CORE STEELUSA CORE STEELUSA

соѕт			
scrap	lead times	automotive	employment
iron ore	production		inflation
energy	imports	appliance	
inc zinc	inventories	manufacturing	GDP
Coking coal		agriculture	income
		(v) consumption	

THE RIGHT STEEL SUPPLY CHAIN HAS NEVER MATTERED MORE

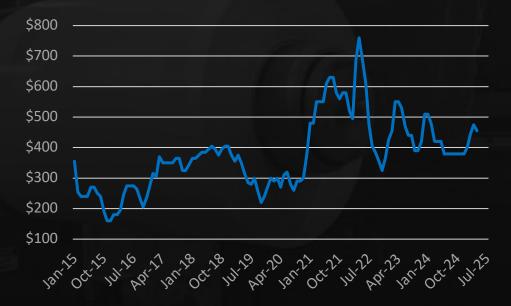
MANAGE COST. MITIGATE RISK. MORE RELIABLE.



LEARN MORE



PRIME SCRAP



• SCRAP

After climbing \$95/gt through the first three months of the year, prime scrap pricing slipped in April.

Prime scrap settled at \$455/gt, down \$20/gt from March, but up \$35/gt from April last year.

 Uncertainty around demand, easing scrap flows due to milder weather, and weaker export activity all played a role in negatively impacting pricing.

Despite the pull back in April, the increase in prices throughout Q1 will continue to pressure mill production costs well into Q2.

Shredded prices saw a much sharper decline, sliding \$40/gt to \$415/gt.

• SPOT IRON ORE²

Spot iron ore decreased slightly again this week, now down six out of the last seven weeks.

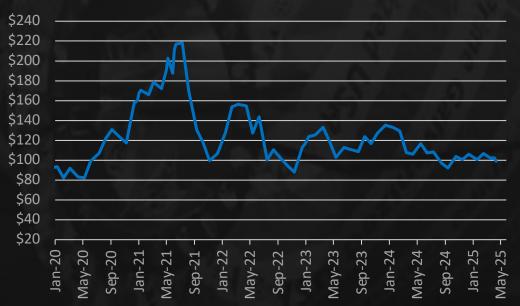
Spot iron ore pricing ended the week at \$99.05/mt, down from \$102.15/mt a week ago.

• This is the first time iron ore has been below \$100/mt since early January.

Iron ore is probably the commodity most exposed to China, and while the price of the raw material has eased, it has held up better than other major commodities like crude oil, copper, and zinc.

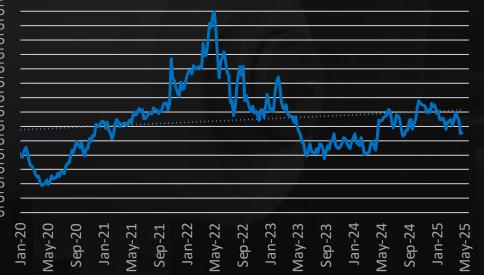
If the recent tariff threats between the U.S. and China hold, exports will be subject to a 104% tax, essentially ending all trade between the two largest economies and cutting China's steel production.

IRON ORE COST



COST

\$2.15 \$2.05 \$1.95 \$1.85 \$1.65 \$1.55 \$1.55 \$1.55 \$1.45 \$1.35 \$1.25 \$1.15 \$1.05 \$1.05 \$1.05 \$1.05 \$1.05 \$1.05 \$1.65 \$0.85 \$0.85 \$0.65



WEEKLY ZINC PRICING

Inc³ ≥ ZINC³

Zinc pricing rebounded slightly this week but remains at a multi-month low.

COST

Zinc pricing ended the week at \$2,650/mt (\$1.202/lb), up from \$2,646.50/mt (\$1.200/lb) previously.

- Zinc briefly hit \$1.148/lb earlier in the week, the lowest level since early August of 2024.
- The tit-for-tat trade war between China and the U.S. continues to drive down pricing for numerous base metals.

Global zinc inventory decreased again this week, now down for the fourth consecutive week.

- LME warehouse inventory decreased for the eighteenth time in the last nineteen weeks, slipping from 133,450 metric tons to 121,800 metric tons.
- Shanghai warehouse inventory slipped this week as well, falling from 68,543 metric tons to 63,857 metric tons.

COST

COKING COAL⁴

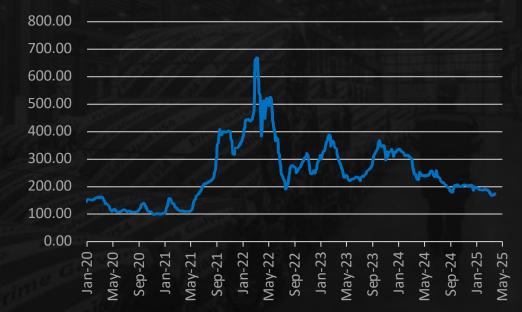
Coking coal pricing continued it's rebound, climbing for the third consecutive week.

Coking coal settled at \$182.00/mt, up from \$175.30/mt last week.

 This is now the highest price for coking coal since early March.

Coal has shown a more subdued response to the tariff war, with price increases due to weatherrelated disruptions that have occurred in Queensland, Australia, which is home to most of Australia's metallurgical coal mines.

COKING COAL PRICE





WEEKLY DOMESTIC PRODUCTION



• WEEKLY DOMESTIC STEEL PRODUCTION⁵

Domestic raw steel production slipped again last week after a sharp increase the week prior, now down six out of the last eight weeks.

U.S. mills produced an estimated 1,656k tons at a 74.4% utilization rate; this is down from 1,697k tons and a 76.2% rate previously.

 This was the lowest weekly output since the last week of March.

Production decreased in three of the five regions, with the largest drop (in tons) coming from the Southern region.

• Production from the Southern region slipped from 759k tons to 694k tons.

Year-to-date production is now down 2.8% compared to the same timeframe from last year.

DEMAND

⑦ DODGE MOMENTUM INDEX⁶

Uncertainty around future government policies, increased material costs, and labor availability, negatively impacted non-residential construction planning in March.

The March Dodge Momentum Index slipped to 205.6, down nearly 7.0% from February, but still up sharply from March 2024.

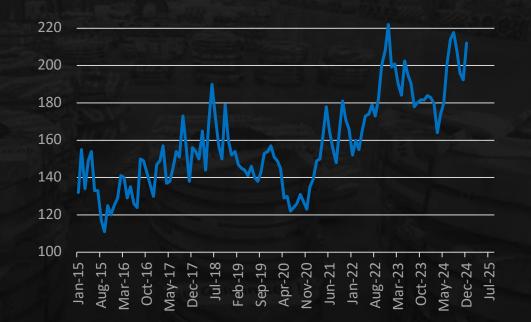
 Planning for both commercial and institutional projects fell in March, sliding 7.8% and 5.0%, respectively.

Within commercial planning, weaker planning for warehouses, data centers, and retail stores, helped drive the component index lower.

• On the institutional side, planning slowed for education, healthcare, and government buildings.

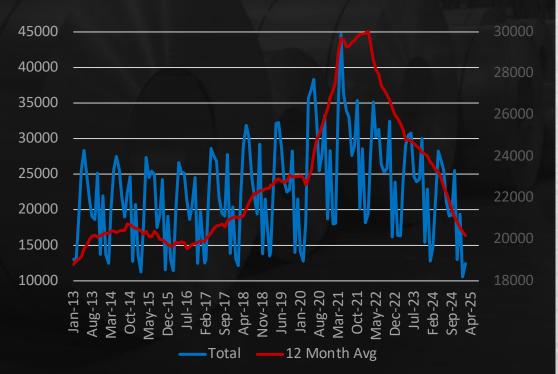
The DMI is a leading indicator for nonresidential construction spending a year out.

DODGE MOMENTUM INDEX





TRACTOR AND COMBINE SHIPMENTS



TRACTOR & COMBINE SHIPMENTS

Shipments of tractors and combines continued to rebound in March, however that is mainly due to seasonality.

March tractor and combine shipments (U.S. and Canada) totaled 18,066 units, up 68.1% from February, but was still down 11.0% from March last year.

• Shipments continued to slide on a year-over-year basis, marking the eleventh straight decline.

Shipment trends for both tractors and combines were similar with both improving from February but were down from last March.

Total Q1 shipments were down 14.0% compared to Q1 2024 and were down 26.8% compared to Q1 2023.

DEMAND

Total carbon steel consumption dropped on a month-over-month basis but was up compared to last February.

February total steel consumption came in at a 277.3k tons/day rate, up 1.2% compared to last February.

Carbon sheet consumption saw similar trends, sliding 6.8% from January but climbing 3.45 from last February to a 148.5k tons/day rate.

· This was the highest February daily rate since 2020.

Sharp declines across the board (mill shipments, imports, and exports) helped to push total sheet consumption lower.

As we move into March, the expectation is that a sharp rebound in mill shipments will overcome the continued weak imports that have been restricted due to the recent tightening tariffs/duties.

DAILY SHEET CONSUMPTION



ECONOMIC

WEEKLY INITIAL JOBLESS CLAIMS⁹

The number of Americans filing new claims for unemployment benefits rose marginally last week as the labor market remains healthy.

The Department of Labor's Weekly Initial Jobless Claims report came in at 223,000 claims, up from 219,000 claims previously.

 The four-week moving average, considered a better measure of the labor market as it irons out week-toweek volatility, decreased to 223,000.

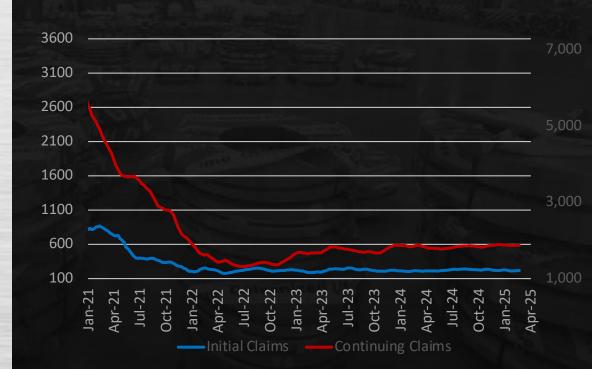
Continuing claims, or claims lasting longer than one week, dropped sharply after hitting the highest level since late January.

• Continuing claims came in at 1.850 million claims, down from 1.893 million claims previously.

The labor market remains strong and when weekly claims are below 300,000, that is generally seen as representative of a healthy economy.

• Claims have been below 226,000 for six straight weeks and for sixteen of the past seventeen weeks.

WEEKLY INITIAL JOBLESS CLAIMS



ECONOMIC

CORE - CPI 7.0% 6.0% 5.0% 4.0% 3.0% 2.0% 1.0% 0.0% May-25 Sep-18 May-19 Jan-20 Sep-20 May-21 Jan-22 Sep-22 lan-18 May-23 Jan-24 Sep-24

CONSUMER PRICE INDEX¹⁰

Prices paid by consumers grew at the slowest annual rate since Q1 2021.

The March Consumer Price Index increased 0.22% from February and was up 2.39% from March last year.

The index for all items, less food and energy, showed slower growth as well in March.

- The March CORE-CPI grew 0.21% from February and was up 2.79% compared to last March.
- This was the lowest, year-over-year, increase since March 2021.

Over the last twelve months, the shelter index increased 4.0%, the smallest 12-month increase since November 2021.

- Other indexes with notable increases over the last year include motor insurance (+7.5%), medical care (+2.6%) and education (+3.9%).
- These increases more than offset declines in airline fares (-5.2%) and non food/energy commodities (-0.1%).

SOURCES

- ¹ Prime Scrap Cost, Market Conversations: Week ending April 11, 2025.
- ² Platts, Spot Iron Ore: April 4, 2025.
- London Metal Exchange, Weekly Zinc Price and Inventory Report: April 4, 2025.
 Shanghai Futures Exchange, Weekly Zinc Inventory Report: April 4, 2025.
- 4 Platts, Coking Coal Price: April 4, 2025.
- 5 American Iron & Steel Institute, Weekly Domestic Steel Production: April 1, 2025.
- ⁶ Construction News Network, Dodge Momentum Index: March 2025.
- ⁷ Association of Equipment Manufacturers, Tractor & Combine Shipments: March 2025.
- ⁸ AISI, Carbon Sheet Consumption: February 2025.
- ⁹ Department of Labor, Weekly Initial Jobless Claims: April 10, 2025.
- ¹⁰ Bureau of Labor Statistics, Consumer Price Index: March 2025.

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