
Monday Market Monitor - Iron Ore (WEEK 33) - Cracks appearing in iron ore prices in China

Monday, 17 Aug, 2009

After golden run since April 23rd 2009, the iron ore spot market for Indian iron ore fines 63.5/63% trading at USD 110 plus on CIF basis has started to signs of softening on August 13th 2009.

The spot prices Indian iron ore fines went through the roof, almost by 10%, in just a matter of 7 days since July 31st 2009.

Now iron ore spot market sentiment appears softer towards the end of this week on rumors of traders starting to sell their cargos as steel prices retracted to end July levels after reaching peak on August 5th 2009.

Product	05-Aug	14-Aug	Change	%
CLPPI	7306	6597	-709	-9.7%
CFPPI	6875	6585	-289	-4.2%
CHISPI	7062	6590	-471	-6.7%

CLPPI - Chinese Long Product Price Index

CFPPI - Chinese Flat Product Price Index

CHISPI - Chinese Steel Price Index

On the other the domestic selling prices for imported ore at main ports in China as well as domestic iron ore prices have remained unchanged so far.

EXPORT

The export levels remained unchanged signifying silence before the slide as the only fall out.

Iron ore fines

FOB East Coast of India

Grade	%
Fe 63.5/63%	0.0%
Fe 63.5/62.5%	0.0%
Fe 63/62 %	0.0%
Fe 62 / 61%	0.0%
Fe 61 / 60 %	0.0%
Fe 60/59 %	0.0%
Fe 59 / 58 %	0.0%
Fe 58 / 57%	0.0%

Change is on August 14th 2009 as compared to August 7th 2009

Thus, considering the steep fall in steel prices in China, market scenario for Indian iron ore spot cargos remains hazy but chances for corrections seem quite high, if not imminent, in coming days.

To know exact levels, likely scenario, domestic iron ore spot prices at Bellary and Barbil and FOB East Coast spot prices subscribe to "Iron Ore Services" of www.steelprices-india.com by registering or sending a mail to admin@steelprices-india.com along with your full contact details. Please note that this is a paid service with subscription

charges of USD 600 or INR 30,000 plus ST for 12 months.

The accuracy and the speed of reporting changes is well appreciated by not only Indian miners, but by global iron ore majors as well as Chinese mills as many of them have subscribed to this service to maintain another but solid listening post as far as Indian spot market is concerned.

(Sourced from www.steelprices-india.com)

For more news visit at www.steelguru.com