



# London Iron Ore Market Report

London +44 (0) 20 7090 1120 - info@freightinvestor.com | Singapore +65 6535 5189 - info@freightinvestor.asia

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Iron ore futures advanced to \$187 on Wednesday over higher steel prices and mills' profitability. China's domestic hot-rolled coil (HRC) margin reached a record \$177.8 per metric tonne at the end of April, driving up HRC prices to a record 5,750 RMB per metric tonne. Tangshan billet prices also rebounded to around 5,000 RMB per metric tonne over speculation of further production cuts. Steel prices, along with iron ore prices, are expected to rally on in May, according to Platts, due to falling steel inventories as well as robust orders. Meanwhile, the rising coronavirus cases in India could further tighten the supplies of iron ore. India exports around 50 million metric tonnes of the steelmaking ingredient to China annually.

The benchmark June contract was seen trading up from 186.75 to 187.0 on Wednesday in London. September contract also traded at 173.9. Meanwhile, Oct/Nov traded at 3.75 while Oct/Dec traded at 7.5. Iron ore prices could however soften in the second half of the year from slower downstream demand and tighter credit conditions. Demand for ores could also be curtailed with further output curbs.

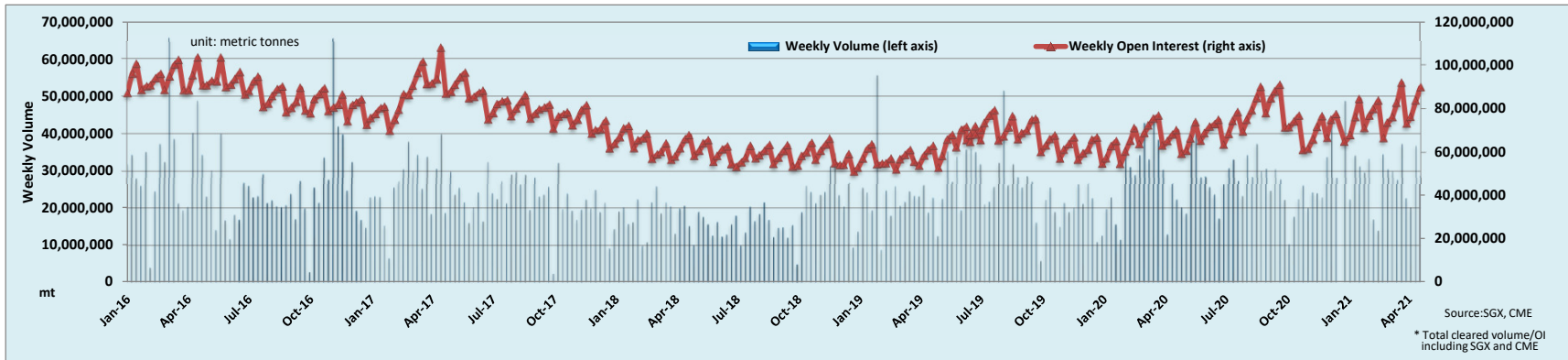
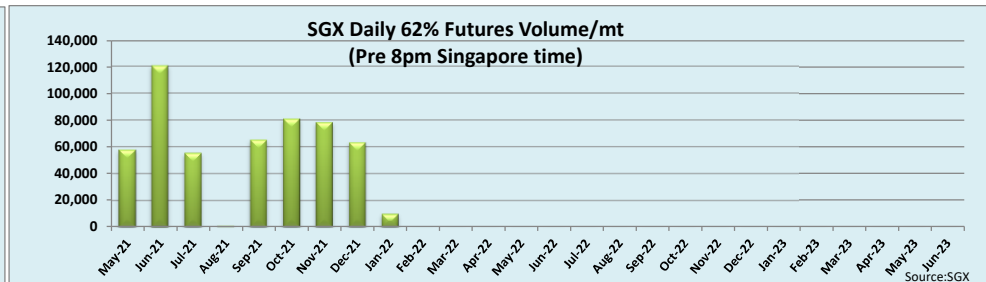
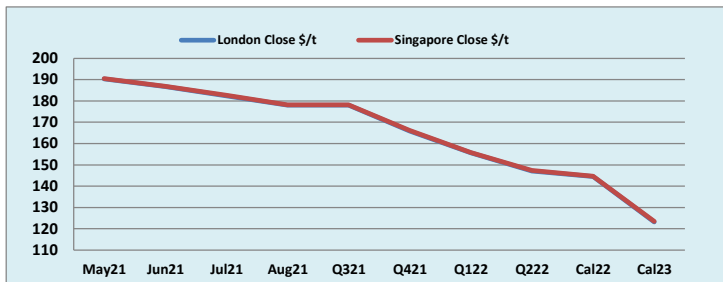
Policymakers in China could push for lower steel output for the year by increasing imports of semi-finished steel products such as billets and removing export rebates for steel mills.

INDEX	Price	Change	MTD
Platts IO 62%	\$192.70	\$3.05	\$189.60

INDEX	Price	Change	MTD
MB IO 65%	\$227.00	\$4.50	\$224.00

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	190.40	186.70	182.40	177.95	178.00	165.90	155.65	147.15	144.50	123.30
Singapore Close \$/t	190.55	186.85	182.60	178.15	178.20	166.10	155.85	147.35	144.70	123.50
Change	-0.08%	-0.08%	-0.11%	-0.11%	-0.11%	-0.12%	-0.13%	-0.14%	-0.14%	-0.16%



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