



Daily Virtual Steel Mill Report

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Verdict:

- Our view is Short-run Neutral

Macro:

- According to a Reuters report citing six informed sources, the G7 and the European Union are negotiating a full ban on maritime services to replace the price cap on Russian oil exports, aiming to reduce oil revenues that fund Russia's involvement in the conflict in Ukraine. Russia relies on Western tankers to export more than one-third of its oil, primarily to countries like India, and utilizes Western shipping services.

Iron Ore Key Indicators:

- Platts62 107.10, -0.90 MTD \$107.72. Several Chinese cities have activated anti-pollution alerts amid poor air quality, and blast furnace utilization rates continued their seasonal decline. Iron ore prices edged lower on Friday, though improved import landing margins supported active seaborne trading last week. A cargo of PBF was traded at a premium of +\$1.17/mt on Friday.

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

- Futures 178,129,100 tons (Decrease 448,700 tons)
- Options 162,552,400 tons (Increase 1,581,000 tons)

Steel Key Indicators:

- Last week, the blast furnace operating rate of 247 steel mills was 80.16%, decreasing by 0.93% week-on-week and decreasing by 1.31% year-on-year. The blast furnace utilization rate was 87.08%, decreasing by 0.90% week-on-week and decreasing by 0.25% year-on-year. The average daily hot metal output was 2.32 million tons, a decrease of 23,800 tons week-on-week.
- CISA: In late-November, the average daily output of crude steel of China key steel enterprises was 1.818 million tons, down 6.4% compared to mid-Nov. Steel inventories reached 14.28 million tons, down 8.5% compared to mid-Nov.

Coking Coal and Coke Indicators:

- The Ceke Port, a key gateway for Mongolian coal imports, will conduct a clearance stress test on December 8 to assess the maximum daily truck capacity and set a rational 2026 throughput target. The goal is to achieve 2,000 loaded trucks in a single day. This pilot plan will be implemented only on December 8.

