

# This week: Iron ore prices remain strong as China hopes for 2024 economy performance recovery

The seaborne iron ore market was sideways at the beginning of last week but rebounded quickly late in the week. Beijing held a Politburo meeting last Friday to study economic policies for 2024 and market players speculated on the commodity market.

The Kallanish KORE 62% Fe index and the KORE 65% Fe index rose by \$0.29/t and \$0.27/t respectively to \$136.49/dry metric tonne cfr Qingdao and \$148.63/dmt cfr. The KORE 58% Fe index, meanwhile, was \$0.17/t lower at \$124.23/dmt cfr.

On the Dalian Commodity Exchange (DCE), the most-traded May 2024 iron ore contract increased by CNY 17.5/t (\$2.44/t) to CNY 958.5/t (\$133.76/t). On the Singapore Exchange, December 62% Fe futures and 65% Fe futures settled \$1.62/t and \$1.24/t higher respectively at \$135.52/t and \$148.05/t. The same contract for 58% Fe futures was however unchanged at \$121.24/t. Tangshan billet rose by another CNY 40/t to CNY 3,710/t.

At the Politburo meeting, China confirmed its economic performance this year has begun to accelerate. Especially after the Covid-19 lockdown policy officially ended at the end of 2022, Beijing tried to save the economy from the verge of collapse and navigate the real estate industry crisis using a number of fiscal and monetary policies.

The Chinese government has great expectations for the growth of the economy in 2024, because next year is also a critical year for the realisation of the Communist Party of China's "14th Five-Year Plan (2021-2025)". Its results will have a significant impact on whether China can complete the settled economic goals, especially after its economic performance slumped in 2021-2022 due to zero-Covid.

A spokesman for the National Development and Reform Commission (NDRC) said that economic work next year needs to coordinate the expansion of domestic demand and deepen supply-side structural reforms. Stably developing the economy and constructing major projects may therefore become an effective means to stimulate continued domestic demand, thereby boosting commodity market consumption.

In addition, the central government also emphasised the consistency of macroeconomic policies, using the joint efforts of multiple sectors to enhance policy effects and stabilise market expectations.

At the meeting, the central government put forward the idea of "establishing first and then breaking down", which is contrary to the traditional idea of "breaking first and then establishing". This emphasises the elimination of the old models.

Market analysts interpreted this as the central government's desire to seek new drivers of development on the basis of stabilising existing policies and growth, so as not to affect basic growth performance. This may also mean that economic policy will shift from a "control and governance" bias to the pursuit of "efficiency and effectiveness".

**In this weeks Issue:**

- ▶ **PAGE 3**  
Will the Chinese government support the economy enough for steel markets to remain strong?
- ▶ **PAGE 4**  
Can European HRC spot prices reach €700/t before the end of this year?
- ▶ **PAGE 5**  
Will longs mills, beset by higher scrap input costs, be able to win price increases in the new year?
- ▶ **PAGE 6**  
Can Turkish mills lift finished steel prices to secure margins on the back of higher scrap costs?
- ▶ **PAGE 9**  
How could the European steel trade change in 2024?

**KORE INDEX**

Index	58%	62%	65%
Week % Change	0.21%	0.81%	0.92%
08 Dec	124.23	136.49	148.63
07 Dec	124.41	136.20	148.35
06 Dec	122.46	133.94	145.70
05 Dec	119.47	129.73	141.79
04 Dec	118.27	129.47	141.46
Average	121.87	133.11	145.19
01 Dec	121.59	133.33	145.43
30 Nov	121.35	131.70	143.62
29 Nov	119.28	130.63	142.99
28 Nov	119.65	131.35	143.07
27 Nov	123.68	132.99	144.71
Average	121.31	132.94	143.87

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**Important Note:**  
 The last Kallanish Steel Weekly report of the year will be published on December 19th, and the first issue of 2024 will be published on January 9th, 2024.

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## Global Overview

### Americas:

- US HRC mills aim for \$1,100/short ton
- US scrap pricing climbs amidst demand in Turkey and at home
- Rebar prices weaken, plate flat while awaiting '24 infrastructure

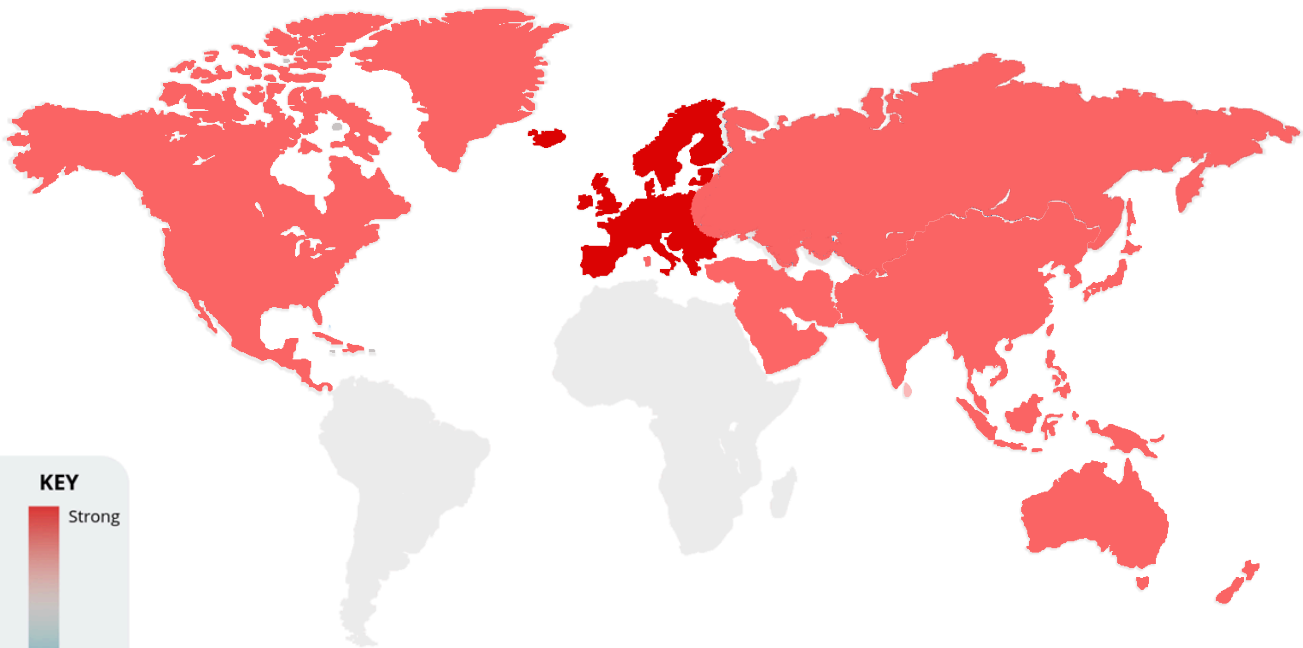
### Europe:

- Mills lift EU HRC offers
- Metinvest confirms intention to start steelmaking in Italy
- French construction sector under pressure

### Asia:

- Iron ore prices in China firm
- Indian HRC mills hike offers
- Chinese economy hopeful for 2024

### KALLANISH STEEL WEEKLY GLOBAL SENTIMENT MAP



[Click here to view this map online](#)

### CIS:

- Lower Turkish demand for Russian billet does not stop price increases

### Middle East:

- Turkish scrap up again
- HRC prices in Turkey look up
- Saudi's scrap increases in domestic market face resistance



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Word of the week

# Coke

Coke is a processed form of coal and is the basic fuel consumed in blast furnaces during the smelting of iron. Coke, iron ore and limestone are the principal inputs for blast furnace ironmaking. Coke provides thermal energy, combines with the oxygen in the ore to release iron, and ensures a permeable physical structure within the furnace to allow hot gases to move upwards, heating the incoming materials, causing the molten iron and slag to move downwards for tapping.

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