FIS

Ferrous Weekly Report

info@freightinvestor.com | freightinvestorservices.com | (+65) 6535 5189

27/01/2026

- ⇒ **Iron ore IODEX CFR China:** Our view is short-run **Neutral**. Iron ore prices stabilized following consecutive declines, supported by pre-holiday restocking demand from steel mills.
- ⇒ **Rebar 25mm Shanghai:** Our view is short-run **Neutral**. Affected by weather conditions, construction site activity has halted, leading to subdued demand for rebar in line with seasonal patterns. Prices are fluctuating in tandem with raw material.
- ⇒ **Hard Coking Coal FOB Australia** Our view is short-run **Neutral to bullish.** The tight supply-demand situation for Australian coal is unlikely to ease in the short term. Despite buyer resistance to high prices, there remains potential for further price increases.

Ferrous Market:

Prices Movement	26-Jan	19-Jan	Changes %	Sentiment	
Platts IODEX CFR China($/MT)	**103.35**	**104.45**	-1.05%	**Neutral**	–
Rebar 25mm Shanghai (Yuan/MT)	**3252**	**3260**	-0.25%	**Neutral**	–
TSI FOB Premium Hard Coking Coal ($/mt)	**250.3**	**237**	+5.61%	**Neutral to bullish**	–

Following the New Year holiday, iron ore prices surged sharply driven by positive sentiment in the metals market. When the momentum faded, pricing gradually returned to being dominated by fundamentals and subsequently declined under the influence of multiple factors. Mid-last week, Reuters reported that BHP had accepted partial price reductions in its annual contract negotiations with China. Although port inventories continue to accumulate, a structural shortage exists as Jimblebar Fines cannot enter the market, providing support and keeping prices fluctuating at elevated levels. If negotiations with BHP progress further, it will lead to a looser supply-demand balance, when significant downward pressure on prices could emerge. Additionally, an explosion occurred at a steel plant of Baotou Steel in Inner Mongolia on 18th January, resulting in a full production halt at the facility. Baotou Steel also announced that, starting from the 19th, partial blast furnaces would undergo a three-month maintenance shutdown. According to SMM estimates, this maintenance is expected to impact daily hot metal output by 15,900 tonnes. On another front, adjustments in tariff and sanction policies triggered by geopolitical situations in Greenland and Iran are also exerting some pressure on the global ferrous market.

Currently, the market is gradually stabilizing. Following the price correction, steel mills' willingness to restock has increased, driving a price rebound. Based on data from the past two years, steel mills typically have a restocking demand of approximately 5 million tonnes for imported iron ore in the two weeks preceding the Chinese New Year, which is likely to provide a floor for prices.

Regarding steel products, rebar is currently in a seasonal inventory accumulation phase. Due to widespread cautious expectations for post-holiday demand, steel mills exhibit a strong willingness to destock, resulting in limited accumulation so far. As construction site activities gradually wind down from the end of January, inventory buildup is expected to accelerate as projected, with minimal impact on prices.

Data Sources: Bloomberg, Platts, Fastmarket, Mysteel,Kpler,FIS

FIS Ferrous Weekly Report

info@freightinvestor.com | freightinvestorservices.com | (+65) 6535 5189

Ferrous Market(Cont'd):

In the export market, the price of hot-rolled coil at Tianjin Port saw a slight weekly increase to $470/mt FOB. Liquidity remains low, and shipment uncertainties have grown following the implementation of export licensing. Coupled with recent significant USD volatility and a strong RMB prompting a shift of some resources to domestic sales, overseas buyers are largely adopting a wait-and-see attitude, leading to thin trading activity.

According to statistics from the World Steel Association, the global crude steel output for the full year of 2025 across the 70 countries and regions under its coverage reached 1.85 billion tons, marking a year-on-year decrease of 2.0%. It is noteworthy that, against the backdrop of a contracting global steel industry, India's crude steel production in 2025 amounted to 164.9 million tons, representing a significant increase of 10.4% year-on-year, with expectations for further expansion in 2026. In line with the National Steel Policy (2017) proposed by the Indian government, the country plans to achieve a crude steel capacity target of 300 million tons per annum by 2030.

Last week's global iron ore shipments surveyed by Mysteel reached 29.78 million tons, up 0.49 million tons WoW. Combined shipments from Australia and Brazil reached 23.94 million tons, up 1.49 million tons WoW, with Australian shipments at 18.37 million tons, up 1.49 million tons WoW and Brazilian shipments at 5.57 million tons, down 0.02 million tons WoW. China's 45-ports iron ore arrivals down 1.30 million tons WoW to 25.30 million tons. China's iron ore port inventories at 45 major ports increased by 2.11 million tons WoW to 167.67 million tons, while daily port evacuation volumes decreased by 91,600 tons to 3.11 million tons. In January, the shipment pace from Australia and Brazil showed a seasonal slowdown but remained at a relatively high level compared to previous years. Meanwhile, port inventories continued to accumulate. Recently, the "high-low grade blend" strategy in blast furnace sintering has demonstrated certain cost advantages, leading to a significant drawdown in inventories of Carajas fines.

On the news front, Vale has confirmed water overflow incidents at Fabrica and Viga mines in Minas Gerais. Both incidents were brought under control this Monday. However, operations at the mines have been suspended at the request of the municipal government. Based on annual production estimates, a one-month suspension would impact approximately 330,000 tonnes of output.

During the reporting week, the primary market saw moderate liquidity. Trading activity continued to be dominated by NHGF and MACF concluded at floating prices. As prices rebounded, their discounts narrowed slightly from -$5.3/mt and -$4.3/mt at the start of last week to -$5.15/mt and -$4.25/mt, respectively. Additionally, two cargoes of PBF were traded at + $1.1/mt. In fixed-price deals, one cargo of BRBF was concluded at $107.25/mt, and two cargoes of Carajas Fines were transacted at $118.50/mt and $119.20/mt respectively. The lump ore segment lacked liquidity, and no transactions were observed in the seaborne market.

Data Sources: Bloomberg, Platts, Fastmarket, Mysteel,Kpler,FIS

Ferrous Weekly Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

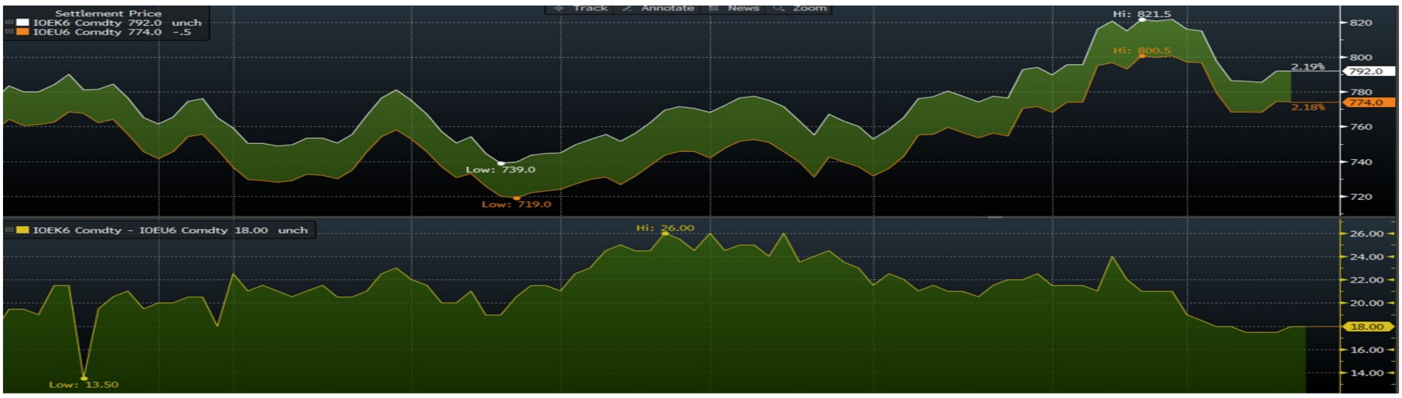
Ferrous Market(Cont'd):

Prolonged rainfall in Australia has previously tightened coking coal supply. Last Monday, a cargo of PMV Goonyella coking coal was concluded at $250.1/mt FOB. With no Goonyella coal available in the market for over a month, prices were sharply driven up. Although the impact of the tropical cyclone on Australia has weakened, previous port disruptions have led to a vessels congestion and extended waiting times. Traders indicate that there are currently 108 vessels in queue at the Dalrymple Bay Coal Terminal in Queensland, a nearly decade-high level. This issue is expected to take three to four weeks to resolve. Production recovery at mining areas is also relatively slow, suggesting that supply-demand conditions will remain tight in the short term. Currently, buyers show resistance to the high prices. However, some Indian steel mills believe that with stable demand, the current price level is likely to remain supported. 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/mt.

Demand for high-grade iron ore fines has recently picked up. The spread between MB65 and P61 has widened from $15.08/mt to $15.85/mt, while the spread between MB65 and MB61 stands at $15.45/mt.

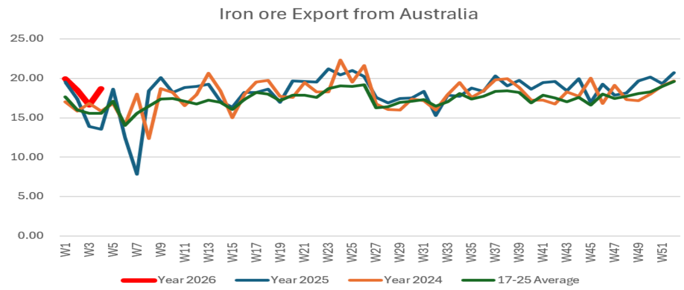
The spread between the front-month May and September contracts on the DCE has narrowed and stabilized around 18 yuan/mt. The front contract is facing pressure due to persistently rising port inventories.

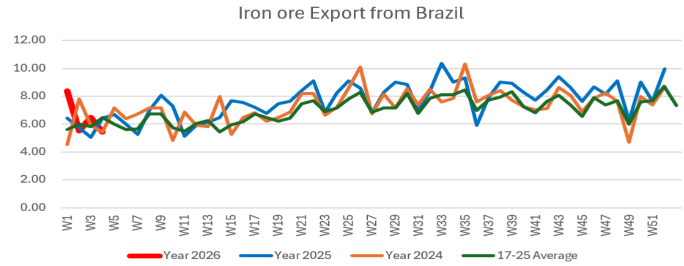
Our view for Iron ore is short-run neutral. For coking coal FOB Australia is short-run neutral to bullish.

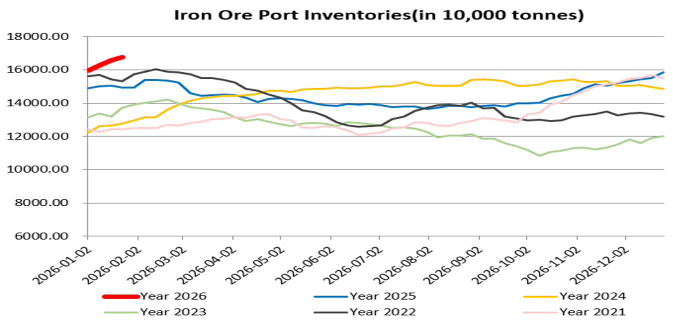


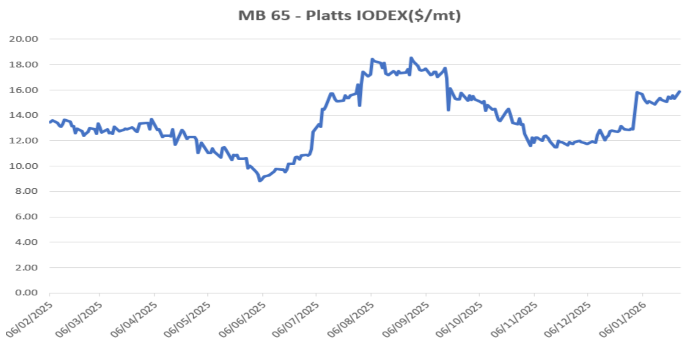
Iron Ore

	Last	Previous	% Change
Platts IODEX (Dollar/mt)	103.35	104.45	**-1.05%**
MB 65% Fe (Dollar/mt)	119.2	119.53	**-0.28%**
Capesize 5TC Index (Dollar/day)	20314	18293	**11.05%**
C3 Tubarao to Qingdao (Dollar/day)	21.975	20.277	**8.37%**
C5 West Australia to Qingdao (Dollar/day)	7.975	8.11	**-1.66%**
Billet Spot Ex-Works Tangshan (Yuan/mt)	2980	2930	**1.71%**
SGX Front Month (Dollar/mt)	108.34	105.55	**2.64%**
DCE Major Month (Yuan/mt)	854	807.5	**5.76%**
China Port Inventory Unit (10,000mt)	16,275.26	15,970.89	**1.91%**
Australia Iron Ore Weekly Export (10,000mt)	1,871.00	1,851.00	**1.08%**
Brazil Iron Ore Weekly Export (10,000mt)	546.00	553.00	**-1.27%**









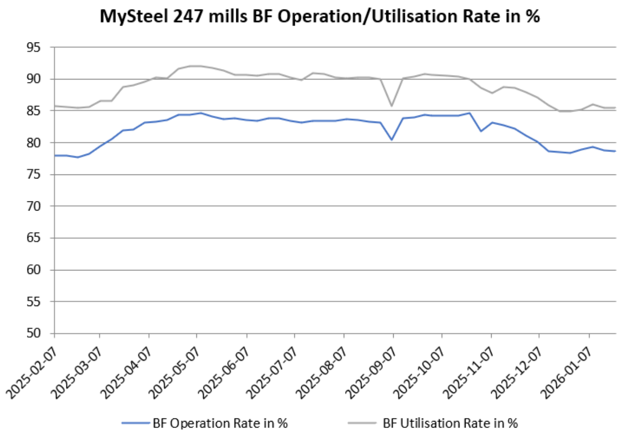
Iron Ore Key Points

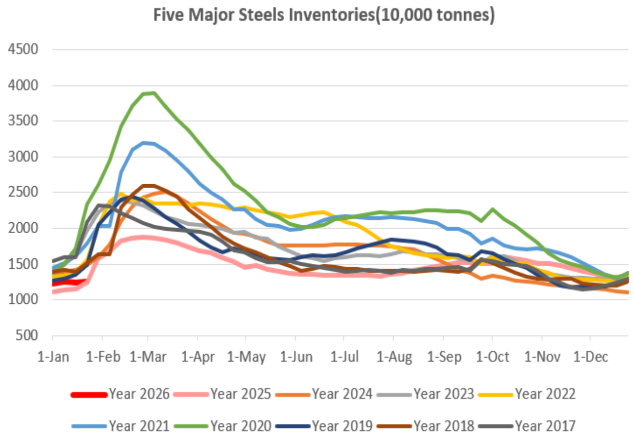
- The shipment pace from Australia and Brazil has shown a seasonal slowdown, but overall shipment volumes remain elevated compared to the same period in previous years.
- Port iron ore inventories continue to accumulate. In terms of specific brands, Jimblebar fines have not yet entered the market, while Carajas fines are experiencing a rapid drawdown in stockpiles due to cost advantage.
- The spread between MB65 and P61 widened from $15.08/mt to $15.85/mt.

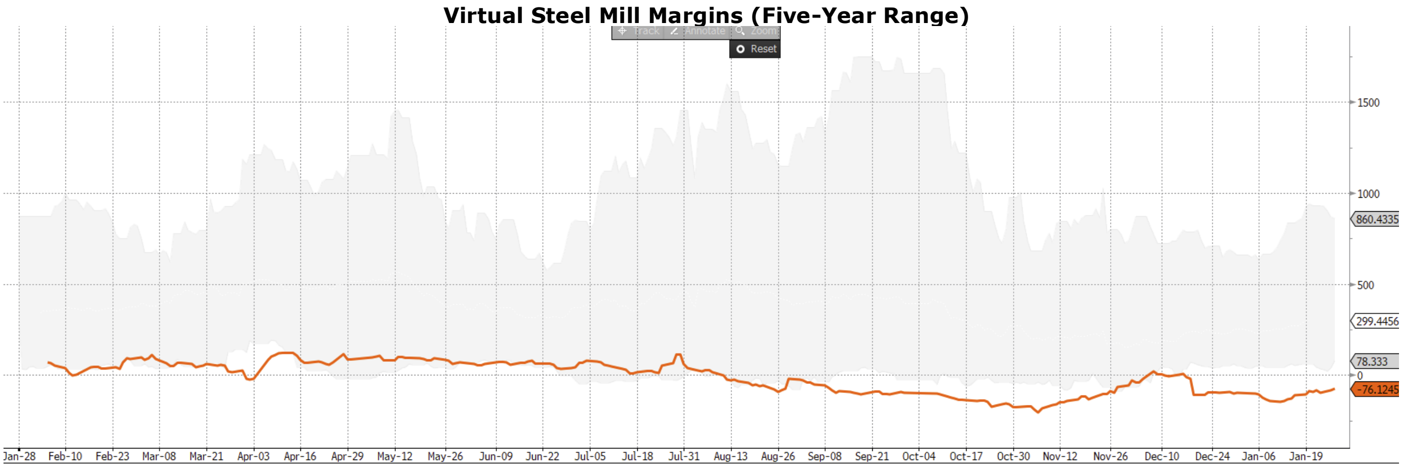
Data Sources: Bloomberg, Platts, Fastmarket, Mysteel,Kpler,FIS

Steel

	Last	Previous	% Change
US HRC Front Month (Dollar/mt)	940	940	**0.00%**
LME Rebar Front Month (Dollar/mt)	569.5	562	**1.33%**
SHFE Rebar Major Month (Yuan/mt)	3106	3105	**0.03%**
China Hot Rolled Coil (Yuan/mt)	3289	3270	**0.58%**
Vitural Steel Mills Margin(Yuan/mt)	-76	-87	**12.64%**
China Five Major Steel Inventories Unit (10,000 mt)	1257.08	1247.01	**0.81%**
Global Crude Steel Production Unit (1,000 mt)	69900	72000	**-2.92%**
World Steel Association Steel Production Unit(1,000 mt)	139,600	140,100	**-0.36%**





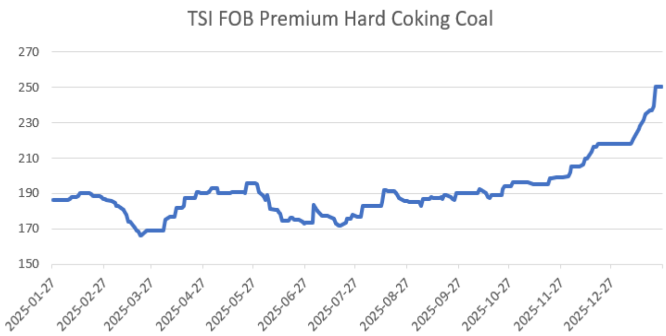


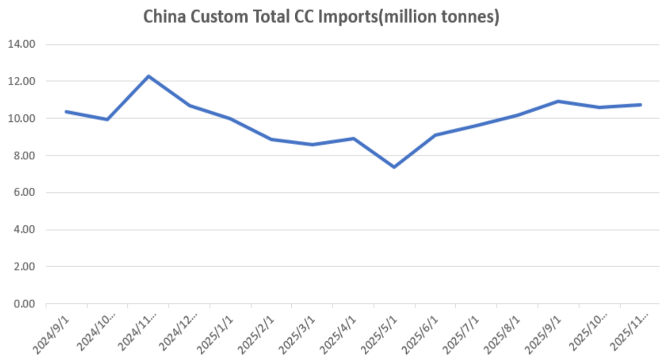
Data Sources: Bloomberg, MySteel, FIS

- Downstream construction sites are gradually winding down, and steel products have entered a seasonal inventory accumulation phase. Prices are fluctuating in line with raw material. The virtual steel mill margin narrowed from −87 yuan/mt to −76 yuan/mt.
- A safety incident occurred at Baotou Steel in Inner Mongolia, which has exerted a certain short-term impact on hot metal output. The average daily hot metal output of blast furnaces across 247 steel mills showed a week-on-week increase of 9,000 tonnes to reach 2.28 million tonnes, representing a year-on-year increase of 26,500 tonnes.

Coking Coal

	Last	Previous	% Change
TSI FOB Premium Hard Coking Coal (Dollar/mt)	250.3	237	**5.61%**
Coking Coal Front Month (Dollar/mt)	225	220	**2.27%**
DCE CC Major Month (Yuan/mt)	1143.5	1046	**9.32%**
Top Six Coal Exporter Weekly Shipment(Million mt)	3.24	4.93	**-34.28%**
China Custom total CC Import Unit mt	10,731,481	10,593,242	**1.30%**





Coking Coal Key Points

- The first round of coke price hikes has failed to materialize, leading to weaker sentiment in the domestic coking coal and coke market.
- Tight supply of Australian coking coal is expected to persist in the near term and is likely to continue supporting prices.
- The volume of coal clearance trucks from Mongolia remains elevated, with high inventory levels in port regulatory zones, leading to softened prices.

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.

Written by **Yifan Zhuang**,
FIS Research Analyst
yifanz@freightinvestor.com