

TSI Benchmark Iron Ore Prices

<u>Iron Ore Fines, Chinese Imports (CFR Tianjin Port)</u>		<u>1-Day Change</u>	<u>1-Week Change</u>	<u>4-Week Change</u>	<u>Low*</u>	<u>High*</u>
62% Fe (US\$/dry tonne)	96.0	▼ 0.6 -0.6%	▼ 1.9 -1.9%	▲ 2.6 +2.8%	89.0	142.8
58% Fe (US\$/dry tonne)	80.4	= 0.0 0.0%	▼ 1.2 -1.5%	▲ 4.9 +6.5%	73.5	130.0

*past 12 months

To-date averages

<u>Iron Ore Fines, Chinese Imports (CFR Tianjin Port)</u>	<u>MTD</u>	<u>QTD</u>	<u>Q-1TD</u>	<u>YTD</u>
62% Fe (US\$/dry tonne)	96.58	96.58	94.34	109.93
58% Fe (US\$/dry tonne)	80.57	80.57	77.66	97.38

Rolling averages

<u>Iron Ore Fines, Chinese Imports (CFR Tianjin Port)</u>	<u>5-day</u>	<u>10-day</u>	<u>15-day</u>	<u>30-day</u>
62% Fe (US\$/dry tonne)	97.22	97.09	96.58	94.47
58% Fe (US\$/dry tonne)	81.84	81.33	80.57	77.96

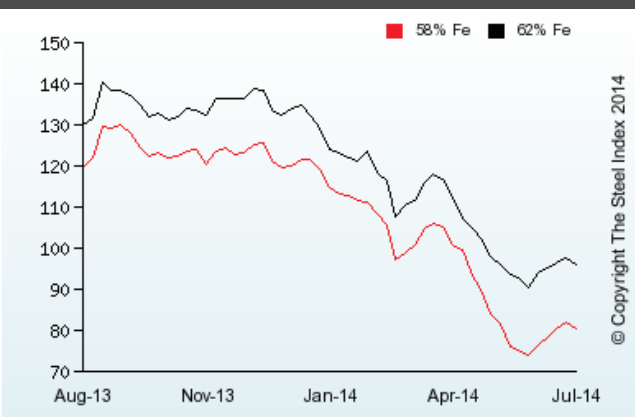
TSI 62% Fe FOB Net Back / Implied Europe CFR (US\$/dry tonne)

	<u>Implied FOB</u>	<u>Implied CFR Europe</u>	<u>Implied CFR Europe QTD</u>
Brazil	77.75	86.00	85.24
W.Australia	88.25		
India	82.60		

Today's Iron Ore Market

The iron ore market opened the week seemingly more lethargically than it ended the last, not helped by yet more losses in ferrous futures prices today. Though traders lowered their offers for spot iron ore by around a dollar, there were still very few transactions taking place. An Australian miner held a tender for 61% Fe PB fines, which closed at just above 95.3. Similar material traded privately at comparable levels, along with lower grade Australian fines. On globalORE, Australian 62% Fe "MNP" fines were offered at 96 for July delivery and 97.5 for August. RMB prices for imported material at major Chinese ports were about RMB 5-10 /t lower compared with Friday. Billet prices in Tangshan fell RMB 10/t after losing RMB 20/t over the weekend. The most active SHFE rebar and DCE iron ore contracts both fell by over 1.4%. All prices US\$/dmt CFR China unless stated otherwise.

Iron Ore Reference Prices - Chinese Imports (US\$/dmt)



TSI 62% Fe Iron Ore Swaps/Futures Assessment (US\$/dmt)

<u>Period</u>	<u>Price</u>	<u>Change (day-on-day)</u>
July 14	95.50	-0.25
August 14	95.00	-0.25
September 14	94.75	-0.50
October 14	94.25	-1.00
Q4 14	94.50	-0.75
Q1 15	94.50	-0.75
Q2 15	94.00	-0.50
Calendar-15	94.25	-0.75

Forward prices assessed for TSI benchmark 62% Fe iron ore fines CFR Tianjin port (18:30 Singapore time today)

TSI Supplementary Iron Ore Reference Prices

<u>Iron Ore Fines, Chinese Imports (CFR Qingdao Port)</u>		<u>5-Day Average</u>	<u>MTD Average</u>	<u>QTD Average</u>	<u>Q-1M To Date*</u>
62% Fe, 2% Al (US\$/dry tonne)	96.7	97.9 +0.3%	97.4 +3.8%	97.4 -6.1%	95.3 -13.5%
63.5/63% Fe (US\$/dry tonne)	97.8	99.0 +0.3%	98.4 +4.1%	98.4 -6.1%	96.1 -13.7%
65% Fe (US\$/dry tonne)	103.9	105.1 +0.2%	104.5 +3.7%	104.5 -6.7%	102.3 -14.1%

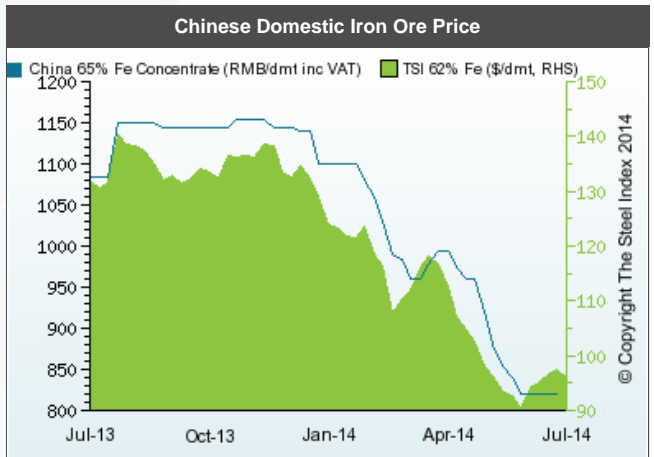
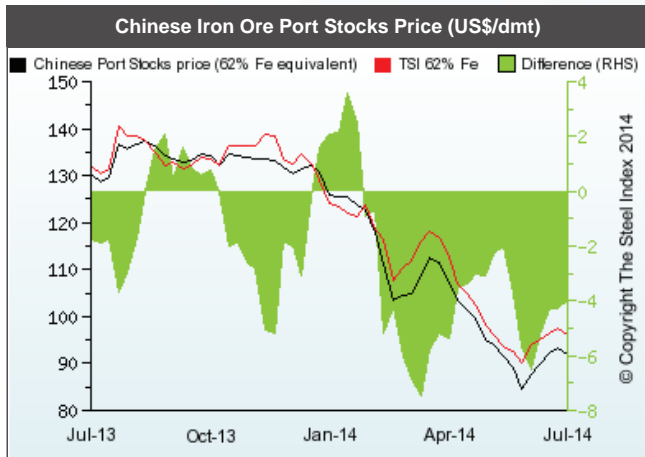
Full specifications for all indices are shown on page 4. The supplementary reference prices are derived from the same transaction data sample as TSI's benchmark 62% Fe index in the table at the top of this page, with appropriate value-in-use adjustments made for Fe content, impurities and delivery port. Financial forward contracts settle against TSI's benchmark 62% Fe index.

To view full price histories, different currencies and units over time periods of your choice, log-in to TSI Price Analyser www.thesteelindex.com

Price Guides for Chinese Port Stocks and Domestic Iron Ore

Port Stock Price, 62% Fe import parity equivalent (US\$/dmt)	1-day change (US\$/dmt)	1-week change (US\$/dmt)
91.5-92.5	-1.0	-0.5

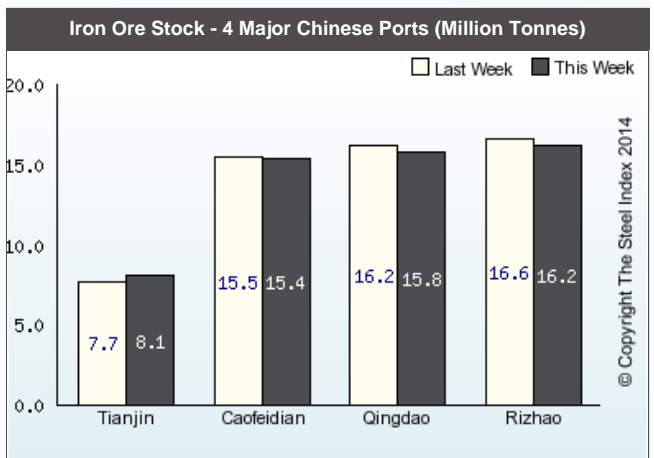
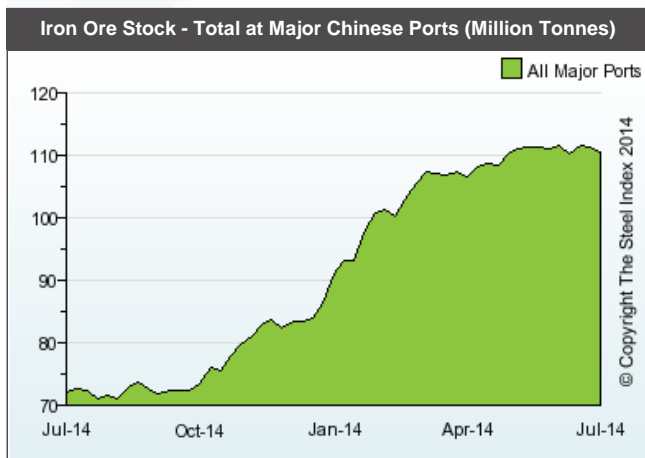
Domestic 65% Fe concentrate ex-Shandong mine D/A payment basis (RMB/dmt)	1-week change (RMB/dmt)
810-830	0



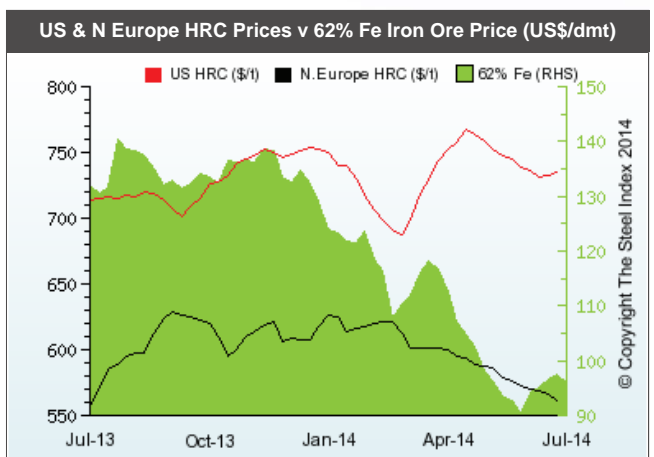
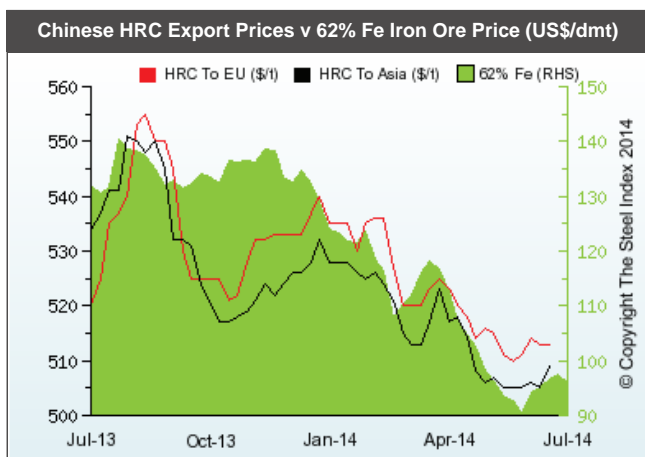
Port stocks prices normalised to TSI 62% Fe index specification. Dollar prices adjusted for moisture, port fees (various), VAT and prevailing exchange rate. Minimum price change = US\$0.50/dmt.

Price for 65% Fe concentrate, ex-works, Shandong mine (RMB/dmt including VAT). Payment by D/A. Prices updated weekly on Friday. Minimum price change RMB 5/dmt.

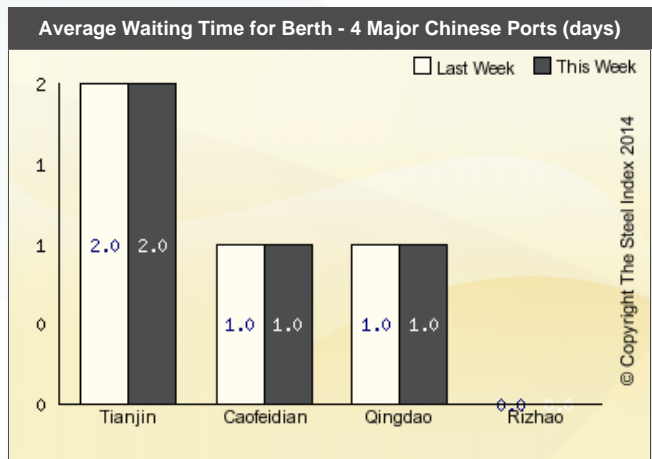
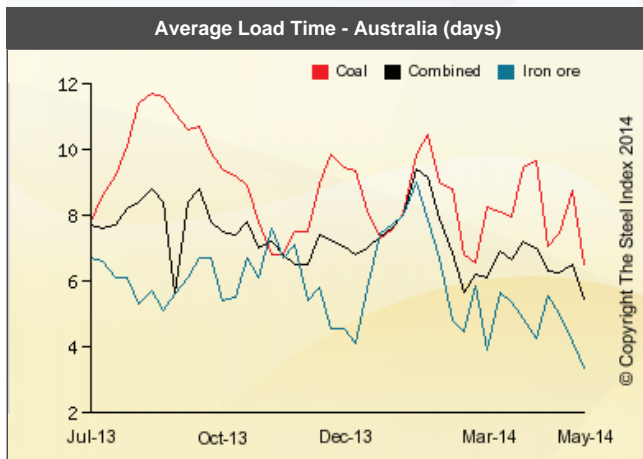
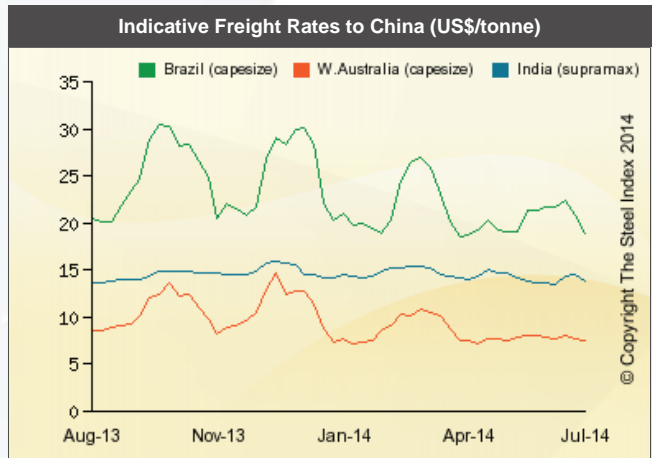
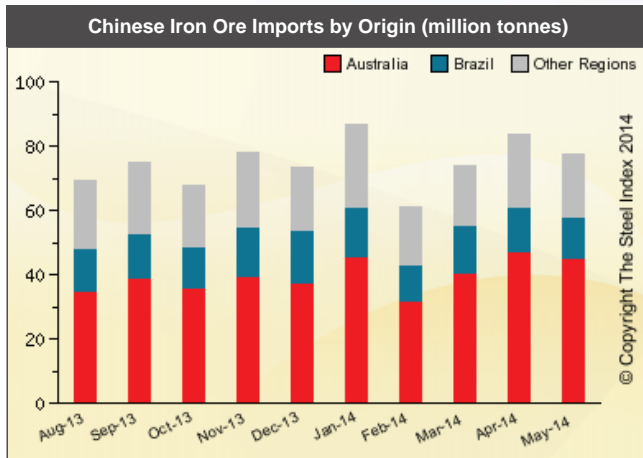
Port Stocks



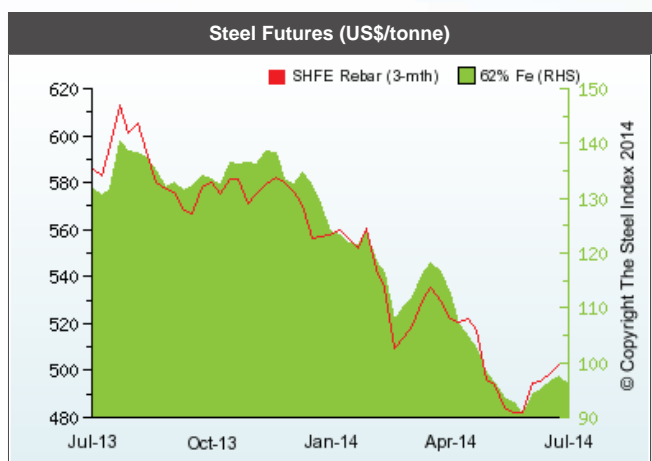
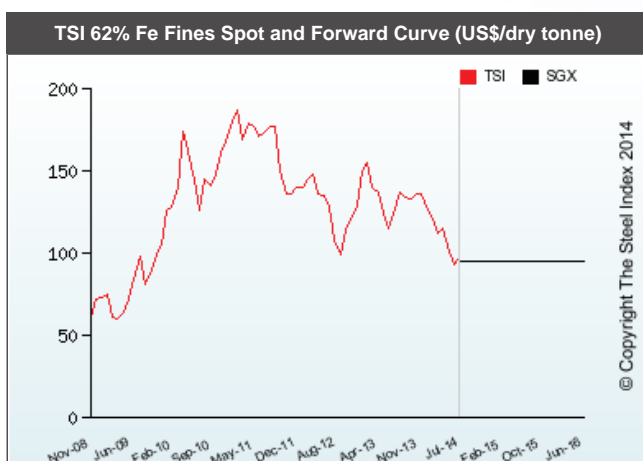
Steel and Iron Ore Pricing



Iron Ore Imports, Freight and Port Congestion



Iron Ore, Steel and Freight Derivatives Outlook



Freight Forward Prices (voyage basis US\$/wet tonne)

Voyage	Size	Load Port	Disch. Port	Jul-14	Aug-14	Q3 14	Q4 14	Q1 15	Cal 15
India-China	50kt	Goa	Qingdao	\$14.60	\$16.00	\$16.00	\$22.00	\$18.00	\$22.00
India-China	70kt	Goa	Qingdao	\$10.15	\$13.00	\$14.00	\$22.00	\$18.00	\$22.00
Australia-China	150kt	W.Australia	Qingdao	\$7.70	\$7.88	\$8.25	\$10.00	\$9.75	\$9.75
Brazil-China	150kt	Tubarao	Qingdao	\$20.25	\$19.88	\$20.63	\$22.63	\$22.00	\$22.00

Iron Ore Reference Product Specifications

Sinter Fines: Granular size below 10mm for at least 90% of the cargo, with maximum of 40% below 150 micron
Pricing Point: CFRFO China port
Minimum lot size: 20,000 metric tonnes
Timing: Loading within 4 weeks and delivery within 8 weeks of transaction
Payment: At sight
Currency/Units: US\$ per dry metric tonne

	<u>62% Fe Index</u>	<u>58% Fe Index</u>		<u>62% Fe 2%Al Index</u>	<u>63.5/63% Fe Index</u>	<u>65% Fe Index</u>
Fe content:	62% Fe	58% Fe	Fe content:	62% Fe	63.5/63% Fe	65% Fe
Moisture:	8.00%	8.50%	Moisture:	8.00%	8.00%	8.00%
Alumina:	3.50%	3.50%	Alumina:	2.00%	3.50%	1.00%
Silica:	4.00%	4.00%	Silica:	4.00%	4.00%	3.00%
Phosphorus:	0.07%	0.07%	Phosphorus:	0.07%	0.07%	0.07%
Sulphur:	0.05%	0.05%	Sulphur:	0.05%	0.05%	0.05%
Delivery port:	Tianjin	Tianjin	Delivery port:	Qingdao	Qingdao	Qingdao

Transactions for products with specifications within the following ranges are normalised to the relevant reference product above:

Fe content:	>60%-66%	55%-60%	Fe content:	>60%-66%	>60%-66%	>60%-66%
Moisture:	10% max	10% max	Moisture:	10% max	10% max	10% max
Alumina:	4% max	5% max	Alumina:	4% max	4% max	4% max
Silica:	9% max	9% max	Silica:	9% max	9% max	9% max
Phosphorus:	0.15% max	0.15% max	Phosphorus:	0.15% max	0.15% max	0.15% max
Sulphur:	0.07% max	0.07% max	Sulphur:	0.07% max	0.07% max	0.07% max

Value-in-use Differentials for Fe and Impurities (Average Spot Market Values for Chinese Imports)

High Grade Fines (60-66% Fe)

	Applicable Range	Average VIU Differential (US\$/dmt)	1-week change (US\$/dmt)
Per 1% Fe	60-64% Fe	1.75	0.00
Per 1% Al	up to 4% Al	0.75	0.00
Per 1% Si	4-9% Si	1.75	0.00

Low Grade Fines (55-60% Fe)

	Applicable Range	Average VIU Differential (US\$/dmt)	1-week change (US\$/dmt)
Per 1% Fe	56-60% Fe	1.75	0.00
Per 1% Al	up to 5% Al	1.00	0.00
Per 1% Si	4-9% Si	1.50	0.00

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Sources: GFI Brokers Limited (GFI); Freight Investor Services Ltd (FIS); London Commodity Brokers Ltd (LCB); Simpson Spence & Young Ltd (SSY); Platts; Singapore Exchange (SGX); Shanghai Futures Exchange (SHFE); SX Coal.

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