IRON ORE

China's iron ore imports are on track in June for their strongest month this year, showing a resilience that isn't being mirrored in the sluggish steel sector. China, which buys about 75% of global seaborne iron ore, is expected to import almost 110 million metric tons of the key steel raw material, according to commodity analysts LSEG and Kpler. Arrivals in June are estimated by Kpler at 109.56 million tons, while LSEG is forecasting 109.1 million. This would be up about 11% from May's official imports of 98.13 million tons and would be the strongest month since December's 112.49 million, which was the second-highest on record. The question is why are Chinese steel mills and traders buying more iron ore even as the steel sector shows signs of slowing amid both domestic and foreign headwinds? The answer likely lies in price moves, with spot iron ore slipping to the lowest in eight months early in June. Iron ore futures on the Singapore Exchange have been trending lower since the high so far in 2025 of $107.81 a ton on Feb. 12. They dropped to $94.17 a ton on June 18, the lowest since Sept. 30, before recovering slightly to end at $94.30 on Wednesday. (Reuters)

COAL

Insurers cut coal mine coverage as carbon policies gain traction. New research has found that insurers adopting carbon underwriting policies are significantly reducing coverage for coal mining operations, leading to a measurable decline in production, employment, and mine viability. The study, released in June 2025 by academics at the University of Zurich and Swiss Finance Institute, systematically tracks how carbon underwriting policies — particularly for coal — are implemented by global insurers and their impact on insured mining projects. Using insurance certificate data and mine-level operational information from the US, the researchers show that insurers with coal policies cut the number of coal mines they cover by 16%, and insured coal volumes by 56%. Post-policy adoption, the likelihood of an insurer ending coverage with a coal mine increases by 13 percentage points. Mines affected by these policy-driven non-renewals are 3.6 percentage points more likely to be abandoned. Those that continue operating reduce coal production by around 8% and employment by 15%. The study also found that stricter underwriting policies result in more decisive withdrawal of coverage. Insurers tend to retain coverage lines related to worker safety, like workers' compensation, whilst dropping core liabilities. (Insurance Asia)

GRAIN

Record harvests of rice, wheat and corn due to favourable weather conditions pushed India's 2024-25 grain production to a new record of 353.96 million tonnes, nearly 22 million tonnes higher than last year, according to a report from the Foreign Agricultural Service (FAS) of the US Department of Agriculture. Production also is expected to increase in 2025-26 for wheat and rice due to an expected above-normal 2025 monsoon. Despite the record harvest, the government is concerned about price escalation due to hoarding and price speculation by private trade. As a pre-emptive measure, on May 27, the Indian government has imposed stock limits on wheat applicable to traders, wholesalers, retailers, and processors effective until March 31, 2026. The stock limit for trader/wholesaler is 3,000 tonnes, retailer is 10 tonnes per retail outlet and processor is 70% of monthly installed processing capacity multiplied by remaining months of 2025-26. The ban on export of wheat and wheat products is likely to continue in 2025-26. Trade sources report that export prospects are weak as Indian wheat prices are significantly above the global prices, even for the neighboring markets, the FAS said. (World Grain)

OIL

Oil prices hit a five-month high on Monday as investors feared looming Iranian retaliation to US strikes on nuclear facilities over the weekend could severely disrupt supply. President Donald Trump said his country's actions had 'obliterated' Iran's main nuclear sites and flagged the potential for regime change, sparking warnings from the Islamic Republic's military that 'we will be the ones to end' the conflict. The escalation reignited market anxiety over the potential for disruption to the Strait of Hormuz, through which roughly a fifth of global crude supply flows. Brent crude and WTI crude prices jumped by more than 3 per cent to trade as high as $81.49 and $78.40 a barrel (bl), respectively, marking their highest levels since January. Both both futures eventually reversed course to trade roughly 2.5 per cent lower for the session. Brent crude was trading at $76.71/bl by mid-morning, underscoring the level of market volatility, while WTI was at $73.22/bl. (FT)

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