

## Olympics to cut China's bulk alloy output

### SHANGHAI

Most bulk alloy producers in Beijing and surrounding provinces are braced for a formal government order that is expected to cut output ahead of the Olympics.

"The government won't necessarily order the pollutive and energy-intensive companies to shut down production, but will make very stringent and frequent checks, which will absolutely affect the operations of a lot of companies and may force some to halt output," said a Beijing-based trader.

Some producers told MB they had received messages by word-of-mouth from local environmental protection bureaux asking them to better control pollution and warning that spot checks will be stepped up.

Pressure to clean up ahead of the Olympics, which begin in mid-August, is expected to grow.

One ferro-manganese producer in Hebei province, which almost encircles the Beijing

city region, said the government may begin applying pressure as early as June, and companies as far away as Shandong, Shanxi, and Inner Mongolia provinces, far to the south, west and north of Beijing, could be hit.

"We have not received any formal announcement from the government yet, so we are not sure about the extent of output impact. But we believe we will be at least partly affected," he said.

"These concerns have already begun to affect the market. In recent months, some overseas buyers have accelerated purchases of ferro-silicon and manganese alloys, fearing that supply in the third quarter would be reduced," said a Shanghai-based trader.

"This situation could intensify in the coming days," he added.

Some larger producers have said they are unlikely to be affected because they already have more environmentally-friendly facilities.

Likely to be the target are smaller producers, which the government has long been trying to get local authorities to better control — with little success, as local authorities are more concerned about tax revenue, market participants said.

"The Olympics may be a good opportunity for the government to put more pressure on local governments, and these stringent environmental measures could be extended even after the games," said a second trader from Shanghai.

The government is also likely to restrict traffic around Beijing during the summer, which may affect shipment of material and may prove an even bigger headache for the market than production disruptions.

"Traffic around Beijing will definitely be controlled during the games, so transport from production bases like Inner Mongolia or Gansu or others could be delayed. It may tighten up the market," said an official from a ferro-alloy producer in Gansu province.

### LONDON

## DGCX and SHFE launch strategic alliance

The Dubai Gold & Commodities Exchange (DGCX) and the Shanghai Futures Exchange (SHFE) have formed a "strategic alliance" aimed at boosting co-operation in product development, clearing and technology.

DGCX is the leading commodity exchange in the time zones between London and East Asia, while the SHFE dominates

commodities futures in China, they said.

"The agreement with Shanghai Futures Exchange, one of Asia's prominent markets, will open a new window of opportunities for market participants in both regions," said Malcolm Wall Morris, DGCX ceo, in a statement.

"It will enable us to jointly pursue initiatives aimed at higher efficiencies and improved liquidity," he added.

SHFE lists contracts for aluminium, zinc, and gold, and is planning to launch steel futures later this year.

DGCX offers contracts in gold, silver, and steel rebar; the latter was the first steel futures contract when launched last year.

The United Arab Emirates is now China's biggest trading partner in the Gulf, with 2007 trade volume of AED 74.9 billion (\$20.39 billion).

"This opportunity will allow both regions to leverage their knowledge and expertise in the energy and metals arena," said Nishat Bandali, chief marketing officer of DGCX, in the statement.



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# Non-ferrous metals

## Basel may bid for Russia's Udokan copper deposit

**LONDON**  
**BY NATALIA KASSAKOVICH**

United Company Rusal's holding company Basel could bid for one of Russia's largest copper deposits, the Udokan deposit in the Chitinsk region of Russia.

"We are examining the possibility to take part in the tender for the development of the Udokan deposit. We are generally interested in expanding our raw materials base," a Basel official told MB.

Russia's other major copper producers Norilsk Nickel and Russian Copper Co (RCC) told MB they have no plans to take part in the bidding.

Urals Mining & Metallurgical Co (UMMC) was not available for comment.

The resources of the Udokan deposit are estimated at around 13.4 million tonnes of ore, which would allow the company developing it to produce up to 187,000 tpy of copper.

This could boost Russia's combined

copper output by 15%, according to Russia's ministry of natural resources.

Investment in the Udokan project is expected to amount to \$1.6 billion, while the state should gain over \$3 billion in revenues from the project.

The plans to tender the licence for the deposit have been in the making for several years, keeping market participants on tenterhooks.

According to Russia's minister of natural resources, Yuri Trutnev, the government plans to amend the Russian legal system, including the introduction of an institute of investment tenders and establishing exact procedures for tenders.

Trutnev said that making amendments to the existing legislation is a lengthy and complicated procedure, but at the same time "we consider it wrong to stall the distribution of the [country's] largest copper deposits".

**SINGAPORE**

## Indonesian mining limits plan 'will take years'

Indonesia's plan to restrict the area that metal and coal miners can explore to prevent dominance by a few companies is unlikely to be enforced soon, market participants said.

A draft bill limiting the exploration and exploitation area for metal mining is expected to be passed by August, Airlangga Hartarto, chairman of a parliamentary commission in charge of energy and mining issues was cited in a *Reuters* report as saying.

"This is something that will take years to realise," said a tin industry source in Jakarta.

Indonesia plans to limit the exploration and exploitation areas for metal mining to 100,000 ha and 25,000 ha per firm respectively, Hartarto said.

**SHANGHAI**

## Codelco mulls joint venture with Minmetals

Codelco is considering setting up a joint venture with China Minmetals Co to explore copper deposits outside Chile, according to Chilean reports.

Minmetals president Zhou Zhongsu met Chilean president Michelle Bachelet at a seminar held by China's commerce ministry on Monday. On Tuesday, Codelco president and ceo Jose Pablo Arellano also met Minmetals delegates to hold talks to strengthen co-operation, sources told MB.

But, a Minmetals spokesman declined to confirm the news, saying he was "unaware" of any joint venture with Codelco.

In the reports, Bachelet asked that Minmetals' option to buy a 25% stake in Codelco's Gaby project be respected.

**SINGAPORE**

## Chihong, Sichuan Hongda vie for Jinding Zinc

China's Yunnan Chihong Zinc & Germanium Co and Sichuan Hongda Co are vying for zinc smelter and miner Yunnan Jinding Zinc Co.

Shanghai-listed Chihong Zinc said it plans to issue no more than 130 million shares to four shareholders of Jinding Zinc for a 40% stake in the latter, Chihong Zinc said.

The four shareholders are Yunnan Metallurgical Group, Yunnan Lanping County State-owned Assets Administration Bureau, Nuijiang State-owned Asset Management Co and Yunnan Copper (Group) Co.

### LME Stocks (tonnes)

Copper	fell	1,000	to	116,150
Tin	rose	415	to	8,395
Lead	rose	1,375	to	52,525
Zinc	fell	475	to	129,850
Aluminium	rose	1,875	to	1,031,150
Aluminium Alloy	unchanged		at	36,580
Nickel	fell	78	to	51,960
NASAAAC	rose	780	to	116,180
Comex Gold Jun		\$948.50		
Comex Silver May		\$18.46		
Nymex Platinum Jul		\$2,042.00		
Nymex Palladium Jun		\$467.00		

### London Precious Metals

Gold am	\$932.75 per oz
Spot Silver midday	\$18.07 per oz
Platinum am	\$1,972.00 per oz
Palladium am	\$451.00 per oz

### Barclays Bank

\$/£	1.9738-1.9740
\$/£ 3 months	1.9606-1.9609
€/¥EN	199.72-199.79
€/¥	1.5931-1.5932

**LONDON**

## Finnimore promoted as Kremer leaves for Renova

Peter Finnimore has been promoted to director of sales and marketing at United Company Rusal, replacing Vladimir Kremer who has joined Renova, owned by Russian oligarch and Rusal chairman Viktor Vekselberg.

The Australian was appointed director of aluminium sales when the merger between Rusal, Sual and Glencore's alumina assets took place last March. His boss, Kremer, a long-time Sual man, was at the same time put in charge of global sales and marketing.

Kremer has now been appointed deputy chairman of Renova Group and will lead a number of the group's strategic business divisions. Finnimore will be responsible for the overall commercial sales of aluminium, alumina and silicon, and exports of foil, focusing on Asia, the USA, and Europe, as well as seeking new sales opportunities.

**LONDON**

## LME tin hits fresh high on 'painful short-covering'

Tin hit a fresh all-time high in the official pricing session on the London Metal Exchange on Wednesday.

Tin's three-month contract reached \$21,395/400 per tonne, up from a previous closing price of \$21,000 per tonne, after rising as high as \$21,500 per tonne during pre-market trading.

An increase in tin stocks failed to affect the bullish sentiment. Tin stocks were up 415 tonnes.

[→Click here for other prices](#)

# Non-ferrous metals

## Cobalt consumers cautious despite lower price levels

**LONDON**  
**BY ALEX HARRISON**

Low-grade and high-grade cobalt prices continued to trade at lower levels after the sharp falls seen since the start of April, as consumers continue to tread cautiously.

"Consumers are coming for April, not May or June," one source at a major trader noted, adding that this is a result of consumers not wanting to be caught on the wrong end of an easing market.

The price of low-grade cobalt, which remains at \$46-48 per lb, appears to be under greater pressure, according to producer sources.

"Salt prices [in China] have been weaker," one producer source said. A second producer noted that its capacity to sell metal was undermined by the discount at which

Chinese cobalt salts prices are trading.

This explains the comparatively wide spread between the low-grade and the high-grade price, he said.

Still, a source at another company, which said it had bought a few hundred tonnes of low-grade material at between \$46 and \$47 per lb last week, forecast that salts prices will rise.

High-grade cobalt remains at \$49-51.50, with another market participant reporting sales at \$51.25 for prompt delivery in Europe.

Chinese sellers of cobalt salts compete effectively with low-grade metal in a way that they are less able to do with consumers of high-grade cobalt for battery and super-alloys, and this has driven the quotes apart, the first producer said.

[→Click here for full story](#)

**LONDON**

## Gold climbs on fresh dollar lows after US market data

Gold prices led all of the precious metals upwards on Wednesday afternoon, after the US dollar fell to a new record low against the euro following further pessimistic US macroeconomic data.

The yellow metal fixed at \$945 per oz on Wednesday afternoon, compared with \$932.75 per oz in the morning. This compares with \$929.75 per oz on Tuesday afternoon.

The release of data showing lower-than-expected inflation last month and fewer housing starts in the USA pushed the dollar to record lows against the euro and helped to push gold higher, an analyst said.

Despite the climb, the longer term outlook for gold is not as certain as it continues to underperform and lag behind relative to the euro and oil prices, a UBS note said.

[→Click here for further prices](#)

**LONDON**

## Bismuth continues falling as suppliers take profits

Bismuth fell again on Wednesday, bringing the pricing range near a one-month low, as suppliers took profits after a six-week bull run.

The minor metal lost 30 cents to trade at \$15.50-16.50 per lb in warehouse Rotterdam from \$15.80-16.80 per lb previously and compared with \$16.25-17.25 per lb at the beginning of the month. The metal had risen from \$10.50-11.75 per lb on an in-warehouse Rotterdam basis in February.

Plants in China are back in full production after disruption during the winter months.

**PITTSBURGH**

## Ferro-moly expected to rise in 2008

Ferro-molybdenum prices are expected to rise further this year as demand grows faster than supply, according to Gregory McClain, vp of business development at Colorado-based General Moly.

Speaking at sister publication *AMM's* Stainless and Its Alloys Conference in Pittsburgh, McClain said dealer prices for ferro-molybdenum could spike to \$40 per lb this year as the market remains in deficit through 2009.

**SINGAPORE**

## China's tungsten and moly export markets still bafflingly quiet

Chinese tungsten and molybdenum exporters are increasingly concerned about the bafflingly quiet market.

"It has been four months, but trading volume has not picked up yet. At first we thought it was because of inventory at Rotterdam warehouses, now we do not know what is preventing overseas customers from returning to the market," a Beijing-based tungsten exporter told MB.

Beijing doubled the export tax on ferro-molybdenum and ferro-tungsten to 20% on January 1, and on ammonium paratungstate (APT) to 10%.

China has been a major global supplier of APT, ferro-molybdenum and molybdic oxide. Prices in these two markets have remained unchanged over the week, and trading volume has stayed low.

The last transaction prices of APT were \$260-263 per mtu fob, ferro-tungsten at \$36-36.5 per kg fob, and ferro-molybdenum at \$79-80 per kg fob. Domestic prices of molybdenum concentrate were 4,050-4,100 yuan (\$580-587) per mtu, while tungsten concentrate prices were at 87,000-88,000 yuan per tonne.

**PITTSBURGH**

## US ferro-chrome prices keep on flying

Surging ferro-chrome prices in the USA show no sign of abating, as demand for material from stainless steel producers continues to firm and supply shortages deepen.

Trade sources reported strong demand from stainless steel and nickel alloy producers as a softening dollar forces customers to cut back imports and book more domestic product. Domestic stainless producers are also securing more overseas business as the currency weakness makes US product more competitive abroad.

Against this background, free-market high-carbon ferro-chrome has moved up to a range of \$2.46-2.50 per lb from \$2.36-2.42 at the start of this month.

Low-carbon 0.05% ferro-chrome is now changing hands at between \$4.90 and \$5 per lb.

Prices for ferro-chrome have also been given a shot in the arm by major supply disruptions in South Africa due to the power crisis gripping the country.

Eskom has asked ferro-alloy and other metal producers to use no more than 90% of the electricity they normally consume. It has said that the power shortage could last five years as it restructures the distribution network.

[→Click here for full story](#)

# Iron and steel

## US mills revive surcharges for contract customers

**PITTSBURGH**  
**BY SCOTT ROBERTSON**

The rash of flat product price increases that has run through the spot market since the beginning of this year is now being felt more acutely by contract customers, who are being hit with hefty surcharges by mills seeking to recover high raw material costs.

ArcelorMittal USA told contract customers by letter this week to expect a \$250-per-ton surcharge to be added effective May 5, with the promise that the surcharge would be adjusted on a monthly basis.

The company said in its letter that "unprecedented volatility" so far this year in the costs for materials such as coke, iron ore, coal and scrap, as well as for energy and transportation, were the key reasons behind the implementation of the surcharge.

The company does not publicly discuss flat product contract pricing, so no additional information was available.

ArcelorMittal's move does not affect its spot market pricing. Most US steel producers

have enacted a series of price increases that have raised spot prices for hot rolled sheet to a record \$1,000 per ton (\$50 per hundredweight), with more on the way.

A spokesman for AK Steel said the company intends to continue to honour its agreements with contract customers.

"For the past several years most of our contracts have had variable components in them that reflect market pricing indices, raw materials and energy pricing indices," he said. "We've had those variable components and will continue to honour our contracts.

"When those contracts come up for renewal, as they do throughout the year, the prices of those things will have to be reflected in renegotiations. They will be addressed."

WCI Steel said in early April it would establish a \$130-per-ton surcharge on contract business and intended to keep the surcharge in place through May. The charge will help the company recover the higher costs of raw materials and energy.

**LONDON**

### Domestic CIS coil offers keep rising, despite export slowdown

Fast-rising domestic CIS coil offer prices have prompted some buyers to consider Chinese imports as an alternative, market sources told MB.

CIS mills are looking to add roughly \$200 per tonne to domestic hot and cold rolled coil for May/June production, despite a slowdown in price rises for export material.

"They know these prices are very high and, at these levels, the Chinese prices with freight are the same," said one major coil buyer.

The buyer told MB he was offered HRC from Magnitogorsk Iron and Steel Works (MMK) at \$930 per tonne daf (delivered at frontier) and CRC for \$980 per tonne daf, but was hoping to pay around \$20-30 per tonne less.

Severstal is planning to sell May production of HRC at \$960-980 per tonne ex-works and CRC at \$1,060-1,080 per tonne ex-works, according to market sources.

**LONDON**

### Russia's TMK starts pipe mill installation

Russia's largest pipe producer TMK has begun installing a new large-diameter longitudinal welded pipe mill at its Volzhsky Pipe Plant.

The new mill will have a capacity of 650,000 tonnes and will produce longitudinal welded pipes of X80 grade with diameters ranging from 530mm to 1,420mm and wall thickness of up to 42mm. The mill will include bending, welding and finishing stations.

"These pipes are used in long distance oil and gas pipelines, including offshore pipelines, oil field pipelines, general purpose pipelines, and in the construction of heating systems and nuclear power stations," the company said in a statement.

Production is expected to begin in the third quarter of this year. Haeusler of Switzerland will supply the new pipe mill.

Volzhsky's large-diameter welded pipe capacity will amount to 1.2 million tpy after commissioning.

**PITTSBURGH**

### USA probes Chinese stainless for Cuban nickel

The US Office of Foreign Assets Control (OFAC) is investigating the alleged use of Cuban-origin nickel in stainless steel exported to the USA from China.

Speaking at AMM's Stainless and its Alloys Conference in Pittsburgh on Tuesday, David Hartquist, counsel for the Specialty Steel Industry of North America (SSINA), said OFAC had launched a probe after the association raised concerns that the imported stainless could contain nickel from Cuba and therefore violate long-standing US sanctions.

No products produced in Cuba can be sold in the USA because of the 46-year-old trade embargo against the small communist island nation.

Cuba exports around 98% of its nickel and cobalt production to China, which totalled about 23,000 tonnes in 2006, according to Hartquist.

During the first six months of last year, shipments of nickel and cobalt from Cuba to China were 15,000 tonnes. The only other country to import Cuban nickel was Brazil, which took 22 tonnes last year, he added.

The SSINA believes that the use of Cuban nickel by Chinese stainless steel producers is another challenge facing US stainless steel producers trying to compete with cheaper material produced in China, Hartquist said.

**WASHINGTON**

### US steel exports up 18.4% in January-February

US steel exports were up 18.4% in the first two months of this year compared with the same period in 2007.

Between a weak dollar, high freight costs and strong global demand, attention is shifting away from steel imports and onto US steel exports.

The latest data from the US Commerce Dept shows that the USA exported 853,300 tonnes of steel in February, down 7.4% from 921,918 tonnes in January, which had more shipping days, but up 17.4% from 726,601 tonnes in February 2007.

One US producer said infrastructure building in the developing world had spurred a demand for long products. He said his company is still getting used to exporting products around the globe, but the transition is going "smoother than expected".



# Iron and steel

## Olympics output cuts may push up steel prices

**SINGAPORE**  
**BY HONGMEI LI**

Official efforts to cut output at steel mills around Beijing ahead of this summer's Olympic Games are expected to further strengthen domestic prices, market participants said.

Steel mills within 300km of Beijing will be asked to reduce or halt output as early as late May through to September, according to several market sources.

"Altogether 43 steel mills, including three in Tianjin and the remainder in Hebei, have just been notified via phone calls from the related authorities that their power supply will be reduced during the Olympics," an iron ore trader in north China told MB. He did not have a list of these mills though.

"The supply reduction will directly lead to price increases, no doubt about it," said

a senior official from the China Iron & Steel Assn (Cisa).

"Hebei is the biggest steel production base in China and an output cut there will affect supply substantially. Given consistently strong demand inside the country, this will definitely lead to a price rise," said a senior official from a Hebei steel mill.

Hebei, which nearly surrounds the Beijing city region, produced 97 million tonnes of crude steel last year, accounting for nearly 20% of the country's total.

Wang Yifang, gm of Tangshan Iron & Steel Group, reported hearing speculation of output cut orders in early April, but company officials said no calls or notifications have been received.

A senior official from a private steel mill in Hebei confirmed the power cuts, but added that he was lucky his plant was excluded, being 500km away from Beijing.

**SINGAPORE**

### Rio's first quarter iron ore output falls 2.94%

Output from Rio Tinto's iron ore mines fell 2.94% quarter-on-quarter from the final three months of last year as cyclones battered its Western Australian operations.

Production at mines wholly or partly owned by Rio Tinto reached 46.74 million tonnes in the first three months of the year, a first quarter record, but was still down from output of 48.16 million tonnes in the final quarter of 2007.

Two severe cyclones in the first quarter of the year disrupted Rio's operations in the Pilbara region of Western Australia, which make up more than one tenth of Rio's global iron ore production, forcing it to declare *force majeure* in January. Problems with gas supply also curtailed production.

"Production for the quarter would have been in line with the fourth quarter 2007, but for these conditions," said in Rio in its results statement.

Total output, including ore from Pilbara, Corumbá in Brazil, and Iron Ore Co of Canada (IOC), was up 16.83% year-on-year to 46.74 million tonnes.

Rio's share of that production reached 37.37 million tonnes, up 15.9% year-on-year.

**SHANGHAI**

### Chinese steel demand remains healthy

Latest data from China's National Bureau of Statistics shows growth of the economy remains solid, indicating healthy demand for steel.

High prices may, however, lead to higher interest rates, and have an impact on steel mills and curb downstream demand as a result.

During the first quarter China's gross domestic product rose 10.6% year-on-year. Although slower than an 11.2% rise in the fourth quarter of 2007 and an 11.9% rise last year, it is well above market predictions of around 10%.

Meanwhile, urban property development investment growth, a major steel demand driver, remained buoyant at 32.3% in the first quarter. The growth is higher than a 30.2% rise in the sector last year.

China's overall fixed-asset investment grew 24.6% year-on-year in the first quarter, lower than an annual growth of 25.8% last year, but remains fast.

Inflation pressure, however, lingers and could blur the outlook for the steel sector. Although down from a 12-year high of 8.7% in February, China's consumer price index growth remained rapid at 8.3% in March.

**MANGALORE**

### India's long product prices fall \$75-100

Stiff resistance by the building and construction industry and other major users has caused long product prices to fall by Rs3,000-4,000 (\$75-100) per tonne.

Demand is expected to keep falling until end-September due to the approaching monsoon season.

Consumers have stopped buying steel completely, SPS Steel md Bipin Vora told press.

"There are more than 20 days' stocks with each of the companies. Prices of TMT bars were at Rs47,000 per tonne last week and are now at Rs44,000 per tonne," he said.

SPS Steel produces around 40,000 tpm of bars and is the second largest producer in the eastern region in what India refers to as the secondary sector.

Tata, Essar, Jindal, Sail and Vizag are primary producers, with everyone else known as secondary producers.

Primary producers dominate strip production while long products are generally produced by more than 50 companies that are keen competitors.

Another major long products producer told press that there were no buyers at the present high prices.

**SINGAPORE**

### Yilgarn to rise above Midwest nomination

Chinese-linked Yilgarn Infrastructure is ready and willing to take part in the massive Oakajee rail and port project in Australia's MidWest region — with or without Midwest Corp's nomination.

"Yilgarn Infrastructure Ltd is ready and able to submit a tender for the Oakajee port that is financially, commercially and technically superior," executive chairman John Saunders said in a statement yesterday.

The only impediment to Yilgarn submitting the proposal to the state government by May 9 was Midwest's failure to nominate it, he added.

"However, [Midwest's agreement with Yilgarn] does not prevent Yilgarn from, amongst other things, negotiating with other parties so that Yilgarn can provide rail and port services to other infrastructure users and dealing with a third party if that party is appointed to implement the infrastructure," said Sinosteel in its latest bidder's statement.

# Scrap and secondary

## North American scrap exports jump 29% in three years

**LONDON**  
**BY JANA MARAIS**

North American suppliers of ferrous scrap have increased exports by 29% over the past three years, benefiting from the recent boom in scrap prices.

Ferrous scrap shipments from the USA, the world's largest exporter, increased by almost 20% in 2007. Scrap exports from Canada rose by 31% over the past three years, bringing total scrap exports from North America to 20.7 million tonnes in 2007.

US exports totalled 16.4 million tonnes in 2007, 19% more than in 2006 and 28% more than in 2005, statistics from the Iron and Steel Statistics Bureau (ISSB) show.

While North American exports are on the increase, exports from Russia have dropped by a massive 36% over the last three years. Russia, the world's second-largest scrap exporter, shipped 7.9 million tonnes of ferrous scrap in 2007, a far cry from the 12.4 million tonnes exported in 2005.

Exports from Kazakhstan and Ukraine are also on the decline, sinking by 23% and 45.5% respectively since 2005. Ukraine

exported less than 700,000 tonnes in 2007, while Kazakhstan exported 1.7 million tonnes.

Ferrous scrap exports from Germany, the Netherlands, Belgium, France and the UK dropped by 9.6% in 2007 to 29.8 million tonnes, after climbing 14.8% in 2006.

Exports from Japan, the fourth-largest player in the market, have dropped by 15% over the past three years to reach 6.5 million tonnes in 2007, as more scrap is used to feed domestic demand. Japanese steel production has increased by 6.8% over the past three years, while steel exports are up 13%, according to the ISSB.

Turkey is maintaining its position as the leading scrap importer in the world, with demand growing by 10% to 15.4 million tonnes in 2007. Growth in imports over the past three years was 17%.

Chinese imports dropped by 67% over the past three years, reaching a total of 3.4 million tonnes in 2007. Where China was the second-biggest player in the scrap import market in 2005, it was ranked only 11 last year.

Imports by India also shrank by 37% from 2005 to 3.1 million tonnes in 2007.

**PHILADELPHIA**

### US shredded scrap exports rise 14.5% in February

US exports of shredded scrap rebounded by 14.5% to 513,644 tonnes in February, spurred by stronger demand from Asia and the eastern Mediterranean, after slipping the two prior months.

Shredded scrap remains the preferred ferrous feedstock for many offshore buyers, accounting for more than a third of the 1.5 million tonnes of ferrous scrap exported in February, US Commerce Dept data shows.

South Korea was the biggest gainer during the month, taking 67,115 tonnes compared with 8,140 tonnes in January.

However, Turkey remained the market leader in February, importing 101,747 tonnes of shredded from US suppliers, up 68.8% from 60,262 tonnes the previous month. Greece took delivery of 46,759 tonnes, more than double January's 22,979 tonnes.

**LAS VEGAS**

### US scrap run must keep pace with world market

US steelmakers must keep pace with ferrous scrap prices on the world market or risk losing more of their melt material to offshore rivals, steel industry analyst Aldo Mazzaferro said.

US ferrous scrap prices should be slightly below the world market price, with only higher ocean freight costs serving as the differential. That would give US steelmakers a comparative economic advantage, enabling them to source scrap metal cheaper, he told industry managers attending the Institute of Scrap Recycling Industries' annual convention and exposition in Las Vegas.

Foreign bidding for US ferrous scrap has moved higher than domestic market prices, Mazzaferro said, and as a consequence has been drawing more obsolete ferrous scrap from the country. At the same time scrap supplies from other key scrap-exporting countries like Russia have declined.

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#### UK non-ferrous scrap

Aluminium £/tonne	Actual Price	MB LME Discounts
Group 1 Pure 99% min (baled)	1330-1380	144-194
Group 1 Litho (baled)	1330-1380	144-194
Commercial pure cuttings	1050-1110	414-474
Clean HE9 extrusions	1400-1450	74-124
Mixed alloy/Old Rolled cuttings	850-900	515-565
Baled Old Rolled	930-980	435-485
Commercial cast	1000-1020	395-415
Commercial turnings	800-850	565-615
Group 7 turnings	750-800	615-665
LME primary avge	1524.51	
LME alloy avge	1415.48	
Novelis Recycling UBC price	800-850	

#### Titanium \$/lb cif

Turnings, unprocessed type 90/6/4 (0.5% Sn max)	2.30-2.50
Turnings, unprocessed 90/6/4 (over 0.5%, max 2% Sn)	2.00-2.20

#### Non-ferrous foundry ingots

Aluminium UK £/tonne	
MB free market	
LM24 Pressure diecasting ingot	1,450-1,500
LM6/LM25 Gravity diecasting ingot	1,620-1,710

NB: prices expressed delivered consumer works, LM series as specified in BS1490  
Reminder: Prices are MB copyright. All prices assessed Apr 16

**NEW YORK**

### Aerospace, alloy scrap sells for \$422,000

Five lots of military aerospace, nickel-based and wire scrap in Alabama and Texas drew winning bids totaling \$422,000.

The highest value was \$9.51 per lb for US Army scrap in Alabama containing such alloys as Haynes 230, trademarked by Haynes International, Kokomo, and Inco 713 and Inco 750, trademarked by Huntington Alloys Corp.

The same buyer won two Texas lots of F100 jet turbine engines for \$7.23 per lb, while two other jet engine lots from C141 and TF-33 aircraft in Texas went for \$3.85 and \$3.63 per lb respectively.

The final Texas scrap item was mixed copper and optical insulated wire, which went for \$1.40 per lb.

The per lb values include a 10% fee that winning bidders must pay to Arizona-based Government Liquidation, a US Defense Dept contractor that runs the online auctions.

The same auction list offered five lots of fired brass ammunition scrap. For the four mainland lots, the average was \$2.45 per lb, down from \$2.79 in early April. A single bidder paid \$2.78 per lb for each of two lots in Washington state and \$2.09 per lb for similar material in Oklahoma, while a New Mexico lot of used brass ammunition shells went to another buyer for \$2.12 per lb.

Ammunition brass in Puerto Rico, not included in the mainland average, went for \$22,510, or \$1.02 per lb.

# Daily prices

Base metals		
Description	Low price	High price
Aluminium min 99.7% ingot duty unpaid premium indicator \$ per tonne in warehouse	45*	50*
Aluminium High Grade Cash Min 99.7% ingot EU duty paid LME premium indicator \$ per tonne in warehouse	100*	105*
Aluminium High Grade 3 months Min 99.7% ingot EU duty paid LME premium indicator \$ per tonne in warehouse	110*	115*
Aluminium Spot 3 months 99.7% cif Japan duty unpaid premium indicator	83*	85*
Aluminium Metal, US free market — P1020 US midwest premium indicator \$ per lb	0.045*	0.050*
Copper High grade cathode US premium indicator \$ per tonne	121.00*	136.00*
Lead High grade ingot US premium indicator \$ per lb	0.0600*	0.0800*
Nickel uncut cathodes premium indicator \$/tonne in warehouse Europe	150.00*	250.00*
Nickel 4x4 cathodes premium indicator \$/tonne in warehouse Europe	400.00*	600.00*
Nickel briquettes premium indicator \$/lb	300.00*	450.00*
Nickel Melting US Free market premium indicator \$ per lb in warehouse	0.50*	0.55*
Nickel Plating US Free market premium indicator \$ per lb in warehouse	0.70*	0.75*
Tin Spot – 3 months European MB free market premium indicator \$ per tonne	320*	340*
Tin Grade A US MB free market premium indicator \$ per lb	0.19*	0.22*
Zinc Special High Grade US MB free market assessment \$ per lb	0.0350*	0.0550*

Minor metals		
Description	Low price	High price
Antimony free market \$/tonne	6,000*	6,100*
MMTA standard grade II, \$/tonne	5,900	6,000
Arsenic MB free market \$ per lb	0.70*	0.75*
Bismuth MB free market \$ per lb	15.50*	16.50*
Cadmium MB free market Cts per lb	340*	350*
Chromium MB free market alumino-thermic 99% min \$/tonne	10,600*	11,300*
Cobalt Low Grade MB free market \$ per lb	46.00*	48.00*
Cobalt High Grade MB free market \$ per lb	49.00*	51.50*
Cobalt MB Chinese free market concentrate min 8% cif main Chinese port \$/lb	34.00*	38.00*
Indium, Indium Corp ingots min. 99.97% \$ per kilo, fob	685	
Indium ingots MB free market \$ per kilo	600*	650*
Indium MB Chinese free market crude min 98% duty unpaid in w/house China RMB/kg	2,200*	2,800*
Magnesium min. 99.8% MB European free market \$ per tonne	5,100*	5,300*
Manganese MB free market \$ per tonne	4,000*	4,100*
Mercury MB free market \$ per flask in warehouse	500*	600*
Rhenium Metal Pellets, min 99.9% in warehouse Rotterdam duty unpaid \$/lb	4,600	4,850
Rhenium APR catalytic grade in warehouse Rotterdam duty unpaid \$/kg	10,300	10,700
Selenium MB free market \$ per lb in warehouse	34.00*	36.00*
Ferro-titanium 70% (max 4.5% Al), \$/kg Ti d/d Europe	8.50*	8.70*

Precious metals		
Description	Low price	High price
Iridium ingot min 99.9% Europe Free market \$ per troy oz in warehouse	400*	450*
Palladium Johnson Matthey base price (unfab) \$ per troy oz (08.00 hrs)	456	
Palladium min 99.9% European free market \$ per troy oz in warehouse	455*	460*
Platinum min 99.9% European free market \$ per troy oz in warehouse	1,985*	1,990*
Platinum Johnson Matthey base price (unfab) \$ per troy oz (08.00 hrs)	1,985	
Rhodium min 99.9% European free market \$ per troy oz in warehouse	9,045*	9,075*
Ruthenium min 99.9% European free market \$ per troy oz in warehouse	380*	410*

Alloys & Ores		
Description	Low price	High price
Molybdenum Canned molybdc oxide US Free market \$ per lb Mo in warehouse	32.75*	33.00*
Molybdenum Drummed molybdc oxide Free market \$ per lb Mo in warehouse	33.00*	33.80*
Molybdenum MB Chinese free market concentrate 45% Mo, in warehouse China RMB/mtu	4,050.00*	4,100.00*
Ferro-molybdenum Basis 65-70% Mo major European destinations \$ per kg Mo	79.00*	80.00*
Ferro-molybdenum Basis 60% Mo Rotterdam \$ per kg Mo in warehouse	77.90*	78.90*
Ferro-molybdenum 65-70% Mo US free market Pittsburgh \$ per lb in warehouse	36.00*	37.00*
Ferro-molybdenum min 60% Mo per kg Mo fob main Chinese ports \$ per kg	79.00*	80.00*
Tungsten Ore European min. 65% content W03, Cif. \$ per mtu W03	160*	170*
Tungsten APT United States Free market \$ per stu	250*	255*
Tungsten APT European free market \$ per mtu	250*	255*
Tungsten MB Chinese free market concentrate 65% W03, in warehouse China RMB/tonne	87,000*	88,000*
Tungsten APT Chinese Noi Hong Kong fob main Chinese ports \$ per mtu	260.00*	
Ferro-tungsten basis 75% W Rotterdam duty unpaid \$ per kg W in warehouse	35.75*	36.50*
Ferro-vanadium basis 70-80% V major European destinations \$ per kg V	59.50*	63.00*
Ferro-vanadium US free market 70-80% V in warehouse, Pittsburgh \$ per lb	39.00*	42.00*
Vanadium Ore min 98% Europe \$ per lb V2O5	13.00*	14.00*

Reminder: prices in this table marked with \* are MB copyright. These markets were assessed on Apr 16

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