



Daily Virtual Steel Mill Report

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Verdict:

- Short-run Neutral to Bullish.

Macro:

- On October 18th, the Canadian government announced the launch of a procedure that allows Canadian enterprises to apply for tariff reductions or exemptions on electric vehicles, steel and aluminum products and other items imported from China. The additional taxes imposed on "Main Manufacturing Industry" products will also be eligible for application for reductions.
- The loan prime rate (LPR) quotations for October were released in China: the 5-year-length LPR is 3.6%, compared with 3.85% last month. The LPR for one-year loans is 3.1%, compared with 3.35% last month.

Iron Ore Key Indicators:

- Platts62 \$101.15, +1.40, MTD \$105.65. Last week, steel production increased significantly in China, but iron ore port inventory accumulated. The overall demand is relatively strong, and iron ore has experienced a rebound in demand after a significant decline in the financial market in the early stage. The overall trades revolves around mid to low ferrous content and discounted iron ore, and although profits have recovered, steel companies are still very cautious in their procurement pace. Due to the upcoming winter in the north, there has been an increase in demand for lumps.

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

- Futures 132,720,400 tons(Increase 246,600 tons)
- Options 182,357,300 tons(Increase 1,159,500 tons)

Steel Key Indicators:

- In September, India's imports of flat materials increased by 38% month on month to 481, 863 tons, marking the fourth consecutive month of growth. In September, China, Japan, and Vietnam were the largest exporters of Indian hot coils.

Coking Coal and Coke Indicators:

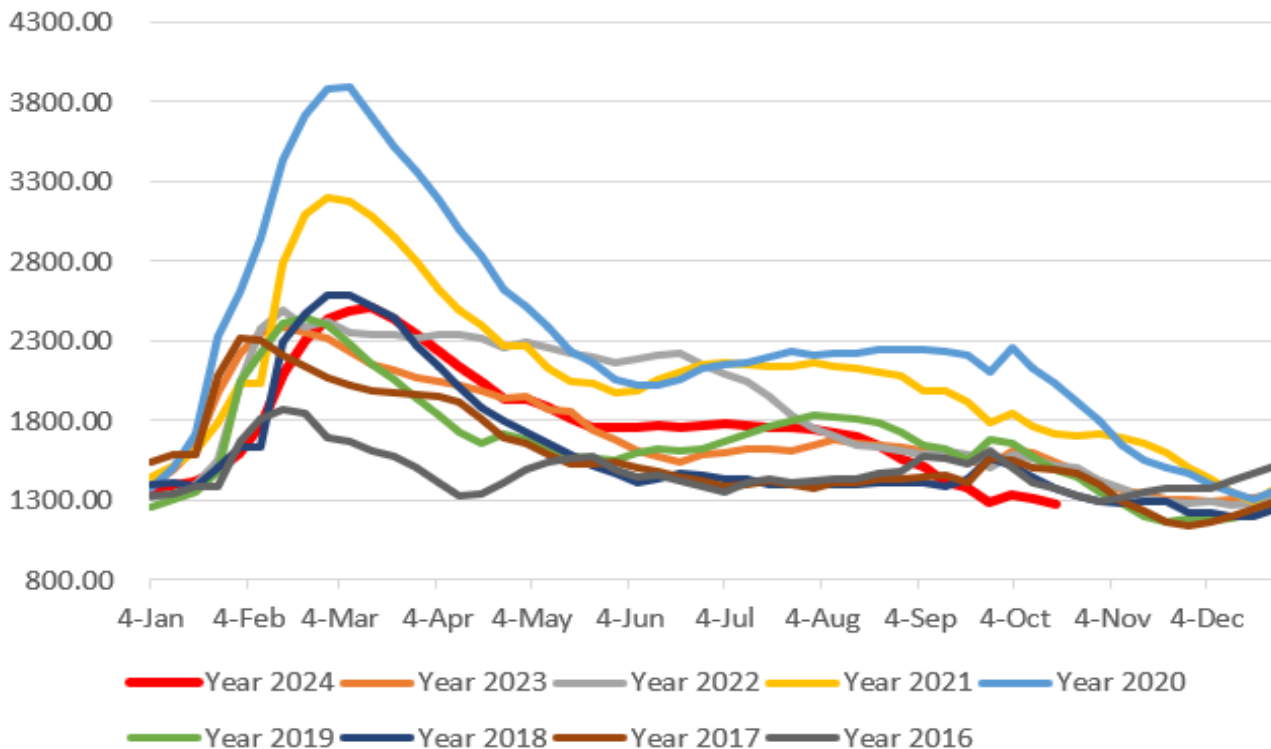
- After the six rounds of China physical coke hike by 300-330 yuan/ton, mills were initiating the first round of price cut in next few weeks.
- The physical traders indicated that there were many coking demand to Asia from US.



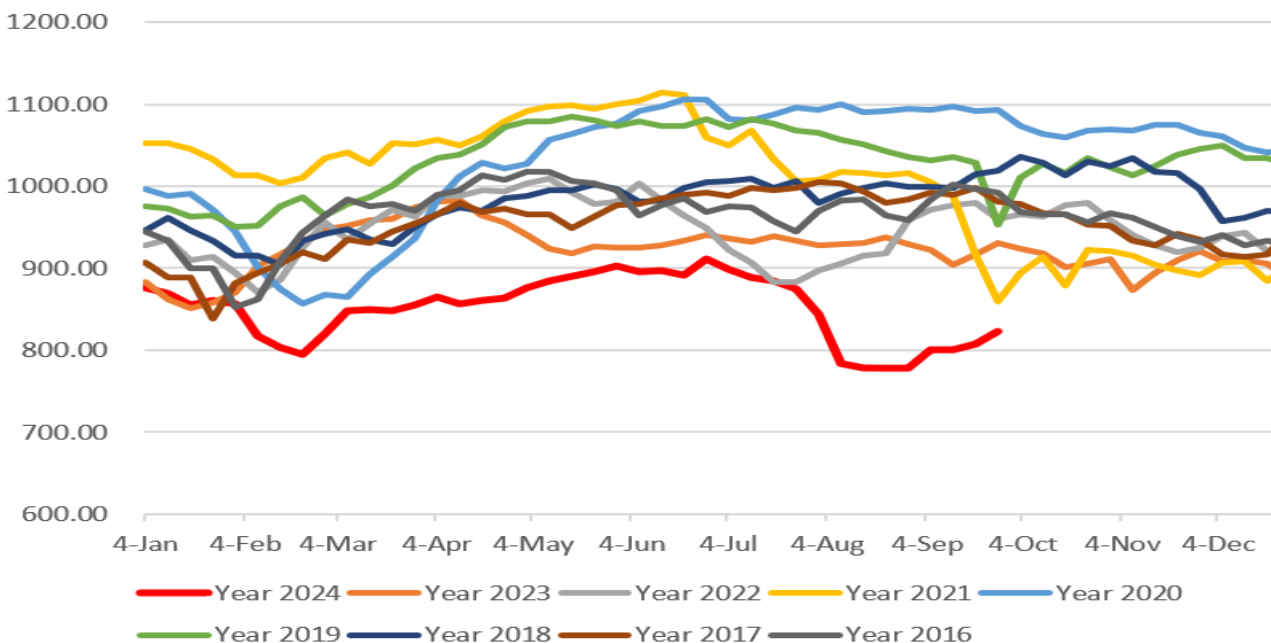
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Five Major Steels Inventories(10,000 tonnes)



Five Major Steels Production(10,000 tonnes)



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