



# **Ferrosilicon DAILY EXPRESS**

**December 31<sup>th</sup> 2019 Tuesday**

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## Ferrosilicon Spot Price

Ferrosilicon	Area	Price (RMB/MT)	Up/Down
Si75#	Inner Mongolia	5800-5900	--
	Gansu	5750-5850	--
	Ningxia	5750-5850	--
	Qinghai	5600-5700	--
	Shaanxi	5550-5650	--
Si72#	Inner Mongolia	5600-5700	--
	Gansu	5550-5650	--
	Ningxia	5550-5650	--
	Qinghai	5400-5500	--
	Shaanxi	5350-5450	--

## Steel Mills Tender – January, 2020

Commodity	Steel Mills	Price (RMB/T)	Change vs. Last Month (RMB/T)	Volume & change vs. last month (Tons)
Ferrosilicon 72#	Shagang Group			3200
Ferrosilicon 72#	Valin LY Steel			2000
Ferrosilicon 72#	<b>HBIS group</b>			<b>1913</b>
Ferrosilicon 72#	Xin Steel	6220	<b>+(40-120)</b>	1600
Ferrosilicon 72#	Shao Steel	6100	<b>+20</b>	1200
Ferrosilicon 72#	KISC	6350		700
Ferrosilicon 72#	A certain steel mill in Tianjin	5770	<b>-20</b>	600
Ferrosilicon 72#	Xiangtan Iron & Steel	6180/6200	<b>+(130-150)</b>	600
Ferrosilicon 72#	CITIC	6140	<b>+90</b>	Constant

## Supply

Sell>> Erdos Xijin Company supplies ferrosilicon (70#,72#,75#) & special

ferrosilicon (low Al, low Ti, low C), Sales Manager, Mr. Ning,  
15049433766/18147786766

Sell>> Wuhai Junzheng Group sells ferrosilicon, 72#, 75#, Mr. Zhou, 13327036330

Sell>> Tengda Northwest Ferroalloys Group supplies silicon, chrome and manganese products

Sell>> Baotou Oma company sell ferrosilicon, Mr. Fang 86-13901139228

Sell>> Sanyuan Zhongtai Company sell ferrosilicon, Mr. Di 86-13739507897

Sell>> Inner Mongolia Sanwei company Mr. Zhang 86-13614820288

Sell>> Ningxia Juhe Silicon Company Mr. Chen 86-13909598844

Sell>> Zhongwei Maoye Metallurgy company sell ferrosilicon Mr. Huang  
13629555885

Sell>> Zhongwei Dayou Metallurgy company Mr. He 86-18709559808

Sell>> Zhongwei Yuexin Steel supply ferrosilicon 72#、75#、size10-50、10-80、50-10mm, Ms. Xiao 86-18795356999

Sell>> Zhongwei Tianze Metallurgy supply ferrosilicon 65#70#72#75#, low Al 0.02. Zhang Yue 86-18995453096

Sell>> Ningxia Xinkangsheng supply ferrosilicon, carbon raiser etc Mr. Ma  
86-18395094491

Sell>> Ningxia Ruitaixiang company supply ferrosilicon 60# 65# 66# 72# 75# Ms. Wang 86-15809631594

Sell>> Aerbadi (Ningxia) Smelting Co., Ltd supply ferrosilicon 72# 75#, natural block, Mr. Chen, 17395155168, Mr. Liu, 17391519151

Sell>> Qinghai Wutong Industry Mr. Lee 86-13997034020

Sell>> Qinghai Huesheng Ferroalloy Co., Ltd, Mr. Chen 86-18697160185

Sell>> Qinghai Fuxin Silicon Mr. Gan 86-18097239888

Sell>> Gansu Honest special ferrosilicon Mr. Dai 86-13919058339

Sell>> Gansu Tianyikuangye company special ferrosilicon, normal ferrosilicon etc, Mr. Zhang 0931-2155553

Sell>> Lanzhou Hongye Company high purity ferrosilicon ( $\text{Si} \geq 75\%$   $\text{Al} < 0.1\%$   $\text{Ca} < 0.02\%$ ,  $\text{C} < 0.02\%$ ,  $\text{Ti} < 0.05\%$  -0.01% etc.), supply all types of ferrosilicon and size under 0-3 mm, size(10-50mm, 3-10mm) Si 72# powder(0-3mm), Mr. Shi  
86-13309408708

## Demand

Buy>> Shanxi Shenmu Dongfeng Magnesium Co.Ltd., Chen Jiashuai, 13772375803

Buy>> Shandong Xiangcheng Metallurgical Furnace Charge Co. Ltd., Mr. Li,  
13963341489

Buy>> Jiangsu Zhongzaixin Metallurgical Furnace Charge Co. Ltd., Mr. Song,  
15861080167

Buy>> Henan Anyang Zhenhuan Metallurgical Refractories Co. Ltd., Mr. Li,  
13949530398

Buy>> Boyu Metal Corporation, Ms. Tong, 15242409770  
Buy>> Beijing LY Metals and Mining Co., Ltd, Mr. Zhao, 18513433578  
Buy>> Shanxi Orient Henglv Investment Casting Co., Ltd, Mr. Mou, 18636705861  
Buy>> Silicon 68-72, Barium 4-6, granularity 0.2-0.8, 5-15, 3-8 or natural block, Mr. Chen, 13909598844

## Market Insight

- **Steel industry entering fresh phase of slower output, higher quality focus**

China's steel industry is entering a new development phase of slower output growth but higher quality, industry experts said.

Li Xinchuang, president of the China Metallurgical Industry Planning and Research Institute, came to a similar conclusion, although from a different perspective.

"As the Chinese economy is transitioning from high-speed growth to high-quality development, consumption is to play a bigger role in driving economic growth, while the economy will no longer excessively depend on investments," Li said.

"That is to say, investment in fixed assets will remain at a relatively low level and steel demand will no longer be as high as in the past."

He estimated steel demand is likely to decline slightly over the 14th Five-Year Plan (2021-25) period, although the total amount will still be considerable.

Qu Xiuli, deputy head of the China Iron and Steel Association, said at an industry forum in November that the industry will continue to rein in unwanted steel capacity, and pursue green development with less energy consumption but higher product quality.

Also, the industry will make efforts to increase market shares of leading companies through industrial upgrade and mergers and acquisitions, so that the steel market will become more orderly, she said.

Li said mergers and acquisitions are becoming key for quality industry players to have more market influence so that the industry can better avoid disorderly competition, amid the industry's pursuit of high-quality development, since remarkable progress has been made in overcapacity removal and environmental protection.

A recent example is China Baowu Steel Group's stock acquisition of Maanshan Iron and Steel Co Ltd, which took the former one step closer to becoming the global

leader.

Li predicted there will be more market-oriented, cross-region and cross-ownership mergers and acquisitions among Chinese steel companies.

Hopefully, there will soon be a fleet of national and regional steel giants, and a slew of small-scale but specialty steel companies, including three to four steel companies with capacity above 80 million tons, and six to eight steel companies with capacity above 40 million tons, he said.

### ● **China's coking coal imports rise in November**

China's imports of coking coal saw steady growth in November, according to data from General Administration of Customs.

Last month, the imports of the coking coal surged 16 percent year on year to 6.18 million tonnes, customs data showed.

The import turnover reached 7.89 million U.S. dollars, decreasing 3.9 percent year on year.

From January to November, a total of 72.8 million tonnes of coking coal was imported, up 17 percent from the previous year, according to the GAC.

The main use of coking coal is to refine coke, material for making steel.

### ● **Chinese industrial city to further cut coal consumption**

Harbin, capital city of Heilongjiang Province in China's northeastern industrial heartland, is planning to further reduce its coal consumption to curb pollution.

According to a recently released coal consumption control plan of the city, Harbin plans to cut its coal consumption by 1.6 million tonnes by 2020 and another 2.6 million tonnes by 2021.

The city will continue to promote the use of clean energy including natural gas, electricity, geothermal, biomass and solar energy and give corresponding subsidies.

Harbin has long relied heavily on coal for power generation and heating.

To tackle pollution, local authorities are investing more in clean energy to replace coal-fired power plants and are transmitting more electricity generated by clean energy to other regions. (Xinhua)

- **Status of US steel market drivers key to 2020 outlook**

The status of major US steel demand drivers ahead of 2020, and market expectations for those sectors in 2020, will play a major role in steel prices.

The construction and automotive sectors, the two major buyers in the US steel market, account for almost three-quarters of domestic steel consumption, according to American Iron and Steel Institute data. We will take a closer look in the recent trends in those sectors and predictions about their performances in 2020.

Construction accounts for 44% of steel shipments, according to AISI. A service center whose portfolio heavily relies on the construction sector indicated construction was the only sector that maintained steady activity levels in 2019 and expected it to maintain its strength in 2020. Most large projects were decided on a while ago and those will keep things busy for the next six to nine months, the source added.

Market tracks closely the Architecture Billings Index, which is the forward-looking indicator for nonresidential construction activity, with a lead time of about 9-12 months. ABI has faded recently, remaining below 50 in three of the last four months, signaling shrinkage in the sector.

Despite weaker ABI index levels, Mark Millett, the CEO of Steel Dynamics, was optimistic about future demand. "Our customers remained positive regarding demand volume for 2020, despite the recent weakness in the ABI the last few months. Demand from the institutional and residential sectors has been outperforming the commercial construction sector with more domestic activity in the western and southern regions," he said at the company's quarterly earnings call.

The automotive sector is the other major driver, accounting for 28% of the steel demand in the US, according to AISI. The automotive outlook does not look bright ahead of 2020. S&P Global Ratings expects a 3% decline in 2020. General Motors, the largest market share holder, accounting for the 16.9% of US auto sales, according to Ward's AutoInfoBank, did not present an optimistic outlook either.

Dhivya Suryadevara, CFO of GM, recently shared their volume predictions for 2020 at the company's earnings call: "With the economic growth moderating in the US in the recent past and in the next year, or so we are anticipating. We are still planning for a lower industry -- a healthy but a lower volume industry."

KeyBanc's report also presented a bearish outlook, expecting a 1.5% decline automotive sector demand. "We estimate GM will not have the ability or desire to make up the entirety of the production lost from the strike in 2020 given higher wages/overtime needed and the demand uncertainty in the US."

# Daily Market

## Brief Market Analysis

The spot market of ferrosilicon showed stable and the main steel mills are purchasing.

## Ferrosilicon futures 2001 contract

1. Futures warehouse: The number of warehouse receipts was 5431 (27155 tons), and 2271 (11355 tons) were valid for the number of warehouse orders.
2. The 2001 ferrosilicon contract price on ZCE closed at 5878 yuan per tonne on December 30.
3. The main position: the top 20 positions increased and decreased varied, the purchase volume is less than the holding position.

Below are ferrosilicon futures main contract 2001 daily specific performances:

Date	Opening price	Closing price	Range	Settlement Price	Trading volume
December 2 <sup>nd</sup>	5812	5768	-0.86%	5786	57712
December 3 <sup>rd</sup>	5768	5754	-0.55%	5738	68716
December 4 <sup>th</sup>	5756	5738	0.00%	5744	28534
December 5 <sup>th</sup>	5738	5748	0.07%	5766	39146
December 6 <sup>th</sup>	5758	5740	-0.45%	5746	35358
December 9 <sup>th</sup>	5760	5772	0.45%	5768	53268
December 10 <sup>th</sup>	5780	5784	0.28%	5778	37556
December 11 <sup>th</sup>	5780	5908	2.25%	5846	92456
December 12 <sup>th</sup>	5886	5730	-1.98%	5800	104276
December 13 <sup>th</sup>	5740	5728	-1.24%	5732	59794
December 16 <sup>th</sup>	5738	5730	-0.03%	5720	31376
December 17 <sup>th</sup>	5740	5730	0.17%	5732	23722
December 18 <sup>th</sup>	5740	5780	0.84%	5756	29656
December 19 <sup>th</sup>	5770	5812	0.97%	5794	30752
December 20 <sup>th</sup>	5800	5794	0.00%	5814	25046
December 23 <sup>rd</sup>	5812	5788	-0.45%	5768	22300
December 24 <sup>th</sup>	5782	5786	0.31%	5788	13506
December 25 <sup>th</sup>	5794	5784	-0.07%	5774	12048
December 26 <sup>th</sup>	5786	5830	0.97%	5804	8272
December 27 <sup>th</sup>	5822	5886	1.41%	5880	12464
December 30 <sup>th</sup>	5866	5878	-0.03%	5874	6328

# Currency Exchange Rate

Currency exchange RMB&USD

Intermediate exchange rate of RMB exchange rate in the inter-bank foreign exchange market: RMB: USD **6.9762**.

## International Data

- **China exported 20410.62 tons of ferrosilicon (>55%) in November**

According to the data released by China Customs, for the month of November, 2019, China exported a total of 20410.62 tons of ferrosilicon (>55%), up by 3.34% vs. October, 2019 and down by 52.21% vs. the same period in 2018.

In November, China exported 7765.124 tons of ferrosilicon (>55%) to Japan, which accounts for around 38.04% of the total exports in November of China, and exported 5819 tons to Korea, which accounts for around 28.51%.

- **China exported 329311.461 tons of ferrosilicon (>55%) from January to November, 2019**

According to the data released by China Customs, China exported a total of 329311.461 tons of ferrosilicon (>55%) from January to November, 2019, down by 39.12% vs. the same period in 2018.

Through the eleven months, China exported 106941.781 tons of ferrosilicon (>55%) to Japan, which accounts for 32.47% of the total exports in the first eleven months in 2019, and exported 84484.1 tons to Korea, which accounts for around 25.65%.

- **China exported 2654.15 tons of ferrosilicon ( $\leq 55\%$ ) in November**

According to the data released by China Customs, for the month of November, 2019, China exported a total of 2654.15 tons of ferrosilicon ( $\leq 55\%$ ), up by 25.67% vs. October, 2019 and down by 5.92% vs. the same period in 2018.

In November, China exported 1043.05 tons of ferrosilicon ( $\leq 55\%$ ) to Korea, which accounts for around 39.299% of the total exports in November of China, and exported 410.1 tons to Japan, which accounts for around 15.45%.

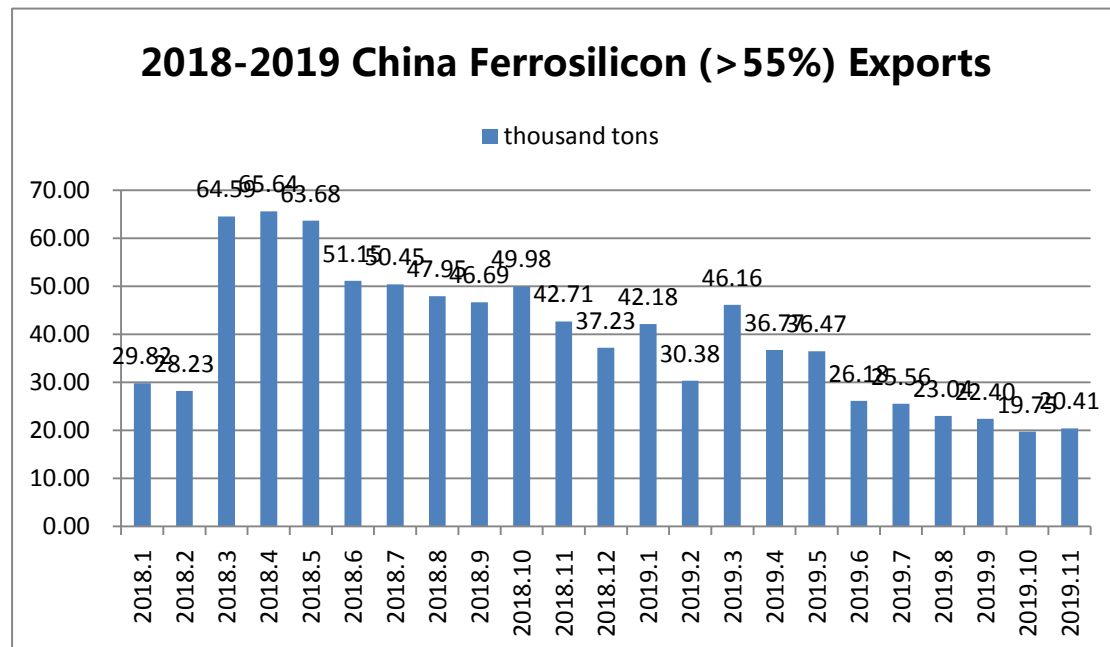
- **China exported 28681.161 tons of ferrosilicon ( $\leq 55\%$ ) from January to November, 2019**

China exported a total of 28681.161 tons of ferrosilicon ( $\leq 55\%$ ) from January to



November, 2019, down by 6.55% vs. the same period in 2018.

Through the eleven months, China exported 9610.1 tons of ferrosilicon (>55%) to Korea, which accounts for 33.51% of the total exports in the first eleven months in 2019, and exported 6397.875 tons to Japan, which accounts for around 22.31%.



- **Korea imported 18858 tons of ferrosilicon (>55%) in November**

According to data of Korea Customs Service, for the month of November, Korea imported 18858 tons of ferrosilicon (>55%), up by 30.04% vs. the same period in 2018.

In November, Korea imported 10743 tons of ferrosilicon (>55%) from China, up by 4.81% vs. the same period in 2018.

- **Japan imported 30157.42 tons of ferrosilicon (>55%) in November**

For the month of November, Japan imported 30157.42 tons of ferrosilicon (>55%), including 11717.398 tons from China, which accounts for around 38.85%.

From January to November, Japan imported 395792.067 tons of ferrosilicon (>55%), including 119419.575 tons from China, which accounts for around 30.17%.

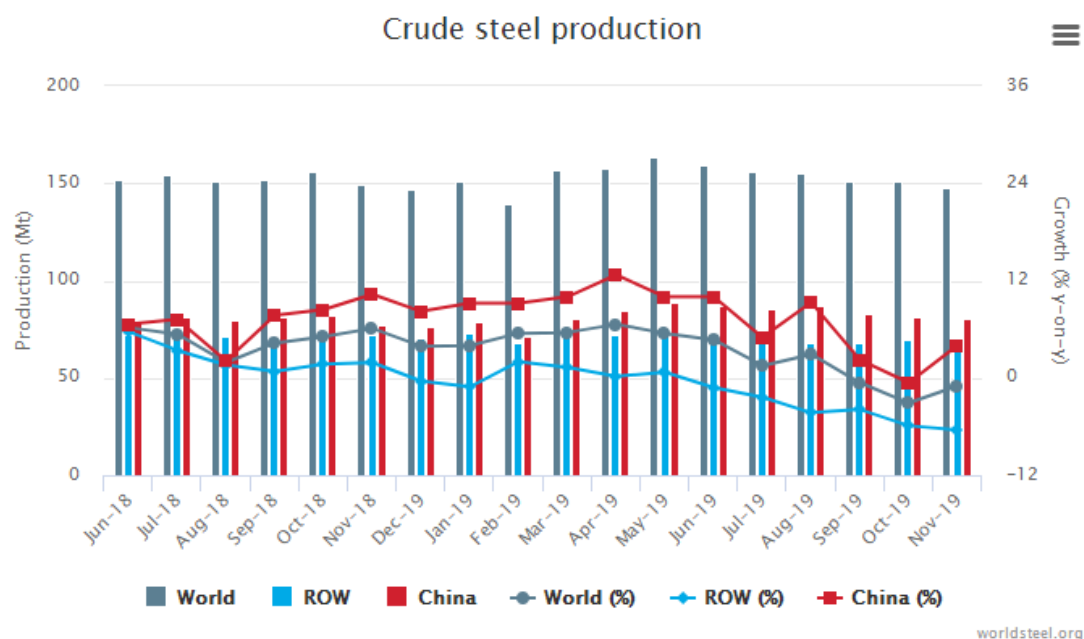
- **Japan imported 2627.85 tons of ferrosilicon ( $\leq$ 55%) in November**

For the month of November, Japan imported 2627.85 tons of ferrosilicon ( $\leq$ 55%), including 405.1 tons from China, which accounts for around 15.42%.

From January to November, Japan imported 18251.476 tons of ferrosilicon ( $\leq 55\%$ ), including 6825.958 tons from China, which accounts for around 37.4%.

### ● World Steel Association: November 2019 crude steel production

World crude steel production for the 64 countries reporting to the World Steel Association (worldsteel) was 147.8 million tonnes (Mt) in November 2019, a 1.0% decrease compared to November 2018.



China's crude steel production for November 2019 was 80.3 Mt, an increase of 4.0% compared to November 2018. India produced 8.9 Mt of crude steel in November 2019, down 2.8% on November 2018. Japan produced 7.7 Mt of crude steel in November 2019, down 10.6% on November 2018. South Korea's crude steel production was 5.9 Mt in November 2019, a decrease of 0.5% on November 2018.

In the EU, Italy produced 2.0 Mt of crude steel in November 2019, down by 9.8% on November 2018. France produced 1.1 Mt of crude steel in November 2019, an 18.2% decrease compared to November 2018. Spain produced 1.1 Mt of crude steel in November 2019, down by 10.9% on November 2018.

The US produced 7.2 Mt of crude steel in November 2019, a decrease of 2.2% compared to November 2018.

Brazil's crude steel production for November 2019 was 2.6 Mt, down by 10.5% on November 2018.

Turkey's crude steel production for November 2019 was 2.9 Mt, down by 8.1% on November 2018.

Crude steel production in Ukraine was 1.3 Mt this month, down 20.1% on November 2018. (worldsteel)

## Coming Events



The banner features a blue background with a globe on the left and a traditional Chinese building at night on the right. The text is centered and includes the event title in English and Chinese, the dates and location, and the names of the hosts and sponsors.

**INFA CON CHINA**  
**The 17<sup>th</sup> China Ferro-Alloys**  
**第17届中国铁合金国际会议 International**

May 27th–30th, 2020, Chongqing, China  
2020年5月27日–30日 重庆·中国

主办单位(Hosts): 中国五矿化工进出口商会 中国铁合金网  
赞助单位(Sponsors): 博赛集团