
Monday Market Monitor - Iron Ore (WEEK 46) - Revival continues

Monday, 16 Nov, 2009

The spot price of Indian iron ore Fe 63.5/63% showed impressive gain of 2.6% to 5.3% during last week surpassing the psychological barrier of USD 100 per tonne CNF for 63.5%/63% by a good margin.

The markets sentiments seems to be inching forward in slow but sure as the Chinese steel market bottomed out with a gain of almost 2% during last week.

The unabated growth in Chinese steel production touching 51 million tonne in September about 22% jump YoY has guzzled iron ore fanning demand. This propulsion has been supported by non settlement of contractual prices increasing dependency on spot market. The spot prices which has a distinctly sentimental tenor has shown sinusoidal vacillation month on month. The prices after peaking at USD 82 per tonne on August 7th 2009 declined by 24 % or USD 20 per tonne by September 11th 2009 and thereafter galloped by another USD 16 per tonne on November 10th 2009 exhibiting a definite pattern and buoyancy.

INR appreciation vis à vis USD recently has contributed its bit in the run up.

In addition, Indian iron ore mining mess (Authorities clamping down illegal mining, political game in Karnataka, probe in Mr Madhu Koda affairs) is also contributing to price rise on account of curtailed supplies. These factors would support current levels or lead to further increase.

Iron ore fines

FOB India

Grade	Change
Fe 63.5/63%	3%
Fe 63.5/62.5%	3%
Fe 63/62%	3%
Fe 62/61%	3%
Fe 61/60%	3%
Fe 60/59 %	3%
Fe 59/58 %	3%
Fe 58/57%	4%
Fe 57/56 %	6%
Fe 56/55%	6%
Fe 55/54 %	4%
Fe 54/ 53 %	5%
Fe 53/52 %	5%

Change is on November 13th as compared to November 6th 2009

On the domestic front prices of iron ore at Barbil remained stagnant due to OMC pricing influence on market but prices gained substantially at Bellary Region due to restricted availability and higher FOB levels.

Barbil domestic

Product	Grade	Size	Change
Iron ore - BF	Fe 65%	10-40	0%
IOS-Primary	Fe 63%	5-18	0%
IOS – Secondary	BF	-	0%
Iron ore - Fines	Fe 63%	Fines	0%

Change is on November 13th as compared to November 6th 2009

Bellary domestic

Product	Grade	Size	Change
Iron Ore Calibrate	Fe 65%	10-40	2%
Iron Ore Calibrate	Fe 64%	10-40	2%
Iron Ore Calibrate	Fe 62%	10-40	3%
Iron Ore Calibrate	Fe 60%	5-20	2%
Iron Ore Calibrate	Fe 62%	5-20	0%
Iron ore - Fines	Fe 63%	Fines	4%

Change is on November 13th as compared to November 6th 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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