Big fours' Iron Ore guidance 2020

All's well, ends well?

An unexpectedly good year

2020 has been an unexpectedly good year for iron ore as prices reached near 7 year highs of $130 in September, whilst the impact of the Coronavirus still continues to ravage economies globally.

China's rush for steel

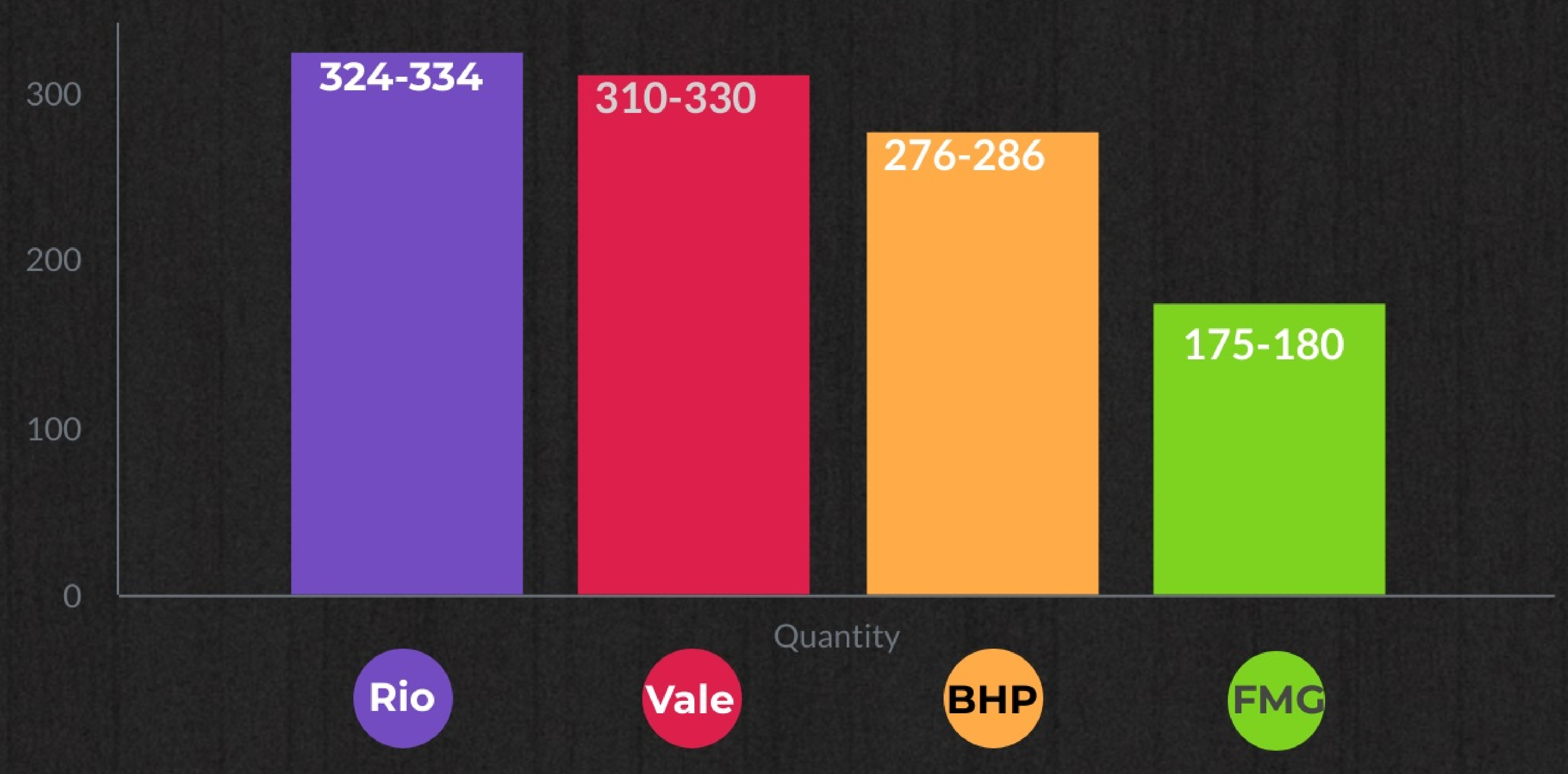
The Iron Ore rally has been driven by China's infrastructure spending and fiscal stimulus packages to help jumpstart the economy as China recovered from the worst of the pandemic.

Rio stays ahead of the pack

Rio Tinto topped all other miners in their annual guidance for 2020

Vale is still lagging behind and is yet to regain their top spot after the turmoil created by the Brumadinho dam collapse in early 2019

Big Four Miners iron ore output in FY 2020 (mil mt)



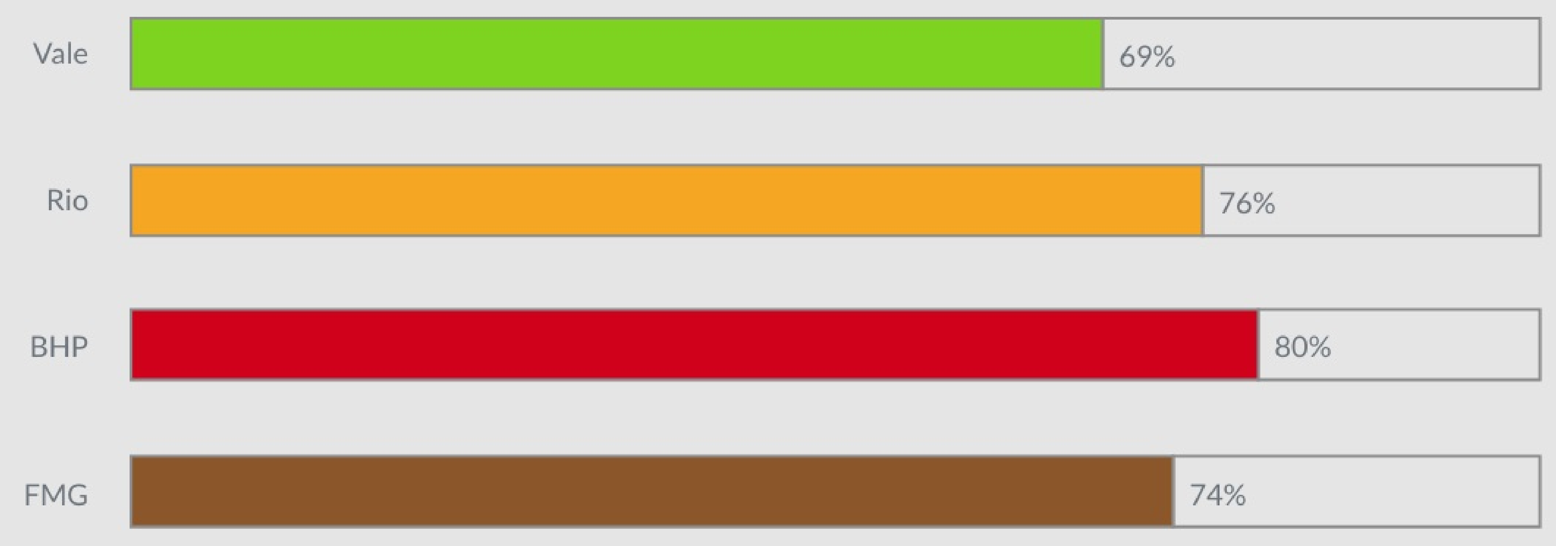
Iron Ore Production Year on Year

Vale's guidance was significantly reduced for 2020, but it managed to make up some significant ground towards the end of the year.

An early rainy season that disrupted exports means that Vale needs to ship approx. 88mn mt in Q4 to make guidance.

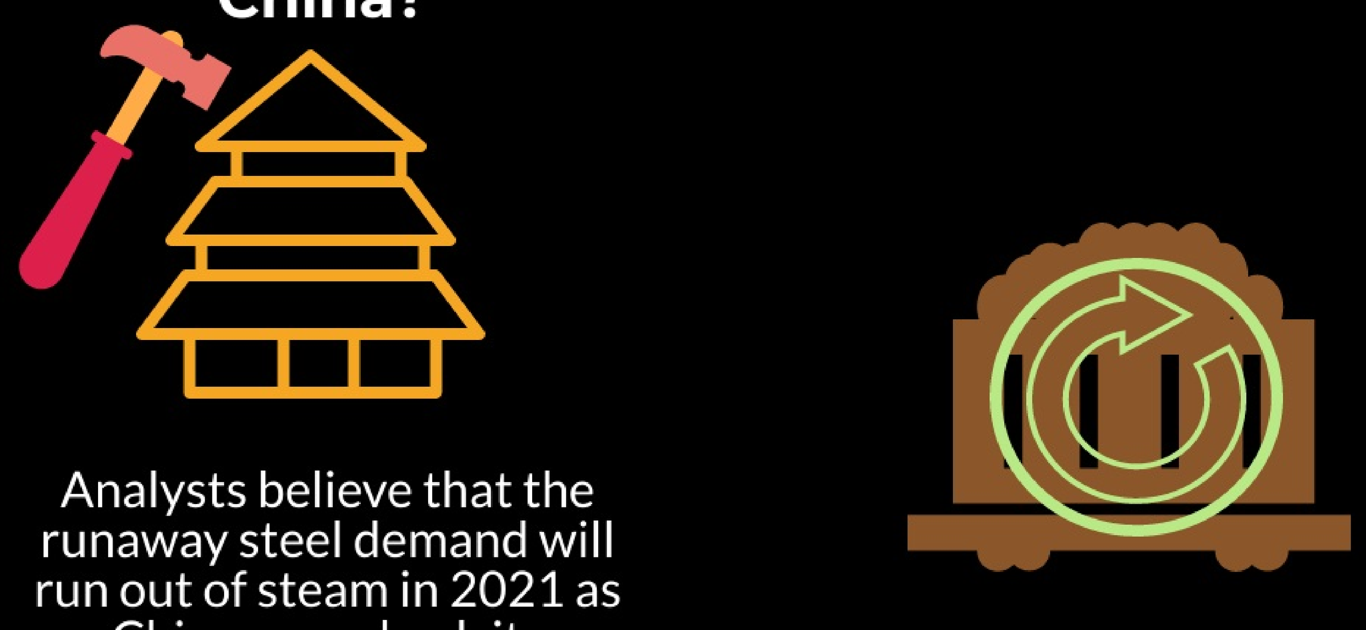
Vale	FY 2019	340-355 mil mt	8.8%
	FY 2020	310-330 mil mt	
Rio Tinto	FY 2019	320-330 mil mt	1.25%
	FY 2020	324-334 mil mt	
BHP Billiton	FY 2019	273-286 mil mt	1.09%
	FY 2020	276 -286 mil mt	
Fortescue Metals Group	FY 2019	170-175 mil mt	3%
	FY 2020	175 -180 mil mt	

Jan-Sep 2020 exports completion status



The story for 2021 – more room to the upside?

Construction slow down in China?



Analysts believe that the runaway steel demand will run out of steam in 2021 as China eases back its stimulus programmes.

Political tension

China – Australia tensions are yet to ease, thought the import ban has not been extended to Australian Iron Ore.......yet.

Vale restart?

Vale is slated to restart the Samarco complex in Dec 2020 and plans are in place to see output reach 400mn tonnes by 2022.

Bad weathers

Rainy season is about to begin in Brazil, while Australia's La Nina phase might affect shipping activities.