

Domestic Scenario:

A sudden drop in **Iron Ore** price (A drop of 4-5USD/tonne) was noticed since the beginning of February. Prices received a setback with Chinese buying activity remaining quiet due to New Year holiday.

Since then the market has remained stable and export prices of Indian iron ore fines have been running stable. However, prices again picked up in the end of the month with FOB prices of Indian iron ore fines **63.5%min** prevailing at around **USD135-145/t FOB** Indian ports.

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
05.01.08	FOB	138	143	↑
12.01.08	FOB	135	145	↔
19.01.08	FOB	136	140	↔
28.01.08	FOB	136	140	↔
07.02.08	FOB	132	135	↓
18.02.08	FOB	136	140	↑
25.02.08	FOB	136	145	↑

Source: Steel Trade Today

International Scenario:

World's largest Iron ore players agree to a 65 percent hike in Iron Ore price in 2008-09, setting a benchmark for the rest of the world including India.

After the fix of the new benchmark price of international price of iron ore fines with a large increase of about 65%, many Chinese traders speculated that the price of Indian iron ore will increase sharply in North China in coming days.

Jan'08 Week 1: The average reference prices for import transactions of Fe 63.5% Indian iron ore ruled at US\$ 138-143/ton (FOB), up US\$ 3/ton from that posted on Dec 24, 2007.

Jan'08 Week 2: Prices remained stable.

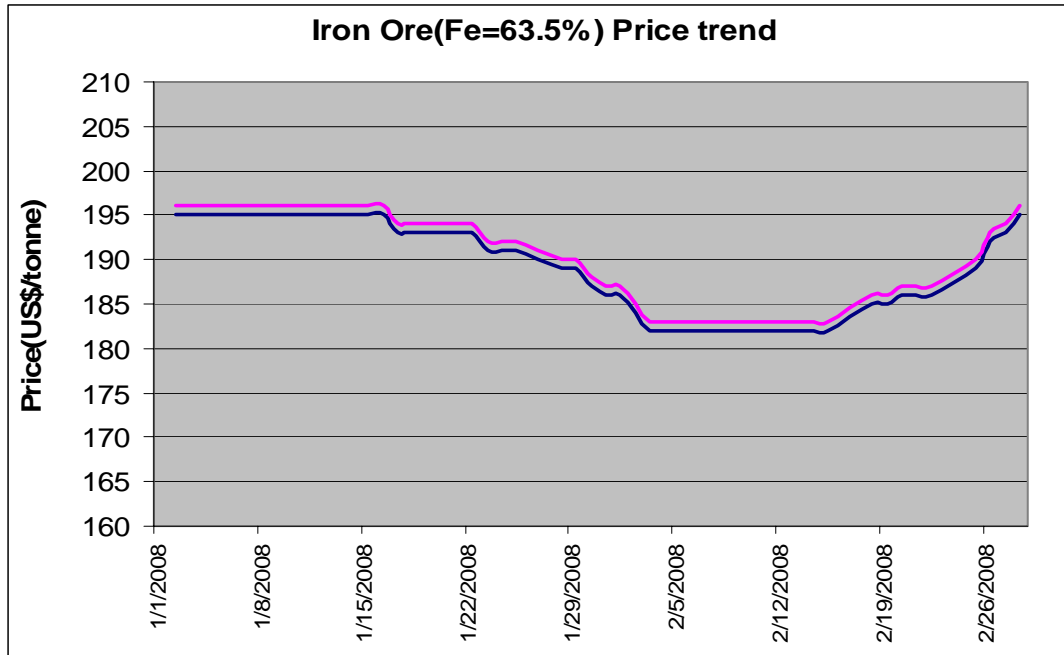
Jan'08 Week 3: Prices ruled at US\$ 136-140/ton (FOB).

Jan'08 Week 4: Prices remained stable.

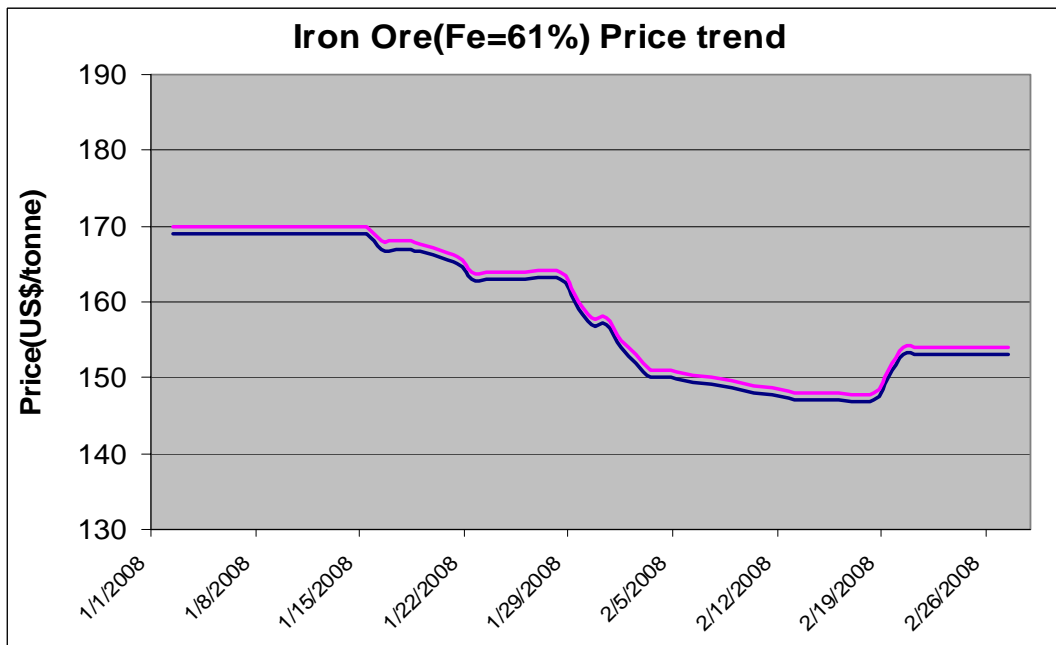
Feb'08 Week 1: Prices lower down by 4 USD/tonne.

Feb'08 Week 2: Prices increase by 4-5 USD/tonne.

Feb'08 Week 3: Prices increased by further 5USD/tonne.



A rise of 3.2% over a month.



Price is CNF China in US\$/t, **Source: Asian Metal**

Auction Feedback:

Eastern India

62% Fines – Auction conducted in Mid Dec'07 for PSU clients from Orissa fetched a price range of Rs.2545.00 to Rs.2565.00 PMT. The movement was by Rail. The lot size was for 4000MT and lifting was for three months from the date of sale offer.

62.5% Fines-Auction conducted in Mid Jan'08 for SAIL-RMD for Gua Iron Ore Mines fetched a price of Rs.2550.00 PMT.The Lot size was 150,000MT and movement was by Rail.

Central India

64% Fines –Auction conducted in Mid Jan'08 for PSU clients in Chattisgarh fetched a price of Rs.4020.00PMT.The lot size was 15000MT and movement was by Rail.

Southern India

64% Fines – Auction conducted in Mid Jan'08 for major PSU Client in Karnataka fetched a price of Rs. 3530.00 PMT.The lot size was 15000MT and the movement was by Rail.

Outlook: Prices of Iron Ore Fines (Fe=63%) is expected to fetch around in the range of Rs. 3900-4100/tonne (basic). Price of Iron Ore Fines (Fe=60%) is expected to fetch around in the range of Rs.1300-1500/tonne (basic).