



# Daily Virtual Steel Mill Report

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

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### Verdict:

- Short-run Neutral.

### Macro:

- The China Central Economic Work Conference requires a more proactive fiscal policy next year, increasing the deficit ratio, issuing more special bonds, optimizing expenditure, and ensuring basic grassroots needs. A moderately loose monetary policy is needed, with timely cuts in reserve ratios and interest rates, maintaining stable CNY rate and liquidity. Explore central bank functions, innovate tools for market stability. Also, boost consumption and investment efficiency to expand domestic demand.
- In November, the PPI rose 3% year-on-year. The estimate was 2.6% and the previous value was 2.4%. The U.S. PPI increased 0.4% month-on-month in November. The estimate was 0.2% and the previous value was 0.2%. The number of Americans filing initial claims for unemployment benefits last week was 242,000. The estimate was 220,000 and the previous value was 224,000.
- The ECB has cut its deposit rate to 3%. The European Central Bank has lowered its marginal lending rate to 3.4%. The ECB has reduced its main refinancing rate to 3.150%. This is the fourth rate cut by the ECB this year.

### Iron Ore Key Indicators:

- Platts62 \$107.10, +2.00, MTD \$105.61. The secondary market saw higher premium at \$0.7/mt for PBF delivered in January, up from \$0.6/mt previously. Brazil miner CSN saw active trading last week. The miners were reluctant to give lower bids. The buyers demand were much less compared to early half of the week and last week.
- Mysteel total inventory of imported iron ore at 45 ports in China is 150.67 million tons, an increase of 307,800 tons w-o-w. The average daily evacuation of iron ore from the 45 ports is 3.37 million tons, an increase of 137,600 tons on the week.

### SGX Iron Ore 62% Futures& Options Open Interest (Dec 12th)

- Futures 126,040,900 tons(Increase 2,749,100 tons)
- Options 149,651,400 tons(Increase 873,600 tons)

### Steel Key Indicators:

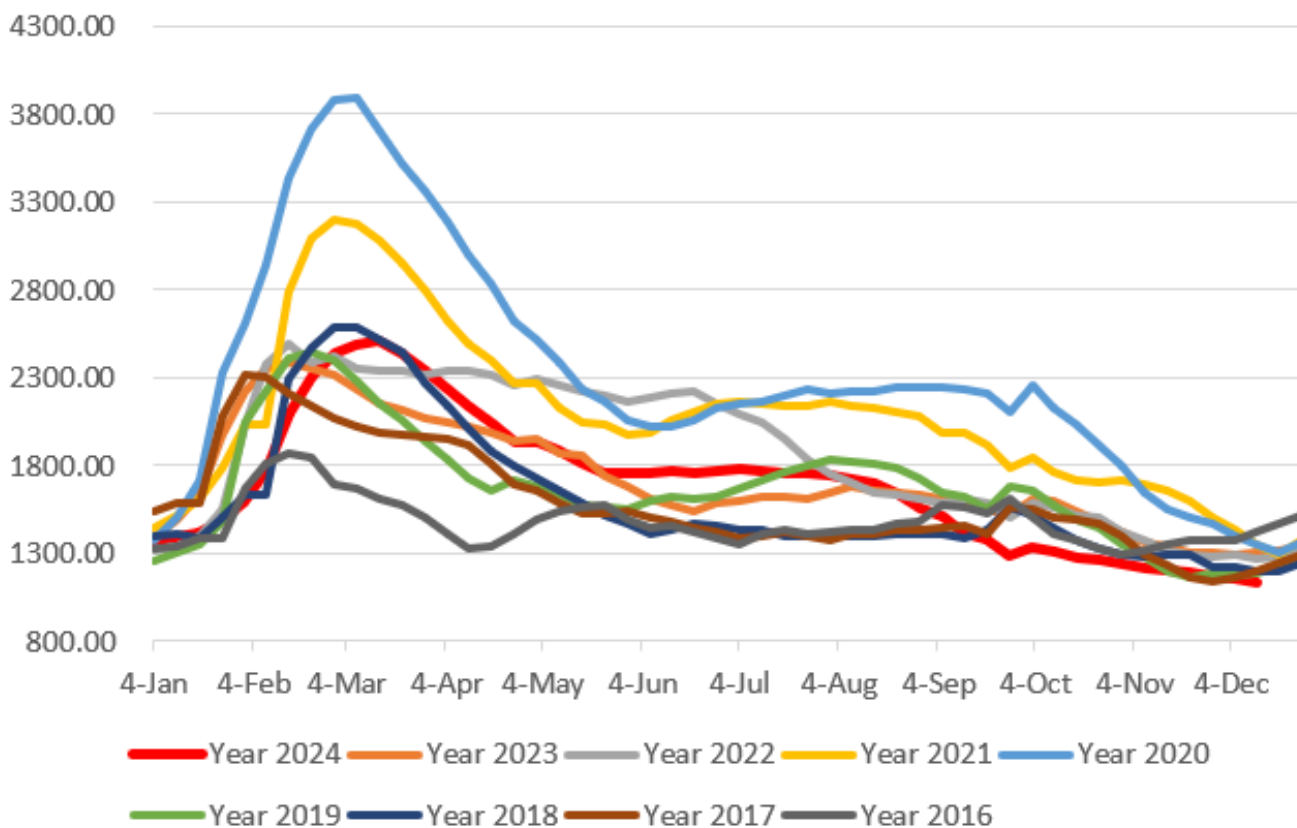
- According to Mysteel's research on 247 steel mills, The utilization rate of blast furnace is 87.28%, decreasing by 0.05% from last week and increasing by 2.45% year-on-year. The average daily output of hot metal is 2.32 million tons, a reduction of 1,400 tons from last week and an increase of 56,100 tons on the year.



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Five Major Steels Inventories(10,000 tonnes)



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