



Daily Virtual Steel Mill Report

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Verdict:

- Short-run Neutral

Macro:

- The Baltic and International Maritime Council (BIMCO), one of the world's largest shipping associations, stated that the large-scale conflict between Israel and Iran has unsettled the entire shipping industry. A growing number of vessels are now avoiding the Strait of Hormuz, leading to a decline in ship traffic through the critical waterway. According to data from the Baltic Exchange, fuel transport costs from the Middle East to East Asia surged nearly 20% over the three trading days ending Monday.

Iron Ore Key Indicators:

- Platts62 \$93.15, -1.15, MTD \$95.40. According to the National Bureau of Statistics, China's May crude steel output fell significantly year-on-year, dragging seaborne iron ore prices down to a 9-month low. The seasonal demand downturn is now becoming apparent and expected to persistently suppress raw material prices. On seaborne market, an 80kt MACF traded at \$90.10 and a 90kt JMBF traded at a discount of \$6.09, based on July Index.
- According to Mysteel's statistics, the total inventory of imported iron ore at 45 ports in China was 138.81 million tons on 16th, an increase of 0.34 million tons from last Monday.

SGX Iron Ore 62% Futures& Options Open Interest (Jun 17th)

- Futures 150,769,500 tons (Increase 4,059,700 tons)
- Options 132,970,100 tons (Increase 418,000 tons)

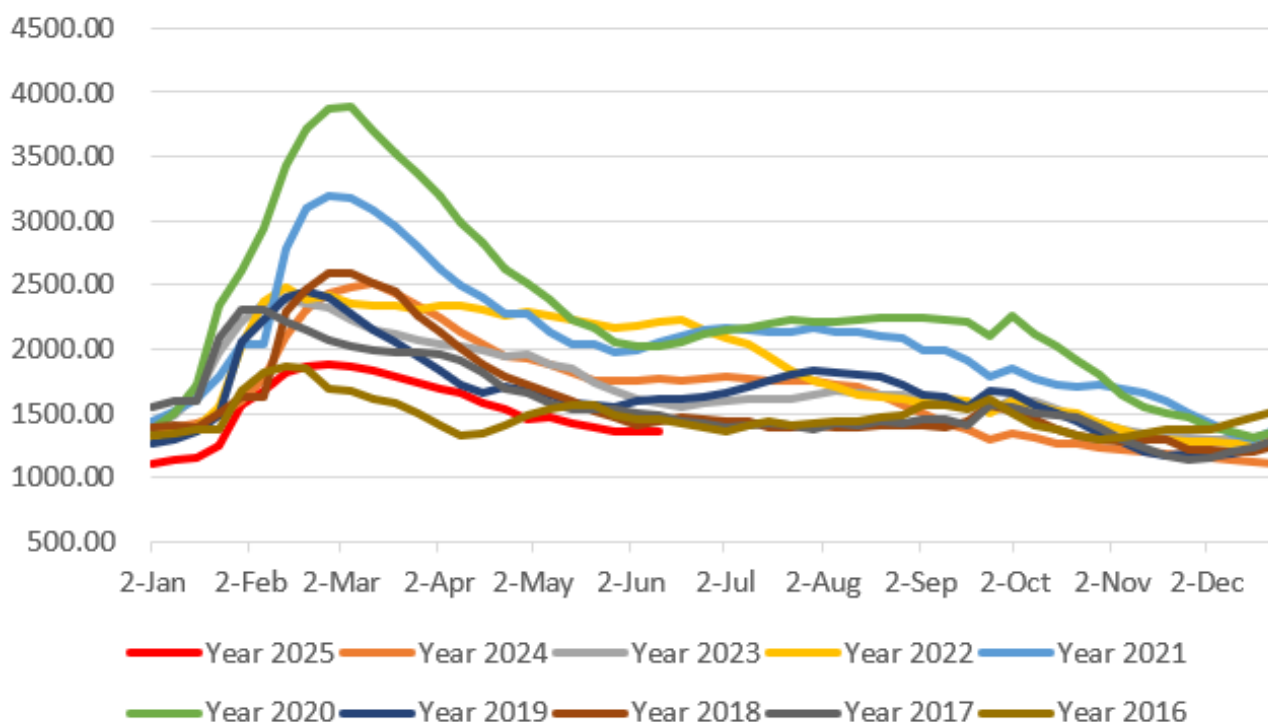
Steel Key Indicators:

- The China 76 sample EAFs average cost at 3262 yuan/ton, average loss at 129 yuan/ton on Jun 17th.

Coking Coal and Coke Indicators:

- Recent environmental inspections have intensified in China's major coking coal production regions, meanwhile coal truck traffic at the Ganqimaodu border crossing has declined. These supply-side constraints are emerging alongside seasonally weak demand, with prices expected to remain under downward pressure in the near term.

Five Major Steels Inventories(10,000 tonnes)



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