



Daily Virtual Steel Mill Report

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Verdict:

- Short-run Neutral to Bullish.

Macro:

- US Federal cut interest rate by 50 bps, outperformed economists prediction previously. The Federal started the first interest cut over the past four years. However, previous metals and US stocks decreased overnight, concerning the weak economic outlook. Indonesia cut 25 bps on the interest rate to 6%. Brazil hiked 25 bps on the interest to 10.75%.
- China customs: China exported 6.65 million tons of flat steels in August, up 18.7% on the year. China total exported 48.19 million tons of flat steels from January to August, up by 26.8% on the year.

Iron Ore Key Indicators:

- Platts62 \$90.40, -1.15, MTD \$92.16. The market saw massive enquiries after the index corrected for few weeks. Bottom hunting buyers were looking for fixed price as pig iron demand level would maintain resilient during September and October. Two NHGF were traded at \$88.40 and \$88.50 respectively. BRBF was traded for 170kt at \$91.6. All trades were fixed price and for October laycan. There were quite a few non-mainstream concentrates completed at secondary market.

SGX Iron Ore 62% Futures& Options Open Interest (Sep 18th)

- Futures 146,756,000 tons(Increase 2,260,600 tons)
- Options 173,254,800 tons(Increase 2,157,500 tons)

Steel Key Indicators:

- China Tangshan billet average cost at 3058 yuan/ton, up 3 yuan/ton, average steel production loss at 178 yuan/ton.

Coking Coal and Coke Indicators:

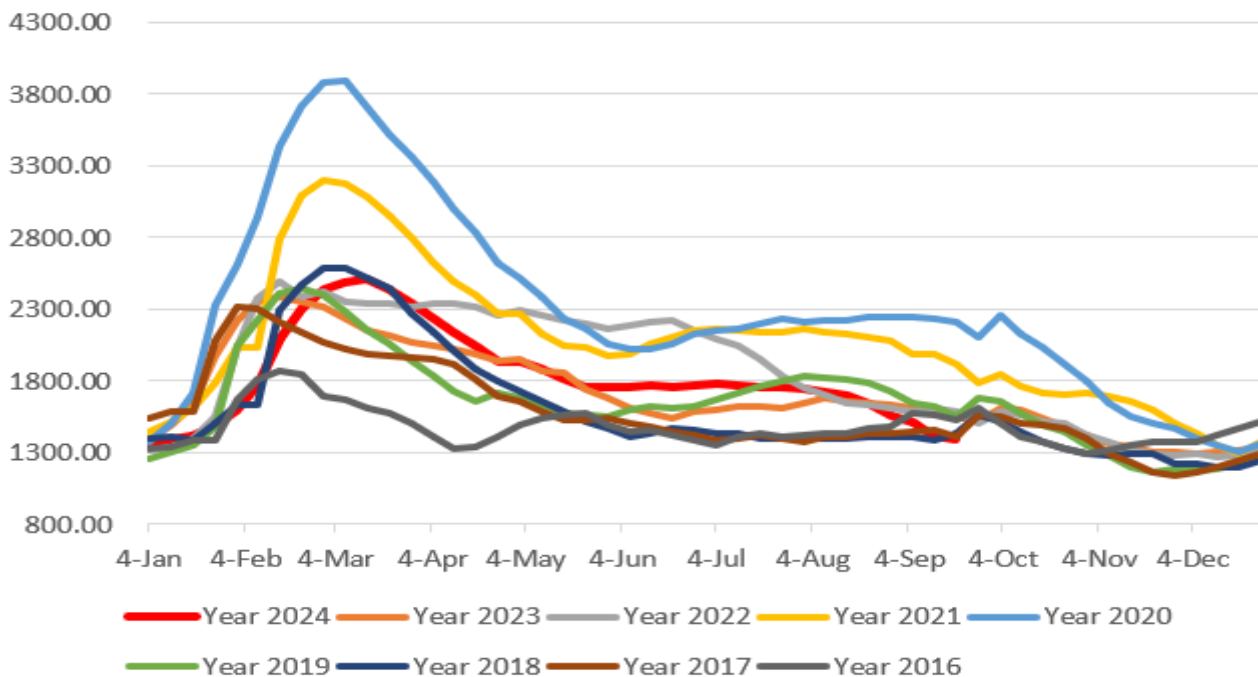
- Some China mills accepted the first met coke hike by 50-55 yuan/ton after eight rounds of drop totaled 400-440 yuan/ton previously.



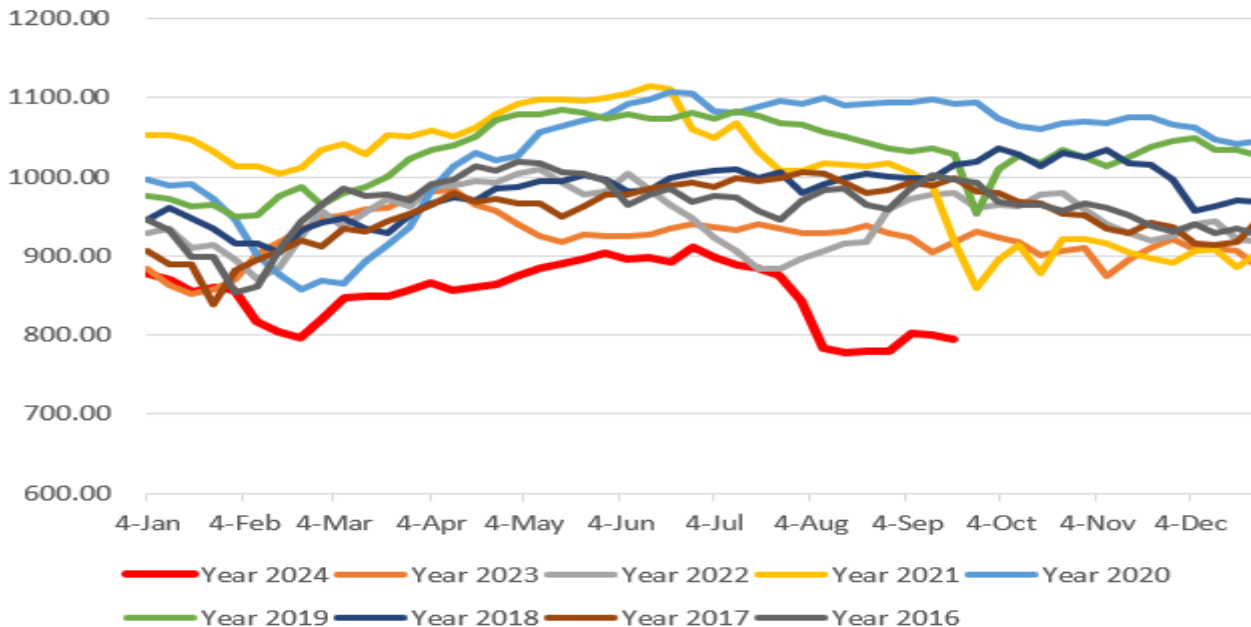
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Five Major Steels Inventories(10,000 tonnes)



Five Major Steels Production(10,000 tonnes)



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