

Market Scenario over a Fortnight

News Flash

Steel prices hiked: SAIL hiked Flat steel prices by Rs. 500 per tonne effective 1st February by reducing the size of the rebates usually given to buyers. Its hot rolled coil, cold rolled coil, hot-dip galvanized coils/sheets, regular and chequered plates prices are higher by Rs 500/t(\$11/t). Prices of heavy plates are now Rs 1,000/t higher. Tata Steel, JSW Steel, Essar Steel and Ispat Industries Ltd also raised prices across all flat products from 1 February by an average of Rs 500/t. EAF steel maker Lloyds Industries is selling HRC at a base price of Rs 32,500/t and 1mm CRC at Rs 33,300/t ex-works. Its price for 0.4mm HDG with a zinc coating below 100 g/sq m is around Rs 46,500/t delivered to customers in Mumbai.

India's RINL slashes longs prices: Effective 1 February, its billet list prices are some Rs 2,350/t (\$51/t) lower, to take its 125x125mm mild steel billets to around Rs 25,350 (\$551/t) ex-works excluding taxes and freight, down from Rs 27,700/t last month. RINL has also reduced 8-10mm TMT rebars by Rs 2,000/t and for all sizes above 10mm by Rs 1,500/t. Thus its 8mm TMT rebars are now selling at Rs 29,200/t ex-works without taxes and freight, down from an average of Rs 31,000/t in January.

Steel companies sales jump 30% on auto, durables demand: Top private steel makers including JSW, Essar and Ispat have begun the year on a strong footing with up to 30% growth in sales volume in January over the year ago period boosted by robust demand from automobile and consumer durable sectors, as per company estimates. The rise in construction activities, too, fuelled volume growth for the metal, thereby indicating that recovery in demand is broad-based and is gathering pace. After being hit by the economic slowdown that forced some steel producers to cut production in October-December 2008 due to low demand, steel consumption had grown 8% in the first nine months of the year ended December 2009. Ispat Industries sold around 2.5 lakh tonne of steel last month, growing more than 30% over January 2009.

KIOCL to restart pig iron production: KIOCL Ltd (formerly Kudremukh Iron Ore Company Ltd) said it is planning to restart its pig-iron production at its blast furnace unit (BFU) in Mangalore. The KIOCL has suspended operations at its BFU in September last following the fall in prices of pig-iron in the domestic market. Pig-iron prices that stood at 35,000 per tonne in September 2008 tumbled to below Rs 18,000 in December 2008. Now the price has increased to Rs 21,000, but still, it may create loss for the company as the price of coke, a main raw material for pig-iron, stood at Rs 22,000 per tonne.

India's state-owned NINL expanding capacity: India's government-owned pig iron and steel producer Neelachal Ispat Nigam Ltd (NINL) has launched an expansion to 3m tonnes/year from the current 1.1m t/y. On completion, NINL will be able to make 700,000 t/y of wire rods, with the remaining 2.3m t/y comprising pig iron and billets. The long products would be mainly sold into the domestic construction and infrastructure markets.

Ferro alloy producers seek 10% Customs duty: Faced with a huge slump in domestic demand due to a surge in cheap imports, the Rs 15,000-crore Ferro alloy industry has urged the government to impose a customs duty of 10 per cent, at least, to provide a level playing field. The present tariff is nil. With 61 per cent capacity utilization, the industry currently produces 2.22 million tones of Ferro alloys.

Iron & Steel Sector

The domestic flat steel market remained stable with the demand conditions also exhibiting a steady trend. With the commencement of the month of February, a number of steel makers have decided to

hike their prices on account of high input prices. Steel Authority of India Ltd (SAIL) hiked prices by reducing the size of the rebates usually given to buyers. Its hot rolled coil, cold rolled coil, hot-dip galvanized coils/sheets, regular and chequered plates prices are higher by Rs 500/MT. The domestic flat steel market continued to remain stable in the second week as well. The Mumbai local market has also seen an improved price trend across various items in the last few days. The price of CR Coil keeps firm in Mumbai with the growing demand. Currently, IS513 1.0mm is concluded at Rs. 33,500-34,000/MT (basic), higher by Rs. 200-300/MT than that of the beginning of the month. The price of HR Coil and Plate also increased by Rs. 500 per tonne in the last ten days.

The domestic long steel market exhibited a slow and subdued trend in the beginning of the month with the market sentiment and purchasing psychology of the buyers continuing to remain feeble. The market remained subdued in the second week as well owing to the poor demand conditions across the long steel segment. The market sentiment remains slack at the moment as the market participants are keener on holding a vigilant attitude towards the market instead of going for the bulk purchases. Moreover with the budget being on the anvil, the skepticism about future government policies has further dampened the market sentiment. The country's metallic sector had cut a sorry figure in a week with Scrap prices in Mandi Govindgarh witnessing a drop of Rs.500/MT in a week; the steel ingot prices across various places exhibiting a drop in the range of 1.5 to 2 per cent on an average over a week. The ingot prices went down further by Rs. 200/MT to Rs. 300/MT at various places on an average at the opening of this week since the close of the last week. The ferrous scrap import prices have fallen by up to USD 25/MT in the last ten days on lower finished products sales across the country.

Prices achieved through **e-auction** have remained aligned with the domestic market. The overall flat market conditions remained stable with the second week depicting a slightly sluggish trend. HR Plate auctioned exhibited a price drop of almost Rs.150 per tonne over a fortnight; CR Coil depicted a price drop in the range of Rs. 200 to Rs.500 per tonne in a week. However, the longs market saw more volatility in the market as sentiment remained sluggish over a fortnight. With no real demand existing and buyers making few purchases waiting for the announcement of the Budget, the impact was seen in the auction platform across various products. Prices have dropped in the range of Rs. 700 to Rs.1100 per tonne over a fortnight. The latter half of the month is expected to see further downtrend in the Longs market and a sluggish trend in the Flats segment until the announcement of the Union Budget.

The **international flat steel market** exhibited a steady trend in the beginning of the month. The southern European plate price ex-works rose slightly to USD 606/MT. On the other hand in Asia, Offer prices for domestic hot rolled coil quoted by Korean distributors remained flat.

The second week however depicted a softened trend as demand remained sluggish. European hot-dipped galvanized coil prices were unchanged on low demand. Small transactions for domestic mill hot-dipped galvanized coil were made at €510-540 (\$698-739) per tonne delivered, unchanged from first week. The Chinese market also fell on account of New Year holiday. Commercial quality 3mm HRC offers from China prevailed at \$540-560/tonne fob, \$10/t lower from a week ago. HRC 2-2.5mm thick was offered at \$580-590/t cfr, around \$20/t down from 2-3 weeks ago. In Shanghai, 1.0mm CRC from Tangshan Iron & Steel was offered at RMB 5,050/t (\$743/t) with 17% VAT. Chinese domestic hot rolled coil prices have been mostly stable. Traders have been gradually leaving the market for the Chinese New Year holiday; transaction levels have become very slow.

The international long steel market depicted a mixed trend as prices continue to hold firm in the Western markets with the rising scrap costs whereas the Eastern markets exhibited a quiet trend of late mainly impacted by the slowness in the demand conditions in the Chinese market with the approach of the Chinese New Year holiday. The long steel market depicted more or less a steady trend in the US market as well. According to the US market sources, price hikes for January and February have taken effect and are sticking. Low carbon wire rod prices are around \$655-705/short ton, fob mill, up about \$40 from a month ago and a total of about \$100 over the past two months. However on the other hand, the Asian longs market depicted a slightly calm trend of late. Chinese merchant bar prices have

remained more or less stable over a week. According to the market sources, with more and more traders leaving the market with the approach of Chinese New Year holiday, the markets have become calm at the moment. Eastern China's Shagang has again kept its rebar and wire rod prices unchanged for deliveries up to 20th February. Shagang kept ex-works prices for 16-25mm HRB335 rebar and 6.5mm Q235 wire rod at USD 565/MT and USD 593/MT respectively, both including 17% VAT.

Ferrous Scrap Sector

The domestic scrap steel market remained subdued in the month of February owing to the poor demand conditions across the long steel segment. The market sentiment remained slack as the market participants are keener on holding a vigilant attitude towards the market instead of going for bulk purchases. Moreover with the budget being on the anvil, the skepticism about future government policies has further dampened the market sentiment. Everyone is adopting a wait and watch attitude, hoping for an increase in Excise duty and increase in Steel prices. The country's metallic sector had cut a sorry figure over a fortnight with Scrap prices in Mandi Govindgarh witnessing a drop of Rs.500/MT in a week in the second week and a fortnightly drop of around Rs.800/MT. The steel ingot market also showed a drop in the range of Rs.500 to Rs. 900 per tonne over a fortnight.

Indian ferrous scrap imports down \$25 per tonne: Indian ferrous scrap import prices have fallen by up to \$25 per tonne in the last ten days on lower finished products sales. Shredded material traded at \$345-355 per tonne cfr Nhava Sheva in the second week, down from \$370-380 per tonne cfr ten days ago. HMS 1&2 (80:20 mix) was booked at \$335 per tonne, down from \$365-370 per tonne ten days ago. Prices slipped twice in the first week: shredded fell from \$370-380 cfr to \$360 in the first half of the week and then to \$340-350 at the end of the week. The lack of demand for scrap is caused by slower finished products sales in India, also Indian steelmakers are buying more of local scrap Any recovery in Indian buying prices will happen once finished product prices recover, said a trader.

The international Scrap steel market exhibited a softened market trend at various places.

Fob Rotterdam ferrous scrap prices fall sharply on weaker euro and sluggish demand: HMS 1&2 (70:30 mix) traded at \$292-297 fob Rotterdam in the second week, down from \$306-309 level ten days ago. Supply remains tight in Europe, although Turkey continued to purchase only low volumes of scrap. Domestic markets are also feeling the downwards pressure, but in some cases this is balanced by tight supply. Prices dropped by €5-10 (\$7-14) per tonne in Italy and stood stable in Spain.

Scrap import prices soften in East Asia: The bulk composite scrap of HMS 1&2 80:20 and shredded from USA was offered at USD 380-390/MT cfr in the first week, down from January's USD 390-395/MT cfr. US-origin bulk shredded was booked at around \$370/t cfr China and 80:20 at \$365/t cfr China. According to the market sources, the scrap prices are heading south as there is little buying interest in the market at present. There is no room for scrap to shoot up because the mills will be on holiday and out of the market. Containerized US-origin 80:20 scrap was booked at around \$345/tonne cfr and shredded at \$350/t cfr in the second week of the month. Limited offers of bulk composite scrap (HMS1&2 80:20 and shredded) from USA was offered at unchanged levels of \$380-385/t cfr.

Iron Ore Sector

The beginning of February witnessed a calm market trend both in the Indian export market and Chinese domestic market with trading remaining inactive. Due to decrease of ocean freight rate Fe63% cfr rate dropped to as low as 120USD/tonne before reviving to 126USD/tonne on Feb 11. Fe61% cfr rate too dropped to as low as 109USD/tonne before retreating at 115USD/tonne. Fe58% cfr rate too dropped to as low as 99USD/tonne before reviving at 102USD/tonne.

The Indian FOB prices presently rule stable. An exporter reported that he does not change the quotation on FOB basis in view that Chinese customers will retreat from the market and take on the Spring Festival holiday. "It is meaningless to lift or decrease the quotation," he said.

The mills have stopped the purchase of imported iron ore fines before the advent of Chinese Spring Festival holiday. Though some customers are optimistic on the market after the Spring Festival holiday, but overall buyers hold a cautious attitude considering the unfavorable steel market.

Indian Iron Ore prices are expected to remain stable in the short-term. The Indian Steel Ministry asks the government to lift the tariff of iron ore exports to 20% from the original 5% in order to protect the natural resources and develop the domestic iron and steel industry. For fear that the cost will increase; many exporters are expected to lift the price in advance. Most observers predict that Chinese buyers will place large orders in March because they do not hold high inventories.

Coke Sector

The Chinese domestic metallurgical coke market remained stable in the second week of the month after a sluggish trend noticed in the first week. Entering February, Chinese coke market prices have been moving in a downward direction, inventories are on the rise, purchase volumes have declined, while there has also been a drop in purchase prices. At present, the mainstream quotations of second grade metallurgical coke from large manufacturers in Shanxi Province are at RMB 1,800/mt (\$264/mt) and at RMB 1,900/mt (\$279/mt) for first grade metallurgical coke, while the purchase price range of Hebei Province-based producers stands at RMB 1,900-1950/mt (\$279-286/mt) for second grade metallurgical coke. Quotations for coke in eastern China are at RMB 1,950-2,000/mt (\$286-293/mt). Meanwhile, the mainstream prices of coking coal in China's domestic market are at levels of RMB 1,350-1,400/mt (\$198-205/mt).

China's coke export prices remain unchanged from last month due to high export duties and very low transaction volumes. In northern China's Shanxi province, Chinese export coke with 10.5-12.5% ash content sold at \$465-480/tonne FOB including 40% export duty in the first week. According China Customs, China exported only 0.54m t of coke in 2009, down by 95.5% year-on-year from 12.21m t in 2008. A major coke producer in Shanxi admits that he has not exported coke for quite a long time. He explains that Chinese coke products are not competitive in the international market due to the country's 40% export duty. It is predicted that China coke exporting market will remain weak as long as the 40% export duty exists.

Base Metals Sector

Base metals posted a weak sentiment in the first week. The southward movements in base metals were mainly due to the Chinese policy tightening which triggered concerns that there may be slowdown in imports of metal in the world's major consuming country. The second week exhibited a mixed trend as most of the metals remained unconvinced about their sustainability in price rally. The medium-term outlook stills remain positive as recovery in activity in China will prove to be sustainable.

Nickel: Nickel continued its poor run in the first two weeks of the month of February after depicting a weak trend throughout January on account of dull demand condition from the stainless steel mills all over the world. Nickel prices both at home and LME witnessed a drop of around 1.2 per cent on an average in the first week as compared to the week before. The market remained depressed even in the second week with prices at LME seeing a further w-o-w price drop of over 1.2 per cent while its counterpart in Mumbai market suffered a price fall of around 2.2 per cent. According to the market sources, some suppliers are reluctant to sell the metal at present due to the ongoing Chinese New Year holidays and they are waiting for higher prices after Spring Festival in China.

Aluminium: On account of lack of both local and international buying interest at higher levels following bearish trend in the Chinese market due to the ongoing week long Chinese New Year holiday, the aluminium market across the world has remained low and slow since the beginning of the month of February. In the first week of February, aluminium both at home and LME underwent a price fall of over 3.3 per cent as compared to the last week of January. The aluminium market remained depressed even in week 02 of the month with prices at home dropping by over 2 per cent while its counterpart at LME also witnessing a fall over a week.

Copper: Copper started off on a weak note with the commencement of the month of February as the metal prices suffered a significant price drop in the range of 6 to 7 per cent both at home and abroad as compared to the week before. The price fall remained unabated in the second week as well with prices at London Metal Exchange (LME) slipping down at the close of the second week following the rise by more than three per cent on the previous trading day. The domestic market also nosedived in the second week but some recovery was seen at the close of the week which was followed in the beginning of this week as well; rising by as much as Rs.10/kg in a day. The LME has made a positive start in the third week but demand is expected to remain low for the red metal because of the Chinese holiday and the hike in reserve requirements as China is the largest consumer of metals in the world.

Lead: Lead market across the world depicted a dejected and depressed trend in the opening week of the month of February on account of dwindling demand across the globe. Lead prices saw a nosedive in the first week of the month of February, which was evident from a w-o-w price drop of nearly 5 per cent at home and over 6 per cent at LME. The lead market remained sluggish in the second week as well with the prices across the world hardly making any positive movement and demand remaining sluggish.

Zinc: The zinc market remained subdued since the beginning of the month of February across the globe witnessing a price drop of 4 to 6 per cent over a week. The market remained depressed even in the second week on account of poor demand in the market all over the world and the prevailing Chinese holidays.

Ferro Alloys Sector

The Ferro-Alloys market exhibited a firm trend with demand showing signs of rising.

Ferro-chrome - After exhibiting a vibrant mood in the month of January this year the **Ferro-chrome** market across the country depicted by and large a steady trend in the first half of February so far. Currently due to the high production cost, the Indian ferrochrome market keeps stable at about Rs. 56,000-58,000/MT ex works for high carbon ferrochrome, Si 3-4%. According to the market sources, the market participants are bit skeptic about their purchasing decisions at the moment despite the firmness in the Ferro chrome market in the western world.

Ferro-molybdenum - The domestic **Ferro-molybdenum** market started off on a lower note with the commencement of the month of February with the alloy prices suffering a drop of Rs.40/Kg but however, the ferro-moly (60% min) market picked up its momentum towards the end of the opening week of February by Rs. 30/Kg followed by another round of price improvement in the second week by Rs. 20/Kg to prevail at around Rs. 1025/Kg on an average. On the other hand, the ferro-moly market remained mostly subdued in China with the transactions remaining comparatively low ahead of the Chinese New Year scheduled to start from Feb 14, 2010.

Ferro-manganese - The **Ferro-manganese** market across the nation remained largely stable in the opening fortnight of the month of February after portraying a dismal trend in January. At present, Ferro-manganese (HC 65-70%) is prevailing at around Rs. 55,000/MT on an average. On the other hand, the

European market did not see much improvement for ferromanganese in the past one week. According to the market sources, high carbon ferromanganese 75% in European markets was traded at around at USD 1274-1288/MT d.d.p last week, unchanged from the end of January.

Ferro-silicon - The market for **Ferro-silicon** across the country exhibited more or less a stable trend since the beginning of the month of February. The demand in the Ferro-silicon market has remained by and large stable since the middle of January and no significant price movement has been witnessed since then. In the domestic market, currently Ferro-silicon (70% min) is prevailing at around Rs. 60,500/MT (basic).

Base Metals, Steel & Scrap Prices

International Base metal Prices:

Price at LME in USD/tonne	Feb'10 Week 02	Jan'10 Week 04	Jan'10 Week 02	Dec'09 Week 04	Dec'09 Week 2
Nickel	17729	18288	18081	18256	16175
Zinc	2094	2232	2495	2478	2289
Aluminum	2003	2148	2281	2218	2147
Copper	6572	7170	7470	7080	6897
Lead	2023	2135	2462	2338	2275

Source: LME

Indian Base metal Prices:

Price at India in Rs/kg (basic)	Feb'10 Week 02	Jan'10 Week 04	Jan'10 Week 02	Dec'09 Week 04	Dec'09 Week 2
Nickel	820	848	824	854	756
Zinc	97	103	114	115	107
Aluminum	93	99	104	104	100
Copper	305	328	342	335	324
Lead	94	98	113	108	106

Source: NCDEX, MCX

International Steel & Scrap Prices:

Items	Feb'10 Week 02	Jan'10 Week 04	Jan'10 Week 02	Dec'09 Week 04	Dec'09 Week 2
China Domestic HRC Yuan/tonne	3750	3750	3830	3700	3660
China Domestic CRC Yuan/tonne	5050	5050	5280	5100	4980
China Domestic Rebar Yuan/tonne	3610	3600	3700	3500	3480
Europe Domestic HRC Ex-Works €/t	440	360	360	360	360
Europe Domestic CRC Ex-Works €/t	500	480	450	450	450
US Domestic HRC FOB \$/tonne	610	610	610	570	500
US Domestic CRC FOB \$/tonne	710	710	710	670	600
CIS Export HR Coil \$/tonne	530	530	510	500	500
CIS Export Slab Black Sea/Baltic Sea \$/tonne	440	440	400	400	400
CIS Export Billet Black Sea/Baltic Sea \$/tonne	460	460	420	410	410
CIS Export Rebar Black Sea/Baltic Sea \$/tonne	480	480	450	430	430
Shredded Scrap US fob East Coast \$/tonne	310	315	320	285	285
HMS I & II (80:20) United States fob East Coast \$/tonne	305	310	315	280	280

HMS I&II(70:30) fob Rotterdam Export \$/tonne	298	306	312	275	275
HMS I\$II(80:20mix) Rotterdam Export \$/tonne	303	309	315	283	283
IOF Fe=63.5% CNF China USD/tonne	128	125	131	110	106

Source: Metal Bulletin

Indian Steel & Scrap Prices:

Items	Feb'10 Week 02	Jan'10 Week 04	Jan'10 Week 02	Dec'09 Week 04	Dec'09 Week 2
Pig Iron at Kolkata	23700	23300	21850	21350	21350
Pig Iron at Mumbai	22500	22000	21500	21000	21000
Sponge Iron(Coal Based) at Kolkata	16070	16120	16510	15590	15330
Melting Scrap(HMS I) at Kolkata	18720	19240	21320	17680	16700
Melting Scrap(HMS II) at Kolkata	17680	18200	20800	16640	16050
Billet(100mm) at Kolkata	28620	28510	28410	28100	27680
Billet(100mm) at Mumbai	27530	28390	28630	27130	27130
Bloom(150*150mm) at Kolkata	27500	27390	27290	26660	26350
Wire Rod(6mm) at Kolkata	32560	33290	33560	31830	31510
TMT Bar(10mm) at Kolkata	33040	33290	33570	32090	31670
TMT Bar(10mm) at Delhi	33100	33970	34250	32220	31940
Angles(50*50*6mm) at Kolkata	34350	34580	34680	33320	33020
Angles(50*50*6mm) at Delhi	34350	35120	35290	33260	32950
Plate(6mm) at Kolkata	35960	36010	35860	35910	35830
Plate(6mm) at Delhi	37020	37020	37160	36810	36810
HR Coil(2mm) at Kolkata	34720	34760	34660	34640	34640
HR Coil(2mm) at Delhi	35590	35590	35690	35260	35260
CR Coil(0.63mm) at Kolkata	39270	39380	39070	38570	38510
CR Coil(0.63mm) at Delhi	39530	39530	40250	38690	38690
GP Sheet(0.63mm) at Kolkata	42970	43200	42820	42400	42320
GP Sheet(0.63mm) at Delhi	44050	44050	43270	41170	41170

Price quoted above in Rs. /tonne is all inclusive. Source: JPC

Ferro-Alloy prices:

Ferro Alloys- Raipur market (Basic price in Rs./kg)	12.02.10	11.02.10	10.02.10	08.02.10	05.02.10	03.02.10	01.02.10
Ferro Silicon 70/75	65	64	63	60	61	63	63
Ferro Manganese 70/75	62	61	59	63	62	58	61
High Carbon Ferro Chrome	62	63	62	60	60	64	62
Ferro Titanium 30/35%	93	91	92	95	90	90	92

Source: MMR

Ferro Alloys- Mumbai market (Basic price in Rs./kg)	12.02.10	05.02.10	29.01.10	22.01.10	15.01.10
Ferro Molybdenum	1080	1080	1100	1070	900
Molybdenum Oxide	950	1050	1080	1030	890
Ferro Manganese HC	68	68	68	67	65
Ferro Manganese MC	83	105	80	85	75
Ferro Chromium LC	135	135	135	137	138
Ferro Vanadium	775	775	750	750	750

Source: MMR

Producer's Prices:
Zinc

Hindustan Zinc Ltd. (Prices are in Rs/MT, Excl. ED & ST,VAT)	15-Feb-10	13-Feb-10	06-Feb-10	04-Feb-10	30-Jan-10	28-Jan-10
Ex-Chandera						
Prime Western	114,900	114,900	114,100	116,200	125,800	132,300
High Grade	116,400	116,400	115,600	117,700	127,300	133,800
Special High Grade	117,400	117,400	116,600	118,700	128,300	134,800
Ex-Bangalore						
Prime Western	117,100	117,100	116,300	118,400	128,000	134,500
High Grade	118,600	118,600	117,800	119,900	129,500	136,000
Special High Grade	119,600	119,600	118,800	120,900	130,500	137,000

Source: MMR

Binani Zinc (Prices are Rs/MT, inc. ED)

Binani Zinc (Prices are in Rs/MT, inc. ED)	11-Feb-10	10-Feb-10	09-Feb-10	06-Feb-10	28-Jan-10	27-Jan-10
Ex Godown: Bhiwandi						
High Grade	129,500	124,500	120,500	119,500	130,500	132,500
Special High Grade	130,000	125,000	121,000	120,000	131,000	133,000
Super Special High Grade	130,500	125,500	121,500	120,500	131,500	133,500

Source: MMR

Copper

Hindustan Copper Ltd. (Prices are in Rs/MT, Excl. ED & ST,VAT)	01-Feb-10	01-Jan-10	01-Dec-09	01-Nov-09
Copper Cathode (Full)	373,860	358,755	343,083	324,768
Continuous Cast Copper Rods (8mm)	379,753	364,729	349,049	330,752

Sterlite Industries (India) Ltd. (Prices are in Rs/MT, Excl ED)	01-Feb-10	01-Jan-10	16-Dec-09	01-Dec-09
Copper Cathode (Full)	349,202	373,071	432,000	352,893
CC Copper Wire Rods (8mm)	352,868	376,700	436,000	359,198

Source: MMR

Lead

Hindustan Zinc Ltd. (Prices are Rs/MT, Excl. ED & ST,VAT)	06-Feb-10	04-Feb-10	30-Jan-10	28-Jan-10	23-Jan-10	21-Jan-10
Purity 99.99%(Ex-smelter Chanderiya)	110,000	112,000	126,200	127,700	129,800	131,200
Purity 99.99%(Ex Bangalore)	113,000	115,000	129,200	130,700	132,800	134,200

Source: MMR

Aluminium

NALCO					
	CG Ingot (purity 99.0 to 99.5%)	EC Ingot (99.7 to 99.799%)	CG Wire Rod (cond. less than 61%)	EC Wire Rod (cond. 61.5 % and above)	Alloy Wire Rod
19-Dec-09	126,400	126,650	132,350	133,450	135,450
01-Jan-10	127,400	127,650	133,350	134,450	136,450
27-Jan-10	127,400	127,650	133,350	134,450	136,450
08-Feb-10	119,400	119,650	125,350	126,450	128,450

Prices in Rs./t, basic, ex-smelter, Excluding ED Source: MMR

HINDALCO					
	CG Ingot (purity 99.5% min)	EC Ingot (99.6% min)	CG Wire Rod	EC Wire Rod (cond 61% min)	Alloy Wire Rod
09-Dec-09	119,900	120,900	131,500	131,500	139,000
04-Jan-10	125,400	126,400	137,000	137,000	144,500
09-Feb-10	117,400	118,400	129,000	129,000	136,500

Prices in Rs./t, basic, ex-smelter, Excluding ED Source: MMR

Outlook

Steel prices may fall as China acts to cool economy: Chinese steel prices could fall just after this week's New Year holidays on the back of further moves by the government to keep the economy from overheating. The People's Bank of China announced on its website on 12 February that it will be raising the country's deposit-reserve ratio by 0.5% for the second time this year, due to surging loans and property prices in January. Chinese banks issued RMB 1.39 trillion (\$203bn) in loans in January. The move will take effect on 25 February, according to Bloomberg. Chinese domestic steel prices are currently stable as many traders are out of the market for the Chinese New Year holidays, which last from 13-19 February. Business is expected to resume on 20 February. On 12 February, the last day of business before the holidays, hot and cold rolled coil spot market prices remained stable with few transactions recorded. In Shanghai, Q235 5.5mm HRC was offered at around RMB 3,750/t (\$549/t) with VAT, and 1.0mm CRC was offered at around RMB 5,050-5,350/t (\$739-783/t) with VAT.

Indian steel prices are expected to exhibit a mixed trend until the announcement of Budget when market phenomenon is expected to make a move. Experts predict that input costs pressure will push up prices in the near future. While the Longs market has suffered recently on account of low off take of material, the Flats market has comparatively remained stable. Coking coal prices which last year settled at USD 128/tonne are likely to settle at much higher levels this year. Iron Ore prices have also firmed up globally. This cost pressure will definitely translate into higher steel prices over the next two-three months.

Source: Asian Metal, SBB, Metal Bulletin, MMR, Reuters, Bloomberg, NCDEX, MCX, JPC, LME.