



# Daily Virtual Steel Mill Report

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### Verdict:

- Our view is Short-run Neutral

### Macro:

- FOMC announced after its meeting that it has cut interest rates by 25 basis points, lowering the target range for the federal funds rate to 3.50%–3.75%. President Trump stated that the rate cut was too small and the Fed could have at least doubled the size of the cut.

### Iron Ore Key Indicators:

- Platts62 106.40, +0.90 MTD \$106.99. Driven by news about mortgage subsidies, the property sector surged in the secondary market yesterday, providing some momentum to the ferrous market. However, from a fundamental perspective, the iron ore market has not shown significant improvement. A cargo of MACF was traded yesterday at a discount of \$2.25/mt, down from the previous discount of \$2/mt.
- Mysteel: Due to lagging infrastructure support, the Simandou project currently only has capacity for two train rotations along the entire railway line, coupled with inefficient port transshipment operations. If progress continues at the current pace, the project's total supply in 2026 may fall short of expectations by 20 million tonnes.

### SGX Iron Ore IODEX Futures& Options Open Interest (Dec 10th)

- Futures 179,096,300 tons (Increase 1,522,400 tons)
- Options 167,133,300 tons (Increase 533,500 tons)

### Steel Key Indicators:

- The average EXW cost of billets at the mainstream sample steel mills in Tangshan is 3,065 yuan/ton. Compared with the EXW price of square billets at 2,960 yuan/ton on Dec 10th, the average loss of steel mills is - 105 yuan/ton.

### Coking Coal and Coke Indicators:

- Some steel mills in Hebei and Tianjin have reduced the price of wet-quenched coke by 50 RMB/mt and dry-quenched coke by 55 RMB/mt, effective from December 12.

Five Major Steels Inventories(10,000 tonnes)

