

Ferrexpo daily pellet output plunges 11% mm in May

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Analyst: “We estimate that Ferrexpo’s June daily pellet production rate should amount to 26-27 kt, a 5-9% mm increase.”

KYIV, June 15, 2018 - Ukraine’s largest iron ore pellet exporter Ferrexpo (FXPO LN, FXPOLN) produced 765 kt of pellets in May, which amounts to a rate of 24.7 kt per day, an 11.4% mm decrease, Interfax-Ukraine reported on June 14. The production volume decrease is due to the planned repairs of pelletizing line No. 1, which should be completed by the end of June. During 5M18, Ferrexpo’s pellet output amounted to 4.19 mmt, a 1.2% yoy decrease. Concorde analyst Dmytro Khoroshun added: “In its 1Q18 trading update, Ferrexpo noted that the repairs of pelletizing line No. 1 will last approximately 65 days. We estimate that Ferrexpo’s June daily pellet production rate should amount to 26-27 kt, a 5-9% mm increase. We expect Ferrexpo to produce 10.5-10.9 mmt of pellets in 2018, resulting in 29-30 kt per day and a 1-4% yoy gain. We retain our neutral view on FXPOLN Eurobonds.

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