BHP increases forecasts for iron ore division

By Neil Hume in Sydney

BHP Billiton, the world’s biggest mining company, has increased forecasts for its iron ore division after a record-breaking performance from its operations in the Pilbara region of Western Australia.

BHP said it had mined 41m tonnes of iron ore in three months to the end of December and now expected full year production to exceed its previous guidance of 159m tonnes.

Analysts had expected BHP produce around 39m tonnes of ore during the quarter. Iron ore is BHP’s biggest business and is forecast to account for 40 per cent of group earnings before interest in the 2011/12 financial year.

The record output from BHP comes a day after rivals Rio Tinto and Fortescue Metals also reported strong shipments of iron ore.

Rio said it had surpassed its global iron production target of 240m tonnes by producing a record 245m tonnes in 2011.

The news help allay mounting concerns about China’s appetite for iron ore, a key ingredient in steel making. Figures out this week showed the Chinese economy had grown at its weakest pace in two-and-half years during the fourth quarter.

Fortescue, which shipped 14.8m tonnes during the final three months of last year, said demand from Chinese, Japanese and Korean markets remained strong.

However, the price the company received for its ore iron was around 10 per cent below market expectations as customers ordered increased quantities of lower-grade ore in an effort to keep down costs.

Iron ore prices have been volatile in recent months, swinging between a high of $170 a tonne October to a low and $110 a tonne.

BHP said additional loading capacity at Port Headland, Australia’s highest tonnage port, and increased production from a processing plant had contributed to the record performance from its iron ore business.

The company also reported a 13 per cent increase in production from its petroleum business to 88m barrels of oil equivalent during the fourth quarter, helped by contributions from recently acquired US shale gas assets.

Copper output rose 27 per cent to 280,000 tonnes as its operations in Chile recovered from recent industrial action. However, a fall in copper prices means BHP will take a $258m hit to earnings before interest on sales agreed in the previous fiscal year but subject to final pricing adjustments.

BHP also revealed a weak performance from its aluminium division, which it said continued to be “challenged by underlying cost pressures and weaker prices. On Tuesday, Rio warned that it expected its aluminium business to record a small loss in the second half of 2011.

In early morning trading in Sydney, shares in BHP were up 0.3 per cent at A$36.80.
एनएमडीसी की ऑस्ट्रेलिया में मिनरल एसेट खरीदने पर नजर

सार्वजनिक क्षेत्र की कंपनी एनएमडीसी की ऑस्ट्रेलिया में अपना आवागमन, बलत तथा पार्श्वद्वार कंपनी की खानन परिसंचालन (मिनरल एसेट) खरीदने पर नजर है।

ऑस्ट्रेलिया फिक्सी एक महानगर कंपनी लोकप्रिय स्थानों पर आये, जिसमें एनएमडीसी के 50 परसेंट विशेषता खरीद रखी है, ने यह आंकन की दी।

लोकसेवा के कंपनी की बोर्ड नेटवर्क के बाद एस्ट्रास्क्र भारत में फाइनल में कहा कि पक्ष में अन्तरिक्ष में माउंट बेला और प्रोजेक्ट को ब्रशी बना तथा एनएमडीसी के लिए अपने संक्षेपक विवाद करने से संबंधित प्रारम्भिक प्रोजेक्ट प्रोफिल के होगा।

लोकसेवा ने कहा कि एक नंदा (एनएमडीसी के चेयरमैन) ने इस बार की चुनौती की कि एनएमडीसी ऑस्ट्रेलिया में साइड रूप से अवसर, अपार, कुलकर्णी, सर्वर की तरह सार्वभौम जैसे हास्य परिसंचालनों के अवसर के लिए श्रेयसी कर रही है। कंपनी चाहती है कि भारत के ढाई फिल्टर त्रस्ट बंद और उत्तरी ओशिओ के लिए प्राप्त पूर्व में इन अभावों के अन्तर्गत मालिक की विशेषता सुनिश्चित की जाए। लोकसेवा के बोर्ड, जिसकी तब्दील की बैठक है, ने अपने पांच सदस्य बोर्ड में एनएमडीसी के तीन निदेशकों को शामिल किया है। यह प्रस्तुत बैठक के लिए आयोजन की अनुमति दी गई तथा एनएमडीसी चेयरमैन एक बोर्ड की लोकसेवा का चेयरमैन नियुक्त किया। निदेशकों की नियुक्ति लोकसेवा एवं एनएमडीसी के बीच बायर सत्यरीति समझौते के अधीन जरूरत को पूरा करने के तहत जरूरत को पूरा करने के तहत बनाए गए हैं। भारत की महानगर कंपनी एनएमडीसी लोकसेवा के जातीय वैश्विक की 50 परसेंट हिस्सेदारी के साथ एक राजनीतिक नियोजक के रूप में उपभोक्ता थी। लोकसेवा ने यह भी कहा कि एनएमडीसी के पूर्व चेयरमैन उन्नी राजपूत के बाद लोकसेवा के बोर्ड से इनकार दे दिया है। स्पष्ट वाक्य सुनिश्चित बोर्ड की बैठक को पूर्व का पूर्वकाल में नियुक्त किया गया है।

लोकसेवा ने कहा कि कंपनी के बोर्ड ने लोकसेवा की मृत्यु परिसंचालन के विकास एवं डेपार्टमेंट के लिए, योजनाओं पर विवाद विवाद किया।

यद्यपि, बोर्ड ने ऑस्ट्रेलिया में मिनरल एसेट के आवागमन एवं डेपार्टमेंट के लिए लोकसेवा को अपने वित्तपंच रूप में इस्तेमाल करने की एनएमडीसी की प्रतिबद्धता पर भी चर्चा की।
एनएमडीसी को नए खराबानों की तलाश
हैदराबाद। एनएमडीसी ऑर्टेडिशिया में लोह अबस्क, कोबोना और फास्टेड की खानों के अधिकांश पर विचार कर रही। कंपनी लोगों की आवश्यकता ने भारी संसाधन बढ़ाने के लिए पहल रोजीलेखन के रूप में एनएमडीसी परिवहनों के गंगा अन्तर्द्वार में मांडे वैकल्पिक लोगों का विस्तार करने की।
NMDC halts production

Production and evacuation of iron ore from NMDC’s Bailadila mines in Chattisgarh, has come to a halt owing to protests for better railway connectivity in the region, a company official said.
Price Card

As on Jan 18

<table>
<thead>
<tr>
<th>Metals ($/tonne)</th>
<th>International Price</th>
<th>%Chg*</th>
<th>Domestic Price</th>
<th>%Chg*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aluminium</td>
<td>2,171.5</td>
<td>0.7</td>
<td>2,598.2</td>
<td>0.1</td>
</tr>
<tr>
<td>Copper</td>
<td>8,395.0</td>
<td>12.6</td>
<td>9,797.7</td>
<td>7.6</td>
</tr>
<tr>
<td>Nickel</td>
<td>19,480.0</td>
<td>4.8</td>
<td>22,015.1</td>
<td>1.6</td>
</tr>
<tr>
<td>Lead</td>
<td>2,046.0</td>
<td>7.4</td>
<td>2,300.7</td>
<td>0.4</td>
</tr>
<tr>
<td>Tin</td>
<td>21,600.0</td>
<td>4.8</td>
<td>25,783.4</td>
<td>-1.8</td>
</tr>
<tr>
<td>Zinc</td>
<td>2,000.0</td>
<td>9.2</td>
<td>2,459.3</td>
<td>1.9</td>
</tr>
<tr>
<td>Steel-HRC</td>
<td>529.0</td>
<td>8.2</td>
<td>582.9</td>
<td>-4.4</td>
</tr>
<tr>
<td>Gold (S$/ounce)</td>
<td>1,651.0*</td>
<td>-0.4</td>
<td>1,691.2</td>
<td>0.8</td>
</tr>
<tr>
<td>Silver (S$/ounce)</td>
<td>30.0*</td>
<td>-6.3</td>
<td>32.7</td>
<td>-1.3</td>
</tr>
</tbody>
</table>

Energy

- Crude Oil ($/bbl) 111.1* 0.8 110.9 2.9
- Natural Gas ($/mmBtu) 2.5* -29.0 2.5 -30.0

Agricultural Commodities ($/tonne)

- Wheat 242.6 5.2 266.3 12.5
- Maize 257.9* 0.7 261.9 18.7
- Sugar 629.9* -11.9 600.3 -1.6
- Palm Oil 1,645.0 8.9 1,176.0 -6.6
- Rubber 3,650.9* -8.2 3,800.8 -12.8
- Coffee Robusta 1,815.0* -2.2 2,042.8 -2.2
- Cotton 2,149.5 -2.7 2,095.9 -6.6

Notes:
1. International metal and crude oil prices are local spot prices of refined base.
2. International agriculture and crude oil prices are in dollar terms.
3. International futures for energy and gas are in dollar terms.
4. International futures for sugar and coffee are in USD.
5. International futures for other commodities are in USD.
6. International metals, crude, and energy prices are as quoted by the respective exchanges.
7. Futures for other commodities are as quoted by the respective exchanges.
8. Futures for other commodities are as quoted by the respective exchanges.
9. Futures for other commodities are as quoted by the respective exchanges.
10. Futures for other commodities are as quoted by the respective exchanges.
11. Futures for other commodities are as quoted by the respective exchanges.

Baltic Exchange Indices

- Baltic Dry 974 -3.85
- Baltic Supramax 917 -2.22
- Baltic Panamax 1,116 -2.13
- Baltic Capesize 1,651 -2.97
- Baltic Handysize 518 -1.52
- Baltic Cleanable 596 0.72
- Baltic Dirty Clean 622 2.11

Electricity Trading at IEX

Market price in ₹/MWh
Copper May Fall on World Bank's Dim Growth Forecast

LONDON Police may fall in New York from a 16-week high after the World Bank cut its forecast for global growth by the most in three years, casting doubt on prospects for demand. The economy will expand 2.5% this year, down from a June estimate of 3.6%, as a recession in the euro region threatens to worsen a slowdown in emerging markets, the bank said. Copper reached the highest price since September 21 on Tuesday, helped by speculation about easing of monetary policy in China. "With the Chinese New Year approaching, demand tends to be seasonally softer," Tobias Merath, head of commodity research at Credit Suisse in Zurich, said in a report on Wednesday. "We could see some profit-taking before too long. Tight physical markets may see some easing in the weeks ahead." Copper for March delivery was little changed at $3,731 a pound by 7:46 am on the Comex in New York. Prices on Tuesday reached $3,759 and on Wednesday it gained as much as 0.7% on a report that the IMF is seeking to increase its lending resources by as much as $500 billion to bolster the world economy. China, the world's second-biggest economy, reported on Wednesday that FIU declined in December by the most since July 2009, underscoring the World Bank's warning that developing economies should "prepare for the worst." The country also is the world's largest copper consumer. Copper for three-month delivery was little changed at $8,198.75 a tonne on the LME. Concern that copper supply may fall short of demand has helped to support prices. Comex copper's 14-day relative strength index, a gauge of whether a commodity is overbought or oversold, reached below 70, nearing the level of 70 that some analysts who study technical charts view as a sign prices may be poised to fall. Aluminum and tin fell in London, zinc and lead rose, and nickel was little changed.
IRON ORE PRICES

Steel cos banking on apex court review of mining ban

Suresh P. Iyengar
Mumbai, Jan. 18

Steel companies expect some relief from high iron ore prices after the Supreme Court on Friday takes up for review the partial ban on mining imposed in Karnataka.

While hearing an appeal against its partial ban on iron ore mining in the key iron ore producing State in November, the Supreme Court allowed State-run NMDC to mine up to one million tonne per month from its captive mines in Karnataka to ease supply. The apex court directed the petitioners to approach the Indian Council of Forestry Research and Education on the issue and come back for a hearing on January 20.

E-AUCTION

Mr Dinesh Kumar Singh, Managing Director of Karnataka-based BMM Ispat, said iron ore prices in the e-auction conducted by MSTC (Metal Scrap Trading Corporation) have skyrocketed in last few months, despite mismatch in the quality offered and delivered.

“The iron ore prices are generally benchmarked to international market, but in the e-auction it is nearly double. For instance, import price of ore with 65.2 per cent iron content are quoted at $135 a tonne including logistics cost of Rs 2,500-2,600 a tonne, but the same grade sells for Rs 4,499 a tonne in the auction,” he added.

BMM Ispat requires about 3.4 million tonnes of iron ore per annum and has bought about 1.4 million tonnes in e-auction.

In contrast to the expectations of prices softening after the Government hiked export duty iron ore to 30 per cent, it has started moving up. This was largely to the sharp depreciation of rupee against dollar making imports almost unviable.

The Government will do well to consider auctioning the closed iron ore mines to steel companies that have set up production facility, said a senior official of Karnataka-based steel company.

“Steel companies will not do reckless mining to tap export market as they always want to conserve the scarce key raw material for future use,” he added.

INVESTMENT

Steel and other iron-based industries have invested about Rs 75,000 crore in the landlocked Bellary-Hospet region of Karnataka due to proximity it provides for raw material. Steel companies that have presence in the State include JSW Steel, Kalyani Steels, Mokan Steel, Kirloskar Ferrous and VISL Bhadravati.

The Karnataka Government has received a proposal to set up 57 mtpa of fresh steel production capacity with an investment of $55 billion.

Global majors such as Arcelor Mittal, Posco and Severstal have shown keen interest in the State.
Copper steady on euro strength

Reuters
London, Jan. 18
Copper steadied on Wednesday after hitting a 2-1/2 month high in the previous session, with caution about Europe's debt crisis prevailing ahead of Greek debt restructuring talks, although a stronger euro prevented metals from falling further.

Benchmark copper on the London Metal Exchange (LME) traded at $8,170 a tonne in official rings, from a close of $8,200 on Tuesday, when it also hit its highest level since late October at $8,262.

Copper prices fell by around 21 per cent last year, its first annual drop since 2008, as an uncertain global economic outlook raised fears about the metal's demand prospects. It is up 7.5 per cent so far this month.

Copper stocks in LME-registered warehouses continued to show a falling trend, dropping by 925 tonnes to a fresh 13-month low.

In other metals, aluminium traded at $2,215 in official rings, from a close of $2,227 a tonne on Tuesday.

Zinc, used in galvanising, was untraded in rings, but bid at $2,015 from a close of $2,001, while tin traded at $21,650 from $21,725.

Battery material lead was at $2,115.50 from $2,108 and stainless steel ingredient nickel traded at $19,520 from $19,525.
Protests force NMDC to cut production

Raipur: Local protesters have forced India's biggest iron ore miner, NMDC Ltd., to suspend production and shipments from Chhattisgarh which accounts for two-thirds of its 25 million tonnes (mt) annual output, a company official said on Wednesday.

NMDC's mines in the state produce about 40,000 tonnes of the ore, which is vital for the steel industry, every day.

"There is a total halt in iron ore transportation and mining as well," NMDC official S.P. Himanshu said.

Meanwhile, NMDC is actively looking to acquire mineral assets, such as iron ore, coal and phosphate in Australia, according to Legacy Iron, an Australia-based mining firm, in which NMDC acquired a 50% stake.

Developing of Mt Bevan ore project in Western Australia will be the initial target project of NMDC, to expand its resource base, Legacy said in a filing with ASX on Wednesday, after the board meeting.

"Nanda (NMDC chairman) confirmed NMDC is actively pursuing acquisitions of mineral assets iron ore, cooking/thermal coal and rock phosphate in Australia to secure future supplies of these critical
raw materials for India’s steel and fertiliser production and energy security,”
Legacy said. PTI