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Bull Case for Chinese Commodities Enhanced by Stronger Yuan  
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By Bloomberg News

(Bloomberg) -- A stronger yuan fixing adds another leg to bullish conditions for Chinese commodities. The currency's breach of 6.80 to the dollar will help raw materials importers just as industrial output surges ahead, retail sales show signs of a turnaround and infrastructure spending makes steady progress.

The direction of China's iron ore market, meanwhile, remains a tussle between rising supply from Brazil and Australia and roaring steel production. Bloomberg Intelligence expects port stocks to rise over coming weeks, capped by steel mills stocking up on ore ahead of the week-long holiday in early October.

Elsewhere, Shanghai is taking steps to promote hydrogen vehicles, with a plan to get 10,000 cars on the road by 2023.

Just this week, Sinopec has flagged its intention to include hydrogen in retail fuel stations, while top vehicle-maker SAIC Motor said it's accelerating its push into the alternative energy source.

And also in the news, Cargill has bought a new soy-processing plant in China as the nation's pig herd recovers from the ravages of swine fever. Hog numbers expanded for the seventh consecutive month in August, signaling growing confidence among breeders, according to the farm ministry.

Events Today

(Times Beijing unless shown otherwise)

\* Asia Pacific Petroleum Conference, Singapore, day 3

Today's Chart

China's mighty steel and aluminum producers smashed output records yet again in August, adding to decades of growth. The country's state-directed, construction-led recovery is boosting demand for metals used in infrastructure and property, spurring mills and smelters to churn out unprecedented volumes.

Nationwide steel output surged 8.4% last month and is on track

to breach 1 billion tons over the full year, while aluminum production expanded 5.5%.

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Latest Markets |  
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Copper -0.6% in Shanghai | Crude +4.1% in Shanghai

Nickel -0.2% in Shanghai | Coal +0.9% in Zhengzhou

Iron Ore -2.3% in Dalian | Coal -0.2% in Dalian

Rebar -0.2% in Shanghai | Soybeans -1.1% in Dalian

Rubber +0.7% in Shanghai | Corn +0.4% in Dalian

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### On the Wire

The WTO's ruling that the U.S. violated international regulations by imposing tariffs on more than \$234 billion of Chinese exports failed to dissuade Washington of its 'America First' trade policy and will do little to alter the current trade environment.

\* Ganfeng Lithium to Raise HK\$1.46b in H-Share Placement

\* U.S. Explores Blocking All Cotton From China's Xinjiang Region

### The Week-Ahead

Thursday, Sept. 17

\* China August output data for base metals and oil products.

Tentative

Friday, Sept. 18

\* China weekly iron ore port stockpiles

\* Shanghai exchange weekly commodities inventory, 15:30

\* China Longyuan Power EGM

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