

Iron Ore Fundamental Review

Iron ore sector fundamental review

Mysteel expectation (Million tons)	2020/4/19	2021/4/26 weekly change projection	Our expectation
shipment(BZL+AUS)	24.07	-2.00	-1.00
Arrivals	24.52	-2.50	-3.00

Removal projection:

Unit (10kt)	2021/4/15 Forecast	2021/4/15 Actual	2021/4/22 Forecast	2021/4/22 Actual	2021/4/29 Forecast
JingTang	22.00	25.00	26.00	29.50	30.00
Caofeidian	22.00	19.00	23.00	23.00	25.00
TianJin	23.00	23.00	23.00	22.50	23.00
North China	67.00	67.00	72.00	75.00	78.00
Rizhao	24.00	25.00	25.00	26.00	25.00
Qingdao	30.00	30.00	30.00	28.00	30.00
Lanshan	15.50	15.00	15.00	13.50	15.00
Lanqiao	6.00	6.40	6.50	6.43	6.50
Shandong	75.50	76.40	76.50	73.93	76.50
JiangYin	16.00	16.40	16.40	13.50	16.00
TaiCang	9.00	10.00	10.00	10.00	10.00
Lianyungang	16.00	14.50	16.00	15.00	15.00
East China	41.00	40.90	42.40	38.50	41.00
Bayuquan	10.00	10.50	10.50	10.20	10.50
FangCheng	13.00	11.50	12.00	11.00	12.00
Sum from Cargill sample	206.50	206.30	213.40	208.63	218.00
Others	85.26	83.71	83.67	75.77	81.05
National	291.76	290.01	297.07	284.40	299.05

We expected national removals might be still around 2.99Mtpd.

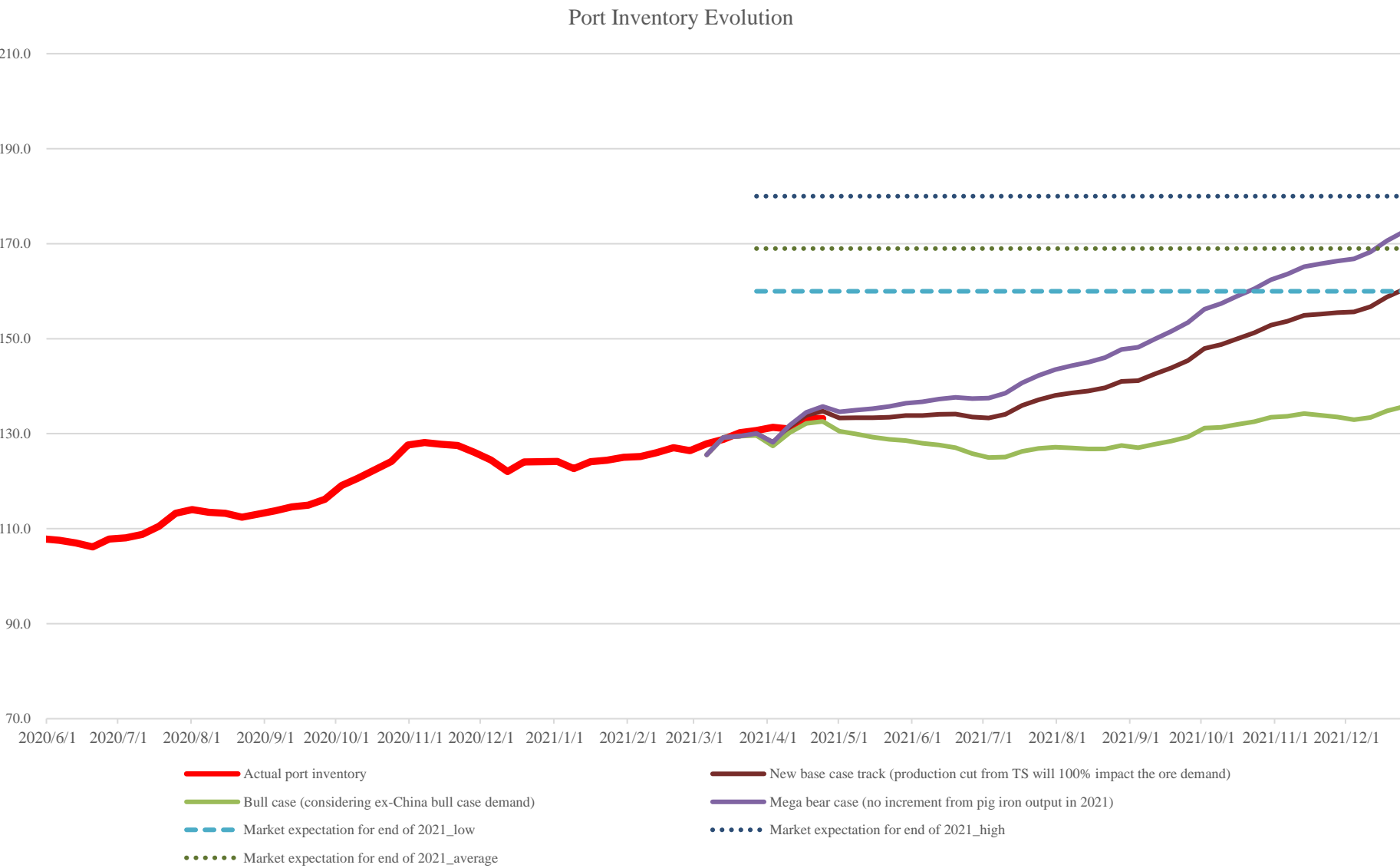
The main increment will come from Shandong and East China regions.

Fundamental sentiment:

Iron ore	Supply-Import	Supply-Domestic	Demand-Mills	Demand-Traders	Spot Price	Inventory-Port	Inventory-Mills	Iron Ore Index
2021/4/30	2	1	1	0	1	-2	1	4
2021/4/23	1	1	1	0	0	-1	2	4
2021/4/16	1	1	1	0	0	-1	2	4
2021/4/9	1	1	1	0	0	-1	2	4
2021/4/2	1	1	1	0	0	0	2	5
2021/3/26	2	1	1	0	0	0	2	6
2021/3/19	2	1	1	0	0	1	2	7
2021/3/12	2	1	1	1	1	1	1	8
2021/3/5	1	1	1	1	1	1	1	7
2021/2/26	2	1	1	1	1	1	1	8
2021/2/12	2	1	1	1	1	1	1	8

*Criteria Scale from -3 to +3 (from Most bearish to most bullish for the price drive)

Weekly Inventory Evolution



Weekly Inventory Evolution

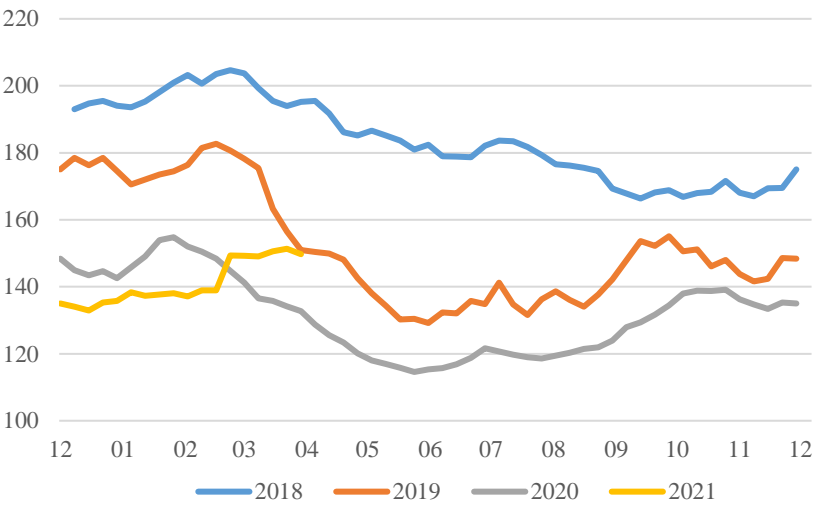
	expected arrivals	bull case removals	Congestion change	expected inventory change	port inventory_bull case	actual port inventory
2021/2/27	18.87	21.27	0.04	-2.44	122.36	126.45
2021/3/6	21.61	20.11	-0.17	1.67	124.03	127.89
2021/3/13	20.60	20.13	-2.72	3.19	127.22	128.82
2021/3/20	19.90	20.50	-0.34	-0.26	126.95	130.21
2021/3/27	19.88	22.00	-2.21	0.09	127.05	130.66
2021/4/3	21.33	20.79	2.89	-2.34	124.71	131.33
2021/4/10	23.23	20.50	0.01	2.72	127.42	130.99
2021/4/17	23.48	22.05	-0.50	1.93	129.35	133.15
2021/4/24	20.43	20.47	0.00	-0.04	129.31	133.20
2021/5/1	20.27	21.74	0.50	-1.97	127.35	
2021/5/8	21.67	21.59	0.50	-0.42	126.92	
2021/5/15	20.98	21.51	0.00	-0.54	126.39	
2021/5/22	21.44	21.80	0.00	-0.36	126.03	
2021/5/29	21.62	21.77	0.00	-0.16	125.87	

	expected arrivals	base case removals	Congestion change	expected inventory change	port inventory_base case	actual port inventory
2021/2/27	18.87	20.77	0.04	-1.94	123.36	126.45
2021/3/6	21.61	19.61	-0.17	2.17	125.53	127.89
2021/3/13	20.60	19.63	-2.72	3.69	129.22	128.82
2021/3/20	19.90	20.00	-0.34	0.24	129.45	130.21
2021/3/27	19.88	21.50	-2.21	0.59	130.05	130.66
2021/4/3	21.33	20.29	2.89	-1.84	128.21	131.33
2021/4/10	23.23	20.00	0.01	3.22	131.42	130.99
2021/4/17	23.48	21.55	-0.50	2.43	133.85	133.15
2021/4/24	20.43	19.97	0.00	0.46	134.31	133.20
2021/5/1	20.27	21.24	0.50	-1.47	132.85	
2021/5/8	21.67	21.09	0.50	0.08	132.92	
2021/5/15	20.98	21.01	0.00	-0.04	132.89	
2021/5/22	21.44	21.30	0.00	0.14	133.03	
2021/5/29	21.62	21.27	0.00	0.34	133.37	

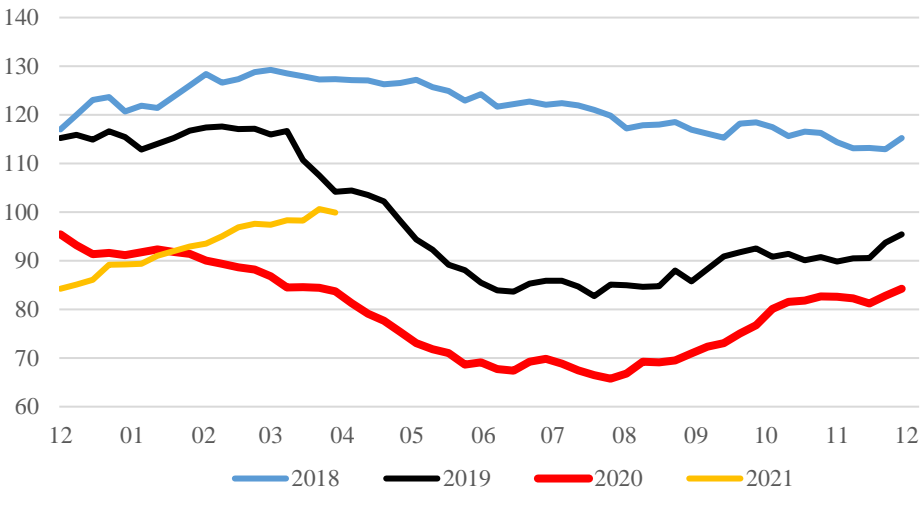
- The port inventory is expected to be 1.47-1.97Mt drawing under flat congestion assumption.

Headline Port Inventory

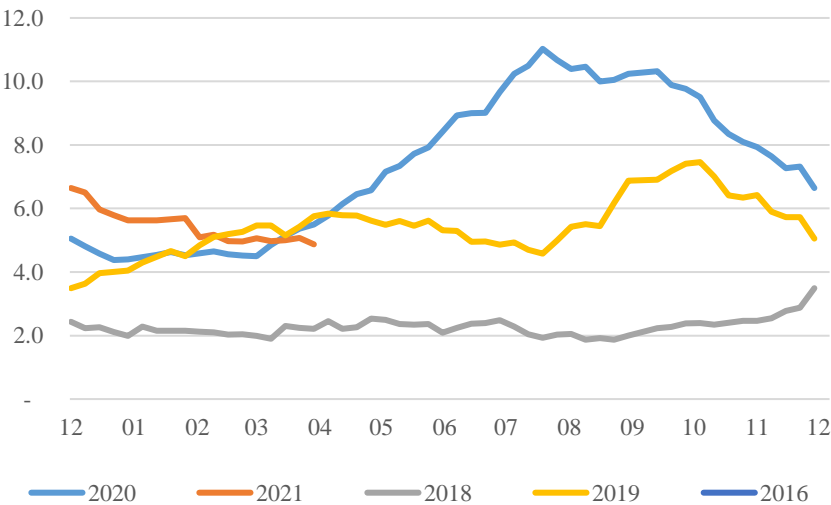
National Port Inventory/BF CU



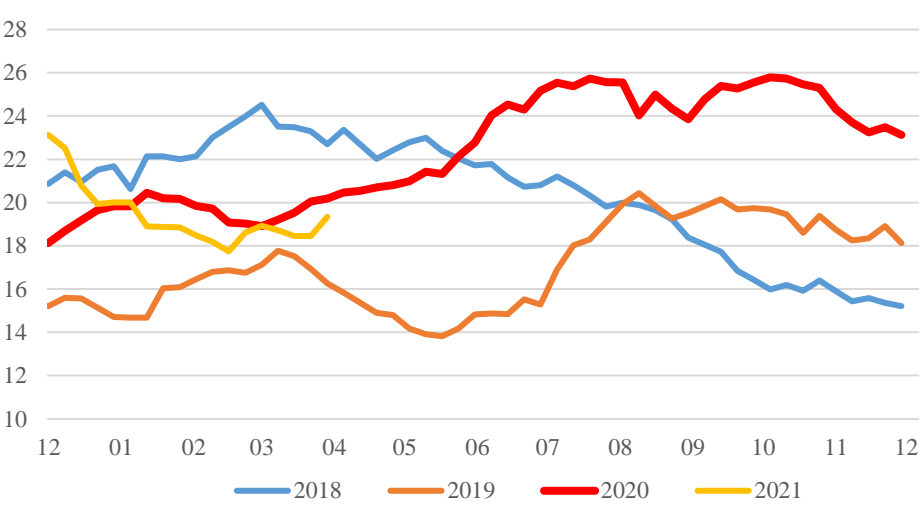
National Fines Port Inventory (Mio)



National Pellets Port Inventory (Mio)

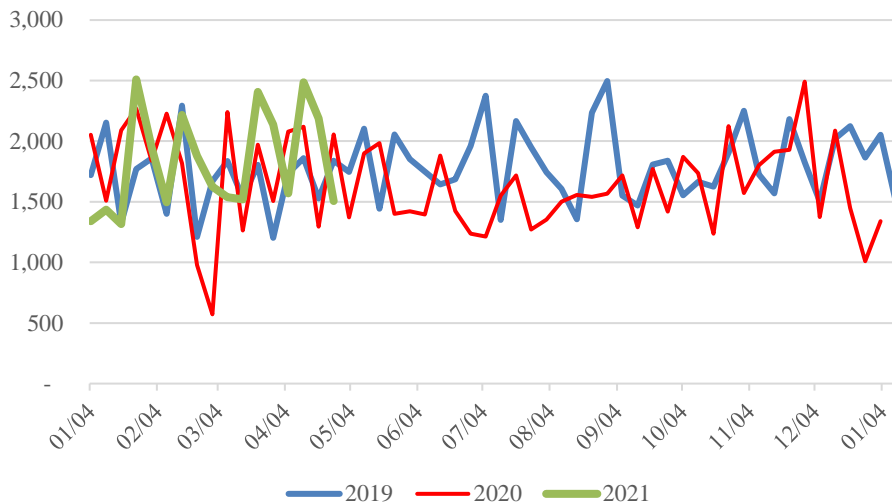


National Lumps Port Inventory (Mio)

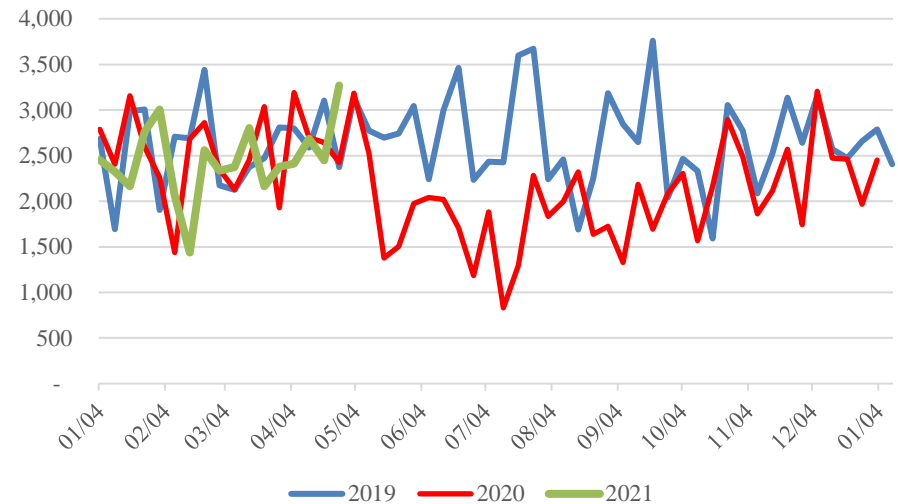


AZM Seaborne arrivals track- Japan & Korea & EU

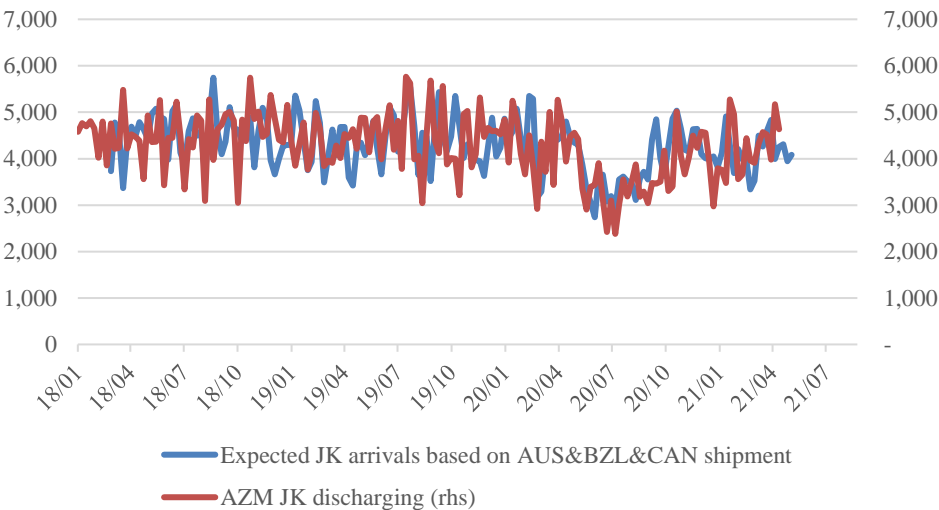
Korea Weekly Arrivals (kt)



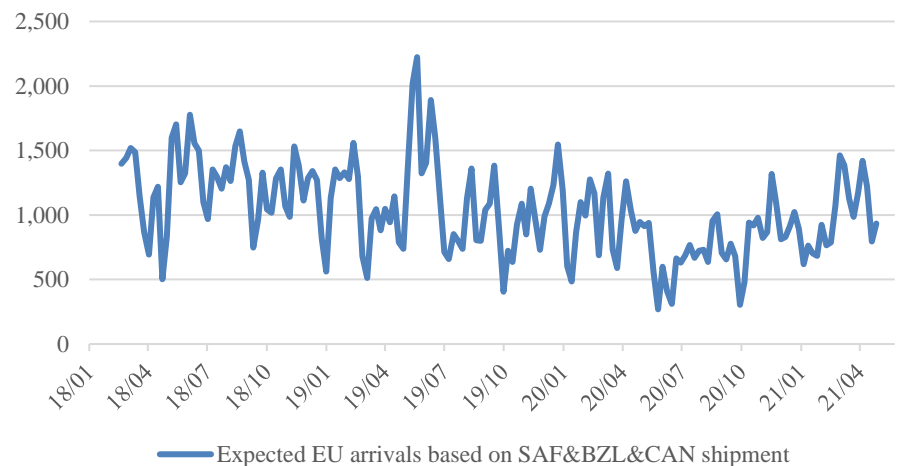
Japan Weekly Arrivals (kt)



JK arrivals track (ktpw)

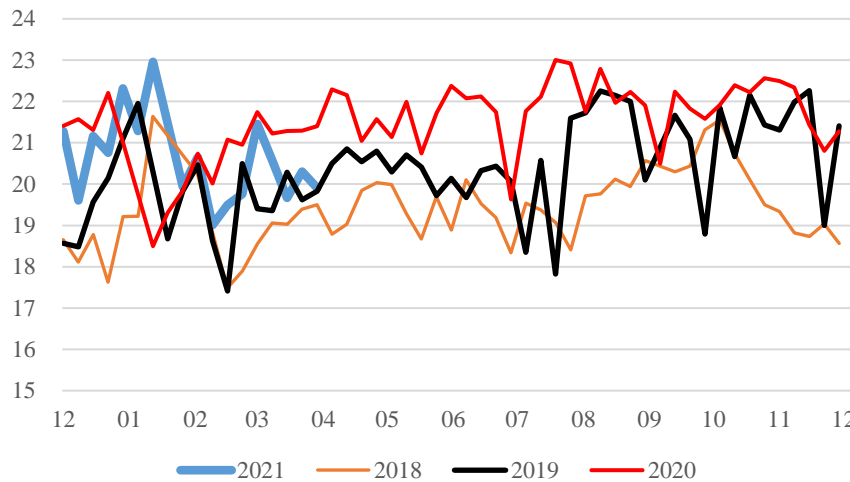


EU arrivals track (ktpw)

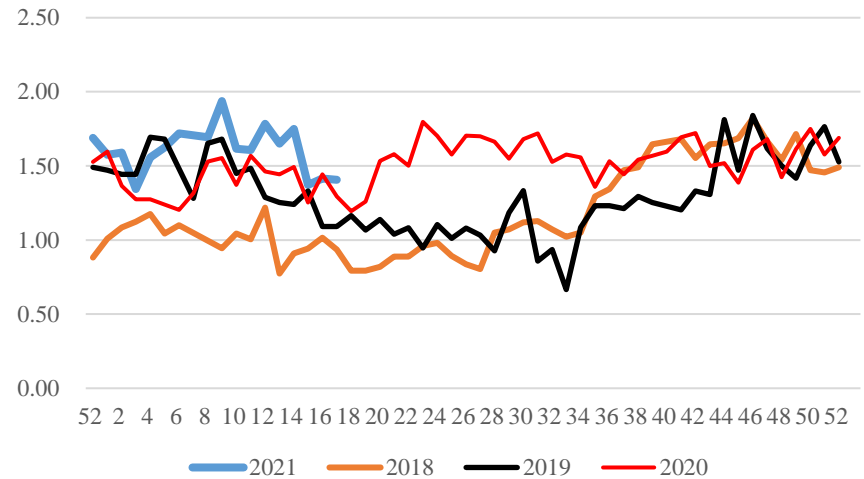


Removals Breakdown

National Weekly Removals



Northeast China Weekly Removals

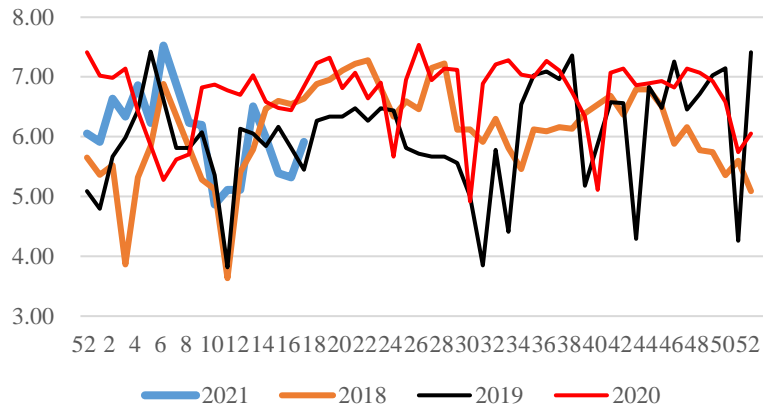


Regional Weekly Removals Data						
Date/Million ton	National	NE China	North China	Shandong	East China	South China
2021/4/23	19.91	1.41	5.92	5.36	5.26	1.97
2021/4/16	20.30	1.41	5.32	5.87	5.75	1.95
2021/4/9	19.66	1.37	5.39	5.30	5.49	2.11
2021/4/2	20.56	1.75	5.99	5.18	5.78	1.87
2021/3/26	21.46	1.65	6.51	5.50	6.03	1.77

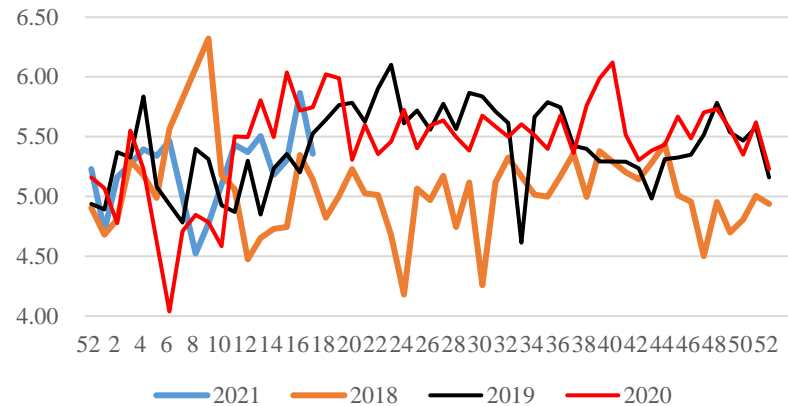
- Headline removals declined to 19.91Mt last week.
- The main draw came from Shandong and East China.

Removals Breakdown

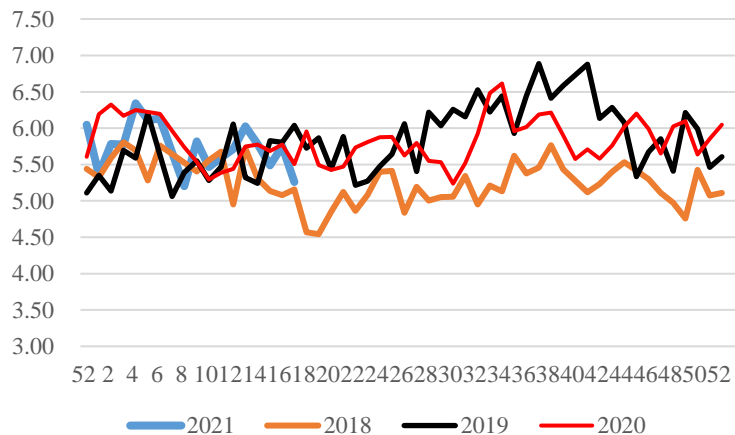
North China Weekly Removals



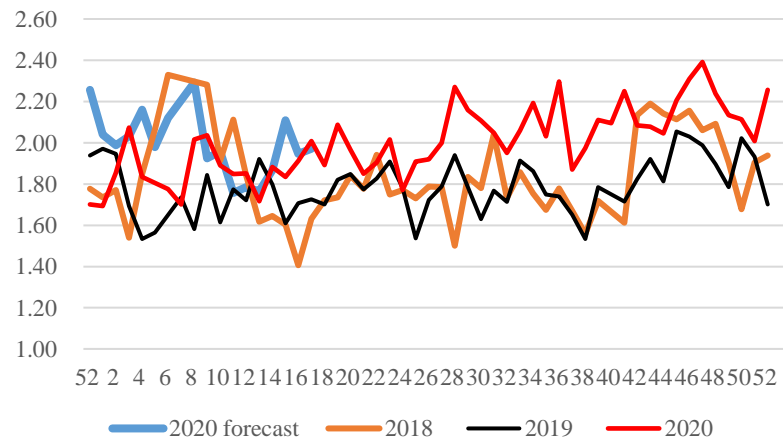
Shandong Weekly Removals



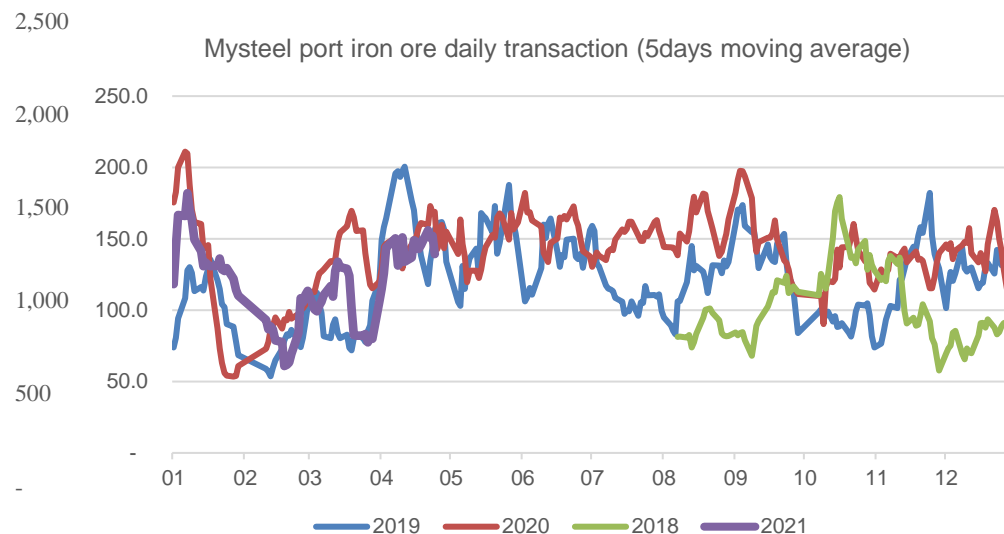
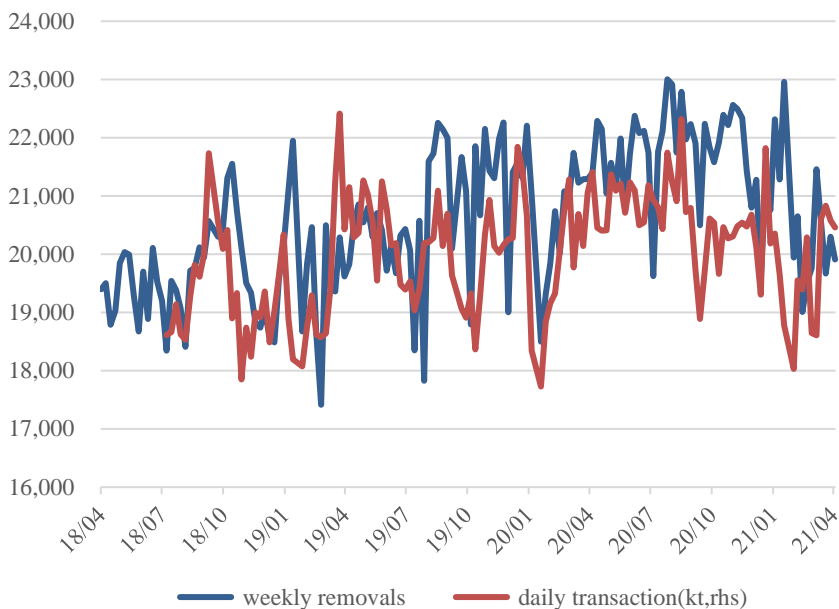
East China Weekly Removals



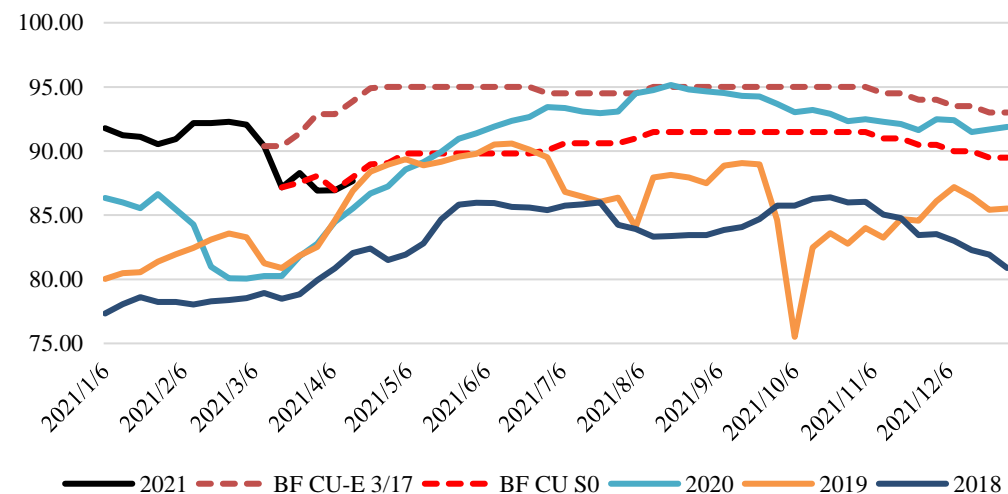
South China Weekly Removals



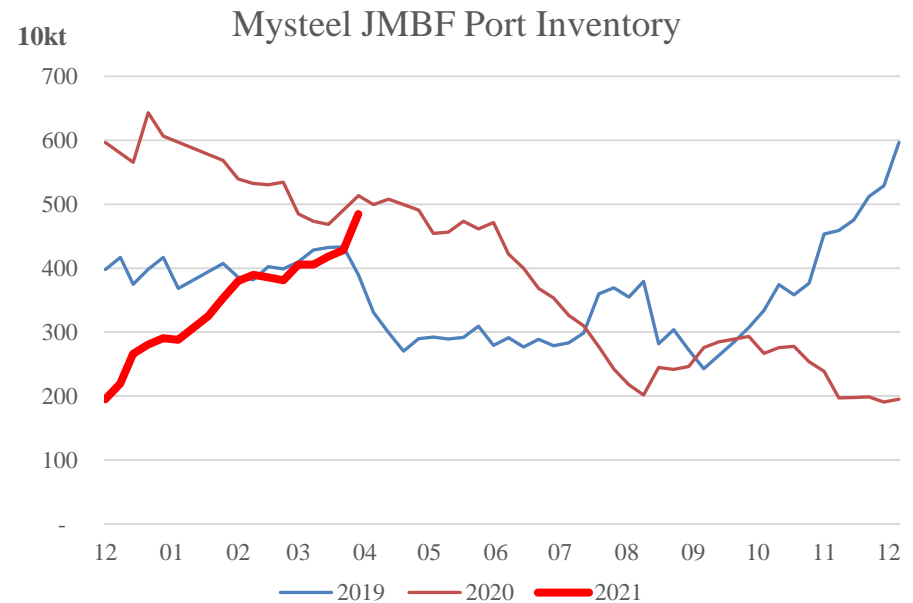
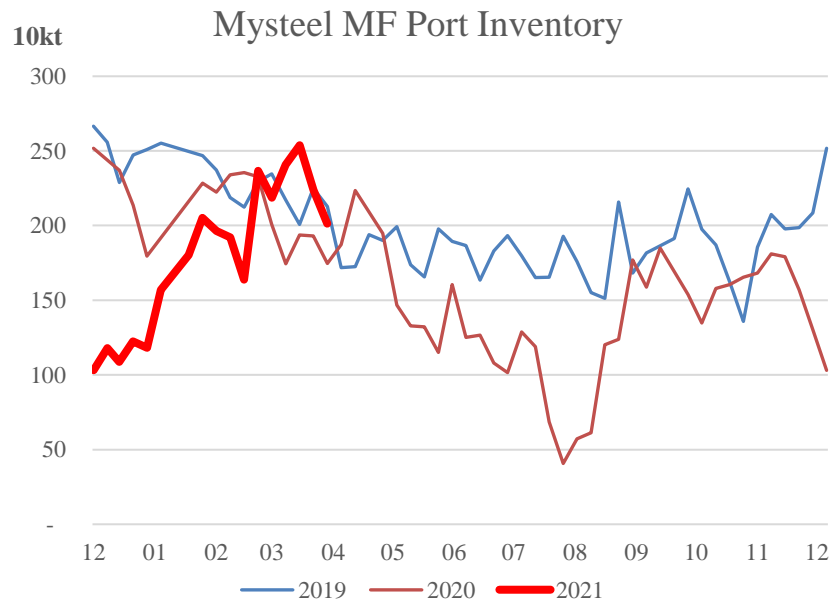
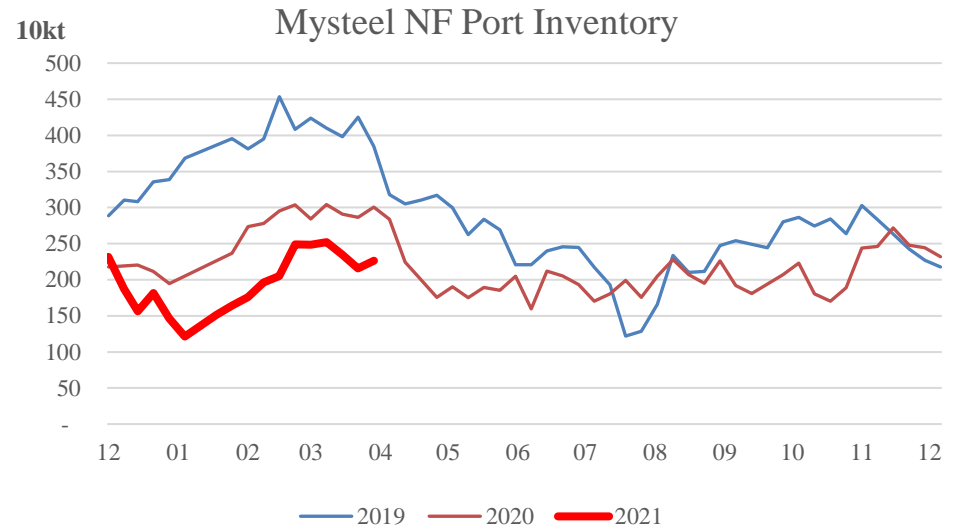
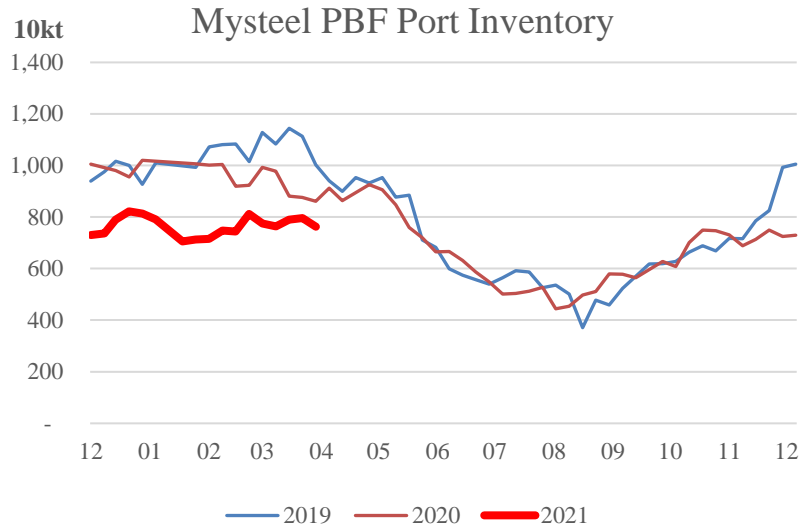
Mysteel iron ore port daily transaction volume and domestic ore CU



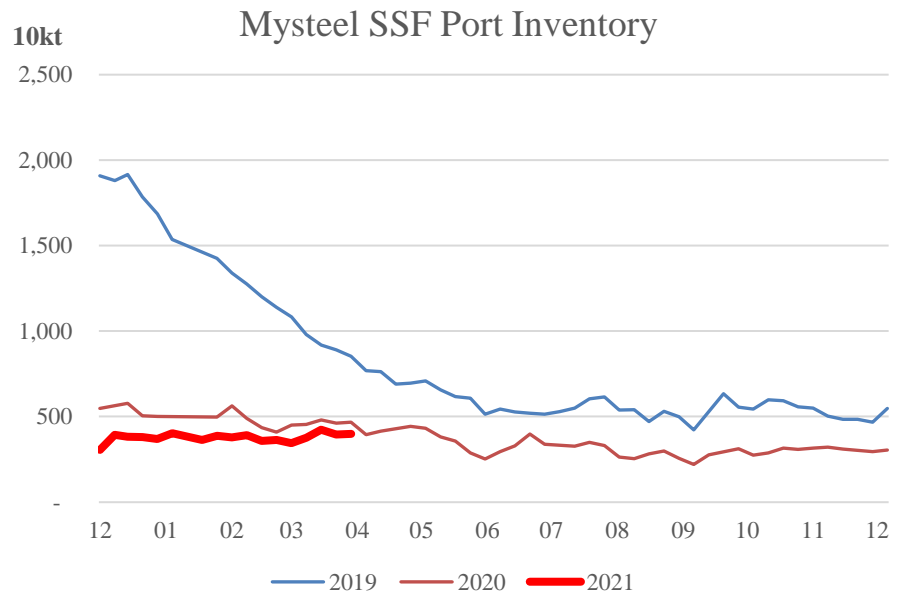
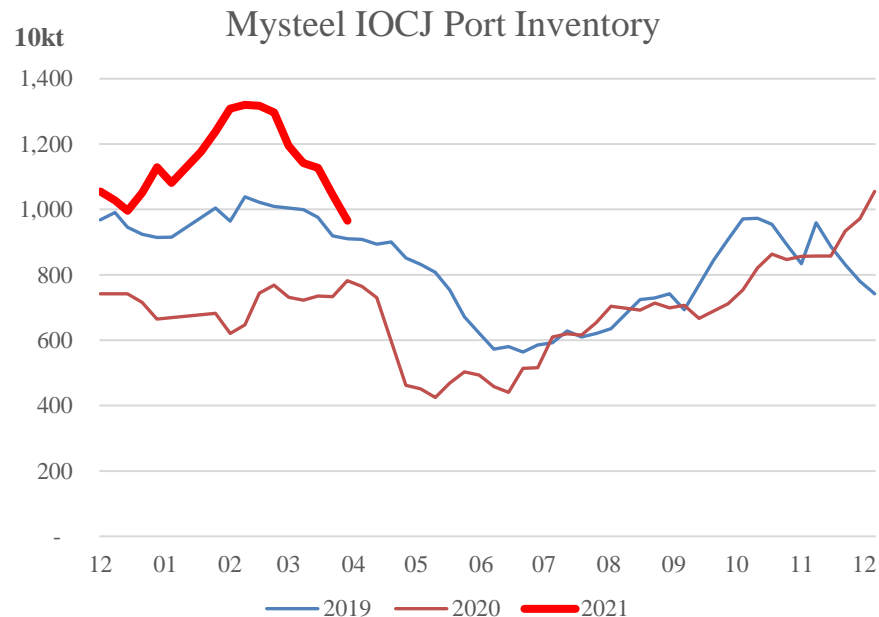
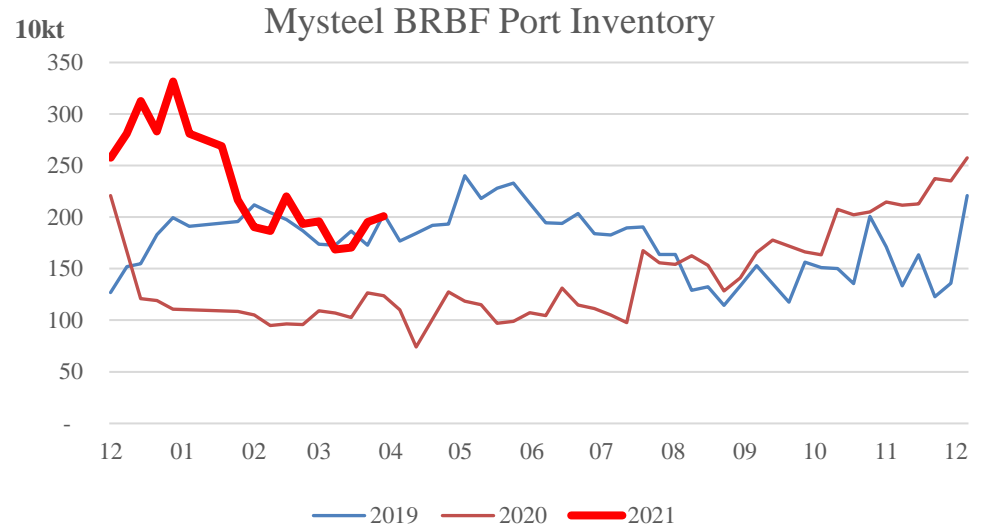
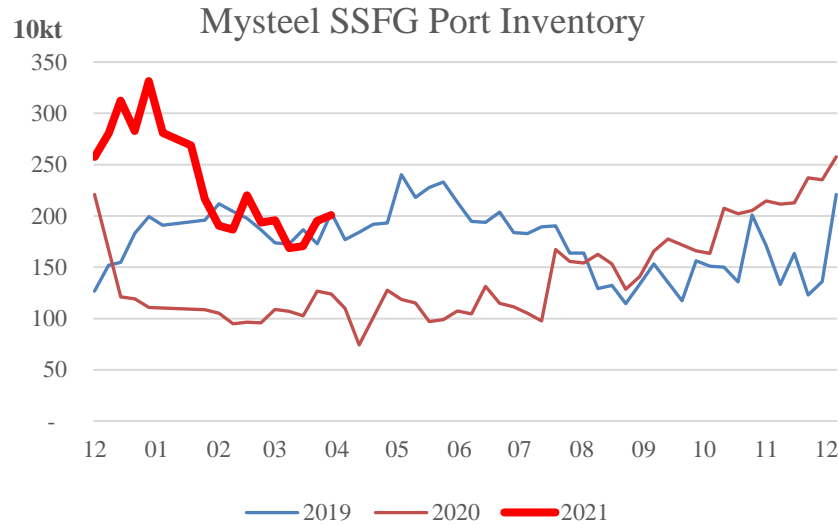
BF CU seasonality



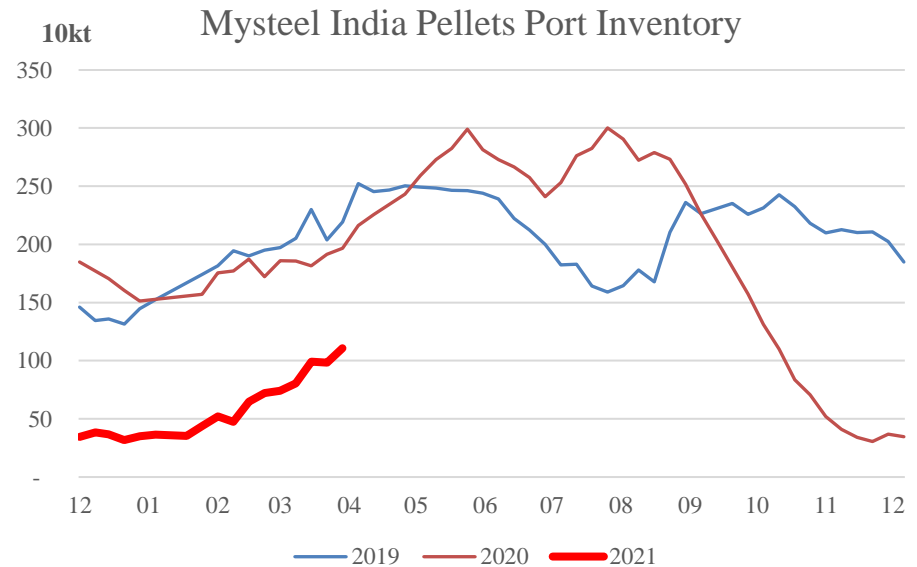
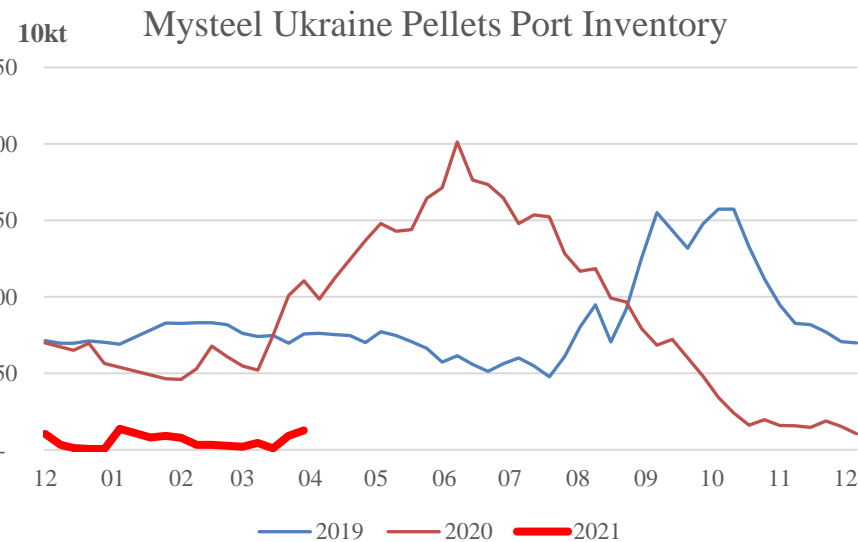
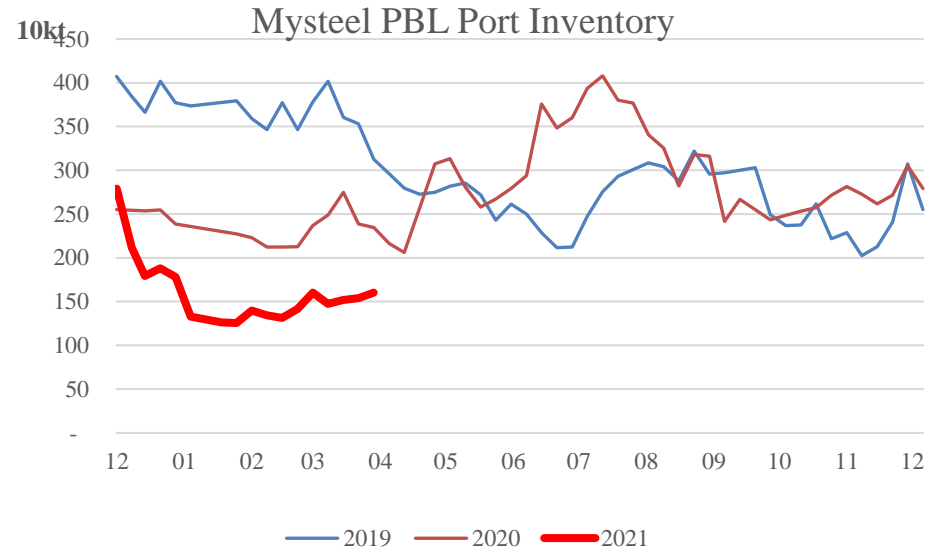
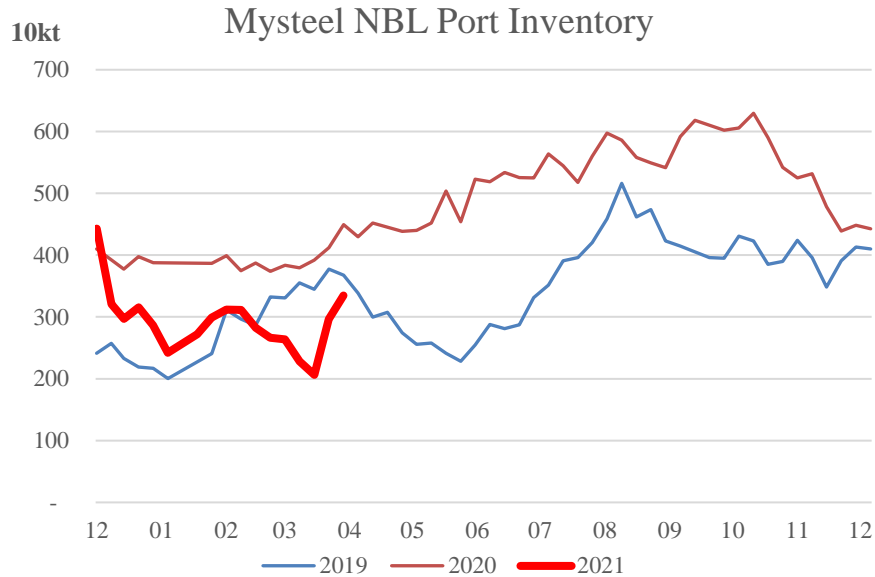
Mysteel 15 ports inventory breakdown



Mysteel 15 ports inventory breakdown

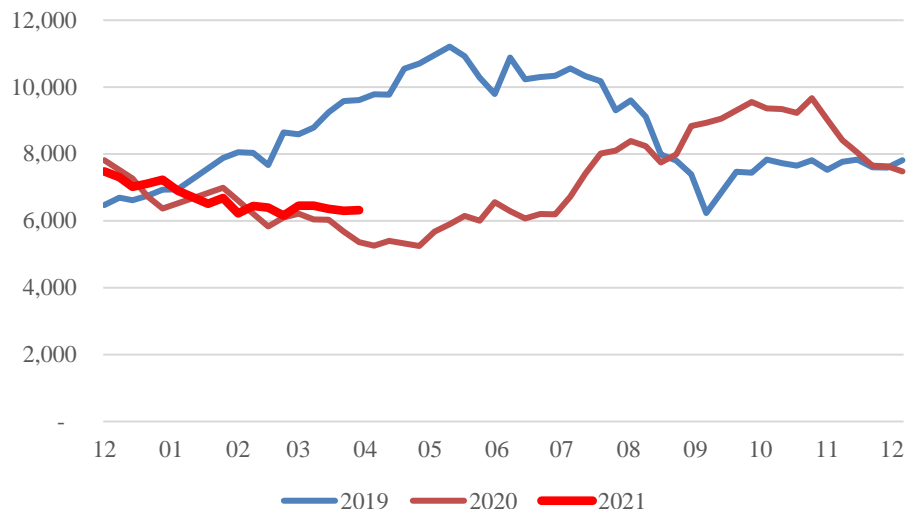


Mysteel 15 ports inventory breakdown

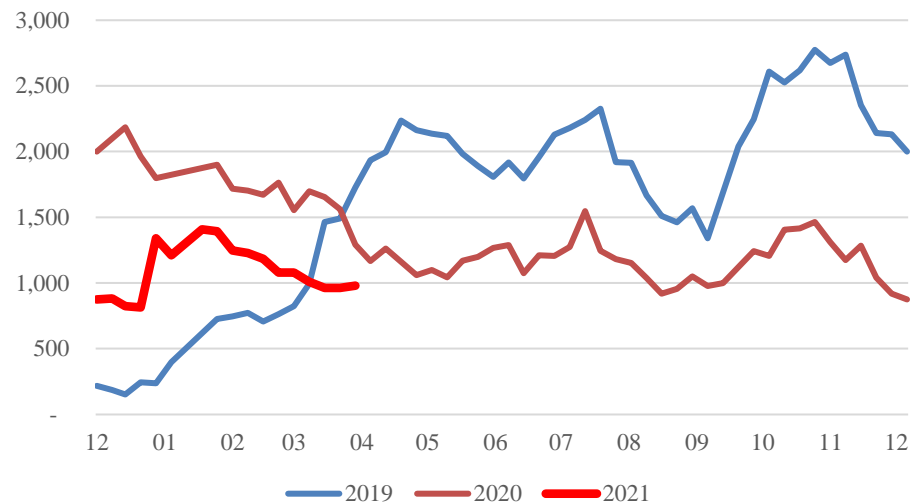


Mysteel 15 ports inventory breakdown

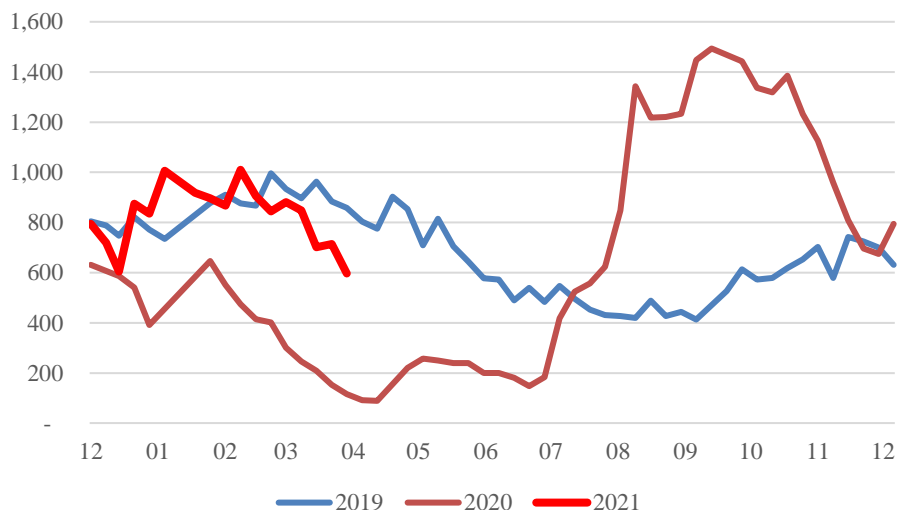
Headline Concentrate Port Inventory (kt)



Brazil Concentrate Port Inventory

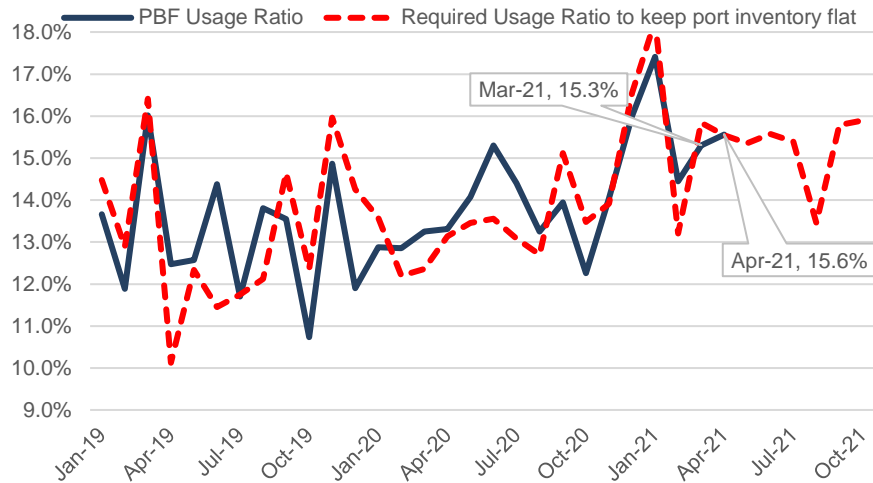


Canadian Concentrate Port Inventory

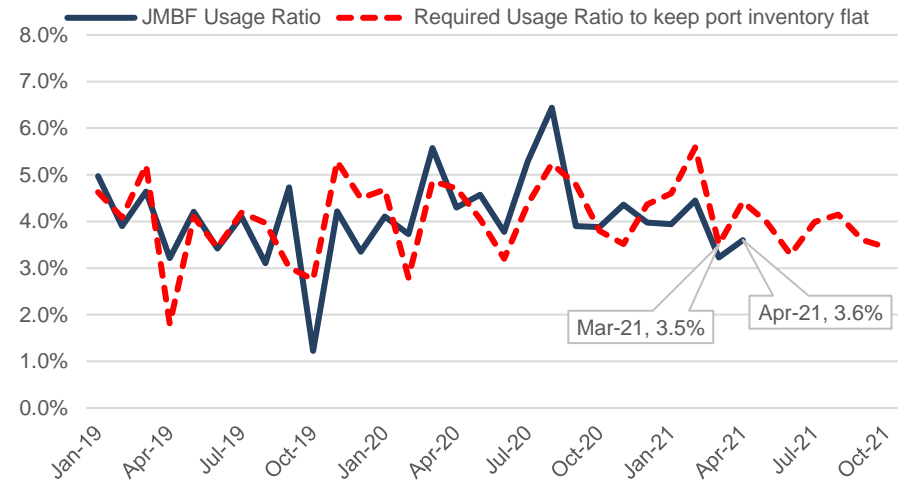


Main cargo usage ratio track

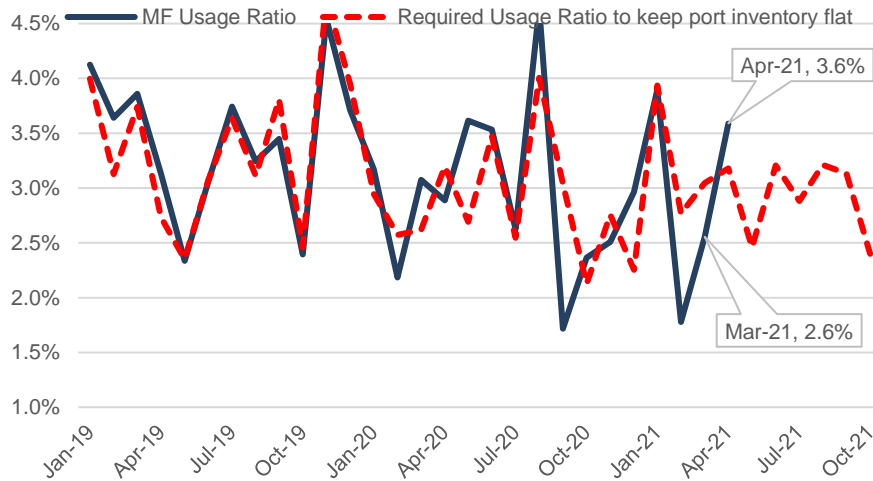
PBF Usage Ratio



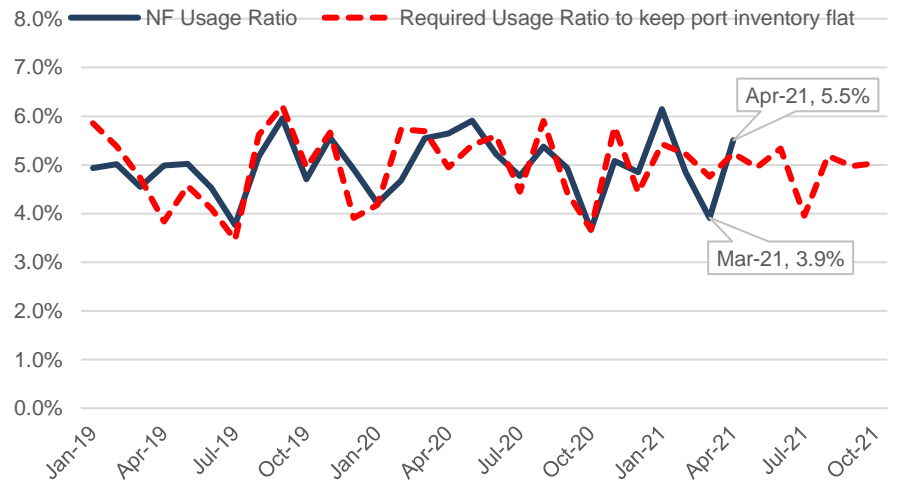
JMBF Usage Ratio



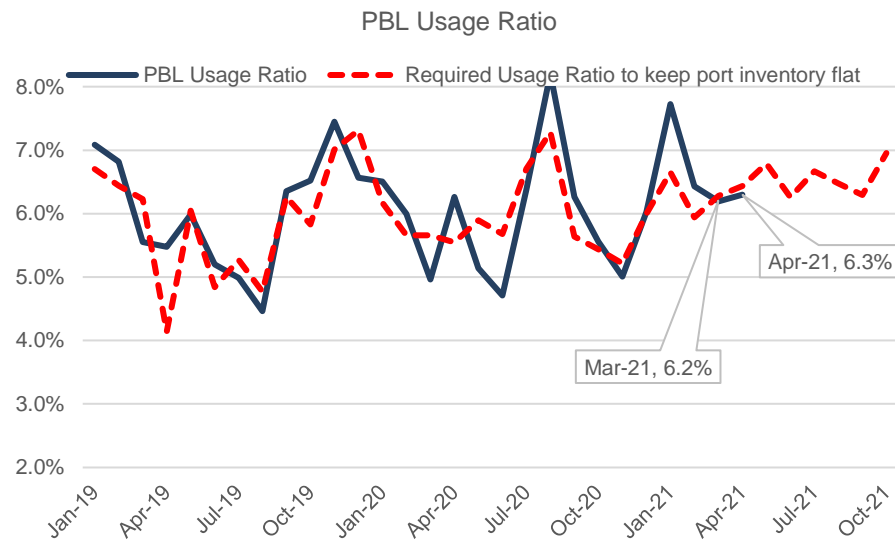
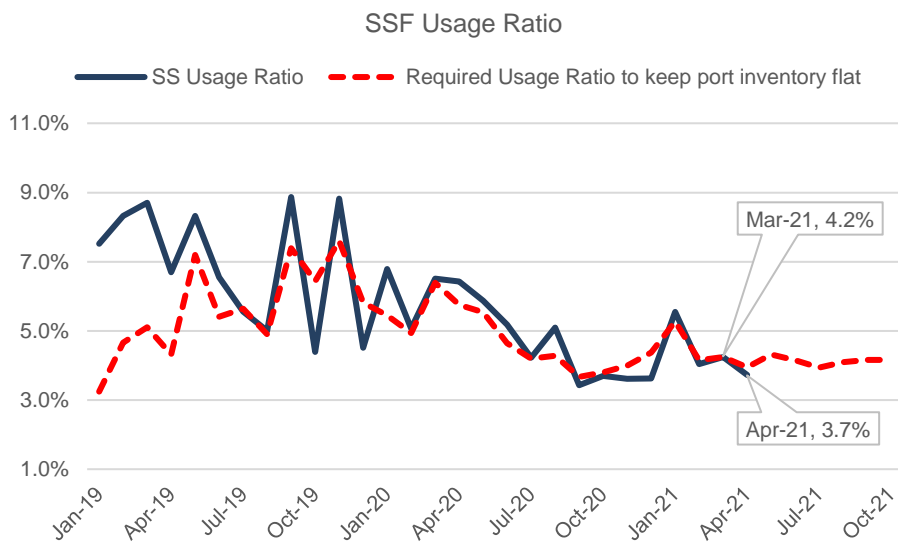
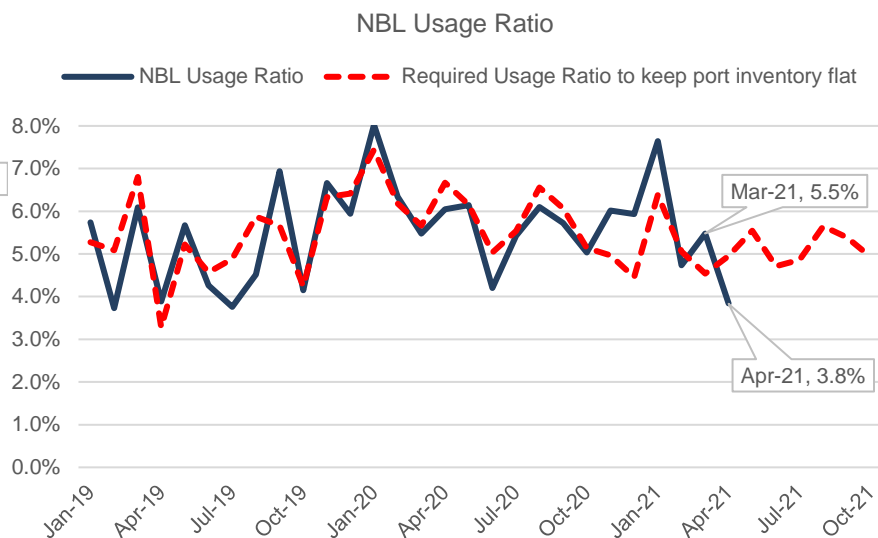
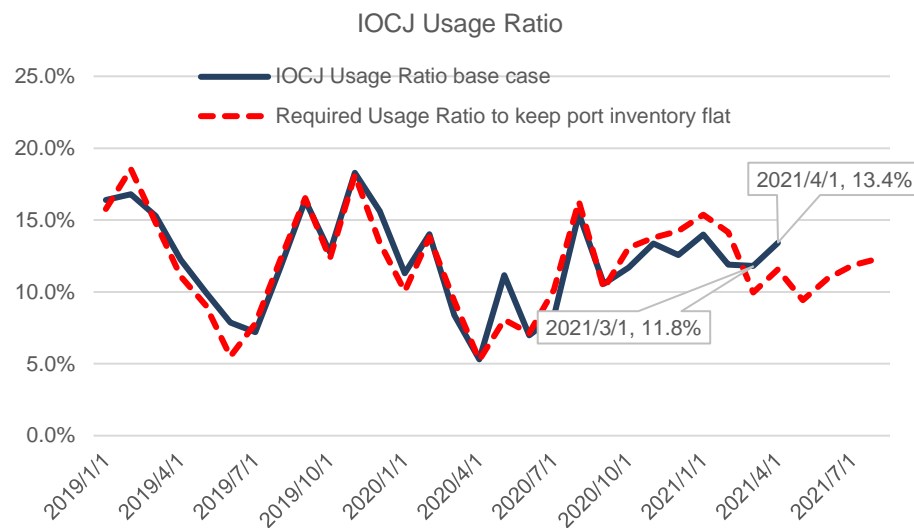
MF Usage Ratio



NF Usage Ratio

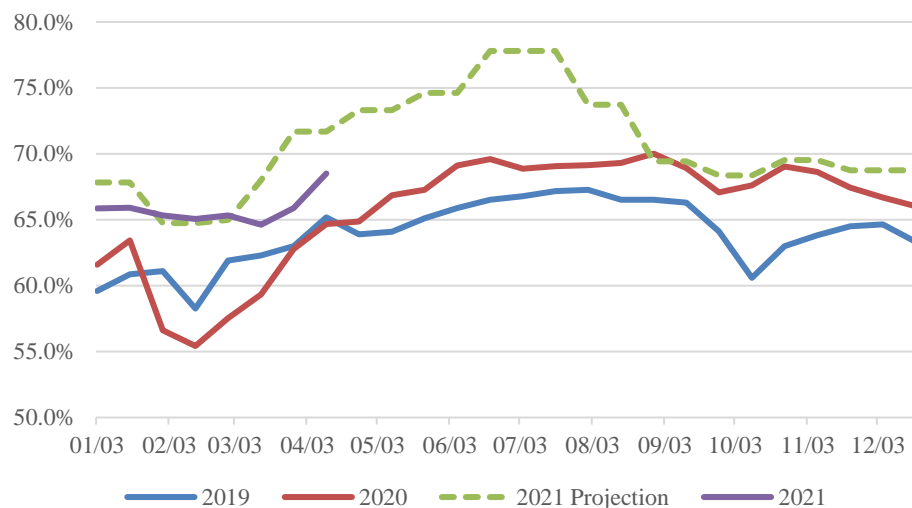


Main cargo usage ratio track (big adjustment on IOCJ usage ratio due to raw data issue)

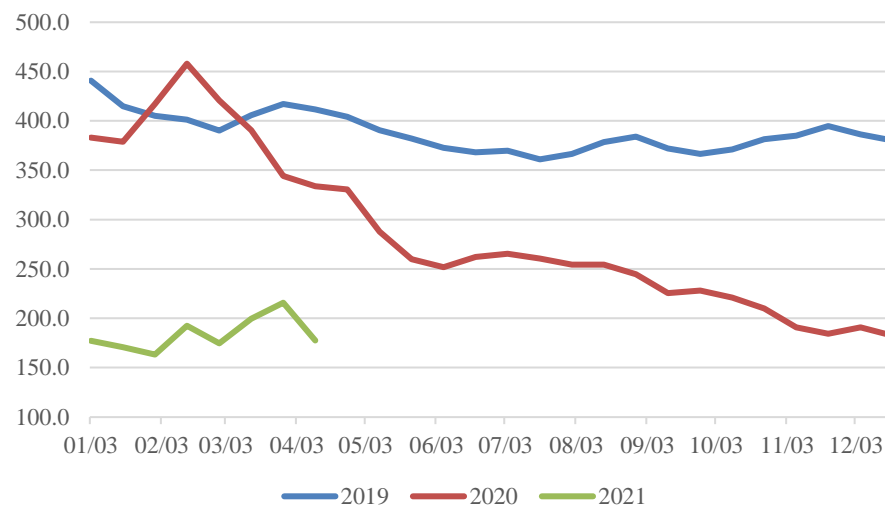


Mysteel iron ore port daily transaction volume and domestic ore CU

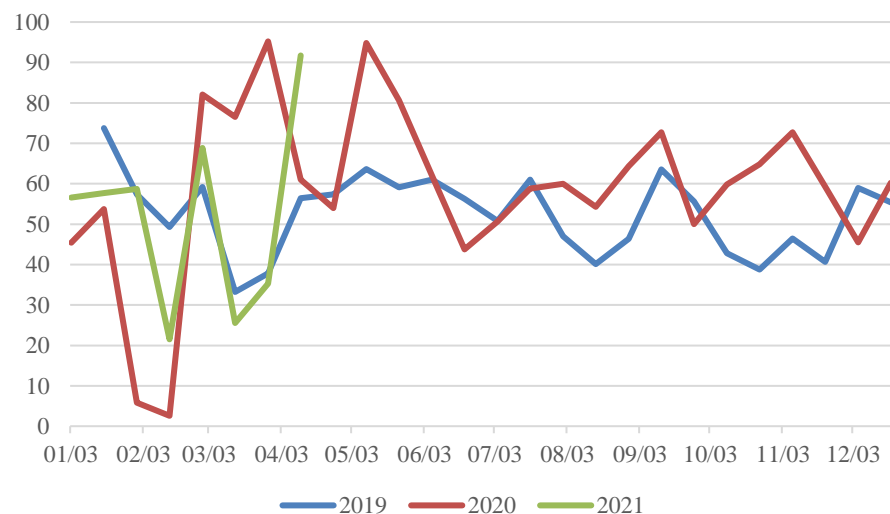
Mysteel Domestic Concentrate Bi-weekly CU



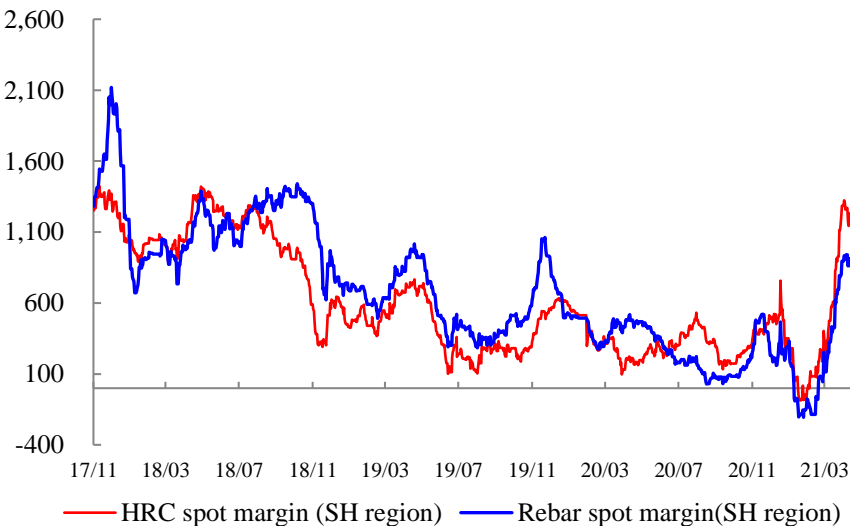
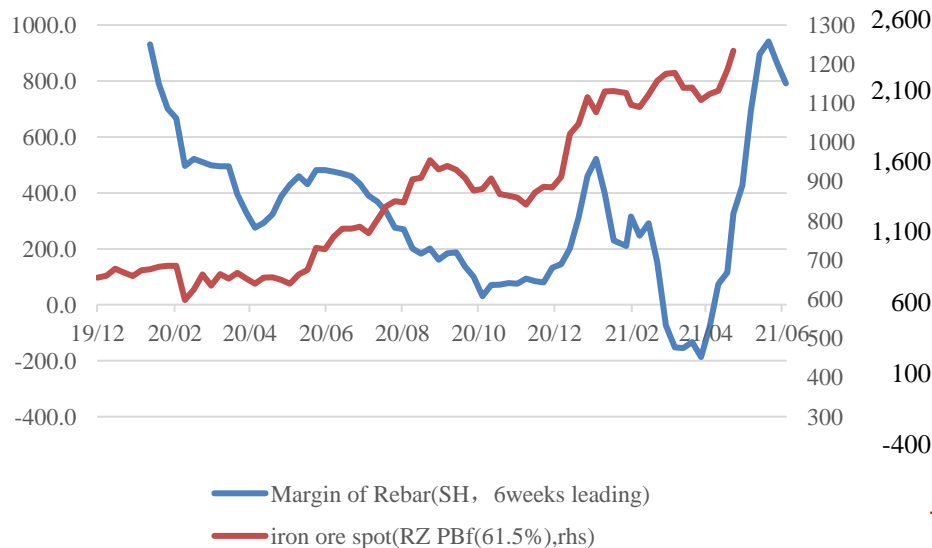
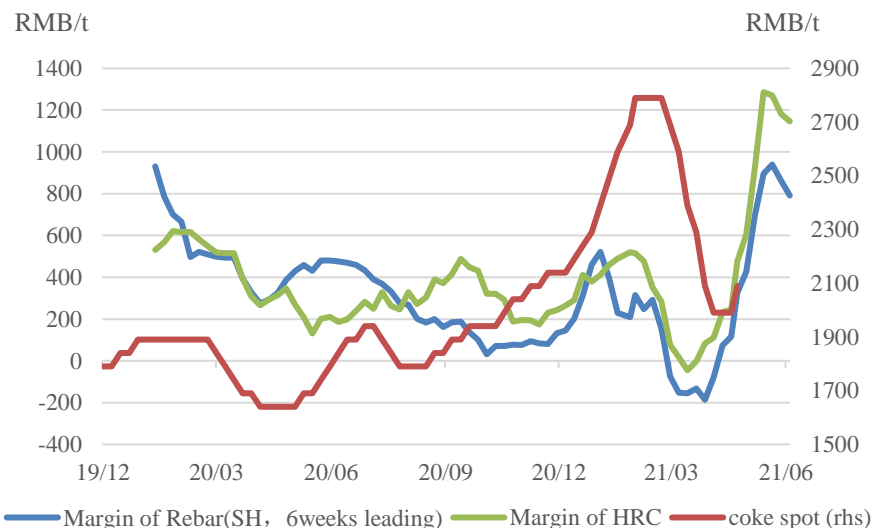
Mysteel Domestic Concentrate Inventory



Mysteel Domestic Concentrate Implied Weekly Demand



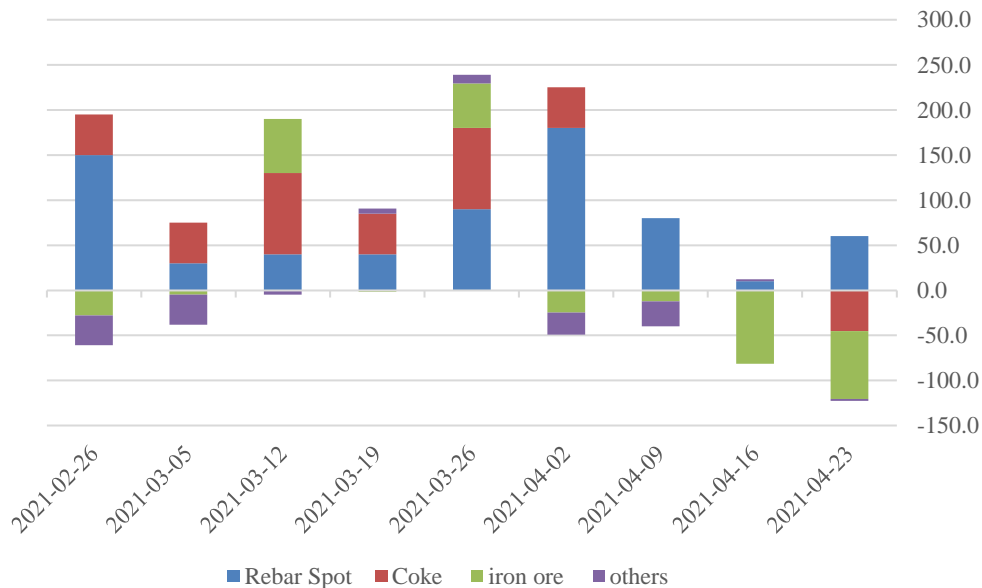
Sector Comparison: steel margin has declined slightly last week



Margin of Rebar Change

	Margin of Rebar(SH)	Rebar Spot	Coke	iron ore	others
2021-04-23	-62.6	60.0	-45.1	-75.4	-2.1
2021-04-16	-69.5	10.0	0.0	-81.6	2.1
2021-04-09	40.2	80.0	0.0	-12.3	-27.5
2021-04-02	175.9	180.0	45.1	-24.6	-24.5
2021-03-26	239.0	90.0	90.2	49.2	9.6
2021-03-19	89.2	40.0	45.1	-1.5	5.7
2021-03-12	185.6	40.0	90.2	60.0	-4.6
2021-03-05	36.9	30.0	45.1	-4.6	-33.6
2021-02-26	134.4	150.0	45.1	-27.7	-33.0

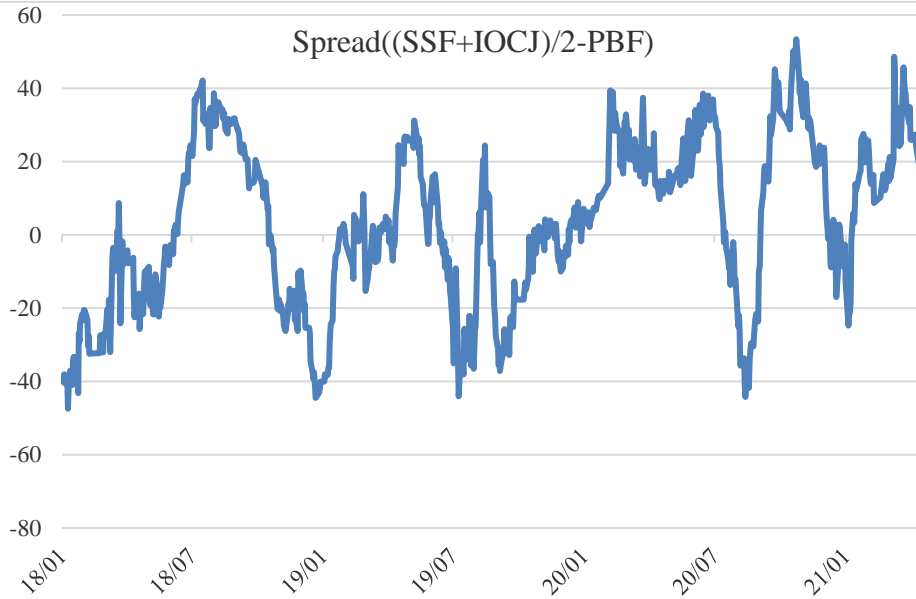
*data update cutoff till morning of Friday



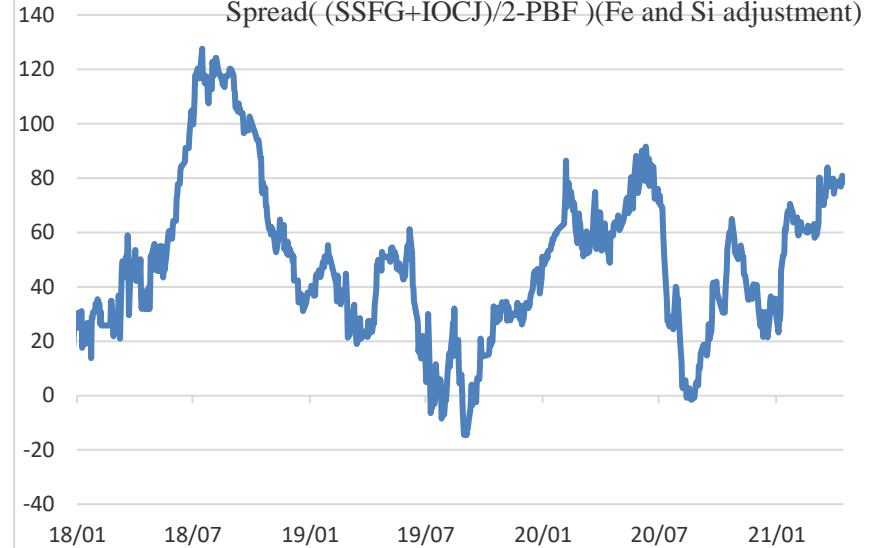
- steel margin has declined slightly due to higher ore spot price.

Main Spread: PBF VIU has improved recently(CFD)

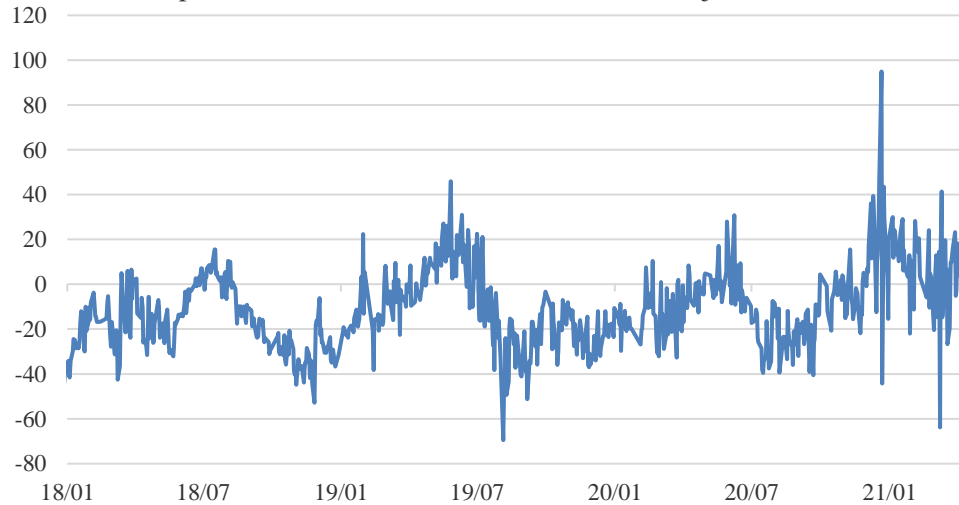
Spread((SSF+IOCJ)/2-PBF)



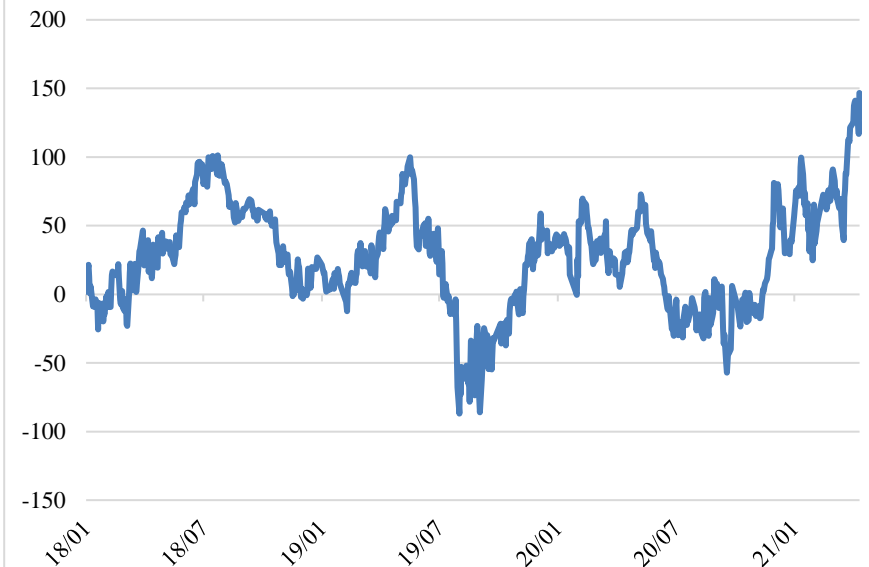
Spread((SSFG+IOCJ)/2-PBF)(Fe and Si adjustment)



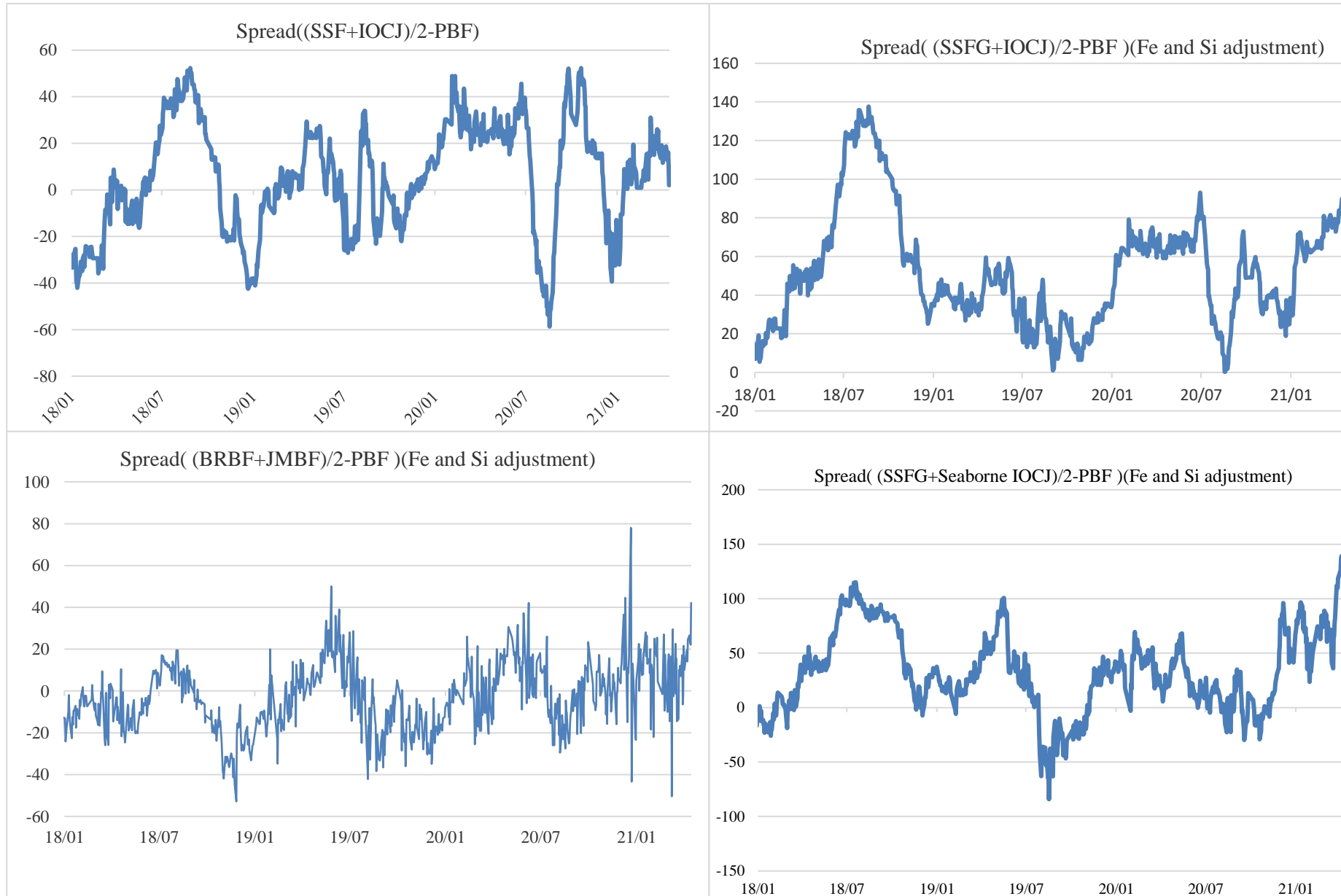
Spread((BRBF+JMBF)/2-PBF)(Fe and Si adjustment)



Spread((SSFG+Seaborne IOCJ)/2-PBF)(Fe and Si adjustment)



Main Spread: PBF VIU has improved recently(RZ)



Coke sector fundamental review

Coke	Supply-Mills	Supply-Cokery	Demand-Mills	Demand-Traders	Spot Price	Inventory-Cokery	Inventory-Mills	Coke Index
2021/4/26	-1	-1	0	0	1	1	0	0
2021/4/19	-1	-1	0	0	1	0	0	-1
2021/4/12	-1	-1	0	0	0	0	0	-2
2021/4/5	-1	-1	0	0	0	0	0	-2
2021/3/29	-1	-1	0	0	-1	0	0	-3
2021/3/22	-1	-1	0	0	0	0	0	-2
2021/3/15	-1	-1	0	0	0	0	0	-2
2021/3/8	0	-1	0	1	0	1	0	1
2021/3/1	0	0	0	1	1	1	0	3
2021/2/22	0	0	1	1	1	1	0	4
2021/2/8	0	1	1	1	1	1	0	5
2021/2/1	0	1	1	1	1	1	0	5

*Criteria Scale from -3 to +3 (from Most bearish to most bullish for the price drive)

Bull Flag

- EP expectation from market and export demand supportive.
- 3rd round 100 ex-work price hiking from coke plants next week.

Bear Flag

- New capacity supply gradually come to the market.
- Steel mills continued to squeeze coke ex-work price.

Coking Coal	Supply-Mines	Supply-Import	Demand-Cokery	Demand-Traders	Spot Price	Inventory-Mines	Inventory-Cokery	CC Index
2021/4/26	0	1	0	0	1	0	1	3
2021/4/19	0	1	0	0	1	0	1	3
2021/4/12	0	1	0	0	1	0	1	3
2021/4/5	0	1	0	0	1	0	1	3
2021/3/29	0	1	0	0	1	0	1	3
2021/3/22	0	1	0	0	0	0	1	2
2021/3/15	0	1	0	1	0	0	1	3
2021/3/8	0	1	0	1	0	0	1	3
2021/3/1	1	1	0	1	1	0	1	5
2021/2/22	1	1	0	1	1	0	1	5
2021/2/8	1	1	0	1	1	0	1	5
2021/2/1	1	1	0	1	2	0	1	6

Bull Flag

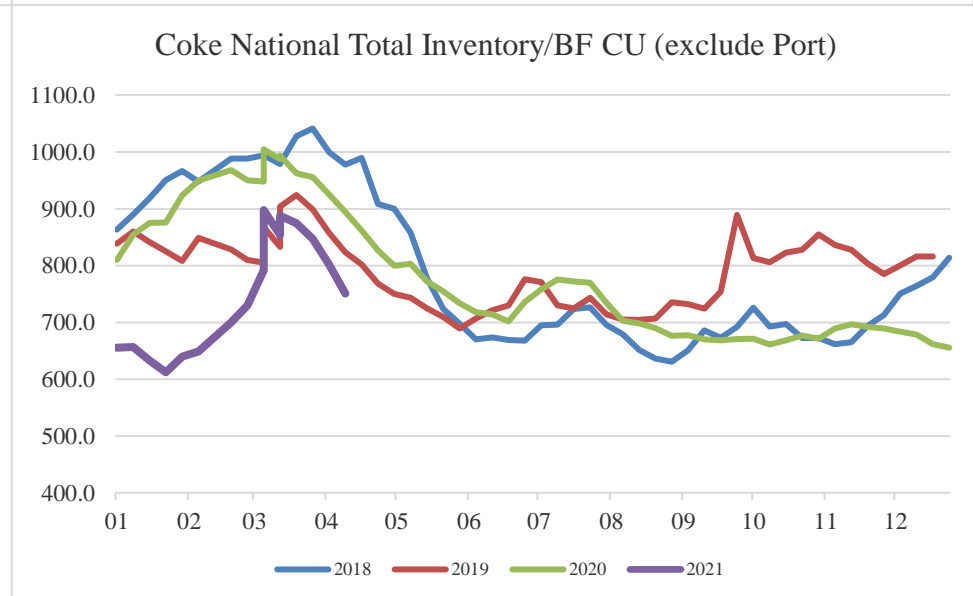
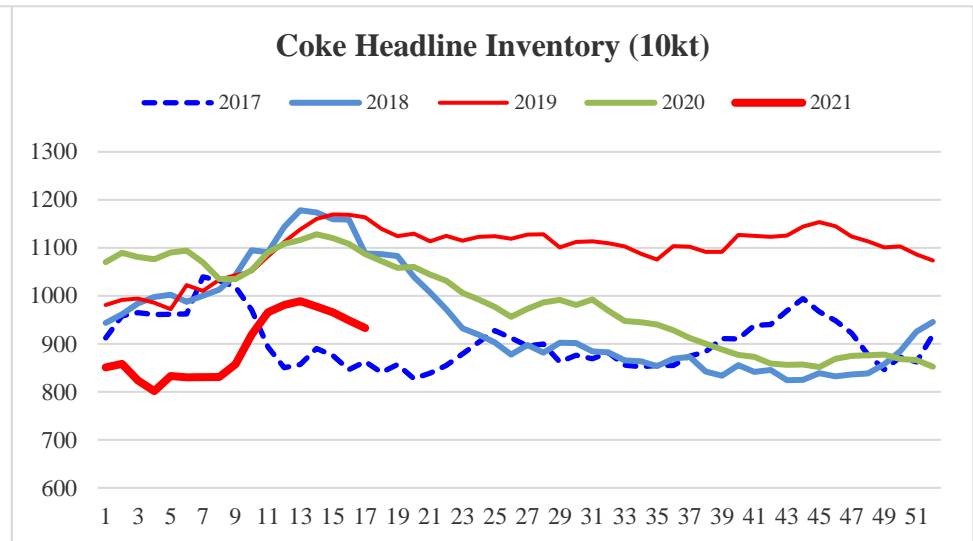
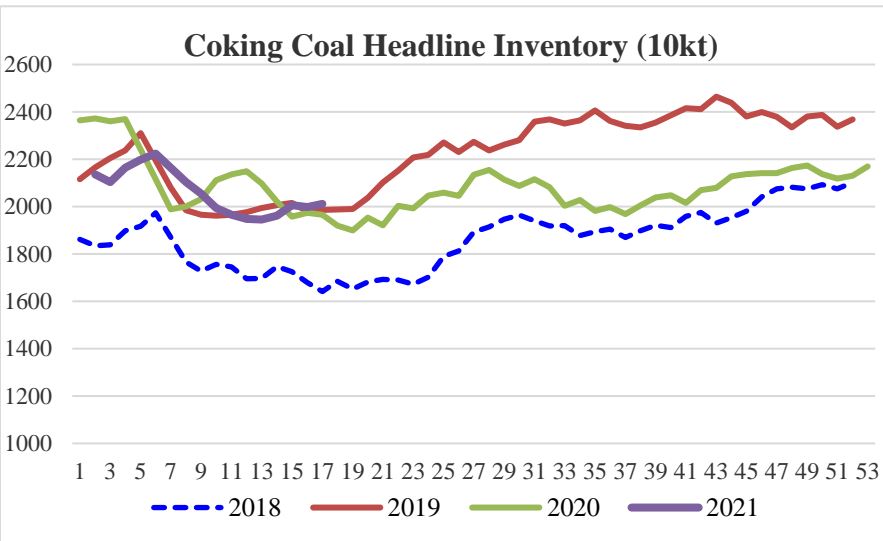
- High coke spot margin
- Import block from Mongolia due to Covid issue and import limitation from Aussie.

Bear Flag

- Import volume of Aussie coking coal is quite uncertain.

Coke and Coking Coal Headline Inventory

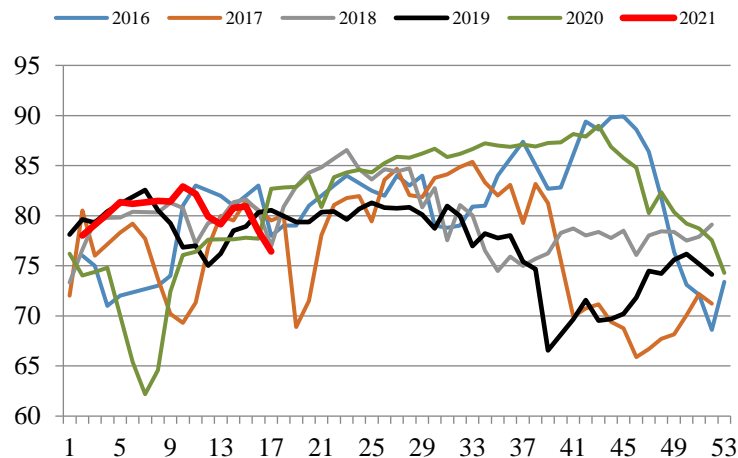
Headline coke inventory declined last week



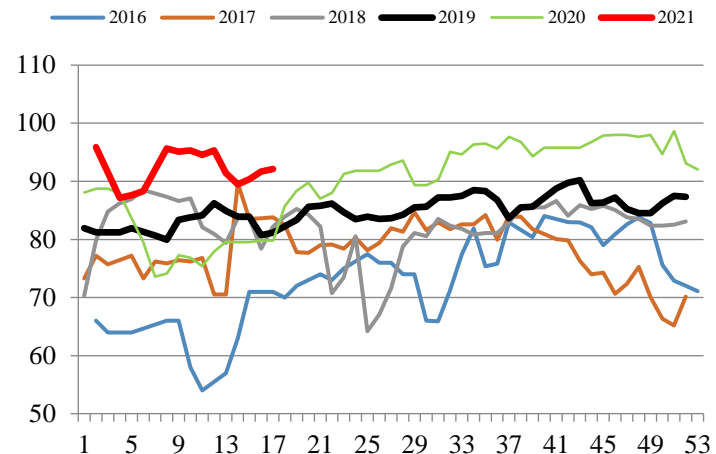
Coke Supply :

Overall operating rate rose last week

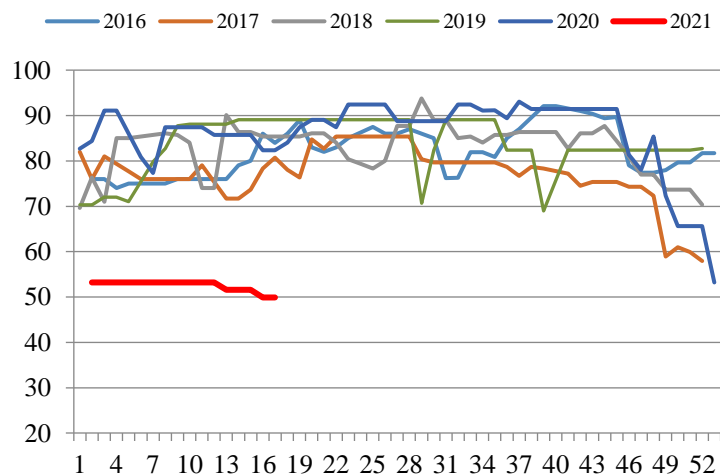
Cokery OR on North China



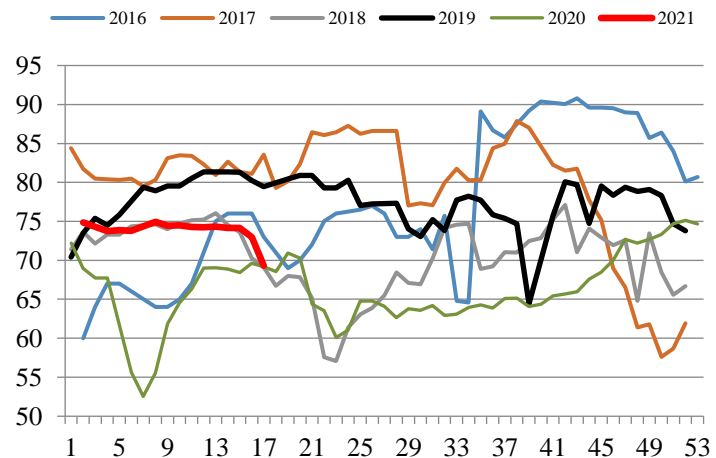
Cokery OR on West China



Cokery OR on Central China



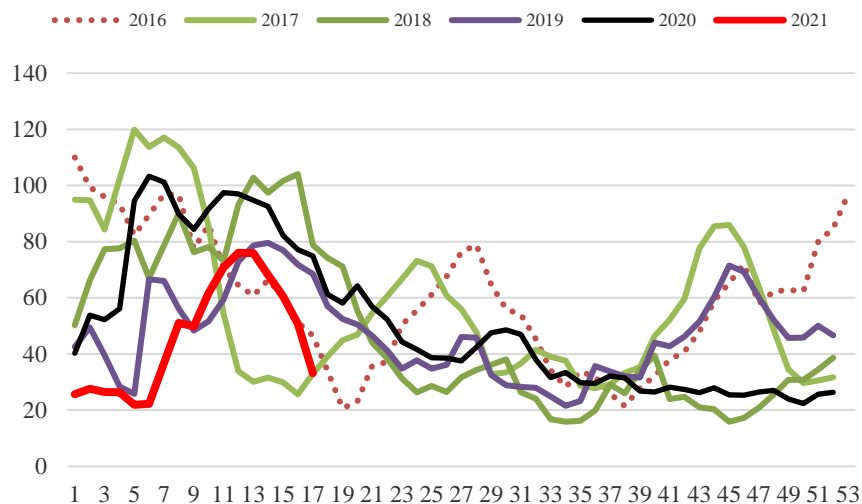
Cokery OR on East China



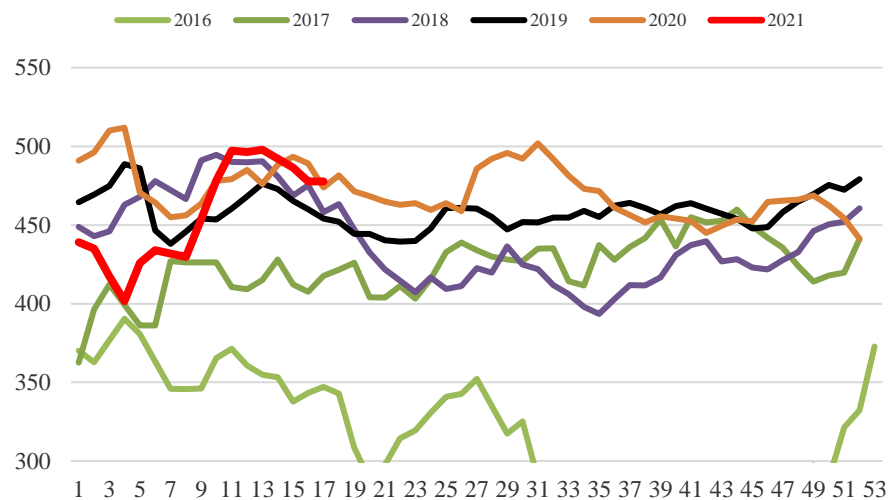
Coke Inventory:

Coke inventory from coke plants declined last week

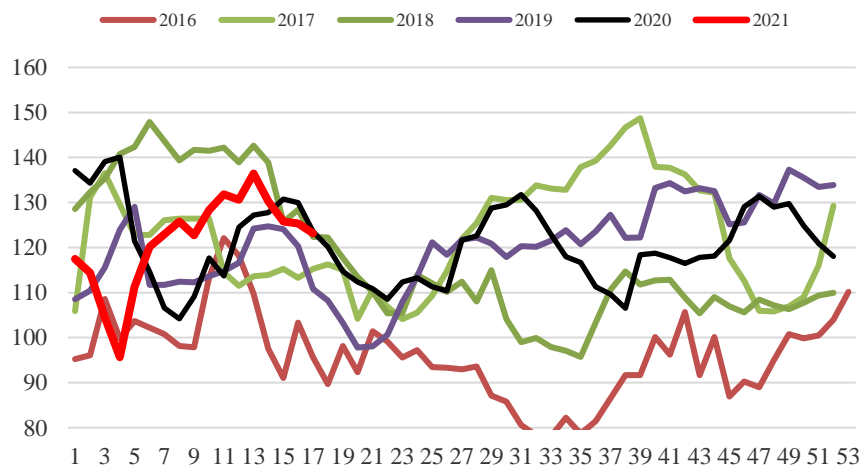
Coke Plants Inventory(10kt)



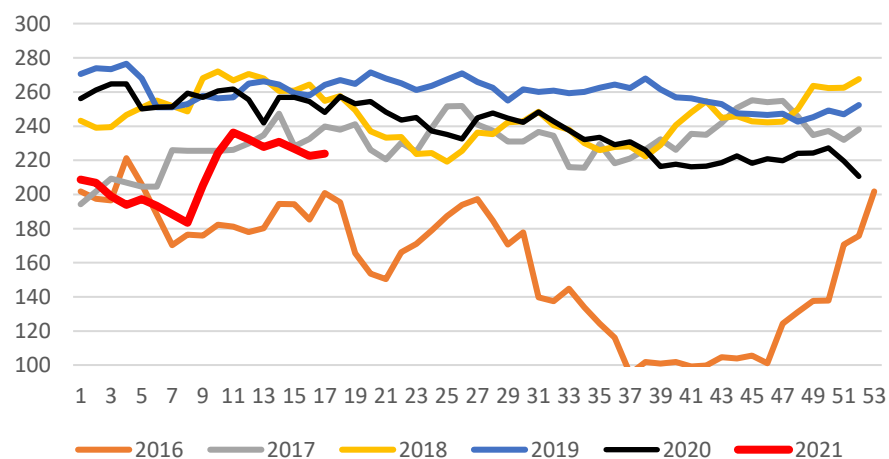
Coke inventory in mills(10kt)



Coke inventory in North China mills(10kt)



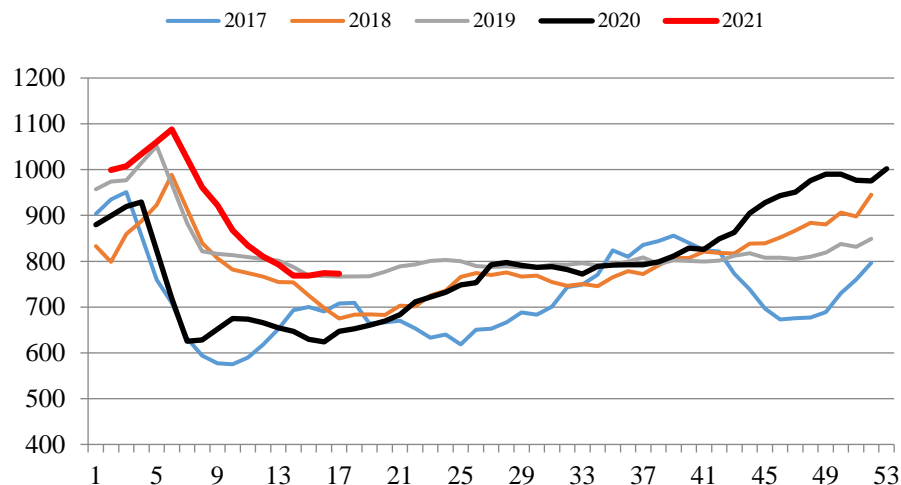
Coke inventory in East China mills(10kt)



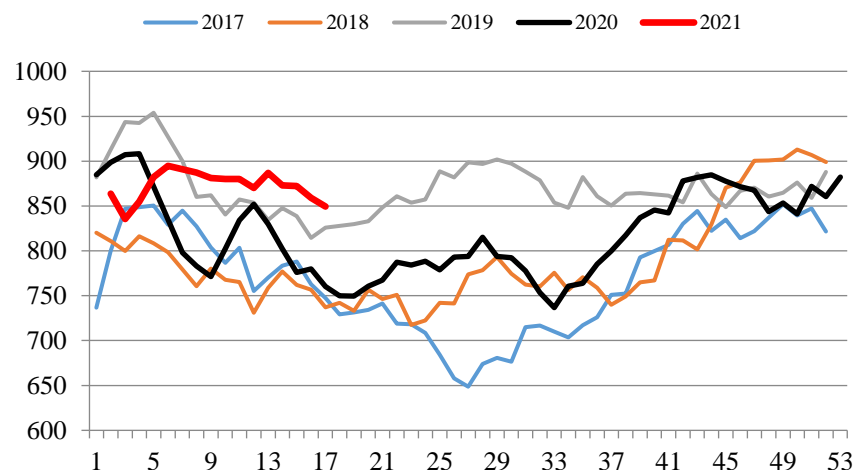
Coking coal inventory:

Coking coal inventory declined from coke plants and steel mills sector

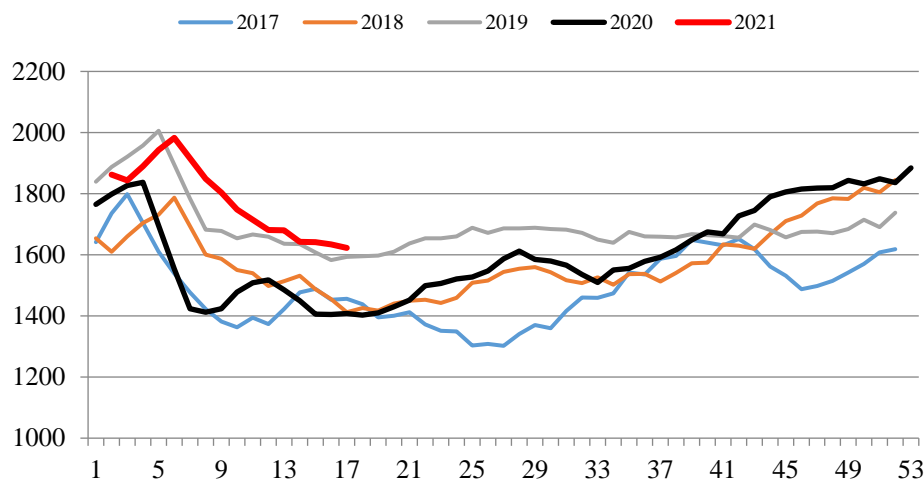
Coking Coal Inventory at Cokeries (10Kt)



Coking Coal Inventory at mills (10Kt)



Coking Coal Inventory (mill+cokery, 10Kt)



Coking Coal Inventory at ports (10Kt)

