

Monday Market Monitor - India (WEEK 14) - Morbid recovery

Monday, 06 Apr, 2009

Indian Steel Prices rallied after long gestation during last week. The Indian Long Product Price Index ILPPI bounced 42 points, on the contrary the Indian Flat Products Index IFPPI crept by 14 points. The overall price index INDSPI rebounded 29 points:

Class	27-Mar	3-Apr	Change	%
ILPPI	6516	6558	42	0.6%
IFPPI	6671	6685	14	0.2%
IDSPI	6590	6619	29	0.4%

ILPPI - Indian Long Product Price Index

IFPPI - Indian Flat Product Price Index

INDSPI - Indian Steel Price Index

Long Products	Category	27-Mar	03-Apr	Change
	PI - TMT	6236	6290	54
	PI - WRC	7061	7106	45
	PI - Angle	6140	6168	28
	PI - Channel	6209	6225	16
	PI - Joist	5701	5697	-4

PI - Price Index

Flat products	Category	27-Mar	03-Apr	Change
	PI - Narrow Plates	6285	6283	-2
	PI - Wide Plates	6700	6726	26
	PI - Hot Rolled	6495	6500	5
	PI - Cold Rolled	7244	7282	38
	PI - Galvanized	6954	7021	67

PI - Price Index

To know more about these indices please visit
http://steelprices-india.com/spi_services/spi.html

Input materials show bipolar movement

The prices of input material had divergent dynamics with scrap levels buckling. On the flip side pig iron, sponge iron and pencil ingot showed remarkable resilience with prices rebounding. The scenario was even more perturbing in Alang with the twin factors of depreciation of Indian Rupee and the fall in local plate prices led to slump in the scrap prices by USD 35 per tonne touching a low of USD 260 per LDT for general cargo ships.

Melting scrap

80:20

HMS?Location	Change	%
Chennai	-1728	-10.4%
Kandla	178	0.9%
Mumbai	-500	-3.0%
Mandi	444	2.3%
Kolkata	-192	-1.1%
Kanpur	178	1.0%

Change is on April 3rd 2009 as compared to March 27th 2009

Change is in INR per tonne

Alang?Product	Size	Size	Change	%
Ship scrap	Mixed	Mixed	-100	-0.6%
Plate cuttings	1"	1"	0	0.0%

Change is on April 3rd 2009 as compared to March 27th 2009

Change is in INR per tonne

Pencil ingot?Location	Change	%
Mumbai	0	0.0%
Mandi	554	2.4%
Raipur	178	0.9%
Kanpur	178	0.8%
Kolkata	577	2.5%
Ghaziabad	400	1.8%
Muzzafarnagar	355	1.6%
Ahmedabad	500	2.3%

Change is on April 3rd 2009 as compared to March 27th 2009

Change is in INR per tonne

Pig Iron?Location	Change	%
Raipur	200	1.2%
Kolkata	0	0.0%

Change is on April 3rd 2009 as compared to March 27th 2009

Change is in INR per tonne

Sponge iron?Location	Change	%
Raipur	200	1.5%
Kolkata	769	5.1%

Change is on April 3rd 2009 as compared to March 27th 2009

Change is in INR per tonne

Long product prices rebounds by price hike from steel majors

Market got a pep up with an announcement of price hike by steel majors in long products by an average of INR 1000 per tonne encouraged by heavy sales in March 2009. Buyers strove to amass volumes to ward off anticipated price hike in the new financial year ie wef April 1st 2009.

However this exercise seems to be cosmetic discouraging any negative sentiments from setting in. The stockiest having bloated their inventory backed by this hype are not optimistic about its sustainability since with the depletion of stock compounded by absence of demand will eventually compel steel manufacturers to return with lucrative discount after couple of weeks.

TMT

Fe 415

12mm?Location	Change	%
Chennai	-750	-2.3%
Mumbai	563	2.0%
Mandi	416	1.3%
Kolkata	758	2.4%
Delhi	0	0.0%
Kanpur	200	0.7%
Ahmedabad	732	2.6%
Indore	900	3.0%

Change is on April 3rd 2009 as compared to March 27th 2009

Change is in INR per tonne

WRC

SWR14

Location	Change	%
Chennai	900	3.2%
Raipur	-444	-1.6%
Kolkata	481	1.7%
Delhi	0	0.0%
Kanpur	-89	-0.3%

Change is on April 3rd 2009 as compared to March 27th 2009

Change is in INR per tonne

ANGL

GR A

Location	Change	%
Chennai	500	1.6%
Mumbai	0	0.0%
Mandi	208	0.6%
Raipur	312	1.1%
Kolkata	0	0.0%
Delhi	0	0.0%
Kanpur	-100	-0.3%
Ahmedabad	675	2.4%
Indore	600	2.0%
Bangalore	-200	-0.6%

Change is on April 3rd 2009 as compared to March 27th 2009

Change is in INR per tonne

CHNL

GR A

Location	Change	%
Chennai	500	1.5%

Mumbai	0	0.0%
Mandi	208	0.6%
Raipur	312	1.1%
Kolkata	0	0.0%
Delhi	0	0.0%
Kanpur	-300	-1.0%
Ahmedabad	675	2.4%
Indore	600	2.0%
Bangalore	-500	-1.6%

Change is on April 3rd 2009 as compared to March 27th 2009

Change is in INR per tonne

JSTI

GR A

Location	Change	%
Chennai	500	1.5%
Mumbai	0	0.0%
Mandi	-312	-0.9%
Raipur	312	1.1%
Kolkata	0	0.0%
Delhi	0	0.0%
Kanpur	-400	-1.3%
Ahmedabad	104	0.3%
Indore	400	1.3%
Bangalore	-500	-1.5%

Change is on April 3rd 2009 as compared to March 27th 2009

Change is in INR per tonne

Flat product prices shows modulated optimism

Flat product prices were circumspect in its movement. Internationally the flat product prices remained depressed. Import parity level went up to USD 484 per tonne CNF LO Mumbai as against imports availability at USD 370 per tonne CNF LO,

which hardly augurs well for the domestic players.

HRC

Tube

Location	Change	%
Mumbai	-231	-0.8%
Ludhiana	185	0.7%
Kolkata	0	0.0%
Delhi	0	0.0%
Ahmedabad	0	0.0%
Indore	0	0.0%
Bangalore	0	0.0%

Change is on April 3rd 2009 as compared to March 27th 2009

Change is in INR per tonne

Location	Change	%
Ludhiana	0	0.0%
Mandi	508	1.9%
Delhi	0	0.0%

Change is on April 3rd 2009 as compared to March 27th 2009

Change is in INR per tonne

PLTS

GRA

Location	Change	%
Chennai	500	1.8%
Mumbai	0	0.0%
Kolkata	0	0.0%
Delhi	0	0.0%
Kanpur	89	0.3%

Change is on April 3rd 2009 as compared to March 27th 2009

Change is in INR per tonne

PLTS

GRB

12-20x2.5

Location	Change	%
Chennai	500	1.6%
Mumbai	0	0.0%
Raipur	0	0.0%
Kolkata	0	0.0%
Delhi	0	0.0%
Kanpur	311	1.0%
Ahmedabad	0	0.0%
Indore	0	0.0%
Bangalore	0	0.0%

Change is on April 3rd 2009 as compared to March 27th 2009

Change is in INR per tonne

CR

DSK

0.63x1000

Location	Change	%
Chennai	500	1.5%
Mumbai	462	1.4%
Pune	462	1.4%
Kolkata	0	0.0%
Delhi	0	0.0%
Kanpur	355	1.1%
Ahmedabad	0	0.0%

Change is on April 3rd 2009 as compared to March 27th 2009

Change is in INR per tonne

GC

100Gms

0.4

Location	Change	%
Chennai	500	1.4%
Mumbai	0	0.0%

Kolkata	0	0.0%
Delhi	0	0.0%
Kanpur	267	0.7%
Bangalore	0	0.0%

Change is on April 3rd 2009 as compared to March 27th 2009

Change is in INR per tonne

Although most of the sellers have rolled over their prices for flat products (Although some of them sought an increase in March end), there have been some reports of increase. A major galvanizer in Mumbai has announced that they will increase around INR 500 per tonne for their galvanized corrugated sheets. Prices of super heavy plates are also reported to have been increased by a major seller.

Thus the market prices are likely to strengthen a bit in coming week temporarily but there is a general feeling that there would be a downward correction of prices in April 2009.

Export Levels from India succumb to the market realities

The price of Plates and HDG succumb to the negative pressure of market fundamentals. The typical destination of these commodities being Europe and Middle East is reeling under immense recession and cheaper offers from Ukraine and Turkey.

Price levels having touched Euro 350 pmt and Euro 420 per tonne CNF European port levels for plates and HDG respectively there seems too little respite for Indian suppliers. Middle Eastern market has little to cheer with the price dipping by 1% in the last week.

?Item	Grade	Size	Delivery	Change
PLTS	Structural	12-40x2.5	FOB Vizag	-10
HDG	100Gms	0.4	FOB Mumbai	-10
PPGI	Standard RAL	0.4	FOB Mumbai	0

Change is on April 3rd 2009 as compared to March 27th 2009

Kindly note that transactions are not happening for some products at these prices

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