

Market Report

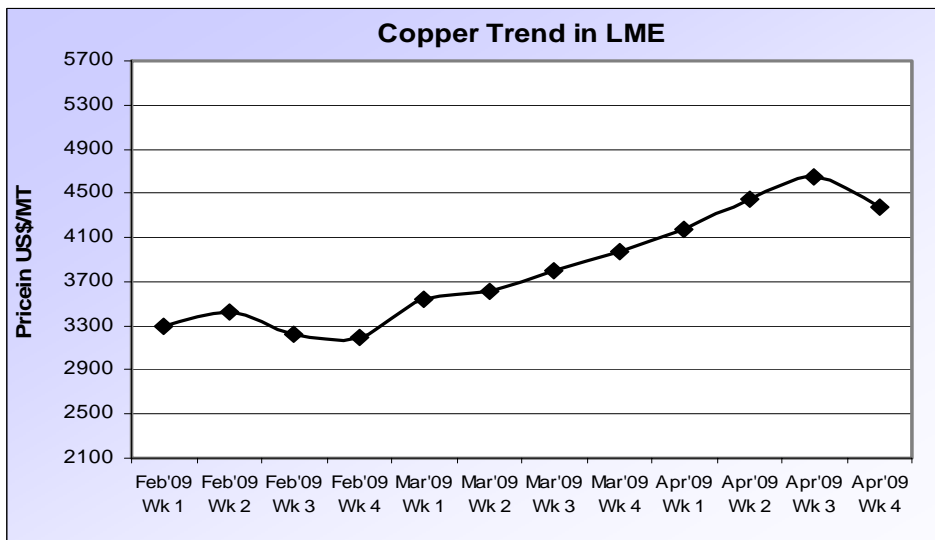
There was a sea change in base metals markets all over the world in the month of April. Metal prices which had been languishing for quite some weeks, found a sound reason to rebound as the Group – 20 nations in the meeting on April 02, 2009 agreed on a USD 1.1 trillion economic package for the sagging world economy. A massive chunk of that money is to be spent on the infrastructure development, while some would be available to bolster the weak banking system. The equity market responded splendidly to the news and commodities were not far behind as infrastructure development means a sharp increase in the consumption of metals. No wonder the metal prices flared up on the London Metal exchange and the buoyancy was also reflected in the Indian metal markets too. However, the month of April ended on a slightly softened note for the base metals after witnessing a brisk upward movement for most of the month. Metal prices declined moderately in the non-ferrous metal market here in the final week of April due to the fall in demand from the industrial users coupled with weak global cues.

Copper Market Overview:

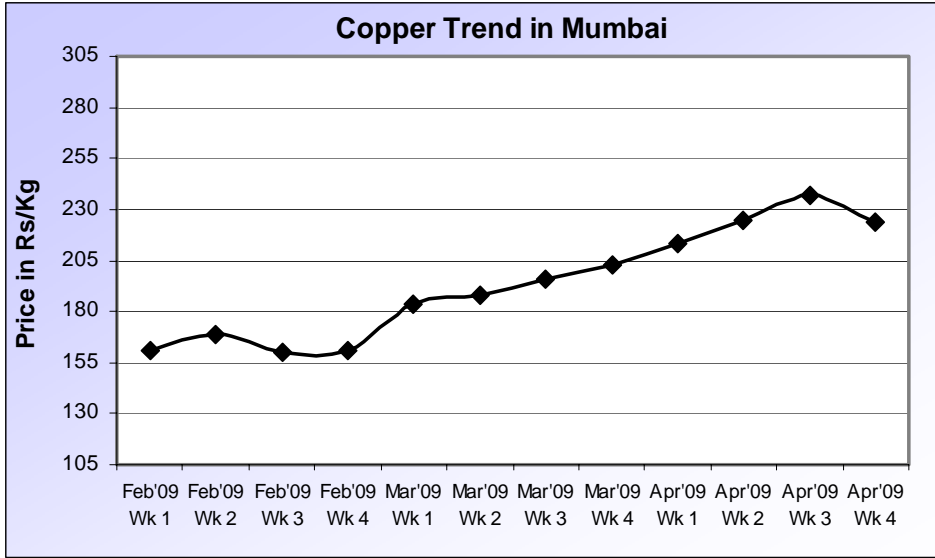
Copper: The market for the red metal remained robust throughout the month of April. The improved trade and industrial demand brought about a steady rise in the copper prices since the inception of new FY 2009-10. The G-20 summit's economic revival package of USD 1.1 trillion in the 1st week of April coupled with the fact of declining LME warehouse copper were enough to induce the bullish funds to take up fresh positions in copper. Copper soared up in the first half of the month exhibiting a rise more than 12 per cent in LME as compared to the end of March while its counterpart in India rose by almost 11 per cent. Copper remained steady in the following weeks as well. The third week saw a rise of more than 4.5 per cent in LME as compared to the week before while over the same period copper in Mumbai increased by over 5.5 per cent. However, the third week saw a dip in the copper prices all across the globe. Copper in LME saw a drop of over 5.5 per cent as compared to April Week 03 while copper in Mumbai market also witnessed a fall of more than 5.5 per cent over the same period.

On 2nd May, 2009; Copper at Mumbai prevailed at Rs. 23.6/Kg (basic)

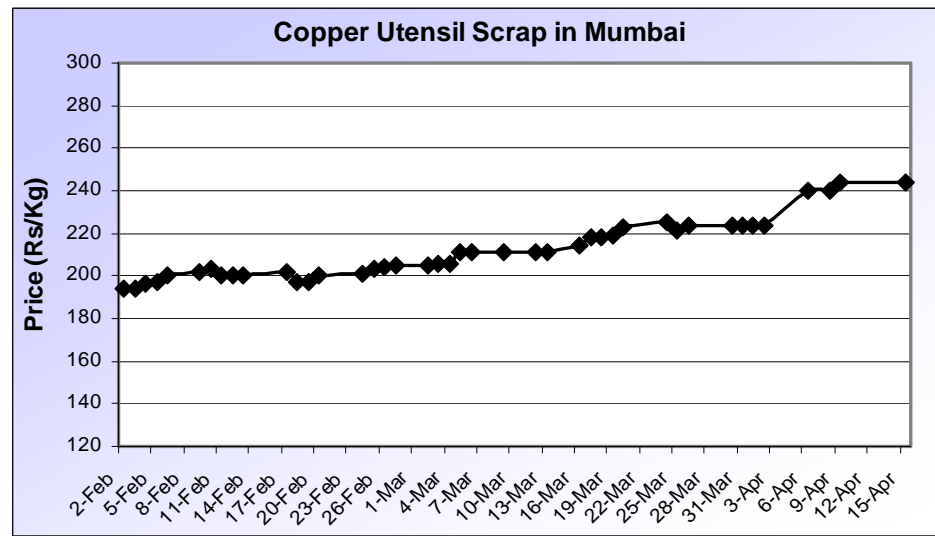
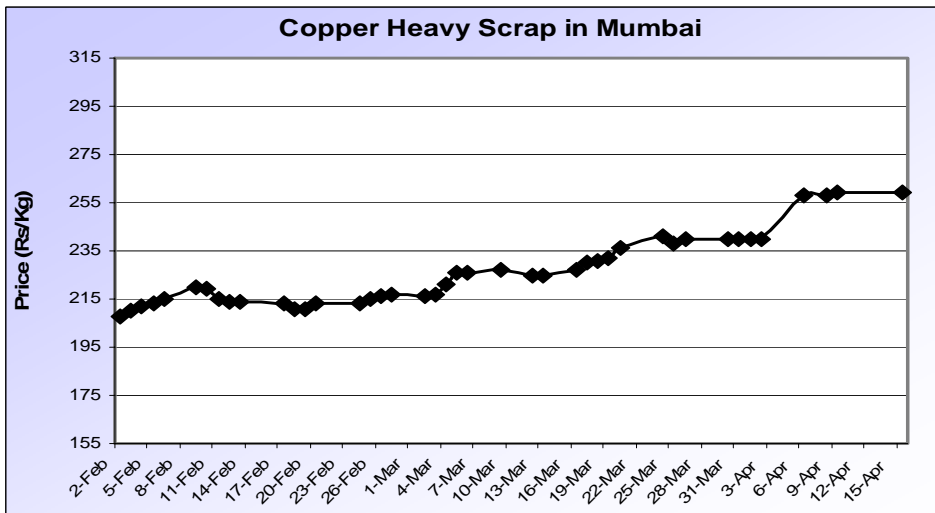
On 1st May, 2009; Copper at LME prevailed at Rs. 45,00.5/Kg



Source: LME



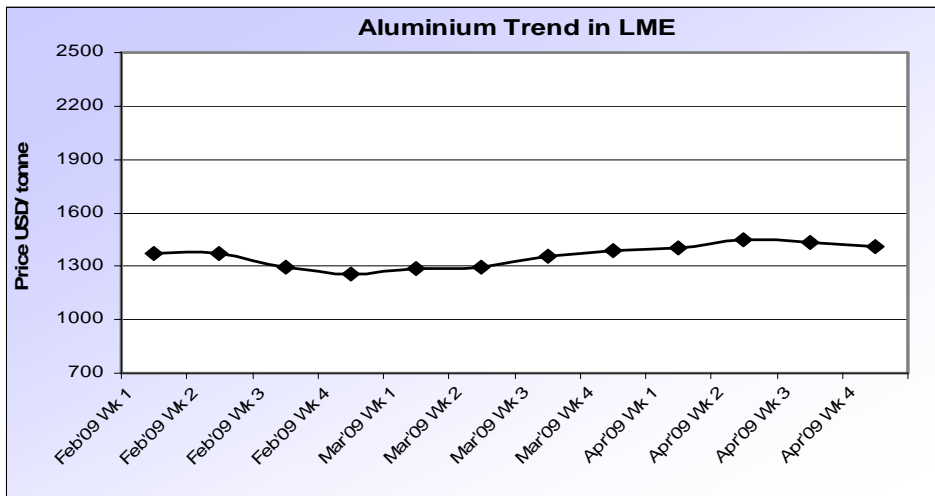
Price in Rs./kg is basic, Source: MCX



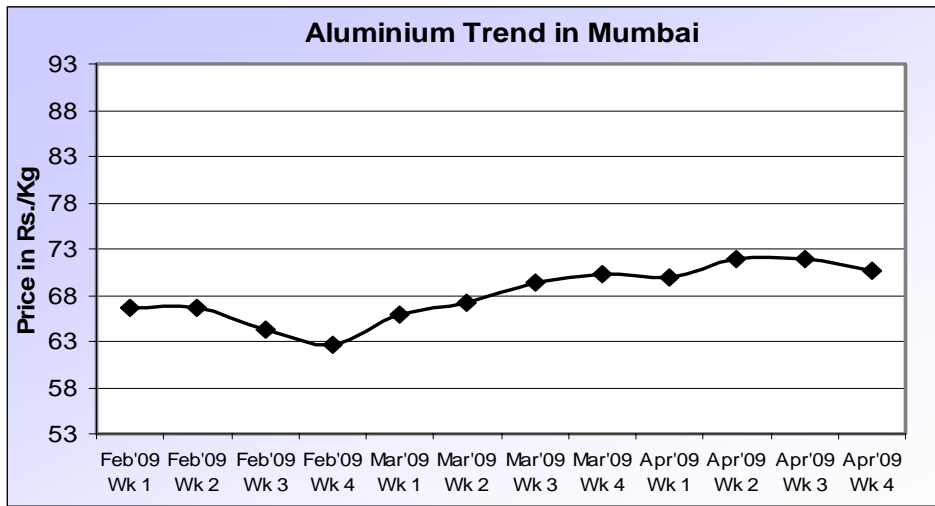
Price is in Rs/ Kg & all inclusive in Mumbai market Source: Metal Trade Intelligence

Aluminum Market Overview:

Aluminum: Like all other metals, aluminum also depicted a healthy price trend since the inception of new FY 2009-10. Improvement in the demand in the market has been the prime reason for the surge in the aluminum prices of late both in the international as well as in the domestic arena. In the first half of the month aluminum in LME saw a price rise of nearly 5 per cent as compared to the end of March. The aluminum prices in India were assumed to be triggered up by a recent blast at Nalco's bauxite mine at Damanjodi (Orissa) caused by insurgent Maoists, which reduced the supply of alumina to the plants and a consequent lower production of the metal. Aluminum in Mumbai too depicted a rising trend over the first fortnight of the month as it rose by nearly 4.2 per cent. Aluminum exhibited a steady price trend in the subsequent weeks with improving demand conditions. However, towards the end of April aluminum prices both at home and abroad witnessed a slight downward movement. In Mumbai market, aluminum prices depicted a drop of nearly 1.8 per cent as compared to the third week of April while in LME the prices dropped by more 1.6 per cent over the same period. On 2nd May, 2009; Aluminum at Mumbai prevailed at Rs. 74.35/Kg (basic) On 1st May, 2009; Aluminum at LME prevailed at Rs. 1,481/Kg

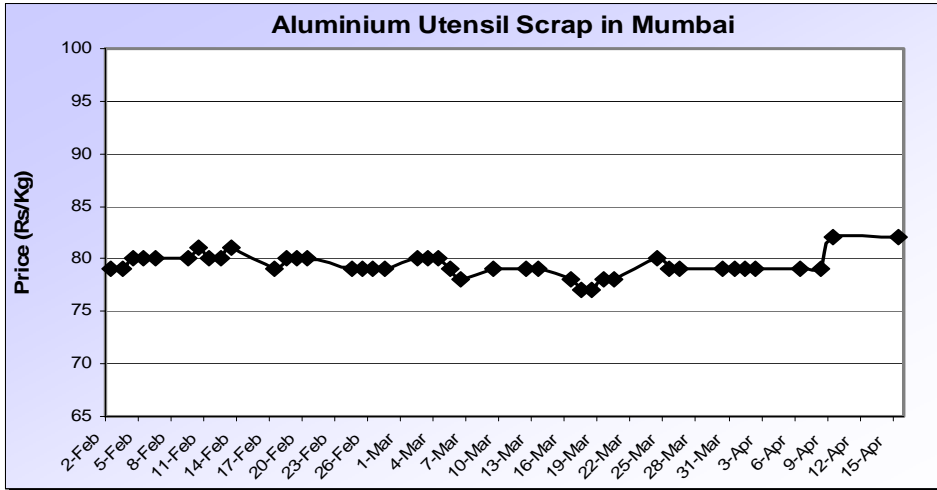


Source: LME



Price is in Rs./Kg (basic)

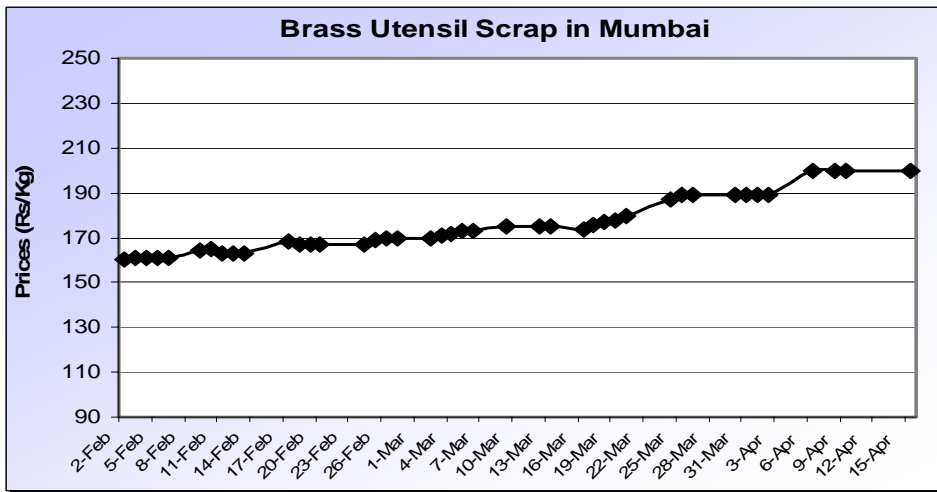
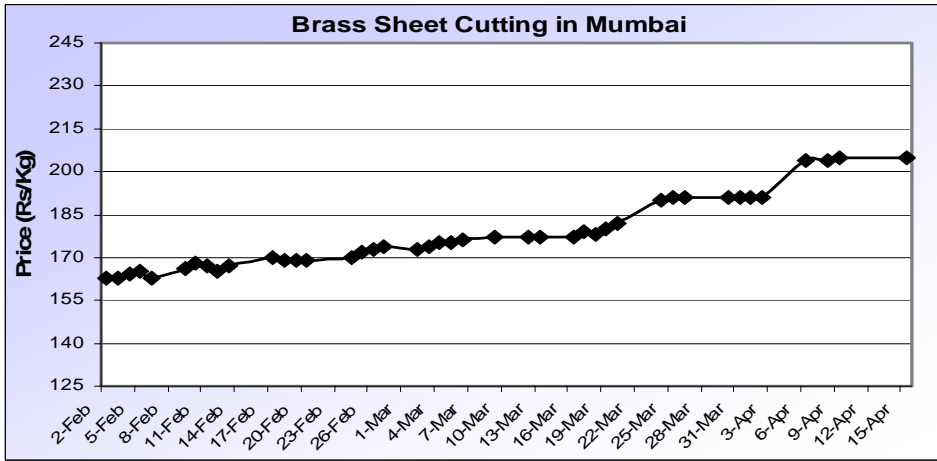
Source: NCDEX



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

Brass Market Overview:

Brass depicted more or less a rising price trend in the last one month across the country.



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

Stainless Steel Overview:

The stainless steel sector remained stable in the beginning of the month. Nickel price saw some improvement both in the domestic market and at London metal Exchange witnessing a rise of around 6 percent over a week. The second week of the month saw some improvement in the stainless steel market with the commencement of the new financial year as the nickel prices also exhibited an upward movement. However according to the market sources, the sustainability of the stainless steel price improvement is not guaranteed as there is an outside possibility that market might again take a plunge in the coming days as the overall demand in the market is still volatile. Nickel in both LME and abroad has depicted a significant improvement with the inception of FY 2009-10. Over a fortnight Nickel rose by nearly 13 per cent and prevailed at USD 11,400/tonne as on 14th April, 2009. A similar situation was observed in the domestic market as well as the Nickel price increased by nearly 10 per cent and prevailed at Rs. 536.8/Kg (basic) as on April 11, 2009. The end of the month saw stability in the market with demand conditions remaining quite stable and prices of 300 series showed an increase in the range of Rs.9000 to Rs.11,000/tonne while 400 series grade almost remained stable. With Election being round the corner no significant change in price is expected; demand is expected to pick up after the Lok Sabha Election is over.

Prevailing Price of Prime Stainless Steel:

Kolkata

Grade 304: Rs.1,34,000/tonne (basic)

Grade 316: Rs.2,09,000/tonne (basic)

Grade 430 seconds: Rs.70,000/tonne (basic)

Delhi

Grade 201 (1mm - 3mm): Rs.97,000/tonne (basic)

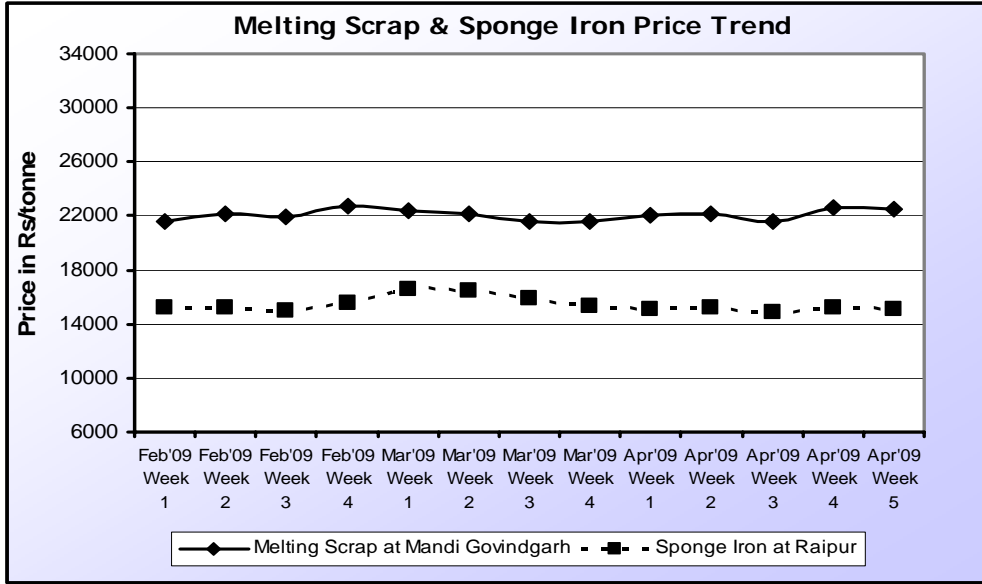
Grade 301 (1mm - 3mm): Rs.1,10,000/tonne (basic)

Grade 304 (1mm - 3mm): Rs.1,40,000/tonne (basic)

Melting Scrap Market Overview:

The steel market across the country remained more or less stable over a week. Ingot prices depicted a stable trend at various places of the country in the last week while Melting scrap and Sponge iron in the domestic market also depicted more or less a stable trend. Demand in the market hasn't witnessed any major change in the last one week and has remained by and large stable.

Over a week, the steel ingots across the country exhibited more or less a stable price trend varying in the range of +/- 0.5 per cent over a week on an average. Melting scrap in Mandi Govindgarh also experienced more or less a stable price trend over a week and prevailed at around Rs. 22,070/MT (incl. ED) on May 04, 2009. Sponge iron in Raipur too depicted stable trend over a week and prevailed at Rs. 14,695/MT (incl. ED) on May 04, 2009. In the prevailing scenario, with the ingot prices seeing a slightly southward movement in the last two to three days; the domestic scrap steel market is expected to exhibit a stable or may be a slightly downward price trend in the coming days.



Price in Rs/MT is incl.excise duty

Source: Steel Town Weekly, MCX