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## Monday Market Monitor - India (WEEK 12) - No respite

Monday, 23 Mar, 2009

Indian Steel Prices plummeted on scarce demand and abysmally poor activity plaguing the economy. The Indian Long Product Price Index ILPPI dipped by 62 points, whereas the Indian Flat Products Index IFPPI depreciated by 21 points. The overall price index INDSPI declined by 43 points:

Class	13-Mar	20-Mar	Change
ILPPI	6630	6568	-62
IFPPI	6656	6635	-21
INDSPI	6642	6599	-43

ILPPI - Indian Long Product Price Index

IFPPI - Indian Flat Product Price Index

INDSPI - Indian Steel Price Index

Long Products	Category	13-Mar	20-Mar	Change
	PI - TMT	6392	6322	-69
	PI - WRC	7133	7066	-67
	PI - Angle	6263	6233	-30
	PI - Channel	6313	6259	-53
	PI - Joist	5805	5774	-32

Flat products	Category	13-Mar	20-Mar	Change
	PI - Narrow Plates	6267	6267	0
	PI - Wide Plates	6705	6683	-21
	PI - Hot Rolled	6478	6436	-42
	PI - Cold Rolled	7241	7254	13
	PI - Galvanized	6954	6954	0

To know more about these indices please visit

[http://steelprices-india.com/spi\\_services/spi.html](http://steelprices-india.com/spi_services/spi.html)

Input materials remains bearish

Input prices fell unimpeded fuelled by falling international scrap prices and negative demand from cash cow products like re-bars and structural .

The construction industry is reeling under recession and devoid of any perceptible activity to prop up the market.

Internationally the scrap prices plummeted by USD 20 pmt thereby gravitating the domestic prices. Ship breaking industry exhibited decline in fortunes due to glut after an incessant phase of profiteering.

Melting scrap

80:20

HMS?Location	%	%
Chennai	-1144	-6.5%
Kandla	-3343	-17.1%
Mumbai	2632	15.5%
Mandi	-622	-3.2%
Kolkata	0	0.0%
Kanpur	0	0.0%

Change is on March 20th 2009 as compared to March 13th 2009

Change is in INR per tonne

Along?Product	Size	Size	Change	%
Ships	Mixed	Mixed	-400	-2.4%
Plate cuttings	1"	1"	-600	-3.2%

Change is on March 20th 2009 as compared to March 13th 2009

Change is in INR per tonne

Pencil ingot?Location	%	%
Mumbai	-800	-3.6%
Mandi	-831	-3.4%
Raipur	-178	-0.9%
Kanpur	-444	-2.0%
Kolkata	-481	-2.0%
Ghaziabad	-500	-2.1%
Muzzafarnagar	-800	-3.4%
Ahmedabad	-300	-1.4%

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Change is in INR per tonne

Pig Iron?Location	%	%
Raipur	-200	-1.1%
Kolkata	0	0.0%

Change is on March 20th 2009 as compared to March 13th 2009

Change is in INR per tonne

Sponge iron?Location	%	%
Raipur	-200	-1.4%
Kolkata	-288	-1.8%

Change is on March 20th 2009 as compared to March 13th 2009

Change is in INR per tonne

To know more about these indices please visit  
[http://steelprices-india.com/spi\\_services/spi.html](http://steelprices-india.com/spi_services/spi.html)

Long products prices leads the southward march

The decline in long product prices was prevalent as the economy growth rate is expected to slump to 6.3% in the 2008-09 (IMF report) fiscal year, ending in March and 5.3% the following year severely impacting the construction industry.

The import parity for import of \$ 437 pmt for Re-bars and \$ 380 pmt billets C&F, Mumbai, import threat is looming large as the domestic prices are much higher. This is accelerate the downward spiral.

TMT

Fe 415

12mm?Location	%	%
Chennai	650	2.1%
Mumbai	225	0.8%
Mandi	-1352	-4.1%
Kolkata	0	0.0%
Delhi	-756	-2.3%
Kanpur	-1600	-5.0%
Ahmedabad	-675	-2.4%
Indore	-800	-2.6%

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Change is in INR per tonne

WRC

SWR14

Location	%	%
Chennai	0	0.0%
Raipur	-444	-1.6%
Kolkata	0	0.0%
Delhi	-453	-1.5%
Kanpur	-533	-1.8%

Change is on March 20th 2009 as compared to March 13th 2009

Change is in INR per tonne

ANGL

GR A

Location	%	%
Chennai	550	1.7%
Mumbai	0	0.0%
Mandi	-1144	-3.4%
Raipur	-208	-0.7%
Kolkata	0	0.0%
Delhi	383	1.2%
Kanpur	-1000	-3.1%
Ahmedabad	-225	-0.8%
Indore	-500	-1.6%
Bangalore	0	0.0%

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Change is in INR per tonne

CHNL

GR A

Location	%	%
Chennai	860	2.7%

Mumbai	0	0.0%
Mandi	-1144	-3.3%
Raipur	-520	-1.8%
Kolkata	-649	-2.0%
Delhi	0	0.0%
Kanpur	-1200	-3.7%
Ahmedabad	-394	-1.4%
Indore	-700	-2.2%
Bangalore	0	0.0%

Change is on March 20th 2009 as compared to March 13th 2009

Change is in INR per tonne

JSTI

GR A

Location	%	%
Chennai	0	0.0%
Mumbai	0	0.0%
Mandi	-520	-1.5%
Raipur	-520	-1.7%
Kolkata	0	0.0%
Delhi	0	0.0%
Kanpur	-400	-1.2%
Ahmedabad	-520	-1.7%
Indore	-800	-2.4%
Bangalore	0	0.0%

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Change is in INR per tonne

HRC and Plate prices decline by 2-3%

The slide gradient was less acute in flat, however there was overall decline in prices of HRC and wide plates. Towards the end of the week it exhibited relative stability signaling trough however upturn is remote due to lack of demand.

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HRC

Tube

2.5x1250?Location	%	%
Mumbai	-693	-2.4%
Ludhiana	-647	-2.2%
Kolkata	0	0.0%
Delhi	0	0.0%
Ahmedabad	-277	-1.0%
Indore	-444	-1.5%
Bangalore	0	0.0%

Change is on March 20th 2009 as compared to March 13th 2009

Change is in INR per tonne

Patra?Location	%	%
Ludhiana	-739	-2.7%
Mandi	-739	-2.7%
Delhi	0	0.0%

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Change is in INR per tonne

PLTS

GRA

8x1.5?Location	%	%
Chennai	0	0.0%
Mumbai	0	0.0%
Kolkata	0	0.0%
Delhi	0	0.0%
Kanpur	-355	-1.2%

Change is on March 20th 2009 as compared to March 13th 2009

Change is in INR per tonne

PLTS

GRB

12-20x2.5?Location	%	%
Chennai	0	0.0%
Mumbai	-462	-1.5%
Raipur	0	0.0%
Kolkata	0	0.0%
Delhi	0	0.0%
Kanpur	-267	-0.9%
Ahmedabad	-462	-1.4%
Indore	-444	-1.5%
Bangalore	0	0.0%

Change is on March 20th 2009 as compared to March 13th 2009

Change is in INR per tonne

CR  
DSK

0.63x1000?Location	%	%
Chennai	0	0.0%
Mumbai	0	0.0%
Pune	0	0.0%
Kolkata	0	0.0%
Delhi	0	0.0%
Kanpur	444	1.3%
Ahmedabad	0	0.0%

Change is on March 20th 2009 as compared to March 13th 2009

Change is in INR per tonne

GC  
100Gms

0.4?Location	%	%
Chennai	0	0.0%
Mumbai	0	0.0%

Kolkata	0	0.0%
Delhi	0	0.0%
Kanpur	711	2.0%
Bangalore	0	0.0%

Change is on March 20th 2009 as compared to March 13th 2009

Change is in INR per tonne

Iron Ore fines prices diminishes by up to 17%

Domestic iron ore fines prices declined by 17% as a side effect of fall in export levels by upto 25% in Fe63.5/63% as on March 17th 2009 (Ref : Steel Trade Today : Indian iron ore FOB spot price crash by 30% in last 35 days).

The scenario looks increasingly ominous as Chinese Steel manufacturers want to leverage this weakness to the hilt in arm twisting suppliers to agree for up to 50% reduction in prices from 2008 levels.

Domestic	Product	Grade	Size	Change	%
	Iron Ore Calibrate	Fe 65%	10-40	0	0%
	Iron Ore Calibrate	Fe 64%	10-40	50	3%
	Iron Ore Calibrate	Fe 62%	10-40	0	0%
	Iron Ore Calibrate	Fe 60%	5-20	50	3%
	Iron Ore Calibrate	Fe 62%	5-20	100	6%
	Iron ore - Fines	Fe 63%	Fines	-250	-17%

(Sourced from [www.steelprices-india.com](http://www.steelprices-india.com))

Export - east coast	Grade	Change	%
	Fe 63.5/63%	-2	-4%
	Fe 63.5/62.5%	-2	-4%
	Fe 63/62 %	0	0%
	Fe 62 / 61%	-1	-2%
	Fe 61 / 60 %	-1	-2%
	Fe 60/59 %	0	0%
	Fe 59 / 58 %	-1	-3%
	Fe 58 / 57%	-1	-3%

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