

Planner Sunday Journal

January 30th, 2022



Editorial

The Fed surprised the market with its meeting last Wednesday. Participants now expect the Fed to raise interest rate by 5 times this year, compared to 3 rate hike expectations at the beginning of the year. Each time the Fed will raise the interest rate by 0.25%, which means the interest rate will stand at nearly 1.4% by the end of the year. The move pressured the market to a great extent and caused the major indices of Wall Street to slump. The US bonds soared to a great extent affected by the news. Perhaps, the key factor affecting such aggressive stance by the Fed is inflation. The US monetary policy maker has missed all the targets for inflation in 2021 and the US households have started to feel the pressure of inflation in their lives. Now, the readings of the inflation every month will be studied with more scrutiny by the participants in order to determine what will be the next move of the Fed. In March, we will most likely observe the first rate-hike, and probably 2 more to come in the second quarter, which means the US dollar will hold its strong position at least in the short term.



Market at a Glance

Item Date	Last Month (Avr)	Last Week (Avr)	Jan 28 th	Change % (MoM)
Iron Ore CFR China	124.5	139.3	146	+17.2
Scrap CFR Turkey	470.5	469.6	470	-0.5
Billet FOB CIS	610.2	634	640	+4.8
Slab FOB CIS	613.6	606	630	-2.6
Rebar FOB Turkey	701.6	701	701	-0.2
HRC FOB CIS	791.5	781	785	-1.8
CRC FOB CIS	953.5	915	890	-7.1

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Macro Economy

- USD Index

The US dollar index held its advance trading above 97 on Friday after gaining more than 1% in the past two sessions, hovering levels around last seen in July 2020 as investors came to terms that aggressive Fed interest rate hikes are imminent. On Wednesday, the US central bank set a more hawkish tone signaling a rate hike in March and suggesting more frequent and larger interest rate increases could take place this year as the economy is strong. Reinforcing this view, on Thursday data showed US economy grew 6.9% in Q4, much more than expected. The dollar index was set to end the week about 1.6% higher, its biggest weekly gain since June 2021.

- Crude Oil

Crude Oil prices rose to a more than seven-year peak on Friday and recorded their sixth straight weekly gain as geopolitical turmoil exacerbated concerns over tight energy supply.

On a weekly basis, the benchmark contracts notched their longest run of gains since October.

Brent futures rose 69 cents to settle at \$90.03 a barrel, after hitting \$91.70, the highest level since October 2014. U.S. crude closed 21 cents higher at \$86.82 per barrel, after hitting a seven-year peak of \$88.84 during the session.

- Cryptocurrency

What is Decentraland?

Being in a virtual world with a different atmosphere than what we have ever experienced has been an idea that always led to new innovations around the world. Blockchain technology and NFT tokens make the opportunity even greater. At present, based on the two mentioned concepts, various projects have been created in the cryptocurrency market, each of which pursues specific goals. The Decentraland project is one of the most popular projects that has received a lot of attention nowadays. Join us to discuss the Decentraland project.

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Decentraland is a game where you can buy and sell real estate. A number of plots of land have been included in the game platform, which have been identified using the project's token. To buy and sell lands, you have to buy Tokenland through the digital currency of Decentraland, i.e., MANA. Land tokens are NFT or Non-fungible token. Therefore, individual ownership in the space of this game is registered by tokens.

It is possible for you to take steps after the purchase of land in the game to develop and make the land more valuable. Then you can sell it at a higher price and earn MANA token.

In recent months, games like Decentraland have received more and more attention as the news about Metavars become widespread in the world media. It does not matter if you are interested in participating in these games or you are just an investor in the digital currency market. It seems that despite the good growth that NFT tokens have experienced in recent years, we should expect to hear more good news about them in the future.

Technical Analysis of Decentraland

Drawing a daily price chart along with Bollinger indicator, it can be seen that the price has recently moved to the middle of the Bollinger when it hits the lower edge of the indicator, it is climbing to the upper edge of the Bollinger.



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Technical Analysis of Euro/ US Dollar

Drawing a weekly price chart next to Ichimoku shows that the pair is approaching weekly support floor, and the possibility of a price reduction below this range seems unlikely.



Steel

- Semi-Finished Products

Domestic billet prices in China continued its upward trend on the back of higher production cost and new environmental restrictions imposed on mills throughout the country. Tangshan billet were offered at 4500 RMB/Mt ex-works including 13% VAT on Friday, up 50 RMB from a week earlier. Hebei Province local government issued an orange-level warning last week, requiring all industrial enterprises to comply with the restrictions. Plus, the steelmaking ingredients soared once more, causing the production cost to rise. Currently, the cost of billet in Tangshan is around 4165 RMB/Mt, which shows a weekly gain of 54 RMB. However, Billet inventories in the region rose by 34.6 KMT on weekly basis to 218,000 Mt as Spring Festival is about to start.



CIS billet suppliers also pushed their prices further up. The latest offers from the sellers come at 640 USD/Mt FOB, registering an increase of 10 USD over the week.

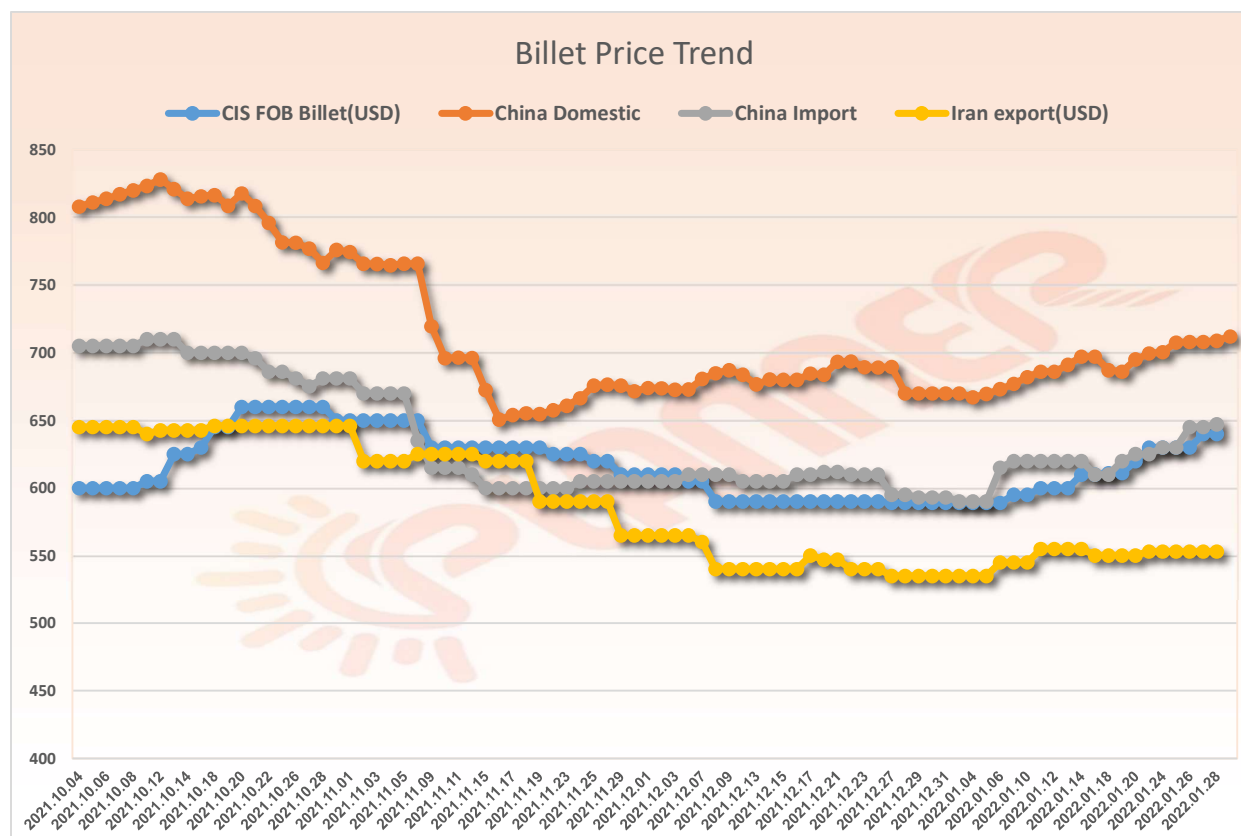
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Turkish mills are facing a huge gas supply shortage, forcing them to buy imported billets. Buyers in Southeast Asia are also increasing their billet purchase prices as China's domestic market is on rise. It is estimated that the prices remain stable next week since China enters the holidays.

Major Iranian producers continued to offer billet at 555-560 USD/FOB. Although the mills in the country suffer from gas and electricity shortage, the supply has not been affected yet. Some main producers have faced up to 75% gas and electricity cuts, and some others have only electricity for lighting. Planner has heard a deal for a small lot at 557 USD/Mt FOB, while another seller claims to sell 20k at 560 USD/Mt FOB for February shipment. As China is beginning the New Year, Planner believes that the prices may remain at the current level or soften mildly next week.

In slab segment, CIS suppliers hiked their quotes by another 30 USD/Mt to 630 USD/Mt. The energy crisis in main consuming markets encouraged the buyers to accept higher prices. Furthermore, the resumption of activities in Europe after New Year holidays has made some support for the prices to ascend.

Market Outlook: It is estimated that during the Chinese New Year, the rally of the prices could face a pause, but will continue later in March.



- Finished long products

Rebar prices witnessed different trend in Chinese domestic market, rising sharply in futures and retreating firmly in spot market. The main rebar contract 2205 in Shanghai futures market hiked by 100 RMB to 4829 RMB/Mt, while the average price of rebar in 31 main cities decreased by 76 RMB/Mt to 4730 RMB/Mt. As the atmosphere of Chinese New Year gets stronger, traders have lower interest to replenish the stocks, but there are strong expectations that prices will hike after the holidays. Rebar inventories started to pile after weeks of decline and there is cautious stance from the buyers in the short term. Plus, a new wave pf Covid-19 has hit some Chinese cities, causing the construction activities to slump.



In the Turkish rebar market, demand has been declining in recent days and still far from the desired level. However, with the increase in production costs and the promising market outlook in the coming months, the price of Turkish rebar exports improved. Workable levels in export markets rose to \$700-720/mt FOB and in the domestic market to \$695-710/mt EXW. Rising domestic and imported billet tags support further price

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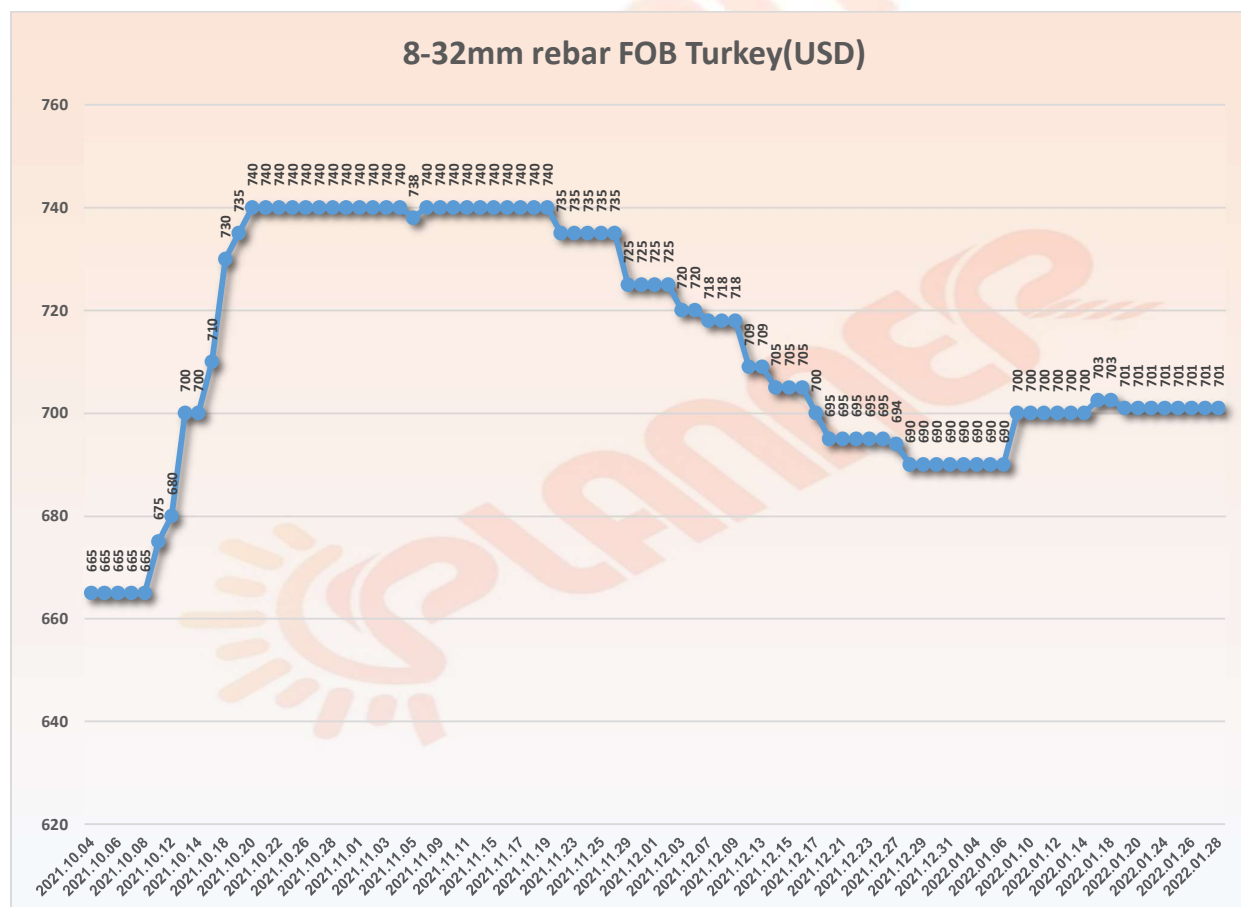
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increases despite insufficient demand. The CIS billet increase by \$5-10/mt this week with aspiring Egyptian buyers and reach \$665-675/mt by CFR Turkey. Domestic market prices are in the range of \$ 665-680 /mt EXW. Planner expect that upward trend continued in Turkish steel product market by coming week.

Iranian rerollers continued to push their offers further up on the back of better prices in the domestic market as well as developments abroad. Offers for Iran origin rebar come at 550-565 USD/Mt ex-work, 10 USD/Mt higher from a week earlier. Gas and electricity shortages have affected the production throughout the country, forcing mills to shut down the lines. Same issue in Turkey has made the supply to decrease and Iranian producers have found the ground to increase their quotations.

In wire rod market, CIS suppliers remained bullish and increased their offers by 5 USD to 815-825 USD/Mt FOB. Iranian producers lack enough inventory due to energy crisis and some rare offers are heard in the range of 645-650 USD/Mt FOB.

Market Outlook: As Planner predicted, the price of longs continued to increase last week and it is expected to continue next week.



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- Finished flat products

The price of HRC in Chinese domestic market had a different story than rebar and increased both in futures and spot market. The main HRC contract in Shanghai futures market soared by another 110 RMB/Mt to 4945 RMB/Mt, showing speculative demand among the traders. The price in physical market strengthened mildly by 46 RMB/Mt to 4940 RMB/Mt. The flats demand has not been affected with the cold weather and quarantines in some cities, but spot market demand has slumped because of the holiday season. Traders are trying to reduce their inventories to release the liquidity pressure.



Rising production cost and shortage of semis as well as tensions between Russia and Ukraine has made suppliers in the CIS region confident about raising their offers. Quotes from the producers come at 785-790 USD/Mt FOB, 5 USD/Mt higher than last week level. Importers have no choice but to accept new terms, since Turkey is almost out of export market due to energy shortages in the country. It is estimated that HRC prices will remain strong next week.

The CRC pieces followed the trend of HRC and new offers from CIS range from 900-920 USD/Mt. This is 15 USD/Mt higher than last week. From current factors ruling the market, Planner believes that the upward trend will continue next week.

Market Outlook: Planner expects that flat prices may increase slightly next week.

Raw Materials

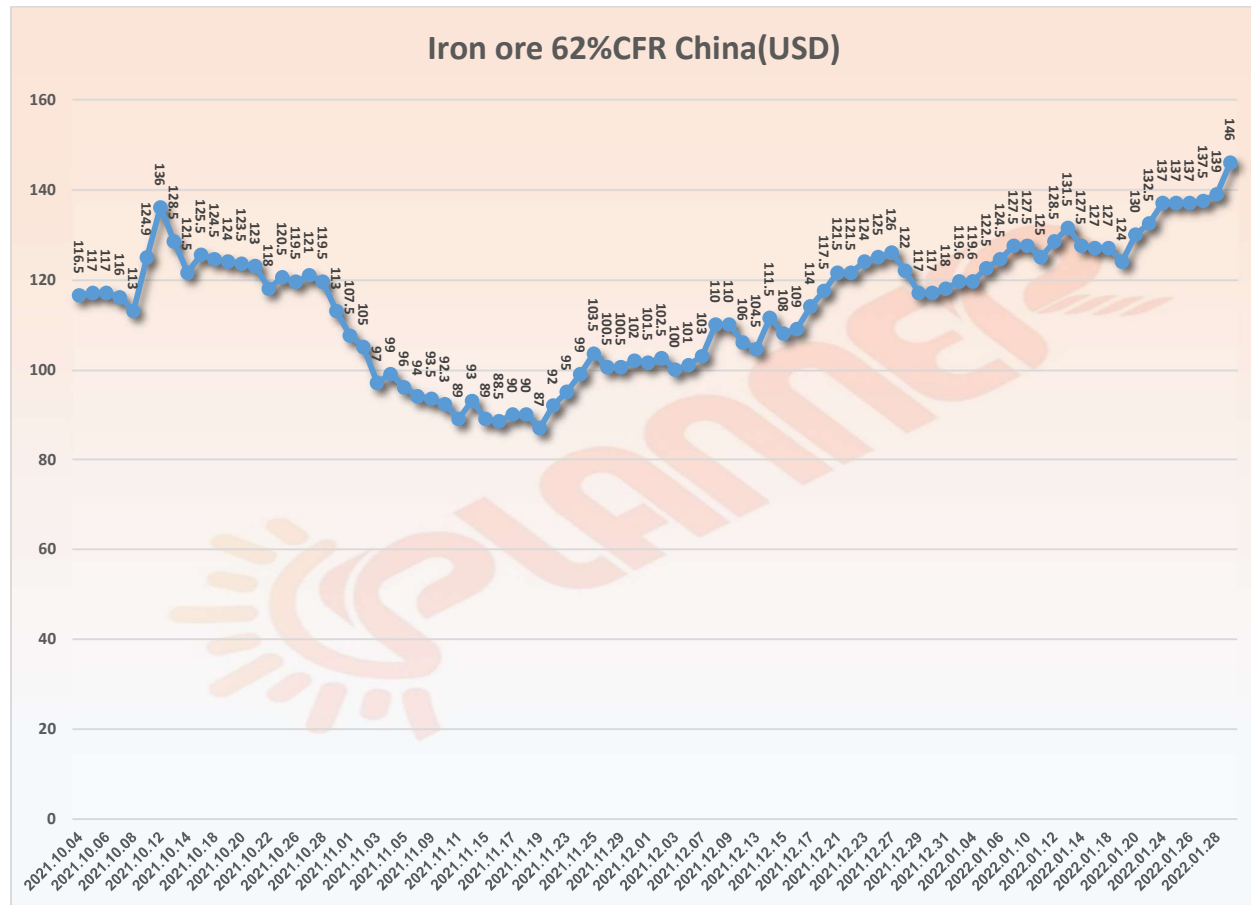
- Iron Ore:

Despite the negative outlook, iron ore continued its rally in the last week of Chinese year. Australian fines 62% Fe gained another 9 USD/Mt over the past 7 days to reach 146 USD/Mt CFR China's Qingdao port. The price of main iron ore contract in Shanghai futures market also rose sharply to 829 RMB/Mt on Friday. The increase was mainly based on mill's replenishing the stocks for holidays and lower shipments from Brazil due to heavy rainfalls. Port inventories in China decreased by 1.26 million Mt over the week, supporting the prices. Iron ore 65% Fe is at 20% premium compared to 62% Fe grade, which shows the lack of



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high-grade ore in Chinese ports. On the other hand, Winter Olympics is on the edge and different provinces have declared orange-level warning, meaning that the steel production will likely decrease and iron ore demand will go down.



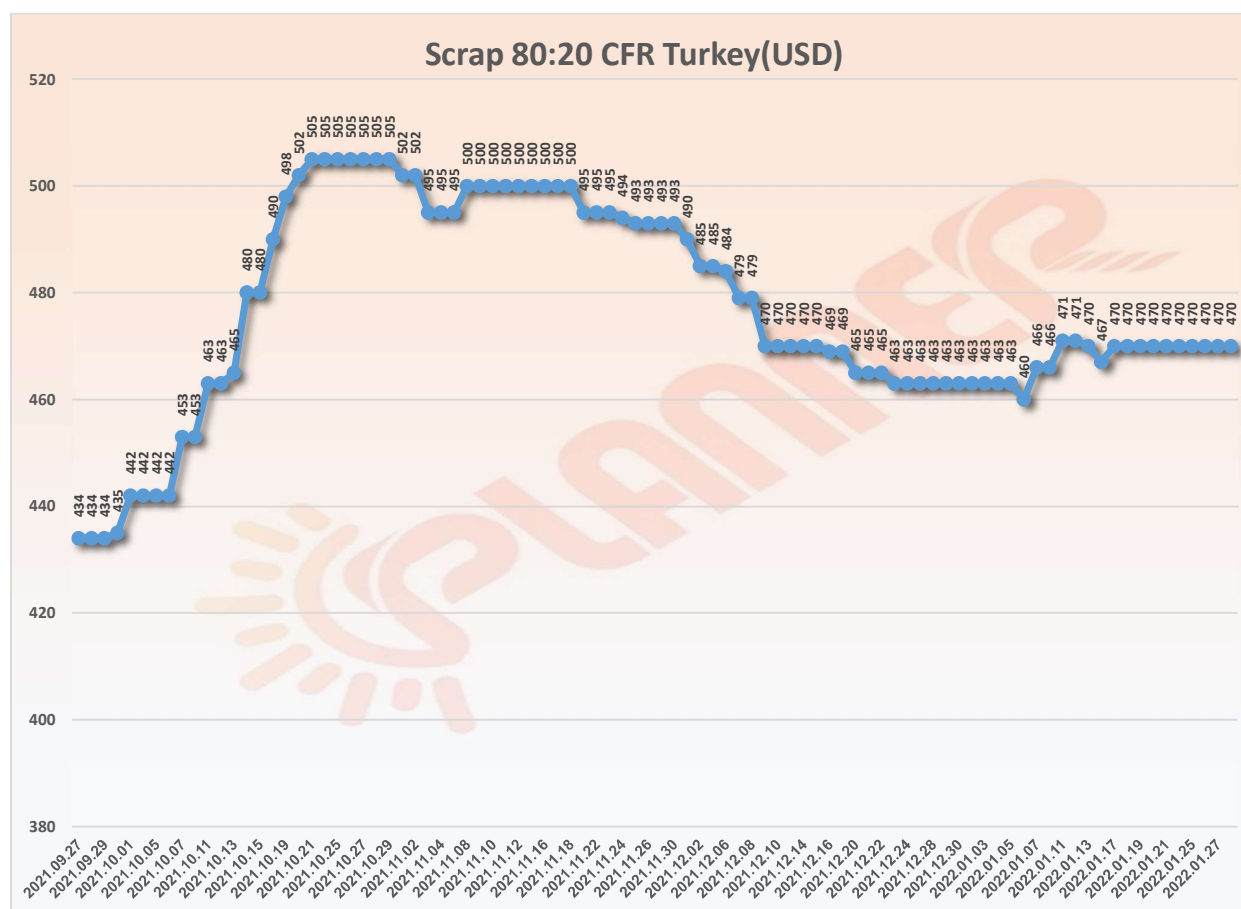
- Scrap

In the Turkish imported scrap market, tug of war between buyers and sellers over the price of raw materials continued this week, causing a slight price fluctuation in the range of \$470/mt CFR for HMS 1/2 (80:20) scrap index.

Turkish steelmakers are reluctant to accept higher prices due to rising costs, uncertainty in the market and restricted energy consumption. Exporters, on the other hand, are reluctant to lower their offers due to rising scrap collection prices and ascending trend in the steel and raw materials markets. Along with the increase in coking coal and iron ore, the price of imported scrap in Asia increased by \$5-15/mt depending on the premium.

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However, demand has not yet improved convincingly, causing buyers to resist prices above \$470/ton CFR. However, with the increase in the price of CIS billets and the improvement in export prices of Turkish steel products, Planner scrap price index is expected to increase with a steeper slope (\$5-15/mt) than in the previous week in future trades.



- Hard Coking Coal

The Australian coking coal market remained silent after a price jump in last Friday's trade for 75,000 tons of HCC mid-vol coking coal at \$445/mt FOB. Most buyers are reluctant to buy at the current high levels. Suppliers are also currently retreat from offering reassessing market conditions. Australian supply conditions remain severely limited, and a drop in prices is unlikely given the expected recovery in steel demand from March and rising prices in the global market. In the Chinese market, despite rising domestic prices, disagreements between importers and Chinese traders price idea is still

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high and suppliers are looking for alternative destinations to achieve higher tags. Planner expects met coal prices to continue to rise these days despite the slowdown in the market and increased activity, especially after national holidays in Southeast Asian countries.



2022/01/28					
	Commodity	Origin	Currency, Delivery term	Price	Daily change
Planner-group.com	LME Aluminum closing (3-Month)		\$/t	3,098.5	+4.5
	LME Copper closing (3-Month)		\$/t	9,782	-134.5
	WTI crude oil (March Contract)		\$/Barrel	87.35	86.61
	BRENT crude oil (March Contract)		\$/Barrel	88.74	90.14
	Iron Ore, 62%	Australia	\$/t, CFR China	146	+7
	Ferrous scrap HMS I/II 80:20	USA	\$/t, CFR Turkey	470	0
	Coking coal	Australia	\$/t, FOB	445	0
	Coking coal	USA	\$/t, CFR China	401	0
	Billet Q235	China	CNY/t, EXW	4,500	+20
	Billet Q235	China	\$/t, EXW	712	+3.5
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	Slab	China	\$/t, EXW	720	0
	Imported Billet BOF/3SP 150mm	-	CFR China	647	+2
	Billet	CIS	\$/t, FOB	640	
	Slab	CIS	\$/t, FOB	630	+30
	HRC	CIS	\$/t, FOB	785	+5
	Rebar	Turkey	\$/t, FOB	701	0
	Billet	Iran	\$/t, FOB	553	0
	Slab	Iran	\$/t, FOB	560	0
	Rebar	Iran	\$/t, EXW	550	0
Transactions of construction steel (rebar, wire rod and bar-in-coil) in 237 Trading house of china					
Yesterday's trading volume (tons)				31527	
Today's trading volume (tons)				-	

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Steel Industry Admired Producers

34) Glencore

Glencore was founded in 1974. Today, it is one of the world's leading diversified natural resource companies, producing and trading more than 90 commodities. Founded in the 1970s as a trading company, it has grown to become a major producer and marketer of commodities with employing 135,000 people around the world. Glencore produces and markets a diverse range of metals and minerals such as copper, cobalt, zinc, nickel and ferroalloys and also market aluminum/alumina and iron ore from third parties. Its CEO is Mr. Gary Nagle and the head office of it is in Baar in Switzerland. It is one of the world's largest producers and exporters of seaborne traded thermal and coking coal. In fact, coal is an important part of its global commodity portfolio and Glencore is focused on running a profitable business in a safe, efficient, responsible and sustainable manner. The coal of Glencore is used in power generation, steel making and industrial processes including the manufacturing of cement, aluminum and nickel. About 85% of the coal that they produce is exported, the majority of it to countries where coal continues to play a leading role in power generation given its reliability and affordability.



The remainder of the coal Glencore produces is used in domestic power generation in Australia and South Africa. It complements their own production with agency third party and traded volumes to help ensure our customers get the quantities and qualities of coal they require in a secure, reliable and timely manner. Glencore operates 26 mines in 21 mining complexes across Australia, Colombia and South Africa, supported by marketing offices across 19 countries. They aim to develop a workforce that is diversified, dedicated and driven at every level of their business, and in more than 35 countries in the world. Glencore aims to give its employee the chance to develop skills, expertise and experience, following a clear career path, so they achieve career growth. Glencore formal training and development aims to help its employee to move forward in their career and the employee of it also get valuable on the job experience from working with creative, experienced professionals in their field. According the latest information, the revenue of this company is US \$142.338 billion and its net income is US\$3.946 billion, the total assets of Glencore is also US\$118.000 billion.

Shipping Market

- Capesize

There was little support to be found for the Capesize market over the last week as dwindling rates and rising bunker prices slashed earnings for owners with the 5TC

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Weighted Average dropping to \$7,390. The Pacific had little further left to drop as the transpacific C10 was priced at sub operating expense levels of \$4,200. The Atlantic basin has fared slightly better, yet very few fixtures were heard. The Transatlantic C8 lowered - \$8,100 over the week to settle at \$11,200. Fronthaul business was more difficult to place over the week as shorter duration variants were seen to lower their values quicker, while longer haul trips proved more resistant to the negative sentiment. The negative sentiment ultimately proved too much for the C9 route and by the end of the week closed at \$27,950, down -\$7,825. The high price of fuel bunkers is coming at an inopportune time as they now take a large portion of voyage rate value having a detrimental effect on voyage rates. Both the West Australia to Qingdao C5 at \$6.786 and the Brazil to China C3 at \$17.28 came under heavy pressure.

- **Panamax**

It was a further week in the doldrums for the Panamax market, as thin cargo volumes versus a long tonnage count continued to negatively impact the market. A distinct lack of mineral requirements in the North Atlantic only hindered matters. A 81,000-dwt settling for \$18,500 for a NC South America Atlantic round, whilst in the South - despite reasonable demand - rates continued to ease with an armada of ballasting tonnage for charterers to pick from. Asia mirrored the Atlantic with a supply/demand imbalance. Minerals from Australia were perhaps the exception, but this did little to dent the tonnage count that existed and ultimately rates continued to ease further. Thursday came news of the lifting of the Indonesia coal export ban and sentiment flipped a little largely on the back of FFA's improving. However, some felt it would be a while before any positive impact may be seen in the market with physical fundamentals principally unchanged.

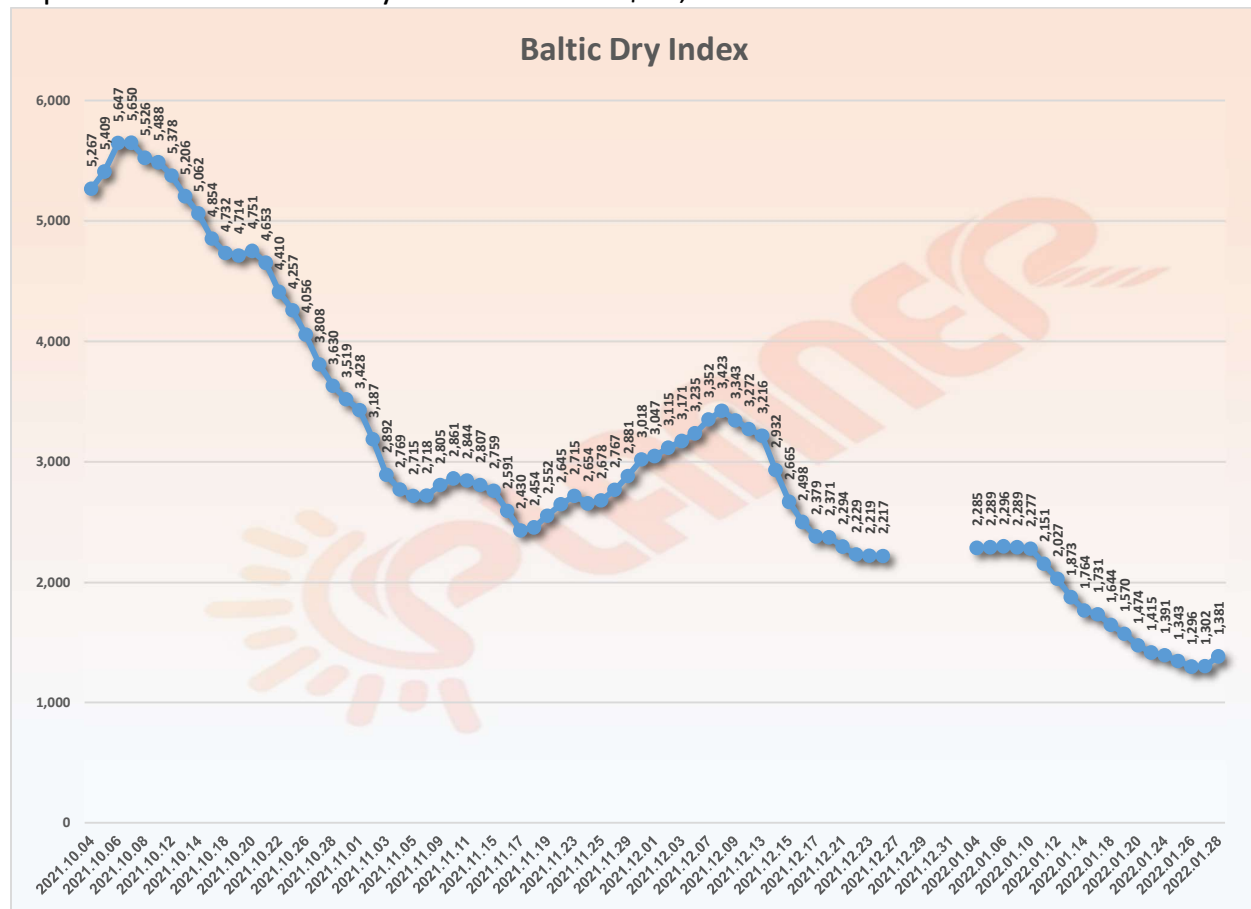
- **Supramax / Ultramax**

Negative sentiment generally was in the driving seat as most areas in the sector saw rates decline. There was a limited amount of period activity. A 60,000-dwt open Portugal was fixed for 11-13 months trading redelivery Atlantic at \$25,000 with an option of worldwide redelivery paying \$750,000 bonus. The Atlantic remained subdued with limited fresh enquiry from key areas such as the US Gulf and East Coast South America. A 61,000-dwt fixed from the US Gulf for a trip to the Red Sea at \$41,000. From the West Mediterranean, a 50,000-dwt was fixed at \$26,000 for redelivery West Coast India. With the export ban of coal from Indonesia being lifted at the end of the week, there remained a substantial amount of prompt tonnage in South East Asia again keeping rates low as the week closed. Further north saw Ultramax size seeing in the low \$20,000s for NoPac round voyages. Most eyes are fixed on the upcoming week to see if a change in direction will take place.

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- Handysize

Another week of negativity with a lack of fresh enquiry in most areas. Period activity was limited but a 38,000-dwt open Japan fixed three to five months trading redelivery worldwide at \$25,000 whilst from South East Asia a 34,000-dwt again fixed three to five months trading at \$21,000. In the Atlantic, a 38,000-dwt open Skaw fixed via the Baltic to North Coast South America at \$17,500. A 33,000-dwt open Denmark fixed from La Pallice to Abidjan with an intended cargo of wheat at \$20,000. A 39,000-dwt open in Karmoy fixed a trip to West Coast India-Arabian Gulf range at 27,500. A 28,000-dwt fixed from the Black Sea to East Coast Central America at \$17,000 with an intended cargo of steels. A 39,000-dwt open in the US Gulf was fixed to the Continent with an intended cargo of wood pellets at \$23,000. From Asia a 33,000-dwt open China was linked to a trip via Australia redelivery Arabian Gulf at \$19,000.



Weekly Review of Iran Domestic Market

Last week, the domestic steel market witnessed an increasing trend so that the weekly average price of billet in physical market was equal to 138,200 IRR, which was

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3450 IRR higher than the rate of last week. Also, the weekly average price of rebar was around 151,378 IRR with an increase of 2,740 IRR, compared to the earlier week.

At IME market, the average price of traded billet and rebar was also higher than the previous week. Due to the lack of real demand in this season of the year and the recession that has overshadowed the domestic steel market for months, it seems that, the reason for the increase in prices can be attributed to the possibility of purchasing billet for all buyers at IME market and the news of power outages in steel units in coming days.



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