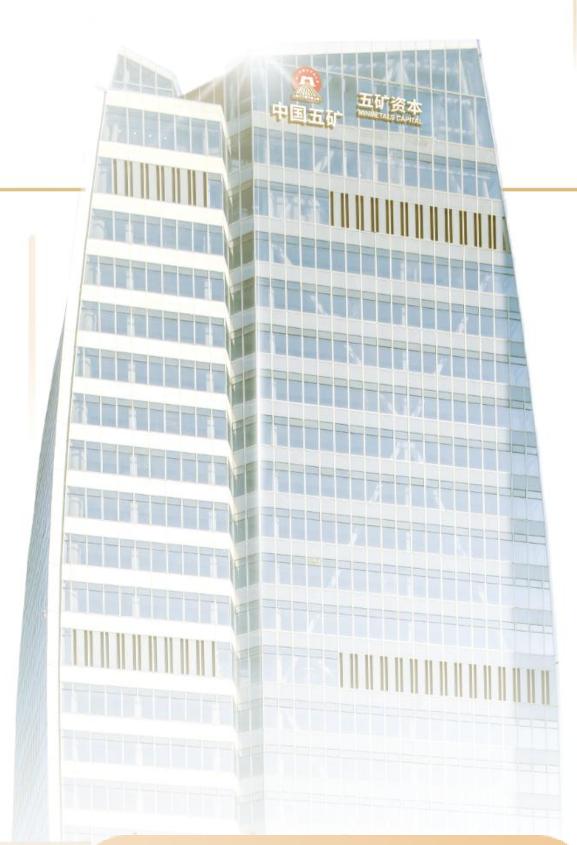
中国五矿 五矿期货有限公司



Insufficient macro support, Persistent supply-demand pressure, Ore prices fluctuate on a weak bias.

Iron Ore Monthly Report

August 7, 2026

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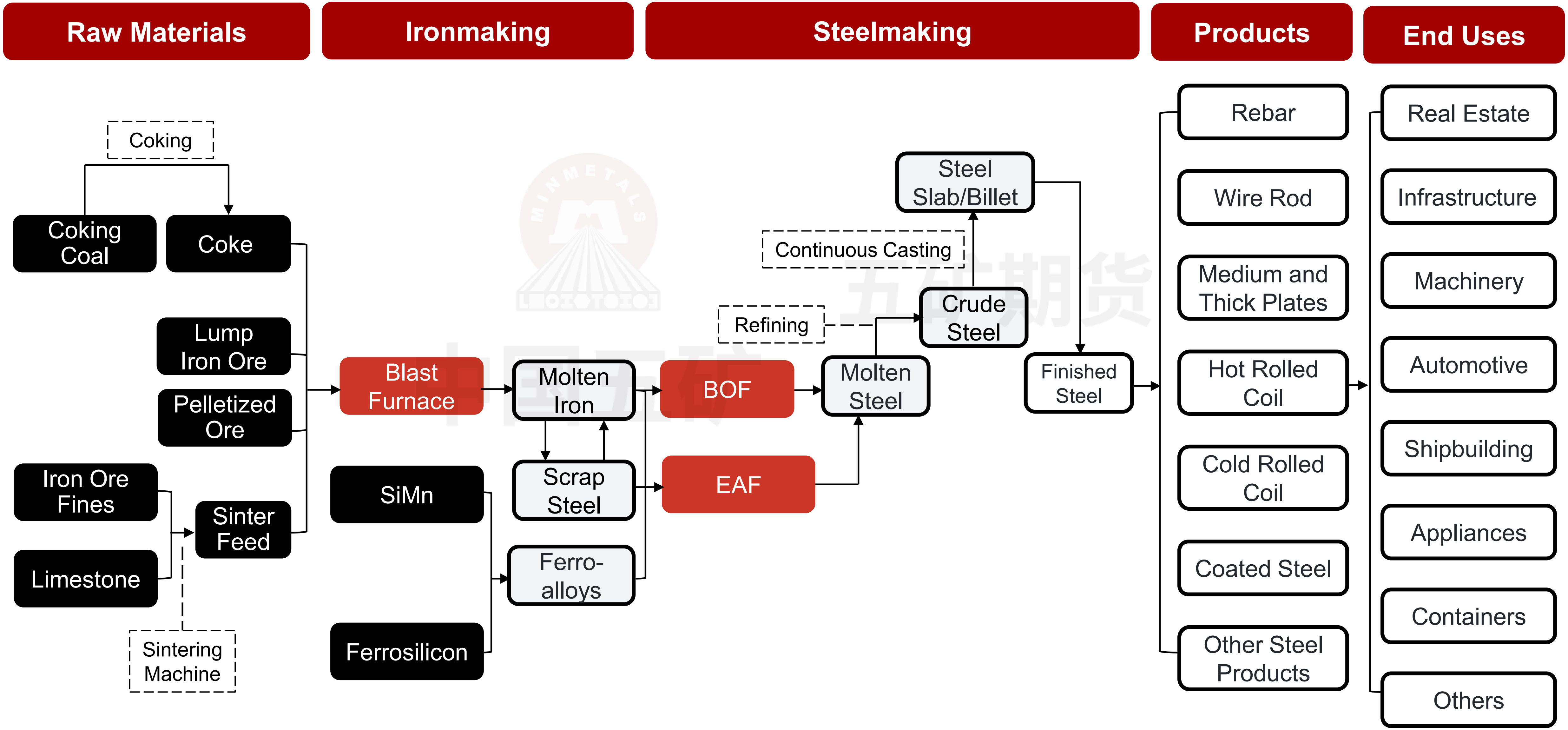
Monthly Review & Strategy Recommendation

Schematic Diagram of the Ferrous Metal Industry Chain



Monthly Review

- **Supply:** Estimated July global iron ore shipments averaged 32.3280 Mt/week, MoM −1.8823 Mt. Australia (19 ports) averaged 17.0188 Mt/week, −2.2230 Mt vs prior month. Brazil averaged 8.1342 Mt/week, −218,600 t vs prior month. 45-port arrivals averaged 26.0836 Mt/week, −894,200 t MoM.
- **Demand:** Estimated July domestic average daily molten iron output was 2.3890 Mt, −32,300 t vs prior month. Steel mills' average daily imported-ore consumption was 2.9357 Mt/week, −34,800 t vs prior month.
- **Inventory:** At end-July, imported iron ore stocks at the 45 national ports stood at 165.9034 Mt, −2.0360 Mt vs end-June. July average daily port dispatch volume at the 45 ports was 3.1915 Mt/week, −79,900 t vs prior month.
- **Outlook for August**: Supply -- Overseas ore shipments showed a seasonal weakening in July but remained relatively high versus the same period last year. Overseas shipments are expected to recover somewhat MoM in August, while nearby arrivals may edge down slightly. Demand -- Molten iron output trended lower through July. By month-end, partial short-term blast-furnace curtailments in Hebei pushed daily molten iron output down to 2.35 Mt. Terminal demand stays in the off-season in August, but the sharp raw-material price drop at end-July marginally improved mill margins. August molten iron output may rise from end-July lows, though the rebound is expected to be limited. Iron ore supply-demand remains loose, and port stocks may build in August. Costs -- Seaborne freight fluctuated higher while energy prices swung with the intensity of the U.S.–Iran conflict. Overall: iron ore's own supply-demand setup is weak in August. With little macro support in the first half, prices are range-bound and biased lower, while the approaching traditional peak season in late August may lead futures expectations to recover first. Iron ore prices are expected to trade range-bound and biased lower.

Valuation & Driving Forces

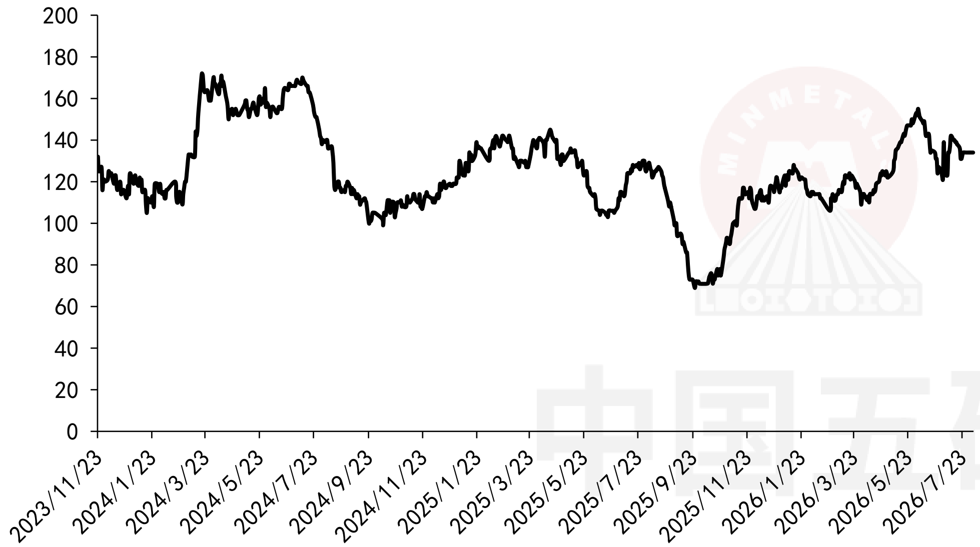
Fundamentals	Valuation		Driving Forces				
	Basis	Import Profit	Shipment	High-Low Grade Spread	Steel Mills Profitability	Molten Iron Output	45 Ports Inventory
Score	0	0	(-0.5)	0	(-1)	(-1)	0
Comment	-	Negative	Elevated level	-	Declining	Falling	Drawing down
Summary	Supply -- Overseas ore shipments showed a seasonal weakening in July but remained relatively high versus the same period last year. Overseas shipments are expected to recover somewhat MoM in August, while nearby arrivals may edge down slightly. Demand -- Molten iron output trended lower through July. By month-end, partial short-term blast-furnace curtailments in Hebei pushed daily molten iron output down to 2.35 Mt. Terminal demand stays in the off-season in August, but the sharp raw-material price drop at end-July marginally improved mill margins. August molten iron output may rise from end-July lows, though the rebound is expected to be limited. Iron ore supply-demand remains loose, and port stocks may build in August. Costs -- Seaborne freight fluctuated higher while energy prices swung with the intensity of the U.S.–Iran conflict. Overall: iron ore's own supply-demand setup is weak in August. With little macro support in the first half, prices are range-bound and biased lower, while the approaching traditional peak season in late August may lead futures expectations to recover first. Iron ore prices are expected to trade range-bound and biased lower.						

02

Futures Market & Spot Market

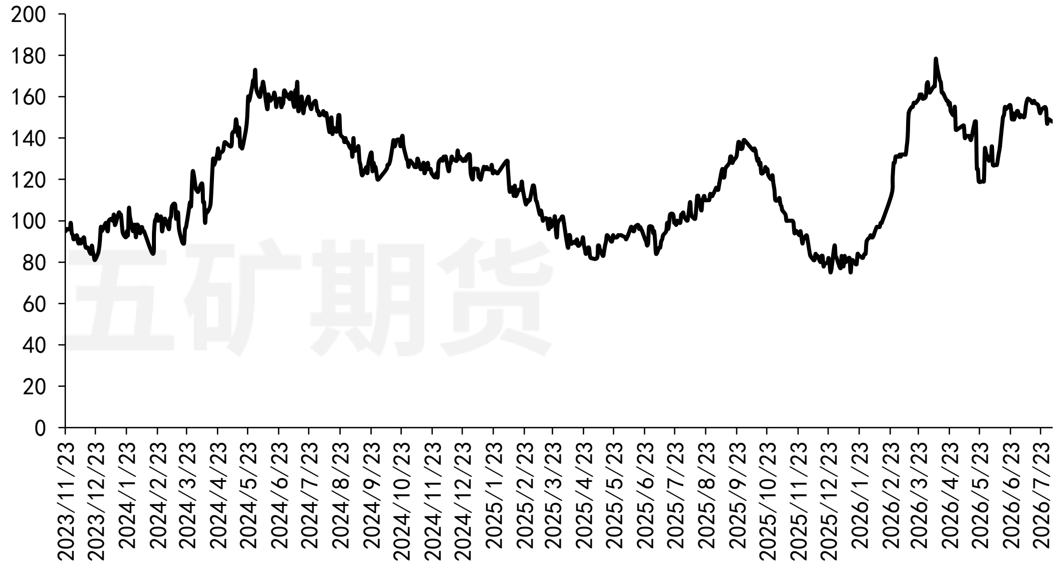
Price Spread

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



Sources: MYSTEEL, Minmetals Futures

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

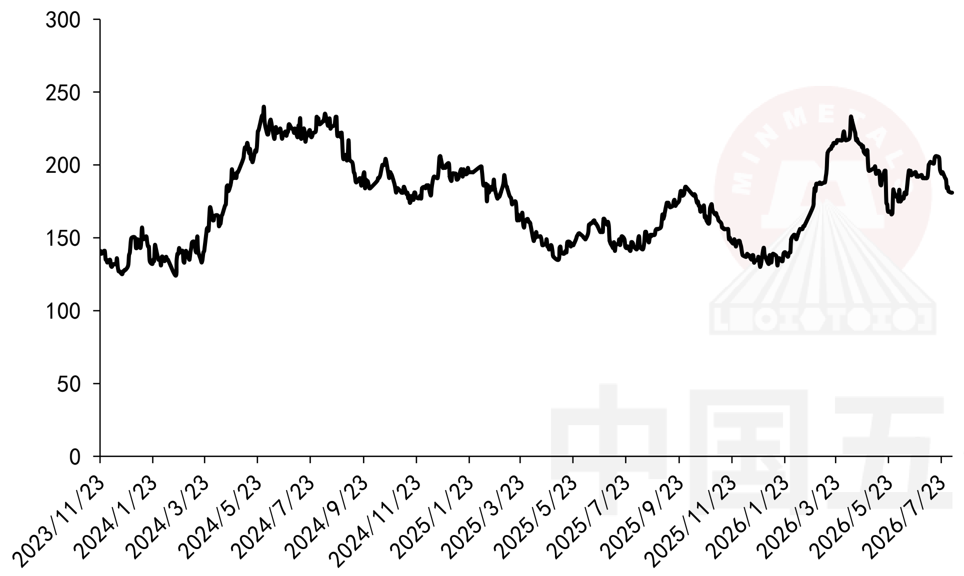


Sources: MYSTEEL, Minmetals Futures

- At end-July, the PB-SSF spread was CNY134/t, +CNY11.0/t MoM. The Carajas-PB spread was CNY149/t, −CNY4.0/t MoM.

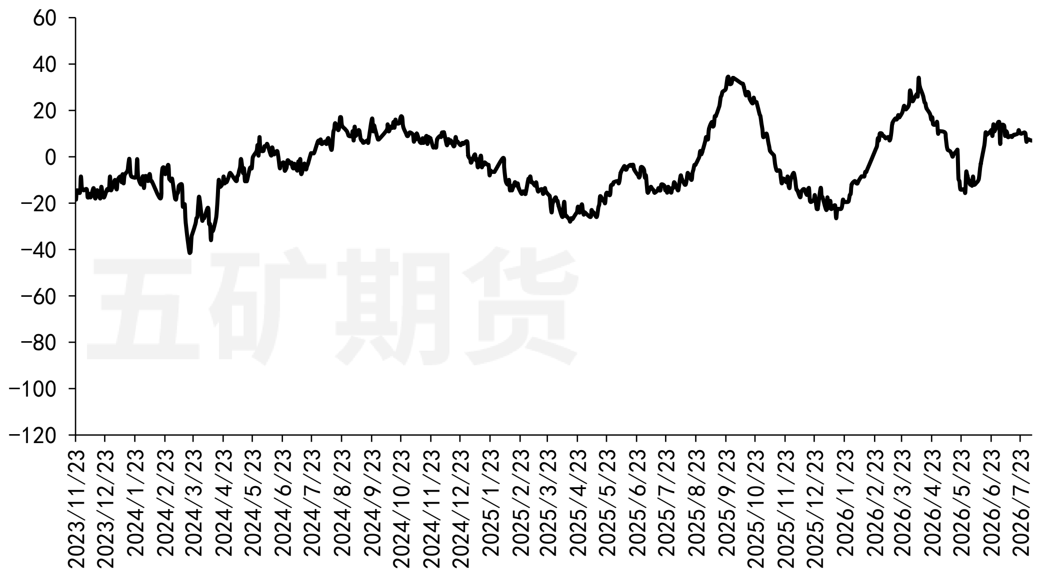
Price Spread

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



Sources: MYSTEEL, Minmetals Futures

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



Sources: MYSTEEL, Minmetals Futures

- At end-July, the Carajas-Jimblebar spread was CNY182/t, −CNY11.0/t MoM. The (Carajas+SSF)/2-PB spread was CNY7.5/t, −CNY7.5/t MoM.

Furnace Input Ratios, Scrap Steel

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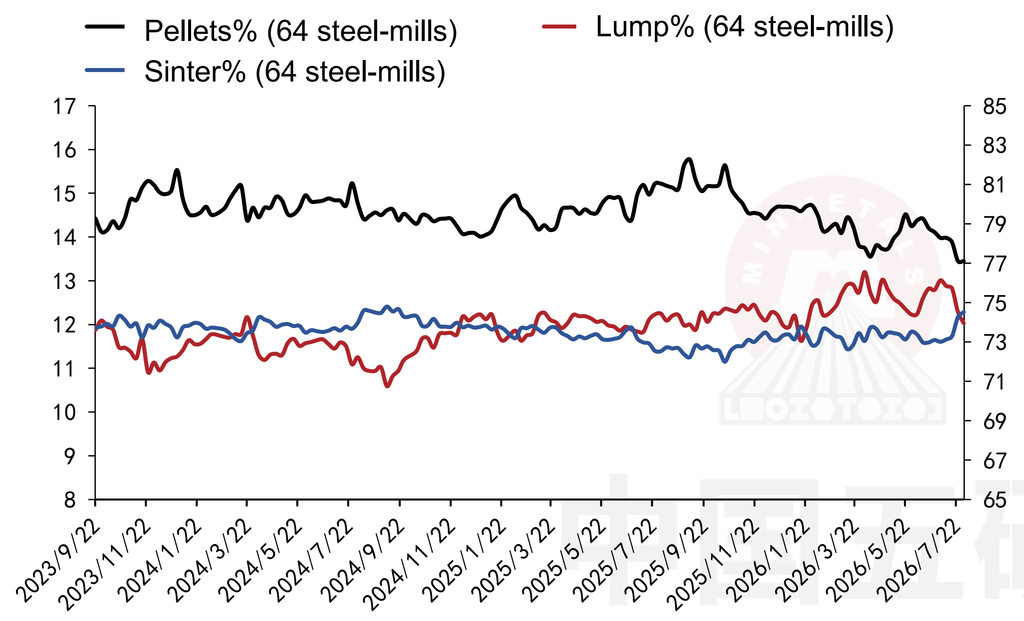
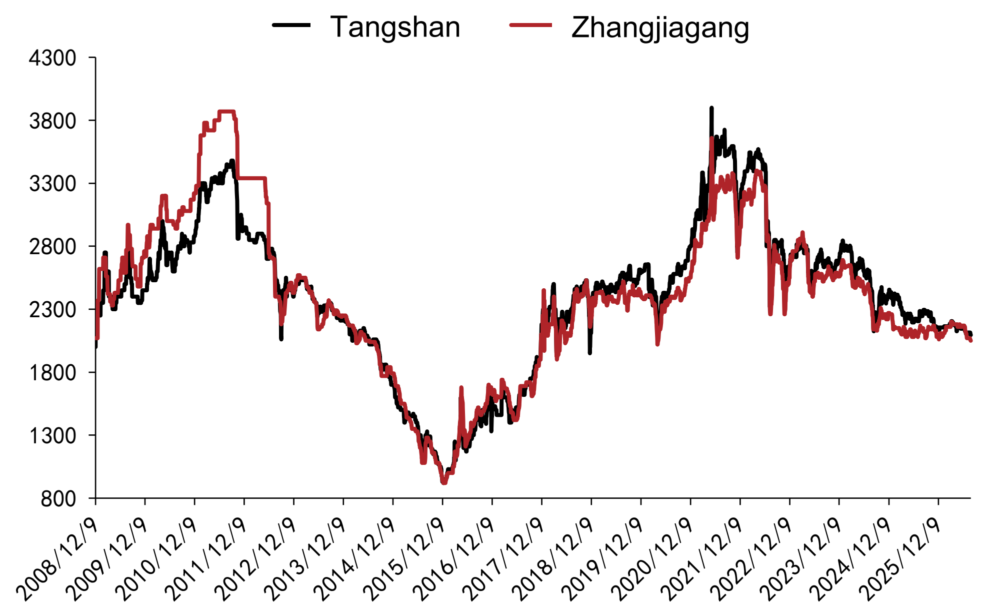
Figure 5: Steel Mill Charge Mix (%)



Sources: MYSTEEL, Minmetals Futures

Figure 6: Scrap Steel Price (CNY/t)

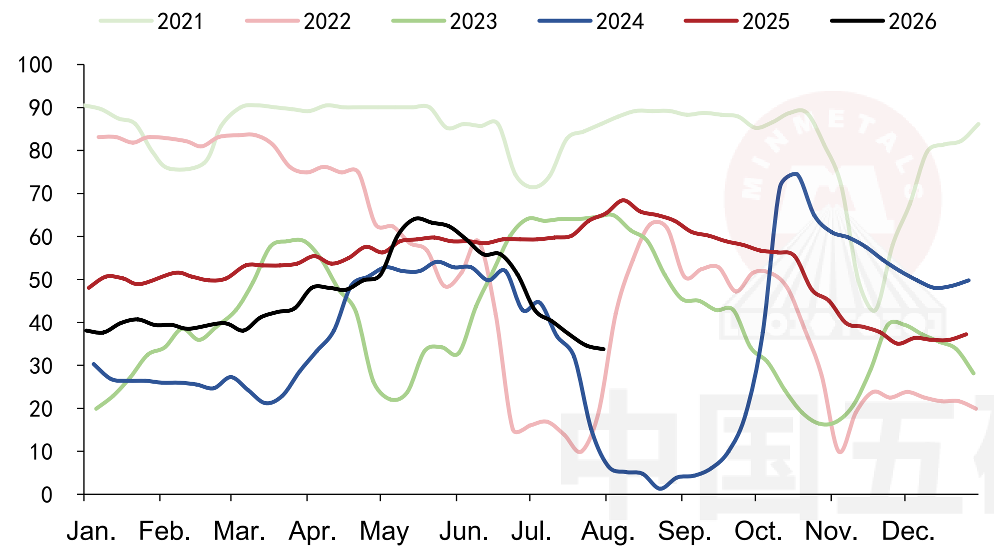


Sources: MYSTEEL, Minmetals Futures

- At end-July, pellet burden was 13.45%, lump burden 12.03%, and sinter burden 74.52%.
- At end-July, Tangshan scrap price was CNY2,115/t, +CNY10/t vs end-June. Zhangjiagang scrap price was CNY2,060/t, −CNY50/t vs end-June.

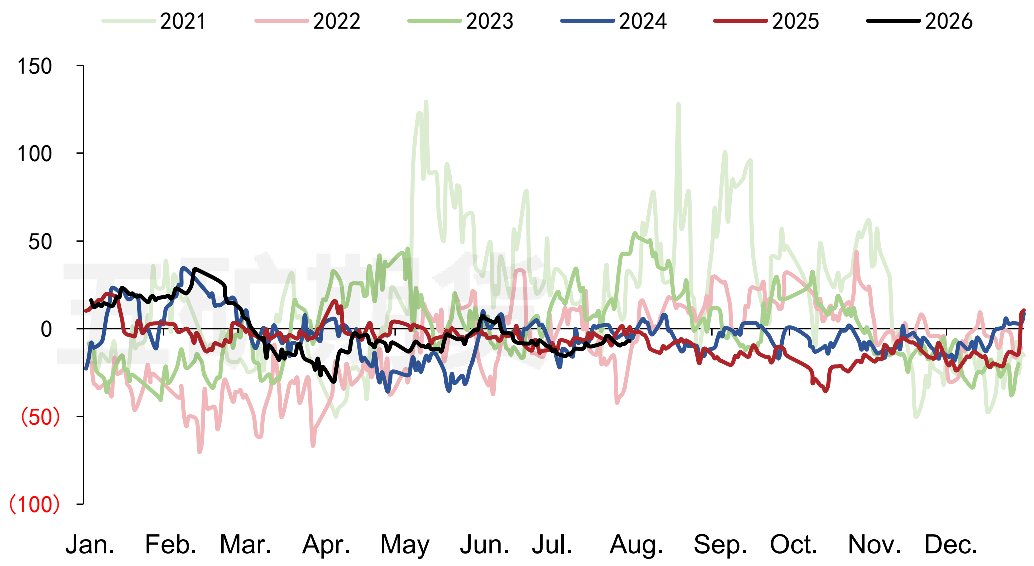
Profits

Figure 7: Steel Mill Profitability Rate (%)



Sources: MYSTEEL, Minmetals Futures

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

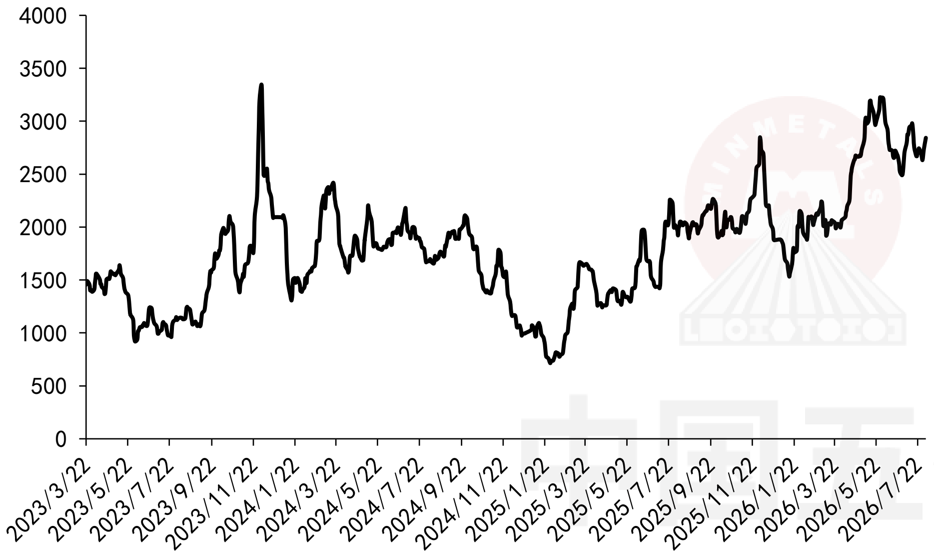


Sources: MYSTEEL, Minmetals Futures

- At end-July, the steel mill profit rate was 33.77%, −17.31 pp vs end-June.

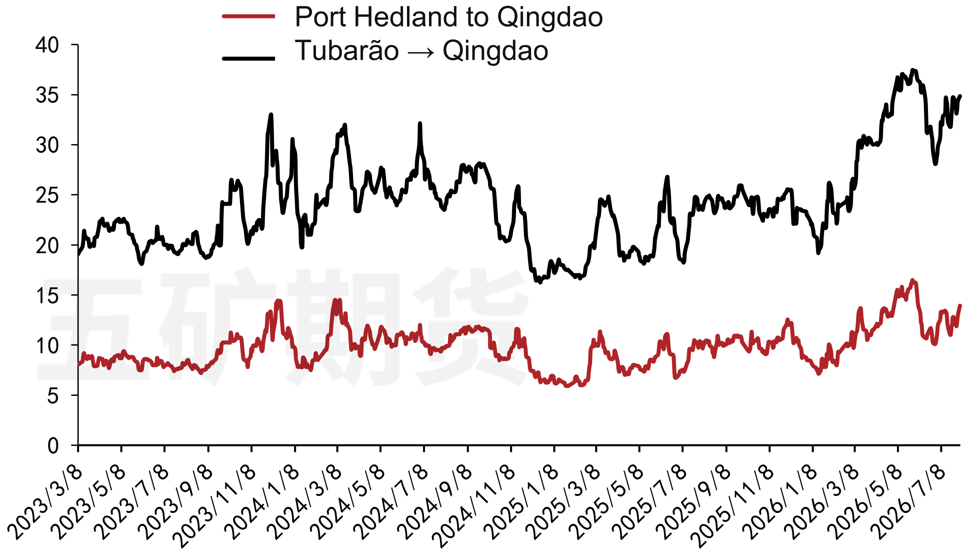
Sea Freight Rates

Figure 9: BDI (points)



Sources: MYSTEEL, Minmetals Futures

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



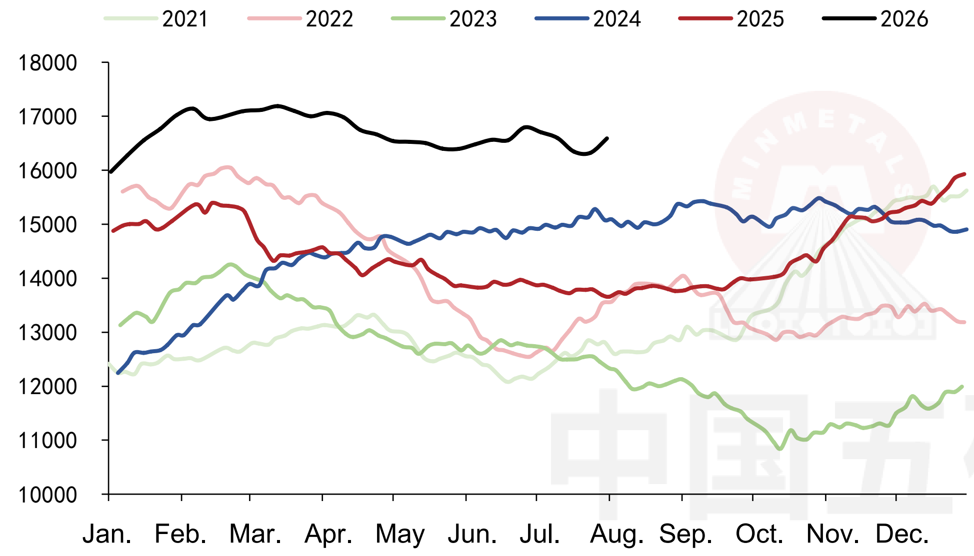
Sources: MYSTEEL, Minmetals Futures

03

Inventory

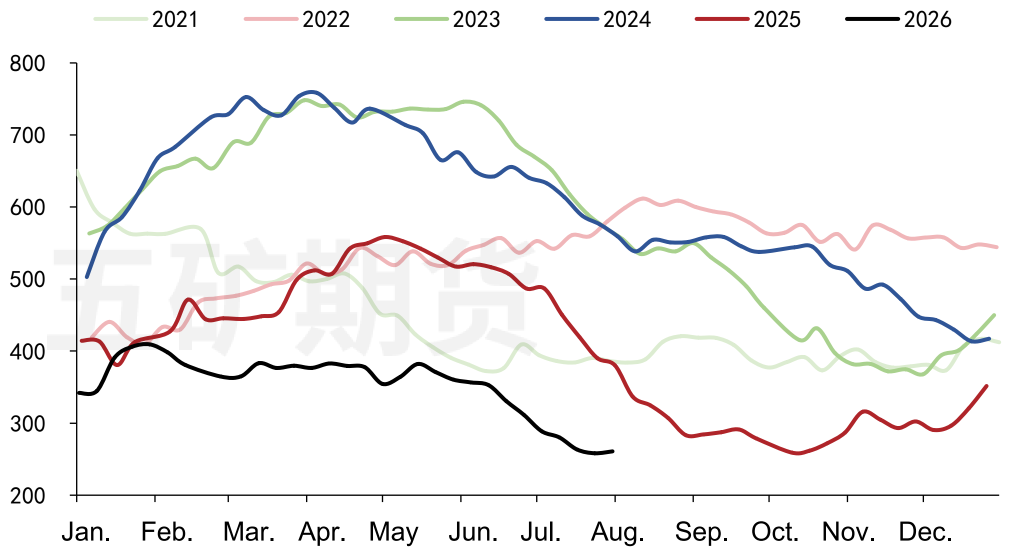
Inventory

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



Sources: MYSTEEL, Minmetals Futures

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

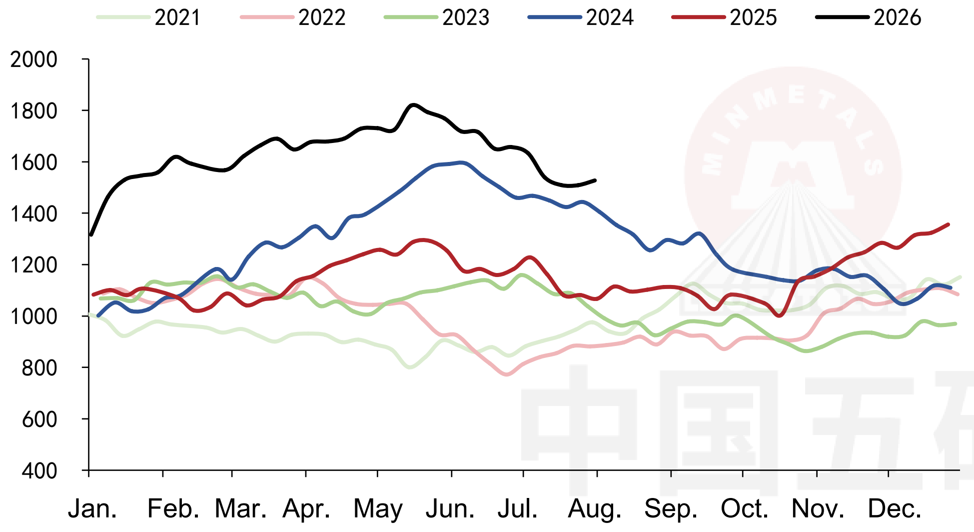


Sources: MYSTEEL, Minmetals Futures

- At end-July, imported iron ore stocks at the 45 national ports stood at 165.9034 Mt, −2.0360 Mt vs end-June. Pellet stocks were 2.6086 Mt, −505,200 t vs end-June.

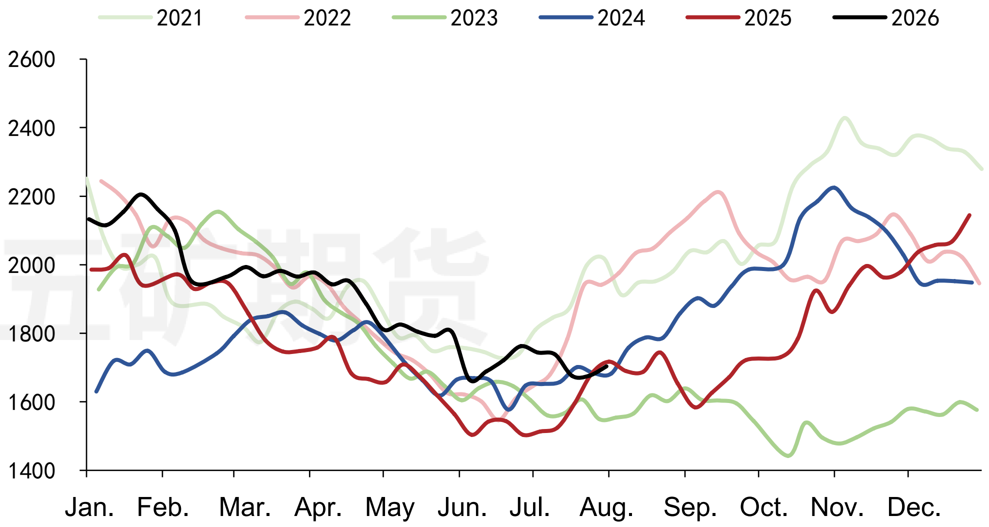
Inventory

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



Sources: MYSTEEL, Minmetals Futures

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

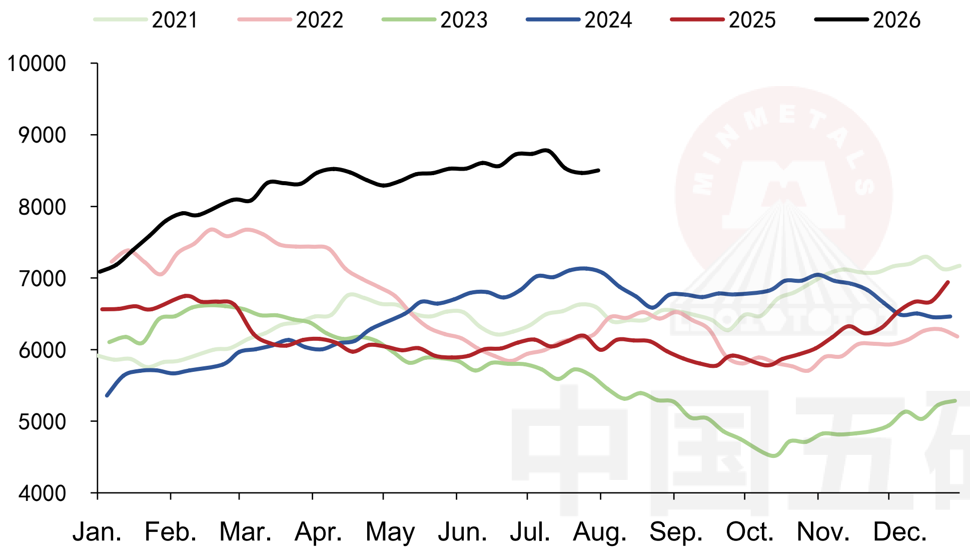


Sources: MYSTEEL, Minmetals Futures

- At end-July, port stocks of iron concentrate were 15.2745 Mt, −1.2987 Mt vs end-June. Port stocks of lump ore were 17.0366 Mt, −585,900 t vs end-June.

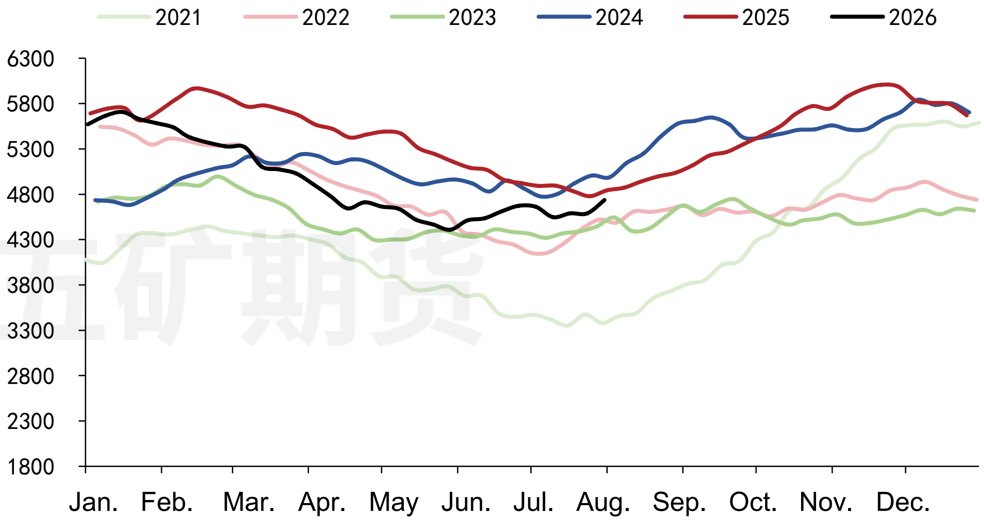
Inventory

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



Sources: MYSTEEL, Minmetals Futures

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

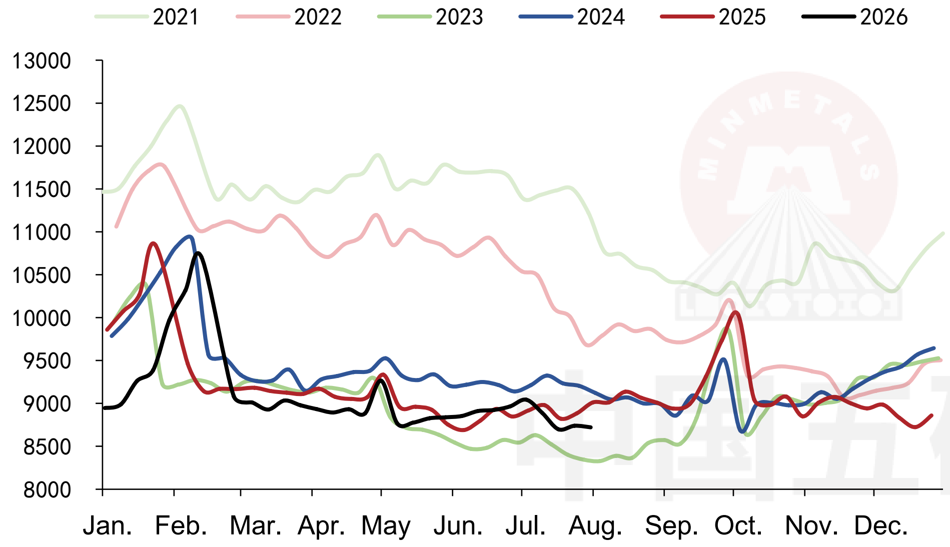


Sources: MYSTEEL, Minmetals Futures

- At end-July, Australian ore port stocks were 85.0214 Mt, −2.2293 Mt vs end-June. Brazilian ore port stocks were 47.3712 Mt, +641,600 t vs end-June.

Inventory

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



Sources: MYSTEEL, Minmetals Futures

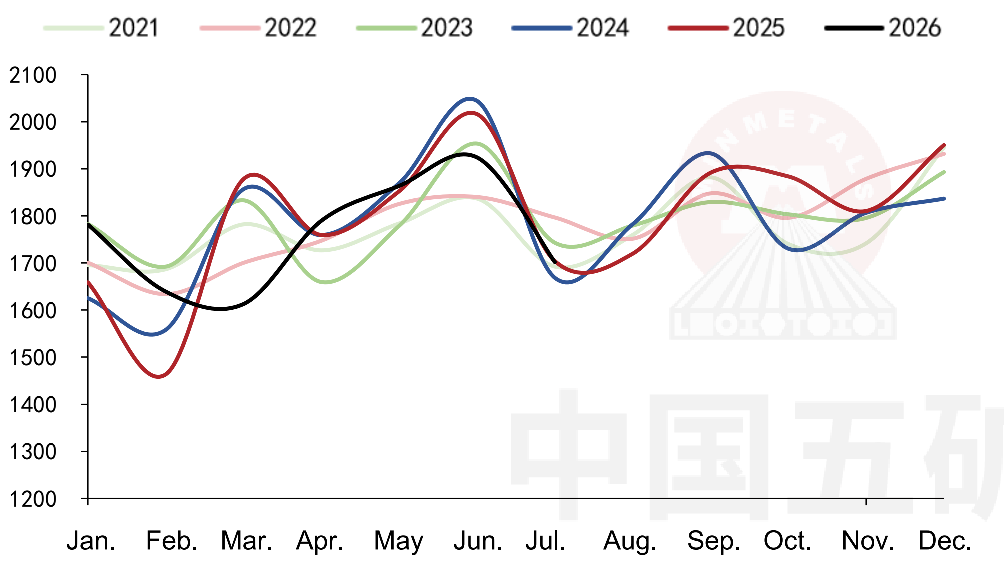
- At end-July, steel mills' imported iron ore stocks were 87.2154 Mt, −2.4391 Mt vs end-June.

04

Supply

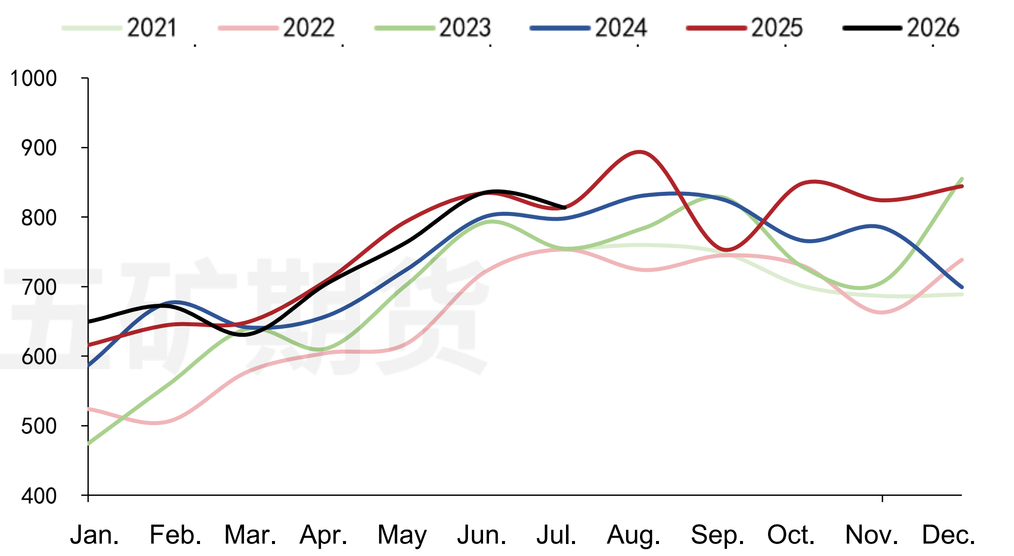
Supply

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



Sources: MYSTEEL, Minmetals Futures

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

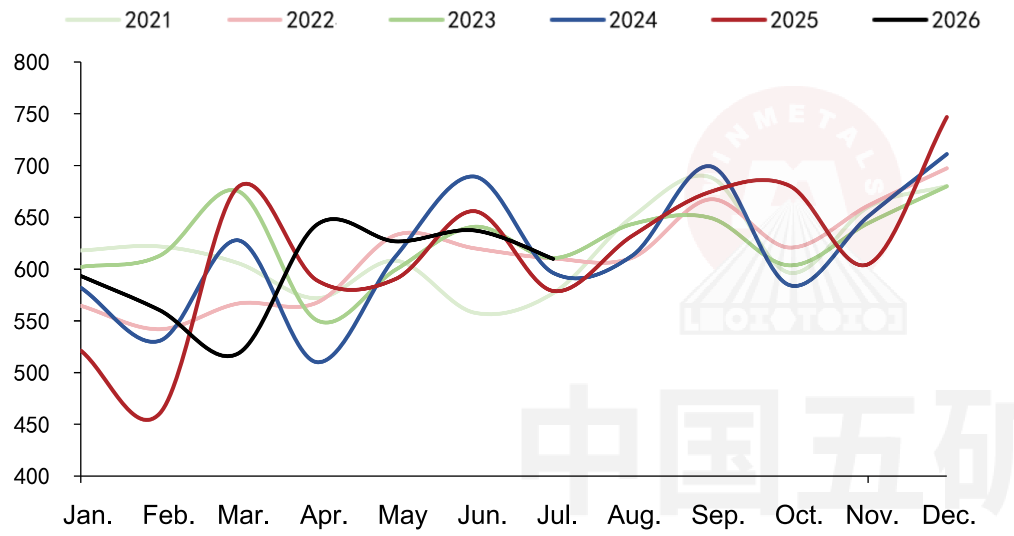


Sources: MYSTEEL, Minmetals Futures

- In July, Australia (19 ports) shipments averaged 17.0188 Mt/week, −2.2230 Mt vs prior month. Brazil shipments averaged 8.1342 Mt/week, −218,600 t vs prior month.

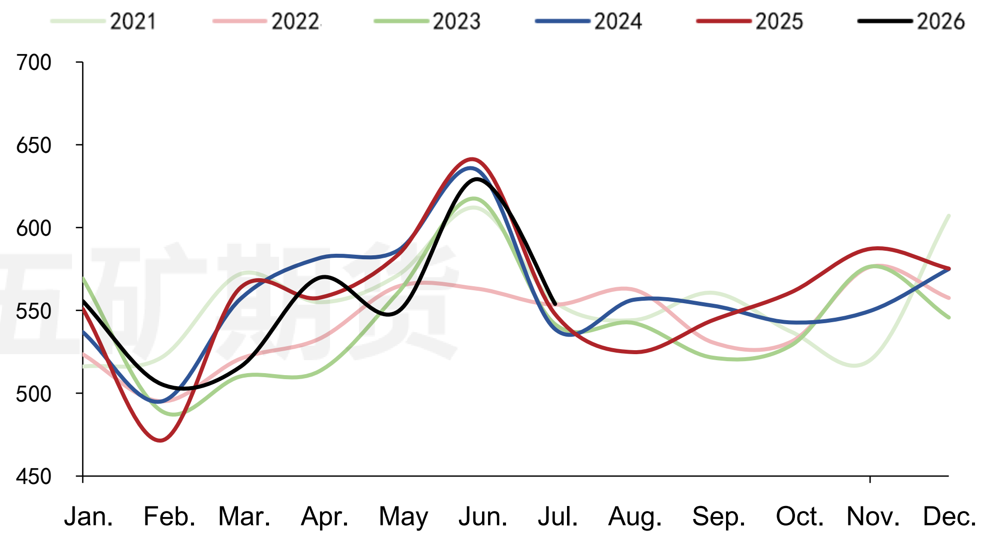
Supply

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



Sources: MYSTEEL, Minmetals Futures

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

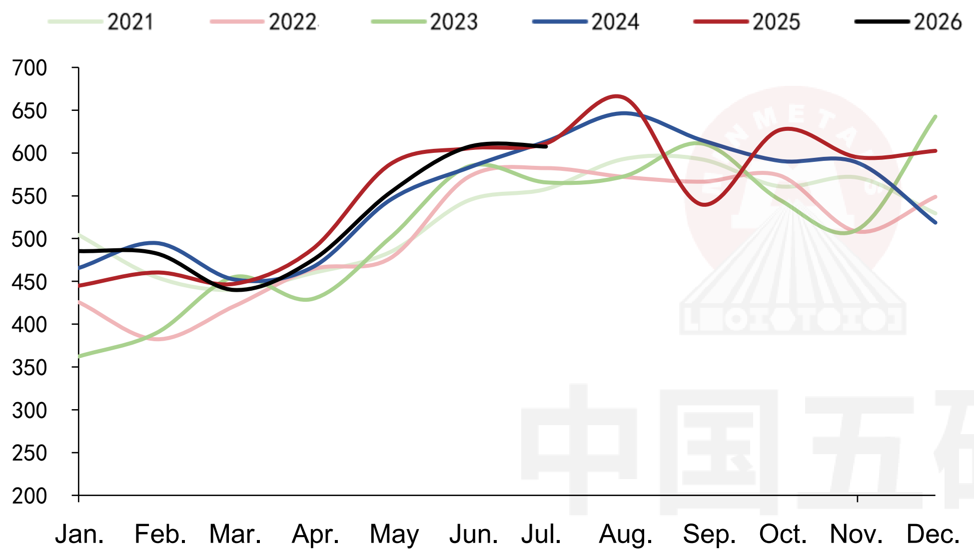


Sources: MYSTEEL, Minmetals Futures

- In July, Rio Tinto shipments averaged 6.0988 Mt/week, −274,000 t MoM. BHP shipments averaged 5.5392 Mt/week, −753,600 t MoM.

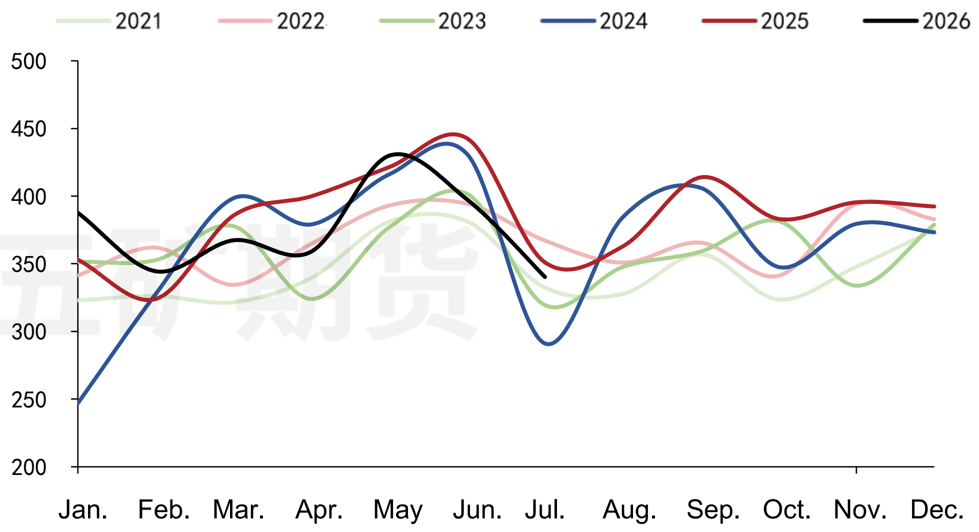
Supply

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



Sources: MYSTEEL, Minmetals Futures

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

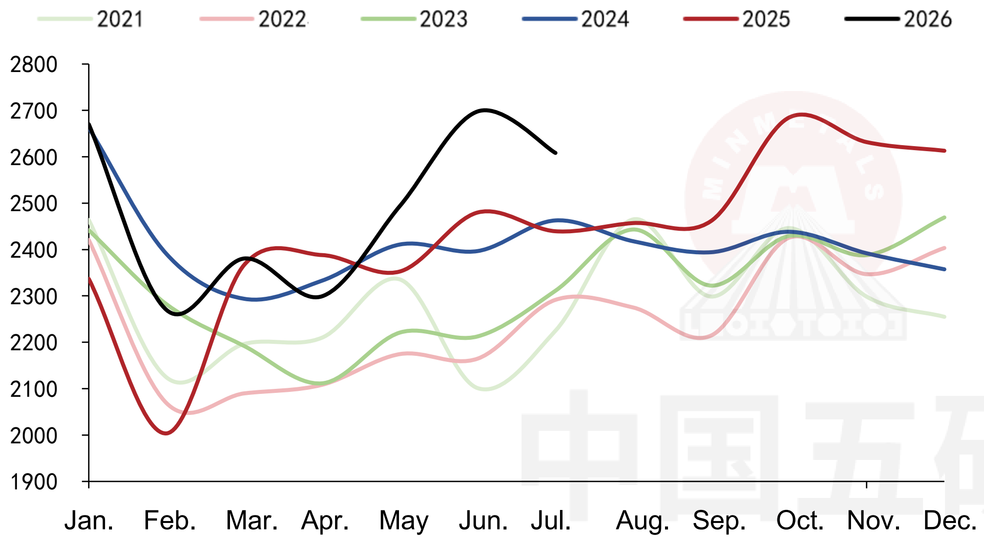


Sources: MYSTEEL, Minmetals Futures

- In July, Vale shipments averaged 6.0750 Mt/week, +4,700 t MoM. FMG shipments averaged 3.4020 Mt/week, −572,800 t MoM.

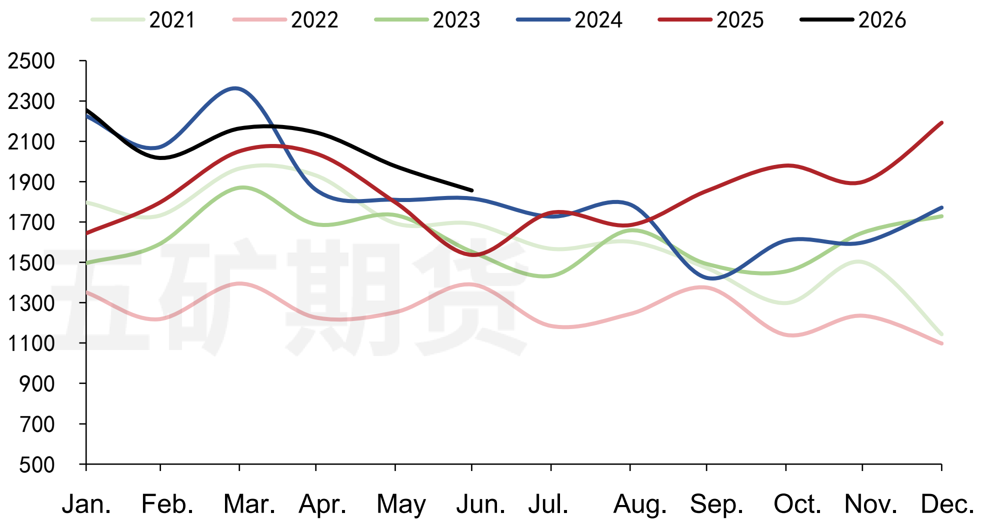
Supply

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



Sources: MYSTEEL, Minmetals Futures

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

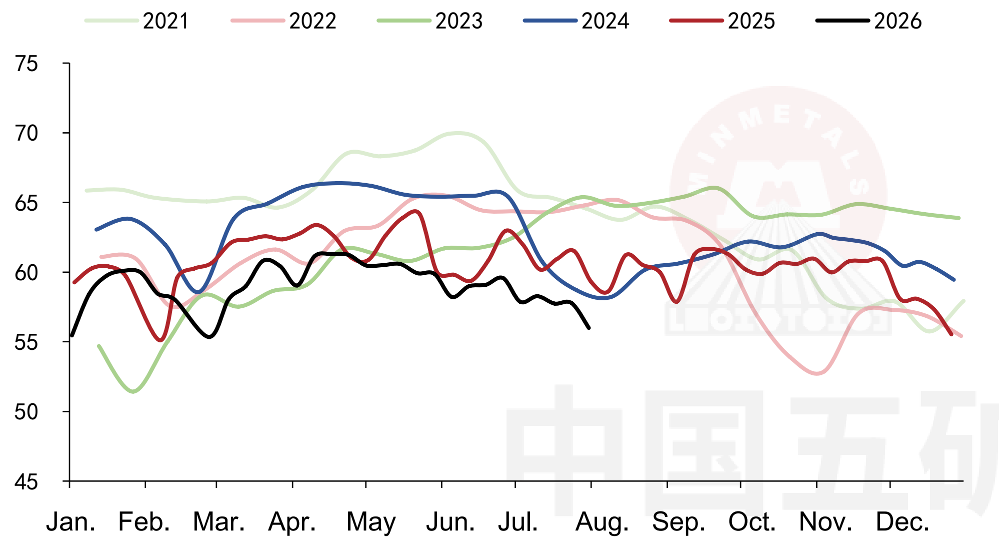


Sources: MYSTEEL, Minmetals Futures

- In July, 45-port arrivals averaged 26.0836 Mt/week, −894,200 t MoM. China's June non-Australia/Brazil iron ore imports were 18.5648 Mt, −1.2076 Mt MoM.

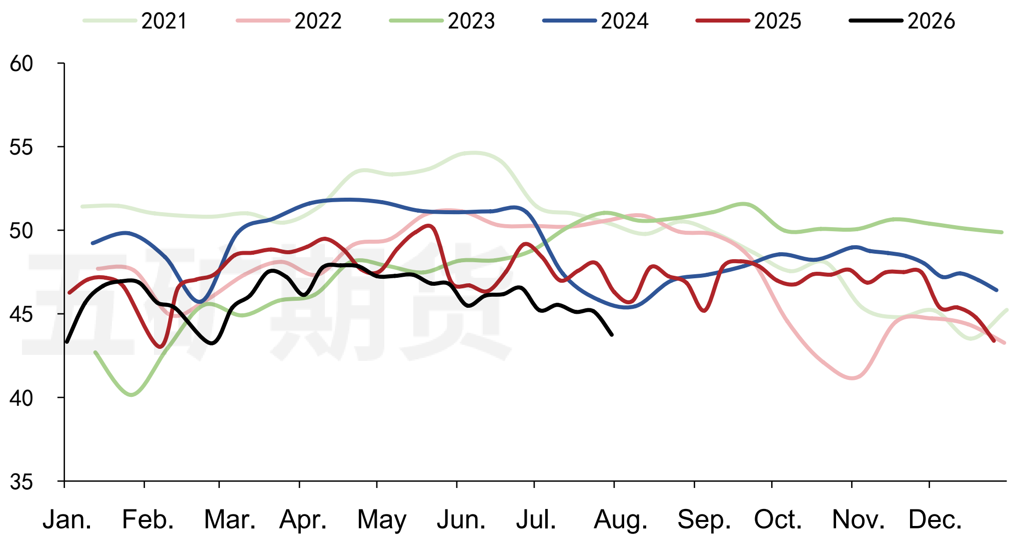
Supply

Figure 26: Domestic Mines Operating Rate (%)



Sources: MYSTEEL, Minmetals Futures

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



Sources: MYSTEEL, Minmetals Futures

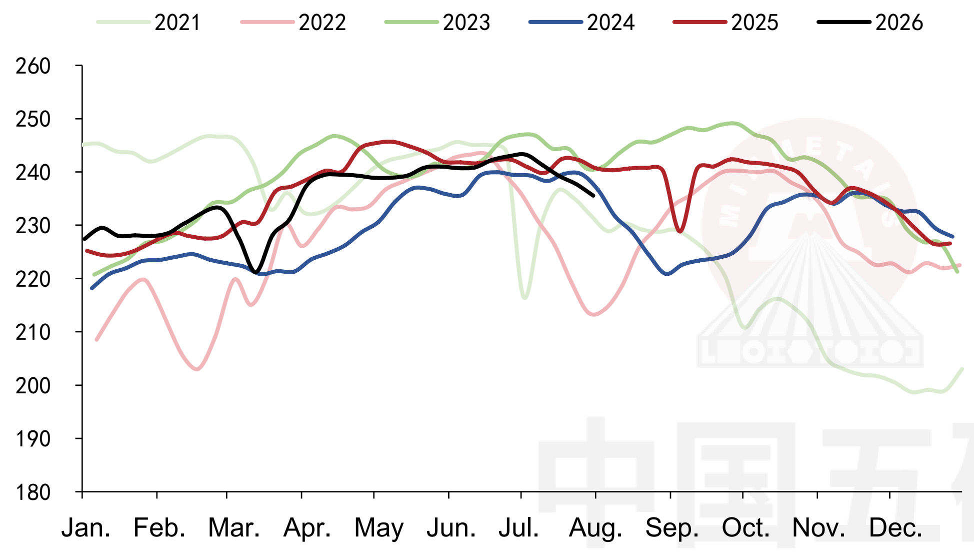
- At end-July, domestic mine capacity utilization was 55.99%, −3.58 pp vs end-June. Daily average iron concentrate output from domestic mines was 437,500 t, −28,000 t vs end-June.

05

Demand

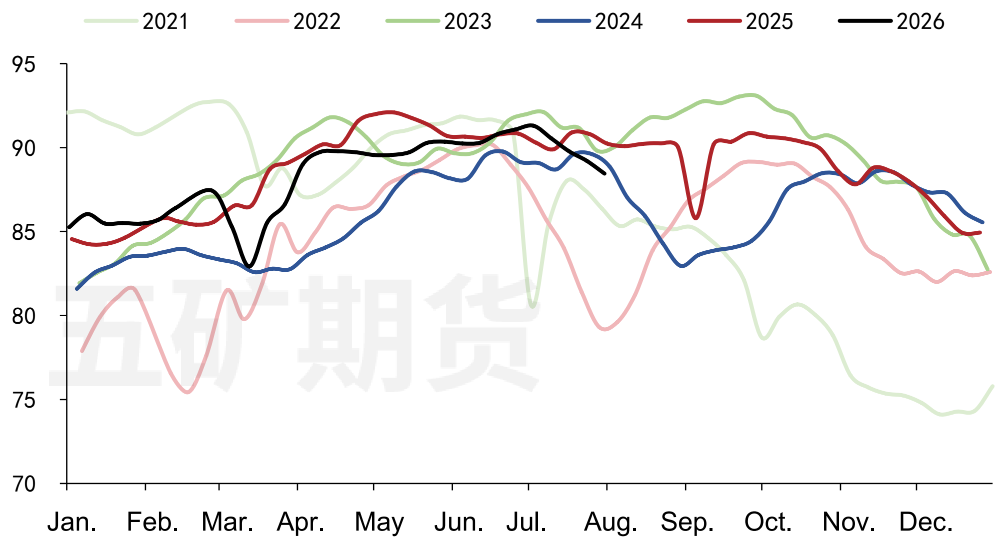
Demand

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



Sources: MYSTEEL, Minmetals Futures

Figure 29: Blast Furnace Utilization Rate (%)



Sources: MYSTEEL, Minmetals Futures

- Estimated July domestic average daily molten iron output was 2.3890 Mt, −32,300 t vs prior month. At end-July, blast furnace capacity utilization was 88.45%, −2.63 pp vs end-June.

Demand

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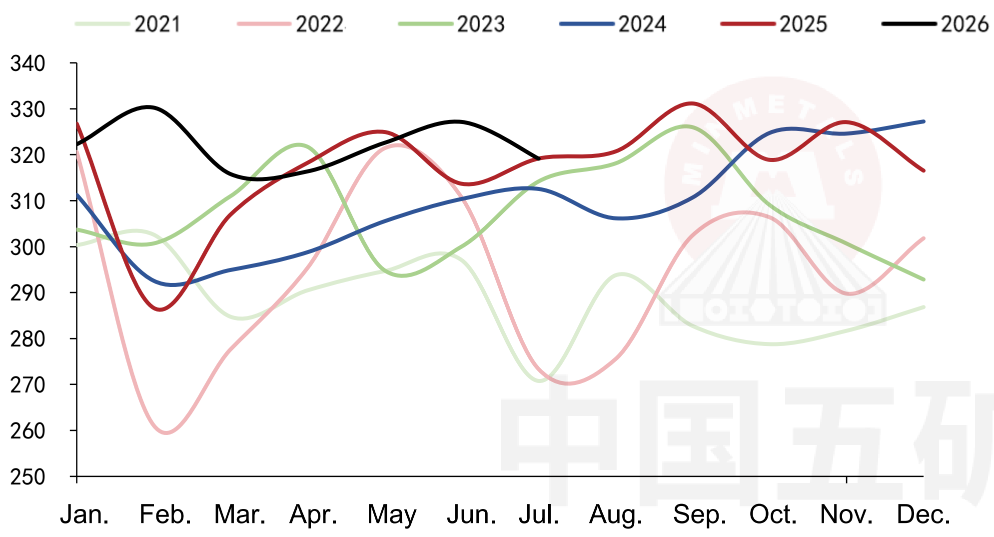
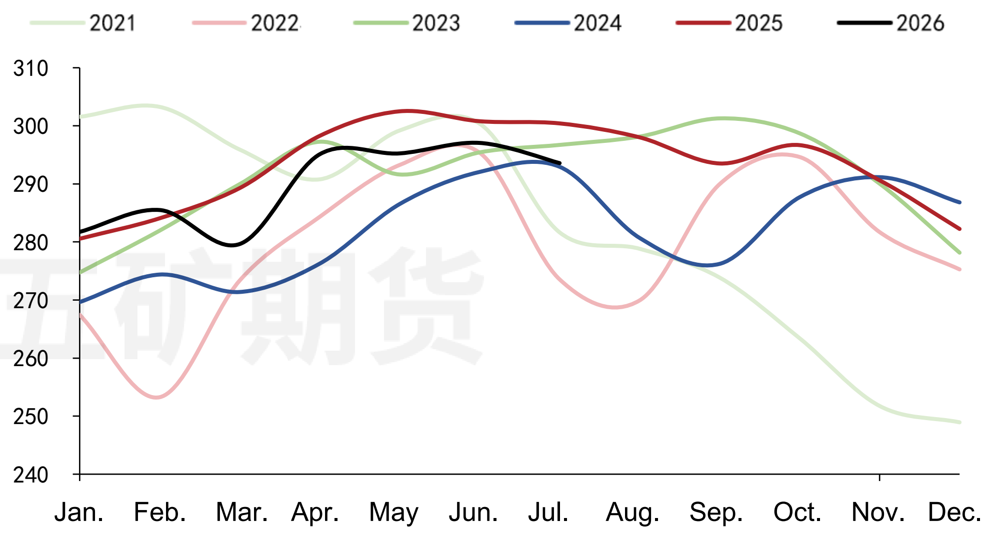
Figure 30: Average Daily Withdrawals (10,000 t)



Sources: MYSTEEL, Minmetals Futures

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



Sources: MYSTEEL, Minmetals Futures

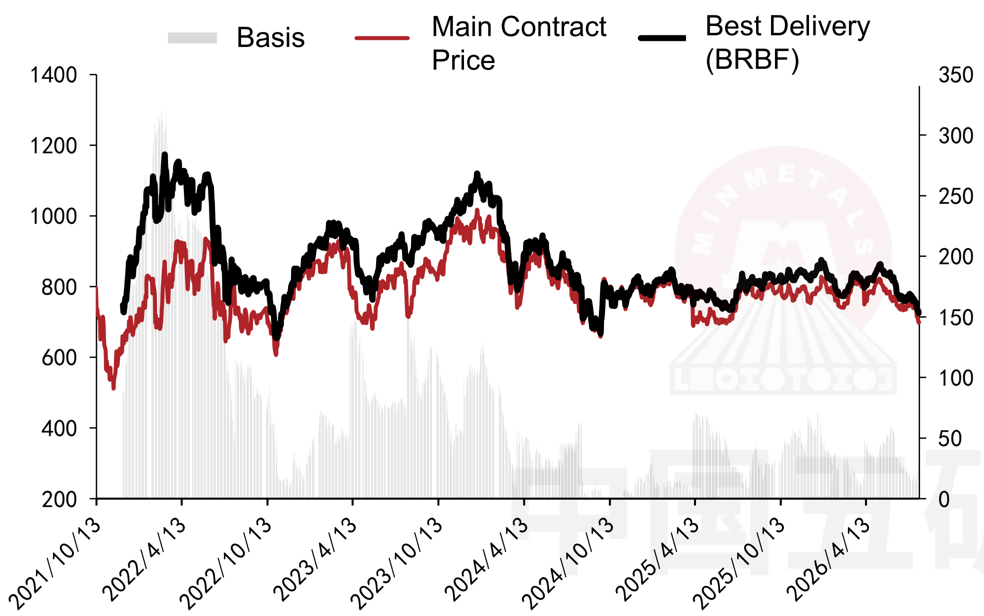
- In July, 45-port average daily iron ore port dispatch volume was 3.1915 Mt/week, −79,900 t vs prior month. Steel mills' average daily imported-ore consumption was 2.9357 Mt/week, −34,800 t vs prior month.

06

Basis

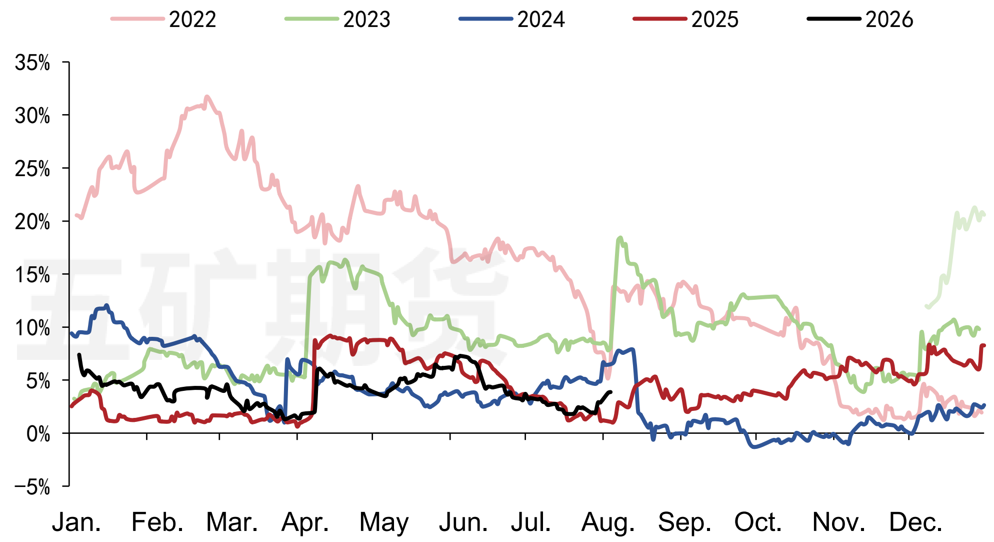
Basis & Month Spread

Figure 32: Iron Ore Basis (CNY/t)



Sources: MYSTEEL, Minmetals Futures

Figure 33: Basis Rrate (%)



Sources: MYSTEEL, Minmetals Futures

- As of Jul 31, estimated iron ore BRBF main contract basis was CNY21.41/t. Basis rate 2.90%.

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