

# Research on the International Pricing Power of China's Iron Ore Futures and Iron Ore Price Index

**Xuyang Kang**\*

School of Economics and Management, China University of Petroleum (East China), Qingdao, China

## **Email address:**

xuyangk@foxmail.com (Xuyang Kang)

\*Corresponding author

## **Abstract**

Iron ore is the main raw material for the production of steel. Under the current background of iron ore resources and pricing monopoly in mainstream mines, exploring the international pricing capabilities of China's iron ore futures and index is crucial to the reasonable construction of the imported iron ore market. Based on this, this article selected iron ore futures, index and spot price data from January 1, 2018 to November 3, 2023, established the TVP-SV-VAR model and wavelet coherence model, and analyzed the relationship between Dalian Commodity Exchange and Singapore Exchange iron ore futures, MIODEX and Platts index, iron ore spot price, as well as the current pricing power of China's iron ore futures and index. The study found that the pricing power of SGX iron ore futures is stronger than that of DCE iron ore futures, and the pricing power of MIODEX index is stronger than that of Platts index. There is a price guidance of SGX iron ore futures on the iron ore index, at the same time, the iron ore index guides the DCE iron ore futures, and studies the price relationship in different cycles. Therefore, China's iron ore index pricing already has advantages, but its futures pricing capabilities are still insufficient. It is necessary to strengthen the construction of iron ore futures spot trading platforms, strengthen the construction of index publishing and information institutions, and strengthen international cooperation in iron ore futures.

## **Keywords**

Iron Ore Futures Price, Iron Ore Index, Iron Ore Pricing, Price Discovery, International Pricing Power