
Monday Market Monitor - Iron Ore - WEEK 09 - In reverse gear

Monday, 08 Mar, 2010

The Chinese imported iron ore market, which started exhibiting signs of softness earlier last week, has gone down further. As a result, prices of various grades of iron ore fines FOB Indian ports have dipped by 4% to 9% last week.

The slide is reported to be mainly due to the stance taken by Chinese buyers, which appears to have stemmed from their move to bring down spot prices. It is said that the surge in spot prices at crucial time, when annual benchmark talks are supposed to end, have put Chinese negotiators at back foot.

Miners are looking for settlement at levels close to prevailing spot prices. Nomura and Morgan Stanly have already hiked their forecast to 70% and 60% respectively this week. As per recent report Vale is looking for 90% hike.

Thus it is reported that Chinese buyers are abstaining from the market, which is putting pressure on Indian sellers, especially with positioned cargos.

We also understand that other Indian miners are as such holding on and are not offering fresh cargos

In other words, uncertainty prevailsbut market players are of the view that we shall not be seeing a major crash.

Iron ore fines

FOB India

Grade	Change
Fe 63.5/63%	-4%
Fe 63.5/62.5%	-4%
Fe 63/62%	-4%
Fe 62/61%	-4%
Fe 61/60%	-4%
Fe 60/59 %	-5%
Fe 59/58 %	-5%
Fe 58/57%	-5%
Fe 57/56 %	-5%
Fe 56/55%	-6%
Fe 55/54 %	-6%
Fe 54/ 53 %	-7%
Fe 53/52 %	-8%
Fe 52/51 %	-9%

Change is on March 5th 2010 as compared to February 26th 2010

To know the exact levels, utilize a special "Iron Ore Pricing" package from www.steelprices-india.com

With the impending gradual shift form benchmark pricing based long term contracts to spot cargos, it has become more vital

for both sellers as well as buyers to precisely monitor the daily movements of iron ore spot prices to keep tab on trends and spot opportunities.

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. Pricing information is updated as and when the levels change. In addition domestic prices at Bellary and Burbil are reported.

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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