



Daily Virtual Steel Mill Report

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Verdict:

- Our view is Short-run Neutral

Macro:

- On July 27 local time, U.S. President Trump announced that the United States and the European Union have reached a trade agreement, imposing a 15% tariff on EU exports to the U.S. Trump stated that the EU will increase investments in the U.S. by \$600 billion compared to previous levels, purchase American military equipment, and buy \$750 billion worth of U.S. energy products.
- Data from the National Bureau of Statistics shows that from January to June, China's industrial enterprises above designated size achieved a total profit of 3.4365 trillion yuan, down 1.8% year-on-year. Notably, the ferrous metal smelting and rolling processing industry saw profits surge 13.7-fold year on year.

Iron Ore Key Indicators:

- Platts62 \$102.60, -1.90, MTD \$98.83. Iron ore prices declined on Friday, though weekly hot metal production data showed only a modest decrease, it remains at seasonally high levels, that continue to support raw material prices. Mid-grade fines remained active in the seaborne market, with two PBF and one MACF transacted at fixed prices.

SGX Iron Ore 62% Futures& Options Open Interest (Jul 25th)

- Futures 201,967,400 tons (Increase 1,788,000 tons)
- Options 181,954,100 tons (Increase 5,960,000 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.
- China 90 sample EAFs utilisation rate at 55.49%, up 3.7% on the week, up 10.98% on the year.

Coking Coal and Coke Indicators:

- DCE announced that effective July 29, non-futures-company members or clients will face daily position limits of 500 lots for the coking coal futures JM2509 contract and 2,000 lots for other coking coal contracts.

