



# Daily Virtual Steel Mill Report

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### Verdict:

- Short-run Neutral

### Macro:

- OPEC+ has agreed to use its 2025 oil production levels as the baseline for 2027. OPEC+ will also hold another round of negotiations this Saturday, where a deal may be reached to further accelerate oil production increases in July. Delegates stated that the eight OPEC+ member countries currently gradually increasing production, who will participate in Saturday's meeting, may agree to a July production hike of 411,000 barrels per day, consistent with the increases in May and June.

### Iron Ore Key Indicators:

- Platts62 \$96.90, +0.45, MTD \$99.35. Iron ore shows signs of stabilizing after consecutive minor declines, though medium-term trends remain weakly range-bound due to tepid end-user demand. The seaborne market saw active trading with multiple mid-to-low grade fines trades, including a 170kt cargo of 61.60% PBF at a \$1.4 premium, based on July index. Notably, lump ore performs well amid recent coke price declines.

### SGX Iron Ore 62% Futures& Options Open Interest (May 28th)

- Futures 143,863,300 tons (Increase 746,700 tons)
- Options 145,817,200 tons (Increase 9,755,000 tons)

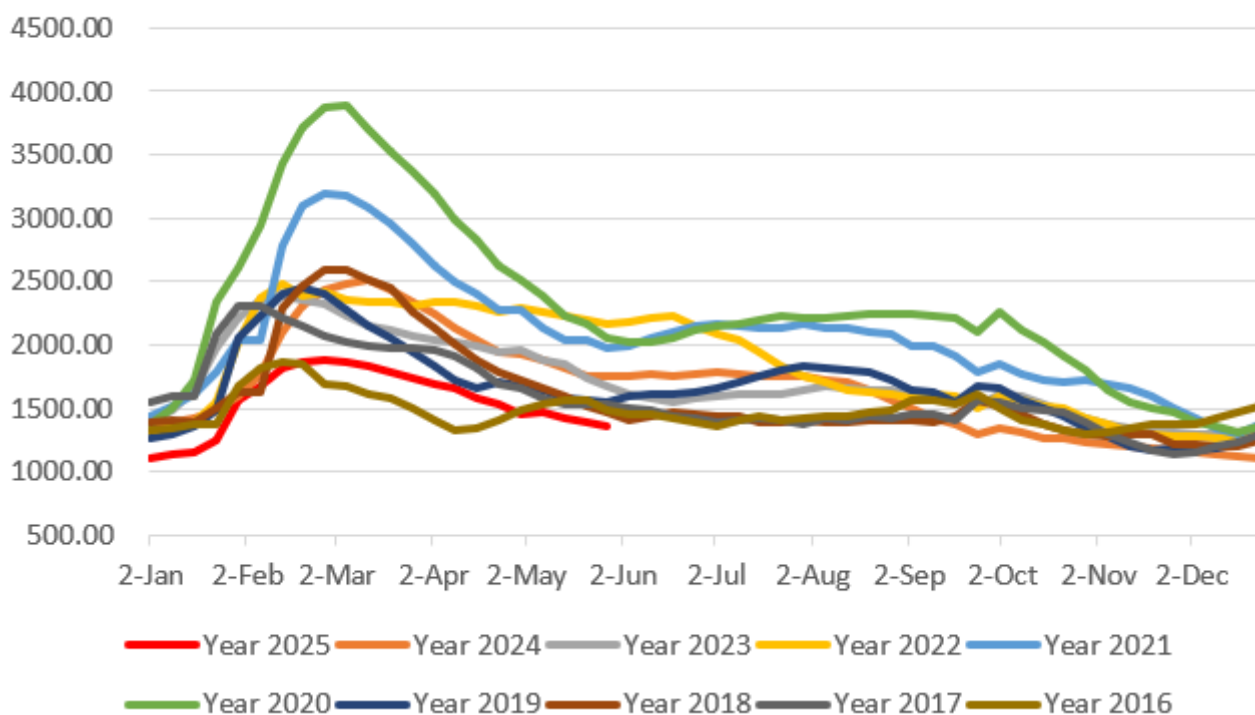
### Steel Key Indicators:

- The average EXW cost of billets at the mainstream sample steel mills in Tangshan is 2,889 yuan/ton. Compared with the EXW price of square billets at 2,900 yuan/ton on May 28th, the average profit of steel mills is 11 yuan/ton, a decrease of 21 yuan/ton on the week.
- According to Mysteel research, some steel mills in Shandong have recently adjusted their production plans and annual output targets. As of May 29, a total of 7 steel mills has preliminarily confirmed their annual production targets, with combined output of 55.33 million tonnes - a decrease of approximately 3.5 million tonnes compared to the same period last year. The production cuts at individual mills range between 4%-10%, primarily through voluntary proactive production reductions.

### Coking Coal and Coke Indicators:

- Coking coal prices remained stable, with Indian buyers still showing some interest in PMV Goonyella coal but no deals were seen. In the coke market, China's second round of price cuts has concluded, while hot metal production has peaked and started to decline, fueling stronger pessimistic sentiment in the market.

Five Major Steels Inventories(10,000 tonnes)



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