



Daily Virtual Steel Mill Report

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Verdict:

- Short-run Neutral

Macro:

- On June 5, President Xi Jinping spoke by phone with U.S. President Trump at the latter's request. President Xi stated that both sides should enhance exchanges in areas including diplomacy, economy and trade, military, and law enforcement to increase consensus, reduce misunderstandings, and strengthen cooperation. President Trump said the Geneva economic and trade talks between the two countries were very successful and resulted in good agreements, adding that the U.S. is willing to work with China to jointly implement the agreements.

Iron Ore Key Indicators:

- Platts62 \$95.65, -0.70, MTD \$95.91. Iron ore prices retreated again yesterday following the previous day's rebound, as weakening downstream steel consumption continues to pressure raw material. The seaborne market remained active with several mid-to-low grade fines trades, including MACF which discount has narrowed from \$2.15 to \$1.75, while MACF is still the cost-effective option for the mills.
- According to Mysteel's statistics, the total inventory of imported iron ore at 45 ports in China was 138.27 million tons, a decrease of 0.40 million tons on the week. The average daily evacuation volume was 3.1399 million tons, a decrease of 126,900 tons on the week.

SGX Iron Ore 62% Futures& Options Open Interest (Jun 5th)

- Futures 127,417,800 tons (Increase 644,000 tons)
- Options 127,918,100 tons (Increase 881,000 tons)

Steel Key Indicators:

- The blast furnace operating rate of 247 steel mills is 83.56%, decreasing by 0.31% week-on-week and increasing by 2.06% year-on-year. The blast furnace utilization rate is 90.65%, decreasing by 0.04% week-on-week and increasing by 2.51% year-on-year. The average daily hot metal output was 2.42 million tons, a decrease of 1,100 tons week-on-week.

Coking Coal and Coke Indicators:

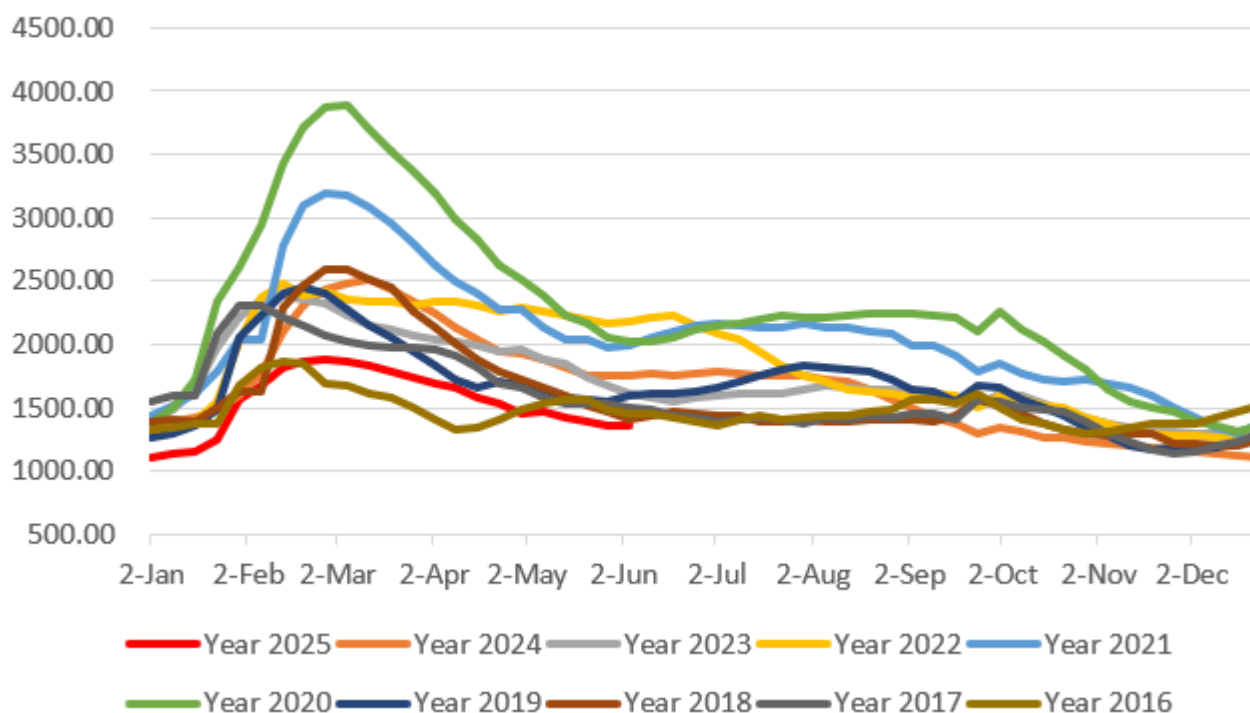
- Mysteel's statistics show that the inventory of imported coking coal at 16 ports across the country was 5.46 million tons, a decrease of 80,300 tons compared with the previous period. The inventory of coke at 18 ports was 2.67 million tons, a decrease of 49,300 tons compared with the previous period.



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Five Major Steels Inventories(10,000 tonnes)



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