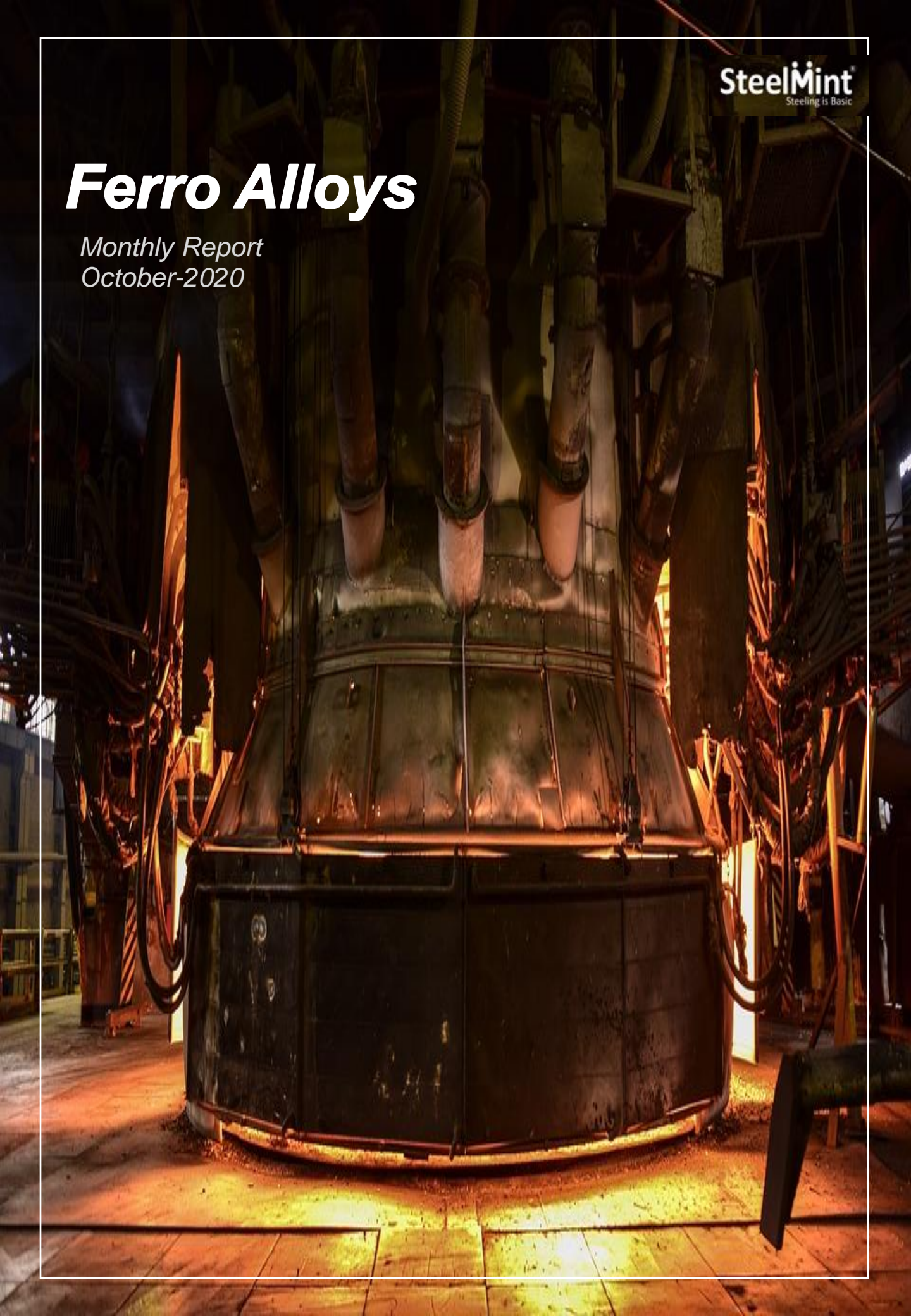


Ferro Alloys

*Monthly Report
October-2020*





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Manganese Ore

• Prices

- India: MOIL increases manganese ore prices by 7.5% m-o-m for Oct' 20

India's largest manganese ore miner revised manganese ore prices higher by 7.5% m-o-m for Oct'20. According to the market sources, the inventory levels with the Raipur manganese alloys producers is quite low, as they are completely dependent on MOIL for their manganese ore requirement, and MOIL hasn't been offering much quantity since past few months

- India: Karnataka manganese ore auction receives moderate response

State-owned, MSTC-Karnataka, conducted the e-auction for manganese ore on behalf of Sandur Mines (SMIORE) on 15th Sep 2020. Out of the total quantity 7,056t offered, 4,032t was booked at approximately 5% higher than the total floor value. The quantity offered has been low for two successive months after the onset of monsoons.

- India: Imported manganese ore prices remained flat throughout the month

In September, the imported manganese ore offers remained unchanged due to weak silico manganese market and tepid buying. The overall sentiment for finished steel market remained dull affecting the manganese ore market as well.

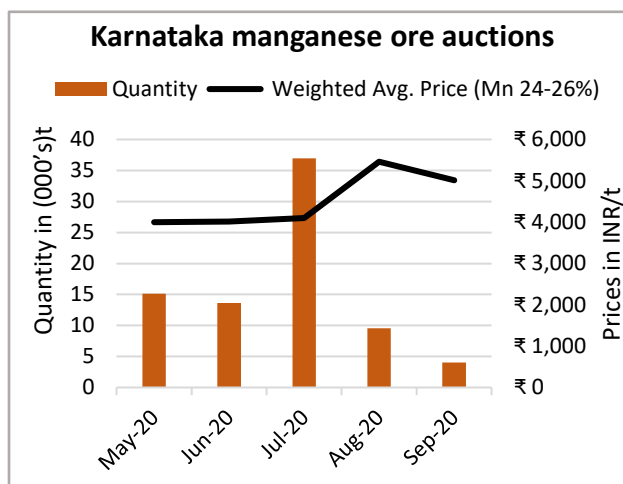
- China: Manganese ore offers to China remain unchanged for Nov'20

In November, the offers from manganese mining giants to China remained flat, but the actual performance was weak and stable. The higher ore inventory in domestic ports and high cost of port supply have put more pressure on miners.

- China: Spot prices for Manganese ore increased in Sep'20

In September, the imported manganese ore prices increased with respect to previous month, due to supply constraints from South Africa. However, due to dull demand and higher inventory in ports, the prices remained stable throughout the month.

India: MOIL Manganese ore Prices				
Tax	Grade	Oct-20	Sep-20	Aug-20
Basic Price, Exclusive of all Taxes	Lumps, Mn 37.5%	₹ 13,385	₹ 12,451	₹ 11,319
	Lumps, Mn 44%	₹ 15,229	₹ 14,167	₹ 12,879



Indian imported manganese ore prices (CNF India)				
Grade	Origin	Sep-20	Aug-20	Jul-20
Lumps, Mn 37.5%	South Africa	\$4.35/dmtu	\$4.12/dmtu	\$4.11/dmtu
Lumps, Mn 44% Fe 5%	Gabon	\$4.55/dmtu	\$4.33/dmtu	\$4.48/dmtu
Lumps, Mn 46% Fe 5%	Australia	\$4.85/dmtu	\$4.63/dmtu	\$4.81/dmtu

Manganese ore offers to China (Prices in \$/dmtu)				
Mine	Grade/ Origin	Nov' 20	Oct' 20	Sep' 20
South 32	Mn45% Australian block	\$4.55/dmtu	\$4.55/dmtu	\$4.2/dmtu
	South African semi carbonate	\$4.35/dmtu	\$4.35/dmtu	\$3.8/dmtu
UMK	South African Block	\$4.33/dmtu	\$4.5/dmtu	\$3.8/dmtu
Comilog	Gabon block	\$4.3/dmtu	\$4.3/dmtu	\$3.98/dmtu

Chinese imported manganese ore prices (CNF China)				
Grade	Origin	Sep-20	Aug-20	Jul-20
Lumps, Mn 37.5%	South Africa	\$4.20/dmtu	\$3.97/dmtu	\$3.98/dmtu
Lumps, Mn 44% Fe 5%	Gabon	\$4.40/dmtu	\$4.18/dmtu	\$4.33/dmtu

Manganese Ore Statistics

India: Manganese ore imports remained stable in Aug-20

Indian manganese ore imports remained stable with a marginal drop of -0.3%. Imports increased amidst lowered prices in Jun-Jul'20. Meanwhile, the domestic mines were not offering much material, which made many producers of manganese alloys shift towards imports despite dull silico manganese market.

China: Manganese Ore imports fell amidst higher inventories

Chinese manganese ore inventories fell owing to higher inventory in Jul' 20 in the domestic ports. Meanwhile, the demand for silico manganese remained subdued. Imports from Australia increased significantly by 21% m-o-m in Aug'20. Meanwhile, imports from South Africa dropped.

Indian Manganese Ore Imports						
Load Country	Aug-20	Jul-20	M-o-M	Jan-Aug-20	Jan-Aug-19	Y-o-Y (%)
South Africa	0.135	0.156	-13.4%	1.129	0.955	18.2%
Australia	0.053	0.042	25.1%	0.366	0.230	59.2%
Gabon	0.027	0.036	-25.5%	0.402	0.209	92.1%
Brazil	0.021	0.003	738.0%	0.050	0.168	-70.5%
Zambia	0.001	0.001	-45.4%	0.014	0.051	-71.6%
Others	0.001	0.001	91.0%	0.051	0.399	-87.3%
Grand Total	0.238	0.238	-0.3%	2.011	2.012	0.0%

All quantity in mn t
Source: Customs, compiled and maintained by SteelMint

Chinese Manganese Ore Imports						
Load Country	Aug-20	Jul-20	M-o-M	Jan-Aug-20	Jan-Aug-19	Y-o-Y (%)
South Africa	1.16	1.40	-17.1%	7.74	8.36	-7.4%
Gabon	0.50	0.50	1.2%	3.02	2.04	48.2%
Australia	0.53	0.44	20.7%	3.44	3.32	3.4%
Brazil	0.24	0.24	0.2%	1.86	1.61	15.4%
Ghana	0.12	0.22	-48.8%	0.71	3.59	-80.2%
Others	0.40	0.39	4.7%	2.19	2.80	-21.7%
Grand Total	2.95	3.19	-7.4%	18.96	21.71	-12.7%

All quantity in mn t
Source: Customs, compiled and maintained by SteelMint

Indian Manganese ore imports grade wise: Aug' 20	
Grade	Quantity (t)
Mn ≥30 and <35%	27,772
Mn ≥35 and <40%	74,111
Mn ≥40 and <44%	47,613
Mn ≥44 and <46%	43,147
Mn ≥46%	12,130
Others	33,716
Grand Total	2,38,489

All quantity in t
Source: Customs, compiled and maintained by SteelMint

China: Manganese Ore inventory (first week of each month)				
Month	Chinese Port Inventory	Tianjin Port	Qinzhou Port	Caofeidian Port
Jan-20	4.74	3.8	0.94	—
Feb-20	4.88	3.93	0.95	—
Mar-20	5.663	3.35	1.22	1.093
Apr-20	5.488	3.21	1.16	1.118
May-20	5.15	2.86	1.21	1.08
Jun-20	4.99	2.72	1.18	1.09
Jul-20	5.198	2.9	1.17	1.128
Aug-20	6.1	3.7	1.4	1
Sep-20	6.57	4.3	1.33	0.94

All quantity in mn t
Source: Customs, compiled and maintained by SteelMint

South African Manganese Ore Exports						
Unload Country	Aug-20	Jul-20	M-o-M	Jan-Aug-20	Jan-Aug-19	Y-o-Y (%)
China	1.44	1.60	-10.2%	8.35	9.14	-8.7%
India	0.26	0.20	26.9%	1.13	1.18	-4.2%
Singapore	0.06	0.05	17.9%	0.35	0.08	337.2%
Spain	0.05	0.00	2828.9%	0.09	0.11	-21.5%
Japan	0.05	0.05	0.0%	0.25	0.41	-38.8%
Others	0.19	0.20	-4.1%	1.74	2.25	-22.6%
Grand Total	2.05	2.10	-2.8%	11.90	13.17	-9.6%

All quantity in mn t
Source: Customs, compiled and maintained by SteelMint

Manganese Alloys

• **Indian Silico Manganese Prices downstream throughout the month**

In Sep’ 20, the demand for silico manganese remained subdued, resulting in the continuous fall in the prices. Such downstream can be attributed to the dull finished steel market. Meanwhile, prices increased in the domestic market due to Indian currency appreciation, but the demand remained near to absent.

Indian Silico Manganese Prices				
Domestic		Prices/t		
Location	Grade	Sep-20	Aug-20	Jul-20
Durgapur	60-14	₹ 61,400	₹ 60,850	₹ 60,100
Raipur	60-14	₹ 61,100	₹ 61,150	₹ 61,300
Export				
FOB India	60-14	\$840	\$814	\$800
	65-16	\$900	\$876	\$885

Source: SteelMint Research

• **India: Ferro Manganese prices remained stable**

Indian ferro manganese prices remained stable in the domestic market despite dull demand. Meanwhile, the exports demand remained moderate. The prices increased in exports due to Indian currency appreciation

Indian Ferro Manganese Prices				
Domestic		Prices/t		
Location	Grade	Aug-20	Aug-20	Jul-20
Durgapur	HC 70%	₹ 62,000	₹ 61,300	₹ 59,750
Raipur	HC 70%	₹ 61,500	₹ 61,500	₹ 60,875
Export				
FOB India	HC 70%	\$826	\$805	\$818
	HC 75%	\$880	\$868	\$874

Source: SteelMint Research

Ferro Silicon

Indian Ferro silicon prices escalated post Bhutan-Lockdown

Ferro silicon prices escalated unreasonably since Bhutan’s lockdown due to Covid outbreak. The major reason being, that there are not many producers in Guwahati who are operating, this creating a severe supply shrinkage in the market for a short duration. Due to this, mostly the buyers who were in urgent need of materials booked at higher prices.

Ferro Silicon Prices				
India		Prices		
Location	Grade	Sep-20	Aug-20	Jul-20
Guwahati	HC 70-75%	₹ 84,000	₹ 80,400	₹ 73,167
Bhutan	HC 70-75%	₹ 82,000	₹ 74,600	₹ 72,333
Global				
FOB China	HC-75%	\$1,075	\$1,013	\$1,025
FOB Bhutan	HC-70-75%	\$1,100	\$1,100	\$1,100

Source: SteelMint Research

Chrome Ore

- India: OMC chrome ore auctions conducted after 4-month gap with prices touching 2-year high**

Indian chrome ore auctions conducted by Odisha Mining Corporation (OMC) received an expected healthy response as the entire quantity was booked at approximately 16% higher than the floor price. The floor price was increased by a whopping 45% from May' 20 in line with the absence of auctions leading to higher ferro chrome prices and higher operational cost due to monsoons and labour availability concerns.

India: Chrome Ore Prices				
Company/Region	Grade	Oct-20	May-20	Apr-20
OMC	.+54%	₹ 15,054	₹ 9,804	₹ 8,272
	52-54	₹ 14,476	₹ 9,307	₹ 7,860
	48-50	₹ 11,810	₹ 8,407	₹ 6,525

Source: SteelMint Research

- China: South African chrome ore prices increased for China amidst logistics issues**

South African ore offers increased in the initial period of Sep' 20, however, was then unchanged throughout for the month, with limited buying interest from China. Meanwhile, offers from Turkey remained unchanged.

Chinese imported manganese ore prices (CNF China)				
Grade	Origin	Sep-20	Aug-20	Jul-20
Conc. 40-42%	South Africa	\$140	\$133	\$147
Conc. 46-48%	Turkey	\$200	\$200	\$207

Source: SteelMint Research

OMC Chrome Ore Auction to be held on 06th Oct' 2020						
Mines	Grade (Cr ₂ O ₃)	Base Price (INR/WMT)	Quantity offered for e-auction (WMT)	Bid Quantity (WMT)	Weighted Avg, Price (INR/WMT)	Percentage Increase
South Kaliapani Chromite Mines	.+54%	11,087	300	300	15,054	35.78
	52-54	10,676	300	300	14,476	35.59
	50-52	10,266	1,000	1,000	13,336	29.90
	48-50	9,855	1,100	1,100	11,810	19.84
	46-48	9,444	9,100	9,100	10,575	11.98
	44-46	9,034	9,000	9,000	9,721	7.60
	42-44	8,623	600	600	8,923	3.48
Sukrangi Chromite Mines	52-54	10,676	200	200	13,676	28.10
	50-52	10,266	400	400	11,366	10.71
	48-50	9,855	200	200	10,255	4.06
	46-48	9,444	200	200	9,944	5.29
	44-46	9,034	700	700	9,334	3.32
	42-44	8,623	1,200	1,200	8,906	3.28
Total			24,300	24,300		

Source: SteelMint Research

Chrome Ore Statistics

- India: Chrome ore production lowest in 5 years, reduces by 42% m-o-m in Jul' 20**

Since the past three months, chrome ore mines have been going through a lot of instability, which has been affecting the production levels. Indian Chrome ore production recorded a drop of 42% m-o-m in Jul' 20. This year there was a severe contraction in the production levels due to the lockdown imposed by the govt in April, following the lockdown. The mining sector faced a huge labour shortage in line with strict government norms. Pandemic led lockdown was accompanied by the change of hands for the major three mines viz., Sukinda, Kamarda and Saruabil mines. This further led to reduced production from these mines.

India: Chrome Ore Production						
Mines	Aug-20	Jul-20	M-o-M	Jan-Aug-2020	Jan-Aug-2019	Y-o-Y (%)
Tata Steel	-	-	NA	0.5393	1.3197	-59.1%
O.M.C.	0.0150	0.0095	58.3%	0.4656	0.8829	-47.3%
IMFA	0.0352	0.0461	-23.8%	0.3573	0.3416	4.6%
Balase Alloys	0.0103	0.0175	-41.1%	0.1457	0.1633	-10.8%
FACOR	-	0.0080	NA	0.0896	0.0873	2.6%
Others	-	0.0000	NA	0.0802	0.4934	-83.8%
Grand Total	0.0605	0.0811	-25.4%	1.6777	3.2882	-49.0%

All quantity in mn t
Source: Customs, compiled and maintained by SteelMint

- South Africa: Chrome ore exports remained relatively stable in Aug' 20**

In Aug'20, South African exports remained stable with a marginal increase of 0.24% m-o-m. Ferro chrome market remained stable during the month of Jul-Aug, 20 which attributed to the regular exports. However, the freight cost from South Africa increased, resulting in the increase in prices in Jul' 20.

South African Chrome Ore Exports						
Unload Country	Aug-20	Jul-20	M-o-M	Jan-Aug-2020	Jan-Aug-2019	Y-o-Y (%)
China	0.69	0.48	0.45%	5.00	5.08	-0.01%
Mozambique	0.24	0.24	-0.02%	2.11	3.30	-0.36%
Indonesia	0.03	0.02	0.18%	0.19	0.33	-0.43%
Hong Kong	0.04	0.04	0.00%	0.19	0.07	1.89%
India	0.00	0.01	-0.61%	0.12	0.07	0.76%
Others	0.06	0.06	-0.03%	0.48	0.61	-0.22%
Grand Total	1.05	0.84	0.24%	8.09	9.45	-0.14%

All quantity in mn t
Source: Customs, compiled and maintained by SteelMint

- China: Chrome ore imports marginally down by 2% m-o-m in Aug-20**

Chinese chrome ore imports were down by 2% m-o-m in Aug' 20 in line with enough inventory with the producers and in the domestic ports. Imports were significantly increased from Turkey, while a drop can be witnessed from Zimbabwe.

China: Chrome Ore Imports						
Load Country	Aug-20	Jul-20	M-o-M	Jan-Aug-2020	Jan-Aug-2019	Y-o-Y (%)
South Africa	0.83	0.84	-0.5%	7.38	7.57	-2.5%
Turkey	0.07	0.06	25.0%	0.41	0.64	-36.7%
Zimbabwe	0.04	0.07	-45.7%	0.33	0.47	-28.8%
Oman	0.04	0.04	2.7%	0.25	0.37	-31.0%
Pakistan	0.03	0.04	-32.5%	0.21	0.25	-15.4%
Others	0.11	0.10	13.2%	0.54	0.61	-11.5%
Grand Total	1.12	1.14	-1.8%	9.12	9.90	-7.9%

All quantity in mn t
Source: Customs, compiled and maintained by SteelMint

Ferro Chrome

India: Ferro Chrome prices spiked at the end of the month

Ferro chrome prices remained stable during the start of the month, however, it escalated as the supply tightness of ore intensified. Prices of ferro chrome currently are about INR 10,000/t higher than the average prices of Aug'20 amidst bullish sentiments.

China: Ferro chrome prices remain stable in Sep' 20

Downstream alloy prices picked up partially due to limited availability in the retail market and partially due to low output, import and high operating rate of stainless steel, propping up the demand. Prices picked up in the month of Sep' 20 owing to better demand from Stainless steel market.

European Q4 benchmark ferro chrome price rolled over despite supply tightness

The European benchmark ferro chrome price for Q4 CY2020 has been settled at 114 cents/lb., unchanged since Q2, Merafe resources announced. Merafe in its interim six-months performance report stated that due to slowdown in the global economy, volume of commodities sold was reduced along with lower realization rates.

Chinese Ferro Chrome Imports						
Load Country	Aug-20	Jul-20	M-o-M	Jan-Aug-20	Jan-Aug-19	Y-o-Y
South Africa	0.230	0.095	141.5%	1.187	1.183	0.4%
Kazakhstan	0.065	0.051	27.7%	0.535	0.458	16.8%
India	0.045	0.049	-8.8%	0.232	0.274	-15.3%
Zimbabwe	0.013	0.007	89.8%	0.072	0.082	-12.8%
Finland	0.012	0.013	-7.6%	0.056	0.025	122.3%
Others	0.005	0.001	249.1%	0.017	0.070	-75.3%
Grand Total	0.370	0.217	70.5%	2.099	2.093	0.3%

All quantity in mn t
Source: Customs, compiled and maintained by SteelMint

Indian Ferro Chrome Prices				
Domestic		Prices		
Location	Grade	Sep-20	Aug-20	Jul-20
Jajpur, India	HC 60%	₹ 72,250	₹ 62,500	₹ 62,050
China	HC 52%	¥5,943	¥5,870	¥5,900
Exports				
CNF South Korea	HC 60%	¢70/lb	¢68/lb	¢71/lb
CNF Japan	HC 60%	¢71/lb	¢69/lb	¢72/lb
CNF China	HC 60%	¢68/lb	¢66/lb	¢69/lb

Source: SteelMint Research

Merafe: European ferro chrome benchmark prices (cents/lb)			
Q1 2020	Q2 2020	Q3 2020	Q4 2020
101	114	114	114

Source: SteelMint Research

South African Ferro Chrome Exports						
Unload Country	Aug-20	Jul-20	M-o-M	Jan-Aug-20	Jan-Aug-19	Y-o-Y (%)
China	0.09	0.08	16.7%	0.76	0.81	-5.7%
United Arab Emirates	0.05	0.06	-15.0%	0.34	0.31	10.6%
Indonesia	0.02	0.04	-42.9%	0.18	0.33	-44.3%
United States	0.01	0.01	15.0%	0.11	0.18	-36.2%
Japan	0.01	0.02	-46.9%	0.10	0.17	-40.0%
Others	0.00	0.02	-85.0%	0.41	0.62	-33.9%
Grand Total	0.19	0.22	-14.7%	1.92	2.42	-20.8%

All quantity in mn t
Source: Customs, compiled and maintained by SteelMint

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