

News at a glance

Copper, Zinc and Nickel futures hit record peaks in the month of April on the London Metal Exchange, while aluminium touched 17-1/2 year high.

Rising demand in China and other Asian countries, coupled with shortage of industrial metals, has led to the rally in international metal prices, particularly that of copper and zinc.

With strengthening demand, lower inventory levels, supply scarcity based on mining, labour and environmental issues, the base metal prices are expected to remain firm.

Zinc reached an all time high of **\$3405/t on LME** and **Nickel** touched its peak at **20,150 \$/t. Copper** ended at **7220US\$/t** in the end of the month.

Aluminium majors Hindalco and NALCO announced price increase with effect from 16th April'06 to align with global prices. Nalco raised prices of aluminium products by Rs 4,000 per tonne and Hindalco too raised the prices of aluminium by Rs 4,000 per tonne.

JSW Steel raised the prices of HR steel by up to Rs 3,500 per tonne with effect from 16th April'06 due to rise in input costs needed for manufacturing of steel.

India's primary zinc producer **Hindustan Zinc (HZL)** raised zinc prices consecutively for the seventh time in the month of April and then made a cut of Rs.8400/t in the end of the month due to fall in zinc prices in the international market.

Global steel demand to rise by 73 percent: According to IISI world steel demand is set to grow by 7.3 per cent to 1,087 billion tonnes in 2006 and by 58 percent in 2007. The global outlook for steel demand is expected to remain positive.

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

Steel prices - CRUspi indices are compiled from a weighted basket of steel prices. In total, there are eight weighted indices:

Carbon Steel: six indices (CRUspi global, CRUspi flats, CRUspi longs, CRUspi North America, CRUspi Europe and CRUspi Asia)

Stainless Steel & Metallics (scrap, pig iron and DRI/HBI)

	Feb'06	% Change(Y-Y)	Mar'06	% Change(Y-Y)	Apr'06	% Change(Y-Y)
Global Index	132.11	-17.30	138.24	-13.00	148.97	-4.40
Asia Index	119.79	-24.50	128.79	-19.00	143.14	-11.50
Longs Index	132.8	-3.80	138.07	-0.20	146.4	2.40
Flats Index	131.76	-22.70	138.32	-18.20	150.24	-7.40
Metallics Index	173.64	-8.20	183.64	-2.40	194.61	0.90
Stainless Index	121.52	-9.30	120.72	-9.40	121.8	-8.10

As seen from the above table, steel index values across various categories have improved on a month to month basis which clearly gives a positive indication of rise in steel prices across various categories. However; the year-on-year basis index still shows a negative figure though there has been a positive improvement in Longs and Metallics index.

(DIPANKAR CHAKRABARTI)
GM – Steel Sales

STEEL INDUSTRY MARKET SCENARIO

FLAT & LONG PRODUCT

Domestic Scenario:

HIGHLIGHTS:

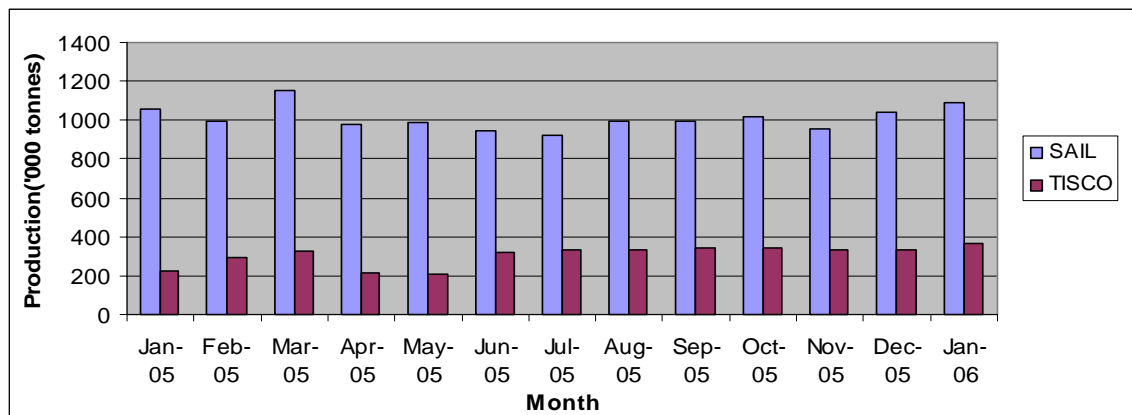
Steel exports up, imports beat the previous records: The last financial year has witnessed a markable increase in steel production, growth, imports and exports. The consumption of steel in the country has also gone high with high hopes in the forthcoming year. As per the details released by the ministry of steel, during April-December 2005-06, the steel exports have registered an increase of 5.9% over the similar period in the last year. The domestic demand in the country continues to be healthy met by domestic production and higher imports whereas various other countries like China, U.S. and Europe have declined their production to control the prices and inventory. The start of the current financial year seems to be better than the last financial year.

Uttam Galva Steels Ltd. has increased prices: Once again, the company increased prices of it's galvanized products by Rs.1000/t with effect from 13th April'06 due to rise in zinc price.

Rising zinc prices are hitting galvanized steel companies: Zooming zinc prices are hurting domestic manufacturers of galvanized steel. Prices are expected to be revised if zinc prices keep on spiraling.

Loading restriction leads to increase in freight costs: In the Northern region there has been loading restriction. One cannot carry more than 9 tonnes weight per truck. Earlier there used to be overloading when people used to carry 18 to 20 tonnes in a truck. Now, because of this restriction, freight cost has gone up by 5% thereby putting pressure on manufacturer's realization.

The graph below gives the production figure of SAIL and TISCO.



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

Primary Flat Products	Jan-06	Feb-06	Mar-06	Apr-06
Plate(5-10 mm)	25600	25700	27000	28000
HR Coil	26600	26700	27500	28000
HR Sheets	26000	26200	27500	28000
CR Coil	32200	33000	33000	33000
CR Sheets	32200	33200	33000	33000
GP Coil	33000	35200	35300	35000
GP Sheets	32800	35200	35500	35000

Note: Price (Rs. /MT, incl.excise duty)

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

Primary Long Products	Jan-06	Feb-06	Mar-06	Apr-06
Billets(100*100mm)	19600	20500	21900	22200
MS Rounds(22/25 mm)	22000	22600	23600	24400
MS Squares(22/25 mm)	21800	22700	22500	23800
MS Angles(25*6mm)	21700	22600	23600	24400
MS Angles(100*6mm)	22900	23750	24700	25800
MS Channels(75*40mm)	22000	23000	24000	24800
MS Channels(125*65mm)	23100	23600	24700	25200

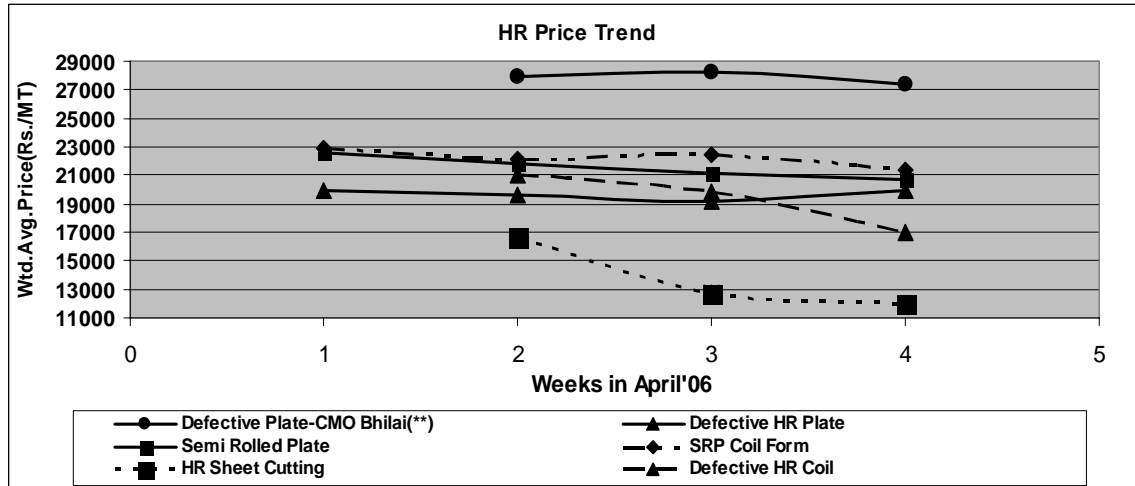
Note: Price (Rs. /MT, incl.excise duty)

Price Movement

	Review	Outlook
Steel Product	Apr'06 over Mar'06	May'06 over Apr'06
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 Metal Junction for the month of April 2006 for different HR and CR products.



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

Attached below is the data table:

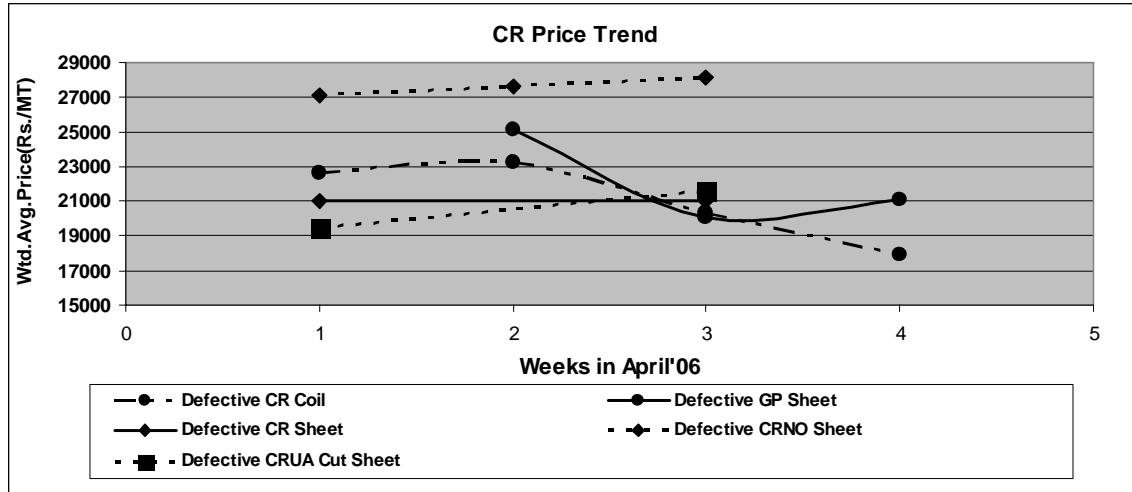
Week	Def. Plate-CMO Bhilai	Def. HR Plate	Semi Rolled Plate	SRP Coil Form	HR Sheet Cutting	Def. HR Coil
1		19957	22598	22876		
2	27932	19667	21850	22100	16653	21044
3	28201	19194	21185	22499	12700	19864
4	27401	19983	20729	21313	12000	17000

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

Products	Mar Price (Avg.)	Apr Price (Avg.)	% change
Def Plate-CMO Bhilai	24207	27845	15.03
Defective HR Plate	18779	19700	4.90
Semi Rolled Plate	21389	21590	0.94
SRP Coil Form	20647	22197	7.51
HR Sheet Cutting	14420	13784	-4.41
Def. HR Coil	20030	19303	-3.63

Summary of Price Movement in Auction Platform

Products	Price Movement (Mar'06 over Feb'06)	Price Movement (Apr'06 over Mar'06)
Defective Plate-CMO Bhilai	↑	↑
Defective HR Plate	↑	↑
Semi Rolled Plate	↑	↑
SRP Coil Form	↑	↑



Price is basic

Attached below is the data table:

Week	Def. CR Coil	Def. GP Sheet	Def. CR Sheet	Def. CRNO Sheet	Def. CRUA Cut Sheet
1	22659		21044	27096	19488
2	23211	25107		27600	
3	20322	20100	21000	28100	21650
4	17900	21122			

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

Products	Mar Price(Avg.)	Apr Price(Avg.)	% change
Def. CR Coil	19898	21023	5.65
Def. GP Sheet	23263	22110	-4.96
Def. CR Sheet	19230	21022	9.32
Def. CRNO Sheet	25417	27599	8.58
Def. CRUA Cut Sheet	17227	20569	19.40

Summary of Price Movement in Auction Platform

Products	Price Movement(Mar'06 over Feb'06)	Price Movement(Apr'06 over Mar'06)
Defective CR Coil	↑	↑
Defective GP Sheet	↑	↓
Defective CR Sheet	↑	↑
Def. CRNO Sheet	↓	↑
Def. CRUA Cut Sheet	↑	↑

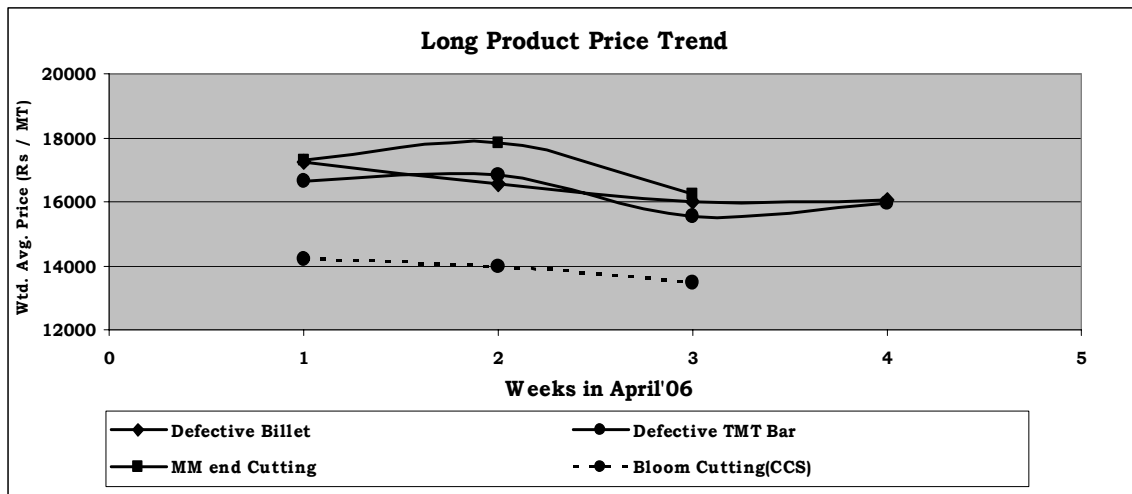
Outlook: The auction platform has shown a steady movement in prices of HR and CR items in the first two weeks of the month and then a downward trend towards the end of the month. However, in case of materials like CRNO Sheet and GP Sheet, the trend has been a bit upward towards the end of the month despite of overall market remaining weak. The main reason for this is the seasonal demand of CRNO Sheet. Also, there has been a jump in prices of Zinc

both domestically and internationally which has led to rise in GP price towards the end of the month.

Even on the international forefront, prices did improve in the beginning of April; however there has been a drop of around 2% in prices of flat product items towards the fourth week of the month. So, with steel product prices behaving in a volatile manner, the auction platform is expected to remain on a softened note in the beginning of the next 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 April 2006 for different long products.



Price is basic

Attached below is the data table:

Week	Defective Billet	Defective TMT Bar	Bloom Cutting(CCS)	MM End Cutting
1	17263	16638	14218	17305
2	16554	16836	14000	17862
3	16000	15550	13460	16220
4	16042	15961		

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

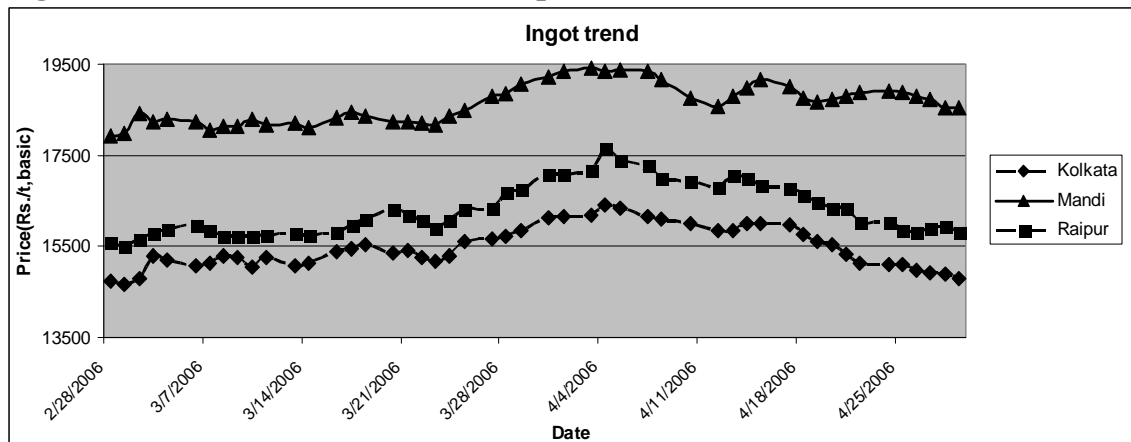
Products	Mar Price(Avg.)	Apr Price(Avg.)	% change
Defective Billet	16606	16465	-0.85
Defective TMT Bar	15968	16246	1.74
Bloom Cutting(CCS)	12064	13893	15.16
MM end Cutting	15348	17129	11.60

Summary of Price Movement in Auction Platform

Products	Price Movement(Mar'06 over Feb'06)	Price Movement(Apr'06 over Mar'06)
Defective Billet	↑	↓
Defective TMT Bar	↑	↑
Bloom Cutting(CCS)	↑	↑
MM end Cutting	↑	↑

Outlook: The long product items behaved in a volatile manner in the month of April and closely followed the ingot trend which had a continuous drop in prices since the second week of April. On an average there has been a drop of 6% in ingot price on month to month basis. There has been a quiet scenario in the end of the month and this has been mainly due to demand supply gap. With stock accumulating demand remained less as buyers forecasted the market to further go down and this caused the auction platform to end on a softer note. However, with domestic and international market stabilizing, the auction platform is expected to remain stable in the coming month.

Ingot Trend at Kolkata, Mandi, Raipur for the last two months:



International Scenario

HIGHLIGHTS:

Zinc rally propels rise in Asian galvanized prices: Rising zinc prices and good demand are driving the price of Asian galvanized coil upwards.

North America: Prices have been firming up with demand for steel strengthening. Tighter domestic and import supply is allowing US mills to advance their prices for both long and flat product items. The heated steel market has also pulled up prices for raw materials such as pig iron and hot briquetted iron.

Asia: Strong movement in long product prices in China with demand in construction sector booming up. Chinese government expects prices to rise further in the second quarter.

The tables below give steel price trend in China and forecast for the month of May & June:

Chinese HRC & CRC prices -Shanghai, fob					©SBB 2006
Jan-May, incl 17% VAT, RMB/t					
	Jan 06	Feb 06	Mar 06	Apr 06	May 06*
HRC	2900 - 3300	3000 - 3550	3400 - 4100	3500 - 4200	3500 - 4250
CRC	3900 - 4350	4000 - 4850	4400 - 5300	4500 - 5350	4500 - 5450

East Asian billet import market					©SBB 2006
(January - May)					
	Jan 06	Feb 06	Mar 06	Apr 06	May 06*
\$/t cfr	330 - 340	340 - 350	355 - 380	380 - 400	400 - 420

Chinese Construction Steel Prices					©SBB 2006
China domestic FOB Shanghai (incl. 17% vat) RMB/t					
	Jan 06	Feb 06	Mar 06	Apr 06	May 06*
Rebar	2770 - 2830	2790 - 2860	2790 - 2950	2950 - 2960	3000 - 3150
Wire Rod (mesh quality)	2930 - 3030	2930 - 2970	2930 - 3070	3080 - 3090	3150 - 3200

CIS slab export price						©SBB 2006
Jan - June 06						
	Jan 06	Feb 06	Mar 06	Apr 06	May 06*	Jun 06*
FOB \$/t	270 - 330	280 - 350	290 - 360	310 - 380	370 - 430	390 - 450

CIS plate export prices						©SBB 2006
Jan - June 06						
	Jan 06	Feb 06	Mar 06	Apr 06	May 06*	Jun 06*
FOB \$/t	400 - 540	400 - 550	400 - 580	400 - 610	450 - 630	450 - 650

* SBB Forecast

The table below indicates the domestic steel price in China from Jan'06-Apr'06. Though the month of April ended with a lower price note, however the monthly average price has been higher as compared to the earlier months.

Products	Jan'06	Feb'06	Mar'06	Apr'06
Steel Chinese Domestic Hot rolled coil(2mm and up) Eastern China(Yuan/tonne)	2988	3055	3850	4033
Steel Chinese Domestic Hot rolled coil(2mm and up) Southern China(Yuan/tonne)	3238	3365	3756	3917
Steel Chinese Domestic Prices Cold rolled coil(0.5-2mm) Eastern China(Yuan/tonne)	4038	4363	4990	5023
Steel Chinese Domestic Prices Cold rolled coil (0.5-2mm) Southern China(Yuan/tonne)	4212	4412	4946	4990
Steel Chinese Domestic Rebar Eastern China (Yuan/tonne)	2802	2818	2902	2933
Steel Chinese Domestic Rebar Southern China (Yuan/tonne)	3200	3205	3224	3280
Steel Chinese Domestic Wire Rod(mesh quality) Eastern China(Yuan/tonne)	2933	2920	2932	3053
Steel Chinese Domestic Wire Rod(mesh quality) Southern China(Yuan/tonne)	3050	3018	3082	3087

Note: 1 US Dollar = 8.11 Yuan

OUTLOOK:

Asia: Conditions have improved in the Asian market with export picking up. However, the current rise in prices is expected to be a short-term phenomenon and price weakness is expected for the early months of 2007 due to weather conditions and holiday break in most countries of the region.

North America: Flat product prices are expected to remain strong in the short-term before falling further due to pressure from imports. In the long products sector, there has been an improved demand with construction season developing; however threat from imports is likely to be realized in the next few months.

India: Higher international steel prices, good domestic demand and increased zinc prices for galvanized steel are the main reasons behind the price hikes. Also, increase in freight costs due to loading restrictions has been a driving force in increase in steel prices. However, many Indian traders expect prices to soften from July onwards as rainy season will commence in India and there will be the start of seasonal slowdown in Europe. The market is expected to remain bullish this quarter with export market being able to absorb the price increase, however it's still a wait and watch scenario as market is behaving in a slightly volatile manner.

Data Sources:

- 1) Steel Trade Today
- 2) www.ncdex.com
- 3) Steel Trade Intelligence
- 4) Metal Bulletin
- 5) [MEPS](#)
- 6) Steel Business Briefing

(DIPANKAR CHAKRABARTI)
GM – Steel Sales

STEEL INDUSTRY MARKET SCENARIO

SCRAP

Domestic Scenario

HIGHLIGHTS:

Indian spot iron ore prices weaken: Indian iron ore export prices to China have weakened as buyers hold off the market. 63.5 percent Fe ore prices are fetching at \$ 50/t fob, down from \$ 53/t or more fob last month. Chinese buyers are no longer in the market for lower grades like 56 percent Fe content fines, as they are using their own low grade ores.

Grade	CFR China Price(March'06)	CFR China Price(April'06)
63.5 percent Fe fines	\$75-77/t	\$65/t
61-62 percent Fe fines	\$61/t	\$62.75/t
58 percent Fe fines	\$52/t	\$50/t

Price Movement

	Review	Outlook
Steel Product	April 2006 over March 2006	May 2006 over April 2006
Pig Iron	↑	↔
Sponge Iron	↓	↔
Melting Scrap	↑	↔

Pig Iron:

Price trend of foundry grade pig iron in Mandi Gobindgarh (Rs. /t)

Month	Price(Incl.exicse)	Price Movement
Jan-06	17,000	
Feb-06	17,500	↑
Mar-06	17,900	↑
Apr-06	19,000	↑

Price trend of steel grade pig iron in Mandi Gobindgarh (Rs. /t)

Month	Price(Incl.exicse)	Price Movement
Jan-06	15,500	
Feb-06	16,400	↑
Mar-06	16,900	↑
Apr-06	18,000	↑

Sponge Iron:

Price trend of Sponge Iron Ex-Raipur: (Rs. /t)

Month	Price(Basic)	Price Movement
Jan-06	9637	
Feb-06	9809	↑
Mar-06	10,676	↑
Apr-06	10,466	↓

Scrap:

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

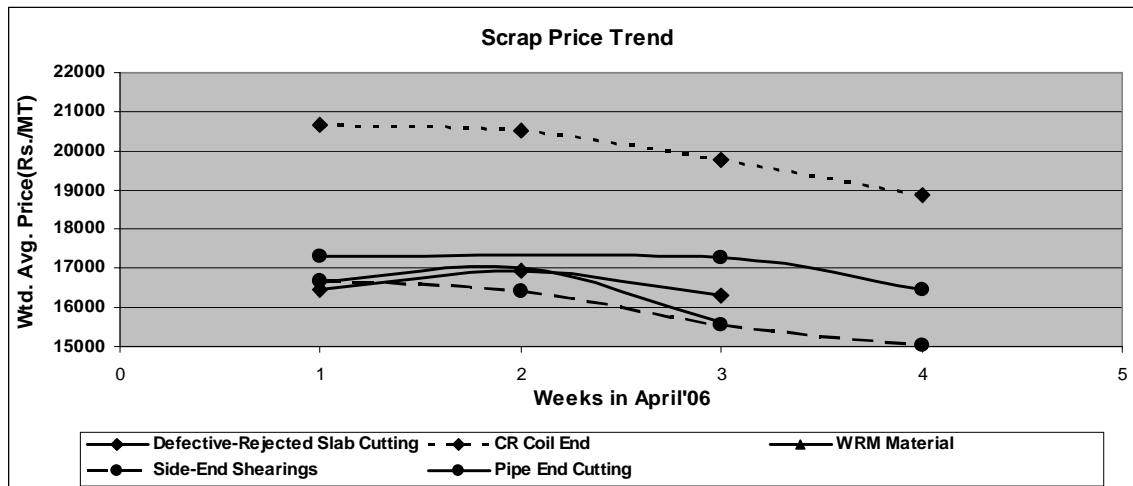
Place	Jan-06	Feb-06	Mar-06	Apr-06
Delhi	14,250	14,350	15,100	16,200
Chennai	14,150	14,300	15,100	16,500
Mumbai	14,300	14,500	15,200	16,500
Kolkata	12,800	12,900	14,900	15,500

As seen from the above tables, sponge iron has shown a downward movement in price compared to the earlier month as there was a sudden fall in demand in the market which led to less amount of sale and stock kept on mounting. Buyers were apprehended with the fact of cheap imported material arriving in the market which led to fall in prices in the domestic market.

The outlook for the month of May remains stable.

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

Following graph shows the price trend observed in the auction services of Metal Junction for the month of April 2006 for different scrap products.



Price is basic

Attached below is the data table:

Week	Def.Rej. Slab Cutting	CR Coil End	WRM Material	Side-End Shearing	BP Coil End	Pipe Cutting
1	16436	20659	16632	16663	21450	17300
2	16925	20499	17013	16400	20650	
3	16290	19759	15624	15562	16150	17260
4		18887		15053		16471

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

Products	Mar Price(Avg.)	Apr Price (Avg.)	% change
Def-Rej Slab Cutting	14826	16550	11.63
CR Coil End	18859	19951	5.79
WRM Material	16128	16423	1.83
Side-End Shearings	15557	15919	2.33
BP Coil End	17644	19417	10.05
Pipe Cutting	16205	17010	4.97

Summary of Price Movement in Auction Platform

Products	Price Movement(Mar'06 over Feb'06)	Price Movement(Apr'06 over Mar'06)
Defective-Rejected Slab Cutting	↑	↑
CR Coil End	↑	↑
WRM Material	↑	↑
Side-End Shearings	↑	↑
BP Coil End	↑	↑
Pipe Cutting	↑	↑

Outlook: Scrap items auctioned have shown a downward movement in price since the third week of April. Overall, the trend has been positive as compared to last month. Ingot had a continuous drop in price since the third week of April and the impact was clearly seen in the auction platform. With raw material prices especially sponge iron, melting scrap remaining weak since the third week of the month in the domestic market, there has been overall a quiet sentiment in the market and the same situation is expected to prevail in the beginning of the next month.

International Scenario:

HIGHLIGHTS:

Black Sea Scrap prices have fallen in the end of April: According to sources, there has been a correction of around 18\$/t. From levels of about \$265-272/t c+f Turkey in the third week, prices have dipped to \$245-253/t c+f Turkey for HMS1/2 (80/20) in the fourth week. Currently the buying mood is very weak and market sentiment has been swinging from sellers to buyers market. Buyers are expecting further price corrections and prices could drop to 230\$/t before weather conditions worsen in CIS.

European stainless scrap prices jump on higher nickel and good demand: European stainless scrap prices have risen since the third week of April due to continuous rise in Nickel prices and high demand from stainless steelmakers. 18/8 solids traded at \$1,850-1,880 per tonne cif Europe, up from \$1,610-1,640 per tonne previously and turnings were up by as much as \$230 per tonne at \$1,570-1,600 per tonne cif.

The tables below indicate global price trend of Pig Iron and Scrap:

Steel EU Imports Pig Iron (basic steelmaking) cfr Western Europe

Month	Average Price(Euro per tonne)	Price movement
Jan-06	200	
Feb-06	200	↔
Mar-06	200	↔
Apr-06	225	↑

Steel United States Import Pig Iron \$ per short ton

Date	Price	Price movement
Jan-06	235	
Feb-06	235	↔
Mar-06	240	↑
Apr-06	290	↑

Steel Scrap No 1 Heavy melting United States Iron Age composite - d/d Pittsburgh/Philadelphia/Chicago

Month	Average Price(\$ per long ton)	Price movement
Jan-06	208	
Feb-06	220	↑
Mar-06	228	↑
Apr-06	236	↑

Steel Scrap No 1 heavy melting United States fob East Coast \$ per tonne

Month	Average Price(\$ per long ton)	Price movement
Jan-06	185	
Feb-06	205	↑
Mar-06	220	↑
Apr-06	229	↑

Steel Scrap HMS 1&2 fob Rotterdam Export (50:50 mix)

Month	Average Price(\$ per tonne)	Price movement
Jan-06	182	
Feb-06	200	↑
Mar-06	212	↑
Apr-06	223	↑

Source: Metal Bulletin

OUTLOOK:

Scrap prices have overall shown a positive trend both domestically and internationally in the month of April'06. However, there has been a softening in price movement in the domestic market towards the end of the month due to market demand receiving a setback and stock piling up. A close watch on scrap metal prices is expected to be maintained in order to understand steel price development. US No.1 heavy melting scrap prices might rise upto \$325/tonne in the coming months and if this happens steelmakers could stop buying scrap and go for its substitutes which infact will cause scrap prices to fall.

Data Sources:

- 1) Metal Bulletin
- 2) Steel Trade Today
- 3) IAS software
- 4) Steel Trade Intelligence
- 5) Steel Business Briefing

(DIPANKAR CHAKRABARTI)
GM – Steel Sales

STEEL INDUSTRY MARKET SCENARIO

STAINLESS STEEL

Domestic Scenario:

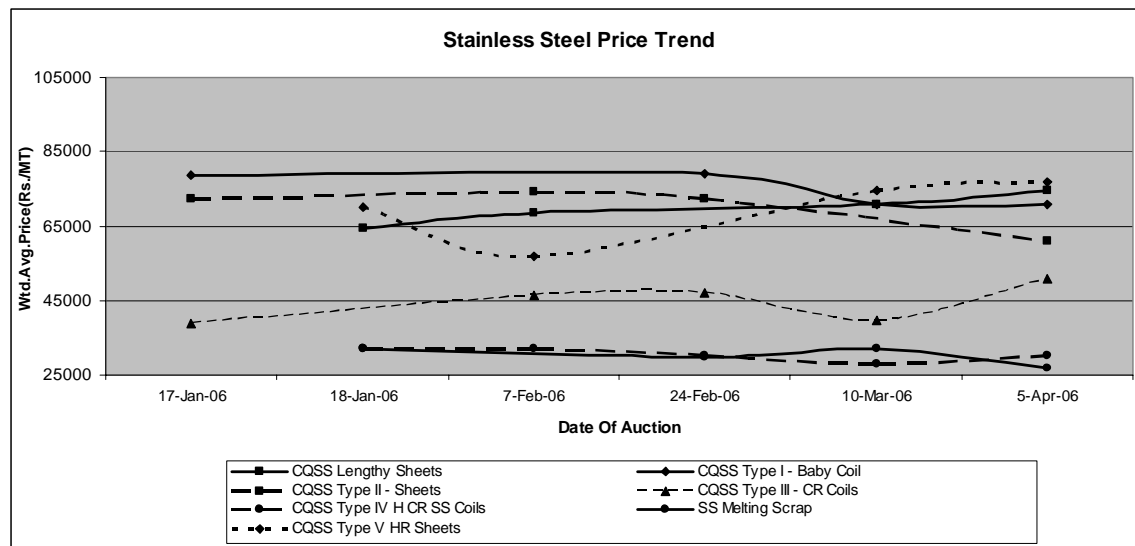
HIGHLIGHTS:

Jindal Stainless sees SS demand to grow by 12% per annum: India's leading stainless steel manufacturer Jindal Stainless Limited is anticipating a 12% growth in domestic stainless steel market in coming years due to strong demand from building and construction segment. The real state sector is booming and the company would make a conscious effort to promote stainless steel by innovative and long-lasting designs.

Price Movement

	Review	Outlook
Steel Product	April 2006 over March 2006	May 2006 over April 2006
Stainless Steel	↑	↑

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



Price is basic

Attached below is the data table:

	CQSS Lengthy Sheets	CQSS Type I – Baby Coil	CQSS Type II – Sheets	CQSS Type III – CR Coils	CQSS Type IV H CR SS Coils	CQSS Type V HR Sheets	SS Melting Scrap
17-Jan-06		78843	72268	38969			
18-Jan-06	64507				32000	69998	31966
7-Feb-06	68485		74241	46595	32000	57005	
24-Feb-06		79046	72149	47070	30100		29811
10-Mar-06	70982	70993		39533	27997	74444	32145
5-Apr-06	74582	70703	61074	50728	30200	76711	27057

Summary of Price Movement in Auction Platform

Products	Price Movement(Mar'06 over Feb'06)	Price Movement(Apr'06 over Mar'06)
CQSS Lengthy Sheets	↑	↑
CQSS Type III - CR Coils	↓	↑
CQSS Type IV – H CR SS Coils	↓	↑
CQSS Type V HR Sheets	↑	↑
SS Melting Scrap	↑	↓

Attached below is the data table indicating the export prices of stainless steel achieved on Metal junction auction platform.

Auction Month	Gr-301	Gr-304	Gr-316	Gr-430	Gr-SSLN1	Gr-SSLN4
Feb'06		117564			57383	85250
Apr'06	99650	122929	180200	60000	66067	94650

Price (Rs. /MT, basic)

Outlook:

As compared to the earlier month there has been an improvement in prices in the month of April and this has been closely in line with domestic and international market, where prices of stainless steel grades have gone up with rise in input prices. The export prices on Metal junction platform have also been quite reasonable in the month of April.

International Scenario:

HIGHLIGHTS:

Stainless Steel prices rises in Asia on strong demand: Strong demand and low inventory levels in China have raised prices of Grade 304 HR Sheet and Grade 304 2mm CR Coil. Also, strong nickel prices are another major factor in keeping stainless steel prices on a higher note.

Strong demand from stainless steel sector raises Ferro-chrome prices in US: **High carbon material** has moved up in the range of 62 to 64 cents per pound. **Low-carbon chromes** with 0.10 percent material have ticked up at 93 to 96 cents per pound while 0.05 material is stable at around \$1.15 to \$1.17 per pound. **Ferrosilicon** has also strengthened with prices up to 48 to 50 cents per pound.

Stainless Steel prices rises in EU: While weakness is expected in the second half of the year, prices are on a rise since the last one month. While grade 304 austenitic stainless steel has shown a good jump in price, grade 316 stainless steel didn't show much change in price due to weakness in moly market. (MEPS)

Rise in nickel prices raises US prices for 18-8 stainless by 25\$/t: High nickel prices throughout the month of March and April has led to a rise in stainless scrap prices in U.S. and Europe. European stainless steel scrap prices have soared by 80 \$/t. Further, strong demand for scrap has led to price rise.

The tables below give an overview of stainless steel prices worldwide. A positive movement has been noticed throughout the month of April.

Stainless Steel Asia Grade 304 HR sheet cif East Asian port

Month	Average Price(\$ per tonne)	Price movement
Jan-06	1984	
Feb-06	2050	↑
Mar-06	2250	↑
Apr-06	2333	↑

Stainless Steel Asia Grade 304 2mm CR coil 2B cif East Asian port

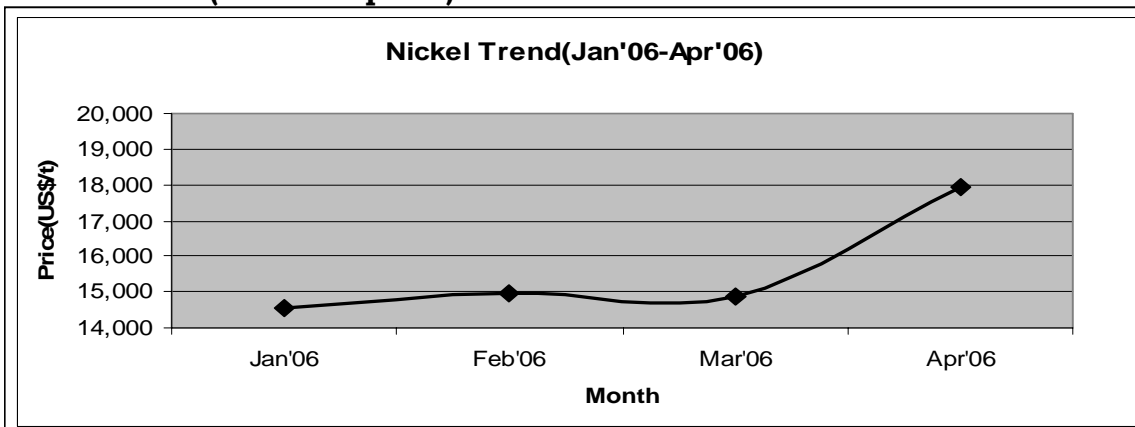
Month	Average Price(\$ per tonne)	Price movement
Jan-06	2084	
Feb-06	2175	↑
Mar-06	2400	↑
Apr-06	2533	↑

Stainless Steel EU Domestic 2mm 304 CR stainless strips

Month	Average Price(Euros/tonne)	Price movement
Jan-06	1050	Steady
Feb-06	1050	Steady
Mar-06	1070	↑
Apr-06	1110	↑

Source :(Metal Bulletin)

Nickel Trend (Jan'06- Apr'06):

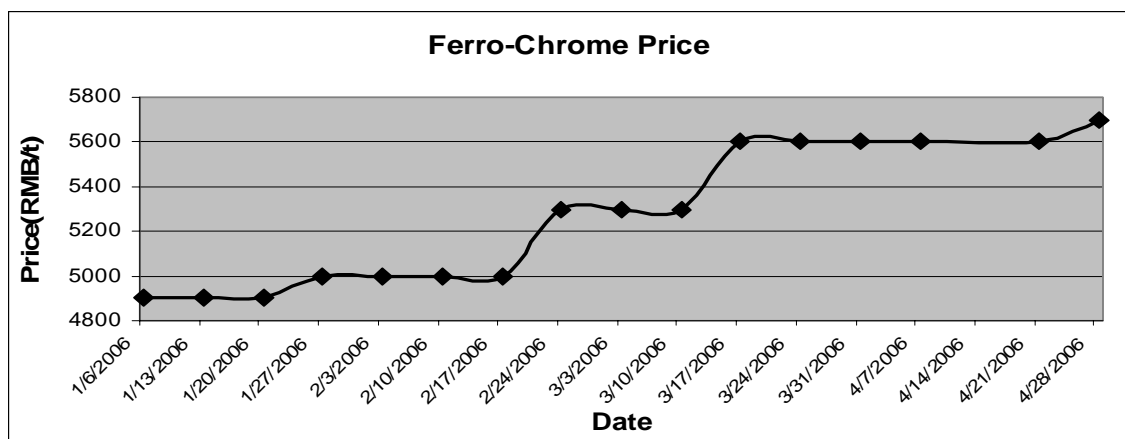


Source: www.lme.co.uk

Highest price achieved by Nickel in the respective months:

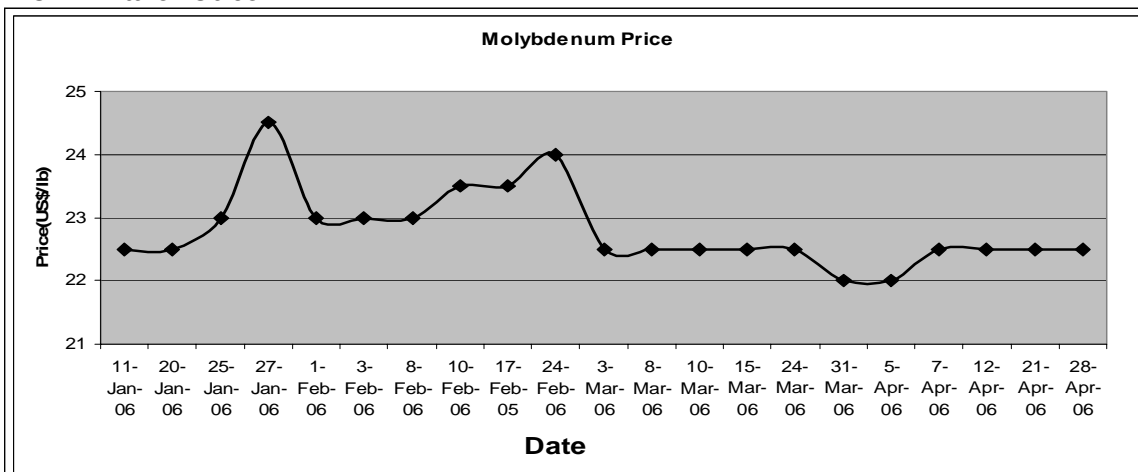
Jan'06	Feb'06	Mar'06	Apr'06
15,175	15,275	15,160	20,150

Ferro-Chrome:



Since January 2006, Ferro-Chrome achieved it's highest in the month of April and ended at 5700 RMB/t.

Molybdenum Canned molybdic oxide United States Free market \$ per lb Mo in warehouse



Molybdenum maintained its stability throughout the month of April at 22.5\$/lb.

OUTLOOK:

For the second half of the year it is expected that there will be a reversal of the positive trends with transaction prices being under increasing pressure. Basis prices should remain at higher levels than in 2005. The market sentiment suggests that, by the summer, stock levels will be relatively high and some import material will be available from non-European producers. This should cause prices to retreat. In addition, raw material prices, nickel in particular, are forecasted to decline.

Data Sources:

- 1) www.lme.co.uk
- 2) Steel Trade Today
- 3) Metal Bulletin
- 4) www.purchasing.com
- 5) MEPS

(DIPANKAR CHAKRABARTI)
GM – Steel Sales