Weekly Macro Wrap Up

September 22, 2025

IRON ORE

The price of iron ore futures rose on Friday. They ended the week with a higher price, boosted by a strengthening steel market and pre-holiday stocking in China, whose major consumer. The January contract for iron ore most traded on China's Dalian Commodity Exchange rose by 0.81%, to 807.5 Yuan ($113.54) per metric ton. The contract finished the week with a gain of 0.88%. As of 0716 GMT the benchmark September iron ore traded on the Singapore Exchange had risen 0.27% to $105.55 per ton, but was down 0.14% over the past week. The steel sector is benefiting from the continued support of the iron metals industry as the peak season approaches. Restocking in advance of the Chinese National Day holiday also helps to boost the demand for ferrous materials. Steel prices may rise if downstream demand is stronger than expected in October. This was predicted by broker Galaxy Futures. According to Mysteel's data, China's stocks of major carbon steels declined by 0.3% from the previous week during September 12-18 to 4,18 million tons. (Reuters)

SimFer, a joint venture between the Guinean government, Rio Tinto, and Chalco Iron Ore Holdings, which brings together leading Chinese companies, has confirmed the first shipment of iron ore from the Simandou project in November this year. This was reported by Mysteel Global. SimFer highlighted the progress made in the project's implementation during the third quarter of 2025 despite a particularly difficult rainy season. Specifically, this includes the completion of the construction of a 72-kilometer railway branch line, rapid progress in construction work at the port, and ongoing infrastructure development.
In July, Rio Tinto noted in its quarterly report that the first shipment of ore from Simandou had been brought forward to November. The mining company expected to ship 0.5-1 million tons from SimFer during the year. However, a fatal accident at the SimFer mine in August raised concerns about meeting the schedule, as operations there were suspended. However, the latest statement confirms the progress of the project. The mine is on track to reach full capacity of 60 million tons per year within 30 months. The raw materials will initially be shipped through the Winning Consortium Simandou (WCS) port. WCS owns blocks 1 and 2 in the north of the deposit, while SimFer has a mining concession for blocks 3 and 4 in the south. (GMK Center)

COAL

A rebound in China's imports of seaborne thermal coal has helped prices recover, but the boost is likely to prove temporary as recent strength in coal-fired electricity generation eases. China, the world's biggest coal producer and importer, is expected to import 27.41 million metric tons of seaborne thermal coal in September, according to data compiled by commodity analysts Kpler. This would extend the strength seen in August, when arrivals were 28.68 million tons, the most since December. On a daily basis, September's imports are tracking at 914,000 tons, just shy of the 925,000 in August, although the final September figure may be revised higher as Kpler assesses more cargoes as likely to be unloaded before the end of the month. China's utilities turned to imports as domestic coal output faltered amid increasing mine safety inspections, with production slipping 3% in August from the same month in 2024. China produced 390.5 million tons in August, down from a year earlier but up slightly from the year-low of 380.99 million recorded for July. While coal output was easing, China's fossil fuel electricity generation was rising, as the hottest summer on record boosted demand for air-conditioning. (Reuters)

Oil Macro

Oil prices dropped on Friday as worries about large supplies and declining demand outweighed expectations that the year's first interest-rate cut by the U.S. Federal Reserve would trigger more consumption. Brent crude futures settled at $66.68 a barrel, down 76 cents or 1.1%. U.S. West Texas Intermediate futures finished at $62.68, down 89 cents or 1.4%. Both benchmarks rose for a second consecutive week. The Fed cut its policy rate by a quarter of a percentage point on Wednesday and indicated that more cuts would follow as it responded to signs of weakness in the U.S. jobs market. Lower borrowing costs typically boost demand for oil and push prices higher. Refineries shut production units in the spring and fall for overhauls, called turnarounds. A higher-than-expected increase of 4 million barrels to U.S. distillate stockpiles raised worries over demand in the world's top oil consumer and pressured prices. The latest economic data added to concerns, with the U.S. jobs market softening while single-family homebuilding plunged to a multi-year low in August, discouraged by a glut of unsold new houses. (USOIL)

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