



# IRON ORE DASHBOARD 铁矿石仪表盘

Dashboard indicators - May 2014 指标 - 2014年5月

HISTORICAL TRENDS for key market indicators shown on the Iron Ore Dashboard - statistics

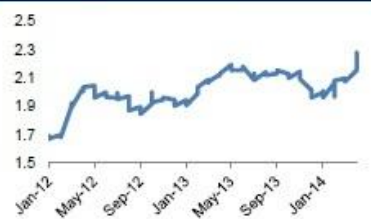
每6个月更新

updated every 6 months

## DEMAND 需求

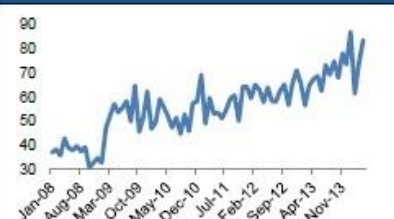
## SUPPLY 供给

### Average daily Chinese crude steel production, Mt 中国日均粗钢产量, 百万吨



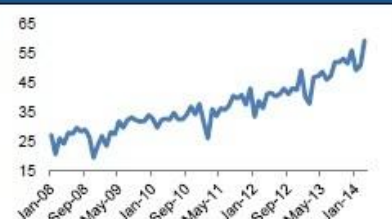
Data: CISA. Notes: Average aggregate daily crude steel production of all steelmakers in China.

### Chinese iron ore imports, Mt 中国铁矿石进口量, 百万吨



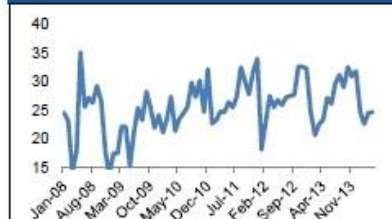
Data: GTIS.

### Australian iron ore exports, Mt 澳大利亚铁矿石出口量, 百万吨



Data: GTIS.

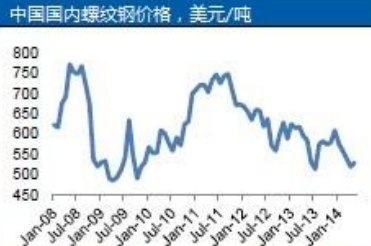
### Brazilian iron ore exports, Mt 巴西铁矿石出口量, 百万吨



Data: GTIS.

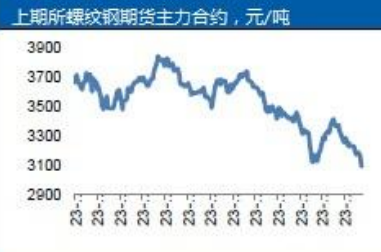
## RELATED PRICES 相关价格

### Chinese domestic rebar price, USD/t 中国国内螺纹钢价格, 美元/吨



Data: CRU. Notes: CRU assessed price on first Wednesday of every month.

### SHFE rebar futures price, highest liquidity contract, RMB/t 上期所螺纹钢期货主力合约, 元/吨



Data: SHFE. Notes: Considers most liquid contract at any point in time. Prices are the day's "last" price as quoted on the SHFE website.

This report has been produced for subscribers to CRU's Steelmaking Raw Materials Monitor and is a supplement to CRU's Iron Ore Dashboard.

If you have any questions on the report, please contact:

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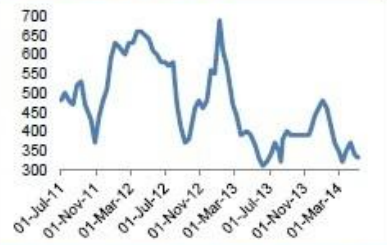
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CHINESE ORE STOCKS 中国铁矿石库存

Average iron ore inventory at Chinese steel mills, '000 t

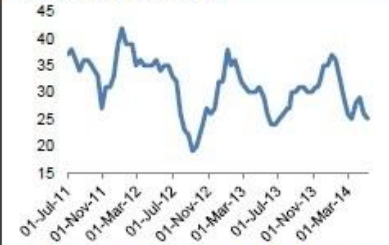
中国钢厂铁矿石库存, 千吨



Data: Mysteel. Notes: Sample of 55 small- and medium-sized steel mills where production in each is less than 5 Mt/y. It covers mills in Tangshan, Handan, Xingtai, Shandong and Shanxi.

Average days on hand of imported inventory at Chinese steel mills, days

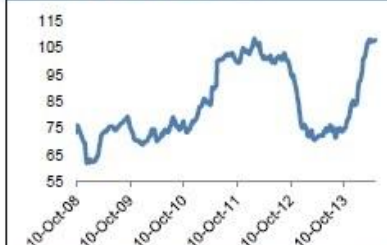
中国钢厂铁矿石周转天数



Data: Mysteel. Notes: Sample of 55 small- and medium-sized steel mills where production in each is less than 5 Mt/y. It covers mills in Tangshan, Handan, Xingtai, Shandong and Shanxi.

Iron ore stocks at Chinese ports, Mt

中国铁矿石港口库存, 百万吨

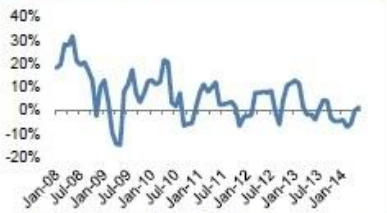


Data: UMetal, MySteel, CRU. Notes: Includes data from 38 Chinese ports.

PROFITABILITY / COSTS 利润/成本

Chinese steel mill EBITDA margin, %

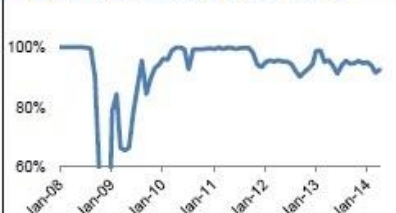
中国钢厂EBITDA, %



Data: CRU assessed. Notes: This data is provided as part of the CRU Steel Cost Review which is included as a subscription to CRU's Steel Cost Model.

Iron ore price, percentile on global iron ore cost curve, %

铁矿石价格, 在全球成本曲线分位数, %



Data: CRU assessed. Notes: This data is derived from the CRU Iron Ore Cost Model and the CRU assessment of the current monthly price.

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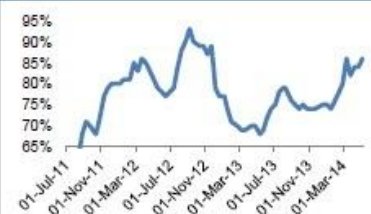
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OTHER INDICATORS 其它指标

Imported ore used in sintering, % of total ore used in sintering

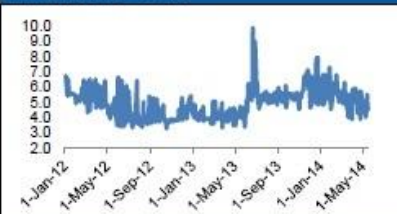
用来烧结的进口铁矿石比例, %



Data: MySteel. Notes: Based on sample of 55 small- and medium-sized steel mills where production in each is less than 5 Mtpy. It covers mills in Tangshan, Handan, Xingtai, Shandong and Shanxi.

Chinese interbank interest rate, %/y

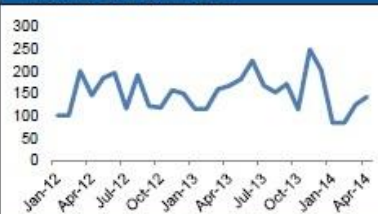
中国银行间利率, 年化%



Data: National Interbank Funding Centre. Notes: Chinese Interbank Offered Rate, weighted average, 3 months.

Chinese real estate construction starts, M m<sup>2</sup>

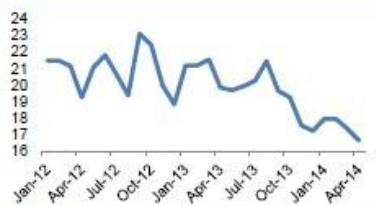
中国新屋开工, 百万平方米



Data: CEIC.

Chinese FAI, nominal, % change y/y

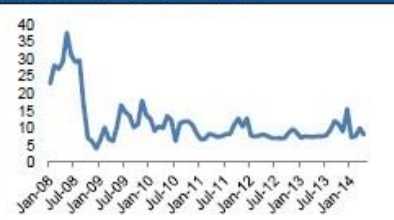
中国固定资产投资, 名义, 年化同比%



Data: CEIC.

Australia to China freight rate, USD/t

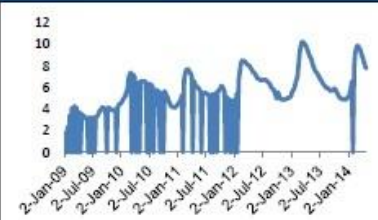
澳大利亚到中国运费, 美元/吨



Data: UMetal, monthly assessment.

Chinese rebar steel stocks at 26 major cities, Mt

中国26个主要城市螺纹钢库存, 百万吨



Data: MySteel. Notes: End-month stocks.

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WHAT IS IT?

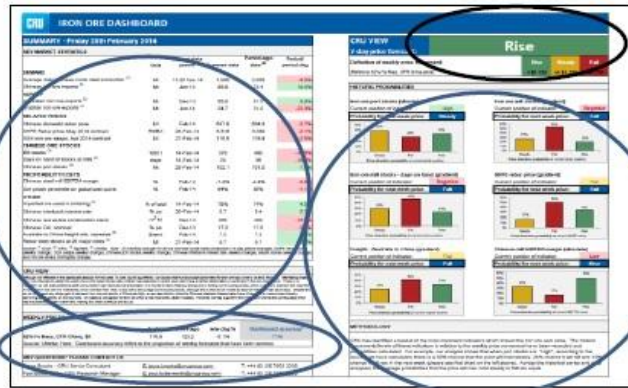
CRU's Iron Ore Dashboard is a new product released every Friday as part of a subscription to the Steelmaking Raw Materials Monitor.

The Dashboard is an iron ore market analysis tool that brings together 3 key strands of market intelligence to provide an informed view of expected iron ore price movements over the coming 7 days.

The three strands are:

1. The current value and movement of key market indicators

3. CRU's view of market dynamics based on our extensive discussions with market participants



Informed view on price movement over the coming week

2. Probability analysis of historical iron ore price movements under different market conditions (see below)

PROBABILITY ANALYSIS METHODOLOGY

1. We have identified the critical factors that impact the iron ore spot price. Currently we track the following 8 key indicators: iron ore mill stocks (absolute and gradient), iron ore mill stocks on a days-on-hand basis (absolute and gradient), iron ore port stocks (absolute and gradient), imported ore in sinter production (absolute and gradient), average Chinese steel mill EBITDA margins (absolute and gradient), SHFE rebar futures price (gradient), Australia to China freight rate (gradient) and Chinese iron ore imports (absolute) (n.b. only the most important are shown in the Dashboard). Absolute indicators are those for which the latest levels are used, while gradient indicators are those for which the latest period/period change is used in the historical probability analysis.

2. We have recorded the historical movement/level of these indicators in relation to the movement in the iron ore spot price in the following week.

Example: when assessing historical trends, our analysis shows that when the SHFE rebar futures price posts a "negative" reading for gradient, according to our bounds (n.b. see point 4 below), there is a 57% chance the price will fall in the coming week, a 14% likelihood of the price remaining steady and a 29% chance it will rise.

3. Through our probability analysis, we ensure that historically there are an equal number of occurrences of a fall, rise or steady reading of price. This is necessary because otherwise we could not give equal weightings to the outcome for each indicator. To achieve this, we use >\$1.75/t as the benchmark movement required in either direction to trigger a "fall" or "rise" reading.

4. We have assigned bounds for each of our 8 indicators to identify when levels are high, middle or low or when the gradient is positive, negative or flat. These bounds are unique for each indicator and have been determined on the basis of statistical analysis of their historical values to ensure that there are, broadly, equal occurrences of each "level" or "movement".

5. Using our knowledge of the market, we apply weightings to each of the chosen indicators in the historical probability analysis. For example, the movement in the SHFE rebar futures price is a critical driver of iron ore price fluctuations.

6. We will be updating the inputs of our probability analysis on an annual basis, i.e. revising the list of critical factors, updating the bounds for each indicator, as described above, and including the new data in the historical analysis.

FURTHER INFORMATION

1. Our view on price direction may differ from the results of the probability analysis. We are cautious in how we use this data as very up-to-date information is not always available and we believe that there is a lag effect with some of the data points. As a result, we take a final call on the direction, and extent, of the price movement expected using a combination of our knowledge of the market and the historical probability analysis.

2. We are transparent in our view, unbiased in our assessment and honest about our level of accuracy, allowing our clients to make their own assessment about how our view can help them best.

3. We will add, and possibly remove, key market indicators from our analysis, as their relevance to short-term price movements changes, reflecting our evolving reading of the iron ore market.

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