
Monday Market Monitor - Iron Ore (WEEK 52) - Song remains the same

Monday, 28 Dec, 2009

Spot prices of Indian iron ore fines continued to increase last week both on domestic as well as export fronts.

Restricted supply due to Indian iron ore mess is touted to be the reason behind rise in domestic levels as this is one of the reasons behind abnormal surge in sponge iron and long product price sin last 3 weeks in India.

On the other hand, increased demand of iron ore from Chinese mills due to increased production levels supported by improving domestic steel prices is the min reason behind surge in Indian export levels.

Indian government has further compounded the situation by raising the export duty on iron ore lumps to 10% from 5% and on iron ore fines to 5% from nil. This, about USD 3 per tonne to USD 4 per tonne tax is likely to push up FOB prices further as Chinese mills are desperately looking to buy on spot basis to match their increased appetite.

In addition, raising of forecast of hike in benchmark price settlement by some of banks and market players is supporting higher prices.

Iron ore fines

FOB India

Grade	Change
Fe 63.5/63%	2%
Fe 63.5/62.5%	2%
Fe 63/62%	2%
Fe 62/61%	3%
Fe 61/60%	1%
Fe 60/59 %	1%
Fe 59/58 %	2%
Fe 58/57%	3%
Fe 57/56 %	2%
Fe 56/55%	2%
Fe 55/54 %	2%
Fe 54/ 53 %	4%
Fe 53/52 %	2%
Fe 52/51 %	3%

Change is on December 25th as compared to December 18th 2009

Iron ore

EX Mine Barbil

Product	Grade	Size	Change
Iron ore - BF	Fe 65%	10-40	10%

IOS-Primary	Fe 63%	5-18	10%
IOS Secondary	BF	-	12%
Iron ore - Fines	Fe 63%	Fines	0%

Change is on December 25th as compared to December 18th 2009

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)

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