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Daily Virtual Steel Mill Report

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15/10/2025

Verdict:

Our view is Short-run Neutral

Macro:

• IMF released its latest World Economic Outlook report, projecting global economic growth of 3.2% in 2025, an upward revision of 0.2 percentage points from its July forecast.

Iron Ore Key Indicators:

- Platts62 \$106.20, -3.00, MTD \$105.32. BHP and the Chinese trader have largely reached an agreement to use RMB for settling some spot iron ore transactions. Previously, market concerns about Australian ore supply have eased. With the slow downstream steel market, iron ore prices have begun to decline. In the seaborne market, a 110,000 mt shipment of Jimblebar fines traded at a discount of \$6.20/dmt, based on the November index. In the lump ore segment, liquidity improved after the premium dropped sharply, with a shipment of Newman lumps trading at a premium of +\$0.1450/dmtu yesterday.
- Rio Tinto released its third-quarter production and sales report. In terms of production, iron ore output from its Pilbara operations reached 84.1 million tons in Q3, up 0.48% quarter-on-quarter and remaining stable year-on-year. Regarding shipments, iron ore shipments from the Pilbara operations totaled 84.3 million tons in Q3, increasing 5.51% quarter-on-quarter but declining 0.24% year-on-year. The report also indicated that the overall progress of the Simandou project is ahead of schedule, with the first batch of iron ore expected to be transported to the port in October, approximately one month earlier than originally planned.

SGX Iron Ore IODEX Futures& Options Open Interest (Oct 14th)

- Futures 198,682,400 tons (Decrease 19,600 tons)
- Options 172,141,300 tons (Increase 587,000 tons)

Steel Key Indicators:

- CISA: In early-October, the average daily output of crude steel of China key steel enterprises was 2.032 million tons, up 7.5% compared to late-Sep. Steel inventories reached 15.88 million tons, up 8.2% compared to late-Sep.
- The World Steel Association forecasts that global steel demand in 2025 will remain flat compared to 2024, reaching approximately 1.75 billion tonnes. In 2026, global steel demand is projected to see a moderate rebound of 1.3%, reaching 1.772 billion tonnes.

Coking Coal and Coke Indicators:

• The seaborne Australian coking coal market continues to operate steadily with ample supply available. Due to high freight costs, sellers are reluctant to lower their offers. Yesterday, a seller's offer for a 45,000 mt shipment of PMV Goonyella coking coal was \$187/mt FOB, already \$2 lower than the previous day. However, buyers insisted on a bid of \$185/mt, resulting in no transaction being concluded.

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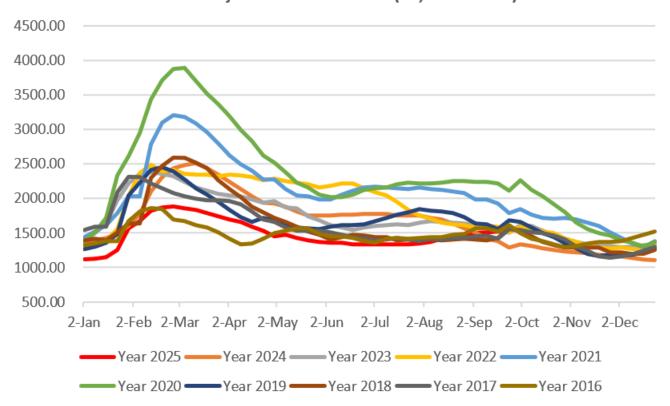
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Five Major Steels Inventories (10,000 tonnes)



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