

Steel prices will not significantly decrease at least until the second quarter of 2022, as high raw material, shipping and energy costs as well as production cuts in China have been supporting prices globally, said F.D. Baysal, president of Seba International Inc. and chairman of the Irepas traders committee.

Baysal and other participants expressed generally positive views about the market situation at the 85th Irepas meeting. Their outlook for the coming year was also positive.

Highlighting that most producers have been working at high capacity utilization following the ease of the pandemic, and margins have never been better, Michael Setterdahl, board member of GFG Alliance and Liberty Steel said: "It's a great time to be in the steel business!"

Setterdahl is expecting the market situation will remain excellent in the first quarter of the next year, as steel consumption is growing globally and China is expected to continue to be out of the export markets.

Highlighting that especially high coal and energy prices have been pulling up mills' input costs, the chairman of the Irepas committee said energy prices and China are important factors for the coming months.

The cost of producing steel is increasing, especially on the energy side, the chairmen said, adding that high freight rates are also another factor in higher costs.

Jens Bjorkman, head of ferrous trade at Stena Metal International, said they are expecting general conditions to continue to improve with the ease of the pandemic and the market will continue to perform well next year.

Highlighting that scrap prices started to improve as of October, from low points seen in September, due to seasonal factors, strong production rates and fairly balanced market conditions, Bjorkman is expecting demand levels will continue to be supportive for scrap prices. "We will see if this will be a trend or we will hit a bump in the road," he said.

Turkish deepsea import ferrous scrap prices moved closer to \$500/mt CFR at the end of last week, with further deepsea cargoes booked. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 80:20 Oct. 15 at \$497.50/mt CFR, up \$7.50/mt on day, to reach the highest level since July 6, when the index also sat at \$497.50/mt CFR. The index has risen \$64.50/mt since a recent low Sept. 28.

Turkish mills have raised their prices gradually to \$740-\$755/mt in this bullish sentiment, up more than \$70/mt since October.

However, imported scrap prices inched down on Oct. 18 as deepsea activity cooled amid mill uncertainty over near-term domestic demand and interest rates. S&P Global Platts assessed Turkish imports of premium heavy melting scrap 1/2 80:20 Oct. 18 at \$495/mt CFR, down \$2.50/mt on day.

Beams in Ireland continue to hover around €1,100 p/t and plate €1,350 p/t.