

27/01/2026

Verdict:

- Our view is Short-run Neutral

Macro:

- Reuters, quoting OPEC+ delegates, reported that the organization is expected to stick to its plan to keep crude oil output steady next month during Sunday's meeting. There are currently no signs suggesting a need to respond to this month's volatility in Venezuela and Iran. OPEC+ could still be prompted to increase production if a significant supply disruption occurs.

Iron Ore Key Indicators:

- Platts IODEX 104.65, +1.20 MTD \$106.33. Iron ore prices retreated on Monday. Activity in the seaborne market was firm, with BHP selling multiple cargoes of NHGF and MACF. Additionally, Vale concluded a cargo of Carajas Fines at \$119.20/mt, marking a slight increase compared to last week's price. Recently, the use of high and low-grade ore blends has shown certain cost advantages in sintering, leading to improved liquidity for Carajas Fines and a noticeable decline in port inventories.
- During past week, the total delivery of Brazil and Australia reached 23.94 million tons, up 1.48 million tons w-o-w.
- The iron ore arrivals at 45 China ports reached 25.30 million tons, down 1,297,000 tons w-o-w. The iron ore arrivals at six northern ports of China reached 12.38 million tons, down 2,048,000 tons w-o-w.

SGX Iron Ore IODEX Futures& Options Open Interest (Jan 26th)

- Futures 177,689,900 tons (Decrease 1,396,400 tons)
- Options 164,269,500 tons (Increase 765,500 tons)

Steel Indicators:

- CISA: In mid-January, the average daily output of crude steel of China key steel enterprises was 1.979 million tons, down 0.9% compared to early-Jan. Steel inventories reached 16.13 million tons, up 7.3% compared to early-Jan.

Coking Coal and Coke Indicators:

- Australian coal prices held steady yesterday due to Indian holiday and tight supply. There is currently an inverted spread of approximately 300 yuan/mt between the ex-warehouse price of Australian coal and domestic Chinese coking coal prices. Consequently, some Chinese traders are willing to resell Australian coal at a discount of \$10/ton.

