

Macro

	Last	Previous	% Change
USDCNY	6.5085	6.4971	0.2%
Repo 7 Days	2.15	2	7.5%
Repo 1 Day	1.8	1.6	12.5%
Dollar Index	91.679	91.977	-0.3%
China GDP Constant Price YOY %	6.5	4.9	NA
China PMI (Caixin)	50.9	51.5	NA
China Industrial Production MOM %	0.69	0.66	NA
Commercial Space Under Construction	11	3.7	NA
Commercial Space Completed	135.3	912.2	NA
Commercial Building Space Sold, YTD YOY%	104.9	2.6	NA
Residential Space Under Construction, YTD YOY%	11.2	4.4	NA
Residential Space Completed, YTD YOY%	45.9	-3.1	NA
Residential Floor Space Sold, YTD YOY%	108.4	3.2	NA

Market Summary:

Iron ore neutral.

Macro and Money Movement:

U.S. 10 year treasury bonds broke 1.6% as the final sign off on Biden's stimulus plan of 1.9 trillion dollars. However, Biden also sought to increase tax on high incoming class, which would also impact profits of enterprises. U.S. dollar index maintained at 91 –92 level during this week. Inflation speculation on commodities called an end, symbolised commodities entered their own fundamental cycle temporarily.

Steel:

The previous strict environmental control has decreased pig iron production at 120,000 tonnes a day (based on 2.4-2.5 million tonnes normal level), which forced some mills to start maintenance. However Tangshan and Hebei blast furnaces will reopen in late this week and next week since pollution level expected decrease and political conference ended. As a result, futures market long raw materials and short steels.

Mysteel five typical steel inventories decrease slight last week, symbolised the inventories reached peak seasonally and steel market entered a destocking phase. If a fast decrease on steel stocks compared with last few years, then steel would expect a very strong performance. The leading indicator on building season, China Cement Index corrected 6% from the high created in last December. This correction would potentially indicate the real demand market for construction was less than expected. If cement extend the correction, then rebar price will potentially be over valued.

Iron ore:

Australia and Brazil new capacity expected to start on the late half of year 2021 according the Bloomberg. DCE September contract was weaker and has a big discount to May as a result. In addition, short positions on May is starting to roll to September contract. This rolling expect to finish by the end of March according to seasonal rules, because May contract will be pegging with physical approaching delivery window. Seaborne iron ore margin was 11 yuan/tonne, a low area compared with February and January.

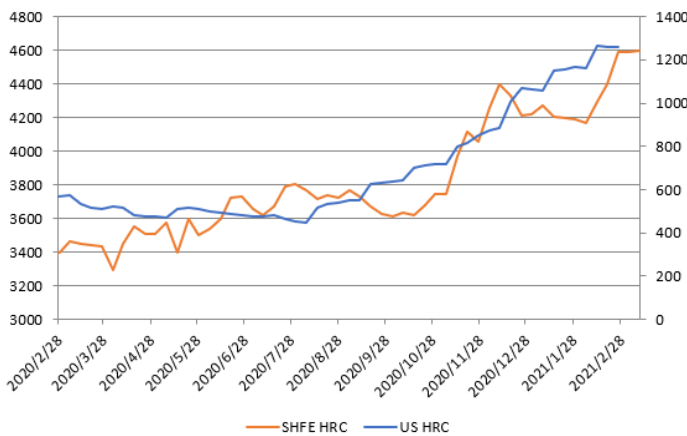
Mysteel Australia and Brazil iron ore delivery reached 23.42 million tonnes, up 1.34 million tonnes w-o-w. Iron ore port stock last week reached 128.8 million tonnes, up 3.74% from the beginning of the year 2021, up 8.14% compared with last year same period. As the recover on port operation and road transportation, iron ore supply shouldn't become an issue in March.

Senior Researcher: Hao Pei

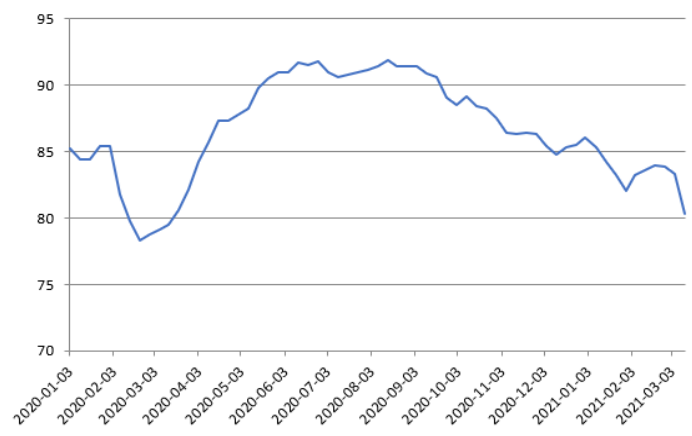
Steel

	Last	Previous	% Change
US HRC Front Month	1258	1260	-0.2%
SHFE Rebar Major Month	4598	4592	0.1%
China Hot Rolled Coil	4984	4888	2.0%
China Monthly Steel consumption Unit 000's mt	86756.3	87772.1	-1.2%
Five Major Steel Inventories Unit 10,000 mt	2036.08	2036.08	0.0%
Construction Steel Total Inventory unit 10,000 mt	1356.31	1356.31	0.0%
Crude Steel Production China Unit 000's mt	90236	91252	-1.1%
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

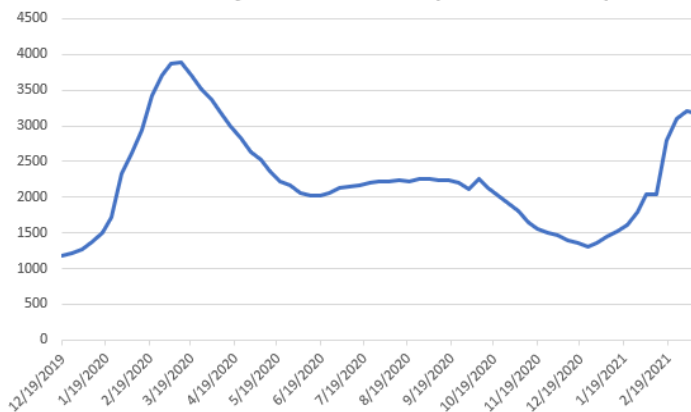


MySteel 247 mills BF Operation Rate in %



Sources from Bloomberg

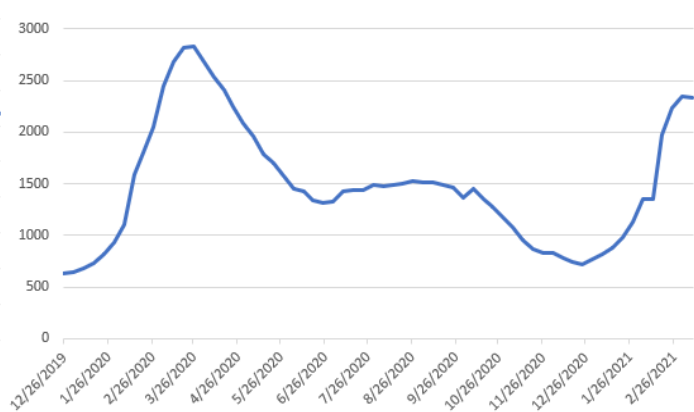
China Five Major Steel Inventories (in 10,000 tonnes)



Sources from MySteel

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Construction Steel Total Inventories (in 10,000 tonnes)



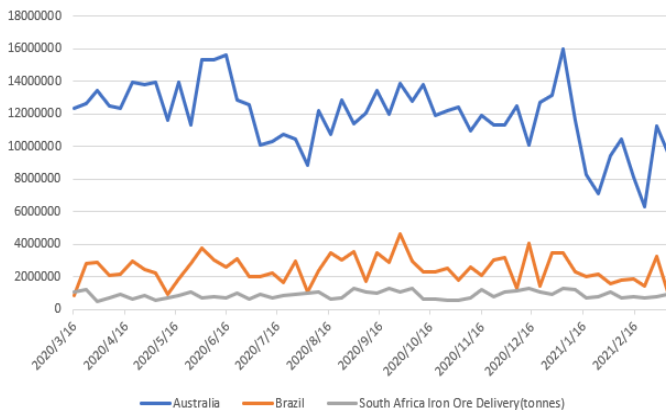
Sources from MySteel



Iron Ore

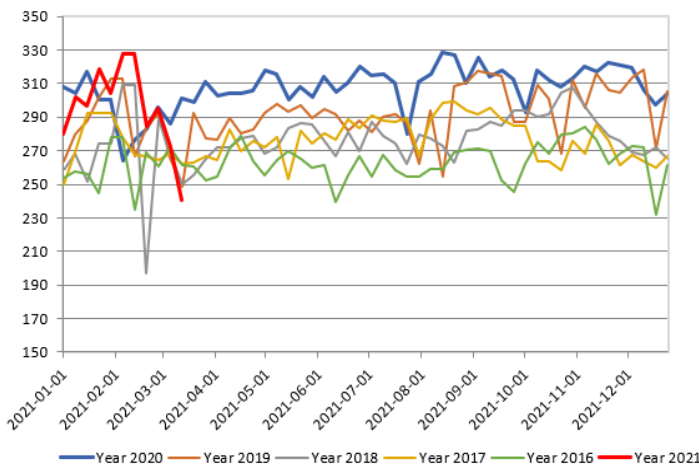
	Last	Previous	% Change
Platts 62% Fe	163.65	165.7	-1.2%
MB 65% Fe	189	190.6	-0.8%
Capesize 5TC Index	17054	16741	1.9%
C3 Tubarao to Qingdao	18.83	18.55	1.5%
C5 West Australia to Qingdao	9.295	9.155	1.5%
Billet Spot Ex-Works Tangshan MT	4410	4410	0.0%
SGX Front Month	167.08	172.56	-3.2%
DCE Major Month	1264.5	1272	-0.6%
China Port Inventory Unit 10,000 mt	12,880	12,789	0.7%
Australia Iron Ore Weekly Export Unit 10,000 mt	967.90	1,125.50	-14.0%
Brazil Iron Ore Weekly Export Unit 10,000 mt	109.00	323.20	-66.3%

Iron Ore Delivery (tonnes)



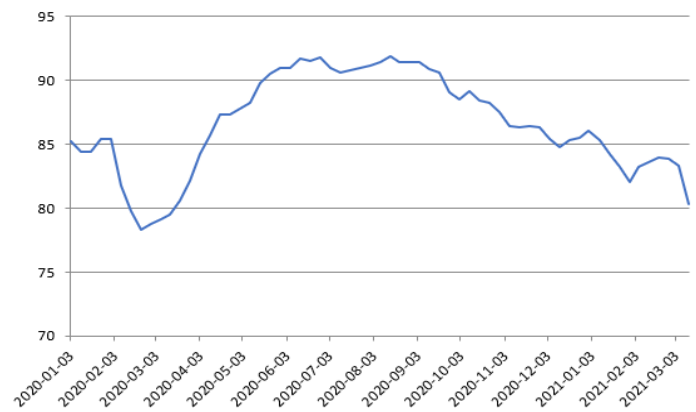
Sources from Bloomberg

Iron Ore Daily Port Evacuation (in 10,000 tonnes)



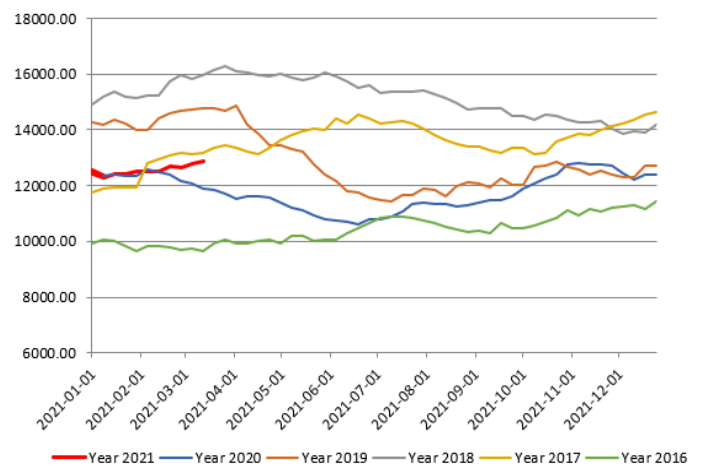
Sources from MySteel

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Iron Ore Port Inventories (in 10,000 tonnes)



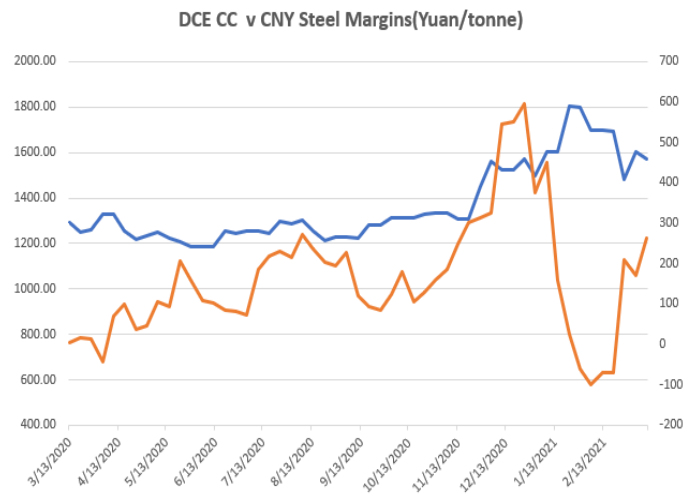
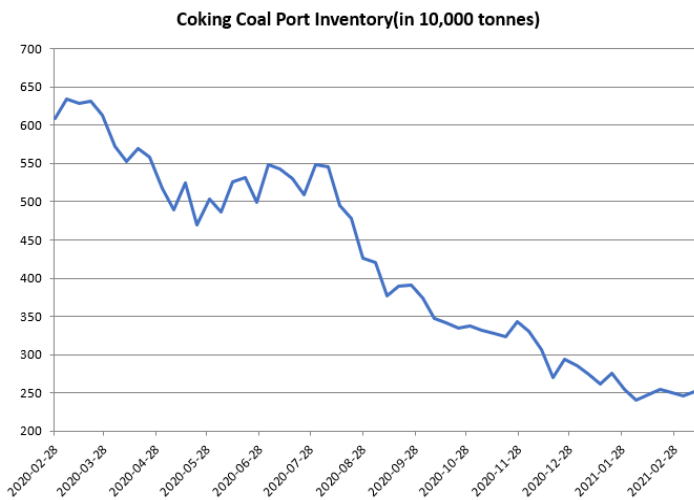
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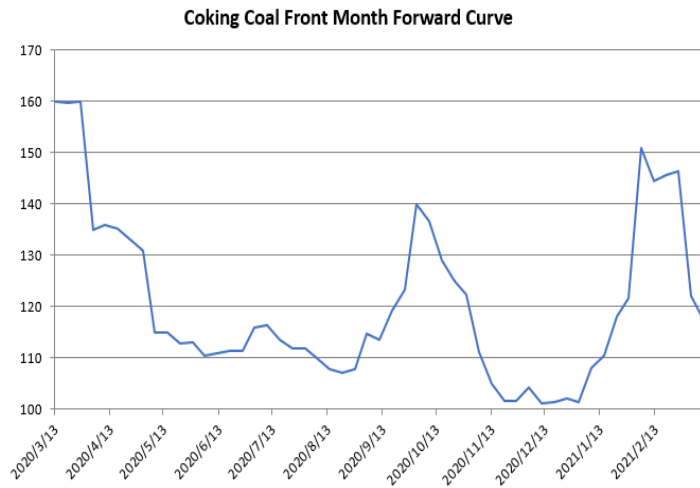
Weekly Ferrous Report

Coking Coal

	Last	Previous	% Change
TSI FOB Premium Hard Coking Coal	115.9	118.6	-2.3%
Coking Coal Front Month	117.29	122.05	-3.9%
DCE CC Major Month	1571.5	1601.5	-1.9%
Coking Coal Port Inventory Unit 10,000mt	251.7	245.7	2.4%
China Custom total CC Import Unit mt	3,570,270.00	3,722,090.00	-4.1%

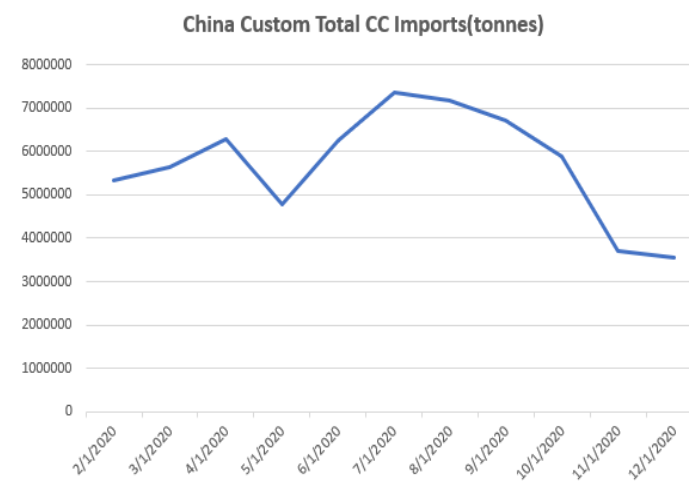


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