

This week: Chinese iron ore market remains under pressure

Seaborne iron ore prices fell again on Friday, after a week of continued downward corrections. China reduced iron ore imports in December 2023, but overall during last year it reached a new annual record level. The outlook for 2024 is nevertheless subdued in terms of import volumes and the pricing sentiment at the moment is weakening.

The Kallanish KORE 62% Fe index and the KORE 65% Fe index lost \$4.43/t and \$4.29/t respectively on Friday 12 January to \$132.56/dry metric tonne cfr Qingdao and \$144.02/dmt cfr. The KORE 58% Fe index meanwhile slumped by \$6.16/t to \$118.19/dmt cfr. 170,000 tonnes of Carajas fines were sold at \$143.4/t with delivery in February.

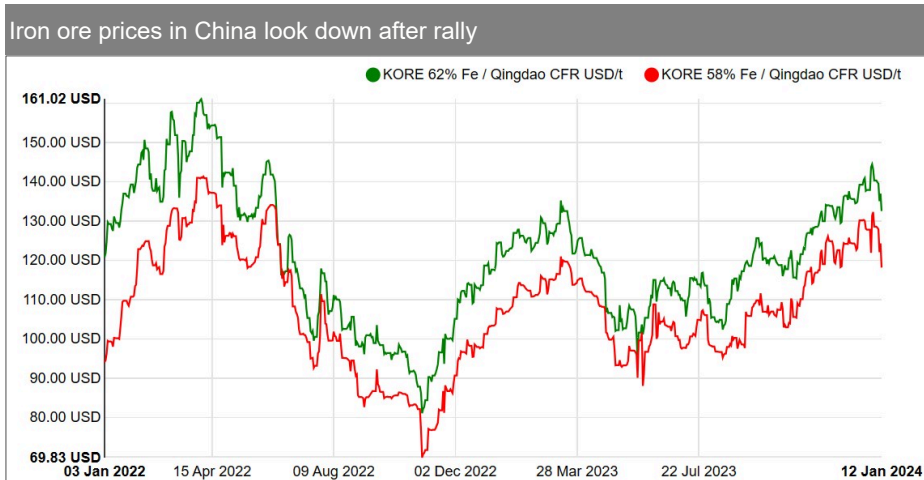
On the Dalian Commodity Exchange (DCE), the most-traded May 2024 iron ore contract declined by CNY 2/t (\$0.27/t) to CNY 963.5/t (\$134.46/t). On the Singapore Exchange, February 62% Fe futures and 65% Fe futures settled \$4.62/t and \$4.55/t lower respectively at \$129.69/t and \$142.39/t. The same contract for 58% Fe futures was down by \$4.57/t at \$118.34/t. Tangshan billet meanwhile stayed at CNY 3,600/t.

The Chinese iron ore market reached its latest peak the 3rd of January 2024, at \$144.47/t for 62% Fe. That was the highest level reached since June 2022, but the market has now started correcting rapidly.

China's iron ore prices are now expected to remain under pressure, hit by falling hot metal output. The decline in steel mill profit margins has also hindered the recovery of some steel mills that had originally planned to resume production, leading to a slowdown in steel mill replenishment and less speculation in the market.

China saw total iron ore imports fall by 1.8% on-month to 100.86 million tonnes in December, according to the latest data from China's General Administration of Customs. The total import volume from January to December last year was nevertheless 1.179 billion tonnes, up 6.6% year-on-year. The 2023 total import volume broke through the previous historical high set in 2020, despite the country's crude steel output remaining weak.

The annual average price in 2023 was calculated to be down 1.6% y-o-y to \$113.6/t, according to the Chinese General Administration of Customs.



► [Click here to view this graph online](#)

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KORE INDEX

Index	58%	62%	65%
W-o-w % Change	-3.41%	-4.27%	-3.93%
12 Jan	118.19	132.56	144.02
11 Jan	124.35	136.99	148.30
10 Jan	122.10	135.07	146.08
09 Jan	127.94	139.51	150.14
08 Jan	128.32	139.91	150.57
Average	124.18	136.81	147.82
05 Jan	128.61	140.34	151.11
04 Jan	132.31	143.16	154.08
03 Jan	131.41	144.47	155.46
02 Jan	121.91	143.72	154.82
01 Jan	-	-	-
Average	128.56	142.92	153.87

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Global Overview

Americas:

- HRC pricing strengthens while some buyers forecast reversal
- US scrap pricing seen weaker thus far in January trade
- Plate pricing sees discounting to start year; rebar holds December hikes

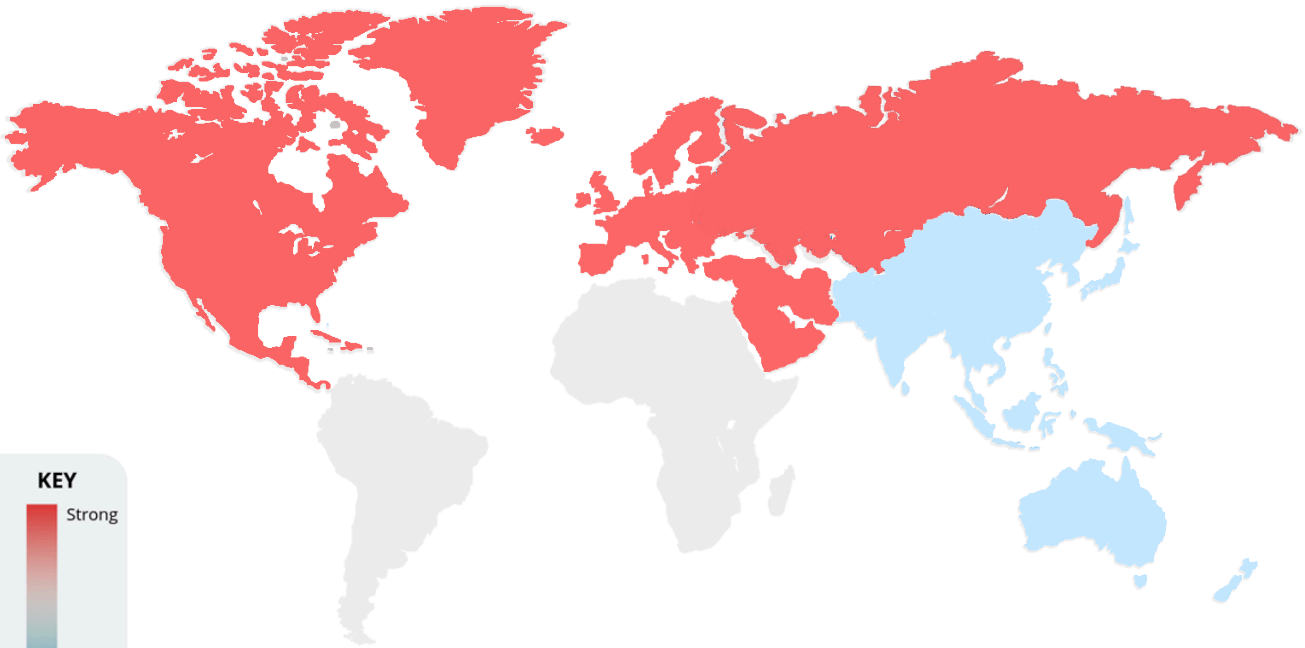
Europe:

- ArcelorMittal raises HRC offers
- European scrap looks up again
- Liberty restarts Dunafer rolling lines

Asia:

- Chinese steel market loses steam
- Iron ore down
- Indian HRC export activity slow

KALLANISH STEEL WEEKLY GLOBAL SENTIMENT MAP



KEY



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CIS:

- Sluggish finished steel prices frustrate Russia billet mills

Middle East:

- Turkish scrap stabilises
- Turkish longs quotes hike amid slight demand improvement
- Widening China-origin HRC quote range puzzles GCC buyers

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Word of the week

Cold Finishing

Cold finishing is the process of steel either with surface removal (polishing, grinding, peeling) or without surface removal (e.g. through wire drawing), primarily for further machining into shapes such as gears, shafts, hydraulic fittings etc.

Kallanish

ASIA STEEL MARKETS 2024

27-28 MARCH 2024
HO CHI MINH CITY, VIETNAM

BOOK NOW

1 DAY TO GO

FINAL CALL: SUPER EARLY BIRD \$800 RATE ENDS 17TH JAN

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