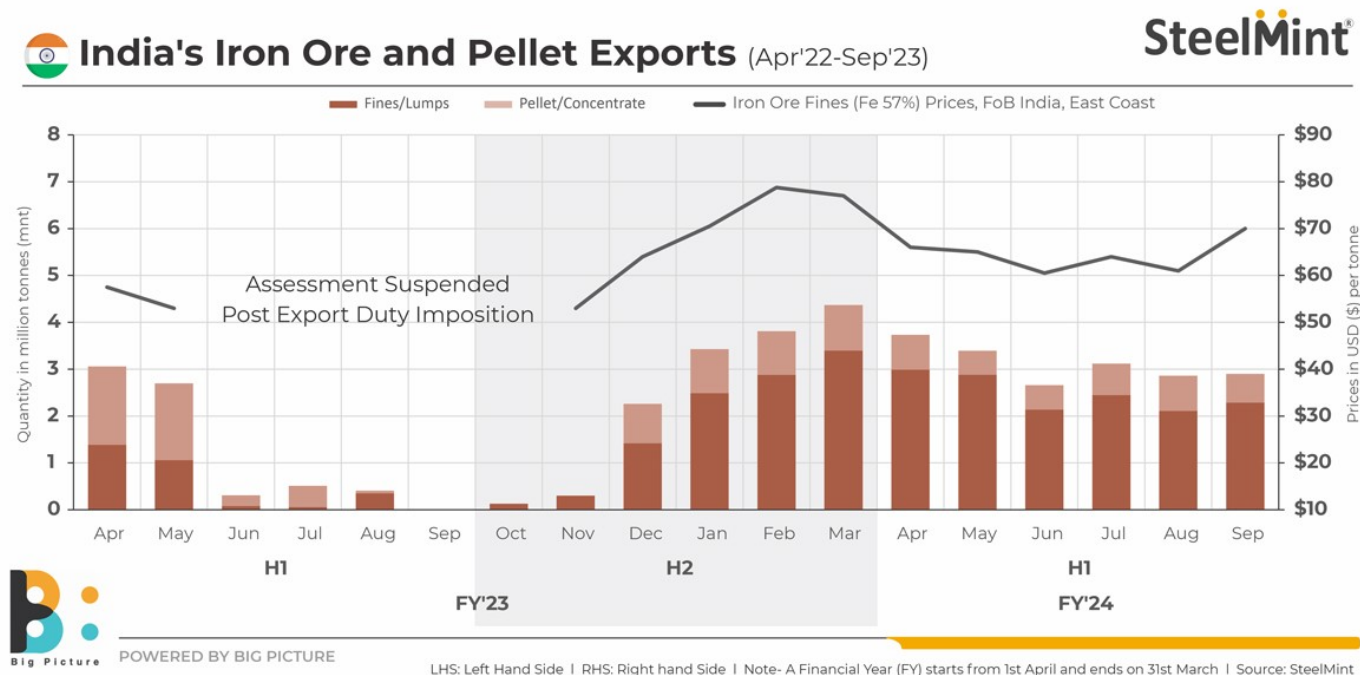


SteelMint®

IRON ORE^X

Monthly Iron Ore Insight

India's iron ore and pellet exports rise nearly threefold in H1FY24. Know why?



India's iron ore and pellet exports have almost trebled to 18.6 million tonnes (mnt) in April-September 2023 (H1FY24) from 6.9 mnt in the same period of last fiscal, SteelMint data shows. While iron ore exports were recorded at 14.7 mnt, pellet exports stood at nearly 4 mnt.

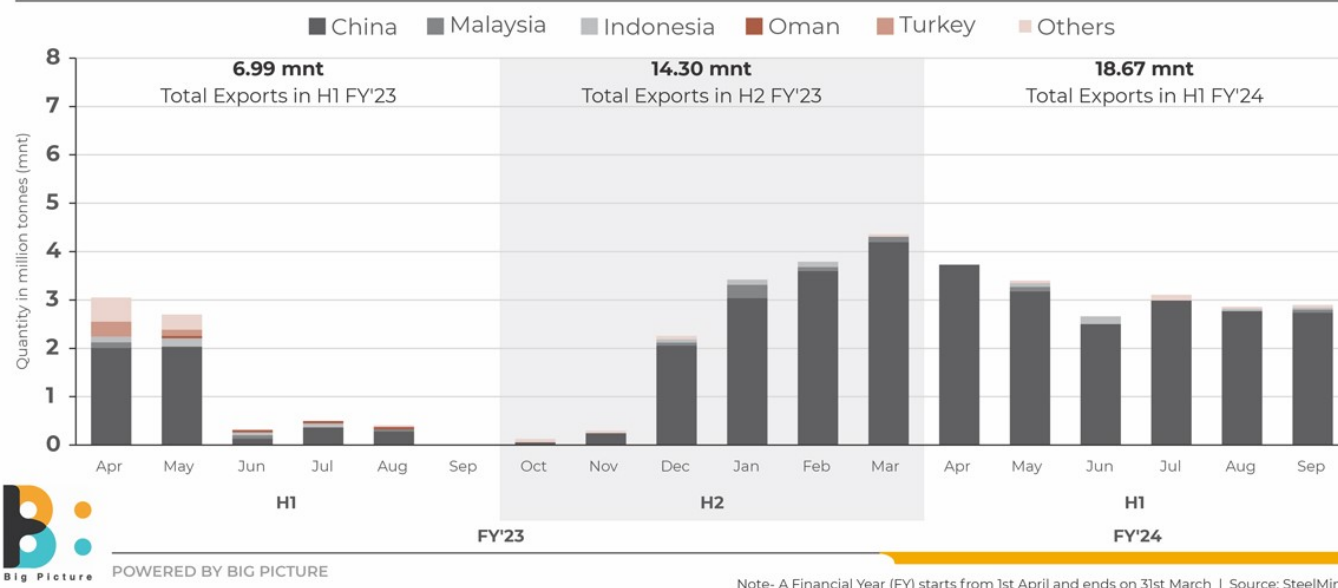
Pellet exports at present do not attract a duty, while a 30% tax is levied on exports of iron ore of grade Fe58% and above.

Key destinations

Out of the total 14.7 mnt of iron ore exports, China alone accounted for 14.5 mnt. Similarly, over 87% of India's pellet exports went to China. Total pellet exports to China stood at 3.4 mnt.

Indonesia and Malaysia were the other Asian neighbours which sourced iron ore and pellets from India, although volumes were no match to those of China's.

India's Country-wise Iron Ore and Pellet Exports (Apr'22-Sep'23) SteelMint®

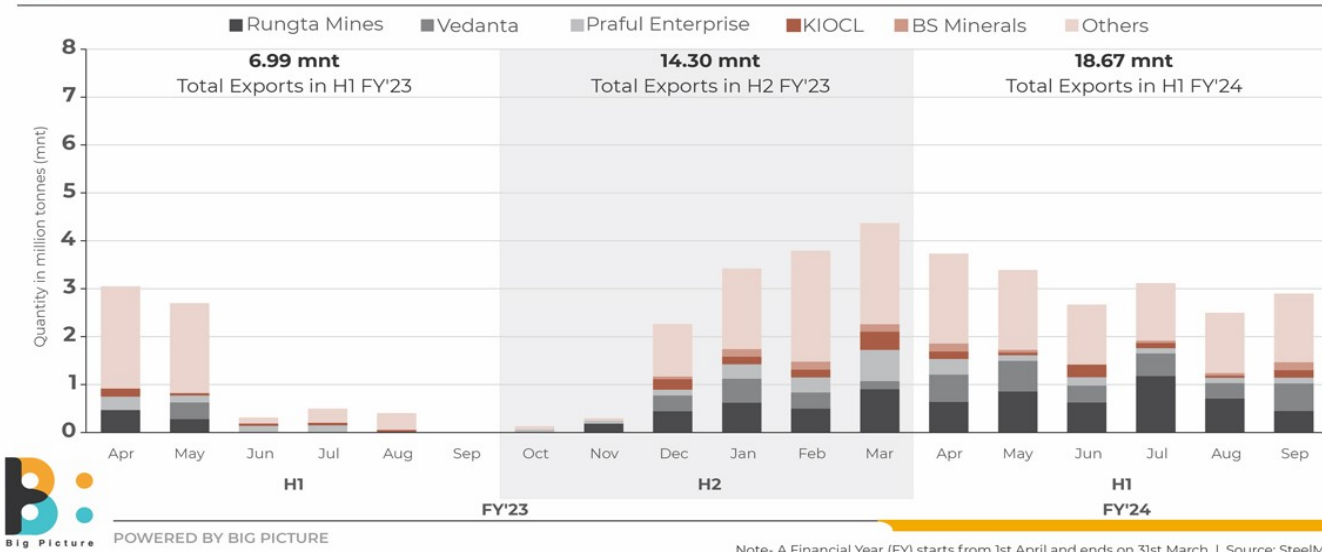


Top exporters

Vedanta and Rungta Mines were the leading exporters of iron ore with volumes assessed at 2.9 mnt and 2.7 mnt respectively in H1FY24. JSW Steel, too, exported over 1 mnt of iron ore during the period under review.

On the other hand, Rungta and State-owned KIOCL were the top exporters of pellets at 1.2 mnt and 0.8 mnt respectively. BRPL and AM/NS India were the other leading pellet exporters. Karnataka based companies like- Ramamurthy Minerals And Metals, Vedanta, RBSSN and Vedanta exported ore in August.

India's Company-wise Iron Ore and Pellet Exports (Apr'22-Sep'23) SteelMint®



Why exports shot up?

Duty impact in H1FY23: The imposition of 50% export duty on iron ore of all grades and 45% on pellets in May last year led to a sharp drop in exports, which fell to nil in September 2022. The duties were rolled back in November last year. Therefore, exports in H1FY24 rose sharply on a low base.

Rise in domestic production: India's iron ore production rose by 15% in the first eight months of this year, while pellet production increased by 10% in H1FY24. Higher production volumes have enabled domestic miners to serve export markets despite a surge in domestic steel demand.

Higher exports from Karnataka miners, Lloyds: The Supreme Court has lifted restrictions on sales and exports from Karnataka - the third-largest iron ore and second-largest pellet producing state in India. SteelMint reported that many miners and producers in Karnataka have received export permits. Hence, higher shipments were seen from miners in the state. On the other hand, Maharashtra-based Lloyds Metals and Energy exported over 0.5 mnt of iron ore in H1 after receiving EC for a 10 mnt/year mine in March. The company's iron ore production increased by 280% y-o-y in H1.

Hike in global iron ore prices: Benchmark Fe62% Australian fines prices have risen to around \$120/t CFR China from around \$100/t in August on supportive real estate policies in China, higher crude steel production, and low port inventories. A high-priced steel raw materials market scenario naturally encouraged higher exports by Indian producers. Also, high ore prices dented the margins of Chinese steel mills encouraging imports of low-grade iron ore.

Outlook

Probable steel production cuts in China in Q3 of the ongoing fiscal are likely to lead to lower imports of iron ore and pellets from India. However, production controls may not be stringent, as the Chinese government cannot afford to compromise on the economic growth momentum and GDP target, as supportive real estate and infrastructure policies suggest. The evolving Chinese steel market scenario post Golden Week holidays will determine the outlook on Indian steelmaking raw material exports in the near term.

Key Prices

Prices	Currency	Prices as on 10 Oct'23	Sep'23 Avg	Aug'23 Avg	% Change
Odisha (ex-mines, Inclusive of Royalty, DMF & NMET)					
Odisha Index, 5-18 mm, Fe 63%	INR	8,050	7,880	6,950	↑13%
Odisha Index, 10-30 mm, Fe 63%	INR	7,200	7,090	6,350	↑12%
Odisha Index Fines, Fe 62%	INR	5,100	4,930	4,300	↑15%
NMDC C.G. (FoR Siding, Inclusive of Royalty, DMF & NMET)					
DRCLO, 10-40mm, Fe 67%	INR	6,520	6,270	5,970	↑5%
6-40mm, Fe 65.5%	INR	5,200	4,950	4,650	↑6%
Fines Fe 64%	INR	4,460	4,210	3,910	↑8%
Pellet Index (DAP, Raipur)	INR	10,100	10,340	9,240	↑12%
Pellet, FOB East Coast, India, Fe 63%	\$	109	112	104	↑8%
Spot iron ore Index fines Fe 62% (CNF China)	\$	116	121	109	↑11%

Prices	Currency	Prices as on 10 Oct'23	Sep'23 Avg	Aug'23 Avg	% Change
Pig iron (Steel grade, Ex-Durgapur)	INR	39,800	40,990	40,680	↑1%
HMS Scrap (DAP-Mumbai)	INR	36,500	36,810	35,480	↑4%
Sponge iron (C-DRI) Exw Raigarh	INR	31,400	32,050	30,220	↑6%
Billet index, Exw Raipur	INR	43,300	44,420	42,790	↑4%
HRC (Exy Mumbai)	INR	59,000	57,900	56,330	↑3%

India: NMDC hikes iron ore prices by INR 300/t (\$4/t)

India's largest merchant iron ore mining company, NMDC, increased list prices of iron ore on 14 September, 2023, SteelMint learnt from reliable sources. The company raised prices of DR-CLO and fines by INR 300/tonne (t), effective from 14 September, 2023.

The miner fixed prices of DR CLO (10-40mm, Fe 67%) at INR 6,270/t and those of iron ore fines (-10mm, Fe 64%) at INR 4,210/t (on FoR basis from Bacheli complex). Prices include royalty, DMF and NMET charges. Meanwhile, NMDC further announced hike of INR 250/t (\$3/t) for October, 2023 deliveries, effective from 01 October, 2023.

India: Buyers book 2.25 mnt of iron ore fines at OMC auction

OMC conducted an auction for 2.25 mnt of iron ore fines (Fe 54-62%) on 18 Sept'23. The steelmakers participated actively in the auction, and entire quantity of fines was booked at INR 3,900-5,350/t ex-mines. Bids for fines increased by up to INR 50-850/t except for two lots. Notably, in the July and August auctions, the entire quantity was booked.

India: Buyers book 324,000 t of iron ore lumps at OMC auction

OMC conducted an auction for 618,000 t of iron ore lumps (Fe 60-62, 5-40 mm) on 18 Sep'23. As per sources, 324,000 t or 52% of the total material was booked at floor prices except a few lots in which the Roida C mines lot (Fe60%, 5-18 mm) witnessed bids higher by INR 900/t than floor prices. OMC increased the base price for lumps by INR 700/t compared to August's auction.

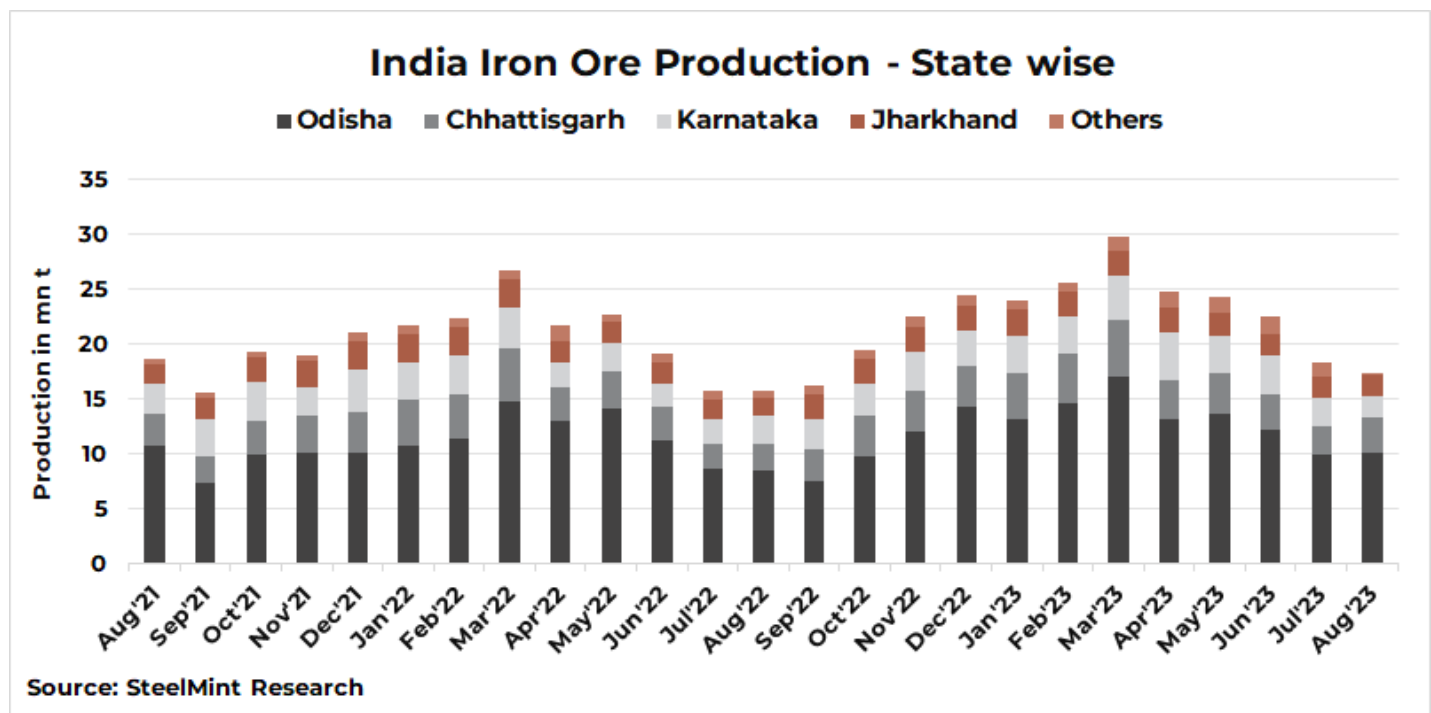
OMC Iron Ore Auction

Mines	Size	Fe (%)	Base price as on 18th Aug'23	Bid price as on 18th Aug'23	Base price as on 18th Sep'23	Bid price as on 18th Sep'23	Quantity offered as on 18th Sep'23	Quantity booked as on 18th Sep'23
	(mm)		(INR/t)	(INR/t)	(INR/t)	(INR/t)	(t)	(t)
Gand-hamardan	-10 (Block A)	60-62	3,500	3,850	4,200	4,750	60,000	60,000
	-10 (Block B)	60-62	3,500	4,100	4,200	4,800	475,000	475,000
Daitari	-10	60-62	4,000	4,050	4,700	4,750	300,000	300,000
	-10	62-64	4,250	4,300	4,950	4,950	50,000	50,000
Tiring Pahar	-10	60-62	3,500	3,800	4,200	4,400	32,000	32,000
	-10	62-64	3,700	3,900	4,450	4,500	8,000	8,000
Guali	-5	60-62	3,900	4,450	4,600	5,000	420,000	420,000
	-5	62-64	4,150	4,700	4,850	5,350	8,000	8,000
Jilling	-5	60-62	4,000	4,500	4,700	5,200	350,000	350,000
	-5	54-58	2,500	3,250	3,250	3,900	25,000	25,000
Koira	-10	60-62	3,500	3,900	4,200	4,400	350,000	350,000
Khand-bandh	-10	60-62	3,600	3,700	4,200	4,200	20,000	20,000
	-10	54-58	2,500	3,250	3,250	4,000	12,000	12,000
Banspani	-10	60-62	3,800	4,350	4,500	4,800	16,000	16,000
	-10	62-64	4,050	4,450	4,750	4,900	4,000	4,000
Unchabali	-10	60-62	3,800	4,350	4,500	4,900	100,000	100,000
	-10	62-64	4,050	4,450	4,750	5,100	8,000	8,000
Roida C	-10	58-60	3,100	3,300	3,360	4,210	12,000	12,000
Total							2,250,000	2,250,000

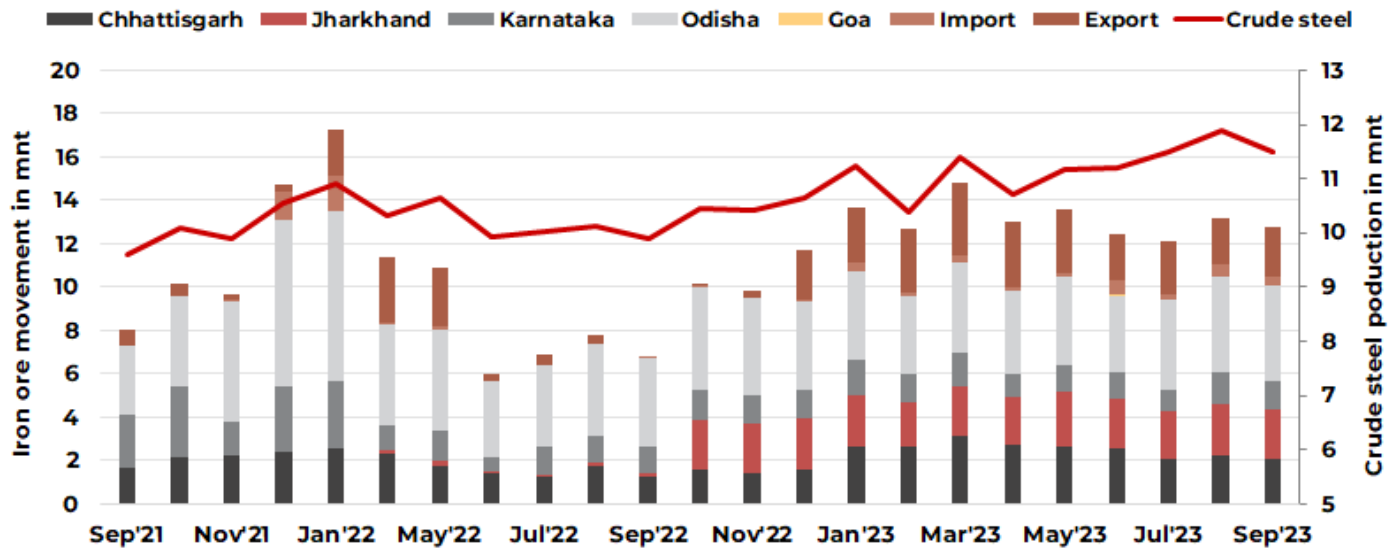
*Prices are ex-mines, inclusive of Royalty, DMF & NMET

Mines	Size (mm)	Fe (%)	Base price as on 18th Aug'23 (INR/t)	Bid price as on 18th Aug'23 (INR/t)	Base price as on 18th Sep'23 (INR/t)	Bid price as on 18th Sep'23 (INR/t)	Quantity offered as on 18th Sep'23 (t)	Quantity booked as on 18th Sep'23 (t)
Gandhamardan	10-40 (Block A)	62%	6,100	6,100	6,300	6,300	10,000	5,000
	10-40 (Block B)	62%	6,100	6,100	6,300	6,300	150,000	108,000
Koira	10-40	62%	6,600	-	7,300	-	4,000	-
Daitari	10-40	62%	6,100	6,100	6,800	-	75,000	-
Tiring Pahar	10-40	62%	8,100	-	8,800	-	24,000	-
Guali	5-18	62%	7,400	7,400	7,800	-	30,000	-
	18-40	62%	6,700	6,700	7,100	7,100	50,000	44,000
Jilling	5-18	62%	8,800	8,800	9,500	9,500	40,000	20,000
	18-40	62%	8,100	8,300	8,800	8,800	70,000	52,000
Apahatu quarry of Jilling	5-18	62%	7,800	7,800	8,000	8,100	35,000	35,000
	18-40	62%	7,100	7,100	7,300	7,300	70,000	8,000
Khandbandh	10-40	62%	7,100	-	7,800	7,850	20,000	20,000
	10-40	65%	8,000	-	8,000	8,000	4,000	4,000
Banspani	10-40	62%	6,850	6,850	7,550	7,500	4,000	4,000
Unchabali	10-40	62%	6,400	-	6,900	-	8,000	-
		58%	-	-	4,300	4,350	16,000	16,000
Roida C	5-18	60%	6,600	6,600	6,600	7,500	4,000	4,000
		62%	7,100	-	7,800	7,800	4,000	4,000
Total							618,000	324,000

*Prices are ex-mines, inclusive of Royalty, DMF & NMET



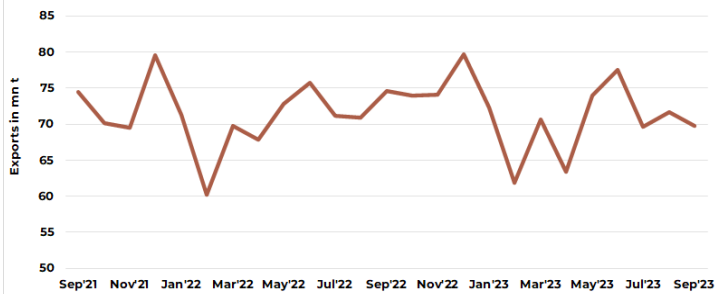
Indian Iron Ore Movement vs Crude Steel Production



Source: SteelMint Research

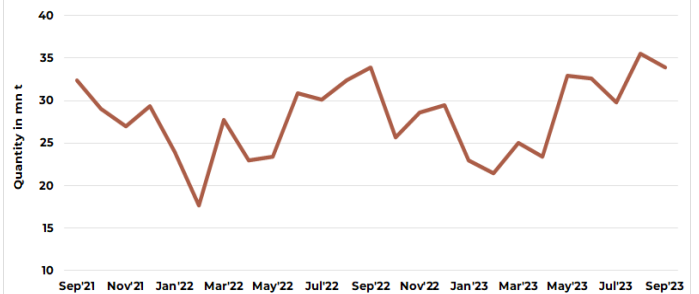
World's Major Countries Export Data

Australia Iron Ore Exports



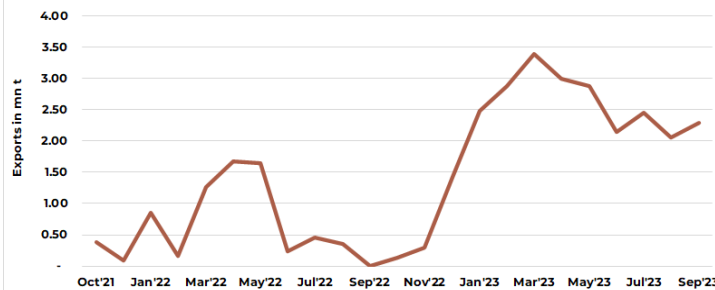
Source: SteelMint Research

Brazil Iron Ore Exports



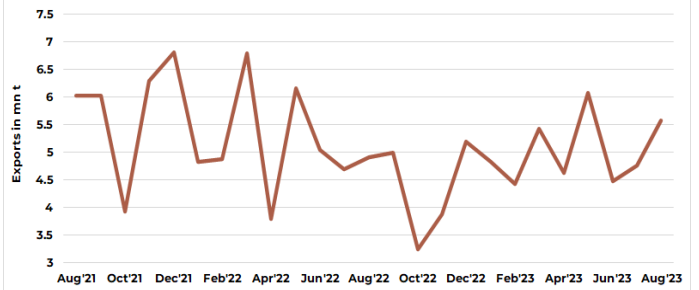
Source: SteelMint Research

India Iron Ore Exports



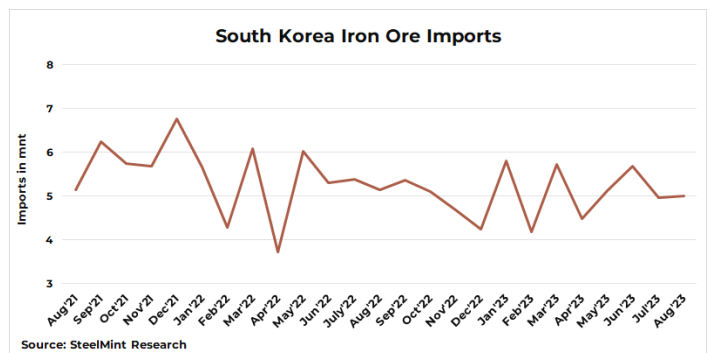
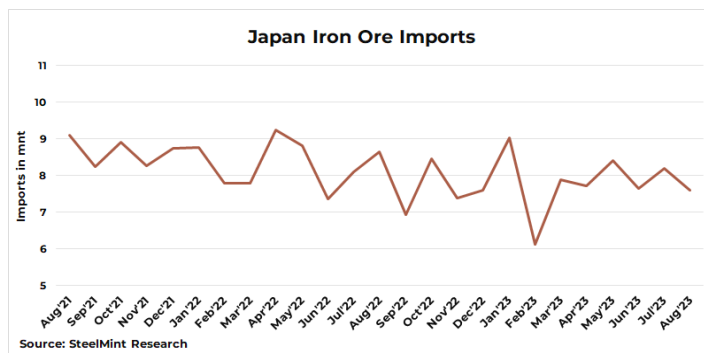
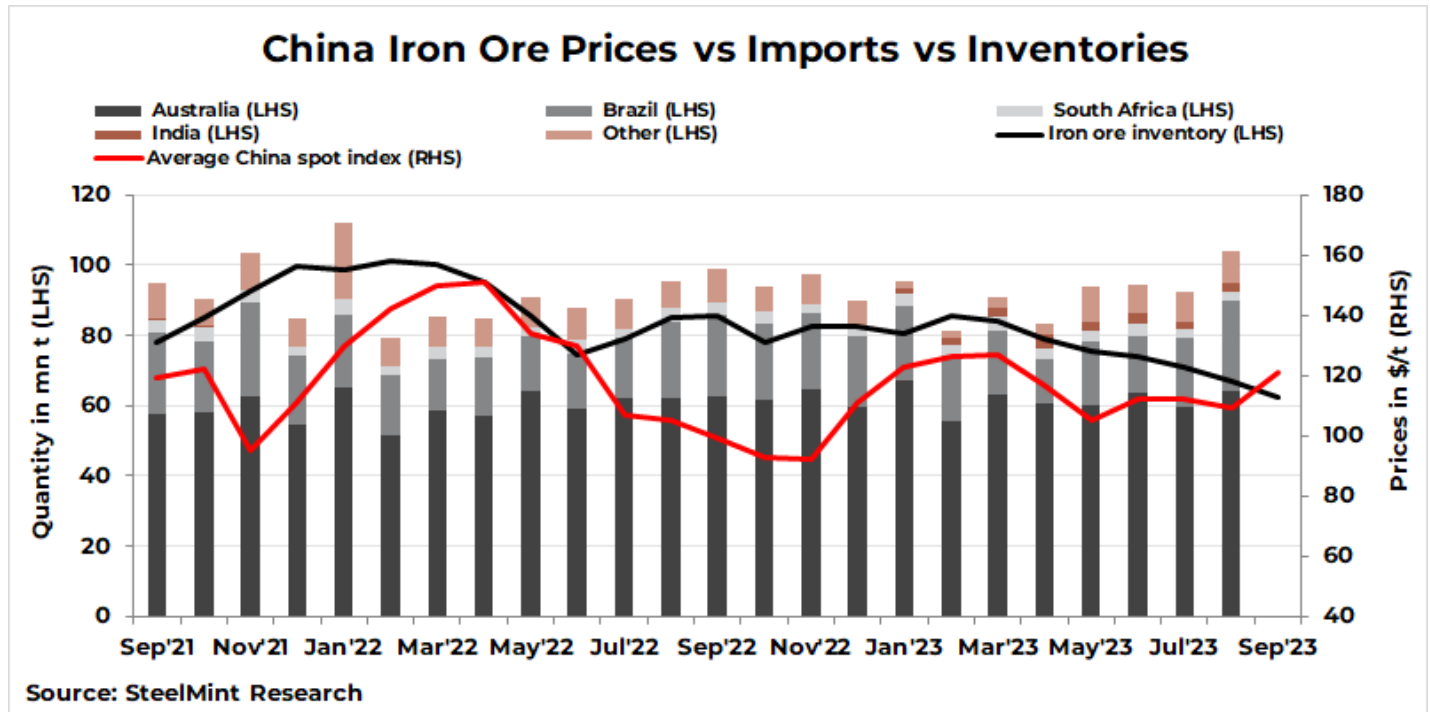
Source: SteelMint Research

South Africa Iron Ore Exports



Source: SteelMint Research

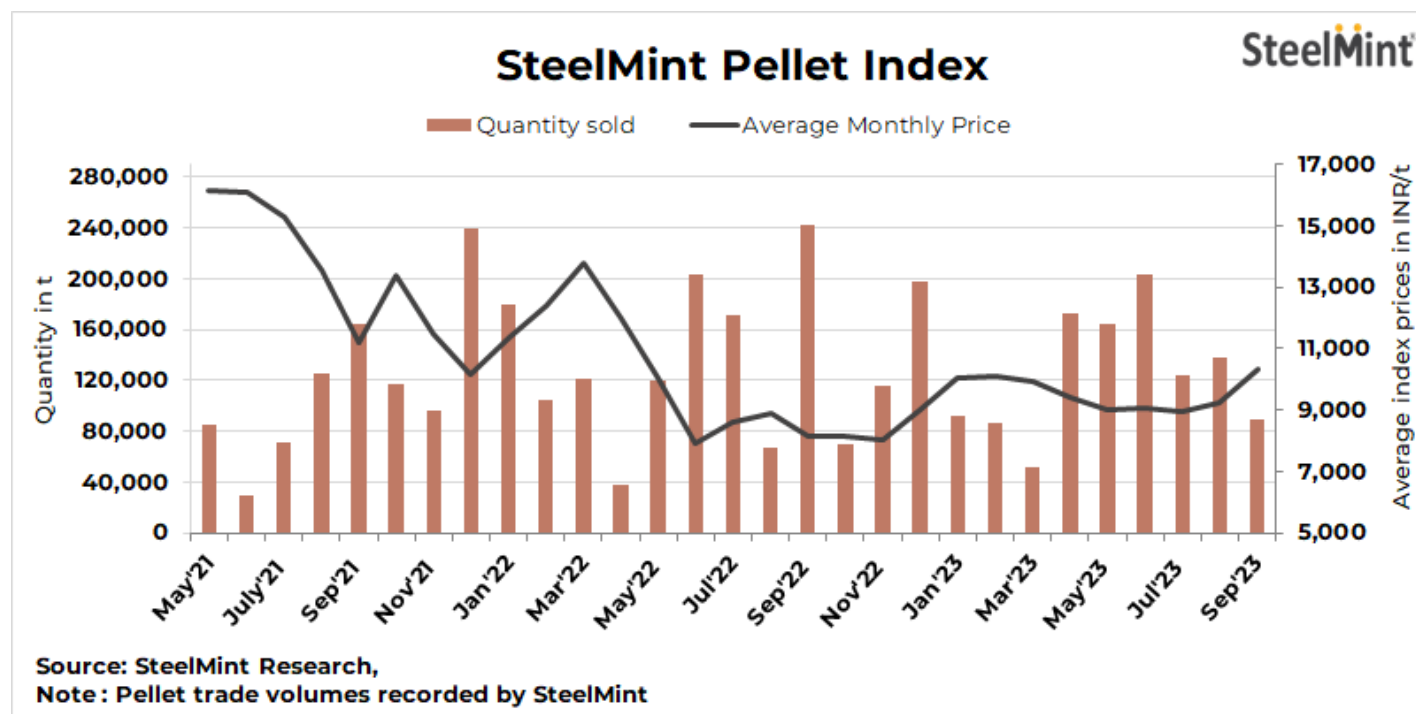
World's Major Countries Import Data

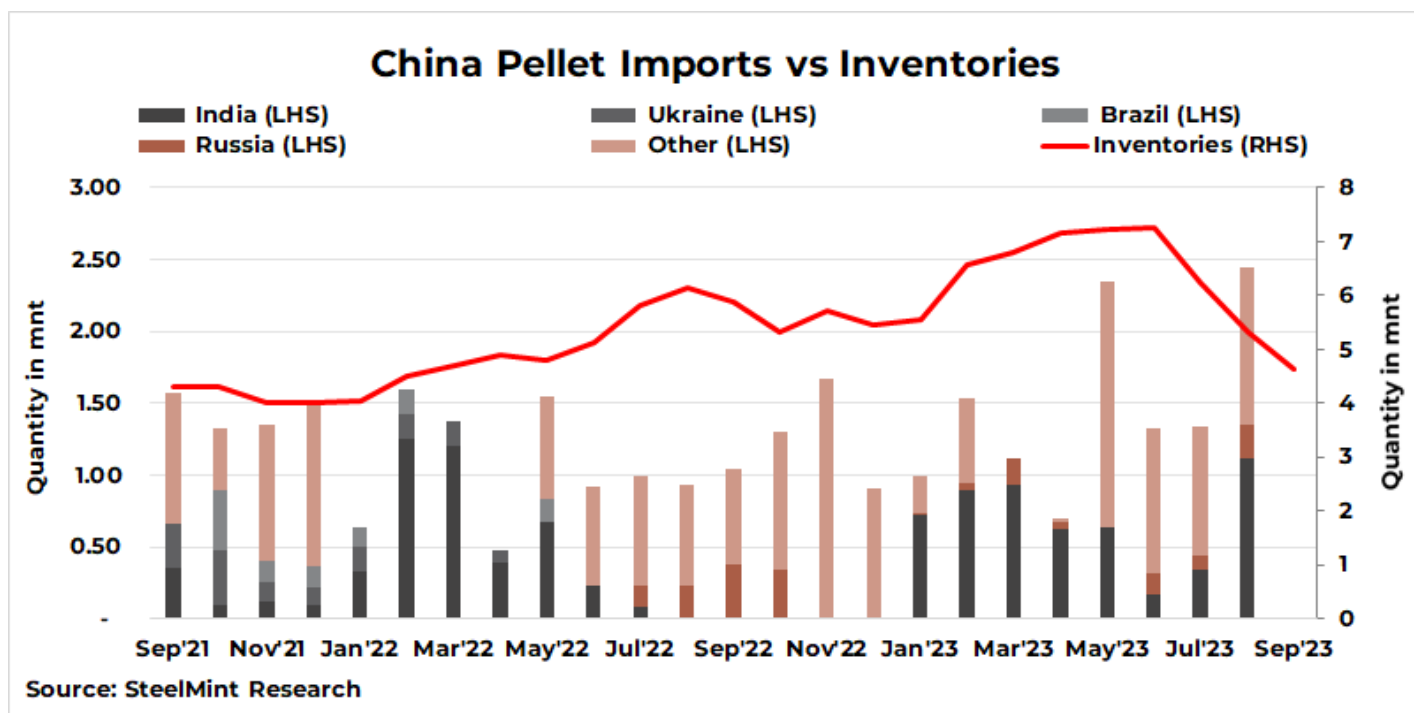


Indian Pellet Prices

Particulars	Trade terms	Prices as on 10 Oct'23	Sep'23 Avg	Aug'23 Avg	% Change
PELLEX	DAP Raipur	10,100	10,340	9,240	↑12%
Barbil	FOR	8,600	8,980	7,920	↑13%
Bellary	EXW	10,550	11,230	11,300	↓1%
Durgapur	EXW	9,050	9,240	8,400	↑10%
Jamshedpur	EXW	9,200	9,330	8,300	↑12%
Jharsugda	EXW	9,150	9,370	8,510	↑10%
Kandla	DAP	12,100	11,820	10,870	↑9%

Note:- India domestic prices in INR/t





DATA IS OUR DNA

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