



## **ASIA SCRAP UPDATE**

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ISRI  
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A quick  
introduction to  
Davis Index

The impact of  
lockdowns in  
India, Pakistan,  
and Bangladesh

Turkish rebar and  
billet battles  
global market  
closures

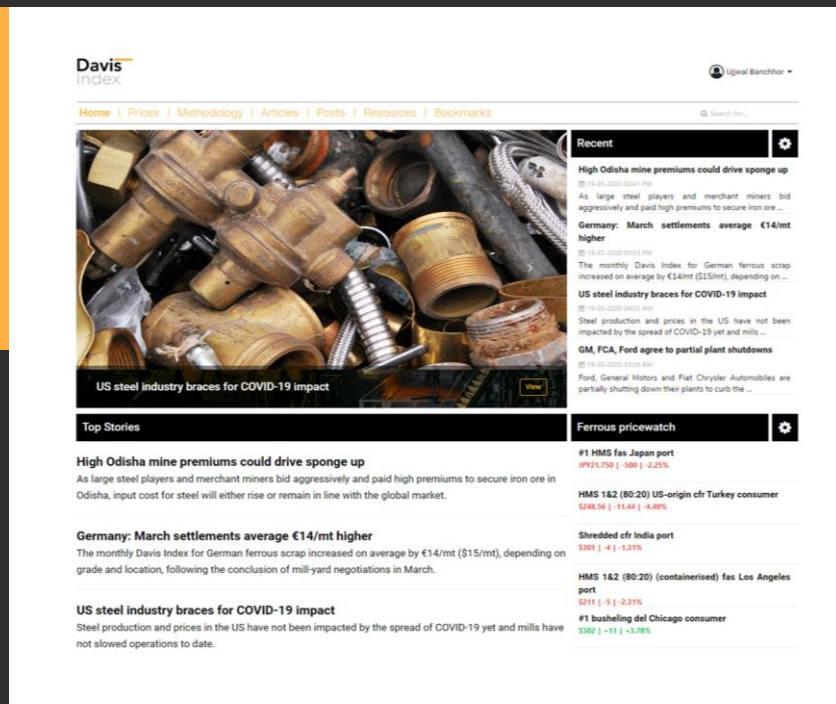
Taiwan, South  
Korea, China,  
Malaysia, Japan,  
Vietnam, Thailand

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## INTRODUCTION

### **DAVIS INDEX**

The world's leading provider of scrap and raw materials market intelligence.



The screenshot displays the Davis Index website interface. At the top left is the Davis Index logo. A navigation bar includes links for Home, Prices, Methodology, Articles, Posts, Resources, and Bookmarks. A search bar is located on the right. The main content area is divided into several sections:

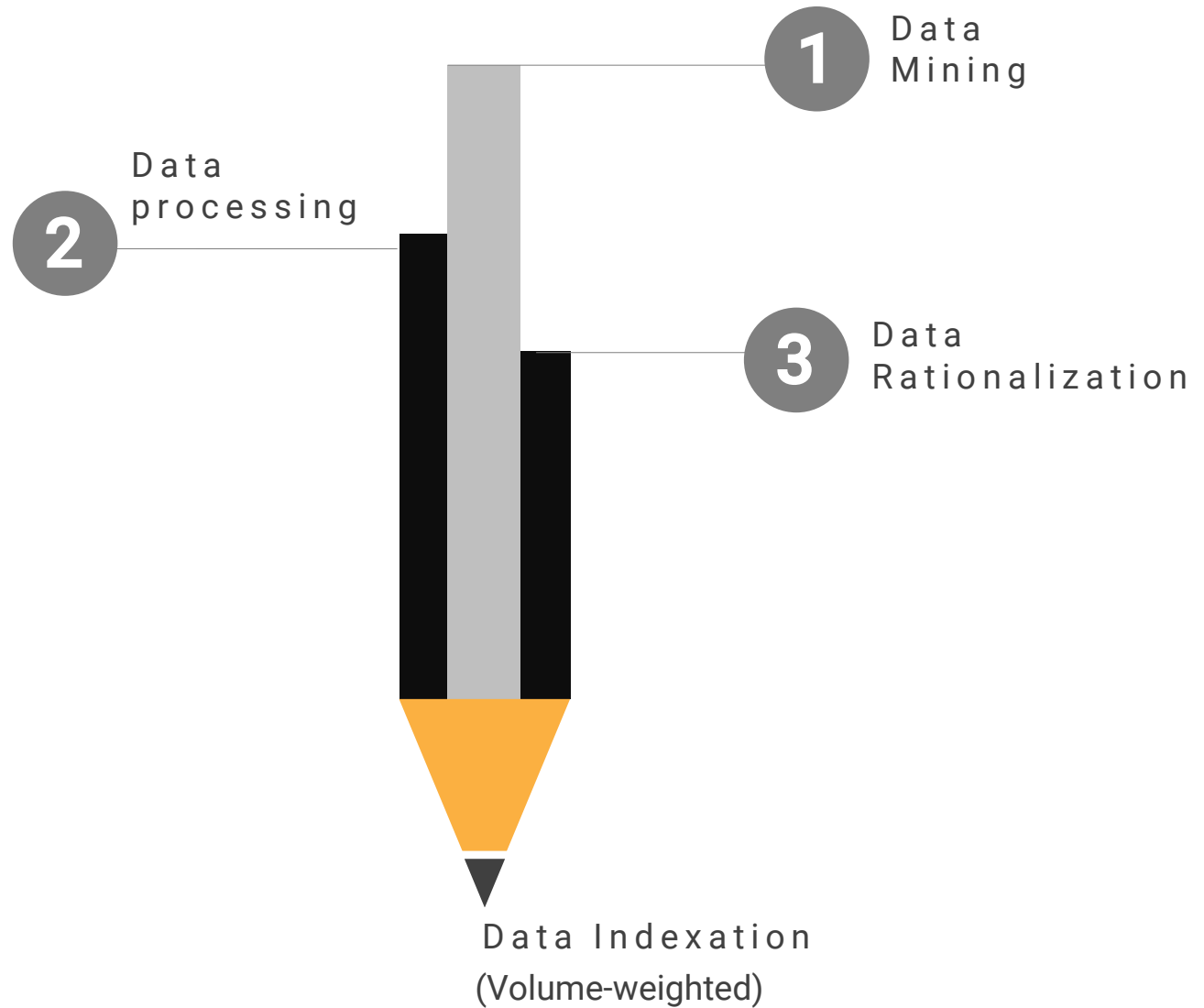
- Recent:** A list of recent news items with a refresh icon. The first item is "High Odisha mine premiums could drive sponge up" with a sub-headline "As large steel players and merchant miners bid aggressively and paid high premiums to secure iron ore...". Other items include "Germany: March settlements average €14/mt higher" and "US steel industry braces for COVID-19 impact".
- Top Stories:** A section with three main articles:
  - High Odisha mine premiums could drive sponge up:** "As large steel players and merchant miners bid aggressively and paid high premiums to secure iron ore in Odisha, input cost for steel will either rise or remain in line with the global market."
  - Germany: March settlements average €14/mt higher:** "The monthly Davis Index for German ferrous scrap increased on average by €14/mt (\$15/mt), depending on grade and location, following the conclusion of mill-yard negotiations in March."
  - US steel industry braces for COVID-19 impact:** "Steel production and prices in the US have not been impacted by the spread of COVID-19 yet and mills have not slowed operations to date."
- Ferrous pricewatch:** A table of market data:

Commodity	Price	Change
#1 HMS fas Japan port	8923.700	+1000   +2.25%
HMS 1&2 (80:20) US-origin cfr Turkey consumer	5248.56	+11.44   +4.48%
Shredded cfr India port	5391	-4   -0.75%
HMS 1&2 (80:20) (containerised) fas Los Angeles port	5211	-5   -0.95%
#1 busheling del Chicago consumer	5362	+11   +3.78%

Designed specifically for the global metals supply chain  
Ferrous and non-ferrous pricing, news and analysis  
Around 1,300 proprietary price indexes, no assessments. All follow IOSCO compliance.  
Exchange futures for metals, energy and currency from LME, CME, Nymex  
45 full-time experts spread globally, over 100 years industry experience  
Teams in US, Canada, Mexico, India, Ukraine, Singapore  
www.davisindex.com

## INDEX PROCESS

No guesswork.  
Just pure data.



## PLATFORM



### Web

Davis Index delivers all its price indexes, analysis, news, and research through a highly customizable tech platform: [davisindex.com](https://davisindex.com)



### PDF

Davis Index delivers two reports and two newsletters each day; one at the end of the Asia day, and a second at the end of US day.



### Mobile

All Davis Index price indexes, analysis, news and research are also delivered to dedicated mobile apps built for Android and iOS platforms.

## MARKET COVERAGE

Aluminium	
Primary	India, USA
Scrap domestic	India, USA
Scrap import	China, India
Scrap export	USA
Secondary alloy	China, India, Japan, USA

Stainless steel	
Scrap import	India, Taiwan
Scrap domestic	USA

Copper/brass	
Primary	India, USA
Scrap domestic	India, USA
Scrap import	China, India, Pakistan
Scrap export	USA

Lead	
Primary	India, USA
Scrap domestic	India, USA
Ingot	India

Steel	
Billet domestic	Bangladesh, India, Pakistan
Rebar domestic	Bangladesh, India, Pakistan

Ferrous scrap			
Domestic	Bulk imports	Bulk exports	Container import
Bangladesh	Bangladesh	Belgium	Bangladesh
Canada China	Ecuador	Baltic Sea	India
Germany	Egypt	Black Sea	Indonesia
India	Greece	Germany	Pakistan
Japan	India	Netherlands	South Korea
Malaysia	Indonesia	UK	Taiwan
Mexico	Kuwait	USA	Vietnam
Pakistan	Malaysia		
South Korea	Mexico	Dock prices	Container export
Spain	Pakistan	Belgium	Belgium
Taiwan	Peru	Netherlands	Japan
Thailand	Saudi Arabia	Russia	Netherlands
Turkey	South Korea	UK	UK
UK	Taiwan	USA	USA
USA	Turkey		
Vietnam			

Zinc	
Primary	India, USA
Alloy	India, USA
Scrap import	India
Scrap domestic	India, USA

Freight	
Container	Bulk
Bangladesh	Brazil-US
China	Europe-Turkey
India	Turkey-US
Indonesia	UK-Turkey
Malaysia	US-Bangladesh
Pakistan	US-Korea
South Korea	US-Turkey
Taiwan	
Thailand	
Vietnam	

Feedstocks
<b>Basic Pig Iron</b>
Black Sea
Italy
US
<b>HBI</b>
USA
<b>NPI</b>
USA
<b>Sponge iron</b>
India



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MARKETS

## INDIAN SUB-CONTINENT

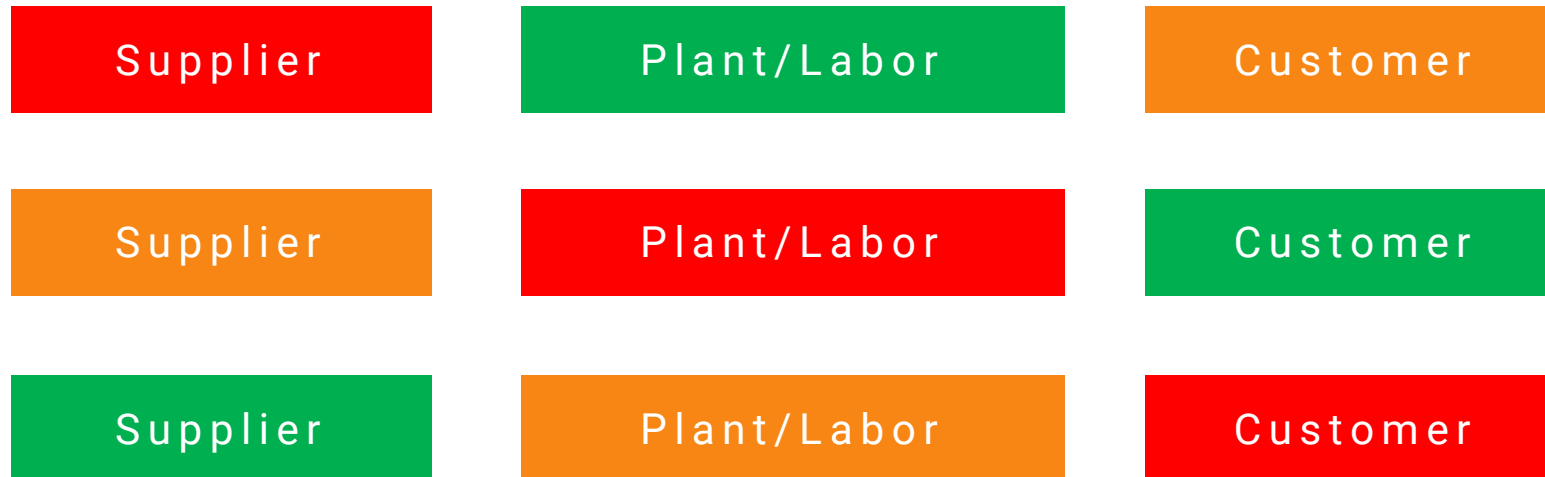
A detailed look at the impact long lockdowns in India, Pakistan and Bangladesh had on steel markets.

## INDIA: APRIL 2020

- Crude steel output dropped by 69.5% to 2.75mn mt, from a year ago.
- Big 6 had a 92% share of crude steel output (2.5mn mt, down 51%).
- Utilization rates well below 50% at integrations.
- Steel output for all other producers crashed by 94.5% to 250,000 mt.
- Finished steel production dropped by 84.6% to 1.35mn mt.
- Finished steel consumption fell by 91% to 699,000 mt.
- Finished steel exports dropped by 17% to 429,000 mt.
- Finished steel imports dropped by 34.3% to 407,000 mt.

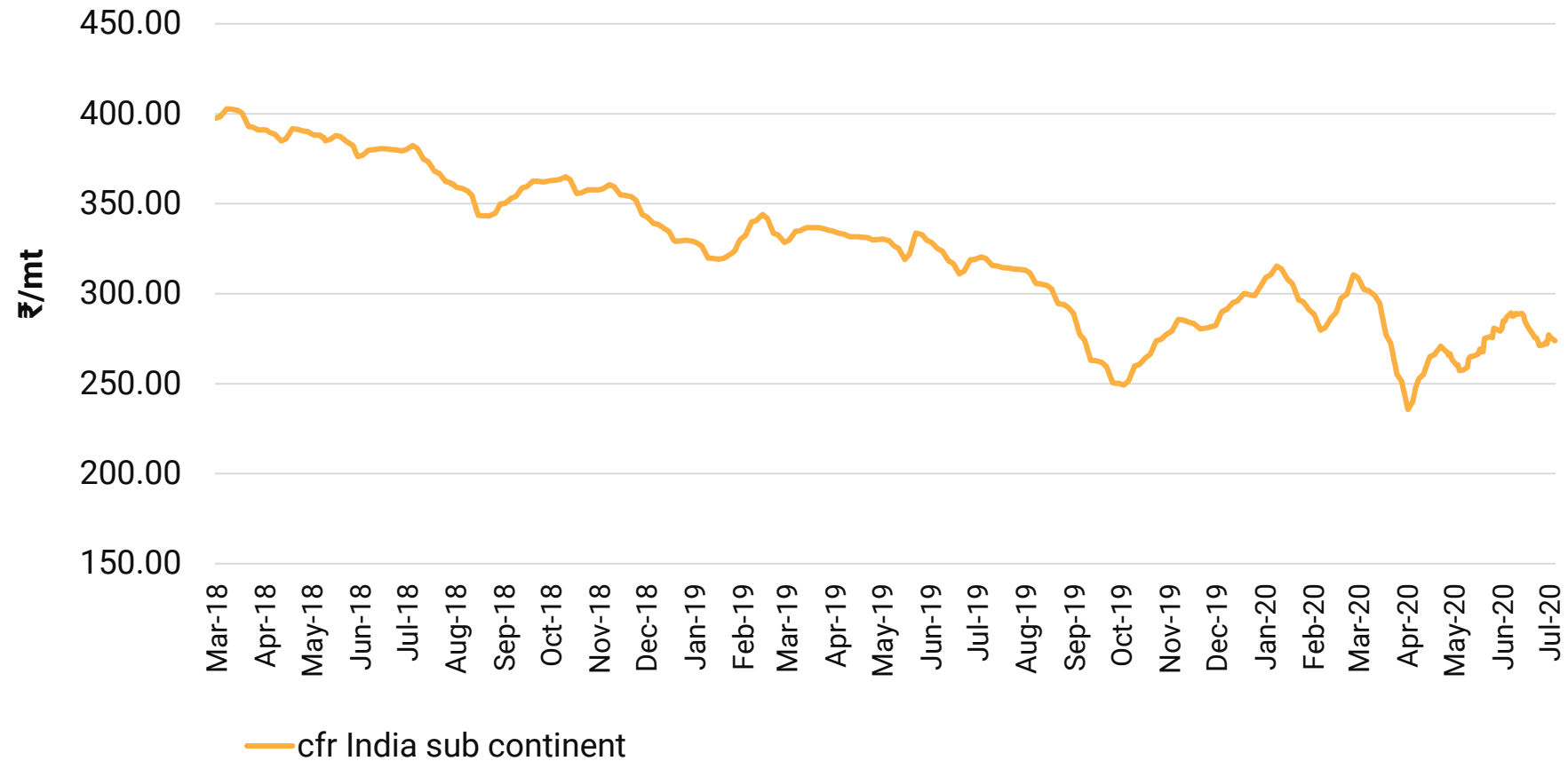


## INDIA: SUPPLY CHAIN DISRUPTION

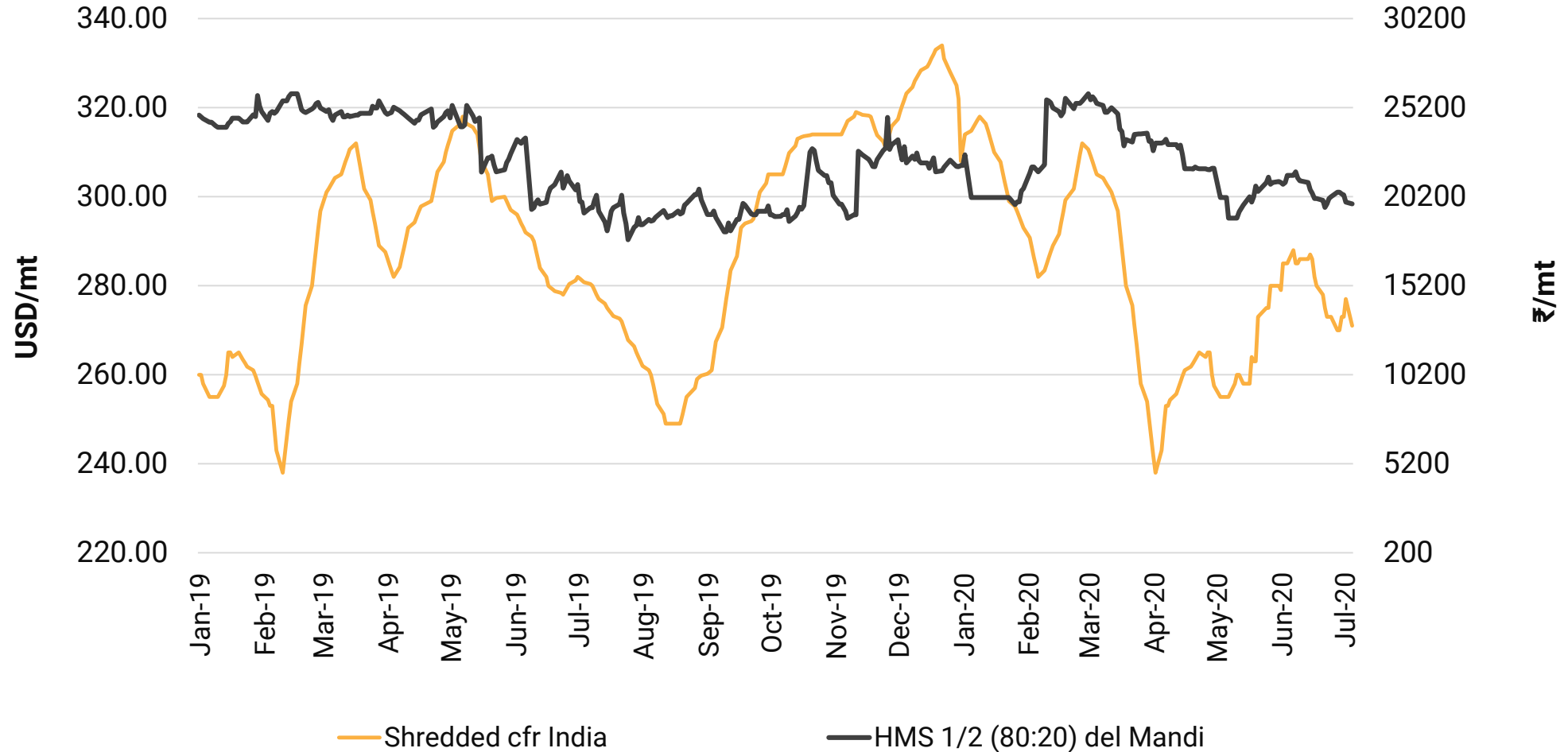


In May, steel output finished at 5.75mn mt, down 40% y-o-y.

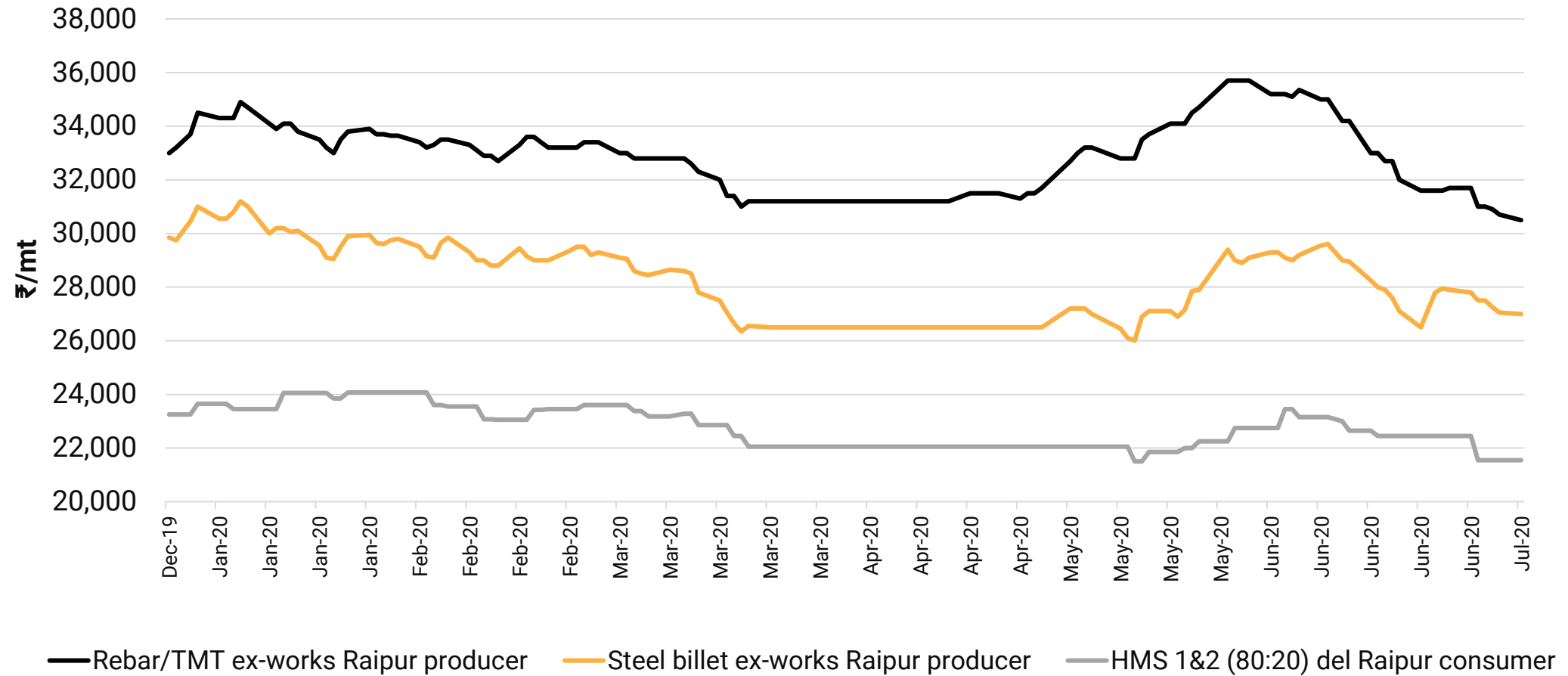
## INDIAN SUB-CONTINENT: SEABORNE TRADE



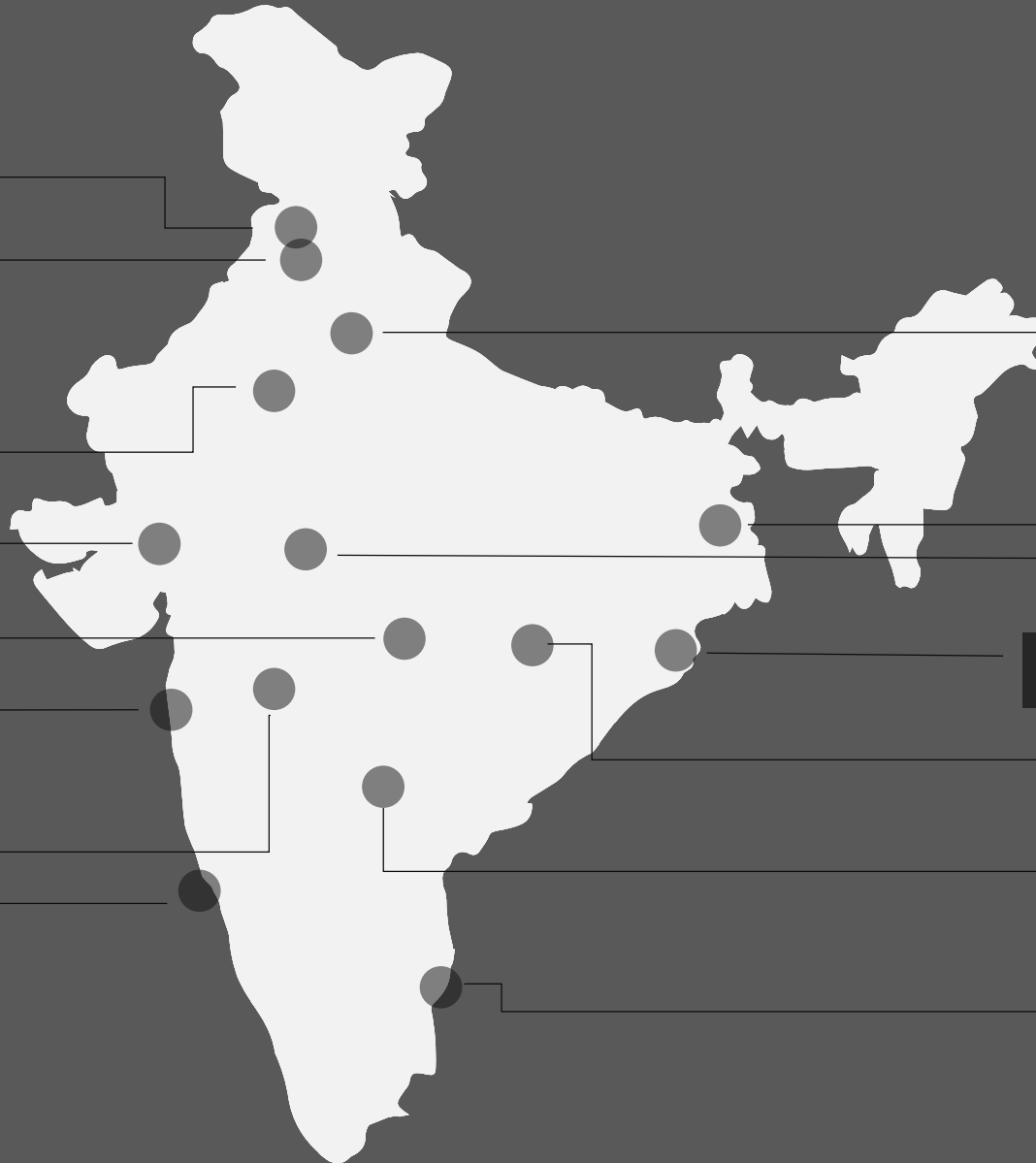
## INDIA: SEABORNE TRADE



## INDIA: LONG STEEL



Ferrous scrap  
India  
del consumer  
Rs/mt  
07 July 2020



Mandi **19,900** ↓

Ludhiana **21,500** ↓

Jaipur **20,550** →

Ahmedabad **21,000** ↓

Nation **21,085** ↓

Mumbai **20,100** ↓

Jalna **20,000** ↓

Goa **21,000** ↑

Delhi **21,250** →

Durgapur **22,792** →

Indore **21,900** →

Bhubaneswar **22,200** →

Raipur **21,350** ↓

Hyderabad **20,450** ↓

Chennai **21,200** ↓

## INDIA: DEMAND OUTLOOK

- Despite being classified as an essential industry, steel production at induction and EAF furnaces completely shut down for two months. Integrations dropped by 50%.
- Some production resumed last week, putting India on track for 3-3.5mn mt output in May, down 60-65% from a year ago.
- Furnaces are struggling to lift utilization rates because of anemic demand, eroded cash reserves and working capital, labour shortages, and a broken supply chain.
- Major steel consuming sectors have been adversely impacted by the total lockdown, delayed stimulus and signs that government spending on infrastructure might drop.
- Steel demand is expected to take at least four quarters to recover.
- Consumption by sector in 2019: Auto (10-15%), infra/construction (65-70%)



## INDIA: CONSUMPTION OUTLOOK

- Auto production has been completely shutdown since 18 March, when the lockdown went into effect. There were no sales in April; the first time in India's history.
- Auto sales and output dropped prior to the lockdown and are expected to struggle for the rest of the year as unemployment rises and fear abounds.
- A move away from public transport could spur vehicle sales but as people lose jobs and income, or fear more loss, the expectation is that used car sales will get an uplift. New car sales forecasts are bleak with no consensus on how much sales could drop.
- Construction has also come to a complete halt. On 20 April, construction was allowed at non-coronavirus zones but given the chaos and lack of any coordination, the supply chain has been broken and there are acute labour shortages across the country.
- The lockdown overlaps with construction's peak season which ends in May. From June to September, construction in many regions takes a seasonal outage for the monsoon.

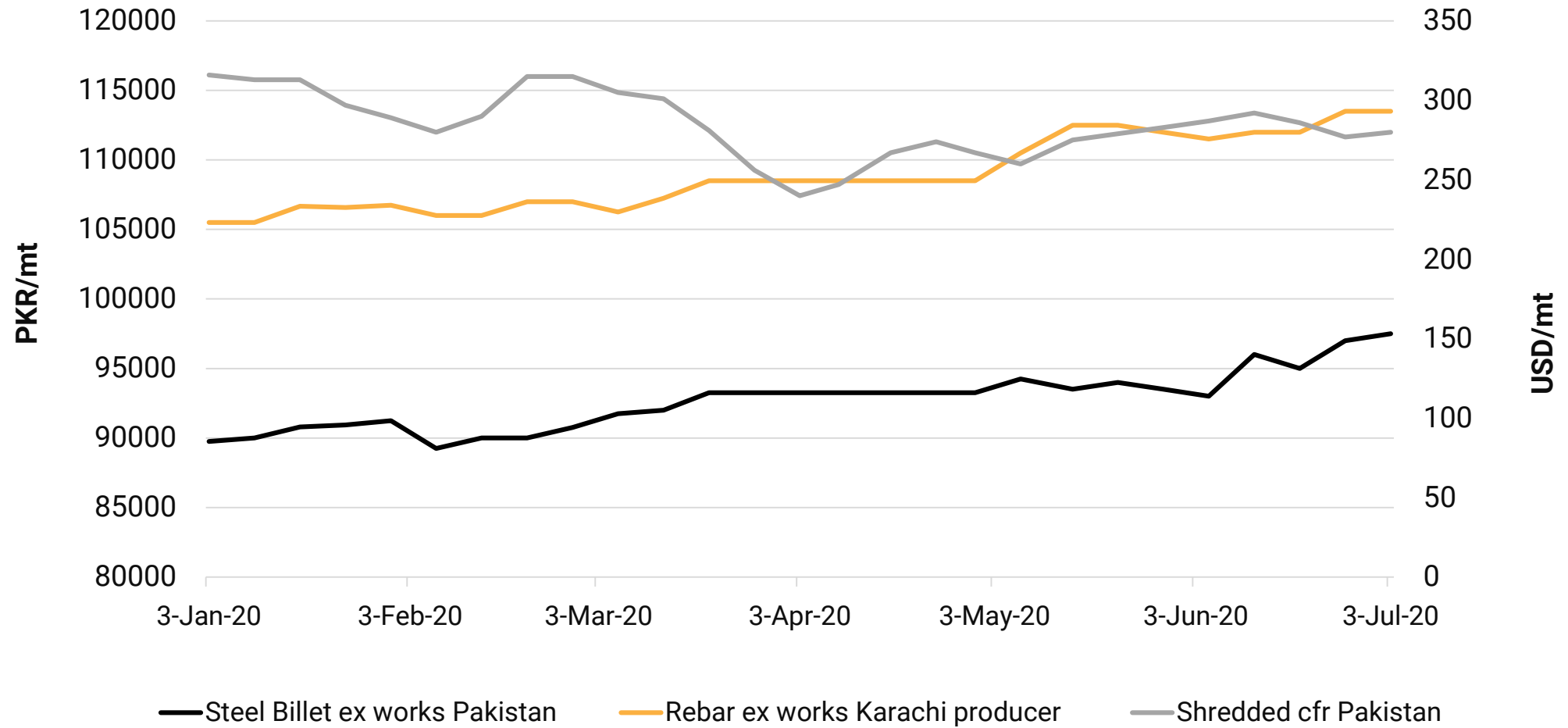


## **PAKISTAN**

A look at the impact of COVID-19 lockdowns in Pakistan.



## PAKISTAN: LONG STEEL MARKET



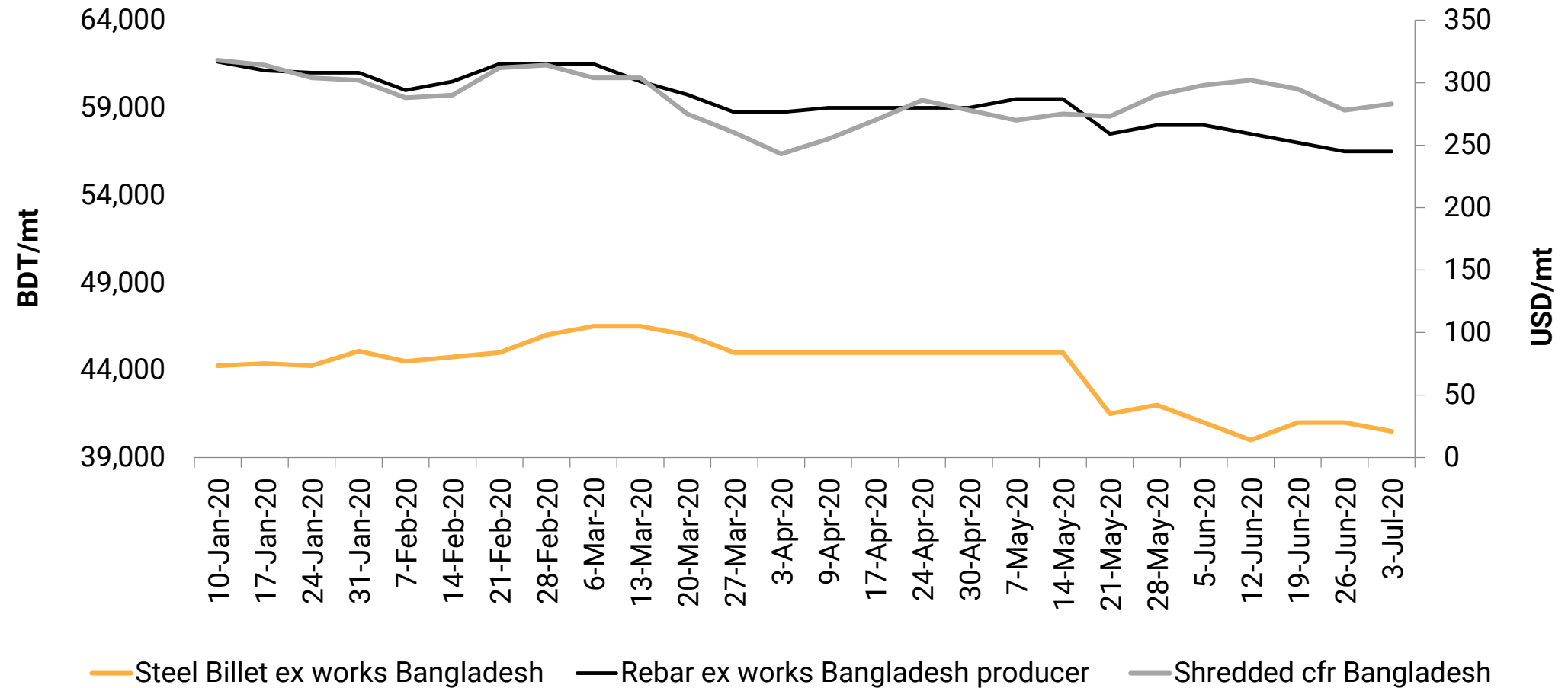


## **B A N G L A D E S H**

A look at the impact of COVID-19  
lockdowns in Bangladesh.



## BANGLADESH: LONG STEEL MARKET



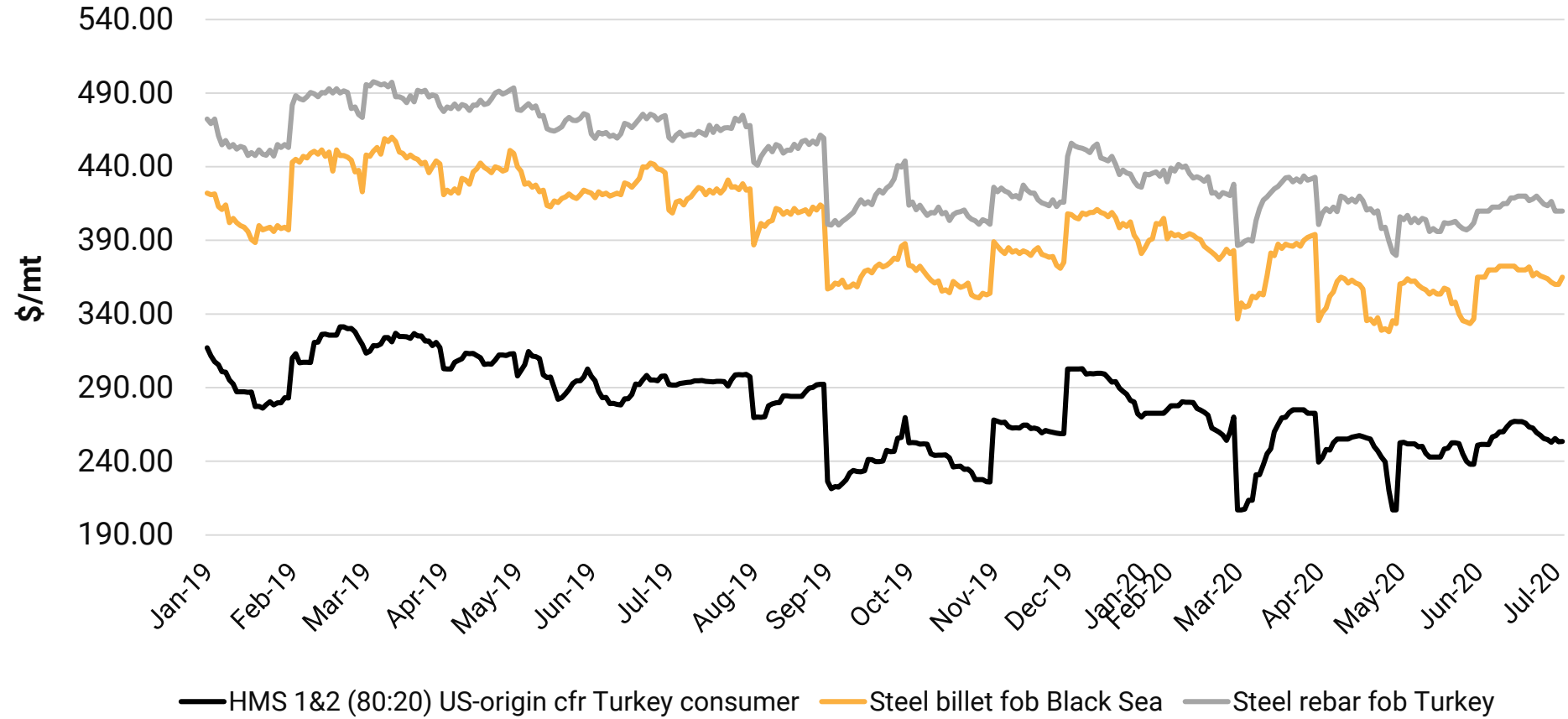
03

MARKETS

## TURKEY

A look at the impact of COVID-19 developments on Turkish steel.

## TURKEY: LONG STEEL MARKET



04

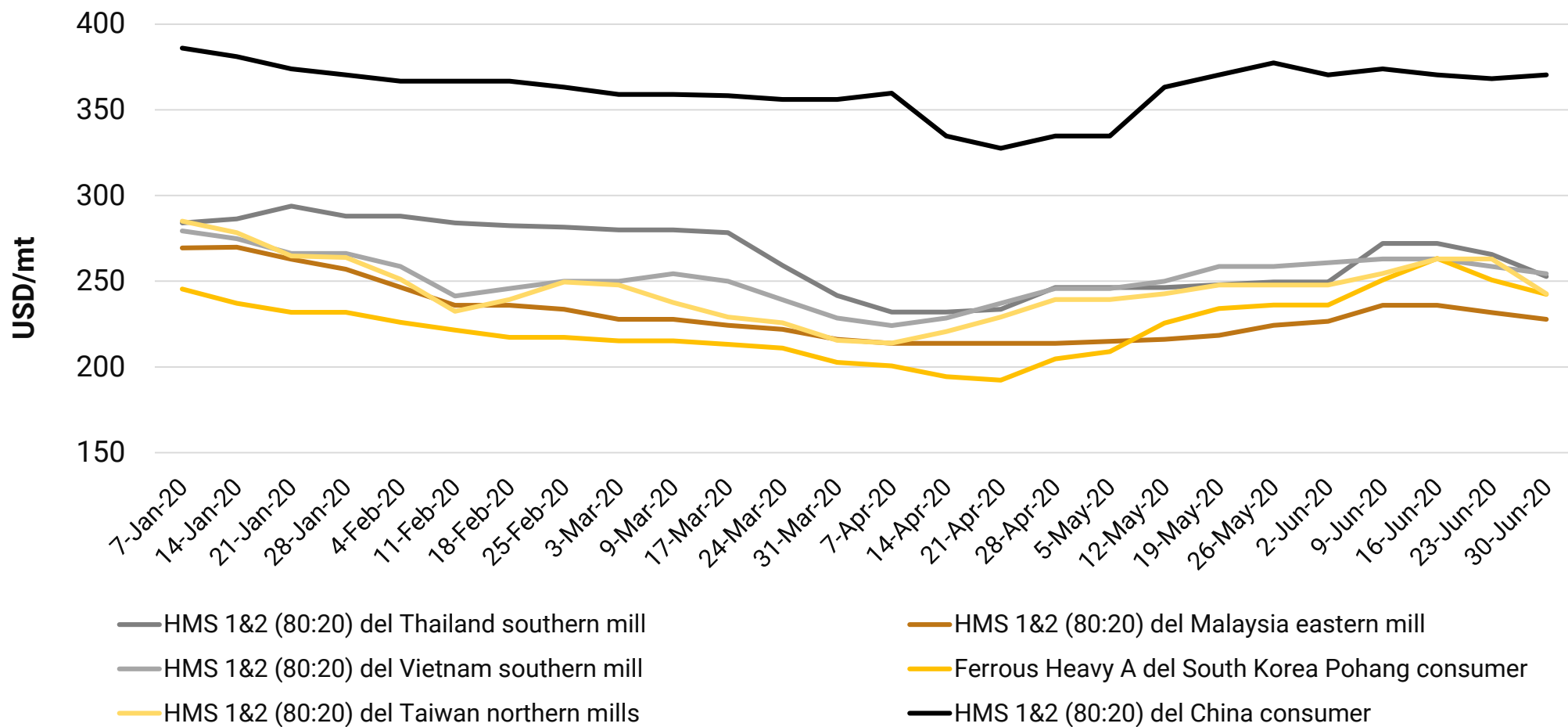
ASIA

## MARKET OVERVIEW

Price developments in other Asian markets.

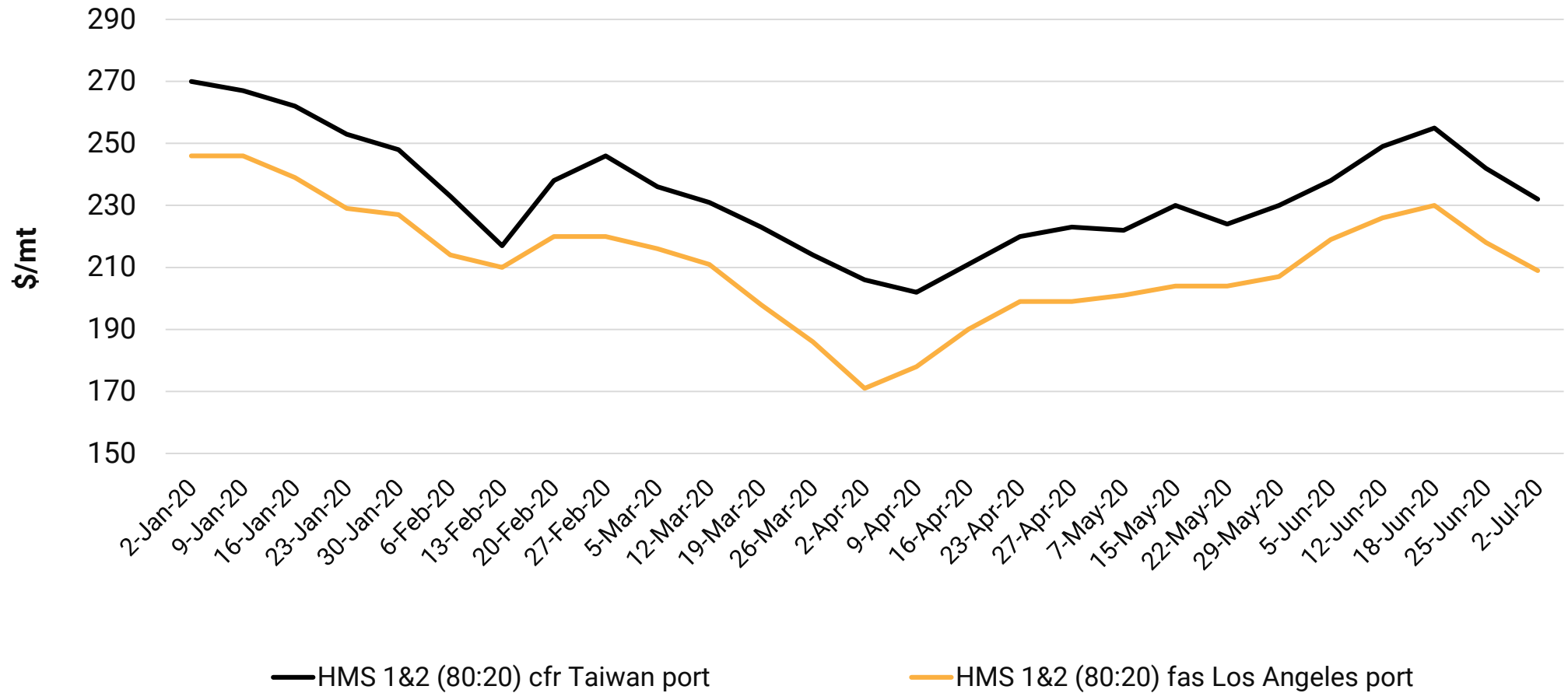


## ASIA DOMESTIC: Thailand, Vietnam, Taiwan, Malaysia, South Korea, China

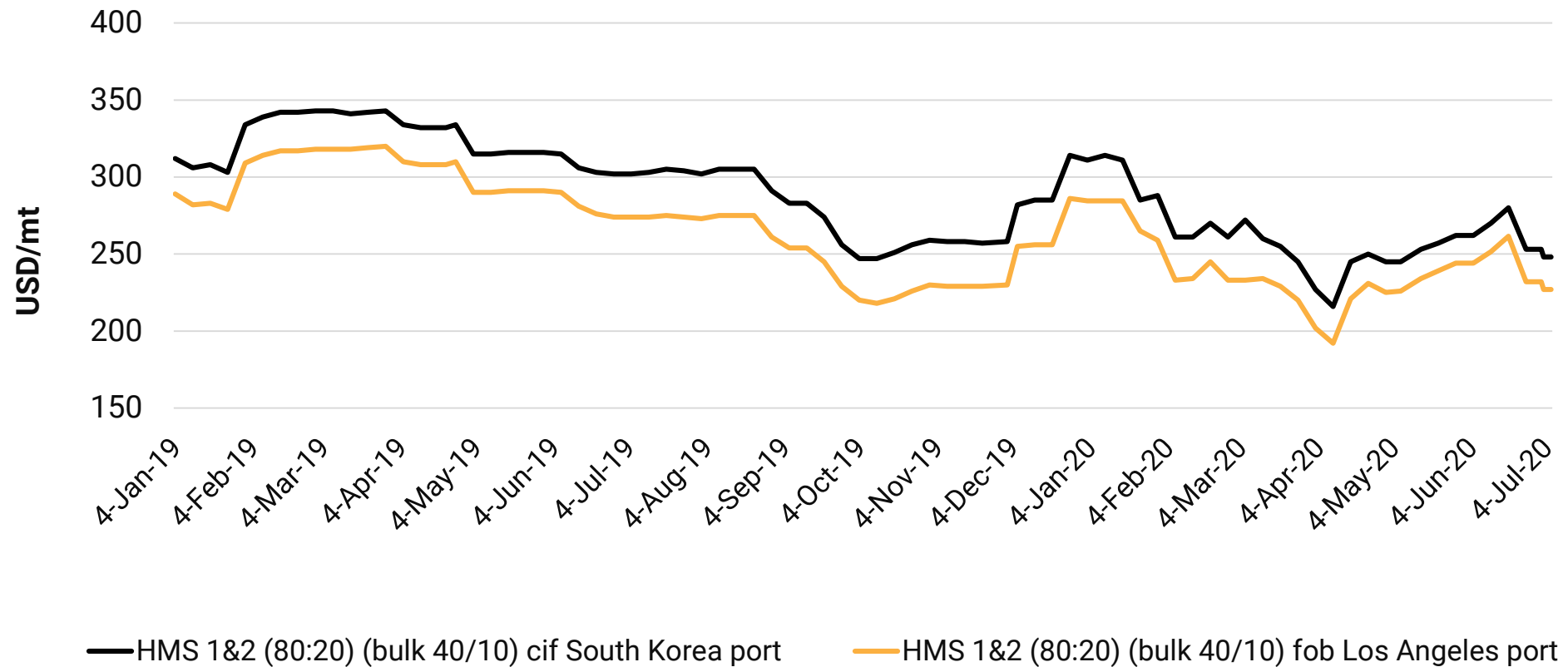




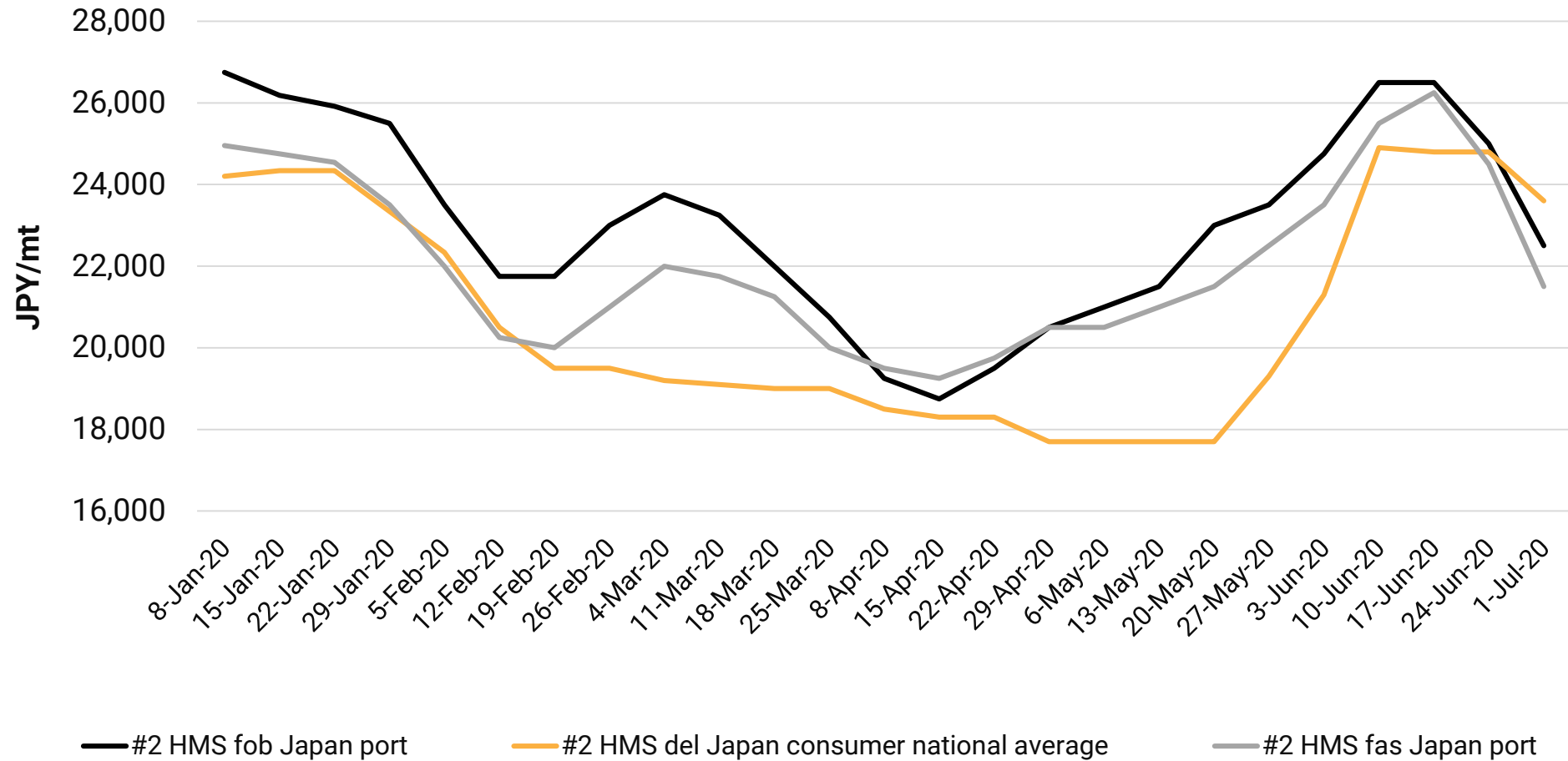
## TAIWAN: CONTAINER MARKETS



## SOUTH KOREA: BULK vs CONTAINER



## JAPAN: DOMESTIC vs EXPORT





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SCRAP THE REST