



January 2018 Newsletter

Global Scrap Market Prices Increasing and Stabilizing

Much anticipated price upswings are being experienced in the global scrap market area within the past several months. These upswings can be related directly to the global economy which has seen incredible gains in the last 6-8 months. With the global economy increase, many commodities, such as scrap metal, are being purchased at larger volumes, creating greater demand, thereby driving up scrap metal prices.

Many steel plants have increased their scrap metal purchases to keep up with the higher demand of manufactured steel. This all leads in to the scrap metal prices increasing because where there is great demand, commodities become harder and harder to purchase because they are not as readily available. After 2 years of scrap metal gluts in the market, we finally are seeing that glut steadily decrease, driving prices for scrap metal up.

Some ferrous scrap metal materials have increased up to \$20.00 per ton in the past month. All market indicators and publications have explained that scrap market remains hopeful and that prices will continue to rise and stabilize even more, and that unless there were to be a world crisis such as confrontations between North Korea and other countries, scrap markets should continue to see an increase in 2018.

China Issues Several Import Licenses for Scrap Metal

An article dated January 10, 2018 in *Recycling Today*, states “a first batch of scrap materials import licenses and quota amounts for 2018 was issued in late 2017 with a second batch following shortly in early 2018”. This indicates that the Chinese stoppage of Scrap Metal imports has been lifted slightly with a very low number of Chinese import licenses to various countries around the world. This means the Chinese have started to accept some recyclable materials back in to China. This is forecasted to help the world market glut on scrap metal experienced in the past few years. The scrap market industry had previously seen a complete end to all Chinese Import Licenses for many recyclables in the early fall 2017, causing absolute chaos in the scrap metal markets with extreme gluts in scrap metal. This extreme action by the Chinese very negatively influenced recyclable commodities. With the scrap market glut decreasing with the aid of the global market upswing, and the slight issuance of several import licenses to various countries by the Chinese, conditions should further improve scrap metal prices.

