



# Daily Virtual Steel Mill Report

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### Verdict:

- Our view is Short-run Neutral to Bullish

### Macro:

- U.S. Treasury Secretary Bassett announced in a Fox News interview on the 22nd local time that the third round of U.S.-China trade negotiations will be held in Stockholm, Sweden next Monday and Tuesday.
- President Trump announced a trade agreement with Japan, under which Japan will pay reciprocal tariffs of 15% on exports to the U.S. and invest \$550 billion in the United States. European Union representatives will hold trade negotiations with the U.S. on Wednesday.

### Iron Ore Key Indicators:

- Platts62 \$104.85, +1.90, MTD \$97.91. Iron ore prices rose sharply again alongside coking coal and coke, with the launch of the Yarlung Tsangpo mega hydropower project significantly boosting market sentiment. Three PBF cargoes traded yesterday, all at fixed prices. Besides, one Newman lump concluded at a premium of +\$0.1800/dmtu, slightly higher than last week's +\$0.1760/dmtu. However, compressed import margins after recent price increases and persistently high coke costs have dampened lump demand.
- Vale reported Q2 2025 iron ore production of 83.60 million tons, up 23.6% quarter-on-quarter and 3.7% year-on-year. Sales volumes reached 77.35 million tons, up 16.9% quarter-on-quarter but down 3.1% year-on-year.

### SGX Iron Ore 62% Futures& Options Open Interest (Jul 22nd)

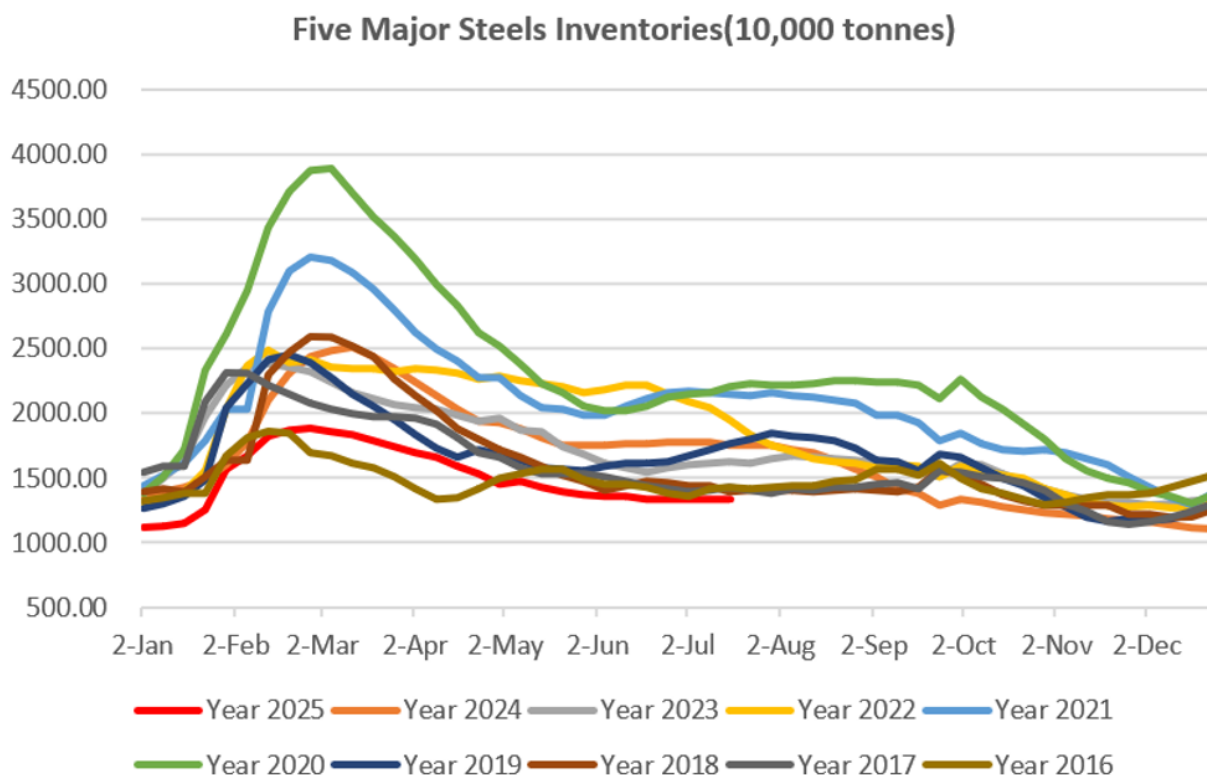
- Futures 198,363,800 tons (Increase 1,109,200 tons)
- Options 168,526,600 tons (Increase 4,440,400 tons)

### Steel Key Indicators:

- According to 100njz.com (a construction industry information platform), the under-construction Yarlung Tsangpo downstream hydropower project, with an estimated installed capacity 2.7 times that of the Three Gorges Dam, is projected to require over 40 million tons of cement (vs. Three Gorges' 16Mt) and approximately 150 million tons of aggregates.

### Coking Coal and Coke Indicators:

- In the seaborne market, a trader has made bids for Australian PMV at \$180/ton for preparing post-monsoon deliveries to India. While overall demand remains weak.



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