

SteelMint[®]

IRON ORE^X

Monthly Iron Ore Insight

Indian iron ore exports jump over two fold in CY'20

Indian iron ore export shipments increased to 40.72 mn t in CY'20, up more than two folds on yearly basis as compared to 19.14 mn t in CY'19, according to vessel line up data maintained with SteelMint.

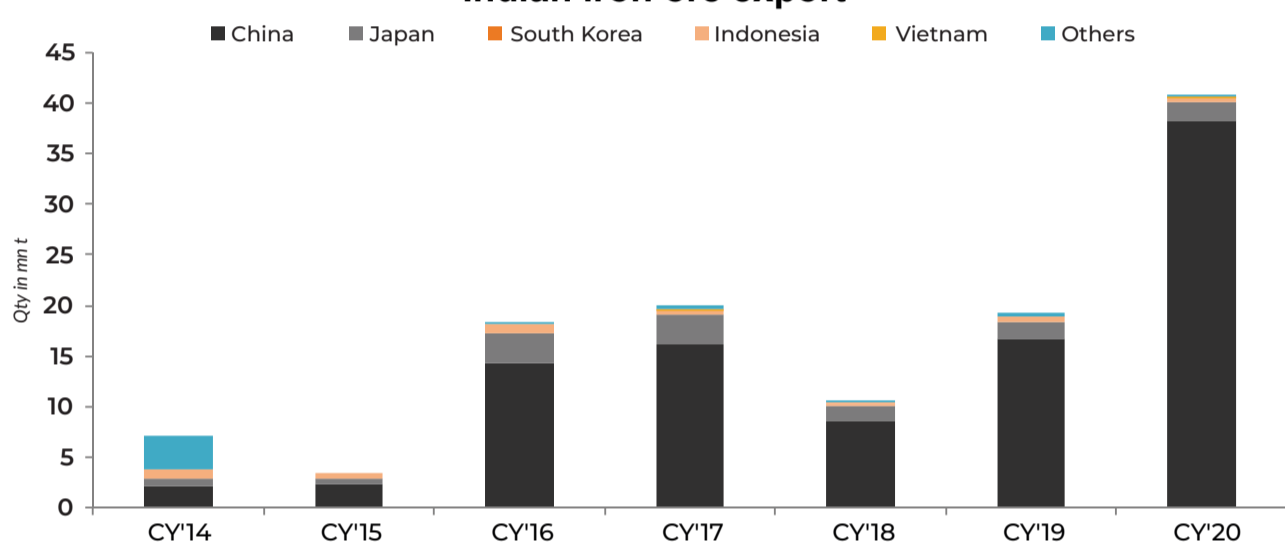
Reasons behind the two-fold increase -

- High global price** - The yearly average global iron ore fines (Fe 62%) prices increased to \$108/t CFR China in CY'20 as against \$93.5/t CFR China in CY'19. Also, the prices were hovering as high as \$167/t, CNF China towards Dec'20 end. Indian low grade iron ore export prices (Fe 57%) increased to \$68/t, CNF China in CY'20 as compared to \$62/t, CNF China in CY'19.
- Falling iron ore inventory at Chinese ports** - The iron ore inventory witnessed a fall from 130 mn t towards beginning of CY'20 to as low as 108 mnt by June'20, as per SteelHome data.
- Odisha miners liquidating stocks** - Odisha based miners remained active in liquidating their low-grade ore stocks. Iron ore exports from Odisha increased as 19 iron ore mining leases which were put up for auction were busy liquidating their inventories. The auctioned mining leases had roughly 40 mnt of inventories.
- Global supply constraints** - The concerns over corona virus have been impacting the Brazilian supplies of iron ore cargoes amid rising COVID-19 cases at the iron ore mine in Itabira Brazil, owned by Vale. Also, Vale reduced its CY'20 production guidance to 300-305 mn t as against 310-330 mnt set previously. Port maintenance activities at Australian port towards the year end too affected iron ore supplies.

Indian iron ore export shipments to China up in CY'20 - China continued to remain the largest importer of Indian iron ore for the year CY'20 at 38.13 mn t against 16.56 mn t in CY'19. Exports to Japan stood at 1.84 mn t followed by South Korea at 0.44 mn t.

Rungta mines remained the largest exporter - Rungta mines was the largest iron ore exporter at 8.86 mn t against 4.17 mn t in CY'19. SM Niryat was the second-largest exporter at 5.65 mn t (up 45% y-o-y), followed by Kashvi power and Steel at 2.53 mn t.

Indian iron ore export



Source: SteelMint Research

Key Prices

Iron Ore Prices	Currency	Prices as on 13th Jan	Dec Avg	Nov Avg	% Change
Odisha Index, 5-18 mm, Fe 63%	INR	8950	8,400	7,850	↑ 7%
Odisha Index, 10-30 mm, Fe 63%	INR	8600	8,000	7,450	↑ 7%
Odisha Index Fines, Fe 63%	INR	6300	6,350	5,650	↑ 12%
Karnataka, Lumps Fe 63%	INR	5080	5,080	4,100	↑ 24%
Karnataka, Fines Fe 60%	INR	3020	3,020	2,430	↑ 24%
NMDC C.G, DRCL0, 10-40mm, Fe 67%	INR	6,620	6,040	4,640	↑ 30%
NMDC C.G, 6-40mm, Fe 65.5%	INR	5700	5,200	4,000	↑ 30%
NMDC C.G, Fines Fe 64%	INR	4810	4,610	3,610	↑ 28%
India Low-grade fines Fe 58/57 (FOB, East coast)	\$	99	88	79	↑ 11%
Pellet Index (DAP, Raipur)	INR	12350	11,800	10,700	↑ 10%
India Pellet FOB (East coast)	\$	192	165	134	↑ 23%
Spot iron ore Index fines Fe 62% (CNF China)	\$	169	155	124	↑ 25%

Prices	Currency	Prices as on 13 Jan'21	Dec '20 Avg	Nov'20 Avg	% Change
Pig iron (Steel grade, Ex-Durgapur)	INR	35,700	33,950	30,300	↑ 12%
HMS Scrap (Ex-Mumbai)	INR	29,100	28,350	25,500	↑ 11%
Sponge iron (C-DRI, 80 FeM) Exw Raipur	INR	27,000	26,450	24,860	↑ 6%
Billet index, Exw Raipur	INR	39,400	37,170	33,950	↑ 9%
HRC (Exy Mumbai)	INR	57,000	52,200	45,900	↑ 14%

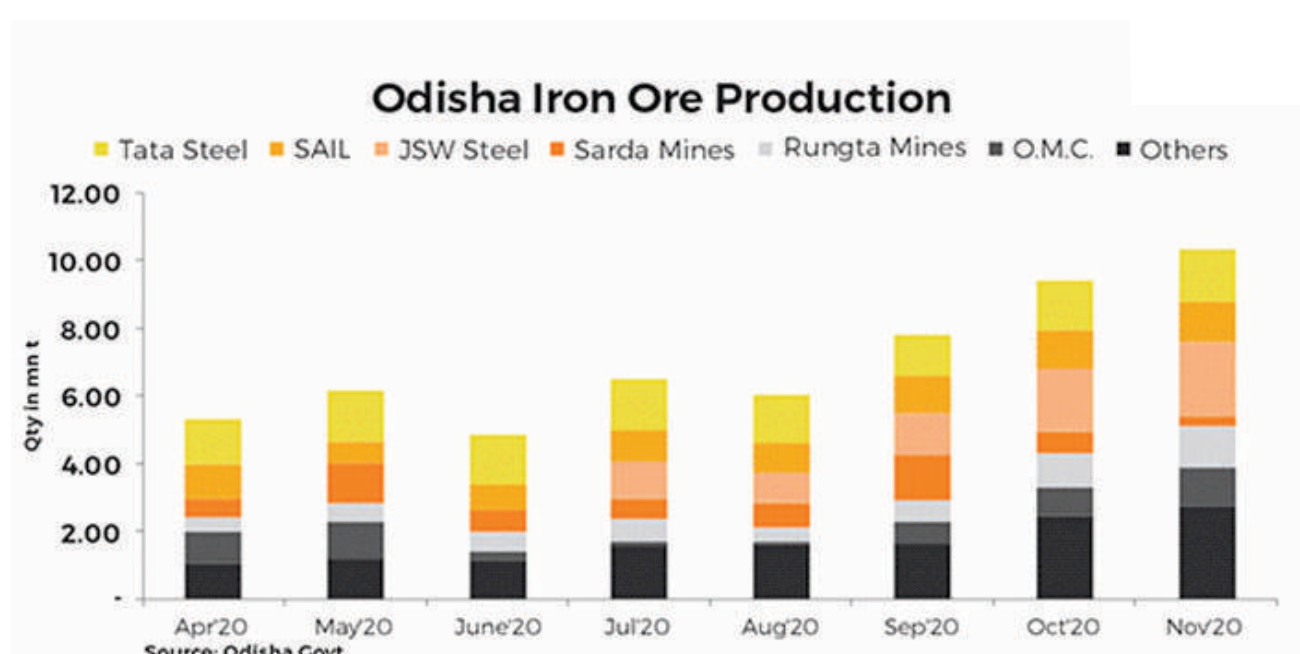
Odisha's iron ore production rise 10% m-o-m as more auctioned mines resume production

Odisha - India's largest iron ore producing state recorded production of 10.35 mn t in Nov'20, up 10%, as against 9.42 mn t in Oct'20, according to the provisional data of the Odisha Govt. maintained by SteelMint.

State owned miner - OMC recorded output of 1.15 mn t for the month of Nov'20 as compared to 0.88 mn t in Oct'20. This is attributed to resumption in production from its Gandhamardhan B block and commencement of operations at Tiring Pahar mines. Notably, KN Ram mine won by Narbheram Power & Steel began production in Nov '20. The mine has EC limit of 3.5 mn t. Also output from G S Mishra & Sons increased in Nov'20. Jagat Janani also initiated production in Nov'20.

The Jilling-Langalota and Guali iron ore mines in Odisha have been allocated to Odisha Mineral Development Corporation (OMC) by the state govt. The two mines, with combined capacity of around 12 mn t,

The Central government has asked disinvestment-bound PSU Neelachal Ispat Nigam Limited to operationalise its captive iron ore mine with an EC limit of 2 mn t and sell the produce in the open market.



OMC's iron ore fines auction receives increased bids

Odisha's state-owned miner- Odisha Mining Corporation (OMC) had scheduled iron ore e-auction on 07th Jan'21 for 85,100 t iron ore fines. The auction received an overwhelming response with the entire quantity getting booked and bids increasing by up to INR 1,300/t over the set base price.

Mines	Size (mm)	Fe (%)	Bid Price as on 3rd Nov'20 (INR/t)	Base Prices on 7th Jan'21 (INR/t)	Bid Price as on 7th Jan'21 (INR/t)	Change (t)	Change (%)	Quantity as on 7th Jan'21 (t)
Gandhamardan	-10	60-62	2,900	2,800	3,750-3,950	950-1,150	34-41%	7,12,000
	-10	64-62	-	2,900	4,200	1300	45%	1,100
Daitari	-10	64-62	4,000	3,900	5,100-5,150	1,200-1,250	31-32%	48,000
	-10	60-62	3,850	3,800	5,000-5,050	1,200-1,250	32-33%	42,000
Kurmitar (Koira)	-10	62-60	3,600	3,500	4,750-4,800	1,250-1,300	36-37%	36,000
Tiring Pahar	-10	60-62	-	3,500	4,550	1050	30%	12,000
Total								8,51,100

Ex mines prices including royalty, DMF & NMET

SAIL posts highest monthly iron ore merchant sales in Dec'20

State-owned integrated steel producer SAIL has auctioned 812,000 t of iron ore in the open market in Dec'20 - with grades ranging between Fe 58% and Fe 65.79% - from its captive mines in Odisha, Chhattisgarh and Jharkhand, Karnataka under the Raw Materials Division (RMD) of the company.

According to SteelMint analysis, aggregate iron ore sales by SAIL, since Feb'20, stands at over 2.94 mn t.

SAIL iron ore fines e-auctions						
Auction Dates	Mines	Grade	State	Qty Offered	Qty Booked	Bid Price
17 Feb'20	Bolani Iron Ore Fine	Fe 62.5%	Odisha	100,000 t	100,000 t	INR 2,260-2,270/t
19 Feb'20	Barsua Iron Ore Fines	Fe 61.3%	Odisha	60,000 t	60,000 t	INR 2,270-2,280/t
19 Mar'20	Bolani Iron Ore Fines	Fe 62.5%	Odisha	100,000 t	No Bid	-
12 May'20	Bolani Iron Ore Fines	Fe 62.5%	Odisha	100,000 t	40,000 t	INR 1,300 /t
05 Jun'20	Bolani Iron Ore Fines	Fe 62.5%	Odisha	100,000 t	40,000 t	INR 1,500/t
09 Jun'20	Barsua Iron Ore Fines	Fe 61.3%	Odisha	100,000 t	20,000 t	INR 1,420/t
07 Jul'20	Bolani Iron Ore Fines	Fe 62.5%	Odisha	100,000 t	No Bid	-
16 Jul'20	Barsua Iron Ore Fines	Fe 61.3%	Odisha	100,000 t	No Bid	-
07 Aug'20	Bolani Iron Ore Fines	Fe 62.5%	Odisha	100,000 t	100,000 t	INR 1,790-1,800/t
20 Aug'20	Barsua - Iron Ore Fines	Fe 61.3%	Odisha	40,000t	No Bid	-
28 Aug'20	Bolani Iron Ore Fines	Fe 62.5%	Odisha	200,000 t	200,000 t	INR 2,200-2,210/t
31 Aug'20	Barsua - Iron Ore fines	Fe 61.3%	Odisha	64,000 t	56,000 t	INR 1,850-1,860/t
03 Sep'20	BSP Dallli Mines	Fe 60%	Dalli-CG	28,000 t	28,000 t	INR 3,900/t (incl. royalty)
09 Sep'20	BSP Dallli Mines	Fe 60%	Dalli-CG	28,000 t	-	Canceled
14 Sep'20	Bolani Iron Ore Fines	Fe 62.5%	Odisha	2,00,000	2,00,000	INR 2,940-2,950/t
16 Sep'20	BSP Dallli Mines	Fe 61%	Dalli-CG	56,000 t	56,000 t	INR 3,580-3,740/t (incl. royalty)
17 Sep'20	Barsua - Iron Ore fines	Fe 61.3%	Odisha	104,000 t	104,000 t	INR 2,690-2,700/t
24 Sep'20	BSP Dallli Mines	Fe 61%	Dalli-CG	28,000 t	28,000 t	INR 3,720/t (incl. royalty)
30 Sep'20	Barsua - Iron Ore fines	Fe 61.3%	Odisha	104,000 t	104,000 t	INR 2,500/t
30 Sep'20	BSP Dallli Mines	Fe 61%	Dalli-CG	28,000 t	28,000 t	INR 3,580/t (incl. royalty)
6 Oct'20	Bolani Iron Ore Fines	Fe 62.5%	Odisha	296,000 t	296,000 t	INR 2,520-2,550/t
10 Oct'20	BSP Dallli Mines	Fe 60.5%	Dalli-CG	28,000 t	28,000 t	INR 3,520/t (incl. royalty)
16 Oct'20	BSP Dallli Mines	Fe 60.89%	Dalli-CG	28,000 t	28,000 t	INR 3,120/t (incl. royalty)
27 Oct'20	BSP Dallli Mines	Fe 60.89%	Dalli-CG	56,000 t	28,000 t	INR 3,370/t (incl. royalty)
29 Oct'20	Barsua - Iron Ore fines	Fe 60.8%	Odisha	72000	72000	INR 2,270-2,280/t
30 Oct'20	Barsua - Iron Ore fines	Fe 59%	Odisha	60,000	60,000	INR 1,470-1,480/t
30 Oct'20	Barsua - Iron Ore fines	Fe 54.5%	Odisha	40,000	40,000	INR 650/t
31st Oct'20	Bolani Iron Ore Fines	Fe 62.5%	Odisha	1,04,000	1,04,000	INR 3,180-3,200/t
31st Oct'20	BSP Rajhara Mines	Fe 60.65%	Dalli-CG	28,000 t	28,000 t	INR 3,560/t (incl. royalty)
31st Oct'20	BSP Dallli Mines	Fe 58.49%	Dalli-CG	28,000 t	28,000 t	INR 3,100/t (incl. royalty)
06th Nov'20	BSP Rajhara Mines	Fe 60.2%	Dalli-CG	28,000 t	28,000 t	INR 3,310/t (incl. royalty)
12th Nov'20	BSP Rajhara Mines	Fe 60.39%	Dalli-CG	28,000 t	28,000 t	INR 3,510/t (incl. royalty)
19th Nov'20	BSP Rajhara Mines	Fe 60.2%	Dalli-CG	28,000 t	28,000 t	INR 4,170/t (incl. royalty)
25th Nov'20	Barsua - Iron Ore fines	Fe 60.8%	Odisha	72000	72,000	INR 3,920-3,930/t
26th Nov'20	BSP Dallli Mines	Fe 60.07%	Dalli-CG	28,000 t	28,000 t	INR 4,800/t (incl. royalty)
27th Nov'20	Bolani Iron Ore Fines	Fe 62.5%	Odisha	72000 t	72,000 t	INR 5,540-5,550/t
07th Dec'20	BSP Dallli Mines	Fe 58.11	Dalli-CG	28,000 t	28,000 t	INR 4,320/t (incl. royalty)
07th Dec'20	Bhadravati Iron ore	Fe 60-61%	Karnataka	36,000 t	36,000 t	INR 3,000-3,050/t
08th Dec'20	Bolani Iron Ore Fines	Fe 59%	Odisha	200000 t	200000 t	INR 3,130-3,170/t
11th Dec'20	Bolani Iron Ore Fines	Fe 62.5%	Odisha	72,000 t	72,000 t	INR 5,400-5,410/t
14th Dec'20	BSP Rajhara Mines	Fe 60.18%	Dalli-CG	28,000 t	28,000 t	INR 4,320/t (incl. royalty)
15th Dec'20	Barsua - Iron Ore fines	Fe 60.8%	Odisha	104000 t	104000 t	INR 3,800-3,810/t
18th Dec'20	Kiriburu - Iron Ore fines	Fe 62%	Jharkhand	104,000 t	104,000 t	INR 4,800-4,850/t
22 Dec'20	BSP Dallli Mines	Fe 58.1	Dalli-CG	28,000 t	-	No bids
23 Dec'20	Meghahatuburu	Fe 62%	Jharkhand	2000,000 t	128,000 t	INR 4,500/t
24 Dec'20	Meghahatuburu	Fe 58.7%	Jharkhand	40,000	24,000 t	INR 1,900/t
24 Dec'20	Meghahatuburu	Fe 57.8%	Jharkhand	40,000	8,000 t	INR 1,710/t
24 Dec'20	Meghahatuburu	Fe 59.1%	Jharkhand	40,000	24,000 t	INR 2,000/t
29th Dec'20	BSP Rajhara Mines	Fe 60.37%	Dalli-CG	28,000 t	28,000 t	INR 3,890/t (incl. royalty)
31st Dec'20	BSP Dallli Mines	Fe 65.79%	Dalli-CG	28,000 t	28,000 t	INR 7,640/t (incl. royalty)
05th Jan'21	Bolani Iron Ore Fines	Fe 62.5%	Odisha	72,000 t	72,000 t	INR 5,270-5,280/t
06th Jan'21	BSP Dallli Mines	Fe 58.1	Dalli-CG	28,000 t	-	No bids
07th Jan'21	Taldih mines	55.44%	Odisha	20,000 t	20,000 t	INR 850/t
07th Jan'21	Taldih mines	53.76%	Odisha	20,000 t	20,000 t	INR 650/t
07th Jan'21	Taldih mines	53.34%	Odisha	20,000 t	20,000 t	INR 600/t
07th Jan'21	Taldih mines	52.08%	Odisha	20,000 t	20,000 t	INR 400/t
08th Jan'21	Barsua - Iron Ore fines	Fe 60.8%	Odisha	104000 t	80,000 t	INR 3,500/t

All are loaded into the rakes, Bhadravati (ex-mines basis excluding royalty) Source- SteelMint Research

NMDC hikes iron ore price by upto 10% for Jan

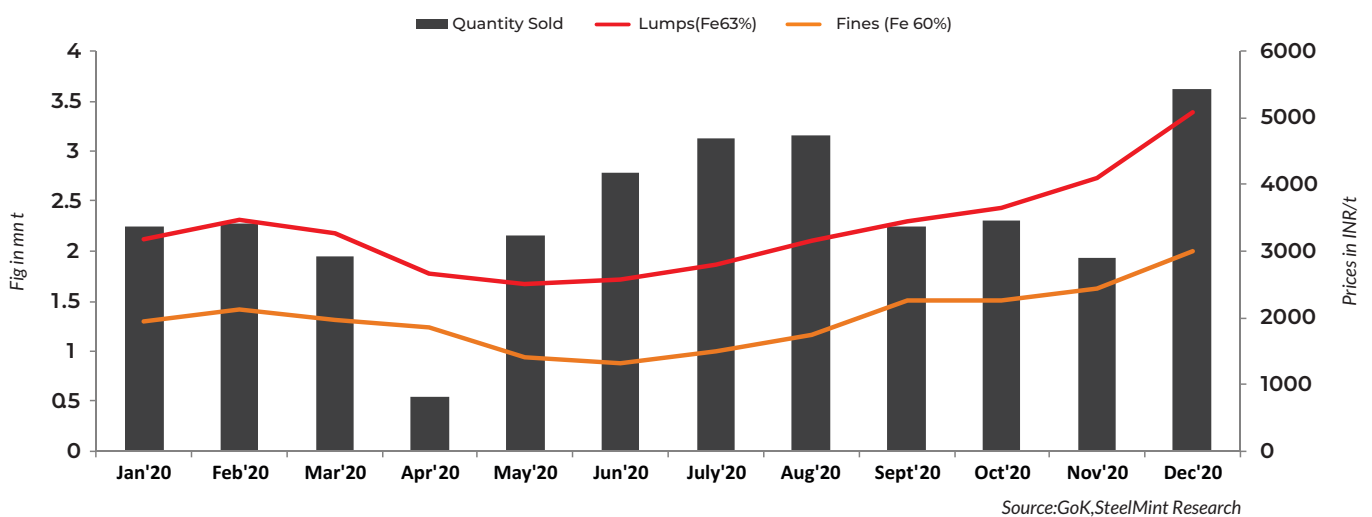
India's state-owned iron ore miner - NMDC has announced price hike in iron ore for Jan'21. Prices have increased further up to 10% for its Chhattisgarh based mines. In the month of Nov and Dec'20, NMDC had increased iron ore prices twice.

NMDC recorded iron ore sales of 3.62 mn t in Dec'20 compared with 3.3 mn t in Nov'20. NMDC's iron ore rake movement from its Chhattisgarh mines to state-based steel units has moved up 6% to 82 rakes (0.32 mn t) in Dec'20 compared to 77 rakes (0.30 mn t) a month ago.

The miner conducted two iron ore auctions on 30 Dec'20 for around 100,800 t from its Bachelu mines and 25,200 t from its Kirandul mines, Chhattisgarh. Bids for DR CLO increased sharply by around INR 3,700/t and fines by INR 200/t above the set base price, sources reported SteelMint.

Karnataka

Karnataka Iron Ore E-Auction



Karnataka iron ore e-auction sales rise in Dec'20 - Karnataka iron ore e-auction sales volumes increased to year high in Dec'20. E-auctioned sales volumes totalled 3.63 mn t in Dec'20 against 1.94 mn t in Nov'20. Bid prices moved up following hike in base price. NMDC raised prices twice last month.

Market Indicators

Particulars	Dec'20	Nov'20	% Change	Oct'20
Crude steel production	9.38	9.25	↑ 1%	9.06
India Iron ore production	-	18.36	-	16.72
India Iron ore dispatches (Excl. exports)	12.84	11.19	↑ 15%	9.77
India Pellet exports	0.55	0.76	↓ -27%	0.66
India iron ore exports-	3.91	3.91	= 0%	3.61
China pellet imports	-	1.91	-	2.95
Pellet production	-	6.02	-	5

Indian crude steel output up marginally in Dec'20

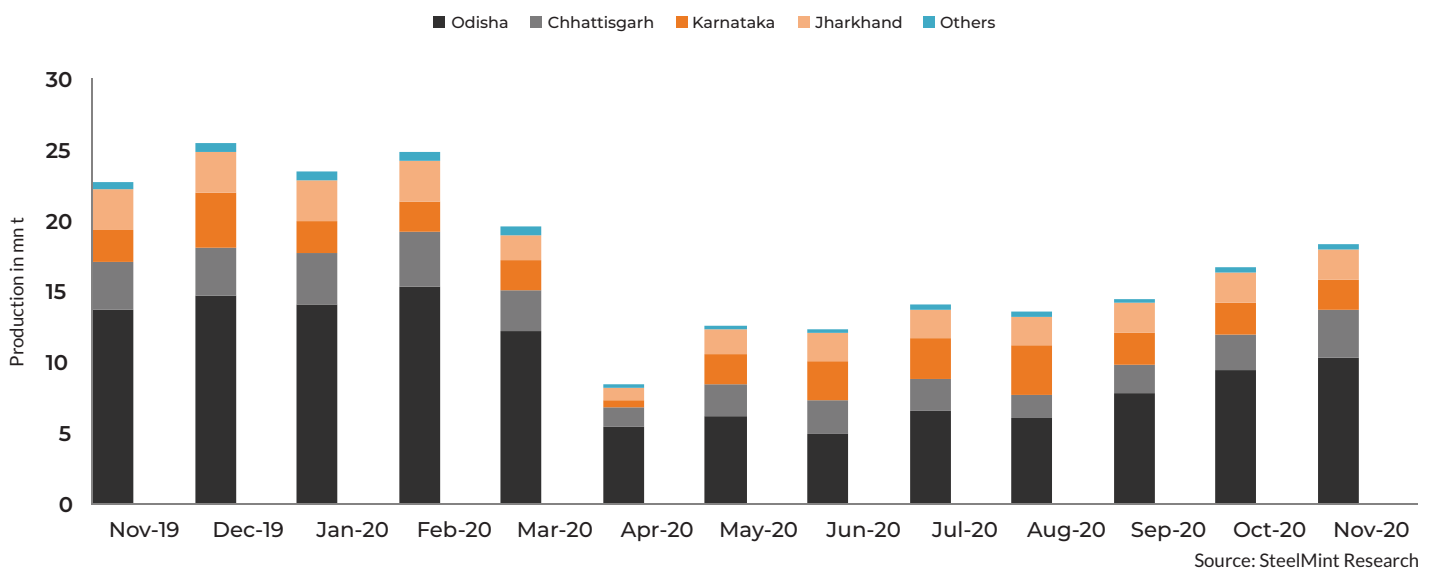
India's crude steel production in the month of Dec'20 was registered at 9.38 mn t, a growth of 1.5% compared to 9.24 mn t in Nov'20.

JSW Steel has attained crude steel production of 4.08 mn t, a 6% growth q-on-q, on the back of improved capacity utilization at 91% in Q3 FY'21.

SAIL has reported best ever quarterly crude steel output at 4.37 mn t in the third quarter FY '21, ending on 31 Dec '20. The company registered 14.3% q-o-q growth and 9% y-o-y growth in Q3.

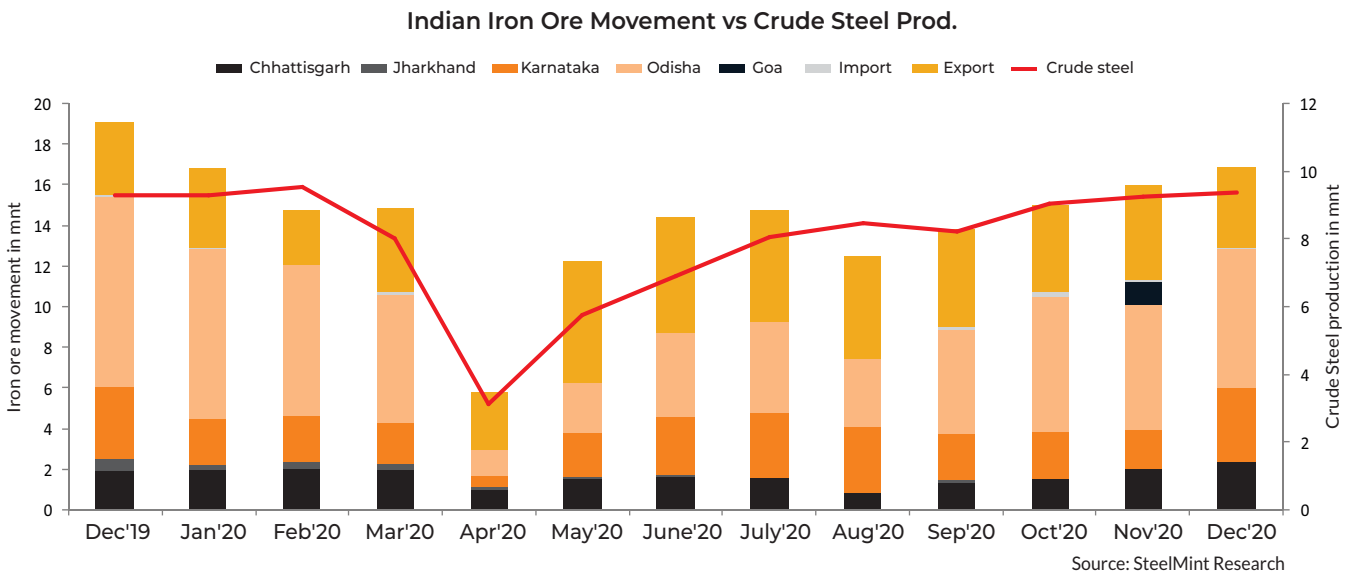
Indian steel major Tata Steel recorded crude steel production at 4.6 mn t in the third quarter of FY '21. Production increased by 3% y-o-y compared to 4.47 mn t during Q3 FY '20.

India Iron Ore Production-State wise

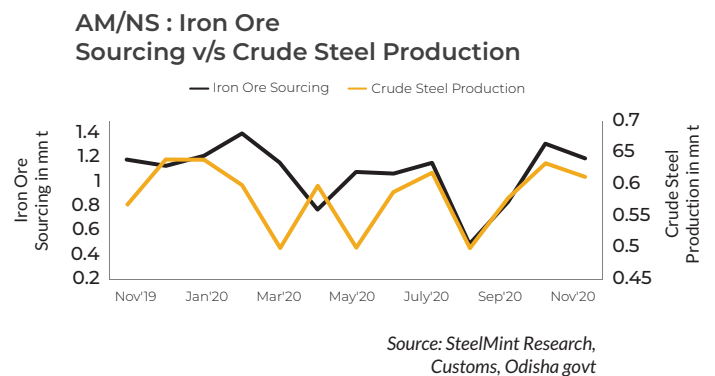
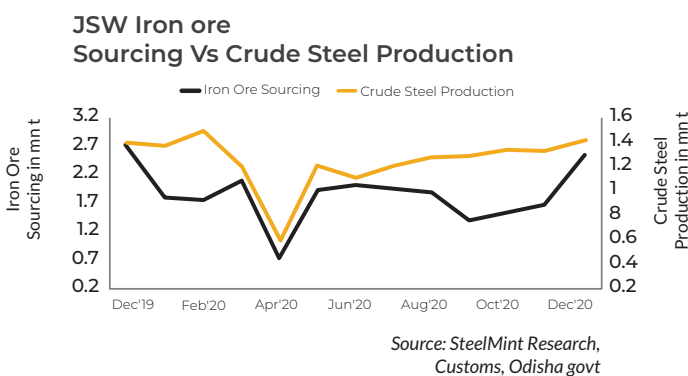


Indian top iron ore miners production		
Miners	2020 (Jan-Nov)	2019 (Jan-Nov)
NMDC	27.32	29.49
Tata Steel (Odisha)	15.77	13.19
Rungta Mines (Odisha)	12.57	25.67
SAIL (Odisha)	10.52	9.25
O.M.C.	8.34	8.48
Essel Mining & Industries	6.49	10.08
Seerajudin	4.89	12.25
Indrani Patnaik	2.44	3.04
Jindal Steel & Power	1.72	-
A.M.T.C.	1.6	3.78
Others	86.72	94.00
Grand Total	178.39	209.48

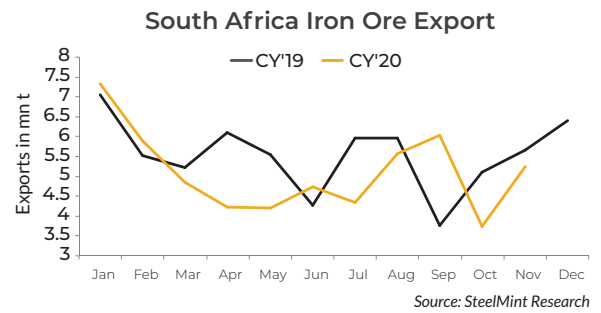
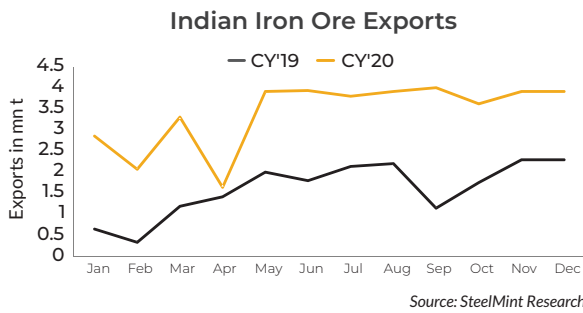
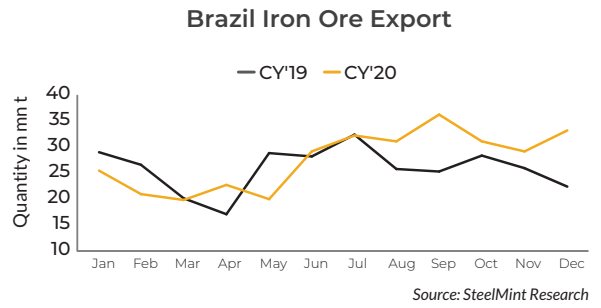
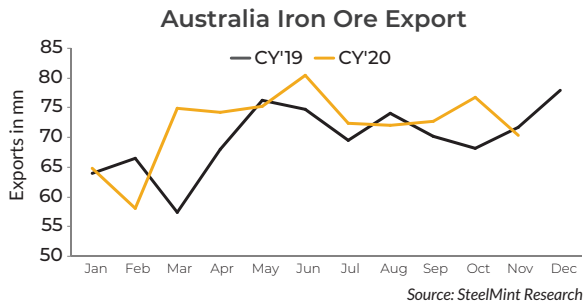
Iron ore movement increases as Crude steel production improves



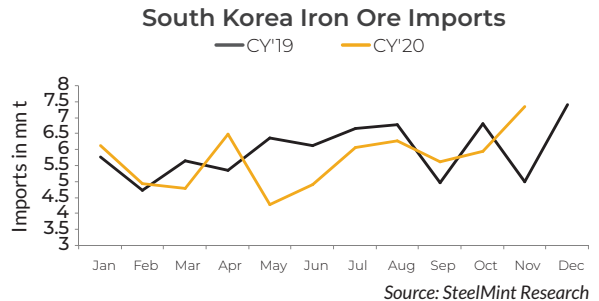
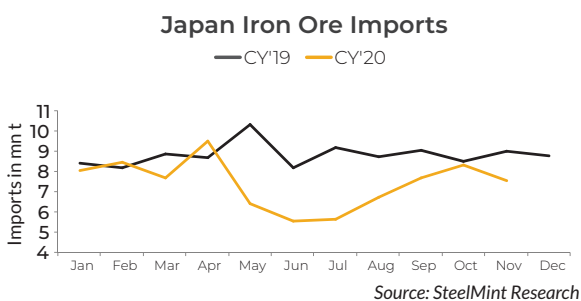
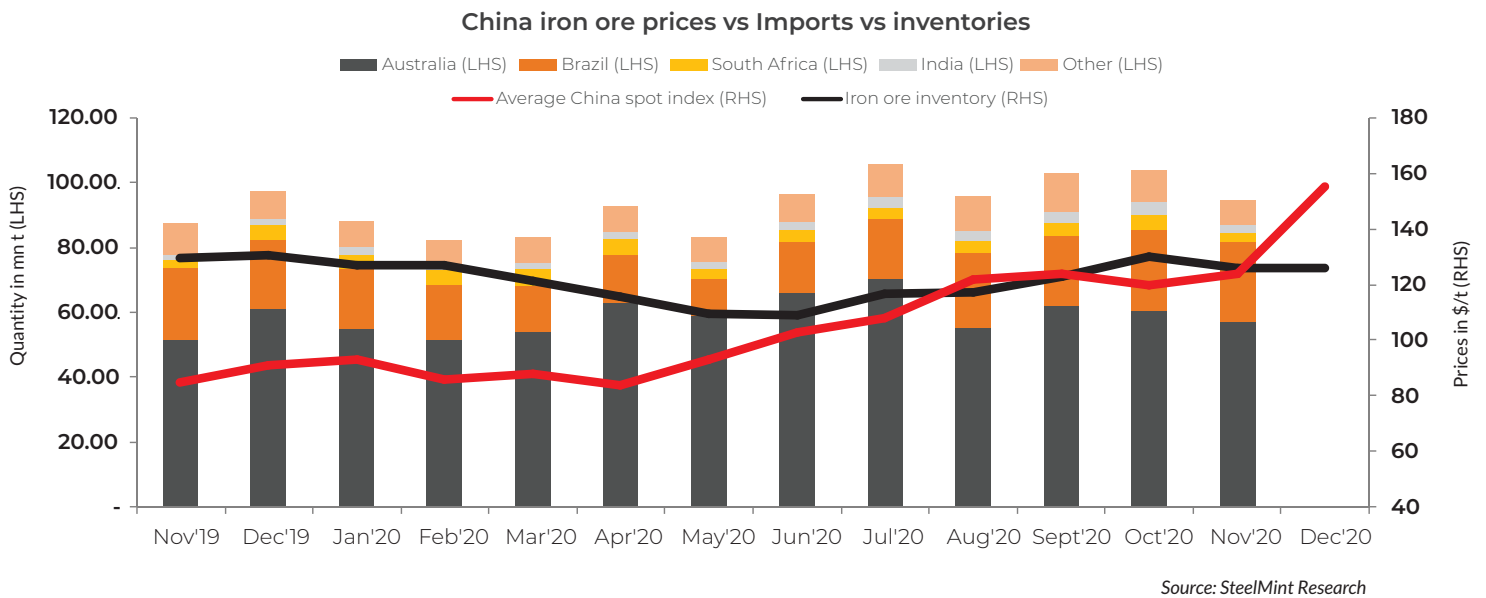
Iron ore sourcing pattern of India major mills



World's major countries export data



World's major countries import data



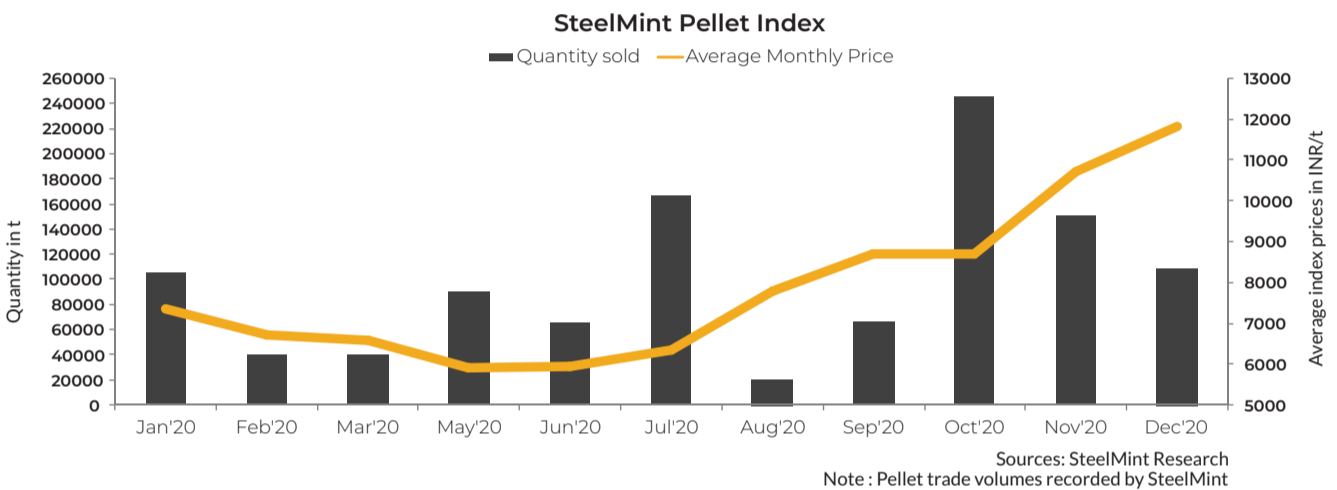
Pellet

PELLEX sees trade volumes shrink to little over 100,000 t in Dec'20

SteelMint's bi-weekly domestic pellet index, PELLEX recorded trade volumes of over 100,000 t in Dec'20 slipping from around 150,000 t in Nov'20 and over 240,000 t in Oct'20 when the index had reached the pinnacle since its launch in Sept'19.

In case of Dec'20, SteelMint has learned that a 50,000 t parcel was bought by a major Gujarat-based integrated steel producer from a manufacturer in Raipur - almost 50% of the total monthly trade volume.

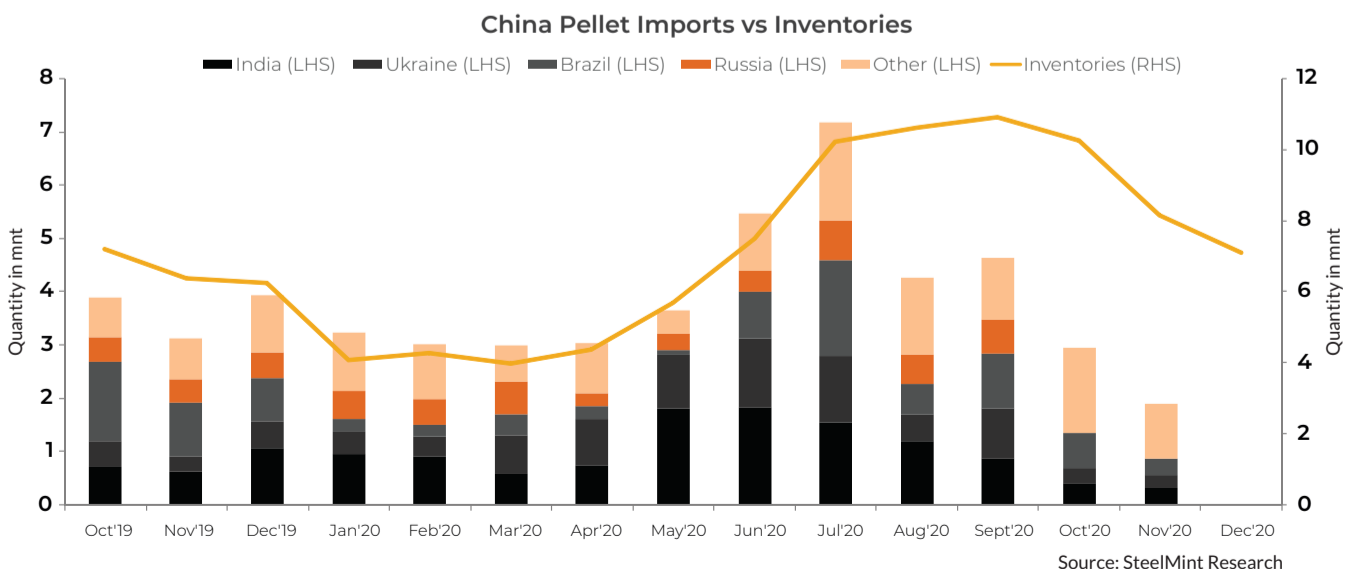
After record bookings in Oct'20 and Nov'20 trade volumes shrank in Dec'20 owing to preference for NMDC iron ore. SteelMint understands that Raipur-based sponge iron producers had stocked pellets in advance in the two months preceding Dec'20 as NMDC iron ore lumps prices were still lower compared to pellet prices.



Indian Pellet Prices

	Trade terms	Prices as on 13th Jan	Dec Avg	Nov Avg	% Change
PELLEX	DAP, Raipur	12,350	11,800	10,700	↑ 10%
Barbil	FOR	11,950	11,050	9,750	↑ 13%
Bellary	Exw	12,000	11,800	10,350	↑ 14%
Durgapur	Exw	11,600	11,200	10,250	↑ 9%
Jamshedpur	Exw	11,950	11,500	9,100	↑ 26%
Jharsuguda	Exw	11,500	11,100	10,200	↑ 9%
Kandla	DAP	14,000	12,950	10,600	↑ 22%
India Pellet exports	FOB	\$192	\$165	\$134	↑ 23%

Note:- India domestic prices in INR/t



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