

Basic Materials - China

Gold at record high; Major commodity prices down amid weak demand recovery

Industry Overview

Coal: Price down amid weak demand

The QHD 5,500kcal price was down 0.3% WoW at RMB920/t amid weak downstream demand & mild market transaction. NEWC 6,000K price was up 2.7% WoW to US\$135.50/t, at 18.9% of premium vs QHD price. The Liulin No.4 HCC price was down 11% WoW to RMB2,080/t. As of Feb 28, the water inflow of Three Gorges Reservoir was 6,000 cm/s, 8% higher than 2005-23 avg. of 5,579 cm/s, while storage was 29.1 bn cm, 9% lower than 2005-23 avg. of 31.9bn cm.

Cement: Price downturn continued

The average national cement price was down by 0.16% to RMB350/t as of 8 Mar. Cement prices in Jiangsu, Anhui, Hubei and Hunan declined by RMB5-30/t, while prices in Hebei and Henan increased by RMB30/t. Given weak demand recovery, some producers' effort to raise price was proven ineffective, while some producers lowered prices to boost sales.

Steel: Price down amid weak demand recovery/high inv.

The rebar price was down 3.3% WoW to RMB3,794/t and HRC was down 1.9% WoW to RMB3,974/t. Iron ore prices +1.6% WoW to US\$119.0/t. Spot rebar cash margin +RMB56/t to -RMB59/t, and spot HRC cash margin +RMB23/t to -RMB252/t. Weekly rebar/HRC production was +4.8%/+3.5% and apparent consumption +57.9%/+4.0% WoW. Mill inventory +1.9% WoW, while social inventory +2.3% WoW. Both steel apparent consumption and production continued to recover WoW, while restocking came slower WoW. However, given slow demand recovery and inventory pressure, steel prices were down WoW.

Metals: traded higher on weak USD; Gold at record high

LME aluminum price was +0.4% WoW to US\$2,253/t, while SHFE +1.2% WoW to RMB19,160/t. Domestic Al ingot inventory was up 11.7% WoW to 791kt. LME copper price +1.6% WoW at US\$8,641/t, SHFE was +1.44% WoW to RMB69,940/t. The Comex gold price up 4.13% WoW at US\$2,169/oz. Battery grade lithium carbonate price was up 6.2% WoW to RMB108.9k/t and battery grade lithium hydroxide price was up 5.6% WoW to RMB93.8k/t.

Paper: Price nearly flat amid weak market

Paper price was down by 0.04% WoW to RMB3,850/t as of 6 Mar. Some paper mills announced price revision by +RMB30/t this week, while several paper mills have cancelled raising prices or provided price discount.

Glass: Price down amid weak demand recovery

Given insignificant demand recovery and supply pressure from high capacity & inventory, national float price was down WoW, marking an end to the consecutive price rally since the beginning of 2024.

11 March 2024

Equity
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Refer to important disclosures on page 21 to 23.

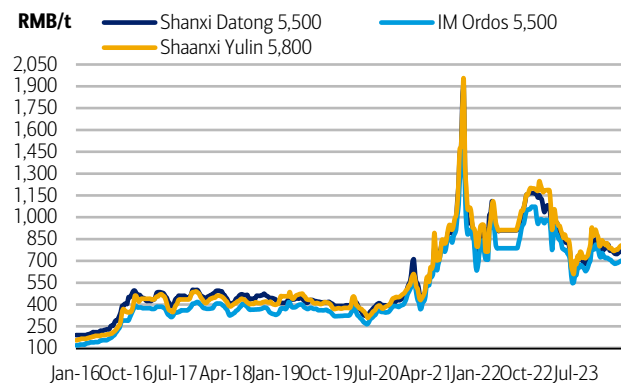
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Timestamp: 10 March 2024 04:32PM EDT

Key charts

Exhibit 1: ASP at coal mine pits since 2016

Thermal coal prices at mine pits changed by -1%/+0%/+0.0% WoW to RMB758/700/806 in Shanxi (Kcal5.5k), Inner Mongolia (Kcal5.5k) and Shaanxi (Kcal5.8k)

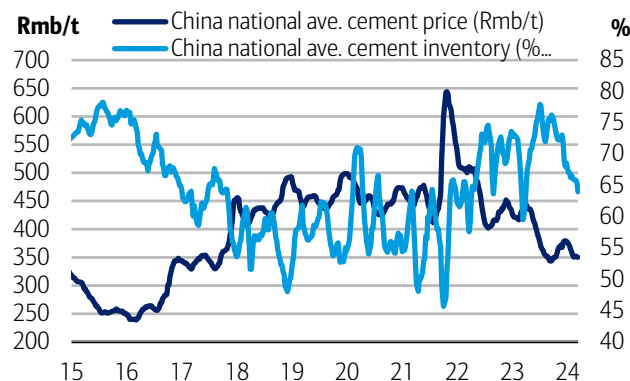


Source: Sxcoal, BofA Global Research

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Exhibit 3: China national average cement price and inventory level

Both price and inventory were down WoW

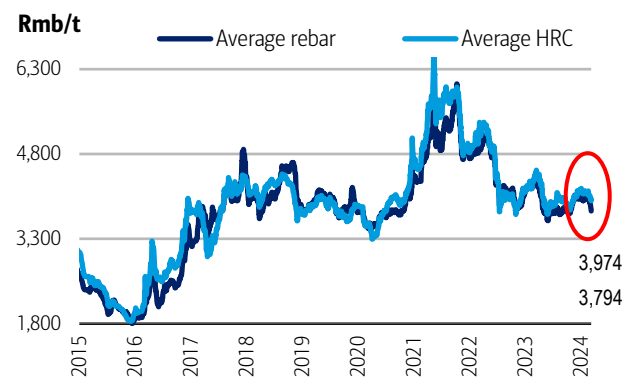


Source: Digital Cement, Company data, BofA Global Research

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Exhibit 5: China domestic steel prices at key cities

Chinese steel prices at key cities -3.3%/-1.9% WoW for rebar/HRC

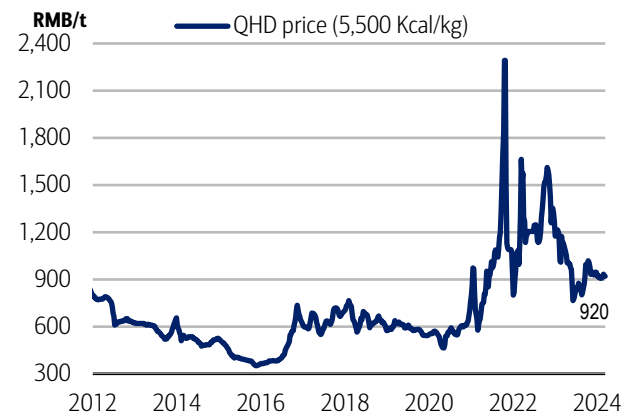


Source: Bloomberg, Wind, Sxcoal, BofA Global Research

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Exhibit 2: ASP at Qinhuangdao port (Kcal5,500)

ASP of QHD 5,500kcal spot price down 0.3% WoW to RMB920t as of 8 Mar

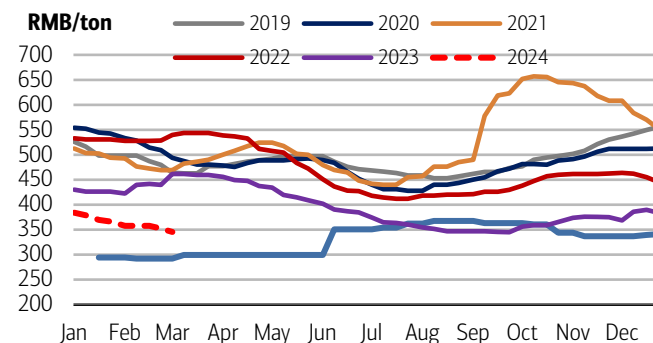


Source: Sxcoal, BofA Global Research

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Exhibit 4: East China average cement price

East China cement prices down 2.0% WoW

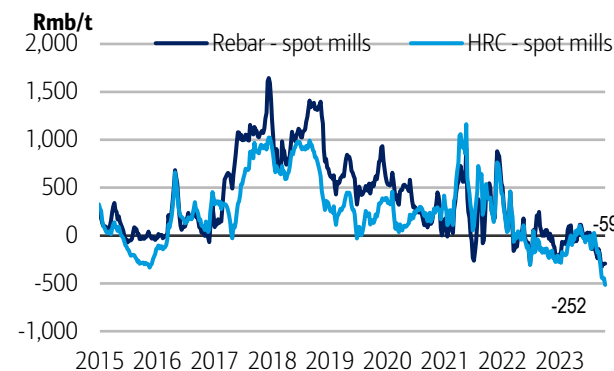


Source: Digital Cement, Company data, BofA Global Research

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Exhibit 6: Spot cash margins at steel mills

Spot rebar cash margin +RMB56/t to -RMB59/t, and spot HRC cash margin +RMB23/t to -RMB252/t

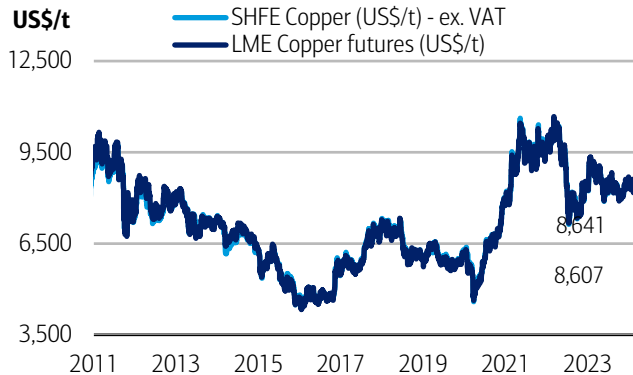


Source: Wind, BofA Global Research

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Exhibit 7: Price comparison in LME & SHFE copper

LME copper price up by 1.6% WoW to US\$8,641/t during the week ended 8 Mar, while SHFE +1.44% WoW to RMB69,940/t. SHFE is at a discount of 0.4% to LME price

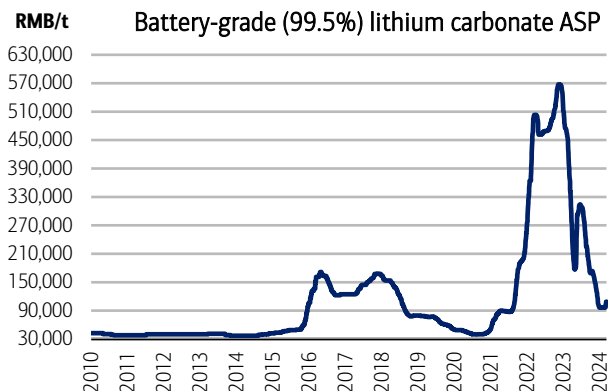


Source: Bloomberg, BofA Global Research

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Exhibit 9: Domestic battery-grade lithium carbonate ASP

Ave Average price of domestic battery-grade lithium carbonate (99.5%) was up 6.2% WoW to RMB108.9k/t



Source: SMM, BofA Global Research

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Exhibit 11: Containerboard margin tracker

The Nine Dragons margin tracker is now indicating NP/t of RMB101/t for this week, down 0.9% WoW.

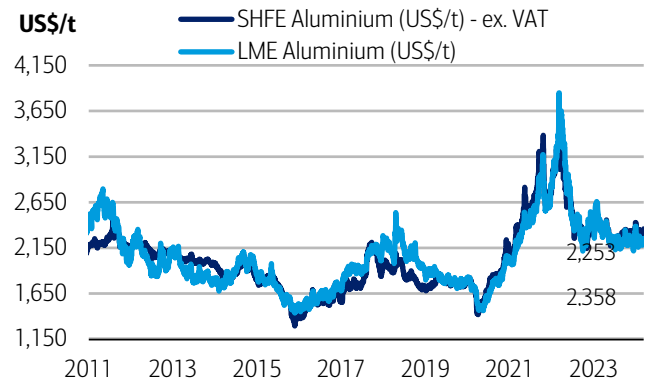


Source: BofA Global Research

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Exhibit 8: Price comparison in LME & SHFE aluminum

LME aluminum price +0.4% WoW to US\$2,253/t during the week ended 8 Mar, while SHFE up 1.2% WoW to RMB19,160

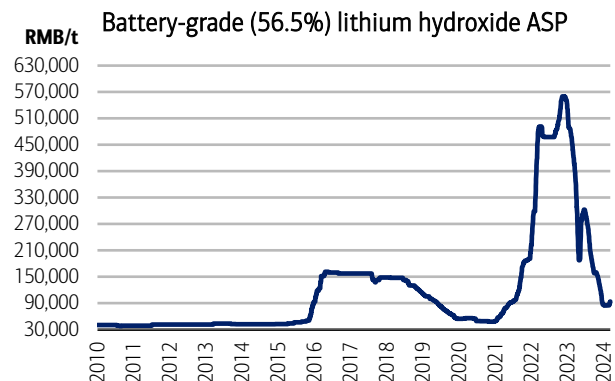


Source: Bloomberg, BofA Global Research

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Exhibit 10: Domestic battery-grade lithium hydroxide ASP

Average price of domestic battery-grade lithium hydroxide up by 5.6% WoW to RMB93.8k/t

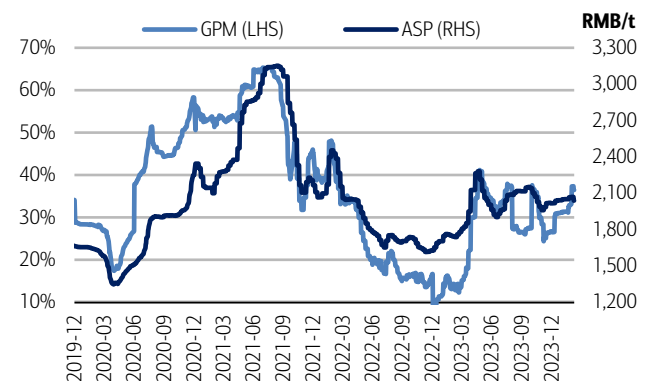


Source: SMM, BofA Global Research

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Exhibit 12: National Float Glass Price and Xinyi float glass GPM

As of 7 Mar, the national average float glass price was down 1.5% WoW to RMB2,039/t. Our analysis shows Xinyi float glass GPM was down 0.9% WoW to 36.5%



Source: Wind, BofA Global Research, SCI99

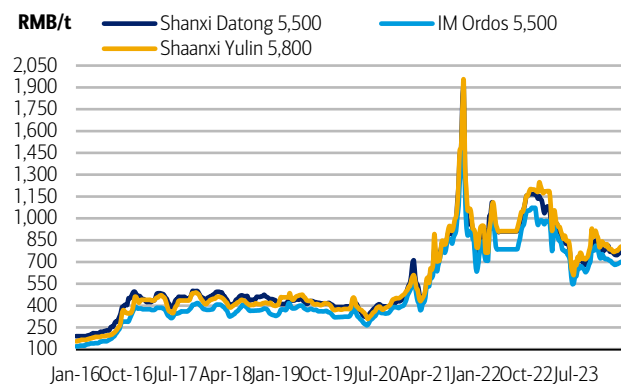
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Coal: Price down amid weak demand

The QHD 5,500kcal price was down 0.3% WoW at RMB920/t amid weak downstream demand & mild market transaction. NEWC 6,000K price was up 2.7% WoW to US\$135.50/t, at 18.9% of premium vs QHD price. The Liulin No.4 HCC price was down 11% WoW to RMB2,080/t. As of Feb 28, the water inflow of Three Gorges Reservoir was 6,000 cm/s, 8% higher than 2005-23 avg. of 5,579 cm/s, while storage was 29.1 bn cm, 9% lower than 2005-23 avg. of 31.9bn cm.

Exhibit 13: ASP at coal mine pits

Thermal coal prices at mine pits changed by -1%/+0%/+0.0% WoW to RMB758/700/806 in Shanxi (Kcal5.5k), Inner Mongolia (Kcal5.5k) and Shaanxi (Kcal5.8k)

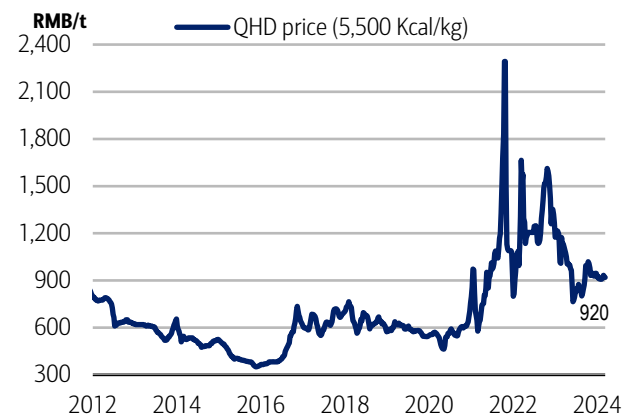


Source: Sxcoal, BofA Global Research

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Exhibit 14: ASP at Qinhuangdao port (Kcal5,500)

ASP of QHD 5,500kcal spot price down 0.3% WoW to RMB920t as of 8 Mar

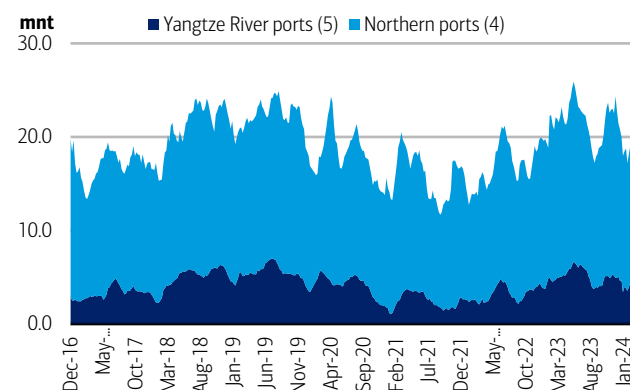


Source: Sxcoal, BofA Global Research

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Exhibit 15: Ports inventory (Northern and Southern)

Ports inventory (Northern and Southern) +1.2% WoW to 19.76mnt as of 8 Mar

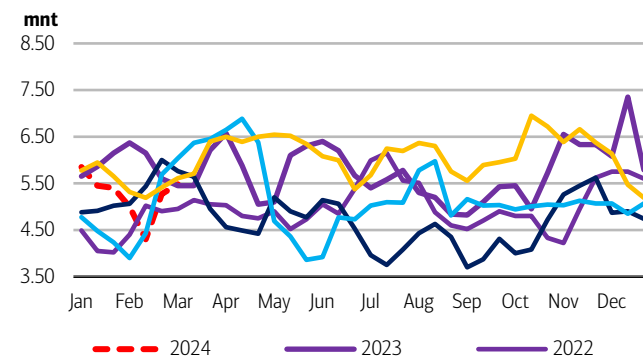


Source: Sxcoal, BofA Global Research

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Exhibit 16: QHD port inventory

QHD port inventory was down 6.0% WoW to 5.48mnt

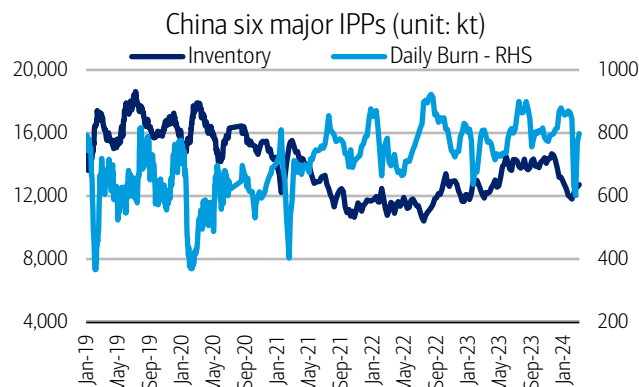


Source: Sxcoal, BofA Global Research

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Exhibit 17: China six major IPPs (unit: kt)

Inventory at the six major IPPs up 1.2% WoW to 12.72mnt as of 3 Mar; daily burn up by 3.5% WoW at 798kt

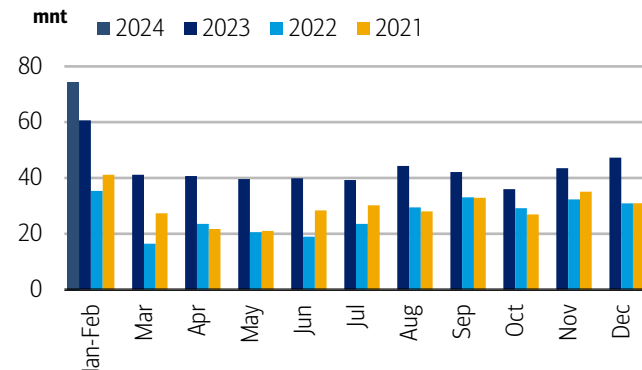


Source: Sxcoal, BofA Global Research

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Exhibit 18: China monthly coal imports

Total coal (incl. lignite) imports +22.9% YoY to 74.5mnt in Jan-Feb 2024



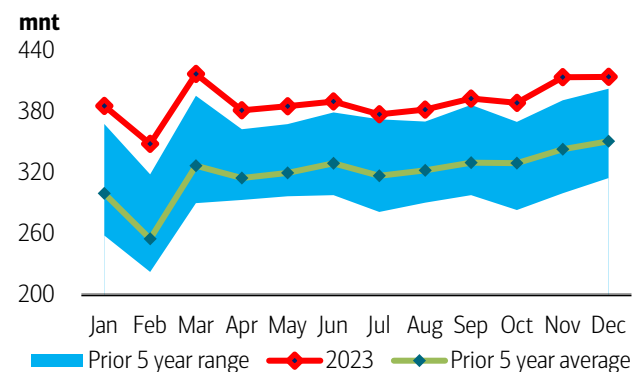
Source: China Customs, Wind, BofA Global Research

Note: Since 2020, no single-month trade data are available for Jan-Feb

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Exhibit 19: YTD China coal production

China coal production in Dec 23 increased 1.9% YoY to 414.3mnt

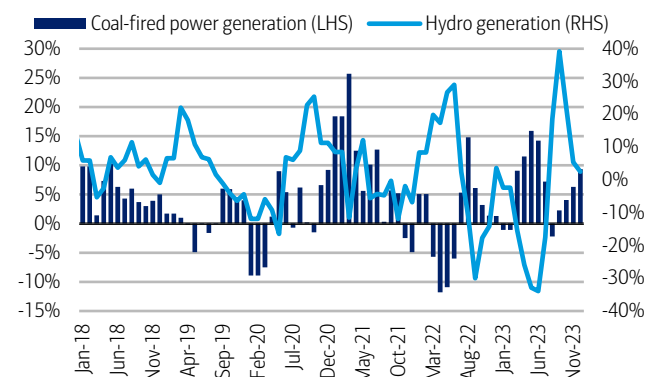


Source: China NBS, Wind, BofA Global Research

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Exhibit 20: Monthly power generation growth

Thermal power generation up 9.3% YoY in Dec'23, total power generation up 2.5% YoY in Dec'23

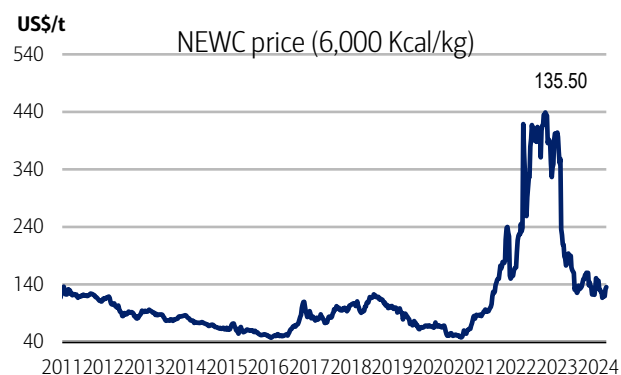


Source: Wind, BofA Global Research

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Exhibit 21: NEWC 6,000K thermal coal

NEWC 6,000K thermal coal was up 2.7% WoW to US\$135.50/t, at 18.9% of premium vs QHD price

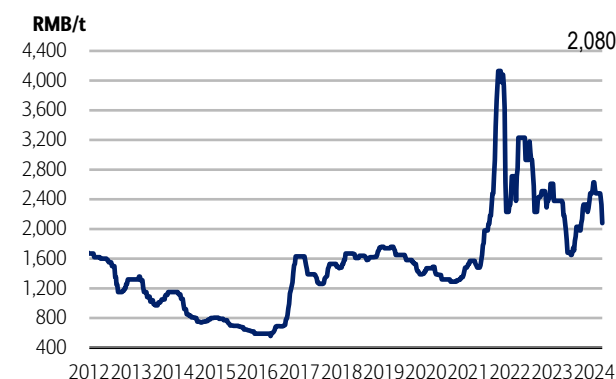


Source: Sxcoal, Wind, BofA Global Research

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Exhibit 22: Liulin No. 4 hard coking coal price (incl. VAT)

Liulin No. 4 hard coking coal price was down 10.7% WoW to RMB2,080/t during the week ended 8 Mar

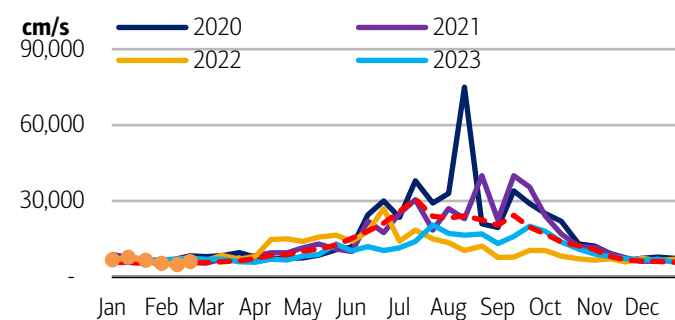


Source: Sxcoal, BofA Global Research

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Exhibit 23: Three Gorges Reservoir water inflow (cm/s)

As of Feb 28, the water inflow of Three Gorges Reservoir was 6,000 cm/s, 8% higher than 2005-23 avg. of 5,579 cm/s

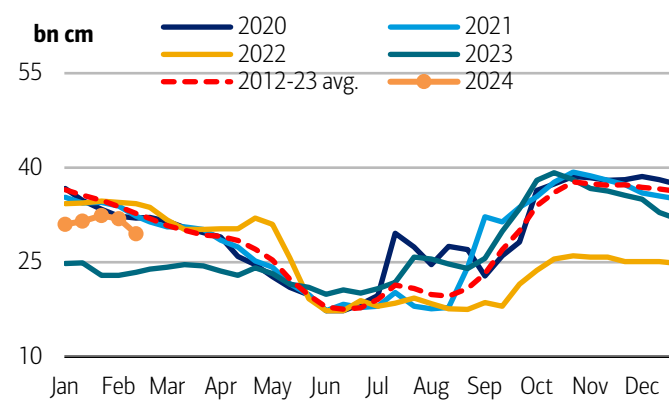


Source: Wind, BofA Global Research

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Exhibit 24: Three Gorges Reservoir water storage (bn cm)

As of Feb 28, the water storage of Three Gorges Reservoir was 29.1 bn cm, 9% lower than 2005-23 avg. of 31.9bn cm



Source: Wind, BofA Global Research

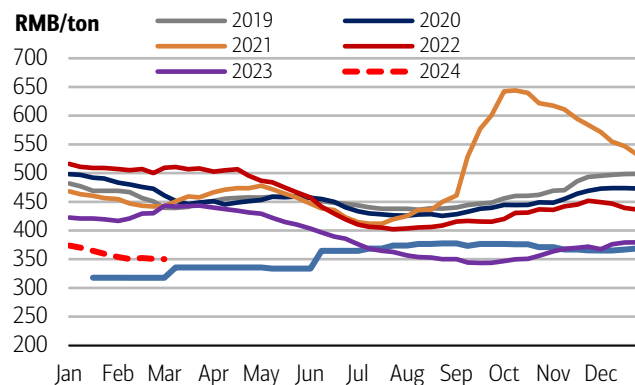
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Cement: Price downturn continued

The average national cement price was down by 0.16% to RMB350/t as of 8 Mar. Cement prices in Jiangsu, Anhui, Hubei and Hunan declined by RMB5-30/t, while prices in Hebei and Henan increased by RMB30/t. Nationwide shipment ratio came at 22.1%, +10.0% WoW, while nationwide inventory ratio reached 64.0%, -1.4% WoW. Given weak demand recovery, some producers' effort to raise price was proven ineffective, while some producers lowered prices to boost sales.

Exhibit 25: National average Cement price

Average national cement price down 0.16% to RMB350/t as of 8 Mar

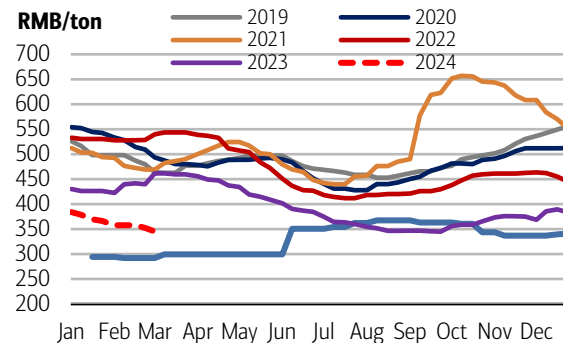


Source: Digital Cement, BofA Global Research

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Exhibit 26: East China average cement price

East China cement prices down 2.0% WoW

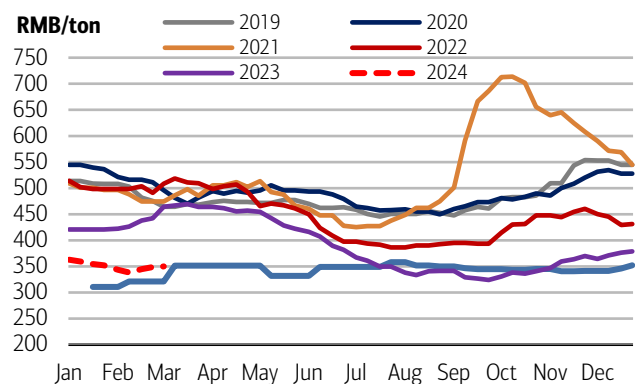


Source: Digital Cement, BofA Global Research

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Exhibit 27: Central South China average cement price

Central South China cement prices up 0.4% WoW

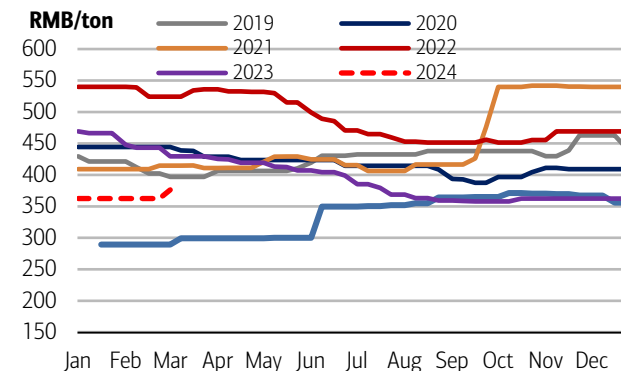


Source: Digital Cement, BofA Global Research

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Exhibit 27: North China average cement price

North China cement prices up 3.8% WoW

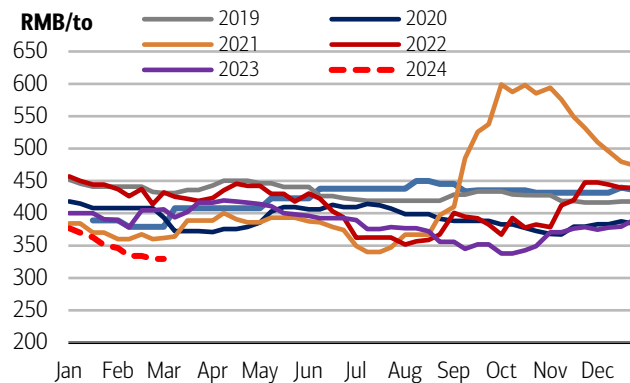


Source: Digital Cement, BofA Global Research

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Exhibit 28: South West China average cement price

SW China cement prices were flattish WoW

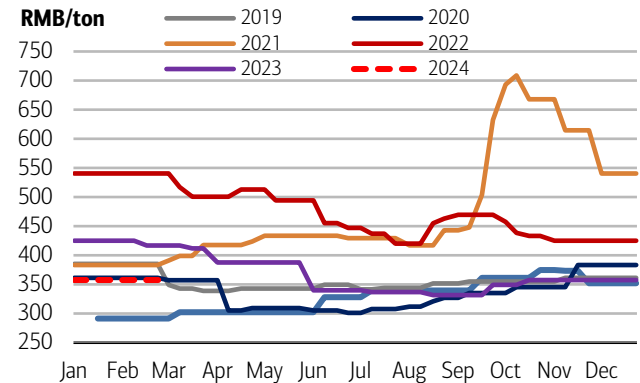


Source: Digital Cement, BofA Global Research

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Exhibit 29: North East China average cement price

NE China cement prices were flattish WoW

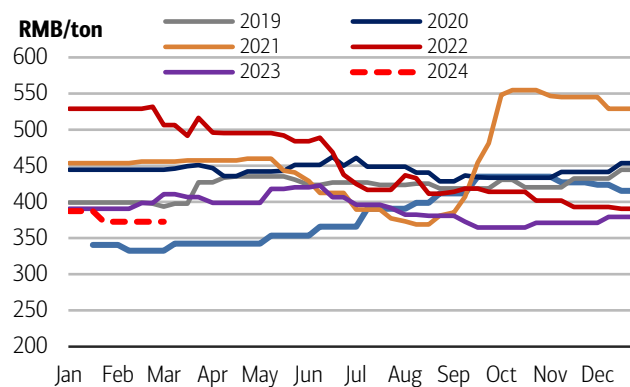


Source: Digital Cement, BofA Global Research

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Exhibit 30: North West China average cement price

NW China cement prices were flattish WoW

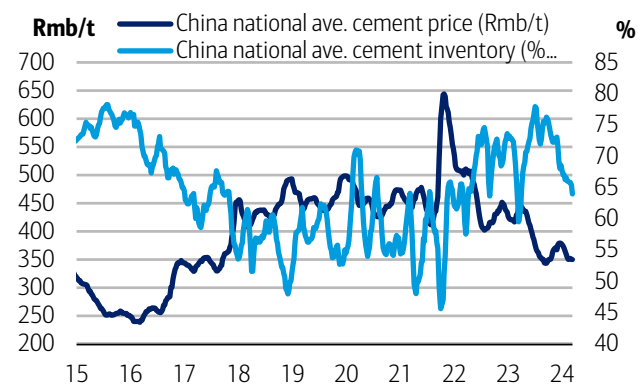


Source: Digital Cement, BofA Global Research

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Exhibit 31: China national average cement prices vs inventory

Both prices and inventory were down WoW



Source: Digital Cement, BofA Global Research

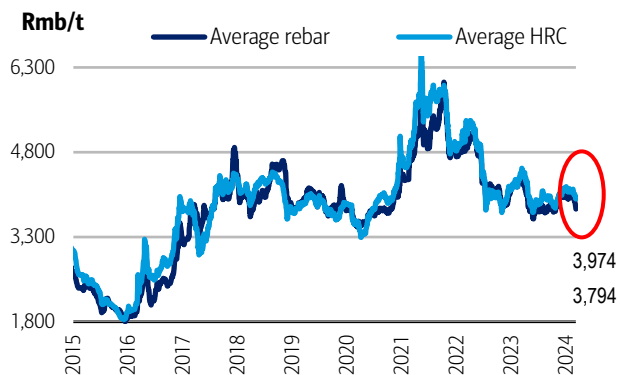
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Steel: Price down amid weak demand recovery/high inventory

The rebar price was down 3.3% WoW to RMB3,794/t and HRC was down 1.9% WoW to RMB3,974/t. Iron ore prices +1.6% WoW to US\$119.0/t. Spot rebar cash margin +RMB56/t to -RMB59/t, and spot HRC cash margin +RMB23/t to -RMB252/t. Weekly rebar/HRC production was +4.8%/+3.5% and apparent consumption +57.9%/+4.0% WoW. Mill inventory +1.9% WoW, while social inventory +2.3% WoW. Both steel apparent consumption and production continued to recover WoW, while restocking came slower WoW. However, given slow demand recovery and inventory pressure, steel prices were down WoW.

Exhibit 32: China domestic steel prices at key cities

Chinese steel prices at key cities -3.3%/-1.9% WoW for rebar/HRC

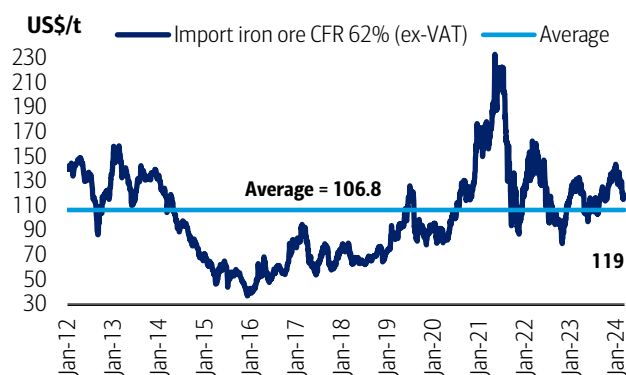


Source: Wind, BofA Global Research

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Exhibit 33: Imported iron ore CFR 62% prices at Tianjin Port

Iron ore price +1.6% WoW to US\$119.0/t as of 7 Mar

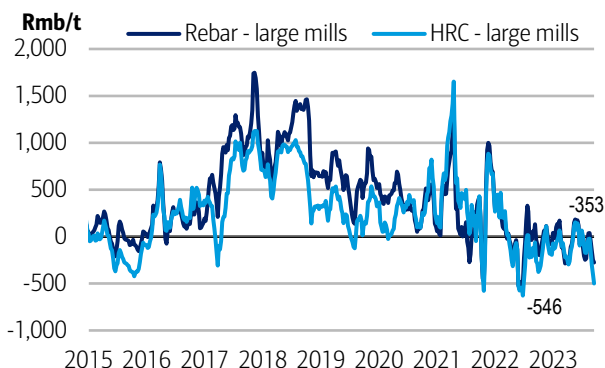


Source: Wind, BofA Global Research

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Exhibit 34: Cash margins at large mills (inventory lag)

Rebar cash margin at large mills +RMB79/t to -RMB353/t, and HRC cash margin at those mills +RMB46/t to -RMB546/t

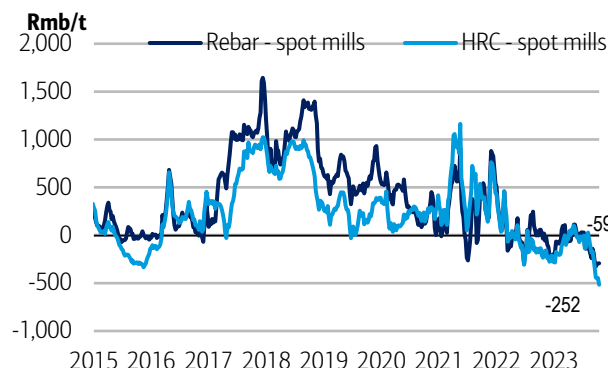


Source: Wind, BofA Global Research

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Exhibit 35: Spot cash margins at steel mills

Spot rebar cash margin +RMB56/t to -RMB59/t, and spot HRC cash margin +RMB23/t to -RMB252/t

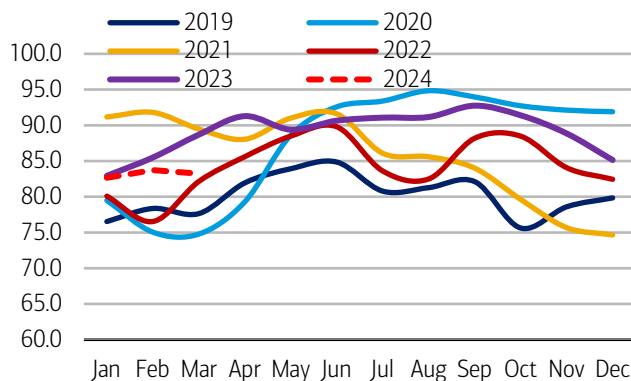


Source: Wind, BofA Global Research

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Exhibit 36: Utilization rates of blast furnaces across the nation

Utilization rates of blast furnaces across the nation -0.23ppt WoW to 83.11% as of 8 Mar

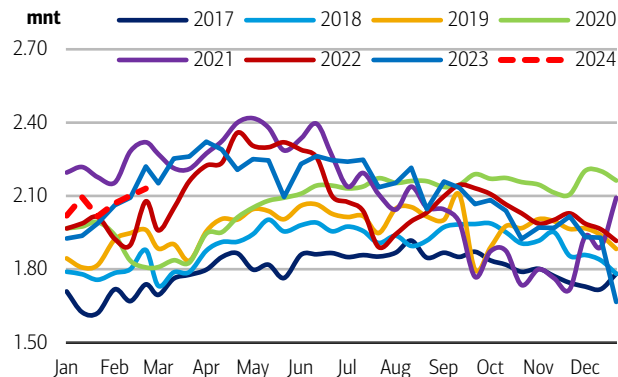


Source: Mysteel, BofA Global Research

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Exhibit 37: CISA crude steel output for large and median mills (10-day)

Daily crude steel production at CISA's sample was reported to be 2.130 mnt/day as of 29 Feb, compared with 2.101 mnt/day in the previous 10 days

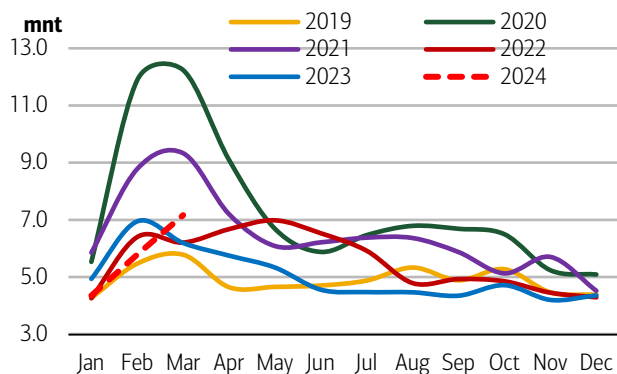


Source: CISA, BofA Global Research

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Exhibit 38: Steel inventory at mills

Steel inventory at mills up by 1.9% WoW to 7.23mnt

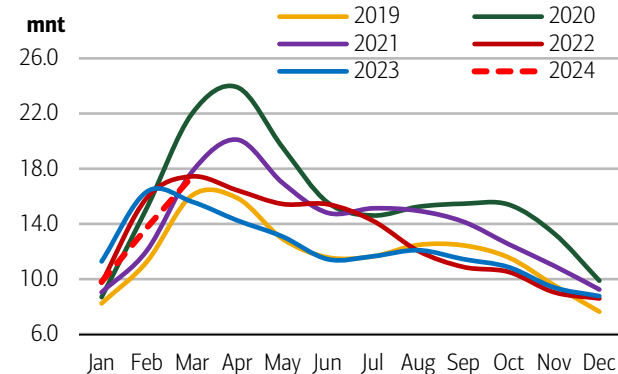


Source: Mysteel, BofA Global Research

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Exhibit 39: Steel inventory at key cities (traders)

Steel inventory at key cities (traders) up by 2.3% WoW to 17.64mnt

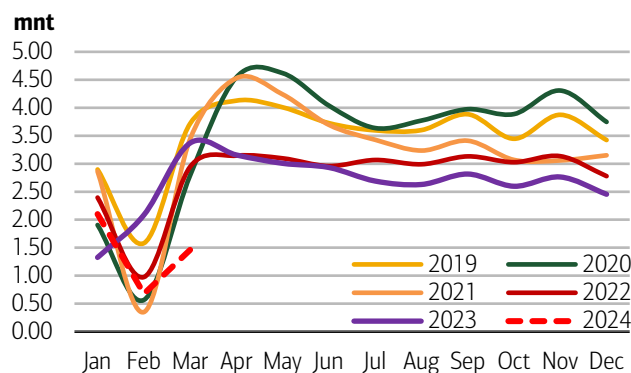


Source: Mysteel, BofA Global Research

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Exhibit 40: Weekly rebar apparent consumption

Weekly rebar apparent consumption was +57.9% WoW to 1.79mnt

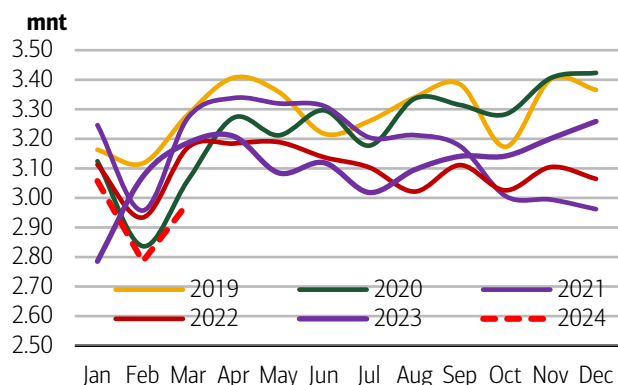


Source: Mysteel, BofA Global Research

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Exhibit 41: Weekly HRC apparent consumption

Weekly HRC apparent consumption was +4.0% WoW to 3.04mnt

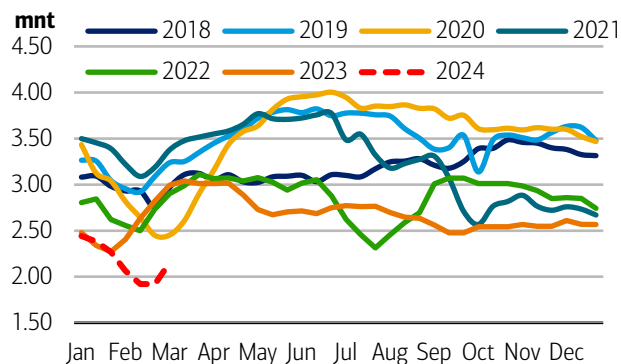


Source: Mysteel, BofA Global Research

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Exhibit 42: Weekly rebar output

Rebar output for the week ended 8 Mar increased 4.8% WoW to 2.20mnt

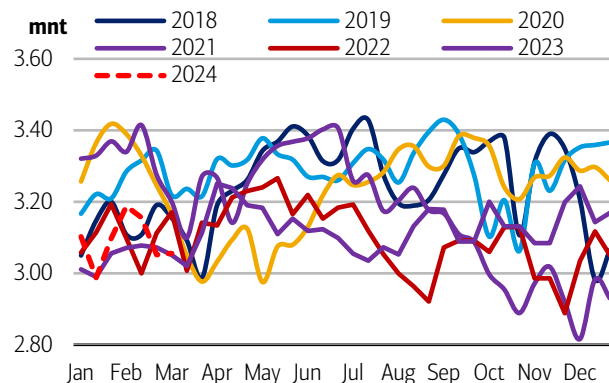


Source: Mysteel, BofA Global Research

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Exhibit 43: Weekly HRC output

HRC output for the week ended 8 Mar up by 3.5% WoW to 3.11mnt

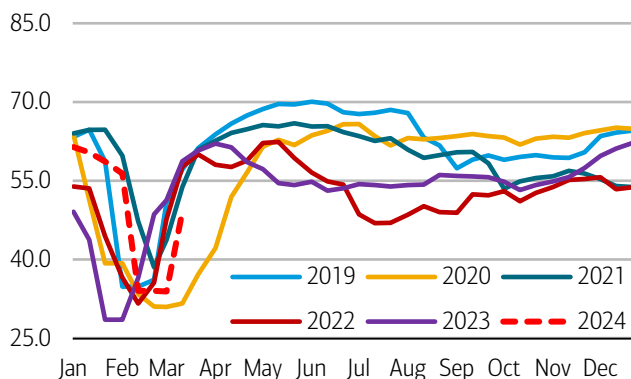


Source: Mysteel, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 44: Operating rate of Electric-arc-furnace (EAF) mills

The operating rate of EAF mills +10.60ppt WoW to 49.09% in the week ended 8 Mar

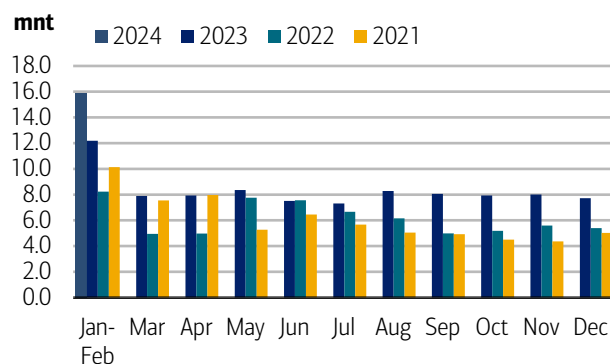


Source: Custeel, BofA Global Research

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Exhibit 45: China monthly steel product exports

In Jan-Feb 24, Chinese exports of steel were 15.91mnt, +30.5% YoY. YTD net exports reached 14.8mnt, +35% YoY

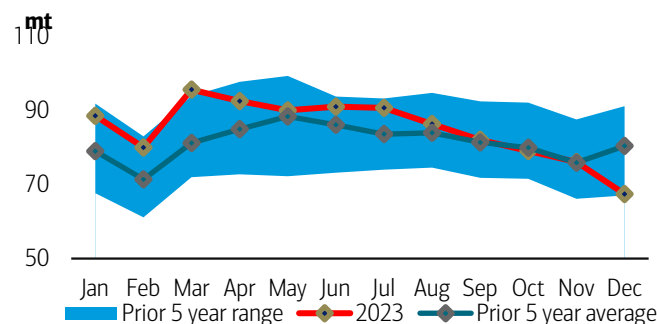


Source: China Customs, CEIC, BofA Global Research

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Exhibit 46: YTD China crude steel production

China produced 67.4mnt of crude steel in Nov 2023, -14.9% YoY

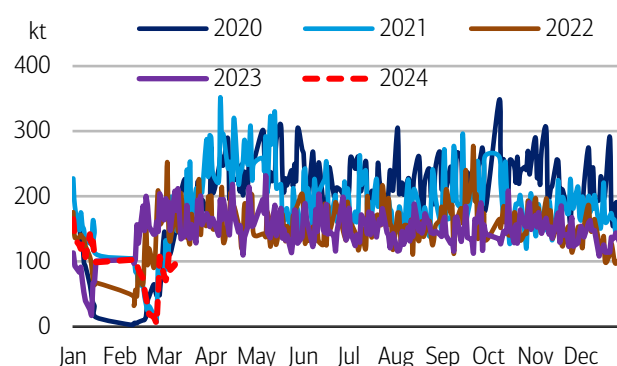


Source: NBS, CEIC, BofA Global Research

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Exhibit 47: Construction steel trading volume

Construction steel trading volume +58.9% WoW to 112.7kt/d as of 7 Mar

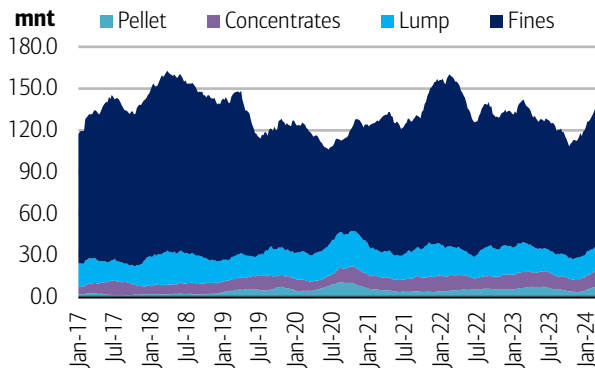


Source: Wind, BofA Global Research

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Exhibit 48: Iron ore port inventory by product type

Iron ore fine currently accounts for 73.0% of port inventory

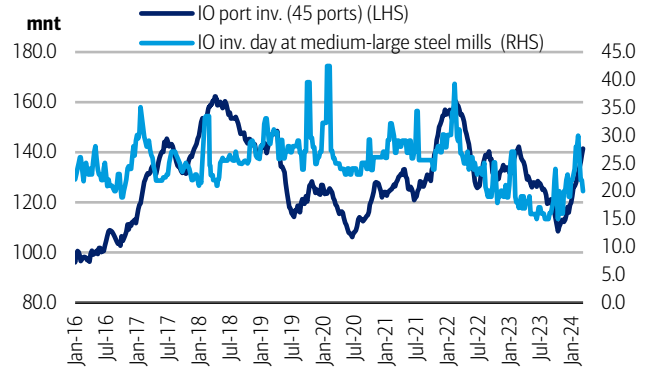


Source: Mysteel, BofA Global Research

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Exhibit 49: Iron ore inventory at large-medium steel mills and at ports

Iron ore port inventory ended at 141.47mnt, +1.9% WoW as of 8 Mar

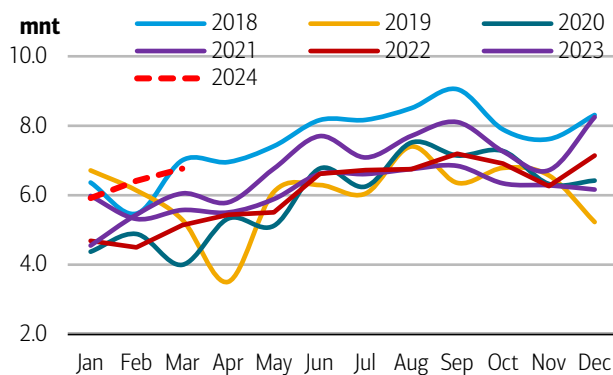


Source: Wind, BofA Global Research

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Exhibit 50: Weekly iron ore exports from major Brazilian ports

Weekly iron ore exports from major Brazilian ports – Mar 24 up 11.8% yoy as of 1 Mar

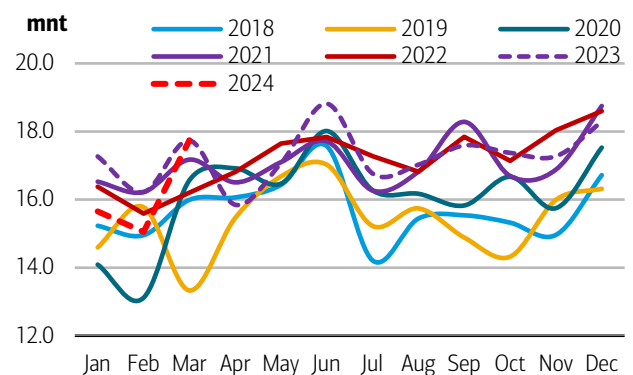


Source: Mysteel, BofA Global Research

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Exhibit 51: Weekly iron ore exports from major Australian ports

Weekly iron ore exports from major Australian ports – Mar 24 up 0.0% yoy as of 1 Mar

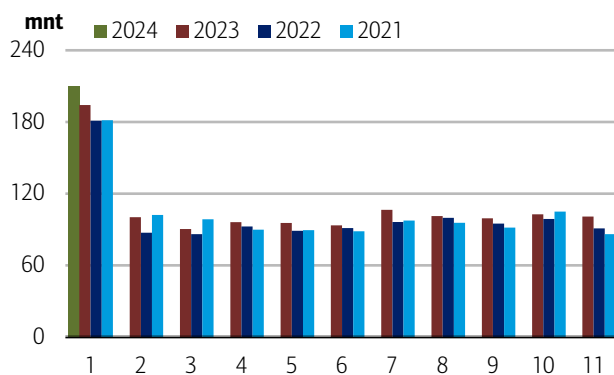


Source: Mysteel, BofA Global Research

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Exhibit 52: China monthly iron ore imports

Chinese imports of iron ore in Jan-Feb 2024 were 209.5mnt, +7.9% YoY

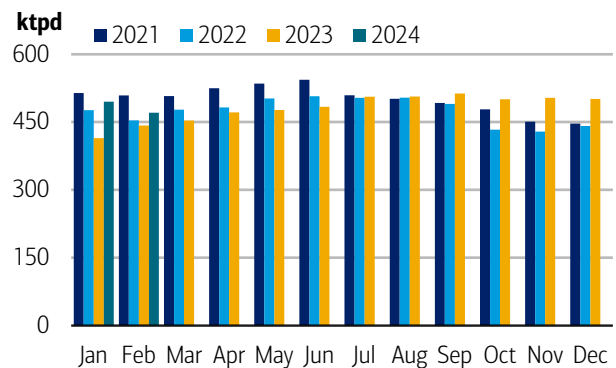


Source: China Customs, Wind, BofA Global Research

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Exhibit 53: Daily domestic iron ore concentrate production

Daily domestic iron ore concentrate production at 186 iron ore miners / 363 mines Feb 24 up 6.4% YoY, as of 23 Jan



Source: Mysteel, BofA Global Research

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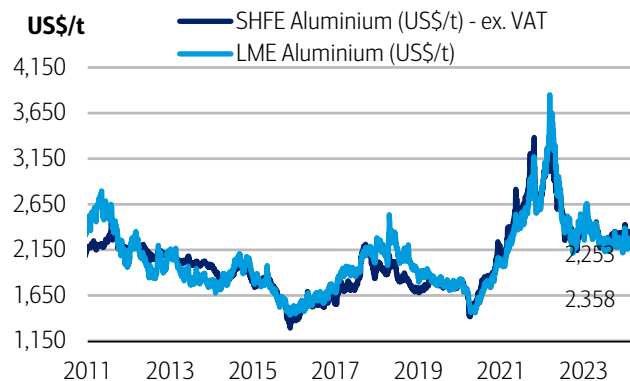
Metals: traded higher on weak USD; Gold at record high

LME aluminum price was +0.4% WoW to US\$2,253/t, while SHFE +1.2% WoW to RMB19,160/t. Domestic Al ingot inventory was up 11.7% WoW to 791kt. LME copper price +1.6% WoW at US\$8,641/t, SHFE was +1.44% WoW to RMB69,940/t. According to Baiinfo, 1.6mt of capacity was expected to resume and 1.25mt of new capacity was expected to launch in 2024. The Comex gold price up 4.13% WoW at US\$2,169/oz. Battery grade lithium carbonate price was up 6.2% WoW to RMB108.9k/t and battery grade lithium hydroxide price was up 5.6% WoW to RMB93.8k/t.

Aluminum

Exhibit 54: Price comparison in LME & SHFE Aluminum

LME aluminum price +0.4% WoW to US\$2,253/t during the week ended 8 Mar, while SHFE up 1.2% WoW to RMB19,160/t

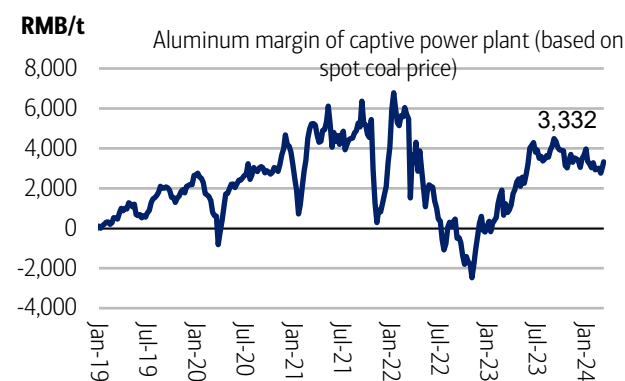


Source: Bloomberg, BofA Global Research

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Exhibit 55: Aluminum margin of captive power plant

Aluminum margin of captive power plant +RMB257/t WoW to RMB3,332/t as of 8 Mar



Source: Bloomberg, SMM, Wind, BofA Global Research

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Exhibit 56: Avg. national aluminum margin (60% captive plant)

Avg. national aluminum margin +RMB241/t WoW to RMB2,533/t as of 8 Mar

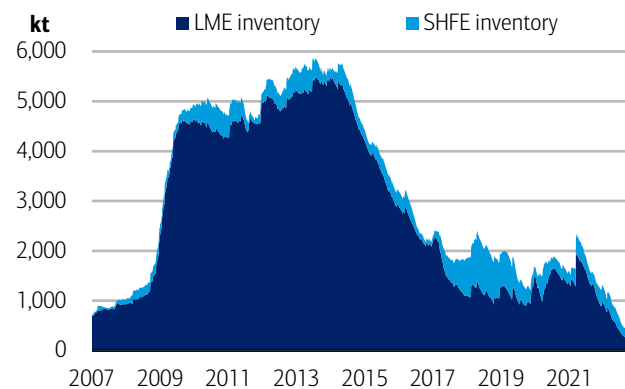


Source: Bloomberg, SMM, Wind, BofA Global Research

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Exhibit 57: Inventory comparison in LME & SHFE Aluminum

LME aluminum inventory decreased by 1.5% WoW to 580kt, and SHFE inventory was down 3.5% WoW to 184kt

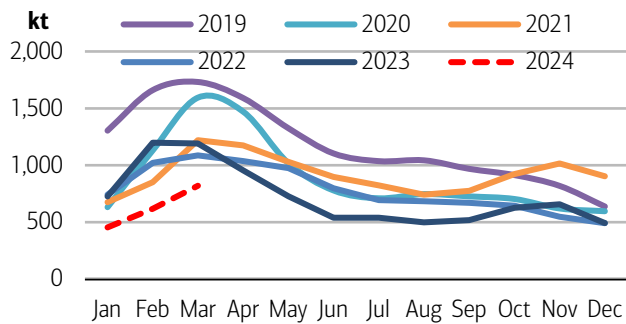


Source: Bloomberg, BofA Global Research

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Exhibit 58: Aluminum ingot inventory

Domestic aluminum ingot inventory up 4.0% WoW to 823kt as of 7 Mar

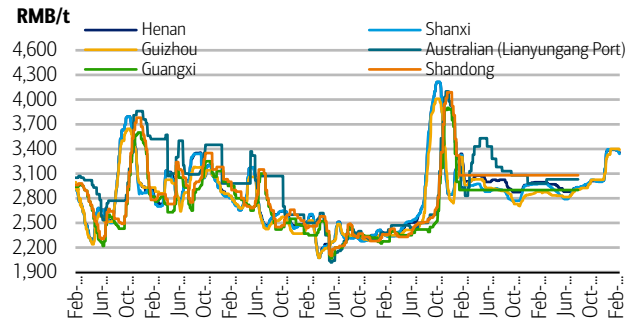


Source: SMM, BofA Global Research

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Exhibit 59: Domestic alumina prices

Domestic alumina prices down 0.64% to RMB3,362t as of 8 Mar



Source: Wind, BofA Global Research

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Exhibit 60: Aluminum capacity change in 2024

1.6mt of capacity was expected to resume and 1.25mt of new capacity was expected to launch in 2024

	Suspension	Resumption	Expected resumption in remaining-24	Total expected resumption in FY24	New start	Expected new start in remaining-24	Total expected new start in FY24
Yunnan	-	-	1,235	1,235	-	530	530
Inner Mongolia	-	-	-	-	-	420	420
Shanxi	-	-	-	-	-	-	-
Guangxi	-	-	20	20	-	-	-
Xinjiang	-	-	-	-	-	200	200
Henan	-	-	-	-	-	-	-
Guizhou	-	-	135	135	-	100	100
Liaoning	-	-	-	-	-	-	-
Chongqing	-	-	-	-	-	-	-
Qinghai	-	-	-	-	-	-	-
Gansu	-	-	-	-	-	-	-
Sichuan	-	-	175	175	-	-	-
Shandong	-	-	-	-	-	-	-
Total	-	-	1,565	1,565	-	1,250	1,250

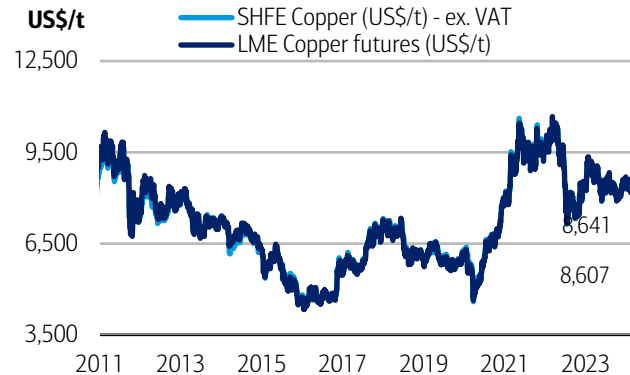
Source: Baiinfo, BofA Global Research

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Copper & Gold

Exhibit 61: Price comparison in LME & SHFE copper

LME copper price up by 1.6% WoW to US\$8,641/t during the week ended 8 Mar, while SHFE +1.44% WoW to RMB69,940/t. SHFE is at a discount of 0.4% to LME price

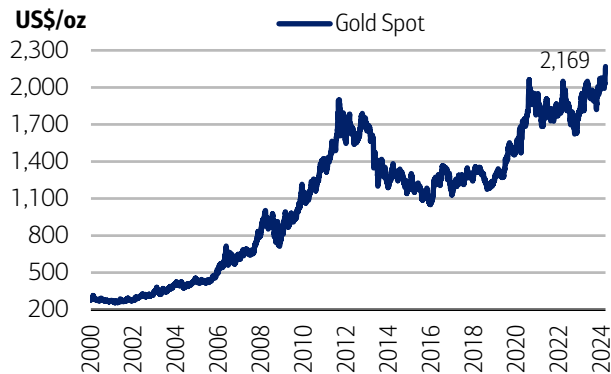


Source: Bloomberg, BofA Global Research

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Exhibit 62: Gold spot price

The Comex gold (spot) price up 4.13% WoW to US\$2,169/oz

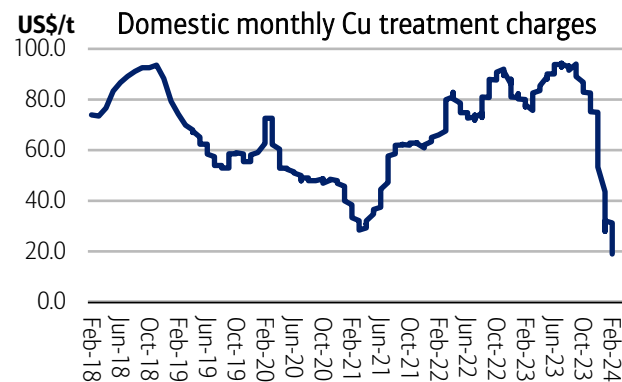


Source: Bloomberg, BofA Global Research

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Exhibit 63: Domestic monthly treatment charges on Cu concentrate

Domestic monthly treatment charges on copper concentrate: US\$19.0/t as of 1 Mar



Source: Wind, BofA Global Research

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Exhibit 64: Domestic monthly refining charges on blister copper

Domestic monthly refining charges on blister copper: Mar-avg.: RMB850/t

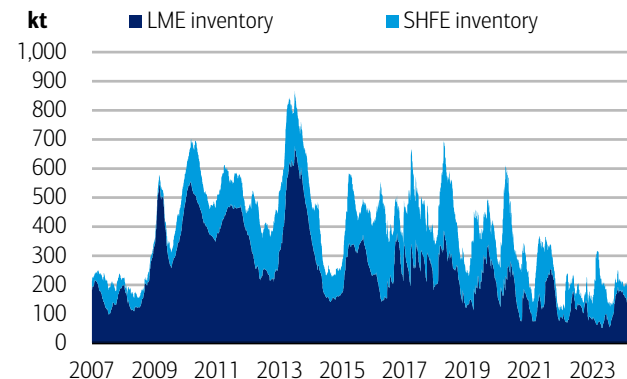


Source: Mymetal, BofA Global Research

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Exhibit 65: Inventory comparison in LME & SHFE copper

LME copper inventory -6.5% WoW to 114kt, and SHFE inventory +11.5% WoW to 239kt



Source: Bloomberg, BofA Global Research

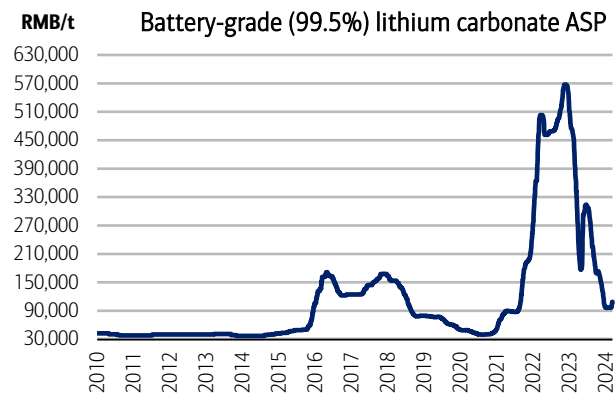
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Lithium

Exhibit 66: Domestic battery-grade lithium carbonate ASP

Average price of domestic battery-grade lithium carbonate (99.5%) was up 6.2% WoW to RMB108.9k/t

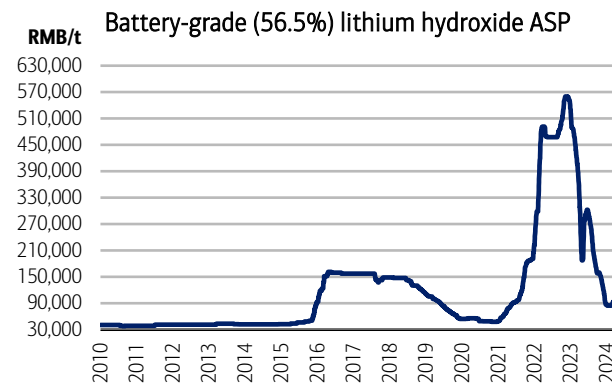


Source: SMM, BofA Global Research

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Exhibit 67: Domestic battery-grade lithium hydroxide ASP

Average price of domestic battery-grade lithium hydroxide up by 5.6% WoW to RMB93.8k/t

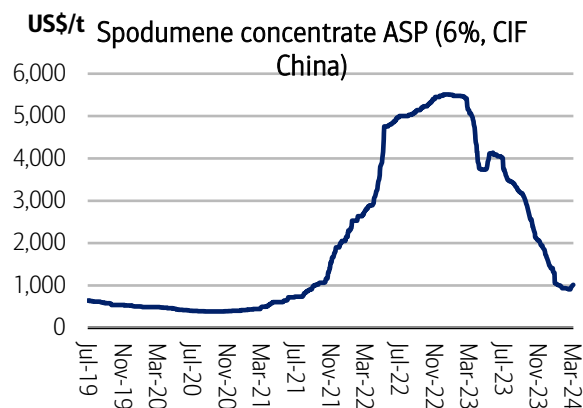


Source: SMM, BofA Global Research

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Exhibit 68: Spodumene concentrate ASP (6%, CIF China)

Average price of spodumene concentrate ASP (6%, CIF China) up 5.29% WoW to USD1,015/t

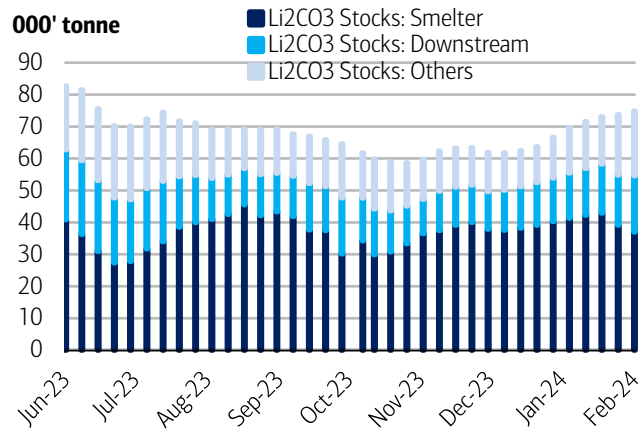


Source: SMM, BofA Global Research

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Exhibit 69: Domestic lithium carbonate inventory

Lithium carbonate inventory ramped up entering new year



Source: SMM, BofA Global Research

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Paper: Price nearly flat amid weak market

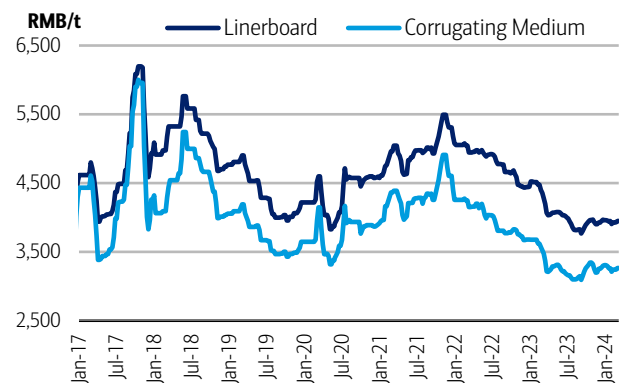
Raw paper: Paper price was down by 0.04% WoW to RMB3,850/t as of 6 Mar. Some paper mills announced price revision by +RMB30/t this week, while several paper mills have cancelled raising prices or provided price discount. Shipment turned weaker WoW and most paper mills can barely maintain balance between production and sales. Some paper mills are still under suspension due to poor market condition.

Waste paper: In the domestic market, the China OCC average was down by 1.8% WoW to RMB1,524/t.

Spread: The Nine Dragons margin tracker is now indicating NP/t of RMB101/t for this week.

Exhibit 70: China linerboard and corrugating medium price

Paper was down 0.04% WoW to RMB3,850/t as of 6 Mar.



Source: UMPaper, RISI

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Exhibit 71: Nine Dragons Margin tracker

The Nine Dragons margin tracker is now indicating NP/t of RMB101/t for this week, down 0.9% WoW.



Source: UMPaper, RISI, BofA Global Research

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Glass: Price down amid weak demand recovery

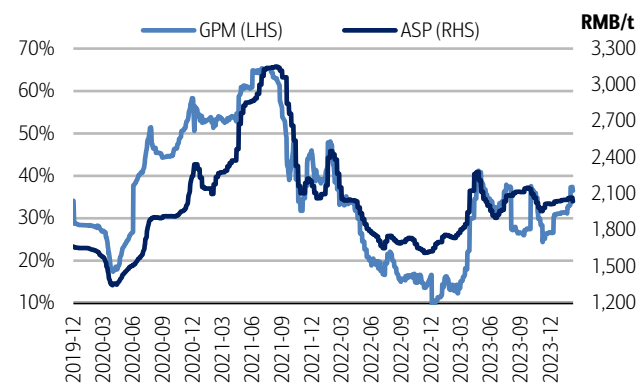
Given insignificant demand recovery and supply pressure from high capacity & inventory, national float price was down WoW, marking an end to the consecutive price rally since the beginning of 2024.

Market price and raw materials prices: As of 7 Mar, the national average float glass price (incl. VAT) was down by 1.5% WoW at RMB2,039/t. The soda ash price was flattish WoW at RMB2,014/t as of 8 Mar. National direct supplied pipeline natural gas remains RMB2.30/cbm. Our analysis shows Xinyi float glass GPM was down by 0.9% to 36.5%.

Inventory and capacity: As of 7 Mar, national inventory was 53.58mn weight case, representing 25.05 inventory days. Nationally effective capacity of all float glass lines was 176,565t/d.

Exhibit 72: National Float Glass Price and Xinyi float glass GPM

As of 7 Mar, the national average float glass price was down 1.5% WoW to RMB2,039/t. Our analysis shows Xinyi float glass GPM was down 0.9% WoW to 36.5%

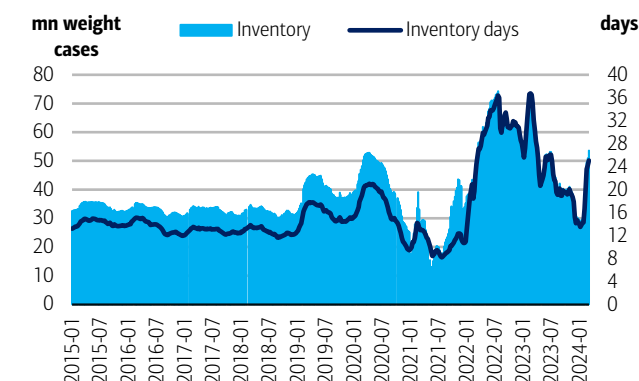


Source: BofA Global Research, Wind, SC199

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Exhibit 73: Inventory & Inventory day

As of 7 Mar, national inventory was 53.58mn weight case, representing 25.05 inventory days

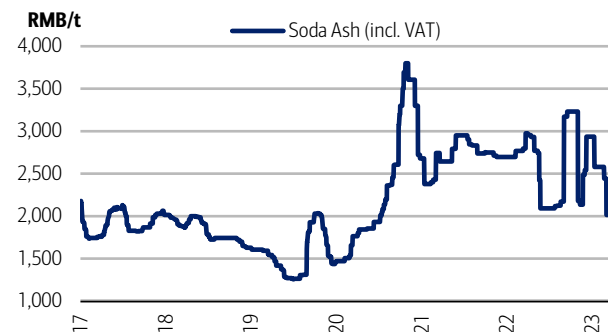


Source: BofA Global Research, Wind, SC199

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Exhibit 74: China Soda Ash Price (incl. VAT)

The soda ash price was flattish WoW at RMB2,014/t as of 8 Mar

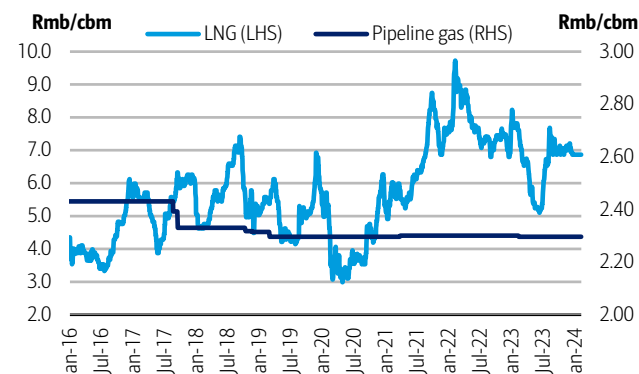


Source: BofA Global Research, Wind, SC199

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Exhibit 75: China Natural Gas Price

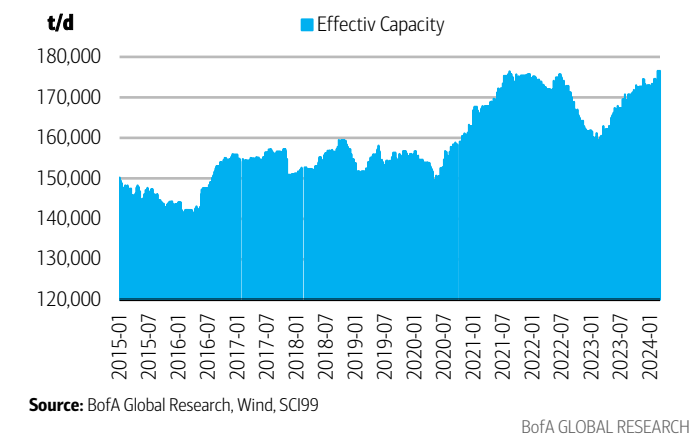
National direct supplied pipeline natural gas stayed at RMB2.30/cbm



Source: BofA Global Research, Wind, SC199

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Exhibit 76: Effective capacity % of total capacity
Nationally effective capacity of all float glass lines was 176,565t/d.



Appendix

Exhibit 77: Glossary
Summary of terminologies/abbreviation mentioned in the report

Abbreviation	Elaboration
WoW	Week-on-Week
ASP	Average Selling Price
HRC	Hot Rolled Coil
LME	London Metal Exchange
SHFE	Shanghai Futures Exchange
OCC	Old Corrugated Containers
ND	Nine Dragon Paper (02689 HK)
GPM	Gross Profit Margin
NP	Net Profit
QHD 5,500kcal	Qinghuangdao port 5,500kcal thermal coal
NEWC 6,000K	Newcastle 6000kcal thermal coal
Liulin No.4 HCC	Liulin No.4 hard coking coal

Source: BofA Global Research

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster ^{R1}
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

^{R1} Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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