



# Daily Virtual Steel Mill Report

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### Verdict:

- Short-run Neutral.

### Macro:

- At the end of December, the growth rate of M2 was 7.3%, compared with the previous value of 7.1%. With the decline in the interest rate, non - bank deposits are squeezed out in the short term. In February, the annual growth rate of M1 was - 1.4%, compared with the previous value of - 3.7%. The increase in M1 is related to enterprises' centralized payment of salaries and bonuses before the new year.
- US December PPI up by 3.3% on the year, up by 0.2% on the month, lower than est. Core PPI up by 3.5% on the year, unchanged from past month, lower than expected.

### Iron Ore Key Indicators:

- Platts62 \$100.70, +1.50, MTD \$98.47. Before the New Year, the mills restock o was nearly completed, and marginal demand relied on portside. This has also led the market to believe that the price of seaborne iron ore in February is unlikely to drop significantly due to the restock demand. BHP sold Newman fines at \$97.6 per ton, and MACF was traded at \$97.1 per ton, both showing a rebound. SGX Iron Ore 62% Futures& Options Open Interest (Jan 14th)
- Futures 117,556,500 tons(Increase 3,433,300 tons)
- Options 132,006,300 tons(Increase 911,000 tons)

### Steel Key Indicators:

- The Turkish scrap steel market has experienced a sharp decline. The main contract price has dropped from \$359 per ton in mid - December to \$342 per ton. The lowest expected selling price of US - sourced scrap steel is \$8 - \$10 lower than the current price. If the price drops further, it potentially trigger restock by recycling enterprises or reluctance to sell by exporters.

### Coking Coal and Coke Indicators:

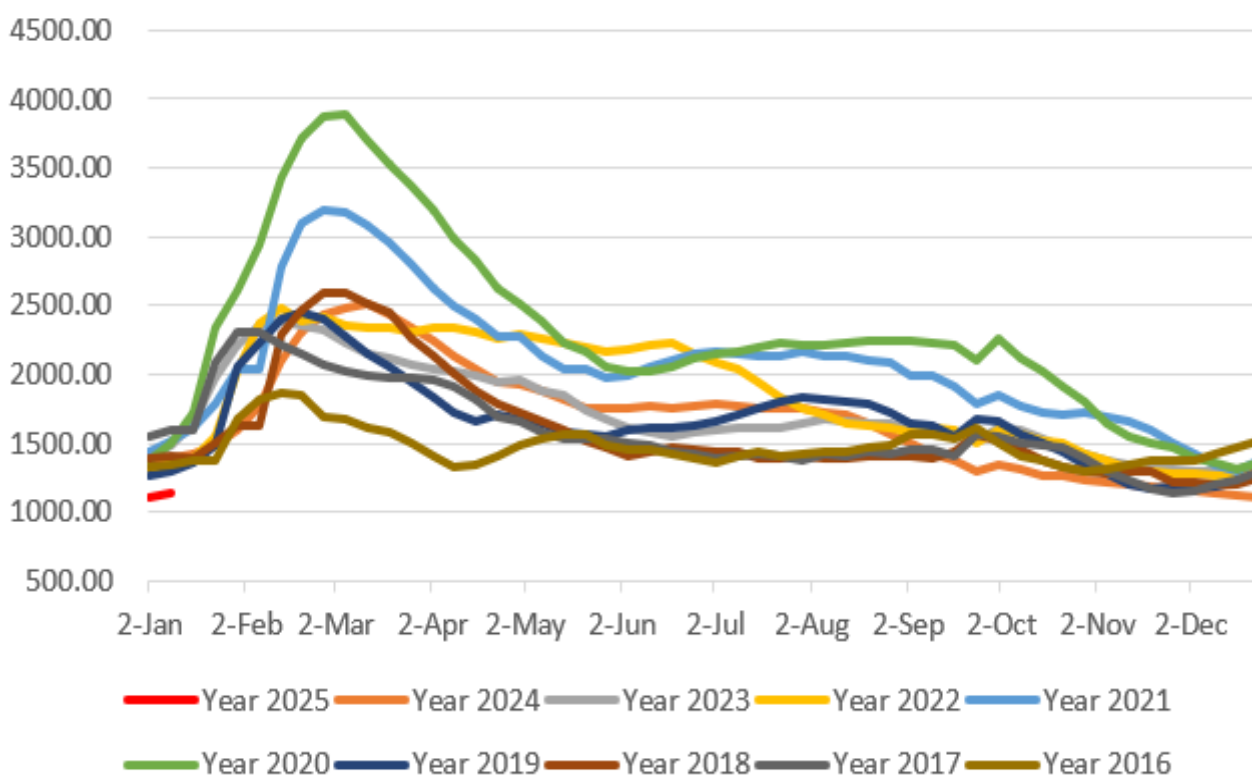
- The FOB Australian coking coal market heard February loading PLV offer at \$195/mt. The supply to Indian end-users grew significantly.



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



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