



Daily Virtual Steel Mill Report

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Verdict:

- Our view is Short-run Neutral

Macro:

- The eurozone's August manufacturing PMI final reading rose to 50.7 - a three-year high from July's 49.8, surpassing the flash estimate of 50.5 and marking the first expansion since mid-2022.

Iron Ore Key Indicators:

- Platts62 \$101.85, -1.75, MTD \$101.85. Iron ore trading was subdued yesterday with prices edging lower, as market sentiment turned cautious following the start of concentrated maintenance shutdowns in Tangshan and other regions this week. The seaborne market saw one PB lump transaction at \$113.83/dmt, with participants believing lump premiums can hold above +\$0.1800/dmtu given their current cost advantages.
- The iron ore arrivals at 45 China ports reached 25.26 million tons, up 1,327,000 tons w-o-w. The iron ore arrivals at six northern ports of China reached 13.01 million tons, up 1,478,000 tons w-o-w.
- During past week, the total delivery of Brazil and Australia reached 29.02 million tons, up 1.42 million tons w-o-w

SGX Iron Ore IODEX Futures& Options Open Interest (Sep 1st)

- Futures 170,621,800 tons (Decrease 477,300 tons)
- Options 164,634,900 tons (Increase 1,894,500 tons)

Steel Key Indicators:

- According to Mysteel's tracking survey of blast furnace production restrictions in Tangshan: as of September 1, 23 sampled steel enterprises with 89 blast furnaces have all implemented planned maintenance shutdowns, including 16 newly idled furnaces, with the remainder undergoing rotational maintenance or production cuts. Theoretical calculations indicate a daily hot metal production impact of approximately 122,300 tons, including previously suspended furnaces, driving capacity utilization down to 74.62%, a 14.21% decline from August 27.

Coking Coal and Coke Indicators:

- Some steel mills in Ningxia has reduced coke procurement prices by 50-55 yuan/ton, effective September 4. Earlier market rumors suggested that mainstream steel mills would implement the first price cut after the military parade concludes.

