



CORE REPORT

05.15.26

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- ⊖ energy
- ▲ zinc
- ▲ coking coal

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- ▲ retail sales

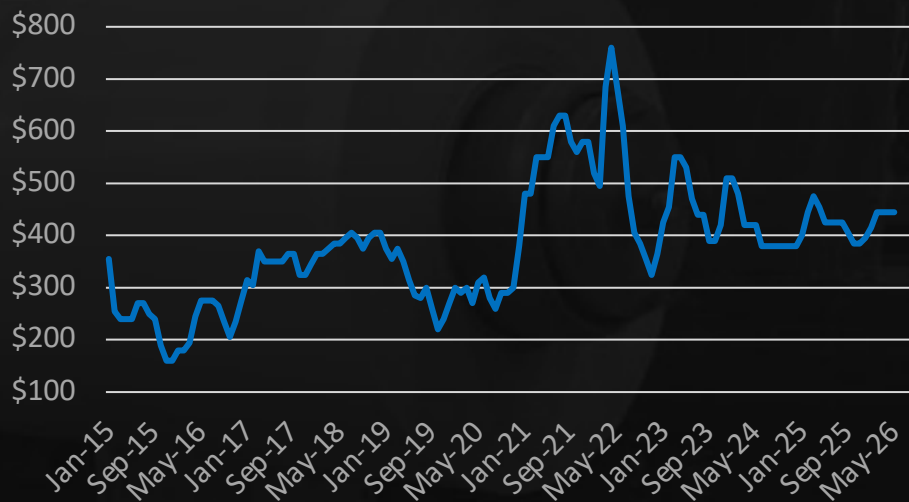


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PRIME SCRAP



SCRAP¹

Prime scrap settled sideways for the third consecutive month.

- May prime scrap pricing held steady at \$445/gt.

Prime scrap held steady despite broader market softness, with strong domestic steel pricing and improving mill demand helping to offset weaker conditions.

- Rising imported pig iron prices are also expected to support the scrap market going forward.

Shredded scrap pricing settled flat as well, holding at \$425/gt.

COST

▲ SPOT IRON ORE²

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

Spot iron ore pricing ended the week at \$111.20/mt, up from \$110.83/mt a week ago.

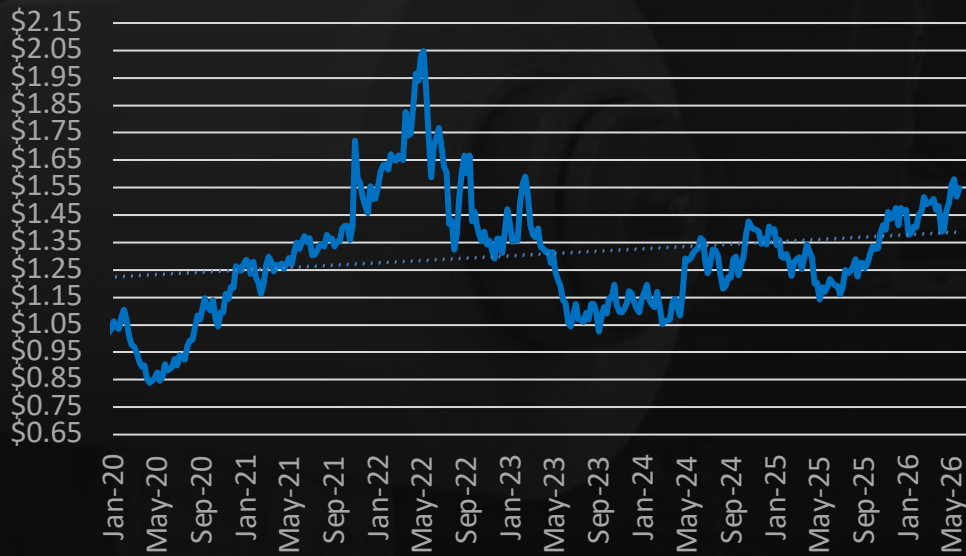
- This is now the highest price for iron ore since the Fall of 2024.

Steady restocking and seasonal steel demand continue to provide support, along with cost pressures stemming from volatile freight rates related to the conflict in the Middle East.

IRON ORE COST



WEEKLY ZINC PRICING



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

Zinc pricing ended the week at \$3,526.50/mt (\$1.600/lb), up from \$3,415/mt (\$1.549/lb) previously.

- Chinese economic data came in above expectations this week, helping to drive pricing higher, while elevated energy costs continue to disrupt supply.
- The recent rise in zinc pricing has led domestic producers to increase coating extras beginning with July production.

Global zinc inventory increased for the second consecutive week.

- LME warehouse inventory rebounded from 94,425 metric tons to 110,875 metric tons.
- Shanghai warehouse inventory increased as well, climbing from 146,766 metric tons to 151,084 metric tons.

COST

▼ COKING COAL⁴

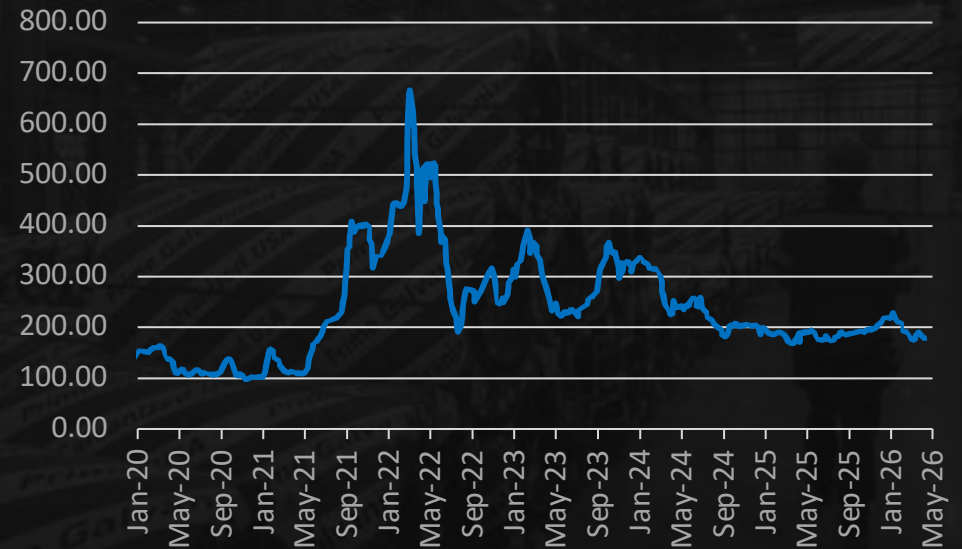
Coking coal pricing slipped slightly this week following gains last week.

Coking coal pricing ticked down slightly to \$179.00/mt, from \$181.00/m previously.

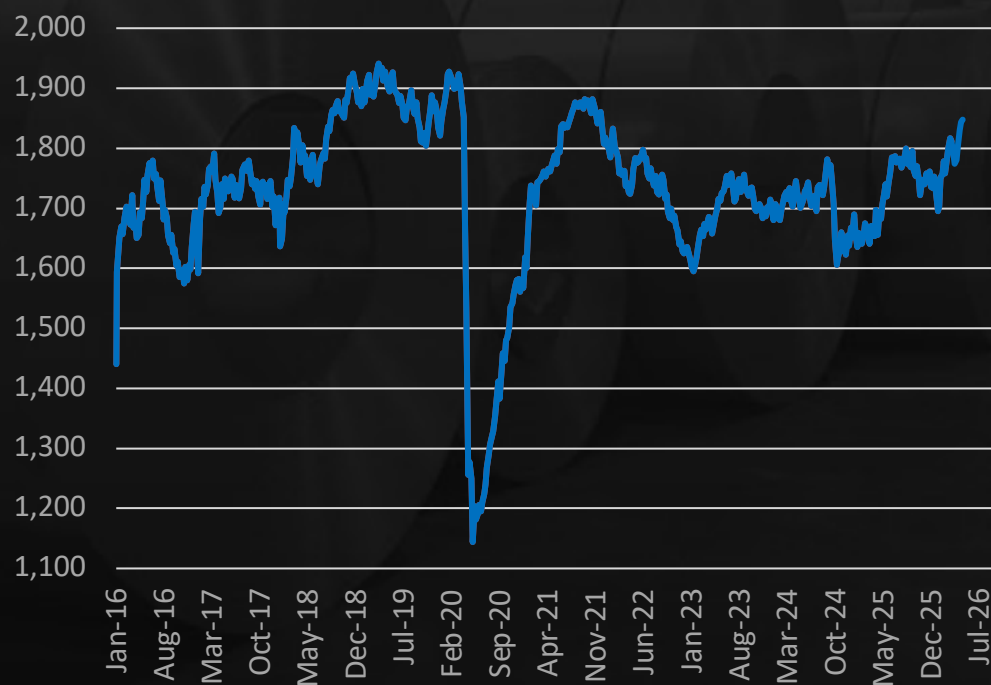
- This is down 7% from the recent peak in early-April.

Coking coal prices remain stable; however, market sentiment continues to be shaped by uncertainty surrounding the conflict in the Middle East.

COKING COAL PRICE



WEEKLY DOMESTIC PRODUCTION



▲ WEEKLY DOMESTIC STEEL PRODUCTION⁵

Domestic steel production increased sharply again last week, now up seven out of the last eight weeks.

U.S. mills produced an estimated 1,880k tons at an 81.4% utilization rate, up from 1,856k tons and an 80.4% utilization rate previously.

- This remained the highest weekly output since November 2021.

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

- Production in the Great Lakes region increased from 511k tons to 522k tons.

Year-to-date production is now up 7.8% compared to the same time frame last year.

DEMAND

EXISTING HOME SALES⁶

After declining in March, existing home sales increased slightly in April.

April existing home sales came in at a 4.020 million unit rate, up 0.2% from March and flat from last April.

- The flat year-over-year reading in April ended a string of five consecutive year/year declines.

Year-to-date actual sales are now up 0.8% compared to the same timeframe last year.

Inventory of unsold existing homes ended April at 1.470 million units, up 5.8% from March and 1.4% from last April.

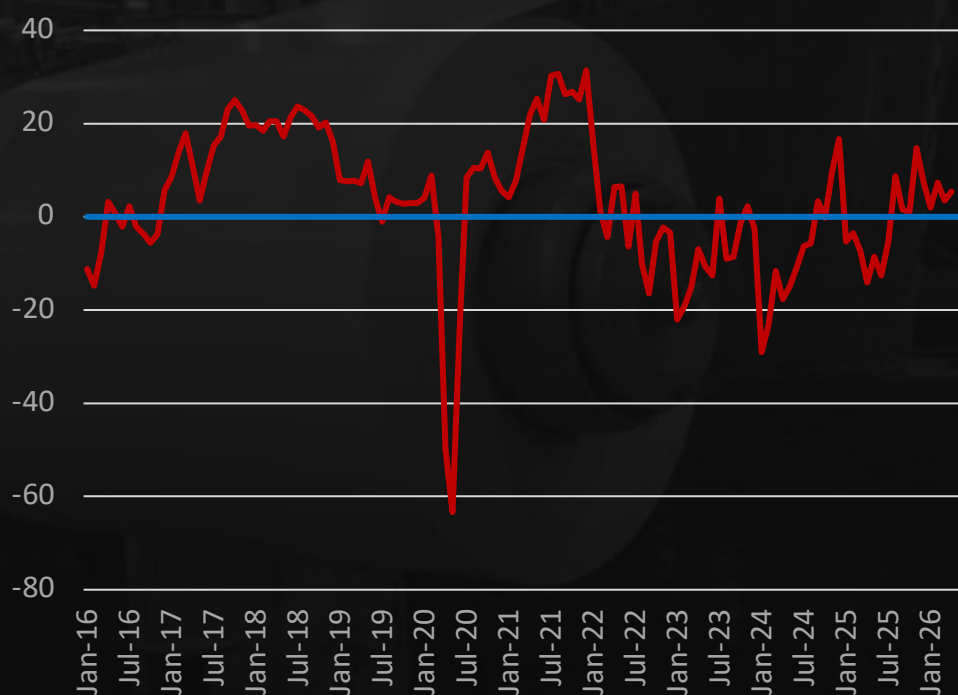
- This is the thirtieth consecutive month in which unsold inventory has increased on a year-over-year basis.

The current inventory, when combined with April's sales pace, equates to 4.4 months of supply, above the five-year average (3.3 months).

EXISTING HOME SALES (SAAR)



EMPIRE MANUFACTURING INDEX (2MMA)



⊕ EMPIRE MANUFACTURING INDEX⁷

Business activity in New York's manufacturing sector grew sharply in May.

The May Empire Manufacturing Index came in at 19.6, up from 11.0 in April, hitting the highest reading since November 2024.

- The two-month average increased to 15.3, the highest level since December.
- Any reading above 0.0 shows expansion, while any reading below 0.0 shows contraction.

The new orders and shipment components increased considerably for the second consecutive month.

Respondents grew more optimistic about the future, as the index for future business conditions increased by 14.0 points to 33.5.

DEMAND

▲ INDUSTRIAL PRODUCTION/ CAPACITY UTILIZATION⁸

Industrial production increased in April after a slight decline in March.

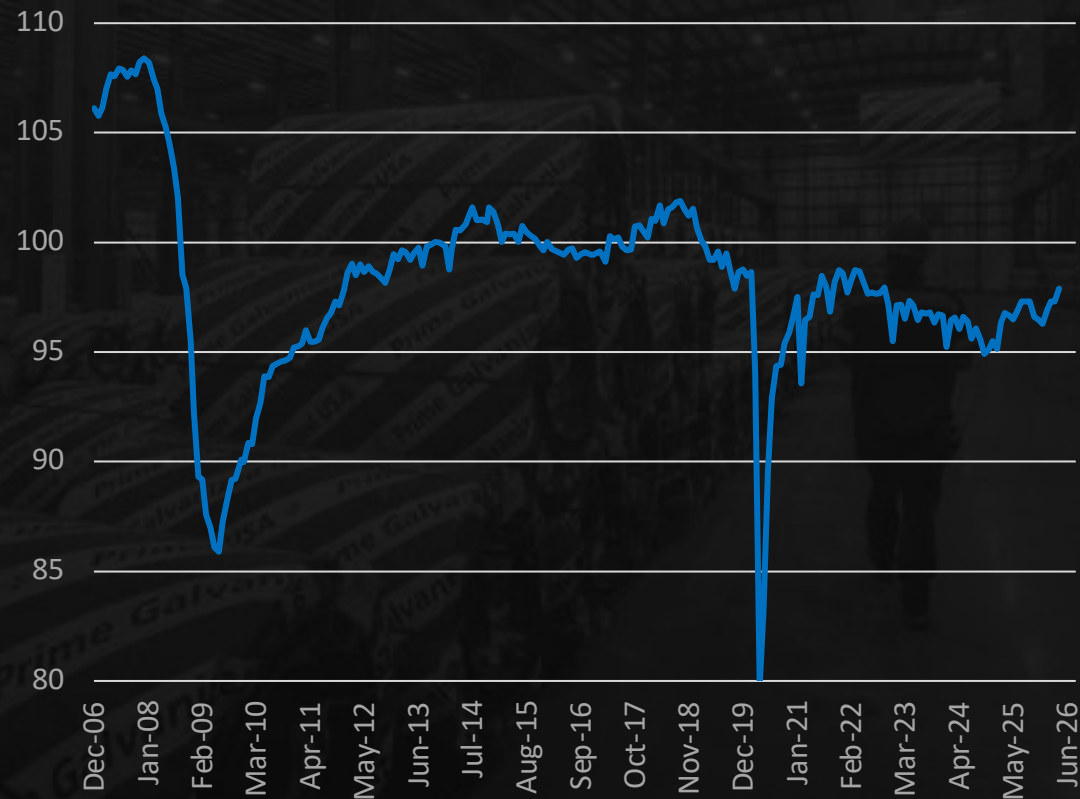
The April Industrial Production Index came in at 102.5, up 0.7% from March and up 1.4% from last April.

- Capacity utilization increased to 76.1%, but remained 3.3% below the 50-year average.

Within the overall index, overall manufacturing output increased 0.6%, while output excluding motor vehicles increased 0.3%.

- The production of durables increased 1.2% in April, with gains in most categories.
- Manufacturing capacity utilization increased to 75.8% but is 2.4% below the long-run average.

INDUSTRIAL PRODUCTION (MANUFACTURING)



▲ WEEKLY INITIAL JOBLESS CLAIMS⁹

The number of Americans filing new unemployment claims increased for the second straight week after hitting the lowest level since 1969.

The Department of Labor's Weekly Initial Jobless Claims report came in at 211,000 claims, up from 199,000 previously.

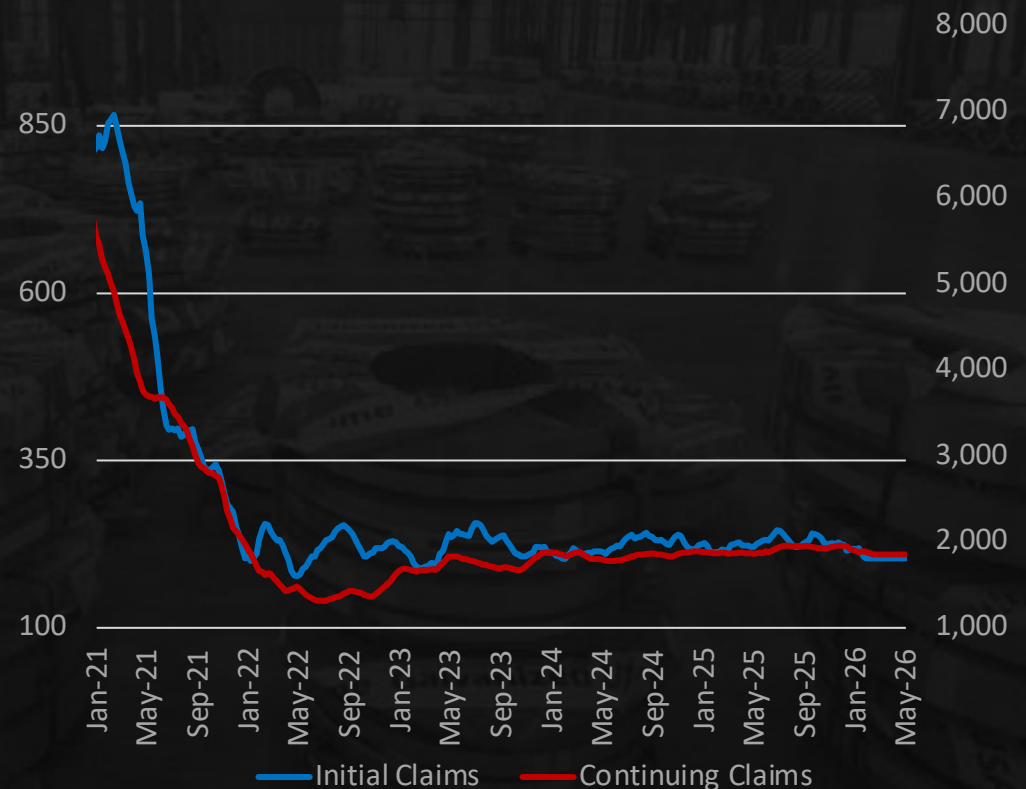
- The four-week moving average, considered a better measure of the labor market as it irons out week-to-week volatility, increased to 203,750.

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

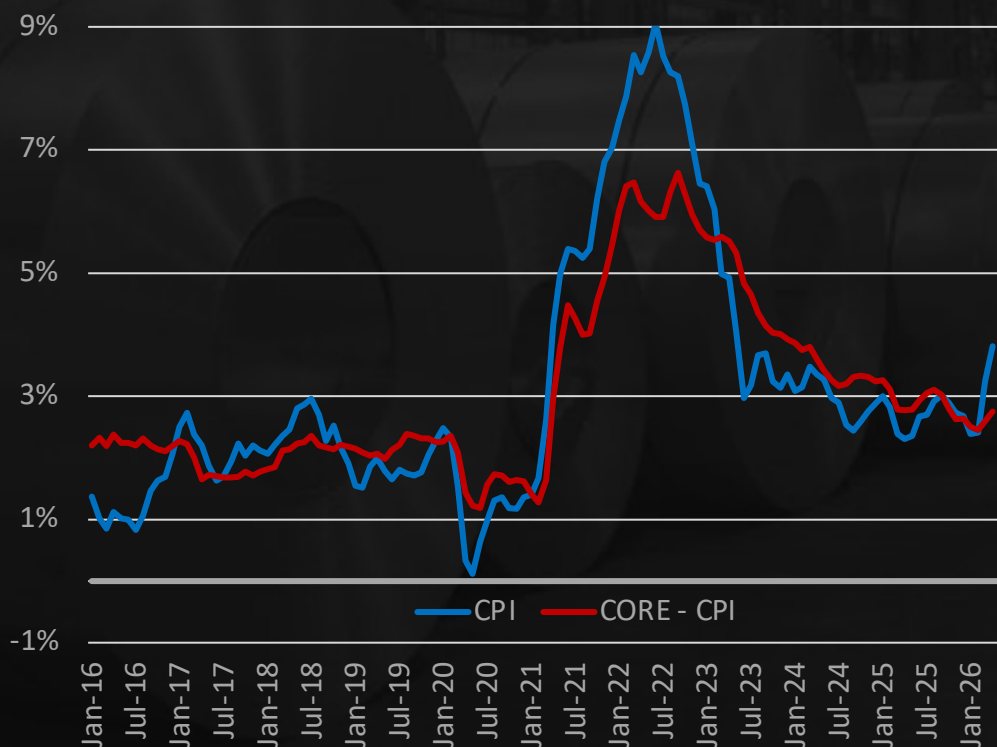
- Continuing claims came in at 1.782 million claims, up from 1.758 million claims previously.

Despite relatively few layoffs, the labor market remains in a “low-hire, low-fire” state amid uncertainty surrounding the Iran war and inflation concerns.

WEEKLY INITIAL JOBLESS CLAIMS



CONSUMER PRICE INDEX



🕒 CONSUMER PRICE INDEX¹⁰

Prices paid by consumers increased sharply in April on the back of the sharp jump in energy pricing.

Over the last 12 months, prices for all items increased 3.8%, up from the 3.3% annual increase in March.

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

Excluding the volatile food and energy sectors, prices were up less sharply in April.

Over the last 12 months, prices excluding those volatile sectors increased 2.75%, up from the 2.60% increase in March.

- The shelter index increased 3.3% and medical care increased 2.5%.
- Other index with notable increases over the last year include airline fares (+20.7%), furniture (+3.9%), and recreation (+2.3%).

📈 RETAIL SALES¹¹

Retail sales continued to climb in April, coming in at a \$757.1 billion rate.

- This was up 0.5% from March and up 4.9% from the \$721.9 billion rate last April.
- This followed a 1.7% month-over-month increase in March and a 0.9% increase in February.

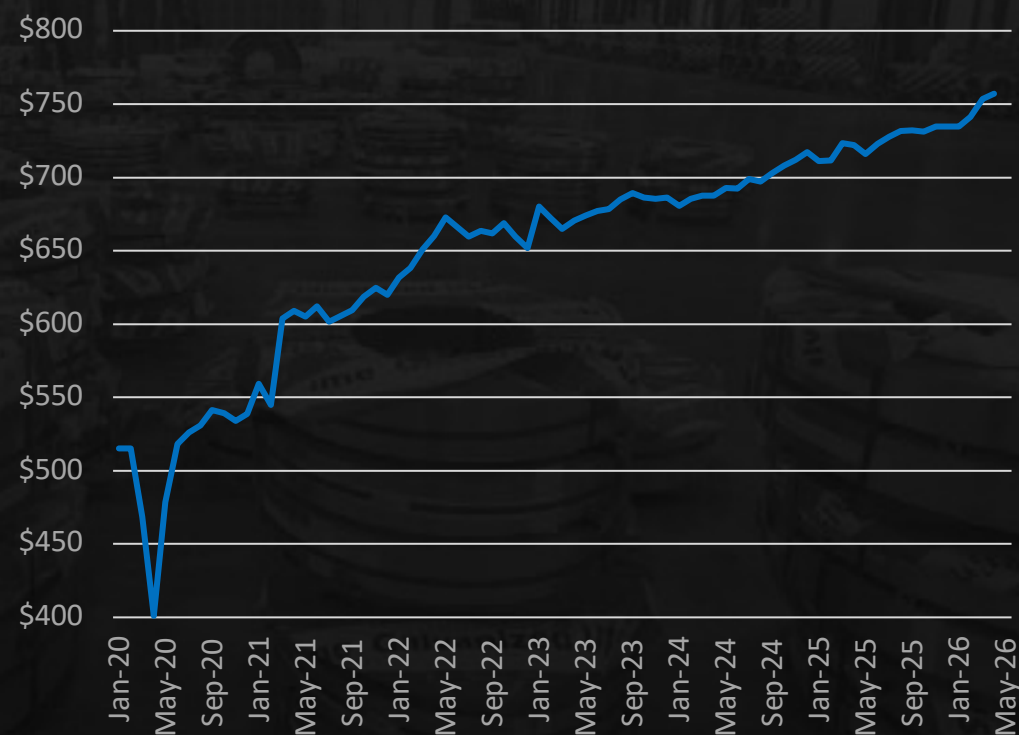
Excluding sales from gas stations, sales were up 0.3% from March and were up 3.7% from last April.

The largest month-over-month increases came from electronics stores, gas stations, and online retailers.

- These increases more than offset declines in sales from furniture stores, clothing stores, and department stores.

Year-to-date sales are now up 4.1% compared to the same timeframe last year.

RETAIL SALES (SAAR)



SOURCES

- 1 Prime Scrap Price, Market Conversations: Week ending May 15, 2026.
- 2 Platts, Spot Iron Ore: May 15, 2026.
- 3 London Metal Exchange, Weekly Zinc Price and Inventory Report: May 15, 2026.
Shanghai Futures Exchange, Weekly Zinc Inventory Report: May 15, 2026.
- 4 Platts, Coking Coal Price: May 15, 2026.
- 5 American Iron & Steel Institute, Weekly Domestic Steel Production: May 12, 2026.
- 6 National Association of Realtors, Existing Home Sales: April 2026.
- 7 Federal Reserve, Empire Manufacturing Index: May 2026.
- 8 Federal Reserve, Industrial Production/Capacity Utilization: April 2026.
- 9 Department of Labor, Weekly Initial Jobless Claims: May 14, 2026.
- 10 Bureau of Labor Statistics, Consumer Price Index: April 2026.
- 11 U.S. Census Bureau, Retail Sales: April 2026.

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