



# Daily Virtual Steel Mill Report

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## 08/11/2024

### Verdict:

- Short-run Neutral.

### Macro:

- The Federal Reserve announced a cut of 25 bps in the benchmark interest rate, lowering the target range of the federal funds rate to 4.5% - 4.75%. This is the second interest rate cut in 2024. The number of initial claims for unemployment benefits in the US last week was 221,000, estimated 222,000, last 218,000.
- On November 7th, the Sveriges Riksbank announced a cut of 50 bps, lowering the benchmark interest rate from 3.25% to 2.75%. This is the largest single interest rate cut by the central bank in nearly a decade. The Bank of England cut interest rates by 25 basis points, lowering the benchmark interest rate from 5% to 4.75%, which was in line with market expectations.

### Iron Ore Key Indicators:

- Platts62 \$105.85, +1.35, MTD \$104.43. The iron ore market focus was around the news released by the economic conference held by China. The last rebound was a result of the anticipation that the conference would issue stimuli on the housing or financing side. China linked equities all registered substantial increases. Recently, the wave of global interest rate cuts has exerted a certain impetus on the short-term prices of commodities. However, it should be noted that after the conclusion of the conference, a short-term profit-taking sell-off might occur in the market. From a fundamental perspective, currently, the port inventories are at a high level and the shipment volume is also high. In the past two weeks, the hot metal production has clearly entered a downward trajectory. Therefore, during November and December, the procurement direction will be more inclined towards ports, and the import demand will thus be restrained.
- The inventory of iron ore at 45 ports in China amounts to 152.69 million tons, with a decrease of 1.51 million tons on the week. The port evacuation volume is 3.14 million tons, showing a decrease of 57,300 tons on the week.

### Steel Key Indicators:

- According to a survey by Mysteel of 247 steel mills, the blast furnace operating rate is 82.29%, a decrease of 0.15% week-on-week and an increase of 1.28% year-on-year. The daily output of hot metal is 2.34 million tons, a decrease of 14,100 tons week-on-week and a decrease of 46,600 tons year-on-year.

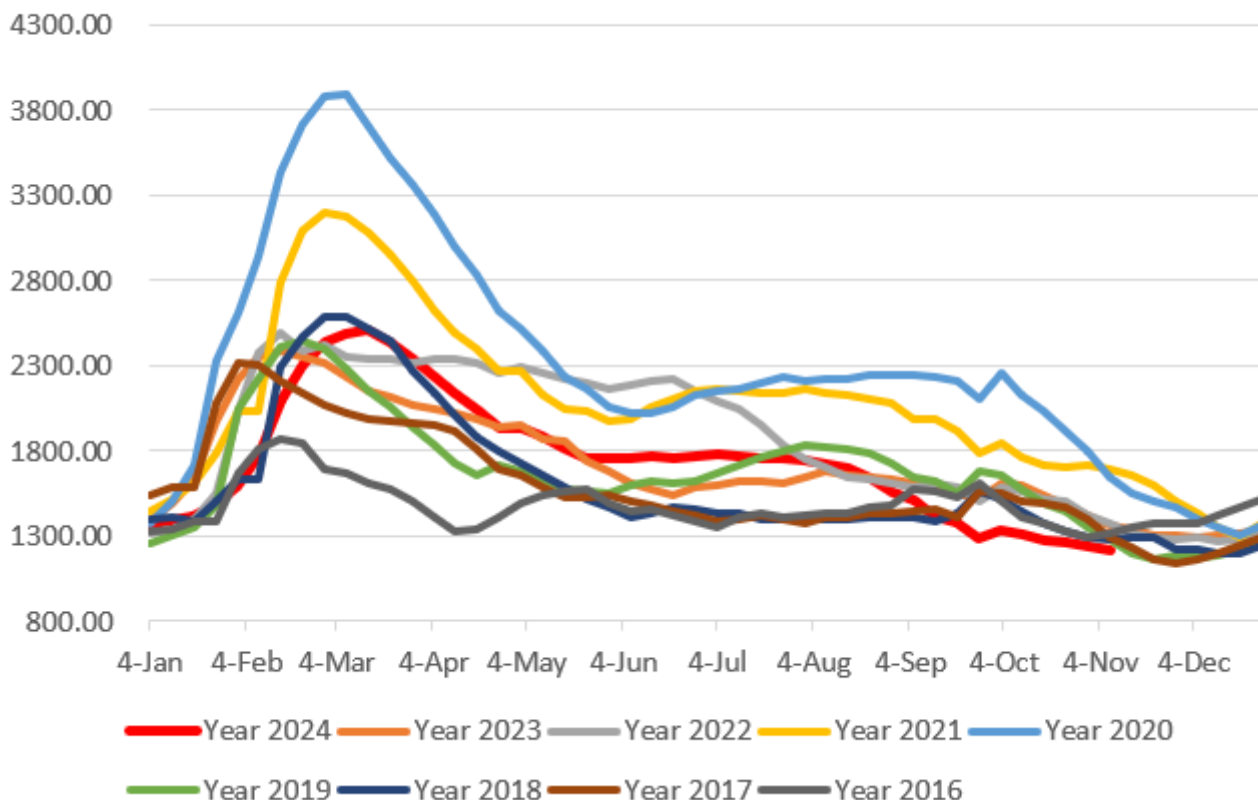
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**Five Major Steels Inventories(10,000 tonnes)**



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