FIS

Daily Virtual Steel Mill Report

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Verdict:

- Our view is Short-run Neutral

Macro:

- According to a Reuters report, two tankers carrying Saudi crude oil bound for Asia turned back in the Red Sea on Tuesday, following threats from Yemen's Houthi forces.

Iron Ore Key Indicators:

- Platts IODEX 97.70 -1.20, MTD $98.72. As blast furnace hot metal output declined, the fundamental demand support for raw materials weakened, leading iron ore prices to edge lower further. Yesterday, liquidity in the seaborne market was moderate, with a 70,000-tonne cargo of IOCJ transacted on the platform at $114.40/dmt. In addition, BHP sold one cargo of NBL at a premium of $0.2260/dmtu.

- Vale released its second-quarter production and sales report. The report shows that in the second quarter of 2026, total iron ore production reached 84.26 million metric tons, up 20.9% quarter-on-quarter and 0.8% year-on-year. Total iron ore sales volume amounted to 79.75 million metric tons, up 16.1% quarter-on-quarter and 3.1% year-on-year.

- During July 13–19, the total iron ore inventory across seven major ports in Australia and Brazil stood at 14.997 million metric tons, a week-on-week increase of 0.798 million metric tons. Port inventories showed a modest accumulation trend, and the current stockpile has reached a year-to-date high.

SGX Iron Ore IODEX Futures& Options Open Interest (Jul 21st)

- Futures 136,563,700 tons (Increase 1,113,700 tons)

- Options 167,329,800 tons (Increase 855,700 tons)

Coking Coal and Coke Indicators:

- According to data from the National Bureau of Statistics, China's raw coal production in June amounted to 380.88 million metric tons, a year-on-year decrease of 9.7%. Among this, Shanxi Province's June production stood at 78.012 million metric tons, down 31.5% year-on-year and down 23.83% month-on-month, representing a decrease of 24.408 million metric tons from the previous month.

- In the Australian coking coal market, a steel mill purchased a cargo of PMV coking coal at $224/mt on Monday, with the seller having the option to deliver either Goonyella coking coal or Moranbah North coking coal. After consecutive declines, Australian PHCC prices are gradually approaching buyers' expected levels, but given weak demand, actual transactions are expected to remain relatively limited.

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