

Basic Materials - China

Major commodity prices down amid weak market before Spring Festival

Industry Overview

Coal: Steady price amid mild transaction

The QHD 5,500kcal price was flattish WoW at RMB912/t amid mild market transaction before Spring Festival. NEWC 6,000K price was down 1.5% WoW at US\$128.90/t, at 12.3% of premium vs QHD price. The Liulin No.4 HCC price was flattish WoW at RMB2,480/t. As of Jan 10, the water inflow of Three Gorges Reservoir was 6,700 cm/s, 15% higher than 2005-23 avg. of 5,847 cm/s, while storage was 31.0 bn cm, 15% lower than 2005-23 avg. of 36.5 bn cm.

Cement: Price downturn continued

The average national cement price was down by 1.48% to RMB365/t as of 19 Jan. Cement prices in Jiangsu, Anhui, Fujian, Henan, and Sichuan decreased by RMB10-20/t. Nationwide shipment ratio came at 30.8%, +3.4% WoW, while nationwide inventory ratio reached 66.3%, -0.8% WoW. Subjected to weak demand and rainy weather, national cement demand continued to shrink. As Spring Festival approaches, cement producers kept destocking, forcing the prices to settle lower.

Steel: Price down amid weaker cost support

The rebar price was down 0.2% WoW to RMB3,984/t and HRC was down 0.7% WoW to RMB4,102/t. Iron ore prices -3.5% WoW to US\$131.1/t. Spot rebar cash margin -RMB10/t to -RMB342/t, and spot HRC cash margin -RMB13/t to -RMB509/t. Weekly rebar/HRC production was -3.4%/-3.3% and apparent consumption -0.5%/-2.6% WoW. Mill inventory -0.7% WoW, while social inventory +3.4% WoW. Subject to lower raw material prices, steel prices were down WoW. As Spring Festival approaching, consumption trended lower, while social inventory continued to ramp up.

Metals: Major metal prices down

LME aluminum price was -2.5% WoW to US\$2,164/t amid weak economic data, while SHFE -1.7% WoW to RMB18,680/t. Domestic Al ingot inventory was down 3.9% WoW to 439kt. LME copper price -0.3% WoW at US\$8,310/t, SHFE was -0.69% WoW to RMB67,600/t. The Comex gold price up 0.94% WoW at US\$2,030/oz. Battery grade lithium carbonate price up by 0.3% WoW to RMB96.5k/t and battery grade lithium hydroxide price was flattish WoW at RMB84.7k/t.

Paper: Lower price amid weak demand

Paper price was down by 0.39% WoW to RMB3,851/t as of 17 Jan. Paper price edged lower WoW due to no significant improvement on market transaction & weaker support from OCC price.

Glass: Price inched higher amid restocking demand

Supported by restocking demand under low inventory, national float glass price inched higher during week.

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Equity
China
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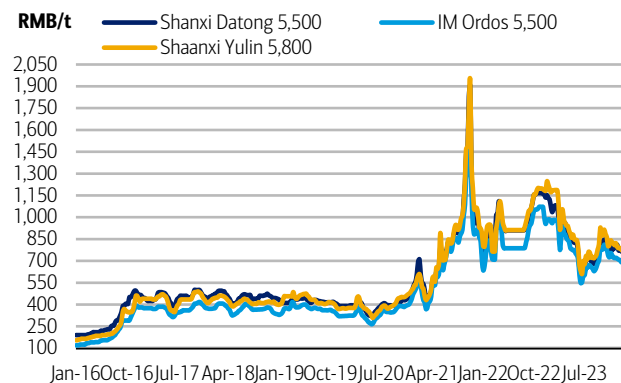
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Timestamp: 21 January 2024 02:02PM EST

Key charts

Exhibit 1: ASP at coal mine pits since 2016

Thermal coal prices at mine pits changed by -1%/-1%/-1.3% WoW to RMB760/688/769 in Shanxi (Kcal5.5k), Inner Mongolia (Kcal5.5k) and Shaanxi (Kcal5.8k)

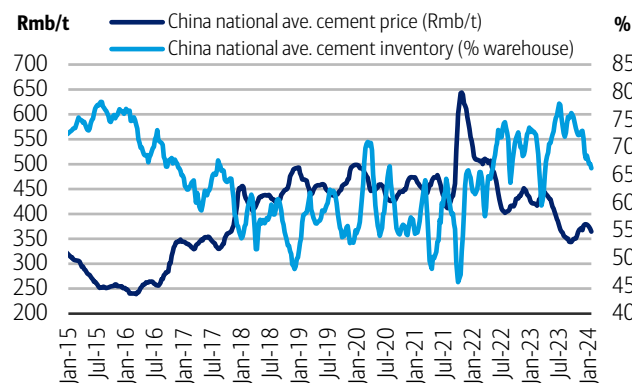


Source: Sxcoal, BofA Global Research

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Exhibit 3: China national average cement price and inventory level

Both price and inventory were down WoW

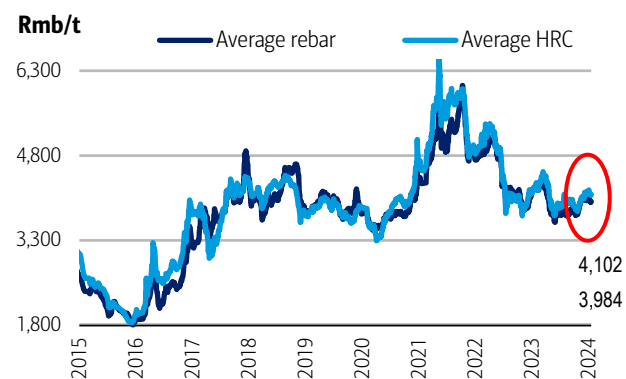


Source: Digital Cement, Company data, BofA Global Research

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Exhibit 5: China domestic steel prices at key cities

Chinese steel prices at key cities -0.2%/-0.7% WoW for rebar/HRC

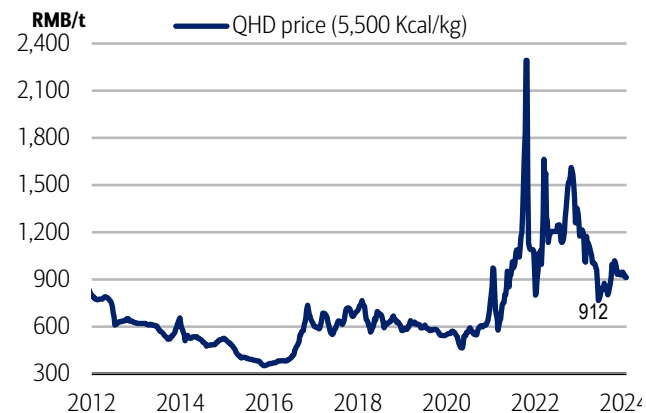


Source: Bloomberg, Wind, Sxcoal, BofA Global Research

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

ASP of QHD 5,500kcal spot price was flattish WoW at RMB912t as of 19 Jan

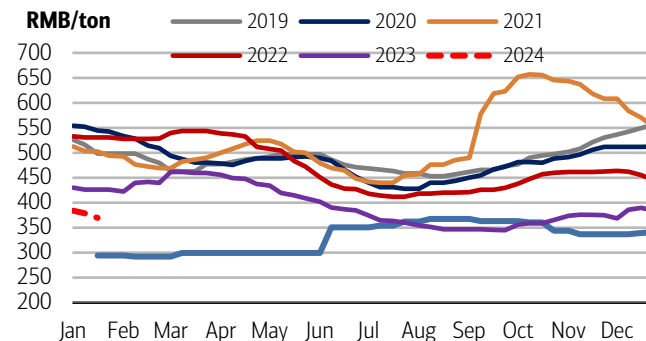


Source: Sxcoal, BofA Global Research

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Exhibit 4: East China average cement price

East China cement prices down 1.4% WoW

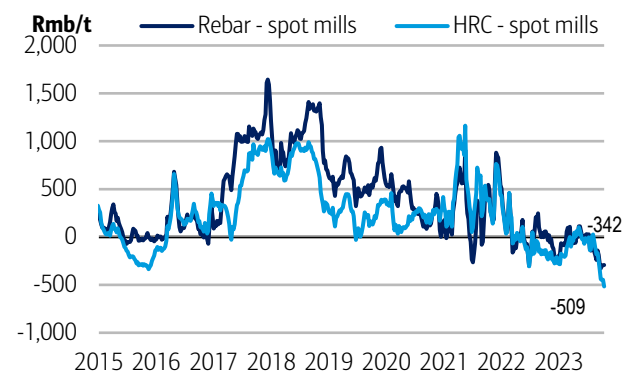


Source: Digital Cement, Company data, BofA Global Research

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Exhibit 6: Spot cash margins at steel mills

Spot rebar cash margin -RMB10/t to -RMB342/t, and spot HRC cash margin -RMB13/t to -RMB509/t

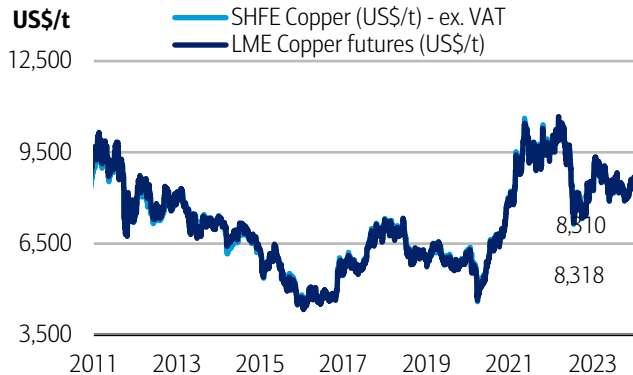


Source: Wind, BofA Global Research

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Exhibit 7: Price comparison in LME & SHFE copper

LME copper price down by 0.3% WoW at US\$8,310/t during the week ended 19 Jan, while SHFE -0.69% WoW to RMB67,600/t. SHFE is at a premium of 0.1% to LME price

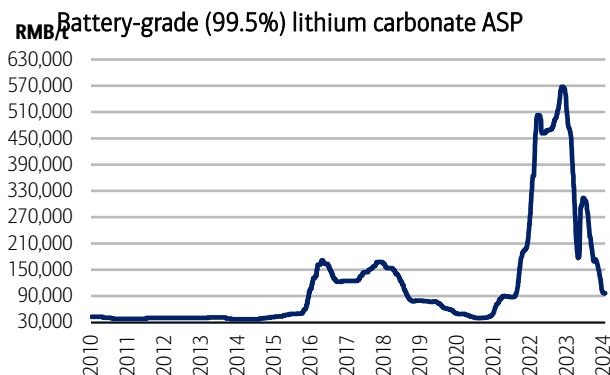


Source: Bloomberg, BofA Global Research

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Exhibit 9: Domestic battery-grade lithium carbonate ASP

Average price of domestic battery-grade lithium carbonate (99.5%) up by 0.3% WoW to RMB96.5k/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 -RMB82/t for this week, up 15.2% WoW.

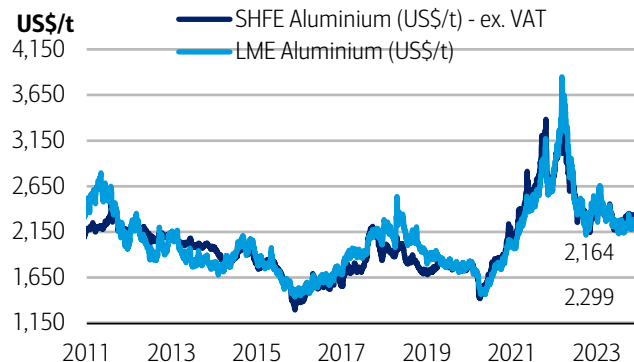


Source: BofA Global Research

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Exhibit 8: Price comparison in LME & SHFE aluminum

LME aluminum price -2.5% WoW to US\$2,164/t during the week ended 19 Jan, while SHFE down 1.7% WoW to RMB18,680/t

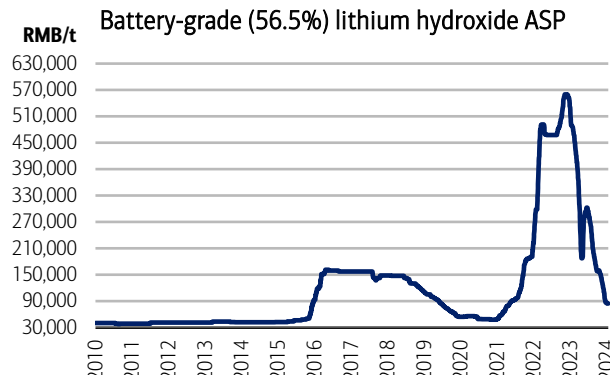


Source: Bloomberg, BofA Global Research

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Exhibit 10: Domestic battery-grade lithium hydroxide ASP

Average price of domestic battery-grade lithium hydroxide was flattish WoW at RMB84.7k/t

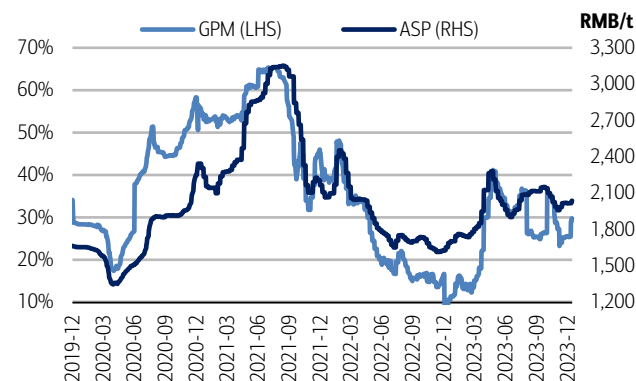


Source: SMM, BofA Global Research

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

As of 18 Jan, the national average float glass price was up 0.2% WoW to RMB2,041/t. Our analysis shows Xinyi float glass GPM was up by 0.1% WoW to 29.9%



Source: Wind, BofA Global Research, SC199

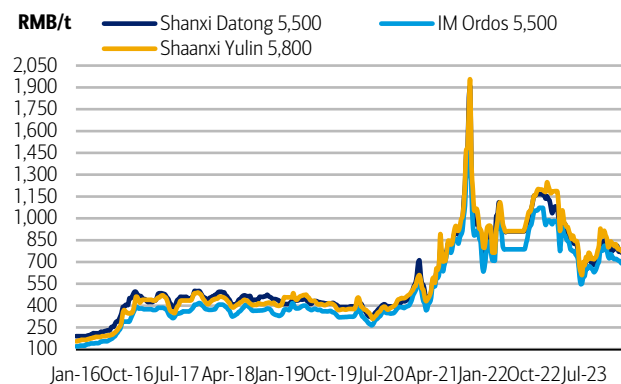
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Coal: Steady price amid mild transaction

The QHD 5,500kcal price was flattish WoW at RMB912/t amid mild market transaction before Spring Festival. NEWC 6,000K price was down 1.5% WoW at US\$128.90/t, at 12.3% of premium vs QHD price. The Liulin No.4 HCC price was flattish WoW at RMB2,480/t. As of Jan 10, the water inflow of Three Gorges Reservoir was 6,700 cm/s, 15% higher than 2005-23 avg. of 5,847 cm/s, while storage was 31.0 bn cm, 15% lower than 2005-23 avg. of 36.5 bn cm.

Exhibit 13: ASP at coal mine pits

Thermal coal prices at mine pits changed by -1%/-1%/-1.3% WoW to RMB760/688/769 in Shanxi (Kcal5.5k), Inner Mongolia (Kcal5.5k) and Shaanxi (Kcal5.8k)

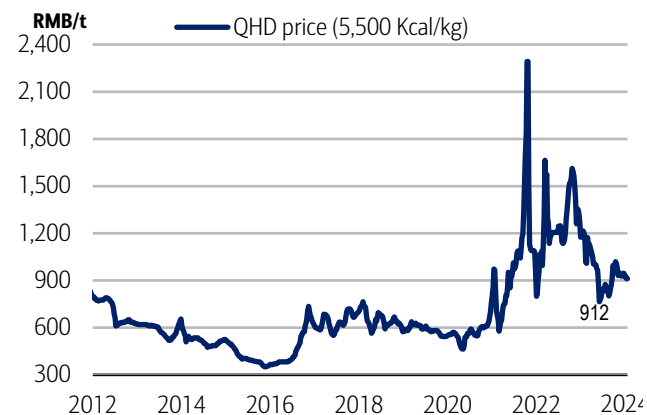


Source: Sxcoal, BofA Global Research

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

ASP of QHD 5,500kcal spot price was flattish WoW at RMB912t as of 19 Jan

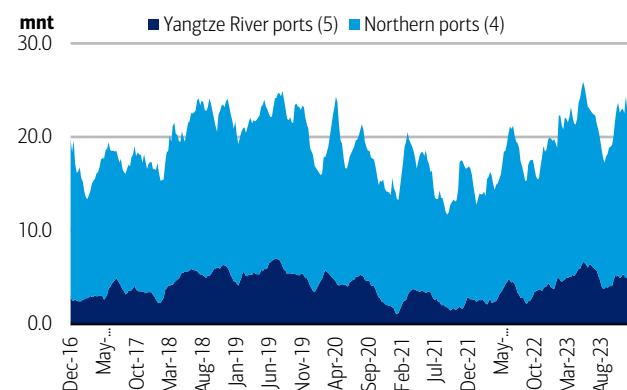


Source: Sxcoal, BofA Global Research

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Exhibit 15: Ports inventory (Northern and Southern)

Ports inventory (Northern and Southern) -10.0% WoW to 17.98mnt as of 19 Jan

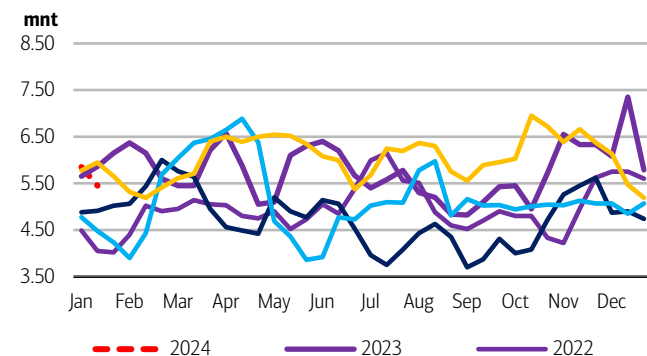


Source: Sxcoal, BofA Global Research

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Exhibit 16: QHD port inventory

QHD port inventory was down 3.9% WoW to 5.45mnt

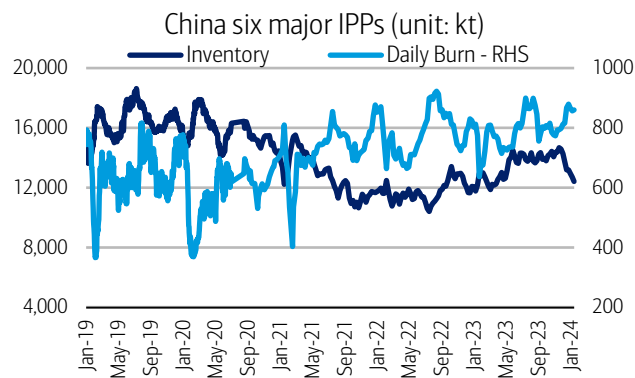


Source: Sxcoal, BofA Global Research

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

Inventory at the six major IPPs down 2.2% WoW to 12.42mnt as of 14 Jan; daily burn up by 0.4% WoW at 860kt

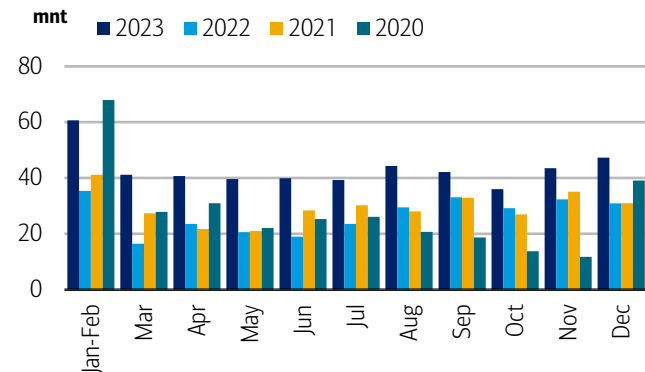


Source: Sxcoal, BofA Global Research

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Exhibit 18: China monthly coal imports

Total coal (incl. lignite) imports +47.2% YoY to 53.2mnt in Dec 2023



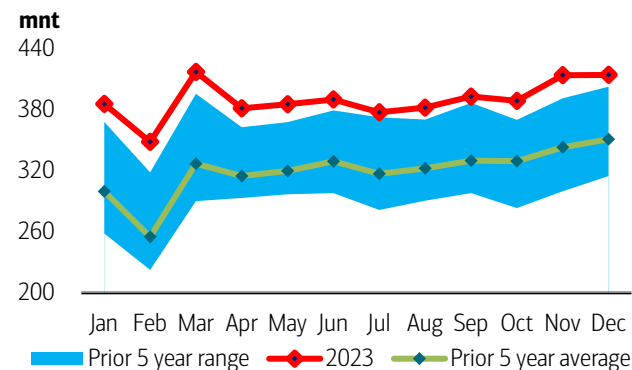
Source: China Customs, Wind, BofA Global Research

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

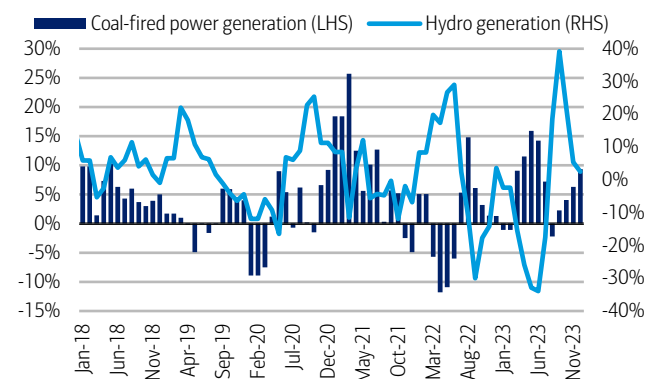


Source: China NBS, Wind, BofA Global Research

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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

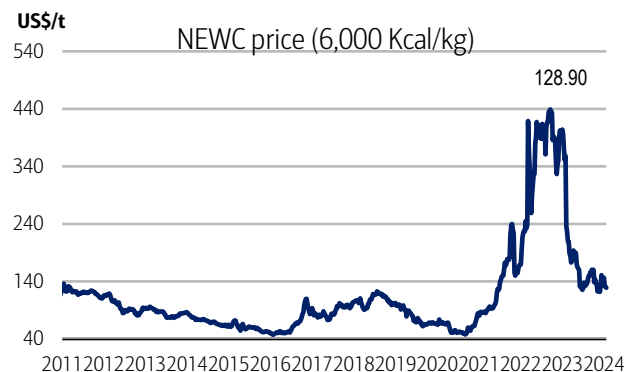


Source: Wind, BofA Global Research

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Exhibit 21: NEWC 6,000K thermal coal

NEWC 6,000K thermal coal was down 1.5% WoW to US\$128.90/t, at 12.3% 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 flattish WoW at RMB2,480/t during the week ended 19 Jan

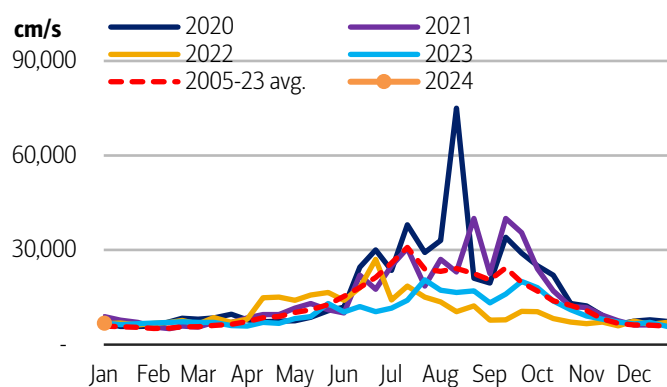


Source: Sxcoal, BofA Global Research

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

As of Jan 10, the water inflow of Three Gorges Reservoir was 6,700 cm/s, 15% higher than 2005-23 avg. of 5,847 cm/s

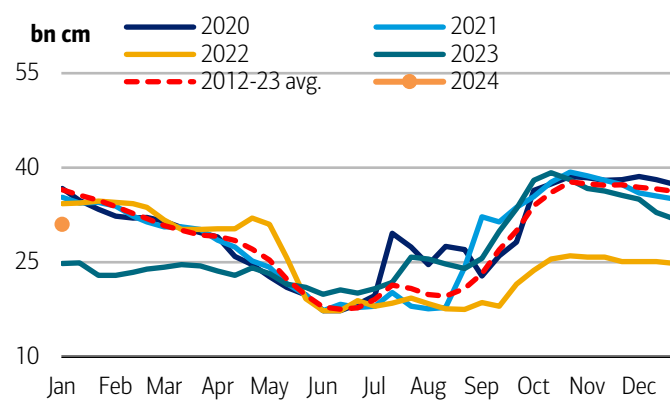


Source: Wind, BofA Global Research

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

As of Jan 10, the water storage of Three Gorges Reservoir was 31.0 bn cm, 15% lower than 2005-23 avg. of 36.5 bn cm



Source: Wind, BofA Global Research

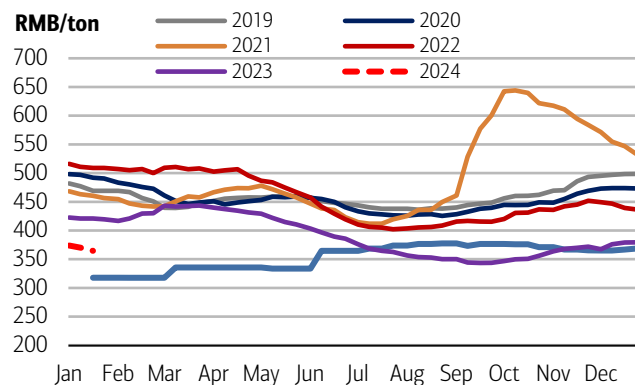
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Cement: Price downturn continued

The average national cement price was down by 1.48% to RMB365/t as of 19 Jan. Cement prices in Jiangsu, Anhui, Fujian, Henan, and Sichuan decreased by RMB10-20/t. Nationwide shipment ratio came at 30.8%, +3.4% WoW, while nationwide inventory ratio reached 66.3%, -0.8% WoW. Subject to weak demand and rainy weather, national cement demand continued to shrink. As Spring Festival approaches, cement producers kept destocking, forcing the prices to settle lower.

Exhibit 25: National average Cement price

Average national cement price down 1.48% to RMB365/t as of 19 Jan

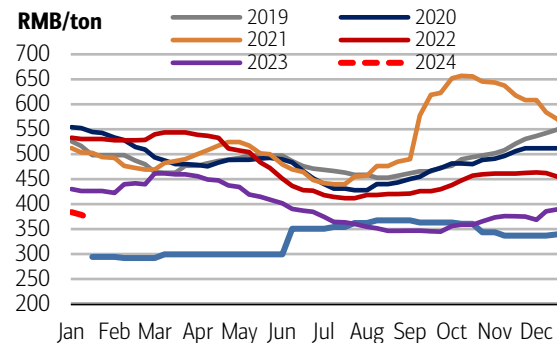


Source: Digital Cement, BofA Global Research

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Exhibit 26: East China average cement price

East China cement prices down 2.4% WoW

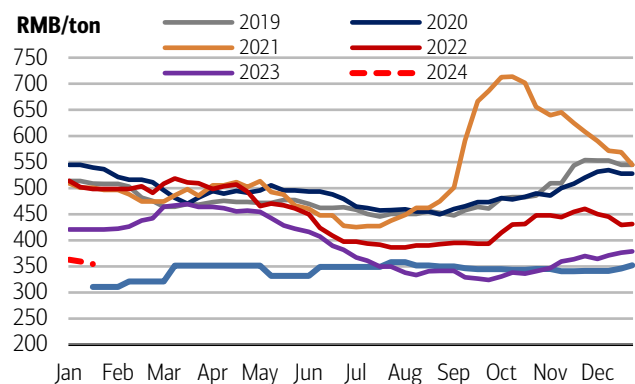


Source: Digital Cement, BofA Global Research

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Exhibit 27: Central South China average cement price

Central South China cement prices down 1.4% WoW

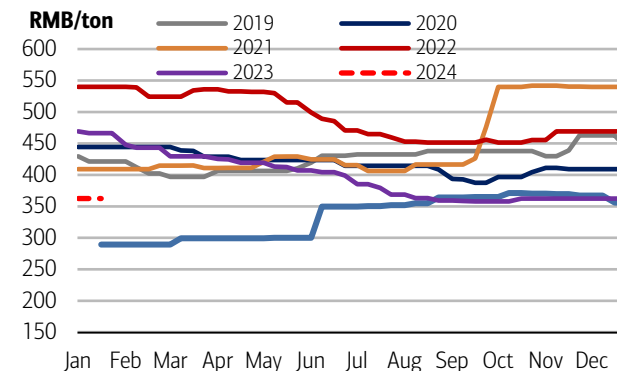


Source: Digital Cement, BofA Global Research

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Exhibit 28: North China average cement price

North China cement prices were flattish WoW

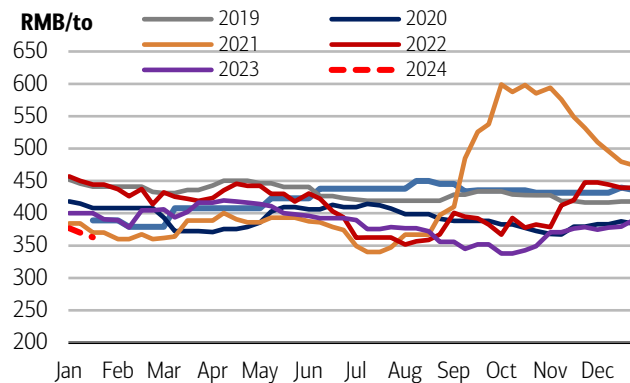


Source: Digital Cement, BofA Global Research

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Exhibit 29: South West China average cement price

SW China cement prices down 1.9% WoW

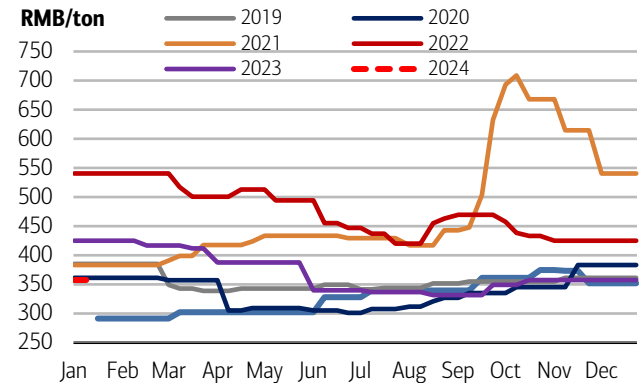


Source: Digital Cement, BofA Global Research

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Exhibit 30: North East China average cement price

NE China cement prices were flattish WoW

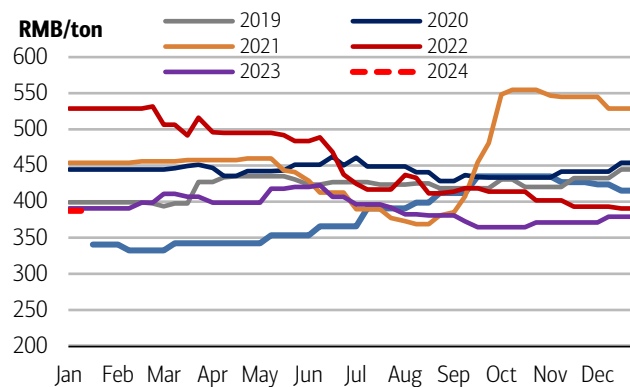


Source: Digital Cement, BofA Global Research

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Exhibit 31: North West China average cement price

NW China cement prices were flattish WoW

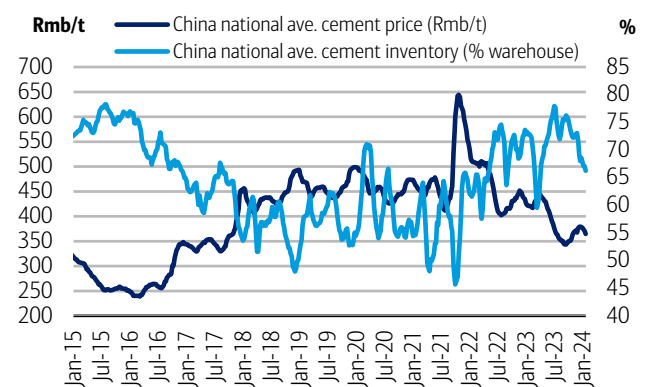


Source: Digital Cement, BofA Global Research

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Exhibit 32: China national average cement prices vs inventory

Both price and inventory were down WoW



Source: Digital Cement, BofA Global Research

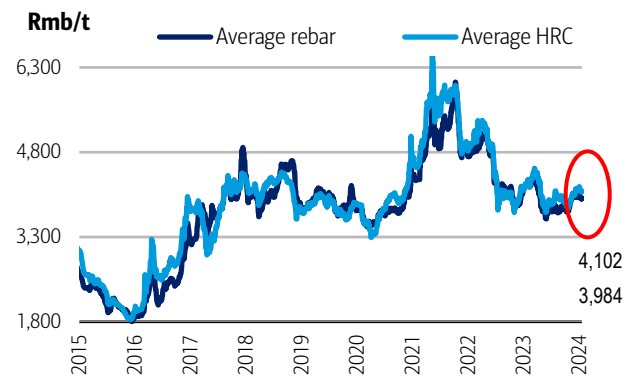
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Steel: Price down amid weaker cost support

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Exhibit 32: China domestic steel prices at key cities

Chinese steel prices at key cities -0.2%/-0.7% WoW for rebar/HRC

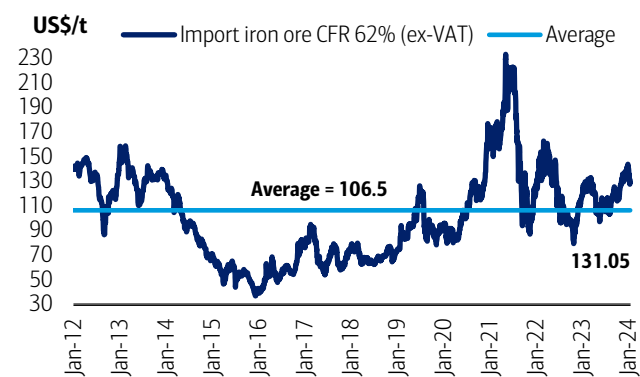


Source: Wind, BofA Global Research

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

Iron ore price -3.5% WoW to US\$131.1/t as of 18 Jan

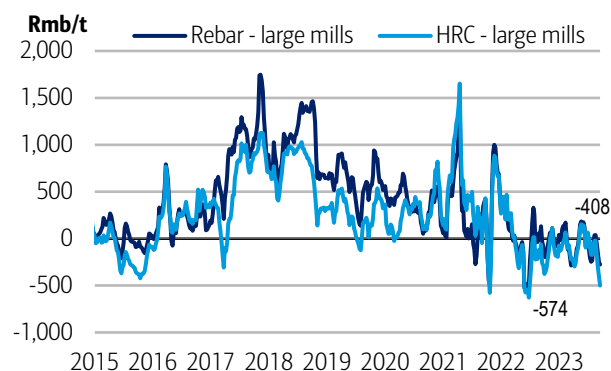


Source: Wind, BofA Global Research

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

Rebar cash margin at large mills +RMB71/t to -RMB408/t, and HRC cash margin at those mills +RMB68/t to -RMB574/t

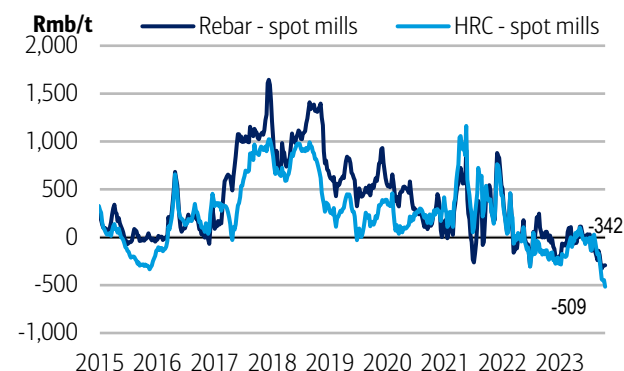


Source: Wind, BofA Global Research

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Exhibit 35: Spot cash margins at steel mills

Spot rebar cash margin -RMB10/t to -RMB342/t, and spot HRC cash margin -RMB13/t to -RMB509/t

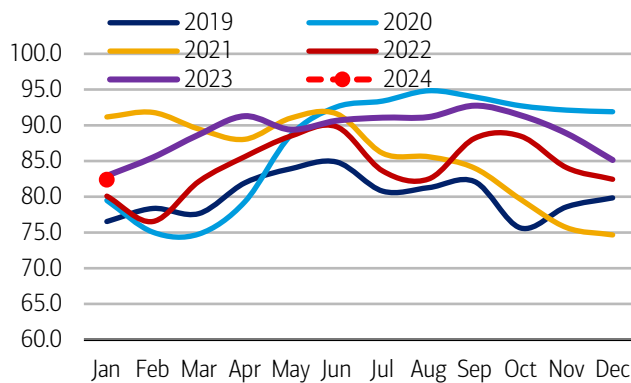


Source: Wind, BofA Global Research

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Exhibit 36: Utilization rates of blast furnaces across the nation

Utilization rates of blast furnaces across the nation +0.42ppt WoW to 82.98% as of 19 Jan

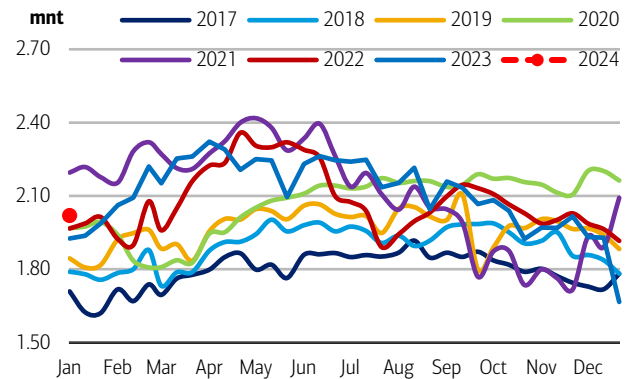


Source: Mysteel, BofA Global Research

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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 2.019 mnt/day as of 10 Jan, compared with 1.666 mnt/day in the previous 10 days

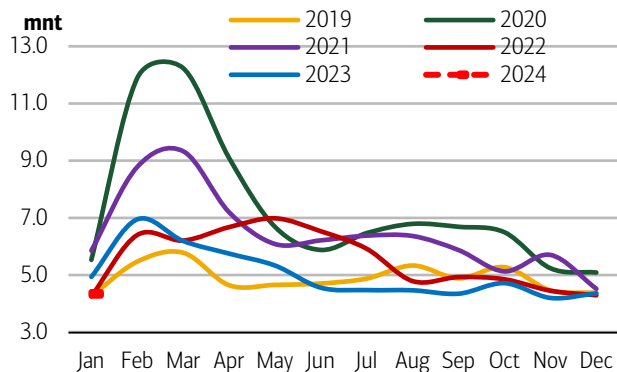


Source: CISA, BofA Global Research

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Exhibit 38: Steel inventory at mills

Steel inventory at mills down by 0.7% WoW to 4.30mnt

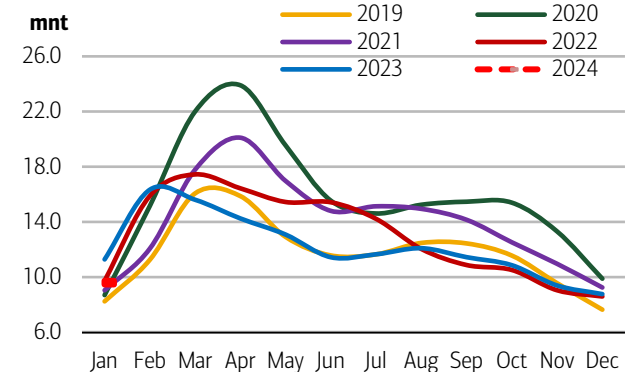


Source: Mysteel, BofA Global Research

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Exhibit 39: Steel inventory at key cities (traders)

Steel inventory at key cities (traders) up by 3.4% WoW to 9.93mt

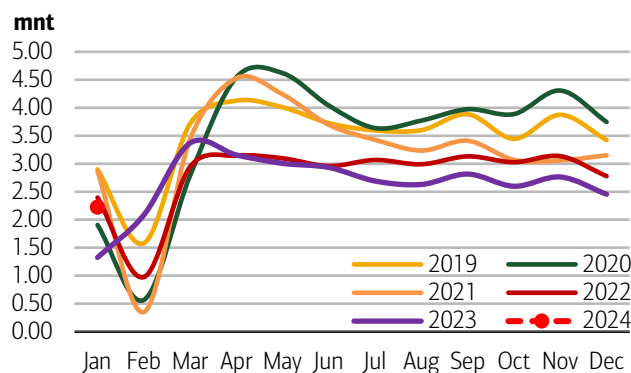


Source: Mysteel, BofA Global Research

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Exhibit 41: Weekly rebar apparent consumption

Weekly rebar apparent consumption was -0.5% WoW to 2.18mnt

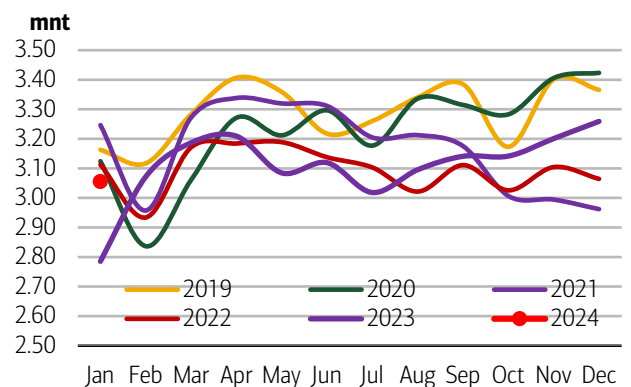


Source: Mysteel, BofA Global Research

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Exhibit 41: Weekly HRC apparent consumption

Weekly HRC apparent consumption was -2.6% WoW to 2.94mnt

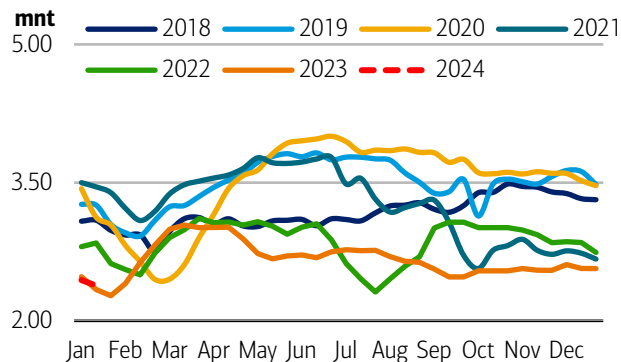


Source: Mysteel, BofA Global Research

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Exhibit 42: Weekly rebar output

Rebar output for the week ended 19 Jan decreased 3.4% WoW to 2.34mnt

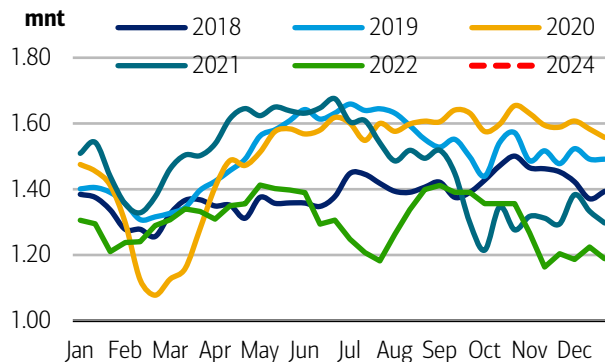


Source: Mysteel, BofA Global Research

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Exhibit 43: Weekly HRC output

HRC output for the week ended 19 Jan down by 3.3% WoW to 2.94mnt

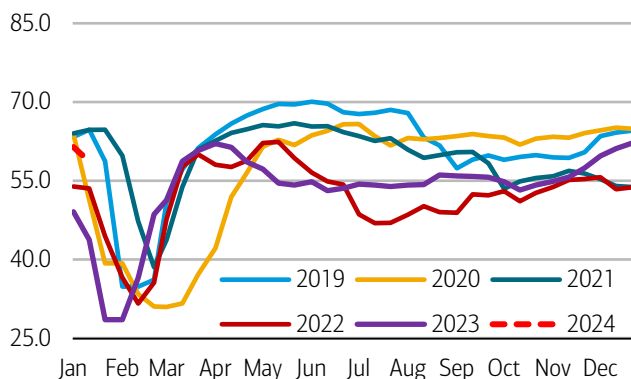


Source: Mysteel, BofA Global Research

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

The operating rate of EAF mills -1.31ppt WoW to 58.66% in the week ended 19 Jan

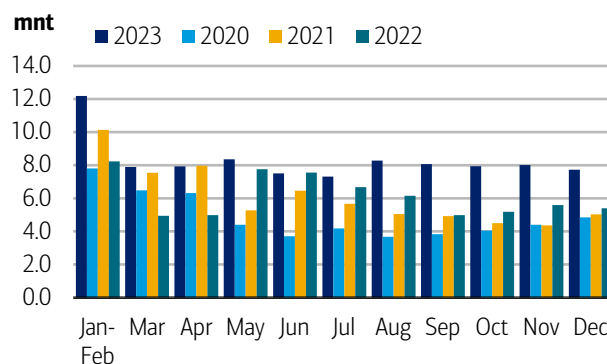


Source: Custeel, BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 45: China monthly steel product exports

In Dec 23, Chinese exports of steel were 7.73mnt, +43.1% YoY. YTD net exports reached 83.6mnt, +47% YoY

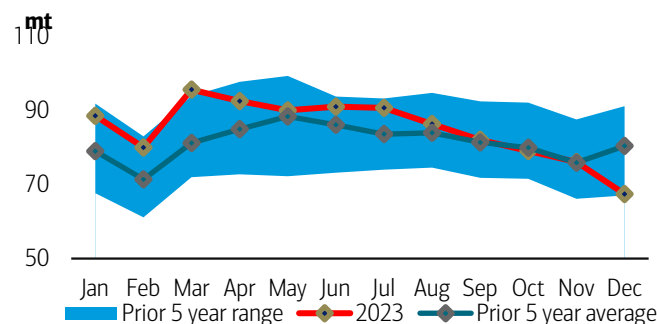


Source: China Customs, CEIC, BofA Global Research

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Exhibit 46: YTD China crude steel production

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

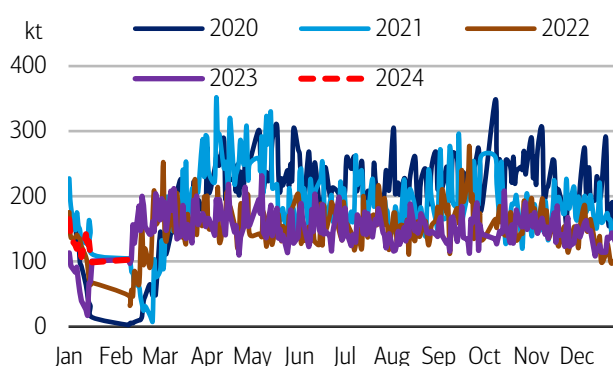


Source: NBS, CEIC, BofA Global Research

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Exhibit 47: Construction steel trading volume

Construction steel trading volume -27.7% WoW to 102.5kt/d as of 18 Jan

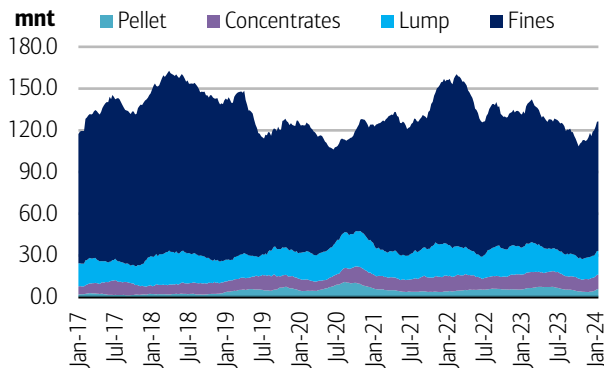


Source: Wind, BofA Global Research

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Exhibit 48: Iron ore port inventory by product type

Iron ore fine currently accounts for 73.8% of port inventory

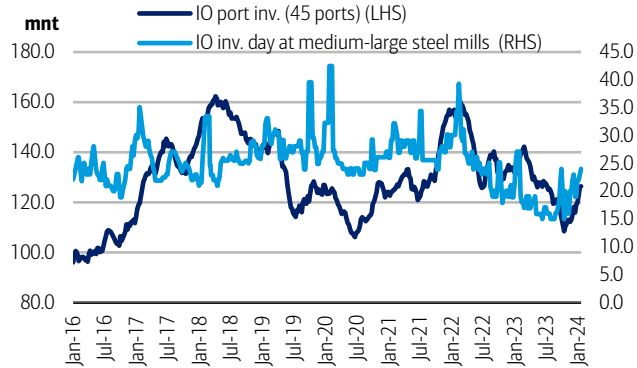


Source: Mysteel, BofA Global Research

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

Iron ore port inventory ended at 126.38mnt, +0.2% WoW as of 19 Jan

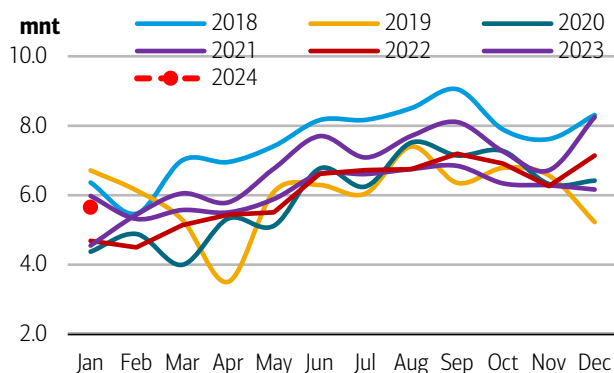


Source: Wind, BofA Global Research

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Exhibit 50: Weekly iron ore exports from major Brazilian ports

Weekly iron ore exports from major Brazilian ports – Jan 24 up 24.2% yoy as of 12 Jan

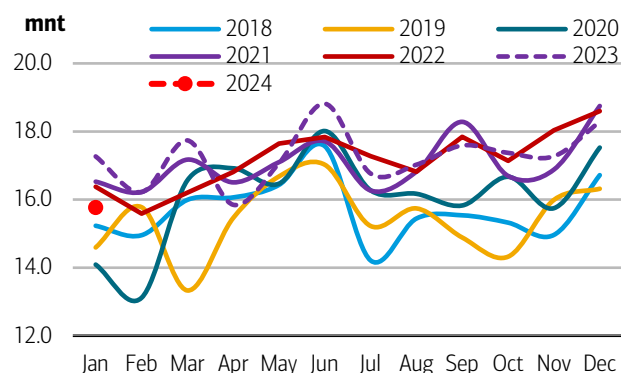


Source: Mysteel, BofA Global Research

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Exhibit 51: Weekly iron ore exports from major Australian ports

Weekly iron ore exports from major Australian ports – Jan 24 down 8.7% yoy as of 12 Jan

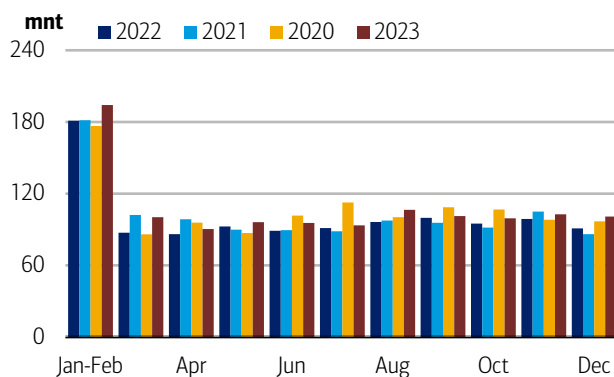


Source: Mysteel, BofA Global Research

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Exhibit 52: China monthly iron ore imports

Chinese imports of iron ore in Dec 2023 were 100.9mnt, +11.0% YoY

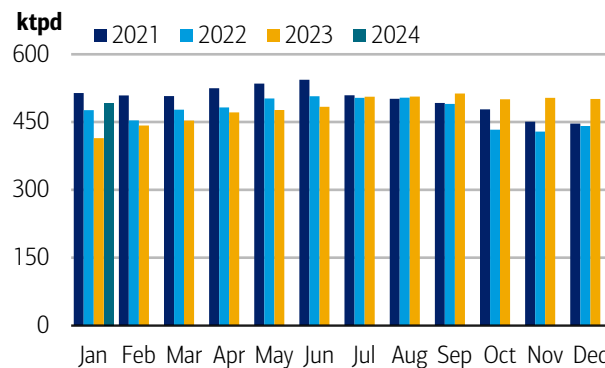


Source: China Customs, Wind, BofA Global Research

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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 Jan 24 up 18.8% YoY, as of 12 Jan



Source: Mysteel, BofA Global Research

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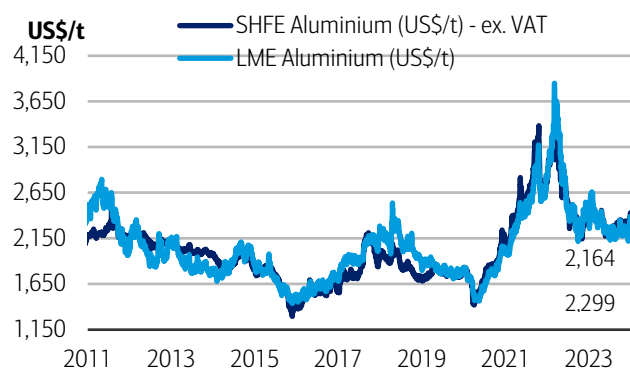
Metals: Major metal prices down

LME aluminum price was -2.5% WoW to US\$2,164/t amid weak economic data, while SHFE -1.7% WoW to RMB18,680/t. Domestic Al ingot inventory was down 3.9% WoW to 439kt. LME copper price -0.3% WoW at US\$8,310/t, SHFE was -0.69% WoW to RMB67,600/t. According to Baininfo, 1.5mt of capacity was expected to resume and 1.25mt of new capacity was expected to launch in 2024. The Comex gold price up 0.94% WoW at US\$2,030/oz. Battery grade lithium carbonate price up by 0.3% WoW to RMB96.5k/t and battery grade lithium hydroxide price was flattish WoW at RMB84.7k/t.

Aluminum

Exhibit 54: Price comparison in LME & SHFE Aluminum

LME aluminum price -2.5% WoW to US\$2,164/t during the week ended 19 Jan, while SHFE down 1.7% WoW to RMB18,680/t

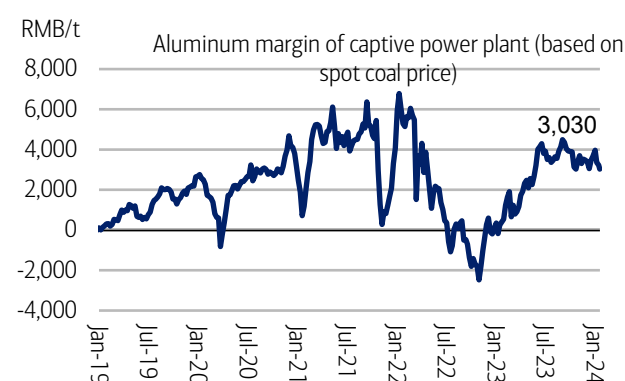


Source: Bloomberg, BofA Global Research

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Exhibit 55: Aluminum margin of captive power plant

Aluminum margin of captive power plant -RMB294/t WoW to RMB3,030/t as of 19 Jan



Source: Bloomberg, SMM, Wind, BofA Global Research

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

Avg. national aluminum margin -RMB294/t WoW to RMB2,153/t as of 19 Jan

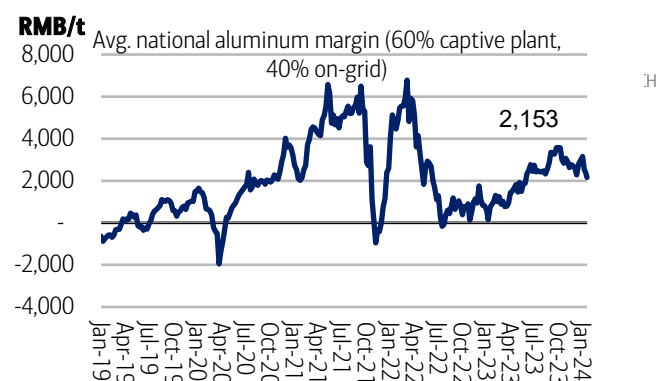
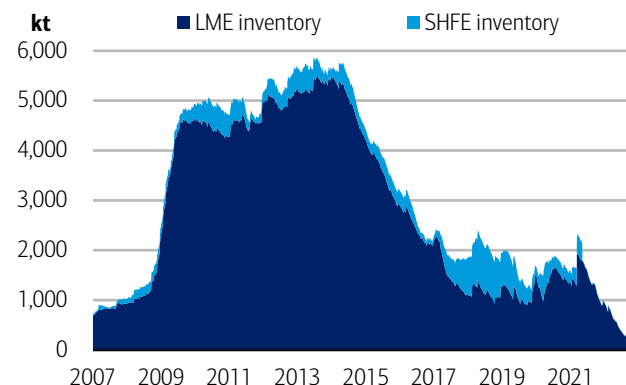


Exhibit 57: Inventory comparison in LME & SHFE Aluminum

LME aluminum inventory decreased by 0.4% WoW to 556kt, and SHFE inventory was flattish WoW at 97kt

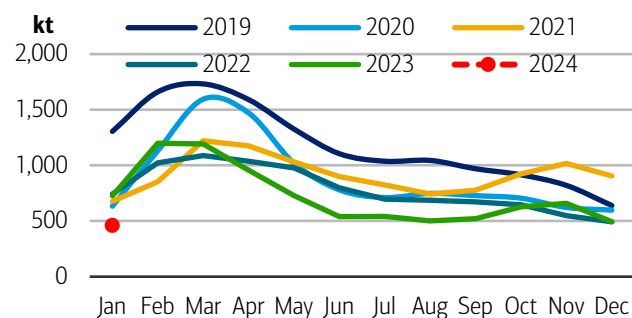


293Source: Bloomberg, BofA Global Research

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Exhibit 58: Aluminum ingot inventory

Domestic aluminum ingot inventory down 3.9% WoW to 439kt as of 18 Jan

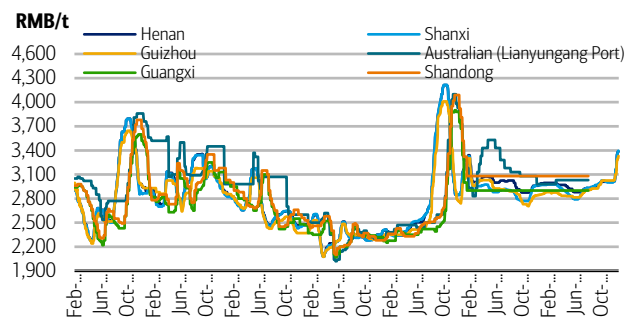


Source: SMM, BofA Global Research

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Exhibit 59: Domestic alumina prices

Domestic alumina prices were flattish at RMB3,370t as of 19 Jan



Source: Wind, BofA Global Research

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Exhibit 61: Aluminum capacity change in 2024

1.5mt 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	-	530	530
Inner Mongolia	-	-	-	-	-	420	420
Shanxi	-	-	-	45	-	-	-
Guangxi	-	-	-	20	-	-	-
Xinjiang	-	-	-	-	-	200	200
Henan	-	-	-	-	-	-	-
Guizhou	-	-	-	135	-	100	100
Liaoning	-	-	-	-	-	-	-
Chongqing	-	-	-	-	-	-	-
Qinghai	-	-	-	-	-	-	-
Gansu	-	-	-	-	-	-	-
Sichuan	-	-	-	110	-	-	-
Shandong	-	-	-	-	-	-	-
Total	-	-	-	1,545	-	1,250	1,250

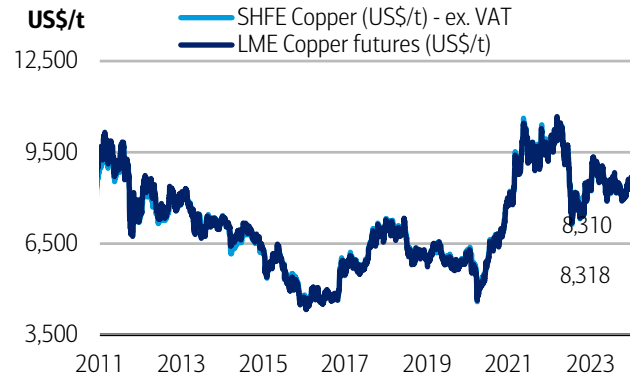
Source: Baiinfo, BofA Global Research

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Copper & Gold

Exhibit 61: Price comparison in LME & SHFE copper

LME copper price down by 0.3% WoW at US\$8,310/t during the week ended 19 Jan, while SHFE -0.69% WoW to RMB67,600/t. SHFE is at a premium of 0.1% to LME price

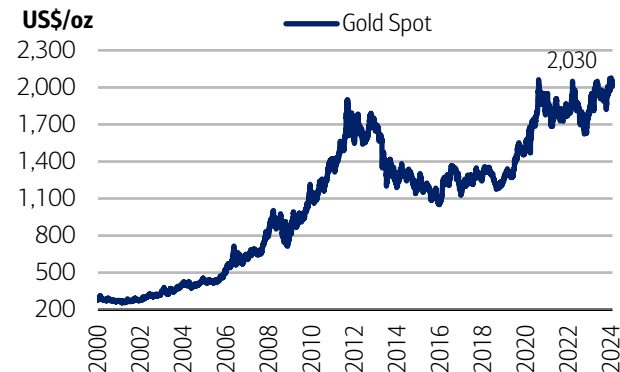


Source: Bloomberg, BofA Global Research

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Exhibit 62: Gold spot price

The Comex gold (spot) price down 0.94% WoW to US\$2,030/oz

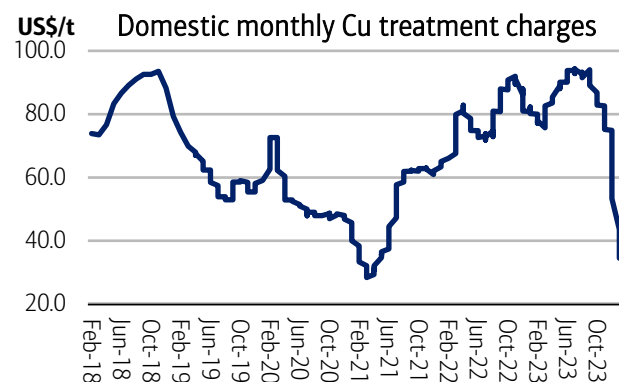


Source: Bloomberg, BofA Global Research

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Exhibit 63: Domestic monthly treatment charges on Cu concentrate

Domestic monthly treatment charges on copper concentrate: US\$34.5/t as of 19 Jan

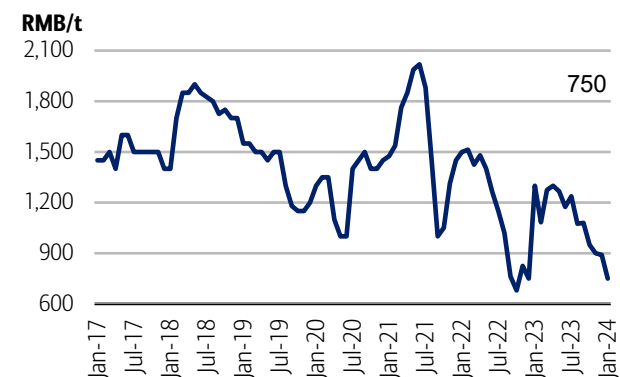


Source: Wind, BofA Global Research

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Exhibit 64: Domestic monthly refining charges on blister copper

Domestic monthly refining charges on blister copper: Jan-avg.: RMB750/t

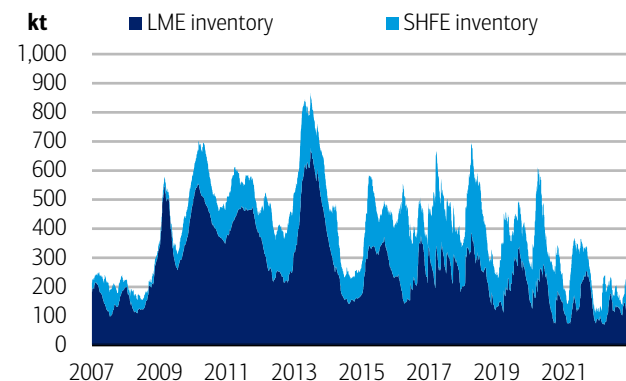


Source: Mymetal, BofA Global Research

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Exhibit 65: Inventory comparison in LME & SHFE copper

LME copper inventory +1.0% WoW to 157kt, and SHFE inventory +10.8% WoW to 48kt



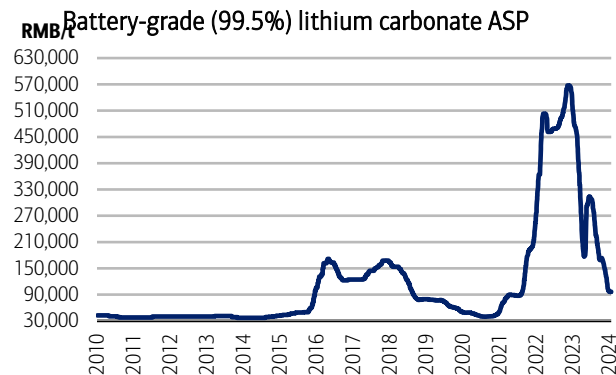
Source: Bloomberg, BofA Global Research

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Lithium

Exhibit 66: Domestic battery-grade lithium carbonate ASP

Average price of domestic battery-grade lithium carbonate (99.5%) up by 0.3% WoW to RMB96.5k/t

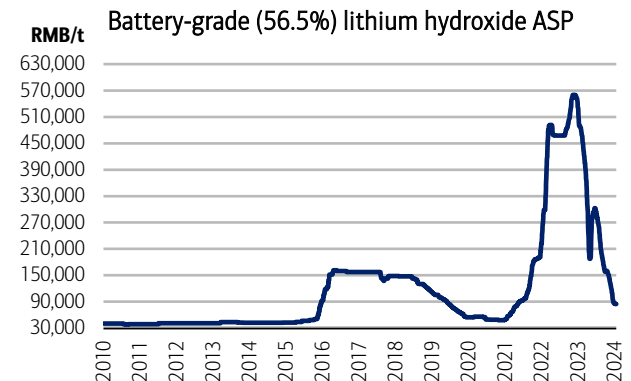


Source: SMM, BofA Global Research

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Exhibit 67: Domestic battery-grade lithium hydroxide ASP

Average price of domestic battery-grade lithium hydroxide was flattish WoW at RMB84.7k/t

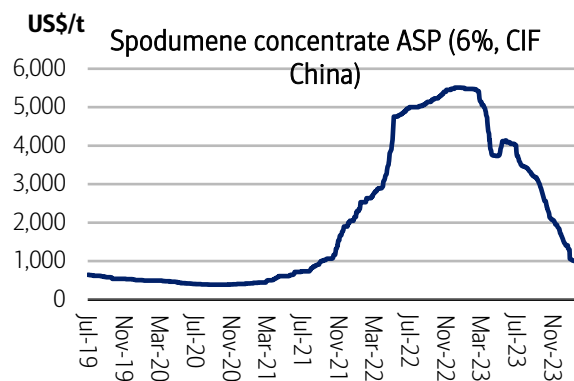


Source: SMM, BofA Global Research

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

Average price of spodumene concentrate ASP (6%, CIF China) down 1.47% WoW to USD1,005/t

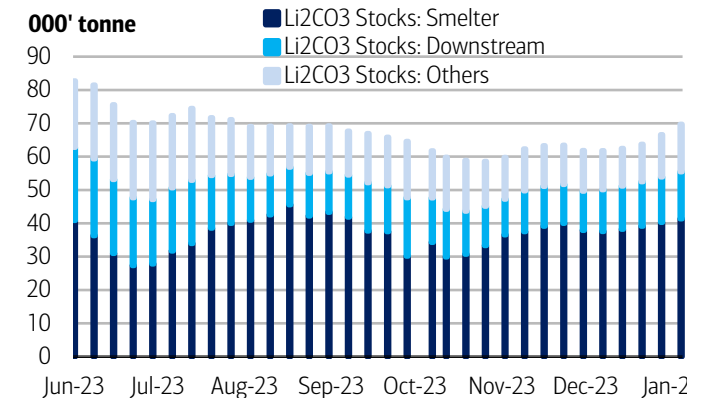


Source: SMM, BofA Global Research

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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: Lower price amid weak demand

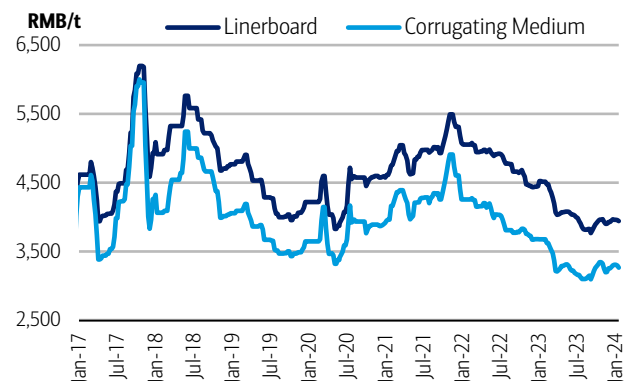
Raw paper: Paper price was down by 0.39% WoW to RMB3,851/t as of 17 Jan. Paper price edged lower WoW due to no significant improvement on market transaction & weaker support from OCC price. Given lackluster terminal demand & approaching Spring Festival, downstream processors were more inclined to destock instead of restock, forcing paper mills to suspend production prior to the holiday.

Waste paper: In the domestic market, the China OCC average was down by 2.5% WoW to RMB1,566/t.

Spread: The Nine Dragons margin tracker is now indicating NP/t of -RMB82/t for this week.

Exhibit 70: China linerboard and corrugating medium price

Paper was down by 0.39% WoW to RMB3,851/t as of 17 Jan.



Source: UMPaper, RISI

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Exhibit 71: Nine Dragons Margin tracker

The Nine Dragons margin tracker is now indicating NP/t of -RMB82/t for this week, up 15.2% WoW.



Source: UMPaper, RISI, BofA Global Research

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Glass: Price inched higher amid restocking demand

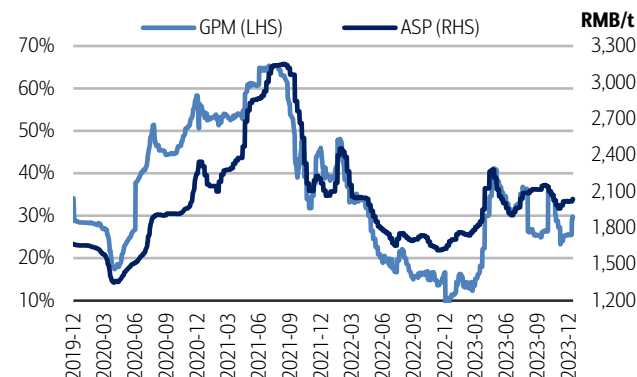
Supported by restocking demand under low inventory, national float glass price inched higher during week. According to SCI99, although demand turned mild entering off-season, less cold repair but more ignition of production line has been observed given lucrative profit margin.

Market price and raw materials prices: As of 18 Jan, the national average float glass price (incl. VAT) was up by 0.2% WoW at RMB2,041/t. The soda ash price was flattish at RMB2,579/t as of 19 Jan. National direct supplied pipeline natural gas remains RMB2.30/cbm. Our analysis shows Xinyi float glass GPM was up by 0.1% to 29.9%.

Inventory and capacity: As of 18 Jan, national inventory was 29.03mn weight case, representing 13.83 inventory days. Nationally effective capacity of all float glass lines was 173,365t/d.

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

As of 18 Jan, the national average float glass price was up 0.2% WoW to RMB2,041/t. Our analysis shows Xinyi float glass GPM was up by 0.1% WoW to 29.9%

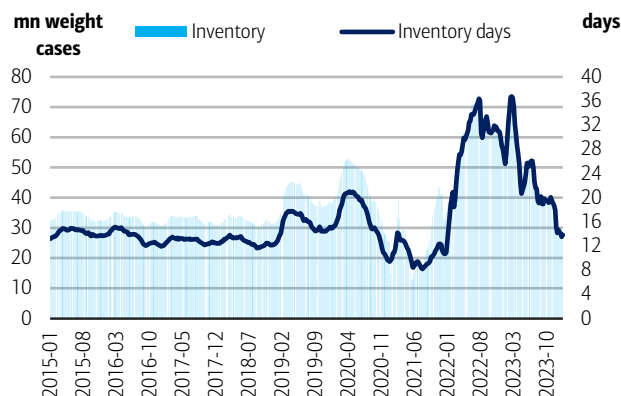


Source: BofA Global Research, Wind, SCI99

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Exhibit 73: Inventory & Inventory day

As of 18 Jan, national inventory was 29.03mn weight case, representing 13.83 inventory days

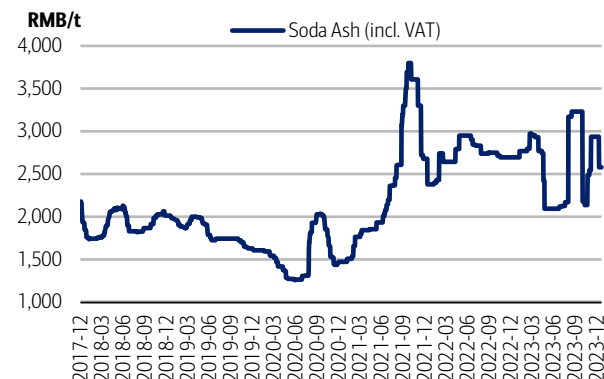


Source: BofA Global Research, Wind, SCI99

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

The soda ash price was flattish at RMB2,579/t as of 19 Jan

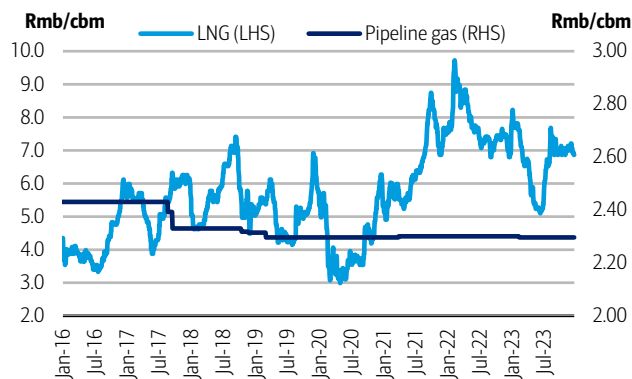


Source: BofA Global Research, Wind, SCI99

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Exhibit 75: China Natural Gas Price

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

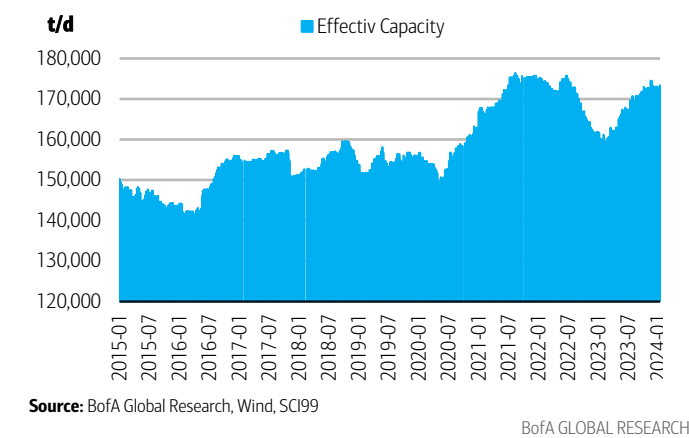


Source: BofA Global Research, Wind, SCI99

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Exhibit 76: Effective capacity % of total capacity

Nationally effective capacity of all float glass lines was 173,365t/d.



Appendix

Exhibit 78: 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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