



Daily Virtual Steel Mill Report

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Verdict:

- Short-run Neutral.

Macro:

- China Housing Ministry Brief: to widen credit support under “white list” program to 4 trillion yuan. Aiming to renovate 1 million houses in urban villages.
- The import prices of the US in September fell by 0.4% month on month, marking the largest decline since December 2023, due to a significant decrease in energy product costs. Analysts say that import prices will not directly transmit to producer and consumer prices, but they are a signal that inflationary pressures remain low, providing some support for another interest rate cut in November. Goldman Sachs stated that it expects the Federal Reserve to conduct consecutive 25 basis point rate cuts from November 2024 to June 2025, with a terminal interest rate range of 3.25% -3.5%.

Iron Ore Key Indicators:

- Platts62 \$104.40,-0.85, MTD \$106.52. The seaborne market remained quiet on Tuesday and Wednesday. There was MACF traded at \$100.2/mt, for November loading. Although steel margin saw improvement from late September, the demand majorly concentrated in discount iron ores or low grade iron ores.
- BHP's Pilbara area iron ore production in the third quarter was 71.593 million tons, a decrease of 6.75% compared to the previous quarter and an increase of 3.09% year-on-year. The total sales volume of iron ore in the Pilbara area was 71.543 million tons, a month on month decrease of 5.74% and a year-on-year decrease of 0.29%. Maintain the guidance of 282-294 million tons of iron ore target for the fiscal year 2025 unchanged.

SGX Iron Ore 62% Futures& Options Open Interest (Oct 16th)

- Futures 133,213,200 tons(Increase 568,300 tons)
- Options 178,544,800 tons(Increase 1,675,000 tons)

Steel Key Indicators:

- The average cost of pig iron for mainstream sample steel mills in Tangshan was 2400 yuan/ton, and the average cost of steel billets including tax is 3178 yuan/ton. Compared with the ex-factory price of 3190 yuan/ton billets on October 16th, the average profit of steel mills is 12 yuan/ton.

Coking Coal and Coke Indicators:

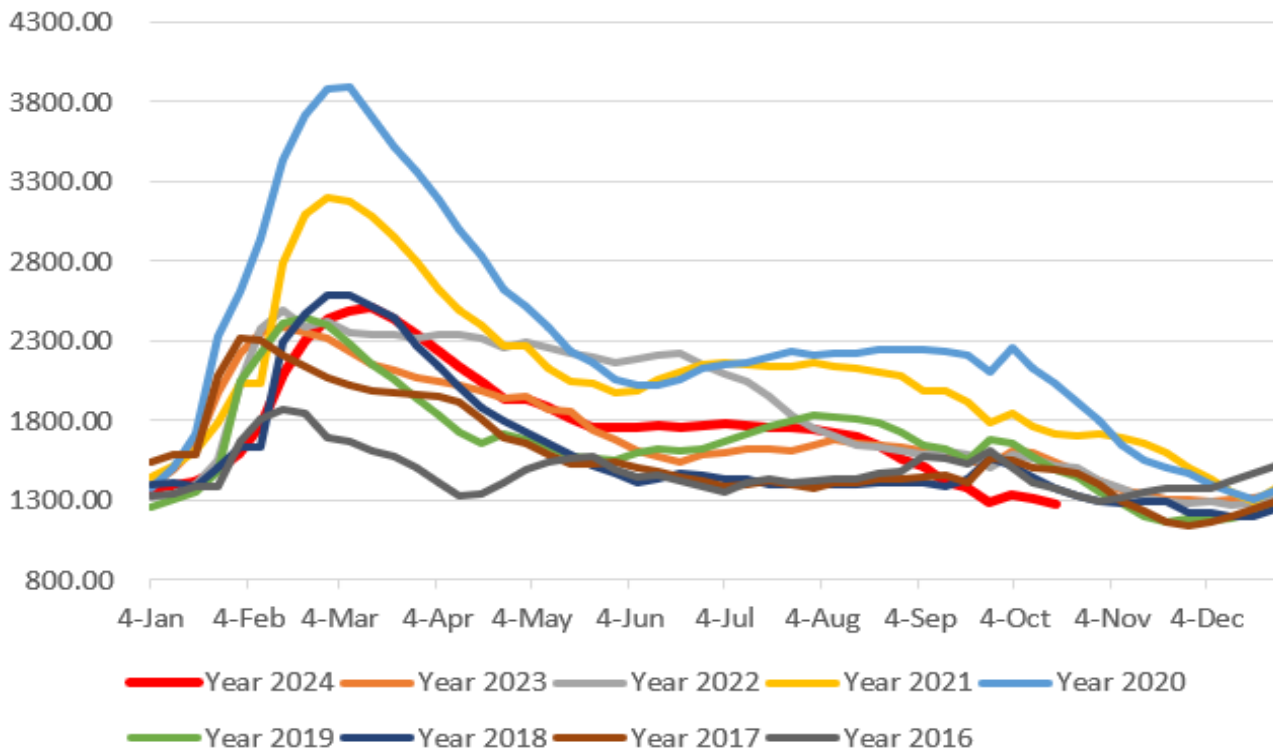
- There was a cargo sold by Australian miner for 80,000mt PLV at \$213/mt. Demand out of China remained weak.



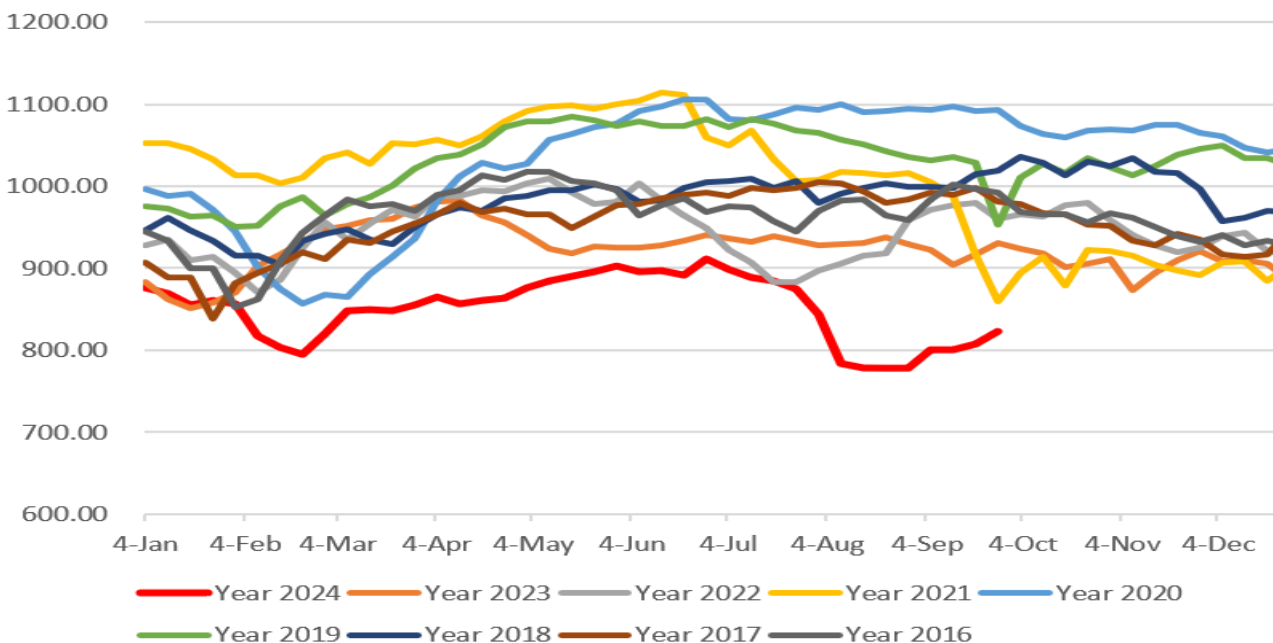
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Five Major Steels Inventories(10,000 tonnes)



Five Major Steels Production(10,000 tonnes)



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