

---

## Monthly report on Chinese iron ore market for May 2009

Thursday, 02 Jul, 2009

China iron ore price picked up entirely in May with total increment hitting CNY 10-40. Local mines were not in high spirit of recovering production due to lower market price than their expectation.

Imported iron ore transaction at spot market expanded and lots of enquires came from domestic purchasers. Since the launch of the initial iron ore long-term contract price between Rio and Nippon Steel, trader are deliberated to drive up spot price as it is much lower than expectation.

Stimulated by substantial ocean freight growth, iron ore import price picked up entirely at the early of June, narrowing the price gap between domestic one, which further promoted domestic ore price rise. Once import price climbs up to the level of domestic one, domestic steel mills will turn to home market, and at the time, miners will consider to recover production again.

I China iron ore price stabilized with increase in some regions in May

II Analysis on iron ore market in June

II.1 Iron ore supply in June will keep rising

II.2 Imported iron ore price jumped up as a whole

II.3 Ocean freight shot up

II.4 Iron ore inventory at ports augmented persistently

II.5 China steel price moved up entirely in May

II.6 Initial FY 2009 international iron ore long-term contract price

II.7 Rising imported ore price is conducive to domestic production recovery

Table 1: China iron ore price in Jul.2008-May, 2009

Table 2: Steel Price Changes at Domestic Market

Graph 1: China iron ore price trend in 2008-May 2009

Graph 2: China iron ore output & import in 2008-Apr.2009

Graph 3: Price contrast between domestic and imported ore in 2008-May 2009

Graph 4: International ocean freight in 2008-May 2009

Graph 5: China iron ore imports & inventory at ports in 2008-May 2009

Price:

USD 500

How to order:

Ordering the report is simple. You can order your copy to [reports@steelguru.com](mailto:reports@steelguru.com), which will send you an invoice of the report.

For more news visit at [www.steelguru.com](http://www.steelguru.com)