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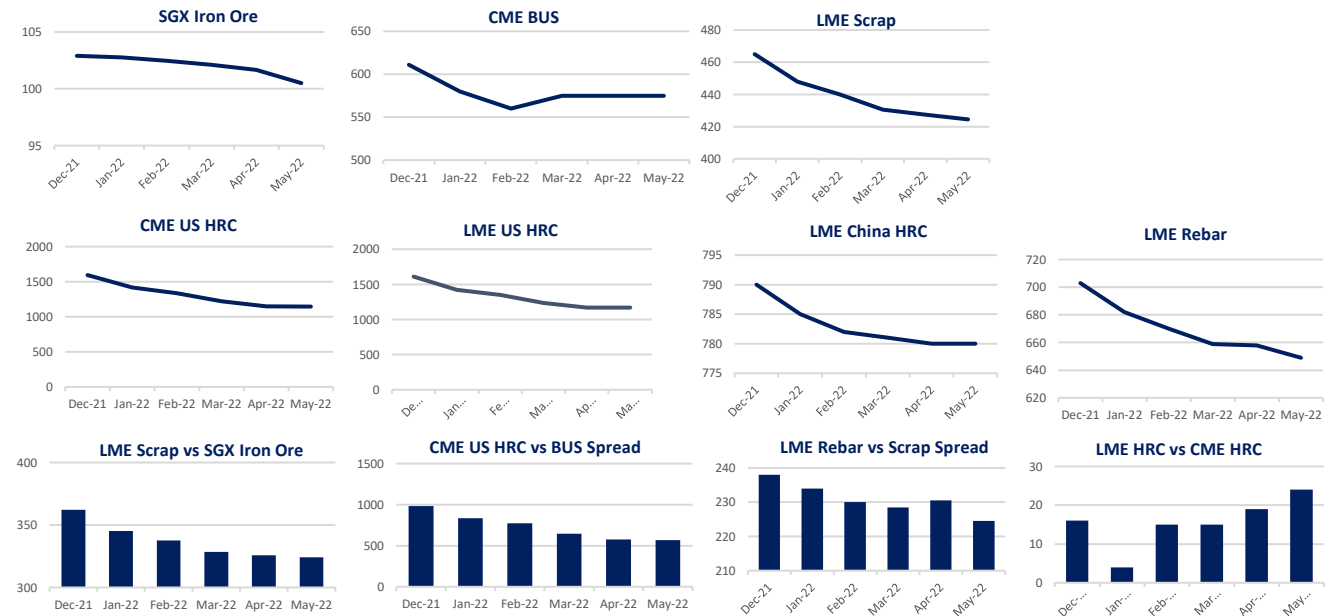
# Ferrous Futures Report

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- The ferrous complex was weaker across the board in November.
- Iron Ore spot dipped below 100 down to 87 in the middle of November but recovered back to 100 at the end of the month to average 95.
- Declines in futures on the back of production cuts, falling steel demand and over supply of iron ore. Sentiment improved after positive news of China's troubled property sector.
- Iron ore prices had been trending higher since late 2018 with improving steel mill margins as Chinese supply side reforms kicked in combined with strong demand. A high of 233 on 12th May in stark contrast with 100.50 on 30th Nov with over 50% annualised price volatility.
- Coking Coal notably losing 22% during November from 403 to 316 averaging 368. At the start of November, China's NDRC said coal prices remain much higher than mines' cost levels and final winter pollution controls would require mill production curbs.
- Flat rolled was again weaker in all 3 regions. HRC China (-13% MoM), Europe (-1% MoM), USA (-5% MoM). All showed a steady decline and European auto sector demand remained weak ~ 30% less steel due to semiconductor supply shortage impacting car production. This is not expected to improve until mid 2022.
- Turkey Scrap lost 2% value during the month but was +3% MoM in what is seasonally a period of price gain as supply is constricted by lower collection rates. Limited supply did prevent any significant fall in price. With the forward curve heavily backwardated, there is buying interest in the market further along the curve.
- Turkey rebar tracked scrap losing 2% in the month and also +3% MoM and the Rebar-Scrap spread coming in to average 233. Turkey Central Bank announcement to cut interest rates by 1% to 15% kept demand for rebar week.

Month	Turkey Scrap Platts	Turkey Rebar Platts	US BUS Scrap AMM	US HRC Platts	US HRC CRU	Europe HRC Argus	China HRC Argus	Platts Iron Ore 62%	Platts Coking Coal	Argus Taiwan Scrap	Argus India Scrap
Nov-21	496	729	602	1821	1813	961	786	121	368	456	545

Valuation	LME Scrap	LME Rebar	CME BUS	LME HRC US	CME US HRC	Argus HRC Europe	LME HRC China	SGX Iron Ore	LME metal spread	CME metal spread	Scrap vs Iron Ore	HRC - LME CME	SHFE Rebar Close	DCE Iron Ore Close
Dec-21	465	703	611	1610	1594	961	790	103	238	983	362	16		
Jan-22	448	682	580	1420	1416	935	785	103	234	836	345	4	4486	615
Feb-22	440	670	560	1350	1335	935	782	102	230	775	338	15		
Mar-22	431	659	575	1235	1220	920	781	102	229	645	328	15		
Apr-22	428	658	575	1169	1150	915	780	102	231	575	326	19		
May-22	425	649	575	1169	1145	906	780	101	225	570	324	24		



Data date 1/12/2021

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