



Daily Virtual Steel Mill Report

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Verdict:

- Short-run Neutral

Macro:

- On the 25th local time, U.S. President Trump stated that the European Union had requested an extension of the tariff negotiation deadline to July 9, and he had agreed to this request.
- On May 26, the offshore yuan (CNY) strengthened past the 7.17 level against the U.S. dollar, marking its highest level since November 8, 2024.

Iron Ore Key Indicators:

- Platts62 \$98.95, -0.75, MTD \$99.82. The Iron ore market performed weakly last Friday. Weekly data showed a decline in daily hot metal production and steel mill profits were further squeezed, indicating the seasonal demand weakness for steels and the fact that blast furnace utilization rate has peaked. A 170kt PBF traded at \$94.35, down approximately \$0.5 from the previous day.

SGX Iron Ore 62% Futures& Options Open Interest (May 23rd)

- Futures 143,710,000 tons (Increase 1,234,800 tons)
- Options 135,784,700 tons (Increase 815,500 tons)

Steel Key Indicators:

- The blast furnace operating rate of 247 steel mills is 83.69%, decreasing by 0.46% week-on-week and increasing by 2.19% year-on-year. The blast furnace utilization rate is 91.32%, decreasing by 0.44% week-on-week and increasing by 2.78% year-on-year. The average daily hot metal output was 2.44 million tons, a decrease of 11,700 tons week-on-week.
- China 90 sample EAFs utilisation rate at 59.50%, up 2.93% on the week, up 2% on the year.
- CISA: In mid-May, the average daily output of crude steel of China key steel enterprises was 2.199 million tons. The inventory of steel products was 16.35 million tons, an increase of 1.8% from early May and a decrease of 2.1% on the year.

Coking Coal and Coke Indicators:

- Last Friday, a 35000-40000 PMV Goonyella for late-June loading was traded at \$214/mt to an Indian mill. There may be some demand from Indian buyers ahead of the monsoon season, but they are not necessarily willing to accept the current high prices.

Five Major Steels Inventories(10,000 tonnes)

