FIS

STEEL SCRAP FREIGHT REPORT

Freight Investor Services · Dry Bulk Desk · Wednesday 30 Sep → Wednesday 7 Oct 2026

8 OCT 2026

WEEKLY · ISSUE 40/26

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

HOT MARKET TRENDS

EU import quotas run dry early in Q4

- Fresh Q4 steel import quotas opened 1 Oct and were quickly absorbed — the first full quarter under a tightened regime cutting duty-free volume **47%** to **~18.3 Mt/yr**, with over-quota tonnage paying a **50%** tariff.

Ex-Ilva hot end to close by 28 Oct

- Milan's appeal court rejected a bid to suspend the shutdown order on Italy's only integrated steelworks at Taranto, as Rome released a further **€100.5M** in emergency support and weighs a state-backed switch to EAF/DRI.

US October scrap trade settles higher

- Opening October deals bore out the hikes targeted a week earlier, with a Detroit-area buyer paying up **$20/gt** for shredded and P&S and **$10/gt** for busheling, and few on the buy side expecting a softer month.

- **Short term:** firmer US domestic scrap lifting the FOB cost basis while EU quota headroom is already gone, narrowing export outlets into Europe for Turkish mills and keeping restocking cautious — compressing the US-to-Turkey arb and leaving CFR Turkey rangebound, for now.
- **Medium-to-long term:** the loss of Italy's last integrated hot end and a possible EAF/DRI restart, alongside a tighter EU import regime favouring domestic output, pointing to more scrap demand inside the EU/Med and tightening ex-EU availability for Turkish mills over time.

MARKET COMMENTARY

STEEL SCRAP

- **Turkey (deepsea):** A sideways week with prices holding **steady w/w** as mills bought hand to mouth against weak rebar demand, while higher freight and energy costs and thinner European supply kept sellers' ideas propped up. Paper leant softer with LME 2026 balance contracts a touch under 400 (**-$4.50 to -$7.50 w/w**), however the curve is still in contango into 2027. Domestic rebar slid on trader discounting with export levels steady, leaving mills little margin to chase scrap higher, for now.
- **Bangladesh + Pakistan + India:** India stayed measured, imported melting scrap into Nhava Sheva easing **$3-4** over the fortnight as new PSIC requirements, higher freight and a softer rupee weighed on import economics. Pakistan buying cautious, Bangladesh offers holding firm.
- **Asian deepsea flow:** Japan firmer w/w, Tokyo Steel lifting H2 buying prices from 3 Oct and sellers sitting on their hands until the 9 Oct Kanto Tetsugen export tender sets direction. Chinese buyers out for Golden Week until 8 Oct, leaving regional deepsea demand thin on balance.

PHYSICAL / FFA

- **UMX / SMX:** Headline **S11TC +44 to $22,758** masking a split market — USG fronthauls coming off, **S4A -$782 to $31,806** and **S1C -$1,262 to $31,644**, with **S1B (Canakkale via Med) -$821 to $25,400**, while Cont/backhaul and the Pacific picked up, **S4B +$325 to $15,763** and **S2 +$819 to $22,200** out of Golden Week.
- **Handy: HS7TC -$154 to $18,056**, the Atlantic sharply off with **HS4_38 -$1,793 to $22,886** as USG tonnage lengthened; Continent and Med still the firmer areas, Chrtrs feeling no need to rush.
- **FFA S10TC paper:** Curve followed the physical dip into the weekend, Oct touching **$20,221** on Friday, before recovering into 2H of the week with a flat shape across the 2026 balance w/w — Oct **$21,046 (+$96)**, Nov **$20,743 (-$3)**, **Q4 $20,705 (+$56)**, **Cal-27 $16,216 (+$95)**. Handy softer at the front, HS7TC Oct **$18,770 (-$240)**, Q4 **$18,747 (-$91)**, with paper holding a premium to spot on both sizes, particularly for Handy.

SCRAP FREIGHT ROUTES

ROUTE	SPOT	▲ W/W	OCT-26	NOV-26	Q4-26	CAL-27
NY → Iskenderun 7K (30kt) ($/mt)*	46.00	+0.50	46.71	46.04	45.96	35.99
ARAG → Iskenderun 12TTL (35kt) ($/mt)*	54.75	+1.00	56.92	57.07	56.85	43.46
S4A (USG → Skaw)	31,806	-782	32,300	31,835	31,777	24,887
HS4_38 (USG → Skaw)	22,886	-1,793	23,791	23,854	23,762	18,166

FFA · FERROUS & FUEL BENCHMARKS

MARKET	SPOT	▲ W/W	OCT-26	NOV-26	Q4-26	CAL-27
FFA S10TC (58dwt)	20,724	+44	21,046	20,743	20,705	16,216
FFA HS7TC	18,056	-154	18,770	18,820	18,747	14,332
Turkey Scrap (80:20)	—	0.00	396.50	395.50	396.17	405.38
EU HRC (€/mt)	—	-8	732	746	744	—
Rott. 0.5% (Spot–Fut.)	696	+53	649.25	635.50	635.50	576.00
Gib 0.5% (Spot)	711	+14	—	—	—	—

**Voyage forwards bootstrapped from S4A / HS4_38; S4A / HS4_38 forwards from BFA S10TC / HS7TC (7 Oct). LME, N.EU HRC and Rott. VLSFO at 7 Oct close (mid); HRC W/W on Oct-26.*

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



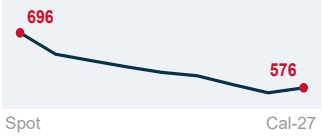
SUPRAMAX S10TC
Indicative curve · $/day



EC HRC
Indicative curve · €/mt



ROTT. 0.5% VLSFO
Indicative curve · $/mt



TENDER / SALES · SCRAP CARGOES

- Two Dutch cargoes heard done into Turkey somewhere in the mid-$390s delivered over IREPAS week.
- Baltic and Continental material talked just under to around $400 delivered Turkey, sitting a touch below US-origin.
- Kanto Tetsugen's October H2 export tender results out 9 Oct.

FIXTURES

TC FIXTURES · UMX / SMX (ATLANTIC)

UMX 64k — $37,000 dop Nordenham via Ghent / Turkey scrap

UMX 63k — $38,000 dop Tyne / EMED scrap

UMX 61k — $37,500 dop Bremen / Med scrap

UMX 63k — $30,000 aps USEC / Venice redel Otranto grains

UMX 61k — $39,000 wwr San Nicolas / WCSA

UMX 61k — $18,800 + $880k aps Recalada / Aussie-NZ

SMX 56k — $28,500 dely SWP / Algeria grains

SMX 57k — $10,500 aps Akcansa / Ponce clinker

TC FIXTURES · UMX / SMX (PACIFIC/SAFR)

UMX 64k — $24,000 dop S Korea via NOPAC / Chitta redel Spore

UMX 63k — $31,000 dop Tawau via Indo / WCI

UMX 61k — $25,000 dop Weihai NOPAC r/v

UMX 63k — $21,500 dop Singapore via Indo / Vietnam

UMX 63k — $20,000 retro Dharamtar via Richards Bay / Pakistan

SCRAP VOYAGE FIXTURES

2.35m bale — 1sp Baltic / 1sp Turkey, 12TTL days SHINC @ ~$2.15m lumpsum

2.35m bale — 1sp ARAG / 1sp Egypt, 15TTL days SHINC @ ~$1.65m lumpsum

TC FIXTURES · HANDY / HANDYMAX

Handy 33k — $23,000 dop via Providence / Turkey scrap

Handymax 40k — $24,000 dely Crockett via Vancouver / Japan grains

Handy 39k — $24,000 aps Savannah / CONT woodpellets

Handy 38k — $25,000 dop Barra dos Coqueiros / CONT

Handy 31k — $18,500 dop Casablanca via Morocco / Bdesh

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