FIS

Daily Virtual Steel Mill Report

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02/07/2026

Verdict:

- Our view is Short-run Neutral

Macro:

- U.S. ADP employment increased by 98,000 in June, the smallest gain since March, falling short of market expectations of a 118,000 increase.

Iron Ore Key Indicators:

- Platts IODEX 97.50 -1.50, MTD $97.50. Under the persistent squeeze on margins from elevated coal and coke prices, some steel mills in China have scheduled blast furnace maintenance for July, which is expected to result in a decline in hot metal output and consequently weigh on iron ore demand. The seaborne market was relatively quiet yesterday, with no transactions for mainstream fines recorded.

- Hancock has announced that the first iron ore has been produced at its McPhee Creek iron ore project in the Pilbara. The project received approval to commence construction in 2024 and is planned to produce 8 million tons of hematite ore annually.

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

- Futures 113,949,400 tons (Increase 1,117,200 tons)

- Options 148,843,500 tons (Increase 2,314,000 tons)

Coking Coal and Coke Indicators:

- According to the latest survey results from Mysteel, since May 23, a total of 165 coking coal mines in Shanxi Province have experienced production suspensions, with a total capacity of 218.70 million metric tons. As of July 1, 95 mines had resumed production, representing a total capacity of 125.00 million metric tons; on that day, 70 mines remained suspended, with a total capacity of 93.70 million metric tons.

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