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UPDATE

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Greater China Materials | Asia Pacific

China Steel and Iron Ore Weekly Update

MORGAN STANLEY ASIA LIMITED+

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GREATER CHINA MATERIALS

Asia Pacific

Industry View **Attractive**

Key Takeaways

- Apparent consumption of long products rose 5.1% WoW, while that of flat products grew 2.0% WoW.

Weekly output increased for long products and flat products; inventory dipped at traders, but inched up at mills. Utilization rates rose at electric arc furnaces (EAF).

Iron ore inventory declined at mills: Operating rates improved, along with daily output.

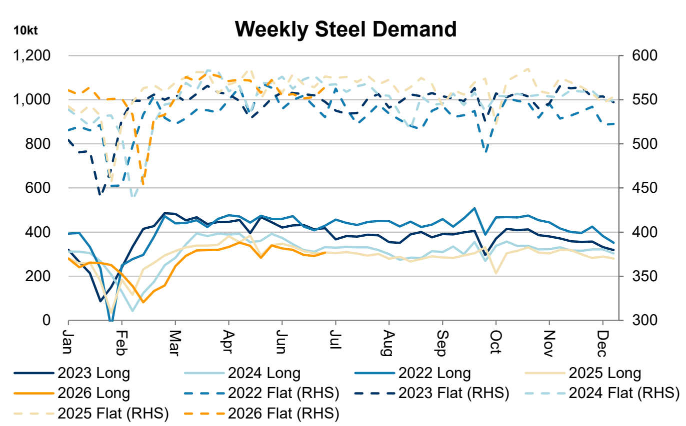
Iron ore shipments: Combined shipments from Australia and Brazil were up by 0.59 Mt WoW for the period 8th June to 14th June. Shipments from Australia were down by (1.64) Mt WoW. Shipments from Brazil were up by 2.24 Mt WoW.

Exhibit 1: Weekly data summary

Steel				Iron Ore		
	Volume (kt) / rate (%)	WoW	YoY		Volume (kt) / rate (%)	WoW
Inventory - Traders	11,259	-0.6%	23.3%	Inventory - Ports	157,070	0.7%
Inventory - Mills	4,311	0.7%	1.3%	Inventory - Per Mill	225	-1.2%
Weekly Consumption - Long	3,069	5.1%	-0.3%	Operating rate	62.9%	0.8 ppts
Weekly Consumption - Flat	5,643	2.0%	-2.1%	Average daily output	397	1.2%
Weekly Output - Long	3,058	2.7%	2.9%	Shipments - Australia		-1.64Mt
Weekly Output - Flat	5,622	0.5%	-1.6%	Shipments - Brazil		+2.24Mt
Utilization - 247 mills	90.3%	0.1 ppts	(0.5 ppts)			
Utilization - EAF	64.4%	2.0 ppts	7.7 ppts			

Source: Mysteel, Morgan Stanley Research. Note: EAF = electric arc furnace.

Exhibit 2: Weekly steel demand



Source: Mysteel, Morgan Stanley Research

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COMPANY (TICKER)	RATING (AS OF)	PRICE* (06/18/2026)
Chris Jiang		
Anhui Honglu Steel Construction (002541.SZ)	U (12/16/2025)	Rmb16.60
CGN Mining Co Ltd (1164.HK)	O (01/18/2023)	HK$2.90
Chengxin Lithium Group Co. Ltd. (002240.SZ)	E (12/16/2025)	Rmb45.74
GEM Co Ltd (002340.SZ)	U (04/20/2026)	Rmb7.42
Shenzhen Kedali Industry Co Ltd (002850.SZ)	O (08/21/2023)	Rmb203.81
Sinomine Resource Group Co Ltd (002738.SZ)	O (12/16/2025)	Rmb60.71
Yongxing Special Materials Technology (002756.SZ)	E (11/25/2022)	Rmb61.15
Zhejiang Huayou Cobalt Co Ltd (603799.SS)	O (10/08/2025)	Rmb52.10
Hannah Yang, CFA		
China Hongqiao Group (1378.HK)	O (09/15/2023)	HK$22.74
Chuangxin Industries Holdings Ltd. (2788.HK)	O (03/19/2026)	HK$16.68
Flat Glass Group Co Ltd (6865.HK)	O (07/30/2020)	HK$7.00
Flat Glass Group Co Ltd (601865.SS)	O (07/30/2020)	Rmb10.63
MMG Ltd (1208.HK)	O (12/16/2024)	HK$8.25

Shandong Pharmaceutical Glass Co. Ltd. (600529.SS)	U (04/20/2026)	Rmb18.55
Shenhuo Coal and Power (000933.SZ)	O (09/02/2025)	Rmb23.74
Tianshan Aluminum (002532.SZ)	O (03/19/2026)	Rmb12.05
Xinyi Glass Holding Limited (0868.HK)	U (05/14/2024)	HK$9.22
Zhongfu Shenying Carbon Fiber Co Ltd (688295.SS)	O (08/25/2023)	Rmb51.15
Rachel L Zhang		
Aluminum Corp. of China Ltd. (601600.SS)	O (11/30/2020)	Rmb9.38
Aluminum Corp. of China Ltd. (2600.HK)	O (11/30/2020)	HK$8.55
Baoshan Iron & Steel (600019.SS)	O (01/16/2016)	Rmb5.68
Beijing New Building Materials (000786.SZ)	O (04/09/2024)	Rmb19.72
Beijing Oriental Yuhong Waterproof Techn (002271.SZ)	E (09/25/2024)	Rmb12.13
China Jushi (600176.SS)	O (12/22/2020)	Rmb53.50
China Lesso Group Holdings Ltd (2128.HK)	U (10/08/2025)	HK$4.00
China Steel Corp. (2002.TW)	U (12/16/2025)	NT$19.10
CMOC Group Ltd (3993.HK)	O (09/24/2019)	HK$18.87
CMOC Group Ltd (603993.SS)	O (06/21/2024)	Rmb20.04
CNGR Advanced Material Co., Ltd. (300919.SZ)	E (01/12/2026)	Rmb48.64
CNGR Advanced Material Co., Ltd. (2579.HK)	O (01/12/2026)	HK$28.84
FangDa Carbon New Material Co. Ltd. (600516.SS)	U (12/16/2024)	Rmb5.82
Ganfeng Lithium Co. Ltd. (002460.SZ)	O (04/20/2026)	Rmb69.36
Ganfeng Lithium Co. Ltd. (1772.HK)	O (12/16/2025)	HK$56.00
Henan Liliang Diamond Co. Ltd (301071.SZ)	U (04/20/2026)	Rmb76.60
Jiangsu Dingsheng New Materials (603876.SS)	U (04/20/2026)	Rmb25.35
Jiangxi Copper (0358.HK)	O (10/08/2025)	HK$41.06
Jiangxi Copper (600362.SS)	O (10/08/2025)	Rmb53.31
JL Mag Rare-Earth Co. Ltd (6680.HK)	O (04/23/2025)	HK$19.40
JL Mag Rare-Earth Co. Ltd (300748.SZ)	O (04/23/2025)	Rmb33.43
Nine Dragons Paper (2689.HK)	E (01/04/2023)	HK$6.85
Shandong Gold Mining Co. Ltd (600547.SS)	O (04/23/2025)	Rmb26.91
Shandong Gold Mining Co. Ltd (1787.HK)	O (12/12/2024)	HK$21.46
Shandong Nanshan Aluminium Co. (600219.SS)	O (11/30/2020)	Rmb4.53
Tianqi Lithium Industries Inc. (9696.HK)	O (12/16/2025)	HK$43.80
Tianqi Lithium Industries Inc. (002466.SZ)	O (04/20/2026)	Rmb62.18
Weixing New Building Materials (002372.SZ)	U (10/08/2025)	Rmb8.64
Zhaojin Mining Industry (1818.HK)	O (06/21/2024)	HK$19.77
Zijin Gold International (2259.HK)	O (11/06/2025)	HK$109.60
Zijin Mining Group (2899.HK)	O (11/06/2025)	HK$32.08
Zijin Mining Group (601899.SS)	O (11/06/2025)	Rmb29.69

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