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# *Commodity price monitor*

## *February-19*

Prepared for ACMA

*Strictly private  
and confidential*

*March 2019*



**pwc**

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# *Commodity trend dashboard*

# Commodity trend dashboard Quarter-on-Quarter changes (1/2)-Rolling view

## Calendar Year 18-19: Q vs. Q update

Commodity	Region	Q-o-Q Up	Q-o-Q Down
<b>Iron &amp; Steel</b>			
Iron Ore	International	18% ▲	
	Domestic low grade		
	Domestic high grade		
Pig Iron	International		-9% ▼
	Domestic		-2% ▼
Stainless steel	Domestic		-1% ▼
	Domestic		-1% ▼
Wire rod	International		-9% ▼
	Domestic		-1% ▼
Steel Billets	International		-4% ▼
	Domestic		-3% ▼
Hot-rolled coils	International		-2% ▼
	Domestic		-6% ▼
Cold-rolled coils	International		-7% ▼
	Domestic		-4% ▼
EN8	Domestic		-4% ▼
20MnCr5	Domestic		-4% ▼
<b>Ferro-alloys</b>			
Ferro titanium	International		-12% ▼
Ferro chrome	International	0% ▲	
	Domestic		-10% ▼
Ferro molybdenum	International		-14% ▼
Ferro vanadium	International		-48% ▼
Ferro silicon	International		-13% ▼
	Domestic		-14% ▼

ND: Not disclosed by the source

# Commodity trend dashboard Quarter-on-Quarter changes (2/2)- Rolling view

## Calendar Year 18-19: Q vs. Q update

Commodity	Region	Q-o-Q Up	Q-o-Q Down
<b>Base Metals</b>			
Aluminum	International		-4% ▼
	Domestic		-3% ▼
Copper	International	1% ▲	
	Domestic	3% ▲	
Zinc	International	4% ▲	
	Domestic	5% ▲	
Nickel	International	12% ▲	
	Domestic	14% ▲	
Tin	International	11% ▲	
	Domestic	10% ▲	
Magnesium	International		-4% ▼
<b>Precious Metals</b>			
Platinum	International		-4% ▼
Palladium	International	26% ▲	
Rhodium	International	4% ▲	
<b>Polymers</b>			
Low density polyethylene (LDPE)	International		-1% ▼
	Domestic		-5% ▼
Polypropylene (PP)	International		-8% ▼
	Domestic		-10% ▼
Rubber	Domestic	3% ▲	
<b>Currency Exchange</b>			
Dollar	International		-1% ▼
Pound	International		-1% ▼
Euro	International		-0% ▼
Yen	International	2% ▲	

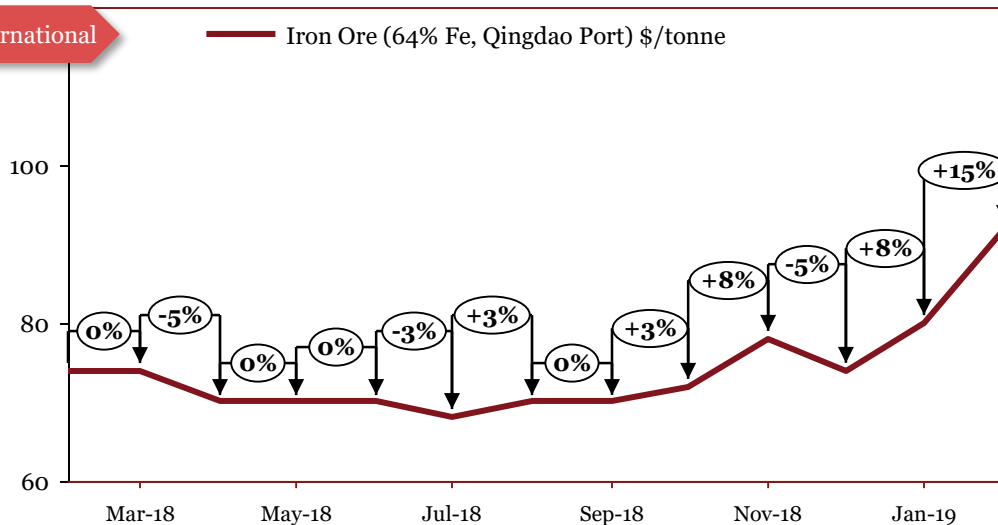
# *Iron & Steel*

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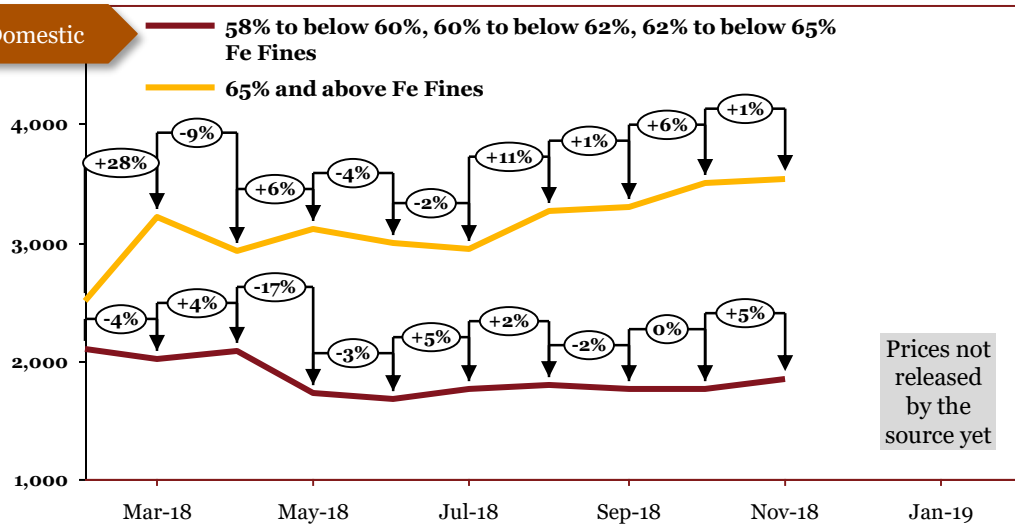
# Iron Ore

## International



Source: Crisil

## Domestic



Source: Crisil

Prices not released by the source yet

Monthly Average Prices			
Period	*Int'l \$/tonne	*Dom Rs/tonne	
		65% & below	65% & above
Mar-18	74	2,012	2,919
Apr-18	70	2,087	3,106
May-18	70	1,726	2,993
Jun-18	70	1,676	2,946
Jul-18	68	1,757	3,264
Aug-18	70	1,799	3,289
Sep-18	70	1,760	3,648
Oct-18	72	1,759	3,501
Nov-18	78	1,849	3,529
Dec-18	74	-	-
Jan-19	80	-	-
Feb-19	92	-	-

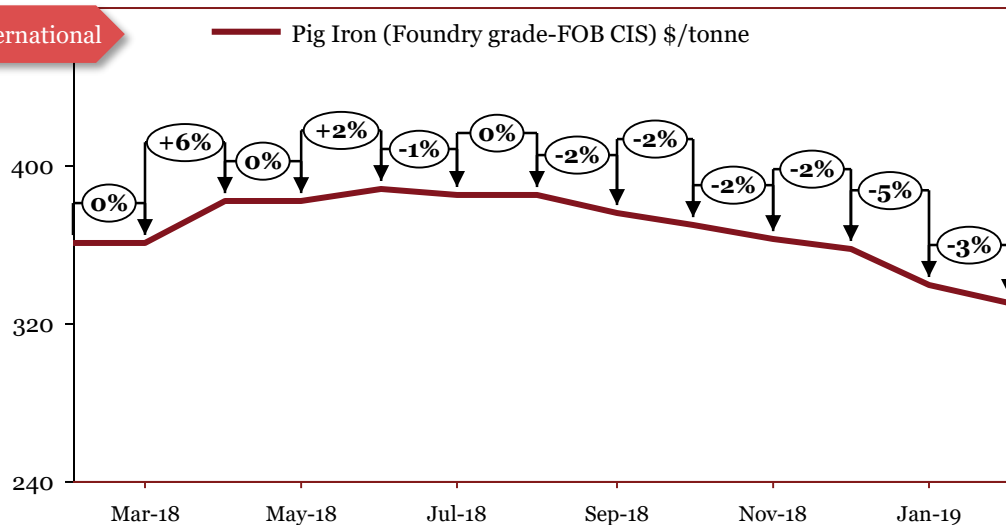
\*The actual prices may vary depending on city, player, grade etc.

## Outlook

In April, the international prices decreased owing to the closure of steel mills in China due to environmental sanctions. In May, prices in the international market remained unchanged due to slated capacity cuts by Chinese steel producers owing to government regulation. In June, prices in the international market remained unchanged owing to stable demand. In July, expansion in global mine supply, easing in steel prices and renewed production curbs at mills in China blunted overall demand and caused a decline in prices in the international market. In August, international prices rose mainly due to increased demand from China and decreased supply from Brazil. In September, international prices remained stable. In October, international iron ores increased with improvement in steel demand and high import from China. In November, iron ore prices witnessed increase. In December, prices declined owing to sluggish demand. In January, declining trend in international iron ore prices was reversed. In February, supply disruption of Vale's iron ore mine in Brazil, which is expected to hit 70 million tonne of global iron ore production led to concerns over iron ore supply, lifting global prices.

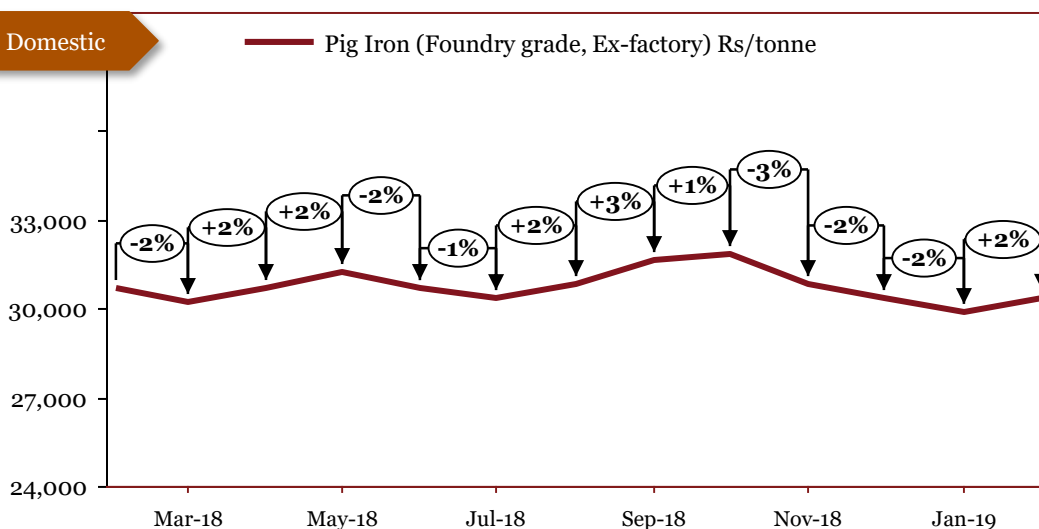
# Pig Iron

## International



Source: Crisil

## Domestic



Source: Crisil

## Monthly Average Prices

Period	*Int'l \$/tonne	*Dom Rs/tonne
Mar-18	360	30,200
Apr-18	382	30,700
May-18	382	31,200
Jun-18	388	30,700
Jul-18	385	30,350
Aug-18	385	30,850
Sep-18	376	31,650
Oct-18	370	31,850
Nov-18	363	30,850
Dec-18	357	30,350
Jan-19	339	29,850
Feb-19	330	30,350

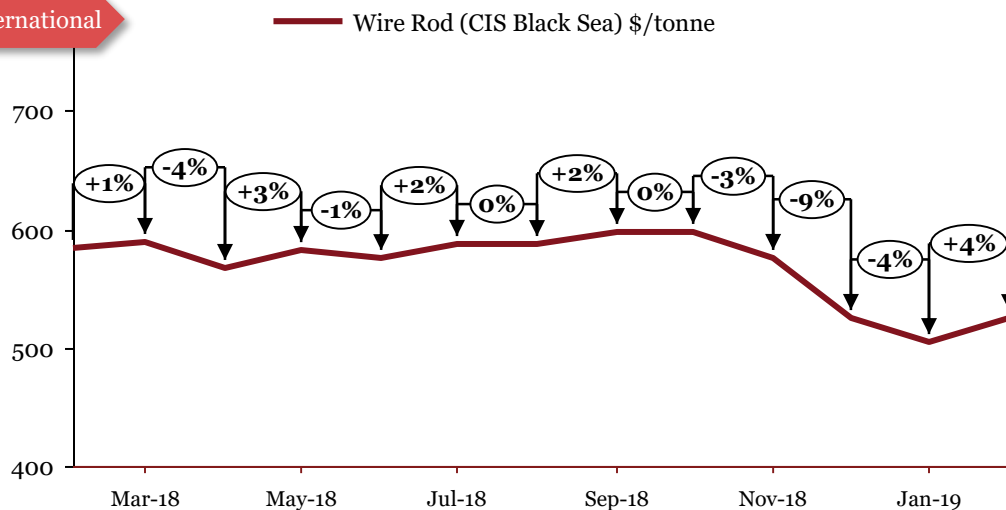
\*The actual prices may vary depending on city, player, grade etc.

## Outlook

Domestic prices continued to increase at a steady pace. In June, international prices increased due to higher deal prices in Italy, where buyers accepted higher offers as they needed to restock. Domestic pig iron prices declined in June on back of increased supply in the market. In July, domestic prices declined in line with falling domestic steel prices. Further, seasonally subdued demand along with dull export market created downward pressure on prices. In August, domestic pig iron prices increased in line with the rising steel prices. Further, rising raw material prices have also pushed up the price. In September, domestic pig iron prices increased during the month on back of higher raw material cost and rising steel prices. In October, pig iron prices increased during the month on back of sustained demand. In November, prices decreased owing to decline in prices of finished steel products. In the month of December 2018, pig iron (foundry grade) prices decreased on back of slump in domestic steel prices. In January 2019, pig iron (foundry grade) prices decreased on account of increased supply in the market. Additionally, decline in iron ore prices as well softening of steel prices put further pressure on pig iron prices. In February 2019, domestic pig iron (foundry grade) prices increased on account of increase in iron ore prices.

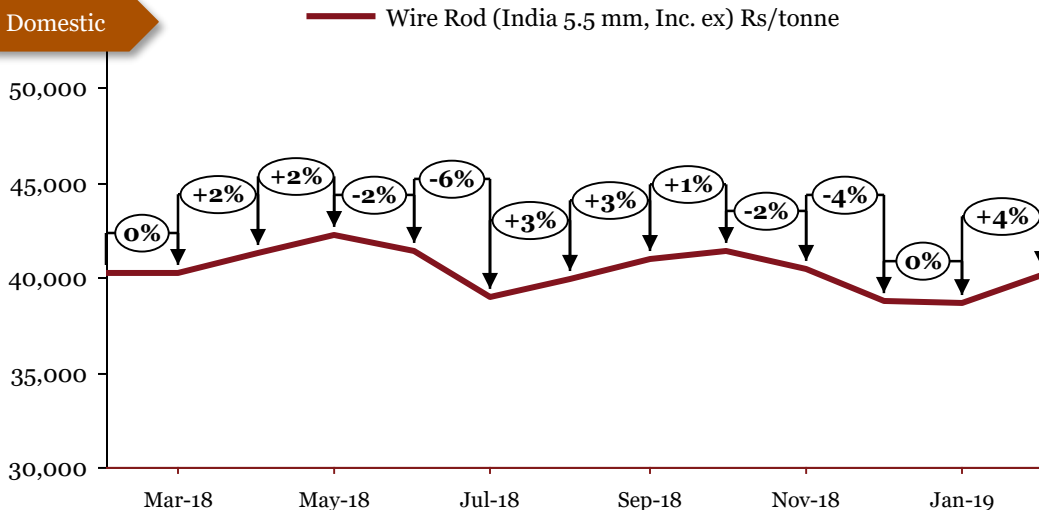
# Wire Rod

## International



Source: Crisil

## Domestic



Source: Crisil

## Monthly Average Prices

Period	^*Int'l (\$/tonne)	*Dom (Rs/tonne)
Mar-18	588	40,244
Apr-18	568	41,244
May-18	583	42,244
Jun-18	576	41,444
Jul-18	587	38,944
Aug-18	587	39,944
Sep-18	597	40,944
Oct-18	597	41,444
Nov-18	576	40,444
Dec-18	525	38,744
Jan-19	504	38,644
Feb-19	525	40,144

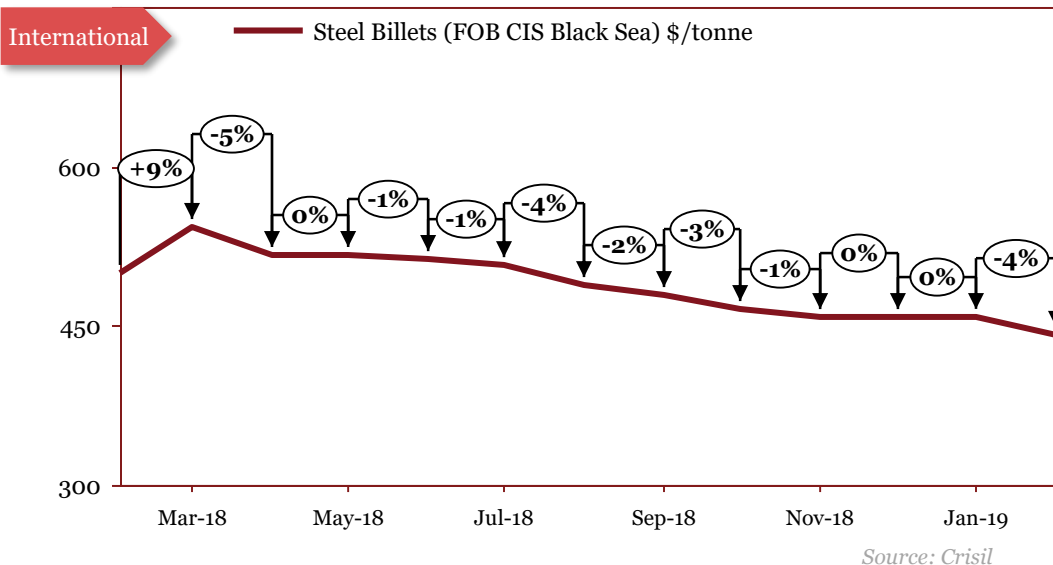
\*The actual prices may vary depending on city, player, grade etc.

## Outlook

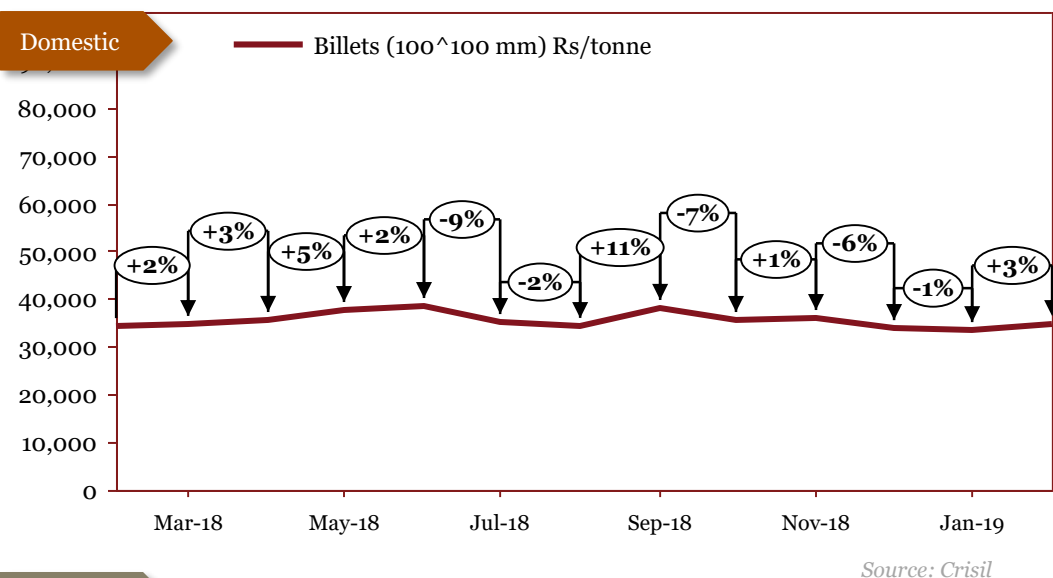
In April, the international prices decreased owing to the slower demand. Domestic prices increased owing to the improved demand. In May, international prices increased due to improved demand. Domestic prices increased due to demand outpacing supply. In June, international prices declined owing to subdued demand. Domestic prices decreased primarily owing to muted demand due to onset of monsoon. In July, international prices increased and domestic prices continued to decline owing to decreased demand due to the monsoon season. In August, declining trend in domestic prices was reversed due to small and medium sized players increasing prices due to increased demand. In September, domestic prices increased led by healthy domestic demand and rise in raw material costs. In October, prices increased during the month led by healthy domestic demand, currency depreciation, and rise in raw material costs. In November, domestic prices fell owing to sluggish demand sentiment. In December, fall in global prices and domestic supply situation led to decrease in domestic prices. In January 2019, prices recorded a decline primarily owing to subdued demand. In February, prices increased due to elevated raw material prices and higher demand.

^Prices have been retrospectively revised by the source due to change in base year

# Steel Billets



Monthly Average Prices		
Period	^*Int'l (\$/tonne)	*Dom (Rs/tonne)
Mar-18	543	34,733
Apr-18	517	34,700
May-18	516	37,467
Jun-18	513	38,367
Jul-18	507	35,050
Aug-18	487	34,300
Sep-18	479	38,200
Oct-18	465	35,667
Nov-18	459	35,850
Dec-18	459	33,833
Jan-19	459	33,467
Feb-19	442	34,633



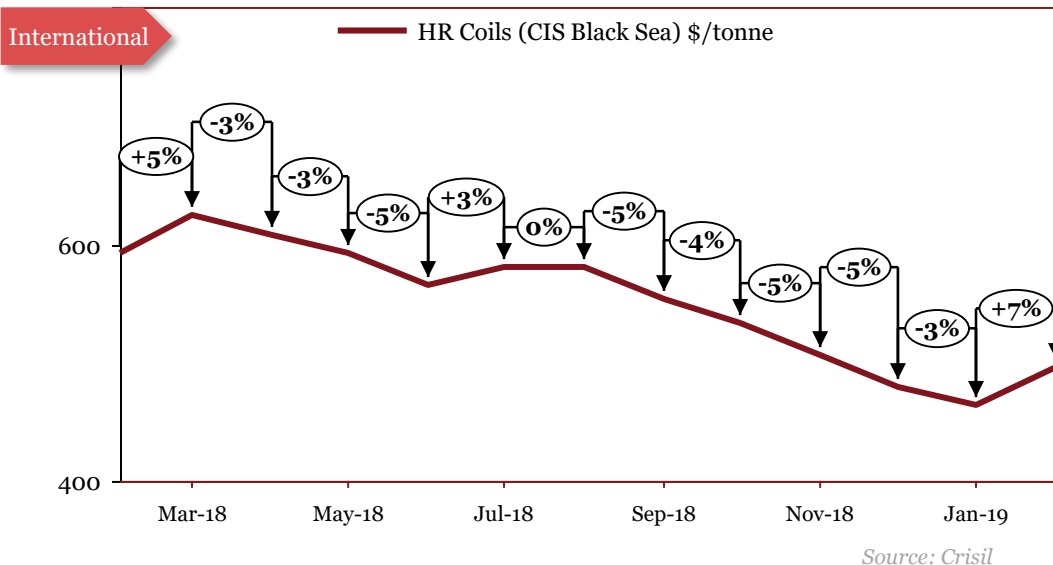
\*The actual prices may vary depending on city, player, grade etc.

## Outlook

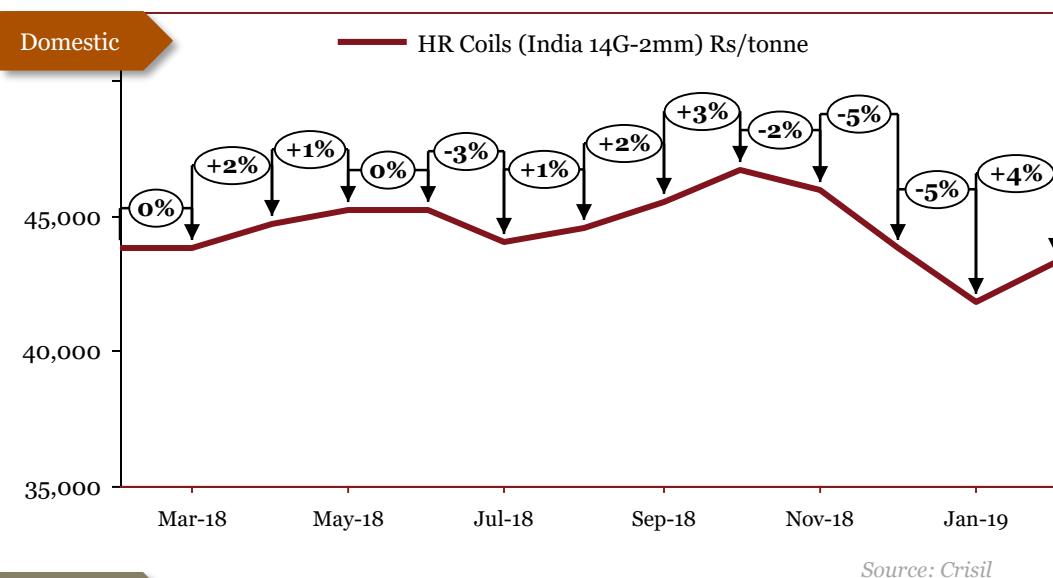
In April, the international and domestic prices remained flat owing to the limited activity in the market. In May, the rate of price increase in international markets fell due to decrease in scrap prices and market activity. Domestic prices increased owing to a pick-up in demand coupled with limited inventories. In June, international prices fell due to muted demand amid the threat of an escalating global trade war. Domestic prices rose on account of short supply of scrap. In July, prices in the domestic market fell due to decreased demand owing to fall in construction activity because of the monsoon season and reduced ability to export owing to international trade wars. In August, domestic prices continued to fall. In September, domestic prices increased primarily owing to increased off-take of medium size mills, lower inventories coupled with elevated input material costs. In October, billet prices experienced decline owing to weaker domestic demand. In November, prices fell in the global market due to a return of Chinese producers to the export market leading to increased supply. In December, international prices stagnated while domestic prices fell. In January 2019, prices remained unchanged due to stable demand-supply conditions. In February, domestic prices increased due to improved demand, especially from construction sector.

^International prices changed due to change in the grade

# Hot-Rolled (HR) Coils



Monthly Average Prices		
Period	*Int'l (\$/tonne)	^*Dom (Rs/tonne)
Mar-18	624	43,800
Apr-18	608	44,700
May-18	592	45,200
Jun-18	565	45,200
Jul-18	581	44,000
Aug-18	581	44,500
Sep-18	554	45,500
Oct-18	533	46,700
Nov-18	506	45,900
Dec-18	480	43,800
Jan-19	464	41,800
Feb-19	496	43,300

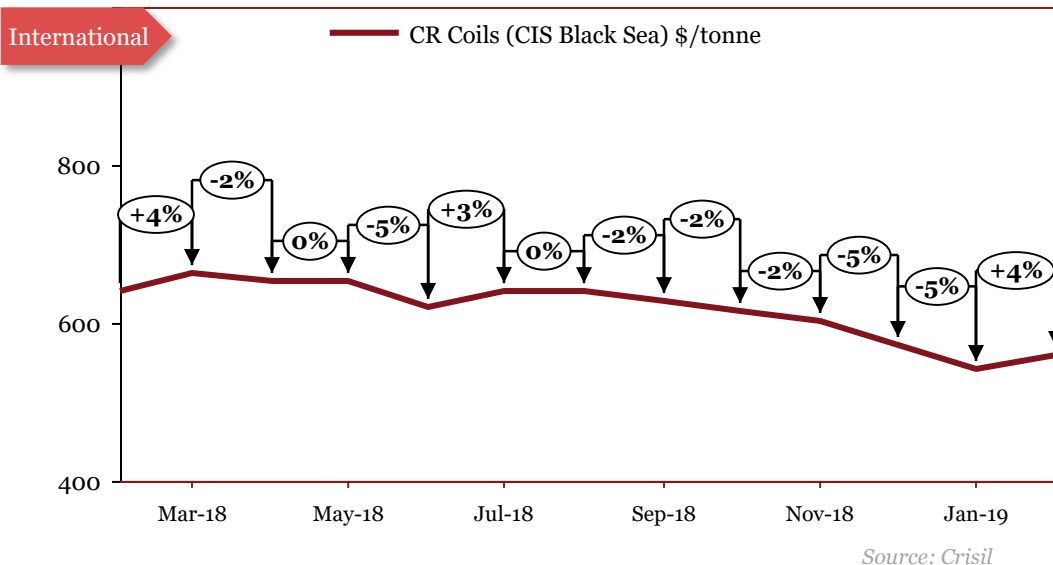


\*The actual prices may vary depending on city, player, grade etc.

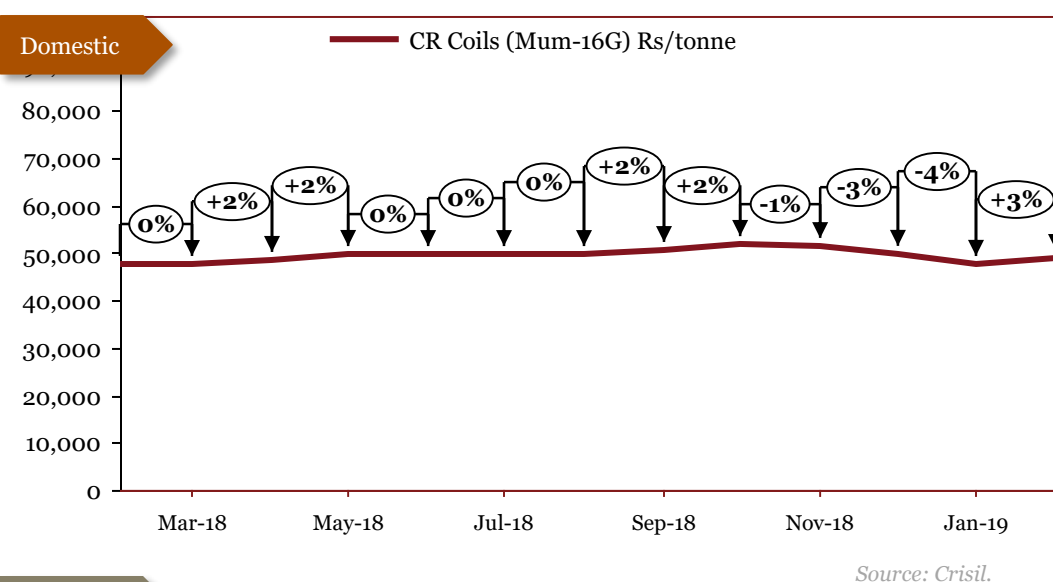
## Outlook

In September, prices increased on the domestic front on account of higher raw material prices like iron ore. In the month of October 2018, international prices declined. However, on the domestic front, prices increased by about 3% on back of costlier imports amid currency depreciation, higher raw material cost (both iron ore and coking coal). In November, prices in the international market fell owing to lacklustre demand and prices in the domestic market fell owing to increased supply. In the month of December 2018, international prices declined on account of weak demand in China's domestic market along with tepid exports demand due to New Year holidays. In line with global prices, domestic prices declined owing to sluggish demand. Further, decline in global steel prices has led to landed costs of imports being more cost effective than domestic offers, leading to decline in domestic prices. In January 2019, international HR coil prices declined owing to weak demand. On domestic front, prices declined amid cost effective imports and bearish export market. In February 2019, international prices increased due to increase in raw material prices. Domestic prices increased in line with international prices.

# Cold-Rolled (CR) Coils



Monthly Average Prices		
Period	*Int'l (\$/tonne)	^*Dom (Rs/tonne)
Mar-18	664	47,822
Apr-18	652	48,722
May-18	652	49,722
Jun-18	621	49,722
Jul-18	640	49,722
Aug-18	640	49,722
Sep-18	627	50,722
Oct-18	615	51,900
Nov-18	603	51,300
Dec-18	572	49,800
Jan-19	541	47,800
Feb-19	560	49,000



\*The actual prices may vary depending on city, player, grade etc.

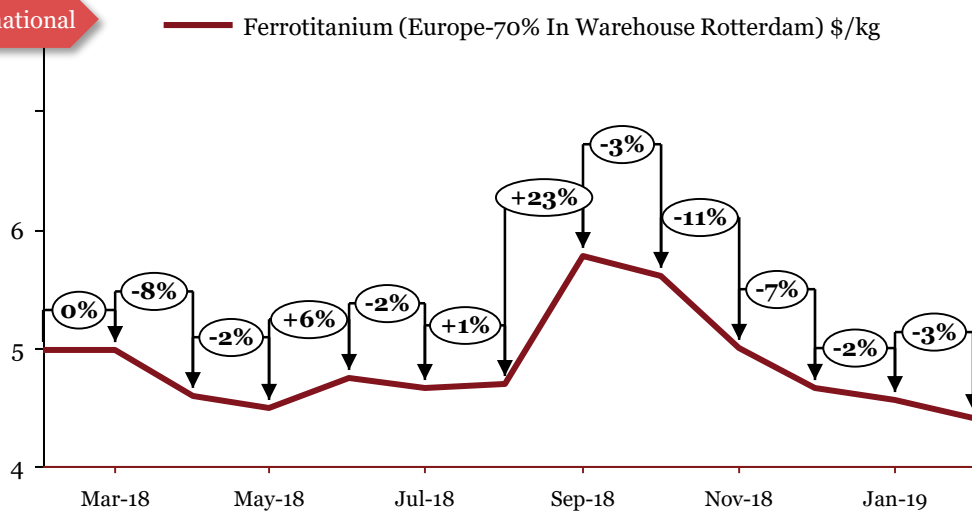
## Outlook

International CR coil prices declined in June on back of decline of 5% in International HR prices. Domestic CR prices remained stable, mirroring HR prices trend. In July, international CR prices rose on the back of rise in international HR prices. Domestic CR prices remained stable in August. In September, International CR coil prices declined on back of declining international HR prices. Domestic CR prices increased during the month, following the same trend as that of the HR coils. International indexed CR coil prices declined in October 2018 on back of declining international HR prices. Domestic CR prices increased during the month, mirroring HR prices trend. In November, international and domestic CR coil prices declined followed trend of declining HR prices. In December, international indexed CR coil prices declined in December 2018 on back of declining international HR prices. In January 2019, prices continued declining trend. In February, both international and domestic prices increased in line with HR prices.

<b><i>Ferro-alloys</i></b>	<b>Ferro-alloys</b>	<b>15</b>
7	Ferro titanium	16
8	Ferro chrome	17
9	Ferro molybdenum	18
10	Ferro vanadium	19
11	Ferro silicon	20
12	EN8 Alloy Steel (Forging)	21
13	Stainless Steel	22
14	20MnCr5 Alloy Steel (Forging)	23

# Ferro titanium

## International



Grade specifications changed from Metal Bulletin to Asian Metals  
 Source: Bloomberg

## Domestic

Relevant domestic price data not available

## Outlook

In January 2018, the prices increased owing to the steady increase in demand. In Feb 2018, the prices remained steady due to balanced market conditions. The traders are awaiting tenders from the global steel mills for deciding the price direction. In March, the prices in Europe increased on the back of the increasing demand. In April and May, prices in the global market declined due to lower demand. Prices increased in June and declined in July due to seasonal slowdown. In August, prices increased due to persistent low supply. Global prices in September increased due to tightness in ferro-titanium availability as well as higher grade scrap - particularly from Russia. In addition, consumer activity picking up after seasonal slowdown also led to increase in prices. In October 2018, high-volume sales to Europe from Russia dragged down prices. From November 2018, ferro-titanium prices have witnessed consistently declining trend owing to unfavourable market conditions which has continued till February 2019.

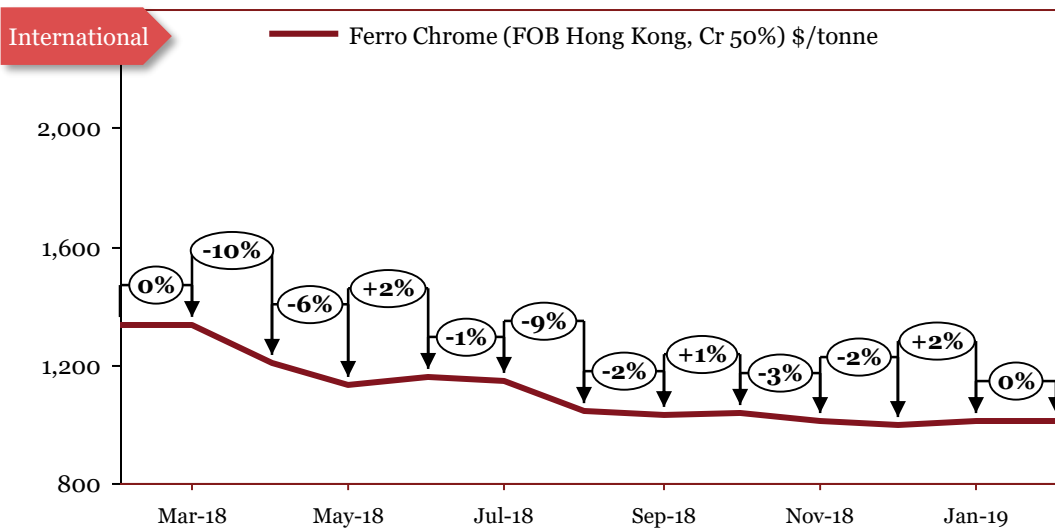
Monthly Average Prices	
Period	^*Int'l (\$/kg)
Mar-18	4.98
Apr-18	4.59
May-18	4.50
Jun-18	4.75
Jul-18	4.66
Aug-18	4.70
Sep-18	5.78
Oct-18	5.61
Nov-18	5.00
Dec-18	4.66
Jan-19	4.56
Feb-19	4.41

\*The actual prices may vary depending on city, player, grade etc.

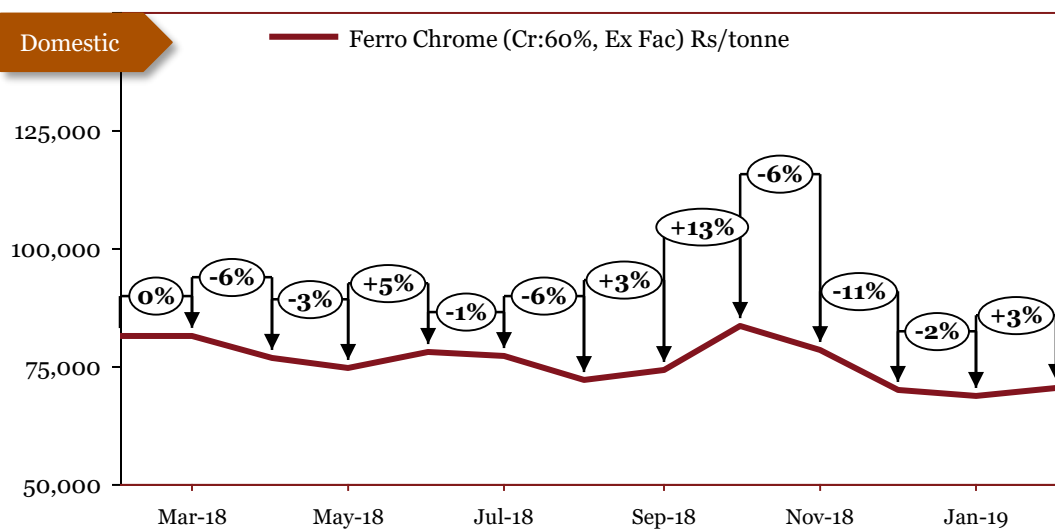
^International prices changed due to change in grades at the source



# Ferro chrome



Source: Crisil



Source: Crisil

Monthly Average Prices		
Period	*Int'l (\$/tonne)	*Dom (Rs/tonne)
Mar-18	1,335	81,500
Apr-18	1,207	76,500
May-18	1,130	74,500
Jun-18	1,156	78,000
Jul-18	1,147	77,000
Aug-18	1,044	72,000
Sep-18	1,027	74,000
Oct-18	1,036	83,500
Nov-18	1,010	78,500
Dec-18	993	70,000
Jan-19	1010	68,500
Feb-19	1010	70,500

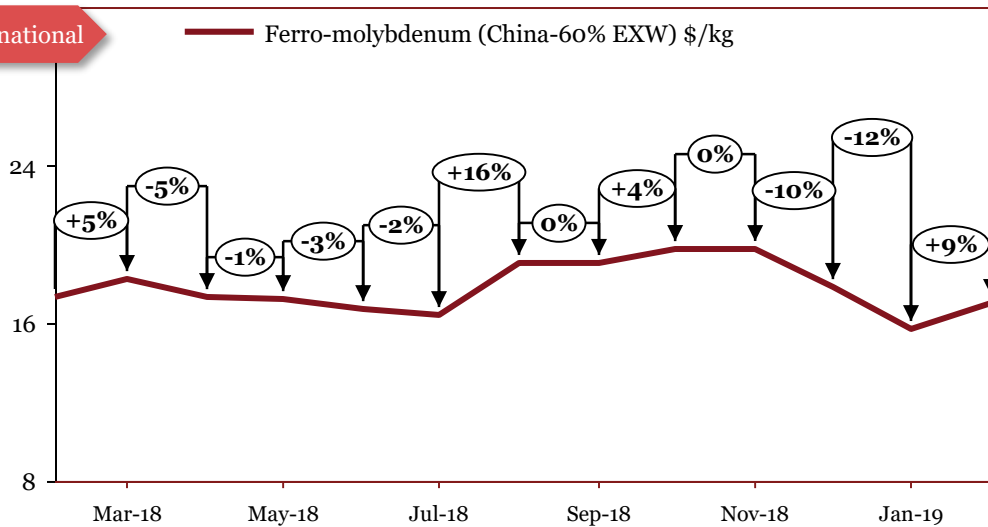
\*The actual prices may vary depending on city, player, grade etc.

## Outlook

In November, international price of ferro chrome declined on account of poor demand in China. On domestic front, prices declined owing to muted demand, in line with global prices. In December, international index price of ferro chrome declined on account of poor demand in China. Successive shutdown/production cut by stainless steel mills, and relatively high level of chrome ore stock, coupled with some mills facing capital restraints are the key factors for the downward trend in Ferro Chrome prices. In line with global prices, on domestic front, prices recorded a sharp decline primarily owing to weak demand. In January 2019, international price of ferro chrome increased on account of slight pick up in Chinese demand. Successive shutdown/production cut by stainless steel mills, and relatively high level of chrome ore stock, coupled with some mills facing capital restraints are the key factors for the restricted growth in Ferro Chrome prices. On domestic front, prices recorded a decline primarily owing to weak demand. International index price of ferro chrome in February remained stable owing to muted Chinese demand. On domestic front, prices recorded an increase on back of rise in chrome ore prices.

# Ferro molybdenum

## International



Grade specifications changed from Metal Bulletin to Asian Metals  
 Source: Bloomberg

## Domestic

Relevant domestic price data not available

## Monthly Average Prices

Period	*^Int'l (\$/kg)
Mar-18	18
Apr-18	17
May-18	17
Jun-18	17
Jul-18	16
Aug-18	19
Sep-18	19
Oct-18	20
Nov-18	20
Dec-18	18
Jan-19	16
Feb-19	17

\*The actual prices may vary depending on city, player, grade etc.

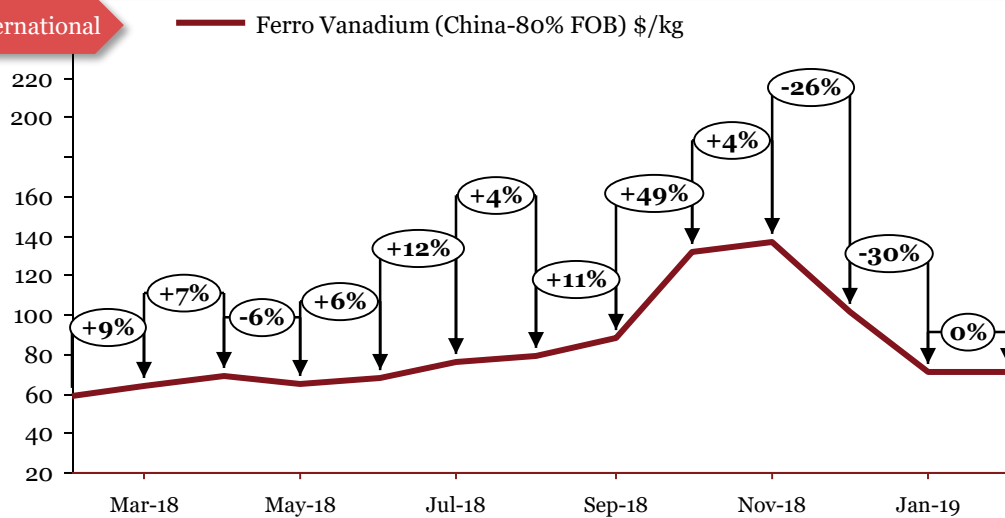
## Outlook

In October, the prices decreased due to subdued demand. In December, the prices increased due to tight supply, restocking and increased costs of raw materials. In January 2018, the prices continued to increase on back of the rising demand. In Feb 2018, the prices increased due to continued demand. The prices in March increased as the demand increased. In May, production from Chinese ferro molybdenum producers and global copper producers (molybdenum is produced as a by-product of copper production) acted as a cap for ferro molybdenum prices by enabling stable supply. In June and July, prices continued with declining trend. In August, declining trend in prices was reversed on account of firm demand. In September, prices remained stable. Prices increased in October 2018. Prices witnessed declining trend since November 2018, following the price movements in other ferro-alloys. In February 2019, declining trend was reversed.

^International prices changed due to change in grades at the source

# Ferro vanadium

## International



Grade specifications changed from Metal Bulletin to Asian Metals  
 Source: Bloomberg

## Domestic

Relevant domestic price data not available

## Monthly Average Prices

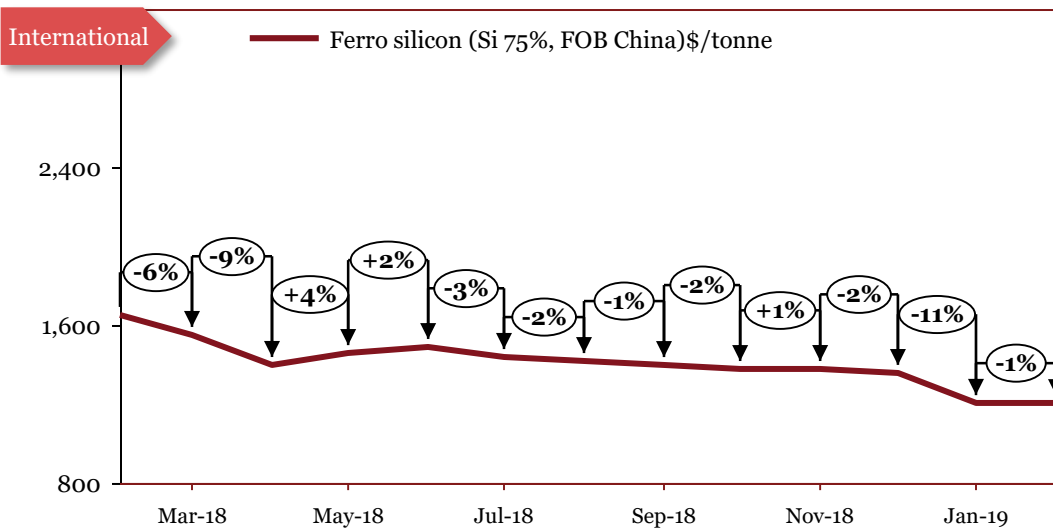
Period	*Int'l (\$/kg)
Mar-18	64
Apr-18	68
May-18	64
Jun-18	68
Jul-18	76
Aug-18	79
Sep-18	88
Oct-18	131
Nov-18	137
Dec-18	101
Jan-19	71
Feb-19	71

\*The actual prices may vary depending on city, player, grade etc.

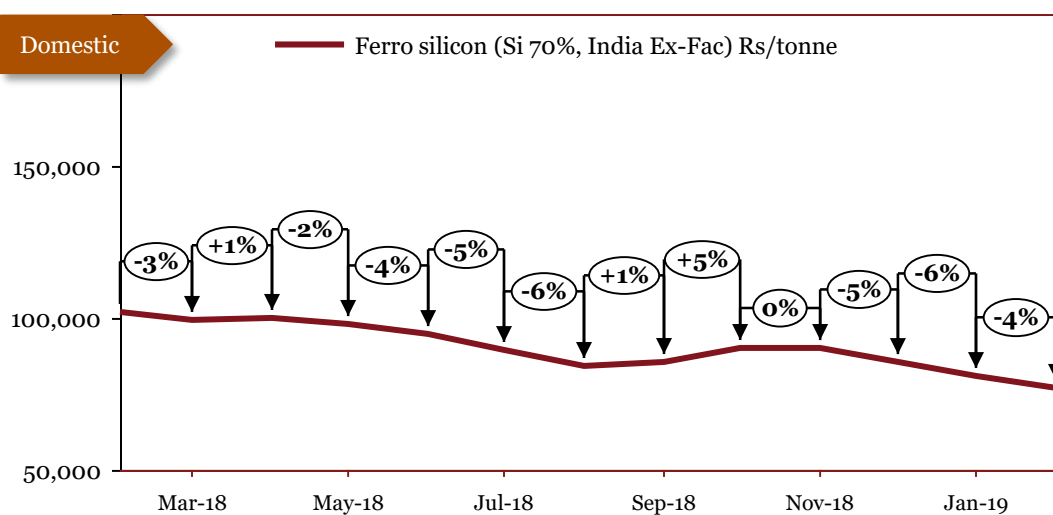
## Outlook

In Feb 2018, the prices continued to increase due to supply tightness in Europe, US and China. In March, the prices increased owing to the rising supply constraints. In April, the prices increased owing to the increased demand. In May, prices registered a decline due to limited demand. In June and July, prices witnessed increase due to persistent tight supply in the international market. In August, prices continued to rise. In September, global prices continued with increasing trend due to global supply constraints. In October, prices increased due to the impending imposition of stringent rebar standards in China together with tight vanadium supply globally. Since November 2018, ferro-vanadium prices have witnessed declining trend owing to weak buying interest and unfavourable market sentiment. Prices remained unchanged in February 2019 due to stable market conditions.

# Ferro silicon



Source: Crisil



Source: Crisil

Monthly Average Prices		
Period	*Int'l (\$/tonne)	*Dom (Rs/tonne)
Mar-18	1,546	99,200
Apr-18	1,401	99,700
May-18	1,456	98,200
Jun-18	1,490	94,700
Jul-18	1,442	89,700
Aug-18	1,415	84,500
Sep-18	1,401	85,500
Oct-18	1,373	90,000
Nov-18	1,380	90,200
Dec-18	1,359	85,700
Jan-19	1,208	80,700
Feb-19	1,201	77,200

\*The actual prices may vary depending on city, player, grade etc.

## Outlook

International ferro silicon prices declined in October 2018 on account of low demand for the commodity coupled with surplus supply. While, domestic ferro silicon prices increased by about 7% on account of healthy demand. Further, low inventory has also supported the prices. International ferro silicon prices increased while domestic prices remained firm in November 2018 on account of stable demand-supply sentiment for the commodity. International ferro silicon prices declined marginally in December 2018 owing to muted demand. In line with global prices, domestic ferro silicon prices declined on the back of increasing inventories with manufacturers and supply outstripping demand. International ferro silicon prices declined in January 2019 owing to muted demand, especially in China. Many ferro silicon suppliers in China have shifted to the production of silicon carbide due to low demand. In line with global prices, domestic ferro silicon prices declined on the back of increasing inventories with manufacturers and supply outstripping demand. International ferro silicon prices declined in February 2019 owing to muted demand, especially in China. In line with global prices, domestic ferro silicon prices declined on the back of increasing inventories with manufacturers and supply outstripping demand.

# EN8 Alloy Steel (Forging)

## International

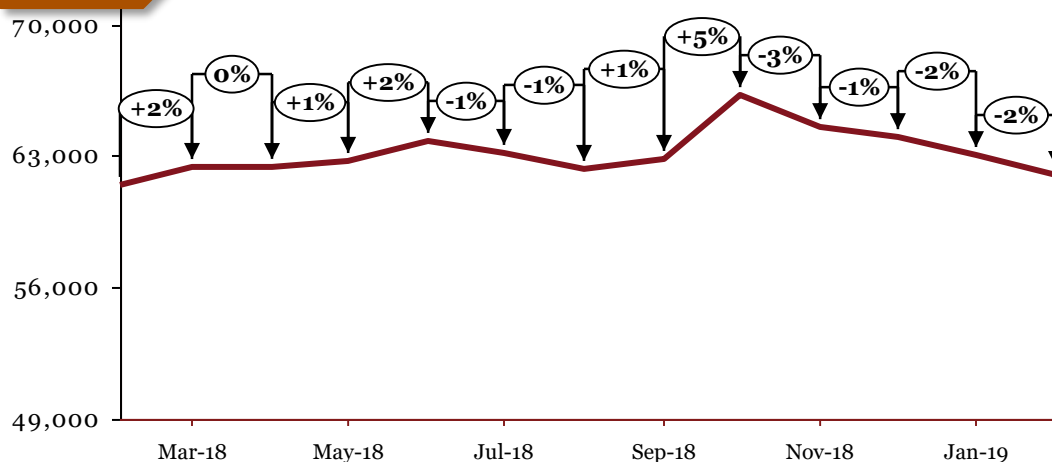
Data not available for relevant (comparable to domestic) grades

## Monthly Average Prices

Period	*Dom (Rs/tonne)
Mar-18	62,400
Apr-18	62,400
May-18	62,750
Jun-18	63,800
Jul-18	63,200
Aug-18	62,300
Sep-18	62,800
Oct-18	66,200
Nov-18	64,500
Dec-18	64,000
Jan-19	63,000
Feb-19	62,000

## Domestic

Alloy Steel (forging)-EN8 India Rs/tonne



Source: PwC Research

\*The actual prices may vary depending on city, player, grade etc.

## Outlook

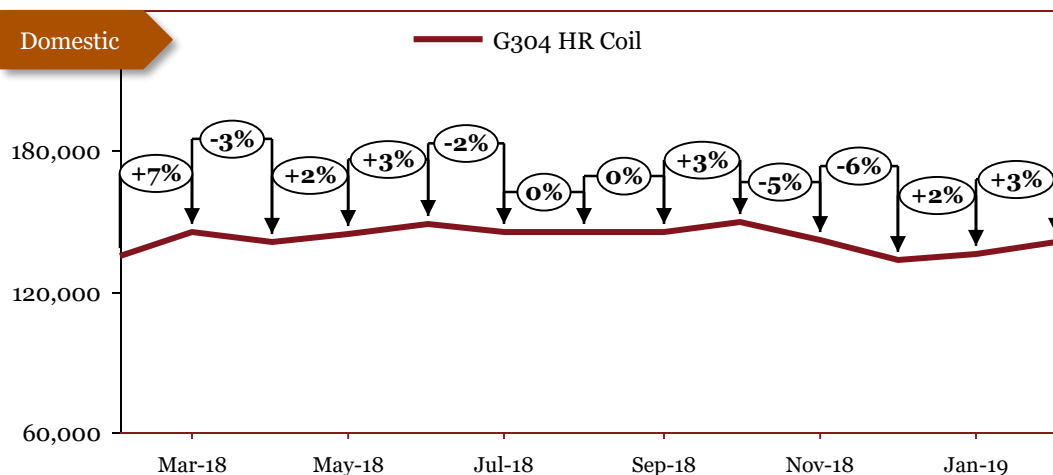
In January and Feb, the prices continued to increase due to increase in the raw material prices. In March, the domestic prices increased due to increased demand. In April, prices remained constant due to stable market conditions and increased in May along with other steel products. Similarly, prices increased in June in step with other steel products. In July, prices fell due to unfavourable demand. In August, prices continued to fall. In September, prices increased along with price rise in other steel products. In October, prices increased in line with other products whose prices depend on the fundamentals of the economy. In November, domestic prices witnessed decline. In December, prices declined further owing to a decrease in the Chinese market. In January 19, prices continued with declining trend. In February, declining trend continued.

# Stainless Steel

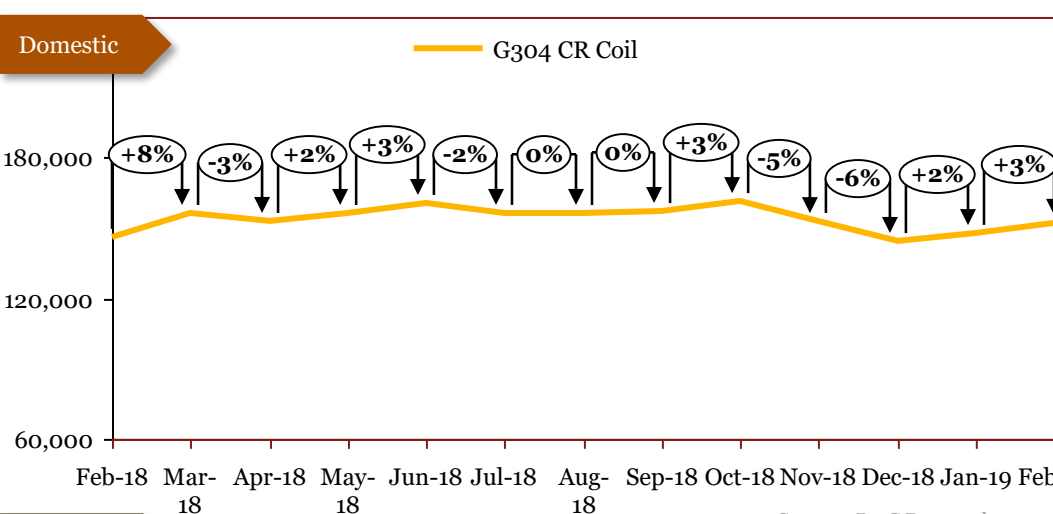
International

Data not available for relevant (comparable to domestic) grades

Domestic



Domestic



## Monthly Domestic Average Prices

Period	*G304 HR (Rs/tonne)	*G304 CR (Rs/tonne)
Mar-18	145,200	156,750
Apr-18	141,200	152,750
May-18	144,700	156,250
Jun-18	148,700	160,250
Jul-18	145,200	156,750
Aug-18	145,200	156,750
Sep-18	145,700	157,250
Oct-18	149,700	161,250
Nov-18	141,700	153,250
Dec-18	133,200	144,750
Jan-19	136,200	147,750
Feb-19	146,700	152,250

\*The actual prices may vary depending on city, player, grade etc.

Source: PwC Research

## Outlook

In October, the international prices decreased owing to the decrease in demand from China. In November, the domestic prices followed the suit of international prices, which decreased owing to the reduced demand in China. In December, the domestic prices decreased due to low export demand, caused by stable supply from China. In January 2019, the domestic prices increased owing to the increase in the zinc prices. In Feb 2018, the increase in the domestic prices continued on the back of the rising input material prices. In March, the prices continued to increase on the back of the rising demand. In April, the domestic prices decreased owing to the reduced demand and continued higher supply. In May, declining trend was reversed as prices increased. In June, prices increased owing to strong demand. In July, domestic prices for stainless steel declined following global cues. In August, prices remained the same owing to stable market conditions. In September, prices continued to remain stable. In October, prices increased after flat trend over past months. In November, international and domestic prices decreased simultaneously. In December, prices continues to decline. In January 2019, domestic prices increased on account of increase in price of raw material imports. In February, increasing trend in HR and CR coil prices continued.

# 20MnCr5 Alloy Steel (Forging)

## International

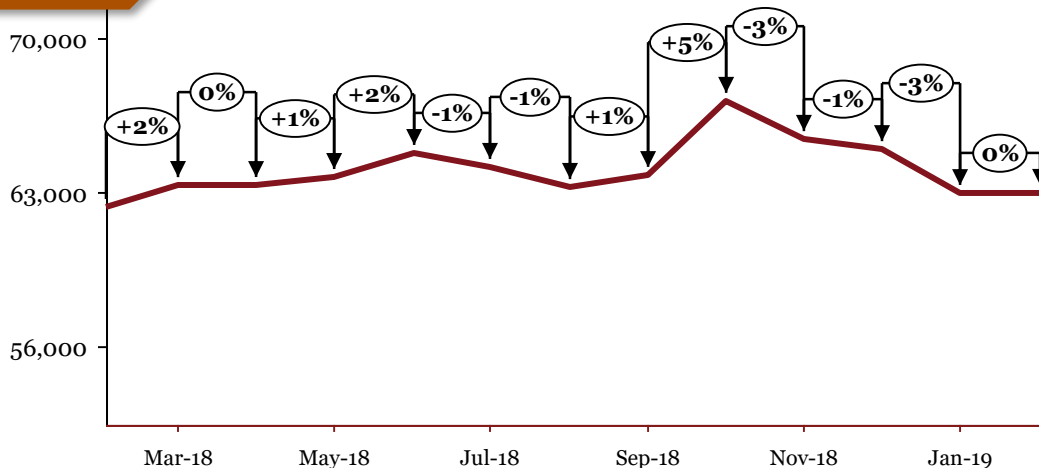
Data not available for relevant (comparable to domestic) grades

## Monthly Average Prices

Period	*Dom (Rs/tonne)
Mar-18	63,400
Apr-18	63,400
May-18	63,750
Jun-18	64,800
Jul-18	64,200
Aug-18	63,300
Sep-18	63,800
Oct-18	67,200
Nov-18	65,500
Dec-18	65,000
Jan-19	64,000
Feb-19	63,000

## Domestic

Alloy Steel (forging)-20MnCr5 India Rs/tonne



Source: PwC Research

\*The actual prices may vary depending on city, player, grade etc.

## Outlook

The long term prospects seems promising for the forging industry as a whole. In November, increase in the domestic iron ore prices has resulted in the increase of alloy steel prices. In December, the price hike can be attributed to the rising cost of raw materials. In January and Feb, the prices continued to increase due to increase in the raw material prices. In March, the domestic prices increased due increased demand. In April, prices remained constant due to stable market conditions and increased in May along with other steel products. In June, prices increased in step with other steel products. Similarly, prices in the domestic market fell in line with other steel products owing to muted demand. In August, process continued to fall. In September, domestic prices reversed declining trend. In October, declining trend in prices was reversed. In November, prices fell due to muted demand. Prices fell in line with other steel products. In January 2019, prices continued with declining trend. In February, prices remained unchanged due to stable market conditions.

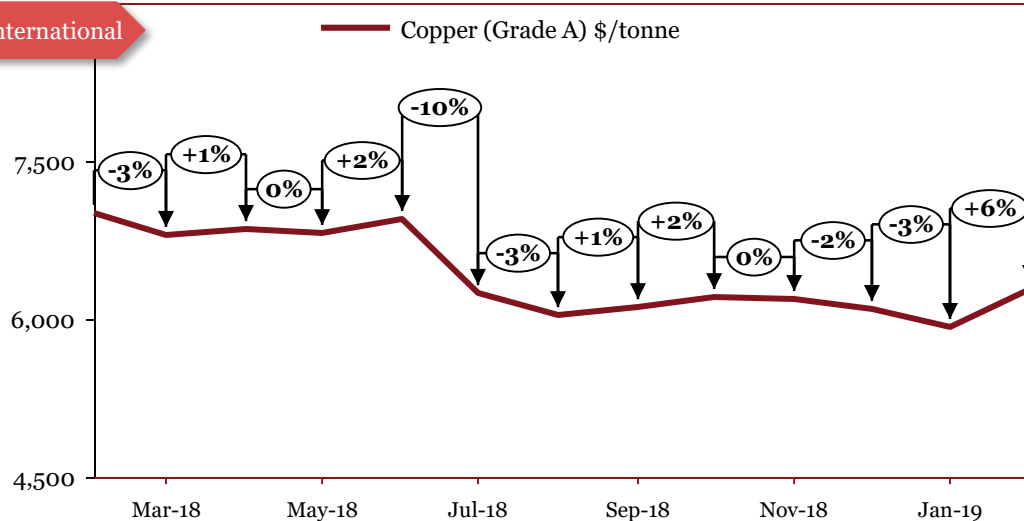
# *Base Metals*

	<b>Base Metals</b>	<b>24</b>
15	Copper	25
16	Zinc	26
17	Nickel	27
18	Tin	28
19	Magnesium	29



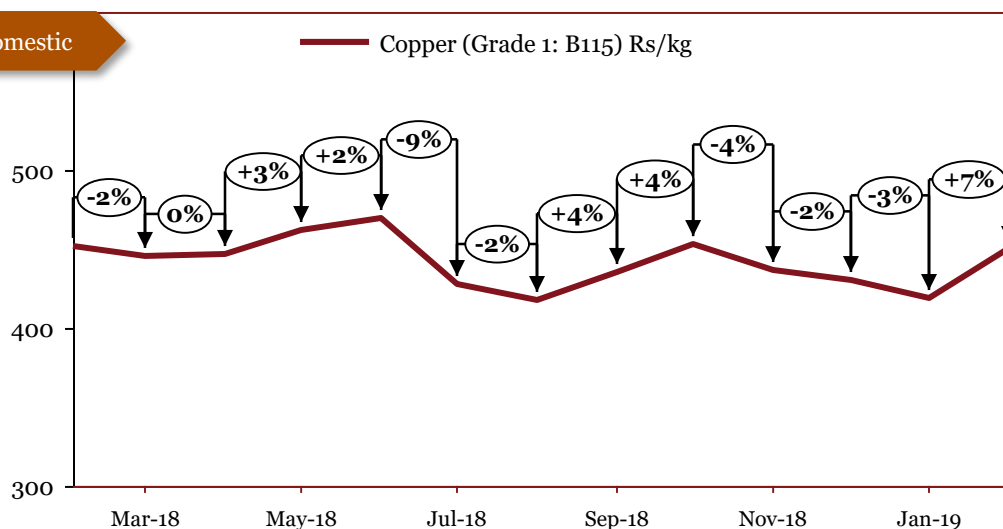
# Copper

## International



Source: LME

## Domestic



Source: MCX

## Monthly Average Prices

Period	*Int'l (\$/tonne)	*Dom (Rs/kg)
Mar-18	6,795	445
Apr-18	6,852	447
May-18	6,821	462
Jun-18	6,954	469
Jul-18	6,248	428
Aug-18	6,039	418
Sep-18	6,020	436
Oct-18	6,215	453
Nov-18	6,192	437
Dec-18	6,094	430
Jan-19	5,932	419
Feb-19	6,278	450

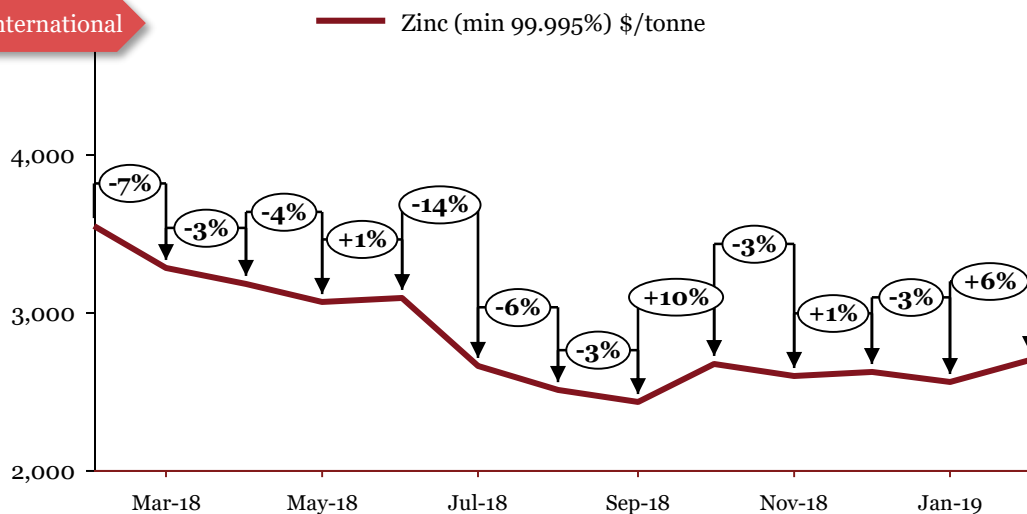
\*The actual prices may vary depending on city, player, grade etc.

## Outlook

In June, international copper prices increased due to an escalating trade war between US and China. Domestic prices rose on account of reduced supply resulting from aforementioned closure of Sterlite Copper's plant. In July, copper prices in the international market fell due to escalating trade war fears and fears of weakening demand from China. Domestic prices also fell due to developments in the international market. In August, international market prices declined owing to dampened demand that can be attributed to fall in value of emerging market currencies. Domestic market prices reflected the trend in international markets. In September, global prices fell further while domestic prices reversed declining trend. In October, international prices increased on account of high volumes of imports to China. Domestic prices rose on account of increased demand from consuming industries. In November, domestic prices followed trend in domestic demand from consuming industries. In December, prices in the international market fell due to lower volumes and continued market worries over a prolonged trade war. In January 2019, domestic prices reflected trend in global prices. In February, prices increased as global demand outpaces supply. Domestic prices followed suit.

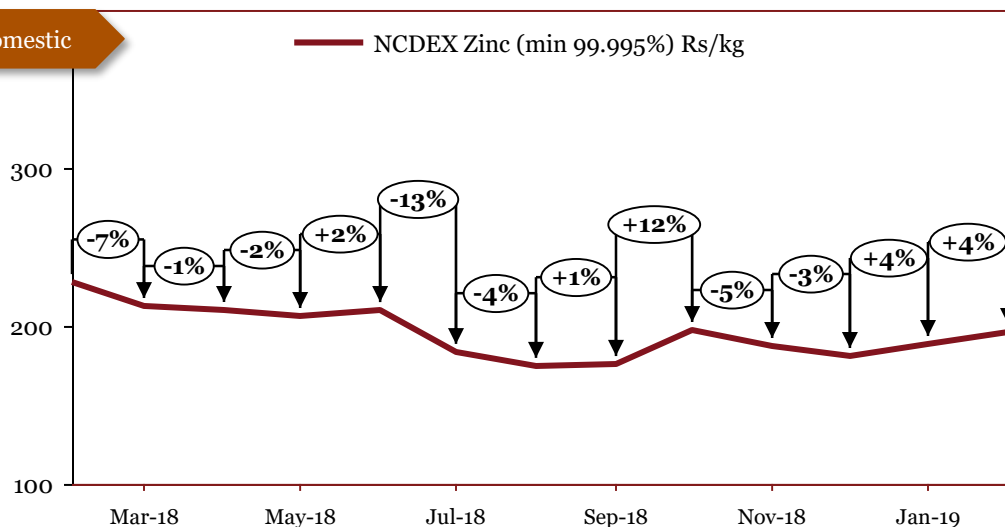
# Zinc

## International



Source: LME

## Domestic



Source: NCDEX

## Monthly Average Prices

Period	*Int'l (\$/tonne)	*Dom (Rs/kg)
Mar-18	3,280	213
Apr-18	3,183	210
May-18	3,057	206
Jun-18	3,091	210
Jul-18	2,658	183
Aug-18	2,510	175
Sep-18	2,433	176
Oct-18	2,671	197
Nov-18	2,592	187
Dec-18	2,625	181
Jan-19	2,558	188
Feb-19	2,702	196

\*The actual prices may vary depending on city, player, grade etc.

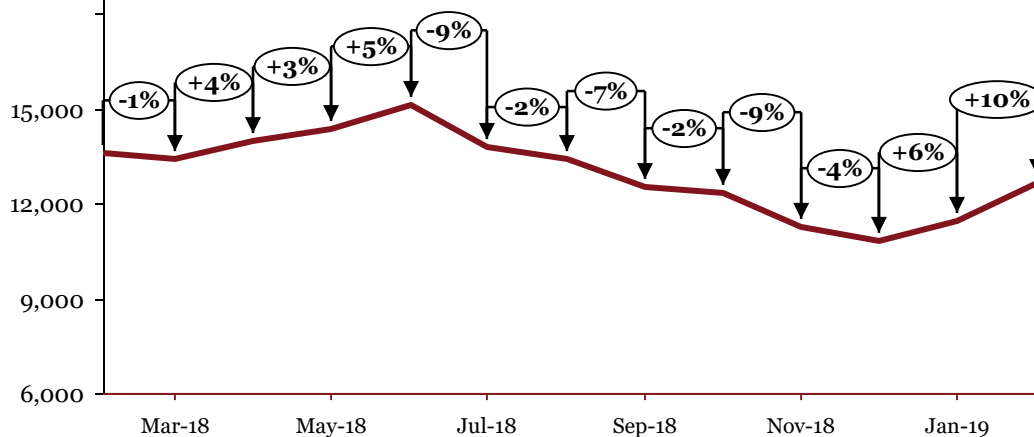
## Outlook

In May, international prices fell due to increased supply. Domestic prices fell due to similar increase in output. In June, decline in international prices and domestic prices was stemmed. In July, international prices fell due to surplus supplies and a narrowing deficit. The decline in prices was further catalyzed by escalating trade tensions. Domestic prices fell on the back of weak global cues amid easing demand from consuming industries. In August, zinc prices crashed owing to excess supply in the market and muted demand from China. In September, international prices fell further while domestic prices rose amid sustained demand from alloy industries. In October, global zinc prices rose due to depleting inventories and domestic prices followed suit. In November, prices fell due to slowing demand from major buyers owing to falling economic growth which in turn is putting pressure on prices. In December, prices in the international registered increase whereas prices in the domestic market continued to fall due to dampened demand. In January 2019, international prices increased whereas domestic prices fell. In February, increasing trend in domestic prices continued.

# Nickel

## International

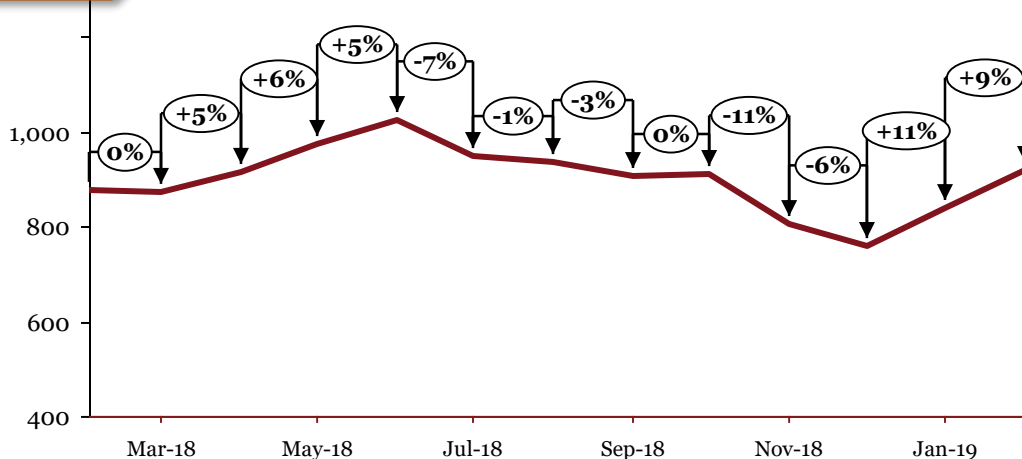
Nickel (min 99.80%) \$/tonne



Source: LME

## Domestic

Nickel (4"×4" cut Nickel min 99.80%) Rs/kg



Source: NCDEX

## Monthly Average Prices

Period	*Int'l (\$/tonne)	*Dom (Rs/kg)
Mar-18	13,400	873
Apr-18	13,965	915
May-18	14,352	970
Jun-18	15,107	1,025
Jul-18	13,768	948
Aug-18	13,429	936
Sep-18	12,524	906
Oct-18	12,323	909
Nov-18	11,249	806
Dec-18	10,833	759
Jan-19	11,452	839
Feb-19	12,647	918

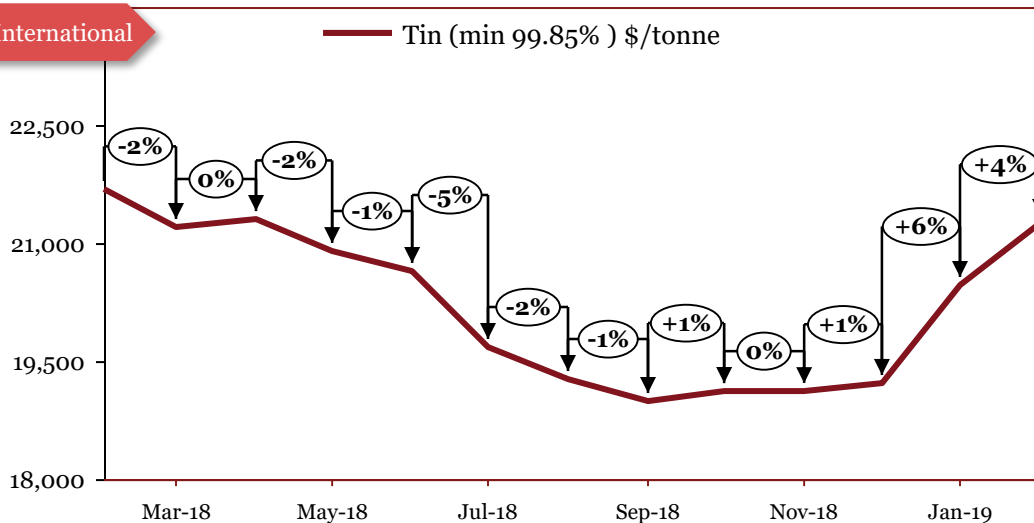
\*The actual prices may vary depending on city, player, grade etc.

## Outlook

In April 2018, the international prices increased owing to fear of Rusal sanctions being extended to the Norinickel, company linked with Rusal. Domestic prices followed suit. In May, nickel prices increased due to lower inventories, stronger demand and a weaker dollar. In June, domestic and overseas nickel prices rose after a blast at an iron ore mine in China and amid falling inventories. In addition, anticipation of increased electric vehicle demand and strong demand in the Stainless Steel sector further supported prices. In July, prices in the international market fell due to excess supply and ongoing trade dispute between US and China. Domestic prices followed suit. In August, prices declined following the trend in base metal prices. In September, prices continued to fall. In October, global prices fell due to weakness in the stainless steel market, increasing nickel pig iron production and rising Shanghai nickel inventory. In November, prices fell in the global market due to growing concerns over slowing demand in top consumer China. Domestic prices followed suit. In December, nickel prices declined, following the price trends of other base metals. In January 2019, domestic nickel prices rose on account of limited supply. In February, prices increased as demand outpaced supply.

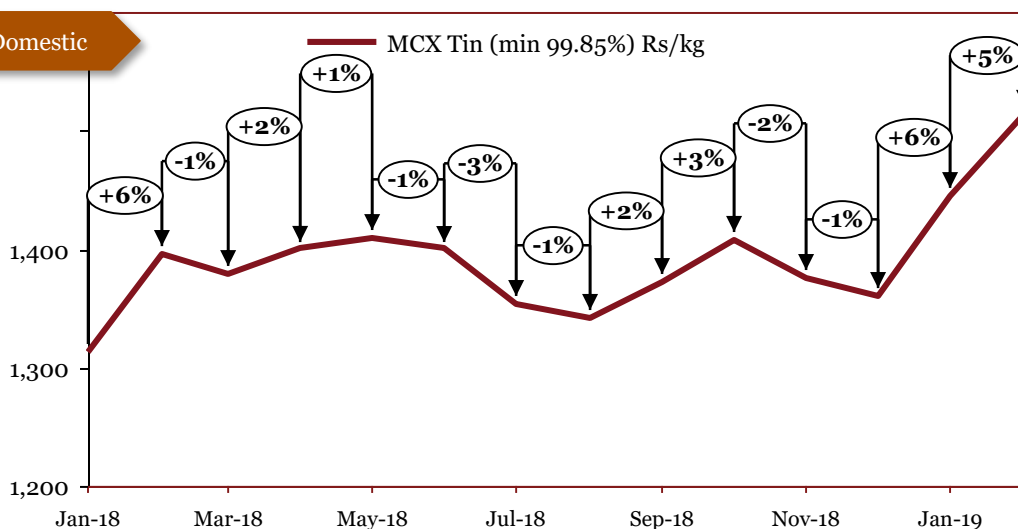
# Tin

## International



Source: LME

## Domestic



Source: MCX

## Monthly Average Prices

Period	*Int'l (\$/tonne)	*Dom (Rs/kg)
Mar-18	21,203	1,379
Apr-18	21,293	1,400
May-18	20,888	1,410
Jun-18	20,652	1,400
Jul-18	19,689	1,353
Aug-18	19,268	1,342
Sep-18	18,990	1,372
Oct-18	19,117	1,408
Nov-18	19,130	1,376
Dec-18	19,232	1,361
Jan-19	20,471	1,445
Feb-19	21,257	1,514

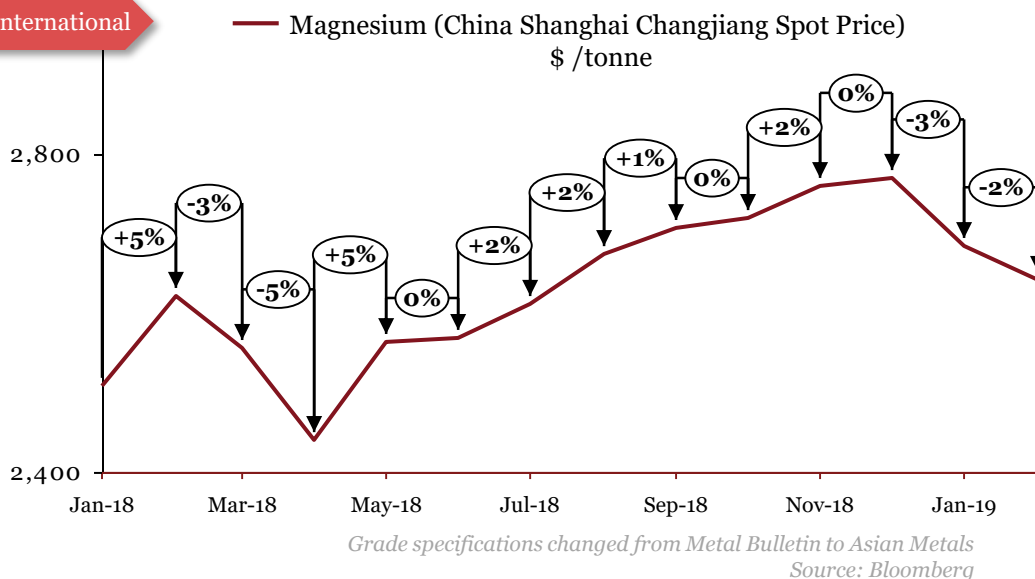
\*The actual prices may vary depending on city, player, grade etc.

## Outlook

In May, tin prices declined due to higher inventories owing to rising Indonesian exports and order cancellations by buyers. Domestic prices rose due to higher industrial demand. In June, international tin prices fell owing to weak demand. In July, tin prices decreased in line with decrease with price trends for other base metals. In August, prices declined owing to strong dollar and weakening emerging market currencies in the international market. In September, international prices continued to fall while domestic prices witnessed reversed trend. In October, global tin prices increased on concerns of tightened supply. Domestic prices followed international price trend. In November, international prices were unchanged due to stable market conditions. In December, tin outperformed other base metals in the international market. In January 2019, international prices witnessed increase due to supported by improving market sentiment amid ongoing trade talks between China and the United States. In February, tin prices increased in line with other base metal prices.

# Magnesium

## International



## Domestic

Relevant domestic price data not available

## Monthly Average Prices

Period	*Int'l (\$/tonne)
Mar-18	2,556
Apr-18	2,440
May-18	2,565
Jun-18	2,569
Jul-18	2,612
Aug-18	2,675
Sep-18	2,708
Oct-18	2,719
Nov-18	2,760
Dec-18	2,770
Jan-19	2,684
Feb-19	2,643

\*The actual prices may vary depending on city, player, grade etc.

## Outlook

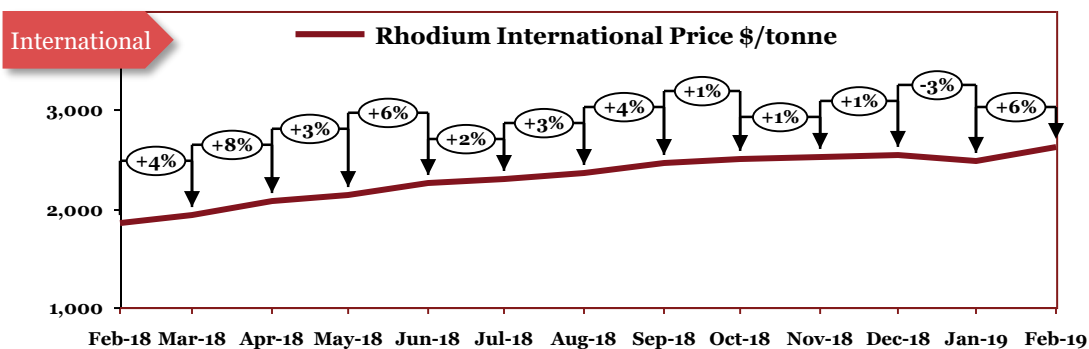
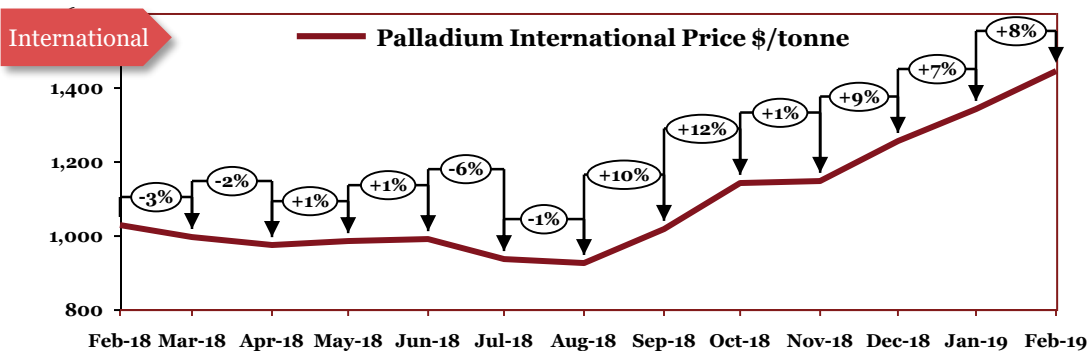
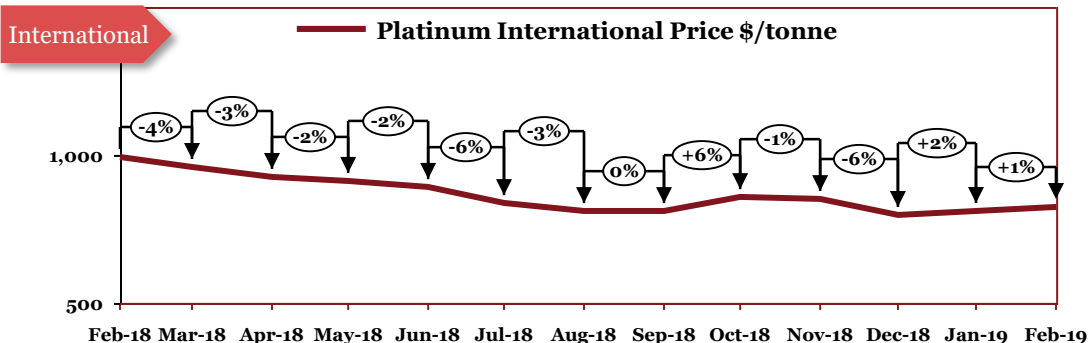
In January 2018, the market remained stable resulting in no fluctuations in prices. In Feb 2018, prices increased due to supply deficits and continued demand. In March, the prices declined due to decrease in the raw material prices. In April, the prices decreased owing to the slack in demand. In May, June and July, magnesium prices have witnessed increasing trend owing to favourable market conditions. In August, prices continued to rise. In September, prices rose on account of tighter supply. In October, magnesium prices continued with increasing trend. In November and December 2018, magnesium prices rose on account of tight market supply primarily from China and decreased in January 2019 with fall in demand. In February, magnesium prices continued to fall.

^International prices changed due to change in grades at the source

# *Precious Metals*

	<b>Precious Metals</b>	<b>30</b>
20	Precious Metals	31

# Precious Metals



Monthly Average Prices (\$/Oz)			
Period	Pt	Pd	Rh
Mar-18	960	993	1,923
Apr-18	929	975	2,071
May-18	909	984	2,133
Jun-18	890	991	2,255
Jul-18	835	936	2,295
Aug-18	809	924	2,358
Sep-18	808	1,017	2,463
Oct-18	856	1,138	2,490
Nov-18	851	1,145	2,512
Dec-18	797	1,253	2,539
Jan-19	811	1,338	2,473
Feb-19	821	1,441	2,616

Source: Johnson Matthey

\*The actual prices may vary depending on city, player, grade etc.

## Outlook

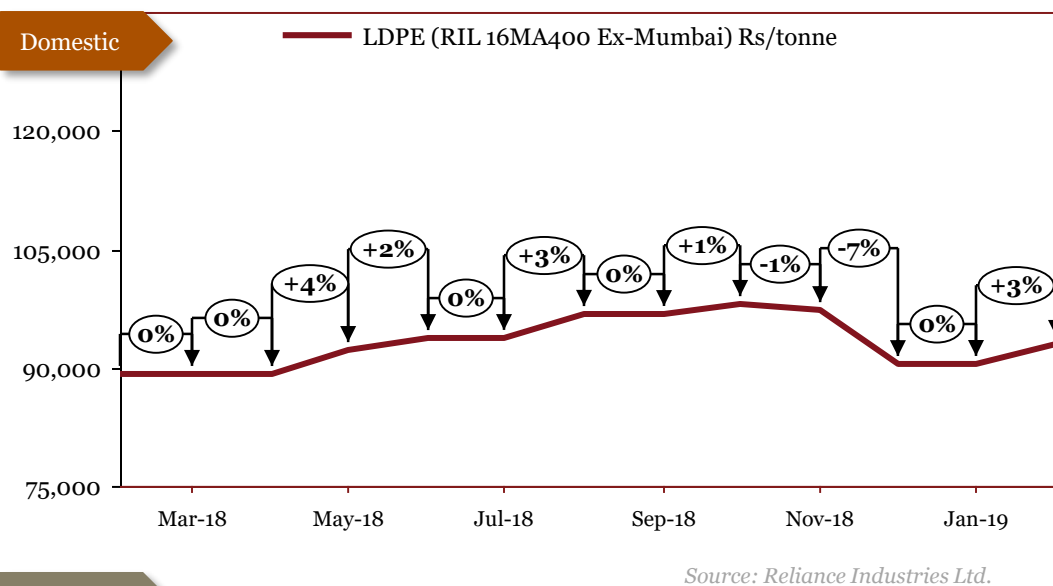
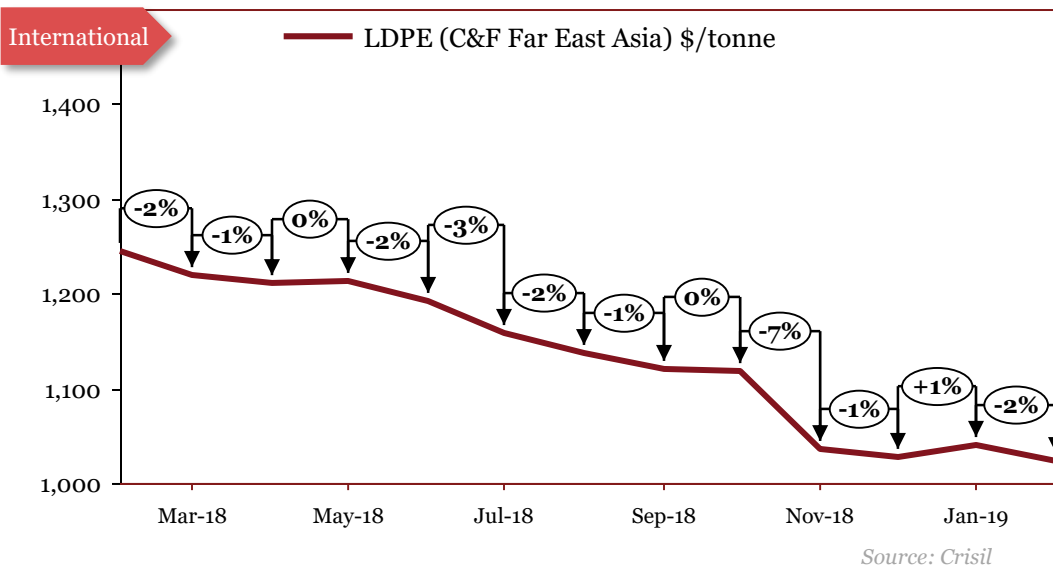
In July, platinum prices experienced downward pressure by trade tensions and the prospect of higher electric-vehicle adoption. Palladium prices experienced decline whereas rhodium prices increased owing to favourable market conditions. In August, platinum and palladium prices continued to fall owing to strong dollar. In September, rhodium prices increased owing to constricted supply from South Africa. Palladium prices increased on account of expected increase in the amount of palladium needed in every car owing to new emissions standards in China for cars becoming effective in 2020. Concerns over the intensifying trade dispute between the U.S. and China is also a contributor to the gains in palladium prices more recently. In October 2018, palladium prices increased owing to strong fundamentals and platinum prices increased in line with other precious metal price movements. In November, prices were largely unchanged. In December, platinum prices fell due to fall in demand from the automotive industry. Palladium prices increased due to increase in demand for hybrid and electric vehicles. Increase in palladium demand due to aforementioned reasons and limited supply in January 2019 led to continued increase in international market prices. In February, palladium prices rose further as demand outstripped production.

# *Polymers & Rubber*

<b>Polymers &amp; Rubber</b>		<b>32</b>
21	Low density polyethylene (LDPE)	33
22	Polypropylene (PP)	34
23	Rubber	35



# Low density polyethylene (LDPE)



Monthly Average Prices		
Period	*Int'l (\$/tonne)	*Dom (Rs/tonne)
Mar-18	1,220	89,190
Apr-18	1,210	89,190
May-18	1,214	92,319
Jun-18	1,192	93,819
Jul-18	1,159	93,819
Aug-18	1,137	96,819
Sep-18	1,121	96,819
Oct-18	1,118	97,927
Nov-18	1,036	97,378
Dec-18	1,028	90,411
Jan-19	1,041	90,411
Feb-19	1,024	92,911

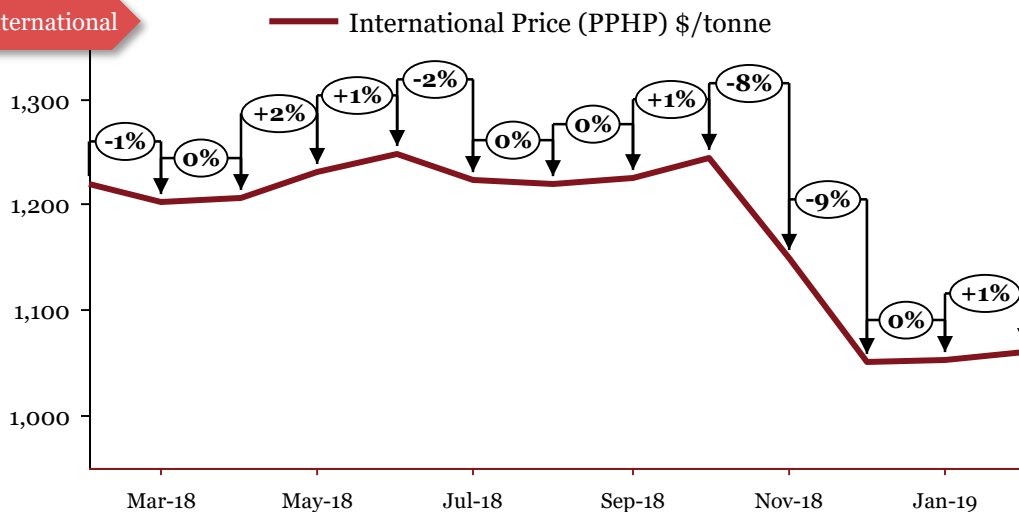
\*The actual prices may vary depending on city, player, grade etc.

## Outlook

In March, the international prices decreased due to ample inventories. The domestic market remained stable. In April, the international prices decreased due to ample supply. In the domestic market, the prices remained flat for most of the month, however, the prices increased towards the end of the month. In May, international prices remained stable. In June, international prices witnessed decline whereas domestic prices continued to rise. In July, international prices fell owing to fall in feedstock ethylene prices coupled with weak demand. In August, international LDPE prices decreased in spite of rise in ethylene prices. On the domestic front, RIL increased domestic and deemed export prices of LDPE. In September, international LDPE prices declined due to weak demand. In October 2018, LDPE prices were stable given no major change in demand-supply. In October, global prices saw flat growth. In November, prices witnessed decline. In December, prices fell due to fall in feedstock prices. Prices remained unchanged in January 2019 due to stable market conditions. In February, international prices decreased due to muted demand, a contributing factor to which was due to Chinese lunar new year holidays.

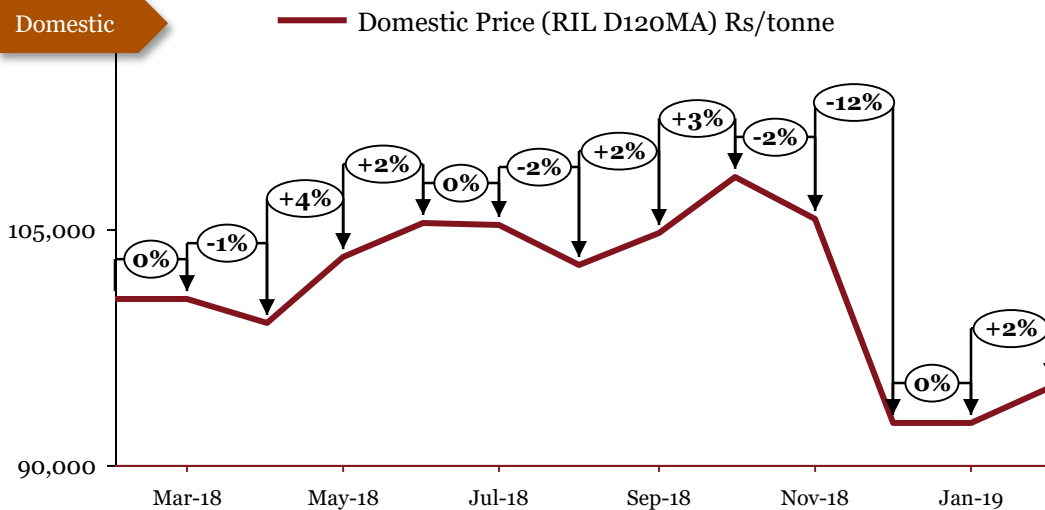
# Polypropylene (PP)

## International



Source: Crisil

## Domestic



Source: Reliance Industries Ltd.

## Monthly Average Prices

Period	*Int'l (\$/tonne)	*Dom (Rs/tonne)
Mar-18	1,203	100,488
Apr-18	1,206	98,988
May-18	1,231	103,128
Jun-18	1,248	105,378
Jul-18	1,224	105,128
Aug-18	1,220	102,628
Sep-18	1,226	104,628
Oct-18	1,244	108,234
Nov-18	1,150	105,618
Dec-18	1,051	92,718
Jan-19	1,053	92,718
Feb-19	1,060	94,885

\*The actual prices may vary depending on city, player, grade etc.

## Outlook

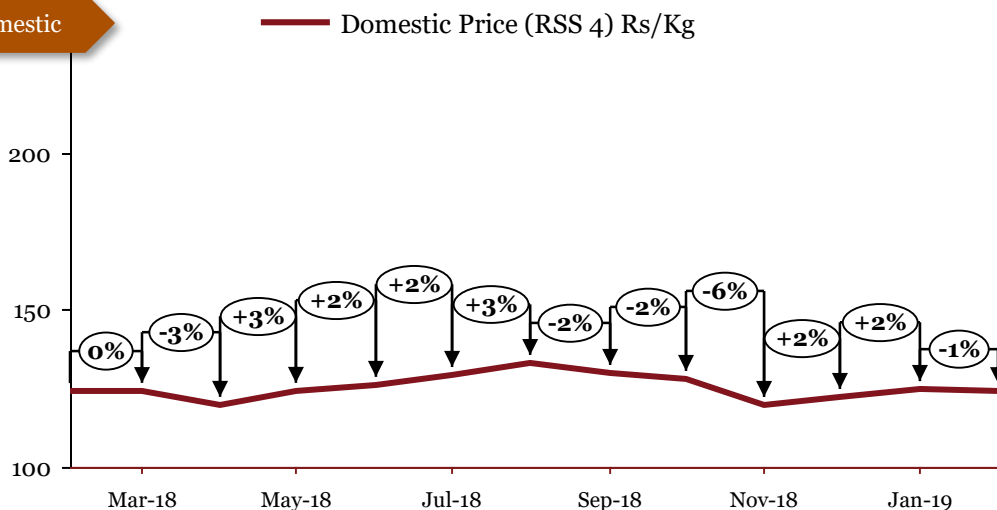
In April, the prices of PP remained range bound. In May, international prices increased due to supply tightness on account of ongoing maintenance turnaround. Domestic prices followed suit. In June, prices rose on account of supply tightness. In July 2018, prices decreased due to decline in feedstock propylene prices coupled with weak demand. In August, despite rise in feedstock propylene prices, international prices were range bound due to weak demand. In September 2018, PP prices increased due to rise in feedstock propylene prices. In October 2018, PP prices increased owing to uptick in demand during second half of month from manufacturing segment as plants resumed normal operations post Chinese golden week holidays. In October 2018, both global and domestic prices witnessed increase. In November, prices declined due to poor demand. In December 2018, PPHP prices decreased primarily on account of decline in feedstock propylene prices. In January 2019, prices remained the same as last month. In February 2019, international and domestic prices witnessed increase.

# Rubber

## International

Data not available for relevant (comparable to domestic) grades

## Domestic



Source: Rubber board

Monthly Average Prices	
Period	*Dom (Rs/kg)
Mar-18	124
Apr-18	120
May-18	124
Jun-18	126
Jul-18	129
Aug-18	133
Sep-18	130
Oct-18	128
Nov-18	120
Dec-18	122
Jan-19	125
Feb-19	124

\*The actual prices may vary depending on city, player, grade etc.

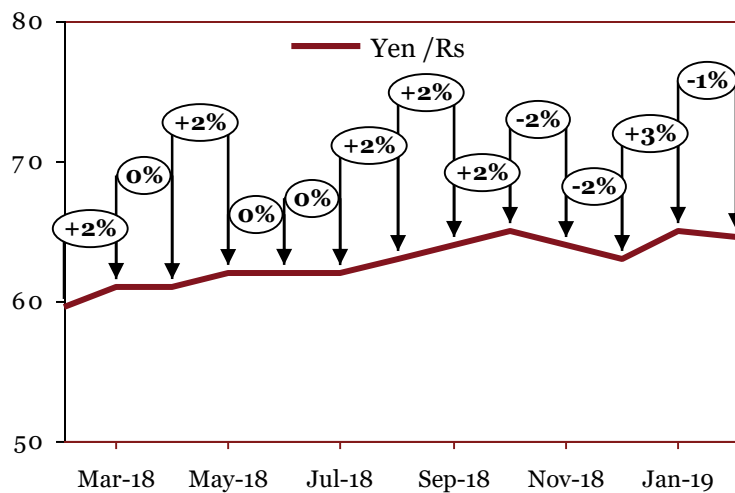
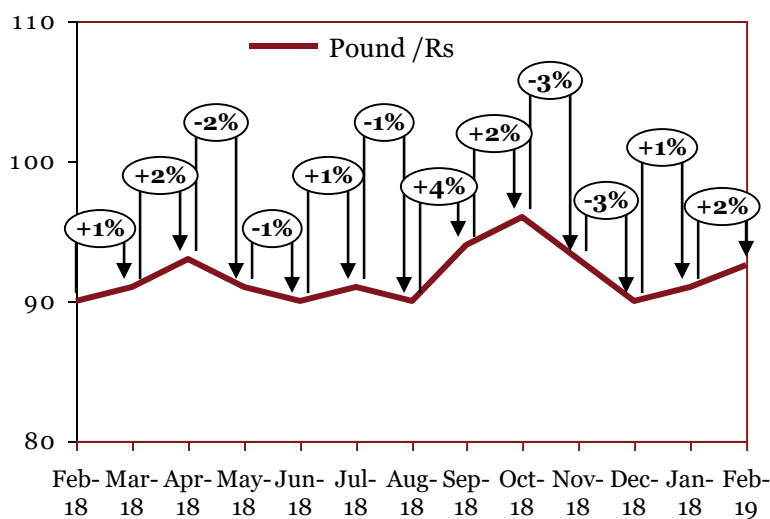
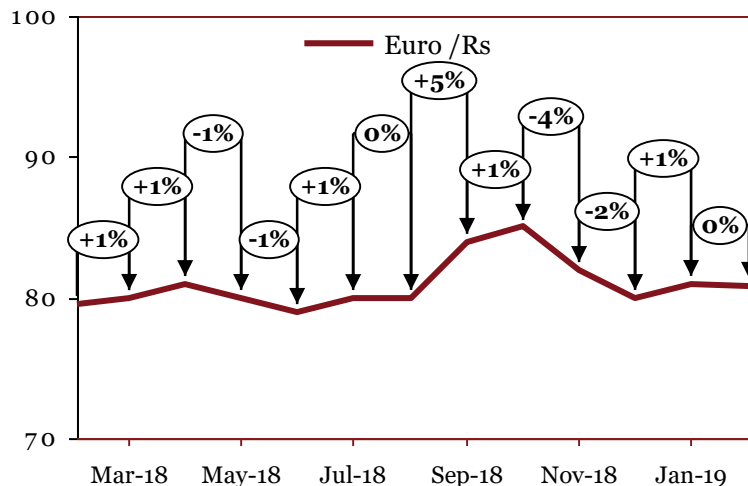
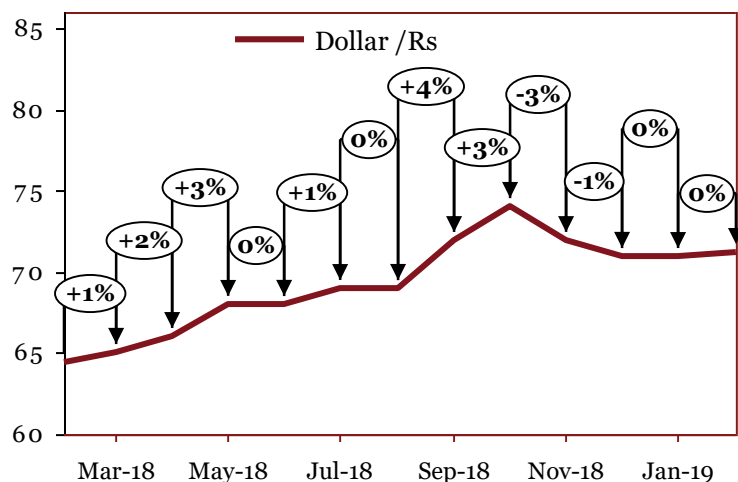
## Outlook

In March, the rubber market remained stable. In April, the prices decreased owing to the increase in the supply. In May, rising production coupled with high consumption led to an increase in prices. In June, prices rose due to supply tightness, demand from tyre manufacturers to deliver pending natural rubber contracts, and fluctuations in international prices. In July, rubber prices increased due to improved demand. In August, domestic rubber prices increased owing to floods in Kerala. In September, prices declined on account of subdued demand. In October, increasing trend in domestic prices was reversed. In November, prices continued to decline. In December, prices increased owing to improved market conditions from last month. In January 2019, growth trend in prices was maintained due to fall in output and rise in demand. In February, domestic prices followed trends in international market and decreased owing to negative market sentiment and uncertainty in the global economy.

# *Appendices*

	<b>Appendices</b>	<b>36</b>
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25	Crude Oil	38
26	Commodity Specifications	39

## Forex Movement

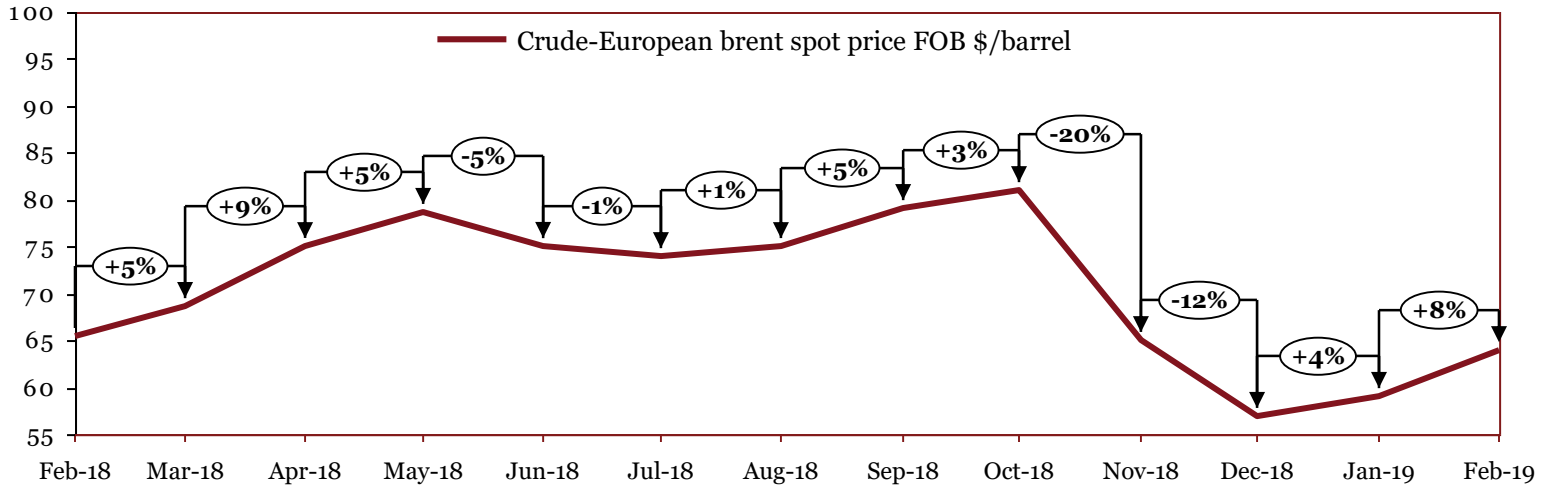


Source: Reserve Bank of India

### Monthly Average Prices (Rs)

	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19
\$	65	66	68	68	69	69	72	74	72	71	71	71
£	91	93	91	79	80	80	84	85	82	80	81	81
€	80	81	80	90	91	90	94	96	93	90	91	93
¥	61	61	62	62	62	63	64	65	64	63	65	65

# Crude Oil



Source: EIA

## Monthly Average Prices (\$/barrel)

	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19
	69	75	79	75	74	75	79	81	65	57	59	64

# Commodity Specifications

Commodity	International	Domestic
<b>Iron Ore</b>	IOECI635 Index (CIF China) - (Fe63.5%) CIF China	Crisil - Grade 1: 58% to below 60% Fe Fines - Grade 2: 60% to below 62% Fe Fines - Grade 3: 62% to below 65% Fe Fines - Grade 4: 65% and above Fe Fines
<b>Pig Iron</b>	Crisil -Foundry grade FOB CIS	Crisil -Foundry grade ex-factory, India
<b>Stainless steel</b>	NA	PwC Research -G 304 CR Coil -G 304 HR Coil
<b>Wire rod</b>	Crisil -CIS Black Sea (US \$/Tonne)	Crisil - Wire rods: 5.5 mm (Prices are inclusive of excise duty by exclusive of VAT/Sales tax)
<b>Steel Billets</b>	Crisil -FOB CIS Black Sea <i>Previously: FOB Latin America</i>	Crisil - 100^100 mm (Avg. prices collated from 2-3 locations)
<b>Hot-rolled coils</b>	Crisil -CIS FOB Black Sea	Crisil - 14G 2mm (Avg. prices collated from 2-3 locations)
<b>Cold-rolled coils</b>	Crisil -CIS FOB Black Sea	Crisil - Mumbai 16G (Avg. prices collated from 2-3 locations)
<b>EN 8</b>	NA	PwC Research -EN8 Alloy forging
<b>20MnCr5</b>	NA	PwC Research -Alloy forging
<b>Ferro titanium</b>	Ferrotitanium (Europe-70% In Warehouse Rotterdam) <i>Previously: Ferrotitanium (min 70% in warehouse Rotterdam, Europe) \$/kg</i>	NA
<b>Ferro chrome</b>	Crisil : FOB Hong Kong Cr 50%	Crisil: Ex-factory Cr 60%
<b>Ferro molybdenum</b>	Ferro-molybdenum (China-60% EXW) <i>Previously: Ferro-molybdenum (65%min in warehouse Rotterdam, Europe) \$/kg</i>	NA

# Commodity Specifications

Commodity	International	Domestic
<b>Ferro vanadium</b>	Ferro Vanadium (80% in warehouse Pittsburgh, US) \$/kg <i>Previously: Ferrovandium 78-82% V max 1.5% Si FOB North America warehouse USD/lbs</i>	NA
<b>Ferro silicon</b>	Crisil - FOB China Si 75%	Crisil - Ex-factory Si 70%
<b>Aluminium</b>	LME -Primary aluminium with impurities no greater than the chemical composition of one of the registered designations: •P1020A in the North American and International Registration Record entitled “International Designations and Chemical Composition Limits for Unalloyed Aluminium” (revised March 2007) •Al99.70 in the GB/T 1196-2008 Standard entitled “Unalloyed aluminium ingots for remelting”	NCDEX -Primary aluminium 99.7% purity (minimum) form: ingots, T-bars,
<b>Copper</b>	LME -Grade A copper must conform to the chemical composition of one of the following standards: •BS EN 1978:1998 - Cu-CATH-1 •GB/T 467-2010 - Cu-CATH-1 •ASTM B115-10 - cathode Grade 1	MCX - Grade 1 electrolytic copper as per B115 specification
<b>Zinc</b>	LME -Special high-grade zinc of 99.995% purity (minimum) must conform to the chemical composition of one of the following standards: •BS EN 1179:2003 - 99.995% grade •ISO 752:2004 - ZN-1 grade •ASTM B6-12 - LME grade •GB/T 470-2008 - Zn99.995 grade	NCDEX - Zinc of 99.995% minimum purity. Zinc must conform with the 99.995% graded chemical composition of BS EN 1179:1996 Standard entitled “Zinc and Zinc alloys primary Zinc” Form: ingots



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<b>Nickel</b>	LME - Nickel of 99.80% purity (minimum) conforming to B39-79 (2013) - GB/T 6516-2010	NCDEX - 4”*4” approved pure cut Nickel of 99.80% purity (minimum)
<b>Tin</b>	LME - Tin of 99.85% purity (minimum) conforming to BS EN 610:1996	MCX - The LME approved tin ingot of 99.85 purity (minimum)
<b>Magnesium</b>	Magnesium (China Shanghai Changjiang Spot Price) CNY/tonne <i>Previously: Magnesium (99.8% FOB China Main Ports Spot Price) \$/tonne</i>	NA
<b>Platinum</b>	Metal in sponge form with minimum purities of 99.95% for platinum and palladium, and 99.9% for rhodium	
<b>Palladium</b>		
<b>Rhodium</b>		
<b>Low density polyethylene (LDPE)</b>	International price (C&F FEA) \$/tonne	RIL-16MA400 grade
<b>Polypropylene (PP)</b>	International Price (PPHP) \$/tonne	RIL-D120MA grade
<b>Rubber Prices</b>	NA	NCDEX/Rubber board - RSS 4 (Ribbed Smoked Sheet 4) ex-warehouse Kochi exclusive of all taxes
<b>Forex Movement</b>	RBI reference rates	
<b>Crude</b>	European Brent spot price FOB \$/barrel – Energy Information Administration (EIA)	



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