

## Market Report

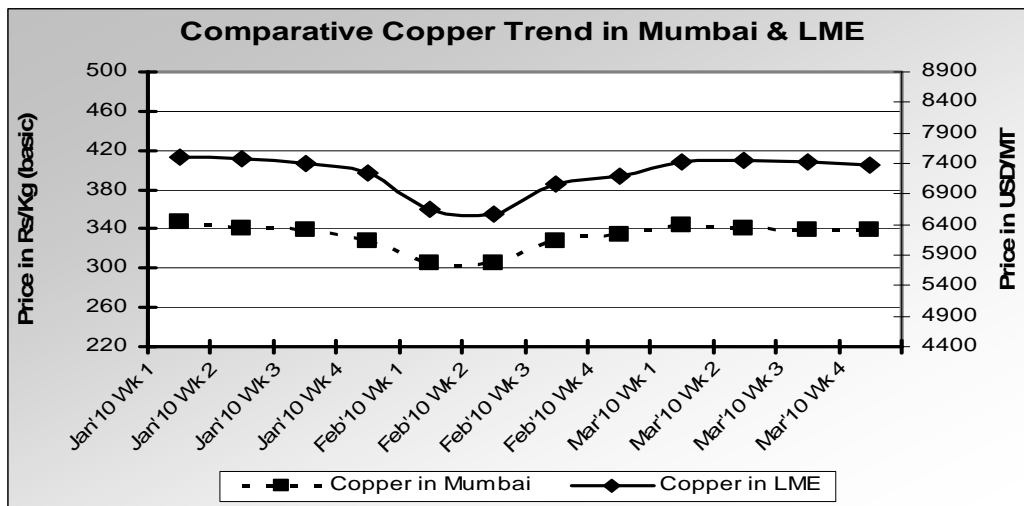
**Base Metals:** The base metals complex exhibited a fluctuating trend in the month of March with some metals starting off vibrantly but failed to sustain them later; while some portrayed a dismal picture in the opening week but picked up in the middle and again broke down towards the end of the month. For instance, nickel kicked off on a whopping note across the world in the first week of the month with the prices rising by more than 8 per cent both at home and LME as compared to the week before while copper also depicted a strong movement in the opening week with the prices witnessing a w-o-w rise of over 3 per cent. Metals like aluminium and zinc remained more or less stable in week 01 while lead depicted a depressing trend with the lead prices falling over 3 per cent in week 01 as compared to the week before. However with the commencement of the second week, the metals like nickel and copper which depicted significant gains in the first week exhibited a slow and sloppy trend with the metal prices falling in the range of 1 to 2 per cent over a week. While on the other hand, the metal which remained subdued in the week before like lead shot up in the range of 2 to 3 per cent across the globe over a week. The other metals like aluminium and zinc depicted more or less a firm trend in the second week. The metal market across the world started witnessing a sluggish trend since the inception of the third week. The metal prices slipped further down in the concluding week of the month of March as the metals continue to lack direction, with the market currently seemingly on hold waiting for something to happen in the near future. Almost all the metals witnessed a slump in their prices in the final week of FY 2009-10 with the prices dipping significantly over a week excepting nickel, which somehow managed to exhibit more or less a stable trend across the world over a week.

### Copper Market Overview:

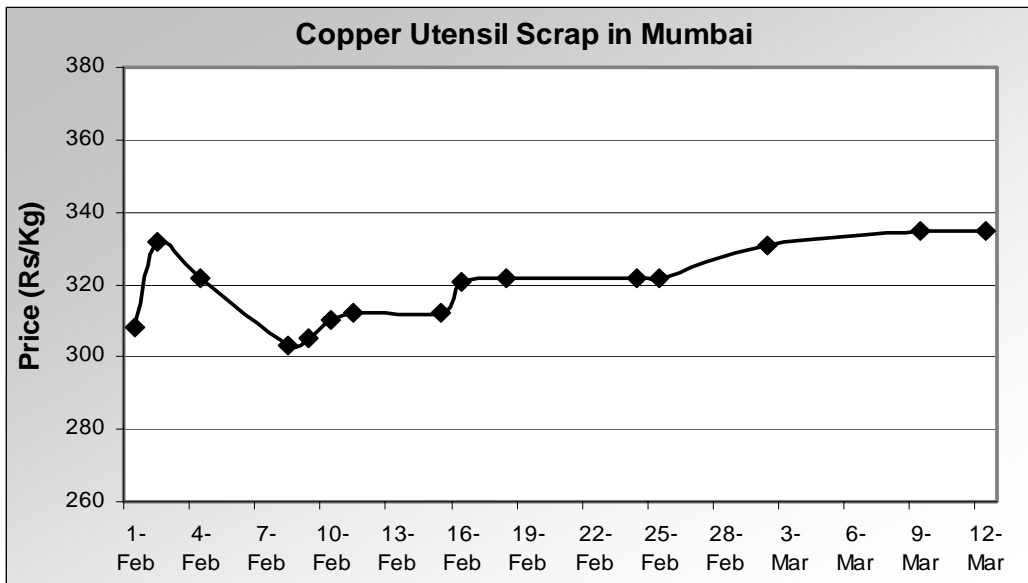
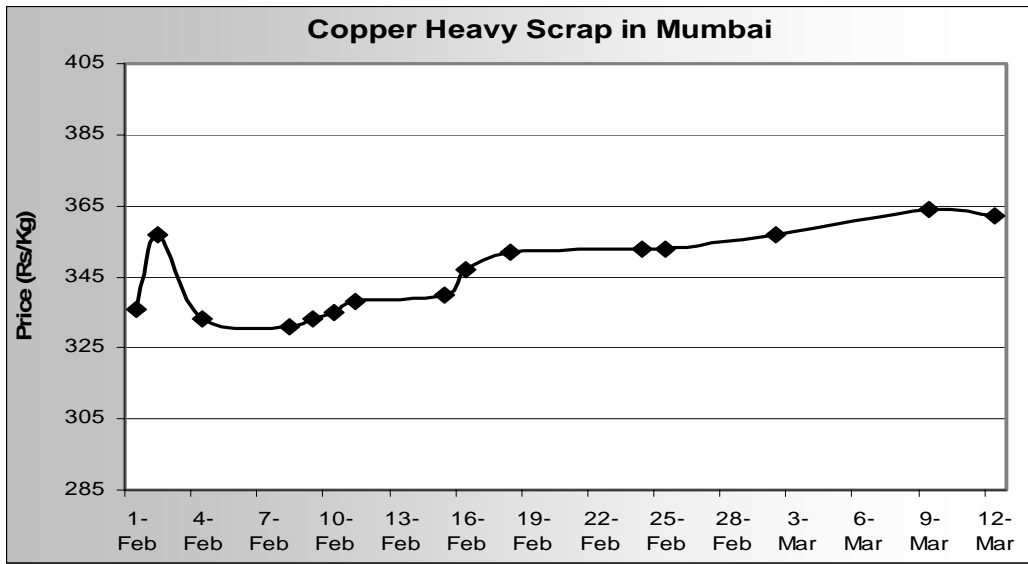
**Copper:** Copper kicked off on a positive note with the commencement of the month of March as the demand conditions for the metal bettered. Copper prices jumped by more than 3 percent both at home and LME in the opening week of the month as compared to the week before. However, the copper market slowed down a bit in the second week with the copper prices witnessing a sluggish trend. Copper prices went further down in the third week with sinking demand and strong dollar making the metal unattractive to the foreign investors. Even the concluding week failed to overcome the depressive trend that was noticed in the weeks before and the metal prices continued to remain fragile.

**Copper price in LME as on Mar 29, 2010:** USD 7,634/MT

**Copper price in Mumbai as on Mar 30, 2010:** Rs. 351.35/Kg (basic)



Source: LME & MCX



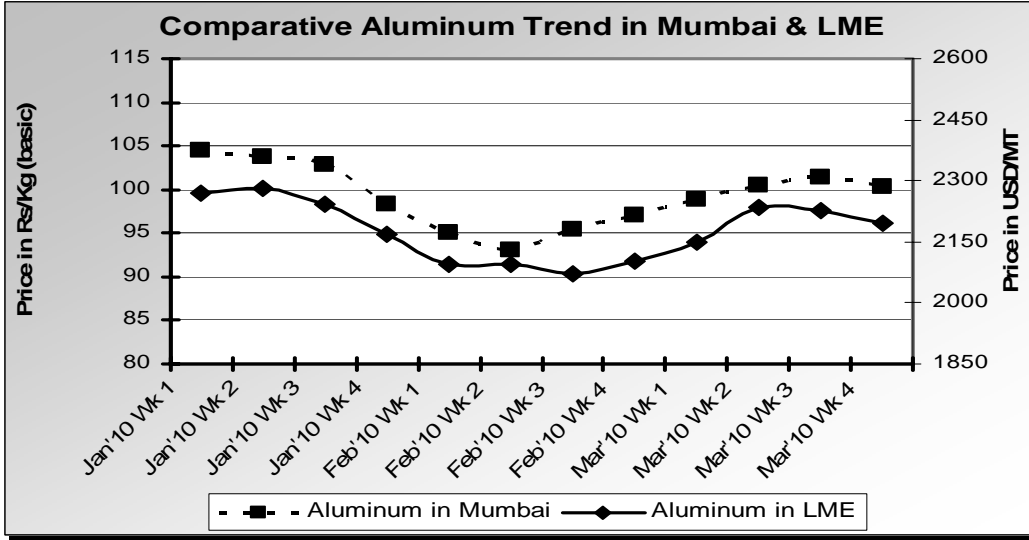
Price is in Rs/ Kg & all inclusive in Mumbai market Source: Metal Trade Intelligence

### Aluminium Market Overview:

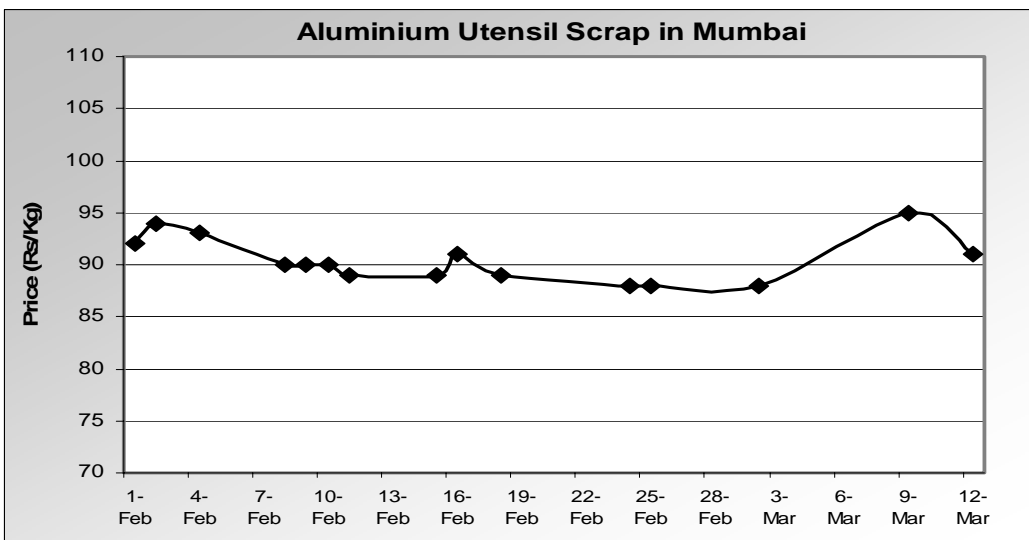
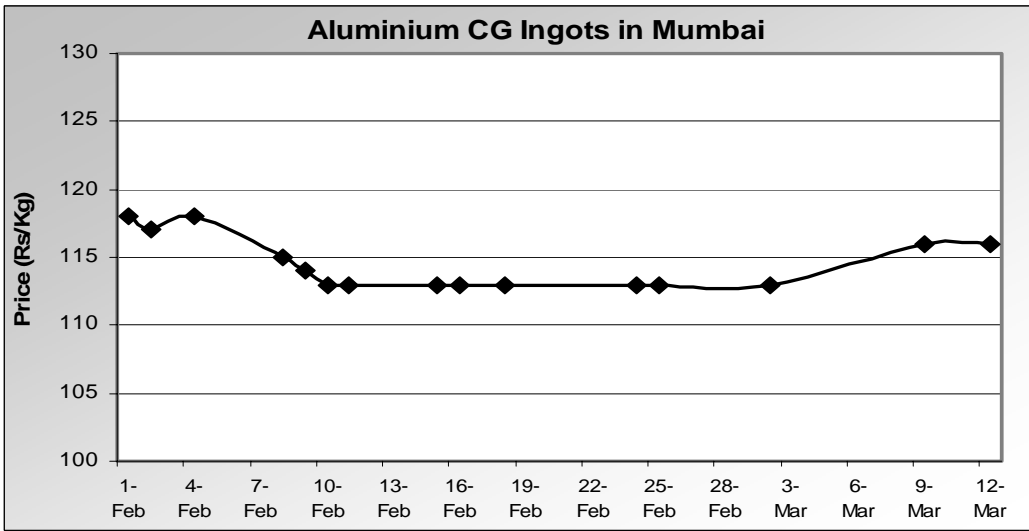
**Aluminium:** Aluminium kicked off on a positive note with the inception of the month of March with demand scenario firming up for the metal across the world. Aluminium witnessed a price improvement of 2 per cent both at home and abroad in Mar week 01 as compared to the previous week. The metal continued to sail upward even in the second week with the prices rising in the range of 2 to 4 per cent as compared to the week before. The third week depicted a slow and a sluggish trend with the metal prices exhibiting hardly any movement. The aluminium market deteriorated further in the concluding week of the month with the prices exhibiting a fall of around 1.5 per cent over a week on an average.

**Aluminium price in LME as on Mar 29, 2010:** USD 2,224.50/MT

**Aluminium price in Mumbai as on Mar 29, 2010:** Rs. 100.00/Kg (basic)



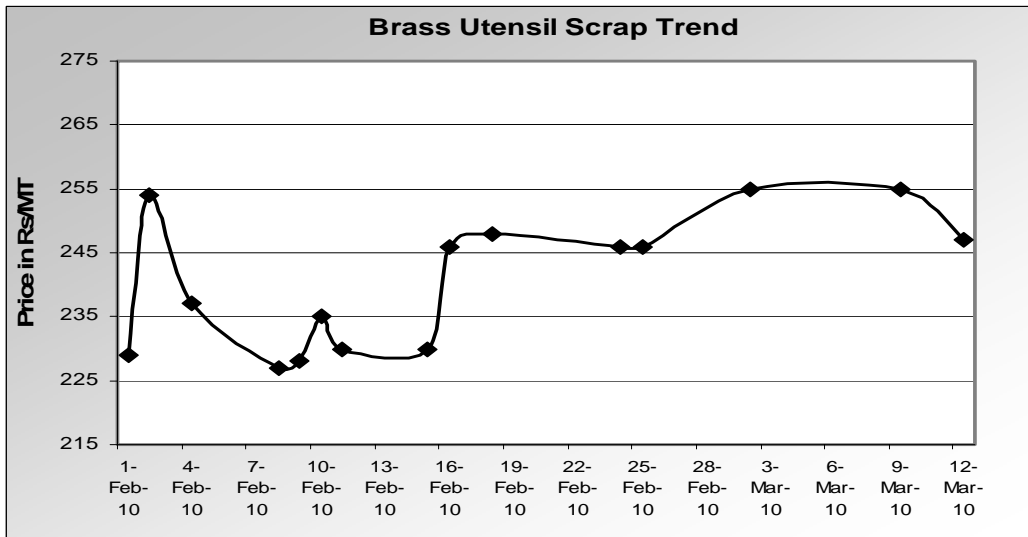
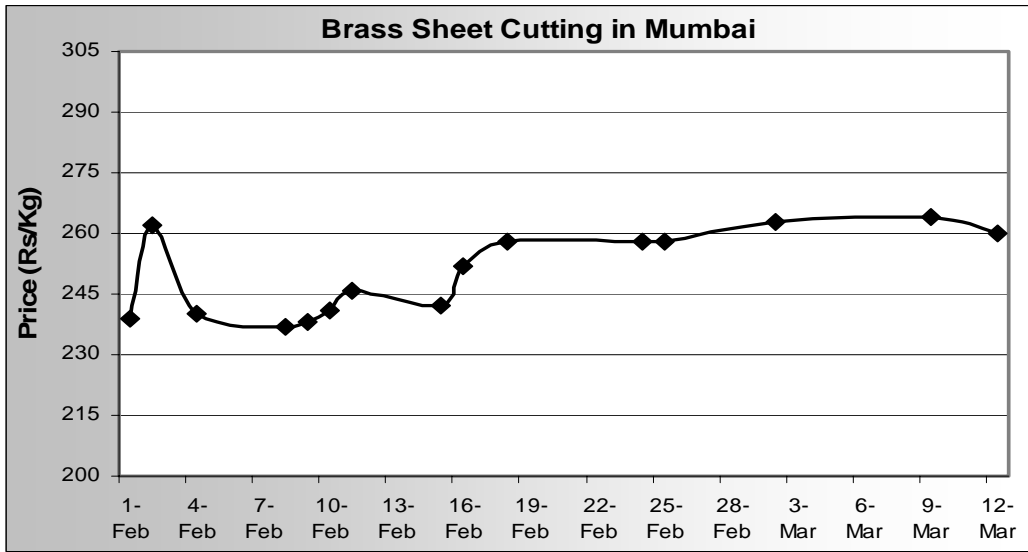
Source: LME & NCDEX



Price is in Rs/ Kg & all inclusive in Mumbai market Source: Metal Trade Intelligence

### Brass Market Overview:

**Brass:** The brass scrap market depicted by and large an upward trend in the last couple of months or so on account of improved demand scenario. Brass sheet cutting depicted a rise of over 5 per cent in the last one month while brass utensil scrap exhibited a rise of over 7 per cent over the same period.

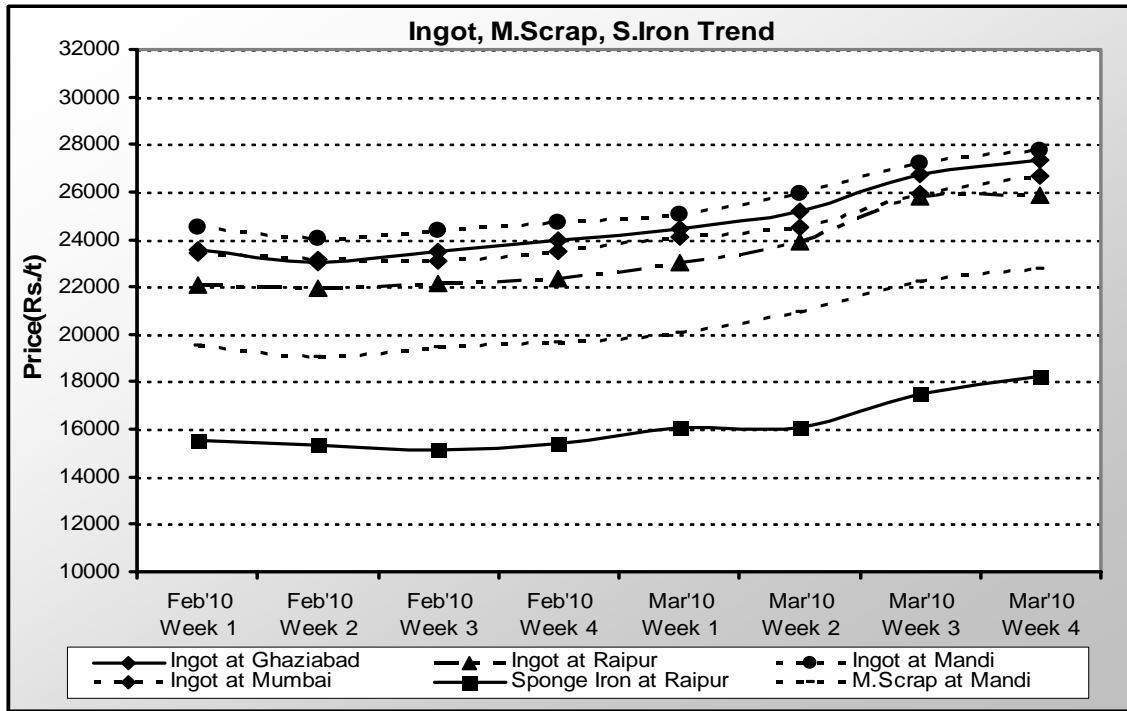


Price is in Rs/ Kg & all inclusive in Mumbai market Source: Metal Trade Intelligence

### Melting Scrap Market Overview:

The long and scrap steel market continued to exhibit a firm trend in the penultimate week of the month of March though the margin of price shoot ups that were noticed in the last three weeks was found to narrow down a bit in the last one week with the approaching year-end. The market participants at present are bit cautious and are currently not very keen to accumulate stock and are rather more interested to hold wait-and-watch attitude rather than going full on with their purchase.

The steel ingot market too depicted a similar trend in the last one week with the ingot prices exhibiting moderate rises at various places as compared to the rises that were observed in the weeks before. The ingot prices across the country depicted a positive movement of 2 to 3 per cent over a week. Melting scrap prices too exhibited a restrained rise of around 2.8 per cent over a week as compared to the 6 per cent w-o-w rise noticed in the week before. Sponge iron also was no exception as the acceleration in the prices that was noticed in the weeks before have found to slow down in the last week rising by only 4.5 per cent as compared to 8.5 per cent witnessed in the previous week.



Prices quoted above are in Rs./t, basic

Source: Market Sources, MCX

### Stainless Steel Market Overview:

**JSL lifts March stainless 304 export prices by USD 300/MT:** India's largest stainless steelmaker, JSL Ltd, has raised its March export prices for stainless 304 cold rolled products by around USD 300/tonne on higher nickel prices. This takes JSL's list price of 304 2mm 2B CRC to around \$3,300/t fob India. The price is for spot booking for March-April delivery. While the increase is large for 304 coils, the official notes that the average increase for its March export prices is 2-5%. Other than 300-series, JSL also produces 200- and 400-series stainless hot rolled and CR products.

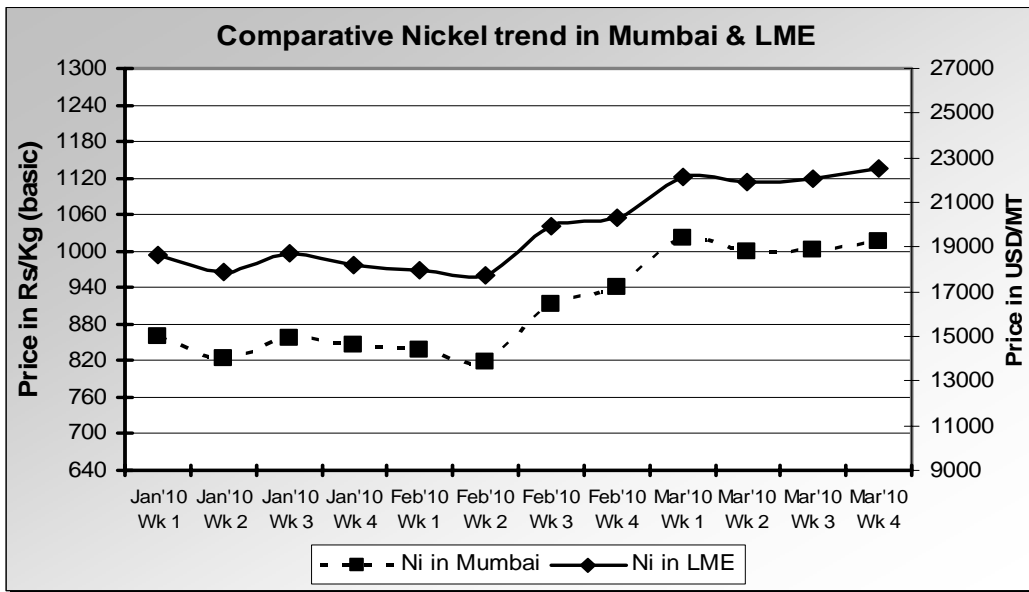
Stainless demand in India is improving due to domestic infrastructure projects, but export demand has only improved marginally according to the market sources. JSL's increase in stainless prices is in line with East Asian stainless producers which have since increased their export prices by USD 100-200/MT since end-February and are expected to further raise prices this week, as SBB reported. According to sources, the price increase is cost-driven as demand has not picked up substantially and is at most, stable.

**Stainless Steel prices set to increase globally:** With increasing demand for stainless steel and continued strength of commodities, stainless steel prices look set to increase in Europe. The current outlook on surcharges is slight increase for grade 304 / 1.4301 slightly more for 316 /1.4404 possibly 70 Euro or 60 GBP. With Nickel prices over \$22,000 per tonne mark and Molybdenum prices showing increases; SS prices are expected to increase in the coming days. Beyond the surcharges there are rumours coming from the leading mills that base increases are expected to increase for new deliveries from April and

announcement could be made as soon as the 1st of March, similar signs are coming from the US where Universal stainless announced increases this week of 5% , and similar increases in Turkey. Scrap prices are also rising in Korea, Japan, Saudi and Spain. Although the stainless steel market may still be lacking the demand required to sustain strong gains the European mills having moved out of a terrible 12 months now feel the time is right to start to profit again from stainless steel.

**Nickel:** Nickel market remained buoyant in the first week of the month March supported by the firmer Euro and worries about the earthquake in Chile. Nickel prices soared up conspicuously by over 8.5 per cent at LME in Mar week 01 as compared to the week before while its counterpart at Mumbai rose by 8.9 per cent over the same period. However, the vibrancy that was noticed in the nickel market in the opening week of the month failed to sustain in the second week and depicted in a fall in the range of 1 to 2 per cent both at home and LME as compared to week 01. The prices again softened slightly in the third week across the world by around 0.5 per cent over a week. However with the commencement of the closing week of the FY, the nickel market steadied a bit with the prices exhibiting a stable trend as compared to that of the week before by varying in the range of 0.3 to 0.8 per cent across the globe.

**A Comparative Nickel Trend:**



Source: LME & NCDEX