



MAJESTIC
STEEL USA

CORE REPORT

07.11.25

COST

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- ⊖ energy
- ⬆ zinc
- ⬇ coking coal

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- ⬇ consumption

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



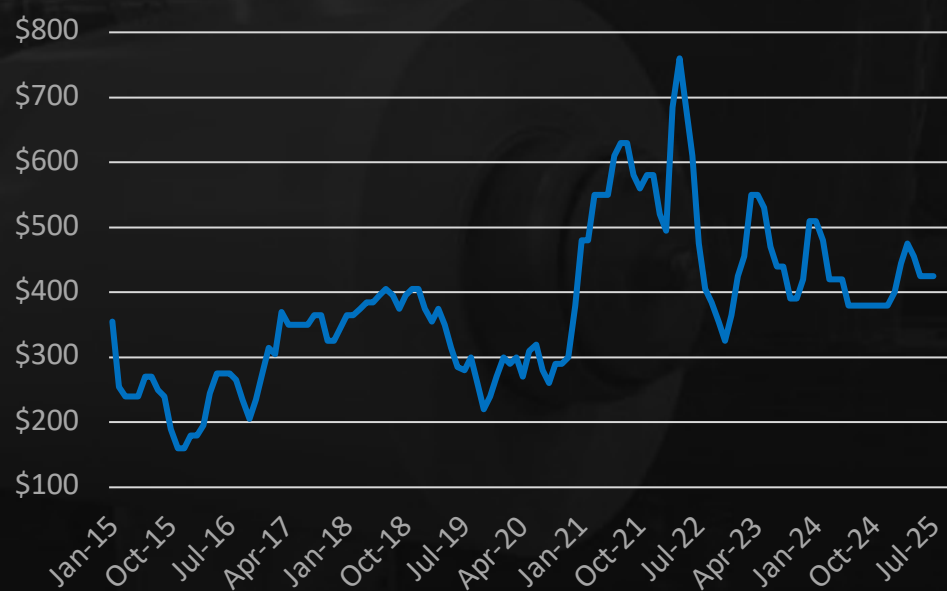
THE RIGHT STEEL SUPPLY CHAIN HAS NEVER MATTERED MORE

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PRIME SCRAP

⊖ SCRAP¹

July prime scrap pricing settled flat for the third consecutive month.

- Prime scrap once again settled at \$425/gt.
- Despite being down from the high seen in March, the current pricing level (\$425/gt) remains above the 2024 average of \$409/gt.

Some of the factors driving this month's pricing include: a balanced supply and demand environment, domestic mills operating near full capacity, stable hot rolled pricing, and pig iron prices inching up.

Shredded scrap held steady as well, remaining at \$375/gt.

COST

▲ SPOT IRON ORE²

Spot iron ore rebounded sharply this week after sliding eight out of the previous nine weeks.

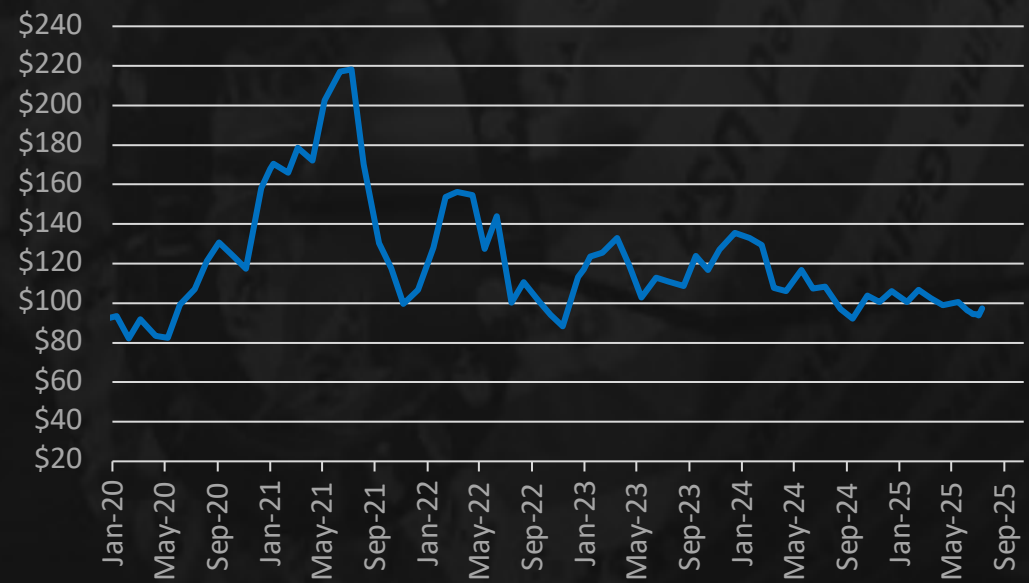
Spot iron ore pricing ended the week at \$97.50/mt, up from \$93.70/mt a week ago.

- This is up 4% week-over-week and is the highest price for iron ore since late-May.

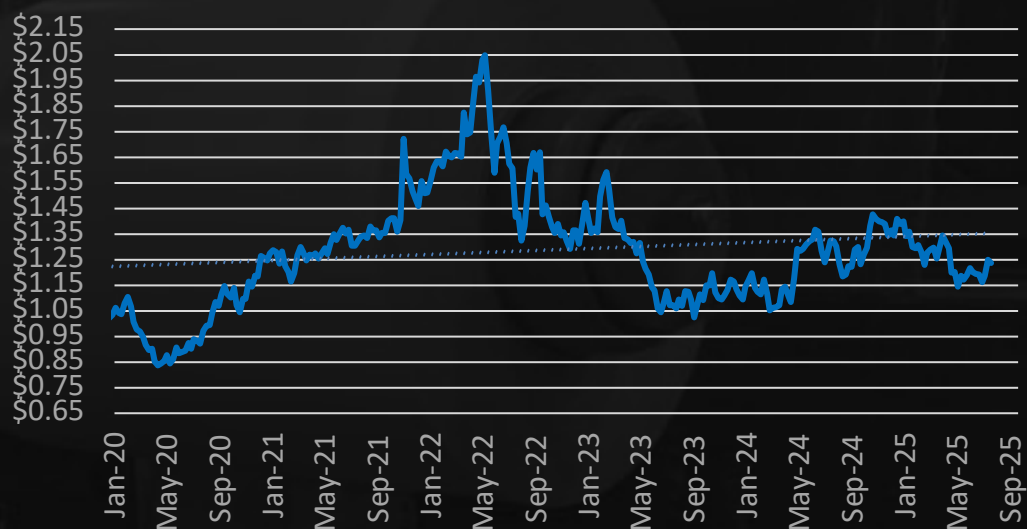
A temporary decline in seaborne shipments, as well as restocking amid expectations of new stimulus measures from China, created positive momentum in the market.

- The Chinese government also stated that it would attempt to fight against excessive steel capacity going forward.

IRON ORE COST



WEEKLY ZINC PRICING



Zinc pricing increased slightly this week, once again nearing a multi-month high.

Zinc pricing ended the week at \$2,742/mt (\$1.244/lb), up from \$2,726.50/mt (\$1.237/lb) previously.

- Another extension of the reciprocal tariff deadline to August 1st provided some balance to zinc this week, while supply continues to slip.

Global zinc inventory dropped for the fifth consecutive week to the lowest level since November 2023.

- LME warehouse inventory dropped for the twelfth consecutive week, sliding from 113,425 metric tons to 105,600 metric tons.
- Shanghai warehouse inventory increased slightly, climbing from 45,364 metric tons to 49,981 metric tons.

COST

④ COKING COAL⁴

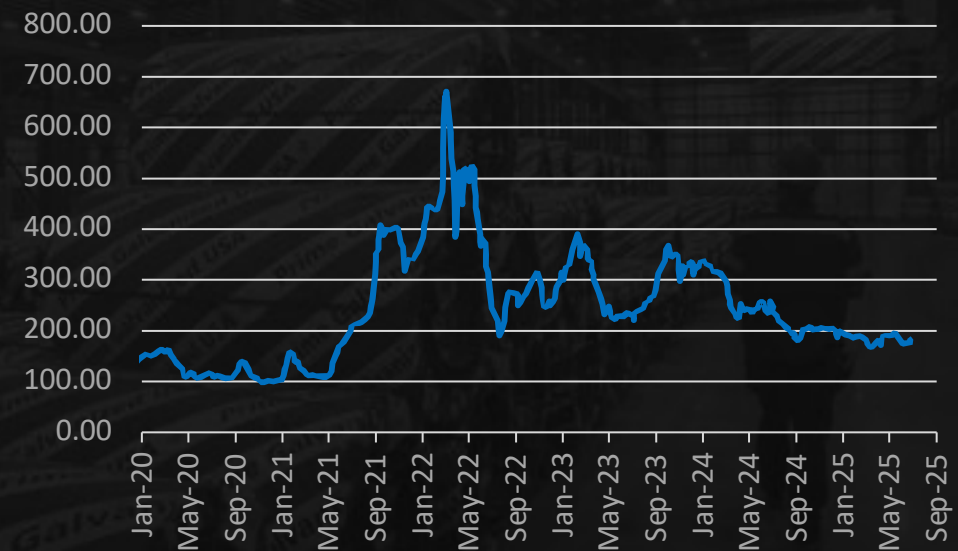
Coking coal pricing slipped this week, now down six out of the last seven weeks.

Coking coal settled at \$177.50/mt, down from \$182/mt last week.

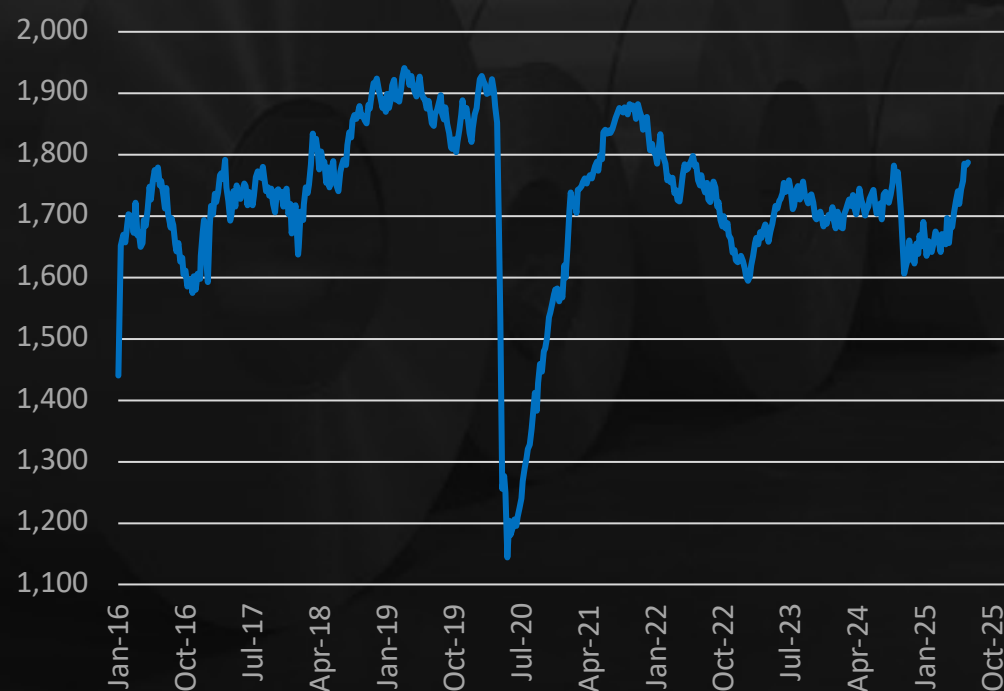
- This is down 9% from the recent peak in May

Despite the recent slide, the combination of production cuts and inventory drawdowns has created favorable conditions for potential price increases in the second half of the year.

COKING COAL PRICE



WEEKLY DOMESTIC PRODUCTION


 WEEKLY DOMESTIC STEEL PRODUCTION⁵

Domestic raw steel production resumed its upward momentum last week, once again nearing a three-year high.

U.S. mills produced an estimated 1,781k tons at a 78.6% utilization rate; this is up from 1,776k tons and a 79.1% rate previously.

- Domestic production has now increased nine out of the last twelve weeks in an attempt to offset the loss of imports.

Production increased in four of the five regions, with the largest increase (in tons) coming from the Midwest region.

- Production from the Midwest region rose from 226k tons to 231k tons.

Year-to-date production remains nearly flat from last year, down 0.7% year-over-year.

DEMAND

⦿ DODGE MOMENTUM INDEX⁶

A key leading indicator for the non-residential construction spending increased sharply in June.

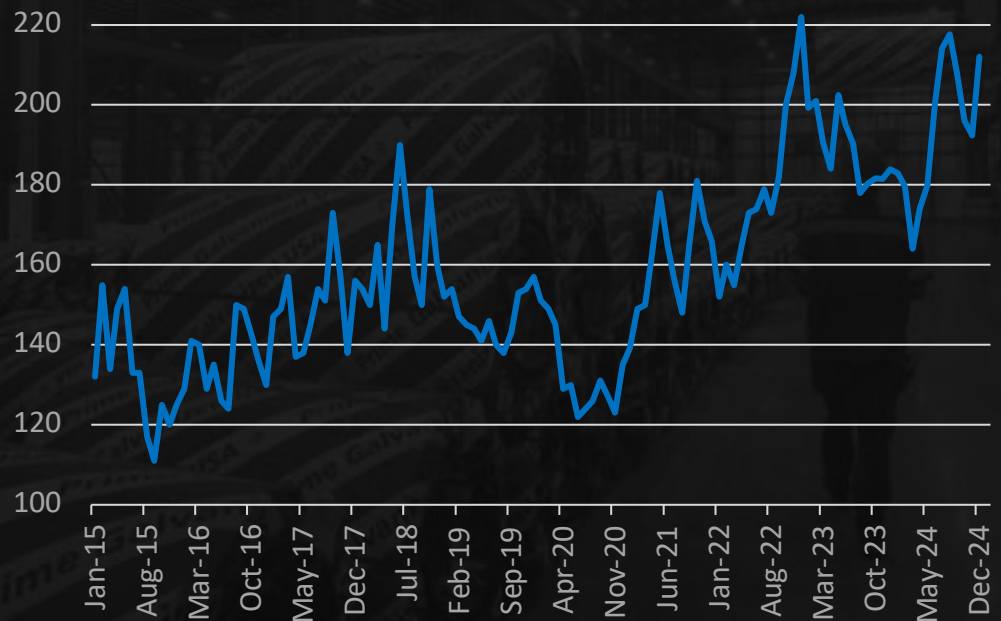
The June Dodge Momentum Index came in at 225.1, up nearly 7% from May and up over 12% from last June.

Within the overall index, both the commercial and institutional planning segments increased, climbing 7.3% and 5.7%, respectively.

- Continued strength from planning for warehouse, recreational, and data center projects helped to push the index higher.
- Planning for other sectors like education, hotels, and retail stores, lagged.
- Even if you exclude data center projects over the past two years, commercial planning would be up over 10% from year-ago levels.

The DMI tends to lead construction spending for nonresidential building by a year.

DODGE MOMENTUM INDEX



▼ CARBON STEEL CONSUMPTION⁷

Weaker domestic shipments, combined with a slight pick up in export activity, helped to push total carbon flat rolled consumption lower in May.

May carbon flat rolled consumption came in at a 139.3k ton/day rate, down 4.1% from April and the lowest daily pace since November.

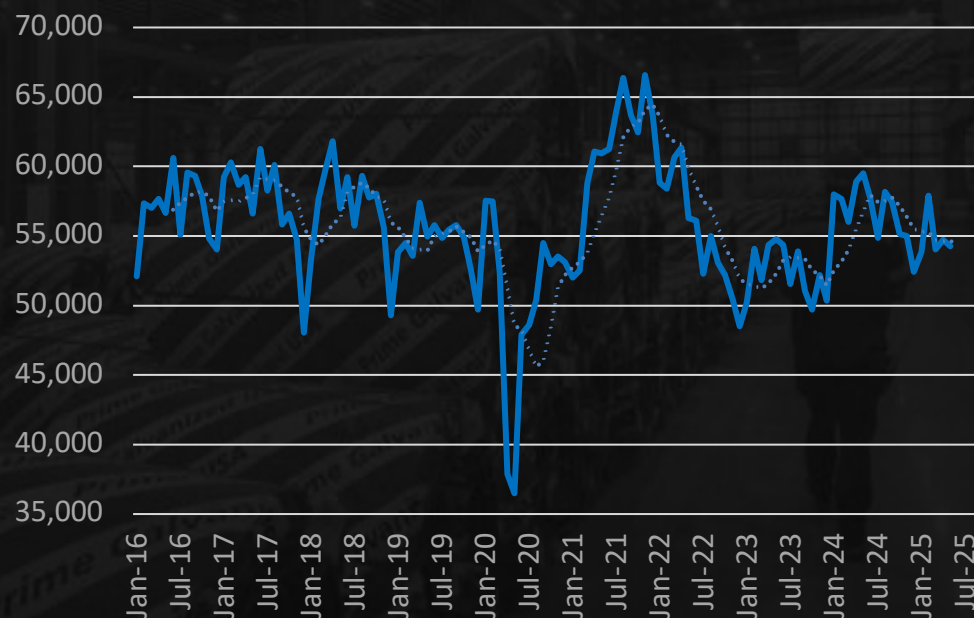
- Daily consumption declined on a year-over-year basis as well, sliding 8.8% from the 152.7k ton/day rate in May 2024.

Coated flat rolled consumption slipped as well in May but at a much slower rate than total flat rolled.

- Coated flat rolled consumption came in at a 54.3k tons/day rate, down 0.8% from April.
- The smaller decline in coated consumption was due to a stronger m/m shipment comparison.

Year-to-date coated flat rolled consumption is down 6.0% compared to the same timeframe last year.

DAILY COATED CONSUMPTION



WEEKLY INITIAL JOBLESS CLAIMS⁸

The number of Americans filing new claims for unemployment benefits ticked down to a two-month low during the week of Independence Day.

The Department of Labor's Weekly Initial Jobless Claims report came in at 227,000 claims, down from 232,000 claims previously.

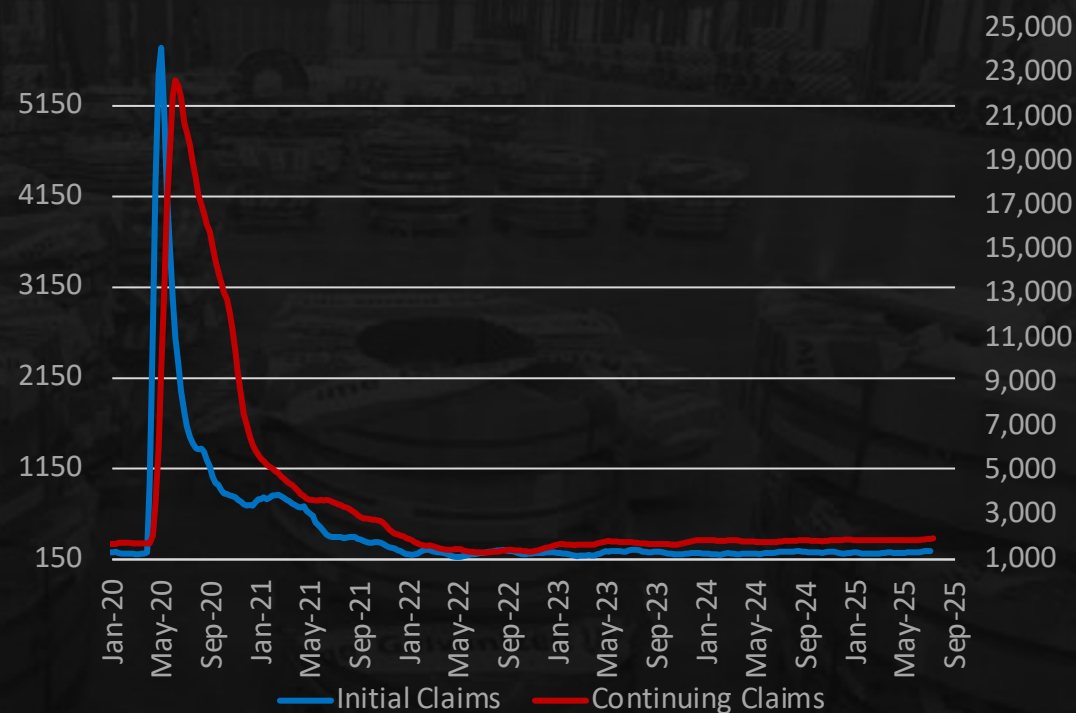
- The four-week moving average, considered a better measure of the labor market as it irons out week-to-week volatility, decreased to 235,500.

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

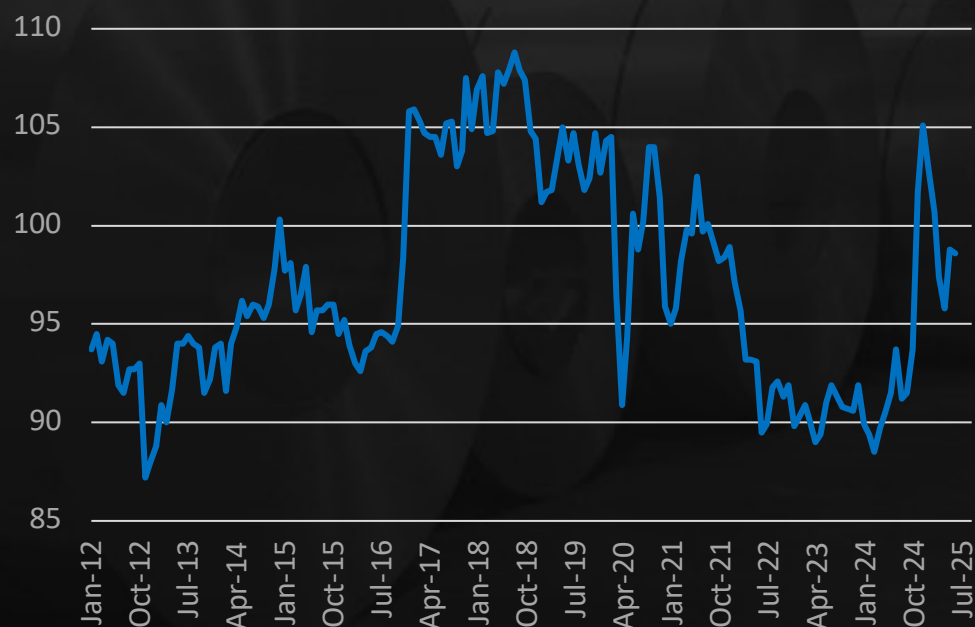
- Continuing claims came in at 1.965 million claims, up from 1.955 millions claims previously.

States with the largest number of claims were Michigan, Tennessee and Ohio, where auto plants are undergoing summer retooling.

WEEKLY INITIAL JOBLESS CLAIMS



SMALL BUSINESS OPTIMISM INDEX



⊖ SMALL BUSINESS OPTIMISM⁹

After a sizeable improvement in May, optimism from small business owners was virtually flat in June.

The June NFIB Small Business Optimism Index came in at 98.6, down slightly from 98.8 in May but still up from 91.5 in June last year.

- Despite the slight pullback in June, the index remains above the fifty-year average (98.0).

The index was negatively impacted by a strong increase in reports of excess inventories.

Sales were slightly mixed as the view of current sales declined at a slightly slower rate than in May, while sales expectations for six months from now grew at a slower rate.

Small business owners are currently most concerned about taxes, followed by labor quality and inflation.

SOURCES

- 1 Prime Scrap Price
- 2 Platts, Spot Iron Ore: July 11, 2025.
- 3 London Metal Exchange, Weekly Zinc Price and Inventory Report: July 11, 2025.
Shanghai Futures Exchange, Weekly Zinc Inventory Report: July 11, 2025.
- 4 Platts, Coking Coal Price: July 11, 2025.
- 5 American Iron & Steel Institute, Weekly Domestic Steel Production: July 8, 2025.
- 6 Dodge Construction Network, Dodge Momentum Index: June 2025.
- 7 American Iron & Steel Institute, Carbon Steel Consumption: May 2025.
- 8 Department of Labor, Weekly Initial Jobless Claims: July 10, 2025.
- 9 NFIB: Small Business Index: June 2025.

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