



MAJESTIC
STEEL USA

CORE REPORT

12.19.25

COST

01

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

SUPPLY

04

- ⊖ lead times
- ⬆ production
- ⊖ imports
- ⊖ shipments

DEMAND

05

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

ECONOMIC

09

- ⬆ employment
- ⊖ mill price increase
- ⊖ confidence
- ⊖ retail sales
- ⬆ inflation



THE RIGHT STEEL SUPPLY CHAIN HAS NEVER MATTERED MORE

MANAGE COST. MITIGATE RISK. MORE RELIABLE.

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COST

▲ SPOT IRON ORE¹

Spot iron ore rebounded this week after a slight drop last week, approaching the one-year high.

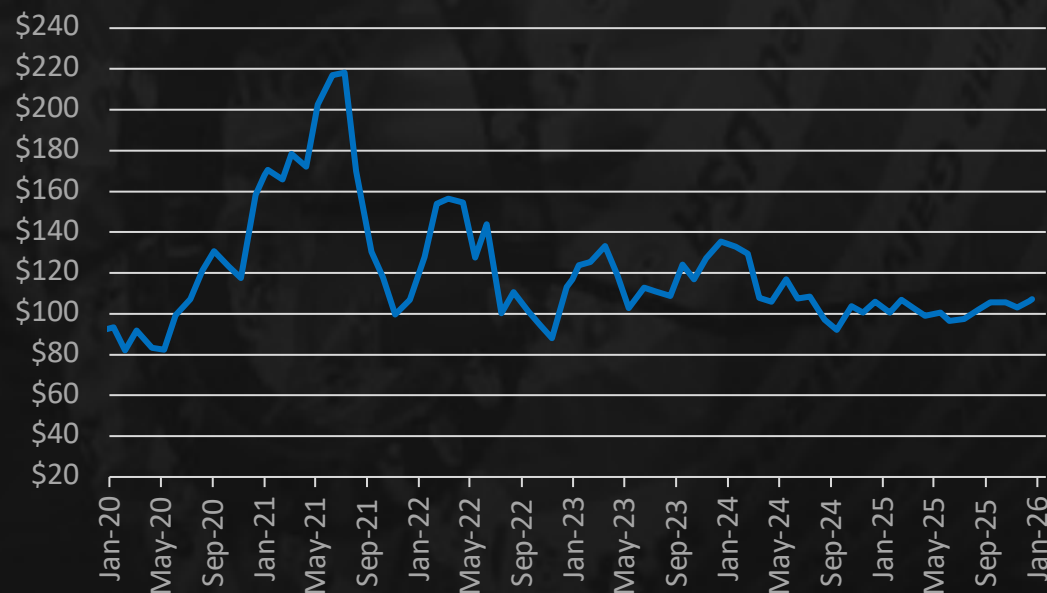
Spot iron ore pricing ended the week at \$107.30/mt, up from \$106.10/mt a week ago.

- Iron ore has remained within a tight range since October.

Iron ore rose this week as Chinese steelmakers restock ahead of Lunar New Year.

Going forward, iron ore could face headwinds after China's Ministry of Commerce announced it will roll out a licensing system for steel exports starting in January, which could cap the country's overall steel output.

IRON ORE COST



WEEKLY ZINC PRICING



Zinc pricing dropped sharply this week after a surge in LME inventory eased supply concerns.

Zinc pricing ended the week at \$3,039/mt (\$1.378/lb), down from \$3,240/mt (\$1.470/lb) previously.

- This was the lowest price since mid-September.

Global zinc inventory increased sharply due to a 60% increase in LME warehouse inventory.

- LME warehouse inventory increased sharply to the highest level since August 1st, climbing from 60,350 metric tons to 99,400 metric tons.
- Shanghai warehouse inventory decreased, however, sliding from 80,577 metric tons to 76,017 metric tons.

COST

▲ COKING COAL³

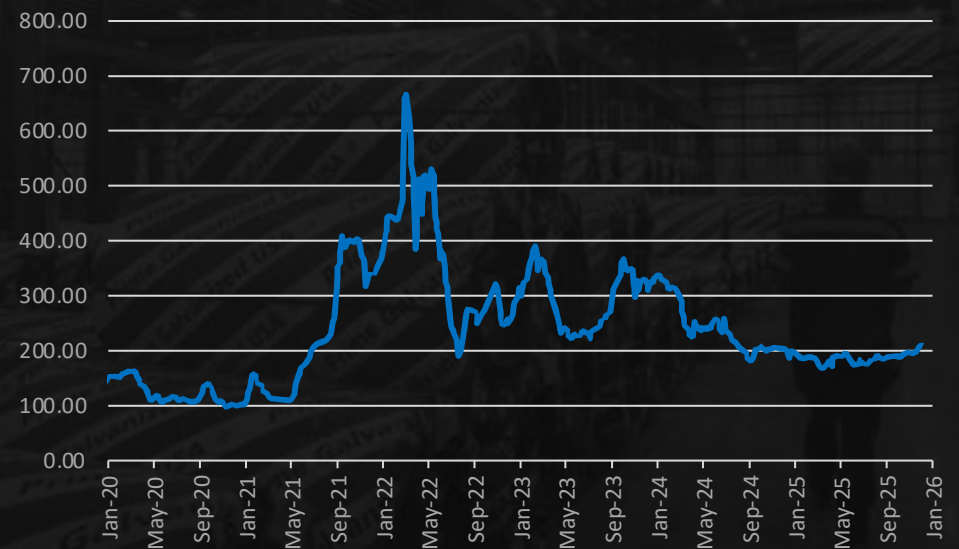
Coking coal pricing increased for the fourth consecutive week, reaching a fresh seventeen-month high.

Coking coal pricing ended the week at \$218.00/mt, up from \$210.00/mt last week.

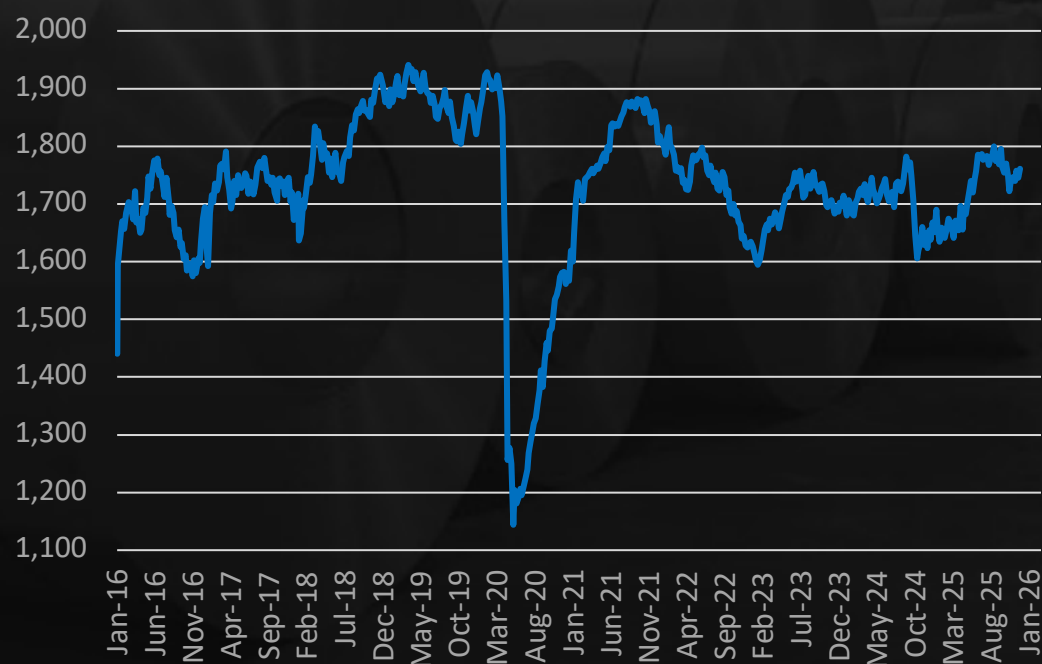
- This is the highest price for coal since mid-July 2024 when it reached \$217.00/mt.

Mining cuts in Australia and China continue to limit coal supply to end the year.

COKING COAL PRICE



WEEKLY DOMESTIC PRODUCTION



WEEKLY DOMESTIC STEEL PRODUCTION⁴

Domestic raw steel production rebounded last week after sliding the previous two weeks.

U.S. mills produced an estimated 1,753k tons at a 76.5% utilization rate, up sharply from 1,734k tons and a 75.7% rate previously.

- This was the highest weekly output and utilization rate since the week before Thanksgiving.

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

- Production in the Southern region spiked from 792k tons to 815k tons.

Year-to-date production is now up 1.53% compared to the same time frame last year.

DEMAND

HOUSING MARKET INDEX⁵

Confidence among U.S. homebuilders improved slightly in December but remained well into pessimistic territory.

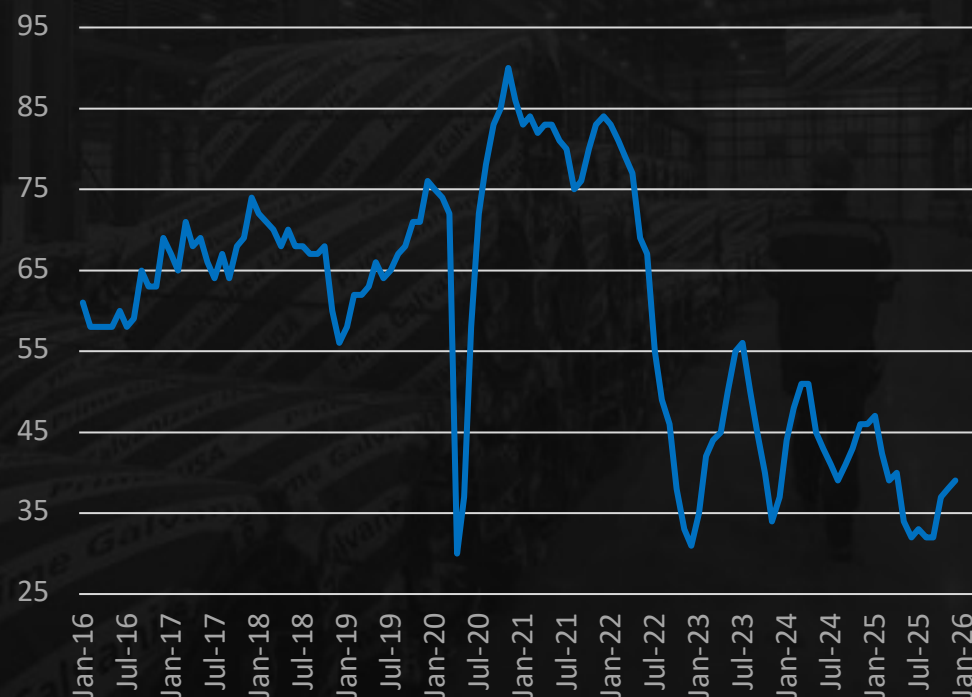
The December Housing Market Index came in at 39, up from November and at its highest reading since April.

- Despite the improvement, the index remains well below 50, a key breakeven mark to gauge homebuilder optimism vs. pessimism.

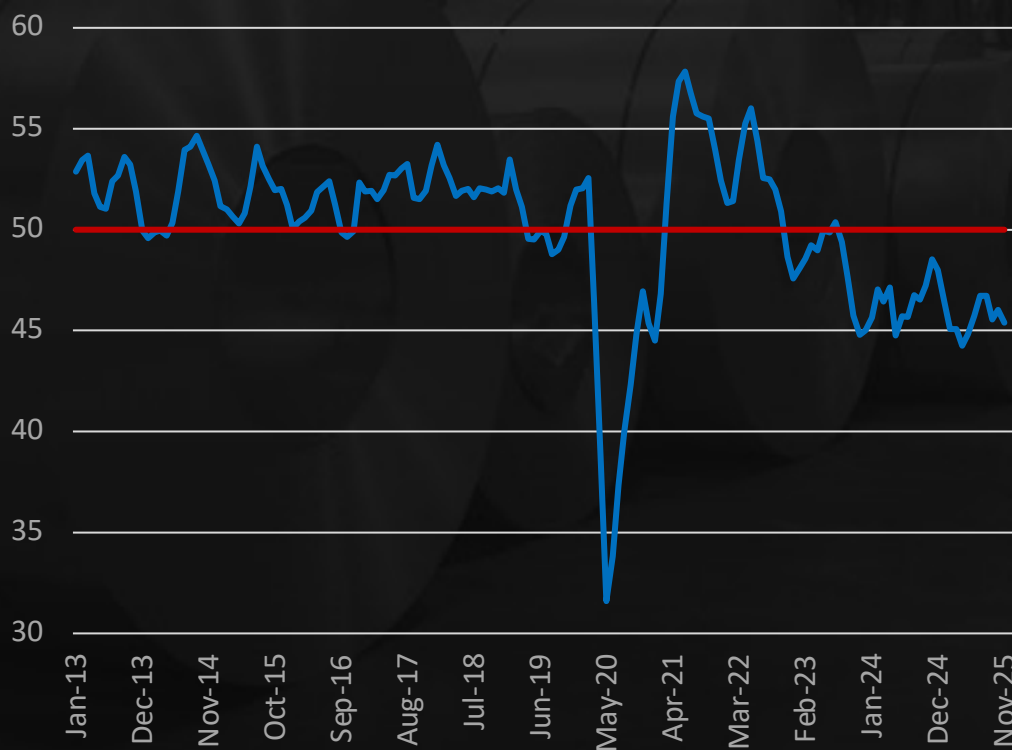
The next six-months component showed more confidence than in November, climbing slightly to 52.

- The current outlook and traffic components remained in pessimistic territory, coming in at 42 and 26, respectively.

HOUSING MARKET INDEX



ARCHITECTURE BILLINGS INDEX (3MMA)



▼ ARCHITECTURE BILLINGS INDEX⁶

Billings activity at the architecture firm level continued to contract in November.

The November Architecture Billings Index (ABI) came in at 45.3, down from 47.6 in October and now in contraction for the thirteenth consecutive month.

- Any reading below 50 shows a contraction in activity, while any reading above 50 shows expansion.

Regionally, the Midwest (52.3) saw growth while all other regions continued to contract.

- The Northeast (43.1) was the weakest of the regions.

The sector breakdown shows all sectors contracting with institutional (47.6) seeing the slowest decline.

- The ABI is a leading indicator of construction spending 9-12 months out.

DEMAND

▲ EXISTING HOME SALES⁷

Sales of existing homes continued to push higher in November, now climbing for the third consecutive month.

November existing home sales came in at a 4.130 million unit rate, up 0.5% from October but down 1.0% from last November.

- This was the first year-over-year decline since May.

Year-to-date actual sales are now 0.5% below the total from the first eleven months of last year.

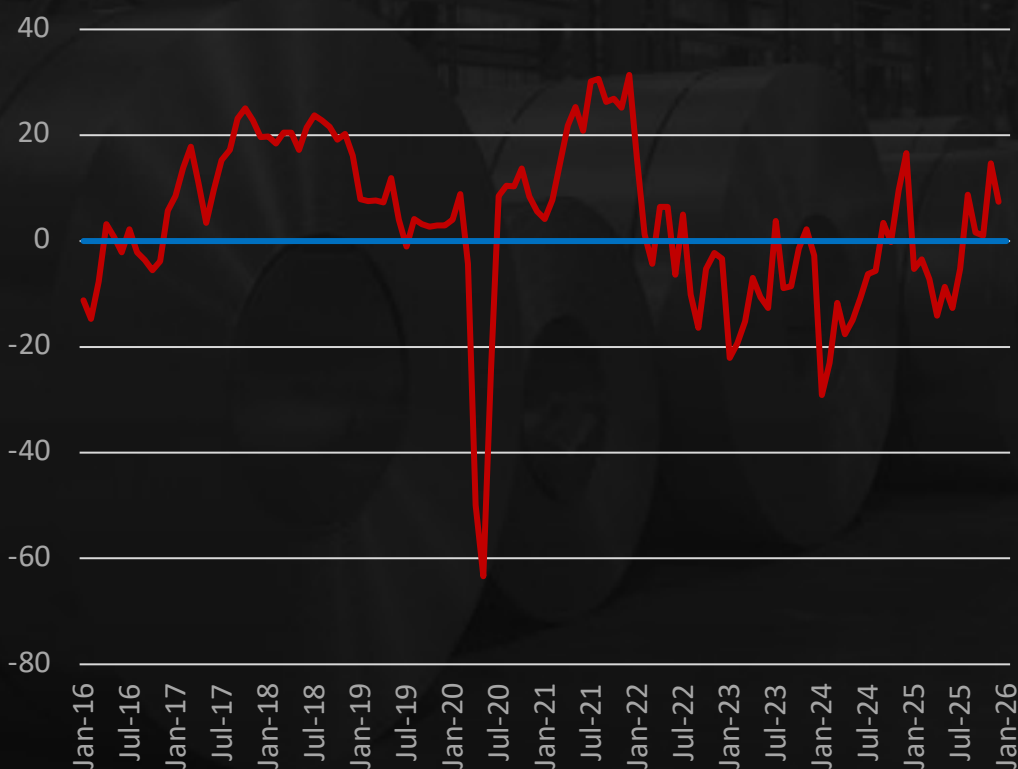
Inventory at the end of November was down 5.9% compared to the end of October but up nearly 8.0% from the end of last November.

- The current inventory (1.430 million units) when combined with the current sales pace, equates to 4.2 months of supply.
- This is down from 4.4 previously and the lowest since March.

EXISTING HOME SALES (SAAR)



EMPIRE MANUFACTURING INDEX (2MMA)



▼ EMPIRE MANUFACTURING INDEX⁸

Manufacturing business activity in the New York region declined slightly in December after seeing steady growth the previous two months.

The December Empire Manufacturing Index came in at -3.9, down over 20.0 points from November and down over 5.0 points from last December.

- The two-month average slipped to 7.4, down from the eleven-month high seen in November.
- Despite the slowdown, the two-month average has been above 0.0 for five consecutive months.

Within the overall index, the new order component was flat month-over-month.

- Unfilled orders declined sharply, sliding nearly 10 points from November.

The index for future business conditions increased sharply to finish out the year, climbing seventeen points to 35.7, the highest reading since January.

- Positivity around future new orders and shipments continued to increase as both hit their highest levels of the year.

▼ WEEKLY INITIAL JOBLESS CLAIMS⁹

The number of Americans filing new unemployment claims dropped slightly after a large jump the week prior.

The Department of Labor's Weekly Initial Jobless Claims report came in at 224,000 claims, down from 237,000 claims the previous week.

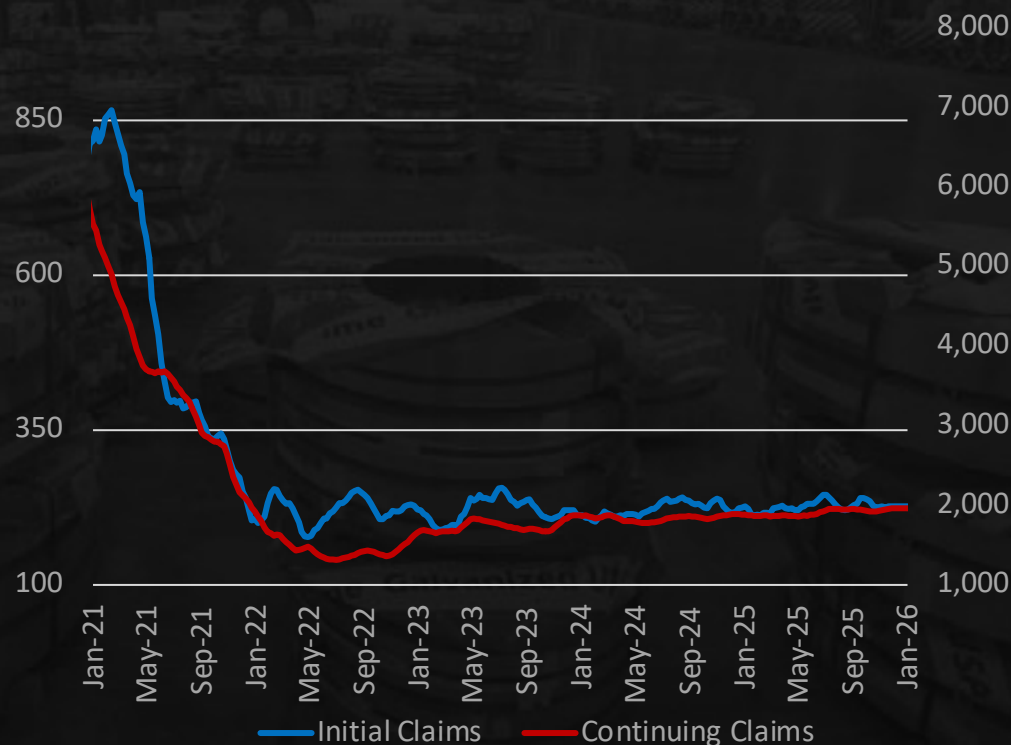
- Claims have now dropped five out of the last six weeks.
- The four-week moving average, considered a better measure of the labor market as it irons out week-to-week volatility, increased to 217,750.

Continuing claims, or claims lasting longer than one week, increased after sliding the previous three weeks.

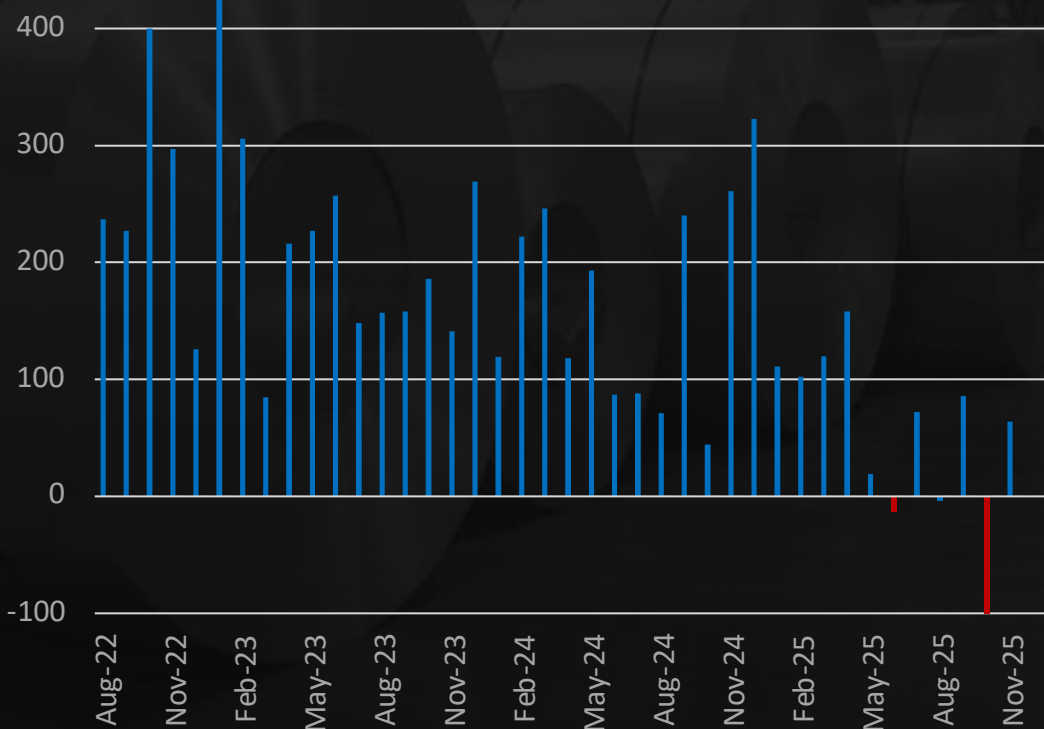
- Continuing claims came in at 1.897 million claims, up sharply from 1.830 million claims previously.

Claims data are volatile around this time of year due to the holidays.

WEEKLY INITIAL JOBLESS CLAIMS



MONTHLY JOBS ADDED



EMPLOYMENT SITUATION¹⁰

Total employment was essentially flat in November by adding 64,000 jobs from an estimated October figure.

Total private employment, which represents 70% of all employment, increased by 69,000 jobs in November after climbing by an estimated 52,000 jobs in October.

- Government employment fell by 5,000 jobs after falling by an estimated 157,000 jobs in October.

Goods-producing employment increased as well, climbing by 19,000 jobs in November.

- While construction employment continued to grow (+28,000), manufacturing employment slipped (-5,000) in November.
- Durable goods employment fell by 4,000 in November.

The unemployment rate ticked up to 4.6%, up from 4.4% previously and the highest level since October 2021.

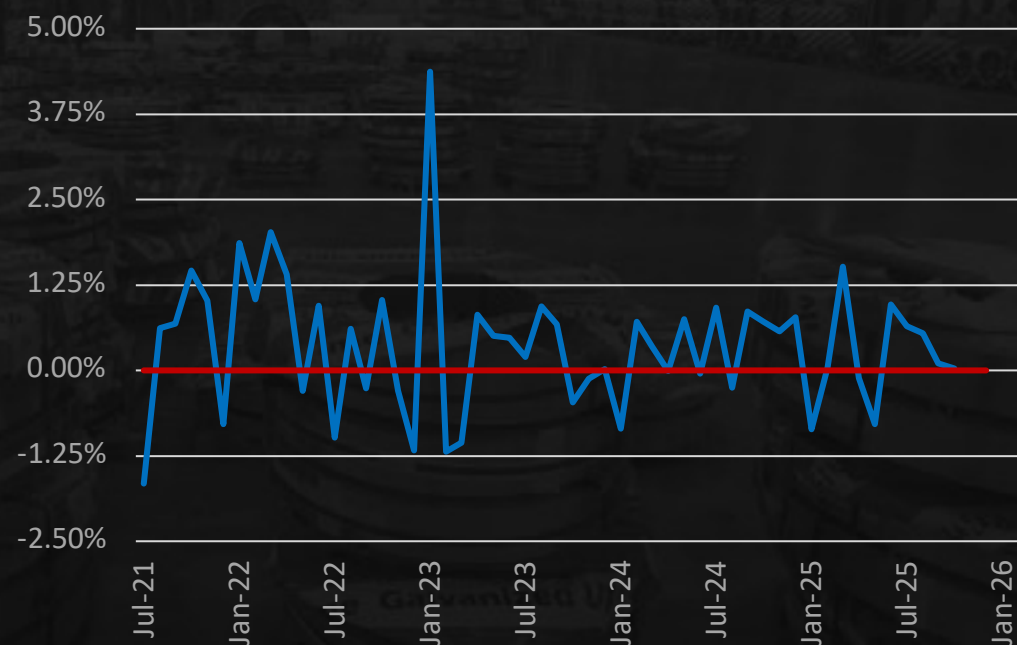
RETAIL SALES¹¹

After a slight increase in September, October retail sales were virtually flat at a \$732.6 billion rate.

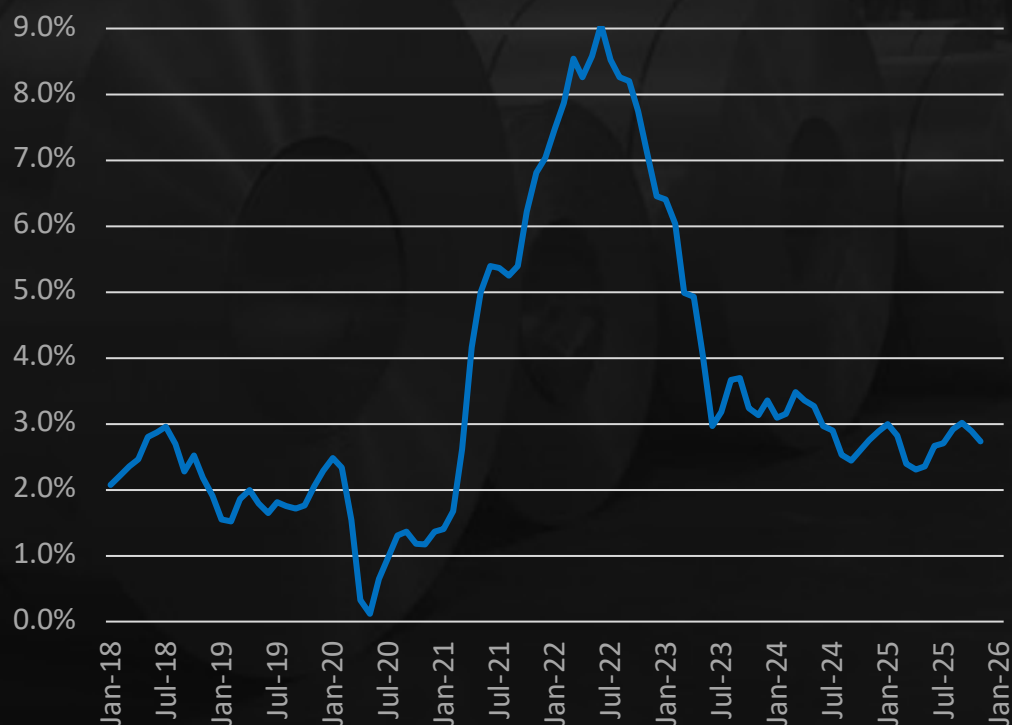
- While flat from September, sales were up 3.5% from last October; the lowest year-over-year increase since May.
- Excluding the volatile sales from gas stations, total sales were up 0.1% from September and 3.6% from last October.
- Total sales for the August -October period were up 0.4% compared to the same period in 2024.

Increases in sales from sporting goods stores, department stores, and online retailers, were offset by declines from motor vehicle dealers, building material and garden stores, and gas stations.

RETAIL SALES (M/M)



CONSUMER PRICE INDEX



⦿ CONSUMER PRICE INDEX¹²

Prices paid by consumers in November increased at a slightly slower rate than in recent months.

The November Consumer Price Index was up 0.2% from September (no October report due to the government shutdown) and was up 2.74% compared to last November.

- This was the lowest year-over-year increase in prices since July.

Excluding the volatile food and energy sectors, prices were up 0.2% from September and up 2.63% compared to last November.

- This was the lowest year-over-year increase for CORE-CPI since March 2021.

The shelter index increased 3% over the last year.

- Other indexes with increases over the last 12 months include medical care (+2.9%), furniture (+4.6%), and used cars/trucks (+3.6%).

HAPPY HOLIDAYS!

The CORE Report will return on January 12th, following the holidays.

Thank you for subscribing to the CORE Report, the center of
steel market news!

SOURCES

- 1 Platts, Spot Iron Ore: December 19, 2025.
- 2 London Metal Exchange, Weekly Zinc Price and Inventory Report: December 19, 2025.
Shanghai Futures Exchange, Weekly Zinc Inventory Report: December 19, 2025.
- 3 Platts, Coking Coal Price: December 19, 2025.
- 4 American Iron & Steel Institute, Weekly Domestic Steel Production: December 16, 2025.
- 5 National Association of Home Builders, Housing Market Index: December 2025.
- 6 American Institute of Architects, Architecture Billings Index: November 2025.
- 7 National Association of Realtors, Existing Home Sales: November 2025.
- 8 NY Fed Reserve, Empire Manufacturing Index: December 2025.
- 9 Department of Labor, Weekly Initial Jobless Claims: December 18, 2025.
- 10 Bureau of Labor Statistics, Employment Situation: November 2025.
- 11 U.S. Census Bureau, Retail Sales: October 2025.
- 12 Bureau of Labor Statistics, Consumer Price Index: November 2025.

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