



Daily Virtual Steel Mill Report

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Verdict:

- Short-run Neutral.

Macro:

- US non-adjusted CPI in September reached 2.4%, refreshed lowest over the past six months, higher than estimated 2.3%. Core CPI up 3.3%, est. 3.2%.

Iron Ore Key Indicators:

- Platts62 \$104.25, -0.50, MTD \$106.87. Iron ore physical market maintained quiet during this week, following the fast drop on derivative market. However the correction should be limited as demand was resilient along with improved steel margin. MACF was traded at \$100/mt.
- Mysteel statistics show that the total inventory of imported iron ore in 45 ports across the country is 151.06 million tons, an increase of 530,100 tons on the week. The daily average port evacuation of 45 ports is 3.25 million tons, a decrease of 12,900 tons on the week.

SGX Iron Ore 62% Futures& Options Open Interest (Oct 10th)

- Futures 136,728,800 tons(Increase 2,388,000 tons)
- Options 166,513,900 tons(Increase 97,500 tons)

Steel Key Indicators:

- Tangshan average billet cost at 3134 yuan/ton, average profit up 96 yuan/ton from last week.
- The average operating rate of 87 independent electric arc furnace steel plants in China is 65.26%, an increase of 1.85% points month on month and a decrease of 2.75% year-on-year.

Coking Coal and Coke Indicators:

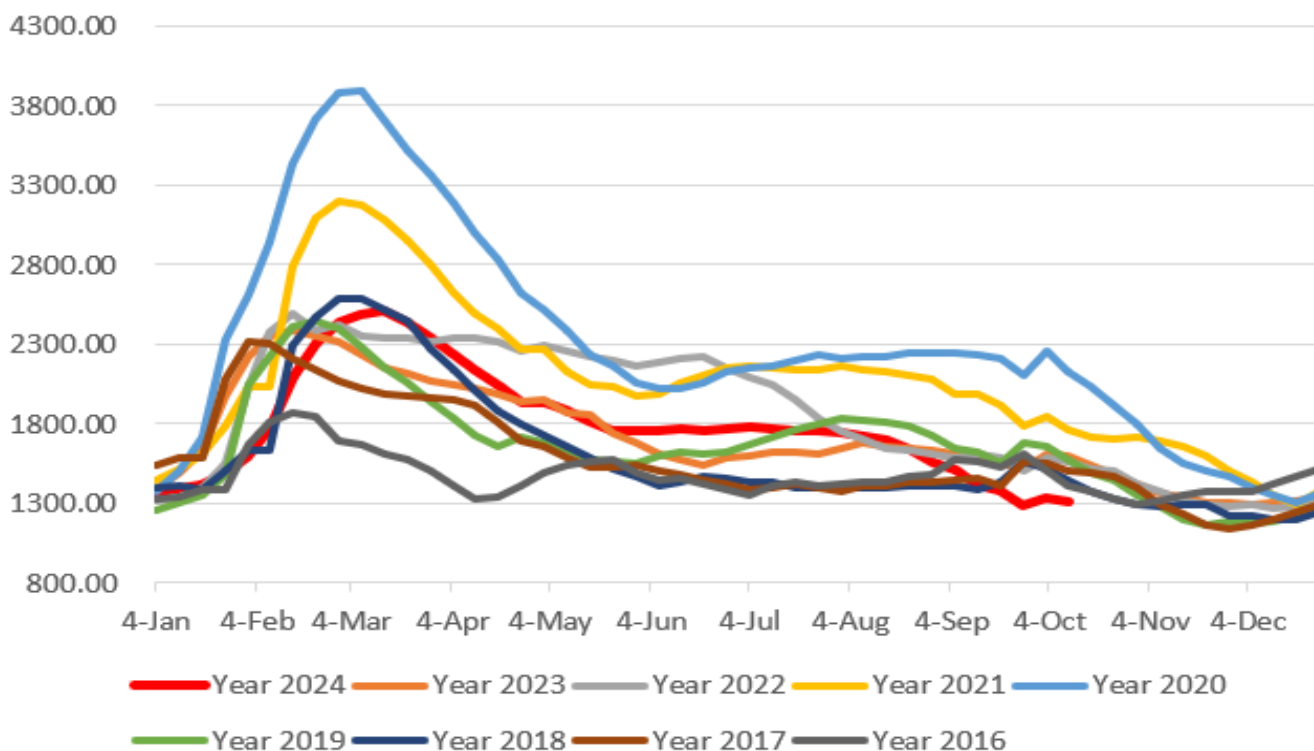
- MySteel: The inventory of coking coal in the independent coking plant was 7.725 million tons, an increase of 397,000 tons on the week. The inventory of coking coal in steel mills were 7.346 million tons, an increase of 138,000 tons on the week. The port coking coal inventory was 9.408 million tons, a decrease of 139,000 tons on the week. The inventory of coking coal at the port was 2.558 million tons, unchanged on the week.
- China cokery plants proposed the sixth physical coke price hike by 50-55 yuan/ton.



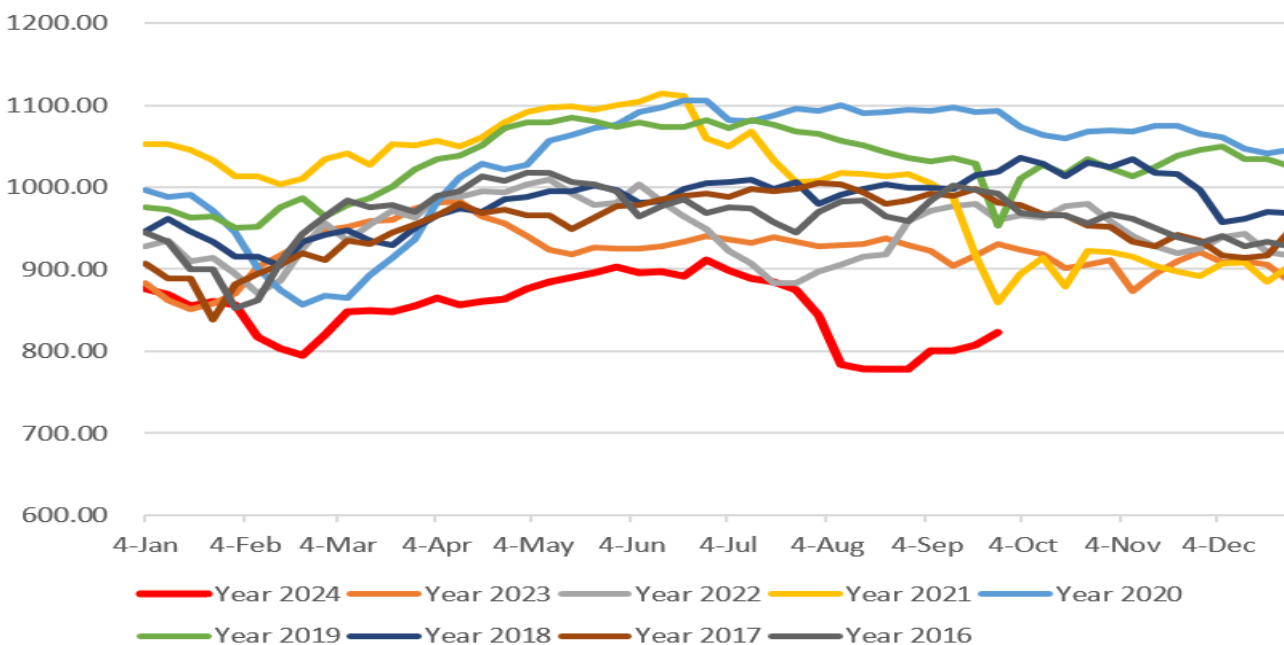
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Five Major Steels Inventories(10,000 tonnes)



Five Major Steels Production(10,000 tonnes)



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