

News at a glance

After a hike in steel prices in the month of May, SAIL announced a reduction in prices of various products by upto Rs.300/tonne including galvanized and cold rolled products. Prices of Pig iron were also reduced by Rs.500/tonne. All prices were effective from June, 5, 2007.

SAIL further announced a price cut of Rs.500-1000/tonne for flat products w.e.f July, 01, 2007. JSW Steel cut prices of HRC by Rs.600-800/tonne, Essar by Rs.700-800/tonne and Ispat by Rs.500-800/tonne to Rs.26,000/tonne for HRC.

Durgapur Steel Plant output created record in the month of May, 2007:

Production of hot metal touched 1,93,002 tonnes, crude steel at 1,71,402 tonnes and saleable steel at 1,50,009 tonnes.

Indian Iron Ore Industry to flourish with major steelmakers going for expansion and increasing demand of iron ore coming from China.

Indian Pig Iron prices edge up in Vizag tender: Stencor posted the highest-priced bid of \$355.25/t fob in Vizag's 26 June tender for 25,000 tonnes of basic pig iron for July shipment.

Hindustan Zinc Ltd. cut Zinc prices by Rs.1900/tonne to Rs.1,71,600/tonne and there was a further price cut of 5.8% to Rs.1,58,900/tonne towards the end of the month.

CRU Index Behaviour (Source: www.cruspi.com)

Index	Apr'07	% Change(Y-Y)	% Change(M-M)	May'07	% Change(Y-Y)	% Change(M-M)	June'07	% Change(Y-Y)	% Change(M-M)
Global	168.35	13.00	4.80	171.6	9.30	1.90	172.81	4.30	0.70
North America	154.97	4.10	4.40	153.3	-0.50	-1.10	149.80	-7.60	-2.30
Europe	179.25	12.30	3.90	179.58	6.30	0.20	177.42	3.70	-1.20
Asia Steel	170.19	18.90	5.50	177.95	17.00	4.60	183.80	11.40	3.30
Longs	183.62	25.40	8.50	187.92	24.10	2.30	194.44	22.90	3.50
Flats	160.77	7.00	2.80	163.49	2.40	1.70	162.07	-4.40	-0.90
Metallurgy	245.1	25.90	0.20	230.64	12.50	-5.90	229.58	7.40	-0.50
Stainless	236.15	78.30	3.50	245.95	80.10	4.10	245.36	66.70	-0.20

Prices of long products have fallen again in North America, Western Europe, and even China but an ongoing long products rally elsewhere continued to bolster **CRUspi Longs index**..

After rising for the previous four months, the **CRUspi for steel sheet products** has fallen over the past month. This has largely been due to a further weakening in US domestic prices and fall in prices across North America, Western Europe and China as a result of sluggish demand.

Scrap price fall worldwide kept the downward pressure on **CRUspi metallics index**.

Stainless steel prices softening indicated a negative CRUspi index.

(UJJAL BHATTACHARYA)
Senior General Manager – Steel Sales

STEEL INDUSTRY MARKET SCENARIO

FLAT & LONG PRODUCT

Domestic Scenario:

HRC Import market remained quiet: Local buyers are unwilling to go for further booking of imported HRC and preferring to book local material that would ensure delivery before the market changes. There has not been much buying of Chinese HRC due to uncertainties arising from the export policy changes.

Price trend of prime steel (Flat) in Mandi Govindgarh market:

	Plate(5-10 mm)	HR Coil	HR Sheet	CR Coil	CR Sheet	GP Coil	GP Sheet
May'07 Week 1	32,000	32,100	31,900	36,500	36,700	38,500	38,500
May'07 Week 2	32,000	32,100	31,900	36,500	36,700	38,500	38,500
May'07 Week 3	31,500	31,200	31,000	35,900	35,900	37,900	37,900
May'07 Week 4	32,000	32,100	31,900	36,500	36,700	38,500	38,500
June'07 Week 1	32,000	32,100	31,900	36,500	36,700	38,500	38,500
June'07 Week 2	32,000	32,100	31,900	36,500	36,700	38,500	38,500
June'07 Week 3	NA	NA	NA	NA	NA	NA	NA
June'07 Week 4	NA	NA	NA	NA	NA	NA	NA

Price trend of prime steel (Long) in Mandi Govindgarh market:

	MS Billets(100*100 mm)	Concast Billets(100*100 mm)	MS Rounds (22/25 mm)	MS Angles(25*6mm)	MS Channel (75*40mm)	MS Channel (125*65 mm)	CTD Bars(ISI) 8mm
May'07 Week 1	26,000	26,100	28,300	28,400	28,500	28,800	32,100
May'07 Week 2	25,900	26,200	27,600	28,100	28,400	28,700	31,500
May'07 Week 3	25,100	25,200	27,400	27,900	28,100	28,400	31,000
May'07 Week 4	25,200	25,300	27,800	28,200	28,400	28,700	31,400
June'07 Week 1	25,500	25,600	28,100	28,300	28,600	28,900	31,500
June'07 Week 2	25,500	25,600	28,100	28,300	28,600	28,900	31,500

June'07 Week 3	25,400	25,500	27,700	28,400	28,400	28,800	31,400
June'07 Week 4	25,300	25,400	27,600	28,100	28,400	28,700	30,800

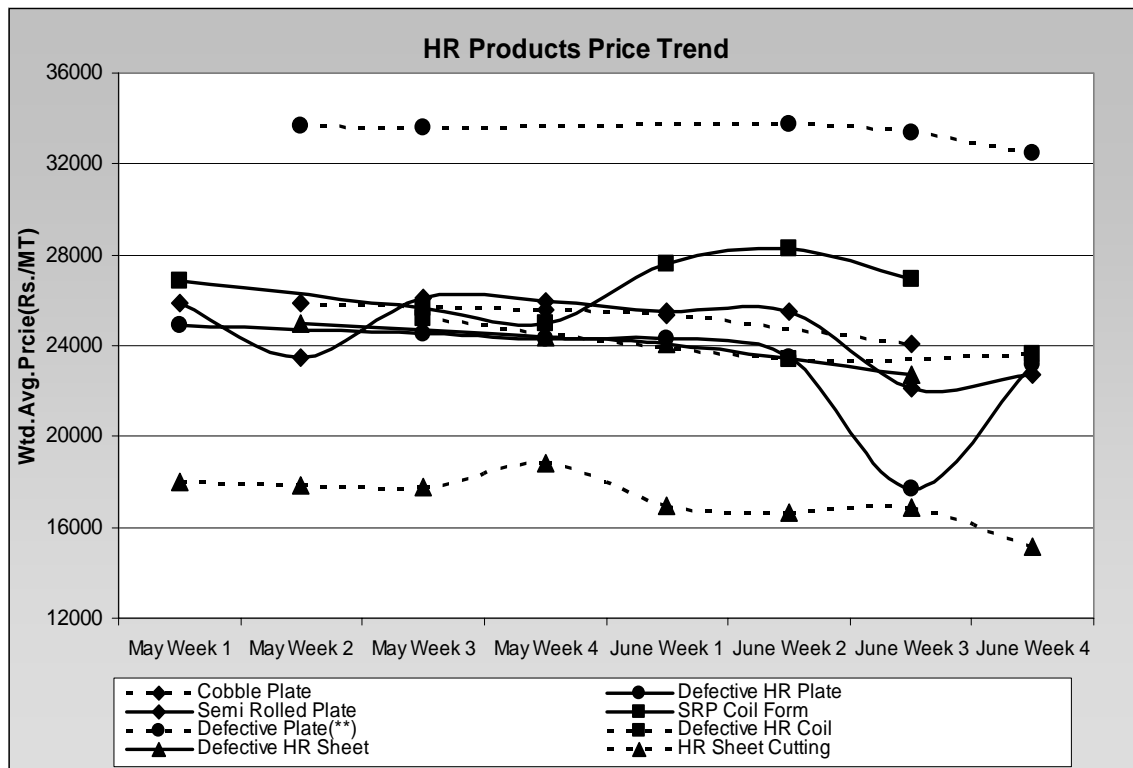
Note: Flat & Long Price (Rs. /MT, incl.excise duty, retail price)

Price Movement

	Review	Outlook
Items	June'07 over May'07	July'07 over June'07
HR Coils	↓	↓
CR Coils	↓	↓
GP/GC Coils	↓	↓
Long Products	↓	↓

Price Trend as observed in the Auctions held at Metal Junction for Flat Products:

Following graphs show the price trend observed in the auction services of www.metaljunction.in for the month of May & June 2007 for different HR and CR products.



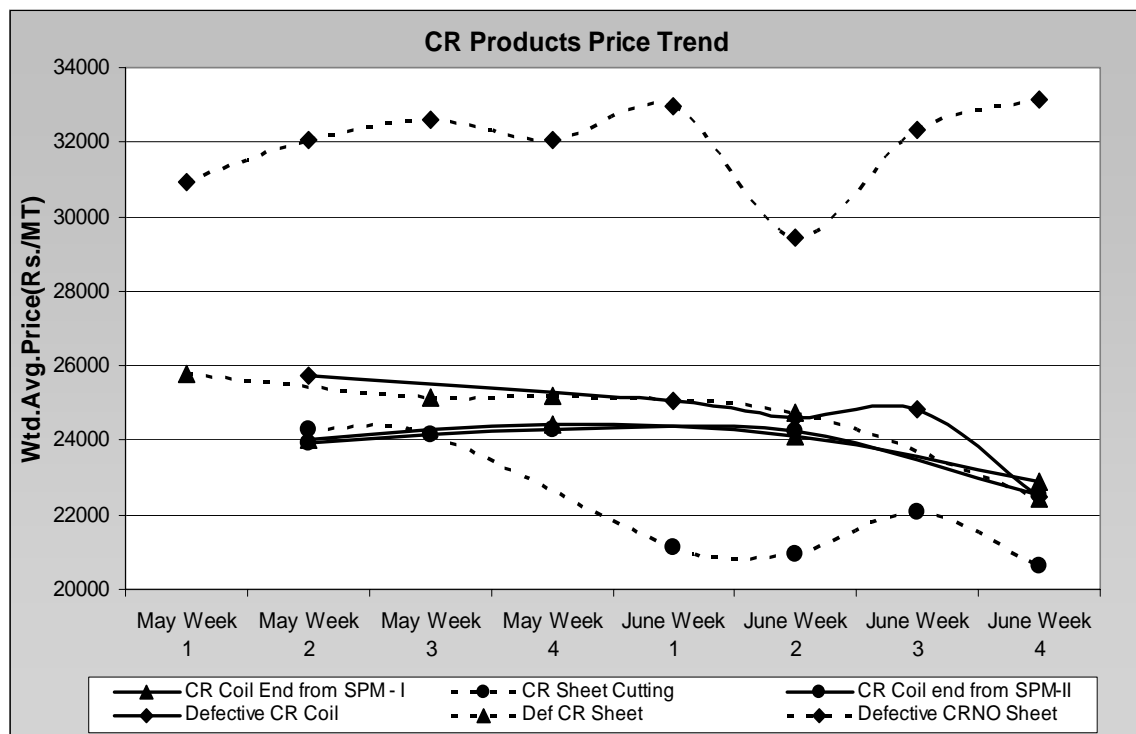
Note: Price is basic, ** implies price incl.excise duty

Attached below is the data table:

Week	Cobble Plate	Def.HR Plate	Semi Rolled Plate	SRP Coil Form	Def Plate	Def HR Coil	Def HR Sheet	HR Sheet Ctnng
May'07 Wk 1	NA	24900	25882	26850	NA	NA	NA	18026
May'07 Wk 2	25897	NA	23450	NA	33688	NA	24938	17852
May'07 Wk 3	NA	24522	26088	25674	33609	25200	NA	17806
May'07 Wk 4	25552	24265	25950	24950	NA	NA	24400	18850
June'07 Wk 1	25341	24309	25499	27617	NA	NA	24060	16954
June'07 Wk 2	NA	23447	25493	28300	33746	23400	NA	16615
June'07 Wk 3	24101	17726	22145	26901	33354	NA	22758	16898
June'07 Wk 4	NA	23170	22737	NA	32486	23600	NA	15177

Summary of price and % change (m-m & y-y basis):

Products	May'07 Price (Avg.)	June'07 Price (Avg.)	% change(June'07 over May'07)	% change(June'07 over June'06)
Cobble Plate	25724	24721	-3.90	14.19
Def Plate	33649	33195	-1.35	24.51
Def HR Plate	24562	22163	-9.77	21.92
Semi Rolled Plate	25342	23969	-5.42	14.24
SRP Coil Form	25825	27606	6.90	22.90
HR Sheet Cutting	18134	16411	-9.50	16.03
Def HR Coil	25200	23500	-6.75	28.56
Def HR Sheet	24669	23409	-5.11	NA



Price is basic

Attached below is the data table:

Week	CR Coil End From SPM-I	CR Sheet Cutting	C R Coil End From SPM-II	Def CR Coil	Def CR Sheet	Def CRNO Sheet
May'07 Wk 1	NA	NA	NA	NA	25785	30950
May'07 Wk 2	24000	24300	23929	25750	NA	32050
May'07 Wk 3	NA	24150	NA	NA	25131	32600
May'07 Wk 4	24444	NA	24275	NA	25191	32050
June'07 Wk 1	NA	21131	NA	25050	NA	32950
June'07 Wk 2	24114	20943	24259	24624	24721	29450
June'07 Wk 3	NA	22058	NA	24821	NA	32350
June'07 Wk 4	22880	20622	22523	22464	22460	33150

Summary of price and % change (m-m & y-y basis):

Products	May'07 Price(Avg.)	June'07 Price(Avg.)	% change(May'07 over Apr'07)	% change(May'07 over May'06)
CR Coil End from SPM-I	24222	23497	-3.00	25.40
CR Coil End from SPM-II	24102	23391	-2.95	NA
CR Sheet Cutting	24225	21188	-12.54	17.89
Def CR Coil	25750	24240	-5.87	20.63
Def CR Sheet	25369	23591	-7.01	NA
Def CRNO Sheet	31913	31975	0.20	36.38

Outlook: The beginning of the month witnessed no further improvement in prices of finished items in the domestic market and with SAIL announcing a reduction in price on GP, CR items in the beginning of June, the market showed no further improvement.

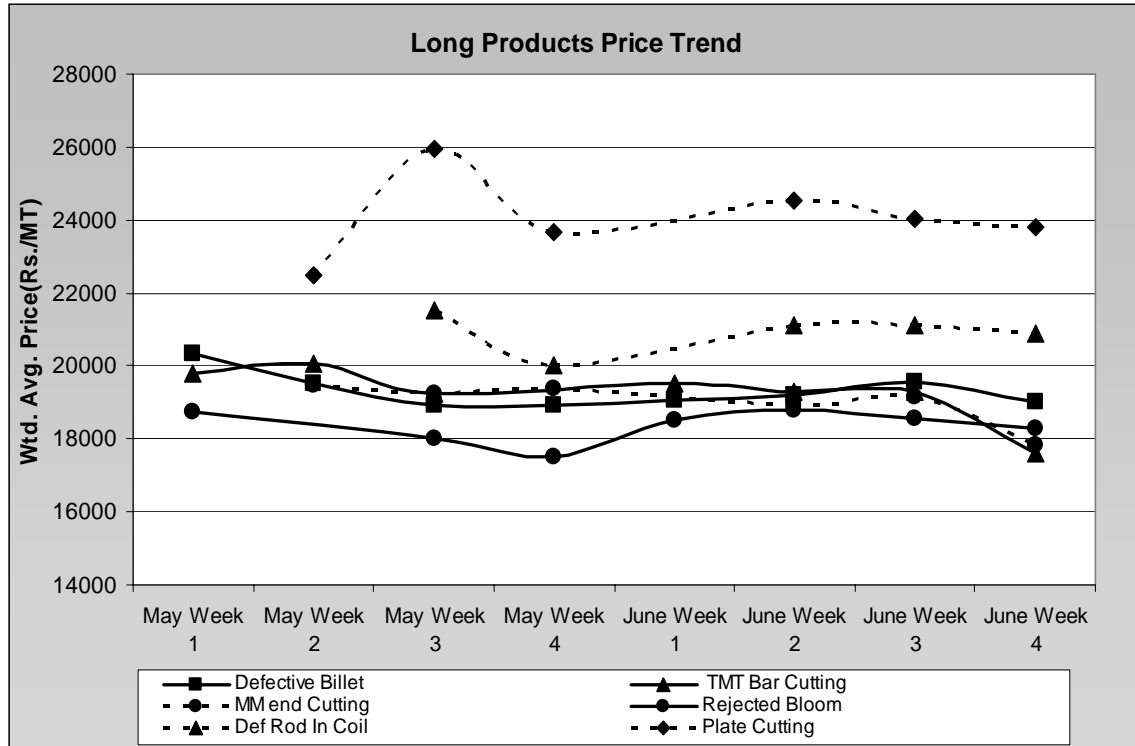
With demand remaining lower and material movement taking place slowly, the auction platform showed a stable price trend in the second and third week of the month, remaining aligned with the domestic and international market.

The end of the month saw a continuous stability in market. Demand for finished material continued to prevail and with material tightness prices have ruled firm across various categories. Ingot prices fluctuated in the range of Rs. +/-100/tonne since the second week of June.

With the onset of monsoon and construction activity slowing down, prices are expected to remain on a lowering note in the coming month.

Price Trend as observed in the Auctions held at Metal Junction for Long Products:

Following graph shows the price trend observed in the auction services of Metal Junction for the month of May & June 2007 for different long products.



Price is basic

Attached below is the data table:

Week	Def Billet	TMT Bar Cutting	MM End Cutting	Rej Bloom	Def Rod In Coil	Plate Cutting
May'07 Wk 1	20320	19777	NA	18757	NA	NA
May'07 Wk 2	19510	20050	19477	NA	NA	22464
May'07 Wk 3	18940	19224	19238	18025	21535	25964
May'07 Wk 4	18925	NA	19402	17500	20000	23651
June'07 Wk 1	19040	19528	NA	18500	NA	NA
June'07 Wk 2	19221	19300	18908	18786	21118	24536
June'07 Wk 3	19585	19271	19147	18565	21100	24048
June'07 Wk 4	19013	17584	17808	18272	20887	23821

Summary of price and % change (m-m & y-y basis):

Products	May'07 Price(Avg.)	June'07 Price(Avg.)	% change(June'07 over May'07)	% change(June'07 over June'06)
Def Billet	19424	19215	-1.08	22.51
Def Rod In Coil	20768	21035	1.29	29.70
MM End Cutting	19372	18621	-3.88	13.78
Plate Cutting	24026	24135	0.45	NA
Rejected Bloom	18094	18531	2.41	38.29
TMT Bar Cutting	19684	18921	-3.88	26.99

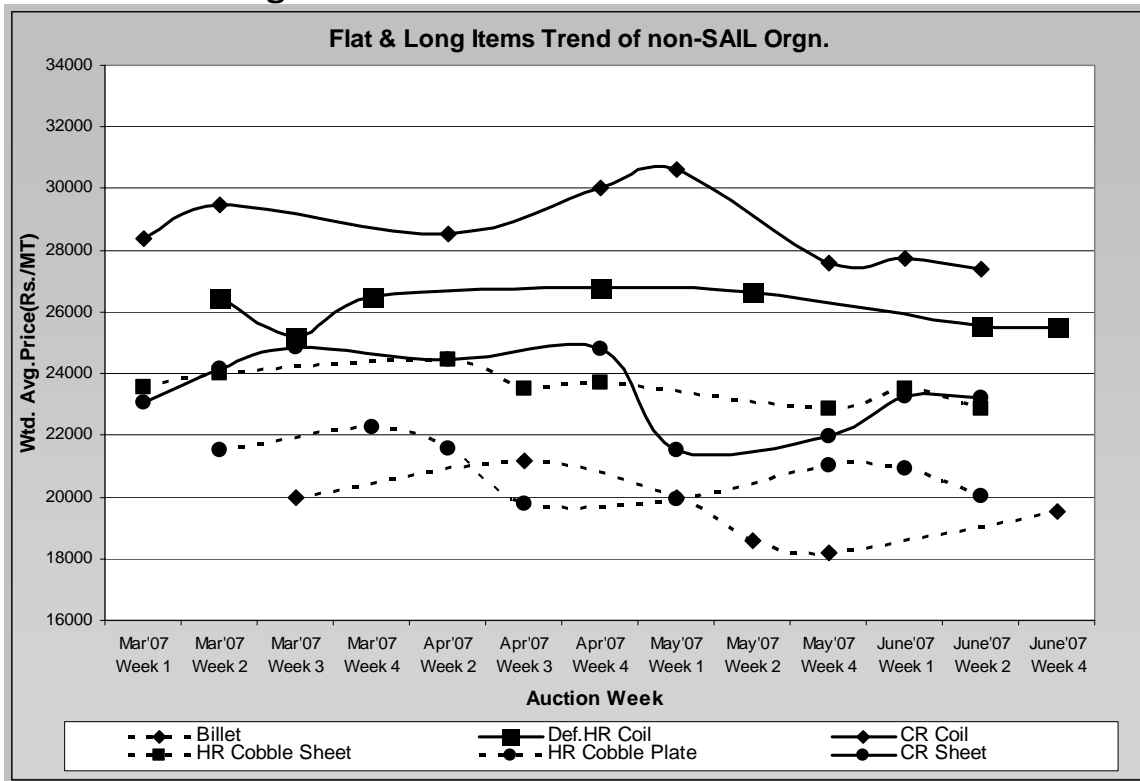
Outlook: After a downward trend in the month of May, the beginning of June saw some improvement in auction prices that remained aligned with Ingot price

trend in the domestic market. Prices remained steady then onwards with an ongoing steady market.

Demand for finished material continued to prevail and with material tightness prices ruled firm across various categories. Raw material prices have also ruled firm in the domestic market.

The end of the month saw some downfall in Ingot prices in the range of Rs.100-Rs.400/tonne across various places but compared to earlier month prices have remained on a slightly upward note across most of the places. Overall, market showed stability towards the end of the month and the onset of monsoon is expected to fetch prices on a lower note governed by slowing demand of material.

The graph below indicates the price trend of Flat & Long items auctioned from non-SAIL organizations



Price is basic

Ingot Price Trend

	Kolkata	Mandi	Ghaziabad	Raipur	Mumbai
May'07 Week 1	18668	21959	21363	20050	21919
May'07 Week 2	18190	21742	20998	19777	21471
May'07 Week 3	17864	21208	20359	18987	20850
May'07 Week 4	17725	21450	20498	19015	20647
June'07 Week 1	17905	21615	20927	19214	20669
June'07 Week 2	18190	21854	21303	19437	20503
June'07 Week 3	18190	21425	20968	19456	20433
June'07 Week 4	18166	21226	20931	18952	20186

Price: (Rs. /t, basic)

International Scenario

Global Price Recession Begins in most of the markets with sentiment softening, demand lowering down and sluggish buying activity pertaining.

China: Plate prices showed signs of softening since the beginning of June with sentiment remaining negative. Increase in export tax further increased the domestic supply which infact put pressure on the local market.

HRC, CRC and HDG prices remained weak throughout the month and showed very little change at the end of the month.

Export prices too showed a softening trend with bearish sentiment prevailing and demand remaining weak.

Export market of Chinese Billet did not find much favor in South-East Asia as offers from other places were much cheaper and local rebar market remained cheap.

Wire Rod prices dropped down in the domestic market to \$510-520/t fob from \$520-525/t fob. Merchant Bar prices remained reasonably stable after slight decrease at the end of May.

Europe: Prices of sections remained firm in Northern Europe market in the first week of June with demand remaining good for structural sections. However in general, prices of domestic items started slipping since the second week of June. Imported rebar prices continued slipping in Southern Europe due to drop in domestic rebar prices. Both rebar and wire rod demand remained weak throughout the month.

US: Both HR and CR prices showed a downward trend (around \$20/tonne drop) as compared to earlier month with ample supply of material and weak lead time. Market remained soft and a further seasonal downturn is expected in the short-term.

Latin American market for steel imports and exports remained quiet as buyers remained on a wait and watch scenario for further slowdown in international prices to make new orders.

CIS: Slab prices remained stable ranging between \$510-515/tonne fob Black Sea to Asia and \$545-555/t fob Black Sea for Turkey and Europe. Both HR and CR Coil market has remained softened with June trading remaining less active as compared to May.

The table gives an overview of price movement in flat & long steel sector in China (Domestic) CIS (Export) US (Import) & EU (Domestic):

Item Description	Price in June'07	Price in May'07	Trend
Chinese Domestic HR Coil FOB Shanghai RMB/t	3700-3850	4000-4200	↓
Chinese Domestic CR Coil FOB Shanghai RMB/t	4700-4850	4950-5000	↓

Chinese Domestic HDG FOB Shanghai RMB/t	5100-5150	5500-5560	↓
Chinese Domestic Rebar FOB Shanghai RMB/t	3280-3310	3290-3320	↓
Chinese Domestic Wire Rod FOB Shanghai RMB/t	3470-3500	3540-3560	↓
CIS Export Plate FOB \$/t	650-860	650-860	↔
N.Europe HRC Ex-Works €/t	470-480	480-490	↓
N.Europe CRC Ex-Works €/t	550-560	550-560	↔
S. Europe HRC Ex- Works €/t	480-500	510-520	↓
S. Europe CRC Ex- Works €/t	540-560	550-590	↓
Europe Rebar delivered €/t	480-540	530-600	↓

Note: 1 RMB=0.13US\$

OUTLOOK:

Global: Weak steel prices are expected to continue. Demand is likely to decrease, with the recent arrival of the summer rains and heat.

Prospects of a weaker third quarter have already affected steel prices in much of the world this month and a seasonal downturn in the rest of Asia may also be about to commence.

Prices in USA may come under pressure in the third quarter due to seasonal weakness in demand, although imports are likely to remain subdued in Europe and North America.

Prices in EU are also expected to show a seasonal downturn.

India: Indian steel makers are feeling the heat, global demand is weak and cheaper steel imports are on the rise. Domestic prices are expected to soften further as steel imports have risen by 40 percent with appreciation of Indian rupee by over 8 percent this year.

Also, the arrival of monsoon will hit the construction activity and this will further slowdown the Indian HRC market and steel sector as a whole. The galvanizing market has also been weak and is not expected to pick up in the future. Domestic demand is expected to slowdown in the coming month and market is expected to remain quiet in the slump season.

Data Sources:

- 1) www.ncdex.com
- 2) Steel Trade Intelligence
- 3) Steel Business Briefing
- 4) Steel Town Weekly (Mandi Govindgarh)

(UJJAL BHATTACHARYA)
Senior General Manager – Steel Sales

STEEL INDUSTRY MARKET SCENARIO

SCRAP

Domestic Scenario

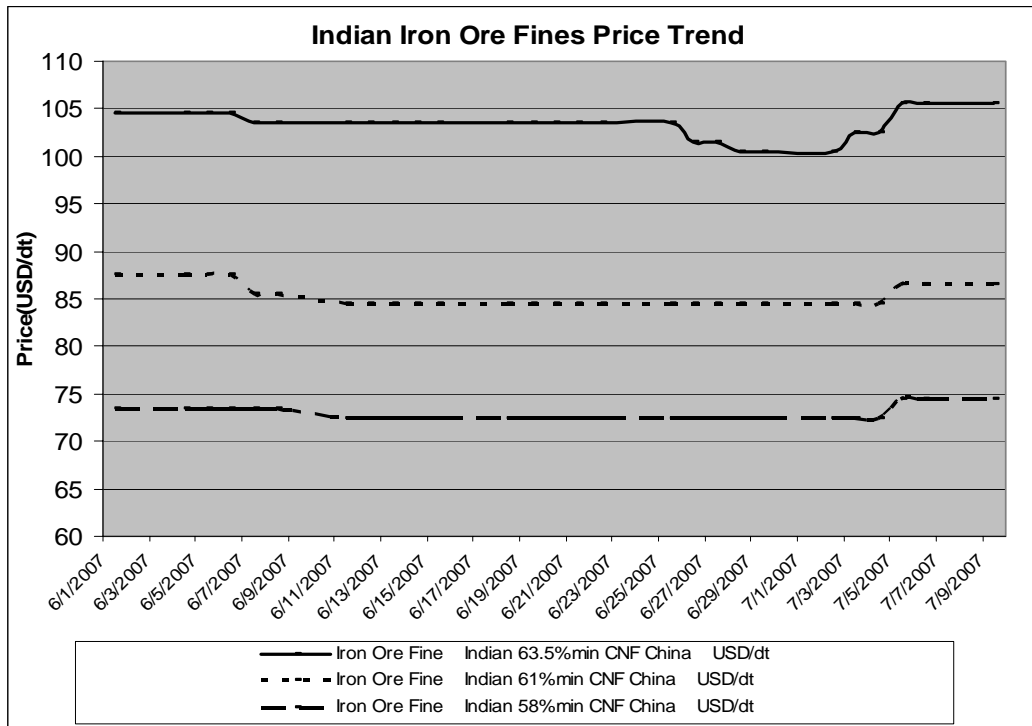
Drop in Iron ore import price in the range of 1-2\$/tonne since the second week of June due to the new export tax imposed. Buyers are holding back to determine the impact of export levy.

As a result, the market price of imported iron ore has slipped RMB 30-50/ton from mid-May.

Customs statistics indicate that **China imported 27.62m tons of iron ore in May, down 5.74m tons or 17.2% from April.** It's the lowest import volume since October of last year. And in the first five months this year **China's demand for ore imports increases 21.4% from the same period of last year.** The supply and demand imbalance could occur as early as July if ore imports continue to fall down in June.

However, prices did rebound in the beginning of July and the landed price of Indian iron ore fines (63.5% Fe) has been in the range of \$104~\$106/dry metric tonne on a cfr basis, up from \$102~\$104/dmt in mid-May.

The graph below indicates Indian Iron-Ore Fines (Grade wise) price trend CNF China



As seen from the above graph, prices have reduced till the month of June and started showing some improvement in the beginning of July.

Raw material Prices witnessed a downward trend in the domestic market

Pig Iron prices started showing a downward trend towards the end of May and prices fell down further in the beginning of June by \$15/tonne. Market has remained soft and buying activity has remained low throughout the month.

Sponge Iron prices continued to show a downward trend in the month of June, in alignment with Scrap, Ingot and Pig Iron market. Prices from Raipur market showed a fall of around Rs.400/tonne over a month. A similar softened market is expected in the coming month.

Melting Scrap prices showed a downward price movement throughout the month of June and there was a fall of around Rs.500/tonne on a month to month basis.

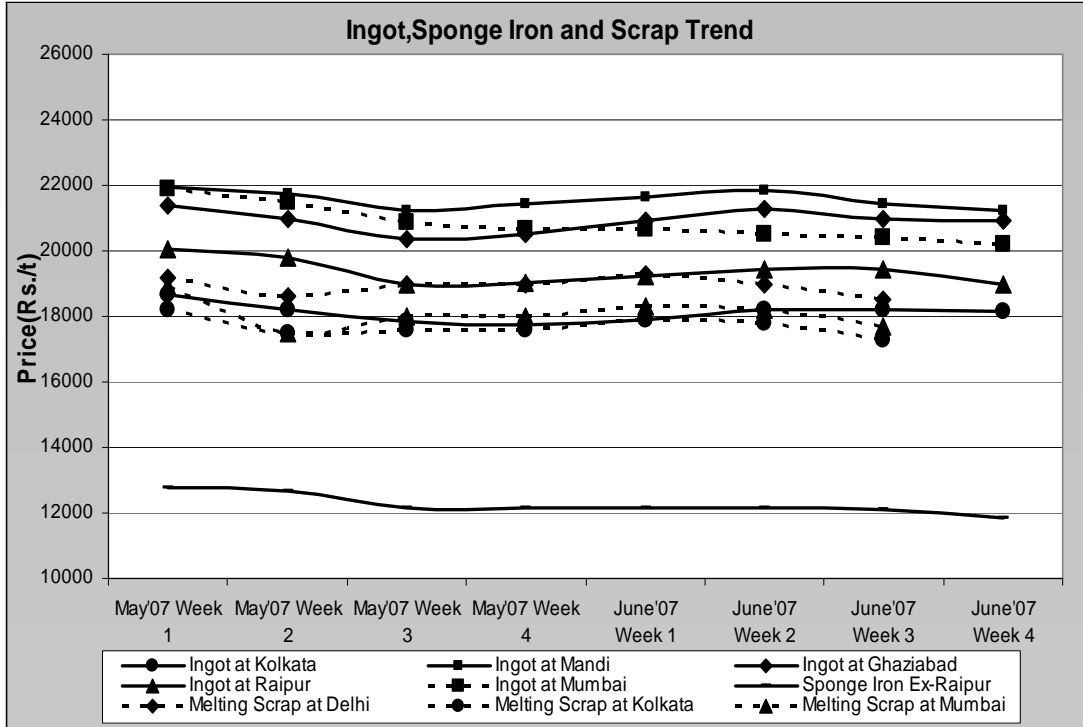
Melting Scrap Price (Rs. /t, Incl.Excise & Sales, Landed)

Place	Delhi	Kolkata	Mumbai
May'07 Week 1	19,200	18,200	18,900
May'07 Week 2	18,600	17,500	17,500
May'07 Week 3	19,000	17,600	18,000
May'07 Week 4	19,000	17,600	18,000
June'07 Week 1	19,300	17,900	18,300
June'07 Week 2	19,000	17,800	18,200
June'07 Week 3	18,500	17,300	17,700
June'07 Week 4	NA	NA	NA

Price Movement

	Review	Outlook
Scrap	June 2007 over May 2007	July 2007 over June 2007
Pig Iron	↓	↓
Sponge Iron	↓	↓
Melting Scrap	↓	↓

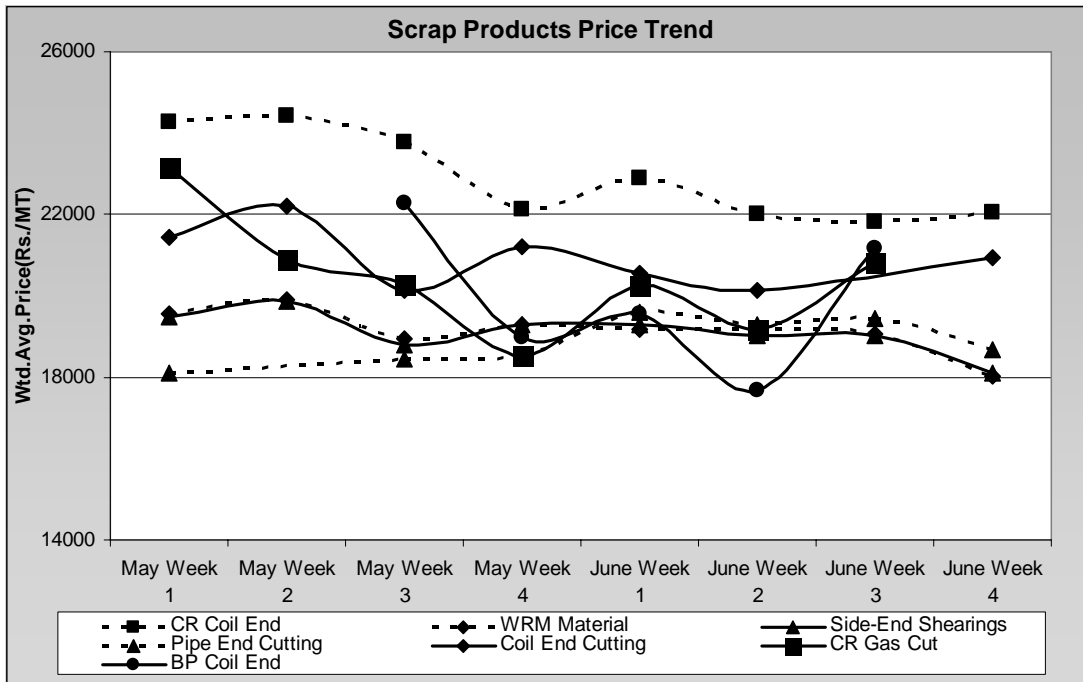
The graph below gives a comparative price trend of Ingot, Sponge Iron and Melting Scrap:



*Ingot & Sponge Iron is basic; Melting Scrap price is including excise duty & sales tax.
Price (Rs./t)*

Price Trend as observed in the Auctions held at www.metaljunction.in:

Following graph shows the price trend observed in the auction services of Metal Junction for the month of May and June 2007 for different scrap products.



Price is basic

Attached below is the data table:

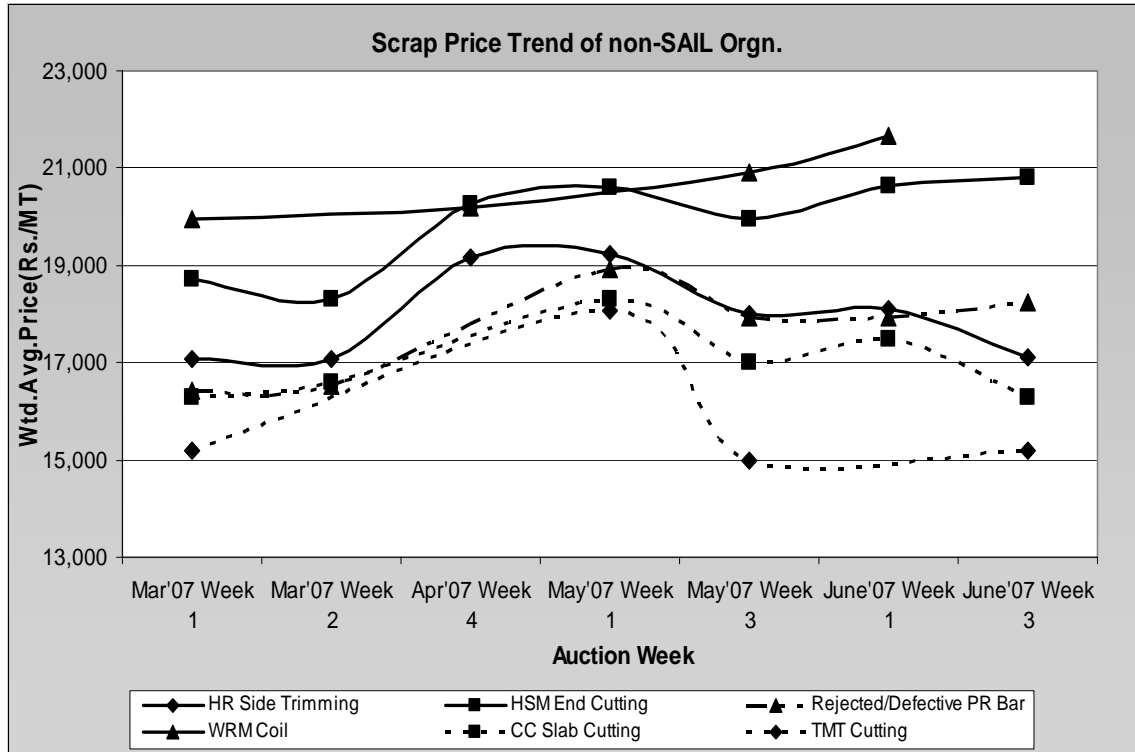
Week	CR Coil End	WRM Material	Side-End Shearing	Pipe End Cutting	Coil End Cutting	CR Gas Cut	BP Coil End
May'07 Wk 1	24278	19575	19478	19583	21442	23164	NA
May'07 Wk 2	24412	19918	19865	19278	22219	20900	NA
May'07 Wk 3	23788	18947	18799	19442	20150	20295	22300
May'07 Wk 4	22109	19273	19308	18696	21196	18532	19000
June'07 Wk 1	22909	19162	19292	19207	20550	20239	19577
June'07 Wk 2	22000	19167	19008	17871	20150	19163	17668
June'07 Wk 3	21838	19071	19037	18239	NA	20825	21184
June'07 Wk 4	22033	18015	18113	16130	20950	14543	NA

Summary of price and % change (m-m & y-y basis):

Products	May'07 Price(Avg.)	June'07 Price (Avg.)	% change(June'07 over May'07)	% change(June'07 over June'06)
BP Coil End	20650	19476	-5.68	60.81
Coil End Cutting	21252	20550	-3.30	NA
CR Coil End	23647	22195	-6.14	13.03
CR Gas Cut	20723	18692	-9.80	26.14
Pipe Cutting	19250	17862	-7.21	19.84
Side-End Shearing	19362	18863	-2.58	27.54
WRM Material	19428	18854	-2.96	23.92

Outlook: Scrap prices declined in the auction platform in the month of June and on an average there has been a fall in the range of -2% to -9% as compared to earlier month. With seasonal effect and finished steel prices coming down in the short-term, the raw material prices are not expected to make much movement.

The graph below indicates the price trend of Scrap items auctioned from non-SAIL organizations



Price is basic

International Scenario:

Scrap Market showed a continuous downward trend globally. Pig Iron market has also remained quiet.

Asia: Scrap market has remained quiet in the month of June with prices showing a downward trend.

China: Domestic scrap market remained stable though pig iron prices have been falling recently. Scrap stockpiles are a little tight though prices might go down if pig iron continues to drop significantly.

CIS: Both Pig iron and scrap market remained quiet with demand remaining modest. Prices of pig iron ruled at \$310-320/tonne fob governed by seasonal factor and market dynamics.

The table gives an overview of price movement in scrap steel sector:

Item Description	Price in June'07	Price in May'07	Trend
Europe Domestic Shredded Ex-Works €/t	210-225	200-220	↓
Rotterdam Export Shredded FOB \$/t	300-310	310-320	↓
East Asia Import HMS ½ 80:20 CFR \$/t	350-365	310-320	↑
N. America Domestic Shredded \$/1 ton	270-275	300-305	↓

N. America Export Shredded FOB East Coast Port \$/1 ton	286-290	NA	
N. America Domestic #1 Bundles \$/1 ton	280-290	320-330	↓
N. America Domestic #1 Busheling \$/1 ton	280-290	320-330	↓
China Domestic Heavy FOB Shanghai(incl. 17% VAT) RMB/t	2310-2350	NA	

Note: 1 RMB=0.13US\$

OUTLOOK:

International scrap prices remained on a downward note towards the end of the month:

The scrap prices in the international market remained stable since the beginning of the month. The US domestic scrap prices stayed flat while export price went up slightly.

In Indian market, pig iron outlook remains positive with further capacity expansion coming up. Demand is expected to exceed supply by 0.36 million tonne per annum by FY07 thus indicating continuing buoyancy in prices.

Data Sources:

- 1) Steel Trade Intelligence
- 2) Steel Business Briefing
- 3) Steel Town Weekly (Mandi Govindgarh)
- 4) www.asianmetal.com
- 5) www.rusmet.com

(UJJAL BHATTACHARYA)
Senior General Manager – Steel Sales

STEEL INDUSTRY MARKET SCENARIO

STAINLESS STEEL

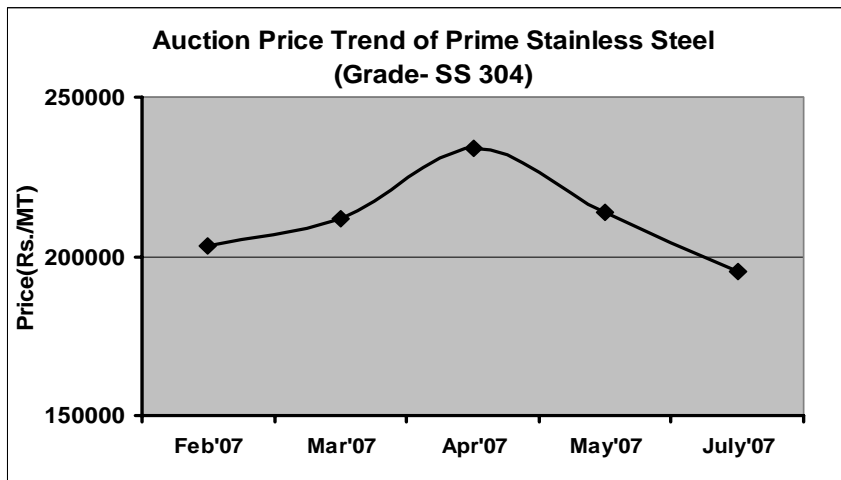
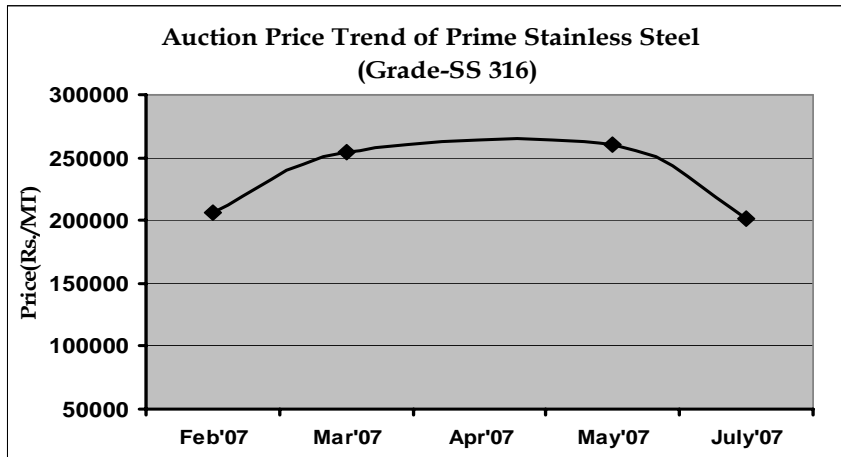
Domestic Scenario:

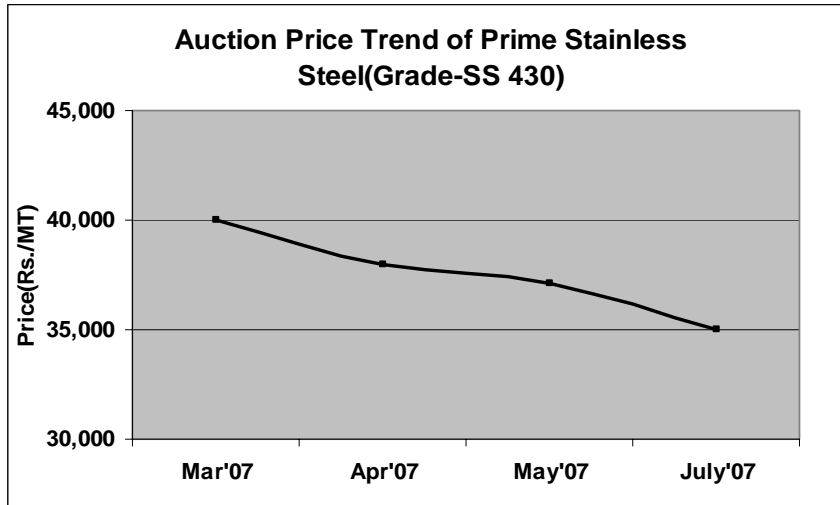
Stainless steel prices hit in the domestic sector with international consumption lowering and Nickel prices hitting a three-month low: Demand has remained stable in the domestic market; however consumption is expected to slacken in the short-term and prices to remain on a lower note.

Price Movement

	Review	Outlook
Steel Product	June 2007 over May 2007	July 2007 over June 2007
Stainless Steel	↔	↓

Auction Price Trend of Prime Grade Stainless Steel:





Price is basic

Outlook: The auction platform has remained aligned with domestic stainless steel market. As seen from the above graphs, prices of various grades have shown a declining price trend in the month of May and continued to do so in the beginning of July with demand remaining on a lower side. With slack consumption expected to continue and falling Nickel prices, stainless steel prices are expected to reduce further in the coming month.

International Scenario:

Reduction in stainless steel production with falling stainless steel prices and slack consumption.

China: Most of the mills reduced their production by around 20 percent on account of dropping stainless market. The recent downturn in LME Nickel price further added to customer's unwillingness to buy as they were worried that prices will further drop.

Stainless steel price drop has been in the range of 10-12% over a month.

Reduction in Stainless steel prices on dropping Nickel prices: South Korean giant POSCO announced cut in prices of 300 series stainless steel products by US\$431.3/tonne.

The main reason is due to a drop in nickel prices.

In Europe, the stainless scrap prices were down due to slipped nickel prices and the uncertain stainless steel output for July and August from domestic mills. According to the stainless steel distributors in West Europe, the price of stainless scrap containing 18 percent chromium and 8 percent nickel, has been dropped to between US\$2,600 and US\$ 2,650/mt and is predicted to go down further.

The tables below give an overview of stainless steel prices worldwide

Chinese Domestic Stainless Coil Prices, RMB/t FOB Foshan (incl.17% VAT)

	Mar'07	Apr'07	May'07	June'07
HR 304	36000-36500	36000-36500	39000-41500	35000-36000

Chinese Domestic Stainless Coil Prices, RMB/t FOB Foshan (incl.17% VAT)

	Mar'07	Apr'07	May'07	June'07
CR 304 2B	38500-39000	41600-41900	43300-43400	38000-39000

Chinese Domestic Stainless Coil Prices, RMB/t FOB Foshan (incl.17% VAT)

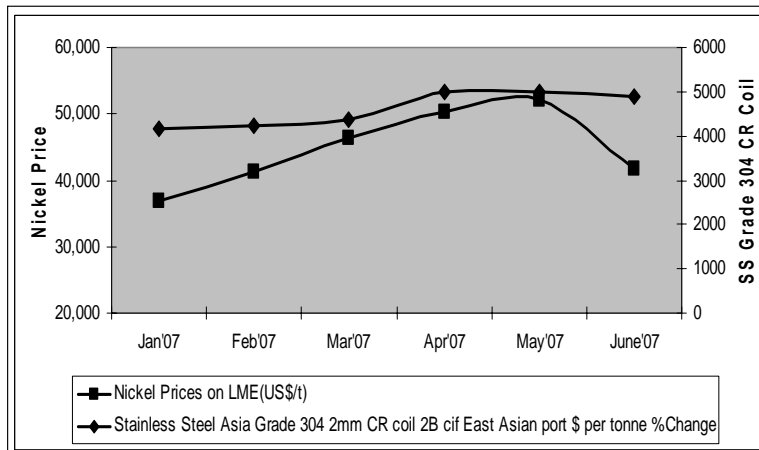
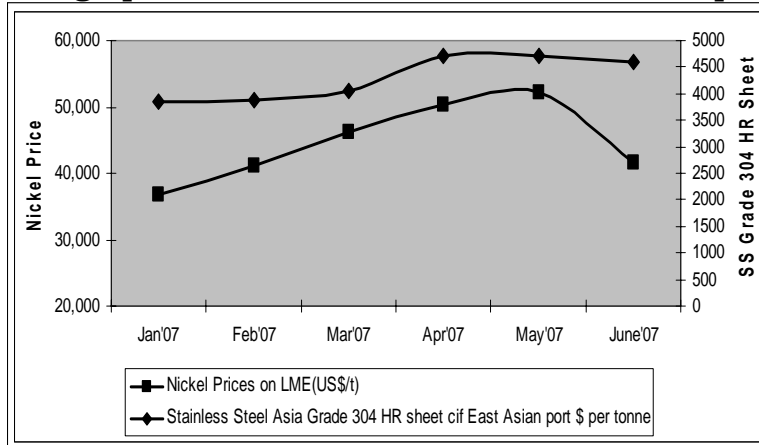
	Mar'07	Apr'07	May'07	June'07
CR 202 2B	NA	30000-33000	34000-34100	28900-29000

Europe:

CR 304 2B 2mm,Euro/t Ex-Works	Mar'07	Apr'07	May'07	June'07
N.Europe	1650-1750	1300-1600	1300-1400	1150-1280
S.Europe	1600-1700	1300-1500	1250-1300	1050-1100

Note: 1US\$=Rs.40.43, 1Euro=Rs.55.10, 1 RMB=0.13US\$

The graphs below indicate SS-Ni trend for the period Jan'07-June'07

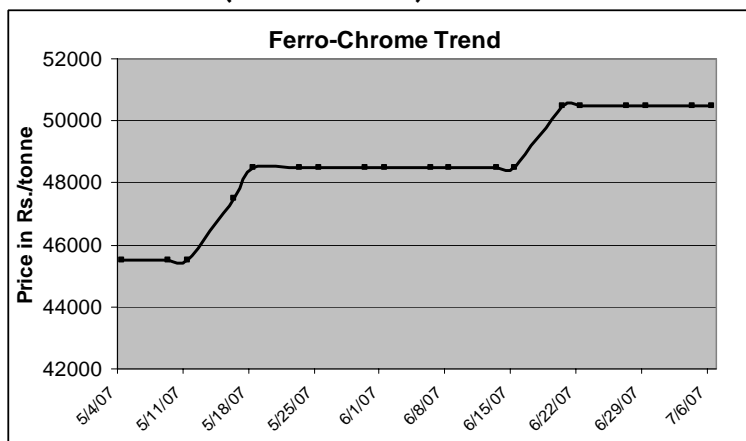


Record drop in Nickel (A major raw material) prices in the month of June

Nickel Trend: Nickel prices fell to a three-month low after inventories build up fast on slowing demand. There was a 20% drop on a month to month basis.

Month	Average Price of Nickel	% Change(m-m)	% Change(y-y)
Jan'07	36,799	6.52	153.02
Feb'07	41,158	11.85	174.90
Mar'07	46,282	12.45	211.28
Apr'07	50,232	8.54	180.30
May-07	52,143	3.80	148.10
June-07	41,691	-20.05	101.02

Ferro-Chrome (HC 60%min) Price Trend Ex Works India:



OUTLOOK:

China's major stainless steel mills have jointly decided to reduce monthly production by between 20% and 30% in July, in order to combat falling domestic stainless steel prices. They hope to stabilize the market through less supply of stainless steel.

It is also predicted that Nickel prices would dip further as demand growth would slow down in July and August when there will be slack stainless steel consumption.

Data Sources:

- 1) www.lme.co.uk
- 2) Steel Business Briefing
- 3) www.asianmetal.com
- 4) www.rusmet.com

(UJJAL BHATTACHARYA)
Senior General Manager – Steel Sales