

STEEL SCRAP FREIGHT REPORT 18 Sep 2025

chartering@fisdry.com | freightinvestorservices.com | fis-live.com

Hot News

- Berkshire made a large investment in Nucor Corporation (a major U.S. steelmaker that uses scrap via electric arc furnaces) around 6.6 million shares (~US\$ 850 million).
- The move is considered a **value-play**: despite steel being cyclically volatile, Nucor has strong operating metrics (dividend history, use of scrap via EAF, cost efficiency) that seem **appealing to Buffett.**
- Fed blinks Trimmed rates by 25 bps to 4.0-4.25%, first cut of the year, with more likely.
- Cheaper cash U.S. mills and yards get easier financing, making stock-holding and upgrades less painful.
- **Dollar drag** Softer greenback boosts U.S. export appeal, but piles extra cost on Turkey and Euro buyers tied to USD scrap.
- Spec play Lower carry costs tempt traders to sit on tonnage, betting on tighter supply later.
- Lingering risk Inflation's not slain; Fed may yet reverse course, leaving markets twitchy.

Market Commentary

- Freight & FX are the choke. Elevated ocean rates and a jumpy euro kept sellers cagey and offers sticky at the lows.
- US netbacks are skinny. **FOB EC shred \$323.50 vs CFR Turkey \$335.50** → **\$12.00/mt** delivered premium; once you net freight/quality, margins are razor-thin—hence fewer US cargoes.
- Shortsea's edge holds. \$317.5 CFR shortsea vs \$335.5 CFR deep-sea keeps a ~\$18/mt delivered gap—enough for mills to favour near-haul when long-haul freight bites.

Handysize & Supramax

- **Ultramax / Supramax:** S11TC climbed **\$184** to **\$18,861/day**, with **S4A_63** (USG → Skaw–Passero) up **\$1,178** to **\$32,457day**, driven by strong transatlantic demand and tighter Atlantic tonnage.
- Handysize: HS7TC gained \$305 to \$14,488/day, while HS4 (USG/NCSA → Skaw-Passero) slid \$264 to \$19,936/day, on weaker scrap prices.

Scrap Freight Routes							
Route	Spot	▲ W-O-W	Sep25	Oct25	Q425	Cal 26	
NY → Iskenderun 7K SHINC bends (30kt)	\$35.25/ton	+\$0.25	\$35.25	\$33.14	\$32.40	\$27.12	
ARAG → Iskenderun 12TTL days SHINC (35kt)	\$28/ton	+\$0.25	\$28	\$26.32	\$25.73	\$21.54	
S4A_63 (USG to Skaw)	\$32457/day	+\$1178	\$32457	\$31488	\$28931	\$23967	
HS4_38 (USG to Skaw)	\$19936/day	-\$264	\$19936	\$18747	\$18334	\$15338	

FFFs - FFA, Ferrous & Fuel Benchmarks											
Market	Spot		Sep25	Oct25	Nov25	Q4 25	Cal 26				
FFA S10TC (58dwt)	\$16967	+\$324	\$16336	\$15664	\$14479	\$14443	\$12027				
Turkey Scrap (80:20)	\$335	-\$7	-\$338	\$340	\$345	\$345	-				
EU HRC	-	-	\$570	\$583	\$595	\$595	-				
Rott. 0.5% (Spot-Futures)	\$453	-\$4	\$443	\$441.25	\$441	\$441	\$463.5				
Gib 0.5% (Spot)	\$501	+\$4	-	-	-	-	-				



Recent/Tender/Sales

Japan – Kanto Tetsugen H2 export tender (Sept 10, 2025): one winning bid at ¥41,970/mt FAS (≈\$285/mt), 15,000 mt; cargo heard bound for Bangladesh.

Fixtures (Scrap + Competitive cargoes)

Ultramax/Supramax

- •Ultramax (62k) Fixed \$22,000 dop UK via USEC to Cont with pellets Handy (35k) Fixed \$18,000 dop Arag to Med with scrap
- •Ultramax (63k) Fixed \$25,000 dop Baltic to Pg with ferts
- •Ultramax (62k) Fixed \$30,500 aps Mobile to India with coal
- •Ultramax (63k) Fixed \$26,000 dop Conakry to China with beauxite Handy (40k) Fixed \$21,500 aps Usg to Ncsa with grains
- •Ultramax (63k) Fixed \$16,500 + \$650,000 aps Ecsa to China
- Supramax (56k) Fixed \$17.000 aps Dakar to China
- •Ultramax (64k) Fixed \$18,000 dop Dafeng to Wafr with steels
- •Supramax (53k) Fixed \$14,000 dop Spore to Cjk via Indo with coa

Handysize

Handy (35k) - Fixed \$12,650 dop Arag to Algeria via Rouen with

grains

Handy (32k) - Fixed \$19,750 dop N.brazil to Cont

Handy (39k) - Fixed \$15,000 dop Jorf to India via Wafr with logs

Handy (37k) - Fixed \$23,000 aps N.Brazil to Wcca

Handy (37k) - Fixed \$25,000 aps Recalada to Wcsa

Handy (38k) - Fixed \$22,000 dop Paranagua to Usg

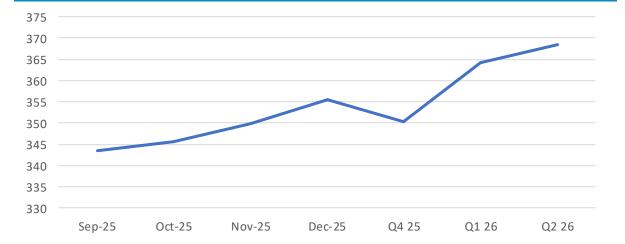
Handy (37k) - Fixed \$12,000 dop Salalah to Morocco via Cogh with

suplhur

Voyage Fixture

NA

LME HMS 80:20 CFR Turkey Indic Curve



ECHRC Indic Curve



Supramax 10TC Indic Curve



Rott. 0.5% Indic Curve



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CONTACT

chartering@fisdry.com

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