



MAJESTIC
STEEL USA

CORE REPORT

04.25.25

COST

01

- ⊖ scrap
- ⬆ iron ore
- ⊖ energy
- ⬆ zinc
- ⬆ coking coal

SUPPLY

04

- ⊖ lead times
- ⬇ production
- ⬆ imports
- ⊖ inventories

DEMAND

07

- ⬇ automotive
- ⬇ construction
- ⊖ appliance
- ⊖ manufacturing
- ⊖ agriculture
- ⬆ durable goods

ECONOMIC

12

- ⬆ employment
- ⊖ retail sales
- ⊖ confidence
- ⊖ GDP
- ⊖ income



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**MAJESTIC
STEEL USA**

COST

▲ SPOT IRON ORE¹

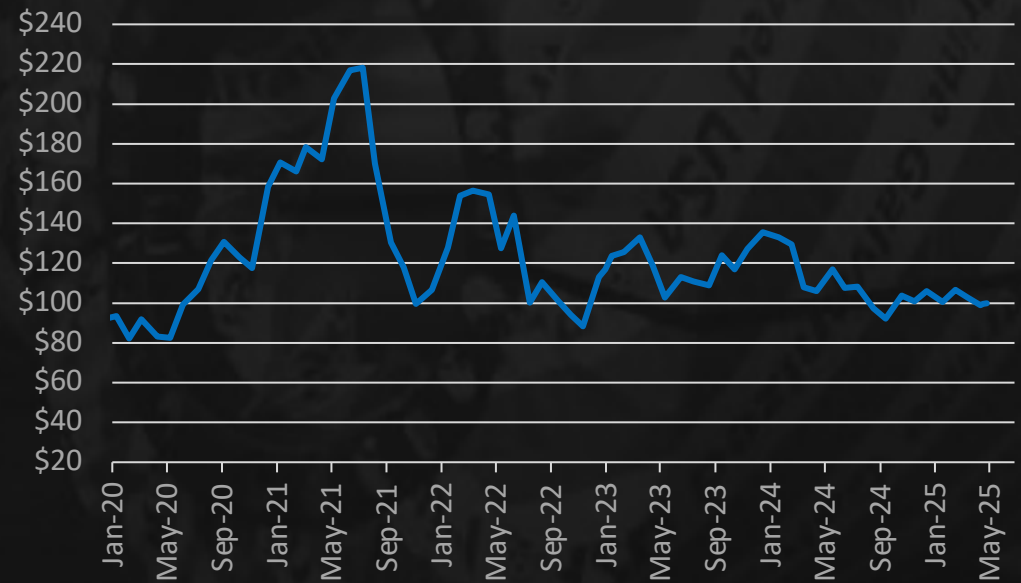
Spot iron ore ticked up slightly for the second consecutive week.

Spot iron ore pricing ended the week at \$99.85/mt, up from \$99.60/mt a week ago.

- Despite the increase, iron ore remains in a tight window for the last eight weeks.

Tariffs are expected to weigh on China's domestic demand and steel exports over the remainder of the year, which will cap any upside for steelmaking raw materials.

IRON ORE COST



WEEKLY ZINC PRICING



Zinc pricing rebounded this week after dropping to an eight-month low the week prior.

Zinc pricing ended the week at \$2,617/mt (\$1.187/lb), up from \$2,520/mt (\$1.143/lb) previously.

- Zinc was supported by a weaker U.S. dollar along with better-than-expected first quarter economic growth in China, driven by strong consumption and industrial output.

Global zinc inventory decreased again this week, now down four out of the last five weeks.

- LME warehouse inventory dropped slightly after a 70% increase the previous week, sliding from 190,550 metric tons to 182,300 metric tons.
- Shanghai warehouse inventory slipped as well this week, dropping from 58,585 metric tons to 51,378 metric tons.

COST

▲ COKING COAL³

Coking coal pricing resumed its upward momentum this week, now up four out of the last five weeks.

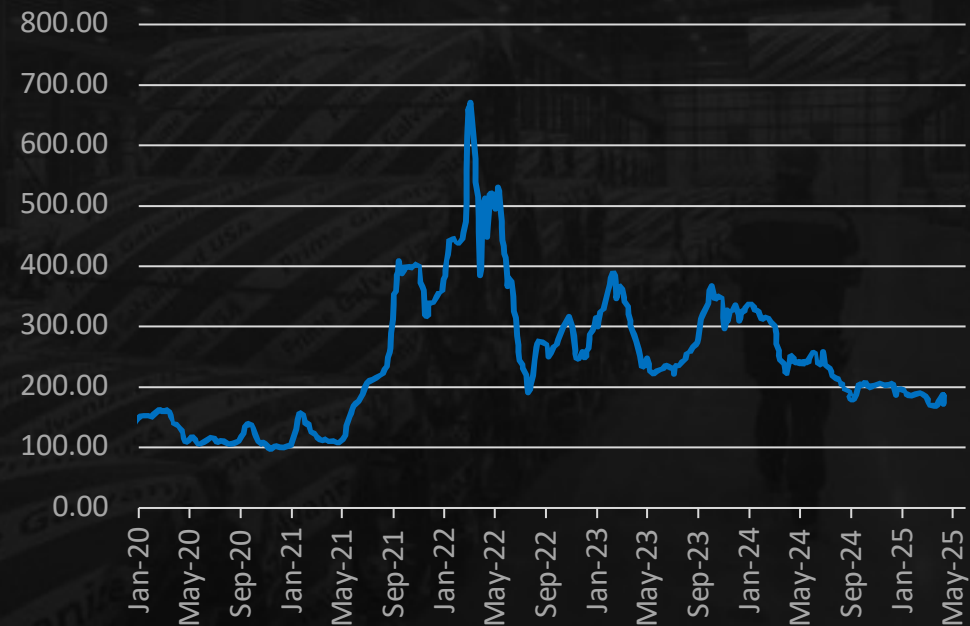
Coking coal settled at \$190.00/mt, up from \$172.00/mt last week.

- This was up 10.4% week-over-week after hitting the lowest level since the first week of April.

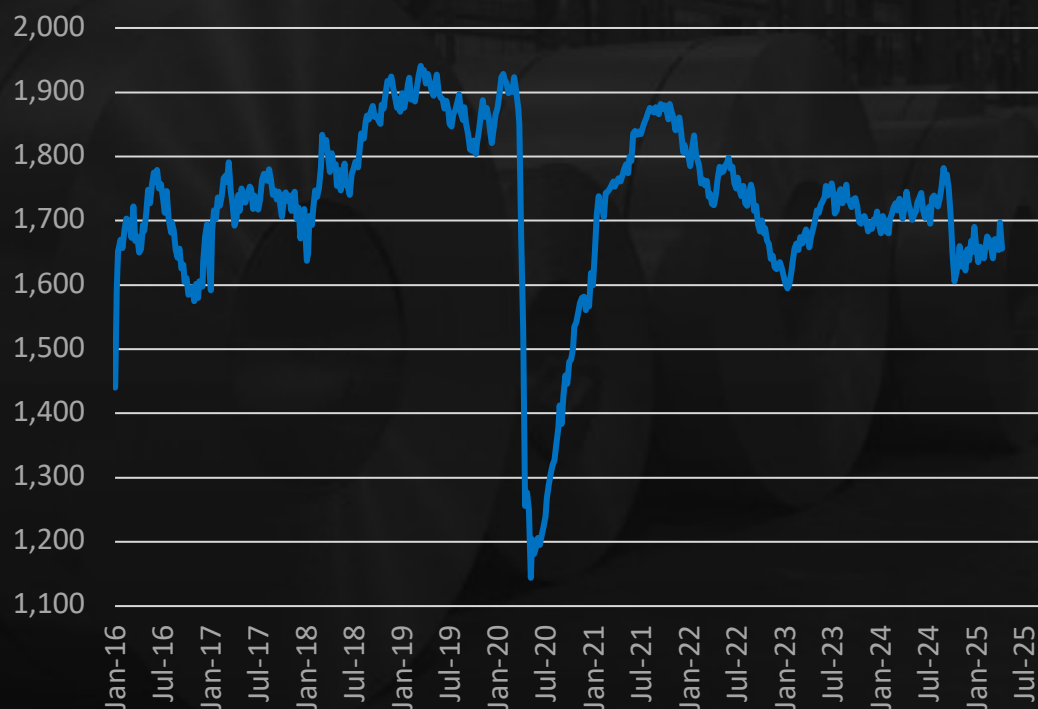
Coal has been resilient when it comes to tariffs and both China and India's appetite continues to grow.

- India's steel secretary said coking coal imports will accelerate due to the limited availability of the key steelmaking ingredient amid a ramp-up of steel capacity.

COKING COAL PRICE



WEEKLY DOMESTIC PRODUCTION



▼ WEEKLY DOMESTIC STEEL PRODUCTION⁴

Domestic raw steel production dipped slightly after climbing two out of the previous three weeks.

U.S. mills produced an estimated 1,682k tons at a 74.9% utilization rate; this is down from 1,689k tons and a 75.2% rate previously.

- This is down slightly after hitting the highest output since the last week of March.

Production dropped in three of the five regions, with the largest decrease (in tons) coming from the Great Lakes region.

- Production from the Great Lakes region spiked from 549k tons to 523k tons.

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

SUPPLY

GLOBAL STEEL PRODUCTION⁵

Global steel production continued to push higher in March, now up for the third straight month.

Global steel production came in at a 5.359 million mt/day rate in March, up 3.6% from February.

- Production was up on a year-over-year basis as well, climbing 2.9% from the 5.210 million mt/day rate in March 2024.

Despite the jump in March, Q1 global production was still down 0.3% compared to Q1 2024.

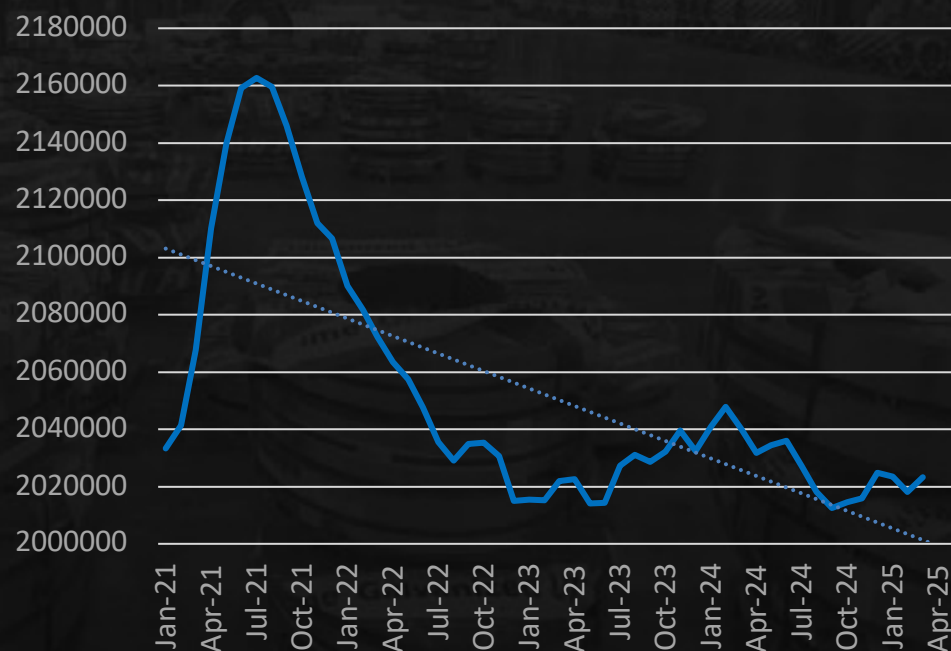
While production increased around the world, the boost mainly came from China.

- Chinese production came in at a 2.995 million mt/day rate, up 6.3% from February and was at its highest daily rate since June.

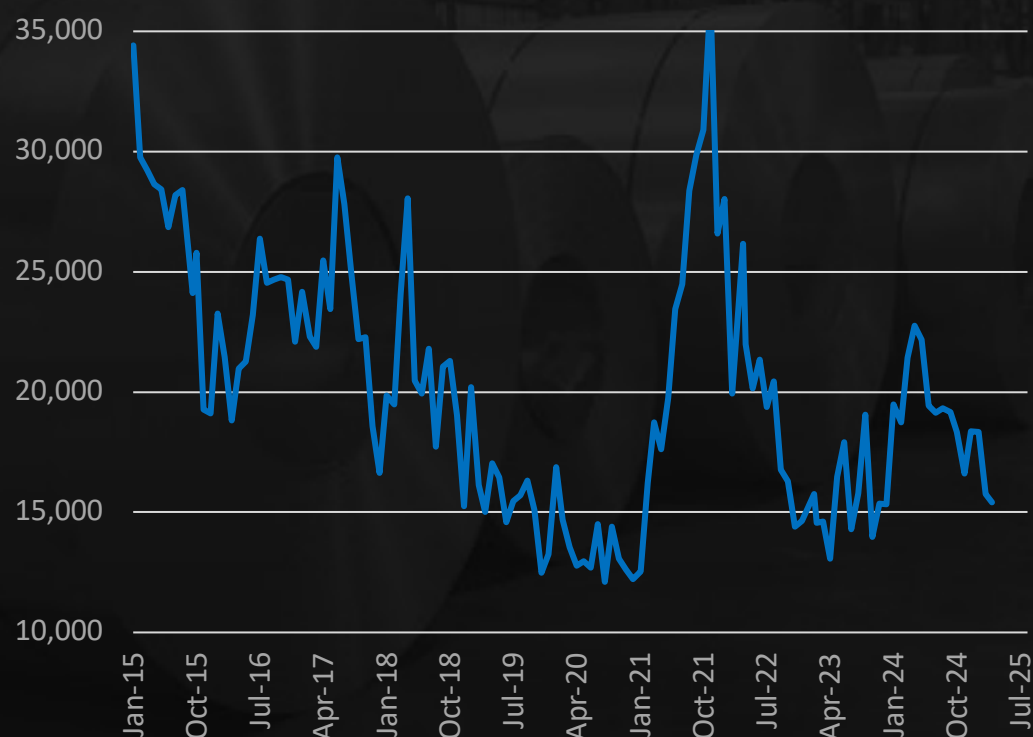
Production in the North American region slipped slightly, sliding to a 298k mt/day rate.

- Production in the U.S. declined 2.0% from February to a 217k mt/day rate.

ANNUALIZED GLOBAL PRODUCTION



DAILY FLAT ROLLED IMPORTS



⦿ CARBON STEEL IMPORTS⁶

Preliminary March carbon steel imports came in at 1.870 million tons, up 13.0% from February but remaining below year-ago levels.

Carbon flat rolled imports totaled 477,606 tons in March, up 8.2% from February but were still down 28.1% compared to 664,553 tons last March.

- While HR imports declined on a month-over-month basis, all three flat product groups declined sharply compared to last year.
- Coated sheet imports were up 13.6% from February but down 29.7% from last March.
- Within coated however, HDG sheet imports came in at a 4.592 million ton/day rate; the lowest rate since October 2023.

For Q1 total flat rolled imports are now down 17.9% compared to Q1 2024.

DEMAND

▼ LIGHT VEHICLE PRODUCTION⁷

After a sharp jump in February, total U.S. auto and light truck assemblies were essentially flat in March.

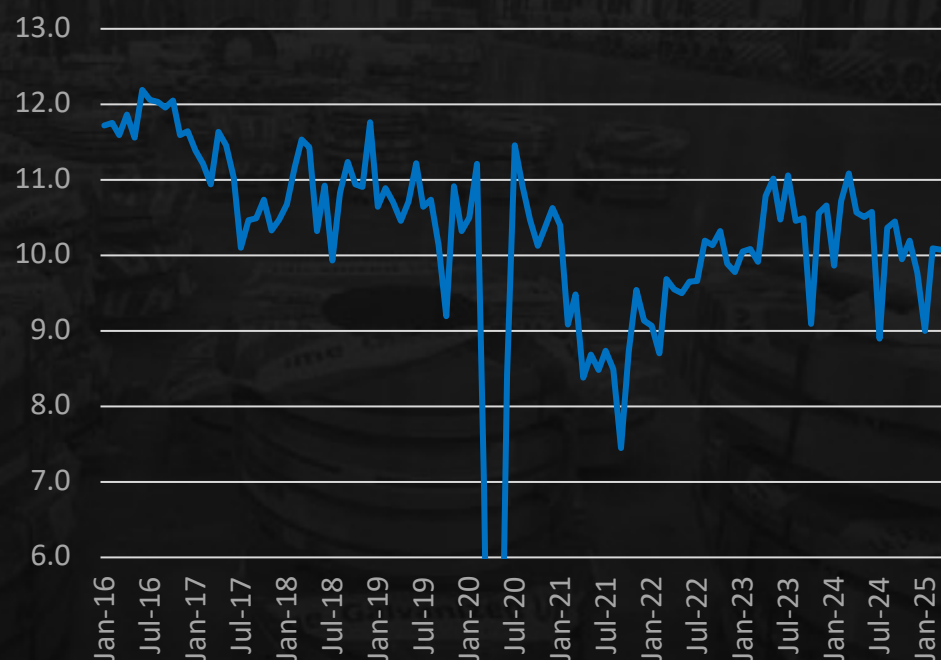
March assemblies came in at a 10.07 million unit rate, down 0.2% from the 10.09 million unit rate in February.

- Assemblies continued to slide on a year-over-year basis as well, sliding 9.1% from the 11.08 million unit rate in March 2024.
- Assemblies have now declined on a year-over-year basis for five consecutive months.

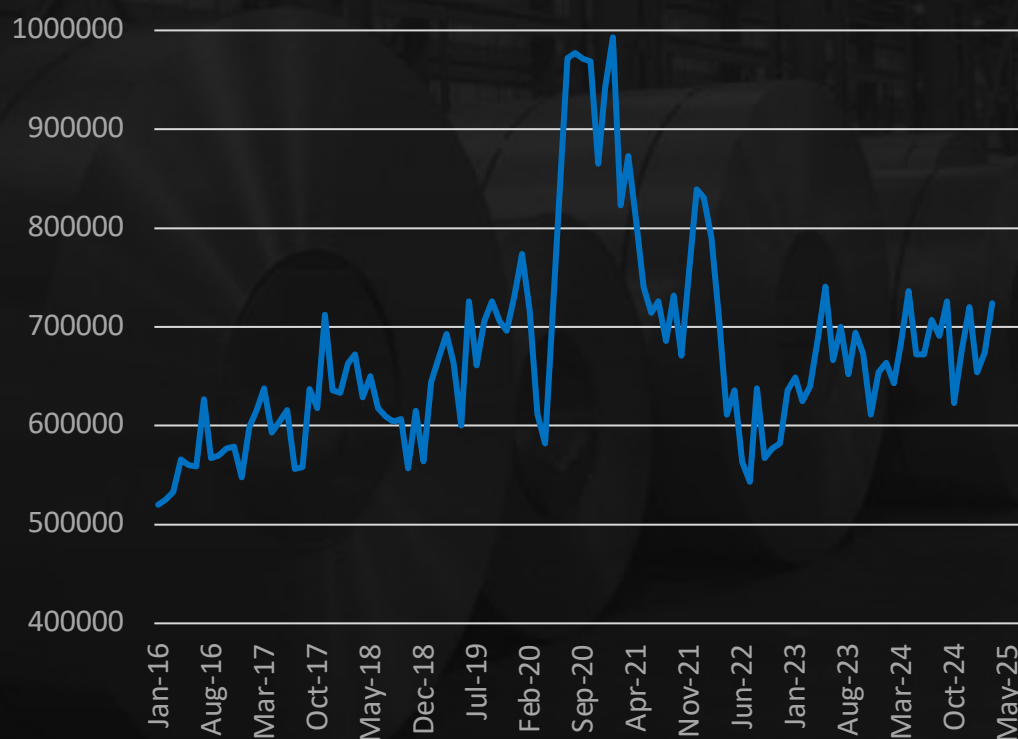
For Q1, total assemblies came in at a 9.72 million unit average rate, down from the 9.87 million unit average rate in Q1 2024.

U.S. auto assemblies may be negatively impacted into the summer due to uncertainty around consumer spending and impacts from tariffs.

U.S. LIGHT VEHICLE ASSEMBLIES



NEW HOME SALES (SAAR)



NEW HOME SALES⁸

New home sales increased for the second consecutive month in March and was at its highest monthly rate since September.

March new home sales came in at a 724,000 unit rate, up 7.4% from February and up 6.0% from the 683,000 unit rate in March 2024.

- Sales have now increased, on a year-over-year basis, in back-to-back months and in four of the last five months.

The inventory of unsold new homes held steady, ending the month flat from the end of February at 493,000 units.

- The month-end inventory, when combined with March's sales rate, equates to 7.1 months of supply.
- This is down from February and is at its lowest level since last April.

The median sales price dropped to \$403,600, down 1.9% from February and 7.5% below the \$436,400 median level from March 2024.

DEMAND

EXISTING HOME SALES⁹

After a slight increase in February, existing home sales declined once again in March.

March existing home sales came in at a 4.020 million unit rate, down 5.9% from February and down 2.4% from the 4.120 million unit rate in March 2024.

- This is the second consecutive month in which the sales rates has come in below year-ago levels.

The inventory of unsold existing homes at the end of Q1 was 1.330 million , up 8.1% from February and up 19.8% from March 2024.

- This was the highest end of Q1 inventory level since 2020.

The current inventory, when combined with March's sales pace, equates to 4.0 months of supply.

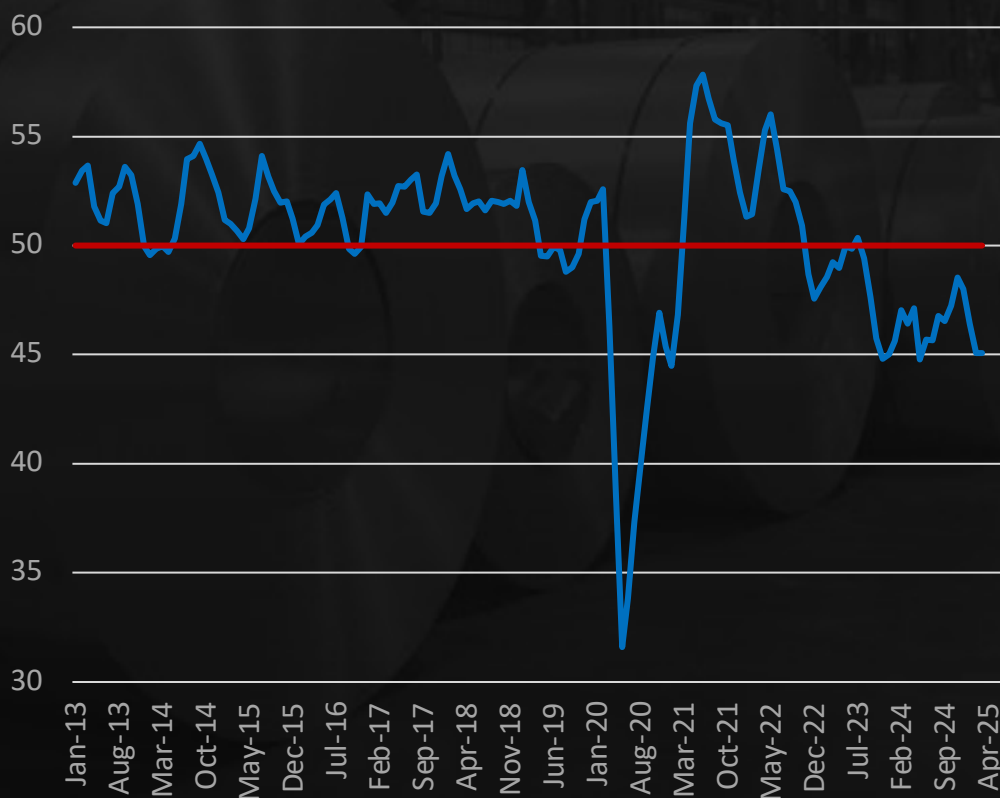
- This is up from 3.5 months in February and is at its highest level since October.

The median sales price increased for the second consecutive month, climbing 1.7% to \$403,700.

EXISTING HOME SALES (SAAR)



ARCHITECTURE BILLINGS INDEX (3MA)



▼ ARCHITECTURE BILLINGS INDEX¹⁰

A leading indicator for construction project spending continued to softening in March, matching the recent low seen in December.

The March Architecture Billings Index came in at 44.1, down from 45.5 in February but up slightly from the 43.6 reading in March 2024.

- This is the fifth consecutive month and the nineteenth time in the last twenty months that the index has come in below 50.
- Any reading below 50 shows a slowing of billing activity, while any reading above 50 shows an increase in billings.

Regionally, all four continued to show declines, with the largest decline coming from the Northeast (40.5).

The sector breakdown showed similar results as all continued to contract.

- The multi-family residential (40.3) was once again the weakest.

DEMAND

▲ DURABLE GOODS¹¹

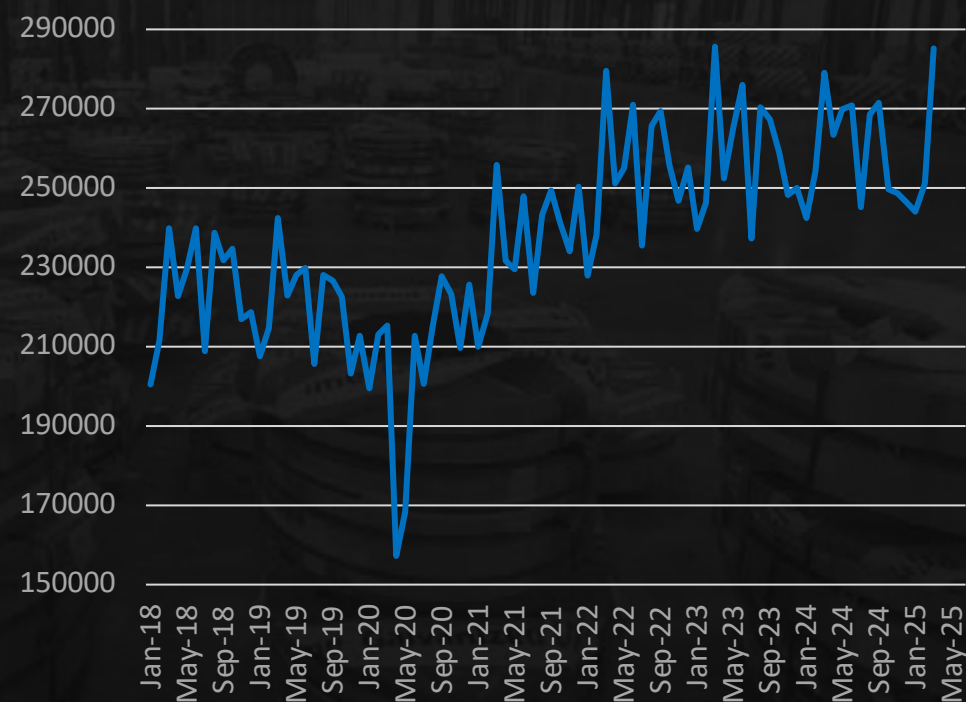
New orders for manufactured durable goods increased sharply in March, climbing 9.2% to a \$315.7 billion rate.

- This was the third consecutive month-over-month increase and follows the 0.9% increase in February.
- Excluding-transportation, new orders were virtually flat.

New orders for primary metals increased again, climbing 0.7% to \$27.8 million rate.

- Fabricated metal product new orders were up for the second consecutive month, climbing 0.2% from February.

DURABLE GOOD EX-AIRCRAFT NEW ORDER



WEEKLY INITIAL JOBLESS CLAIMS¹²

The number of Americans filing new claims for unemployment benefits ticked up last week after hitting a two-month low the week prior.

The Department of Labor's Weekly Initial Jobless Claims report came in at 222,000 claims, up from 216,000 claims previously.

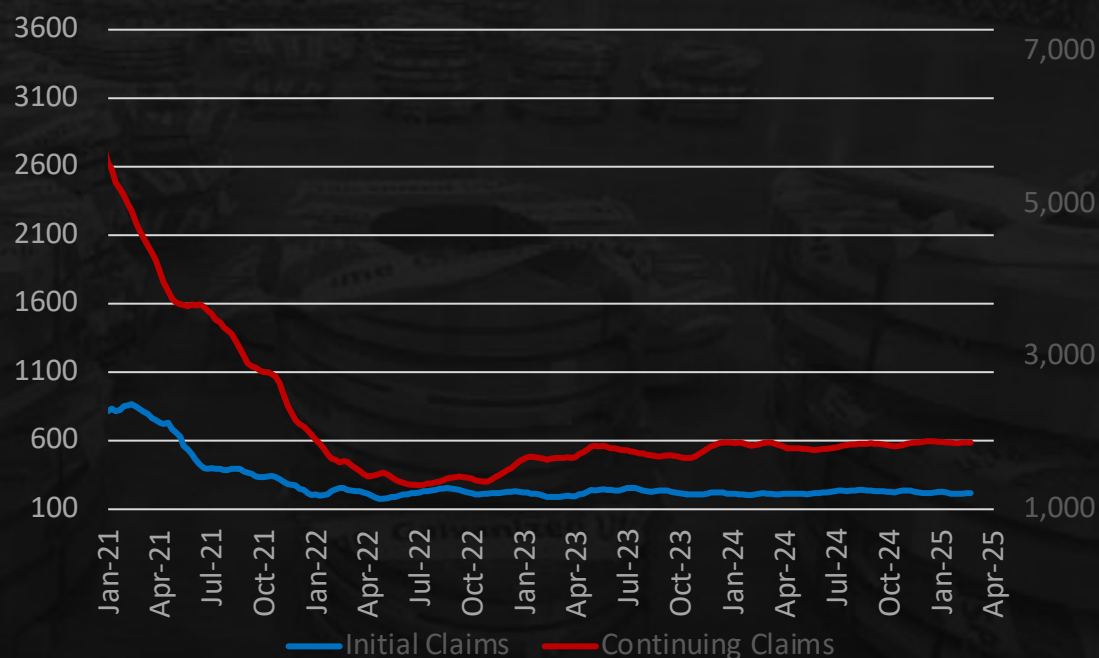
- The four-week moving average, considered a better measure of the labor market as it irons out week-to-week volatility, decreased to 220,250.

Continuing claims, or claims lasting longer than one week, decreased to the lowest level since the first week of January.

- Continuing claims came in at 1.841 million claims, down from 1.878 million claims previously.

Despite uncertainty around tariffs and the economic outlook, new claims have remained subdued for eight straight weeks.

WEEKLY INITIAL JOBLESS CLAIMS



SOURCES

- 1 Platts, Spot Iron Ore: April 25, 2025.
- 2 London Metal Exchange, Weekly Zinc Price and Inventory Report: April 25, 2025.
Shanghai Futures Exchange, Weekly Zinc Inventory Report: April 25, 2025.
- 3 Platts, Coking Coal Price: April 25, 2025.
- 4 American Iron & Steel Institute, Weekly Domestic Steel Production: April 22, 2025.
- 5 WorldSteel, Global Steel Production: March 2025.
- 6 U.S. Census Bureau, Carbon Steel Imports: March 2025.
- 7 WardsAuto, U.S. Light Vehicle Assembly: March 2025.
- 8 U.S. Census Bureau, New Home Sales: March 2025.
- 9 National Association of Realtors, Existing Home Sales: March 2025.
- 10 American Institute of Architects, Architecture Billings Index: March 2025.
- 11 U.S. Census Bureau, Durable Goods Report: March 2025.
- 12 Department of Labor, Weekly Initial Jobless Claims: April 24, 2025.

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