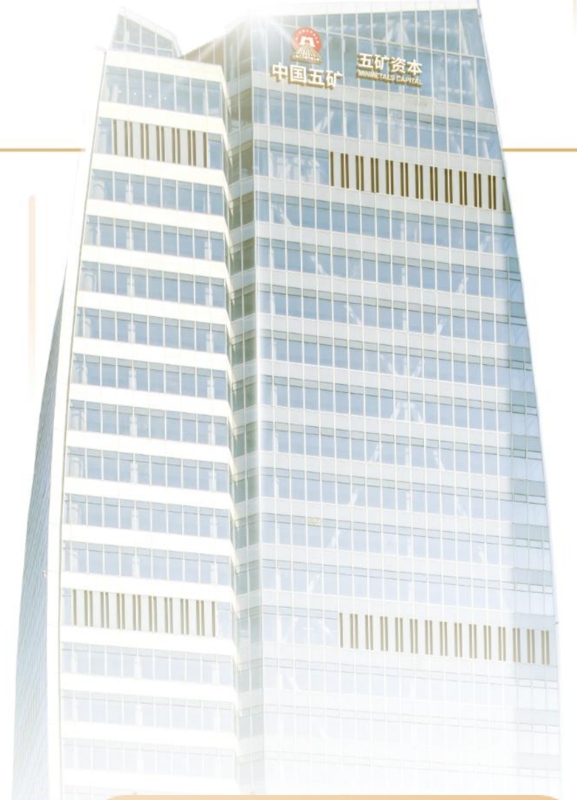
五矿期货有限公司

中国五矿



Off-Season Demand, Low-Level Volatility, Iron Ore Prices Under Downward Pressure

Iron Ore Monthly Report

July 10, 2026

WAN Linxin (Contact)

0755-23375162

wanlx@wkqh.cn

Futures Practice Qualification: F03133967

CHEN Zhangying
(Ferrous Building Materials Group)

Futures Practice Qualification: F03098415

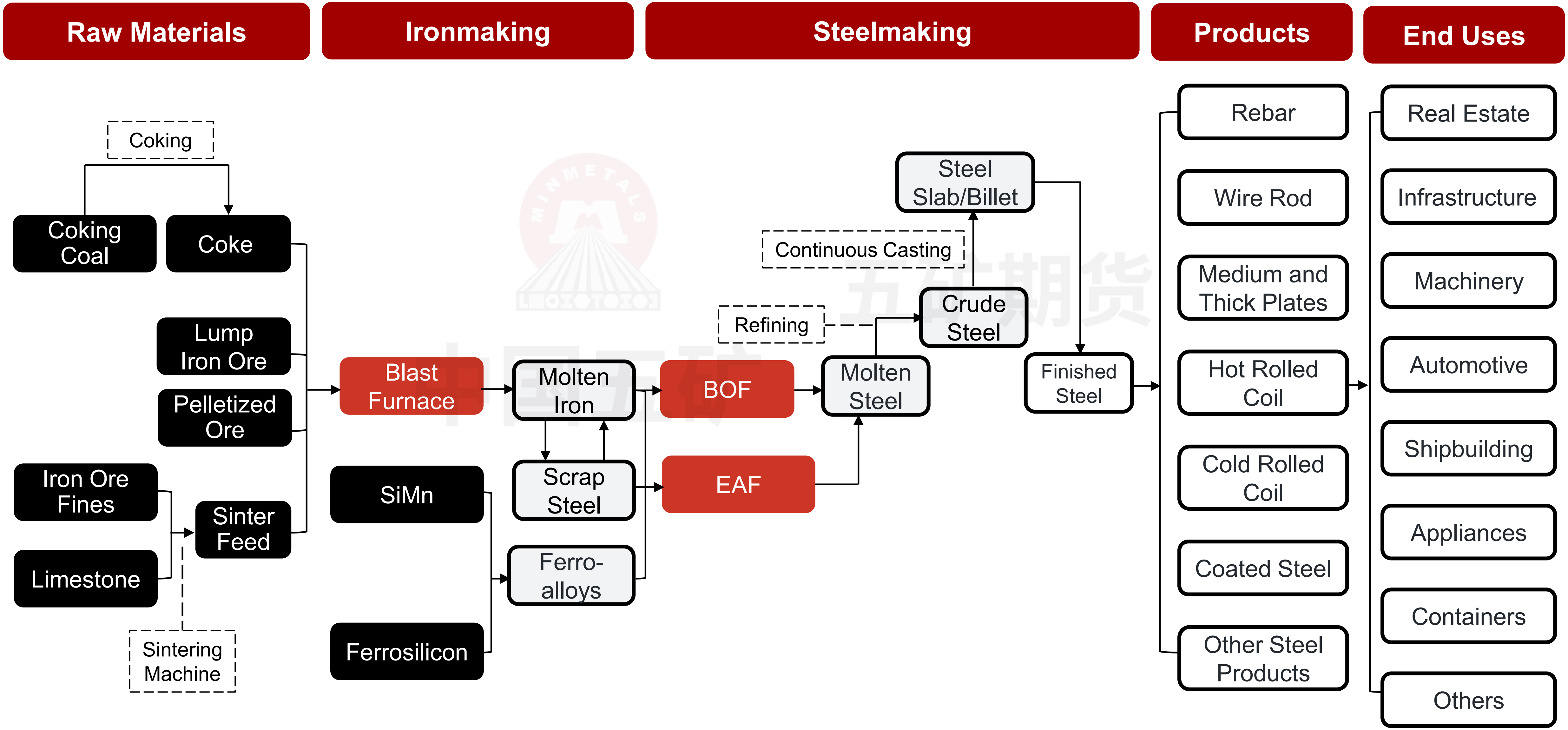
Investment Consulting Qualification: Z0020771

CONTENTS

01

Monthly Review & Strategy Recommendation

Schematic Diagram of the Ferrous Metal Industry Chain



Monthly Review

- **Supply:** In June, the weekly average of global iron ore seaborne shipments averaged 34.2103 million tonnes (+1.0303 million tonnes MoM). Weekly average shipments from Australia's 19 major ports stood at 19.2418 million tonnes (+605,000 tonnes MoM). Weekly average shipments from Brazil were 8.3528 million tonnes (+721,200 tonnes MoM). Weekly average arrivals at China's 45 major ports totalled 26.9778 million tonnes (+2.0388 million tonnes MoM).
- **Demand:** The estimated national average daily molten iron output in June was 2.4213 million tonnes (+20,000 tonnes MoM).
- **Inventory:** As of end-June, total imported iron ore inventories across the 45 major ports rose to 167.9394 million tonnes (+3.9784 million tonnes MoM). The weekly average daily port stock withdrawal volume averaged 3.2714 million tonnes (+45,400 tonnes MoM). The weekly average daily ore consumption at steel mills was 2.9706 million tonnes (+18,100 tonnes MoM).
- **Outlook for July**: Supply -- Seaborne supply saw a seasonal ramp-up in June, driven by quarter-end shipping peaks. Volumes are expected to retreat MoM in July as this seasonal push fades, although near-term port arrivals will remain elevated due to prior shipping schedules. Demand -- Domestic molten iron output trended higher through June, with daily production exceeding 2.42 million tonnes. However, July marks the traditional seasonal downturn for downstream demand. Multiple rounds of coke price hikes have further squeezed mill margins, dragging down profitability. Molten iron output is expected to have peaked in early July and will likely decline, accompanied by an increase in blast furnace maintenance. Inventory -- Port inventories reversed their destocking trend in June and entered an accumulation phase, a trend poised to continue into July. Costs -- Renewed geopolitical tensions in the Middle East remain a risk factor, likely to keep energy costs and dry bulk freight rates volatile. Overall: The iron ore market faces significant marginal supply-demand pressure in July. While geopolitical headwinds and trade uncertainties may trigger sentiment-driven price swings, benchmarks are projected to trade with a downside bias amid choppy conditions. Market participants are advised to monitor macro policy developments closely.

Valuation & Driving Forces

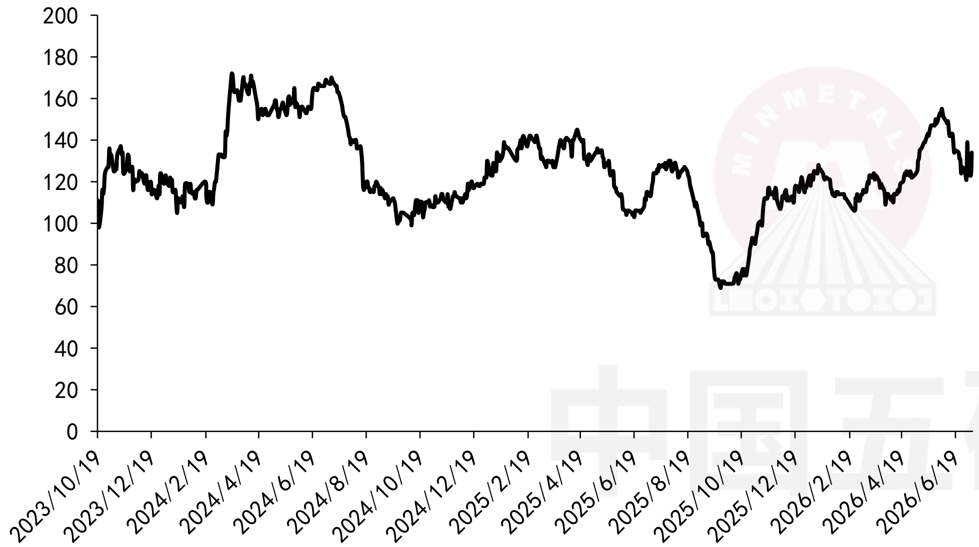
Fundamentals	Valuation		Driving Forces				
	Basis	Import Profit	Shipment	High-Low Grade Spread	Steel Mills Profitability	Molten Iron Output	45 Ports Inventory
Score	0	0	(-0.5)	0	(-0.5)	0.5	(-0.5)
Comment	-	Import margin remain negative	Shipments at elevated level	-	Compressed margins	Rising output	Inventory build
Summary	Supply -- Seaborne supply saw a seasonal ramp-up in June, driven by quarter-end shipping peaks. Volumes are expected to retreat MoM in July as this seasonal push fades, although near-term port arrivals will remain elevated due to prior shipping schedules. Demand -- Domestic molten iron output trended higher through June, with daily production exceeding 2.42 million tonnes. However, July marks the traditional seasonal downturn for downstream demand. Multiple rounds of coke price hikes have further squeezed mill margins, dragging down profitability. Molten iron output is expected to have peaked in early July and will likely decline, accompanied by an increase in blast furnace maintenance. Inventory -- Port inventories reversed their destocking trend in June and entered an accumulation phase, a trend poised to continue into July. Costs -- Renewed geopolitical tensions in the Middle East remain a risk factor, likely to keep energy costs and dry bulk freight rates volatile. Overall: The iron ore market faces significant marginal supply-demand pressure in July. While geopolitical headwinds and trade uncertainties may trigger sentiment-driven price swings, benchmarks are projected to trade with a downside bias amid choppy conditions. Market participants are advised to monitor macro policy developments closely.							

02

Futures Market & Spot Market

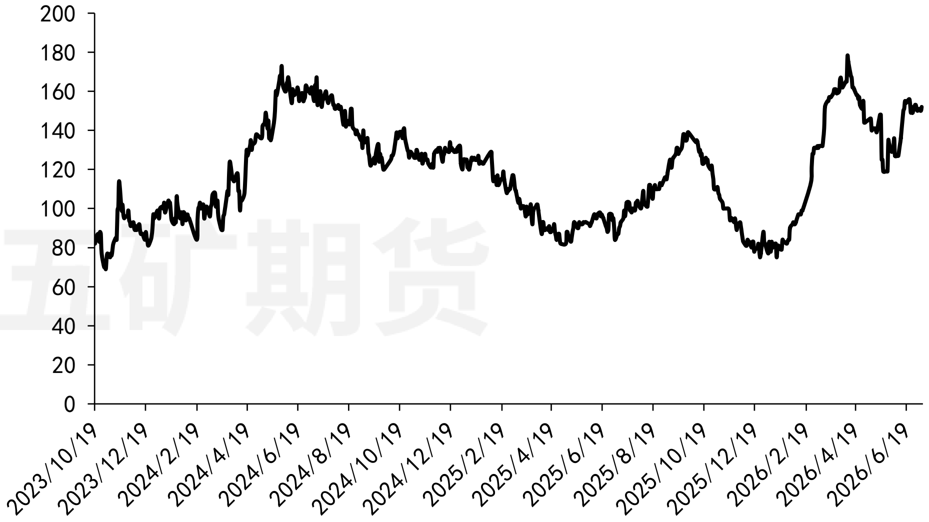
Price Spread

Figure 1: PB-Super Special Fines Spread (CNY/MT)



Sources: MYSTEEL, Minmetals Futures

Figure 2: Carajás Fines-PB Fines Spread (CNY/MT)

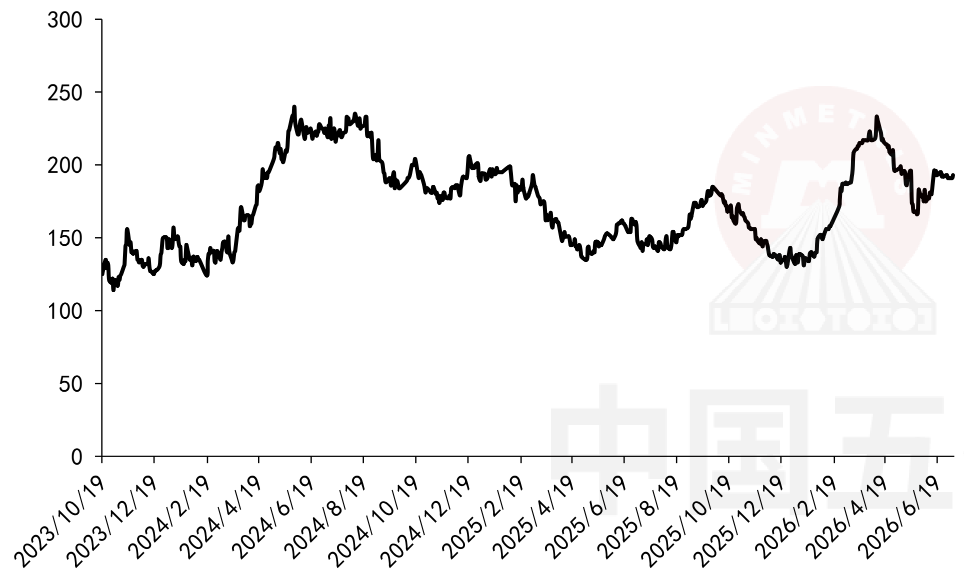


Sources: MYSTEEL, Minmetals Futures

- End-June 2026, PB Fines–Super Special Fines spread stood at 123 CNY/MT (-26 CNY/MT MoM). Carajas Fines–PB Fines spread stood at 153 CNY/MT (+20 CNY/MT MoM).

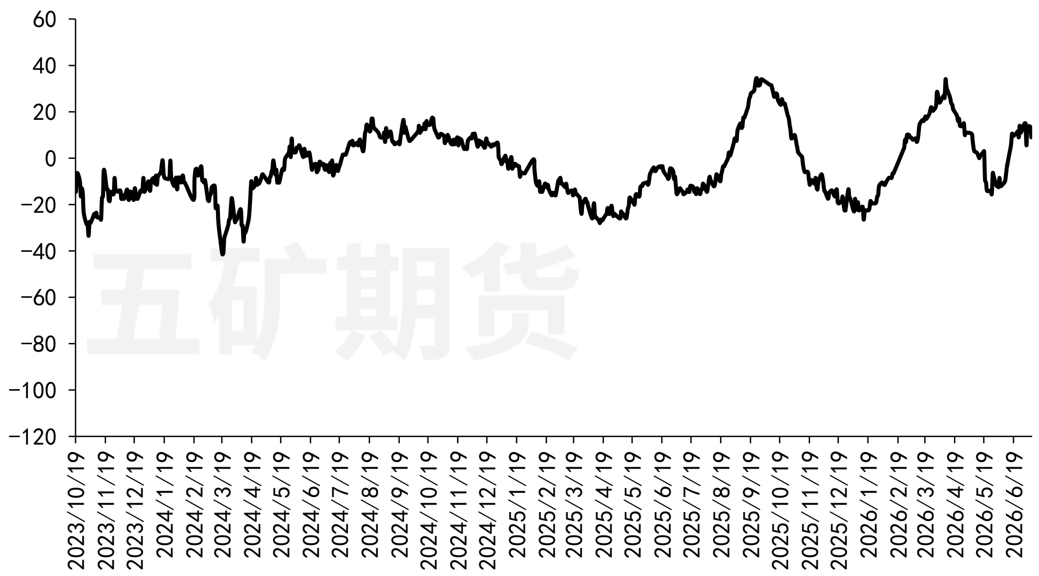
Price Spread

Figure 3: Carajás Fines-Jimblebar Fines Spread (CNY/MT)



Sources: MYSTEEL, Minmetals Futures

Figure 4: (Carajás + Super Special)/2-PB Fines Spread (CNY/MT)

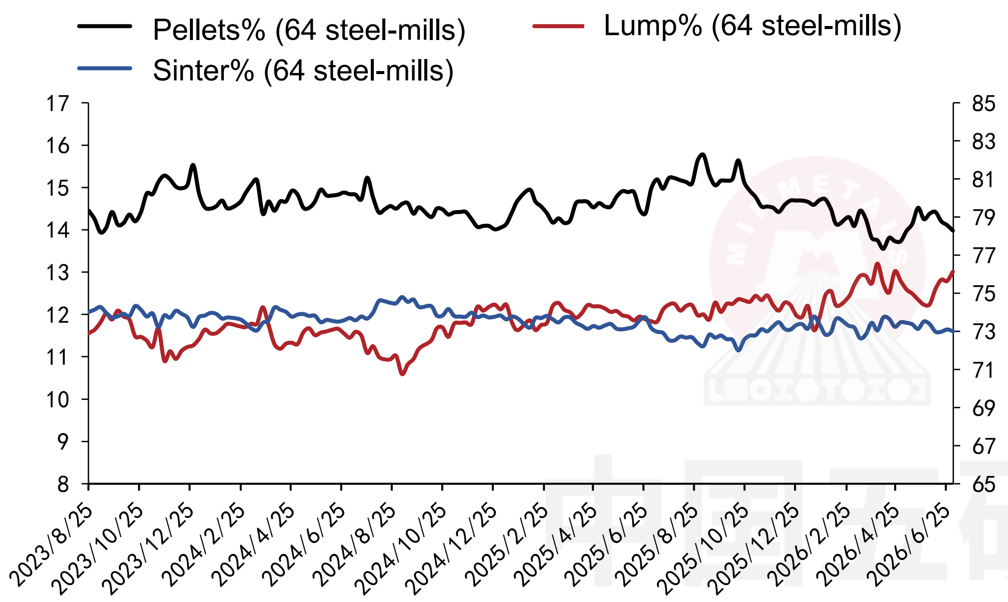


Sources: MYSTEEL, Minmetals Futures

- End-June 2026, Carajas Fines–Jimblebar Fines spread stood at 193 CNY/MT (+12 CNY/MT MoM). (Carajas Fines + Super Special Fines)/2 – PB Fines spread stood at 15 CNY/MT (+17.5 CNY/MT MoM).

Furnace Input Ratios, Scrap Steel

Figure 5: Steel Mill Charge Mix (%)



Sources: MYSTEEL, Minmetals Futures

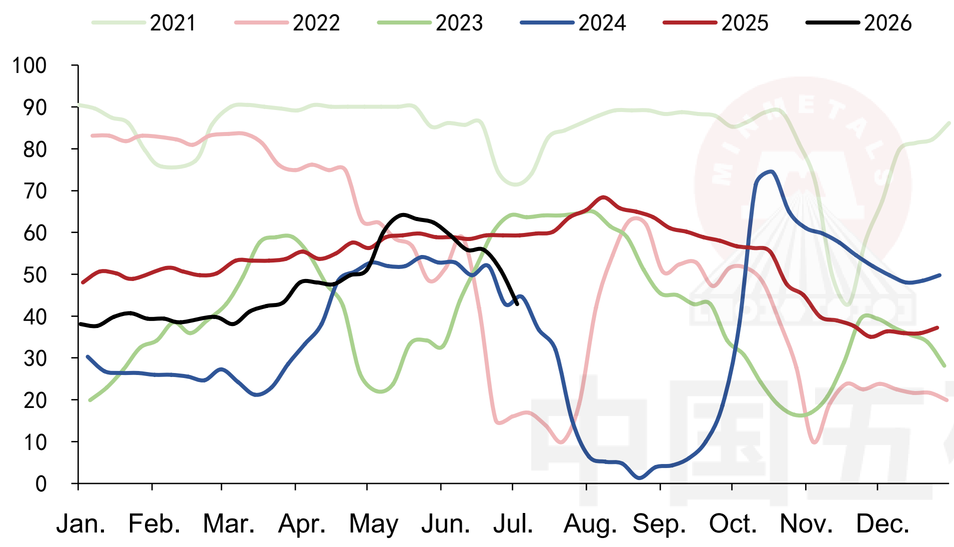
Figure 6: Scrap Steel Price (CNY/MT)

Sources: MYSTEEL, Minmetals Futures

- As of end-June 2026, the furnace feed proportion of pellets stood at 14.11%, lump ore at 12.79%, and sinter ore at 73.1%.
- As of end-June 2026, Tangshan scrap steel prices closed at 2,105 CNY/MT (-40 CNY/MT MoM). Zhangjiagang scrap steel prices stood at 2,110 CNY/MT (-50 CNY/MT MoM).

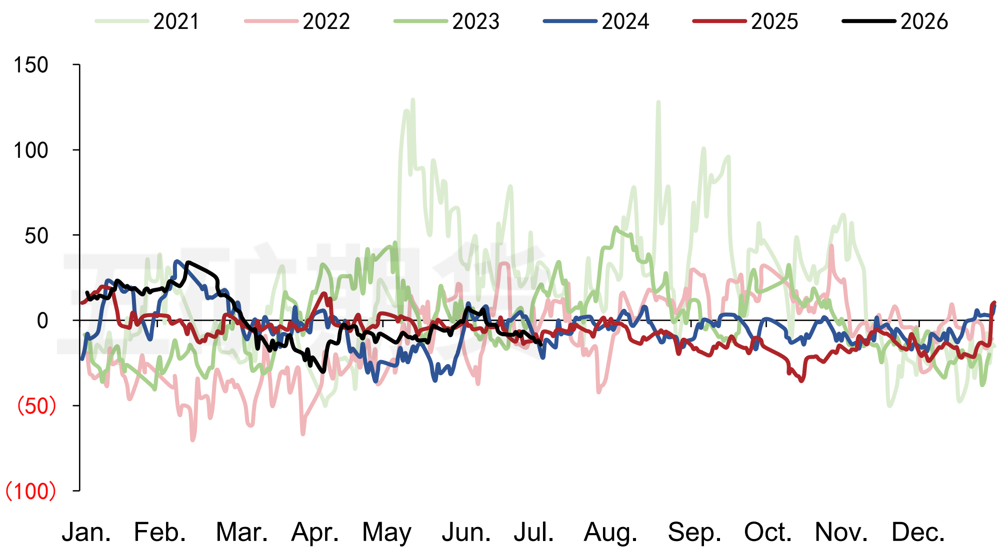
Profits

Figure 7: Steel Mill Profitability Rate (%)



Sources: MYSTEEL, Minmetals Futures

Figure 8: PB Fines Import Profit Margin (CNY/wet MT)

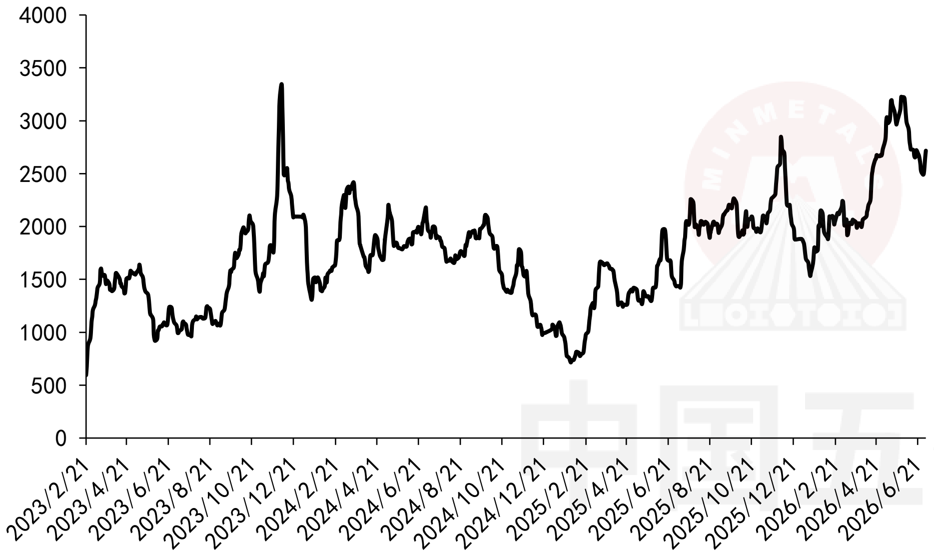


Sources: MYSTEEL, Minmetals Futures

- End-June 2026, steel mill profitability stood at 51.08% (-11.26pp MoM).

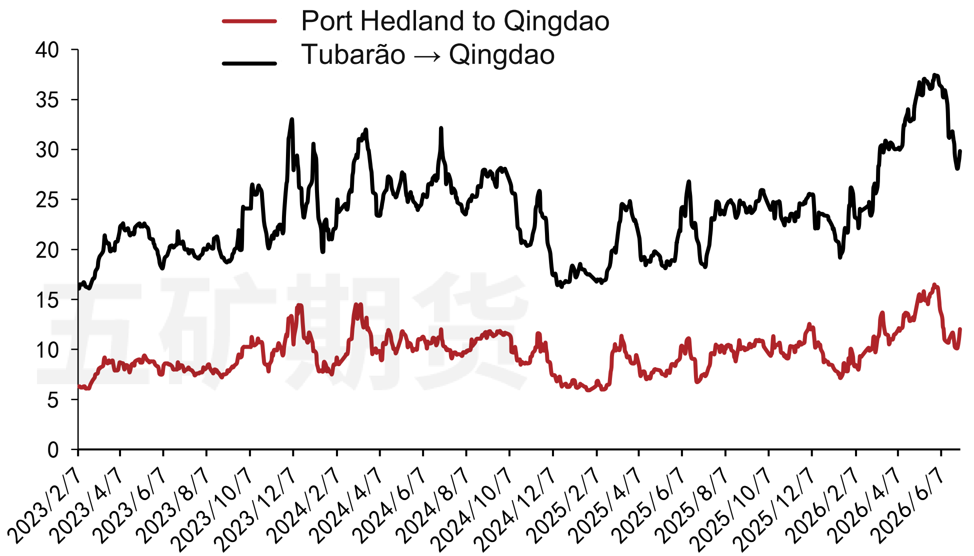
Sea Freight Rates

Figure 9: BDI (points)



Sources: MYSTEEL, Minmetals Futures

Figure 10: Ocean Freight by Country (USD/MT)



Sources: MYSTEEL, Minmetals Futures

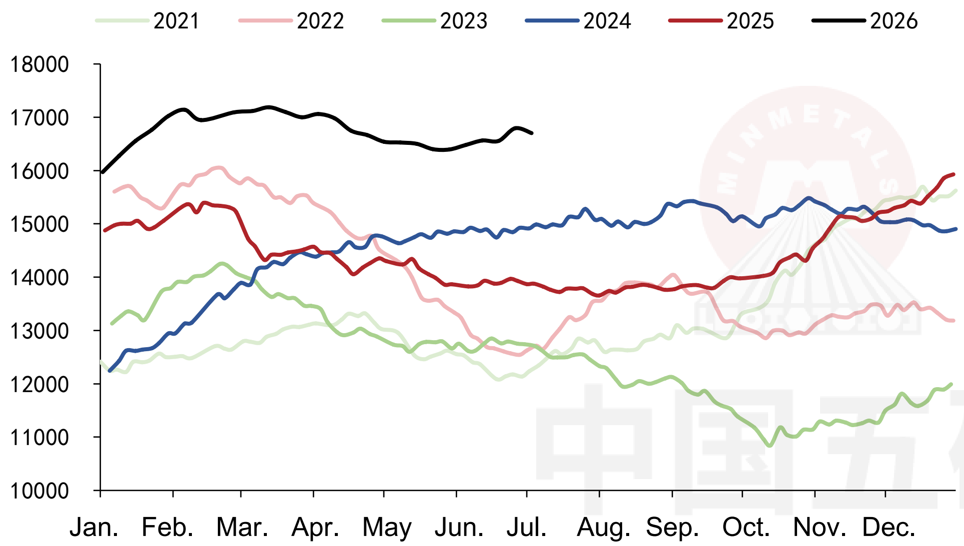
03

Inventory

Inventory

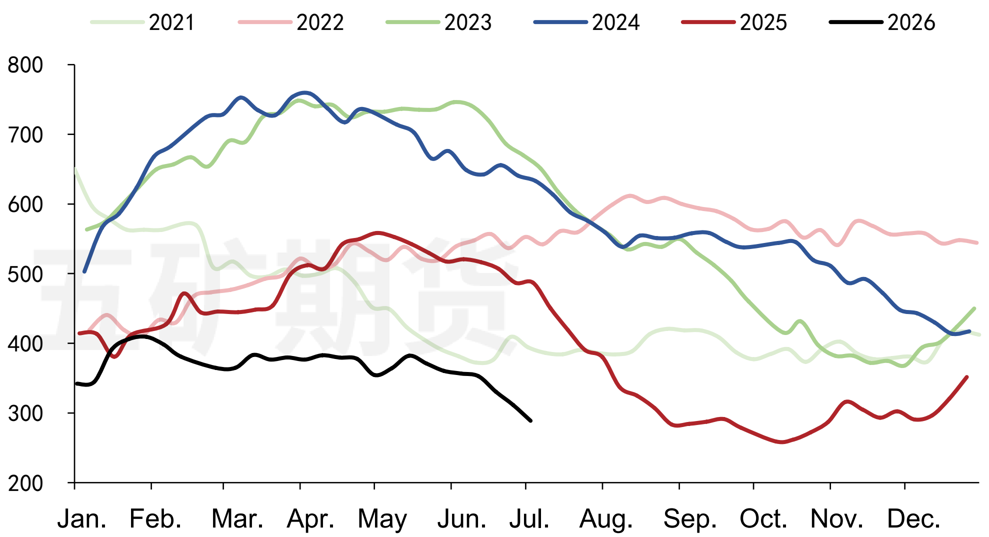
五矿期货有限公司 中国五矿

Figure 11: Imported Iron Ore Port Inventory at 45 Chinese Ports (10,000 MT)



Sources: MYSTEEL, Minmetals Futures

Figure 12: Port Inventory: Pellets (10,000 MT)

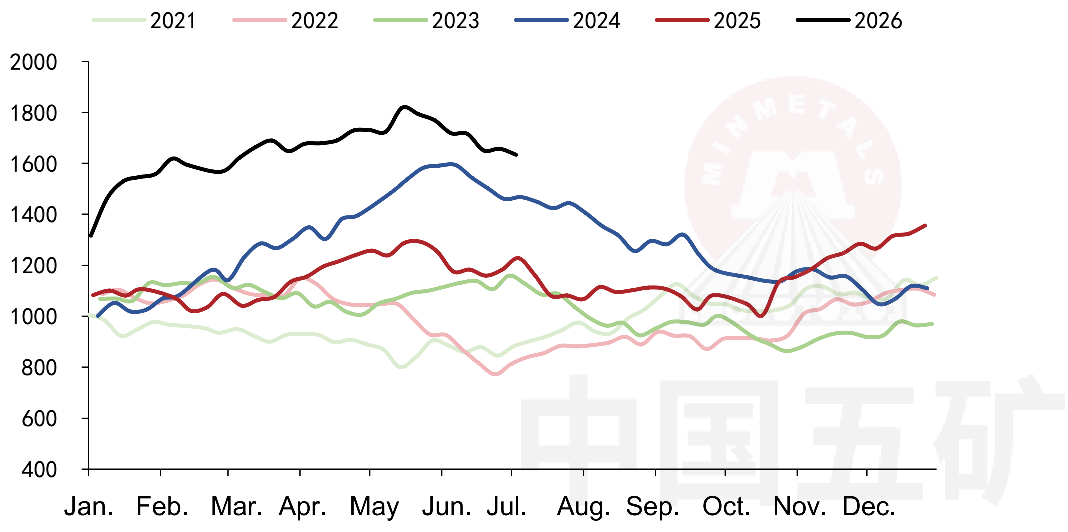


Sources: MYSTEEL, Minmetals Futures

- End-June 2026, imported iron ore inventories at 45 major ports stood at 167.9394 million tonnes (+3.9784 million tonnes MoM). Pellet inventory stood at 3.1138 million tonnes (-490,800 tonnes MoM).

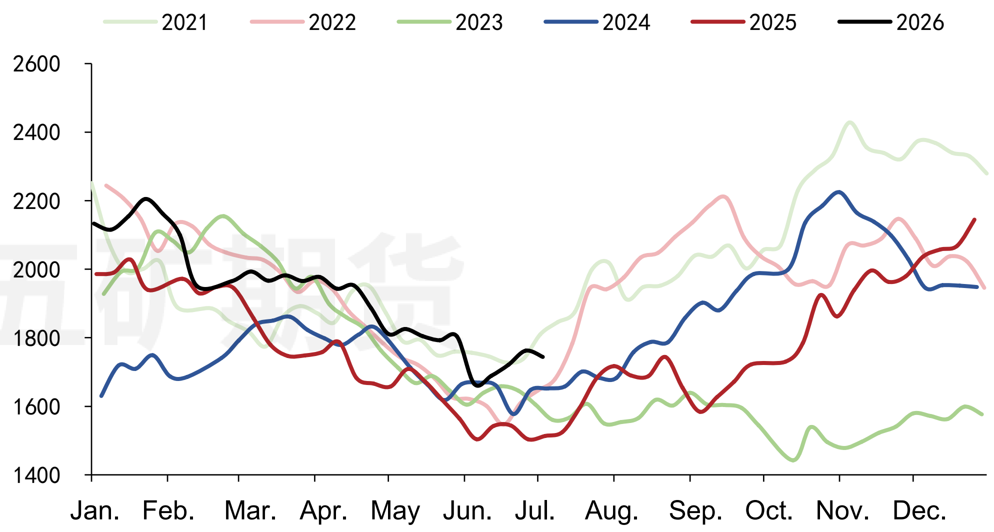
Inventory

Figure 13: Port Inventory: Iron Concentrate (10,000 MT)



Sources: MYSTEEL, Minmetals Futures

Figure 14: Port Inventory: Lump Ore (10,000 MT)

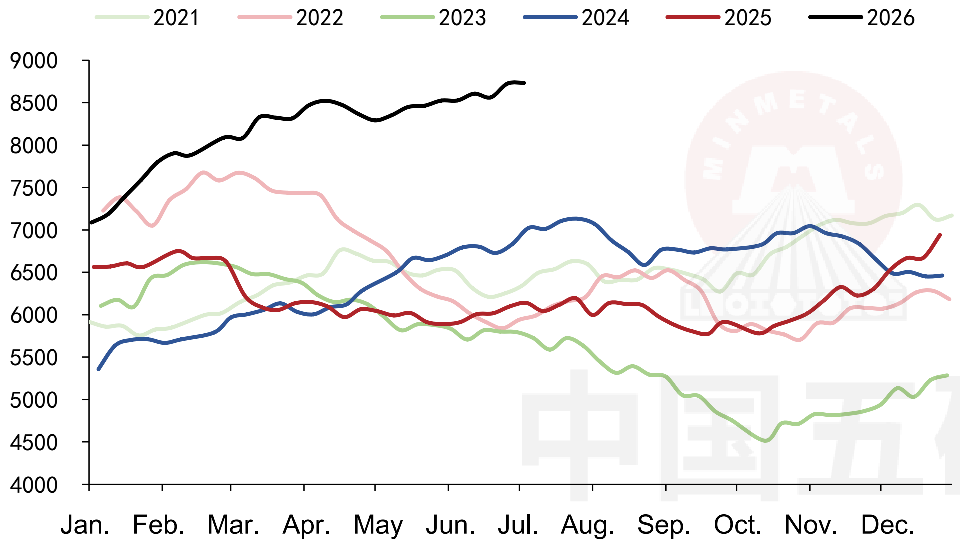


Sources: MYSTEEL, Minmetals Futures

- End-June, port iron concentrate inventory stood at 16.5732 million tonnes (-1.1154 million tonnes MoM). Port lump ore inventory stood at 17.6225 million tonnes (-416,200 tonnes MoM).

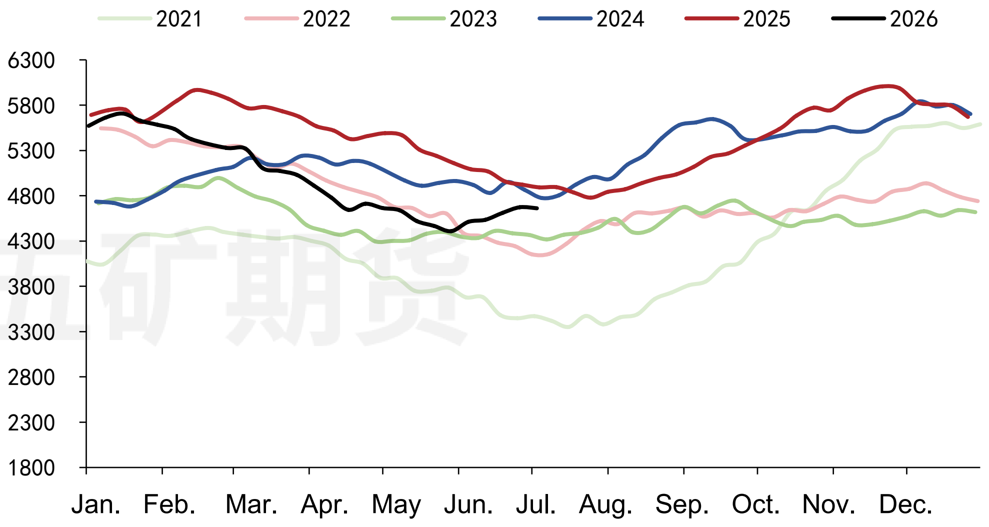
Inventory

Figure 15: Port inventory of Australian ores (10,000 MT)



Sources: MYSTEEL, Minmetals Futures

Figure 16: Port inventory of Brazilian ores (10,000 MT)

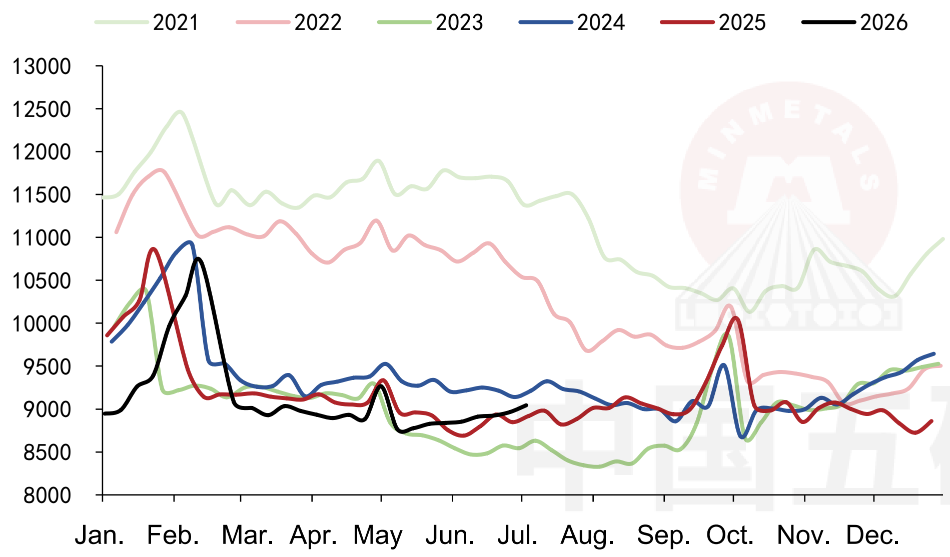


Sources: MYSTEEL, Minmetals Futures

- End-June, port inventory of Australian-sourced iron ore stood at 87.2507 million tonnes (+2.0006 million tonnes MoM). Port inventory of Brazilian-sourced stood at 46.7296 million tonnes (+2.6433 million tonnes MoM).

Inventory

Figure 17: Imported inventory of 247 Steel-mills (10,000 MT)



Sources: MYSTEEL, Minmetals Futures

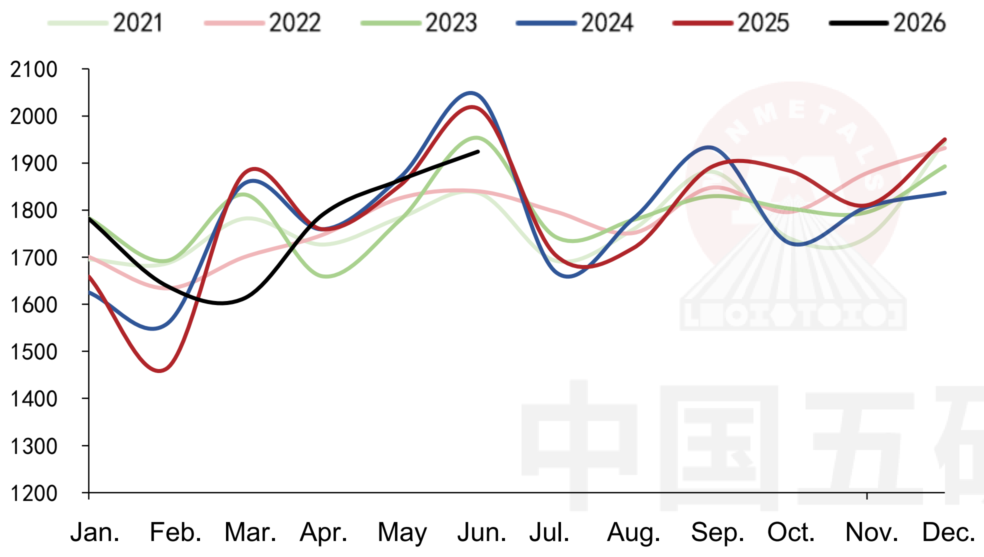
- End-June, the imported ore stocks held by the 247 sampled steel producers totaled 89.6545 million tonnes (+1.2691 million tonnes MoM).

04

Supply

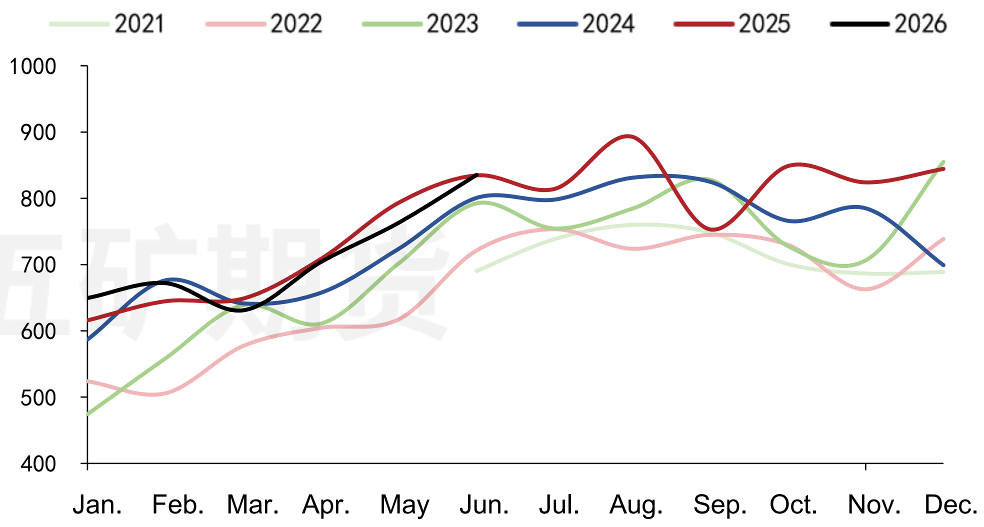
Supply

Figure 18: Australia to China Shipments: 19 Ports (10,000 MT)



Sources: MYSTEEL, Minmetals Futures

Figure 19: Brazil Shipments: 19 Ports (10,000 MT)

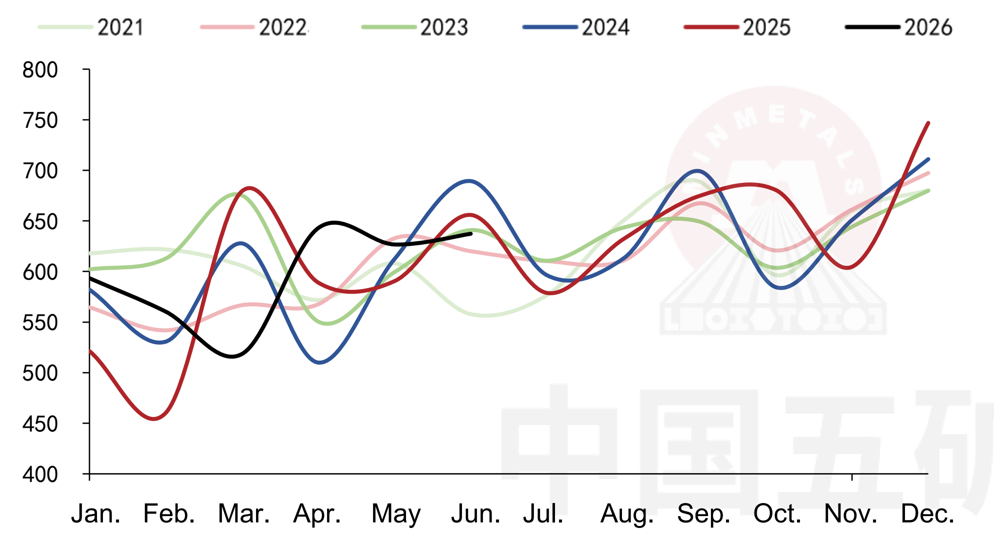


Sources: MYSTEEL, Minmetals Futures

- In June 2026, the weekly average iron ore shipments from Australia to China via 19 ports stood at 19.2418 million tonnes (+605,000 tonnes MoM). The weekly average shipment volume from Brazil reached 8.3528 million tonnes (+721,200 tonnes MoM).

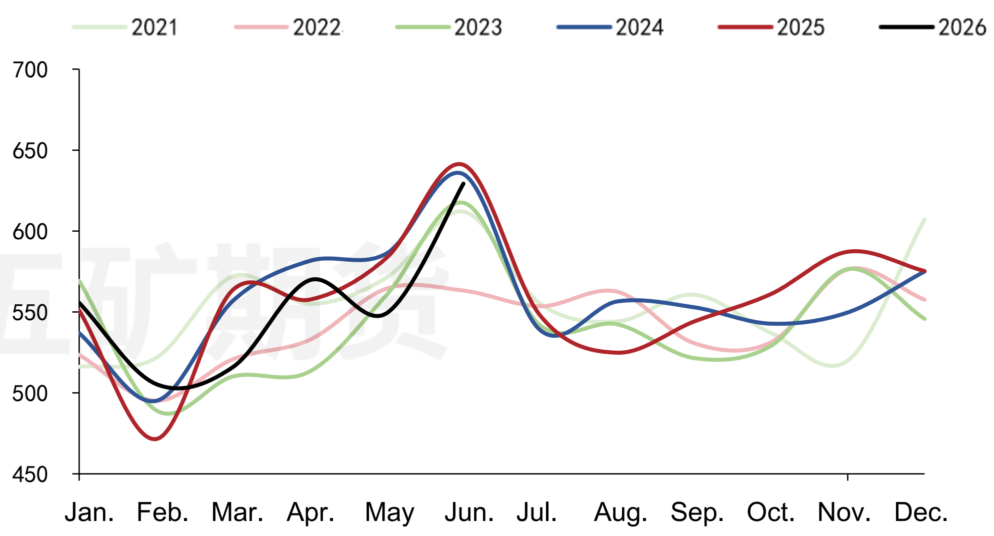
Supply

Figure 20: From Rio Tinto to China (10,000 MT)



Sources: MYSTEEL, Minmetals Futures

Figure 21: From BHP Billiton to China (10,000 MT)

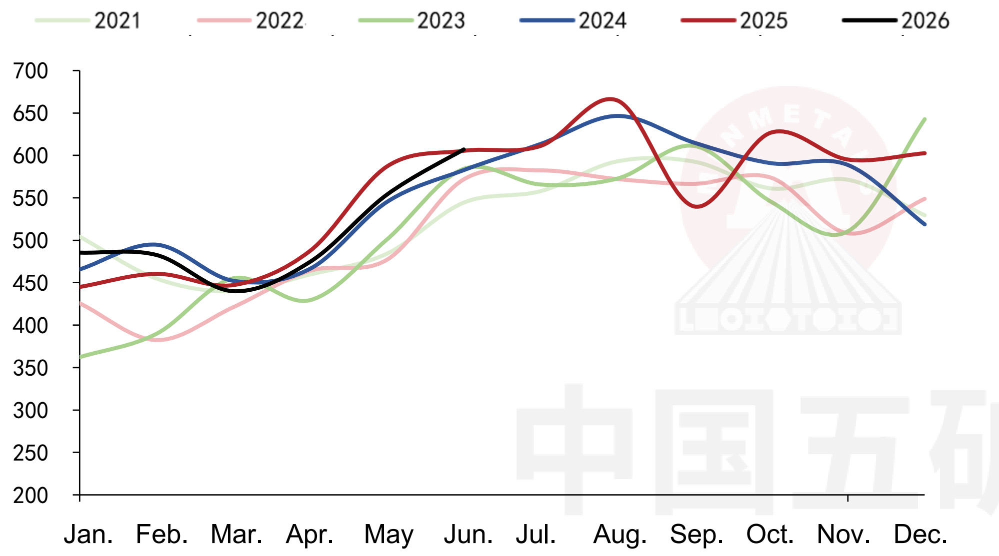


Sources: MYSTEEL, Minmetals Futures

- In June 2026, Rio Tinto's weekly average iron ore shipments recorded 6.3728 million tonnes (+105,700 tonnes MoM). BHP's weekly average shipment volume stood at 6.2928 million tonnes (+800,400 tonnes MoM).

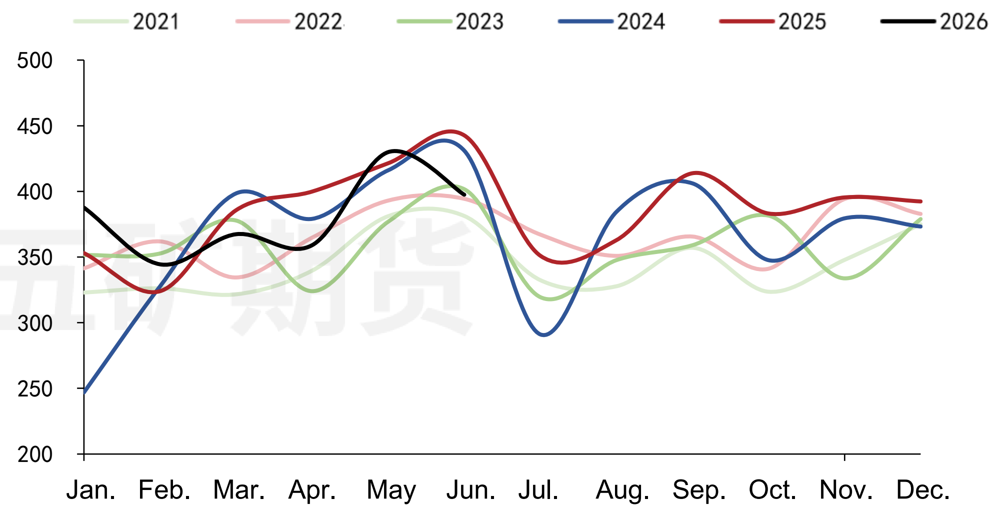
Supply

Figure 22: From Vale to China (10,000 MT)



Sources: MYSTEEL, Minmetals Futures

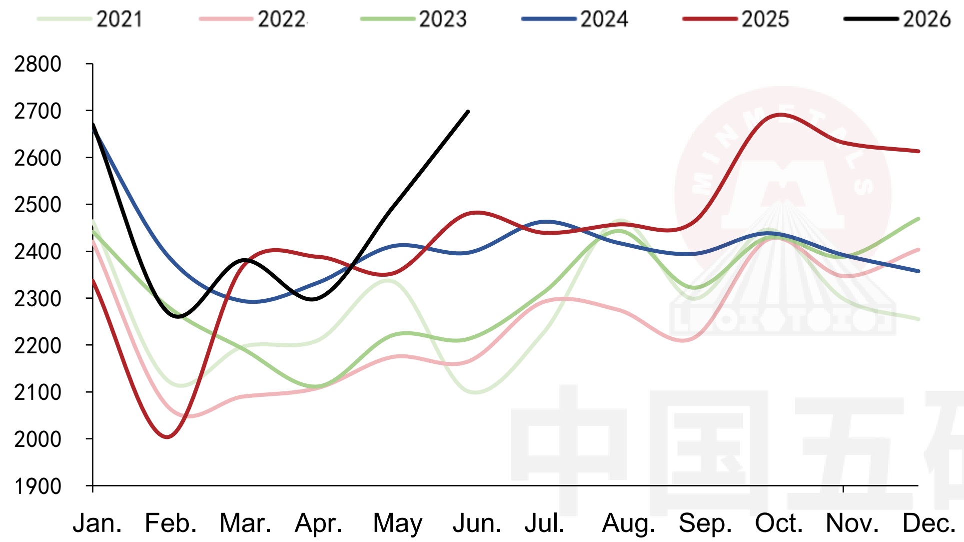
Figure 23: From FMG to China (10,000 MT)



Sources: MYSTEEL, Minmetals Futures

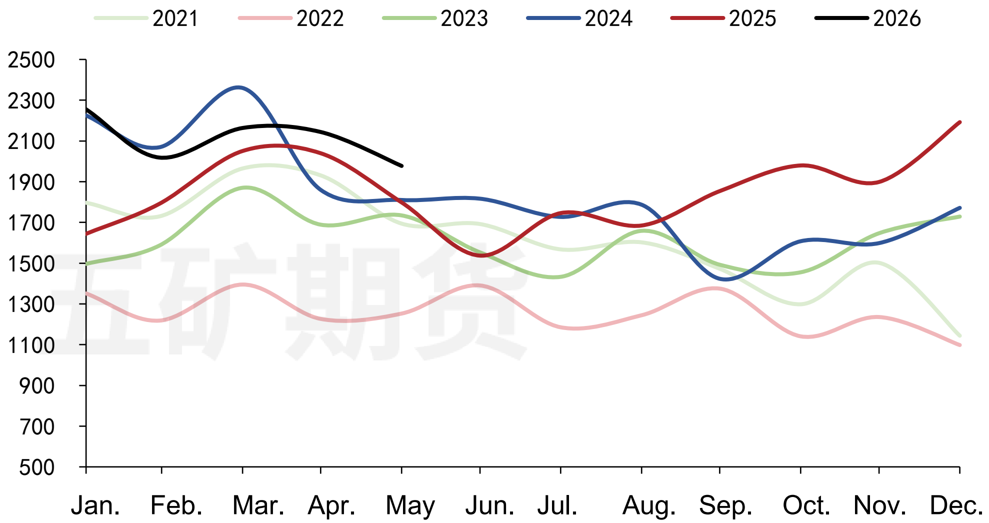
- In June 2026, Vale's weekly average iron ore shipments hit 6.0703 million tonnes (+532,500 tonnes MoM). FMG's weekly average shipment volume reached 3.9748 million tonnes (-324,400 tonnes MoM).

Figure 24: China Iron Ore Arrival Volume (10,000 MT)



Sources: MYSTEEL, Minmetals Futures

Figure 25: Domestic Non-Mainstream Ore Import Volume (10,000 MT)

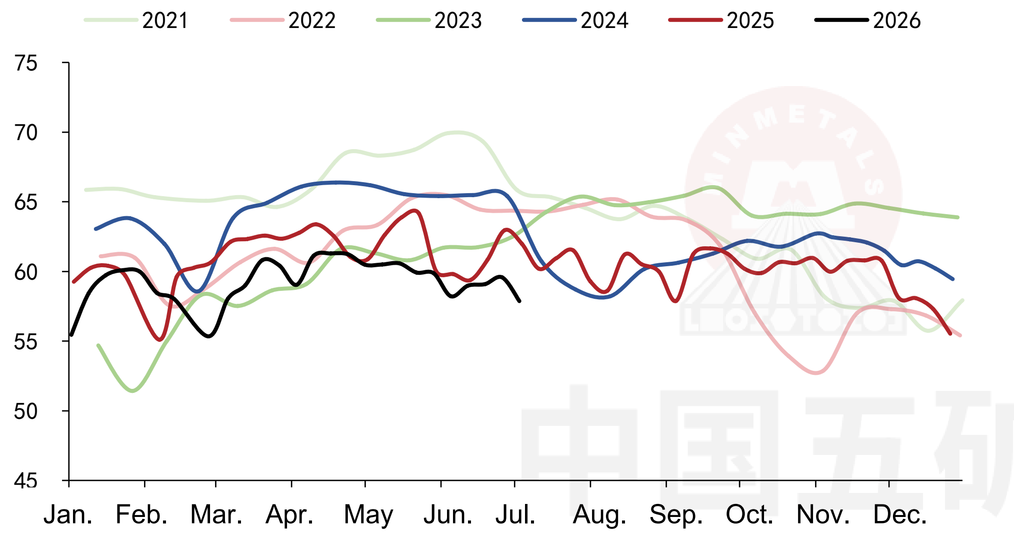


Sources: MYSTEEL, Minmetals Futures

- In June 2026, the weekly average iron ore arrival volume at 45 major ports stood at 26.9778 million tonnes (+2.0388 million tonnes MoM). In May 2026, China’s iron ore imports from countries other than Australia and Brazil reached 19.7723 million tonnes (-1.6653 million tonnes MoM).

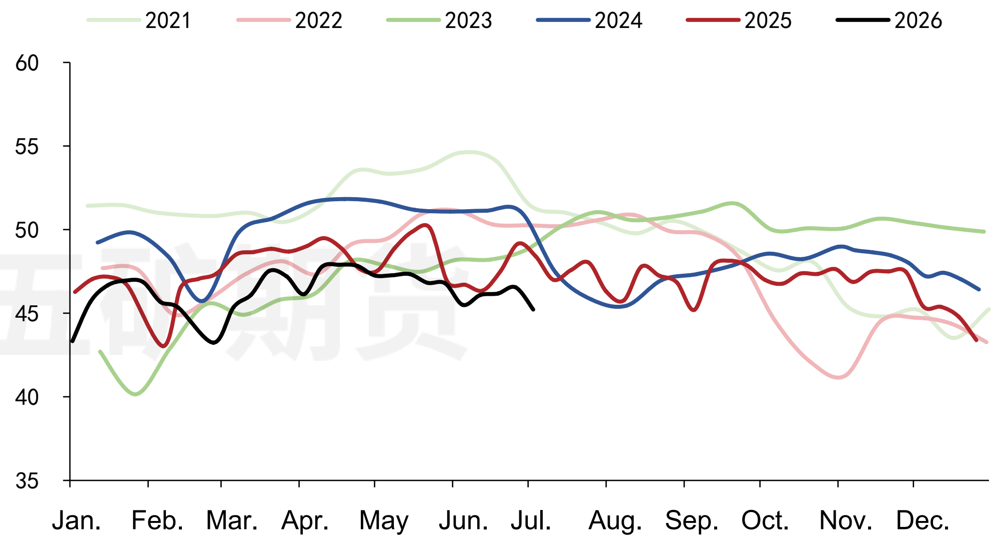
Supply

Figure 26: Domestic Mines Operating Rate (%)



Sources: MYSTEEL, Minmetals Futures

Figure 27: Daily Average Output of Iron Concentrate Fines in 186 Miners (10,000 MT)



Sources: MYSTEEL, Minmetals Futures

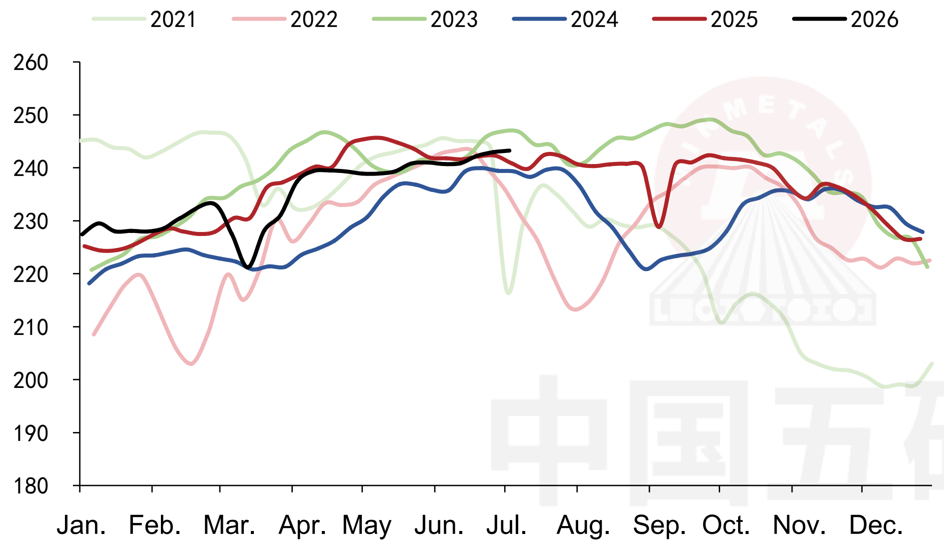
- As of end-June 2026, the capacity utilization rate of 186 domestic iron ore mines stood at 59.57% (-0.3pp MoM). The average daily output of domestic iron concentrate hit 465,500 tonnes (-2,400 tonnes MoM).

05

Demand

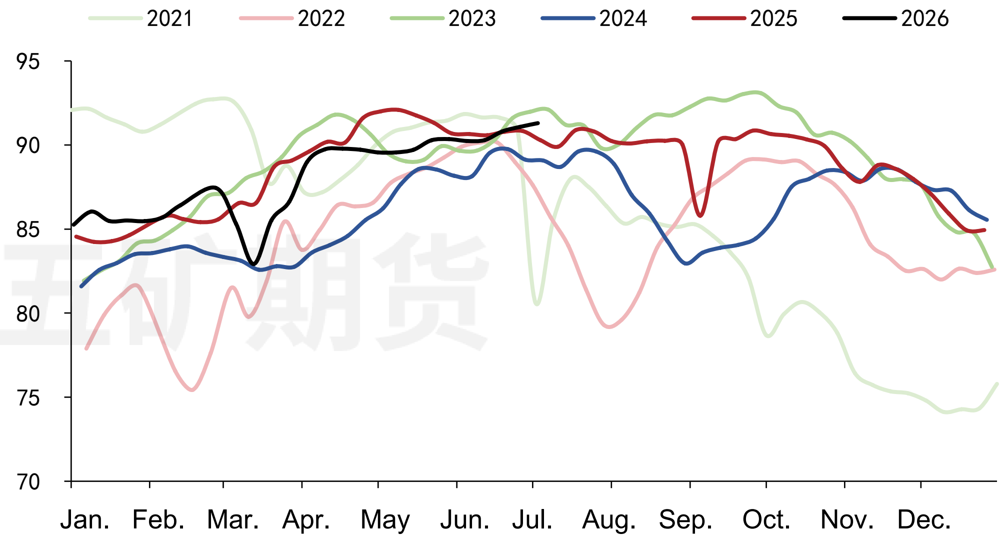
Demand

Figure 28: Daily Average Domestic Molten Iron Output (10,000 MT)



Sources: MYSTEEL, Minmetals Futures

Figure 29: Blast Furnace Utilization Rate (%)

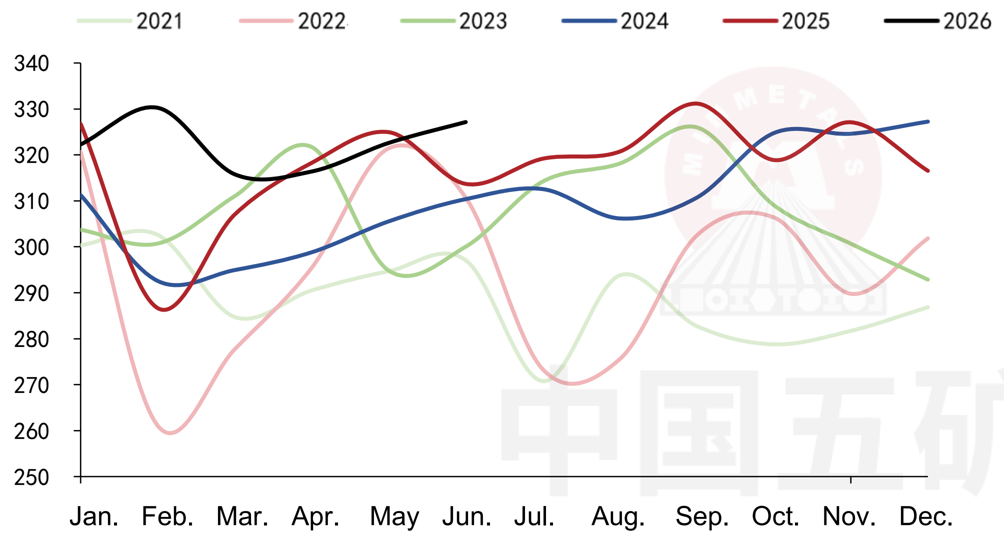


Sources: MYSTEEL, Minmetals Futures

- In June, the national average daily molten iron run-rate stood at 2.4213 million tonnes (+20,000 tonnes MoM). The national blast furnace capacity utilization rate reached 91.08% (+0.95pp MoM).

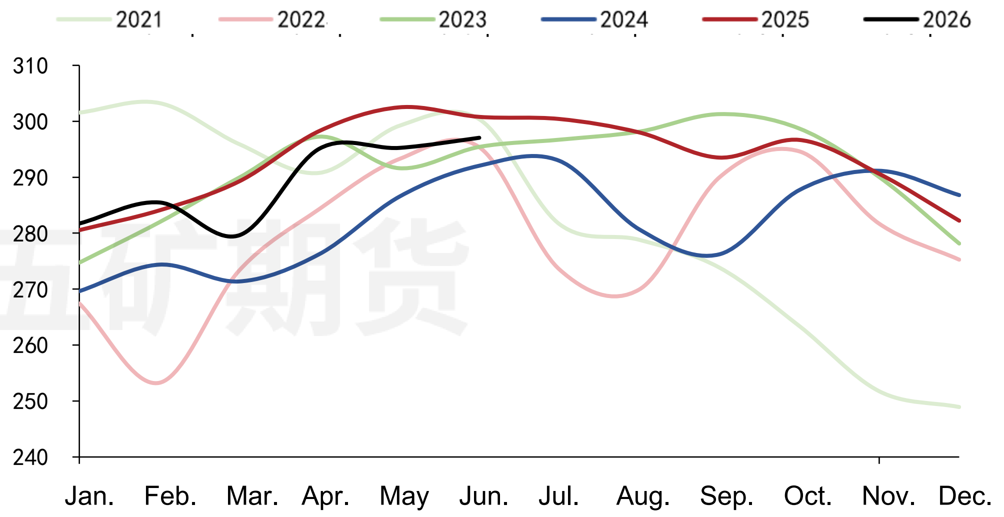
Demand

Figure 30: Average Daily Withdrawals (10,000 MT)



Sources: MYSTEEL, Minmetals Futures

Figure 31: Daily Consumption of Imported Iron Ore of 247 Steel-mills (10,000 MT)



Sources: MYSTEEL, Minmetals Futures

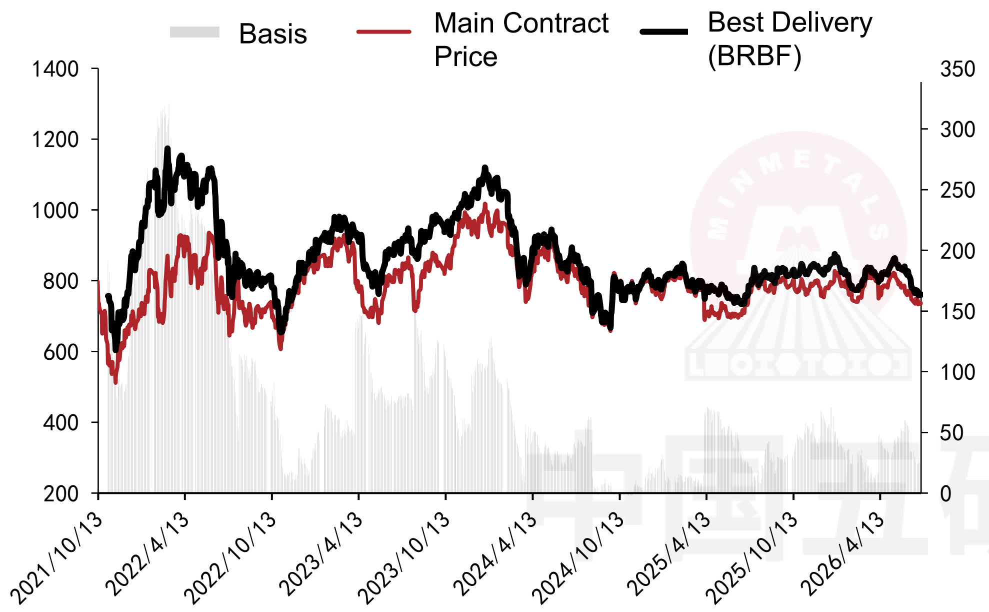
- During June, the weekly average daily port stock withdrawal volume across the 45 ports averaged 3.2714 million tonnes (+45,400 tonnes MoM). The weekly average daily ore intake at the 247 steel mills stood at 2.9706 million tonnes (+18,100 tonnes MoM).

06

Basis

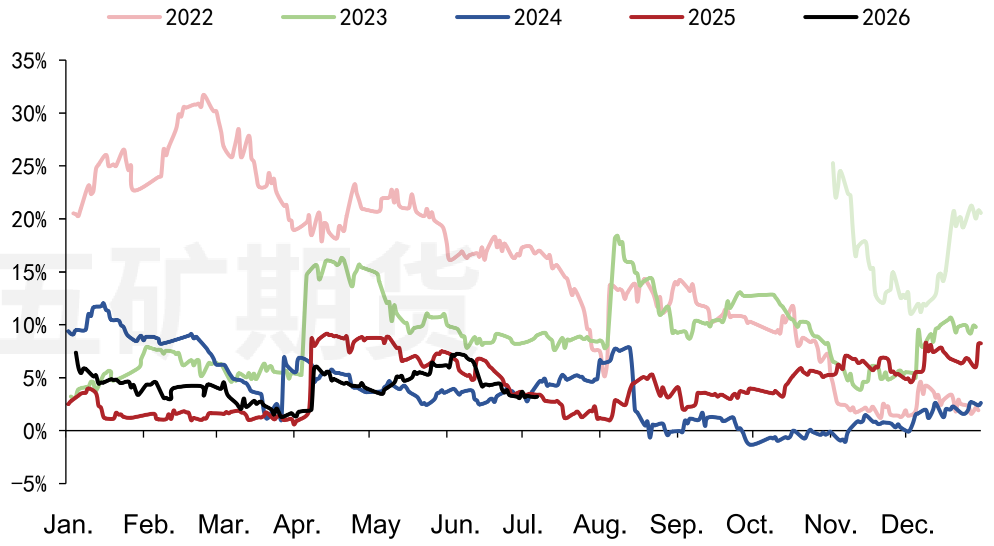
Basis & Month Spread

Figure 32: Iron Ore Basis (CNY/MT)



Sources: MYSTEEL, Minmetals Futures

Figure 33: Basis Rrate (%)



Sources: MYSTEEL, Minmetals Futures

- As of June 30, the basis for the BRBF main contract stood at 23.72 CNY/MT, while the basis ratio was recorded at 3.08%.

Disclaimer

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

All information in this report is based on reliable sources. We strive to provide you with accurate data, objective analysis, and comprehensive point of view. However, we must state that we are not responsible for any loss that may be incurred by those information. This report does not provide customized investment recommendations, nor consider the specific financial situation and objectives of the readers. The Research Team of Minmetals Futures suggests that investors should independently evaluate specific investments and strategies, and it is recommended that investors should seek the advice of professional financial advisers. Whether a specific investment or strategy is appropriate or not depends on the investors' own situation and goals. Any views mentioned in this report are for reference only and do not constitute a trading advice.

Expert in Finance-Industry Integration
Reliable Choice of Wealth Management

Website www.wkqh.cn www.minfutures.com/english/index

Hotline 400-888-5398

Headquarter 13-16/F, Minmetals Financial Center, No. 3165 Binhai Ave., Nanshan District, Shenzhen, China