



五矿期货有限公司

Differentiated raw-material performance; ore prices soft on weak fundamentals

Iron Ore Monthly Report

September 4, 2026

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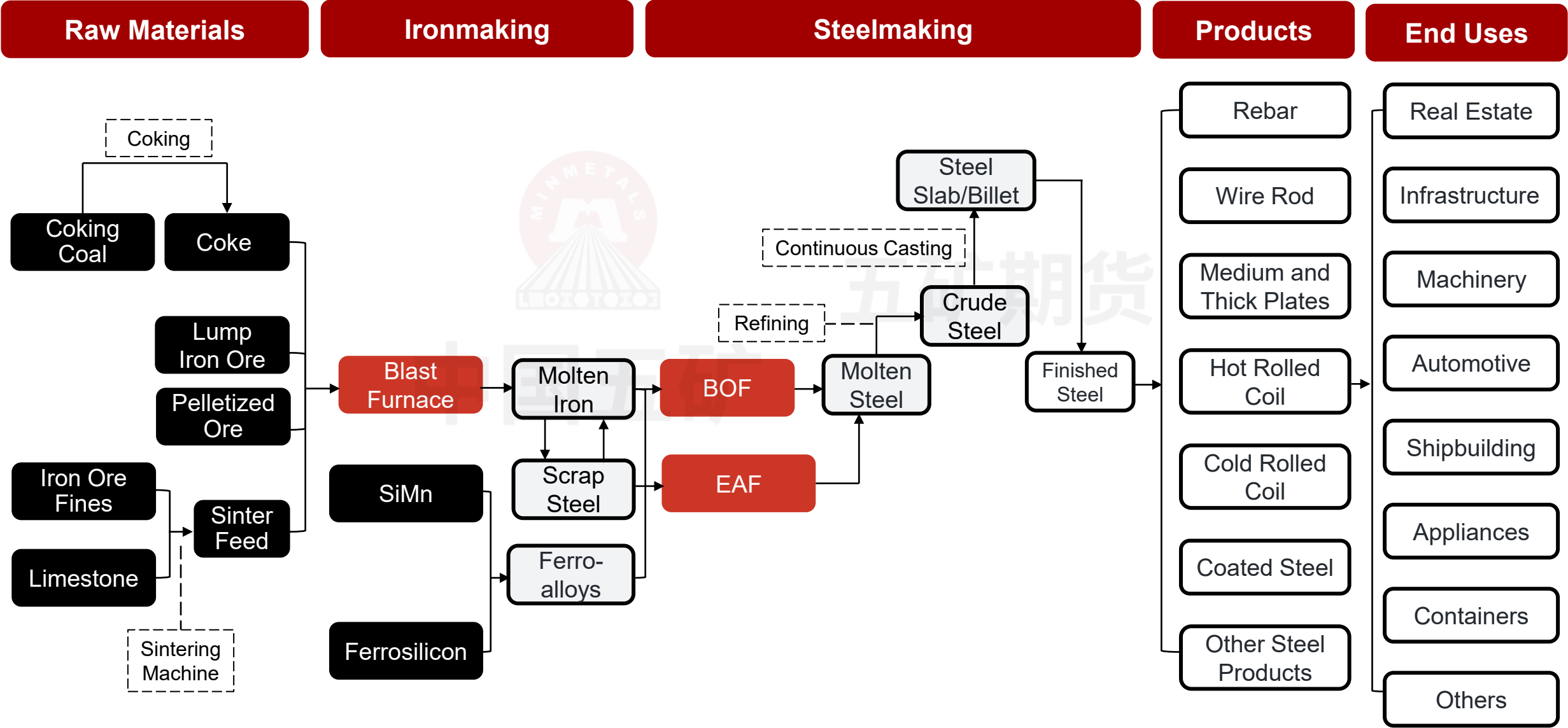
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Basis

01

Monthly Review & Strategy Recommendation

Schematic Diagram of the Ferrous Metal Industry Chain



- ◆ Supply: Estimated August global iron ore shipments averaged 33.3263 million t/week, MoM +998,200 t. In August, Australia's shipments on the 19-port basis averaged 18.2838 million t/week, +1.2650 million t vs prior month; Brazil's averaged 7.9450 million t/week, -189,200 t vs prior month. In August, arrivals at 45 ports averaged 22.5183 million t/week, -3.5654 million t MoM.
- ◆ Demand: Estimated August domestic average daily molten iron output was 2.3755 million t, -10,000 t vs prior month. Steel mills' average daily imported-ore consumption was 2.8984 million t, -37,400 t vs prior month.
- ◆ Inventory: At end-August, imported iron ore stocks at the 45 national ports stood at 165.4471 million t, -456,300 t vs end-July. In August, the 45-port average daily iron ore port off-take was 3.1985 million t, +7,000 t vs prior month.
- ◆ Outlook for September: Looking to September, on supply, overseas ore shipments strengthened MoM in August, above the historical average for the same period. With Guinea's rainy season ending in September, there is still room for catch-up shipments, and overseas shipments are expected to stay on a firm footing. Typhoon weather in August had a large impact on near-term arrivals, which are expected to recover MoM in September. On demand, mills' average daily molten iron output in August fell from July; the demand off-season and the rapid rise in raw materials squeezed mill profitability, whose recovery from the end-July low has been slow. September marks the validation period for seasonal peak end-demand, but expectations are relatively muted given the domestic reality; meanwhile, with profit pressure, the molten iron output ceiling is limited, and output may rise modestly from August. On costs, energy prices have swung with the intensity of the U.S.–Iran conflict and carry strong uncertainty; ocean freight has risen from high levels and stays firm. Overall, iron ore's own supply–demand balance is not strong in September: within the ferrous complex, raw-material performance has diverged markedly, and iron ore is fundamentally weak on its own merits — it mainly follows the broader market and is susceptible to swings in the commodity environment and news flow. Prices are expected to move sideways.

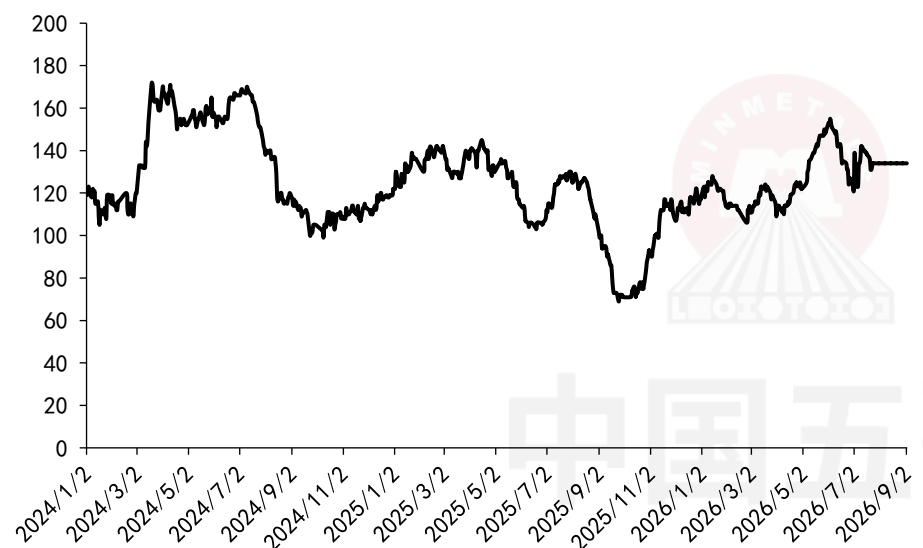
Valuation & Driving Forces

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	Summary: Looking to September, on supply, overseas ore shipments strengthened MoM in August, above the historical average for the same period. With Guinea’s rainy season ending in September, there is still room for catch-up shipments, and overseas shipments are expected to stay on a firm footing. Typhoon weather in August had a large impact on near-term arrivals, which are expected to recover MoM in September. On demand, mills’ average daily molten iron output in August fell from July; the demand off-season and the rapid rise in raw materials squeezed mill profitability, whose recovery from the end-July low has been slow. September marks the validation period for seasonal peak end-demand, but expectations are relatively muted given the domestic reality; meanwhile, with profit pressure, the molten iron output ceiling is limited, and output may rise modestly from August. On costs, energy prices have swung with the intensity of the U.S.–Iran conflict and carry strong uncertainty; ocean freight has risen from high levels and stays firm. Overall, iron ore’s own supply–demand balance is not strong in September: within the ferrous complex, raw-material performance has diverged markedly, and iron ore is fundamentally weak on its own merits — it mainly follows the broader market and is susceptible to swings in the commodity environment and news flow. Prices are expected to move sideways.						

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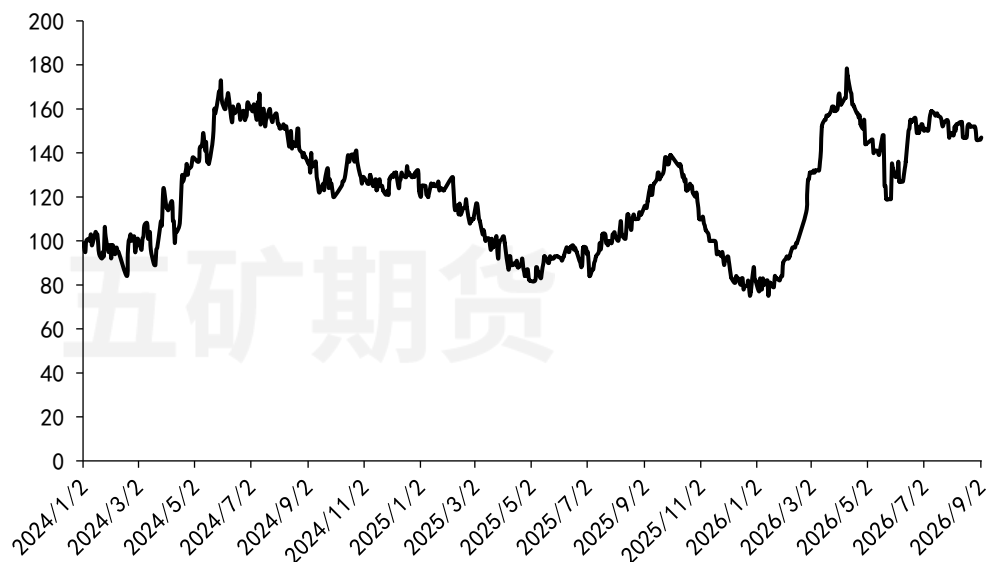
Futures Market & Spot Market

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



Sources: MYSTEEL, Minmetals Futures

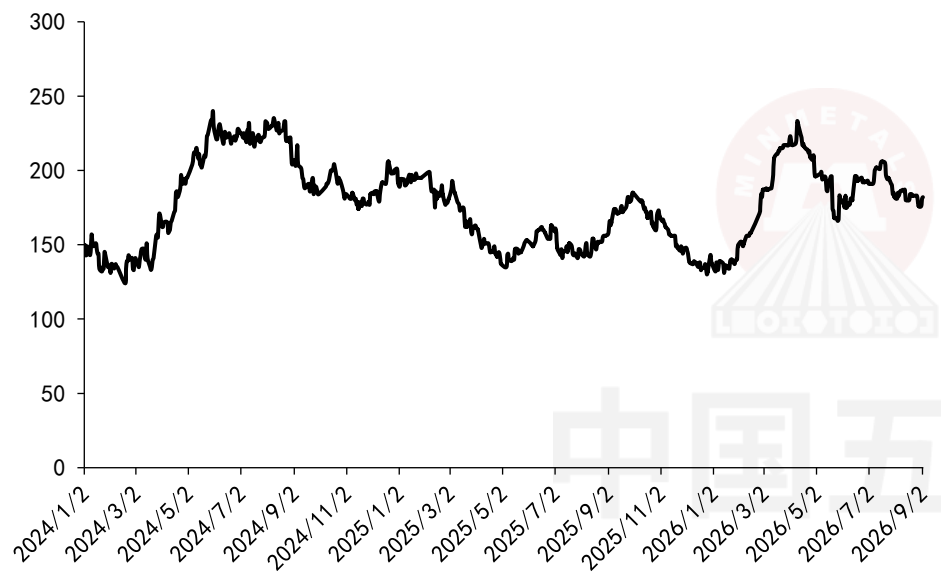
Figure 2: Carajás Fines-PB Fines Spread (CNY/t)



Sources: MYSTEEL, Minmetals Futures

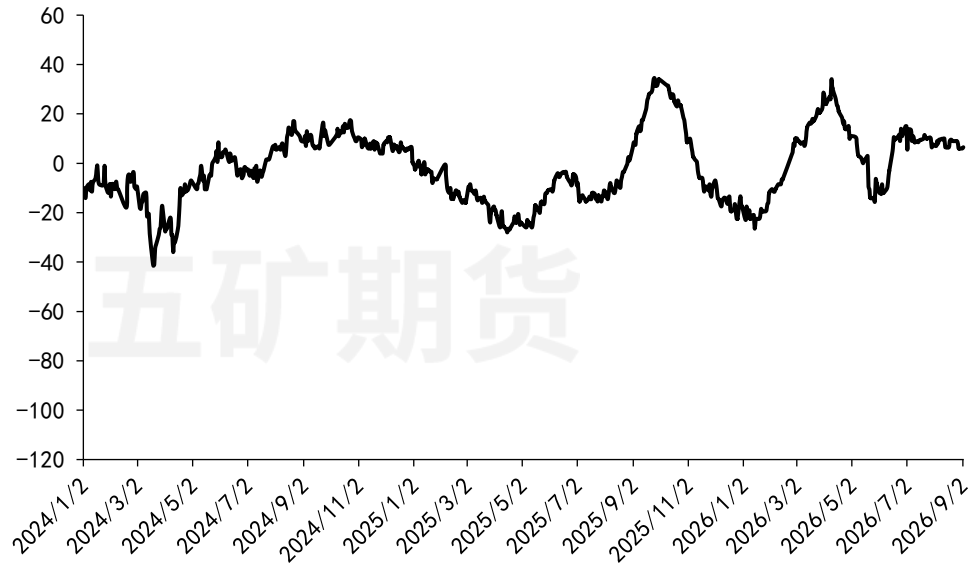
- At end-August, the PB–SSF spread stood at CNY134/t, unchanged MoM. The Carajás–PB spread stood at CNY146/t, –CNY3.0/t MoM.

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



Sources: MYSTEEL, Minmetals Futures

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

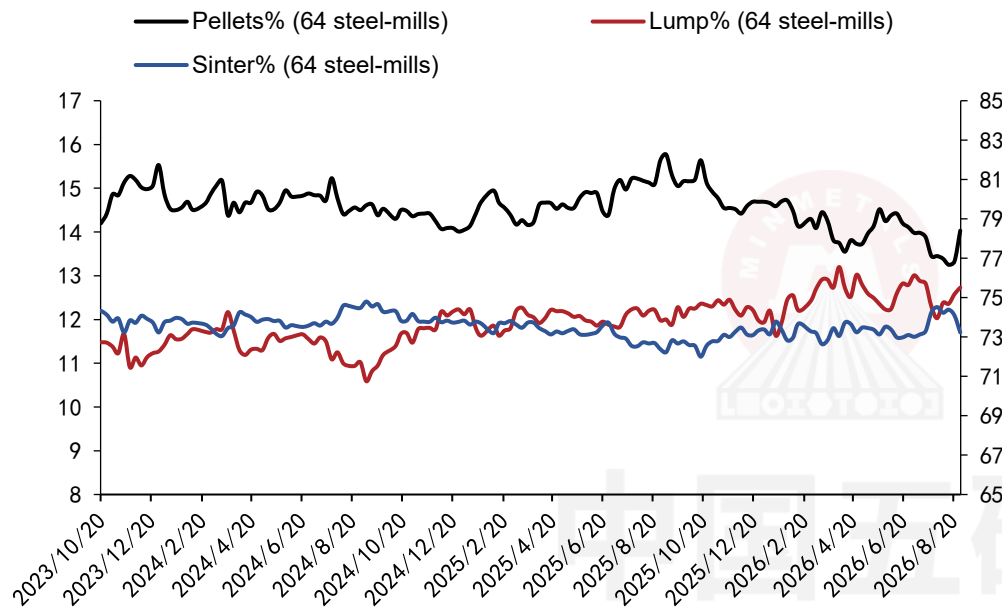


Sources: MYSTEEL, Minmetals Futures

- At end-August, the Carajás–Jimblebar spread stood at CNY176/t, –CNY6.0/t MoM. The (Carajás+SSF)/2–PB spread stood at CNY6/t, –CNY1.5/t MoM.

Furnace Input Ratios, Scrap Steel

Figure 5: Steel Mill Charge Mix (%)



Sources: MYSTEEL, Minmetals Futures

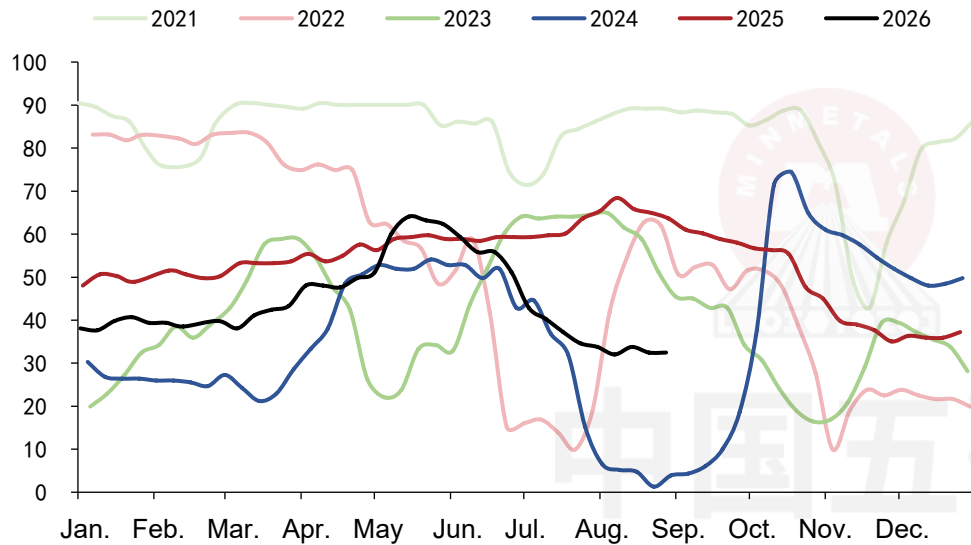
Figure 6: Scrap Steel Price (CNY/t)



Sources: MYSTEEL, Minmetals Futures

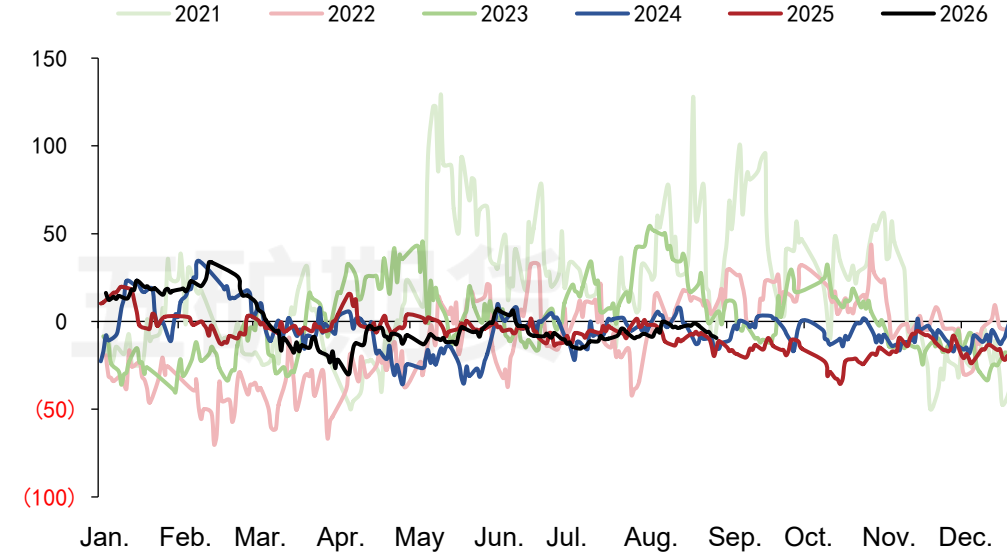
- At end-August, pellet burden was 14.03%, lump burden 12.73%, and sinter burden 73.23%.
- At end-August, the Tangshan scrap price was CNY2,165/t, +CNY50/t vs end-July. The Zhangjiagang scrap price was CNY2,060/t, unchanged vs end-July.

Figure 7: Steel Mill Profitability Rate (%)



Sources: MYSTEEL, Minmetals Futures

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

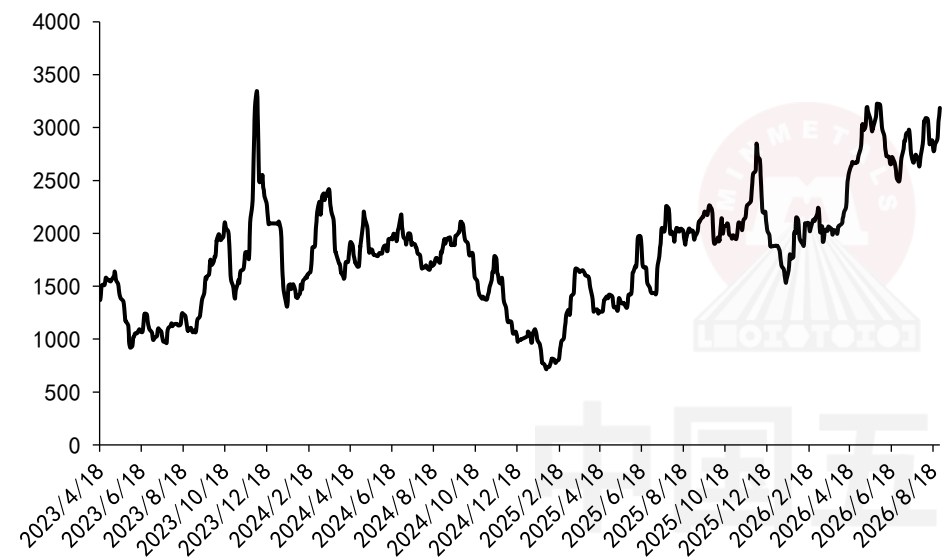


Sources: MYSTEEL, Minmetals Futures

- At end-August, the steel mill profit rate was 32.47%, -1.3 pp vs end-July.

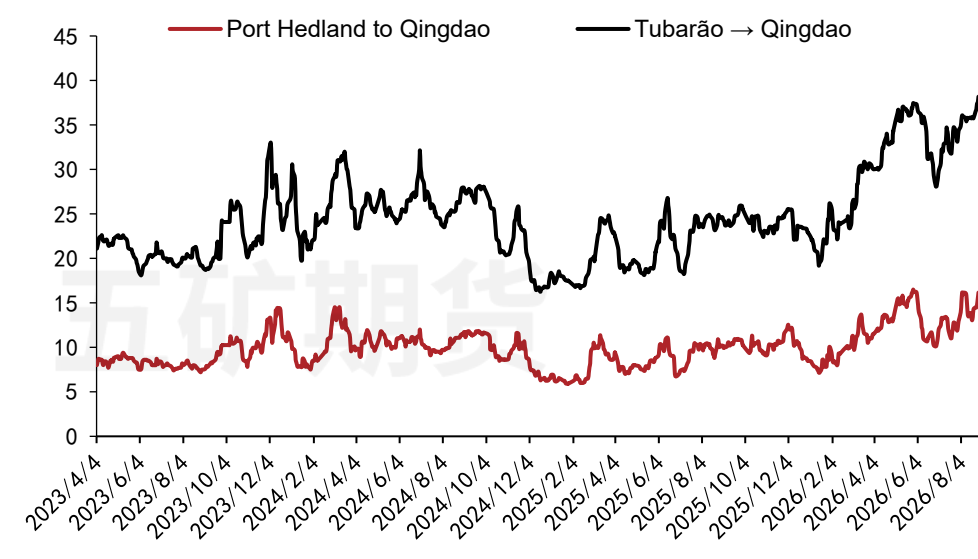


Figure 9: BDI (points)



Sources: MYSTEEL, Minmetals Futures

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

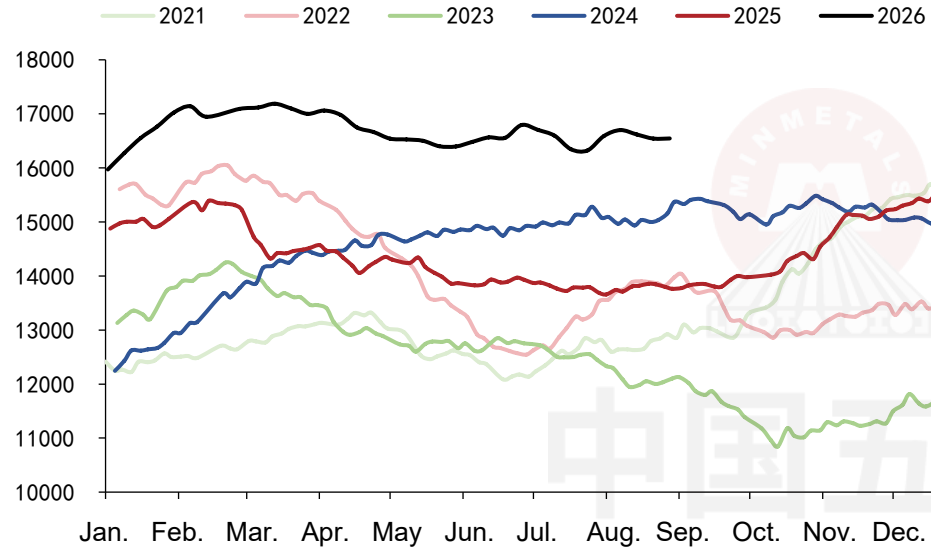


Sources: MYSTEEL, Minmetals Futures

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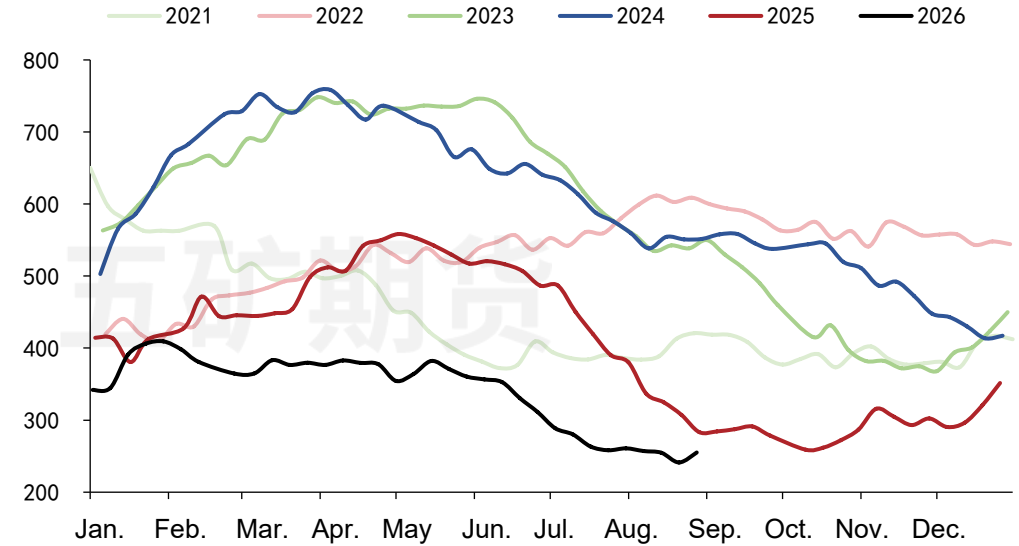
Inventory

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



Sources: MYSTEEL, Minmetals Futures

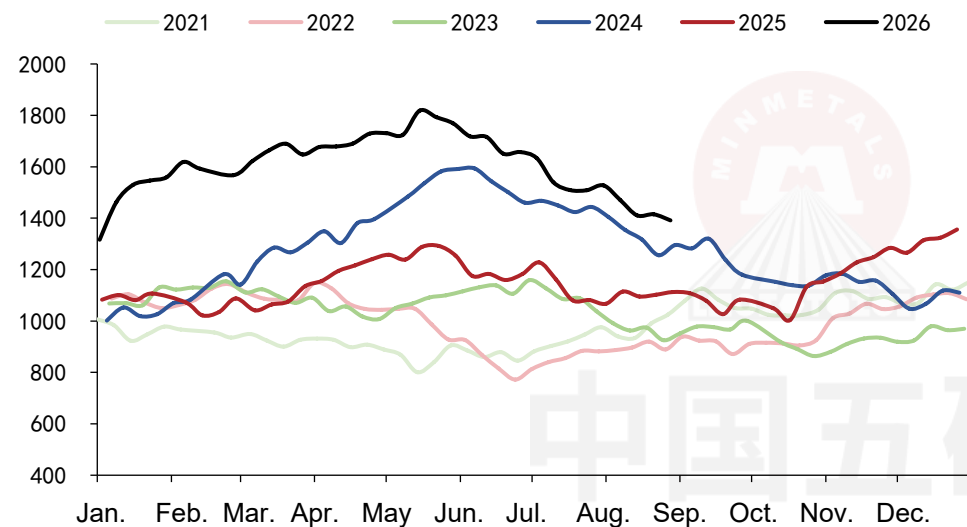
Figure 12: Port Inventory: Pellets (10,000 t)



Sources: MYSTEEL, Minmetals Futures

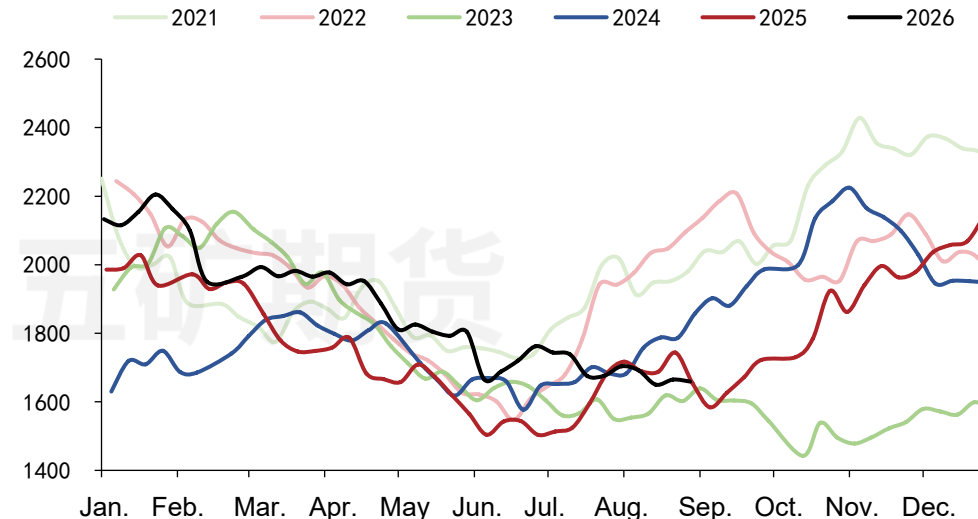
- At end-August, imported iron ore stocks at the 45 national ports stood at 165.4471 million t, -456,300 t vs end-July. Pellet stocks were 2.5513 million t, -57,300 t vs end-July.

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



Sources: MYSTEEL, Minmetals Futures

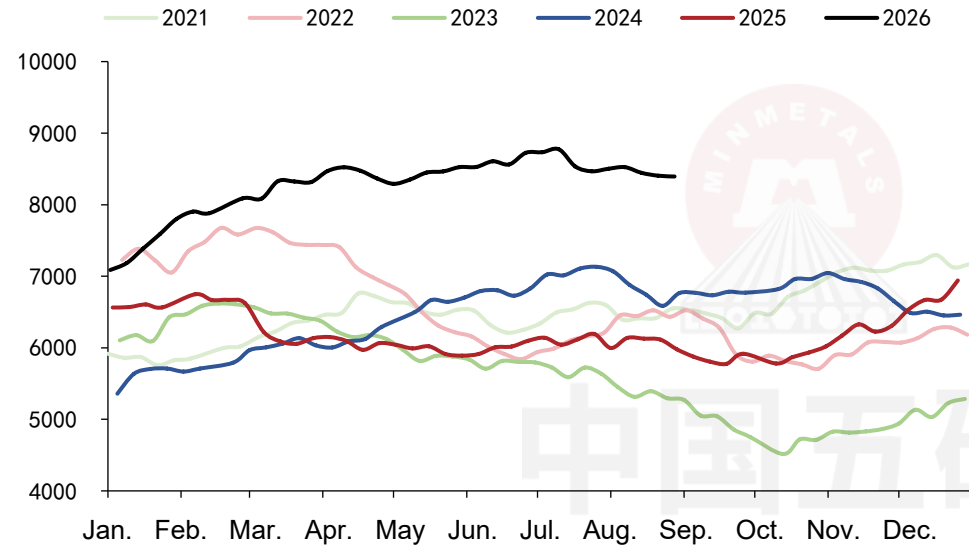
Figure 14: Port Inventory: Lump Ore (10,000 t)



Sources: MYSTEEL, Minmetals Futures

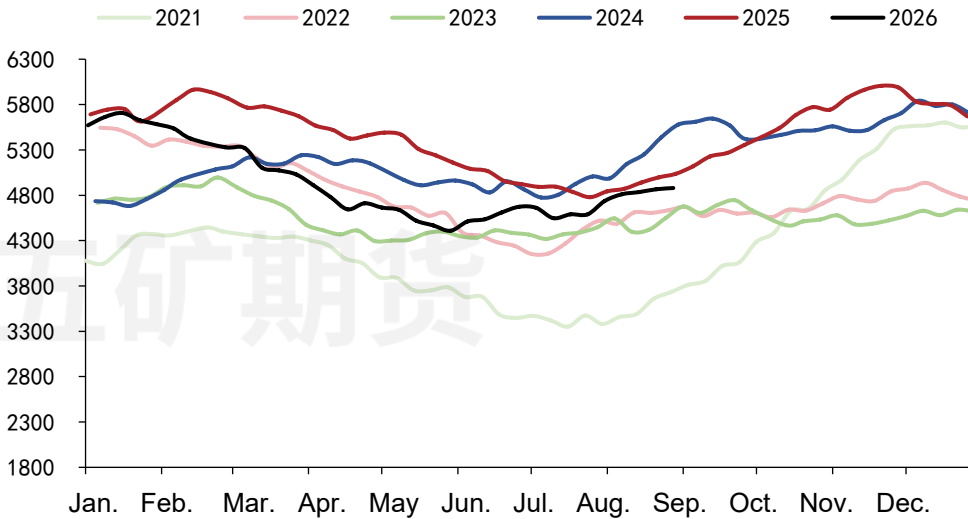
- At end-August, port stocks of iron concentrate were 13.9137 million t, -1.3608 million t vs end-July. Port stocks of lump ore were 16.5916 million t, -445,000 t vs end-July.

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



Sources: MYSTEEL, Minmetals Futures

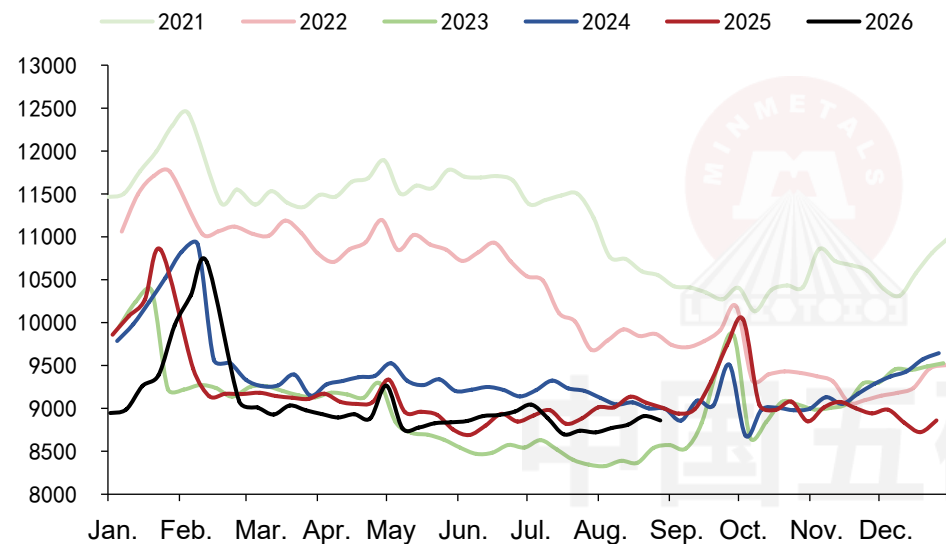
Figure 16: Port inventory of Brazilian ores (10,000 t)



Sources: MYSTEEL, Minmetals Futures

- At end-August, Australian ore port stocks were 83.9362 million t, -1.0852 million t vs end-July. Brazilian ore port stocks were 48.7965 million t, +1.4253 million t vs end-July.

Figure 17: Imported Iron Ore Inventory of 247 Steel Mills (10,000 t)



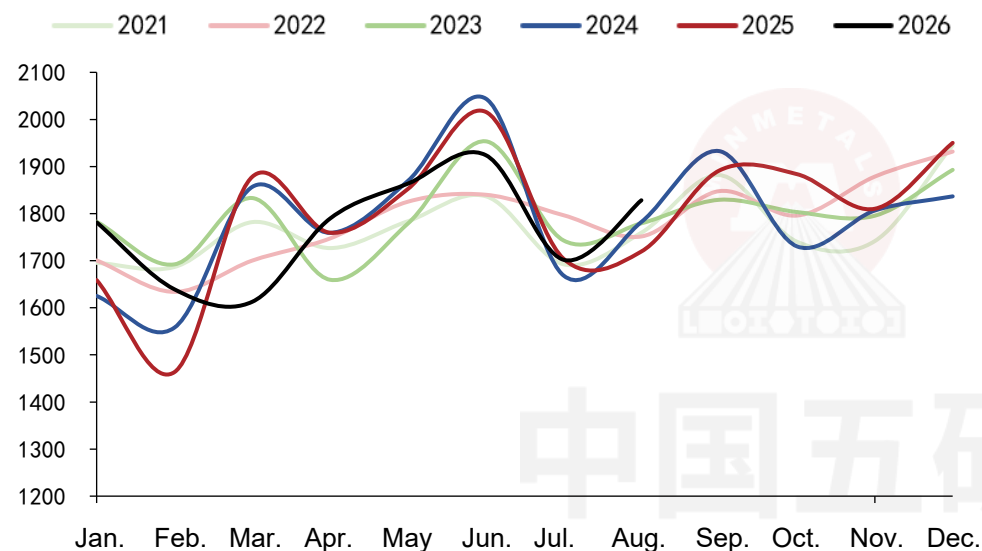
Sources: MYSTEEL, Minmetals Futures

- At end-August, steel mills' imported iron ore stocks were 88.6004 million t, +1.385 million t vs end-July.

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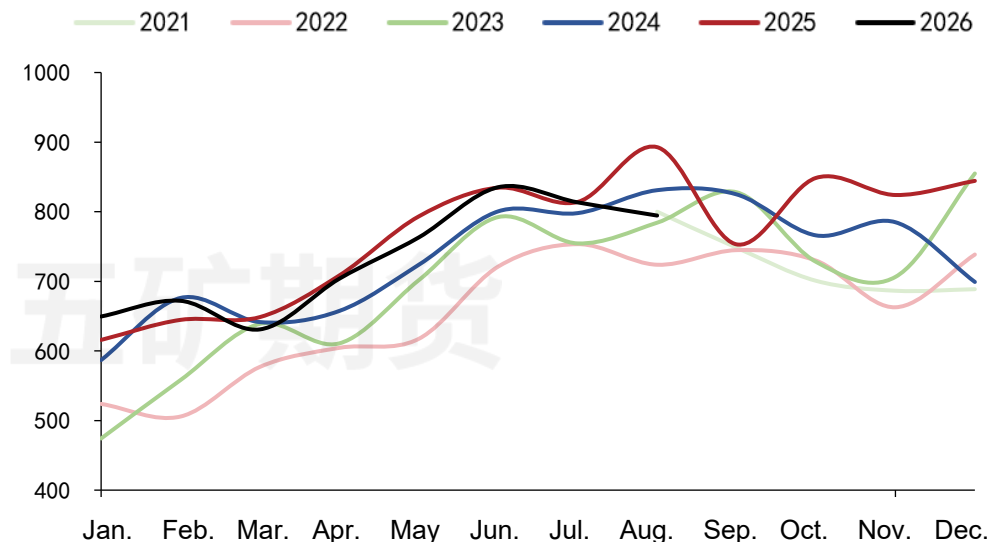
Supply

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



Sources: MYSTEEL, Minmetals Futures

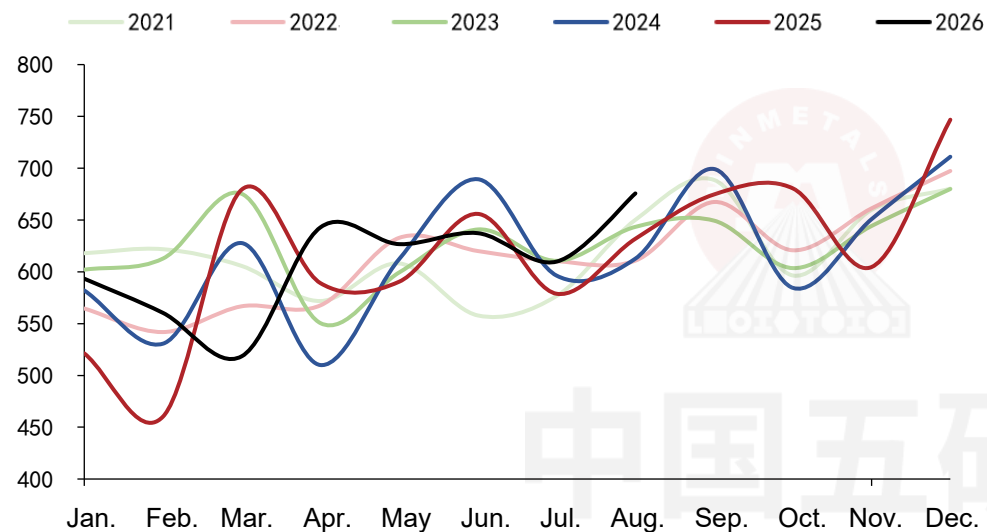
Figure 19: Brazil Shipments: 19 Ports (10,000 t)



Sources: MYSTEEL, Minmetals Futures

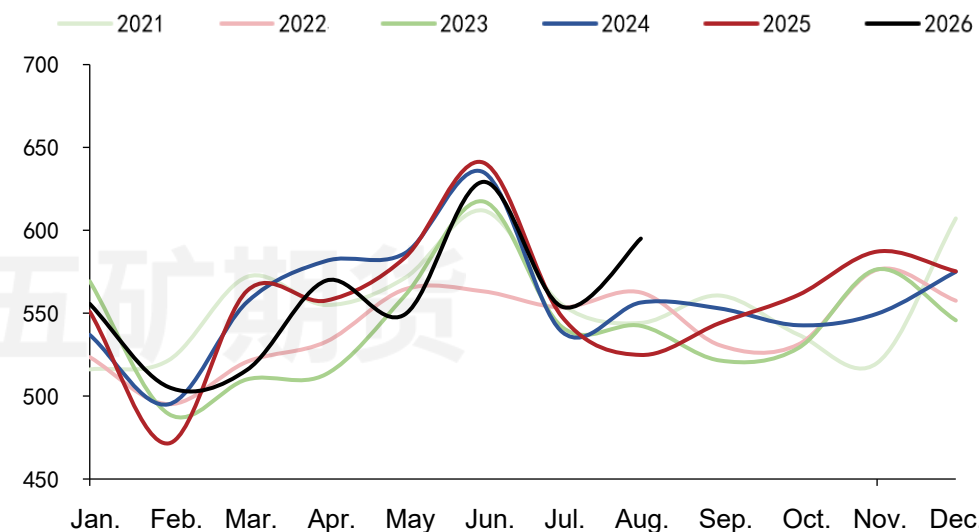
- In August, Australia's shipments on the 19-port basis averaged 18.2838 million t/week, +1.2650 million t vs prior month. Brazil shipments averaged 7.9450 million t/week, -189,200 t vs prior month.

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



Sources: MYSTEEL, Minmetals Futures

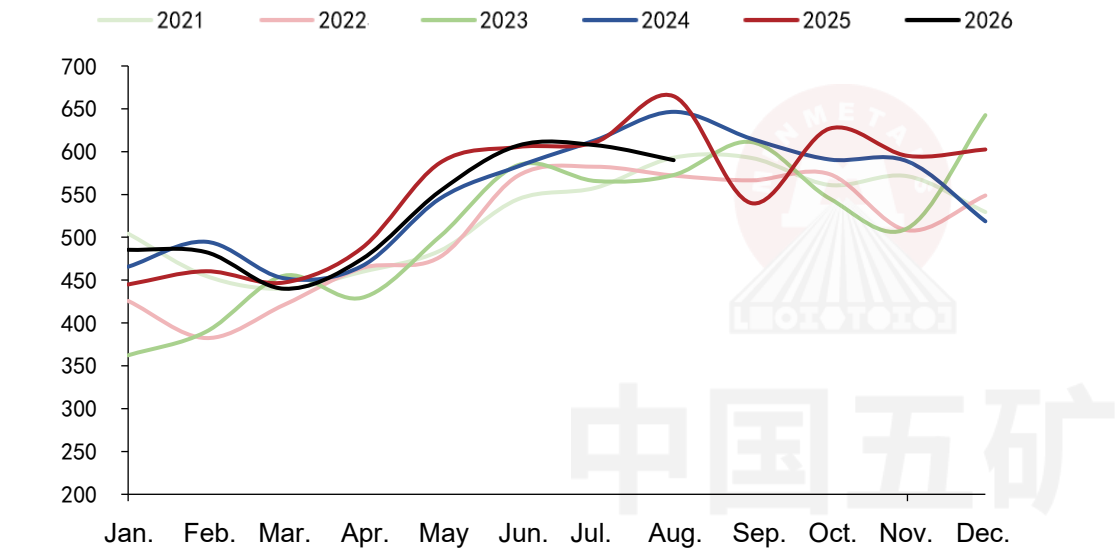
Figure 21: From BHP Billiton to China (10,000 t)



Sources: MYSTEEL, Minmetals Futures

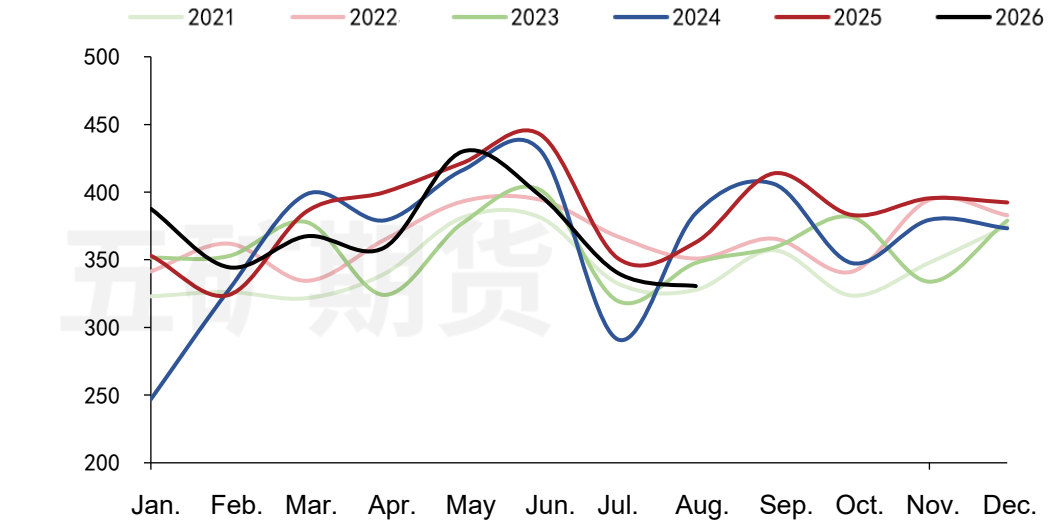
- In August, Rio Tinto shipments averaged 6.7568 million t/week, +658,000 t MoM. BHP shipments averaged 5.9505 million t/week, +411,300 t MoM.

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



Sources: MYSTEEL, Minmetals Futures

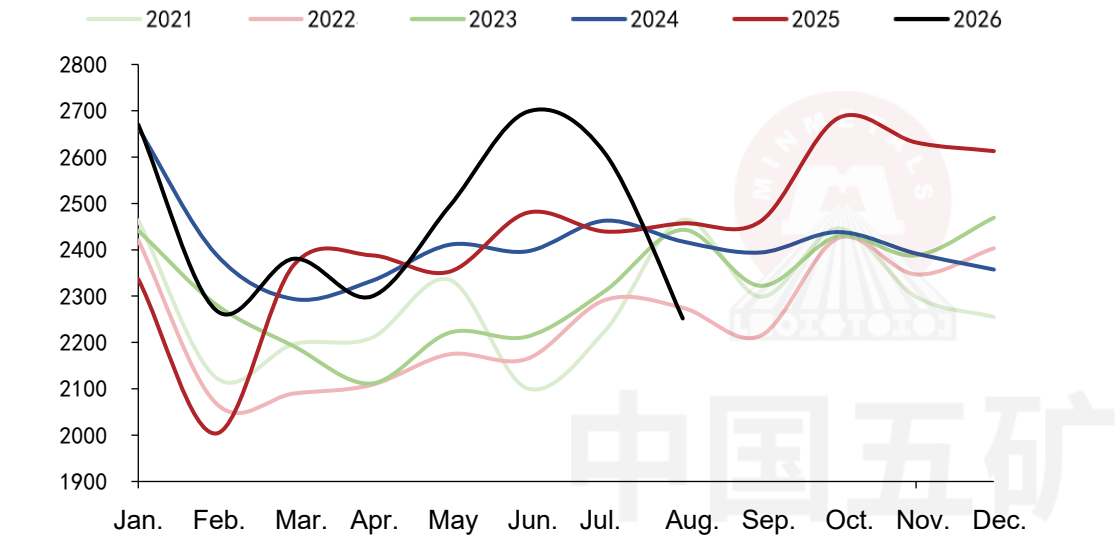
Figure 23: From FMG to China (10,000 t)



Sources: MYSTEEL, Minmetals Futures

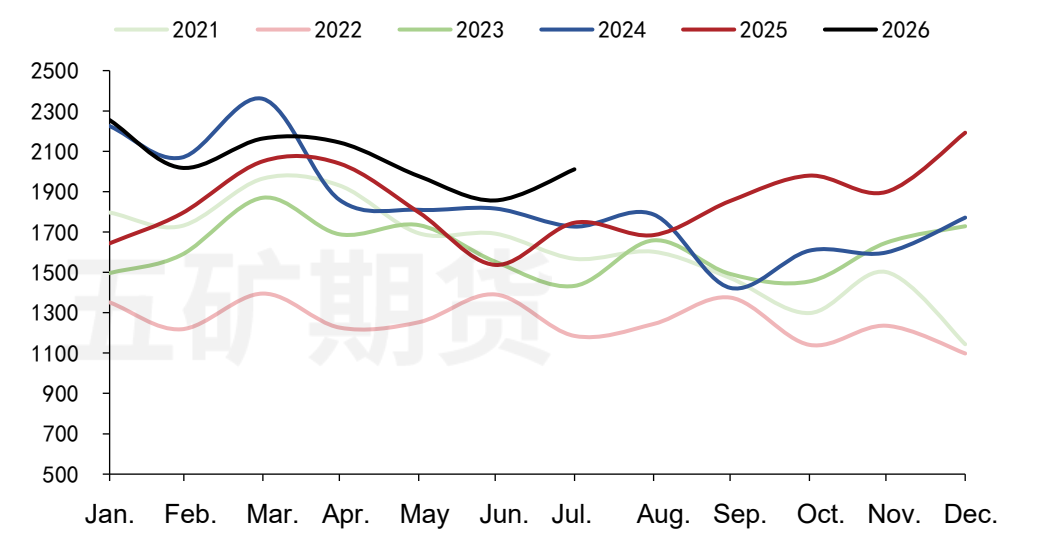
- In August, Vale shipments averaged 5.9003 million t/week, -174,800 t MoM. FMG shipments averaged 3.3058 million t/week, -96,200 t MoM.

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



Sources: MYSTEEL, Minmetals Futures

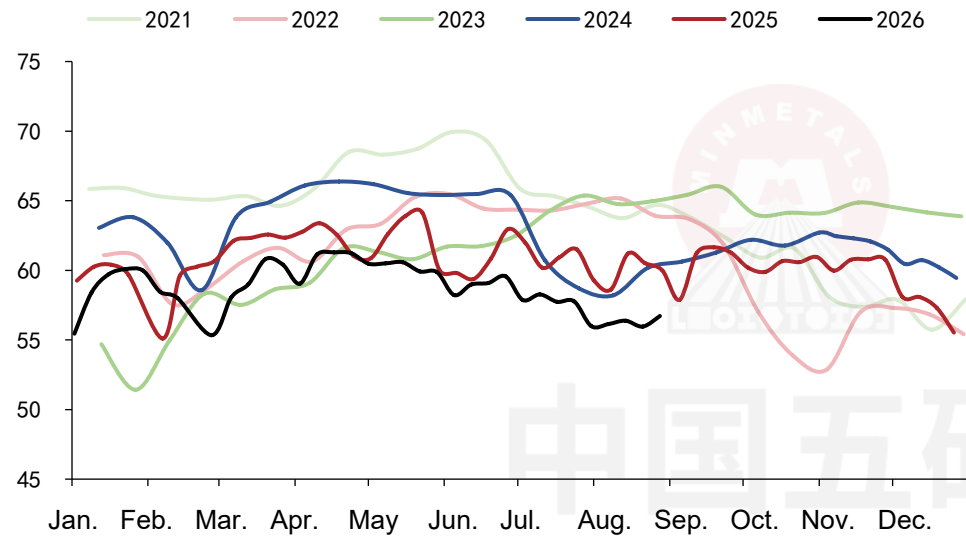
Figure 25: Domestic Non-Mainstream Ore Import Volume (10,000 t)



Sources: MYSTEEL, Minmetals Futures

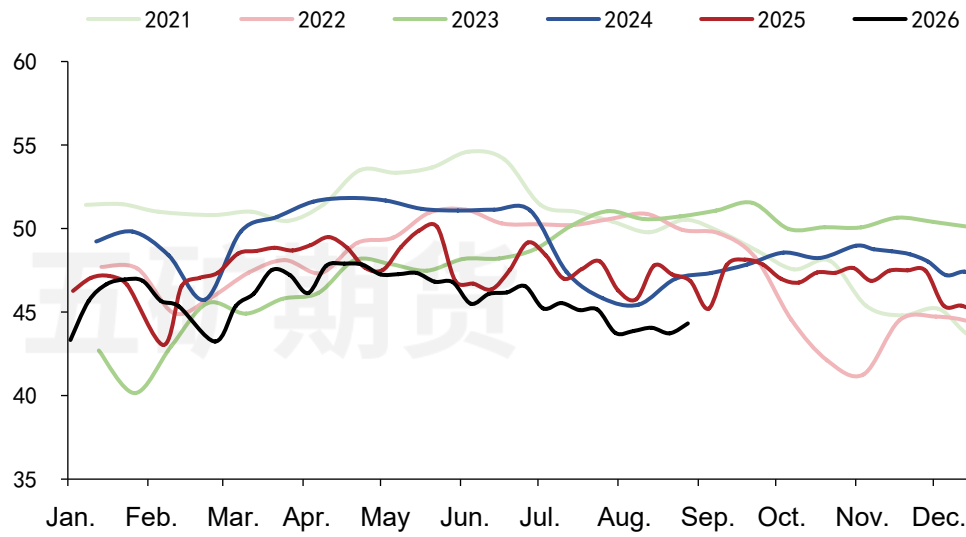
- In August, arrivals at 45 ports averaged 22.5183 million t/week, -3.5654 million t MoM. China’s non-Australia/Brazil iron ore imports in July were 20.1087 million t, +1.5439 million t MoM.

Figure 26: Domestic Mine Capacity Utilization (%)



Sources: MYSTEEL, Minmetals Futures

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



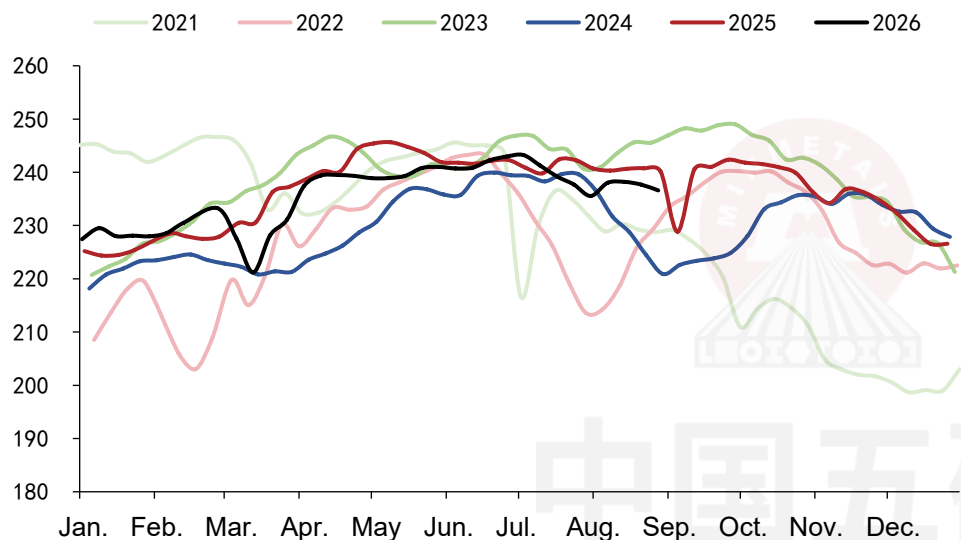
Sources: MYSTEEL, Minmetals Futures

- At end-August, domestic mine capacity utilization was 56.72%. Daily average iron concentrate output from domestic mines was 443,200 t.

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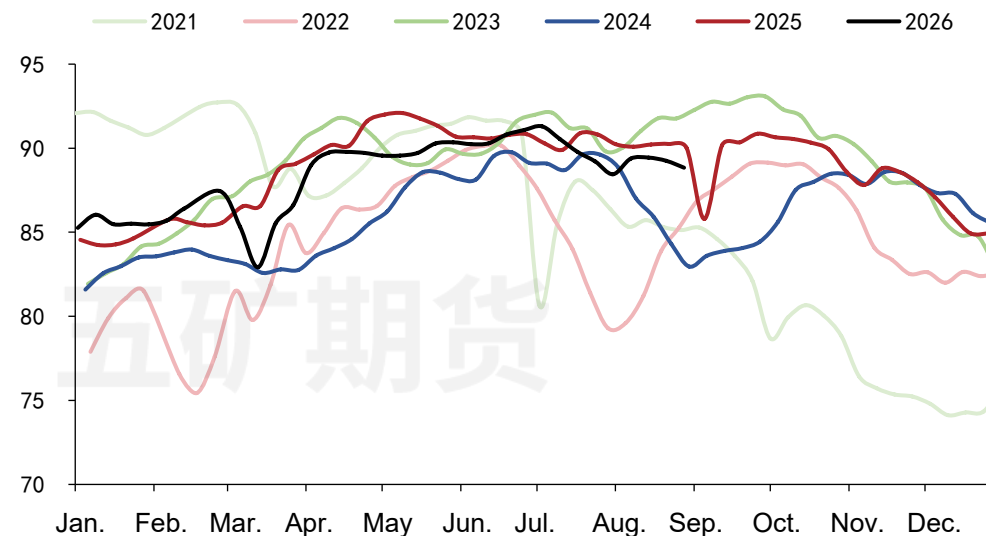
Demand

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



Sources: MYSTEEL, Minmetals Futures

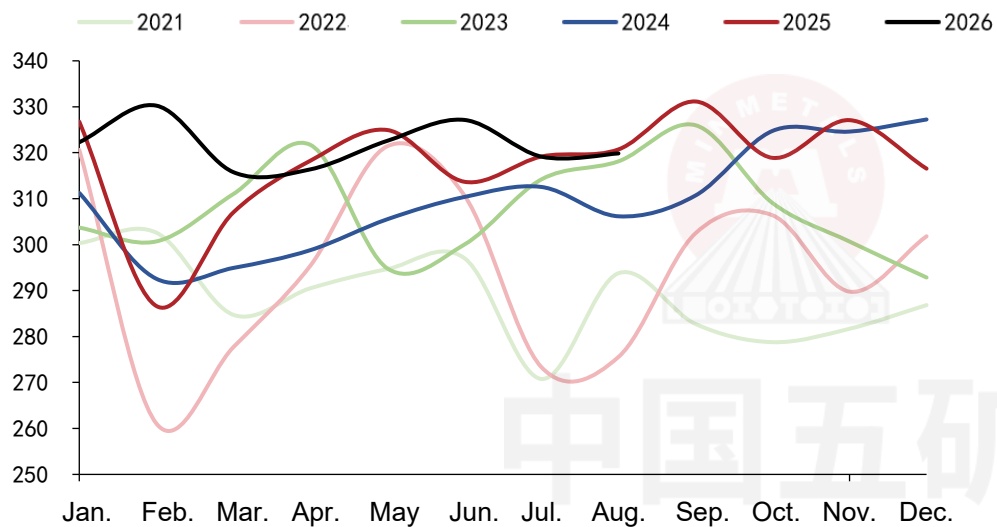
Figure 29: Blast Furnace Utilization Rate (%)



Sources: MYSTEEL, Minmetals Futures

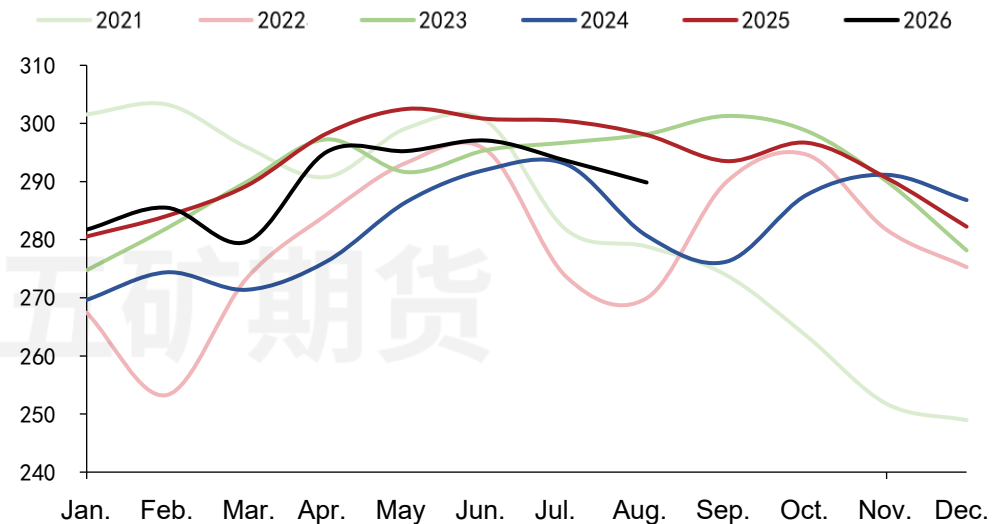
- Estimated August domestic average daily molten iron output was 2.3755 million t, -10,000 t vs prior month. At end-August, blast furnace capacity utilization was 88.84%, +0.39 pp vs end-July.

Figure 30: Average Daily Iron Ore Port Off-Take (10,000 t)



Sources: MYSTEEL, Minmetals Futures

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



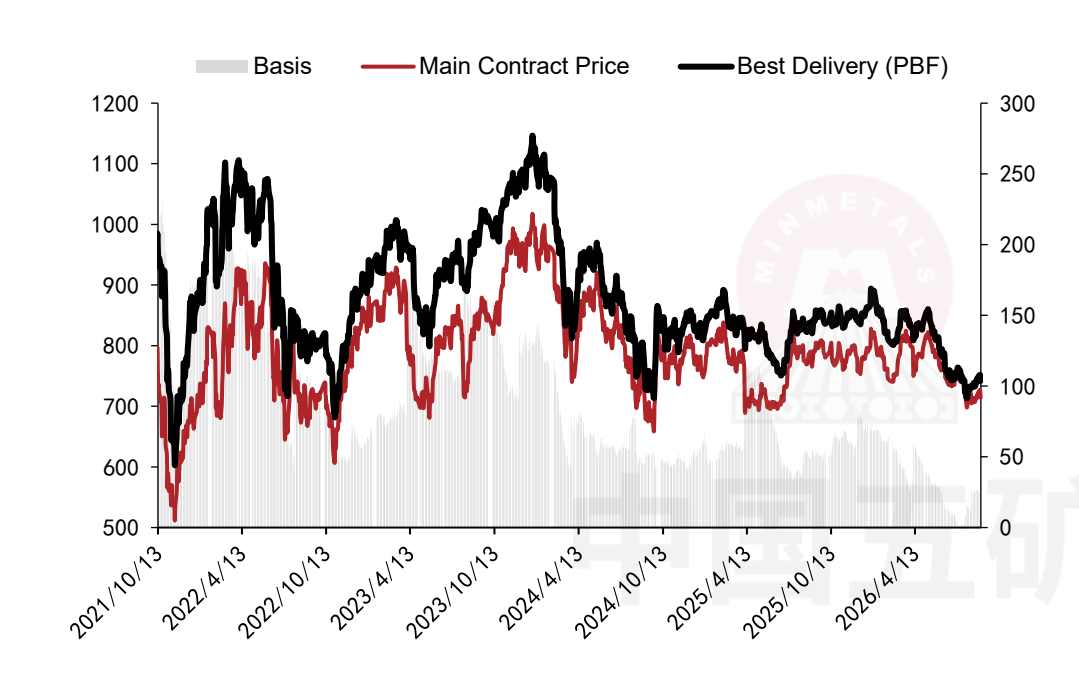
Sources: MYSTEEL, Minmetals Futures

- In August, the 45-port average daily iron ore port off-take was 3.1985 million t, +7,000 t vs prior month. Steel mills' average daily imported-ore consumption was 2.8984 million t, -37,400 t vs prior month.

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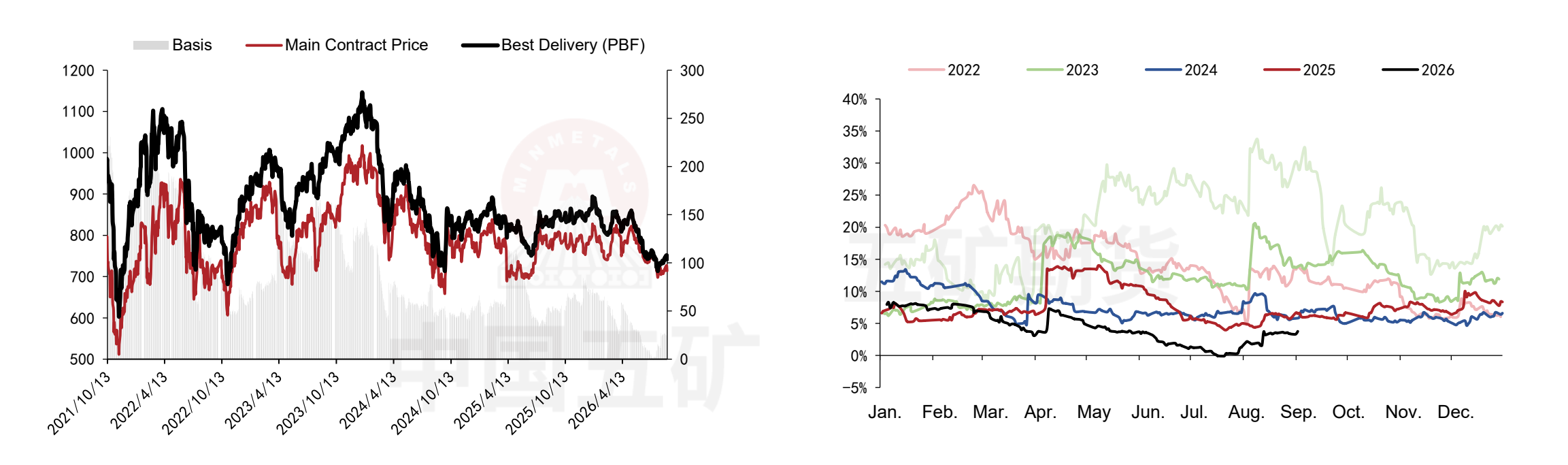
Basis

Figure 32: Iron Ore Basis (CNY/t)



Sources: MYSTEEL, Minmetals Futures

Figure 33: Basis Rate (%)



Sources: MYSTEEL, Minmetals Futures

- As of August 31, the estimated PBF main-contract basis was CNY24.74/t, a basis rate of 3.29%.

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