

## OVERVIEW

### Iron ore portside premiums rise ahead of 4Q supply

Portside iron ore premiums this week rose to a 13-month high over seaborne prices on support from pre-holiday restocking in China, while rising supply weighed on forward prices.

The *Argus* PCX 62pc portside fines seaborne equivalent on 23 September rose to a premium of \$8.15/dry metric tonne (dmt) over the *Argus* ICX 62pc seaborne index, its highest premium since August 2019. The PCX index tracks 62pc fines for immediate delivery free-on-truck (fot) basis at Qingdao port, while the ICX index tracks seaborne 62pc for delivery in 2-8 weeks cfr Qingdao basis.

Iron ore prices fell sharply in September from six-year highs as fall peak steel demand was weaker than expected, and as iron ore supply began to build with rising Brazilian supply and Australian shipments showing no signs of weakening.

"Iron ore supply is likely to stay stable in the fourth quarter, and port inventories will keep increasing as China's strong demand and high prices boost shipments to China," a north China-based mill manager said.

The ICX fell by \$14.85/dmt or 11pc to \$115.70/dmt yesterday from a six-year high of \$130.55/dmt on 3 September. It decreased as much as 12.2pc to \$114.45/dmt over seven days.

The PCX at 887 yuan/wet metric tonne, or a seaborne equivalent of \$121.10/dmt, fell at a slower pace, down by \$9.05/dmt or 7pc over the same period.

Portside prices have received support from mills' restocking demand ahead of the 1-10 October National Day holiday in China and limited supply of certain brands includ-

## NEWS

Global steel output flat in August	15
Chinese steel scrap prices fall nearly 6pc in two weeks	15
Canada opens rebar dumping probe against Italy, others	16
US steel imports at 11 year low	16

formerly Argus Steel Feedstocks

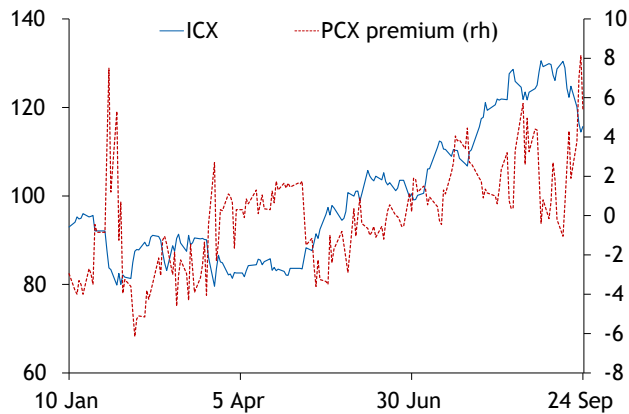
## PRICES

Key prices			
Specification	Price	±	MTD
<b>Iron ore fines (daily) (25 Sep)</b>			
<i>\$/dt</i>			
62% Fe ICX™ cfr Qingdao	116.05	+0.35	124.63
62% Fe PCX fot Qingdao ( <i>Yn/wmt</i> )	889	+2	931
62% Fe PCX seaborne equivalent	121.00	-0.10	127.22
<b>Coking coal (daily) (25 Sep)</b>			
<i>\$/dt</i>			
Premium low-vol, fob Australia	135.70	+0.75	119.72
PCI low-vol, fob Australia	72.75	nc	69.48
Semi-soft mid-vol, fob Australia	71.20	nc	71.21
<b>Metallurgical coke (daily) (25 Sep)</b>			
<i>\$/t</i>			
62 CSR, fob north China	298.55	nc	291.79
<b>Seaborne steel (daily) (25 Sep)</b>			
<i>\$/t</i>			
HRC, fob Tianjin (S5400)	501.00	-2.00	512.89
Rebar, fob Zhangjiagang	464.00	nc	467.00
Steel wire rod, fob north China	502.00	-1.00	504.84
HRC, cfr ASEAN (SAE1006)	515.00	nc	529.00
<b>Europe domestic (daily) (25 Sep)</b>			
<i>€/t</i>			
HRC, northwest Europe ex-works	492.00	-0.50	474.97
<b>Ferrous scrap (daily) (25 Sep)</b>			
<i>\$/t</i>			
HMS 1/2 (80:20), cfr Turkey	296.00	nc	297.76
HMS 1/2 (80:20), cfr Taiwan container	279.00	nc	277.84

## MARKETS

Iron ore	3
Coking coal	5
Steel	7
Metallics	12
China iron ore: Daily deals and offers	17

Iron ore fines 62pc Fe cfr Qingdao basis \$/dmt



ing IOCJ, super-special fines and Yandi fines. But overall supply is rising to weigh on benchmark prices.

Inventories of imported iron ore at China’s 45 major ports this week rose to a new five-month high for a second consecutive week, up by 1.1pc to 116.2mn t, industry data show.

Drier weather in the second half of the year enabled Brazilian mining firm Vale’s shipments to recover from disruptions in from wet weather and Covid-19 lockdowns in the first half. Brazil’s exporters have also diverted iron ore supply away from other regions to lift its iron ore exports to China [to a new monthly high in August](#).

"Since August, the shipments from Vale have increased and maintained a high level at 5mn-7mn t per week. The shipments are expected to be higher, reaching or exceeding their guidance," a Beijing-based trader said. "While steel demand will be suppressed as new curbs for the heating season follow, and some mills might cut production amid poor margins. The overall supply will not be tight, and the inventory will continue to increase."

North China localities impose output restrictions from November-March to limit pollution that spikes in winter.

Iron ore deliveries from China’s biggest iron ore supplier Australia have been steady after rising to a record high in June, allowing China’s steel output to increase to [a new record in August](#). Australian shipments [accelerated last week](#).

Vale’s shipments have been running recently at an annualised run rate of 330mn t/yr, a 55pc increase from May, according to a Morgan Stanley report on 23 September. "We are outright bearish iron ore, where we expect to see a surplus market from 4Q 2020, replenishing China port inventories, and a price correction," the bank said, forecasting prices of 62pc at \$100/dmt cfr China in the fourth quarter and at \$81/dmt in 2021.

By Kitty Xie and China staff



Live webinar  
**LME Steel HRC fob China (Argus):  
 a new paradigm for steel risk  
 management in Asia**

Join Argus, the LME and guest speakers as we discuss the rising need for finished steel futures, the differences between trading onshore versus offshore and ways the contract can be employed by non-physical market participants.



Join us live on Tuesday, 30 June 2020,  
 3:00 PM SGT – 8:00 AM BST

[Click here to register now](#)

Metals

illuminating the markets

Argus White Paper:

**When politics Trump fundamentals:  
 steel trading in an age of uncertainty**

*Steel analysts lavish models with data feeds, but much price movement is now driven by factors other than fundamentals. When a single tweet from the US president is able to crash markets, how can the steel industry adjust to this new environment?*



Metals

illuminating the markets

To receive your free copy please [click here](#)

## IRON ORE PRICE ANALYSIS

### China iron ore: Transport restrictions kick in at ports

Seaborne iron ore prices were largely flat on rising portside inventory following production restrictions at the steelmaking hub of Tangshan.

The Argus ICX 62pc index rose \$0.35/dry metric tonne (dmt) to \$116.05/dmt cfr Qingdao. The 65pc index was up by \$0.20 /dmt to \$129/dmt

The ports of Jingtang and Caofeidian, which are both near Tangshan, will be under transportation restrictions to curb pollution from 25 September to 28 September, sources said. Some mills and traders confirmed to have received a notice regarding the restrictions, though no official document was released by the time of writing.

“The transportation restrictions reduced trade at the two ports today,” a Tangshan-based trader said.

Meanwhile, portside inventory of imported iron ore at China's ports rose to a **five-month high of 116.2 mn t** as on 24 September.

A cargo of 100,000t Jimblebar Blend Fines (JMBF) with November delivery was traded at a discount of \$1.70/dmt on the Globalore platform, narrowing from a discount of \$2.70/dmt achieved on 21 September.

“The JMBF discount narrowed because suppressed mills' margins has attracted them to buy discounted cargoes,” a Shanghai-based trader said.

“The portside price of JMBF dropped faster than FMG Blended fines (FBF) recently, and the two are trading at a similar price level now, further augmenting buying interest for JMBF,” a Hebei-based steel mill manager said.

The secondary market was quiet today. A cargo of Pilbara Blend Fines (PBF) with early November laycan was offered at a premium of \$3.70/dmt to a November 62pc index, while the offer for early October laycan PBF was at a premium of \$3.50/dmt to an October 62pc index.

“Buying interest for seaborne cargoes is extremely low amid the bearish sentiment. Most traders stopped buying

Value-in-Market quality adjustments (daily) (25 Sep)				\$/dt	
Adjustment	Change	Range		±	
Iron	Per 1% Fe	60%-63.5%	1.85	nc	
		63.5%-65% *	4.30	-0.05	
Silica	Per 1% SiO <sub>2</sub>	<4.5%	0.20	nc	
		4.5%-6%	1.10	nc	
		>6%	1.70	nc	
Alumina	Per 1% Al <sub>2</sub> O <sub>3</sub>	1%-2.25%	2.00	nc	
		2.25%-3%	2.60	nc	
Phosphorus	Per 0.01% P	<0.08%	0.30	nc	
		0.08-0.1%	0.00	nc	
		>0.1%	2.20	nc	

\* Implied by the 65/62 differential

Seaborne iron ore prices (daily) (25 Sep)				\$/dt	
Specification	Price	±	MTD		
Iron ore fines, cfr Qingdao					
<b>&lt;60% Fe</b>					
56.7% Fe SSF seaborne equivalent	110.15	-0.90	112.95		
58% Fe fines	106.45	+0.05	113.02		
<b>60-63.5% Fe</b>					
62% Fe fines (ICX™)	116.05	+0.35	124.63		
62% PCX seaborne equivalent	121.00	-0.10	127.22		
62% Fe ICX-PCX seaborne average	118.55	+0.15	125.93		
<b>&gt;63.5% Fe</b>					
65% Fe fines	129.00	+0.20	137.29		
Iron ore fines, fob Australia					
62% Fe fines (ICX™) netback	106.50	nc	116.56		
Iron ore lump, cfr Qingdao					
62% Fe lump \$/dt	119.65	+0.40	128.20		
62% Fe lump premium €/dmtu	5.80	+0.10	5.76		

Seaborne iron ore prices (weekly)				\$/dt	
Specification	Price	±	MTD		
Iron ore pellet, cfr Qingdao (22 Sep)					
64% Fe 2% Al pellet	135.00	-6.00	137.00		
64% Fe 3% Al pellet	130.00	-5.50	131.50		
Iron ore concentrate, cfr Qingdao (23 Sep)					
Australian concentrate floating premium	-1.50	-0.75	-1.24		
Ukrainian concentrate floating premium	-2.30	-0.15	-2.49		

China portside iron ore prices (daily) (25 Sep)					Yn/wt	
Specification	Price	Diff to PCX	±	MTD		
62% PCX fot Qingdao	889		+2	931		
NHGF fot Qingdao	901.00	+12.000	+1.00	939.05		
BRBF fot Qingdao	931.00	+42.000	-9.00	952.89		
PBF fot Qingdao	882.00	-7.000	+2.00	923.74		
PBF fot Caofeidian	890.00	+1.000	+1.00	930.79		
SSF fot Qingdao	812.00	-77.000	-4.00	830.16		
SSF fot Caofeidian	814.00	-75.00	-4.00	832.26		
PBL fot Qingdao	947.00	+58.000	+31.00	952.21		

Spot iron ore freight rates (daily) (25 Sep)		\$/t	
Route and tonnage		rate	
WC Australia-N China Capesize 160,000t		8.50	
Tubarao-Antwerp Capesize 160,000t		8.20	
Tubarao-Qingdao Capesize 160,000t		20.50	
Saldanha Bay-Qingdao Capesize 160,000t		15.25	

seaborne cargoes ahead of 1-8 October National holiday," a Beijing-based trader said.

Vale was heard to have awarded a tender to sell 100,000t Standard Sinter Feed Guaiba (SSFG) with bill of lading (B/L) date 15 September. The price could not be confirmed at the time of writing, though some contacts pegged the premium at \$3.50/dmt to a November 62pc index.

Rio Tinto was heard to have awarded a strip tender to sell a 170,000- 190,000t PBF with November to December loading. The price could not be confirmed at the time of writing, though some contacts said they heard the deal was concluded at a premium of \$3.10/dmt to a November 62pc index

The Argus PCX 62pc portside fines index rose by Yn2/wet metric tonne (wmt) to Yn889/wmt free-on-truck Qingdao, taking its seaborne equivalent down \$0.10/dmt to \$121/dmt cfr Qingdao.

Portside transactions were flat with mills replenishing in small volumes and with many mills having finished pre-holiday restocking.

Tianjin port saw an active trading day due to transportation restrictions at Jingtang and Caofeidian.

"Only trucks meeting certain environmental standards are allowed to deliver at Jingtang and Caofeidian, so we bought from Shandong port instead," a Handan-based mill manager said.

The price gap between Pilbara Blend Lump and PBF widened to Yn50/wmt at Tangshan and Yn65/wmt at Shandong, from only Yn38/wmt at Shandong a week ago. Several cargoes of PBL were sold at Yn940/wmt at Jingtang port on the Corex platform, but all in small volumes. A cargo of PBL was heard sold at Yn950/wmt at Shandong port.

PBF traded at Yn875-885/wmt at Shandong port and Yn890/wmt at Tangshan.

#### ICX rationale

There were three ICX-eligible deals today.

A Pilbara Blend Fines (PBF) cargo traded at \$4.30/dmt above a November 62pc index on the Corex platform, normalising at \$115.88/dmt.

A Jimblebar Blend Fines (JMBF) cargo traded at \$1.95/dmt below a November 62pc index on the Globalore platform, normalising at \$116.06/dmt.

A JMBF cargo traded at \$1.70/dmt below a November 62pc index on Globalore, normalising at \$116.31/dmt.

The three deals were given 50pc volume weighting.

There were seven indicative prices, bilateral bids and offers with a pre-exclusion normalised average of \$116.12/dmt with each given a 5pc volume weighting. Normalised prices above \$116.52/dmt and below \$115.70/dmt were statistically excluded.

Seaborne iron ore brand quality adjustments (25 Sep)				\$/dt
Specification	Diff to ICX	±	Outright price	Diff MTD
<b>Iron ore fines, cfr Qingdao</b>				
<b>Typical</b>				
PBF	-2.03	nc	114.02	-2.18
NHGF	+0.53	nc	116.58	0.72
MACF	-4.95	nc	111.10	-5.07
JMBF	-9.28	nc	106.77	-9.90
BRBF	+1.15	nc	117.20	1.88
<b>62% Fe basis</b>				
PBF62	-0.18	nc	115.87	-0.17
NHGF62	-0.02	nc	116.03	0.12
MACF62	-2.73	nc	113.32	-2.66
JMBF62	-6.50	nc	109.55	-6.88
BRBF62	-0.70	nc	115.35	-0.13
<b>&lt;60% Fe Iron ore fines, cfr Qingdao</b>				
YDF	-11.44	-0.31	104.61	-13.56
YDF58	-9.60	-0.30	106.45	-11.61
<b>Iron ore lump, cfr Qingdao</b>				€/dmtu
NBL	6.62	+0.10	-	-
PBL	5.41	+0.10	-	-

Seaborne iron ore implied floating premiums (25 Sep)				\$/dt
Specification	Premium	±	MTD	
<b>Typical</b>				
<b>Iron ore fines, cfr Qingdao</b>				
PBF	+2.82	+0.05	4.81	
NHGF	+2.98	+0.05	5.10	
MACF	+0.27	+0.05	2.32	
JMBF	-3.50	+0.05	-1.90	
BRBF	+2.30	+0.05	4.85	
YDF	+0.74	-0.25	1.16	

Iron ore, 62pc fines derivatives (daily) (25 Sep)			\$/t
Timing	Price	±	
Sep 20	123.40	+0.15	
Oct 20	113.05	+0.30	
Nov 20	109.70	+0.30	
4Q 20	109.75	+0.30	
1Q 21	101.40	+0.45	
2Q 21	94.90	+0.45	
2021	93.30	+0.50	
2022	80.65	+0.45	

**65pc fines rationale**

Bilateral bids, offers and indicative prices had a post-exclusion normalised average of \$129.00/dmt and made up 100pc of the index.

**Lump premium rationale**

Bilateral bids, offers and indicative prices had a post-exclusion normalised average of 5.82¢/dmt unit and made up 100pc of the index.

**COKING COAL PRICE ANALYSIS****Asia-Pacific coking coal: Demand is sustained**

Prices edged higher on sustained demand from major consumer regions, while November cargoes appeared to be limited.

Premium hard coking coal prices on a fob basis for Australian exports rose by 75¢/t to \$135.70/t, and tier-two mid-volatile prices rose by 50¢/t to \$113.50/t fob Australia.

Trade on the fob market was limited, with rises in coking coal prices over the past two weeks meaning the material is now deemed too costly by most steel mills, an Indian trader said. "But most Indian buyers are well stocked for October and are waiting for Chinese demand to set the market direction," he added. "Indian buyers will have not much choice other than to accept market prices, especially as post-monsoon demand will be strong, given the positive outlook in India."

"We are receiving bids from India for premium mid-volatile cargoes above \$130/t fob Australia," an international trader said. "Mills in India are pretty low on stocks for the moment, so the strength in prices should continue for a while."

Demand from Japan is improving, particularly for October-December, driven by higher auto sales, a Japanese trader said. "But Japanese mills are unlikely to buy spot cargoes, given their contractual obligations."

A cargo of Peak Downs for October loading was bid on trading platform Globalcoal at \$138/t fob Australia, with no

Asia-Pacific coking coal prices (daily) (25 Sep)				\$/t
Specification	Price	±	MTD	
<b>Asia-Pacific premium hard coking coal low-vol</b>				
fob Australia	135.70	+0.75	119.72	
cfr north China	146.60	+1.00	129.21	
delivered Japan	147.40	+0.75	131.73	
cfr east coast India	148.70	+1.30	133.11	
<b>Asia-Pacific hard coking coal mid-vol</b>				
fob Australia	113.50	+0.50	96.66	
cfr north China	124.50	+0.50	108.19	
cfr east coast India	126.50	+0.50	110.14	
<b>Asia-Pacific semi-soft coking coal mid-vol</b>				
fob Australia	71.20	nc	71.21	
<b>N China domestic hard coking coal prices (daily) (25 Sep)</b>				Yn/t
Specification	Price	±	MTD	
Domestic low-vol	1,320	nc	1,320	
Domestic low-vol (\$/t)	184.53	nc	184.53	
Domestic mid-vol	1,140	nc	1,140	
Domestic mid-vol (\$/t)	159.37	nc	159.37	
<b>Hard coking coal, Atlantic prices</b>				\$/t
Specification	Price	±	MTD	
<b>US seaborne, daily (25 Sep)</b>				
fob Hampton Roads (low-vol)	114.50	nc	108.11	
fob Hampton Roads (high-vol A)	116.00	nc	110.36	
fob Hampton Roads (high-vol B)	105.00	nc	97.92	
<b>Americas seaborne, weekly (22 Sep)</b>				
delivered Rotterdam (US low-vol)	127.50	+10.25	118.49	
fob Colombia (mid-vol)	110.25	+8.95	100.03	
<b>Asia-Pacific PCI prices (daily) (25 Sep)</b>				\$/t
Specification	Price	+/-	MTD	
<b>Asia-Pacific low-vol PCI</b>				
fob Australia	72.75	nc	69.48	
cfr north China	83.75	nc	81.27	
cfr India	87.60	nc	84.86	
<b>fob Australia semi-soft coking coal diff (daily) (25 Sep)</b>				\$/t
Specification	Diff	+/-	MTD	
High-vol differential to mid-vol	-4.73	nc	-4.73	

**Asia-Pacific coking coal/PCI: Spot deals, reported Sep 21 - Sep 25**

Est transaction date	Loading period	Volume (t)	Brand	Price fob Australia (\$/t)	Price cfr China (\$/t)
21-Sep	October	80,000	Lake Vermont		122
22-Sep	September	85,000	Peak Downs		144.00
22-Sep	October	85,000	Peak Downs		146
22-Sep	October	80,000	Peak Downs North	128.50	
23-Sep	October	75,000	GYC/RVC/GYCC	131/129.75/129.25	
23-Sep	October	80,000	PDN/RVC		135.50
23-Sep	October	75,000	Goonyella C	129.75	
24-Sep	November	85,000	Saraji/Peak Downs		146.5/147.5

counter offer. Another Panamax cargo of Peak Downs for December loading was bid at \$127.50/t fob Australia, but also failed to attract a counter offer.

First-tier prices into China rose by \$1/t to \$146.60/t on a cfr basis, while second-tier prices rose by 50¢/t to \$124.50/t cfr north China.

Meanwhile in China, coking coal prices are also expected to remain strong despite relatively low steel margins. But coke plant profits are generally high, so domestic coking coal prices have some scope to rise.

"A lot of long-term contract cargoes were pushed back to November, so overall supply in the spot market will be quite tight," a Shanghai-based trader said. The same trader added that Australian coking coal prices should remain supported until the end of this year.

Enquiries from China are strong, but most trading firms do not have physical cargoes of premium low-volatile material to offer, a Singapore-based trader said. "We have received some bids for premium mid-volatile material at about \$130/t cfr China."

Market participants expect the following week to be quiet, with the start of the Golden Week holidays on 1 October.

Premium hard coking coal prices into India rose by \$1.30/t to \$148.70/t on a cfr basis, and second-tier prices also rose by 50¢/t to \$126.50/t cfr east coast India.

### Atlantic coking coal: Prices flat in muted market

US coking coal prices have been flat today as there continues to be little in the way of fresh market activity with European mills still largely cautious and operating largely below capacity despite a number of blast furnace restarts and US miners still focused on tying up domestic price negotiations.

The *Argus* daily fob Hampton Roads assessment for low-vol coking coal was stable at \$114.50/t as the differential with the Australian premium low vol widened further, driven by growing demand in Asia and November supply tightness. The high-volatile A price remained at \$116/t fob Hampton Roads as did the high-volatile B price is at \$105/t which rose earlier this week on the back of rising offers.

While there continues to be a pick up in steel production in Europe, with mill capacities estimated to average around 70pc for the fourth quarter, up from around 6pc in the third quarter, interest in spot cargoes is still limited say northern European mills. Most mills are well supplied by their term contracted volumes and the recent rise in prices are not particularly encouraging for anyone considering spot purchases later in the fourth quarter. "We might go up to 80pc capacity in the first quarter of next year and 80-85pc of capacity for the rest of 2021 at best. But it's hard to be sure and a second wave of Corona virus will change things again,"

Seaborne met coke prices (daily) (25 Sep)			\$/t
Specification	Delivery Period	Price	±
62 CSR coke, fob north China	0-60 days	298.55	nc
65 CSR coke, fob north China	0-60 days	310.00	nc
Spot coal freight rates (daily) (25 Sep)			\$/t
Route and tonnage		Rate	
Richards Bay - Rotterdam Capesize 150,000t		8.60	
Richards Bay - Rotterdam Panamax 70,000t		12.25	
Puerto Bolivar - Rotterdam Capesize 150,000t		9.80	
Puerto Bolivar - Rotterdam Panamax 70,000t		11.20	
Murmansk - Rotterdam Panamax 70,000t		6.40	
Newcastle - Zhoushan Capesize 150,000t		10.40	
Richards Bay - S China Capesize 150,000t		14.35	
EC Australia - Japan Panamax 70,000t		11.40	
EC Australia - EC India, 70,000t		14.20	
EC Australia - S Korea Panamax 70,000t		10.70	
US east coast - ARA Capesize 140,000t		9.25	
US east coast - Japan Panamax 70,000t		29.00	
Hay Point - Rotterdam Capesize 160,000t (22 Sep)		9.20	
Coking coal, low vol derivatives (daily) (25 Sep)			\$/t
Timing	Price	±	
Sep 20	123.15	nc	
Oct 20	142.85	nc	
Nov 20	145.85	-0.30	
4Q 20	145.90	-0.20	
1Q 21	151.50	+0.35	
2Q 21	148.35	+0.60	
2021	147.60	+0.50	
2022	147.95	+0.90	

said one mill. "There is more demand from the auto sector but it is far away from normal levels," the mill added.

The price levels under discussions in the US for 2021 supplies were heard to be around \$78-85/st ex-mine for high vol B coals down from around \$90-100/st ex-mine for 2020, while high vol A indications are around \$90-107/st ex-mine, down from \$120-130/st ex-mine. The equivalent fob prices were indicated around \$112-119/t fob Hampton Roads or Baltimore for high vol B and \$125-143/t fob, based on *Argus* calculations.

Perceived tightness in the met coke market has supported Colombian offers, but one buyer said cargoes were still easily available at \$230-240/t fob despite some offers going as high as \$240-245/t since last week. "There have been enquiries all over the place recently but really no availability", said a trader, "and Colombian producers were very strict over the summer".

Russian producers who sell to European mills are hoping to retain competitiveness they have gained against US

suppliers in Europe during the Covid-19 crisis. "Of course, most mills will say they are not interested in Russian material, but in some cases I expect Russian high-vol to remain competitive, as cost is the key, especially now-days", said a trader.

## STEEL PRICE ANALYSIS

### Asia-Pacific steel: Bearish sentiment extends

Asia-Pacific steel prices broadly decreased today on lower transaction levels, as most market participants remained bearish on prices on sales in and outside China.

Chinese domestic sales slowed, with some end users having already finished restocking ahead of the National Day holiday. Most seaborne buyers held a cautious attitude after witnessing more lower-priced transactions.

#### Coil

The fob China hot-rolled coil (HRC) index fell by \$2/t to \$501/t on lower transactions and bearish market sentiment.

A deal for SS400 HRC was reported to have closed at \$500/t fob heading to Pakistan. Participants noted that some mills were starting to consider \$500/t fob as a workable level but some others were still insisting on at least \$505/t fob. Market sentiment was still bearish as the Chinese physical and paper market fell again. Most players expect prices both in and outside China to fall further next week.

Shanghai mainstream HRC ex-warehouse prices fell by Yn10/t to Yn3,840/t, with transactions slowing from yesterday. There was much activity yesterday, with end users restocking for volumes no more than their requirements, but the fall of futures today once again slowed purchasing, and some buyers are choosing to wait and see until next week for further restocking. January futures for HRC fell by Yn10/t to Yn3,660/t.

The Asean HRC index was stable at \$515/t amid scant market activity. Mills' official offers were largely unchanged at \$525-545/t cfr Vietnam from China, South Korea and India, inducing no buying interest as traders' offers were much lower. A deal for Chinese SAE1006 grade coils was heard concluded at \$507/t cfr Vietnam this week, but no further details could be confirmed.

#### Rebar

The Shanghai mainstream rebar ex-warehouse price fell by Yn10/t to Yn3,640/t, with trade slowing slightly over yesterday.

Some end users have finished restocking ahead of the National Day holiday and the falling futures also dampened steel trading in Shanghai. January futures for rebar fell by 0.7pc to Yn3,522/t.

The fob China rebar index was flat at \$464/t theoretical

Asia-Pacific steel prices				
Specification		Price	±	MTD
Seaborne and domestic (daily) (25 Sep)				
HRC				
fob Tianjin (SS400)	\$/t	501.00	-2.00	512.89
cfr ASEAN (SAE1006)	\$/t	515.00	nc	529.00
ImpEx (Asian import-export)	\$/t	508.00	-1.00	520.95
Shanghai ex-warehouse	Yn/t	3,840	-10	3,935
Rebar				
fob Zhangjiagang	\$/t	464.00	nc	467.00
Shanghai ex-warehouse	Yn/t	3,640	-10	3,682
Taiwan ex-mill (SD280)	Twd/t	15,100	nc	14,911
Taiwan ex-mill (SD280)	\$/t	515.78	-1.63	509.63
Wire rod				
fob north China	\$/t	502.00	-1.00	504.84
Billet				
Tangshan ex-works	Yn/t	3,330	nc	3,405
Seaborne and domestic (weekly) (25 Sep)				
HRC				
India ex-works	Rs/t	40,500	-500	40,375
Rebar				
cfr ASEAN	\$/t	466.00	-3.00	469.50
Japan ex-mill (SD295A)	Yen/t	59,000	nc	59,000
Japan ex-mill (SD295A)	\$/t	559.45	-3.37	558.50
CRC				
Shanghai ex-warehouse	Yn/t	4,698	-34	4,704
Seamless steel pipe				
Shanghai ex-warehouse	Yn/t	4,300	-50	4,338
Country diff to HRC, cfr ASEAN (SAE1006) (daily) (25 Sep) \$/t				
Specification		Diff	±	MTD
HRC, cfr ASEAN China origin		+0.00	nc	0.26
HRC, cfr ASEAN India origin		+10.00	+5.00	1.05
HRC, cfr ASEAN Japan origin		+10.00	nc	10.00
HRC, cfr ASEAN South Korea origin		+10.00	nc	6.84
HRC, cfr ASEAN Taiwan origin		+0.00	nc	2.11
Steel mill cost analysis \$/t				
		Price	±	
China (daily) (25 Sep)				
Ferrous feed unit cost blast furnace		258.96	+0.97	
Blast spread fob China rebar		205.04	-0.97	
Blast spread fob China HRC		242.04	-2.97	
Ferrous feed unit cost BOF 15% charge		291.60	-0.41	
BOF spread 15% charge fob China rebar		172.40	+0.41	
BOF spread 15% charge fob China HRC		209.40	-1.59	
Turkey (daily) (25 Sep)				
Ferrous feed unit cost arc furnace		331.52	nc	
Arc spread fob Turkey rebar		117.48	nc	
Arc spread ex-works Turkey rebar		206.25	nc	
Taiwan (weekly) (25 Sep)				
Ferrous feed unit cost arc furnace		312.48	nc	

weight on stable offers from Chinese mills at \$480-485/t fob theoretical weight. An east China mill sold over 20,000t of rebar to South Korea at \$490/t cfr theoretical weight, with freight estimated at \$10/t. But the specification does not conform to Argus methodology and was excluded from the assessment. A bid from Myanmar was heard at \$465/t cfr, a price unlikely to be accepted by Chinese mills in the near future.

The Asean rebar index fell by \$3/t to \$466/t cfr Singapore theoretical weight on lower offers and workable levels. Rebar offers from Turkey fell by \$5-7 to \$478-480/t cfr Hong Kong actual weight for December shipment. Chinese rebar producers also started to offer to southeast Asian markets after the domestic market weakened. A north China producer tried to invite bids from buyers in Hong Kong at \$485/t cfr actual weight but failed to get any response. Demand in Hong Kong and Singapore remains weak amid ample inventories.

#### Wire rod and billet

The Chinese wire rod export price fell by \$1/t to \$502/t fob on lower bids from overseas buyers.

Buyers in the Philippines cut their bids by \$5/t to \$495/t cfr, equivalent to \$475/t fob with \$20/t freight. Most Chinese mills stayed on the sidelines, with offers stable at \$515/t fob. "I heard some traders are trying to short sell wire rod given the bearish outlook, but the risk is still very high amid a volatile market," said an east China trader.

Russian billet was heard sold to Philippines at \$450/t cfr last week, but local buyers showed little interest in placing orders when Chinese market prices are in a downward trend.

Tangshan billet ex-works prices stayed flat at Yn3,330/t.

Shagang cut scrap purchase prices by Yn50/t today, just a day after lowering its price by the same range yesterday. After the adjustment, Shagang will pay Yn2,640/t (\$387/t) for heavy melt No.3 scrap with 13pc value-added tax included. Rizhao Steel, another major steel producer located in Shandong province, also lowered scrap purchase prices by Yn50-60/t.

#### Summary of market activity heard by Argus:

- HRP-China: East China trading firm reports deal this week for SS400 grade plate at \$507.5/t fob China
- HRP-China: East China trading firm reports deal this week

Steel HRC Europe swaps (daily) (25 Sep)			€/t
Timing	Price	±	
Sep 20	475.00	+1.00	
Oct 20	488.00	nc	
Nov 20	480.00	nc	

US, Europe and Middle East steel prices			
Specification	Price	±	MTD
Europe and CIS (daily) (25 Sep)			\$/t
HRC			
NW Europe ex-works €/t	492.00	-0.50	474.97
NW Europe ex-works \$/t	572.39	-1.13	560.78
ex-works Italy €/t	484.75	+2.75	466.62
ex-works Italy diff to NW Europe €/t	-7.25	+3.25	-8.36
fob Black Sea	495.00	nc	496.58
CRC			
fob Black Sea	550.00	nc	551.58
Rebar			
fob Turkey	449.00	nc	452.26
Billet			
fob Black Sea	412.00	nc	411.37
US, Europe and CIS (weekly)			\$/t
HRC (22 Sep)			
ex-works US Midwest \$/st	595.00	+10.00	560.00
ddp Houston \$/st	540.00	+20.00	505.00
HRC (24 Sep)			
ddp West Midlands, UK £/t	480.00	+10.00	462.50
cif south Europe port €/t	475.00	nc	468.13
HRC (25 Sep)			
fob Turkey	525.00	-7.50	524.38
Turkey ex-works \$/t	530.00	-5.00	531.88
Turkey ex-works TL/t	4,025	-24	3,998
CRC (25 Sep)			
fob Turkey	600.00	+5.00	590.00
Turkey ex-works \$/t	610.00	+5.00	601.25
Turkey ex-works TL/t	4,633	+54	4,520
CRC (22 Sep)			
ex-works US \$/st	780.00	+20.00	740.00
Rebar (24 Sep)			
fob Black Sea	455.00	nc	451.25
Turkey ex-works TL/t	4,140	+100	4,053
Turkey ex-works \$/t	537.77	+1.81	537.49
Italy ex-works* €/t (16 Sep)	400.00	+5.00	397.50
*fortnightly			
Wire rod			
fob Black Sea (24 Sep)	495.00	nc	492.50
fob Turkey (23 Sep)	510.00	+5.00	502.50
Slab (24 Sep)			
fob Black Sea	460.00	nc	450.00
HDG coil (22 Sep)			
ex-works US \$/st	795.00	+5.00	761.25
Plate (22 Sep)			
del US \$/st	580.00	-5.00	576.25
Europe (monthly)			€/t
Plate (10 Sep)			
ex-works northwest Europe	475.00	+15.00	-
ex-works Italy	475.00	+25.00	-
Longs (2 Sep)			
Italy H-beam ex-works €/t	512.50	+5.00	-
Middle East (monthly) (24 Sep)			\$/t
Rebar			
UAE ex-works Dh/t	1,890	+97	-
UAE ex-works \$/t	514.55	+26.42	-



for SS400 grade plate at \$515/t fob China

- HRC-China: East China trading firm reports deal this week for 5,000t of SS400 grade HRC at \$500/t fob China
- HRC-China: North China mill reports deal this week for SS400 grade HRC at \$500/t fob China
- HRC-Asean: Vietnam trading firm reports deal this week for China-origin SAE1006 grade at \$507/t cfr Vietnam
- HRC-China: Northeast China mill reports deal last week for SS400 grade HRC at \$505/t fob China
- Rebar-China: North China mill reports deal for 25,000t of SD500 rebar at \$490/t cfr South Korea
- Billet-Asean: East China trading firm reports deal last week for Russia-origin 5sp billet at \$450/t cfr Philippines
- HRC-China: East China trading firm reports indicative level for SS400 grade HRC at \$500/t fob China
- HRC-China: East China trading firm reports indicative level for SS400 grade HRC at \$505/t fob China
- HRC-China: North China trading firm reports offer for SS400 grade HRC at \$510/t fob China
- HRS-China: North China trading firm reports indicative level for SS400 grade HRS at \$531/t cfr Singapore
- HRC-China: North China trading firm reports indicative level for SS400 grade HRC at \$500/t fob China
- HRP-China: North China trading firm reports indicative level for SS400 grade plate at \$512.5/t fob China
- HRC-China: North China trading firm reports indicative level for SS400 grade HRC at \$500/t fob China
- HRS-China: East China trading firm reports offer for SS400 grade HRS at \$525/t fob China
- HRC-China: East China trading firm reports offer for SS400 grade HRC at \$520/t fob China
- HRP-China: East China trading firm reports offer for SS400 grade plate at \$515/t fob China
- HRC-China: Shanghai trading firm reports bid for SS400 grade HRC at \$500/t fob China
- HRC-China: North China mill reports offer for SS400 grade HRC at \$525/t fob China
- HRC-Asean: East China trading firm reports indicative level for China-origin SAE1006 grade at \$510/t fob China
- HRC-Asean: Vietnam re-roller reports offer for China-origin SAE1006 grade at \$525/t cfr Vietnam
- HRC-Asean: Vietnam re-roller reports offer for India-origin SAE1006 grade at \$545/t cfr Vietnam
- HRC-Asean: Vietnam re-roller reports offer for South Korea-origin SAE1006 grade at \$542.5/t cfr Vietnam
- Rebar-China: North China mill reports offer for B500B rebar at \$480/t fob North China theoretical weight
- Rebar-China: North China mill reports indicative level for B500B rebar at \$480/t fob North China theoretical weight
- Rebar-China: North China mill reports offer for B500B rebar at \$480/t fob East China theoretical weight
- Rebar-China: North China mill reports offer for B500B rebar at \$485/t fob North China theoretical weight
- Rebar-China: North China producer reports offer for B500B rebar at \$480/t fob North China theoretical weight
- Rebar-China: North China producer reports offer for HRB400Cr rebar at \$485/t fob North China actual weight
- Billet-Asean: East China trading firm reports offer for Russia-origin 5sp billet at \$450/t cfr Philippines
- Rebar-Asean: Singapore trading firm reports offer for B500B rebar at \$500/t cfr Singapore theoretical weight
- Rebar-Asean: Singapore trading firm reports offer for B500B rebar at \$500/t cfr Singapore theoretical weight
- Rebar-Asean: Singapore trading firm reports offer for B500B rebar at \$478/t cfr Hong Kong actual weight
- Rebar-Asean: North China producer reports indicative level for B500B rebar at \$485/t cfr Hong Kong actual weight
- Rebar-Asean: Singapore end user reports offer for B500B rebar at \$480/t cfr Hong Kong actual weight
- Rebar-Asean: Singapore end user reports offer for B500B rebar at \$480/t cfr Hong Kong actual weight
- Wire rod-China: North China producer reports indicative level for SAE1008 wire rod at \$515/t fob North China
- Wire rod-China: North China mill reports indicative level for SAE1008 wire rod at \$515/t fob North China
- Wire rod-China: North China mill reports offer for SAE1008 wire rod at \$515/t fob North China
- Wire rod-China: East China trading firm reports bid for SAE1008 wire rod at \$495/t cfr Philippines

### Turkey rebar: Local demand increases

Turkish local rebar demand increased this afternoon despite most stockists being sceptical about prices rising again.

Most Marmara mills were heard to be out of prompt material, which saw one Marmara mill increase the US dollar equivalent value of its offer this afternoon from \$455/t to \$460/t ex-works excluding value-added tax (VAT). Most mills still offered around \$455/t ex-works excluding VAT.

The local market has shown weaker demand since 8 September, and stockists were still selling to end-users at far lower prices, the equivalent of \$452-455/t ex-works excluding VAT.

Export rebar sales have been very infrequent in the middle of September, and a wide range of prices are being discussed relative to the difference in strength between Asian and Americas markets today.

The Argus daily fob Turkey steel rebar assessment remained flat at \$449/t fob on an actual-weight basis today.

## Turkey HRC: Sales slow down

The Turkish flat steel market was sluggish this week, as mills were reluctant to lower prices, while buyers took a wait-and-see approach.

In the domestic market, some offers are still as high as \$550/t ex-works for November or December delivery, but generally offers are closer to \$535-540/t ex-works.

Some mills say there is no demand, even at \$530/t ex-works, but most other market participants say the level is indicative of the market. Some stockholders were heard to be de-stocking, which is exerting pressure on the market.

Pressure is mounting from raw material prices, with scrap and iron ore prices down, while there is concern about the general state of the economy amid political tensions. The lira depreciated again today following a slight strengthening yesterday after the central bank increased interest rates.

At the same time, import offers for hot-rolled coil (HRC) stand at \$510-525/t cfr Turkey, mainly from the CIS, and pretty stable week on week. But no deals were heard concluded.

The *Argus* weekly Turkish HRC assessment fell by \$5/t to \$530/t ex-works. The export assessment declined to \$525/t fob, down by \$7.50/t on the week.

Offers stood at \$530-540/t fob Turkey, but there were no takers this week. Market participants reported deals concluded to southern Europe and Bulgaria at around \$535/t fob done last week. But these were deemed no longer repeatable, considering the slightly more bearish sentiment. Some bids were heard at \$515/t fob Turkey from Europe, but not accepted.

The cold-rolled coils (CRC) segment has been even more quiet than HRC, with re-rollers heard to have concluded minimal sales this week, and some none at all. The *Argus* weekly CRC assessment rose by \$5/t to \$610/t ex-works and \$600/t fob.

Some re-rollers are offering for January delivery, but most, as is usually the case, still have end-year capacity. Uncertainty about the direction of prices has put their purchasing on hold, but domestic prices were heard in a range of \$600-620/t ex-works.

South Korean CRC was on offer at \$630-635/t cfr Turkey for November and December shipment, and attracted bids at \$605/t cfr. Despite CRC prices in southern Europe being higher than import levels from Turkey, demand is not rampant.

## EU HRC: Prices diverge

The *Argus* benchmark daily northwest European index slipped by 50c today to €492/t ex-works, while the Italian

hot-rolled coil price nudged up by €2.75/t to €484.75/t ex-works.

There are signs that some markets in the EMEA region are overheating, which is dampening sentiment across the region. Buyers are withholding large purchases amid sufficient stocks and tumbling Asian prices.

The mood has become slightly more bearish, with declines in iron ore prices and a downward correction in Turkish scrap prices since earlier this month, which market participants in the flat products sector expect to continue into early October. Subsequently, they expect Turkish flats prices to be declining too, but delivery dates would then be nearing the January renewal of quotas.

An Italian mill is firm in its offer at €510/t ex-works for December and January deliveries, while others are more modest, targeting a maximum of €500/t ex-works, with earlier deliveries available too. But the current market maker's production is still on the low side, so the perception is that supply is still low.

In northwest Europe, some mills are seeking €490-495/t ex-works, and a major mill is still far from achieving its target of €530/t ex-works, market participants said.

## India steel: HRC prices fall as buyers push back

Domestic India hot-rolled coil (HRC) prices dropped this week as buyers pushed back on recent price hikes by major mills on poor end-user demand.

The *Argus* weekly price for India domestic HRC with 3mm thickness fell by 500 rupees/t (\$7/t) on week to Rs40,500 rupees/t ex-Mumbai. On 18 September, the price had stood at Rs41,000/t, up by Rs7,000/t from the level on 17 July.

"Enquiries have stopped as buyers are waiting for prices to drop further," a Chennai-based trader said.

Most major mills raised HRC offers after the easing of lockdown restrictions in July that released some pent-up demand. Traders stocked up inventories but were unable to sell any further due to weak end-user demand.

End-users have been unwilling to accept the rise in prices with many steel user groups [appealing New Delhi to intervene](#).

End-user demand from real estate, automobiles, consumers goods segments continues to be stalled as consumer spending declined with a large number of job losses during the lockdown that started on March 25. While the auto sector showed signs of recovery last month, it contributes to only 10pc of overall steel demand in India.

Auto sales recovery in August was mostly due to the release of pent-up demand, according to SIAM. Once this pent-up demand is met, demand growth in the coming months is not expected to be phenomenal.

Besides, heavy monsoon rains in many parts of the country continue to hinder construction activity, reducing demand for roofing sheets, a Delhi based re-roller said.

The lull in demand is likely to continue over the next quarter “Due to rising number of Covid-19 cases and subdued festive trading in the months of August and September, combined with less disposable income in the hands of buyers, traders are not expecting demand to rise sharply during the next quarter,” the Delhi re-roller said.

India’s Covid-19 tally rose to 5.81 million cases with the death toll climbing to 92,290 on Friday.

**EU plate: Slow demand dampens upward trend**

Trading activity in the European plate market continues to recover at a slow pace, suppressing upward price movements.

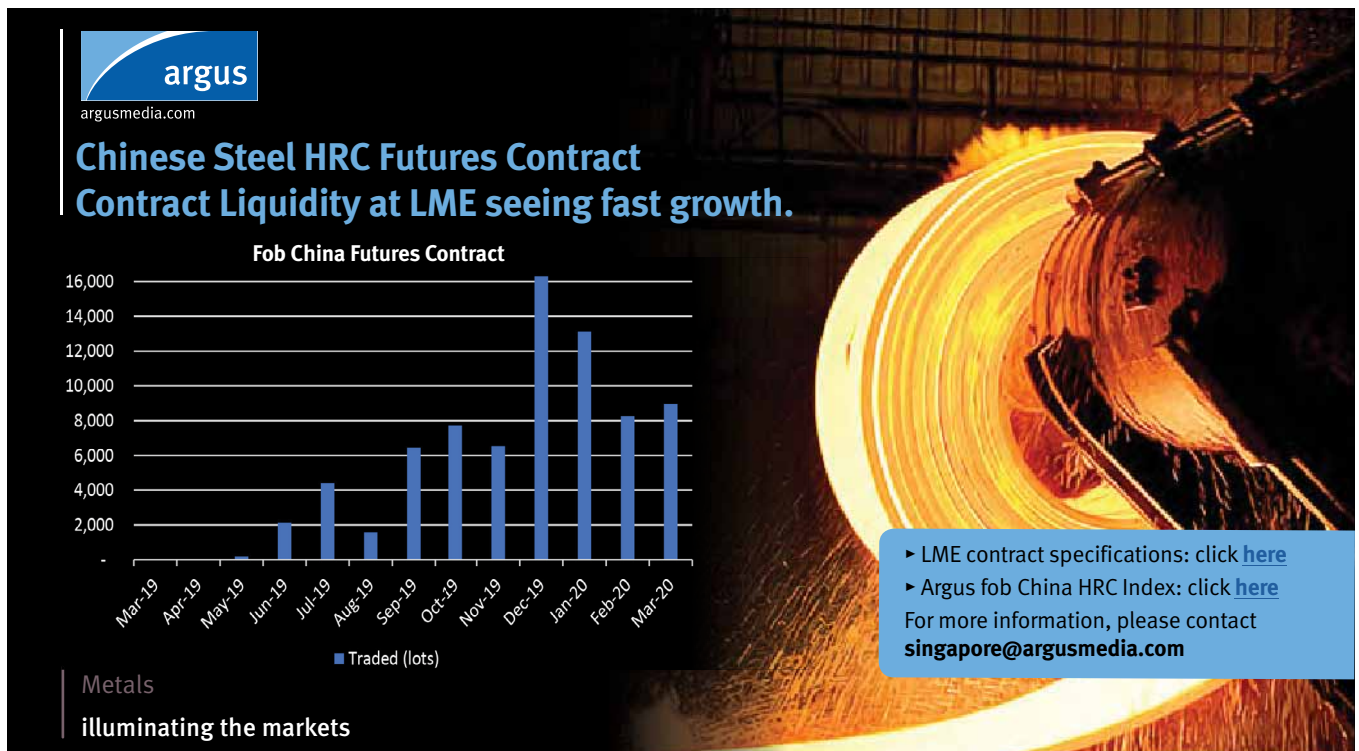
The major source of support was coming from the construction and offshore wind energy sectors. Some companies in Italy and the UK noted that demand from the secondary market has slightly recovered, allowing stockists to improve their margins. Many programmes were delayed in the ship-

building industry and only individual orders were received for oil and gas and pressure vessel plates, an Italian source said.

Despite uncompetitive offers from Italian suppliers, workable prices from northwestern European producers remained in the €475-485/t ex-works range for S235JR grade and over €500/t ex-works for S355J2 grade. But offers were heard €20-30/t higher, starting from €495/t ex-works for base grades from German mills.

Italian plate producers maintained offers at €500/t ex-works and above, given still strong slab prices. The highest levels achieved were €480-485/t ex-works for S275JR grade in the domestic market, while in key export markets there was no interest in volumes indicated at €470-480/t ex-works. Average delivery times were reported as three weeks.

CIS material continued to be the only attractive import option in some regions. Offers of S235JR material were heard at around €450-460/t dap Ukrainian or Russian border with eastern and central European countries, with S355JR grade available at €30/t higher. Some suggested that discounts of around €10-20/t would be accepted.



**Chinese Steel HRC Futures Contract**  
**Contract Liquidity at LME seeing fast growth.**

**Fob China Futures Contract**

Month	Traded (lots)
Mar-19	~100
Apr-19	~100
May-19	~100
Jun-19	~2,000
Jul-19	~4,000
Aug-19	~1,500
Sep-19	~6,000
Oct-19	~7,500
Nov-19	~6,500
Dec-19	~16,000
Jan-20	~13,000
Feb-20	~8,000
Mar-20	~9,000

Metals  
 illuminating the markets

- LME contract specifications: click [here](#)
- Argus fob China HRC Index: click [here](#)

For more information, please contact [singapore@argusmedia.com](mailto:singapore@argusmedia.com)

## METALLICS PRICE ANALYSIS

### Turkey scrap: Price flat, steel indications firmer

The Turkish scrap import price was flat today, supported by stronger raw material and steel fundamentals.

The Argus daily HMS 1/2 80:20 cfr Turkey and HMS 1/2 75:25 fob Rotterdam steel scrap assessments were flat at \$296/t and \$266.10/t, respectively.

A continental European supplier was heard to sell a cargo to an Izmir mill in the past 24 hours but the cargo details could not be retrieved.

Market participants said European scrap exporters may be willing to sell at slightly lower prices because of a depreciation in the euro against the US dollar. But overall scrap supply is still tight compared with Turkish mills' strong steel order books for products such as hot-rolled coil and wire rod.

Turkish rebar producers have had little sale success in mid-September, but there are still pockets of export demand, and local rebar demand increased this afternoon after low activity in the morning. The re-emergence of Chinese demand for imported pig iron, combined with strong domestic US scrap demand will further limit seaborne steel raw material availability and put upward pressure on the Turkish scrap import price.

The Argus daily A3 cif Marmara steel scrap assessment and A3 Russia-Ukraine fob Black Sea steel scrap assessment were flat at \$282.50/t and \$266.50/t, respectively.

Mill delivered ferrous scrap prices		
Specification	Price	±
Daily (25 Sep)		
Heavy melt #3 posted del E China Yn/t	2,640	-50
Weekly (25 Sep)		
Shredded composite del US \$/gt	285.00	nc
Monthly		
E40 shredded del Germany national average €/t (15 Sep)	222.76	+12.04
E40 shredded del Spain €/t (14 Sep)	230.00	+10.00
E40 shredded del Italy €/t (14 Sep)	235.00	+5.00

Ferrous scrap Japan Tokyo Steel domestic purchase price					
	Timing	Diff (Yen/t)	± Diff (\$/t)	±	
H1 to H2 differential	na	1500	0	14.22	0
Shredded C to Shredded A diff	na	500	0	4.74	0

Ferrous scrap Tokyo Steel purchase price (daily) (25-Sep)				
Tahara plant				
	Price (Yen/t)	±	Price (\$/t)	±
H2	25000	0	236.98	-0.40
Shindachi Bara	30000	0	284.38	-0.47
Shredded A	28500	0	270.16	-0.45
Utsunomiya Plant				
	Price (Yen/t)	±	Price (\$/t)	±
H2	24500	0	232.24	-0.39
Shindachi Bara	28000	0	265.42	-0.44
Shredded A	26500	0	251.20	-0.42

Ferrous scrap deep-sea trades (average composition price, cfr Turkey)								
Date	Volume, t	Price, \$	Shipment	Buyer	Seller	Composition	Confirmed	Index relevant
24-Sep	28,500	296 (80:20)	October	Samsun	Baltics	11l 80:20, 15.5k shred, 2k bonus	N	Y

Ferrous scrap short-sea trades (average composition price, cif Marmara)								
Date	Volume, t	Price, \$	Shipment	Buyer	Seller	Composition	Confirmed	Index relevant
3-Sep	3,000	280	September	Marmara	Bulgaria	3k 80:20	Y	Y
2-Sep	3,000	279	September	Marmara	Bulgaria	3k 80:20	Y	Y

## Asia scrap: Prices flat, activity limited

The Taiwanese containerised ferrous scrap import price was unchanged today, as US suppliers made no offers and mills stayed on the sidelines.

The Argus daily containerised HMS 1/2 80:20 cfr Taiwan assessment was unchanged at \$279/t.

US suppliers and traders withdrew offers because the rising possibility of higher US domestic prices in October reduced sellers' urgency to sell. US domestic scrap collection rates rose slightly, but supply remained tight. Suppliers' offers and available tonnage will probably remain limited in the near term, while traders that were more eager to sell will be cautious of any increase in offers.

Taiwanese mills concentrated on domestic scrap collections, as local suppliers continued to send ample volumes. Market participants said there was queues building outside mills to offload scrap as the outlook for scrap becomes increasingly downbeat. High availability in the domestic market eroded mills' appetite for imported scrap. Mills expect global scrap prices to fall further next week.

Seaborne scrap sellers and buyers had mixed outlooks, while Taiwan will be on holiday on 1-2 October.

Offers from Japan for H1/H2 50;50 fell to \$284-290/t from \$288-295/t yesterday. But the number of offers decreased further today. Some mills showed interest, but no firm bids were heard.

South Korea bought 60,000-70,000/t of scrap from Japan after bids were accepted by suppliers. Bids were at ¥30,500/t for SD, ¥31,000/t for HS and ¥31,000/t fob for HS. H2 bids at ¥27,000/t were also accepted, but mills did not buy because they focused on higher-grade scrap.

Several H2 cargoes were sold at \$293-295/t cfr south Vietnam, \$10/t below last week's levels. Some Japanese traders were unable to sell at this level, as their local suppliers required higher prices because demand from Japanese mills was strong. Most Vietnamese mills stayed on the sidelines as they expect seaborne scrap prices to drop further next week. Bids for HS were heard at \$320/t cfr Vietnam today, which was lower than the equivalent of what South Korean mills paid. Many Japanese suppliers were more willing to sell to South Korea consequently.

Indicative prices for ferrous scrap in bulk shipments from the US, Australia and Europe were at \$315-318/t cfr Vietnam for premium HMS 1/2 80:20. Suppliers said they will not consider any price below their target levels, which limited mills' interest.

Seaborne ferrous scrap prices (daily) (25 Sep)				\$/t
	Price	±	MTD	
HMS 1/2 (80:20), cfr Turkey	296.00	nc	297.76	
HMS 1/2 (75:25), fob Rotterdam	266.10	nc	267.86	
A3, cif Marmara	282.50	nc	283.72	
A3, fob Russia/Ukraine Black Sea	266.50	nc	267.88	
HMS 1/2 (80:20), fob New York	273.50	nc	273.500	
HMS 1/2 (80:20) containerised cfr Taiwan	279.00	nc	277.84	

Seaborne ferrous scrap prices (weekly) (25 Sep)				\$/t
Specification	Price	±	MTD	
HMS 1/2 (80:20), fas Los Angeles	262.50	nc	260.000	
Shredded containerised cfr Nhava Sheva India	314.00	-1.00	314.500	
H2, fob Japan	262.00	-8.00	262.00	
H2, fob Japan ¥/t	27,700	-600	27,700	

Ferrous scrap freight (weekly)			\$/t
	Price	±	
25 Sep			
Bulk export New York-Turkey	22.50	nc	
Bulk export Los Angeles-South Korea	28.50	nc	
2 Sep			
Containerised export New York-Mumbai	29.00	-1.50	
Containerised export Los Angeles-Taiwan	7.00	-3.50	

Pig iron prices (weekly)			
Specification	Loading	Price	±
China ex-works (25 Sep)			
Tangshan, Hebei	immediate	2,970	-60
fob Black Sea (24 Sep)			
Russian basic	2-6 weeks	367.00	nc
Ukrainian basic	2-6 weeks	367.00	nc
fob Brazil (24 Sep)			
northern Brazil basic	prompt-6 weeks	370.00	nc
southern Brazil basic	prompt-6 weeks	367.50	nc

Ferro-alloys				
Specification	Frequency	Date	Price	±
Ferro-manganese				
HC 75% fob China (\$/t)	Weekly	22 Sep	1,145	nc
HC 75% Mn ex-works China (Yn/t)	Twice weekly	24 Sep	6,350	nc
HC min 80% Mn 6-8% C fob N America (\$/gt)	Weekly	24 Sep	1,025	nc
Silico-manganese				
65% Mn 17% Si fob China (\$/t)	Weekly	22 Sep	1,095	nc
65% Mn 15% Si fob India East Coast (\$/t)	Twice weekly	24 Sep	895.00	nc
65% Mn ddp Europe works (€/t)	Twice weekly	24 Sep	855.00	-2.50
Min 65% Mn 16% Si fob N America (\$/lb)	Weekly	24 Sep	0.495	nc

### Japan ferrous: Market quiet as bids and offers diverge

Market activity in the Japanese ferrous scrap export market fell further this week, as buyers cut target prices while suppliers refused to lower prices because of sustained domestic demand.

The Argus weekly assessment for H2 scrap fob Japan decreased to ¥27,700/t (\$262/t), down by ¥600/t from 18 September.

A South Korean mill cut bids for H2 and HS by ¥1,000/t from last week's levels to ¥27,000/t and ¥31,000/t fob Japan respectively. Bids for other grades were kept unchanged at ¥30,500/t for shred and ¥31,000/t for shindachi. The mill bought HS, shred and shindachi in a tender.

Buying interest from Korea fell this week as the country will observe the Chuseok public holiday on 30 September-2 October. Other Korean mills stayed on the sidelines this week and said they will probably lower bids next week. These mills were mostly interested in shindachi and HS scrap. South Korean mills cut domestic scrap collection prices further this week.

After a flurry of trades closed at \$305/t for H2 and \$307-308/t cfr Vietnam for H1/H2 50:50 last week, Vietnamese buyers adjusted the H2 target price to below \$295/t this week. A small volume of H2 was sold at \$293-295/t to southern Vietnam, netting back to around ¥27,700-28,000/t fob Japan. Most buyers remained cautious as they expect prices to fall further next week.

Vietnamese mills bid for HS at \$320/t cfr, around ¥500/t below the South Korean mill's concluded price when netted back to fob Japan basis. Japanese suppliers therefore showed greater appetite to sell shindachi and HS to South Korea this week. The spread between H2 and HS was expected to widen further because of higher demand for HS from both overseas and domestic markets.

Taiwanese buyers showed limited interest for Japanese scrap as US scrap traders lowered offers for containerised HMS1/2 80:20 to \$275-280/t cfr in order to remain competitive during the week.

Dockside prices in the Tokyo Bay region were stable at ¥27,000-27,500/t for H2, ¥29,500-30,500/t for shindachi and ¥30,000-31,000/t for HS. Market participants anticipate little change in dockside prices next week, despite a fall in export prices, because exporters still require around 17,000t of scrap to fulfil the August Kanto tender contract.

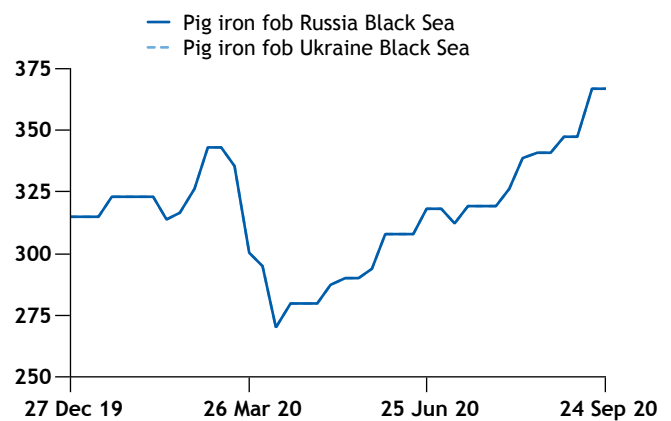
Japanese steelmaker Tokyo Steel kept scrap purchase prices at all plants unchanged this week. Mills in the Kanto region continued to pay ¥27,500-28,000/t, which encouraged scrap suppliers to send more scrap to mills rather than exporters.

Japanese domestic steel demand is gradually rising

on the back of a recovery in the automobile industry and resumption of public projects that were previously halted because of Covid-19. The higher steel output boosted some suppliers' confidence that the fall in export prices will be limited.

Pig iron fob Black Sea

\$/t



### CME Group launches North European HRC Steel (Argus) Futures Contract



CME Group's new North European Hot-Rolled Coil Steel (Argus) Futures contract has now launched. It provides market participants with a new way to price and manage their exposure, settled against the monthly average of the daily price assessments published by Argus Media in its Argus Ferrous Markets service.

To read CME Group's official press release, [click here](#)  
For more information, please contact:  
[info@argusmedia.com](mailto:info@argusmedia.com)

Metals  
illuminating the markets

## NEWS AND ANALYSIS

## GLOBAL

## Global steel output flat in August

Global steel production was little-changed, up by 0.6pc on the year to 156.2mn t in August, World Steel Association data shows.

Meanwhile, January-August output fell 4.2pc on the year to 1.187mn t, with declines in every region.

Asian output continued to strengthen in August led by China where production rose 8.4pc on the year to 94.8mn t. Output from other Asian producers fell, Japanese production 20.6pc on the year to 6.4mn t and Indian production 4.4pc to 8.4mn t.

Vietnamese producers continued to make gains on last year increasing output by 32.9pc to 2.3mn t in August. Consistently strong 2020 production has come through a construction push from the Vietnamese government. Despite the Covid-19 pandemic, Vietnamese output is up 11.5pc between January-August, the second highest increase by any country, recorded by Worldsteel.

Asian output between January-August was only down 0.7pc on the year at 883mn t, the smallest decline of any region. But this is entirely due to an expansion in Chinese production, with most other countries registering declines in this period.

EU producers registered a 16.6pc decline in output on the year to 9.31mn t in August. In Germany, the EU's largest steel producer, output declined 13.4pc to 2.8mn t. Some countries did increase output, Italy by 9.7pc to 939,000t and the United Kingdom by 11.2pc to 566,000t.

Turkey also increased August steel output by 22.9pc on last year in to 3.2mn t. Turkish exports remain strong despite reduced global demand and limited quota allocations from some of its key export markets such as the EU.

Crude steel production August 2019-20			'000t
Country	Aug-20	Aug-19	±%
China	94,845	87,499	8.4
Japan	6,446	8,120	-20.6
South Korea	5,800	5,905	-1.8
India	8,478	8,868	-4.4
Italy	939	856	9.7
Germany	2,830	3,266	-13.4
Ukraine	1,827	1,938	-5.7
Russia	5,550	5,816	-4.6
Belarus	225	227	-1.1
Brazil	2,701	2,537	6.5

– Worldsteel Association

CIS production in August declined 6.2pc on last year, key producers Russia and Ukraine registered 4.6pc and 5.7pc falls in output to 5.5mn t and 1.8mn t respectively.

In the Gulf Co-Operation Council, August output was sharply down on the year. Saudi output by 52.3pc at 355,000t and UAE output 31.9pc at 195,000t. Low demand was the overriding problem in August with the UAE suffering from a lack of construction projects.

North America registered the largest regional fall in August output, 23.7pc to 7.6mn t, as the region continues to fight the Covid-19. But US automotive manufacturers sharply increased vehicle production in August trying to recover from pandemic related shutdowns earlier in the year, showing some signs of future recovery.

January-August output remains down 19pc at 65mn t, also the largest fall of any region.

By Sam Angell

## ASIA PACIFIC

## Chinese steel scrap prices fall nearly 6pc in two weeks

Chinese steelmakers have cut ferrous scrap prices by nearly 6pc over the past two weeks on falling prices of finished steel. Steelmakers accelerated price cuts in the last two days as mills planned output cuts.

Jiangsu-based private-sector steelmaker Shagang cut its ferrous scrap purchase prices by Yn50/t (\$7/t) today, just after it lowered prices by Yn50/t yesterday. After the adjustment, the mill will pay Yn2,640/t (\$388/t) for No.3 heavy melt scrap with thickness of 6-10mm, down by Yn160/t or 5.7pc from a 13-month high of Yn2,800/t on 11 September.

Rizhao Steel in east China, whose listed scrap prices are considered a benchmark for Shandong, also lowered scrap purchase prices by Yn50-60/t today. The mill has cut its scrap prices by Yn200-250/t since 9 September.

High scrap arrivals to mills and declining steel prices since the start of September prompted mills to lower scrap prices. Production cuts in some regions also contributed to the steep drop in the past two days.

Major steel mills in Sichuan, Shanxi and Shaanxi provinces in western China will reduce steel output by 32,000 t/d after meeting on 23 September to discuss joint action. The cuts, mainly for rebar, will be made by reducing blast furnace operations, lowering scrap using ratios, moving maintenance periods ahead of schedule and rebalancing product mix.

Some electric arc furnaces (EAFs) in Gansu province also plan to reduce operations from 24 hours a day to 16 hours.

The output cuts will reduce scrap demand, leading mills

## NEWS AND ANALYSIS

to reduce scrap prices at a speed that is unusual for this time of year when mills build inventories ahead of the week-long National Day holiday and prepare for winter pollution restrictions that can increase reliance on scrap.

This round of price drops comes as a relief to EAFs that have been operating at a loss given a spike in costs for all feedstocks including scrap. The cuts narrow losses for some and for many takes them to breakeven levels.

Steel prices started declining in September when the autumn construction demand fell short of expectations. Shanghai rebar and hot-rolled coil ex-warehouse prices have declined by Yn70/t and Yn210/t from Yn3,720/t and Yn4,060/t, respectively, since 3 September.

## AMERICAS

### Canada opens rebar dumping probe against Italy, others

Canada is examining whether seven countries, including Italy and Singapore, have been dumping concrete reinforcing bar (rebar) into the country.

The probe by the Canada Border Services Agency (CBSA) began on 22 September and focuses on certain concrete reinforcing bar imports from Algeria, Egypt, Indonesia, Italy, Malaysia, Singapore and Vietnam.

The investigation is in response to complaints by Canadian steelmakers AltaSteel, ArcelorMittal Long Products Canada and Gerdau Ameristeel.

The rebar products under scrutiny are of diameters up to and including 56.4mm, excluding plain round bar and fabricated rebar products. The government is also excluding 10mm rebar produced to meet CSA G30 18.09 requirements and coated to meet the requirements of epoxy standard ASTM A775/A 775M 04a from 1-8ft in length.

In 2019, Canada imported nearly 289,000 metric tonnes (t) of the rebar products under investigation from the seven mentioned countries, 49pc of the total imports into Canada. The 2019 imports represented a more than doubling of the 143,000t imported into Canada in 2018, according to government data.

Through July 2020, Canada has imported 199,000t from the seven countries out of the 329,000t of total tonnes of related rebar imports.

Italy was the largest shipper in 2019, sending more than 89,000t of the rebar products to Canada. Singapore and Indonesia followed with 52,000t and 51,000t of exports to Canada, respectively. Relative export newcomer Algeria -

which only began exporting rebar in January 2019 - shipped 34,000t of rebar to Canada in 2019, just a few hundred tonnes below Egypt.

*By Rye Druzin*

### US steel imports at 11 year low

Steel imports into the US for August fell to their lowest levels in 11 years.

Total steel imports for the month of August fell by 36pc year-over-year to 1.18mn metric tons, their lowest level since September 2009, when the US economy was recovering from the global economic crisis.

US steel prices hit at least two-year lows as well in August, with the *Argus* hot-rolled coil (HRC) assessment falling to a low of \$450/short ton (st) in the week ending 11 August. It has since rebounded by 32pc to \$595/st for the week ending 22 September.

The decline in prices occurred while global prices rose, further crimping supply to the US as many imports are subject to the 25pc Section 232 steel tariffs. The *Argus* assessment of HRC FOB Tianjin rose to \$472.64/st on 7 September, its highest level since May 2019.

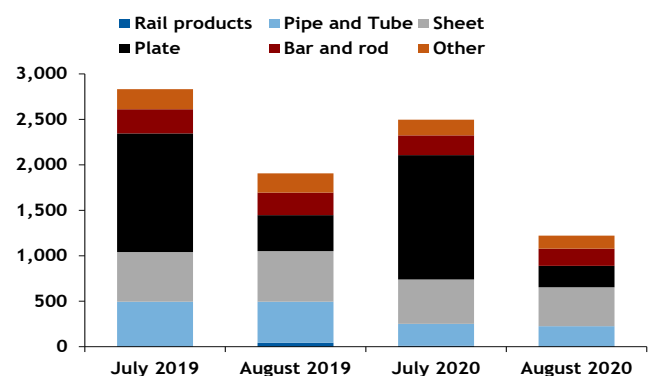
Imports of oil country tubular goods (OCTG) and line pipe declined the most, falling by a combined 69pc year-over-year to less than 95,000t. Imports of blooms, billets and slabs declined by 51pc to 101,000t, while hot-rolled coil (HRC) sheet imports fell by 38pc to 97,000t.

South Korea and Canada saw the largest country declines, with Korean imports falling by 57pc year-over-year to 102,000t. Imports from Canada fell by 19pc to 387,000t.

*By Rye Druzin*

US July-August steel imports

'000t



— US Department of Commerce



China iron ore: Daily deals and offers									
Date	Info type	Source*	Timing	Brand	Fe Basis %	Origin	Volume	Price	Additional Notes
25 Sep	Deal	Corex	28 Oct-06 Nov 2020	PBF62	62	Australia	170,000	P62 Nov +4.30	
25 Sep	Deal	Corex	Nov delivery	YDF58	62	Australia	90,000	PM62 Nov +1.80	
25 Sep	Deal	globalORE	Nov delivery	JMBF62	62	Australia	100,000	PM62 Nov -1.70	
25 Sep	Deal	globalORE	Nov delivery	JMBF62	62	Australia	90,000	PM62 Nov -1.95	
25 Sep	Offer Received	ST	early Nov laycan	PBF62	62	Australia	170,000	P62 Nov +3.70	
25 Sep	Offer Received	ST	early Oct laycan	PBF62	62	Australia	170,000	P62 Oct +3.50	
25 Sep	Indicative Bid	ET	early Nov laycan	PBF62	62	Australia	170,000	P62 Nov +3.00	
25 Sep	Indicative Bid	NT	early Nov laycan	PBF62	62	Australia	170,000	P62 Nov +4.30	
25 Sep	Indicative Bid	ST	early Nov laycan	PBF62	62	Australia	170,000	P62 Nov +4.00	
25 Sep	Indicative Bid	NT	early Nov laycan	YDF58	62	Australia	80,000	PM62 Nov +1.50	
25 Sep	Indicative Bid	SM	early Nov laycan	YDF58	62	Australia	170,000	P62 Nov +1.50	
24 Sep	Deal	globalORE	b/l date 3 Sept	IOCJ	65	Brazil	80,000	128.90	
24 Sep	Deal	globalORE	27 Oct-05 Nov 2020	PBF62	62	Australia	170,000	113.80	
24 Sep	Deal	NM	mid-Sept laycan	IOCJ	65	Brazil	70,000	MB65 Oct +2.50	unconfirmed
23 Sep	Deal	Corex	Nov delivery	MACF62	62	Australia	90,000	PM62 Nov +1.35	
23 Sep	Deal	Corex	25 Oct-03 Nov 2020	PBF	61	Australia	170,000	110.60	
23 Sep	Deal	Corex	25 Oct-03 Nov 2020	PBF62	62	Australia	170,000	P62 Nov +4.15	
23 Sep	Deal	globalORE	Nov delivery	YDF58	62	Australia	100,000	PM62 Nov +1.65	
18 Sep	Deal	NT	Oct laycan	Karara C	65	Australia	65,000	P65 Oct -1.50	Tender, unconfirmed
18 Sep	Deal	ET	Sep laycan	Ukrainian C	65	Ukraine	170,000	P65 Nov -2.30	half vessel
23 Sep	Deal	NM	Oct delivery	Ukrainian C	65	Ukraine	170,000	P65 Oct -2.25	unconfirmed
22 Sep	Deal	Corex	01-10 Oct 2020	PBL	62	Australia	100,000	P62 Oct +0.20	with LP, with other binding terms
22 Sep	Deal	globalORE	26 Oct-04 Nov 2020	PBF62	62	Australia	170,000	P62 Nov +4.10	
22 Sep	Deal	Off screen	11-20 Oct 2020	JMBF62	62	Australia	80,000	PM62 Oct -2.70	
22 Sep	Deal	Off screen	06-15 Oct 2020	MACF62	62	Australia	90,000	PM62 Oct +0.30	
22 Sep	Deal	Off screen	Nov delivery	YDF58	62	Australia	90,000	PM62 Nov +1.65	
18 Sep	Deal	ET	Oct laycan	Indian F 57	57	India		90.00	unconfirmed
17 Sep	Deal	Trader	1H Sep laycan	KJS pellet 64pc	64	India	55,000	135.50	
21 Sep	Deal	Corex	13-22 Oct 2020	BRBF62	62	Malaysia	170,000	120.05	
1 21 Sep	Deal	Corex	16-25 Oct 2020	JMBF62	62	Australia	110,000	PM62 Oct +0.20	with binding terms

China iron ore: Daily deals and offers										
	Date	Info type	Source*	Timing	Brand	Fe Basis %	Origin	Volume	Price	Additional Notes
2	21 Sep	Deal	Corex	16-25 Oct 2020	NBL	62	Australia	130,000	P62 Oct +0.20	with LP; with binding terms
	21 Sep	Deal	globalORE	14-23 Oct 2020	NBL	62	Australia	80,000	0.055	\$/dmtu, fob Australia
	21 Sep	Deal	Off screen	07-16 Oct 2020	JMBF62	62	Australia	90,000	PM62 Oct -2.70	
	21 Sep	Deal	ST	early Oct laycan	PBF62	62	Australia	170,000	P62 Oct +3.20	unconfirmed
	18 Sep	Deal	Corex	01-10 Oct 2020	MACF62	62	Australia	110,000	PM62 Oct +1.95	
	18 Sep	Deal	Corex	21-30 Oct 2020	PBF62	62	Australia	100,000	P62 Oct +2.10	
	18 Sep	Deal	Corex	03-12 Oct 2020	SSF	56.7	Australia	85,000	P62	QP: B/L +0M; (97%)
	18 Sep	Deal	Corex	Nov delivery	YDF58	62	Australia	100,000	PM62 Nov +1.60	
	18 Sep	Deal	globalORE	02-11 Oct 2020	MACF62	62	Australia	90,000	PM62 Oct +1.00	
	18 Sep	Deal	Off screen	11-20 Oct 2020	NBL	62	Australia	80,000	0.052	\$/dmtu, fob Australia
	18 Sep	Deal	ST	Oct laycan	PBF62	62	Australia	170,000	P62 Oct +3.26	strip tender Oct- Dec, unconfirmed
	18 Sep	Deal	ET	early Oct laycan	Indian F 57	57	India		92.00	unconfirmed
1	17 Sep	Deal	Corex	30 Sep-09 Oct 2020	PBF62	62	Australia	100,000	P62 Oct +2.50	
2	17 Sep	Deal	Corex	30 Sep-09 Oct 2020	PBL	62	Australia	70,000	P62 Oct +0.00	with LP
	16 Sep	Deal	NM	mid-Oct laycan	BRBF62	62	Malaysia	170,000	P62 Oct +4.60	
	17 Sep	Deal	Off screen	11-20 Oct 2020	JMBF62	62	Australia	170,000	PM62 Oct -2.10	
	16 Sep	Deal	ET	B/L date 9 Sep	P2FG C			60,000	MB65 Oct -4.80	Tender, unconfirmed
	16 Sep	Deal	Corex	03-12 Oct 2020	PBF	61	Australia	170,000	121.95	
	16 Sep	Deal	Corex	04-13 Oct 2020	PBF	61	Australia	170,000	122.20	
	16 Sep	Deal	Corex	30 Sep-09 Oct 2020	PBF62	62	Australia	170,000	P62 Sep +1.10	
	16 Sep	Deal	Corex	Nov delivery	YDF58	62	Australia	90,000	PM62 Nov +1.50	
1	16 Sep	Deal	Corex	Oct delivery	PBF62	62	Australia	120,000	P62 Oct +2.90	
2	16 Sep	Deal	Corex	Oct delivery	PBL	62	Australia	50,000	P62 Oct +0.00	with LP
	16 Sep	Deal	Off screen	07-16 Oct 2020	NBL	62	Australia	80,000	0.066	\$/dmtu, fob Australia
	15 Sep	Deal	ST	early Oct laycan	PBF62	62	Australia	170,000	P62 Oct +4.10	
	15 Sep	Deal	ET	early Oct laycan	PBF62	62	Australia	170,000	P62 Oct +4.10	
	15 Sep	Deal	ST	early Oct laycan	PBF62	62	Australia	170,000	P62 Oct +4.15	
	11 Sep	Deal	ET	Sep laycan	Ukrainian C	65	Ukraine		P65 Nov -2.25	Half vessel
	15 Sep	Deal	NT	Oct laycan	Citic C	65	Australia		P65 Nov -4.00	multi cargo
	15 Sep	Deal	Corex	22-31 Oct 2020	PBF62	62	Australia	170,000	P62 Oct +4.00	

China iron ore: Daily deals and offers									
Date	Info type	Source*	Timing	Brand	Fe Basis %	Origin	Volume	Price	Additional Notes
15 Sep	Deal	Corex	22-31 Oct 2020	PBF62	62	Australia	170,000	P62 Oct +4.00	
15 Sep	Deal	globalORE	08-17 Oct 2020	BRBF62	62	Malaysia	170,000	128.90	
15 Sep	Deal	globalORE	b/l date 3 Sept	IOCJ	65	Brazil	120,000	142.80	
15 Sep	Deal	Off screen	11-20 Oct 2020	NBL	62	Australia	90,000	0.075	\$/dmu, fob Australia
15 Sep	Deal	Off screen	12-21 Oct 2020	NBL	62	Australia	90,000	0.075	\$/dmu, fob Australia
15 Sep	Deal	ET	Sep laycan	KJS pellet 64pc	64	India		135.50	
15 Sep	Deal	ET	early or mid-Sep laycan	KJS pellet 64pc	64	India	55,000	138.00	
14 Sep	Deal	Corex	21-30 Aug 2020	SFHG			94,000	P62 Oct -9.00	
14 Sep	Deal	Corex	B/L date 5 Sept	Ukrainian C	65	Ukraine	58,000	P65 -2.10	QP: NOR+1M
14 Sep	Deal	Corex	B/L date 5 Sept	Ukrainian C	65	Ukraine	65,000	P65 -2.10	QP: NOR+1M
14 Sep	Deal	globalORE	07-16 Oct 2020	NBL	62	Australia	80,000	0.08	\$/dmu, fob Australia
14 Sep	Deal	Off screen	06-15 Oct 2020	JMBF62	62	Australia	110,000	PM62 Oct -1.80	
11 Sep	Deal	Corex	03-12 Oct 2020	BRBF62	62	Malaysia	170,000	127.75	
11 Sep	Deal	Corex	06-15 Oct 2020	NHGF	62.3	Australia	80,000	129.25	
11 Sep	Deal	Corex	03-12 Oct 2020	PBF	61	Australia	170,000	126.20	
11 Sep	Deal	Corex	10-20 Oct 2020	PBF62	62	Australia	170,000	P62 Oct +3.70	
11 Sep	Deal	globalORE	05-14 Oct 2020	BRBF62	62	Malaysia	170,000	128.60	
11 Sep	Deal	Off screen	23 Sep-02 Oct 2020	JMBF62	62	Australia	110,000	PM62 Oct -1.80	
10 Sep	Deal	ST	Oct laycan	PBF62	62	Australia	170,000	P62 Oct +3.81	Q4 Oct -Dec laycan strip tender, unconfirmed
11 Sep	Deal	Off screen	23 Sep-02 Oct 2020	YDF58	62	Australia	130,000	PM62 Oct +1.50	
10 Sep	Deal	Corex	01-10 Oct 2020	PBF62	62	Australia	170,000	P62 Oct +4.80	
10 Sep	Deal	Corex	01-10 Oct 2020	PBF62	62	Australia	170,000	P62 Oct +4.80	
10 Sep	Deal	Corex	B/L date 9 Aug	SFGB			80,000	MM62LA Oct -7.50	with other binding terms
10 Sep	Deal	Corex	21-30 Sep 2020	Koolan F			70,000	P62 Oct +0.00	
10 Sep	Deal	globalORE	26 Sep-05 Oct 2020	MACF62	62	Australia	80,000	PM62 Oct +2.60	
10 Sep	Deal	globalORE	16-25 Oct 2020	YDF58	62	Australia	90,000	PM62 Oct +1.20	
10 Sep	Deal	Off screen	26 Sep-05 Oct 2020	JMBF62	62	Australia	90,000	PM62 Oct -1.15	
10 Sep	Deal	Off screen	28 Sep-07 Oct 2020	JMBF62	62	Australia	80,000	PM62 Oct -1.15	
09 Sep	Deal	Corex	02-11 Oct 2020	PBF	61	Australia	170,000	124.30	

\* ST/SM = South China trading firm/mill. NT/NM = North China trading firm/mill. E = East China. HK = Hong Kong. SG = Singapore.

## ANNOUNCEMENT

### Argus successfully completes annual losco assurance review

Argus has completed the eighth external assurance review of its price benchmarks covering crude oil, products, LPG, petrochemicals, biofuels, thermal coal, coking coal, iron ore, steel, natural gas and biomass benchmarks. The review was carried out by professional services firm PwC. Annual independent, external reviews of oil benchmarks are required by international regulatory group losco's Principles for Oil Price Reporting Agencies, and losco encourages extension of the reviews to non-oil benchmarks.

For more information and to download the review visit our website <https://www.argusmedia.com/en/about-us/governance-compliance>

## ANNOUNCEMENT

All data change announcements can be viewed online at [www.argusmedia.com/announcements](http://www.argusmedia.com/announcements).

Alternatively, to be added to the email distribution list for all announcements, please email: [datahelp@argusmedia.com](mailto:datahelp@argusmedia.com).

## ANNOUNCEMENT

The holiday calendar showing which Argus reports are not published on which days is now available online <https://www.argusmedia.com/en/methodology/publishing-schedule>



Argus Ferrous Markets is published by Argus Media group

**Registered office**  
Lacon House, 84 Theobald's Road,  
London, WC1X 8NL  
Tel: +44 20 7780 4200

ISSN: 2517-7672

**Copyright notice**  
Copyright © 2020 Argus Media group  
All rights reserved  
All intellectual property rights in this publication and the information published herein are the exclusive property of Argus and/or its licensors (including exchanges) and may only be used under licence from Argus. Without limiting the foregoing, by accessing this publication you agree that you will not copy or reproduce or use any part of its contents (including, but not limited to, single prices or any other individual items of data) in any form or for any purpose whatsoever except under valid licence from Argus. Further, your access to and use of data from exchanges may be subject to additional fees and/or execution of a separate agreement, whether directly with the exchanges or through Argus.

**Trademark notice**  
ARGUS, the ARGUS logo, ARGUS MEDIA, INTEGER, ARGUS FERROUS MARKETS, other ARGUS publication titles and ARGUS index names are trademarks of Argus Media Limited.  
Visit [www.argusmedia.com/Ft/trademarks](http://www.argusmedia.com/Ft/trademarks) for more information.

**Disclaimer**  
The data and other information published herein (the "Data") are provided on an "as is" basis. Argus and its licensors (including exchanges) make no warranties, express or implied, as to the accuracy, adequacy, timeliness, or completeness of the Data or fitness for any particular purpose. Argus and its licensors (including exchanges) shall not be liable for any loss, claims or damage arising from any party's reliance on the Data and disclaim any and all liability related to or arising out of use of the Data to the full extent permissible by law.

All personal contact information is held and used in accordance with Argus Media's Privacy Policy <https://www.argusmedia.com/en/privacy-policy>

**Publisher**  
Adrian Binks

**Chief operating officer**  
Matthew Burkley

**Global compliance officer**  
Jeffrey Amos

**Chief commercial officer**  
Jo Loudiadis

**Global SVP editorial**  
Neil Fleming

**Editor in chief**  
Jim Washer

**Managing editor**  
Andrew Bonnington

**Editor**  
Chris Newman  
Tel: +65 6496 9959  
[ore@argusmedia.com](mailto:ore@argusmedia.com)

**Customer support and sales:**  
[support@argusmedia.com](mailto:support@argusmedia.com)  
[sales@argusmedia.com](mailto:sales@argusmedia.com)

**London, UK**  
Tel: +44 20 7780 4200

**Nur-Sultan, Kazakhstan**  
Tel: +7 7172 72 92 94

**Beijing, China** Tel: +86 10 6598 2000

**Dubai** Tel: +971 4434 5112

**Houston, US**  
Tel: +1 713 968 0000

**Moscow, Russia** Tel: +7 495 933 7571

**New York, US**  
Tel: +1 646 376 6130

**Sao Paulo, Brazil**  
Tel: +55 11 3235 2700

**Singapore** Tel: +65 6496 9966

**Tokyo, Japan** Tel: +81 3 3561 1805

Metals  
illuminating the markets



# Argus ICX<sup>®</sup> 62% CFR Qingdao iron ore fines index

Argus usage is blowing up, with our indexes now used by all the “big three” companies in spot sales. Argus 62% and 65% indexes are used in long-term supply contracts. We prioritise transparency of methodology, index calculation and input data – publishing monthly information to keep you updated on index formation.

Below is a snapshot of what went into ICX<sup>®</sup> 62% in 2019:



More than 32mn t of spot transaction data captured in the last 12 months



3,347 index data points: Trades, bids and offers. High quality, transparent data prioritised in 2019



85 participating companies, 62% ICX – tracking the iron ore supply chain from mine to mill



A flexible and robust market co-created methodology



Nine analysts in Beijing, Shanghai and Singapore

Morning, intra-day and end-of-day – Argus supports you with ore data throughout your daily trading hours.

We also publish a definitive view of each month for subscribers. This includes final monthly ferrous settlement prices, analysis, news, macroeconomic context and hyperlinks to iron ore spot market trade tables and our well-liked ‘breakdown’ of iron ore spot liquidity where “you see what we see”.

Our **Argus Ferrous Markets** provides comprehensive ferrous market information. Our ore coverage is not alone in seeing increased contract-linkage. Financial markets use our prices to settle European and Chinese hot-rolled coil futures, and physical markets turn to Argus-linked coking coal and scrap supply contracts.

For more information, please contact [metals@argusmedia.com](mailto:metals@argusmedia.com)

Metals

**illuminating the markets**

Licensed to: Shi Jia Lim, Argus Media Limited (London)

Market Reporting

Consulting

Events