



MAJESTIC
STEEL USA

CORE REPORT

07.03.25

COST

01

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

SUPPLY

04

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

DEMAND

05

- ▼ automotive
- ▼ construction
- ⊖ appliance
- ▼ manufacturing
- ⊖ agriculture
- ⊖ durable goods

ECONOMIC

09

- ▲ employment
- ⊖ inflation
- ⊖ confidence
- ⊖ retail sales
- ⊖ trucking costs



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**MAJESTIC
STEEL USA**

COST

SPOT IRON ORE¹

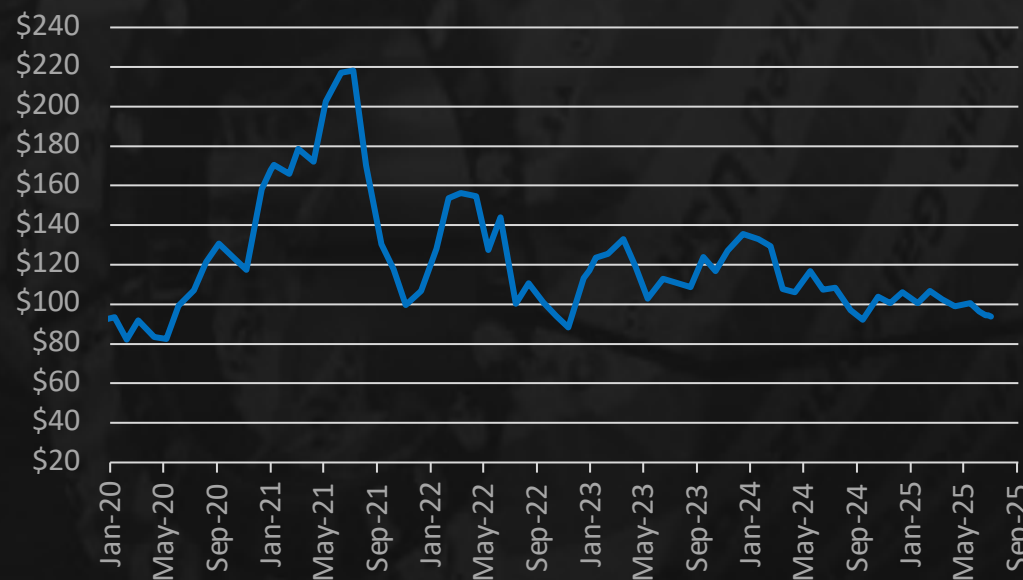
Spot iron ore resumed its downward momentum this week, now down eight out of the last nine weeks.

Spot iron ore pricing ended the week at \$93.70/mt, down from \$94.50/mt a week ago.

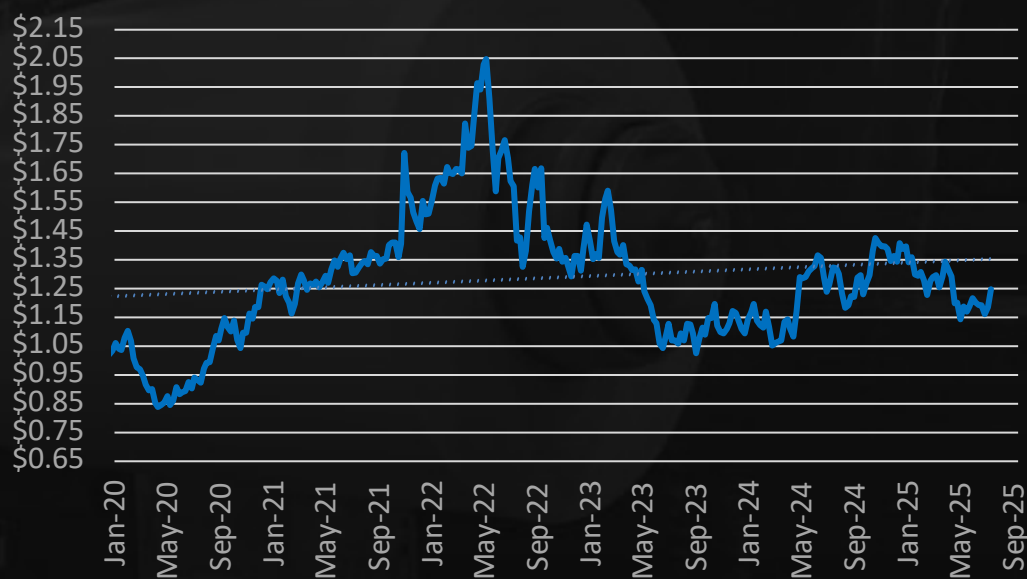
- Iron ore has remained in a tight range over the past two months, hovering near the lowest level since September 2024.

Weak global steel demand continues to drive down iron ore pricing, particularly in China where the construction sector is struggling.

IRON ORE COST



WEEKLY ZINC PRICING

ZINC²

Zinc pricing decreased slightly this week after hitting the highest level since March.

Zinc pricing ended the week at \$2,726.50/mt (\$1.237/lb), down from \$2,752.50/mt (\$1.249/lb) previously.

- Easing trade tensions over the last several weeks continues to provide some tailwinds, however Chinese zinc stockpiles continue to grow as construction demand remains stagnant.

LME warehouse inventory dropped for the eleventh consecutive week, sliding from 119,850 metric tons to 113,425 metric tons.

COST

▲ COKING COAL³

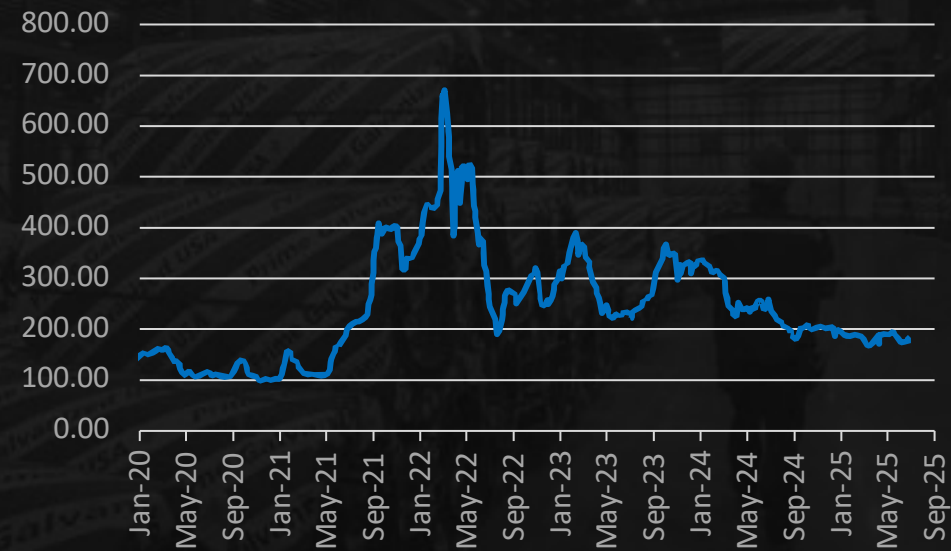
Coking coal pricing rebounded this week after sliding the previous five weeks.

Coking coal settled at \$182/mt, up from \$173.50/mt last week.

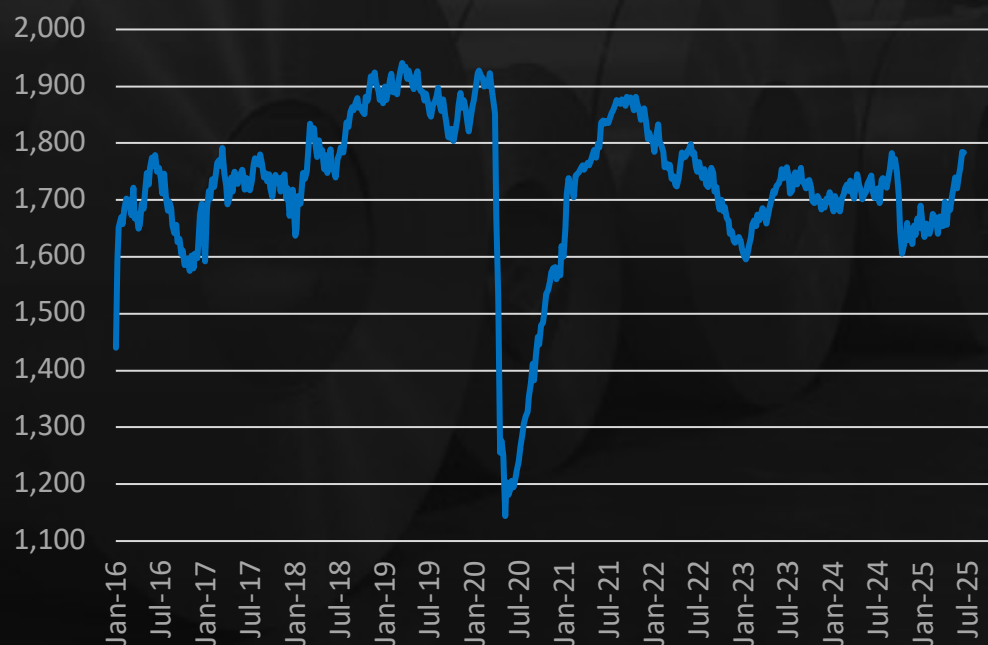
- This is the highest price for coal since the first week of June.

Despite the increase, pricing is still down from last month and last year however, sliding 11.4% and 27.0%, respectively.

COKING COAL PRICE



WEEKLY DOMESTIC PRODUCTION



▼ WEEKLY DOMESTIC STEEL PRODUCTION⁴

Domestic raw steel production ticked down last week after hitting a multi-year high the week prior.

U.S. mills produced an estimated 1,776k tons at a 79.1% utilization rate; this is down from 1,787k tons and a 79.6% rate previously.

- This was down slightly after hitting 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 Midwest region.

- Production from the Midwest region slipped from 248k tons to 226k tons.

Year-to-date production is now almost flat from last year, down 0.8% year-over-year.

U.S. LIGHT VEHICLE SALES (SAAR)



⓪ LIGHT VEHICLE SALES⁵

The strong surge in buying during the March/April time frame to get ahead of any potential tariff price increases helped to pull demand forward and negatively impact sales in June.

June light vehicle sales came in at a 15.3 million unit rate, down from a 15.6 million unit rate in May.

- Despite the m/m slowing in sales, light vehicle sales were up 2.1% compared to the 15.0 million unit rate in June 2024.

Through 1H 2025, light vehicle sales are on a 16.25 million unit annualized pace, up from the 15.54 million unit pace in the first half of 2024 and up from the 15.86 million unit total for all of 2024.

DEMAND

CONSTRUCTION SPENDING⁶

Total construction spending continued to slide in May, now down for the seventh consecutive month.

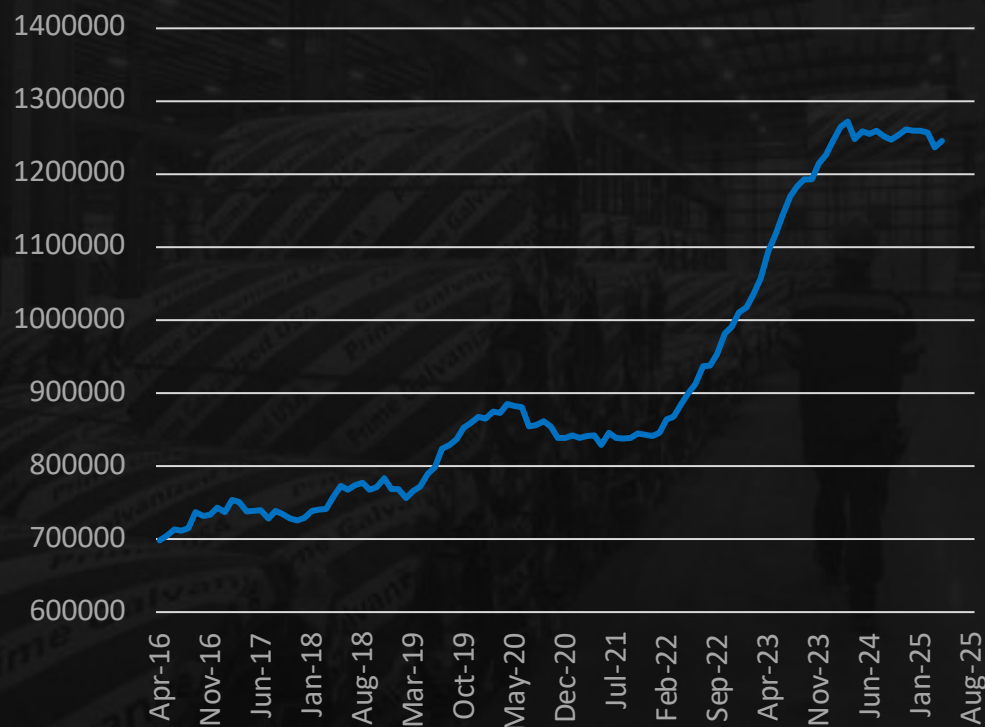
Construction spending came in at a \$2.138 trillion rate in May, down 0.3% from April and down 3.5% from May 2024.

Spending on both non-residential and residential projects decline in May, sliding 0.2% and 0.5%, respectively.

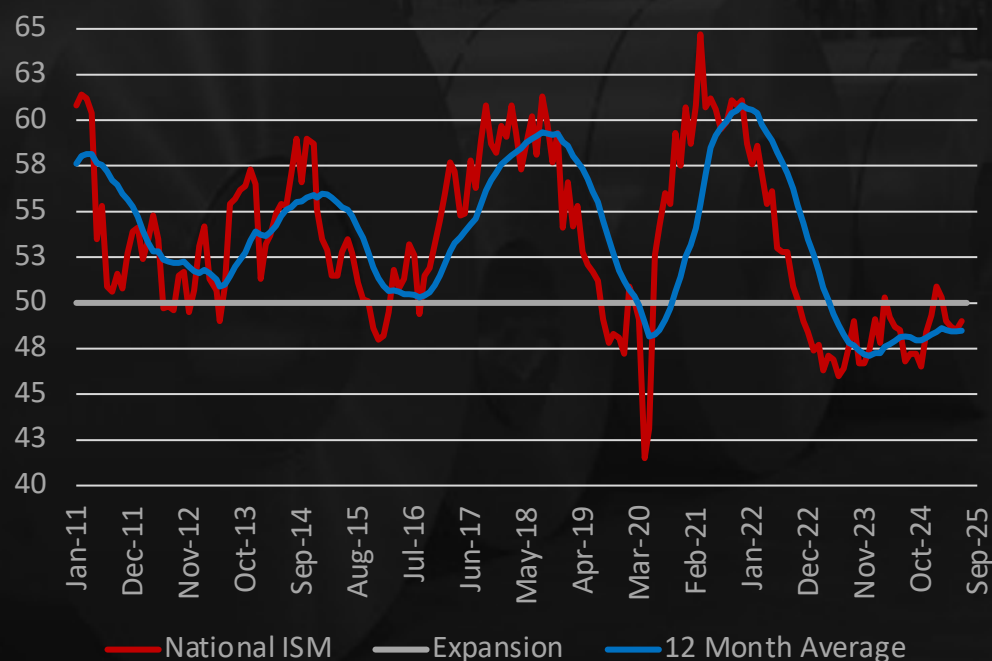
- Residential construction spending is now at its lowest annual rate since October 2023.

Non-residential projects to see the largest month-over-month declines were religious, lodging, and commercial sectors.

NON-RESIDENTIAL SPENDING (SAAR)



ISM MANUFACTURING INDEX



ISM MANUFACTURING INDEX⁷

Economic activity in the manufacturing sector contracted in June, albeit at its slowest rate since February.

The June Manufacturing PMI came in at 49.0, up from 48.5 in both May and June of last year.

- Despite the improvement, the index has remained in contraction for four consecutive months.

The decent (4.9) jump higher in the production index, which pushed it into expansion at 50.3, was not enough to overcome the slides seen in new orders (-1.2), employment (-1.8) and backlog of orders (-2.8).

- Inventories continued to contract in June but at a much slower rate and are now just a tab below neutral.

Tariffs, geopolitical issues, economic uncertainty, and rising prices, all have played a role in the recent contraction in manufacturing.

DEMAND

CHICAGO PMI⁸

A key indicator measuring the health of the manufacturing sector in the Chicago region continued to contract in June.

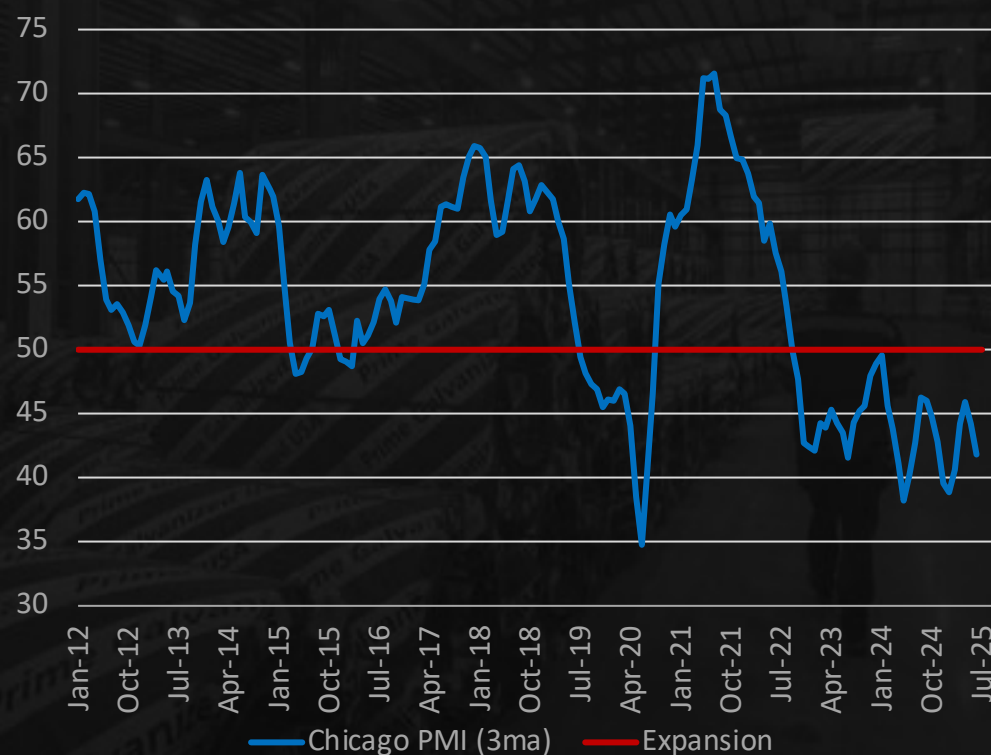
The Chicago PMI came in at 40.4, down slightly from 40.5 in May and is now at its lowest level since January.

- The index has now been below 50 for nineteen consecutive months.
- Any reading below 50 indicates a contraction of the manufacturing sector, while any reading above 50 indicates expansion.

Declines in supplier deliveries, production, employment, and order backlogs more than offset a strong increase in new orders.

- The 1.5 point decline in order backlogs pushed the component to its lowest level since May 2020.
- Only 4% of respondents reported larger backlogs, the lowest percentage since 1980.

CHICAGO PMI



▼ WEEKLY INITIAL JOBLESS CLAIMS⁹

The number of Americans filing new claims for unemployment benefits ticked down slightly to a six-week low.

The Department of Labor's Weekly Initial Jobless Claims report came in at 233,000 claims, down from 237,000 claims previously.

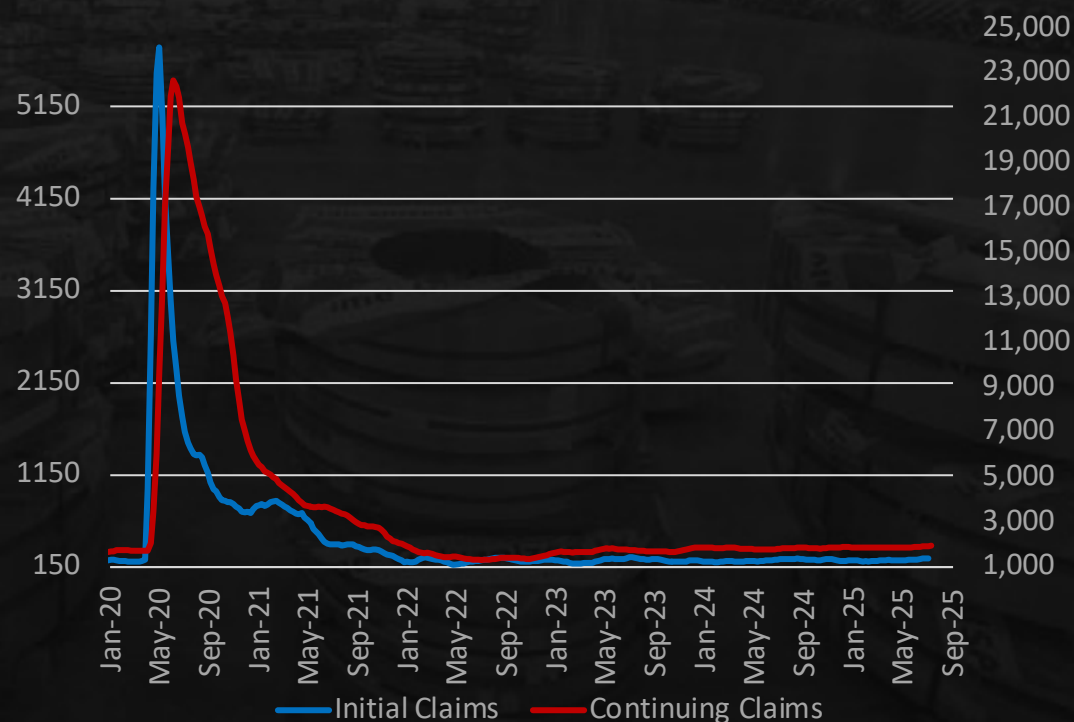
- The four-week moving average, considered a better measure of the labor market as it irons out week-to-week volatility, decreased slightly to 241,500.

Continuing claims, or claims lasting longer than one week, came in unchanged from the prior week.

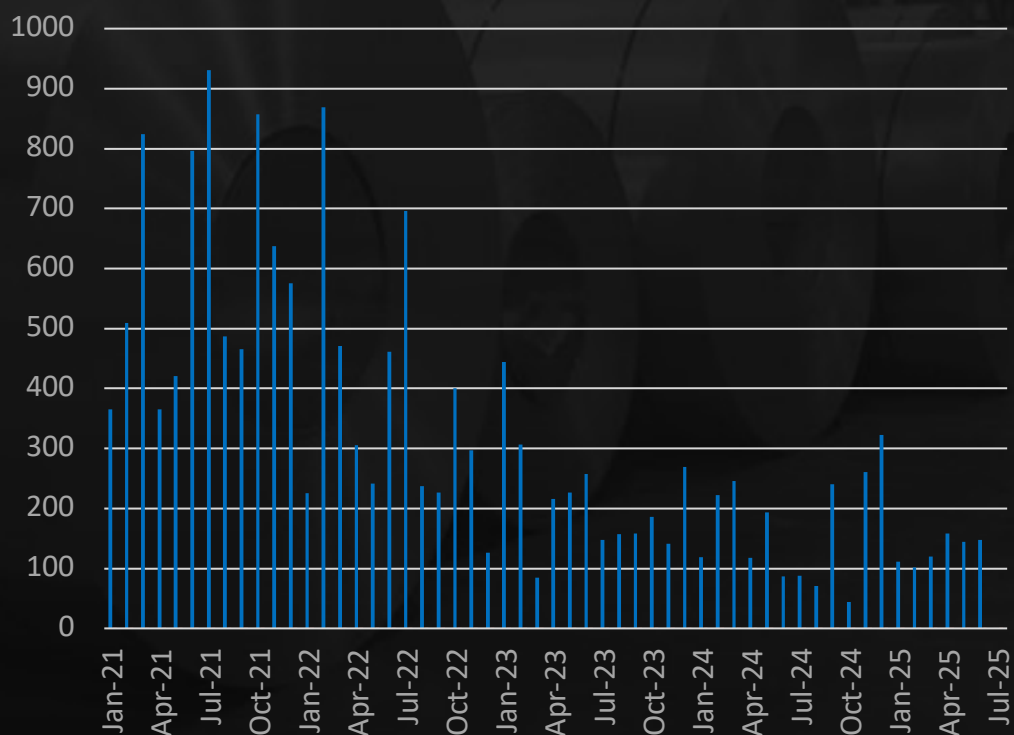
- Continuing claims came in flat at 1.964 million claims.

The labor market remains strong despite uncertainty around tariffs and interest rates, suggesting the Fed could start cutting rates in the second half of the year.

WEEKLY INITIAL JOBLESS CLAIMS



MONTHLY JOBS ADDED



EMPLOYMENT SITUATION¹⁰

The U.S. added 147k jobs in June, well above the market expectation and above the 144k jobs added in May.

The private sector, which accounts for 70% of total workforce, added 74k jobs in June.

Government employment increased by 73k jobs after seeing only a 7k job increase in May.

Goods-producing employment grew by 6k jobs after slipping in May.

- Construction employment increased by 15k jobs but building construction employment slipped by 900 jobs.
- Manufacturing employment dropped by 7k jobs as durable goods manufacturing lost 5k jobs.

Primary metal and fabricated metal product manufacturing both declined, sliding by 500 and 1,500 jobs, respectively.

- The stronger increase in jobs helped to push the unemployment rate down to 4.1%, the lowest level since February.

SOURCES

- 1 Platts, Spot Iron Ore: July 3, 2025.
- 2 London Metal Exchange, Weekly Zinc Price and Inventory Report: July 3, 2025.
Shanghai Futures Exchange, Weekly Zinc Inventory Report: July 3, 2025.
- 3 Platts, Coking Coal Price: July 3, 2025.
- 4 American Iron & Steel Institute, Weekly Domestic Steel Production: July 1, 2025.
- 5 WardsAuto, U.S. Light Vehicle Sales: June 2025.
- 6 U.S. Census Bureau, Construction spending: May 2025.
- 7 Institute for Supply Management. Manufacturing PMI: June 2025.
- 8 MNI, Chicago PMI: June 2025.
- 9 Department of Labor, Weekly Initial Jobless Claims: July 3, 2025.
- 10 Bureau of Economic Analysis, Employment Situation: June 2025.

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