



Daily Virtual Steel Mill Report

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Verdict:

- Short-run Neutral.

Macro:

- The Global Steel Forum held recently mentioned an estimated 630 million excess steel capacity in 2026, which could harm job market. The excess capacity in 2023 was 511 million tons.
- After the cancellation of housing purchase restrictions in May, Hangzhou, biggest Tier II city in China launched further optimization and adjustment of real estate related policies and measures, clearly canceling the price limit measures for new land transfers. New residential land transfers will no longer have price limit requirements for new commercial housing, and already transferred land will be executed according to the original contract agreement.

Iron Ore Key Indicators:

- Platts62 \$104.75, +0.10, MTD \$107.24. Although there was improvement on steel margin and demand. Mills were cautious buying, waiting for the stabilisation of financial market. There was NMF trade in fixed price at \$102/mt. The lump trade increased since the winter for northern China was looming.

SGX Iron Ore 62% Futures& Options Open Interest (Oct 9th)

- Futures 134,340,800 tons(Increase 2,412,700 tons)
- Options 166,416,400 tons(Increase 2,491,500 tons)

Steel Key Indicators:

- Tangshan average billet cost at 3134 yuan/ton, average profit up 96 yuan/ton from last week.

Coking Coal and Coke Indicators:

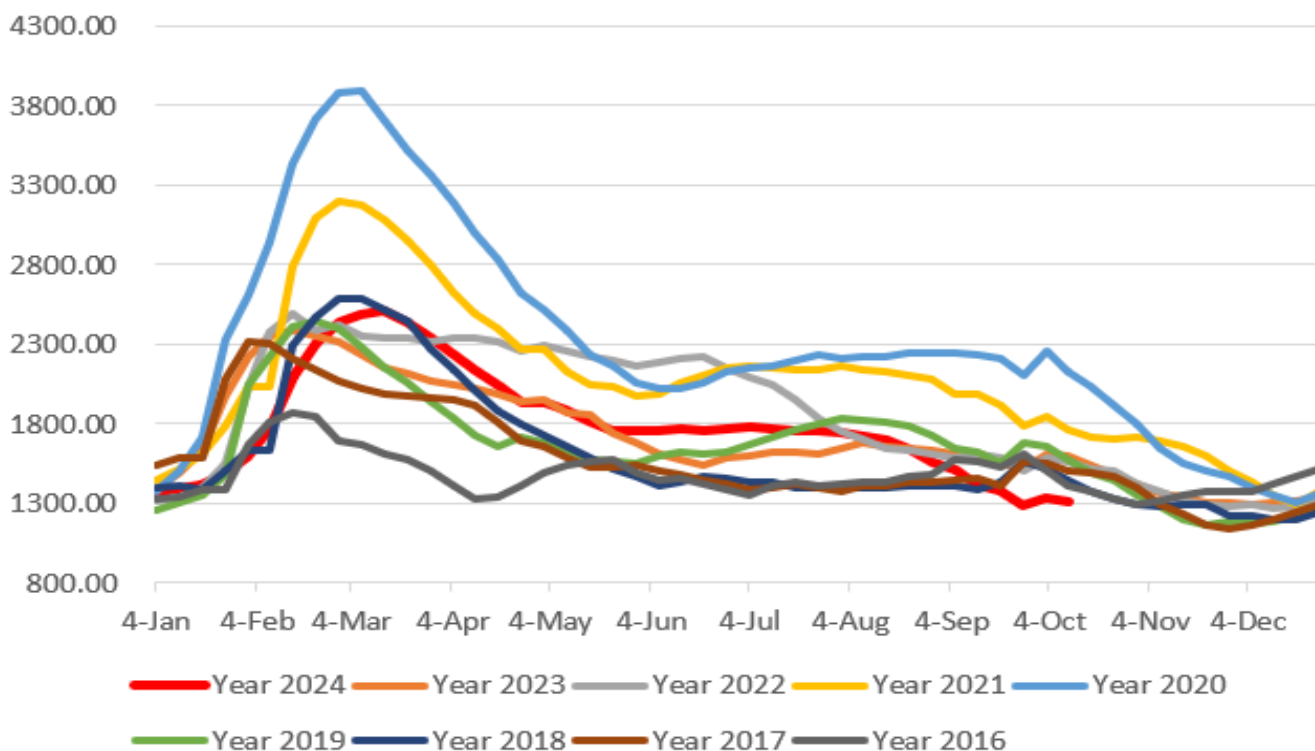
- Asian metallurgical coal moved higher yesterday after a higher PMV deal concluded at \$209/mt. However China mills were in wait and see mode.



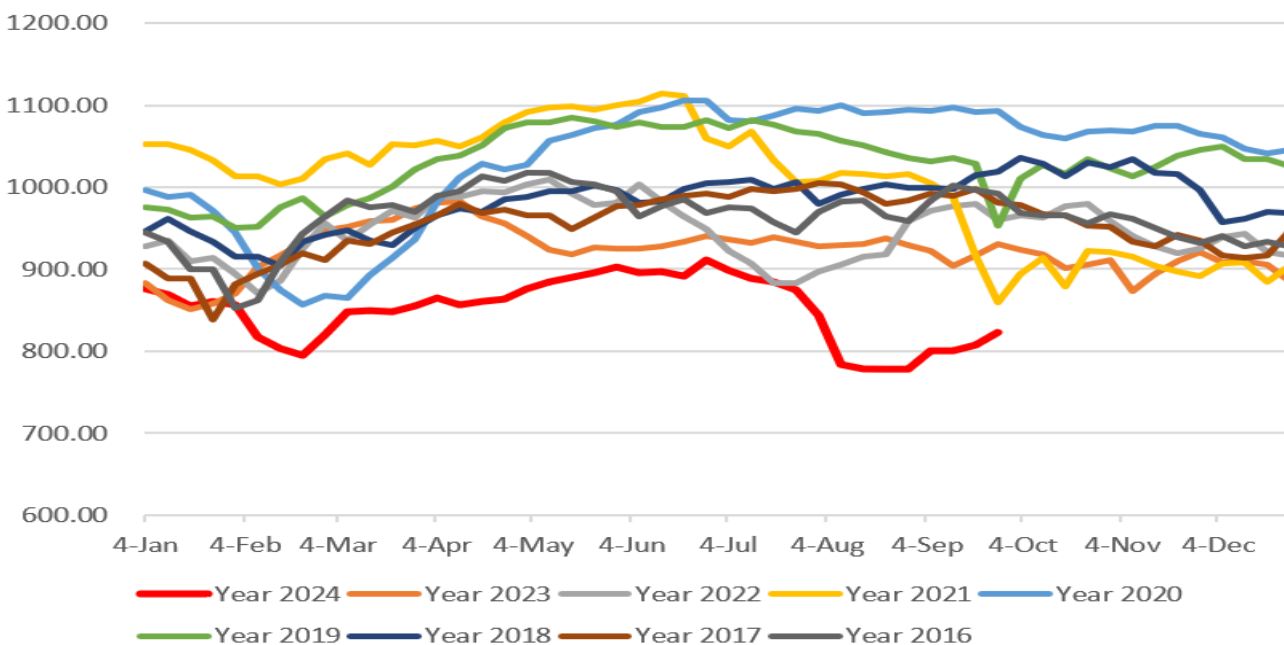
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Five Major Steels Inventories(10,000 tonnes)



Five Major Steels Production(10,000 tonnes)



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