



# Daily Virtual Steel Mill Report

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

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### Verdict:

- Short-run Neutral

### Macro:

- Informed sources said Saudi Arabia hopes OPEC+ will continue accelerating oil production increases in the coming months. The sources noted Saudi Arabia's growing dominance within OPEC+ and its desire for the group to add at least 411,000 barrels per day in August and potentially September.

### Iron Ore Key Indicators:

- Platts62 \$96.35, +1.00, MTD \$96.00. Iron ore prices saw a modest rebound after consecutive declines, though fundamental factors suggest limited upside potential, with medium-to-long term trends expected to remain weakly range-bound. The seaborne market saw active trading of mid-grade fines, including one cargo each of MCAF, NMF, and PBF, along with a spot hand change of Carajas fines, all traded at fixed prices.

SGX Iron Ore 62% Futures& Options Open Interest (Jun 4th)

- Futures 126,773,800 tons (Increase 2,754,000 tons)
- Options 127,037,100 tons (Increase 292,200 tons)

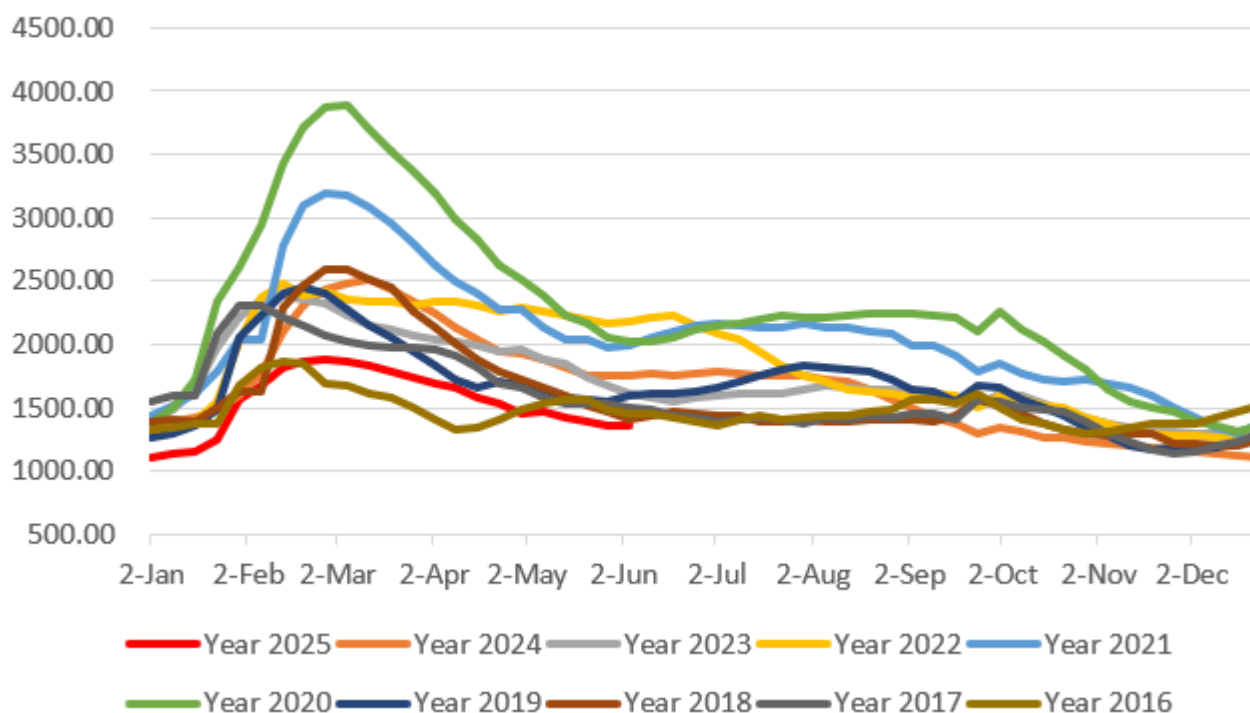
### Steel Key Indicators:

- The average EXW cost of billets at the mainstream sample steel mills in Tangshan is 2,862 yuan/ton. Compared with the EXW price of square billets at 2,900 yuan/ton on June 4th, the average profit of steel mills is 38 yuan/ton, an increase of 27 yuan/ton on the week.

### Coking Coal and Coke Indicators:

- Some steel mills in Hebei have proposed a third round of coke price cuts, with stamp-charged wet-quench coke to decrease by 50 yuan/ton, stamp-charged dry-quench coke by 55 yuan/ton, top-charged wet-quench coke by 70 yuan/ton, and top-charged dry-quench coke by 75 yuan/ton, effective from Jun 6th.
- According to SteelHome, rumors have circulated about Mongolia potentially increasing its coal mineral resource tax to 20%. However, verification by Mongolia's State Taxation Administration confirms that no official decision has been made regarding changes to coal mineral resource taxes or export-related taxes thus far.

Five Major Steels Inventories(10,000 tonnes)



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