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Planner Sunday Journal

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Editorial

The Chinese manufacturing PMI contracted in September, registering 49.6%, and fell into contraction zone for the first time since March 2020. For steel industry, the situation is much worse, since the PMI plunged by 6.9% and marked 38.1%. The new order, production, domestic raw materials purchase, sub-indices fell sharply due to power limitations set in major provinces, while ex-factory price of steel products and raw materials price sub-indices rebounded fairly great. Rebar has gained more than 550 RMB during past month as supply tightened from main producers. ‘Power Rationing’ is a new term coined by National Development and Reform Commission in order to justify the power cuts faced the industries and specifically steel industry in China. Given the firm stance of the Central Government, unless demand is cooled, short term steel prices may rise despite contracted steel PMI to record lows.

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Market at a Glance

Item Date	Last Month (Avg)	Last Week (Avg)	September 30th	Change % (MoM)
Iron Ore CFR China	144.15	115.9	118	-23.7
Scrap CFR Turkey	453.3	435.8	442	-2.55
Billet FOB CIS	611	600	600	-1.8
Slab FOB CIS	772.5	690	690	-14.4
Rebar FOB Turkey	688	665	665	-3.4
HRC FOB CIS	885.3	830	830	-8.0
CRC FOB CIS	1088.7	960	945	-15.1

Macro Economy

USD Index

The dollar index was slightly down at 94 on Friday, still close to its highest level in nearly a year, amid expectations that the Federal Reserve will taper stimulus from November and start hiking rates next year. Spiking bond yields also added to the currency's firmness. In recent data, both personal spending and core PCE prices in the US rose more than expected in August. Meanwhile, there are more signs that the Chinese economic recovery is slowing down. The Evergrande woes are pointing to the structural problems in the real estate sector while the manufacturing sector remains under pressure amid the Delta strain outbreaks, higher material cost, production bottlenecks, and more recently, electricity rationing.

Crude Oil

Oil settled above $78 a barrel on Friday, just shy of a three-year high reached earlier this week, on expectations that OPEC ministers will maintain a steady pace in raising supply.

The Organization of the Petroleum Exporting Countries and allies, known as OPEC+, meets on Monday. The group is slowly unwinding record output cuts made last year, although sources say it is considering doing more to boost production.

Brent crude rose 97 cents, or 1.2%, to settle at $79.28 in its fourth weekly rise. U.S. West Texas Intermediate (WTI) rose 85 cents to settle at $75.88 in a sixth week of gains.

Brent has risen over 50% this year and reached a three-year high of $80.75 on Tuesday.

Crypto Currencies

Decentraland (MANA) is a virtual reality platform supported by Ethereum Blockchain. In this virtual world, you buy digital lands where you can construct and make money. These fields are actually non-exchangeable digital assets (NFTs) held by Ethereum Smart Contracts. There is no limit to what you can do. This is the first digital platform to be fully owned by its users. Users can purchase these lands with the MANA token.

How does Decentraland work?

Similar to games like Skyrim and Fallout, Decentraland is a pervasive virtual world. However, instead of playing on a two-dimensional screen, you are entering a three-dimensional world. The next logical step before creating full-fledged AI-based games in physical space seems to be Westworld.

What is MANA?

MANA is the currency code for Decentraland; Decentraland Digital Currency (MANA) is based on ERC20. You have to use MANA to buy digital piece of field called LAND as well as pay for goods and services in the virtual world of Decentraland.

When buying digital land, Decentraland burns the MANA token with which you make your purchases. The Decentraland team basically sells each piece of land for 1,000 MANA. Usually the price of these plots varies and at present, the cheapest digital plot of land in Decentraland is 11750 MANA. While the more popular areas cost millions. The highest sale of digital plot of land was two million MANA, which is equal to 175,578 dollars in March 2018. This amount of money was huge for a virtual plot of land but made a good profit for the seller.

Technical Analysis of Mana Digital Currency

As you can see, this currency is forming a triangle pattern, and by completing its time period, as it approaches the end of the triangle, it is expected that we will have limited range of fluctuations and more intensive trades, which will strengthen sharp growth potential after failure of the upward triangle.

Financial Markets

Technical analysis of the Euro-Dollar pair

Euro on the edge of the precipice

Drawing a price chart next to the relative strength indicator of trades, it is seen that the price is attacking the floor of its support and with a sharp drop in relative strength and its presence in the range of sales excitement, failure of this downward range is very likely.

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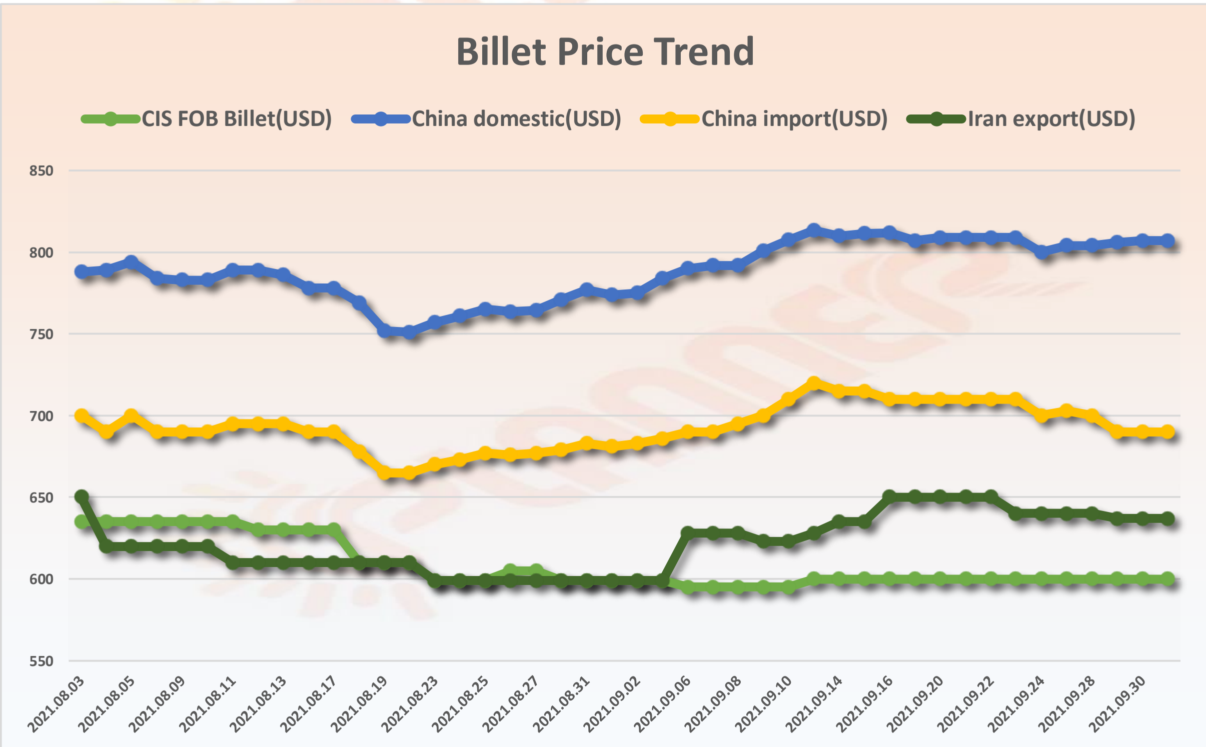
Steel

- **Semi-Finished Products**

Billet prices in Chinese domestic market strengthened once more due to firm raw materials prices and stricter policy by Chinese government to curb steel production. Operating rates of blast furnaces at Chinese mills dropped by 2.7% on weekly basis and 7.16% on monthly basis to 73.84% by the end of the week. 19 steel plants have issued 'Power Rationing' plans and the power consumption is set to fall in Q4, thus, the supply of steel will be tight. Pre-holiday restocking drove billet prices up, though the uptrend may not last after the holidays. In import market, the demand was absent since Chinese market will be closed for 7 days starting Friday.

CIS market is in standstill, since Turkish import scrap prices range bound last week. Chinese buyers left the market and there is almost zero demand in MENA region. Qatar Steel lowered its billet offer by 250 QTS, making domestic billet much cheaper than import material. There was some demand by the end of the week in Turkey, as scrap quotes from the suppliers started to increase.



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Iranian suppliers also went into wait and see mood, as the main consuming markets stopped bidding. Chinese buyers are starting holidays and Persian Gulf nations would rather buy domestic materials due to discount. Iranian export billet prices are likely to fell by next week, as CIS suppliers have entered the market to sell December shipment.

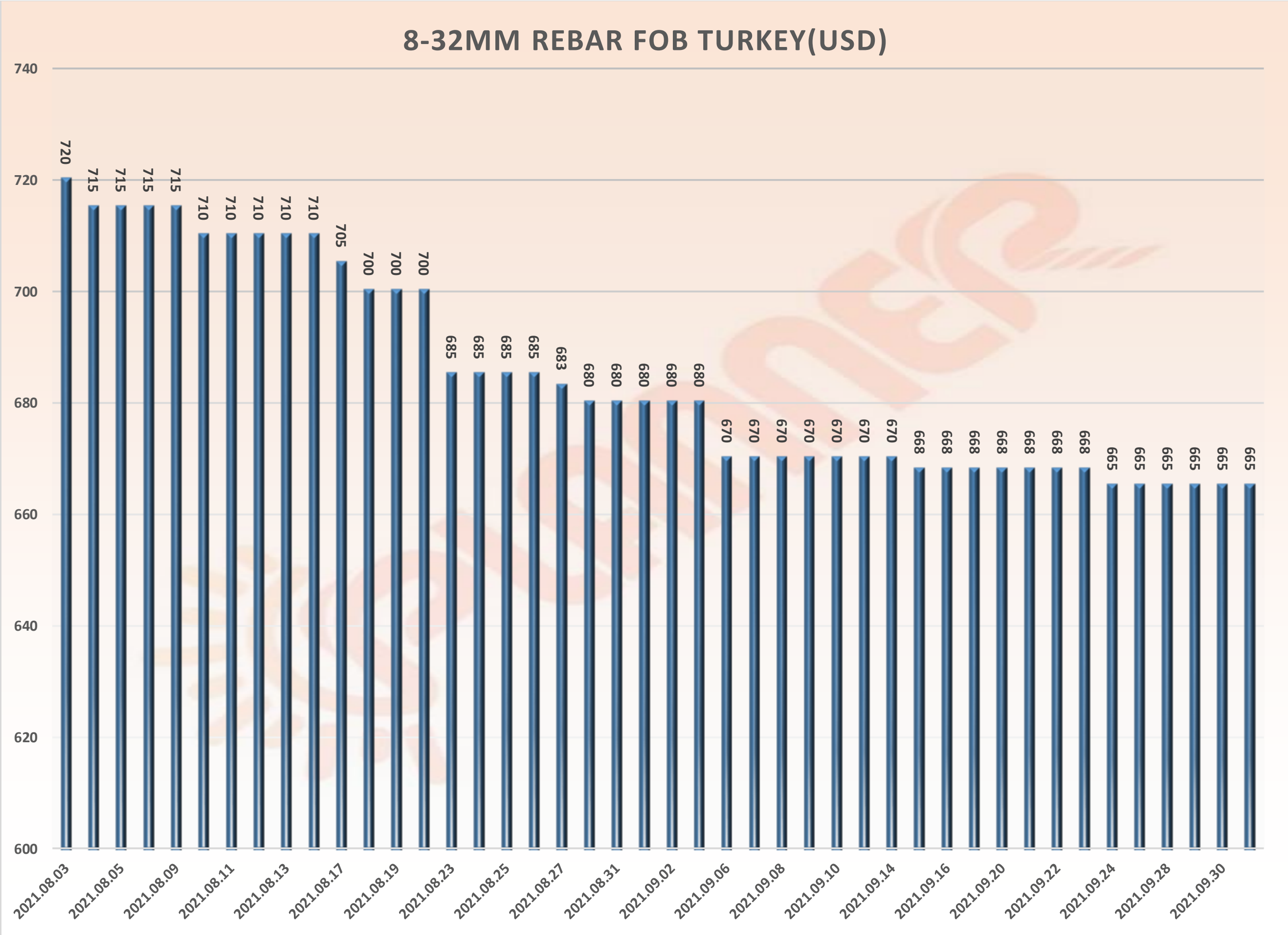
In slab segment, sellers in CIS region had no choice but to give further discount. There are rumors of a deal to China at 730 USD/Mt CFR from Far Eastern port which corresponds to 695-700 USD/Mt FOB Far East Russia. This level means 685-690 USD/Mt FOB for Black Sea Ports, which is 10 USD lower on weekly basis. Another sale was reported to Planner at 700 USD/Mt CFR to Turkey with 30 USD freight rate.

Market Outlook: As predicted by Planner last week, semis prices fluctuated in a narrow range and corrected downward. With no demand from buyers, semis prices may have more room to correct, unless a rise in scrap prices brings some support.

- **Finished long products**

Rebar price in China is still soaring, since 'Power Rationing Policy' mainly affects rebar producing mills. The average price of rebar in spot market hiked by 174 RMB/Mt compared to last week to reach 5925 RMB/Mt on Thursday, September 30th. Futures market showed stronger performance to surge 207 RMB, to decrease the discount compared to spot market. The main contract of rebar in Chinese futures market closed at 5706 RMB/Mt by the last trading day before the National Holiday. As the week passed towards the end, the daily trading volume of rebar plummeted sharply to around 170k.

In general, the Turkish domestic and export rebar market this week experienced similar conditions to last week with a sluggish export market and moderate demand in the domestic market. On the one hand, with the decrease in billet imports due to the shortage of ships and increasing freight costs, domestic suppliers refused to lower their prices, and on the other hand, the increase in domestic scrap prices due to the devaluation of lira and also imported scrap some producers increased the local price by $5. However, Planner does not consider it possible to increase the price of the export tags due to the decrease in export demand and the decrease in the activity of market during the holidays in the first week of October.



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 is expected to stay in wait and see mode during the Golden week holiday in china.

- **Finished flat products**

Flat prices pared some of the last week losses in Chinese domestic market, not only in spot markets but also in futures market. The main contract of HRC in futures market increased by 112 RMB to reach 5713 RMB/Mt, while the average price 4.75 mm HRC in spot market slightly rose by 54 RMB, to set at 5831 RMB/Mt. ‘Power Rationing Policy’ has affected the downstream industries of flat products, like home appliances and auto industry. Plus, the policy has affected flat producing mills less than long producing mills, which resulted in lower rise in flat prices.

HRC prices in CIS export market is paving the way towards 800 USD/Mt FOB. Offers from sellers were quoted 815 USD/Mt FOB, a decrease of 15 USD compared to last week levels. The effects of export tax on Russian steel is showing face, and sellers have no choice but to consider discount for buyers.

Low trading activity still persist in CRC market of CIS region. Sellers need to offer discount in order to sell some tonnages. CRC prices fell by almost 30 USD during last week to reach 930 USD on average. It is estimated that the downward trend will continue for flats in the short term.

Market Outlook: It is estimated that the downward trend will continue for flats in the short term.

Raw Materials

- **Iron Ore**:

Iron ore prices moved forward towards 120 USD/Mt CFR China, supported by firmer bulk freight rates and efforts from iron ore producing giants to rescue their shares. Fortescue declared it will halt operations at Solomon Hub site in Australia, sending the iron ore 62% Fe to three-week high on Thursday. Iron ore conglomerate is making their moves to reduce the supply, now that the demand projects a darker outlook as ‘Power Rationing Policy’ is getting more serious.

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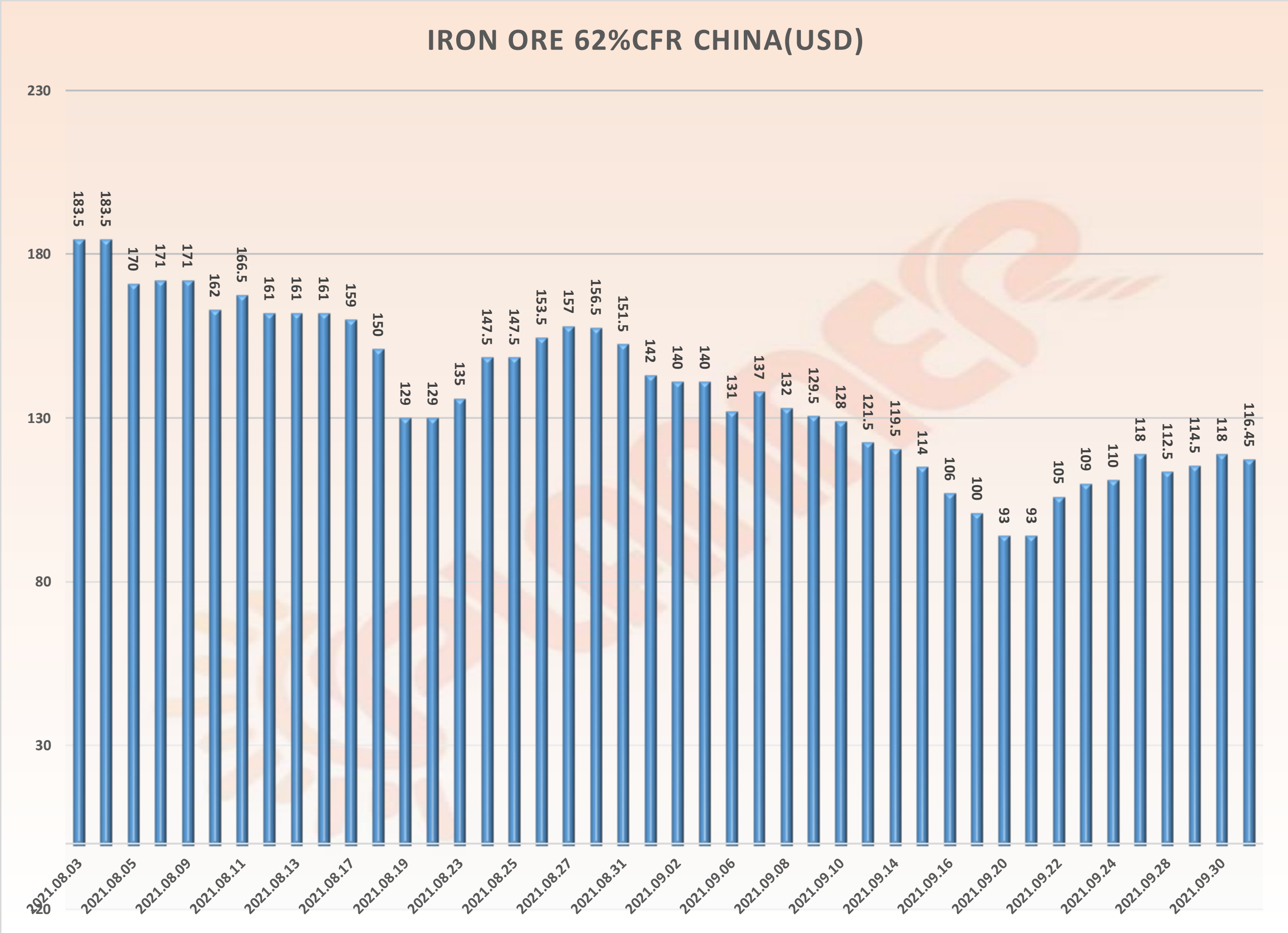
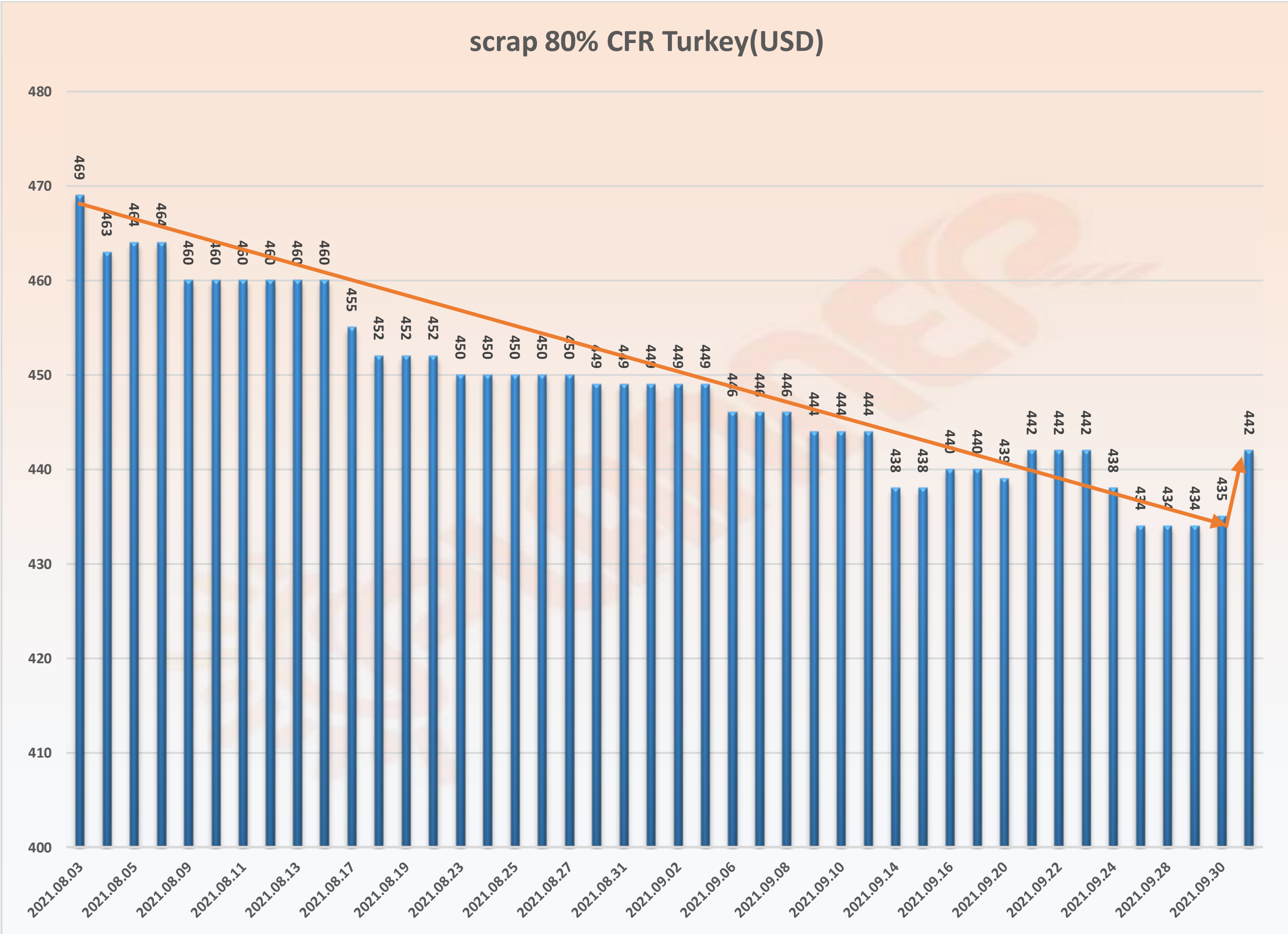


- **Scrap**

The scrap import market of Turkey saw HMS 1/2 80:20 price index fluctuate from $ 426/mt CFR at the beginning of the week for European materials to $ 443/mt CFR for raw materials supplied from the US. At the end of the week. Although, Turkish steelmakers were looking for more discounts due to the weak long product market. Seller were reluctant to lower prices due to rising shipping costs and declining offers. Over the weekend, US exporters' offers rose to $ 447-450/mt CFR, and finally traded at $ 443/mt CFR. Considering that most of scrap needed by Turkish producers are currently supplied, and majority of the material purchased during the week are due in early November, there is still ample time available to buy raw materials of November, however if buyers are looking to get the cargo they need faster, there is no choice but to accept higher prices. Planner is expected to stabilize and increase the price of scrap in the coming week if new transactions are finalized.



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2021/10/01					
	Commodity	**Origin**	**Currency, Delivery term**	**Price**	**Daily change**
planner-group.com	Iron Ore, 62%	Australia	$/t, CFR China	116.5	-1.5
	Ferrous scrap HMS I/II 80:20	USA	$/t, CFR Turkey	442	+7
	Coking coal Premium low vol	Australia	$/t, FOB	385	-5
	Coking coal Premium low vol	-	$/t, CFR China	600	+12
	Billet Q235	China	CNY/t, EXW	5,210	0
	Billet Q235	China	$/t, EXW	807	0
	Slab	China	CNY/t, EXW	5390	0
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	Imported Billet BOF/3SP 150mm	-	CFR China	695	0
	Billet	CIS	$/t, FOB	600	0
	Slab	CIS	$/t, FOB	690	0
	HRC	CIS	$/t, FOB	815	-15
	Rebar	Turkey	$/t, FOB	665	0
	Billet	Iran	$/t, FOB	637	0
	Slab	Iran	$/t, FOB	678	0
	Rebar	Iran	$/t, EXW	585	0

Transactions of construction steel(rebar, wire rod and bar-in-coil) in 237 Trading house of china	
Yesterday’s trading volume (tons)	179128
Today’s trading volume (tons)	-

Steel Industry Admired Producers

12) Tata Steel Group

Tata Steel was established in India as Asia's first integrated private steel company in 1907. With this, Tata also developed India's first industrial city at Jamshedpur. Today, this company is among the leading global steel companies and it is the second largest steel company in India. Tata also set up its second Greenfield steel plant of 3 M/T per year in the eastern state of Odisha in 2016; the expansion to 8 M/T per year in currently underway. This group, possess and operate captive mines that help them maintain cost- competitiveness and production efficiencies through an uninterrupted supply of raw material. This is how it ensures that they remain the lowest cost producer of steel in Asia. In 2012, Tata Steel was ranked 401st among the world's largest companies in the Fortune Global 500 list. Mr. Ratan Naval Tata is the Emeritus Chairman of Tata and Mr. Natarajan Chandrasekaran is the non-executive Chairman of Tata. The headquarters of Tata is in Mumbai, India.

Tata Steel group is among the top global steel companies with an annual steel production with high capacity. It is one of the world's most geographically diversified steel producers, with operations and commercial presence across the world. The group recorded a consolidated turnover of US $21.06 billion in the financial year ending March 31, 2021. Tata has over 65,000 employees more than across five continents. Tata Steel has operations in 26 countries and its main focus is in the steel markets of Australia, China, India, the Netherlands, Singapore, Thailand and the United Kingdom. For example, Tata Steel is one of the largest steel producers in Europe with a crude steel production capacity of over 12.4 M/T per year and Tata Steel's operations in South-East Asia, with 2.2 M/T per year capacity. In 2020, this group with producing 28.07 M/T crude steel was in the 12th level among 100 top steelmaker in the world.

Shipping Market

- **Capesize**

The Capesize market continued its assertive rally this past week reaching new highs in dramatic fashion. The Capesize 5TC opened the week at $53,240 and never looked like taking a backward step as it closed out the week a staggering $8,069 up settling Friday at $61,309. The main driving force for the market came from the Pacific, as West Australian charterers were caught early on in the week dealing with a slim selection of choices and troubled vessel schedules resulting from the previous week's weather in eastern China. The West Australia to China C5 leapt up $3,759 at the beginning of the

week to $20,145 before regressing on Friday to $19,082. Meanwhile, the Transpacific C10 closed the week out at a hefty $67,000, off the previous day's high of $70,742.
Heading west into the Atlantic it's heard that owners are on the hunt for front haul cargoes to the detriment of Transatlantic business as we are firmly into Q4 Atlantic strategy. Transatlantic C8 are now prices at $69,215, while the Front haul C9 commands a $81,775 price tag allowing owners to cash in on their premium position for the price of repositioning to the Pacific.

- **Panamax**

Not quite as sensational as the Cape market and despite varying holidays throughout the week the Panamax market returned to positive territory. Stable fundamentals pitched against tonnage tightness made for the perfect storm with strong gains seen in the Atlantic with most major loading origins seeing solid demand. East coast South America saw good support for second half October arrivals, with talk of an 81,000-dwt accomplishing $36,500 for a trip via east coast South America with delivery in Singapore. Asia, despite holidays, witnessed steady gains. NoPac grain demand returned as the main driver in the north, with a $35,500 agreed on an 81,000-dwt delivery Japan for a NoPac round trip the high on the week. Stronger levels too from both Indonesia and Australia to India on the coal trips, with $38,250 the high rate on an 82,000-dwt delivery Malaysia for a trip via Indonesia to India. Period activity saw an 81,000-dwt achieve $34,000 for four to six months.

- **Ultramax/Supramax**

With widespread holidays in Asia the week started on a relatively slow note. However, sentiment remained strong in most areas as more enquiry was seen. Period activity included a 63,000-dwt open Southeast Asia fixing five to seven months trading in the low $40,000s. Better demand was seen from the Mediterranean for Atlantic business, with a 56,000-dwt fixing a trip from Turkey to West Africa at $52,000. From the US Gulf an Ultramax was heard to have been fixed for a trip to the far east in the low $50,000s. Further south from east coast South America, limited activity was reported with some seeing tonnage supply growing.
From Asia, a 63,000-dwt open Kosichang was fixed for an Indonesian coal run to China in the low $40,000s and Ultramax size also open Southeast Asia were seeing in the low $40,000s for Australian round voyages. From the Indian Ocean, a 63,000-dwt open Kandla was fixed for a trip to the Continent at $40,000.

- **Handysize**

A week of positive gains on the BHSI, despite holidays in the Asia region causing activity to be limited, resulting in a new yearly high of 1925 points. East coast South America continues its revival, with a 37,000-dwt fixing a trip from Vila Do Conde to Norway with an intended cargo of alumina at $37,000, plus a 28,000-dwt fixing from Santos to Morocco with an intended cargo of sugar at $34,000.
A 35,000-dwt was also fixed from Morocco to Bangladesh at $45,250. In the Mediterranean a 37,000-dwt was fixed for a trip from Turkey to the US Gulf with an intended cargo of steels at $41,000. In Asia a 32,000-dwt was fixed from Vietnam to China with an intended cargo of clinker at around $39,000. Period has been active with a 32,000-dwt open in Brazil being fixed for four to five months with worldwide redelivery at $35,000.

Weekly Review of Iran Domestic Market

Last week, domestic steel market experienced a limited fluctuation along with the relatively upward trend due to the appreciation of the US dollar exchange rate.

Billet price increase in spote market was very evident. While the average selling price, last week was around 134738 IRR, it was calculated as 132400 IRR, in the last two weeks. which shows a growth of 2338 IRR during the week. but the weighted average rate of billet at IME market was about 1,200 IRR lower than the average rate of the last trading lavel last week.

The weighted average rate of rebar at IME market was 1550 IRR lower than the last week's transactions. Also, about 75% of long steel products offered at IME market, were traded this week, which shows that traders were eager for new purchases. Rebar physical market had a steady trend until the middle of the week, but increased at the end of the week and reached 153295 IRR.

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