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Goldman, JP Morgan hit with aluminium antitrust cases

LME roped into class action suits: page 7

ANALYSTS STICK THEIR NECKS OUT

'No surprise ArcelorMittal divestments in 2013'

Optimism despite earnings fall: page 10

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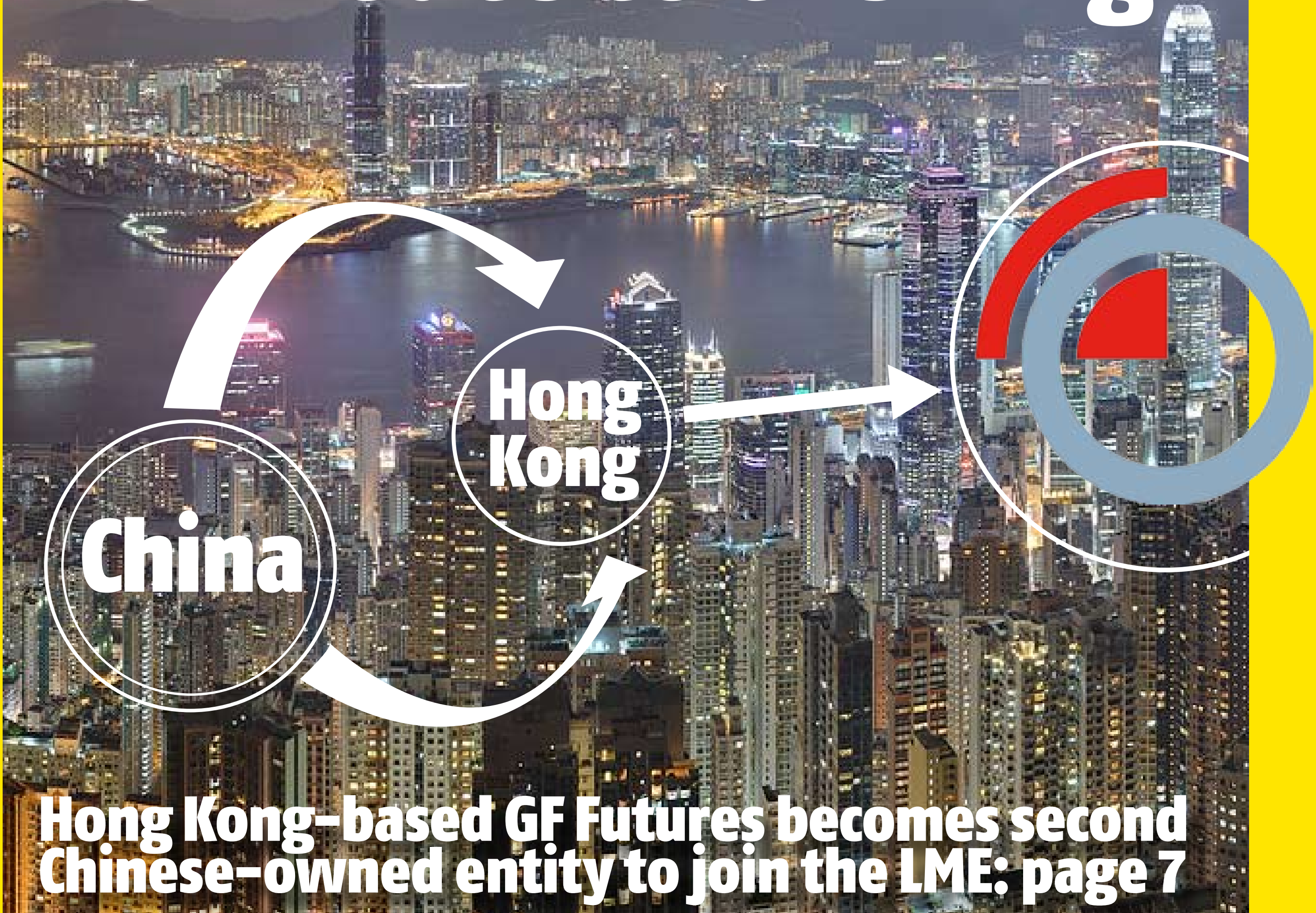

Hong Kong-based GF Futures becomes second Chinese-owned entity to join the LME: page 7


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Warehouse wars are about price power

The law suits that US aluminium consumers have launched against the London Metal Exchange, Goldman Sachs and now JP Morgan and Glencore Xstrata were precipitated by an article in *The New York Times*, a *Daily Show* skit and a senate sub-committee hearing.

These, if you like, are the factors that turned the LME's warehousing problem into a crisis: the paraffin and matches that started the blaze.

The origins of the law suits that began earlier this month are well-established: consumers are concerned about prices, premiums and the claimed degradation of the London Metal Exchange as a market of last resort – and with it its legitimacy as a price-setter.

They argue that the large stocks of aluminium in Metro's Detroit warehouses, owned by Goldman Sachs, and the bank's large stake in the LME before the latter's sale to the Hong Kong Exchange last year give it a monopolistic position in the market.

Meanwhile aluminium producers, including two of the world's largest primary smelters, Alcoa and Rusal, have also pushed forward their arguments, asking the LME to delineate the proportion of positions that are held by corporate and speculative interests in a bid to better understand the market.

The real cause of the row is being lost...

The confluence of fire on the LME from both sides of the aluminium market has led to the suggestion that the real cause of the barrage is actually divisible from its origins (the concerns about premiums, costs and availability) and accelerants (the senate hearing and *NYT* report).

Behind the concerns about premiums; behind the interest in greater transparency about the split between corporate and speculative position-holders; and behind the fears about availability and a stacked deck where LME stocks are concerned is another motive force.

...and other issues should be in the firing line

Industrial companies, from the primary smelters through the rollers to the beverage companies that use aluminium cans, share a belief that they have lost the capacity to make the price to the banks, traders and financiers which have driven the carry trade that has defined markets since 2008.

Never mind that the LME price is lower, and the total cost too.

Or that aluminium financing has enabled smelters to be built, and others to keep producing.

Or that outdated tariffs restrict competition in Europe, still a huge market for primary aluminium ingot and alloy.

Or that the proposed solutions to the warehousing problem seem to favour relatively narrow considerations of load-out rates rather than ensuring stiff competition across a range of warehouse locations.

The fight is on here, because at a visceral level the aluminium industry senses that for the moment it has lost its power to make the price of aluminium – a difficult proposition, which will lead the market who knows where in the months and years ahead.

➔Hot news, page 7

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IN THIS SECTION

LONDON

ENRC copper production rises 81% on capacity increases

ENRC's saleable copper production volume increased by 81% year-on-year in the second quarter of 2013, following capacity increases.

The company increased capacity or ramped up production at its Boss Mining, Comide, Chambishi and Frontier projects.

"Growth in copper production was because of increased capacity at Luita [Boss Mining] and Chambishi, with processing starting to stabilise," the company said.

"Capacity additions at Chambishi also allowed for increased production from Frontier concentrate," it said.

Saleable copper contained production reached 15,397 tonnes, compared with 8,505 tonnes in the same period in 2012 and 9,617 tonnes in the first quarter of this year.

Boss Mining and Comide

Copper ore extraction at the Boss Mining and Comide projects rose 84.9% year-on-year to 773,000 tonnes. This also represented an increase of 9.8% compared with the previous quarter.

Copper extracted at the Frontier Mine reached 1.6 million tonnes, up 74% compared with the previous quarter.

Copper ore grades were 43.8% lower in the second quarter than in the same period in 2012. Lower grades at Boss Mining were partly offset by those at Comide.

But grades were 9.7% higher than in the first quarter of 2013 due to increases at projects including Frontier.

Claim over contract Trader says Clarendon's deal compromises its interests

Glencore Xstrata files legal case against alumina producer

LONDON
BY CLAIR HACK

Glencore Xstrata has begun legal proceedings in the Jamaican and English courts against Jamaica-based Clarendon Alumina Production (CAP) after it struck a valuable deal with Noble Group, according to a filing with the US Securities and Exchange Commission.

Glencore Xstrata alleges that delivery of alumina to Noble under a sales agreement with government-owned CAP would mean CAP was in breach of its contractual obligations to Glencore, based on its understanding of CAP's alumina production forecast.

The legal proceedings could have a "material adverse effect" on CAP's ability to make payments on its outstanding debt, according to the filing, and could also affect its contractual obligations, including supply contracts.

The filing also states that, on July 19, Glencore Xstrata applied for and gained an interim injunction in the Jamaican courts to stop CAP from delivering a planned shipment of alumina to Noble.

Glencore alleged that CAP's financial situation would mean CAP would be unable to pay if any financial judgment were made against it, the filing said. On July 22, Glencore claimed for "substantive action" in the English courts.

CAP succesfully gained a discharge of the interim injunction on July 24, allowing it to make its first shipment of alumina to Noble on July 31, but the other legal action is understood to be ongoing.

CAP disagrees with Glencore's interpretation of the agreements and will defend itself in the proceedings, the filing added. However, it also stated that CAP can offer no assurances that it will win in such proceedings.

ENRC committee advises shareholders to consider takeover offer by founders consortium

LONDON

The independent committee set up by ENRC to look at the takeover offer tabled by a consortium of its founders has said it believes that the offer materially undervalues ENRC – but that shareholders should consider it.

Chairman Gerhard Ammann is among the directors who intend to resign once the offer becomes wholly unconditional and subsequently closes.

Ammann, who beneficially holds 22,222 ENRC shares, nonetheless intends to accept the offer in light of the circumstances set out by the committee.

The committee stated that it is "not capable of recommendation" based on its value, but given the risks and uncertainties it outlines in its response, it has concluded that relevant ENRC shareholders – that is, holders of ENRC shares other than the offeror and the Kazakhmys Group – should seriously consider the offer.

Under the terms of the offer, relevant ENRC shareholders would receive a combination of $2.65 in cash and 0.230 Kazakhmys consideration shares for each of their ENRC shares.

Consideration

Although it believes that this undervalues the company, the committee has said there may be reasons to consider the offer seriously, including the fact that Kazakhmys is now obliged to accept the offer.

The shareholders in Kazakhmys include the consortium, which held about 26.6% of the existing voting share capital of Kazakhmys, as well as Vladimir Kim, Oleg Novachuk and Eduard Ogay, who are directors of Kazakhmys and hold about 28.5%, 6.7% and 0.7% respectively.

The Kazakhmys shares held by the consortium constitute the Kazakhmys consideration shares, and it has obtained an irrevocable undertaking from Kazakhmys to accept the offer.

Kazakhmys must therefore accept the offer by the earlier of the fourth business day after receipt of a written request by the consortium to do so, or the 60th day after the date of the offer document.

After this, the offer will become unconditional as to acceptances, but will still have to meet the other conditions set out in the offer document.

Stock trading

The consortium has also said that ENRC's trading on the London Stock Exchange will be cancelled after the takeover offer is made unconditional in all respects and the consortium has obtained 75% of the voting rights of ENRC.

If this happens, the relevant ENRC shareholders who have not accepted the offer would not be given the same level of protection as was afforded to them while ENRC was a listed public company, the committee said.

Axe being sharpened At least 300,000 tpy of capacity will be taken out

Rusal uses summer lull to formulate Q4 shutdowns

LONDON
BY JETHRO WOOKEY

United Co Rusal is taking the traditionally quiet summer months to finalise its plan to shut at least 300,000 tpy of aluminium capacity this year, with the company's recently upgraded Division West smelters in Russia slated for closure in the fourth quarter.

"We're looking at the closure plan for next year. It will include most of the western Russian smelters, depending on local governments," a source at the company said.

Rusal said in May last year that it was considering idling up to 600,000 tpy of aluminium production after a 65% slump in first-quarter core earnings, before revising that figure downwards later in the year.

In March this year, the company said it planned to cut 300,000 tpy after reporting a slump in earnings for 2012.

Rusal is now much more committed to slashing production volumes than in 2012

Cuts will mostly be made in Rusal's smelters in western Russia

Between May 2012 and May 2013, Rusal cut just 42,000 tpy of aluminium production capacity.

In the past few weeks, however, there have been indications that Rusal is now much more committed to slashing production volumes than in 2012.

Alumina being offered

The company has been buying primary metal to cover potential supply shortfalls to its contract customers, and has started offering to the market alumina shipments that it will no longer need in its smelters.

"The company is more firm on moving capacity out at higher cost locations," the source said.

"Capacity cuts of 300,000-350,000 tpy will be achieved before the end of this year, starting in September."

The cuts will mainly be made at Rusal's Division West smelters in Western Russia. Division West has the capacity to produce more than 300,000 tpy of aluminium, mostly in the form of foundry alloys following a $55 million investment programme last year to convert much of the capacity to the manufacture of semi-products.

While the announcement of new warehouse load-out rates to be enforced next year by the London Metal Exchange has prompted falls in the aluminium premiums, it is low LME prices that have resulted in Rusal's new focus on closures.

Rio Tinto cancels Pacific Aluminium sale

LONDON

Rio Tinto has called off the sale of its Australia-based Pacific Aluminium business, ceo Sam Walsh said in the company's financial results announcement for the first half of the year.

"Following a comprehensive review we have also determined that the divestment of Pacific Aluminium for value is not possible in the current environment and it will be reintegrated into the Rio Tinto Alcan group," Walsh said in a statement. "Our global aluminium business is one of the best performing in a challenging industry," he said. "We continue to make good progress to transform our businesses through divesting or closing non-core assets, business improvement and targeted investment."

Rio "needs to do more" to improve its performance and returns, Walsh added. "[The] global economic volatility only serves to highlight the need to build a stronger and more resilient business. I have reinforced our capital allocation processes to ensure that we are only investing in the best opportunities," he said.

"We have reduced capital expenditure from the peak level of last year and we expect it to be 20% lower in 2013. We have made steady progress in improving our portfolio this year, with $1.9 billion of divestments announced or completed to date."

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LONDON

CWT reports record Q2 revenues

CWT Commodities has posted a major rise in revenues for the half year ended June 30 thanks to a new product line in its commodities supply chain management division, which includes the base metals element of the business.

The group achieved an increase of 52% in the first half of the year compared with the same period of 2012, to S$3.2 billion ($2.52 billion).

In the second quarter, revenues hit S$1.7 billion, up 66% compared with the same period during the previous year, marking a new quarterly record.

"The surge in revenue was contributed mainly by a new product line in Commodity SCM business," CWT said.

Win-win scenario Link-up with Nui Phao ticks all the boxes, German firm says

Tungsten jv provides HC Starck with supply security, Meier says

LONDON
BY CLAIRE HACK

HC Starck's tungsten chemical joint venture agreement with Nui Phao Mining will allow the German company to be more opportunistic in terms of spot-based business, thanks to supply security, ceo and president Andreas Meier said.

Nui Phao, a subsidiary of Vietnamese private sector company Masan Group, will own 51% of the venture and HC Starck – a major Germany-based supplier of technology metals – will own the remaining 49%.

"We were thinking about investing in several projects, but there aren't that many out there that are sizeable enough and where the financing is secured," Meier told Metal Bulletin.

"We are pretty good in terms of our strategic position, so we were looking for an adequate partner with a sizeable mine."

After much negotiation, the two companies were able to come up with a "win-win" scenario, in which Nui Phao receives the technology to produce purer ammonium paratungstate (APT) and HC Starck gains exclusive access to a "significant portion" of the mine's production.

"It will come on stream in the middle of next year. It will be step-by-step, but the ultimate goal is to produce blue tungsten oxide [BTO]," Meier said.

The tungsten mine, north of Hanoi, is one of the largest outside China, he added, and is already well advanced in terms of the construction of the beneficiation plant and mine development.

Funding is also in place.

"Financing was secured from Nui Phao's side. We were approached by many different developers and junior miners, but finance is always the big issue," Meier said. "This new project is basically for [the supply] of the whole world. A significant portion of the output will be used in our processing plants in Germany and Canada."

On a fundamental level, Meier said, the tungsten market is still growing, especially as demand from China remains strong.

"Tungsten and tungsten compounds are indispensable, and will [certainly] have a place in the market," he said. "Tungsten is scarce, and having long-term supply security is definitely an advantage – that's what we hear from our customers."

SA chrome exports to China up 50%, Merafe says

Taking the shine off: talks are under way that may reduce exports

JOHANNESBURG

South Africa exported almost 50% more chrome ore to China in the first six months of this year than in the first half of last year, Merafe Resources said on August 6, when it released its first-half results.

From January to June this year, South Africa sold 3.1 million tonnes to China, it said. This compares with 4.5 million tonnes for the whole of 2012, Merafe said, quoting Chinese customs figures released in July.

Talks between ferro-chrome and chrome ore producers and the government are advancing regarding increased exports of chrome ore at the cost of the local ferro-chrome industry, Merafe ceo Zanele Matlala said.

"The task team is coming up with proposals that will be presented to the [department of mineral resources] and could result in a reduction of chrome exports into China," Matlala said.

Former Merafe ceo Stuart Elliot started lobbying more than a year ago against the practice. He proposed an export tariff on chrome ore.

Unprotected strikes at Merafe's Eastern chrome mines in May did not affect the smelter operations' output, since the company had sufficient stockpiles, Matlala said.

The company reported a 23% increase in ferro-chrome production for the first six months this year, compared with the corresponding period last year. It has produced 145,000 tonnes so far this year, against 118,000 tonnes in the first half of 2012.

LONDON

High tungsten conc prices could drive business from China

Ferro-tungsten and ammonium paratungstate (APT) production could move away from China in the long term if tungsten concentrate prices there continue to rise, sources told Metal Bulletin.

"In the future, most demand will be covered outside China. The big customers in France, Austria and Germany will [go elsewhere]," a trader told Metal Bulletin.

"The Chinese will be able to sell less and less on the European platform. It seems the only chance China has is to go more downstream," he added.

> 'I expect the price [of APT] to fall dramatically [after the European summer]'
> *– tungsten trader*

Both ferro-tungsten and APT prices in Europe have risen steadily since the beginning of the year, as concentrate prices in China have soared as high as 158,000 yuan ($25,604) per tonne, from 150,000 yuan per tonne just a month ago.

However, ferro-tungsten prices have begun to lose ground in recent days, down from highs of $50 per kg to a range of $47.50-48.50 per kg, and market participants have suggested APT prices – now at $410-425 per mtu in Europe – could follow suit.

"I've spoken to a few partners [in China] and they're starting to say that if you really want business, you have to look at [moving] the price," the trader said. "I expect the price to fall dramatically [after the European summer]. Right now, demand is low because customers are on holiday until the end of August."

Concentrate prices are also slightly down in Europe, according to a producer, which could help to stabilise the APT price.

Metal Bulletin's European quotations for ferro-tungsten and APT remained unchanged on August 6, at $47.50-48.50 per kg and $410-425 per mtu, respectively.

Gateway opens wider Acquisition of Natixis Commodity Markets lets GF Futures trade on London exchange

GF Futures ventures out into commodity markets as western banks retreat

LONDON
BY MARK BURTON

GF Futures looks set to become the second Chinese-owned entity to trade on the London Metal Exchange, following its acquisition of Natixis Commodity Markets, which was put up for sale last year after the eurozone liquidity crisis.

That number could soon increase to three if Industrial and Commercial Bank of China's (ICBC) acquisition of Standard Bank's London-based commodity business goes ahead, which could happen by the end of this year, according to some media reports.

This would give ICBC a foothold in the global physical markets, mimicking JP Morgan's landmark entry in 2010 with its acquisition of most of RBS Sempra's commodity operations, and RBS's purchase of Sempra before that.

Three years on and JP Morgan is putting that unit up for sale, in response to the increasing regulatory scrutiny of its activities in physical metal markets, and those of other western banks.

With regulators turning the screw on banks in the USA and Europe, JP Morgan may find the strongest approaches are made by the handful of Chinese banks and brokerages authorised to venture out into international markets.

In his blog, Charles Li recognises that they will do so by "crossing the river touching familiar stones" in Hong Kong. The likelihood is that Chinese entities will walk out into the world before foreign entities walk into China, as Li and others recognise.

The efforts of GF Futures, ICBC and Bank of China International to do so may bring some comfort to the new owner of the LME, who will be concerned as the firestorm over warehousing rages on. We eagerly await Li's next blog post.

Goldman, JP Morgan hit by Al antitrust action

NEW YORK

US banks JP Morgan Chase & Co and Goldman Sachs Group, along with commodities group Glencore Xstrata and the London Metal Exchange, are being sued for allegedly manipulating the aluminium market through price fixing and deliberately restraining the flow of material exiting LME -listed warehouses.

The complaint was filed on August 6 in US District Court for the Northern District of Florida by Jacksonville-based Master Screens, a purchaser of aluminium products, and individual plaintiff Daniel Price Bart of Tallahassee, who is a purchaser of beverages sold in aluminium cans, according to the filing.

> Plaintiffs are seeking class action status to represent other aluminium buyers

The plaintiffs are seeking class action status to represent other aluminium buyers as well as compensatory damages.

The banks and Glencore are accused of violating antitrust laws and in engaging in "collusive practices and racketeering activity to restrain trade from February 1, 2010, to the present," according to the filing.

LME has responded by saying the suit is 'without merit'

Specifically, New York-based Goldman Sachs, owner of warehouse operator Metro International Trade Services, is accused of illegally extracting "wealth on a national and global scale amounting to approximately $5 billion from the industry."

The allegations come on the heels of a similar suit against Goldman Sachs, Metro International Trade Services and the LME filed by Michigan-based Superior Extrusions.

The August 6 suit also alleges that, despite complaints about inflated aluminium prices, "defendants continued to restrain supply and inflate prices," and had direct and indirect knowledge that they "were inflating aluminium prices and injuring persons that paid those prices, especially the Midwest Premium."

Representatives for Goldman Sachs, JP Morgan Chase and the LME denied the allegations.

"We believe this suit is without merit and we intend to vigorously contest it," said Michael DuVally, a spokesman for Goldman Sachs.

LONDON

GF Futures arrival makes Chinese LME membership a trend – Sucden Financial

More than a year after Bank of China International (BOCI) joined the London Metal Exchange, the bourse is set to register its second Chinese member after GF Futures bought the Natixis Commodity Markets (NCM) business this week for $36.1 million.

Progress has been slower than some had expected, but over the next few years more Chinese members will join the LME, either by building new businesses – like BOCI – or acquiring them, like GF Futures, Jeremy Goldwyn, Sucden Financial's head of business development in Asia, said.

"There may only be two points on the graph right now, but I think this is definitely the start of the trend," Goldwyn told Metal Bulletin on Tuesday August 6.

As other banks and brokerages register, there will be stratification in the types of business they offer, as some entities look to set up pure brokers and dealers while others move into other areas, such as structured finance and physical markets, Goldwyn said.

Buyers wait for fall in aluminium premiums

Asia Uncertainty over LME's warehousing plans

SINGAPORE
BY SHIVANI SINGH

Asian premiums remain largely unchanged, with business quiet amid slow demand and uncertainty about the impact of the London Metal Exchange's plans for its warehousing regime.

"It's back to the bid and ask, but nothing is happening out there," a Singapore based trader said, adding "People are looking around to see if numbers have come down."

Trading is inactive, partly because of the usual summer holidays at this time of year, but also because market participants are still waiting to see if the LME's plans to reduce warehouse waiting times put downward pressure on premiums.

The LME is proposing higher load-out rates for warehouses with waiting times of more than 100 days. If approved at a vote in October, the new regime would come into force next April, but premiums could begin to soften as more metal becomes available ahead of that time.

"If the rules get implemented the premiums can't go up because of queues, but they can go up if there are major smelter closures," the trader said.

"In the longer term, the MJP premium will decline from the current level of $250 [per tonne], but for now the LME proposal is under discussion until September," a trader from Tokyo said.

Metal Bulletin's Singapore and Johor premiums for ingot remained at $180-195 per tonne, while spot main Japanese port premiums were unchanged at $250 per tonne.

Europe Consumers are waiting for further dips

LONDON
BY JETHRO WOOKEY

Spot primary aluminium business has dried up in Europe in the past week, with trader bids falling below levels producers are prepared to sell at and many consumers waiting for further dips in the premium before covering their fourth-quarter needs.

"There's been some activity over the past week, but nothing big," a producer said. "Trader and consumer bids are significantly different now – traders' bids are much lower."

Metal Bulletin's European duty-paid aluminium ingot premium stands at $250-275 per tonne, flat from a week ago but down from $275-290 since the London Metal Exchange announced its proposed new warehouse load-out regulations at the beginning of July.

The market in Northern Europe in particular has slowed, with few transactions completed from producer to trader due to low trader offers and consumers sitting on the sidelines in anticipation of lower premiums to come, should the LME consultation move towards implementation in April next year.

"We had a consumer enquiry for 25,000 tonnes last week, but when the customer saw the [recent weakness in] premiums, he put the deal on hold," a trader said. "Northern Europe is taking the new LME rules for granted."

In the south – particularly in Italy and Spain – market participants have reported strong demand and premiums have been maintained at higher levels than in northwest Europe.

CHICAGO

Ormet to shut half its US aluminium operations after request for cheaper power denied by Puco

Ormet Corp will shut down half of its aluminium operations after the Public Utilities Commission of Ohio (Puco) denied its request for an emergency decision in a power-rate dispute with the American Electric Power Co.

Ormet had said it needs that relief to continue operations.

The bankrupt Hannibal, Ohio-based aluminium producer also said it has submitted a motion requesting the deferral of power bills due in August and September.

Ormet said the move was necessary to fund operations at its Hannibal facility while the company waits for Puco to conduct a full hearing on its request for a better power deal.

The hearing is slated for August 27, although Ormet had pressed to have a decision sooner.

> 'Ormet needs immediate relief to survive its immediate cash flow problems'
> *Company statement*

Pushing back payment of its power bills is necessary to avoid shutting down "all remaining operations" by early September, Ormet said in the July 31 filing with Puco.

"Ormet needs immediate relief to survive its immediate cash flow problems," the company said in the filing, contending that delaying the power payments was necessary to protect thousands of Ohio jobs directly and indirectly related to the company.

Ormet's electricity rates were $62.83 per MWh in June 2013, an increase of 58.4% from $39.66 per MWh in 2009, the company said.

"In the current metal pricing environment, Ormet cannot overcome the massive increase in […] electric rates experienced over the past several years," Ormet president and ceo Mike Tanchuk said in a statement on July 31. "Ormet must receive the relief requested to continue operations."

Ormet has been dogged by high legacy and power costs and low aluminium prices, which pushed the company to file for bankruptcy protection on February 25.

Scrap and secondary

Price Preference System Export permits valid for only one month; volumes will be 'closely monitored'

SA export directive will lock in on Sep 16

JOHANNESBURG
BY BIANCA MARKRAM

South Africa's scrap export directive, which is aimed at controlling exports of recycled ferrous and non-ferrous material, will come into effect on September 16, the minister of economic development, Ebrahim Patel, announced on August 2.

All export permits issued until the directive – dubbed the price preference system – is in force will be valid for one month only, while volumes reflected in export permit applications will be "closely monitored", the note in the Government Gazette stated.

From September 16, scrap may not be exported unless it has first been offered to domestic scrap consumers at a discount for a specified period determined by the International Trade Administration Commission of South Africa (ITAC), for local beneficiation.

ITAC pricing policy currently dictates that scrap metal must be offered to domestic users at a 20% discount to international spot prices. The ITAC will calculate the discounted prices for different scrap grades at the end of each month and publish them on its website.

Under the new price preference regime, the regulator also wants to ensure that the quality of the scrap intended for export is accurately reflected on applications for export permits.

All permit applications will have to be accompanied by a letter or certificate, signed by a metallurgical engineer to confirm the grades, type and quantity of scrap available for export. The applications must also contain information showing where and when the scrap metal can be inspected by prospective buyers in the domestic market.

From Sep 16, scrap must first be offered to domestic consumers

A domestic buyer, which must be a foundry, mill, mini-mill or secondary scrap processor, must submit a signed copy of a sales agreement to ITAC within 15 working days, to indicate the volume taken from a specific seller. ITAC will reduce the volume indicated on the application with that number and issue an export permit for the remaining volume within three working days.

If a domestic buyer buys the entire consignment from a supplier, ITAC will not issue an export permit for that consignment.

LONDON

Drop in rupee's value stalls flow of Indian scrap imports

A renewed drop in the value of the Indian rupee against the US dollar has kept Indian scrap buyers out of the market for another week.

Traders were offering shredded scrap at $365-370 per tonne cfr Nhava Sheva on Tuesday August 6, but found no buyers because of the weak rupee.

The assessed price of shredded was down from the Metal Bulletin index for shredded scrap, which was $371.53 per tonne on August 2.

"[The] Indian market for imported scrap is almost dead," a European scrap merchant said.

Middle East-origin HMS 1 was assessed at $350 per tonne cfr Nhava Sheva on August 6 by a second trader. HMS 1 trades at a discount to shredded scrap.

Two weeks ago, market participants were hopeful that India would return to the market.

But declines in the rupee against the dollar have been making imports unprofitable.

UK secondary Al producers see higher prices after good summer

LONDON

UK secondary aluminium producers are confident that prices will rise after the summer shutdown period, as demand from both domestic and European buyers has remained high during the traditional holiday season.

"Europe is still desperate for material," a producer said. "Demand [was] off a bit [last] week, but it's still strong and prices are holding."

Metal Bulletin's LM24 pressure diecasting ingot price stayed at £1,520-1,570 ($2,334-2,411) per tonne, while its LM6/LM25 gravity diecasting ingot price remained at £1,720-1,780.

Many producers have shut operations for maintenance work, as is normal for this time of year. Those that are still running are mostly filling contract business, with no room to respond to the unseasonably high spot demand.

Demand in Europe is high following German producer Oetinger's move into administration in late June, which was compounded last month by the company's French unit – Affinage de Lorraine – following its parent into administration last week.

"Some UK and European producers are taking shorter shutdown periods, which is to be expected after the Oetinger news," a trader said. "But the market is still tight, which could push prices up."

Some are expecting price increases as soon as this week, when some market participants return to work.

But most feel that prices will remain stable until nearer to next month. "September will be interesting," the first producer said. "There are some large UK consumers still trying to cover volumes but we're all sold out. That could push prices higher."

Scrap prices were also stable on Friday August 2.

NEW YORK

US midwest steel mills settle August domestic scrap bookings

Steel mills in the US midwest have concluded a majority of their scrap-buying programmes for August, market sources told Metal Bulletin sister title AMM.

Market participants in and around Chicago, St Louis and Detroit said that obsolete grades had traded mostly sideways in their markets, with prices unchanged from July on some trades and down by as much as $5 per gross ton from July in markets such as Detroit.

No1 busheling scrap traded across all three regions at prices unchanged from July, while shredded scrap prices dropped by $10 per ton in Chicago and St Louis and by $15 per ton in Detroit.

As trades concluded on August 5, minor price adjustments by some buyers resulted in more nuanced moves in Chicago, with AMM's assessment for No1 heavy melt scrap falling to $351 per ton.

Spotlight Despite Q2 group earnings falling one-third, Lakshmi Mittal is positive

ArcelorMittal's upbeat outlook for 2014 backed by analysts

Arcelor Mittal says it is gaining control of its finances with its asset optimisation programme

LONDON
BY ALEXANDRA CHAPMAN

A fall of one-third in its earnings for the second quarter of 2013 has not damped ArcelorMittal's optimism about the prospects for its European business in 2014.

Metal Bulletin sister title Steel First spoke to analysts to find out their views on whether the company's upbeat outlook was well-founded.

On Thursday August 1, the group reported its underlying earnings before interest, taxes, depreciation and amortisation (Ebitda) in April-June as $1.7 billion, compared with $2.56 billion a year earlier.

Despite earnings being badly hurt by a poorer pricing climate and continued weakness in the European market, ArcelorMittal ceo Lakshmi Mittal said that the second half of the year would "deliver a clear underlying improvement", and described the second half of 2012 as the "lowest point" in the cycle.

And analysts largely backed ArcelorMittal's optimistic outlook for the second half of 2013, saying that they do not expect the steelmaker to shelve or sell any more mills or projects this year, despite working through a series of cost-cutting and asset-optimisation measures.

There is an exception, however. ArcelorMittal has a clutch of under-used mills in Poland, the Czech Republic and Bosnia in its portfolio, and these could be candidates for sale if the steelmaker found the right buyer.

Trouble in Eastern Europe

"Galati [in Romania] could be another mill they would consider selling," a London-based analyst told Steel First. "But it seems unlikely that they will get close to a decent price, so why bother?"

ArcelorMittal's Galati steelworks produces hot rolled coil, plate, cold rolled coil, galvanized coil, and pickled and oiled coil.

Cutbacks in the same region by other steelmakers last year prompted speculation that the mill could be idled, but the company denied the likelihood.

Underlying profitability for the group is still expected to improve in 2013, the company said.

Mittal's positive comments were not far-fetched, according to London-based analysts, who highlighted the quarter-on-quarter margin improvement in the group's Flat Carbon Europe (FCE) division. "The company's Asset Optimisation Programme [AOP] is certainly having an effect in terms of cutting costs across the board," one analyst said.

The AOP was launched in 2011 in a bid to save the group $1 billion on an annualised basis by the end of 2012. The steelmaker said that the plan would help earnings in 2013.

"We saw an improvement in FCE's margins, which was certainly encouraging," the analyst added.

Last week, FCE reported a 14% quarter-on-quarter increase in earnings to $341 million in the second quarter of 2013, up from $300 million in the first quarter.

Meanwhile, however, the FCE division reported a heavy operating loss for the year of €151 million ($200 million), excluding interest and tax costs.

The operating loss included heavy restructuring costs of €119 million, associated with the idling of its Florange plant in eastern France, which was permanently idled last October.

"It's no surprise that these closures are costing ArcelorMittal so much money," one Spanish analyst said, adding that, in the long run, the positive consequences of such closures would become more evident.

Confidence in downstream

While the numbers still do not look healthy, reaction to ArcelorMittal's recent results suggest that the market believes the steelmaker is looking for opportunities in steelmaking and expects confidence to return downstream.

"While the company appeared to have been concentrating on the mining side of things a while ago, I feel that attitude has now changed," the London analyst said.

LONDON

European price hikes help make the case for optimism for FCE division

Recent price hike announcements made by Flat Carbon Europe have not been made without good grounds, the analysts told Metal Bulletin sister title Steel First.

"I am definitely seeing a positive trajectory on steel pricing in Europe," the London-based analyst said.

"We will have to wait and see how much of an effect these price hikes have in the second half of the year."

On July 18, an executive from ArcelorMittal told Steel First that prices on all flat products would increase by €20 ($27) per tonne on increased orders and current demand. The latter factor was meeting the group's expectations, he added.

MOST READ ON THE WEB

1 Schmolz + Bickenbach AG directors resign en masse amid takeover wrangle
2 Spot 63.5% Fe iron ore prices down $2 this week
3 CHINA STEEL WRAP: Rebar prices up but HRC market holds steady
4 Japanese crude steel production to hit 27.83m tonnes in Q3
5 ArcelorMittal's Q2 earnings down 33% on lower prices, weak European market

Most read steel stories in the week to August 9. See www.metalbulletin.com

IN THIS SECTION

Africa

Kenya has revoked all prospecting, exploration and mining licences issued between January 14 and May 15 this year as part of an overhaul of the sector, according to the country's new mining minister. The move "follows a number of complaints regarding the issuance process" in the transition period before and after the March general election, cabinet secretary for mining, Najib Balala, said on Monday August 5. At least eight iron ore exploration licences and one mining licence were cancelled, according to a document listing all 43 revoked licences which was released on Tuesday August 6. Among the companies affected is Mombasa-based iron ore producer Wanjala Mining Company, which had one licence revoked.

Australasia

Fortescue Metals Group (FMG) has lost a high court challenge against Australia's Minerals Resource Rent Tax (MRRT), which came into effect on July 1 last year. FMG had argued that the tax was unconstitutional in that it discriminates between Australian states, curtails state sovereignty, gives preference to one state over another, and restricts a state's ability to encourage mining. The high court of Australia, however, unanimously dismissed proceedings brought by the iron ore miner on Wednesday August 7. Fortescue said it challenged the MRRT because it was an unreasonable intrusion into an area of state responsibility and that it was also an unfair, discriminatory and complex tax.

Europe

Schmolz + Bickenbach AG's board of directors has rejected the first of two takeover offers made by industrial investor Renova, the Switzerland-listed stainless steelmaker said on Monday August 5. Renova teamed up with S+B AG subsidiary Schmolz+Bickenbach KG, which represents the stainless company's founding families, to launch a takeover bid on July 12 at SFr2.85 ($3.065) per share. At the moment, the joint shareholding in S+B AG held by Renova and S+B KG comes to 40.46%. The board of directors at the parent company is advising shareholders to decline the bid on the grounds of it being too low, arguing that calculations by Switzerland-based private bank J Safra Sarasin show a fair value to be between SFr3.95 and SFr5.70 per share.

Outokumpu's Terni plant to be offline until September

Outokumpu's stainless steel plant in Italy, Acciai Speciali Terni, will be offline until the first week of September, a source at the works told Metal Bulletin sister title Steel First on Wednesday August 7. The plant, which produces stainless steel sheet products, has been idled from August 2 for maintenance. "[The entire plant] will be closed for the month of August, and we will produce again in the first week of September," the source said. One production line could come back online at the end of this month, it was confirmed, although the source could not provide details. Outokumpu is in the process of selling the flat steel products operations in Terni to comply with competition rules set by the European Commission as part of its approval for the Finnish group's €2.7 billion ($3.6 billion) merger with ThyssenKrupp's Inoxum division.

ArcelorMittal has shown confidence in Spanish steel by announcing that it will invest as much as $23 million in its Asturias site. The world's largest steelmaker will invest €17.2 million ($22.8 million) in a variety of projects at its site in Avilés, in the northern Spanish region of Asturias. ArcelorMittal Asturias produces long and flat carbon steel products at plants at Gijon and Aviles, and employs 6,000 workers. The investment will go towards a new tinplate inspection line, an upgrade to the site's existing roll shop, the revamping of hot rolled coil yard No15 and the electrical system of galvanizing line No2. The investment also factors in several mechanical improvements in the pickling line.

Tata Steel in Scunthorpe, UK, will manufacture 60,000 tonnes of steel for a high-speed rail link between Saudi Arabia's holy cities of Mecca and Medina. The steel will be made at Tata's Scunthorpe basic oxygen furnace, and then rolled into 25-metre rails both in Scunthorpe and at the company's plant in Hayange, northern France. "The new railway will allow millions of pilgrims to cross the 444km between the two cities at speeds of 320kph," Tata said. "The line will cross the desert, withstanding temperatures ranging from freezing to 50 degrees C, as well as sand storms, flash flooding and shifting dunes."

Steelmaker **Voestalpine** has recorded a 1.6% year-on-year drop in earnings for its financial first quarter, ending on June 30, the company said on Wednesday August 7. The Austrian company blamed the decline on weaker economic circumstances and lower raw materials prices. Earnings before interest, taxes, depreciation and amortisation (Ebitda) for the spring quarter fell to €366 million ($486 million), compared with €372 million in April-June 2012.

North America

Benteler Steel/Tube has broken ground for construction of its planned $900 million, oil country tubular goods (OCTG) mill in Louisiana, USA. The company is receiving $29 million in incentives from the Port of Caddo-Bossier to build the plant, according to port director Eric England. The facility is expected to employ about 675 people and to be operational by 2015, England said.

Sales by the **top seven carmakers** in the USA totalled nearly 1.13 million vehicles in July 2013, up by 13.6% from 991,570 in the corresponding month last year. Sales were down by 6.8% from 1.21 million vehicles in June, however. California-based American Honda made the most progress, with a 20.9% improvement in July sales compared with a year earlier. Sales of 115,009 vehicles by Hyundai Motor America and Kia Motors America pushed the South Korean brands above Nissan North America last month. Detroit's Big Three – Ford, General Motors (GM) and Chrysler – all recorded double-digit sales growth last month but still lost about 0.2 percentage points of market share, while Japanese carmakers increased market share by 1.1 percentage points from July last year.

Gerdau Long Steel is halting billet production at its Cambridge, Ontario, mill and idling its Buffalo, New York, shredder due to market conditions, it told Metal Bulletin sister title AMM on Monday August 6. "Due to the slower-than-expected economic recovery and the impact of imports, the company has decided to shift billet production from its smaller meltshop at the Cambridge mill to its larger meltshop in Whitby, Ontario. The larger meltshop has the capacity to produce all the billet required under current market conditions," a spokesman for Florida-based Gerdau Long Steel said.

Markets

Exports up 'HRC prices are higher, so we followed the trend and raised our prices'

China's HDG export prices rise on costlier HRC, tight supply

SHANGHAI

China's hot-dipped galvanized coil (HDG) export market strengthened last week on tight supply and higher domestic hot rolled coil prices.

Base transaction prices for HDG were at $645-665 per tonne fob for October shipment on August 7, up $25-30 per tonne from the previous week.

Base offers for the product also rose to $670-680 per tonne fob, from $645-650 per tonne the week before.

"HRC prices are higher, so we followed the trend and raised our prices," an exporter at a mill in Jiangsu province said.

The mill stopped issuing offers two weeks ago while it waited for

> 'We are carrying out maintenance works on our HRC production lines, so our supply of HDG will be tighter'
> *Chinese exporter*

Rising domestic HRC prices have pushed up export prices for HDG

Shagang's HRC list prices, he said.

East China-based Shagang raised its HRC list prices by 170 yuan ($28) per tonne on August 1.

Supply tightness was also widely reported in the market.

"We are carrying out maintenance works on our HRC production lines, so our supply of HDG will be tighter," an exporter for a major north China-based mill told Metal Bulletin sister title Steel First.

Inspections by environmental authorities in north China also forced many mills to reduce output, market participants said.

Traders' inventory is also at a low since mills are controlling their deliveries to the market, which supports prices but slows down trading activity, a Shanghai-based trader said.

Spot prices for 1mm HDG in Shanghai were at 4,470-4,630 yuan per tonne on Wednesday, unchanged for the week.

SHANGHAI

Chinese plate export prices unchanged on market lull

China's plate export prices were unchanged on Wednesday August 7 amid a firming domestic market and slow overseas buying interest.

Base export transaction prices for the product stood at $520-530 per tonne for late September shipment, flat with Metal Bulletin sister title Steel First's assessment the Friday before.

Base export offers for commercial-grade, boron-containing plate were also unchanged from the previous week at $540-550 per tonne fob for late September shipment.

One mill in northern China will increase its focus on the domestic market, as it can make more money from sales there, a source at the producer told Steel First.

"Overseas buyers are retaining their bid prices at $510-515 per tonne, which is far below our offer prices. But we would not consider lowering prices to conclude deals as we can sell our products on the more profitable domestic market," the source said.

Overseas enquiries have dropped off due to the summer slowdown, an exporter said.

Indian mills likely to raise price for domestic HRC by $16 per tonne

MUMBAI

Indian mills are likely to raise their domestic prices for hot rolled coil (HRC) by Rs1,000 ($16) per tonne for August sales.

So far, only JSW Steel has confirmed the Rs1,000 rise. The other large mills have yet to decide on their prices for August sales.

A dealer for one of India's largest steel producers said that there had been no notification from the company by August 6 asking dealers to increase the price of HRC.

"We expect the company to increase prices in the next few days, although we are not very keen on [an HRC price increase] because of the subdued sentiment in the market," the dealer said.

An official from a third mill said it will wait for other large mills to act before raising prices.

"We can't risk increasing prices first," the official said. "We will lose what few sales we have. We tried to increase prices last month and burned our fingers."

Most mills are selling HRC at an ex-mill price of Rs33,750-34,250 ($551-559) per tonne.

The retail trade, however, has not reacted to the impending increase.

MOSCOW

Ukraine long steel export offer prices rolled back

Trading has started for Ukraine-origin rebar and wire rod to be produced in September and delivered in October but at prices lower than the initial offers, Metal Bulletin sister title Steel First heard this week.

Metinvest and ArcelorMittal Kryvyi Rih were earlier heard to be offering rebar and wire rod to West Africa at $595 per tonne fob Black Sea.

Steel First has also heard that the companies made their preliminary offers for wire rod at $600 per tonne fob Black Sea.

However, ArcelorMittal Kryvyi Rih has sold some tonnages of its September wire rod at $570 per tonne fob Black Sea to Israel, and at $580-$585 per tonne to other markets, according to one market participant.

The mill sold some September-rolled rebar at $590-$592 per tonne fob Black Sea, the source added.

"The demand [for Ukraine-made long steel] is stable but not high," the source said.

Market participants were waiting for the end of the Islamic holy month of Ramadan, expected on August 9, for demand in long products to revive, they said.

In a market content to move sideways, sources said that shredded prices fell due to excess supply.

Summer lull Grade-60, No5 rebar has hovered around $645 in most US regions

US rebar holds ahead of quotes

NEW YORK
BY SAMUEL FRIZELL

Rebar shipment levels in the USA were lukewarm in July, and prices were mostly holding flat in early August ahead of expected price announcements from the mills.

Prices for grade-60, No5 rebar have hovered around $645 per ton ($32.25 per cwt) in most US regions since mid-June, Metal Bulletin sister title AMM heard.

The mills announced they would not change prices in July, despite a $16-per-ton increase in the Chicago consumer buying price for shredded auto scrap, the raw material input for rebar, and most rebar buyers have seen little price fluctuation.

Some speculated that steelmaker Nucor, the usual price leader, will announce a price increase in the next few days, but others were unsure.

"It could go either way," a rebar buyer in the US northeast said. "My guess is they're going to try to get something out of this [scrap increase]. They sat on their laurels on the last $16. My bet is they're going to move a little."

US rebar price move could occur when Nucor announces its level

Many buyers said last month that they expected an increase at the end of July, but Nucor has not yet announced a price change, and one mill source said he was not expecting a price announcement as the mills move further away from tying their prices to scrap.

Activity increased at the end of the month after a short dip in early July, but overall rebar shipments were down slightly compared with June, several sources said.

"We're not producing quite as much rebar as we had been," the mill source said.

Indicators for the construction sector were positive in June and July, with the architectural billings index in June indicating continued growth in demand for building design services.

Construction employment rose by 3% in July to 5.79 million compared with the same month last year, according to the Associated General Contractors of America.

LONDON

European medium sections mills try for higher prices in Sep

European producers of medium sections to be traded domestically are trying to increase prices by €10-20 ($13-27) per tonne, market sources told Metal Bulletin sister title Steel First last week.

Although activity remains slow, mills have raised their offer prices to try to benefit from post-holiday order increases.

Domestic prices for medium sections in Northern Europe are €540-550 per tonne delivered for August/September rolling, unchanged week-on-week.

"The latest offers I heard were €560 per tonne delivered. I have not heard of deals at that level yet," one Northern European distributor said on August 7.

Ex-works prices in Northern Europe have also remained at €515-520 per tonne for now.

In Spain, Portugal and Italy, the August summer holiday is affecting activity both on the production and the construction side.

Southern European-origin medium sections are being sold locally at €530-540 per tonne delivered for August/September production, flat week-on-week.

SHANGHAI

Chinese CRC export offers unchanged amid thin trades

China's cold rolled coil (CRC) export market was quiet on August 6 with many negotiations between exporters and buyers reaching a stalemate.

Base export offer prices were at $610-620 per tonne fob for late September shipment, unchanged from Metal Bulletin sister title Steel First's assessment on August 2.

Base export transaction prices were also unchanged at $585-590 per tonne fob for late September shipment.

Transactions have been sparse as mills have not been willing to lower their prices.

SHANGHAI

China's H-beam export prices see slight rise on quiet domestic market

China's export prices for H-beam slowed down their ascent over the past few weeks due to a quiet domestic market.

Base transaction prices for boron-containing, small and medium-sized H-beam were at $560-570 per tonne fob on Tuesday August 6 for October shipment, up $10 per tonne from Steel First's assessment on July 16.

Base export offers for the product for the same shipping period were at $565-580 fob, up $5-10 per tonne from four weeks earlier.

"Any further export price hikes in the near term are unlikely," an export director in east China said.

S European rebar, wire rod exporters hoping for restocking

LONDON

Exporters of rebar and wire rod in Southern Europe continue to hope for end-of-holiday restocking in September, market sources told Metal Bulletin sister title Steel First last week.

"I think [the fact] that the end of Ramadan is in sight helps," a trader in Spain said on Wednesday August 7.

"Scrap traders are determined to raise scrap prices while there is some hope of an end-of-holiday stock replenishment," he added.

At the moment, prices for rebar exports from Spain, Italy and Portugal have remained at €450-460 ($599-612) per tonne fob main Southern European port for material to be produced in October, unchanged week-on-week.

"I can confirm that there is some optimism, and people think September could bring better news," a trader in Italy said.

But there were doubts in the market over a rise in orders actually materialising, sources added.

Prices for wire rod exports from Spain, Italy and Portugal have so far also continued at stable levels of €460-470 per tonne fob main Southern European port for October rolling, unchanged compared with the prior week.

MetalBulletin
Leading for 100 years

By Trevor Tarring

MB CENTENARY: The 1980s – metals feel the

For Metal Bulletin, the first big news of the 1980s was the company itself going public on the London Stock Exchange's Unlisted Securities Market, making it the sixteenth firm to do so.

This was in 1981 and the introduction of the junior market could not have come at a better time for Metal Bulletin plc.

With many wordsmiths among the board and senior managers, we told our brokers we would draft the voluminous documentation of the prospectus ourselves; we thereby got through the flotation process a lot more cheaply than most.

It was not just historic growth that spurred the move, but also ambition for the future.

To present prospective investors with a properly constituted board, Frank Rice-Oxley became chairman, while Trevor Tarring delegated his joint-editor role to John Parry and became md.

Raymond Cordero became editorial director and a new recruit – accountant Paul Vincent – became the company's first finance director.

Brian Orbell had already joined the board as sales director and Graham Walton, Quin's other grandson, was a non-executive.

The share flotation on the LSE allowed Dutch academic publisher Elsevier to acquire a small interest in Metal Bulletin in 1986, which was subsequently increased to 13%.

Fierce inflation

The fiercely inflationary years of the decade posed problems for a journal heavily dependent on revenues from subscriptions sold a year in advance. MB's good standing and functional importance to its readers allowed some scary rate changes to be pushed through, without too much loss of circulation.

Yet another print dispute threatened issues in May 1980, but emergency printing in the USA was smoothly organised, thanks to better communications.

We also launched Metal Bulletin Digest, a rapid news and prices service via telex. A new annual price records and statistics publication – Metal Bulletin Handbook – was also launched to correct the error that was made in discontinuing Quins Metal Handbook a couple of years earlier.

Further diversifications

The biggest diversification to date was the launch in 1982 of Futures World (later Futures and Options World), a move that ultimately led to the metals newspaper-publishing company more than doubling in size. Thereafter, diversification acquisitions began to be made at the rate of almost one a year.

Thus 1983 saw the acquisition of the Investment Calendar, an annual for London stock market professionals and investors.

From metals to boats

In 1984, it was Cadogan Publications, a travel book publisher, and the journal Ship and Boat International.

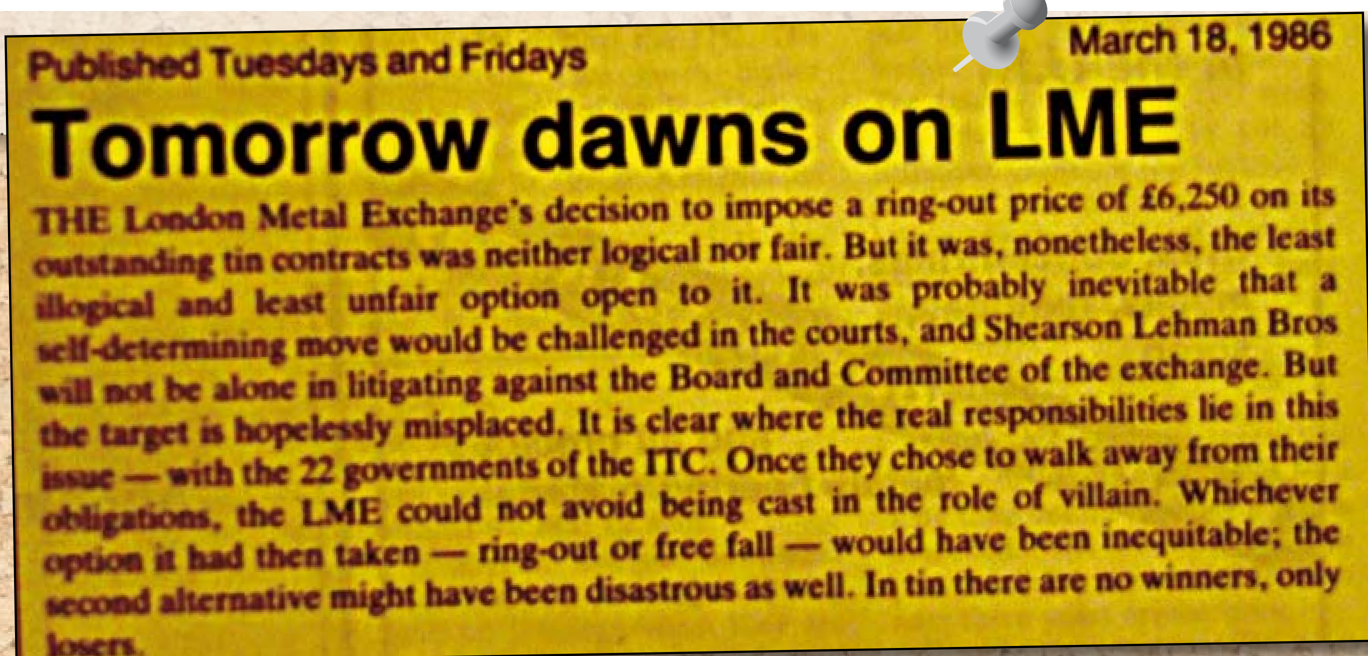
The next year saw the launch of Countertrade and Barter, a quarterly journal, while in 1986 we bought Systematics, an Essex-based provider of market statistical analysis to the European tractor industry and others.

The 1987 purchase was World Mining Equipment, a controlled-circulation US monthly, while Industrial Minerals launched Materials Edge, a new-technology journal.

In 1988, two 50% interests were bought – one in Associated Publicity Holdings, a small event and publishing business, and the other in Fidelity Software, which served the financial services and insurance markets.

In 1989, we bought the Futures Diary from Jeremy Oates, balancing this with the sale of Cadogan, now profitable after management changes.

Once again growth demanded a move and editorial departments went along Lower Marsh to newer and larger premises at No 16; Nos 45/46 took



Published Tuesdays and Fridays

March 18, 1986

Tomorrow dawns on LME

THE London Metal Exchange's decision to impose a ring-out price of £6,250 on its outstanding tin contracts was neither logical nor fair. But it was, nonetheless, the least illogical and least unfair option open to it. It was probably inevitable that a self-determining move would be challenged in the courts, and Shearson Lehman Bros will not be alone in litigating against the Board and Committee of the exchange. But the target is hopelessly misplaced. It is clear where the real responsibilities lie in this issue — with the 22 governments of the ITC. Once they chose to walk away from their obligations, the LME could not avoid being cast in the role of villain. Whichever option it had then taken — ring-out or free fall — would have been inequitable; the second alternative might have been disastrous as well. In tin there are no winners, only losers.

wind of change

The launch, in 1982, of Futures World (later Futures and Options World), ultimately led to the metals newspaper-publishing company more than doubling in size

Do not feed the bears

However, the "knock-back" effect of that situation into the metals producing and trade sectors now bears little relation to the scale of the consumer market problem. The hackneyed stock market term "sell in May and go away" has been refined and re-cast for the metals' sector until a more realistic piece of advice might be "sell in May and go away for a long, long time".
The reason for this is simply the large number of metals which are suffering from sustained bear markets. All individual markets will endure bear phases at some time, if only as a corrective

It was a troubled world in the 1980s, and along with violent swings in world affairs – from the Iran-Iraq war to the fall of the Berlin Wall – the markets also swung from boom to a crash in 1987

a little time to sell. At Worcester Park, we took additional space in the office block adjoining our original Park House address, and we rented warehouse space nearby to hold growing stocks of back issues, directories and textbooks, and to manage their dispatch.

New York moves

In New York, Metal Bulletin Inc moved from 708 Third Ave to 220 Fifth Ave, where it has continued to take additional space as required.

The ferro-alloys conference made its first of a decade of visits to Monte Carlo, only to find the principality in mourning for the very recent death of Princess Grace.

In metals, the broad issue was the departure of the oil majors from their investments in metals companies of little more than a decade earlier. One of the first in – Shell, which had bought Billiton – was also last out, selling it to BHP to form BHP-Billiton.

In LME metals, the event of the decade was the collapse of the International Tin Agreement, with debts of £900m ($1.38bn, or £2.23bn/$3.41bn in today's money) on its sophisticated LME operations which had been used to try to hold the price up.

The 22 governments behind the Agreement ran for the hills, leaving the LME with a closed tin market, painful settlements of open positions (a tribute to the probity of the principals' market) and a tail of litigation that lasted to the end of the decade.

Into this mix came the UK's first round of Financial Services

Swing capacity swings too slowly

markets. This boom and bust cycle is historical but painful each time around for the participants. The time may have come when we can ask, is it really necessary to keep going through the same old cyclical pain?
An answer may be found in the use, or disuse, of existing mine and metal production capacity which has marginal profitability. This "swing" capacity goes in and out of production as profitability dictates, but usually only after each cycle has swung way too far already. An example can be seen in Asarco's purchase and

This was not the first, and certainly wasn't to be the last, time the theoretical market-balancing nature of swing capacity was debated

With the collapse of the International Tin Agreement, the 22 governments behind it ran for the hills, leaving the LME with a closed tin market, painful settlements of open positions and a tail of litigation that lasted to the end of the decade

›

By Trevor Tarring

legislation, under which the LME's unique principals' market structure looked untidy, so it was pressured into becoming a cleared market. Metal Bulletin promptly staged a conference on the subject.

Innovation in futures markets

For the nearly four years that LME members were subject to litigation, its tin market remained closed. During that time, Metal Bulletin provided a market reading in the same way that it does for non-LME metals.

A narrower near-disaster befell the normally-fireproof Johnson Matthey, after a foray into credit market trading.

In 1988, the merger of Comex and Nymex signalled an era of change and innovation in futures markets which is still continuing today, while the last year of the producer zinc price saw first the LME and then the producers very belatedly switch from gob to an shg basis.

On the technology front, the 1980s was the decade in which the Southwire process reached the level of penetration into copper wire production (over 40%) which had been reached by the Properzi process in aluminium a couple of decades earlier.

At Metal Bulletin, the recently acquired Systematics arm was caught up in an investigation by DG4 of the European Commission into the tractor information exchange it served.

DG4, as its own judge, jury and executioner, eventually decided – on economically strange grounds – that the exchange was anti-competitive and fined the companies involved, but fortunately not Systematics.

As the decade advanced, Tom Hempenstall, a general sales manager, joined the board in 1986. Then Raymond Cordero retired in 1987 and Gerry Clarke, editor of Industrial Minerals, replaced him as editorial director in 1989.

Not to be outdone by the LME, Metal Bulletin (more accurately FOW) also had problems with pending Financial Services legislation. Chauvinistic politicians unwittingly drafted a law that would have made it virtually impossible for UK-based publications to carry financial advertising for some overseas-based clients.

Law redrafted

Metal Bulletin's campaign, initially within the Periodical Publishers' Assn, was finally joined by Fleet Street heavies and the law was redrafted. The group mounted a total of 20 conferences in 1989.

Martin Abbott, non-ferrous editor of Metal Bulletin, was poached by McGraw Hill to start a non-ferrous metal markets paper in Europe to directly rival Metal Bulletin. For all his talent, the upstart lasted only three years.

After many years with a Japanese correspondent, we boosted our Asia coverage with the appointment of Jenni Hung, a former minor metals trader, as Hong Kong correspondent. At the same time, Industrial Minerals issued a one-off Chinese language supplement.

Private's progress

WHAT started out as being regarded as quirky — Margaret Thatcher's policy of privatising state-owned enterprises — has spawned a worldwide phenomenon. In the UK, activities as diverse as airlines, freight companies, gas undertakings, telecommunications, aerospace firms, and banks have all found their way back to the private sector. The process is approaching the point where it is becoming hard to think what is left to privatise — the government is now thinking even of prisons. However, the amazing thing is that it has taken root on such a wide scale and such a variety of countries have taken up selling state-owned companies to private interests.

The retrospective demonisation of prime minister Margaret Thatcher in the years following the end of her premiership has tended to obscure just how revolutionary a force in not only UK, but also world politics she was

Martin Abbott, non-ferrous editor of Metal Bulletin, was poached by McGraw Hill to start a metal markets paper in Europe to rival Metal Bulletin. For all his talent, the upstart lasted only three years

Not with a fanfare but a whim
The BSC strike has without ceremony ended a chapter in UK industrial history when the last open hearths in the country stopped operating. The steelmaking end of the Shotton plant was due to be phased out at the end of the month and even if there was an immediate settlement they would not be restarted.

The painful end of open-hearth steelworks

TIN

BSM halts tin support operation

LME suspends trading

THE BUFFER Stock Manager of the International Tin Council told the LME on the morning of October 24 that he is no longer able to support the tin market. The chairmen of the board and committee of the LME then jointly decided to suspend tin trading on the exchange until further notice. As we went to press on the morning of October 24 a joint LME committee-board meeting to dis-

In LME metals, the event of the decade was the collapse of the International Tin Agreement, with debts of £900m (or $3.41bn in today's money) on its sophisticated LME operations, which had been used to try to hold the price up

A faster, troubled world

A steady programme aimed at speeding up the transmission of news reached a new level with the Fast Track service, available to clients over the Reuters network.

Our first move towards establishing a research arm took the form of a joint venture with Hugh Douglas – a descendant of the founder of Phelps Dodge – called DMB Research.

The 1986 Annual Report said 72% of turnover was now overseas. Presaging further board changes, in 1988 Frank Rice-Oxley became non-executive chairman and Trevor Tarring ceo. The business of Metal Bulletin plc was reorganised into nine divisions.

It was a troubled world in the 1980s: the USSR in Afghanistan; the Falklands war; the USA-USSR disarmament talks; the Chernobyl disaster; the swing from the Brezhnev straitjacket to Gorbachev liberalisation in the Soviet Union; the Berlin wall demolished; the Iran-Iraq war; Tiananmen Square; the Burma coup; South African liberalisation; General Pinochet ousted in Chile. All these events affected metals more or less directly.

METAL PRICES IN JANUARY 1980

Metal *(conversion)*	Metric tonne	Inflation adjusted *(x3.51)*	$ equivalent *(x1.617)*
Copper LME C	£1,040	£3,650	$5,902
Tin LME C	£7,560	£26,536	$42,909
Lead LME C	£539	£1,892	$3,059
Zinc LME C	£344	£1,207	$1,952
Zinc PZP	$780	*(x2.791)* $2,177	-
Aluminium LME	£889	£3,120	$5,045
Nickel LME	£2,810	£9,863	$15,948
Merchant bar**	£230-260	£807-912	$1,305-1,475
Plates*	£320-335	£1,123-1,176	$1,816-1,902

* Metal Bulletin Continental Export prices

** By 1980, merchant bar had superseded billet as the archetypal long product

The skunk defence

By T.J. Tarring

The out of court settlement of Westinghouse's case against Gulf Oil in the great series of uranium litigation looks like being the end of the suits against the uranium producers. Expert opinion now is that by the end of this year, all the US-domiciled majors will have settled with Westinghouse. What exactly will be the position with the non-US producers is a little less clear, but bearing in mind that every one of them has some measure of US interests to defend, it is not impossible that they will have decided to settle too.

Coupled with the current level and trend of uranium prices, there could hardly be a more dramatic contrast with the situation at the time this whole business came to public notice some eight years ago. At that time, in the language familiarly used in international metal trading (and this whole business is very much a part of international metal trading) one could simply say that Westinghouse had imprudently entered short-sold forward commitments with the utilities and had duly been caught out by a rise in the market. The only difference from a situation encountered every day of the week on futures market around the world was purely one of degree. As far as the principles of the case are concerned, they have long been covered by that anonymous little couplet of which the authors of "Wolff's Guide to the LME" have recently reminded us:

"He that sells what isn't his'n
Buys it back or goes to prison".

All this might suggest that Westinghouse has pulled some brilliant legal tour de force to turn things so completely inside out. But no. One of the favourite quotes from the affair going the rounds of the Washington dining-out circles is attributed to one of the lawyers acting for Westinghouse, who is reputed to have said of his client "It is not illegal to be stupid". What Westinghouse has in fact done, as implied by the title of this note, is to employ the same instinctive defence mechanism as is used by a skunk. That is to say, it has taken a particularly stinking tarbrush (accusations of a cartel) and liberally sprayed with it all those in sight at the time it first felt itself attacked. The fact that the stigma has in fact stuck as effectively as it has to the uranium producers is partly because cartel allegations are, especially in the USA, a particularly noxious form of stink defence. But it is partly also because the producers were less careful than they should have been of their vulnerability to this form of attack (see, for example, the Australian documentation that Westinghouse has been able to cite).

So much for what is now, or is about predictably to become, history. But what are the lessons for the future? Westinghouse may well have hit on the skunk defence technique on an ad hoc basis and as a result of the apparent desperateness of its situation at the outset of the chain of litigations. But in future, big corporations fin-

The late 1970s-1980s was a euphoric time for the nuclear (and uranium) industries. Westinghouse got carried away by its own euphoria, but in the uncertain world of the US law courts, it was uranium miners that paid the price for its error

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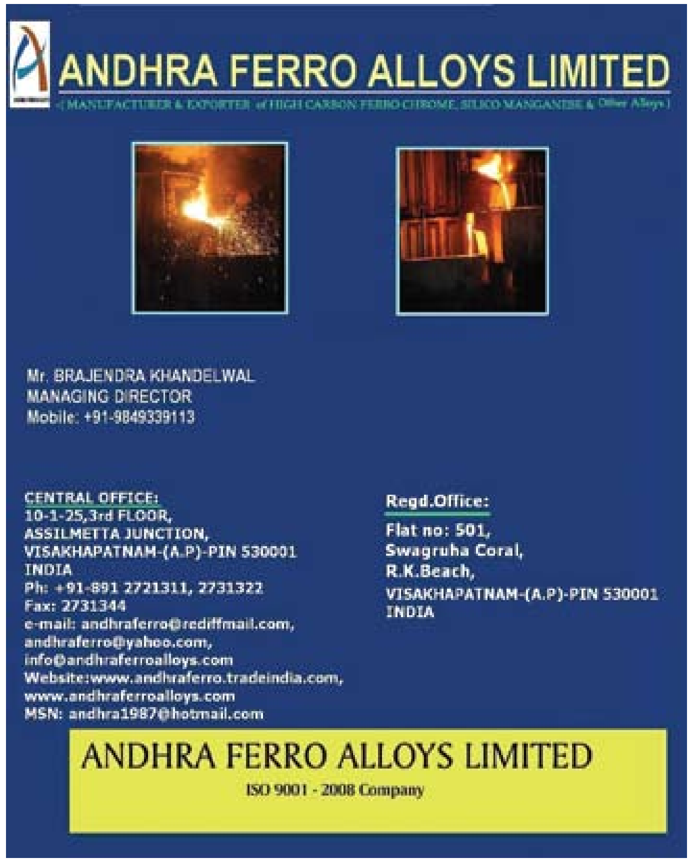

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"**LME settlement prices**. All prices per tonne, unless otherwise stated, in LME warehouse, EU duty, if any paid, for buyers account."

Year ago Aug 8			*Aug 2*	*Aug 5*	*Aug 6*	*Aug 7*	*Aug 8*
Aluminium High Grade $							
1872.00-**1873.00**	LME Cash	official	1769.00-**1770.00**	1755.00-**1755.50**	1752.50-**1753.00**	1730.50-**1731.00**	1781.00-**1782.00**
		"unofficial"	1780.00-1782.00	1754.00-1755.00	1743.50-1744.50	1736.50-1737.50	1798.50-1799.50
1907.50-1908.00	LME 3 months	official	1817.00-1817.50	1801.00-1801.50	1798.00-1798.50	1778.00-1778.50	1828.00-1829.00
		"unofficial"	1825.00-1827.00	1800.00-1801.00	1790.00-1791.00	1783.00-1784.00	1844.00-1845.00
	LME Tapo Notional Average Price(NAP) for Aug 2013		1773.25	1767.33	1763.75	1757.20	1761.33
	LME stocks (tonnes)		5,466,675	5,480,625	5,473,275	5,471,475	5,463,350
Aluminium Alloy (A380.1/DIN226/D12S) $							
1740.00-**1745.00**	LME Cash	official	1765.00-**1770.00**	1750.00-**1750.50**	1745.00-**1755.00**	1750.00-**1760.00**	1765.00-**1775.00**
		"unofficial"	1766.00-1776.00	1757.00-1767.00	1752.00-1762.00	1752.00-1762.00	1758.00-1768.00
1770.00-1775.00	LME 3 months	official	1800.00-1810.00	1780.00-1790.00	1785.00-1795.00	1785.00-1795.00	1795.00-1805.00
		"unofficial"	1800.00-1810.00	1790.00-1800.00	1785.00-1795.00	1785.00-1795.00	1790.00-1800.00
	LME stocks (tonnes)		66,960	66,960	66,840	66,720	66,600
N. American Special Aluminium Alloy							
1851.50-**1852.00**	LME Cash	official	1815.00-**1816.00**	1785.00-**1786.00**	1795.00-**1795.50**	1785.00-**1785.50**	1805.00-**1805.50**
		"unofficial"	1811.00-1821.00	1798.00-1808.00	1795.00-1805.00	1785.00-1790.00	1816.00-1826.00
1895.00-1900.00	LME 3 months	official	1830.00-1840.00	1805.00-1815.00	1820.00-1830.00	1810.00-1815.00	1839.00-1840.00
		"unofficial"	1830.00-1840.00	1820.00-1830.00	1820.00-1830.00	1810.00-1815.00	1840.00-1850.00
	LME Stocks (tonnes)		114,800	114,920	114,360	113,820	113,260
Copper Grade A$							
7525.00-**7525.50**	LME Cash	official	7018.00-**7019.00**	6950.00-**6950.50**	7026.00-**7026.50**	6891.00-**6892.00**	7121.00-**7121.50**
		"unofficial"	7021.50-7026.50	6969.00-6971.00	6976.50-6978.50	6962.00-6964.00	7158.00-7160.00
7525.00-7525.50	LME 3 months	official	7030.00-7031.00	6965.00-6966.00	7044.50-7045.00	6918.00-6920.00	7157.00-7157.50
		"unofficial"	7035.00-7040.00	6986.00-6988.00	6993.00-6995.00	6983.00-6985.00	7179.00-7181.00
	LME Tapo Notional Average Price(NAP) for Aug 2013		7009.00	6989.50	6998.75	6977.40	7001.42
	LME stocks (tonnes)		606,900	605,125	601,600	597,575	594,500
Lead $							
1896.00-**1896.50**	LME Cash	official	2111.00-**2111.50**	2111.50-**2112.00**	2117.50-**2118.00**	2089.00-**2090.00**	2119.00-**2120.00**
		"unofficial"	2114.50-2117.50	2115.50-2117.50	2104.50-2107.50	2084.50-2089.50	2128.00-2130.00
1901.00-1901.50	LME 3 months	official	2122.50-2123.00	2128.00-2129.00	2130.00-2130.50	2100.00-2102.00	2128.00-2129.00
		"unofficial"	2125.00-2128.00	2127.00-2129.00	2117.00-2120.00	2097.00-2102.00	2139.00-2141.00
	LME stocks (tonnes)		199,775	200,200	199,625	199,825	199,275
Nickel$							
15475-**15480**	LME Cash	official	13815-**13820**	13830-**13835**	13885-**13890**	13580-**13585**	14155-**14160**
		"unofficial"	13920-13940	13825-13875	13700-13725	13660-13680	14270-14280
15545-15550	LME 3 months	official	13870-13875	13900-13905	13970-14000	13650-13655	14215-14220
		"unofficial"	13990-14010	13900-13950	13775-13800	13730-13750	14340-14350
	LME stocks (tonnes)		204,210	204,906	203,988	204,108	204,024
Tin $							
18100.00-**18125.00**	LME Cash	official	20865.00-**20870.00**	21125.00-**21130.00**	21290.00-**21295.00**	21175.00-**21180.00**	21625.00-**21650.00**
		"unofficial"	21105.00-21155.00	21215.00-21265.00	21205.00-21255.00	21205.00-21230.00	21700.00-21725.00
18100.00-18125.00	LME 3 months	official	20825.00-20850.00	21195.00-21200.00	21210.00-21225.00	21125.00-21150.00	21740.00-21750.00
		"unofficial"	21100.00-21150.00	21200.00-21250.00	21175.00-21225.00	21175.00-21200.00	21700.00-21725.00
	LME stocks (tonnes)		13,845	13,775	13,775	13,750	13,750
Zinc Special High Grade $							
1843.00-**1843.50**	LME Cash	official	1834.00-**1836.00**	1822.50-**1823.00**	1828.50-**1829.00**	1800.00-**1801.00**	1844.00-**1845.00**
		"unofficial"	1843.00-1845.00	1822.50-1824.50	1824.00-1826.00	1804.00-1806.00	1857.00-1859.00
1853.00-1853.50	LME 3 months	official	1871.00-1872.00	1861.00-1861.50	1866.50-1867.00	1840.00-1840.50	1883.00-1884.00
		"unofficial"	1880.00-1882.00	1860.00-1862.00	1863.00-1865.00	1843.00-1845.00	1895.00-1897.00
	LME stocks (tonnes)		1,058,400	1,055,300	1,052,075	1,048,950	1,047,875
Cobalt min 99.3%							
29000.00-**29750.00**	LME Cash	official	26200.00-**26900.00**	24500.00-**25000.00**	26500.00-**27000.00**	25500.00-**26500.00**	25600.00-**26500.00**
	LME 3 months	official	26300.00-27100.00	25350.00-25850.00	26500.00-27000.00	25500.00-26500.00	25600.00-26500.00
	LME stocks (tonnes)		502	501	501	499	499
Molybdenum $							
25000.00-**26000.00**	LME Cash	official	19600.00-**20600.00**	19600.00-**20600.00**	19600.00-**20600.00**	19600.00-**20600.00**	19600.00-**20600.00**
25000.00-26000.00	LME 3 months	official	19600.00-20600.00	19600.00-20600.00	19600.00-20600.00	19600.00-20600.00	19600.00-20600.00
	LME stocks (tonnes)		216	216	216	216	216
Steel Billet							
360.00-**370.00**	LME Cash	Official	115.00-**125.00**	120.00-**130.00**	120.00-**130.00**	120.00-**130.00**	130.00-**140.00**
		"unofficial"	118.00-128.00	118.00-128.00	118.00-128.00	118.00-128.00	129.00-139.00
380.00-390.00	LME 3 months	official	145.00-155.00	145.00-155.00	145.00-155.00	145.00-155.00	155.00-165.00
		"unofficial"	145.00-155.00	145.00-155.00	145.00-155.00	145.00-155.00	155.00-165.00
	LME stocks (tonnes)		45,955	43,875	42,185	40,105	39,130
Gold $/troy oz							
1607.00	London	morning	1285.75	1311.00	1292.00	1275.50	1287.75
1613.25	London	afternoon	1309.25	1304.75	1280.50	1282.50	1298.25
1613.25	Handy/Harman		1309.25	1304.75	1280.50	1282.50	1298.25
Silver per troy oz							
1779.48/2784.00	London Spot	pence/cents	1284.06/1946.00	1287.30/1976.00	1287.76/1978.00	1247.65/1927.00	1272.00/1973.00
2807.00	Handy/Harman	cents	1991.00	1971.00	1959.00	1957.50	2023.00
Palladium $/troy oz							
585.00	London	morning	730.00	733.00	727.00	720.00	728.00
585.00	London	afternoon	730.00	733.00	724.00	718.00	739.00
Platinum $/troy oz							
1405.00	London	morning	1426.00	1453.00	1433.00	1421.00	1448.00
1402.00	London	afternoon	1436.00	1444.00	1430.00	1425.00	1465.00

Kuala Lumpur tin market

Year ago Aug 8	*Aug 2*	*Aug 5*	*Aug 6*	*Aug 7*	*Aug 8*
Tin $/tonne					
18,100	20,450	20,950	21,100	21,200	closed

Dubai

Please note this price is no longer quoted

Rebar $

LME & SHFE stocks (tonnes effective 6 August)

Note: deliveries in and out for the week Jul 31 – Aug 6

Aluminium

	Delivered in			*Delivered out*			*Total*		
	Ingots	T Bars	Sows	Ingots	T Bars	Sows	Ingots	T Bars	Sows
Antwerp	nil	nil	nil	nil	nil	nil	26,850	20,850	nil
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	75	50	nil	48,050	49,400	5,325
Busan	nil	nil	nil	nil	nil	nil	17,025	5,300	nil
Gwangyang	nil	nil	nil	nil	250	nil	24,050	22,400	nil
Incheon	nil	nil	nil	nil	nil	nil	8,550	2,250	100
Johor	nil	nil	nil	nil	nil	nil	26,550	nil	16,250
Port Klang	nil	nil	nil	nil	nil	nil	15,300	nil	1,000
Rotterdam	nil	nil	nil	50	nil	nil	267,550	347,150	44,200
Vlissingen	16,775	12,575	nil	4,850	10,450	nil	699,450	1,307,575	71,775
Singapore	nil	nil	nil	475	nil	nil	301,425	95,850	111,075
Bilbao	nil	nil	nil	nil	nil	nil	18,475	13,750	nil
Gothenburg	nil	nil	nil	nil	nil	nil	nil	nil	nil
Helsingborg	nil	nil	nil	nil	nil	nil	nil	12,400	25
Hull	nil	nil	nil	nil	nil	nil	3,025	875	nil
Tyne & Wear	nil	nil	nil	nil	nil	nil	8,750	2,125	1,050
Liverpool	nil	nil	nil	nil	nil	nil	nil	nil	14,225
Baltimore	nil	nil	nil	100	4,150	nil	26,850	65,850	150,250
Chicago	nil	nil	nil	nil	25	nil	50	10,050	4,000
Detroit	nil	nil	nil	nil	5,700	3,475	59,950	810,675	595,575
Long Beach	nil	nil	nil	nil	nil	nil	nil	nil	nil
Los Angeles	nil	nil	nil	nil	nil	nil	75	4,375	1,950
Mobile	nil	nil	nil	4,975	nil	nil	66,800	nil	nil
New Orleans	nil	nil	nil	nil	nil	nil	300	nil	200
St Louis	nil	nil	nil	nil	nil	nil	nil	nil	nil
Toledo	nil	nil	nil	nil	nil	nil	475	3,275	6,300
Total	16,775	12,575	nil	10,525	20,625	3,475	1,655,350	2,794,225	1,023,700

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/J1S
Antwerp	nil	nil	nil	nil	nil	nil	200	1,580	nil
Rotterdam	nil	nil	nil	nil	nil	nil	nil	1,000	nil
Vlissingen	nil	nil	nil	nil	nil	nil	nil	80	nil
Singapore	nil	nil	nil	nil	nil	nil	400	nil	nil
Total	nil	nil	nil	nil	nil	nil	600	2,660	nil

Alum.alloy

	Delivered in			*Delivered out*			*Total*		
	A380.1	226/DIN	AD12.1	A380.1	226/DIN	AD12.1	A380.1	226/DIN	AD12.1
Antwerp	nil	nil	nil	nil	nil	nil	1,420	15,240	1,900
Hamburg	nil	nil	nil	nil	nil	nil	20	nil	nil
Genoa	nil	nil	nil	nil	nil	nil	2,580	nil	nil
Trieste	nil	nil	nil	nil	nil	nil	7,060	nil	nil
Busan	nil	nil	nil	nil	nil	nil	nil	nil	120
Gwangyang	nil	nil	nil	nil	nil	nil	nil	nil	40
Rotterdam	nil	nil	nil	nil	120	nil	320	7,940	nil
Vlissingen	nil	nil	nil	nil	nil	nil	320	6,840	640
Johor	nil	nil	nil	nil	nil	nil	nil	880	nil
Port Klang	nil	nil	nil	nil	nil	nil	nil	60	nil
Singapore	nil	nil	nil	nil	nil	nil	680	15,380	nil
Bilbao	nil	nil	nil	nil	nil	nil	1,980	nil	nil
Liverpool	nil	nil	nil	nil	nil	nil	160	nil	nil
Total	nil	nil	nil	nil	120	nil	14,540	46,340	2,700

Nickel

	Delivered in			*Delivered out*			*Total*		
	Cats	Pellets	Briqs	Cats	Pellets	Briqs	Cats	Pellets	Briqs
Busan	nil	nil	nil	nil	nil	nil	276	nil	nil
Incheon	nil	nil	nil	nil	nil	nil	132	nil	nil
Johor	nil	nil	nil	nil	nil	nil	nil	nil	6
Rotterdam	nil	nil	nil	nil	nil	nil	nil	nil	342
Vlissingen	nil	nil	nil	nil	nil	nil	nil	nil	300
Singapore	nil	nil	nil	nil	nil	nil	6	nil	nil
Chicago	nil	nil	nil	nil	nil	nil	nil	1,008	nil
Total	nil	nil	nil	nil	nil	nil	414	1,008	648

Nickel full plate cats

	Delivered In	*Delivered Out*	*Total*
Antwerp	1,134	300	18,174
Hamburg	nil	nil	348
Genoa	nil	nil	24
Busan	nil	1,200	6,492
Gwangyang	nil	nil	516
Johor	nil	nil	3,084
Rotterdam	nil	138	72,282
Vlissingen	nil	nil	8,694
Singapore	nil	510	5,334
Helsingborg	nil	nil	2,802
Dubai	nil	nil	4,350
Hull	nil	nil	3,384
Tyne & Wear	nil	nil	nil
Liverpool	nil	nil	3,408
Detroit	nil	nil	402
Total	1,134	2,148	129,294

Nickel Bagged Briquettes

	Delivered In	*Delivered Out*	*Total*
Busan	nil	nil	432
Johor	2,358	384	68,748
Vlissingen	nil	nil	300
Singapore	nil	nil	1,458
Dubai	nil	nil	1,596
Total	2,358	384	72,534

Copper

	Delivered In	*Delivered Out*	*Total*
	cats	cats	cats
Antwerp	nil	nil	127,075
Leghorn	nil	nil	25
Trieste	nil	nil	25
Busan	nil	900	19,000
Gwangyang	nil	nil	5,100
Incheon	nil	nil	25
Johor	1,100	8,200	220,350
Port Klang	nil	nil	nil
Rotterdam	450	500	3,950
Vlissingen	nil	nil	8,025
Singapore	nil	nil	7,275
Barcelona	nil	nil	nil
Bilbao	nil	nil	25
Hull	nil	nil	800
Liverpool	nil	nil	nil
Chicago	nil	nil	5,725
Mobile	nil	nil	50
New Orleans	nil	2,500	193,450
St Louis	nil	650	10,700
Total	1,550	12,750	601,600

Lead

	Delivered In	*Delivered Out*	*Total*
Antwerp	nil	nil	25,325
Hamburg	nil	nil	400
Genoa	nil	nil	4,800
Leghorn	nil	nil	200
Trieste	nil	nil	50
Johor	975	nil	39,175
Port Klang	nil	25	34,525
Rotterdam	nil	nil	150
Vlissingen	nil	1,450	55,825
Singapore	nil	100	300
Barcelona	nil	nil	5,050
Bilbao	nil	nil	7,225
Baltimore	nil	nil	nil
Detroit	nil	nil	25,625
Long Beach	nil	nil	300
Los Angeles	nil	nil	675
Mobile	nil	nil	nil
New Orleans	nil	nil	nil
Total	975	1,575	199,625

Zinc

	Delivered In	*Delivered Out*	*Total*
Antwerp	20,375	2,500	196,100
Trieste	nil	nil	nil
Johor	nil	nil	5,700
Port Klang	nil	100	21,900
Rotterdam	nil	nil	8,575
Vlissingen	nil	1,225	54,950
Singapore	nil	nil	4,400
Bilbao	nil	nil	600
Hull	nil	nil	3,925
Liverpool	nil	nil	75
Baltimore	nil	175	6,350
Chicago	nil	nil	nil
Detroit	nil	875	112,675
New Orleans	nil	12,900	636,825
Total	20,375	17,775	1,052,075

Cobalt

	Delivered In	*Delivered Out*	*Total*
Antwerp	nil	nil	41
Rotterdam	22	3	352
Singapore	nil	nil	62
Baltimore	nil	nil	46
Total	22	3	501

Roasted Molybdenum Concentrate RMC Powder

	Delivered In	*Delivered Out*	*Total*
Rotterdam	nil	nil	216
Total	nil	nil	216

Tin

	Delivered In	*Delivered Out*	*Total*
Busan	nil	nil	20
Gwangyang	nil	nil	50
Rotterdam	nil	10	5
Johor	105	75	7,260
Port Klang	nil	5	4,830
Singapore	nil	85	1,500
Baltimore	nil	nil	110
Total	105	175	13,775

NASAAC ingots

	Delivered In	*Delivered Out*	*Total*
Baltimore	nil	nil	1,880
Chicago	nil	nil	280
Detroit	820	1,040	20,300
Long Beach	nil	nil	nil
Mobile	nil	nil	nil
New Orleans	nil	nil	40
Total	820	1,040	22,500

NASAAC T-Bars

	Delivered In	*Delivered Out*	*Total*
Baltimore	nil	20	820
Detroit	nil	140	4,080
Total	nil	160	4,900

NASAA large sows

	Delivered	*Delivered*	*Total*
Baltimore	nil	nil	nil
Chicago	nil	nil	nil
Detroit	nil	nil	2,440
Total	nil	nil	2,440

NASAA small sows

	Delivered In	*Delivered Out*	*Total*
Chicago	nil	240	16,400
Detroit	160	440	68,080
Mobile	nil	nil	nil
New Orleans	nil	20	40
St Louis	nil	nil	nil
Total	160	700	84,520

Steel Billet

	Delivered in	Delivered out	Total
Antwerp	nil	9,620	24,180
Incheon	nil	nil	65
Johor	nil	nil	325
Chicago	nil	nil	195
Detroit	nil	nil	15,990
New Orleans	nil	325	1,430
Total	nil	9,945	42,185

Shanghai Futures Exchange

	Deliverable
Aluminium	349,179
Copper	151,148
Zinc	259,806

Exchange Rates & New York Futures

Exchange Rates

	Aug 2	Aug 5	Aug 6	Aug 7	Aug 8
LME Settlement Conversion Rates					
$/£	1.5158	1.5345	1.5351	1.5459	1.5505
$/Yen	99.82	98.52	98.13	97.26	96.31
$/€	1.3212	1.3260	1.3276	1.3306	1.3360
Closing Rates, Midpoint					
$/£	1.5273	1.5330	1.5384	1.5517	1.5555
$/Yen	98.77	98.59	97.61	96.59	95.90
$/€	1.3283	1.3240	1.3310	1.3319	1.3386
£/€	1.1498	1.1578	1.1559	1.1651	1.1621

Standard Bank prices

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

	Aug 2	Aug 5	Aug 6	Aug 7	Aug 8
Copper	R70,365.48	R68,462.43	R69,421.82	R68,472.02	R70,253.60
Aluminium	R17,744.25	R17,291.68	R17,319.64	R17,197.49	R17,579.43
Lead	R21,167.79	R20,803.20	R20,925.84	R20,764.15	R20,913.80
Zinc	R18,405.90	R17,956.55	R18,070.52	R17,892.94	R18,200.93
Nickel	R138,545.50	R136,274.75	R137,233.20	R134,966.98	R139,688.40
Tin	R209,221.75	R208,130.50	R210,394.60	R210,423.30	R213,577.25

New York futures

Year ago Aug 7		*Aug 1*	*Aug 2*	*Aug 5*	*Aug 6*	*Aug 7*
(Comex) Copper high grade cents/lb						
342.75	Aug `13	316.40	316.95	316.70	317.20	317.75
142,310	Open Interest	165,501	166,413	165,323	163,880	164,354
48,661	Stocks (short tons)	64,055	63,752	63,752	63,311	62,968
(Comex) Gold $/troy oz						
1612.90	Aug `13	1311.00	1310.60	1302.60	1283.20	1286.10
390,044	Open Interest	395,829	397,861	397,618	396,062	396,846
10,871,072	Stocks (troy oz)	7,023,288	7,018,465	7,011,570	7,011,570	7,011,570
(Nymex) Palladium $/troy oz						
585.80	Nymex Sett Aug	730.95	728.80	734.30	721.90	722.25
5,703	Stocks (troy oz)	570,590	569,789	569,790	569,687	570,180
(Nymex) Platinum $/troy oz						
1408.70	Nymex Sett Aug	1442.90	1450.60	1447.20	1426.90	1437.40
3,790	Stocks (troy oz)	221,672	221,672	221,672	221,073	230,108
(Comex) Silver cents/troy oz						
2806.70	Aug `13	1961.50	1990.30	1971.10	1951.50	1949.80
124,569	Open Interest	134,239	135,679	133,714	132,053	131,954

Shanghai futures

Year ago Aug 8	*Aug 2*	*Aug 5*	*Aug 6*	*Aug 7*	*Aug 8*
Aluminium yuan/tonne (August delivery)					
15,465	14,260	14,255	14,255	14,210	14,240
Copper yuan/tonne (August delivery)					
55,320	50,600	50,800	50,880	50,670	51,900
Zinc yuan/tonne (August delivery)					
14,665	14,525	14,610	14,600	14,580	14,670

Non-Ferrous Primary Metals

Base Metals

	Aug 7	*Aug 9*
Aluminium		
LME prices: see Daily Metal		
LME duty-paid Premium Indicator/HG Cash	250-275*	250-275*
HG duty-paid three months	250-275*	250-275*
Cif Japan: 99.7% duty unpaid premium indicator quarterly	250-250*	250-250*
CIS-origin: indicators in warehouse Europe: A7e premium	195-220*	195-220*
Extrusion billet premium 6063, EC duty paid, in warehouse Rotterdam ($/tonne)	480-495*	480-495*
US free market: P1020 US midwest premium indicator ($/lb)	0.117-0.120*	0.117-0.120*
MB Chinese free market, Metallurgical grade, delivered duty paid RMB/tonne	2,400-2,600*	2,400-2,600*
Alumina		
Index fob Australia		318.24
Copper & Brass		
LME: see Daily Metal		
Producer premium		
(Codelco): contract2013 Grade A cathode (average)	*85-85*	*85-85*
MB free market US: High-grade cathode premium indicator, $/tonne	132.00-176.00*	132.00-176.00*
Chinese Grade 1:	130-140*	130-140*
Germany: (VDM) Electro, €/tonne wirebar (DEL):	5,261.80-5,286.90	5,261.80-5,286.90
cathodes:	5,210.00-5,310.00	5,210.00-5,310.00
South Africa: Palabora copper rod 7.90mm, Rand/tonne	82,377.95	82,377.95
Tin		
Kuala Lumpur and LME prices: see Daily Metal		
MB European free market		
Spot premium 99.9% $ per tonne	450-750*	450-750*
Spot premium 99.85% $/tonne	350-450*	350-450*
MB US free market: Grade A tin premium $/lb	0.24-0.29*	0.24-0.29*

	Aug 7	*Aug 9*
Nickel		
LME prices: see Daily Metal		
Europe: $/tonne in warehouse Rotterdam		
uncut cathodes premium indicator	5.00-70.00*	5.00-70.00*
4x4 cathodes premium indicator	175.00-200.00*	175.00-200.00*
briquettes premium indicator	25.00-100.00*	25.00-100.00*
US: melting premium indicator $/lb	0.15-0.25*	0.15-0.25*
plating premium indicator $/lb	0.50-0.60*	0.50-0.60*
Lead		
LME prices: see Daily Metal		
Germany: (VDM) virgin soft, €/tonne	1,750.00-1,780.00	1,750.00-1,780.00
MB US: High Grade ingot premium indicator, $/lb	0.1200-0.1400*	0.1200-0.1400*
MB European free market:		
in warehouse Rotterdam €/tonne	50-100*	50-100*
European Automotive battery premium free market (Eurobat)		
in warehouse Rotterdam €/tonne		
Soft lead (average)	160.86*	160.86*
Ca/Ca grid lead (average)	430.42*	430.42*
Connector lead (average)	431.75*	431.75*
European Industrial battery premium free market (Eurobat)		
in warehouse Rotterdam €/tonne		
Stand-by refined or soft lead (average)	185.89*	185.89*
Traction refined or soft lead (average)	143.10*	143.10*
For an explanation of these premia see http://www.eurobat.org/statistics		
Lead concentrates: 70/80% Pb $/tonne T/C, cif.	200-250*	200-250*
Zinc		
LME prices: see Daily Metal		
Germany: (VDM) virgin, €/tonne	1,510-1,540	1,510-1,540
UK:		
Special high grade, delivered monthly average price £/tonne	1,369.00-1,369.00*	1,369.00-1,369.00*
MB US: Special high grade, $/lb	0.0900-0.1000*	0.0900-0.1000*
MB EU: Special high grade, fot Rotterdam, $/tonne	135.00-145.00*	135.00-145.00*
Zinc Concentrates: cif main port $/tonne	250-270*	250-270*

Precious Metals

	Aug 7	*Aug 9*
Iridium		
MB free market: min. 99.9%, $/troy oz in warehouse	825-875*	825-875*
Johnson Matthey base price: (unfab) $/troy oz (08.00 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	720-725*	735-740*
Engelhard base price: $/troy oz	729	747
Johnson Matthey base price: (unfab) $/troy oz (08.00 hrs)	722	742

	Aug 7	*Aug 9*
Platinum		
World prices: see Daily Metal		
European free market: min. 99.9%, $/troy oz in warehouse	1,425-1,430*	1,465-1,470*
Engelhard base price: $/troy oz	1,424	1,480
Johnson Matthey base price: (unfab) $/troy oz (08.00 hrs)	1,425	1,489
Rhodium		
European free market: min. 99.9%, $/troy oz in warehouse	925-975*	950-1,000*
Engelhard base price: $/troy oz	975	995
Johnson Matthey base price: (unfab) $/troy oz (08.00 hrs)	975	990
Ruthenium		
European free market: min. 99.9%, $/troy oz in warehouse	65-85*	65-85*
Engelhard base price: $/troy oz	80	80
Johnson Matthey base price: (unfab) $/troy oz (08.00 hrs)	80	80

MB Daily Base Metal Premiums

All prices $/tonne unless otherwise stated, in warehouse price, duty unpaid, spot business, immediate delivery
*MB copyright

	Aug 2 Low - High	Premium	Aug 5 Low - High	Premium	Aug 6 Low - High	Premium	Aug 7 Low - High	Premium	Aug 8 Low - High	Premium
Copper - Grade A copper cathode to meet LME specifications: BS EN 1978:1998 (Cu-CATH-1)										
MB Copper Premium Rotterdam	100-135*	121.25*	100-135*	121.25*	100-135*	121.25*	100-135*	117.00*	100-135*	115.83*
MB Copper Premium Hamburg	100-130*	116.25*	100-130*	116.25*	100-130*	113.75*	100-130*	111.00*	100-130*	110.83*
MB Copper Premium Leghorn	100-120*	111.25*	100-120*	111.25*	100-120*	109.00*	100-120*	107.50*	100-120*	109.17*
MB Copper Premium New Orleans	70-120*	103.33*	70-120*	103.33*	70-120*	103.33*	70-120*	103.33*	70-120*	103.33*
MB Copper Premium Chicago	20-50*	35.00*	20-50*	35.00*	20-50*	35.00*	20-50*	35.00*	20-50*	35.00*
MB Copper Premium St Louis	70-120*	92.50*	70-120*	92.50*	70-120*	92.50*	70-120*	92.50*	70-120*	92.50*
MB Copper Premium Gwangyang	150-155*	152.50*	150-155*	152.50*	150-155*	152.50*	150-155*	152.50*	150-155*	152.50*
MB Copper Premium Busan	150-155*	152.50*	150-155*	152.50*	150-155*	152.50*	150-155*	152.50*	150-155*	152.50*
MB Copper Premium Singapore	110-120*	115.00*	110-120*	115.00*	110-120*	115.00*	110-120*	115.00*	110-120*	115.00*
MB Copper Premium Shanghai	195-205*	200.00*	195-205*	200.00*	205-220*	211.25*	205-220*	211.25*	205-220*	211.25*
MB Copper Premium Johor	110-120*	115.00*	110-120*	115.00*	110-120*	115.00*	110-120*	115.00*	110-120*	115.00*
Aluminium - Primary aluminium ingot to meet LME specifications: P1020A										
MB Aluminium Premium Rotterdam	195-220*	208.00*	195-220*	208.00*	195-220*	208.00*	195-220*	208.00*	190-220*	205.00*
MB Aluminium Premium New Orleans	190-200*	195.00*	190-200*	195.00*	190-200*	195.00*	190-200*	195.00*	190-200*	195.00*
MB Aluminium Premium Baltimore	180-190*	185.00*	180-190*	185.00*	180-190*	185.00*	180-190*	185.00*	180-190*	185.00*
MB Aluminium Premium Chicago	180-190*	185.00*	180-190*	185.00*	180-190*	185.00*	180-190*	185.00*	180-190*	185.00*
MB Aluminium Premium Detroit	180-190*	185.00*	180-190*	185.00*	180-190*	185.00*	180-190*	185.00*	180-190*	185.00*
MB Aluminium Premium Gwangyang	226.90-240*	233.71*	226.90-240*	233.71*	223.80-240*	226.24*	223.80-240*	226.24*	223.80-240*	226.24*
MB Aluminium Premium Singapore	180-195*	187.14*	180-195*	187.14*	180-195*	188.75*	180-195*	188.75*	180-195*	188.75*
MB Aluminium Premium Johor	180-195*	187.50*	180-195*	187.50*	180-195*	188.75*	180-195*	188.75*	180-195*	188.75*
MB Aluminium Premium Shanghai	240-250*	247.50*	240-250*	247.50*	240-250*	247.50*	240-250*	247.50*	240-250*	247.50*
MB Aluminium Premium Japan	250-250*	250.00*	250-250*	250.00*	250-250*	250.00*	250-250*	250.00*	250-250*	250.00*
Lead - Primary lead of 99.97% purity (minimum) to meet LME specifications: BS EN 12659:1999										
MB Lead Premium Rotterdam	30-80*	50.00*	30-80*	50.00*	30-80*	50.00*	30-80*	55.00*	30-80*	55.00*
MB Lead Premium Singapore	90-100*	95.00*	90-100*	95.00*	90-100*	95.00*	90-100*	95.00*	90-100*	95.00*
MB Lead Premium Shanghai	20-60*	40.00*	20-60*	40.00*	20-60*	40.00*	20-60*	40.00*	20-60*	40.00*
Nickel Primary nickel of 99.80% purity to meet LME specifications: B39-79 (2008)										
MB Nickel Premium Rotterdam	5-300*	120.78*	5-300*	120.78*	5-300*	120.78*	5-300*	120.78*	5-300*	120.78*
MB Nickel Premium Singapore	60-80*	70.00*	60-80*	70.00*	60-80*	70.00*	60-80*	70.00*	60-80*	70.00*
MB Nickel Premium Shanghai	120-180*	145.56*	120-180*	145.56*	120-180*	145.56*	120-180*	145.56*	120-160*	141.00*
Zinc Primary zinc of 99.995% purity (minimum) to meet LME specifications: BS EN 1179:2003										
MB Zinc Premium Rotterdam	110-130*	117.50*	110-130*	117.50*	110-130*	117.50*	105-130*	115.83*	105-130*	115.83*
MB Zinc Premium New Orleans	90-130*	116.67*	90-130*	116.67*	90-130*	116.67*	90-130*	116.67*	90-130*	116.67*
MB Zinc Premium Gwangyang	175-175*	175.00*	175-175*	175.00*	175-175*	175.00*	175-175*	175.00*	175-175*	175.00*
MB Zinc Premium Johor	70-170*	128.33*	70-170*	128.33*	70-170*	128.33*	70-170*	128.33*	70-170*	128.33*
MB Zinc Premium Singapore	180-225*	202.86*	180-225*	202.86*	180-225*	202.86*	180-225*	202.86*	180-225*	202.86*
MB Zinc Premium Shanghai	190-200*	194.29*	190-200*	194.29*	190-200*	194.29*	190-200*	194.29*	190-200*	194.29*

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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.

	Aug 7	Aug 9
Antimony		
MB free market		
Regulus, min 99.65%, max Se 50 ppm, max 100 ppm Bi,		
$/tonne in warehouse Rotterdam	9,700-10,000*	9,700-10,000*
MMTA Standard Grade II, $/tonne in warehouse Rotterdam	9,500-9,800	9,500-9,800
MB Chinese free market		
MMTA Standard Grade II, delivered duty paid RMB/tonne	62,000-64,000*	62,000-64,000*
Arsenic		
MB free market$/lb	0.70-0.80*	0.70-0.80*
Bismuth		
MB free market$/lb	7.40-7.90*	7.40-7.90*
MB China domestic, min 99.99%, RMB/tonne	93,000-95,000*	95,000-97,000*
Cadmium		
MB free market min 99.95%, cents/lb	85.00-95.00*	85.00-95.00*
MB free market min. 99.99%, cents/lb	90.00-100.00*	90.00-100.00*
Chromium		
MB free market		
alumino-thermic, min. 99%, $/tonne	8,500-8,900*	8,500-8,900*
Cobalt		
MB free market High Grade, $/lb	12.65-14.15*	12.50-14.00*
MB free market Low Grade, $/lb	12.20-13.60*	12.00-13.40*
MB China domestic, min 99.8% RMB/tonne	194,000-208,000*	190,000-202,000*
MB Chinese free market		
Concentrate min 8% cif main Chinese ports $/lb	10.20-10.50*	10.20-10.50*
Gallium		
MB free market $/kg	280-310*	280-310*
MB China domestic, min 99.99%, RMB/kg	1,550-1,630*	1,550-1,630*
Germanium		
Germanium dioxide MB free market $/kg	1,275-1,350*	1,275-1,350*
Germanium metal $/kg Rotterdam	1,800-1,830*	1,800-1,830*
Germanium metal MB China domestic, min 99.999%, RMB/kg	11,500-12,000*	11,500-12,000*
Germanium dioxide, China domestic min 99.999%, RMB/kg	8,000-8,200*	8,000-8,200*
Indium		
MB free market $/kg	600-640*	600-640*

	Aug 7	Aug 9
Indium cont.		
MB Chinese free market		
Crude min 98% duty paid in w/house China RMB/kg	3,950-4,100*	4,000-4,150*
MB China domestic, min 99.99% RMB/kg	4,300-4,500*	4,350-4,550*
Indium Corp ingots min. 99.97%, $/kg fob	580-580	580-580
Magnesium		
European free market $ per tonne	2,700-2,800*	2,700-2,800*
China free market		
min 99.8% Mg, fob China main ports, $ per tonne	2,680-2,700*	2,720-2,750*
MB Chinese free market min 99% Mg, ex-works RMB/tonne	15,900-16,300*	16,000-16,600*
Manganese Flake		
MB free market $/tonne	2,100-2,150*	2,100-2,150*
Mercury		
MB free market $ per flask	3,300-3,600*	3,300-3,600*
Rhenium in warehouse Rotterdam duty paid		
Metal Pellets, min 99.9% $/lb	1,300-1,400*	1,300-1,400*
APR catalytic grade $/kg Re	3,000-3,300*	3,000-3,300*
Selenium		
MB free market $/lb	26.00-29.00*	26.00-29.00*
MB China domestic, min 99.9%, RMB/kg	430.00-460.00*	440.00-460.00*
Selenium dioxide, MB China domestic, min 98%, RMB/kg	300.00-310.00*	305.00-315.00*
Silicon		
MB free market €/tonne	1,950-2,050*	1,950-2,050*
US free market cents/lb	120-125*	120-125*
Export from mainland China		
min. 98.5%, $/tonne fob	1,800-1,850*	1,800-1,850*
Tellurium		
MB free market $/kg	90-115*	90-115*
MB China domestic, min 99.99%, RMB/kg	840-860*	840-860*
Titanium		
MB free market ferro-titanium		
70% (max 4.5% Al), $/kg Ti d/d Europe	5.70-5.90*	5.90-6.05*
Titanium Ores $/tonne		
Rutile conc min. 95% TiO^2 bagged, fob/Aus	1,500-1,700	1,500-1,700
Rutile bulk conc min. 95% TiO^2 fob/Aus	1,400-1,700	1,400-1,700
Ilmenite bulk conc min. 54% TiO^2 fob/Aus	250-350	250-350

Noble Alloys & Ores

	Aug 7	Aug 9
Lithium Ores		
Petalite, 4.2% Li^{2}0 bagged fob Durban, $/tonne	165-260	165-260
Spodumene > 7.25% Li^{2}0 cif Europe, $/tonne	720-770	720-770
Molybdenum		
Molybdic oxide		
Europe		
Drummed molybdic oxide, $/lb Mo	9.35-9.45*	9.30-9.40*
US		
Canned molybdic oxide, $/lb Mo	9.10-9.55*	9.10-9.55*
Ferro-Molybdenum		
basis 65-70% Mo, $/kg Mo	23.40-23.80*	23.20-23.80*
US free market, 65-70% Mo, $/lb in warehouse Pittsburgh	11.00-11.40*	11.00-11.40*
MB Chinese free market		
Concentrate 45% Mo, in warehouse China RMB/mtu	1,400-1,410*	1,400-1,410*
Uranium		
Nuexco spot price indicator $/lb U^{3}0^8	35.75-35.75	35.75-35.75
Zircon		
Foundry grade bulk, $/tonne fob Australia	1,250-1,550	1,250-1,550
Premium bulk, $/tonne fob Australia	1,350-1,550	1,350-1,550

	Aug 7	Aug 9
Tungsten		
European free market		
APT, $/mtu	410-425*	410-425*
Export from mainland China		
APT Chinese No1 grade, min 88.5% W03, $/mtu, fob	433.00-455.00*	433.00-455.00*
MB Chinese free market		
Concentrate 65% W03, in warehouse China RMB/tonne	155,000-158,000*	154,000-156,000*
Ferro Tungsten		
basis 75% W min, $/kg W, in warehouse Rotterdam,		
duty unpaid	47.50-48.50*	47.50-48.50*
Export from mainland China, min. 75% W, $/kg W, fob	53.00-55.00*	53.00-55.00*
Vanadium		
Ferro vanadium basis 70-80%, $/kg V	24.00-24.50*	24.00-24.20*
US free market ferro-vanadium, $/lb, in warehouse Pittsburgh	12.50-13.00*	12.50-13.00*
Vanadium pentoxide cif Europe min 98% $ per lb V^{2}0^5	5.20-5.60*	5.20-5.60*

Bulk Alloys

	Aug 9
Ferro-Chrome $/lb Cr	
China import charge chrome 50% Cr index, CIF Shanghai, duty unpaid	0.85*
Lumpy Cr charge, basis 52% Cr, (and high carbon) quarterly	1.125-1.125*
6-8% C basis 60% Cr, max 1.5% Si	0.89-0.92*
European low carbon 0.10% C average 60-70% Cr quarterly	2.02-2.08*
0.10% C average 60-70% Cr	1.90-1.99*
European low carbon, in warehouse, 0.06% C max - 65%Cr	2.00-2.05*
Low phosphorous Cr min 65%, C max 7%, Si max 1%, P max 0.015%, Ti max 0.05%	0.98-1.14*
US free market, in warehouse Pittsburgh,6-8% C basis 60-65% Cr, max 2% Si	0.940-1.000*
US free market, low carbon, duty paid, fob Pittsburgh,	
0.05%C - 65% min Cr	2.13-2.17*
0.10%C - 62% min Cr	1.95-1.98*
0.15%C - 60% min Cr	1.84-1.90*
Spot 6-8% C, basis 50% Cr, delivered duty paid China RMB/tonne	6,900-7,000*
Contract 6-8% C, basis 50% Cr, delivered duty paid China RMB/tonne	6,750-6,900*
Chrome Ore $/tonne	
Chrome ore, cif main Chinese ports	
SA LG6 Met grade basis 42%	165-180*
SA UG2 Met grade basis 40%	145-155*
Turkish lumpy 40-42% cfr main Chinese ports	260-265*

	Aug 9
Ferro-Manganese	
basis 78% Mn (Scale pro rata), standard 7.5% C, Euro/tonne	720-750*
US free market, 78% Mn, standard 7.5% C, $/long ton in warehouse Pittsburgh	1,015-1,060*
US free market, medium carbon, duty paid, fob Pittsburgh,	
80% min Mn, 1.5% max C, $/lb	0.84-0.86*
MB Chinese free market	
min 65% Mn, max 7.0% C, in warehouse China RMB/tonne	6,050-6,150*
Manganese Ore	
44% Mn, Cif Tianjin $/dmtu of metal contained	5.17*
38% Mn, Fob Port Elizabeth $/dmtu of metal contained	3.52*
Ferro-Silicon	
Lumpy, basis 75% Si (Scale pro rata), Euro/tonne	1,020-1,060*
US free market, $/lb in warehouse Pittsburgh:lumpy basis 75% Si imported	0.88-0.90*
Export from mainland China, min. 75% Si, 7.5% C, $/tonne fob	1,350-1,380*
MB Chinese free market	
min 75% in warehouse China RMB/tonne	5,850-5,950*
Silico-Manganese	
Lumpy, 65-75% Mn basis, 14-25% Si (Scale pro rata) Euro/tonne	780-820*
US free market, $/lb in warehouse Pittsburgh:	0.49-0.51*
MB Chinese free market	
min 65% Mn max 17% Si,in warehouse China RMB/tonne	6,550-6,800*

● 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 Aug 09 (UK), Aug 08 (US).
● Reminder: prices marked * are MB copyright. These markets were last assessed on Aug 09 (Europe and Asia) and Aug 08 (USA).
● All Chinese domestic prices include VAT of 17%

World Steel

Prices

EU Imports
Metal Bulletin's appraisal of cfr prices for imported, non-EU origin, commercial-quality carbon steel, € per tonne cfr main EU port (€/$=0.75).

	Northern Europe	Southern Europe	
Rebar	485-490	470-475	07/08
Wire rod (mesh quality)	495-500	480-485	07/08
Plate (8-40mm)	470-480	440-450	07/08
Hot rolled coil	420-430	430-450	07/08
Cold rolled coil	505-515	510-525	07/08
Hot-dip galvanized coil	540-550	525-535	07/08

Southern Europe exports
Metal Bulletin's appraisal of Southern Europe mills' prices for export outside Southern Europe of commercial-quality carbon steel, € per tonne fob main Southern European port

Rebar	450-460	07/08	Oct
Wire rod (mesh quality)	460-470	07/08	Oct

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 (€/$=0.75)

	Northern Europe	Southern Europe	
Rebar	495-505	480-495	07/08
Wire rod (mesh quality)	505-515	490-505	07/08
Sections (medium)	540-550	530-540	07/08
€ per tonne ex-works			
Plate(8-40mm)	500-505	460-465	07/08
Hot rolled coil	450-455	430-460	07/08
Cold rolled coil	535-550	500-535	07/08
Hot-dip galvanized coil	535-550	470-510	07/08

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	505-515	05/08	Sep
Slab	455-485	05/08	Aug
Rebar	590-595	05/08	Aug
Wire rod (mesh)	570-590	05/08	Aug
Heavy plate (10-50mm)	570-600	05/08	Aug
Hot rolled coil	495-540	05/08	Aug
Cold rolled coil	590-625	05/08	Aug

CIS Domestic
Metal Bulletin's appraisal of prices within Russia and Ukraine for commercial-quaility carbon steel of CIS origin, excl VAT ex-works.

	Russian Domestic	Ukrainian Domestic	
	Russian Ruble/tonne	Hryvnias/tonne	
Rebar	17,000-18,940	5,445-5,490	05/08
Hot rolled coil	15,670-15,840	4,640-4,670	05/08
Cold rolled coil	17,450-17,620	5,200-5,260	05/08

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	535-545	08/08	Sep
Rebar	590-600	08/08	Sep
Wire rod (mesh quality)	600-610	08/08	Sep
Merchant bars	620-640	08/08	Sep

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

Billet	545-560	08/08	Sep
Rebar	600-610	08/08	Sep
Wire rod (mesh quality)	610-620	08/08	Sep
Hot rolled coil	600-620	09/08	Oct
Cold rolled coil	730-750	09/08	Oct

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

Billet	530-535	08/08	Sep
Hot rolled coil	580-585	09/08	Oct
Cold rolled coil	650-685	09/08	Oct

UAE imports
Metal Bulletin's appraisal of prices for imported commercial-quality carbon steel, $ per tonne cfr Jebel Ali

Billet	535-550	06/08	Sep
Rebar	605-620	06/08	Sep
Hot rolled coil	550-570	06/08	Sep
Cold rolled coil	630-650	06/08	Sep

Key:
Date: Date of last assessment
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

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/$=32,000).

Rebar (12-25)mm)	19.20-19.60	09/08	Aug
Equal Angles	19.70-20.30	09/08	Aug
I-beams	19.70-20.70	09/08	Aug
Plate	19.80-21.40	09/08	Aug
Hot rolled coil	18.00-19.30	09/08	Aug
Cold rolled coil	21.50-24.40	09/08	Aug
Hot-dip galvanized coil	24.40-27.60	09/08	Aug
Hollow sections	20.40-20.80	09/08	Aug

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	530-540	09/08	Oct
Rebar	600-610	09/08	Oct

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

Rebar	4,800-4,800	08/08	Aug

Latin America

Product	*Price*	*Date*	*Month*
Latin American exports			

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

Billet	500-520	09/08	Sep
Slab	460-490	09/08	Sep
Rebar	580-590	09/08	Sep
Wire rod mesh quality	580-590	09/08	Sep
Heavy plate: over 10mm	570-600	09/08	Sep
Hot rolled coil (dry)	570-600	09/08	Sep
Cold rolled coil	630-660	09/08	Sep
Galvanized coil	680-710	09/08	Sep

Nafta

Product	*Price*	*Aug 9*
US Imports		

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

Rebar	580-600
Merchant bars	675-700
Wire rod (low carbon)	570-590
Medium sections	720-760
Medium plate	640-670
Heavy plate	850-900
Hot rolled coil (commodity)	580-600
Cold rolled coil	640-670
Galvanized coil (base US)	890-940

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)	645
Wire rod	
(mesh quality; delivered)	650
Plate (fob mill)	720
Hot rolled coil (fob mill)	660
Cold rolled coil (fob mill)	770
Hot-dip galv coil (fob mill)	870

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.

Rebar	490-500	09/08	Oct
Wire rod (mesh quality)	505-520	09/08	Oct
Heavy plate	520-530	09/08	Oct
Hot rolled coil	530-535	09/08	Oct
Cold rolled coil	590-600	09/08	Oct
Galvanized coil 1mm	640-665	09/08	Oct

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	640-645	09/08	Oct
Hot dip galvanized coil	670-680	09/08	Oct

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/$=6.12)

Rebar	3,470-3,640	09/08	Aug
Wire rod (mesh)	3,470-3,530	09/08	Aug
Sections	3,400-3,430	09/08	Aug
Plate	3,630-3,680	09/08	Aug
Hot rolled coil (min 2mm)	3,610-3,640	09/08	Aug
Cold rolled coil (0.5 - 2mm)	4,420-4,480	09/08	Aug
Hot-dip galvanized coil	4,470-4,630	09/08	Aug

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/$=6.12)

Rebar	3,610-3,760	09/08	Aug
Wire rod (mesh)	3,620-3,720	09/08	Aug
Sections	3,740-3,790	09/08	Aug
Plate	3,800-3,840	09/08	Aug
Hot rolled coil (min 2mm)	3,750-3,800	09/08	Aug
Cold rolled coil (0.5 - 2mm)	4,450-4,520	09/08	Aug
Hot-dip galvanized coil	4,470-4,560	09/08	Aug

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

Billet	560-565	09/08	Aug
Plate (12-40mm)	500-505	09/08	Sep
Hot rolled coil (commodity)	525-530	09/08	Oct
Hot-dip galvanized coil	775-780	09/08	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	590-595	09/08	Aug
Plate (20-60mm)	550-555	09/08	Aug
Hot rolled coil (commodity)	520-525	09/08	Aug
Hot rolled coil (CR grade)	540-545	09/08	Sep
Cold rolled	610-620	09/08	Aug
Hot dip-galvanized coil	650-655	09/08	Aug

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

Billet	27200-27300	09/08	Aug
Heavy plate	33000-33500	09/08	Aug
Hot rolled coil	33750-34250	09/08	Aug
Cold rolled coil	38750-39250	09/08	Aug
DRI	18500-18600	09/08	Aug
Hot-dip galvanized coil	45000-45500	09/08	Aug

SteelBenchmarker™ Prices

Product	*Price*	*Jul 22*
Prices in $/metric tonne, except (short ton) and {€ per tonne}		
Region: USA, East of the Mississippi		
Standard plate	796(722)	
Hot rolled coil	702(637)	
Cold rolled coil	808(733)	
Region: Mainland China		
Rebar	471	
Standard plate	494	
Hot rolled coil	492	
Cold rolled coil	606	
Region: World Export Market		
Hot rolled coil	546	
Cold rolled coil	627	

Stainless Steel

Product	*Price*	*Date*	*Month*
Stainless Steel - Asia import			
$/tonne cif East Asian port			
Grade 304 2mm CR coil, 2B	2,330-2,400	09/08	Oct
Grade 304 HR sheet	2,150-2,250	09/08	Oct
Stainless Steel - China Domestic			
yuan/tonne, in warehouse			
Grade 304 2mm CR coil	15,700-15,800	09/08	Aug
Grade 430 2mm CR coil	8,800-8,900	09/08	Aug
Stainless Steel - EU export			
€/tonne fob N. European port.			
Min 100 tonne lot			
Grade 304 2mm CR sheet	2,077-2,121	09/08	Oct
Stainless Steel - EU domestic			
2mm 304 cold rolled stainless sheet €//tonne			
Base price	1,040-1,060	09/08	Sep
Alloy Surcharge	1,037-1,061	09/08	Aug
304 Stainless steel bright bar €/tonne			
Base price	900-950	09/08	Sep
Alloy Surcharge	1,440-1,579	09/08	Aug

Scrap, Secondary Metals, Scrap Substitutes & Iron Ore

Ferrous scrap

UK ferrous scrap domestic

The following is Metal Bulletin's evaluation of UK prices for processed scrap delivered to consumers within the stated month. 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	*July*
Cut Grades	
0A plate and structural	190-210
1&2 Old steel	175-195
12A/C/D New Production heavy and shovellable steel	190-210
Bales and Cuttings	
4A New steel bales	200-205
4C New steel bales	197-202
8A New loose light cuttings	180-185
8B New loose light cuttings	177-182
Turnings	
7B Heavy steel turnings	118-128
Cast Iron	
9A/10 Heavy and light cast iron	165-178
9B/C Cylinder block scrap	198-213
11A Cast iron borings	165-190

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

UK Intermerchant weekly price

£/tonne	*Aug 9*
5C Loose old light	120-135

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

	Aug 2	*Aug 9*
HMS 1&2 (80:20 mix)	351-356	351-356
Shredded	361-366	361-366

Indian Imports MB assessment, $/tonne cfr Nhava Sheva

	Aug 2	*Aug 9*
MB index CFR India Shredded		375.60
HMS 1&2 (80:20 mix)	340-360	330-360

Alloy steel scrap domestic

UK wholesale merchants' stainless (£/tonne)	*Aug 9*
18/8 solids	800-830
18/8 turnings	640-664
12-13% Cr solids	240-260
16-17% Cr solids	280-310
Cif Europe import stainless (€/tonne)	
18/8 solids	1,000-1,020
18/8 turnings	850-867
UK home high speed (pence/kg)	
6-5-2 solids	220-240
6-5-2 turnings	110-120

Rotterdam export MB assessment, $/tonne fob Rotterdam

	Aug 2	*Aug 9*
MB index FOB Rotterdam HMS 1&2 (80:20)		350.33
HMS 1&2 (70:30 mix)	337-342	337-342
Shredded	362-367	362-367

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

	Aug 2	*Aug 9*
MB index CFR Turkey HMS 1&2 (80:20)		369.33
HMS 1&2 (70:30mix)	355-360	355-360
Shredded	380-385	380-385

USA export MB assessment, $/tonne fob East Coast

	Aug 2	*Aug 9*
HMS 1&2 (80:20 mix)	351-356	351-356
Shredded	356-361	356-361

USA domestic

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

Week ending	*Aug 2*	*Aug 9*
No 1 heavy melting	340.83	340.83
No 2 bundles	297.00	297.00
MB assessment of Broker Buying Price, $/tonne delivered Detroit		
No 1 busheling	310.00	310.00
No 1 bundles	285.00	285.00

China domestic

yuan/tonne delivered mill	Aug 9
Heavy Scrap	2,550-2,650

Germany domestic

Euro/tonne, delivered at scrapyard. Source: BDSV

	Jun	**Jul**
No E2/8 (new steel scrap)	238.80	235.10
No E1 (old steel scrap)	209.70	210.60
No E3 (old thick steel scrap)	233.10	229.90
No E40 (shredded steel scrap)	239.70	239.90
No E5 (steel turnings)	188.80	185.90

Non-Ferrous scrap Europe

Aluminium

European free market (MB assessment. €/tonne eff Aug 9)	
Floated Frag	1,300-1,350
Cast	1,220-1,280
Mixed turnings 6%	1,170-1,250
LME Cash primary (lowest midday bid)	$1,781.00
LME Cash alloy (lowest midday bid)	$1,765.00
Germany (per 1000kg eff **Aug 7**)	€
Pure Cuttings	1,160-1,240
Commercial Cast	1,130-1,250
H9 Extrusions	1,300-1,400
Alloy Turnings	940-1,060
Source:VDM	
France (per 1000kg eff **Jul 23**)	€
Pure Cuttings	1,240-1,260
Old Rolled	820-840
Commercial Cast	950-980
Source: Lettre d'Information Metaux	
Italy (per 1000kg eff **Jul 26**)	€
Pure Cuttings	1,235-1,335
Old Mixed Scrap	1,195-1,245
Commercial Cast	1,185-1,235
Source: Assomet	

Copper

Germany (per 1000kg eff **Aug 7**)	€
Copper Wire (Berry)	5,010-5,190
Heavy Copper	4,650-4,890
Heavy Brass	3,180-3,400
Brass Turnings (MS 58)	3,300-3,520
Brass Sheet (MS 63)	3,500-3,600
Source:Verein Deutscher Metallhandler	
France (per 1000kg eff **Jul 23**)	€
Electro Cuttings	4,980-5,000
No 1 Bright Wire	4,640-4,660
Mixed (96%)	4,600-4,650
Brass Plate Cuttings 70/30	3,450-3,500
Brass Turnings	3,000-3,050
Mixed Brass	3,000-3,030
Source: Lettre d'Information Metaux	
Italy (per 1000kg eff **Jul 26**)	€
Electrolytic dd EN 12861-S-Cu-2	4,973-5,025
Enamelled wire EN 12861-S-Cu-3	4,811-4,863
New from tubes, strips etc EN 12861-S-Cu-4	4,932-4,984
Old from tubes, strips etc 12861-S-Cu-7	4,658-4,710
EN 12861-S-Cu-Zn-1-A-Cu 63.5%	3,544-3,621
Mixed from valves/taps EN 12861-S-Cu-Zn-6	2,993-3,071
Several 95% m/m 12861-S-Cu-Zn-7	2,793-2,871
Source: Assomet	

SteelBenchmarker™ scrap prices

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

Region: USA, East of the Mississippi Jul 22	
†Shredded Scrap	368 [373]
No 1 Heavy melting scrap	329 [335]
No 1 Busheling scrap	386 [392]

†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	308-346	08/08	Sep
Latin American exports $/tonne, delivery terms as stated			
Hot briquetted iron Venezuela	280-300	09/08	Sep
Pig Iron fob Vitorio/Rio	375-380	09/08	Sep
Pig Iron fob Ponta da Madeira	395-400	09/08	Sep
US Imports $/tonne cfr Gulf of Mexico			
Pig Iron	405-415	09/08	Sep
CIS Exports $/tonne fob main port			
Pig Iron Baltic Sea	430-435	08/08	Sep
Pig Iron Black Sea	385-395	08/08	Sep
China Domestic yuan/tonne, delivered warehouse			
Pig Iron	2550-2650	09/08	Aug

China Iron ore

cfr main China port $ per dry metric tonne

Product	Price	Date	Month
Iron ore index (62%)	133.65		
Iron ore fines (63.5% fe)	135-136	09/08	Aug
Iron ore pellets (65-66% fe)	160-165	09/08	Aug

UK non-ferrous scrap

The following UK prices were assessed on Aug 7

Aluminium £/tonne

	Actual Price	MB LME Discounts
Group 1 Pure 99% & Litho	1100-1150	-3-47
Commercial pure cuttings	1000-1050	97-147
Clean HE9 extrusions	1100-1150	-3-47
Loose Old Rolled cuttings	830-850	301-321
Baled Old Rolled	940-970	181-211
Commercial cast	990-1030	121-161
Cast wheels	1100-1150	1-51
Commercial turnings	760-820	331-391
Group 7 turnings	550-600	551-601
LME primary avge:		1147.97
LME alloy avge		1151.79

Titanium $/lb cif

Turnings, unprocessed type 90/6/4 (0.5% Sn max)	1.55-1.65
Turnings, unprocessed 90/6/4 (over 0.5%, max 2% Sn)	1.45-1.50

Non-ferrous foundry ingots

Aluminium UK (effective August 7) £/tonne

MB free market	
LM24 Pressure diecasting ingot	1,520-1,570
LM6/LM25 Gravity diecasting ingot	1,720-1,780

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

Aluminium Europe (effective August 9) $/tonne

MB free market	
Duty unpaid in warehouse alloy premium	70-80
Duty paid delivered works pressure	€/tonne
diecasting ingot price (DIN226/A380)	1,800-1,860

Aluminium US effective August 8 $/lb delivered Midwest

A380.1 alloy	1.02-1.03

AFFIMET prices effective July 1 €/tonne

AS 12	2,965
AS 12 UN	3,005
AS 9 U3	2,370
AS 5 U3	2,720

Reflects generally larger traded lots

VDM (effective August 7) €/1000 kg delivered

DIN 226	2,160-2,260
DIN 231	2,240-2,340
DIN 311	2,220-2,320

Aluminium Bronze UK (effective August 6) £/tonne

AB1 ex-works	4,700
AB2 ex-works	4,840

Source: C.F. Booth Ltd

Brass UK (effective August 6) £/tonne

SCB3 ex-works	3,530
High Tensile HTB1 ex-works	3,920

Source: C.F. Booth Ltd

Gunmetal UK (effective August 6) £/tonne

LG2 85/5/5/5 ex-works	4,690
LG4 87/7/3/3 ex-works	5,190
G1.11.5 Pb ex-works	5,680

Source: C.F. Booth Ltd

Phosphor Bronze UK (effective August 6) £/tonne

PB1 ex-works	6,090

Source: C.F. Booth Ltd

Phosphor Copper UK (effective August 6) £/tonne

10% P ex-works	6,900
15% P ex-works	7,000

Source: C.F. Booth Ltd

Zinc Alloys UK £/tonne

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

Brock Metal ZL3	1,730
Brock Metal ZL5	1,765

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

Hotline

Moves at your company? Let Hotline know by emailing *editorial@metalbulletin.com*

Any aluminium buyers worried about stocks, price should look at indium exchange stocks at Fanya

Last week, Hotline made the point that the accumulation of the near-record volumes of aluminium in LME sheds has had less to do with hoarding and profiteering on the part of warehouse-owning banks, and more to do with the collapse in demand seen at the start of the financial crisis.

Aluminium consumers are right to take issue with the fact that the rising stocks have not corresponded with better spot availability on the LME, but if they feel hard done by, they might spare a thought for consumers in the indium market.

The Kunming Fanya Metal Exchange in Yunnan, China, currently holds nearly 1,400 tonnes of indium in four private warehouses, equivalent to two years of global primary output.

By contrast, the near-record LME aluminium stocks would serve global demand for a little over six weeks.

And while some have questioned the robustness of claims that aluminium consumers have seen inflated purchasing costs as a result of the queues in LME warehouses, for indium consumers, prices really are rising as a result of the stockpiling on the Fanya exchange.

Indium prices quoted on Fanya are typically twice as high as they are on the global free market, and they have been rising strongly in defiance of the daily dumping of stock on the bourse.

As a result, Chinese producers have been diverting the lion's share of their output to Fanya warehouses, while some have also been bidding on overseas material for the same purpose, perversely turning China, which supplies 60% of the world's indium, into a net importer of the metal.

So while a few Chinese producers are making hay on Fanya, consumers have become involved in an increasingly desperate scramble for material, which has pushed global indium prices over $600 per kg, to their highest level since late 2011.

That scarcity pricing flies in the face of the largest surplus the indium market has ever seen, and one that would be unimaginable in a larger market such as aluminium.

For aluminium consumers, Detroit is finally getting the attention it deserves; indium consumers will feel that Kunming should too.

Trader takes loss on Mn in falling market

Noble Resources has been forced to a take a loss on a 40,000-tonne cargo of manganese ore in the port of Vizag, India, as buyers bid prices lower in the belief that the trader wants to liquidate its position in a falling market.

Noble bought the 38% manganese ore on a fob basis intending to organise its own freight, market sources said.

It paid the equivalent of around $5.00 per dmtu on a cif basis, according to estimates based on June prices.

The ore was produced by BHP Billiton, market sources said.

The trader took the cargo to India, where there are no bonded warehouses and where it can only be unloaded if it is cleared or bought by an Indian company, so the material must be sold in the port.

In a falling market, the trader's best option is to get out of the position, observers said.

"Prices are falling; they just want to get out and are happy to sell at almost any price," one market source told Hotline.

Indian buyers, aware of the trader's predicament, are driving prices down and the trader has sold parcels of the cargo at $4.25-4.50 per dmtu on a cif basis.

The cargo is worth around $7.5 million, based on June prices of this grade of ore on a cif basis.

Vizag port: no Noble refuge

The trader faces a paper loss of around $1 million, according to estimates.

Noble did not respond to requests for comment at the time of publication.

CME fines Glencore

CME Group has ordered Glencore to repay $66,200 in profits made on copper trading that violated Commodity Exchange (Comex) position limit rules, and fined it $25,000 in accordance with a settlement offer.

The Comex Business Conduct Committee (BCC) found that Glencore held a position of 3,130 short contracts in the December 12 copper contract on November 29, 2012 – 36.1% more than the expemption level of 2,300 short contracts allowed by Comex.

Glencore, which attended a hearing on July 31, did not admit to or deny any rule violation.

The Shanzhai Steel Chronicles

The term "Shanzhai" is typically reserved for Chinese knock-offs of electronic goods – the cunningly monikered "Orange" iPhone clone that bears an uncanny resemblance to the Apple product but runs on a different operating system, would be one such example.

However, given China's abundant steel capacity, you could be forgiven for thinking that there would be little economic sense in manufacturing "Shanzhai steel".

But think again.

Hotline has discovered a rather innovative kind of steel coil composed of 99.99% cement, according to a post on Chinese social media site Weibo.

Yes, you read that correctly. Cement.

Hotline isn't quite sure what the market potential is for cement coil, but ArcelorMittal's recent tie-up with Valin Steel to make advanced auto sheet for car manufacturers is unlikely to be under threat.

MILLING ABOUT

Chris Evans, head of business development at the London Metal Exchange, has left the organisation. "Chris has decided to leave the LME to pursue other opportunities and is currently discussing the details of his departure," a spokeswoman for the exchange said. Evans joined the exchange in March 2008 as manager, new products, reporting to Martin Abbott, the LME's ceo. Abbott announced in June that he hilself would leave the exchange by the end of the year. Evans was instrumental in establishing the exchange's cobalt and molybdenum contracts and was involved in the sale of the exchange to Hong Kong Exchanges & Clearing last year.

Vedanta Resources has appointed **Kishore Kumar** ceo of Base Metals (Africa) with immediate effect. His role will include overseeing Vedanta's Konkola Copper Mines (KCM) and Copper Miners of Tasmania (CMT). He takes over from previous KCM ceo **Jeyakumar Janakaraj**. Kumar was previously the ceo of Vedanta's Zinc International.

Classified Advertisements

SIRTE OIL COMPANY for Production, Manufacturing of Oil & Gas (LIBYA) announces the following:

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540 tubes (Methanol reformer) –Manaurite 36X 25Cr35Ni Nb.

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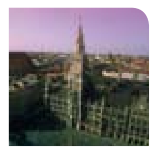

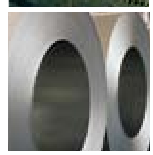

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