Weekly Macro Wrap Up

May 18, 2026

IRON ORE

China's steel mill profitability has climbed to the highest since August, according to data from consultancy Mysteel, although questions remain over how long the improvement can last. Some 64% of mills are profitable, Mysteel said in a weekly survey of 247 plants. That's only the second time those levels have been exceeded since October 2024. The improving outlook in the world's biggest steel market is being driven by solid downstream consumption, constrained supply due to environmental curbs and mill maintenance, and strengthening exports since April as overseas steel mills raised prices, according to Mysteel. The rebound marks a rare bright spot for China's steel sector, which has struggled with weak domestic demand, oversupply and persistent margin pressure over the past years. Still, analysts cautioned that the recovery may prove short-lived. Iron ore prices, meanwhile, have remained supported amid resilient steel production levels. They have also been propped up by higher freight costs due to the conflict in the Middle East. (Bloomberg)

COAL

Ongoing outrage over South Africa's coal exports to Israel. Minister of Trade, Industry and Competition, Parks Tau, has revealed that South Africa's membership of the World Trade Organisation (WTO) prevents it from terminating all coal exports to Israel. Tau, in reply to the EFF's Carl Niehaus, said that South Africa exported 1.8-million tons of coal to Israel in 2025, equating to 2.6% of South Africa's global coal exports of 71.5-million tons. He explained that there are continuous discussions on these matters to ensure alignment in government, "However, currently, there is no position to review SA exports to Israel". He had also mentioned it would violate the WTO principle of non-discrimination and would open the country to a legal challenge.

Kazakhstan has coal reserves sufficient for over 300 years. Kazakhstan's coal industry continues to show steady growth, ensuring reliable domestic supply and expanding export potential, Qazinform News Agency reports, citing the Ministry of Energy. In 2025, coal production in Kazakhstan reached 115 million tons, a 7% increase compared to 2024. Of this, 85 million tons were directed to domestic consumption and utilities, while exports totaled 30 million tons. Key export destinations for Kazakh coal include Russia, Poland, Uzbekistan, Turkiye, India, and Malaysia, among others. For 2026, production is planned at 128.9 million tons, with 40 subsoil users currently engaged in coal mining. The Ministry of Energy is actively working to attract investment into the sector. In 2025, investments under contractual programs amounted to 305 billion tenge, with 553 billion tenge expected in 2026. Special attention is given to geological exploration. By the end of this year, an auction will be held to grant subsoil use rights for coal deposits across 10 sites. Kazakhstan ranks 10th globally in coal reserves, with total deposits estimated at 33.6 billion tons. (qazinform.com)

GRAIN

China will purchase at least $17 billion worth of agricultural and farm goods annually in 2026, 2027 and 2028, in addition to the soybean purchase commitments made in October 2025, the White House said in a May 17 factsheet. The White House released the factsheet after US President Donald Trump and Chinese President Xi Jinping held bilateral meetings over May 14-15. For 2026, the $17 billion figure is pro rata for the remainder of the year, according to the factsheet. China has also reinstated export licenses for more than 400 US beef facilities. The US-China tariff conflict in 2025 disrupted trade in key commodities such as soybeans and beef. China avoided purchasing US-origin soybeans for five months in 2025, according to data from the USDA. China resumed soybean purchases from the US in late October 2025. China currently imposes an additional 10% import duty on US goods, introduced in response to tariffs implemented by Trump in April 2025. In marketing year 2025-26 (September-August), the US sold 11.9 million metric tons of soybeans to China as of May 7, down 47.2% year over year, according to the USDA. In MY 2024-25, the US sold 22.5 million mt of soybeans to China. (SP Platts)

OIL

Russia appears to have recently added four LNG carriers to its growing dark fleet of tankers exporting cargoes from the sanctioned Arctic LNG 2 project, a Bloomberg analysis of shipping data showed on Monday. Russia relies on a growing number of shadow fleet tankers to ship its sanctioned LNG out of the Arctic area in north Russia, where exports are made possible thanks to ice-breaker class tankers. Early this year, Russia was keeping its sanctioned LNG trade with China alive during the winter thanks to an ice-class vessel capable of ploughing through the thick Arctic ice. (Oilpro)

Carriers Chartering Corp. S.A.
Kaplanon 7 & Massalias Street, 106 80 Athens, Greece | Telephone: +30-210 3668700
Email Address: capespmx@carriers.gr, handy@carriers.gr, snp@carriers.com
www.carrierschartering.com