



# Daily Virtual Steel Mill Report

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### Verdict:

- Short-run Neutral to Bearish

### Macro:

- Last Friday, U.S. President Trump stated that steel and aluminum import tariffs would be increased from 25% to 50%, starting from June 4. On Monday local time, the EU indicated it may accelerate the implementation of retaliatory measures if the U.S. follows through on its latest tariff threats.
- The National Bureau of Statistics reported a May manufacturing PMI of 49.5, up 0.5 percentage points from the previous month. The Caixin China manufacturing PMI came in at 48.3, down 2.1 percentage points from April and falling below the 50-point threshold for the first time since October 2024.

### Iron Ore Key Indicators:

- Platts62 \$96.30, -0.50, MTD \$96.30. Iron ore markets were quiet on Monday due to China's holiday, with indices edging lower. Last week saw both blast furnace utilization rates and hot metal production decline w-o-w. While fundamentals remain relatively healthy currently, pressure on raw materials is expected to gradually increase as downstream steel demand weakens seasonally. In the seaborne market, two 190kt July-loading PBF traded yesterday at \$92.00 and \$92.10 respectively.
- SGX Iron Ore 62% Futures& Options Open Interest (Jun 2nd)

- Futures 120,834,700 tons (Decrease 970,300 tons)
- Options 126,040,100 tons (Increase 185,000 tons)

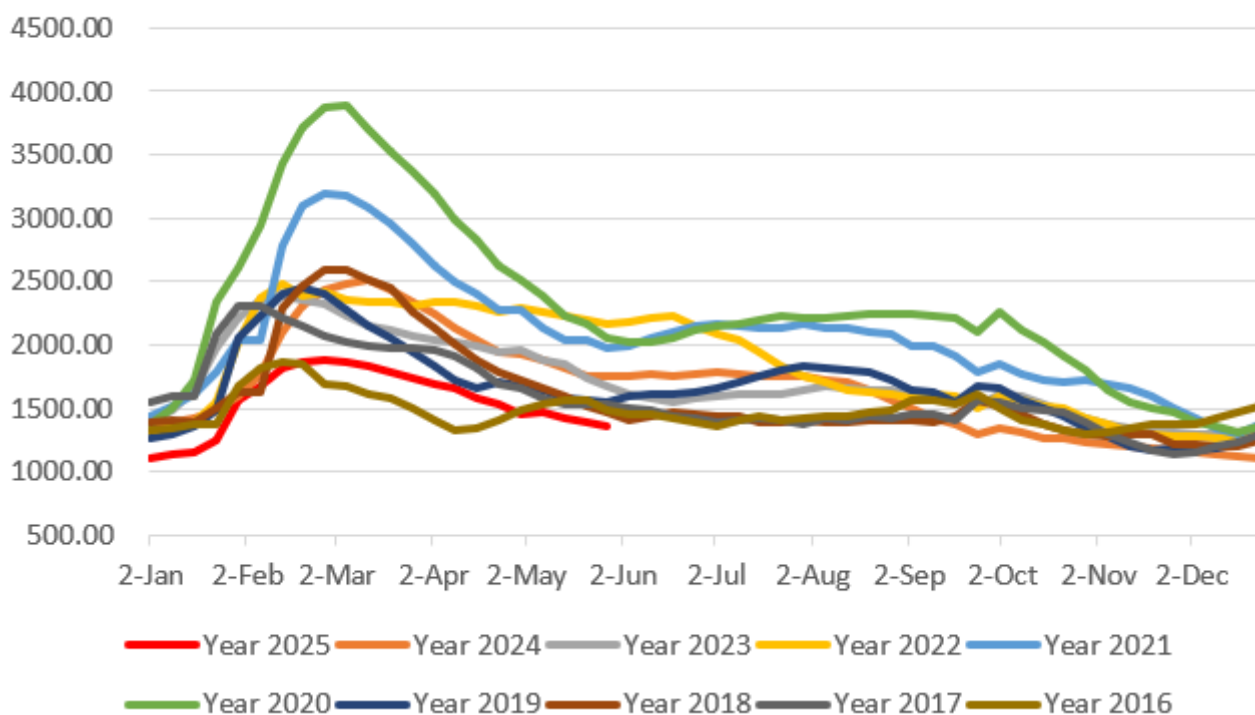
### Steel Key Indicators:

- Mysteel predicts that the June steel market will most likely experience a weak supply and demand dynamics. As long as production control policies remain unimplemented, steel prices are expected to retest new lows.

### Coking Coal and Coke Indicators:

- There remains a price gap between buyers and sellers for seaborne coking coal. Currently, the offer price for 75kt Australian PLV coal is \$188/mt, down \$2 from last Friday, yet buyers still consider this price too high. In China's domestic market, coking coal continues to face oversupply, and with the steel industry entering its off-season, prices are expected to decline further.

Five Major Steels Inventories(10,000 tonnes)



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