

FIS Ferrous Weekly Report

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

24/03/2026

- ⇒ **Iron ore IODEX CFR China:** Our view is short-run **Neutral**. High energy prices are providing underlying support for iron ore prices. Negotiations between CMRG and BHP are ongoing, leading to a cautious market sentiment, while overall spot liquidity remains thin.
- ⇒ **Rebar 25mm Shanghai:** Our view is short-run **Neutral**. As construction activity enters the traditional peak season, the decline in rebar inventories has boosted market sentiment. Coupled with cost-side support, steel prices are expected to fluctuate with an upward bias.
- ⇒ **Hard Coking Coal FOB Australia** Our view is short-run **Neutral**. Indian steel mills have shown a pick-up in demand for Australian coking coal, though acceptance of high-priced resources remains low. The market is expected to fluctuate within a narrow range in the near term.

Prices Movement	24-Mar	16-Mar	Changes %	Sentiment	
Platts IODEX CFR China(\$/MT)	109.45	108.8	+0.60%	Neutral	-
Rebar 25mm Shanghai (Yuan/MT)	3180	3170	+0.43%	Neutral	-
TSI FOB Premium Hard Coking Coal (\$/mt)	226	221	+2.26%	Neutral	-

Ferrous Market:

Iron ore prices edged up over the course of the week. On the fundamental side, demand performance has been in line with seasonal patterns. Hot metal output has recovered as expected following the conclusion of voluntary production cuts at steel mills and as downstream steel enters its traditional peak demand season. According to Mysteel data, the average daily hot metal output at 247 steel mills stood at 2.28 million tons last week, an increase of 69,500 tons week-on-week. Although this represents a year-on-year decline of 81,100 tons, it remains within the normal range based on historical data. On the supply side, negotiations between CMRG and BHP are ongoing, creating uncertainty around the near-term liquidity of resources such as Jimblebar fines. Concerns over potential structural tightness in supply have lent some support to prices. However, port inventories remain at historically high levels, consistently exerting downward pressure on prices. Any progress in the negotiations could trigger a sharp price correction.

On the macroeconomic front, tensions in the Middle East show no signs of easing, with oil prices remaining elevated, providing underlying support to iron ore prices. Nevertheless, should energy prices stay high over an extended period, the risk of an economic downturn could increase, potentially weighing on iron ore demand. According to a Reuters report, as of March 20, the CME FedWatch Tool indicated that market expectations for a Federal Reserve interest rate hike by the end of the year had approached nearly 25%.

Rebar inventories shifted from accumulation to decline last week, boosting market sentiment. According to data compiled by Shenwan Hongyuan Securities and cited by Cailianshe, as of March 20, cumulative issuance of new special-purpose bonds had accounted for 23.5% of the annual quota, a notable acceleration from the 15.6% recorded in the same period last year. The front-loading of special bond issuances has provided certain funding support for project construction.

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

Ferrous Market(Cont'd):

Despite this, steel prices remain primarily supported by demand expectations. As we approach the end of March, should actual demand growth prove sluggish, the upside for steel prices will be quite limited in a context where both supply and demand are expanding.

On the export front, higher freight costs combined with increased offers have led buyers to adopt a wait-and-see stance. Steel shipments to the Middle East remain impacted by geopolitical tensions. Argus cited sources indicating that several batches of hot-rolled coil originally destined for the Middle East—including from China and Japan—are currently held up in India pending alternative routing solutions. Rerouting via the Red Sea with overland transfers would significantly increase logistics costs. In this context, Chinese exporters have declined to accept new orders from the Middle East.

Last week's global iron ore shipments surveyed by Mysteel reached 31.44 million tons, up 0.96 million tons WoW. Combined shipments from Australia and Brazil reached 25.59 million tons, up 0.95 million tons WoW, with Australian shipments at 19.96 million tons, up 1.20 million tons WoW and Brazilian shipments at 5.64 million tons, down 0.25 million tons WoW. China's 45-ports iron ore arrivals up 0.57 million tons WoW to 22.72 million tons. China's iron ore port inventories at 45 major ports decreased by 0.89 million tons WoW to 170.98 million tons, while daily port evacuation volumes increased by 30,700 tons to 3.21 million tons. Iron ore shipments from Australia and Brazil remained generally stable, though mining operations could be affected later by rising oil and gas prices. According to a Reuters report, a senior executive at Fortescue stated that if diesel prices continue to rise, iron ore miners could face billions of dollars in additional fuel costs. The Association of Mining and Exploration Companies (AMEC) noted that diesel supply shortages have already had a significant impact on smaller mining companies. Data from the Australian Bureau of Statistics shows that the mining sector accounts for approximately 35% of Australia's total diesel consumption.

Market participants largely adopted a wait-and-see stance, awaiting further developments in the negotiations between CMRG and BHP. Combined with volatile freight rates, seaborne market liquidity slowed notably. During the reporting week, no mainstream fines transactions were concluded in the primary market.

The recent tight energy supply has pushed up coking coal and coke futures prices, highlighting the energy attributes of coke. According to Bloomberg, coal prices have risen significantly amid global energy market turmoil triggered by the conflict, and Indonesia has allowed miners to increase production. At the same time, the Indonesian government is studying the possibility of imposing an export tax on coal to boost fiscal revenue.

In the seaborne coking coal market, steel mills generally remain cautious. Mid-last week, a trader offered a 75,000-tonne cargo of PMV Goonyella coking coal at \$226/ton FOB, though no transaction was concluded. While demand for Australian coking coal from India has shown signs of recovery, acceptance of high-priced resources remains very low. Citing Indian importers, Kallanish reported that since the outbreak of the Middle East conflict, buyers have been inclined to wait for the situation to stabilize before making procurement assessments, citing high freight costs, and have shifted demand towards portside inventories. Additionally, due to shipment delays for North Goonyella coking coal, some cargoes originally scheduled for March and April loading are expected to arrive in India in May.

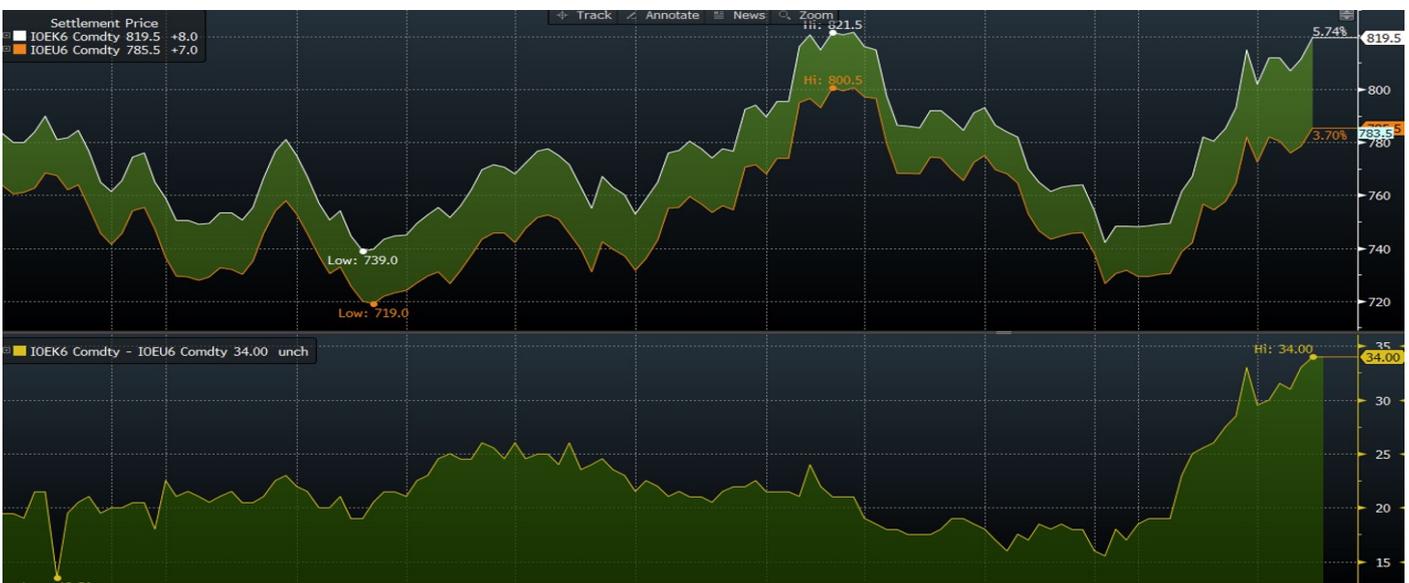
Data Sources: Bloomberg, Platts, Fastmarket, Mysteel, Kpler, FIS

Ferrous Market(Cont'd):

Seaborne market trading was subdued this week. Amid concerns over the availability of BHP resources, prices for medium-grade fines edged up, causing the 65/61 spread to fluctuate within a narrowing range. The MB65-P61 spread narrowed from \$19.21/dmt to \$18.70/dmt, while the MB65-MB61 spread closed at \$19.08/dmt.

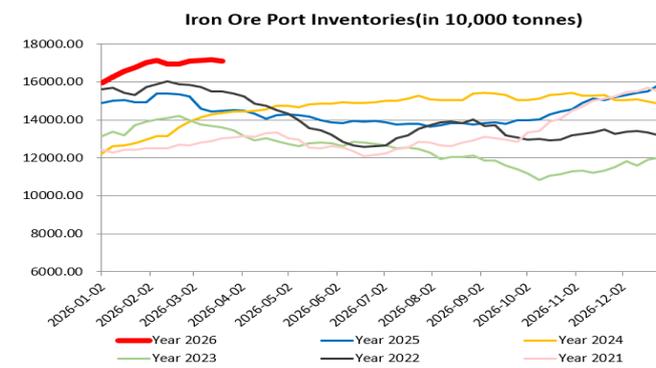
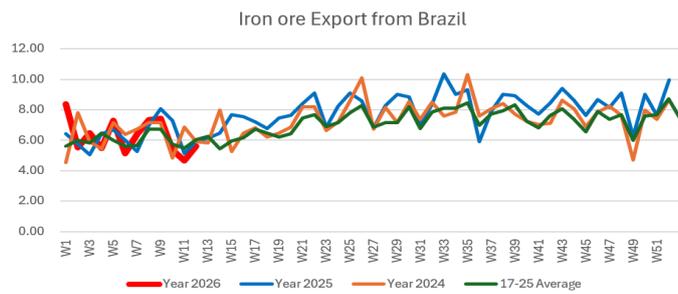
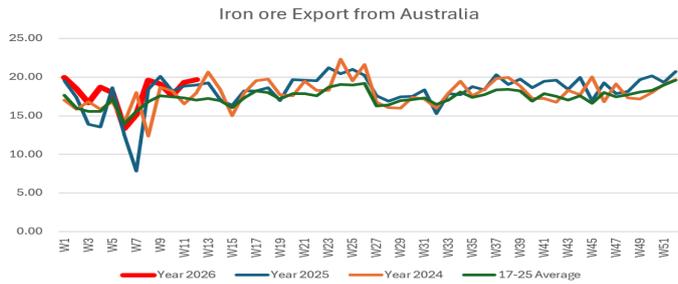
Ongoing tensions in the Middle East have pushed up seaborne freight costs, keeping the front-month to far-month spread at elevated levels. The SGX front-month spread narrowed slightly from \$1.32/dmt to \$1.21/dmt, while the DCE main contract spread for May/September widened further to 34 yuan/dmt.

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



Iron Ore

	Last	Previous	% Change
Platts IODEX (Dollar/mt)	109.45	108.8	0.60%
MB 65% Fe (Dollar/mt)	128.15	128.01	0.11%
Capesize 5TC Index (Dollar/day)	23131	23040	0.39%
C3 Tubarao to Qingdao (Dollar/day)	30.545	29.795	2.52%
C5 West Australia to Qingdao (Dollar/day)	11.65	13.475	-13.54%
Billet Spot Ex-Works Tangshan (Yuan/mt)	2960	2970	-0.34%
SGX Front Month (Dollar/mt)	106.74	106.72	0.02%
DCE Major Month (Yuan/mt)	836.5	816.5	2.45%
China Port Inventory Unit (10,000mt)	17,187.52	17,117.86	0.41%
Australia Iron Ore Weekly Export (10,000mt)	1,964.00	1,930.00	1.76%
Brazil Iron Ore Weekly Export (10,000mt)	562.00	465.00	20.86%



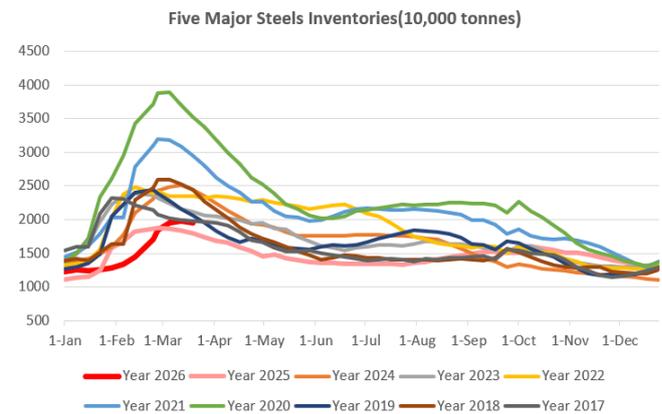
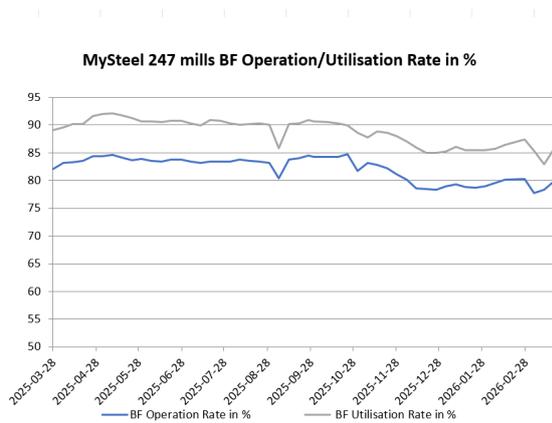
Iron Ore Key Points

- Iron ore shipments from Australia and Brazil are operating steadily.
- Port inventories of iron ore edged down this week. However, with the end of the seasonal lull in shipments from Australia and Brazil, inventories are expected to resume their accumulation trend. A significant volume of BHP resources that are currently restricted from market circulation has accumulated at ports. Should negotiations make progress, the composition of portside resources could see notable changes.
- Prices for medium-grade fines edged up amid concerns over near-term supply availability, causing the MB65 -P61 spread to fluctuate within a narrowing range.

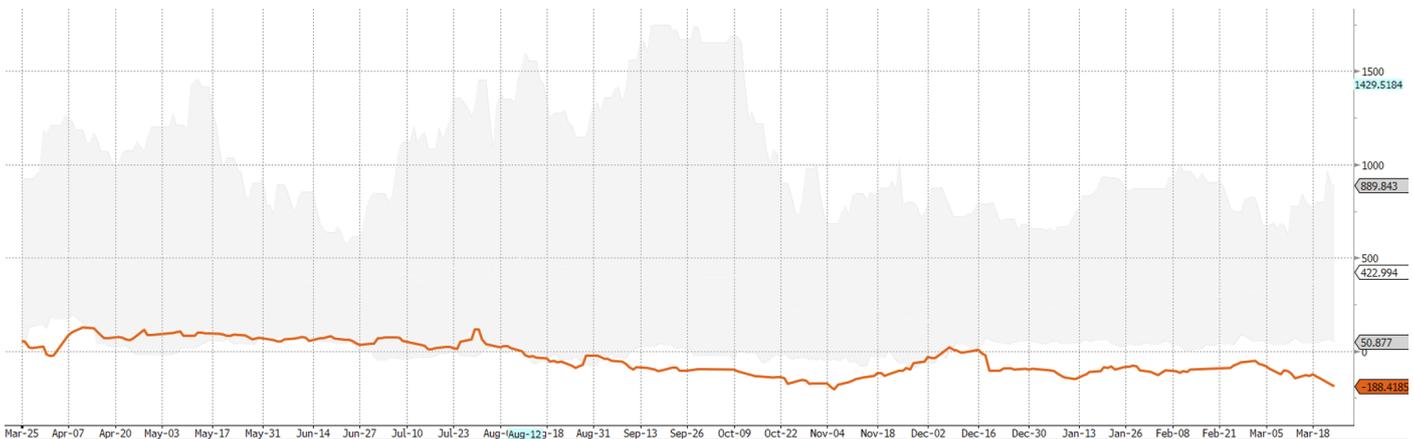
Data Sources: Bloomberg, Platts, Fastmarket, Mysteel, Kpler, FIS

Steel

	Last	Previous	% Change
US HRC Front Month (Dollar/mt)	1012	1011	0.10%
LME Rebar Front Month (Dollar/mt)	562	560	0.36%
SHFE Rebar Major Month (Yuan/mt)	3123	3155	-1.01%
China Hot Rolled Coil (Yuan/mt)	3288	3283	0.15%
Vitural Steel Mills Margin(Yuan/mt)	-188	-143	-31.47%
China Five Major Steel Inventories Unit (10,000 mt)	1946	1975	-1.47%
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)

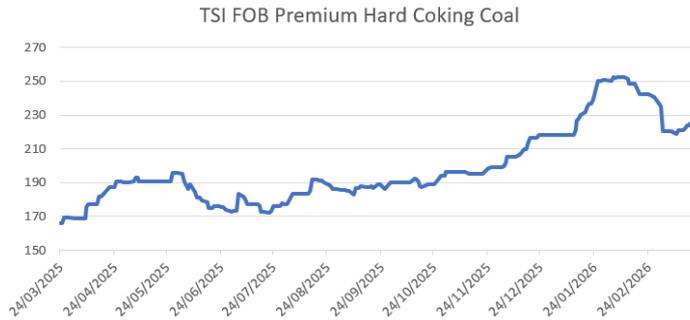


Data Sources: Bloomberg, MySteel, FIS

- Amid the recent sharp rise in coking coal and coke futures prices, driven by the energy attributes of coke coming to the fore, the virtual steel mill margin has further narrowed, falling from -144 yuan/mt to -188 yuan/mt. As the market enters the traditional peak demand season, rebar prices may face some pressure should actual consumption prove to be on the weaker side.
- With voluntary production restrictions lifted at steel mills, blast furnace hot metal output has rebounded as expected. Last week, the average daily hot metal output at 247 steel mills increased by 69,500 tonnes week-on-week to 2.28 million tonnes, and the recovery trend is expected to continue.

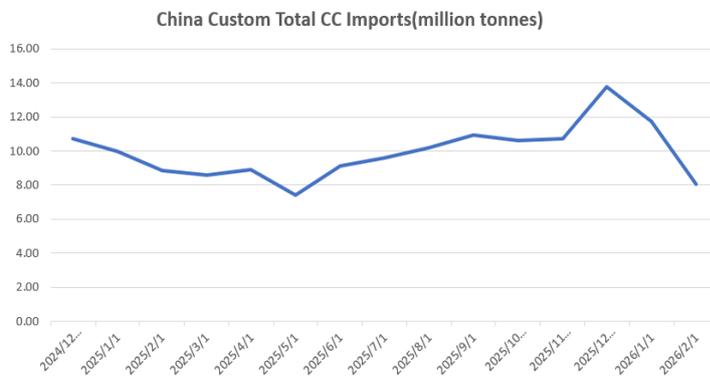
Coking Coal

	Last	Previous	% Change
TSI FOB Premium Hard Coking Coal (Dollar/mt)	226	221	2.26%
Coking Coal Front Month (Dollar/mt)	222	220.5	0.68%
DCE CC Major Month (Yuan/mt)	1078.5	995	8.39%
Top Six Coal Exporter Weekly Shipment(Million mt)	3.72	6.30	-40.95%
China Custom total CC Import Unit mt	8,069,727	11,757,142	-31.36%



Coking Coal Key Points

- Throughout the week, traders offered several PHCC cargos via platform, though no transactions were concluded. In India, while demand for Australian coking coal from steel mills has shown some recovery, acceptance of high-priced resources remains low. Buyers are more inclined to await stabilization in the Middle East situation, with procurement demand shifting toward portside inventories.



- According to data from the General Administration of Customs of China, China's seaborne coal imports contracted significantly in the first two months of 2026. Imports from countries including Australia and Canada totaled 3.26 million metric tons, a year-on-year decrease of 54.1%, accounting for 16.5% of total imports.

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