

22/01/2026

Verdict:

- Our view is Short-run Neutral

Macro:

- On January 21, Trump posted on social media stating that he has reached a framework agreement with NATO Secretary-General Rutte regarding a future deal on Greenland. Consequently, the tariff measures on eight European countries, originally scheduled to take effect on February 1, will not be implemented. Precious metals retreated following Trump's announcement concerning Greenland.

Iron Ore Key Indicators:

- Platts IODEX 103.20, -0.35 MTD \$106.66. Iron ore prices stabilized after several consecutive days of decline. Steel mills face rigid restocking demand ahead of the Chinese New Year, providing some floor support to prices. Trading for NHGF and MACF remained active in the primary market. Additionally, a cargo of BRBF traded at \$107.25/mt, and a cargo of Carajas Fines traded at \$118.50/mt.
- Fortescue Metals Group released its operational report for the fourth quarter of 2025. In Q4, iron ore production reached 49.8 million tonnes, representing a 2% decrease quarter-on-quarter and a 2% decrease year-on-year. Shipments for the quarter amounted to 50.5 million tonnes, marking a 1% increase quarter-on-quarter and a 2% increase year-on-year.

SGX Iron Ore IODEX Futures & Options Open Interest (Jan 21st)

- Futures 175,043,300 tons (Increase 2,944,100 tons)
- Options 161,069,600 tons (Increase 2,736,200 tons)

Steel Indicators:

- According to Mysteel, this week, the average steel billet cost for mainstream steel mills in Tangshan saw a slight decrease compared to the previous week, with minimal overall change. Some individual steel enterprises experienced increased costs due to blast furnace operational issues. However, a decline in steel billet ex-factory prices led to an expansion of losses for steel mills, which increased by 37 yuan per tonne compared to last week.
- According to the General Administration of Customs, China's total exports of steel billets in December 2025 amounted to 1.44 million tonnes. From January to December 2025, cumulative steel billet exports totaled 14.82 million tonnes, marking a year-on-year growth of 134.21%. In terms of regional distribution, the Southeast Asian market remains the core destination for China's steel billet exports, accounting for over 70% of the total.

