FIS

STEEL SCRAP FREIGHT REPORT

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FFA · OIL · FERROUS · ENERGY · METALS · EMISSIONS · PHYSICAL

HOT MARKET TRENDS

US October scrap trade targeting $20/GT hikes for domestic market

- US domestic scrap market pointing to ~$20/GT hikes across obsolete and prime grades for October trade per BLDuke, first prime bump since Feb, on tight domestic generation, slowed industrial flows and low dealer yard inventories heading into the October settlement window.

Mesabi Metallics unveils $15B Iowa steel plant — 10 Mt/yr US greenfield

- Oval Office announcement 28 Sep: Mesabi Metallics $15B integrated steel plant in Iowa, phase 1 **7.5 Mt/yr** scaling to **10 Mt/yr**, commercial start 2030, Minnesota Mesabi Range iron ore feedstock; US Ex-Im Bank backing to **$10B**.

EU scrap gap looms — 8-11 Mt extra scrap needed for CBAM-era output targets

- EUROMETAL flags EU needs to rebuild crude steel output under CBAM — rolling out new EAF capacity through this decade will require **an additional 8-11 Mt of steel scrap**.

- **Short term:** firmer US domestic prime prints lifting the US FOB cost basis and compressing the US-to-Turkey arb unless CFR Turkey trades higher to absorb the lift.
- **Medium-to-long term:** policy-driven US steelmaking build-out (Mesabi/Ex-Im) alongside EU CBAM-era EAF capacity structurally tightening ex-US and ex-EU scrap availability for Turkey/Med mills, lifting the FOB cost basis and flooring CFR Turkey — the same arb compression reinforced on both legs of the Atlantic.

MARKET COMMENTARY

STEEL SCRAP

- **Turkey (deepsea):** Turkish scrap edged **+$1 w/w** on a steady print, with sentiment described as mixed as activity drifted sideways after the earlier push. Rebar FOB firmed **+$5 w/w**, widening the scrap-to-rebar spread **+$4 w/w**; mills seen reasonably well covered on October positions already.
- **Bangladesh + Pakistan + India:** Subcontinent softer w/w with India containerised shredded into Nhava Sheva **-$8 w/w**, buyers stepping back now that the earlier run higher has run its course. Pakistan quiet, Bangladesh PNS demand still tracking Turkey.
- **Asian deepsea flow:** Japan H2 offers into Vietnam broadly steady w/w on muted mill activity as buyers digested tighter US export supply. Med HBI firmed **+$5.50 w/w** on ongoing tight PI/HBI/billet availability out of the Black Sea.

PHYSICAL / FFA

- **UMX / SMX:** A measured feel into Q4 opening, with headline **S11TC +189 points to $22,714** — **S1C firming +$193 to $32,906** and **S4B +$150 to $15,438** on backhaul tonnage tightening, while **S1B (Canakkale via Med) eased $100 to $26,221** and **S4A gave up $21 to $32,588** as the USG lead flattens.
- **Handy: HS7TC +$149 to $18,210** on composite firming, though **HS4_38 came off $185 to $24,679** as Atlantic Handy caught breath after the earlier push. Owners still well-placed on prompt tonnage, with Chrtrs showing little urgency to chase into October.
- **FFA S10TC paper:** Front rolled to Oct with the whole curve softening — Oct **$20,950 (-$429)** post-roll, Nov **$20,746 (-$579)**, **Q4 $20,649 (-$471)**, **Cal-27 $16,121 (-$368)**. Paper trading down across the strip as the spot narrative loses heat, with buyers reluctant to pay up for forward cover.

SCRAP FREIGHT ROUTES

ROUTE	SPOT	▲ W/W	OCT-26	NOV-26	Q4-26	CAL-27
NY → Iskenderun 7K (30kt) ($/mt)	45.50	-5.50	45.94	45.65	45.46	35.49
ARAG → Iskenderun 12TTL (35kt) ($/mt)	53.75	+1.25	53.56	53.20	53.07	40.34
S4A (USG → Skaw)	32,588	-21	32,906	32,699	32,560	25,421
HS4_38 (USG → Skaw)	24,679	-185	24,590	24,428	24,369	18,520

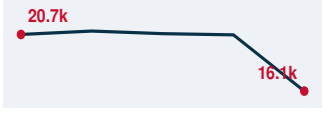
FFA · FERROUS & FUEL BENCHMARKS

MARKET	SPOT	▲ W/W	OCT-26	NOV-26	Q4-26	CAL-27
FFA S10TC (58dwt)	20,680	+189	20,950	20,746	20,649	16,121
FFA HS7TC	18,210	+149	19,010	18,885	18,838	14,316
Turkey Scrap (80:20)	—	+1.00	401.00	402.50	402.50	410.00
EU HRC (€/mt)	—	—	740	750	749	775
Rott. 0.5% (Spot–Fut.)	643	-43	626.75	613.75	613.42	555.75
Gib 0.5% (Spot)	697	-10	—	—	—	—

LME HMS 80:20 CFR TURKEY
Indicative curve · $/mt



SUPRAMAX S10TC
Indicative curve · $/day



EC HRC
Indicative curve · €/mt



ROTT. 0.5% VLSFO
Indicative curve · $/mt



Sources: Baltic Exchange, LME, CME, BLDuke, EUROMETAL, Eurofer, Argus, Fastmarkets, SteelOrbis, Recycling Today, Ex-Im Bank, AXSMarine, Reuters, and FIS

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TENDER / SALES

Tenders / sales heard

- Marmara-based mill heard booking US-origin HMS 1/2 80:20 cargo around the low-$400s CFR.
- Izmir-based mill heard booking a few US-origin HMS 1/2 80:20 at same level.

VOYAGE FIXTURES · SCRAP

TC FIXTURES · ULTRAMAX (ATLANTIC)

UMX 63k — $35,500 dop Liverpool via Dunkirk / Turk Med scrap

UMX 64k — $33,000 dop Three Rivers / Egypt grains

UMX 63k — $38,000 aps N Brazil / Egypt Med

UMX 63k — $19,750 + $975k bb aps S Brazil / Japan

UMX 63k — $20,000 + $1m bb dop Pecem via Sfds / Chitta

UMX 61k — $15,000 bss Canak via BSEA / ARAG

UMX 61k — $36,500 aps Barcarena / Egypt Med

UMX 61k — $21,100 + $1.1m bb wwr San Lorenzo / SEAsia agris

UMX 61k — $34,000 aps USG / Turkey petcoke

UMX 60k — $30,500 aps SWP / CONT woodpellets

TC FIXTURES · ULTRAMAX (PACIFIC/ SAFR)

UMX 64k — $19,000 dop Paradip via Dampier / Japan salt

SCRAP VOYAGE FIXTURES

2.4Mt bale — 1sp ARAG / 1sp Turkey, 10TTL days SHINC @ ~$1.75m lumpsum

TC FIXTURES · SUPRAMAX

SMX 58k — $28,000 dop Gijon via N Spain / Denmark wood chips

SMX 58k — $16,000 dop Singapore / CJK

SMX 57k — $24,000 dop Kamiiso / ECI

SMX 53k — $17,700 dop Singapore via Indo / India coal

SMX 53k — $25,000 dop Bejaia via Morocco / Bdesh

TC FIXTURES · HANDY / HANDYMAX

Handy 37k — $23,000 delivery Singapore / WCI

Handy 35k — $19,000 dop Oran via Morocco / Yanbu rdl P Said barites

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