

19/01/2026

Verdict:

- Our view is Short-run Neutral to Bearish

Macro:

- The Financial Times reported on the 18th that multiple European Union countries are considering imposing tariffs on \$93 billion worth of U.S. goods exported to Europe or restricting American companies' access to the EU market. This move is in retaliation against Trump's imposition of tariffs on eight European countries in an effort to gain control of Greenland.
- On January 19, the central parity rate of the yuan against the U.S. dollar was set at 7.0051, marking an appreciation of 27 basis points from the previous trading day. This represents the strongest level for the yuan since May 18, 2023.

Iron Ore Key Indicators:

- Platts IODEX 106.15, -0.55 MTD \$107.45. Iron ore prices continued to retreat last Friday. The overall loose supply-demand dynamic remained unchanged. In the primary market, the discounts for MACF and NHGF widened further to - \$4.00/mt and - \$5.00/mt, respectively. In contrast, PBF held firm, with a 170,000 mt cargo traded at a premium of + \$1.10/mt.
- According to China Baowu Steel Group, on January 17, the first shipment of nearly 200,000 tonnes of Simandou iron ore arrived at a Chinese port. The second shipment of Simandou ore had already been dispatched at the end of last year.

SGX Iron Ore IODEX Futures& Options Open Interest (Jan 16th)

- Futures 168,228,900 tons (Increase 3,050,700 tons)
- Options 157,002,800 tons (Increase 2,452,000 tons)

Steel Indicators:

- According to Mysteel, last week the blast furnace operating rate of 247 steel mills is 78.84%, decreasing by 0.47% week-on-week and increasing by 1.66% year-on-year. The blast furnace utilization rate is 85.48%, decreasing by 0.56% week-on-week and increasing by 1.20% year-on-year. The average daily hot metal output was 2.28 million tons, a decrease of 14,900 tons week-on-week and an increase of 51,300 tons year-on-year.

