

Custeel Iron Ore Index Report

China Iron Ore Price Index (CSI)

CSI - Seaborne Iron Ore Price Index		\$/dmt	
	7-Mar	Chg	Avg in Mar
62% Fe fines CFR Qingdao	74.69	-1.20	77.08
65% Fe fines CFR Qingdao	92.33	0.00	93.46
58% Fe fines CFR Qingdao	47.71	-1.00	49.33
65% Fe pellets premium	40.00	0.00	-
Index	7-Mar	Chg	
62.5% Fe lumps premium (\$/dmtu)	0.1981	0.0105	
65% Fe concentrates premium (\$/dmt)	7.80	1.50	

CSI - Portside Iron Ore Price Index

Product	RMB/wmt	Chg	in \$/dmt	Chg
62%-Fe imported fines	527	-8	72.63	-0.92
58%-Fe imported fines	355	-6	47.39	-0.71
66%-Fe imported concentrates	698	-3	97.85	-0.10
62%-Fe imported lumps	645	-3	90.05	-0.12
65%-Fe imported pellets	978	-5	138.98	-0.24
62%-Fe fines in Qingdao	528	-9	-	-
58%-Fe fines in Qingdao	355	-5	-	-
65%-Fe fines in Qingdao	665	-5	-	-
62.5%-Fe lumps in Qingdao	645	0	-	-
65%-Fe pellets in Qingdao	980	-5	-	-
65%-Fe concentrates in Qingdao	695	-5	-	-
62%-Fe fines in Tangshan	530	-5	-	-
58%-Fe fines in Tangshan	355	-8	-	-
65%-Fe fines in Tangshan	670	0	-	-
62.5%-Fe lumps in Tangshan	645	-5	-	-
65%-Fe pellets in Tangshan	975	-5	-	-
65%-Fe concentrates in Tangshan	700	0	-	-

CSI - China's Domestic Iron Ore Price Index

Index	RMB/wmt	Chg	in \$/dmt	Chg
62%-Fe domestic fines	579	2	86.94	0.52

CSI - Composite Index

Composite Index	RMB/wmt	Chg	in \$/dmt	Chg
62%-Fe fines	542	-6	76.93	-0.48

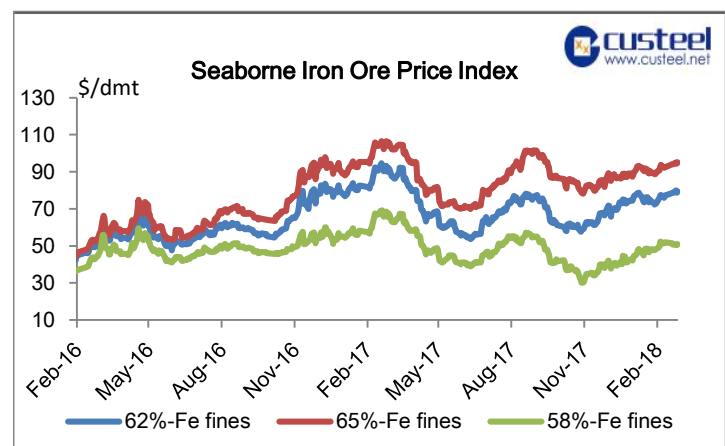
Macro News

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- [IEA: China to Remain Driving Force to Push up Global Oil Demand](#)
- [China's High-Quality Growth Still Powerhouse for Global Development](#)

Traders' morning offers basically saw no changes today. Traders show desire to deliver cargos, while they are not optimistic in the short term under falling prices recently.

Market Transaction: Spot market enquiries remain fair, while real market transactions stand slack. Market confidence of traders is undermined and they are not so desire to lift the prices. Steel mills are waiting for further market changes and show weak interest in purchases. Middle and high grade resources witness fair transactions, while low grade low transactions climb down.

Market Supply and Demand: Stocks of steel mills keep at a normal and high level. Their demand for iron ore is hard to increase. Moreover, finished steel prices see obvious fluctuations and futures market drops continuously. Transactions of steel mills stand flat in recent days and transaction prices fall largely.



Transactions in Imported Iron Ore Spot Market

Products	Delivery Port	Volume (T)	Price (RMB/t)	Chg
58.3%-Fe FB fines	Jingtang	10000	357	-13
56.5%-Fe SSF	Jingtang	5000	320	-
61.5%-Fe PB fines	Jingtang	10000	530	-5
56.5%-Fe SSF	Caofeidian	5000	320	-5
61.2%-Fe PB fines	Caofeidian	10000	530	-5
61.5%-Fe PB fines	Rizhao	10000	525	-10
61%-Fe MAC fines	Rizhao	5000	510	-10
61.5%-Fe PB fines	Qingdao	5000	528	-7
62.5%-Fe PB lumps	Lianyungang	5000	650	-

Product	Grade (%)	Qty (kt)	Laycan	Price (\$/dmt)	Remark
PB fines	61	170	Apr 4-13	73.42	Rio Tinto
IOCI	65	280	B/L Feb 24	92.5	GlobeORE
BRBF	63	170	Apr 27-May 6	MM+1.85	COREX
Newman fines	62.9	130	Mar delivery	Platts62%+1	COREX

Australian and Brazilian Iron Ore Shipment

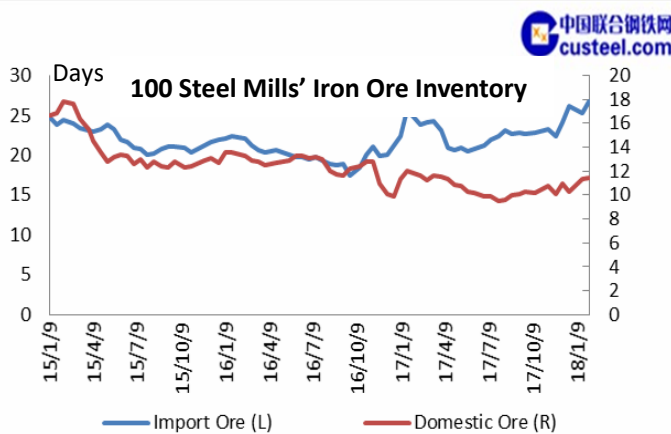
During Mar 2-8, 2018, Australian iron ore shipment volumes are estimated at 15.21 million tonnes, down by 0.68 million tonnes from last session. In specific, Rio Tinto will ship 5.28 million tonnes to China, down by 0.12 million tonnes. BHP will ship about 4.83 million tonnes to China, down by 0.19 million tonnes. FMG's iron ore shipment volumes to China are to hit 2.8 million tonnes, down by 0.46 million tonnes. Total shipments from Dampier port amount to 2.89 million tonnes, down by 0.31 million tonnes.

At the same time, Brazil is estimated to ship 7.91 million tonnes of iron ore through its main ports, down 0.85 million tonnes from last session. Among them, about 4.06 million tonnes are shipped to China, decreasing by 0.48 million tonnes. Vale, Brazilian largest iron ore miner, will ship 7.38 million tonnes, down by 0.58 million tonnes. Total shipments from Tubarao port will decrease to 2.34 million tonnes.

Imported Iron Ore Stocks at Ports (Updated: Mar 6)

Port	Stocks	Chg	New Vessels	New Vessels (Quantity)
Dalian	4,730	0	1	170
Jingtang	18,600	-300	8	1,600
Caofeidian	25,030	0	9	1,610
Tianjin	9,800	-10	8	1,350
Qingdao	19,550	400	13	2,090
Rizhao	16,300	100	12	1,680
Lianyungang	10,800	0	5	600
Beilun	4,900	140	12	1,120
Zhanjiang	4,170	0	6	500
Fangcheng	4,600	0	5	450
Total	118,480	330	79	11,170

Note: The data is published on Tuesday & Friday. Unit: kt


Seaborne Market

Code	Index	Chg	Route	Type	Freight (\$/t)	Chg
BDI	1212	+2	W. Australia-Qingdao	Capesize	6.614	+0.082
BCI	1587	-10	Tubarao-Qingdao	Capesize	15.995	-0.16
BPI	1528	+26	Vizag -Qingdao	Handysize	12.2	-
BSI	1013	+7	South Africa-Qingdao	Capesize	12.3	-

Domestic Iron Ore Market

Operating Rates of Domestic Iron Ore Mines (Updated on Feb 24, 2018)

Category	Samples Mines	Operating Rates	Change
Whole Nation	297	58.67%	0.31%
Capacity over 1 MT	95	69.24%	2.45%
Capacity 0.3-1 MT	137	28.94%	-4.94%
Capacity 0.1-0.3 MT	65	20.77%	-3.9%
State-own Mines	49	80.24%	5.66%
Private Mines	248	43.27%	-3.11%

Note: All above operating rates are calculated by outputs. The statistics are updated bi-weekly.

Domestic iron ore concentrate market stays generally stable on Mar 7, with fair transactions. As prices of imported mainstream iron ore drop continuously, some miners in Northeast and Hebei province cut the concentrate prices accordingly. According to Custeel's survey, miners stopped receiving explosive charges during the two sessions. All the 28 non-state-owned enterprises in Chaoyang City, Liaoning Province suspended production, involving 13 million tonnes on concentrate production capacity. Production of mines in Dai County, Shanxi Province were also affected, while local processing plants operated as normal. In addition, the blasting and processing operations in Qian'an and Qianxi of Hebei province were also stopped. Other regions were less affected or unaffected. Tangshan's billet price remains at RMB3,700/tonne.

Steel Market

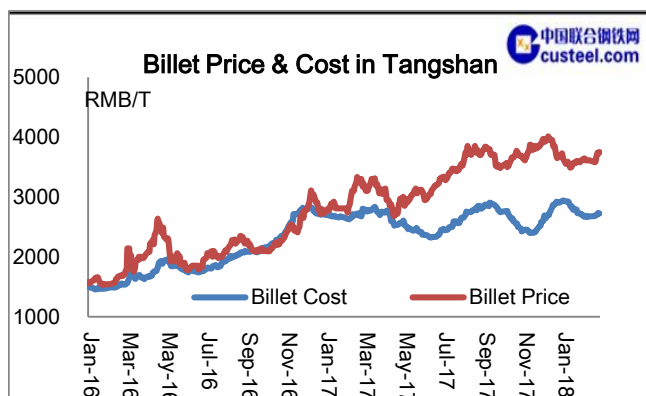
Futures & Steel Spot Market

Product	Specification	Price	Chg
Iron Ore Futures	I1805	517.5	-2.5
Rebar Futures	rb1805	3890	-64
Billet in Tangshan	150*150/Q235	3700	-
Rebar in Hangzhou	Φ25/HRB400	4040	-40
HRC in Shanghai	5.5*1500*C/Q235B	4100	-20

Note: Rebar means the rebar futures listed in Shanghai Futures Exchange; Iron Ore means the iron ore futures listed in Dalian Commodity Exchange; The iron ore and rebar prices in futures market refer to closing price. Unit: RMB/tonne

China's rebar and wire rod market continued to decline today. The average rebar price in key cities was RMB4183/tonne, down by RMB20/tonne against yesterday. In East China, the market demand still missed expectation today. According to relative staff on construction site, due to the construction commencement date was late, the demand will remain weak in a short term. As for the market in North China, rebar and wire rod prices in Beijing remained in poor performance today with the market price dropping RMB30/tonne accumulatively. It was observed that markets in Beijing and Tianjin showed slight downtrend respectively due to the fact that current price was very close to cost price, leaving traders unwilling to take risks. Therefore, the price will remain fluctuating within a narrow range recently.

Billet Market



Tangshan's steel market went weak with declining transactions today. Partial billet mills in Qian'an lifted the price by RMB10/tonne, leading to the spot billet quotes hiked to RMB3780-3800/tonnes. While the downstream finished steel prices went up slightly with normal transactions. In the afternoon, traders' optimistic attitude toward the market was struck severely as billet price was down to RMB3720-3730/tonne, because of the drops of finished steel prices affected by the declining futures market. Currently, although the short-term demand is recovering, the spot price is stick to the futures trend recently. If the futures market remains the downtrend in the coming 2 working days, Tangshan's billet price will follow the trend as well, and vice versa.

China Iron Ore Price Index (CSI)

The CSI consists of three key components including: Seaborne Iron Ore Price Index, Portside Iron Ore Price Index and China's Domestic Iron Ore Price Index. In particular, Iron Ore Spot Price Index is subdivided into Iron Ore Spot Price Index at Tangshan port and Iron Ore Spot Price Index at Qingdao port.

China Iron Ore Price Index (CSI)			
Seaborne Iron Ore Price Index	62%-Fe fines, \$/dmt		
	65%-Fe fines, \$/dmt		
	58%-Fe fines, \$/dmt		
	62.5%-Fe lumps premium, \$/dmt		
	65%-Fe concentrates premium, \$/dmt		
	65%- Fe pellets premium, USD/dmt		
Portside Iron Ore Price Index (in RMB/dmt)	62% Fe fines		
	58% Fe fines		
	62% Fe lump		
	66% Fe concentrate		
	65% Fe pellet		
	Qingdao Port	62% Fe fines	
		58% Fe fines	
		65% Fe fines	
		62.5% Fe lump	
		65% Fe concentrates	
		65% Fe pellet	
	Tangshan Port	62% Fe fines	
		58% Fe fines	
		65% Fe fines	
62.5% Fe lump			
65% Fe concentrate			
65% Fe pellet			
China's Domestic Iron Ore Price	62% Fe fines, RMB/dmt		
Composite Index	62% Fe fines composite index RMB/dmt		

CSI- Seaborne Iron Ore Price Index

The index is based on actual transactions concluded in US dollar in seaborne iron ore market. All the indexes are presented in terms of CFR Qingdao.

CSI- Portside Iron Ore Price Index

The index is based on the actual transaction prices concluded at key China ports in Chinese yuan. The index is also sub-divided into two index systems at Qingdao port and Tangshan port.

CSI-China's Domestic Iron Ore Price Index

The index is based on transaction prices of iron ore concentrates from the main iron ore producing provinces in China.

CSI-Composite Index

The index is a composite index of Portside Iron Ore Price Index and Domestic Iron Ore Price Index to reflect the comprehensive market movement in China.

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