



# **Ferrosilicon DAILY EXPRESS**

**May 25, 2020 Monday**

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## Ferrosilicon Spot Price

Ferrosilicon	Area	Price (RMB/MT)	Up/Down
<b>Si75#</b>	Inner Mongolia (Ordos)	5800-5900	→
	Gansu	5600-5700	→
	Ningxia	5600-5700	→
	Qinghai	5600-5700	→
	Shaanxi	5450-5550	→
<b>Si72#</b>	Inner Mongolia (Ordos)	5600-5700	→
	Gansu	5400-5500	→
	Ningxia	5400-5500	→
	Qinghai	5400-5500	→
	Shaanxi	5350-5400	→

## Steel Mills Tender – June, 2020

Commodity	Steel Mills	Price (RMB/T)	Change vs. Last Month (RMB/T)	Volume & change vs. last month (Tons)
<b>Ferrosilicon 72#</b>	Xiangtan Iron & Steel	5930	+290	1800
<b>Ferrosilicon 72#</b>	Xining Special Steel	/	/	500

## 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.Di86-13739507897

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 ferrosilicon65#70#72#75#，low Al0.02.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. Dai86-13919058339

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

- **Ferrosilicon output in Jan-Apr, 2020**

	Apr	Jan-Apr
Ferrosilicon output	386.7 thousand tons	1654.6 thousand tons

- **City building more key infrastructure**

The city of Nantong in East China's Jiangsu province is making strides in improving its infrastructure and progress in high-quality development, according to the local government.

In February, the Jiangsu provincial government issued a guideline on investment in major projects for 2020. A new airport in the city and the Shanghai-Hefei section of the Shanghai-Chengdu railway are included on a list of 240 projects.

Nantong has established has set up a command for construction of the airport and has been working on preparation, local officials said.

In January, the city announced the construction of the Tongzhou Bay as a new deep-water channel in Jiangsu.

It has incorporated Yangkou, Haimen and Lyusi ports into the bay project.

The city plans to promote its coastal ports planning and river-sea coordinated development in Tongzhou Bay.

It aims to complete construction of the bay in one year, have it operating in two years and put it into volume production in three years.

- **China's benchmark power coal price edges up**

The Bohai-Rim Steam-Coal Price Index (BSPI), a gauge of coal prices in north China's major ports, stood at 528 yuan (about 75 U.S. dollars) per tonne Wednesday, up 2 yuan week on week, according to the Qinhuangdao Ocean Shipping Coal Trading Market Co. Ltd.

Released by the Qinhuangdao Ocean Shipping Coal Trading Market Co. Ltd. every Wednesday, the BSPI is a leading indicator of China's coal prices.

- **AISI: US Last Week's Raw Steel Production**

In the week ending on May 16, 2020, domestic raw steel production was 1,181,000

net tons while the capability utilization rate was 52.7 percent. Production was 1,880,000 net tons in the week ending May 16, 2019 while the capability utilization then was 80.8 percent. The current week production represents a 37.2 percent decrease from the same period in the previous year. Production for the week ending May 16, 2020 is down 1.9 percent from the previous week ending May 9, 2020 when production was 1,204,000 net tons and the rate of capability utilization was 53.7 percent.

Adjusted year-to-date production through May 16, 2020 was 32,040,000 net tons, at a capability utilization rate of 71.2 percent. That is down 13.6 percent from the 37,098,000 net tons during the same period last year, when the capability utilization rate was 81.4 percent.

Broken down by districts, here's production for the week ending May 16, 2020 in thousands of net tons: North East: 91; Great Lakes: 399; Midwest: 124; Southern: 507 and Western: 60 for a total of 1181.

The Raw Steel production tonnage provided in this report is estimated. The figures are compiled from weekly production tonnage provided from 50% of the domestic producers combined with monthly production data for the remainder. Therefore, this report should be used primarily to assess production trends. The AISI production report "AIS 7", published monthly and available by subscription, provides a more detailed summary of steel production based on data supplied by companies representing 75% of U.S. production capacity.

### ● **Steel producers enjoy profit growth despite pandemic**

Listed steel companies reported positive business results in the first quarter of this year despite the impacts of the COVID-19 pandemic.

Giant steel maker Hoa Phat Group (HPG) earned revenue of 19.5 trillion VND (835.9 million USD) in the quarter, up 28 percent year-on-year.

The company reported post-tax profit of 2.3 trillion VND in Q1, up 27 percent against last year.

In addition to steel production, Hoa Phat also operates in other fields such as furniture, refrigeration, real estate and agriculture.

On the stock market, Hoa Phat shares (HPG) rose sharply after plummeting to the two-year bottom of 6,200 VND per share at the end of March this year. Currently, HPG is being traded at around 23,600 VND per share, approximately equal to the price recorded at the beginning of this year.

Hoa Phat's market share of construction steel increased to 31.9 percent in Q1 with an output of nearly 733,000 tonnes after excluding steel billets. Of the estimate, the amount of exported finished steel products reached 135,000 tonnes, up 74.8 percent over the same period last year.

The provision of steel billets reached about 350,000 tonnes, mainly for export. The main export markets for steel billets are China and Southeast Asian countries. The company also provided the market with nearly 145,000 tonnes of steel pipes.

In March, Hoa Phat supplied a total of 486,000 tonnes of finished steel products and steel billets to domestic and foreign markets.

Another notable steel producer, Hoa Sen Group (HSG), also witnessed profit growth during the reviewed period.

The fiscal year of Hoa Sen Group differs from others, starting from July 1 and ending on June 30 of the following year. Therefore, the first quarter of this year is considered the second quarter of the 2019-20 fiscal year of the Hoa Sen Group.

In the quarter, Hoa Sen's revenue reached 5.8 trillion VND, down by 16.3 percent year-on-year. Finance expense dropped by 44 percent to 223 billion VND, selling expense decreased by 48 percent to nearly 504 billion VND and corporate management costs slumped by 104 billion VND to 142 billion VND.

Post-tax profit reported in the quarter was 201 billion VND, nearly four times higher than the profit achieved in the same period last year.

In the first six months of the fiscal year 2019-2020, the group reached 382 billion VND in post-tax profit, 3.2 times higher than the same period last year and completed more than 95 percent of the profit target assigned for the whole year.

According to SSI Securities Co, these results were attributed to the improvement in gross profit margin. Inventories were kept at a safer level, which allowed the company to focus on profits instead of sales as in previous years.

These were the results achieved after one year of restructuring the distribution system, SSI said.

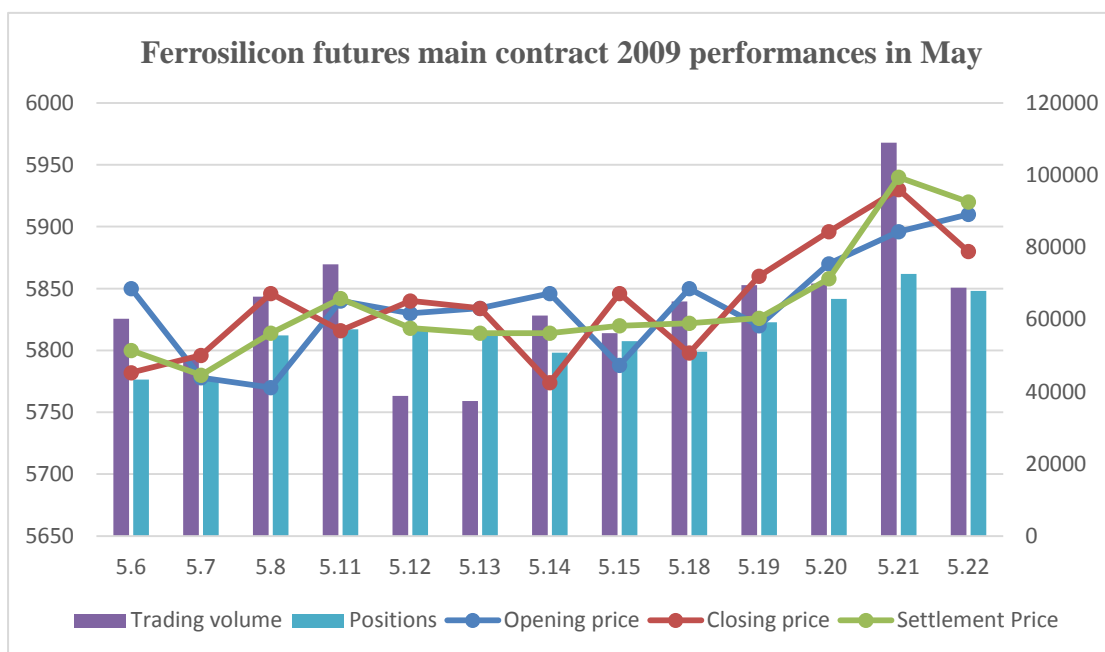
## **Daily Market**

### **Ferrosilicon futures 2009 contract**

1. Futures warehouse: The number of warehouse receipts was 7221 (36105 tons), and 2291 (11455 tons) were valid for the number of warehouse orders.
2. The 2009 ferrosilicon contract price on ZCE closed at 5880 yuan per ton on May 22.
3. The main position: the top 20 positions increased and decreased variedly, the purchase volume is less than the holding position.

Below are ferrosilicon futures main contract 2009 daily specific performances:

<b>Date</b>	<b>Opening price</b>	<b>Highest price</b>	<b>Lowest price</b>	<b>Closing price</b>	<b>Settlement Price</b>	<b>Trading volume</b>	<b>Positions</b>
<b>5.6</b>	5850	5850	5772	5782	5800	60214	43334
<b>5.7</b>	5778	5804	5756	5796	5780	49230	43760
<b>5.8</b>	5770	5848	5766	5846	5814	66308	55553
<b>5.11</b>	5840	5878	5804	5816	5842	75234	57261
<b>5.12</b>	5830	5842	5796	5840	5818	38837	56817
<b>5.13</b>	5834	5838	5798	5834	5814	37450	55540
<b>5.14</b>	5846	5868	5774	5774	5814	61085	50779
<b>5.15</b>	5788	5848	5780	5846	5820	56238	54009
<b>5.18</b>	5850	5858	5796	5798	5822	64998	51050
<b>5.19</b>	5820	5862	5782	5860	5826	69499	59184
<b>5.20</b>	5870	5906	5818	5896	5858	69961	65710
<b>5.21</b>	5896	5992	5868	5930	5940	109007	72618
<b>5.22</b>	5910	5980	5860	5880	5920	68781	67923



## Currency Exchange Rate

Currency exchange RMB&USD

Intermediate exchange rate of RMB exchange rate in the inter-bank foreign exchange market: RMB: USD **7.1209**.

## International Data

### ● Ferrosilicon exports (>55%) of China in March

According to latest data of China Customs, in March, 2020, China exported 44420.455 tons of ferrosilicon (>55%), down by 3.76% YoY; among them, 10310.695 tons were exported to Japan, accounts for 23.21% and 9093 tons was exported to Korea, accounts for 20.47%.

In Q1, 2020, China exported 75810.955 tons of ferrosilicon (>55%), down by 36.14% YoY; among them, 19007.1 tons were exported to Korea, accounts for 25.07% and 18452.695 tons was exported to Japan, accounts for 24.34%.

In March, 2020, China exported 2452.35 tons of ferrosilicon ( $\leq 55\%$ ), down by 37.16% YoY.

In Q1, 2020, China exported 5440.375 tons of ferrosilicon ( $\leq 55\%$ ), down by 36.47%

YoY; among them, 2374 tons were exported to Korea, accounts for 43.63% and 1071.2 tons was exported to Japan, accounts for 19.68%.

- **Japan Ferrosilicon (>55%) Imports in March down by 14.26% YoY**

According to data of Trade Statistics of Japan, in March, 2020, Japan imported 27429.244 tons of ferrosilicon (>55%), down by 6.97% vs. last month and down by 14.26% YoY.

In Q1, 2020, Japan imported 96494.598 tons of ferrosilicon (>55%), down by 8.7% YoY.

- **Japan Ferrosilicon (≤55%) Imports in March down by 36.55% YoY**

According to data of Trade Statistics of Japan, in March, 2020, Japan imported 850.648 tons of ferrosilicon (≤55%), up by 20.3% vs. last month and down by 36.55% YoY.

In Q1, 2020, Japan imported 2531.648 tons of ferrosilicon (≤55%), down by 48.59% YoY.

- **World Steel Association: March 2020 crude steel production**

World crude steel production for the 64 countries reporting to the World Steel Association (worldsteel) was 147.1 million tonnes (Mt) in March 2020, a 6.0% decrease compared to March 2019. Due to the ongoing difficulties presented by the COVID-19 pandemic, many of this month's figures are estimates from national and regional associations, which may be revised with next month's production update.

World crude steel production was 443.0 Mt in the first three months of 2020, down by 1.4% compared to the same period in 2019. Asia produced 315.2 Mt of crude steel in the first quarter of 2020, a decrease of 0.3% over the first quarter of 2019. The EU produced 38.3 Mt of crude steel in the first quarter of 2020, down by 10.0% compared to the same quarter of 2019. North America's crude steel production in the first three months of 2020 was 29.5 Mt, a decrease of 4.0% compared to the first quarter of 2019.

China's produced 79.0 Mt of crude steel in March 2020, a decrease of 1.7% compared to March 2019. India estimates 8.7 Mt of crude steel production in March 2020, down 13.9% on March 2019. Japan estimates 8.2 Mt of crude steel production in March 2020, down 9.7% on March 2019. South Korea produced 5.8 Mt of crude steel in March 2020, down 7.9% on March 2019.

In the EU, Germany estimates 2.9 Mt of crude steel production in March 2020, down

20.9% on March 2019. Italy produced 1.4 Mt of crude steel in March 2020, down by 40.2% on March 2019. France estimates 1.2 Mt of crude steel production in March 2020, a 13.2% decrease compared to March 2019. Spain produced 1.2 Mt of crude steel in March 2020, down 14.6% on March 2019.

The US produced 7.2 Mt of crude steel in March 2020, a decrease of 6.0% compared to March 2019.

Russia estimates 5.9 Mt of crude steel production in March 2020, down 4.4% on March 2019. Ukraine produced 1.8 Mt of crude steel in March 2020, down 10.3% on March 2019.

Brazil produced 2.6 Mt of crude steel production for March 2020, down by 8.2% on March 2019.

Turkey's crude steel production for March 2020 was 3.1 Mt, up by 4.1% on March 2019.

## Coming Events

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