



London Iron Ore Market Report

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Iron ore futures ticked above \$185 on better steel margins as China enters its week-long Labour Day holidays. According to Argus Media, Chinese billet margins soared to multi-year high at around 1,200 RMB/mt in April. The trend continued in May amid high seasonal demand as well as the output restrictions put in place, with Tangshan billet prices pushing to record-high levels of above 5,000 RMB/mt. Meanwhile, Citigroup Inc updated its forecast on the steelmaking ingredient. The American bank now sees new highs over \$200 a tonne over the coming weeks amid strong-than-expected global steel demand and a slight miss in top miners' shipments against their guidance.

"We are bullish 3Q'21 iron ore prices against a steeply backwarddated forward curve, but we expect iron ore prices to fall below the current forward curve from 4Q'21 onwards, to an average of \$125/mt in 2022." Analysts including Tracy Liao wrote in a note.

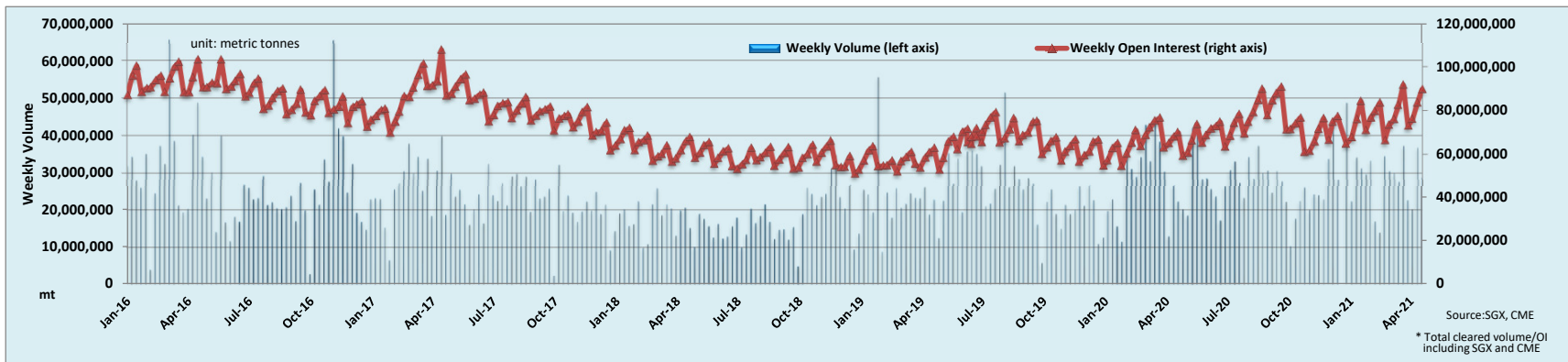
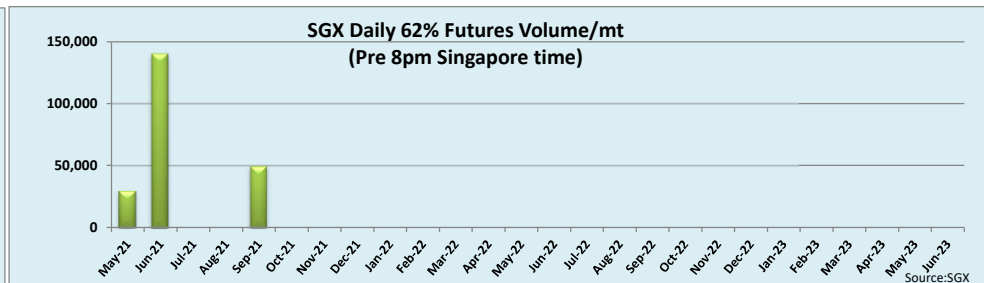
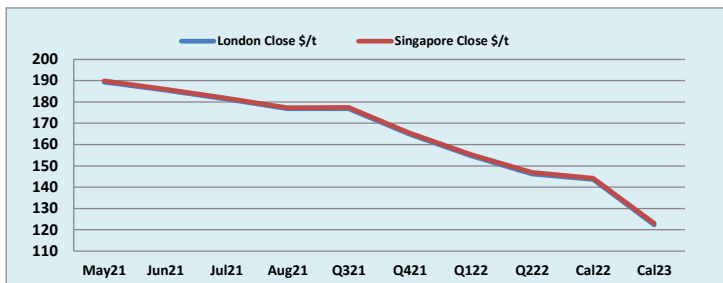
In a quiet day of thin trading, Jun traded up to as high as 186.0 this afternoon before leaking a touch to 185.5. Meanwhile, Nov/Dec was stuck at 3.55 / 3.65.

INDEX	Price	Change	MTD
Platts IO 62%	\$189.65	\$3.20	\$188.05

INDEX	Price	Change	MTD
MB IO 65%	\$222.50	\$0.00	\$222.50

INDEX	Price	Change	MTD
Platts Lump Prem	\$0.5650	\$0.0000	\$0.5650

Iron Ore 62% Futures	May 21	Jun 21	Jul 21	Aug 21	Q3 21	Q4 21	Q1 22	Q2 22	Cal 22	Cal 23
London Close \$/t	189.35	185.50	181.25	176.80	176.85	164.85	154.75	146.25	143.60	122.40
Singapore Close \$/t	189.90	186.00	181.75	177.30	177.35	165.40	155.40	146.95	144.25	123.05
Change	-0.29%	-0.27%	-0.28%	-0.28%	-0.28%	-0.33%	-0.42%	-0.48%	-0.45%	-0.53%



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