



Daily Virtual Steel Mill Report

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Verdict:

- Short-run Neutral

Macro:

- OPEC announced that Saudi Arabia, Russia and six other OPEC and non-OPEC oil-producing countries have decided to increase production by 411,000 barrels per day starting June this year. Sources said OPEC+ is preparing to rapidly increase oil output before October and may gradually phase out the 2.2 million barrels per day voluntary production cuts by November if member countries' compliance with reductions does not improve.
- U.S. Customs and Border Protection (CBP) confirmed that automotive components manufactured in Canada and Mexico will be exempt from the 25% tariff, effective on May 3.
- Peruvian President Boluarte announced on the 5th that the Patas region, where 13 miners found killed, will implement a curfew effective immediately, with all mining activities suspended for 30 days.

Iron Ore Key Indicators:

- Platts62 \$98.15, +1.25, MTD \$97.53. Iron ore continued range fluctuations during golden week, with subdued liquidity due to holidays in multiple countries. Yesterday, a cargo of PBF traded at \$97.85, a slight decline from pre-holiday levels. Current daily hot metal production remains at a high level of 2.45 million tonnes, providing support to iron ore demand though having nearly peaked.
- The iron ore arrivals at 45 China ports reached 26.34 million tons, down 452,000 tons w-o-w. The iron ore arrivals at six northern ports of China reached 13.35 million tons, up 1,754,000 tons w-o-w.
- During past week, the total delivery of Brazil and Australia reached 25.404 million tons, down 2.18 million tons w-o-w.

SGX Iron Ore 62% Futures& Options Open Interest (May 3rd)

- Futures 125,004,300 tons (Decrease 645,900 tons)
- Options 119,859,100 tons (Increase 1,000 tons)

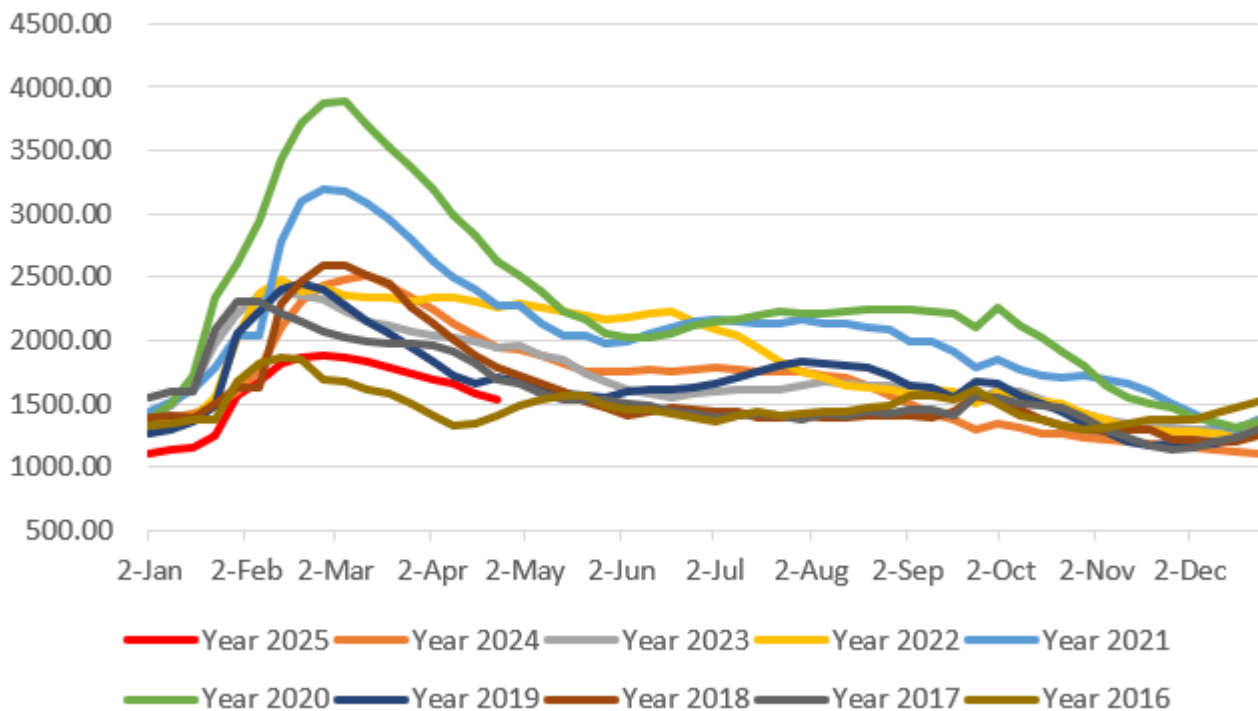
Steel Key Indicators:

- Billet edged higher during the holiday, with TS billet up 20 yuan pre-holiday at 2960 yuan.

Coking Coal and Coke Indicators:

- Market was quiet due to holidays in multiple countries, meanwhile Indian buyers showing low acceptance of current high prices. In China, despite high blast furnace utilization rates supporting coke demand, coking plants continue to face losses, and the second round of price increases was rejected by steel mills. The market direction for May remains to be seen.

Five Major Steels Inventories(10,000 tonnes)



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