



Daily Virtual Steel Mill Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

24/10/2024

Verdict:

- Short-run Neutral.

Macro:

- The US Federal Reserve's "Beige Book" survey shows no change in economic activity from September to early October. Business hiring increased slightly, continuing the recent trend. These statistics reinforces expectations that the Federal will choose a smaller 25 bps rate cut in two weeks.
- The Bank of Canada cut its key interest rate by 50 basis points to 3.75%, in line with market expectations. This is the fourth consecutive rate cut.

Iron Ore Key Indicators:

- Platts62 \$98.25, -1.75, MTD \$104.63. Due to the environmental curb in China Tangshan area, the market expected indirect impact on steel production with lower efficiency on transportation in the area. Indian concentrates saw stronger domestic demand, while export concentrates shift to domestic market. However, China demand on Indian pellets were frozen, which caused the weakness on pellets market.
- The Australian mining company FMG produced 57.1 million tons of iron ore in the third quarter, a decrease of 3% quarter-on-quarter and an increase of 2% year-on-year. The iron ore shipments in the third quarter reached 47.7 million tons, a decrease of 11% quarter-on-quarter and an increase of 4% year-on-year.

SGX Iron Ore 62% Futures& Options Open Interest (Oct 23rd)

- Futures 135,814,000 tons(Increase 135,100 tons)
- Options 185,264,100 tons(Increase 502,000 tons)

Steel Key Indicators:

- In Tangshan, the average cost of hot metal without tax for mainstream sample steel mills is 2418 yuan/ton. The average cost of steel billet with tax is 3194 yuan/ton. Compared with the ex-factory price of billet of 3070 yuan/ton on October 23, the average loss of steel mills is 124 yuan/ton.

Coking Coal and Coke Indicators:

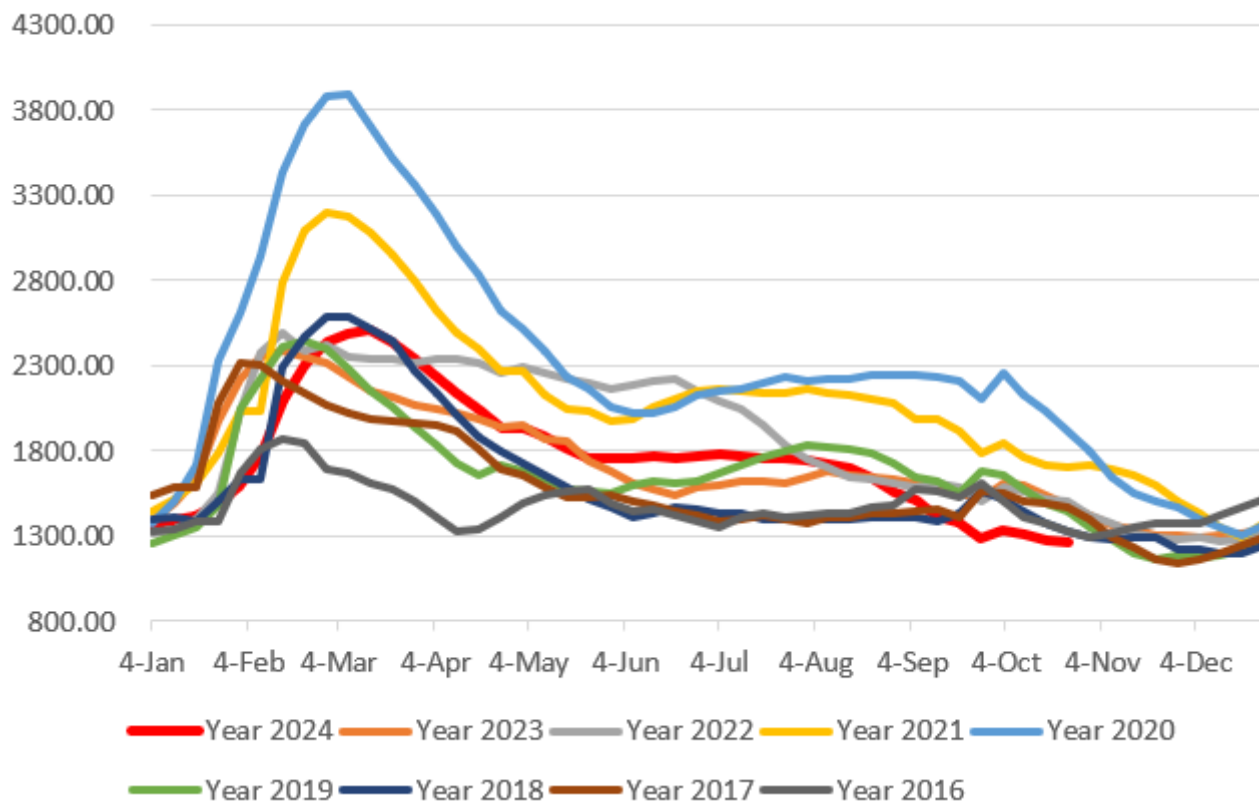
- The seaborne FOB coking coal market remains weak in the week. There are PLVs and BMA LVs reselling interests in the market, which were purchased earlier by ender-users. China CFR market saw wide spread between buyers and sellers.



Daily Virtual Steel Mill Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

Five Major Steels Inventories(10,000 tonnes)



The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com