



Tokyo Steel to Reduce Scrap Buying Prices

Tokyo Steel has cut its scrap purchase prices at its Kyushu and Utsunomiya plants by ¥1,000 (\$8) per tonne and those for deliveries to its three other steelworks by ¥500 (\$4) per tonne.

The cuts are in tandem with falling international prices. With the latest cuts effective, the steelmaker will pay ¥23,500 (\$191) per tonne for H2-grade scrap delivered to Kyushu and Utsunomiya. Seaborne and overland deliveries of scrap to Tahara are priced at ¥24,000 (\$195) per tonne, those to Okayama at ¥23,000 (\$187) per tonne, and Takamatsu at ¥22,500 (\$183) per tonne.

The latest adjustment marks the fifth



price cut by Japan's largest electric arc furnace operator and effective benchmark price-setter since June 27. It has lowered its purchase prices by ¥1,500-2,500 (\$12-20) per tonne since then. The price decline is one of the ripple effects of China's aggressive export of cheap billet. Many mills in Asia as well as those in Turkey the world's leading steel scrap importer have resorted to buying Chinese billet instead of producing their own, resulting in a drop in their consumption of scrap, and subsequently the decline of its prices. Ferrous Scrap Index for HMS 1&2 (80:20) US material delivered to Turkey stood at \$248.87 per tonne cfr, down from \$283.30 per tonne cfr a month earlier.

China Opens Anti-dumping Probe into Japan



China said it has opened an anti-dumping investigation into imports of a grade of electrical steel from Japan, South Korea and the European

Union. The Commerce Ministry said the probe is aimed at determining if the imports of grain oriented flat rolled electrical steel have damaged the Chinese steel industry. The steel is used in manufacturing such products as motors and transformers.

The start of the Chinese investigation follows the European Union's decision in May to impose provisional anti-dumping duties on imports of the steel from China, Japan, Russia, South Korea and the United States. The European Union's provisional decision was made following a complaint lodged in June last year by the European Steel Association.

Under the decision, Chinese companies, including Baoshan Iron & Steel and Wuhan Iron & Steel, have been slapped with anti-dumping duties of 28.7%, while two Japanese firms, JFE Steel and Nippon Steel and Sumitomo Metal, have faced duties of 34.2% and 35.9%, respectively.

This section is a compilation from various company press releases, business dailies & trade publications.

Baosteel Slashes Prices by \$13-33 Per Tonne for Delivery Flats

Eastern China's Baosteel is slashing its list prices for August-delivery mainstream flat products by 80-200 yuan (\$13-33) per tonne, following the recent slump in the spot market.

The mill is lowering its prices for hot rolled coil by 200 yuan (\$33) per tonne, those for plate by 100 yuan (\$16) per tonne, and prices for cold rolled coil and hot dipped galvanized coil by 80 yuan (\$13) per tonne, according to its announcement.

With the revision, it will sell its Q235 5.5mm HRC at 3,192 yuan (\$521) per tonne, SPCC 1.0mm CRC at 3,886 yuan (\$634) per tonne, DX51D+Z 1.0mm HDG at 4,527 yuan (\$739) per tonne, and Q235 14-20mm plate at 2,750 yuan (\$449) per tonne. All prices are on an ex-works basis and exclude VAT.

Baosteel's decision to lower its August list price is not surprising, given the continual



falls in spot prices, market sources said. However, the big cut for its HRC prices was a little unexpected, though one analyst in Shanghai said it could be an optimistic attempt by the mill to secure orders during the summer. In Shanghai, HRC was being traded at 2,010-2,030 yuan (\$328-331) per tonne including VAT and down 210-220 yuan (\$34-36) per tonne from the end of last month. More mills are expected to follow in Baosteel's footsteps amid the current market situation, participants said.

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