

Monday Market Monitor - Spot iron ore (WEEK 14) - Decline continues

Monday, 06 Apr, 2009

The decline in Indian iron ore prices continued last week.

Export - East Coast of India

Grade	Change	%
Fe 63.5/63%	-3	-6%
Fe 63.5/62.5%	-2	-4%
Fe 63/62 %	-2	-4%
Fe 62 / 61%	-1	-2%
Fe 61 / 60 %	-3	-7%
Fe 60/59 %	-3	-7%
Fe 59 / 58 %	-2	-5%
Fe 58 / 57%	-1	-3%

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

In USD per tonne

Delivery FOB East coast of India

Te three major factors resulting in this continued slide are

1. Weakening of Chinese domestic steel prices thus reducing demand of iron ore
(Ref: STT Monday Market Monitor - China (WEEK 14) - Rapid Slide dated April 6th 2009)
2. Iron ore stockpiles at China's 22 major ports stood at 68.09 million tonnes recently up by 0.96% from March 27th while Indian iron ore stockpiles rose by 1.48% to 17.12 million tonnes.
3. Chinese mills are in negotiation with global miners on iron ore contract pricing. Low spot prices put them in drivers' seat during negotiations.

The export prices are likely to decline further in the coming weeks and where the buck is going to stop is anybody's guess.

On the other hand, prices of Indian domestic iron ore exhibited recovery last week, except for fines which declined by 8%

Product	Grade	Size	Change	%
Iron Ore Calibrate	Fe 65%	10-40	0	0%
Iron Ore Calibrate	Fe 64%	10-40	0	0%
Iron Ore Calibrate	Fe 62%	10-40	100	6%
Iron Ore Calibrate	Fe 60%	5-20	100	6%

Iron Ore Calibrate	Fe 62%	5-20	100	5%
Iron ore - Fines	Fe 63%	Fines	-100	-8%

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