



MAJESTIC
STEEL USA

CORE REPORT

09.05.25

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

08

- ⬆ employment
- ⊖ inflation
- ⊖ confidence
- ⊖ income
- ⊖ GDP



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COST

▲ SPOT IRON ORE¹

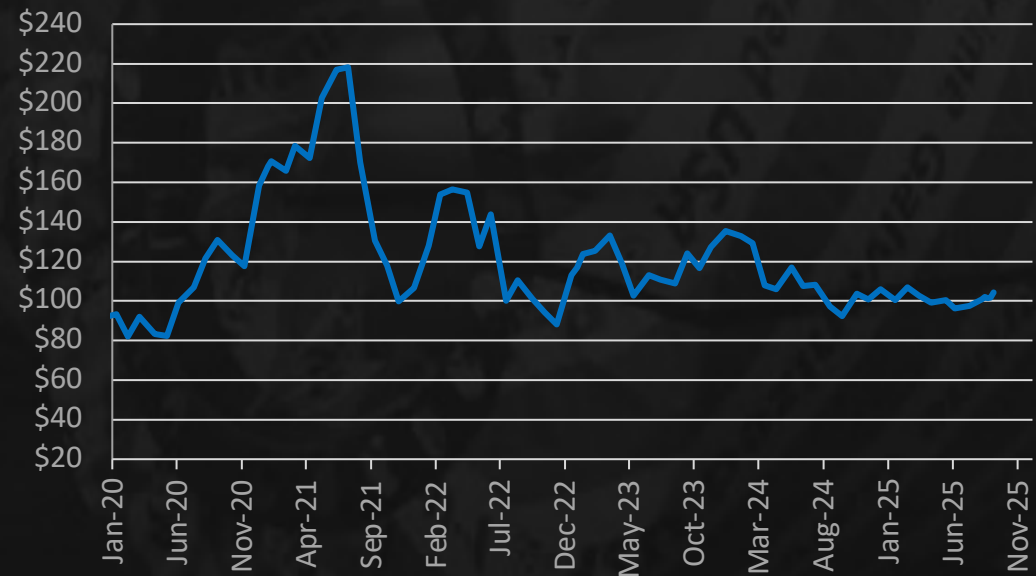
Spot iron ore increased sharply this week, now up eight out of the last nine weeks.

Spot iron ore pricing ended the week at \$104.40/mt, up from \$101.80/mt a week ago.

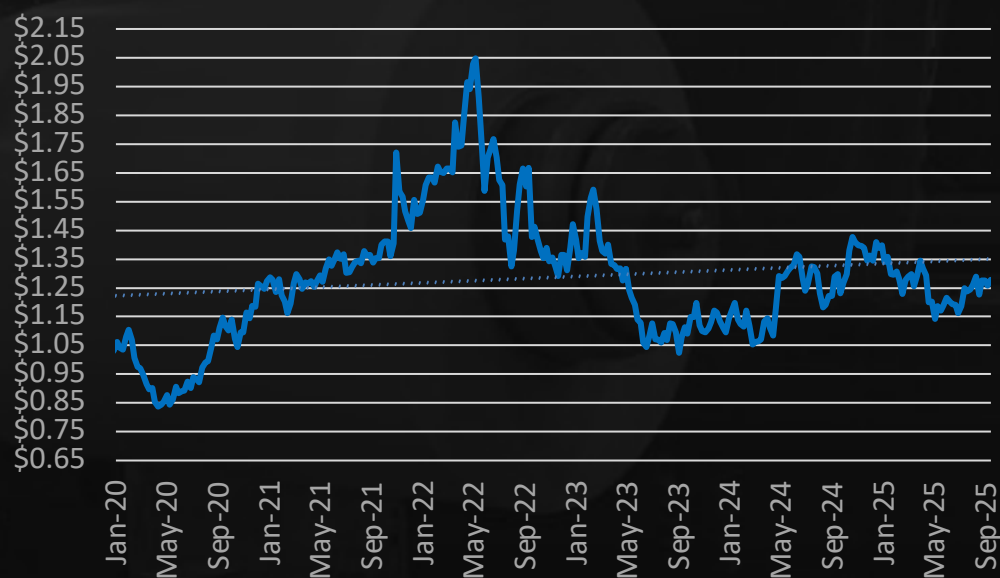
- Iron ore is up 8.4% from the recent bottom in early June and is now at the highest price since February.

China is expected to ramp up steel production after tapering off ahead of this week's national holiday, which should further support steelmaking raw materials going forward.

IRON ORE COST



WEEKLY ZINC PRICING



Zinc pricing increased sharply this week, now up six out of the last eight weeks.

Zinc pricing ended the week at \$2,889/mt (\$1.310/lb), up from \$2,815/mt (\$1.277/lb) previously.

- Zinc has been supported by multiple factors including: lower supply, the expectation of interest rate cuts, a weaker U.S. dollar, and improving global manufacturing.

Global zinc inventory dropped again, with LME inventory now down to the lowest level since May 2023.

- LME warehouse inventory decreased for the seventh consecutive week, sliding from 58,000 metric tons to 54,750 metric tons.
- Shanghai warehouse inventory increased again however, climbing from 85,980 metric tons to 87,032 metric tons.

COST

▲ COKING COAL³

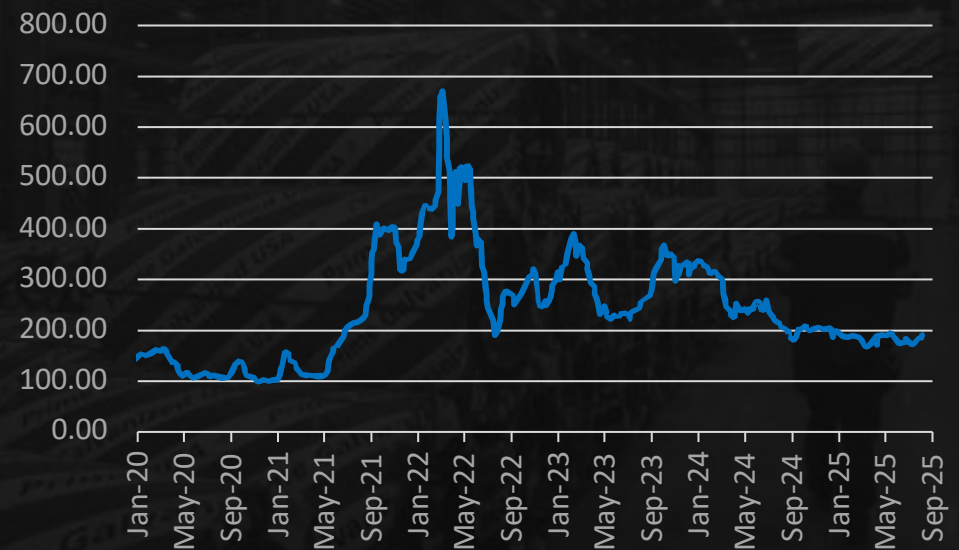
Coking coal pricing increased slightly this week after sliding the previous two weeks.

Coking coal settled at \$187.00/mt, up from \$185.40/mt the week prior.

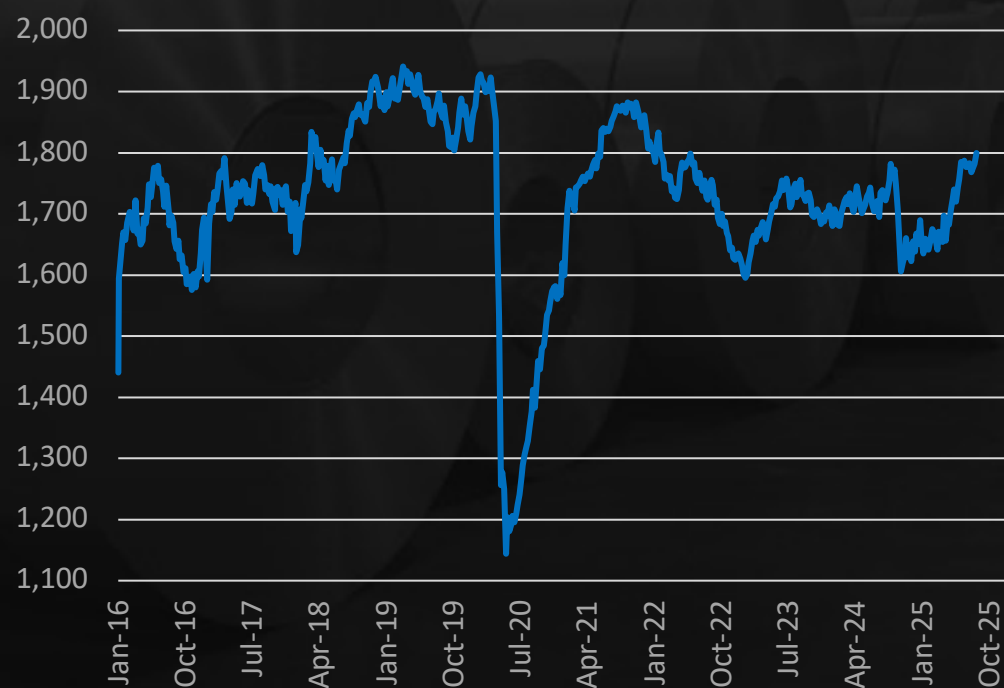
- This is back to the highest level since mid-August.

Coking coal resumed its upward momentum following the Chinese national holiday.

COKING COAL PRICE



WEEKLY DOMESTIC PRODUCTION



▼ WEEKLY DOMESTIC
STEEL PRODUCTION⁴

Domestic raw steel production dipped slightly last week after climbing six out of the previous eight weeks.

U.S. mills produced an estimated 1,769k tons at a 78.1% utilization rate; this is down from 1,780k tons and a 78.6% rate previously.

- An estimated 1.1 million tons are scheduled to come offline starting in September and running through the fourth quarter – with about 763,000 tons of that being flat rolled production.

Production slipped in three of the five regions, with the largest decrease (in tons) coming from the Southern region.

- Production from the Southern region dropped from 805k tons to 787k tons.

Year-to-date production remains nearly flat from last year, now up 0.04% year-over-year.

DEMAND

Ⓢ LIGHT VEHICLE SALES⁵

After a strong increase in July, U.S. light vehicle sales slowed slightly in August.

August light vehicle sales came in at a 16.07 million unit rate, down 2.1% from July but up 6.2% from the 15.14 million unit rate in August 2024.

- Light vehicle sales have now seen year-over-year increases in three consecutive months and in eleven of the last twelve months.

While light truck sales slipped slightly, car sales saw a jump as buyers rushed to get in before the expiration of the \$7,500 EV tax credit (which expires in September)

The twelve-month average sales rate (16.29 million unit) increased for the third straight month and is now at its highest level since June/July 2021.

U.S. LIGHT VEHICLE SALES (SAAR)



DEMAND

CONSTRUCTION SPENDING⁶

Total construction spending continued to slide on an annual rate in July, now down for the third consecutive month.

Total construction spending came in at a \$2.139 trillion rate, down 0.1% from June and down 2.8% from the \$2.201 trillion rate in July 2024.

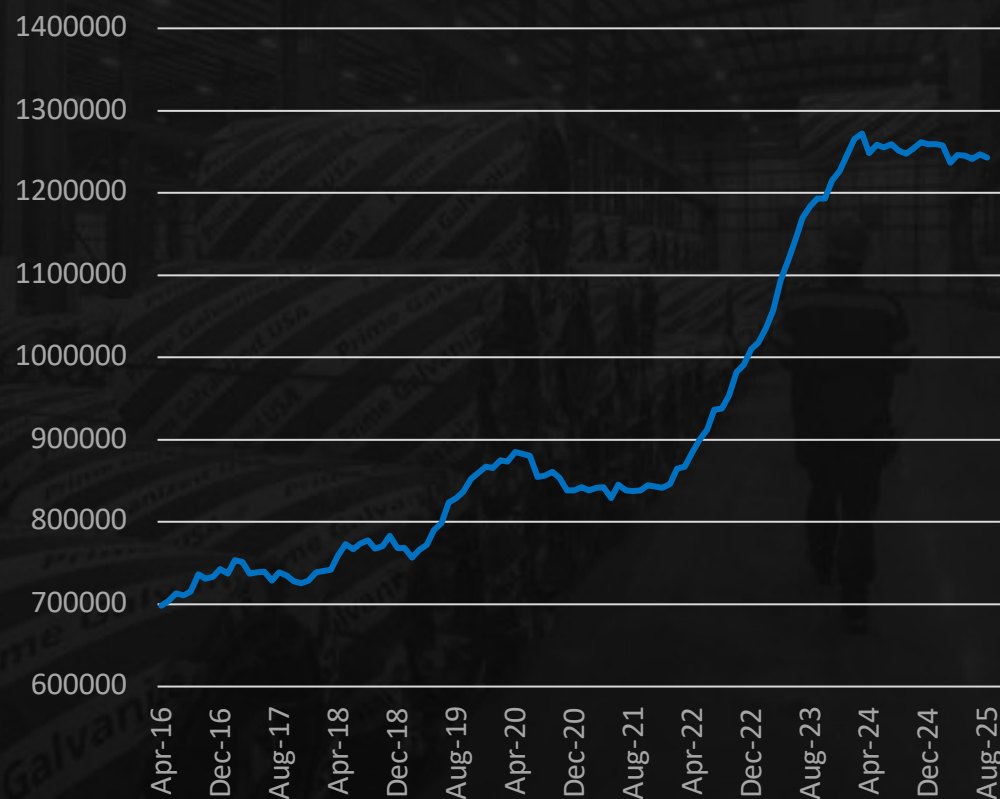
- This was the sixth consecutive month in which spending declined on a year-over-year basis.
- Total spending in July was at its lowest annual rate since September 2023.

The 0.2% decline in non-residential spending more than overcame the slight 0.1% increase in residential spending.

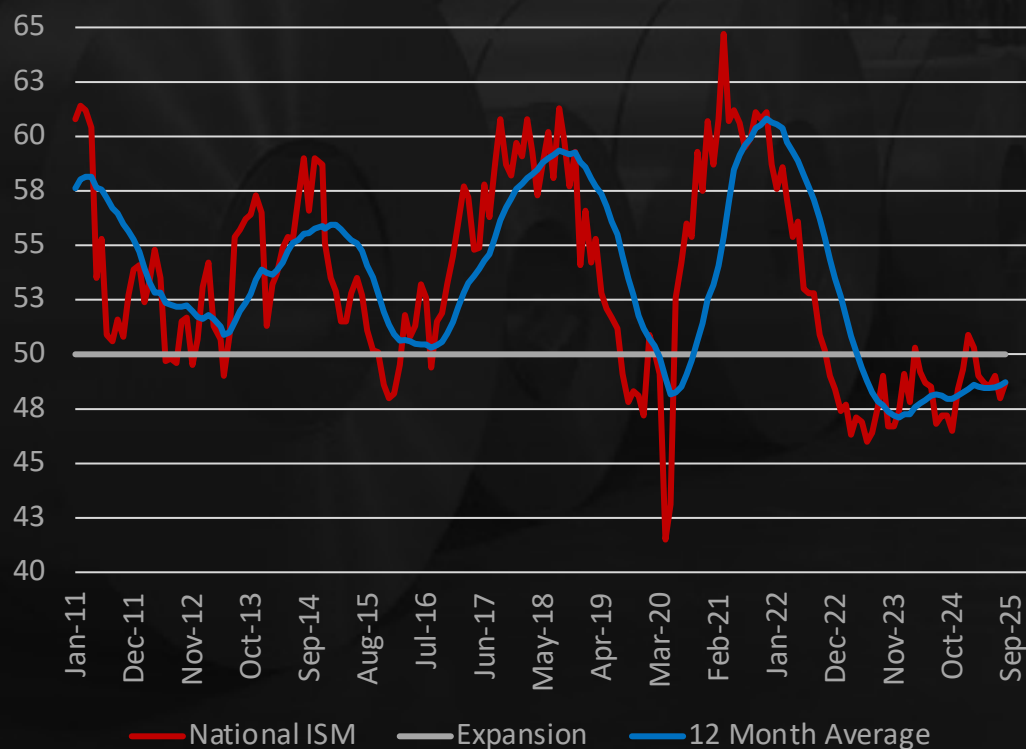
- The drop in non-residential spending was led by a sharp 0.5% drop in private spending.

Year-to-date actual spending is now down 2.2% compared to the same timeframe last year.

NON-RESIDENTIAL SPENDING (SAAR)



ISM MANUFACTURING INDEX



ISM MANUFACTURING INDEX⁷

Economic activity in the manufacturing sector contracted again in August albeit at a slower rate than in July.

The August ISM Manufacturing Index came in at 48.7, up slightly from 48.0 in July and holding in the very tight range (48.0 - 49.0) that has been in place since March.

- The overall index has now been in contraction for six consecutive months.
- Any reading below 50 indicates contraction, while any reading above 50 shows growth.

While the new order component jumped back into expansion at 51.4, the production component slipped into contraction at 47.8 after being in expansion the previous two months.

- The backlog of orders component declined at a faster rate in August, sliding deeper into contraction at 44.7.

WEEKLY INITIAL JOBLESS CLAIMS⁸

The number of Americans filing new claims for unemployment benefits increased last week to the highest level since mid-June.

The Department of Labor's Weekly Initial Jobless Claims report came in at 237,000 claims, up from 229,000 claims previously.

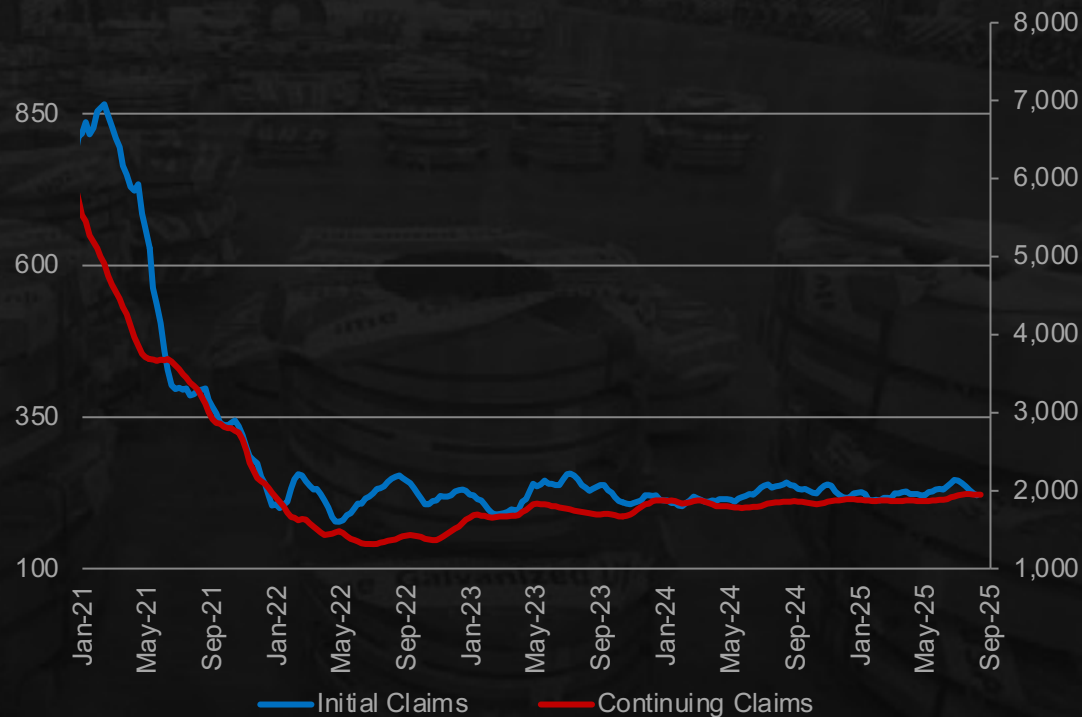
- The four-week moving average, considered a better measure of the labor market as it irons out week-to-week volatility, increased to 231,000.

Continuing claims, or claims lasting longer than one week, dropped for the third time in the last four weeks.

- Continuing claims came in at 1.940 million claims, down from 1.944 million claims previously.

The labor market remains relatively healthy and hiring should increase once the Federal Reserve begins lowering interest rates.

WEEKLY INITIAL JOBLESS CLAIMS



UNEMPLOYMENT RATE



EMPLOYMENT SITUATION⁹

Total employment continued to increase in August, albeit at a much lower rate.

- The U.S. added 22,000 jobs in August after adding 79,000 jobs in July.

Total private employment, which accounts for roughly 70% of all employment, increased by 38,000 jobs in August.

- Government employment dropped, sliding by 16,000 jobs after a slight 2,000 jobs added in July.

Goods-producing employment dropped by 25,000 jobs, with declines coming from both the construction and manufacturing sectors.

- While the construction employment dropped by 7,000 jobs, manufacturing jobs declined by 12,000 jobs.
- The drop in manufacturing was led by durable goods manufacturing, which declined by 19,000 jobs.

The smaller than expected increase in jobs, helped to push the unemployment rate higher to 4.3%.

SOURCES

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

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