

# Indian Mining Exchange

News Bulletin, 15<sup>th</sup> August 2011

## COAL

### Coal India warns of profit fall on wages

Published: Saturday, Aug 13, 2011, 8:00 IST

By Sumit Moitra | Place: Kolkata | Agency: DNA

[http://www.dnaindia.com/money/report\\_coal-india-warns-of-profit-fall-on-wages\\_1575417](http://www.dnaindia.com/money/report_coal-india-warns-of-profit-fall-on-wages_1575417)

### Coal Industry Stock Review - August 2011 - Industry Outlook

By Zacks Investment Research | *August 2, 2011, 5:51 pm*

[http://zantrio.com/news\\_opinion/2011/08/02/41352.php](http://zantrio.com/news_opinion/2011/08/02/41352.php)

## IRON AND STEEL

### Can Posco cross the India barrier?

Published on Thu, Aug 11, 2011 at 12:35 | Source: Forbes India

[http://www.moneycontrol.com/news/features/can-posco-cross-india-barrier-\\_574920.html](http://www.moneycontrol.com/news/features/can-posco-cross-india-barrier-_574920.html)

### POSCO war zone - POSCO agrees for not exporting iron ore

Sunday, 14 Aug 2011

[http://www.steelguru.com/indian\\_news/POSCO\\_war\\_zone\\_-\\_POSCO\\_agrees\\_for\\_not\\_exporting\\_iron\\_ore/219755.html](http://www.steelguru.com/indian_news/POSCO_war_zone_-_POSCO_agrees_for_not_exporting_iron_ore/219755.html)

### PAC to probe illegal iron ore mining in Goa forest belt

Panaji, August 10:

<http://www.thehindubusinessline.com/industry-and-economy/government-and-policy/article2343039.ece>

### Meet concludes delay in mega steel projects 'natural'

[Sandeep Mishra](#) | Aug 6, 2011, 04.11PM IST

<http://timesofindia.indiatimes.com/city/bhubaneswar/Meet-concludes-delay-in-mega-steel-projects-natural/articleshow/9506473.cms>

### India's Steel Ministry's Firoz Expects Slowdown in Manufacturing

By Abhishek Shanker - Aug 8, 2011 10:48 AM GMT+0530

<http://www.bloomberg.com/news/2011-08-08/india-s-steel-ministry-s-firoz-expects-slowdown-in-manufacturing.html>

**ANALYSIS: Financial markets falls pressure steel prices but collapse unlikely**

London (Platts)--12Aug2011/1137 am EDT/1537 GMT

<http://www.platts.com/RSSFeedDetailedNews/RSSFeed/Metals/8234447>

**Falling steel demand in China poses risks for miners**

Brenda Bouw— MINING REPORTER

VANCOUVER— From Thursday's Globe and Mail (Includes Correction)

Published Wednesday, Aug. 03, 2011 7:34PM EDT

<http://www.theglobeandmail.com/report-on-business/international-news/asia-pacific/mining-firms-bet-against-slowdown-in-chinese-demand/article2118959/>

**Analysis: Japan's reconstruction steel demand to fall short**

TOKYO | Thu Aug 11, 2011 3:04am EDT

<http://www.reuters.com/article/2011/08/11/us-japan-steel-reconstruction-idUSTRE77A0S920110811>

**Risk expert's dire warning on a China slowdown**

- Rowan Callick • August 11, 2011 12:00AM

<http://www.theaustralian.com.au/business/economics/risk-experts-dire-warning-on-a-china-slowdown/story-e6frg926-1226112680082>

**Debt crisis a threat to growing exports**

Updated: 2011-08-13 07:49

By Ding Qingfen and Zhou Siyu (China Daily)

[http://www.chinadaily.com.cn/cndy/2011-08/13/content\\_13104858.htm](http://www.chinadaily.com.cn/cndy/2011-08/13/content_13104858.htm)

**Brazil's distributors reduce HRC prices to spark sales**

Steel Business Briefing (subscription) - Aug 11, 2011

It was a decision made by a large number of distributors nationwide," one distributor tells Steel Business Briefing.

Several stockists have been complaining of mill inaction on domestic flats prices. An executive from another independent service center...

US market sentiment at strongest since March: TSI

## **Steel Business Briefing (subscription) - Aug 9, 2011**

The number of US companies expecting higher prices in the next three months has increased significantly since last week to the highest level since mid-March, according to the latest carbon steel market survey results from The Steel Index (TSI).

### **Baosteel raises main product prices for September**

SHANGHAI | Thu Aug 11, 2011 11:58pm EDT

<http://www.reuters.com/article/2011/08/12/china-steel-baosteel-idUSB9E7IM01720110812>

### **Tata Steel warns of muted outlook on global slowdown**

Posted: Sat, Aug 13 2011. 1:00 AM IST

<http://www.livemint.com/2011/08/12222837/Tata-Steel-warns-of-muted-outl.html?atype=tp>

### **Debt crisis worries Indian steel industry**

Sushim Banerjee Posted: Monday, Aug 08, 2011 at 0021 hrs IST

<http://www.financialexpress.com/news/debt-crisis-worries-indian-steel-industry/828490/0>

### **Steelmakers moving up value chain for better margins**

Shubhashish / Mumbai August 12, 2011, 0:51 IST

<http://www.business-standard.com/india/news/steelmakers-movingvalue-chain-for-better-margins/445619/>

### **In-principle nod from SAIL board for 10 new units: Verma**

Published on Thu, Aug 11, 2011 at 14:13 | Source : PTI

[http://www.moneycontrol.com/news/business/in-principle-nodsail-board-for-10-new-units-verma\\_575552.html?utm\\_source=MC\\_Mail\\_Stock\\_watch](http://www.moneycontrol.com/news/business/in-principle-nodsail-board-for-10-new-units-verma_575552.html?utm_source=MC_Mail_Stock_watch)

### **Supreme Court lifts mining ban for NMDC in Bellary**

J. Venkatesan, August 5, 2011

<http://www.thehindu.com/news/states/karnataka/article2327700.ece>

### **Tata Steel, Essar Steel and Ispat Industries expected to benefit from the new demand-supply scenario after the Bellary mining ban**

August 10, 2011 04:09 PM

<http://moneylife.in/article/tata-steel-essar-steel-and-ispata-industries-expected-to-benefit-from-the-new-demand-supply-scenario-after-the-bellary-mining-ban/18836.html>

### **Demand of iron ore in India to rise: Maya Iron Ores**

**Announcement** / Corporate August 10, 2011, 16:58 IST

<http://www.business-standard.com/india/news/demandiron-ore-in-india-to-rise-maya-iron-ores/445436/>

**Raw material unavailable; operations halted: Kalyani Steel**

Published on Mon, Aug 08, 2011 at 15:52 | Source : CNBC-TV18

[http://www.moneycontrol.com/news/business/iron-ore-ban-to-impact-industry-drastically-kalyani-steel\\_574098.html](http://www.moneycontrol.com/news/business/iron-ore-ban-to-impact-industry-drastically-kalyani-steel_574098.html)

**Spot iron ore prices slated for rough patch on slow buying - 12 Aug, 2011**

[http://www.steelprices-china.com/news/index/2011/08/12/Mjc2MjE%3D/Spot\\_iron\\_ore\\_prices\\_slated\\_for\\_rough\\_patch\\_on\\_slow\\_buying.html](http://www.steelprices-china.com/news/index/2011/08/12/Mjc2MjE%3D/Spot_iron_ore_prices_slated_for_rough_patch_on_slow_buying.html)

**Tatas and Jindals get together with Govt to bid for mines in Afghanistan**

Posted: Thu Aug 11 2011, 00:45 hrs New Delhi:

<http://www.indianexpress.com/news/tatas-and-jindals-get-together-with-govt-to-bid-for-mines-in-afghanistan/830185/>

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[http://metalbiz.com.cn/english/detail.jsp?article\\_column=130301&article\\_millseconds=1312248383125](http://metalbiz.com.cn/english/detail.jsp?article_column=130301&article_millseconds=1312248383125)

**Domestic Market Analysis**

China's H2 iron ore demand growth slowdown

2011-08-02

Aug 2 MetalBiz—Reporters learned that in the first half of 2011, China's iron ore took lead the global iron ore demand again, but the rise speed obviously slowed down. Facing the increasing inflation pressure, the tightening monetary policy, plus the macro-control policy to real estate, in the second half year, it is predicted that iron ore demand will continue slowing down, even appears standstill.

It is said that during the Jan-May period, this year, China's pig iron production stood at 266.96mln tons, namely, the iron ore demand was 427.13mln tons, up 5.4% than the same period last year. Experts estimated that in 2011, the nationwide iron ore demand will break 1bln tons. Compared to the growth extent, 8.5% in full year of 2010, the growth in 2009 was 15.5%, and that in Jan-May, 2011 obviously slowed down.

Across the world, in Jan-May, influenced by the sovereignty debate crisis and inflation, EU's iron ore demand upturned 0.35%; CIS 6 nations hiked 0.58%, due to the earthquake and the

recession economy, Japan's iron ore demand slashed 0.9%. Comprehensively speaking, in 2011, China is the main power pushing up the global iron ore demand. In Jan-May, newly-increased iron ore demand all over the world was 31.5mln tons, of which 21.9mln tons from China, accounting for 69.5%. In 2010, the global iron ore demand significantly soared 210mln tons, the demand from China gained 74mln tons, taking up only 35%.

As the global demand strongly rebounded in 2010, the major mining companies overseas lifted the output, 3 ore giants' monopolization position faced the challenge, a large amount of Brazilian iron ore returned to China market. In the meantime, China's iron ore imports turn diversity.

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[http://metalbiz.com.cn/english/detail.jsp?article\\_millisecond=1312535767743&article\\_column=130301](http://metalbiz.com.cn/english/detail.jsp?article_millisecond=1312535767743&article_column=130301)

#### Domestic Market Analysis

MIIT predicts: H2 steel output to fall, steelmakers to face lower profit  
2011-08-04

Aug 4 MetalBiz—Ministry of Industry and Information Technology stated that in the first half year of 2011, the economy in Mainland China continued keeping growth, creating the favorable market environment for steel industry development, the overall operation of steel industry remained steady, however, the profit of enterprises still slashed, raising the competitiveness of enterprises is urgent for industry to upgrade. In H1, the steel production reached 350mln tons, up 9.6% year on year, and the capacity utilization ratio touched 84%, up 3 percentage points than that at the end of 2010. The production & sales rate of major large & medium steel companies was 99.1%, up 1.2 percentage points on an annual basis. At the end of June, the domestic steel price composite index stood at 133.8 points, up 4.3% than that in the beginning of 2011.

In H1, this year, the steel export was 24.33mln tons, up 3.2% year on year. The steel import was 8.03mln tons, down 4.9%. In H2, considering that the industry growth will slow down, the demand from steel using industries tends weak, in addition, restriction power, the obsolete capacity elimination, the tense capital had the impact, the steel production level was lower than that in H1, the steel export glided, the import was same as 2011, it is forecasted that in full year of 2011, the steel output will reach 690mln-700mln tons, a pick-up of 60mln-70mln tons than 2010, the steel export for 45mln tons, import for 16mln tons. The iron ore price will fluctuate to small extent, it is still difficult for steel price to upswing, the steel mills still encounter lower-profit, steel industry will faces high yield, lower benefit.

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[http://metalbiz.com.cn/english/detail.jsp?article\\_millisecond=1312246189593&article\\_column=130301](http://metalbiz.com.cn/english/detail.jsp?article_millisecond=1312246189593&article_column=130301)

#### Domestic Market Analysis

CISA: steel industry in H2 will face huge difficulty  
2011-08-01

Aug 1 MetalBiz—Zhu Jimin, principal of CISA, board chairman of Shougang group, stated on July 29 that in the second half of 2011, the domestic steel industry will encounter the large difficulty.

He pointed out that in H2, the demand for construction steel obviously boosted, but the plate and strip markets will not get better. And therefore, the growth speed of steel production in H2 will slow down.

He further expressed that as large-scale houses in H2 will be constructed, and the irrigation work spirit will be carried out, the irrigation projects will be developed, so the construction steel market will be bullish. The shipbuilding, auto, engineer machinery increase will slow down, the product structure confliction will become obvious, the plate & strip overcapacity and homogeneous competition will turn fierce.

The statistics of CISA displayed that in the first half of 2011, the nationwide crude steel production stood at 350mln tons, up 9.6% year on year, and the full-year crude steel output got to 706mln tons. However, from the current situation, steel export posted downtrend from March, in the first half of 2011, the crude steel net export rose 1.09mln tons on a yearly basis, up 6.8%.

On the other hand, the apparent consumption of medium heavy wide steel in H1 rose 3.7%, and that of bar and debar reached 11.4% and 15.2%. The monthly report of CISA showed that till the end of June, the domestic price of high-speed wire rod, debar was 4.885 yuan/t, 4.937 yuan/t, up 21.43%, 24.51% on an annual basis; the price of medium heavy plate, hot-rolled coil was 4,928 yuan/t, 4.908 yuan/t, up 13.94% and 13.27% year on year. When the raw material price dramatically surged, the growth extent of medium heavy, hot-rolled coil was small, lower than that of debar.

In addition, Zhu Jimin pointed out that in H2, steel industry will face huge capital pressure. As CPI, PPI in June went up 6.4%, 7.1%, which may make monetary policy further tighten, and the capital of enterprises will be enhanced. According to statistics of CISA, in H1, the financial fee of large & medium steel producers upturned 33.79% on a yearly basis; if the flow of monetary further weakens, the situation enterprises face will become serious. The production cost also further restricts the development of the companies. In accordance with the statistics of the General Administration of Customs, in H1, the average price of imported iron ore is USD160.89/t, creating the record high, up 42.41% year on year. In H1, the imported iron ore was 334.25mln tons, a hike of 25.18mln tons, and thus the foreign exchange is paid for extra USD16.01692bln, adding the cost of RMB104.11bln to steel industry.

In the same period, the coal, power factors also have influence on the steel production. To ease the tight power situation, nation raised the electricity price of thermal power industry in 15 provinces such as Shanxi, and then comes out the new oil pricing system at right time, and the different prices reform measures, and the price of natural gas will be lifted. And therefore, it is difficult for steel producers to change the high production cost in short-term.

## **ECONOMY**

### **Yuan's Increase Against the Dollar Is Largest in Almost 20 Years**

| August 14, 2011 |

[http://seekingalpha.com/article/287201-yuan-s-increase-against-the-dollar-is-largest-in-almost-20-years?source=email\\_macro\\_view](http://seekingalpha.com/article/287201-yuan-s-increase-against-the-dollar-is-largest-in-almost-20-years?source=email_macro_view)

### **Japan's Noda Warns of Action as Yen Again Nears Postwar High**

August 13, 2011, 11:55 PM EDT

<http://www.businessweek.com/news/2011-08-13/japan-s-noda-warns-of-action-as-yen-again-nears-postwar-high.html>

### **Can China afford to downgrade the U.S.?**

Aug 8, 2011 10:20 EDT

<http://blogs.reuters.com/great-debate/2011/08/08/can-china-afford-to-downgrade-the-u-s/>

### **SEC Said to Scrutinize S&P Math, Possible Leaks of U.S. Rating**

August 13, 2011, 1:33 AM EDT

<http://www.businessweek.com/news/2011-08-13/sec-said-to-scrutinize-s-p-math-possible-leaks-of-u-s-rating.html>

### **Shoppers lift economy but will they keep spending?**

| Fri August 12, 2011 5:04 PM |

<http://seekingalpha.com/news-article/1643104-shoppers-lift-economy-but-will-they-keep-spending>

### **Retail Sales and Payrolls**

| August 12, 2011 |

[http://seekingalpha.com/article/287109-retail-sales-and-payrolls?source=email\\_macro\\_view](http://seekingalpha.com/article/287109-retail-sales-and-payrolls?source=email_macro_view)

### **Yuan's Biggest Leap in Three Years May Herald Stimulus for Global Recovery**

By Bloomberg News - Aug 12, 2011 3:23 PM GMT+0530

<http://www.bloomberg.com/news/2011-08-11/yuan-s-biggest-leap-in-three-years-may-herald-stimulus-for-global-recovery.html>

### **Gold rush in India despite record high prices**

Published on Thu, Aug 11, 2011 at 09:10 | Source :

[http://www.moneycontrol.com/news/commodities/gold-rushindia-despite-record-high-prices\\_575394.html](http://www.moneycontrol.com/news/commodities/gold-rushindia-despite-record-high-prices_575394.html)

