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FOUNDRY FRONTIER

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INDIAN FOUNDRY SCRAP PRICES DECLINE FURTHER IN JUL'26 AS SUPPLY IMPROVES

*Foundry scrap prices in July continue to fall despite healthy demand, writes **S Shankar***

Indian foundry scrap prices extended their downward correction through July 2026, driven by improving scrap availability across key sourcing markets. Both processed plate cutting and cold-rolled (CR) low-manganese busheling prices declined as buyers negotiated lower prices amid comfortable supply, even though demand was moderately strong.

Prices fall across key foundry scrap grades

Processed plate cutting prices declined across all four tracked markets during July, according to BigMint's assessments. Coimbatore recorded the sharpest correction of INR 2,150/t (to INR 38,650/t from a monthly average of INR 40,800/t in June), followed by Chennai, which dropped INR 1,850/t (to INR 36,750/t from INR 38,600/t). Kolhapur and Kolkata registered relatively moderate declines of INR 700/t and INR 500/t, respectively, indicating that while the correction was widespread, its magnitude varied based on regional scrap availability and local foundry demand.

CR low-manganese busheling prices also softened, although the trend was more uneven across markets. Kolhapur led, with a

fall of INR 1,850/t (to INR 41,750/t from INR 43,600/t), followed by Chennai, down INR 1,450/t (to INR 42,200/t from INR 43,650/t). In contrast, Coimbatore remained largely stable, slipping by only INR 100/t (to INR 44,500/t from INR 44,600/t), suggesting relatively tighter local availability or more resilient buying interest compared with other regions.

Supply recovery outweighs healthy auto sector demand

During March-May, gas supply constraints and labour shortages had impacted scrap generation, leading to tighter availability and a sharp price uptrend. These supply





disruptions have largely eased since June, though gas prices remain elevated. As such, scrap generation has improved, and prices have moderated from recent highs. Notably, the price decline was largely due to improved scrap availability rather than weak demand. Auto original equipment manufacturers (OEMs) continue to maintain healthy order books following a 23% y-o-y increase in total vehicle sales in H1CY'26, according to data from the Society of Indian Automobile Manufacturers (SIAM). However, the broader weakness in the steel market has spilt over into the foundry segment, with recent automaker scrap auctions also recording lower prices for CR busheling scrap, reinforcing the downward price trend.

Outlook

The June-to-July trend indicates a broad-based easing in foundry scrap prices, driven primarily by improved scrap availability

rather than a significant slowdown in demand. Prices in Chennai are likely to remain under pressure across both grades, while Coimbatore will be closely watched for the contrasting performance between plate cutting and CR low manganese busheling, which may signal grade-specific supply tightness.

Looking ahead, the approaching festive season is expected to support automobile demand as consumers typically defer purchases in anticipation of promotional discounts. A seasonal improvement in vehicle sales should help keep OEM order books healthy and sustain foundry demand. However, unless scrap availability tightens materially or steel prices recover, the supply overhang is likely to outweigh the demand uplift. As a result, foundry scrap prices are expected to remain under mild downward pressure through August, though the pace of declines is likely to moderate.

