

Macro

	Last	Previous	% Change
USDCNY	6.4656	6.4292	0.6%
Repo 7 Days	2.35	3.19	-26.3%
Repo 1 Day	1.4	3.34	-58.1%
Dollar Index	91.042	90.584	0.5%
China GDP Constant Price YOY %	6.5	4.9	NA
China PMI (Caixin)	51.5	53	NA
China Industrial Production MOM %	1.1	1.03	NA
Commercial Space Under Construction	3.7	3.2	NA
Commercial Space Completed	912.2	591.7	NA
Commercial Building Space Sold, YTD YOY%	2.6	1.3	NA
Residential Space Under Construction, YTD YOY%	4.4	4	NA
Residential Space Completed, YTD YOY%	-3.1	-5.8	NA
Residential Floor Space Sold, YTD YOY%	3.2	1.9	NA

Market Summary:

Iron ore neutral to bearish.

Macro and Money Movement:

China Ministry of Industry and Information Technology Department indicated China targeted 0 increase on crude steel production in the year 2020 to fulfill the target of less carbon emission and support clean energy. Thus many funds which structurally bought iron ore and coke futures started to leave market. Iron ore open interest on DCE dropped almost 40% from early December of 2020 to the first week of February in 2021.

Steel:

Chinese New Year expected 70% less travel compared to the year 2020, which explained the high blast utilisation rate at 90.94%, used to be 85.24% in the year 2020 before Chinese New Year according to MySteel research. Daily pig iron production at 2.42 million tonnes was also significantly high compared to 2.38 million tonnes to pre-CNY period last year. The continuous production on steels are facing higher steel inventory building up speed compared to the year 2019 and 2018.

Construction steel trading volume dropped to 18,760 tonnes per day in February, which was 10% of normal trading day in last December. The rebar futures rebounded because some end users of steels want to purchase steels after Chinese New Year, thus they need to lock the potential price increase risk on futures market. The problem is after Chinese New Year these users would cover the previous long positions on futures market again. Since winter stock price was 4200–4300 yuan, however SHFE rebar may was 4350 this Monday, which was high considering it was a far contract.

Iron ore:

Australia and Brazil iron ore delivery up 4.92 million tonnes to 24.69 million tonnes during the last week of January, which will increase the arrivals during February, in particular during Chinese New Year. Northern mills had 40 days of iron ore usage, a seasonally high. Both indicators were not supporting iron ore rebounding fast after Chinese New Year.

MySteel data indicated iron ore daily evacuation reached 3.28 million tonnes, caused by a 32 ships decrease. Port iron ore stocks were similar to last year and was stable around 124–125 million tonnes over the past four weeks. Iron ore physical traders indicated port trades volume per day was 867,000 tonnes during February, 24% decrease from January.

Iron ore futures on DCE was very similar to the rebar on fundamental logic, the last rebound as some physical traders need to hedge the purchase price increase on futures across Chinese New Year.

Senior Researcher: Hao Pei

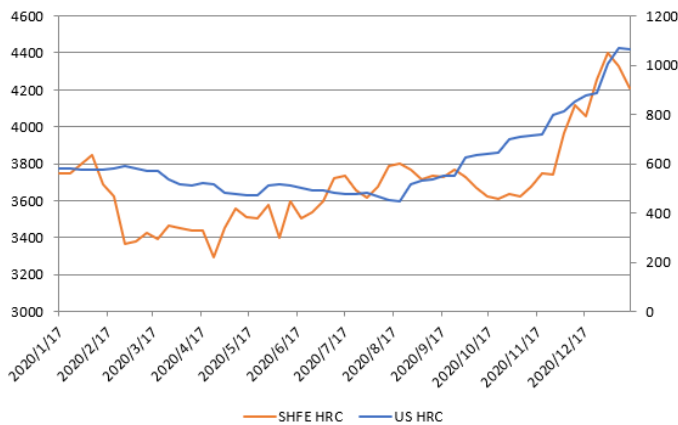


Weekly Ferrous Report

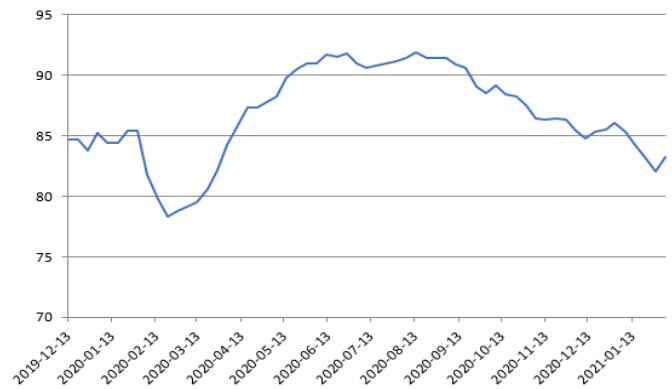
Steel

	Last	Previous	% Change
US HRC Front Month	1157	1149	0.7%
SHFE Rebar Major Month	4166	4191	-0.6%
China Hot Rolled Coil	4508	4524	-0.4%
China Monthly Steel consumption Unit 000's mt	87772.1	85109.8	3.1%
Five Major Steel Inventories Unit 10,000 mt	1520.02	1440.79	5.5%
Construction Steel Total Inventory unit 10,000 mt	882.26	821.41	7.4%
Crude Steel Production China Unit 000's mt	91252	87660	4.1%
China Volume of Commodity Imports Unit 000's mt	1370	1850	-25.9%
China Volume of Commodity exports Unit 000's mt	4850	4400	10.2%

US HRC Vs SHFE HRC

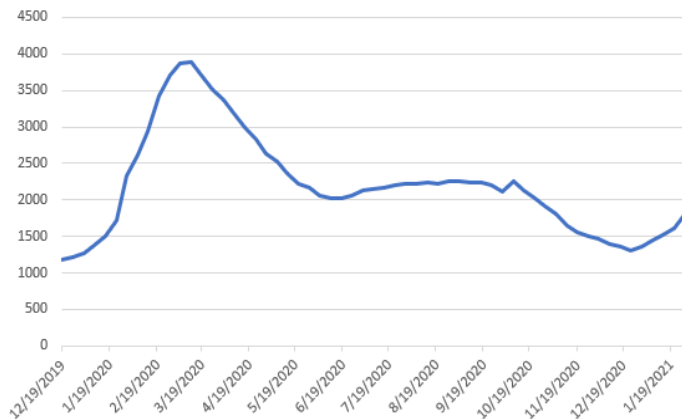


MySteel 247 mills BF Operation Rate in %



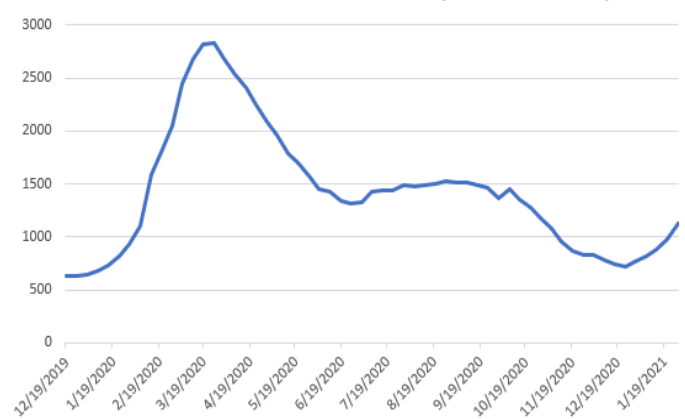
Sources from Bloomberg

China Five Major Steel Inventories (in 10,000 tonnes)



Sources from MySteel

Construction Steel Total Inventories (in 10,000 tonnes)



Sources from MySteel

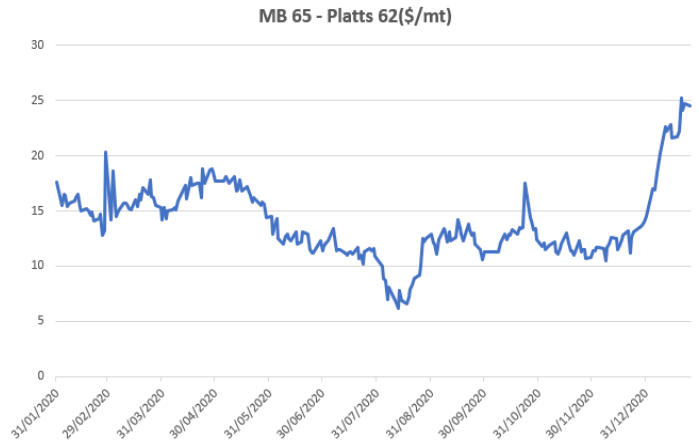
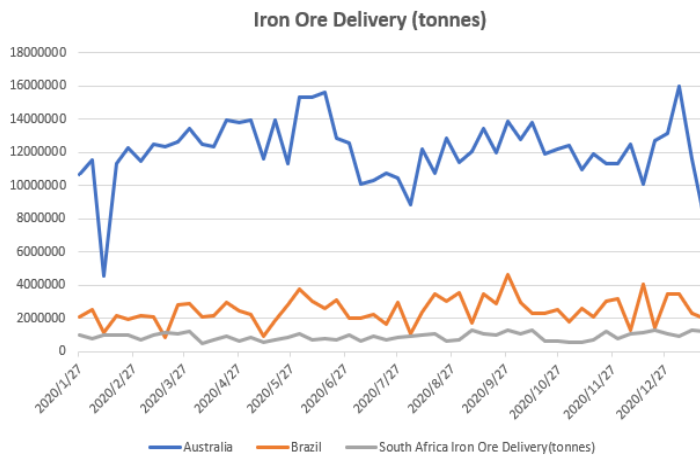
Sources from MySteel



The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at www.freightinvestorservices.com

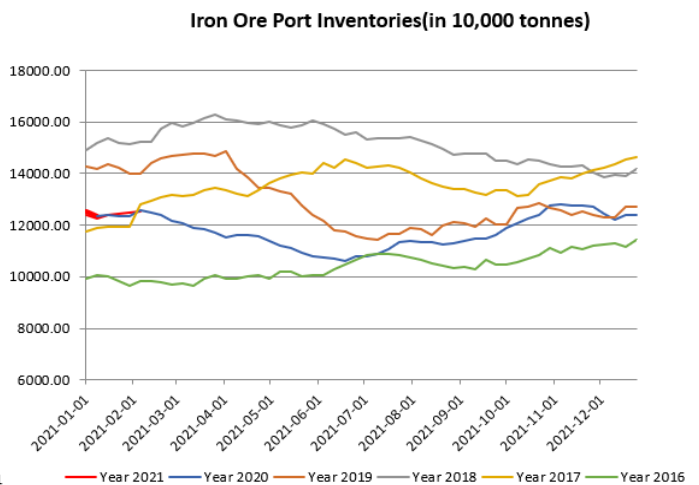
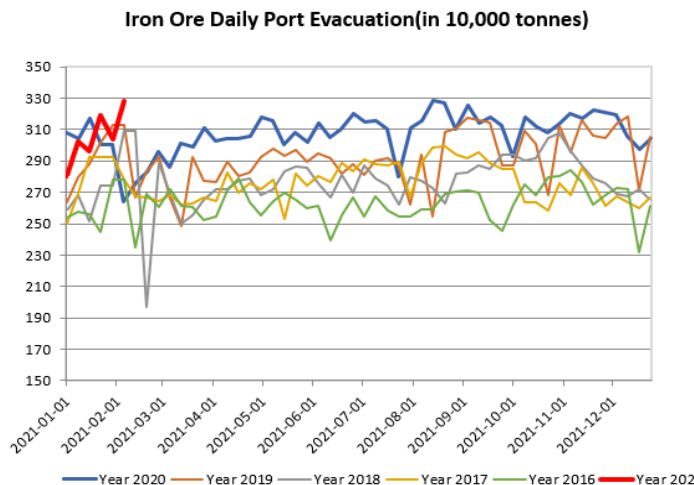
Iron Ore

	Last	Previous	% Change
Platts 62% Fe	155.9	158.05	-1.4%
MB 65% Fe	180.1	181.7	-0.9%
Capesize 5TC Index	23366	24631	-5.1%
C3 Tubarao to Qingdao	18.46	19.245	-4.1%
C5 West Australia to Qingdao	7.6	7.873	-3.5%
Billet Spot Ex-Works Tangshan MT	3850	3860	-0.3%
SGX Front Month	153.74	168.13	-8.6%
DCE Major Month	1155	1183.5	-2.4%
China Port Inventory Unit 10,000 mt	12,519	12,501	0.1%
Australia Iron Ore Weekly Export Unit 10,000 mt	944.90	713.90	32.4%
Brazil Iron Ore Weekly Export Unit 10,000 mt	162.70	220.60	-26.2%



Sources from Bloomberg

Sources from Platts



Sources from MySteel

Sources from MySteel



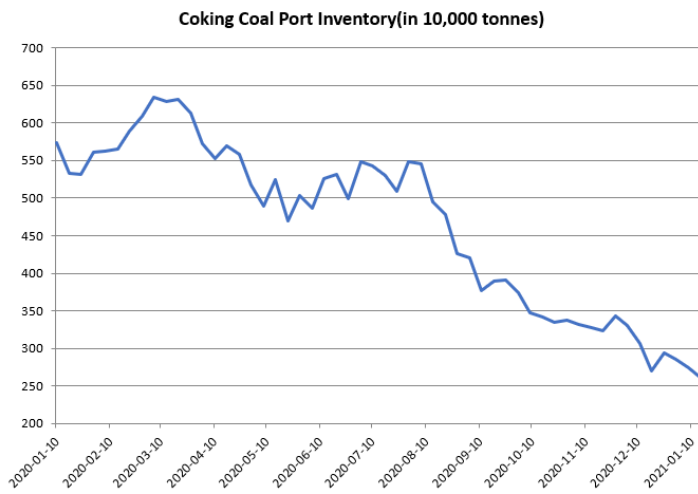
The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at www.freightinvestorservices.com



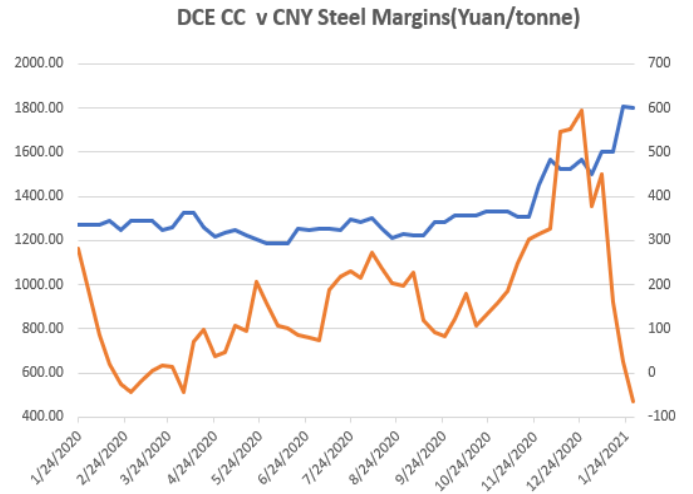
Weekly Ferrous Report

Coking Coal

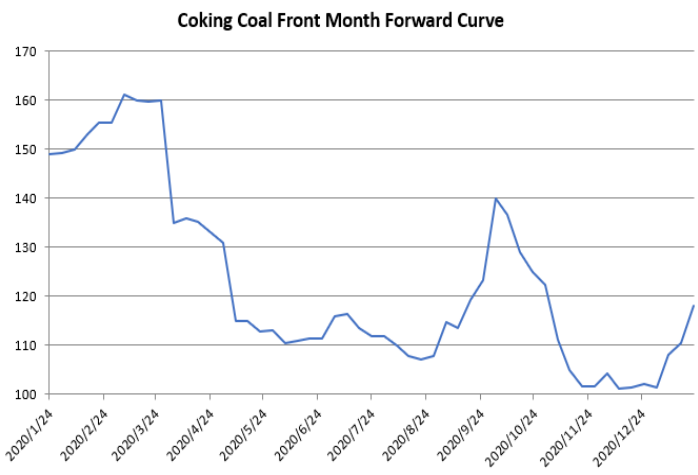
	Last	Previous	% Change
TSI FOB Premium Hard Coking Coal	141.1	132.3	6.7%
Coking Coal Front Month	150.85	121.7	24.0%
DCE CC Major Month	1700	1800	-5.6%
Coking Coal Port Inventory Unit 10,000mt	241	255	-5.5%
China Custom total CC Import Unit mt	3,570,270.00	3,722,090.00	-4.1%



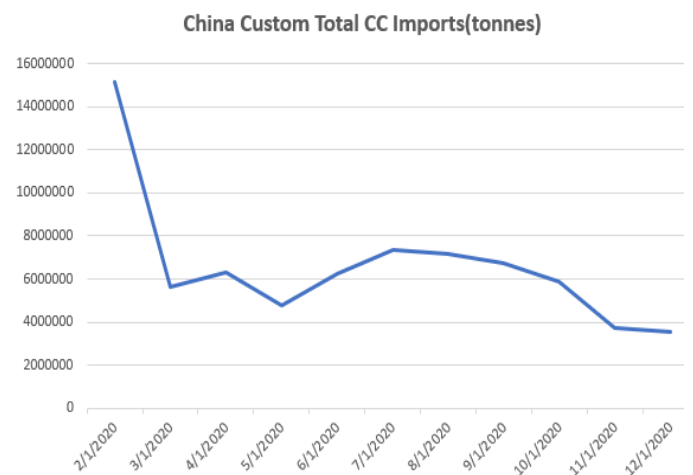
Sources from MySteel



Sources from Bloomberg



Sources from Bloomberg



Sources from Bloomberg

