
Hiked import offers of HRC bolsters confidence of Indian steel mills

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The international flat product prices are on roller coaster having appreciated by USD 50 per tonne in a month. This has inspired the Indian mill owners to take a call at price revision after a gap of 4 months. Just when the domestic market seemed to have entered an abyss some light was observed in the oblivion.

The recent hike by INR 750 per tonne to INR 1500 per tonne is much desired exercise indulged by manufacturers to narrow the gap between import offers and domestic levels.

Although the international price levels had evinced buoyancy about a month back it took them a while to react having swallowed the bitter pill earlier.

Import parity calculation

	In USD	IN INR
CFR Price	640	
Custom Duty	36	
Port Expenses	10	
Landed at Mumbai Port	686	
MODVAT	101	
Total landed	787	36386
Net of MODVAT	686	31711

INR to USD - 46.24

In INR per tonne

(Source: www.steelprices-india.com)

The domestic price levels at Mumbai prevailing at INR 32600 per tonne excluding ED and VAT.

The confidence is based on solid foundation of an anticipated hike in price after Ramadan and European holidays when demand rears to replenish stocks. Moreover the domestic market is expected to resurrect post monsoon.

Moreover the Waterloo in last quarter took its toll on truncated capacity as many mills unable to withstand the hike in raw material prices viz iron ore coke etc without demand support shut down.

Global steel production has come down to 114 million tonnes in July from a high of 124 million tonnes in May. Production in China, the world's largest steel producer, was down 4% at 51.74 million tonnes in July, when compared month on month as smaller steel producers shut their units due to sharp rise in raw material prices. This is likely to create shortage psychosis enough to spruce the market sentiments in the short run.

Major steel producers such as SAIL, TATA Steel, JSW Steel, Essar Steel and Ispat have already hiked prices for flat products. The recent hike bodes well for companies as it will help them offload some high cost inventory. Droplets of demand can be barely enough assuage the dreary market however it is a godsend opportunity for mills to opportunistically grab its pie before the flurry vanishes.

www.steelprices-india.com is a comprehensive portal that provides domestic pricing information for benchmark steel products in each category at select location in India on a regular basis 5 days a week and international price levels on a weekly basis.

As steel in each category comes in hundreds of grades shapes and sizes, we have taken benchmark products in each category

at select locations to cover the entire basket of garden variety of steel products including input material for steel making and processing.

Products covered

1. Input materials - Iron ore, scrap, sponge iron, pig iron pencil ingot, billets and blooms
2. Long products - Rebar, wire rod, angle, channel and joists
3. Flat products - Narrow plates, wide plates, HR, CR and galvanized
4. Others - Pipes

Methodology and access

1. Benchmark products in each category with fixed commonly used sizes and grades
2. Base prices or effective, as per market trends
3. Average transaction levels which have settled well, based on continuous interactions with domestic mills, overseas suppliers, importers stockiest & service centers and buyers
4. On fixed market oriented payment terms
5. Daily updates
6. Data available since July 2008
5. Access through web site

Price basis

Without ED and VAT for all products except for rebar and sections

Other features

The prices are displayed on weekly and monthly basis. They also have search facilities to access old data from the archives. Graphical representation of trends and comparison of price movement 2 or more products is also available.

In addition, you can monitor currency exchange rates, metal prices, BDI for the day as well as access their archives for past data.

Other features include converters for weight, length etc, glossary and advanced search functions. The benchmark product price information is supplemented by global pricing news.

Subscription charges for 12 months access

Currency	Single	2-5	6-12	13-25	26-40	40-60
INR	66,000	132,000	220,000	440,000	660,000	880,000
USD	1,650	3,300	5,500	11,000	16,500	22,000

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