

# 2025 Scrap Metal Market Intelligence Report

Comprehensive analysis of market trends, pricing forecasts, and investment opportunities in the scrap metal recycling industry.



# Executive Summary

## Market Overview 2025

### Global Market Value

Global scrap metal market valued at \$410 billion, growing 6.2% annually

### Copper Price Surge

Copper prices expected to reach \$4.80/lb by Q4 2025 due to EV demand surge

### Aluminum Strength

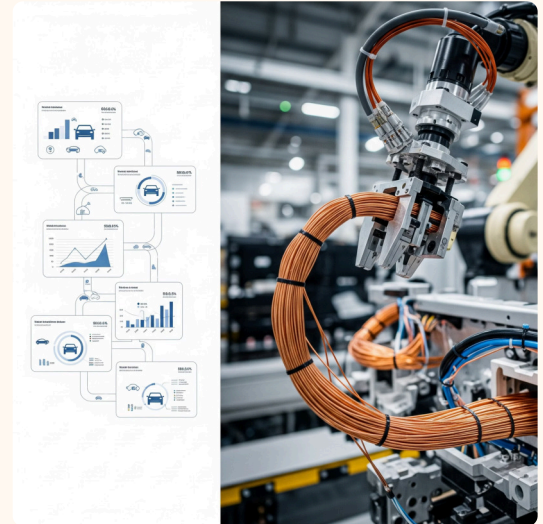
Aluminum market strengthening with 15% price increase projected

### Steel Demand Growth

Steel scrap demand up 12% from infrastructure spending

### Green Transition Impact

Green transition creating unprecedented demand for recycled metals



## Key Investment Themes

- Electric vehicle boom driving copper and aluminum demand
- Renewable energy infrastructure requires 5x more metals than traditional power
- China's economic policies heavily influence global pricing
- Supply chain disruptions creating regional pricing opportunities
- Advanced recycling technologies improving profit margins

# Copper Market Deep Dive

## 2025 Price Range

**\$4.20 - \$4.80 per pound**

Driven by unprecedented EV and renewable energy demand

## Demand Catalysts

01

### EV Production Boom

EV production reaching 18 million units globally

02

### Solar Expansion

Solar installations growing 25% year-over-year

03

### AI Infrastructure

Data center construction boom for AI infrastructure

04

### Grid Modernization

Grid modernization projects accelerating

05

### Green Hydrogen

Green hydrogen production scaling up



## Supply Constraints

- Major mine strikes in Chile affecting 15% of global supply
- Environmental regulations limiting new mine development
- Aging infrastructure at existing facilities
- Processing bottlenecks at key refineries

## High-Grade Copper Scrap

Trading at 90-95% of LME prices with strong

## Insulated Wire Processing

Margins improving due to advanced

# Aluminum Market Analysis

**\$1.05**

## Low Price Forecast

2025 minimum expected price per pound

**\$1.25**

## High Price Forecast

2025 maximum expected price per pound

**95%**

## Energy Savings

Recycling vs. primary production efficiency

## Growth Drivers



### Automotive Lightweighting

Accelerating adoption as manufacturers seek fuel efficiency improvements and electric vehicle range optimization



### Packaging Sustainability

Industry sustainability mandates driving demand for recyclable aluminum packaging solutions



### Aerospace Recovery

Sector recovery boosting demand for high-grade aluminum alloys and specialized materials



### Construction Growth

Building construction using more aluminum for energy efficiency and modern architectural designs

## Regional Market Variations

1

### North America

Premium market with high-quality demand and strict environmental standards

2

### Europe

Strong environmental regulations favor recycling with carbon credit incentives

3

### Asia

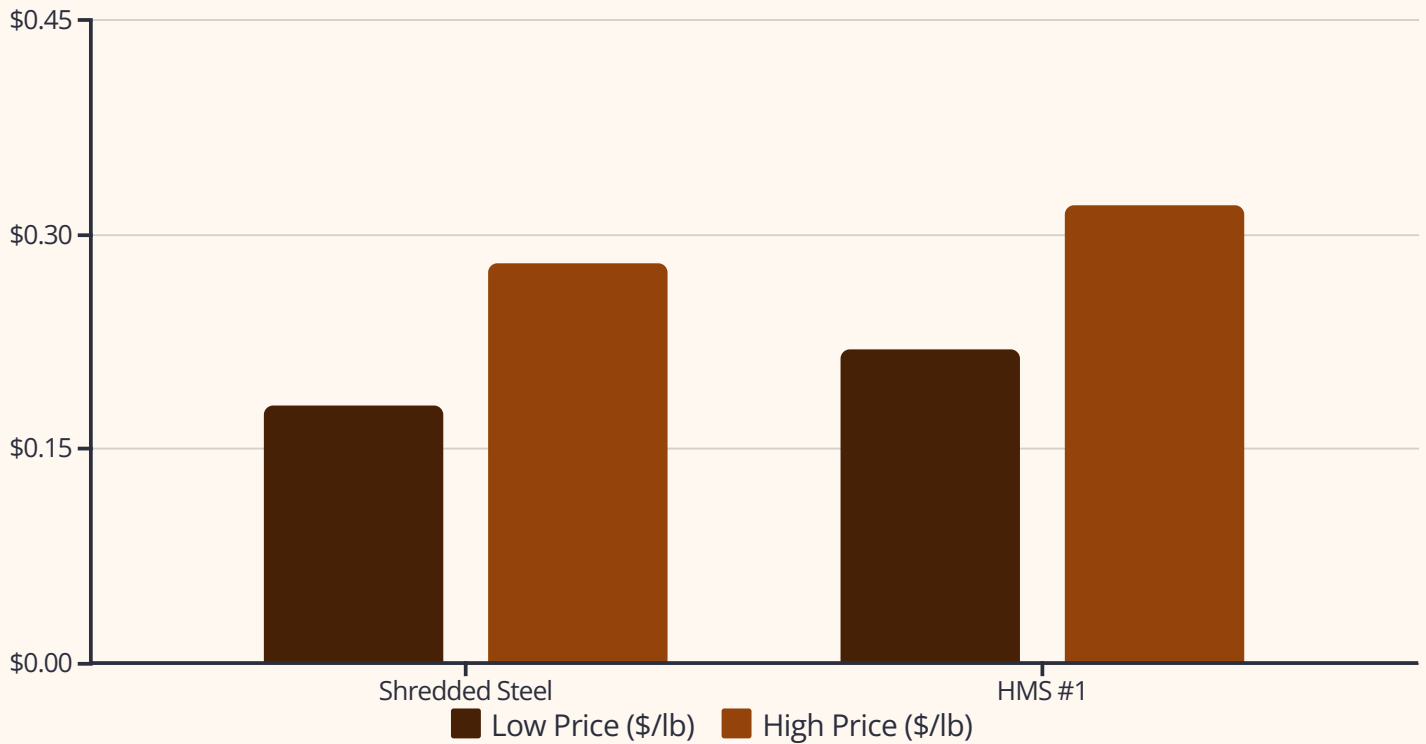
Rapid infrastructure development driving massive consumption growth

4

### Middle East

Energy costs affecting production economics and competitiveness

# Steel Market Outlook



## Demand Patterns

- Infrastructure Investment**  
 Infrastructure bill driving construction steel demand nationwide
- Automotive Recovery**  
 Automotive production recovering to pre-pandemic levels
- Shipbuilding Strength**  
 Shipbuilding sector showing strength with naval contracts
- Energy Sector Growth**  
 Energy sector steel needs increasing for pipeline projects



## Technology Impact

- Electric arc furnaces favoring scrap steel usage
- Advanced sorting improving material quality
- Transportation optimization reducing costs
- Digital platforms increasing price transparency

# Emerging Opportunities

## Critical Materials Focus



### Lithium Battery Recycling

Market growing 25% annually with improving cobalt recovery rates and surging nickel demand from EV batteries



### Rare Earth Elements

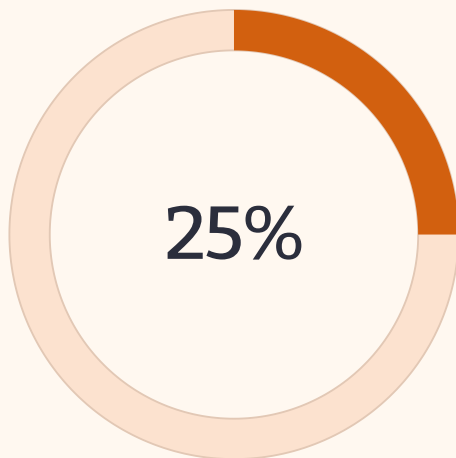
Wind turbine magnets creating supply, electronics recycling becoming profitable with premium military applications



### Specialty Alloys

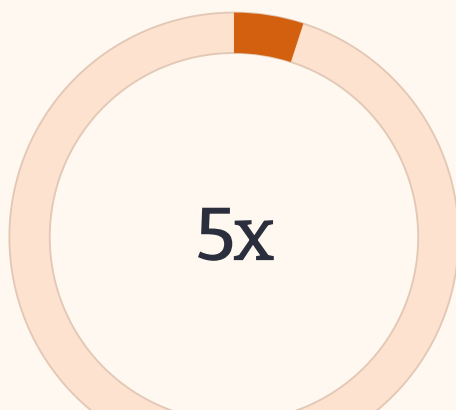
Aerospace grade titanium commanding high prices, medical device materials in short supply

## Market Growth Indicators



### Battery Recycling Growth

Annual market expansion rate



## Technology Applications

- 3D printing materials market expanding rapidly
- High-performance industrial applications growing
- Government incentives supporting development
- Supply chain diversification efforts accelerating

# Investment Strategies

## Market Timing Approaches

1

### Contrarian Strategy

Accumulate inventory during Q1 weakness and build positions when sentiment is negative. Focus on longer-term supply/demand fundamentals but requires significant working capital.

2

### Trend Following

Monitor commodity futures for direction signals and use technical analysis for entry/exit points. Implement stop-loss strategies - best suited for experienced traders.

3

### Value-Added Processing

Invest in sorting and cleaning equipment, focus on quality upgrades for premium pricing. Develop specialty material expertise and build long-term customer relationships.

## Risk Management Framework

### Diversification Benefits

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#### Material Mix

Balance ferrous and non-ferrous materials for stability

#### Volume Strategy

Balance high-value, low-volume with stable materials

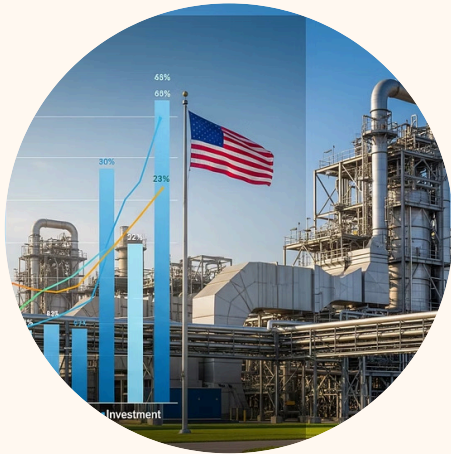
#### Geographic Spread

Geographic diversification reduces local market risks

### Hedging Strategies

- Use futures to lock in selling prices
- Consider currency hedging for exports
- Insurance against major price movements
- Maintain adequate working capital reserves

# Regional Market Intelligence



## North American Trends

Transportation costs favor local processing with environmental regulations increasing compliance costs. Labor costs driving automation investments while quality standards remain generally higher.



## Infrastructure Impact

\$1.2 trillion infrastructure bill supporting demand through bridge and highway projects using significant steel, broadband expansion requiring copper, and clean energy projects needing aluminum.

# Global Trade Flow Analysis



## Export Opportunities

Asia paying premiums for high-quality materials while Europe demands certified recycled content



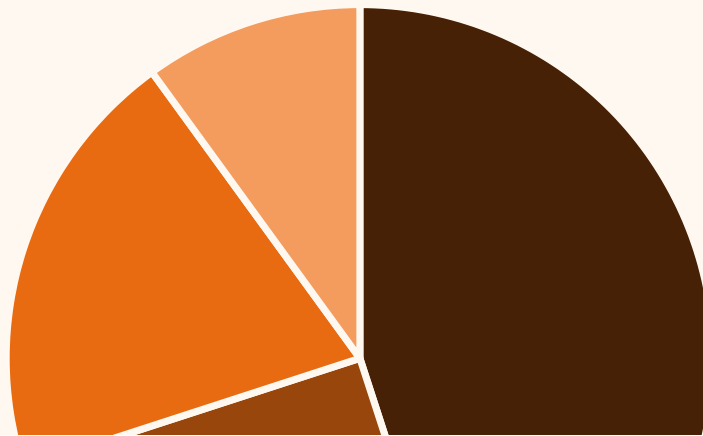
## Import Competition

Low-cost suppliers affecting margins but quality differences creating opportunities



## Market Expansion

Developing markets offering growth potential with favorable trade agreements



# Technology & Innovation

## Processing Technology Advances

### AI-Powered Sorting

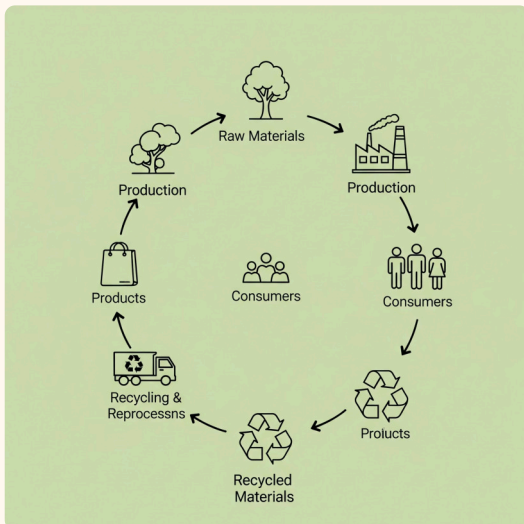
Optical recognition improving material purity with automated contamination removal, real-time quality assessment, and significant labor cost reduction benefits.

### Advanced Analytics

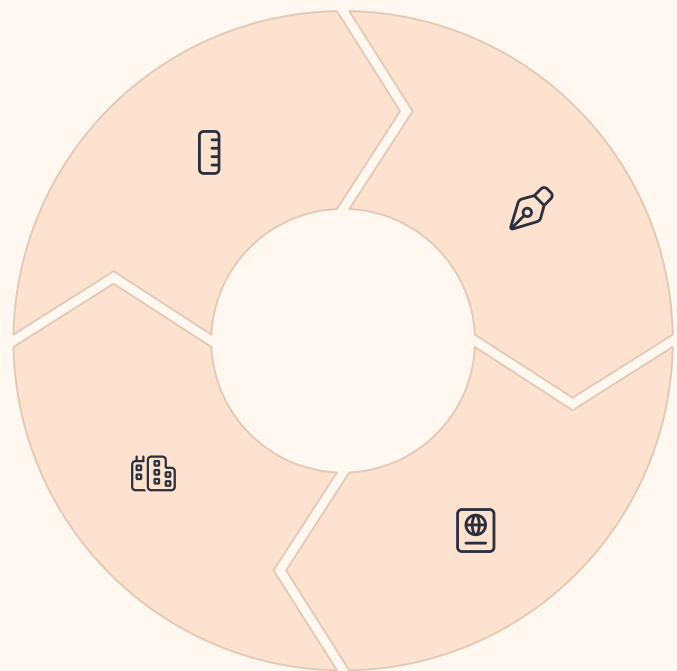
Predictive pricing models enhancing demand forecasting accuracy, inventory optimization, and route optimization for collections.

### Blockchain Applications

Supply chain traceability improving with certified recycled content verification, smart contracts for trading, and enhanced fraud prevention measures.



## Sustainability & Circular Economy



### Design Standards

Design for recyclability standards



### Producer Responsibility

Extended producer responsibility programs



### Material Passports

# 2025 Action Plan

## Q1 2025 Priorities

- Build inventory during seasonal price lows
- Invest in quality improvement equipment
- Develop new supplier relationships
- Negotiate annual contracts with buyers

1

2

## Mid-Year Opportunities

- Capitalize on construction season demand
- Expand processing capabilities
- Explore export market opportunities
- Implement technology upgrades

## Strategic Investment Framework



### Equipment Modernization

Advanced sorting equipment for quality premiums and improved processing efficiency



### Transportation Optimization

Transportation fleet optimization to reduce costs and improve delivery times



### Digital Systems

Digital systems implementation for efficiency gains and data-driven decisions



### Workforce Development

Staff training programs for safety and productivity improvements

## Key Performance Indicators

1

Revenue per Ton

2

Gross Margin

# Conclusion & Recommendations

## Multi-Year Growth Cycle

Scrap metal markets entering multi-year growth cycle driven by green transition and infrastructure investment

## Structural Demand Increase

Green transition creating structural demand increase that will persist beyond typical market cycles

## Competitive Advantages

Quality and efficiency becoming key competitive advantages in evolving market landscape

## Technology Imperative

Technology adoption essential for long-term success and market competitiveness

# Strategic Investment Recommendations

## Immediate Action

Build copper and aluminum inventory during Q1 weakness to capitalize on seasonal pricing patterns

## Short-Term Investment

Invest in processing equipment for quality upgrades and premium pricing opportunities

## Medium-Term Development

Develop specialty material capabilities in high-value segments like battery recycling

## Long-Term Strategy

Consider vertical integration opportunities to capture additional value chain margins

## Critical Risk Factors

### → Geopolitical Events

Monitor geopolitical events affecting global supply chains

### ⊗ Important Disclaimer

This report is for informational purposes only and should not be considered as investment advice. Market conditions can change rapidly.