

## FREIGHT

### Pacific and Atlantic Capesize freight rates turn softer

*Gurgaon*—The Pacific and Atlantic Capesize market segments had a slow day Wednesday with most charterers and owners watching from the sidelines.

Activity was pretty sparse with very little witnessed out of the Pacific for shipping iron ore.

Cargoes from mining major Rio Tinto were not seen, while BHP was in the market with a cargo on the Hedland to Qingdao route for laycan September 18 onward. Vale was reportedly in with a Capesize cargo from Teluk Rubiah Marine Terminal to Qingdao for laycan September 14 onward. According to sources, BHP was said to have seen offers at \$11.40/wmt levels. Also in the market was Oldendorff with a cargo from west coast Australia to Qingdao for September 24-27 laycan, and was heard to have seen offers at \$11.45/wmt. Freight indications for the key west coast Australia to Qingdao route were in the \$11.40-\$11.50/wmt range.

The freight rate for a Capesize ship to move 170,000 mt (plus/minus 10%) of iron ore on the Port Hedland-Qingdao route was assessed Wednesday at \$11.40/wmt, down 5 cents/wmt from Tuesday.

The Atlantic market looked a bit mixed with some participants saying that the freight levels were staying firm, while a few other said there was a tinge of softening. Another group of sources said it was getting difficult to ascertain the current market's direction.

"There are [talks of] \$30/wmt done on Brazil to China route. Now the owners have hiked their rates from \$28.50/wmt to \$30.50/wmt for September dates, [while] October is much lighter," a Europe-based shipbroker said.

The indicative freight levels heard on the Brazil to China route were in the \$28/wmt to \$29.25/wmt range.

The freight rate for a Capesize ship to move 170,000 mt (plus/minus 10%) of iron ore from Tubarao to Qingdao was assessed at \$28.80/wmt, flat from Tuesday.

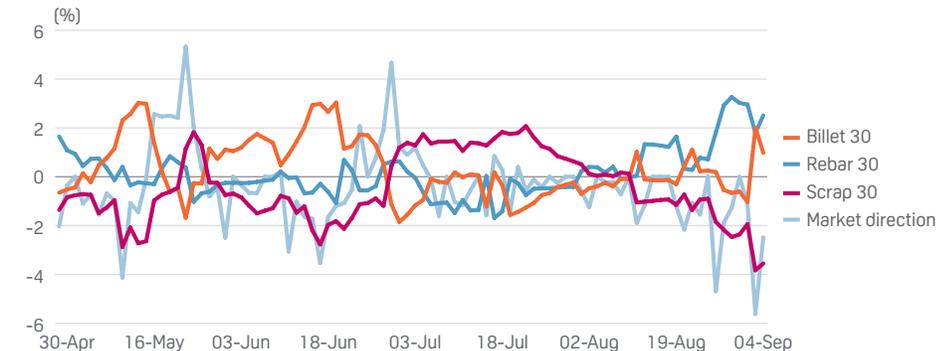
From South Africa, Assmang Ore & Metal was reported to have taken an Oldendorff

### PLATTS TURKEY ARC STEEL TRACKER, SEPTEMBER 4, 2019

	Scrap		Billet		Rebar	
vs 30-day	-3.55%	(-\$9.05)	0.98%	(\$3.83)	2.51%	(\$10.78)
vs 60-day	-3.53%	(-\$9.00)	0.58%	(\$2.27)	3.04%	(\$13.06)
<b>Market Direction:</b>	-2.48%	(-\$9.50)	<b>Industry Composite Index:</b>		68.76	

Price moves relative to each commodity measured vs 30-day and 60-day moving averages.

### PLATTS TURKEY ARC STEEL TRACKER BASED ON 30-DAY AVERAGES



Platts Turkey ARC is a relative strength indicator for Platts Turkey Rebar FOB, Platts Black Sea Billet CFR Turkey basis and Benchmark TSI Scrap CFR prices\*. The daily index for each commodity shows the degree the price is over or below the average of price relationships with the others for the past 30 or 60 days, with 0 as equilibrium. Indices provide trading price signals for the commodity or for the wider complex, and potential changes in demand and supply for the steel industry. Historic 30-day and 60-day basis data through 2012 is available.

Source: S&P Global Platts \*effective March 1, 2016

### SCRAP: IRON ORE RATIOS

	Ratio	Previous ratio
HMS I/II 80:20 CFR Turkey: TSI 62% iron ore CFR North China	2.80	2.87
US shredded delivered Midwest: TSI 62% iron ore CFR North China	3.01	3.11

TBN for a Saldanha Bay to Qingdao voyage for September 25-October 2 laycan at \$21.35/wmt basis 1.25% commission.

The freight rate for a Capesize ship to move 170,000 mt (plus/minus 10%) of iron ore from Saldanha Bay to Qingdao was assessed at \$22.15/wmt, up 90 cents/wmt from Tuesday.

— *Staff*

### INSIGHT

#### Mining's lag in social, tech matters may hit financing: MJ event

*London*—The mining sector is lagging behind other industries including manufacturing, in its adoption of new safety, community engagement and technological standards, and this is likely to restrict its access to attractive financing for new production projects, according to a new

Mining Journal survey.

Forty percent of 500 global industry respondents in MJ's Global Leadership Survey, published this week, felt that the mining industry hasn't caught up with the modern challenges in safety, diversity and equality in the workplace and technology, especially digitization, said Chris Cann, head of Mining Journal Intelligence, presenting the survey results at the Mining Journal's first Future of Mining EMEA conference in London Wednesday.

The survey also showed that less than 50% of mining company employees are confident their management is fully prepared to take on these challenges, while building morally strong credentials and strengthening communications with all stakeholders, including governments, is considered crucial. Two-thirds of senior executives have identified skill shortages as a major problem, with recruiting complicated by the industry's negative image, Cann said.

“The mining industry is facing unprecedented challenges to come out cleaner and more efficient,” said Cann.

“Ever since the industrial revolution there has not been this scale of change,” he said on the sidelines of the event in London, noting that the sector’s ability to obtain financing at reasonable cost is now linked to social licensing, technological and equality and diversity issues.

Mining is one of the oldest professions, with a legacy of 5,000 years. It has started from a low legacy base, meaning it has more ground to make up to modernize than many other industrial sectors, according to Cann’s perception.

In future, the mining workplace will be increasingly underground, as most of the easy-to-work surface deposits have already been mined, causing a “discovery deficit,” said Cann. Deeper drilling is necessary to uncover new resources, he added — this is recognized throughout the industry as entailing additional costs.

Nicky Black, director of social and economic development at the International Council on Mining and Metals (ICMM), which

groups together 26 major miners and 36 regional mining associations globally, said at the event that she had noted an “increasing lack of trust in mining” and that securing a social license to operate has moved into the industry’s top 10 priorities in the last few years.

The Brumadinho tailings dam accident in Brazil in January “dramatically undermined trust in the industry.... coming three years after Samarco this showed that mines need to put their house in order,” she said.

There is growing social opposition to mining in some locations including Australia, especially amid the perception that automation in mining may dramatically reduce job opportunities in the sector, Black said. She cited a 2016 report from the International Institute of Sustainable Development, an independent think tank, which identified a potential 30% to 70% loss of jobs in certain mining sector roles as a result of the introduction of new technologies.

Data of this type begs the question as to whether governments of countries that host mining projects should raise their revenues from mining or attempt to slow down

the introduction of new technology and automation, Black said.

“The mining sector has come a long way... but the bar has been getting higher.... we need a step change in our social management approach,” she said.

#### Automation boosts safety: Resolute

Matthew Allan, senior project engineer at Resolute Mining Ltd, whose Syama gold mine in Mali is targeting a 300,000 oz/year production, said the project is “aiming for 100% automation.”

The key reason to automate is safety. “Automation is a way to separate people from hazards,” Allan said. He also noted that “one person controlling many machines can give 10-20% more productivity... while automated drilling can give a 10% improvement in drilling accuracy.”

Automation also helps reduce the requirement for advanced skillsets and years of experience, said Allan, noting that this means only three employees are required to be present in the company’s underground mine at Syama at night.

— [Diana Kinch](#)

## PLATTS TSI STEEL ASSESSMENTS CURRENCY AND UNIT COMPARISONS, SEPTEMBER 04

	Eur/mt	\$/mt	\$/st	\$/CWT	Prior assessment \$/mt	\$ change	% change
<b>Hot-rolled coil</b>							
Platts TSI North European HRC, EXW Ruhr*	470.50***	518.73	470.59	23.54	515.90	2.83	0.55%
FOB Black Sea*	410.43	452.50***	410.51	20.53	452.50	0.00	0.00%
CIF Antwerp*	465.00***	512.66	465.09	23.26	509.87	2.79	0.55%
Platts TSI HRC EXW Indiana**	579.06	638.50	579.25***	28.96	638.50	0.00	0.00%
DDP Houston	609.80	672.40	610.00***	30.50	672.40	0.00	0.00%
<b>Cold-rolled coil</b>							
Platts TSI North European CRC, EXW Ruhr*	561.00***	618.50	561.10	28.06	615.68	2.82	0.46%
FOB Black Sea*	467.12	515.00***	467.21	23.37	515.00	0.00	0.00%
CIF Antwerp*	525.00***	578.81	525.10	26.26	575.66	3.15	0.55%
Platts TSI CRC EXW Indiana**	744.26	820.66	744.50***	37.23	820.66	0.00	0.00%
DDP Houston	739.76	815.70	740.00***	37.00	815.70	0.00	0.00%
<b>Plate</b>							
Platts TSI Plate delivered US Midwest**	739.76	815.70	740.00***	37.00	815.70	0.00	0.00%
DDP Houston	699.76	771.60	700.00***	35.00	771.60	0.00	0.00%
<b>Reinforcing bar</b>							
Ex-works, Northwest Europe*	492.00***	541.15	490.93	24.55	547.53	-6.38	-1.17%
East Mediterranean, basis Turkey*	390.02	430.00***	390.10	19.51	432.50	-2.50	-0.58%
Ex-works, US Southeast**	647.35	710.98	645.00***	32.25	710.98	0.00	0.00%
DDP Houston	592.14	650.35	590.00***	29.50	650.35	0.00	0.00%

\*EUR.USD (London close) = 1.1025; \*\*USD.EUR (US close) = 0.9069. \*\*\*the primary assessments and have not been converted

Please note: All Platts and TSI CIF and CFR prices (US, Europe, Southern Europe, Persian Gulf and Turkey) represent freely traded values. This means they do not reflect any restrictions or duties as a result of trade cases. For detailed specifics, The Platts Weekly Trade Case Status report can be found on the last pages of this issue.