



MAJESTIC
STEEL USA

CORE REPORT

05.23.25

COST

01

- ⊖ scrap
- ▼ iron ore
- ⊖ energy
- ▼ zinc
- ▲ coking coal

SUPPLY

04

- ⊖ lead times
- ▼ production
- ▼ imports
- ⊖ inventories

DEMAND

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- ▼ automotive
- ▼ construction
- ⊖ appliance
- ⊖ manufacturing
- ⊖ agriculture
- ⊖ consumption

ECONOMIC

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- ▲ employment
- ⊖ inflation
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- ⊖ retail sales
- ⊖ GDP



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**MAJESTIC
STEEL USA**

COST

▼ SPOT IRON ORE¹

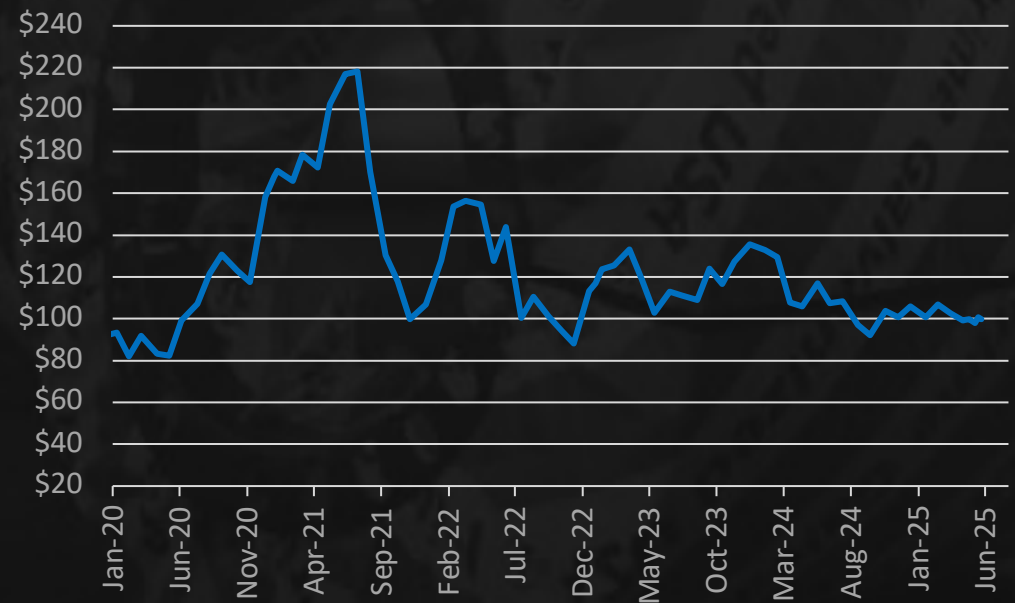
Spot iron ore dropped this week, now down three out of the last four weeks.

Spot iron ore pricing ended the week at \$99.90/mt, down from \$100.55/mt a week ago.

- Despite the slight drop, iron ore remains in a tight range over the last seven weeks.

China's housing market continues to struggle and steel output cuts are expected which will be an ongoing headwind for steelmaking raw materials.

IRON ORE COST



WEEKLY ZINC PRICING



Zinc pricing dropped slightly after climbing the previous two weeks.

Zinc pricing ended the week at \$2,650.50/mt (\$1.202/lb), down from \$2,680.50/mt (\$1.216/lb) previously.

- The initial optimism surrounding the 90-day tariff pause between China and the U.S. has started to fade, bringing demand concerns back into focus.
- China's construction market and overall economy continues to struggle which will limit upside.

Global zinc inventory dropped for the fifth consecutive week.

- LME warehouse inventory dropped for the fifth consecutive week, sliding from 165,175 metric tons to 156,225 metric tons.
- Shanghai warehouse inventory dropped slightly, sliding from 46,351 metric tons to 44,073 metric tons.

COST

▲ COKING COAL³

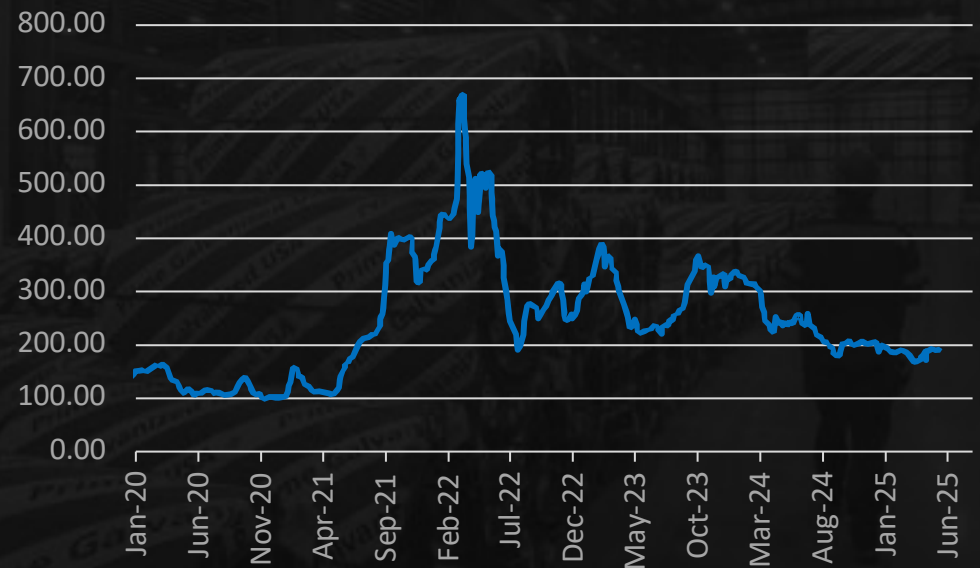
Coking coal pricing increased sharply this week, now up seven out of the last nine weeks.

Coking coal settled at \$195.80/mt, up from \$191.00/mt last week.

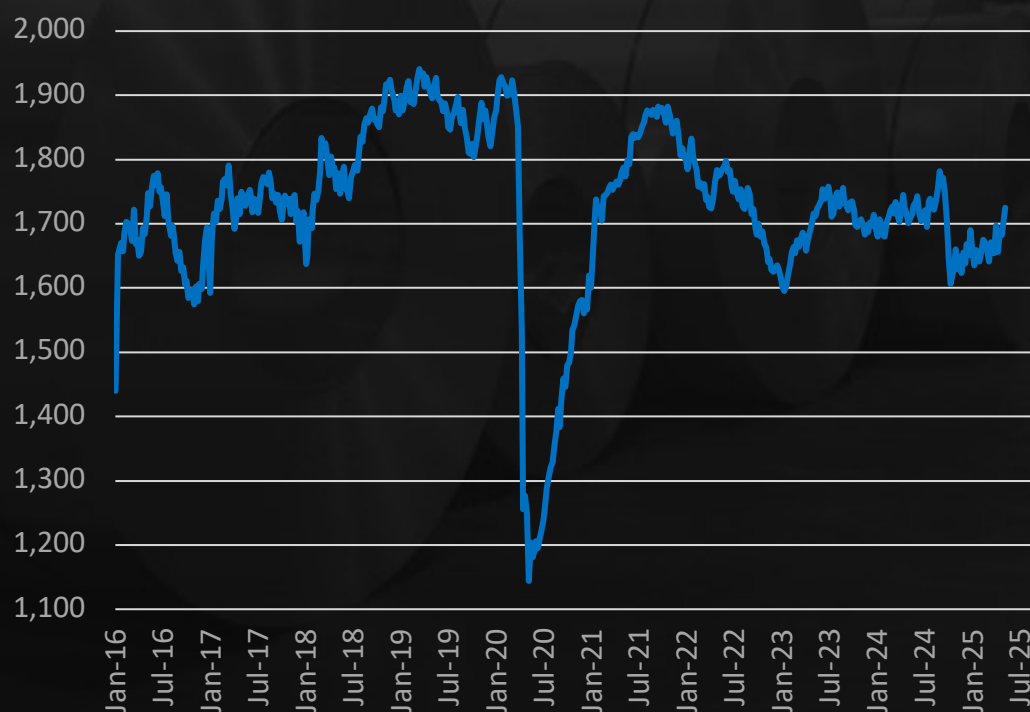
- Coal pricing is up over 17.5% since mid-March.

Miners have started cutting production due to low steel demand globally, exacerbated by recent uncertainty around global trade policy, which has weighed heavily on the market.

COKING COAL PRICE



WEEKLY DOMESTIC PRODUCTION



▼ WEEKLY DOMESTIC STEEL PRODUCTION⁴

Domestic raw steel production dipped slightly last week after climbing the previous four weeks.

U.S. mills produced an estimated 1,720k tons at a 76.6% utilization rate; this is down from 1,740k tons and a 77.5% rate previously.

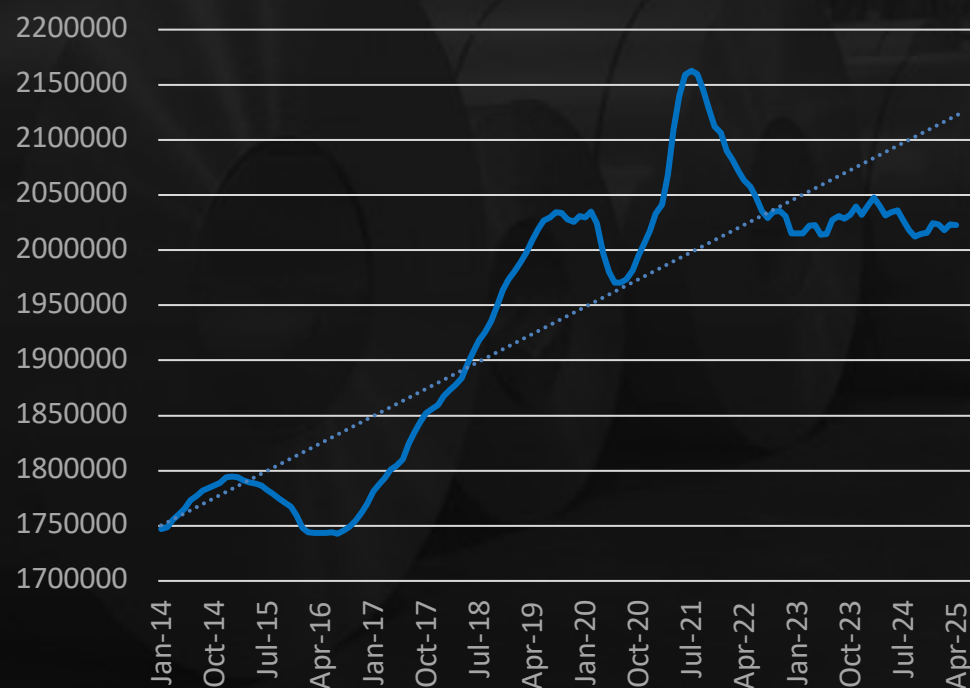
- This was the lowest weekly output seen since the last week of April.

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

- Production from the Northeast region slipped from 133k tons to 116k tons.

Year-to-date production is now down 2.1% compared to the same timeframe from last year.

GLOBAL STEEL PRODUCTION (R12)



GLOBAL STEEL PRODUCTION⁵

Global steel production slipped in April after climbing the first three months of the year.

April global steel production came in at a 5.191 million mt/day rate, down 3.2% from March and down 0.3% from the 5.205 million mt/day rate last April.

- Chinese production came in at a 2.867 million mt/day rate, down 4.3% from March but flat from last April.

Global production ex. China, came in at 2.324 million mt/day rate, down 1.8% from March and 0.3% from last April.

- North American production was down 0.6% from March, the second consecutive m/m decline.
- While Canadian and Mexican production were virtually flat, US production was down 0.7% from March.

Despite the slowdown in April, the YTD average daily rate for all global production remains 3.7% above the daily average for all of 2024.

CARBON FLAT ROLLED IMPORTS



Ⓢ CARBON STEEL IMPORTS⁶

Due to the combination of tightening of Section 232 exclusions, combined with the globe wide reciprocal tariffs, preliminary carbon steel imports dropped sharply in April.

Total carbon steel imports totaled 1.528 million tons in April, down 18.4% from March and down a sharp 25.6% from April 2024.

- Carbon flat rolled imports dropped even more sharply, sliding to 337,997 tons.
- This is down 29.8% from March and down 50.5% from last April.
- Coated flat rolled imports saw the sharpest decline, sliding 68.7% to 154,927 tons.
- This was the lowest monthly total for coated sheet imports since December 2019.

Year-to-date carbon flat rolled imports are now down 26.7% compared to the first four months of 2024.

DEMAND

Ⓢ LIGHT VEHICLE PRODUCTION⁷

U.S. auto and light truck assemblies were virtually flat for the third consecutive month in April.

April assemblies came in at a 10.16 million unit rate, down 0.5% from the 10.22 million unit rate in March.

- Assemblies continued to slide on a year-over-year basis as well, sliding 3.8% from the 10.57 million unit rate in April 2024.
- Assemblies have now declined, on a year-over-year basis for six consecutive months.

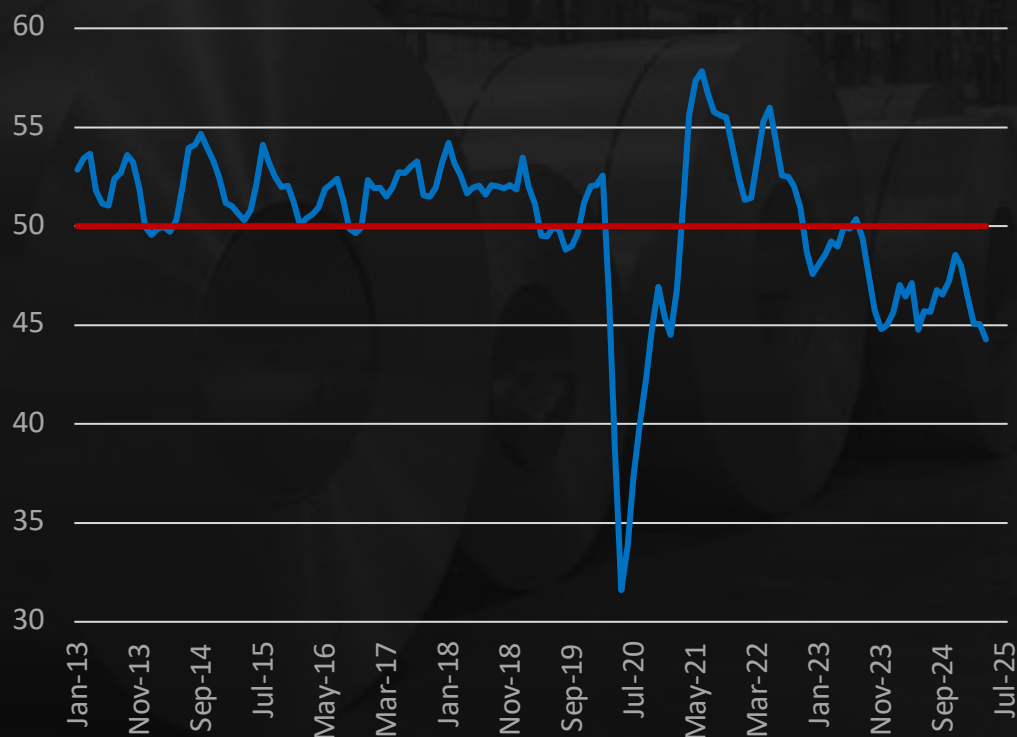
For the first four months of the year, total assemblies came in at a 9.88 million unit monthly average, below the 10.56 million unit average through the first four months of 2024.

Uncertainty around consumer spending and impacts from tariffs could negatively impact assemblies heading into the traditionally slower season.

U.S. LIGHT VEHICLE ASSEMBLIES



ARCHITECTURE BILLINGS INDEX (3MMA)



Ⓢ ARCHITECTURE BILLINGS INDEX⁸

After the post-pandemic boom, billings activity at U.S. architecture firms have now declined in twenty-eight of the last thirty-one months.

The April Architecture Billings Index came in at 43.2, down from 44.1 in March and below the 48.3 last April.

- The three-month average declined to 44.3, the lowest level since September 2020.
- Any reading below 50 shows a contraction in activity, while any reading above 50 shows expansion in activity.

Regionally, all four regions continued to show contraction with the largest decline coming from the Northeast (40.2).

The sector breakdown was similar with all three declining again.

- The commercial/industrial sector (40.5) was once again the weakest of the group.

DEMAND

EXISTING HOME SALES⁹

Sales of existing homes continued to be weak in April and has now slid in three of the first four months of 2025.

April existing home sales came in at a 4.000 million unit rate, down 0.5% from March and down 2.0% from the 4.080 million unit rate in April 2024.

- This is the third consecutive month in which sales have declined on a year-over-year basis.

YTD actual sales through April are now down 2.4% compared to the same timeframe last year.

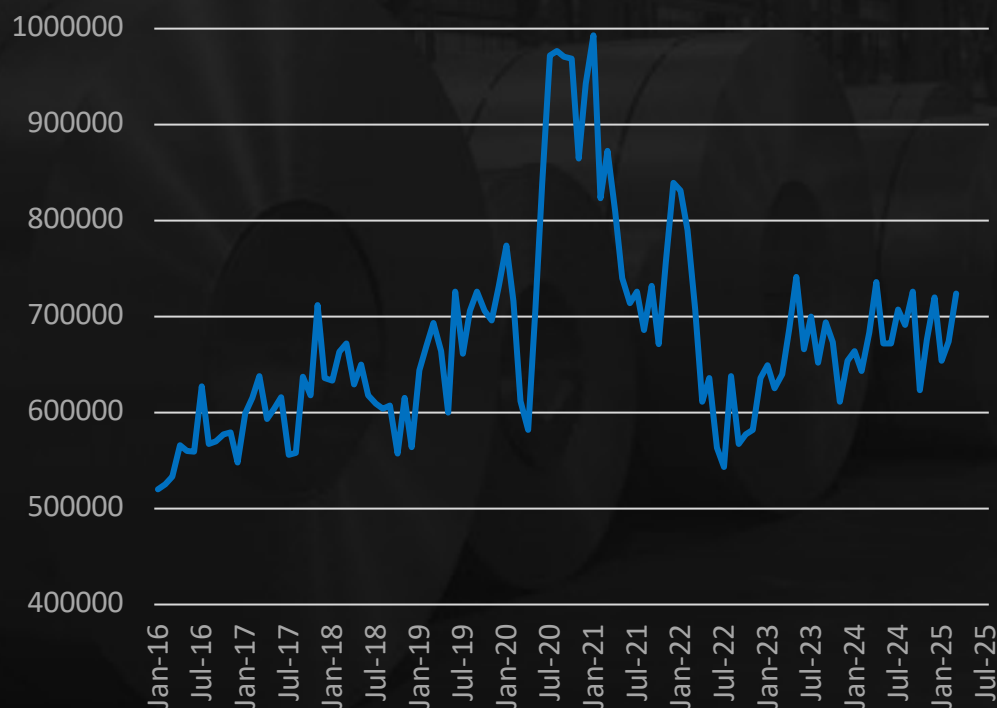
Inventory of unsold existing homes jumped once again, climbing 9.0% from March to 1.450 million units.

- The current inventory, when combined with April's sales rate, equates to 4.4 months of supply.
- This is up from 4.0 months in March and is at the highest level since May 2020.

EXISTING HOME SALES (SAAR)



NEW HOME SALES (SAAR)



NEW HOME SALES¹⁰

After sliding the first two months of the year, new home sales have now increased in back-to-back months.

New home sales came in at a 743,000 unit rate in April, up 10.9% from March and up 3.3% from the 719,000 unit rate in April 2024.

- This was the highest adjusted sales rate since February 2022.

YTD actual new home sales are still 0.8% below the level from the first four months of 2024.

- Inventory of unsold new homes slipped to 497,000 units, down from 500,000 units in March.
- The slight decline in inventory, combined with the increase in sales, pushed the months of supply lower to 7.3 months.
- This is the tightest inventory has been since last April.

The median sales price increased slightly to \$407,200 after dropping the previous two months.

WEEKLY INITIAL JOBLESS CLAIMS¹¹

The number of Americans filing new claims for unemployment benefits dipped slightly after a flat reading the prior week.

The Department of Labor's Weekly Initial Jobless Claims report came in at 227,000 claims, down from 229,000 the prior week.

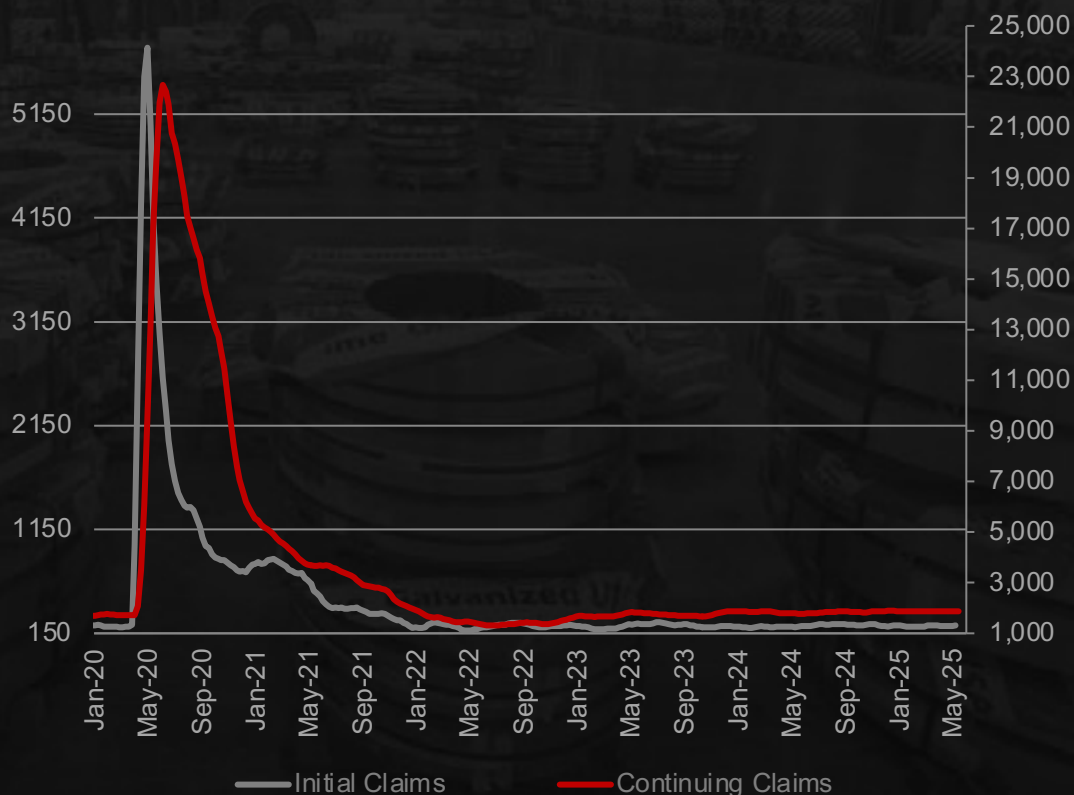
- The four-week moving average, considered a better measure of the labor market as it irons out week-to-week volatility, increased to 231,500.

Continuing claims, or claims lasting longer than one week, increased after sliding the previous two weeks.

- Continuing claims came in at 1.903 million claims, up from 1.867 million claims previously.

The labor market remains stable as companies have been reluctant to add or cut headcount due to the economic uncertainty related to tariffs.

WEEKLY INITIAL JOBLESS CLAIMS



SOURCES

- 1 Platts, Spot Iron Ore: May 23, 2025.
- 2 London Metal Exchange, Weekly Zinc Price and Inventory Report: May 23, 2025.
Shanghai Futures Exchange, Weekly Zinc Inventory Report: May 23, 2025.
- 3 Platts, Coking Coal Price: May 23, 2025.
- 4 American Iron & Steel Institute, Weekly Domestic Steel Production: May 20, 2025.
- 5 WorldSteel, Global Steel Production: April 2025.
- 6 U.S. Census Bureau, Preliminary Carbon Steel Imports: April 2025.
- 7 WardsAuto, U.S. Light Vehicle Inventory: April 2025.
- 8 American Institute of Architects, Architecture Billings Index: April 2025.
- 9 National Association of Realtors, Existing Home Sales: April 2025.
- 10 U.S. Census Bureau, New Home Sales: April 2025.
- 11 Department of Labor, Weekly Initial Jobless Claims: May 22, 2025.

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