FIS

Daily Virtual Steel Mill Report

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Verdict:

- Our view is Short-run Neutral

Macro:

- U.S. President Donald Trump stated that he will visit China early next year. In response, a spokesperson for China's Ministry of Foreign Affairs said that head-of-state diplomacy plays an irreplaceable role in providing strategic guidance for China-U.S. relations, and that the leaders of both countries maintain close communication and engagement. Regarding the specific matter mentioned, there is no information available at this time.

Iron Ore Key Indicators:

- Platts62 104.50 -0.80, MTD $105.36. Iron ore prices extended their decline, but trading activity for seaborne picked up again. Yesterday, two cargoes of Newman Fines and two cargoes of MAC Fines were transacted, both on a floating price basis. Additionally, one cargo of Brazilian Blend Fines was traded at $106.4/dmt. Market sentiment remains weak, with downstream buyers prioritizing cost considerations. The lump ore premium continued to weaken, dropping from $0.1495/dmtu at the beginning of the month to $0.1280/dmtu.

- During the period from October 13 to 19, the total iron ore inventory at seven major ports in Australia and Brazil reached 11.73 million tons, a decrease of 1.167 million tons compared to the previous period, indicating an accelerated destocking trend. The inventory level has hit a new low in the past six months.

- Vale released its third-quarter production and sales report, which shows that the company's total iron ore output in the third quarter of 2025 was 94.4 million tons, up 12.9% quarter-on-quarter and 3.8% year-on-year. Total iron ore sales reached 86 million tons, increasing by 11.21% compared to the previous quarter and rising 5.1% year-on-year.

- In the third quarter of 2025, BHP's iron ore production from its Pilbara operations was 70.246 million tonnes, down 9.3% quarter-on-quarter and 1.9% year-on-year.SGX Iron Ore IODEX Futures& Options Open Interest (Oct 21st)

- Futures 206,926,600 tons (increase 1,170,400 tons)

- Options 178,362,600 tons (Increase 1,216,700 tons)

Steel Key Indicators:

- CISA: In September, key member steel enterprises surveyed produced 62.86 million tonnes of crude steel, down 1.0% year-on-year. The average daily output was 2.0953 million tonnes, a decrease of 1.1% compared to the previous month.

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