

FERROUS SCRAP REVIEW

AUGUST 2011

SELECTED DOMESTIC FERROUS SCRAP PRICES (\$US/metric tonne)

	Jun-11		Jul-11				Aug-11			
	Mid		Early		Mid		Early		Mid	
	Low	High	Low	High	Low	High	Low	High	Low	High
China ¹	490	506	485	505	486	505	499	513	499	512
India ¹	489	494	473	478	474	479	495	500	481	486
Japan ^{2 *}	421	458	439	476	446	483	437	468	430	456
Mexico ¹	284	301	311	328	311	328	300	316	300	316
Russia ^{3 †}	358	376	378	388	378	388	369	380	369	380
Taiwan ¹	445	450	460	465	455	460	440	445	440	445
European Union ⁴										
- E3 / HMS1	453				461				435	
- E40 / Shredded	473				471				452	
USA										
Eastern States ⁵										
- HMS1	405				407				407	
- Shredded	441				442				436	
Mid-West ⁶										
- HMS1	401				402				401	
- Shredded	436				436				431	

¹ HMS1&2 (80:20)

² H2

³ 3A

Italics - Preliminary figure
NA - Not Available

* - Average Japanese steel plant purchasing price

† - Average Russian steel plant purchasing price - Central, Siberia, Southern & Ural federal districts

⁴ - Average price in France, Germany, Italy & Spain over the month

⁵ - Average price in Philadelphia & Pittsburgh over the month

⁶ - Average price in Chicago, Cincinnati & St. Louis over the month

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2011 Annual subscription rate £400
by email only

ISSN 2048-8564 (Online)

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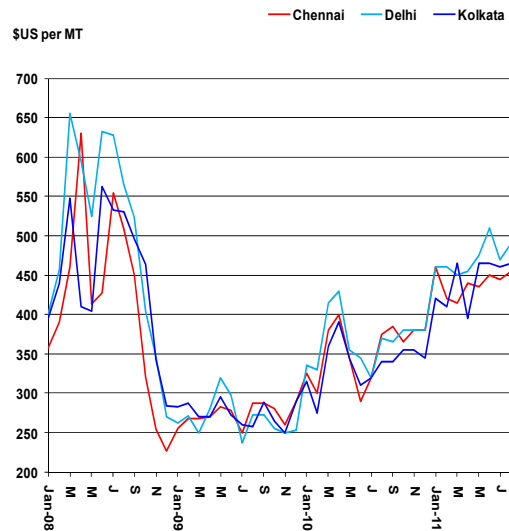
The data contained in this report has been obtained from respondents who we consider provide accurate intelligence on the steel market. We make our best endeavours to be assured the information is correct and that our analysis is reliable. MEPS (International) Ltd. cannot be made liable for any loss resulting from use of our published data, however it may arise.

Ferrous scrap

Positive price growth materialised in the domestic markets of India and China. Average gains in these two BRIC countries ranged from 2.2 percent to 2.9 percent. Negative price sentiment transpired in Japan, Taiwan, European Union, Russia and the United States. Stable price scenarios developed in the Mexico and South Africa.

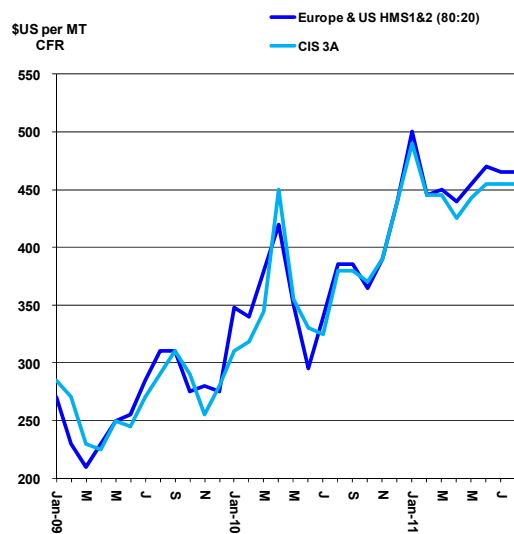
- In China, provincial quotations edged higher in week 31. Domestic steelworks resumed purchasing material due low inventory levels and firmer demand for finished steel products. Looking forward, transaction values will be primarily influenced by downstream steel demand, and the ability of scrap yards to raise their collection rates.
- Turkish steelmakers purchased material less frequently in August. Import offers circulated by European and US suppliers are unchanged.
- Market sentiment declined in Japan. Electric mini-mills reduced their buying figures. The fall was expected. Material had already been secured ahead of the “summer shutdown”. Distributors hold bearish outlooks for the September-October period.
- Purchasing prices fell for the three grades tracked in the United States. Low collection rates and steady export activity by East Coast traders minimized the reduction. Mill capacity utilisation rates remains around 75 percent.
- Taiwanese mills, operating electric furnaces, recommenced procuring material in week 32. Buying activity has been driven by the prospect that the government will lift the electricity restrictions in September. Foreign suppliers responded with higher quotations.
- Purchasing activity by South Korean steelworks was low due to planned maintenance work. Traders hold negative price expectations. They are forecasting that prices will fall by \$US10-20 per tonne in September.

Domestic Indian HMS1&2 (80:20) prices edge higher in August



Source: MEPS International

Turkish ferrous scrap offers remain unchanged in August



Source: MEPS International

DOMESTIC FERROUS SCRAP PRICES (Local Currencies per metric tonne)

	Jun-11		Jul-11				Aug-11				Mid-Month	
	Mid		Early		Mid		Early		Mid		Difference	
	Low	High	Low	High	Low	High	Low	High	Low	High	%	
China ('000 RMB) ¹												
- Guangzhou Province	3.23	3.30	3.21	3.30	3.21	3.30	3.25	3.35	3.27	3.35	2.1%	
- Hebei Province	3.21	3.29	3.14	3.29	3.17	3.29	3.26	3.29	3.26	3.29	2.9%	
- Jiangsu Province	3.11	3.27	3.11	3.28	3.11	3.28	3.18	3.28	3.18	3.28	2.2%	
- Shandong Province	3.15	3.25	3.09	3.19	3.10	3.20	3.16	3.28	3.15	3.27	1.7%	
- Average	3.17	3.28	3.14	3.26	3.14	3.27	3.21	3.30	3.21	3.30	2.2%	
India ('000 Rs) ¹												
- Chennai	20.16	20.38	19.54	19.77	19.77	19.99	21.17	21.39	20.28	20.50	2.6%	
- Delhi	22.84	23.07	20.88	21.10	20.88	21.10	21.62	21.84	21.84	22.06	4.6%	
- Kolkata	20.83	21.05	20.43	20.66	20.43	20.66	22.06	22.29	20.73	20.95	1.4%	
- Mandi Gobindgarh	23.74	23.96	23.10	23.32	23.10	23.32	23.40	23.62	22.95	23.18	-0.6%	
- Average	21.89	22.12	20.99	21.21	21.04	21.27	22.06	22.29	21.45	21.67	1.9%	
- Average (Ex Mandi G.)	21.28	21.50	20.29	20.51	20.36	20.58	21.62	21.84	20.95	21.17	2.9%	
Japan ('000 ¥) ^{2 *}	34.00	37.00	35.50	38.50	36.00	39.00	34.50	37.00	34.00	36.00	-5.6%	
Mexico ('000 MEX\$) ¹	3.30	3.50	3.60	3.80	3.60	3.80	3.60	3.80	3.60	3.80	0.0%	
Russia ('000 RUB) ^{3 †}	10.00	10.50	10.50	10.80	10.50	10.80	10.40	10.70	10.40	10.70	-1.0%	
Philippines ('000 PHP) ¹	21.00	21.50	20.50	21.30	20.50	21.30	20.50	21.30	20.50	21.30	0.0%	
South Africa ('000 R) ^{1 ‡}	2.80	2.85	2.68	2.73	2.68	2.73	2.68	2.73	2.68	2.73	0.0%	
Taiwan ('000 \$NT) ¹	12.72	12.86	13.20	13.34	13.05	13.20	12.73	12.87	12.73	12.87	-2.5%	
European Union (€) ⁴												
- E3 / HMS1	314				318				308			-3.1%
- E40 / Shredded	328				324				320			-1.3%
- E8 / Bushelings	347				337				332			-1.5%
USA (\$US)												
Eastern States ⁵												
- HMS1	405				407				407			-0.1%
- Shredded	441				442				436			-1.3%
- Bushelings	477				482				475			-1.5%
Mid-West ⁶												
- HMS1	401				402				401			-0.1%
- Shredded	436				436				431			-1.3%
- Bushelings	484				482				478			-0.8%

¹ HMS1&2 (80:20)

² H2

³ 3A

^{*} - Average Japanese steel plant purchasing price

[†] - Average Russian steel plant purchasing price - Central, Siberia, Southern & Ural federal districts

[‡] - Average South African steel plant purchasing price

⁴ - Average price in France, Germany, Italy & Spain over the month

⁵ - Average price in Philadelphia & Pittsburgh over the month

⁶ - Average price in Chicago, Cincinnati & St. Louis over the month

Italics - Preliminary figure

NA - Not Available

DOMESTIC FERROUS SCRAP PRICES (\$US/metric tonne)

	Jun-11		Jul-11				Aug-11				Mid-Month	
	Mid		Early		Mid		Early		Mid		Difference	
	Low	High	Low	High	Low	High	Low	High	Low	High	%	
China ¹												
- Guangzhou Province	499	509	496	511	496	511	504	520	508	520	2.5%	
- Hebei Province	495	508	486	509	490	509	507	511	506	511	3.3%	
- Jiangsu Province	480	504	481	508	481	508	494	510	494	510	2.6%	
- Shandong Province	485	501	478	493	479	494	491	509	489	508	2.1%	
- Average	490	506	485	505	486	505	499	513	499	512	2.6%	
India ¹												
- Chennai	450	455	440	445	445	450	475	480	455	460	2.2%	
- Delhi	510	515	470	475	470	475	485	490	490	495	4.3%	
- Kolkata	465	470	460	465	460	465	495	500	465	470	1.1%	
- Mandi Gobindgarh	530	535	520	525	520	525	525	530	515	520	-1.0%	
- Average	489	494	473	478	474	479	495	500	481	486	1.6%	
- Average (Ex Mandi G.)	475	480	457	462	458	463	485	490	470	475	2.5%	
Japan ^{2 *}	421	458	439	476	446	483	437	468	430	456	-3.4%	
Mexico ¹	284	301	311	328	311	328	300	316	300	316	-3.6%	
Russia ^{3 †}	358	376	378	388	378	388	369	380	369	380	-2.1%	
Philippines ('000 PHP) ¹	488	499	476	495	476	495	484	503	484	503	1.7%	
South Africa ^{1 ‡}	413	420	399	406	399	406	388	395	388	395	-2.8%	
Taiwan ¹	445	450	460	465	455	460	440	445	440	445	-3.3%	
European Union ⁴												
- E3 / HMS1	453				461				435			-5.5%
- E40 / Shredded	473				471				452			-3.9%
- E8 / Bushelings	501				489				470			-4.0%
USA												
Eastern States ⁵												
- HMS1	405				407				407			-0.1%
- Shredded	441				442				436			-1.3%
- Bushelings	477				482				475			-1.5%
Mid-West ⁶												
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- Shredded	436				436				431			-1.3%
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¹ HMS1&2 (80:20)

² H2

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* - Average Japanese steel plant purchasing price

† - Average Russian steel plant purchasing price - Central, Siberia, Southern & Ural federal districts

‡ - Average South African steel plant purchasing price

⁴ - Average price in France, Germany, Italy & Spain over the month

⁵ - Average price in Philadelphia & Pittsburgh over the month

⁶ - Average price in Chicago, Cincinnati & St. Louis over the month

Italics - Preliminary figure

NA - Not Available

INTERNATIONAL FERROUS SCRAP MARKETS (\$US/metric tonne)

	Jun-11		Jul-11		Aug-11		Mid-Month		Difference	%	
	Low	High	Low	High	Low	High	Low	High			
EXPORT (FOB)											
CIS ¹											
- Baltic Sea (Russia)	430	440	433	438	425	435	437	442	425	430	0.0%
- Black Sea (Russia)	435	440	433	438	425	430	434	439	434	439	2.1%
- Black Sea (Ukraine)	430	435	421	426	421	426	427	432	427	432	1.4%
European Union (Port of Rotterdam)											
- HMS1&2 (80:20)	445	450	420	425	430	435	438	445	435	440	1.2%
- Shredded	450	455	425	430	435	440	445	450	440	445	1.1%
Japan ²	430	440	440	445	445	450	440	445	445	450	0.0%
South Africa ³	425	435	420	430	420	430	430	440	430	440	2.4%
United Kingdom ³	425	435	420	425	420	425	427	437	425	433	1.2%
USA ³											
- East Coast	440	445	435	440	435	440	440	445	435	440	0.0%
- West Coast	445	450	445	450	445	450	450	455	450	455	1.1%
Miami/Houston Δ											
- HMS1&2 (80:20)	395	405	395	405	395	405	400	410	400	410	1.3%
- Shredded	435	445	435	445	435	445	430	440	430	440	-1.1%
IMPORTS (CFR)											
India ⁴											
- HMS1&2 (80:20)	470	475	485	495	465	470	475	480	480	485	3.2%
- Shredded	475	480	495	500	470	480	485	490	485	490	3.2%
SE Asian port ³ †	485	490	485	490	485	495	490	495	490	495	1.0%
South Korea ⁵	460	465	470	475	470	475	470	475	475	480	1.1%
Taiwan ⁶											
- HMS1&2 (80:20)	460	465	465	470	450	455	470	475	470	475	4.4%
- Shredded	465	470	470	475	455	460	475	480	475	480	4.4%
Turkey											
- ex Europe / U.S. ³	470	475	455	460	465	470	465	473	465	470	0.0%
- ex CIS ¹	455	465	455	460	455	460	460	465	455	460	0.0%
- Shredded - ex EU / U.S.	475	485	460	470	470	475	473	478	470	475	0.0%
UAE ex EU / U.S. ³ †	460	470	460	470	460	470	460	470	460	470	0.0%

¹ 3A Δ FAS inco terms

NA - Not Available

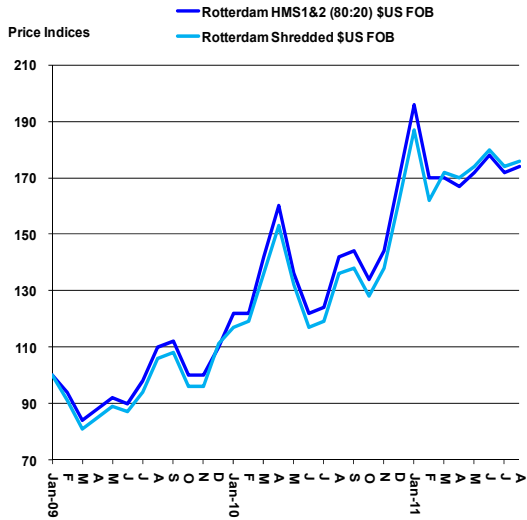
² H2*Italics* - Preliminary figure³ HMS1&2 (80:20)

† - Average steel plant purchasing price

⁴ - Average price in Nhava Sheva & Mundra ports⁵ - Average price for HMS1&2 (80:20) in Pohang & Pusan⁶ - Average price for HMS1&2 (80:20) in Taichung & Kaohsiung

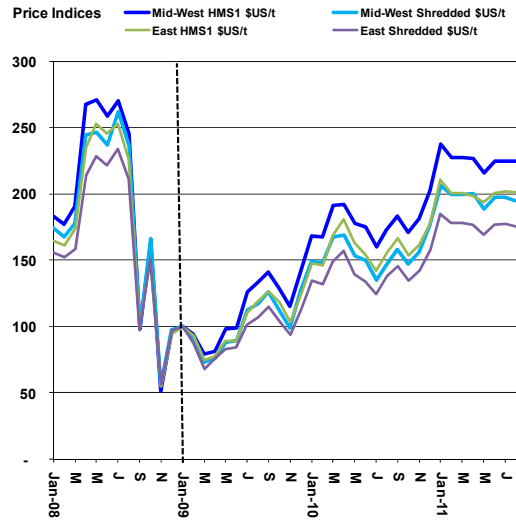
Ferrous Scrap Price Indices

European Ferrous Scrap Export Price Indices (January 2009 = 100)



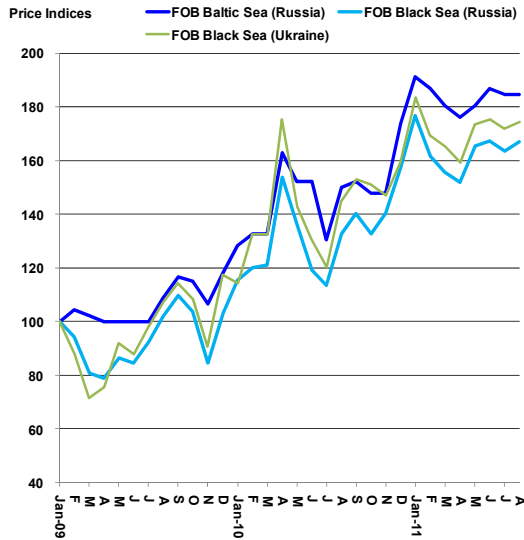
Source: MEPS International

Domestic US Ferrous Scrap Price Indices (January 2009 = 100)



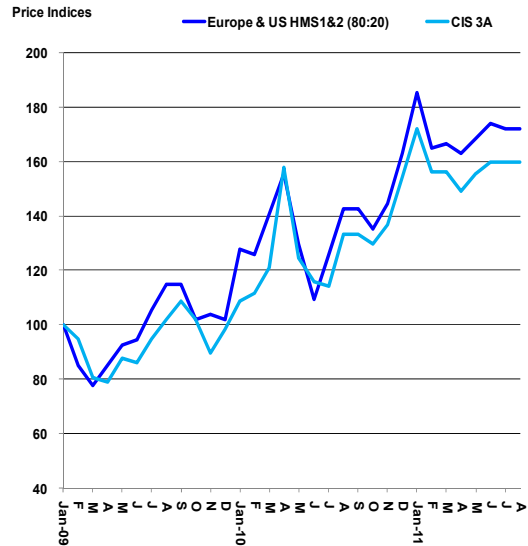
Source: MEPS International

CIS Ferrous Scrap Export Price Indices (January 2009 = 100)



Source: MEPS International

Turkish Ferrous Scrap Import Price Indices (January 2009 = 100)



Source: MEPS International

FERROUS SCRAP PRICES INDICES

	BASE JAN-09	Nov Mid	Dec Mid	Jan-11 Mid	Feb Mid	Mar Mid	Apr Mid	May Mid	June Mid	July Mid	August Mid
DOMESTIC †											
China ¹											
- Guangzhou Province	100	118.5	123.5	132.7	141.8	137.3	141.8	143.7	146.9	145.7	148.8
- Hebei Province	100	121.5	123.9	147.8	154.2	154.2	160.0	165.8	166.8	164.6	169.4
- Jiangsu Province	100	113.8	119.0	133.2	142.6	144.2	143.5	146.4	145.2	145.2	148.4
- Shandong Province	100	111.4	114.0	139.6	145.6	146.5	148.5	153.9	154.6	152.2	154.8
- Average	100	116.2	120.1	138.0	145.8	145.3	148.1	152.0	152.9	151.5	154.9
European Union ‡											
- E3 / HMS1	100	125.7	144.8	167.1	151.4	154.6	146.0	150.4	153.4	155.1	150.3
- E40 / Shredded	100	135.5	153.3	181.2	162.8	153.2	147.4	151.4	155.8	154.2	152.1
India ¹											
- Chennai	100	130.3	134.4	162.3	149.3	145.6	152.6	151.0	157.4	154.3	158.3
- Delhi	100	127.9	131.8	159.2	160.5	155.0	155.0	161.8	175.0	159.9	167.3
- Kolkata	100	113.1	113.3	137.6	135.4	151.5	127.0	149.9	151.0	148.1	150.3
- Average	100	123.5	126.2	152.7	148.1	150.8	144.5	154.2	161.0	154.0	158.5
Japan *	100	142.9	159.5	171.4	178.6	173.8	176.2	166.7	161.9	171.4	161.9
Russia †	100	182.1	179.0	191.4	207.8	205.8	231.5	191.4	205.8	216.0	214.0
USA ²											
- Eastern States ⁴	100	162.0	177.8	210.8	200.6	200.4	198.6	193.4	200.6	201.6	201.5
- Mid-West ⁵	100	180.9	202.5	237.6	227.5	227.6	226.5	215.7	224.6	224.8	224.5
EXPORT (FOB)											
CIS ³											
- Baltic Sea (Russia)	100	147.8	173.9	191.3	187.0	180.4	176.1	180.4	187.0	184.8	184.8
- Black Sea (Russia)	100	140.4	157.7	176.9	161.5	155.8	151.9	165.4	167.3	163.5	166.9
- Black Sea (Ukraine)	100	146.9	159.2	183.7	169.4	165.3	159.2	173.5	175.5	171.8	174.3
European Union (Rotterdam)											
- HMS1&2 (80:20)	100	144.0	170.0	196.0	170.0	170.0	167.2	172.0	178.0	172.0	174.0
- Shredded	100	137.7	162.3	186.8	162.3	172.0	170.0	174.0	180.0	174.0	176.0
USA ¹											
- East Coast	100	139.2	156.9	186.3	172.5	168.6	162.7	169.4	172.5	170.6	170.6
- West Coast	100	137.7	154.7	166.0	169.8	169.8	164.2	166.0	167.9	167.9	169.8
IMPORTS (CFR)											
India ‡											
- HMS1&2 (80:20)	100	158.0	170.0	192.0	180.0	186.0	184.0	188.0	188.0	186.0	192.0
- Shredded	100	158.8	168.6	192.2	180.4	184.3	182.4	186.3	186.3	184.3	190.2
Taiwan ^{1 **}	100	127.9	129.5	136.1	134.4	137.7	144.0	150.8	150.8	147.5	154.1
Turkey											
- ex-Europe / U.S. ¹	100	144.4	163.0	185.2	164.8	166.7	163.0	168.5	174.1	172.2	172.2
- ex CIS ³	100	136.8	154.4	171.9	156.1	156.1	149.1	155.4	159.6	159.6	159.6
UAE ¹	100	145.8	157.0	183.2	172.0	147.7	147.7	157.0	172.0	172.0	172.0

† Domestic ferrous scrap price indices have been created using national currencies *Italics* - Preliminary figure

¹ HMS1&2 (80:20)

² HMS1

³ 3A

⁴ - Average price in Philadelphia & Pittsburgh over the month

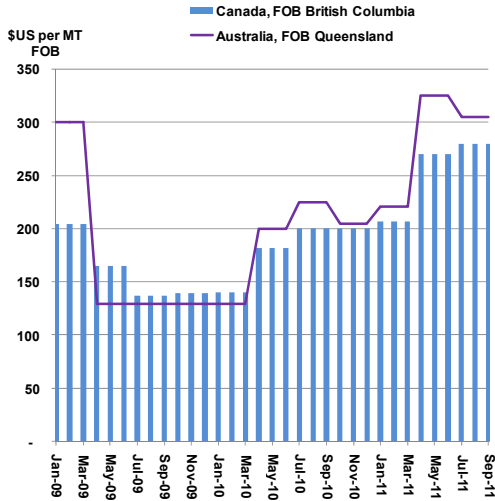
⁵ - Average price in Chicago, Cincinnati & St. Louis over the month

* - Average Japanese steel plant purchasing price

** - Average price in Kaohsiung & Taichung

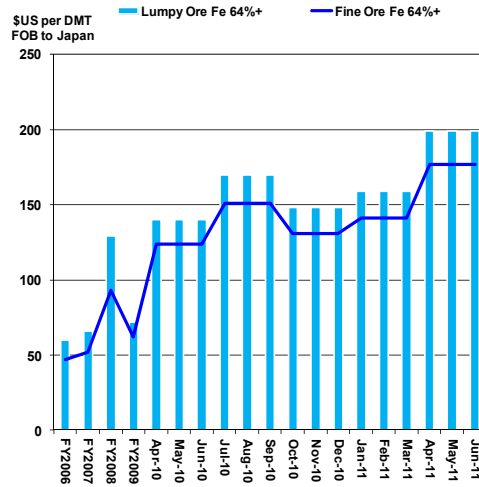
Steelmaking Raw Materials

Global Hard Coking Coal Price Trends



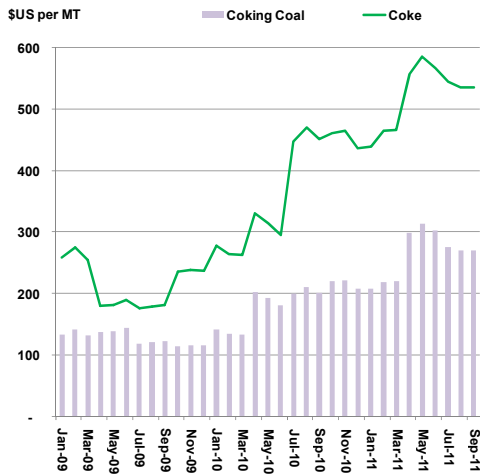
Source: MEPS International

Japan – Iron ore Benchmark Prices



Source: MEPS International

European Union Coal Price Trends



Source: MEPS International

CURRENCY EXCHANGE RATES - August 5th 2011

	Units / \$US
Brazil	R\$ 1.58
China	RMB 6.44
Egypt	EGP 5.95
Euro Zone	€ 0.71
India	Rs 44.57
Indonesia	IDR 8.50
Iran	IRR 10,575
Japan	Yen 79.02
Malaysia	RM 2.98
Pakistan	Rp 86.21
Philippines	Php 42.32
Russia	RUB 28.15
South Africa	R 6.92
South Korea	KRW 1,062
Taiwan	\$NT 28.93
Thailand	THB 29.87
Turkey	TL 1.74
UAE	AED 3.67
Ukraine	UAH 7.99
Vietnam	VND 20,570

Hard coking coal (\$US/MT FOB Queensland)	325	330	305	310	305	310	305	310	0.0%	
Iron Ore Fines: Fe 62% (\$US/MT FOB)	171		169		169		169		0.0%	
Iron Ore Lumps: Fe 62% (\$US/MT FOB)	193		187		187		187		0.0%	
BRAZIL										
Iron Ore: Fe 64% (\$US/MT FOB)	164	166	165	167	169	171	169	171	2.0%	
CANADA										
Hard coking coal (\$US/MT FOB British Columbia)	270	275	280	290	280	290	280	290	0.0%	
EUROPEAN UNION ¹										
Coking coal	303	310	275	280	270	275	270	275	-1.8%	
Thermal coal	100	102	100	105	100	105	100	105	0.0%	
Coke	566	577	545	550	535	540	535	540	-1.9%	
INDIA										
Iron Ore (\$US/WMT)										
BF Grade CLO 10-40 mm +/-10%: Fe 62%+ ³	88	97	91	108	91	108	91	108	-0.3%	
Soft Grade CLO: Fe 64%+ ³	149	154	139	144	138	144	138	144	-0.3%	
Baila Lump 6-40mm: Fe 65.5% ²	NA		109		108		108		-0.3%	
Baila ROM 10-150mm: Fe 65.5% ²	NA		91		91		91		-0.3%	
Chrome Ore (\$US/WMT)										
Friable Ore: Cr203 52-53.99% ³	313		317		316		316		-0.3%	
Friable Ore: Cr203 54% ³	327		330		328		328		-0.3%	
JAPAN										
Iron Ore (\$US/DMT FOB to Japan)										
Lumpy ore: Fe 64%+	199		193		193		193		0.0%	
Fine Ore: Fe 64%+	177		174		174		174		0.0%	
Coking Coal (\$US/MT FOB to Japan)										
Hard coking coal	330		285		285		285		0.0%	
Semi-soft coking coal	264		280		280		280		0.0%	
PCI coal	275		208		208		208		0.0%	
PAKISTAN ¹										
Hard Coke: 15 - 25mm	244		244		244		NA		0.0%	
Hard Coke: 25mm +	494		495		493		NA		-0.4%	
RUSSIA										
Iron Ore										
Pellets (FCA Kachkanar)	147		126		125		NA		-1.2%	
Agglomerates (FCA Kachkanar)	138		118		117		NA		-0.9%	
Coal concentrate ³										
Kuznetskaya	194	237	193	233	191	231	NA	NA	-0.9%	
Abashevskaya	177	237	177	233	176	231	NA	NA	-0.9%	

¹ EXW parity quarterly contract price

² Ex-mines basis quarterly contract price including royalty and excluding taxes, cess and duties - Chhattisgarh State

³ Ex-mines basis quarterly contract price including royalty and excluding taxes, cess and duties - Orissa State

⁴ Price excl. VAT on terms of either FCA Obnorskaya Station or FCA Novokuznetsk-Severny Station

* August's exchange rate

Mining Terms

Run of mine (ROM)

Calibrated Lumpy Ore (CLO)

MEPS MONTHLY REPORTS



This is our flagship publication. The first report was produced in 1984. Each monthly issue incorporates high and low market prices for eleven steel product forms in the EU - Germany, France, Italy, Spain, UK and Belgium. Data for flat and long products is supplied in each edition.

Prices are displayed in Euros for easy comparison. Details of EU Average Steel Transaction Prices are incorporated together with regular forecasts.

A comprehensive commentary is included in each issue showing the reasons behind monthly price movements and new forecast trends.



Each edition carries domestic steel pricing data in eleven countries across the globe, including - United States, Canada, China, Japan, South Korea, Taiwan, Poland, Czech/Slovak Republics and the main five EU member states - covering 70 percent of world consumption. Details of World and Regional Average Steel Prices are incorporated together with regular forecasts.

A comprehensive commentary is included in each issue showing the reasons behind monthly price movements and new forecast trends.



This is a new report from MEPS outlining steel market trends in the increasingly important emerging markets around the world. Each edition carries steel prices in eight countries - India, UAE, Turkey, South Africa, Russia, Ukraine, Mexico and Brazil. Details of steel prices for eight flat and long products are included.

A comprehensive commentary is included in each issue showing the reasons behind monthly price movements and new forecast trends.