# CORE See REPORT

Соѕт		DEMAND 15	
🕞 scrap	lead times	automotive	employment
v iron ore	production	construction	
energy	imports	appliance	
inc zinc	inventories	manufacturing	retail sales
coking coal		agriculture	trucking costs
		C consumption	

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#### COST

# ⊙ SPOT IRON ORE<sup>1</sup>

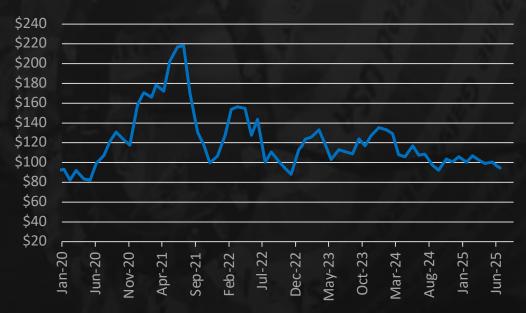
Spot iron ore dropped sharply again this week, now down seven out of the last eight weeks to a multi-month low.

Spot iron ore pricing ended the week at \$94.45/mt, down from \$95.46/mt a week ago.

 This remains the lowest price for iron ore since September 2024.

Sluggish demand in China continues to drive pricing down, however iron ore imports hit a yearly high in May, signaling a bullish outlook for the second half of the year.

### **IRON ORE COST**





## **WEEKLY ZINC PRICING**



# **≥**ZINC<sup>2</sup>

Zinc pricing rebounded slightly this week after slipping three out of the last four weeks.

Zinc pricing ended the week at \$2,614/mt (\$1.186/lb), up from \$2,562/mt (\$1.162/lb) previously.

 Zinc pricing increased as the global demand outlook improved slightly on the thought of easing trade tensions.

LME warehouse inventory dropped for the ninth consecutive week, sliding from 132,025 metric tons to 127,475 metric tons.

#### COST

# ⊙ COKING COAL<sup>3</sup>

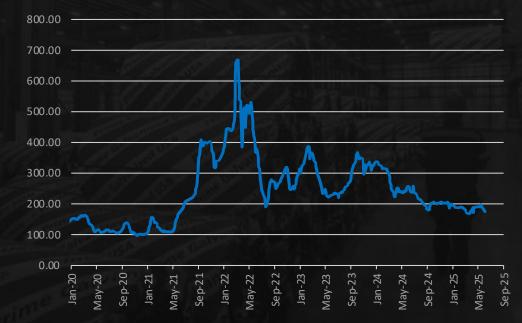
Coking coal pricing dropped again this week, now down for the fourth consecutive week.

Coking coal settled at \$173.75/mt, down from \$174.75/mt last week.

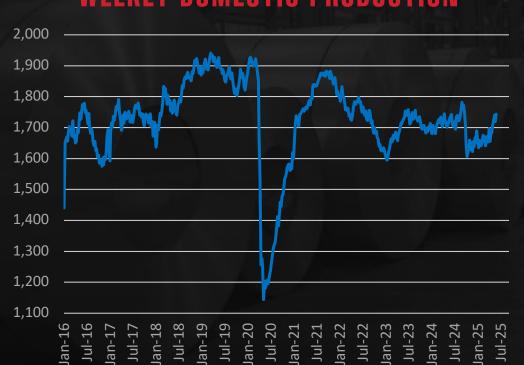
• This is remains the lowest price since early-April.

Weaker demand due to an earlier start to the Indian monsoon season, combined with ample supply, continues to push coking coal pricing lower.

## **COKING COAL PRICE**







## **WEEKLY DOMESTIC PRODUCTION**

## ⊖ WEEKLY DOMESTIC STEEL PRODUCTION<sup>4</sup>

Domestic raw steel production came in relatively flat last week after climbing seven out of the previous eight weeks.

U.S. mills produced an estimated 1,783k tons at a 79.4% utilization rate; this is down from 1,785k tons and a 79.5% rate previously.

• This remains near the highest weekly tonnage output since June 2022.

Production increased in three of the five regions, but was offset by a large drop in the Southern region.

• Production from the Southern region slipped from 802k tons to 780k tons.

Year-to-date production is still down 1.6% compared to the same timeframe from last year.

# ○ HOUSING MARKET INDEX<sup>5</sup>

Confidence from U.S. homebuilders continued to plummet in June, nearing levels last seen during the long recovery after the Great Recession.

The June Housing Market Index came in at 32, down from 34 in May and down from 43 last June.

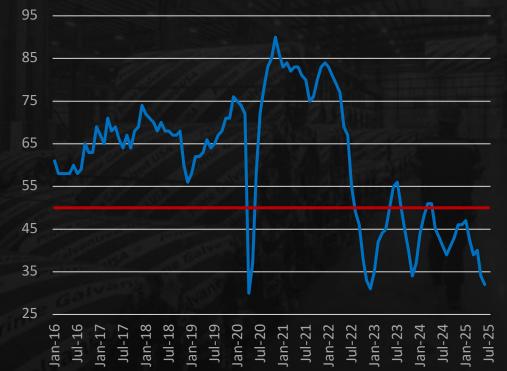
- The index has now been below 50 for twenty-two consecutive months.
- Any reading below 50 shows increased pessimism, while any reading above 50 shows increased optimism.

All three components declined in June, with both the current and next six-month outlooks sliding 2 points to 35 and 40, respectively.

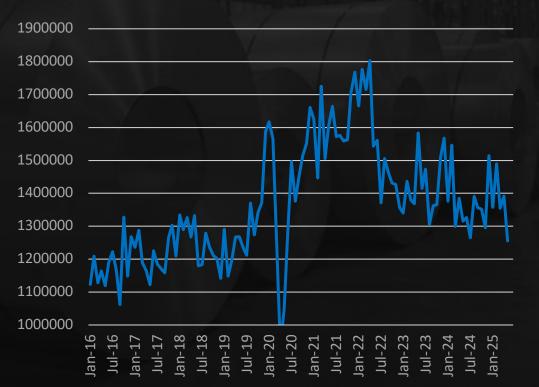
 For the current outlook, this was the lowest reading since May 2012.

Higher mortgage rates, higher building materials, uncertainty around labor availability, and general uneasiness around the economy, all played a role int he decline in June.

### **HOUSING MARKET INDEX**



## SINGLE UNIT STARTS (SAAR)



# 

New residential construction starts continued to decline in May, down sharply for the second time in the last three months.

May new residential construction starts came in at a 1.256 million unit rate, down 9.8% from April and down 4.6% from the 1.316 million unit rate in May 2024.

- This was the lowest rate since May 2020.
- The sharp drop in starts came from multi-family units, while single-family unit starts increased slightly in May.

Permits, an indicator for future construction slid again, now down for the fifth time in the last six months.

• Permits came in at a 1.393 million unit rate, the lowest rate since January 2023.

# • ARCHITECTURE BILLINGS INDEX<sup>7</sup>

Despite continuing to slow in May, activity at the architecture firm level improved from April.

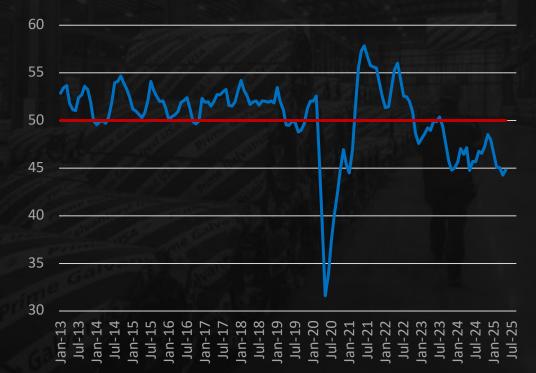
The May Architecture Billings Index came in at 47.2, up nearly 10% from 43.2 in April.

- The three month average improved to 44.8, up from 44.3 previously.
- Any reading below 50 shows a contraction in activity, while any reading above 50 shows an increase.

Regionally, all four continued to contract in May, with the biggest decline coming from the Midwest (43.5).

The sector breakdown showed similar results with the commercial/industrial sector (43.8) being the weakest.

## **ARCHITECTURE BILLNGS INDEX (3MMA)**



# **• HVAC EQUIPMENT SHIPMENTS**<sup>8</sup>

Shipments of HVAC equipment slipped slightly from March but were up on a year-over-year basis for the second consecutive month.

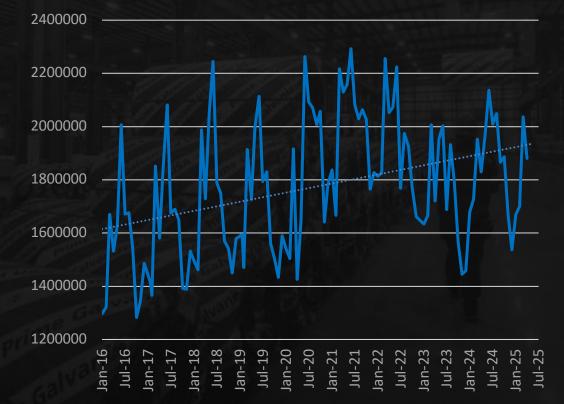
April HVAC equipment shipments totaled 1.880 million units, down 7.7% from March but were up 2.8% from the 1.830 million units in April 2024.

Looking on a year-over-year basis, to help smooth seasonality, the increase in shipments was led by furnace shipments.

- While furnace shipments were up 13.5% compared to last April, A/C & heat pump shipments were up 6.4% compared to last April.
- Water heater shipments were down slightly however, slipping 3.4% compared to last year.

Year-to-date shipments are now up 1.4% compared to the same timeframe last year.

## **HVAC EQUIPMENT SHIPMENTS**





## **EMPIRE MANUFACTURING INDEX (2MMA)**

# **○ EMPIRE MANUFACTURING INDEX**<sup>9</sup>

Business activity from the manufacturing sector in the New York region continued to decline in June.

The June Empire Manufacturing Index declined to -16.0, down from -9.2 in May and marks the fourth consecutive reading below 0.0.

- The two-month average declined to -12.6 from -8.7 previously.
- Any reading above 0.0 shows increased activity, while any reading below 0.0 shows contraction.

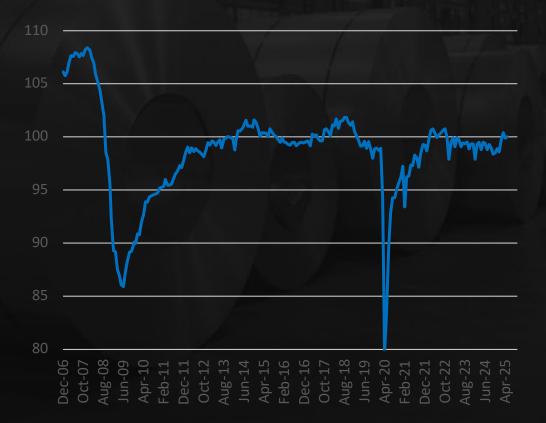
Both the new order and shipment components declined at faster rates in June, coming in at -14.2 and -7.2, respectively.

• The unfilled order component came in at -8.3, down sharply from 4.8 in May.

After turning pessimistic in April and May, respondents are expecting conditions to improve over the next six months.

• The index for future general business conditions increased as well.

## **INDUSTRIAL PRODUCTION (MANUFACTURING)**



## ♥ INDUSTRIAL PRODUCTION/ CAPACITY UTILIZATION<sup>10</sup>

After a slight increase in April, total industrial production slipped in May.

The May industrial production index came in at 103.6, down slightly from 103.8 in April.

- Manufacturing output increased slightly climbing to 100.0, up from 99.9 in April.
- The gain in the manufacturing component was boosted by a 4.9% increase in motor vehicle and part output.
- Manufacturing excluding motor vehicle and parts slipped 0.3%.

Total capacity utilization rate slipped to 77.4%, 2.2% below the 50-year average.

 Capacity utilization for manufacturing was flat (76.7%) from April but remains 1.5% below the longrun average.

# **TRACTOR & COMBINE SHIPMENTS**<sup>11</sup>

Shipments of North American (Canada and USA) tractors and combines continued to be slow compared to year ago levels.

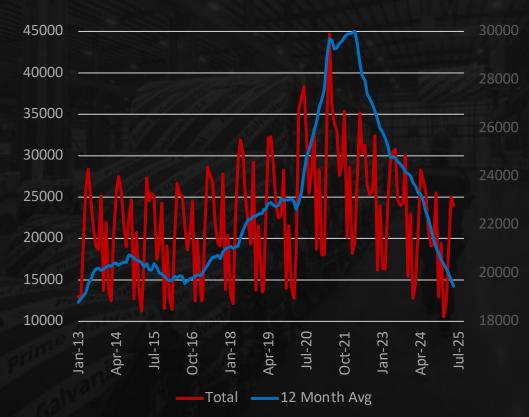
May shipments totaled 23,997 units, down 4.1% from April and were down 11.4% from May 2024.

 This was the twenty-fourth consecutive month in which shipments declined on a year-over-year basis and the thirteenth consecutive month to see double-digit y/y declines.

Shipments of both tractors and combines were weaker than last year, sliding 11.4% and 10.5%, respectively.

Year-to-date shipments are now down 12.6% compared to the same timeframe last year.

## **TRACTOR & COMBINE SHIPMENTS**



#### ECONOMIC

# • WEEKLY INITIAL JOBLESS CLAIMS<sup>12</sup>

The number of Americans filing new claims for unemployment benefits ticked down slightly last week.

The Department of Labor's Weekly Initial Jobless Claims report came in at 245,000 claims, down from 250,000 claims previously.

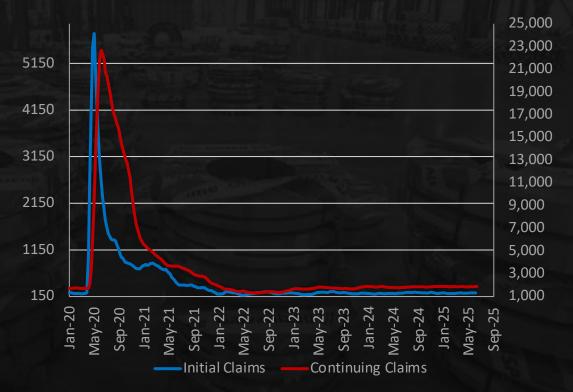
• The four-week moving average, considered a better measure of the labor market as it irons out week-to-week volatility, increased again to 245,500.

Continuing claims, or claims lasting longer than one week, decreased slightly after hitting the highest level since November of 2021.

• Continuing claims came in at 1.945 million claims, down sharply from 1.951 million claims previously.

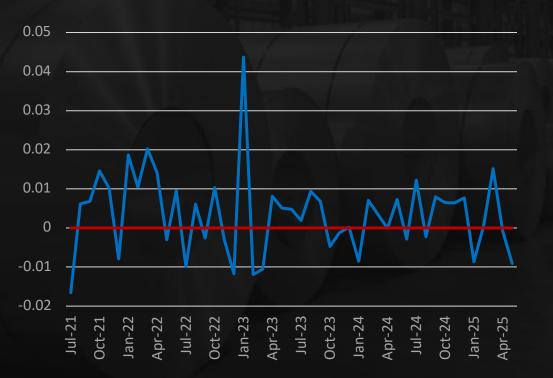
Historically low layoffs have accounted for much of the labor market stability; however employers have slowed hiring amid uncertainty around tariffs.

## **WEEKLY INITIAL JOBLESS CLAIMS**



#### ECONOMIC

## M/M RETAIL SALES



# • RETAIL SALES<sup>13</sup>

May adjusted retail sales slipped from April, sliding 0.9% but was up 3.3% compared to a year ago. May retail sales came in at a \$715.4 billion rate, the lowest level since February.

• Total sales, over the past three months, increased 4.5% compared to the same three month period last year.

Sales at gas stations came in at a \$49.8 billion rate, down 2.0% from April and down a sharp 6.9% from May 2024.

Other kinds of business to see declines in May were motor vehicle dealers, building material & garden stores, and grocery stores.

 These declines, and others, more than overcame the increases in sales from clothing stores, furniture stores, and sporting good stores.

#### ECONOMIC

#### **TRUCKING COSTS** 4.00 3.80 3.60 3.40 3.20 3.00 2.80 2.60 2.40 2.20 2.00 Jan-19 Jan-20 Jul-19 Jul-25 lan-25 Jul-20 lan-21 Jul-21 Jan-22 Jul-22 lan-23 Jul-23 lan-24 Jul-24

# ▲ INFERRED FREIGHT RATES<sup>14</sup>

Freight rates for the trucking transportation industry continued to climb in May, now up for the fourth straight month.

The May inferred freight rates (a simple equation of cost of shipments divided by total shipments) increased to 3.143.

- This is up 1.8% from April and is up 5.0% from the 2.995 rate in May 2024.
- The increase in May pushed rates to their highest level since April 2023.

The continued increase in total expenditures, combined with a slight decline in the shipment index, helped to push inferred freight rates higher.

## SOURCES

- <sup>1</sup> Platts, Spot Iron Ore: June 20, 2025.
- London Metal Exchange, Weekly Zinc Price and Inventory Report: June 20, 2025.
  Shanghai Futures Exchange, Weekly Zinc Inventory Report: June 20, 2025.
- <sup>3</sup> Platts, Coking Coal Price: June 20, 2025.
- 4 American Iron & Steel Institute, Weekly Domestic Steel Production: June 17, 2025.
- 5 National Association of Homebuilders, Housing Market Index: June 2025.
- 6 U.S. Census Bureau, New Residential Construction: May 2025.
- 7 American Institute of Architects, Architecture Billings Index, May 2025.
- 8 A/C Heating & Refrigeration Institute, HVAC Equipment Shipments: April 2025.
- <sup>9</sup> NY Federal Reserve, Empire State Manufacturing Index: June 2025.
- <sup>10</sup> Federal Reserve, Industrial Production/Capacity Utilization: May 2025.
- Association of Equipment Manufacturers, Tractor and Combine Shipments: May 2025.
- <sup>12</sup> Department of Labor, Weekly Initial Jobless Claims: June 19, 2025.
- <sup>13</sup> Cass Information Systems, Transportation Index: May 2025.
- <sup>14</sup> U.S. Census Bureau, Retail Sales: May 2025.

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