FIS

Daily Virtual Steel Mill Report

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Verdict:

- Our view is Short-run Neutral

Macro:

- The U.S. ISM Manufacturing PMI fell by 0.5 points to 48.2 in November, marking the ninth consecutive month below the 50 threshold that separates expansion from contraction. This represents the sharpest contraction in four months.

Iron Ore Key Indicators:

- Platts62 107.35, +1.35 MTD $107.35. On the macro front, increased expectations of a Fed rate cut in December, and the upcoming Politburo meeting have provided some momentum to the market. The coke price reduction may also create a seesaw effect on iron ore, but the upside remains limited. Prices are expected to continue fluctuating with a weaker bias in the near term.

- The iron ore arrivals at 45 China ports reached 26.99 million tons, down 1,117,800 tons w-o-w. The iron ore arrivals at six northern ports of China reached 14.63 million tons, up 249,000 tons w-o-w.

- During past week, the total delivery of Brazil and Australia reached 27.66 million tons, up 1.28 million tons w-o-w.

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

- Futures 176,252,400 tons (Increase 3,401,200 tons)

- Options 153,493,700 tons (Increase 3,408,700 tons)

Steel Key Indicators:

- CISA: Total steel demand has entered a downward phase, accompanied by unprecedented cost pressures. The Chinese steel industry, particularly in Hebei province, should focus on high-end, green, smart, and integrated development.

Coking Coal and Coke Indicators:

- Recent heavy rainfall in eastern Australia has impacted coal mining operations, but buyers are not rushing to procure, and prices have remained relatively stable.

- On December 1, the coal inventory at Qinhuangdao Port stood at 6.58 million tons, up 3.46% from the previous day, 15.44% from the previous week, and 11.53% from the same period last month.

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