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Planner Sunday Journal

September 26th

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Editorial

The Chinese Evergrande financial crisis turns out to be a big trouble for Chinese real estate sector. The futures market in China slumped sharply after the bonds interest payments due on September 23rd were not met by the construction giant and its share corrected heavily. It remains to be seen how much this issue will affect the Chinese steel market, but Planner thinks that China needed a reason to cool down its real estate market and Evergrande is the cause. Winter Olympics is getting close and China need to meet some standards in order to host the games. Cutting heavy industries output will help. At the same time, Central Government wants to make sure that inflation will not bother people's lives, so, the Government has to reduce the demand. The Evergrande story will continue for some time, maybe the company gets liquidated into smaller firms, but the big picture is that the Chinese Government shall reach its goals and "Nothing Else Matters".

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Market at a Glance

Item Date	Last Month (Avr)	Last Week (Avr)	September 24th	Change % (MoM)
Iron Ore CFR China	149.8	102	110	-36.2
Scrap CFR Turkey	456.8	440.6	438	-4.5
Billet FOB CIS	613.2	600	600	-2.2
Slab FOB CIS	789	696	690	-14.4
Rebar FOB Turkey	692.6	667.4	665	-4.1
HRC FOB CIS	896.4	830	830	-8.0
CRC FOB CIS	1088.7	960	945	-15.1

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Macro Economy

USD Index

The dollar rose on Friday and was poised for its third straight week of gains against a basket of major currencies, as uncertainty over beleaguered Chinese property developer Evergrande helped the greenback bounce back from a sharp decline in the prior session.

China Evergrande Group owes $305 billion and has run short on cash, missing a Thursday deadline for paying $83.5 million and leaving investors questioning whether it will make the payment before a 30-day grace period expires. A collapse of the company could create systemic risks to China's financial system.

The safe-haven dollar had its biggest one-day percentage drop in about a month on Thursday after Beijing injected new cash into the financial system and Evergrande announced it would make interest payments on an onshore bond, boosting risk sentiment.

Crude Oil

Oil prices rose for a third week in a row to a near three-year high on Friday as global output disruptions have forced energy companies to pull large amounts of crude out of inventories. The rally was slightly dampened by China's first public sale of state crude reserves.

Brent futures rose 84 cents, or 1.1%, to settle at $78.09 a barrel, while U.S. West Texas Intermediate (WTI) crude rose 68 cents, or 0.9%, to settle at $73.98.

That was the highest close for Brent since October 2018 and for WTI since July 2021, both for a second day in a row.

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Crypto Currencies

ZCash is an open source cryptocurrency with a focus on privacy, created in response to the problems of the Bitcoin network. The cryptocurrency uses the same bitcoin algorithm, but has improved its performance by using semi-transparent processing capabilities. In simple terms, this platform prevents the extreme transparency of the Bitcoin blockchain and reveals users' transaction data only by their confirmation.

History of ZCash

The origins of ZCash are rooted in an old digital currency called Zerocoin, developed in the 1990s. The digital currency was developed by Matthew D. Green, who is currently a professor at Johns Hopkins University. He was a graduate student at the institute at the time. Zerocoin (or Zerocash) first used an advanced and new mathematical method called zero proof to perform blockchain transactions. This method ensures that the contents of the transaction remain anonymous; Even if the transaction is publicly visible in a decentralized head office.

The transfer from Zerocoin to Zcash began when the team worked with Zooko Wilcox and his team at Least Authority. The partnership was first introduced in 2015, and in October 2016, the Zcash blockchain was ready for launch.

How does ZCash work?

Zcash uses an asymmetric proof algorithm called Equihash. This algorithm is known for its resistance to ASICs, security and privacy. ASIC resistance prevents the extraction process from being centralized. The memory required to extract Zcash is greater than what most cryptocurrencies; However, the Equihash algorithm allows fast verification of transactions on the network. It should be noted that the creation time of each block in the folding block is about 2.5 minutes.

ZEC cryptocurrency storage

To maintain ZEC coins, you must use the appropriate software and hardware wallets. There are different types of digital wallets, each of which provides different features for users according to their characteristics. Always keep in mind that when choosing a digital wallet, make wallet security your first priority

Conclusion

Blockchain technology is expected to meet today's challenges, but it is actually designed to meet the needs of tomorrow's world. While privacy transactions may not receive much attention today, they will become a vital feature of business transactions in the near future.

ZCash is not only an encrypted privacy-oriented currency, but also a platform that respects the freedom of individuals by allowing them to choose between privacy and transparency for any transaction. It is hoped that this flexibility will drive the growing use of Zcash and its special capabilities.

ZCASH Technical Analysis

According to the daily chart of prices and the passage of prices through Span “a”, it seems that the strength of trading is approaching the range of sales excitement, it is expected that price will fall to the range indicated in red.

Financial Markets

The exchange rate of the Australian dollar against Euro

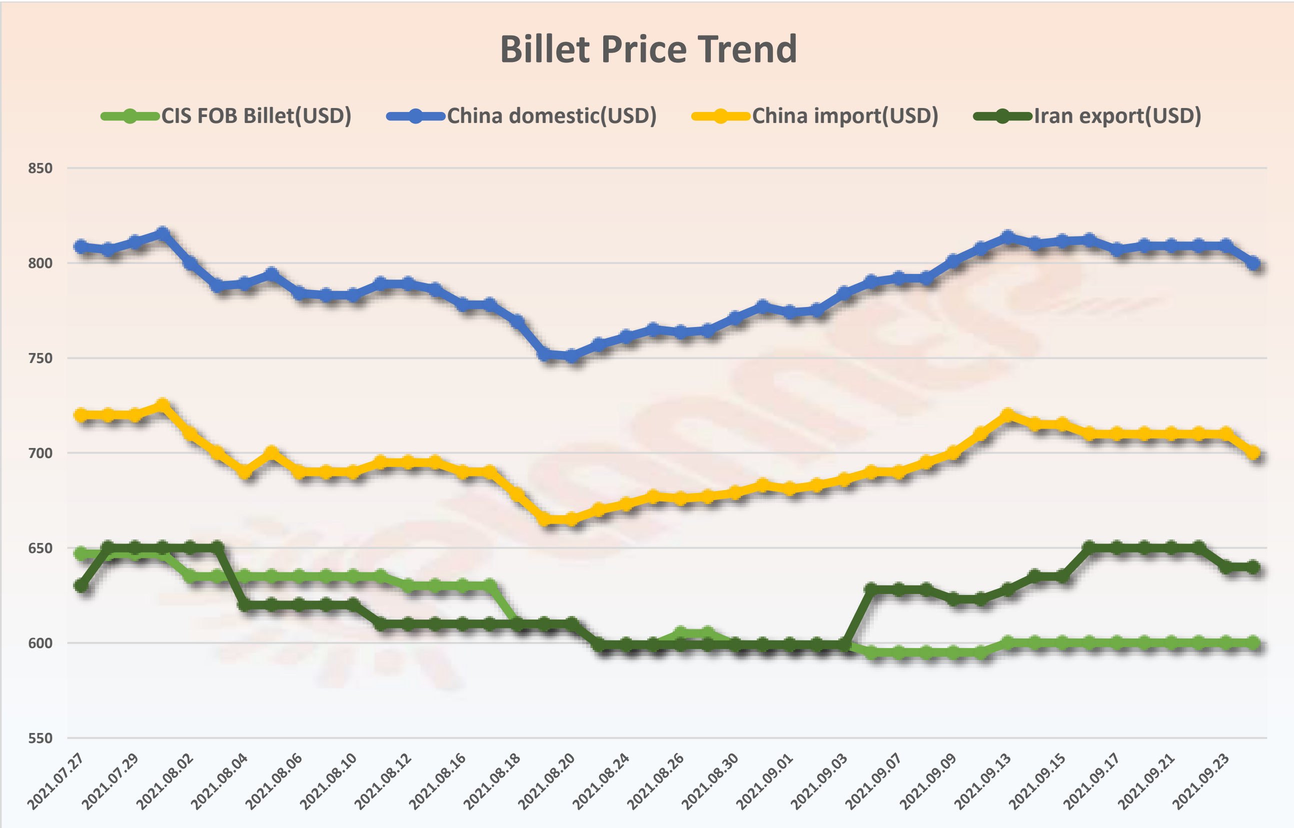
Looking at the price chart and its divergence in relation to the relative strength of transactions on the one hand and the narrowing of the Bollinger Band on the other hand, it is anticipated that this currency pair will fall.

Steel

- **Semi-Finished Products**

Billet prices in Chinese domestic market pared some of the gains earlier last week to close at 5170 RMB/Mt, down 40 RMB from last Friday. There are some factors leading to that correction, like Chinese Evergrande crisis and softening raw material prices like cocking coal and met coke. Despite the fall of over 60 USD/Mt for iron ore, steel prices remained high due to met-coke and cocking coal sharp rise in prices. Now, as the Central Government plans to limit power consumption by heavy industries, the outlook for the price of coal has darkened and mills which now enjoy high margins, have no other choice to make concessions in steel prices. In import market, Chinese have backed out and voice bids less than 700 USD CFR for imported billet.

CIS market remained flat as the demand is almost dead in main consuming markets. Among Persian Gulf nations, there is little demand for rebar and mills prefer to procure billet from the domestic market. Same is true for North African nations and Turkey relies on own billet rather that imported billet given the softening scrap prices by the end of the week. The offers from CIS sellers are heard around 600 USD/Mt FOB with discount for deals.



Iranian suppliers voice 635-640 USD/Mt FOB, while these quotes are no longer valid in China, considering higher freight rates and lower bids from Chinese buyers. The adjustment in Iranian offers is inevitable for the next week and we might see levels lower than 620 USD/Mt FOB soon.

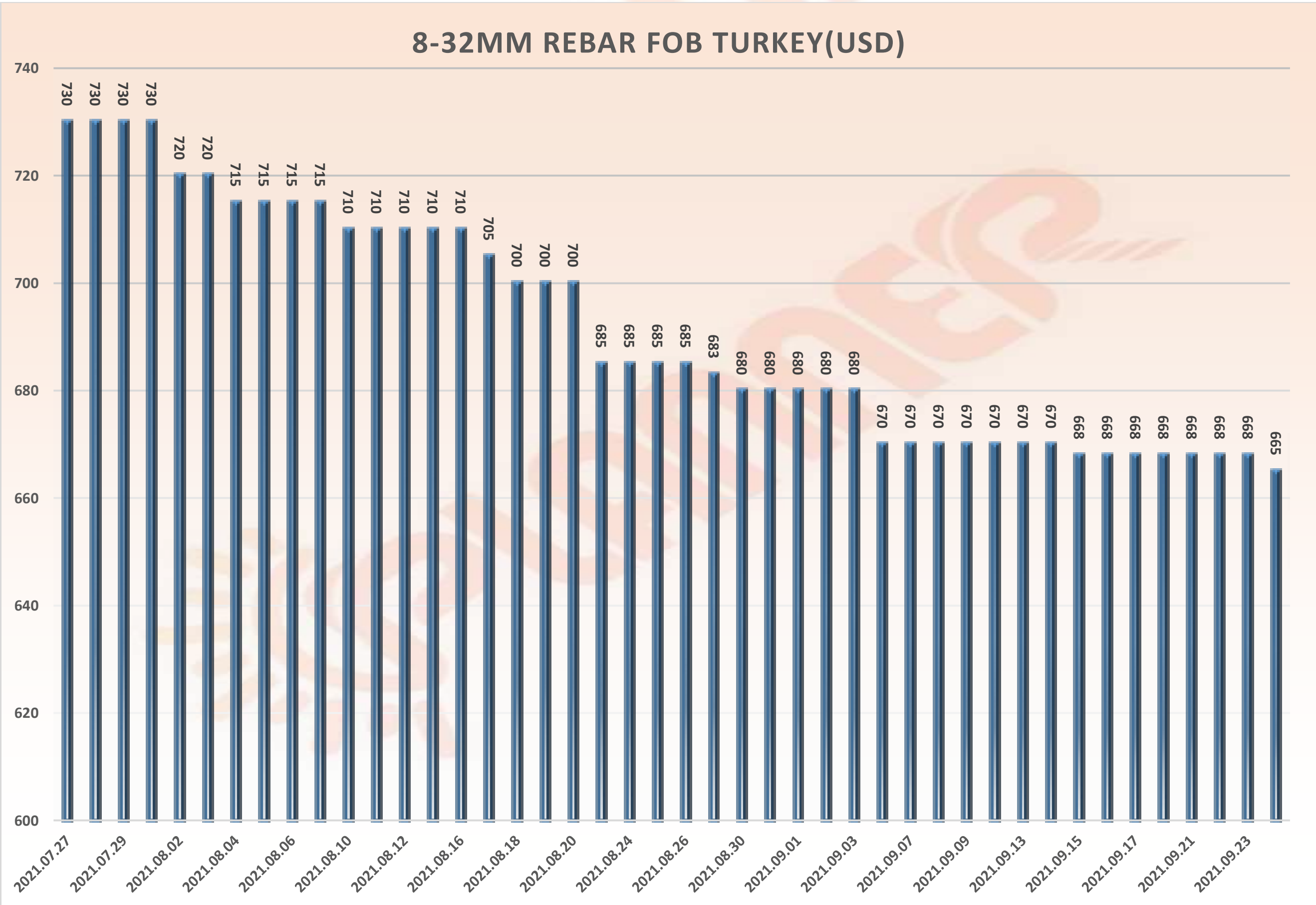
In slab segment, CIS sellers are unable to sell higher than 700 USD/Mt FOB. Some deals are believed to be concluded at 690 USD/Mt FOB and the outlook seem to lack power of going upward.

Market Outlook: with the latest developments, China, the main market for semis is getting cooled and demand is absent in other consuming regions like MENA and Europe. It is believed that the prices might go sideways and correct further downward.

- **Finished long products**

Although the market softened by the end of the week, the average spot price of rebar in main cities of china hiked by over 90 RMB to close at 5751 RMB/Mt on Friday, September 24th. The price in futures market went up at the beginning of the week, but lost the gains by the week end to close at 5499 RMB/Mt on Friday, up 21 RMB from last week. The difference between spot and futures prices widened some more which means either futures have negative bubble or spot market is over-prices. That’s why the transaction levels of rebar have fallen under 200,000 Mt/day and buyers are waiting for a clearer picture.

The Turkish rebar export market, unlike the domestic market, did not have the sufficient support from foreign customers and exports were generally in low tonnages. Turkish steelmakers' offers remained flat at $660-660 /mt FOB, with US buyers trading at $660 /mt FOB for December shipment and southern neighbors below $670 /mt FOB. Two reports of reducing one-week repo rate from 19% to 18% on September 23 by the Monetary Policy Committee of the Central Bank of Turkey and an increase in the Consumer Confidence Index from 78.2 in August2021 to 79.7 in September 2021 promise booming days for steel consumption in Turkey. This week with consumer need to restock, local market marked relatively prosperous days for demand and offers in the domestic market increased by $5 in the range of $ 660-680 /mt Exw depending on the manufacturer. Planner estimates workable rebar prices in the domestic market at $670-680 /mt Exw and in export markets at $660-670 /mt FOB.



In wire rod market, CIS offers corrected 5-10 USD from a week ago. The offers are heard at 740-780 USD/Mt FOB and sellers and buyers are waiting to see if scrap will further go down or changes path.

Market Outlook: the market has headwinds as the expected demand has not revived yet and insiders are waiting to see more developments.

- **Finished flat products**

Flat prices fell both in physical and futures market of China as power consumption cuts led to a lower demand expectation for flats. The price of 4.75mm hot-rolled coil in Chinese domestic market fell 22 RMB compared with last week to reach 5777 RMB/Mt by the week end. The main contract of HRC in futures market also fell by 76 RMB to 5601 RMB/Mt on Friday. The market expects that lower power consumption will lead to lower demand for flats and steel in general in downstream industries. Hence, they are in waiting mood to see where the optimum level is to enter.

Although there is no straight relationship between the price of iron ore and steel, falling iron ore prices have worsened the mood of steel buyers and sellers are forced to make concessions. The new offers of HRC from Black Sea region come at 820-850 USD/Mt FOB, down 15 USD from a week ago.

In CRC market, same rule of thumb applies and buyers lowered their quotes to 920-1000 USD/Mt FOB. The demand mainly come from south of Europe and Asia, though Asian buyers are not so much willing to pay CIS expected levels.

Market Outlook: As predicted, demand is still absent for flats and this year, the expected demand has not been released. The outlook is still dark for flat products and wait and see mood overrule the market for now.

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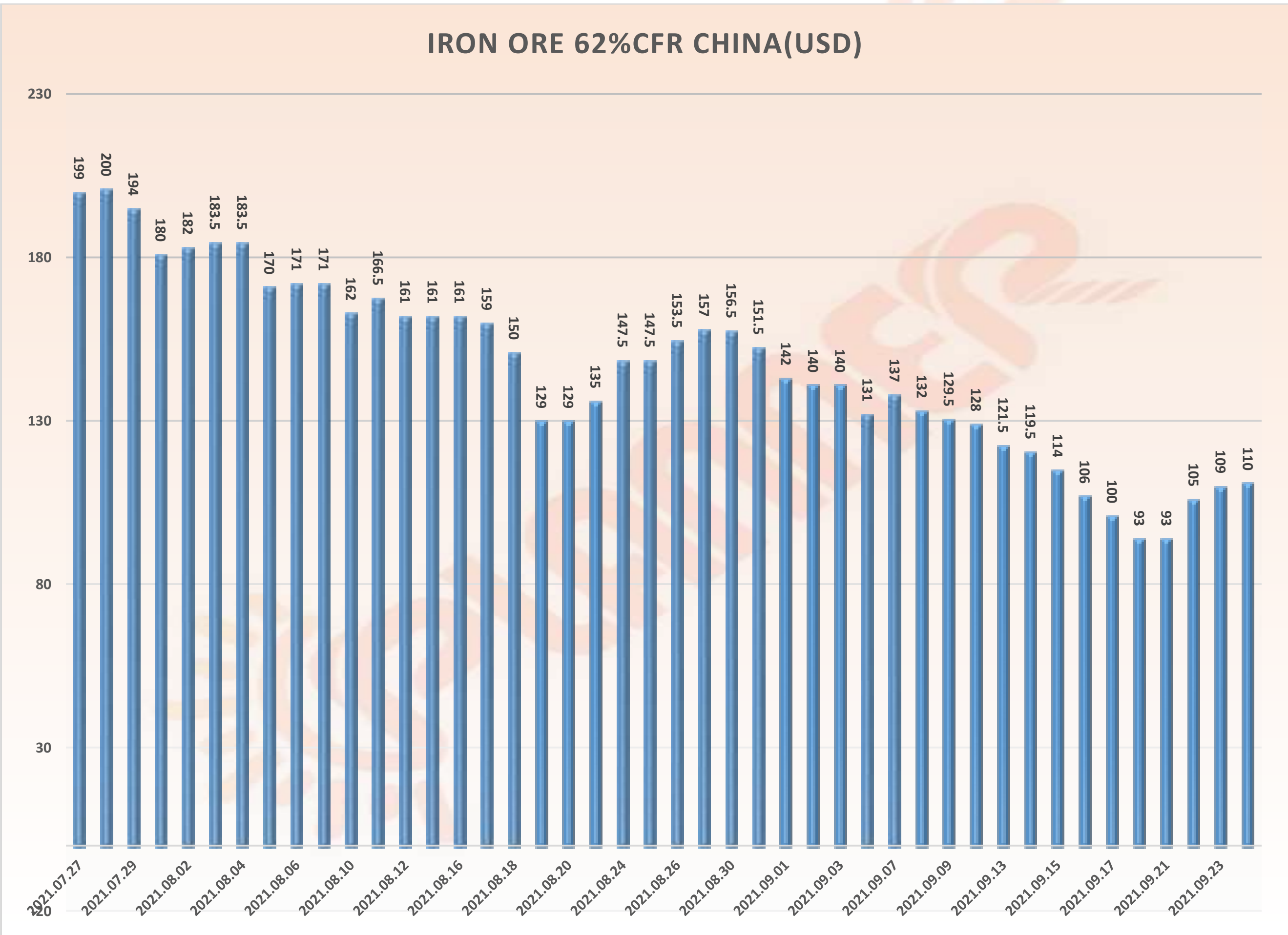
Raw Materials

- **Iron Ore**:

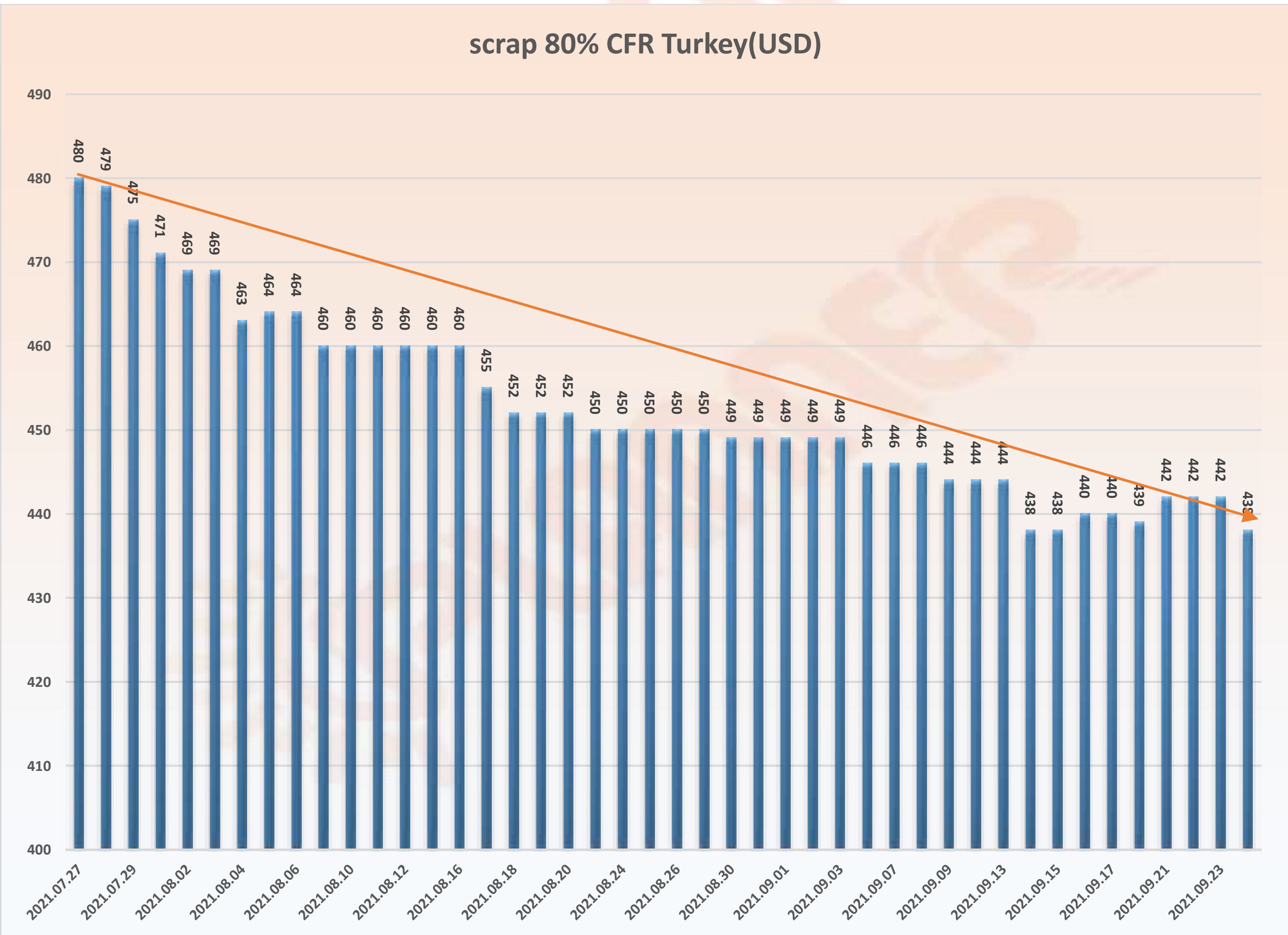
Iron ore falling price trend finally stopped after a sky-fall in recent weeks. Iron ore 62% Fe bounced by 17 USD from 93 USD/Mt at the beginning of the week to close at 110 USD/Mt on Friday, Sep 24th. Participants believe that this is a good entering point, while others think that iron ore has more room to correct downward as power curtailment will limit steel output in coming months.



- **Scrap**

During the recent week, the scrap import market in Turkey experienced relatively sluggish days due to the supply of most of the raw materials needed by Turkish steelmakers for October. According to reports, the latest trades were for Baltic HMS 1/2

(80:20) at $ 438-439/mt CFR and for the US $ 441-443 /mt CFR. Although most market sources did not expect a significant change in prices, some sellers were willing to offer further discounts to provide liquidity. Over the weekend, high supply from different suppliers and declining Turkish buyer sentiment forced Baltic exporters to lower their price idea to $ 443-44/mt CFR to finalize deals. Unconfirmed reports have also been heard of European shipments in the $425-430 /mt CFR. The drop in scrap prices in recent transactions is expected to lead to a general decline in prices. The collecting price of scrap at European ports is estimated at around $370/mt, the UK at $ 330 /mt and the us east coast at $ 345/mt, which, despite the continued increase freight rates, has provided room for further lowering the export prices. The devaluation of the Turkish lira to the lowest rate in the last ten years (1 TRY = 0.112497 USD) on the other hand will push Turkish buyers to take more discount. Although no new offers have been made by US suppliers in the recent days, we will probably see them return to the market at lower prices soon. The Planner estimates the price of US scrap at $335-340 /mt CFR and scrap from European continent at $ 430-425 /mt CFR for HMS 1/2 (80:20). The price difference of HMS with bonus and shredded is expected to remain at the level of $ 15 /mt.



- **Hard Cocking Coal**

Imported coking coal continued to rise during week following a steady decline in port inventories and tightening supply in China. The price of imported coal remained relatively affordable for East China steelmakers compared to domestic sources considering the transportation cost from shanxi province, as statistics showing a 24.17% monthly increase in August reaching 4.68 million tonnes. The high price of coking coal has been relatively offset by lower iron ore prices and maintain a favorable level of profitability for Chinese producers, which will support the boom in imports. The price of imported Low Volume premium coking coal in China increased from $560 /mt CFR at the beginning of the week and stabilized to $585 /mt CFR. Given the higher demand than supply and declining inventory levels in Chinese ports, Planner expects the price index for imported coal in China is expected to remain high and be accompanied by lower pace rise.

Australia's Low Vol premium coking coal also jumped from $380 /mt FOB to $408 /mt this week. At the end of the week, however, as the $ 400 /mt psychological barrier approached, many buyers withdrew, and suppliers were forced to lower their prices to $402 /mt FOB as buyers declined. However, given the supply constraints, buyers will probably have no choice but to accept higher tags, and prices will remain in the uptrend but probably with a slower increase.

2021/09/24					
	Commodity	Origin	Currency, Delivery term	Price	Daily change
planner-group.com	Iron Ore, 62%	Australia	$/t, CFR China	110	+1
	Ferrous scrap HMS I/II 80:20	USA	$/t, CFR Turkey	442	0
	Coking coal Premium low vol	Australia	$/t, FOB	390	0
	Coking coal Premium low vol	-	$/t, CFR China	585	0
	Billet Q235	China	CNY/t, EXW	5,170	-60
	Billet Q235	China	$/t, EXW	800	-9
	Slab	China	CNY/t, EXW	5380	-10
t.me/plannerinfo	Slab	China	$/t, EXW	832	-2.5
	Imported Billet BOF/3SP 150mm	-	CFR China	710	0
	Billet	CIS	$/t, FOB	600	0
	Slab	CIS	$/t, FOB	690	0
	HRC	CIS	$/t, FOB	830	0
	Rebar	Turkey	$/t, FOB	665	-3
	Billet	Iran	$/t, FOB	640	0
	Slab	Iran	$/t, FOB	678	0
	Rebar	Iran	$/t, EXW	610	0

Transactions of construction steel(rebar, wire rod and bar-in-coil) in 237 Trading house of china	
Yesterday's trading volume (tons)	193583
Today's trading volume (tons)	198447

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Shipping Market

- **Capesize**

Both the overall index and the time charter average jolted significantly higher on Monday, reaching new highs for the year while also closing in on the market highs of 2010. With the surge of C5 west Australia to Qingdao run and the relevant transpacific C10, as well as the support from Brazil to Qingdao trade, the Capesize market pushed even higher on Tuesday but slipped in the middle of the week. The week closed on positive notes with C5 paid up to $16.773, while Brazil to Qingdao run climbed over $35.00 on Friday. In the North Atlantic, transatlantic remained relatively quiet with the index posted at $64,400 at the end of the week. On the period front, a 180,000-dwt 2010-built vessel delivery Singapore in early October was reportedly fixed for a minimum period of 24 months at $25,500.

- **Panamax**

A strong week for the Panamax market, principally for the Atlantic basin, with a good replenishment of mineral cargoes seen all week versus a limited tonnage list. Rates returned to the end of August levels, with reports of charterers taking ships for laden legs in the north Atlantic. From the US Gulf, there was talk of some muted activity. However, this was covered on Far East delivery positions. There were some signs of action ex EC South America for October arrivals. But just like Asia, rates remained largely flat on the week. Route P3a marked up a shade overall, with solid demand ex NoPac the main drivers in the north. The market in general appeared to be fueled by support in FFAs. This aligned with a firmer cape market and culminated in continued period interest for one-year period and shorter, $30,000 concluded a few times on 82,000-dwt types with Far East delivery.

- **Ultramax/Supramax**

A stronger week than previously as positive sentiment returned to many areas, with better levels of enquiry from the Atlantic and from Asia after a tightening of tonnage supply after Typhoon Chanthu. Period interest remained firm, a 61,000-dwt open South Korea fixing in the low $40,000s for short period, whilst further south a 55,000-dwt open Indonesia fixed four to six months at $36,000. In the Atlantic, stronger levels saw a 63,000-dwt open Portugal fixing in the low $40,000s for a trip to US east coast. From west Africa a 53,000-dwt was fixed for a trip to china at $38,000. From Asia, a 56,000-dwt open South Korea fixed a CIS Pacific round at $36,000. The Indian Ocean gained momentum, with a 56,000-dwt open Chittagong fixing a trip via east coast India to Vietnam in the high $30,000s. A 57,000-dwt fixed delivery Richards Bay trip to the Baltic at $34,000.

- **Handysize**

East Coast South America made positive gains with more enquiry and a lack of tonnage the driving force. A 32,000-dwt fixed low $40,000's for a River Plate to South Brazil with an intended cargo of grains. A 38,000-dwt open in Brazil with prompt dates fixed for two Laden Legs with redelivery Continent-Mediterranean range at $38,000. The US Gulf has seen more requirements this week and numbers have begun to improve with a 38,000-dwt fixing from Texas to West Coast South America at $32,000 and a wood pellets cargo being fixed on a 38,000-dwt from Savannah to the UK at $23,000. The Mediterranean remains firm with a 32,000-dwt open in Egypt fixing via the Sea of Marmara to Antwerp with a cargo of Steel Coils at $33,000. Activity in Asia has been limited, but a 38,000-dwt open in China is rumored to have been fixed for a round trip via Australia at $35,000.

Weekly Review of Iran Domestic Market

As it is shown in the chart, there was a fluctuation in the steel domestic market this week, mainly occurred due to the sudden rise in the price of IF billet on Monday which led to some speculative trades. Billet price increased by 7000/Kg IRR in the middle of the week, which eventually led to the transaction of only 50% of the supplied billet at IME market, but since the domestic consumer market and final demand were not ready to accept this Sharp correction, the price of billet on spot market decreased again on Tuesday and Wednesday.

Generally, the steel price had a decreasing trend this week, so that the average selling price for rebar in physical market was around 151910 IRR, 6316 IRR lower than the last week, which was about 158222 IRR.

Fear of US dollar exchange rate reduction along with the worries about the probable decrease of steel supply base rate below 85% at IME market are factors that are likely to continue the current negative trend of the domestic steel market. Market participants are still waiting for the ministry of mines, industry and trade decisions in this regard.

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