MAJESTIC STEEL USA

CORE REPORT

06.05.26

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 08

- employment
- confidence
- inflation
- GDP
- retail sales

800.321.5590 | INSIGHTS@MAJESTICSTEEL.COM | MAJESTICSTEEL.COM


THE RIGHT STEEL SUPPLY CHAIN
HAS NEVER MATTERED MORE
MANAGE COST. MITIGATE RISK. MORE RELIABLE.
LEARN MORE
MAJESTIC
STEEL USA

COST

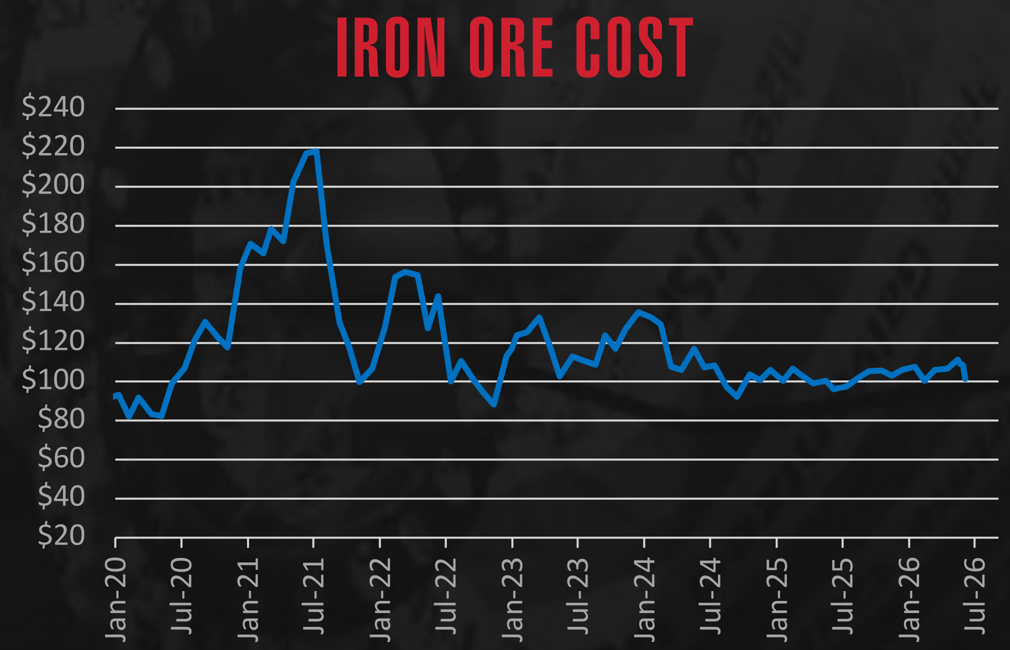
SPOT IRON ORE[1]

Spot iron ore dropped sharply this week, now down for the third consecutive week.

Spot iron ore pricing ended the week at $101.55/mt, down from $108.80/mt a week ago.

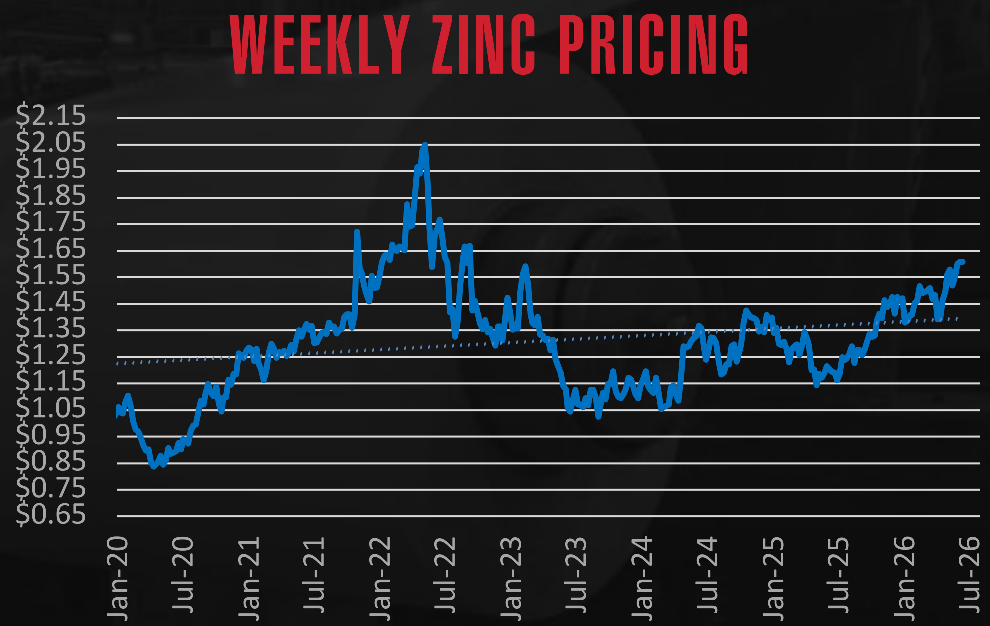
- Iron ore has now dropped 6.8% in the last three weeks after hitting the highest price since the fall of 2024.

High freight rates temporarily offered some price support, however high port inventories, seasonally weak steel demand, and limits on China's steelmaking capacity have been headwinds.



COST

ZINC[2]



After settling flat last week, zinc pricing resumed its upward momentum this week, now climbing eight out of the last ten weeks.

Zinc pricing ended the week at $3,573/mt ($1.621/lb), up from $3,547/mt ($1.609/lb) previously.

- This is the highest price for zinc since August 2022.
- Zinc pricing is expected to remain higher for longer due to continued supply issues related to high energy prices.

Global zinc inventory increased slightly, now up four out of the last five weeks.

- LME warehouse inventory increased slightly from 108,325/mt to 111,900/mt.
- Shanghai warehouse inventory increased slightly as well, climbing from 154,297/mt to 155,762/mt.

COST

COKING COAL[3]

Coking coal pricing continued its sharp upward momentum this week following a massive explosion at one of China's largest coal mines.

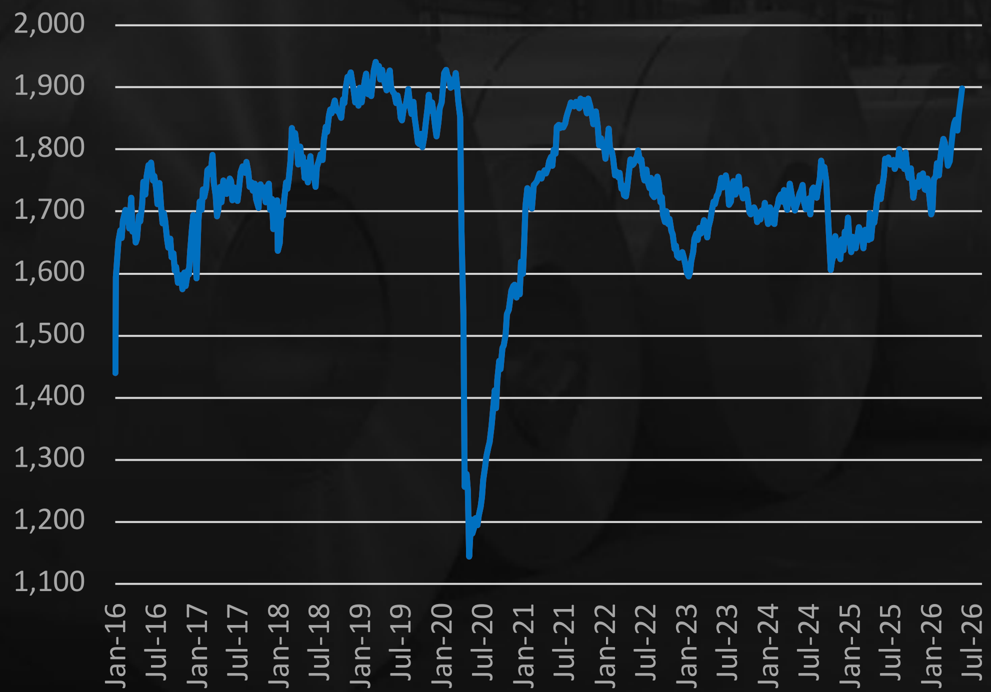
Coking coal pricing increased to $203.00/mt, up from $185.00/mt previously.

- This was up 9.7% week-over-week to the highest level since February.

Over one hundred met coal mines in China are still under limited production this week due to safety inspections, representing ~120mt of capacity.

SUPPLY

WEEKLY DOMESTIC PRODUCTION



WEEKLY DOMESTIC STEEL PRODUCTION[4]

Domestic steel production ticked up slightly last week, now up nine out of the last ten weeks.

U.S. mills produced an estimated 1,872k tons at an 81.1% utilization rate, up slightly from 1,870k tons and an 81.0% rate previously.

- This remained within striking distance of the highest output since March 2020.

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

- Production from the Southern region spiked from 834k tons to 848k tons.

Year-to-date production is now up 7.9% compared to the same time frame last year.

DEMAND

LIGHT VEHICLE SALES[5]

New light-vehicle sales reached a seasonally adjusted annual rate (SAAR) of 16.1 million units in May, up 3.1% year over year, supported by strong Memorial Day sales activity.

- Consumer demand for conventional hybrids remains strong, accounting for 15.2% of all new-vehicle sales, up 2.6% from last year.

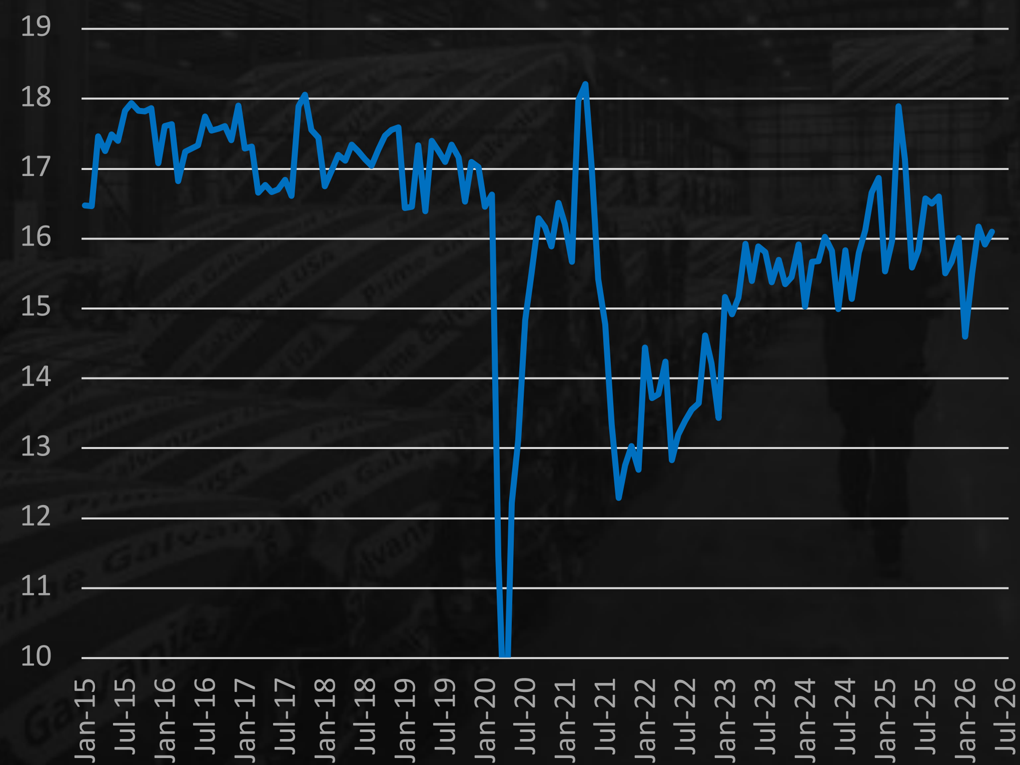
Hybrid sales volume has increased 14.8% year-over-year, aided by elevated fuel prices.

The average monthly payment for a new vehicle is expected to reach $810, up 2.8% from last year.

- While interest rates have eased modestly, more consumers are extending loan terms, with 13.4% of loans now carrying terms of 84 months or longer.

Despite high gas prices, the automotive outlook remains positive, with new light-vehicle sales forecasted to reach 16.0 million units in 2026.

U.S. LIGHT VEHICLE SALES (SAAR)



DEMAND

CONSTRUCTION SPENDING[6]

Total construction spending increased again in April, now up for the second consecutive month.

Total spending came in at a $2.172 trillion rate, up 0.4% from March and up 0.9% from the 2.153 trillion rate last April.

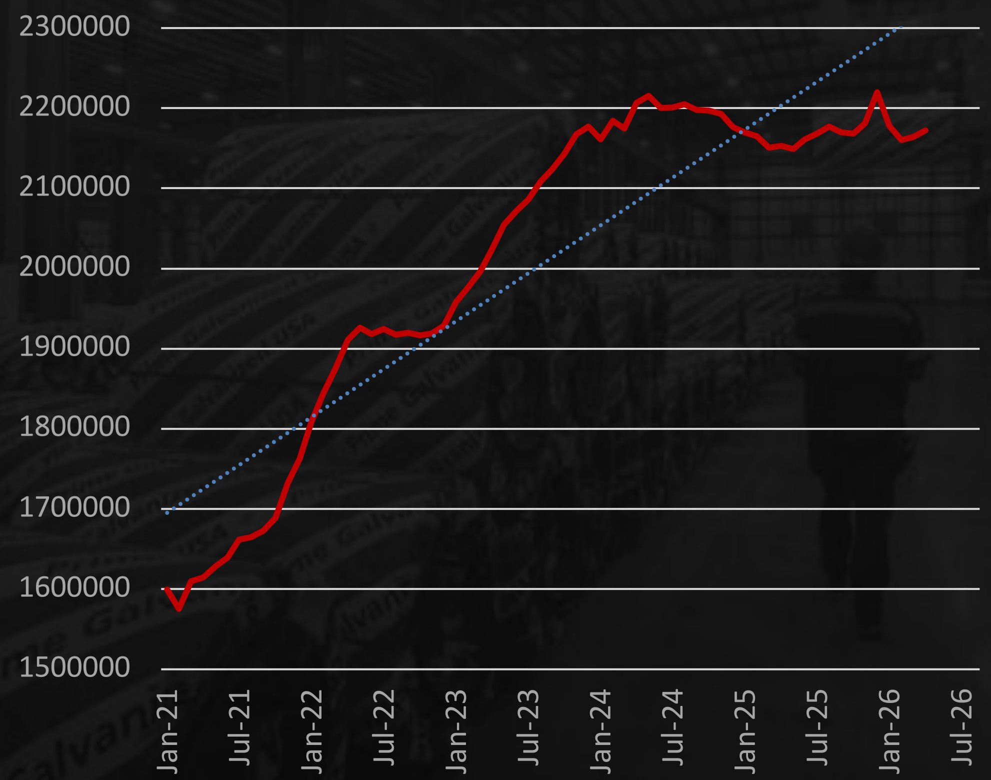
Both residential and non-residential spending increased in April, climbing 0.8% and 0.1%, respectively.

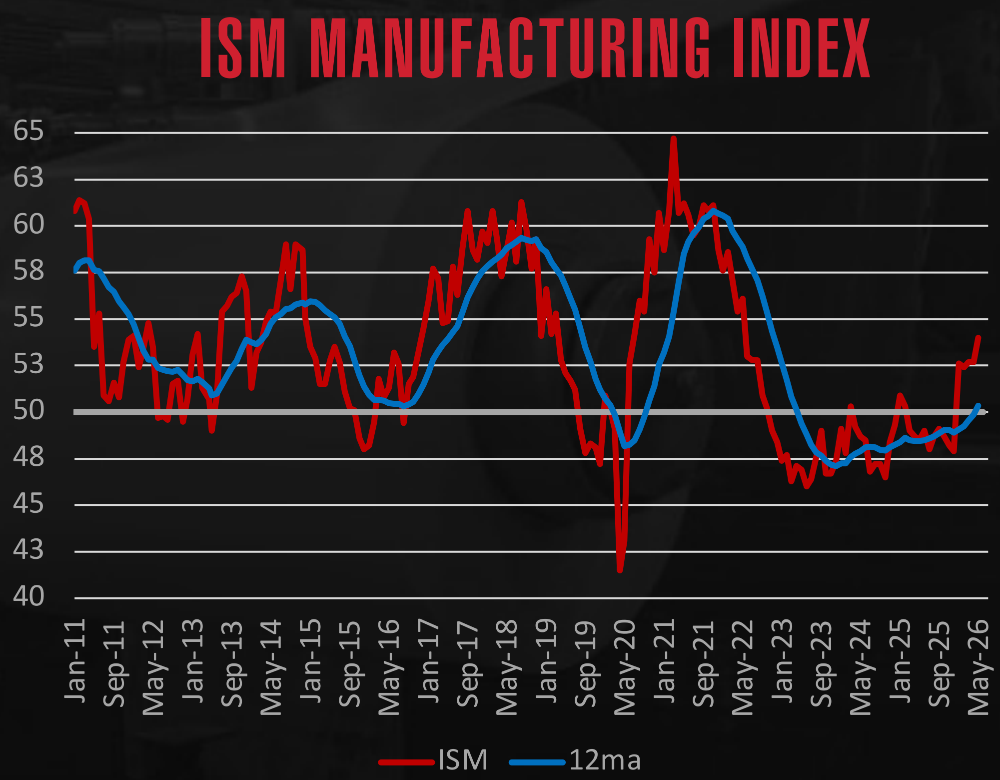
- Residential spending increased 1.7% from last April, marking the fourth y/y increase in the last five months.
- This recent stretch of growth comes after a year filled with declines last year.

Private non-residential construction continues to be a weak spot, as spending slowed 2.1% on a year-over-year basis.

- This marked the eleventh consecutive month with a year/year decline.

TOTAL CONSTRUCTION SPENDING (SAAR)





DEMAND

ISM MANUFACTURING INDEX[7]

Economic activity in the manufacturing sector continued to expand in May, now in expansion for the fifth straight month.

The May ISM Manufacturing PMI came in at 54.0, up from 52.7 in April and is now at its highest level since May 2022.

- The twelve-month average improved to 50.3, cracking the key 50.0 threshold for the first time since April 2023.
- Any reading over 50 indicates expansion, while any reading below 50 shows contraction.

Within the overall index, both the new orders and production components expanded, coming in at 56.8 and 54.3, respectively.

- The backlog of orders component expanded further as well, climbing to 52.2 in May.

ECONOMIC

WEEKLY INITIAL JOBLESS CLAIMS[8]

The number of Americans filing new unemployment claims increased again last week to a four-month high, now up four out of the last five weeks.

The Department of Labor's Weekly Initial Jobless Claims report came in at 225,000 claims, up from 212,000 previously.

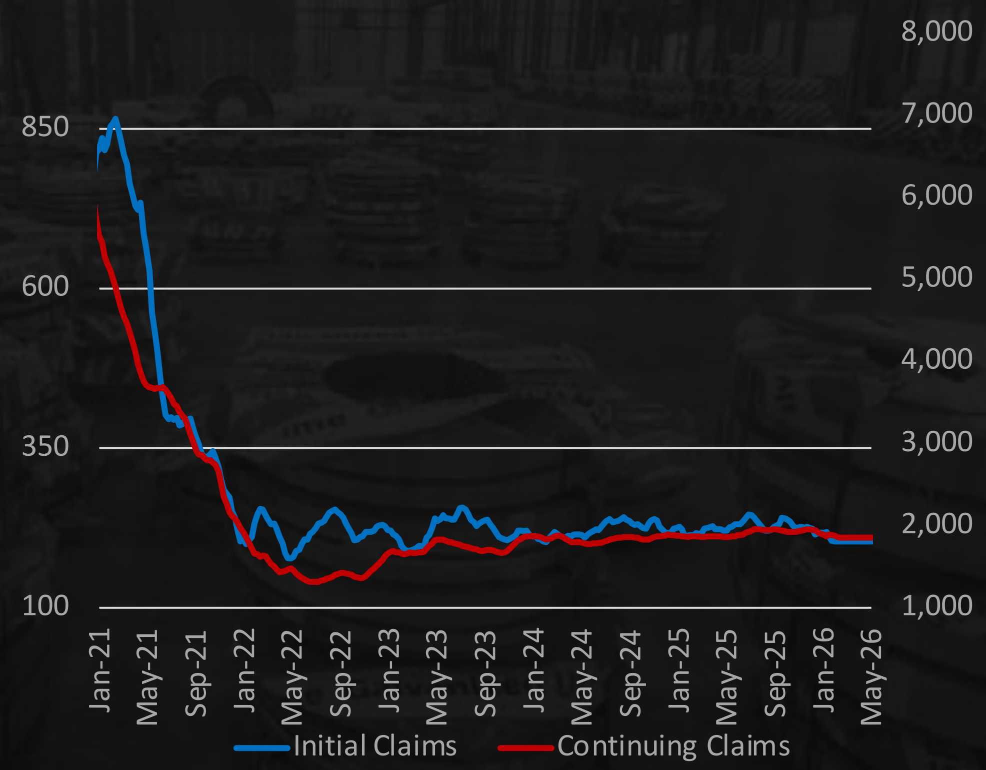
- The four-week moving average, considered a better measure of the labor market as it irons out week-to-week volatility, increased sharply to 214,750.

Continuing claims, or claims lasting longer than one week, decreased after climbing the previous three weeks.

- Continuing claims came in at 1.777 million claims, down from 1.785 million claims previously.

Despite the increase, layoffs have remained historically low despite uncertainty surrounding the Middle East conflict.

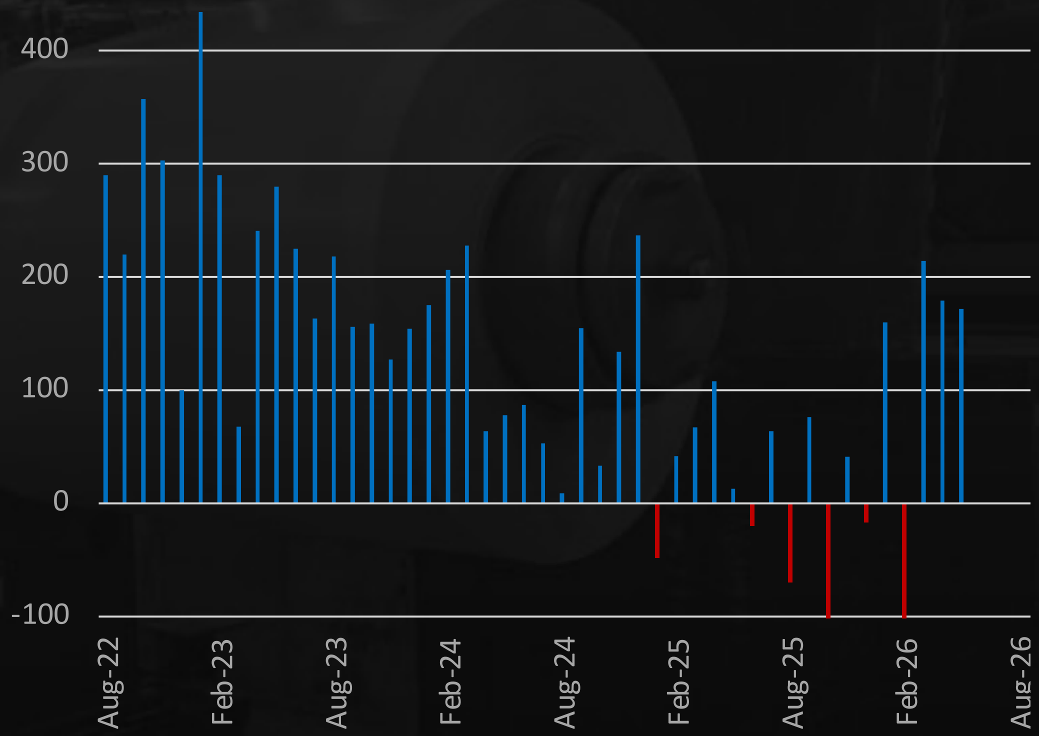
WEEKLY INITIAL JOBLESS CLAIMS



ECONOMIC

EMPLOYMENT SITUATION[9]

MONTHLY JOBS ADDED



The U.S. added 172,000 jobs in May, much higher than was originally estimated.

- This was the third consecutive monthly increase and the fourth in the last five months.

The private sector, which accounts for roughly 70% of the workforce, increased by 120,000 jobs in May.

- Government employment increased by 52,000 jobs in May after seeing only a 2,000 increase in April.

Construction employment increased by 17,000 jobs, but building construction employment was only flat m/m.

- While residential construction saw a 1,700 job decline, non-residential construction employment increased by 17,000 jobs.

Manufacturing employment was up by 7,000 jobs, but durable goods manufacturing employment increased by a stronger 17,000 jobs.

SOURCES

1 Platts, Spot Iron Ore: June 5, 2026.

2 London Metal Exchange, Weekly Zinc Price and Inventory Report: June 5, 2026.

Shanghai Futures Exchange, Weekly Zinc Inventory Report: June 5, 2026.

3 Platts, Coking Coal Price: June 5, 2026.

4 American Iron & Steel Institute, Weekly Domestic Steel Production: June 2, 2026.

5 WardsAuto, U.S. Light Vehicle Sales: May 2026.

6 U.S. Census Bureau, Construction Spending: April 2026.

7 ISM, Manufacturing PMI: May 2026.

8 Department of Labor, Weekly Initial Jobless Claims: June 4, 2026.

9 U.S. Census Bureau, Employment Situation: May 2026.

MSUSA

THANK YOU

SUBSCRIBE HERE