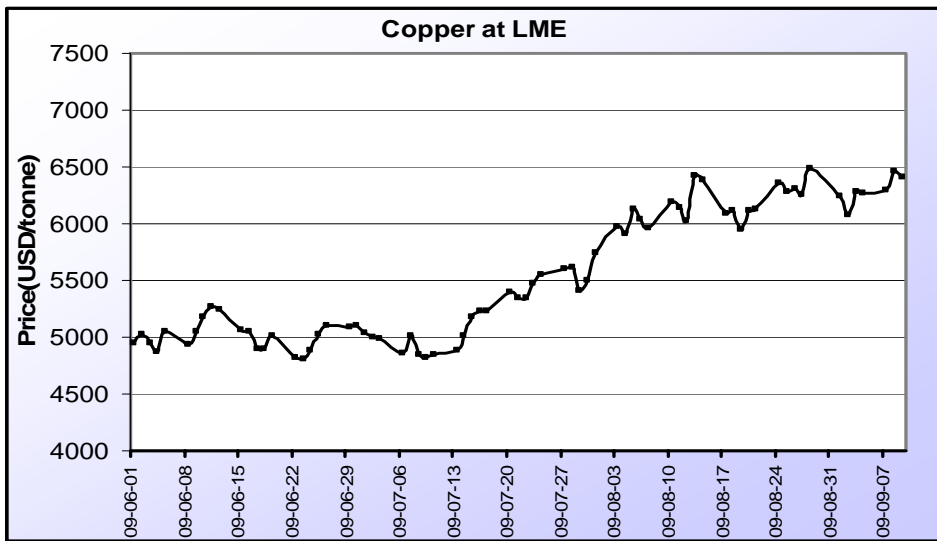


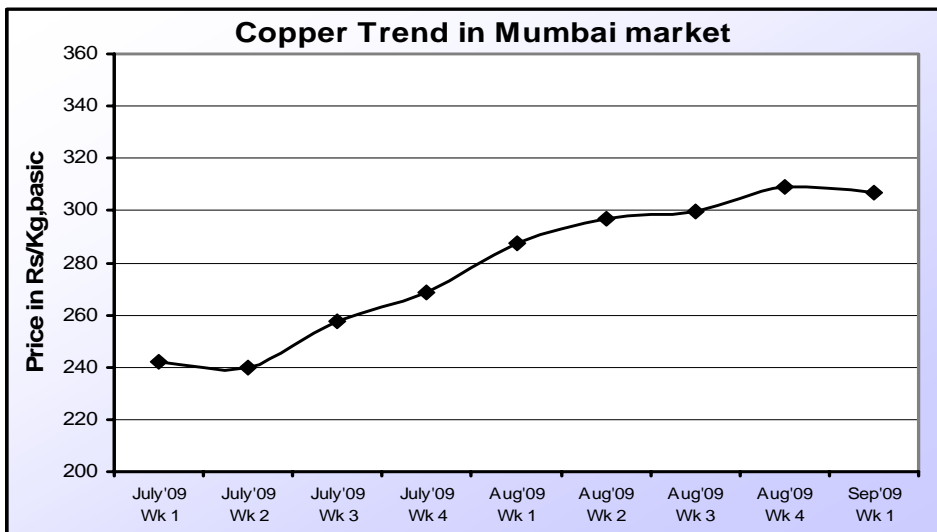
## Market Report

### Copper Market Overview:

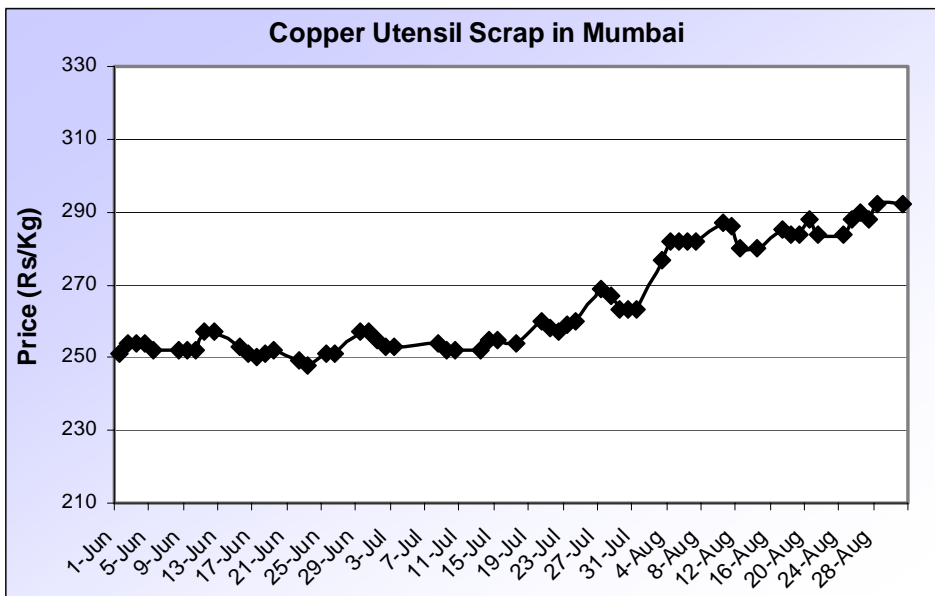
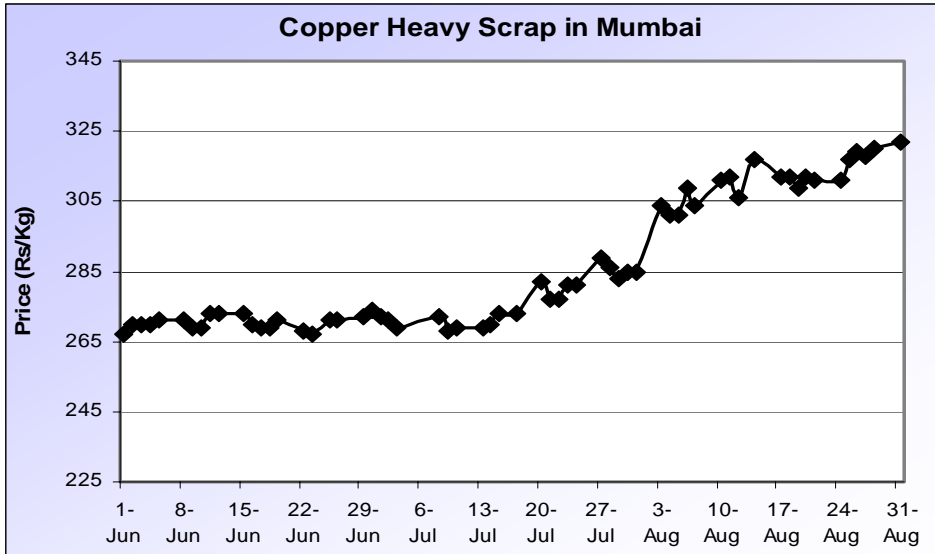
With the commencement of the month of August, the base metals pack including copper staged an extraordinary performance both at home and abroad and the metal prices skyrocketed all across the globe fueled by the buoyancy of the hint of recovery of US housing market coupled with the optimism about resumption of growth in China. In the opening week itself, copper shot up in the range of 8 to 10 per cent both at LME and home. Copper continued its upward journey in the second week as well. However, since the beginning of week 03, the scenario changed and the market turned a bit cautious for most of the commodities and equities as dollar strengthened during this week. But the situation improved once again in the concluding week of August as copper prices started picking up once again. However with the inception of the month of September, a trend reversal has been noticed for copper prices both at home and LME as demand has remained weak.



Source: LME



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

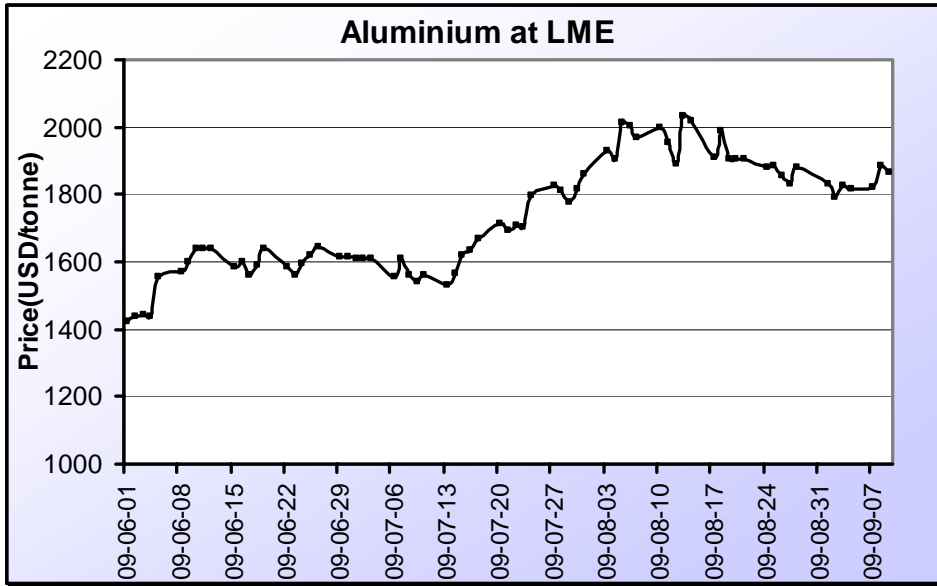


Price is in Rs/ Kg & all inclusive in Mumbai market Source: Metal Trade Intelligence

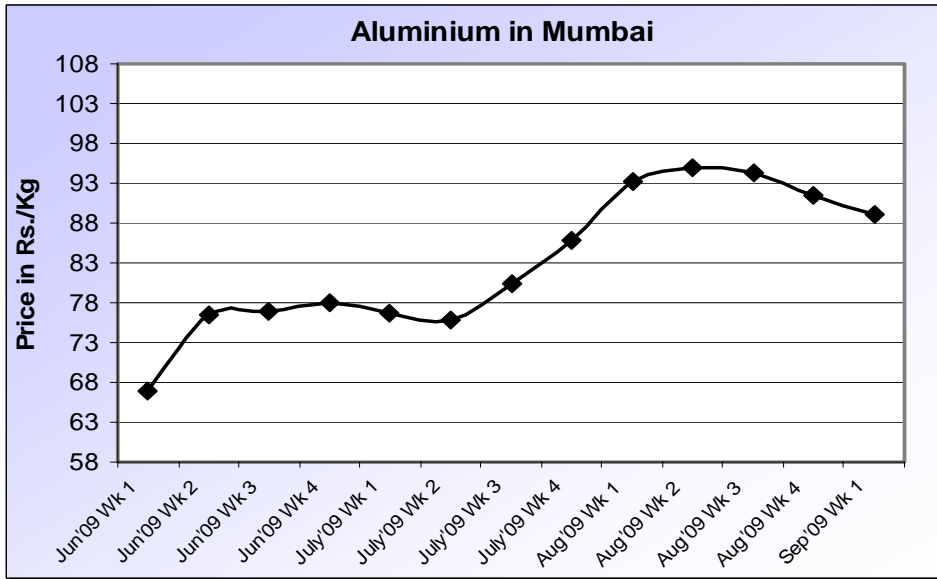
### Aluminium Market Overview:

The beginning of August has seen a positive trend as positive sentiments outweighed the negative factors like rising inventories. In Aug week 01, aluminium price at LME rose by as high as around 10 per cent as compared to the week before while its counterpart in Mumbai saw a rise of more than 8 per cent over the same period. However, in Aug week 02, a mountain of surplus stocks and the increasing likelihood of production capacity resumption have indeed found to put brakes in the metal's price ascent that was discerned in the first week of the August. In week 03, aluminium at LME witnessed a price drop of over 2.7 per cent while aluminium in Mumbai dropped by around 1 per cent as against Aug week 02. Aluminium continued to march downwards in the concluding week of August as well. The fall in the aluminium prices remained unabated in the month of September so far. Aluminium across world experienced a softened trend in the opening week of September which is

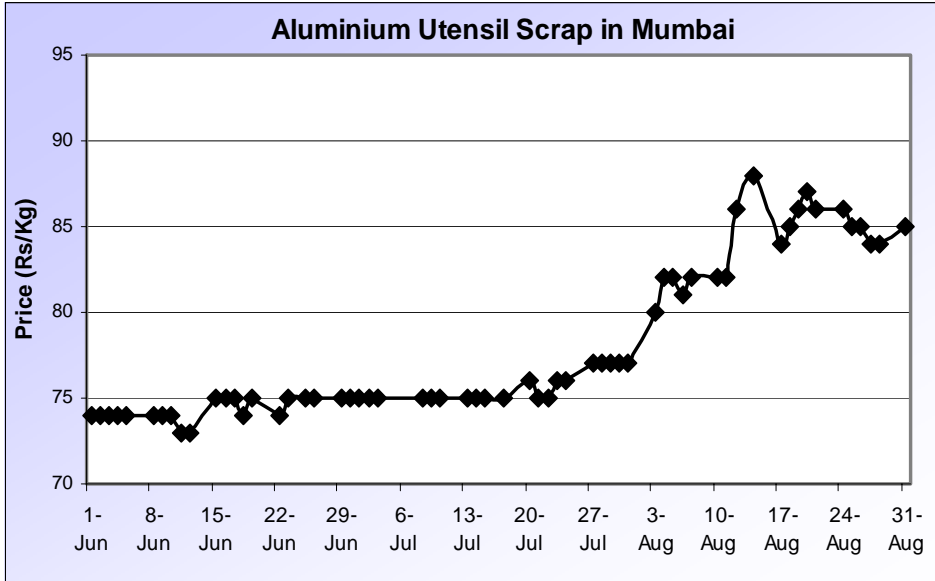
evident from the metal's w-o-w price drop of 2.75 per cent at LME and 2.5 per cent at Mumbai market.



Source: LME



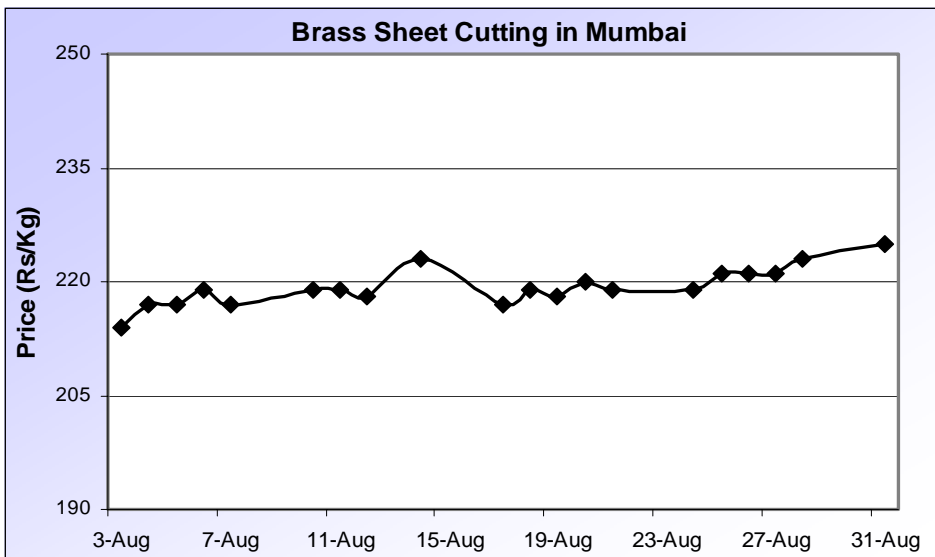
Price is in Rs./Kg (basic). Source: NCDEX

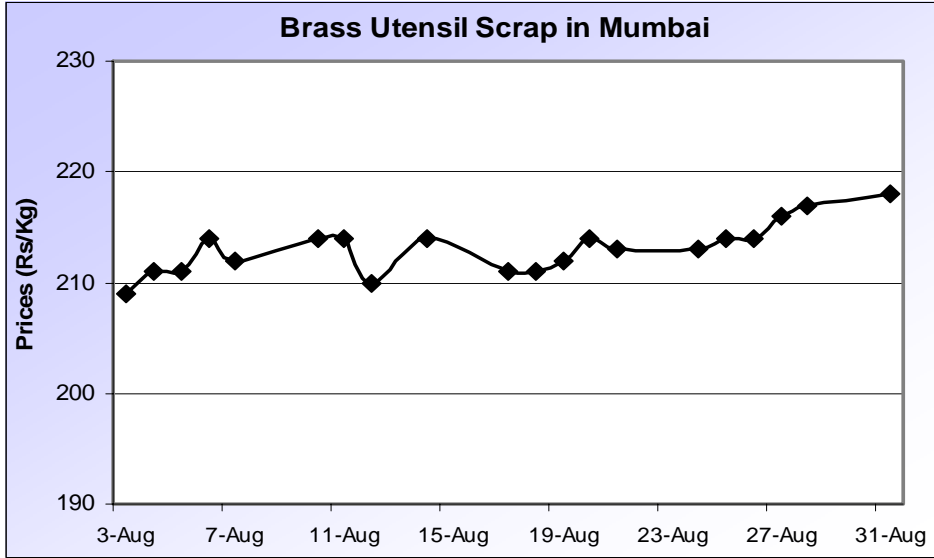


Price is in Rs/ Kg & all inclusive in Mumbai market Source: Metal Trade Intelligence

### Brass Market Overview:

With the commencement of the month of August, brass prices witnessed some improvement on the back of firming trend in global markets and relatively stronger demand of late. The month closed on a higher note with a rise of 5 percent noticed over a month. The beginning of September has also seen a rising trend on good industrial demand. Brass sheets cutting prevailed at Rs 227/kg in Mumbai market beginning of this week.





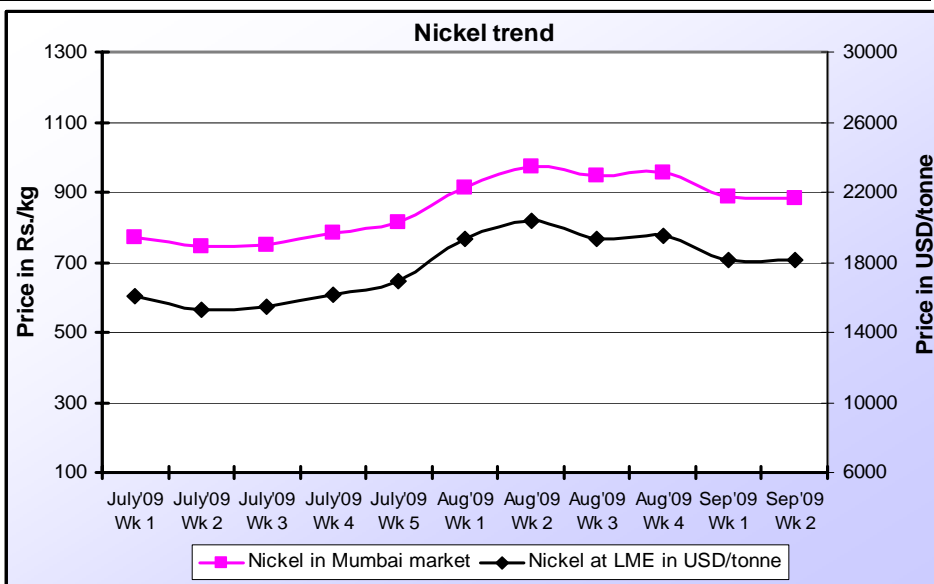
Price is in Rs/ Kg & all inclusive in Mumbai market Source: Metal Trade Intelligence

### Stainless Steel Market Overview:

The recent drop in Nickel prices and faltering demand has seen its effect on the stainless steel prices with Chinese market seeing a downturn beginning of September. Prices of various grades have dropped with 304 hot rolled coil dipping by as much as USD308/tonne over a fortnight.

**UK stainless scrap prices stable as tight supply offsets lower nickel price:** UK stainless steel scrap prices have held steady as lower nickel prices were offset by tight supply and healthy demand. 18/8 solids were booked at £1,040-1,060 per tonne, up slightly from \$1,030-1,050 per tonne last week. 18/8 turnings traded at £728-742 per tonne, also up slightly from £721-735 per tonne last week.

### Nickel Trend in the Domestic market and at London Metal Exchange



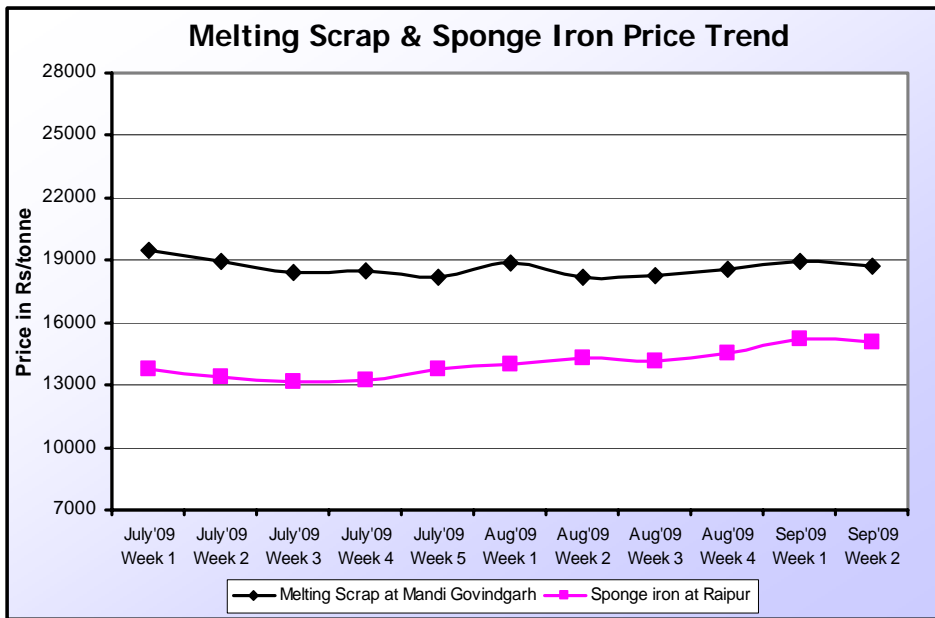
Source: LME & NCDEX

## Melting Scrap Market Overview:

The long steel market across the country exhibited a healthy trend in the beginning of September with the slight improvement in the demand conditions from the downstream customers and end users. This week commenced with steel producers, both secondary and primary raising the prices of long product by Rs. 1,000-1,500/MT mainly to offset higher input costs. According to market sources, scrap imports into India slowed down substantially in August, which in turn created a shortage in the domestic market. As a result, the prices of ingots and billets made from scrap have increased. Moreover according to the market sources, the iron ore producers are now paying higher charges in royalties and railway freight and they are trying to pass on these higher costs to steel producers.

In spite of the increase in the long steel prices by the steel majors early this week, the week started off on a volatile note for the steel ingots, melting scrap and sponge iron at various places as the country is still in the grips of ominous monsoon and lack of demand due to slow paced construction activities. The ingot and scrap prices witnessed a drop in price in the range of Rs. 300 to 700/MT since Sep02. Sponge iron at Raipur too remained sluggish at the beginning of the week and prevailed at around Rs. 15,415/MT (incl. ED) as on Sep 09, 2009. Melting Scrap is currently prevailing at Rs.18,500/MT (incl. ED) in Mandi Govindgarh market.

**Ferrous exporters await return of Indian buyers:** Indian mini-mills continue to resist paying high international prices for ferrous scrap but many believe demand will pick up in the next couple of weeks and the prices may rise thereafter. HMS 1&2 (80:20) is now selling at USD 300/MTcfr, Nhava Sheva and shredded material is trading at USD 310/MT on the same terms.



Price in Rs/MT is incl.excise duty

Source: Steel Town Weekly, MCX