

# This week: Iron ore jumps to new seven-month record, although outlook uncertain

The seaborne iron ore market maintained its upward trend last week and set a new seven-month price record. However, the price increases slowed under the influence of Chinese market rumours on Friday.

During the last months iron ore prices outperformed expectations of most analysts. In early November 2022 prices of the Kallanish KORE 62% Fe index stood at below \$90/t CFR, last week they surpassed again \$125/t CFR.

The Kallanish KORE 62% Fe index and the KORE 65% Fe index gained by \$0.15/t and \$0.49/t respectively to \$127.01/dry metric tonne cfr Qingdao and \$136.18/dmt cfr on Friday, 3 November. The KORE 58% Fe index meanwhile rose \$0.11/t to \$117.18/dmt cfr. 170,000t of PB fines sold at a floating price with a laycan of 6-15 December.

On the Dalian Commodity Exchange (DCE), January 2024 iron ore rose by CNY 5/t (\$0.68/t) to CNY 925.5/t (\$126.7/t). On the Singapore Exchange, December 62% Fe futures and November 65% Fe futures settled \$0.35/t and \$0.19/t higher respectively at \$122.94/t and \$134.25/t. The same contract for 58% Fe futures gained by \$0.3/t to \$113.08/t. Tangshan billet meanwhile rose CNY 20/t to CNY 3,530/t.

The recent strong trend in iron ore has triggered market concerns. Rumours suggest there may be intervention by the National Development and Reform Commission and other relevant departments, and thus market sentiment weakened last Friday. However, there is no official announcement warning against iron ore speculation thus far.

Combating speculation on iron ore prices has always been a focus of the authorities. However, since this year, intervention signals have had a diminishing impact on prices. This is mainly because steel mill operating rates and purchases are keeping prices firm.

China's Ministry of State Security also published an article last week criticizing the behaviour of berating China's economy. The department said this would affect financial stability and international investor confidence in China. China is eager for economic data to return to the expected level. Through the additional bonds announced last week and other measures announced this week, some market participants are optimistic for the steel industry in the fourth quarter.

However, Chinese steel mills still need to reduce production further, otherwise the steel market will eventually plummet due to oversupply. According to predictions from the China Iron and Steel Association (CISA), short-term steel exports will decline due to weakening overseas demand and shrinking price differences, and a stronger buyer's market will be needed after supply shifts to the domestic market. CISA data shows that in the first three quarters of this year, China's crude apparent consumption fell by 1.5% year-on-year.

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**KORE INDEX**

Index	58%	62%	65%
W-o-W % Change	6.47%	5.22%	4.79%
03 Nov	117.18	127.01	136.18
02 Nov	117.07	126.96	136.09
01 Nov	116.76	126.69	134.45
31 Oct	113.61	122.91	132.25
30 Oct	113.28	123.20	132.60
Average	115.34	125.13	134.23
27 Oct	116.15	121.56	130.90
26 Oct	108.45	119.02	128.32
25 Oct	108.55	119.11	128.37
24 Oct	109.07	119.49	128.41
23 Oct	105.42	115.42	124.97
Average	108.33	118.82	128.11

**For Subscription & Other Enquiries:**

**CALL**  
 UK: +44 7874 008654  
 Spain: +34 637 018 130  
 Singapore: +65 9766 8175  
 Bulgaria: +359 896 266 305  
 USA: +1 920 253 8934  
 Shanghai: +86 150 2141 6087

**EMAIL**  
 General: info@kallanish.com  
 Editorial: editorial@kallanish.com  
 Sales: sales@kallanish.com

www.kallanish.com

## Global Overview

### Americas:

- US sheet prices jump
- OCTG P110 5.5-inch prices rebound
- Rebar remains flat

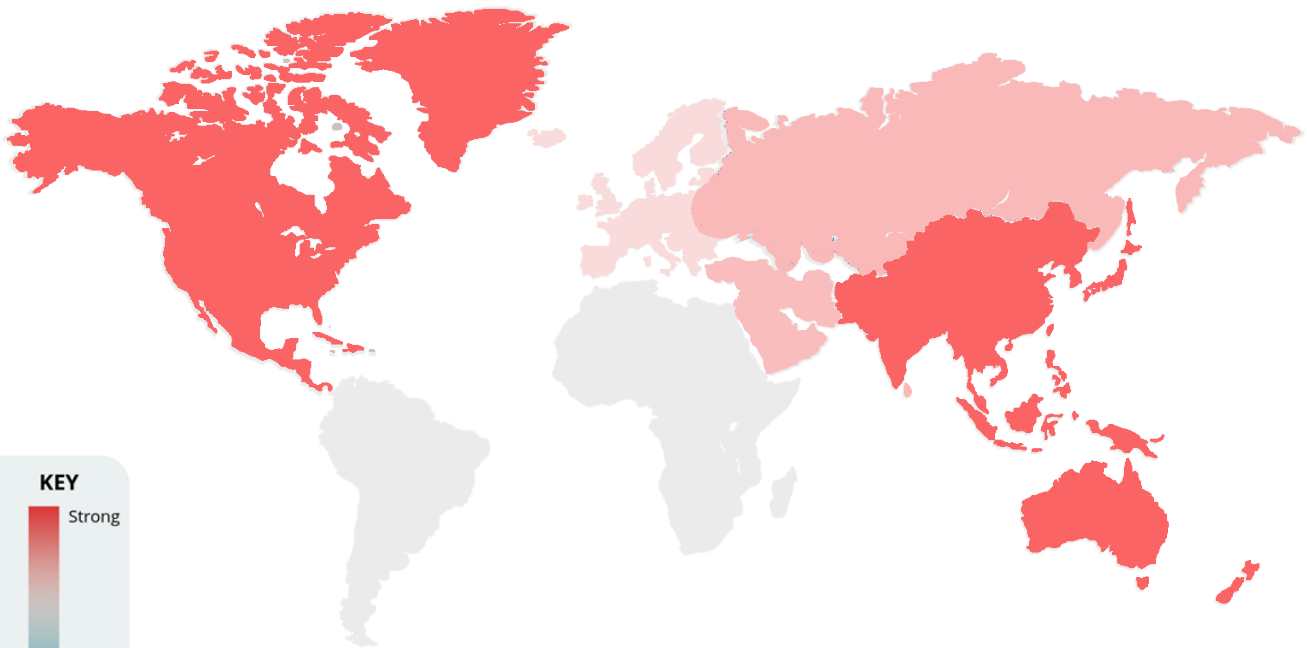
### Europe:

- Eurofer reduces European steel demand outlook
- ArcelorMittal hikes HRC offers
- Spanish scrap prices down

### Asia:

- Chinese steel prices recover
- Scrap prices in China up
- Positive pricing sentiment spreads in Asia

### KALLANISH STEEL WEEKLY GLOBAL SENTIMENT MAP



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### CIS:

- Russian mills lift billet prices

### Middle East:

- Turkish scrap up again
- Turkey initiates AD investigation on HRC
- GCC HRC import offers up

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## Word of the week

# C1 Cash Costs

The costs of mining, milling and concentrating, onsite administration and general expenses, property and production royalties not related to revenues or profits, metal concentrate treatment charges, and freight and marketing costs less the net value of the by-product credits.



**Kallanish**  
**STEEL MARKETS FORUM - INDIA**

**22 NOVEMBER 2023**  
**MUMBAI | INDIA**

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## Contact

If you found this issue of Kallanish Steel Weekly interesting please let us know, we would love to hear from you.

**Kallanish - UK**  
Britannia House  
t: +44 7874 008654

**Kallanish - Spain**  
t: +34 910 062 451

**Kallanish - Bulgaria**  
t: +359 896 266 305

**Kallanish - China**  
Shanghai, China  
t: +86 182 1728 2941

**Kallanish - USA**  
t: +1 920 253 8934

**Kallanish - Singapore**  
t: +65 9766 8157

**General Enquiries:**  
[www.kallanish.com](http://www.kallanish.com)  
[info@kallanish.com](mailto:info@kallanish.com)

**Social Media:**



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