



五矿期货有限公司

中国五矿

Limited upside and downside –
range-bound trading to dominate.

Iron Ore Monthly Report

January 4, 2026



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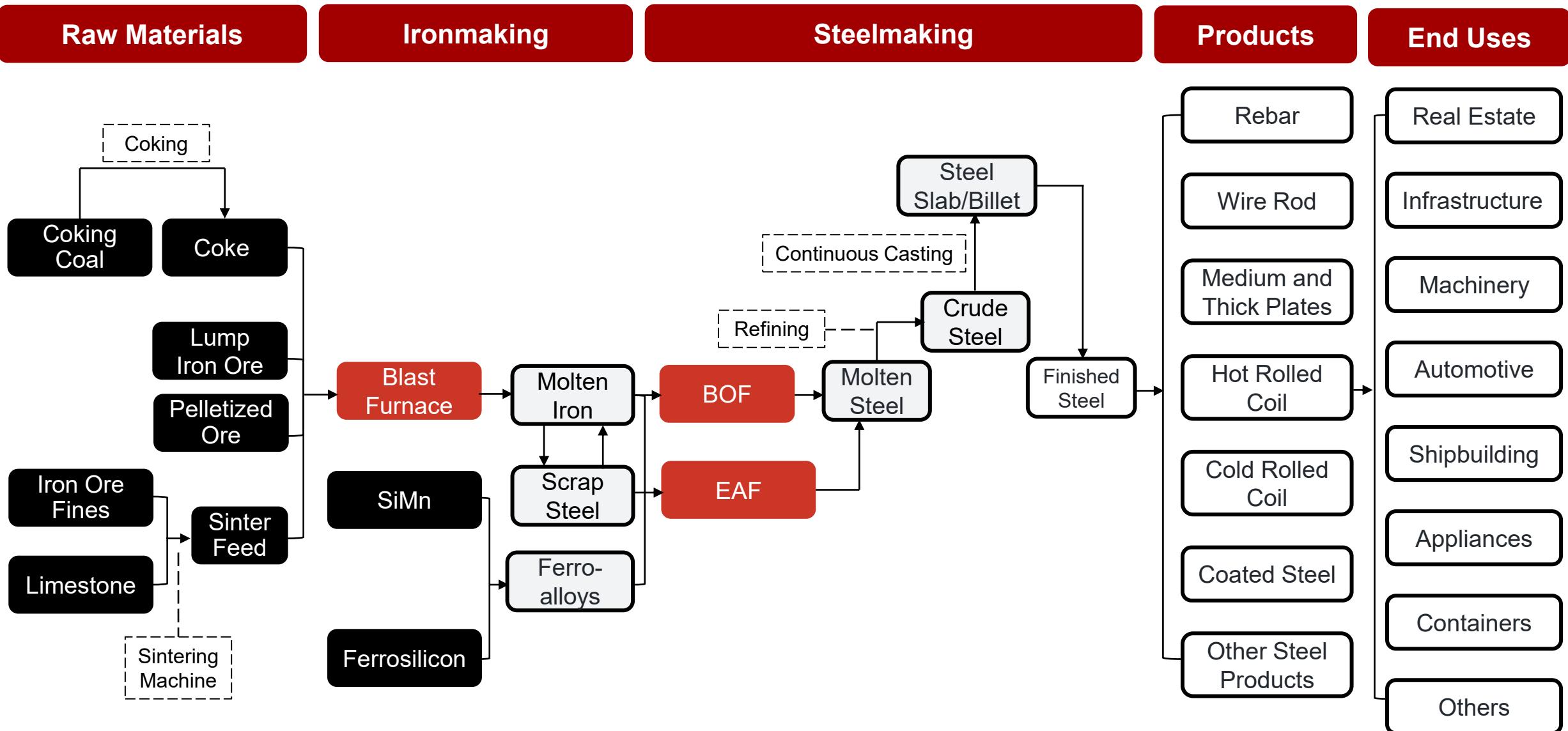
Basis

01

Monthly Review & Strategy Recommendation



Schematic Diagram of the Ferrous Metal Industry Chain



Monthly Review

- ◆ **Supply:** December's global weekly average iron ore shipments totaled 35.26 Mt (+2.29 Mt MoM). Australian shipments to China (19-port basis) averaged 16.45 Mt/week (+700kt MoM), while Brazilian shipments averaged 8.44 Mt/week (+200kt MoM). Weekly arrivals at China's 45 ports averaged 26.13 Mt (-190kt MoM).
- ◆ **Demand:** Domestic daily molten iron output in December averaged 2.28 Mt (-69.5kt MoM).
- ◆ **Inventory:** As of end-December, imported iron ore inventories at China's 45 ports stood at 159.29 Mt (+7.19 Mt from end-November). Weekly average port clearance was 3.17 Mt (-110kt MoM), and steel mills' weekly average imported ore consumption was 2.82 Mt (-83.8kt MoM).
- ◆ **Outlook for January:** Heading into January, supply remains elevated due to year-end shipment surges from overseas miners—December volumes exceeded seasonal norms, and port arrivals are expected to rise further with shipping lags. However, January typically marks the start of the seasonal low for mine shipments, suggesting a MoM decline ahead. On the demand side, molten iron output stepped down further from November levels as mills conducted scheduled year-end maintenance. Profitability has modestly improved, and some blast furnaces are set to resume post-maintenance, potentially lifting output slightly. Port inventories continue to build and sit at multi-year highs for this time of year, yet structural tightness persists as mill-side imported ore stocks remain low, leaving room for restocking. On macro level, iron ore prices trended higher amid volatility in late December, though external shocks could introduce new volatility. Overall, high inventories and ample supply cap upside potential, while restocking expectations provide downside support. With limited directional drivers, the market is likely to trade range-bound, with near-term focus on mill restocking behavior and molten iron production trends.

02

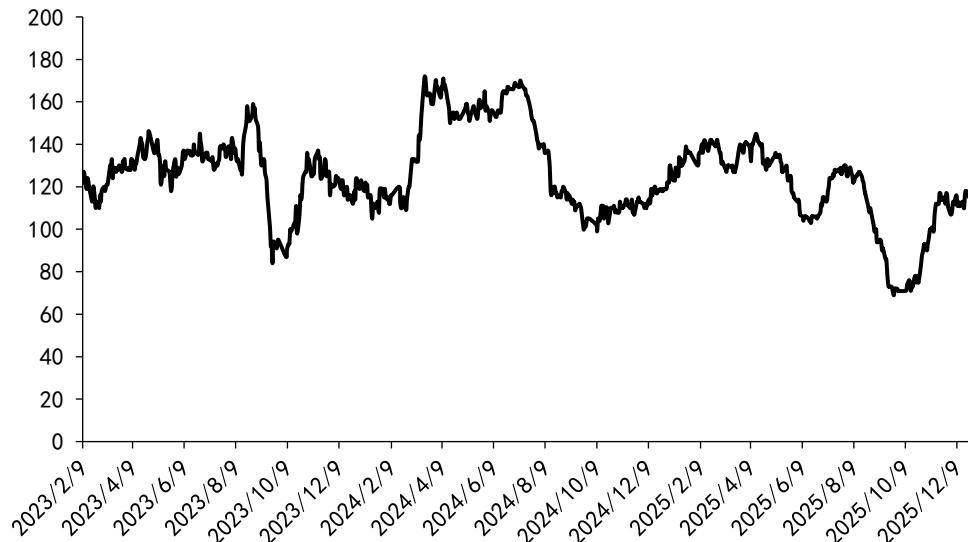
Futures Market & Spot Market





Price Spread

Figure 1: PB Fines-Super Special Fines Spread (RMB/ton)



Sources: MYSTEEL, Minmetals Futures

- As of end-December:

PB-Super Special fines spread: RMB 117/ton (+6.0 MoM)

Carajás-PB fines spread: RMB 82/ton (-9.0 MoM)

Figure 2: Carajas Fines-PB Fines Spread (RMB/ton)



Sources: MYSTEEL, Minmetals Futures



Price Spread

Figure 3: Carajas Fines-Jimblebar Fines Spread (RMB/ton)



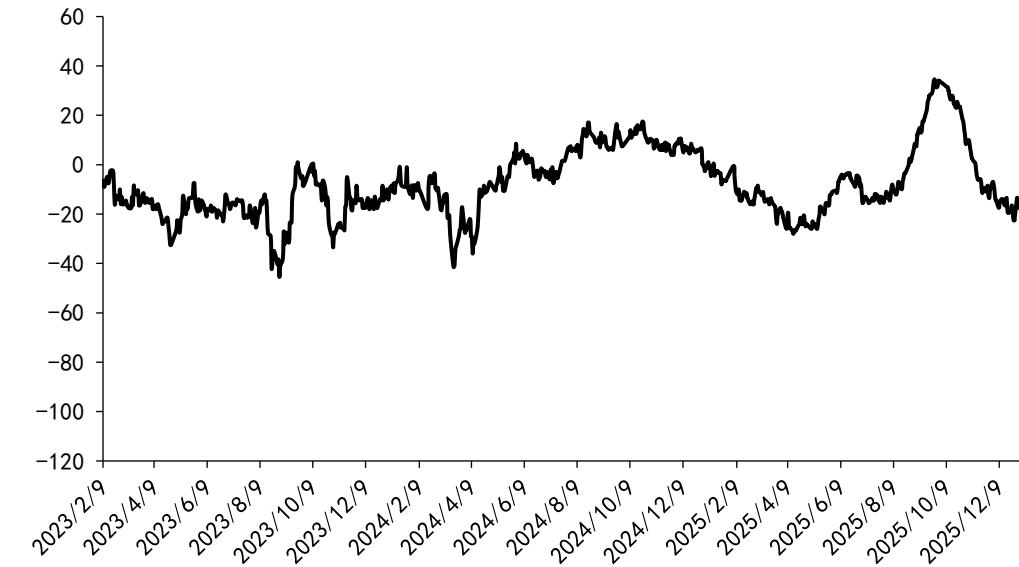
Sources: MYSTEEL, Minmetals Futures

- As of end-December:

Carajás–Jimblebar fines spread: RMB 137/ton (-10.0 MoM)

[(Carajás + Super Special fines)/2 – PB fines] spread: RMB -17.5/ton (-7.5 MoM)

Figure 4: (Carajas + Super Special)/2-PB Fines Spread (RMB/ton)



Sources: MYSTEEL, Minmetals Futures

Furnace Input Ratios, Scrap Steel

Figure 5: Feed Mix Ratio (%)

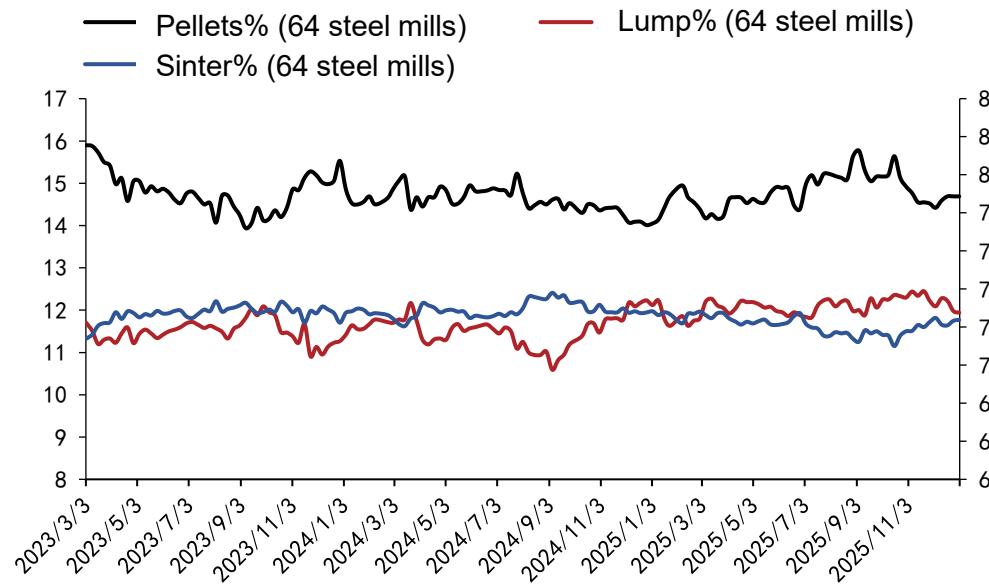
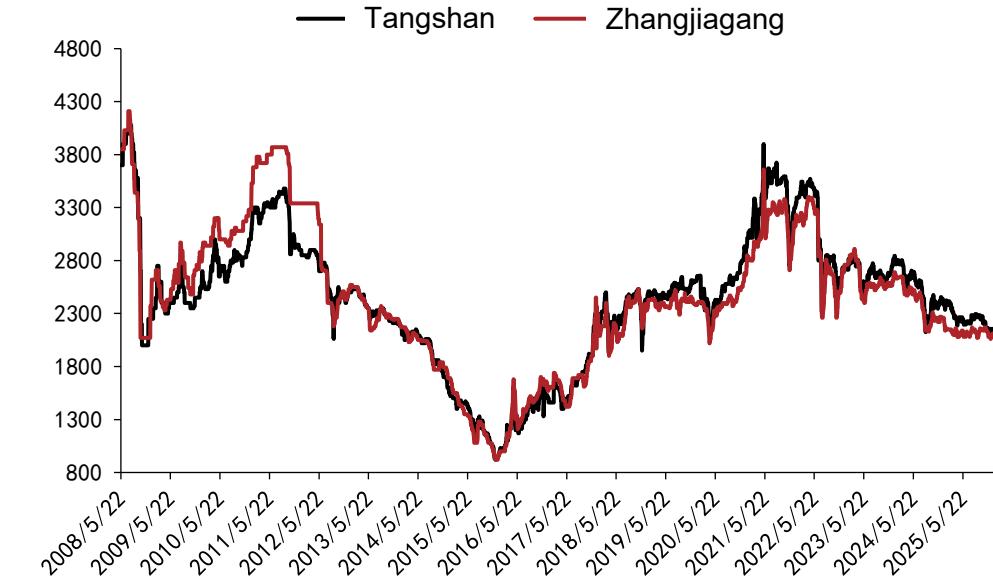


Figure 6: Scrap Price (RMB/ton)



Sources: MYSTEEL, Minmetals Futures

Sources: MYSTEEL, Minmetals Futures

- As of end-December, pellet burden ratio was 14.69% (+0.17 pct MoM), lump ore burden ratio was 11.98% (-0.24 pct MoM), and sinter burden ratio was 73.33% (+0.06 pct MoM).
- As of end-December: Tangshan scrap price: RMB 2,155/ton (+10 MoM), Zhangjiagang scrap price: RMB 2,080/ton (0 MoM)



Profits

Figure 7: Steel Mills Profitability (%)

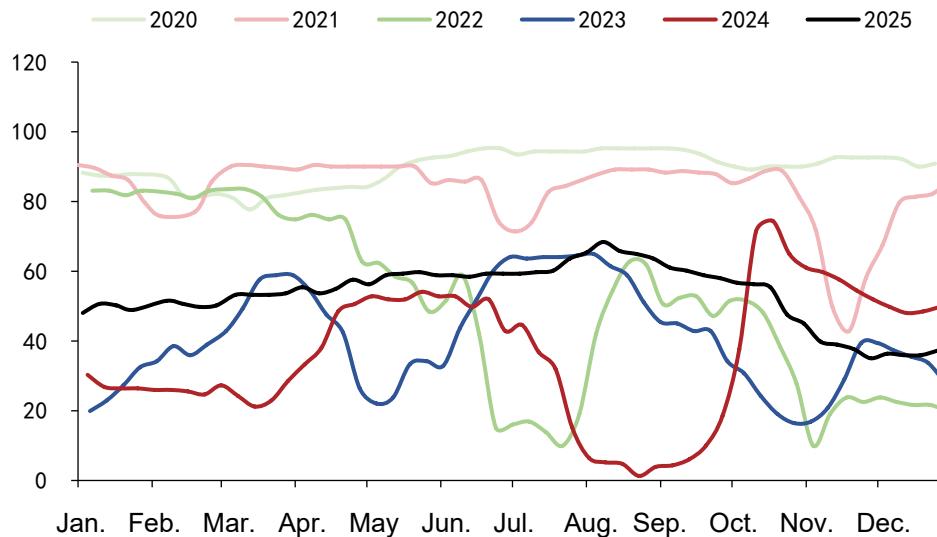
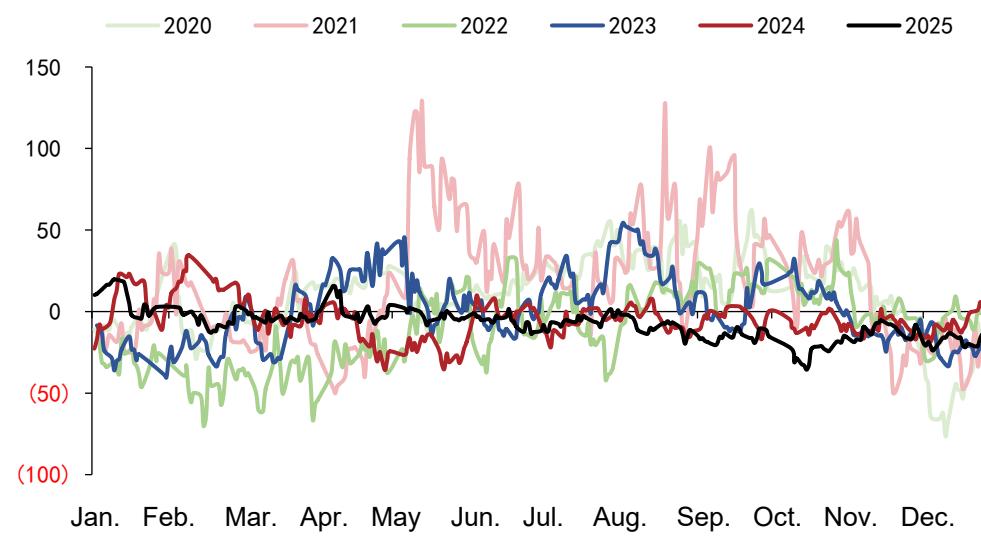


Figure 8: PB Import Profits (RMB/wet ton)



Sources: MYSTEEL, Minmetals Futures

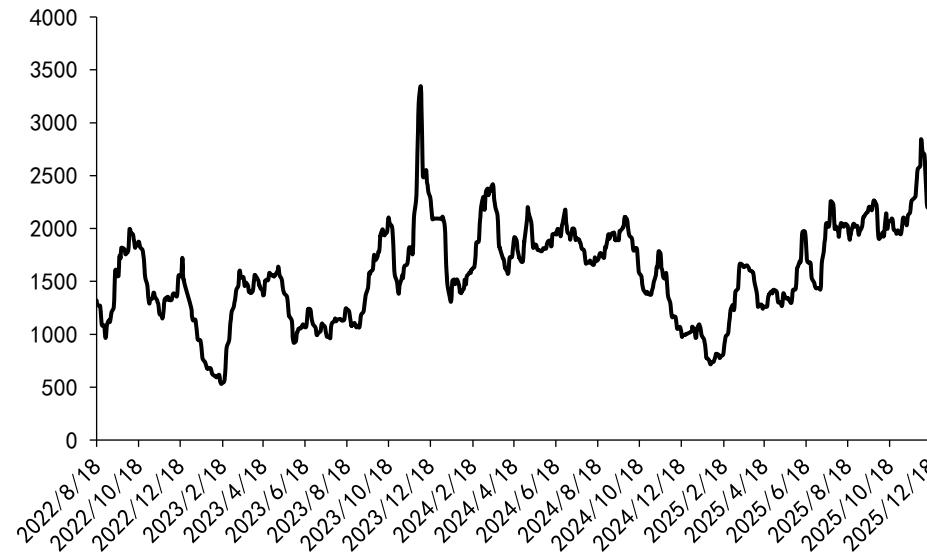
Sources: MYSTEEL, Minmetals Futures

- As of end-December, steel mill profitability stood at 37.23% (+2.17 pct MoM).



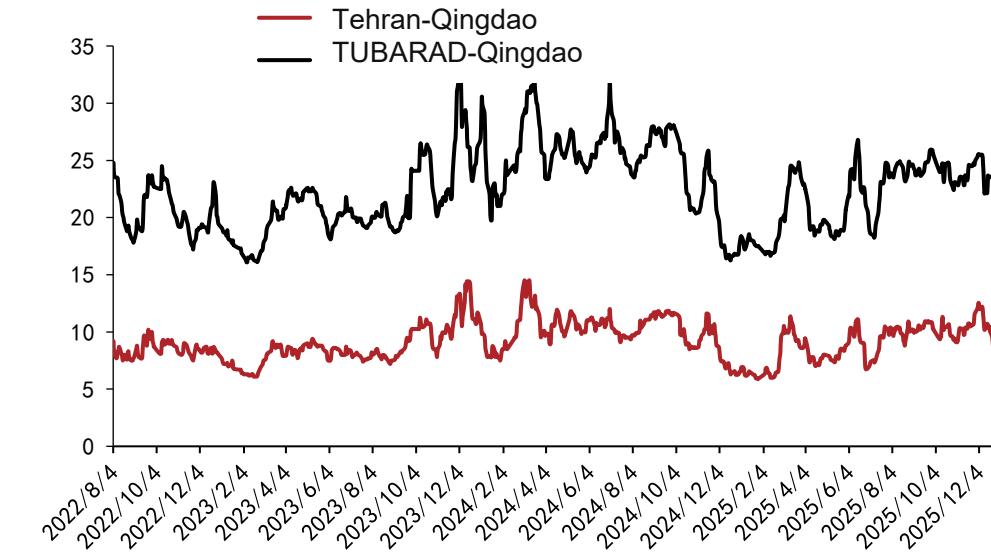
Sea Freight Rates

Figure 9: BDI (point)



Sources: MYSTEEL, Minmetals Futures

Figure 10: Freight Rates by Origins (USD/ton)



Sources: MYSTEEL, Minmetals Futures

03

Inventory

Inventory



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Figure 11: Domestic port inventory (10kt)

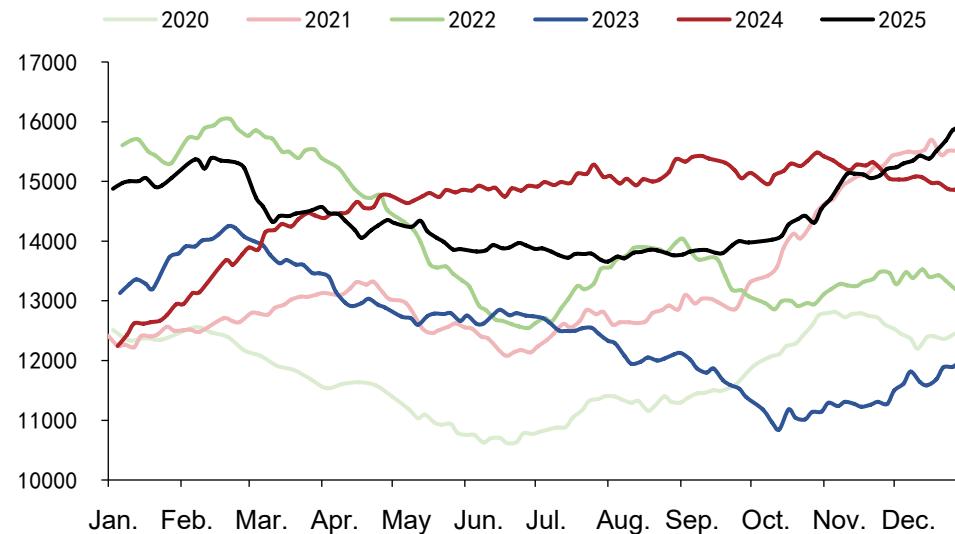
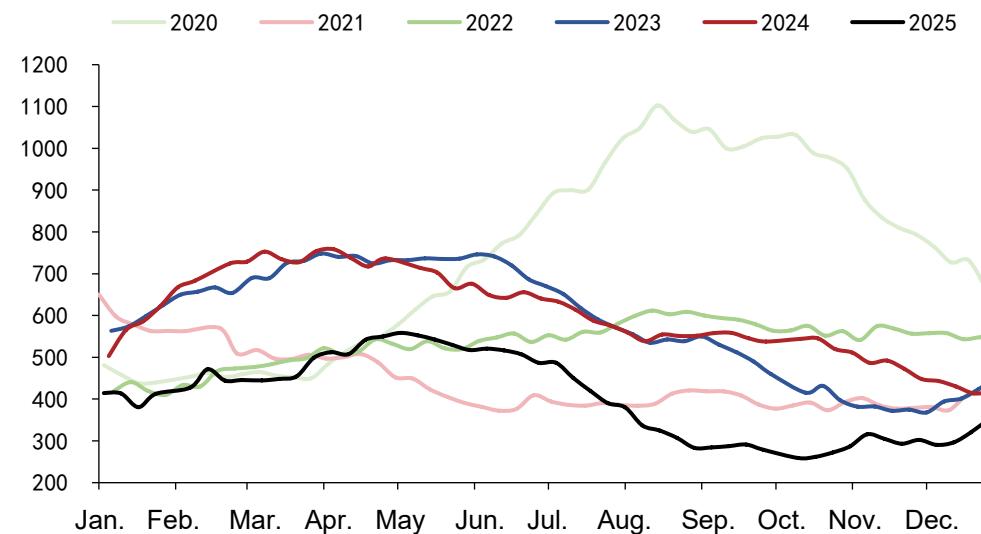


Figure 12: Port inventory: pellets (10kt)



Sources: MYSTEEL, Minmetals Futures

- As of end-December, imported iron ore inventory at 45 ports nationwide totaled 159.29 Mt (+7.19 Mt MoM), including 3.52 Mt of pellets (+490kt MoM).



Inventory

Figure 13: Port inventory: iron concentrate fines (10kt)

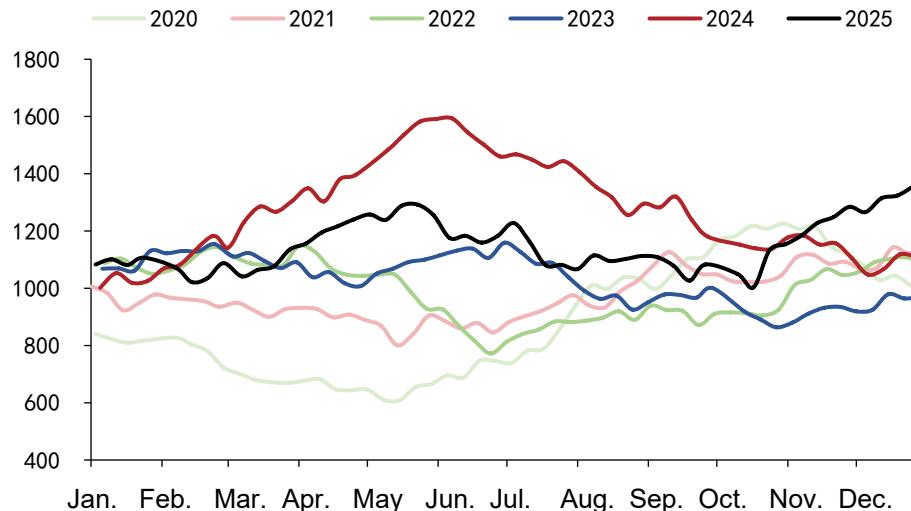
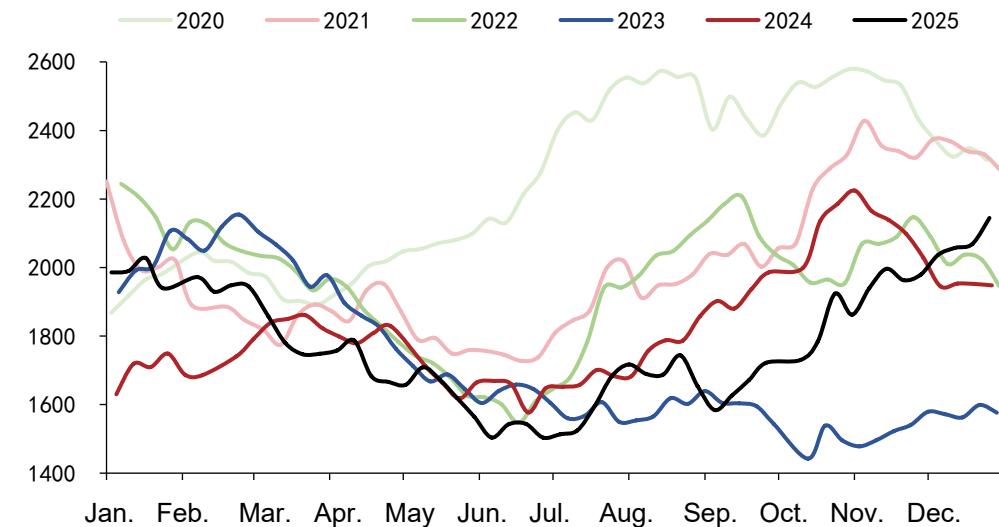


Figure 14: Port inventory: lumps (10kt)



Sources: MYSTEEL, Minmetals Futures

Sources: MYSTEEL, Minmetals Futures

- As of end-December, port inventory of iron concentrate was 13.56 Mt (+720kt MoM); lump ore inventory was 21.45 Mt (+1.65 Mt MoM).

Figure 15: Port inventory of Australian ores (10kt)

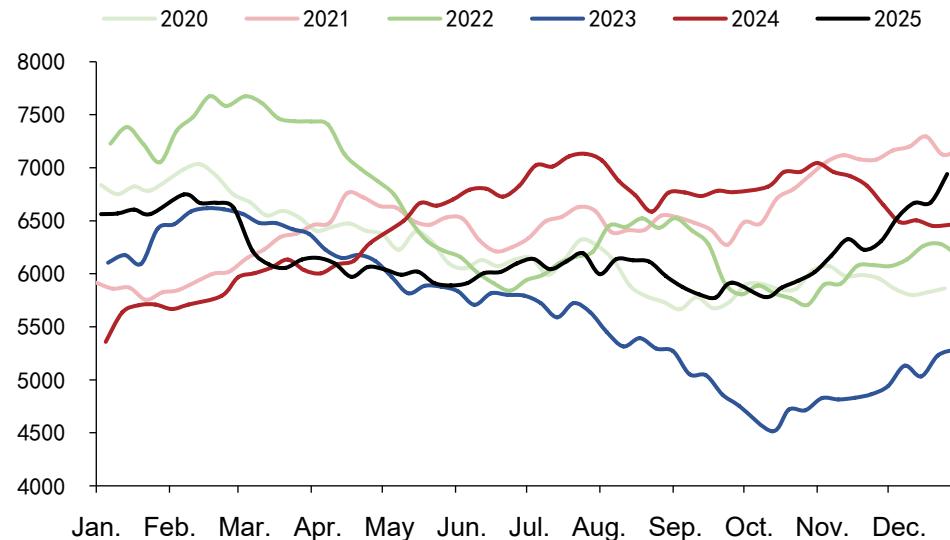
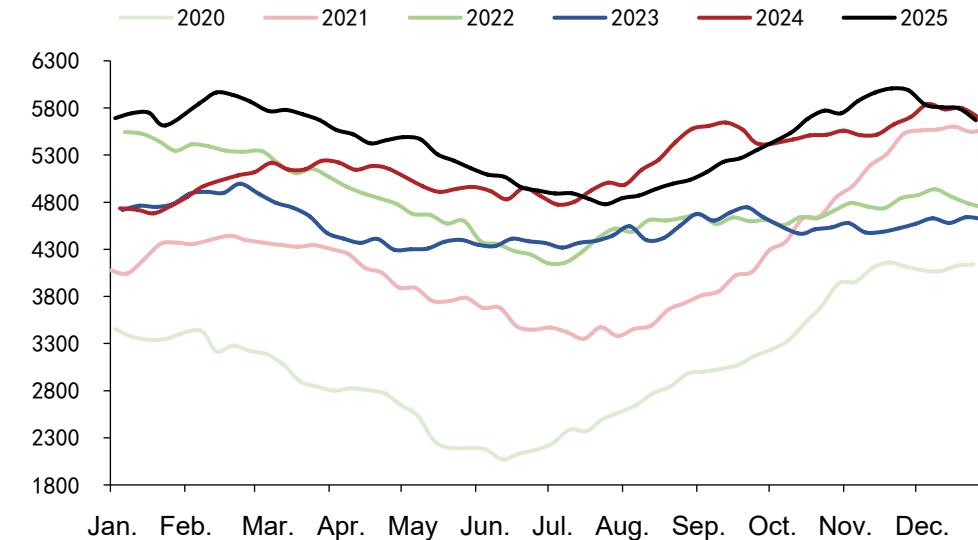


Figure 16: Port inventory of Brazilian ores (10kt)

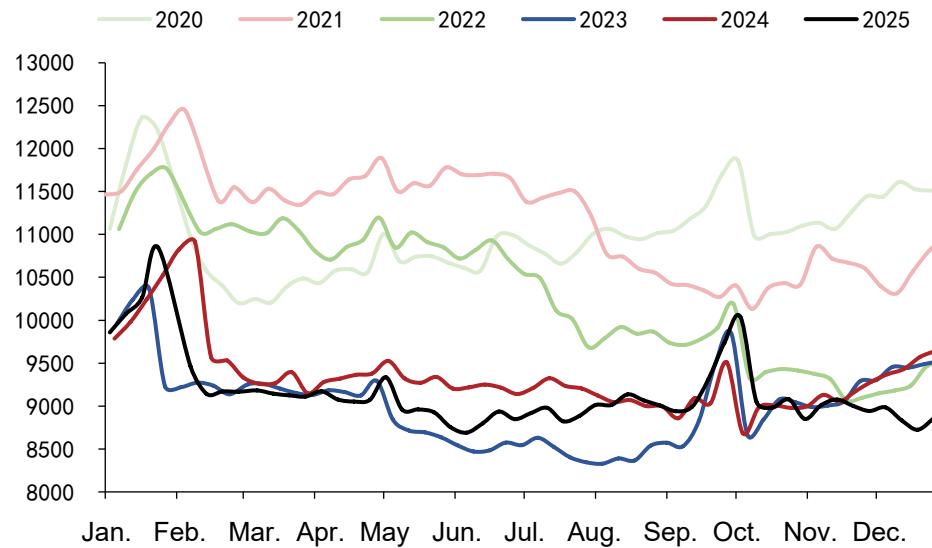


Sources: MYSTEEL, Minmetals Futures

Sources: MYSTEEL, Minmetals Futures

- As of end-December, Australian ore inventory at ports reached 69.41 Mt (+6.34 Mt MoM); Brazilian ore inventory stood at 56.7 Mt (-3.17 Mt MoM).

Figure 17: Imported inventory of 247 steel mills (10kt)



- As of end-December, imported iron ore inventory held by steel mills was 88.6 Mt (-820kt MoM).

Sources: MYSTEEL, Minmetals Futures

04

Supply



Supply

Figure 18: From Australia to China: 19 ports (10kt)

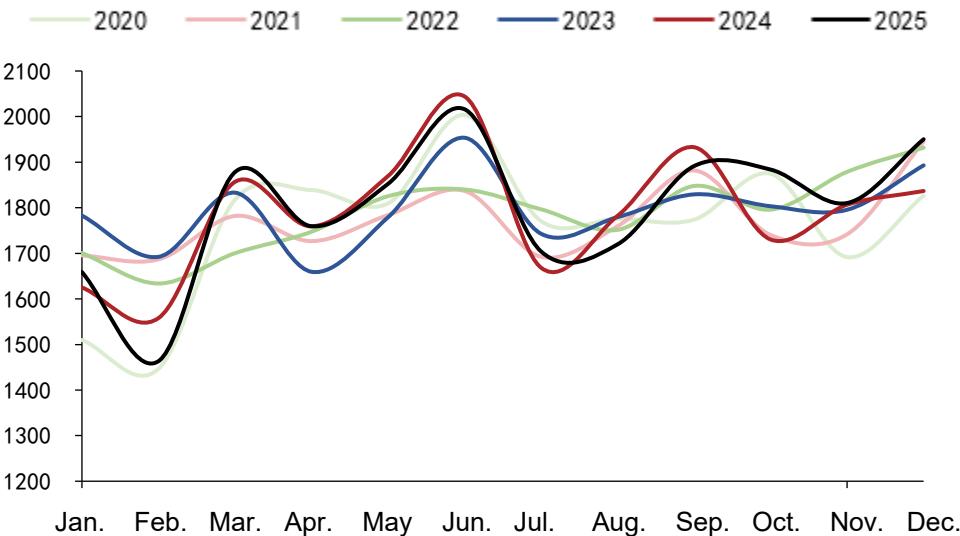
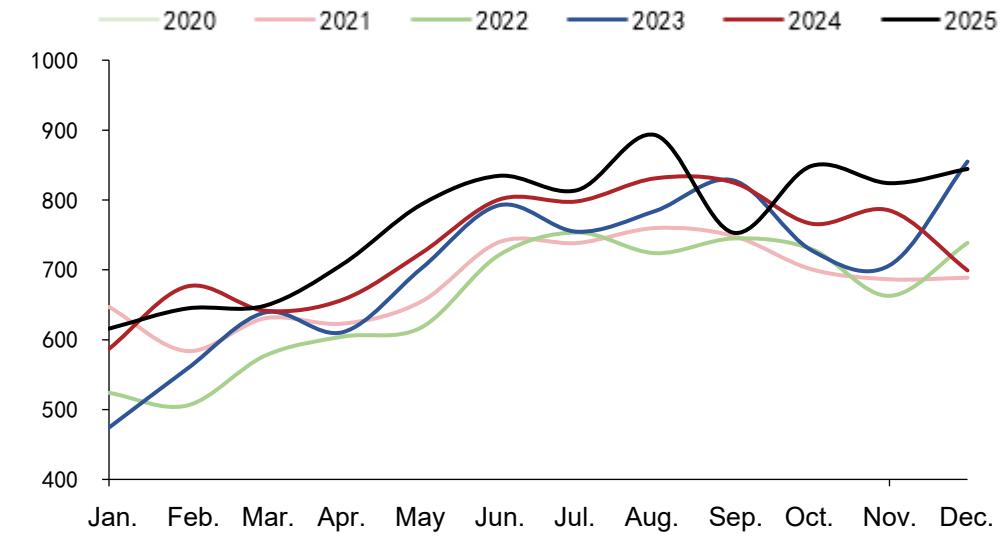


Figure 19: From Brazil to China: 19 ports (10kt)



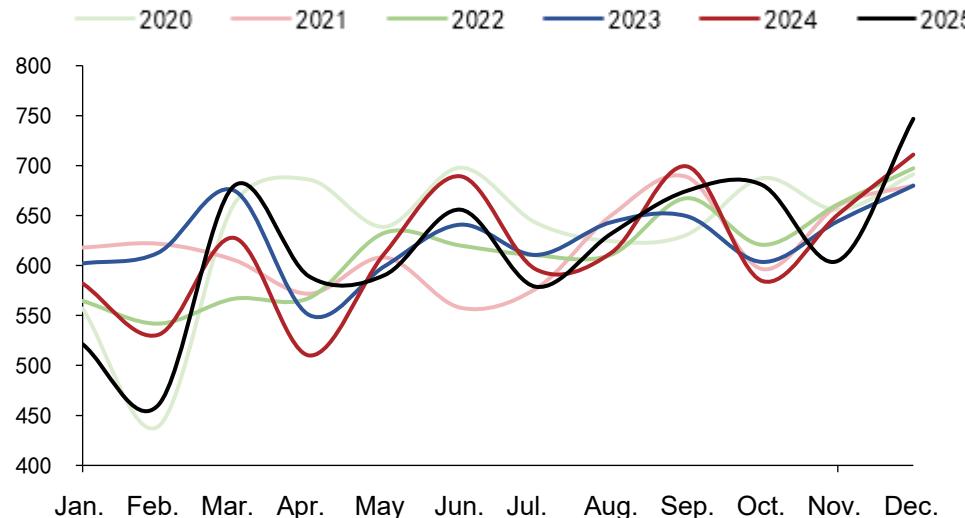
Sources: MYSTEEL, Minmetals Futures

Sources: MYSTEEL, Minmetals Futures

- In December, the average weekly shipment from Australia to China via 19 ports was 16.45 Mt (+700kt MoM); average weekly shipments from Brazil were 8.44 Mt (+200kt MoM).

Supply

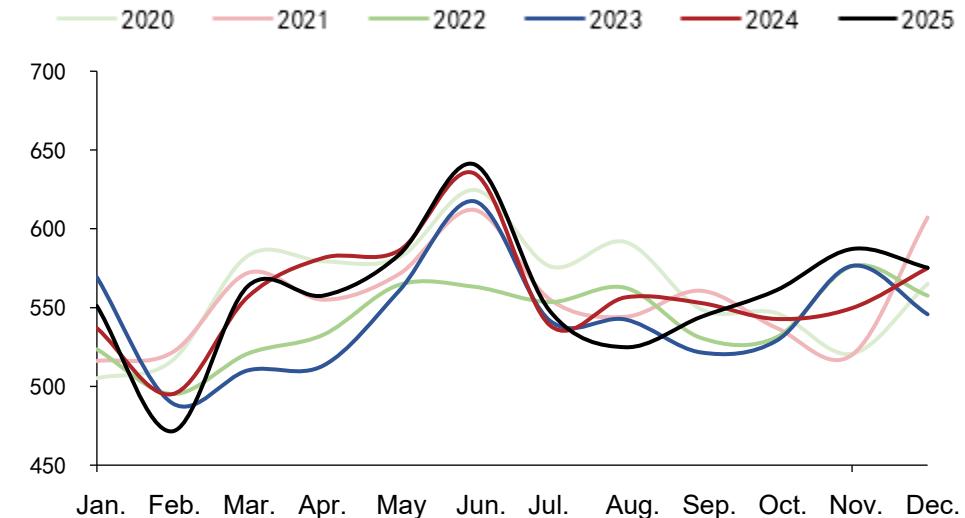
Figure 20: From Rio Tinto to China (10kt)



Sources: MYSTEEL, Minmetals Futures

- In December, Rio Tinto's average weekly shipment volume was 7.47 Mt (+1.42 Mt MoM); BHP's average weekly shipment volume was 5.75 Mt (-120kt MoM).

Figure 21: From BHP Billiton to China (10kt)

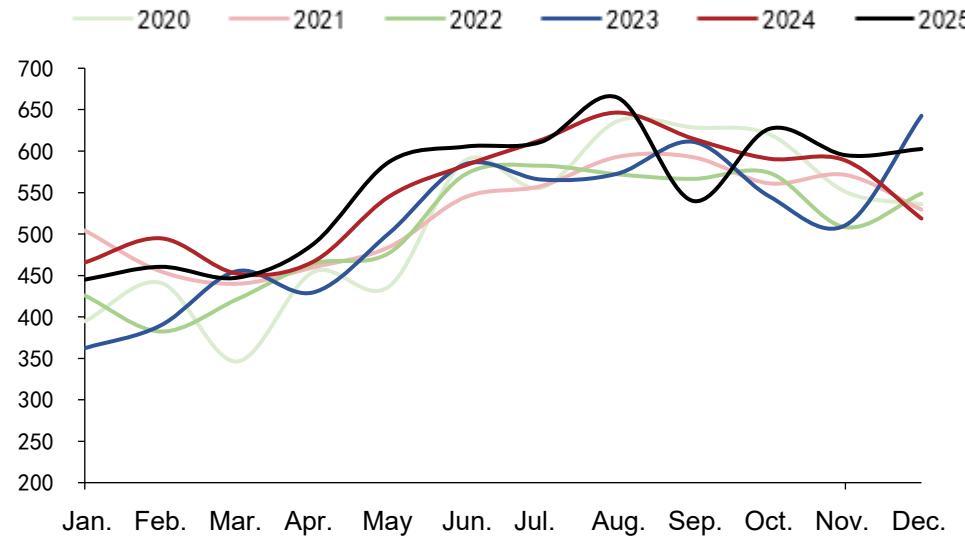


Sources: MYSTEEL, Minmetals Futures



Supply

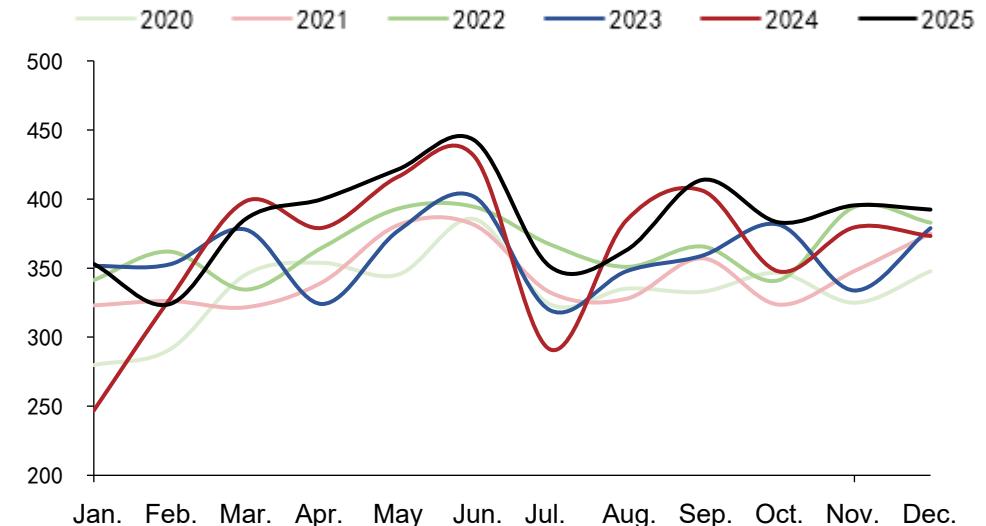
Figure 22: From Vale to China (10kt)



Sources: MYSTEEL, Minmetals Futures

- In December, Vale's average weekly shipment volume was 6.03 Mt (+74kt MoM); FMG's average weekly shipment volume was 3.92 Mt (-30.7kt MoM).

Figure 23: From FMG to China (10kt)



Sources: MYSTEEL, Minmetals Futures

Supply

Figure 24: Arrival volume to China ports (10kt)

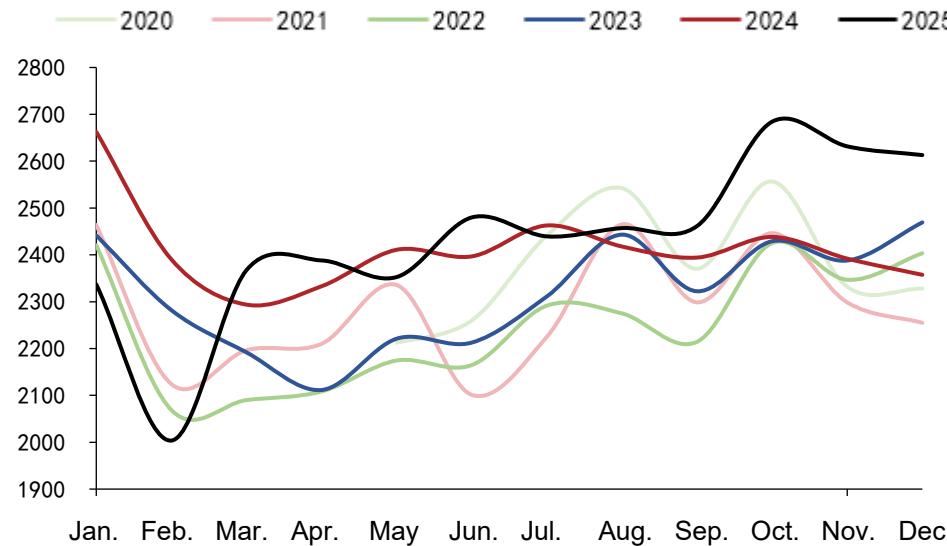
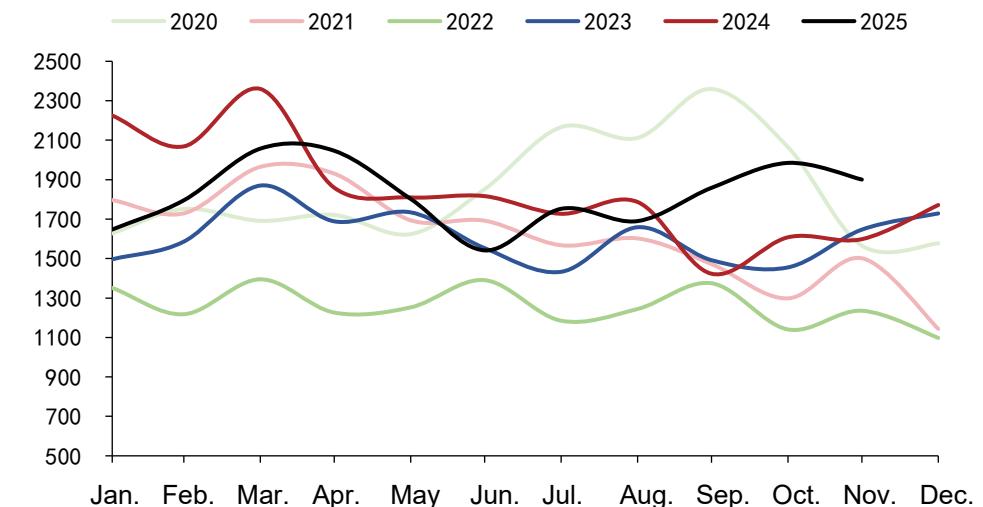


Figure 25: From non-mainstream mines to China (10kt)



Sources: MYSTEEL, Minmetals Futures

Sources: MYSTEEL, Minmetals Futures

- In December, the average weekly arrival volume at 45 ports was 26.13 Mt (-190kt MoM). In November, China's imports of non-Australian/Brazilian iron ore totaled 19 Mt (-850kt MoM).

Supply

Figure 26: Domestic Mines Operating Rate (%)

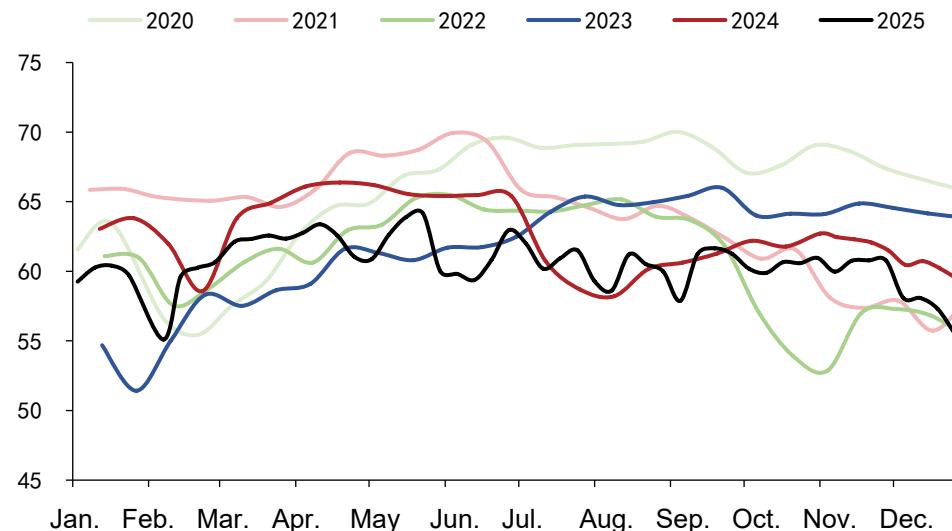
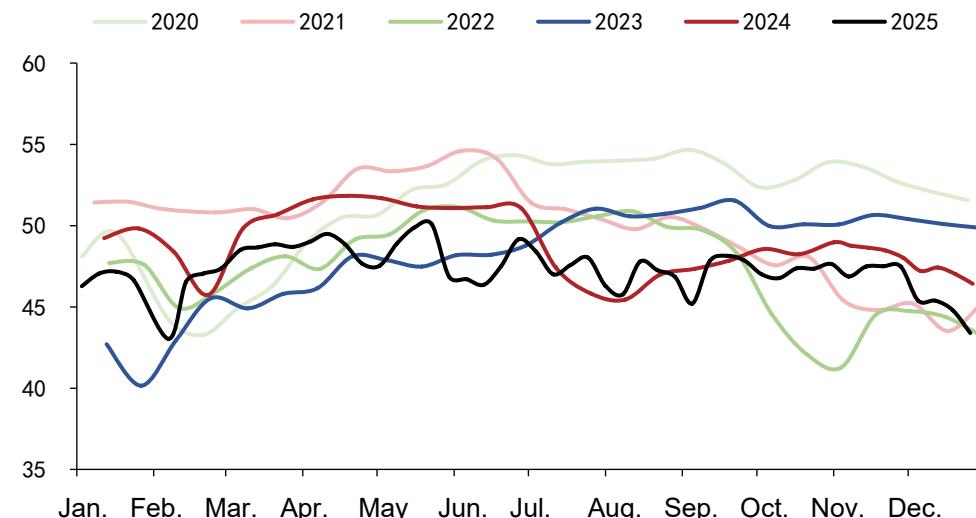


Figure 27: Daily Average Output of Iron Concentrate Fines in 186 Miners (10kt)



Sources: MYSTEEL, Minmetals Futures

Sources: MYSTEEL, Minmetals Futures

- As of end-December, domestic mine capacity utilization stood at 55.53% (-5.24 pct MoM). Daily average output of domestic iron concentrate was 433.9k tons (-40.9kt MoM).

05

Demand

Demand

Figure 28: Daily Average Domestic Molten Iron Output (10kt)

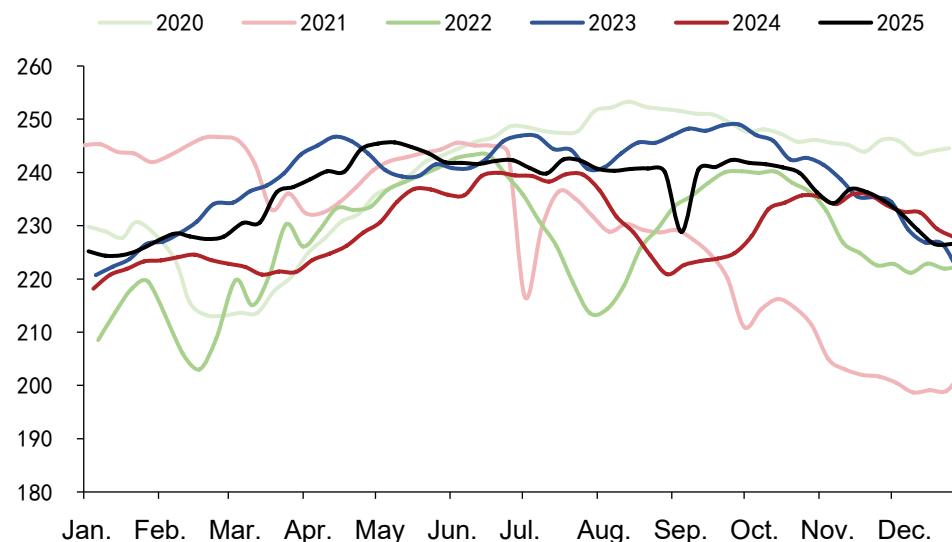
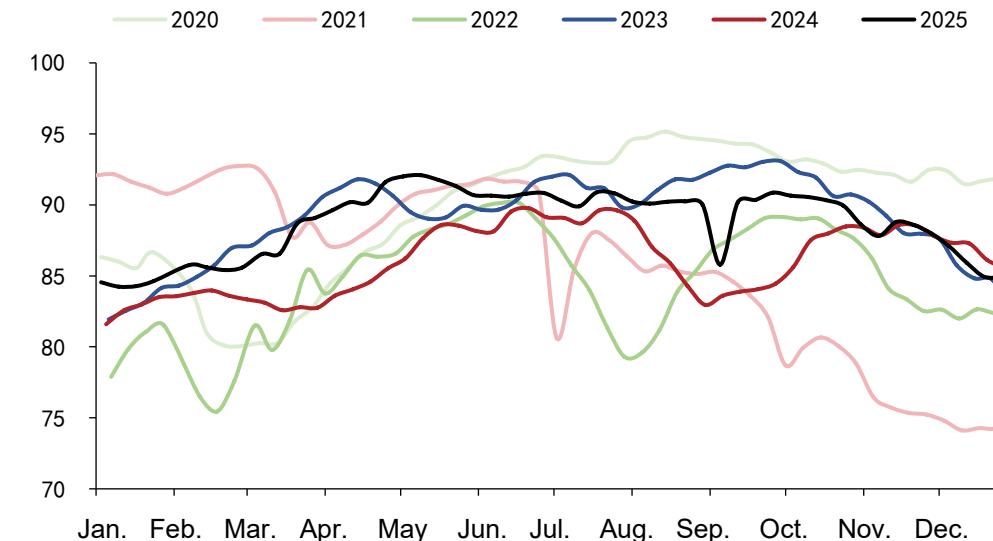


Figure 29: Blast Furnace Utilization Rate (%)



Sources: MYSTEE, Minmetals Futures

Sources: MYSTEE, Minmetals Futures

- December domestic molten iron output is estimated at 70.75 Mt, with a daily average of 2.28 Mt (-69.5kt MoM). As of end-December, blast furnace capacity utilization was 84.94% (-3.04 pct MoM).

Demand

Figure 30: Average Daily Withdrawals (10kt)

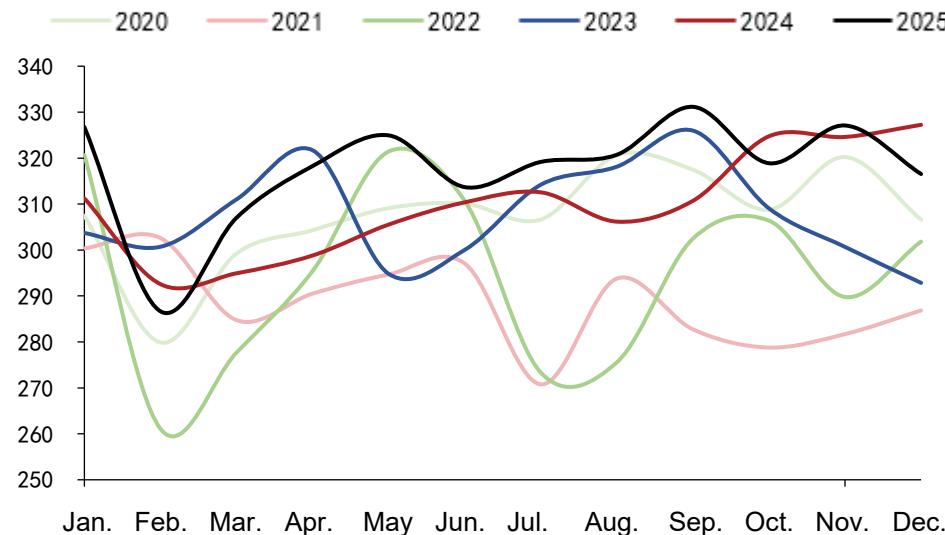
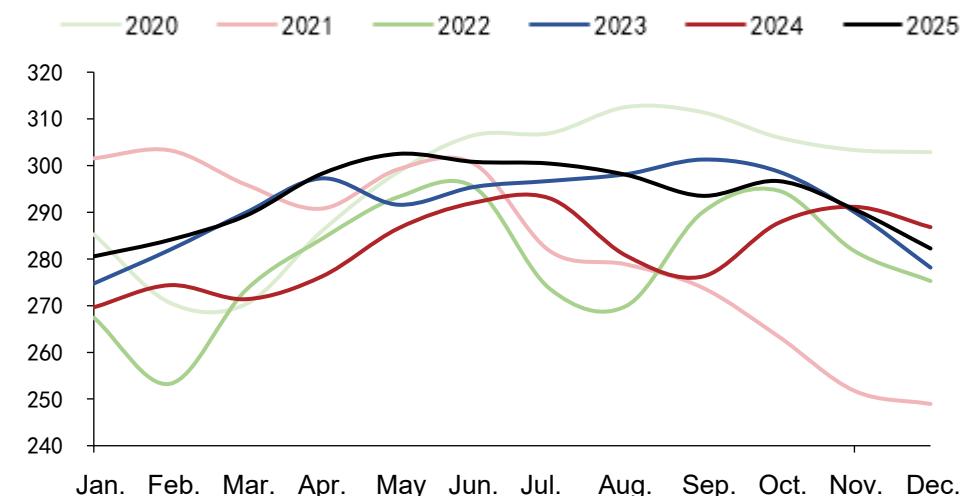


Figure 31: Daily Consumption of Imported Iron Ore of 247 Steel Mills (10kt)



Sources: MYSTEEL, Minmetals Futures

Sources: MYSTEEL, Minmetals Futures

- In December, the average weekly port discharge volume at 45 ports was 3.17 Mt (-110kt MoM). The average weekly daily consumption of imported iron ore by steel mills was 2.82 Mt (-83.8kt MoM).

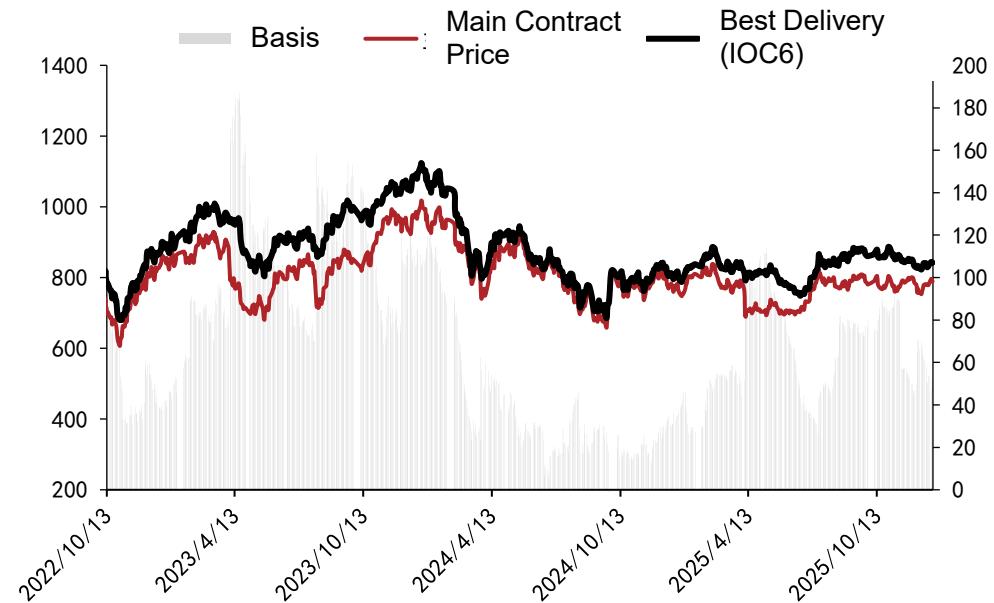
06

Basis



Basis & Month Spread

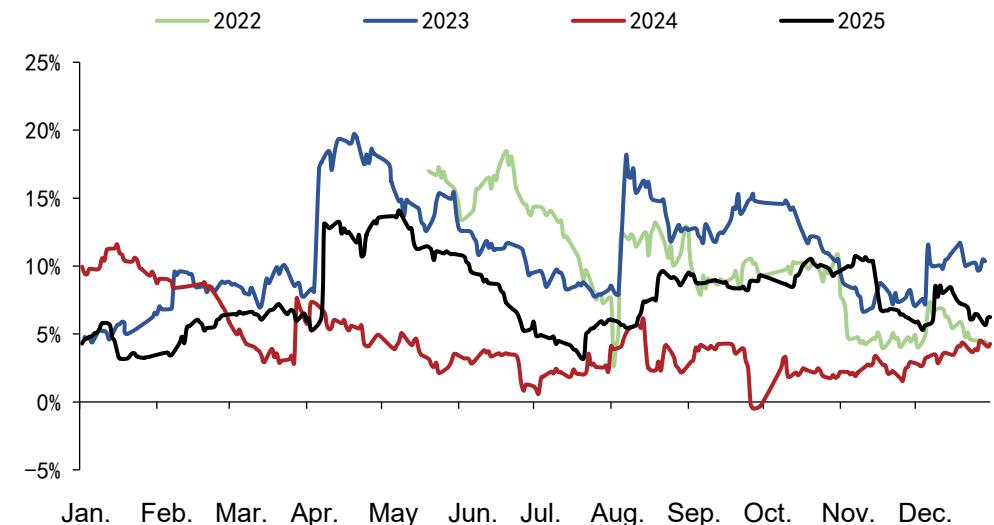
Figure 32: Iron Ore Basis (RMB/ton)



Sources: MYSTEEL, Minmetals Futures

- As of December 31st, the basis for the IOC6 front-month iron ore futures contract was RMB 52.61/ton, equivalent to a basis ratio of 6.25%.

Figure 33: Basis Rate (%)



Sources: MYSTEEL, Minmetals Futures

Please refer to international@minfutures.com for any comment or suggestion.

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