

INDICES	code	Incoterm	Measure	This week's Price	Previous Price	Weekly Change	Monthly Average	Previous Month	Quarter Average	Previous Quarter
MANGANESE ORE 44% INDEX	MBMn44	CIF Tianjin	\$/dmty (weekly)	5.73	5.76	-0.03	5.66	5.16	5.41	5.39
MANGANESE ORE 37% INDEX	MBMn37	FOB Port Elizabeth	\$/dmty (weekly)	4.55	4.59	-0.04	4.40	3.89	4.14	3.89
ESTIMATES										
Freight rate South Africa - China	Estimate	-	\$/dmty (weekly)	0.57	0.57	0.00	0.57	0.57	0.57	0.60
MANGANESE ORE 37% CIF EQUIVALENT	Estimate	CIF Tianjin	\$/dmty (weekly)	5.12	5.16	-0.04	4.97	4.46	4.71	4.49

MARKET COMMENTARY

Manganese ore prices stabilised last week

Manganese ore prices stabilised last week, dipping slightly amid thin trading, as alloy prices rose in various regions.

- * Ore prices dip after weeks of rallying
- * Chinese silico-manganese prices hold
- * Chinese ferro-manganese prices edge higher
- * Alloy prices strong in USA, India and Europe
- * US supply remains tight

Metal Bulletin's 37% manganese ore index, fob Port Elizabeth dropped 4 cents to \$4.55 per dmty, recording its first decrease in five weeks.

Metal Bulletin's 44% manganese ore index, cif Tianjin dropped 3 cents to \$5.73 per dmty.

The dramatic manganese ore market rally of the past few weeks took prices to more than double their levels in March.

The market appeared to pause for breath as trading volumes dropped ahead of global holidays.

While numbers slipped, a relatively bullish tone persisted even as market participants attributed recent strength to non-fundamental factors, such as trader activity.

Manganese ore inventories remain relatively high, but large volumes of material are tightly held by traders.

It is unlikely that those holding material will release it until they can take profits or cover their purchase costs, sources said.

At least one major mill is preparing to settle second half enquiries, market sources reported, predicting that this will set a trend.

"We should get some feedback soon on a large second-half enquiry and then we expect the rest of the market to fall in line thereafter," a third supplier source told AMM.

Additional mills are expected to enter the market after the holiday weekend.

"Once everyone is back from the holidays, this market should start to pick up quickly for third quarter requirements," another supplier source told AMM.

"Stocks are high but they're mostly in the hands of traders who bought at \$5.50 or above," an ore producer told Metal Bulletin.

"Most of the companies holding stocks are state-owned, and will prefer to hold onto their stocks until prices go above that level," the source added.

Chinese manganese alloys maintain strength

Metal Bulletin's price quotation for domestic Chinese silico-manganese held at 6,700-7,000 yuan (\$976- 1,020) per tonne.

Metal Bulletin's price quotation for domestic Chinese ferro-manganese rose to 6,300-6,500 yuan per tonne, up 100 yuan at the higher end of its trading range.

"Manganese ore prices have recorded a strong upward trend, so we raised our offer price," a major alloy producer told Metal Bulletin.

Elsewhere there was more strength in alloy markets as producers cited a response to higher ore prices and healthy demand for their own product.

Supply tightness buoys US FeMn, SiMn prices
In the USA, limited availability was the main factor supporting prices.

High carbon ferro-manganese prices, in warehouse Pittsburgh climbed for the third consecutive week, reaching a fresh three-month high \$1,430-1480 per long ton on May 25, up from \$1,400-1,450 on May 18, according to Metal Bulletin sister publication AMM's latest assessment.

As stocks run low, suppliers have been able to continually raise prices, particularly within the trade.

"We had a trader come to us looking for material to cover up a short position, and after initially pushing back on our price, they ended up coming back for even more tonnage than they first asked for at the original price we offered," a supplier source told AMM.

The source added that he had received several hundred tons of enquiries from other traders during the week.

"It's clearly very tight right now and options are limited for those seeking material," a second supplier source added.

Several traders have been scrambling for more material as the market approaches third quarter negotiations, sources reported.

Spot prices for silico-manganese, in warehouse Pittsburgh held at 65-68 cents per lb on May 25, according to AMM.

Silico-manganese prices have taken similar support from the tightened availability within the USA but demand has been subdued.

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Mn Ore Index

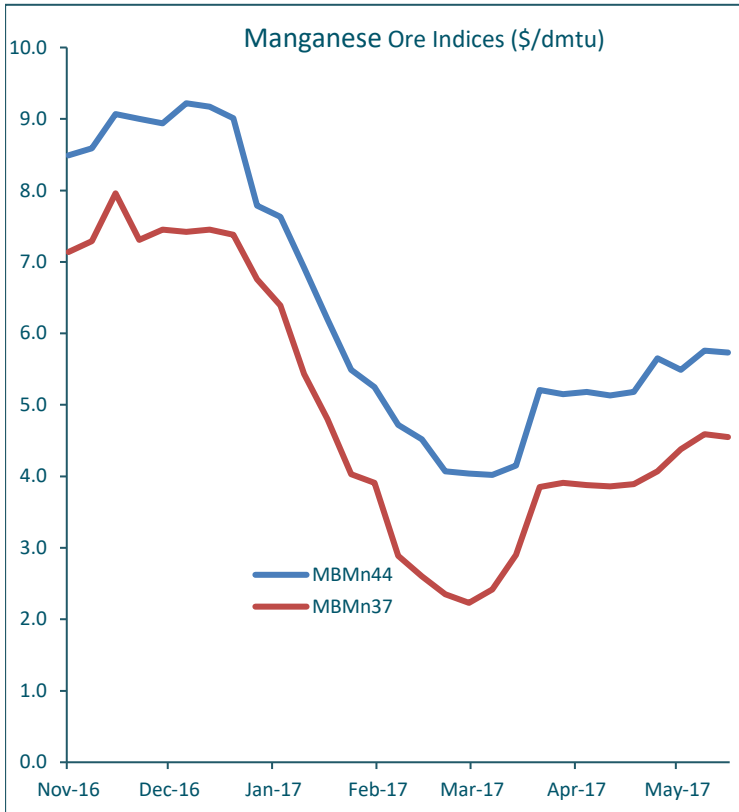
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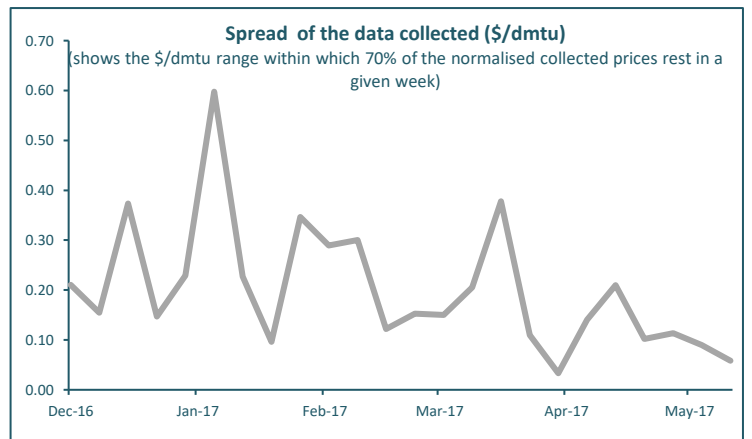
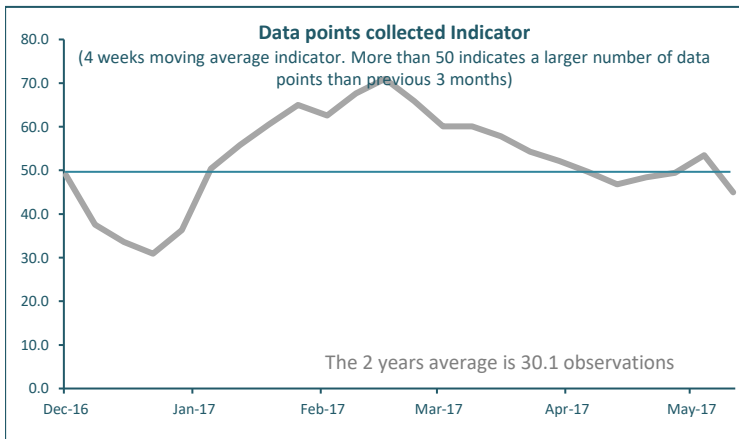
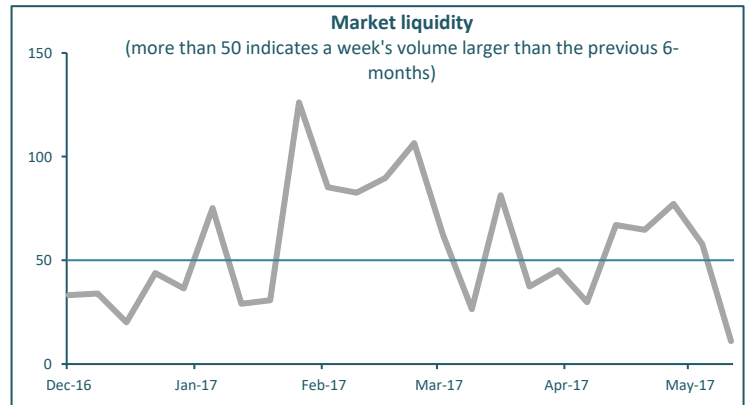
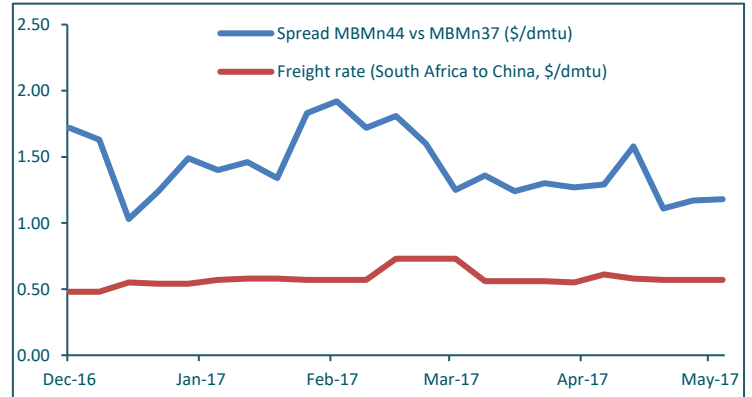
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MANGANESE ORE INDICES



INDICATORS



Mn VIUs

	This quarter	Previous Quarter	Year to date	Previous year
Mn VIU 44% range (\$/dmTU)	0.13	0.12	0.13	0.08

The Mn VIU measures the relation between % Mn content in the ore and Price in \$/dmTU as seen in the market. The VIU is calculated using statistical methods and the large amount of Mn ore prices and data collected by Metal Bulletin. The Mn VIU shown is the value implied by the market and not an in-house assessment. Bear in mind that other factors such as company, other chemistries, delivery terms, etc... do affect Manganese ore prices.

Example: A Mn VIU of \$0.15/dmTU means that material with 45%Mn content is on average \$0.15/dmTU more expensive than 44%Mn content material other things equal.

