IRON ORE

Rio Tinto recently announced a major milestone in its iron ore business, shipping its 8 billionth tonne of iron ore from the Pilbara region in Western Australia. The shipment departed on 19 May 2026 and was sent to long-time customer Nippon Steel in Japan, highlighting the company's decades-long relationship with Asian steelmakers. Rio Tinto delivered a strong Q1 2026 performance, with Pilbara iron ore production increasing by around 13% year over year and shipments reaching 72.4 million tonnes despite earlier cyclone-related disruptions. The company maintained its full-year Pilbara shipment guidance of 323–338 million tonnes, reflecting confidence in operational recovery and resilient global demand. Rio Tinto is also advancing key expansion projects, including Western Range in Australia and the Simandou development in Guinea, one of the world's largest untapped high-grade iron ore resources. At the same time, the company continues to benefit from its autonomous rail and mining systems, which improve efficiency and lower operating costs across the Pilbara network. While iron ore remains its core earnings driver, Rio Tinto is increasingly diversifying into copper and lithium as part of its broader strategy to support the global energy transition and position itself for future demand linked to green steel and critical minerals. (Discovery Alert)

BHP continues to strengthen its position in the global iron ore market through operational efficiency and technology-driven improvements. The company recently indicated that AI-enabled optimization initiatives could increase iron ore production by around 1 million tonnes, supporting productivity gains across its Pilbara operations. BHP remains focused on maintaining stable iron ore output while controlling costs and improving supply chain reliability. At the same time, the company is investing in future-facing commodities such as copper, potash, and nickel to align with long-term demand from electrification and the energy transition. However, BHP has also faced scrutiny after reports that it shelved plans for a Pilbara beneficiation project that could have significantly reduced steelmaking emissions. Overall, while iron ore remains a key earnings contributor, BHP is balancing near-term operational performance with broader decarbonization and diversification goals aimed at supporting future demand for critical minerals and lower-carbon steel production. (The Guardian)

COAL

Asia's imports of seaborne thermal coal are on track to record their strongest month in May since December. Asia's thermal coal imports are forecast to reach 76.26 million metric tons in May, up 23% from April and above the 72.83 million from May last year. The stronger performance is broadly based with all the region's top buyers recording gains. China, the world's biggest coal importer, is on track to see seaborne thermal arrivals of 22.63 million tons, up from 16.0 million in April and the most since January. China's appetite for imports has been driven by weaker domestic output, with April production of 385.63 million tons being down sharply from the record 440.62 million in March, and 1% below the level from April last year. For the first four months of the year China's output eased 0.1% to 1.58 billion tons. Given that thermal electricity generation, most of it being coal-fired, rose 3.6% in the first four months of the year, it's likely that China's coal supply-demand balance has tightened in recent weeks, thereby encouraging imports. China's rising import demand has helped lift the prices of the grades that it typically seeks, with commodity price reporting agency Argus assessing Indonesian coal with an energy content of 4,200 kilocalories per kilogram (kcal/kg) at $64.43 a ton in the week to May 22, a three-year high and up 42% since the end of last year. India, the second-biggest importer, is forecast to see arrivals of 13.78 million tons of thermal coal in May, the most since June last year and 7.3% higher than the 12.84 million recorded for April. Heat waves pushed electricity demand to record highs last week, spurring demand for coal-fired generation. (Reuters)

Oil Macro

Oil prices plunged in early Asian trade on Monday following reports over the weekend that a deal to reopen the Strait of Hormuz was in its final stages. At the time of writing, both oil benchmarks had fallen by more than 5%, with Brent breaking back below $100 to trade at $98.27, while WTI fell to $91.63. Optimism around a deal was tempered somewhat on Sunday when President Trump posted on social media that he had informed his representatives "not to rush into a deal". A senior U.S. administration official then added that, while progress had been made, the deal would not be signed on Sunday. The deal itself would aim to reopen the Strait of Hormuz, end the war, and see Iran give up its enriched uranium. The first stage of the agreement would be a 60-day extension of the ceasefire, during which time traffic would resume through the Strait, and nuclear negotiations would continue. (Oilpro)

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