
Monday Market Monitor - India (WEEK 43) - Unimpeded decline

Monday, 26 Oct, 2009

Indian domestic steel prices continue to exhibit weakening sentiments last week. The Indian Long Product Price Index ILPPI decreased by 13 points whereas Indian Flat Products Index IFPPI dipped by 64 points. The overall price index INDSPI decreased by 37 points.

?Class	16-Oct	23-Oct	Change	%
ILPPI	6052	6039	-13	-0.2%
IFPPI	7481	7417	-64	-0.9%
INDSPI	6733	6695	-37	-0.6%

ILPPI - Indian Long Product Price Index

IFPPI - Indian Flat Product Price Index

INDSPI - Indian Steel Price Index

Long Products

?Category	16-Oct	23-Oct	Change	%
PI - TMT	5763	5754	-9	-0.2%
PI - WRC	6545	6525	-20	-0.3%
PI - Angle	5752	5750	-2	0.0%
PI - Channel	5826	5806	-20	-0.3%
PI - Joist	5425	5422	-3	-0.1%

PI - Product Index

Flat products

?Category	16-Oct	23-Oct	Change	%
PI - Narrow Plates	7130	7102	-28	-0.4%
PI - Wide Plates	7245	7230	-16	-0.2%
PI - Hot Rolled	7327	7258	-69	-0.9%
PI - Cold Rolled	8076	7956	-120	-1.5%
PI - Galvanized	7911	7890	-21	-0.3%

PI - Product Index

To know more about these indices please visit
http://steelprices-india.com/spi_services/spi.html

You can now get ILPPI, IFPPI and INDSPI as SMS alert on mobile by submitting your details at
<http://steelprices-india.com/smsalert>

1. Input material - Tailspin continues

The prices of input material dipped without any respite for the 3rd consecutive week . Brief periods of correction have

promptly paled into another round of decline in the absence of demand for downstream long products.

International scrap prices have played first fiddle with sentiments remaining mellowed as demand of re bars has remained abysmally poor keeping the mills away from the market. Likewise the debacle in Chinese steel prices owing to surplus production and waning demand has kept the scrap prices low as mills scurry from production.

Melting scrap

80:20

HMS

?Location	Change
Chennai	-4%
Kandla	0%
Mumbai	-1%
Mandi	-5%
Kolkata	-5%
Kanpur	-2%

Change is on October 23rd as compared to October 16th 2009

Change is in INR per tonne

Alang

?Product	Size	Change
Ships	Mixed	0%
Plate cuttings	1"	0%

Change is on October 23rd as compared to October 16th 2009

Change is in INR per tonne

Pencil ingot

?Location	Change
Mumbai	4%
Mandi	-2%
Raipur	-3%
Kanpur	-2%
Kolkata	0%
Ghaziabad	-1%
Muzzafarnagar	-3%
Ahmedabad	-1%
Rudrapur	1%
Hyderabad	1%

Raigarh	-4%
Durgapur	-2%
Nagpur	-2%
Jamshedpur	0%
Jaipur	0%
Rourkela	0%
Bhiwari	0%

Change is on October 23rd as compared to October 16th 2009

Change is in INR per tonne

Pig Iron

?Location	Change
Raipur	0%
Kolkata	-1%

Change is on October 23rd as compared to October 16th 2009

Change is in INR per tonne

Sponge iron

?Location	Change
Raipur	2%
Kolkata	-13%
Bellary	2%

Change is on October 23rd as compared to October 16th 2009

Change is in INR per tonne

2. Long products - Expectant spirits

The long product prices although has not shown any positivity in the recently however the happenings have been less pronounced compared to flat products. The market seems agog with expectation that the prices have hit the bottom as most of the suppliers are already producing below cost and would certainly bid for price hike to survive . Moreover with the culmination of festivities in India the situation is ripe for pick up in construction activities which has remained subdued for long . Massive allocation by the government for housing and infrastructure development in rural India will certainly unleash a period of hiked consumption.

TMT

Fe 415

12mm

?Location	Change
Chennai	-3%
Mumbai	3%
Mandi	0%

Kolkata	0%
Delhi	0%
Kanpur	-1%
Ahmedabad	0%
Indore	2%

Change is on October 23rd as compared to October 16th 2009

Change is in INR per tonne

WRC

SWR14

5.5/6

?Location	Change
Chennai	-1%
Raipur	0%
Kolkata	0%
Delhi	0%
Kanpur	-1%

Change is on October 23rd as compared to October 16th 2009

Change is in INR per tonne

ANGL

GRADE A

65X65X6

?Location	Change
Chennai	0%
Mumbai	3%
Mandi	-2%
Raipur	0%
Kolkata	0%
Delhi	0%
Kanpur	-1%
Ahmedabad	-1%
Indore	2%
Bangalore	0%

Change is on October 23rd as compared to October 16th 2009

Change is in INR per tonne

CNHL

GRADE A

75/40

Location	Change
Chennai	-3%
Mumbai	3%
Mandi	-1%
Raipur	0%
Kolkata	1%
Delhi	0%
Kanpur	-1%
Ahmedabad	-1%
Indore	2%
Bangalore	0%

Change is on October 23rd as compared to October 16th 2009

Change is in INR per tonne

JSTI

GRADE A

250X125

Location	Change
Chennai	0%
Mumbai	3%
Mandi	-2%
Raipur	0%
Kolkata	2%
Delhi	-3%
Kanpur	-2%
Ahmedabad	0%
Indore	2%
Bangalore	0%

Change is on October 23rd as compared to October 16th 2009

Change is in INR per tonne

3. Flat products - Scene becomes murkier

The flat product market has not seen any happenings over the last 4 weeks. The prices are at abject level as the market prices

diminishes week on week in the absence of demand. The negativity is having an extended run as buyers are well stocked which refuses to deplete in the absence of end use demand as well as the threat of Chinese imports. It is reported that some steel majors have been doling out sops like cash discount to the tune of INR 1200 -1500 per tonne and kind like Gold coins (3gms) on purchase of 10 tonne and above. The writing on the wall is clear that steel majors would go for price reduction in November .

HRC

Tube

2.5x1250

?Location	Change
Mumbai	0%
Ludhiana	-3%
Kolkata	-1%
Delhi	-4%
Ahmedabad	0%
Indore	0%
Bangalore	0%

Change is on October 23rd as compared to October 16th 2009

Change is in INR per tonne

Patra

?Location	Change
Ludhiana	2%
Mandi	-2%
Delhi	0%

Change is on October 23rd as compared to October 16th 2009

Change is in INR per tonne

Plates

GRADE A

8X1250/1500

?Location	Change
Chennai	0%
Mumbai	0%
Kolkata	-1%
Delhi	-1%
Kanpur	0%

Change is on October 23rd as compared to October 16th 2009

Change is in INR per tonne

Plates

GRADE B

12-20X2500

?Location	Change
Chennai	0%
Mumbai	0%
Raipur	0%
Kolkata	0%
Delhi	0%
Kanpur	-1%
Ahmedabad	0%
Indore	-1%
Bangalore	0%

Change is on October 23rd as compared to October 16th 2009

Change is in INR per tonne

CR

DSK

0.63x1000

?Location	Change
Chennai	-1%
Mumbai	0%
Pune	0%
Kolkata	-2%
Delhi	-5%
Kanpur	0%
Ahmedabad	-1%

Change is on October 23rd as compared to October 16th 2009

Change is in INR per tonne

GC

100Gms

0.4

?Location	Change
Chennai	-1%
Mumbai	0%
Kolkata	-1%
Delhi	-1%

Kanpur	-1%
Bangalore	0%

Change is on October 23rd as compared to October 16th 2009
Change is in INR per tonne

4. Indian Export Levels - Wilts under Chinese pressure

The rampaging Chinese offers has not only send the offer levels crashing , but soaring buyers expectation for a cheaper booking . The market is in huddle expecting further decline. The ensuing imbroglia eludes clarity and definite direction. The market is highly China centric.

?Item	Grade	Size	Delivery	Change
PLTS	Structural	12-40x2.5	FOB Vizag	-30
HDG	100Gms	0.4	FOB Mumbai	0
PPGI	Standard RAL	0.4	FOB Mumbai	0

Change is on October 23rd as compared to October 16th 2009
Change is in USD per tonne

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