

29/4/2025

- ⇒ **Iron ore Fe62% CFR China:** short-run **Neutral to Bullish**. The output of pig iron remains at a high level, and the supply is relatively stable. After the news of production restrictions is factored into the pricing, there may be a compensatory price recovery.
- ⇒ **Rebar 25mm Shanghai** short-run **Neutral to Bullish**. The downstream demand for steel products has been unleashed. In the construction steel sector, some products have been mis-priced because of the tariff news, and there is room for recovery.
- ⇒ **Hard Coking Coal FOB Australia** short-run **Neutral to Bullish**. The production cuts of major Australian mines have led to a contraction in supply, and the demand from Indian buyers has accelerated.

Prices Movement	28-Apr	21-Apr	Changes %	Sentiment	
Iron Ore Fe62% CFR China(\$/MT)	99.40	100.10	+0.70 %	Neutral to Bullish	↗
Rebar 25mm Shanghai (Yuan/MT)	3314.0	3326.0	- 0.36 %	Neutral to Bullish	↗
Hard Coking Coal FOB Australia(\$/MT)	190.00	187.60	+ 1.28 %	Neutral to Bullish	↗

Market Review:

Ferrous Market:

During the reporting week, the market generally fluctuated between \$99.2/mt and \$100.1/mt. The pressure mainly came from the rumors of production restrictions that emerged again. At the same time, the high output of molten iron is supporting the prices of raw materials.

There have been rumors again in the market regarding the annual crude steel production plan in China. Logically speaking, the feasibility is limited. We maintain that it is more likely that steel enterprises will independently control their overall production output to offset the decline in exports and demand. In addition, the production reduction by 50 million tons from the rumors were almost the same version to the old news in February. After two months, the market has basically fully priced -in. The US dollar index fluctuated around 99 last week. The short-term impact of tariff changes on the steel market is gradually decreasing. The LPR remained unchanged last week, and there was no interest rate cut as expected by the market, which once exerted intraday pressure on the industrial products market. Currently, the market is waiting for the possible introduction of new fiscal stimulus or changes at the end of April.

In May, the export orders of HRC from China steel mills has decreased significantly, and the domestic demand for HRC in May is expected to weaken simultaneously. However, the demand for building materials remains strong. Overall, the steel production is still increasing, resulting in a relatively strong resilience in the demand for pig iron. The daily average output of pig iron is 2.44 million tons, an increase of 42,300 tons on the week and 156,300 tons on the year.

According to MySteel's statistics, the total shipment of iron ore from Australia and Brazil was 27.58 million tons, an increase of 3.21 million tons on the week. The total global shipment of iron ore was 31.88 million tons, an increase of 2.63 million tons on the week. Last week, the total arrival volume of iron ore at 45 ports in China was 25.13 million tons, an increase of 1.88 million tons on the week. The total arrival volume at six ports in northern China was 11.59 million tons, a decrease of 343,000 tons on the week. The iron ore inventory of steel mills was 90.73 million tons, an increase of 201,100 tons on the week and a decrease of 3.07 million tons on the year. The inventory of steel enterprises has been continuously at a seasonal low this year. The inventory of iron ore at 45 ports was 146.21 million tons, an increase of 2.05 million tons on the week.

FIS Ferrous Weekly Report

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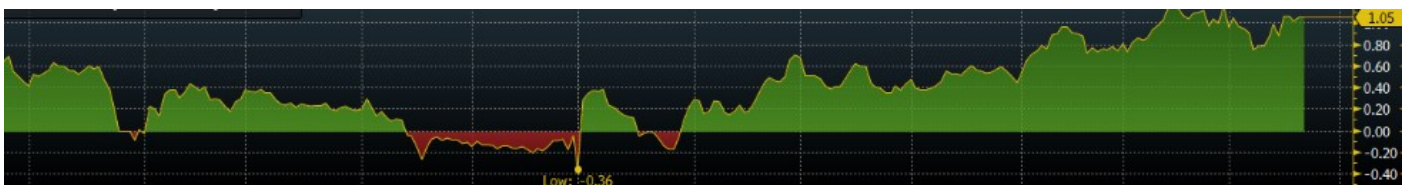
Market Review(Cont'd):

A large number of spot buyers emerge to bottom hunting whenever iron ore market has a \$3-5 pullback during the current two years. Thus, the narrow price change on iron ore didn't attract many interests. PBF dropped from \$100.5 /mt this week to \$99.1 /mt, which is equivalent to 62% of the latest transaction. NHGF fell from \$96.9 /mt to \$95.5 /mt.

MB65 - P62 dropped from \$13.41 /mt to \$12.31 /mt. The short - term accumulation of concentrates inventory and the abundant supply of Brazilian resources have become factors suppressing the price spread. However, considering the relatively low absolute value, there is a possibility of recovery above \$13 /mt in the second quarter. The main spread of SGX in May/June 2025 fluctuated between \$0.95 /mt and \$1.05 /mt for two weeks, with few band trading opportunities. The active spread of DCE May/Sep25 remained in the range of 25 - 30 yuan /t, and the actual trading was basically only in the range of 26.5 - 29 yuan /t.

The physical coke in China has seen a second round price increase. Once it is implemented, it implies that the spot coke potentially experience a continuous rebound for 1-2 months. However, the coke inventory of steel mills is on the high side, and their procurement is relatively cautious. It is likely that the time cycle for discussing the subsequent price increase will be relatively long. The May25 contract of domestic coking coal once reached a 9-year low. As it is about to enter the delivery month of DCE, the decline is likely to slow down subsequently. The FOB coking coal market in Australia has continued to rebound as expected, but some traders believe that the most tense period of supply has passed, and future prices may encounter resistance. The demand from Indian buyers is persistent, but their purchases are all small orders of less than 30,000 tons.

In the short term, iron ore is neutral to slightly bullish. The Australian coking coal market is bullish.

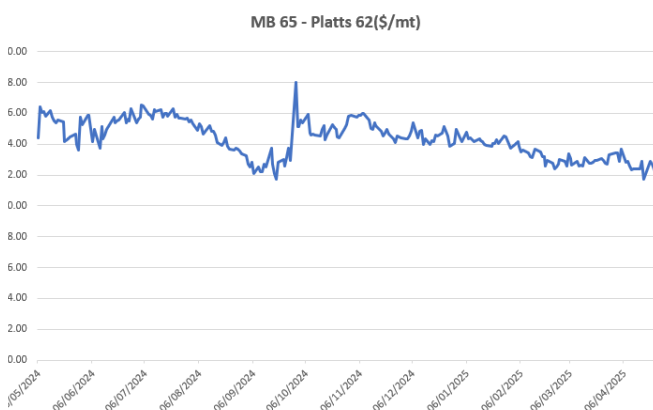
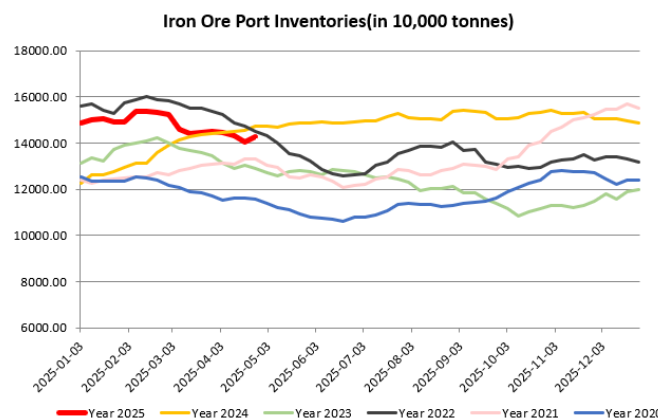
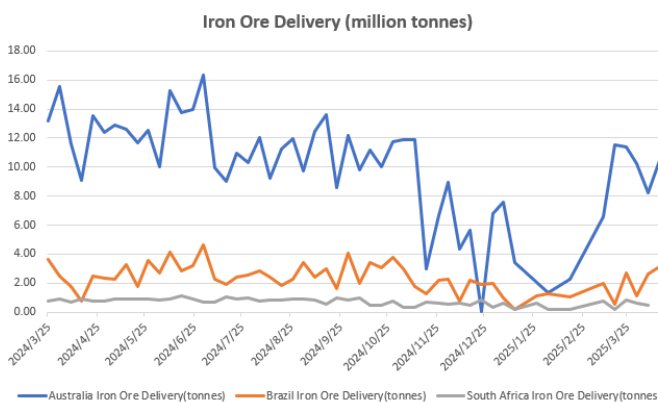


Iron Ore

	Last	Previous	% Change
Platts 62% Fe (Dollar/mt)	99.4	100.1	-0.70%
MB 65% Fe (Dollar/mt)	111.71	112.97	-1.12%
Capesize 5TC Index (Dollar/day)	16420	13913	18.02%
C3 Tubarao to Qingdao (Dollar/day)	19.845	18.825	5.42%
C5 West Australia to Qingdao (Dollar/day)	8.07	7.14	13.03%
Billet Spot Ex-Works Tangshan (Yuan/mt)	2980	2940	1.36%
SGX Front Month (Dollar/mt)	98.42	97.50	0.94%
DCE Major Month (Yuan/mt)	714	706.5	1.06%
China Port Inventory Unit (10,000mt)	14,261.00	14,056.00	1.46%
Australia Iron Ore Weekly Export (10,000mt)	1,129.45	1,048.54	7.72%
Brazil Iron Ore Weekly Export (10,000mt)	313.54	260.43	20.39%

Iron Ore Key Points

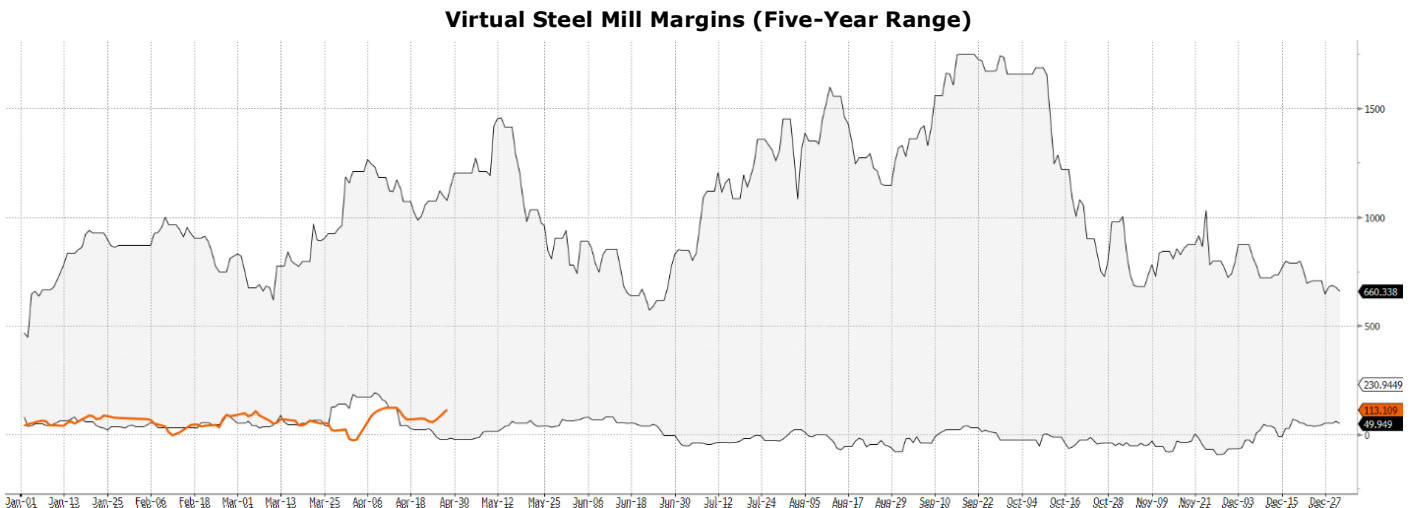
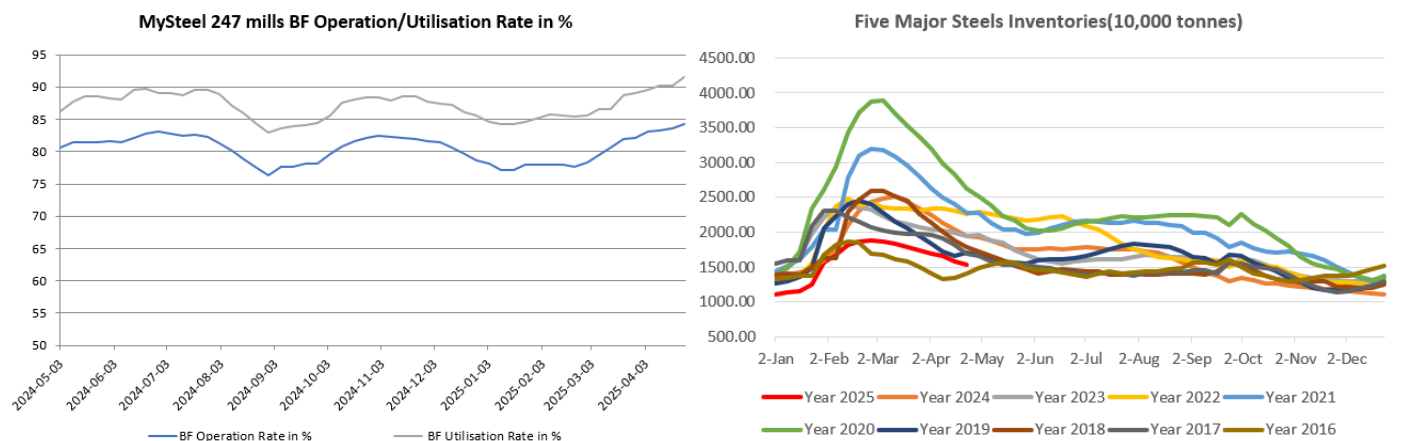
- The shipment volume of iron ore is stable, and the inventory at the port is accumulating.
- The demand for pig iron has continued to be at a relatively high level compared with the same period last year.
- MB65-P62 has reached the lowest level of \$12.31/mt within this month. In the short term, it may be affected by the accumulation of concentrates inventory and the acceleration of Brazilian shipments, which will suppress the price spread.



Data Sources: Platts, Fastmarkets, MySteel, Bloomberg, FIS

Steel

	Last	Previous	% Change
US HRC Front Month (Dollar/mt)	944	940	0.43%
LME Rebar Front Month (Dollar/mt)	554.5	567	-2.12%
SHFE Rebar Major Month (Yuan/mt)	3110	3088	0.71%
China Hot Rolled Coil (Yuan/mt)	3299	3279	0.61%
Vitural Steel Mills Margin(Yuan/mt)	113	71	59.15%
China Five Major Steel Inventories Unit (10,000 mt)	2489.64	2371.33	4.99%
Global Crude Steel Production Unit (1,000 mt)	92800	78900	17.62%
World Steel Association Steel Production Unit(1,000 mt)	166,100	144,700	14.79%



Data Sources: Bloomberg, MySteel, FIS

- Since April, the virtual steel margin has fluctuated between 70 yuan/ton and 120 yuan/ton. After the profit is restored, it will help boost the enthusiasm for raw material procurement.
- The accumulation rate of the five major types of steel products is at a low level compared with the past eight years. Steel exports were relatively high in March and April, but the orders have decreased since May.

Coking Coal

	Last	Previous	% Change
TSI FOB Premium Hard Coking Coal (Dollar/mt)	190	187.6	1.28%
Coking Coal Front Month (Dollar/mt)	187	184	1.63%
DCE CC Major Month (Yuan/mt)	963	944.5	1.96%
Top Six Coal Exporter Weekly Shipment(Million mt)	4.15	5.87	-29.30%
China Custom total CC Import Unit mt	8,588,108	8,846,105	-2.92%

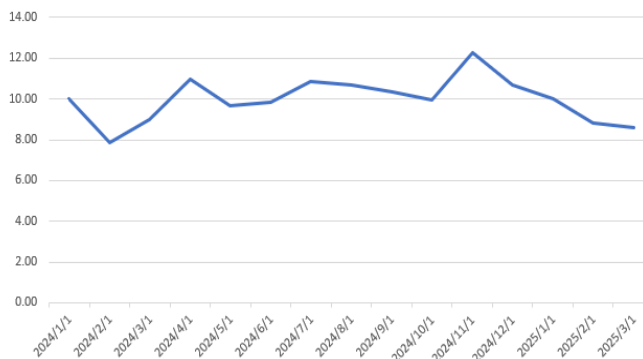
Coal Key Points

- Cokery plants are anticipating the second and third rounds of price rebounds in north western China.
- The daily average output of pig iron in China is accelerating, reaching a high level during the same period.
- India end-users become resilient source of demand. On the other side, the miner production cut tightened the supply.

Coking Coal Front Month Forward Curve



China Custom Total CC Imports(million tonnes)



Data Sources: IHS Commodities at Sea Service, Bloomberg, FIS

FIS Ferrous Fact Sheet

Australia HCCLV Peak Downs: An important hard and low volatility coking coal benchmark brand in Australia with prime quality and higher price.

Backwardation Market: when futures prices are lower than the underlying physical prices or front months are higher than deferred months contracts.

Contango Market: when futures prices are higher than the underlying physical prices or front months are lower than deferred months contracts.

Cost Saving Strategy: refers to steel mills focusing on lower variable costs to maintain profit margin.

Ferrous Industry Chain: Upstream materials included iron ores concentrates/lumps/pellets, scrap/pig iron/HBI/DRI, Coking coal, semi-soft coals or other coals, Ferroalloys, and different furnace or EAF materials. Midstream commonly refers to semi-finished steels, including crude steels, or finished steels, structured steels, flat steels, HRC/CRC, rebar, etc. Downstream meant the end-users of steels, including housing, infrastructure, auto-making, energy market, shipbuilding, housing appliances, containers, and mechanics.

Flat Steel: Finished steels are categorised by wide-belt and narrow belts—normal flat steel including hot-rolled steel or cold-rolled steel. Downstream markets are auto making, electrical appliances and thin and flat steel-using industries. Flat steels are the most active international trading steel type.

Iron Ore Lump: Natural bulks iron ore. Lumps are directly added to a blast furnace, which has premiums to iron ore concentrates.

Iron Ore Pellets: Semi-processed iron ore to make concentrates into pellets after sintering. Pellets are acidic, which adjusts the acidity and alkalinity of a blast furnace. Pellets have premium to iron ore concentrates.

Long Steel: Finished steel, including wire rods and rebar, is generally related to the housing building market.

More or Less Clause: Trade Terms. In iron ore seaborne trading, the weight could differ from loading to arrival ports because of increased moisture rates. For example, some customs accept a 10% maximum moisture rate on some brands of iron ore. In steel trading by trucks or trains, there is usually a certain percentage of weight difference tolerance between quality test and contract.

Rebar 25mm Shanghai: The most volatile physical steel product traded in China and the major exported brand. SGX's rebar contract was highly correlated to this physical brand.

Steelmaking Process: The process typically included the BF-Converter process and EAF process. The U.S. and West Europe are using EAFs. Pig iron/scrap is a significant input for EAFs. China, Japan, and India are using BF-Converter majorly. The materials include iron ores, cokes, and coking coals.

SGX—DCE Difference: The SGX settlement price minus the DCE value after normalised by VAT, ferrous grade, and foreign exchange.

Virtual Steel Margin: Calculating the futures steel margins by a complex of rebar, iron ore and coking coal to represent the leading indicator of physical steel margin.

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