FIS

FERROUS WEEKLY REPORT

22 Sep 2026

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Ferrous Market:

- **Iron ore IODEX CFR China**: Our view is short-run **Neutral**. Driven by pre-holiday restocking, iron ore prices rebounded modestly. With steel mill production margins yet to improve and against the backdrop of voluntary production controls, ore prices have recently remained range-bound under pressure.

- **Rebar 25mm Shanghai**: Our view is short-run **Neutral.** Entering mid-to-late September, steel demand has still not shown typical peak-season patterns. Against a backdrop of low output, inventories continued to edge down overall, while prices continued to rise moderately.

- **Hard Coking Coal FOB Australia:** Our view is short-run **Neutral to Bearish**. Dragged by the significant correction in domestic Chinese coking coal prices, buyers have adopted a more cautious stance towards forward purchases of Australian coking coal, with Australian coking coal prices edging lower.

Price Movement:

	21 Sep	14 Sep	Changes %	FIS Sentiment
Platts IODEX CFR China ($/mt)	**96.55**	**94.95**	**+1.69%**	**Neutral**
Rebar 25mm Shanghai (Yuan/mt)	**3155**	**3122**	**+1.06%**	**Neutral**
TSI FOB Premium Hard Coking Coal ($/mt)	**277.5**	**282.8**	**-1.87%**	**Neutral to Bearish**

Commentary:

After the previous decline, iron ore prices stabilised and found support, rebounding modestly on pre-holiday restocking demand from steel mills. At the macro level, the earlier decline in iron ore prices had to some extent already priced in Fed rate hikes and concerns over larger-than-expected increases. Last week, the Fed raised rates by 25 basis points as expected, supporting a rebound in ore prices from recent lows. Nevertheless, there has been no significant improvement in iron ore fundamentals. Since entering September, downstream steel demand has not shown any notable seasonal improvement, and production losses at steel mills remain severe. According to Mysteel statistics on sampled steel mills, only about 7% of mills were profitable last week, unchanged from the previous week. Against this backdrop, CISA, together with 45 steel enterprises including Baowu and Ansteel, issued a production curtailment initiative, emphasising strict implementation of output controls and adherence to self-disciplined production curtailment.

Overall, steel prices have continued to rebound moderately amid production controls, while coal and coke prices have retreated from their highs. Although iron ore has limited room for a rebound, it lacks further upside drivers. With China about to enter a long holiday, prices are expected to remain range-bound under pressure in the near term.

On the freight front, the tight prompt tonnage situation in the Pacific has eased somewhat. Coupled with limited new cargo volumes from miners, freight rates on the C5 route have continued to decline recently, falling by more than 10% from their early September highs. In contrast, the Atlantic route has continued to trade at elevated levels amid fluctuations, supported by West African ore shipments. As Saudi Arabia's Yanbu Port on the Red Sea suspended oil loading operations following an attack by Houthi forces on the East-West pipeline, international oil prices are unlikely to decline. As a result, although Capesize freight rates have retreated from multi-year highs, they are expected to remain relatively elevated in the near term, continuing to provide support to seaborne iron ore prices.

Bloomberg, Platts, Fastmarkets, Mysteel, Kpler, FIS

Last week's global iron ore shipments surveyed by Mysteel reached 34.26 million tonnes, down 0.91 million tonnes WoW. Combined shipments from Australia and Brazil reached 28.87 million tonnes, up 0.45 million tonnes WoW, with Australian shipments at 21.02 million tonnes, up 1.03 million tonnes WoW, and Brazilian shipments at 7.85 million tonnes, down 0.57 million tonnes WoW. China's iron ore arrivals at 45 ports rose by 0.07 million tonnes WoW to 27.44 million tonnes. China's iron ore port inventories at 45 major ports increased by 1.22 million tonnes WoW to 163.55 million tonnes, while daily port evacuation volumes decreased by 92,300 tonnes to 3.36 million tonnes. Brazilian iron ore shipments continued to be affected by elevated costs. According to SteelHome, Brazilian miner Usiminas has suspended approximately 30–35% of its output, while Itaminas plans to suspend operations at some of its beneficiation plants in October.

Liquidity in the seaborne market was moderate, with transactions concentrated at relatively low price points during the middle of the week, mainly involving mainstream medium-grade fines concluded on a fixed-price basis. Activity in BHP resources slowed compared with earlier periods. Two cargoes of MACF were transacted at $93.90/dmt and $95.00/dmt on Tuesday and Wednesday, respectively. On Thursday, one cargo of NHGF was transacted at $95.80/dmt, and one cargo of JMBF was traded at a discount of $3.80/dmt. PBF traded actively, with miners selling four cargoes at fixed prices ranging from $94.35/dmt to $94.90/dmt during the middle of the week. In addition, Rio Tinto sold two cargoes of BRBF at $99.40/dmt and $100.00/dmt during the week. On Friday, the market turned quiet, with only FMG selling one cargo of FBF via tender.

In the lump ore segment, although available resources in the market remain limited, lump ore demand has weakened notably compared with earlier periods, affected by recent production losses at steel mills. Lump premiums have edged down and are currently at $0.2220/dmtu. During the week, one cargo of PBL was transacted at a premium of $0.2250/dmtu.

Recently, Australian coking coal prices have edged down slightly from elevated levels, primarily driven by the rapid decline in domestic Chinese coking coal prices. Last week, the NDRC issued a notice on stabilising coal production and ensuring supply, promoting the resumption of production at suspended coal mines on the premise of ensuring safety. Mysteel assessed the potential for increased coking coal output in Shanxi. The survey showed that among a sample of 270 coking coal mines in Shanxi, 93 mines are capable of increasing output, involving capacity of 122 million tonnes; 177 mines are unable to increase output, involving capacity of 267 million tonnes. Under an optimistic scenario, 40 coal mines are expected to resume production in September–October, involving capacity of 54.5 million tonnes. Although actual supply recovery still depends on safety inspections and approvals, and the extent of production resumption remains uncertain, this policy signal has prompted end-users that had engaged in panic restocking earlier and traders that had been reluctant to sell to become more rational. According to SXCOAL statistics, the no-sale rate at spot auctions remained high, and coking coal prices in Shanxi, Inner Mongolia and other regions fell by 100–200 yuan/mt. Meanwhile, with widespread losses at steel mills, their capacity to absorb seaborne coal priced above $300/mt CFR China is very limited. As a result, end-users are cautious in procurement and show very low acceptance of high-priced forward seaborne resources.

Meanwhile, overseas buyers, with India as a representative, have shown no willingness to enter the market during this round of declines. Despite consecutive price falls, Indian steel mills still consider current price levels too high. A trader focused on the Indian market told Platts that Indian end-users would only substantially return to the market when FOB prices fall to around $260/mt. The absence of overseas demand has left seaborne coal without demand-side absorption after losing the support of Chinese buyers.

In terms of specific transactions, with Chinese buyers withdrawing to the sidelines, enquiries were very sparse, and no transactions for Australian PHCC were recorded during the week. In the Tier 2 coking coal segment, there was some interest in Australian and Canadian coals, but trading also remained thin. The MB65/P61 spread fluctuated within a narrow range in line with the 61% index this week. At the time of writing, the MB65/P61 spread stood at $14.78/dmt, while the MB65/M61 spread stood at $14.83/dmt. SGX iron ore continued to maintain a contango structure, with the front-month September/October spread closing at -$0.25/dmt. The DCE January/May spread stands at 9 yuan/mt.

Iron ore is Neutral in the near term. Australian coking coal is Neutral to Bearish in the near term.

Bloomberg, Platts, Fastmarkets, Mysteel, Kpler, FIS

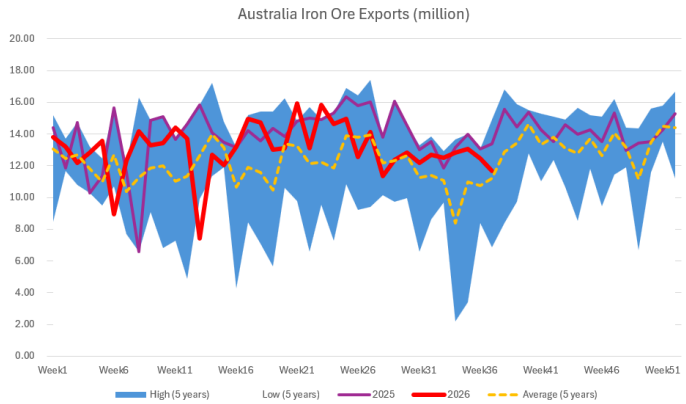
Iron Ore

	Last	Previous	% Change
Platts IODEX (Dollar/mt)	96.55	94.95	**1.69%**
MB 65% Fe (Dollar/mt)	111.33	109.83	**1.37%**
Capesize 5TC Index (Dollar/day)	49450	50119	**-1.33%**
C3 Tubarao to Qingdao (Dollar/mt)	43.036	42.118	**2.18%**
C5 West Australia to Qingdao (Dollar/mt)	16.865	17.255	**-2.26%**
Billet Spot Ex-Works Tangshan (Yuan/mt)	3000	3000	**0.00%**
SGX Front Month (Dollar/mt)	97.21	96.52	**0.71%**
DCE Major Month (Yuan/mt)	714	720	**-0.83%**
China Port Inventory (10,000mt)	16,355.37	16,232.90	**0.75%**
Australia Iron Ore Weekly Export (10,000mt)	2,102.40	1,999.80	**5.13%**
Brazil Iron Ore Weekly Export (10,000mt)	785.00	842.30	**-6.80%**



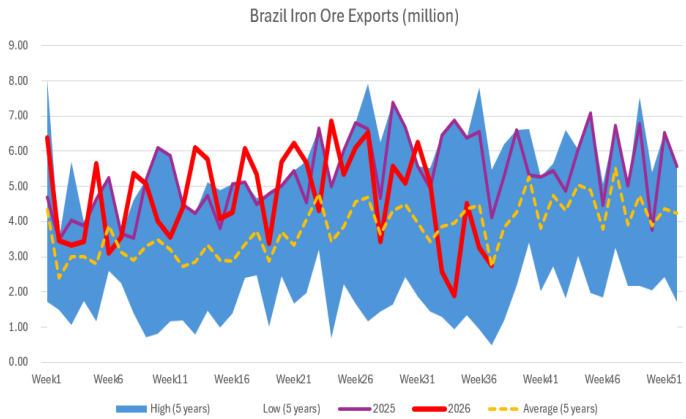
Bloomberg, Platts, Fastmarkets, Mysteel, Kpler, FIS

Iron Ore Key Points:



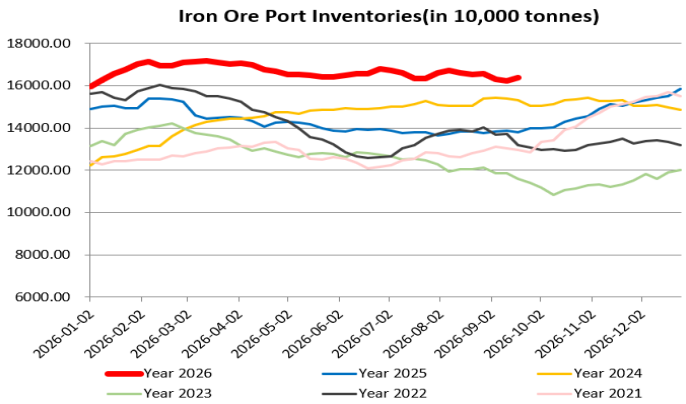
Australia Iron Ore Exports

Iron ore shipments from Australia remained broadly stable overall.



Brazil Iron Ore Exports

Some small and medium-sized Brazilian miners have cut production due to weakening iron ore prices and elevated seaborne costs.



Iron Ore Port Inventories

Iron ore arrivals at ports remained at normal levels. Port inventories have returned to an accumulation trend, with the persistently elevated absolute level continuing to exert downward pressure on iron ore prices.



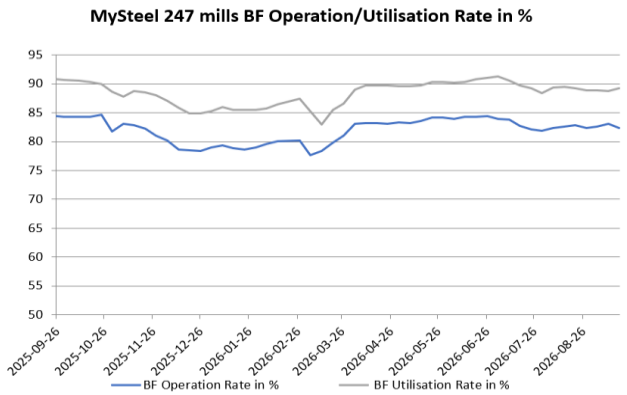
MB65/P61 Spread

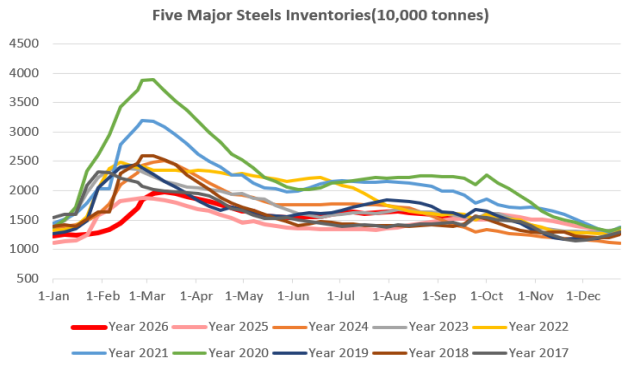
Demand for high-grade iron ore fines remained persistently weak, and the MB65/P61 spread narrowed slightly further this week, closing at $14.63/dmt on Monday.

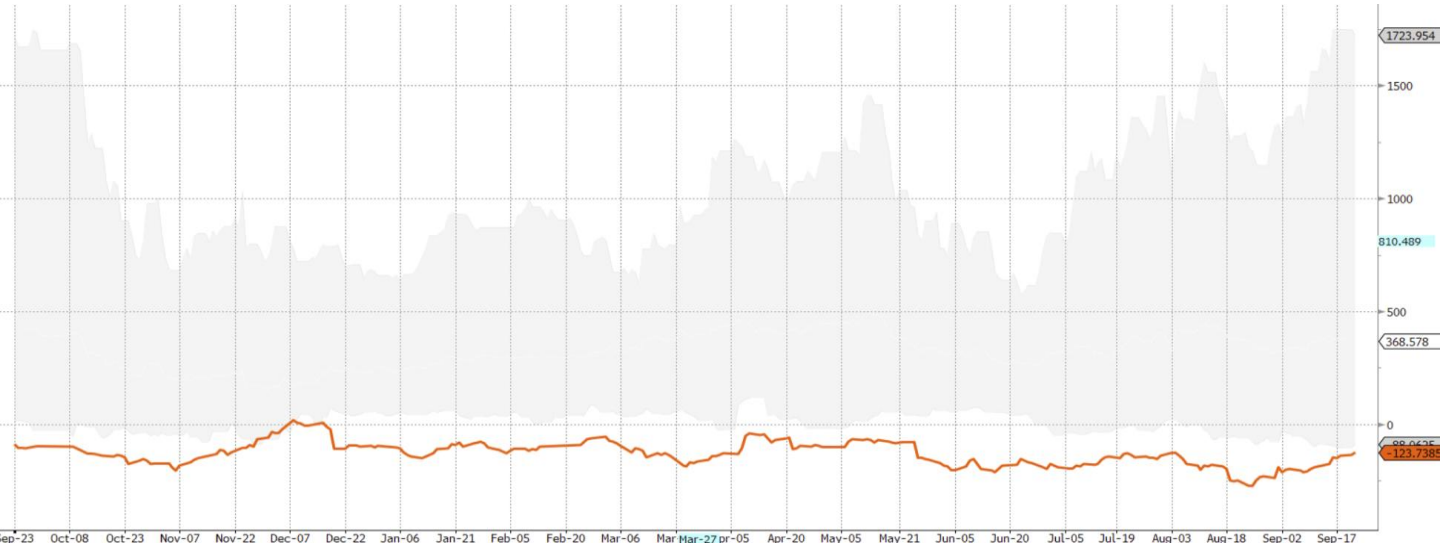
Bloomberg, Platts, Fastmarkets, Mysteel, Kpler, FIS
**Bloomberg exports data is subject to a one-week lag and may be subject to revision.*

Steel

	Last	Previous	% Change
US HRC Front Month (Dollar/mt)	1237	1234	**0.24%**
LME Rebar Front Month (Dollar/mt)	600	597	**0.50%**
SHFE Rebar Major Month (Yuan/mt)	3104	3117	**-0.42%**
China Hot Rolled Coil (Yuan/mt)	3317	3344	**-0.81%**
Virtual Steel Mill Margin (Yuan/mt)	-124	-165	**24.85%**
China Five Major Steel Inventories (10,000 mt)	1538	1555	**-1.09%**
Global Crude Steel Production (1,000 mt)	76900	83700	**-8.12%**
World Steel Association Steel Production (1,000 mt)	149,000	155,700	**-4.30%**







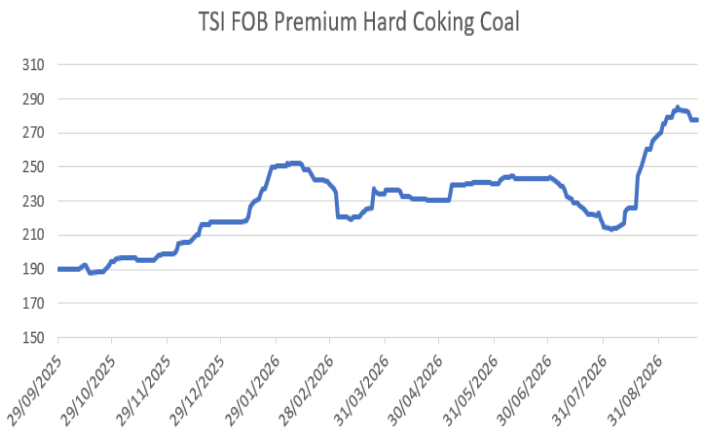
Source: Bloomberg, Mysteel, FIS

Steel prices continued to rise moderately, while coking coal futures prices on the raw materials side fell sharply. The negative virtual steel mill margin narrowed from -165 yuan/mt to -124 yuan/mt.

Most steel mills remain mired in losses. CISA, in collaboration with multiple steel enterprises, has issued a production curtailment initiative. Blast furnace hot metal output is anticipated to decline further in the coming period, thereby weighing on demand for raw materials.

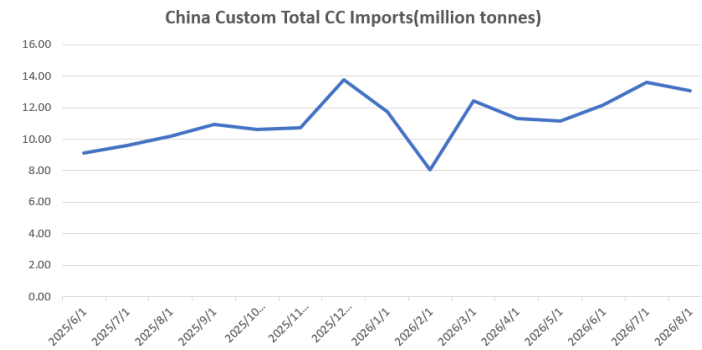
Coking coal

	Last	Previous	% Change
TSI FOB Premium Hard Coking Coal (Dollar/mt)	277.5	282.8	**-1.87%**
Coking Coal Front Month (Dollar/mt)	262	271	**-3.32%**
DCE CC Major Month (Yuan/mt)	1527	1612.5	**-5.30%**
Top Six Coal Exporter Weekly Shipment (Million mt)	3.79	6.40	**-40.78%**
China Customs Total CC Imports (mt)	13,070,743	13,615,932	**-4.00%**



Coking Coal Key Points:

Domestic Chinese coking coal prices fell rapidly following the introduction of the policy to stabilise production and ensure supply. Coupled with the approaching National Day holiday, end-users have shown very low willingness to accept high-priced forward seaborne coking coal and have largely withdrawn to the sidelines. As a result, demand for Australian coking coal has weakened markedly, with prices continuing to decline.



After Australian coking coal prices edged lower, the purchasing appetite of Indian steel mills for Australian coking coal has still not improved. Some traders believe that Indian buyers will only consider entering the market when prices fall to around $260/mt FOB Australia.

Data Sources: IHS Commodities at Sea Service, Bloomberg, FIS

Fact Sheet

Australia HCCLV Peak Downs: An important Australian hard, low-volatility coking coal benchmark with prime quality and a higher price.

Backwardation Market: A market in which futures prices are lower than the underlying physical prices or front-month contracts are priced higher than deferred-month contracts.

Contango Market: A market in which futures prices are higher than the underlying physical prices or front-month contracts are priced lower than deferred-month contracts.

Cost-Saving Strategy: A strategy in which steel mills focus on lowering variable costs to maintain profit margins.

Ferrous Supply Chain: Upstream materials include iron ore concentrates, lumps and pellets; scrap, pig iron, HBI and DRI; coking coal, semi-soft coking coal and other coals; ferroalloys; and other blast furnace or EAF materials. Midstream commonly refers to semi-finished and finished steel products, including crude steel, structural steel, flat steel, HRC, CRC and rebar. Downstream refers to steel end-users, including housing, infrastructure, automobile manufacturing, energy, shipbuilding, household appliances, containers and machinery.

Flat Steel: Finished steel is categorised into wide and narrow strip products. Common flat steel products include hot-rolled and cold-rolled steel. Downstream markets include automobile manufacturing, electrical appliances and other industries using thin and flat steel products. Flat steel is one of the most actively traded steel product categories internationally.

Iron Ore Lump: Naturally occurring lump iron ore. Lump ore can be charged directly into a blast furnace and normally trades at a premium to iron ore fines.

Iron Ore Pellets: A semi-processed iron ore product made by forming iron ore concentrate into pellets. Pellets can be charged into a blast furnace and used to adjust the burden's acidity and alkalinity. Pellets normally trade at a premium to iron ore fines.

Long Steel: Finished steel products, including wire rod and rebar, that are generally associated with the construction market.

More or Less Clause: A trade term allowing a specified tolerance in cargo weight. In seaborne iron ore trading, weight may differ between the loading and discharge ports due to changes in moisture content. For example, some customs authorities accept a maximum moisture content of 10% for certain iron ore brands. In steel transported by truck or rail, contracts also commonly permit a specified tolerance between the measured and contracted weight.

Rebar 25mm Shanghai: One of the most volatile physical steel products traded in China and a major exported product. SGX's rebar contract was highly correlated with this physical product.

Steelmaking Process: The principal steelmaking routes are the blast furnace-converter process and the electric arc furnace process. The US and Western Europe make extensive use of EAFs, for which scrap and pig iron are important inputs. China, Japan and India predominantly use the blast furnace-converter process, with key raw materials including iron ore, coke and coking coal.

SGX–DCE Difference: The SGX settlement price minus the DCE price after adjustments for VAT, iron content and foreign exchange.

Virtual Steel Margin: A calculated futures steel margin based on a basket of rebar, iron ore and coking coal prices, used as a leading indicator of physical steel margins.

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