

American Metal Market

MEXICO

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SCRAP CONSUMER BUYING PRICES

DEL MONTERREY	MXN/MT	change/MXN	USD/MT
No. 1 heavy melt	4,800	▲ 300	\$232
Cut structural/plate 3ft. max.	5,100	▲ 300	\$247
Shredded auto scrap	5,200	▲ 300	\$252
No. 1 busheling	5,100	▲ 300	\$247
Machine shop turnings	4,400	▲ 300	\$213

effective week ending December 30, 2016

DEL BAJIO	MXN/MT	change/MXN	USD/MT
No. 1 heavy melt	4,800	▲ 100	\$232
Cut structural/plate 3ft. max.	5,400	▲ 300	\$261
Shredded auto scrap	5,100	▲ 300	\$247
No. 1 busheling	5,400	▲ 300	\$261
Machine shop turnings	4,300	▲ 300	\$208

MXN = Mexican peso MT = metric ton

MEXICAN STEELMAKERS CONTINUE TO CHASE SCRAP UP

▶ The Mexican ferrous scrap market continues to heat up, with more upside expected in the near term as steelmakers are raising prices and even reaching into the U.S. market to secure their melting needs.

Steelmakers in the Monterrey and Bajio regions recently raised prices by as much as 300 pesos across grades in an effort to prevent material from leaving the country, continuing a trend that began late last year (*amm.com*, Dec. 21).

In addition, the mills are actively searching for scrap in the U.S. market. "Mexico has their brokers out trying to buy tonnage at up \$35

(per) gross ton already for shipment before the 15th of January. They said it was a firm offer and then they came back after no one sold and said they can sweeten the deal if sellers would commit to 1,000 gross tons," a recycler who typically sells into the Texas market said.

Mexican mills are directly competing with U.S. mills for scrap, which means that more increases are on the horizon, according to a second seller.

No. 1 busheling is now selling for 5,400 pesos in Bajio and 5,100 pesos in Monterrey, while No. 1 heavy melt also logged gains to

sell at 4,800 pesos in both regions, according to *AMM's* price assessment for the week ended Dec. 30.

Meanwhile, the peso remained largely stable, settling at an average of 20.67 pesos per U.S. dollar for the week ended Dec. 30.

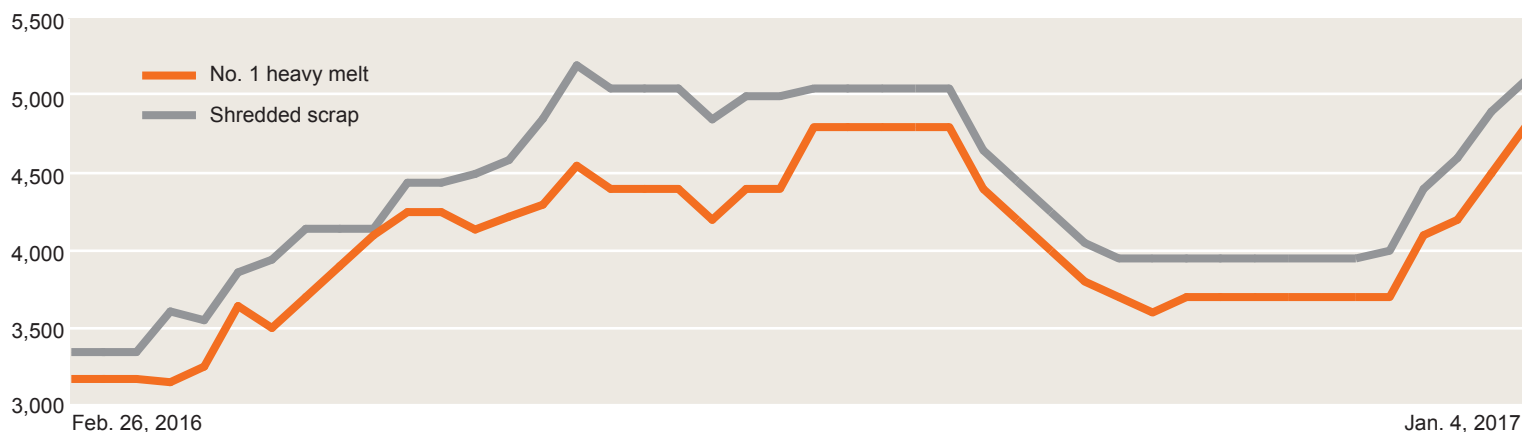
LISA GORDON

TO BECOME A PRICE CONTRIBUTOR

AMM-MEXICO invites you to become a pricing/assessment contributor. Please send your name, company, contact details and metals/categories of interest to Thorsten Schier, at tschier@amm.com.

CONSUMER BUYING PRICES FOR NO. 1 HEAVY MELT AND SHREDDED SCRAP*

(in pesos per tonne)



* Delivered to Monterrey, Mexico

EXCHANGE RATE \$1USD = MXN 20.67 (five day average for week ending December 30, 2016)

Source: Mexican Central Bank

NEWS

Brazil's CSP produced 1M tonnes of slab in 2016

Brazilian steelmaker Companhia Siderúrgica do Pecém (CSP) produced a total of 1 million tonnes of steel slab in 2016, the company said.

The 1 million-tonne mark was reached on December 28, CSP said.

CSP's 3 million-tonnes-per-year slab facility, in the country's north-eastern Ceará state, started production on June 20.

Last year, CSP shipped approximately 700,000 tonnes of slab to more than ten countries, including Indonesia, Italy, Mexico, Morocco, South Korea, Turkey and the United States, using a total of 16 ships.

In late 2016, the company also produced slab with 300 millimeter thickness, which will be shipped to the Czech Republic in January 2017.

"We started the exports and continued to enter more and more into the local economy, labor market and community," CSP president Eduardo Parente said.

CSP is a joint venture between Brazilian miner Vale SA (which owns 50 percent) and South Korean steelmakers Dongkuk Steel Mill Co. Ltd. (30 percent) and Posco Ltd. (20 percent).

The company directly employs 2,604 people. ▲

FELIPE PERONI

<p>BUSHING SCRAP Process: cut (if necessary) New carbon steel material. Origin from stamping and clippings of black and/or galvanized sheet. Free of rust, copper, chromium, nickel, tin, oil and other impurities. Dimensions: smaller than 152.4cm (60 in). Minimum density of 500 kg/m3 (31.2 lb/ft3)</p> <p>SHREDDED SCRAP Steel and iron shredded in hammermill, with magnetic separation of non-ferrous material. Free of can, chips, fines, dust, non-ferrous materials and impurities. Minimum density of 900 kg/m3 (56.2 lb/ft3)</p> <p>CUT STRUCTURAL AND PLATE Plate and Structural carbon steel scrap. Maximum dimension of 100 cm (39.4 in) Minimum density of 750 kg/m3 (46.8 lb/ft3)</p>	<p>HEAVY MELTING STEEL Process: cut Bulk carbon steel material (solid iron, maximum 20% of tubes and no sheets). All tubes with diameter higher than 6 must be cut in half. Scrap of industrial and automaking origin. Free of can, sheets, chips, filters, fines, dust, non-ferrous metals and other impurities. Max. Dimension of 90cm (35.4 in)</p> <p>MACHINE SHOP STEEL TURNINGS Process: dried or spin-dried and shredded (if necessary) Carbon steel turnings and/or whrough iron dried or spin dried, free of tangles. Free of dust or fines. With very low oxidation rate and free of oil or fluids. Minimum density 500 kg/m3</p>
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