



MAJESTIC
STEEL USA

CORE REPORT

08.15.25

COST

01

- ⊖ scrap
- ⬆ iron ore
- ⊖ energy
- ⊖ zinc
- ⬆ coking coal

SUPPLY

04

- ⊖ lead times
- ⬆ production
- ⊖ imports
- ⊖ inventories

DEMAND

05

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

ECONOMIC

08

- ⬆ employment
- ⬆ inflation
- ⊖ confidence
- ⬆ retail sales
- ⊖ income



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COST

▲ SPOT IRON ORE¹

Spot iron ore continued its upward momentum this week, climbing for the sixth consecutive week.

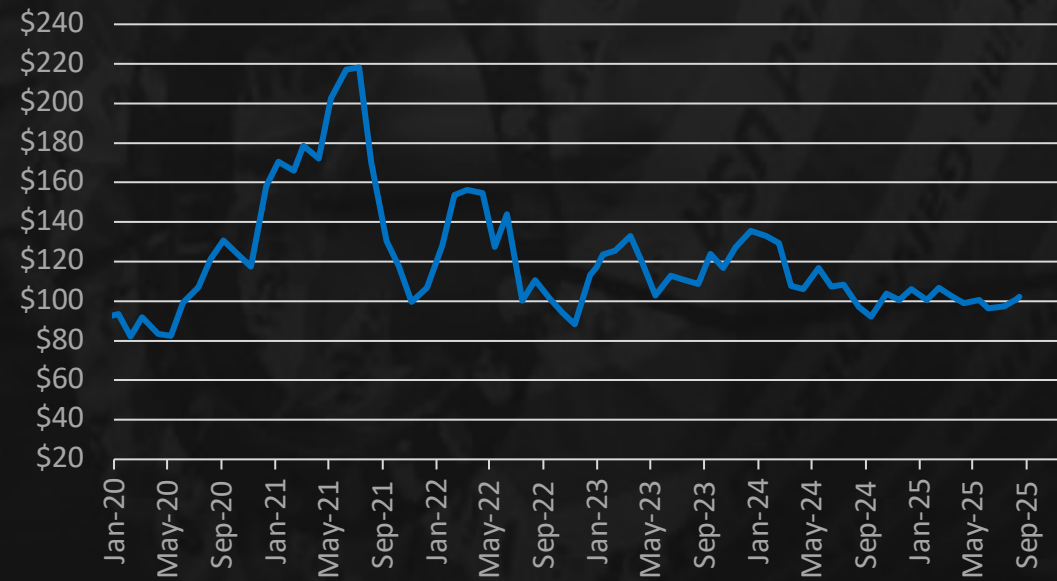
Spot iron ore pricing ended the week at \$102.20/mt, up from \$100.90/mt a week ago.

- This is now the highest price for iron ore since early-April.

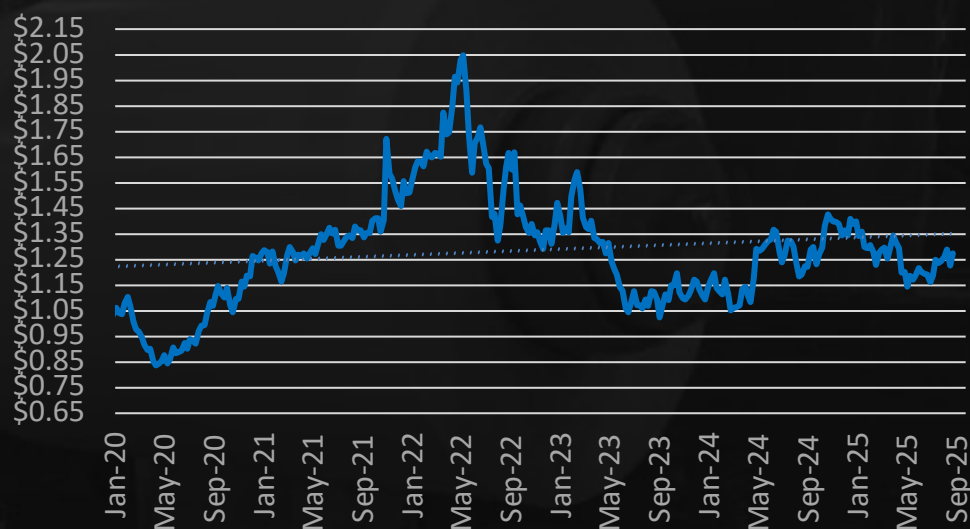
Pricing was supported by strong restocking demand from steel mills in China amid healthy profit margins and low inventories.

- In July, China's blast-furnace steel mills achieved better profits on finished steel sales despite a rise in production costs, mainly due to a recovery in steel prices.

IRON ORE COST



WEEKLY ZINC PRICING



Zinc pricing settled flat this week after climbing four out of the previous five weeks.

Zinc pricing ended the week at \$2,811/mt (\$1.275/lb), flat from \$2,810/mt (\$1.275/lb) previously.

- The 90-day extension on the trade deadline between the U.S. and China provided a positive boost to the zinc market this week.

Global zinc inventory rebounded slightly after sliding the previous two weeks.

- LME warehouse inventory decreased again to the lowest level since October 2023, sliding from 84,950 metric tons to 77,450 metric tons.
- Shanghai warehouse inventory increased however, climbing from 65,917 metric tons to 76,803 metric tons.

COST

▲ COKING COAL³

Coking coal pricing increased sharply this week to the highest level since May.

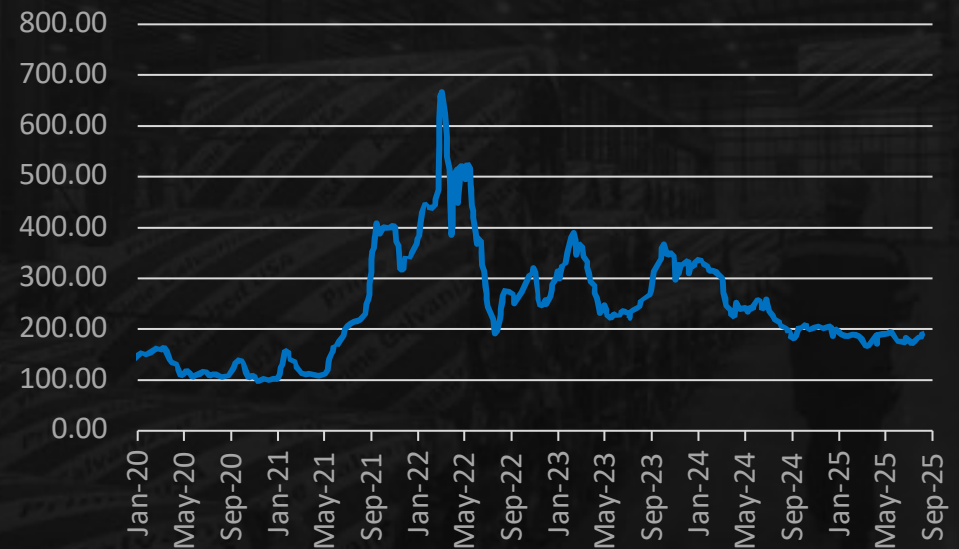
Coking coal settled at \$191.40/mt, up from \$183.20/mt the week prior.

- This is up 4.5% from last week after a 4% climb the week prior.

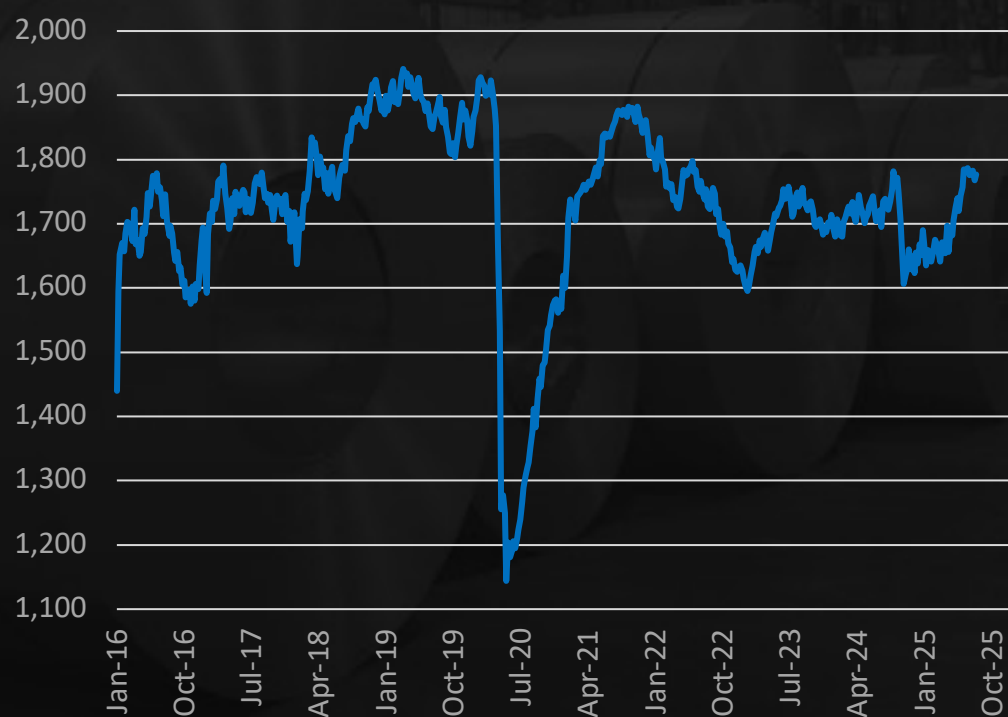
After the explosion earlier this week at U.S. Steel's Clairton Coke Works, a small section is still operable.

- U.S. Steel is currently running three of the seven coke batteries at a reduced output.

COKING COAL PRICE



WEEKLY DOMESTIC PRODUCTION



WEEKLY DOMESTIC STEEL PRODUCTION⁴

Domestic raw steel production increased sharply again last week, now up five out of the last six weeks.

U.S. mills produced an estimated 1,800k tons at a 79.5% utilization rate; this is up from 1,782k tons and a 78.7% rate previously.

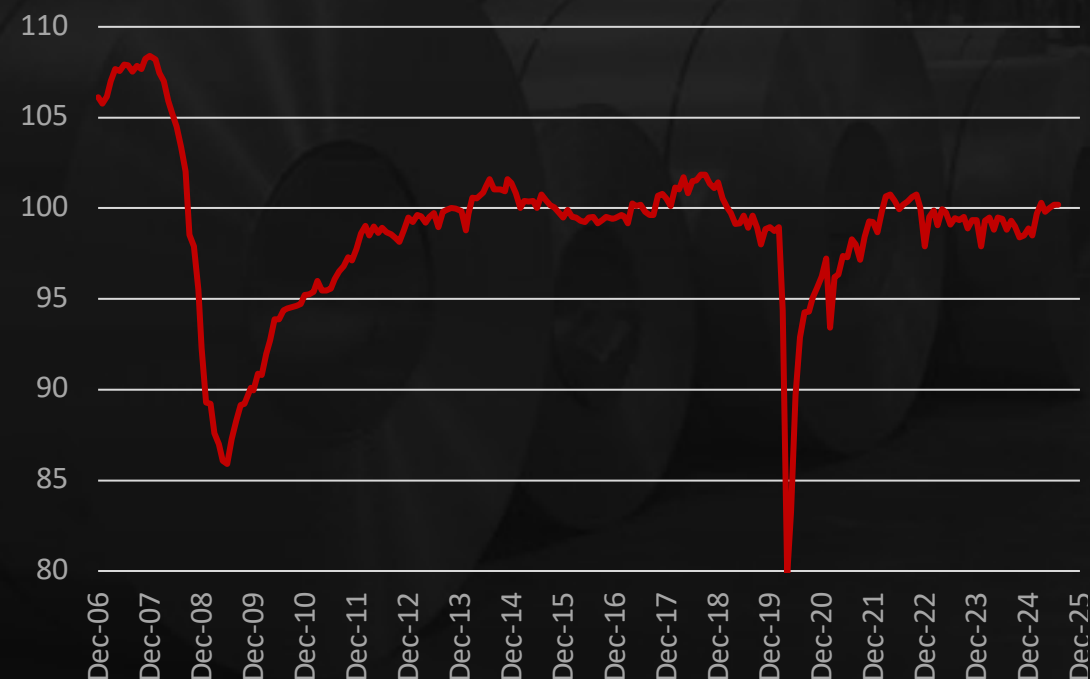
- This was the highest weekly tonnage output since January 2022.

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

- Production from the Midwest region spiked from 234k tons to 246k tons.

Year-to-date production remains nearly flat from last year, down 0.06% year-over-year.

INDUSTRIAL PRODUCTION (MANUFACTURING)



INDUSTRIAL PRODUCTION/ CAPACITY UTILIZATION⁵

Industrial production slipped slightly in July after an upward revision to June's number.

- The July industrial production index came in at 104.0, down 0.1% from 104.1 in June.

Manufacturing output was flat in July after a 0.3% increase in June and was up 1.4% from last July.

- Manufacturing of durable goods increased 0.3% with the increases from electrical equipment, appliances, furniture and miscellaneous transportation equipment leading the growth.

Overall capacity utilization rate slipped to 77.5%, remaining 2.1% below its 50-year average.

- The utilization rate for manufacturing slipped 0.1% to 76.8%, remaining 1.4% below the 50-year average.

DEMAND

▲ EMPIRE MANUFACTURING INDEX⁶

Business activity from the manufacturing sector in the New York region grew a faster rate than in July.

- August marked the second consecutive monthly increase in activity, the first occurrence since November/December.
- The two-month average increased to 8.7, the highest level since December.

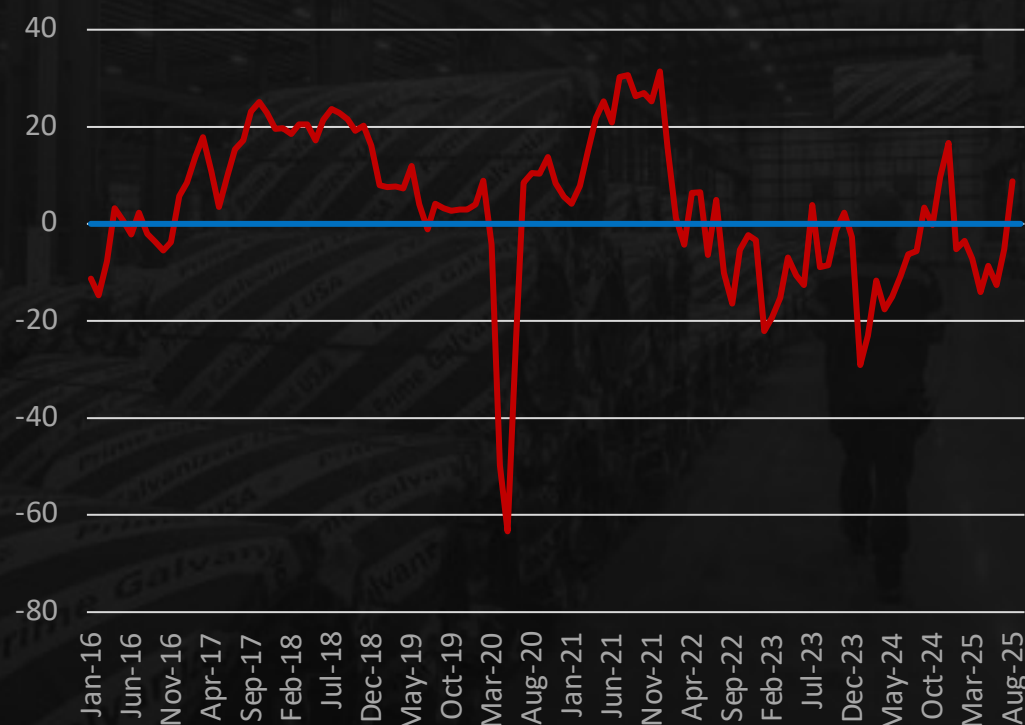
Within the overall index both the new orders and shipment components increased in August.

- Unfilled orders also declined at a slower rate than in recent months.

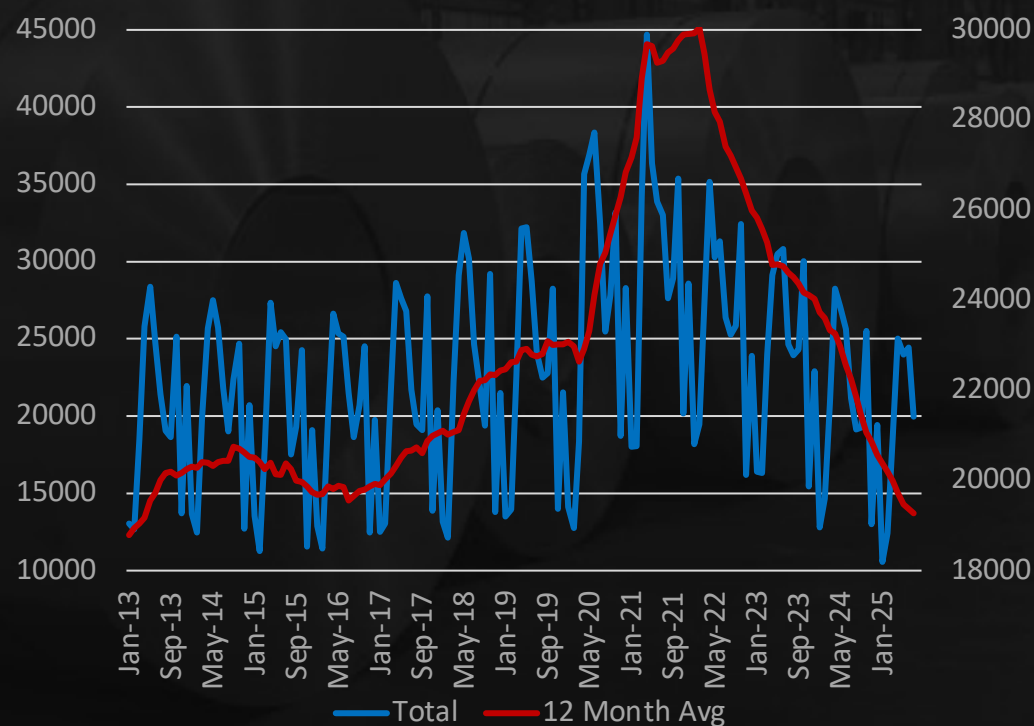
Despite the recent improvement in the overall index, the index for future business conditions declined to 16.0, down 8.0 points from last month.

- While both the new order and shipments components were expected to remain strong, more than two-thirds of respondents expect input prices to continue to push higher.

EMPIRE MANUFACTURING INDEX (2MMA)



TRACTOR & COMBINE SHIPMENTS



TRACTOR & COMBINE SHIPMENTS⁷

Shipments of North American (U.S./Canada) tractor and combines declined sharply in July after a slight increase in June.

July tractor and combine shipments totaled 19,975 units, down 18.2% from June and down 5.7% from 21,180 units in July 2024.

- This was the 26th consecutive month with a year-over-year decline.

Looking on a year-over-year basis, to help smooth seasonality, both tractors and combines declined, sliding 4.6% and 33.3%, respectively.

Year-to-date shipments are now down 10.3% compared to the same timeframe last year.

▼ WEEKLY INITIAL JOBLESS CLAIMS⁸

The number of Americans filing new claims for unemployment benefits decreased last week after climbing the previous two weeks.

The Department of Labor's Weekly Initial Jobless Claims report came in at 224,000 claims, down from 227,000 claims previously.

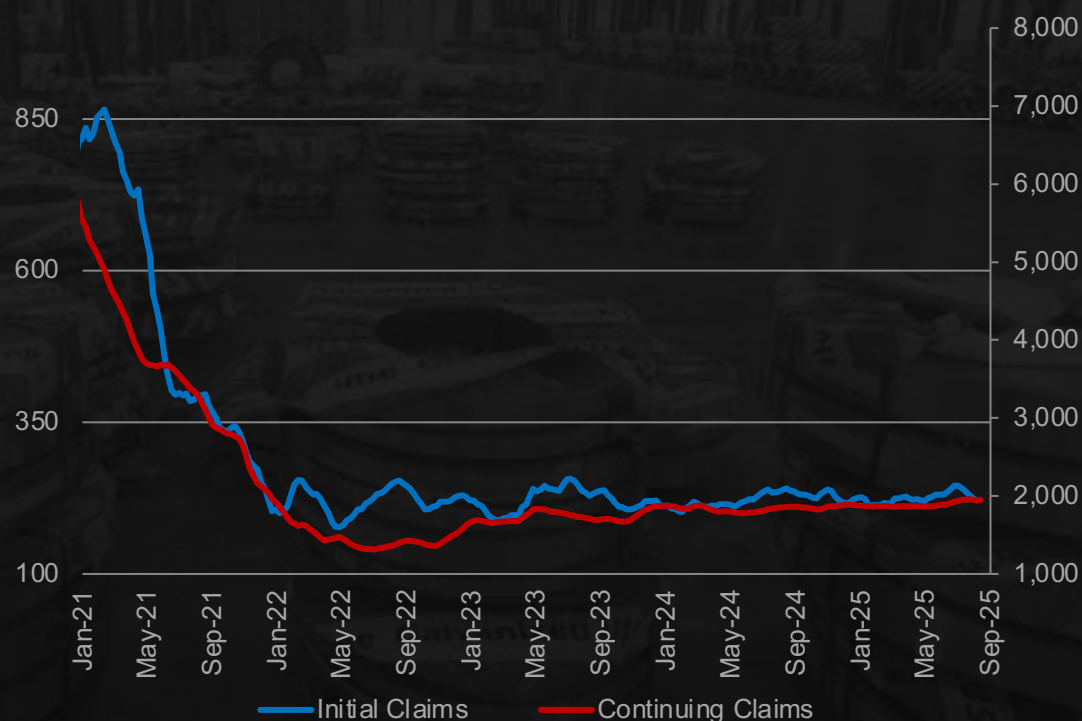
- The four-week moving average, considered a better measure of the labor market as it irons out week-to-week volatility, increased to 221,750.

Continuing claims, or claims lasting longer than one week, dropped as well after hitting the highest level since November 2021.

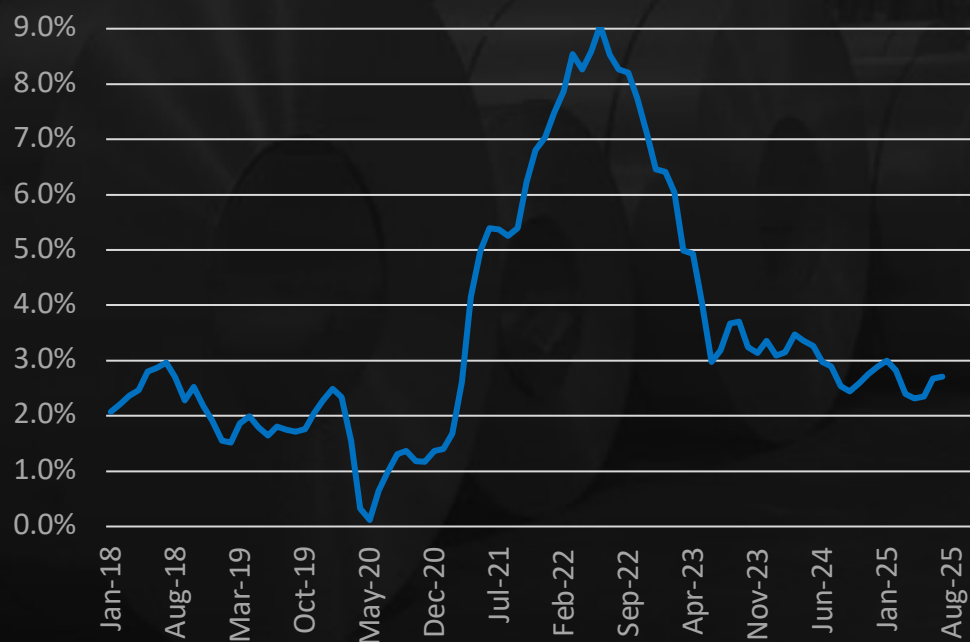
- Continuing claims came in at 1.953 million claims, down from 1.968 million claims previously.

This week's results continued to reflect a softening, but still robust, labor market despite a slowdown in overall hiring.

WEEKLY INITIAL JOBLESS CLAIMS



CONSUMER PRICE INDEX



⦿ CONSUMER PRICE INDEX⁹

Prices paid by consumers increased again in July, climbing 0.15% on an adjusted basis from June.

- Despite the increase, this was the smallest month-over-month growth since December and below market expectations.
- This is the third consecutive month in which prices increased on a year-over-year basis however, climbing 2.7% compared to last July.

Excluding the volatile food/energy sectors, prices increased 0.19% from June and were up 3.06% from last July.

- The CORE-CPI saw prices increase the most for shelter, medical care, vehicle insurance, and household furniture.
- Prices for apparel, appliances, and non-prescription drugs were down compared to last July.

ECONOMIC

▲ RETAIL SALES¹⁰

July retail sales increased to a \$726.3 billion rate, up 0.5% from June and up 3.9% from the \$698.9 billion rate last July.

- Excluding the volatility of gas station sales, sales increased 0.5% from June and a stronger 4.5% from last July.

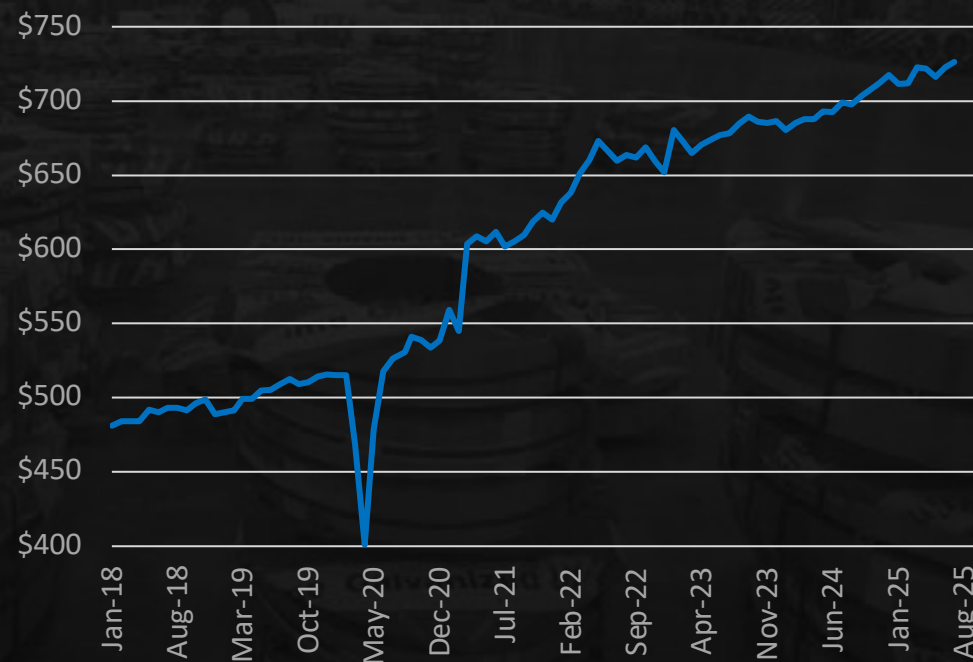
Total sales over the past three months is up 3.9% compared to the same three-month period last year.

Year-to-date actual retail sales are now up 3.4% compared to the same timeframe last year.

For July, the largest month-over-month increases in sales came from motor vehicle dealers, online retailers, furniture stores, and department stores.

- These increases, along with others, more than overcame the declines seen from miscellaneous stores, electronic stores, and bars/restaurants.

RETAIL SALES (SAAR)



SOURCES

- 1 Platts, Spot Iron Ore: August 15, 2025.
- 2 London Metal Exchange, Weekly Zinc Price and Inventory Report: August 15, 2025.
Shanghai Futures Exchange, Weekly Zinc Inventory Report: August 15, 2025.
- 3 Platts, Coking Coal Price: August 15, 2025.
- 4 American Iron & Steel Institute, Weekly Domestic Steel Production: August 12, 2025.
- 5 Federal Reserve, Industrial Production/Capacity Utilization: July 2025.
- 6 NY Federal Reserve, Empire Manufacturing Index: August 2025.
- 7 Association of Equipment Manufacturers, Tractor and Combine Shipments: July 2025.
- 8 Department of Labor, Weekly Initial Jobless Claims: August 14, 2025.
- 9 Bureau of Labor Statistics, Consumer Price Index: July 2025.
- 10 U.S. Census Bureau, Retail Sales: July 2025.

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