Weekly Macro Wrap Up

June 2, 2026

IRON ORE

Iron ore headed for a monthly loss as a short-lived rally triggered by a fatal steelmaking-coal mine accident in China's Shanxi province faded, leaving investors focused on mill margins and mounting shipments. Singapore iron ore futures were down 1.2% in May, putting prices on track for the first monthly drop since February. The market is still assessing the impact on steel margins from a rise in coking coal prices after the mine explosion cut off some raw material supply. "The surge in coking coal prices following the fatal mining accident in Shanxi late last week is adding pressure to steel mill margins, reinforcing the view that iron ore prices should remain capped in the $105-$110 a ton range," said Robert Rennie, head of commodity and carbon research at Westpac Banking Corp. Still, demand for higher-grade raw materials has offered some support. Mills have been increasing purchases of premium lump ore to reduce coke consumption and offset rising input costs, Rennie said. Weekly data from consultancy Mysteel showed blast furnace operating rates were unchanged from a week earlier, while China's steel mill profitability slipped to 62.3%. Separate Mysteel data showed shipment volumes from Australia and Brazil were close to a two-year high, adding to concerns about ample seaborne supply. (Mining.com)

COAL

Indonesia begins the transition period June 1 for its planned one-door export system covering selected strategic commodities. Exporters will continue shipments as usual but must report export activities to state-owned export entity PT Danantara Sumber Daya Indonesia (PT DSI), ahead of full implementation no later than Jan. 1, 2027, a senior government official said at a press conference May 31. PT DSI operates under Danantara, Indonesia's sovereign investment institution established in 2024 to manage and consolidate state assets and strategic investments, according to the company website. PT DSI manages and centralizes the export of strategic commodities. The policy is a follow up from President Prabowo Subianto's speech in front of lawmakers at a House of plenary on May 20, starting with three commodities, including coal, crude palm oil (CPO), and ferroalloy, Platts, part of S&P Global Energy, reported earlier. These commodities contributed roughly $66.13 billion to exports last year, about 23.4% of the country's total exports. Energy and Mineral Resources Minister Bahlil Lahadalia said May 20 the new policy would not affect existing export contracts or overseas buyers, as companies could continue current transactions as usual while coordinating and synchronizing data with firms appointed by Danantara. Meanwhile, Asian thermal coal prices extended gains amid uncertainty over policy moves in Indonesia and potential disruptions to domestic coal supplies in China, although trading activity remained muted as buyers remained cautious, market participants said. (SP Platts)

WHEAT

Logistical congestion continues at Morocco's ports, with eight anchored ships carrying soft wheat still waiting for berths offshore Casablanca for berths, according to Inspection Control Union Maroc's June 1 port position report. At berth, one ship from Dunkirk, France, was unloading 33,000 metric tons of soft wheat, with 24,950.774 mt still on board, according to the report. Another ship berthed June 1, carrying 36,122 mt of soft wheat and barley from the French port of Rouen. Both ships arrived April 29. Casablanca, which accounts for 60% of Morocco's imports, according to data from Morocco's National Federation of Grain and Legume Traders, is experiencing significant port congestion at its discharge facilities. Severe winter weather temporarily disrupted port operations, leading to a backlog that has become increasingly difficult to clear. This congestion underscores the limitations of processing capacity amid ongoing import volumes, a trader said. According to a member of the traders group, or FNCL, the logistical challenge at Casablanca port has led to a delay in ships berthing with importers incurring huge demurrage. "And today, we have a congestion that means that a vessel that will come to Morocco should know that it has to wait from 20 to 30 days before berthing," the trader said. (SP Platts)

OIL

Venezuela's oil exports inched up from April to hit a fresh seven-year high in May as shipments to the United States and India continued to rise. Venezuela exported an estimated 1.25 million barrels per day (bpd) of oil in May, up by 0.7% compared to April's 1.23 million bpd exports and a massive 61% jump compared to May 2025, according to ship-tracking and vessel-loading data reviewed by Reuters. Venezuela has been steadily increasing its oil exports since the U.S. took control over its oil sales following the capture of Nicolas Maduro early this year. The U.S. has eased sanctions on Venezuela's oil industry and its state oil firm PDVSA, allowed Western firms to return to Venezuelan operations, and has encouraged American companies to sign production and export deals. Exports in April jumped by 14% from March levels, with 66 cargoes leaving Venezuelan ports during the month, and volumes at their highest since 2019 when the first Trump Administration imposed sanctions on PDVSA and Venezuela's oil exports. In May, a total of 67 cargoes carrying Venezuelan crude were exported, according to the data Reuters has reviewed. (Oilpro)

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