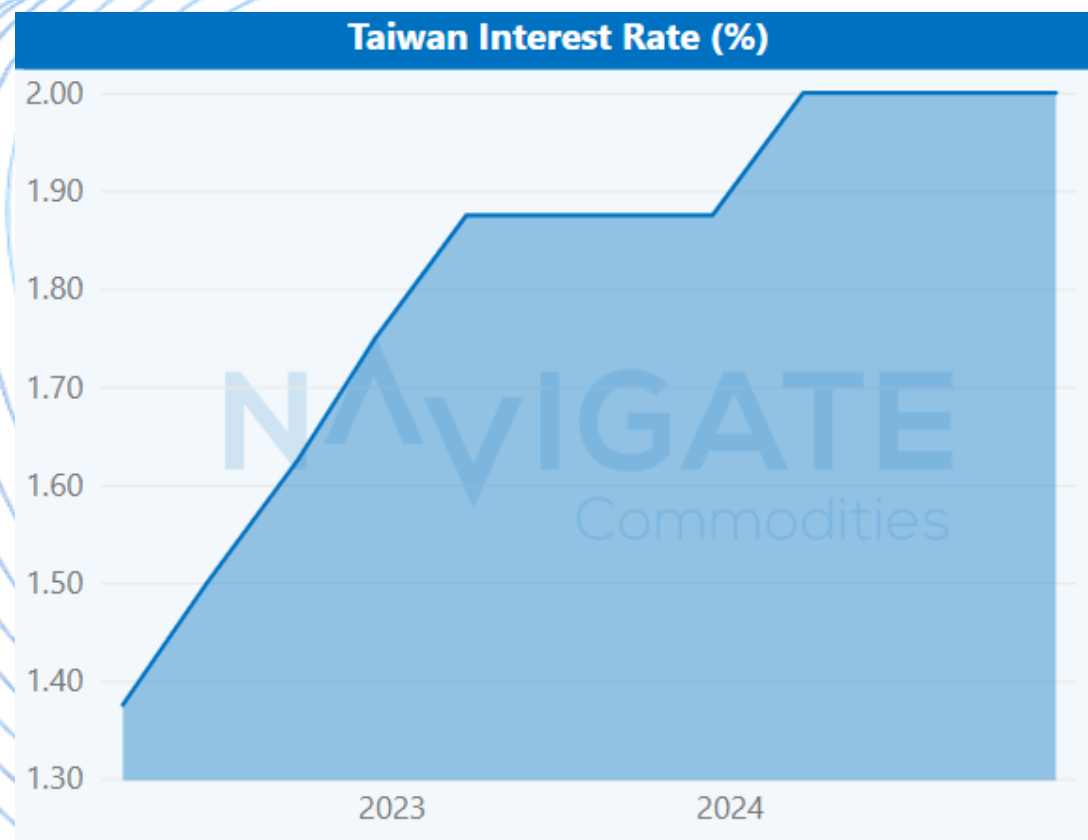
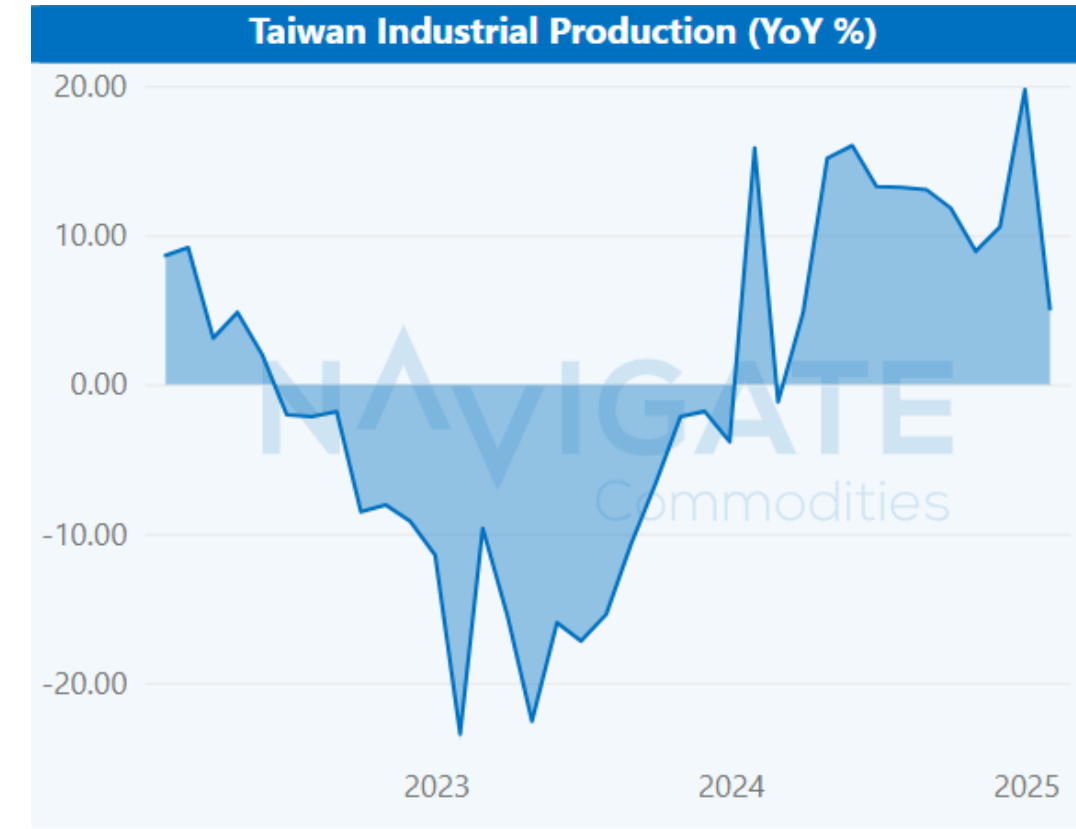
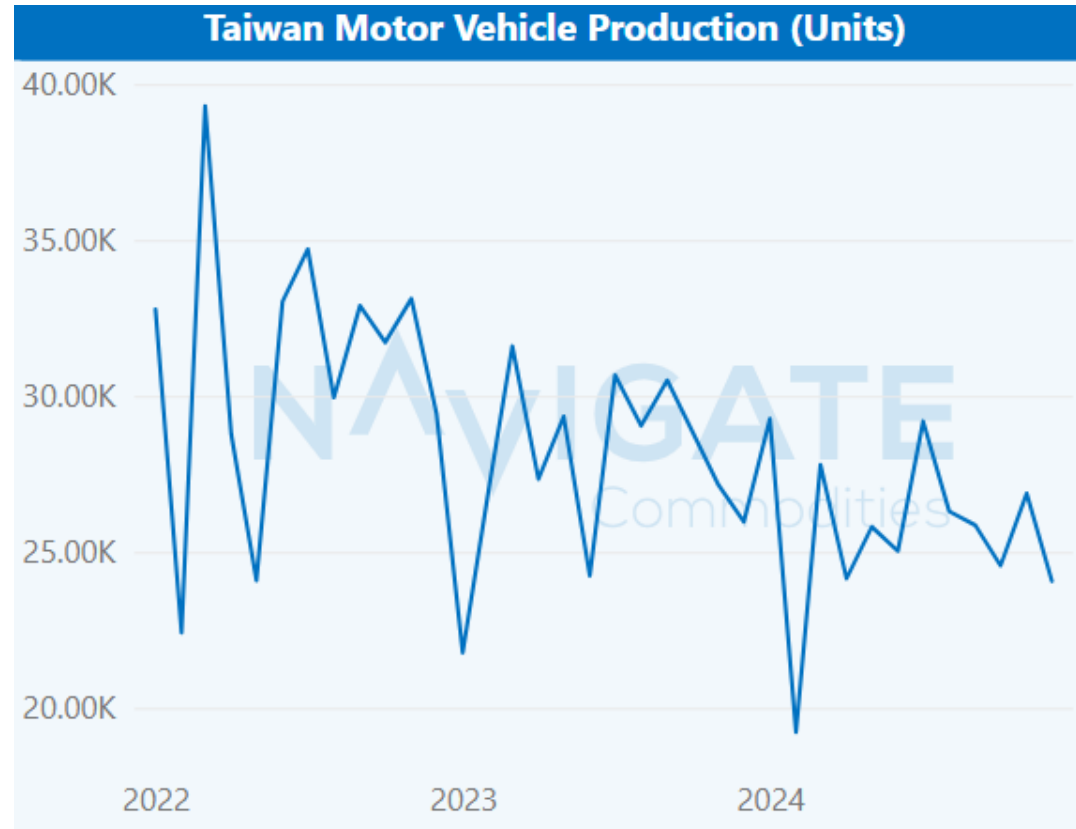
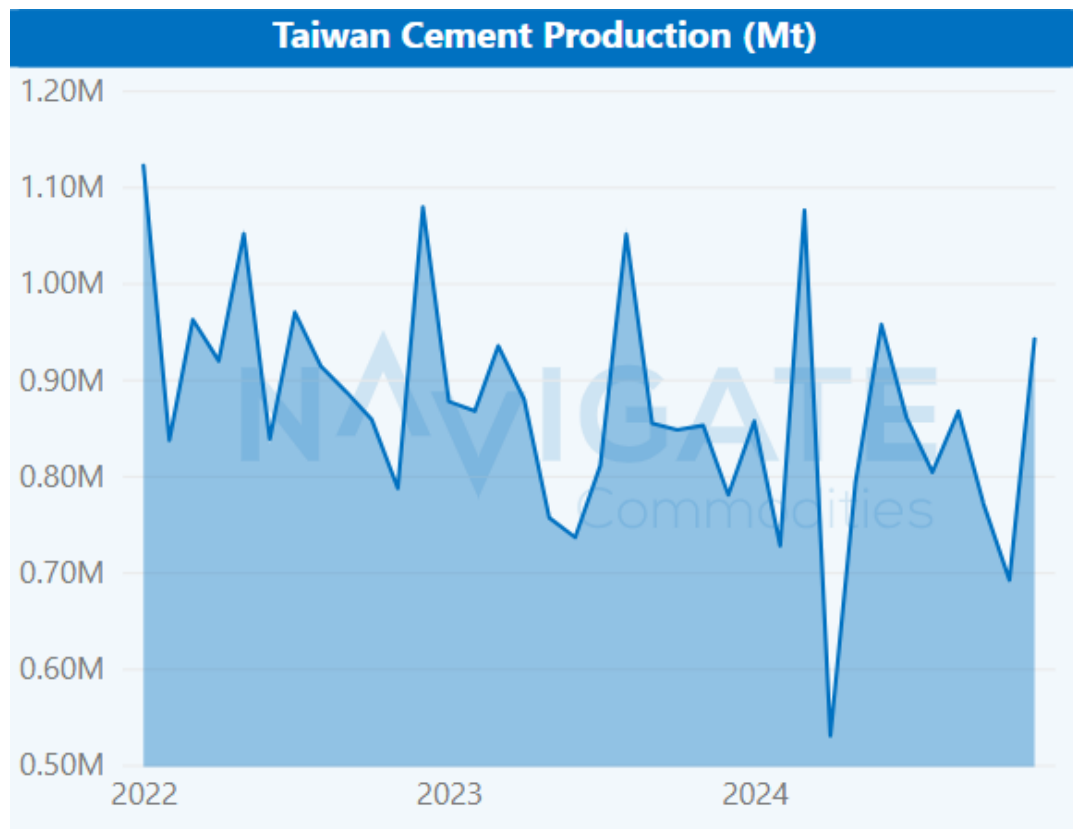
This has largely been a function of 25% US tariffs on Canadian- and Mexican-origin goods which has restricted the flow of Steel and prompt/prime Ferrous Scrap grades across their respective borders.

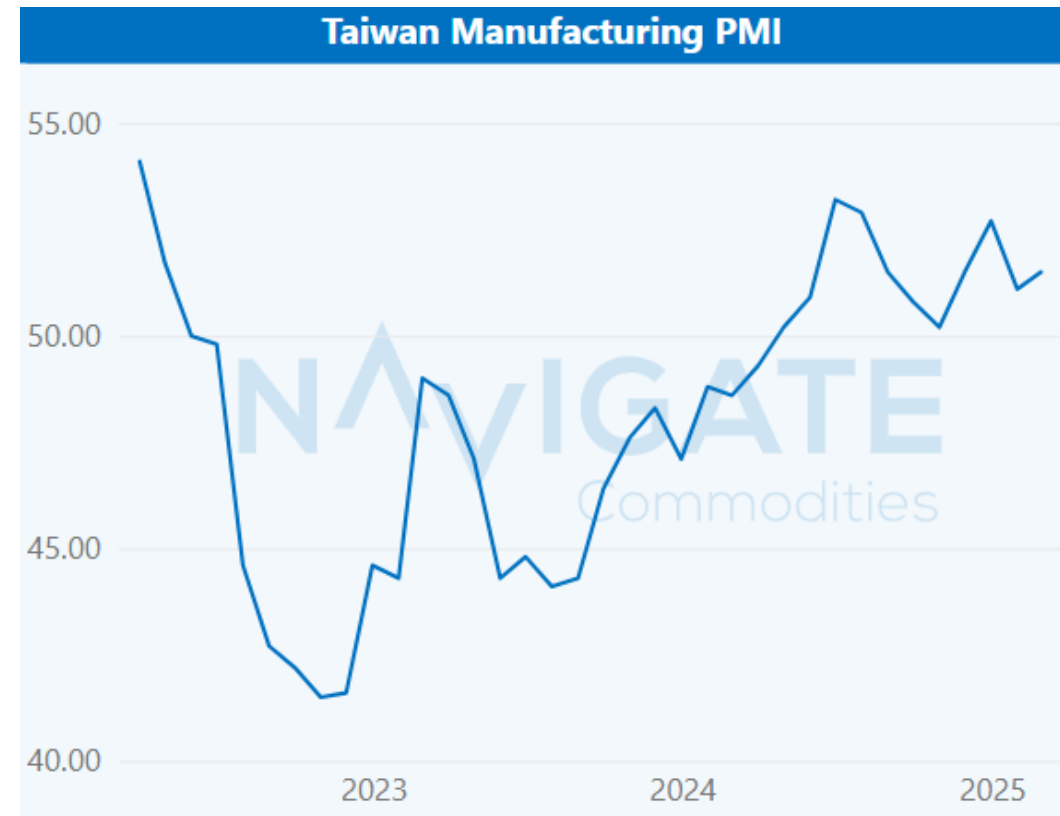
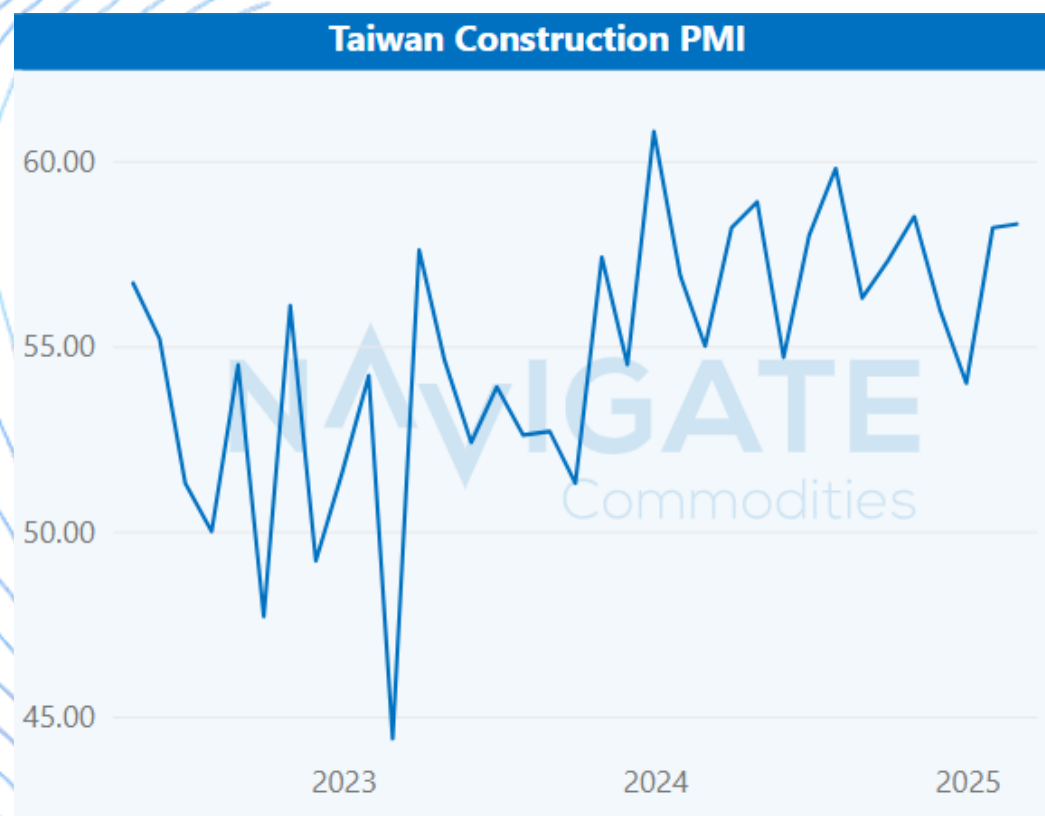
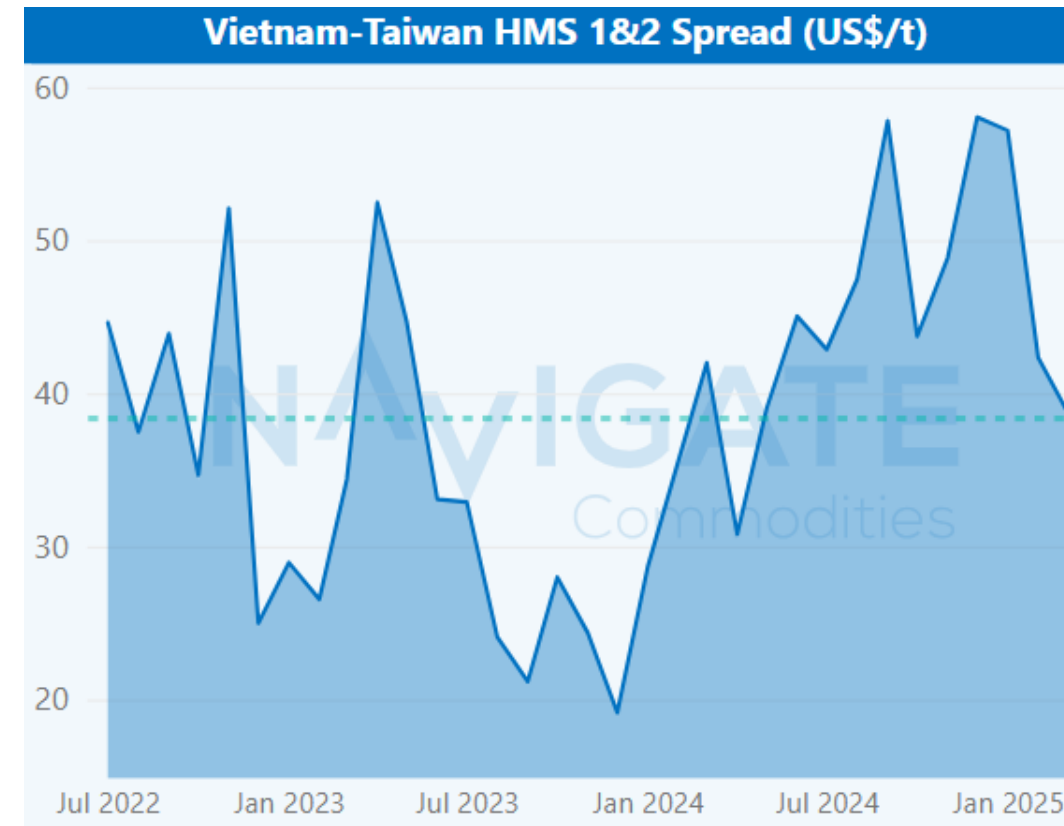
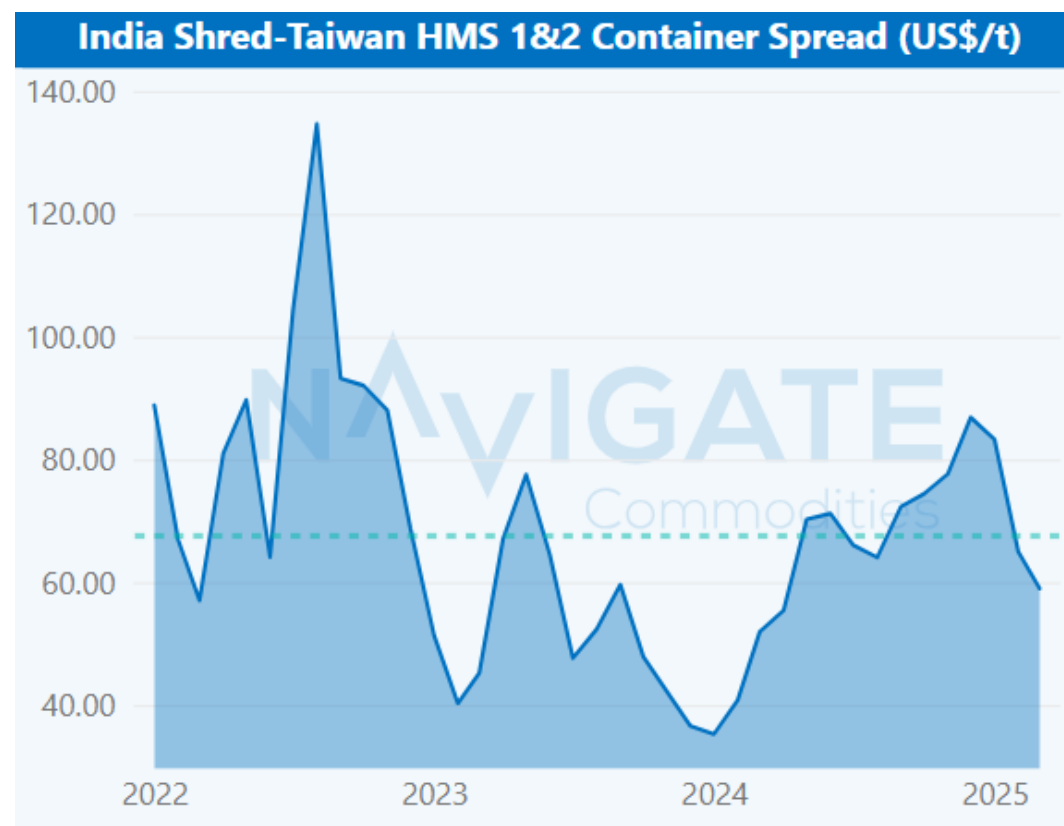
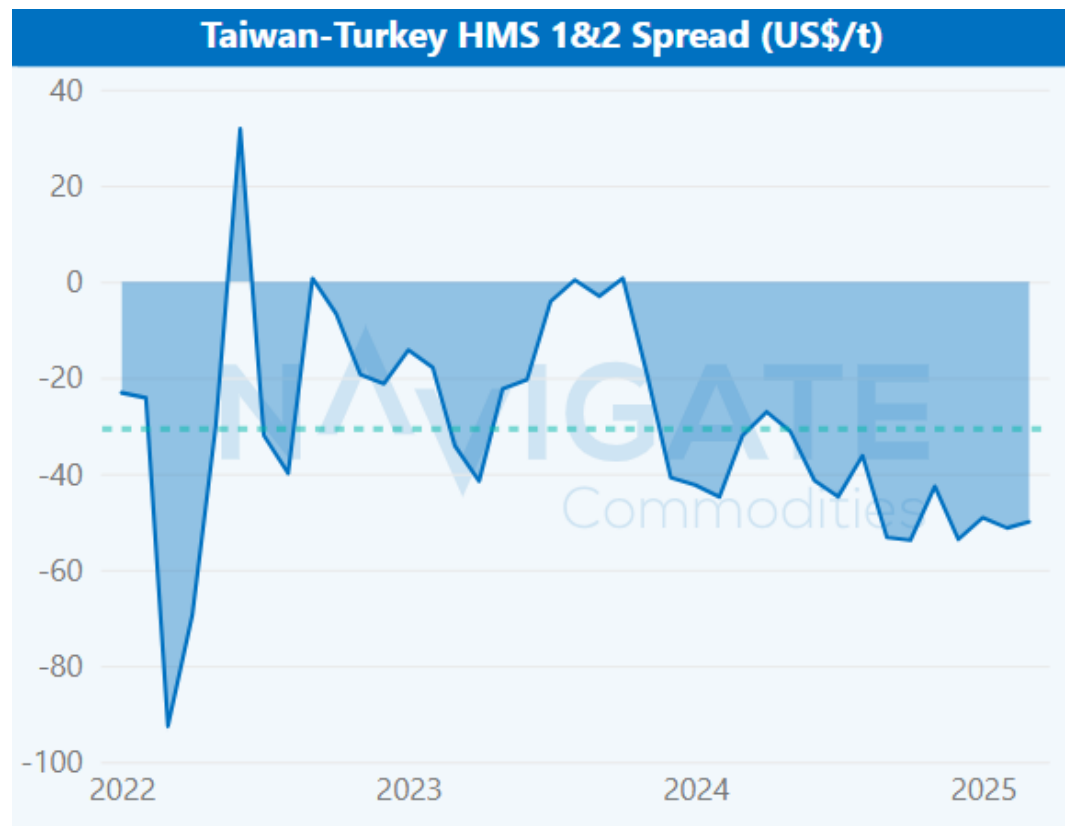
As such, inextricably reduced North American Steel and Ferrous Scrap flows have resulted in material month-on-month US domestic prices hikes that have transmitted to seaborne markets through US East Coast and West Coast export mechanisms.

Methodology: Daily BF and EAF Smelting Activity is calculated by detecting & monitoring heat signatures from unique plant-by-plant Areas of Interest (AOIs) using high-frequency Thermal Infrared Satellite Imagery (TIRS).



Source: Navigate Commodities

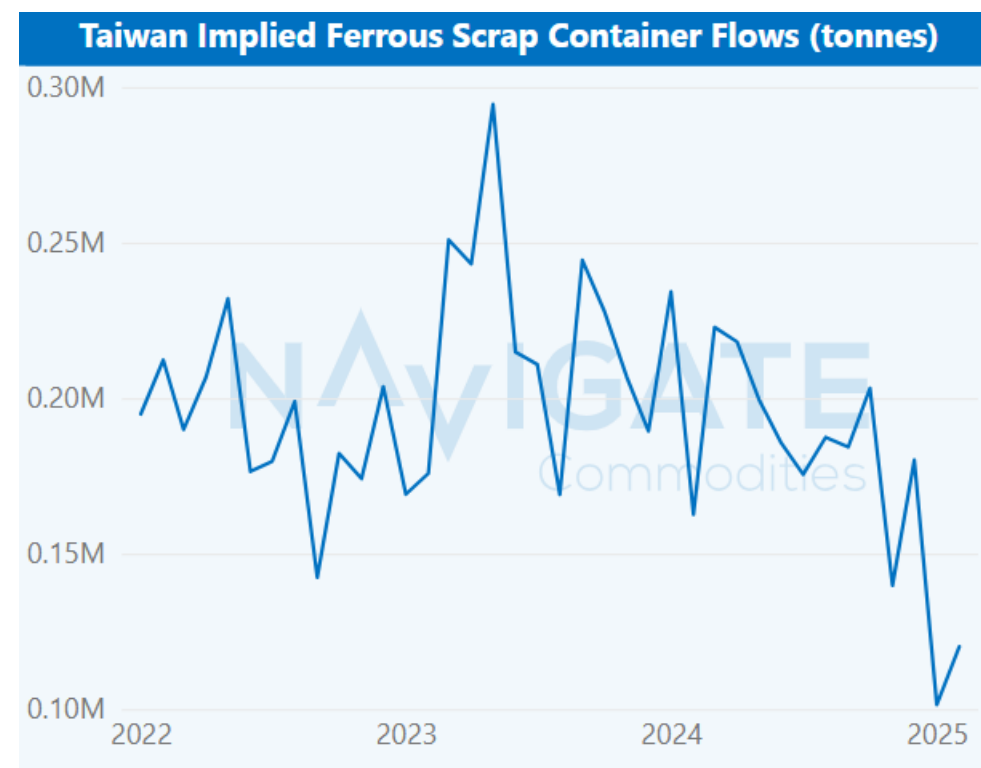
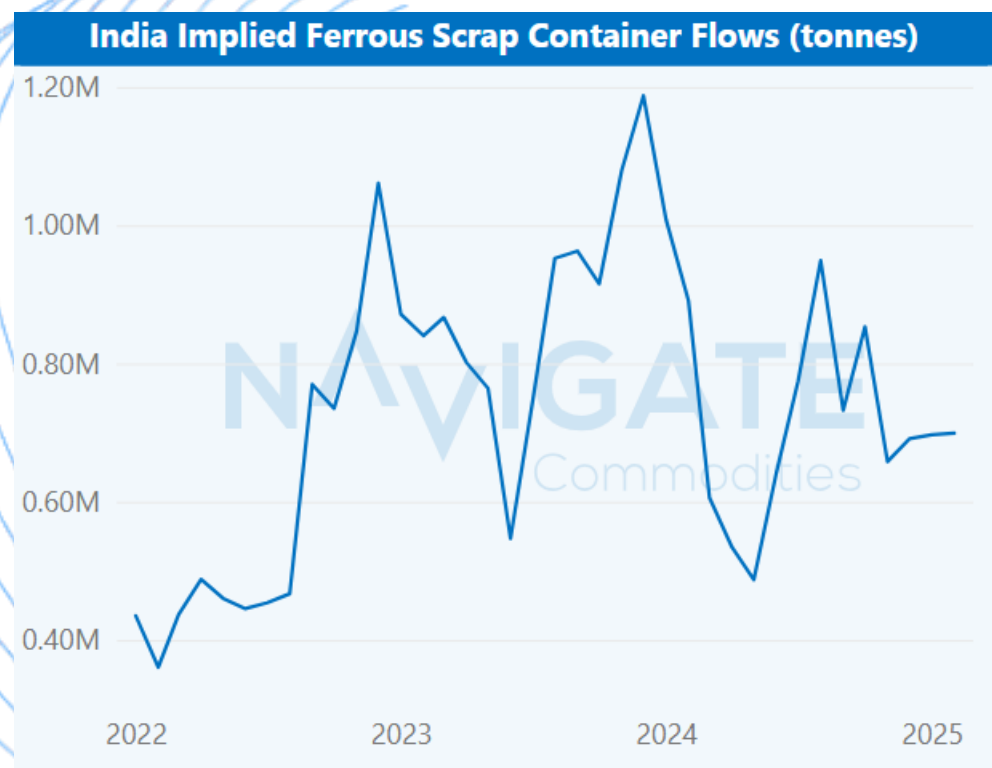
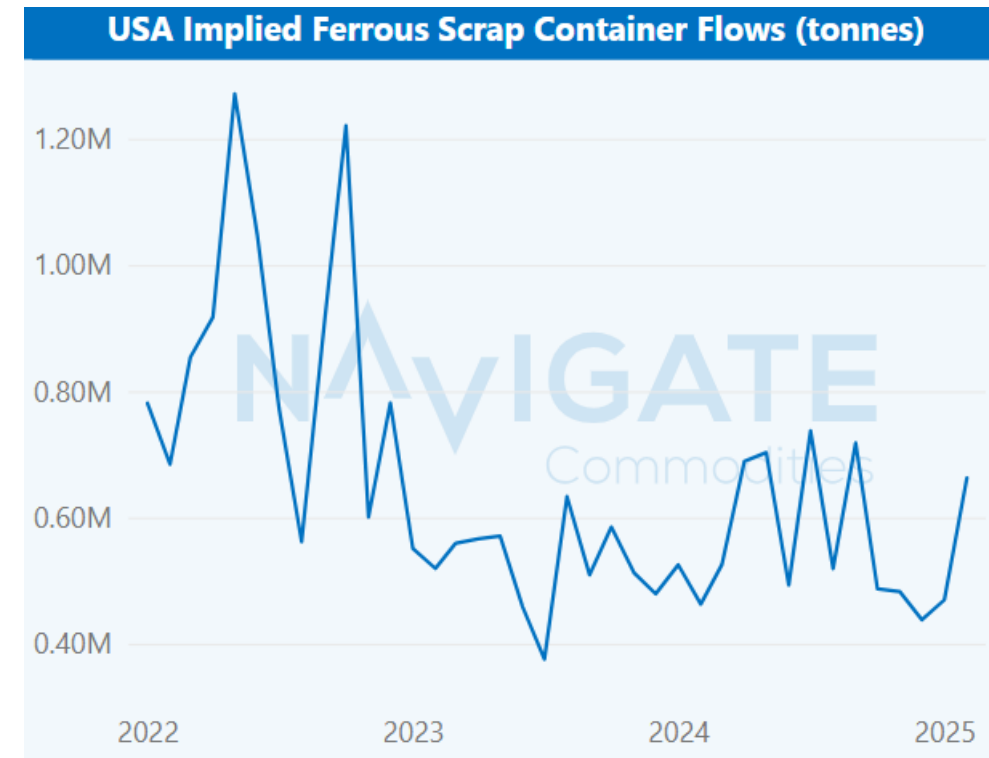
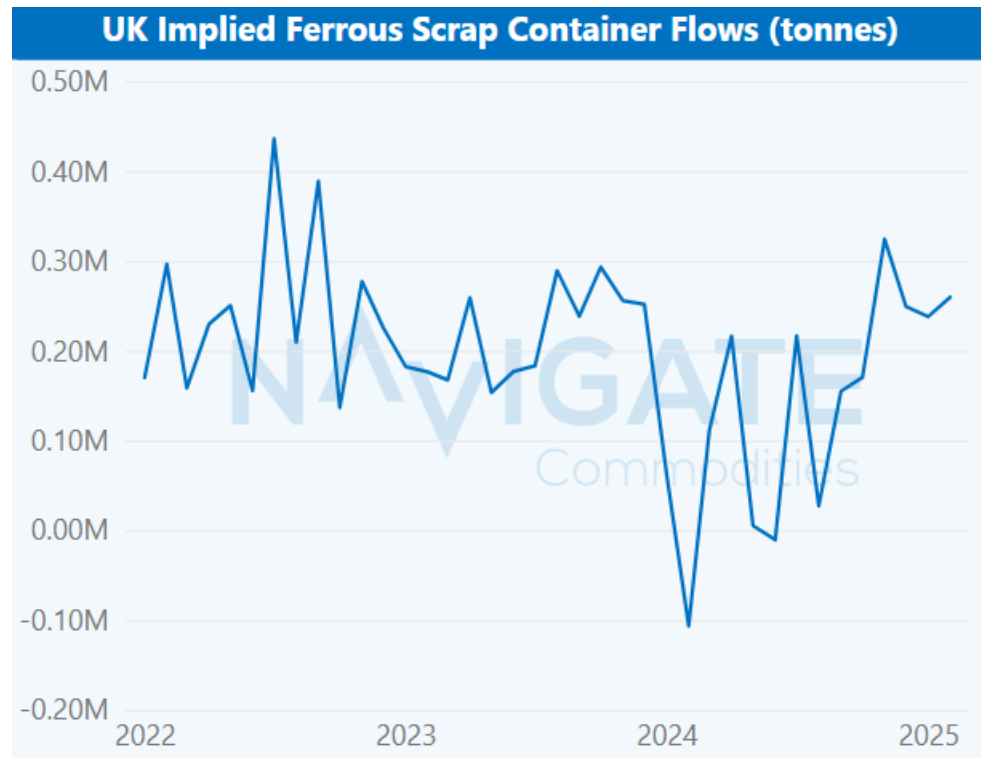
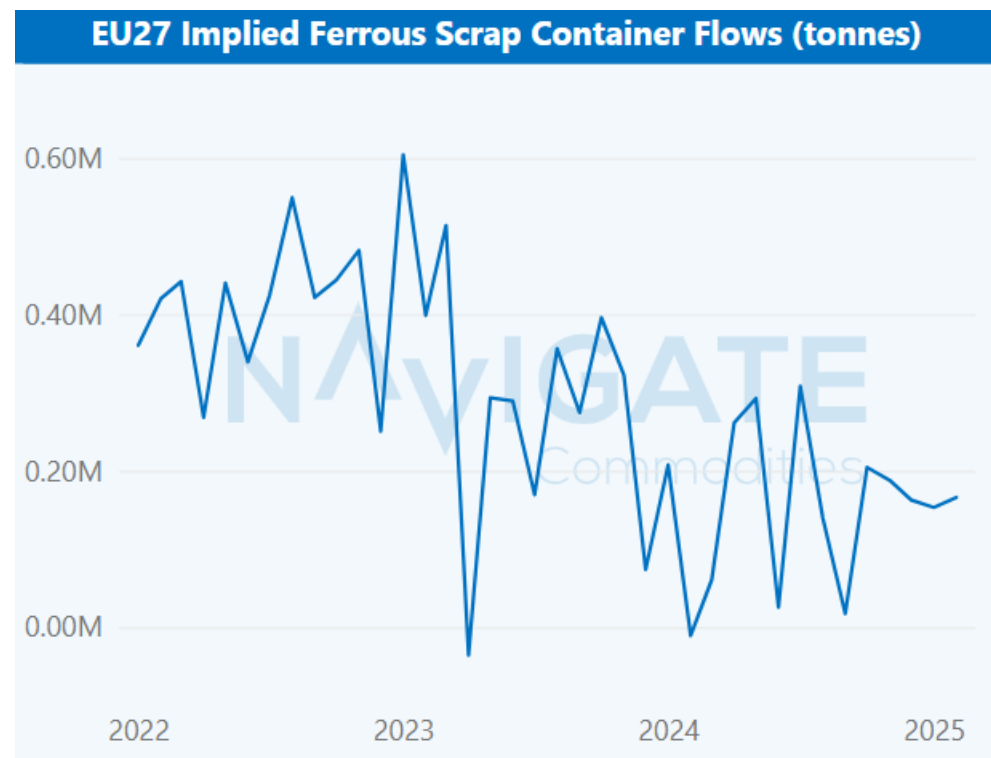






Steel Scrap Container Flows





Source: Navigate Commodities Note: Negative Values Denotes Period of Destocking



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