



Daily Virtual Steel Mill Report

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Verdict:

- Our view is Short-run Neutral

Macro:

- IEA Monthly Report: Revised upward its forecast for 2025 global oil supply growth from 2.1 million barrels per day (mb/d) to 2.5 mb/d and raised the 2026 projection from 1.3 mb/d to 1.9 mb/d, anticipating a record global oil surplus next year.
- U.S. Treasury Secretary Bassant expressed optimism about the Federal Reserve's September meeting, suggesting a potential 50-basis-point rate cut, with the possibility of consecutive rate reductions in a series of moves.

Iron Ore Key Indicators:

- Platts62 \$103.30, -0.70, MTD \$101.77. Iron ore prices retreated yesterday, while seaborne activity regained momentum with one cargo each of MACF and PBF transacted at fixed prices, alongside a SSF concluded at a 10% discount based on September indices, and a Carajás fines at \$121.15/dmt. Port spot remained subdued, with most grades facing import loss, keeping traders sidelined.

SGX Iron Ore 62% Futures& Options Open Interest (Aug 13th)

- Futures 194,322,600 tons (Increase 7,166,000 tons)
- Options 172,855,200 tons (Increase 193,500 tons)

Steel Key Indicators:

- The average EXW cost of billets at the mainstream sample steel mills in Tangshan is 2,905 yuan/ton. Compared with the EXW price of square billets at 3,080 yuan/ton on Aug 13th, the average profit of steel mills is 175 yuan/ton, a decrease of 47 yuan/ton on the week.

Coking Coal and Coke Indicators:

- DCE has adjusted trading limits and fee standards for coking coal futures contract JM2601: effective August 15, non-futures firm members or clients will be subject to a daily position limit of 1,000 lots for JM2601; from August 18, 2025, intraday speculative trading fees will be raised to 0.02% of transaction value.
- On August 13, steel mills in Hebei and Tianjin implemented the sixth round of coke price increases, raising purchasing prices by 50 yuan/ton for stamped wet-quench coke and 55 yuan/ton for stamped dry-quench coke.

Five Major Steels Inventories(10,000 tonnes)

