



MAJESTIC
STEEL USA

CORE REPORT

10.17.25

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- energy
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- ▼ coking coal

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THE RIGHT STEEL SUPPLY CHAIN HAS NEVER MATTERED MORE

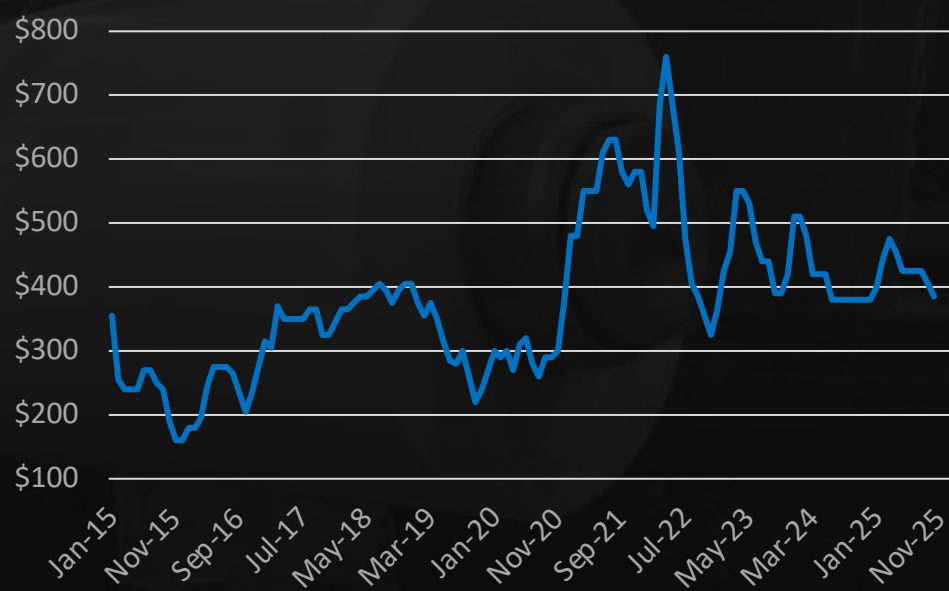
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**MAJESTIC
STEEL USA**

PRIME SCRAP


 SCRAP¹

After sliding \$20/gt in September, prime scrap dropped once again in October.

Prime scrap settled at \$385/gt, down \$20/gt from \$405/gt previously.

- This is the lowest level for prime scrap since December.

A combination of weaker steel demand and increased imports from Canada and Mexico continued to weigh on the market.

- Twelve planned mill maintenance outages, softening hot-rolled prices, and ongoing tariff uncertainty also contributed to the decline.

Shredded scrap dropped as well, sliding \$10/gt to \$365/gt.

- Prime scrap now holds a \$20/gt premium to shredded, the tightest the premium has been since March.

COST

▲ SPOT IRON ORE²

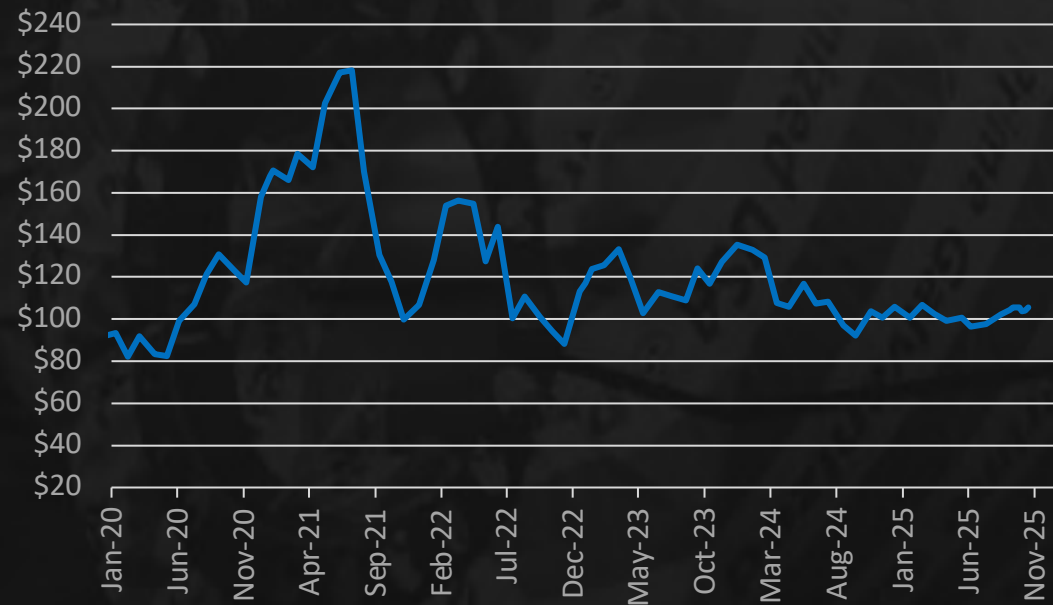
Spot iron ore increased again this week, now up twelve out of the last fourteen weeks.

Spot iron ore pricing ended the week at \$105.56/mt, up from \$104.00/mt a week ago.

- For the second consecutive week, Chinese demand improved following the Golden week holiday.

However, the potential for another trade war between the U.S. and China is a headwind going forward.

IRON ORE COST



WEEKLY ZINC PRICING



Zinc pricing ticked down slightly this week after climbing the previous three weeks.

Zinc pricing ended the week at \$3,078/mt (\$1.396/lb), down from \$3,112/mt (\$1.412/lb) previously.

- Zinc briefly hit \$1.429/lb earlier in the week, the highest price since early-December 2024.
- Despite the drop, lower supply, strong demand from China, and a weaker U.S. dollar from Fed rate cuts and the U.S. Government shutdown, all have played a role in the recent upward pricing cycle.

Global zinc inventory increased for the second consecutive week.

- LME warehouse inventory increased slightly, ending a stretch of twelve consecutive drops, climbing from 38,250 metric tons to 38,300 metric tons.
- Shanghai warehouse inventory dropped slightly, slipping from 106,950 metric tons to 106,627 metric tons.

COST

▼ COKING COAL⁴

Coking coal pricing slipped this week after holding flat last week.

Coking coal pricing settled at \$188.90/mt, down slightly from \$190.00/mt previously.

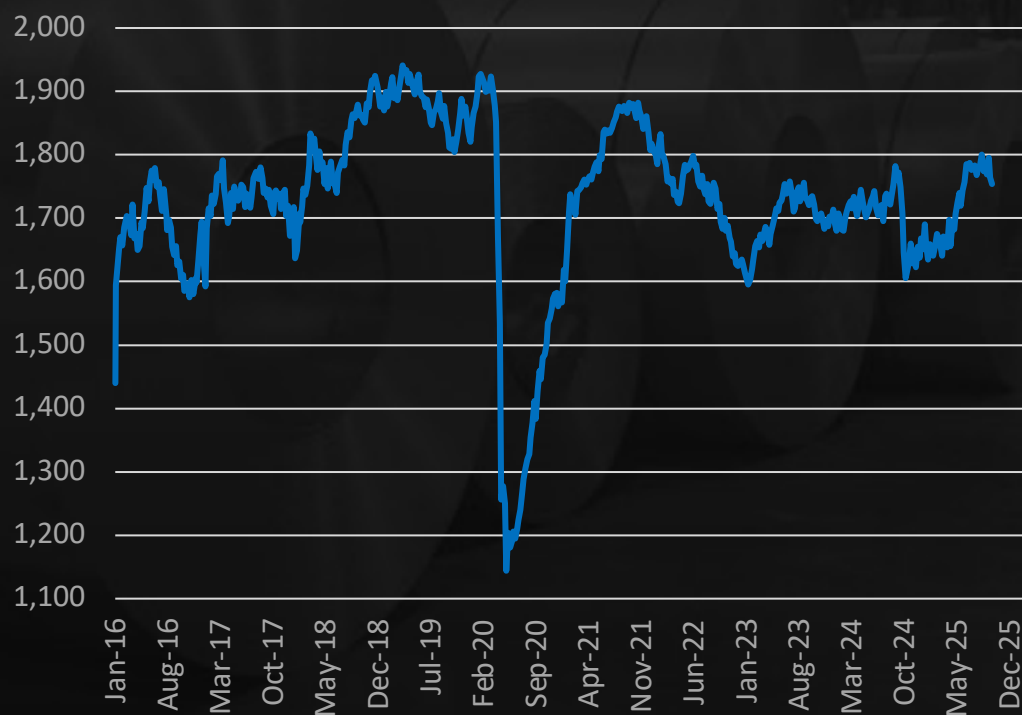
- This is down 1.2% from last week but is up 0.4% from this time last month.

Buying interest remains weak and supply remains ample, as most restocking has taken place in previous weeks.

COKING COAL PRICE



WEEKLY DOMESTIC PRODUCTION



▼ WEEKLY DOMESTIC STEEL PRODUCTION⁵

Domestic raw steel production dropped again last week to a multi-month low amid ongoing mill maintenance outages.

U.S. mills produced an estimated 1,722k tons at a 76.0% utilization rate; this is down from 1,749k tons and a 77.2% rate previously.

- This was the lowest weekly tonnage output since the second week of May.

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

- Production from the Midwest region slipped from 239k tons to 222k tons.

Year-to-date production remains nearly flat, up 0.49% compared to the same timeframe last year.

DEMAND

⓪ LIGHT VEHICLE INVENTORY⁶

Inventory of new vehicles, both on dealers lots and in-transit, slipped slightly in September.

September light vehicle inventory came in at 2.654 million units, down nearly 6.0% compared to last September.

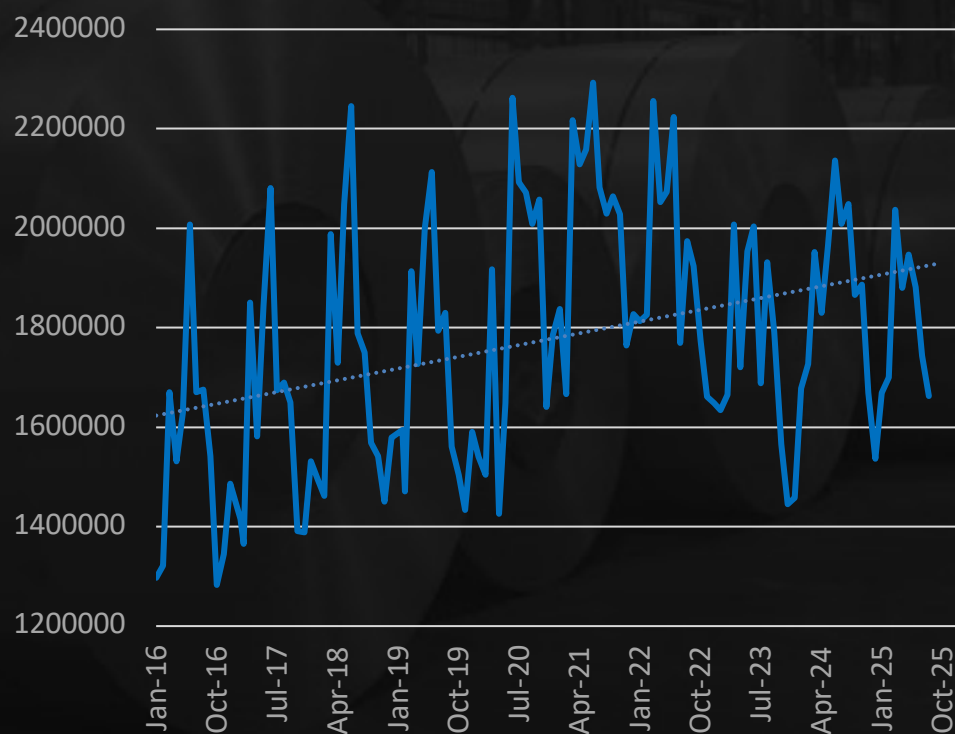
The recent increase in sales, due to increased incentives and expiring tax credits, helped to push inventories lower.

Moving forward, dealer inventory levels are expected to continue to ease compared to levels seen in Q3 and lower than in Q4 2024.

U.S. LIGHT VEHICLE INVENTORY



HVAC EQUIPMENT SHIPMENTS



▼ HVAC EQUIPMENT SHIPMENTS⁷

Shipments of HVAC equipment continued to slow in August, now down for the third consecutive month.

August HVAC equipment shipments totaled 1.662 million units, down 4.7% from July and down 18.9% from 2.049 million units in August 2024.

- This was the fourth consecutive month in which shipments dropped on a year-over-year basis.

Looking on a year-over-year basis to help smooth seasonality, shipments of both water heaters and A/C & heat pumps dropped sharply, sliding 12.8% and 30.4%, respectively.

- Furnace shipments increased however, climbing 3.3% compared to last August.

Year-to-date shipments are now down 5.4% compared to the same timeframe last year.

DEMAND

▲ EMPIRE MANUFACTURING INDEX⁸

After slowing in September, business activity from the manufacturing sector in the New York area increased.

The October Empire Manufacturing Index increased to 10.7, up nearly 20.0 points from -8.7 last month.

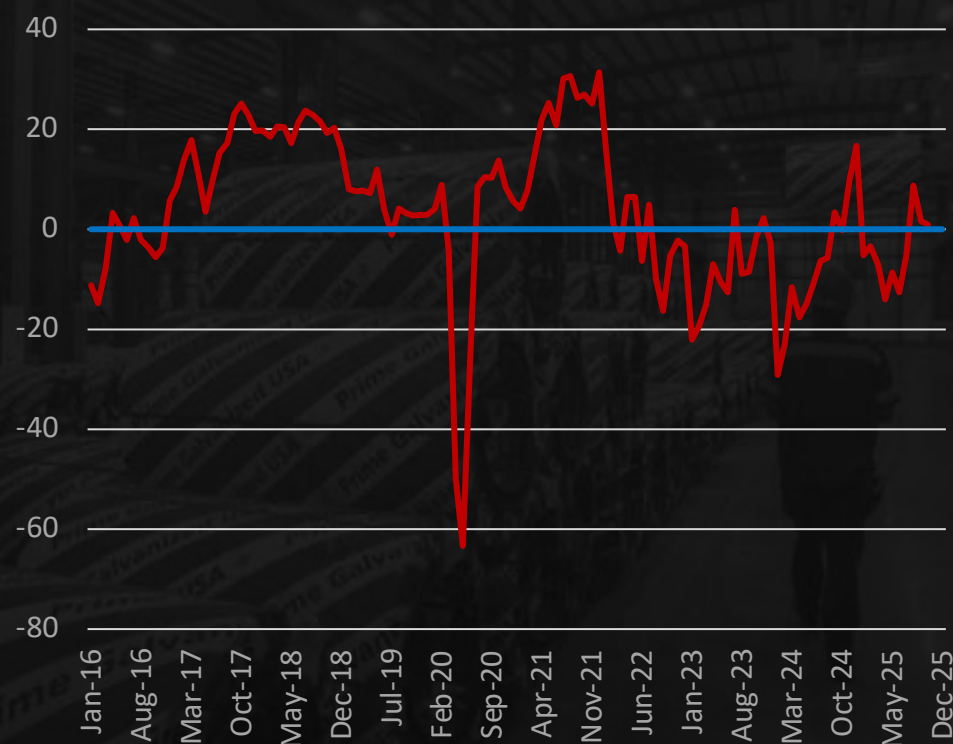
- This was the third increase in the last four months.
- The two-month average remained in positive territory for the third straight month, holding on at 1.0.
- Any reading above 0.0 shows expansion in activity, while any reading below 0.0 shows a decline.

Both the new orders and shipment components expanded after seeing contraction in September.

- While still contracting, the unfilled orders component improved to -3.9.

The index for future business conditions increased to its highest level in multiple months, climbing to 30.3.

EMPIRE MANUFACTURING INDEX



DEMAND

⦿ TRACTOR & COMBINE SHIPMENTS⁹

After sliding for the better part of the last year, North American (U.S./Canada) shipments of tractors and combines improved in September.

Tractor and combine shipments totaled 20,057 units, up 13.1% from August and were up 4.1% last September.

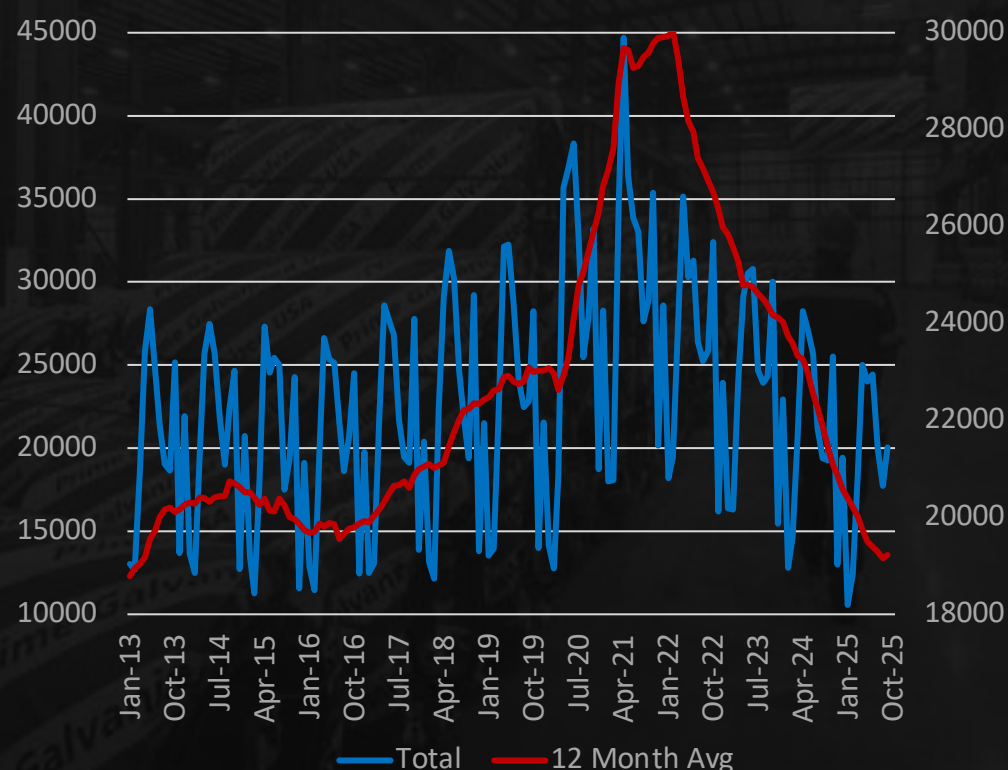
- This was the first year-over-year increase since May 2023.

Looking on a year-over-year basis to help smooth seasonality, shipments of tractors were up 4.7%, however combine shipments continued to decline -12.8%.

- Combine shipments have now declined on a year-over-year basis for seventeen consecutive months.

Year-to-date total shipments are now down 8.7% compared to the same timeframe last year.

TRACTOR AND COMBINE SHIPMENTS



⊖ WEEKLY INITIAL JOBLESS CLAIMS¹⁰

For the third straight week, jobless claims data was unavailable due to the ongoing government shutdown.

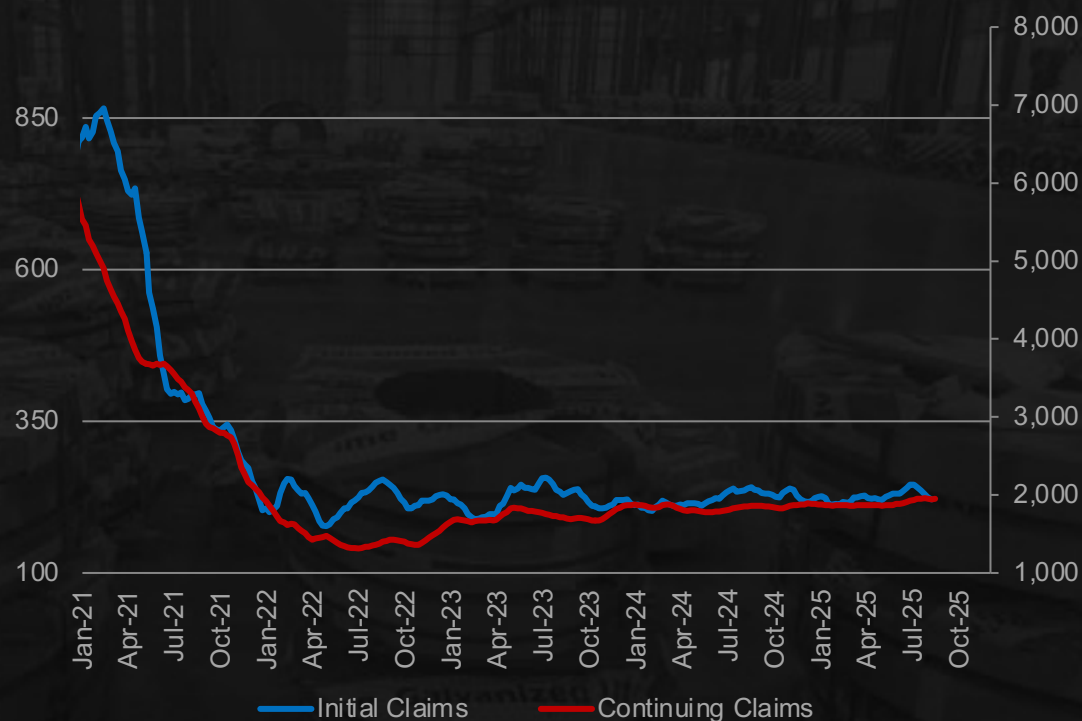
- The data will be backfilled once a resolution is agreed upon.

It's likely that jobless claims have increased as hundreds of thousands of government workers have been furloughed, including government contractors.

Despite this, claims remain historically low as the labor market has been stuck in a “no hiring, no firing” phase for most of the year.

- The unemployment rate is currently at 4.3%.

WEEKLY INITIAL JOBLESS CLAIMS



SOURCES

- 1 Prime Scrap Price, Market Conversations: Week ending October 17, 2025.
- 2 Platts, Spot Iron Ore: October 17, 2025.
- 3 London Metal Exchange, Weekly Zinc Price and Inventory Report: October 17, 2025.
Shanghai Futures Exchange, Weekly Zinc Inventory Report: October 17, 2025.
- 4 Platts, Coking Coal Price: October 17, 2025.
- 5 American Iron & Steel Institute, Weekly Domestic Steel Production: October 14, 2025.
- 6 WardsAuto, U.S. Light Vehicle Inventory: September 2025.
- 7 The Federal Reserve, Empire Manufacturing Index: October 2025.
- 8 Association of Equipment Manufacturers, Tractor and Combine Shipments: September 2025.
- 9 Dodge Construction Network, Dodge Momentum Index: September 2025.
- 10 Department of Labor, Weekly Initial Jobless Claims: September 23, 2025.

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