

Review of EMM Market in 2010 and Market Status Analysis

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Ltd.

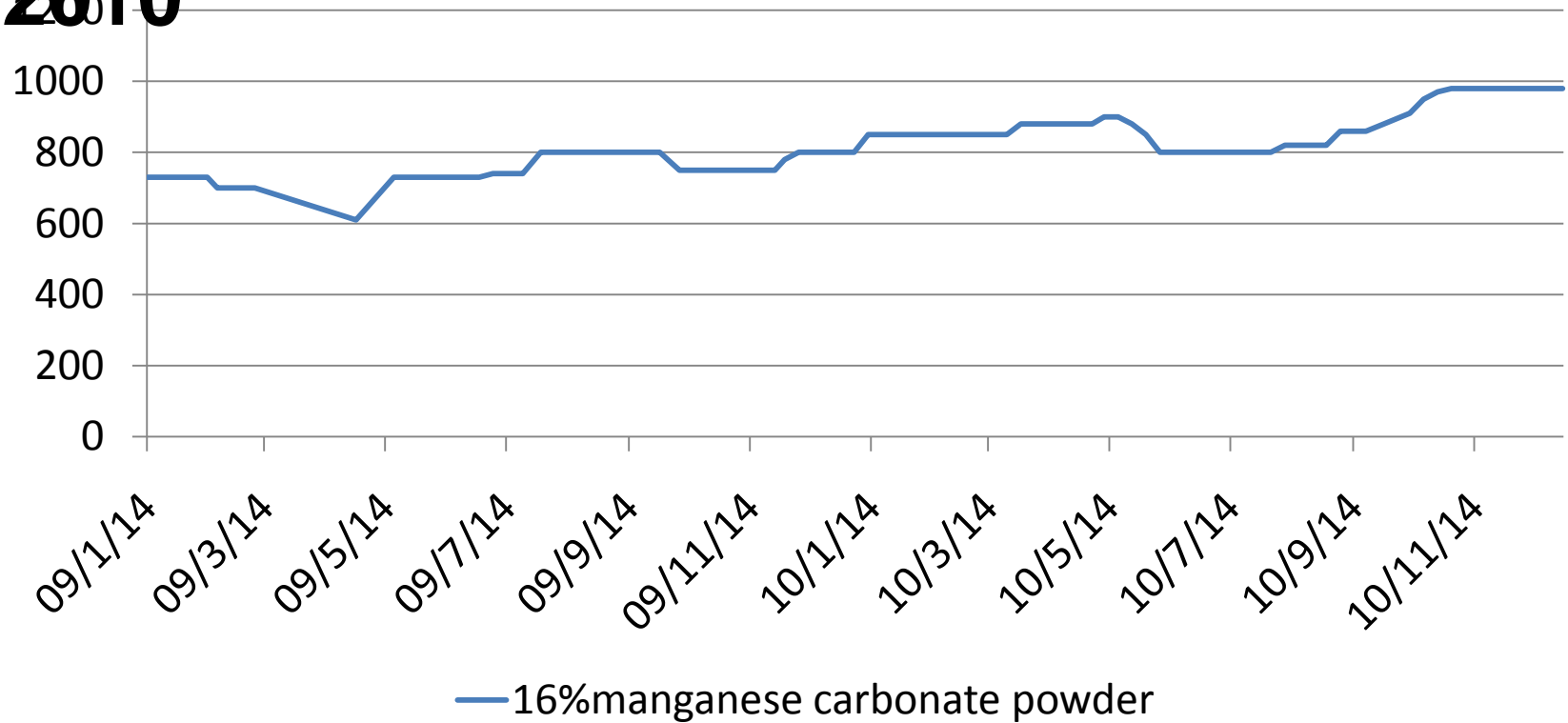
Kunming Yunnan of China

Catalog

- **Part 1 the Domestic EMM Market**
- **1. The Price & Influenced Factor at EMM Market**
- **2. The Export Direction of EMM**
- **3. The Domestic Vendition Directions & Characteristic**

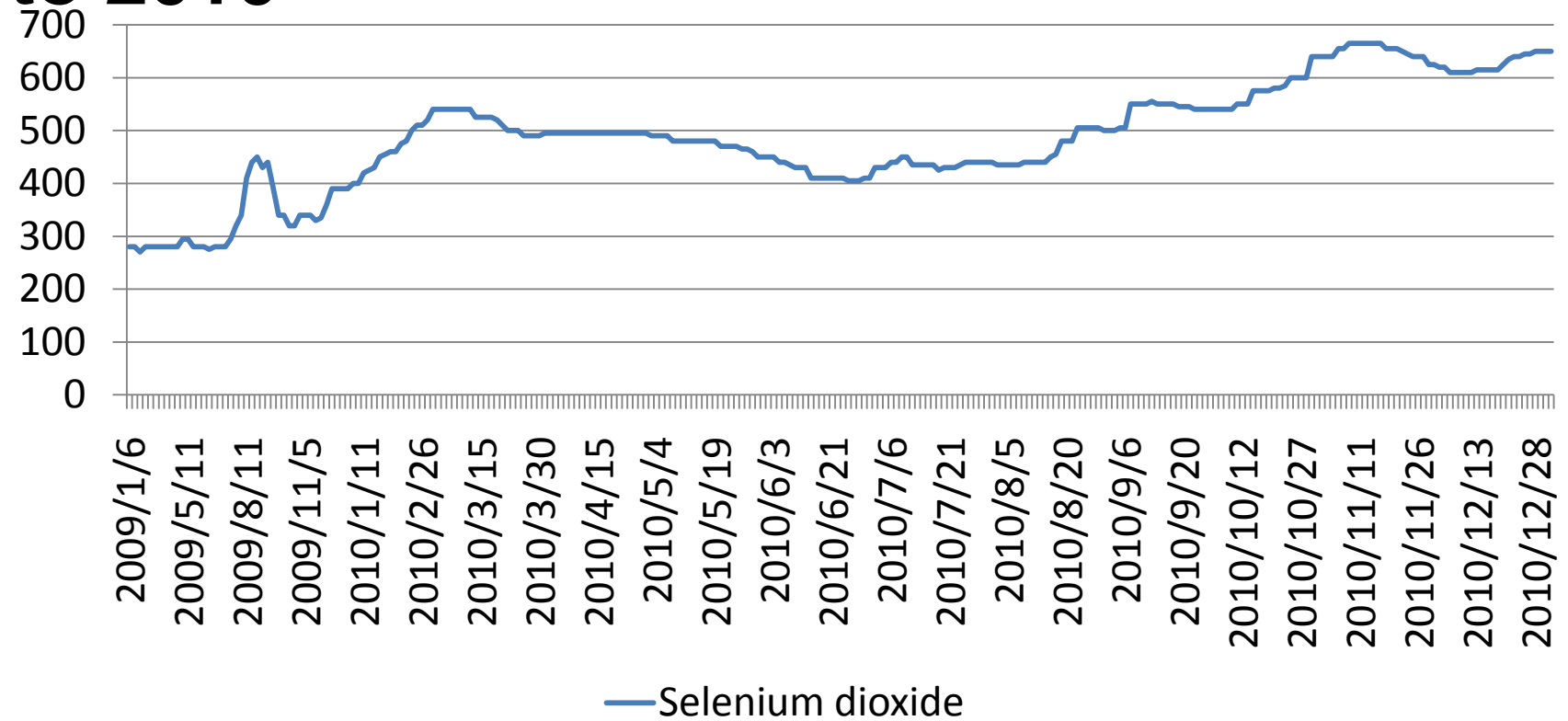
- **Part 2 Problems & Solutions in the EMM Market**
- **1. The Movement of EMM Market**
- **2. Problems & Solutions in the EMM Market**

Status of EMM Market——Price of Material Price chart of manganese carbonate powder from 2009 to 2010



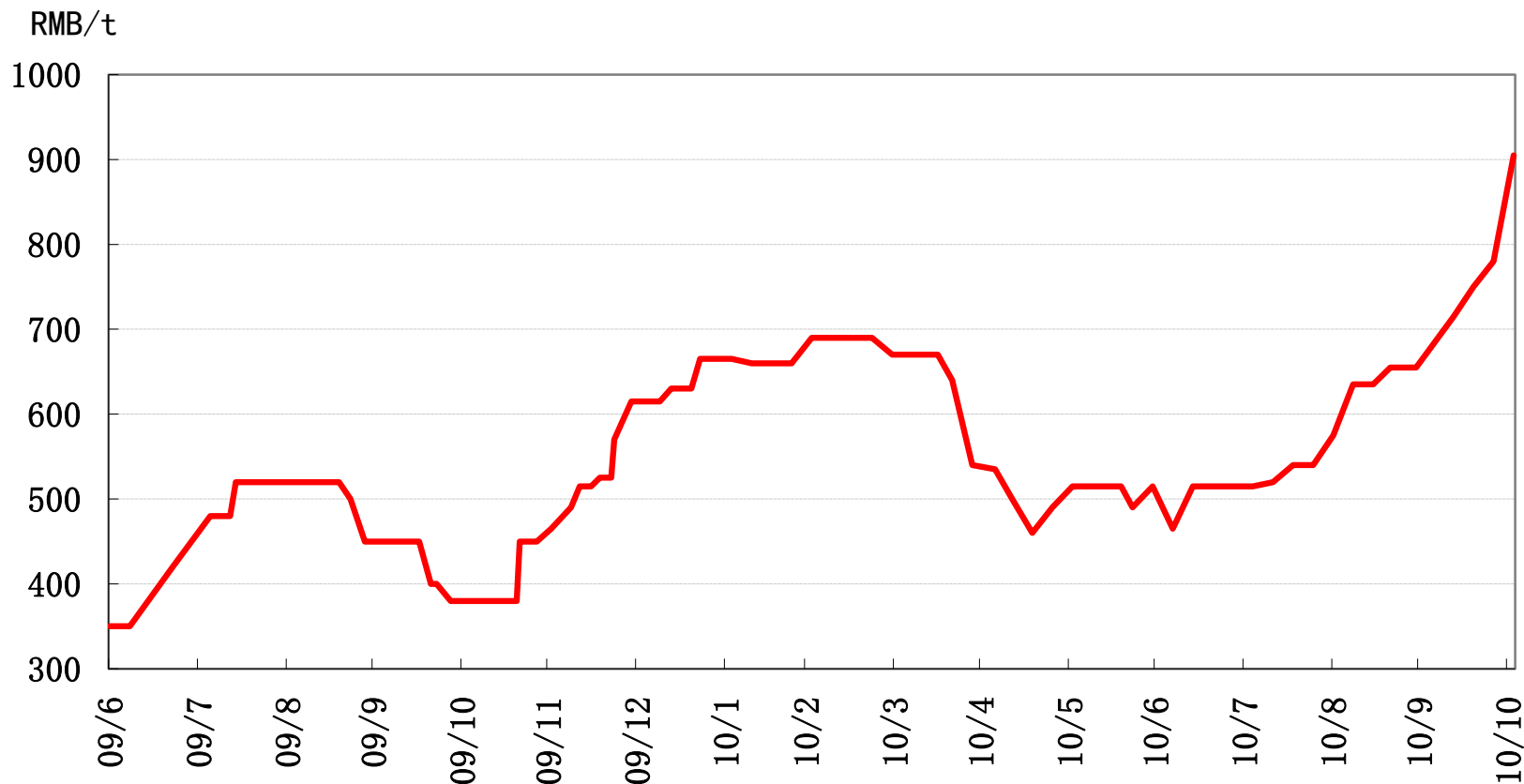
Status of EMM Market——Price of Material

Selenium dioxide price chart from 2009 to 2010

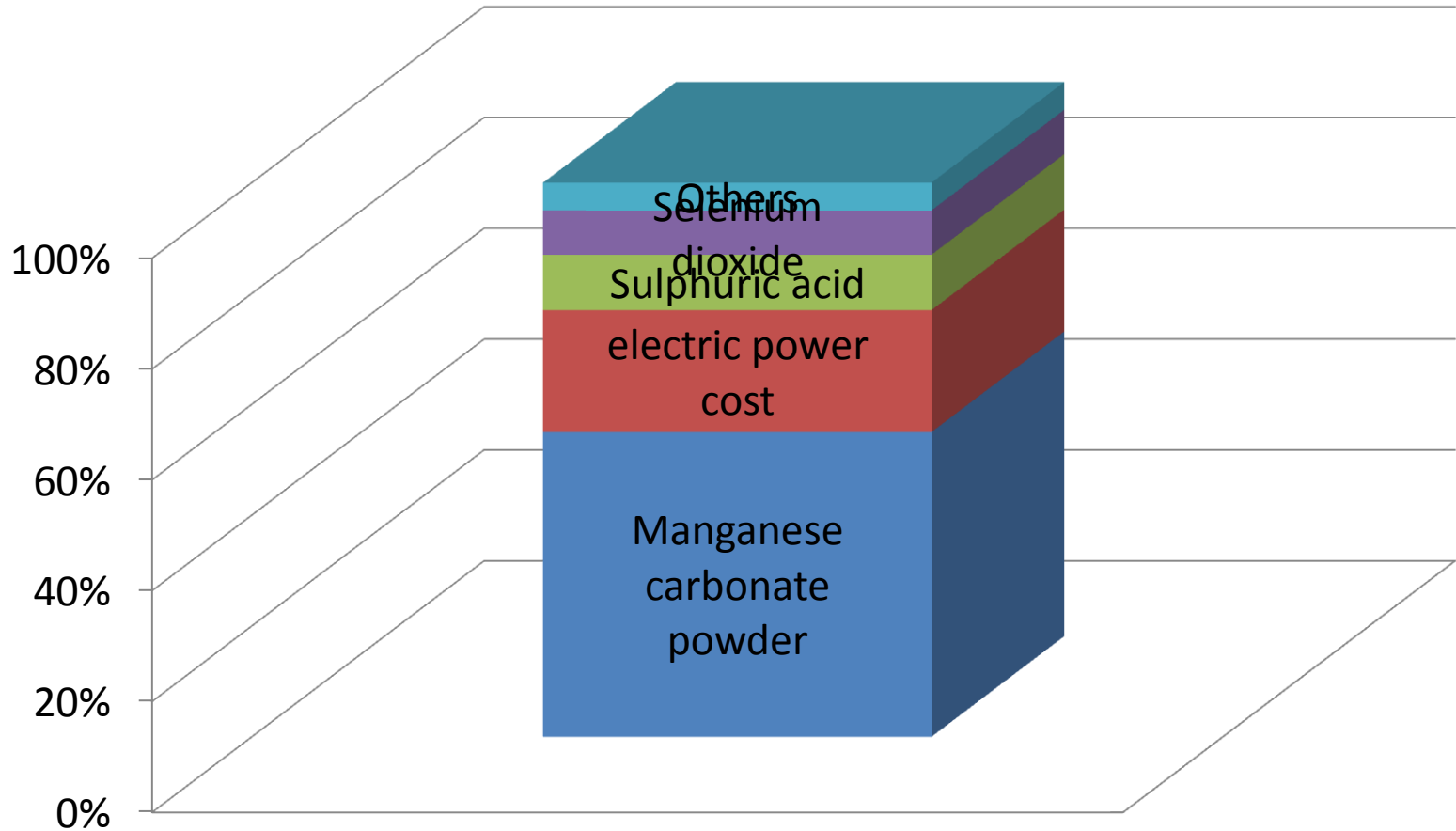


Status of EMM Market——Price of Material

Sulphuric acid price in Huayuan of China since 2009

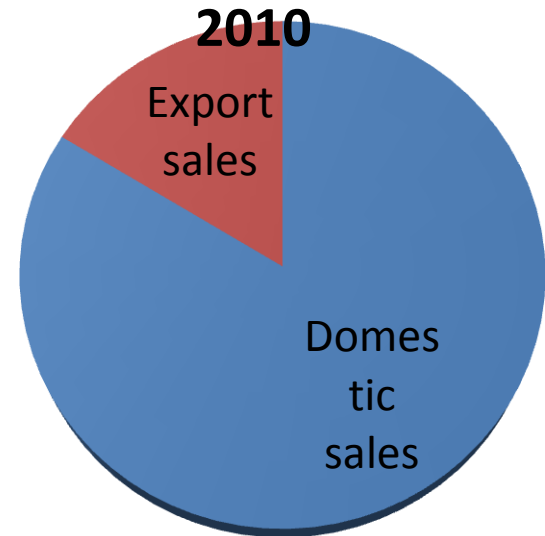
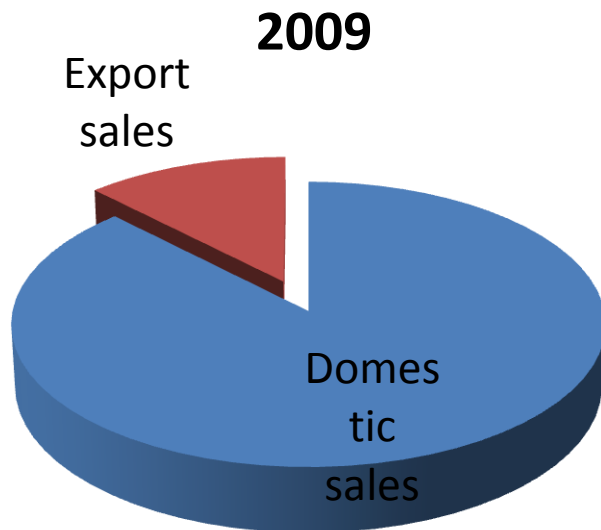


Construction of EMM material cost



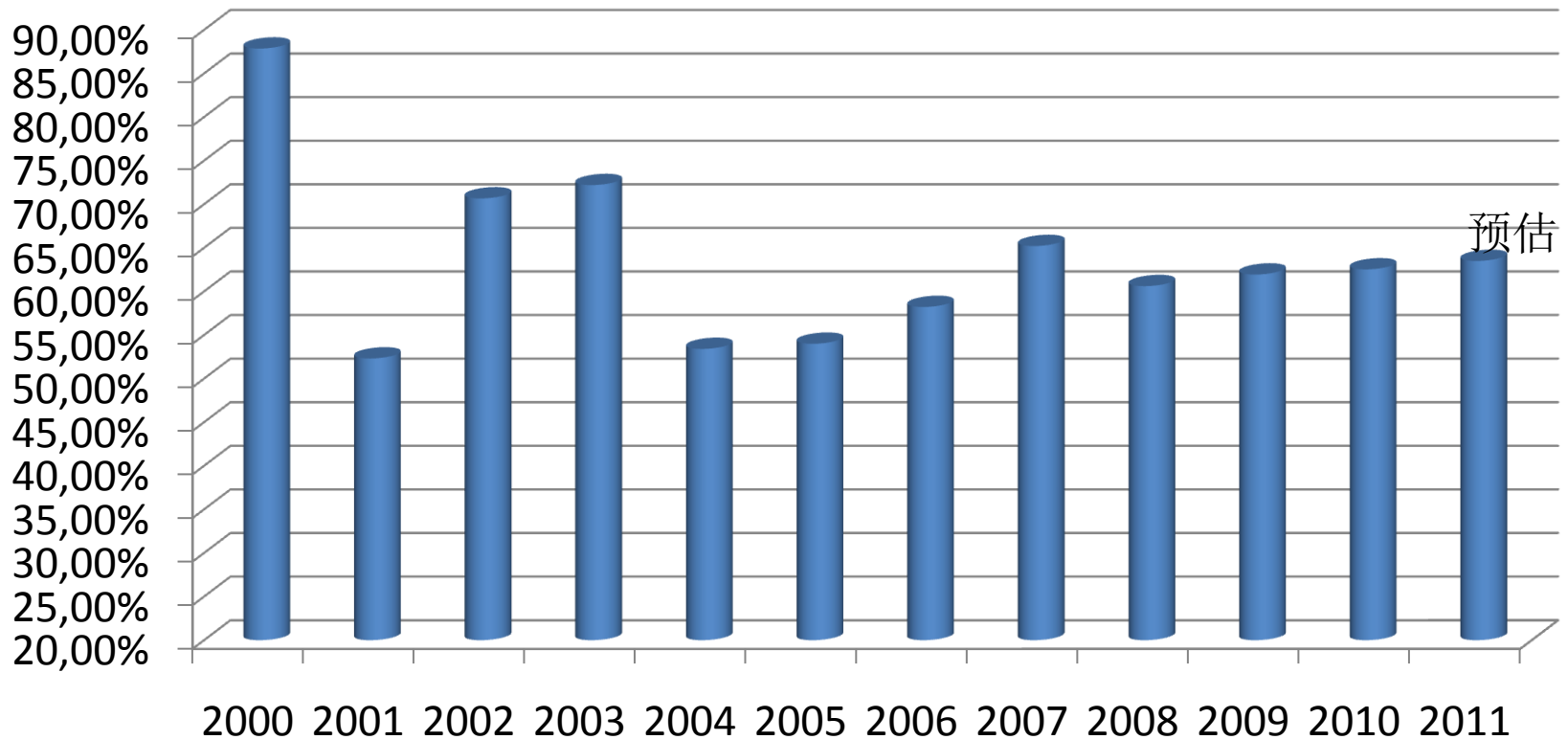
Status of EMM Market

Domestic sales and export sales proportion in 2009 and 2010



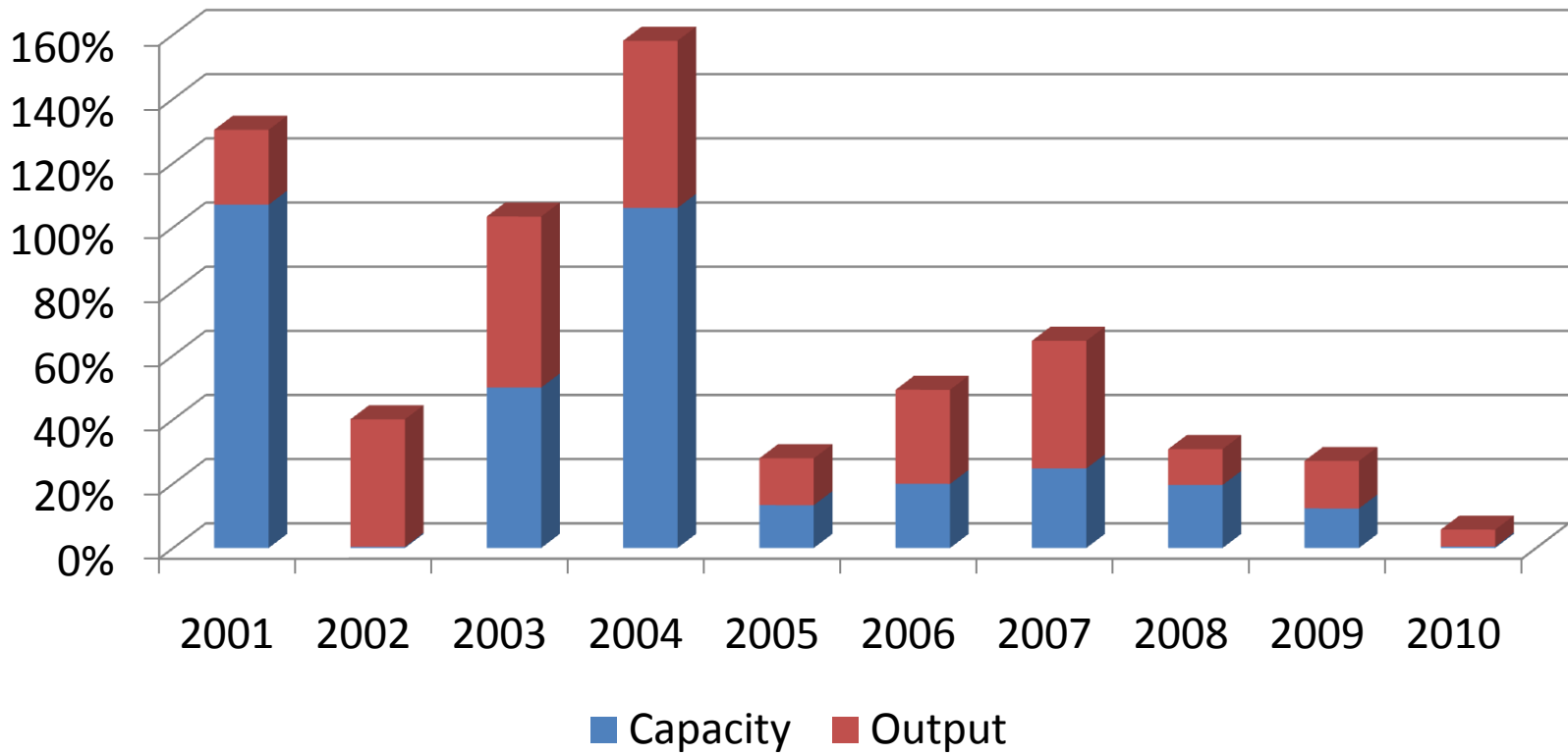
Status of EMM Market

Usage rate of EMM capacity from 2000 to 2010



Status of EMM Market

Increase rate of EMM capacity and output from 2001 to 2010



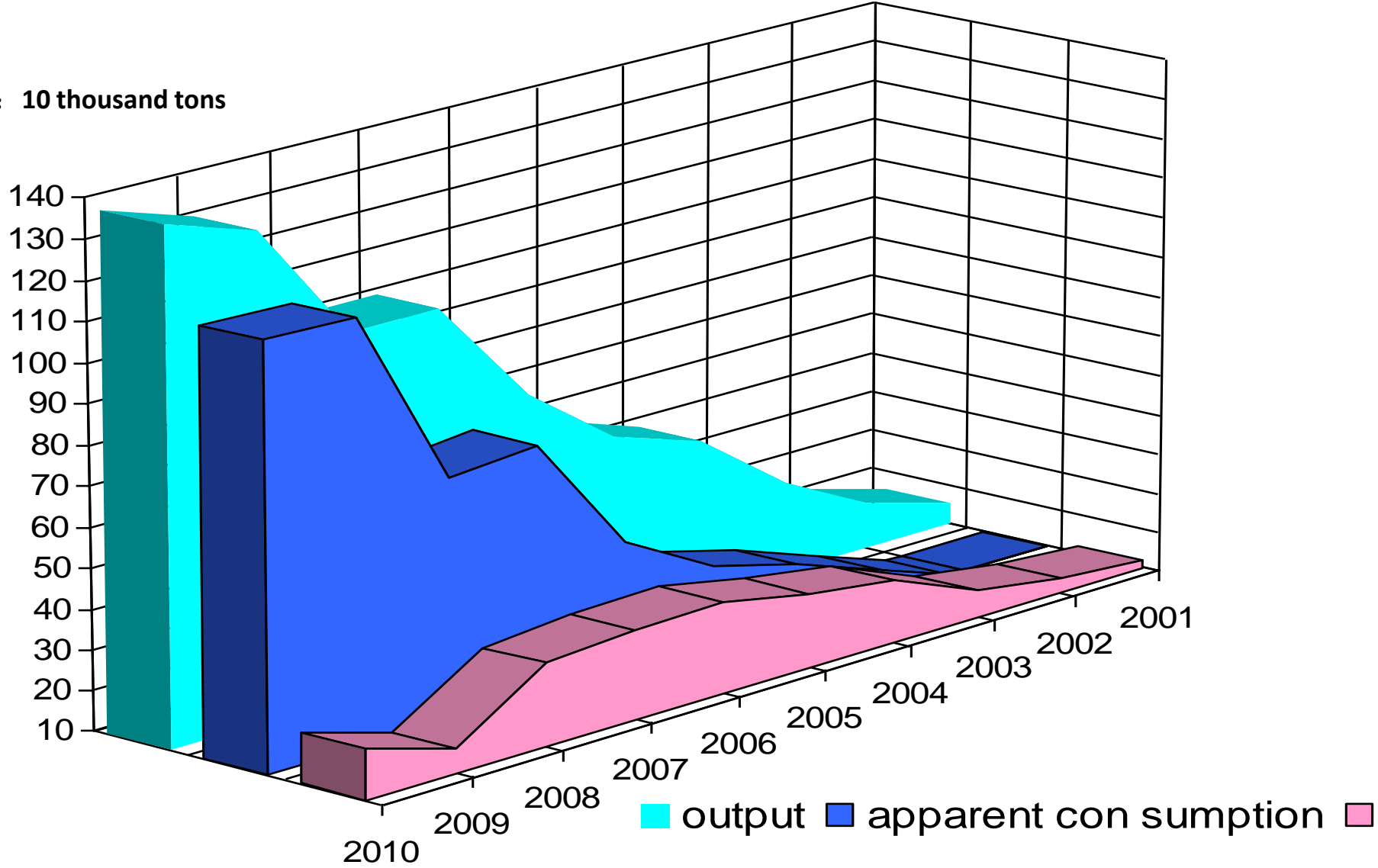
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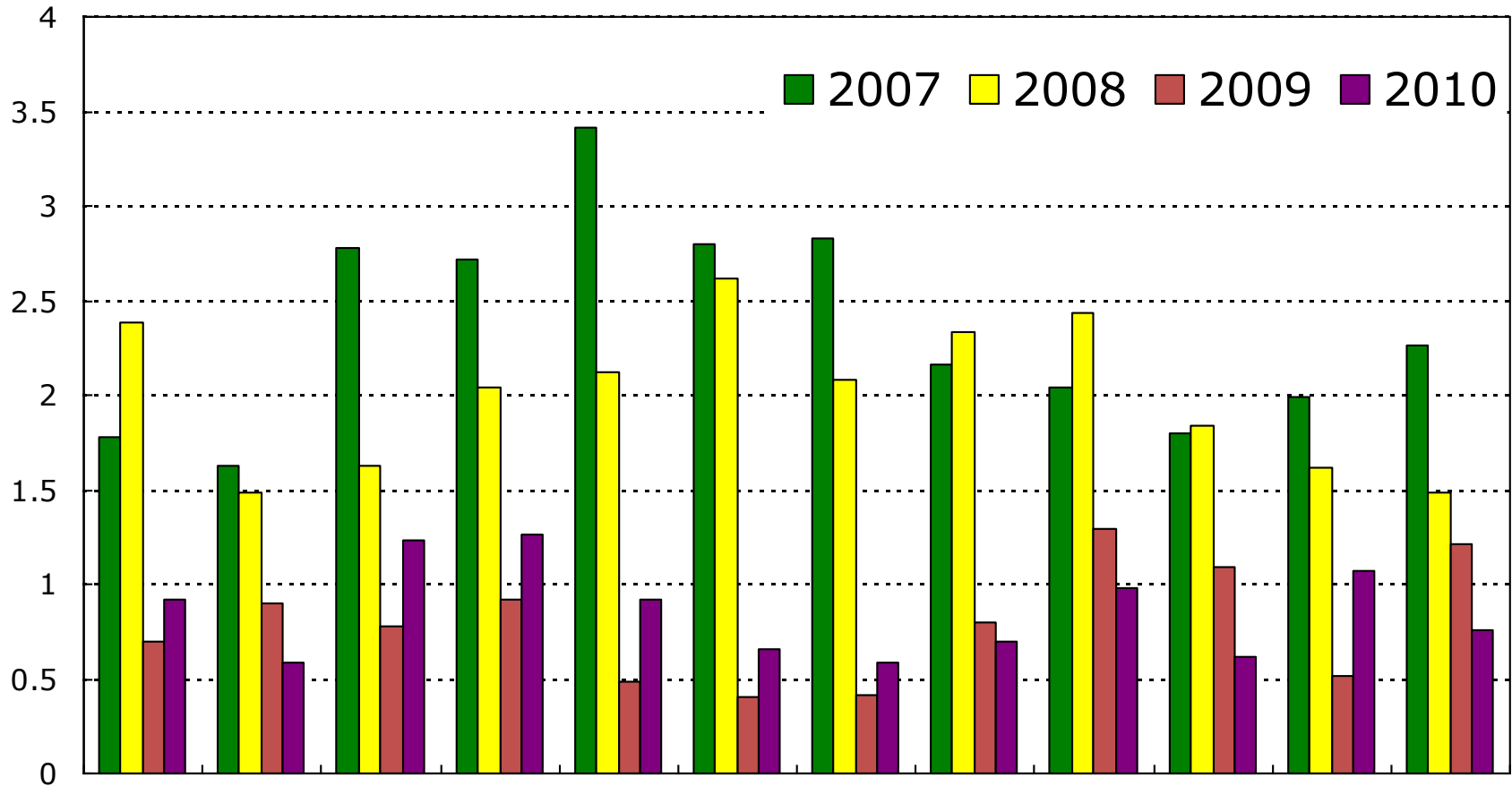
Output, Apparent Consumption, and Export of EMM in 2010

unit: 10 thousand tons



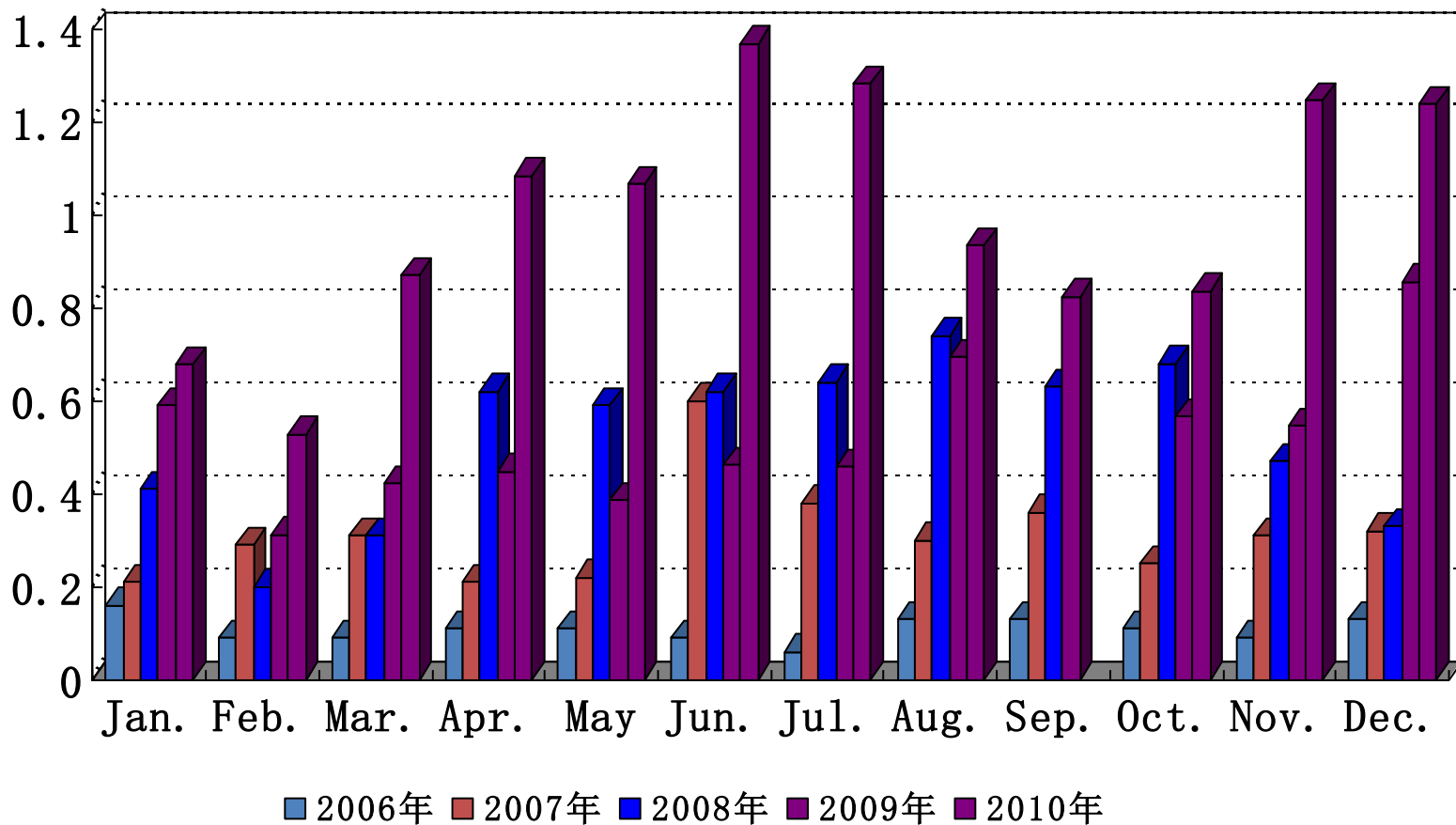
Rate of monthly increase in EMM export from 2007 to 2010

unit: 10 thousand tons

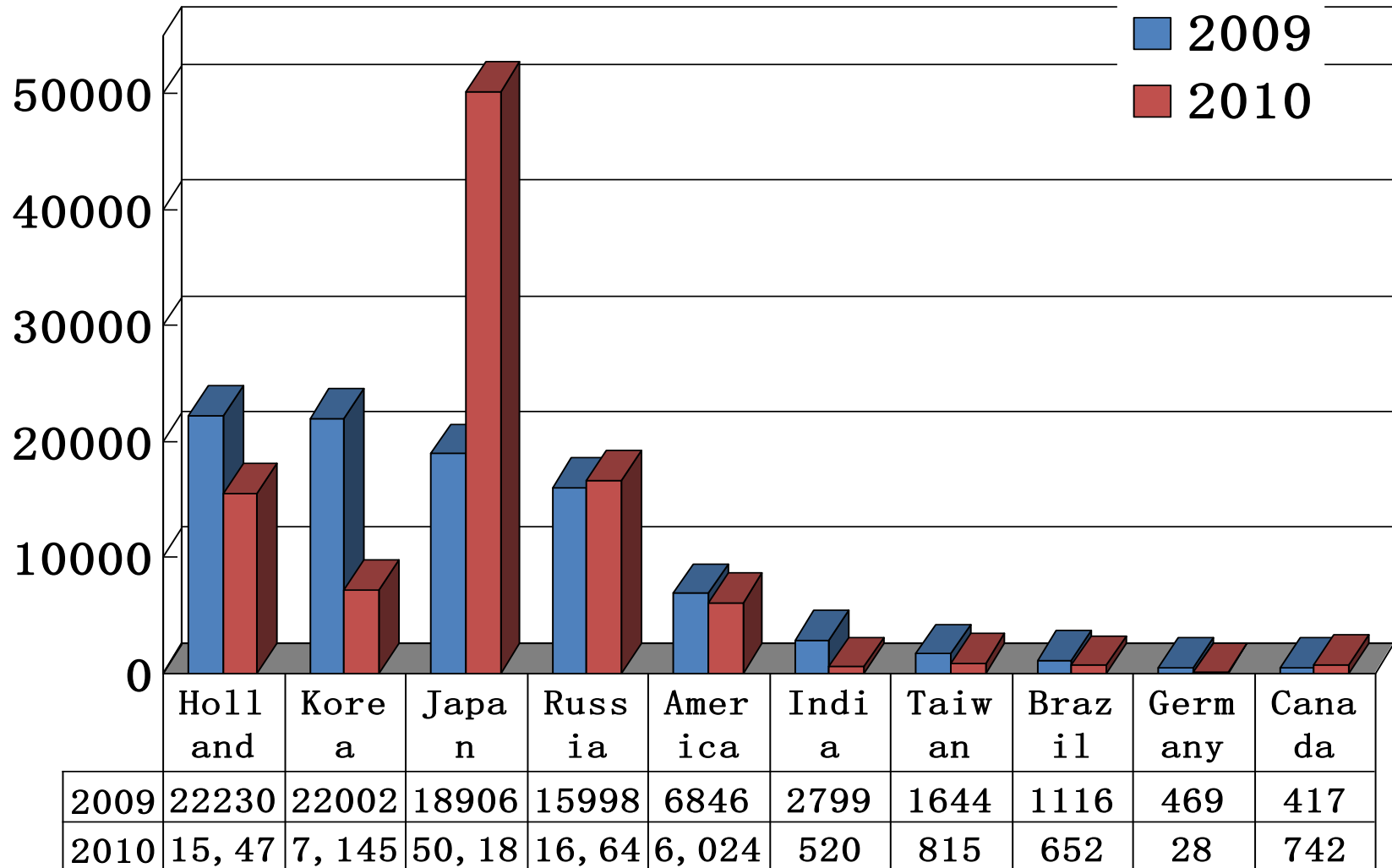


Monthly exports of China EMM products from 2006 to 2010

unit: 10 thousand tons

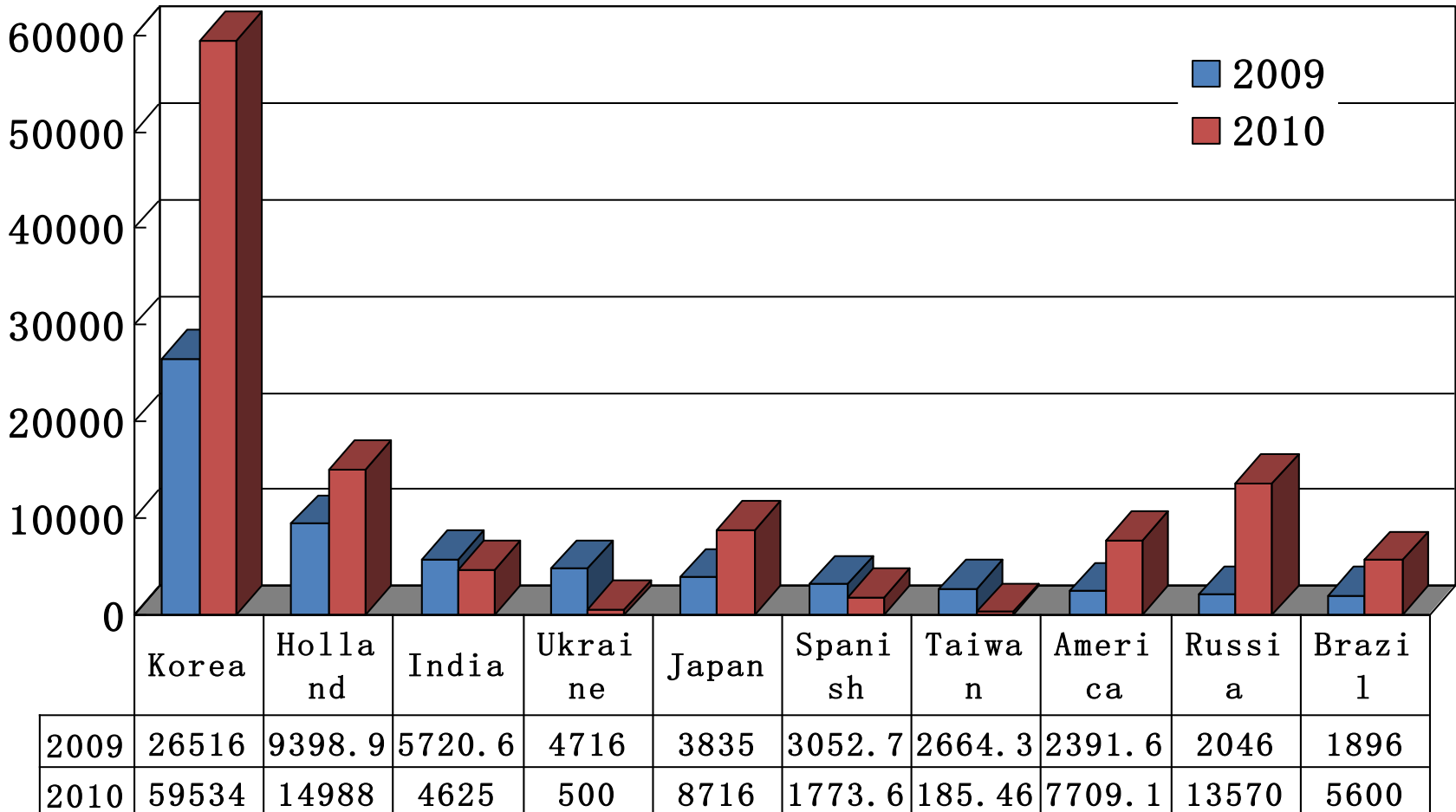


Top ten of countries or areas import non forged and rolled manganese in 2009 and 2010






Top ten of countries or areas import manganese products in 2009 and 2010

unit: 10 thousand tons







Part 1 Market status of 2010—Export Direction

The strongest and weakest export market of non forged and rolled r

		Quantity and proportion in 2009	Quantity and proportion in 2010
Fast increasing export market	Japan 	18906 t 19.9%	50306 t 48.9% ↑29%
	Korea 	22002 t 23.2%	7145 t 7.0% ↓16.2%
Shrinking rapidly export market	Holland 	22230 t 23.4%	15479 t 15.1% ↓8.3%

Part 1 Market status of 2010—Export Direction

The strongest and weakest export market of manganese products in 2010

		Quantity and proportion in 2009	Quantity and proportion in 2010
Fast increasing export market	Russia 	2046 t 3.2%	13570 t 11.2% ↑8%
	Korea 	26516 t 41.4%	59534 t 49.3% ↑7.9%
Shrinking rapidly export market	Ukraine 	4716 t 7.4%	500 0.4% ↓7%
	India 	5721 t 8.9%	4625 t 3.8% ↓5.1%

Top ten of export enterprises of non forged and rolled manganese in 2010

No.	Enterprise name	Trade (ton)
1	Xiangxi Autonomous Prefecture Minerals Imp. & Exp. Co., Ltd.	18343.2
2	CITIC Dameng Mining Industries Ltd	16320.45
3	Guangxi Start Manganese Materials Co., Ltd	6613
4	5041960466	6241
5	Xiangxi Autonomous Prefecture Youfeng Mine Industrial Co., Ltd.	6240
6	Xiangxi Autonomous Prefecture Chuangxing Metallurgical Co.,Ltd	5067
7	Chongqing Mengdu Industry and Trade Co., Ltd	4814
8	Chongqing Trust-Glory New Metal Co., Ltd	4205.904
9	Guangxi Tianhongxin Technology Of Manganese Co., Ltd	3698
10	Xiangxi Autonomous Prefecture Debang Chemical Industry Co., Ltd	2802

Top ten of export enterprises of manganese products in 2010

No.	Enterprise name	Trade (ton)	Rate of increase
1	Sunzoom Chem-Metal Ltd.	17380	35.05
2	4403064320	17290	51.04
3	Hunan Coran Industry & Commerce Co., Ltd.	17035.912	306.94
4	Xiangxi Autonomous Prefecture Minerals Imp. & Exp. Co., Ltd.	16480	80.95
5	Hunan Zhenxing Chemicals Co., Ltd.	8040	2580
6	V-Resource Ltd.	5604	
7	4301961047	5270	82.35
8	Hubei Hongxin Industry Group Co., Ltd.	4331	34.59
9	Huakun(Shanghai) Metal Material Co., Ltd.	2646	
10	4403937689	2144.674	-40.84

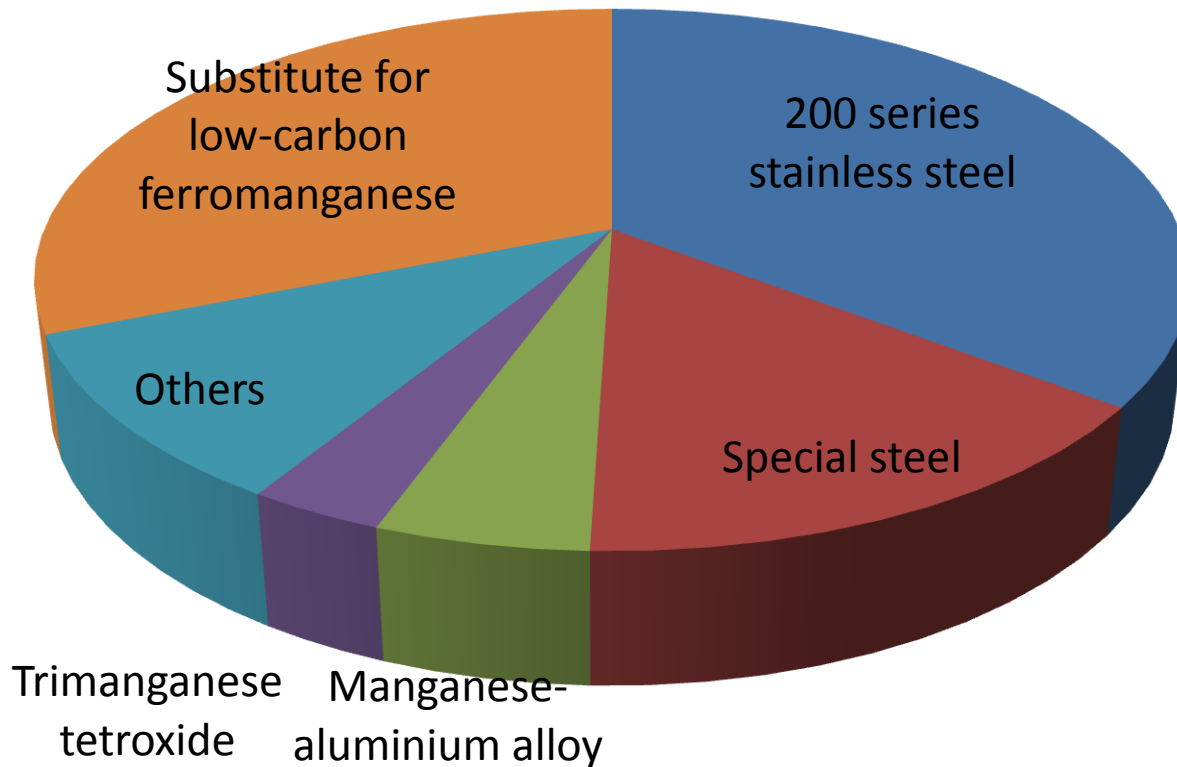
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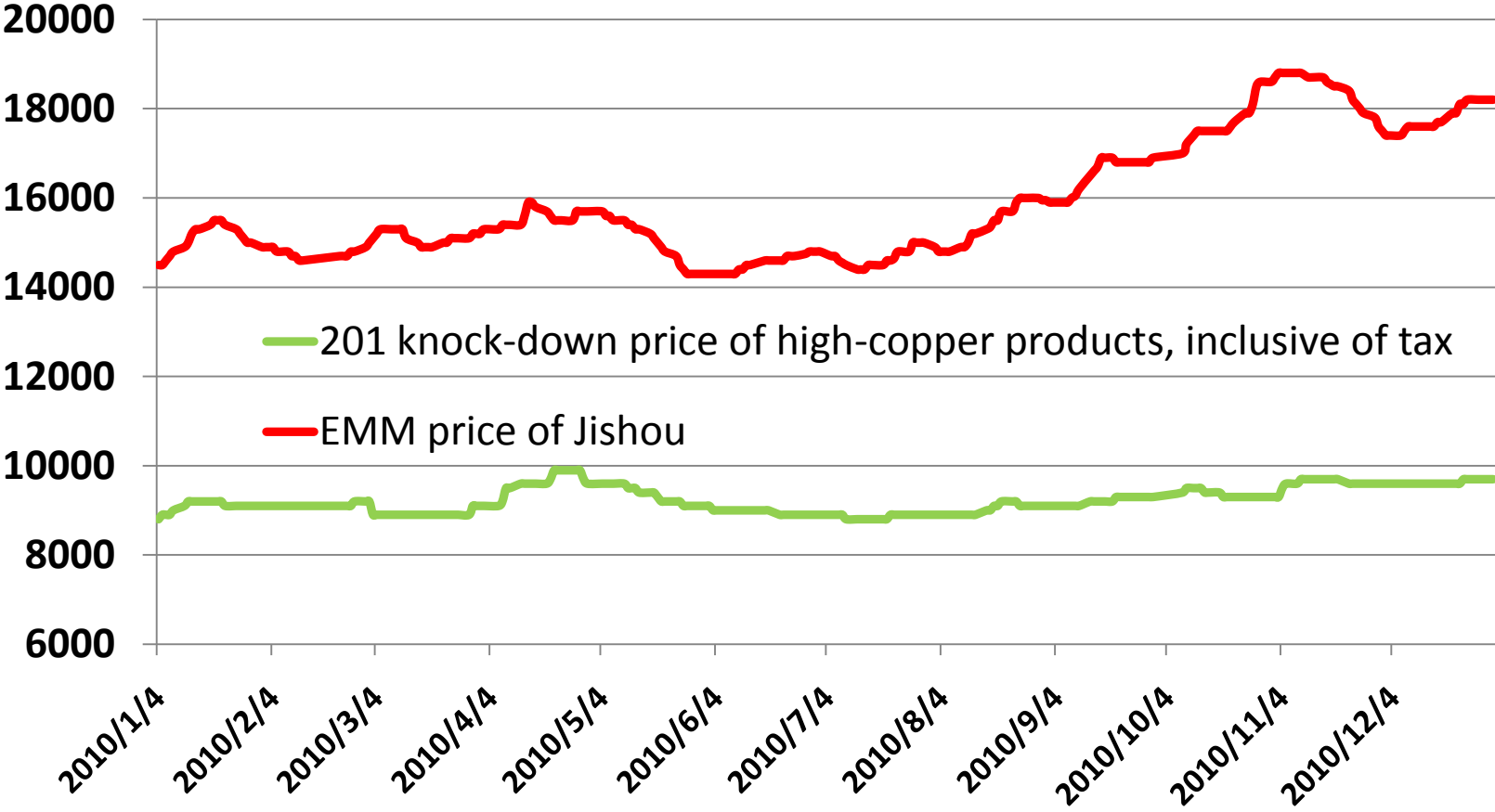
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The Domestic Vendition Directions & Characteristic

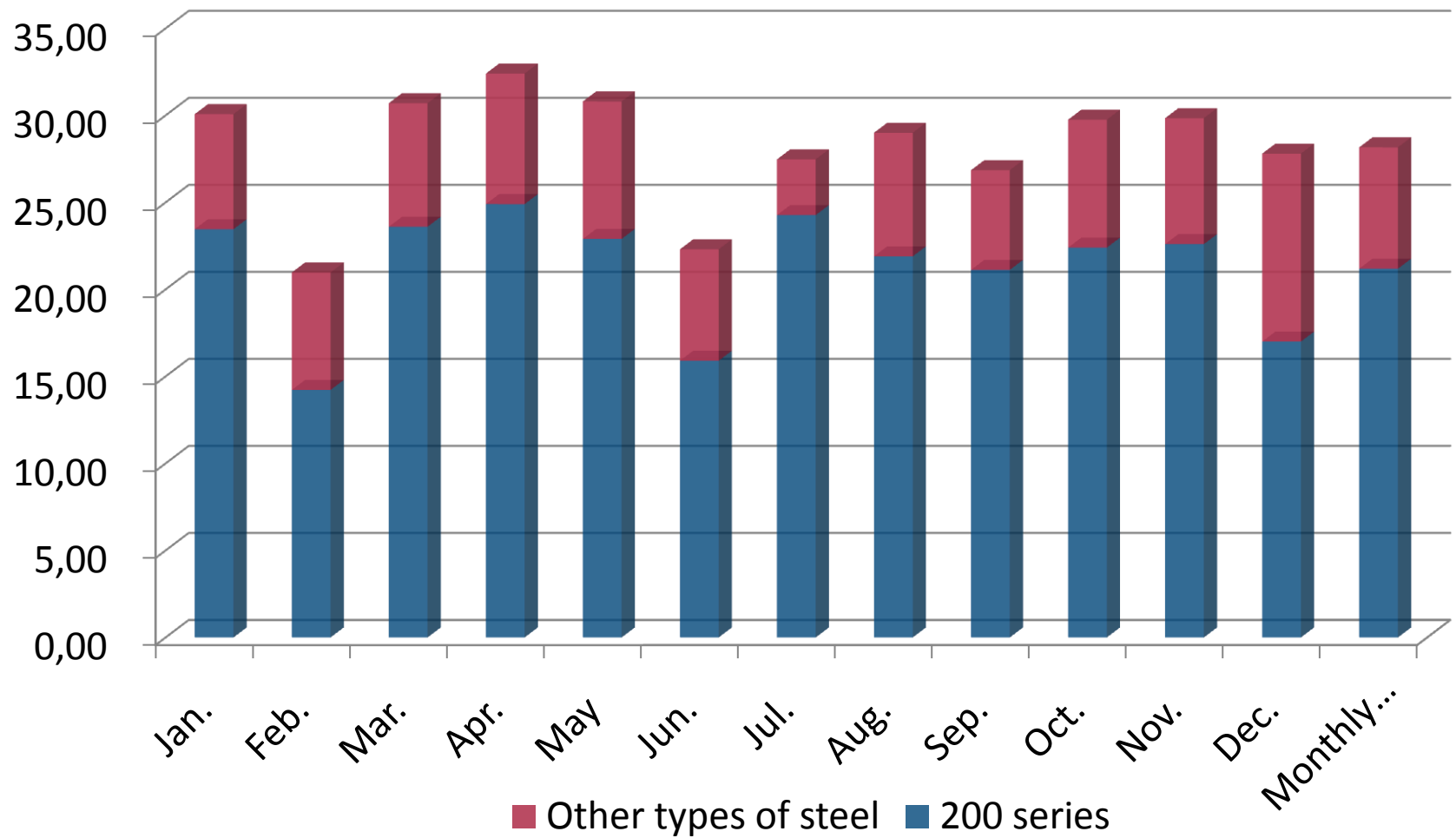
EMM domestic demand structure in 2010



Price trend chart of EMM and 200 series stainless steel in 2010



Output statistics of top 15 of major private steel enterprises in 2010



EMM purchasing pattern of stainless steel enterprises in 2010

Steel enterprises	Capacity	Purchase quantity in 2010	Orders	Cooperative merchants
A steel enterprise in Fujian	1.4 million tons	100 thousand tons	Long-term cooperation enterprises and orders, payment be settled at monthly average price.	Few or no
A steel enterprise in Ningbo	0.3 million tons	30 thousand tons	Small amount of orders and cooperative enterprises, market developing.	Usually purchase on Wednesday, a merchant in Chongqing
A steel enterprise in Wenzhou	0.2 million tons	20 thousand tons	Short-term orders, cash on delivery, 2000 tons/month, cut to 1000 tons/month, substitute silicomanganese for surplus demand(exploratory stage).	Cooperate with a big-sized merchant in Hunan in first half of 2010, purchased quantity reduced in second half year of 2010.
A steel enterprise in Zhuji of Zhejiang	0.3 million tons	20 thousand tons (1500-2000tons/month)	Short-term orders, cash on delivery, usually inquires or places order for goods on Monday or Wednesday, 800 tons/week. Demands had shrunked to 500 tons/week during energy conservation and pollution reduction stage, and it is steadied because adjust of steel types.	Few
A steel enterprise in Henan	0.6 million tons	Haven't been accounting (steel type changes frequently, demands changes widely)	Agreement orders or long-term orders, purchase from CITIC Dameng, Hunan Tianxiong and etc..	Few

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The Movement of EMM Industry

- The Movement of EMM Market
- 1. The price is open and the margin is reduced
- 2. Minor traders have withdrawn from the market progressively
- 3. EMM mills and mines closer ties each other
- 4. Price formation system was decided from the Market – Origin conversion

Catalog

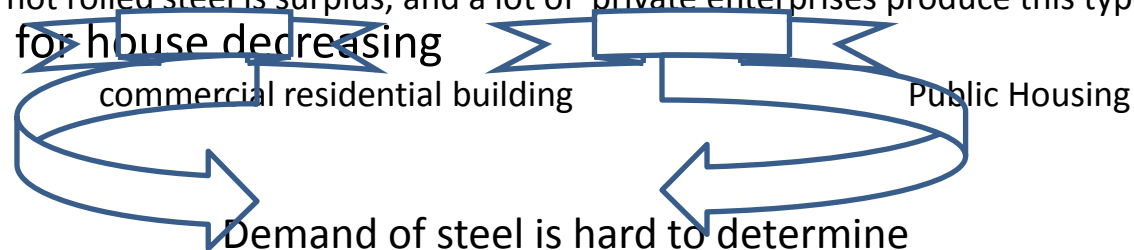
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Existing Problems in EMM Market

- 1.The trend of stainless steel market is hard to determine
 - (1) Output of crude stainless steel increased substantially
 - Output of crude stainless steel increased above 25% in 2009 and 2010. More crucial energy-saving and emission-reduction policies issued at half second year of 2010, but the output of Taiyuan iron and steel co., Ltd., Bao steel group, Zhangput stainless steel Co., Ltd., Taishan Stainless Stell Co., Ltd have increased. Output increased 594 thousand tons excpt the reduction of small sized enterprises. The increase rate of crude stainless steel would at interval of 15% to 25% next year, output would be more than 1.15 million and less than 1.25 million tons.
 - Capacity of hot rolled steel is surplus, and a lot of private enterprises produce this type of steel. (2)

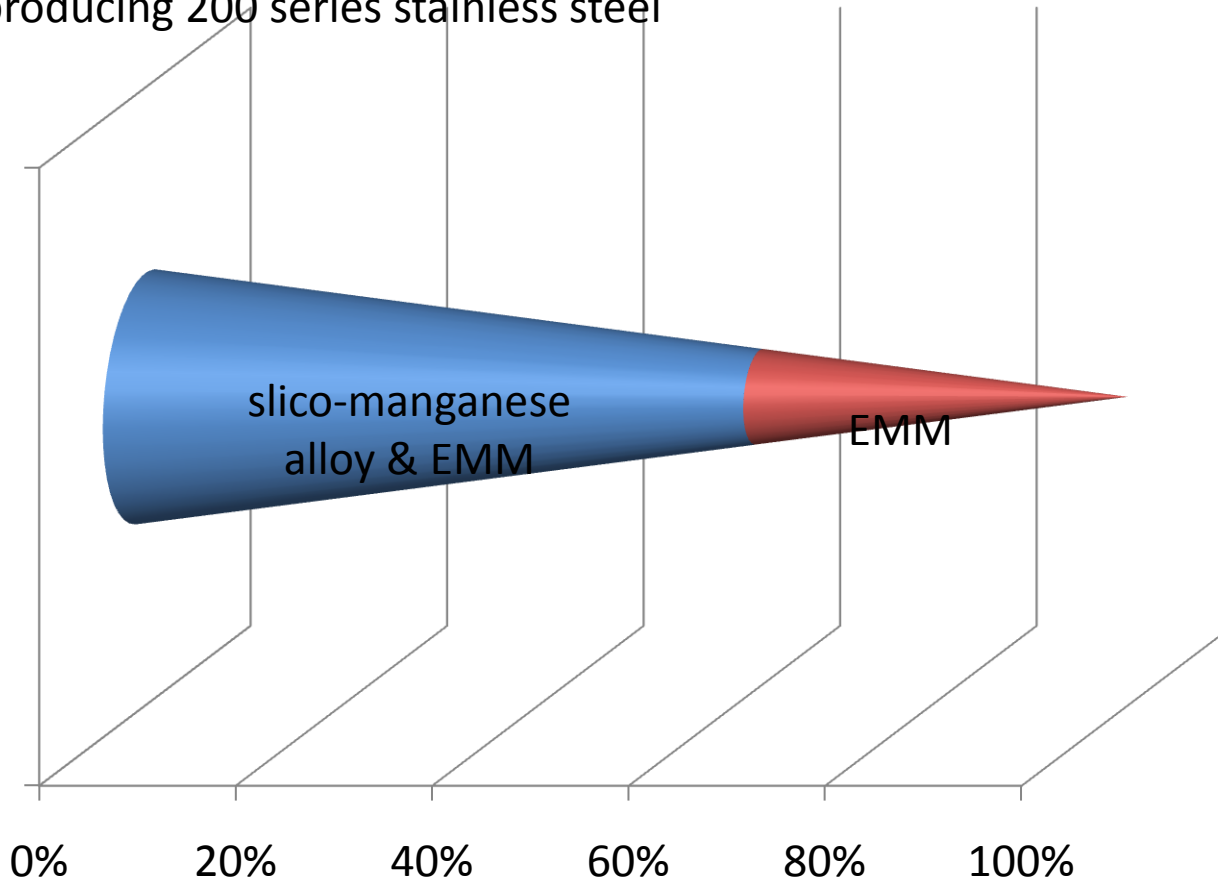
Demand for house decreasing



(3) Substitute resources for EMM yielded

电解锰市场面临的问题

3. EMM substitute have already been used for producing 200 series stainless steel

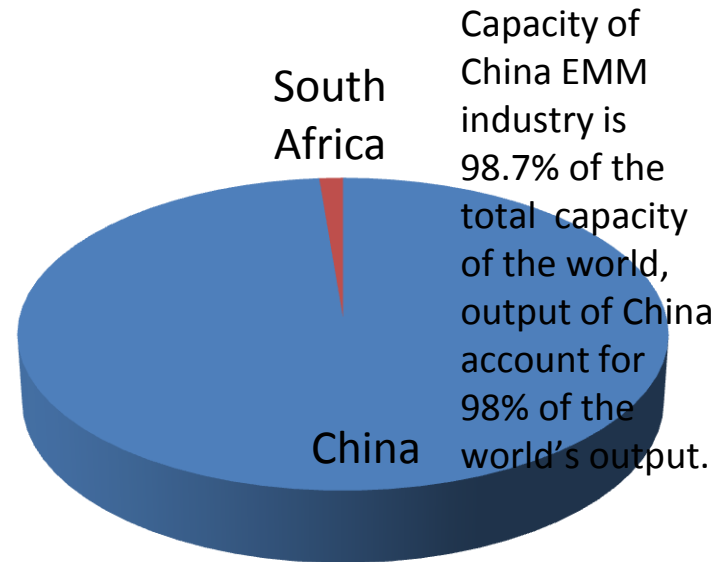
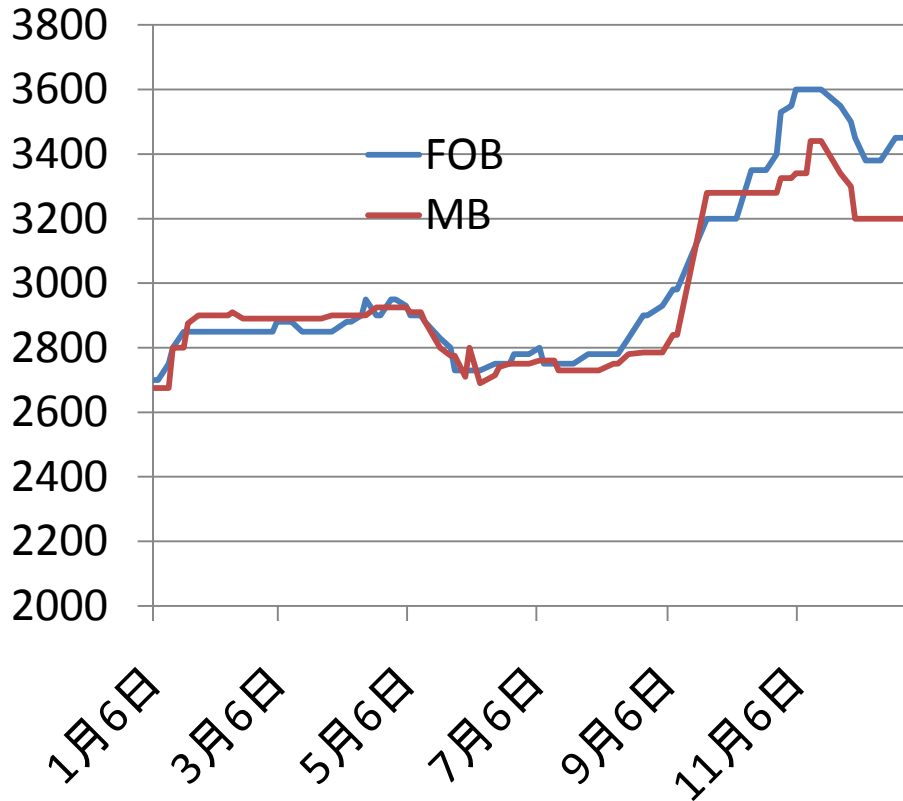


62.5% of investigated 200 series steel enterprises substitute silico-manganese alloy for EMM, the output of these enterprises is about 1.5 million tons.

Existing Problems in EMM Market

4. Disparity between domestic and foreign price

unit: dollar

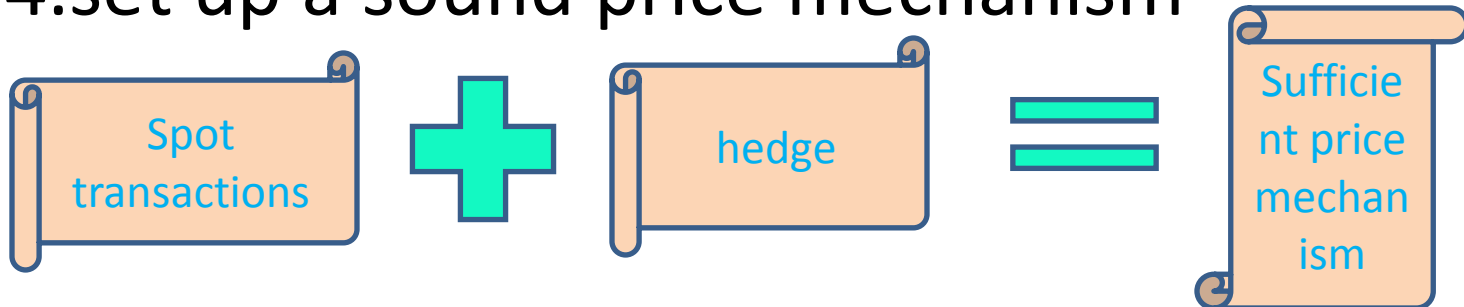


Existing Problems in EMM Market

- 5. Mineral resources are in short supply
- 6. insufficient mechanism of EMM price; weak risk control capability of middle-and-small sized EMM enterprises.

Solutions of Problems

- 1. Keep modest operating rate
- 2. Purchase mineral resources overseas, increase the power of control the material cost
- 3. Reduce production cost by new technology and equipments
- 4. set up a sound price mechanism



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上海华诚正式分析客户端.87上海华诚 代码排序 shhuacheng

上海华诚	代码 ↓	成交	最高	最低	涨跌	涨幅	买价1	买量1	卖价1	卖量1	总量	持仓	结算	买
金属钴连续	CO-0	313.00	325.00	312.50	-9.50	-2.95%	313.00	1270	313.50	2114	526822	164902	318.00	312.
钴1105	CO05	313.00	325.00	312.50	-9.50	-2.95%	313.00	1270	313.50	2114	526822	164902	318.00	312.
钴1109	CO09											0		
钴1111	CO11	328.00	329.00	321.00	+7.00	2.18%	328.00	2818	328.50	124	921254	351368	325.50	327.
金属镁连续	MG-0	1757	1757	1757	-3	-0.17%	1757	6	1758	5	10	256	1757	17
金属镁999	MG03	1740	1740	1740	-4	-0.23%	1739	3	1740	6	10	100	1740	17
金属镁999	MG05	1757	1757	1757	-3	-0.17%	1757	6	1758	5	10	256	1757	17
电解锰连续	MN-0	1987	1995	1983	-3	-0.15%	1987	307	1988	254	69990	9556	1988	19
电解锰997	MN03											0		
电解锰997	MN05	1950	2093	1950	-7	-0.36%	1950	215			986	15208	1952	19
电解锰997	MN07	1987	1995	1983	-3	-0.15%	1987	307	1988	254	69990	9556	1988	19
工业硅连续	SI-0	1470	1470	1470	-3	-0.20%	1469	5	1470	6	10	278	1470	14
工业硅985	SI03	1459	1459	1459	-2	-0.14%	1459	6	1460	6	10	62	1459	14
工业硅985	SI05	1470	1470	1470	-3	-0.20%	1469	5	1470	6	10	278	1470	14
钼1111	FE011	173	173	173	-0	-0.12%	173	66	173	22	90	1030	173	1

The End