



Daily Virtual Steel Mill Report

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20/09/2024

Verdict:

- Short-run Neutral.

Macro:

- China National Bureau of Statistics: The domestic steel bar production from January to August was 129.685 million tons, a year-on-year decrease of 15.7%. The cumulative production of iron ore in the first 8 months was 696.496 million tons, an increase of 4.1% year-on-year. The coal production was 3052.18 million tons, a year-on-year decrease of 0.3%. The automobile production was 18.899 million units, a year-on-year decrease of 2.3%. The cumulative output of excavators was 190758 units, an increase of 16.7% year-on-year.

Iron Ore Key Indicators:

- Platts62 \$92.60, +2.20, MTD \$92.19. The physical market maintained active in the afternoon. The NHGF was traded at \$89.95, which was higher than \$88.40-88.50 traded yesterday. JMBF was traded based on AM index and \$7.6 discount, which was narrower from \$7.9 in September 11th. Both primary and secondary market saw interests and demand.
- China 45 ports iron ore inventories at 153.12 million tons, down 717,000 tons on the week, up 37.19 million tons on the year. Daily evacuations at 3.02 million tons, down 94,000 on the week, down 370,000 on the year.

SGX Iron Ore 62% Futures& Options Open Interest (Sep 19th)

- Futures 148,438,700 tons(Increase 1,682,700 tons)
- Options 175,365,300 tons(Increase 2,110,500 tons)

Steel Key Indicators:

- China blast furnace utilisation rate 84.06%, up 0.17% on the week, down 8.97% on the year. Daily pig iron production at 2.2383 million tons, up 4,500 tons on the week, down 250,200 tons on the year.
- The sales of old standard of rebars in China were almost completed, while mills started to produce rebar under new National standards. Both rebar and HRC saw fast destocking during September.

Coking Coal and Coke Indicators:

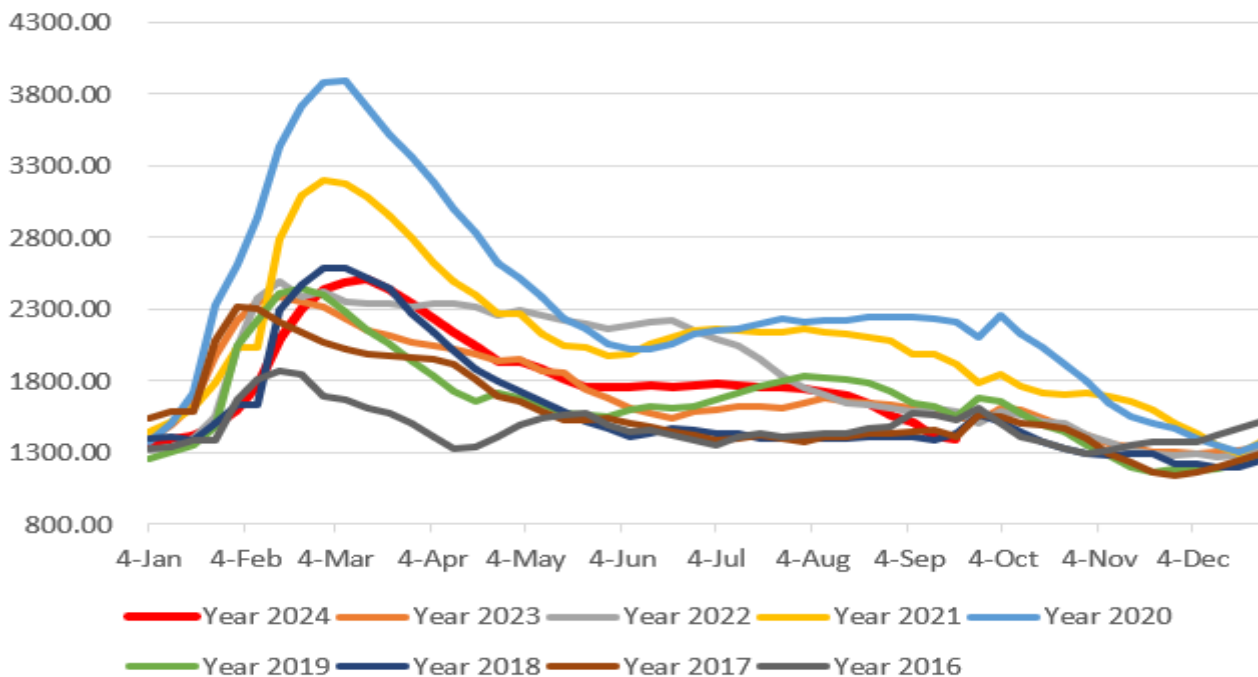
- The price hike on China physical coke officially landing generally by 50-55 yuan/ton, which symbolised that physical coke entered a price increasing trend after 400-440 yuan/ton drop in August and first half of September.



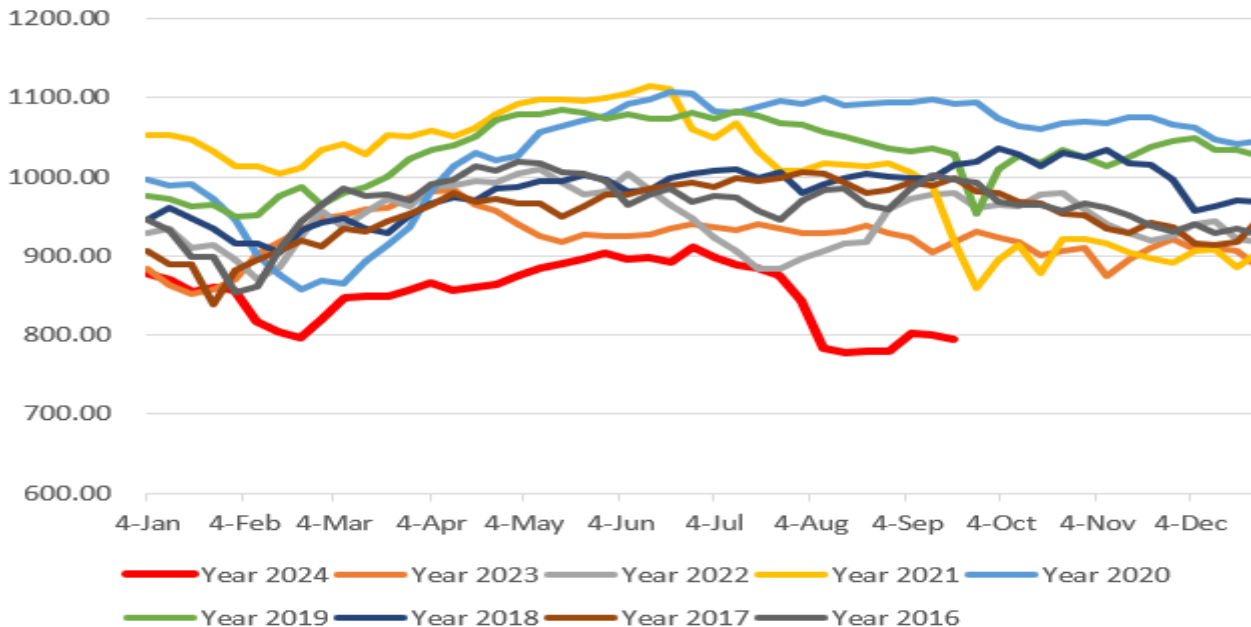
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Five Major Steels Inventories(10,000 tonnes)



Five Major Steels Production(10,000 tonnes)



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