IRON ORE

China Baowu and Rio Tinto have completed trials of direct reduction using Pilbara Blend ore. The Australian mining company Rio Tinto has announced that, together with China Baowu, it has successfully completed industrial trials involving the pelletisation and direct reduction of Pilbara Blend iron ore. The trials were conducted in China as part of the companies' ongoing decarbonisation partnership. They demonstrate the potential for using Pilbara iron ore in hydrogen-based direct reduction processes. As part of the trials at China Baowu's Baoshan Iron & Steel Zhanjiang Steel Operations plant, a hydrogen-fuelled blast furnace was used to produce DRI from pellets comprising one-third Pilbara Blend ore. This direct reduced iron was then successfully converted into steel in an industrial blast furnace and also tested in a small electric arc furnace. As noted by Rio Tinto, the trials demonstrate that typical medium-grade ores mined in the Pilbara region of Western Australia can be used as feedstock for hydrogen-based direct reduction. They may also be a future source for the production of low-carbon steel in combination with electric arc furnace technology. It is worth noting that, by the end of 2025, Rio Tinto had shipped 326.2 million tonnes of iron ore from the Pilbara region, a 1% decrease year-on-year. Ore production at its Western Australian operations last year stood at 327.3 million tonnes, matching the 2024 level. (GMK)

Brazilian mining company Vale sees no signs of a decline in demand on global metals markets linked to the conflict in the Middle East. This was stated by Chief Executive Officer Gustavo Pimenta in an interview with Bloomberg Television. Furthermore, Vale has seen its margins increase as the war with Iran has disrupted raw material flows. As Pimenta noted, the company is focusing on developing its own assets rather than seeking acquisitions. Moreover, global demand for critical minerals has been extremely favourable for Vale. Disruptions to shipping in the Strait of Hormuz have led to higher fuel prices and freight rates for mining companies such as Vale. This has put pressure on costs, offsetting the rise in prices and volumes during the first quarter. The company has raised its annual free cash flow forecast for the iron ore business by $1.5 billion to reflect the rise in iron ore prices since the start of the conflict with Iran. Vale expects the average price in 2026 to be $112/t (pre-conflict forecast: $102/t). (GMK)

The Simandou iron ore mining project in Guinea (West Africa) has seen a sharp rise in shipment volumes. The first ore-laden vessel set sail for China in November 2025, and by mid-May 2026, total exports had reached around 6 million tonnes. China accounted for more than half of this volume – around 3.2 million tonnes. This was reported by BigMint, citing Mysteel Global. According to forecasts by Mysteel analysts, once the rainy season in West Africa (July–September) ends, shipments will pick up, and annual shipments this year could exceed 20 million tonnes. This is facilitated by the commissioning of a logistics chain: a 650-kilometre railway and a new terminal at the port of Morebiah with a design capacity of 40 million tonnes per year. Units 3 and 4 are expected to be launched subsequently. Despite its high iron content (65–66%), Simandu ore cannot currently fully replace Brazilian Carajás fine ore (IOCJ) at Chinese plants. The main obstacle is the high alumina content (2.7% compared to 1.4% in IOCJ), which thickens the slag and reduces smelting efficiency. Furthermore, the Guinean ore requires additional costs for screening. (GMK)

COAL

Asian coal demand is set to increase sharply as LNG supply disruptions and higher gas prices force utilities across the region to rely more heavily on coal-fired generation. While many countries remain committed to long-term energy transition goals, the latest market analysis suggests coal continues to play a critical role when energy security comes under pressure. According to new research by Rystad Energy, Asia-Pacific thermal coal consumption could increase significantly over the remainder of the decade, with around half of the additional demand expected to occur in 2026 alone. The increase is being driven by tighter LNG markets following damage to Gulf energy infrastructure and the resulting reduction in LNG exports to Asia. (Coalhub)

OIL

Oil prices slipped to a 3-month low on Monday after U.S. President Donald Trump and Iran's deputy foreign minister said they had reached an initial deal to end the war and to resume traffic through the Strait of Hormuz. Brent crude futures fell $4.39, or 5%, to $82.94 a barrel by 0943 GMT and U.S. West Texas Intermediate was at $80.26, down $4.62, or 5.4%. Both contracts fell to their lowest levels since March 10 on Monday after tumbling more than 3% on Friday. The U.S. and Iran will sign a memorandum of understanding in Switzerland on Friday, said the prime minister of Pakistan, whose country has served as a mediator. Trump said on Sunday that the Strait of Hormuz would be open "toll free" and that a U.S. naval blockade of Iranian ports would also end. Iran's semi-official Mehr news agency said the draft deal called for reopening the Strait of Hormuz within 30 days under Iranian arrangements. (Reuters)

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