

18/9/2024

Verdict:

- Short-run Neutral.

Macro:

- The press release from the Office of the US Trade Representative stated that some tariffs will take effect on September 27th. In addition to imposing a 100% tariff on Chinese electric vehicles, US will also impose a 50% tariff on Chinese solar cells and a 25% tariff on Chinese steel, aluminum, electric vehicle batteries, and key minerals. At the same time, the import tariffs on Chinese semiconductors will be increased by 50%, and this new tax rate will take effect from January 2025.
- China August industrial value-added amount above designated scale up by 4.5% on the year. Jan-Aug up by 5.8% on the year.

Iron Ore Key Indicators:

- Platts62 \$91.55, +0.60, MTD \$92.31. The market maintained quiet during Chinese holiday. The physical market was waiting for the landing of US interest cut today.

SGX Iron Ore 62% Futures& Options Open Interest (Sep 17th)

- Futures 144,495,400 tons(Increase 395,000 tons)
- Options 171,097,300 tons(Increase 377,000 tons)

Steel Key Indicators:

- China MySteel sample blast furnace mills rebar physical loss at 170 yuan/ton in August, up by 79 yuan/ton from July. HRC average loss at 250 yuan/ton, down 100 yuan from July.

Coking Coal and Coke Indicators:

- The FOB Australia coking coal market maintained quiet and stable as the absence of China traders during holiday.

