



London Iron Ore Market Report

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10 March 2021

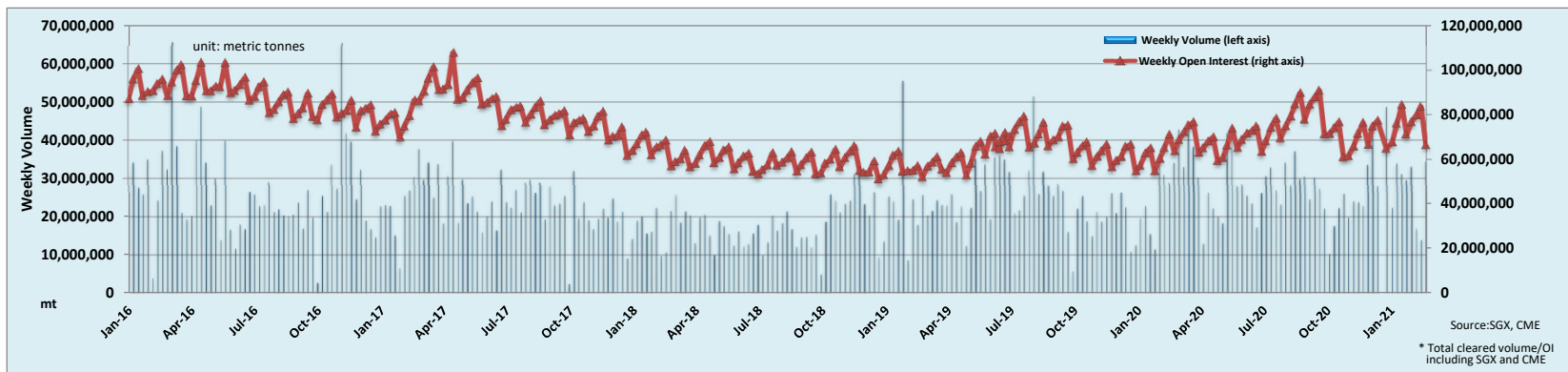
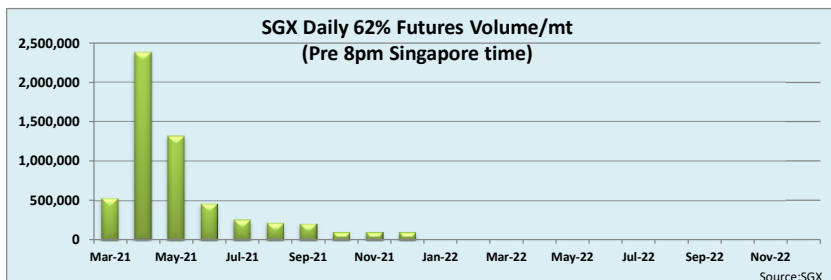
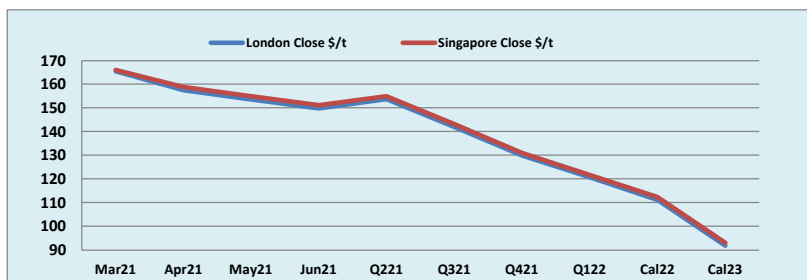
Iron ore rebounded to \$158 but demand concerns linger on. Iron ore futures suffered its worst run since October following a 6% selloff on Tuesday after authorities in Tangshan ordered industrial enterprises to halt or cut production from Tuesday to Thursday, as reported by MySteel. "The large falls in iron ore prices reflect demand concerns, as Tangshan City ordered steel mills to halt iron ore sintering and steel making due to the first red-level pollution warnings since 2017," said NAB head of commodities research Lachlan Shaw. "Lower-than-expected growth targets for 2021, coupled with moves to rein in fiscal and monetary policy support in China this year, and softer than expected steel demand post-Lunar New Year, all weighed on the bid." According to Morgan Stanley, the production curbs have the potential to see the iron ore market returning to a surplus. The investment bank forecasted that China's crude steel production could decline by as much as 2.3 per cent this year. Meanwhile, the latest Ganggu construction steel inventory shows that stockpiles among mills have been piling up, with 165,000 tonnes added up this week to take total mills inventory to 10.37 million tonnes. Furthermore, February shipments have been lower than January exports for the past three years mainly due to seasonal weather factors in Australia and Brazil, and all major producers saw a downturn in February from the month before, Platts reported. Despite the weaker export performance from Australia and Brazil in February, iron ore port stocks in China increased to 127.7 million mt at the end of February, up 6 million mt since the start of the year, CEIC data showed.

INDEX	Price	Change	MTD
Platts IO 62%	\$164.70	\$1.10	\$172.86

INDEX	Price	Change	MTD
MB IO 65%	\$188.80	-\$0.50	\$196.89

INDEX	Price	Change	MTD
Platts Lump Prem	\$0.5105	\$0.0000	\$0.4866

Iron Ore 62% Futures	Mar 21	Apr 21	May 21	Jun 21	Q2 21	Q3 21	Q4 21	Q1 22	Cal 22	Cal 23
London Close \$/t	165.50	157.50	153.60	149.80	153.65	141.90	129.95	120.65	111.15	91.90
Singapore Close \$/t	166.00	158.80	154.90	151.05	154.90	143.10	131.00	121.65	112.35	93.10
Change	-0.30%	-0.82%	-0.84%	-0.83%	-0.81%	-0.84%	-0.80%	-0.82%	-1.07%	-1.29%



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