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Planner Sunday Journal

December 12th

Editorial

The Central Committee of the Chinese Communist Party has decided to inject 1200 billion RMB to the economy in the form of cutting reserve-required ratio (RRR) by 0.5% in order to boost the investors' sentiments; or as they say, would do. In line with the move, the People's Bank of China hiked the RRR of foreign currency of financial institutions by 2%, which means that the government wants to go loose on RMB and tight on foreign currency. These two actions together, would depreciate the RMB rate against USD. The decision was made right after the USD/RMB rate passed 6.34, a level not so good for Chinese export-based economy. The Communist Party is determined to keep USD/RMB exchange rate below 6.5 to keep Chinese product competitiveness alive in international markets. The move has failed revive the expectations of the investors and the futures market dropped mildly. With CPI data of the US revealed on Friday, the market is worried that the Fed would take action on raising the interest rates sooner than promised, causing the USD index to climb higher. This could well sabotage the Chinese plan to weaken RMB. We shall focus attention on next week Fed meeting to find out what monetary policy would rule the biggest economy of the World.

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Market at a Glance

Item Date	Last Month (Avr)	Last Week (Avr)	December 10th	Change % (MoM)
Iron Ore CFR China	110	106.7	104.5	-5.2
Scrap CFR Turkey	481.5	476.4	470	-2.4
Billet FOB CIS	619.6	596	590	-5
Slab FOB CIS	699.8	620	620	-12.8
Rebar FOB Turkey	713.2	716.6	709	-0.6
HRC FOB CIS	839	798	790	-6.2
CRC FOB CIS	984.2	930	915	-7.6

Macro Economy

- **USD Index**

The US dollar index lost some ground to trade around just above 96 against a basket of currencies on Friday, after data showed the US consumer price inflation jumped to 6.8% in November, the highest since 1982 and well above the Fed's target of 2%. Still, the consumer prices data came as expected gearing up investors to bet that this is the peak of year-on-year numbers, so the Fed will not need to speed up the tightening cycle. Investors now turn attention to Fed's meeting next week to try to assess clues on the future path of the monetary policy. On the other hand, the greenback benefited from lingering threats from the Omicron variant, as some nations introduced renewed restrictions amid a spike in global infection cases. A study also found that the new variant is more transmissible and has a higher chance of escaping immunity than the delta.

- **Crude Oil**

Crude Oil prices rose slightly on Friday and posted their biggest weekly gain since late August, with market sentiment buoyed by easing concerns over the Omicron coronavirus variant's impact on global economic growth and fuel demand.

The Brent and U.S. West Texas Intermediate (WTI) crude benchmarks each posted gains of about 8% this week, their first weekly gain in seven, even after a brief bout of profit-taking.

Brent futures settled up 73 cents, or 1%, at $75.15 a barrel, after falling 1.9% on Thursday. WTI rose 73 cents, or 1%, to $71.67 after sliding 2% in a volatile session the previous day.

- **Cryptocurrencies**

Swipe (SXP)

The main purpose of Swipe is to facilitate payment with digital currencies; what was once the main target of Bitcoin and other digital currencies, but today is less noticed.

Bainance Exchange directly supports and invests in this project. In addition, this token has recently added to the Binance Pay service along with Bitcoin and Binance Coin. Furthermore, there are many plans in the Swipe roadmap that can bring significant benefits to investors.

Bainance CEO Changpeng Zhao is close friends with Swipe CEO Joselito, and this has significant effects on Swipe's successful marketing.

Joselito is also the founder of Venus Token and Project, which is set to serve as a DeFi project in the Binance blockchain.

Technical Analysis of Swipe/USDT

By drawing the price chart in the daily time frame and macd indicator, it can be seen that the SXP reaches its support floor in the range of previous resistance of price actions, and on the other hand, the mcd chart predicts more fall and more conflicts in that range.

- **Financial Markets**

Technical Analysis of gold/dollars

By specifying the Fibonacci levels in the daily price chart, it can be seen that the price of currency pair is in range in the 23% and 38% Fibonacci bands and will continue to be in uncertainty until it goes up or down the edge of the bond. And traders will not risk entering it.

Steel

- **Semi-Finished Products**

Domestic billet prices in China boosted at the beginning of the week, welcoming the news about the RRR cuts by Chinese Central Bank. The Tangshan billet rose to as high as 4360 RMB/Mt on Tuesday, however, it lost momentum by the end of the week and retreated some of the gains to close at 4310

RMB/Mt on Friday, registering a weekly gain of 20 RMB/Mt. The US inflations data is set to empower the USD, which will put further pressure on commodities' prices for the holders of currencies other than USD. On the other hand, as the weather is getting cooler in north China and we approach the year-end, the construction activities are getting lower and traders will be in short of cash, forcing them to sell inventories while there are fewer buyers. In import market, the buyers' expectations does not exceed 600 USD/Mt CFR as the appetite for import is very low.

CIS billet supplier followed the downtrend in Turkish scrap market. A deal for Russian billet was heard to take place at 590 USD/Mt FOB to North Africa in the middle of the week, while the Southeast Asian buyers would not accept offers higher than 640 USD/Mt CFR, making CIS offers not workable in the region. With Turkish imported scrap falling by the end of the week, CIS billet prices expects another fall in the coming week.

Iranian billet prices also slumped by another 25 USD/Mt following a deal for 20k, January shipment at 540 USD/Mt FOB. Planner has heard a ready-to-ship cargo at 560 USD /Mt FOB, which failed to draw buyers' attention as they expect another price drop.

In slab segment, the CIS sellers further reduced their offers due to lower demand from the main consuming markets. The latest offers have been heard to Turkey at 650 USD/Mt CFR and to Europe at 670 USD/Mt CFR, while Turkish buyers are not ready to accept higher than 630-635 USD/Mt CFR. The slab price have more room to correct in the coming weeks.

Market Outlook: Considering the China factor, stronger USD, weak demand in main markets, depreciating Turkish Lira, and approaching the year-end, Planner believes that another round of price correction is highly likely for semis.

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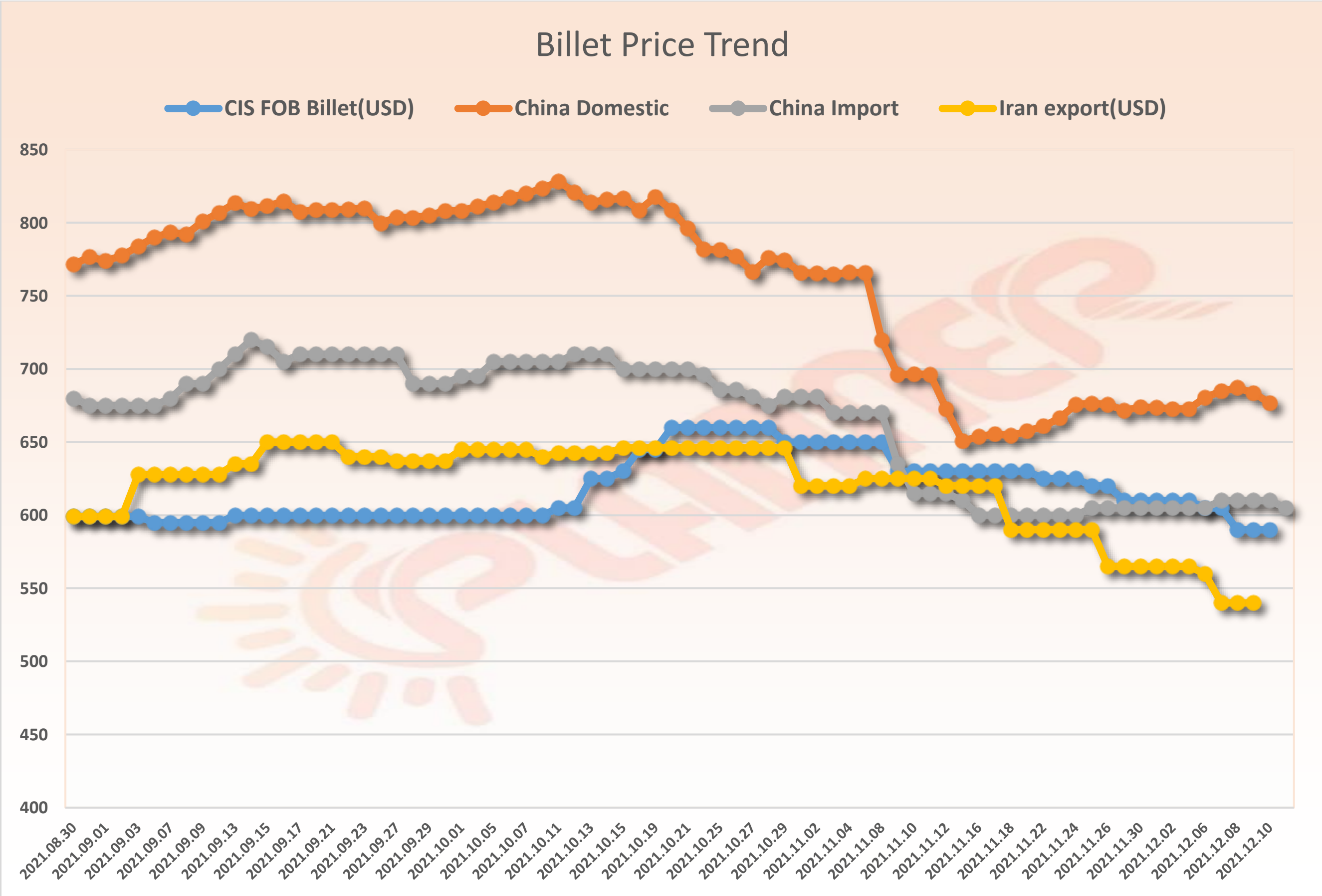

- **Finished long products**

The price of construction steel in China mainly fluctuated within a narrow range in both futures and physical market throughout last week. The average price of rebar in 31 major cities of China was 4827 RMB/Mt, only 29 RMB/Mt higher than last week level. In futures market, however, the price of main rebar contract 2205 went up first and corrected downward through the week-end to close at 4322 RMB/Mt by Friday, down 140 RMB from a week earlier. Despite the expectations, the injection of 1.2 trillion RMB to the economy failed to boost market expectations as Evergrande and other developers' financial situation worsened. Evergrande announced that the company might fail to meet its upcoming payments to the bondholders as house prices has dropped significantly over the past few months. The Chinese government has formed a risk mitigation committee to control the damage if Evergrande is to default on the payments. The investors fear that if the developer giant defaults, the demand for construction steel will largely fall and try not to keep too much stock in current condition.

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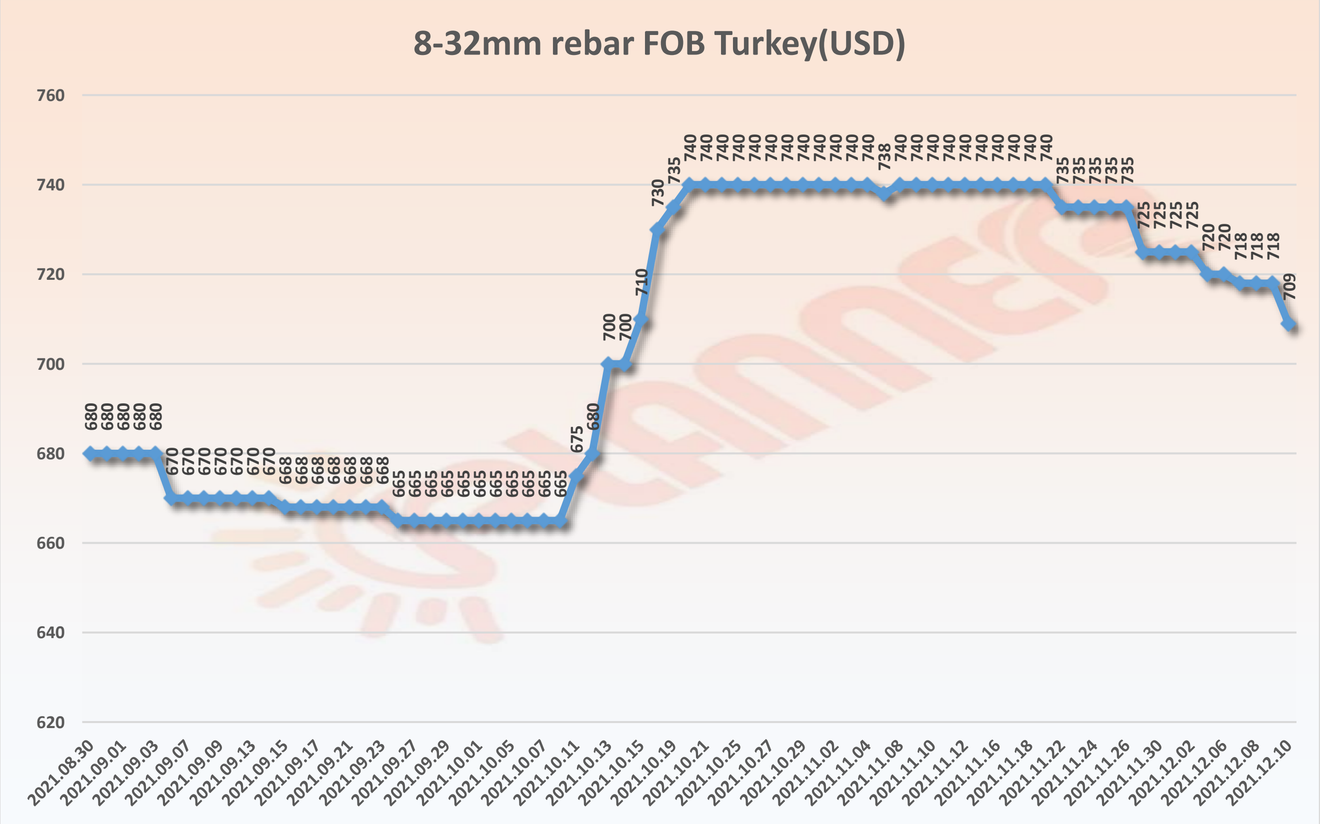
Weak demand for rebar in domestic and abroad accompanied by discouraging market in china impelled Turkish producer to lower their price. Planner index for exporting rebar of Turkey has dwindled by $11/mt to $709/mt this week, even lower price is workable depending on volume and destination as buyers rejected $720/mt FOB offered by sellers at the beginning of the week. In domestic market major producer, Kardemir failed to make transaction at $720/mt EXW (excluding VAT) announced on Tuesday forcing it to decreased price to $700/mt EXW to achieve sales. In the meantime, mills are reluctant to sell lower as they paid higher for imported scrap they ordered for December production. However, it is probable that cheaper scrap and billet as well as weak demand for rebar make even below $700/mt FOB price for export rebar workable.

Iranian rebar is widely available at 550-570 USD/Mt EXW, translating to 570-590 USD/Mt FOB. With low demand in domestic market and fierce competition among the suppliers, the further correction of prices next week will not be ruled out.

In wire rod market, the depreciating Lira and cheaper import scrap has maintained pressure on export quotes of the suppliers and offers are heard at 790 USD/Mt FOB, which are not of interest of the buyers in MENA or Southeast Asian nations.

Market Outlook: Planner still believes that weak demand will further put pressure on long steel prices and as holidays approaching, traders are forced to deplete their stocks.



- **Finished flat products**

The flats prices in Chinese domestic market shrugged off loose monetary policy from the central bank and followed the trend of longs, correcting slightly in spot market, but fell greatly in futures. The average price of HRC 4.75 mm in 24 major Chinese cities fell by 15 RMB/Mt on weekly basis to close at 4794 RMB/Mt including 13% VAT, while the futures market witnessed a week-on-week loss of 176 RMB/Mt to close at 4443 RMB/Mt on Friday. The shortage of semi-conductors has led to low activity in auto sectors, resulting in lower consumption of flats. In addition, the rumors about export duty for HRC from January 1st, 2022 has strengthened once again, leaving the domestic market in wait-and-see mood.

In CIS region, suppliers are under great pressure of low demand from Turkey and the EU, as well as lower import scrap tags in Turkish market. The latest offers from CIS sellers are heard around 790-800 USD/Mt FOB with no attention attached. It is estimated that HRC will follow the downtrend as we move through the year-end.

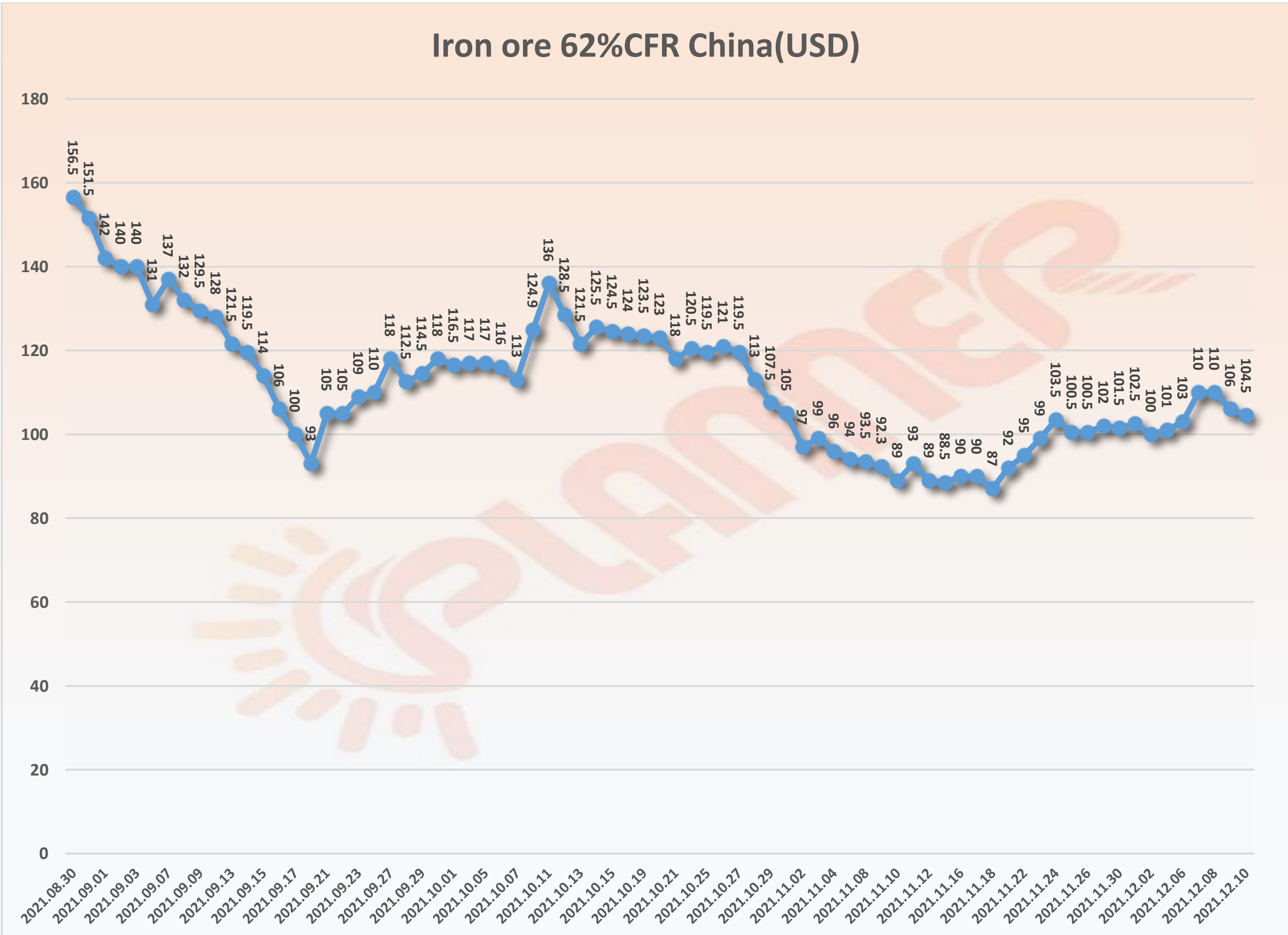
The CRC pieces in CIS market also fell by another 20-25 USD reaching the bottom of 900 USD/Mt FOB, while the demand is still low for such level. Further slump is highly likely in the next week.

Market Outlook: Planner predicts that flat prices will generally fall again next week across the major markets.

Raw Materials

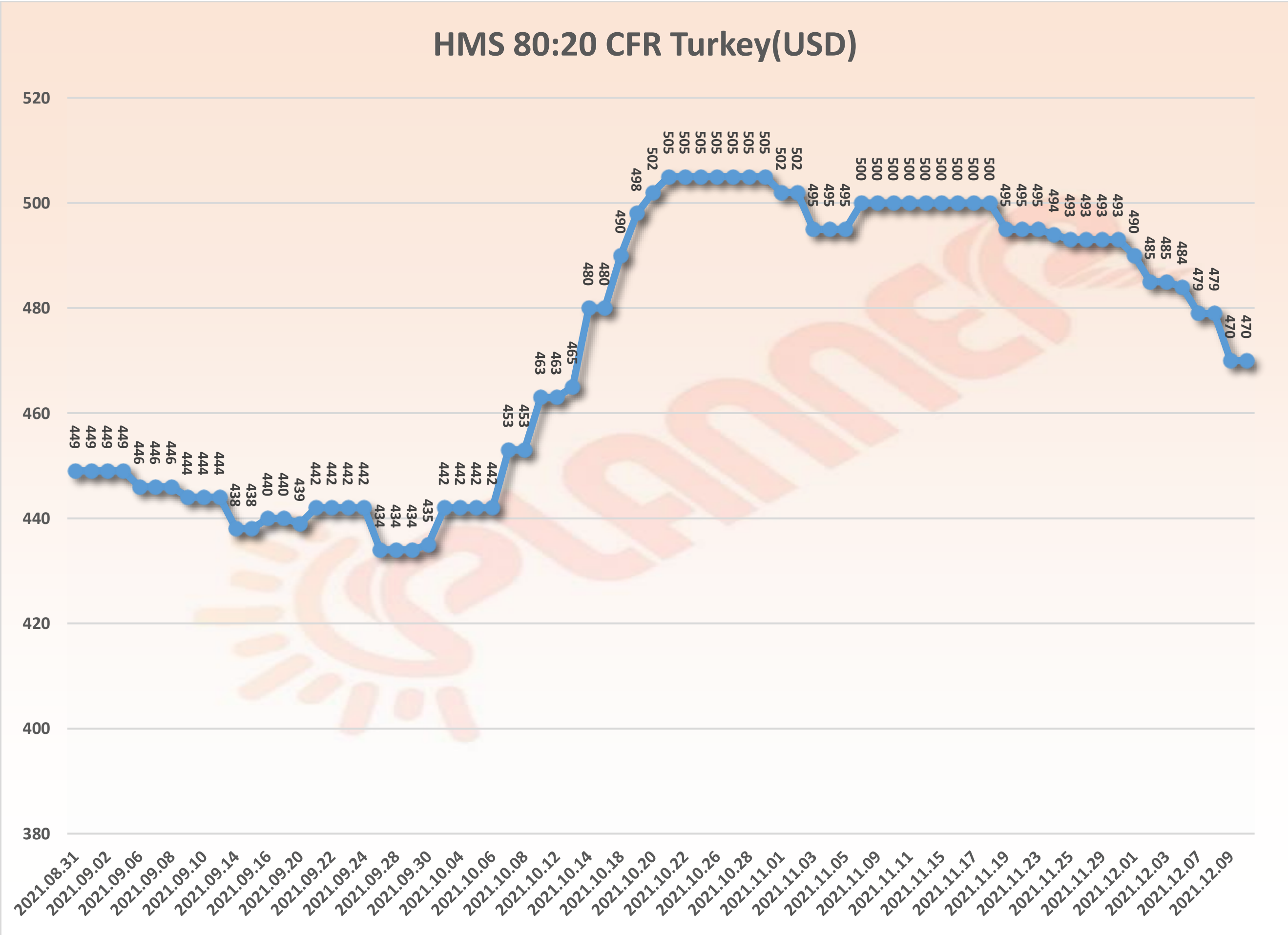
- **Iron Ore**:

Iron ore fines 62% Fe started last week with 103 USD/Mt CFR and ended at 104.5 USD/Mt CFR China, leaving the commodity 1.5 USD gain. The increase seems to be mainly dependent on higher expectations for Chinese steel output in spring 2022, while the fundamentals of iron ore remain dark. The inventory of ports have exceeded 155 million Mt, which is a new high record and shipments from the main exporters are unlikely to fall sharply in the coming months. It is also believed that the environmental restrictions for steel production will be tightened as China reaches Winter Olympics in February. Hence, Planner believes that iron ore will not have much room to continue the upward trend and would likely correct in coming weeks.



- **Scrap**

Over the week, following the bearish sentiment of steel market, Planner index for Heavy Melting Scrap 1&2 (80:20), US origin material slumped from $484/mt CFR Turkey to $470/mt CFR Turkey as a Benelux-Belgium batch of ferrous scrap was concluded at $460/mt CFR for HMS 1&2 (80:20) and $480/mt CFR for premium grade. Although descending price caused US suppliers to shun offering, it is probable that they would accept $470/mt CFR for HMS grade as they are forced to lower their offers in Asia and South East Asia due to weak market of finished products in the region. Dockside prices are assessed €360/mt at Benelux and $380/mt in USA. Planner expect that Turkish mills continue to pressure the raw material price because of the low demand of finished and semi-finished and to compensate for higher gas price and production costs.



- **Hard Cocking Coal**

The price of Australian coking coal increased due to heavy rains and wet weather in Queensland, Australian coal production hub, and consequent port delays of $20/mt. Two new contracts for 70,000 tons of mid-volatile Riverside coal priced at $340/mt fob with December lay can and 30,000 tons of Caval Ridge coal at $320/mt fob and January laycan were finalized. In addition to Australia, in British Columbia, Canada, severe weather conditions have delayed ports, which could boost metallurgical coal price. The situation in the Chinese market is completely different and buyers are not interested in importing material due to ample supply of domestic coal and better offers. Considering the risk of cyclones in Australia in Q1 2022, the price of metallurgical coal is expected to remain high, despite decreasing demand and declining steel production. The Chinese import market, even with the slight increase in domestic prices, is still a domestic product have priority and import market is likely to stay sluggish.

2021/12/10				
Commodity	**Origin**	**Currency, Delivery term**	**Price**	**Daily change**
LME aluminum closing (3-Month)		$/t	2,626.5	-0.5
LME Copper closing (3-Month)		$/t	9,534.5	-118
WTI crude oil (January Contract)		$/Barrel	70.94	-1.42
BRENT crude oil (January Contract)		$/Barrel	74.42	-1.4
Iron Ore, 62%	Australia	$/t, CFR China	104.5	-1.5
Ferrous scrap HMS I/II 80:20	USA	$/t, CFR Turkey	470	0
Coking coal	Australia	$/t, FOB	342	+2
Coking coal	-	$/t, CFR China	350	-10
Billet Q235	China	CNY/t, EXW	4,310	-50
Billet Q235	China	$/t, EXW	677	-6.5
Slab	China	CNY/t, EXW	4580	-80
Slab	China	$/t, EXW	719	-11
Imported Billet BOF/3SP 150mm	-	CFR China	605	-5
Billet	CIS	$/t, FOB	590	0
Slab	CIS	$/t, FOB	620	0
HRC	CIS	$/t, FOB	790	0
Rebar	Turkey	$/t, FOB	709	-9
Billet	Iran	$/t, FOB	540	0
Slab	Iran	$/t, FOB	580	-5
Rebar	Iran	$/t, EXW	560	-10
Transactions of construction steel (rebar, wire rod and bar-in-coil) in 237 Trading house of china				
Yesterday's trading volume (tons)			156938	
Today's trading volume (tons)			212344	

Steel Industry Admired Producers

22) Jingye Steel

Jingye Group is a large global steel rebar production base that is a multi-industry group mainly engaged in steel business, complemented by steel deep processing, international trade, powder metallurgy. Jingye Group is located in Pingshan County, Hebei Province, China. It currently staffed with 27,000 employees and its CEO is Mr. Li Ganpo. It ranks 217th among the top 500 companies in China and 95th in the manufacturing industry in China. Its leading products such as steel rebars, steel plates, steel coils, and its plates have won the Gold Cup Award for Physical Quality of Metallurgical Products of the China Iron and Steel Association. The Group has successfully developed a series of high value- added steels such as ship plates, bridge plates, high-rise building steels, high-strength seismic rebars, and round steels. The products are sold well in China and exported to more than 80 countries and regions. The Group has invested more than 5 billion Yuan in environmental protection, energy conservation and emission reduction. It is among Hebei Top 100 enterprises and China Top 500 enterprises in successive 8 years.

In 2013, it ranked 229 among Top 500 Chinese Enterprises, 110 among China Manufacturing Industries, 9 among Hebei Top 100 enterprises, and the first among Shijiazhuang Top 100 Enterprises. This group got nine classification societies in Germany, Norway, USA, China, England, Korea, France, Italy and Japan. According the latest information which released by world steel association, this company produced 16.30 m/t crude steel in 2020 and has ranked the twenty first among top steelmakers in the world. Enterprise culture consisting of quick response, immediate action, be well-prepared and focus on effects, safety is of great importance and shall come first, make employees rich and bear social responsibility.

Shipping Market

- **Capesize**

Both the overall index and timecharter average (5TC) gradually recovered back to the level last seen at the end of October, with BCI and 5TC posting at 4594 and $38,096 by the end of the week. Tonnage appeared tight in both basins. In the Atlantic, gossip was limited - especially for the transatlantic trade - but some strong fronthaul fixtures were reported in the second half of the week. The Atlantic routes remained in positive territory throughout the week. A premium was demanded on early arrival vessels for C3 the Brazil to Qingdao run, as well as the C5 the west Australia to Qingdao run. C3 closed the week at $29.14 with the relevant C14 time charter route reflecting at the level of $30,000. C5 was marked at $13.036 on Friday with fixtures reportedly done at the same level. The relevant C10 transpacific round voyage posted at $36,167 - a marginal improvement compared with $34,787 when the week started.

- **Panamax**

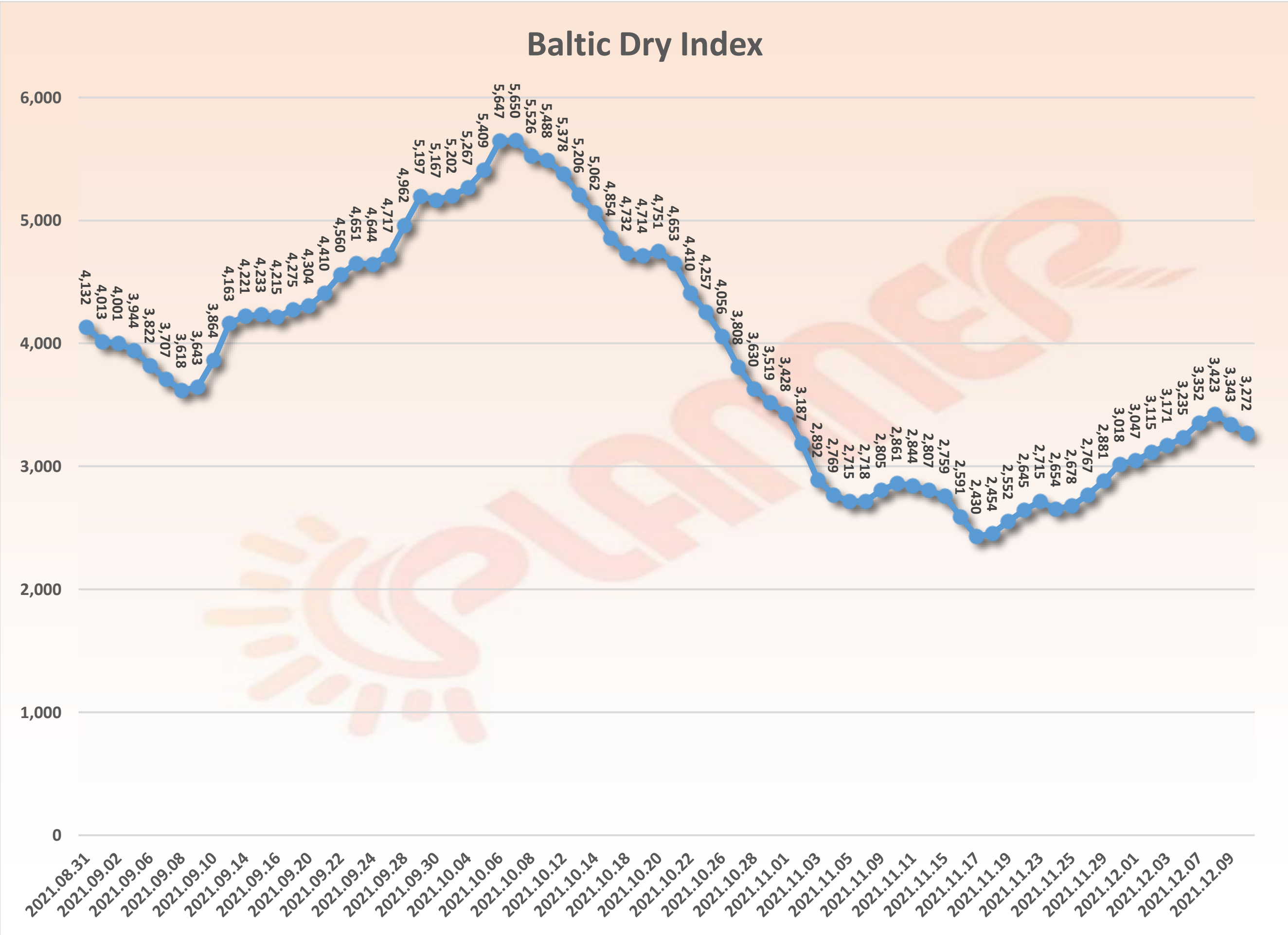
The Panamax market witnessed further rises this week with the Atlantic charting significant gains straight from the get-go. This eventually fed into the Asia market midweek as fresh demand here as well only added to improvement in rates across the board. The Atlantic saw both a mineral and grain led charge, pitted against a tight tonnage count from the Continent and Mediterranean positions. A scrubber fitted 81,000-dwt agreeing $38,500 for a NC South America round. In the background came support further south from EC South America with solid levels of demand. Asia began the week with somewhat of a two-tier looking market. The south was led by sound demand ex Indonesia and support from the Atlantic, but the North was looking less well supported. However, by midweek the NoPac, US Gulf and Australia markets rallied. The resultant rates picked up and a 82,000-dwt delivery Korea fixing $23,500 for an Australian round trip.

- **Ultramax/Supramax**

A stronger week across the board with increased activity from some key areas, such as the US Gulf and South East Asia. This led to a tightening of prompt tonnage availability. Period activity was seen and a 63,000-dwt open US Gulf was fixed for minimum three to about five months trading redelivery Atlantic at $35,500. Elsewhere, a 58,000-dwt open Kuwait was fixed for about one year at $22,000. In the Atlantic, demand was seen from the US Gulf, a 55,000-dwt fixing in the upper $40,000s for a trip to Japan. From the Mediterranean, a 56,000-dwt was fixed from the East Mediterranean for a trip to the US Gulf at close to $30,000. In Asia, more cargo was seen from Indonesia. A 63,000-dwt open Port Kelang fixing a trip via Indonesia redelivery China at $29,000. Whilst for Pacific rounds a 57,000-dwt open South China was heard fixed for an Australian round in the mid $20,000s.

- **Handysize**

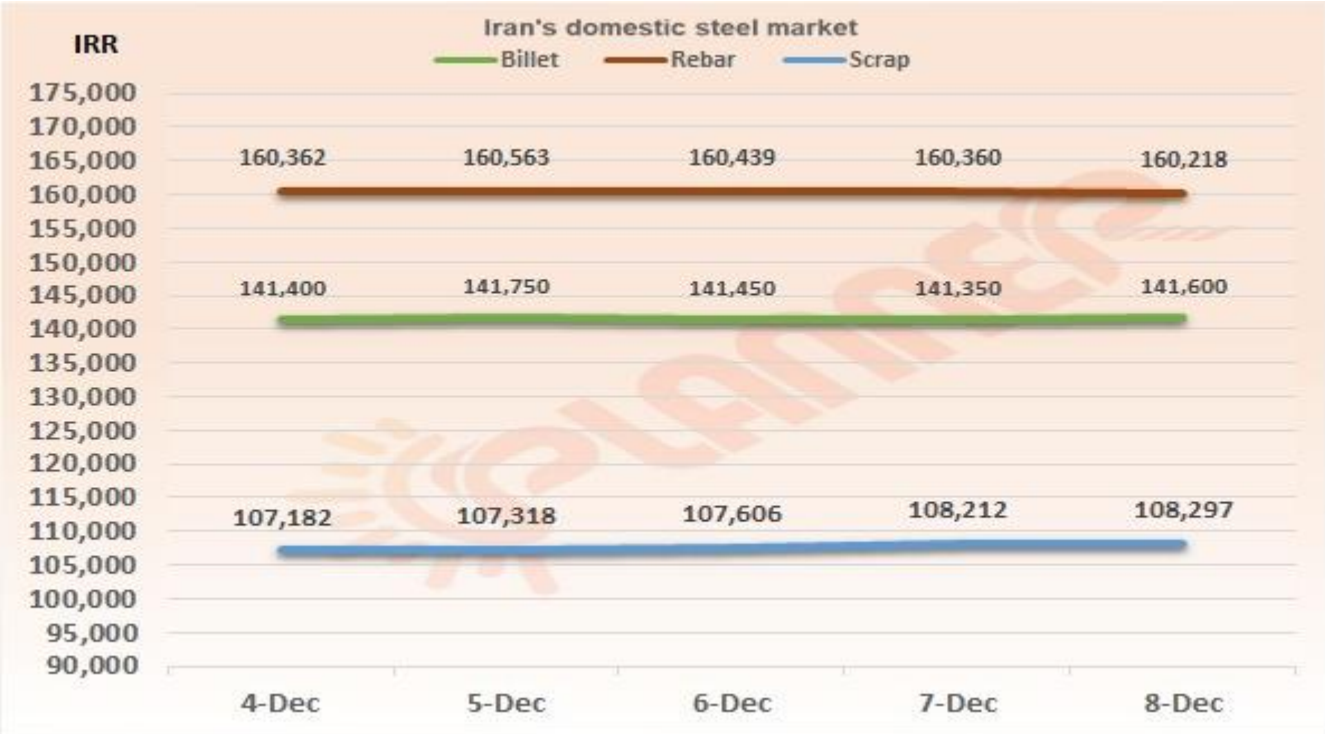
A story of two halves with many saying it was a slow start. As the week progressed demand in Asia increased and sentiment was healthier from the Continent. Limited period activity surfaced, but a 34,000-dwt open in the Mediterranean was fixed for one year at $20,000. In the Atlantic, a 37,000-dwt was heard fixed from Klaipeda with scrap to the East Mediterranean in the $40,000s. Whilst from East Coast South America, a 35,000-dwt was heard fixed delivery Recalada trip to Chile at $50,000. Elsewhere, from the US Gulf, a 37,000-dwt fixed a petcoke run from Houston to Denmark at $28,000. From Asia, a 37,000-dwt open North China early December trip via Japan to Thailand in the low $20,000s. Similar rates were also being discussed for handysized vessels open South East Asia for Australian round voyages.



Weekly Review of Iran Domestic Market

Last week, domestic steel market continued to stagnate due to the factors such as global steel prices fall, the cold season and declining demand, restrictions on gas consumption in industries, and rising dollar exchange rate. Market participants have been cautious in their dealings.

The weekly average price for spot rebar this week was 980 IRR less than the previous week and the average weekly price for spot billet decreased by 60 IRR compared to the earlier week. The billet and rebar trading average prices at IME market also have a downward trend. The average price for billet trades this week was 2550 IRR and the average price for rebar trades was 250 IRR, lower than the average price of earlier week.



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