



Daily Virtual Steel Mill Report

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Verdict:

- Our view is Short-run Neutral

Macro:

- The State-owned Assets Supervision and Administration Commission (SASAC) has mandated central enterprises to take the lead in resisting "involution-style" competition, accelerate mergers and reorganizations, optimize state capital allocation, and establish a new structural layout for state capital. The State Administration for Market Regulation announced plans to deepen efforts to rectify "involution-style" competition in quality-related sectors.

Iron Ore Key Indicators:

- Platts62 \$104.50, +0.50, MTD \$98.62. After days of volatility, the iron ore market was relatively stabilized yesterday, with indices edging higher amid support from the coking coal and coke markets. Mid-grade seaborne trading remained active, with four PBF transacted at fixed prices, alongside one MACF deal at fixed price and one JMBF traded at a discount of \$4.90/dmt, based on the August index.
- According to Mysteel's statistics, the total inventory of imported iron ore at 45 ports in China was 137.90 million tons, an increase of 0.05 million tons on the week. The average daily evacuation volume was 3.1515 million tons, an increase of 75,900 tons on the week.

SGX Iron Ore 62% Futures& Options Open Interest (Jul 24th)

- Futures 200,179,400 tons (Decrease 220,900 tons)
- Options 175,994,100 tons (Increase 3,341,500 tons)

Steel Key Indicators:

- The blast furnace operating rate of 247 steel mills is 83.46%, unchanged from the previous week and increasing by 1.13% year-on-year. The blast furnace utilization rate is 90.81%, decreasing by 0.08% week-on-week and increasing by 1.20% year-on-year. The average daily hot metal output was 2.42 million tons, a decrease of 2,100 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 5.12 million tons, a decrease of 414,600 tons compared with the previous period. The inventory of coke at 18 ports was 2.50 million tons, a decrease of 23,800 tons compared with the previous period.
- On July 24, multiple coking plants initiated the third round of coke price increases, with some downstream steel mills already accepting the hikes ranging 50-55 yuan/ton, effective from July 25.

