



Daily Virtual Steel Mill Report

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Verdict:

- Short-run Neutral.

Macro:

- The CPI rose by 2.7% year-on-year in November, est. 2.7% increase, last 2.6%. In November, the CPI increased by 0.3% m-o-m, est. 0.3%, last 0.2%.
- India plans to increase its crude steel production capacity from 180 million tons to 300 million tons by 2030. According to the statistics of GEM, India currently has the largest-scale steel production capacity development plan in the world, covering the announced or under-construction projects, with a total volume of approximately 258 million tons per year.

Iron Ore Key Indicators:

- Platts62 \$105.10, -0.70, MTD \$105.42. Although the futures market witnessed some pullbacks, the spot market remained active and prices stayed firm. BHP sold 80,000 tons of NHGF at \$104 per ton. Rio Tinto sold 170,000 tons of PBF at a price of \$106.55 per ton, which was \$1.15 per ton higher than the previous platform transaction price of \$105.4. The floating price of PBF transacted in the secondary market decreased slightly to a premium of the January index plus \$0.6 per ton, compared with the previous \$0.8 per ton.

SGX Iron Ore 62% Futures& Options Open Interest (Dec 11th)

- Futures 123,291,800 tons(Increase 1,963,800 tons)
- Options 148,777,800 tons(Increase 2,438,500 tons)

Steel Key Indicators:

- The average overall cost of billets in Tangshan was 3,140 yuan per ton, down 15 yuan per ton on the week. The steel mills suffered an average loss of 10 yuan per ton.

Coking Coal and Coke Indicators :

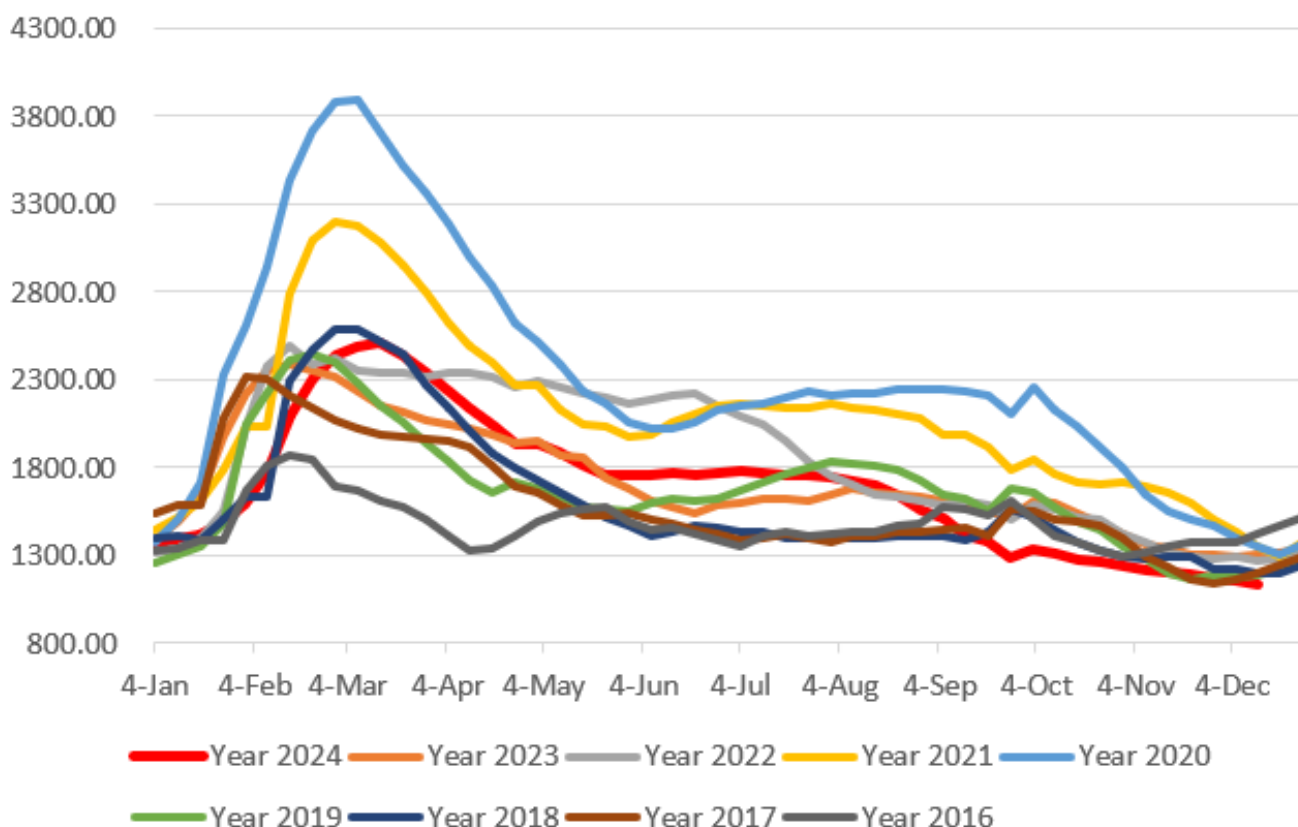
- The increase demand on Indian market well supported FOB coking coal market recently, in particular for February and March laycans. There was HCAA bid around \$207/mt, however the bid cannot represent broad market.



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Five Major Steels Inventories(10,000 tonnes)



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