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We would like to advise UK subscribers that industrial action in the UK postal industry may delay delivery of their weekly printed Metal Bulletin edition of July 2, No 9002. Subscribers outside the UK should not be affected. The issue will be emailed to subscribers over the weekend in pdf format as usual.

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ArcelorMittal set to buy London Metal Exchange 'B' shares

LONDON — The world's largest steelmaker ArcelorMittal is set to buy a tranche of 'B' shares in the London Metal Exchange, once the exchange finalises the mechanism by which it plans to distribute the shares to new members, sources close to the exchange told MB. The LME previously said it plans to complete an initial allocation of 'B' shares to new members by the end of September. It is yet to be decided whether this would be through a new share issue or by a sale of shares by existing 'B' shareholders.

The acquisition of the shares would not give ArcelorMittal ownership rights in the LME, but would allow it to trade without conducting business through an intermediary, such as a Category 1 member, for example.

An ArcelorMittal spokesman was unable to comment, while a spokeswoman for the LME said she was unable to comment on potential new members until they had been approved by the board. The move could indicate that ArcelorMittal is preparing itself for the advent of steel futures contracts, two of which the LME has slated for launch in April of next year, despite the so-far sceptical public stance of the steelmaker's president and chief executive officer Lakshmi Mittal.

Corus seeks buyers for primary Al smelters

LONDON — Anglo-Dutch steelmaker Corus Group, which is owned by Tata Steel, has put its remaining primary aluminium business, which includes two smelters in the Netherlands and Germany, up for sale and has received an expression of interest from Trimet, MB understands.

German aluminium producer Trimet is interested in the smelters in Delfzijl in the Netherlands and Voerde in Germany, although negotiations are still at an early stage, MB understands.

An official at Trimet confirmed the company has made an initial expression of interest.

"At the moment, we're still in early talks. There are several rounds," the official said.

Corus would like to sell the smelters as a business together, but may have to sell them individually, according to market sources.

A possible sale would come after Corus sold its downstream aluminium business to Aleris last year.

A spokeswoman for Corus would not confirm that the smelters are up for sale, but said the company is reviewing its options for the primary aluminium business, particularly as it is concerned about high electricity costs in the Netherlands.

"As part of our strategy, it's been earmarked as non-core. One of the concerns is electricity costs in the Netherlands and we're continuing to evaluate what is the best option for the primary smelters," she told MB on Friday.

Baosteel tipped to introduce alloy surcharge

SINGAPORE — Baosteel Stainless Steel could start trial implementation of an alloy surcharge mechanism later this year, market participants told MB.

"There could be some experimental application of the alloy surcharge system in China this year between a large stainless producer and some big downstream users, like China National Petroleum Corp, China Petroleum & Chemical Corp, etc. And I think this stainless mill will be Baosteel," said one industry participant.

A Baosteel official admitted the company is considering introducing such a mechanism, but declined to comment whether it would be this year. "The current problem is how to change the existing long-term habits of users, but I think the downstream will finally accept such a system, which is good for them actually," he said.

ConsMin spurns takeover bid from Territory

SINGAPORE — Australian miner Consolidated Minerals (ConsMin) said on Friday that its board had decided not to pursue a takeover proposal submitted by Territory Resources Ltd. Territory, which is headed by ex-ConsMin chief executive officer Michael Kiernan, proposed its A$849 million ($715 million) takeover bid on Thursday. ConsMin's board is backing a rival takeover bid from Pallinghurst Investor, headed by former BHP chief Brian Gilbertson.

ConsMin said its main reason for rejecting the proposal was that it considers Territory's current share price overvalued, and the implied value of the proposal less than the current ConsMin share price.

"The board believes that pursuing a proposal with Territory Resources would create significant risk and uncertainty for Consolidated Minerals shareholders," ConsMin chairman Dick Carter said in a statement.

Territory shares were valued at A$0.35-0.39 per share by an independent expert in April, which is far below the A$1.50 implied value of Territory's shares in its takeover proposal, ConsMin said.

Kiernan called the ConsMin board's rejection of Territory's proposal "outrageous" and warned: "To have the board, which holds very few shares, deny shareholders of an alternative plan is scandalous."

Extruders preparing for trade suit against China

CHICAGO — Aluminium extruders in the USA and Canada are about a month away from completing a study of Chinese imports, aimed at bringing trade actions that would raise duties on extruded shapes to offset the country's 10- to 13-percent export incentives, speakers at an AMM-sponsored conference said.

Rand Baldwin, president of the Aluminum Extruders Council (AEC), confirmed the planning by some of his trade group's members for the action and said later in an interview that the council was spending $75,000 to gather the facts, although it will remain neutral since some of its members are Chinese.

"There are extruders within our membership that are doing a very extensive [review] of subsidy issues with China as it relates to imports coming into the US and Canada," Baldwin said.

He added that interest in some type of action was building, although questions remained on whether some multi-national members within the AEC membership would participate in any trade filings. He described multi-national companies as having more institutional resistance and divergent interests.

LME Stocks (tonnes)

Copper	fell	1,675 to	114,700
Tin	rose	280 to	12,335
Lead	fell	25 to	45,075
Zinc	rose	975 to	73,000
Aluminium	fell	2,125 to	824,900
Aluminium Alloy	fell	60 to	80,880
Nickel	fell	156 to	8,910
NASAAC	fell	880 to	128,540

Comex Gold Aug	$653.10 per oz
Comex Silver Jul	$12.61 per oz
Nymex Platinum Oct	$1,288.00 per oz
Nymex Palladium Sep	$369.50 per oz

London Precious Metals

Gold am	$648.50 per oz
Spot Silver midday	$12.54 per oz
Platinum am	$1,275.00 per oz
Palladium am	$365.00 per oz

Barclays Bank

$/£	2.0036 - 2.0038
$/£ 3 months	2.0011 - 2.0012
$/€	1.3500 - 1.3502
£/Yen	247.15 - 247.20

Xstrata approves plans for lead and zinc mine near Mt Isa

LONDON — Xstrata has approved plans for an open-cut lead and zinc mine at Handlebar Hill, north of its Mount Isa operation in Queensland, Australia, which will feed the expanded Mount Isa concentrator. The ore will be crushed at the firm's George Fisher operation and then transported to the Mount Isa concentrator from mid-2008. The concentrator is being expanded to 8 million tpy from 6.5 million tpy previously, at a cost of $120 million.

Norilsk acquires 90% of LionOre shares, extends expiry date

LONDON — LionOre shareholders have tendered 90 percent of outstanding common shares in the company to Norilsk Nickel's C$27.50 ($26.1) per share offer for the nickel producer, as Norilsk extended the expiry date of its offer to 8 pm on July 10. The offer was originally due to expire on Thursday.

"All the conditions of the offer have now been satisfied. Norilsk Nickel, through its wholly-owned subsidiary, has taken up all of the LionOre shares that were deposited to the offer," said Norilsk in the statement. Norilsk is now sending a notice of extension to its shareholders to inform them of the extension.

LME Cu gives up earlier gains as Q2 ends

LONDON — Copper gave up its earlier gains in the official session at the London Metal Exchange on Friday while nickel approached five-month lows as the end of the quarter made market participants reluctant to take strong positions. After rising to an intraday high of $7,640 per tonne in the pre-market, copper gave up earlier gains to trade at $7,510/20 per tonne three month basis. The red metal closed on Thursday at $7,541 per tonne.

KGHM workers may join in labour unrest

LONDON — Workers at Polish copper producer KGHM Polska Miedz have threatened to go on strike if the company does not meet its demands for a 10-percent pay rise. The workers want a 10-percent wage increase instead of the 5.7-percent rise agreed at the start of the year, a KGHM official told MB.

The company does not want to meet the demands, saying workers will get a 12-percent wage increase this year as it is as a result of an additional payment of some $6,000 from KGHM's last year's profit to each of the employees.

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Chinese alumina hold but could fall in Q4

SINGAPORE — Chinese domestic alumina prices are stabilising at 3,700-3,800 yuan ($486-499) per tonne, but prices could still fall in the fourth quarter, market participants said.

Deals are mostly taking place at the lower end of the range, but prices are holding on strong demand from aluminium smelters, they said.

"Smelters' alumina inventories are low, especially with more smelting capacity coming on stream," said a Shenzhen-based metals analyst.

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Export rebate cuts to cost Yunnan Tin $3m

SINGAPORE — Yunnan Tin Co expects its profit to fall by 23 million yuan ($3 million) this year because of the cut in Chinese tax rebates on exports of tin products that comes into effect on July 1. The shortfall would represent about 10 percent of last year's profit for the Shenzhen-listed arm of China's largest tin producer Yunnan Tin Corp, which posted net profit of 213 million yuan in 2006 (MB Feb 15).

The rebate on exports of tin products such as bars, rods, powders and chemicals will be cut to 0.5 percent from 5-13 percent on Sunday as part of Beijing's move to reduce exports of high polluting, energy-intensive products and check its ballooning trade surplus.

European FeW falls below $33 in thin business

LONDON — Ferro-tungsten prices in Europe have fallen again as the market reported thinning business, and an online auction in Germany saw bids of between $31.20 and $31.90 per kg, according to market sources involved.

Ferro-tungsten basis in-warehouse Rotterdam fell to $31.40-$32.80 per kg from $32-33 per kg previously, as the summer slowdown prevailed in the market and enquiries above $33 dried up.

"Spread-wise it's widening — I've got offers in hand at $31.30 and it's still falling, and then I've got material going at $32.80. There have been enquiries, but ferro-tungsten comes in fits and starts," said one trader.

A second trader said that prices could rise when Chinese producers take their operations offstream in the coming weeks, although he was sceptical about the need for the producers' maintenance, suggesting they might be stopping production to encourage higher market prices and that they would only sell again once higher prices had been achieved.

"Chinese prices have been coming down steadily. I think they want to create an artificial shortage, they say it's maintenance, but I don't know and if ferro-tungsten producers stop producing, there may be a temporary squeeze on the market," he said.

Windimurra investors approached to sell

LONDON — Precious Metal Australia (PMA) founder Roderick Smith and a non-executive director have been approached to discuss the sale of their combined 18-percent stake in the firm, which is developing the Windimurra vanadium mine, raising speculation the firm could be up for sale.

"Precious Metals Australia advises that the founding shareholders and non-executive directors, Roderick Smith and the Earl of Warwick, have been approached about the potential sale of their stake in the company," PMA said.

A firm spokesman could not confirm whether the approach would lead to a buyout, or who made the approach.

Chinese Se prices fall 11% on weak demand

BEIJING — Chinese selenium prices have weakened in the past couple of weeks on a slowdown in demand, particularly from domestic manganese flake producers, market participants said on Friday.

Spot prices for imported selenium are around 850-900 yuan ($112-118) per kg, down 11 percent compared with 950-980 yuan per kg about one month ago.

Import prices have fallen to $40-42 per lb cif China from $42-44 per lb previously, they noted.

Production of manganese flake is a big end-use for selenium, traders note.

"The market has come down since manganese prices started to lose ground a couple of weeks ago," said a selenium trader based in Shanghai.

Anvil Mining cleared of DRC war crimes

SINGAPORE — Australia's Anvil Mining and three of its former employees have been cleared of war crime charges by a court in the Democratic Republic of Congo (DRC).

"We are pleased that the court rendered a decision that supported Anvil's consistent position that the company and its employees acted in an appropriate manner at the time," said Bill Turner, president and ceo of the Africa-focused copper miner.

Anvil's subsidiary Anvil Mining Congo and former employees Pierre Mercier, Peter Van Niekerk and Cedric Kirsten, were charged with abetting atrocities committed by local soldiers in the Kilwa massacre in 2004.

Prosecutors had accused the defendants of knowingly allowing the military to use the company's vehicles to quell a rebel attack at Kilwa in the Katanga province, which resulted in rapes, looting, arbitrary arrests and the deaths of 26 unarmed civilians.

The charges put Anvil under the scrutiny of the Australian and Canadian federal police and the World Bank (MB Oct 18).

Bismuth poised to consolidate

LONDON — Bismuth prices have paused to consolidate after falling for the first time this year earlier in the week.

The minor metal continued to trade between $17-18.50 per lb on an in-warehouse Rotterdam basis on Friday, unchanged from Wednesday and compared with $17.50-18.50 last week.

Prices had been steady since May following a run-up from as low as $8 at the start of the year.

"There are more sellers now; they are more aggressive on offers," said a refiner.

All market participants polled by MB agreed the market was falling, but opinions varied on the decline's extent.

"It is not $19 any more, it has come back again. You have to pay $18 to the Chinese for shipment material," said a trader.

Another trader was more drastic in his estimates. "My gut feeling is the market is at $16-17 per lb," he said, but had no transactions to report at those levels.

ConsMin director with links to Kiernan resigns

SINGAPORE — A director of Consolidated Minerals Ltd (ConsMin) with links to Territory Resources' chairman Michael Kiernan has resigned to prevent any potential conflict of interest.

Allan Quadrio has left the ConsMin board with immediate effect in view of Territory's proposed takeover bid for the company, ConsMin said in a statement on Thursday.

Quadrio had previously announced his intention to retire at the conclusion of the scheme of arrangement in relation to Pallinghurst Investor's takeover offer.

Gold finds further support from oil

LONDON — Gold continued to take support from rising oil prices on Friday, climbing back above the $650 level and seeking consolidation at these levels before rising further, analysts said.

"Gold was only briefly in the negative area at the beginning of Asian trading. However, already during the course of trading in Asia, gold started to move upwards steadily on bargain hunting and this movement continued in European trading," said Dresdner Kleinwort analyst Peter Fertig in his daily report.

CVRD confirms approval for Moatize coal

RIO DE JANEIRO — Mozambique's council of ministers has authorised the country's mineral resources ministry to sign a concession with Brazil's CVRD to operate the Moatize coal field for 25 years, the maximum period allowable under Mozambican mining law, CVRD announced, following a Portuguese news agency report.

The Moatize deposits in the northwestern province of Tete contain both metallurgical and thermal grades. The contract duration is 25 years, which CVRD said is extendable.

"The project involves the exploitation of an open pit mine for 35 years, with an estimated average annual production of 11 million tonnes of coal products — 8.5 million tonnes of metallurgical coal and 2.5 million tonnes of thermal coal," CVRD said.

CVRD is paying around $123 million for the concession to exploit coal at Moatize, one of the world's largest unexploited coal fields, with estimated reserves of 2.5 billion tonnes, according to the Lusa news agency. Production may start in 2010 and some of the thermal coal could be used to fuel an aluminium smelter.

CVRD said Maputo approved the project's development plan early this month. The final areas for negotiation cover the mining concession and contracts with the Mozambique rail and port operators.

Esco opens modified mill to make H-beams

TEHRAN — Esfahan Steel Co (Esco), Iran's largest long products producer, became the country's first producer of H-beams on Tuesday.

Production is still undergoing trials, according to Esco's deputy head of operations and project manager, Mohammad Reza Khosravi Rad, but commercial production will start in the next few days. The project has been carried out entirely within Esco by modifying an existing 700,000 tpy IPE beams rolling mill. Work on the project started in March.

The modified mill will initially make one size of H-beams (160mm), but the size range will widen to 200mm and may widen further, as construction of another H-beam rolling mill is under study. To date Esco has only been able to make IPE-type beams in a size range of 120-300mm.

Iran is dependent on imports of H-beams. Imports have been coming in from Spain, Germany, Korea and Ukraine and the domestic market price has been about 14 million rials ($1,500), 60 percent higher than for heavy-gauge IPE beams.

Summer slump hits steel import market

PITTSBURGH — The summer doldrums have hit the US market for imported steel in the past several weeks, according to traders who say just about every steel product appears to be in a lull as far as trading activity is concerned.

"I think the only exception to that is the oil patch," one trader said. "Down-hole line pipe is pretty good. Beyond that, some areas of wide-flange beams are pretty strong, especially in the larger sizes. But flat-rolled is really bad and line pipe, which is a derivative of flat-rolled, is about the same.

"Things are really slow typically at this time with the summer doldrums. But things are actually scary right now in some areas."

One of those areas is rebar, where one trader said things are slow enough that he's taking a vacation. "There's just nothing out there on rebar right now," he said. "We're not getting any inquiries from customers and our suppliers aren't asking us to push anything."

A buyer of rebar said he also sees no international activity and is getting all he needs from domestic suppliers. He said he may re-enter the international market in the next few weeks if domestic demand for rebar is strong, but currently has no need to do so.

Sources said domestic prices for Grade 60, No 5 rebar are near $640 per ton, although many deals are being cut at prices well below that level with some large-volume deals priced in the $560- to $580-per-ton range.

Mittal Steel publishes details of first step merger with ArcelorMittal

LONDON — Mittal Steel has published details of the first step of its merger with ArcelorMittal.

It is the first part of the previously announced two-step merger between Mittal Steel and Arcelor SA.

The first step of the merger will involve the merging of Mittal Steel into its wholly-owned non-operating subsidiary ArcelorMittal.

Mittal Steel shareholders will be asked to vote on the merger at a general meeting of shareholders on August 28 in the Netherlands.

"If the merger is approved by Mittal Steel shareholders and other conditions have been satisfied, then the merger between Mittal Steel into ArcelorMittal is expected to be effected on or around September 3," ArcelorMittal said.

Mittal Steel shareholders will receive one ArcelorMittal share for each Mittal Steel class A or class B common share.

Merger documentation for the second-step merger between ArcelorMittal and Arcelor SA will be published in due course.

OCTG's fall said sparked by China rebate decision

PITTSBURGH — Spot prices for oil country tubular goods in the USA fell again this month, with some blaming the decline on China's decision not to reduce export tax rebates on OCTG products. Imports from China continued to soften prices, sources said, with some also blaming high customer inventories and somewhat weaker demand. But with a growing global economy, high oil prices and a healthy rig count, most market sources said they do not expect significant declines in the near future.

The average spot price for select OCTG items was $1,390 in June, down 0.6 percent from $1,398 in May and 7.8 percent from $1,507 in June 2006, according to data from Spears & Associates affiliate Pipe Logix Inc.

Average spot prices for electric-resistance welded items dropped to $1,324 in June, down 0.5 percent from $1,331 the previous month and down 5.2 percent from $1,396 a year ago. Seamless products inched down to $1,457 in June, a 0.5-percent drop from $1,464 in May and a 10-percent slide from June 2006.

Booming demand keeps Chinese domestic prices firm

SINGAPORE — Chinese domestic steel prices have not collapsed as feared after Beijing's two recent export tax changes to curb the country's steel exports.

Despite the concerns of some steel analysts and the China Iron & Steel Association (Cisa) that the frequent steel export tax policy changes seen this year might result in turbulence in the domestic steel market, prices in the past two months have in fact remained stable.

"Booming domestic demand has been a great help in all this. You can simply tell by looking at all the busy construction worksites in Chinese cities, and of course, Beijing's action to close down the small-sized backward production facilities has also been a contributing factor," commented a steel trader in eastern China.

A steel analyst in Beijing said the pressure of oversupply in China has eased this year. "China's steel inventory has been relatively low this year because of the shutdowns of backward facilities and Beijing's efforts to control fixed asset investments in the past two years," commented Ma Zhongpu, steel analyst at ChinaCCM.com.

China has revised export taxes on over a hundred long, flat and tubular products, with some of the new taxes effective from June 1 and some from July 1.

"I know the market is widely worried about a sharp decline starting in July, but I simply doubt it. China's steel exports will remain strong for some years as Chinese steel products are, and will still be, competitive in price, backed up by lower production costs," said a steel trader in Shanghai.

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Chinese iron ore import prices up 2% as demand perks up

SINGAPORE — China's iron ore market, which has been quiet in June, is showing signs of picking up, with prices rising 2 percent since the start of the month.

Chinese traders are buying Indian iron ore fines with 63.5 percent iron at $103-104 per tonne cfr, a small rise over the last dealing price of $100-103 per tonne cfr.

"Medium-sized steelmakers have started purchasing again after staying away for some time due to the steel export policy uncertainty, but now they act cautiously by stocking only for one month instead of two or three months," said an iron ore trader in north China.

An iron ore trader in east China agreed. "I feel that the market has been improving in the past two weeks, but the freight rate has been rising accordingly as well," she noted.

Freight rates from India to China are up $2-3 per tonne over the past week to around $26-27 per tonne, while freight rates from Australia and Brazil to China have risen $8-9 per tonne, according to market sources.

Posco and ArcelorMittal still in cooperation talks

SINGAPORE — Posco and ArcelorMittal remain in talks on co-operation between the two companies since top executives from the steelmakers met in February, a Posco spokeswoman said.

"We are still in talks over possible co-operation," she told MB, adding that the co-operation being discussed includes an "overseas project" and technology transfer.

Yusco to cut stainless export prices by $850 per tonne

SINGAPORE — Taiwan's largest stainless steel producer, Yieh United Steel Corp (Yusco), will cut July export prices of stainless hot rolled and cold rolled coil by $850 per tonne as nickel prices tumble, it said on Thursday.

Yusco does not announce its export prices but market participants estimate prices of its grade 304 HRC and CRC 2mm 2B at $4,350-4,450 and $4,500-4,600 per tonne fob Taiwan respectively after the decrease.

The company will also cut its July domestic stainless prices for 300-series HRC and CRC by NT$28,000 ($853) per tonne. This will take its domestic delivered list prices to NT$157,000 per tonne for 304 HRC and NT$164,500 per tonne for 304 CRC in July.

Yusco's prices for 400-series HRC and CRC will remain unchanged.

The cut by Yusco is substantial but may not translate to sales for East Asian steelmakers exporting to China, traders said.

"The market is virtually dead. There are no calls at all," said one trader in southern China. "No matter how cheap prices have become, nobody wants to buy."

The market has turned quiet in the past two weeks after nickel prices slumped and buyers are waiting to see if nickel prices will fall even further, traders said.

The market is also awaiting guidance from Chinese stainless producers which are expected to announce their July prices soon. A cut of 5,000-7,000 yuan ($656-919) per tonne to Chinese domestic benchmark 300-series prices could be in store, traders speculated.

Australia welcomes Indian investment in coal

MUMBAI — Australia will do all it can to fast-track Indian steel companies' ventures to secure equity stakes in Australian coking coal properties, said the Indian steel ministry on Thursday.

Australia's federal minister for industry, tourism and resources Ian McFarlane expressed this support when he met India's minister for steel, chemicals and fertilisers Ram Vilas Paswan in Brisbane.

Paswan is in Australia with a delegation including officials from top steel companies such as Steel Authority of India and Rashtriya Ispat Nigam Limited to ensure India's supply of strategic raw materials such as coking coal, nickel, ferro-manganese and silico-manganese as the country works towards doubling its steel production capacity over the next 10 years.

"Despite the worldwide demand for Australian coking coal, McFarlane assured there was good potential for Indian companies to invest in Australia," said the Indian steel ministry, adding that McFarlane and Paswan were very optimistic about enhanced economic and commercial co-operation between both countries.

Secondary metals to make up 40% of Chinese output

SINGAPORE — Secondary metals will make up 40 percent of total non-ferrous metal production in China by 2010, the National Development & Reform Commission (NDRC) has predicted.

Production capacity for secondary aluminium is expected to rise by 430,000 tonnes this year, it said. Projects contributing to the increase include a 120,000 tpy first-phase secondary aluminium alloy plant to be completed by Aluminium Corp of China (Chalco) in Qingdao by October this year.

Chalco aims to bring its production of secondary aluminium to 10 percent of its total aluminium production within the next five years, it said.

China's production capacity for secondary copper is expected to grow by 455,000 tonnes this year. Recycled copper projects under construction include Guangxi Jinxin Copper's 100,000 tpy project and a 100,000 tpy joint venture between Yunnan Copper and Jiangxi Copper in Qingyuan in southern Guangdong province.

Ningbo Jintian Co also aims to raise its secondary copper production to 700,000 tpy from the present 400,000 tpy, the NDRC said.

Recycled lead capacity is expected to increase by 210,000 tonnes this year. Secondary lead projects under construction include Anhui Huaxin Group's 200,000 tpy project and a 100,000 tpy project by Yuguang Gold & Lead Group.

Turkish scrap falls $5 on buyer caution

LONDON — Turkish ferrous scrap import prices dropped by $5 per tonne, with further falls expected unless there is a major buying spree, according to market participants.

Mini-mills in Turkey have been reluctant to commit to buying deep-sea scrap cargoes in recent weeks and many have been subsisting on short-sea deals from the Black Sea and domestic arisings.

One deal was made between a Benelux exporter and a Turkish mill at $308.50 per tonne cfr Turkey this week for a cargo of HMS1&2 (60:40) scrap for August shipment.

The most recent deep-sea sale reported before that was $334 per tonne cfr Turkey for a mainly A3 cargo also containing shredded from the Baltic two weeks earlier. Merchants estimated the sale to be an equivalent of $328 per tonne cfr for HMS1&2 (80:20) material.

"In the past three or four weeks, there has been hardly any [deep-sea] business done, because the Turkish mills aren't even putting in counter-offers," said a southern European trader.

"If you look at where the scrap price was a year ago, there is still a lot of room to go down today, but the mills don't want to advertise that to protect their product prices. The main issue has been that finished steel product prices have been getting worse and worse."

It is unclear whether any Algerian scrap had been bought by Turkish producers.

EMR's Woolf to set up Hong Kong office

LONDON — European Metal Recycling's (EMR) Simon Woolf is rumoured to be moving to Hong Kong, where the UK's largest scrap merchant could be setting up a new office, according to industry sources.

Woolf joined EMR when the company took over Mountstar Metal Corp, one of their closest competitors, in April. He had been commercial director at Mountstar.

He was rumoured to be taking a management board position at EMR.

A spokeswoman for EMR could not confirm the developments.

Non-Ferrous scrap Europe

Aluminium	
European free market	(euros/tonne eff Jun 29)
Floated Frag	1,480-1,530
Cast	1,410-1,460
Mixed turnings 6%	1,310-1,360
LME Cash primary (lowest midday bid)	$2,685.50
LME Cash alloy (lowest midday bid)	$2,170.00

Non-ferrous foundry ingots

Aluminium Europe	
MB free market	
Duty paid delivered works pressure	euros/tonne
diecasting ingot price (DIN226/A380)	1,970-2,040

Reminder: Prices are MB copyright.

Canadian buys nudge US nickel scrap higher

PHILADELPHIA — US exports of nickel scrap rose 3.3 percent in April as the Canadians reclaimed some of the market share they lost to other offshore buyers in the past year.

Shipments to foreign buyers climbed to 6,396 short tons from 6,193 tons in March, according to the latest figures from the US Commerce Dept. Exports in the first four months of the year almost tripled to 25,328 tons from 8,782 tons a year earlier, and nearly matched the 25,894 tons exported in all of 2005.

As well as being the second month in a row that overall exports of the high-priced scrap rose, it was the fifth consecutive monthly gain by Canadian buyers. The nation's purchases climbed to a record 3,011 tonnes in April, up 17.7 percent from 2,559 tonnes the previous month and almost double the 1,511 tons it took in December.

SDR to build steel dust recycling plant

PHILADELPHIA — Steel Dust Recycling LLC (SDR) said it will build a Waelz kiln facility in northwestern Alabama to recycle 110,000 tpy of steel mill dust, a by-product of electric furnace steelmaking.

The facility will be built on 66 acres in Millport, near the SeverCorr LLC steel mill currently under construction in Columbus. SDR will recycle steel mill dust from SeverCorr, along with other electric furnace steel plants in the southern USA.

"Approximately 40 percent of the steel dust being generated annually in the USA — over 400,000 tonnes—is currently being placed in landfills, a problem that is especially acute in the south, where the steel industry is growing," Russ Robinson, SDR's president, said in a statement. "We're filling a need for an effective alternative to sending steel dust to landfills, and the Waelz kiln is recognised as the best available recycling technology."

Waelz kiln technology will recover the zinc from the dust and provide the zinc to smelters in North America and around the world. The remaining steel-based slag will be available to cement producers or for road aggregate.

The Waelz plant will be constructed and operated under the guidance of Robinson, a 25-year veteran of the zinc industry, and Tom Knepper, a Waelz expert.