

13/9/2024

Verdict:

Short-run Neutral to Bullish.

Macro:

The European Central Bank decided to lower the deposit interest rate by 25 basis points to 3.5%. The bank decided to reduce the refinancing rate by 60 basis points to 3.65%. The bank decided to reduce the marginal loan interest rate by 60 basis points to 3.9%.

Iron Ore Key Indicators:

Platts62 \$94.60, +2.30, MTD \$92.51. China rebar inventories saw fast destocking during past three weeks, indicated a decrease on supply as well as a recovery on downstream demand. Firm steel price supported iron ore price. Although there was limited trade on ports and seaborne yesterday, iron ore demand in general had recovered this week compared to past three weeks. The high volatility of market potentially accelerate iron ore restocking.

China 45 ports iron ore inventories at 153.84 million tons, down 254,000 tons on the week, up 35.18 million tons on the year. Daily evacuations at 3.116 million tons, up 89,000 on the week, down 122,000 on the year.

SGX Iron Ore 62% Futures& Options Open Interest (Sep 12th)

Futures 142,834,800 tons(Increase 3,318,400 tons)

Options 167,780,300 tons(Increase 3,774,700 tons)

Steel Key Indicators:

MySteel blast utilisation rate at 83.89%, up 0.29% on the week, down 8.76% on the year.

Coking Coal and Coke Indicators :

In Australia FOB coking coal market, there was a 85,000 mt PMV trade between miner and Asian trader for Goonyella coal loading over October 11-20th at \$183.16/mt FOB Australia. There deal up by \$3.16/mt compared with the same cargo traded on Sept. 10th.

