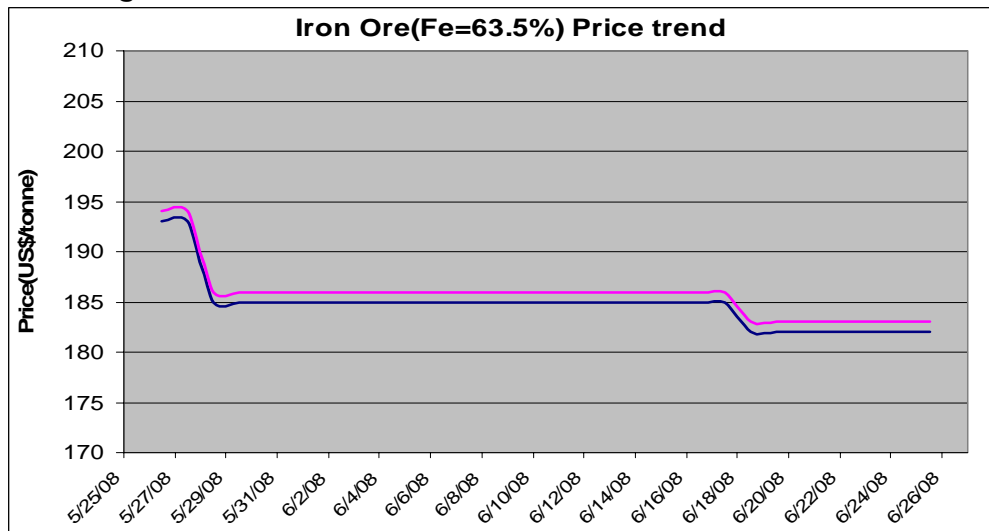


## Iron Ore Fines Report

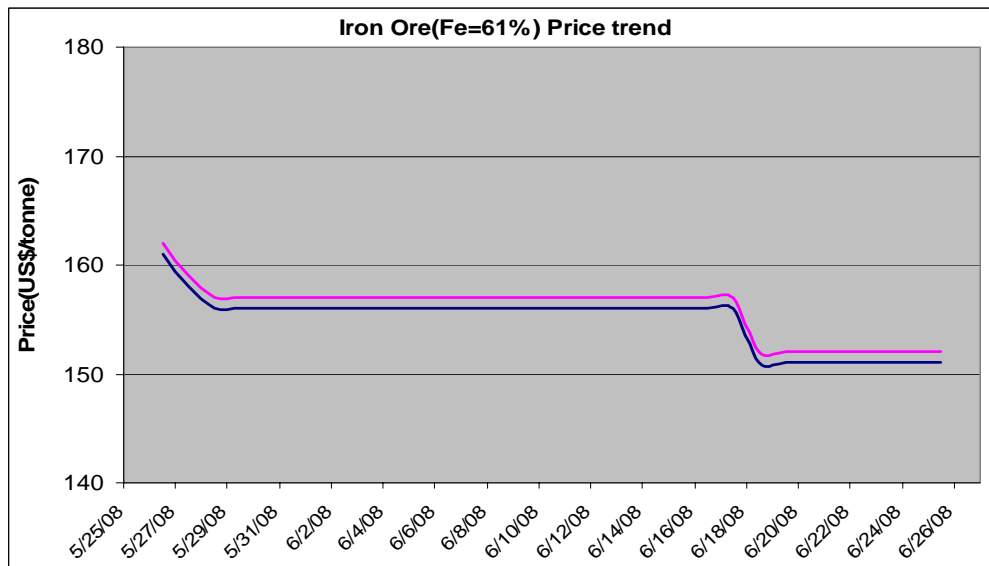
**News Flash:** India imposes uniform 15% export tax on iron ore across various grades in order to ensure availability in the domestic market at a reasonable price.

Imported iron ore market remains sluggish in China due to rise in stockpile at Chinese ports and slowdown in demand. Further, imposition of tax has brought much pressure to the Indian exporters and both FOB and CIF prices have increased by USD5/tonne since then. But, the increased price offers remains unacceptable in China as the market is dim there at present.

The graphs below give the CNF China price trend of Iron Ore fines across various grades.



A drop 1.62% since the last auction held on June 16, 2008



A drop 3.20% since the last auction held on June 16, 2008

Source: Asian Metal

**The table below gives the price trend of Indian Iron Ore Fines (63.5%) exported to Chinese market**

Date	Price Base	Low price(US\$/t)	High Price(US\$/t)	Trend
07.05.08	FOB	140	143	
14.05.08	FOB	140	143	↔
21.05.08	FOB	140	143	↔
26.05.08	FOB	135	143	↓
09.06.08	FOB	133	140	↓
16.06.08	FOB	135	140	↔
23.06.08	FOB	140	145	↑

Source: Steel Trade Today

**Auction Trend: (Price quoted is basic)**

Eastern Region: **IOF (Fe=62%,0-10mm)** fetched a price of Rs.2580/tonne on Apr,15,2008 as compared to the price of Rs.2570/tonne fetched on Apr,01,2008. **IOF (Fe=60%, 0-10mm)** fetched a price of Rs.1270/tonne on Apr,04, 2008.

Southern Region: **IOF (Fe=63%)** fetched a price of Rs.3100/tonne on June,16,2008 as compared to the price of Rs.3740/tonne fetched on May,26,2008.

**Outlook:**

The imposition of 15% export tax is foreseeing a drop in price by Rs.500/tonne in the domestic market accompanied by increase in supply.

The market is not expected to show much movement in the near future.

There is much pressure on the Indian export market at present, where the tax factor needs to get absorbed without much increase in FOB prices as the Chinese market will not absorb it; thus the basic spot price is further expected to see a downfall. The impact is anticipated in the domestic price movement.