

Monday Market Monitor - Spot iron ore (WEEK 13) - Decline continues

Monday, 30 Mar, 2009

The decline in Indian iron ore prices has been steady in the last 6 weeks due to lack of demand from the Chinese steel manufacturers. Market continues to reel under the twin impact of excess inventory and lack of global demand thereby cajoling the producers to prune production.

Export - East Coast of India	Grade	Change	%
	Fe 63.5/63%	0	0%
	Fe 63.5/62.5%	0	0%
	Fe 63/62 %	-2	-4%
	Fe 62 / 61%	-2	-4%
	Fe 61 / 60 %	0	0%
	Fe 60/59 %	-1	-2%
	Fe 59 / 58 %	-1	-3%
	Fe 58 / 57%	-1	-3%

Change is on March 27th 2009 as compared to March 20th 2009

In USD per tonne

Delivery FOB East coast of India

Steel majors in China are in the midst of hard negotiations with Iron ore suppliers seeking 50% reduction in contractual prices from 2008 levels. They are likely to leverage this factor in arm twisting suppliers to maximize cost reduction.

Iron ore inventory touching at 68 million tones and producers aiming to lower prices by reducing costs to compete internationally revival seems to onerous. Pleaser refer to STT, March 26, 2009 and March 28,2009 ,Indian high grade iron ore FOB spot price slide continues and Indian lower grade iron ore fines FOB prices slide again respectively.

The total Iron ore stocks available at major Chinese Ports has increased by about 8 million tonnes to 67.44 million tonne as on March 27th 2009 as compared to 59.31 million tonnes as on February 27th 2009.

?Total Stockpiles	67.44
Indian ore	16.87
Australian ore	24.47
Brazilian ore	16.58

In million tonnes

On the other hand domestic spot prices of some the iron ore witnessed slight downward movement during last week.

Domestic - Bellary	Product	Grade	Size	Change	%
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Iron	OreFe 65%	10-40	0	0
Calibrate				
Iron	OreFe 64%	10-40	50	-2%
Calibrate				
Iron	OreFe 62%	10-40	50	-3%
Calibrate				
Iron	OreFe 60%	5-20	50	-3%
Calibrate				
Iron	OreFe 62%	5-20	0	0%
Calibrate				
Iron ore - Fines	Fe 63%	Fines	0	0%

Change is on March 27th 2009 as compared to March 20th 2009

In INR per tonne
Delivery Ex Mine

To know exact levels, likely scenario, domestic iron ore spot prices at Bellary and Burbil 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. Please note that this is a paid service.

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