



# Minerals & Metals Review WEEKLY

PRICE Rs. 95/-

BRAJ BINANI GROUP

INDIA'S FIRST NEWSPAPER ON METALS

**India's steel demand expected to grow by 5.9% in 2013: WSA**

Page 02

**SAIL to reopen iron ore mine in J'khand to cap costs**

Page 03

**PAP demands resumption of operations at Vedanta refinery**

Page 19

**ILZDA seminars on technology & environmental aspects**

Page 20

BASE & PRECIOUS METALS WEEKLY REVIEW

### Commodities tumbles on US data, uncertainty over Cyprus bailout

Major commodity markets fell sharply on Friday with crude oil tumbling to a nine-month low and gold hitting a 20-month low as investors dumped the commodities on lingering worries about a weak global economic outlook and a plan for Cyprus to sell gold reserves. Base metal prices also reacted negatively to such global cues following the weak US consumer data along with confusion over whether Cyprus was asking for more assistance for its bailout programme.

**Base Metals:** Three-month copper on the London Metal Exchange closed at \$7,406.50, down from Thursday's close of \$7,610 a tonne. Earlier, the metal hit a session low of \$7,375, not far from eight-month lows of \$7,331.25 hit on April 4. Underpinning perceptions of abundant supply, copper stocks in LME-registered warehouses rose by 3,475 tonne to 593,650 tonne, their highest in over a decade. Besides, mining operations were suspended at Rio Tinto's Bingham Canyon in Utah, after a landslide on Wednesday, failed to lift copper prices. India's largest copper smelter, run by Sterlite Industries Ltd, will not start commercial production until at least April 29, when a court will again consider a request to reopen the plant, shut over complaints of emissions. The closure has already pushed up premiums to get metal in Asia. In other metals, aluminium closed at \$1,852 a tonne from \$1,898 on Thursday while zinc finished at \$1,874 from \$1,914. Tin closed at \$22,005 from \$22,860, nickel at \$15,850 from \$15,880 and lead at \$2,049 from \$2,085.

**Precious Metals :** Precious metal - gold prices came under heavy selling pressure from exchange-traded funds, following upbeat jobless claims data in Europe and amid speculation that Cyprus might sell excess gold to tide over its financial crisis. Gold fell below \$1,500 per ounce on Friday, a drop of more than 20 per cent from its record 2011 highs, putting it in bear market territory for the first time since last May. During the day, Gold fell by USD 12.20, or 0.78 per cent to USD 1,549.80 an ounce in London. The metal was heading for a 4.9 per cent decline this week, its third such drop in a row and the biggest since December 2011. It was down some 22 per cent below the record peak hit in September 2011 at \$1,920.30. The easing of gold and oil prices will bring some cheer to Indian policymakers, grappling with fiscal and current account deficits, analysts said. Gold is the second-largest import item for India.

LME prices in \$/metric ton Friday PM Kerb			
	Buy	Sell	Stock
Aluminium	1,830.00	1,832.00	5,194,750
Aluminium Alloy	1,856.00	1,758.00	75,100
Copper	7,388.00	7,389.00	593,650
Lead	2,013.00	2,015.00	259,375
Nickel	15,796.00	15,798.00	169,386
Tin	21,931.00	21,933.00	14,480
Zinc	1,830.00	1,831.00	1,136,050
BULLION PRICES (Friday close)			
Gold (Standard)	Mumbai	Rs./10g	28,890
Silver (.999)	Mumbai	Rs./Kg	51,600
Gold	London	\$/tr.oz.	1535.50
Silver	London	\$/tr.oz.	27.40

## Jindal Stainless-Posco in historic tie-up for sustainable future

Jindal Stainless Limited, a part of the 15 billion USD and India's largest stainless steel producer from the O.P Jindal Group has signed a Memorandum of Understanding (MoU) with South Korea based global steel leader - POSCO on 10th of April 2013, to mutually cooperate with each other for long-term joint business opportunities.

The important characteristics of the MoUs are :

- Long term supply of 200 series stainless steel product of Jindal Stainless to POSCO and its subsidiaries in South East Asia
- Review on joint establishment and exploration for a nickel



Ratan Jindal, Vice Chairman - Managing Director of Jindal Stainless Limited is seen shaking hands with Mr. Young Sea Suh, Global Head, Stainless Business Division, POSCO, Korea.

**Binani**  
BRAJ BINANI GROUP

**Z I N C**

**BINANI ZINC LTD.**

BINANIPURAM-683 502, KERALA.

- smelting process in Indonesia.
- Review on joint co-operation in Jindal Stainless's Odisha project
- Review on overseas joint projects including but not limited to the establishment of service centres and cold rolling mills.

Both the companies have had extensive discussions for mutual cooperation while signing the MoUs.

Jindal Stainless is a globally recognized producer of stainless steel flat products in austenitic, ferritic, martensitic and duplex

grades. Jindal Stainless has also taken the lead in commercialization of the Cr-Mn stainless steel globally and as a result Cr-Mn200 series has increased its global share from mere 5.5% to 15% in the last one decade. With POSCO being one of the global giants in stainless and carbon steel and having already expanded its cold rolled capacities in the growing markets of South-East Asia and also in Europe, there is a unique opportunity for both POSCO and Jindal Stainless to leverage on each other's strengths.

(Contd. on page 2)

DOMESTIC MARKET REVIEW

### Precious metals retreat on global cues, Cyprus crisis

Gold and silver prices rebounded in the domestic market on emergence of stockists buying at existing lower levels driven by ongoing "Navratras" festival amid a firm global trend. Towards the closing of the session, India's largest import of commodity metal - gold prices saw their prices fall sharply on Friday raising hopes for the country's stressed balance of payments and fiscal deficit. After taking negative signal from the global markets, gold dipped below psychological level of Rs 29,000 per ten grams by losing Rs.239 to Rs.28,945 per ten grams in futures trade as participants trimmed their positions. MCX gold for June delivery opened on a negative note following appreciation of Indian rupee against US dollar and was trading down by 0.08 per cent at Rs.29160 per 10 grams as of 02.04 PM IST on Friday and finally ended at Rs 28,945 per ten grams in a turnover of 17,328 lots.

While Gold prices at global market witnessed a under heavy selling pressure from exchange-traded funds, following upbeat jobless claims data in Europe and amid speculation that Cyprus might sell excess gold to tide over its financial crisis. In the global market. Gold metal for delivery in far-month August also traded Rs 142, or 0.48 per cent to, Rs 29,500 per 10 gm in 591 lots. MCX silver futures for May delivery was down by 0.36 percent at Rs. 51490 per kilogram as of 02.27 PM IST on Friday. Increasing tensions in the Korean peninsula have supported silver futures to some extent. Silver futures for May delivery was down by 1.20 percent at \$ 27.370 per troy ounce as of 02.48 PM IST on Friday.

## India's steel demand to grow 5.9% in 2013: WSA

World Steel Association (WSA) has released its Short Range Outlook (SRO) for 2013 and 2014 which was announced in Brussels last Thursday. World Steel Association represents approximately 170 steel producers (including 16 of the world's 20 largest steel companies), national and regional steel industry associations, and steel research institutes. WSA members represent around 85% of world steel production.

According to its latest report on global steel industry forecasts that apparent steel use will increase by 2.9% to 1,454 Mt in 2013, following growth of 1.2% in 2012. In 2014, it is forecast that world steel demand will grow further by 3.2% and will reach 1,500 Mt. The projections forecast by worldsteel consider both real and apparent steel use. Apparent steel use reflects the deliveries of steel to the marketplace from the domestic steel producers as well as from importers. This differs from real steel use, which takes into account steel delivered to or drawn from inventories.

The Short Range Outlook is provided by the worldsteel Committee on Economic Studies which meets twice a year. The Committee membership consists of chief economists from more than 40 of the worldsteel member companies. The Committee

considers country and regional demand estimates to compile a global overview on apparent steel use (ASU). The Short Range Outlook is presented to the Board for their final review before publication.

According to SRO report, steel demand is expected to pick up in India and demand is expected to grow by 5.9% to 75.8 million tonne (mt) in 2013 following 2.5% growth in 2012. Indian steel demand is likely to grow due to monetary easing which is expected to support investment activities. In 2014, growth in steel demand is expected to further accelerate to 7.0% thanks to the reform measures aimed at narrowing the fiscal deficit, coupled with measures to improve the foreign direct investment climate. WSA said global apparent steel use will increase by 2.9% to 1454 mt in 2013, following a 1.2% growth in 2012. In 2014, it has forecast that world steel demand will grow further by 3.25 to reach 1500 million tonne. Hans Jurgen Kerkhoff, Chairman of the worldsteel Economics Committee said: "2012 was a challenging year for the steel industry with apparent steel use increasing at the slowest rate since 2009 when demand declined by -6.5%. This was mainly due to the Eurozone crisis which persisted throughout 2012 and whose impact was felt further afield. On

top of this, corrective macroeconomic measures in major emerging economies also contributed to a concerted slowdown globally.

"However, in the early part of 2013, the key risks to the global economy - the Eurozone crisis, a hard landing for the Chinese economy, and the US fiscal cliff issue - have all stabilised considerably and we now expect a recovery in global steel demand to kick in by the second half, led by the emerging economies. Yet, the situation on the financial markets remains fragile and the Eurozone crisis is far from being solved as the recent events in Cyprus have shown again. In 2014, we expect a further pickup in global steel demand with the developed economies increasingly contributing to growth."

In 2013, in the US, after growth of 8.4% in 2012 due to the automotive and energy sectors and an increasingly resilient construction recovery, apparent steel use is forecast to grow by 2.7% to 99.3 Mt due to continuing fiscal concerns. In 2014, steel demand is expected to increase by 2.9%, thus exceeding 100 Mt with the help of positive momentum from the construction sector. For NAFTA as a whole, apparent steel use will grow by 2.9% and 3.0% in 2013 and 2014 respectively, WSA said in its outlook.

## Jindal Stainless-Posco in historic tie-up for sustainable future

(Contd. from page 1)  
While explaining the recent two MoUs signed by Jindal Stainless with POSCO, the company official said that the first MoU is about strategic co-operation between Jindal Stainless and POSCO and the second is long term supply MoU regarding Jindal Stainless supplying 200 series stainless steel product to POSCO and its subsidiaries in South Asian region. With this strategic MoU signed by both the companies will jointly explore four major strategic cooperation in areas such as long term supply of JSL 200 series stainless steel product; jointly exploring options for setting up of nickel smelter in Indonesia; co-operation in Jindal's Odisha project and overseas service centres and CR mills. Jindal Stainless also agreed to supply stainless 200 series stainless steel product to overseas CR mills - POSCO Thainox and POSCO VST on a long term basis. This is the first step to give concrete shape to the strategic cooperation. The 200 series stainless steel grade contains lower quantity of Nickel and Chromium, which is in good demand from South East Asia, after prices rose sharply in recent years. Both the MoUs for strategic cooperation and 200 series stainless steel product supply will be effective for three years but the term can be extended by mutual agreement. While discussing the benefits being offered to both the

companies, Jindal Stainless officials stated that the global stainless steel market faces economic recession due to European financial crisis and fierce competition caused by oversupply. Fluctuating nickel prices makes it much harder to forecast the market. Against the backdrop, POSCO and Jindal Stainless decided to join hands to create synergies based on mutual strengths as partners, not competitors.

POSCO has accumulated know-hows to run production bases in many overseas locations and established global sales network while Jindal Stainless has a strong position in the rapidly growing Indian market with high growth potential and various business opportunities as well as the world's best 200 series technology. With these strengths combined, the partnership expects to secure stable business foundation in the future if the two companies cooperate in overseas service centres, CR mills and Odisha project. Both the companies are jointly exploring nickel smelting in Indonesia, which will minimize risks and enhance economic feasibility.

As aforementioned, Jindal Stainless is a market leader in producing top quality stainless 200 series product and has a price competitive due to its own Cr and Mn mines. Long term supply of 200 series to POSCO's overseas

subsidiaries will be a good chance for Jindal Stainless to secure stable sales channel and raise awareness of its quality products in the global market.

The company has also responded to plan of action within 3 months after signing of the MoUs, by which it shall form working groups for reviewing and pushing ahead with cooperation in areas already mentioned above - overseas CR mills and service centres and Ni smelter in Indonesia.

### Overview of global stainless steel scenario

During 2013, nickel prices could be stabilizing in the range of \$16,000 to \$17,000 per tonne and the stainless steel industry is expected to avoid the worst case scenario thanks to revitalized economy of the US and quantitative easing of China. Also, the global stainless steel demand forecast is 36 million tonne this year, up by 3.7% year-on-year. When major countries complete regime changes earlier this year and execute economic stimulus packages, stainless steel industry will be affected in a positive way. Major mills in Europe and Japan will accelerate restructuring and overcapacity reduction through consolidation for better competitiveness. The central axis of the stainless steel industry will rapidly move to Asia, so competition in Asian market will get more intense.

## FORTHCOMING EVENTS

### International Conference & Expo on Coal Beneficiation 2013

- To showcase advancement in the beneficiation of Indian coal; **Date:** April 18-19, 2013; **Organised by:** Coal Preparation Society of India in association with CMPDI; **Venue:** Hotel The Ashoka; New Delhi; **Contact:** R K Sachdev; **Mobile:** +91 98103 02360; **Email:** rksachdev01@gmail.com; **Web:** www.cpsi.org.in

**Seminar on Lead Batteries - Technology & Environment** at Hotel Forte Grand, New Delhi on 27 April 2013 and at Hotel Pride, Bangalore 29 April 2013 organised by ILZDA. **Contact:** Mr. K. Sridhar, Secretary, ILZDA **Tel:** 011-26056889 **Fax:** 011-29956522, **Email:** ilzda.info@gmail.com

**Stainless Steel 2013 - 7th International SS exhibition - May 14-15 2013** Contact: Verlag Focus Rostfrei GmbH, Sonsbecker Str. 40-44, 46509 Xanten **Tel:** 0 28 01 - 98 26-0, **Fax:** 0 28 01 - 98 26-11, **Email:** info@focus-rostfrei.com Karin Brouckova, **Tel:** +420 541 152 936, **Email:** kbrouckova@bvv.cz **URL:** http://www.stainless2013.com/380.0.html

**Seminar on Best Galvanizing Practices & Excellence in Galvanizing** - Organised by ILZDA at Hotel Pride, Nagpur during 20 & 21 May 2013. **Contact:** Mr. K. Sridhar, Secretary, ILZDA **Tel:** 011-26056889 **Fax:** 011-29956522, **Email:** ilzda.info@gmail.com

**18th International Lead Conference** being held in Prague, 19-21 June 2013 organised by International Lead Association, London. For more information contact Maura McDermott **Pb2013@ila-lead.org**, **Mcdermott@ila-lead.org**, **Telephone:** +44 (0)20 7833 8090, **URL:** WWW.ila-lead.org

**Aluminium India 2013** - to showcase cutting-edge technology solutions for the aluminium industry; **Date:** September 12-14, 2013; **Organised by:** Reed Exhibitions India; **Contact:** Vidula Kagal; **Email:** Vidula.Kagal@reedexpo.co.uk; **Tel:** +91 22 6771 6614; **Fax:** +91 22 6771 6601; **Web:** www.aluminium-india.com

**3rd edition of MetEx India** - International Exhibition on Metal, Materials & Metallurgical Technology, Equipment and Supplies organised by IIM - Bangalore Chapter, ASM International (The Materials Information Society) - Bangalore Chapter, Indian Ceramic Society, Bangalore Chapter along with Koelnmesse YA Tradefair Pvt Ltd. during 26th - 28th Sep 2013 at Bangalore International Exhibition Centre, Bangalore. **Contact:** Suhas Bansode, Project Manager, **D:** +91-22-28715204, **F:** +91-22-28715222, **M:** +91 9920318318 **Email:** s.bansode@koelnmesse-india.com

**IPCC 2013** - In-Pit Crushing & Conveying event scheduled on 13-15th October 2013 organised by International Mining at Hotel Hilton Cologne, Germany. **Contact:** Paul Moore, Conference Director at paul@im-mining.com, **URL:** http://corporate.im-mining.com/imevents

**Exxcon 2013** - 7th International Construction Equipment and Construction Technology Trade Fair organised by Confederation of Indian Industry (CII) and Industry Conference by ICEMA and CII during 20 - 24 November 2013 at Bangalore International Exhibition Centre, Bengaluru, India. **Contact:** Tel: 91 11 24629994-7 **Fax:** 91 11 24626149, **Email:** info@cii.in **Website:** www.cii.in

### Prices of Flat Products exclusive of 4% VAT Mumbai / Ex-Kalamboli (Rs./ton; as on 12th April 2013)

<b>GP Sheets</b>		<b>GC Sheets</b>	
18G .....	50,500	24G .....	53,250
20G .....	50,500	<b>HR Sheets</b>	
22G .....	50,500	10G .....	42,000
24G .....	50,500	12G .....	42,000
<b>Plates</b>		14G .....	42,000
5mm .....	41,000	16G .....	42,000
6mm .....	41,000	<b>CR Sheets</b>	
8mm .....	41,000	14/16G .....	47,500
10mm .....	41,000	18G .....	47,500
12mm .....	41,500	20G .....	47,500
16mm .....	41,500		
20mm .....	41,500		