



# Daily Virtual Steel Mill Report

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### Verdict:

- Short-run Neutral

### Macro:

- The People's Bank of China has lowered the one-year loan prime rate (LPR) from 3.1% to 3.0% and the five-year LPR from 3.6% to 3.5%.
- According to CNN, multiple U.S. officials revealed that intelligence obtained by the U.S. indicates Israel is preparing to attack Iran's nuclear facilities, news that briefly pushed WTI crude oil's gains to 3%.

### Iron Ore Key Indicators:

- Platts62 \$100.10, -0.25, MTD \$99.98. Iron ore prices extended modest decline yesterday despite the PBOC's expected 10-basis-point RRR cut, which failed to provide additional market momentum. Several mid-to-low grade fines were traded in the seaborne market, including a 170kt cargo of PBF at \$95.71, \$0.80 lower than the previous day's trade.
- According to Mysteel's statistics, the total inventory of imported iron ore at 45 ports in China was 140.56 million tons on 19th, a decrease of 2.85 million tons w-o-w.
- SGX Iron Ore 62% Futures& Options Open Interest (May 20th)
- Futures 144,665,400 tons (Increase 323,500 tons)
- Options 132,223,200 tons (Increase 986,500 tons)

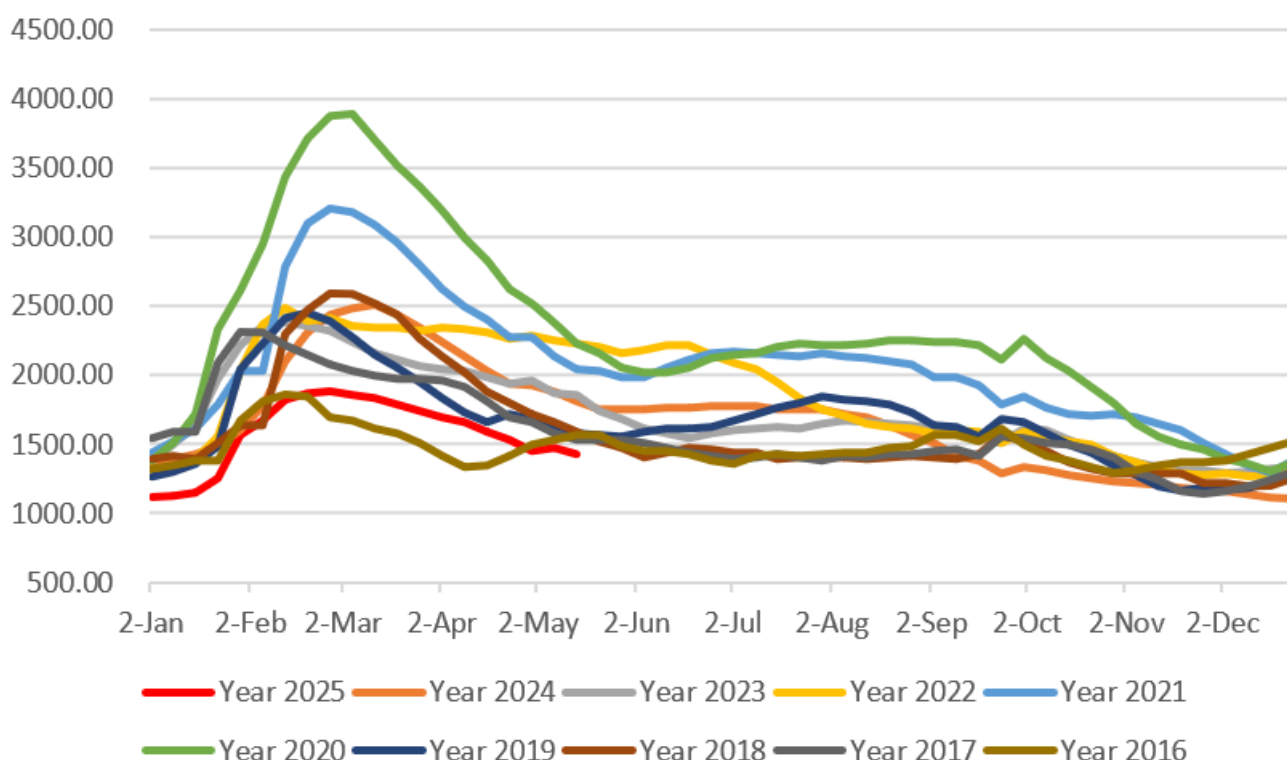
### Steel Key Indicators:

- China 76 sample EAFs average cost at 3324 yuan/ton, average loss at 100 yuan/ton on May 20th.

### Coking Coal and Coke Indicators:

- Hot metal production has remained at high levels since May, yet the coking coal market has shown no improvement. According to Mysteel's May 19 statistics, China's total coking coal inventories (converted to clean coal equivalent) stood at 35.475 million tonnes, up 2.853 million tonnes year-on-year. With hot metal production peaking, coking coal is expected to face increasing pressure going forward.

Five Major Steels Inventories(10,000 tonnes)



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