

Monday Market Monitor - Metals (WEEK 06) - Sinking on Chinese fear

Monday, 15 Feb, 2010

Metal prices on London metal Exchange continue to drop last week under the weight of a stronger dollar, mixed economic data in the United States and further monetary tightening moves in China, which triggered renewed worries about near term demand prospects in the world's top metals consumer.

In a bid to cool the country's rapidly growing economy and combat inflation, China's central bank surprised markets by raising banks' reserve requirement 50 basis points effective on February 25th 2010, the second such increase this year. The news sparked losses across the broader metals complex, raising concerns about China's ability to continue to lead the global economic recovery.

The dollar rose against the euro after the China news and after a pledge by the European Union to help Greece tackle its fiscal problems did little to quell uncertainty over the country's ballooning sovereign debt. A stronger US currency makes dollar-denominated commodities more expensive for holders of other currencies.

Elsewhere, mixed economic data from the United States offered little support to copper. Sales at US retailers rose more than expected in January, but consumer sentiment slipped in early February, data showed.

London Metal Exchange Rates

Cash Buyer

Product	04-Feb	11-Feb	Change	%
Zinc	2122	1998	-124	-6%
Nickel	18725	17030	-1695	-9%
Tin	17040	14925	-2115	-12%
Aluminium	2061	1974	-88	-4%
Copper	6853	6329	-525	-8%

Change is on February 11th 2010 as compared to February 4th 2010

In USD per tonne

1. Zinc

London Metal Exchange Rates

Cash Buyer

04-Feb	08-Feb	09-Feb	10-Feb	11-Feb
2122	2151	2147	2045	1998

In USD per tonne

Date	Rate	Period	Change
11-Feb	1998		
04-Feb	2122	WoW	-5.82%
11-Jan	2579	MoM	-22.51%
11-Nov	2155	QoQ	-7.29%
11-Feb'09	1123	YoY	77.92%

In USD per tonne

2. Nickel

London Metal Exchange Rates

Cash Buyer

04-Feb	08-Feb	09-Feb	10-Feb	11-Feb
18725	17940	17825	17400	17030

In USD per tonne

Date	Rate	Period	Change
11-Feb	17030		
04-Feb	18725	WoW	-9.05%
11-Jan	18275	MoM	-6.81%
11-Nov	17025	QoQ	0.03%
11-Feb'09	10545	YoY	61.50%

In USD per tonne

3. Tin

London Metal Exchange Rates

Cash Buyer

04-Feb	08-Feb	09-Feb	10-Feb	11-Feb
17040	15975	15950	15490	14925

In USD per tonne

Date	Rate	Period	Change
11-Feb	14925		
04-Feb	17040	WoW	-12.41%
11-Jan	17800	MoM	-16.15%
11-Nov	14940	QoQ	-0.10%
11-Feb'09	11145	YoY	33.92%

In USD per tonne

4. Aluminium

London Metal Exchange Rates

Cash Buyer

04-Feb	08-Feb	09-Feb	10-Feb	11-Feb
2061	2012	2022	2002	1974

In USD per tonne

Date	Rate	Period	Change
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11-Feb	1974		
04-Feb	2061	WoW	-4.25%
11-Jan	2320	MoM	-14.94%
11-Nov	1938	QoQ	1.83%
11-Feb'09	1362	YoY	44.90%

In USD per tonne

5. Copper

London Metal Exchange Rates

Cash Buyer

04-Feb	08-Feb	09-Feb	10-Feb	11-Feb
6853	6672	6610	6484	6329

In USD per tonne

Date	Rate	Period	Change
11-Feb	6329		
04-Feb	6853	WoW	-7.65%
11-Jan	7680	MoM	-17.60%
11-Nov	6595	QoQ	-4.04%
11-Feb'09	3376	YoY	87.46%

In USD per tonne

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