

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	\$/dmu (weekly)	6.04	5.73	+0.31	6.04	5.66	5.48	5.39
MANGANESE ORE 37% INDEX	MBMn37	FOB Port Elizabeth	\$/dmu (weekly)	4.62	4.55	+0.07	4.62	4.40	4.19	3.89
ESTIMATES										
Freight rate South Africa - China	Estimate	-	\$/dmu (weekly)	0.57	0.57	0.00	0.57	0.57	0.57	0.60
MANGANESE ORE 37% CIF EQUIVALENT	Estimate	CIF Tianjin	\$/dmu (weekly)	5.19	5.12	+0.07	5.19	4.97	4.77	4.49

### MARKET COMMENTARY

#### Ore prices rise again

Manganese ore prices resumed their upward trend on Friday June 2, with high-grade prices gaining more than 5% amid tight availability.

- \*Ore prices back up after pause
- \*High-grade ore rises more than 5%
- \*Alloys prices hold in China, India and Europe
- \*Ferro-manganese prices rise in USA
- \*US manganese alloy supply remains tight
- \*MB's 44% manganese ore index cif Tianjin rose 31 cents to \$6.04/dmtu
- \*MB's 37% manganese ore index fob Port Elizabeth rose 7 cents to \$4.62/dmtu

Both indices had dropped a few cents a week previously.

Market participants anticipate higher prices from high-grade producers in the near future while inventories in China contract.

Manganese ore inventories at the main Chinese ports of Tianjin and Qinzhou stood at 2.85-3.05 million tonnes on May 31, according to Metal Bulletin's latest survey, down from 3.2-3.3 million tonnes in mid-April.

"High-grade is particularly tight. The truth is it can be sold in one day. Chinese stocks are low – port inventory is below 3 million tonnes," a producer source told Metal Bulletin.

While some market participants attributed the strength in the 44% market to strong demand and tight supply, others pointed to the continued influence of traders.

The recent rally in both grades of material and the price differential between port and seaborne cargoes have heightened longstanding speculation that traders are planning another inventory squeeze in Chinese ports, using the gap between seaborne and port prices – the latter remain significantly higher than the former – as an arbitrage opportunity to generate large profits.

"Semi-carbonate (37%) is much more liquid than 44% so if you can get your hands on 44% material you can squeeze the market," a second producer told Metal Bulletin.

Others market sources pointed out that silico-manganese futures prices on the Zhengzhou Commodity Exchange dropped during the week. Silico-manganese futures prices have been a significant driver of manganese ore prices in recent months, although the reverse has been the case since early in May when ore prices started to drive alloy futures prices.

"The market is still moving up this week. Some deals have been done above \$6 and more high-grade ore miners are mulling increases to their offers now," a trader in China told Metal Bulletin.

"But it's hard to say where the market will go; it depends on sentiment... silico-manganese futures prices dropped this week, dampening the market mood," the trader added.

Rena Gu  
Janie Davies  
Chris Kavanagh AMM

# MetalBulletin

# Mn Ore Index

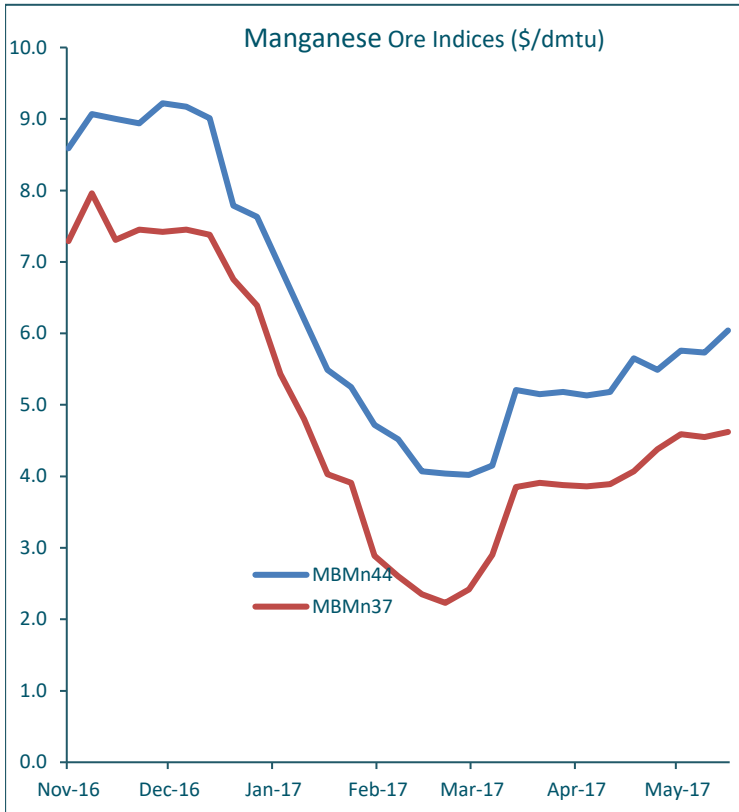
Market Report

06 June 2017

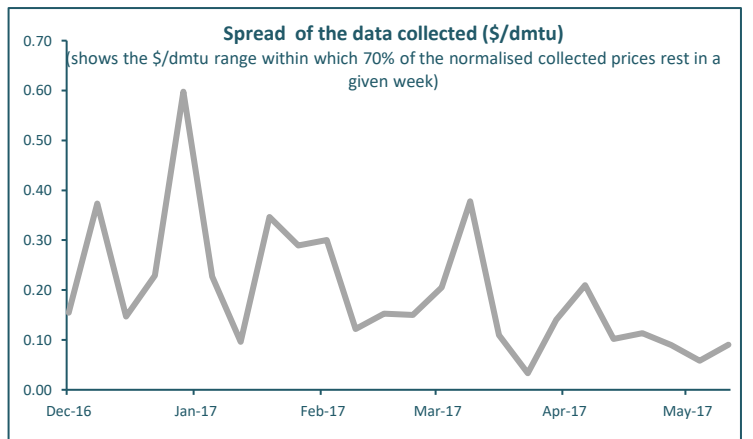
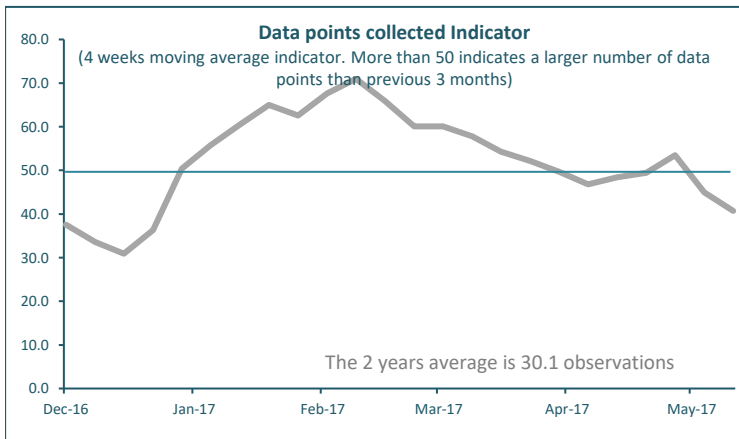
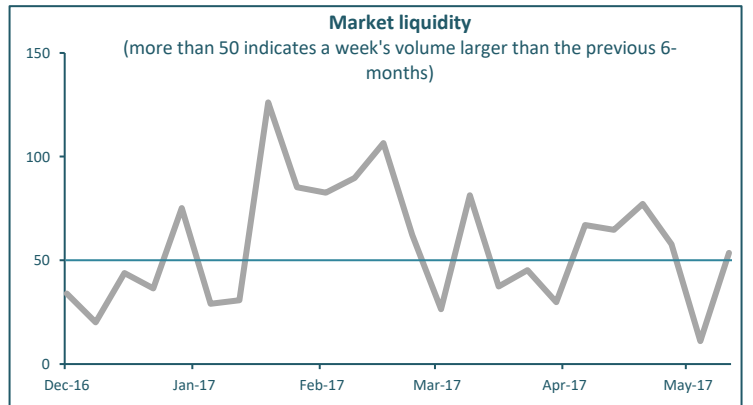
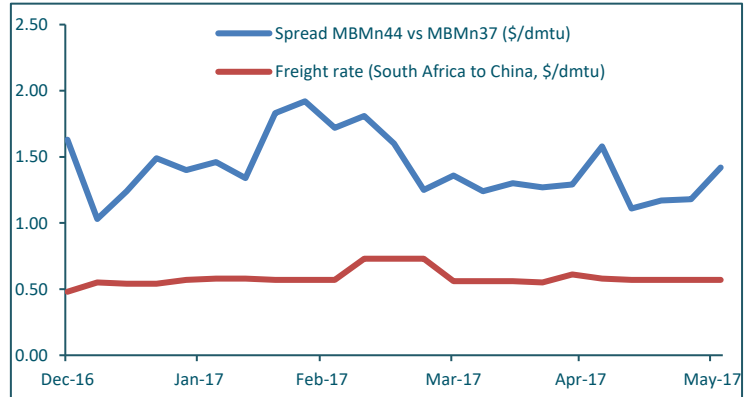
[Click for the latest specification and methodology guide](#)



## MANGANESE ORE INDICES



## INDICATORS



## Mn VIUs

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

The Mn VIU measures the relation between % Mn content in the ore and Price in \$/dm tu 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/dm tu means that material with 45%Mn content is on average \$0.15/dm tu more expensive than 44%Mn content material other things equal.

