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Planner Sunday Journal

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Editorial

The fear of the pandemic, even after Omicron variant showed face is no longer the concern of the Central Banks around the World, as another major challenge has put economies on the verge. Inflation has become the main bottleneck for major economies such as the US, England and Europe, since stimulus packages were widely enacted during the pandemic era. More and more tightening policies are being introduced by countries as economic data shows the cost of living is getting higher for households. The bank of England raised the interest rate by 0.15 basis points this week, while the tone of Federal Reserve turned hawkish in its latest meeting. It is expected that the Fed will raise interest rates 3 times in 2022, the first of which will happen in February, while it was previously thought of in March or later. Despite the surprising decision from the Fed, the dollar index has faced pressure during last week, since the Fed is not the only monetary policy maker contemplating interest rate hike. However, in the long term, the USD index is unlikely to fall lower than 95, and the pressure on commodities is bound to continue.

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Market at a Glance

Item Date	Last Month (Avr)	Last Week (Avr)	December 17	Change % (MoM)
Iron Ore CFR China	110.4	112	117.5	+6.4
Scrap CFR Turkey	479.2	470	469	-2.1
Billet FOB CIS	613.7	590	590	-4
Slab FOB CIS	683	616	600	-13.8
Rebar FOB Turkey	711.6	705	700	-1.6
HRC FOB CIS	829.2	790	790	-4.9
CRC FOB CIS	970.4	915	895	-8.4

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Macro Economy

- **USD Index**

The US dollar index traded higher above 96.6 on Friday, near to a 3-week high of 96.87 touched on November 24th, as investors were drove away from risky currencies as talks of a more hawkish monetary policy by major central banks intensified, while fears about the omicron variant have been reignited due to how fast it spreads. Investors were slowly coming to terms that US rate hikes next year are imminent with the Fed signaling three interest rate hikes by the end of 2022. Meanwhile, a study showed that the risk of Omicron infection is five times higher than the Delta variant, while has shown no signs of being milder.

- **Crude Oil**

Crude Oil prices slumped on Wednesday, driving major benchmarks to their lowest settlement levels since early October, after OPEC and the International Energy Agency warned of impending oversupply, while rising COVID-19 cases in Europe increased downside risks to demand recovery.

Prices dropped further in thin post-close trading after Reuters reported that the United States was asking other major global oil consumers like China and Japan to consider a coordinated release of oil reserves to bring prices down.

Brent crude futures fell $1.36, or 1.7%, to $81.05 a barrel by 12:18 p.m. EST (1718 GMT). U.S. West Texas Intermediate (WTI) crude futures settled at $78.36, down $2.40, a 3% decline.

- **Cryptocurrencies**

Dodgecoin

The History of Dogecoin

Jackson Palmer, a product manager at the Sydney, Australia, office of Adobe Inc., created Dogecoin in 2013 as a way to satirize the hype surrounding cryptocurrencies. Palmer has been described as a "skeptic-analytic" observer of the emerging technology, and his initial tweets about his new cryptocurrency venture were done tongue-in-cheek. But after getting positive feedback on social media, he bought the domain dogecoin.com.

Meanwhile in Portland, Oregon, Billy Markus, a software developer at IBM who wanted to create a digital currencybut had trouble promoting his efforts, discovered the Dogecoin buzz. Markus reached out to Palmer to get permission to build the software behind an actual Dogecoin. Markus based Dogecoin's code on Luckycoin, which is itself derived from Litecoin, and initially used a randomized reward for block mining, although that was changed to a static reward in March 2014. Dogecoin uses Litecoin's scrypt technology and is a Proof-of-Work (PoW) coin.

Proof of Work (PoW) forms the basis of many cryptocurrencies, allowing for secure, decentralized consensus.

Palmer and Markus launched the coin on Dec. 6, 2013. Two weeks later on Dec. 19, the value of Dogecoin jumped 300%, perhaps due to China forbidding its banks from investing in cryptocurrency.

Dogecoin (DOGE) is a peer-to-peer, open-source cryptocurrency. It is considered an altcoin and an almost sarcastic meme coin. Launched in December 2013, Dogecoin has the image of a Shiba Inu dog as its logo.

While it was created seemingly as a joke, Dogecoin's blockchain still has merit. Its underlying technology is derived from Litecoin. Notable features of Dogecoin, which uses a scrypt algorithm, are its low price and unlimited supply

Dogecoin started as something of a joke, but after it was created, it gained a following. By late 2017, it was participating in the cryptocurrency bubble that sent the values of many coins up significantly. After the bubble burst in 2018, Dogecoin lost much of its value, but it still has a core of supporters who trade it and use it to tip for content on Twitter and Reddit.

The Rise of Dogecoin

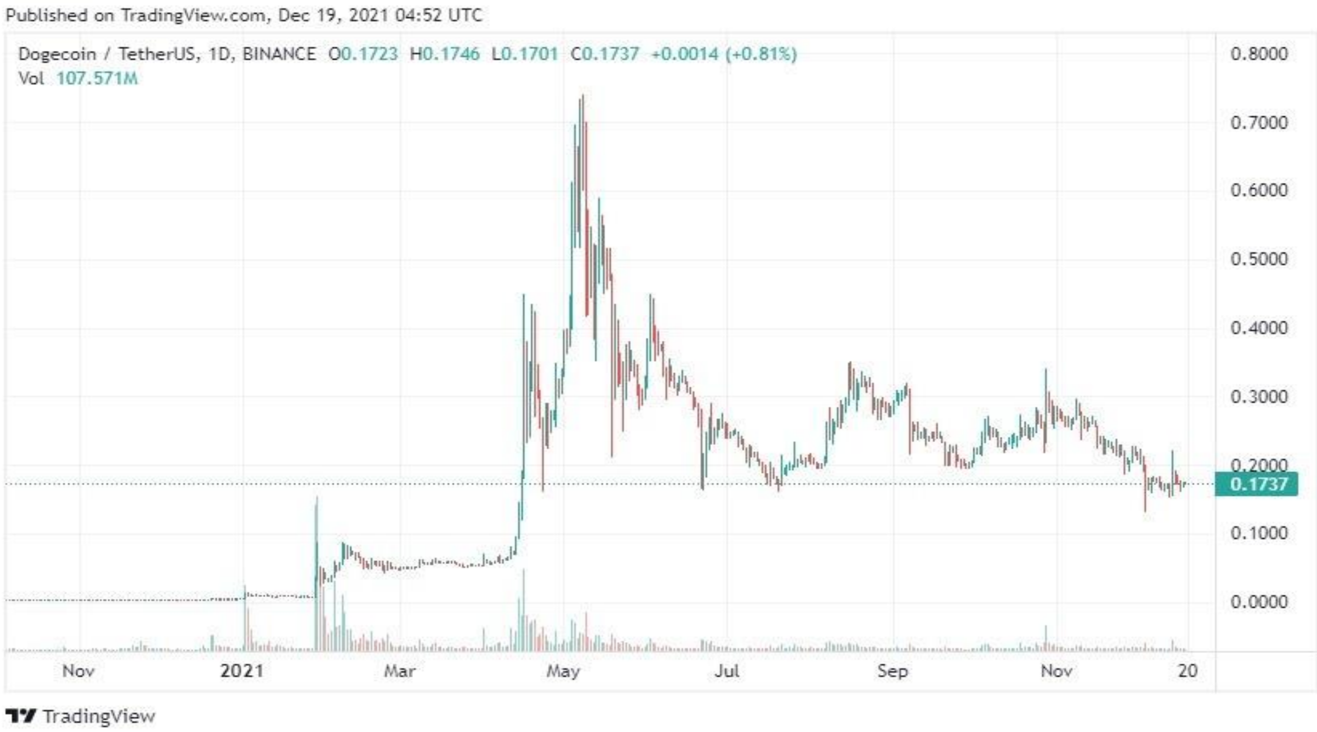
Dogecoin marketed itself as a "fun" version of Bitcoin with a Shibu Inu (Japanese dog) as its logo. Dogecoin's casual presentation suited the mood of the burgeoning crypto community. Its scrypt technology and unlimited supply was an argument for a faster, more adaptable, and consumer-friendly version of Bitcoin.

Dogecoin is an "inflationary coin," while cryptocurrencies like Bitcoin are deflationary because there's a ceiling on the number of coins that will be created. Every four years, the amount of Bitcoin released into circulation via mining rewards is halved, and its inflation rate is halved along with it until all coins are released.

In January 2014, the Dogecoin community donated 27 million Dogecoins worth approximately $30,000 to fund the Jamaican bobsled team's trip to the Sochi Winter Olympic games. In March of that year, the Dogecoin community donated $11,000 worth of Dogecoin to build a well in Kenya and $55,000 of Dogecoin to sponsor NASCAR driver Josh Wise.

Musk has openly supported Dogecoin in 2021, tweeting in May that he was working with the coin's developers to improve transaction efficiency. Earlier in the year, the SpaceX founder even ran a poll on social media asking if Tesla should accept Dogecoin as a form of payment. In October, cinema chain AMC Entertainment Holdings, Inc. (AMC) announced that it would accept Dogecoin for digital gift card purchases by the end of the year, further adding utility to the meme-based cryptocurrency.

As of Oct. 8, 2021, Dogecoin's market cap ranking was number 10, with a market capitalization of $31.9 billion, substantially higher than its year-ago position of 48 and $339 million market value.



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Steel

- **Semi-Finished Products**

Domestic billet prices in China rose for the third consecutive week on the back of lower steel output in main hubs of the country. The Tangshan billet price added 50 RMB over the week to trade at 4360 RMB/Mt on Friday, while Jiangyin port prices hiked by 70 RMB/Mt to 4520 RMB/Mt. China total November steel production were estimated at 69.31 million Mt, down 2.3 million Mt from September figure. This brings the cumulative crude steel output of China from January-November to 946.36 million Mt, down 2.6% from a year ago. The lower output has made some support for billet in Chinese domestic market. In addition, the billet inventory in Tangshan and ports little changed to 602,000 Mt. it is believed that although the domestic billet prices have some support, it is unlikely that the billet has much room to expand.

CIS billet supplier tried to hold their positions despite weaker demand in main consuming markets. The latest offers from Russia and Ukraine are heard at 590-610 USD/Mt FOB Black Sea based on the mill and the destination, while there is possibility of lower tags in case of firm inquiry. There is no room for such prices in Southeast Asia, and only Turkish buyers are reluctant to import due to Turkish Lira depreciation. Only North Africa and European nations are the hope for purchasing. The probability of another slide next week is high.

Iranian billet sellers sold some tonnages this week at lower levels. One of the main exporters of the country have sold 40k billet to Southeast Asia at 547 USD/Mt. Considering the freight and trader margin, the price is believed by insiders to be quite high, since ASEAN nations are not accepting anything higher than 620 USD/Mt CFR. Another lot for 10,000 Mt is said to be sold at 540 USD/Mt FOB to China, which matches market sentiments.

In slab segment, the CIS producers expanded their discounts by another 20 USD/Mt and offers reached 600 USD/Mt FOB. The chips shortage have forced automakers and whit goods manufacturers to lower their production, pressuring the demand for HRC. An

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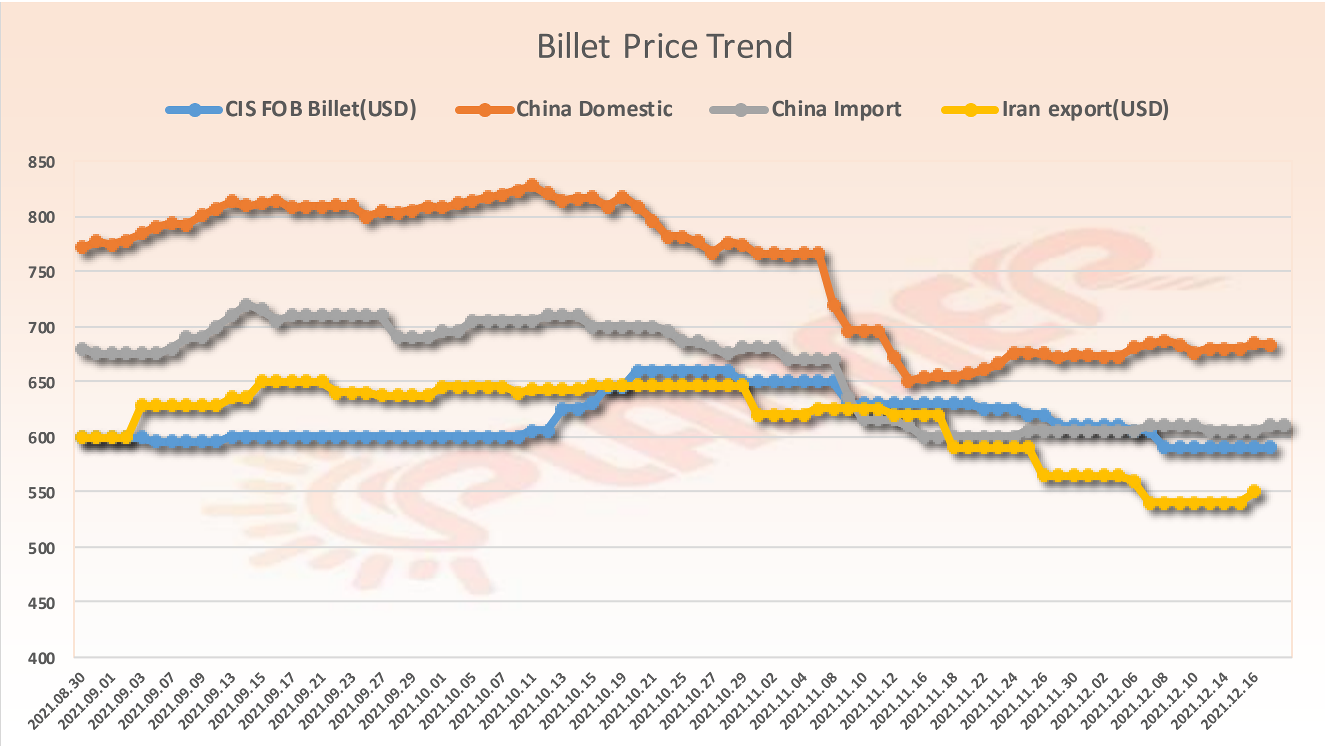
Iranian lot of 40,000 Mt has been sold to Southeast Asia at 568 USD/Mt FOB, marking a 17 USD/Mt fall in Iran slab quotes.

Market Outlook: Looking at China market, there is room for better demand in terms of semis import; however, the size of import increase will be limited. The condition in Turkish import market will get worse before getting better. Overall, the price of semis may fall further in coming weeks.



- **Finished long products**

The construction steel in Chinese domestic market expanded its gains last week, fueled by early winter storage operation by traders. The average price of rebar in 31 major cities of China reached 4863 RMB/Mt on Friday, a weekly increase of 36 RMB/Mt. The main contract of rebar in futures market closed at 4505 RMB/Mt on Friday, marking 183 RMB/Mt hike compared to last week level. The better performance of futures market is attributed to the wider discount compared to spot market. With cold weather hitting north China, traders are reluctant to buy huge quantities, however, mills do not have much desire to resume production since their profitability is not satisfactory. The situation caused inventories to deplete further, supporting the longs prices in Chinese domestic market.

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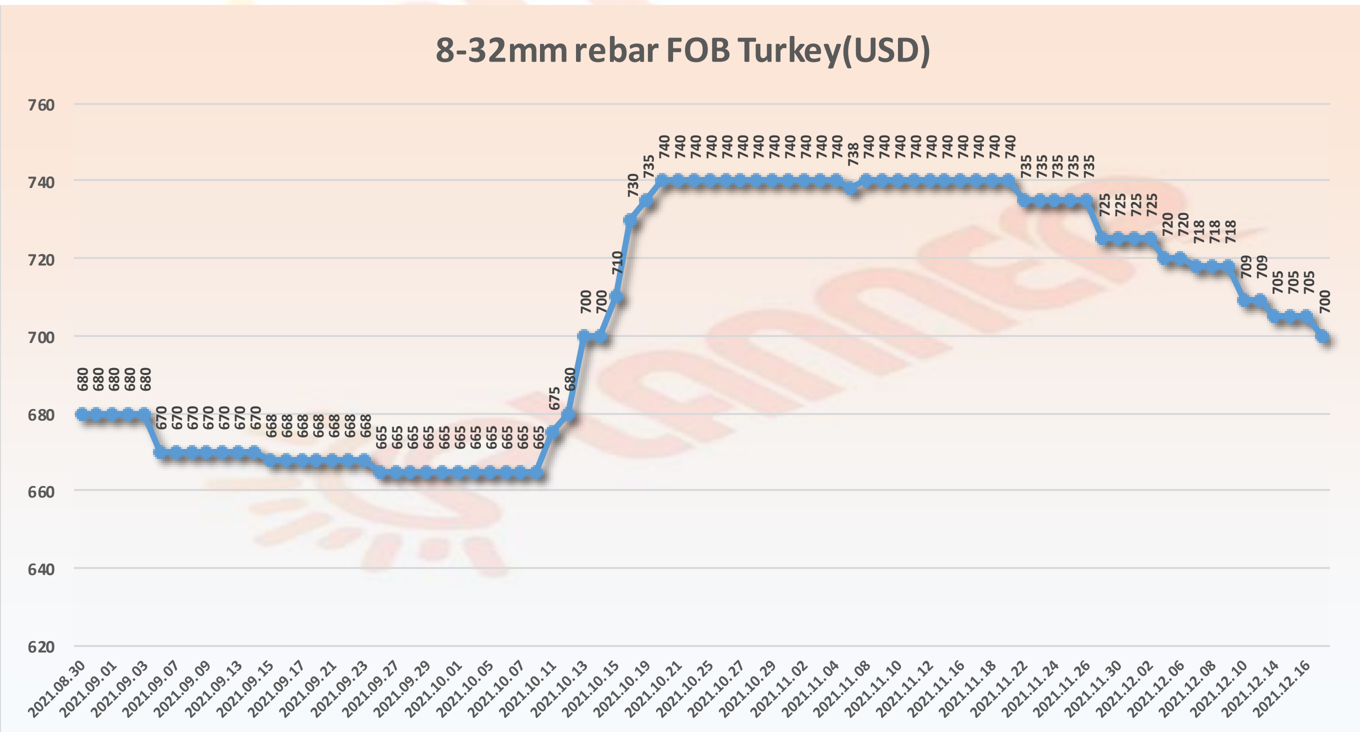
The Planner Export Rebar price index fell from $709/mt fob to $700/mt fob during the week due to prevailing downward trend in steel market and weak demand before the New Year holidays. Demand for rebar is low in MENA and Africa, and sellers are willing to provide more discounts to finalize deals. The price of Turkish products with Southeast Asia ($715-730/mt) CFR is still high and there is no inquiry for imports from Turkey after finishing the European import quota. Planner assessed workable price in the range of $695-705/mt FOB and expects that downward continue until the end of this year.

Turkish domestic and imported ticket billet tags have fallen by $10-20/mt in the absence of market demand, and are estimated at $ 650-640/mt EXW in the domestic market, while import offers are in the range of $ 625-640/mt CFR Turkey.

Iranian rebar producers tend to give more discounts to buyers in order to sell some tonnages. Tags for Iranian rebar reached as low as 535 USD/Mt EXW to neighboring countries, down 15 USD/Mt from a week earlier. The lack of demand and confidence in domestic market acted as other negative factors for Iranian longs producers.

In wire rod market, as Turkish Lira hit a new low, the export offers from Turkish producers fell again this week to 780-790 USD/Mt FOB. Offers from Iran come at 620-630 USD/Mt FOB, but no deals have taken place at such levels.

Market Outlook: Considering the lack of demand and New Year's holidays ahead, Planner believes that the long steel prices have more space to fall.



- **Finished flat products**

The flats prices in Chinese domestic market had better performance than longs. The average price of HRC 4.75 mm in 24 major cities of China rose by 65 RMB/Mt on a weekly basis to 4859 RMB/Mt on Friday. The main contract of HRC in Chinese futures market hiked by 237 RMB/Mt to 4680 RMB/Mt, boosting the expectations of buyers. Both production and consumption of the hot-rolled coil in China increased, but no signs of inventory accumulation have been noticed. The HRC inventories across China fell by 91,300 Mt to 3.08 million Mt, however, the pace of decrease in inventories may slow down next week due to larger shipments from north China.

In CIS region, the demand for HRC is still bearish due to lower productivity in downstream industries like auto sector and household appliances. The sellers tried draw the attention of buyers with offers as low as 780-790 USD/Mt FOB, but failed to conclude deals. As the price of slab slumped last week, the possibility of HRC price fall next week is highly likely.

The CRC pieces in CIS market fell by another 15-20 USD/Mt on the back of cheaper slab and lower demand. The situation is not considered to get any better in the next week and the market might witness another price fall.

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 marked its best performance in a long time and reached 117.5 USD/Mt CFR China on Friday. Despite higher port inventories, the iron ore price went up, as expectations of higher steel output in December intensified. During the first ten days of December, Chinese key mills produces 19.343 million Mt of crude steel, an increase of 2.174 million Mt compared to the last 10 days of November. China reached its goal of lower steel production in 2021 in November and now has room for higher output in December.

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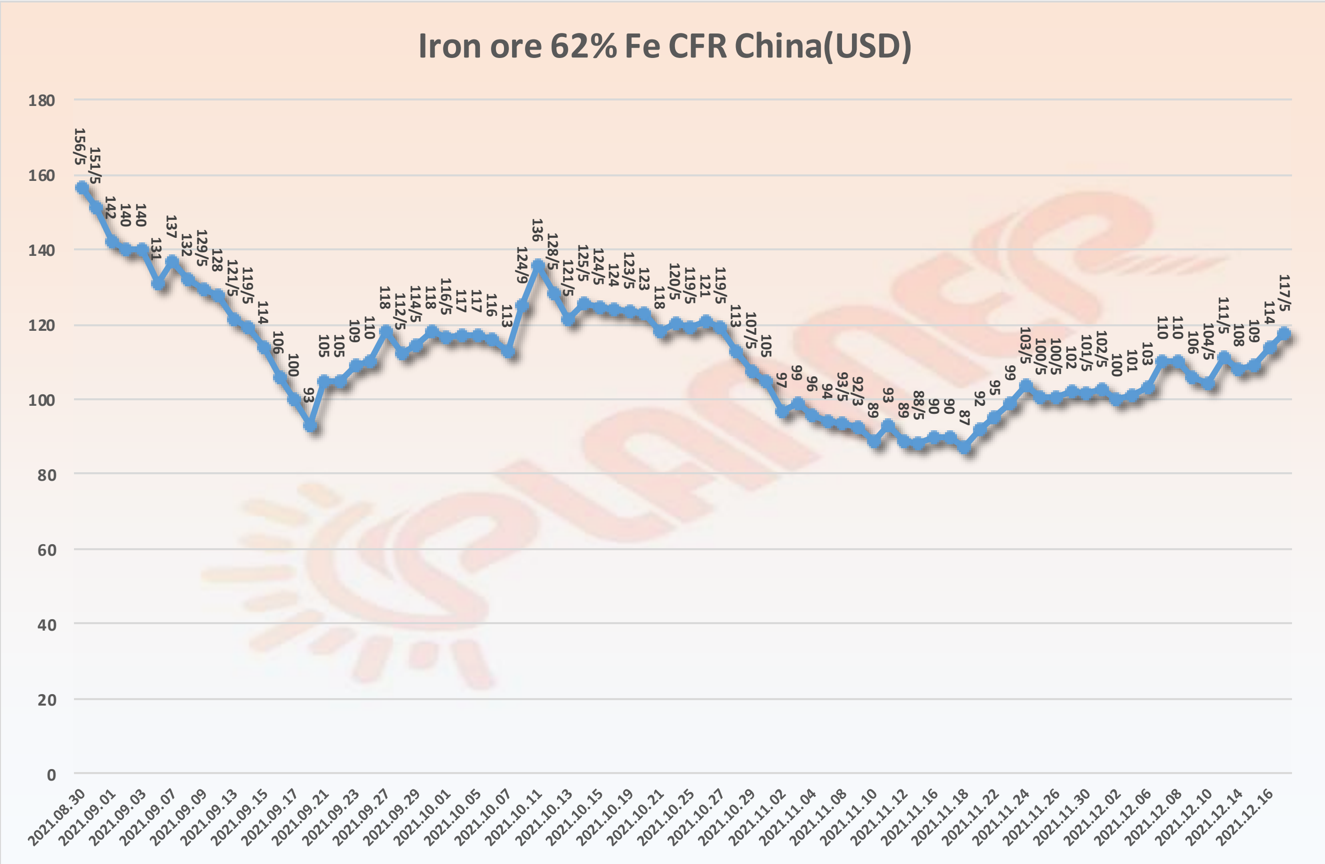
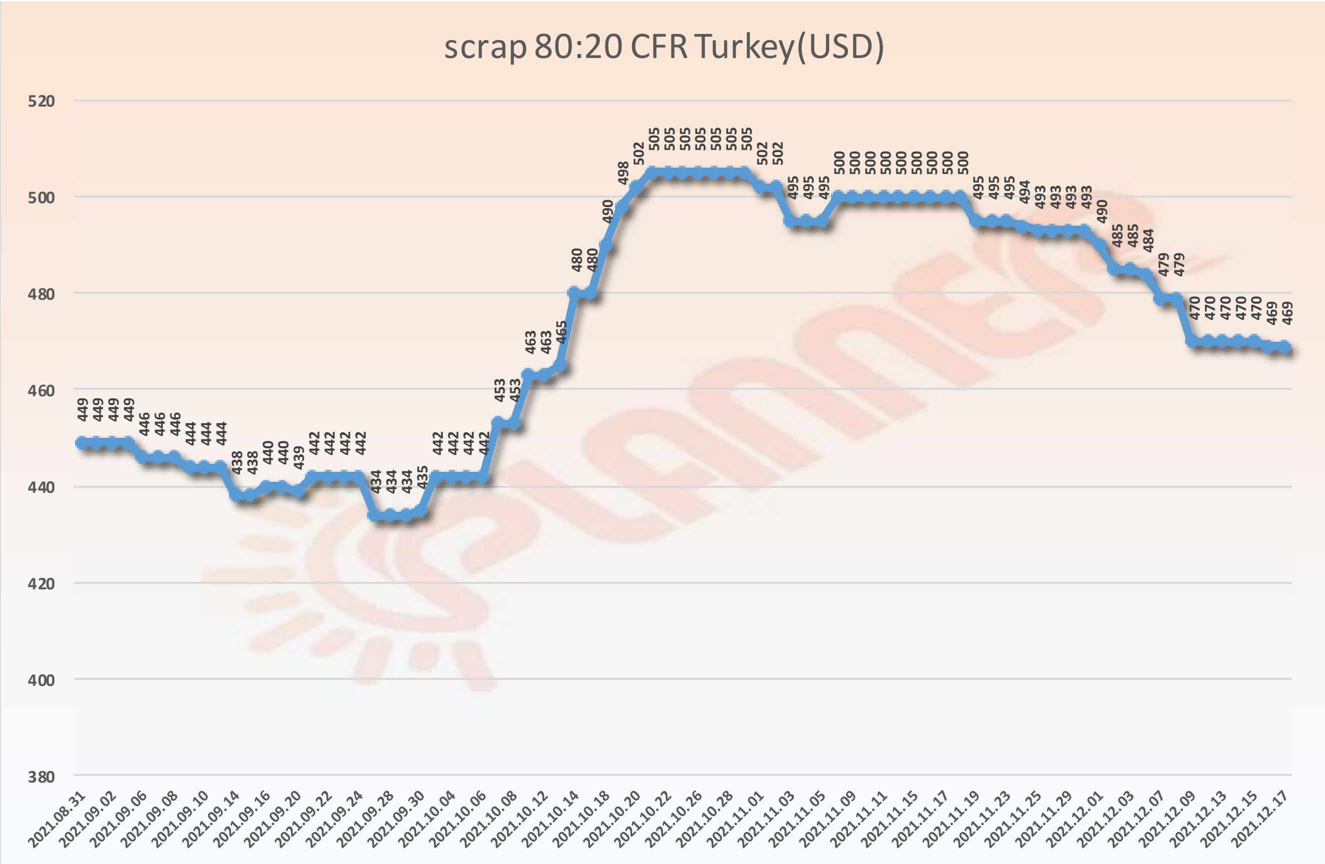
Despite the hike in iron ore price, the outlook of the commodity remains dark. The port inventories touched 157 million Mt last week and steel production restrictions will remain in place, as China is to host Winter Olympics in February 2022.



- **Scrap**

Over the week, The scrap import market awaited the Turkish Central Bank's decision on interest rates with minimal activity when on December 16. the Central Bank of Turkey lowered interest rates from 15% approved in November to 14% caused lira depreciate again by 18.7%, from 13.8339 at the beginning of the week to 16.4188 at the end of the week. The weakening lira, declining demand and falling prices of steel products in most regions, along with high inflation and shaky economic conditions, have prompted steelmakers to seek more discounts, causing Planner ex-US HMS I/II 80:20 scrap price index fell from $470/mt CFR to $469/mt CFR due to the bearish sentiment of steel market. On the other hand, due to the need of Turkish producers to supply the required raw materials, supplier show resistance to the further reduction of prices. In addition, based on the expectation of increasing the maintenance of Turkish mills in January and reducing the need for scrap cargos, the downward trend in the prices of semi-finished and finished products in domestic and export markets slumped. Considering the preference of Russian suppliers for exports before the New Year because of the increase in scrap export duties from January 2022, Planner sees the continuation of the downward trend in imported scrap more likely. It is expected that new transactions of HMS I/II 80:20 scrap to be in the range of $ 455-469/mt CFR for European materials at lower range and Baltic and US scrap at upper range of price limit.



- **Hard Cocking Coal**

The China CFR and FOB Australia coking coal market were relatively stable this week. In China, the better option of supplying raw materials from the domestic market with more suitable price and delivery conditions, as well as the Australian coking coal cleared at ports, made Chinese traders reluctant to procure uncompetitive seaborne material from North America.

In the domestic market, the expectation of steel output increase in December and rising demand for raw materials, the price of coke and coking coal in the Dalian Commodity Exchange showed ascending trend and prices in the physical markets are expected to grow. Limited inflow from Mongolian border has also reduced the supply of coking coal in northern China which support price increase.

The price of low vol Hard Coking Coal is $360/Mt EXW in Shanxi and the import offers heard $395/Mt CFR. Met coal seaborne market is expected to remain silent due to preferable domestic supply conditions.

In Australia, wet weather conditions and rainfall caused logistics issues and delays in ports which support price increases, although there is little buying inclination and more offers from North American suppliers as Chinese buyers remain inactive recently.

2021/12/17

Commodity	Origin	Currency, Delivery term	Price	Daily change
LME Aluminum closing (3-Month)		$/t	2,667	+70
LME Copper closing (3-Month)		$/t	9,507.5	+308
WTI crude oil (January Contract)		$/Barrel	72.38	+1.51
BRENT crude oil (January Contract)		$/Barrel	75.02	+1.14
Iron Ore, 62%	Australia	$/t, CFR China	117.5	+3.5
Ferrous scrap HMS I/II 80:20	USA	$/t, CFR Turkey	469	0
Coking coal	Australia	$/t, FOB	342	0
Coking coal	-	$/t, CFR China	350	0
Billet Q235	China	CNY/t, EXW	4,360	0
Billet Q235	China	$/t, EXW	684	-1
Slab	China	CNY/t, EXW	4570	+10
Slab	China	$/t, EXW	717	+1
Imported Billet BOF/3SP 150mm	-	CFR China	610	0
Billet	CIS	$/t, FOB	590	0
Slab	CIS	$/t, FOB	600	-20
HRC	CIS	$/t, FOB	790	0
Rebar	Turkey	$/t, FOB	700	-5
Billet	Iran	$/t, FOB	550	+10
Slab	Iran	$/t, FOB	570	-10
Rebar	Iran	$/t, EXW	550	-10

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Transactions of construction steel (rebar, wire rod and bar-in-coil) in 237 Trading house of china	
Yesterday's trading volume (tons)	182233
Today's trading volume (tons)	166502

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Steel Industry Admired Producers

23) Novolipetsk

Novolipetsk is the main production site of NLMK Group, Russia's biggest producer of steel and high value added steel products and one of the world's most efficient steelmakers. The Lipetsk area in central Russia has had substantial iron ore deposits. In 1702, Peter the Great ordered the construction of an iron foundry there. In 1931, Novolipetsk Iron and Steel began construction of a plant on the site of the iron ore mine. Prospering down through the decades, Novolipetsk became a joint-stock company in 1992 and then in 1993 began the process of privatization by distributing company shares to its employees. In 1998, Vladimir Lisin became the chair. The manufacturing area in Lipetsk covers 27 square kilometers. Less than half of NLMK's output of steel is sold in Russia. The company's primary source of iron ore is now Stoilensky GOK, a company that is 350 km from the mills at Lipetsk. The site is the core of NLMK Group's single international production chain, with assets in Russia, the EU, and the USA. It is currently the third largest steelmaker in Russia and specializes in flat steel products. NLMK's high-quality steel products are used in several strategic sectors of the economy, from construction and machine building to the production of energy equipment and large-diameter pipes.

It has 33% share of the Russian CRC market, 23% share of the Russian HDG market, 21% share of the Russian pre-painted steel market and 99% share of the Russian transformer and dynamo steel market, 18% share of the Russian production. NLMK exports steel products to 50 countries worldwide and it has 26.7k employees. It is headquarter is in Lipetsk, Russia and the CEO of NLMK is Mr. Grigory Vitalevich Fedorishin. This company is producing all kinds of flat and long steel products, Pre painted steel products, semi-finished products and raw materials. In 2019, this company had revenue $10.6 billion with net income $1.34 billion and total assets $10.5 billion. According the latest information which released by world steel association, this company produced 15.75 m/t crude steel in 2020 and has ranked the 22nd among top steelmakers in the world.

Shipping Market

- **Capesize**

The Capesize market peaked mid-week from its recent rally as the 5TC marked down -$1344 on the last day of the week to settle at $40,035. A tonnage tightness in several positions, particularly in the north Atlantic, led to gains early on in the week. However, sustained downward pressure from the Pacific and Ballaster routes took its toll as the week progressed. The West Australia to China C5 closed out at $13.732. In addition, while the route suffered substantial losses to end the week, there is said to be tightness on loading position in the nearby dates. The Transpacific C10 now rates $39,308, while the China Brazil China ballaster route C14 now rates at $27,268 to the Transatlantic C8 at a stronger $52,750. The Brazil to China C3 heading into next week will largely be focusing on loading dates in the New Year. This will likely coincide with a slowdown coming into the Christmas holiday period, as various traders look to risk travel protocols to navigate perilous Covid rules in heading home for some long overdue family time.

- **Panamax**

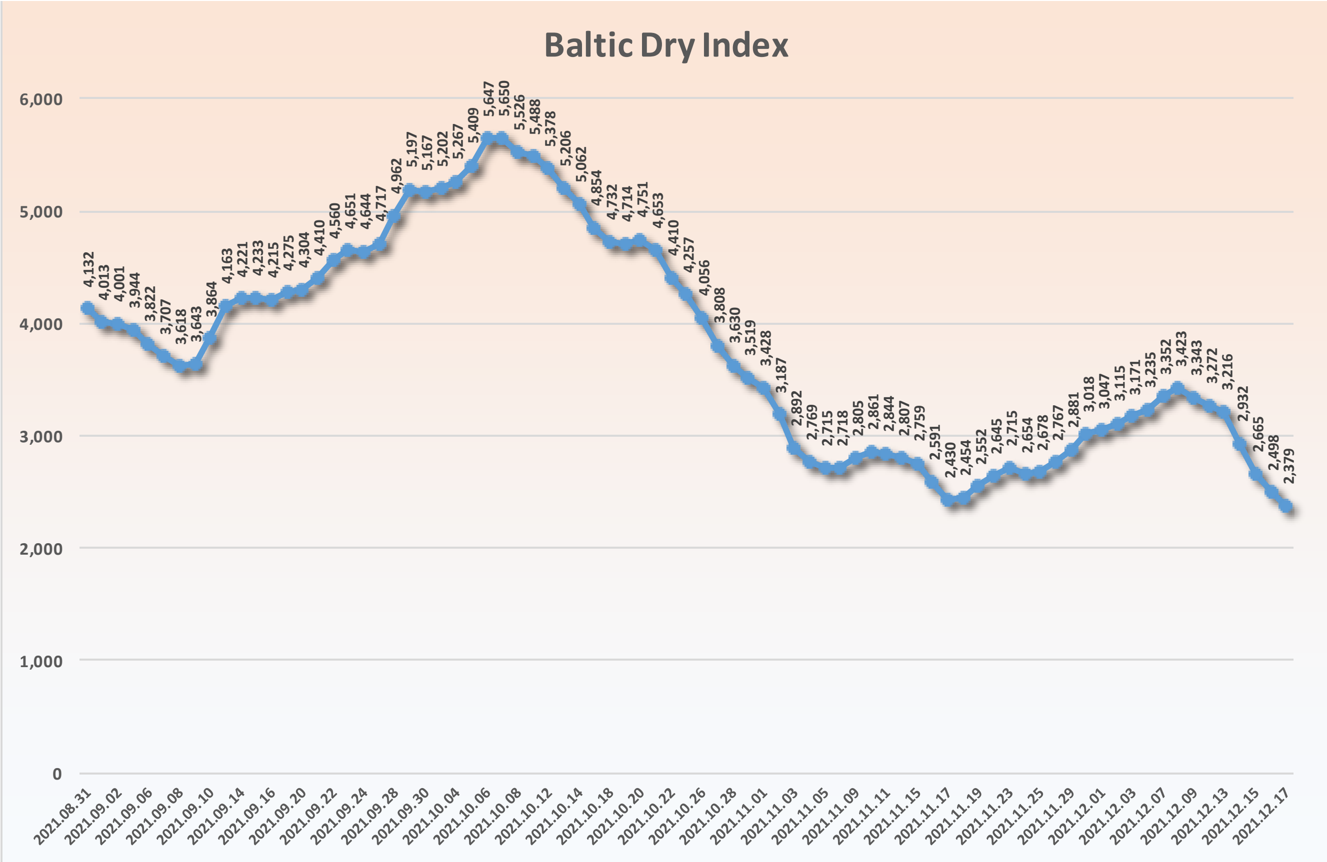
The week began on a bright note for the Panamax segment with a positive and firmer looking market carried over from previous. However, this proved to be short lived with both basins easing. The support had ebbed away with Charterers now taking a firm hold on the market. The Atlantic saw tonnage build up in most areas. In addition, without any distinct enquiry, rates had to give and duly obliged. Committed ships agreed to APS levels equivalent to sub index rates basis DOP delivery only applied further pressure. An 82000-dwt delivery Rotterdam agreeing $36,000 for an EC Canada round trip midweek. Asia followed a similar pattern. The south of the region began brightly as Atlantic demand lent some support. Again, insufficient NoPac/Australia demand proved to be the catalyst for further corrections in the market. An 87000-dwt delivery South Korea fixing $23,000 for an EC Australia round, typifying the softer market.

- **Ultramax/Supramax**

A positive week overall with most areas seeing stronger demand. More enquiry appeared from key areas such as the US Gulf and Indonesian coal demand was up putting pressure on rates. Period activity was seen, with Ultramax size open China fixing in the mid to upper $20,000s for one year. In the Atlantic, a 63,000-dwt from the US Gulf fixed 10/12 months trading redelivery Atlantic at $30,000. From the Atlantic, increased activity from The Continent saw 57,000-dwt fixing a scrap run to the East Mediterranean in the upper $30,000s. From the US Gulf a 55,000-dwt was heard to have fixed a run to the Black Sea in the high $30,000s. In Asia, pressure for prompt tonnage saw a 63,000-dwt fixing delivery Philippines via Indonesia redelivery China at $33,000. On backhaul runs from Asia, a 55,000-dwt was fixed for a trip to the Black Sea at $20,500. All eyes on the upcoming week to see if this momentum will continue.

- **Handysize**

Some small rises on the BHSI with positive sentiment in Asia and parts of the Atlantic. A 28,000-dwt open in Vietnam was fixed for a quick South East Asia round trip at $20,000. The US Gulf region has seen more cargo enquiry. A 39,000-dwt rumoured to have been fixed for a trip to New Zealand in the low $30,000s. In East Coast South America the market remains firm with a 38,000-dwt fixing a trip from Brazil to North coast South America in the low $40,000's. A 34,000-dwt open in Northern Europe was fixed for a trip via the Baltic to the Western Mediterranean at $32,000. A 34,000-dwt open in Otranto fixed via the Black Sea to Tampa-Vera Cruz range with an intended cargo of steels at $29,000 and a 37,000-dwt open in Turkey was fixed for a trip to North Coast South America – East Coast South America range at $29,000.



Weekly Review of Iran Domestic Market

Last week, domestic steel market continued to decline due to the US Dollar exchange rate decrease and the contradictory news regarding the nuclear negotiations, therefore the country's steel market was silent. The weekly average price for spot rebar last week was 158,533 IRR, which was 1,855 IRR lower than the earlier week. The weekly average price of spot billet (139,920) also decreased by 1,590 IRR compared to the previous week. At IME market, the trading volume of billet and rebar was much lower than the supply announcement, and the average trading rate this week was lower than the previous week.

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