



# Daily Virtual Steel Mill Report

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### Verdict:

- Our view is Short-run Neutral

### Macro:

- The Wall Street Journal: The Trump administration is preparing to overhaul the steel and aluminum tariff regime, adjusting duties on finished products to simplify compliance processes. According to sources familiar with the matter, under a notice expected to be released as soon as this week, finished products containing imported steel and aluminum will be subject to a 25% tariff.

### Iron Ore Key Indicators:

- Platts IODEX 108.20, +0.55 MTD \$108.20. Iron ore prices edged up yesterday. Although downstream steel demand remained relatively soft, rising freight costs and operational disruptions at some smaller Australian mining operations due to diesel shortages lent some support to prices. In the primary market, two cargoes of MACF were transacted at a discount of -\$5.30/dmt, while a cargo of NBL was traded at a premium of +\$0.070/dmtu.

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

- Futures 147,116,100 tons (Increase 1,669,100 tons)
- Options 182,358,200 tons (Increase 1,064,400 tons)

### Steel Indicators:

- This week, average billet cost (including tax) at Tangshan steel mills saw limited changes. Compared with the plain square billet ex-works price of 2,980 yuan/ton as of April 1, steelmakers are currently operating at a marginal profit level.
- According to a Mysteel survey, disruptions in the Middle East have created a supply gap for steel billets. Export offers for Chinese steel billets to Southeast Asia have risen from around \$410–420/mt CFR earlier this month to approximately \$480–490/mt. Including freight, insurance, and risk premiums, total costs are estimated to have increased by around 18%–22%, approaching or exceeding the 20% mark.

### Coking Coal and Coke Indicators:

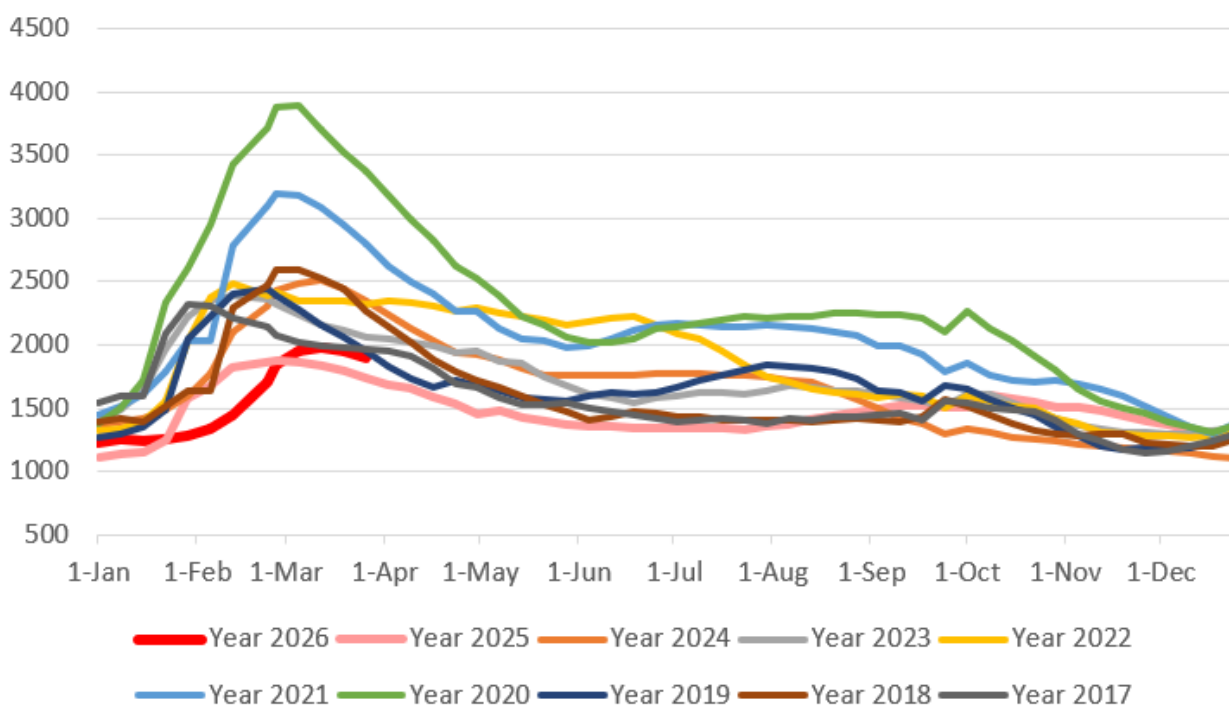
- On April 1, the first round of coke price hikes was implemented, with steel mills in Hebei, Shandong, and Anyang raising coke procurement prices by 50 yuan/ton for wet-quenched coke and 55 yuan/ton for dry-quenched coke.



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**Five Major Steels Inventories(10,000 tonnes)**



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