



# Daily Virtual Steel Mill Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

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### Verdict:

- Short-run Neutral

### Macro:

- The People's Bank of China announced a 0.5 percentage point cut in the reserve requirement ratio (RRR) for financial institutions (excluding those already implementing a 5% RRR), effective May 15, 2025, alongside a 5-percentage point RRR reduction for auto finance companies and financial leasing companies.
- The Ministry of Commerce stated that China has decided to agree to engage with the U.S. on the basis of full consideration of global expectations, China's interests, and the appeals from the U.S. industry and consumers.

### Iron Ore Key Indicators:

- Platts62 \$99.15, +1.00, MTD \$98.07. Chinese participant returned from the holiday, driving prices slightly higher. A 90kt JMBF traded at a \$6 discount based on June Index, a 170kt PBF traded at \$98.85, up \$1 from the previous trade and an 80kt MACF traded at \$93.25. For lump, recent demand from steel mills has improved while the market expects the shipments from Australia will increase this month, dipping the premium.
- According to Brazilian Steel Institute Data, Brazilian Iron ore exports totaled 84.8 million metric tons during Q1 2025, marking a 0.8% year-on-year increase.

### SGX Iron Ore 62% Futures& Options Open Interest (May 6th)

- Futures 127,153,500 tons (Increase 2,149,200 tons)
- Options 120,089,100 tons (Increase 233,000 tons)

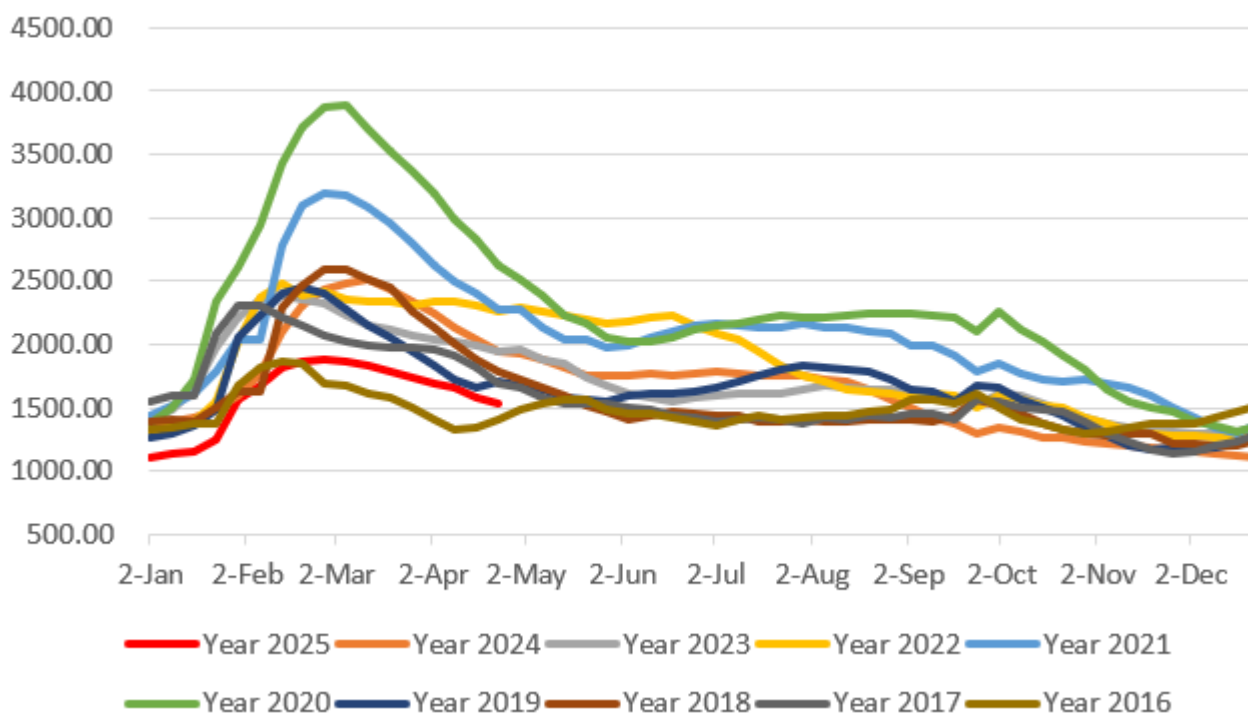
### Steel Key Indicators:

- China 76 sample EAFs average cost at 3341 yuan/ton, average loss at 80 yuan/ton.
- CISA said that relevant national authorities are actively coordinating efforts to regulate national crude steel production. The Ministry of Industry and Information Technology is accelerating revisions to the "Implementation Measures for Capacity Replacement in the Steel Industry," with a draft version already completed.

### Coking Coal and Coke Indicators:

- Buyers remain uninterested in current coking coal prices, with some market participants adopting a wait-and-see approach amid expectations that Australian mines may attempt to increase sales before their fiscal year-end in late June.

Five Major Steels Inventories(10,000 tonnes)



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