



London Iron Ore Market Report

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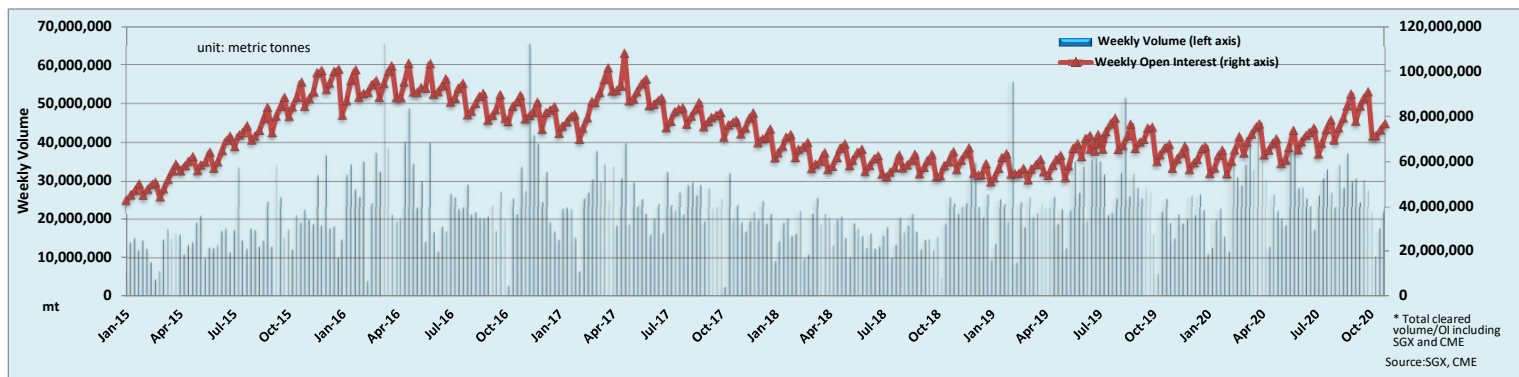
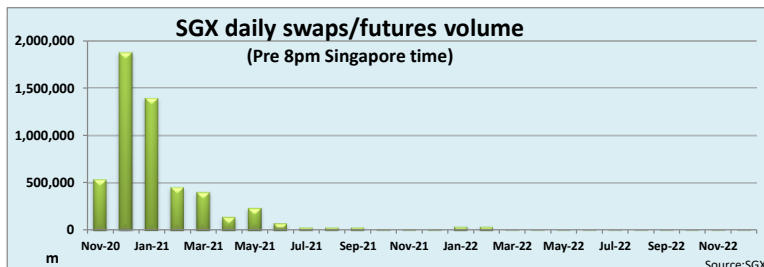
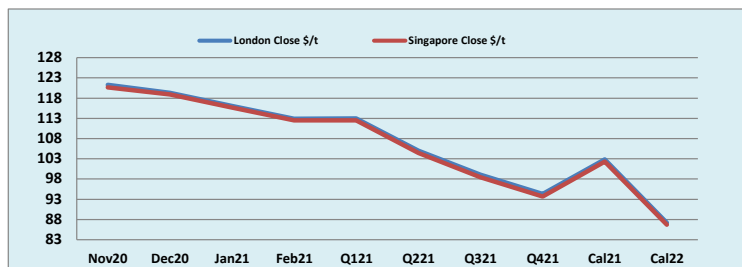
Iron ore futures soared to \$120 on Tuesday on robust Chinese steel outlook and better broad-based market sentiment. Pollution-based curbs in the Tangshan region and a bout of destocking have propped up steel prices. Meanwhile, mills in China have been churning out a record volume of steel this year as the country embarked on a slew of infrastructure-led stimulus to elevate the economy from the pandemic. The latest data showed that China imported over 100 million tonnes of iron ore for the fifth consecutive months in October. In addition, there has also been a flurry of spot purchases of iron ore cargoes. Consumption optimism is the key factor supporting iron ore prices, offsetting the quarterly supply-side recovery, Huatai Futures Co. wrote in a note. "Spot prices for steel have improved and alongside the higher profitability for mills, where the utilization rates remain elevated compared with the year-earlier period, the market has had more tolerance toward the prices for the raw material." There is some concern over narrowing iron ore demand. Daily pig iron production reached around 2.45-2.47 million tonnes while blast operation rate was down 0.65% to 86.46%, suggesting that iron ore demand is marginally narrowing.

Market is however in buoyant mood right now following the news that a covid-19 vaccine prevented more than 90% of symptomatic infections in a study of tens of thousands of volunteers, fuelling optimism that the world will soon find a way out of this pandemic. This, coupled with the result of the US election – albeit legal challenges are currently underway – have provided a major lift to both equity and commodity markets.

INDEX	Price	Change	MTD
Platts IO 62%	\$123.30	\$1.50	\$119.29

INDEX	Price	Change	MTD
MB IO 65%	\$134.60	\$0.60	\$131.06

TSI Iron Ore 62	Nov 20	Dec 20	Jan 21	Feb 21	Q1 21	Q2 21	Q3 21	Q4 21	Cal 21	Cal 22
London Close \$/t	121.30	119.30	116.10	112.90	113.00	105.00	99.05	94.35	102.85	87.20
Singapore Close \$/t	120.65	118.90	115.70	112.50	112.55	104.45	98.40	93.70	102.30	86.70
Change	0.54%	0.34%	0.35%	0.36%	0.40%	0.53%	0.66%	0.69%	0.54%	0.58%



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