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Argus/Indeks Komoditas Indonesian Nickel Index (INI) Report

Weekly average INI prices

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Indonesian Nickel Index (INI) assessments by Argus Media and Indeks Komoditas

Indonesian Nickel Index NPI 10-14% fob Indonesia main port	134.2
Indonesian Nickel Index MHP 37% min fob Indonesia main port	139.0
Indonesian Nickel Index matte 70% fob Indonesia main port	153.5

INI: Weak demand continues to weigh on prices

Indonesian nickel pig iron (NPI) and mixed hydroxide precipitate (MHP) fell this week on weaker demand but tight supply for nickel ore may have limited the price drops.

The Argus/Indeks Komoditas Indonesian Nickel Index (INI) for NPI 10-14pc fob Indonesia main port fell by \$1.30/mtu on the week to \$134.20/mtu on 27 October, while the index for MHP 37pc min fob Indonesia dropped by \$4.10/mtu to \$139/mtu. The INI for nickel matte 70pc rose by \$1/mtu on the week to \$153.50/mtu.

NPI suppliers were heard to have dropped offers in an attempt to secure sales, which were mostly unsuccessful as market activity remained low this week. Chinese buyers showed very little appetite for new material as some of them anticipate prices to fall further in the near future. The slow destocking rate for stainless steel products in China is still very much a concern for many NPI buyers.

Weak electric vehicle (EV) demand continued to weigh on MHP prices, with market participants expecting no recovery to EV sales until at least early 2024. But the tight supply for nickel ore and MHP available for spot sales may limit any future drop in prices.

French mining company Eramet cut its nickel ore production forecast by 5mn wet metric tonnes (wmt) this year because of a delay in the distribution of new mining quotas in Indonesia.

Sentiment in the wider global market was also weak, despite the news that China is set to issue 1tn (\$137bn) additional sovereign debt bond for infrastructure projects. The expectation of the US Federal Reserve to keep borrowing rates high to slow inflation has kept US dollar strong this week, resulting in further downward pressure for nickel units priced in dollar. The three-month nickel contract on the London Metal Exchange fell by 2.2pc on the week to \$18,122.50/t on 26 October.

Monthly INI averages

	Aug	Sep	Oct
Indonesian Nickel Index NPI 10-14% fob Indonesia main port	-	-	134
Indonesian Nickel Index MHP 37% min fob Indonesia main port	-	-	139
Indonesian Nickel Index matte 70% fob Indonesia main port	-	-	154

Additional information about the underlying assessments used to produce the INI can be obtained from the publishers.

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Methodologies

For information on the methodologies relevant to the Indonesian Nickel Index, please see the [Argus/Indeks Komoditas Indonesian Nickel Index \(INI\) Report methodology](#).



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