
Iron ore price negotiations - Citigroup raises forecast for 2010-11

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Citigroup raised the expectation to the annual iron ore contract price of 2010/2011. It is expected that the annual benchmark price will be increased 15% over 2009/2010, while the previous expectation was 16%.

The group pointed out that the factors deciding the annual iron ore contract price of 2010/2011 include spot price, China's related policies and production situation, freight, the global demand and the strategies.

The current premium on spot price over the contract price exceeds 10% and even the iron ore manufacturers produce good at the largest capacity in the following two years, the market will still be in the state of short supply.

(Sourced from Metal Biz)

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