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EXCELENTÍSSIMO SENHOR DOUTOR JUIZ DE DIREITO DA 2ª VARA DE FALÊNCIAS E RECUPERAÇÕES JUDICIAIS DO FORO CENTRAL DA COMARCA DE SÃO PAULO/SP.

Processo n° 0003562-71.2024.8.26.0100
Arrecadação e Alienação de Bens

LASPRO CONSULTORES LTDA., devidamente nomeada nos autos da Falência da **MINERAÇÃO BURITIRAMA S.A.**, vem, respeitosamente, à presença de Vossa Excelência, expor e requerer o quanto segue:

I – DO MINÉRIO - AVALIAÇÃO

1. Inicialmente, essa Administradora Judicial informa que a empresa falida possui aproximadamente 46 mil toneladas, em sete pilhas, as quais estão alocadas no Terminal Norte Empreendimentos, localizado na Comarca de Barcarena, Estado do Para, conforme relatório de inspeção e amostragem que segue em anexo: (doc.01)

Fone: +55 11 3211-3010 / Fax: +55 11 3255-3727
R. Major Quedinho, 111 - 18° andar • Centro
01050-030 • São Paulo/SP
lasproconsultores.com.br

Fone: + 39-02 79 47 65 / Fax: + 39-02 78 44 97
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2. Este produto tem como referência de preço, reconhecida pelo mercado, a publicação Daily Market Newsletter da Fastmarkets.

3. Semanalmente a Fastmarkets publica uma tabela de preço de referência para o minério de manganês, considerando diferentes qualidades e termos de embarque (Incoterms).

4. Tomando como base o histórico de contratos firmados pela Buritirama, o índice de referência que recomendamos para o produto em pauta é que está sob o código MB-MNO-0001, "Manganese Ore 44% CIF", "CIF Tianjin" cuja unidade de medida é o USD/DMTU, ou seja, dólares americanos por unidade de manganês em tonelada seca. Esta é uma referência para produtos granulados ("Lump"), diferente do produto em pauta, que é considerado como "Finos".

5. Não existe uma publicação de preços do produto "Finos", cujo preço sofre um desconto em relação ao produto granulado. Este desconto é atribuído pelo mercado e varia de tempos em tempos. Utilizando o histórico dos contratos mais recentes da Buritirama (anos 2021 e 2022), podemos atribuir um desconto de 20% para o produto "Finos".

6. Voltando ao índice de preços, precisamos aplicar uma fórmula para se chegar o valor do produto em dólares por tonelada úmida, considerando preço publicado, o teor de manganês, a umidade do produto e, por fim, o desconto a ser aplicado, conforme detalhe abaixo:

Fórmula: Preço USD/DMTU (x) Teor de Mn (-) Umidade (-) Desconto

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7. Tomando como exemplo o preço publicado em 29 de janeiro de 2024 e as condições do produto conforme relatório da SGS, teríamos:

USD 4,20 x 43,2 – 12% - 20% = USD 127,73 / MT (wet metric ton) CIF

8. Feito isto, temos que considerar o valor do frete partindo do Porto de Vila do Conde/PA até a China. Infelizmente, não há um índice que possamos utilizar para o caso de embarques “spot” (embarque único). Desta forma, faz-se necessário uma consulta ao mercado de fretes informando, entre outros: a quantidade, o período para o embarque, os portos de embarque e desembarque, bem como as condições de carregamento e descarga dos referidos portos.

9. Realizamos esta consulta na semana de 05 de fevereiro e recebemos a indicações que variam de USD 50 a 68 / MT (conforme anexo - 02).

10. Portanto, considerando as premissas acima, o valor FOB do produto em pauta, poderia variar de USD 77,73 a 59,73 / MT FOB Porto de Vila do Conde/PA, resultando no valor médio de USD 70,00.

11. Assim, considerando que há aprox. 46.756 mil toneladas de manganês, o valor da avaliação resulta no importe de USD 3.272.920,00.

12. Diante do exposto, após manifestação da Falida, Credores e Ministério Público, opina-se pela homologação da avaliação, bem como

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seja autorizado a realização de leilão - lote único, em primeira praça com lances partindo de 100% da avaliação e, em segunda praça, com lances partindo de 70% do valor da avaliação.

Termos em que,
Pede deferimento.

São Paulo, 26 de fevereiro de 2024.

LASPRO CONSULTORES LTDA.
Administradora Judicial
Oreste Nestor de Souza Laspro
OAB/SP n° 98.628

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INSPECTION REPORT

CLIENT	:	BURITIRAMA MINERAÇÃO S.A.
COMMODITY SAID TO BE	:	MANGANESE ORE IN BULK
PLACE OF INSPECTION	:	TERMINAL NORTE EMPREENDIMENTOS, BARCARENA / PARÁ, BRAZIL
DATE OF INSPECTION	:	ON SEPTEMBER 27th, 28th AND OCTOBER 27th, 2023
SGS REFERENCE	:	2102.102.200000014377/2023

We, SGS do Brasil Ltda., as an Independent International Inspection Company, within the limits of our intervention, hereby report having attended to the inventory survey for measuring bulk manganese ore stocks, stored in the areas of Terminal NORTE EMPREENDIMENTOS in Barcarena/ Pará – Brazil, on SEPTEMBER 27TH, 28TH AND OCTOBER 27TH, 2023, as per instructions received by our principal., and we report our findings as follows:

1. PRODUCT DESCRIPTION
The material said to be Manganese ore Sinter was presented to SGS for Sampling and preparation of Volumetry and Density in the form of a pile stored in an open area, without paving, covered with plastic tarp.

2. SAMPLING
Samples increments were collected from the pile by SGS inspectors according to SGS internal procedures based on standard ISO 4296 (part 1) Manganese Ore – Sampling and sample preparation procedures, by using a manual shovel taken the samples in several points chosen at random, collecting a total of 70 samples increments as far as accessible to a indicative sampling.
Samples accuracy was limited due to method of sampling available at point and place of inspection.

3. SAMPLE PREPARATION
The gross sample was prepared out of all increments, where the samples increments were duly mixed, homogenized and reduced in 02 (two) composite samples by pile, sealed by SGS numbered plastic seal and distributed as follows:

- 01 (one) sample sent to SGS Geosol Vespasiano laboratory, for Chemical Analysis.

SGS Seals	
Pilha 01	0537041
Pilha 02	0537042
Pilha 03	0537043
Pilha 04	0537044
Pilha 05	0537045
Pilha 06	0537046
Pilha 07	0537047

- 01 (one) sample retained at our SGS files by future reference.

SGS Seals	
Pilha 01	4017051
Pilha 02	4017052
Pilha 03	4017053
Pilha 04	4017054
Pilha 05	4017055
Pilha 06	4017056
Pilha 07	4017057

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4. VOLUME CALCULATIONS

a. Method

Volume measurements were carried out by MOGAI Tecnologia da Informação S.A. and recorded in the technical report SGS Barcarena PA no. 200000013147/2023, integral part of this inspection report.

Equipment description: Model: HammerHead2 - Serial Number: 0246
Software: Photopography
Adopted criteria as reported:

I. Filming using HammerHead equipment: carrying out of the field measurements with the filming of the stored material, whether in an open or closed area, box or piles.
II. Automatic Processing: the footage is placed into the “Photopography software”, where it is converted to a raw point cloud.
III. Technical Processing - Point Cloud - Photopography: finally, the MOGAI’s technician team treats the point clouds, verifies primitives, and finishes with the measured volume.

b. Results of Measurement, Density and Weight obtained:

Pile	Measurement Place	MOGAI Report no.	Volume (M^3)	Bulk Density (Ton/M^3)	Quantity Calculated by Density (Ton)
01	Terminal Norte Empreen.	SGS200000013147/2023	3,823.509	1.520	5,811.734
02	Terminal Norte Empreen.	SGS200000013147/2023	7,148.648	1.556	11,123.296
03	Terminal Norte Empreen.	SGS200000013147/2023	8,894.049	1.530	13,607.895
04	Terminal Norte Empreen.	SGS200000013147/2023	3,820.652	1.793	6,850.429
05	Terminal Norte Empreen.	SGS200000013147/2023	1,910.974	1.572	3,004.051
06	Terminal Norte Empreen.	SGS200000013147/2023	1,868.201	1.493	2,789.224
07	Terminal Norte Empreen.	SGS200000013147/2023	2,371.848	1.505	3,569.631

c. Total obtained:

Volume (M^3)	Bulk Density (Ton/M^3)	Quantity Calculated by Density (Ton)
29,837.881 m^3	1.567 Ton/m^3	46,756.260 Ton

5. SIZE TEST

Size test was performed at SGS Barcarena laboratory with the following results:

Size	8mm	6.3mm	5mm	3mm	2mm	1mm	0.150mm	0.106mm	0.045mm	<0.045mm
Method	SCR33	SCR33	SCR33	SCR33	SCR33	SCR33	SCR33	SCR33	SCR33	SCR33
Unit	%	%	%	%	%	%	%	%	%	%
Pile 01	37.30	3.00	7.16	11.67	10.13	11.94	16.68	0.44	0.76	0.92
Pile 02	43.40	4.16	6.08	10.14	8.30	5.54	19.91	0.12	1.09	1.26
Pile 03	39.80	5.16	6.78	13.04	9.06	7.50	17.00	0.26	0.68	0.72
Pile 04	70.36	1.96	2.74	2.74	1.06	12.83	6.34	0.96	0.27	0.74
Pile 05	28.74	6.31	8.94	16.16	12.17	14.58	12.05	0.50	0.04	0.51
Pile 06	23.45	4.58	8.14	15.44	12.01	10.01	22.04	2.35	0.84	1.14
Pile 07	39.25	4.38	5.68	10.00	7.87	9.00	19.36	1.23	1.13	2.10

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6. MOISTURE

Moisture determination was performed at SGS Barcarena Laboratory with the following results:

Moisture	
Method	**Dry10**
Unit	**%**
Pile 01	13.05
Pile 02	12.45
Pile 03	12.13
Pile 04	7.38
Pile 05	14.47
Pile 06	14.88
Pile 07	12.94

7. CHEMICAL ANALYSIS

The sample was analyzed in our SGS Geosol laboratory with the following results:

Element	Mn	C	S	LOI	Al2O3	BaO	CaO	Fe	K2O	MgO	Na2O
Method	**CLA40V**	**CSA17V**	**CSA17V**	**PHY01E**	**XRF82MN**	**XRF82MN**	**XRF82MN**	**XRF82MN**	**XRF82MN**	**XRF82MN**	**XRF82MN**
Unit	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**
Pile 01	44.38	0.047	<0.004	13.76	5.59	1.9	0.57	2.28	2.31	0.91	<0.1
Pile 02	44.36	0.052	<0.004	14.57	5.68	2.24	0.43	2.35	2.30	0.85	0.11
Pile 03	43.87	0.052	<0.004	14.16	5.96	2.05	0.46	2.61	2.48	0.50	<0.1
Pile 04	41.20	0.089	0.005	12.29	5.99	2.79	0.33	4.62	1.78	0.26	<0.1
Pile 05	41.16	0.060	0.005	14.26	7.41	2.33	0.24	3.75	1.94	0.45	<0.1
Pile 06	45.80	0.052	<0.004	14.50	5.85	2.17	0.35	2.59	2.39	0.65	0.16
Pile 07	38.80	0.508	0.010	13.62	6.48	1.58	0.64	3.47	1.99	0.68	<0.1

P	SiO2	TiO2
XRF82MN	**XRF82MN**	**XRF82MN**
%	**%**	**%**
0.048	8.67	0.23
0.052	7.87	0.26
0.057	8.26	0.16
0.096	14.2	0.23
0.061	9.41	0.42
0.052	7.41	0.24
0.087	15.10	0.31

8. REFERENCES

"ISO 4296 Part 1 - Manganese ore - Sampling procedures"
"ISO 4296 Part 2 - Manganese ore - Sample preparation"
MOGAI Tecnologia da Informação S.A Report no. SGS200000013147/2023

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9. PHOTOGRAPHIC COVERAGE
As attached.

REMARK: This eCertificate cancels and supersedes the eCertificate No. 202300051156 dated November 03rd, 2023, issued by SGS do Brasil Ltda.

Any holder of this document is advised that information contained hereon is limited to the visual examination of the safely and readily accessible portions of the consignment only. Due to the nature of the cargo and limited access during inspection, items not recorded in the above description may be present.

The manual sampling method was agreed with the SGS Principal, as sampling by more reliable methods was not possible. Sampling of this type does not satisfy the requirements for probability sampling. The suitability of this sampling method is defined by the standard.

The findings of the stored Goods inspection contained herein (the "Findings") strictly relate to and cover examination of part or parts of the Goods safely accessible for inspection in accordance with the client's instructions. The Findings only relate to the time and place of inspection and do not constitute nor are intended to constitute evidence of the existence of part or all of the Goods prior to and after the time of inspection. SGS does not control the storage place of the Goods nor has any responsibility for the storage, custody and safety of the Goods. SGS does not guarantee nor make any representation about i) the accuracy and authenticity of the documents presented by the operator of the storage place (if any); ii) ownership of and title to the Goods; iii) quantity and quality of the Goods. SGS accepts no liability for the consequences of any action taken or not taken on the basis of this certificate/report.

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PHOTOGRAPHIC COVERAGE

PHOTO 01: VISUAL CARGO – PILE 01

PHOTO 02: VISUAL CARGO – PILE 01

PHOTO 03: VISUAL CARGO – PILE 02

PHOTO 04: VISUAL CARGO – PILE 02

PHOTO 05: VISUAL CARGO – PILE 03

PHOTO 06: VISUAL CARGO – PILE 03

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PHOTO 07: VISUAL CARGO – PILE 04

PHOTO 08: VISUAL CARGO – PILE 04

PHOTO 09: VISUAL CARGO – PILE 05

PHOTO 10: VISUAL CARGO – PILE 05

PHOTO 11: VISUAL CARGO – PILE 06

PHOTO 12: VISUAL CARGO – PILE 06

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PHOTO 13: VISUAL CARGO – PILE 07

PHOTO 14: VISUAL CARGO – PILE 07

PHOTO 15: DURING INSPECTION – PILE 01

PHOTO 16: DURING INSPECTION – PILE 01

PHOTO 17: DURING INSPECTION – PILE 02

PHOTO 18: DURING INSPECTION – PILE 02

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PHOTO 19: DURING INSPECTION – PILE 03

PHOTO 20: DURING INSPECTION – PILE 03

PHOTO 21: DURING INSPECTION – PILE 04

PHOTO 22: DURING INSPECTION – PILE 04

PHOTO 23: DURING INSPECTION – PILE 05

PHOTO 24: DURING INSPECTION – PILE 05

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PHOTO 25: DURING INSPECTION – PILE 06

PHOTO 26: DURING INSPECTION – PILE 06

PHOTO 27: DURING INSPECTION – PILE 07

PHOTO 28: DURING INSPECTION – PILE 07

PHOTO 29: 3D STOCK IMAGE - PILE 01

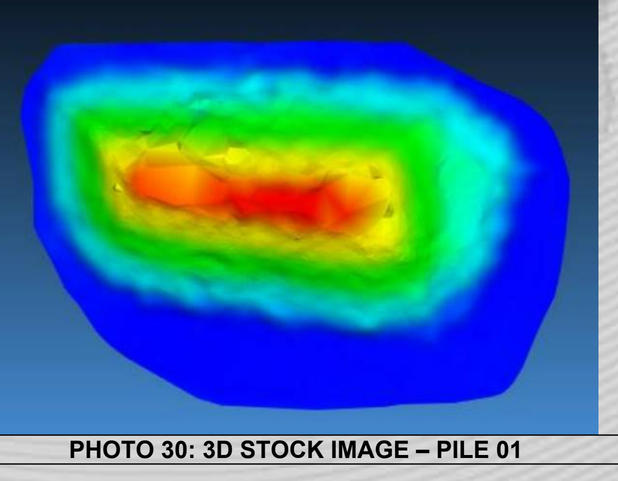

PHOTO 30: 3D STOCK IMAGE – PILE 01

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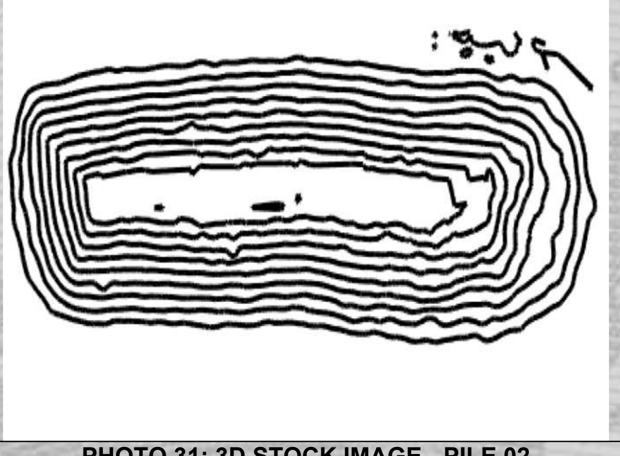
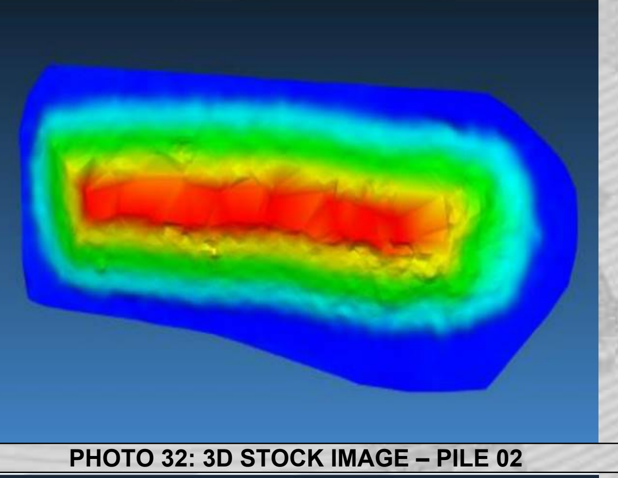
	

PHOTO 31: 3D STOCK IMAGE - PILE 02	PHOTO 32: 3D STOCK IMAGE – PILE 02

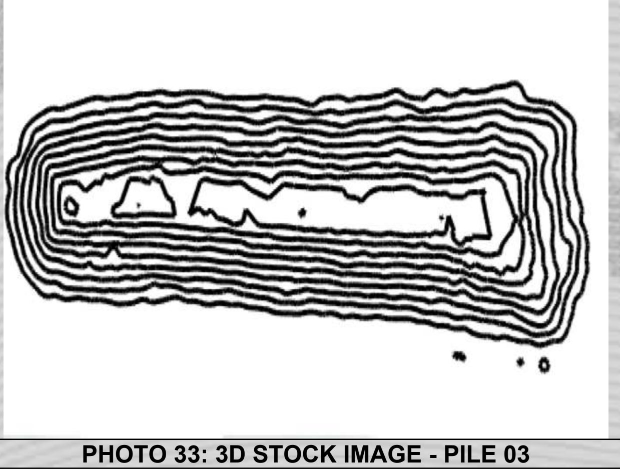
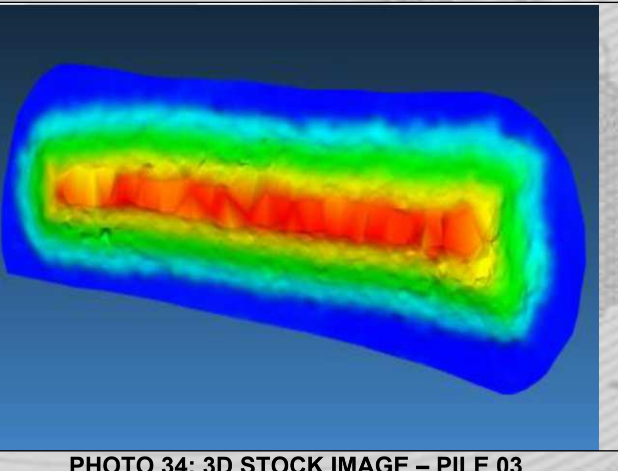
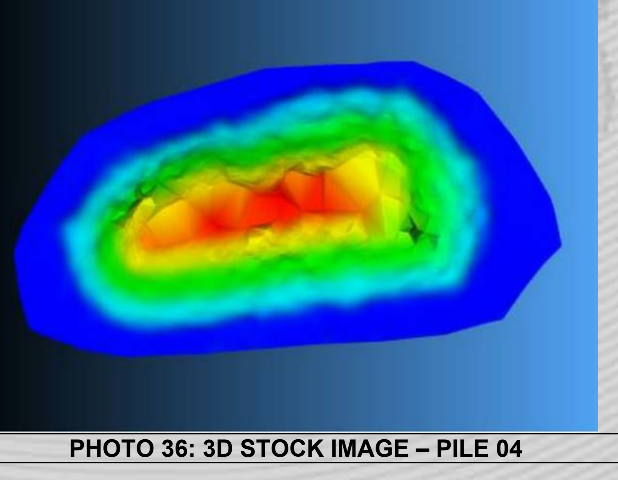

	

PHOTO 33: 3D STOCK IMAGE - PILE 03	PHOTO 34: 3D STOCK IMAGE – PILE 03
	
PHOTO 35: 3D STOCK IMAGE - PILE 04	PHOTO 36: 3D STOCK IMAGE – PILE 04

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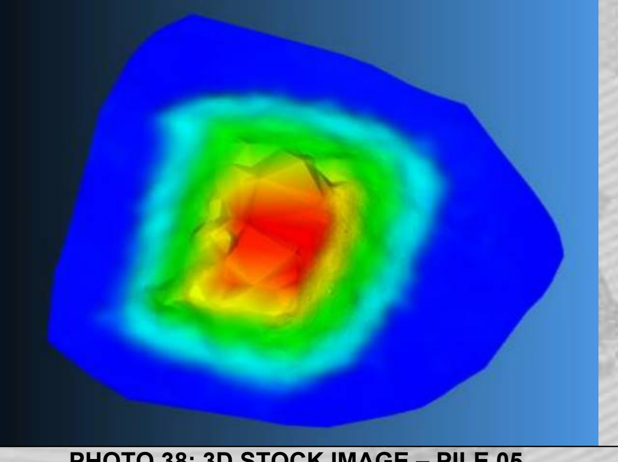
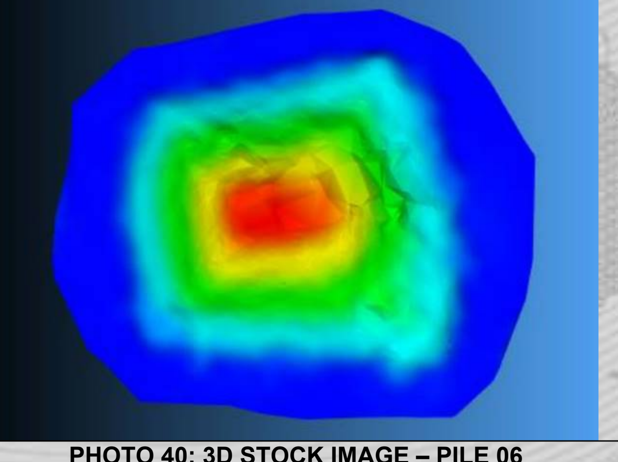
	
PHOTO 37: 3D STOCK IMAGE - PILE 05	**PHOTO 38: 3D STOCK IMAGE – PILE 05**
	
PHOTO 39: 3D STOCK IMAGE - PILE 06	**PHOTO 40: 3D STOCK IMAGE – PILE 06**

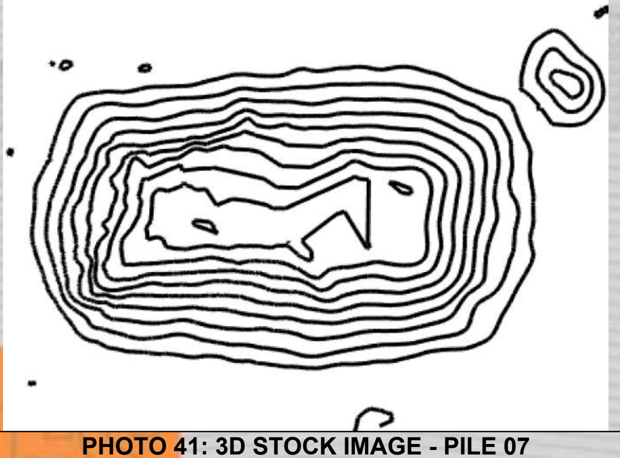
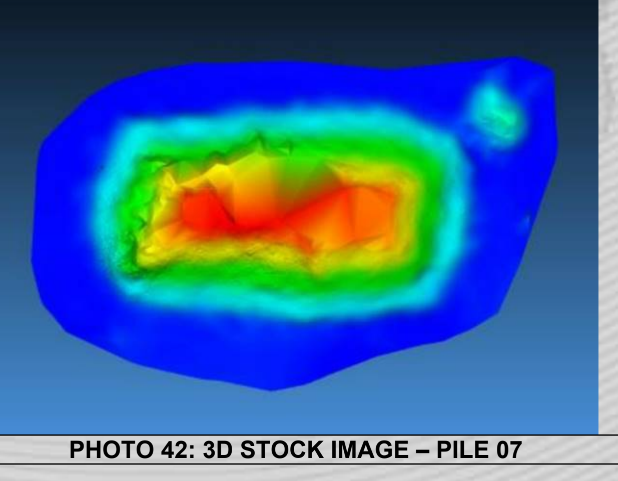

	

PHOTO 41: 3D STOCK IMAGE - PILE 07	**PHOTO 42: 3D STOCK IMAGE – PILE 07**

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(Foto local).

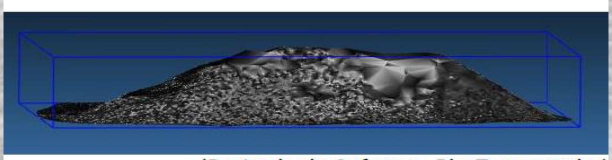
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PHOTO 43: 3D STOCK IMAGE - PILE 01


(Foto local)

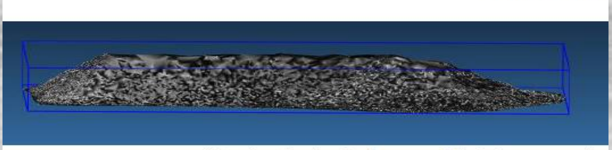
(Retirada do Software PhoTopography

PHOTO 44: 3D STOCK IMAGE – PILE 02


(Foto local).

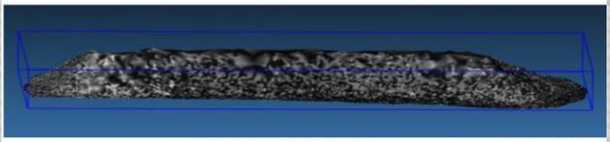
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PHOTO 45: 3D STOCK IMAGE - PILE 03


(Foto local).

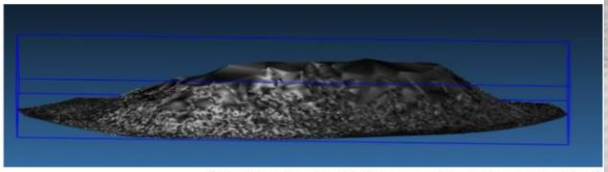
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PHOTO 46: 3D STOCK IMAGE – PILE 04


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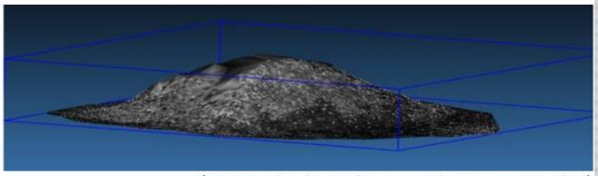
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PHOTO 47: 3D STOCK IMAGE - PILE 05


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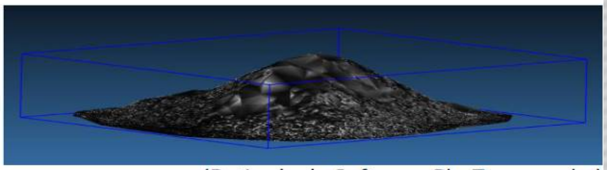
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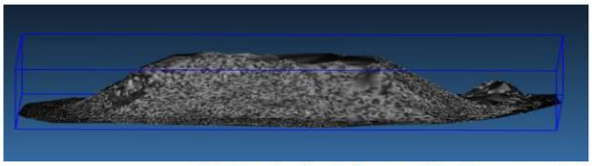

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PHOTO 49: 3D STOCK IMAGE - PILE 07

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Top stories

Novelis enters supply agreement with Ardagh, aims to work across value chain to decarbonize

By Yasemin Esmen, Grace Asenov - Monday 29 January

Aluminium recycler and producer Novelis signed a contract with Atlanta, Georgia-based Ardagh Metal Packing USA Corp to supply the latter with aluminium beverage packaging sheet, Novelis announced on Monday January 29.

"As a leading global supplier of sustainable and infinitely recyclable aluminium beverage cans, we're proud of our partnership with Novelis, which shares our focus on sustainability and innovation," Oliver Graham, CEO of Ardagh Metal Packaging, said in a press release.

Carnegie, Pennsylvania-based Novelis has been working with various organizations that are likeminded in the way they can accomplish their decarbonization goals, according to president and chief executive officer Steve Fisher.

"We've worked effectively with many companies, suppliers and different coalitions within the aluminium industry to find ways to collectively decarbonize the entire value chain," Fisher said at a conference on Monday.

"Every company is looking for ways to meet what the ultimate consumer wants... which is to lower their carbon emissions," Fisher added.

The industry needs to continue the journey towards decarbonization together to be effective, according to Fisher.

"Together means across the entire value chain, so that aluminium wins versus other materials — whether it's steel, glass, plastics and so forth," he said.

In October 2023, Novelis announced it partnered to work with energy provider Southern Company's subsidiary Alabama Power for renewable energy for its new rolling and recycling plant in Bay Minette, Alabama to reduce the company's scope 2 greenhouse gas emissions.

Novelis expects the 600,000 tonne per year capacity facility to start commissioning in 2025. It will be the first fully integrated aluminium plant built in the US in nearly 40 years and serve the North American beverage packaging and automotive markets, according to the company.

This is the third major contract that Novelis has signed in less than seven months for the beverage packaging market in North America, according to the company.

In September 2023, Novelis announced it had entered into a supply agreement for aluminium sheet with Ball Corporation in North America.

And the company entered a supply agreement with Coca-Cola Bottlers Sales & Services Company in June 2023.

Novelis expects global demand for aluminium beverage packaging sheet to grow at a 4% compounded annual growth rate between 2023 and 2031, driven by consumer preference for more sustainable products and by more beverage types being packaged in cans.

Indian steel scrap imports unlikely to sustain explosive growth in short term: MRAI 2024

By Lee Allen, Aameer Sayed - Monday 29 January

Indian steelmakers are likely to be more opportunistic in their purchases of imported ferrous scrap in 2024 due to abundant and lower-cost direct-reduced iron (DRI) and question marks over steel demand, panelists said at the Materials Recycling Association of India (MRAI) international conference on January 23-25 in Kolkata.

As a result, panelists were not convinced that Indian import growth would be able to continue the explosive trajectory experienced in 2022 and 2023.

India imported 10.47 million tonnes of steel scrap in January-November 2023, up by a whopping 53.10% compared with the corresponding period of 2022, when imports were around 6.84 million tonnes, according to India's Ministry of Commerce.

"Considering the slowdown in the local market and DRI prices going down in the past few months amid surging scrap prices in the global market, Indian steel mills scaled up [their use of] DRI in steel production," said Zain Nathani, managing director of major Indian trading firm Nathani Group of Companies.

The premium for Fastmarkets' index for steel scrap shredded, index, import, cfr Nhava Sheva, India over the price of DRI domestic, exw India was $82 per tonne in January 2024, up from $80 per tonne in December 2023. The premium averaged $62 per tonne in 2023.

Speaking about his outlook for scrap demand this year, Nathani said that India will "only jump in [for scrap bookings] when prices are low."

The recent trend of lower demand in India will persist "unless something changes locally - either steel demand increases dramatically after the general elections that are scheduled in April and May, or DRI prices go up in the local market," he said.

Higher DRI supply in India amid rising production is another major factor that has been holding back some demand for scrap of late, according to Sabyasachi Mishra, business head at JSW International Tradecorp.

India produced 40.46 million tonnes of DRI in January-October 2023, up from 34.24 million tonnes in the corresponding period of 2022, according to the World Steel Association.

Weak steel demand drags on Indian buying

Keyur Shah, director at major Indian scrap importer and steelmaker Mono Steel, said he also believed that Indian steel scrap buyers will remain opportunistic in 2024, mainly because of cheaper feedstock available locally, but also because of low steel demand.

"Global scrap prices are hovering high and as a result, the Indian buyers do not find it viable to procure imported scrap either in bulk or in containers because the buyer's price idea is low as compared with offers," Shah said. "I think it will take some time for India to settle [and steel demand to bounce back]."

"Also, the elections are coming in April and because of this, Indian steel scrap demand will remain slow at least till May or June and will act opportunistically," he added.

Mishra said he felt that the current sluggishness in steel scrap sentiment is a direct result of a significant gap in steel demand and an oversupply of finished steel in the market.

"India is currently seeing a little bit of a steel supply overhang," Mishra noted. "There is a short-term gap in steel demand versus steel and DRI production, which is putting steel prices under pressure. People were anticipating that post-Diwali [festival], steel demand would rise, but it never happened. This pressure in steel prices is not letting buyers procure steel scrap at higher prices."

"I think it is not DRI prices that need to be blamed for slowed scrap sentiment in India," Mishra continued. It is rather that "supply overhang and demand not being able to keep up with supply is causing softness in steel prices," and thereby weighing on steel scrap sentiment.

Despite the current challenges, most panelists said they believed that Indian market demand would increase in the second half of 2024 versus the first half, echoing sentiment heard from the market in a Fastmarkets preview piece published earlier this month.

Bangladeshi scrap intake in 2024 will be better than in 2023
Although the outlook for India is cloudy for this year, panelists mostly believed that scrap import demand in Bangladesh will be better in 2024 compared with 2023.

"Scrap imports in 2023 were less than in 2022, mainly because of challenges faced by the Bangladeshi steel industry, including delayed financing, low foreign reserves, Bangladeshi taka depreciation against the US dollar, low government projects and sluggish steel demand," Sanjoy Ghosh, head of supply chain management at BSRM, said during the panel session.

Bangladeshi steel scrap imports fell by 9.7% year on year to 4.68 million tonnes in 2023, due to falling demand from steelmakers struggling with financing. Many mills instead opted to procure larger quantities of lower-cost DRI from India, with imports of the product up by 47.43% in 2023.

Many mills are still running at reduced melting schedules and run rates in the country, which has constrained scrap buying of late, Fastmarkets understands.

But panelists expect warmer sentiment for scrap buying in the country in 2024.

"This year, the general elections are already over and the new government has been formed. They will resume their work on new and existing projects [which will boost sentiment in the country], so I feel 2024 will be better than 2023," Ghosh said.

"[In the third and fourth quarters] we are expecting better sentiment in the steel sector," he added.

"Bangladesh has gone through their elections and infrastructure spend will pick up. I also foresee availability of letters of credit being a little easier, so I forecast a better 2024 than they had last year," Nathani said.

India's proposed met coal consortium to face challenges amid steel ramp-up: sources

By Olivia Zhang - Monday 29 January

India's proposal to form a metallurgical coal purchasing consortium could bring some benefits to domestic steelmakers but could also face challenges, market sources told Fastmarkets.

India — a major coking coal importer — has been considering a state-backed consortium for coking coal imports due to growing demand from its quickly expanding steel sector, sources told Fastmarkets, adding that it is still too early to foresee any material effect.

"The consortium is mainly for sourcing Mongolian and Russian [coking] coal. I expect some support from the consortium when purchasing, but it has not started yet, so it is hard to tell whether it will be effective," an Indian mill source said.

Other than the idea itself, no details about the consortium have been announced by government bodies so far, sources said.

"This plan is still in an initial stage. Details such as the composition of the consortium — whether it is just for public companies, or if private mills will also be involved, and how the consortium will work — are not clear yet," a second Indian mill source said.

"I am waiting to see its development. It will take at least three to four months for any detailed policies to be rolled out; a lot of things will be put on hold [in the meantime] especially due to general elections in India," the second source added.

But a few market sources were doubtful whether the consortium would work out.

"It is half-cooked. It may be due to some new advisers that joined the Commerce and Trade Department [who are trying] to consolidate coal purchases. It looks like [it is] not a sustainable solution," an Indian coking coal end user said.

"If [the consortium is] about buying for private mills, it is going to take a lot of cooperation among mills with very different buying strategies. It won't be easy," an Australia-based coal source said.

India's high reliance on imported coking coal to exacerbate supply tightness
India is the second largest steelmaking country in the world after China, and it is the most active coking coal importer.

India's Ministry of Commerce and Industry has formed a committee to submit recommendations about what needs to be done, and any facilitation will be required by the Ministry, an Indian steel mill representative said earlier this month.

The consortium is in response to India's high reliance on coking coal imports and rising domestic coking coal demand against an expected tightness in global supply, especially for premium hard coking coal (PHCC), Indian coal market sources said.

India's coal consumption in the steelmaking sector was 65.38 million tonnes in 2021-2022, and over 85% of its metallurgical coal was imported, according to data from India's Ministry of Coal.

"All the big mills in India are aggressively expanding steel capacity, which will mainly be based on blast furnaces that consume coking coal, so the establishment of a consortium is to help secure stable supply of the key raw material," an official of a major India steel producer said.

Although India has also been ramping up domestic coal supply — including metallurgical coal — the wash rate of domestic coking coal has been very low due to its high ash content, and costly domestic logistics will make Indian steelmakers keep its reliance on seaborne coking coal, the official added.

India's growing steel and coking coal demand
The Indian government set a target to raise domestic crude steel production capacity to 300 million tonnes per year by 2030 from 154 million tpy at present, in anticipation of rising steel demand due to expected higher domestic GDP growth.

State-owned Steel Authority of India Limited (SAIL) has agreed to reach 35.24 million tpy of steel capacity by 2031.

Earlier in January, ArcelorMittal Nippon Steel (AMNS) announced that it will build the largest steel manufacturing site at its Hazira plant in Gujarat State, with steel capacity expected to reach 24 million tpy by 2029.

Other leading mills in the private sector also announced their respective capacity expansion plans. JSW Steel, Tata Steel and Jindal Steel & Power said they aimed to increase their capacities to 50 million tpy, 40 million tpy and 25 million tpy respectively by 2030.

COKE AND STEEL CAPACITY EXPANSION IN INDIA

Company Name	New Coke Capacity (Mtpa) Planned For FY2024	Total Steel Capacity (Mtpa)		
		Current	FY2024-2025	FY2030
JSW	2.25	27.7	37	50
Tata	1 (to replace old ovens of same capacity)	21.6		40
SAIL	Rebuilding of coke oven batteries in BSP, RSP, DSP & BSL;Installation of new coke oven battery at RSP and ISP	19.5		35.24 (FY2031)
JSPL	2	9.6	15.9	25
AMNS (Hazira)	1.5 (by CY2025)	7.6	8.6	24 (FY2029)
JSL	0.355		3	
Vedanta ESL	-	1.5	3	5 (FY2027)

Source: Company statements and Fastmarkets

"The fast steel capacity expansion in India means more requirement for coking coal, but on the other hand, coking coal supply — especially PHCC supply from Australia — is going to see very limited growth, if there is any chance of growth," an official from a large privately-owned Indian mill said.

"Raw material supply security is a focus of Indian steel mills now. Many mills may consider increasing volumes of long-term supply," the official added.

Growing demand against limited supply forebodes that PHCC prices may increase.

"[Prices] beyond $300 per tonne FOB might be a new normal," the official said.

Fastmarkets' index of premium hard coking coal, fob DBCT averaged $333.96 per wet tonne in January (as of Monday January 29), up from a yearly average of $295.97 per wmt in 2023.

How is China's iron ore import consortium helping Chinese mills?
Like India and its reliance on imported coking coal, China steelmakers rely heavily on imported iron ore — one of the main steelmaking raw materials.

A similar purchasing consortium — China Mineral Resources Group (CMRG) — was formed in 2022 to function as the central buying arm for major state-affiliated Chinese mills to negotiate long-term cargo contracts.

CMRG has engaged in long-term contract negotiations on behalf of over 30 Chinese producers, according to a Singapore-based iron ore analyst.

"It has been helpful in securing more contractual volumes as well as enabling more flexibility in setting up laycans," the analyst said.

Some small and middle-sized mills who previously could not secure contractual volumes now are able to get some volumes via CMRG, the analyst added.

And because CMRG's procurement involves a large volume of iron ore products, "some discounts may be offered to some non-mainstream kinds of iron ore," the analyst said.

Shifts needed in US scrap market amid green steel push: panelists

By Geoff Mattson - Monday 29 January

A greater portion of scrap metal produced in the United States will need to be retained domestically in order to meet escalating demand for prime grade material, which has been exacerbated by the drive for low-emission steel, according to speakers at Fastmarkets' Scrap & Steel North America 2024 conference.

"As we see more companies converting to EAF [electric-arc furnace] production in the steel industry, there's going to be greater demand for steel scrap," Oscar Gonzalez, controller at Exim Inc, told attendees.

This increased demand necessitates retaining more of the 13 million to 14 million tons of scrap traditionally exported from the US each year, several speakers said during presentations at the event.

For example, the scarcity of busheling, which is essential for industries such as automotive and appliances, is a critical issue due to its limited availability during high demand periods.

Noah Hanners, Nucor's executive vice president of raw materials, told attendees that while the company is developing technologies to upgrade lower-quality scrap, Nucor also anticipates a growing need to retain US scrap domestically. Indeed, the advancement of those technologies will likely increase the need to keep additional grades of scrap — beyond No1 busheling — in the US, he said.

Hanners also noted that Nucor prefers using direct-reduced iron (DRI) — instead of hot-briquetted iron (HBI) and pig iron — to improve the iron content in lower grades of scrap, due to its relatively low CO2 emissions and favorable iron content.

"Countries around the world are reacting by imposing restrictions on scrap exports, and the US government has the legal tool to control the export of recyclable metallic, which would include scrap," Chris Weld, partner at Wiley Rein LLP, said.

EAF output is projected to continue to rise in the next three to four years in both the US and Mexico, supporting scrap demand and prices.

Speakers and delegates at the conference also broadly agreed that Mexican shredded scrap prices are likely to remain elevated relative to other grades, with consumers focusing heavily on using shredded scrap. In the mid-to-long term, improving economic conditions and rising EAF output should bolster scrap prices across the US and Mexico, sources said, citing expectations of price increases in the second half of 2024 and in 2025.

'Gambling' persists in European ferro-molybdenum market: sources

By Claire Patel-Campbell - Monday 29 January

Ferro-molybdenum prices rose in Europe in the week ended January 26, although sources suggested the heat may already have left the market again, with participants continuing to describe conditions as "like a casino."

Fastmarkets' twice-weekly price assessment for ferro-molybdenum 65% Mo min, in-whs Rotterdam was $46-47.45 per kg Mo on January 26, up by 1.15% from $45.50-46.90 per kg Mo on January 24.

Market participants reported that recent moves had been driven by intertrades with little end-user buying interest, which may have contributed to volatility.

"It's not driven by any fundamentals. The market has become quite weird; it's like a casino, but with gambling, in the long run, no one can [carry on]," a trader told Fastmarkets.

"With ferro-molybdenum in Europe, you have to be a gambler," a second trader said. "End-user behavior supports this casino unintentionally, [because] they buy from the cheapest seller… [but I do not know] how easy it is for conventional steel companies to play the lottery or try to operate in these casino conditions."

"It gave us a bit more hope on Wednesday morning that there was more action. We saw some restocking from traders, and we saw prices going up… but by Wednesday afternoon, it was gone," the second trader added.

Meanwhile, a distributor said that some consumers had begun entering the spot market only to buy small and specific tonnages, rather than picking up material to keep in stock.

"It was really noticeable — people were coming in not to say they would take a truck but that they needed [a specific smaller tonnage]. It was very specific and just for that order. I've seen it a couple of times," the distributor said.

But availability of ferro-molybdenum in Europe had diminished, the distributor added, with concerns over supply from Armenia and supply from Asia potentially dwindling due to the Red Sea shipping crisis, which could provide some price support in the short term.

"Prices [have] slowly [increased]. There's a lot less spot material in the market," the distributor said. "Some people are slowly starting to realize something has changed."

Fastmarkets' price assessment for molybdenum MB drummed molybdic oxide Mo, in-whs Busan was $19.40-19.80 per lb on January 26, narrowing upward from $19.30-19.80 per lb on January 24.

And Fastmarkets' price assessment for molybdenum drummed molybdic oxide 57% Mo min, in-whs Rotterdam was $19.30-19.60 per lb Mo on January 26, narrowing downward from $19.30-19.80 per lb on January 24.

"Ferro-molybdenum is still undervalued compared with oxide. [I think] oxide has to go lower, or ferro-molybdenum has to recover," the second trader said.

Indian steelmakers invest in renewable energy but green steel premiums remain elusive: MRAI 2024

By Lee Allen - Monday 29 January

Moves toward the establishment of green steel premiums in the Indian local market were developing very slowly, despite increasing investment in green power by mills in the country, panelists said at the Materials Recycling Association of India (MRAI) international conference.

The conference was held in Kolkata on January 23-25.

Although a handful of Indian steelmakers have started to produce low-carbon steels, the price-sensitive nature of the domestic market meant that consumers in the country, such as original equipment manufacturers (OEMs), were not yet ready to pay any defined green or low-carbon premium, Fastmarkets heard at the event.

"India is a very price-sensitive market," Nitin Gupta, chief executive officer and director of Indian alloy steelmaker RL Steels & Energy, said. "There are one or two steelmakers producing green steel, but they are not getting any green premium for it whereas, in Europe and [North] America, green steel is being sold at a premium."

Fastmarkets' weekly assessment of the green steel, domestic, flat-rolled, differential to HRC index, exw Northern Europe, was €150-250 ($163-271) per tonne on January 25.

"The problem is that OEMs in India are still not ready for that premium - they are still exploring this opportunity," Gupta said. "One or two OEMs are in very advanced stages of discussions about buying green steel. The rest of them are exploring [it], and what they can do with it."

One way to speed-up the development of a green steel premium, Gupta said, would be for the government of India to set the tone by announcing that it will pay higher prices for materials such as construction steels in major infrastructure projects.

Role for carbon trading

Some of the steelmakers in Europe and North America that were getting premiums for green or low-carbon steel were not necessarily making a green steel product, Gupta added, but they were able to get higher prices for their material because they were buying carbon credits to offset emissions from the production at their factories.

One chance for Indian green steel premiums to flourish could therefore be the imposition of carbon credit trading in the country, Gupta said. "If trading of carbon credits can happen in India, it will help the steelmakers in a big way," he said.

Indian authorities have announced plans for a carbon credit trading scheme (CCTS), but it was not known whether secondary producers of steel and aluminium would be able to participate, Dhawal Shah, partner at Metco Ventures LLP, said at the MRAI conference.

Such offsetting activity was frowned upon by some buyers, who have specifically said that they would not accept a requirement to pay a green steel premium for such cargoes, Fastmarkets understands.

The practise was not considered to be workable for green steel, which was only produced via the lower-pollution electric-arc furnace (EAF) route under the specifications used in Fastmarkets' methodology.

But "low-carbon" steel, under Fastmarkets' specifications, can be produced using the blast furnace (BF)-basic oxygen furnace (BOF) method of steelmaking. On January 25, Fastmarkets launched two reduced-carbon emissions steel prices for the European domestic market.

Green energy investment
To reduce carbon emissions and prepare for regulatory changes such as the EU's Carbon Border Adjustment Mechanism (CBAM), some Indian steelmakers have been investing in green energy.

Such changes will be vital in the coming years due to the crucial position of India as a supplier of steel to Europe, particularly flat steels such as hot-rolled coil (HRC).

EU countries imported 2.36 million tonnes of Indian steel in the first nine months of 2023, almost outstripping the full-year total of 2.47 million tonnes in 2022, according to statistics from regional steel association Eurofer.

The CBAM came into effect in 2023 in a transitional phase but, from January 1, 2026, the permanent system will come into force. Importers will then be required to declare the quantity of goods imported into the EU each year and their embedded greenhouse gas emissions.

Major Gujarat-based steelmaker Mono Steel was aiming to have 55-60% of its electricity generated through green methods in the next few years, company director Keyur Shah said at the MRAI event.

"We have [been using] green energy and made investments. Already, we have installed solar power [capacity for] 18MW and windmills for 6MW," Shah said.

"One of the best ways to reduce carbon emissions is more and more use of scrap,"Gupta said. "We [are stopping the] use of fossil fuels such as furnace oil, and use alternatives. We are also investing heavily in solar energy. This will help us to move toward green steel. We are major exporters to Europe [so], with CBAM, we have a tight target."

Major primary Indian steelmakers have also been investing in plants to produce green energy on their factory plots, as a way to offset the carbon being emitted by the mills, Dhawal Shah said at the event.

In Bangladesh, although there were no blast furnaces and the existing electric-arc furnace and induction furnaces in the country mostly run on 90-95% scrap feedstock, mills were eager to use scrap and to reduce their consumption of direct-reduced iron (DRI) as much as possible, according to Sanjoy Ghosh, head of supply chain management at major Bangladeshi steel producer BSRM.

But despite the general desire to reduce carbon emissions in the Indian and Bangladeshi markets, mills have in recent months increasingly turned away from scrap in favor of using more DRI, because of a growing scrap-DRI premium.

Furthermore, despite the efforts of some existing steelmakers to decarbonize their production processes, total carbon emissions by India's steel industry were expected to rise sharply over the next few years amid a major increase in the country's coal-based steelmaking capacity.

"India's steel decarbonization plans emphasize greater efficiency and renewable energy, with little mention of any shift away from BF-BOF technologies," the environmental NGO Global Energy Monitor (GEM) said in a 2023 report.

India has become the world's largest developer of new coal-based BF-BOF capacity, according to GEM, holding 40% of such capacity under development in the world, while China is responsible for 39%.

US aluminium premium stable on the first day of the week

By Yasemin Esmen - Monday 29 January

The US aluminium P1020 premium started the week unchanged from a week earlier, marking its fifth consecutive day at the same level.

Fastmarkets assessed the aluminium P1020A premium, ddp Midwest US at 18.50-19.25 cents per lb on Monday January 29, stable since January 22.

An assessment was received at 18.25-19.00 cents per lb, a second at 19 cents per lb, and a third at 21-22 cents per lb.

A sale was reported at 18.55 cents per lb.

The closure of the Magnitude 7 Metals LLC aluminium smelter in Missouri has not affected the premium just yet, sources said on the first trading day of the week.

A trader said he was not surprised by the closure, adding that while he expected it to affect the premium, the impact has not materialized yet.

Currently, you "have to take it with a grain of salt," he said of the extent of the impact.

A second trader said that, "with CME swaps around 23 [cents per lb] for the second half [of the year]," he was not incentivized to sell at a lower level.

The first trader, on the other hand, said that 23 cents per lb "seems aggressive."

The premium level has more to do with a transaction's details, such as volume and paid terms, he said, indicating that a transaction at 23 cents per lb "could be real or [for] a one-off customer" but was not reflective of the market.

The aluminium cash/three-month spread on the London Metal Exchange was trading at a $37.75-per-tonne contango at the time of assessment on Monday, compared with a $37-per-tonne contango on Friday.

Barite market wary of freight, supply concerns

By Alexander Cook - Monday 29 January

Global barite prices have shown some movement this month, with supply concerns and freight complications affecting the market at the beginning of the year, Fastmarkets heard on Monday January 29.

The continuing geopolitical issues in the Red Sea have caused freight prices to increase rapidly, with barite shipping routes being affected, particularly in the Middle East.

Some exporters of Moroccan barite have been reported as trying to use containers instead of traditional bulk freight, in documents seen by Fastmarkets.

"Freight prices for Morocco to the Middle East have jumped by $50-60 per tonne, back to 2022 levels, while [the cost of] bulk freight is up by 20-25%. It's chaos trying to get any volume at the moment," one market participant said.

Fastmarkets' monthly price assessment for barite, API, SG 4.2, unground lump, bulk, fob Morocco, was $115-122 per tonne on January 25, unchanged since September 28 last year.

Other market participants in Europe and the US expressed minor concern about the freight issues and said that they had not considered containers to be an option for freight.

"We've not seen a big effect on barite from the Red Sea situation - maybe some delays to shipments, but that's all," a second market participant said.

"I see Moroccan exports [to the US] mostly [being] unaffected, due to their geographical location," a third market participant said, "but [the costs for] Indian exports to the US are higher due to rising insurance premiums and longer voyage times."

The difficulty faced by exporters in India when sourcing 4.2 grade barite has added to other issues felt by some in the market.

"There are challenges in sourcing 4.2 grade [barite] for nearby contracted shipments," one buyer said. "I believe the issue goes all the way back to the mine. I've had an order split into two deliveries because there wasn't enough supply ready at the port."

Barite in India is mainly produced by state-owned Andhra Pradesh Mineral Development Corp (APMDC). Market sources have indicated that imminent elections in the state of Andhra Pradesh have affected operations at the mining company.

The elections were scheduled to be held before May 2024.

Fastmarkets' monthly price assessment for barite, API, SG 4.2, unground lump, bulk, fob Chennai, was $120-129 per tonne on January 25, unchanged since July 27 last year.

Fastmarkets has heard that buyers of 4.2 grade material have been advised to consider the use of 4.1 grade material in oil-drilling operations instead, due to the better availability of that grade and the marginal quality difference.

Fastmarkets' monthly price assessment for barite, drilling grade, unground lump, API, bulk, SG 4.10, fob Chennai, was $105-110 per tonne on January 25, narrowing upward from $100-110 per tonne previously.

Asia deep-sea steel scrap bookings increase in December amid Red Sea issues

By Lee Allen, Aameer Sayed - Monday 29 January

Bookings of deep-sea imports of steel scrap into Asia increased on both a monthly and a yearly basis in December 2023, with market participants estimating a total volume around 195,000 tonnes for the month, Fastmarkets was told.

Traded volumes in December rose from an estimated 118,000 tonnes in November, although bookings fell from a calculated 317,000 tonnes in October.

The volumes were also up from the 158,000 tonnes one year before, in December 2022.

Bulk cargo transactions increased in December, primarily to replenish stocks amid surging prices in Turkey. The effect of the Red Sea shipping crisis, which started in early December, also threatened the security of scrap supply in containers, sources said.

Three deep-sea bookings from the US West Coast were made in Bangladesh, each of which was heard to comprise HMS 1&2 (80:20) at $432 per tonne CFR and shredded at $437 per tonne CFR. The first deal was heard done on December 6, with the others heard later.

Meanwhile, a Bangladeshi mill also booked a bulk vessel from Japan during the month, comprising H2 and heavy scrap (HS) at $425 per tonne and $435 per tonne CFR respectively.

A deep-sea vessel was also booked from New Zealand, believed to have been in the third week of December, comprising HMS 1&2 (80:20) at $410 per tonne and bonus at $425 per tonne CFR.

"One of the major reasons for the uptick in December bookings in Bangladesh was the sudden increase in deep-sea offers following consecutive bookings made by Turkey," a Bangladeshi trading source said.

"Bangladeshi mills expected [at the time] that prices would [rise] further, so many mills made bookings in December," he added.

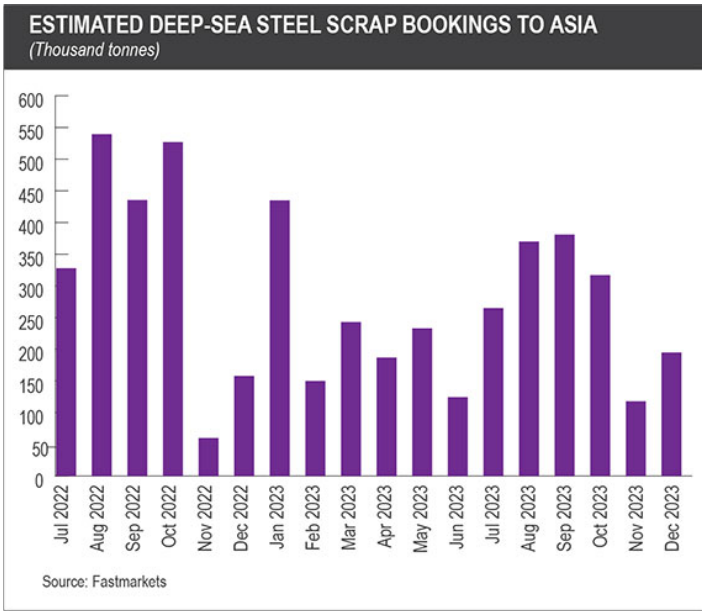
Buying was lower in India in December, with high stock levels in the country. Only one booking, for 32,000 tonnes, was heard to have been made from the US West Coast to India, comprising HMS 1&2 (80:20) at $440 per tonne CFR.

A Malaysian steelmaker was also heard to have booked a vessel from the US West Coast during the month, according to market sources, comprising HMS 1&2 (80:20) at $420 per tonne CFR.

DETAILS OF DEEP-SEA BULK CARGO DEALS HEARD DONE TO ASIA, ACCORDING TO MARKET PARTICIPANTS

Deal reported date	Seller region	Buyer region	Reported estimated total volume (tonnes)	Reported HMS 1&2 (80:20) price	Reported shredded price	Reported P&S/ bonus price
1-6 Dec-23	Japan	Bangladesh	15,000	$425 (H2)		$425 (HS)
06-Dec-23	US West Coast	Bangladesh	32,000	$423	$427	
07-Dec-23	US West Coast	India	32,000	$440	$450	
6-13 Dec-23	US West Coast	Bangladesh	32,000	$423	$427	
6-13 Dec-23	US West Coast	Bangladesh	32,000	$423	$427	
12-Dec-23	US West Coast	Malaysia	32,000	$420		
18-22 Dec-23	New Zealand	Bangladesh	20,000	$410		$425

Source: Fastmarkets



Asian coking coal prices drop on resale offers after cyclone passes

By Paul Lim, Olivia Zhang, Bella Cheng - Monday 29 January

Australian coking coal prices declined on Monday January 29 due to the offer prices on material for resale and to wait-and-see sentiment among buyers while Cyclone Kirrily passed over the coal-mining region of the state of Queensland.

Key drivers
Three cargoes of Australian premium hard coking coal (PHCC) were heard offered in the market on Monday, with all of them being re-sale cargoes from steel producers.

An international steelmaker was offering a Panamax-sized cargo of Peak Downs premium low-volatility (PLV) hard coking coal (HCC) with end-February/early-March laycan at $329 per tonne FOB Australia.

A cargo of 80,000 tonnes of Glencore low-volatility (GLV) PLV HCC with similar laycan was heard offered at $328 per tonne FOB by a trader, although this cargo was originally bought by a Chinese steel producer, market sources said.

In the meantime, another international steel mill was heard intending to offer Goonyella C and Caval Ridge premium mid-volatility (PMV) hard coking coal (HCC) with mid-March laycan.

Most traders agreed that the open offers were putting downward pressure on spot prices and damping any increases, even though the cargoes on offer would not be easily used by many steelmakers and cokeries.

Bids on the globalCOAL trading screen increased to $310 per tonne FOB Australia with March 1-10 laycan by the end of the trading window.

Buyers were in a steady wait-and-see mood on Monday, waiting for prices to make further downward corrections with the cyclone weakening and because of the resale offers from end-users.

"Because the cyclone [has been downgraded], the market is taking more bearish views on the price trend," a Southeast Asia-based end-user said.

Ports in Queensland were back to normal operations with the cyclone "mostly behind us now," an Australia-based coal source said.

"Indian demand will remain healthy. Buyers may buy small parcels due to the current steel prices," an Indian end-user said.

Several Indian end-users may have demand for a half-cargo of PHCC, but they are not in urgent need of restocking, so it will take time for such demand to turn up in the market, an international trader source said.

But some market sources said that the long queueing time at Australian ports after the cyclone may provide support to prices.

"Vessel waiting time at several ports can be as long as one month," a coal trader said. "This will make earlier-laycan cargoes attractive to some buyers, and these cargoes will also enjoy some premiums."

The Chinese coking coal market remained stable on Monday.

Some miners in the cities of Linfen and Jinzhong in Shanxi province in Northern China started their Lunar New Year holidays last week, and many other miners are starting them this week, according to a nearby trader source.

"The replenishment of coking coal by cokeries is close to complete, so the domestic coking coal market will be stable in the near term," a domestic coking coal trader in Northern China told Fastmarkets.

The coking coal CFR China market was still muted on Monday.

Indonesian coke was heard offered at $350 per tonne FOB Indonesia this week, unchanged from last week.

In the Chinese pulverised coal injection (PCI) market, an offer was heard on Monday, with a cargo of 15,000 tonnes of Russian low-volatility PCI new mining with early-February laycan offered at $137 per tonne CFR China.

Fastmarkets' indices
Premium hard coking coal, fob DBCT: $328.23 per tonne, down by $6.05 per tonne

Premium hard coking coal, cfr Jingtang: $326.96 per tonne, down by $0.09 per tonne

Hard coking coal, fob DBCT: $277.67 per tonne, down by $5.33 per tonne

Hard coking coal, cfr Jingtang: $280.14 per tonne, up by $0.02 per tonne

PCI low-vol, cfr Jingtang: $143.29 per tonne, down by $0.10 per tonne.

Pricing rationale
Fastmarkets' index for Premium hard coking coal, FOB DBCT, fell on Monday by $6.05 per tonne from the previous day. The price movement was based on the visible market activity detailed below, which was included in the index calculation according to the published methodology. Any data received under Data Submitter Agreements or subject to a confidentiality request will not be published. For the calculation of the PHCC index, judgement was applied to carry over data in Monday's index due to low liquidity in the 24-hour pricing window, corresponding with published fallback measures.

Trades/offers/bids heard in the market
Spot market, 78,000 tonnes (+/-10%) of Peak Downs/BMA premium low-volatility hard coking coal, offered at $329 per tonne FOB Australia, laycan February 21-March 1.

Spot market, 80,000 tonnes of GLV premium low-volatility hard coking coal, offered at $328 per tonne FOB Australia, laycan February 28-March 8.

GlobalCOAL, 75,000 tonnes of HCCA Branded premium mid-volatility hard coking coal, bid at $310 per tonne FOB Australia, laycan March 1-10.

Market participants' indications
Fastmarkets' index for premium hard coking coal, FOB DBCT

Peak Downs coking coal: $326.00 per wmt
Saraji coking coal: $326.00 per wmt
Goonyella coking coal: $329.00-330.00 per wmt
Illawarra coking coal: $330.00 per wmt
Goonyella C coking coal: $326.00-334.00 per wmt
Caval Ridge coking coal: $329.00-334.00 per wmt.

Dalian Commodity Exchange
The most-traded May coking coal futures contract on the exchange closed at 1,780.00 ($248) yuan per tonne on Monday, up by 1.50 yuan per tonne from 1,778.50 yuan per tonne on Friday.

The most-traded May coke futures contract on the exchange closed at 2,444.00 yuan per tonne on Monday, down by 15.50 yuan per tonne from 2,459.50 yuan per tonne on Friday.

US ferrous scrap market mixed over winter weather, stalled HRC momentum

By Lisa Gordon - Monday 29 January

Shredder feed prices in the United States have mostly held steady ahead of February's domestic ferrous scrap trade, with sources mixed on what the new month will bring.

Weather disruptions, stagnant hot-rolled coil prices and regional price disparities creating a gap between Midwest versus southern No1 busheling prices are among the unknowns sources said have been emerging.

There is a growing conviction among buyers that the hot-rolled coil price has peaked; now, the big question is how far and how fast it could eventually move lower.

Fastmarkets' daily steel hot-rolled coil index, fob mill US Midwest was calculated at $52.47 per hundredweight ($1,049.40 per short ton) on Friday January 26; the index has held in a range of $52-55 per cwt ($1,040-$1,100 per short ton) since December 11.

Some sources suggested the Midwest prime price needs to correct.

"I think the South could be sideways across the board. However, shredded and prime in the Midwest needs to correct to get more in line with the rest of the country," a southern recycler said.

At $510 per gross ton, the price for No1 busheling, delivered mill Chicago is $25 per gross ton higher than the $485 per gross ton price in Arkansas-Tennessee.

A seller into Detroit said that the market remains up in the air.

"There is no plate and structural scrap and not enough shredded. When you can't get enough plate and structural and shredded, you have to use more busheling," the seller into Detroit said.

Inclement winter weather disrupted scrap shipments for an entire week in some areas, leading a Midwest source to wonder whether mills will issue end-of-month cancellation notices, which could be a sign of February's market direction.

"Mills may cancel prime, but they won't cancel shredded, because too many days were lost due to weather. We will not finish our orders on time," a Midwest recycler said.

Mills typically cancel on the last day of the month, which this month is Wednesday January 31.

"The price of shredded seems lofty, but shredder flow is not coming in and we lost a week of production due to weather. Prime will slip a little bit because the other districts are lower [priced], but there is no chance for a freefall," a seller into Chicago said.

A second seller into Chicago said his mill agent has suggested shredded will be sideways and prime will drop in price.

"I think [secondary grades] could go sideways and not down, because flow into the mill hasn't been that great," an Ohio Valley mill buyer said.

The weather remains an issue, according to an Ohio Valley recycler

"Even with weather improved, it will still be a long February because the mud will replace the snow," the Ohio Valley recycler said, adding that he thinks "prime will go down because it will be a peril to dealers if they are stubborn [and refuse to sell down] because they are holding out for a price they will never achieve."

On the secondary side, the mills are not forced to compete with international steel producers, with only three scrap cargoes booked out of the US so far in January.

Following last week's decline, shredder feed prices in the Midwest and Ohio Valley remained stable this week; meanwhile, Southeast shredder prices experienced a modest increase, recovering from a six-week low observed the week prior.

Fastmarkets assessed the price for steel scrap shredder feed, fob Ohio Valley at $229.85 per gross ton on Monday January 29, unchanged from January 22.

The price for steel scrap shredder feed, fob Midwest was assessed at $215.84 per gross, unchanged from the week prior.

Fastmarkets' price assessment for steel scrap shredder feed, fob Southeast increased by 0.89% to $173.11 per gross ton from $171.58 per gross ton.

Elkem restarts one furnace closed by December fire

By Solomon Cefai - Monday 29 January

Elkem is restarting one of the three furnace at its silicon plant in Salten, Norway, that were shuttered after a fire in early December, the company said on Monday January 29.

The furnace will be restarted on January 29 and production will gradually be ramped up, the company said in the announcement.

The company added that production will remain halted at the two other furnaces "until further notice."

"Unfortunately, the system for mixing and transportation of raw materials to two of our furnaces require more restoration, and we are in the process to prepare for this work," Ove Sørdahl, plant manager for Elkem Salten, said.

Output was suspended at the silicon and silica fume production plant on December 10, 2023, following a fire that reportedly started in a building housing raw materials.

The Salten plant has a production capacity of 128,000 tonnes per year, of which silicon metal capacity is 80,000 tpy.

Fastmarkets' assessed price for silicon grade 4-4-1 99% Si min, in-whs Rotterdam was stable week on week at €2,600-2,800 ($2,821-3,038) per tonne on January 26.

Shortly after the Elkem fire, a series of attacks on the Red Sea shipping lane by Houthi rebels based in Yemen caused major freight companies to suspend shipping through the route. Fears of a possible subsequent supply shortage helped silicon prices rise significantly during December.

On December 1, the price for silicon grade 4-4-1 99% Si min, in-whs Rotterdam was €2,300-2,450 per tonne. In the last pricing session of the month, this price had risen to €2,600-3000 per tonne.

However, the price impact was offset by overall low demand for silicon in Europe.

Ferro-vanadium prices dip in Europe on destocking, low buying interest

By Claire Patel-Campbell - Monday 29 January

Ferro-vanadium prices dropped in Europe on Friday January 26, with reports that some sellers were looking to destock amid reluctance on the buy side to continue accepting higher levels.

Fastmarkets' twice weekly price assessment for ferro-vanadium basis 78% V min, 1st grade, ddp Western Europe was at $26.73-28.15 per kg V on Friday, down by 27-85 cents compared with $27-29 per kg V on Wednesday.

"It's [been] quickly coming off," one trader told Fastmarkets. "We were unable to sell at the higher numbers… even slightly above [the low end of the range]; there's no one buying."

A second trader said there had been an overall lack of end-user buying interest in recent days, contributing to a subdued spot market.

"There's not much consumer demand; we didn't get many inquiries. We have dropped off quite a bit in the last two weeks," the second trader said.

But they added that there was still some resistance on the sell-side to let material go more cheaply while the market awaited clarity on activity in China – a key bellwether for the European market.

"[I think] it's stopped dropping due to the fact that a lot of Chinese vanadium pentoxide players were liquidating stock before the Lunar New Year and that's done now. I don't expect them to drop much further until we go into the holidays," the second trader said.

"It remains to be seen what the effect is in Europe, but so far, I haven't seen any cheap Asian units in Europe. I haven't come across any [ferro-vanadium] units at [lower prices]. I don't know who's selling that cheap," they added.

One distributor said there had been some expectation of support for the vanadium market in light of the latest financial stimulus package announced in China, but this has not been reflected in the spot market.

"It's unfortunate; the price is coming down. Even in China, people are happier as there's some new money coming in from the government, [but] it doesn't seem to have any traction," the distributor said.

Meanwhile, European vanadium pentoxide prices edged lower amid signs of growing weakness, although the spot market lacked activity during the week.

Fastmarkets' weekly price assessment for vanadium pentoxide 98% V_2O_5 min, in-whs Rotterdam widened downward by 20 cents to $5.80-7.25 per lb V_2O_5 on Friday, compared with $6.00-7.25 per lb V_2O_5 the previous week.

Base metals

Copper smelters feel the pain as TCs/RCs plummet: Hotter Commodities

By Andrea Hotter - Monday 29 January

The copper concentrate market was already tight, but the addition of major new smelting capacity this year — starting with the expansion of Freeport's Gresik smelter in Indonesia — will likely mean maintenance breaks, capacity curtailments and potentially even closures while operating costs start to become untenable, Fastmarkets understands.

The tightness in the concentrate market has been reflected in treatment and refining charges (TCs/RCs), which are approaching all-time lows set in April 2021.

Fastmarkets calculated the copper concentrates TC index, cif Asia Pacific and the copper concentrates RC index, cif Asia Pacific at $22.70 per tonne and 2.70 cents per lb respectively in the week ending January 26, both down by 52.9% from January 5.

TCs are the fees mining companies pay smelters to have their semi-processed ore, or concentrate, turned into finished metal. Typically, tighter spot supply leads to a drop in spot TCs and RCs.

The current tightness in the concentrate market became more noticeable when First Quantum was ordered to suspend production at its 350,000 tonne per year Cobre Panama mine due to a ruling by the Supreme Court of Panama.

This was followed by lower copper mine production guidance for 2024 by companies including Anglo American, Vale and Southern Copper. Fastmarkets analysts forecast 2024 copper mine production to total around 324,000 tonnes.

The market had already been dealing with lower-than-expected output in 2023 from Teck Resources due to challenges ramping up its QB2 operation and a geotechnical fault at Highland Valley Copper.

According to Fastmarkets analyst Andrew Cole, the copper concentrate market balance will show a deficit of around 300,000 tonnes this year — a significant turnabout from a projected surplus of similar magnitude that Fastmarkets forecast just three months ago.

Smelting growth

In any given year, copper market participants usually expect some disruptions to mine production, and more are likely in 2024 due to factors including protests and industrial action, bad weather and poor ore grades, sources told Fastmarkets.

But a rapid increase in smelting capacity is expected in the coming months while new projects are commissioned, which should exacerbate an already existing struggle to secure concentrate, sources said.

New projects include Freeport-McMoRan's Manyar smelter in Gresik, Indonesia, which will have the capacity to process around 1.7 million tpy of copper concentrate when it ramps up this year.

Freeport-McMoRan has also expanded capacity at its existing Gresik smelter by 30%, taking processing capacity to 1.3 million tpy of copper concentrate.

The company currently has concentrate to sell from its Indonesian mining operations, but this will change when the Manyar smelter is up and running, Freeport president Kathleen Quirk said during an earnings call last week.

"Once we get the smelter in Indonesia up and running, we still have concentrate from Cerro Verde [in Peru] that we sell, but everything from Indonesia will really just be processed at our own smelters," Quirk said in the call.

Meanwhile, major additional smelting capacity is scheduled for this year in India, the Democratic Republic of Congo (DRC) and Indonesia.

India's Adani Enterprises is pushing ahead with plans to start the first phase of operations at its 500,000 tpy copper facility this year, while Ivanhoe Mines and Zijin Mining Group will complete a 500,000 tpy direct-to-blister copper smelter at Kamoa-Kakula in the DRC.

A unit of PT Amman Mineral International is building a smelter at the Batu Hijau mine in Indonesia, a project the company says will be completed in May, with commissioning and ramp-up to follow. The smelter will have the capacity to process 900,000 tpy of copper concentrate from the company's Batu Hijau and future Elang mines.

And mega smelting capacity is growing in China, which could add at least 3.4 million tpy of new copper production capacity by 2026.

The lion's share of this capacity will come from three projects by Tongling Nonferrous, which will make it the biggest smelting company in the world at over 2 million tpy.

All of these new smelter projects will either use concentrate from their own mines as feedstock — diverting supplies from existing customers — or source raw materials from an overcrowded spot market, sources told Fastmarkets.

One tonne of new smelting capacity requires roughly four tonnes of concentrate, leading smelters to lock in supplies of concentrate, which puts downward pressure on spot TCs/RCs, Fastmarkets understands.

China's response
Every year, members of the Copper Smelters Purchase Team (CSPT) — China's major copper smelting alliance — negotiate annual TCs/RCs with major miners, which are typically then followed by the rest of the market in settling contracts for the following year.

Last week, the CSPT held an emergency meeting and set a buying guidance of $50 per tonne/5 cents per lb for spot copper concentrate TCs/RCs for the first quarter of 2024.

But in December, the CSPT had set a buying guidance of $80 per tonne/8 cents per lb for the first quarter — the same level that Chinese smelters and copper miners Antofagasta and Freeport agreed to for their 2024 contracts. This was already down by almost 16% from the CSPT's guidance of $95 per tonne/9.5 cents per lb for the fourth quarter of 2023.

During the meeting last week, the CSPT discussed the possibility that smelters bring forward scheduled downtime for maintenance and production cuts, although no decision was reached. Some Chinese smelters have already chosen to run at reduced operating rates.

About 20-40% of Chinese smelters buy concentrate on a spot basis, according to sources at major copper miners.

Some market observers said that TCs/RCs have already overshot on the downside.

If smelters act to reduce capacity or take earlier-than-planned maintenance breaks, it will help alleviate some of the pressure on concentrate supply, especially with the Lunar New Year holiday approaching.

But, according to Fastmarkets' Cole, TCs/RCs tend to reach yearly lows around April, and El Nino weather events could cause further mine disruptions in the first quarter of 2024.

Therefore, even if TCs/RCs stabilize now, another dip — potentially to fresh lows — is possible in the next few months, Cole added.

SHFE base metal prices mostly rangebound; nickel down 0.89%

By Dylan Duan - Monday 29 January

Most base metals prices on the Shanghai Futures Exchange were in rangebound territory during morning trading on Monday January 29, with market participants looking for further clues on the direction of prices.

The approaching Chinese Lunar New Year holiday on February 10-16 also increased trading caution.

The most-traded SHFE base metals prices, on a per tonne basis, at 10.30am Shanghai time, compared with the 3pm close on Friday:

- Copper (March): 68,980 yuan ($9,737), up by 0.16%
- Aluminium (March): 19,070 yuan, up by 0.08%
- Zinc (March): 21,415 yuan, up by 0.02%
- Lead (March): 16,280 yuan, up by 0.34%
- Nickel (March): 129,240 yuan, down by 0.89%
- Tin (March): 221,440 yuan, down by 0.12%
  (Prices inclusive of 13% value-added tax)

Nickel was the was the worst performer among the base metals complex, with a 0.89% decline to 129,240 yuan per tonne giving back some of the gains made last week due to oversupply, despite expectations of pre-holiday downstream purchases and support from macro policies in China, Fastmarkets understands.

The People's Bank of China (PBOC) announced a cut of 0.5 percentage points in the required reserve ratio from February 5, which is expected to inject 1 trillion yuan into the market and reigniting some bullishness.

"There's just too much material in the market," a nickel trader in eastern China said. "This fundamental [oversupply] will always limit the scope and duration of any upward [move] in nickel prices."

Nickel stocks in SHFE's warehouse system continued to rise in the week to Friday January 26, leading to weakness in prices. Deliverable nickel stocks were up 1,009 tonnes, or 7.15%, at 15,120 tonnes, according to the SHFE's weekly stock report.

Elsewhere in the complex, there were only marginal price moves, with bullish sentiment easing after after the market priced in PBOC's decision to cut the RRR.

Market participants are now looking to other indications of China's economic health, including the publication of the manufacturing purchasing managers index (PMI)on Wednesday.

Minor metals

Trade log: Cobalt standard grade, in-whs Rotterdam, $/lb

By pricing@fastmarkets.com - Monday 29 January

The Cobalt standard grade, in-whs Rotterdam, $/lb trade log including business, bids and offers reported to Fastmarkets.

Fastmarkets publishes trades logs for its key price assessments and indices to bring more transparency into the markets it covers and the pricing process it applies.

Fastmarkets assessed Cobalt standard grade, in-whs Rotterdam, $/lb at 12.50-14.20 on Monday January 29, 2024.

- Deal at $12.25 for standard volume
- Deal at $13.00 for small volume (discarded due to material brand outside Fastmarkets' specification)
- Deal at $13.90 for standard volume
- Deal at $14.20 for small volume
- Offer at $12.50 for large volume
- Deal heard at $12.35 for large volume
- Prices indicated at $12.50-13.50
- Prices indicated at $12.50-13.50
- Prices indicated at $12.50-14.00
- Prices indicated at $12.50-14.00
- Prices indicated at $12.50-14.00
- Prices indicated at $12.50-14.00
- Prices indicated at $12.80-14.20
- Prices indicated at $13.30-14.25

Any data submitted under a Data Submitter Agreement (DSA) will not be published.

To see all Fastmarkets' pricing methodology and specification documents, go to https://www.fastmarkets.com/about-us/methodology.

Fastmarkets uses its expert judgment to exclude outlying or unrepresentative numbers, and discount or discard prices that it believes may otherwise be questionable and/or unreliable.

Trade log: Cobalt alloy grade, in-whs Rotterdam, $/lb

By pricing@fastmarkets.com - Monday 29 January

The Cobalt alloy grade, in-whs Rotterdam, $/lb trade log including business, bids and offers reported to Fastmarkets.

Fastmarkets publishes trades logs for its key price assessments and indices to bring more transparency into the markets it covers and the pricing process it applies.

Fastmarkets assessed Cobalt alloy grade, in-whs Rotterdam, $/lb at 15.50-16.95 on Monday January 29, 2024.

- Deal at $15.50 for standard volume
- Deal at $16.95 for large volume
- Bid at $16.35
- Offer at $16.75
- Offer at $17.45 for small volume
- Offer at $17.90
- Prices indicated at $15.50-16.50
- Prices indicated at $16.00-17.00
- Prices indicated at $16.00-17.00
- Prices indicated at $16.00-17.50
- Prices indicated at $16.50-17.50

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Ores and alloys

Price spread between higher- and lower-grade manganese ore to China narrows further

By Holly Chant, Tina Tong - Monday 29 January

Prices for higher-grade manganese ore to China softened, while those for lower-grade manganese ore moved up in the week to January 26, with the spread between the two narrowing.

Similarly, the price spread between higher- and lower-grade manganese ore in Chinese port-side markets also reduced in the same period.

Falling port stocks and new reported deals supported price increases of lower-grade materials, and market sentiment improved with a stimulus move announced by China's central bank, according to sources.

Seaborne

The price spread between higher- and lower-grade manganese ore in the seaborne market narrowed, with the higher-grade market moving down slightly and the semi-carbonated market continuing to rise.

Fastmarkets' manganese ore index, 37% Mn, cif Tianjin was calculated at $3.74 per dry metric tonne unit (dmtu) on January 26, up by 3 cents week on week from $3.71 per dmtu.

The lower-grade market has been on an upward trajectory for four consecutive weeks, with the price rising by 21 cents from $3.53 per dmtu on December 29.

Fastmarkets' manganese ore index, 44% Mn, cif Tianjin was calculated at $4.20 per dmtu on January 26, down by 1 cent week on week from $4.21 per dmtu; the index has been on a downward trend for two weeks.

The spread of these two grades of manganese ore was $0.46 per dmtu on January 26, narrowing from $0.64 per dmtu on December 29.

"The quick reduction of semi-carbonated manganese ore port stocks, along with announced production cutbacks by a major South African miner, contributed to the upward trajectory in prices for lower-grade material," a Chinese manganese ore buyer source told Fastmarkets.

"Meanwhile, the availability of higher-grade materials is rising," the buyer source added. "I heard that two big vessels of Gabonese ore will arrive soon."

High supply from Gabon continued to put downward pressure on the market, a mining source said.

"When it comes to Gabonese material, stocks are huge — there's so much in the pipeline that's coming [to China], so I'm still a little bit bearish," the mining source added.

Sentiment improved in the week, after the People's Bank of China (PBOC) — China's central bank — announced on January 24 a decrease by 0.5 percentage points in the required reserve ratio, which will take effect from February 5.

The governor of the PBOC indicated that the move would provide long-term liquidity of 1 trillion yuan ($139.6 billion) to boost China's economy.

But there were still concerns from buyer sources around fluctuations in the yuan's exchange rate, according to a manganese smelter source.

The exchange rate was 7.1132 yuan per dollar on January 19, rising to 7.1834 yuan per dollar on January 23 and falling to 7.0793 yuan per dollar on January 26, according to currency converter website Oanda.com.

"We don't know whether it is the right time to place bookings," the smelter said.

And on the sell side, market participants said they will have to wait and see if stimulus announcements lead to any significant effect on the property sector — and therefore on the steel sector and the manganese supply chain.

Fastmarkets' manganese ore index, 37% Mn, fob Port Elizabeth was calculated at $2.92 per dmtu on January 26, a week-on-week increase of 1 cent from $2.91 per dmtu.

Freight rates between South African to China moved up slightly in the week to January 26, Fastmarkets heard.

Port-side
Port-side manganese ore markets were muted two weeks before the Lunar New Year, with very few deals reported.

Fastmarkets' calculation of the manganese ore port index, base 44% Mn, range 42-48%, fot Tianjin China was 36.10 yuan ($5.10) per dmtu on January 26, unchanged week on week.

Meanwhile, Fastmarkets' lower-grade manganese ore port index, base 37% Mn, range 35-39%, fot Tianjin China was calculated at 32.00 yuan ($4.52) per dmtu on January 26, up by 0.20 yuan week on week from 31.80 yuan per dmtu.

The spread of higher- and lower-grade material was 4.10 yuan on January 26, narrowing from 5.60 yuan on December 29.

"The market is quiet," one smelter source in southern China said. "Big smelters in northern China have almost finished their ore restocking before the Lunar New Year, and only a few southern alloy producers are buying manganese ore at ports."

But sellers raised the price of semi-carbonated manganese ore amid falling stocks, Fastmarkets heard.

Fastmarkets' assessment of manganese ore stocks at Qinzhou and Tianjin ports was in the range of 4.70-5.01 million tonnes on Monday January 29, down week on week from 4.80-5.05 million tonnes, with stocks falling for six weeks in a row.

Stocks of South African manganese ore at Tianjin port were 1,731,360 tonnes on January 26, down by 5.6% week on week, a port source told Fastmarkets.

Don't miss the chance to grow your network and connect with Asia's most influential decision-makers from across the ferroalloys supply chain in Hong Kong at Fastmarkets Ferroalloys Asian Conference 2024 on February 26-28, 2024. Register now

Ferro-tungsten prices tick down in Europe on subdued sentiment

By Claire Patel-Campbell - Monday 29 January

Ferro-tungsten prices edged slightly lower in Europe on January 26 amid generally subdued sentiment, even though the number of spot tenders ticked up during the week, Fastmarkets heard.

Fastmarkets' twice-weekly price assessment for ferro-tungsten basis 75% W, in-whs dup Rotterdam was $38-39.75 per kg W on January 26, narrowing downward from $38-39.90 per kg W on January 24.

"There were many consumer [deals] this week, and all the business that took place went [at lower prices]," a trader told Fastmarkets.

The trader tried to offer on the various tenders during the week, even at slightly reduced prices, but was unsuccessful.

"Everything on [several] different tenders went at [lower prices]," the trader said.

But deals continued to be reported around the top end of the price assessment range.

There may still be some upside for ferro-tungsten prices due to higher input costs, a sell-side source said, adding that they had continued to be active in the spot market to some extent during the week.

"Ferro-tungsten inquiries and transactions [remained] relatively active, and our transaction prices are also [higher] due to the effect of [higher] production costs," the sell-side source said.

While the Lunar New Year holiday approaches in China — which is a key supplier of ferro-tungsten — the availability of road transport would become severely limited, meaning there may be potential for further price upside due to higher costs, the sell-side source said.

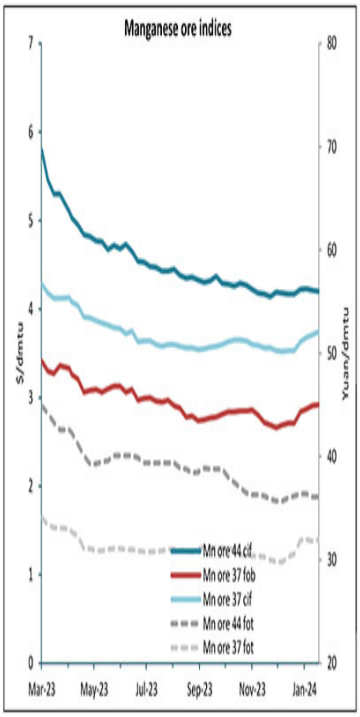
"With drivers returning to their hometowns one after another, most freight truck logistics [companies] will also stop serving, and a small number of operating truck logistics [providers] will be very expensive," the source added.

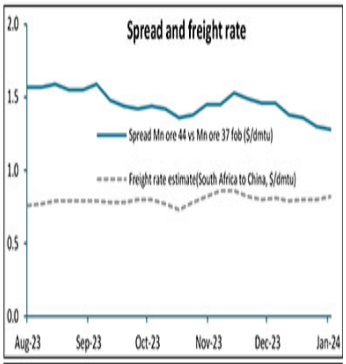
Manganese ore analytics for January 23-29, 2024

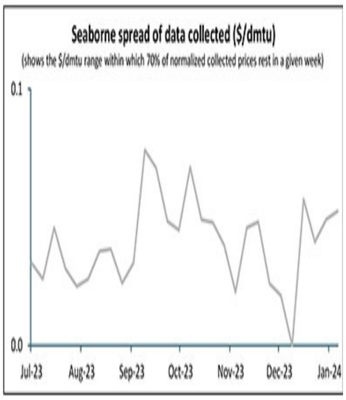
By Holly Chant, Tina Tong - Monday 29 January

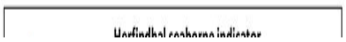
The latest data for the global manganese ore market for the week ended Monday January 29, 2024.

INDICES	Code	Incoterm	Measure	Latest price	Previous price	Weekly change	Monthly average	Previous month	Quarterly average	Previous quarter
Manganese ore 44% cif	MB-MNO-0001	cif Tianjin	$/dmtu (weekly)	4.20	4.21	-0.01	4.22	4.17	4.22	4.22
Manganese ore 37% cif	MB-MNO-0003	cif Tianjin	$/dmtu (weekly)	3.74	3.71	+0.03	3.69	3.53	3.69	3.58
Manganese ore 37% fob	MB-MNO-0002	fob Port Elizabeth	$/dmtu (weekly)	2.92	2.91	+0.01	2.89	2.69	2.89	2.77
Manganese ore 44% fot	MB-MNO-0005	fot Tianjin	yuan/dmtu (weekly)	36.1	36.1	0.0	36.3	35.9	36.3	36.6
Manganese ore 37% fot	MB-MNO-0004	fot Tianjin	yuan/dmtu (weekly)	32.0	31.8	+0.2	31.9	30.1	31.9	30.5





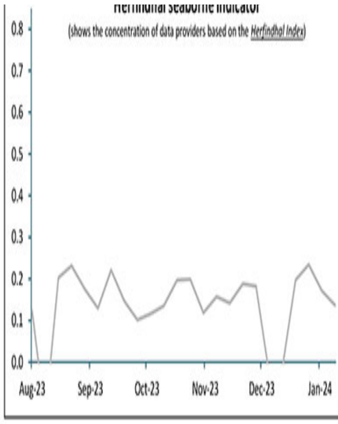




Mn VIUs	This month	Previous month	Last three months	Yearly average
Mn VIU 44% range ($/dmtu)	0.06	-0.32	-0.18	0.06

The Mn VIU measures the relation between % Mn content in the ore and Price in $/dmtu as seen in the market. The VIU is calculated using statistical methods and the large amount of Mn ore prices and data collected by Fastmarkets. The Mn VIU shown is the value implied by the market and not an in-house assessment. Bear in mind that other factors such as company, other chemistries, delivery terms, etc... do affect Manganese ore prices.

Example: A Mn VIU of $0.15/dmtu means that material with 45%Mn content is on average $0.15/dmtu more expensive than 44%Mn content material other things equal.



Tungsten prices boosted by China's RRR cut

By Jessica Long - Monday 29 January

Chinese tungsten prices have responded positively to the People's Bank of China (PBOC) announcement that it will be reducing its reserve requirement ratio (RRR) to stimulate economic growth, sources told Fastmarkets.

On Wednesday January 24, PBOC announced there will be a 0.5 percentage point reduction in the RRR from February 5, with the central bank's governor indicating that the move will boost activity by releasing 1 trillion yuan in long-term liquidity.

Domestic tungsten concentrates and export ferro-tungsten prices pushed up amid tight spot availability and improving market expectations following the announcement, sources said.

"Currently, the China tungsten prices are being boosted by tight upstream availability of raw materials, but overall downstream demand has not witnessed any improvement so far [this year]. But the monetary policy [announcement] on January 24 will obviously send some positive signals to the tungsten market," a China-based tungsten market participant told Fastmarkets.

Fastmarkets' weekly price assessment for tungsten concentrate 65% WO3, in-whs China was 122,500-124,000 yuan ($17,206-17,427) per tonne on January 24, up by 500 yuan per tonne from 122,500-123,500 yuan per tonne a week earlier.

And Fastmarkets' weekly price assessment for ferro-tungsten export, min 75% fob China was at $39-42 per kilogram on January 24,,up by $0.50-1.00 per kg a week earlier.

The 1 trillion yuan boost to long-term liquidity is likely to increase downstream demand for hard alloys from the automotive industry, sources said.

"The automobile industry is mostly likely to be benefit from the easing of the monetary policy," a second China-based tungsten source told Fastmarkets.

According to the data from China Automobile Association, in 2023, China's automobile production was up 9.6% year on year to 26.12 million units, while sales reached 26.06 million vehicles, an increase of 10.6% compared with 2022.

Production of electric vehicles (EVs) in China reached 9.59 million in 2023, up by more than a third (35.8%) compared with 2022, while sales grew even faster, rising by 37.9% year on year to 9.49 million units.

"The eased monetary policies announced on January 24 will contribute to continuously promoting automobile consumption and ensuring stable growth of the auto industry. I think it will further stimulate market vitality and develop consumption potential," the second China-based tungsten source said.

"Potential customers will have more confidence and [will be] more willing to purchase cars. And China's automobile market is likely to maintain its steady and promising development momentum next year," a third China-based tungsten source told Fastmarkets.

The boost to long-term liquidity will provide easier access to finance and allow companies to explore other new business opportunities, sources said.

"The recent monetary policies mean that financial institutions in China will have more money to loan [to] businesses across the country, which, to some extent, will boost our confidence to scale up production if needed," a fourth China-based tungsten source said.

"More liquidity will reduce financing costs for enterprises, be it tungsten-related or other ferro-alloys, which means those businesses [will be able to] expand production and [potentially] achieve higher profits," the source added.

Steel

Domestic raw steel production dips week on week, year on year: AISI

By Melissa VanDervort - Monday 29 January

Domestic raw steel production in the United States was 1,680,000 net tons in the week leading up to Saturday January 27, while the capacity utilization rate was 75.6%.

Broken out by district, production stood at 736,000 tons in the South, 559,000 tons in the Great Lakes, 185,000 tons in the Midwest, 129,000 tons in the Northeast and 71,000 tons in the West.

The current week's production represents a 1% decrease from the same period in 2023, when output stood at 1,697,000 tons and the capacity utilization rate was 75.9%. Production was also down by 0.12% compared with the previous week, when output was 1,682,000 net tons and the rate of capacity utilization was 75.7%.

Adjusted year-to-date production through January 27 was 6,524,000 net tons at a capacity utilization rate of 76.2%. That is down 0.14% from the 6,533,000 net tons produced during the same period last year, when the capacity utilization rate was 75.9%.

STEEL OUTPUT

Week ended	Net tons in thousands	Capacity utilization
January 6	1,707	76.9
January 13	1,699	76.5
January 20	1,682	75.7
January 27	1,680	75.6
Year to date*	**6,524**	**76.2**
Year ago to date*	**6,533**	**75.9**

*Reflects AISI adjustments.

STEEL PRODUCTION BY DISTRICTS
(in thousands of net tons)

	Jan 27	Jan 20	Jan 13
Northeast	129	132	123
Great Lakes	559	543	553
Midwest	185	188	193
Southern	736	754	769
Western	71	65	61
Total	**1,680**	**1,682**	**1,699**

Source: American Iron and Steel Institute.

US Midwest HRC index edges up despite limited spot buys

By Chris Kavanagh - Monday 29 January

After holding steady at the end of last week, hot-rolled coil prices in the US Midwest inched up on Monday January 29 despite a lack of consistent buying interest, sources told Fastmarkets.

Fastmarkets' daily steel hot-rolled coil index, fob mill US Midwest was calculated at $53 per hundredweight ($1,060 per short ton) on January 29, up by 1.01% from $52.47 per cwt on Friday January 26 but down by 1.92% from $54.04 per cwt a week earlier on January 22.

Inputs were collected in both the buyer and seller sub-indices in a range of $51.50-54.25 per cwt, representing deals and market assessments.

Heard in the market
Buyers have continued to hold out of the spot market, opting to keep inventories lean and restrict their hot band intake predominantly to contract volumes, sources said.

Mill offer prices have begun to adjust slightly lower, but sources have not yet reported any major spot purchases at those levels.

Market participants reported lead times into early March.

Quote of the day
"While I am not arguing that the spot market is slower than normal... that does not mean the flat-rolled market is slow. Orders are coming in at a very good clip... Customers who have a piece of their business as spot and another piece as contract are just buying more under their contracts right now," a supplier source said.

USW again slams Nippon over US Steel takeover; Japanese steelmaker ups publicity push

By Rijuta Dey Bera - Monday 29 January

The United Steelworkers (USW) labor union has once again criticized US Steel's pending $14.9 billion takeover by Japanese steelmaker Nippon Steel despite the latter's repeated assurances that it will honor existing union contracts and invest in the legacy company.

The USW said in a press release on Monday January 29 that Nippon Steel Corporation (NSC) will transfer its obligations to a Houston-based holding company called Nippon Steel North America (NSNA).

"This means that NSC would not assume our labor, pension, retiree insurance and other agreements itself. Instead NSNA would acquire the business and take responsibility for our contracts," the USW said.

There is no financial information available for NSNA, according to the USW.

"We asked Nippon to provide us with financial information about NSNA, and it admitted that no financial information for NSNA exists. It provided us with some publicly reported information about NSC in Japan, but it ultimately tells us nothing about the soundness of NSNA to stand behind the obligations it would owe USW members and retirees," the USW said.

The USW criticized the deal when it was first proposed; the union had previously stated it would only support a bid by Cleveland-Cliffs.

US Steel's takeover by Nippon Steel is good for the company and for the American steel industry overall, several conference attendees said this month at Fastmarkets' Scrap & Steel North America 2024 event.

But Nippon Steel faces an uphill battle in turning public opinion in its favor during an election year, attendees said.

Nippon Steel — which recently retained a team of nearly a dozen lobbyists from law firm Akin Gump Strauss Hauer & Feld — published an op-ed in The Wall Street Journal on January 22, where it reiterated the Japanese company's "belief that US Steel's next chapter will be successful for all parties."

Nippon Steel president Eiji Hashimoto and executive vice president Takahiro Mori stated their commitment to preserving American jobs and investing in US Steel's blast furnaces in the op-ed.

"We will introduce technology to US Steel that allows the company to produce the highest-quality products for automotive, construction and other industries," they said. "The new technology will also further the company's competitiveness, the broader American steel industry, and the many industries that rely on it."

Nippon will "bring fresh investment and innovation to US Steel's blast-furnace facilities," they added. "We will also introduce technology to increase efficiency and reduce carbon emissions."

These public assurances are in response to US lawmakers raising an alarm at the prospect of a Japanese company owning an American steel producer, and the Biden administration promising "serious scrutiny" of the deal.

Nippon Steel agreeing to pay nearly $15 billion for the 123-year-old company raised many eyebrows, but it underlines the faith foreign investors have in steel demand that is expected to be generated from US government legislation.

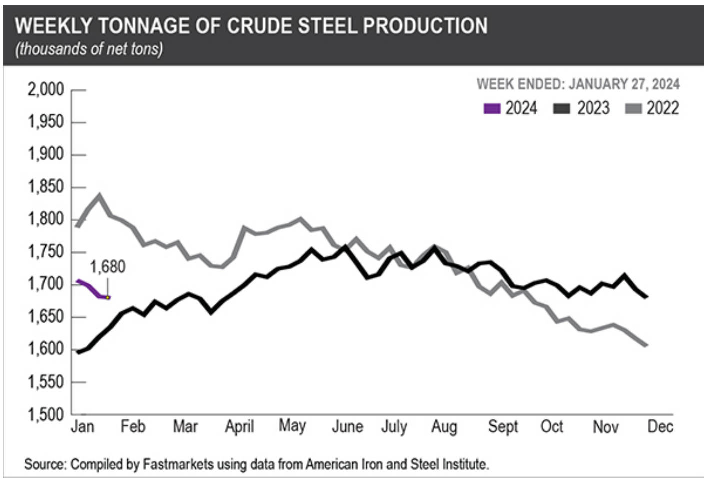
US automotive steel and electrical steel sectors will become more competitive if Nippon Steel succeeds in completing its acquisition of US Steel, market participants told Fastmarkets in December.

US Steel gave a behind-the-scenes look at how the historic transaction came to be in a filing with the US Securities and Exchange Commission on January 24.

Weekly US raw steel production

- Monday 29 January

Fastmarkets tracks raw steel production by US mills for the week ended January 27, 2024.



JSW credits labor market for strength in US ops, but wary of 'cooling off'

By Melissa VanDervort - Monday 29 January

JSW Steel recorded higher output and mixed sales from its mills in Ohio and Texas during its fiscal third quarter, crediting "sustained strength" in labor markets for supporting consumption and overall growth at its two US facilities.

"The Ohio operations benefited from better volumes as well as job grant credit of $3.85 million in the quarter, which reduced the EBITDA [earnings before interest, taxes, depreciation, and amortization] losses on a quarter-on-quarter basis," joint managing director and chief executive officer Jayant Acharya said during the company's earnings call on Thursday January 25.

"Both the US operations of Ohio and Texas combined had a negative EBITDA of $3 million in [the second fiscal] quarter, which improved to positive EBITDA of more than $12 million in [the third fiscal] quarter," Acharya said.

The company's facility in Mingo Junction, Ohio, produced 267,666 net tonnes of slab during the three months ended December 31, up from 151,313 net tonnes in the fiscal second quarter. Sales stood at 146,383 net tonnes of slab and 56,355 tonnes of hot-rolled coil, compared with 116,091 tonnes and 59,136 tonnes respectively in the prior quarter.

The Texas facility produced 97,829 tonnes of plate and 7,219 tonnes of pipe during the quarter, up from 88,090 tonnes of plate and 5,052 tonnes of pipe in the second fiscal quarter. Sales totaled 86,985 tonnes of plate and 5,531 tonnes of pipe, down from 92,423 tonnes of plate and 6,335 tonnes of pipe in the prior quarter.

Despite the strong output, the company noted "initial signs of cooling off" in its earnings release, adding that "the unemployment rate is expected to gradually increase over the next few quarters."

The "effects of elevated interest rates [are] expected to impact growth in 2024 even as the risk of a hard landing has diminished considerably," JSW said.

During the call, executives did not provide additional details regarding upgrades at the Mingo Junction facility.

Last week, Fastmarkets reported that the company plans to install the largest twin station vacuum degasser in North America at the mill, with work scheduled for completion in the second half of 2025.

US merchant bar prices unchanged in January

By Robert England - Monday 29 January

US prices for domestic and imported merchant bar quality (MBQ) steel were unchanged month on month in January, with sources' views on the pace of overall business ranging from average to robust.

Fastmarkets' monthly price assessment for steel bar 2 x 2 x 1/4-inch angle merchant products, fob mill US was $58.80 per hundredweight ($1,176 per short ton) on January 26, unchanged from December 29 but up by 5.38% from $55.80 per cwt in August-November.

And Fastmarkets' monthly price assessment for steel merchant bar, loaded truck Port of Houston for immediate delivery was $990-1,070 per short ton ($49.50-53.50 per cwt) on January 26, also unchanged from December 29 but up by 6.19% from $930-1,010 per ton in August-November.

Market overview

A southern distributor reported good, steady demand for the month after a slow start.

"MBQ mills say January started out a little slower than normal, but that's likely due to the price increase [in December] that required everyone push their tons out before Christmas," the southern distributor said.

Other sources were more upbeat.

"We've been extremely busy trying to keep our heads above water [with] higher volume on a monthly basis than any month last year," a fabricator, whose customers sell into the distribution channel for retail home improvement stores, said.

The surge this month may be "the result of people ending the year with lean books," the fabricator added. "I'm waiting to see if activity continues at that volume."

A trader said that builders are ordering tons only as they need them for current projects.

A second trader reported increasing caution among buyers and "much smaller orders" for merchant bar from overseas producers.

"When there is interest, you don't see the same order size of 1,000-3,000 tons that was common in the past," the second trader said.

"Prices are so volatile; people are scared to place orders as they question the sustainability at current prices," the second trader added.

The direction of scrap prices is a key focus in the market.

"I'm hearing scrap [prices will go] sideways to slightly softer depending on the region, but we know it's still too early to say," the southern distributor said.

"I don't anticipate mills making any move on MBQ and beam [prices] unless there was some sort of a major shift in scrap [prices] that demanded a reaction," the southern distributor added. "Hopefully we are not at that point yet. [Price] stability for the first quarter would be great."

Iron ore

Seaborne iron ore prices hit two-week high on China stimulus support

By Shu Yi Zheng - Monday 29 January

Seaborne iron ore prices rose on Monday January 29 in line with futures and swap prices, with market sentiment remaining positive after the Chinese government announced policies to support China's property sector, sources told Fastmarkets.

Key drivers
The most-traded May iron ore futures contract on the Dalian Commodity Exchange was higher on Monday compared with the previous day's closing price of 989.50 yuan ($139) per tonne.

By 6:12pm Singapore time, the most-traded March contract on the Singapore Exchange was higher by $1.51 per tonne compared with the previous settlement price of $133.84 per tonne.

Last week, China widened the uses of commercial property lending by banks to ease liquidity issues of real estate developers.

Guangzhou, a first-tier city in China, also lifted purchasing restrictions for buying houses larger than 120 square meters. Some market sources expect other first-tier cities in China to follow suit.

A Hebei-based steelmaker told Fastmarkets that iron ore prices are being supported by the stimulus policies in ferrous markets.

Although a Hong Kong court on Monday ordered the liquidation of China Evergrande Group, one of the largest property developers in China, the news was expected and has not affected market sentiment, according to sources.

Iron ore market sentiment was also supported by the expectation that hot metal production would resume after the Lunar New Year, a Hunan-based steelmaker said.

Moreover, the absolute iron ore inventory level remained low in the Chinese portside market, supporting buying interest for seaborne cargoes, the steelmaker added.

There was market chatter that some iron ore mining sites in Australia had been flooded by rainstorms, but shipments from Australia have not been delayed.

"Australia is likely to be affected by the cyclone in the first quarter, but shipments from Australia are as usual so far," a Zhejiang-based trader told Fastmarkets.

Iron ore shipments from Australia increased by 493,000 tonnes to 13 million tonnes last week, according to a local information provider.

A 170,000-tonne of 61.85% Fe Special Fines Carajas, with a bill of lading dated January 27, was traded at the average of Fastmarkets' 62% Fe index at the month of the notice of readiness at the port of discharge with a discount of 2.17%.

The traded discount was narrower compared with the previous traded discount of 5.1%.

Compared with low- and mid-grade, demand for high-grade concentrate and pellet feed was weak due to poor steelmaking profits in China, a Shandong-based steelmaker said.

Fastmarkets iron ore indices
62% Fe fines, cfr Qingdao: $137.85 per tonne, up $1.87 per tonne
62% Fe low-alumina fines, cfr Qingdao: $137.84 per tonne, up $1.96 per tonne
58% Fe fines high-grade premium, cfr Qingdao: $127.56 per tonne, up $1.15 per tonne
65% Fe Brazil-origin fines, cfr Qingdao: $149.90 per tonne, up $1.94 per tonne
63% Fe Australia-origin lump ore premium, cfr Qingdao: $0.1500 per dry metric tonne unit (dmtu), unchanged
62% Fe fines, fot Qingdao: 1,047 yuan per wet metric tonne (implied 62% Fe China Port Price: $137.18 per dry tonne), up by 5 yuan per wmt
67.5% Fe pellet feed premium, cfr Qingdao: $4.30 per tonne, unchanged
67.5% Fe pellet feed, cfr Qingdao: $159.32 per tonne, up $2.36 per tonne
65% Fe concentrate premium, cfr Qingdao: $-1.40 per tonne, unchanged
65% Fe concentrate, cfr Qingdao: $147.54 per tonne, up $2.21 per tonne

Trades/offers/bids heard in the market
BHP, globalORE, 90,000 tonnes of 62% Fe Mining Area C fines, traded at $136.50 per tonne CFR China, laycan February 25-March 5

Rio Tinto, Beijing Iron Ore Trading Center (Corex), 170,000 tonnes of 61% Fe Pilbara Blend fines, traded at $135.75 per tonne CFR China, laycan March 6-15

BHP, Corex, 90,000 tonnes of 62.3% Fe Newman fines, traded at $137.40 per tonne CFR China, laycan March 3-12

Corex, 170,000 tonnes of 65% Fe Carajas fines, traded at $149.90 per tonne CFR China, laycan February 29-March 9, loading from Teluk Rubiah Maritime Terminal in Malaysia

Vale, tender, 170,000 tonnes of 61.85% Fe Special Fines Carajas, traded at the average of Fastmarkets' 62% Fe index at the month of the notice of readiness at the port of discharge with a discount of 2.17%, bill of lading dated January 27

Market participants' indications
Fastmarkets' index for iron ore 62% Fe fines CFR Qingdao

Brazilian Blend fines: $137.10-138.06 per tonne
Jimblebar fines: $133.20 per tonne

Fastmarkets' index for iron ore 67.5% Fe Pellet Feed Premium, CFR Qingdao
Minas Rio BFPF Pellet Feed: $(1.00) to $0.75 per tonne
Atacama CNN Pellet Feed: $1.50-2.00 per tonne
Romeral Pellet Feed: $2.00-3.00 per tonne
Huasco Premium Pellet Feed: $3.00-5.15 per tonne
Kaunis Pellet Feed: $3.50-4.50 per tonne
Metinvest 68% Pellet Feed: $2.00-3.00 per tonne

Fastmarkets' index for iron ore 65% Fe Concentrate Premium, CFR Qingdao
Citic Pacific Concentrate: $0.00-1.00 per tonne
ArcelorMittal Concentrate: $(2.00)-(3.50) per tonne
Champion Iron Concentrate: $(2.00)-(4.00) per tonne
SIMEC Concentrate: $3.40-5.20 per tonne

Port prices
Pilbara Blend fines were traded at 1,035-1,037 yuan per wmt in Shandong province and the ports in Tangshan city on Monday, compared with 1,026-1,040 yuan per wmt on last Friday.

The latest range is equivalent to about $136-136 per tonne in the seaborne market.

Dalian Commodity Exchange
The most-traded May iron ore futures contract on the exchange closed at 998.50 yuan per tonne on Monday, up by 9 yuan per tonne from the previous Friday's closing price.

Alice Li in Singapore contributed to this article.

Steel scrap

Turkish mills focus on long steel sales; deep-sea scrap market silent

By Cem Turken - Monday 29 January

Turkish deep-sea scrap import markets were quiet on Monday January 29 with mills focusing on finished steel sales in the domestic market, sources told Fastmarkets.

The mills booked eight deep-sea scrap cargoes for February shipments last week. Prices fluctuated throughout the week, but were slightly down from the previous week.

Due to the lack of fresh trading in the deep-sea markets on Monday, the daily scrap indices were flat at the start of the week.

Fastmarkets' index for steel scrap heavy melting scrap (HMS) 1&2 (80:20 mix) United States origin, cfr Turkey was calculated at $418.35 per tonne on Monday, unchanged from Friday.

The daily index was $414.64 per tonne on Wednesday January 24 and $422.12 per tonne on Monday January 22.

Fastmarkets' index for steel scrap HMS 1&2 (80:20 mix) North Europe origin, cfr Turkey was calculated at $411.33 per tonne on Monday, also flat day on day, leaving the premium for US scrap over European material at $7.02 per tonne.

Turkish steelmakers have been attempting to push through increases in their domestic long steel prices to cover rising steelmaking costs.

One steel mill in the Marmara region was offering rebar to domestic buyers at $640 per tonne ex-works, before 20% value-added tax (VAT). This is roughly 23,125 lira ($761) per tonne with the sales tax.

A steelmaker in Izmir was offering the material at $625 per tonne, while two steelmakers were offering for $645 per tonne ex-works.

Traders in the Marmara region were offering rebar to local clients at $628-639 per tonne ex-works.

Sources said that mills in the Marmara region were ready to give a $5-10-per-tonne discount depending on the size of the order.

Fastmarkets' weekly price assessment for steel reinforcing bar (rebar), domestic, exw Turkey was 22,600-23,300 lira per tonne on Thursday January 25, slightly up from the 22,300-23,200 lira per tonne a week earlier.

Domestic scrap
A steel factory in Turkey was reportedly raising its buying price for domestic auto bundle scrap, while others mostly kept their prices stable over the past week.

The mills in the Izmir region also kept their buying prices for domestic ship scrap stable.

Fastmarkets' price assessment for steel scrap, auto bundle scrap, domestic, delivered Turkey was 12,050-12,900 lira per tonne on Monday, narrowing from 11,900-12,920 lira per tonne a week earlier.

Fastmarkets' price assessment for steel scrap, melting scrap from shipbreaking, domestic, delivered Turkey was unchanged week on week at $405-408 per tonne on Monday.

Industrial minerals

Trade log: Lithium hydroxide monohydrate LiOH.H2O 56.5% LiOH min, battery grade, spot price cif China, Japan & Korea, $/kg

- Monday 29 January

The Lithium hydroxide monohydrate LiOH.H2O 56.5% LiOH min, battery grade, spot price cif China, Japan & Korea, $/kg trade log including business, bids and offers reported to Fastmarkets.

Fastmarkets publishes trades logs for its key price assessments and indices to bring more transparency into the markets it covers and the pricing process it applies.

Fastmarkets assessed Lithium hydroxide monohydrate LiOH.H2O 56.5% LiOH min, battery grade, spot price cif China, Japan & Korea, $/kg at 12.50-14.00 on Monday January 29, 2024.

- Prices indicated at $12.50-14.00
- Prices indicated at $12.50-14.00
- Prices indicated at $14.00
- Prices indicated at $14.50-14.80

Any data submitted under a Data Submitter Agreement (DSA) will not be published.

To see all Fastmarkets' pricing methodology and specification documents, go to https://www.fastmarkets.com/about-us/methodology.

Fastmarkets uses its expert judgment to exclude outlying or unrepresentative numbers, and discount or discard prices that it believes may otherwise be questionable and/or unreliable.

Trade log: Lithium carbonate 99.5% Li2CO3 min, battery grade, spot prices cif China, Japan & Korea, $/kg

- Monday 29 January

The Lithium carbonate 99.5% Li2CO3 min, battery grade, spot prices cif China, Japan & Korea, $/kg trade log including business, bids and offers reported to Fastmarkets.

Fastmarkets publishes trades logs for its key price assessments and indices to bring more transparency into the markets it covers and the pricing process it applies.

Fastmarkets assessed Lithium carbonate 99.5% Li2CO3 min, battery grade, spot prices cif China, Japan & Korea, $/kg at 14.00-14.50 on Monday January 29, 2024.

- Prices indicated at $14.00-14.50
- Prices indicated at $14.00-14.50
- Prices indicated at $14.80-15.00

Any data submitted under a Data Submitter Agreement (DSA) will not be published.

To see all Fastmarkets' pricing methodology and specification documents, go to https://www.fastmarkets.com/about-us/methodology.

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