FIS

Ferrous Weekly Report

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

03/03/2026

⇒ **Iron ore IODEX CFR China:** Our view is short-run **Neutral**. After the Chinese New Year, iron ore prices have seen a modest rebound, driven by restocking demand. However, with the overall supply-demand balance remaining loose, the room for further price increases seems to be limited.

⇒ **Rebar 25mm Shanghai:** Our view is short-run **Neutral**. Rebar demand is limited due to construction sites not being fully operational yet. Supported by new real estate policies and the upcoming Chinese "Two Sessions," market sentiment remains relatively strong, providing support to prices.

⇒ **Hard Coking Coal FOB Australia** Our view is short-run **Neutral to Bearish**. Since mid-February, Australian coal prices have continued to decline, with the supply-demand dynamic shifting from relatively tight to loose. Buyers are inclined to wait for further price drops.

Prices Movement	2-Mar	23-Feb	Changes %	Sentiment	
Platts IODEX CFR China($/MT)	**100.35**	**96.4**	+4.10%	**Neutral**	–
Rebar 25mm Shanghai (Yuan/MT)	**3175**	**3188**	-0.41%	**Neutral**	–
TSI FOB Premium Hard Coking Coal ($/mt)	**220.5**	**242**	-8.88%	**Neutral to Bearish**	–

Ferrous Market:

Following the Chinese New Year, iron ore prices staged a modest rebound after several days of stable trading. According to Mysteel's data, as of February 27, imported ore inventories at steel mills had decreased from the pre-holiday level of 107.04 million tons to 90.85 million tons, essentially returning to normal levels seen in previous years. Additionally, a SteelHome survey indicated that mills relying primarily on spot procurement saw their iron ore stocks generally decline by 5 to 9 days, prompting a resumption of procurement in the latter half of the previous week. Meanwhile, sentiment on the macroeconomic front improved. On 25 February, Shanghai introduced new property market policies encompassing seven measures, including adjustments to purchase restrictions and optimizations to the provident fund system. This bolstered sentiment in the real estate sector and contributed to an overall strengthening of the ferrous market.

On the international front, escalating tensions in the Middle East have brought oil tanker traffic through the Strait of Hormuz to a standstill. Kpler data indicates that approximately 31% of globally seaborne oil passed through this chokepoint in 2025. Should tanker transits fail to resume swiftly, a significant spike in oil prices could occur, potentially translating into higher costs for seaborne iron ore.

As temperatures gradually rise, construction activity is set to enter its traditional peak season. According to a survey by 100NJZ, the capital availability rate at construction sites nationwide stood at 29% as of February 25, an increase of 9.4 percentage points year-on-year based on the lunar calendar. Although funding remains relatively tight, this is still among the higher levels seen in recent years and is expected to provide some support for rebar demand. On the supply side, influenced by the convening of the "Two Sessions" in China, some steel enterprises in North China have received notices for voluntary emission reductions. During the period from 4th to 11th March, blast furnace are required to implement voluntary reductions of no less than 30%. The slower recovery in supply is conducive to destocking and provides support to prices.

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

Ferrous Market(Cont'd):

On the export front, the Korean Trade Commission announced on 23 February the imposition of anti-dumping duties on Chinese hot-rolled products, ranging from 28.16% to 33.10. Concurrently, the Commission accepted the price undertaking proposal submitted by companies including Baosteel. This mechanism establishes a minimum export price that is adjusted quarterly, allowing the relevant companies to circumvent the anti-dumping duties. Meanwhile, according to a Mysteel survey, the seven Gulf countries account for 11.72% of China's steel exports (totaling 12.35 million tons exported in 2025) . The shipping standstill in the Strait of Hormuz has led to a surge in freight costs and an absence of war risk insurance, affecting an estimated average of 1.16 million tons of exports per month in the short term. Should the disruption persist for more than three months, there is a risk of losing market share in the Middle East.

Last week's global iron ore shipments surveyed by Mysteel reached 33.41 million tons, up 0.20 million tons WoW. Combined shipments from Australia and Brazil reached 26.91 million tons, down 0.23 million tons WoW, with Australian shipments at 19.48 million tons, down 0.62 million tons WoW and Brazilian shipments at 7.42 million tons, up 0.40 million tons WoW. China's 45-ports iron ore arrivals down 0.06 million tons WoW to 21.47 million tons. China's iron ore port inventories at 45 major ports increased by 1.46 million tons WoW to 170.92 million tons, while daily port evacuation volumes decreased by 527,100 tons to 2.98 million tons. Port inventories of iron ore switched from accumulation to depletion in the week prior to the Chinese New Year, but have begun to pile up again afterwards. Given that major mills are still pushing forward with capacity expansions this year, a significant improvement in the ample supply landscape is not anticipated. On the news front, the ongoing heavy rainfall in Minas Gerais, Brazil—one of the country's key iron ore producing regions—may affect shipments to some extent.

Following the holiday, the seaborne market has been active. Benefiting from healthy landing profits and tighter supply from BHP, multiple cargoes of MACF and NHGF were transacted on consecutive days, with discounts gradually narrowing. The transaction price for MACF narrowed from -$2.15/dmt in the middle of last week to -$1.4/dmt, while NHGF narrowed from -$2.98/dmt to -$2.30/dmt. Liquidity for PBF also remained robust, with several 170,000-tonne cargoes traded during the week. The premium continued to climb from +$1.5/dmt in the middle of last week, rising to +$2.23/dmt by last Friday. Additionally, Vale concluded a transaction for a cargo of Carajas fines at $116.70/dmt. As the week commenced, with prices continuing to rise, buyers turned cautious. A cargo of BRBF was transacted at $105.10/dmt, and another cargo of Carajas fines was traded at $118.60/dmt.

In the lump ore segment, market conditions improved. This was driven by sintering restrictions at steel mills in the short term, combined with lump ore's improved cost-effectiveness following previous consecutive price declines. On 24 February, BHP traded a 190,000-tonne cargo of Newman Blend Lump (unscreened). On February 26, Rio Tinto transacted an 80,000-tonne cargo of PBL at a premium of $0.1550/dmtu, boosting a sharp rebound in lump premiums. However, some traders believe the premium has reached a critical level, suggesting limited room for further increases.

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

Ferrous Market(Cont'd):

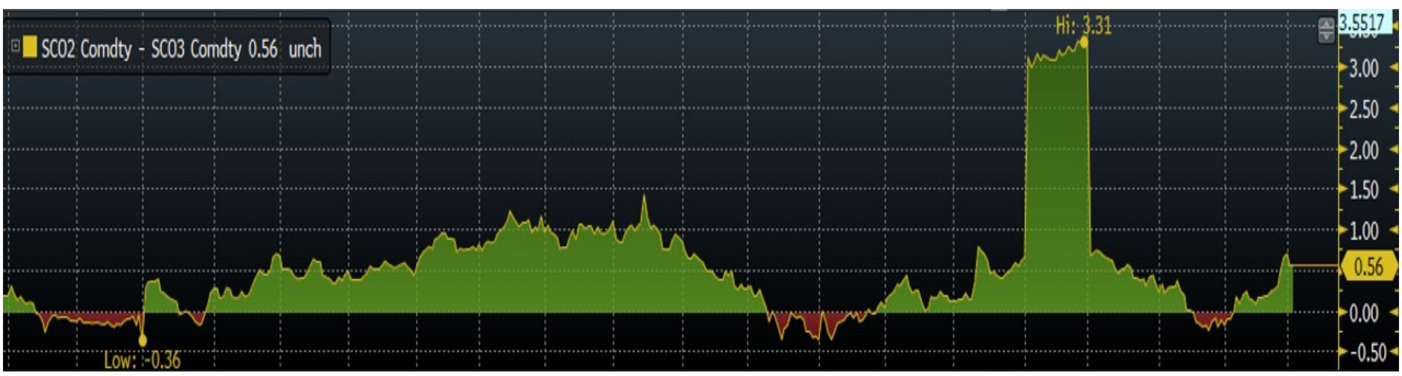
Since mid-February, demand for premium hard coking coal from Indian steel mills has weakened. The supply-demand balance for Australian coal has shifted from relatively tight to a loose stance, with prices consequently trending down. By 27 February, forward prices had dropped to $235/mt FOB, down nearly $15 from mid-February. With alternative supply from other regions remaining relatively ample, Indian buyers are not in a hurry to secure cargoes and are waiting for prices to correct further.

On Monday, a 75,000-tonne cargo of PMV Goonyella coking coal was transacted at $219/mt in the floating cargo market, pulling the index down notably. In early February, transaction prices for Goonyella coking coal were near $250/mt. A new wave of heavy rainfall began affecting Queensland over the past weekend, though its impact on the coking coal market is expected to be limited.

During the reporting week, the 65-61 spread first narrowed and then widened. Influenced by rising prices for medium-grade fines last week, the spread narrowed at one point. However, following a transaction for a cargo of Carajas fines at $118.60/dmt on Monday, the spread widened again to above $18/dmt. The MB65-P61 spread stood at $18.25/dmt, while the MB65-MB61 spread was at $18.28/dmt.

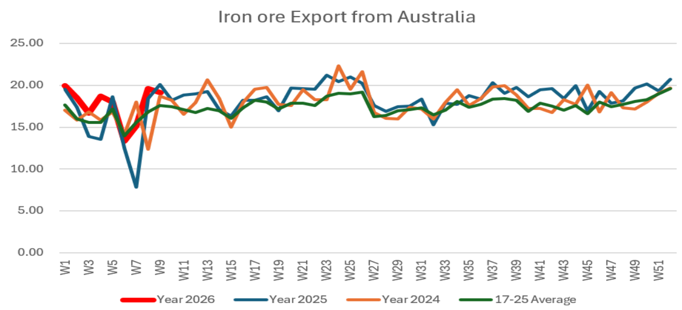
Supported by post-holiday restocking demand and the gradual recovery of downstream construction activities, iron ore demand is picking up, providing support to near-term contracts. However, prices remain under pressure in the medium to long term due to ample supply-demand fundamentals. The SGX front-month spread has widened to $0.56/dmt, while the DCE active contract spread for May/September fluctuates narrowly around 19 yuan/dmt.

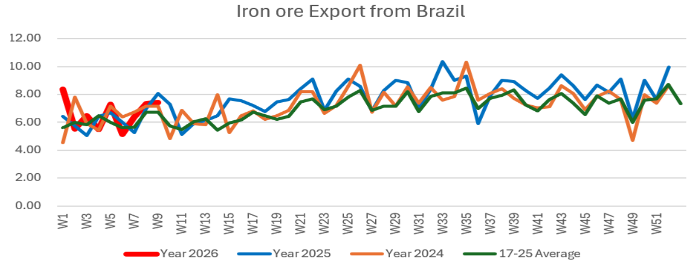
Our view for Iron ore is short-run Neutral. For coking coal FOB Australia is short-run Neutral to Bearish.

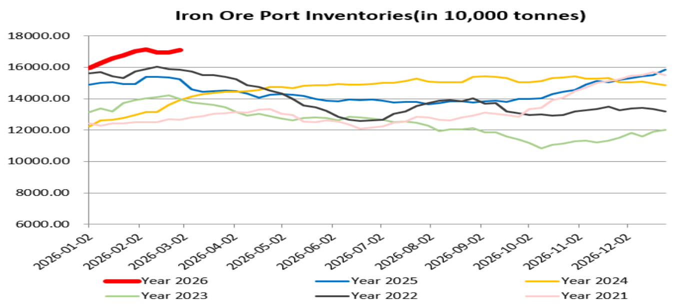


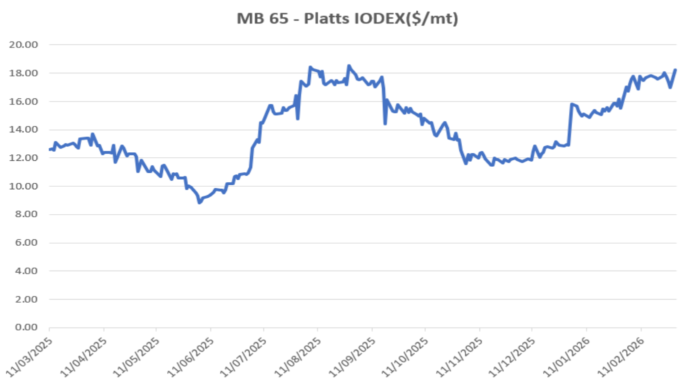
Iron Ore

	Last	Previous	% Change
Platts IODEX (Dollar/mt)	100.35	96.4	**4.10%**
MB 65% Fe (Dollar/mt)	118.6	114.19	**3.86%**
Capesize 5TC Index (Dollar/day)	24910	25608	**-2.73%**
C3 Tubarao to Qingdao (Dollar/day)	23.975	24.323	**-1.43%**
C5 West Australia to Qingdao (Dollar/day)	10.489	10.172	**3.12%**
Billet Spot Ex-Works Tangshan (Yuan/mt)	2910	2900	**0.34%**
SGX Front Month (Dollar/mt)	99.06	98.20	**0.88%**
DCE Major Month (Yuan/mt)	772.5	808	**-4.39%**
China Port Inventory Unit (10,000mt)	17,091.96	16,946.32	**0.86%**
Australia Iron Ore Weekly Export (10,000mt)	1,911.00	1,960.00	**-2.50%**
Brazil Iron Ore Weekly Export (10,000mt)	7.43	7.34	**1.23%**









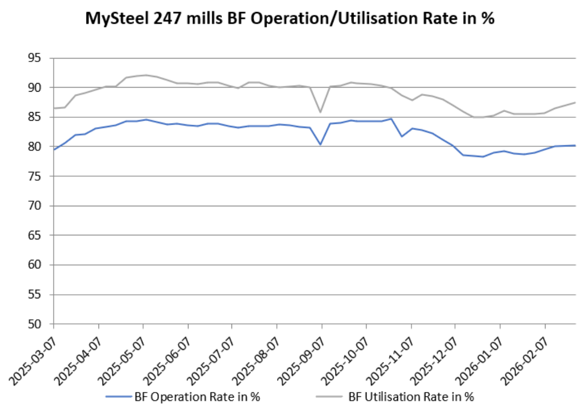
Iron Ore Key Points

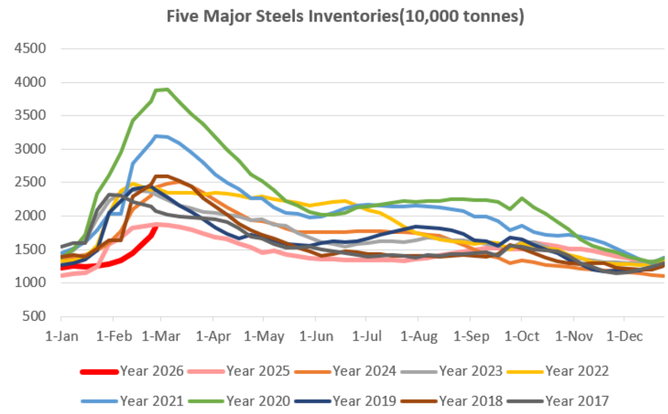
- Australian and Brazilian shipments are proceeding steadily. The impact of heavy rains seems to be limited.
- Port iron ore inventories experienced a brief decline before the holiday but soon resumed their accumulation trend. With major mills continuing to pursue capacity expansion, the ample supply situation is not expected to improve significantly.
- The MB65-P61 spread widened again after the week commenced, with a cargo of Carajas fines transacted at $118.6/dmt, lifting the 65% Fe index.

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

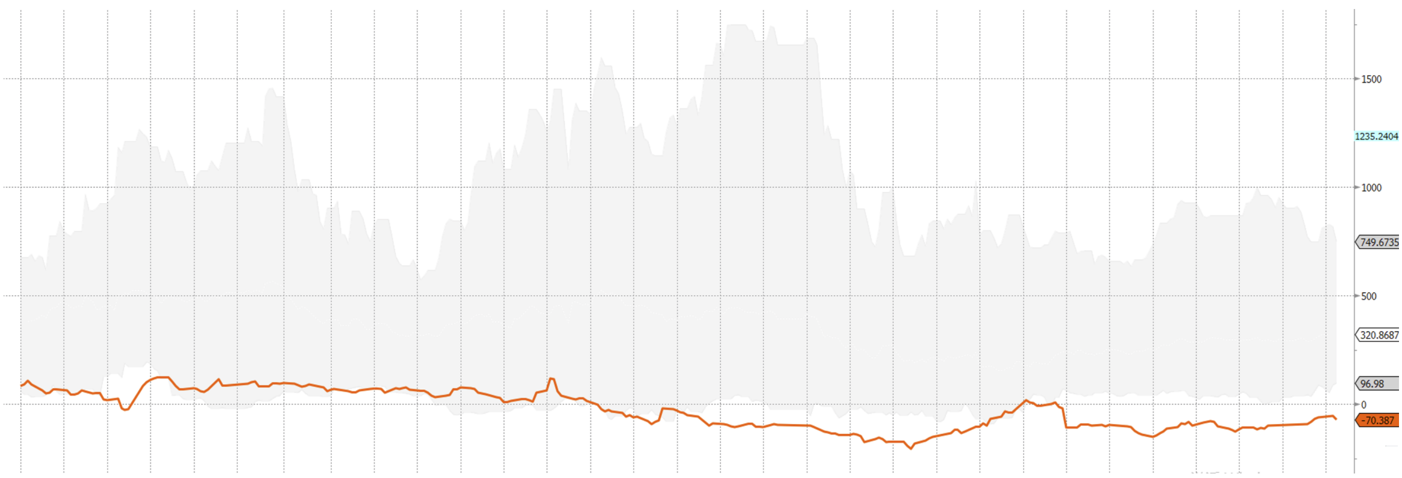
Steel

	Last	Previous	% Change
US HRC Front Month (Dollar/mt)	1017	981	3.67%
LME Rebar Front Month (Dollar/mt)	554.38	556	-0.29%
SHFE Rebar Major Month (Yuan/mt)	3073	2900	5.97%
China Hot Rolled Coil (Yuan/mt)	3244	3255	-0.34%
Vitural Steel Mills Margin(Yuan/mt)	-70	-80	12.50%
China Five Major Steel Inventories Unit (10,000 mt)	1846.11	1711.84	7.84%
Global Crude Steel Production Unit (1,000 mt)	75300	68200	10.41%
World Steel Association Steel Production Unit(1,000 mt)	147,300	139,600	5.52%





Virtual Steel Mill Margins (Five-Year Range)

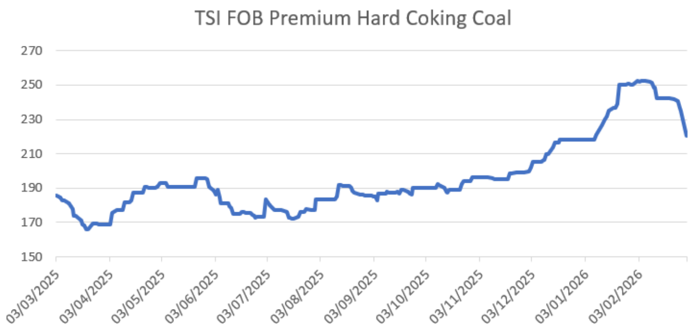


Data Sources: Bloomberg, MySteel, FIS

- Construction site activity has not yet fully resumed, but supported by macroeconomic expectations, sentiment in the rebar market remains fairly positive, with the virtual steel mill margin at −70 yuan/mt.
- Last week, the average daily output of blast furnaces across 247 steel mills increased by 27,900 metric tons week-on-week to 2.33 million metric tons, representing a year-on-year increase of 53,400 metric tons. In the first half of March, constrained by environmental factors, the blast furnace operating rate is not expected to see significant growth. As steel demand enters its traditional peak season in the latter half of the month, hot metal output is anticipated to recover seasonally.

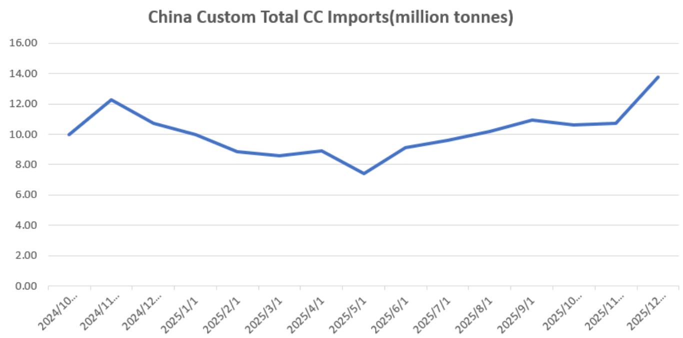
Coking Coal

	Last	Previous	% Change
TSI FOB Premium Hard Coking Coal (Dollar/mt)	220.5	242	**-8.88%**
Coking Coal Front Month (Dollar/mt)	246.01	244.5	**0.62%**
DCE CC Major Month (Yuan/mt)	987.5	1044.5	**-5.46%**
Top Six Coal Exporter Weekly Shipment(Million mt)	4.50	4.68	**-3.85%**
China Custom total CC Import Unit mt	13,769,795	10,731,481	**28.31%**



Coking Coal Key Points

- The supply-demand dynamics in the Australian coking coal market have shifted from a relatively tight balance to a loose stance. Driven by a transaction for Goonyella coking coal at $219/ton, the index was dragged notably lower.



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