FIS

# Daily Virtual Steel Mill Report

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**Verdict:**

- Our view is Short-run Neutral

**Macro:**

- OPEC stated in a declaration on November 30 that eight major oil-producing countries within OPEC and non-OPEC nations have decided to maintain the production plan formulated in early November, pausing production increases in the first quarter of 2026.

**Iron Ore Key Indicators:**

- Platts62 106.00, -1.45 MTD $104.84. After several days of modest gains, iron ore prices retreated on Friday, returning to levels seen at the beginning of last week. Steel mills continued procuring medium- and low-grade fines for early January loading, with two cargoes of NHGF and MACF traded. The floating price differentials dropped to -$2.475/dmt and -$2.175/dmt respectively, based on the January index.

SGX Iron Ore IODEX Futures& Options Open Interest (Nov 28th)

- Futures 172,851,200 tons (Decrease 34,010,900 tons)
- Options 150,085,000 tons (Decrease 27,573,700 tons)

**Steel Key Indicators:**

- Last week, the blast furnace operating rate of 247 steel mills was 81.09%, decreasing by 1.10% week-on-week and increasing by 0.53% year-on-year. The blast furnace utilization rate was 87.98%, decreasing by 0.60% week-on-week and increasing by 0.18% year-on-year. The average daily hot metal output was 2.35 million tons, a decrease of 16,000 tons week-on-week.
- Mysteel: Last week, 11 production lines for construction steel were under maintenance (up by 4 lines week-on-week), indicating an expansion in scale, while 6 lines resumed operation (down by 3 lines week-on-week), reflecting a slowdown in the restart pace, suggesting a potential slight tightening on the supply side.

**Coking Coal and Coke Indicators:**

- On November 28, the first round of coke price reductions was initiated. Some steel mills in Tangshan and Xingtai regions lowered wet-quenched coke by 50 yuan/ton and dry-quenched coke by 55 yuan/ton, effective from December 1.

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