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MetalBulletinDaily
Monday

IN DEPTH: Lack of arb opportunities deters Chinese investors – Sucden's Wainman

LONDON

A lack of arbitrage opportunities has pushed Chinese participants out of metals markets, in particular that of copper, according to Lucy Wainman, Sucden's head of sales China.

Prior to the Qingdao scandal in 2014, copper was used to play currency, interest rate and price arbitrages into China.

A copper importer would obtain a letter of credit (LC) in dollars – most likely for a six-month term – from its bank based on the physical purchase contract.

The importer would then re-export the metal to a related offshore company and receive dollars or offshore yuan, which was then converted to onshore yuan.

Because the dollar interest rate has been much lower than the yuan interest rate over the past few years, the profit margin from this kind of business has been very attractive to investors with no previous exposure to non-ferrous metals, Wainman said in a recent interview.

Participants would either make profits via the interest-rate differential or use the converted yuan from this method to invest elsewhere – property development was one popular vehicle, she said.

But metal-backed financing business has slumped in the fallout from Qingdao. Talk of company defaults unsettled the market, while banks became unwilling to issue LCs, deeming the risk too high. Stronger controls over approval procedures and paperwork requirements also made conditions difficult.

Furthermore, the yuan's continued weakness has contributed to the decline in copper financing – it closed on Wednesday October 19 at 6.7362 against the dollar, a 5.7% decline over the past 12 months and a six-year low.

To crack down on capital outflows and shore up confidence in the economy despite slowing growth – GDP growth is running at about 6.7%, down from peaks above 7% in recent years – the People's Bank of China has cut interest rates on multiple occasions over the past year.

This fall in the value of the yuan and the stronger dollar mean "the froth has gone", Wainman said – Chinese speculators are no longer trading the metals markets, preferring currencies, stocks and energy products.

"Our clients, who used to do [arbitrage trading], would like to come back to the market if there is an opportunity. The reason they are not trading so much is there are not enough windows for them to come back," Wainman said.

"Currency control is another issue," she added, with investors generally trading more conservatively to reduce their risk.

This has hurt business on the London Metal Exchange, with volumes during Asian hours falling notably. It is not unusual for Europe to start each trading day with fewer than 2,000 lots having changed hands on LMEselect overnight.

continued »

Metal Bulletin Daily
Monday

For example, on Tuesday October 19, daily copper turnover by the close of the LME kerb was just 12,628 lots, down from about 18,000 lots two years ago, before the Qingdao scandal took effect.

Still, this has shaken out some of the less experienced investors, Wainman said.

"The people who are left behind have an industrial background," she said. "Hopefully, the quality will be better – but it does impact volumes."

Arb trading in Al?

But arbitrage trading in aluminium – popular in the early part of the year – has also fallen out of favour. Chinese aluminium producers cut output while prices were low but there is talk that as much as 2 million tonnes per year of new capacity could come online during the fourth quarter of this year and the first quarter of 2017.

"The market doesn't trust the tightness in China will last, given the potential restart capacity as well as new [capacity], hence the unwinding of positions," she said.

"From the investment side, if they have done arbitrage before, they are still looking out for windows. This year they had a small window for aluminium but not everyone is comfortable with aluminium," she added.

There could, however, be arbitrage opportunities for other metals, in particular zinc. The galvanizing metal looks promising for the end of the end of the year, Wainman said, given its better fundamentals.

Still, some traders remain cautious after they were caught out by the slide in the yuan in August.

"If the general view is that the renminbi will [fall further], instead of doing 'buy London, sell Shanghai', they will trend the other way round," she said. "Zinc in a way is the perfect product to do an arb but China is still [...] catching up."

This article was first published on www.fastmarkets.com

PHILADELPHIA

Worst might be over for molybdenum market - Buck

Global production cuts and a potential demand turnaround could spell improvement for the molybdenum industry heading into 2017, one industry executive said at Metal Bulletin sister title AMM's 30th Stainless and Its Alloys Conference in Philadelphia.

While molybdenum consumption declined 9% in 2015 compared with the previous year, signs of improvement in global crude steel production, stainless steel, oil prices and rig counts have provided some optimism for a turnaround in the struggling molybdenum market, Climax Molybdenum Co vice president of marketing and sales Barbara Buck said.

"Maybe things are finally turning around," she said of global crude steel production trends.

Global crude steel production logged year-on-year declines in every month of 2015 and into early 2016, falling 6.5% in January and 2.6% in February, according to data on the World Steel Association's (WorldSteel's) website.

Year-on-year output declined 1.9% through the first half of the year. However, a gradual improvement has been observed since then, with production rising 1.4% in July, 1.9% in August and 2% in September, according to the Brussels-based group.

As a result, the decline in global crude steel production slowed over the first nine months of the year. Production totalled 1.197 million tonnes in January-to-September 2016, down just 0.5% from nearly 1.204 million tonnes in the same 2015 period, WorldSteel data show.

Oil has been a key factor in the downturn and subsequent turnaround as prices for the commodity, previously driving down toward $20 per barrel, have now shown some signs of stabilisation in the $50-per-barrel range, Buck added.

While rig counts have undergone steep declines in excess of 50%, Buck indicated that some rigs have begun to return to operation as some producers are capable of profitability at $50-per-barrel oil prices.

"Since 20% of molybdenum demand centres around the oil and gas industry, we watch this area very closely," she added.

In addition to potential stability in the oil markets and the expected positive effect on related steel production, improvements in stainless steel output have been apparent with a 4% year-on-year increase in the first half of 2016, she said.

While there have been signs of improving upon the 9% decline in consumption seen in 2015, supply cuts during that time should help foster an improved pricing environment for the material.

"Looking at forecasts from about three years ago, [molybdenum] mine production has been about 15% to 20% lower than those forecasts," Buck said. "The industry has responded to the current environment and will continue to make adjustments."

Global molybdenum production fell 11% year-on-year in 2015, with the most significant adjustments seen in North America and China.

Chinese production dropped 9% to about 182 million lb of contained molybdenum in 2015 as the government issued mandates to reduce production by about 10% in both 2015 and 2016, due to its position as a high-cost producer of the material.

As a result of shutdowns at the Thompson Creek Metals Co and Mineral Park Inc mines in Idaho and in Arizona, respectively, as well as cutbacks by Freeport-McMoRan Inc and subsidiary Climax at primary molybdenum mines in Colorado, North American production fell some 27% to 140 million lb in 2015 from more than 190 million lb in 2014, Buck noted.

Production at Climax's two primary molybdenum mines in Colorado has fallen to about 25 million lb this year due to weaker demand for molybdenum last year and in early 2016, despite having a potential production capacity of more than double that level.

"However, we are continuing to operate [the mines]," Buck said. "When [molybdenum] demand increases—and it is really a matter of when, not if—we do have to turn up capacity in order to be able to meet demand."

Given that production has fallen more sharply than consumption, Buck expects any demand increase to quickly spur a price spike—which Climax will be primed to capitalise upon.

Base metals

METAL BULLETIN'S KEY PRICES

Daily base metal prices and premiums ($/t)

	Price	Change†		Assessed
LME copper cash settlement	4,637.00	-0.76%	▼	21 Oct 16
Weekly copper premium (in-whs Rotterdam)	45.00	0%		19 Oct 16
Daily copper premium (in-whs Shanghai)	83.00	18.57%	▲	21 Oct 16
Weekly copper premium (in-whs Singapore)	7.00	-12.5%	▼	20 Oct 16
LME aluminium cash settlement	1,617.00	-4.04%	▼	21 Oct 16
Daily aluminium premium (in-whs Rotterdam)	81.00	1.25%	▲	21 Oct 16
Weekly aluminium premium (in-whs Shanghai)	77.00	1.32%	▲	18 Oct 16
Weekly aluminium premium (cif MJP)	68.00	1.04%	▲	18 Oct 16
Weekly aluminium premium (in-whs Singapore)	7.50	0%		18 Oct 16
LME zinc cash settlement	2,249.00	0.74%	▲	21 Oct 16
Weekly zinc premium (in-whs Rotterdam)	95.00	0%		19 Oct 16
Weekly zinc premium (in-whs Shanghai)	108.00	0%		20 Oct 16
LME nickel cash settlement	9,995.00	-4.22%	▼	21 Oct 16
Weekly nickel premium (in-whs Shanghai)	90.00	0%		20 Oct 16
LME lead cash settlement	2,010.00	0.93%	▲	21 Oct 16
LME tin cash settlement	20,150.00	2.94%	▲	21 Oct 16

METAL BULLETIN'S KEY PRICES: INDICES

	Price	Change†		Assessed
Alumina index fob Australia ($/t)	271.00	4.31%	▲	20 Oct 16
Charge chrome index 50% Cr cif Shanghai ($/lb Cr)	0.95	7.95%	▲	21 Oct 16
Manganese ore index 44% Mn cif Tianjin ($/dmtu)	7.38	13.19%	▲	21 Oct 16
Manganese ore index 37% Mn fob Port Elizabeth ($/dmtu)	6.63	4.41%	▲	21 Oct 16
MB Index CFR Turkey HMS 1&2 (80:20) (North Europe material)	220.81	4.28%	▲	20 Oct 16
HMS 1&2 ferrous scrap index (80:20) fob Rotterdam ($/t)	206.38	3.49%	▲	21 Oct 16
Copper concentrate Asia-Pacific index TC import $/dmt	100.70	-0.49%	▼	14 Oct 16
Copper concentrate Asia-Pacific index RC import US cents/lb	10.07	-0.49%	▼	14 Oct 16

METAL BULLETIN'S KEY PRICES: ASSESSMENTS

	Price	Change†		Assessed
Ferro-chrome, 6-8% C, basis 60% Cr, del European consumers ($/lb Cr)	0.88-0.95	0%		21 Oct 16
Silico-manganese, basis 65-75% Mn, 15-19% Si, del European consumers (€/t)	790-825	5.9%	▲	21 Oct 16
Ferro-silicon, basis 75% Si, del European consumers (€/t)	920-975	0%		21 Oct 16
Ferro-titanium, 70% Ti, ddp ($/kg)	3.15-3.30	0%		21 Oct 16
Ferro-manganese, basis 78% Mn, del European consumers (€/t)	760.00-820.00	6.76%	▲	21 Oct 16
Ferro-molybdenum, basis 65-70% Mo, in-whs Rotterdam ($/kg Mo)	16.30-16.60	-3.24%	▼	21 Oct 16
Molybdic oxide, in-whs Rotterdam ($/lb Mo)	6.45-6.55	-4.76%	▼	21 Oct 16
Ferro-tungsten, basis 75% W, in-whs Rotterdam ($/kg W)	25.50-26.20	0.19%	▲	21 Oct 16
Cobalt (low-grade) in-whs Rotterdam ($/lb)	12.70-13.25	1.17%	▲	21 Oct 16
Cobalt (high-grade) in-whs Rotterdam ($/lb)	13.00-13.70	1.71%	▲	21 Oct 16

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Base metals

METAL BULLETIN'S KEY ALUMINIUM PRICES

	Price	Change†		Assessed
Alumina index fob Australia ($/t)	271.00	4.31%	▲	20 Oct 16
Group 1 pure 99% Al & litho scrap, del UK (£/t)	1,170-1,200	0%		19 Oct 16
Cast aluminium wheels, del UK (£/t)	1,100-1,140	2.28%	▲	19 Oct 16
LME aluminium cash settlement ($/t)	1,617.00	-4.04%	▼	21 Oct 16
Daily aluminium premium, duty-unpaid (in-whs Rotterdam) ($/t)	81.00	1.25%	▲	21 Oct 16
Daily aluminium premium, duty-unpaid (in-whs Shanghai) ($/t)	77.00	1.32%	▲	18 Oct 16
Daily aluminium premium (cif MJP) ($/t)	68.00	1.04%	▲	18 Oct 16
Daily aluminium premium, duty-unpaid (in-whs Singapore) ($/t)	7.50	0%		18 Oct 16
Extrusion billet premium, 6063, duty-paid, in-whs Rotterdam ($/t)	300-340	0.79%	▲	21 Oct 16
LM24 pressure diecasting ingot (del UK consumers) (£/t)	1,370-1,420	0%		19 Oct 16
LM6/LM25 gravity diecasting ingot (del UK consumers) (£/t)	1,580-1,610	0%		19 Oct 16
DIN226 pressure diecasting ingot (del European consumers) (€/t)	1,520-1,600	-1.27%	▼	21 Oct 16
Aluminium ingot ADC 12 spot (MJP) $/tonne	1,690-1,720	-0.73%	▼	18 Oct 16

SINGAPORE

China's refined zinc output up 3% in Sept; lead up 5%

China's refined zinc production rose 2.8% year-on-year and 6.6% month-on-month to 551,000 tonnes in September, according to data from the country's National Bureau of Statistics published on Friday October 21.

This took production in the first nine months of the year to 4.62 million tonnes, down 0.1% year-on-year.

While global zinc ore and concentrate supply has tightened, the same tightness is yet to become apparent in the refined metal, analysts said.

Meanwhile, lead metal production grew 5% year-on-year and 2% month-on-month, to 358,000 tonnes in September. This took year-to-September output to 3.19 million tonnes, up 6.6% year-on-year.

SINGAPORE

China's aluminium product exports up 14% in September

China's exports of aluminium fabricated products rose 14.3% year-on-year to 350,000 tonnes in September, according to final trade data published by the country's General Administration of Customs on Friday October 21.

The September export total was down 5.4% month-on-month, however. Exports in the first nine months of 2016, at 3.09 million tonnes, were down 1.8% year-on-year.

Exports of unwrought aluminium and aluminium alloy slipped 11% year-on-year to 42,829 tonnes in September. Exports of 385,870 tonnes in January-September were down 7.5% year-on-year.

Chinese imports of unwrought aluminium and aluminium alloy fell 7.4% year-on-year, to 16,491 tonnes, in September, with imports in the first nine months of the year down 21.7% year-on-year, at 117,732 tonnes.

Domestic aluminium metal imports atypically spiked in June and July – more than 45,000 tonnes were imported in that period. This was probably due to a brief import arbitrage opportunity late in May – higher Chinese aluminium prices coupled with attractive premiums in southern China sparked temporary interest in China, sources said.

But market participants do not expect the high imports to continue for long, due to a lack of import arbitrage opportunities since then.

"Domestic spot supply had seen some tightness earlier on, but supply has not been tight enough to induce imports," a Shanghai-based trader said.

China's alumina imports also slid 62.3% year-on-year, to 140,000 tonnes, in September. Imports decreased 31% year-on-year to 2.17 million tonnes in January-September this year.

Chinese aluminium scrap imports slipped 10.7% year-on-year to 170,000 tonnes in September. This took January-September imports to 1.39 million tonnes, down 13.8% year-on-year.

SINGAPORE

China's copper metal imports down 26% in Sep; exports slip

China's unwrought copper and copper alloy imports fell 26% year-on-year in September, but were unchanged month-on-month at 300,000 tonnes, according to final trade data released by the country's General Administration of Customs on Friday October 21.

Imports had previously declined on a month-on-month basis for three consecutive months. The latest data took imports to 3.39 million tonnes in the first nine months of this year, up 14% year-on-year.

Analysts noted a high base in September last year – imports into China had surged due to arbitrage opportunities between the Shanghai Futures Exchange and the London Metal Exchange. Expectations that the yuan would weaken also prompted a rush of imports then.

The year-on-year decline in imports also reflects high refined copper production in China, which has reduced the need to bring in metal from overseas, analysts added.

Meanwhile, China's exports of unwrought copper and copper alloy surged 121% year-on-year to 27,848 tonnes in September. Exports in the first nine months of 2016 also grew 121% year-on-year, to 365,945 tonnes.

However, the September export figure was down 51.4% month-on-month.

Unwrought copper exports have surged on a year-on-year basis since March this year and particularly since May. LME-registered warehouses in Asia provided incentives to attract copper into their sheds, while poor premiums in China prompted Chinese smelters to export the metal under tolling arrangements.

Chinese copper scrap imports fell 11.5% year-on-year to 300,000 tonnes in September, which took year-to-end-September imports to 2.46 million tonnes. This is down 8.4% year-on-year.

China's copper ore and concentrate imports increased 14.3% year-on-year to 1.39 million tonnes in September. Imports rose 31.9% year-on-year to 12.24 million tonnes in the first nine months of the year.

continued ››

24 October 2016 | Metal Bulletin Daily | Number 9481.1

Base metals

LONDON

Nickel price unsteady above $10,000/t; more Al arrives in Asia

Base metals prices other than nickel and tin moved sideways to slightly lower in LME premarket trading on Friday October 21.

The three-month nickel price came within a whisker of falling below $10,000 – it bottomed out at an intraday low of $10,005 per tonne, its cheapest since October 5, and remains at risk of falling lower. Tin, however, is pushing higher, on reduced availability and tightness in spreads.

"The markets are reacting to immediate news flow," an LME trader said. "One day it is currencies, the next equities and the next oil. But in general, business for metals is pretty dire – it is a tough market to trade at the moment."

The dollar index is around its highest since March – it was recently quoted at 98.59.

Turnover in aluminium has been solid this morning. More than 5,000 lots changed hands on Select by 10:15 London time, outpacing copper's 3,300 lots. As well as CTA selling, an influx of aluminium into bonded warehouses has driven prices lower this week – more than 105,000 tonnes have been delivered into Asian sheds since Monday.

Global stocks are at their highest since September 16, at 2,165,700 tonnes, while available stocks, at 1,361,775 tonnes, are at their highest since July 6.

Expectations of capacity restarts in China are also weighing on the three-month price, which fell to $1,608 on Thursday, its cheapest since September 22. It traded recently at $1,615 per tonne, up $3 on Thursday's close.

The three-month copper price was $24 lower, at $4,638 per tonne. On Thursday October 20 it fell to its cheapest since September 12, at $4,633. Stocks fell a net 1,800 tonnes, to 346,775 tonnes, and cancelled warrants dropped 125 tonnes to 104,850 tonnes – cancellations of 3,825 tonnes in Gwangyang were offset by warrantings elsewhere.

The refined copper market was in a surplus of around 133,000 tonnes in July, according to the International Copper Study Group (ICSG), although it was in a deficit of around 264,000 tonnes in the January-July period.

The three-month nickel price recently traded at $10,050 per tonne, down $80. Stocks rose 582 tonnes to 463,408 tonnes, due to arrivals in Asia.

"Whatever bullish narrative the on/off Indonesian export ban might have on future prospects for nickel prices, [the recent] price level and the healthy contango reflect the fact that warehouse stocks, both visible and non-visible, are still high and are ample enough to satisfy demand," Triland said.

Three-month tin recently traded $95 higher, at $19,895 per tonne. Spreads remain tight – the benchmark cash/threes was recently at a backwardation of $150 and the sensitive tom/next spread was in a $5 back, having flared up to $50 on Thursday. Inventories were unchanged, but cancellations rose 130 tonnes to 1,600 tonnes.

Three-month lead prices rose $7 to $2,021 per tonne; stocks were unchanged. The three-month zinc price was $18 higher, at $2,021 per tonne, after stocks fell 175 tonnes.

The three-month cobalt price was indicated at $21,750/28,500 per tonne, after stocks climbed five tonnes to 625 tonnes.

SHANGHAI

Chalco reports $7m net profit in Q3

Aluminum Corp of China (Chalco) made a net profit of 50.1 million yuan ($7.4 million) in the third quarter of 2016, according to a statement filed on the Shanghai Stock Exchange on Thursday October 20.

Chalco reported a net profit of 107.9 million yuan for the first three quarters of 2016, up 111% on the same period in 2015, when it recorded a net loss of 974.6 million yuan.

The company recorded a loss of 867 million yuan for the first three quarters of this year if net non-recurring profit is deducted, compared with a loss of nearly 3 billion yuan in the same period of 2015.

The company's revenue for the first three quarters of 2016 is 91 billion yuan, down 4% year-on-year.

The company previously attributed the jump in profits this year to its cost-cutting strategies as well as an increase in revenues on rising aluminium prices.

The improvement in profits could also be attributed to the recent sale of several assets.

SINGAPORE

China's refined copper output up 7% year-on-year in September

Chinese refined copper metal output rose 7.2% year-on-year to 725,000 tonnes in September, according to data published by the country's National Bureau of Statistics on Friday October 21.

Production in September, however, decreased by 2.4% compared with August.

This took output to 6.22 million tonnes for the first nine months of this year, up 8.4% from the same period last year.

China's copper production continues to show strong growth on a year-on-year basis as current treatment charges (TCs) remains attractive for smelters to keep producing, analysts said.

"Copper is probably the only base metal that is still showing such strong growth," a Beijing-based metals analyst said.

The robust output has partly displaced the need for imports, which saw Chinese copper imports slip a sixth consecutive month in September on a month-on-month basis.

Meanwhile, China's output of copper fabricated products increased 9.2% year-on-year and 5.2% month-on-month to 1.81 million tonnes in September.

This took year-to-date production to 15.25 million tonnes, an increase of 14.1% from the level in January-September last year.

This article was first published on www.fastmarkets.com.

SINGAPORE

ASIA METALS: US dollar strength, weaker oil prices put lid on SHFE copper price

Copper prices on the Shanghai Futures Exchange fell during Asian trading hours on Friday, October 21, amid a stronger US dollar and weaker crude oil prices.

The price of the most active SHFE December copper contract slipped 220 yuan ($33) to 37,090 yuan per tonne, with around 106,000 lots changing hands so far in the day. Open interest of the contract was

continued »

24 October 2016 | Metal Bulletin Daily | Number 9481.1

Base metals

close to 196,000 positions, up from 193,992 positions at Thursday's close.

The US dollar index climbed to a fresh seven-month high of 98.50 on Friday – it was recently at 98.48, up 0.18% from Thursday's close.

The US dollar had gained strength after the European Central Bank (ECB) decided on Thursday to keep rates unchanged.

The ECB maintained its asset-purchase programme at 80 billion euros per month. In his press conference, ECB president Mario Draghi said the bank has not discussed tapering and did not provide a timetable for any potential changes.

"The bias remains towards further easing; there will likely be an extension of quantitative easing beyond March 2017 – it's hard to see an abrupt ending to the program," ANZ Research said on Friday.

SHFE base metal prices are expected to come under downward pressure on Friday after a strengthening US dollar hit the commodities market overnight, Shanghai Metals Market said on Friday morning.

Crude oil prices also came under pressure after Russia's largest oil company said that the country could increase oil production significantly.

The Brent crude oil spot price fell 0.4% to $51.16 per barrel and the Texas light sweet crude slipped 0.53% $50.35 so far on Friday.

In copper news, a blockade on the road reading to MMG's Las Bambas copper mine in Peru continued to disrupt logistics at the operations though export operations are continuing as normal.

In copper data, the refined copper market showed a production surplus of around 133,000 tonnes, which equates to a seasonally adjusted surplus of 105,000 tonnes in July, according to the International Copper Study Group. Production remained in a deficit of around 264,000 tonnes in January-July, however.

In US data released Thursday, unemployment claims for October 6-13 came in at 260,000, above the forecast of 251,000 but below the psychologically important 300,000 mark.

"Although a sizable uptick in claims, it is coming off very low claims over the past couple weeks. The outcome is still low and suggests continued improvement in labour market dynamics," ANZ commented on the data.

The Philly Fed manufacturing index in October at 9.7 beat the estimate of 5.2, existing home sales were better than forecast at 5.47 million of units and the CB leading index was as expected at 0.2%.

It is a quiet data for economic data with mainly the Belgian NBB business climate and EU consumer confidence due later today.

In equities, the Shanghai Composite rose 0.02% to 3,085.09 so far today.

In other metals, the SHFE December aluminium price rose 100 yuan to 12,675 yuan, while the December zinc price decreased 20 yuan to 18,255 yuan.

The SHFE December lead price gained 330 yuan to 15,740 yuan, while the January nickel price eased 620 yuan to 80,130 yuan. The January tin price surged 2,030 yuan to 131,600 yuan.

On the London Metal Exchange, base metals were higher during Asian trading hours on Friday on Select. The three-month copper price rose $0.50 to $4,652.50, with around 700 lots changing hands so far in the day.

The three-month aluminium price increased $10.50 to $1,622.50, and the three-month nickel price climbed $15 to $10,145. The three-month zinc price gained $7 to $2,294, and the three-month lead price rose $15 to $2,029. The three-month tin price was recently at $19,900, up $100.

SINGAPORE

MMG's Q3 copper output surges; maintains 2016 zinc and copper outlook

Australia listed miner MMG's production of copper-in-concentrate surged 1304% year-on-year in the third quarter primarily due to the successful ramp-up of Las Bambas in Peru, the company said late on Thursday October 20.

The company produced 108,248 tonnes of copper contained metal in concentrates in the quarter ended September 30, an increase of 20% quarter-on-quarter and 1304% year-on-year.

Las Bambas produced 106,123 tonnes of copper in copper concentrate during the third quarter. The operation is regularly achieving production nameplate capacity throughput of 51 million tonnes per annum, ranking it as one of the world's top copper mines, MMG said.

"Las Bambas' performance during the quarter demonstrates the quality of this operation and the successful ramp-up throughout 2016," ceo Andrew Michelmore said

"Optimisation of the plant and processes will continue into the final quarter of the year, as we move closer to steady state," Michelmore added.

MMG maintained its 2016 target of 250,000-300,000 tonnes of copper in copper concentrates at Las Bambas.

After a conflict between police and members of the Pumamarca community, 20 kilometres from the Las Bambas site on October 14, a community member was fatally wounded and about 20 police suffered injuries.

"Resulting roadblocks have temporarily halted site access and concentrate logistics transport from Las Bambas. There are no alternate routes currently available for trucking."

Earlier on October 20, the miner had told Metal Bulletin that it has stocks at port and shipments will continue in October.

MMG is working with the authorities at national, provincial and local levels, and is continuing to engage with the community to reach a resolution, the company said.

"China's demand for imported copper concentrate continued the strong growth that has been seen in previous quarters as the country's smelter industry expands. Data for the first eight months of 2016 shows China's copper concentrate imports increased 34.6% on the same period for 2015 and will result in 2016 being another record year for the country's copper concentrate imports," MMG said.

China's growing demand, together with healthy smelter production in other major producing regions continues to absorb increased copper concentrate supplies that have reached the market this year, it added.

This has kept spot market TC/RCs for copper concentrates during third quarter around the 2016 benchmark level.

Metal Bulletin's copper concentrates index was at $100.7 metric tonne/10.07 cents per lb on October 14.

The company's total copper cathode production fell 11% year-on-year to 39,915 tonnes hurt partly by lower grades at Sepon.

MMG said the refined copper market remained subdued during the third quarter as China's imports slowed and deposits in LME warehouses rose.

"Despite this, global exchange stocks at the end of the period of 573,000 tonnes were still equivalent to only 9 days of global consumption," the miner added.

MMG maintained its 2016 copper guidance of 415,000-477,000 tonnes.

continued ››

24 October 2016 | Metal Bulletin Daily | Number 9481.1

Base metals

Zinc and lead

MMG said it was on track to meet first concentrate production from Dugald River in the first half of 2018.

The Dugald River project is 28% complete, with all major contractors mobilised on site and key milestones tracking in line with the schedule, the company said.

The Dugald River mine is expected to produce 170,000 tonnes per annum of zinc in zinc concentrates and is expected to be one of the top ten zinc mines globally once it is operational.

Total zinc metal in concentrate production fell 30% to 26,055 tonnes in the third quarter, while lead in concentrate output fell 5% to 6,766 tonnes.

The company maintained a 2016 zinc production guidance of 120,000-135,000 tonnes.

NEW YORK

N American nickel premiums continue downward drift

Feeble demand and ample supply have combined to push the North American spot nickel premium even lower, according to market participants.

"I'm not hearing a darn thing," one trader told Metal Bulletin sister title AMM. "[There is] very little activity," a second trader agreed.

The spot premium range for melting-grade nickel slipped to 15 to 20 cents per lb from 16 to 20 cents previously, according to AMM's latest assessment.

"China isn't as busy as it was a couple years ago. They've slowed down, so their consumption has slowed," the first trader said.

"We're seeing a slowdown [in China] and it's carried over into the US and European markets," a third trader said.

China's consumption of refined nickel is expected to further weaken in 2017 due to increased availability of nickel pig iron, a cheaper substitute, and because the effects of a housing market stimulus should fall off by the end of the year, according to an October 19 research note issued by analysts at London-based BMI Research, a division of Business Monitor International Ltd.

However, BMI Research anticipates that nickel prices will remain steady in 2017, "as more positive sentiment towards industrial metals in general will put a floor on prices."

Analysts at New York-based Goldman Sachs Group said in an October 12 research note that they expected nickel prices to trade around $12,000 per tonne ($5.44 per lb) by the end of the year, driven primarily by "the anticipated announcement of large-scale Filipino mine suspensions and resulting draw downs in ore stocks to low levels."

The LME's three-month nickel contract closed at $10,220 per tonne ($4.64 per lb) on October 20, down 0.29% from $10,190 per tonne ($4.62 per lb) on October 6.

Another factor behind soft nickel demand has been the low prices for nickel-containing scrap, which has made scrap more attractive to consumers of refined material. "It's a possibility people are switching to [scrap]," the first trader said.

Contract negotiations for 2017 volumes have begun, according to market participants, although the bulk are expected to be discussed during London Metal Exchange Week and an industry conference in Miami next week.

A fourth trader said that most people will wait until the last minute to finalise their deals, just like last year. "I think there's a possibility with the conference being later this year that history could repeat itself."

NEW YORK

US Midwest Al premium rises, but market questions the driving force

The Midwest aluminium premium has risen past the 7-cent-per-lb mark for the first time since July, although market participants question the driving source of the premium's continued elevation.

"I don't think there [are] any discounts out there, but I don't think people are super desperate," one supplier source said. "It's tighter than it was two months ago, but it was dead two months ago. I don't think there is this tightness out there."

Spot demand for P1020 has generally been sluggish, market participants said, noting that customers aren't showing any great interest in buying outside of contracts, especially at current prices.

"I have not been active in the P1020 market outside of my contracted amounts. I just have trouble believing this increase in premiums while everything is so quiet," one buyer said.

Metal Bulletin sister title AMM's latest assessment puts the P1020 spot premium at 6.75 to 7.25 cents per lb, up from 6.75 to 7 cents per lb two weeks ago and up an average of 21.7% from this year's low of 5.5 to 6 cents per lb in early September. The premium last moved above 7 cents per lb on July 12, when it reached 7 to 7.25 cents per lb.

While market participants have expected the premium to bounce back during contract season, economic indicators such as consumer demand haven't necessarily supported a rise. "I think it's a lot of [nonsense]," a second supplier said of the increase.

Contangos on the London Metal Exchange remain slim. The LME's three-month aluminium contract closed the official session at $1,618 per tonne (73.4 cents per lb) on October 20, and the cash contract at $1,612.50 per tonne (73.1 cents per lb), leaving the day's spread at a meagre $5.50 per tonne (0.2 cents per lb).

Theories abound as to what is pushing the premium up, the most prevalent being that producers and traders are actively pushing for higher premiums and are unwilling to accept discounts.

"I think the sellers are looking for more at this time, there's not that much consumer activity to gauge [the premium]," a third supplier said, adding that negotiations for 2017 contracts are perhaps muddying the waters. "Consumers are not really in there."

However, some market participants say the supply picture has changed from analysts' earlier projections of a US surplus this year. "My sense is that there is not such a big overhang. As units come, they go out," a fourth supplier said, agreeing that pressure on the premium is from "traders covering their shorts."

It makes sense that the low premiums from the summer caused exports to ship product abroad, in turn forcing domestic consumers to eat into the existing supply overhang, this supplier said. "It's like a conveyor belt. If you miss two to three spots of moving units, you'll have a hole; and we have that hole here."

US imports of unwrought aluminium dropped this summer, but market sources believe higher premiums will fuel a surge in the coming months.

A source at London-based Rio Tinto Plc recently confirmed that its Kitimat, British Columbia, smelter was selling primary aluminium into the Midwest, potentially including "swing units" that might be avoiding the less-attractive Asian Pacific markets.

Higher freight costs are also behind the rise in the premium, market participants said. National average spot market freight rates

continued ››

Base metals

have risen in the wake of Hurricane Matthew hitting the Southeast, according to data from Beaverton, Oregan-based DAT Solutions. The storm took a toll on the region, forcing temporary port and service centre closures, with flooding also wreaking havoc.

SAO PAULO

BRAZIL ALUMINIUM SNAPSHOT: Weak demand limits impact of supply issues on premiums

Key data from Thursday October 20 pricing session in São Paulo.

P1020A ingot delivered São Paulo region ($ per tonne)
Today 160-240
Previous 160-240
Change to midpoint of range 0
Midpoint % change 0

Key drivers
- Premiums remained unchanged week-on-week, according to Metal Bulletin's latest assessment. Liquidity in the spot market was reportedly very low.
- Sources were still commenting about the postponement of deliveries from local producer CBA, while some raised concerns about the potential impact on imports of a strike from the auditors of Brazil's internal revenues service (IRS).
- Yet the still low end-user demand for aluminium had been limiting any impact of the supply issues on the domestic premiums.

Key quotes
"We have seen an increase in the number of people looking for ingot in the past weeks, reflecting the postponements of CBA deliveries." – distributor
"Some people have been looking for ingot for prompt, immediate delivery, but that is not happening now. But most of the market is very quiet anyway, and demand remains low." - trader
"We noticed that the domestic market is momentarily short, with the issue related to CBA and some import deals delayed due to the strike of IRS auditors." – buyer

NEW YORK

Chile government reviewing Copper Reserve Law, Finance Minister says

The government of Chile is planning to find a way to ease the burden of the Copper Reserve Law on state-run miner Codelco through increased capitalisation this year and next, the country's finance minister said.

Speaking at a briefing hosted by Bloomberg in New York, Rodrigo Valdes said that the law, which requires Codelco to give 10% of its profits from its sales to country's armed forces, weighed heavily on the company in times of low commodity prices.

"The law is not a problem in normal times, when Codelco has profits," he told the event. "However when Codelco doesn't have profits it's a problem, because Codelco has to get into more debt to fund the 10% that goes to the armed forces," he said.

Valdes said Chilean president Michelle Bachelet was in ongoing discussions on the matter, and had "decided we need to mediate as much as possible this year and next the effect of this law on Codelco."

"It is very important that this year and next we take the weight off Codelco of this excess debt," he added.

A Chilean congressional committee is already pushing for changes to the law, renewing a multi-year old debate on whether the law should be scrapped entirely.

Codelco has already said this year that its financial situation is being dragged down by the 10% law, which has already seen the company contribute around $400 million in the first half of this year to military coffers despite reporting a net loss for the same period of $97 million.

The company has been hard hit by the decline in copper prices, and said earlier this month that it would delay planned investments in key projects after the drop in copper prices put the miner in a "fragile" financial situation.

Instead of developing all six of its structural projects simultaneously, the miner said it will now to carry them out sequentially. This will lead to a reduction of some $2.25 billion in investments for the five-year period ending 2020 set out in its previous plan, reducing investment to about $18 billion for the period.

Valdes told the briefing that the government was investing in Codelco in order to help the mining company sustain and grow its production.

"In the last ten years Codelco was underinvested in – it was a source of revenue for the government but actual capex was not high enough," he said.

Valdes said there is "another figure [for capex investment] coming from the government in a few weeks' time." "That's coming, there's no problem with that," he added.

He told the briefing that Chile "first enjoyed and then endured" a commodity price shock, when copper and other commodity prices soared to record highs before slumping to multi-year lows.

"We started, about ten years ago, a very nice ride for copper prices. But that ended, and gradually, and sometimes not so gradually, copper prices have come down. That's a very large shock for our country," he said.

"It is very clear that the boom in commodity prices in the region was very useful, we had a lot of income, but it probably won't come again, so we have to find other ways [to generate income]," he noted.

"But Chile has faced this before. We don't need very high copper prices to grow. We aren't doomed not to grow because copper prices are low. We have had periods of very high growth even when copper prices are low," he added.

NEW YORK

ICSG says refined copper in 191,000t deficit in Jan-Jul; China bonded stocks rise

The refined copper market was in a seasonally-adjusted deficit of about 191,000 tonnes in January to July, mainly due to stronger Chinese apparent demand, the International Copper Study Group (ICSG) said.

This compares with a seasonally-adjusted surplus of 32,000 tonnes in the same period the prior year, ICSG said.

According to preliminary ICSG data, world apparent refined usage in the first seven months of the year is estimated to have increased by around 4% or 565,000 tonnes compared with the same period of 2015.

continued »

Base metals

Chinese apparent demand increased by around 9%, based on a 14% increase in net imports of refined copper. However, China's July net refined copper imports were 176,000 tonnes, the lowest since April 2013 and down from net monthly imports average of 312,000 tonnes in the first half of 2016.

When making seasonal adjustments for world refined production and usage, July showed a production surplus of about 105,000 tonnes, ICSG added.

Based on the average of stock estimates provided by independent consultants, China's bonded stocks increased by around 125,000 tonnes in the first seven months of 2016 from the year-end 2015 level. Stocks increased by around 50,000 tonnes in the same period of 2015.

In the first seven months of 2016, the world refined copper balance adjusted for the change in Chinese bonded stocks indicates a production deficit of around 139,000 tonnes compared to a deficit of about 20,000 tonnes in the same period of 2015, ICSG added.

Based on Chinese data already available for August, net imports of refined copper were at the same low level as July. Excluding China, world usage increased by 0.5% in the first seven months of 2016.

On a regional basis, copper usage is estimated to have increased by 3.5% in Europe and 6.5% in Asia while declining by 11% and 4.5% in Africa and in the Americas respectively, and remaining essentially unchanged in Oceania.

World mine production is estimated to have increased by around 5% or 560,000 tonnes in the first seven months of 2016 compared with production in the same period of 2015. Concentrate production increased by 6.5% while solvent extraction-electrowinning production declined by 1%.

The increase in world mine production was mainly due to a 47% rise in Peruvian output that is benefitting from new and expanded capacity brought on stream in the last two years, ICSG said.

A recovery in production levels in Canada and the USA, expanded capacity in Mexico and a ramp-up in production in Mongolia also contributed to world growth. However overall growth was partially offset by a 5% decline in production in Chile, the world's biggest copper mine producer and a 9% decline in the Democratic Republic of Congo, where output is constrained by temporary production cuts, ICSG said.

On a regional basis, production rose by 7% in the Americas and 8% in Asia but declined by 4.5% in Africa while remaining essentially unchanged in Europe and Oceania.

World refined production is estimated to have increased by about 2.8% or 370,000 tonnes in the first seven months of the year compared with refined production in the same period of 2015. ICSG noted that primary production was up by 2.5% and secondary production from scrap was up by 5%.

The main contributor to growth was China, where output rose by 6%, followed by the USA where production increased by 15% and Mexico, where 19% growth was largely aided by expanded SX-EW capacity, ICSG added.

Output in Chile and Japan, the second and third leading refined copper producers, increased by around 2% and 3% respectively. Refined production in the DRC and Zambia declined due to the impact of temporary production cuts. On a regional basis, refined output is estimated to have increased by 6% in the Americas, by 5% in Asia and by 8% in Oceania, while declining by 14% in Africa and falling by 3% in Europe.

NEW YORK

Lundin has until November 15 to decide on Tenke Fungurume stake

The deadline for Lundin Mining Corp to decide whether or not to buy Freeport-McMoRan Inc's indirect stake in the holding company for Tenke Fungurume has been extended once again.

The Canadian base metals mining company now has until November 15 to decide whether or not to exercise its right of first offer for the stake in the holding company, TF Holdings Limited.

Freeport-McMoRan has agreed to sell its own 70% interest in TF Holdings to China Molybdenum Co Ltd, but Lundin Mining Corp owns the remaining 30% stake. As a result, Lundin has a right of first offer on any change-of-control transaction concerning Tenke, a copper-cobalt mine in the Democratic Republic of Congo (DRC), and the Freeport Cobalt operations, which include the Kokkola cobalt refinery in Finland.

Lundin had initially been given until August 8 to make its decision, but this has been extended several times. The company has been offered the same purchase price and the same terms and conditions as those offered by China Molybdenum.

The $2.65 billion sale to China Molybdenum was announced in May, and has already received all the regulatory approvals it needs to proceed. China Molybdenum shareholders just need to sign off on it, and then the deal is expected to be completed later this year.

At the start of September, however, Gécamines, the state-run mining company in the DRC where the Tenke mine is located, was reported to have made an offer for the stake. However, Gécamines has no stake in the holding company and therefore has no right of first refusal.

CHICAGO

Copper market in 133,000t surplus in January-July 2016 – ICSG

The global refined copper industry was in a production surplus of around 133,000 tonnes in the first seven months of this year, equating to a seasonally adjusted surplus of about 181,000 tonnes, the International Copper Study Group (ICSG) said.

This compares with a production deficit of 70,000 tonnes or a seasonally adjusted surplus of about 32,000 tonnes a year previously, the trade group said on Thursday October 20.

The group attributed the surplus to declining Chinese demand, with net refined copper imports of 176,000 tonnes in July, the lowest monthly total since April 2013 and down from a net monthly import average of 312,000 tonnes in the first half of 2016.

World apparent refined usage in the first seven months was up around 4%, or 565,000 tonnes, mainly due to strong Chinese apparent demand, the ICSG said.

"Chinese apparent demand increased about 9% based on a 14% increase in net imports of refined copper," it said. "Based on Chinese data already available for August, net imports of refined copper were at the same low level as July."

On a regional basis, usage rose an estimated 3.5% in Europe and 6.5% in Asia – excluding China, Asian usage fell 1%. Usage fell 11% and 4.5% in Africa and in the Americas respectively and was essentially unchanged in Oceania.

Mine production rose 5%, or 560,000 tonnes, in the first seven months. Concentrate production increased 6.5%, while solvent extraction-electrowinning fell 1%.

continued »

24 October 2016 | Metal Bulletin Daily | Number 9481.1

Base metals

"The increase in world mine production was mainly due to a 47% rise in Peruvian output, which is benefitting from new and expanded capacity brought on stream in the past two years," the trade group said. "A recovery in production levels in Canada and the US, expanded capacity in Mexico and a ramp-up in production in Mongolia, also contributed to world growth."

Refined production climbed 2.8%, or 370,000 tonnes, in July. Primary production was up 2.5% and secondary production up 5%.

The main contributor to growth was China, up 6%, and the US, where production increased 15%. Output in Chile and Japan increased about 2% and 3% respectively. Refined production in the DRC and Zambia fell because of temporary production cuts.

China's bonded stocks increased around 125,000 tonnes during the period. The world refined copper balance adjusted for the change in Chinese bonded stocks indicates a production deficit of around 139,000 tonnes, compared with a deficit of about 20,000 tonnes a year ago.

This article was first published on www.fastmarkets.com

LONDON

Hartree Partners to set up venture with Wanxiang Resources

Hartree Partners is in talks to set up a joint venture in futures, physicals and structured finance with China's Wanxiang Resources, sources close to the matter said.

The venture will operate in both the onshore and offshore markets and will mostly focus on non-ferrous metals, but it will also be involved in energy, bulks and agricultural products, sources added. The deal is close to completion.

"There are already some discussions on oil deals and I think the aim will be for cross-commodity sector [focus]," a source close to the matter said.

The hiring process has already started – both Hartree and Wanxiang will have representatives at board level as well as in daily trading roles.

Hartree Partners is a global commodities trading firm specialising in energy and its associated industries. The company was founded in 1997 and is owned by its founding partners, former Goldman Sachs partners Stephen Hendel and Stephen Semlitz, as well as investment management firm Oaktree Capital.

Wanxiang Resources, one of China's largest trading companies, was founded in February 1996. It focuses on base metals, energy products and ferrous minerals, according to its website.

Additional reporting by Kathleen Retourne

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Non-ferrous raw materials

NEW YORK

New Day wins bid for Noranda upstream business

New Day Aluminum has won the auction for Noranda Aluminum Holding Corp's bauxite mine and alumina refinery for $24.43 million.

Stalking horse bidder New Day Aluminum, a subsidiary of Fort Lauderdale, Florida-based DaDa Holdings, won the auction on October 20, according to a court document filed in US Bankruptcy Court in Missouri. It beat out Arg International AG, which is listed as the backup bidder with a proposed purchase price of $24 million.

New Day Aluminum—comprised of the former senior management team of Wise Metals Group—initially offered $21.5 million for the Gramercy, Louisiana, refinery and St. Ann, Jamaica, mine. However, the October 18 auction lasted through Wednesday, with a then-unidentified party entering the fray.

Zug, Switzerland-based Arg, formed by former Glencore aluminium traders Matt Lucke and Zach Mayer in 2013, purchased Franklin, Tennessee-based Noranda's idled New Madrid smelter last month for $13.7 million. Market sources have said that the purchase is a speculative play to re-enter primary aluminium production if aluminium prices on the London Metal Exchange surge in the coming years.

Noranda's upstream business was previously operated in such a way that the company's bauxite and alumina production were used to fuel the company's aluminium smelting operations.

A hearing is scheduled for 3pm local time on October 20 to approve the sale, according to the court document.

LONDON

ALUMINA INDEX: Benchmark reaches 14-month high as Chinese smelter demand recovers

Benchmark alumina prices rallied to their highest level since August 2015 this week as robust smelter output in China pushed local buyers to import their raw material.

Metal Bulletin's fob Australia alumina index was calculated at $271 per tonne on Thursday October 20, an increase of 4.3% from a week earlier.

A 30,000 tonne cargo of Western Australia alumina was sold at $283 per tonne on a cif China basis earlier in the week, bringing fob Australia prices up to around $270.

The increase means benchmark alumina prices have gained more than $40 per tonne over the past four weeks, largely driven by the return of Chinese buyers to the seaborne market.

The increase in China's domestic alumina prices, including new regulations on vehicle overloading mean "the import arbitrage for alumina into China is now wide open," analysts at Macquarie said in a report on Wednesday.

Metal Bulletin's assessment for alumina delivered duty paid in China stands at 2,200-2,500 yuan ($326.50-371) per tonne, compared with 1,845-1,900 yuan per tonne at the beginning of September.

But while the import arbitrage window has reopened, some Chinese players remain reluctant to import feed.

It takes one month for alumina to be shipped from Australia to China, and given the strength of the dollar against the yuan, buyers are reluctant to take on the exchange rate risk, local sources said.

But robust aluminium production in China has led market participants to believe that more consumers will need to rely on seaborne alumina in the coming weeks.

China's aluminium output reached 2.75 million tonnes last month, the second-highest figure on record and an increase of 1.3% year-on-year, the Macquarie analysts added, offering support to raw material prices.

"I expect we will see $290 over the next few weeks, 100% driven by the Chinese," a consumer told Metal Bulletin.

Metal Bulletin assesses Australian alumina prices weekly and Brazilian alumina prices fortnightly.

Metal Bulletin's fob Brazil alumina index was last calculated on October 13 at a discount of $2.38 per tonne to the fob Australia benchmark. The index will next be published on Thursday October 27.

SHANGHAI

CHINA ALUMINA SNAPSHOT: Prices remain high on continued tight supply

Key data from the Thursday October 20 pricing session in Shanghai.

Alumina MB Chinese free market Metallurgical grade, delivered duty paid RMB/tonne
New price 2,200-2,500
Previous price 2,200-2,500
Change to midpoint of range 0
Midpoint % change 0%

Key drivers:
-The market saw a shortage of stock while aluminium outpaced alumina in production recovery.
-The transportation schedule is tight during Q4, especially for Xinjiang Province and Gansu Province with coal also waiting in the queue, which has further contributed to the short supply of alumina.
-Some traders have stockpiled alumina, and are waiting for prices to go up before they release it.

Key quotes:
"Few deals [...] made this week due to the high price and I think most people are waiting to see how the market trend will go." A trader from Beijing commented.
"There is a pick up [in costs] [...] for both road and railway transportation and we will take [that] into consideration when we make [...] [offers]." A Beijing-based trader explained why offers have increased this week.
"Several millions [tonnes of] alumina capacity [have been] [...] recovered [...], however it will take 3-4 weeks before [the] alumina [can be] produced and offered to the market." An analyst said.

24 October 2016 | Metal Bulletin Daily | Number 9481.1

Minor & precious metals

METAL BULLETIN'S KEY MINOR METAL PRICES

	Price	Change†		Assessed
Antimony, ingots (regulus), in-whs Rotterdam ($/t)	7,380-7,650	0%		21 Oct 16
Antimony, MMTA standard grade II, in-whs Rotterdam ($/t)	7,330-7,600	0%		21 Oct 16
Bismuth, min 99.99% Bi, in-whs Rotterdam ($/lb)	4.50-4.95	0%		21 Oct 16
Cobalt (low-grade) in-whs Rotterdam ($/lb)	12.70-13.25	1.17%	▲	21 Oct 16
Cobalt (high-grade) in-whs Rotterdam ($/lb)	13.00-13.70	1.71%	▲	21 Oct 16
Indium, min 99.99% In, in-whs Rotterdam ($/kg)	200-245	0%		21 Oct 16
Manganese flake, in-whs Rotterdam ($/tonne)	1,900-1,970	0%		21 Oct 16
Selenium, min 99.5% Se, in-whs Rotterdam ($/lb)	8.75-9.75	-5.13%	▼	21 Oct 16
Tellurium, min 99.9% Te, in-whs ($/kg)	25.00-40.00	0%		21 Oct 16

SHANGHAI

China's SRB purchases 7,000 tonnes of antimony

China's State Reserve Bureau (SRB) decided to stockpile 7,000 tonnes of antimony from three bidders on the afternoon of Wednesday October 19.

The three bidders are China Minmetals (3,000 tonnes), Chenzhou Mining (2,500 tonnes) and Jiefu Group (1,500 tonnes) and the bidding price is 50,400 yuan ($7,478) per tonne.

This is the third round of stockpiling from the state agency, following two previous 10,000 tonne purchases in the years 2013 and 2014.

Bidders were asked to finish their deliveries before the end of December.

"The bidding price and amount were announced to the bidders at around 15:10pm [Beijing time] and then antimony offering prices were lifted to 48,500 yuan or higher," a Hunan-based source told Metal Bulletin.

"There have been deals concluded at 48,500 yuan," a Yunnan-based source said. He added that his smelter, which has an annual capacity of 3,000 tonnes, has been operating at a 50% rate due to a shortage of antimony concentrates and he cleared his inventories late last week at 45,500 yuan because of concerns about a price drop.

Metal Bulletin's assessment of China's antimony was 46,000-48,000 yuan per tonne on October 19, 500 yuan higher at the high end than last week.

"The purchase [from SRB] is a bit out of expectations," the source said.

Stockpiling costs have rocketed, as metal prices had maintained an upward trend for months before falling in late September.

"The [antimony] market will regain support from the SRB's buying and metal prices will reach above 50,000 yuan soon," a Guangxi-based source told Metal Bulletin.

Exchange news & prices

SHANGHAI

SHFE vs LME physical arbitrage 21/10: Copper, aluminium, zinc, nickel

Arbitrage for copper, aluminium, zinc and nickel imported into China on Friday October 21*

Copper
-$49.02 (-332.01 yuan)

Aluminium
-$44.18 (-299.21 yuan)

Zinc
-$148.12 (-1,003.19 yuan)

Nickel
-$319.62 (-2,164.69 yuan)

**The physical arbitrage numbers are calculated daily by Metal Bulletin using SHFE and LME prices at 3pm Shanghai time, taking account of VAT and import duties (where applicable), physical premiums and exchange rates at the time of the comparison. In March 2016, MB revamped its calculation to more accurately reflect arbitrage windows for physical trading. For more details on the formula please read the pricing notice.*

For details of physical premiums in Shanghai, and other Asian locations, please see the Metal Bulletin price book.

SINGAPORE

SHFE STOCKS: Copper inventories drop 3% week-on-week; Al up for second week

Deliverable copper stocks in Shanghai Futures Exchange-registered warehouses have fallen 3,805 tonnes or 3.1% over the past week to 117,634 tonnes as of Friday October 21.

This week, Zhongchu Wusong in Shanghai saw the most stock exits – 6,360 tonnes left its sheds.

In the two weeks to Friday October 14, stocks had risen 13.4%, ending seven straight weeks of decline between the week to August 15 and the week to September 26. China was closed for national holidays over October 1-7.

SHFE copper stocks could rise further in the near term – the recent fall in the value of the yuan has lowered the loss associated with importing so some traders might be looking to bring in metal, a Shanghai-based trader said.

Chinese copper production also continues to grow and could lead to an increase in SHFE stock levels, market sources said. Chinese refined copper metal output in September was 725,000 tonnes, a 7.2% year-on-year increase, according to data from the country's National Bureau of Statistics.

SHFE aluminium stocks have edged up 326 tonnes or 0.4% higher over the past week to 84,981 tonnes as of Friday October 21 – a second consecutive weekly increase.

Aluminium inventories had previously declined for three weeks in a row, reflecting tightness in the domestic spot market. But the market is starting to ease amid production restarts and new capacity coming on stream in the country, some sources said.

SHFE zinc stocks slipped 319 tonnes or 0.2% over the past week to 165,295 tonnes as of October 21.

Stocks had risen 4.6% a week ago after ten consecutive weeks of declines. The supply tightness in the zinc ore and concentrate market has yet to show up in the refined metal market, industry watchers said.

SHFE lead stocks rose 480 tonnes to 32,538 tonnes, while nickel inventories decreased by 1,603 tonnes to 109,771 tonnes. Tin stocks dipped by 320 tonnes to 2,099 tonnes as of October 21.

24 October 2016 | Metal Bulletin Daily | Number 9481.1

Non-ferrous scrap & secondary

METAL BULLETIN'S KEY NON-FERROUS SCRAP PRICES

	Price	Change†		Assessed
Alumiminium scrap, group 1 pure 99% Al & litho, del UK (£/t)	1,170-1,200	0%		19 Oct 16
Aluminium scrap, cast aluminium wheels, del UK (£/t)	1,100-1,140	2.28%	▲	19 Oct 16
Aluminium scrap, commercial pure cuttings, del UK (£/t)	950-1,020	2.07%	▲	19 Oct 16

LONDON

MB NON-FERROUS EUROPEAN SCRAP PRICE CHANGES 21/10

The following Metal Bulletin non-ferrous European free market scrap prices changed on Friday October 21:

Aluminium ingot
Duty paid delivered works pressure diecasting ingot price (DIN226/A380): €1,520-1,600 per tonne from €1,550-1,610

All other Metal Bulletin non-ferrous European free market scrap prices remained unchanged.

PITTSBURGH

US copper scrap market facing sluggish year-end

The US copper and brass scrap markets are bracing for an uninspiring year-end, with tepid demand amid drops in Comex and reports of adequate supply continuing to weigh on prices and widen discounts.

Markets are already feeling a winter chill, market participants said, continuing to cite difficulty moving material amid sluggish demand.

"Demand will set [the] pace for the next two months. Not everyone needs units, and now we're getting into the winter doldrums. Most people are already bought until the end of the year, so it will be a struggle," one supplier source said. "We've seen No. 2 copper spreads widen dramatically over the last two weeks."

Discounts for refiners' No. 2 copper scrap increased a penny to 25 to 27 cents per lb, and brass ingot makers' discounts for No. 2 copper and light copper followed the trend to reach 24 to 26 cents per lb and 30 to 32 cents per lb, respectively, according to Metal Bulletin sister publication AMM's latest assessment.

Prices for No. 1 composition solids shed a penny to $1.71 to $1.74 per lb, and composition borings and turnings slipped a penny on the high end to $1.68 to $1.70 per lb. Radiators dropped to $1.50 to $1.53 per lb from $1.52 to $1.54 per lb last week.

There is also some pessimism regarding the direction of prices in the near term. "This market is going to go lower. There's no reason in the world for it to go up," a second supplier said, citing a strong dollar and general stagnation in the market.

"Ultimately, prices need to fall and there's nothing positive out there," this source added.

"Demand remains quiet, and if not for declining Comex I would be widening spreads. [...] Looks like a slow crawl towards year-end at this point," a third supplier said.

The December-delivery Comex copper contract continued to lose ground over the past week, closing at $2.1035 per lb on October 19, down 3.4% from $2.1765 per lb on October 12.

Reduced demand has left some suppliers struggling to move copper scrap in the market. "We have copper to sell and everyone is booked through December. We will park it until they're ready [to buy]," a fourth supplier said.

"It's been hit and miss," a fifth supplier said of business. "This time of year things peter out with a last hurrah around the holidays, so we've got a few more weeks."

Consumers reported little to no difficulty procuring metal, citing adequate supply to meet current demand levels.

"It's a buyer's market, and we've definitely been able to sell our production," one consumer source said.

"Because of our lack of need, we have widened spreads," a second consumer added.

24 October 2016 | Metal Bulletin Daily | Number 9481.1

Carbon steel flat products

METAL BULLETIN'S KEY FLAT STEEL PRICES

	Price	Change†		Assessed
HRC, EU imports (cfr main EU port, northern Europe) (€/t)	430-440	0.58%	▲	19 Oct 16
HRC, EU imports (cfr main EU port, southern Europe) (€/t)	430-440	2.96%	▲	19 Oct 16
HRC, CIS exports (fob stowed main Black Sea port) ($/t)	395-400	0.63%	▲	17 Oct 16
HRC, UAE imports (cfr Jebel Ali) ($/t)	410-430	2.44%	▲	18 Oct 16
HRC, Turkish imports (cfr main Turkish port) ($/t)	430-435	2.37%	▲	21 Oct 16
HRC, Latin America exports (fob stowed main Latin American port) ($/t)	390-395	0%		21 Oct 16
HRC, commodity grade, US imports (cfr Gulf port) ($/short ton)	440-460	-4.26%	▼	19 Oct 16
HRC, China export (fob main China port) ($/t)	395-398	2.85%	▲	21 Oct 16
HRC, South East Asia imports (cfr Vietnam) ($/t)	403-415	4.87%	▲	17 Oct 16
HRC, Iran imports (cfr main port) ($/t)	420-430	2.41%	▲	19 Oct 16
HRC, Saudi Arabia imports (cfr main port) ($/t)	390-420	0%		18 Oct 16
CRC, EU imports (cfr main EU port, northern Europe) (€/t)	520-530	1.45%	▲	19 Oct 16
CRC, EU imports (cfr main EU port, southern Europe) (€/t)	530-550	2.86%	▲	19 Oct 16
CRC, CIS exports (fob stowed main Black Sea port) ($/t)	440-450	2.3%	▲	17 Oct 16
CRC, UAE imports (cfr main Jebel Ali) ($/t)	475-480	2.14%	▲	18 Oct 16
CRC, Turkish imports (cfr main Turkish port) ($/t)	485-500	2.6%	▲	21 Oct 16
CRC, Latin America exports (fob stowed main Latin American port) ($/t)	525-545	1.9%	▲	21 Oct 16
CRC, US imports (cfr Gulf) ($/short ton)	580-620	2.56%	▲	19 Oct 16
CRC, China export (fob main China port) ($/t)	445-450	0.45%	▲	21 Oct 16
CRC, Iran imports (cfr main port) ($/t)	460-470	0%		19 Oct 16

DNEPR

INTERVIEW: Erdemir increases coated steel output to meet Turkish automotive sector's needs

Turkish integrated steelmaker Erdemir plans to increase coated steel output to meet growing demand from the Turkish automotive sector, company chairman Ali Pandir told Metal Bulletin in an interview last month.

"About 65% of our production is non-coated hot rolled coil, plate or long steel products. We want to change this situation and plan to increase coated production so it will represent about 50% of Erdemir's total steel output," Pandir said.

Erdemir is Turkey's largest flat steel producer and has two steel plants – Eregli plant (Erdemir) in northern Turkey, and Iskenderun plant (Isdemir) in the southern part of the country.

The company's flat steel production in January-June 2016 totalled 3.54 million tonnes.

Steel demand in Turkey, which is supported by solid growth in the automotive industry, has shown a sustainable increase.

"Last year, steel consumption in Turkey increased 12% year-on-year. This year we expect a 4-5% increase," Pandir said.

The automotive industry has been growing at a much quicker pace in 2014-15 compared with other steel consuming sectors, due to projects launched by the major car companies, according to Pandir. In 2016, the increase in automotive production in Turkey is expected to be at a similar level to 2015.

In the first nine months of 2016, Turkey produced 1.03 million vehicles, up 6.10% year-on-year.

Investment plans

To achieve the required output increase, Erdemir will invest in the production of coated steel and special galvanized steel for the automotive industry.

Steel demand from the Turkish automotive industry will reach about 1.20 million tonnes in 2016, with Erdemir's supply for the sector limited to 330,000 tpy from its sole existing galvanizing line.

"We plan to invest in downstream coated production which is more value-added and has higher margins," Pandir said.

Erdemir started construction of a second galvanizing line last year to meet the needs of automotive producers. The line is scheduled to commence operation in early 2018.

"The growing automotive industry in Turkey is the reason Erdemir's plans to open the second galvanizing line. We have started this galvanizing line project because our sole line is working at maximum capacity," Pandir said.

The total capacity of Erdemir's two galvanizing lines will be 680,000 tpy of coated flat steel products.

If the automotive industry keeps growing at a similar pace, Erdemir might build a third galvanizing line after 2018, when the second line will start operating, Pandir said.

Erdemir has been supplying steel to all major automotive producers in Turkey, except for Hyundai, which has been sourcing material from its own companies.

The steelmaker has previously highlighted its ambitious plan to achieve a 50% share of the domestic automotive steel market.

Expanding abroad

Erdemir is also considering expanding its business outside Turkey, as the possibility of expansion within the country is limited by authorities.

continued »

Carbon steel flat products

"In Turkey, Erdemir is the major player and there are limits to capacity increases in the country," he said.

"As we are 35% of total market share of flat steel products, we are close to the limit of getting permission for expansion from authorities. For this reason, we have been planning to expand production outside Turkey, notably in Southern Europe," Pandir said.

Erdemir and Italian steelmaker Arvedi were preparing a joint bid to acquire troubled Italian steelmaker Ilva in May this year. However, Erdemir withdrew its involvement in the bid later in the summer.

"Ilva was on our radar. Erdemir was even one of the interested parties, but for the time being we decided not to participate in any consortium to bid," Pandir said, adding that the acquisition of all of Ilva's operations was a huge risk due to pollution, environmental problems and labour issues at Taranto mill.

If Ilva was sold in pieces, Erdemir would be interested in acquiring some downstream capacities, he added, but buying the main Taranto mill with the melt shop was a high risk.

However, Erdemir is still considering acquiring a smaller downstream mill in the European Union.

Export sales

Due to strong domestic demand in Turkey, Erdemir is not planning to increase export sales.

Exports jumped in the first half of 2016 as a political situation in Turkey caused a temporary dip in demand. But the country has recovered well as the instability mainly affected the south-east of the country where there is not much industry, according to Pandir.

Erdemir exported 480,000 tonnes of steel products, including 380,000 tonnes of flat steel and 100,000 tonnes of long steel in the first six months of the year.

The increase in export shipments was significant compared with the previous year's numbers, but remains insufficient compared with Erdemir's total production, Pandir said.

Imports growth

The Turkish steel industry has suffered from an increase in steel imports from Russia, Ukraine and Korea.

China has not been a direct threat to Turkish steelmakers, but the increase in exports from the country has had a negative effect on other markets – dragging prices down and forcing producers from other countries to redirect volumes, Pandir said.

"Turkey became a net importer of steel from the CIS. Erdemir is in a better situation compared with other Turkish steelmakers as an integrated producer due to lower costs. But other mills that produce steel from scrap are facing low capacity utilisation – about 50% or less – due to the pressure from imports," he added.

Turkish flat steel producers plan to apply for a new anti-dumping probe into hot rolled coil from China, Russia and Ukraine.

SHANGHAI

China's spot HRC prices mixed as paper market weakens

China's spot hot rolled coil prices were mixed on Friday October 21, with those in Shanghai falling while Tianjin's were flat as trading activity dropped ahead of the weekend.

Key drivers

The decline in futures hurt the bullish sentiment generated in the spot market earlier this week when prices kept rising, sparking cautiousness before the start of the weekend.

Trading activity dipped in Shanghai while in Tianjin, buying remained sparse, according to market participants.

Prices are up 50-60 yuan ($7.40-9) per tonne in Shanghai and 20 yuan ($3) per tonne higher in Tianjin this week.

Quote of the day

"The spot price fell following the decline of the futures market, and fewer orders were sealed today as buyers were not sure if the prices would retreat further," a Shanghai-based distributer said.

Shanghai Futures Exchange

The most-traded January HRC futures contract closed at 2,791 yuan ($414) per tonne on Friday, down 15 yuan ($2.20) per tonne from Thursday's closing price.

	Today	Previous day	Daily change
Eastern China (Shanghai) hot rolled coil, domestic	2,880-2,900 yuan ($427-430)	2,900-2,930 yuan ($430-435)	Down 20-30 yuan ($3-4.50)
Northern China (Tianjin) hot rolled coil, domestic	2,850-2,870 yuan ($423-426)	2,850-2,870 yuan ($423-426)	Unchanged

All prices are ex-warehouse, per tonne, including VAT

LONDON

Flat Steel Products Trade Log, October 21, 2016

Latest transaction: hot rolled coil

Hot rolled coil

East China, domestic, commercial-grade HRC (4.5-12mm), traded at 2,880-2,900 ($427-430) per tonne, including VAT.

North China, domestic, commercial-grade HRC (4.5-12mm), traded at 2,850-2,870 ($423-426) per tonne, including VAT.

LONDON

Vietnam's Hoa Sen orders reversing mill from India's Esmech Equipment

Vietnamese flat steel manufacturer Hoa Sen has ordered a twin-stand reversing cold mill from India's Esmech Equipment.

Esmech Equipment, a joint venture between the Esmech Group and German equipment manufacturer SMS, will supply the line to Hoa Sen's cold-rolling mill complex, which is currently under construction at Vinh City in the Nghe An province of central Vietnam.

continued »

24 October 2016 | Metal Bulletin Daily | Number 9481.1

Carbon steel flat products

The new line will produce low-carbon steel strips with a maximum width of 1,250mm and will have an capacity of up to 400,000 tpy, SMS said on Thursday October 20.

SMS received an order for a cold rolling mill in September from fellow Vietnamese steelmaker, Nam Kim.

LONDON

Tata Steel safeguards jobs at Dutch plant for five years

Tata Steel Europe has agreed not to make any compulsory redundancies for workers at its 7.50 million-tpy IJmuiden plant in the Netherlands for a period of five years.

Dutch trade union Federatie Nederlandse Vakbeweging (FNV) confirmed the deal to Metal Bulletin on Thursday October 20.

Employees who become redundant can be internally redeployed for a period of 21 months, FNV said, adding that those redeployed can make their new roles permanent after two months of good performance.

On July 8, Tata Steel confirmed that it was in talks about European steel industry consolidation "with strategic [participants] in the steel industry", specifically mentioning ThyssenKrupp.

At the same time, Tata Steel postponed the sales process for the entirety of its UK operations, including its 4.90 million-tpy Port Talbot plant in South Wales, but has continued the divestment process of individual UK assets, such as the speciality steel business in Rotherham and Stocksbridge in northern England and the tube & pipe mills in Hartlepool in north-east England.

"This [jobs] guarantee is independent of any merger," FNV metals officer, Aad in 't Veld, told Metal Bulletin.

"Of course, if a merger leads to mass dismissals and the tools of the agreement are insufficient to solve the problem, then there is the possibility that new negotiations about the terms of the agreement must be re-opened," he added.

In September, the FNV union submitted a document to Tata Steel, putting forward a number of demands, including more information on merger talks and a guarantee that there will be no job cuts for five years following any merger.

The announcement of the jobs guarantee at the IJMuiden plant is cause for concern for workers at Tata's 4.90 million-tpy Port Talbot plant in south Wales, according to UK trade union Unite.

"Our fear is that the cost of a possible merger with ThyssenKrupp could be the cessation of steelmaking at Port Talbot and the loss of these jobs," Unite said in evidence submitted to the Welsh Regional Assembly's economy committee on Wednesday October 19.

"No such negotiation or guarantee [similar to that struck by FNV] has included UK sites," Unite said.

The British Steel Pension Scheme (BSPS) remains another stumbling block in Tata Steel's negotiations to merge its European operations with those of another steelmaker, sources told Metal Bulletin on September 26.

Tata Steel could not be reached for comment at the time of publication.

24 October 2016 | Metal Bulletin Daily | Number 9481.1

Carbon steel long products

METAL BULLETIN'S KEY LONG STEEL PRICES

	Price	Change†		Assessed
Rebar, China export (fob main China port) ($/t)	350-355	1.44%	▲	21 Oct 16
Rebar, EU import (cfr main EU port, northern Europe) (€/t)	400-410	0%		19 Oct 16
Rebar, EU import (cfr main EU port, southern Europe) (€/t)	360-365	0%		19 Oct 16
Rebar, CIS exports (fob stowed main Black Sea port) ($/t)	350-360	1.43%	▲	17 Oct 16
Rebar, Turkish exports (fob main Turkish port) ($/t)	380-390	2.67%	▲	20 Oct 16
Rebar, UAE imports (cfr Jebel Ali) ($/t)	375-380	2.72%	▲	18 Oct 16
Rebar, US imports (cfr Gulf) ($/short ton)	358-363	1.55%	▲	19 Oct 16
Rebar, Latin America exports (fob stowed main Latin American port) ($/t)	380-385	0%		21 Oct 16
Rebar, South East Asia imports (cfr Singapore) ($/t)	335-340	0%		17 Oct 16
Rebar, Southern Europe exports (fob main port) (€/t)	330-340	-3.6%	▼	19 Oct 16
Rebar, Iran imports (cfr northern ports) ($/t)	400-410	2.53%	▲	19 Oct 16
Rebar, Saudi Arabia imports (cfr main port) ($/t)	375-380	2.72%	▲	18 Oct 16
Rebar, Algeria imports (cfr main port) (€/t)	350-360	-4.05%	▼	19 Oct 16

SHANGHAI

China's spot rebar prices still unchanged amid fluctuating futures

China's spot rebar prices remain unchanged on Friday October 21 as the futures market continued to fluctuate while several major producers announced price increases.

Key drivers

The January rebar futures contract fluctuated in a range of 71 yuan ($11) per tonne during the day, similar to movements observed a day earlier.

Meanwhile, Shagang, a major producer of rebar, raised its ex-works price by 170 yuan ($25) per tonne for late-October orders.

Amid the mixed signals, market participants remained on the sidelines to wait for the market to clear up.

Rebar prices are up 100 yuan ($15) per tonne for the week in Shanghai while those in Beijing have widened downwards by 20 yuan ($3) per tonne.

Quote of the day

"Trading activity remained thin today, with a number of buyers expecting prices to drop next week in view of the fluctuating futures market. People sensing bearish sentiment from the paper trading market. Meanwhile, rebar demand from the construction sector in north China is set to plunge a month from now, which will be a major negative factor for rebar prices in the coming weeks," a Beijing-based trader said.

Billet

As at 3pm, billet was being traded at 2,220 yuan ($329) per tonne including VAT in Tangshan, down 20 yuan ($3) per tonne from Thursday.

Shanghai Futures Exchange

The most-traded January rebar futures contract closed at 2,485 yuan ($368) per tonne on Thursday, down 1 yuan ($0.15) per tonne from Thursday's closing price.

	Today	Previous day	Daily change
Eastern China (Shanghai) grade III rebar (16-25mm), domestic	2,450-2,480 yuan ($363-368)	2,450-2,480 yuan ($363-368)	Unchanged
Northern China (Beijing) grade III rebar (16-25mm), domestic	2,380-2,430 yuan ($353-360)	2,380-2,430 yuan ($353-360)	Unchanged

All prices are ex-warehouse, per tonne, including VAT

NEW YORK

Import prices for rebar edge up in USA on costlier Turkish scrap

Import prices for rebar in the USA have risen $5-10 per tonne over the past two weeks on upward pressure from costlier Turkish scrap, market participants said.

Prices for Turkish rebar have climbed from recent lows of $385 per tonne ($349 per ton) to $395 per tonne ($358 per ton) or slightly higher, US traders and distributors said.

But bookings are slow as US buyers prefer domestic rebar, which is competitively priced compared with imports offered on a loaded truck basis, sources said.

Metal Bulletin sister publication AMM's assessment for US Midwest rebar slipped to $23-24 per hundredweight ($460-480 per ton) on Wednesday October 19, while market sources pegged import prices into Houston at $20 per cwt ($400 per ton) or so for loaded trucks.

Traders and fabricators are actively debating the effect of the recently filed rebar trade case, particularly on imports from Turkey. Japanese and Taiwanese rebar exporters have halted offers into the US market, but Turkey continues to ship, sources noted.

Last month, an estimated 104,032 tonnes of rebar were imported from Turkey, with 46,774 tonnes shipped so far in October, according to licence data from the US Commerce Department's enforcement and compliance division, last updated on October 18.

This month, Japan has already shipped 5,342 tonnes and Taiwan 3,018 tonnes of rebar to US shores, the data show. Still, much of these tonnages likely came from cargoes booked before the trade case filing.

One US trader pegged Turkish prices at $395 per tonne, "plus or minus $5 per tonne", but he noted continuing upward pressure on Turkish scrap. Turkish scrap prices recently have gained some $9 per tonne, according to sources.

The trade case has had no major effect on Turkish bookings and orders so far, this trader said.

"There's still plenty of availability. That's not going to change until the Turks feel that it's no longer safe for them to export. Otherwise, we will continue to suffer from plenty of availability and weak prices," he said. "I think it's going to get worse before it gets better."

Many distributors and fabricators could try to stock up on Turkish rebar before preliminary anti-dumping rulings are due on February 28 next year, he said. That could depress prices into early 2017 by producing a large overhang of low-priced rebar inventory in the USA.

continued »

24 October 2016 | Metal Bulletin Daily | Number 9481.1

Carbon steel long products

"Turks are pushing hard to get the numbers up," one rebar distributor said on Tuesday. "In fact, they were up this morning against yesterday's numbers, by about $5 per tonne. [Price of around] $395 per tonne to the Gulf and $400 per tonne to the East Coast is what we are seeing right now."

"You can buy at just less than $395 per tonne, but not much less," a second trader said on Tuesday. "And that number could change. I keep hearing higher scrap numbers," he said. "At this time of year, there's not any Russian scrap on the Black Sea, so Turkish scrap numbers could strengthen a little bit more. No one's going to buy for November shipment out of Turkey, because it could arrive just before the end of the year and they'll tax it."

AMM's assessment for import rebar rose to $358-363 per ton ($395-400 per tonne) this week, from $352-358 per ton ($388-395 per tonne) two weeks ago.

NEW YORK

Preliminary injury finding issued in Canada's rebar case

There is a "reasonable indication" that the Canadian rebar industry has been injured by imports from Belarus, Taiwan, Hong Kong, Japan, Portugal and Spain, the Canadian International Trade Tribunal said on Wednesday October 19.

The case, filed on August 19, can now proceed as a result of the preliminary determination.

The tribunal's final injury determination is typically issued within 120 days of the Canada Border Services Agency's (CBSA's) preliminary duty determinations.

The CBSA is set to make its anti-dumping determinations on November 17. No subsidy petitions were filed.

SÃO PAULO

Strike ends at Gerdau's steel plant in Brazil

Workers at Gerdau's steel unit in São José dos Campos city, in Brazil's south-eastern São Paulo state, ended a seven-day strike on Thursday October 20.

"A collective agreement was reached [with the local union] regarding [wage] negotiations [for 2015 and 2016]," Gerdau said.

"The wage adjustment will be applied in instalments," the mill said.

The company applied a 15% wage increase, according to the local trade union, Sindmetalsjc.

The workers went on strike on October 13 to demand higher wages.

Gerdau's São José dos Campos facility produces drawn wire, bars and welded steel products.

SHANGHAI

China's Shagang raises long steel prices for late October

East China's steel major Shagang has raised the list prices for its long steel products by 100-170 yuan ($15-25) per tonne for late October.

The mill is selling its HRB400 rebar at 2,600 yuan ($387) per tonne over the October 21-31 period, up 170 yuan ($25) per tonne from its last adjustment on October 11, according to its announcement on Friday October 21.

It raised its price for HPB300 wire rod by 100 yuan ($15) per tonne to 2,680 yuan ($398) per tonne.

Both prices are on an ex-works basis and include VAT.

Shagang is likely to have raised its list prices due to costlier raw materials such as coking coal and iron ore, rather than because of improving demand, market sources said.

SÃO PAULO

Mexico's Grupo Simec sees earnings rise by 64% in Q3

Earnings at Mexican long steel producer Grupo Simec increased by 64% year-on-year in the third quarter of 2016, amid higher sales prices and reduced raw materials costs.

Earnings before interests, taxes, depreciation and amortisation (Ebitda) reached 1.32 billion Mexican pesos ($70.99 million) in the third quarter, up from 806 million pesos ($43.31 million) a year earlier, the company said on Wednesday October 19.

Simec's average cost of sales fell by 3% year-on-year in the third quarter to 5.44 billion pesos ($302.81 million), due to the lower raw materials costs.

Meanwhile, sales revenues reached 6.67 billion pesos ($358.48 million) in the quarter, a growth of 5% from the 6.35 billion Mexican pesos ($341.07 million) a year earlier.

The steelmaker sold 529,000 tonnes of finished steel products in the third quarter, down from the 546,000 tonnes shipped in the corresponding period in 2015.

The company's average sales price reached 12,611 pesos during the quarter ($677.68), a growth of 8% from the 11,624 Mexican pesos ($624.64) in the third quarter last year.

Simec's net profit amounted to 1.46 billion pesos ($78.51 million) from July to September, compared with a net loss of 292 million pesos ($15.69 million) in the same period in 2015.

A subsidiary of Mexico-based steel group Industrias CH (ICH), Grupo Simec produces rebar, wire rod and special bar quality, among other long steel products.

Stainless & special steels

METAL BULLETIN'S KEY STAINLESS STEEL PRICES

	Price	Change†		Assessed
Grade 304 HR Sheet, Asia import (cif East Asian port) ($/t)	1,830-1,880	3.06%	▲	21 Oct 16
Grade 304 2mm CRC, 2B Asia import (cif East Asian port) ($/t)	1,900-1,950	2.39%	▲	21 Oct 16
Grade 304 2mm CR sheet EU export (fob N European port) (€/t)	2,023-2,147	-0.48%	▼	21 Oct 16

LONDON

Stainless Steel Trade Log, October 21, 2016

Latest transaction: Cold rolled, hot rolled stainless steel

Cold rolled stainless steel
East Asia, import, 304 stainless steel cold rolled coil, traded at $1,900-1,950 per tonne cif East Asian ports.

Hot rolled stainless steel
East Asia, import, 304 stainless steel hot rolled sheet, traded at $1,830-1,880 per tonne cif East Asian ports.

SHANGHAI

East Asian stainless steel prices maintain uptrend amid cost pressures

East Asia's stainless steel prices continued to rise this week amid costlier raw materials and on expectations of production cuts by Chinese producers.

Prices for November/December shipments of benchmark 304 stainless 2mm cold rolled coil were assessed at $1,900-1,950 per tonne cif East Asian ports on Friday October 21, up $40-50 per tonne from Metal Bulletin's assessment of $1,860-1,900 per tonne cif a week ago.

Prices for 304 stainless steel hot rolled sheet have also moved up. They were assessed at $1,830-1,880 per tonne cif East Asia on Friday, up $50-60 per tonne from last week.

A trader in Taiwan said the increase was mainly due to the price rise for raw materials, especially ferro-chrome. The rising production cost pushed up domestic prices in China and stimulated trading activity.

"Export prices followed suit. No buyers showed interest early this week, but in the past two days, buyers in East Asia were willing to talk about deals," he said.

A trader in east China said that market participants were expecting Chinese mills to cut production due to the supply shortage and high price of ferro-chrome. Therefore, stainless steel prices will probably maintain an upward trend.

The three-month nickel contract on the London Metal Exchange ended the official trading session on Thursday at $10,215-10,220 per tonne, down $235 per tonne from a week earlier.

In China's Wuxi market, domestic 304 stainless cold rolled coil was traded at 13,600-13,800 yuan ($2,018-2,047) per tonne including VAT on Thursday, up 300-400 yuan ($45-59) per tonne week-on-week.

Ferrous scrap

METAL BULLETIN'S KEY FERROUS SCRAP PRICES

	Price	Change†		Assessed
MB Index CFR Turkey HMS 1&2 (80:20) (North Europe material)	220.81	4.28%	▲	20 Oct 16
MB Index CFR Turkey HMS 1&2 (80:20) (USA material)	228.02	4.57%	▲	20 Oct 16
MB Index Shredded India import cfr ($/t)	231.20	0%		14 Oct 16
HMS 1&2 ferrous scrap index (80:20) fob Rotterdam ($/t)	206.38	3.49%	▲	21 Oct 16
HMS 1&2 (80:20) UK export fob main port ($/t)	203-213	1.22%	▲	21 Oct 16
HMS 1&2 (80:20) Taiwan import cfr ($/t)	192-200	3.98%	▲	21 Oct 16
HMS 1&2 (80:20) USA export fob East Coast ($/t)	358-363	0%		22 Nov 13

SINGAPORE

Taiwan import prices for US scrap set to spike on Japanese bookings

Import prices for containerised HMS-grade ferrous scrap in Taiwan moved up this week and are expected to rise further in the coming days amid resumed bookings of Japanese bulk cargoes.

Metal Bulletin's import price assessment for USA-origin HMS 1&2 (80:20) was $192-200 per tonne cfr Taiwan for the week ended Friday October 21, up from the preceding week's $185-192 per tonne.

Offers from suppliers on the West Coast of the USA were almost non-existent in Taiwan most of the week, with some buyers resorting to booking small container cargoes from Central and South America.

"There are no offers from the USA," two traders said, with a source from a local electric arc furnace (EAF) mill explaining that several US suppliers were still waiting to see whether they would face an increase in freight costs for November shipments.

Small bookings for US material were still claimed to be done at prices around $192-195 per tonne cfr early in the week, but by Friday some buyers were already willing to accept prices above $200 per tonne cfr for small cargoes, sources said.

Amid the lack of material from the USA, at least one steelmaker from southern Taiwan went to the market late in the week with enquiries for Japanese bulk cargoes.

"Several bookings" were reportedly concluded at prices as low as $215 per tonne cfr for H2-grade and $220-223 per tonne cfr for H1&H2 (50:50) cargoes, for delivery to the Kaohsiung port, market participants said.

This is the first time a significant volume of Japanese bulk scrap bookings have taken place in Taiwan since the middle of July, sources noted.

"Usually mills in the south [of Taiwan] pay prices $2-3 lower than those in central or northern Taiwan, but they've been paying higher recently, probably because they are short of stock," a third trading source said.

H2-grade scrap bulk cargoes have historically been traded at prices similar to those for HMS 1&2 (80:20) containers from the USA, but most sources told Metal Bulletin said they did not believe central or northern Taiwanese mills would be ready to accept US containerised scrap prices anywhere close to $215 per tonne cfr.

"Rebar prices are not increasing, so [most] mills can't accept this price yet," a fourth trader noted.

SHANGHAI

Shagang raises scrap purchase price again amid restocking efforts

China's biggest ferrous scrap consumer Shagang has raised its purchase price for the steelmaking raw material for a second time this month.

The mill in east China, which is also the country's largest privately owned steelmaker, is paying 1,640 yuan ($243) per tonne for heavy scrap delivered to its facility from Friday October 21 onwards.

This is an increase of 60 yuan ($9) per tonne on top of an upward adjustment earlier this month.

Other major scrap buyers in the region, including Baosteel, Nanjing Steel, Yonggang, Ma'anshan Steel, Zenith Steel, and Xingcheng Special Steel, were heard to have increased their purchase prices by 30-60 yuan ($4.50-9) per tonne as well.

"At a recent meeting at Baosteel, we [scrap purchasers in east China] decide to start stocking up for winter earlier this year," a source at one of the mills told Metal Bulletin.

This is because the ferrous markets are performing better this year in comparison with previous years, when such "winter restocking" was unnecessary, he explained.

While mills in the region have a scrap inventory to last about ten days or less at the moment, they are aiming to stock up to at least 20 days, the source said.

"We wish to complete restocking for the Chinese New Year by the end of November, because the weather may worsen after that," he said.

Next year's Chinese New Year is in late January, which is earlier than usual.

The second reason for the mills' mark-up of purchase prices this time is because the cost of producing hot metal – which is directly comparable to scrap for steelmaking – has gone above 2,000 yuan ($297) per tonne, way above that of the latter, the source pointed out.

The persistent surge in coke prices is to blame for the soaring hot metal cost, as iron ore prices have been relatively stable in recent weeks.

DNEPR

Italian domestic ferrous scrap prices down in October

Domestic ferrous scrap prices in Italy have fallen month-on-month in October due to pressure from finished steel prices, market sources told Metal Bulletin.

"Prices for long steel products have been declining in October, so the mills had to reduce purchasing prices for scrap," a trader said.

Metal Bulletin's average weekly domestic price assessment for rebar in Southern Europe dropped 11.76% month-on-month in the middle of October, while the average assessment for rebar exports declined by 8.84% month-on-month.

Metal Bulletin's monthly price assessment for domestic grade-E3 scrap in Italy was €170-185 ($187-203) per tonne delivered on October 20, compared with the assessment of €175-185 ($192-203) per tonne delivered in September.

continued ››

24 October 2016 | Metal Bulletin Daily | Number 9481.1

Ferrous scrap

The grade-E8 monthly scrap price assessment was €180-190 ($198-209) per tonne delivered in October, down from €190-200 ($209-220) per tonne delivered in the previous month.

Monthly deals for grade-E40 shredded scrap in Italy were done at €190-195 ($209-214) per tonne delivered.

Domestic scrap prices in Italy are expected to recover in November due to growing material prices in Turkey, the world's largest scrap-consuming market, according to market participants.

Metal Bulletin's daily index for Northern Europe-origin HMS 1&2 (80:20) steel scrap exported to Turkey has increased by 8.36% since the beginning of October.

MOSCOW

DAILY SCRAP REPORT: Indices stay put as no new deals heard

Turkish scrap import prices stayed still on Friday October 21, as no new bookings were heard on the day, after a busy week of purchasing.

Friday's silence was preceded by growing prices through the week as Turkish mills were said to be stocking up, while demand for finished steel products has remained strong. The rally in the coking coal market has also rendered support.

Turkish scrap import prices have been going up, with intermittent corrections, since late September. Metal Bulletin's daily index for Northern Europe-origin HMS 1&2 (80:20) closed at $220.81 per tonne cfr on Friday, unchanged from Thursday.

The daily index for USA-origin material closed the day at $228.02 per tonne cfr, also flat day-on-day.

This put the premium for USA-origin HMS 1&2 (80:20) over Northern European scrap at $7.21 per tonne.

US supplies have become more active in the Turkish import scrap market in recent days. However, "the offers from the US suppliers are still limited", one source said, adding that he expects Turkish import scrap prices to rise further.

The latest Turkish import scrap deals hard by Metal Bulletin were three US Sea cargoes booked by the the Turkish mills on Wednesday. The deals were initially understood to have been done on Thursday.

Three different mills in Iskenderun booked one US cargo each.

One steelmaker booked a US cargo, comprising 14,000 tonnes of HMS 1&2 (80:20) at $229.75 per tonne cfr, 18,000 tonnes of shredded scrap at $234.75 per tonne cfr and 8,000 tonnes of plate and structural (P&S) scrap at $239.75 per tonne cfr. The shipment of the cargo has been agreed for the first half of December.

The second mill booked a US cargo, comprising 15,000 tonnes of HMS 1&2 (80:20) at $228 per tonne cfr and 20,000 tonnes of shredded at $233 per tonne cfr.

The third steel producer booked a US cargo, comprising 15,000 tonnes of HMS 1&2 (80:20) at $230 per tonne cfr, 20,000 tonnes of shredded at $235 per tonne cfr and 5,000 tonnes of bonus scrap at $240 per tonne cfr.

The tonnage and the presence of the bonus grade in it were revealed after the Metal Bulletin's Turkish import scrap indices were published on Thursday.

There was also a deal from Europe heard on Thursday.

A Marmara-based steelmaker booked a European cargo comprising 17,000 tonnes of HMS 1&2 (75:25), 12,500 tonnes of HMS 1 and P&S and 5,000 tonnes of new cuttings at an average price of $225 per tonne cfr.

24 October 2016 | Metal Bulletin Daily | Number 9481.1

Ferrous raw materials

METAL BULLETIN'S KEY IRON ORE PRICES

cfr main China port $ per dry metric tonne

	Price	Change†		Assessed
Iron ore index (62% fe)	58.72-58.72	2.51%	▲	21 Oct 16
Iron ore pellet index cfr Qingdao (65% fe)	92.85-92.85	2.72%	▲	21 Oct 16

SÃO PAULO

Brazil's federal prosecutor charges individuals, companies over Samarco dam collapse

The Brazilian federal prosecutor's office (MPF) has charged 26 individuals and four companies over Samarco's tailing dam collapse last year.

Pellet producer Samarco - a 50:50 joint venture between Vale and BHP Billiton - controls the Fundão dam at its Germano mine in Brazil's Minas Gerais state.

The dam collapsed in November 2015, leading to 19 fatalities and flooding nearby settlements and the Rio Doce basin.

Of the 26 people facing prosecution, 21 are charged with "qualified homicide", MPF said on Thursday October 20.

Those charged include current and former senior executives of Samarco and its owners, Vale and BHP Billiton, including former ceo of Samarco, Ricardo Vescovi and its former operations director Kleber Terra – who both occupied their roles at the time of the accident – along with Vale executive director for ferrous minerals Peter Poppinga.

The individuals were further charged with crimes of causing a flood, landslide and grave bodily harm.

If convicted, they could face sentences of up to 54 years in prison, prosecutors said.

MPF said that Samarco executives had clear awareness that the dam could fail, but put profit over safety.

"Corporate profit greed led to the homicides," MPF prosecutor Eduardo Santos Oliveira said.

Samarco, Vale and BHP Billiton were charged with committing 12 different environmental crimes.

BHP Billiton told Metal Bulletin that it "rejects outright the charges against the company and the affected individuals".

"We will defend the charges against the company, and fully support each of the affected individual in their defence of the charges against them," BHP said.

The miner said it had not yet received formal notification of the proceedings.

Vale also repudiated the MPF charges and said "it will firmly take the appropriate measures before judicial authorities to prove the innocence of the company and its executives and employees" and "believes, serenely, that the truth and good sense will prevail, making it proper justice".

Samarco "refutes" MPF charges as they do not consider the defences and testimonies presented during the investigations that started immediately after the Fundão dam collapse, which proved that the company had no prior knowledge of risks to its structure.

The Fundão dam was regularly monitored, not only by the authorities, but also by independent international consultants, according to the Brazilian pellet producer.

Samarco told Metal Bulletin the stability of the Fundão dam was certified by [local engineering firm] Vogbr, which has also been charged with environmental crimes.

"Security has always been a priority in Samarco's management strategy and [we] reiterates that investments in this area were never cut by the company," Samerco said.

Vogbr was not immediately available to comment on the issue when contacted by Metal Bulletin on Thursday.

SINGAPORE

IRON ORE PRICES: Benchmark index hovers below $59 per tonne cfr

Iron ore prices ended the week rangebound on Friday October 21 with little indication of which way the market would head next.

Metal Bulletin's 62% Fe Iron Ore index
Today: $58.72 per tonne cfr Qingdao
Daily change: down by $0.13 per tonne
Month-to-date average: $57.02 per tonne

Metal Bulletin's 58% Fe Premium Index
Today: $52.47 per tonne cfr Qingdao
Daily change: up by $0.03 per tonne
Month-to-date average: $50.04 per tonne

Dalian Commodity Exchange's most-traded January contract
Today's close: 444.50 yuan ($65.90) per tonne
Change from previous day's close: up by 1 yuan ($0.15) per tonne.

Over-the-counter trades of 62% Fe swaps/futures
Nov $56.25, $56.30, $56.45, $56.50, $56.60, $56.75, $56.95, $57.00, $57.10, $57.25
Dec $54.75, $54.85, $54.90, $54.95, $55.00, $55.05, $55.10, $55.15, $55.35, $55.40, $55.50, $55.85, $55.95
Q4 $45.60
Jan 2017 $53.60, $53.65, $54.00, $54.10, $54.15, $54.25
Feb 2017 $52.65
Q1 2017 $52.45, $52.50, $52.65, $52.80, $53.00, $53.15, $53.25
Q2 2017 $49.55, $49.80, $50.25
Q3 2017 $47.35, $47.75
2017 $49.00
2018 $43.04
2019 $39.74
Nov/Dec $1.45, $1.50
Nov/Jan $2.75
Dec/Jan $1.35, $1.40
Dec/Q1 $2.25
Jan/Q1 2017 $1.00, $1.15
Q1 2017/Q1 2018 $8.20
2017/2018 $5.90
2018/2019 $3.00
These trades were collected by 6.30pm Singapore time.

continued »

24 October 2016 | Metal Bulletin Daily | Number 9481.1

Ferrous raw materials

SHANGHAI

High-grade products fending off possible downtrend in iron ore market

The spot iron ore markets slowed down on Friday October 21 with some price concessions heard amid cautious sentiment, though demand for high-grade products remained solid.

Key drivers

Enquiries for seaborne cargoes of high-grade fines remained healthy during the day, though trading activity was heard to be less vigorous than a day earlier.

Given the scarcity and high prices of coke and coking coal, demand for pellets and pellet-making concentrate has been especially strong, according to sources.

Indian pellets are being sold at a premium of $30 per tonne after Fe adjustments, sources told Metal Bulletin.

While prices were generally stable at Chinese ports, lower-Fe materials traded slightly lower.

As at Friday, major Chinese ports had a total of 104.76 million tonnes of iron ore in their stockpiles, up 2.4 million tonnes from a week earlier, according to local data provider Umetal. Lower-grade products, particularly Super Special fines, make up a bigger proportion of stockpiled materials.

Quote of the day

"Some mills that produce construction steel are already shutting down their production lines in the face of losses. If flat steel producers like us lose our profit and join in the cuts, iron ore prices are likely to dip given the ample supply represented by the rising port inventories," an eastern Chinese mill source said.

Trades

Rio Tinto sold a 170,000-tonne cargo of 61% Fe Pilbara Blend fines, laycan November 10-19, at $58.01 per tonne cfr China via a tender. The miner had sold a similar cargo at $58.12 per tonne cfr on Thursday.

BHP Billiton offered 110,000 tonnes of Jimblebar fines and 130,000 tonnes of 57.2% Fe Yandi fines, laycan November 6-15, via a private tender.

Port prices

Pilbara Blend fines continued to trade at 465-470 yuan per wet tonne at ports in Shandong province and the Tangshan region. This is equivalent to $60-60.60 per tonne cfr China in the seaborne market.

Dalian Commodity Exchange – afternoon close

The most-traded January iron ore futures contract ended the day at 444.50 yuan ($65.90) per tonne, up 1 yuan ($0.15) per tonne from Thursday's closing price.

LONDON

Steelmaking Raw Materials Trade Log, October 21, 2016

Latest transaction: iron ore

Iron ore

Rio Tinto, tender, 170,000 tonnes, 61% Fe Pilbara Blend fines, sold at $58.01 per tonne cfr China, laycan November 10-19.

SINGAPORE

Semi-soft coking coal, PCI getting more attention in seaborne market

The seaborne hard coking coal spot market was largely stable on Friday October 21 with end-users searching for cargoes that fit their bill and traders shifting focus to other materials including semi-soft and pulverised coal injection (PCI) coal.

A cargo of low-vol PCI was heard offered against an index with a premium of 5-6% on top of the index while a shipment of mid-vol PCI was traded at $150-151 per tonne cfr China.

Chinese demand continued to be the driver of spot prices as coal inventories remain low for mills in China. That means any disruption in supply or transportation is likely to lead to much higher purchasing prices.

"A change in mines' operating rate from 276 days per year to 330 days sounds easy in theory but there are three considerations: outdated equipment and facilities, capital problems and mines who play hard to get now that their dog days are finally over," a Chinese trader source said.

Shanxi Coking Coal, China's largest producer, raised its listed prices by another 50-90 yuan ($7.40-13.40) per tonne on Friday. Metal Bulletin's assessment of top-quality hard coking coal stood at 1,500 yuan ($223) per tonne delivered to Tangshan on Friday.

Outside China, the market consensus is that prices are likely to be supported for a while longer and steel production cuts are not high on the agenda.

"The expectation is that steel prices will go up and mills would not have any choice but to raise steel prices. No one wants to be the first to cut production," international trader source said.

Metal Bulletin's coking coal indices were all unchanged on Friday, at $241.51 per tonne fob Australia and $240.50 per tonne cfr China for premium hard coking coal, and $209.79 per tonne fob Australia and $216.73 per tonne cfr China for hard coking coal.

The Dalian Commodity Exchange's most-traded January coking coal futures contract closed at 1,235 yuan ($183) per tonne, up 22 yuan ($3.30) per tonne from Thursday's closing price. The most-liquid January coke contract closed 19.50 yuan ($2.90) per tonne higher for the day, at 1,568 yuan ($232.60) per tonne.

SHANGHAI

FEATURE: Coking coal, coke shortage widens divide between iron ore grades

The price gap between high-grade iron ore and lower-grade materials have widened in recent week, thanks to a supply shortage of coking coal and coke.

continued »

24 October 2016 | Metal Bulletin Daily | Number 9481.1

Ferrous raw materials

The spread between Metal Bulletin's 65% Fe and 62% Fe iron ore indices widened to $10.23 per tonne on Wednesday October 19 – the highest since July 2015 – and remained above $10 per tonne a day later.

The 58% Fe Premium, which sets premium products apart from higher-impurity ones at this grade, has risen to $7 per tonne since Monday, a level last seen in August 2014.

This comes as Chinese mills try their best to get their hands on higher-grade and lower-impurity ore for their blast furnaces to reduce the consumption of coke, and effectively, costs.

Extreme shortage

Hesteel, China's biggest steelmaker, is paying 1,720 yuan ($255) per tonne for first-grade coke, up 180 yuan ($27) per tonne from what it was paying at the start of October. This is also 70% higher than the 1,010 yuan ($150) per tonne that it was paying a quarter earlier.

Even at such high prices, mills are finding it hard to get hold of a sufficient supply of coke or coking coal.

Steel production using lower-grade iron ore, which contains higher impurities such as silica and alumina, typically requires a higher consumption of coke and pulverised coal injection (PCI) coal in the blast furnace in comparison with that using high-grade materials. The silica and alumina contained in the ore need to be chemically balanced out with the addition of more flux, which increases the overall volume of slag. Additionally, this slag needs to be kept hot and liquid to prevent a "chilling" of the blast furnace burden.

A higher volume of slag equals to less room in the blast furnace for hot metal, which means productivity also suffers when lower-grade iron ore, instead of higher-grade ore, is used to produce steel.

At current prices for coke and coal, each percentage point increase of silica and alumina leads to an additional fuel cost of 20-25 yuan ($3-3.70) per tonne and 18-20 yuan ($2.70-3) per tonne, respectively, a trading source with mill experience told Metal Bulletin.

Before the recent coke and coal price surge, the additional fuel cost would have been about 12-13 yuan ($1.80-1.90) per tonne, he added.

Amid the coke shortage, a number of mills have resorted to raising the Fe grade of their blast furnace feed to maintain hot metal output, the source pointed out.

Rock and a hard place

Though iron ore costs have been relatively steady in recent weeks, the unexpected surge in coking coal and coke prices have gobbled up mills' margins, with steel prices having little upward momentum of late.

Although some of the better-off steelmakers remain profitable, albeit only seeing very thin margins, a sizeable number of them are already operating in the red, according to sources.

"Mills used to lower their production rates by feeding lower-grade materials into the furnaces, but now it's impractical to do so. They may have to resort to maintenance," the trading source said.

This is because the cost saved in buying lower-grade iron ore may not be able to offset the amount spent on coke. That is, if the mills can get any coke at all.

In fact, some of them have already put their furnaces under maintenance due to the scarcity of coke in the market, sources told Metal Bulletin.

Mills in south China are particularly vulnerable, since they typically incur a higher cost when procuring coking coal or coke, according to the trading source.

This is as China's coal production is concentrated in the north, around Shanxi province. Furthermore, whatever being produced in the region is being consumed internally, he added.

A second trading source who is based in Beijing pointed out that mills in the southern part of the country may be enjoying bigger margins from the sale of steel products due to their proximity to export markets.

But if they have to rely on imported coking coal, which are more expensive than domestic materials, their costs would still be higher than their counterparts in the north.

Metal Bulletin's cfr China Premium Hard Coking Coal Index stood at $240.50 per tonne on Thursday, while domestic hard coking coal prices in Shanxi were at 1,200-1,300 yuan ($178-193) per tonne last Friday.

Grim outlook

"People are all watching out for when the prices for coking coal and coke will peak, but I don't think we will see prices weaken over the remainder of the year," a mill source in northern China said.

Only an idling of blast furnaces will cool down the prices of the two raw materials and, at the same time, provide some upward momentum to the steel market so as to relieve the cost pressure, he added.

Concurring, the trading source in Beijing reckons that iron ore prices would remain under pressure unless mills' profitability improves, and this is contingent on production cuts.

Until such cuts materialise, the big gap between high-grade iron ore and lower-grade materials are likely to be here to stay, she added.

SINGAPORE

China AM: Futures moving down as week comes to an end

China's ferrous futures all moved down during morning trading on Friday October 21, after the gains seen during most of the week.

Futures closing prices – morning session

Shanghai Futures Exchange

January rebar: 2,446 yuan ($363), down 12 yuan ($2)

January hot rolled coil: 2,765 yuan ($410), down 6 yuan ($1)

Dalian Commodity Exchange

January iron ore: 437.50 yuan ($65), down 1.50 yuan ($0.20)

January coking coal: 1,198 yuan ($178), down 14.50 yuan ($2.20)

Billet

Tangshan billet price: 2,220 yuan ($329) per tonne, down 20 yuan ($3) from Thursday afternoon.

Raw materials

Rio Tinto is offering 170,000 tonnes of Pilbara Blend fines, laycan November 10-19, via a tender that closes at 3pm.

Metal Bulletin's 62% Fe Iron Ore Index inched up by $0.48 per tonne on Thursday to $58.85 per tonne cfr Qingdao.

Key market news

East China's major steelmaker Shagang has raised the list prices for its long steel products. The mill is selling its HRB400 rebar at 2,600 yuan ($387) per tonne over the October 21-31 period, up 170 yuan ($25) per tonne from its last adjustment.

continued ››

24 October 2016 | Metal Bulletin Daily | Number 9481.1

Ferrous raw materials

Its HPB300 wire rod is now priced 100 yuan ($15) per tonne higher, at 2,680 yuan ($398) per tonne. Both prices are on an ex-works basis and include VAT.

SINGAPORE

Mount Gibson's iron ore shipments down 16% during July-September

Mount Gibson Iron sold 887,000 wet metric tonnes (wmt) of iron ore during the three months to September, down 16.4% on the year, it said in its latest quarterly report released on Friday October 21.

Volumes are up 5.2% from the June quarter, however, due to what it described as the "opportunistic sale" of 175,000 wmt of remnant low-grade materials from its closed Tallering Peak mine site and steady performance at its Extension Hill mine, both located in Western Australia.

The shipments in the September quarter comprised 417,000 wmt of standard direct shipping lumps and 294,000 wmt of standard direct shipping fines from Extension Hill. The remainder were the remnant lower grade materials from Tallering Peak, according to Mount Gibson's statement.

Its average realised price for fines during the three months to September stood at $37 per dry metric tonne fob Australia, unchanged from the preceding quarter.

Metal Bulletin's 62% Fe Iron Ore Index averaged $58.36 per tonne cfr China during the period.

The miner's all-in group cash costs averaged A$50 ($38.30) per wmt fob during the September quarter. It expects these costs to fall in a range of A$48-52 ($36.80-39.90) per wmt fob during its 2016-2017 financial year ending June 30, with a higher average in the first half of the period.

The miner is anticipating to conclude mining operations in the current Extension Hill pit in November but added that sales would continue into early 2017. It will also "evaluate the merits of selling ore from existing low-grade stockpiles" until materials from the adjacent Iron Hill are available. It is still awaiting approvals from regulatory bodies for it to begin developing Iron Hill.

Mount Gibson has 253,000 wmt of crushed finished product and 233,000 wmt of uncrushed product stockpiled at Extension Hill as at the end of September, it said.

It expects to sell 2.8-3.1 million wmt of iron ore during its 2016-2017 financial year.

The miner also continues to evaluate the viability of reinstating the main pit seawall at its Koolan Island operations, which collapsed in October 2014 and led to a flooding of the mine. It expects to conclude this evaluation in the March 2017 quarter.

SÃO PAULO

Vale's met coal production down 0.80% in Q3

Vale's metallurgical coal production fell by 0.80% year-on-year in the third quarter of 2016, the Brazil-based miner said on Thursday October 20.

Its met coal output amounted to 1.63 million tonnes, compared with 1.64 million tonnes in the corresponding period in 2015.

Vale's Carborough Downs operation, located in the Bowen Basin, Queensland, Australia, produced 568,000 tonnes of met coal July-September 2016, down 22.20% from the same period a year earlier when output was at 730,000 tonnes.

Production was said to be down as the facility has continued to be affected by geological issues that occurred in the previous quarter.

Meanwhile, at Vale's Moatize operations in Mozambique, southern Africa, met coal production increased as a result of the ramp-up of the Moatize II plant, which was commissioned in August 2016.

Moatize's met coal output reached 1.06 million tonnes in the third quarter, up by 16.30% from the 914,000 tonnes produced in the corresponding period in 2015.

DNEPR

Raspadskaya coking coal sales down 16% in Q3, Evraz says

The Raspadskaya coal unit of Russian steelmaker Evraz saw its coking coal concentrate sales slip by 16% year-on-year in the third quarter of 2016, the miner said on Thursday October 20.

Sales stood at 1.44 million tonnes.

Of the total, export sales at Raspadskaya – which runs two underground mines and one open-pit mine in Western Siberia – declined by 15% year-on-year to 841,000 tonnes in July-September, due to lower raw coal production, the company said.

Sales to the Russian domestic market fell 16% over the same period to 602,000 tonnes, amid lower output of K-grade (hard coking coal) from the Raspadskaya-Koksovaya mine.

The miner's total raw coal output stood at 2.43 million tonnes, down by 11% year-on-year due to the planned longwall move at its main mine, also called Raspadskaya, as well as a lack of board-and-pillar blocks at the Raspadskaya-Koksovaya mine.

The miner said it expects higher raw coal output in the fourth quarter due to the commissioning of a third field at its main mine in September.

Metal Bulletin's price assessment for hard coking coal averaged $126.72 per tonne cfr Jingtang in the third quarter of 2016, compared with $83.77 per tonne cfr Jingtang over the same period of 2015.

On Wednesday, October 19 Metal Bulletin's price assessment for hard coking coal was $209.03 per tonne cfr Jingtang.

DNEPR

CIS pig iron suppliers test market with higher prices

Rising global coking coal and scrap prices have spurred CIS pig iron exporters to increase prices, sources told Metal Bulletin on Thursday October 20.

continued »

Ferrous raw materials

Another reason for higher prices is the reduced availability of the material.

Some mills turned to higher finished steel production as prices started to recover recently, while some cut pig iron production as it is not profitable for them at the moment, considering current coking coal prices, sources said.

Metal Bulletin's export price assessment for high-manganese pig iron from the CIS region was $242-250 per tonne fob Black Sea on October 20, up from $240-242 per tonne fob Black Sea a week ago.

Ukraine's Donetskstal (DMZ) closed its order book for October with the latest deal for a 30,000 tonnes done at $242 per tonne fob Black Sea, sources said.

Bids from traders for smaller quantities were coming at $245 per tonne fob Black Sea.

DMZ is expected to come back to the market next week with offers not lower than $250 per tonne fob Black Sea, sources said.

Meanwhile, customers from Turkey and Italy were not heard placing any bids with traders as "[the traders] do not have volumes for immediate shipment", sources said.

In the Baltic Sea market, Russia's Tulachermet was offering low-manganese pig iron at $290-300 per tonne fob, depending on the tonnage.

A source from Northern Europe said that $290 per tonne fob Baltic Sea level would be acceptable if a customer needs material, but "most of them prefer to wait-and-see" as "no one knows how long the increase will last".

"In general $290 per tonne fob Baltic Sea is an overpriced level," he added.

Metal Bulletin's price assessment for CIS low-manganese pig iron exports rose to $289-290 per tonne fob on October 20, compared with $275-285 per tonne fob Baltic Sea last week.

SÃO PAULO

Vale's iron ore pellet output down 1% in Q3

Vale's pellet output fell by 1% in the third quarter of 2016 compared with the corresponding period last year, the Brazilian miner said on Thursday October 20.

Production came to 12.07 million tonnes, compared with 12.19 million tonnes in the same quarter in 2015.

The miner's Tubarão plants in Brazil – Tubarão 3, 4, 5, 5, 7 and 8 – produced a total of 7 million tonnes of pellets in July-September 2016, down by 2.80% year-on-year.

This decline was mainly due to scheduled maintenance at Tubarão 7 in July and August, Vale said.

In Brazil's southern system – the Fábrica and Vargem Grande facilities – pellet output increased by 3.80% over the quarter, to 2.74 million tonnes.

Meanwhile, the company produced 2.32 million tonnes of pellets at its operations in Oman in the third quarter, down 1% on an annual basis.

In January-September 2016, Vale's pellet output amounted to 33.59 million tonnes, down by 8.50% from last year's volume of 35.82 million tonnes.

Vale said it is currently studying alternatives to overcome the challenges of increasing its pellet feed availability and to develop options to increase its pellet production to offset a supply shortages resulting from the halting of Samarco's operations.

Brazilian pellet producer Samarco is a 50:50 joint venture between Vale and BHP Billiton and was forced to halt operations after an accident at its Fundão tailing dam in November 2015.

24 October 2016 | Metal Bulletin Daily | Number 9481.1

Prices

For the latest prices go to http://www.metalbulletin.com/My-price-book.html

NEW YORK FUTURES

	Price	Change†		Assessed
Comex: Copper high grade cents/lb				
Settlement	209.05	-1.16%	▼	20 Oct 16
Open interest	213,357	14.15%	▲	19 Oct 16
Stocks (short ton)	72,208	1.63%	▲	19 Oct 16
Comex: Gold $/troy oz				
Settlement	1,265.60	0.84%	▲	20 Oct 16
Open interest	503,615	1.65%	▲	19 Oct 16
Stocks (troy oz)	10,463,561	-1.74%	▼	19 Oct 16
Nymex: Palladium $/troy oz				
Settlement	632.85	-0.63%	▼	20 Oct 16
Stocks (troy oz)	75,275	-6.46%	▼	19 Oct 16
Nymex: Platinum $/troy oz				
Settlement	931.20	0.25%	▲	20 Oct 16
Stocks (troy oz)	240,612	-0.13%	▼	19 Oct 16
Comex: Silver cents/troy oz				
Settlement	1,750.20	0.53%	▲	20 Oct 16
Open interest	193,168	3.88%	▲	19 Oct 16

SHANGHAI FUTURES

	Price	Change†		Assessed
Aluminium yuan/tonne	12,895	-4.55%	▼	21 Oct 16
Copper yuan/tonne	37,200	-0.77%	▼	21 Oct 16
Nickel cathode yuan/tonne	79,290	-1.13%	▼	21 Oct 16
Tin ingot yuan/tonne	124,010	-3.87%	▼	21 Oct 16
Zinc yuan/tonne	18,255	2.41%	▲	21 Oct 16
Steel rebar month 1 yuan/tonne	2,423	7.21%	▲	21 Oct 16
Steel rebar month 2 yuan/tonne	2,525	9.35%	▲	21 Oct 16
Steel rebar month 3 yuan/tonne	2,465	2.88%	▲	21 Oct 16
Weekly stocks deliverable				
Aluminium (tonnes)	84,981	0.39%	▲	21 Oct 16
Copper (tonnes)	117,634	-3.13%	▼	21 Oct 16
Nickel cathode (tonnes)	109,771	-1.44%	▼	21 Oct 16
Tin ingot (tonnes)	2,099	-13.23%	▼	21 Oct 16
Zinc (tonnes)	165,295	-0.19%	▼	21 Oct 16
Steel rebar (tonnes)	38,925	-26.18%	▼	21 Oct 16

DAILY METAL AND STEEL

London forward LME settlement prices. All prices per tonne, unless otherwise stated, in LME warehouse, EU duty, if any paid for buyers account

	Price	Change†		Assessed
Aluminium high grade $				
Cash official	1,616-1,617	-4.04%	▼	21 Oct 16
Cash unofficial	1,603-1,605	-4.58%	▼	20 Oct 16
3 months official	1,620.5-1,621	-3.84%	▼	21 Oct 16
3 months unofficial	1,610-1,612	-4.45%	▼	20 Oct 16
LME Tapo notional average price (NAP)	1,662.11	-0.55%	▼	20 Oct 16
LME stocks (tonnes)	2,165,700	3.65%	▲	20 Oct 16
Aluminium alloy (A380.1/DIN/D12S) $				
LME cash official	1,535-1,545	-1.91%	▼	21 Oct 16
LME cash unofficial	1,531.5-1,541.5	-2.2%	▼	20 Oct 16
LME 3 months official	1,550-1,560	-1.89%	▼	21 Oct 16
LME 3 months unofficial	1,545-1,555	-2.21%	▼	20 Oct 16
LME stocks (tonnes)	13,680	0%		20 Oct 16

	Price	Change		Assessed
N. American special aluminium alloy				
LME cash official	1,715-1,716	-0.61%	▼	21 Oct 16
LME cash unofficial	1,719-1,729	-0.92%	▼	20 Oct 16
LME 3 months official	1,725-1,730	-1.57%	▼	21 Oct 16
LME 3 months unofficial	1,730-1,740	-0.86%	▼	20 Oct 16
LME stocks (tonnes)	77,360	3.39%	▲	20 Oct 16
Copper grade A $				
LME cash official	4,636-4,637	-0.77%	▼	21 Oct 16
LME cash unofficial	4,620.5-4,625.5	-1.26%	▼	20 Oct 16
LME 3 months official	4,655-4,657	-0.76%	▼	21 Oct 16
LME 3 months unofficial	4,640-4,645	-1.28%	▼	20 Oct 16
LME Tapo notional average price (NAP)	4,735.11	-0.91%	▼	20 Oct 16
LME stocks (tonnes)	346,775	-0.66%	▼	20 Oct 16
Lead $				
LME cash official	2,008-2,010	0.89%	▲	21 Oct 16
LME cash unofficial	2,006-2,008	0.38%	▲	20 Oct 16
LME 3 months official	2,024.5-2,025	1.11%	▲	21 Oct 16
LME 3 months unofficial	2,017-2,019	0.2%	▲	20 Oct 16
LME stocks (tonnes)	189,725	-0.04%	▼	20 Oct 16
Nickel $				
LME cash official	9,985-9,995	-4.24%	▼	21 Oct 16
LME cash unofficial	10,105-10,130	-2.41%	▼	20 Oct 16
LME 3 months official	10,025-10,030	-4.18%	▼	21 Oct 16
LME 3 months unofficial	10,150-10,175	-2.4%	▼	20 Oct 16
LME stocks (tonnes)	363,408	0.75%	▲	20 Oct 16
Tin $				
LME cash official	20,100-20,150	2.88%	▲	21 Oct 16
LME cash unofficial	19,950-20,000	1.86%	▲	20 Oct 16
LME 3 months official	19,850-19,875	1.78%	▲	21 Oct 16
LME 3 months unofficial	19,825-19,875	1.4%	▲	20 Oct 16
LME stocks (tonnes)	2,960	-10.84%	▼	20 Oct 16
Zinc special high grade $				
LME cash official	2,248.5-2,249	0.74%	▲	21 Oct 16
LME cash unofficial	2,274-2,276	2.32%	▲	20 Oct 16
LME 3 months official	2,262-2,264	0.8%	▲	21 Oct 16
LME 3 months unofficial	2,288-2,290	2.32%	▲	20 Oct 16
LME stocks (tonnes)	454,925	-0.21%	▼	20 Oct 16
Cobalt min 99.3%				
LME cash official	27,900-28,100	-0.71%	▼	21 Oct 16
LME 3 months official	27,750-28,250	-0.88%	▼	21 Oct 16
LME stocks (tonnes)	625	2.63%	▲	20 Oct 16
Molybdenum $				
LME cash official	14,750-15,250	-1.64%	▼	21 Oct 16
LME 3 months official	14,750-15,250	-1.64%	▼	21 Oct 16
LME stocks (tonnes)	0	0%		20 Oct 16
Steel billet				
LME cash official	300-325	0%		21 Oct 16
LME cash unofficial	300-325	0%		20 Oct 16
LME 3 months official	300-325	0%		21 Oct 16
LME 3 months unofficial	300-325	0%		20 Oct 16
LME stocks (tonnes)	0	0%		20 Oct 16

† week-on-week change

continued »

	Price	Change		Assessed
Gold $/troy oz				
London morning	1,263.95	0.62%	▲	21 Oct 16
London afternoon	1,271.65	0.84%	▲	20 Oct 16
Handy/Harman	1,271.65	0.84%	▲	20 Oct 16
Silver per troy oz				
London spot pence	1,434.07	0.41%	▲	21 Oct 16
London spot cents	1,751	0.23%	▲	21 Oct 16
Handy/Harman	1,753	0.4%	▲	20 Oct 16
Palladium $/troy oz				
London morning	633	-1.4%	▼	20 Oct 16
London afternoon	634	-0.94%	▼	20 Oct 16
Platinum $/troy oz				
London morning	940	-0.21%	▼	20 Oct 16
London afternoon	935	0%		20 Oct 16
Kuala Lumpur tin market				
Tin $/tonne	19,900	1.53%	▲	21 Oct 16
ICDX				
Tin PB300 settlement price $/tonne	19,950	2.84%	▲	21 Oct 16
Tin PB300 volume, tonnes	40	33.33%	▲	21 Oct 16

RAND FIXING PRICES

Rand fixing prices per tonne for London Metal Exchange trade

	Price	Change†		Assessed
Copper	64,536.37	-3.27%	▼	21 Oct 16
Aluminium	22,504.92	-6.47%	▼	21 Oct 16
Lead	27,974.58	-1.63%	▼	21 Oct 16
Zinc	31,300.91	-1.81%	▼	21 Oct 16
Nickel	139,107.41	-6.64%	▼	21 Oct 16
Tin	280,441.66	0.33%	▲	21 Oct 16

EXCHANGE RATES

	Price	Change†		Assessed
LME settlement conversion rates				
$/£	1.2205	-0.38%	▼	21 Oct 16
$/¥	103.7300	-0.52%	▼	21 Oct 16
$/€	1.0889	-1.06%	▼	21 Oct 16
Closing rates, midpoint				
$/£	1.2242	0.41%	▲	20 Oct 16
$/¥	104.0050	0.56%	▲	20 Oct 16
$/€	1.0926	-0.94%	▼	20 Oct 16
£/€	1.1205	1.38%	▲	20 Oct 16
$/CNY	6.7397	0.15%	▲	20 Oct 16

BASE METALS ARBITRAGE

	Price	Change†		Assessed
Aluminium				
Import arbitrage, $/tonne	-44.18*	-60.61%	▼	21 Oct 16
Import arbitrage, RMB/tonne	-299.21*	-60.41%	▼	21 Oct 16
Copper				
Import arbitrage, $/tonne	-49.02*	-25.42%	▼	21 Oct 16
Import arbitrage, RMB/tonne	-332.01*	-25.05%	▼	21 Oct 16
Nickel				
Import arbitrage, $/tonne	-319.62*	-52.98%	▼	21 Oct 16
Import arbitrage, RMB/tonne	-2,164.69*	-52.75%	▼	21 Oct 16
Zinc				
Import arbitrage, $/tonne	-148.12*	-6.34%	▼	21 Oct 16
Import arbitrage, RMB/tonne	-1,003.19*	-5.87%	▼	21 Oct 16

MB BASE METAL PREMIUMS

All prices $/tonne unless otherwise stated

**MB Copyright*

	Price	Change†		Assessed
Copper				
Rotterdam, copper low-high premium, Grade A, cathode, in-warehouse, $/tonne	40.0-50.0*	0%		19 Oct 16
Rotterdam, copper average premium, Grade A, cathode, in-warehouse $/tonne	45.00*	0%		19 Oct 16
Leghorn, copper low-high premium, Grade A, cathode, cif, $/tonne	60.0-70.0*	0%		17 Oct 16
Leghorn, copper average premium, Grade A, cathode, cif, $/tonne	65.00*	0%		17 Oct 16
South Korea, copper low-high premium, Grade A, cathode, cif, $/tonne	65.0-75.0*	16.67%	▲	20 Oct 16
South Korea, copper average premium, Grade A, cathode, cif, $/tonne	70.00*	16.67%	▲	20 Oct 16
Singapore, copper low-high premium, Grade A, cathode, in-warehouse, $/tonne	5.0-10.0*	-25%	▼	20 Oct 16
Singapore, copper average premium, Grade A, cathode, in-warehouse, $/tonne	7.00*	-12.5%	▼	20 Oct 16
Shanghai, copper low-high premium, Grade A, cathode, in-warehouse, $/tonne	75.0-90.0*	10%	▲	21 Oct 16
Shanghai, copper average premium, Grade A, cathode, in-warehouse $/tonne	83.00*	18.57%	▲	21 Oct 16
Shanghai, copper low-high premium, Grade A, cathode, cif $/tonne	70.0-85.0*	10.71%	▲	21 Oct 16
Shanghai, copper average premium, Grade A, cathode, cif $/tonne	81.00*	15.71%	▲	21 Oct 16
Johor, copper low-high premium, Grade A, cathode, in-warehouse, $/tonne	5.0-10.0*	-25%	▼	20 Oct 16
Johor, copper average premium, Grade A, cathode, in-warehouse $/tonne	7.00*	-12.5%	▼	20 Oct 16
MB free market US: High-grade cathode premium indicator, $/tonne	115.7-126.8*	0%		20 Oct 16
Aluminium				
Aluminium P1020A, in-whs Rotterdam duty unpaid, spot low-high, $/tonne	75.0-85.0*	0%		21 Oct 16
Aluminium P1020A, in-warehouse Rotterdam duty unpaid, spot weighted average, $/tonne	81.00*	1.25%	▲	21 Oct 16
Aluminium P1020A, cif Korea (Gwangyang or Busan), spot low-high, $/tonne	60.00-69.00*	0%		18 Oct 16
Aluminium P1020A, cif Korea (Gwangyang or Busan), spot weighted average, $/tonne	63.00*	0%		18 Oct 16
Aluminium P1020A, in-warehouse Singapore, spot low-high, $/tonne	5.0-10.0*	0%		18 Oct 16
Aluminium P1020A, in-warehouse Singapore, spot weighted average, $/tonne	7.50*	0%		18 Oct 16
Aluminium P1020A, in-warehouse Johor, spot low-high, $/tonne	5.0-10.0*	0%		18 Oct 16
Aluminium P1020A, in-warehouse Johor, spot weighted average, $/tonne	7.50*	0%		18 Oct 16
Aluminium P1020A, cif Shanghai, spot low-high, $/tonne	70.0-80.0*	0%		18 Oct 16
Aluminium P1020A, cif Shanghai, spot weighted average, $/tonne	77.00*	1.32%	▲	18 Oct 16
Aluminium P1020A, cif main Japanese ports, spot low-high, $/tonne	65.0-70.0*	0%		18 Oct 16
Aluminium P1020A, cif main Japanese ports, spot weighted average, $/tonne	68.00*	1.04%	▲	18 Oct 16
Aluminium ingot ADC 12 spot, main Japanese ports, $/tonne	1,690*	-0.73%	▼	18 Oct 16
Aluminium P1020A, in-warehouse Rotterdam duty-paid, spot $/tonne	130.0-140.0*	3.85%	▲	21 Oct 16
Aluminium P1020A, in-warehouse Rotterdam duty-paid, for delivery three months forward, $/tonne	130.0-140.0*	3.85%	▲	21 Oct 16

† week-on-week change

continued »

24 October 2016 | Metal Bulletin Daily | Number 9481.1

	Price	Change		Assessed
Aluminium P1020A, cif main Japanese ports, quarterly, $/tonne	75.0-75.0*	-18.03%	▼	04 Oct 16
Aluminium 6063 extrusion billet, in-whs Rotterdam duty-paid, spot $/tonne	300.0-340.0*	0.79%	▲	21 Oct 16
Aluminium P1020A, delivered US midwest, spot, $/lb	0.068-0.073*	1.82%	▲	19 Oct 16
Aluminium P1020A, delivered Sao Paulo region, spot, $/tonne	160.0-240.0*	0%		20 Oct 16
Aluminium P1020A, cif Brazilian main ports duty-unpaid, spot, $/tonne	115.0-140.0*	15.91%	▲	13 Oct 16
Aluminium 6063 + 6060 extrusion billet, cif Brazilian main ports, spot (premium over LME cash), $/tonne	280.0-320.0*	0%		13 Oct 16
Aluminium extrusion billet premium 6063 cif Japan, yearly, $/tonne	150.0-160.0*	0%		04 Apr 16
Lead				
Rotterdam, lead low-high premium, 99.97% purity, in-warehouse, $/tonne	15.0-25.0*	0%		18 Oct 16
Rotterdam, lead average premium, 99.97% purity, in-warehouse, $/tonne	20.00*	0%		18 Oct 16
Johor, lead low-high premium, 99.97% purity, in-warehouse, $/tonne	10.0-20.0*	0%		13 Oct 16
Johor, lead average premium, 99.97% purity, in-warehouse, $/tonne	15.00*	0%		13 Oct 16
MB Battery grade free market premium in-warehouse, €/tonne	90.0-120.0*	0%		18 Oct 16
USA lead premium 99.97%, delivered domestic, $/lb	0.09-0.13*	-8.33%	▼	10 Oct 16
Nickel				
Shanghai, nickel low-high premium, 99.8% purity in-warehouse $/tonne	70.0-130.0*	25%	▲	20 Oct 16
Shanghai, nickel average premium, 99.8% purity in-warehouse $/tonne	90.00*	0%		20 Oct 16
Shanghai, nickel low-high premium, 99.8% purity, full plate, cif $/tonne	70.0-130.0*	5.26%	▲	20 Oct 16
Shanghai, nickel premium, 99.8% purity full plate, cif $/tonne	105.00*	0%		20 Oct 16
Malaysia nickel 99.80% briquettes premium in-warehouse, $/tonne	3-10*	0%		19 Oct 16
Singapore nickel 99.80% briquettes premium in-warehouse, $/tonne	3-10*	0%		19 Oct 16
Malaysia nickel 99.80% full plate premium in-warehouse, $/tonne	15-55*	40%	▲	19 Oct 16
Singapore nickel 99.80% full plate premium in-warehouse, $/tonne	15-55*	40%	▲	19 Oct 16
uncut cathodes premium indicator	60.0-90.0*	0%		18 Oct 16
4x4 cathodes premium indicator	150.0-250.0*	0%		18 Oct 16
briquettes premium indicator	90.0-150.0*	0%		18 Oct 16
US: melting premium indicator $/lb	0.150-0.200*	-2.78%	▼	19 Oct 16
Tin				
MB European free market				
Spot premium 99.9% $/tonne	375-500*	0%		21 Oct 16
Spot premium 99.85% $/tonne	325-350*	0%		21 Oct 16
United States New York spot, cents/lb	936-937	2.18%	▲	20 Oct 16
Zinc				
Rotterdam, zinc low-high premium, 99.995% purity, in-warehouse, $/tonne	90.0-100.0*	0%		19 Oct 16
Rotterdam, zinc average premium, , 99.995% purity, in-warehouse, $/tonne	95.00*	0%		19 Oct 16
MB EU: Special high grade, fca Rotterdam, $/tonne	125.0-145.0*	0%		19 Oct 16
South Korea, zinc low-high premium, 99.995% purity, in-warehouse, $/tonne	90.0-90.0*	5.88%	▲	20 Oct 16
South Korea, zinc average premium, 99.995% purity, in-warehouse, $/tonne	90.00*	0%		20 Oct 16
Johor, zinc low-high premium, 99.995% purity,in-warehouse, $/tonne	65.0-80.0*	3.57%	▲	20 Oct 16
Johor, zinc average premium, 99.995% purity, in-warehouse, $/tonne	70.00*	2.94%	▲	20 Oct 16

	Price	Change		Assessed
Singapore, zinc low-high premium, 99.995% purity, in-warehouse, $/tonne	65.0-75.0*	0%		20 Oct 16
Singapore, zinc average premium, 99.995% purity, in-warehouse, $/tonne	70.00*	2.94%	▲	20 Oct 16
Shanghai, zinc low-high premium, 99.995% purity, in-warehouse, $/tonne	95.0-115.0*	0%		20 Oct 16
Shanghai, zinc average premium, 99.995% purity, in-warehouse, $/tonne	108.00*	0%		20 Oct 16
MB US: Special high grade, $/lb	0.060-0.070*	0%		13 Oct 16

BASE METALS

	Price	Change†		Assessed
Alumina				
MB Chinese free market, metallurgical grade, delivered duty paid RMB/tonne	2,200.0-2,500.0*	0%		20 Oct 16
Alumina Index fob Australia	271.00*	4.31%	▲	20 Oct 16
Alumina Index fob Brazil	-2.38*			13 Oct 16
Alumina Index fob Brazil, inferred Brazil price $ per dry metric ton	257.42*			13 Oct 16
Copper & Brass				
Producer premium				
Codelco: Contract 2016 Grade A cathode (average)	92.0	-17.86%	▼	04 Jan 16
Germany: (VDM) Electro, €/tonne wirebar (DEL):	4,313.9-4,343.1	-2.88%	▼	19 Oct 16
cathodes:	4,250.0-4,350.0	-2.93%	▼	19 Oct 16
South Africa: Palabora copper rod 7.90mm, Rand/tonne	75,414.390	0.93%	▲	03 Oct 16
Copper concentrate Asia-Pacific Index RC import, US cents/lb (twice monthly on 15th and last day of month)	10.07-10.07*	-0.49%	▼	14 Oct 16
Copper concentrate Asia-Pacific Index TC import, $/dmt (twice monthly on 15th and last day of month)	100.70-100.70*	-0.49%	▼	14 Oct 16
Shanghai bonded copper stocks, tonnes	510,000-510,000*	0%		10 Oct 16
Nickel				
Nickel pig iron high grade NPI content 10-15% contract price delivered duty paid China RMB per nickel unit price	850.00-870.00*	0%		18 Oct 16
Nickel pig iron high grade NPI content 10-15% spot price China RMB per nickel unit price	850.00-865.00*	0%		18 Oct 16
Nickel ore				
Laterite ore with 1.5% nickel content cif China, $/tonne	35-36*	0%		18 Oct 16
Nickel ore 1.8% basis cif China, 15-20% Fe, water content: 30-35%, Si:Mg ratio less than 2, lot size 50,000 tonnes, $/tonne	50-52*	0%		18 Oct 16
Lead				
Germany: (VDM) virgin soft, €/tonne	1,990.00-2,000.00	-3.16%	▼	19 Oct 16
European automotive battery premium free market (Eurobat)				
in-warehouse Rotterdam €/tonne				
Soft lead (average)	155.48*	0.21%	▲	29 Sep 16
Ca/Ca grid grid lead (average)	418.77*	7.47%	▲	29 Sep 16
Connector lead (average)	574.97*	15.15%	▲	29 Sep 16
European industrial battery premium free market (Eurobat)				
in-warehouse Rotterdam €/tonne				
Stand-by refined or soft lead (average)	247.80*	4.76%	▲	29 Sep 16
Traction refined or soft lead (average)	250.48	5.7%	▲	29 Sep 16
For an explanation of these premiums, see http://www.eurobat.org/statistics				
Zinc				
Germany: (VDM) virgin, €/tonne	2,250.00-2,250.00	41.51%	▲	19 Oct 16
UK: Special high grade, delivered monthly average price £/tonne	1,950*	0.83%	▲	03 Oct 16

† week-on-week change

continued »

24 October 2016 | Metal Bulletin Daily | Number 9481.1

PRECIOUS METALS

	Price	Change†		Assessed
Iridium				
MB free market: min 99.9%, $/troy oz in-warehouse	640-750*	2.21%	▲	21 Oct 16
Johnson Matthey base price: (unfab) $/troy oz (08.00 hrs)	650	0%		21 Oct 16
Englehard base price: $/troy oz	675	-1.46%	▼	21 Oct 16
Palladium				
European free market: min 99.9%, $/troy oz in-warehouse	618-634*	-2.19%	▼	21 Oct 16
Englehard base price: $/troy oz	629	-1.87%	▼	21 Oct 16
Johnson Matthey base price: (unfab) $/troy oz (08.00 hrs)	629	-1.87%	▼	21 Oct 16
Platinum				
European free market: min 99.9%, $/troy oz in-warehouse	926-938*	-0.43%	▼	21 Oct 16
Englehard base price: $/troy oz	930	-0.64%	▼	21 Oct 16
Johnson Matthey base price: (unfab) $/troy oz (08.00 hrs)	934	-0.53%	▼	21 Oct 16
Rhodium				
European free market: min 99.9%, $/troy oz in-warehouse	650-750*	7.69%	▲	21 Oct 16
Englehard base price: $/troy oz	715	5.93%	▲	21 Oct 16
Johnson Matthey base price: (unfab) $/troy oz (08.00 hrs)	715	5.93%	▲	21 Oct 16
Ruthenium				
European free market: min 99.9%, $/troy oz in-warehouse	36-46*	-2.38%	▼	21 Oct 16
Englehard base price: $/troy oz	42	0%		21 Oct 16
Johnson Matthey base price: (unfab) $/troy oz (08.00 hrs)	40	-4.76%	▼	21 Oct 16

MINOR METALS

	Price	Change†		Assessed
Antimony				
MB free market Regulus, min 99.65%, max Se 50 ppm, max 100 ppm Bi, $/tonne in-warehouse Rotterdam	7,380-7,650*	0%		21 Oct 16
MMTA Standard Grade II, $/tonne in-warehouse Rotterdam	7,330-7,600*	0%		21 Oct 16
MB Chinese free market MMTA Standard Grade II, delivered duty paid RMB/tonne	46,000-48,000*	0.53%	▲	19 Oct 16
Arsenic				
MB free market $/lb	1.00-1.35*	0%		14 Oct 16
Bismuth				
MB free market $/lb	4.50-4.95*	0%		21 Oct 16
MB China domestic, min 99.99%, RMB/tonne	67,000-68,500*	0%		21 Oct 16
Cadmium				
MB free market min 99.95% cents/lb	52.00-58.00*	3.77%	▲	21 Oct 16
MB free market min 99.99% cents/lb	54.00-62.00*	5.45%	▲	21 Oct 16
Chromium				
MB free market alumino-thermic min 99% $/tonne	7,000-7,300*	0%		21 Oct 16
Cobalt				
MB free market high-grade $/lb	13.00-13.70*	1.71%	▲	21 Oct 16
MB free market low-grade $/lb	12.70-13.25*	1.17%	▲	21 Oct 16
MB high-grade, weighted average of all confirmed international trades, $/lb	13.23*	-1.42%	▼	21 Oct 16
MB low-grade, weighted average of all confirmed international trades, $/lb	12.90*	3.04%	▲	21 Oct 16
MB China domestic, min 99.8% RMB/tonne	208,000-221,000*	0%		21 Oct 16
Cobalt tetroxide min 72.6% Co delivered China RMB/tonne	150,000-153,000*	0.33%	▲	21 Oct 16

	Price	Change		Assessed
Gallium				
MB free market $/kg	120-140*	0%		21 Oct 16
MB China domestic, min 99.99%, RMB/kg	780-820*	1.27%	▲	19 Oct 16
Germanium				
Germanium dioxide MB free market $/kg	600-700*	0%		21 Oct 16
Germanium metal $/kg Rotterdam	850-1,000*	0%		21 Oct 16
Germanium metal MB China domestic, min 99.999%, RMB/kg	5,900-6,500*	0%		19 Oct 16
Hafnium				
Hafnium 1% Zr max, in-warehouse global locations, $/kg	1,000-1,100*	0%		14 Oct 16
Indium				
MB free market $/kg	200-245*	0%		21 Oct 16
MB China domestic, min 99.99% RMB/kg	1,150-1,180*	0%		19 Oct 16
Indium Corp ingots min 99.97% $/kg fob	440.00	-40.94%	▼	26 Jun 15
Magnesium				
European free market $ per tonne	2,350-2,450*	2.67%	▲	21 Oct 16
China free market min 99.8% Mg, fob China main ports, $ per tonne	2,370-2,390*	2.15%	▲	19 Oct 16
MB Chinese free market min 99% Mg, ex-works RMB/tonne	15,500-15,600*	4.71%	▲	19 Oct 16
Manganese flake				
MB free market $/tonne	1,900-1,970*	0%		21 Oct 16
Mercury				
MB free market $ per flask	940-1,250*	0%		14 Oct 16
Rhenium in-warehouse Rotterdam duty paid				
Metal pellets, min 99.9% $/lb	770-900*	0%		14 Oct 16
APR catalytic grade $/kg Re	2,350-2,600*	2.06%	▲	14 Oct 16
Selenium				
MB free market $/lb	8.75-9.75*	-5.13%	▼	21 Oct 16
MB China domestic, min 99.9%, RMB/kg	130-160*	0%		21 Oct 16
Selenium dioxide, MB China domestic, min 98%, RMB/kg	78-83*	0%		21 Oct 16
Silicon				
MB free market €/tonne	1,600-1,700*	0%		21 Oct 16
US free market cents/lb	88-92*	0.56%	▲	10 Oct 16
Export from mainland China min 98.5%, $/tonne fob	1,400-1,430*	0.35%	▲	19 Oct 16
Tellurium				
MB free market $/kg	25.00-40.00*	0%		21 Oct 16
MB China domestic, min 99.99%, RMB/kg	250-265*	0%		21 Oct 16
Titanium				
MB free market ferro-titanium 70% (max 4.5% Al) $/kg Ti d/d Europe	3.15-3.30*	0%		21 Oct 16
Titanium ores $/tonne				
Rutile conc min 95% Tio2 bagged, fob/Aus	750-800	0%		20 Oct 16
Rutile bulk conc min 95% Tio2 fob/Aus	700-750	0%		20 Oct 16
Ilmenite bulk conc min 54% Tio2 fob/Aus	100-110	0%		20 Oct 16

† week-on-week change

continued »

24 October 2016 | Metal Bulletin Daily | Number 9481.1

NOBLE ALLOYS & ORES

	Price	Change†		Assessed
Molybdenum molybdic oxide				
Europe drummed molybdic oxide $/lb Mo	6.45-6.55*	-4.76%	▼	21 Oct 16
US canned molybdic oxide $/lb Mo	6.75-7.00*	-1.08%	▼	20 Oct 16
Ferro-molybdenum				
Basis 65% min, in-warehouse Rotterdam $/kg Mo	16.30-16.60*	-3.24%	▼	21 Oct 16
US free market 65-70% Mo $/lb in-warehouse Pittsburgh	7.80-8.25*	0%		20 Oct 16
MB Chinese free market concentrate 45% Mo in-warehouse China RMB/mtu	910-940*	-1.07%	▼	19 Oct 16
Tungsten				
European free market APT $/mtu	190-198*	0.26%	▲	21 Oct 16
Export from mainland China APT Chinese No1 grade, min 88.5% W03, S/mtu fob	190-197*	0%		19 Oct 16
MB Chinese free market concentrate 65% Wo3 in-warehouse China RMB/tonne	70,000-73,000*	0%		19 Oct 16
Ferro-tungsten				
Basis 75% W min $/kg W in-warehouse Rotterdam duty unpaid	25.50-26.20*	0.19%	▲	21 Oct 16
China export min 75% $/kg W, fob China	25.90-26.10*	0.19%	▲	19 Oct 16
Vanadium				
Ferro-vanadium basis 78% min, free delivery duty paid consumer plant, 1st grade, Western Europe $/kg V	20.00-21.00*	5.13%	▲	21 Oct 16
US free market ferro-vanadium $/lb in-warehouse Pittsburgh	9.25-9.75*	6.15%	▲	20 Oct 16
Vanadium pentoxide min 98%, in-warehouse Rotterdam $ per lb V205	3.95-4.10*	8.05%	▲	21 Oct 16
Zircon				
Foundry grade bulk $/tonne fob Australia	950-1,000	0%		20 Oct 16
Premium bulk $/tonne fob Australia	1,000-1,050	0%		20 Oct 16

BULK ALLOYS

	Price	Change†		Assessed
Ferro-chrome $/lb Cr				
China import charge chrome 50% Cr index, cif Shanghai, duty unpaid	0.95*	7.95%	▲	21 Oct 16
Lumpy Cr charge basis 52% Cr (and high carbon) quarterly	1.1*	12.24%	▲	26 Sep 16
6-8% C basis 60% Cr max 1.5% Si	0.88-0.95*	0%		21 Oct 16
0.10% C average 60-70% Cr	1.85-1.90*	-0.53%	▼	21 Oct 16
European low carbon in-warehouse 0.06% C max - 65% Cr	1.90-1.98*	0%		21 Oct 16
Low phosphorous Cr min 65% C max 7% Si max 1% p max 0.015% Ti max 0.05%	0.90-0.99*	0%		21 Oct 16
Japan import 8-9% C, basis 60% Cr, cif Japan, duty unpaid $/lb contained chrome	0.88-0.92*	1.12%	▲	20 Oct 16
US free market in-warehouse Pittsburgh 6-8% C basis 60-65% Cr max 2% Si	0.860-0.910*	1.14%	▲	20 Oct 16
US free market low carbon duty paid fob Pittsburgh				
0.05%C - 65% min Cr	2.06-2.10*	-2.12%	▼	20 Oct 16
0.10% C - 62% min Cr	1.76-1.81*	-0.56%	▼	20 Oct 16
0.15% C - 60% min Cr	1.73-1.75*	-0.57%	▼	20 Oct 16
Spot 6-8% C basis 50% Cr delivered duty paid China RMB/tonne	8,300-9,100*	9.43%	▲	21 Oct 16
Contract 6-8% C basis 50% Cr delivered duty paid China RMB/tonne	6,850-7,300*	2.17%	▲	21 Oct 16

	Price	Change		Assessed
Chrome ore $/tonne				
Chrome ore cif main Chinese ports				
South African UG2 chrome ore concs, basis 42%	285-300*	14.71%	▲	21 Oct 16
Turkish lumpy 40-42% cfr main Chinese ports	320-350*	12.61%	▲	21 Oct 16
Ferro-manganese				
basis 78% Mn (scale pro rata) standard 7.5% C €/tonne	760-820*	6.76%	▲	21 Oct 16
US free market 78% Mn standard 7.5% C $/long ton in-warehouse Pittsburgh	840-870*	0.59%	▲	20 Oct 16
US free market medium carbon duty paid fob Pittsburgh, 80% min Mn 1.5% max C $/lb	0.78-0.81*	1.27%	▲	20 Oct 16
MB Chinese free market min 65% Mn max 7.0% C in-warehouse China RMB/tonne	6,300-6,500*	2.4%	▲	14 Oct 16
Manganese ore				
44% Mn, cif Tianjin $/dmtu of metal contained	7.38*	13.19%	▲	21 Oct 16
37% Mn, fob Port Elizabeth $/dmtu of metal contained	6.63*	4.41%	▲	21 Oct 16
Ferro-silicon				
Lumpy basis 75% Si (scale pro rata) €/tonne	920-975*	0%		21 Oct 16
US free market $/lb in-warehouse Pittsburgh lumpy basis 75% Si - imported	0.69-0.73*	1.43%	▲	20 Oct 16
Export from mainland China, min 75% Si, 7.5% C, $/tonne, fob	1,050-1,070*	1.92%	▲	14 Oct 16
MB Chinese free market min 75% in-warehouse China RMB/tonne	5,200-5,300*	0.96%	▲	14 Oct 16
Silico-manganese				
Lumpy basis 65-75% Mn basis 15-19% Si (scale pro rata) €/tonne	790-825*	5.9%	▲	21 Oct 16
US free market $/lb in-warehouse Pittsburgh	0.41-0.44*	1.19%	▲	20 Oct 16
MB Chinese free market min 65% Mn max 17% Si in-warehouse China RMB/tonne	7,100-7,300*	-2.04%	▼	14 Oct 16
65% min Mn 16% min Si $/tonne fob India	950-1,000*	9.55%	▲	21 Oct 16

† week-on-week change

24 October 2016 | Metal Bulletin Daily | Number 9481.1

CARBON STEEL - EUROPE

Northern Europe imports

Metal Bulletin's appraisal of cfr prices for imported, non-EU origin, commercial-quality carbon steel, € per tonne cfr main EU port

	Price	Change†		Assessed
Rebar	400-410*	0%		19 Oct 16
Wire rod (mesh quality)	400-425*	0%		19 Oct 16
Plate (8-40mm)	420-440*	0%		19 Oct 16
Hot rolled coil	430-440*	0.58%	▲	19 Oct 16
Cold rolled coil	520-530*	1.45%	▲	19 Oct 16
Hot-dip galvanized coil	500-520*	0%		19 Oct 16

Southern Europe imports

Metal Bulletin's appraisal of cfr prices for imported, non-EU origin, commercial-quality carbon steel, € per tonne cfr main EU port

	Price	Change†		Assessed
Rebar	360-365*	0%		19 Oct 16
Wire rod (mesh quality)	370-375*	0%		19 Oct 16
Plate (8-40mm)	400-410*	0%		19 Oct 16
Hot rolled coil	430-440*	2.96%	▲	19 Oct 16
Cold rolled coil	530-550*	2.86%	▲	19 Oct 16
Hot-dip galvanized coil	445-460*	0%		19 Oct 16

Southern Europe exports

Metal Bulletin's appraisal of Southern Europe mills' prices for export outside Southern Europe of commercial-quality carbon steel, € per tonne fob main Southern European port

	Price	Change†		Assessed
Rebar	330-340*	-3.6%	▼	19 Oct 16
Wire rod (mesh quality)	345-355*	0%		19 Oct 16

Northern Europe domestic

Metal Bulletin's appraisal of prices within the EU (excluding the UK) for commercial-quality carbon steel of EU origin, € per tonne delivered basis point

	Price	Change†		Assessed
Rebar	395-405*	0%		19 Oct 16
Wire rod (mesh quality)	440-450*	0%		19 Oct 16
Sections (medium)	495-520*	0%		19 Oct 16
Beams	475-495*	-1.02%	▼	19 Oct 16

Southern Europe domestic

Metal Bulletin's appraisal of prices within the EU (excluding the UK) for commercial-quality carbon steel of EU origin, € per tonne delivered basis point

	Price	Change†		Assessed
Rebar	335-340*	-2.88%	▼	19 Oct 16
Wire rod (mesh quality)	350-355*	0%		19 Oct 16
Sections (medium)	450-475*	0.54%	▲	19 Oct 16
Beams	465-490*	-3.54%	▼	19 Oct 16

Central Europe domestic € per tonne ex-works

	Price	Change†		Assessed
Hot rolled coil	410-425*	-0.6%	▼	19 Oct 16

Poland domestic zloty per tonne ex-works

	Price	Change†		Assessed
Rebar	1,650-1,670*	-0.3%	▼	21 Oct 16

Northern Europe € per tonne ex-works

	Price	Change†		Assessed
Plate (8-40mm)	510-530*	0%		19 Oct 16
Hot rolled coil	440-460*	0%		19 Oct 16
Cold rolled coil	540-560*	0%		19 Oct 16
Hot-dip galvanized coil	550-570*	-1.75%	▼	19 Oct 16
Beams	460-480*	-1.05%	▼	19 Oct 16
Hollow sections	480-505*	0%		19 Oct 16

Southern Europe € per tonne ex-works

	Price	Change†		Assessed
Plate (8-40mm)	430-450*	0%		19 Oct 16
Hot rolled coil	420-440*	0%		19 Oct 16
Cold rolled coil	520-535*	0.48%	▲	19 Oct 16
Hot-dip galvanized coil	510-540*	0.96%	▲	19 Oct 16
Beams	450-475*	-3.65%	▼	19 Oct 16
Hollow sections	435-460*	0.56%	▲	19 Oct 16

CARBON STEEL - NORTH AFRICA

Algeria imports

Metal Bulletin's appraisal of cfr prices for imported, EU origin, commercial-quality carbon steel, € per tonne cfr main port

	Price	Change†		Assessed
Rebar	350-360*	-4.05%	▼	19 Oct 16

CARBON STEEL - CIS

CIS exports (Black Sea)

Metal Bulletin's appraisal of CIS mills' prices for export outside the CIS of commercial-quality carbon steel, $ per tonne fob stowed main Black Sea port

	Price	Change†		Assessed
Billet	315-322*	0.31%	▲	17 Oct 16
Slab	330-340*	0%		17 Oct 16
Rebar	350-360*	1.43%	▲	17 Oct 16
Wire rod (mesh)	360-375*	1.38%	▲	17 Oct 16
Heavy plate (10-50mm)	390-405*	0%		17 Oct 16
Hot rolled coil	395-400*	0.63%	▲	17 Oct 16
Cold rolled coil	440-450*	2.3%	▲	17 Oct 16

CIS domestic

Metal Bulletin's appraisal of prices within Russia for commercial-quality carbon steel of CIS origin, rubles per tonne, carriage paid to (cpt) inc VAT

	Price	Change†		Assessed
Rebar	30,500-30,550*	0%		17 Oct 16
Hot rolled sheet	34,900-34,950*	0%		17 Oct 16
Cold rolled sheet	41,000-41,050*	0%		17 Oct 16
Plate	32,900-33,300*	0%		17 Oct 16

CARBON STEEL - MIDDLE EAST

Turkish exports

Metal Bulletin's appraisal of Turkish mills' prices for export of commercial-quality carbon steel, $ per tonne fob main Turkish port

	Price	Change†		Assessed
Billet	335-340*	0.75%	▲	20 Oct 16
Rebar	380-390*	2.67%	▲	20 Oct 16
Wire rod (mesh quality)	400-405*	2.55%	▲	20 Oct 16
Merchant bars	400-410*	0%		20 Oct 16
Structural pipe	450-470*	0%		12 Oct 16
Hot rolled coil	430-460*	0.56%	▲	21 Oct 16

Turkish domestic

Metal Bulletin's appraisal of prices within Turkey for commercial-quality carbon steel of Turkish origin, $ per tonne ex-works

	Price	Change†		Assessed
Billet	340-345*	0%		20 Oct 16
Rebar	380-393*	0%		20 Oct 16
Wire rod (mesh quality)	410-415*	0%		20 Oct 16
Hot rolled coil	440-450*	-2.73%	▼	21 Oct 16
Cold rolled coil	560-570*	0%		21 Oct 16
Hot dip galvanized	630-660*	3.61%	▲	21 Oct 16
Prepainted galvanized	750-775*	5.54%	▲	21 Oct 16

Turkish imports

Metal Bulletin's appraisal of prices for imported commercial-quality carbon steel, $ per tonne cfr main Turkish port

	Price	Change†		Assessed
Billet	340-348*	3.46%	▲	20 Oct 16
Hot rolled coil	430-435*	2.37%	▲	21 Oct 16
Cold rolled coil	485-500*	2.6%	▲	21 Oct 16

UAE imports

Metal Bulletin's appraisal of prices for imported commercial-quality carbon steel, $ per tonne cfr Jebel Ali

	Price	Change†		Assessed
Billet	335-350*	2.24%	▲	18 Oct 16
Rebar	375-380*	2.72%	▲	18 Oct 16
Hot rolled coil	410-430*	2.44%	▲	18 Oct 16
Cold rolled coil	475-480*	2.14%	▲	18 Oct 16
Hot dip galvanized coil	560-590*	2.68%	▲	18 Oct 16

† week-on-week change

Saudi Arabia imports

Metal Bulletin's appraisal of prices for imported commercial-quality carbon steel, $ per tonne cfr

	Price	Change		Assessed
Rebar	375-380*	2.72%	▲	18 Oct 16
Hot rolled coil	390-420*	0%		18 Oct 16

UAE domestic

Metal Bulletin's appraisal of prices within UAE for commercial-quality carbon steel of UAE origin, dirhams per tonne ex-works

	Price	Change		Assessed
Rebar	1,451-1,455*	2.69%	▲	18 Oct 16

Iran domestic

Metal Bulletin's appraisal of prices within Iran for commercial-quality carbon steel of Iranian origin, million rials per tonne delivered warehouse Tehran

	Price	Change		Assessed
Billet	13.20-13.60*	0.75%	▲	19 Oct 16
Rebar (12-25mm)	15.20-15.50*	0.66%	▲	19 Oct 16
Plate	17.90-19.20*	1.09%	▲	19 Oct 16
Hot rolled coil	18.40-19.10*	0.54%	▲	19 Oct 16
Cold rolled coil	20.00-22.30*	0.24%	▲	19 Oct 16
Hot-dip galvanized coil	23.30-25.20*	0%		19 Oct 16

Iran imports

Metal Bulletin's appraisal of prices quoted by overseas suppliers for commercial-quality carbon steel to Iranian buyers, $ per tonne cfr Iranian northern ports

	Price	Change		Assessed
Billet	350-360*	0%		19 Oct 16
Rebar	400-410*	2.53%	▲	19 Oct 16
Cold rolled coil	460-470*	0%		19 Oct 16
Hot rolled coil	420-430*	2.41%	▲	19 Oct 16
Plate	400-430*	0%		19 Oct 16
Hot dip galvanized coil	520-530*	3.96%	▲	19 Oct 16
Prepainted galvanized	580-600*	1.72%	▲	19 Oct 16

Egyptian domestic

Metal Bulletin's appraisal of prices within Egypt for commercial-quality carbon steel of Egyptian origin, E£ per tonne ex-works

	Price	Change		Assessed
Rebar	5,860-6,278*	0%		20 Oct 16

Egyptian import

Metal Bulletin's appraisal of prices for imported commercial-quality carbon steel, $ per tonne cfr main port

	Price	Change		Assessed
Billet	345-348*	2.67%	▲	20 Oct 16

CARBON STEEL - LATIN AMERICA

Latin American exports

Metal Bulletin's appraisal of Latin American mills' prices for export outside Latin America of commercial-quality carbon steel, $ per tonne fob stowed main Latin American port

	Price	Change†		Assessed
Billet	315-320*	0%		21 Oct 16
Slab	335-345*	1.49%	▲	21 Oct 16
Rebar	380-385*	0%		21 Oct 16
Wire rod mesh quality	380-385*	0%		21 Oct 16
Heavy plate over 10mm	400-425*	0%		21 Oct 16
Hot rolled coil (dry)	390-395*	0%		21 Oct 16
Cold rolled coil	525-545*	1.9%	▲	21 Oct 16
Galvanized coil	705-710*	0%		21 Oct 16

South America imports

Metal Bulletin's appraisal of cfr prices for imported, commercial-quality carbon steel, $ per tonne cfr main ports

	Price	Change†		Assessed
Plate	390-400*	0%		21 Oct 16
Hot rolled coil	410-430*	1.2%	▲	21 Oct 16
Cold rolled coil	475-490*	0.52%	▲	21 Oct 16
Galvanized coil	560-580*	0.88%	▲	21 Oct 16

Argentina domestic $ per tonne ex-works

Metal Bulletin's appraisal of prices within Argentina for commercial-quality carbon steel, $ per tonne

	Price	Change		Assessed
Hot rolled coil	595-605*	0%		07 Oct 16
Cold rolled coil	715-725*	0%		07 Oct 16
Galvanized coil	985-1,070*	0%		07 Oct 16
Rebar	800-820*	0%		07 Oct 16

Brazil domestic

Metal Bulletin's appraisal of prices within Brazil for commercial-quality carbon steel, Reais per tonne ex-works

	Price	Change		Assessed
Hot rolled coil	2,805-3,015*	0%		07 Oct 16
Cold rolled coil	3,110-3,210*	0%		07 Oct 16
Hot dip galvanized coil	3,510-3,655*	0%		07 Oct 16

Metal Bulletin's appraisal of prices within Brazil for commercial-quality carbon steel, Reais per tonne delivered

	Price	Change		Assessed
Rebar	2,905-3,045*	0%		07 Oct 16

Peru domestic Nuevos Soles per tonne ex-works

Metal Bulletin's appraisal of prices within Peru for commercial-quality carbon steel, Peruvian Nuevos Soles per tonne

	Price	Change		Assessed
Rebar	2,315-2,655*	0%		07 Oct 16

CARBON STEEL - NAFTA

US imports

Metal Bulletin's appraisal of prices for imported, non-Nafta origin, commercial-quality carbon steel, $ per short ton cfr port Houston

	Price	Change†		Assessed
Rebar	358-363*	1.55%	▲	19 Oct 16
Merchant bars	520-540*	-3.64%	▼	30 Sep 16
Wire rod (low carbon)	372-386*	0.66%	▲	12 Oct 16
Medium sections	480-520*	-6.54%	▼	29 Sep 16
Medium plate	465-480*	-2.07%	▼	19 Oct 16
Hot rolled coil (commodity)	440-460*	-4.26%	▼	19 Oct 16
Cold rolled coil	580-620*	2.56%	▲	19 Oct 16
Hot dipped galvanized 0.012-0.015, G30	670-700*	2.24%	▲	19 Oct 16
Hot dipped galvanized 0.019, G60	660-700*	1.87%	▲	19 Oct 16
ERW linepipe (X42)	600-600*	0%		27 Sep 16
OCTG API5CT - casing J/K55	660-660*	1.54%	▲	27 Sep 16

US domestic

AMM's appraisal of prices within the USA for commercial-quality carbon steel of US or Canadian origin, $ per short ton, delivery terms as indicated

	Price	Change†		Assessed
Rebar (fob mill)	460-480*	-4.08%	▼	19 Oct 16
Wire rod (mesh quality fob mill)	440-460*	-4.26%	▼	12 Oct 16
Plate (fob mill)	470-470*	-2.08%	▼	14 Oct 16
Hot rolled sheet (fob mill)	470-470*	-2.08%	▼	20 Oct 16
Cold rolled sheet (fob mill)	690-690*	0%		20 Oct 16
Hot-dip galvanized (base) Midwest (fob mill)	690-690*	0%		20 Oct 16
ERW linepipe (X42) (fob mill)	810-810*	0%		27 Sep 16
OCTG API5CT - casing J/K55 (fob mill)	850-850*	0%		27 Sep 16

AMM's appraisal of prices within the USA for commercial-quality carbon steel of US or Canadian origin, $ per hundredweight, delivery terms as indicated

	Price	Change†		Assessed
Merchant bar 3 x 3 1/4 angle (fob mill)	30.50-30.50*	-4.98%	▼	30 Sep 16

† week-on-week change

24 October 2016 | Metal Bulletin Daily | Number 9481.1

CARBON STEEL - ASIA

	Price	Change†		Assessed
China exports				
Metal Bulletin's appraisal of Chinese mills prices for export of commercial-quality carbon steel, $ per tonne fob main China port				
Rebar	350-355*	1.44%	▲	21 Oct 16
Wire rod (mesh quality)	360-365*	1.4%	▲	21 Oct 16
Heavy plate	375-380*	4.14%	▲	21 Oct 16
Hot rolled coil	395-398*	2.85%	▲	21 Oct 16
Cold rolled coil	445-450*	0.45%	▲	21 Oct 16
Galvanized coil 1mm	545-550*	2.82%	▲	21 Oct 16
Eastern China domestic				
Metal Bulletin's appraisal of prices in eastern China for commercial-quality carbon steel of Chinese origin, yuan per tonne ex-warehouse				
Rebar	2,450-2,480*	4.23%	▲	21 Oct 16
Wire rod (mesh)	2,540-2,570*	3.02%	▲	21 Oct 16
Sections	2,780-2,800*	0%		21 Oct 16
Plate	2,800-2,840*	5.42%	▲	21 Oct 16
Hot rolled coil (min 2mm)	2,880-2,900*	1.94%	▲	21 Oct 16
Cold rolled coil (0.5 - 2 mm)	3,650-3,700*	-1.08%	▼	21 Oct 16
Hot-dip galvanized coil	4,280-4,330*	0.35%	▲	21 Oct 16
Northern China domestic				
Metal Bulletin's appraisal of prices in northern China for commercial-quality carbon steel of Chinese origin (Tangshan), yuan per tonne ex-works				
Billet	2,220-2,220*	2.78%	▲	21 Oct 16
Metal Bulletin's appraisal of prices in northern China for commercial-quality carbon steel of Chinese origin, yuan per tonne ex-warehouse				
Hot rolled coil	2,850-2,870*	0.7%	▲	21 Oct 16
Rebar	2,380-2,430*	-0.41%	▼	21 Oct 16
Southern China domestic				
Metal Bulletin's appraisal of prices in southern China for commercial-quality carbon steel of Chinese origin, yuan per tonne ex-warehouse				
Rebar	2,730-2,770*	4.36%	▲	21 Oct 16
Wire rod (mesh)	2,670-2,700*	0.75%	▲	21 Oct 16
Sections	2,900-2,930*	0%		21 Oct 16
Plate	2,740-2,780*	3.18%	▲	21 Oct 16
Hot rolled coil (min 2mm)	2,920-2,950*	1.91%	▲	21 Oct 16
Cold rolled coil (0.5 - 2 mm)	3,730-3,800*	5.31%	▲	21 Oct 16
Hot-dip galvanized coil	4,380-4,450*	5.75%	▲	21 Oct 16
Southeast Asia imports				
Metal Bulletin's appraisal of prices in Southeast Asia for commercial-quality carbon steel & per tonne cfr				
Billet	340-350*	1.47%	▲	17 Oct 16
Slab (Asia/East Asia)	340-350*	1.47%	▲	17 Oct 16
Hot rolled coil (Vietnam)	403-415*	4.87%	▲	17 Oct 16
Rebar (Singapore)	335-340*	0%		17 Oct 16
Wire rod (low carbon)	365-375*	6.47%	▲	17 Oct 16
Indian exports				
Metal Bulletin's appraisal of Indian mills' prices for export of commercial-quality carbon steel, $ per tonne fob main India port				
Billet	330-335*	0%		14 Oct 16
Plate (12-40mm)	380-385*	0%		14 Oct 16
Hot rolled coil (commodity)	435-445*	0%		14 Oct 16
Hot-dip galvanized coil	730-740*	0%		14 Oct 16
Indian imports				
Metal Bulletin's appraisal of prices for imported, non-EU origin, commercial-quality carbon steel, $ per tonne cfr main India port				
Plate (20-60mm)	390-395*	0%		14 Oct 16
Hot rolled coil (commodity)	395-400*	-2.45%	▼	14 Oct 16
Hot rolled coil (CR grade)	400-420*	-0.61%	▼	14 Oct 16
Cold rolled	465-470*	-1.58%	▼	14 Oct 16

	Price	Change		Assessed
Indian domestic				
Metal Bulletin's appraisal of prices within India for commercial-quality carbon steel, rupees per tonne ex-works				
Billet	21,600-21,700*	-1.37%	▼	14 Oct 16
Heavy plate	32,000-32,500*	0%		14 Oct 16
Hot rolled coil	33,500-34,000*	0%		14 Oct 16
Cold rolled coil	37,500-38,000*	0%		14 Oct 16
DRI	14,600-14,800*	-1.34%	▼	14 Oct 16
Hot-dip galvanized coil	42,500-43,500*	0%		14 Oct 16
Rebar	22,800-22,900*	-2.56%	▼	14 Oct 16

STEELBENCHMARKER™ PRICES

	Price	Change†		Assessed
Region: USA east of the Mississippi				
Standard plate ($/metric tonne)	634	-1.71%	▼	10 Oct 16
Standard plate ($/short ton)	575	-1.88%	▼	10 Oct 16
Hot rolled coil ($/metric tonne)	569	-2.57%	▼	10 Oct 16
Hot rolled coil ($/short ton)	516	-2.64%	▼	10 Oct 16
Cold rolled coil ($/metric tonne)	777	-9.12%	▼	10 Oct 16
Cold rolled coil ($/short ton)	705	-9.03%	▼	10 Oct 16
Region: Mainland China				
Rebar	311	1.3%	▲	10 Oct 16
Standard plate	335	1.21%	▲	10 Oct 16
Hot rolled coil	352	1.15%	▲	10 Oct 16
Cold rolled coil	452	2.03%	▲	10 Oct 16
Region: World export market				
Hot rolled coil ($/metric tonne)	399	4.72%	▲	10 Oct 16

STAINLESS STEEL

	Price	Change†		Assessed
Asia import				
$/tonne cif East Asian port				
Grade 304 2mm CR coil 2B	1,900-1,950*	2.39%	▲	21 Oct 16
Grade 304 HR sheet	1,830-1,880*	3.06%	▲	21 Oct 16
China domestic				
yuan/tonne, in-warehouse				
Grade 304 2mm CR coil	13,700-13,850*	2.8%	▲	21 Oct 16
Grade 430 2mm CR coil	8,100-8,150*	7.97%	▲	21 Oct 16
EU export				
€/tonne fob N.European port				
Min 100 tonne lot				
Grade 304 2mm CR sheet	2,023-2,147*	-0.48%	▼	21 Oct 16
EU domestic				
2mm 304 cold rolled stainless sheet, €/tonne				
N.Europe Base price	1,080-1,120*	-0.9%	▼	21 Oct 16
Alloy surcharge	943-1,027*	0%		21 Oct 16
2mm 316 cold rolled stainless sheet, €/tonne				
Base price	1,400-1,420*	0%		21 Oct 16
Alloy surcharge	1,378-1,479*	0%		21 Oct 16
304 stainless steel bright bar, €/tonne				
Base price	900-920*	0%		21 Oct 16
Alloy surcharge	1,180-1,313*	0%		21 Oct 16
US domestic				
AMM's appraisal of prices within the USA for commercial-quality stainless steel of US or Canadian origin, $ per hundredweight, fob				
Grade 304 coiled plate	87-87*	-4.42%	▼	06 Oct 16
Grade 316 coiled plate	119-119*	-3.27%	▼	06 Oct 16
Grade 304 cold rolled sheet	103-103*	-3.74%	▼	06 Oct 16
Grade 316L cold rolled sheet	137-137*	-2.84%	▼	06 Oct 16

continued »

24 October 2016 | Metal Bulletin Daily | Number 9481.1

CHINA IRON ORE

cfr main China port $ per dry metric tonne	Price	Change†		Assessed
Iron ore index (62% Fe)	58.72*	2.51%	▲	21 Oct 16
Iron ore pellet index cfr Qingdao (65% Fe)	92.85*	2.72%	▲	21 Oct 16
Iron ore concentrate index cfr Qingdao (66% Fe)	74.28*	4.08%	▲	21 Oct 16
Metal Bulletin Indicator for US$/% Fe in iron ore fines cfr Quingdao	0.90*	-10%	▼	03 Oct 16

IRAN IRON ORE

cfr China US $ per tonne	Price	Change†		Assessed
Iron ore fines index (60% Fe)	52.04-52.04*	2%	▲	19 Oct 16

COKING COAL

$ per metric tonne	Price	Change†		Assessed
Premium hard coking coal cfr China	240.50-240.50*	5.5%	▲	21 Oct 16
Hard coking coal cfr China	216.73-216.73*	5.73%	▲	21 Oct 16
Premium hard coking coal fob Australia	241.51-241.51*	6.31%	▲	21 Oct 16
Hard coking coal fob Australia	209.79-209.79*	6.91%	▲	21 Oct 16
China hard coking coal Shanxi spot market domestic delivered yuan/tonne	1,360-1,500*	14.4%	▲	21 Oct 16
65% CSR coke $/tonne fob Tianjin	270-280*	5.77%	▲	18 Oct 16

FERROUS SCRAP

	Price	Change†		Assessed
UK ferrous scrap domestic				
The following is Metal Bulletin's evaluation of UK prices for processed scrap delivered to consumers within the month listed. Prices may vary according to region and destination, and should be read in conjunction with editorial comment on the Ferrous scrap pages.				
£/tonne				
Cut grades				
OA plate and structural	125-135*	-3.7%	▼	11 Oct 16
1&2 old steel	100-110*	-4.55%	▼	11 Oct 16
12A/C new production heavy and shovellable steel	125-135*	-3.7%	▼	11 Oct 16
12D new production heavy and shovellable steel	130-140*	-3.57%	▼	11 Oct 16
Bales and cuttings				
4A new steel bales	130-140*	-3.57%	▼	11 Oct 16
4C new steel bales	125-135*	-3.7%	▼	11 Oct 16
8A new loose light cuttings	120-130*	-3.85%	▼	11 Oct 16
8B new loose light cuttings	105-115*	-4.35%	▼	11 Oct 16
Turnings				
UK inter-merchant 7B heavy steel turnings	80-90*	-5.56%	▼	11 Oct 16
Cast iron				
9A/10 heavy and light cast iron	105-115*	-4.35%	▼	11 Oct 16
9B/C cylinder block scrap	125-135*	-3.7%	▼	11 Oct 16
11A cast iron borings	70-85*	-6.06%	▼	11 Oct 16
Prices relate to new UK scrap specifications				
Please see MB.com for full explanation of price changes				
UK intermerchant weekly price				
£/tonne				
5C loose old light	50-70*	9.09%	▲	21 Oct 16
UK ferrous scrap export				
MB assessment $ fob main UK port				
HMS 1&2 (80:20 mix)	203-213*	1.22%	▲	21 Oct 16
Shredded	208-218*	1.19%	▲	21 Oct 16
Indian imports				
MB assessment $/tonnne cfr Nhava Sheva				
MB index cfr India shredded	231.20*	0%		14 Oct 16
HMS 1&2 (80:20 mix)	215-220*	-0.68%	▼	21 Oct 16

	Price	Change		Assessed
Alloy steel scrap domestic				
UK wholesale merchants' stainless (£/tonne)				
18/8 solids	780-800*	-3.07%	▼	21 Oct 16
18/8 turnings	665-680*	-2.89%	▼	21 Oct 16
12-13% Cr solids	95-120*	0%		21 Oct 16
16-17% Cr solids	130-150*	0%		21 Oct 16
Cif Europe stainless € per tonne				
18/8 solids	965-975*	-2.02%	▼	21 Oct 16
18/8 turnings	850-860*	-1.72%	▼	21 Oct 16
Rotterdam export				
MB assessment $/tonne fob Rotterdam				
MB index fob Rotterdam HMS 1&2 (80:20)	206.38*	3.49%	▲	21 Oct 16
HMS 1&2 (70:30 mix)	201-203*	5.76%	▲	21 Oct 16
Shredded	212-222*	2.84%	▲	21 Oct 16
Turkish import				
MB assessment $/tonne cfr main Turkish ports				
MB index cfr Turkey HMS 1&2 (80:20) (North Europe material)	220.81*	4.28%	▲	20 Oct 16
MB index cfr Turkey HMS 1&2 (80:20) (United States material)	228.02*	4.57%	▲	20 Oct 16
HMS 1&2 (75:25 mix)	214-216*	5.39%	▲	21 Oct 16
Shredded	225-235*	2.68%	▲	21 Oct 16
Turkish domestic				
MB assessment delivered				
Melting scrap from shipbreaking ($/tonne)	220.00-221.00*	3.76%	▲	17 Oct 16
Auto bundle scrap (Turkish lira/tonne)	600.00-650.00*	1.63%	▲	17 Oct 16
USA export				
AMM ferrous scrap export index $/tonne East Coast fob New York				
HMS 1&2 (80:20)	213.00*	4.63%	▲	19 Oct 16
Shredded	218.00*	4.56%	▲	19 Oct 16
USA domestic				
AMM Midwest index $/gross ton delivered mill				
No1 heavy melting scrap	182.00*	-9.7%	▼	10 Oct 16
No1 busheling	203.81*	-12.93%	▼	10 Oct 16
Shredded	201.48*	-8.08%	▼	10 Oct 16
China domestic				
yuan/tonne delivered mill				
Heavy scrap	1,600-1,640*	3.85%	▲	21 Oct 16
Taiwan import				
$/tonne cfr main port				
HMS 1&2 (80:20 mix) (USA material)	192-200*	3.98%	▲	21 Oct 16
Germany domestic				
€/tonne composite sales price ex-yard, source: BDSV				
No E2/8 (new steel scrap)	162.30	-1.7%	▼	01 Sep 16
No E1 (old steel scrap)	150.60	-0.26%	▼	01 Sep 16
No E3 (old thick steel scrap)	164.70	-0.6%	▼	01 Sep 16
No E40 (shredded steel scrap)	170.80	-0.93%	▼	01 Sep 16
No E5 (steel turnings)	128.20	0.39%	▲	01 Sep 16
MB assessment €/tonne delivered at mill				
Grade E40 (shredded steel scrap)	170-183	-5.87%	▼	18 Oct 16
No E8 (thin new production steel scrap)	175-180	-2.74%	▼	18 Oct 16
No E3 scrap	165-180	-5.48%	▼	18 Oct 16
Italy domestic				
MB assessment €/tonne delivered at mill				
No E3 (old thick scrap)	170.00	-1.39%	▼	20 Oct 16
No E8 (thin new production steel)	180.00	-5.13%	▼	20 Oct 16

† week-on-week change

continued ››

24 October 2016 | Metal Bulletin Daily | Number 9481.1

SCRAP SUBSTITUTES

	Price	*Change*†		*Assessed*
EU imports $/tonne				
Pig iron imports cif Italy	255-259*	0.98%	▲	20 Oct 16
Latin American exports $/tonne, delivery terms as stated				
Hot briquetted iron Venezuela	180-200*	8.57%	▲	21 Oct 16
Pig iron fob Vitorio/Rio	230-235*	2.2%	▲	21 Oct 16
Pig iron fob Ponta da Maderia	260-265*	5%	▲	21 Oct 16
US imports $/tonne cfr Gulf of Mexico				
Pig iron	275-280*	4.72%	▲	21 Oct 16
CIS exports $/tonne fob main port				
Pig iron Baltic Sea	289-290*	3.39%	▲	20 Oct 16
Pig iron Black Sea	242-250*	2.07%	▲	20 Oct 16
China domestic yuan/tonne delivered warehouse				
Pig iron	1,990-2,150*	5.61%	▲	21 Oct 16

NON-FERROUS SCRAP EUROPE

	Price	*Change*†		*Assessed*
Aluminium				
European free market MB assessment €/tonne				
Floated frag	1,170-1,200*	0%		21 Oct 16
Cast	1,070-1,180*	0%		21 Oct 16
Mixed turnings 6%	980-1,020*	0%		21 Oct 16
Germany per 1000kg				
Pure cuttings	1,230-1,290	-2.33%	▼	19 Oct 16
Commercial cast	1,170-1,290	-1.6%	▼	20 Oct 16
H9 extrusions	1,430-1,530	-1.99%	▼	19 Oct 16
Alloy turnings	900-990	-2.07%	▼	19 Oct 16
Source: VDM				
France per 1000kg				
Pure cuttings	1,280-1,300	5.31%	▲	27 Sep 16
Old rolled	680-720	-2.78%	▼	27 Sep 16
Commercial cast	830-850	-1.18%	▼	27 Sep 16
Source: Lettre d'Information Metaux				
Italy per 1000kg				
Pure cuttings	1,130-1,230	-0.42%	▼	14 Oct 16
Old mixed scrap	1,040-1,090	-0.47%	▼	14 Oct 16
Commercial cast	985-1,035	-0.49%	▼	14 Oct 16
Source: Assomet				
Copper				
Germany per 1000kg				
Copper wire (berry)	4,100-4,280	-2.33%	▼	19 Oct 16
Heavy copper	3,810-4,050	-2.48%	▼	19 Oct 16
Heavy brass	2,550-2,820	-1.83%	▼	19 Oct 16
Brass turnings (MS 58)	2,890-3,050	-2.14%	▼	19 Oct 16
Brass sheet (MS 63)	3,130-3,300	-2.43%	▼	19 Oct 16
Source: Verein Deutscher Metallhandler				
France per 1000kg				
Electro cuttings	3,900-3,920	1.16%	▲	27 Sep 16
No 1 bright wire	3,700-3,730	1.09%	▲	27 Sep 16
Mixed (96%)	3,650-3,670	1.24%	▲	27 Sep 16
Brass plate cuttings 70/30	3,080-3,120	0.81%	▲	27 Sep 16
Brass turnings	2,450-2,500	0%		27 Sep 16
Mixed brass	2,450-2,480	1.02%	▲	27 Sep 16
Source: Lettre d'Information Metaux				
Italy per 1000kg				
Electrolytic dd EN 12861-S-Cu-2	4,061-4,113	-0.97%	▼	14 Oct 16
Enamelled wire EN 12861-S-Cu-3	3,899-3,951	-1.01%	▼	14 Oct 16
New from tubes, strips etc EN 12861-S-Cu-4	4,020-4,072	-0.98%	▼	14 Oct 16
Old from tubes, strips etc 12861-S-Cu-7	3,746-3,798	-1.05%	▼	14 Oct 16
EN12861-S-Cu-Zn-1-A-Cu 63.5%	3,223-3,300	-0.97%	▼	14 Oct 16
Mixed from valves/taps EN 12861-S-Cu-Zn-6	2,600-2,830	-1.09%	▼	14 Oct 16
Several 95% m/m 12861-S-Cu-Zn-7	2,472-2,550	-1.18%	▼	14 Oct 16
Source: Assomet				

STEELBENCHMARKER™ SCRAP PRICES

	Price	*Change*†		*Assessed*
Region: USA, east of the Mississippi				
Shredded scrap ($/metric tonne)**	194	-8.92%	▼	10 Oct 16
Shredded scrap ($/gross ton)**	197	-8.8%	▼	10 Oct 16
No 1 heavy melting scrap ($/metric tonne)	174	-10.31%	▼	10 Oct 16
No 1 heavy melting scrap ($/gross ton)	177	-10.15%	▼	10 Oct 16
No 1 busheling scrap ($/metric tonne)	199	-12.72%	▼	10 Oct 16
No 1 busheling scrap ($/gross ton)	202	-12.55%	▼	10 Oct 16
**For shredded scrap the region is for all but the West Coast				

UK NON-FERROUS SCRAP

	Price	*Change*†		*Assessed*
Aluminium - actual price				
£ per tonne				
Group 1 pure 99% & Litho	1,170-1,200*	0%		19 Oct 16
Commercial pure cuttings	950-1,020*	2.07%	▲	19 Oct 16
Clean HE9 extrusions	1,170-1,200*	0%		19 Oct 16
Loose old rolled cuttings	750-800*	0%		19 Oct 16
Baled old rolled	840-880*	0%		19 Oct 16
Commercial cast	880-930*	0%		19 Oct 16
Cast wheels	1,100-1,140*	2.28%	▲	19 Oct 16
Commercial turnings	600-650*	0%		19 Oct 16
Group 7 turnings	450-530*	0%		19 Oct 16
MB and LME aluminium scrap discounts				
£ per tonne				
Group 1 pure 99% & Litho	157-187*	2.38%	▲	19 Oct 16
Commercial pure cuttings	337-407*	-4.12%	▼	19 Oct 16
Clean HE9 extrusions	157-187*	2.38%	▲	19 Oct 16
Loose old rolled cuttings	478-528*	1.41%	▲	19 Oct 16
Baled old rolled	398-438*	1.7%	▲	19 Oct 16
Commercial cast	348-398*	1.91%	▲	19 Oct 16
Cast wheels	138-178*	-10.23%	▼	19 Oct 16
Commercial turnings	628-678*	1.08%	▲	19 Oct 16
Group 7 turnings	748-828*	0.9%	▲	19 Oct 16
Titanium				
$/lb cif				
Turnings, unprocessed type 90/6/4 (0.5% Sn max)	0.55-0.67*	0%		19 Oct 16
Turnings, unprocessed 90/6/4 (over 0.5% max 2% Sn)	0.30-0.35*	0%		19 Oct 16
Copper scrap discount				
cents/lb				
No 2 copper (birch/cliff) imported into China 94-96% cif China	20-21*	10.81%	▲	26 Sep 16

† week-on-week change

continued »

NON-FERROUS FOUNDRY INGOTS

	Price	Change†		Assessed
Aluminium UK £/tonne				
MB free market				
LM24 pressure diecasting ingot	1,370-1,420*	0%		19 Oct 16
LM6/LM25 gravity diecasting ingot	1,580-1,610*	0%		19 Oct 16
NB: prices expressed delivered consumer works, LM series as specified in BS1490				
Aluminium Europe				
MB free market				
Duty paid delivered works pressure diecasting ingot price (DIN226/A380) - €/tonne	1,520-1,600*	-1.27%	▼	21 Oct 16
Aluminum US $/lb delivered Midwest				
A380.1 alloy	0.82-0.83*	0%		20 Oct 16
AFFIMET €/tonne				
AS12	3,260	0.62%	▲	01 Oct 16
AS12 UN	2,830	-2.08%	▼	01 Oct 16
AS9 U3	2,205	-2.65%	▼	01 Oct 16
AS5 U3	2,555	-2.29%	▼	01 Oct 16
Reflects generally larger traded lots				
VDM €/1000 kg delivered				
DIN 226	2,170-2,270	0%		19 Oct 16
DIN 231	2,250-2,350	0%		19 Oct 16
DIN 311	2,230-2,330	0%		19 Oct 16
Aluminium bronze £/tonne UK				
AB1 ex-works	4,250	0%		18 Oct 16
AB2 ex-works	4,350	0%		18 Oct 16
Source: C.F. Booth Ltd				
Brass UK £/tonne				
SCB3 ex-works	3,500	0%		18 Oct 16
High tensile HTB1 ex-works	3,600	0%		18 Oct 16
Source: C.F. Booth Ltd				
Gunmetal UK £/tonne				
LG2 85/5/5/5 ex-works	4,100	0%		18 Oct 16
LG4 87/7/3/3 ex-works	4,700	0%		18 Oct 16
G1 1.15 PB ex-works	5,400	0%		18 Oct 16
Source: C.F. Booth Ltd				
Phosphor bronze UK £/tonne				
PB1 ex-works	5,850	0%		18 Oct 16
Source: C.F. Booth Ltd				
Phosphor copper £/tonne				
10% P ex-works	5,750	0%		18 Oct 16
15% P ex-works	5,850	0%		18 Oct 16
Source: C.F. Booth Ltd				
Zinc alloys UK £/tonne				
Brock Metal Co contract alloy price (delivered UK, min 25 tonne lots)				
Brock Metal ZL3	2,432	4.42%	▲	03 Oct 16
Brock Metal ZL5	2,453	4.34%	▲	03 Oct 16

Monthly averages: September

BASE METALS

		Low	High
Aluminium			
Aluminium P1020A, in-warehouse Rotterdam duty unpaid, spot $/tonne Rotterdam premium		65.00	79.18
Aluminium P1020A, in-warehouse Rotterdam duty paid, spot $/tonne H/G Cash $/tonne		112.22	131.11
Alumina			
Index fob Australia		231.32	
Copper			
US High-grade cathode premium indicator, $/tonne		121.25	132.28
Nickel			
Free market in-warehouse premium			
Europe $/tonne	uncut cathodes	75.00	105.00
	4x4 cathodes	150.00	250.00
	briquettes	90.00	150.00
US	Melting $/lb	0.16	0.23
Tin			
European free market			
Spot Premium 99.9% $/tonne		400.00	525.00
Spot premium 99.85% $/tonne		325.00	350.00
Kuala Lumpur (ex-smelter) $/tonne		19,445.00	

MINOR METALS

	Low	High
Antimony		
MB free market Regulus 99.65%, max Se 50ppm,		
$/tonne in-warehouse	7,566.67	7,866.67
MMTA Standard grade II $/tonne	7,508.33	7,833.33
Bismuth		
MB free market		
min. 99.99%, $/lb, tonne lots in-warehouse	4.39	4.84
Cadmium		
MB free market		
min 99.95%, cents/lb in-warehouse	49.00	53.00
min 99.99%, cents/lb in-warehouse	50.00	55.44
Cobalt		
MB free market		
High Grade, $/lb in-warehouse	12.49	13.19
Low Grade, $/lb in-warehouse	12.20	12.88
Germanium Dioxide		
MB free market min 99.99%, $/kg	613.33	713.33
Rotterdam $/kg	850.00	1,000.00
Indium		
MB free market		
Ingots min 99.97%, $/kg in-warehouse	190.00	245.00
Magnesium		
MB free market		
min 99.8%, $/tonne	2,215.00	2,317.00
China free market min 99.8%	2,310.00	2,330.00
Mercury		
MB free market		
min 99.99%, $/flask in-warehouse	940.00	1,250.00
Selenium		
MB free market		
min 99.5% in-warehouse $/lb	9.39	11.06
Silicon		
MB free market €/tonne	1,600.00	1,700.00
Titanium		
Ferro-Titanium		
70% (max 4.5% Al), $/kg d/d Europe	3.26	3.45

ORES & ALLOYS

	Low	High
Molybdenum		
Free market in-warehouse Europe drummed molybdic oxide $/lb Mo	6.95	7.08
US canned molybdic oxide $/lb Mo	6.98	7.24
Ferro-molybdenum		
basis 65% min, in-warehouse Rotterdam, $/kg Mo	17.23	17.68
Tungsten		
European free market APT $/mtu	180.60	199.40
Ferro-tungsten		
basis 75% W min	25.49	26.11
Vanadium		
min 98%, in-warehouse Rotterdam, $/lb V205	3.70	3.99
Ferro-vanadium		
basis 78% min, free delivery duty paid consumer plant, 1st grade Western Europe $/kg V	18.54	19.09
US Free market 70-80%	9.50	10.07

PRECIOUS METALS

Gold			
London $/troy oz	Morning	1,326.62	
	Afternoon	1,326.03	
London £/troy oz	Morning	1,008.85	
	Afternoon	1,008.66	
$/troy oz	Handy/Harman	1,326.01	
Palladium			
Morning $/troy oz		681.95	
Afternoon $/troy oz		682.59	
Platinum: per troy oz			
Morning $/troy oz		1,048.55	
Afternoon $/troy oz		1,045.95	
Rhodium			
European free market			
min 99.9% in-warehouse, $/troy oz		630.68	730.00
Silver			
London			
spot pence/troy oz		1,466.72	
spot cents/troy oz		1,928.48	
Handy/Harman cents/troy oz		1,932.98	

FOUNDRY INGOTS

	Low	High
Aluminium		
LM24	1,370.00	1,430.00
LM6/LM25	1,580.00	1,620.00
Aluminium Europe €/tonne	1,584.00	1,642.00
Phosphor Bronze		
PB1 ex-works £/tonne	5,525.00	
Zinc Alloy		
10 tonne lots ZL3 £/tonne	2,329.00	

EXCHANGE RATES (CLOSING RATES)

$/£	1.31
$/yen	101.85
$/€	1.12

Metal Bulletin monthly average prices are calculated on those price quotations formulated during the month.

LONDON METAL EXCHANGE

High, low and average September (22 days)
LME averages are mean of buyers and sellers except for settlement and 3 months sellers.

	September 2016 Low $	September 2016 High $	September average $
Aluminium ($)			
Cash	1,452.50	1,690.25	1,589.68
3 months	1,451.25	1,700.25	1,603.81
Settlement	1,453.00	1,690.50	1,590.00
3 months seller	1,451.50	1,700.50	1,604.14
Copper Grade A ($)			
Cash	4,310.25	5,102.50	4,706.78
3 months	4,320.25	5,070.25	4,725.40
Settlement	4,310.50	5,103.00	4,707.18
3 months seller	4,320.50	5,070.50	4,726.09
Copper Grade A (£)			
Settlement	3,005.51	3,778.88	3,580.71
3 months seller	3,012.06	3,781.89	3,589.03
Lead ($)			
Cash	1,596.50	2,105.25	1,941.64
3 months	1,597.50	2,104.75	1,948.64
Settlement	1,597.00	2,105.50	1,942.02
3 months seller	1,598.00	2,105.00	1,949.32
Lead (£)			
Settlement	1,098.84	1,624.87	1,477.23
3 months seller	1,100.75	1,621.10	1,480.25
Nickel ($)			
Cash	7,705.00	10,897.50	10,185.57
3 months	7,737.50	10,945.00	10,237.16
Settlement	7,710.00	10,900.00	10,188.41
3 months seller	7,750.00	10,950.00	10,243.86
Tin ($)			
Cash	13,225.00	20,285.00	19,581.93
3 months	13,212.50	20,087.50	19,486.14
Settlement	13,235.00	20,295.00	19,589.77
3 months seller	13,225.00	20,100.00	19,496.59
Zinc ($)			
Cash	1,453.25	2,377.50	2,292.44
3 months	1,466.50	2,379.50	2,298.98
Settlement	1,453.50	2,378.00	2,292.80
3 months seller	1,467.00	2,380.00	2,299.68
Cobalt ($)			
Cash	21,702.50	27,625.00	26,599.09
3 months	21,800.00	27,500.00	26,619.32
Settlement	21,705.00	27,750.00	26,807.27
3 months seller	21,850.00	27,750.00	26,863.64
Molybdenum ($)			
Cash	11,500.00	16,750.00	15,622.73
3 months	11,500.00	16,750.00	15,622.73
Settlement	11,750.00	17,000.00	15,872.73
3 months seller	11,750.00	17,000.00	15,872.73
Aluminium Alloy ($)			
Cash	1,492.50	1,610.00	1,562.27
3 months	1,527.50	1,625.00	1,581.14
Settlement	1,495.00	1,615.00	1,567.27
3 months seller	1,530.00	1,630.00	1,586.14
Nasaa ($)			
Cash	1,650.00	1,767.50	1,723.53
3 months	1,667.50	1,785.00	1,741.30
Settlement	1,651.00	1,770.00	1,725.95
3 months seller	1,670.00	1,790.00	1,745.23
Steel Billet ($)			
Cash	75.00	312.50	312.50
3 months	90.00	315.00	312.50
Settlement	100.00	325.00	325.00
3 months seller	115.00	340.00	325.00

LME SETTLEMENT CONVERSION RATES

$/£	1.31
$/yen	101.87
$/€	1.12