

More alumina cuts needed to ease expected supply glut this year

ALUMINUM Washington—Global alumina market players and analysts are in agreement: More alumina cuts are needed to ease the supply glut that is looming this year.

Alcoa announced April 5 it planned to reduce its annual alumina production capacity by around 390,000 mt — or 4% of Atlantic alumina capacity — to align alumina production with smelter curtailments it announced earlier this year and to reflect prevailing market conditions. And even with these cuts, the company said last week it was forecasting a global alumina surplus of 1 million mt for this year. Just three months ago, Alcoa expected a balanced alumina market for the year.

Alcoa spokeswoman Libby Archell told Platts that “we have seen the alumina market move into a surplus situation with

the announced smelter curtailments not being matched by a corresponding reduction in refining run rates.” She said the alumina cuts “will help address a portion of the oversupply.”

But it’s far from enough, according to analysts, and now many are speculating from whom and where the cuts will come. Alcoa said in its statement in late March, “We will continue to monitor market conditions and will take further action if warranted.”

Jorge Vazquez, managing director of the Aluminum Intelligence Unit for Harbor Commodity Research, told Platts he was expecting an approximate 1.5 million mt alumina surplus this year, reflecting the already-announced curtailment of about 600,000 mt/year of aluminum smelting capacity — in Canada, Europe, South America and South Africa.

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Asian silicon prices slip on slow European automotive demand

LIGHT METALS Singapore—Asian silicon metal prices for 553-grade material slipped last week on slowing demand from the automotive sector, especially in Europe, market participants said.

The Platts assessment for the Chinese silicon export market fell to \$2,250-2,300/mt FOB China April 12 from \$2,270-2,300/mt a week earlier because of sluggish demand, sources said. The Platts assessment for 553-grade silicon in Japan fell to \$2,280-2,320/mt CIF Japan from \$2,300-2,340/mt a week earlier.

Sellers had either reduced or maintained their offer

prices from late March, prior to the holidays for the Qing Ming festival in China from April 2-4. A Fujian-based producer reported selling 240 mt at \$2,280/mt CIF Japan, loading late April from Huangpu. The price was down around \$40/mt from late March. A Shanghai-based trader said his company was still offering at \$2,400/mt but conceded it was tough to do business offering at that level.

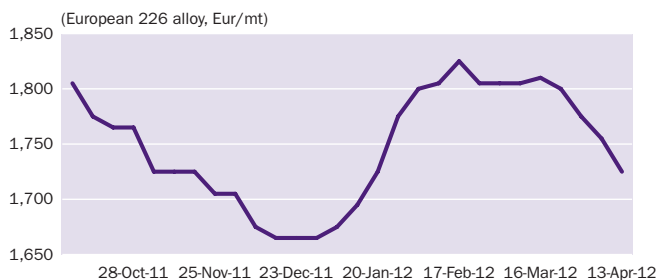
Deals and inquiries remained sparse last week, with sources mostly pegging prices in the \$2,250-2,300/mt range FOB China.

“Demand is lackluster in China and overseas. Production cuts in the country are not of much help as demand is poor due to global economic conditions,” a Shanghai trader said. Silicon metal producers in the country are estimated to be producing at an average of around 20-30% of their capacities.

Buyers were also said to be holding back as prices were expected to soften further with the start of the rainy season in

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European aluminum alloy down on slack demand



European aluminum alloy prices have fallen for the fourth straight week on slack demand and pressure from weaker secondary aluminum prices on the London Metal Exchange, market participants said. The Platts assessment for 226 alloy fell to Eur1,700-1,750/mt (\$2,223-2,288), delivered Germany, April 12 from \$1,730-1,780/mt a week earlier. Talk of ADC12 alloy sales out of European LME warehouses to Japan continued to circulate. With secondary aluminum trading at around \$2,010-2,020/mt (Eur1,526-1,534/mt) on the LME, traders have seized the arbitrage opportunity to sell into Asia, which has had a knock-on effect for demand for silicon in Asian aluminum alloys production.

Data Source: Platts

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COPPER

High copper inventories in China to hinder LME price rebound

Hong Kong—Reports of enormous copper inventories in mainland China widely circulated in Chinese media last week, as well as lackluster demand, may hinder any London Metal Exchange copper price rebound in the near term, industry analysts in China said last week.

In mid-March, some Chinese copper industry analysts said LME copper prices had a chance of rising to over \$9,000/mt during the second quarter of this year if Chinese domestic prices hit Yuan 70,000/mt (\$11,069/mt) in Q2. But others said the news of China's enormous copper stockpiles last week, as well as an anticipated weaker eurozone economy, might limit LME copper price rises in the near term.

Chinese media April 10 quoted joint-venture investment bank China International Capital Corp.'s estimate of China's current copper inventories at between 1.2 million and 1.3 million mt. The current figure is more than double the 600,000 mt or so for the same period last year.

Copper stocks stood at 221,827 mt in Shanghai Futures Exchange warehouses on April 13. At the end of 2011, SHFE copper stocks were below 100,000 mt.

Due to the high domestic copper stock levels, He Xiaohui, a commodity analyst with state-run metals consultancy Beijing Antaika, said he thought it unlikely the LME copper price would rebound to \$9,000/mt within the current quarter. "It may be that sometime in H2 the LME price could climb to \$9,000/mt," he said. Three-months copper closed in LME trade at \$8,004/mt on April 13.

In Liaoning province, a commodity analyst with the subsidiary of Tianfeng Securities said: "The high stockpiles news, as well as the saturated copper market, should have a negative impact on any LME price rebound." Industry analysts in China expect China's domestic copper inventories to stay high in the remainder of 2012 in light of poor demand from the downstream copper processing sector.

A copper trader based in southwestern China said: "The 1.3 million mt copper inventories are currently kept by traders, smelters and processing plants." She added, "An anticipated slowdown in China's GDP growth this year, plus the not-so-good copper demand by the downstream processing sector, means that domestic copper inventories will stay at high levels for the remainder of this year."

Chinese Premier Wen Jiabao said in March that the target GDP growth for 2012 would be 7.5%, below the 8.0% target in place since 2005. In Chongqing City, Lu Youzhong, a commodity analyst with China Securities Co., said: "Back in 2008, when the economy was better, the domestic copper inventory depletion process was relatively faster, but this year, the depletion process will be slower on the heels of the weaker economic outlook."

Metals Week price index

	Apr 12	Week Ago	Month Ago	Year ago
MW Base Metals	371.8	371.2	384.4	456.5
MW Precious Metals	422.1	419.9	441.1	476.6
MW Nonferrous Composite	391.9	390.7	407.1	464.5

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Both the CSC analyst and the southeastern copper trader said a lot of copper imports by China over the past few months came from enterprises importing copper as collateral to raise funds, rather than to meet real demand by the domestic downstream copper processing sector. China's copper imports totaled 462,182 mt in March, down 4.6% from February but up 51.9% from March 2011 levels, preliminary data released last week by the country's General Administration of Customs showed.

Beijing Antaika predicted China's copper consumption to grow by just 6.4% to 7.85 million mt in 2012. Last year, China's copper demand was 7.38 million mt, up 8.5% from 2010.

— Joshua Leung

China copper cathode buying interest weak, CFR premiums slip

Singapore—Chinese import trades of London Metal Exchange-registered brands of copper cathode on a CFR basis have remained thin amid an extreme lack of buying interest, industry sources said last week.

Import premiums were heard lower last week, with indications mostly heard around \$40-50/mt plus LME cash CIF China, compared with \$50-60/mt two weeks ago. Chinese markets were closed April 2-4 for the Tomb Sweeping Festival. Platts revised its weekly CFR China copper premium assessment to \$40-50/mt last week, from \$50-60/mt two weeks ago.

"Demand from the downstream industries has remained weak as most are not optimistic about the global outlook. At the same time, speculators are not buying as they will be making losses on the arbitrage between the LME and Chinese prices," a southwest China-based trader said.

A northern China-based analyst said: "There's a cautious mood due to the sharp fall in copper prices on the LME in view of the renewed concerns over European debt and weak economic data from China."

A European copper trader said last week there were rumors in the market of a seller of European-origin material in China at \$60/mt plus LME cash. A second trader said that this was unlikely, however, given a reported shortage of material in the eurozone and large stocks in China, coupled with lower demand.

"I am surprised to hear people selling at \$60," said a third trader. "I would guess it's a financing game. That would be the only reason to pay a higher premium, but you won't find a physical trader buying at that level."

The second trader said that he could pick up material in China at around \$35-45/mt, depending on grade.

Meanwhile, sources said Chinese domestic copper prices remained under pressure from high stock volumes in the country's warehouses. Copper stocks stood at 221,827 mt in Shanghai Futures Exchange warehouses April 13 and have

been holding firmly above 200,000 mt for the past seven weeks, SHFE data showed.

Spot Chinese domestic copper prices averaged Yuan 58,025/mt (\$9,207/mt) at the end of last week, down from above Yuan 59,000/mt in late March. The front-month April copper futures contract on the SHFE closed last week at Yuan 57,700/mt.

The Platts European premium assessment for Grade A copper in-warehouse Rotterdam eased last week to \$75-80/mt plus LME cash, from \$75-85/mt previously.

"I sold some at \$85, but put the figure more in the [lower] \$80s. Still, not much material is around so I imagine premiums will stay firm. Most physical traders are long the spreads so they won't deliver any premium warrants," said the third trader.

— Alvin Yee

US copper scrap spreads narrow, bar bright demand strong

Washington—Spreads for copper scrap narrowed modestly in the US last week as futures prices headed lower and demand for some scrap grades remained lackluster.

The Platts spread for No. 2 birch/cliff, the grade normally favored by Chinese mills and brokers, narrowed to July COMEX minus 39¢/lb, delivered FAS last week, from July COMEX minus 40¢ a week earlier. Spreads for copper scrap narrowed modestly last week as futures prices headed lower and demand for some scrap grades remained lackluster.

"The Chinese are just not buying; they just seem to have plenty of scrap," one broker/trader in the upper Midwest said, putting No. 2 spreads in the range of July COMEX minus 24-35¢ to account for direct delivery to China and delivery to domestic ports. An upper Midwest trader/recycler also said domestic spreads were in the July COMEX minus high-30s/low-40s range, but felt spreads were creeping closer to the mid-30s. Chinese mills and brokers were buying somewhat, but appeared to be taking a wait-and-see approach with respect to copper prices, he added. Though the premium of London Metal Exchange prices to Shanghai Futures Exchange prices has narrowed, it still remains unfavorable. "I think they're waiting for that more than anything," the trader/recycler said.

Another factor dampening activity in the No. 2 markets is that some scrap recycling yards and facilities do not want to sell after the market drops sharply over a short period of time, he added. By the middle of last week, COMEX copper futures had fallen nearly 4% from April 6's close, though the market rebounded somewhat by week's end.

"As we reach a new market level like we have over the past few days, that's when we see diminishing spreads. Over the last couple of days, people have come into the market because they see it as a buying opportunity, but five out of 10 scrap dealers don't want to sell because their inventories

are now overvalued, specifically on No. 2 copper,” the trader/recycler said. The Platts spread for No. 1 burnt wire/pipe and tubing remained unchanged at May COMEX minus 19¢, delivered Midwest. Nearly all sources contacted by Platts put No. 1 spreads at May COMEX minus 14-20¢.

A large trader/recycler in the Midwest said he would be offering in the May COMEX minus 19-20¢ range, though export spreads would be wider. But the upper Midwest second trader/recycler said he saw No. 1 spreads for domestic delivery at May COMEX minus 14-15¢, the lower end of the range. Spreads for high-grade bare bright scrap narrowed to May COMEX minus 3¢/lb, delivered Midwest, from May COMEX minus 5¢ the previous week. “Bare bright is already so tight it can’t get much tighter,” the upper Midwest broker/dealer said. Some domestic mills are paying May COMEX level for bare bright, though brokers were trying to buy at May COMEX minus 5-6¢, he said.

The source at the large Midwest trader/recycler agreed, saying he had been able to sell at tighter spreads to some specialty mills but was generally able to sell at May COMEX minus 3¢, delivered. Bare bright demand has increased over the past two weeks due to tighter cathode supplies and higher cathode premiums. Many wire mills can use bare bright as a substitute for, or complement to, higher-grade copper cathode. Many scrap traders and consumers are now pricing off the July COMEX copper contract, the next active month.

— Nick Jonson

Elsewhere in copper...

China copper scrap imports up: China’s copper scrap imports rose 10.3% year on year to 430,000 mt in March, preliminary data released last week by the country’s General Administration of Customs showed. The March figure was also up 4.6% from February imports. Over January-March, copper scrap imports stood at 1.1 million mt, up 6.4% year on year.

KCM’s 2011-2012 output down 8%: Zambia’s Konkola Copper Mines produced 200,000 mt of copper cathode in the 2011-2012 (April-March) fiscal year, up 8% year on year, majority owner Vedanta Resources said in its fiscal fourth-quarter and full-year report released last week. Copper cathode output in fiscal Q4 (January-March) was down 2% year on year at 47,000 mt. “This was due to lower volumes from custom smelting on account of lower availability of concentrate,” Vedanta said. Vedanta said the new 7.5 million mt/year Nchanga East concentrator and the second cobalt recovery furnace were commissioned during fiscal Q4 and were ramping up well. The new 300,000 mt/year Nchanga West concentrator is now expected to be commissioned in the first quarter of the 2012-2013 fiscal year. At the Konkola Deep Mining project, work is progressing on schedule and bottom shaft loading is expected to be completed by the third quarter of 2012-2013, the company said.

Tongling to lift output by 19%: China’s Tongling Nonferrous plans to produce 1.02 million mt of refined copper in 2012, up 19% from 854,400 mt in 2011, the producer based in Anhui province said in its annual report. The company also plans to produce 48,800 mt of copper concentrates in 2012, marginally higher than 48,500 mt in 2011, it said in the report. The company set its 2012 processed copper products target output at 141,800 mt, without providing 2011 volumes. The producer said it plans to lift its copper smelting capacity to 1.25 million mt/year by June this year, from the current 850,000 mt/year, without providing details. Tongling officials were not immediately available for comment. The company posted a 58% year-on-year jump in net profit to Yuan 1.432 billion (\$227 million) in 2011, attributing the rise to higher copper and gold prices last year.

Mopani awaits plant decision: Mopani Copper Mines is still waiting for a response to its appeal to the Zambia Environmental Agency concerning the closure early last month of its heap leach plant in Mufulira, a Zambian copper mining town, CEO Danny Callow said last week. When it appealed the closure, the company also outlined how it would deal with the acid fumes from the plant that prompted the shutdown by the environmental agency, he said. Nearby residents had complained that the plant caused acid mist in the area. ZEMA regional chief Patson Zulu said a decision would be made soon, but declined to give a date. “I cannot divulge what we have not yet discussed,” he said.

Pan Pacific output to rise 5%: Japan’s largest copper producer Pan Pacific Copper plans to produce 278,000 mt of copper cathode over April-September, up about 5% from 265,400 mt in the corresponding period a year ago, the company said. PPC estimates that 238,500 mt was produced during the previous six-month period over October 2011-March 2012: the final output figure is not yet available. Of the 278,000 mt output planned for April-September, 184,600 mt will be produced at the Saganoseki smelting-refining plant in western Japan and the Hitachi refining plant near Tokyo, and 93,300 mt at the Hibi Kyodo smelting-refining plant in western Japan, the company said.

PRECIOUS METALS

Gold eyes \$2,000/oz by year-end, may weaken nearby: GFMS

London—The prospects for gold prices remain bullish in the medium term, with a move toward the \$2,000/oz level still a definite possibility by the year’s end, but the market may be prone to some short-term weakness, according to the Thomson Reuters GFMS *Gold Survey 2012*, released last week.

Gold’s recent retreat to the low \$1,600s/oz level “came

as little surprise,” said Philip Klapwijk, global head of metals analytics at Thomson Reuters GFMS. “It’s quite possible we’ll see a push even lower, perhaps below \$1,550 in the next month or two,” he added.

Despite this, the consultancy remains bullish for the medium term.

“We could easily see last September’s record high being taken out, and a push on towards \$2,000 is definitely on the cards before the year is out, although a clear breach of that mark is arguably a more likely event for the first half of next year,” Klapwijk said. Gold reached an afternoon fix in London fixed of \$1,666.50/oz on April 13.

One of the main drivers of the anticipated strength in the market later this year is set to be the resumption of acute fears over eurozone debt, with Spain becoming the new principal area of concern, GFMS said. The US recovery should also begin to falter over the next few months, forcing the Federal Reserve to take additional monetary policy measures, while monetary easing is likely to spread to China, India and Brazil, the report added.

“A corollary of all this monetary largesse is fears about resurgent inflation, and that becomes all the more likely if oil prices motor higher should tensions get any worse between Iran and the US,” Klapwijk said.

Investment demand for gold dropped in 2011 in terms of tonnage but was up in terms of approximate value, the survey noted.

Low or negative real interest rates and shaky equity markets “lowered the opportunity cost of holding gold and burnished its safe-haven credentials,” GFMS said.

Despite that, total investment activity dipped in tonnage terms last year as selling centered on the futures and OTC markets outweighed a bumper year for physical investment, the report said. “Such buying, however, actually meant that, in approximate value terms, net world investment rose by a healthy 15% to a record of just over \$80 billion,” GFMS added.

Investors were also inspired by a turnaround in central bank activity as official sector purchases last year jumped to just over 450 mt, it noted, adding that the growth was mainly the result of a further year of “trivial” sales by signatories to the Central Bank Gold Agreement and heavy purchases elsewhere by those keen to diversify dollar reserves.

The upturn in central bank buying, which is also expected to lead to sizable acquisitions this year, was “perhaps the most obvious bright point on the fundamental side” in 2011, the survey said, though it noted that a modest 2% dip in jewelry fabrication demonstrated market resilience in the face of soaring prices.

“Gold was clearly dependent on emerging markets’ economic strength as China’s jewelry demand grew to a record level, while India’s fell by less than 3%,” Klapwijk said.

Heavy Western losses in jewelry fabrication were replicated in inverse by an upturn in those countries’ jewelry scrap, but scrap supply from traditionally price-sensitive areas fell, dragging down the global total by 3% overall, the report noted.

The fall in scrap supply all but offset a rise in gold mine output, which was up 3% in 2011 — the third successive year of gains, according to GFMS.

“It seems evident that the mining sector is deriving clear benefits from a decade of rising prices, as this has given us a healthy pipeline of new projects coming on stream, and high absolute prices, as that means several mature operations are staying productive for longer than would otherwise have been the case,” Klapwijk commented.

Producer hedging swung from a net dehedging of 108 mt in 2010 to a small positive last year, but GFMS suggested that this “does not represent a sea change in attitudes towards hedging,” being attributable to “ongoing project hedging and the small scale these days of the legacy position.”

— Andy Blamey

Hong Kong gold exports suggest upturn in prices: Commerzbank

Washington—The volume of gold exported from Hong Kong to mainland China suggests gold prices will resume their trend upward, German retail and investment bank Commerzbank said last week.

Gold exports to China totaled 39,663 kg in February, or about 39.7 mt, compared with 32,948 kg, or about 32.95 mt, in January, and 3,115 kg in February 2011, according to statistics from the Hong Kong Census and Statistics Department.

For the January-February 2012 period, gold exports from Hong Kong to China totaled 72,612 kg compared with 10,564 kg in the year-earlier period.

For all of 2011, Hong Kong exported 427,877 kg to China compared with 118,904 kg in 2010, the Census and Statistics Department said.

Since China does not publish similar figures, the Hong Kong data give an indication of Chinese demand for gold, Commerzbank said in a research note. Moreover, Hong Kong is de facto the gateway to China, lending the figures even greater weight.

“The high level of gold exports to China confirms just how strong demand by retail investors and the central bank is, which will use it to diversify its currency reserves,” Commerzbank said.

If the January-February momentum continues, Hong Kong gold exports to China will be even greater than last year’s 427,877 kg, it added.

According to the World Gold Council, China is likely to overtake India in 2012 as the world’s largest gold consumer, Commerzbank noted. China is currently the largest producer of gold and the second-largest consumer.

But precious metals analyst Suki Cooper of UK investment bank Barclays Capital noted separately that while gold trading volumes on the Shanghai Gold Exchange continue to improve,

they remain well below the highs of the year. Moreover, the February export levels were well below the record set last November of more than 100 mt, Cooper noted.

— Nick Jonson

Elsewhere in precious metals...

Price adjustments: Platts has made the following adjustments to its NY dealer PGM prices: platinum, \$1,580-1,630/oz; palladium, \$630-655/oz; and rhodium, \$1,300-1,375/oz.

AngloGold output down in Q1: AngloGold Ashanti produced about 980,000 oz of gold in the first quarter, below its February guidance of 1.03 million oz, because of safety-related mining halts, the South African company said last week. “In total, safety stoppages and the subsequent ramp-up associated with safely restarting ultra-deep mining areas, resulted in 76,000 oz of lost production in the three months ended March 31,” the company said in a statement. In its February guidance the company forecast total cash costs of \$820-\$835/oz, but said the lower output “is also likely to have a consequential impact on unit total cash costs, partially mitigated by weaker rand exchange rates.” The company and its joint-venture partners continue to closely monitor the situation in Mali, following last month’s military coup and the economic sanctions that were imposed until recently on the landlocked country by the Economic Community of West African States, AngloGold said. The company added that its three joint-venture operations in Mali — Morila, Yatela and Sadiola — have operated normally and the company continued to meet its fiscal obligations to the country’s exchequer over the period.

Tanzania to acquire 15% stake: Tanzania’s government has set in motion an effort to acquire 15% of the shares in all mining companies of a certain size operating in the country, William Ngeleja, minister for energy and minerals development, said last week. Ngeleja said that the policy was in line with Tanzania’s Mining Act 2010, which allows the government to own shares through its state mining companies. Tanzania has two state entities involved in mineral development — the State Mining Corp. (Stamico) and the National Development Corp. (NDC). “We want our country to maximize its benefits from mining,” Ngeleja said in an interview. “The government, through its institutions, will own 15% in all mining companies.” Ngeleja added that at this time, the government will focus only on companies that are medium-sized or larger. Gold is Tanzania’s top foreign-exchange earner. The metal fetched \$2.194 billion in the 12 months to November 2011 — the most-recent government data available — up from \$1.488 billion in the same period a year before, largely due to a rise in both prices and export volumes. Africa Barrick Gold, a unit of Canada’s Barrick Gold, is the biggest gold miner in the country, with four gold mines — North Mara, Bulyanhulu, Buzwegi and Taluwaka. The company plans to open a fifth mine, known

as Tusker. Other major gold mining companies operating in Tanzania include South Africa-based AngloGold Ashanti, which operates the Geita mine, and Australia-based Rolute, which owns the Golden Pride mine.

Rhodium dips on scant demand, illiquidity:

Rhodium prices continued to slip last week amid more offers from consumers, traders and producers and a lack of market liquidity stemming from several international holidays. The Platts New York Dealer rhodium price dipped to \$1,300-1,375/oz last week from \$1,300-1,400/oz the previous week. Some trade sources said rhodium appeared to have found a bottom, but others pointed to a lack of demand from the global automotive sector. “It looks like it’s trying to find a bottom here,” one PGMs refiner said. “But the flip side is that the consumption of it is still kind of slow. I’m not sure what they’re waiting for.” The automotive sector accounts for a much greater percentage of rhodium demand than platinum and palladium. But all three metals are used to make catalytic converters. A lack of market participants over the past week also affected rhodium prices, sources said. North American and European markets were closed around the Easter holiday, while Chinese traders were out several days for the Qing Ming Festival. “It was a very short week ... and it’s very, very volatile,” one PGMs trader said of the rhodium market. “At the end of the day, I don’t think there was a lot of liquidity, and that was the problem.” The trader added that rhodium had traded in small amounts, “but there is definitely more being offered than bid.”

ALUMINUM

More alumina cuts needed

...from page 1

And with 900,000 mt/year under consideration for curtailment in the Western World — and an additional 3.6 million mt of capacity at risk of being curtailed if aluminum prices do not rise — “there is an imbalance there” in the alumina market, said Vazquez.

With the 600,000 mt/year planned to be cut, that implies about 1.2 million mt of alumina that needs to be cut. “But only Alcoa has announced cuts so far,” said Vazquez. “Alumina capacity curtailments can go even bigger.” Those likely to make further aluminum smelting cuts, and resulting alumina refining cuts, are Rusal, RTA and Hydro.

Vazquez said the likely candidates for closure first are the high-cost refineries, such as those in Russia. “Rusal has the most expensive refineries for production costs,” he said. Also, Alcoa’s 1.5 million mt/year San Ciprian, Spain, refinery and RTA’s 1.5 million mt/year Vaudreuil refinery in Quebec could see some cuts. Those refineries, with production costs of \$376-383/mt, have costs above the spot alumina price.

Vazquez said that China is not a likely area for alumina refining cuts as the region is in an alumina deficit. “All the

surplus is in the rest of the world," he said.

However, another analyst, who asked to remain unnamed, pointed to China as the likely area to cut refining capacity. "It ought to come out of China," he said, noting that is where the highest-cost capacity lies due to the high cost of importing bauxite. China's locally mined bauxite is poor quality. "There are no cheap refineries in China at all," he said, adding that since alumina cannot be stored, cuts are likely to be announced soon.

Researcher Davenport said in a report last week that it expected the alumina market to be "essentially balanced" this year, reflecting the Alcoa cuts as well as other yet-to-be-announced cuts. However, just two weeks ago, in its quarterly report, Davenport said it expected the alumina market to be in a 1.9 million mt/year surplus.

Alcoa Chairman and CEO Klaus Kleinfeld described the expected 1 million mt surplus as "moderate" during Alcoa's earnings call April 10. Alcoa sees alumina supply and demand in China balanced at 41.2 million mt, while the rest of the world will see total supply at 55 million mt and demand at 54 million mt.

The alumina surplus continues to negatively impact the spot alumina price index, Kleinfeld said. The Platts FOB Australia alumina price assessment has fallen to \$318/mt from \$407 at this time last year.

"The alumina surplus is beginning to be a drag on spot alumina prices and that's got a lot to do with our announcing the curtailments," Chuck McLane, Alcoa's CFO, said during the call. But McLane told analysts that the planned curtailments to the company's alumina refining capacity would reduce production by about 100,000 mt in Q2, which should have a positive impact on alumina pricing and financial results.

Kleinfeld, when questioned by analysts last week, also alluded to possible further aluminum smelter curtailments in addition to the 500,000 mt/year Alcoa previously announced (see related story, also in *Aluminum*).

Meanwhile, Asian alumina market participants also called for more alumina refining cuts for margins to see a meaningful and sustainable recovery. "It's a good beginning, but I would think it's not enough," said a smelter source. The view was echoed by multiple consumer, trader and producer sources. The smelter source acknowledged that it was to be expected for these measures to be announced and rolled out in phases, as there are other issues to consider outside of margins economics, including the political impact of plant shutdowns, and government relationships.

Sources also said they would expect producers to consider margin-led production cuts a shared responsibility, and that there was likely pressure on other refiners such as RTA and Rusal to follow suit. Rusal announced March 30 that its ongoing cost-cutting program may include the closure of certain alumina assets.

In the shorter term, news of Alcoa's cutbacks gives the market some support, a trader said. "We do not

see structurally substantive support but rather producer optimism that the Alcoa cuts will be enough, and consumer pragmatism to buy a small amount in case the cuts are indeed enough," he said. "I think that the cuts are not enough in today's economic climate and that the floor is still substantively lower, probably \$280-290. But nevertheless, I still maintain the view that the year will end \$20-30/mt higher than where we are today. I believe we are experiencing a protracted dead cat bounce."

Yongan Futures analyst Shan Shan said the Alcoa cuts will have slight impact on overall aluminum markets, supporting prices in the longer term, which will narrow the price gap between the London Metal Exchange and China. "But it will take time to see the effect, at least one to two months," he said. "I have not seen any impact so far."

March data from the China National Bureau of Statistics showed China's January-February alumina output at 5.88 million mt, which was up 11.6% from a year ago. Output of aluminum in January-February totaled 3.01 million mt, up 15.8% from the year before.

Norsk Hydro could not comment on potential alumina production cuts as it was in a "silent period" prior to the release of its earnings, a spokesman said last week. Hydro last month postponed its planned Companhia de Alumina do Para's alumina refinery in Barcarena, Brazil, citing uncertainty over the global economy as well as the short- and medium-term aluminum supply/demand balance.

Hydro has also closed one aluminum potline at its 180,000 mt/year Kurri Kurri smelter in Australia.

RTA had not responded to queries as *Platts Metals Week* went to press.

— Tina Allagh, with Joanna Lim, Yuencheng Mok and Greg Smart

Alcoa results may show better-than-thought aluminum demand

Washington—Alcoa Chairman and CEO Klaus Kleinfeld cited strong pockets of physical demand and near-record regional aluminum premiums as factors in the company's stronger-than-expected quarter, in comments to analysts and media after the release of the company's first-quarter results on April 10.

Alcoa beat analysts' expectations for a first-quarter loss of 4¢/share and instead reported net attributable income of \$94 million, or 9¢/diluted share. Alcoa also beat analysts' expectations on revenues, reporting Q1 total sales of \$6 billion, up from \$5.99 billion in Q1 2011 and a similar level in Q4 2011.

"[The revenue is] in line with what they did a year ago, and if we look at the price of aluminum, aluminum prices are down 20% from what they were a year ago," noted Bridget Freas, Morningstar senior equity analyst, speaking to CNBC. "To keep that same revenue shows that demand and volumes of aluminum being shipped are actually improving."

Alcoa's Q1 2012 aluminum production rose to 951,000 mt from 904,000 mt in Q1 2011. Its third-party shipments were 771,000 mt in Q1 2012, up from 698,000 mt in Q1 2011. Alumina production was 4.15 million mt in Q1 2012, up slightly from 4.02 million mt in Q1 2011.

The Q1 income was down from \$308 million (27¢/share) a year earlier, but the company was helped by productivity improvements offsetting a fall in both realized average aluminum prices and spot alumina prices.

In an interview with CNBC, Kleinfeld said Alcoa was seeing "the physical demand for metal very strong" and said this was reflected in regional premiums, such as the US Midwest premium. The Platts US Midwest Aluminum Transaction premium hit a 26-year high on April 4 of 9.15¢/lb plus LME cash, which was sustained last week.

"The same is true in Europe and Asia — regional premiums are at an all-time high," Kleinfeld said. "This is being driven by physical demand, the need for production and manufacturing ... and people who see it as an asset class," he said.

Kleinfeld stopped short, however, of predicting smelter restarts or making any change to the company's January outlook for a 7% increase in 2012 global aluminum demand. Asked if Alcoa would bring any production back online, Kleinfeld said "no" and outlined the curtailments the company was still implementing: 531,000 mt/year in global aluminum smelting and 390,000 mt/year in alumina refining output, "all in process."

Further smelter cuts possible

Questioned by analysts on Alcoa's quarterly call, Kleinfeld also alluded to possible further smelter curtailments. "We continue to look at Henry Point in Australia, which is high on the cost curve, and our Brazil smelters, to potentially take capacity offline there," Kleinfeld said. While Alcoa is closing capacity that is high on the cost curve, it is also building out in places that are low on the cost curve, such as in Saudi Arabia.

Regionally, Alcoa has reduced by 1% its demand growth projections for China and Asia to 11% and 8%, respectively. Alcoa sees Europe with the only negative growth rate at minus 0.3%. North American demand is expected to grow 3%; Indian demand, 10%; and Brazil, 5%. The 2012 world growth rate excluding China remains at 4%.

Among the areas of demand strength Kleinfeld cited was aerospace, where he said Boeing and Airbus have a backlog of more than eight years, and Alcoa was increasing its global growth outlook for 2012 by 3 percentage points to 13-14%. Alcoa also sees strength in automotive, particularly in the US, where Kleinfeld said Alcoa has raised its 2012 growth outlook 2 percentage points to a rate of 7-12%.

"[US automotive] is almost back to pre-recession levels," he said.

Nevertheless, Alcoa reduced its outlook for the 2012 global aluminum deficit to 435,000 mt from a January forecast of 600,000 mt, and it now sees the global alumina market in a 1 million mt surplus this year. During the call, Kleinfeld said the company projected total supply of aluminum to be at 46.4

million mt and total demand at 46.835 million mt, with China accounting for 350,000 mt of the global deficit and the rest of the world nearly balanced with a deficit of 85,000 mt.

By end-use sector, aside from aerospace, Alcoa said global automotive demand for aluminum is expected to grow 3-7%; heavy truck/trailer 1-5% and beverage can/packaging demand 2-3%. Commercial building and construction remains, to no surprise, a laggard, with Alcoa projecting global growth of only 2.5-3.5% due to declines of 5% in North America and 8% in Europe, offset by growth of 7-8% in China.

Mixed, but not 'doomsday': CEO

Kleinfeld admitted in both the statement and in public comments that the economy still presents challenges. Asked by CNBC about the situation in Europe, Kleinfeld agreed it was "troubled," but he said that the focus on problems with individual countries or sectors tended to "miss the big picture" that there were ups and downs across sectors and countries.

He cited expectations for global GDP growth ranging from 2.5% to 3%, which is "actually not a bad number," driven by 2-2.5% growth in the US and 7.5-8% growth in China. "I think the picture is mixed, but it's certainly not a doomsday scenario," he said.

Morningstar's Freas noted that for Alcoa to have an outlook for 7% global aluminum growth, with zero growth in Europe, shows "there are enough sectors and enough geographies providing support."

The price of aluminum globally is being driven down because "liquid commodities have often become an element of everything getting traded these days, and very often are traded on the macroeconomics, and macroeconomics are volatile," Kleinfeld explained.

Freas acknowledged that many market observers look at the supply and demand balance for aluminum and the high inventories on the LME and think that creates an overhang.

"But I agree with Klaus that the global macroeconomic sentiment is driving the price of aluminum," Freas said. "For aluminum prices now to be 25% off of their peak last year, I don't really think the supply/demand balance is any worse than it was a year ago. I think really what we need is better economic sentiment, more clarity around where Europe is headed and the extent of a slowdown in China."

— Sarah Baltic and Karen McBeth,
with Anthony Poole in New York

US aluminum billet market heating up on reduced supply

Washington—The US aluminum billet market continued to heat up last week amid reduced supply, with the Platts spot billet upcharge rising to 10.5-12.5¢/lb plus P1020, delivered Midwest, and with some sellers pushing 13¢.

The Platts upcharge was 10.5-12¢ the previous week and started the year at 9.5-10.5¢.

Market sources said Alcoa's fire at its Massena West aluminum smelter in New York state in late March, which took out forging production, caused some forgings to displace billet production at Alcoa's majority-owned ABI smelter in Quebec, Canada. This comes on top of other displaced billet output for the same reason, due to the ongoing strike at RTA's Alma smelter also in Quebec.

However, some are speculating that this latest move up may not be sustained as some Middle Eastern billet is expected to hit the US soon.

A producer last week sold billet at 12.5¢, net cash, equating to 13¢ net-30-day payment. In late January, the producer sold at 10.5¢. "I guess with Alcoa's Massena West problem it seems some people who are caught short are scrambling for metal," he explained.

A trader sold two trucks of billet to an extruder at 14¢ and said he had heard the producers were not putting customers on allocation, "they are just not shipping. I have a lot of extruders coming to me because the producers are not shipping to them."

On the lower end of the market, a producer sold billet at 10.5¢. An extruder said he saw the billet market at 11¢ "plus or minus 1.5¢." He said he was unsure how much of an impact the Massena fire would have on billet supply. "I don't think it will make anything tighter, but you never know," he said.

The extruder said he was "trying to find out if there is any more offshore metal that could be making its way to North America. These billet premiums eventually will adjust, and market forces will make corrections." He added, "There will always be some metal that will chase the high market, no matter what the seller says. If there is a good attractive premium, they will find some way to get to that market. So if the Middle East guys are well committed, I'm convinced if the price is right we will have tons coming here."

Another extruder said billet was tight and getting tighter, but he had not been in the spot market. "We have contracts with all our suppliers," he explained.

A remelter said he was "busier than ever, as everyone is looking for billet." He heard that the Alcoa fire may take 20 million lb of billet out for a month or more. He said if he could make 50% more billet, "We could sell all of it. Demand for billet is really good."

A producer paid 12.5-12.75¢ for "a few million pounds" of 6061 billet — which normally commands a premium to 6063 billet. "People are calling me asking if I need anything," he said. "The market is tight, but I am able to get supplies."

He said as billet imports are expected in June from the Middle East, and with an expected slippage in demand, "this could ease upcharges by a penny or so. The summer tends to quiet down."

However, a remelter countered that "June is a long time from now. Boats can be diverted in mid-ocean if pricing is better elsewhere. I was the victim of that years ago. It will simply be in time as the market further heats up, but the market will remain tight for the next 18 months. That's as far as I look."

The remelter said that he was getting two or three

requests per week from contracted and non-contracted extruders looking for more metal. "That is down a couple from last month, so maybe people are finding metal, business has slowed slightly or they just don't call me because they know I have very little and the price is up there," the billet maker said. He was selling spot at 12-12.5¢, "but volume is very little compared to our contracted sales," he noted.

He added that there was a lot of discussion about the future of the Midwest billet market. "Producers are saying it has to go up given how difficult it is to get prime, and consumers are saying that it has no legs and is priced much higher than reality."

Another remelter said the big issue in the market is that "most suppliers are holding on to their capacity in order to ensure they can supply their contracted customers in case of a production delay." He said he had not heard about much activity in the spot billet market, because "I just don't think there is that much spot material available, but everything we hear and see supports the 12-13¢ range."

— Tina Allagh

Elsewhere in aluminum...

Novelis to close Quebec plant in August:

Novelis, looking to "right size" its production capacity in North America, plans to close its Saguenay Works facility in Canada in August, a company spokeswoman said last week. The plant, located in Jonquiere, Quebec, provides "internal supply to the company. It produces hot band aluminum coil that supplies our plants in Fairmont, West Virginia, and Terre Haute, Indiana," said Fiona Bell. Once the Quebec plant is shut, the two other plants will be supplied "from within the Novelis network," Bell said, without elaborating. In a statement, Philip Martens, Novelis president and CEO, said that while the long-term growth potential for the Atlanta-based company remains strong, "we must continue to optimize our footprint to more efficiently support our overall business objectives to drive profitable growth." The decision to shutter the plant resulted from a comprehensive review of Novelis' manufacturing operations in North America. "It was a difficult decision," Bell said, referring to the 157 jobs at Jonquiere that will be lost. The closing "has to do with ever-increasing logistics costs," she added. Bell said employees were notified about the closing on April 11. The Jonquiere facility opened in 1971 and was owned by Alcan before Novelis was spun off by Alcan, Bell said. Once the Jonquiere plant closes, Novelis will have three manufacturing plants in Canada.

China Yinhai projects 42% drop in output:

China's Guangxi Yinhai Aluminium smelter is expected to produce about 220,000 mt of primary metal in 2012 as it has no plans to restart the 50% of capacity it idled in September 2011 due to power shortages, a company source said last week. "It is unlikely that we can restart this year given the current weak market conditions. Aluminum prices are low and power supply remains a concern," the source said. "But there

are no plans to cut capacity further either, so we should be able to reach 220,000 mt this year," he added. An output of 220,000 mt would represent a decline of about 42% from the 370,000-380,000 mt the company had in 2011. Guangxi Yin Hai operates two smelters in South China with a combined primary aluminum smelting capacity of 450,000 mt/year. It cut back about 50% of total capacity from September 2011, after receiving official government notice of power cuts in the region.

India's Nalco to sell 30,000 mt of alumina:

India's Nalco last week issued a tender to sell a 30,000 mt parcel of alumina for shipment between May 18 and May 22 from Visakhapatnam, a company source said. Bids are to be submitted by April 18 with validity until April 20. Nalco's previous alumina tender was awarded March 7 to Trafigura at \$322/mt FOB Visakhapatnam for shipment in late March.

Japan March port stocks down from Feb:

Japan's stocks of primary aluminum products stored at three main port warehouses stood at 245,100-247,100 mt at the end of March, down from 264,500-266,600 mt at the end of February, but were still above 213,200-219,000 mt seen a year ago, local trade sources said last week. According to a survey by trading house Marubeni, stocks were 245,100 mt at the end of March, down from 264,500 mt a month earlier. But they were higher than 201,200 mt at the end of March last year. A survey by another Japanese trading house found the end-March stocks to be 247,100 mt, down from 266,600 mt a month earlier, but up from 203,200 mt a year ago. Several traders said the end-March stocks may have been higher as one vessel from Australia carrying 10,000-20,000 mt of February shipments and expected in end-March had arrived last week in Yokohama. The standard port stocks level at Yokohama, Nagoya and Osaka warehouses combined, is 200,000 mt, according to industry sources. While some sources said the 245,100-247,100 mt stocks figures made them feel reassured the country had enough supplies, some local traders warned it was not easy to buy the metal. Trading houses want to save their supplies for their long-term customers and have not been keen to sell to spot buyers, they said. Spot supply availability has tightened, to the point that some local traders were asking end users if they could buy back the metal previously sold to them, sources said.

Wheel maker Accuride doubles capacity:

US aluminum wheel maker Accuride announced last week plans to expand its aluminum wheel production capacity at its Kershaw County plant in Camden, South Carolina. The company said it would invest at least \$8.73 million to build two new machine lines as part of the expansion. "This investment doubles our capacity at the Camden facility," a spokeswoman from Accuride said last week. The added lines are part of the \$75 million investment the company previously announced it was making to strengthen product availability and upgrade its manufacturing process in 2012. Accuride said in January it was aggres-

sively expanding production capacity to meet the growing aluminum demand in North America. The previously announced production expansions at the Monterrey, Mexico, plant, which will double aluminum wheel capacity there as well, are on track for a 2012 completion. The 2011 acquisition of the Camden plant increased Accuride's aluminum capacity of wheels by 21%, the spokeswoman said, but she did not disclose actual capacity figures.

Romania's Alum invites bids for alumina:

Romania's Alum has invited bids for the sale of 10,000-15,000 mt of alumina for shipment between May and July from Tulcea in 5,000 mt lots, a document seen by Platts indicated. Interested buyers were invited to submit by April 13 fixed-price bids, or a formula price based on a percentage of London Metal Exchange aluminum cash and three-months values. The sale is to be settled on an FOB Tulcea basis, and consignments packed in bags holding 1,000 mt each. The Alum alumina refinery in Tulcea can produce 600,000 mt/year and is part of the Netherlands' Vimetco group.

Rusal alumina plant occupied in Guinea:

Russia's foreign ministry last week urged the authorities in Guinea to intervene in what it said was the occupation by militants of Rusal's alumina plant there which was seriously disrupting operations. The plant had been occupied for the past week, it said in a statement on its website. "The plant has been de facto occupied by extremist syndicalists. There is a threat to safety of the Russian employees. The property owned by the company [Rusal] is being stolen. The manufacturing process is being seriously disturbed," the ministry said. "Respective requests from the Russian embassy in Guinea and the administration of the company to the Guinean authorities have not yet brought any results," it added. Rusal said last week that efforts were being made to end the incident as soon as possible. The refinery can produce 640,000 mt/year of alumina, nearly all of which is exported to Russia. The plant has been hit by industrial action several times in the last year.

Novelis to build sheet plant for auto sector:

Global aluminum rolled products manufacturer Novelis said last week it has signed an agreement with the Changzhou National Hi-Tech District to build the company's first automotive sheet manufacturing facility in China. Novelis will be the sole owner of the \$100-million plant, to be built in Changzhou city in Jiangsu province, which will have a capacity of 120,000 mt/year and is expected to be commissioned in late 2014, the company said in a statement. The company plans to ship rolled aluminum coils manufactured at its South Korean operations to the new facility for heat treatment and finishing before delivery to automotive customers in China and for export. Novelis expects demand for aluminum in the global automotive sector to grow at a compound annual rate of 25% over the next five years as automakers look for ways to make vehicles more fuel efficient. The company said its move into China will make

it the only aluminum sheet supplier able to serve automotive customers in all major markets. Novelis is a subsidiary of Hindalco Industries, one of Asia's largest integrated producers of aluminum and a major copper producer.

Future of Century smelter still unknown: A meeting is expected to take place in a few weeks to discuss the future of Century Aluminum's 244,000 mt/year smelter in Hawesville, Kentucky, after reports that rising power costs have left the plant on the brink of closure. Its power supplier, Big Rivers Electric, recently hit the smelter with a rate hike that pushed its electricity costs to more than \$48/MWh. With another rate hike looming the smelter's power costs would exceed \$50/MWh. At more than \$52/MWh, Century's 224,000 mt/year Mt. Holly smelter in South Carolina boasts the highest power costs in the US, with the average cost last year being \$37.57/MWh. A source said Hawesville's power costs are very worrisome to the California-based company and Big Rivers' pollution-control project "might push them over" the edge, resulting in a smelter shutdown. Another source, with the United Steelworkers, which represents more than 500 hourly workers at Hawesville, said the union has not heard "anything specific" about a possible plant closing and that all parties plan to meet soon to try to determine the smelter's future. Uncertainty over Hawesville comes as Century continues to pursue a restart of its long-idled, 170,000 mt/year smelter in Ravenswood, West Virginia. The company is attempting to negotiate a favorable power contract with Ravenswood's supplier, Appalachian Power. An official with Century did not return several phone calls seeking comment.

BHP alumina imports steady to S Africa:

BHP has been taking delivery of normal volumes of alumina in South Africa in the past month, despite recent media reports of frozen potlines at its Hillside aluminum smelter, industry sources said last week. A number of BHP's metal customers also said their consignments from SA have not been downsized. A freight source said two ships were scheduled to load standard-sized alumina cargoes within the next week from Australia's Bunbury port to Richards Bay. Shipping records indicate that Richards Bay took delivery of at least 139,000 mt of alumina in March and 175,000 mt in February. BHP's two smelters in South Africa can produce 790,000 mt/year using alumina from Worsley Alumina in Western Australia. Of this, Hillside has a capacity of 700,000 mt/year. BHP declined to comment.

Still no contract post-strike at Nichols: No contract agreement was reached in an April 11 meeting between Nichols Aluminum and the Teamsters union over an ongoing dispute at the company's casting and coil-coating plants in Davenport, Iowa, company president Tom Brackmann said last week. The two sides have agreed to talk again on April 30. On April 6, the union ended a 77-day strike at the Davenport facilities after Nichols gave permanent jobs to

more than 100 replacement workers. Brackmann said last week's talks also included an update on the status of workers' positions. The company told the union that employees could return to work for the openings that were not already filled by the permanent replacements. "The other workers are on a preferential hire list and will be given the opportunity to come back as there are openings," Brackmann said. He said the union workers who still had positions came back to work yesterday and today under the old conditions set forth by the last contract, which expired November 15. Negotiations have centered on employee health care, a matter that Brackmann previously said the company had given its "last, best and final economic offer." Brackmann would not comment on exact production levels, saying only it was the company's "expectation" that output was back up to pre-strike levels. Earlier in the week the Teamsters filed unfair labor practice charges against Nichols with the US National Labor Relations Board. A representative for the union could not be reached for immediate comment.

CME to launch US Al swap futures contract:

CME Group is to launch a swap futures contract based on the daily Platts US aluminum transaction premium to begin trading on April 30, CME Group said April 11. The contract will trade on the floor and be cleared through CME ClearPort and listed by and subject to the rules of COMEX, CME said in a statement. "Increasing industrial demand from Asia and growing competition for resources have led to increased price volatility in some raw materials, like aluminum," Harriet Hunnoble, CME's group managing director for metals, said in the statement. "This new innovative aluminum swap futures contract will enable commercial market participants in North America to better manage their price risk on an average basis throughout the month."

LIGHT METALS

Asian silicon prices slip

...from page 1

south China, usually around May. Hydropower costs typically fall during this period.

Japanese traders said some Chinese suppliers have reduced offers due to less interest from European traders, because of reduced demand in the automotive sector.

February new passenger car registrations in the European Union were down 9.7% year on year to 888,878 units, according to the European Automobile Manufacturers' Association. Car sales in China fell too, by 3.4% year on year, to 4.79 million units in the first three months of the year, the China Association of Automobile Manufacturers said.

A Japanese trader said that a producer with its own hydropower generation unit was producing at 60% of capacity but was worried about the weak European car sales

and slowing car demand in China. "Chinese sellers were complaining that inquiries from Europe had stopped. And they are concerned about Chinese economic growth slowing down," said the trader.

Silicon metal demand in Japan is expected to stay stable for April-June, said trade and consumer sources. But Japanese buyers showed no buying interest last week, because they were expecting Chinese export prices to fall further during the upcoming rainy season after May.

Output of ADC12 aluminum alloy in Japan containing 11-12% silicon is expected to remain stable at around 40,000 mt/month for April-June, said the sources. "So far, the outlook for one Japanese automaker [making around 8,000 passenger vehicles/day] for April-September is continued stability, although there are worries about the global economy," said the trader.

— Vivian Teo, with Mayumi Watanabe in Tokyo

Chinese magnesium sellers continue to seek export price rise

Singapore—Chinese magnesium export offers continued to show an uptick last week even as both Chinese sellers and Western trader buyers reported lackluster demand. Chinese market players cited higher production costs and tighter supply in China.

The gradual price increase followed a move in late March by producers in Shaanxi to coordinate a price increase. The effort has met with limited success in the export market but had more of an impact in the Chinese domestic market.

"We [producers in Shaanxi] had a meeting at end-March and decided to set a single, unified domestic price in Shaanxi," said a northwest China based market source. "It was not well received, but then demand picked up gradually on tight supply, thereby lifting prices." He had heard offers at Yuan 17,000/mt (\$2,697) ex-works in Shaanxi currently, up about Yuan 700/mt from three weeks ago.

He added that prices in Shanxi and Ningxia are Yuan 300-500/mt higher than that in Shaanxi.

Western traders started hearing of the planned price push in early March, but they were skeptical how successful it would be given light spot demand. "They raised prices in Shaanxi, Fugu county, where they have the sharpest cost of production structure — 10-15 producers got together and realized they could set the price in China," a trader said. "But there is no demand in China or here [in the West]. How can you raise prices when there is no demand?"

A north China-based trader, who had not sold anything last week, was optimistic about a pickup in demand in the next few weeks. "Those who need to use [magnesium ingot] will soon realize that they will have to pay more as supply is quite tight due to lower stockpiles in the country. Many magnesium producers have stopped production due to the prolonged

weakness in demand," the trader added.

Chinese sources reported offers last week on 99.8%-pure magnesium at \$3,000-3,050/mt FOB China, compared with around \$3,000/mt two weeks ago. China was closed April 2-4 for the Qing Ming or tomb sweeping holidays.

"Offers have gone up mainly due to higher raw material and labor costs, while overseas demand has remained weak," said a north China-based analyst. A south central China-based trader said: "The price of ferrosilicon [a feedstock] has gone up on tighter supply, improved domestic demand and high production costs."

Chinese domestic prices of ferrosilicon were around Yuan 6,500-6,700/mt (\$1,030-1,061/mt) ex-factory with VAT late last week, up about Yuan 100-200/mt from the previous week.

Three Western traders agreed that Chinese magnesium export offers were up slightly, reporting FOB China prices for 99.8%-pure magnesium at \$3,050/mt and a range in Rotterdam prices from around \$3,080-3,100/mt on a CIF basis to \$3,170-3,200 in warehouse. Russian magnesium prices were still seen at a premium of several hundred dollars over Chinese.

Platts assessed the magnesium ingot (minimum 99.8%) price at \$3,000-3,050/mt FOB China last week, up from \$2,980-3,010/mt when previously assessed on March 27. The magnesium diecast alloy assessment rose to \$3,280-3,340 FOB China, up from \$3,200-3,300/mt two weeks ago. The European free market magnesium assessment edged up to \$3,100-3,200/mt in-warehouse Rotterdam from \$3,070-3,200.

— Alvin Yee, with Karen McBeth in Washington

Elsewhere in light metals...

Talison sees lithium record: Talison Lithium produced a record 93,563 mt of lithium concentrate, or around 14,000 mt of lithium carbonate equivalent, in the three-month period that ended March 31, the Australian company said last week. Output for the period — the third quarter of the company's fiscal 2012, was up 6% from Q3 fiscal 2011. Talison sold 111,896 mt of lithium concentrate (around 16,600 mt lithium carbonate equivalent) during the quarter, up 15% from the prior year. The company said it expects to sell about 350,000-360,000 mt of lithium concentrate for the full year ending June 30, which is in line with earlier expectations. The expansion at Talison's Greenbushes Lithium Operations continues to proceed on schedule and on budget, the company said. The expansion will double Talison's current production capacity to around 740,000 mt/year of lithium concentrate (around 110,000 mt/year lithium carbonate equivalent). The expansion is now in the final stages of construction, and will then move into the commissioning phase, Talison said, adding that production will be shut for around two weeks during May to link the existing production circuits to the new expanded circuits.

Ukraine's Feb titanium concs exports dip:

Ukraine's titanium concentrate exports fell by 22.2% year on year to 12,020 mt in February from 15,440 mt in February 2011, but they were up from 10,840 mt in January, a government official said last week, citing a preliminary statistics report. Revenues from the exports of titanium concentrate rose to \$5.5 million from \$4.3 million a year ago and were up from \$3.3 million a month earlier. In 2011, Ukraine's exports of titanium concentrate decreased 28.7% to 202,270 mt worth \$56.3 million, down from 283,570 mt worth \$60.1 million exported in 2010.

LEAD & ZINC

US zinc deals in 2013 at 'substantially higher premiums': producer

Washington—Talk of tight supply — largely because of warehouse financing deals — still abounds in the US zinc market, despite still-stagnant demand from consumers, market participants said last week.

And zinc producers say they are taking that trend into account and erring on the high side when quoting premiums for 2013 contracts.

"We've already sold a little bit of [special high grade] for next year at substantially higher premiums," a producer said last week. For example, he said a customer — who paid above the current spot premium of 7¢ plus LME cash in his 2012 contract — locked in material for 2013 at a premium above 8¢, largely because of projected freight costs.

"With all of these warehousing deals and interest rates staying low, the general consensus is premiums aren't going down ... so the only possibility is they're going to go up or stay the same," he said. "In a case where a customer wants to lock in 90¢ zinc to protect himself against zinc that could be over \$1 next year, he's not going to argue too much over paying a somewhat higher premium — that's his decision to make."

A zinc trader agreed that tight supply related to warehouse deals is indeed setting the stage for a substantial premium jump in 2013, provided the missing element — robust demand — kicks in. "If things did pick up in any appreciable way, premiums would go up 3 or 4¢," he said, "but the only place you could get metal would be the LME warehouse, and you can't get metal out of [the Detroit warehouses] because the aluminum blockade there continues."

He was referring to wait times to get aluminum out of Detroit warehouses which extend out to February. That leaves New Orleans, the trader said, adding, "The freight would be ridiculous to ship from New Orleans up to the Midwest."

But hypotheticals aside, the producer said 7¢ remains the line in the sand in the current SHG spot market. "We haven't sold anything below 7¢, and that's the lowest end of our

premium range; we sell as high as 9¢."

Although at least one alloyer buyer last week reported recent deals on SHG "closer to 6¢," the producer responded, "We heard that, at the end of February, one producer ... did a one-off sale below 7¢ to an alloyer, but it was a one-off situation and it was made very clear that that's what it was. [The producer] was getting rid of material for the end of the quarter; it was not a deterioration in the overall premiums."

A number of SHG market players, such as traders and alloyers, last week confirmed 7¢ as the going spot rate for the material, with some deals as high as 8¢.

In the Alloy No. 3 market, sources continued to quote the material in a steady range of 16-18.5¢. An alloyer told Platts he sold a few truckload quantities last week at premiums of 16-17¢, but added the 16¢ deals were mostly done to "beat the competition."

But another alloyer said 17¢ is his current bottom line and that he is regularly selling material in a range of 18-18.5¢. The Platts price assessment for SHG was steady last week at 7.25¢ plus LME cash, while the price assessment for Alloy No. 3 remained at 17¢ plus LME cash.

— Laura Gilcrest

Elsewhere in lead & zinc...

Scant spot lead to fill Doe Run gap: A few weeks into the shutdown of lead producer Doe Run's Herculanum, Missouri, smelter, market sources continue to believe the closure could push premiums about 2¢ higher on the high-purity, 99.99%, or Four Nines, lead the plant produces and on other lead products. But some producers said the premium increase won't really matter given that they have little spot material of any grade available for sale. A fire temporarily sidelined the Doe Run plant March 20. A lead producer said that while the temporary supply tightness would normally present an opportunity to tack on another 2¢ or more to his premium on Four Nines and other grades of lead, "There's very little we can do about it now because there's a limited amount of Four Nines around. There's a limited amount of production, so you can't take advantage of a [higher] premium and ignore your existing customers." The producer put the current premium on Four Nines at about 7¢ plus LME cash. He also predicted Doe Run's Herculanum smelter would be back online by the end of April. A lead trader said he saw some effects last week from the Doe Run shutdown, but not enough to have a significant market impact. "We're still getting calls from people looking for high-purity lead or the next best thing," he said. "I think it has had a little bit of a rub-off effect on corroding-grade lead, as far as increasing the premiums." A secondary producer said he wouldn't sell anything today on the spot market unless he got 11-12¢. But he added that he thought most consumers are adequately supplied for now. Another producer, who said he doesn't offer Four Nines, estimated current premiums on the material at "10¢ plus." But most sources said they believe rising pre-

miums on all lead products are largely the result of sharply higher costs for used lead batteries, their raw material, rather than the Doe Run closure.

Glencore, Xstrata merger advances: Zinc players Glencore International and Xstrata “are currently engaged in constructive discussions with the regulatory authorities which require antitrust filings to be submitted” in connection with their proposed merger, including the European Commission, Glencore said last week. The companies continue to expect to receive all relevant approvals to enable completion of the merger in the third quarter of 2012, as previously announced, Glencore added. Documentation relating to the merger is now anticipated to be distributed to each company’s shareholders by the end of May instead of in April as originally announced in February. “Respective shareholder meetings to approve the merger are expected to be convened in early July,” Glencore said, adding that the UK Panel on Takeovers and Mergers has given its consent to these arrangements. In February, Switzerland-based global commodities trader and mining company Glencore and Switzerland-based miner Xstrata announced that they had agreed the terms for an all-share merger that will create a natural resources group with a market value of \$90 billion. European steelmakers’ federation Eurofer expressed concern about the merged company’s position in zinc and ferrochrome. Xstrata/Glencore will be the largest single global producer of zinc, with a production capacity of 1.54 million mt/year, and of ferrochrome, with a production capacity of 1.28 million mt/year. The company will be the fourth largest nickel producer, with a mined output of 89,000 mt/year.

Vedanta’s Q4 lead output soars 110%: Indian zinc-lead producer Vedanta Resources said last week its production of refined lead shot 110% higher to a record 37,000 mt in its fiscal fourth quarter ended March 31, an increase the company attributed to the ramp-up of its new 100,000 mt/year Dariba lead smelter in the Indian state of Rajasthan. Vedanta said the plant contributed 18,000 mt to its quarterly lead output. In contrast, the company said its production of refined zinc production was marginally lower at 190,000 mt in Q4, but 6% higher for the year ended March 31 at 759,000 mt. The company said its lower Q4 zinc production was due to its taking a costly zinc smelter out of service. “With the Rajasthan smelters fully ramped up and operating at high efficiencies, during the quarter it was decided to ramp down the 35-year old Vizag zinc smelter, which had a relatively higher cost and contributed 28,000 mt of refined zinc production during the full year,” Vedanta said. The company said its mined zinc-lead metal output totaled 223,000 mt in Q4, a 7% rise over the previous quarter. Vedanta said it ramped up its Sindesar Khurd mine to 80% capacity in Q4 and that the mine will deliver near-capacity volumes in fiscal 2012-2013. For the fiscal year ending March 31, Vedanta said its mined zinc-lead metal production was marginally lower at 830,000 mt, but forecast

“slightly higher” mined output for fiscal 2012-2013. Vedanta’s ex-India production of zinc-lead metal in concentrate and zinc metal totaled 106,000 mt.

US used lead batteries at 41-43¢: Sustained high prices for used lead automotive batteries in the US are hitting margins for battery consumers because of the price of raw materials, sources said. Market sources quoted a range of 41-43¢/lb for 50% lead, starter-lighter-ignition automotive batteries, picked up, up from 32-33¢ at the beginning of the year. “Those companies that are selling lead at a slight premium over the LME aren’t going to be around long because this market on scrap will be here at least through the remainder of this year,” a battery buyer said. “There’s just too much capacity in the marketplace.” Some market sources said used lead batteries are being quoted as high as 44¢, picked up, but the buyer was skeptical. He told Platts his company has been bidding to pay 43¢ and “[sellers] will book five loads, so we know 44’s not out there.” Another battery buyer said: “There are still very high prices out there. I think the generic, picked-up price is around 41-42¢.” While the temporary closure of Doe Run’s Herculaneum, Missouri, smelter, due to a March 20 fire, has created a supply void that competitors might take advantage of to boost their sales, some sources said the high cost of used lead batteries means it might not be worth their while. “There are opportunities, but it doesn’t make sense when you look at the overall costs to produce some incremental tons, and the cost of scrap,” a lead industry source said.

STEEL & FERROALLOYS

US low-carbon ferrochrome prices up on tight supplies: trade

New York—Low-carbon ferrochrome prices in the US moved up last week on tight supplies, upward pressure in high-carbon ferrochrome prices and consumer purchasing, ending a sustained period of stagnation, market participants said.

The Platts assessment for 68% Cr, 0.10% C ferrochrome rose to \$2.18-2.22/lb in-warehouse major US hubs April 11 from \$2.10-2.13/lb a week earlier.

There were unconfirmed reports that a producer had sold a truckload of 0.10% material to a consumer at \$2.25/lb in-warehouse Baltimore, while a consumer reported buying a truckload at \$2.22 delivered, with 2¢ of freight involved.

“Given the way high-carbon ferrochrome prices have gone this year, which are up about 10%, I’m surprised that low-carbon prices haven’t gone up sooner,” the buyer said. “There was a time when the two prices more or less moved in tandem.”

A producer attributed the sudden price increase to the upward pressure in high-carbon prices: “You’ve got the capacity cuts on charge chrome in South Africa, which are

substantial, and you had a 20¢ increase in the second-quarter negotiated benchmark, and the producers have got to the point where they're saying if low-carbon prices don't move, then they're not going to ship material to the US."

Low-carbon producers typically look for a \$1/lb premium on 0.10% C ferrochrome over high-carbon ferrochrome. "If there's anything less than that for a sustained period, then the producer has no incentive to produce the low-carbon, because he can get a better return on making and selling high-carbon ferrochrome," said a second producer.

A trader also pointed to a large price discrepancy between US and European pricing, with the European market trading at a premium. "With such a big premium in Europe, there's no incentive to bring material into the US right now," the trader said.

Low-carbon 0.10% C ferrochrome prices are seeing levels of 2-3¢/lb more in Europe, market participants said. "By the time you factor in ocean freight, there's definitely no incentive to move material to the US, when we can get a much better return in Europe," said the first producer.

Last week Xstrata-Merafe confirmed that the benchmark Q2 charge chrome price would be rising 20¢ compared with Q1 to \$1.35/lb. According to traders, factoring in the typical discounts that consumers receive from the benchmark, several European mills would find themselves paying between \$1.18-1.22/lb for charge chrome in Q2.

Xstrata-Merafe, Samancor Chrome, Ruukki and Assmang have all announced charge chrome capacity cuts this year, with around 30-35% of total capacity having been taken offline by producers who have agreed to sell the saved electricity back to the South African power grid, instead. According to some estimates, South African producers have taken around 40% of charge chrome capacity offline so far this year.

The Platts high-carbon 65% Cr ferrochrome assessment rose to \$1.18-1.22/lb, in-warehouse basis, last week from \$1.17-1.19/lb the previous week.

— Anthony Poole

Cobalt prices rise on consumer demand, short covering: trade

New York—Cobalt prices on both sides of the Atlantic edged higher last week on consumer business and some traders covering short positions, market sources said.

The Platts assessment for high-grade, 99.8% Co cobalt cathode rose to \$15.00-15.75/lb delivered, duty-paid US April 12 from \$14.80-15.75/lb a week earlier. The Platts assessment for the same grade in Europe rose to \$15.00-15.60/lb DDP from \$14.75-15.50. The Platts assessment for Russian K1A and K1Ay ingot rose to \$14.80-15.20/lb DDP US from \$14.20-15.00 a week earlier.

In Europe and the US, small parcels of Falconbridge brand cobalt were heard in a range of \$15.60-15.75/lb. Offers in the US were seen at the \$16.00/lb level, sources said.

Transactions in other high-grade brands, including Sumitomo and Jinchuan, were seen in a range of \$15.00-15.50/lb

A US consumer said he had bought 4 mt of Falconbridge cobalt for delivery in the last full week of April and paid \$15.70/lb DDP. The buyer said that the offers against his inquiry were in a limited range of \$15.70-16.05/lb.

The buyer said he was surprised at how quickly the market had recovered, having been under downward pressure in March. "I guess it's a factor of the market having been pushed down so heavily in March, although high-grade prices held up better, but we're up over a dollar since late March," he said.

A producer source said that the aerospace sector was seeing strong demand in cobalt. "The aerospace sector is very buoyant and has been all year. If you look at the production figures in passenger aircraft, they're up in the first quarter, and the demand for cobalt in aircraft engines has been driven by this," the source said.

He added that demand in the battery sector in China and Japan had also recovered after being down in the first quarter.

Subscriber Note

Platts to consolidate molybdenum assessments

Platts proposes several changes to its molybdenum price assessments to complete the price evolution that was begun in consultation with the industry last year. Platts intends to discontinue the Molybdenum Oxide Transaction assessment, effective July 2, 2012. Platts began soliciting feedback on a possible discontinuation of this assessment in November 2011.

Also effective July 2, Platts is proposing to adjust the methodology for the Weekly Molybdenum Dealer Oxide assessment so that the Weekly Dealer Oxide price reflects the weekly average of the Daily Dealer Oxide assessment.

Platts proposes to change the methodology on the Weekly Dealer Oxide assessment so that it is published on Fridays, expressed as a single value that is an average of the Daily Dealer Oxide assessment for the five days of the week. The assessment will continue to encompass dealer-to-consumer, producer-to-dealer, dealer-to-dealer and producer-to-consumer spot business in-warehouse European ports, delivered US and CIF Japan main ports, CIF South Korean ports and CIF Nhava Sheva/Mumbai, India.

Platts will continue to publish monthly averages of the Dealer Oxide assessment that reflect both the mean/midpoint as well as the average of the low end of the daily assessment ranges.

Platts will hold a forum at its London offices to solicit feedback on the proposed changes, as well as other issues relating to the molybdenum assessment processes, on March 13 at 14:30 GMT, 20 Canada Square, Canary Wharf, London E14 5LH.

Feedback or questions may also be submitted by March 16 to: Andy Blamey, andy_blamey@platts.com; Anthony Poole, Anthony_Poole@platts.com; Mayumi Watanabe, Mayumi_watanabe@platts.com or Jitendra Gill, Jitendra_Gill@platts.com, with a cc to Francis Browne francis_browne@platts.com and pricegroup@platts.com

“The battery sector is a bit more fickle, and I think that once cobalt prices got down towards \$13 for the lower grades, it prompted the Chinese back into the market to buy,” the producer said. “Everyone was worried that the Chinese had excessive inventories of raw materials and didn’t expect them to come back into the market too soon, but that raw material is high-priced material and metal prices in the low \$13s mean it makes more sense for the Chinese chemicals and battery sector to buy metal.”

Several sources suggested that the swift recovery in prices since late March was also affected by traders covering shorts. “There were some that shorted the market towards the end of March and they’ve been struggling to cover those shorts, and some of them are probably looking at losses,” a trader said.

The trader source also said that there were several traders in Europe who needed cash for end-quarter accounting and were “forced to liquidate their positions.” He said some other traders took advantage of this and were able to price metal in on formulas, based on the lower prices.

However, several sources said they expected any further gains in cobalt prices to be more incremental. “I think the market has got over the initial snap-back in prices,” said a second trader. “I would say that cobalt probably has about another dollar to go on the upside, but I would expect it to take a while to get there.”

There were unconfirmed reports that Midhani, an Indian government raw materials procurement agency, will be in the market next week for 60 mt of Falconbridge cobalt for second- and third-quarter deliveries. The cobalt is likely to be destined for use in military jet aircraft engines, market sources said.

— Anthony Poole

Moly oxide up slightly in Europe but consumer activity subdued

London—Sentiment in the European molybdenum market was mixed last week, with prices stable to marginally firmer, but consumer buying remained subdued.

The Platts daily dealer oxide assessment rose April 12 to \$14.20-14.30/lb from \$14.15-14.25 the previous day. It closed out the week at the new level. The Platts benchmark weekly dealer oxide assessment rose to \$14.15-14.30/lb April 12 from \$14.10-14.25 the previous week and reflected business, bids and offers seen throughout the week since the previous assessment.

“Oxide is \$14.15-14.20 bid, \$14.30 asked,” said one European trader. “If I got an offer at \$14.25 I’d consider buying.” Producer-trader business was apparently concluded as high as \$14.30/lb, in-warehouse Rotterdam, but a second European trader reported offering unsuccessfully to an end user at \$14.25.

A purchaser who paid \$14.20/lb for Western oxide, in warehouse, from a trader said he had tried bidding lower, but without success, adding that offers seen around the \$14.10/

lb level the previous week were no longer in the market. “The market is in quite a good balance,” he said. “Producers have limited spot material available, and Chinese exporters are not willing to sell cheaply.”

A third trader agreed: “It’s reasonably well balanced — there’s no massive pressure on either side.”

Market participants reported mixed prices on duty-paid ferromolybdenum. One producer indicated truckload-quantity prices at around \$34.50/kg, delivered, with smaller 2-3 mt lots at up to \$35/kg, delivered with payment terms.

“The highest we got was \$34.55/kg,” said a second producer, adding that they had rejected bids at \$34.40/kg. But there were also unconfirmed reports that a European consumer was able to buy material as cheaply as \$34.20/kg.

“There’s very little going on, so you take every opportunity to sell,” commented one trader, though he added that \$34.20, if confirmed, was an overly aggressive price. The Platts European duty-paid ferromolybdenum price assessment was set at \$34.20-34.60/kg last week, up from \$34.00-34.40/kg previously.

— Andy Blamey

Elsewhere in steel & ferroalloys...

Japan’s bulk ferroalloys import trade quiet:

Spot trade of ferrosilicon and silicomanganese into Japan slowed last week due to producers in China and India raising offers by \$20-50/mt, Japanese trade sources said. Chinese ferrosilicon producers raised offers by \$20/mt from the previous week to \$1,440/mt CIF Japan, citing tighter supply due to output cuts. An Indian silicomanganese producer raised its offer by \$50/mt to \$1,330/mt CIF Japan after BHP Billiton raised its monthly reference price for GEMCO manganese ore lump by 25¢ to \$5/dry mt unit CIF China for ore shipments in May. Spot ferroalloys offers to Japan were for May shipments for 200-500 mt lots. Japanese traders and buyers said they had moved into wait-and-see mode, wanting to buy only when sure that the market trend was no longer down. Traders said there were inquiries from domestic steelmakers asking for small 50-300 mt cargoes for May or June delivery. “My ferrosilicon customers are not willing to accept any price above \$1,400/mt CIF. We have offered to sell above \$1,400/mt, though,” said a Tokyo trader, adding that he was not buying as he needed to see if end users would accept higher prices. A second trader said he had been expecting to see more ferrosilicon order volumes but had, so far, been disappointed. “One customer was talking about ramping up output this quarter as northeast Japan may be short of power supplies in the summer, like last year. But the customer is going to wait for more signs, as the company is not sure if it can sell its production,” he said. Traders said they were also monitoring the impact of untaxed Chinese-origin ferrosilicon cargoes on prices. China imposes a 25% export tax on ferrosilicon. But material that has been smuggled out of the country has been available \$50-200/mt cheaper, Japanese and Chinese industry sources have

said. One trader said he had heard from Chinese suppliers that tough measures were being taken against smuggling. "Let us see if this will continue. Smuggling will not stop with one or two crackdowns. The efforts need to continue for a long time," he said.

Nickel surplus likely, not definite—BNP: A sustained structural nickel surplus is still forecast but is no longer a foregone conclusion, investment bank BNP Paribas said in a research note April 12. "Our supply and demand forecasts continue to point to a modest surplus of nickel in 2012 of 20,000 mt, followed by a rather larger one in 2013, now put at 35,000 mt," the bank said. However, it added that several factors could undermine the development of a significant surplus. BNP Paribas noted that research consultancy Brook Hunt estimates that over 10% of nickel production is cash negative when LME nickel prices trend below \$18,000/mt. The bank said that if prices remain rangebound at this level it could trigger significant production cutbacks. "We would expect a prolonged period of prices below \$18,000/mt to trigger more extensive cutbacks than seen so far in 2012," it said. BNP Paribas also noted that the nickel production chain has recently come under pressure from announcements that Indonesia intends to bring forward a ban on unprocessed metal ores. "A stream of official and semi-official announcements in Indonesia seems to suggest that a ban on exports of unprocessed metal ores will be brought forward from 2014 to as soon as May 2012 and/or that large export taxes will be imposed," the bank said. Although China receives most of its imported nickel ore from Indonesia, BNP Paribas believes that a compromise will be found that will enable China to sustain its nickel pig iron production at 2011 levels. "But it is hard to see the industry maintaining its recent breakneck growth, and it is possible that output will fall sharply," the bank added. However, BNP Paribas noted that it would only take Chinese NPI output to fall by 10% in 2012 and by 20% in 2013 for the forecast nickel surplus to be eliminated. "At least until more is known about the outcome, nickel arguably deserves to trade at \$19,000/mt or more. We retain our forecast average for 2012 of \$19,500/mt," BNP Paribas said. Three-months nickel closed at \$18,309 on April 13 and the LME cash settlement was \$18,400/mt.

Antam starts up FeNi smelter: Indonesian state-owned mining company, Aneka Tambang, completed its overhaul and started up the FeNi II ferronickel smelter in Pomalaa, southeast Sulawesi on April 12, CEO Alwinsky Lubis said. The overhaul began January 21, Lubis said in a company statement. "The optimization of the FeNi II smelter is part of our strategy to improve operational efficiency and safety. Soon, we will also begin the modernization and optimization of the FeNi I smelter, which includes the development of a 2 x 30 MW coal fired power plant, increasing the capacity of the FeNi smelter, the development of Rotary Kiln 4 and upgrades of supporting facilities, such as the jetty and conveyor belt," he said, without giving the capacity of the smelters. The overhaul finished

earlier than expected and cost less than the Rupiah 187 billion (\$20.4 million) budgeted for it. Following the restart, the operating rate will gradually be increased and a return to full capacity is expected by May. Antam aims to increase the operational efficiency and safety level of the smelter after the optimization program, Lubis said. He added that despite the optimization program, Antam is sticking to its ferronickel production target of 18,000 mt of nickel contained in ferronickel in 2012.

US weekly crude steel output rises 3.1%: US crude steel production rose 3.1% to an estimated 1.96 million st (1.78 million mt) in the week that ended April 7 from 1.9 million st (1.73 million mt) a week earlier, according to data released by the American Iron and Steel Institute last week. The capacity utilization rate rose to 79.2% from 76.9% a week earlier, the AISI said. Last week's capacity utilization was the highest since the week that ended March 10 when the rate was 79.3%, which was the highest weekly rate seen so far this year. The most recent week's production gain followed a 2.4% decline in output seen a week earlier. Production increased in three of the AISI's five regional groups. Output rose to 684,000 st in the Great Lakes grouping from 661,000 st a week earlier. Production in the Southern grouping climbed to 661,000 st from 627,000 st and rose in the Northeast to 281,000 st from 263,000 st. Output fell in the Midwest grouping to 240,000 st from 255,000 st and dropped slightly in the Western grouping to 92,000 st from 94,000 st. In the first 14 weeks of 2012, US crude steel production totaled 26.9 million st (24.4 million mt), up 6.7% from the 25.24 million (22.9 million mt) in the corresponding 2011 period. Production figures and revisions in the AISI's weekly reports are estimates, based on weekly returns from mills representing about half of the industry and monthly data from the remainder, the AISI said.

TIN

Indonesia tin exports dip: Indonesia's exports of refined tin fell 4.9% in March to 8,607.71 mt compared with a year earlier, an official in the trade ministry said last week. Exports fell 3.4% from February, the official added. Its revenue from tin exports hit \$195.6 million, up 3.22% from February, the official said. Indonesia exported a total of 22,312.87 million mt of refined tin over January-March earning it \$488.5 million in revenue. Singapore was the biggest importer of Indonesian refined tin in March with 6,364.02 mt valued at \$145.17 million while Malaysia was second with 1,003.34 mt worth \$22.49 million. The other buyers of Indonesian refined tin in March were Japan with 338.41 mt, the Netherlands with 279.32 mt, South Korea with 210.8 mt, Taiwan with 190.88 mt, China with 157.36 mt, Switzerland with 23.59 mt, India with 20.07 mt and Australia with 19.92 mt, the official said. Indonesia has 32 registered tin exporters, 28 from Bangka Belitung. The country has 338,115 mt of tin reserves, according to 2009 data.

Daily prices

	Units	09 Apr 12	10 Apr 12	11 Apr 12	12 Apr 12	13 Apr 12	Week avg
Alumina							
PAX FOB Australia	\$/mt	318.000	318.000	318.000	318.000	318.000	318.000
PAX CFR China	\$/mt	345.000	345.000	345.500	345.500	346.000	345.400
PAX China Ex-works	\$/mt	425.570	428.250	428.450	428.680	429.400	428.070
DBF Aus-China Handysize	\$/mt	27.000	27.000	27.500	27.500	28.000	27.400
Aluminum							
LME HG Cash	\$/mt	NA/NA	2050.000/2050.500	2035.500/2036.000	2069.000/2070.000	2045.500/2046.000	2050.313
LME HG 3-Month	\$/mt	NA/NA	2089.000/2090.000	2074.500/2075.000	2109.000/2109.500	2088.000/2088.500	2090.438
LME HG 15-Month	\$/mt	NA/NA	2200.000/2205.000	2187.000/2192.000	2222.000/2227.000	2202.000/2207.000	2205.250
LME HG 27-Month	\$/mt	NA/NA	2293.000/2298.000	2282.000/2287.000	2320.000/2325.000	2298.000/2303.000	2300.750
LME HG Settlement	\$/mt	NA	2050.500	2036.000	2070.000	2046.000	2050.625
LME HG Y1	\$/mt	NA/NA	2238.000/2243.000	2225.000/2230.000	2262.000/2267.000	2240.000/2245.000	2243.750
LME HG Y2	\$/mt	NA/NA	2330.000/2335.000	2320.000/2325.000	2358.000/2363.000	2338.000/2343.000	2339.000
LME HG Y3	\$/mt	NA/NA	2405.000/2410.000	2398.000/2403.000	2437.000/2442.000	2418.000/2423.000	2417.000
LME Alloy Cash	\$/mt	NA/NA	1960.000/1965.000	1946.000/1947.000	1950.000/1951.000	1965.000/1975.000	1957.375
LME Alloy 3-Month	\$/mt	NA/NA	1985.000/1990.000	1970.000/1980.000	1980.000/1990.000	1995.000/2005.000	1986.875
LME Alloy 15-Month	\$/mt	NA/NA	2040.000/2050.000	2025.000/2035.000	2035.000/2045.000	2050.000/2060.000	2042.500
LME Alloy 27-MO	\$/mt	NA/NA	2040.000/2050.000	2025.000/2035.000	2035.000/2045.000	2050.000/2060.000	2042.500
LME Alloy Settlement	\$/mt	NA	1965.000	1947.000	1951.000	1975.000	1959.500
LME Alloy Y1	\$/mt	NA/NA	2040.000/2050.000	2025.000/2035.000	2035.000/2045.000	2050.000/2060.000	2042.500
LME NA Alloy Cash	\$/mt	NA/NA	2055.000/2056.000	2040.000/2045.000	2071.000/2072.000	2055.000/2056.000	2056.250
LME NA Alloy 3-MO	\$/mt	NA/NA	2090.500/2091.000	2080.000/2090.000	2100.000/2110.000	2095.000/2105.000	2095.188
LME NA Alloy 15-MO	\$/mt	NA/NA	2165.000/2175.000	2160.000/2170.000	2180.000/2190.000	2175.000/2185.000	2175.000
LME NA Alloy 27-MO	\$/mt	NA/NA	2225.000/2235.000	2220.000/2230.000	2240.000/2250.000	2235.000/2245.000	2235.000
LME NA Alloy Settlement	\$/mt	NA	2056.000	2045.000	2072.000	2056.000	2057.250
LME NA Alloy Y1	\$/mt	NA/NA	2190.000/2200.000	2185.000/2195.000	2205.000/2215.000	2200.000/2210.000	2200.000
LME HG inventories	mt	NA	5050925	5059875	5052700	NA	—
LME Alloy inventories	mt	NA	131580	130860	130120	NA	—
LME NA Alloy inventories	mt	NA	161400	160020	159500	NA	—
MW US Transaction	cts/lb	NA	102.159	101.502	103.044	101.955	102.165
MW US Trans premium	cts/lb	NA	9.150	9.150	9.150	9.150	9.150
MW US Net-Cash Prem	cts/lb	NA	8.650	8.650	8.650	8.650	8.650
MW US A-380 Alloy	cts/lb	108.000/109.000	NA/NA	NA/NA	108.000/109.000	NA/NA	108.500
MW US 319	cts/lb	112.000/114.000	NA/NA	NA/NA	113.000/114.000	NA/NA	113.250
MW US Sec 356	cts/lb	116.000/118.000	NA/NA	NA/NA	116.000/118.000	NA/NA	117.000
MW US F132	cts/lb	113.000/115.000	NA/NA	NA/NA	113.000/115.000	NA/NA	114.000
MW A413	cts/lb	115.000/116.500	NA/NA	NA/NA	115.000/116.500	NA/NA	115.750
US Old Cast	cts/lb	74.000/76.000	NA/NA	NA/NA	75.000/77.000	NA/NA	75.500
US Old Sheet	cts/lb	72.000/74.000	NA/NA	NA/NA	73.000/75.000	NA/NA	73.500
US Mill-grade MLCCs	cts/lb	80.000/82.000	NA/NA	NA/NA	81.000/83.000	NA/NA	81.500
US Smelter-grade MLCCs	cts/lb	76.000/78.000	NA/NA	NA/NA	76.000/78.000	NA/NA	77.000
US HG Auto Shreds	cts/lb	85.000/87.000	NA/NA	NA/NA	85.000/87.000	NA/NA	86.000
US LG Auto Shreds	cts/lb	77.000/79.000	NA/NA	NA/NA	77.000/79.000	NA/NA	78.000
US Turnings	cts/lb	73.000/75.000	NA/NA	NA/NA	74.000/76.000	NA/NA	74.500
C&F China spot	\$/mt	2174.000/2194.000	2174.000/2194.000	2170.500/2190.500	2156.000/2176.000	2190.000/2210.000	2182.900
C&F China LME premium	\$/mt	110.000/120.000	110.000/120.000	110.000/120.000	110.000/120.000	110.000/120.000	115.000
C&F China-Russian Grade	\$/mt	100.000/110.000	100.000/110.000	100.000/110.000	100.000/110.000	100.000/110.000	105.000
S'pore in-warehouse premium	\$/mt	90.000/105.000	90.000/105.000	90.000/105.000	90.000/105.000	100.000/105.000	98.500
Japan del (current mo)	\$/mt	2152.100/2189.000	2152.090/2189.000	2148.200/2185.360	2133.860/2170.870	2167.770/2204.860	2169.311
Japan del (2 mos. out)	\$/mt	2144.100/2181.000	2144.090/2181.000	2140.200/2177.370	2125.860/2162.870	2159.770/2196.860	2161.312
CIF Japan premium	\$/mt	130.000/135.000	130.000/135.000	130.000/135.000	130.000/135.000	130.000/135.000	132.500
CIF Japan premium Q2	\$/mt	115.000/127.000	115.000/127.000	115.000/127.000	115.000/127.000	115.000/127.000	121.000
GW premium paid IW Rotterdam	\$/mt	NA/NA	200.000/210.000	200.000/210.000	200.000/210.000	200.000/210.000	205.000
GW premium unpaid IW Rotterdam	\$/mt	NA/NA	135.000/145.000	135.000/145.000	135.000/145.000	135.000/145.000	140.000
A7E premium unpaid IW Rotterdam	\$/mt	NA/NA	135.000/145.000	135.000/145.000	135.000/145.000	135.000/145.000	140.000
A7E premium unpaid FOB St Petersburg	\$/mt	NA/NA	110.000/115.000	110.000/115.000	110.000/115.000	110.000/115.000	112.500
Copper							
COMEX HG 1st Position	cts/lb	371.600	364.600	363.600	371.650	362.300	366.750
COMEX HG 2nd Position	cts/lb	372.500	365.450	364.400	372.450	363.150	367.590
COMEX HG 3rd Position	cts/lb	375.850	369.000	367.850	375.950	366.950	371.120
COMEX inventories	st	84271	83878	83552	83169	82664	—
LME Grade A Cash	\$/mt	NA/NA	8255.500/8256.000	8110.000/8115.000	8180.000/8185.000	8165.000/8165.500	8179.000
LME Grade A 3-Month	\$/mt	NA/NA	8225.000/8227.000	8090.000/8100.000	8137.000/8140.000	8120.000/8125.000	8145.500
LME Grade A 15-Month	\$/mt	NA/NA	8235.000/8245.000	8105.000/8115.000	8140.000/8150.000	8120.000/8130.000	8155.000
LME Grade A 27-Month	\$/mt	NA/NA	8185.000/8195.000	8065.000/8075.000	8095.000/8105.000	8065.000/8075.000	8107.500
LME Settlement	\$/mt	NA	8256.000	8115.000	8185.000	8165.500	8180.375
LME Grade A Y1	\$/mt	NA/NA	8215.000/8225.000	8090.000/8100.000	8125.000/8135.000	8095.000/8105.000	8136.250
LME Grade A Y2	\$/mt	NA/NA	8160.000/8170.000	8045.000/8055.000	8075.000/8085.000	8040.000/8050.000	8085.000

Daily prices

	Units	09 Apr 12	10 Apr 12	11 Apr 12	12 Apr 12	13 Apr 12	Week avg
LME Grade A Y3	\$/mt	NA/NA	8070.000/8080.000	7960.000/7970.000	7995.000/8005.000	7960.000/7970.000	8001.250
LME inventories	mt	NA	267150	266075	264400	NA	—
MW Atlantic Seaboard	cts/lb	NA	370.286	363.891	367.066	366.181	366.856
MW CIF Europe	cts/lb	NA	374.486	368.091	371.266	370.381	371.056
MW Composite	cts/lb	377.426	370.426	369.426	377.476	368.126	372.576
MW US Producer Cathode	cts/lb	377.426	370.426	369.426	377.476	368.126	372.576
MW US Producer Refined	cts/lb	376.026	369.026	368.026	376.076	366.726	371.176
Japan del (current mo)	\$/mt	9225.090/9348.090	9228.500/9351.540	8671.950/8795.840	8634.510/8757.860	8655.870/8779.520	8944.877
Japan del (2 mos. out)	\$/mt	9225.090/9348.090	9228.500/9351.540	8671.950/8795.840	8634.510/8757.860	8655.870/8779.520	8944.877
S'pore in-warehouse premium	\$/mt	40.000/60.000	40.000/60.000	40.000/60.000	40.000/60.000	40.000/60.000	50.000
C&F China	\$/mt	8425.500/8445.500	8425.500/8445.500	8306.000/8326.000	8165.000/8185.000	8235.000/8255.000	8321.400

Zinc

LME SHG Cash	\$/mt	NA/NA	1997.500/1998.000	1985.000/1985.500	2020.500/2021.000	2012.000/2012.500	2004.000
LME SHG 3-Month	\$/mt	NA/NA	2004.000/2006.000	1985.000/1986.000	2020.000/2021.000	2012.500/2013.000	2005.938
LME SHG 15-Month	\$/mt	NA/NA	2048.000/2053.000	2023.000/2028.000	2058.000/2063.000	2048.000/2053.000	2046.750
LME SHG 27-Month	\$/mt	NA/NA	2035.000/2040.000	2010.000/2015.000	2045.000/2050.000	2038.000/2043.000	2034.500
LME Settlement	\$/mt	NA	1998.000	1985.500	2021.000	2012.500	2004.250
LME SHG Y1	\$/mt	NA/NA	2045.000/2050.000	2020.000/2025.000	2055.000/2060.000	2045.000/2050.000	2043.750
LME SHG Y2	\$/mt	NA/NA	2028.000/2033.000	2005.000/2010.000	2040.000/2045.000	2033.000/2038.000	2029.000
LME SHG Y3	\$/mt	NA/NA	1995.000/2000.000	1973.000/1978.000	2008.000/2013.000	1995.000/2000.000	1995.250
LME inventories	mt	NA	900750	900325	902675	NA	—
MW Four Corners	\$/mt	NA	2001.375	1985.375	2020.625	2012.500	2004.969
MW North America SHG	cts/lb	NA	97.878	97.311	98.921	98.536	98.162
MW North America GAL	cts/lb	NA	97.628	97.061	98.671	98.286	97.912
MW Alloy No. 3	cts/lb	NA	107.628	107.061	108.671	108.286	107.912

Lead

LME Cash	\$/mt	NA/NA	2037.000/2038.000	2018.000/2019.000	2080.500/2081.000	2072.000/2073.000	2052.313
LME 3-Month	\$/mt	NA/NA	2038.000/2039.000	2015.000/2018.000	2070.000/2072.000	2080.000/2081.000	2051.625
LME 15-Month	\$/mt	NA/NA	2085.000/2090.000	2062.000/2067.000	2113.000/2118.000	2128.000/2133.000	2099.500
LME 27-Month	\$/mt	NA/NA	2123.000/2128.000	2102.000/2107.000	2153.000/2158.000	2168.000/2173.000	2139.000
LME Settlement	\$/mt	NA	2038.000	2019.000	2081.000	2073.000	2052.750
LME Y1	\$/mt	NA/NA	2098.000/2103.000	2075.000/2080.000	2127.000/2132.000	2142.000/2147.000	2113.000
LME Y2	\$/mt	NA/NA	2137.000/2142.000	2113.000/2118.000	2165.000/2170.000	2180.000/2185.000	2151.250
LME Y3	\$/mt	NA/NA	2137.000/2142.000	2113.000/2118.000	2165.000/2170.000	2180.000/2185.000	2151.250
LME inventories	mt	NA	374525	373550	372600	NA	—
MW Four Corners	\$/mt	NA	2038.000	2017.500	2075.875	2076.500	2051.969
MW NA Producer	cts/lb	NA	113.941	113.871	114.100	114.071	113.996
Secondary Producer	cts/lb	NA	116.297	116.297	116.297	116.297	116.297

Nickel

LME Cash	\$/mt	NA/NA	18005.000/18010.000	17900.000/17925.000	18195.000/18200.000	18395.000/18400.000	18128.750
LME 3-Month	\$/mt	NA/NA	18085.000/18090.000	17950.000/17955.000	18255.000/18260.000	18455.000/18460.000	18188.750
LME 15-Month	\$/mt	NA/NA	18265.000/18365.000	18135.000/18235.000	18440.000/18540.000	18640.000/18740.000	18420.000
LME Settlement	\$/mt	NA	18010.000	17925.000	18200.000	18400.000	18133.750
LME Y1	\$/mt	NA/NA	18305.000/18405.000	18170.000/18270.000	18480.000/18580.000	18675.000/18775.000	18457.500
LME Y2	\$/mt	NA/NA	18280.000/18380.000	18145.000/18245.000	18455.000/18555.000	18650.000/18750.000	18432.500
LME Y3	\$/mt	NA/NA	18175.000/18275.000	18045.000/18145.000	18350.000/18450.000	18550.000/18650.000	18330.000
MW LME Mean	\$/mt	NA	18047.500	17932.500	18227.500	18427.500	18158.750
LME inventories	mt	NA	99330	98442	98388	NA	—

Tin

LME Cash	\$/mt	NA/NA	22800.000/22850.000	22600.000/22650.000	22600.000/22625.000	22625.000/22650.000	22675.000
LME 3-Month	\$/mt	NA/NA	22950.000/23000.000	22720.000/22730.000	22600.000/22700.000	22600.000/22605.000	22738.125
LME 15-Month	\$/mt	NA/NA	23055.000/23105.000	22805.000/22855.000	22730.000/22780.000	22685.000/22735.000	22843.750
LME Settlement	\$/mt	NA	22850.000	22650.000	22625.000	22650.000	22693.750
LME Inventories	\$/mt	NA	13150.000	13225.000	13265.000	NA	13213.333
MW Composite	cts/lb	NA	1387.940	1381.410	1372.780	1372.490	1378.655
Kuala Lumpur	cts/lb	NA	1040.870	NA	1029.390	1029.460	1033.240
MW NY Dealer	cts/lb	1061.000	NA	NA	1057.000	NA	1059.000
MW NY low-lead	cts/lb	1064.000	NA	NA	1060.000	NA	1062.000

Cobalt

LME Cash	\$/mt	NA/NA	30500.000/31000.000	30000.000/31000.000	30750.000/31250.000	30000.000/31000.000	30687.500
LME 3-Month	\$/mt	NA/NA	30500.000/31000.000	30500.000/31500.000	31000.000/32000.000	30000.000/31000.000	30937.500
LME 15-Month	\$/mt	NA/NA	29350.000/30350.000	29585.000/30585.000	30090.000/31090.000	29095.000/30095.000	30030.000
LME Settlement	\$/mt	NA	31000.000	31000.000	31250.000	31000.000	31062.500

Manganese

Ore CIF China	\$/dmtu	4.30	4.50	4.50	4.50	4.50	4.460
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Daily prices

	Units	09 Apr 12	10 Apr 12	11 Apr 12	12 Apr 12	13 Apr 12	Week avg
Molybdenum							
LME Cash	\$/mt	NA/NA	32500.000/33500.000	31000.000/32000.000	31000.000/32000.000	31000.000/32000.000	31875.000
LME 3-Month	\$/mt	NA/NA	32500.000/33500.000	31000.000/32000.000	31000.000/32000.000	31000.000/32000.000	31875.000
LME 15-Month	\$/mt	NA/NA	33700.000/34700.000	32220.000/33220.000	32215.000/33215.000	32200.000/33200.000	33083.750
LME Settlement	\$/mt	NA	33500.000	32000.000	32000.000	32000.000	32375.000
Daily Dealer Oxide	\$/lb	NA/NA	14.150/14.250	14.150/14.250	14.200/14.300	14.200/14.300	
Gold							
COMEX 1st Position	\$/tr oz	1642.500	1659.500	1659.000	1679.500	1659.100	1659.920
COMEX 2nd Position	\$/tr oz	1654.800	1671.700	1671.200	1691.300	1670.800	1671.960
Comex Inventories	tr oz	11147561.000	11154727.000	11154662.000	10992873.000	10992841.000	11088532.800
Engelhard Unfabricated	\$/tr oz	1649.950	1647.440	1661.470	1671.990	1669.980	1660.166
Handy & Harman	\$/tr oz	1643.200	1644.000	1658.000	1668.500	1666.500	1656.040
London Final	\$/tr oz	NA	1644.000	1658.000	1668.500	1666.500	1659.250
London Initial	\$/tr oz	NA	1643.750	1654.000	1655.500	1670.500	1655.938
PGMs							
Palladium							
Nymex Nearby	\$/tr oz	643.800	636.850	636.600	653.100	647.200	643.510
J.Matthey Base NA	\$/tr oz	650.000	638.000	642.000	645.000	647.000	644.400
J.Matthey Base Asia	\$/tr oz	0.000	648.000	644.000	640.000	658.000	518.000
J.Matthey Base Europe	\$/tr oz	0.000	652.000	642.000	645.000	654.000	518.600
Engelhard Unfabricated	\$/tr oz	655.000	645.000	644.000	647.000	649.000	648.000
London AM Fix	\$/tr oz	NA	647.000	637.000	643.000	649.000	644.000
London PM Fix	\$/tr oz	NA	639.000	637.000	641.000	643.000	640.000
3-month borrow rate	%	NA	NA	1.500	1.500	1.500	1.500
Platinum							
Nymex Nearby	\$/tr oz	1618.200	1593.700	1584.300	1606.000	1587.900	1598.020
J.Matthey Base NA	\$/tr oz	1617.000	1604.000	1593.000	1585.000	1600.000	1599.800
J.Matthey Base Asia	\$/tr oz	0.000	1624.000	1603.000	1592.000	1609.000	1285.600
J.Matthey Base Europe	\$/tr oz	0.000	1627.000	1595.000	1598.000	1602.000	1284.400
Engelhard Unfabricated	\$/tr oz	1625.000	1610.000	1591.000	1590.000	1600.000	1603.200
London AM Fix	\$/tr oz	NA	1611.000	1596.000	1594.000	1594.000	1598.750
London PM Fix	\$/tr oz	NA	1605.000	1590.000	1585.000	1600.000	1595.000
3-month borrow rate	%	NA	NA	0.750	0.750	0.750	0.750
Iridium							
J.Matthey Base NA	\$/tr oz	1085.000	1085.000	1085.000	1085.000	1085.000	1085.000
Engelhard Unfabricated	\$/tr oz	1075.000	1075.000	1075.000	1075.000	1075.000	1075.000
Rhodium							
J.Matthey Base Asia	\$/tr oz	0.000	1375.000	1375.000	1375.000	1375.000	1100.000
J.Matthey Base Europe	\$/tr oz	0.000	1375.000	1375.000	1375.000	1375.000	1100.000
J.Matthey Base NA	\$/tr oz	1375.000	1375.000	1375.000	1375.000	1375.000	1375.000
Engelhard Unfabricated	\$/tr oz	1375.000	1375.000	1375.000	1375.000	1375.000	1375.000
Ruthenium							
J.Matthey Base NA	\$/tr oz	115.000	115.000	115.000	115.000	115.000	115.000
Engelhard Unfabricated	\$/tr oz	115.000	115.000	115.000	115.000	115.000	115.000
Silver							
COMEX 1st Position	cts/tr oz	3151.300	3167.000	3151.100	3251.500	3138.000	3171.780
COMEX 2nd Position	cts/tr oz	3155.500	3171.000	3155.200	3255.600	3142.000	3175.860
COMEX 3rd Position	cts/tr oz	3172.900	3188.800	3173.300	3274.000	3160.300	3193.860
Comex Inventories	tr oz	140059421.000	139610888.000	139682097.000	140607934.000	141594393.000	140310946.600
Handy & Harman	cts/tr oz	3145.000	3132.500	3142.000	3240.000	3150.000	3161.900
Engelhard Unfabricated	cts/tr oz	3168.000	3140.000	3169.000	3216.000	3195.000	3177.600
London Fix, Pence	p/tr oz	NA	1993.550	1990.460	1971.560	2031.700	1996.818
London Fix, US	cts/tr oz	NA	3155.000	3170.000	3147.000	3236.500	3177.125
Exchange rates							
Bank of Canada Exchange Rates							
US\$ per GBP noontime		1.587700	1.583400	1.589200	1.593700	1.585100	1.587820
US\$ per Aust\$ Noontime		1.031800	1.025900	1.029300	1.043900	1.037000	1.033580
US\$ per JpnYen Noontime		0.012300	0.012400	0.012400	0.012400	0.012300	0.012360
US\$ per EURO Noontime		1.308600	1.306800	1.310300	1.317000	1.308200	1.310180
LME Rates							
LME Sterling		NA	1.585000	1.590000	1.596000	1.594000	1.591
LME Yen		NA	81.1800	80.9000	80.9900	81.0400	81.0275
LME Euro		NA	1.3090	1.3140	1.3170	1.3160	1.3140

Weekly prices

	change/date assessed		change/date assessed	
Major Metals				
Aluminum				
	cts/lb			
MW US Market	101.750 / 102.750	-1.000 / -1.000		
US Six-Months P1020	9.500	+0.250		
US 6063 Billet Upcharge	10.500 / 12.500	04-12-12 / +0.500		
US UBCs	78.500 / 80.000	+0.500 / +1.000		
Painted Siding	79.000 / 80.000	+3.000 / +2.000		
US 6063 press scrap	4.500 / 5.500	04-12-12 / 04-12-12		
	Eur/mt			
Alloy 226 delivered European works	1700.000 / 1750.000	-30.000 / -30.000		
	\$/mt			
ADC12 FOB China	2310.000 / 2320.000	04-10-12 / 04-10-12		
	Yuan/mt			
ADC12 ex-works China	17400.000 / 17600.000	04-10-12 / 04-10-12		
Caustic Soda				
	\$/mt			
FOB NE Asia	422.000 / 424.000	+1.000 / +1.000		
CFR SE Asia	476.000 / 478.000	+1.000 / +1.000		
Copper				
	cts/lb			
MW No.1 Burnt Scrap Disc	19.000	04-11-12		
MW No.1 Bare Bright Disc	3.000	-2.000		
MW No.2 Scrap Disc	39.000	-1.000		
NY Dealer Premium cathodes	5.500 / 6.500	04-12-12 / 04-12-12		
US Producer cathodes	371.650 / 379.090	-11.650 / -6.900		
	\$/mt			
Grade A Cathode CIF R'dam	8253.000 / 8260.000	-290.000 / -293.000		
Grade A Premium CIF R'dam	75.000 / 80.000	04-13-12 / -5.000		
Grade A CIF Livorno/Salerno	8228.000 / 8240.000	-290.000 / -288.000		
Grade A Prem CIF Livorno/Salerno	50.000 / 60.000	04-13-12 / 04-13-12		
Russian Standard CIF R'dam	8178.000 / 8210.000	-290.000 / -288.000		
Russian Standard Prem CIF R'dam	0.000 / 30.000	04-13-12 / 04-13-12		
Lead				
	cts/lb			
North American Market	98.830 / 101.643	+1.134 / +1.633		
	\$/mt			
European dealer	2072.000 / 2088.000	+38.000 / +38.000		
European 99.985% Prem IW (R'dam)	20.000 / 35.000	04-13-12 / 04-13-12		
In-Warehouse S'pore Prem	50.000 / 80.000	04-13-12 / 04-13-12		
Nickel				
	\$/lb			
NY Dealer/Cathode	8.403 / 8.555	+0.208 / +0.074		
NY Dealer/Melting	8.403 / 8.555	+0.208 / +0.074		
NY Dealer/Plating	8.603 / 8.755	+0.208 / +0.074		
	cts/lb			
NY Dealer/cathode Premium	30.000	04-12-12		
NY Dealer/Melting Premium	30.000	04-12-12		
NY Dealer/plating Premium	50.000	04-12-12		
	\$/mt			
Plating Grade IW R'dam	18324.000 / 18384.000	+128.000 / +133.000		
Plating Grade Prem IW R'dam	200.000 / 250.000	04-13-12 / 04-13-12		
Russia FullPlate	18184.000 / 18214.000	+118.000 / +123.000		
Russia FullPlate Prem IW R'dam	60.000 / 80.000	-10.000 / -10.000		
Briquette Premium IW R'dam	200.000 / 250.000	04-13-12 / 04-13-12		
In-Warehouse S'pore Prem	150.000 / 160.000	04-13-12 / 04-13-12		
Tin				
	\$/mt			
Europe 99.85% IW R'dam	22956.000 / 23094.000	-38.000 / -31.000		
Europe 99.85% Prem IW R'dam	300.000 / 400.000	04-13-12 / 04-13-12		
Europe 99.90% IW R'dam	23156.000 / 23244.000	-38.000 / -31.000		
Europe 99.90% Prem IW R'dam	500.000 / 550.000	04-13-12 / 04-13-12		
Zinc				
	cts/lb			
US Dealer SHG	98.921	+1.565		
MW SHG Premium	7.250	04-12-12		
MW SHG Galv. Prem.	7.000	04-12-12		
MW SHG Alloy #3 Prem.	17.000	04-12-12		
	\$/mt			
Europe physical SHG IW R'dam	2109.000 / 2129.000	+22.000 / +22.000		
Europe physical SHG Prem IW R'dam	105.000 / 125.000	04-13-12 / 04-13-12		
In-Warehouse S'pore Prem	70.000 / 95.000	04-13-12 / 04-13-12		
Precious Metals				
	All PGM figures in \$/tr oz			
Iridium				
MW NY Dealer	1050.000 / 1085.000	+10.000 / +5.000		
Osmium				
MW NY Dealer	350.000 / 400.000	04-12-12 / 04-12-12		
Palladium				
MW NY Dealer	630.000 / 655.000	-5.000 / -10.000		
Platinum				
MW NY Dealer	1580.000 / 1630.000	-20.000 / -40.000		
Rhodium				
MW NY Dealer	1300.000 / 1375.000	04-12-12 / -25.000		
Ruthenium				
MW NY Dealer	95.000 / 115.000	-5.000 / -5.000		
Minor Metals				
Antimony				
	cts/lb			
MW NY Dealer	590.000 / 620.000	04-12-12 / 04-12-12		
	\$/mt			
99.65% FOB China	13000.000 / 13200.000	04-12-12 / 04-12-12		
Arsenic				
	cts/lb			
MW Dealer	60.000 / 70.000	04-12-12 / 04-12-12		
Bismuth				
	\$/lb			
MW NY Dealer	10.400 / 11.250	04-12-12 / 04-12-12		
Cadmium				
	\$/lb			
MW NY Dealer	0.950 / 1.150	04-12-12 / 04-12-12		
Free Market HG	1.000 / 1.200	04-12-12 / 04-12-12		
Indium				
	\$/kg			
Producer: US Prod Indium Corp	785.000	04-12-12		
	\$/kg			
MW NY Dealer	540.000 / 570.000	04-12-12 / 04-12-12		
99.99% CIF Japan	560.000 / 570.000	04-10-12 / 04-10-12		
Mercury				
	\$/fl			
Free Market International	1750.000 / 1950.000	04-12-12 / 04-12-12		
U.S. Domestic	1750.000 / 1950.000	04-12-12 / 04-12-12		
Rhenium				
	\$/kg			
MW NY Dealer	4200.000 / 4800.000	04-12-12 / 04-12-12		
Selenium				
	\$/lb			
MW NY Dealer	61.000 / 66.000	04-12-12 / 04-12-12		

Weekly prices

	change/date assessed		change/date assessed	
Light Metals				
Magnesium				
	cts/lb			
US Die Cast Alloy: Transaction	200.000 / 220.000	04-12-12 / 04-12-12		
MW US Spot Western	215.000 / 230.000	04-12-12 / 04-12-12		
MW US Dealer Import	200.000 / 210.000	04-12-12 / 04-12-12		
	\$/mt			
Europe Free Market	3100.000 / 3200.000	+30.000 / 04-12-12		
Die Cast Alloy FOB China	3280.000 / 3340.000	+20.000 / +40.000		
99.8% FOB China	3000.000 / 3050.000	+20.000 / +40.000		
Silicon				
	cts/lb			
553 Grade Delivered US Midwest	127.000 / 130.000	04-11-12 / 04-11-12		
	\$/mt			
553 Grade, FOB China	2250.000 / 2300.000	-20.000 / 04-12-12		
553 Grade, CIF Japan	2280.000 / 2340.000	-20.000 / 04-12-12		
	Eur/mt			
553 Grade, In-warehouse EU	1950.000 / 2050.000	04-12-12 / 04-12-12		
Titanium				
	\$/lb			
MW US 70% Ferrotitanium	3.600 / 3.650	04-12-12 / 04-12-12		
	\$/kg			
Eur. 70% Ferrotitanium	8.000 / 8.200	04-12-12 / 04-12-12		
	\$/lb			
MW US Turning 0.5%	2.150 / 2.300	04-12-12 / 04-12-12		
Eur. Turning .5%	2.300 / 2.400	04-12-12 / 04-12-12		
Ferrous Alloys				
Cobalt				
	\$/lb			
MW 99.8% US Spot Cathode	15.000 / 15.750	+0.200 / 04-12-12		
99.8% European	15.000 / 15.600	+0.250 / +0.100		
99.3% Russian	14.800 / 15.200	+0.600 / +0.200		
99.6% Zambian	14.700 / 15.000	+0.200 / 04-12-12		
Ferrochrome				
	cts/lb			
Charge Chrome 48-52% in-warehouse US	118.000 / 122.000	+1.000 / +3.000		
65% High Carbon in-warehouse US	118.000 / 122.000	+1.000 / +3.000		
Low Carbon 0.05% in-warehouse US	235.000 / 240.000	+4.000 / +6.000		
Low Carbon 0.10% in-warehouse US	218.000 / 222.000	+8.000 / +9.000		
Low Carbon 0.15% in-warehouse US	205.000 / 210.000	+3.000 / +3.000		
Charge Chrome 52% DDP NWE	103.000 / 110.000	04-12-12 / +3.000		
65% 6-8% High-Carbon DDP NWE	120.000 / 123.000	+3.000 / +1.000		
Low Carbon 0.10% DDP NWE	215.000 / 220.000	+3.000 / +4.000		
High Carbon 60% FOB China	100.000 / 104.000	04-12-12 / 04-12-12		
50-55% Regular CIF Japan	123.000	04-12-12		
60-65% Spot CIF Japan	109.000 / 111.000	04-12-12 / 04-12-12		
Ferromanganese				
	\$/gt			
High Carbon 76% in-warehouse US	1275.000 / 1350.000	04-11-12 / 04-11-12		
	cts/lb			
Medium Carbon 85% Mn in-warehouse US	95.000 / 96.000	04-11-12 / 04-11-12		
	\$/mt			
High Carbon 75% FOB China	1200.000 / 1210.000	04-12-12 / 04-12-12		
Ferromolybdenum				
	\$/lb			
MW US FeMo	16.100 / 16.400	+0.100 / +0.100		
	\$/kg			
MW Europe FeMo	34.200 / 34.600	+0.200 / +0.200		
FOB CHINA FEMO	34.400 / 34.500	04-12-12 / 04-12-12		
Spot CIF Japan	34.900 / 35.000	04-12-12 / 04-12-12		
Ferrosilicon				
	cts/lb			
75% Si in-warehouse US	94.000 / 96.000	04-11-12 / 04-11-12		
	\$/mt			
Chinese CIF Japan	1420.000 / 1435.000	+20.000 / +15.000		
	\$/mt			
75% FOB China	1420.000 / 1430.000	+20.000 / 04-12-12		
	Eur/mt			
75% Std DDP NWE	1230.000 / 1290.000	+30.000 / +40.000		
Ferrovandium				
	\$/lb			
Free Market V205	5.500 / 6.000	04-12-12 / 04-12-12		
US Ferrovandium	14.250 / 14.750	+0.250 / 04-12-12		
	\$/kg			
Europe Ferrovandium	25.700 / 26.000	04-12-12 / 04-12-12		
Manganese				
	\$/mt			
Electrolytic 99.7% FOB China	3000.000 / 3050.000	-100.000 / -100.000		
Molybdenum				
	\$/lb			
MW Dealer Oxide	14.150 / 14.300	+0.050 / +0.050		
Oxide Trans	14.150 / 14.300	+0.050 / +0.050		
Silicomanganese				
	cts/lb			
65% Mn in-warehouse US	73.000 / 75.000	04-11-12 / 04-11-12		
	\$/mt			
65% FOB China	1480.000 / 1500.000	04-12-12 / 04-12-12		
Chinese CIF Japan	1400.000 / 1500.000	04-12-12 / 04-12-12		
	Eur/mt			
65:16 DDP NWE	1020.000 / 1050.000	04-12-12 / 04-12-12		
Stainless Scrap				
	\$/gt			
NA FREE MKT 18-8	1792.000 / 1837.000	04-12-12 / 04-12-12		
Tantalum				
	\$/lb			
Spot Tantalite Ore	37.000 / 42.000	04-12-12 / 04-12-12		
Tungsten				
	\$/stu			
MW US Spot Ore	320.000 / 330.000	04-12-12 / 04-12-12		
APT-US	395.000 / 420.000	04-12-12 / 04-12-12		
	\$/mtu			
APT FOB CHINA	400.000 / 410.000	04-12-12 / 04-12-12		
	\$/kg			
MW Ferrotungsten	54.000 / 55.000	04-12-12 / 04-12-12		
Ferrotungsten FOB	53.000 / 56.500	04-12-12 / 04-12-12		

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