MAJESTIC STEEL USA

CORE REPORT 02.06.26

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COST

SPOT IRON ORE[1]

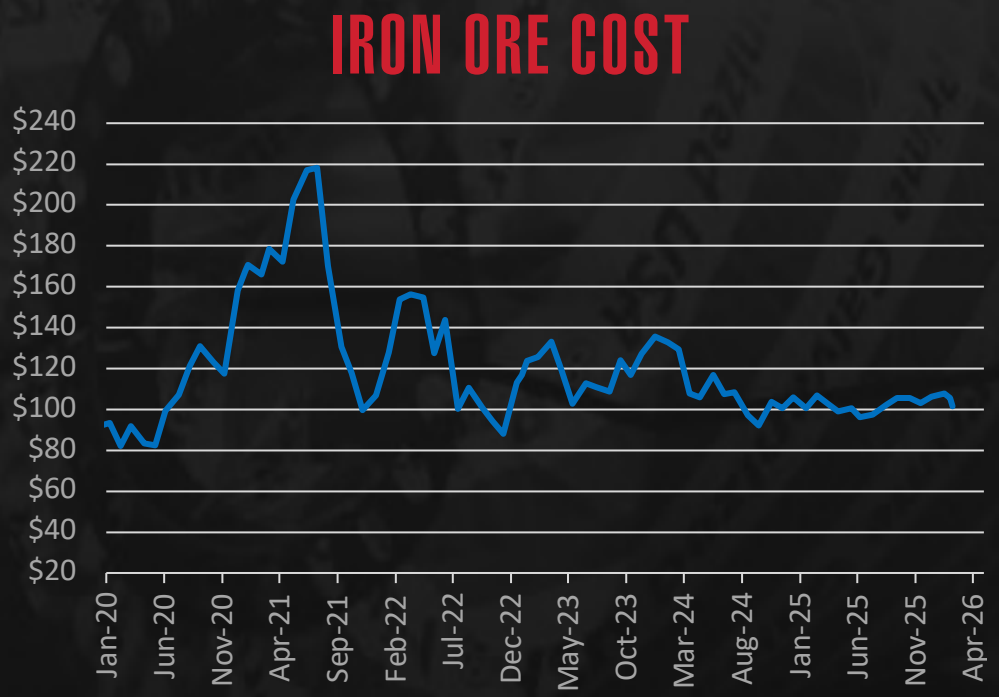
Spot iron ore dropped sharply this week, falling to a seven-month low.

Spot iron ore pricing ended the week at $101.55/mt, down from $105.60/mt a week ago.

- This is the lowest price for iron ore since July 2025.

Prices edged lower as sentiment weakened due to rising stocks, potential steel output cuts in China, and soft demand.

- Most mills have completed pre–Lunar New Year restocking, further limiting upside.



WEEKLY ZINC PRICING

COST

ZINC[2]

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

Zinc pricing ended the week at $3,288/mt ($1.491/lb), down slightly from $3,343/mt ($1.516/lb).

- Tightening supply and relatively solid demand continues to support zinc pricing in the short to medium term.
- Manufacturing activity showed slight expansion in parts of the global economy during January, suggesting the impact of U.S. tariffs may have passed.

Global zinc inventory increased slightly, now up seven out of the last eight weeks.

- LME warehouse inventory slipped from 109,750 metric tons to 107,800 metric tons.
- Shanghai warehouse inventory increased, however, climbing from 65,154 metric tons to 70,689 metric tons.

COST

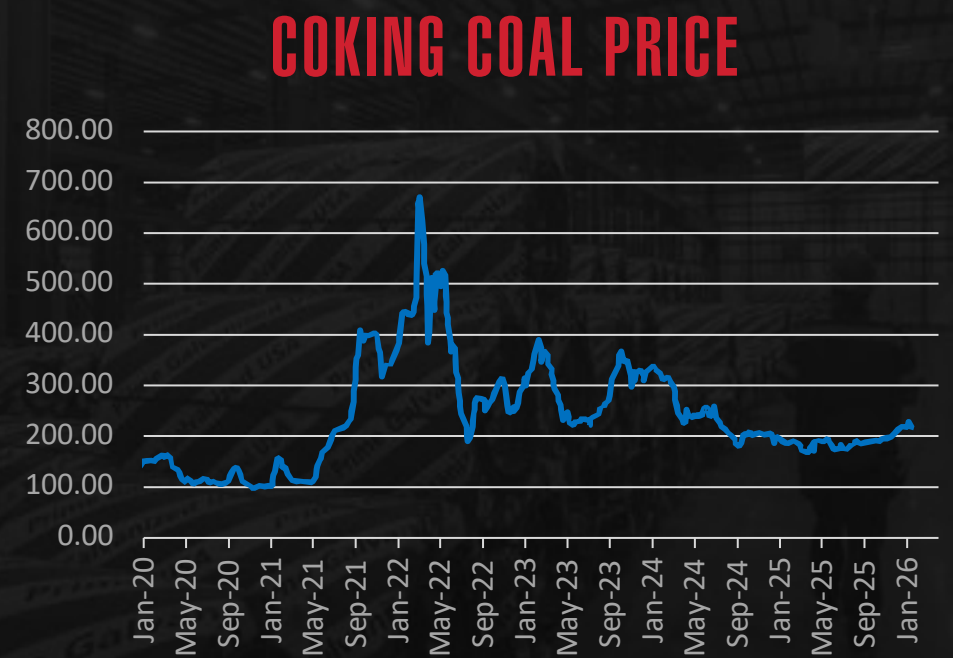
COKING COAL[3]

Coking coal pricing dipped slightly for the third consecutive week.

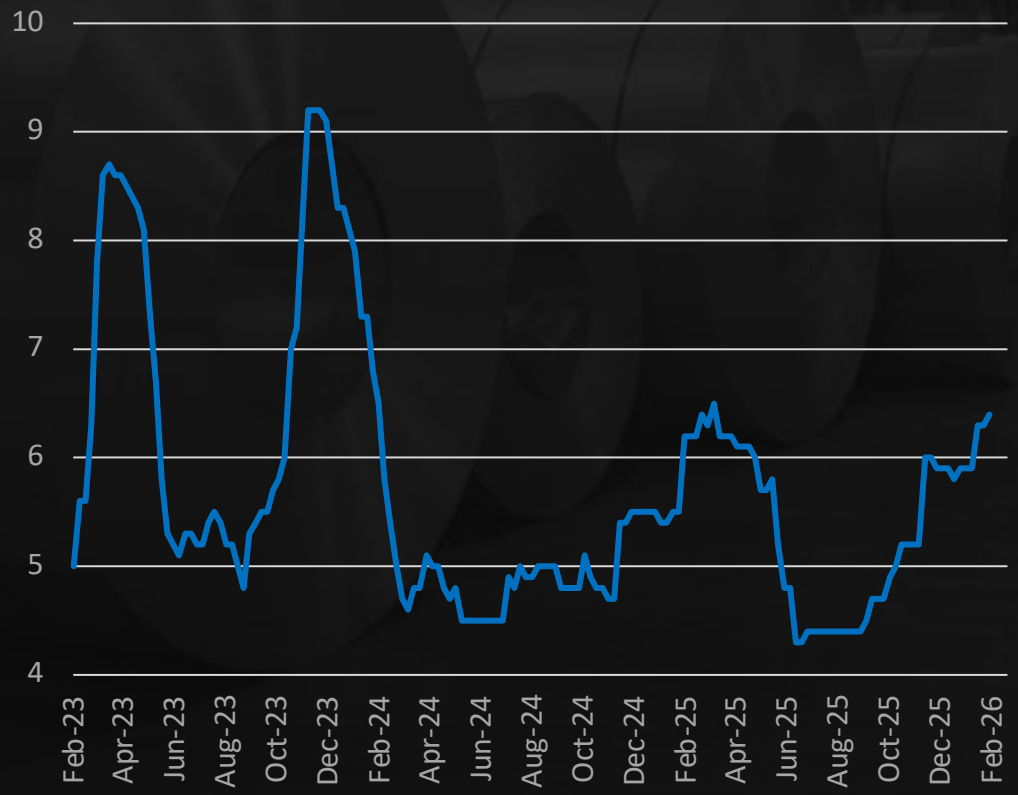
Coking coal pricing ended the week at $209.50/mt, down from $211.00/mt previously.

- This is down 6.5% from the eighteen-month high seen just four weeks ago.

Despite the drop, it's likely that restocking ahead of the Chinese Lunar New Year and improving demand in India will support pricing.



DOMESTIC HRC LEAD TIMES



LEAD TIMES[4]

Domestic hot rolled coil lead times inched higher again this week and are now at their longest rate since last March.

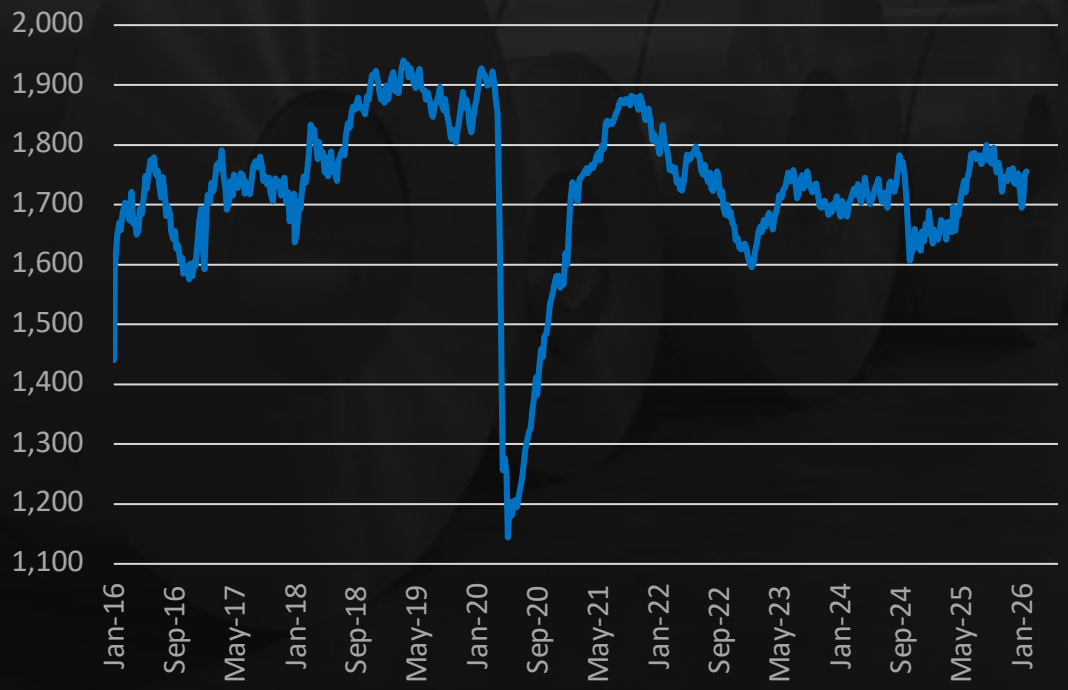
- Hot rolled lead times increased to 6.4 weeks, up from 6.3 weeks last week and up from 5.9 weeks a month ago.

The recent combination of planned and unplanned maintenance outages and recouping of market share have helped lead times extend since bottoming in late Q3.

This extension of lead times continues to allow domestic suppliers to keep pricing firm and potentially move prices higher from here.

Ultimately, an uptick in demand will be needed as we move into Q2 in order to keep mill order books strong and prices firming.

WEEKLY DOMESTIC PRODUCTION



WEEKLY DOMESTIC STEEL PRODUCTION[5]

Domestic steel production dropped sharply last week, ending a stretch of four consecutive increases.

U.S. mills produced an estimated 1,758k tons at a 76.0% utilization rate, down from 1,778k tons and a 76.9% rate previously.

- This was down after hitting the highest weekly output since the first week of September.

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

- Production in the Midwest region fell from 266k tons to 257k tons.

Year-to-date production is now up 6.7% compared to the same time frame last year.

SUPPLY

CARBON STEEL SHIPMENTS[6]

Total carbon steel shipments finished the year strong after slowing the previous two months.

December carbon steel shipments from domestic mills totaled 7.280 million tons.

- This was up 5.1% from November and up 3.2% compared to last December.

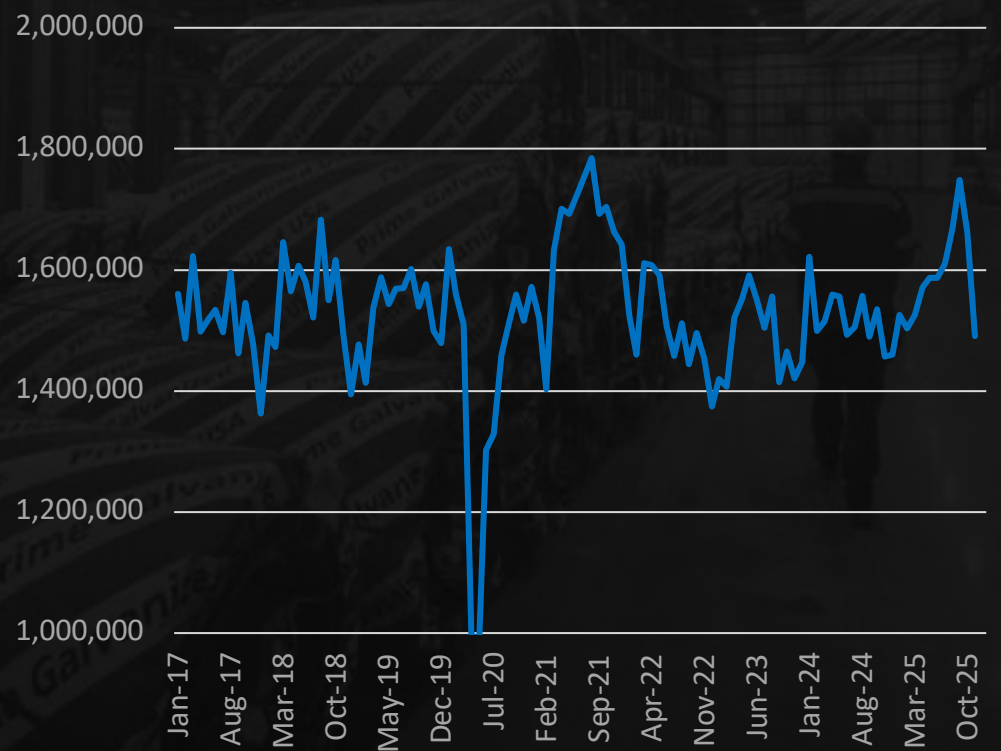
Carbon flat rolled shipments totaled 4.168 million tons in December, up 7.8% from November and 4.5% from the 3.989 million ton total last December.

- Shipments of all three flat rolled products increased from November, with hot rolled shipments (+15.5%) seeing the largest increase.

For the full year 2025, carbon flat rolled shipments totaled 51.246 million tons, up 3.9% compared to the 2024 total.

- This was the highest full year total since 2021, a continued sign of domestic producers regaining market share from limited offshore sources.

CARBON FLAT ROLLED MILL SHIPMENTS



DEMAND

LIGHT VEHICLE SALES[7]

After climbing the previous two months, domestic light vehicle sales declined in January.

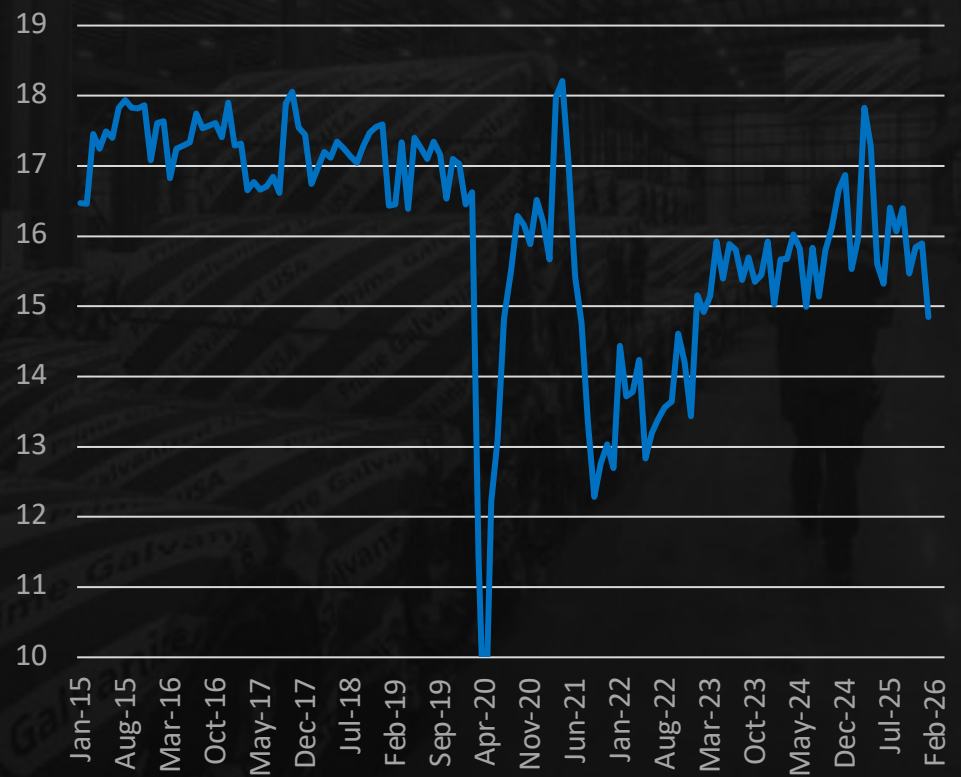
January light vehicle sales came in at a 14.85 million unit rate, down 6.6% from December and down 4.4% compared to the 15.53 million unit rate last January.

- This was the fourth consecutive month in which sales declined on a year-over-year basis.
- January sales came in at their lowest rate since December 2022.

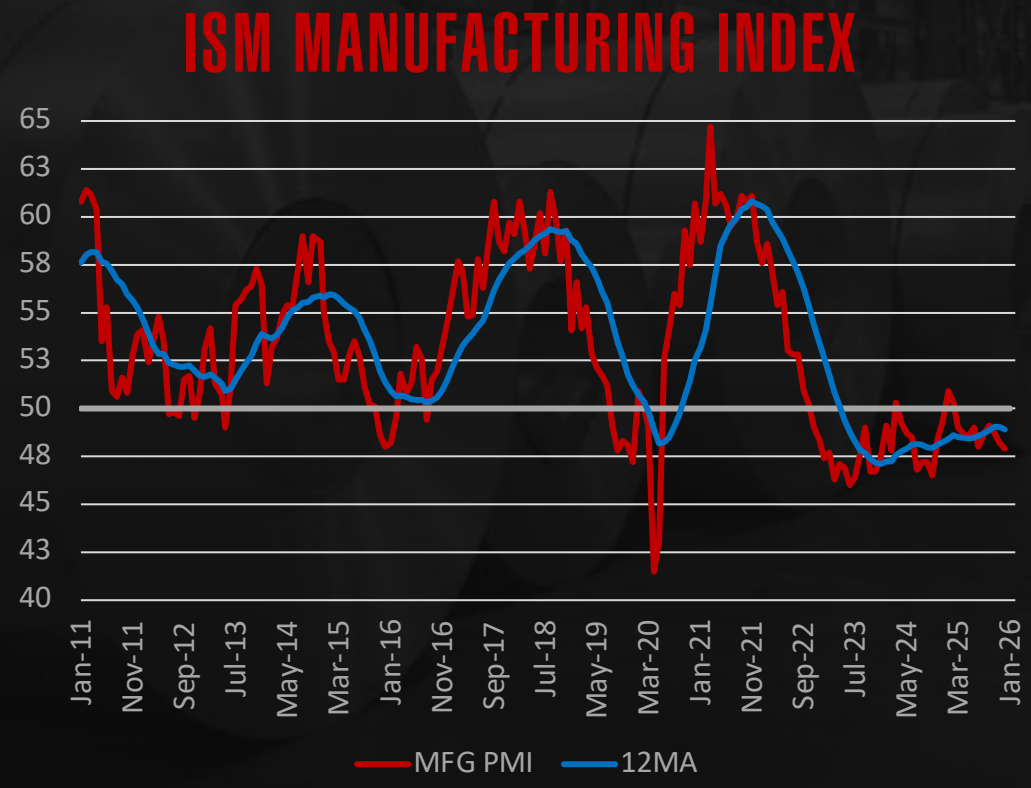
A combination of poor weather across the country and continued buyer hesitancy helped to push total sales lower in January.

Recent production issues at the aluminum roller facility hindered inventories, particularly of trucks, also attributed to the slowdown in sales.

U.S. LIGHT VEHICLE SALES



ISM MANUFACTURING INDEX[8]



Economic activity in the manufacturing sector expanded in January after contracting over the previous twelve months.

The January ISM Manufacturing PMI came in at 52.6, up sharply from 47.9 in December and is at the highest reading since August 2022.

- Any reading over 50 shows expansion, while any reading below 50 indicates contraction.

Nearly all components improved in January, with both the New Orders and Production components showing strong expansion.

- The New Orders and Production components increased to 57.1 and 55.9, respectively.

The Backlog of Orders component increased sharply as well, climbing nearly 6.0 points to 51.6.

ECONOMIC

WEEKLY INITIAL JOBLESS CLAIMS[9]

The number of Americans filing new unemployment claims increased sharply last week after a flat reading the previous week.

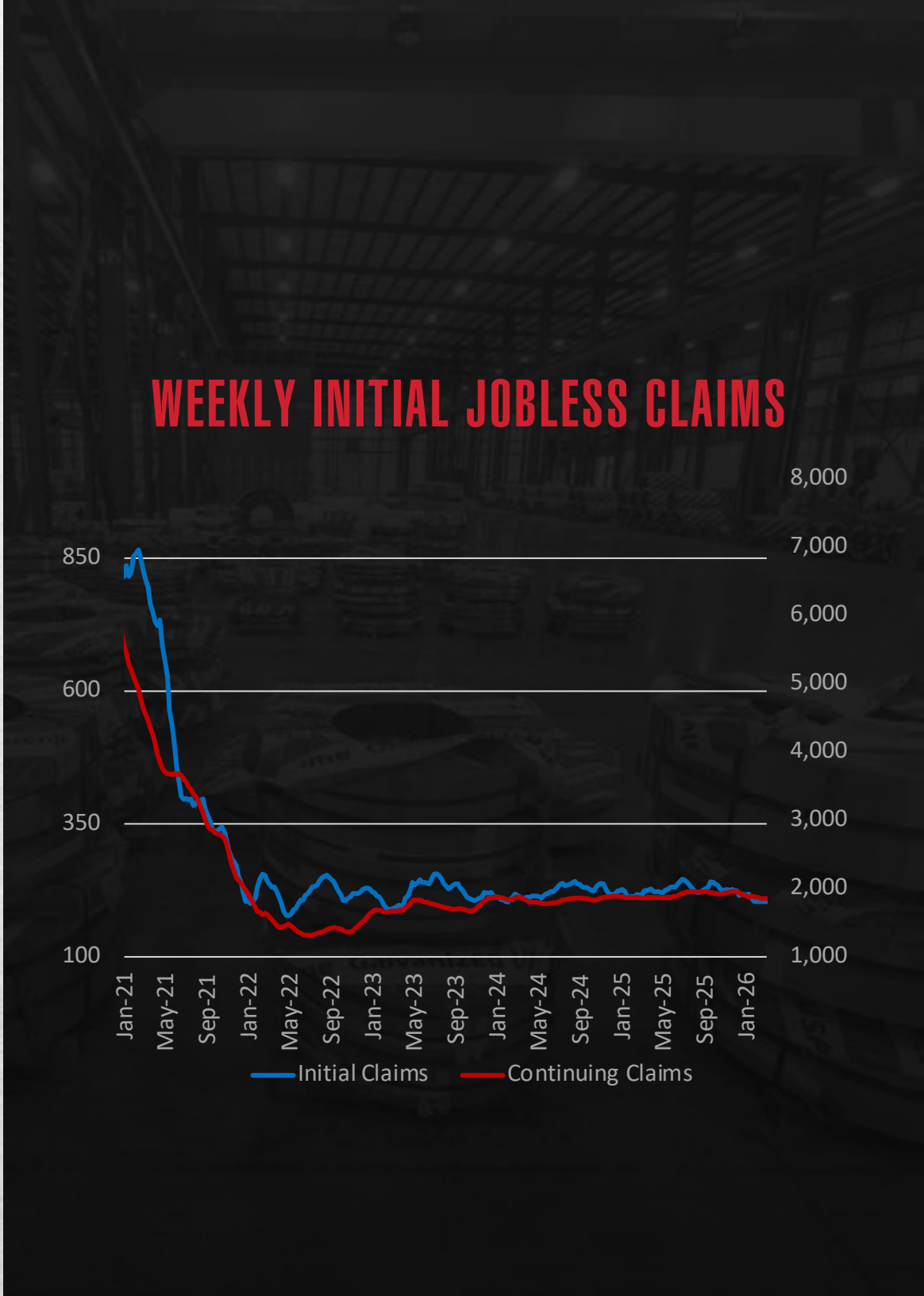
The Department of Labor's Weekly Initial Jobless Claims report came in at 231,000 claims, up from 209,000 claims previously.

- The four-week moving average, considered a better measure of the labor market as it irons out week-to-week volatility, increased to 212,250.

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

- Continuing claims came in at 1.844 million claims, up from 1.819 million claims previously.

The spike in unemployment was likely due to the brutal winter storm that hit most of the country.



SOURCES

1 Platts, Spot Iron Ore: February 6, 2026. ****

2 London Metal Exchange, Weekly Zinc Price and Inventory Report: February 6, 2026.
Shanghai Futures Exchange, Weekly Zinc Inventory Report: February 6, 2026.

3 Platts, Coking Coal Price: February 6, 2026.

4 American Iron & Steel Institute, Weekly Domestic Steel Production: February 3, 2026. ******

5 WardsAuto, U.S. Light Vehicle Sales: January 2026. *****

6 Institute for Supply Managers, Manufacturing PMI: January 2026. ******

7 U.S. Census Bureau, Durable Goods Report: November 2025.

8 Department of Labor, Weekly Initial Jobless Claims: February 5, 2026. *****

9 Conference Board, Consumer Confidence: January 2026.

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