



# Daily Virtual Steel Mill Report

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### Verdict:

- Short-run Neutral.

### Macro:

- European Central Bank Vice-President Luis de Guindos said that economic growth in the eurozone may be weaker than previously expected. New barriers to global trade could lead to a vicious cycle of trade wars and pose a serious threat to the global economic stability.

### Iron Ore Key Indicators:

- Platts62 \$104.50, -1.00, MTD \$104.08. Iron ore futures saw a changing hands on short-run investors and mid-run investors. For short-run investors traded based on US election, it was time to take gains yesterday. However mid-run investors were betting on China stimuli in the coming weeks. The demand for mainstream and premium products have risen. Some mills started to enter winter stock mode and diversified different grades and brands of iron ore.

SGX Iron Ore 62% Futures& Options Open Interest (Nov 6th)

- Futures 119,084,800 tons(Increase 493,200 tons)
- Options 158,882,500 tons(Increase 335,900 tons)

### Steel Key Indicators:

- In Tangshan, the average tax-included cost of billets for mainstream sample steel mills is 3,187 yuan/ton, a decrease of 3 yuan/ton on a weekly basis. Compared with the ex-factory price of 3,130 yuan/ton for billets on November 6th, steel mills operated at an average loss of 57 yuan/ton.

### Coking Coal and Coke Indicators:

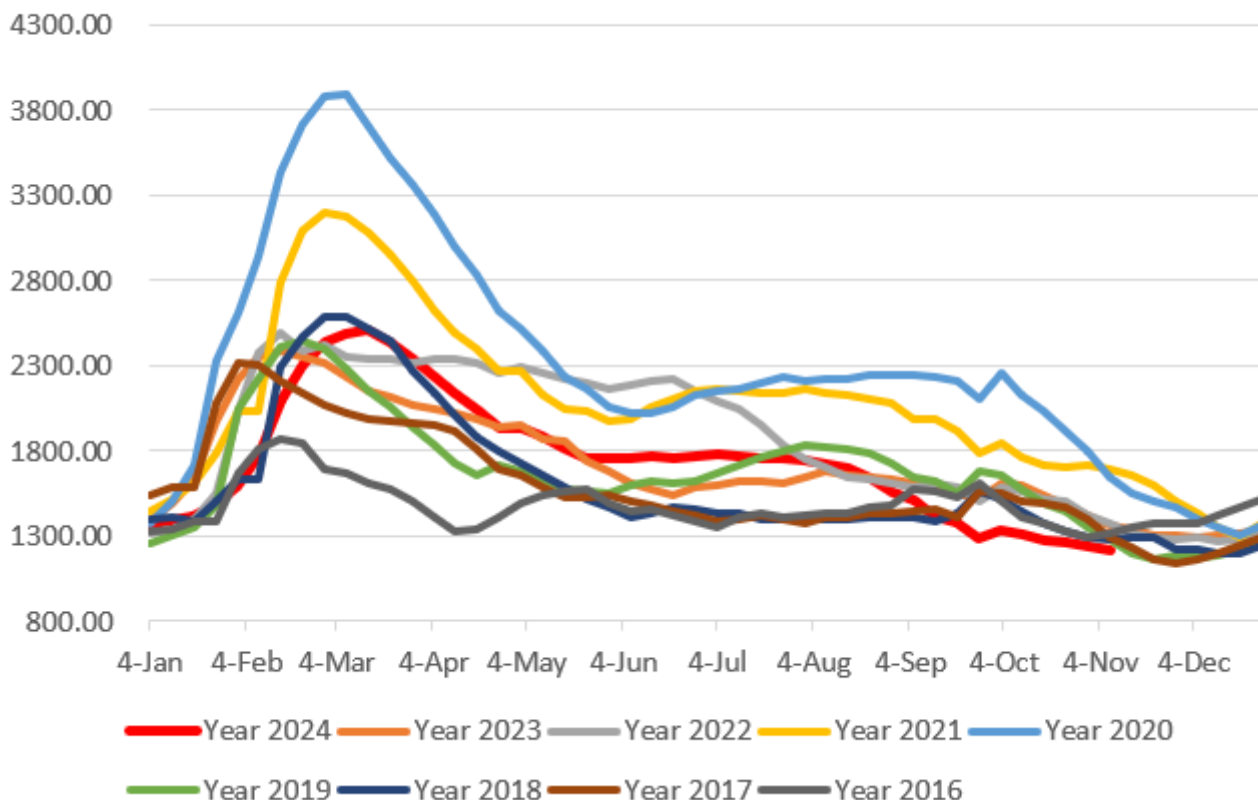
- The operating rate of a sample of 110 coal washery plants in China was 68.42%, an increase of 1.90% w-o-w. The average daily output was 576,000 tons, an increase of 20,300 tons w-o-w. The raw coal inventory was 2.47 million tons, a decrease of 53,000 tons w-o-w. The prime coal inventory was 1.95 million tons, an increase of 55,300 tons on the week.



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Five Major Steels Inventories(10,000 tonnes)



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