



Daily Virtual Steel Mill Report

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Verdict:

- Short-run Neutral.

Macro:

- The Federal Reserve kept interest rates unchanged. The FOMC statement indicated that the Federal will start to slow down the pace of balance - sheet reduction on April 1st. It still anticipates two interest - rate cuts this year, with a cumulative reduction of 50 bps.
- Spot gold rose to a record high close to \$3,040/ounce as the escalating tension in the Middle East boosted the demand for safe - haven assets.

Iron Ore Key Indicators:

- Platts62 \$101.65, -1.85, MTD \$102.18. The seaborne activities remained yesterday. MACF was traded at \$98.22/mt after calculated to 62%, which was \$1.48 higher than yesterday. The spot demand for MACF significantly grew during the past two weeks.

SGX Iron Ore 62% Futures& Options Open Interest (Mar 19th)

- Futures 133,230,200 tons(Increase 3,847,300 tons)
- Options 134,368,700 tons(Increase 1,489,500 tons)

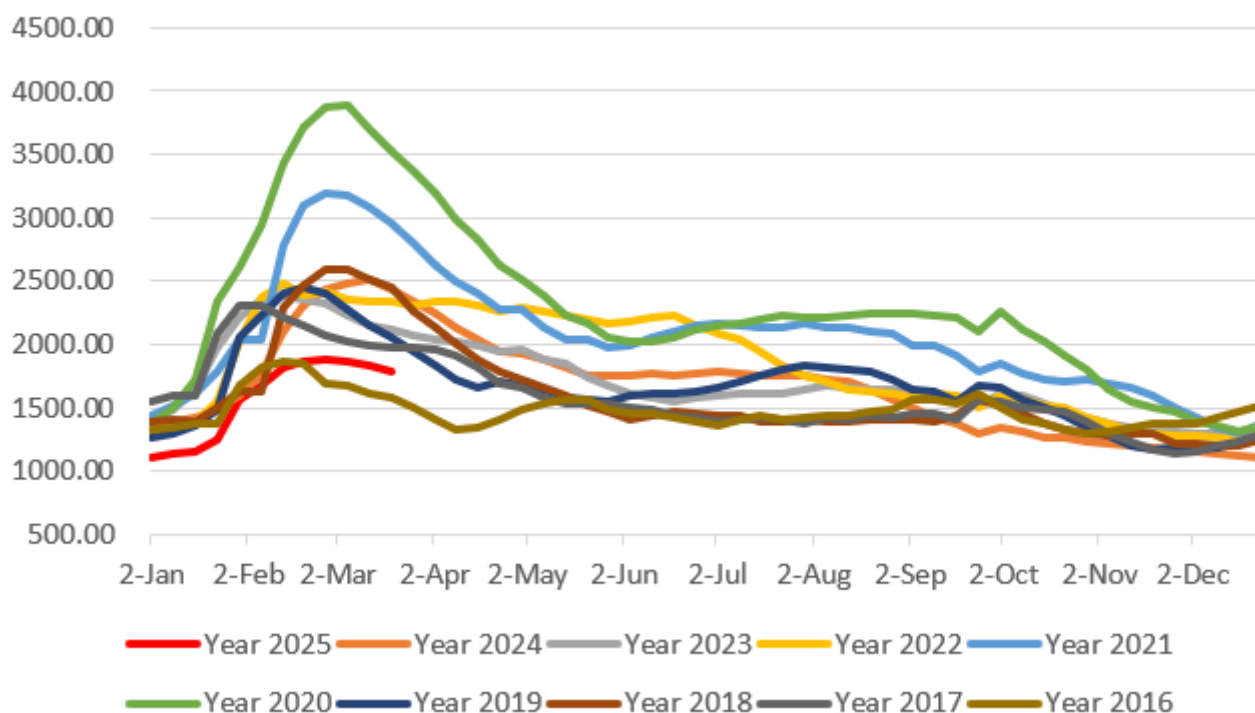
Steel Key Indicators:

- The average tax - included cost of steel billets at mainstream sample steel mills in China, Tangshan is 2,980 yuan/t, a week - on - week decrease of 28 yuan/t. Compared with the EXW price of ordinary square billets of 3,020 yuan/t on March 19th, the average profit of steel mills is 40 yuan/t.

Coking Coal and Coke Indicators:

- After continuous price-cut, there were two 75,000mt PMV traded at \$169.3/mt yesterday. In addition, the reselling PMV offer maintained unchanged at \$170/mt. The sudden increase around \$170/mt level indicated a sentimental bottom of the market. Thus, it should be hard to see a further drop in short-run.

Five Major Steels Inventories(10,000 tonnes)



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