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Planner Sunday Journal

October 17th

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Editorial

Shipping market has been ascending non-stop throughout 2021 due to factors such as port congestions, especially in China, rising energy costs, Covid-19 limitations at ports and increasing wage and maintenance costs. Over the past week, the Baltic Dry Index corrected downward mainly due to Capesize index turning down. Most insiders are concerned whether this could be the turning point for Baltic Dry Index and it begins falling trend. It seems unlikely as the number of supporting factors are still in place. First, the fourth quarter is historically the high-demand season for iron ore and Chinese steel production curb policy would not immediately lead to lower demand for the commodity. Second, as energy crisis intensify, the demand for coal will hike which means more vessels are needed for the carriage, especially Capesize. Last but not least, crude oil is rumored to meet 100 USD/b soon, corresponding to higher bunker costs for vessels and ultimately supporting the freight rates. Considering these factors, shipping market is likely to remain strong for the last quarter of the year and probably the first one in 2022. Any expected correction might happen after this period.

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Market at a Glance

Item Date	Last Month (Avr)	Last Week (Avr)	October 15th	Change % (MoM)
Iron Ore CFR China	137.66	127.2	124.5	-10.3
Scrap CFR Turkey	455.86	470.2	480	+5.2
Billet FOB CIS	609.25	618	630	+3.4
Slab FOB CIS	743.6	676	675	-10.1
Rebar FOB Turkey	685.66	693	710	+3.5
HRC FOB CIS	864.4	810	810	-8.0
CRC FOB CIS	1043.1	935	920	-13.3

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Macro Economy

- **USD Index**

The US dollar index was slightly higher around 94 on Friday but snapped a 5-week winning streak as investors shifted to riskier assets as recent data showed retail sales unexpectedly rose in September. The greenback has rallied since early September on expectations the US Federal Reserve would tighten monetary policy more quickly than previously anticipated amid an improving economy and rising inflation. Minutes of the Fed's September meeting confirmed this week that a tapering of stimulus is all but certain to start this year.

- **Crude Oil**

Oil prices settled at a three-year high above $85 a barrel on Friday, boosted by forecasts of a supply deficit in the next few months as the easing of coronavirus-related travel restrictions spurs demand.

Brent crude futures settled up 86 cents, or 1%, at$84.86 a barrel. Front-month prices, which touched their highest level since October 2018 at $85.10, hit a weekly rise of 3%, its sixth straight weekly gain. U.S. West Texas Intermediate (WTI) crude futures rose 97 cents, or 1.2%, to $82.28 a barrel. The was up 3.5% on the week in an eighth consecutive weekly rise.

Demand has picked up with the recovery from the COVID-19 pandemic, with a further boost from power generators who have been turning away from expensive gas and coal to fuel oil and diesel.

- **Crypto Currencies**

BitShares

BitShares is a decentralized platform designed to provide a more efficient global payment network and is commonly used for the secure exchange of digital currencies without intermediaries. The currency was created in July 2014 by Daniel Larimer, founder of Steem and EOS, in collaboration with Ethereum and Cardano Co-founder Charles Hoskinson. The project was originally called ProtoShares (PTS), but less than a year later it was renamed BitShares (BTS). Just like Steem, BitShears uses a Graphene layer and is as active on the Internet as Steem Blockchain.

This platform is supported by BTS (BitShares) tokens. BTS is an internal token of this network that has several functions, including the creation of smart coins called BitAssets. BitAssets can have a variety of parameters and can represent almost anything, such as bonus points, the amount of tokens linked to Fiat currencies and IOUs.

The traditional way of buying and selling digital currencies on trading platforms is based on converting digital currencies to Fiat currencies as intermediaries. This means that every time you try to buy and sell digital currency, the anonymity of the blockchain will be lost and the information of the traders will be traceable.

Online trading systems are centralized, meaning that their databases are stored on servers that are controlled only by the system itself, and in order to use their services, the user has to create an account, which often needs passport or driver's license information. Bitcoin and other digital currencies are still young concepts and are subjected to major fluctuations.

While centralization is justifiable, meaning that trading platforms that measure the value of digital currencies have to tie their prices to real assets such as gold and the US dollar, access to an anonymous, decentralized system is also necessary, this is where BitAssets comes in. A BitAsset is a coin whose value is tied to a real world asset. In other words, its value corresponds exactly to the value of that asset in the real world. The BitShears blockchain platform allows users to convert their digital currencies to other digital currencies whose value is tied to real assets. BitUSD, for example, is a BitAsset which its value is tied to the US dollar and BitGold is tied to intrinsic value of gold in the market. Therefore, users can easily convert BitShares or BTS coins to BitUSD, which is worth a dollar, without leaving the blockchain. Using this platform, in addition to helping traders to hide their identities, will make transaction speeds much higher and transaction costs much lower for users.

With increasing efforts by governments to control and monitor the digital currency market, the BitShares and BTC platforms, with a strong network as well as attracting the attention of investors and end users, plan to increase their presence in the digital currency market. The platform's BitAsset coins, with fixed prices tied to real assets, not only eliminate the need for non-digital currencies, but also protect users from the volatile nature of prices in the digital currency market.

Extraction and transaction with BitShares

BTS coins can be mined and the average time of each block is 1.5 seconds and the maximum is 3 seconds. The maximum number of coins was 3,600,570,502, of which more than two billion coins have been mined by 2021.

In the BitShares blockchain, the wallet address is the same as the customer's username. This feature eliminates the need to have a row of random numbers and letters as the wallet address. BitShares is practically competing with banks by providing BitAssets. BitAssets are always backed by BTS coins at 200 times of their value, so they can be easily exchanged at any time.

The future of BitShares

Given the rapid growth of wallets, BitAsset coins and other related projects, BitShares seems to be a very stable ecosystem. With a very high transaction speed of 100,000 ones per second, the BitShares trading system has the ability to compete with the NASDAQ.

The CryptoGeek website forecasts a price of $ 0.03 per BTS for late 2021 and a price range of $ 0.2 to $ 0.3 for 2025. The CryptoGround website has a positive outlook on the currency, forecasting a price of $ 0.49 for 2025.

Technical analysis BitShares

In the daily time frame, this digital currency is in the range of buying excitement, and this has caused it to experience a growth of up to three times in one day, but it is expected that it will be traded a little more balanced in the coming days, and the overall trend is upward.

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Financial Markets

Technical analysis of the Canadian dollar to US dollar pair:

As shown in the chart, the price is on the edge of the precipice, and with the relative strength of trading entering the level of sales excitement, we are likely to see a fall in price.

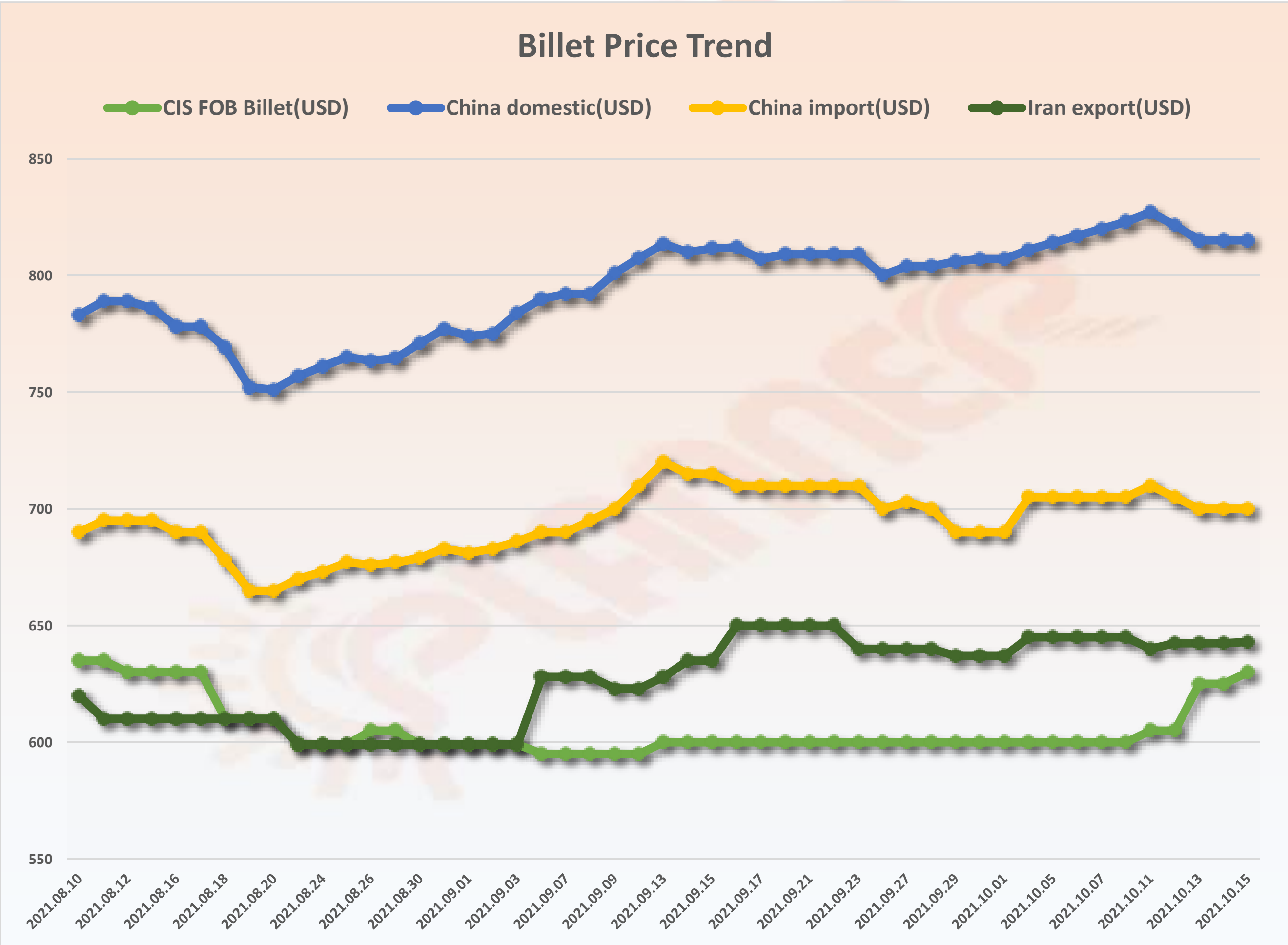
Steel

- **Semi-Finished Products**

With Chinese buyers fully got back to the market after early October holidays, activities picked up at the beginning of the week. But, as the news spread about easing the production curbs in Jiangsu and Guangdong, billet prices in Chinese domestic market fell sharply through the end. Tangshan billet on Friday reached 5250 RMB/Mt, down 80 RMB from last week. As price fell, the daily trading volume increased. Authorities strongly emphasized that the energy control policy for steelmakers would be implemented in coming months, which led to the billet quotations stabilized by the week end. On import front, quotes from suppliers are heard around 725-730 USD/Mt CFR while bids from Chinese buyers exceed not higher than 710 USD/Mt CFR for now.

CIS billet prices expanded largely on the back of rising scrap prices together with expectations of lower energy supplies and more expensive electricity in consuming nations. Offers from CIS billet producers range from 630-650 USD/Mt FOB, up 30-50 USD from last week. Countries in short of electricity like Turkey, China and India are planning to increase the electricity prices in order to meet the rising costs. Mills in Europe are reducing the production due to lower energy resources, permitting CIS suppliers to quote higher offers for their products.

As predicted by Planner, Iranian mills also kept their last week levels, although buyer’s interests still remain low for now. A lot of 30k was sold by a supplier for End-November shipment at 642.5 USD/Mt FOB. The cargo is likely destined to China. Another producer announced its firm bid for 30k same month of shipment, but the details are yet to be disclosed.



In slab segment, there is still less interest for flats. CIS suppliers decreased their quotations by another 5 USD to 675 USD/Mt FOB in order to sell some tonnages. Iranian slab deals are heard at about 658.5 USD/Mt and 662 USD/Mt from two main suppliers for November shipment, down 18 USD/Mt from last deals.

Market Outlook: Planner still believes that considering strong scrap quotations and lack of energy resources, semis prices, especially billet have room to rise further next week.

- **Finished long products**

The news of loosening production limitations in some provinces in China negatively affected the spot and futures markets. The main rebar contract in Shanghai futures market witnessed a free fall by 466 RMB to close at 5401 RMB/Mt on Friday. In spot market, the average price of rebar in 31 cities of China was 5881 RMB/Mt down 136 RMB compared to last week level. The futures price is traded at a discount of 480 RMB which could lead to futures price hike next week. Considering the firm stance of Chinese government to control the energy consumption, it is believed that the market will pick up again in weeks ahead.

Due to the rapid rise in the price of scrap from the bottom of $439/mt in the second half of the year on September 19 to $ 480/mt on October 14, the price of export rebar also increased from $ 665 / ton FOB at the beginning of October to $ 710 / ton at the end of this week while new offers have been heard up to $ 730 / ton FOB but no new sealed deals have been reported at this level. The domestic market is strong, and many of Turkey's leading long producers raised their prices several times during the week which caused domestic rebar prices rose to $710-730/mt EXW by the end of the week. A trend that is likely to continue this week in the event of increase in price of imported scrap. In addition to the rebar, billet in the domestic market shows tremendous growth of $50-60/mt compared to the end of the week from $620-630/mt EXW to $680-690 /mt EXW which drive CIS suppliers' offers up to $660-670 /mt CFR.

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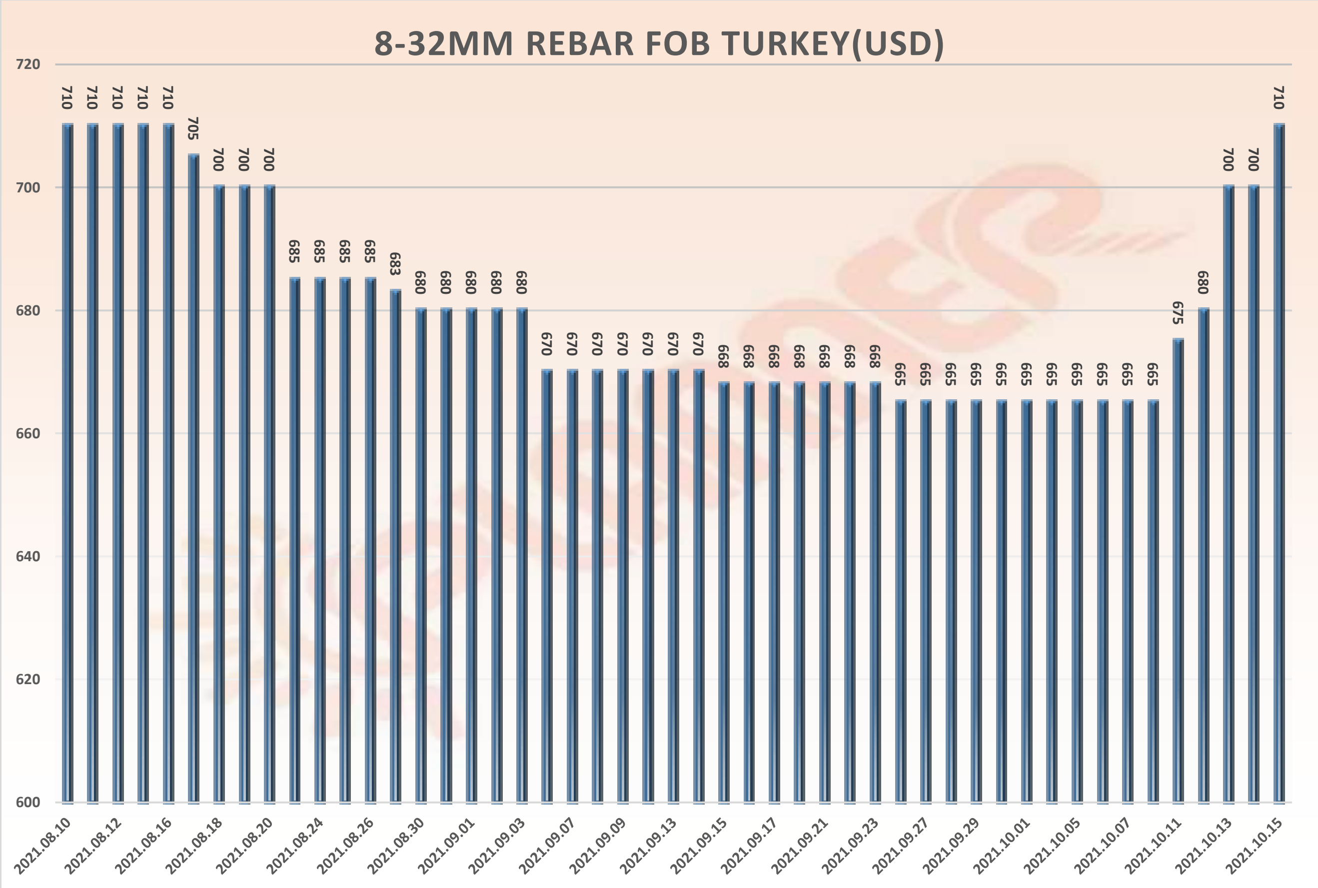


In wire rod market, upward trend gained momentum and CIS producers were able to rise their offers by 30 USD. The latest quotes from CIS suppliers are heard around 790-830 USD/Mt for MENA, while tags for West Europe exceeds even 850 USD/Mt.

Market Outlook: As Planner predicted last week, the positive dynamics of the market caused the prices to increase. It is believed that there is still room for further increase next week.

- **Finished flat products**

The whole Chinese market was affected by the news of lower production restrictions in some provinces, but flats took less hit compared to longs. Most mills in Jiangsu and Guangdong are long steel producers, so flat market fell less than that of longs. The main contract of HRC in Shanghai Futures Market closed at 5627 RMB/Mt on Friday, down 263 RMB from last week. The average price of 4.75mm HRC in 24 main cities of China reached 5861 RMB/Mt, down 56 RMB from last Friday. The weekly production of HRC continued downward, well below four-year’s level.

In CIS region, sellers strengthened their position and quoted higher offers considering more expensive scrap in Turkey and expected shortage of power supply in coming months. Mills in the EU have already cut the production and a shortage of supply is expected to affect the prices in Green Continent.

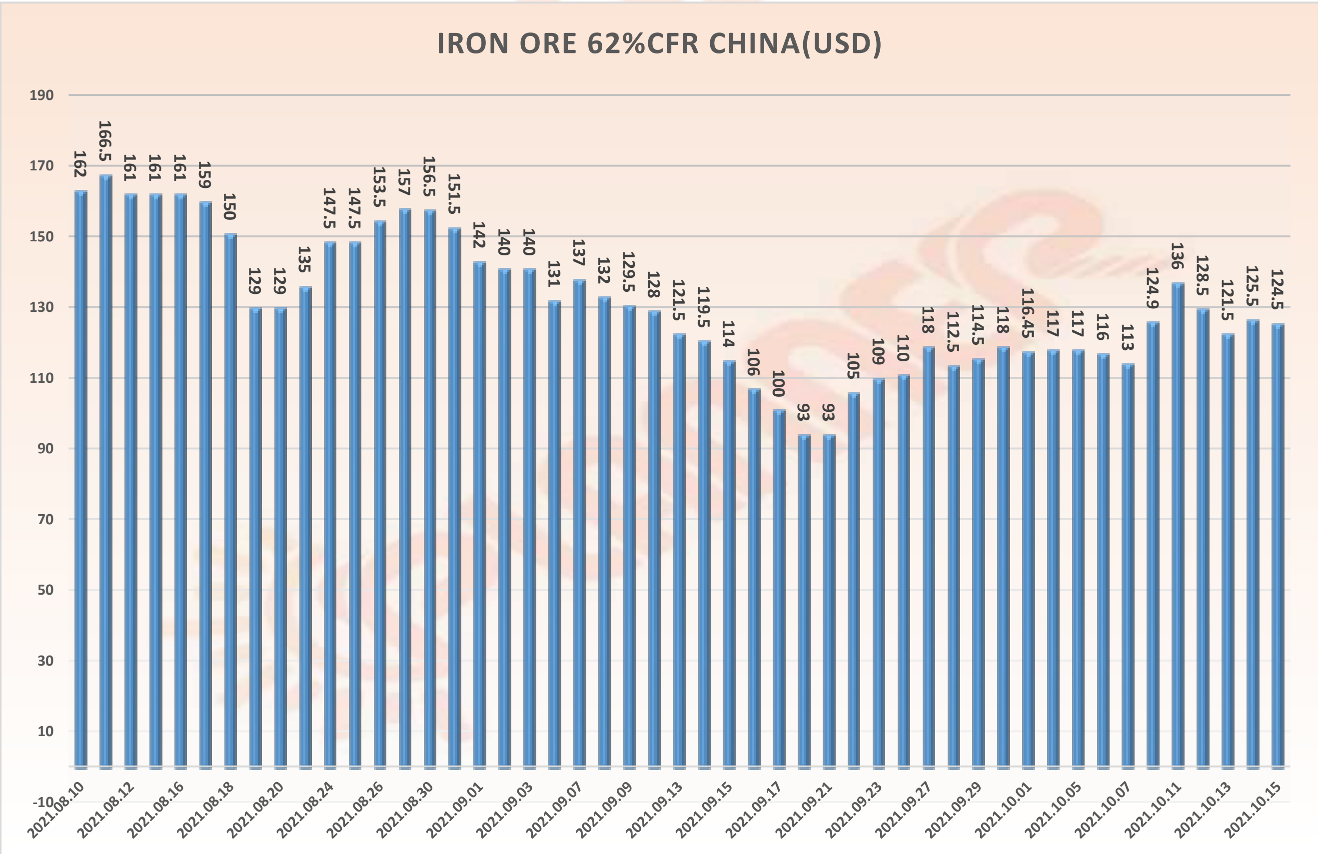
In CRC market, demand revival based on the higher offers from CIS suppliers caused prices to hike 10-20 USD/Mt. The latest quotes from sellers are heard at 910-970 USD/Mt and is expected to move upward along with market sentiments.

Market Outlook: A better outlook gave clearer direction to the market and we can say that in the short term flat prices may witness a rise.

Raw Materials

- **Iron Ore**:

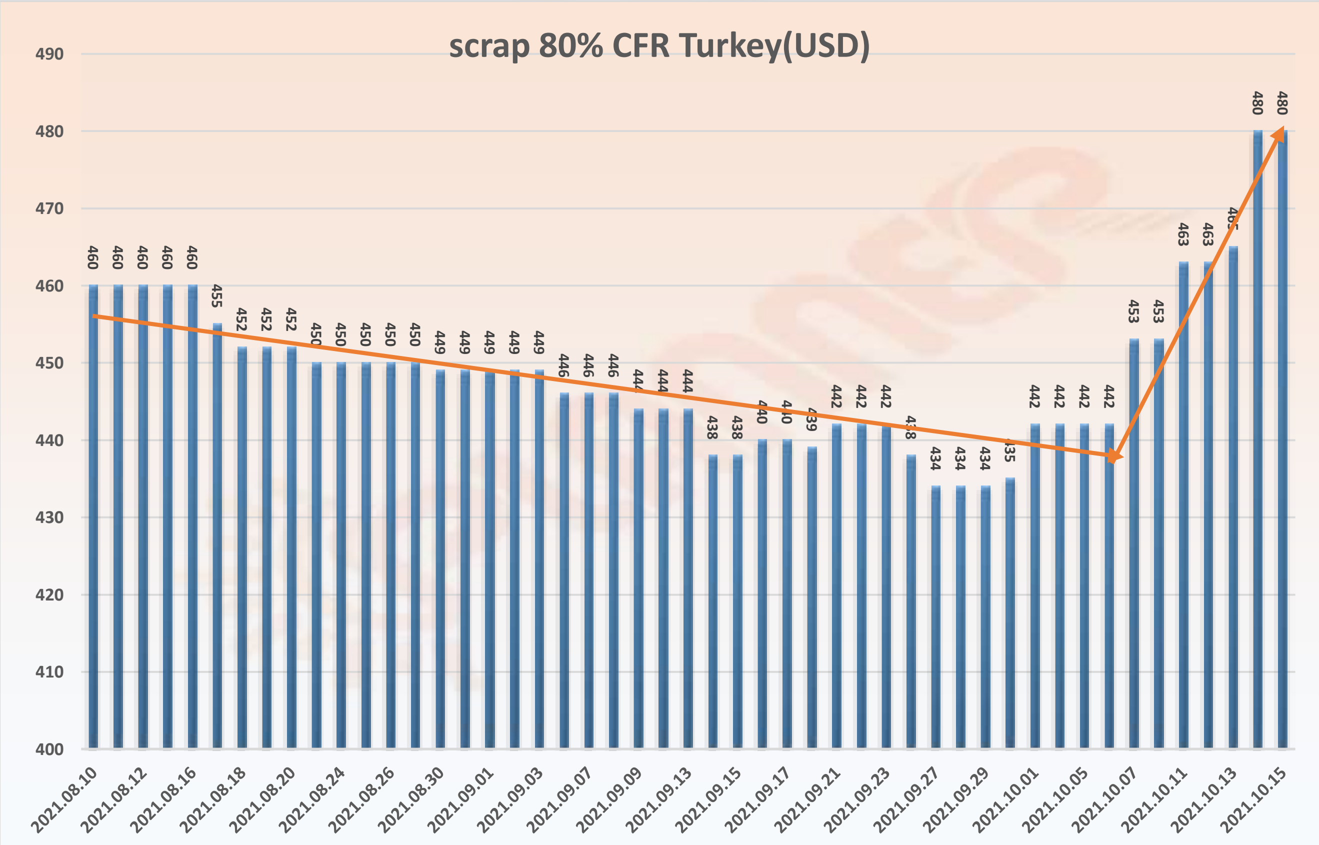
Price of iron ore rose in the first half of the week and fell in the second half as the production restriction loosening news was denied by the Chinese government. The Iron ore fines 62% reached 136.5 USD on Monday, while it corrected through the end of the week, remaining iron



ore unchanged from last week at 124.5 USD/Mt CFR. The fourth quarter of the year is historically the high-demand-season for iron ore and a sharp price fall of the commodity is unlikely. Plus, cocking coal and met coke still maintain high levels, which could lead to the use of medium and high grade iron ore fines in order to manage the costs.

- **Scrap**

Turkish steelmakers accelerated their procurement for November and early December this week due to strong domestic demand and the approaching winter season. However, the lack of available cargo and the reduction of suppliers' offers, along with the continued increase in freight (around $5/mt) and the significant increase of dockside price ($20-35/mt) made the situation in favor of exporters this time. The price of US HMS 1 & 2 scrap (80:20) rose from $ 459.5 /mt CFR at the beginning of the week to $480/mt at the end of the week. Another is the increase in higher grades of scrap including bonuses, shredded and busheling compared to HMS 1 & 2 (80:20) from $5/mt at the beginning of the year to $15/mt in recent months up to $20/mt this week. This is due to high domestic demand from exporting countries and limited material available. Planner sources reported that new offers have increased between $ 10-15 above current levels so the current trend is likely to be maintained in the short term, Planner expect that in the following week we will again see a jump in the price of the raw material.



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- **Hard Cocking Coal**

The problem of low met coal supply is still overshadowed the steel market which continued the upward trend of prices. In Dalian Commodity Exchange, the price of coking coal surge on October 11 from 3409 yuan /mt ($ 529/mt) to 3614 yuan/ mt ($561.5 / ton) on October 15 due to heavy rains in Shanxi Province which caused several mines closure and logistic problems, the decline in imports from Mongolia due to quarantine conditions imposed by the country led to a shortage of drivers and reduced entry trucks to China. In the mea time high margins of coke production keep the raw material in high demand, as evidenced by the sealed of new contracts in imported markets, this week 50,000-70,000 tons of us low-volume Oak Grove was traded at $605-610/ ton CFR China with late November laycan. For lower grades of ex- Russia coal 20,000-30,000 tons of low volume PCI with late October delivery concluded at $301/mt CFR China and Russian semihard coal K10 prompt shipment heard at $431/mt CFR China. The Chinese government may agree to the custom clearance of Australian met coal in Chinese ports due to compensate shortage of supply and price controls. After the unofficial ban on Australian met coal imports, ships were unloaded in ports and barred from entering China, where they were mostly reloaded and re-exported. However, due to the persistent imbalance between supply and demand, the price trend of metallurgical coal is expected to remains upward.

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Steel Supply Chain in Focus

PLANEX 2021 Kish Island, Iran Nov 16_17 2021 YOU ARE INVITED

2021/10/15

Commodity	Origin	Currency, Delivery term	Price	Daily change
Iron Ore, 62%	Australia	$/t, CFR China	124.5	-1
Ferrous scrap HMS I/II 80:20	USA	$/t, CFR Turkey	480	0
Coking coal Premium low vol	Australia	$/t, FOB	390	0
Coking coal Premium low vol	-	$/t, CFR China	610	+2
Billet Q235	China	CNY/t, EXW	5,250	0
Billet Q235	China	$/t, EXW	815	0
Slab	China	CNY/t, EXW	5380	-20
Slab	China	$/t, EXW	835	-3
Imported Billet BOF/3SP 150mm	-	CFR China	700	0
Billet	CIS	$/t, FOB	630	+5
Slab	CIS	$/t, FOB	675	0
HRC	CIS	$/t, FOB	810	0
Rebar	Turkey	$/t, FOB	710	+10
Billet	Iran	$/t, FOB	642.5	0
Slab	Iran	$/t, FOB	662	0
Rebar	Iran	$/t, EXW	605	0

Transactions of construction steel(rebar, wire rod and bar-in-coil) in 237 Trading house of china

Yesterday's trading volume (tons)	219435
Today's trading volume (tons)	207909

Steel Industry Admired Producers

15) Nucor

Nucor is North America's most diversified producer of steel and steel products. Nucor Corporation is a producer of steel and related products based in Charlotte, North Carolina. It is the largest steel producer in the United States, as well as the largest "mini-mill" steelmaker. It is also the biggest recycler of scrap in North America. In 1905, Ransom E. Olds, creator of the Oldsmobile, forms REO Motor Company, which evolves into the Nuclear Corporation of America and ultimately Nucor. The company's innovative and teammate-focused culture catapulted Nucor from the little steel company that could to the largest producer and recycler in America. In fact, the story of Nucor is about the ability to adapt to changing times. Its CEO is Mr. Leon J. Topalian, the total assets of company is about $20.125 billion, its net income is $721 million and its revenue is $20.139 billion. The number of employee of Nucor is over 26,000.

According the latest information which released by world steel association, this company produced 22.69 m/t crude steel in 2020 and has ranked the fifteenth among top steelmakers in the world. Nucor produces steel bars (carbon and alloy steel), beams, sheets/flat rolled steel, plates, steel joists, joist girders, steel decks, fabricated concrete reinforcing steel, cold finished steel, steel fasteners, metal building systems, light gauge steel framing, steel grating, expanded metal, and wire mesh. In addition to steel, Nucor also brokers ferrous and nonferrous metals such as pig iron and HRI/DRI, supplies Ferro-alloys, and processes ferrous and nonferrous scrap through its David J. Joseph. Company subsidiary. Operations: Located in Alabama, Arizona, Arkansas, Florida, Illinois, Indiana, Kentucky, Mississippi, Nebraska, North Carolina, South Carolina, Ohio, Tennessee, Texas, Utah, and Washington. These plants use mini-mills (electric arc furnaces and continuous casting technologies) to recycle steel.

Shipping Market

- **Capesize**

The Capesize market continued its bull rally this week as we move into the tail-end quarter of the year. The Capesize 5TC managed a high of $86,953 on Thursday before closing out the week on a softer note at $83,865. Throughout the earlier part of the week the Pacific basin rose in tandem with the Atlantic on strong sentiment. But was seen to soften as the week ended leaving the Atlantic paying a significant premium. The Transatlantic C8 closed at $95,550 to the Transpacific C10 at $77,692. The Backhaul C16 lifted a shocking +16,175 over the week to close at $62,650. In this prime earning period owners are reluctant to lock in precious time performing positioning cargoes. The opportunity cost of forgoing higher paying fixtures is forcing charterers to make substantial lifts to their bids. The Fronthaul C9, on the higher end of the value spectrum, is reaching well into the six digit levels now as the route closes the week at $118,950. The Capesize market remains well supported and very active. While the market softened slightly towards the end of the week, there appears little sign that the fireworks are coming to an end.

- **Panamax**

Further pressure in the Atlantic this week with the nearby position feeling the squeeze the most. There were some heavily discounted rates agreed - especially for quick trips - as some participants lent towards buying time in the hope of a market revival in coming weeks. By contrast Asia, which was impacted by Golden Week holidays, held steady overall with limited activity - but demand from NoPac maintained flat rates mostly. The North Atlantic proved to be bereft of any significant demand, this is despite signs of some Capesize split cargoes entering the fray. A long tonnage counts on the Continent persisted for most of the week applying pressure to rates. The Black sea grain market saw plentiful demand and rates here were deemed steady. However, the lack of a spark from the Americas proved to be the nemesis for owners. Healthy period activity on the week with support FFA's saw an 82,000-dwt achieve $32,000 for 10/12 months.

- **Ultramax/Supramax**

With holidays in China, unsurprisingly the Asian arena lacked impetus overall. Meanwhile, in the Atlantic, demand grew during the week from the US Gulf. Period activity remained in the background, a 60,000-dwt open North China fixing minimum four months to maximum five months trading at $42,500. A 63,500-dwt open Mediterranean was failed for minimum four months Atlantic trading in the mid $40,000s. As said demand returned to the US Gulf, Ultramax sizes were seeing in the mid $40,000s for transatlantic runs. A mixed week elsewhere with limited fresh enquiry from South America, although some brokers said a little more enquiry was being seen from West Africa. From the Indian Ocean levels remained stable. A 56,000-dwt open Jebel Ali fixing a trip via Arabian Gulf to Bangladesh at $49,000. Limited Asian business, but a 61,000-dwt open Indonesia was fixed for a trip to West Coast India at $40,000. Further north, a scrubber Ultramax was fixed for an Australian round from Japan to Indonesia at $38,000.

- **Handysize**

Despite holidays in Asia, the BHSI made further gains and moved above 2000 points for the first time since September 2008. This was mainly down to large positive gains in the US Gulf, which has seen a 38,000-dwt fixing a trip from the Mississippi River to the Mediterranean with an intended cargo of grains at $35,000. This was up from last week when a similar trip was fixed at around $28,000. East Cost South America continued to soften with a 34,000-dwt fixing from Recalada to Kaliningrad with grains at $34,000. However, some felt the levels were reaching the bottom as more requirements were coming into the market. In the Eastern Mediterranean a 31,000-dwt was fixed for a trip via the Black Sea to Brazil at $37,000 and a 38,000-dwt fixed from the Black Sea to China with an intended cargo of Soda ash at $60,500. Asia was inactive but a 28,000-dwt fixed from Thailand via Indonesia to Japan at $29,000.

Weekly Review of Iran Domestic Market

During the previous week, due to the fall in the US dollar exchange rate and lack of demand in the domestic consumption, we saw a relative decline in prices. The weekly average price for rebar in physical market was 155,278 IRR, which was 1,146 IRR less than a week earlier. The weekly average price for billet in spot market was also accompanied by a decrease of 980 IRR.

At IME market, due to the speculations of rising global steel prices, rollers welcomed the sale of billet, so the billet's average price this week was 850 IRR higher than the previous week. But in the case of rebar, due to the fact that the base price was higher than the previous week, buyers were not much willing to trade, so the weighted average price of transactions decreased, 1300 IRR, compared to a week earlier.

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