



MAJESTIC  
STEEL USA

# CORE REPORT

06.27.25

## 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

11

- ⬆ employment
- ⊖ inflation
- ⬇ confidence
- ⊖ retail sales
- ⊖ trucking costs



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## COST

### ▲ SPOT IRON ORE<sup>1</sup>

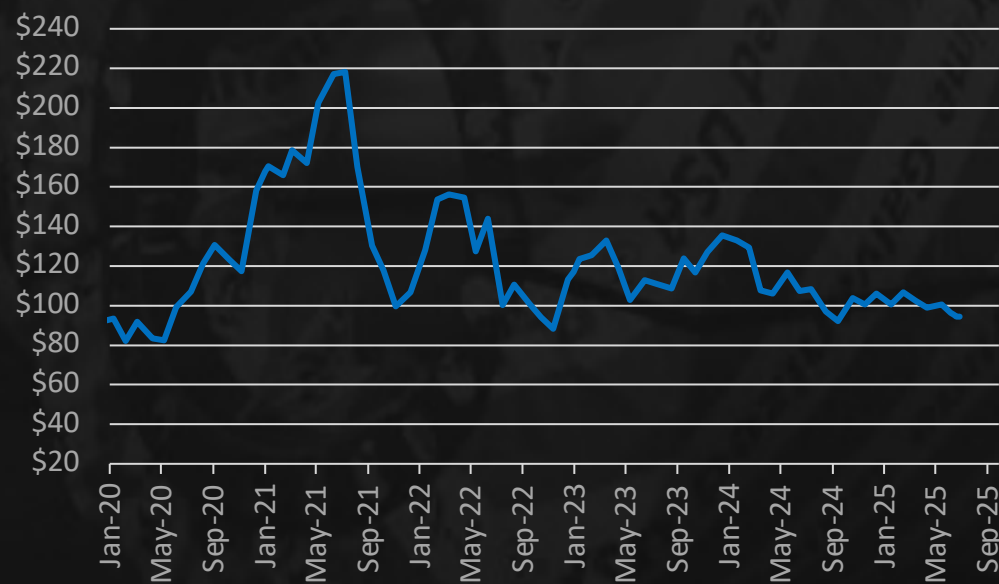
Spot iron ore rebounded slightly this week after slipping seven out of the previous eight weeks.

Spot iron ore pricing ended the week at \$94.50/mt, up from \$94.45/mt a week ago.

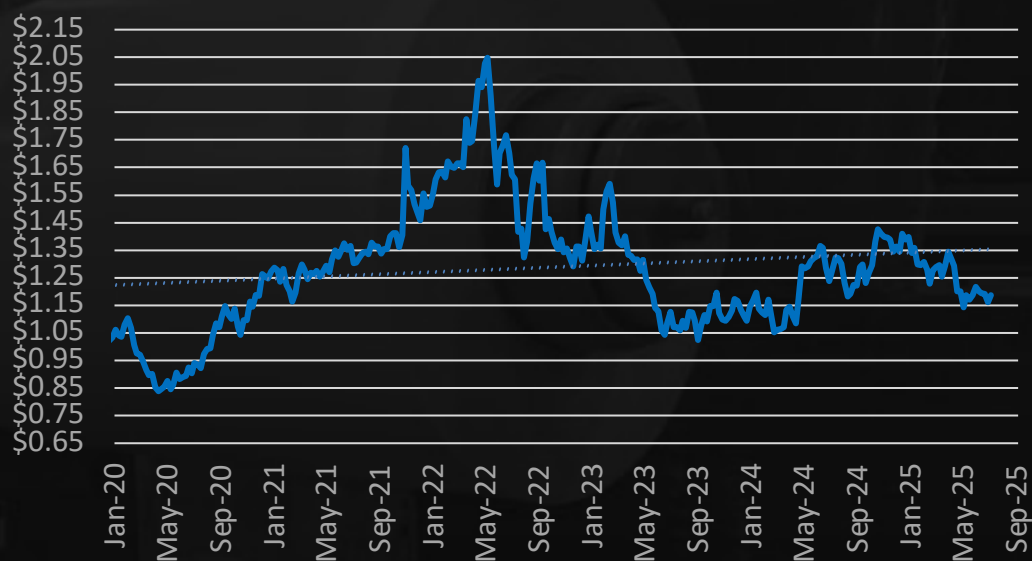
- Iron ore has remained in a tight range over the past two months, hovering near the lowest level since September 2024.

Chinese mills continue to restock iron ore in anticipation of higher demand in the second half of the year, with June deliveries on pace to hit the highest level since the end of 2023, exceeding 109 million tons.

## IRON ORE COST



## WEEKLY ZINC PRICING



Zinc pricing increased sharply this week to the highest level since March.

Zinc pricing ended the week at \$2,752.50/mt (\$1.249/lb), up from \$2,614/mt (\$1.186/lb) previously.

- Easing trade tensions over the last several weeks, along with the ceasefire between Israel and Iran helped stabilize the market.
- China's retail sales for May hit the highest level since December 2023, which also provided a positive short-term boost to demand.

LME warehouse inventory dropped for the tenth consecutive week, sliding from 127,475 metric tons to 119,850 metric tons.

Shanghai warehouse inventory increased slightly, climbing from 42,864 metric tons to 43,633 metric tons.

## COST

### ▼ COKING COAL<sup>3</sup>

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

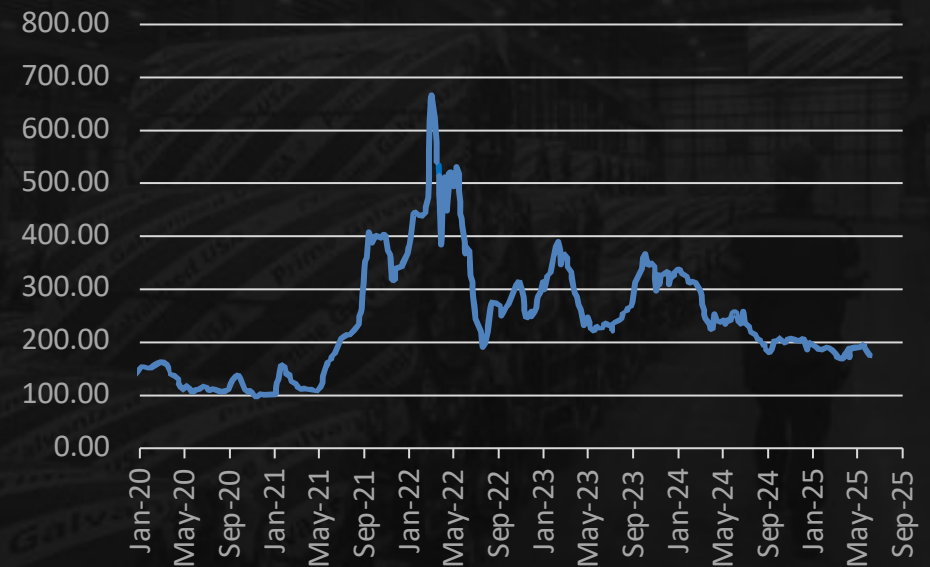
Coking coal settled at \$173.50/mt, down slightly from \$173.75/mt last week.

- This remains the lowest price since early-April as pricing continues to trend lower.

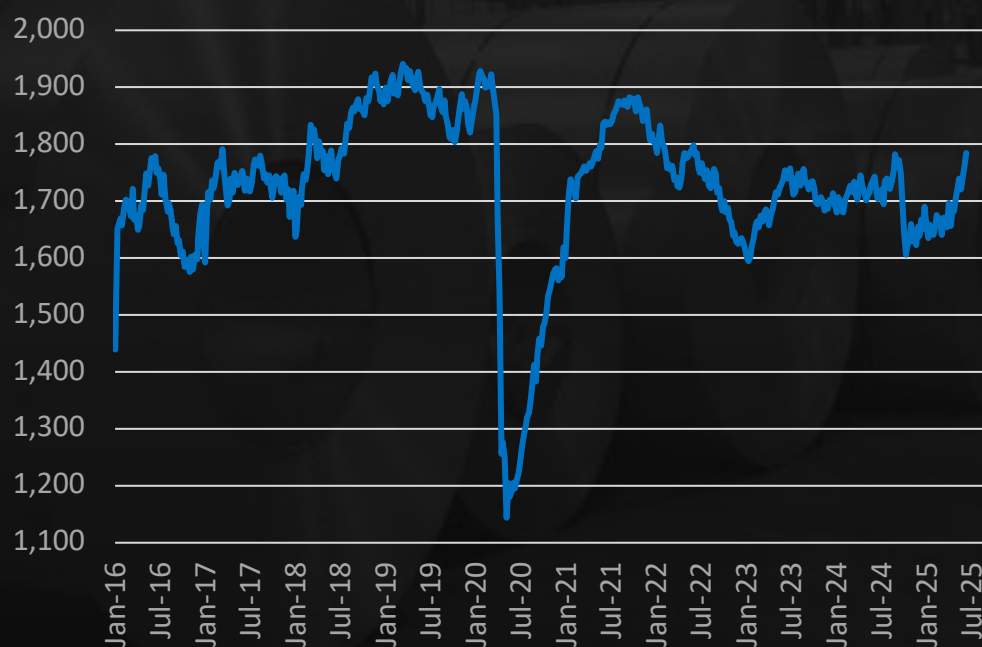
Global coking coal exports from January-May 2025 decreased by 1.4% year-over-year to approximately 139 million tons.

- Demand for coal continues to be impacted by a decline in global steel production, lower steel prices, trade uncertainty, and slowing demand in China.

### COKING COAL PRICE



## WEEKLY DOMESTIC PRODUCTION



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

Domestic raw steel production increased last week, now up eight out of the last ten weeks.

U.S. mills produced an estimated 1,787k tons at a 79.6% utilization rate; this is up from 1,783k tons and a 79.4% rate previously.

- This is the highest weekly tonnage output since June 2022.

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

- Production from the Great Lakes region spiked from 556k tons to 564k tons.

Year-to-date production is now down 1.1% compared to the same timeframe from last year.

## SUPPLY

### GLOBAL STEEL PRODUCTION<sup>5</sup>

Global steel production continued to slide in May, now down for the second consecutive month.

- Global steel production came in at a 5.122 million ton/day rate in May, down 1.6% from April.
- Production was down 3.8% from 5.323 million unit ton/day rate in May 2024, the first y/y decline since January.

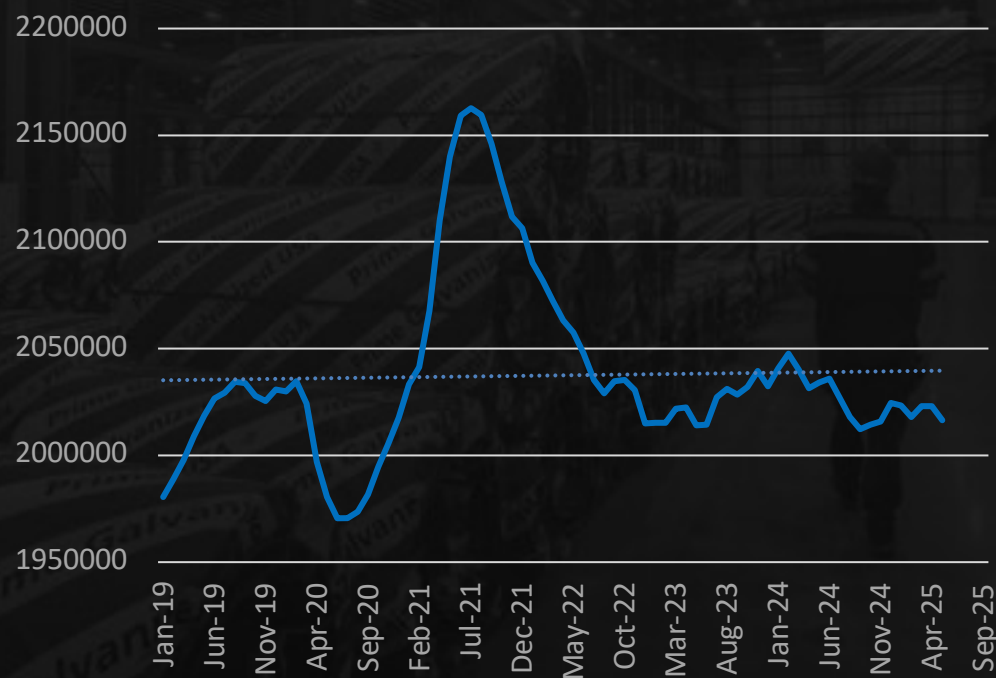
Chinese production came in at a 2.792 million ton/day rate, down 2.6% from April and is the lowest daily rate since December.

- Global production, excluding China, came in at a 2.330 million ton/day rate.

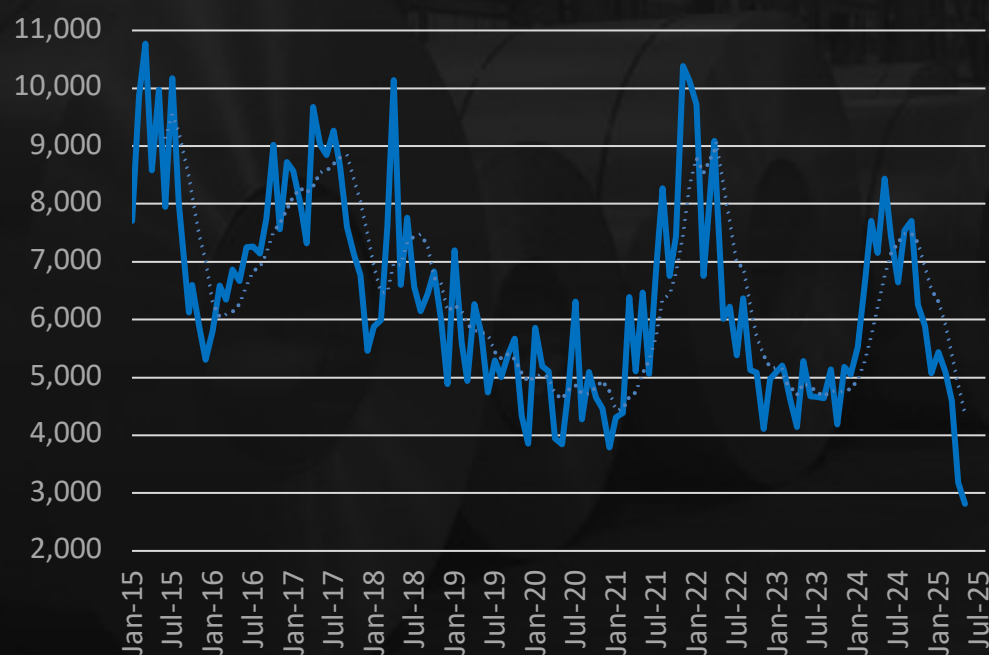
North American production came in at 305k tons/day rate, up 2.1% and the highest daily rate since June 2023.

- The 3.2% boost in U.S. production pushed total North American production higher.

### GLOBAL STEEL PRODUCTION (r12)



## HDG DAILY IMPORT RATE



## ⊙ CARBON STEEL IMPORTS<sup>6</sup>

After dropping sharply in April, preliminary May carbon steel imports increased.

May carbon steel imports totaled 1.897 million tons, up 24.0% from April but were still nearly 14.0% below the 2.200 million ton total from last May.

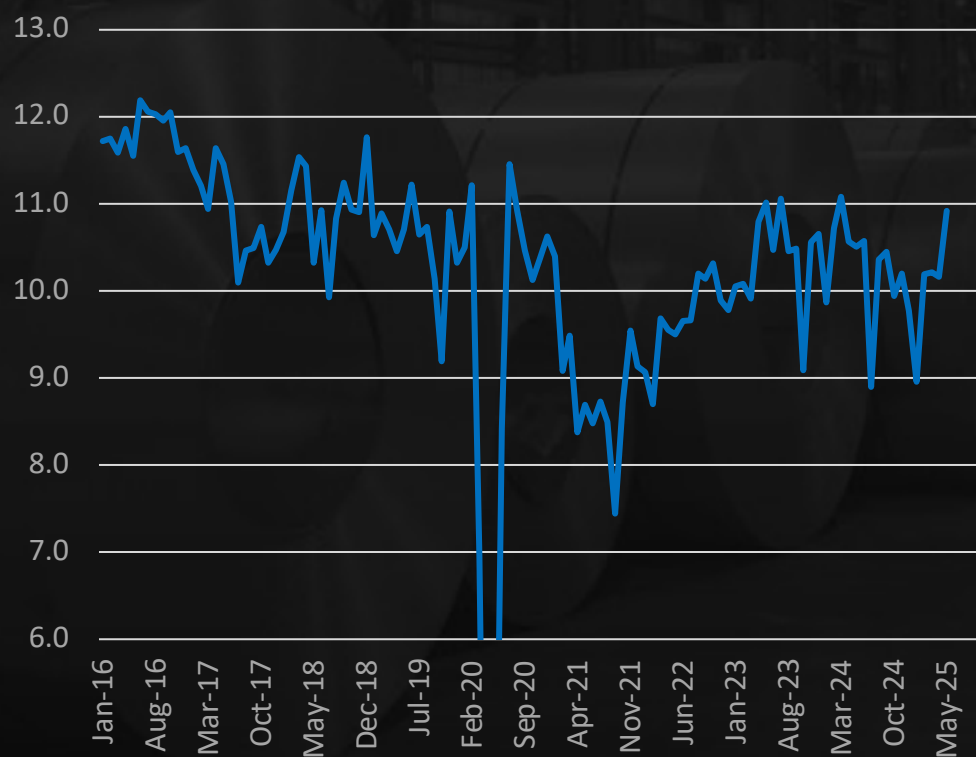
- Carbon flat rolled imports came in at 399,272 tons, up from April but down 41.9% from last May.
- Total carbon flat rolled imports were below 400,000 tons for the second consecutive month.

Within flat rolled a sharp jump in hot rolled imports helped to outweigh the continued drop in cold rolled imports.

- Hot-dipped galvanized imports came in at a 2,813 ton/day rate in May, down from the 3,176 tons/day rate in April.
- The current HDG daily import rate was the lowest February 2011.

Despite the increase in May, YTD carbon flat rolled imports are 29.8% below the total from the same timeframe last year.

## U.S. LIGHT VEHICLE ASSEMBLIES



## ▲ LIGHT VEHICLE PRODUCTION<sup>7</sup>

After slowing in April, U.S. light vehicle assemblies increased in May.

May light vehicle assemblies came in at a 10.92 million unit rate, up 7.5% from the April rate.

- This was the highest monthly rate since March 2024.

The recent ease in tariffs on vehicles between the U.S. and Canada, combined with the continued 25% on other foreign auto imports, helped to push auto assemblies higher.

The recent easing of dealer inventories continue to help spur continued assemblies domestically.

## DEMAND

### EXISTING HOME SALES<sup>8</sup>

After sliding the previous two months and in three of the past four months, sales of existing homes increased slightly in May.

May existing home sales came in at 4.030 million unit rate, up 0.8% from April but down 0.7% from the 4.060 million unit rate in May 2024.

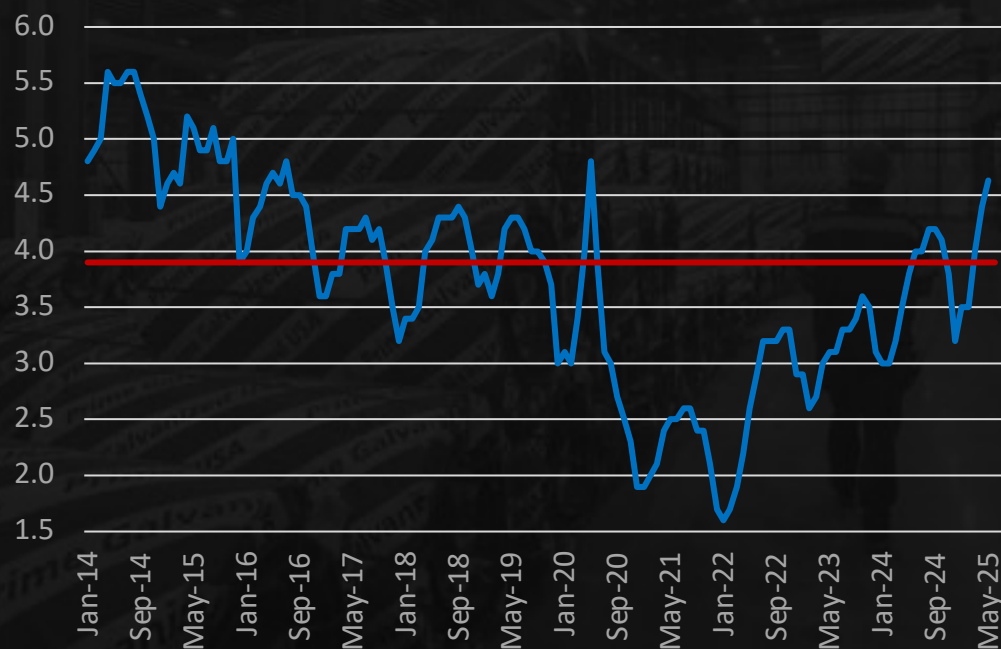
- Sales have now declined, on a year-over-year basis, for the fourth consecutive month.

The inventory of unsold existing homes ended May at 1.540 million units, up 6.2% from April and is now at its highest level since May 2020.

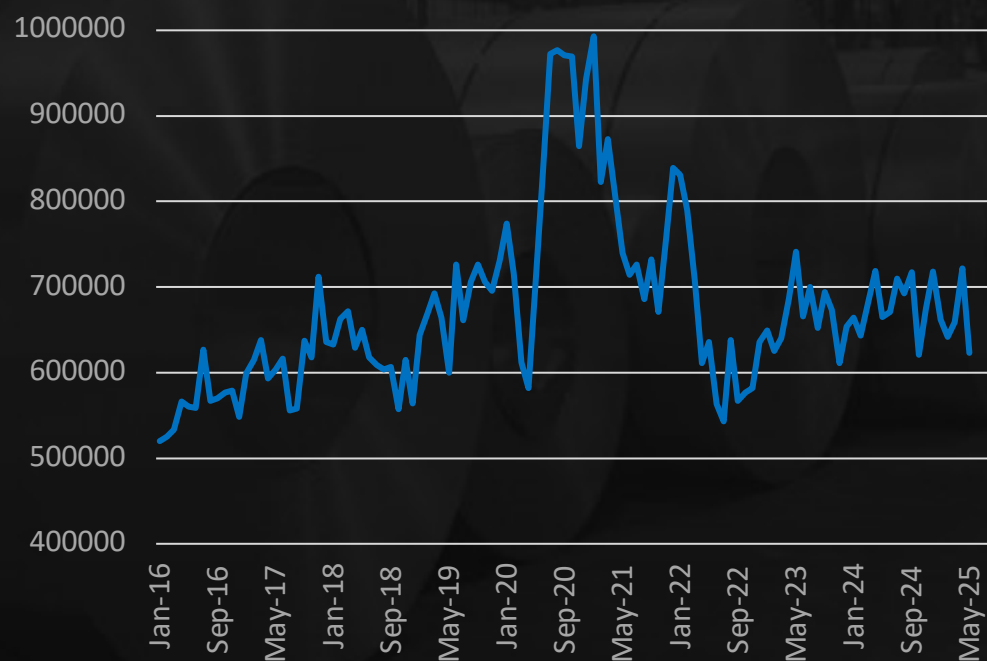
- The current inventory, when using May's sales rate, equates to 4.6 months of supply.
- This is up from 4.4 months in April and remains well above the five-year average of 3.1 months.

The median sales price increased to \$422,800, the highest since last June.

### EXISTING HOME MONTHS OF SUPPLY



## NEW HOME SALES (SAAR)



## NEW HOME SALES<sup>9</sup>

After climbing the previous two months, new home sales dropped sharply in May.

May new home sales came in at a 623,000 unit rate, down 13.7% from April and down 6.3% from the 665,000 unit rate last May.

- The current sales rate is at its lowest level since October.

The inventory of unsold new homes at the end of May totaled 502,000 units, up 1.6% from April and 7.7% from last May.

- Inventory surpassed 500k units for the first time since November 2007.

Current inventory, when factoring in May's sales rate, equates to 8.9 months of supply.

This is up from 7.4 months in April and above the five-year average of 7.3 months.

## DEMAND

### ▲ DURABLE GOODS<sup>10</sup>

After declining in April, new orders for durable goods increased sharply in May and are now up five of the last six months.

Durable good new orders increased to a \$343.6 billion rate, up 16.4% from April.

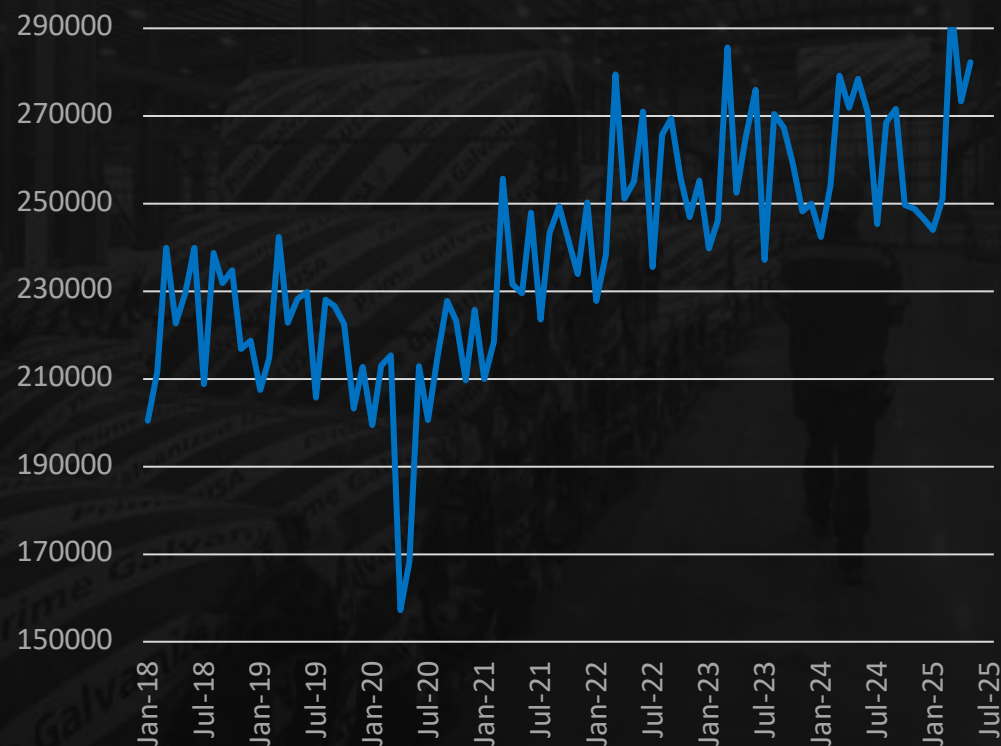
- The boost in May was almost solely from transportation as new orders ex. transportation increased 0.5%.

New orders for both primary metals and fabricated metal products increased in May, climbing 0.1% and 0.7%, respectively.

Nondefense capital good new orders were 49.4% from April and were up 1.7% when excluding aircraft.

- These new orders are a key indicator in the US manufacturing sector and the increase in May is a positive for the sector.

### DURABLE GOODS NEW ORDERS



## WEEKLY INITIAL JOBLESS CLAIMS<sup>11</sup>

The number of Americans filing new claims for unemployment benefits ticked down slightly for the second consecutive week.

The Department of Labor's Weekly Initial Jobless Claims report came in at 236,000 claims, down from 246,000 claims previously.

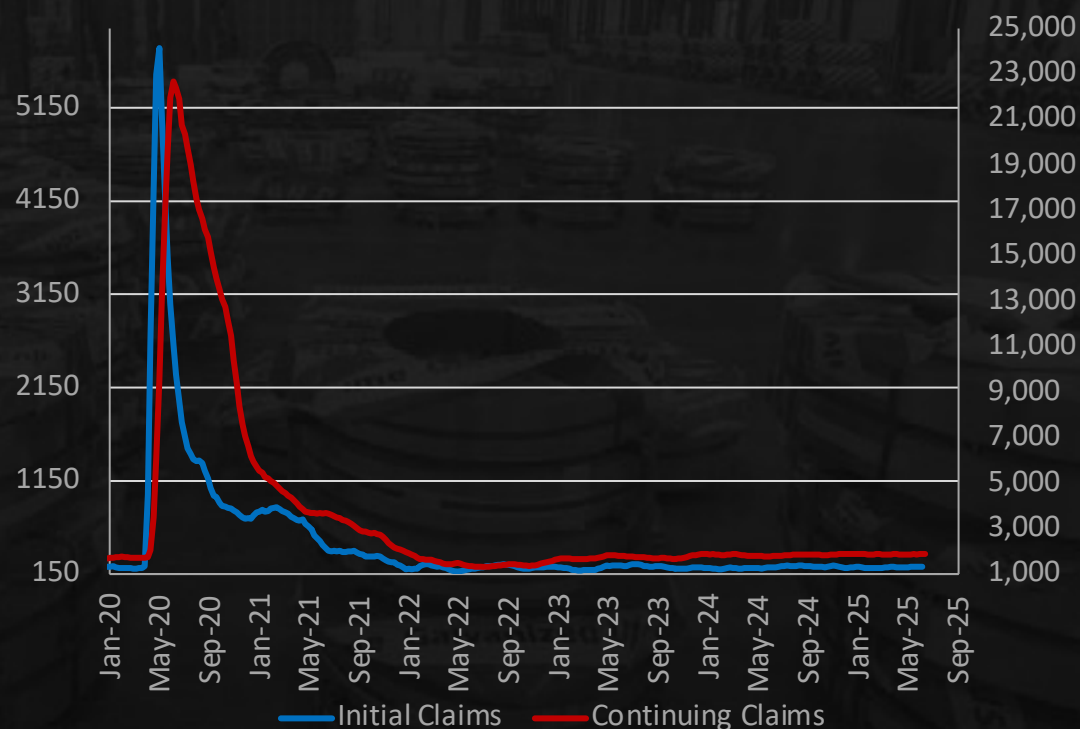
- The four-week moving average, considered a better measure of the labor market as it irons out week-to-week volatility, decreased slightly to 245,000.

Continuing claims, or claims lasting longer than one week, increased slightly.

- Continuing claims came in at 1.974 million claims, up sharply from 1.937 million claims previously.

Though layoffs remain historically low, hiring has slowed as many are uncertain about how President Trump's import tariffs will impact business.

## WEEKLY INITIAL JOBLESS CLAIMS



 **CONSUMER CONFIDENCE<sup>12</sup>**

Confidence among U.S. consumers slipped again in June, easing after the strong gain in May.

The June Consumer Confidence Index came in at 93.0, down from 98.4 in May.

- The Present Situation Index fell by over 6.0 points to 129.1.
- The Expectations Index, based on a short-term outlook, fell over 4.5 points to 69.0.
- The Expectations Index remains well below the threshold of 80 that typically signals a recession ahead.

According to the survey, respondents purchasing plans for cars held steady from May, remaining at the highest level since December.

- Purchasing plans for homes declined, however.

## SOURCES

- 1 Platts, Spot Iron Ore: June 27, 2025.
- 2 London Metal Exchange, Weekly Zinc Price and Inventory Report: June 27, 2025.  
Shanghai Futures Exchange, Weekly Zinc Inventory Report: June 27, 2025.
- 3 Platts, Coking Coal Price: June 27, 2025.
- 4 American Iron & Steel Institute, Weekly Domestic Steel Production: June 24, 2025.
- 5 WorldSteel, Global Steel Production: May 2025.
- 6 Census Bureau, Preliminary Steel Imports: May 2025.
- 7 WardsAuto, U.S. Light Vehicle Assemblies, May 2025.
- 8 National Association of Realtors, Existing Home Sales: May 2025.
- 9 U.S. Census Bureau, New Home Sales: May 2025.
- 10 U.S. Census Bureau, Durable Goods: May 2025.
- 11 Department of Labor, Weekly Initial Jobless Claims: June 26, 2025.
- 12 Conference Board, Consumer Confidence Index: June 2025.

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