



# Daily Virtual Steel Mill Report

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### Verdict:

- Our view is Short-run Neutral

### Macro:

- U.S. ADP employment fell by 32,000 in November, marking the lowest level since March 2023, while market expectations had anticipated an increase of 10,000. U.S. Treasury Secretary Bessent stated that certain sectors of the economy have shown signs of weakness and emphasized the need for interest rate cuts.

### Iron Ore Key Indicators:

- Platts62 108.00, +0.20 MTD \$107.72. Iron ore traded steadily, with seaborne transactions still concentrated on MACF and NHGF. Yesterday's floating prices were settled at -\$2.00/mt and -\$2.65/mt respectively. MACF remained relatively tight at ports, leading to more stable discount levels. The lump ore premium continued to decline, with one cargo of NBL traded at +\$0.080/dmtu yesterday.

### SGX Iron Ore IODEX Futures& Options Open Interest (Dec 3rd)

- Futures 178,190,900 tons (Increase 2,022,700 tons)
- Options 158,711,900 tons (Increase 1,436,800 tons)

### Steel Key Indicators:

- The average EXW cost of billets at the mainstream sample steel mills in Tangshan is 3,071 yuan/ton. Compared with the EXW price of square billets at 2,990 yuan/ton on Dec 3rd, the average loss of steel mills is -81 yuan/ton.
- The China Passenger Car Association released data showing that retail sales of passenger vehicles in China reached 2.263 million units in November, down 7% year-on-year but up 1% month-on-month. Cumulative sales since the beginning of the year increased by 6% compared to the same period last year.

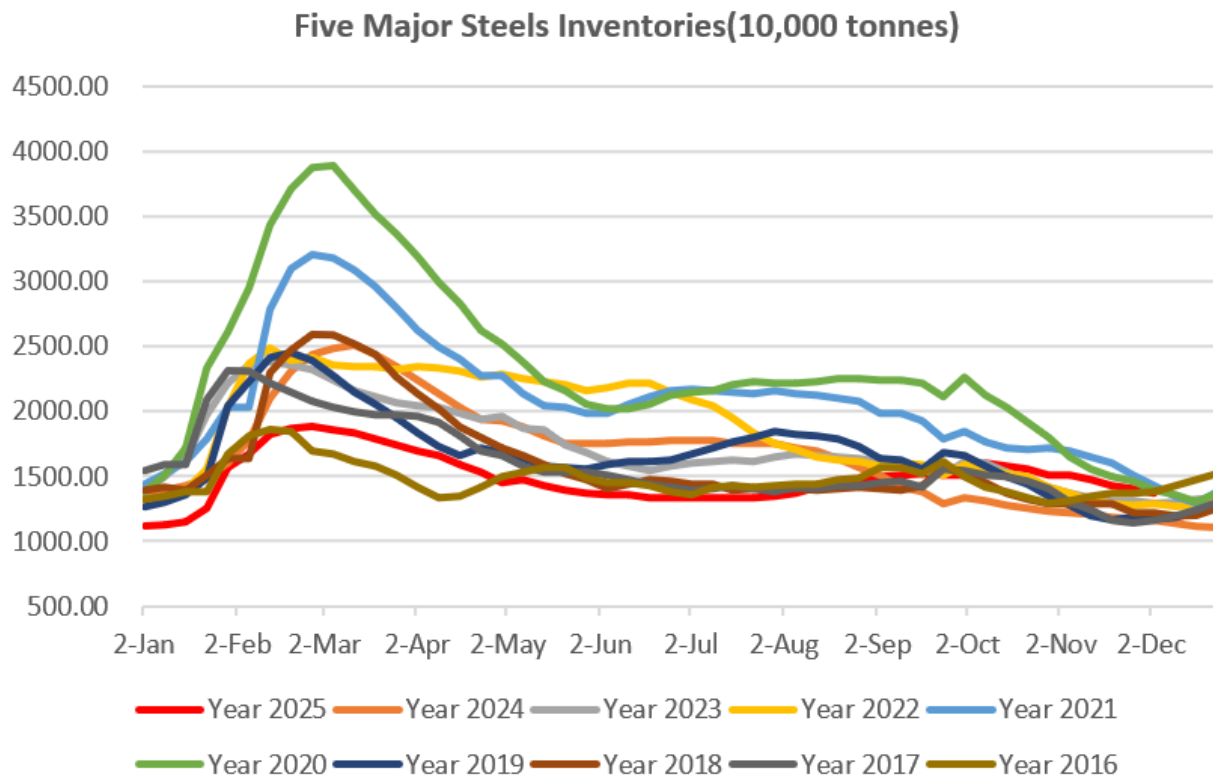
### Coking Coal and Coke Indicators:

- MySteel surveyed 523 China coking coal miners' average utilisation rate at 85.6%, down 0.4% on the week. Daily cleaned coal production was 754,000 tons, down 10,000 tons compared to the prior week, and cleaned coal inventories reached 2.47 million tons, increasing by 231,000 tons week-on-week.



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