

# FIS Ferrous Weekly Report

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

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- ⇒ **Iron ore IODEX CFR China:** Our view is short-run **Neutral**. The market has largely priced in the news related to the BHP negotiations. Supported by pre-holiday restocking demand from steel mills ahead of the Labor Day holiday, iron ore prices are expected to maintain range-bound trading at elevated levels in the near term. However, persistent pressure from high port inventories remains.
- ⇒ **Rebar 25mm Shanghai:** Our view is short-run **Neutral**. Last week, the pace of rebar inventory destocking accelerated. Meanwhile, the second round of coke price hikes was implemented on the cost side, and iron ore prices remained elevated, providing some support to finished steel prices.
- ⇒ **Hard Coking Coal FOB Australia** Our view is short-run **Neutral**. The Australian coal market remains quiet. Due to the ongoing situation in the Middle East, energy supplies to Indian steel mills are constrained and production pace has slowed, leading to a low acceptance of high-priced resources.

Prices Movement	27-Apr	20-Apr	Changes %	Sentiment	
Platts IODEX CFR China(\$/MT)	107.8	107.95	-0.14%	Neutral	-
Rebar 25mm Shanghai (Yuan/MT)	3191	3184	+0.22%	Neutral	-
TSI FOB Premium Hard Coking Coal (\$/mt)	230.8	231.3	-0.22%	Neutral	-

### Ferrous Market:

During the reporting week, the iron ore price was largely fluctuating within a narrow range. The negotiations between BHP and CMRG have concluded. BHP noted in its quarterly report that the annual sales negotiations have been completed, though contract details were not disclosed. According to Kpler data, shipments of Jimblebar fines, which had previously been subject to procurement restrictions, reached 650,000 tons last week, marking a high for the year, with further increases expected going forward. According to information from SteelHome, domestic steel mills have reported that, beyond freely importable resources, no further clear notices have been received. Most mills currently remain on the sidelines. In terms of price trends, the market has largely priced in this news, and its actual impact on short-term market dynamics is relatively limited.

Last week, the pace of rebar destocking accelerated. Meanwhile, the second round of coke price hikes was implemented on the cost side, and iron ore prices remained elevated, providing some support to finished steel prices. However, from a medium-to-long-term perspective, continued weakness in the real estate sector continues to weigh on demand. Entering the rainy season in mid-to-late May, downstream construction site activity is expected to slow once again. According to a survey of 250 cement companies by the 100njz, direct cement supply to infrastructure projects stood at 11.8 million tons in Q1, down 28.8% y-o-y. The industry's forecasting model indicates that infrastructure-related cement demand in May could decline by 12–18% y-o-y.

On the export front, the situation in the Middle East is still unresolved, and the Strait of Hormuz remains effectively closed. Elevated freight costs have pushed up export offers. Current FOB rebar prices at Tianjin Port are around \$495/mt, up \$12/mt from the previous week. Actual transaction volumes are moderate, weighed down by high prices and trade protectionist measures.

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

## Ferrous Market(Cont'd):

Slab exports, by contrast, continue to perform well. As a semi-finished product, slab is less affected by anti-dumping measures. Meanwhile, the disruption of supply from Iran has prompted buyers to actively seek alternative sources, supporting increased slab exports from China and India. According to customs data, March slab exports reached 1.53 million tons, up 47.9% y-o-y. Total slab exports in Jan-Mar 2026 amounted to 3.30 million tons, an increase of 28.99% y-o-y.

Last week's global iron ore shipments surveyed by Mysteel reached 32.50 million tons, up 1.76 million tons WoW. Combined shipments from Australia and Brazil reached 25.93 million tons, up 0.57 million tons WoW, with Australian shipments at 19.10 million tons, up 0.73 million tons WoW and Brazilian shipments at 6.84 million tons, down 0.16 million tons WoW. China's 45-ports iron ore arrivals down 0.36 million tons WoW to 22.79 million tons. China's iron ore port inventories at 45 major ports decreased by 0.83 million tons WoW to 166.64 million tons, while daily port evacuation volumes decreased by 34,400 tons to 3.18 million tons. Overall shipments from Australia and Brazil remained at seasonal levels. Following the impact of a cyclone in Australia and the recent recovery in hot metal production, port inventories have declined for three consecutive weeks to the lowest level since January, though they remain nearly 20% higher year-on-year. Based on the quarterly reports from the four major mills, their total shipments in the first quarter of 2026 increased by approximately 6.8 million tonnes year-on-year. Vale indicated that, due to logistical constraints, its pellet plant in Oman is unlikely to resume operations before the end of the third quarter of 2026. However, Kpler data shows that pellet shipments have remained broadly stable recently, with strong exports from Canada and Ukraine partially offsetting the supply gap from the Middle East.

Liquidity in the primary market remained good this week. With the easing of procurement restrictions on BHP resources, trading activity in the relevant fines was relatively active. Last Tuesday, one cargo each of NHGF and JMBF was transacted at discounts of -\$1.83/dmt and -\$5.67/dmt, respectively, both based on the May index. On Friday, a cargo of MACF was transacted at a discount of -\$1.39/dmt, based on the June index. PBF also showed good liquidity, with multiple transactions recorded during the week. Premium levels narrowed from \$1.45/dmt to \$1.30/dmt, all based on the June index. Additionally, a cargo of Carajas fines was transacted at a premium of \$1.15/dmt. After entering this week, mainstream iron ore fines continued to trade actively, with one cargo each of MACF, JMBF, and PBF transacted. In the lump ore segment, declining port inventories continued to support a strong performance in the seaborne market. During the week, two cargoes of PBL and two cargoes of NBL were concluded. PBL was traded at premiums of +\$0.1861/dmtu and +\$0.050/dmtu, which based on the June lump premium index. NBL was traded at premiums of +\$0.1768/dmtu and +\$0.1791/dmtu, respectively.

Liquidity in the Australian coking coal market remained generally weak. Due to the conflict in the Middle East, energy supplies to Indian steel mills have been constrained, limiting steel production. Meanwhile, traders hold relatively ample supplies, leading to low acceptance of high-priced resources on the Indian side, and the standoff between buyers and sellers continues. Mid-last week, a buyer on the platform bid \$222/mt FOB for a 75,000-ton cargo of PMV Goonyella coking coal with early June laycan, but the transaction did not materialize.

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

## Ferrous Market(Cont'd):

On Thursday, a 30,000-tonne cargo of PLV Peak Downs coking coal was transacted between a miner and an Asian trader at \$231/dmt. According to Platts, the transaction was not an independent sale and may have been partly based on an index or co-loaded with other cargoes. As a result, the Australian coking coal price index continued to fluctuate within a narrow range around \$230/dmt.

Following the relaxation of procurement restrictions on BHP resources, end-user purchases have been concentrated on medium-grade fines, while demand for high-grade fines has remained weak, putting downward pressure on the price. As a result, the M65/P61 spread narrowed to \$16.28/dmt mid-week before rebounding modestly. As of the time of writing, the M65/P61 spread closed at \$16.73/dmt, and the M65/M61 spread closed at \$17.68/dmt.

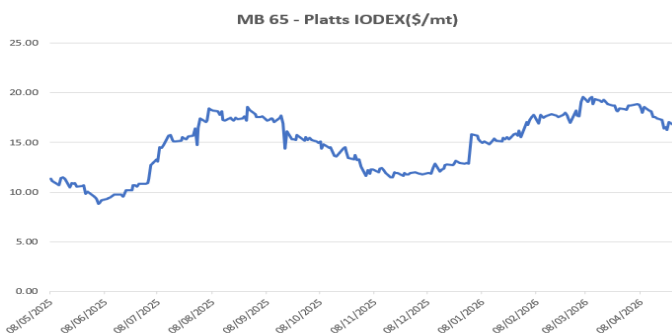
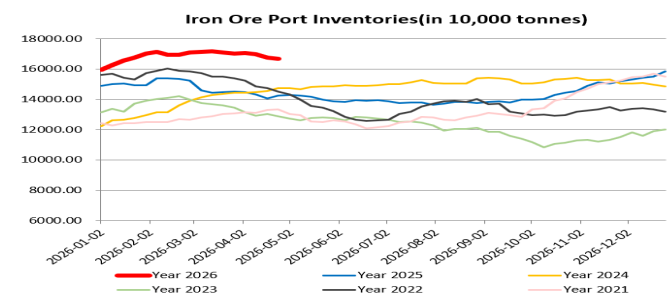
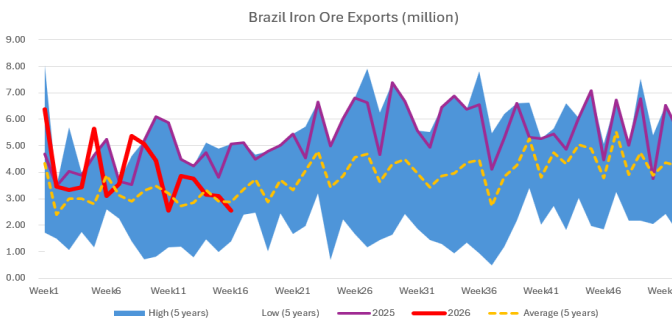
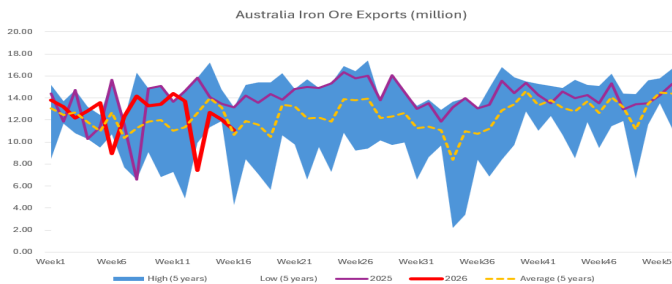
During the reporting week, the spreads traded within a narrow range. The SGX front/back month contract spread closed at \$0.56/dmt, while the DCE main contract September/January spread closed at 17.50 yuan/dmt.

**Our view for Iron ore is short-run Neutral.** However, as restocking demand gradually approaches its end, coupled with expectations of a recovery in shipments from Australia and Brazil, port inventories are likely to resume the accumulation trend, exerting some downward pressure on prices. **For coking coal FOB Australia is short-run Neutral.**



# Iron Ore

	Last	Previous	% Change
<b>Platts IODEX (Dollar/mt)</b>	107.8	107.95	<b>-0.14%</b>
<b>MB 65% Fe (Dollar/mt)</b>	124.53	125.25	<b>-0.57%</b>
<b>Capesize 5TC Index (Dollar/day)</b>	35334	35496	<b>-0.46%</b>
<b>C3 Tubarao to Qingdao (Dollar/day)</b>	33.032	33.714	<b>-2.02%</b>
<b>C5 West Australia to Qingdao (Dollar/day)</b>	13.03	13.605	<b>-4.23%</b>
<b>Billet Spot Ex-Works Tangshan (Yuan/mt)</b>	3020	2980	<b>1.34%</b>
<b>SGX Front Month (Dollar/mt)</b>	107.15	106.70	<b>0.42%</b>
<b>DCE Major Month (Yuan/mt)</b>	810	802.5	<b>0.93%</b>
<b>China Port Inventory Unit (10,000mt)</b>	17,187.52	17,117.86	<b>0.41%</b>
<b>Australia Iron Ore Weekly Export (10,000mt)</b>	1,910.00	1,836.00	<b>4.03%</b>
<b>Brazil Iron Ore Weekly Export (10,000mt)</b>	684.00	700.00	<b>-2.29%</b>



## Iron Ore Key Points

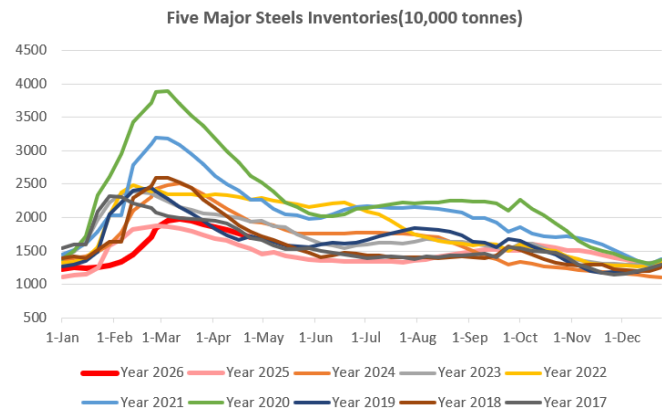
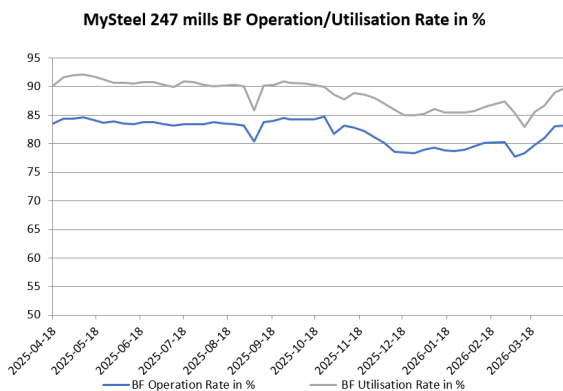
- Entering the second quarter, iron ore shipments from Australia and Brazil have moved into a seasonal recovery channel. With the conclusion of BHP's annual sales negotiations, liquidity for the relevant medium-grade fines in the seaborne market has shown a notable improvement.
- After three consecutive weeks of decline, imported iron ore inventories at Chinese ports have fallen back to levels seen at the end of January, though they remain at historically high levels. As shipments from Australia and Brazil gradually recover, inventories are expected to resume their accumulation trend going forward.
- End-user procurement has been concentrated on medium-grade fines, while demand for high-grade fines has remained relatively weak, leading to a slight narrowing of the MB65-P61 spread.

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

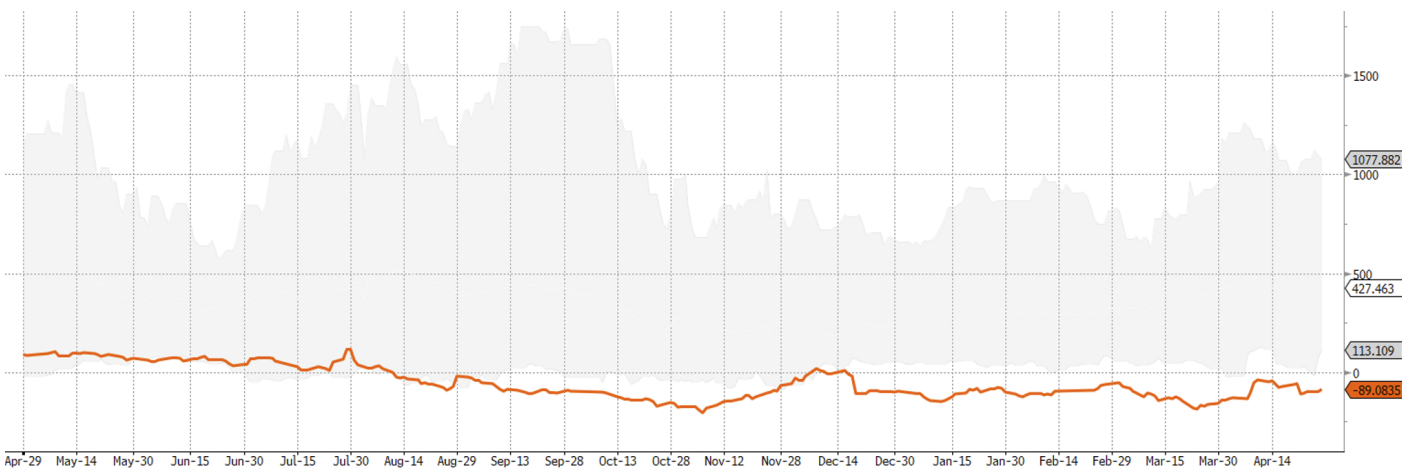
*\*Bloomberg exports data is subject to a one-week lag and may be subject to revision.*

# Steel

	Last	Previous	% Change
<b>US HRC Front Month (Dollar/mt)</b>	1042	1046	<b>-0.38%</b>
<b>LME Rebar Front Month (Dollar/mt)</b>	598.5	599	<b>0.00%</b>
<b>SHFE Rebar Major Month (Yuan/mt)</b>	3120	3095	<b>0.81%</b>
<b>China Hot Rolled Coil (Yuan/mt)</b>	3370	3320	<b>1.51%</b>
<b>Vitural Steel Mills Margin(Yuan/mt)</b>	-89	-60	<b>-48.33%</b>
<b>China Five Major Steel Inventories Unit (10,000 mt)</b>	1703	1765	<b>-3.51%</b>
<b>Global Crude Steel Production Unit (1,000 mt)</b>	87000	76100	<b>14.32%</b>
<b>World Steel Association Steel Production Unit(1,000)</b>	159,900	141,800	<b>12.76%</b>



## Virtual Steel Mill Margins (Five-Year Range)

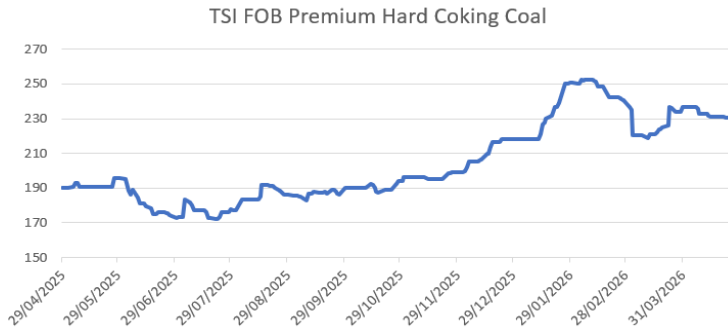


**Data Sources: Bloomberg, MySteel, FIS**

- Rebar destocking accelerated, and market sentiment remained relatively strong. However, due to rising coke prices on the cost side, margins for finished steel products came under pressure. The virtual steel mill margin down from -60 yuan/mt to -89 yuan/mt.
- The average daily hot metal output from blast furnaces remains stable above 2.39 million tonnes, but this is approximately 50,000 tonnes lower than the same period last year. The current strong performance of the downstream steel market is providing some support to blast furnace operating rates.

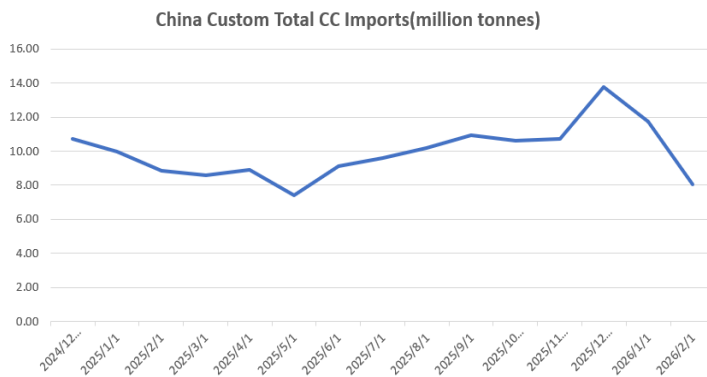
# Coking Coal

	Last	Previous	% Change
<b>TSI FOB Premium Hard Coking Coal (Dollar/mt)</b>	230.8	231.3	<b>-0.22%</b>
<b>Coking Coal Front Month (Dollar/mt)</b>	231.5	231	<b>0.22%</b>
<b>DCE CC Major Month (Yuan/mt)</b>	1106	1087.5	<b>1.70%</b>
<b>Top Six Coal Exporter Weekly Shipment(Million mt)</b>	4.51	5.66	<b>-20.32%</b>
<b>China Custom total CC Import Unit mt</b>	12,423,581	8,069,727	<b>53.95%</b>



## Coking Coal Key Points

- Acceptance of current high-priced Australian coking coal by Indian end-users remains very low. Last week, a cargo of PLV Peak Downs coking coal was transacted between a miner and a trader at \$231/mt, leading the index continued to fluctuate around \$230/mt.
- After domestic coking coal prices increased, some Australian secondary coking coal grades have established a certain import profit margin for Chinese buyers. Influenced by restocking demand before and after the holiday, inquiry activities from Chinese traders has picked up. However, a notable price inversion still persists for premium hard coking coal.



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