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Metal Bulletin

Getting better all the time

Metal Bulletin's new website has been a long time coming.

Over the past few years we've been thinking carefully about how we present our service, working closely with subscribers to find out more about their business and gathering feedback on how you use our products.

Some messages were pretty clear. MB is the only place to find news, insight and analysis on all metals markets, whether you're interested in tungsten or non-grain oriented electrical steel. And it's all important.

The most significant change to MB's new website is designed to reflect that. We've moved away from the old split between iron & steel, non-ferrous metals and scrap & secondary material, adapting the way we present information more closely to the manner in which the industries we cover actually work.

Whatever your interest, you should find it much easier to find the information you're after at www.metalbulletin.com. Stainless & special steel, raw materials and minor metals all now have their own dedicated homepages, as do carbon steel, base metals and ores & alloys.

And subscribers now have the ability to easily find information on even more specific product groups as well. Carbon steel long products, iron ore and copper all have their own sections on the new site.

In order to provide a more comprehensive overview of all these markets, we've changed our homepage. Just by landing on our site users will get quick and easy access to the latest news, prices and analysis on all the industries we cover.

There are other important changes.

A new, updated and far more advanced pricing tool is now available that will allow subscribers the option to manipulate data that's archived back as far as ten years. By logging into MB's new pricebook you'll be able to load charts, download spreadsheets and create images of all the market information you need.

The MB archive is more powerful. And users can now find stories by searching through regions, product group or keyword.

And we've introduced new areas of coverage like Capital Markets.

We hope you like it, and we want to hear from you. MB is constantly working to offer our customers the best possible service on today's volatile metals markets and feedback is very important.

That's why we'll keep improving our service, so stay tuned for more to come soon.

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'Very successful' Japan's largest smelter secures huge increase in charges

Chinese smelters poised to win 51% hike in copper TC/RCs

TOKYO & SHANGHAI

Major Chinese copper smelters are close to clinching a 51% hike for 2011 treatment and refining charges (TC/RCs) with BHP Billiton, according to market participants.

The expected increase came days after Japan's largest smelter, Pan Pacific Copper, said it had agreed a deal with at least one South American miner at $80 per tonne/8 cents per lb, a rise of 72% .

An executive from the company said that Japanese smelters had been forced to seek huge increases over last year's level as charges of $46.5/4.65 cents "could not even cover our cash costs".

But talks with some concentrate suppliers, including BHP-controlled Escondida, have resulted in a new two-tier charge system for the current year, with a portion of charges set for the full year, and another portion to be negotiated mid-term, the executive said.

"The market is very unstable and volatile at the moment, with a very wide gap having emerged between the London Metal Exchange and Shanghai. This has forced us to come up with changes in the way we settle our TC/RC contractual terms with miners", he told MB.

72%
INCREASE IN COPPER TC/RCS SECURED BY PAN PACIFIC

He declined to specify the level agreed for the full year with BHP, but described them as "very successful for smelters".

Chinese TC/RCs are poised to rise this year on ample supply of concentrates, cheap scrap prices and reduced Chinese smelting capacity after emissions-related shutdowns last year.

Sources close to Jiangxi Copper said the company has yet to sign the contract but important details like prices have been decided.

A 51% increase on last year's level would take the 2011 offer to nearly $70/70 cents.

"Scrap copper prices have stayed low for quite a while compared with the refined price, many local smelters are therefore using more scrap for smelting, and that is also more convenient for them," said an analyst in Chengdu.

It is estimated that it costs less than 2,000 yuan ($303) per tonne to produce copper cathode from scrap copper, according to market participants.

The price gap between scrap and refined copper last week was about 9,700 yuan per tonne in China, below a previous peak of about 10,000 yuan but well above the usual range of 5,000-6,000 yuan per tonne, meaning scrap is underpriced, the analyst said.

Jiangxi Copper piled up 200,000 tonnes of scrap copper in the fourth quarter last year for smelting, which reduced its interest for copper concentrate processing, according to market sources.

"Even from the global perspective, scrap copper supply is very ample if compared with copper concentrate, which is expected to tighten this year," said the Chengdu analyst.

China shut down some less advanced smelting capacities in the second half of last year amid its efforts to reduce carbon emission.

Many investment banks have set their target copper prices far above $11,000 per tonne for the coming year, and the LME copper has been posting record highs in the past month.

Copper premiums slump in Europe and Singapore

LONDON & SINGAPORE

Copper premiums in Europe and Singapore softened last week in a weak market, traders in both regions told MB.

MB's European free market copper premium fell to $50-95 per tonne from $70-100 previously.

In Singapore, warehouse premiums are trading anywhere between $30 and $60 per tonne, traders suggested, but said that there is so little business going through that it is difficult to know the precise level that would secure a large-volume sale.

"Copper in Singapore is soft, we're seeing $30-40 being offered into China," said a trader at a London Metal Exchange category II member. "It's odd when you think that the [Codelco] term contracts are $110-115."

With the Chinese new year holiday at the start of February, Asian buyers are not interested in putting large stocks on their books, market participants agreed.

In the European market a slump in demand has slowed buying activity, traders said.

"There is nothing happening in copper in Europe at the moment," a European physical trader told MB.

Market participants are no longer able to achieve the three figure premiums they once could for material in Rotterdam.

Premiums for grade A copper outside of Rotterdam were no higher than $75 with some unconfirmed reports of warrants trading below $50.

Deliveries of material into LME warehouses appear to support an unanticipated decline in copper consumption.

Copper stocks in LME warehouses increased to 397,275 tonnes on Thursday, up from a low of 348,625 tonnes in early December.

IN THIS SECTION

LONDON

European free-market lead premiums fall to €15-25 on high stocks

Premiums for European free-market lead in warehouse Rotterdam fell to €15-25 ($21.6-34.3) per tonne last week, from €15-35 previously, as high stock levels made it difficult for sellers to command strong premiums.

A glut of material in Europe has led producers to offer increasingly slim premiums to secure a bid, market participants told MB.

Lead stocks gained 25% over four days two weeks ago after deliveries into Singapore and Malaysia, exacerbating problems for producers in an oversupplied physical market, one source said.

"Stocks keep on building – we had nearly 30,000 tonnes put in LME warehouses in one day [two weeks ago] – and that's putting pressure on premiums," he said.

A second source said the backwardation in nearby London Metal Exchange lead spreads is unrepresentative of the supply conditions in the physical market.

"Lead has moved away from the fundamentals, and the backwardation shouldn't really be there. There's plenty of material available, as these stock builds show," he said.

The global lead market was in surplus by 41,000 tonnes in the first eleven months of 2010, according to the figures from the International Lead and Zinc Study Group.

The consecutive stock increases were likely caused by a major position holder looking to squash the backwardation in nearby spreads by dumping material on warrant, sources told MB.

Active on both sides 'It will be a change for Hydro'

Hydro will maintain alumina buying after Alunorte purchase

LONDON
BY JETHRO WOOKEY

Hydro will remain an active buyer of alumina even after it gains a fundamentally long position in the market following its purchase of Vale's alumina assets, a source at the company told MB.

Hydro will buy Vale's aluminium, alumina and bauxite assets in a cash-and-shares deal worth $4.9 billion that will initially increase its alumina output by nearly 140% through a majority stake in Alumina do Norte do Brasil (Alunorte), the world's largest alumina refinery. Hydro presently owns a 34% stake in the refinery.

The deal will see Hydro's alumina output rise to 3.3 million tpy from 1.4 million tpy, the company said earlier this month. That figure will increase further as the operation ramps up to full capacity by 2016, when Hydro will be producing 4.2 million tpy.

Hydro's net alumina position in relation to the alumina needs of its primary aluminium business will become long to the tune of around 1.5 million tonnes following the deal's close later this year, from a shortfall of around 0.6 million tonnes now, the company said.

"We will be fundamentally long in alumina if you look at smelter consumption versus production," the source said.

Alumina: 'We will be fundamentally long'

Hydro has traditionally sourced alumina from outside sources to make up the shortfall from its own alumina production, but the Vale deal will give the company far more alumina than its downstream aluminium business requires.

"It will be a change for Hydro," the source said.

But Hydro will remain active on both sides of the market – buying and selling – after the Vale deal, and will retain its alumina sourcing contracts within its portfolio.

"We will continue to be active on both sides of the market, and this deal will be grounds to be even more active," the source said, adding that maintaining its presence in the market as a buyer as well as a seller will give the company a better understanding of the market.

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China's tungsten supply will stay tight until March

SHANGHAI

Tightness in China's supply of tungsten concentrate won't ease until March and will underpin prices until the second quarter, market participants said.

Tungsten concentrate was trading at 114,000-115,000 yuan ($17,294-17,446) per tonne last week, up 2,000-3,000 yuan from the previous week, with some offers as high as 118,000 yuan.

Prices have been rising since mid-December and could continue until April as demand returns after the Chinese new year, sources said.

"The market is quiet this week as most people have left for the holidays, but the price continues to rise due to the tight supply of concentrate," said a source at Jiangxi Tungsten Industry Group.

China's holiday is February 2-8, but many businesses will not be fully back to work until the Lantern Festival on February 17.

"Most mines and smelters have closed down for the holidays already, so supply is becoming tighter and tighter," said a major trader in Beijing.

"Buyers who haven't secured enough cargoes this week will have to continue to buy after the holiday, even as rising prices attract others into the market," the Jiangxi Tungsten source said.

Higher concentrate costs have supported higher Chinese offers of ammonium paratungstate (APT) and ferro-tungsten.

"We haven't offered APT for the last few weeks as we simply have no material. Many smelters have already shut for the holidays since concentrate is so tight," said the Jiangxi Tungsten source.

APT was last offered at $330-340 per mtu fob. Chinese offers of ferro-tungsten remain high at $47-48 per kg fob and are attracting very little interest.

Vinto to restart Sn smelter in June

SÃO PAULO

Bolivian state-owned tin smelter Empresa Metalúrgica Vinto plans to restart an antimony smelter previously owned by Glencore by June, while it continues to move ahead with its 8,000 tpy tin expansion this year.

Empresa Metalúrgica Vinto Antimonio, which belonged to Glencore's Bolivian subsidiary Sinchi Wayra, was nationalised last year by the Bolivian government following several years of no activity or investment.

"The reopening of operations at the antimony smelter is expected by June 2011, depending on the offers received from antimony ore suppliers or producers of tin ore, which could be an alternative," Ramiro Rivera, a Vinto director, said.

The restart may be well-timed as antimony prices trade at $12,950-13,600 per tonne, compared with $10,100-10,400 in October 2010.

Installed capacity at the smelter is 6,000 tpy of antimony regulus.

"It is estimated that in the beginning it could produce at 50% of its capacity," Rivera said.

Vinto's priority remains the installation of a new Ausmelt furnace, which will increase the company's tin capacity to 18,000 tpy, from its current 10,000 tpy.

The furnace was originally expected to come online last year, but successive delays have postponed the start-up.

In the middle of last year, Vinto expected production to begin in August or September this year.

"[Now] It is predicted that 50% of the furnace installation will be concluded in August, with the start-up at the end of the year," Rivera said.

In the whole of 2010 Vinto produced 11,516 tonnes of metallic tin, slightly below its all-time record of 11,805 tonnes in 2009.

In 2012 output is expected to reach 13,000 tonnes, rising to around 16,000 tonnes in 2013, and to the full capacity of 18,000 tpy from 2014 onwards.

Bullish outlook 'Not impossible' for tin to climb another $12,000 this year

Tin could hit $40,000 as supply lag worsens, says MSC's Anuar

SINGAPORE
BY MEGAWATI WIJAYA

Tin prices could hit $40,000 per tonne this year as lower grades restrain mine output and demand stays firm, according to Mohd Ajib Anuar, ceo and executive director of Malaysia Smelting Corp (MSC).

It is "not impossible" that tin could climb another $12,000 on the London Metal Exchange by the end of 2011, he told MB.

The soldering metal's all-time-highs above $29,000 per tonne on the LME are the result of fundamentals rather than speculation, he said, forecasting further strength in the contract.

"Today's [strong] tin prices are not because of speculation," Anuar said.

There is a "more bullish outlook" for demand, while supply has recently been undermined by a monsoon in Indonesia, he said.

Three-month tin traded as high as $29,500 per tonne in pre-market business on the LME on January 28, compared with $17,750/760 per tonne this time a year ago.

Lower ore grades and restrictions on mining in Indonesia, the world's biggest exporter of tin, will keep prices and premiums at high levels, Anuar said.

'The current premium structure in the market today is between $300 to $500 per tonne. It's not the result of conflict tin. It's the result of demand and supply existing in the market'

"Paying too much is relative. All is relative to costs. Costs of production have gone up and I think the market knows how much it is to produce tin now, and how much to produce tin next year or two years later. All companies have their own cost structure already," he said.

Anuar: 'Today's [strong] tin prices are not because of speculation'

"Two to three years ago, the cost of production for tin was at $12,000-15,000 per tonne. Today, the market is looking at close to $20,000 for costs of production," he said.

"Miners have to project the price that can pay for all these additional costs," he said.

The Indonesian government could stop issuing licences for new mines in Bangka, a trade ministry official told MB this week.

Anuar rejected suggestions that the recent high premium paid for Vinto tin is the result of traders chasing metal that does not come from conflict zones such as the Democratic Republic of Congo (DRC), in a bid to ensure they are holding tradeable inventory before the Dodd-Frank bill comes into law.

US Congress is scheduled to pass the bill in April, and could render tin and tantalum without non-conflict provenance unsaleable in the USA.

"Conflict minerals are not the driving factor for the high premiums. If the prices today are $28,000, and you think prices [will] move to $30,000 [in the next few weeks], it means you have to pay $2,000 more soon. If you need to pay $1,000 more premium for the tin, it's not much," said Anuar.

Union Commodities and Glencore paid premiums of up to $305 and $300 per tonne respectively on a 100 tpm tender for tin from the Vinto smelter in Bolivia, MB reported earlier in January.

There is particularly strong demand for tin from Asian countries including China, Japan, and India, and high premiums are the result of the market matching tin availability to end-users, chief operating officer Chua Cheong Yong said.

"The premium is reflective of what's in the market today. Why is this premium not acceptable?" he said. "The current premium structure in the market today is between $300 to $500 per tonne. It's not the result of conflict tin. It's the result of demand and supply existing in the market."

It is too early to assume what effect the Dodd-Frank bill will have on the market, he said.

MSC is continuing to work closely with all its stakeholders to ensure that its tin comes from conflict-free zones in central Africa, the executives told MB.

"The smelter audit is ongoing. Discussion is ongoing with all the stakeholders, such as with the electronics consumers group," Anuar said.

The audit process is led by the Electronic Industry Citizen Coalition (EICC), an association made of large electronic companies that aims to promote a responsible supply chain for metals, including tin and tantalum.

It wants to ensure that the raw materials have come from conflict-free zones in the DRC, especially since companies will not be able to import it under the Dodd-Frank bill.

"The audit will end some time this year. They have not given us any specific date," Chua said.

In November last year, market participants suggested the company could struggle to pass the audit for conflict-free tin due to its use of central African raw materials.

"We are a responsible miner, and we are long-term players. Of course, we want to have a very healthy industry. But the approach must be step-by-step. There have to be stages or programmes," Anuar said.

"To achieve this sustainability objective, we'll have to engage constructively, meaning there should be a new approach, not a conventional approach, such as having to impose a ban," he said.

"That's why we are working with Itri to do this due diligence process, to install a good traceability system [so that] everything is traceable. We strongly, strongly encourage all the stakeholders, right from the bottom of the supply chain, where tin is mined to get this supply chain process," Anuar said.

'We strongly, strongly encourage all the stakeholders, right from the bottom of the supply chain, where tin is mined to get this supply chain process'

"How to ensure that it's conflict free? This is where we need to collaborate with all the stakeholders. We're taking a very strong push on this for the funding of [a traceability system]. You know how big is Congo? How good are the roads? Are there any railway systems? You have to allocate some money to have this tagging system," he added.

MSC was the third-largest supplier of tin metal globally in 2009, producing approximately 43,900 tonnes of refined tin metal. For the nine months ended 30 September 2010, the group produced approximately 34,500 tonnes of refined tin.

The executives' comments came as MSC launched its secondary listing on the Singapore Exchange on Thursday. The share issue was 1.9 times oversubscribed.

The company will use the S$43.75 million ($34 million) funds raised for the development of new mines through the selective acquisitions of suitable mining concessions or leases, as well as mining projects and assets, primarily in Malaysia and Indonesia.

MSC's shares closed at S$1.78 per share on Thursday, level with their opening price.

Tin fraud As well as losses, ABN incurred costs to dispose of toxic material

Singapore judge dismisses ABN's $10.7m claim against CWT in tin dispute

SINGAPORE
BY CLEMENTINE WALLOP

A judge in Singapore's High Court has dismissed a $10.7 million claim ABN Amro made against CWT Commodities as part of a tin fraud that has revealed more details about the collapse of Singapore Tin Industries (STI).

ABN, a category II member of the London Metal Exchange, brought the action against the Singapore-listed warehousing firm in early 2009, alleging CWT had breached its contractual obligations and had fraudulently or negligently made representations to the bank as part of a financing agreement with STI, according to the judgement published this month.

STI's assets were sold off at the start of 2009, with Yunnan Tin Co (YTC), a 42% stakeholder in the company, saying the firm had been "running improperly" and that there had been "problems with foreign shareholders".

Tin as collateral

In August 2007, ABN agreed to provide trade finance to STI, which was both a tin refiner and trader. ABN made advances to the bank for the purchase of tin in the form of concentrates and ingots. The advances were secured by STI using the tin as collateral.

ABN's claim centred on tin dross, which was pledged as part of that collateral. The bank did not manage the metal directly and instead entered a collateral management agreement (CMA) with CWT on August 25 2007. Under the agreement, CWT was obliged to issue warehouse receipts (WRs) and certificates of quality (CQs) for the tin.

For any metal brought into CWT's custody, the bank would need it to issue a WR and a CQ before it would allow STI to make a drawdown under the facilities agreement to finance that material. CWT was not permitted to release any metal without the bank's instruction.


Singapore's High Court

To store the metal, CWT leased a warehouse at STI's premises at 61 Tuas Crescent.

During the period of the CMA, CWT issued QCs and WRs for tin contained in refined and unrefined ingots, concentrates, slag and also for seven batches of tin dross.

Between September 2007 and June 2008, the bank advanced some $22.1 million to STI, of which $10.6 million was not repaid.

"Unfortunately for the bank, STI had been perpetrating a fraud on it. This fraud essentially consisted of the round-tripping of tin dross inventory," Judge Woo Bih Lin said in the ruling. "The seven batches of tin dross stored by CWT were purportedly purchased by STI from third parties and sold to other parties and the bank advanced money to STI in the belief it was financing such purchases."

The bank gave release instructions to CWT to deliver the metal to STI, which was then supposed to deliver the metal to a third party buyer.

"No sale of tin dross was made and the released stocks of tin dross were never physically removed from the warehouse. This was because STI chose not to take physical delivery of the tin dross from CWT, but instead signed to acknowledge receipt of the same and gave instructions for the same to be retained in the warehouse," the judge said.
The tin dross that was released was combined with more dross STI had delivered to secure an additional advance from the bank. This dross was made by STI itself. CWT would issue a new WR and CQ to the bank in respect of the combined material and this material was placed with the remaining collateral.

"From CWT's perspective this was done on the basis that STI had re-pledged the released batch of tin dross to the bank as fresh security together with the additional dross brought into the warehouse," he said.

The bank, meanwhile, believed the dross had been sent to the third party buyer and had also been bought from a third party by STI.

"The effect of these transactions was the bank ended up advancing money to STI in the belief that STI's existing stocks of tin dross were being sold for value and that it was financing the purchase of new batches of tin dross. The reality was that the bank was advancing money on the security of tin dross produced entirely by STI and left to accumulate in the warehouse," Judge Li said.

STI was wound up in December 2009 on the application of ABN.

STI defaulted on its loans in July 2008 and in October ABN appointed a receiver, whose investigations uncovered the fraud. The receiver tried to sell the tin that was still in the warehouse.

Simultaneously, ABN had hired an analysis team to sample the material, which was shown to have considerable variance in quality and to be of lower grade than indicated in the CQs.

ABN found it was unable to sell the remaining dross because it was contaminated and the receiver ended up incurring S$104,860 ($81,920) in fees for a waste management company to dispose of the toxic material.

Contractually obliged

The bank's complaints against CWT were twofold: first that the warehouse company was obliged to release dross by physically delivering it to STI and it was not to allow notional delivery.

CWT was contractually obliged to accept the dross only if it was physically delivered into the warehouse and not if it was already in storage, ABN claimed.

It was an implied term of the CMA that CWT would tell ABN if the material was not delivered out of the warehouse, the bank alleged, saying that CWT therefore falsely represented the deliveries out.

Second, ABN claimed that CWT had issued false or misleading CQs that represented the dross in the warehouse contained a higher percentage of tin than was the case.

"The bank alleged that by reason of CWT's wrongs [...], it advanced money to STI to finance alleged purchases of tin dross which it otherwise would not have done. The total outstanding amount of these advances is $10,602,084. The bank has also claimed the additional $104,860 incurred in treating and disposing of the tin dross," Judge Li said.

CWT countered the claims, saying that it was permitted to keep released tin in the warehouse as long as it was separate from the remaining collateral.

Representatives for ABN had not responded to requests for comment at the time of writing.

CWT declined to comment when contacted by MB.

'Right on schedule' Restart will add around 80,000 tpy of aluminium to US market this year

Ormet's Hannibal smelter nears full output, alumina restart 'promising'

NEW YORK
BY ANNE RILEY

The ramp-up of Ormet Corp's fifth potline in Hannibal, Ohio, is complete, ceo Mike Tanchuk told MB sister publication AMM, with the smelter's sixth and final potline on track to resume output before the end of March.

"We're right on schedule," he said. "The [fifth] potline was energised right before Christmas and completed in early January, and the last line will energise by the beginning of next month at the latest and will be done by the end of the first quarter."

Once the sixth potline is brought back online, the 266,000 tpy primary aluminium smelter will be back at full capacity for the first time in nearly two years. The restart, first announced in November, will add around 80,000 tpy of metal into the North American market in 2011.

That additional metal has already been sold to traders, Tanchuk said.

"We sold it for this year. We have about five different buyers that are in that market," he said.

Ormet is not selling any of its 2011 output directly to end-use consumers in an effort to manage its risk profile, Tanchuk said.

"We don't sell directly to end-use consumers at this point in time because of the credit risk [and] payment terms. [With traders], we get paid very quickly and don't have the credit risk," he said, noting that Ormet might consider selling directly to end-use consumers in future.

The last time the Hannibal smelter was at full capacity was in May 2009. That month, the company idled one 44,000 tpy potline after a tolling agreement with Swiss trading house Glencore came to a contentious end. Three months later, Ormet idled a second potline.

As Ormet brings its final potline back into operation, the company will also continue to evaluate plans to reopen its 600,000 tpy alumina refinery in Burnside, Louisiana, which was idled in late 2006 amid collapsing alumina prices.

News of a possible refinery restart was announced in the company's third-quarter disclosure statement, when it said it had entered into a deal with Vale to buy some 500,000 tonnes of bauxite from its Mineração Rio do Norte facility in 2011 to supply the possible restart.

No decision has yet been made on whether to move forward with the restart, but it looks "promising", Tanchuk said.

"We're still in the final evaluation stage and I think it looks pretty promising, but we haven't made a final decision yet. I think it will probably be into the second quarter."

Ormet is also expected to make a decision this year on whether to buy a carbon anode facility in Mead, Washington.

The company first announced the plans in March, but said last month that it was looking to renegotiate the deal.

SINGAPORE

BRL, Yankuang agree bauxite, alumina projects in Australia

Bauxite Resources (BRL) has agreed a joint venture with Chinese state-owned Yankuang Corp to mine bauxite and build an alumina refinery in Western Australia.

The 1.1 million tpy refinery will refine 3.5 million tpy of bauxite from Australia's Darling Range, the companies said without giving further details on the resource.

Yankuang will pay 91% of the cost of building the refinery and will receive 70% of the alumina product. BRL will fund 9% of the refinery construction cost and receive 30% of the alumina product.

Yankuang has also agreed a ten-year off-take deal for 50% of BRL's share of production.

The companies did not give details on the cost of the project, but said they will start looking for a site for the refinery immediately.

BRL's shares jumped 12.50% on the news, rising to A$0.27 per share by 15:35 local time.

Alcoa's proposed collaboration with China Power Investment Corp could give it a foothold in the region just as China's booming aluminium demand begins to surpass its existing smelting capacity, ceo Klaus Kleinfeld (pictured) said. "The Chinese market is growing very substantially," Kleinfeld said in an interview with CNBC. "Some of the industries that are growing in China – automotive, for instance – require a whole range of suppliers to be built up which do not exist in China so far, and those are things where we are very, very good, where we can add value," he said.

SHANGHAI

China Al prices inch up despite slow demand

China's spot aluminium prices inched up again last week despite a quiet pre-festive market, as winter transport woes squeeze supply.

Spot aluminium prices rose to 16,600-16,630 yuan ($2,518-2,523) on the Shanghai Changjiang Nonferrous Market on January 24, from 16,580-16,620 yuan previously.

"The market has obviously been quietening down in the past week, as many downstream users are closing down for the holidays," said an analyst in Shanghai.

"There are few buyers of aluminium at the moment, and it seems that this year's pre-holiday buying is not as busy as usual. Some end-users are thinking current prices are a bit too high," said an analyst in Shenzhen.

Spot prices have been rising since mid-December as downstream demand returned with the lifting of emissions-related curbs, while smelters continued to struggle with winter-related power shortages.

Big plans Canadian miner will raise production by 46% by 2014

First Quantum will boost Cu output with $2bn investment

WINDHOEK
BY FELIX NJINI

First Quantum Minerals has outlined plans to invest $2 billion in new and existing copper projects to boost copper output by 46% to 470,000 tonnes by 2015 and nickel output to 55,000 tonnes by 2014.

The Canadian miner plans to raise production at its flagship Kansanshi copper mine in Zambia by 60% to 400,000 tpy by 2015.

Over the next three years, the metals producer will spend $390 million expanding production capacity at Kansanshi copper mine in Zambia, and an additional $1 billion at the Trident copper project in Zambia.

The first phase of the Kansanshi expansion, which First Quantum is already implementing, could lift output to 285,000 tpy of finished copper from current levels of 250,000 tpy. This phase of the project has a capital budget of $40 million and construction is scheduled for completion by the fourth quarter of 2011.

First Quantum will use relocated equipment from the Bwana Mkubwa mine, which halted operations after running out of mineable ore.

Stage two of the plan will cost $350 million and involves building

Pascal: commited to Zambia

a new concentrator, which can handle 25 million tonnes of Kansanshi ore.

The Vancouver-based metals producer also wants to consolidate its Zambian copper presence with the greenfield Trident copper project, which has an assumed production of between 250,000 tpy and 360,000 tpy copper.

Construction at the Trident project, which houses the Sentinel copper deposit, could begin in 2011 with first copper ore expected in 2014, First Quantum said.

The Sentinel deposit contains at least 700 million tonnes head-grade in the range of 0.65% to 0.8% with a throughput rate of 40 million tpy of ore.

First Quantum said it is investigating possibilities of setting up a copper smelter to treat material from Kansanshi, and anticipated new production from the Sentinel deposit. The smelter is likely to be built close to Kansanshi operations.

"Our plans for the expansion of Kansanshi, the development of Sentinel and the construction of a new smelter at Solwezi, with a total new investment of almost $1.5 billion, demonstrate the strength of that commitment to the government and people of Zambia," chairman and ceo Philip Pascal said.

"Overall, First Quantum is well-positioned with a strong operating base, excellent financial capacity and a development pipeline that could triple its production base," Pascall added.

First Quantum is also spending $190 million developing its 28,000 tpy Ravensthorpe nickel project in Australia and $400 million constructing a mill at its Kevitsa nickel project in Finland.

SHANGHAI

Chinese cobalt conc imports may fall in Jan

China's cobalt concentrate imports may fall back in January as the rainy season in the Democratic Republic of Congo (DRC) slows down supply, said market sources.

This comes after volumes rose for a second month in December to 32,094 tonnes, up 21.2% month-on-month but 22.3% lower year-on-year, according to customs data.

"We really have not much material left for the spot market this month, as shipments are still on the way, and the volume is also lower than usual in recent months due to the rainy season in the DRC," said a cobalt stockist in southern China.

The DRC rainy season usually starts from November to February and can slow down production and transport.

However, others in the market point out that stockists and miners should have inventories to offset the seasonal impact.

"Shipments mostly set out from Africa at the beginning of each month, so I don't think January imports will slow by much," a cobalt concentrate importer in eastern China said, adding that the January volume would be at least 20,000 tonnes.

There is agreement in the market that volumes will come back up in February, with the end of the rains.

For 2010, China imported 349,543 tonnes of cobalt concentrate, up 23.6% from the previous year, when imports grew by 11%.

LONDON

Selenium near all-time high at $46-52

Selenium came close to an all-time high at $46-52 per lb on January 26 as a dearth of available material drove up bids in the spot market.

"I've heard some really high prices, but there is not much material around for spot business as it's all locked up in long-term contracts," a trader said.

Most consumers have booked material to cover the Chinese new year, a number of small buyers in the country are still searching for selenium to cover the annual holiday period, and are willing to pay a strong price to ease supply concerns, a second trader said.

The number of enquiries from China has decreased in the past week as the new year approaches, but bids from the region are moving steadily higher, a producer added.

"I think we'll have to look at where we stand again in the second week of February," the producer added.

SHANGHAI

Antimony rises in China on supply tightness

China's antimony prices rose again last week as supply tightened on winter weather and a pre-holiday slowdown, trumping slow demand.

Spot prices rose to 90,000-91,000 yuan ($13,652-13,803) per tonne, from 89,000-90,000 yuan.

Cold weather and heavy snow have disrupted shipments of antimony ore to smelters, many of which are winding down for the Chinese new year holiday starting February 3.

"Supply is very tight. A lot of producers have halted production for the New Year, or because of raw materials shortage," said a trader in southern China.

There are even offers at 94,000-95,000 yuan per tonne, but many antimony producers are not even bothering to offer.

"Believe it or not, we waited for two weeks to get some material," said another trader in southern China.

Baling out Right now EMR bales cuttings at adjacent yard

BMW will put new production scrap contracts for Swindon site out to tender after baler is installed

LONDON
BY CIARAN ROE

BMW is set to put the new production scrap contracts for its Swindon pressing plant out to tender when it installs a baler at the site later this year, sources with knowledge of the situation said.

At the moment, the Swindon plant sells 50-60,000 tpy of 8A cuttings on a rolling contract to EMR, which bales the material for sale on the scrap market as 4A bales at an adjacent site.

But the installation of the baler at the BMW site puts the future of EMR's contract in doubt, the sources told MB.

"The baler could be installed in May, it could be August," a source at BMW told MB. "This contract has been on offer to all big UK scrap buyers every six months for the last two to three years, but EMR has won it."

Once the baler is installed, BMW is mulling the practicality of selling 4A bales directly to steelmakers.

"We are talking to mills, and to scrap buyers on the continent, including in Germany," the source said.

But, should BMW end its relationship with EMR, the company will have to arrange transport for the bales from its site in Swindon.

"4A is exported generally," he said. "BMW has no dock facilities in the UK."

SINGAPORE

Scrap offers into SE Asia fall in limp pre-holiday market

Ferrous scrap offers into Southeast Asia fell from an 8-month high this week in a slow market.

Offers of HMS 1&2 (80:20 mix) in containers from Europe and USA are at $480-490 per tonne cfr this week, down from $480-500 per tonne cfr last week, said mill and trading sources across the region.

"Offers have fallen because there have been no takers at all in the past week," said a trader in Singapore with operations in Malaysia.

MB could not confirm any bookings in Indonesia, Malaysia, Singapore nor Vietnam this week.

Last week's prices were at $470-490 per tonne amid very thin bookings (MB Jan 20).

"Everybody's on wait-and-see... what will be the next price movement after rising so much since the beginning of the year," said a mill official in Indonesia.

"There's no point ordering now anyway. Next week is already Chinese New Year, and everybody will be on holiday," said a trader in Vietnam.

Chinese New Year falls on February 3 this year, and most of Southeast Asia will be on holiday from one day to one week or more.

In the breakbulk market, offers from Europe and USA have stayed at $520 per tonne cfr for the second week running, while there is no taker either.

The market is divided on where prices will go after Chinese New Year.

"It's anybody's guess. People will look for direction from China. If the buying there is still strong, then prices can recover again," said the first trader from Vietnam.

SHANGHAI

China heavy scrap prices end 4-week rally

Chinese domestic prices of heavy scrap prices stopped rising this week as business thinned ahead of Chinese New Year.

Prices of heavy scrap stood at 3,600-3,700 yuan ($546-561) per tonne with tax, unchanged from last Friday, and up over 13% from Christmas eve, when the rally began.

"Many steel mills have built up scrap stocks of one month's worth or so, and only those who are in urgent need of scrap will raise bids during this last working week," said a source at Shagang Group.

China goes on holiday from February 2-8. Prices are expected to rise again on post-holiday stocking, market participants said.

Shagang, China's largest scrap consumer, is keeping its scrap bids at 3,590-3,680 yuan per tonne, after raising them by 150 yuan last week.

Nanjing Steel was among the few mills to raise bids this week. It put up prices by 160 yuan to 3,610-3,630 yuan per tonne.

"Scrap traders and steel mills prefer to postpone business until after the holidays," said another steel mill source.

LONDON

NOTE TO SUBSCRIBERS: MB will optimise UK domestic ferrous scrap assessments

Following extensive consultation with our subscribers and industry participants, MB has decided to optimise its UK domestic ferrous scrap assessments.

MB will continue to assess prices in their current format until March 1. From this date, MB will introduce a revised set of assessments designed to more closely reflect actual trades in the physical market.

We continue to consult with market participants with a focus on subscribers, if you have any comments or questions, please send an email to editorial@metalbulletin.com

Iron and steel

IN THIS SECTION

Beijing may remove export tax rebate for boron-bearing steel

Axe to fall 'There is no need to deliver such a blow to the export market '

Closing the loop

SHANGHAI
China's steel exporters have a tough year ahead. They face the prospect of tighter restrictions on tax rebates, the appreciation of the yuan and greater competition from other exporters in Asia.

Carbon steel exports from China surged to 42.56 million tonnes last year, up 73% from 2009.

But the outlook for 2011 is less promising, thanks to changes in Beijing's domestic policy and a tougher overseas market.

China is trying to adjust its economy to rely less on external demand and more on domestic consumption.

So far, the government has resisted international pressure to revalue the yuan. But the currency is likely to appreciate this year.

This is bad news for exporters, especially when the international steel market is becoming much more competitive.

Japan's steelmakers are pushing hard into other Asian markets – their domestic market is still weak. And South Korean steelmakers have added a lot of capacity in the last year. This is substituting imports from China.

But exporters' woes aren't just down to these general trends. There are also specific policy changes on the cards that could throttle overseas shipments of some products.

The government is reviewing rebates on a range of metals produced by energy-intensive industries.

And last week the China Iron & Steel Assn (Cisa) dropped a heavy hint that tax rebates could be phased out on some alloy products, flushing out the practice whereby mills add boron to carbon steel in order to qualify for a rebate.

"There have been widespread rumours over the past few weeks that Beijing could take some measures in the first quarter," a steel exporter based in Shanghai said.

"For steel products, it is said that the rebate for products with boron would be scrapped," the export director of a mill in northern China said.

This would hit sales to overseas markets hard, he said.

Last time Beijing cut rebates on July 15 2010; the government cancelled 9% export tax rebate on hot rolled coil, steel sections and hot and cold rolled strips. All together, these products accounted for around 45% of Chinese steel export volumes at the time.

This forced some producers to raise their prices and many of them lost business. But others found a shortcut, including adding tiny amounts of boron to carbon steel products like hot rolled coil and plate. This meant they still qualified for the 9% tax rebate available on exports of alloyed steel.

Several buyers complained that boron-bearing products are harder to weld. But boron-bearing material has since driven more expensive ordinary material off the market.

Now some producers are getting worried, not least because the export market has only started perking up recently.

"I doubt the necessity of the adjustment, since export volumes remained low in the second half of 2010," a source at a steelmaker in Jiangsu province said. "There is no need to deliver such a blow to the export market when there is no surge in exports."

China's exports of hot rolled coil fell every month during the second half of last year. They are expected to rebound from December's multi-year low thanks only to the recent price rally, market participants said.

But steelmakers are adaptable and not everyone is as worried. Some mills are treating the potential rebate cut as just another technical challenge.

"Even if boron-containing steel exports stop qualifying for rebates, we can still take other measures to make our plate qualify for other rebates, as we did before," a source at a major producer in Tianjin said.

Accord Indian steelmaker spreads its wings

Sail signs MoU to build 3 million tpy steel plant in Indonesia

SINGAPORE
BY SURESH NAIR

State-run Steel Authority of India (Sail) and the Indonesian government have signed a memorandum of understanding (MoU) to build a 3 million tpy steel plant in the central Kalimantan province of Indonesia.

Sail chairman C S Verma and Central Kalimantan's governor, Agustin Teras Narang, signed the MoU in the presence of Indonesia's President Susilo Bambang Yudhoyono during his state visit in New Delhi last week, the *India Times* reported.

The plant will have an initial capacity of 3 million tpy that could be further increased to 7 million tpy, a source told the *India Times*.

The Indonesian Iron and Steel Industry Assn (Iisia) welcomed the plan.

"We welcome government initiative to invite investors into the country; it will also provide healthy competition with local steelmakers," an Iisia spokesman said.

But he questioned the choice of location.

"There are iron ore resources in the area, but they are pretty much scattered and of lower quality. If it's an attractive location, local steelmakers such as Krakatau Steel would have [already] been there," he said.

Three major steel projects being planned in Kalimantan.

PT Mandan Steel, a subsidiary of Hong Kong-listed China Nickel Resources Holding, plans to build a 1 million tpy billet capacity plant during 2011 or 2012.

PT Meratus Jaya Iron Steel, a joint venture between PT Aneka Tambang and Krakatau Steel, is seeking to build a direct reduced iron plant with a 315,000 tpy capacity.

PT Semeru Surya Steel plans to build a 300,000 tpy capacity billet plant, although no date for the start of construction has been set.

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7. Indian mills book shredded from UK recyclers, HMS from Africa as prices sag
8. SPOTLIGHT: China may shut boron loophole on steel exports
9. 60% of Queensland coal production will be offline for next two months, industry vet says
10. Spot iron ore eyes record $200 on supply fears

Most read steel stories for the week ending January 28. See *www.metalbulletin.com*

SINGAPORE

JFE warns of 70% plunge in Q4 net profit

JFE Steel is forecasting a 70% plunge in net profit for the current quarter due to rising raw material costs in a still-weak market.

Japan's second largest steelmaker cut its full-year forecast to ¥70 billion ($848 million) Friday, down from ¥110 billion previously, leaving the fourth-quarter projection at just ¥5.47 billion.

"The steel business of late has experienced significant increases in costs due to the tight supply of coking coal following torrential rains in Australia, in addition to higher prices for main raw materials, which have risen due to stronger demand from China and certain other countries," JFE said as it reported third-quarter results.

The steel market in Japan remains flat due to the appreciation of the yen and a "backlash" on demand caused by withdrawal of government stimulus measures, it said.

"Although the company is pursuing all possible opportunities to reduce internal costs further, the market remained weak and recovered slower than had been previously expected, requiring the company to revise downwardly its ordinary income forecast to ¥140 billion."

JFE registered a third-quarter net profit of ¥18.48 billion, up 2.3% from the previous three months as higher demand helped to offset increasing raw material costs.

"[B]ut growth has flattened out thereafter," said JFE.

Crude steel production grew 2.5% to a consolidated 7.89 milion tonnes in the quarter; steel prices averaged ¥79,300 per tonne, down 2.8% from the previous quarter but up 1.5% from the half-year average.

MUMBAI

Sea Goa obtains stay order on Bellary Steel sell-off

Sesa Goa has secured a Delhi high-court order to stay the sale of Bellary Steel and Alloys assets to JSW Steel.

Sesa Goa md P.K. Mukherjee said the company was mainly opposed to the process followed by Industrial Finance Corporation of India (IFCI), which had declared JSW the highest bidder in the asset sale last month.

Mukherjee, who spoke in a conference call, is alleging that Sesa Goa was the only qualified bidder and had been verbally told to collect the allotment letter after lunchtime on the day of the bid.

"When our officials returned after lunchtime, they were told there was a second bidder who had bid marginally higher than us," he said.

"We have made a payment of Rs 2.10 billion ($46.15 million) for the assets of Bellary Steel but we will get possession of the assets only after the litigation is behind us," said Seshagiri Rao, JSW Steel's joint md, at a press conference in Mumbai.

The next hearing in the case has been scheduled for February 22, said a Vedanta Group official.

Bangalore-based Bellary Steel is auctioning its assets after failing to service its debt. It has approval to build a 5 million tpy steel plant, and construction is partially completed.

Its most attractive asset is 700 acres of freehold land, said JSW's Rao.

LONDON

Glencore secures 9.5 million tonnes of iron ore offtake from London Mining's Marampa project

London Mining has signed an offtake agreement with trading house Glencore International covering 9.5 million tonnes (wet) of iron ore from phase 1a of its Marampa project in Sierra Leone, the miner said.

The five year agreement includes a pre-payment facility for up to $27 million in addition to an option for the miner to expand the agreement to production of phase 1b, London Mining explained.

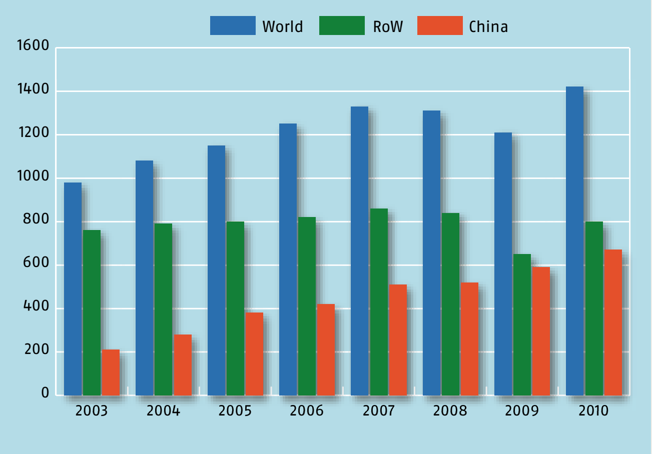
Ore will be priced around a 62% Fe cfr China index mechanism with an upward adjustment for the increased iron content of Marampa's 65% Fe sinter feed concentrate, it said.

Numbers – data provided by the World Steel Association

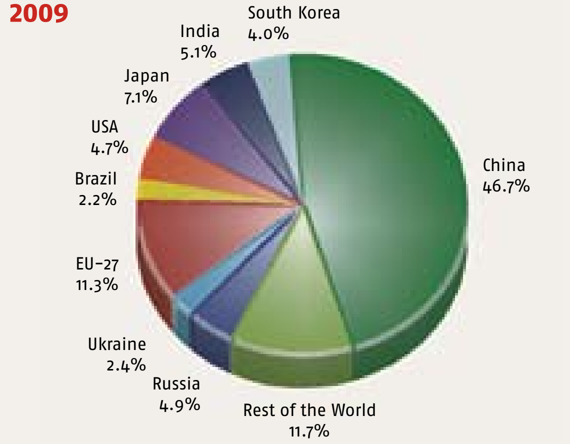
Numbers

WORLD CRUDE STEEL OUTPUT

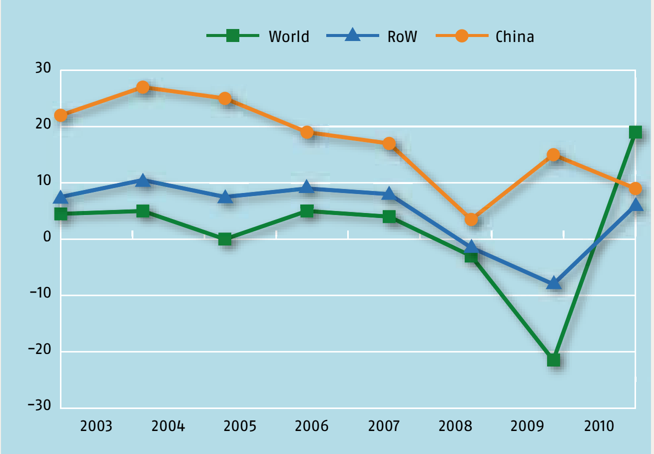
Annual crude steel production

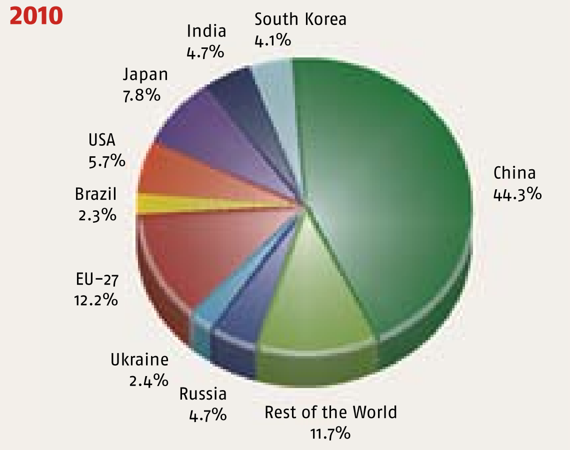


Share of world crude steel production 2009

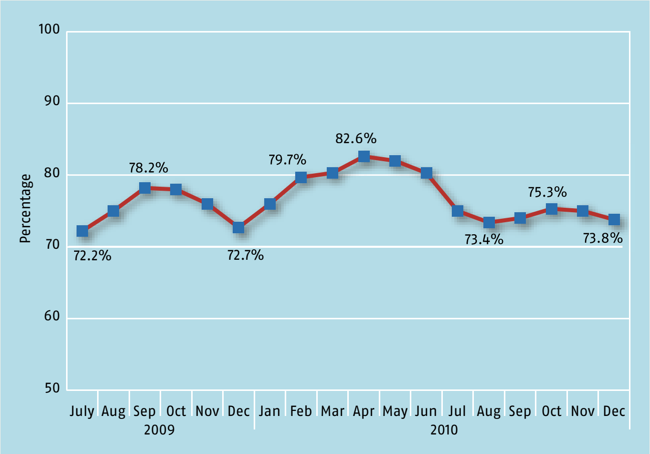


Crude steel production annual growth trend





Steel capacity utilisation ratio



Top 10 steel-producing countries

Rank	Country	2010	2009	% 2010/2009
1	China	626.7	573.6	9.3
2	Japan	109.6	87.5	25.2
3	USA	80.6	58.2	38.5
4	Russia	67.0	60.0	11.7
5	India	66.8	62.8	6.4
6	South Korea	58.5	48.6	20.3
7	Germany	43.8	32.7	34.1
8	Ukraine	33.6	29.9	12.4
9	Brazil	32.8	26.5	23.8
10	Turkey	29.0	25.3	14.6

Figures in million tonnes

Markets

Back on track 'The damage will only be known after we get this month's export numbers'

Goa iron ore freight strike ends, Orissa mines restarting

MUMBAI
BY SURESH NAIR

Iron ore miners in the southwestern Indian state of Goa are returning to normal operations after defusing a strike by transportation workers began in early January.

The transportation workers have started lifting ore and carrying it to the river loading ports, said S. Sridhar, executive director at Goa's mineral exporters' association.

"The issue has been sorted out. Miners have individually negotiated with transporters, transport charges have been increased from an average of Rs4.50 (10 US cents) per tonne to about Rs7-8 per tonne depending on certain factors," Sridhar told MB.

Transportation contractors had gone on strike to ask miners to increase the truck freight rate to Rs11.50 per tonne per km from Rs4.50.

Two miners, Sesa Goa and Fomento, had earlier agreed to pay the Rs11.50 rate, so their operations remained smooth when most others had stopped or reduced exports, Sridhar said.

"It is difficult to give an assessment now, the damage will be known only after we get this month's export numbers, transport of ore has begun to normalise over the past couple of days," Sridhar said.

Spot iron ore prices have been unchanged at $188-191 per tonne cfr China since last Friday after surging almost 8% this year.

In the eastern state of Orissa, another major producer, six out of 23 miners have resumed operations after receiving permission from the state's department of mines.

The 23 miners were suspended for failing to produce documents to support their surface rights claim during a government inspection.

Iron ore shipments have restarted

"Six of the miners have now furnished the required documents and we have granted them permission to start mining," deputy director for mines Umesh Chandra Jena told MB.

"I am sure most of these miners have documents for surface rights but they did not produce it when they were asked to, it is possible that their documents are not in place, the rest of them can start operations after showing us the valid documents," Jena added.

The 23 mines in the Joda area of Keonjhar district produce about three to four million tpy of iron ore.

SINGAPORE

Indonesian HRC prices revisit mid-2008 high

Domestic hot rolled coil prices in Indonesia have risen for a fourth week, gaining 700-900 rupiah per kg ($77-99 per tonne) in the past two weeks on tight and uncertain supply.

HRC is trading at 9,200-9,500 rupiah per kg, up from 8,500-8,600 rupiah per kg last week, said traders.

"Prices change every day. Some materials below 3mm are already running out," said a trader in capital Jakarta.

"The last time prices were this high was during June or July 2008, before the crisis hit," said another trader in Jakarta.

Prices never hit 9,000 rupiah per kg at all in 2009 and 2010, with highest prices hovering around 8,200-8,600 rupiah per kg in April 2010, also on tight supply (MB April 6).

Traders attribute the skyrocketing prices to the tight and uncertain supply, especially from the country's biggest mill, Krakatau Steel.

"Supply from Krakatau Steel is very uncertain. They quote their prices, then a few days later withdraw offers. This is repeated many times," the second trader said.

"There is no price quotation from Krakatau now. If we want to order now, it will be listed under enquiries. Even those who get to order will get their goods only in March," he said.

"Some traders do not even want to sell now, because once they do, they will have nothing else to sell before getting new stocks from Krakatau Steel," said the first trader.

SHANGHAI

Chinese rebar exporters report jump in orders

Chinese exporters are reporting a big jump in rebar orders in January, as prices rallied on the back of raw material costs, after exports dropped to an eight month-low in December.

"We received very few rebar export orders in the past few months, but things turned out better in January, and we have sold 7,000-8,000 tonnes of grade III rebar during the month at $700 per tonne fob," said an official at a major steel mill in Shandong province.

China exported 10,690 tonnes of rebar in December, down 63% from November and 48% lower year-on-year, according to customs data.

Bookings for wire rod also saw an uptick in January.

"Many of my customers have increased purchasing volumes of wire rod by a lot from early January, because they expect prices to go up further, supported by raw material prices," an official at a major steel mill in Jiangsu province said.

"Our high-carbon export orders in January have come to more than 40,000 tonnes at $750 per tonne, compared to 20,000-30,000 tonnes for the past several months," she said, adding that export demand was coming mainly from Southeast Asia and the Middle East.

Since export orders received in January are expected to ship out in March, market participants expect volumes to spike at the end of the first quarter.

Improvement expected ‘Strong nickel prices make overseas customers feel very positive’

Chinese stainless exports set for big jump in March

SHANGHAI

China’s exports of flat stainless products are expected to stay largely flat until March, when a significant improvement is anticipated, market sources said.

“Export demand in October, November and December was not generally very good, as China’s stainless steel prices were higher than overseas levels,” said an exporter in Shandong province.

“But from early January, enquiries started increasing, as strong nickel prices make overseas customers feel positive about stainless prices, thus I expect the stainless export volume will increase from March,” he said.

Chinese flat stainless exports fell to 93,507 tonnes in December, down 20.7% month-on-month and just 0.6% higher year-on-year, according to customs data.

This was mainly due to falling shipments to major customers South Korea and Taiwan.

January volumes could continue to slide as downstream demand in December fell due to Christmas festivities, said an analyst in the major stainless market of Wuxi.

South Korea and Taiwan do not celebrate Christmas in a big way but their markets of Europe and US do.

‘From early January, enquiries started increasing, as strong nickel prices make overseas customers feel positive about stainless prices’

Meanwhile, flat stainless imports rose for a second month in December to 71,258 tonnes, up 25.7% from November and down less than 0.1% year-on-year.

For all of 2010, China imported 851,573 tonnes of stainless flats and exported 1.08 million tonnes, down 11% and up 133% respectively.

This leaves net exports at 228,273 tonnes, compared to 494,545 tonnes in 2009.

SHANGHAI

Iron ore trade runs down before Chinese holiday

Spot iron ore offers remained firm on Tuesday, but buying interest from Chinese customers is waning as the holiday mood sets in before Chinese New Year.

Prices of 63.5% Indian fines stood at $188-191 cfr per tonne Chinese ports on Tuesday, unchanged from Monday.

Many traders have left the market ahead of the official holidays start on February 2, leaving the market quieter than a week ago.

Market participants said offer prices still stood high at around $192 cfr, while bids from Chinese buyers have slid to $188-189 cfr.

“As the week-long Chinese holiday draws near, it seems there is less buying and prices may soften. We feel it is difficult to sell iron ore at the moment actually,” said a trader in Hong Kong.

“Spot iron ore may lose momentum for further growth after the holidays, due to high stockpiles at Chinese ports and possible tightening measures from the Chinese government,” said a steel mill source.

Iron ore stockpile at ports monitored by Mysteel.com reached 77.04 million tonnes on Jan 21, up 2.3% from a week ago.

Many traders remained optimistic about iron ore prices in February and March.

Another iron ore trader in Shanghai argued that “the spot iron ore market before the week-long holiday is unlikely to correct, but it is going to get a lot quieter”.

A Shandong-based trader said its customers all have piled up iron ore for 2-3 months of production, and reckoned spot prices will remain unchanged from Thursday until the end of the New Year holiday on February 8.

Other offers heard on Tuesday include $159 cfr for 59/57% Indian fines, and $152 cfr for 58/57% Indian fines.

In India, the government has raised freight charges on iron ore, which could raise the cost of bringing ore to market by Rs500 ($10) per tonne, with effect from January 27.

“India has recently been taking a lot of steps — including the shutdown of 23 mines in Orissa to crack down illegal mining, mulling an export ban in Orissa, and raising railway charges for iron ore transportation — which will buoy iron ore export prices to China,” said a Shanghai-based industry source.

LONDON

Algerian buyers pay more for EU-origin rebar in latest round of restocking

Algerian rebar buyers have agreed to pay as much as $50 more for Spanish and Italian material as they restock for February, market participants said.

Consumers booked small parcels of rebar between 3,000 and 5,000 tonnes set to be shipped next month at $720-730 per tonne fob main Southern EU port, up from sales mills made at $680-690 last week.

Spanish and Italian mills have focused their efforts on making sales to customers overseas because demand at home is poor.

LONDON

Severstal still negotiating 2011 contract prices with Avtovaz

Severstal is still negotiating 2011 contract prices with Russian vehicle producer Avtovaz, sources at the companies said.

Russia’s second largest steelmaker has already finalized 2011 supply contracts with carmakers GAZ and Sollers. But Avtovaz is not willing to accept the 30% increase being asked by Severstal.

Steelmaking costs are set to rise by at least 15% this year, Severstal said. And rail tariffs are set to increase by 20% year-on-year in 2011.

In 2010 Severstal looked to increase its contract prices agreed with Avtovaz by 25%, later agreeing to a 22% increase.

Avtovaz suppliers of Lada

Africa

Recently-formed junior miner **African Iron** hopes to bring the Mayoko iron ore project in the Republic of Congo into production by mid-2013, acting ceo Joe Ariti told MB. The company (formerly Stirling Minerals), which is looking to appoint an md and owns 80% of Mayoko, is concentrating on resource definition drilling in the second and third quarters of 2011. This will lead to an upgraded and updated Joint Ore Reserve Committee (JORC) study by the end of the year, Ariti said. Feasibility study results are scheduled for 2012, when the company will most likely look to the financial markets for funding through to production.

Cape Lambert Resources' Marampa iron ore project in Sierra Leone could be spun off or sold in the near term, gm Joe Ariti told MB. The project, set for a joint ore reserve committee (JORC) upgrade in the second quarter of this year, is now classed as a "mature asset" within Cape Lambert's business strategy, Ariti told MB. This means the next step would be a potential spin off or sale, he said, adding that Ariti feels the project is very appealing.

Asia

OM Holdings, the Australia-listed manganese miner, has agreed a five-year marketing deal selling iron ore from Northern Iron's Sydvaranger mine in Norway to Asian customers. The agreement follows an earlier short-term deal under which OM Holdings sold more than 310,000 tonnes of Sydvaranger ore to Chinese steel mills on behalf of Northern Iron. "The agency agreement provides Northern Iron with flexibility as to the offtake quantity, and ensures Northern Iron retains full control over the allocation of product to different geographic regions," Northern Iron said. The Sydvaranger mine started production in the last quarter of 2009 and shipped 1.44 million tonnes of concentrate last year. It is expected to produce 2.3 million tonnes this year, according to Northern Iron, on its way to a target of 2.9 million tpy.

Australia

IMX Resources has secured its second customer for the iron-copper ore from its Cairn Hill project in South Australia with the Juhua Group agreeing to deliveries for the next four years, the miner said. Sichuan Taifeng, which holds the life of mine sales contract for the first phase of Cairn Hill, and Termite Resources (owned 51% by IMX and 49% by Sichuan Taifeng) have signed a term sheet with Juhua. Under the contract, the Hong Kong based Juhua group will purchase 420,000 tonnes of ore in 2011 and 240,000 tpy for the next three years. "The final sales contract is expected to be signed by the end of February 2011," IMX said. The first phase of Cairn Hill involves shipping ore to northeast China for processing at a capacity of 1.4-1.5 million tpy.

CIS

ArcelorMittal Kriviy Rih boosted its output by around 20% year-on-year in 2010, the company said. The Ukrainian steelmaker produced 6.13 million tonnes of crude steel, 21.7% more than the 5.4 million tonnes it produced in 2009. The company's pig iron output rose 20% year-on-year to 5.32 million tonnes last year, up from 4.42 million tonnes in 2009. Finished products output rose 20.1% to 5.4 million tonnes in 2010, up from 4.5 million tonnes the year before, the steelmaker said.

Europe

Northland Resources has received approval from the three lead banks and Caterpillar Financial for $175 million of the senior loan facility to be used for part of the capital expenditures for the Kaunisvaara project in northern Sweden, the miner said. The senior loan, provided by Société Générale, WestLB and UniCredit Bank, in addition to Caterpillar Financial, is for $400 million in total, with the first drawdown planned for mid-2012, Northland explained. The Kaunisvaara project involves the staged development of magnetite iron ore deposits, producing a high-grade concentrate. It is estimated the project will start up in 2012, according to Northland.

Argentinian steelmakers produced 5.13 million tonnes of crude steel last year, a 28% rise in comparison with the 4.01 million tonnes recorded in 2009, the country's steel institute Cisider said. The volume was below the all-time record of 5.54 million tonnes in 2008. Demand will increase in 2011, although still at "inferior levels" to those of 2008, Cisider said. Hot rolled steel output reached 5.04 million tonnes in the whole of 2010, 34.5% more than 3.75 million tonnes recorded for the previous year. Production of flat cold rolled steel increased by 20.2% to 1.49 million tonnes. In December, Argentina produced 362,200 tonnes of crude steel, up 7.9% year-on-year, but 5.9% down from November 2010, Cisider added.

ThyssenKrupp Steel Europe has commissioned Siemens VAI Metals Technologies to modernize the slab caster at its Beeckerwerth steelworks in Duisburg. Siemens VAI will install new process-optimisation models that will improve the quality of slab Thyssen is able to produce from the caster once commissioned in the third quarter, the company said. In order to further improve the quality of its slab, ThyssenKrupp Steel Europe is upgrading the cooling and cutting-plan optimisation models for the two-strand continuous slab caster SGA2 at its Beeckerwerth Works.

India

Jindal Steel and **Power Ltd** boosted its net profit by 54% year-on-year in the company's third quarter, which ended on December 31, thanks to a recovery in long product sales, the company said. The eastern India-based steelmaker generated Rs5.01 billion ($109.95 million) in net profit after its sales rose 35% to Rs24.10 billion during the period. This equated to sales of 502,295 tonnes, 27% more than the 397,107 tonnes it sold during the corresponding period a year earlier, when the company increased crude steel production 6% to 581,587 tonnes.
But Jindal sold 27% less direct reduced iron year-on-year, shipping only 93,084 tonnes.
Oman-based Shadeed Iron & Steel also started commercial production on January 1, after Jindal acquired the steelmaker in July last year. The hot briquetted iron plant (HBI) will be ramped up to its full capacity of 1.5 million tpy over the next couple of months.
The 1.5 million tpy gas-based HBI plant is located at Sohar Industrial Port area of Sohar, Oman; the plant is engineered by Kobe Steel of Japan & Midrex of USA.
The company is also using same technology for its green field project at Angul, Orissa.
Jindal, through its 100% subsidiary Jindal Steel & Power (Mauritius) Ltd, acquired Shadeed Iron & Steel Co in July 2010 for $500 million.

Market views for 2011

Last week Metal Bulletin launched its new Analyst Price Expectations (Apex) for base metals. This week – for base metals and for steel – Metal Bulletin Focus asks a selection of analysts to identify what they see as main market drivers

Aluminium

In the past year, aluminium has see-sawed from a minimum of about $1,800/tonne (LME cash) in June to a peak of nearly $2,500/tonne earlier this month.

"Although it's got the strongest demand profile of all the base metals, it's completely overburdened by too much excess metal, too much excess capacity," says Andy Cole, senior analyst with Metal Bulletin Research. "Prices are still likely to rise, on rising energy costs and investor demand, but surely gains will be capped by the massive supply overhang," he adds.

"In the near term, there are positive price developments for aluminium," says Gayle Berry, vp, commodities research, Barclays Capital. "Notably, the power curbs that have been imposed on smelters in China since October have lasted longer than the market expected, and are still in place at the end of January. Power may possibly be restored to normal in February, but there has in the meantime been aggressive downsizing in Chinese inventories," she notes.

"There is also a healthier aluminium market than in the recent past. Apart from growth in Chinese demand, there is also strong growth in the USA and Europe. In fact, all demand sectors are seeing some form of recovery, which is taking place globally," Berry observes, adding that transportation is the main driver of metal demand, and all such sectors are now doing well: automotive, rail and aerospace. In addition, other sectors such as packaging and consumer durables are also recovering.

"There is a huge pile of aluminium inventories hanging out, which is not a recipe for strong price gains," remarks John Mothersole, principal of the pricing and purchasing service of IHS Global Insight, Washington.

"Financing deals have kept a large volume of aluminium locked up in LME warehouses, and I don't see a great shake-out in such deals this year. So aluminium has performed reasonably well in spite of an apparent oversupply," notes David Wilson, director of metals research, Société Générale.

Mothersole agrees, observing: "But if interest rates rise, the attractiveness of investment could lessen and some [stored] metal could return to the market." He estimates that "with the stockpile held in China, there might be as much as 6 million tonnes hanging over the market."

The launch of exchange-traded funds (ETFs) backed by physical aluminium seems to be on the back burner at the moment, although some companies still plan to introduce them this year – the timing of this is not certain, says Wilson: "This could add support to the price. However, the price-to-weight ratio is not very favourable for aluminium compared with copper, nickel or tin."

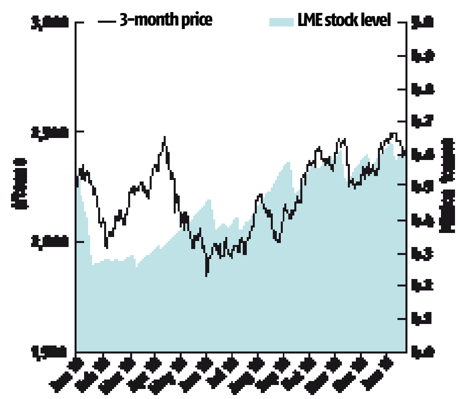
On aluminium Exchange Traded Commodity securities (ETCs), Steve Hardcastle, head of client services for Sucden Financial, says that with aluminium stock levels running so high he does not believe ETCs will affect it, but stresses that high energy costs will.

Lloyd O'Carroll, senior vp of research for Davenport & Co, Richmond, USA, says in Davenport's fourth quarter aluminium outlook report that he expects aluminium prices to move modestly higher in 2011 and 2012 due to better fundamentals. "We expect a mere 180,000 tonne surplus in 2011, which is much smaller than in 2010, and a deficit of 364,000 tonnes in 2012."

"If prices rise too far, there'll be capacity restarts, which is the last thing aluminium needs. It's heading for its fifth and sixth consecutive years of surplus in 2011 and 2012," Cole believes.

The widening price differential between aluminium and copper gives further scope for aluminium substituting for copper in certain markets, Berry points out, but notes that although the potential for this is large, in practice substitution will only take place slowly because of the plant investment needed. Some substitution is happening in the heating/ventilation/air conditioning market.

ALUMINIUM



Source: Metal Bulletin

MB APEX FOR Q4, $/TONNE

Weighted average	2,519
Lowest	1,950
Highest	2,800

O'Carroll says that most projections have Chinese demand growing 8-9% in 2011, down from 9.1% in 2009 and about 10.1% in 2010. "The expected slowdown is due largely to tighter monetary policy to fight rising inflation," he says, adding that despite this the Chinese economy is likely to rebound in 2012 and beyond "as the infrastructure build-out in the interior provinces continue to power growth in China."

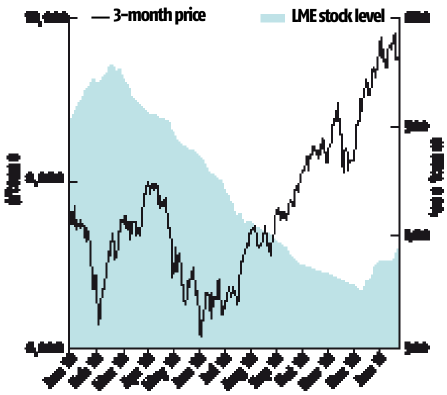
Copper

Since its LME cash price dipped to nearly $6,000/tonne in June, copper has leapt back to record prices of nearly $9,800/tonne earlier this month.

"With its supply problems, there is not much downside risk to copper in the near term. Although LME stocks have been edging up since December, they are still low and represent under two weeks' supply; moreover, some ▶

Long-term outlook

COPPER



Source: Metal Bulletin

MB APEX FOR Q4, $/TONNE

Weighted average	9,823
Lowest	8,000
Highest	12,125

50-80% are held by a single warrant-holder," says David Wilson, director of metals research, Société Générale.

"Copper is obviously taking a run up to about $10,000 a tonne," says John Mothersole, principal of the pricing and purchasing service of IHS Global Insight, stating that this has occurred not just because copper is fundamentally tight, but because of the new exchange traded funds (ETFs) as well, which he says account for about 150,000-200,000 tonnes. "Copper could spike over $10,000," he says, "but I don't think it will be sustained."

"The key demand story this year is that we think China needs to restock," says Andy Cole, Metal Bulletin Research senior analyst. "So, with output constrained again by a tight concentrate market, there'll be a fundamental supply deficit underpinning high prices again."

"The investor side is that high liquidity, inflation concerns, currency issues and so on, are going to keep investment appetite strong for all commodities, particularly those commodities with tight fundamentals like copper," Cole adds.

In the near term, Steve Hardcastle, head of client services for Sucden Financial, questions whether the traditional restocking seen around the start of the Chinese New Year will happen this year, believing that current stocks in China are adequate.

"While much of the story is centred in China, we are also seeing a revival in Europe and the USA," Mothersole says: "China, which is a net importer of copper, continues to build up its infrastructure, so while imports have recently backed off a little, they are still strong," he notes.

But a rise in US interest rates could impact the copper market, Mothersole observes. "US interest rates could begin to rise in the first half of 2012 and as the Federal Reserve could start talking about that rate increase in advance, it could start impacting the market late in 2011," he says. "We could see a pullback in pricing early in 2012, or possibly even late this year, as the market is being driven by investors right now."

"There is also the possibility of another Euro zone sovereign debt crisis, possibly in Spain, which would be something that investors won't be able to ignore," he points out. "That could play out in the next year or so, but probably won't affect the outlook for the next six months."

While European, including Russian, consumption declined about 4% last year, it should rebound about 4.5% in 2011, led by Germany: "It is a slow improvement, but consumption is on the mend."

Meanwhile, Mothersole says, the USA is seeing a good rebound in copper demand, increasing 6.5% in 2010 and another 3.5% in 2011. "However, to put this into perspective, it saw a 20-25% decline from 2008 to 2009. So while there is pretty good growth, it might not get back to the 2007 peak until 2016-18."

The supply side needs to accommodate for the growth in the big emerging markets, which is something that will take time to occur, he explains. "While capital expenditure budgets are increasing, it will take time for that to be reflected in actual exploration. Mine production growth has been relatively sluggish for the last three to five years. That appears to be changing, but it will take time. As a result, the market will likely be tight for the next three to four years."

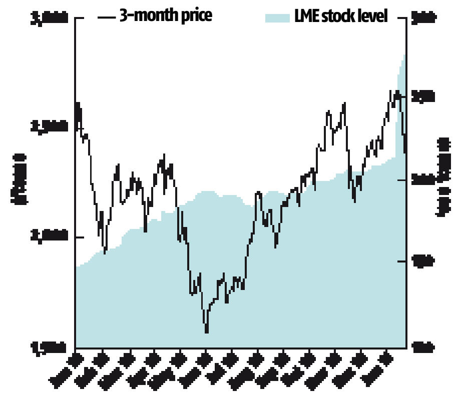
"Our base case is for a global deficit of 325,000 tonnes in 2011, skewed to the first half," says Cole. "As for prices, we say don't stand in the way of the uptrend just now – it could take us to $12,000/tonne in Q2 2011. But be prepared for volatility, especially pull-backs in the short term." He concludes: "2012 looks even tighter than this year, so it might not be until then that we see the real fireworks."

Lead

Like many other base metals, lead dipped to a low last June, reaching just over $1,500/tonne, since when it has steadily climbed, via a pull-back in November, to a peak of over $2,700/tonne earlier in January.

The key theme for lead this year is China's mine production, although this is more significant for zinc in the long term, says Gayle Berry, vp, commodities research, Barclays Capital. Any significant slowdown in China will constrain the concentrate market, and the temporary closure of Australia's 100,000 tpy capacity Magellan mine on January 5 for

LEAD



Source: Metal Bulletin

MB APEX FOR Q4, $/TONNE

Weighted average	2,615
Lowest	2,000
Highest	3,005

environmental reasons could also have a big effect if it is prolonged. There have recently been some big lead deliveries into Asian LME warehouses, but these are probably from off-warrant stocks attracted by the backwardation and are not too significant, she adds.

Barclays Capital is forecasting a 5.3% rise in refined production to 9.755 million tonnes this year, with a global refined lead surplus amounting to 21,000 tonnes compared with 28,000 tonnes last year.

The lead outlook shares some key similarities with copper, says Andy Cole, senior analyst with Metal Bulletin Research: robust demand; constrained mine supply; deficits forecast (80,000 tonnes in 2011, 150,000 tonnes in 2012, according to MBR); and low total reported stock levels of about 2 weeks' global consumption, possibly falling to just over 1 week in 2012.

Is an equally bullish view warranted for lead prices? Possibly, says Cole, but he warns that the spot physical market is very weak at the moment and Chinese supply growth is an important unknown and the key swing factor – it has the habit of surprising on the upside. "So we're erring more on the side of caution with lead," says Cole. MBR is forecasting an average LME cash price of $2,638/tonne this year, rising to $3,050/tonne next year.

Global lead demand was strong last year, as a result of booming Chinese automotive production and rebounding production in Europe and North America, says David Wilson, director of metals research, Société Générale. Battery sales are also expected to be boosted by a severe northern hemisphere winter. Lead is in addition finding surging markets in battery-powered e-bikes and other electric vehicles, ▶

such as buses, in China, he adds. "For all these reasons, we are positive on the demand side."

Steve Hardcastle, head of client services for Sucden Financial, concurs that "amazing" Chinese car sales contribute to a good demand profile for lead, but warns that lead is extremely vulnerable to supply disruptions.

According to John Mothersole, principal of the pricing and purchasing service of IHS Global Insight, lead is not in the same gross surplus condition as certain other base metals, such as zinc and aluminium. Still, he notes that inventories of lead are rising: "That is partly because lead is often produced as a by-product of zinc. Therefore, if zinc production rises, by-product output of lead will also increase."

Demand for lead is also strongly tied to the storage battery market, Mothersole says, and demand for storage batteries has been improving in the USA, Europe and China. "But producers have been able to make enough metal to meet that demand." Lead demand could see some decline, he says, should automotive sales soften a little in China with its elimination of the tax rebate for smaller vehicles.

"Lead will struggle in terms of supply in the next five years," says Wilson. "The long-term story is positive for lead, but the market is vulnerable to corrections at the moment."

Nickel

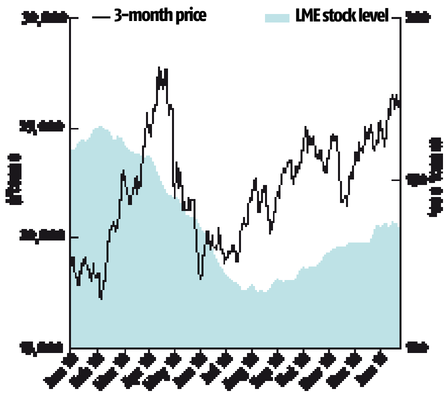
Nickel's peak in the last year was reached last April when it edged over $27,000/tonne LME cash. Since then it dipped to about $18,000/tonne in June and steadily climbed back to its current level of over $26,000/tonne.

"Although some new supply is expected on stream this year (for example in Brazil), production from large high-pressure acid leach (HPAL) projects is struggling and is not likely to provide significant extra nickel this year, with delays in New Caledonia (Goro), Madagascar and Papua New Guinea. Nickel pig iron (NPI) production in China could also struggle due to energy-related curbs," says David Wilson, director of metals research, Société Générale.

Steve Hardcastle, head of client services for Sucden Financial, concurs that high energy prices will restrain NPI production, possibly helping to support the nickel price. Brenda Sullivan, head of research at Sucden, sees sideways price movement on nickel this quarter, but with potential for upward movement from Q2 onwards. If bullish factors take hold, a nickel price in the range of $28,000-30,000 a tonne is not out of the question.

"On paper, nickel looks good," says John Mothersole, principal of the pricing and purchasing service of IHS Global Insight. He says that it had been anticipated that 2011 would have been a surplus year, but now it appears that it will be either in balance or even in deficit because of ramp-up problems of two major projects in particular – Ravensthorpe in Australia and Vale New Caledonia (VNC), formerly known as Goro.

NICKEL



Source: Metal Bulletin

MB APEX FOR Q4, $/TONNE

Weighted average	23,432
Lowest	18,000
Highest	30,000

Ravensthorpe had been shuttered by BHP Billiton, but its new owner, First Quantum Minerals, is seeking to restart the nickel laterite mine. VNC, which is the world's largest operation based on a nickel laterite limonite deposit, will be using new technology and has had a slow ramp up. Mothersole notes that both mines are coming on-stream a lot more slowly than had been expected.

"Much of the supply surge in the coming few years is high-risk HPAL," notes Andy Cole, senior analyst, Metal Bulletin Research. The technology has become associated with delays, setbacks and slow ramp-ups, he points out. "But forget that. Most of the supply increase affecting the market this year is low risk – including the return of Sudbury operations, Falcondo and nickel pig iron," says Cole. "We estimate that supply will rise 7-8% this year, and that demand growth of 6-7% in 2011 and 2012 is required to maintain balance," he adds.

"The question is: will demand rise fast enough to balance the market? It's achievable, but overly high nickel prices risk a supply overshoot and demand disappointment. So nickel's outlook is finely balanced at best out to 2012, with a surplus thereafter. This year the metal will be in deficit in the first half, and in surplus in the second half," says Cole.

Demand for nickel has been strong, says Mothersole, noting that 2010 had been a record year for global stainless production. "But the question is whether the levels are sustainable. It would be good if the industry can just maintain the 2010 levels," he says.

Up to this point he observes that market demand strength has been largely concentrated in China, "But recently we have seen more diversification with other regions seeing increased demand as well."

"Stainless steel demand has been recovering over the last two quarters and mills are now pushing up their prices due to strong demand, which is also evident in a tightening of the scrap market. This improvement is taking place not only in China, but also the USA and Europe," Wilson concurs, noting that nickel is the only base metal that has seen falling LME stocks this year.

"Non-stainless demand has also been rising, and is expected to do well this year in the automotive, aerospace and energy sectors," he adds.

"On the demand side, global stainless consumption is expected to pick up this year, especially in the first half," says Gayle Berry, vp, commodities research, Barclays Capital. Global nickel consumption is forecast by BarCap to rise 6.2% this year to 1.537 million tonnes, giving a small deficit of 4,000 tonnes.

Tin

In terms of price performance, tin was the leading LME metal last year, with its price rising over 54% in the period to end the year at nearly $27,000/tonne, including a record $27,600/tonne (LME official cash) in October. The price was then range-bound around this level for a while, but reached a new record settlement of $28,515/tonne on January 26th.

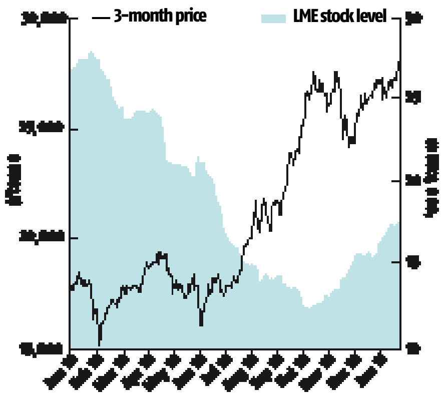
"There are chronic supply limitations with tin. Smelter capacity is adequate; the constraints are at the mine stage," says Andy Cole, senior analyst with Metal Bulletin Research. "There is strong demand, although we would say that most of the post-crisis restocking has already been done," he adds.

"Tin is a supply side story, marked by production cuts in Indonesia due to both the quality of orebodies and questions about property rights of certain organisations that fall outside the official economy," remarks John Mothersole, principal of the pricing and purchasing service of IHS Global Insight. He notes that the Indonesian government has been cracking down on these unlicensed bodies, "But this isn't anything that is likely to be resolved quickly."

Last year, Indonesia – by far the world's biggest tin exporter – was also hit by exceptionally heavy rains that hit mining output, but there was some recovery in the last two months so that exports for the year reached 92,487 tonnes, according to Indonesian ministry initial figures. This includes "semi-refined" tin sent to Thailand, Malaysia or China for further refining.

"This year, Indonesian production is expected to be broadly the same as last year," says Peter

TIN



Source: Metal Bulletin

MB APEX FOR Q4, $/TONNE

Weighted average	27,286
Lowest	24,251
Highest	30,250

Kettle, manager of statistics and market studies for ITRI, UK. The current high price allows lower-grade ores to be processed, he notes; this boosts production in Indonesia and China but has little effect elsewhere in the world, there being few other major sources. China can act as a swing supplier, Kettle adds, diverting metal for export whenever the LME price overtakes the domestic price, although the country has been a net importer in recent years.

There are possible continuing supply problems this year in the Democratic Republic of Congo, where artisanal mining was banned from last September in three provinces that supply 80% of DRC tin – this ban has remained in place. A US law passed last July will force US companies to prove that minerals sourced from DRC are not funding local militias, and the problems in doing this may force US buyers to abandon all DRC-sourced tin, notes Kettle.

"On the demand side, the main uncertainty is not tin-specific but simply down to the general economic problems in the world's economies that affect all metals," Kettle adds. But in spite of such uncertainty, he expects tin to be a good performer this year as well, with demand exceeding supply by around 20,000 tonnes.

According to the latest Tin Use & Recycling Survey from ITRI released last week, demand in 2010 is estimated to have risen 12.5% to about 360,000 tonnes. The organisation notes that the production of secondary refined tin has increased in recent years, and exceeded 60,000 tonnes last year, with over 75% produced in China.

"A deficit seems unavoidable again, but not as bad this year as it was last year: 16,000 tonnes in 2011 compared with 20,000 tonnes in 2010. Another deficit looks likely in 2012, so this will be priced in during 2011," says Cole.

An exchange-traded fund (ETF) based on tin was launched in December, but it is too early to see if it will create any extra demand for the metal and thus give support to the price. ETFs may be more successful for high-priced metals such as tin and nickel, Kettle notes.

"If we continue to see a resurgent electronics sector – tin's biggest single end-use – we will see even higher prices for the metal and possibly new record prices again this year," says David Wilson, director of metals research for Société Générale. An average LME cash price of $28,815/tonne is forecast by Société Générale, with spikes above $30,000/tonne a probability.

Zinc

Zinc's current price of around $2,300/tonne is broadly where it was 12 months ago, having since ranged between $1,600/tonne in June and a maximum of over $2,500/tonne in October.

"Demand prospects look positive for zinc, but supply is running ahead of it," says David Wilson, director of metal research, Société Générale. "Combined stocks on the LME and Shanghai exchanges add up to over 1 million tonnes, although there seem to be short-term financing deals locking up zinc in US warehouses. This is indicated by the fact that spot premiums for SHG zinc rose to healthy levels in the USA last year, in spite of the apparent oversupply," he explains.

"Like aluminium, zinc producers lack discipline – there's too much supply, and stocks are too high. There's no hint of genuine tightness anywhere in this market," says Andy Cole, senior analyst with Metal Bulletin Research.

There was a glimmer of hope for zinc: a major concentrate shortfall was looming around the middle of this decade, Cole notes. "But that gap looks now set to be filled in time, particularly by China, where the small mine sector still seems to be running riot – it is always capable of surprising on the upside," he comments. "Even in the West, there's nearly 500,000 tpy of idle mine capacity available – that's before counting new projects," Cole adds.

While zinc is in a worse fundamental condition than aluminium, it has had some good price movement, rising $400/tonne in the last several months due to investor activity and it could go up a little more, says John Mothersole, principal of the pricing and purchasing service of IHS Global Insight. "Prices, however, are likely to be better in 2011 than in 2012. Prices should peak in the third quarter. After that the surplus condition will likely rein prices back," he says.

"Zinc has been in surplus during every month of 2010. This year we could see the surplus rise to 500,000 tonnes," Mothersole says, noting that inventories are going up. "The fact that prices are showing strength has nothing to do with the physical fundamentals of the market. The usual suspects – investors – are moving the market forward."

While consumption is pretty strong, rising about 10% year on year as part of a cyclical rebound, so is supply. Mothersole says that refined production has increased about 10% as well and while refined production growth has begun to slow slightly, mine production is picking up.

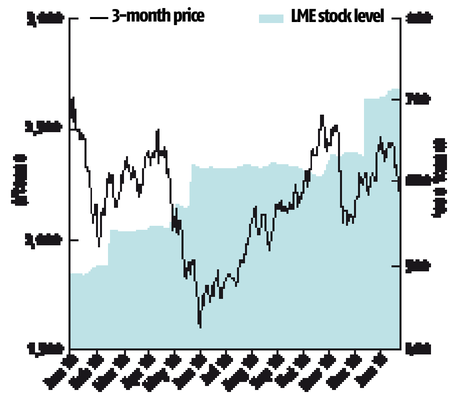
"Galvanized steel should see improved demand this year from the automotive and construction markets, which were hit particularly badly in the recession," says Wilson, "But the problem remains that there are too many zinc producers and no discipline in production."

Australia is the world's third largest producer of zinc concentrate, accounting for almost 12% of global production, and most of this comes from Queensland. However, the Queensland floods, which have had a significant effect on global coal markets, are not affecting the country's zinc supply as the mines are well away from the flooded areas, notes Metal Bulletin Research.

"Zinc will stay oversupplied this year, to a forecast surplus of 181,000 tonnes, but it could drift towards balance in 2012. That might start to get priced in during this year, but it's nothing to get bullish about," says Cole.

Steve Hardcastle, head of client services for Sucden Financial, remains bearish on zinc, declaring that: "Of all the base metals, I'm least happy about zinc." Pipeline supply increases will inhibit higher prices in the near term, Sucden notes.

ZINC



Source: Metal Bulletin

MB APEX FOR Q4, $/TONNE

Weighted average	2,526
Lowest	1,800
Highest	3,100

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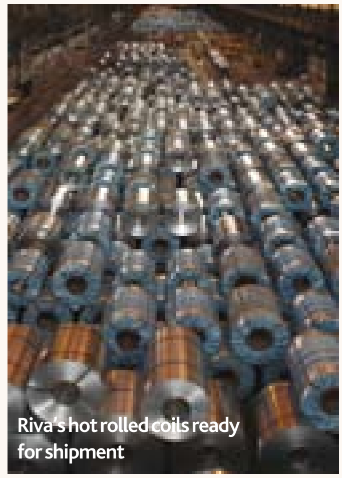
RIVA FIRE

Riva's Outlook for 2011


Riva's Taranto steel works in the coastal city of Apulia, Southern Italy


Wire rod packages for the domestic construction market


Riva's hot rolled coils ready for shipment

Who is Riva?

Founded by the brothers Adriano and Emilio Riva in 1954 as an iron scrap trading business, Gruppo Riva Fire SpA ("Riva") is the largest steel producer in Italy, the third largest in Europe and the eighteenth steel group worldwide. Still run by the founder, Riva is one of the few remaining family-owned steel giants. In Italy Riva has 26 production facilities whilst the Company's international operations include 22 facilities in Belgium, France, Germany, Greece, and Spain, as well as Montreal, Canada. With a total work force over 22,000 Riva is one of the largest iron and steel producers in Europe.

What do Riva do?

Riva covers all stages of the steel manufacturing process (by both integrated-cycle and electric-furnace technologies), from production of liquid steel through hot and cold rolling, to the manufacturing of high value added coated products with special finishes.

In 2009 Riva's raw total steel output reached 11.3 million tonnes of raw steel, comprising of 4.2 million tonnes of hot rolled coils, 3.6 million tonnes of wire rod, 2.2 million tonnes of concrete reinforcing steel, 0.8 million tonnes of quarto plates and 0.4 millions tonnes of rolled bars and billets.

What are Riva's markets?

Riva aims to be a global leader in the supply of high quality steel products in those key markets where steel is the primary matter such as the automotive, white-goods, construction and welded pipe sectors.

Where are Riva's markets?

Riva is a global supplier of steel and although both the domestic and European markets are major areas for the Company, Riva is able to supply its high quality products to customers across the globe.

What is the outlook for Riva?

Whilst the economic downturn had an impact of some measurement on all the markets that we serve, the demand for steel products in Europe and in Italy remains vital. This, together with the growing demand for steel in the world, means that Riva will continue to optimize the management of its plants to confirm its position as a leader in the steel market. Riva was built on longstanding family values which remain core to the business today; we work together with our suppliers to meet the needs of our customers.

One of the key discussion points in the Global steel market, at the moment, is with regard to a potential wall of supply from the major iron ore producers. We have been working with our leading supplier Vale, to ensure we get continuous supply of fines from Brazilian ports and can economically meet the demands that are placed upon us. As to the prices, we remember the changes in the market early last year, where we fixed the prices for Q2 2010 on FOB Brazilian ports basis with an increase of about 75% to the previous Q1 2010 period, but managed to move smoothly to the new price index system already in Q2 2010. From now on we expect prices for Q1 2011 to be in line with the rest of the market.

We are very excited about the future and developing a healthy and strong community with the support of our stakeholders.

Contact: Fabio Riva, Chief Executive of Gruppo Riva Fire SpA. • **Telephone:** +39 02 30700

Steel

The fact that World Steel Association data announced on 21 January show that global crude steel production increased last year surprises no-one, but the strength of its recovery, to 1.414 billion tonnes, a record high, was greater than many expected. The 15% increase in 2010 demonstrates that many people underestimated just how strong demand was last year, says VTB Capital analyst Wiktor Bielski.

Colin Hamilton, senior analyst, Macquarie Capital (Europe) notes the contribution from a strong recovery outside China, added to China's own recent surge in production. In the last three months, China added an extra 84 million tonnes of output, he points out.

It is clear that 2011 will be another record year for crude steel production, but how much of a record will depend on how quickly coking coal and iron ore supplies recover, says Bielski. He believes that the flooding in Queensland and Brazil will certainly impact steelmaking raw material supplies for the first half of 2011, and may affect supplies for the whole year. Australia exported over 140 million tonnes of coking coal last year, so an estimate of potential lost production somewhere in the range of 20-30 million tonnes during 2011 seems reasonable, exacerbating VTB Capital's expected overall market deficit of 8 million tonnes.

John Tumazos, principal of John Tumazos Very Independent Research LLC in the USA, notes raw material supply disruption too. "At least a third of the quarterly Australian metallurgical coal output has been lost. That's a minimum of one month of Australian output and it could be two months' worth," he says. "The open question is whether steel output can rise to the anticipated growth rate in light of this."

Hamilton points out that raw materials made up about 45% of steel costs five years ago, but this has risen to 65-70% now for integrated mills. The percentage is even higher for mini-mills. This is a growing problem for many steelmakers, who have yet to devise an effective price risk mechanism. Steelmakers are aiming at greater self-sufficiency, as they are often squeezed between raw materials suppliers and customers.

Bielski says that non-integrated mills with little or no self-sufficiency in raw materials will be hardest hit, particularly if they are also affected by disruptions to iron ore exports from Brazil owing to floods there. February might see a 30% reduction in Brazilian iron ore exports for the month. "While that will have less impact than Australian coking coal shortages, its coincidence with the floods in Australia will make life particularly difficult for steelmakers reliant on raw material imports, such as Japan's," he says.


CHAPARRAL STEEL

Nick Sowar, partner in charge of the global steel practice of Deloitte & Touche LLP, says that one of the biggest influences on the global steel market is metallics. "Those steelmakers who control their metallics will do better than those who don't. We will see more companies make investments to bring metallics in-house so that they have less reliance on other companies."

China's shadow

China's share of world crude steel production was 44.3% in 2010, according to worldsteel. The country's dominant steelmaking capacity and uncertainties about future Chinese government policy continues to influence steelmaking worldwide.

Bielski points out that China's next five-year central plan begins shortly, which is expected to be front-end loaded in investments needing steel, creating further pressure on raw material supplies from a country that imports 65% of its iron ore requirements and around 20% of its hard coking coal.

Such is the demand for steel in China the country may become a small net importer of steel this year, he notes, despite its dominant domestic steelmaking capacity. Although global average steelmaking capacity utilisation is far from total, there is not a huge capacity that can be brought back on line. The only spare capacity that can be brought back easily is that which has ready access to local raw materials, and the regions known for self-sufficiency, including Russian and US mills that are already running close to full capacity.

Metal Bulletin Research senior analyst Greg Smart expects a similar pattern for the steel market in China to evolve in 2011 as in 2010. Electricity shortages had an impact on the country's own steel industry last year, and it is likely that the indirect effects of Chinese government policy on the country's steel industry will be greater this year than direct intervention.

The main driver for steel demand growth is manufacturing industry with some 4.8% global growth; construction in China is strong, but is weaker elsewhere, Hamilton points out. China's output rose 9.3% last year to 626.7 million tonnes, according to worldsteel, but this year its output is likely to grow by less than GDP growth, he says. "This will cause a more seasonal pattern to emerge in the steel market, which is normally the case elsewhere in the world but which is masked by the dominance of China." So peak demand should be reached in the second quarter and then decline, along with prices, in both China and the rest of the world, in the third quarter. More volatility or shock-cycles in the steel market should be expected.

> "Even well developed markets could grow by 5-6% in 2011, which would make this a very good year for the steel market and potentially the second best year ever for prices."

Steel prices climb

Bielski points out that steel inventories are not high at around 4-5 weeks for Japanese mills, and less than two months in the USA, while European mills saw some destocking in Q4: "There is not a lot to fall back on." US, European and Chinese prices for hot rolled coil have been rising rapidly. The average global hot rolled coil price is now around $800/tonne, which is already above the ▶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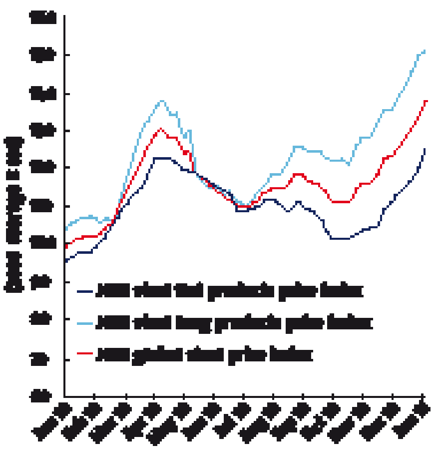
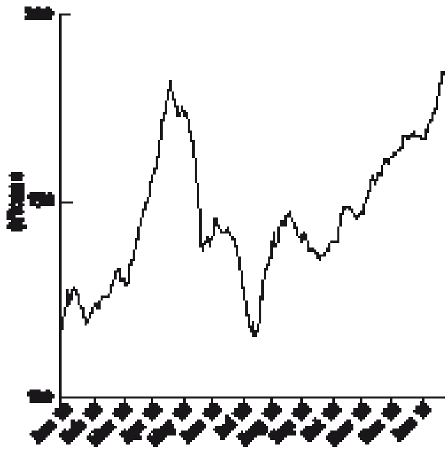
STEEL PRICE INDEXES



Source: Metal Bulletin Research

METAL BULLETIN IRON ORE INDEX



Source: Metal Bulletin

consensus average forecast figure for 2011, he notes.

So where will the market move from here? It depends to a great degree on the speed at which normal levels of raw material supplies return.

"The global steel market is picking up. Pricing is firming up. If all things are equal, things should increase," Sowar observes. "But I think it will be an uneven year. I think that 2011 as a whole will be about 10-15% better than 2010, but it will be back loaded, gradual and a little uneven. It will be better in the third and fourth quarter than it is now." He says that a lot of the improvement has to do with China declaring that it doesn't want to be in the export business. "If that is true, it would be very positive, but if there is any movement otherwise, then all bets are off."

"Overall there is enormous uncertainty and nervousness on the part of steel producers and consumers," says Bielski. "The global steel market situation developing is comparable with 2008 although, since demand was stronger then, it is unlikely that prices will peak at quite such high levels. Nevertheless US spot prices of $1,000/tonne will be a possibility, with Europe potentially reaching similar levels."

Hamilton says the first half of the year looks good for steel, with demand outstripping the ability of the industry to meet it. He says that although part of the current steel price rise is derived from rising costs such as iron ore and scrap, good demand is the main driver at the moment. "Normally, it would take mills working at 85% of capacity or more for them to have pricing power, but this is happening now even with an average of 80% capacity utilisation."

Looking at the outlook for 2011, Smart sees stable volumes but rising prices for steel as the increasing cost of raw materials is passed on to steel consumers through higher prices for semis and finished steel products.

MB's iron ore index has recently reached a record high as tight supply in the spot market has continued to drive prices higher, Smart highlights. A longer than expected monsoon and continuing export restrictions in India have seen a significant drop in available material over the past six months. There is widespread speculation that the index could hit the $200/tonne level on a seasonal upswing after the Chinese New Year, when mills start to restock for the expected pick-up in demand from the Chinese construction sector.

> "There is no slack in the system and any potential market shocks, volatility and threats are all likely to arise from the upstream supply side"

The LME billet contract picked up significantly over 2010 and saw a substantial increase in the volume of contracts traded on the exchange. In part, these changes appear to have been facilitated by structural changes to the contract with the decision to merge the Mediterranean billet and the Far East billet contracts into a single global contract, says Smart. The change in iron ore pricing in 2010 from an annual to quarterly basis also created greater interest in the use of the billet contract. Over 2011, MBR expects to see volumes continue to increase and the contract to gain in liquidity, while gaining wider acceptance by the industry as a whole.

MBR's global steel price index has also climbed since the end of Q4 2010 on the back of raw material price increases as mills looked to pass on higher costs to customers. MBR expects the current uptrend to peak soon, but believes there will be continued volatility over 2011 as buyers look to insulate themselves from higher prices.

Mixed demand

Beyond China, Latin America and India are next in line for growth in demand over the short-term, says Smart. While South America's own steel industry grows, imports from as far afield as CIS countries and Turkey are set to continue this year and saw a significant increase over 2010.

Downstream, the recovery of major industrial users, such as the US car industry, is likely to support steel demand over the longer term, Smart observes. Conversely, a lacklustre construction sector in Europe, which continues to struggle, combined with a flat or potentially weaker regional automotive market, is likely to counterbalance growth in the new economies.

Sowar also notes that the automotive market is strong in both the developing and the developed world. However construction, both residential and non-residential, is still depressed. Nevertheless, he says: "I think we will continue to see infrastructure projects throughout the world – mostly in developing countries."

Summarising his outlook for the year, Bielski says that market tightness could take a long time to unwind, which will be very positive for integrated steel producers self-sufficient in raw materials and coking coal, but will leave those buying in all of their raw materials vulnerable. "Depending on each producer's or consumer's circumstances, this is consequently the most exciting, nervous or difficult market for steel since 2008."

Chinese steel inventories fell sharply last year and China's demand could be 10% higher this year, notes Bielski. "Even well developed markets could grow by 5-6% in 2011, which would make this a very good year for the steel market and potentially the second best year ever for prices."

Smart says that, taken as a whole, global steelmaking raw material infrastructure never really caught up with the huge demand before the credit crunch and is struggling to keep up with resurgent demand now: "There is no slack in the system and any potential market shocks, volatility and threats are all likely to arise from the upstream supply side, whether from human, weather or other factors.

Globally, Sowar says that capacity utilisation appears to be getting better. "But the big question mark is China. So much capacity is being built there. They are taking down some antiquated facilities, but such moves are spotty at best."

Daily metal and steel

Prices

London forward

"**LME settlement prices**. All prices per tonne, unless otherwise stated, in LME warehouse, EU duty, if any paid, for buyers account."

Year ago Jan 27			*Jan 21*	*Jan 24*	*Jan 25*	*Jan 26*	*Jan 27*
Aluminium High Grade $							
2148.50-**2149.00**	LME Cash	official	2389.00-**2390.00**	2394.50-**2395.00**	2359.00-**2360.00**	2362.50-**2363.00**	2390.00-**2391.00**
		"unofficial"	2403.50-2405.50	2397.00-2398.00	2397.00-2398.00	2370.50-2373.50	2403.00-2406.00
2184.00-2184.50	LME 3 months	official	2413.50-2414.00	2418.00-2419.00	2381.00-2382.00	2388.00-2389.00	2412.00-2413.00
		"unofficial"	2428.00-2430.00	2420.00-2421.00	2420.00-2421.00	2395.00-2398.00	2425.00-2428.00
	LME Tapo Notional Average Price(NAP) for Jan 2011		2453.14	2499.27	2443.69	2438.94	2436.28
	LME stocks (tonnes)		4,545,950	4,541,175	4,536,200	4,530,725	4,524,675
Aluminium Alloy (A380.1/DIN226/D12S) $							
1930.00-**1940.00**	LME Cash	official	2270.00-**2271.00**	2250.00-**2251.00**	2211.00-**2212.00**	2245.00-**2250.00**	2255.00-**2265.00**
		"unofficial"	2270.00-2280.00	2265.00-2275.00	2265.00-2275.00	2240.00-2250.00	2255.00-2265.00
1955.00-1965.00	LME 3 months	official	2250.00-2255.00	2220.00-2230.00	2205.00-2210.00	2220.00-2225.00	2230.00-2240.00
		"unofficial"	2245.00-2255.00	2240.00-2250.00	2240.00-2250.00	2215.00-2225.00	2230.00-2240.00
	LME stocks (tonnes)		72,680	72,680	72,680	72,680	72,880
N. American Special Aluminium Alloy							
2020.00-**2021.00**	LME Cash	official	2380.00-**2390.00**	2340.50-**2341.50**	2320.00-**2320.50**	2363.00-**2364.00**	2388.00-**2389.00**
		"unofficial"	2375.00-2385.00	2370.00-2380.00	2370.00-2380.00	2340.00-2350.00	2370.00-2390.00
2050.00-2060.00	LME 3 months	official	2400.00-2410.00	2360.00-2370.00	2335.00-2340.00	2380.00-2385.00	2405.00-2415.00
		"unofficial"	2395.00-2405.00	2390.00-2400.00	2390.00-2400.00	2360.00-2370.00	2390.00-2400.00
	LME Stocks (tonnes)		136,320	136,320	136,280	136,340	136,180
Copper Grade A$							
7243.00-**7244.00**	LME Cash	official	9484.50-**9485.00**	9508.50-**9509.00**	9329.50-**9330.00**	9375.00-**9376.00**	9489.50-**9490.00**
		"unofficial"	9522.00-9523.00	9571.00-9576.00	9571.00-9576.00	9335.00-9340.00	9537.00-9542.00
7267.00-7268.00	LME 3 months	official	9454.50-9455.00	9479.00-9480.00	9316.00-9316.50	9369.00-9370.00	9470.00-9471.00
		"unofficial"	9500.00-9501.00	9555.00-9560.00	9555.00-9560.00	9325.00-9330.00	9525.00-9530.00
	LME Tapo Notional Average Price(NAP) for Jan 2011		9578.50	9573.87	9558.63	9547.88	9544.67
	LME stocks (tonnes)		381,500	389,075	394,700	397,275	398,075
Lead $							
2139.50-**2140.00**	LME Cash	official	2549.00-**2550.00**	2485.00-**2490.00**	2530.00-**2535.00**	2443.00-**2444.00**	2489.00-**2490.00**
		"unofficial"	2520.00-2525.00	2485.00-2490.00	2415.00-2420.00	2442.00-2445.00	2495.00-2500.00
2162.00-2163.00	LME 3 months	official	2470.00-2471.00	2390.00-2395.00	2475.00-2480.00	2390.00-2393.00	2429.50-2430.00
		"unofficial"	2445.00-2450.00	2410.00-2415.00	2365.00-2370.00	2392.00-2395.00	2435.00-2440.00
	LME stocks (tonnes)		266,775	271,300	275,300	276,925	279,025
Nickel$							
17930-**17935**	LME Cash	official	25850-**25900**	26265-**26270**	25750-**25755**	26150-**26155**	26795-**26800**
		"unofficial"	26125-26175	26130-26180	26125-26150	26295-26345	26670-26720
17985-17990	LME 3 months	official	25875-25900	26275-26300	25800-25825	26125-26130	26820-26830
		"unofficial"	26150-26200	26150-26200	26100-26125	26325-26375	26700-26750
	LME stocks (tonnes)		135,174	134,958	134,862	135,186	134,298
Tin $							
17920.00-**17925.00**	LME Cash	official	27690.00-**27695.00**	27700.00-**27705.00**	28180.00-**28200.00**	28510.00-**28515.00**	29190.00-**29195.00**
		"unofficial"	27650.00-27700.00	28060.00-28160.00	28165.00-28245.00	28730.00-28740.00	29220.00-29255.00
17945.00-17950.00	LME 3 months	official	27550.00-27575.00	27675.00-27700.00	28050.00-28100.00	28515.00-28520.00	29095.00-29100.00
		"unofficial"	27600.00-27650.00	28000.00-28100.00	28100.00-28180.00	28660.00-28670.00	29165.00-29200.00
	LME stocks (tonnes)		17,405	17,550	17,705	17,720	17,635
Zinc Special High Grade $							
2254.00-**2254.50**	LME Cash	official	2339.50-**2340.00**	2279.00-**2280.00**	2227.00-**2228.00**	2238.50-**2239.00**	2250.00-**2251.00**
		"unofficial"	2319.00-2324.00	2283.00-2288.00	2283.00-2288.00	2233.00-2238.00	2257.00-2259.00
2273.00-2274.00	LME 3 months	official	2352.00-2354.00	2296.00-2297.00	2240.00-2245.00	2249.00-2250.00	2265.00-2267.00
		"unofficial"	2335.00-2340.00	2300.00-2305.00	2300.00-2305.00	2250.00-2255.00	2273.00-2275.00
	LME stocks (tonnes)		711,450	711,400	711,175	711,050	710,925
Cobalt min 99.3%							
	LME Cash	official	39200.00-**39500.00**	38900.00-**39100.00**	39000.00-**39100.00**	39000.00-**39100.00**	38500.00-**40500.00**
	LME 3 months	official	38000.00-38350.00	38300.00-38700.00	38500.00-38700.00	38000.00-39000.00	38000.00-40000.00
	LME stocks (tonnes)		311	311	311	311	309
Molybdenum $							
	LME Cash	official	36600.00-**37300.00**	36600.00-**37300.00**	36600.00-**37300.00**	36600.00-**38600.00**	36600.00-**38600.00**
	LME 3 months	official	37000.00-37700.00	37000.00-37700.00	37000.00-37700.00	37000.00-39000.00	37000.00-39000.00
	LME stocks (tonnes)		282	282	282	282	282
Steel Billet							
406.00-**407.00**	LME Cash	Official	552.50-**553.00**	551.00-**551.50**	579.00-**580.00**	546.00-**546.50**	555.00-**560.00**
		"unofficial"	552.50-553.00	551.00-551.50	579.00-580.00	546.00-546.50	555.00-560.00
420.00-425.00	LME 3 months	official	574.50-575.00	570.00-574.00	590.00-600.00	560.00-570.00	570.00-580.00
		"unofficial"	574.50-575.00	570.00-574.00	590.00-600.00	560.00-570.00	570.00-580.00
	LME stocks (tonnes)		55,315	55,250	54,470	54,080	54,080
Gold $/troy oz							
1094.75	London	morning	1344.00	1347.50	1326.00	1335.50	1337.50
1094.75	London	afternoon	1343.50	1343.00	1324.00	1328.00	1334.50
1094.75	Handy/Harman		1343.50	1343.00	1324.00	1328.00	1334.50
Silver per troy oz							
1031.11/1674.00	London Spot	pence/cents	1704.77/2714.00	1728.98/2756.00	1690.94/2670.00	1708.70/2710.00	1715.63/2739.00
1668.50	Handy/Harman	cents	2746.50	2727.00	2676.50	2679.50	2691.00
Palladium $/troy oz							
418.00	London	morning	808.00	818.00	786.00	797.00	809.00
420.00	London	afternoon	814.00	816.00	786.00	790.00	814.00
Platinum $/troy oz							
1514.00	London	morning	1812.00	1824.00	1787.00	1800.00	1803.00
1519.00	London	afternoon	1817.00	1822.00	1787.00	1791.00	1807.00

Kuala Lumpur futures

Year ago Jan 27	*Jan 21*	*Jan 24*	*Jan 25*	*Jan 26*	*Jan 27*
Tin $/tonne					
17,990	26,720	27,500	27,720	27,999	28,500

Dubai

Dubai Gold & Commodities Exchange settlement prices. All prices per tonne fca on truck Jebel Ali free zone duty-unpaid customs-cleared

	Jan 24	*Jan 25*	*Jan 26*	*Jan 27*
Rebar $				
February delivery	625.00	625.00	625.00	625.00
March Delivery	635.00	635.00	635.00	635.00

LME & SHFE stocks (tonnes effective 26 January)

Note: deliveries in and out for the week Jan 20 – 26

Aluminium

	Delivered in			*Delivered out*			*Total*		
	Ingots	T Bars	Sows	Ingots	T Bars	Sows	Ingots	T Bars	Sows
Antwerp	nil	nil	nil	150	300	nil	44,225	26,250	250
Hamburg	nil	nil	nil	nil	nil	nil	23,425	20,075	nil
Genoa	nil	nil	nil	nil	nil	nil	12,000	nil	nil
Leghorn	nil	nil	nil	nil	nil	nil	375	nil	400
Trieste	nil	nil	nil	nil	250	nil	70,450	70,500	5,325
Busan	nil	nil	nil	nil	nil	nil	49,975	28,100	5,775
Gwangyang	nil	nil	nil	nil	nil	nil	57,625	55,325	nil
Incheon	nil	nil	nil	nil	nil	nil	36,275	17,325	950
Johor	nil	nil	nil	2,250	nil	525	183,975	37,550	54,225
Port Klang	nil	nil	nil	nil	nil	nil	12,925	10,000	1,225
Rotterdam	nil	nil	nil	275	300	75	230,975	234,350	62,725
Vlissingen	43,325	24,550	nil	nil	nil	nil	87,775	145,475	nil
Singapore	nil	nil	150	550	nil	nil	332,475	112,625	106,200
Bilbao	nil	nil	nil	nil	nil	nil	16,225	14,725	nil
Gothenburg	nil	nil	nil	nil	nil	nil	nil	nil	25
Helsingborg	nil	nil	nil	nil	nil	nil	nil	12,400	nil
Hull	nil	nil	nil	nil	nil	nil	14,950	9,100	nil
Tyne & Wear	nil	nil	nil	200	1,650	575	24,225	79,675	4,950
Liverpool	nil	nil	nil	nil	nil	nil	18,500	10,525	31,475
Baltimore	nil	475	750	nil	3,725	2,700	13,200	208,875	238,325
Chicago	nil	875	325	50	6,325	1,675	2,550	72,100	62,850
Detroit	nil	nil	875	100	3,025	2,225	30,175	531,625	442,525
Long Beach	nil	nil	nil	nil	nil	nil	7,900	9,475	6,775
Los Angeles	nil	nil	nil	nil	nil	nil	75	5,975	2,675
Mobile	nil	nil	nil	nil	nil	nil	241,300	11,350	16,450
New Orleans	nil	nil	nil	nil	nil	nil	119,575	44,625	12,825
St Louis	nil	nil	nil	nil	nil	nil	nil	925	nil
Toledo	nil	nil	nil	nil	nil	nil	1,650	5,225	67,800
Total	43,325	25,900	2,100	3,575	15,575	7,775	1,632,800	1,774,175	1,123,750

Al.Alloy (large sows)

	Delivered in			*Delivered out*			*Total*		
	A380.1	226/DIN	D12S/J1S	A380.1	226/DIN	D12S/J1S	A380.1	226/DIN	D12S/JS
Antwerp	nil	nil	nil	nil	nil	nil	nil	720	nil
Rotterdam	nil	nil	nil	nil	nil	nil	200	640	nil
Vlissingen	nil	nil	nil	nil	nil	nil	nil	160	nil
Singapore	nil	nil	nil	nil	nil	nil	nil	nil	nil
Total	nil	nil	nil	nil	nil	nil	200	1,520	nil

Alum.alloy

	Delivered in			*Delivered out*			*Total*		
	A380.1	226/DIN	D12S/J1S	A380.1	226/DIN	D12S/J1S	A380.1	226/DIN	D12S/JS
Antwerp	nil	nil	nil	nil	nil	nil	nil	3,280	nil
Bremen	nil	nil	nil	nil	nil	nil	100	nil	nil
Hamburg	nil	nil	nil	nil	nil	nil	60	nil	nil
Genoa	nil	nil	nil	nil	nil	nil	11,740	nil	nil
Trieste	nil	nil	nil	nil	nil	nil	9,320	1,140	nil
Gwangwang	nil	nil	nil	nil	nil	nil	nil	nil	nil
Incheon	nil	nil	nil	nil	nil	nil	nil	nil	nil
Rotterdam	nil	nil	nil	nil	nil	nil	760	6,740	nil
Vlissingen	nil	nil	nil	nil	nil	nil	320	12,640	nil
Johor	nil	nil	nil	nil	nil	nil	nil	4,360	nil
Singapore	nil	nil	nil	nil	nil	nil	140	10,460	nil
Bilbao	nil	nil	nil	nil	nil	nil	2,120	40	nil
Liverpool	nil	nil	nil	nil	nil	nil	320	nil	nil
Total	nil	nil	nil	nil	nil	nil	24,880	38,660	nil

Nickel

	Delivered in			*Delivered out*			*Total*		
	Cats	Pellets	Briqs	Cats	Pellets	Briqs	Cats	Pellets	Briqs
Singapore	nil	nil	nil	nil	nil	42	132	nil	276
St Louis	nil	nil	nil	nil	nil	nil	nil	nil	nil
Total	nil	nil	nil	nil	nil	42	132	nil	276

Nickel full plate cats

	Delivered In	*Delivered Out*	*Total*
Hamburg	nil	nil	1,104
Busan	nil	nil	5,118
Gwangyang	nil	nil	3,948
Rotterdam	1,506	2,910	103,650
Singapore	nil	nil	6,504
Gothenburg	nil	nil	1,356
Helsingborg	nil	nil	3,888
Hull	nil	nil	2,622
Tyne & Wear	nil	nil	1,002
Liverpool	nil	72	3,984
Total	1,506	2,982	133,176

Copper

	Delivered In	*Delivered Out*	*Total*
	cats	cats	cats
Antwerp	nil	nil	750
Hamburg	nil	75	8,875
Leghorn	nil	nil	3,575
Trieste	nil	nil	nil
Busan	8,200	nil	54,725
Gwangyang	nil	nil	3,900
Incheon	nil	nil	5,675
Johor	nil	nil	1,750
Port Klang	nil	nil	25
Rotterdam	2,450	800	16,350
Vlissingen	nil	nil	nil
Singapore	2,375	nil	13,575
Bilbao	nil	nil	1,525
Liverpool	nil	nil	175
Baltimore	nil	nil	4,675
Chicago	7,350	2,625	42,725
Mobile	nil	nil	6,425
New Orleans	3,550	3,350	131,025
St Louis	nil	325	101,525
Total	23,925	7,175	397,275

Cobalt

	Delivered In	*Delivered Out*	*Total*
Rotterdam	nil	5	255
Singapore	nil	nil	36
Baltimore	nil	nil	20
Total	nil	5	311

Roasted Molybdenum Concentrate RMC Powder

	Delivered In	*Delivered Out*	*Total*
Rotterdam	nil	nil	282
Singapore	nil	nil	nil
Baltimore	nil	nil	nil
Total	nil	nil	282

Lead

	Delivered In	*Delivered Out*	*Total*
Antwerp	475	nil	16,325
Hamburg	nil	175	4,025
Genoa	1,500	nil	9,350
Leghorn	200	nil	8,500
Johor	1,525	nil	19,400
Port Klang	2,200	nil	25,850
Trieste	1,000	nil	6,000
Rotterdam	2,250	50	10,625
Vlissingen	nil	nil	7,850
Singapore	125	300	42,825
Barcelona	125	nil	13,775
Bilbao	900	nil	26,650
Liverpool	nil	nil	475
Baltimore	nil	925	6,725
Chicago	525	50	6,200
Detroit	400	nil	38,875
Long Beach	nil	875	26,775
Los Angeles	nil	nil	600
Mobile	nil	125	1,175
New Orleans	3,850	nil	4,925
Total	15,075	2,500	276,925

Zinc

	Delivered In	*Delivered Out*	*Total*
Trieste	nil	nil	6,550
Johor	nil	150	92,275
Port Klang	nil	nil	60,000
Rotterdam	nil	25	25,525
Vlissingen	nil	nil	25
Singapore	nil	175	7,800
Dubai	nil	nil	2,000
Bilbao	nil	nil	600
Hull	nil	nil	3,925
Liverpool	nil	nil	200
Chicago	nil	nil	23,275
Detroit	nil	nil	88,725
Long Beach	nil	nil	4,225
Los Angeles	nil	225	4,775
New Orleans	75	nil	390,150
St Louis	nil	nil	25
Toldeo	nil	nil	975
Total	75	575	711,050

Tin

	Delivered In	*Delivered Out*	*Total*
Antwerp	nil	nil	nil
Busan	nil	nil	70
Gwangyang	nil	nil	110
Rotterdam	20	nil	150
Johor	90	95	13,495
Singapore	535	95	3,735
Baltimore	nil	nil	160
Total	645	190	17,720

NASAAC ingots

	Delivered In	*Delivered Out*	*Total*
Baltimore	200	nil	8,260
Chicago	nil	60	5,380
Detroit	nil	nil	11,180
Long Beach	nil	nil	180
New Orleans	nil	nil	1,320
Owensboro	nil	nil	nil
St Louis	nil	nil	nil
Total	200	60	26,320

NASAAC T-Bars

	Delivered In	*Delivered Out*	*Total*
Baltimore	nil	nil	3,360
Chicago	nil	nil	nil
Detroit	nil	nil	4,460
Louisville	nil	nil	nil
Owensboro	nil	nil	nil
St Louis	nil	nil	nil
Total	nil	nil	7,820

NASAA large sows

	Delivered	*Delivered*	*Total*
Baltimore	nil	nil	3,320
Chicago	nil	nil	160
Detroit	nil	nil	nil
Louisville	nil	nil	nil
Owensboro	nil	nil	nil
Total	nil	nil	3,480

NASAA small sows

	Delivered In	*Delivered Out*	*Total*
Baltimore	nil	nil	nil
Chicago	1,000	200	63,960
Detroit	nil	nil	22,320
Louisville	nil	nil	1,380
Mobile	nil	nil	200
New Orleans	nil	nil	4,000
St Louis	nil	nil	6,860
Total	1,000	200	98,720

Shanghai Futures Exchange

	Deliverable
Aluminium	426,381
Copper	129,250
Zinc	326,210

Steel Billet

	Delivered in	*Delivered out*	*Total*
Kocaeli	nil	nil	nil
Tekirdag	nil	2,080	1,105
Johor Ref	nil	nil	nil
Rotterdam	nil	nil	49,790
Incheon	nil	nil	2,860
Chicago	325	nil	325
Total	325	2,080	54,080

Exchange Rates & New York Futures

Exchange Rates

	Jan 21	Jan 24	Jan 25	Jan 26	Jan 27
LME Settlement Conversion Rates					
$/£	1.5954	1.5942	1.5759	1.5861	1.5959
$/Yen	82.72	82.92	82.48	82.24	83.05
$/€	1.3533	1.3573	1.3591	1.3692	1.3719
Closing Rates, Midpoint					
$/£	1.5991	1.6003	1.5824	1.5885	1.5940
$/Yen	82.66	82.49	82.38	82.27	82.90
$/€	1.3585	1.3675	1.3673	1.3692	1.3732
£/€	1.1772	1.1703	1.1573	1.1602	1.1608

Standard Bank prices

Standard Bank's rand fixing prices per tonne for London Metal Exchange trade

	Jan 21	Jan 24	Jan 25	Jan 26	Jan 27
Copper	R67,523.72	R67,228.63	R65,963.10	R66,552.72	R67,084.81
Aluminium	R17,014.41	R16,932.65	R16,685.20	R16,765.49	R16,901.98
Lead	R18,153.45	R17,604.30	R17,922.45	R17,340.18	R17,601.81
Zinc	R16,658.46	R16,119.60	R15,751.96	R15,885.71	R15,912.32
Nickel	R184,382.10	R185,728.90	R182,087.85	R185,569.73	R189,449.20
Tin	R175,803.71	R195,874.35	R199,374.00	R202,313.93	R206,379.46

New York futures

Year ago Jan 26		Jan 20	Jan 21	Jan 24	Jan 25	Jan 26
(Comex) Copper high grade cents/lb						
321.50	Jan `11	426.25	430.00	434.15	421.90	426.05
137,332	Open Interest	160,378	161,193	158,295	155,810	154,569
103,160	Stocks (short tons)	65,873	66,036	66,036	66,086	68,642
(Comex) Gold $/troy oz						
1091.80	Jan `11	1370.20	1339.20	1352.30	1326.90	1329.40
497,470	Open Interest	578,484	580,750	498,998	506,047	491,222
9,852,558	Stocks (troy oz)	11,719,562	11,564,219	11,564,219	11,561,069	11,561,069
(Nymex) Palladium $/troy oz						
422.00	Nymex Sett Mar	819.75	809.20	817.95	786.85	790.75
6,317	Stocks (troy oz)	5,964	5,964	5,964	5,960	5,960
(Nymex) Platinum $/troy oz						
1521.60	Nymex Sett Apr	1833.30	1813.30	1824.00	1798.50	1789.40
2,738	Stocks (troy oz)	2,153	2,153	2,153	2,153	2,153
(Comex) Silver cents/troy oz						
1673.50	Jan `11	2879.20	2717.50	2778.00	2690.50	2688.00
124,582	Open Interest	135,841	133,596	128,228	125,229	124,221

Shanghai futures

Year ago Jan 27	Jan 21	Jan 24	Jan 25	Jan 26	Jan 27
Aluminium yuan/tonne (February delivery)					
16,780	16,615	16,655	16,620	16,570	16,550
Copper yuan/tonne (February delivery)					
59,480	70,290	71,270	70,610	69,850	70,520
Zinc yuan/tonne (February delivery)					
19,030	18,465	18,600	18,035	17,765	17,885

Non-Ferrous Primary Metals

Base Metals

	Jan 26	Jan 28
Aluminium		
LME prices: see Daily Metal		
European free market: $/tonne in warehouse		
min 99.7% ingot duty unpaid premium indicator	110-135*	110-135*
LME duty-paid Premium Indicator/HG Cash	190-205*	190-205*
HG duty-paid three months	185-200*	185-200*
Cif Japan: 99.7% duty unpaid premium indicator quarterly	112-113*	112-113*
CIS-origin: indicators in warehouse Europe: A7e premium	110-135*	110-135*
LME warehouse premium Singapore:	80-90*	80-90*
Extrusion billet premium 6063, EC duty paid,		
in warehouse Rotterdam ($/tonne)	420-450*	420-450*
US free market: P1020 US midwest		
premium indicator ($/lb)	0.062-0.065*	0.062-0.065*
MB free market alumina: Metallurgical grade,		
spot fob, $/tonne	380-390*	380-390*
MB Chinese free market,		
Metallurgical grade, delivered duty paid RMB/tonne	2,700-2,900*	2,700-2,900*
Alumina		
Index fob Australia		378.68
Copper & Brass		
LME: see Daily Metal		
Producer premium		
(Codelco): contract2011 Grade A cathode (average)	*98*	*98*
MB free market US: High-grade cathode		
premium indicator, $/tonne	99.00-132.00*	99.00-132.00*
MB European free market premium: $/tonne		
N. Europe Grade A	70-100*	50-95*
LME warehouse premium Singapore:	120-120*	50-60*
Chinese Grade 1:	55-60*	55-60*
Cif Shanghai premium LME Grade A:	50-60*	50-60*
Germany: (VDM) Electro, €/tonne wirebar (DEL):	6,934.10-6,958.90	6,934.10-6,958.90
cathodes:	6,830.00-6,930.00	6,830.00-6,930.00
South Africa: Phalaborwa W/B, Rand/tonne	74,991.25	74,991.25
Tin		
Kuala Lumpur and LME prices: see Daily Metal		
MB European free market		
Spot premium 99.9% $ per tonne	500-550*	500-550*
Spot premium 99.85% $/tonne	430-480*	430-480*
MB US free market: Grade A tin premium $/lb	0.27-0.32*	0.27-0.32*

	Jan 26	Jan 28
Nickel		
LME prices: see Daily Metal		
Europe: $/tonne in warehouse Rotterdam		
uncut cathodes premium indicator	150.00-200.00*	150.00-200.00*
4x4 cathodes premium indicator	350.00-400.00*	350.00-400.00*
briquettes premium indicator	350.00-400.00*	350.00-400.00*
US: melting premium indicator $/lb	0.35-0.50*	0.35-0.50*
plating premium indicator $/lb	0.65-1.00*	0.65-1.00*
Lead		
LME prices: see Daily Metal		
Germany: (VDM) virgin soft, €/tonne	1,890.00-1,930.00	1,890.00-1,930.00
MB US: High Grade ingot premium indicator, $/lb	0.0500-0.0650*	0.0500-0.0650*
MB European free market:		
in warehouse Rotterdam €/tonne	15-25*	15-25*
European Automotive battery premium free market (Eurobat)		
in warehouse Rotterdam €/tonne		
Soft lead (average)	164.82*	164.82*
Ca/Ca grid lead (average)	221.58*	221.58*
Connector lead (average)	198.55*	198.55*
European Industrial battery		
premium free market (Eurobat)		
in warehouse Rotterdam €/tonne **(average)**	93.01*	93.01*
LME warehouse premium Singapore:	30-40*	30-40*
Cif Shanghai premium LME:	100-100*	100-100*
Lead concentrates: 70/80% Pb $/tonne T/C, cif.	200-250*	200-250*
Zinc		
LME prices: see Daily Metal		
Germany: (VDM) virgin, €/tonne	1,760-1,800	1,760-1,800
UK: ThyssenKrupp Metallurgie GMbH		
contract price forJanuary 2011		
Special high grade, £/tonne	1,653.00	1,653.00
MB US: Special high grade, $/lb	0.0450-0.0550*	0.0450-0.0550*
MB EU: Special high grade, fot Rotterdam, $/tonne	110.00-130.00*	110.00-130.00*
LME warehouse premium Singapore:	60-100*	60-100*
Cif Shanghai premium LME:	80-80*	80-80*
Zinc Concentrates:cif main port $/tonne	250-270*	250-270*

Precious Metals

	Jan 26	Jan 28
Iridium		
MB free market: min. 99.9%, $/troy oz in warehouse	800-850*	820-870*
Johnson Matthey base price: (unfab) $/troy oz (09.00 hrs)	850	850
Engelhard base price: $/troy oz	850	850
Palladium		
World prices: see Daily Metal		
European free market: min. 99.9%,$/troy oz		
in warehouse	795-800*	800-805*
Engelhard base price: $/troy oz	790	818
Johnson Matthey base price: (unfab) $/troy oz (09.00 hrs)	795	804

	Jan 26	Jan 28
Platinum		
World prices: see Daily Metal		
European free market: min. 99.9%, $/troy oz		
in warehouse	1,795-1,800*	1,795-1,800*
Engelhard base price: $/troy oz	1,795	1,810
Johnson Matthey base price: (unfab)		
$/troy oz (09.00 hrs)	1,796	1,779
Rhodium		
European free market: min. 99.9%, $/troy oz		
in warehouse	2,400-2,450*	2,400-2,450*
Engelhard base price: $/troy oz	2,450	2,450
Johnson Matthey base price: (unfab)		
$/troy oz (09.00 hrs)	2,450	2,450
Ruthenium		
European free market: min. 99.9%, $/troy oz		
in warehouse	140-180*	160-200*
Engelhard base price: $/troy oz	180	180
Johnson Matthey base price: (unfab) $/troy oz (09.00 hrs)	180	180

Minor metals

The specification for all minor metals will be as laid down by the Minor Metals Trade Assn and published on their website (www.mmta.co.uk), unless otherwise indicated.
Prices will be basis in warehouse Rotterdam, unless otherwise stated, and will reflect a trading range of business done at the time of the assessment.

	Jan 26	*Jan 28*
Antimony		
MB free market		
Regulus, min 99.65%, max Se 50 ppm, max 100 ppm Bi,		
$/tonne in warehouse Rotterdam	12,950-13,600*	12,950-13,600*
MMTA Standard Grade II, $/tonne in warehouse Rotterdam	12,950-13,600	12,950-13,600
MB Chinese free market		
MMTA Standard Grade II, delivered duty paid RMB/tonne	90,000-91,000*	89,000-90,000*
Arsenic		
MB free market$/lb	0.60-0.65*	0.60-0.65*
Bismuth		
MB free market$/lb	9.20-10.20*	9.20-10.20*
Cadmium		
MB free market		
min. 99.95%, cents/lb	145-165*	140-160*
min. 99.99%, cents/lb	150-170*	145-165*
Chromium		
MB free market		
alumino-thermic, min. 99%, $/tonne	13,000-14,000*	13,000-14,000*
western un-degassed AT, min. 99.4%, $/kg d/d	10.25-10.65*	10.25-10.65*
Cobalt		
MB free market		
High Grade, $/lb	19.50-21.00*	19.50-21.00*
Low Grade, $/lb	18.10-19.10*	18.10-19.10*
MB Chinese free market		
Concentrate min 8% cif main Chinese ports $/lb	14.00-14.60*	14.00-14.60*
Gallium		
MB free market $/kg	620-650*	620-650*
Germanium dioxide		
MB free market $/kg	810-950*	810-950*
Indium		
MB free market $/kg	525-600*	530-600*
MB Chinese free market		
Crude min 98% duty unpaid in w/house China RMB/kg	2,950-3,050*	2,950-3,050*
Indium Corp ingots min. 99.97%, $/kg fob	640-640	640-640

	Jan 26	*Jan 28*
Magnesium		
European free market $ per tonne	2,800-3,000*	2,800-3,000*
China free market		
min 99.8% Mg, fob China main ports, $ per tonne	2,930-3,000*	2,930-3,000*
MB Chinese free market min 99% Mg, ex-works RMB/tonne	16,700-17,500*	16,700-17,500*
Manganese Flake		
MB free market $/tonne	3,300-3,450*	3,300-3,450*
Mercury		
MB free market $ per flask	1,250-1,400*	1,250-1,400*
Rhenium in warehouse Rotterdam duty paid		
Metal Pellets, min 99.9% $/lb	2,000-2,250*	2,000-2,250*
APR catalytic grade $/kg Re	4,000-5,000*	4,000-5,000*
Selenium		
MB free market $/lb	46.00-52.00*	46.00-52.00*
Silicon		
MB free market €/tonne	2,500-2,700*	2,500-2,700*
US free market cents/lb	155-165*	160-170*
Hong Kong		
min. 98.5%, $/tonne fob main Chinese ports	2,550-2,600*	2,550-2,600*
Tellurium		
MB free market $/kg	235-295*	235-300*
Titanium		
MB free market ferro-titanium		
70% (max 4.5% Al), $/kg Ti d/d Europe	8.00-8.40*	8.00-8.40*
Titanium Ores $/tonne		
Rutile conc min. 95% TiO^2 bagged, fob/Aus	760-805	760-805
Rutile bulk conc min. 95% TiO^2 fob/Aus	625-700	625-700
Ilmenite bulk conc min. 54% TiO^2 fob/Aus	65-85	65-85

Noble Alloys & Ores

	Jan 26	*Jan 28*
Lithium Ores		
Petalite, 4.2% Li^2O bagged fob Durban, $/tonne	165-260	165-260
Spodumene > 7.25% Li^2O cif Europe, $/tonne	720-770	720-770
Molybdenum		
Molybdic oxide		
Europe		
Drummed molybdic oxide, $/lb Mo	17.30-17.70*	17.30-17.70*
US		
Canned molybdic oxide, $/lb Mo	17.10-17.30*	17.10-17.30*
Ferro-Molybdenum		
basis 65-70% Mo, $/kg Mo	43.75-45.00*	43.75-45.00*
basis 60% Mo, $/kg Mo, duty unpaid in warehouse Rotterdam	38.00-40.00*	38.00-40.00*
US free market, 65-70% Mo, $/lb in warehouse Pittsburgh	19.50-20.00*	19.50-20.00*
Hong Kong, min. 60% Mo, $/kg Mo, fob main Chinese ports	40.00-40.00*	40.00-40.00*
MB Chinese free market		
Concentrate 45% Mo, in warehouse China RMB/mtu	2,120-2,150*	2,120-2,150*
Uranium		
Nuexco spot price indicator $/lb U^3O^8	65.00	65.00
Zircon		
Foundry grade bulk, $/tonne fob Australia	900-1,000	900-1,000
Premium bulk, $/tonne fob Australia	1,100-1,300	1,100-1,300

	Jan 26	*Jan 28*
Tungsten		
European free market		
APT, $/mtu	335-340*	340-345*
US free market		
APT, $/stu	335-340*	335-340*
Hong Kong		
APT Chinese No1, $/mtu fob main Chinese ports	330.00-340.00*	330.00-340.00*
MB Chinese free market		
Concentrate 65% W03, in warehouse China RMB/tonne	114,000-115,000*	114,000-115,000*
Ferro Tungsten		
basis 75% W min, $/kg W, in warehouse Rotterdam,		
duty unpaid	42.50-44.00*	42.50-44.00*
Hong Kong, min. 75% W, $/kg W, fob main Chinese ports	42.00-46.00*	42.00-46.00*
Tungsten Ore		
Min. 65% WO^3 $/mtu WO^3	140-160*	140-160*
Vanadium		
Ferro vanadium basis 70-80%, $/kg V	30.00-31.75*	30.00-31.75*
US free market ferro-vanadium, $/lb, in warehouse Pittsburgh	13.00-14.00*	13.00-14.00*
Vanadium pentoxide cif Europe min 98% $ per lb V^2O^5	6.70-7.30*	6.70-7.30*
Vanadium pentoxide US free market min 98% $ per lb V^2O^5	6.50-6.75*	6.50-6.75*

Bulk Alloys

	Jan 28
Ferro-Chrome $/lb Cr	
Lumpy Cr charge, basis 52% Cr, (and high carbon) quarterly	1.25-1.25*
6-8% C basis 60% Cr, max 1.5% Si	1.20-1.30*
European low carbon 0.10% C average 60-70% Cr quarterly	2.10-2.20*
0.10% C average 60-70% Cr	2.10-2.20*
European low carbon, in warehouse, 0.06% C max - 65%Cr	2.15-2.25*
Low phosphorous Cr min 65%, C max 7%, Si max 1%, P max 0.015%, Ti max 0.05%	1.45-1.55*
US free market, in warehouse Pittsburgh,6-8% C basis 60-65% Cr, max 2% Si	1.300-1.400*
US free market, low carbon, duty paid, fob Pittsburgh,	
0.05%C - 65% min Cr	2.40-2.50*
0.10%C - 62% min Cr	2.20-2.35*
0.15%C - 60% min Cr	2.09-2.11*
Spot 6-8% C, basis 50% Cr, delivered duty paid China RMB/tonne	9,200-9,300*
Contract 6-8% C, basis 50% Cr, delivered duty paid China RMB/tonne	8,900-8,900*
Chrome Ore $/tonne	
Chrome ore, cif main Chinese ports	
SA friable lumpy basis 35-40%	285-310*
SA LG6 Met grade basis 42%	290-315*
SA UG2 Met grade basis 40%	260-285*
Turkish lumpy 40-42% cfr main Chinese ports	370-390*

	Jan 28
Ferro-Manganese	
basis 78% Mn (Scale pro rata), standard 7.5% C, Euro/tonne	1,100-1,150*
US free market, 78% Mn, standard 7.5% C, $/long ton in warehouse Pittsburgh	1,310-1,330*
US free market, medium carbon, duty paid, fob Pittsburgh,	
80% min Mn, 1.5% max C, $/lb	1.17-1.20*
Hong Kong, min. 75% Mn, 7.5% C, fob main Chinese ports	1,480-1,530*
MB Chinese free market	
min 65% Mn, max 7.0% C, in warehouse China RMB/tonne	7,700-7,800*
Manganese Ore	
48/50% Mn Max 0.1%P, $/mtu metallurgical Mn, fob	6.50-7.50*
Ferro-Silicon	
Lumpy, basis 75% Si (Scale pro rata), Euro/tonne	1,450-1,510*
US free market, $/lb in warehouse Pittsburgh:lumpy basis 75% Si imported	1.04-1.07*
Hong Kong, min. 75%, fob main Chinese ports	1,490-1,520*
MB Chinese free market	
min 75% in warehouse China RMB/tonne	7,000-7,200*
Silico-Manganese	
Lumpy, 65-75% Mn basis, 14-25% Si (Scale pro rata) Euro/tonne	1,020-1,100*
US free market, $/lb in warehouse Pittsburgh:	0.57-0.60*
Hong Kong, min. 65% Mn, max 17% Si,fob main Chinese ports	1,500-1,520*
MB Chinese free market	
min 65% Mn max 17% Si,in warehouse China RMB/tonne	7,900-8,200*

- All prices $/tonne, duty paid, delivered consumers' works, unless otherwise shown. Other currency prices are given where the local markets are dominant or active.
Date indicates last price change. These markets last assessed on Jan 28 (UK), Jan 27 (US).
- Reminder: prices marked * are MB copyright. These markets were last assessed on Jan 28 (Europe and Asia) and Jan 27 (USA).
- All Chinese domestic prices include VAT of 17%

World Steel

EU Imports

Metal Bulletin's appraisal of cfr prices for imported, non-EU origin, commercial-quality carbon steel, € per tonne cfr main EU port (€/$=0.73).

Rebar	550-560	26/01	Feb
Wire rod (mesh quality)	560-570	26/01	Feb
Plate (up to 10mm)	*530-550*	22/11	Dec
Plate (10-50mm)	550-560	01/12	Jan
Hot rolled coil	*570-580*	20/01	Feb
Cold rolled coil	*670-680*	20/01	Feb
Hot-dip galvanized coil	*650-660*	20/01	Jan

EU exports

Metal Bulletin's appraisal of EU mills' prices for export outside the EU of commercial-quality carbon steel, $ per tonne fob main EU port

Rebar	710-730	26/01	Feb
Wire rod (mesh quality)	730-740	26/01	Feb

EU domestic

Metal Bulletin's appraisal of prices within the EU (excluding the UK) for commercial-quality carbon steel of EU origin, € per tonne delivered basis point (€/$=0.73)

Rebar	560-570	26/01	Feb
Wire rod (mesh quality)	570-580	26/01	Feb
Sections (medium)	615-650	24/01	Feb
Plate (up to 10mm)	620-650	22/11	Dec
Plate(10-50mm)	600-670	12/01	Jan
Hot rolled coil	590-620	26/01	Mar
Cold rolled coil	670-700	26/01	Mar
Hot-dip galvanized coil	670-680	26/01	Mar

CIS

Product	*Price*	*Date*	*Month*
CIS Exports (Black Sea)			

Metal Bulletin's appraisal of CIS mills' prices for export outside the CIS of commercial-quality carbon steel, $ per tonne fob stowed main Black Sea port.

Billet	650-660	24/01	Feb
Slab	510-520	04/11	Nov
Rebar	690-700	24/01	Feb
Wire rod (mesh)	700-710	24/01	Feb
Heavy plate (10-50mm)	710-715	21/01	Feb
Hot rolled coil	700-730	19/01	Feb
Cold rolled coil	810-840	19/01	Feb

CIS Domestic

Metal Bulletin's appraisal of prices within Russia and Ukraine for commercial-quaility carbon steel of CIS origin, $ per tonne ex-works.

Rebar	710-720	27/01	Jan
Hot rolled coil	705-715	27/01	Feb
Cold rolled coil	800-810	27/01	Jan

Middle East

Product	*Price*	*Date*	*Month*
Turkish Exports			

Metal Bulletin's appraisal of Turkish mills' prices for export of commercial-quality carbon steel, $ per tonne fob main Turkish port.

Billet	665-670	27/01	Feb
Rebar	700-710	27/01	Feb
Wire rod (mesh quality)	710-720	27/01	Feb
Merchant bars	740-745	27/01	Feb

Turkish Domestic

Metal Bulletin's appraisal of prices within Turkey for commercial-quailty carbon steel of Turkish origin, $ per tonne ex-works.

Billet	665-670	27/01	Feb
Rebar	710-720	27/01	Feb
Wire rod (mesh quality)	720-730	27/01	Feb
Hot rolled coil	810-850	27/01	Feb
Cold rolled coil	900-960	27/01	Feb

Turkish imports

Metal Bulletin's appraisal of prices for imported commercial-quality carbon steel, $ per tonne cfr main Turkish port.

Billet	*680-690*	27/01	Feb
Hot rolled coil	*730-750*	27/01	Feb
Cold rolled coil	*840-870*	27/01	Feb

GCC country imports

Metal Bulletin's appraisal of prices for imported commercial-quality carbon steel, $ per tonne cfr main Gulf port.

Billet	660-670	25/01	Feb
Rebar	690-700	25/01	Feb
Hot rolled coil	750-755	11/01	Feb
Cold rolled coil	*850-860*	11/01	Feb

Key:
Date: Date of last reported transactions
Month: Month of production in the case of export or domestic tables; month of delivery in the case of import tables
Prices in italics are offer prices not transaction
● All prices are MB copyright except SteelBenchmarker

Product	*Price*	*Date*	*Month*
Iran Domestic			

Metal Bulletin's appraisal of prices within Iran for commercial-quality carbon steel of Iranian origin, million rials per tonne delivered warehouse Tehran (m rials/$=10,800).

Rebar (12-25)mm)	8.00-8.30	26/01	Jan
Equal Angles	8.10-9.20	26/01	Jan
I-beams	7.98-8.05	26/01	Jan
Plate	8.10-8.30	26/01	Jan
Hot rolled coil	7.40-7.70	26/01	Jan
Cold rolled coil	9.50-9.80	26/01	Jan
Hot-dip galvanized coil	10.50-11.25	26/01	Jan
Hollow sections	8.15-8.25	26/01	Jan

Iran Imports

Metal Bulletin's appraisal of prices quoted by overseas suppliers for commercial-quality carbon steel to Irainian buyers, $ per tonne cfr Iranian northern ports

Billet	670-690	26/01	Mar
Rebar	720-730	26/01	Mar

Egyptian Domestic

Metal Bulletin's appraisal of prices within Egypt for commercial-quality carbon steel of Egyptian origin, E£ per tonne ex-works

Rebar	4,350	01/01	Jan

South America

Product	*Price*	*Date*	*Month*
South American exports			

Metal Bulletin's appraisal of South American mills' prices for export outside South America of commercial-quality carbon steel, $ per tonne fob stowed main South American port.

Billet	640-650	20/01	Feb
Slab	*620-640*	20/01	Feb
Rebar	*700-710*	20/01	Feb
Merchant bar (equal angles)	510-520	19/03	Apr
Wire rod mesh quality	*630-650*	16/12	Jan
Wire rod drawing quality	*630-650*	16/12	Jan
Medium plate: 3-10mm	*720-740*	16/12	Jan
Heavy plate: over 10mm	*710-730*	16/12	Jan
Hot rolled coil (dry)	*640-670*	16/12	Jan
Cold rolled coil	*730-750*	16/12	Jan
Galvanized coil	*750-780*	16/12	Jan

Nafta

Product	*Price*	*Jan 27*
US Imports		

Metal Bulletin's appraisal of prices for imported, non-Nafta origin, commercial-quality carbon steel, $ per short ton cfr Gulf.

Slab	544-590
Rebar	660-670
Merchant bars	710-720
Wire rod (low carbon)	660-680
Medium sections	640-650
Heavy sections (over 24in)	730-740
Medium plate	635-660
Heavy plate	690-700
Hot rolled coil (commodity)	550-560
Cold rolled coil	650-680
Galvanized coil (base US)	870-880

US domestic

AMM's appraisal of prices within the USA for commercial-quality carbon steel of US or Canadian origin, $ per short ton, delivery terms as indicated.

Rebar (fob mill)	715-715
Wire rod (mesh quality; delivered)	795-795
Plate (fob mill)	900-900
Hot rolled coil (fob mill)	800-800
Cold rolled coil (fob mill)	900-900
Hot-dip galv coil (fob mill)	1005-1005

Asia

Product	*Price*	*Date*	*Month*
China Exports			

Metal Bulletin's appraisal of Chinese mills'' prices for export of commercial-quality carbon steel, $ per tonne fob main China port.

Billet	817-820	28/01	Mar
Rebar	710-720	28/01	Mar
Wire rod (mesh quality)	740-750	28/01	Mar
Heavy plate	720-730	28/01	Mar
Hot rolled coil	700-710	28/01	Mar
Cold rolled coil	800-810	28/01	Mar
Galvanized coil 1mm	820-830	28/01	Mar

China Imports

Metal Bulletin's appraisal of prices for imported, non-EU origin, commercial-quality carbon steel, $ per tonne cfr main China port.

Cold rolled coil, 1mm & below	560-580	16/10	Dec
Hot dip galvanized coil	570-600	16/10	Dec

Product	*Price*	*Date*	*Month*
Eastern China Domestic			

Metal Bulletin's appraisal of prices in Eastern China for commercial-quality carbon steel of Chinese origin, yuan per tonne delivered warehouse (yuan/$=6.58)

Rebar	4,730-4,900	28/01	Jan
Wire rod (mesh)	4,680-4,760	28/01	Jan
Sections	4,800-4,860	28/01	Jan
Plate	4,950-5,020	28/01	Jan
Hot rolled coil (min 2mm)	4,750-4,770	28/01	Jan
Cold rolled coil (0.5 - 2mm)	5,520-5,590	28/01	Jan
Hot-dip galvanized coil	5,620-5,720	28/01	Jan

Southern China Domestic

Metal Bulletin's appraisal of prices in Southern China for commercial-quality carbon steel of Chinese origin, yuan per tonne delivered warehouse (yuan/$=6.58)

Rebar	4,980-5,300	28/01	Jan
Wire rod (mesh)	4,830-4,950	28/01	Jan
Sections	4,950-5,050	28/01	Jan
Plate	5,010-5,020	28/01	Jan
Hot rolled coil (min 2mm)	4,780-4,790	28/01	Jan
Cold rolled coil (0.5 - 2mm)	5,550-5,600	28/01	Jan
Hot-dip galvanized coil	5,750-5,850	28/01	Jan

Indian exports

Metal Bulletin's appraisal of Indian mills' prices for export of commercial-quality carbon steel, $ per tonne fob main India port.

Billet	550-555	03/12	Dec
Plate (12-40mm)	640-650	24/09	Oct
Hot rolled coil (commodity)	610-620	03/12	Jan
Hot-dip galvanized coil	830-840	24/09	Sep

Indian imports

Metal Bulletin's appraisal of prices for imported, non-EU origin, commercial-quality carbon steel, $ per tonne cfr main India port.

Billet	600-610	31/12	Jan
Plate (20-60mm)	680-690	21/01	Feb
Hot rolled coil (commodity)	705-710	28/01	Mar
Hot rolled coil (CR grade)	735-740	28/01	Mar
Cold rolled	775-780	28/01	Mar
Hot dip-galvanized coil	805-810	13/08	Aug

Indian domestic

Metal Bulletin's appraisal of prices within India for commercial-quality carbon steel, rupees per tonne ex-works.

Billet	26200-26300	07/01	Jan
Heavy plate	36000-36500	21/01	Jan
Hot rolled coil	34250-35250	21/01	Jan
Cold rolled coil	40500-41000	21/01	Jan
HBI	19100-19200	07/01	Jan
Hot-dip galvanized coil	41000-42000	07/01	Jan

SteelBenchmarker™ Prices

Product	*Price*	*Jan 24*

Prices in $/metric tonne, except (short ton) and {€ per tonne}

Region: USA, East of the Mississippi	
Rebar	784(712)
Standard plate	982(890)
Hot rolled coil	851(772)
Cold rolled coil	977(886)
Region: Mainland China	
Rebar	606
Standard plate	626
Hot rolled coil	614
Cold rolled coil	717
Region: Western Europe	
Hot rolled coil	753{553}
Cold rolled coil	891{655}
Region: World Export Market	
Standard plate	761
Hot rolled coil	705
Cold rolled coil	806

Stainless Steel

Product	*Price*	*Date*	*Month*
Stainless Steel - Asia import			
$/tonne cif East Asian port			
Grade 304 2mm CR coil, 2B	3,400-3,550	28/01	Mar
Grade 304 HR sheet	3,200-3,350	28/01	Mar
Stainless Steel - China Domestic			
yuan/tonne, in warehouse			
Grade 304 2mm CR coil	26,400-26,700	28/01	Jan
Grade 430 2mm CR coil	11,600-11,800	28/01	Jan
Stainless Steel - EU export			
$/tonne fob N. European port. Min 100 tonne lot			
Grade 304 2mm CR sheet	3,750-3,820	07/01	Jan
Stainless Steel - EU domestic			
2mm 304 cold rolled stainless sheet €/tonne			
base price	1,130-1,180	07/01	Jan
Alloy Surcharge	1,759-1,767	01/01	Jan
304 Stainless steel bright bar €/tonne			
Base price	1,100-1,120	07/01	Jan
Alloy Surcharge	2,266-2,569	01/01	Jan

Scrap, Secondary Metals, Scrap Substitutes & Iron Ore

Ferrous scrap

MB UK ferrous scrap index

The following indices of UK ferrous scrap prices were compiled by Metal Bulletin from information supplied by UK steelmakers and iron-founders (Sept-Nov 1976 average = 100).

Week ended	*Jan 19*	*Jan 26*
"A" Basic Scrap	696.91	696.91
"B" Low Residual Scrap	608.90	608.90
"C" Cast Iron Scrap	664.66	664.66
"D" Low Grade Scrap	770.04	770.04
Master Index	681.55	681.55

UK ferrous scrap

The following is Metal Bulletin''s evaluation of UK prices for processed scrap delivered to consumers. Prices may vary according to region and destination, and should therefore be read in conjunction with editorial comment on the Scrap & Secondary Metals pages.

£/tonne	*Jan 14*
Cut Grades	
0A plate and structural	280-290
1 Old steel	260-265
2 Old steel	265-270
12A/C/D New Production heavy and shovellable steel	265-275
Frag	
3B Fragmentised	265-275
Bales and Cuttings	
4A New steel bales	295-305
4C New steel bales	285-295
8A New loose light cuttings	270-280
8B New loose light cuttings	260-270
Turnings	
7B Heavy steel turnings	225-235
Cast Iron	
9A/10 Heavy and light cast iron	Suspended
9B/C Cylinder block scrap	310-335
11A Cast iron borings	260-275

Prices relate to new UK scrap specifications.
‡‡Please see MB.com for full explanation of price changes

UK Intermerchant weekly price

£/tonne	*Jan 28*
5C Loose old light	175-185

UK ferrous scrap export MB assessment, $/tonne fob main UK port

	Jan 20	*Jan 27*
HMS 1&2 (80:20 mix)	*470-475*	*470-475*
Shredded	*475-480*	*475-480*

Indian Imports MB assessment, $/tonne cfr Nhava Sheva

	Jan 20	*Jan 27*
HMS 1&2 (80:20 mix)	475-485	430-460
Shredded	*485-495*	*480-485*

Alloy steel scrap

UK wholesale merchants' stainless (£/tonne)	*Jan 28*
18/8 turnings	1,201-1,240
18/8 solids	1,550-1,600
12-13% Cr solids	210-250
16-17% Cr solids	260-310
Cif Europe stainless ($/tonne)	
18/8 solids	2,550-2,600
18/8 turnings	2,167-2,210
UK home high speed (pence/kg)	
6-5-2 solids	200-220
6-5-2 turnings	130-160

Rotterdam export MB assessment, $/tonne fob Rotterdam

	Jan 20	*Jan 27*
HMS 1&2 (80:20 mix)	*470-475*	*470-475*
HMS 1&2 (70:30 mix)	*465-470*	*460-465*
Shredded	*475-480*	475-480

Turkish import MB assessment, $/tonne cfr main Turkish ports

	Jan 20	*Jan 27*
HMS 1&2 (80:20 mix)	*500-505*	490-500
HMS 1&2 (70:30mix)	*487-492*	*480-485*
Shredded	505-510	495-505

US export MB assessment, $/tonne fob East Coast

	Jan 20	*Jan 27*
HMS 1&2 (80:20 mix)	*468-473*	*470-475*
Shredded	*473-478*	*475-480*

USA

Iron Age scrap price bulletin composite - $/long ton delivered Pittsburgh/Chicago.

Week ending	*Jan 20*	*Jan 27*
No 1 heavy melting	438.83	438.83
No 2 bundles	372.00	372.00
MB assessment of Broker Buying Price, $/tonne delivered Detroit		
No 1 busheling	405.00	405.00
No 1 bundles	385.00	385.00

China domestic

yuan/tonne delivered mill	Jan 28
Heavy Scrap	3,600-3,700

Germany

Euro/tonne, delivered at scrapyard. Source: BDSV

	Dec	**Jan**
No E2/8 (new steel scrap)	313.90	354.60
No E1 (old steel scrap)	264.20	316.60
No E3 (old thick steel scrap)	296.10	338.50
No E40 (shredded steel scrap)	293.40	355.70
No E5 (steel turnings)	229.50	273.60

Non-Ferrous scrap Europe

Aluminium

European free market (MB assessment. €/tonne eff Jan 28)	
Floated Frag	1,450-1,500
Cast	1,280-1,330
Mixed turnings 6%	1,280-1,330
LME Cash primary (lowest midday bid)	$2,390.00
LME 3 Months alloy (lowest midday bid)	$2,230.00
Germany (per 1000kg eff **Jan 26)**	€
Pure Cuttings	1,340-1,380
Commercial Cast	1,270-1,370
H9 Extrusions	1,650-1,750
Alloy Turnings	9,900-1,110
Source:VDM	
France (per 1000kg eff **Jan 25)**	€
Pure Cuttings	1,540-1,560
Old Rolled	980-1,020
Commercial Cast	1,050-1,120
Source: Lettre d'Information Metaux	
Italy (per 1000kg eff **Jan 21)**	€
Pure Cuttings	1,485-1,535
Old Mixed Scrap	1,305-1,355
Commercial Cast	1,345-1,395
Source: Assomet	

Copper

Germany (per 1000kg eff **Jan 26)**	€
Copper Wire (Berry)	6,500-6,680
Heavy Copper	6,030-6,270
Heavy Brass	3,370-3,650
Brass Turnings (MS 58)	3,970-4,190
Brass Sheet (MS 63)	4,100-4,450
Source:Verein Deutscher Metallhandler	
France (per 1000kg eff **Jan 25)**	€
Electro Cuttings	6,350-6,450
No 1 Bright Wire	6,050-6,100
Mixed (96%)	5,800-5,850
Brass Plate Cuttings 70/30	4,650-4,700
Brass Turnings	3,500-3,550
Mixed Brass	3,300-3,350
Source: Lettre d'Information Metaux	
Italy (per 1000kg eff **Jan 21)**	€
Electrolytic dd EN 12861-S-Cu-2	6,748-6,800
Enamelled wire EN 12861-S-Cu-3	6,588-6,640
New from tubes, strips etc EN 12861-S-Cu-4	6,708-6,760
Old from tubes, strips etc 12861-S-Cu-7	6,438-6,490
EN 12861-S-Cu-Zn-1-A-Cu 63.5%	4,778-4,855
Mixed from valves/taps EN 12861-S-Cu-Zn-6	4,227-4,305
Several 95% m/m 12861-S-Cu-Zn-7	4,027-4,105
Source: Assomet	

SteelBenchmarker™ scrap prices

Prices in $/metric tonne, except [gross ton]

Region: USA, East of the Mississippi Jan 24

†Shredded Scrap	447 [455]
No 1 Heavy melting scrap	418 [425]
No 1 Busheling scrap	470 [477]

†For shredded scrap the region is for all but the West Coast
Register as a price provider at www.steelbenchmarker.com

Scrap Substitutes

Product	Price	Date	Month
EU Imports €/tonne cfr Western Europe			
Pig Iron	376-381	27/01	Jan
South American exports $/tonne, delivery terms as stated			
Hot briquetted iron	*330-350*	27/01	Mar
Pig Iron basic steelmaking; fob Vitorio/Rio	495-500	27/01	Mar
Pig Iron basic steelmaking; fob Ponta da Madeira	*520-530*	27/01	Mar
US Imports $/tonne cfr Gulf of Mexico			
Pig Iron	535-540	20/01	Feb
CIS Exports $/tonne fob main Black/Baltic sea port			
Pig Iron	520-540	20/01	Feb
China Domestic yuan/tonne, delivered warehouse			
Pig Iron	3850-3900	28/01	Jan

China Iron ore

cfr main China port $ per dry metric tonne

Product	Price	Date	Month
Iron ore fines (63.5% fe)	188-191	28/01	Jan
Iron ore pellets (65-66% fe)	210-211	28/01	Feb

MB Indices

	Jan 28 $/tonne
Iron ore index (62%)	183.75
Ferrous Scrap CFR Turkey HMS 1&2 (80:20)	498.39
Ferrous Scrap FOB Rotterdam HMS 1&2 (80:20)	472.95
Ferrous Scrap CFR India Shredded	492.00

Key:
Month: Month of production in the case of export or domestic tables; month of delivery in the case of import tables
● All prices are MB copyright; except SteelBenchmarker

UK non-ferrous scrap

The following UK prices were assessed on Jan 26)

Aluminium £/tonne

	Actual Price	MB LME Discounts
Group 1 Pure 99% min (baled)	1300-1350	144-194
Group 1 Litho (baled)	1320-1370	124-174
Commercial pure cuttings	1140-1200	294-354
Clean HE9 extrusions	1275-1325	169-219
Mixed alloy/Old Rolled cuttings	900-980	431-511
Baled Old Rolled	970-1030	381-441
Commercial cast	1050-1100	311-361
Cast wheels	1300-1340	71-111
Commercial turnings	800-850	561-611
Group 7 turnings	660-680	731-751
LME primary avge:		1494.83
LME alloy avge		1411.22
Novelis Recycling UBC price		800-850

Titanium $/lb cif

Turnings, unprocessed type 90/6/4 (0.5% Sn max)	2.30-2.60
Turnings, unprocessed 90/6/4 (over 0.5%, max 2% Sn)	2.20-2.40

Non-ferrous foundry ingots

Aluminium UK effective January 26) £/tonne

MB free market	
LM24 Pressure diecasting ingot	1,670-1,710
LM6/LM25 Gravity diecasting ingot	1,950-1,980

NB: prices expressed delivered consumer works, LM series as specified in BS1490

Aluminium Europe effective January 28) $/tonne

MB free market	
Duty unpaid in warehouse alloy premium	70-80
Duty paid delivered works pressure diecasting ingot price (DIN226/A380)	€/tonne 2,000-2,080

Aluminium US effective January 27 $/lb delivered Midwest

A380.1 alloy	1.16-1.17

AFFIMET prices effective January 1 €/tonne

AS 12	3,100
AS 12 UN	3,200
AS 9 U3	2,630
AS 5 U3	2,980

Reflects generally larger traded lots

VDM effective January 26) €/1000 kg delivered

DIN 226	2,300-2,450
DIN 231	2,380-2,530
DIN 311	2,360-2,510

Aluminium Bronze UK effective January 25) £/tonne

AB1 ex-works	5,910
AB2 ex-works	6,160

Source: C.F. Booth Ltd

Brass UK effective January 25) £/tonne

SCB3 ex-works	3,970
High Tensile HTB1 ex-works	4,420

Source: C.F. Booth Ltd

Gunmetal UK effective January 25) £/tonne

LG2 85/5/5/5 ex-works	5,290
LG4 87/7/3/3 ex-works	5,680
G1.11.5 Pb ex-works	6,890

Source: C.F. Booth Ltd

Phosphor Bronze UK effective January 25) £/tonne

PB1 ex-works	7,580

Source: C.F. Booth Ltd

Phosphor Copper UK effective January 25) £/tonne

10% P ex-works	7,600
15% P ex-works	7,700

Source: C.F. Booth Ltd

Zinc Alloys UK £/tonne

Brock Metal Co January Contract Alloy Price (delivered UK, min 25 tonne lots)

Brock Metal ZL3	2,095
Brock Metal ZL5	2,142

Hotline

Ring dealers' delight

Ring dealers were in high demand on January 25 after a glitch hit the London Metal Exchange's electronic trading platform Select for a couple of hours.

Non-members, deprived of their real-time market information, were on the phones to the busy brokers who thrashed out their business on the open outcry floor.

"It was proper; just like the old days," a broker told Hotline.

The downtime left five of the six base metals unaffected but contention arose from the lead ring after a trader, feeling in the dark, offered $100 above the market and was booked.

Similar transactions followed, resulting in swollen cash and three-month prices and a steep drop when the market opened the next day.

The LME, which is very robust on business continuity, has fail-safes in place.

And one of them is the variety of ways in which members and clients can access the market.

"We were happy to be the ring-dealing members providing a service long-forgotten. We were the only ones able to do that," a category I trader told Hotline.

Last week **South Africa's department of mineral resources** rejected Kumba Iron Ore's mining right application for 21.4% of the Sishen iron mine. The DMR knocked back the application, logged by subsidiary Sishen Iron Ore Co (SIOC), after more than one and a half years of deliberation. During the 20 months since SIOC applied for the mining right in May 2009:

- The DMR has granted and upheld a prospecting right for the same share in Sishen to rival bidder and previously-unknown Imperial Crown Trading (ICT)
- The DMR has accepted ICT's mining rights application for the same stake
- ArcelorMittal South Africa (Amsa) launched a bid to take over ICT in an attempt to win back Sishen rights the company allowed to lapse in 2008.
- The DMR and ICT have been called to the country's high court to answer questions on the award of rights to ICT.

Quite a ride.

Armajaro launches new fund

Armajaro Asset Management will launch a new natural resources fund at the start of February after hiring two managers for the project.

The Armajaro Natural Resources Fund will offer investors exposure to equities in the metals, energy and agriculture sectors rather than exposure to futures, Armajaro said.

"The strategy will focus on macro trends through positions in commodity-related equities rather than through the commodity futures market in order to express its themes in a more leveraged and very liquid way," it said.

Armajaro has hired Nick Glinsman to manage the fund. Glinsman previously ran his own natural resources trading strategy, including a period as an external portfolio manager for Brevan Howard.

James Whitehead, who also worked at Brevan Howard, has joined Armajaro as the fund's risk manager.

SMX sees iron ore futures launch in Q2

The Singapore Mercantile Exchange (SMX) expects to launch its iron ore futures contract in the second quarter, ceo Thomas McMahon said in a statement.

"Core aspects of the SMX iron ore futures contract have been finalised in conjunction with MAS [Monetary Authority of Singapore] and industry feedback for anticipated launch in Q2 2011," he said.

Rahn & Co takes over activities of Eurochain

Rahn & Co has taken over the activities of Eurochain AG, the cobalt trading company.

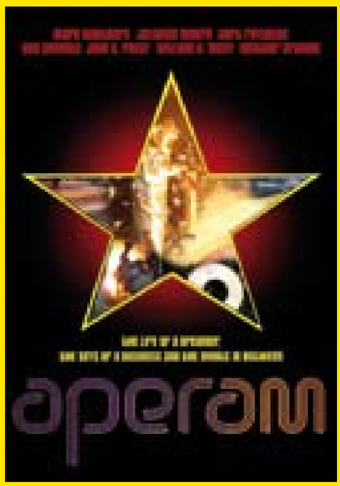
The Zug-based pharmaceuticals and chemical trading company is the parent of Eurochain, which is now in effect a division of Rahn, rather than a separate entity.

Rahn effected the change on January 1.

Former Eurochain ceo Patrick Amadieu will manage Rahn's metal business, the company said.

Carol Hewitt, who was formerly Eurochain's sales manager, will be the head of sales.

Cobalt trader Martin O'Neill left the company last year.



ArcelorMittal unveiled the new branding campaign for its spun off stainless steel business Aperam last week. Older readers may have spotted certain similarities in style with the glamour and glitz of the 70s. Hotline made some small adjustments (with apologies to Aperam's marketing department).

ArcelorMittal has announced that François Pinault will step down from his position as a member of the board of directors effective 26 January. Pinault joined the Mittal Steel Co board in June 2006 and has been an independent director of ArcelorMittal since the company's inception in November 2007.

MILLING ABOUT

RJ O'Brien (RJO) has hired former **Ebullio Capital Management** employee **David Maynard** as vp global metals group, taking the number of employees in RJO's metals division to six. Prior to Ebullio, where he was head of US investor relations, Maynard worked at Lehman Brothers, Brody White and Anglovaal Gold Mining Co over his 20-year career in the metals and mining industry. Maynard will be based in San Francisco. He will report to Janet Mirasola, md metals, who joined the company's New York office last year from Royal Bank of Canada to lead its strategic partnership with Sucden Financial.

ArcelorMittal has appointed two new directors to stainless steelmaking subsidiary Aperam's board of directors. Sylvie Ouziel, chief operating officer of Accenture Management Consulting, and Romain Bausch, president and ceo of telecommunications satellite operator SES, have both been appointed to the board of directors, the steelmaker said.

Severstal ceo Alexei Mordashov will meet creditors of Italian steelmaker Lucchini in Moscow on February 2 to finalise a proposal to refinance the mill's €770 million ($1.05 billion) debt, the company said. Mordashov purchased a 50.8% controlling stake in Lucchini from Severstal in July last year. The deal was designed to protect Severstal shareholders from the company's financial difficulties and to provide additional flexibility to sell the Italian mill. But, last Tuesday, the successful sale of the company was in doubt when Mordashov threatened to cancel next week's meeting unless Lucchini's creditors agreed to accept an amended refinancing proposal, calling for the immediate sale of French specialty steelmaking subsidiary Ascometal.

The board of **Baffinland Iron Mines Corp** has expanded to eleven, with five of the existing board members tendering their resignation and eight new directors filling positions.