



Daily Virtual Steel Mill Report

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Verdict:

- Our view is Short-run Neutral

Macro:

- According to a summary by Mysteel, from May 25 to May 31, local governments across China are scheduled to issue 88.8 billion yuan in new special-purpose bonds. As of May 31, the year-to-date issuance progress of new special-purpose bonds is expected to reach 34.0% of the 2026 annual quota, which is 3.2 percentage points slower than the same period last year. The year-on-year shortfall has persisted for three consecutive weeks, and the gap has gradually widened. Furthermore, the portion of new special-purpose bonds designated for project construction posted a cumulative year-on-year decline of 11.8%.

Iron Ore Key Indicators:

- Platts IODEX 105.10, -1.70 MTD \$109.23. Iron ore prices edged down yesterday. Market sources indicated that traders have released additional Jimblebar fines resources into the spot market. Meanwhile, rapidly rising coke prices may squeeze steel mill profit margins, potentially affecting iron ore demand. The seaborne market saw active trading, with multiple transactions of mainstream fines recorded, including two cargoes of PBF, one cargo of BRBF, one cargo of JMBF, and one cargo of SSF.

SGX Iron Ore IODEX Futures& Options Open Interest (May 26th)

- Futures 173,761,300 tons (Decrease 2,974,800 tons)
- Options 182,713,600 tons (Increase 2,142,600 tons)

Steel Indicators:

- CISA: In mid-May, the average daily output of crude steel of China key steel enterprises was 2.096 million tons, down 0.7% compared to early-May. Steel inventories reached 18.77 million tons, up 11.2% compared to early-May.

Coking Coal and Coke Indicators:

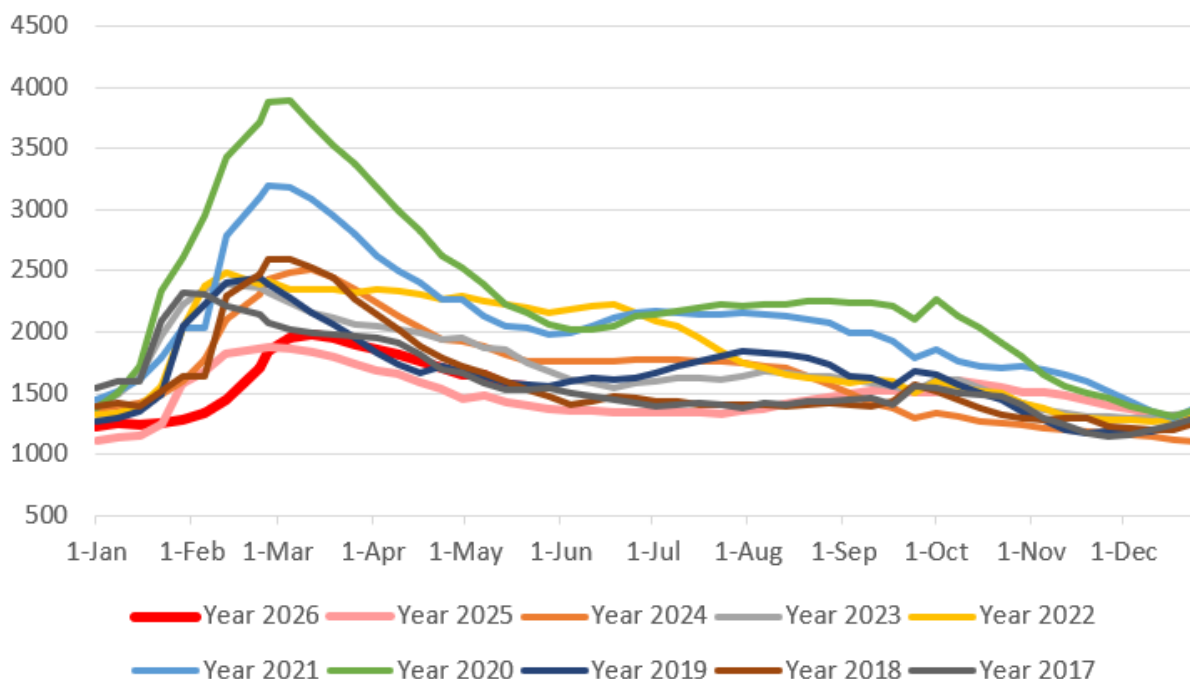
- The self-inspection and self-rectification work of coal enterprises in Shanxi has largely concluded, with some coal mines having resumed production, gradually easing market concerns over supply. The Australian coal market has remained unaffected by this incident and is trading steadily overall. As international crude oil futures prices have corrected, Indian steel mills are inclined to wait for freight rates to decline before proceeding with procurement.



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Five Major Steels Inventories(10,000 tonnes)



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