FIS

Daily Virtual Steel Mill Report

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Verdict:

- Our view is Short-run Neutral

Macro:

- The Customs Tariff Commission of the State Council announced that starting from 1:01 PM on November 10, 2025, China will adjust the additional tariffs on imports originating from the United States. The 24% additional tariff rate on U.S. imports will continue to be suspended for one year, while the 10% additional tariff rate will be maintained.

Iron Ore Key Indicators:

- Platts62 104.90, +0.30 MTD $105.12. Iron ore prices edged higher after consecutive declines, with renewed activity in the seaborne market. Trading remained concentrated in medium- and low-grade fines, with one cargo each of PB Fines, Newman Fines, and MAC Fines traded at floating prices. Despite ample seller offers for high-grade Carajás Fines, no transactions were concluded. Given the persistently weak profitability of steel mills, iron ore is expected to continue facing downward pressure.

SGX Iron Ore IODEX Futures& Options Open Interest (Nov 5th)

- Futures 193,652,700 tons (Decrease 907,200 tons)
- Options 157,775,800 tons (Increase 2,443,200 tons)

Steel Key Indicators:

- The average EXW cost of billets at the mainstream sample steel mills in Tangshan is 3,081 yuan/ton. Compared with the EXW price of square billets at 2,910 yuan/ton on Nov 5th, the average loss of steel mills is -171 yuan/ton.
- CISA: In late-October, the average daily output of crude steel of China key steel enterprises was 1.817 million tons, down 9.8% compared to mid-Oct. Steel inventories reached 14.63 million tons, down 11.8% compared to mid-Oct.

Coking Coal and Coke Indicators:

- Central government safety inspection teams have been deployed to various regions this month, which is expected to persistently constrain coal supply and maintain current prices at elevated levels.

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