



CORE REPORT

06.12.26

COST 01

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- energy
- ▼ zinc
- ▼ coking coal

SUPPLY 05

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- manufacturing
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- durable goods

ECONOMIC 08

- ▲ employment
- confidence
- ▲ inflation
- GDP
- retail sales



THE RIGHT STEEL SUPPLY CHAIN HAS NEVER MATTERED MORE

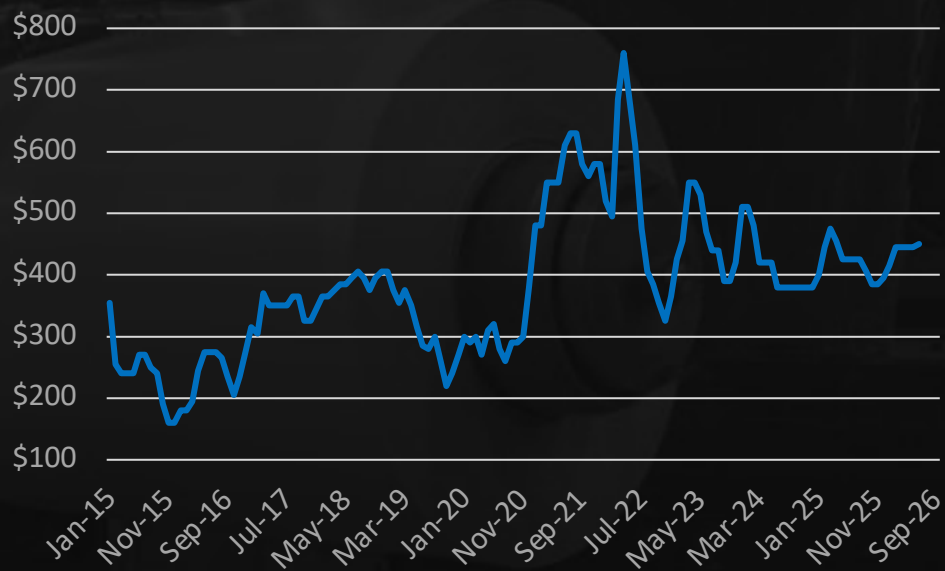
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**MAJESTIC
STEEL USA**

PRIME SCRAP



SCRAP¹

After settling sideways for three consecutive months, prime scrap ticked up slightly in June.

- June prime scrap pricing increased \$5/gt to \$450/gt.

Prime scrap remained supported by favorable steel market fundamentals.

- Strong mill utilization rates and elevated finished steel pricing continue to provide underlying support.
- Rising imported pig iron prices are also expected to support the scrap market going forward.

Shredded scrap pricing settled flat for the third consecutive month, holding at \$425/gt.

COST

▲ SPOT IRON ORE²

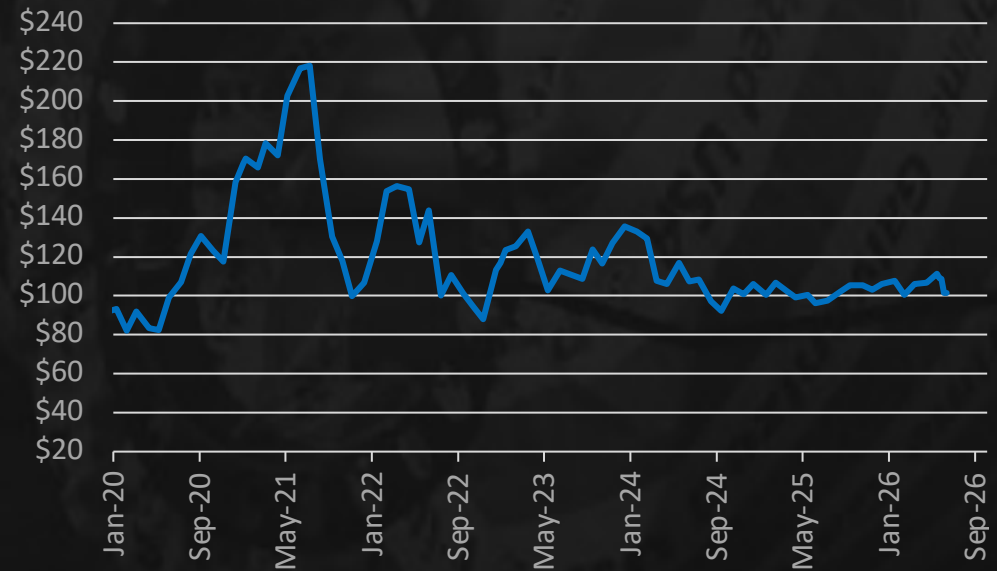
Spot iron ore pricing settled relatively flat this week following three consecutive decreases.

Spot iron ore pricing ended the week at \$101.60/mt, up slightly from \$101.55/mt a week ago.

- Despite the increase, iron ore has dropped 6.7% over the last month after hitting the highest level since the fall of 2024.

High port inventories, seasonally weak steel demand, and limits on China's steelmaking capacity continue to be major headwinds.

IRON ORE COST



WEEKLY ZINC PRICING



ZINC³

Zinc pricing ticked down slightly this week after climbing eight out of the previous ten weeks.

Zinc pricing ended the week at \$3,556.50/mt (\$1.613/lb), down from \$3,573/mt (\$1.621/lb) previously.

- A strengthening U.S. Dollar and ongoing Middle East tensions helped to tame pricing this week.
- Despite the drop, zinc is expected to remain higher for longer due to continued supply issues related to high energy prices.

Global zinc inventory dropped for the second time in the last three weeks.

- LME warehouse inventory decreased slightly from 111,900/mt to 109,475/mt.
- Shanghai warehouse inventory increased slightly however, climbing from 155,762/mt to 156,797/mt.

COST

▼ COKING COAL⁴

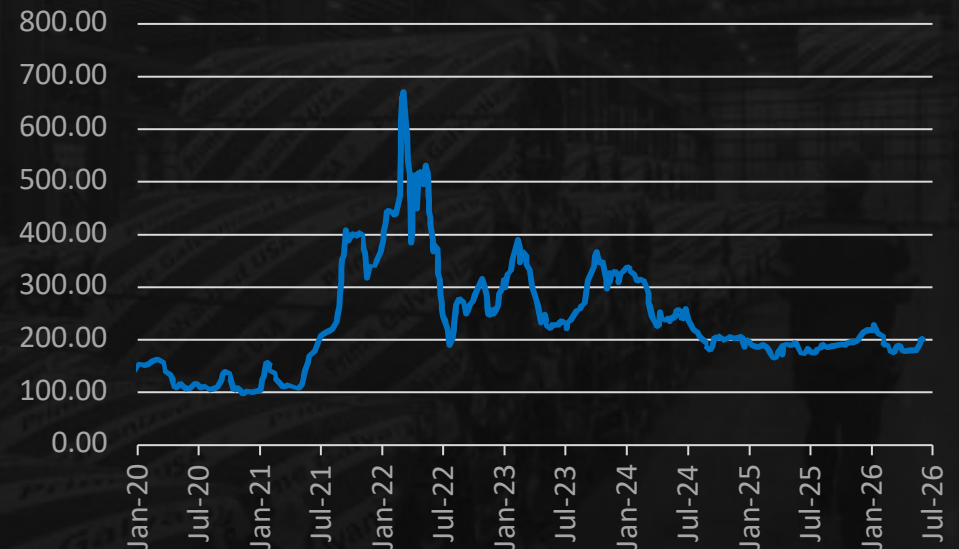
Coking coal pricing came back down to earth this week following sharp increases over the last two weeks.

Coking coal pricing decreased to \$200.00/mt, down from \$203.00/mt previously.

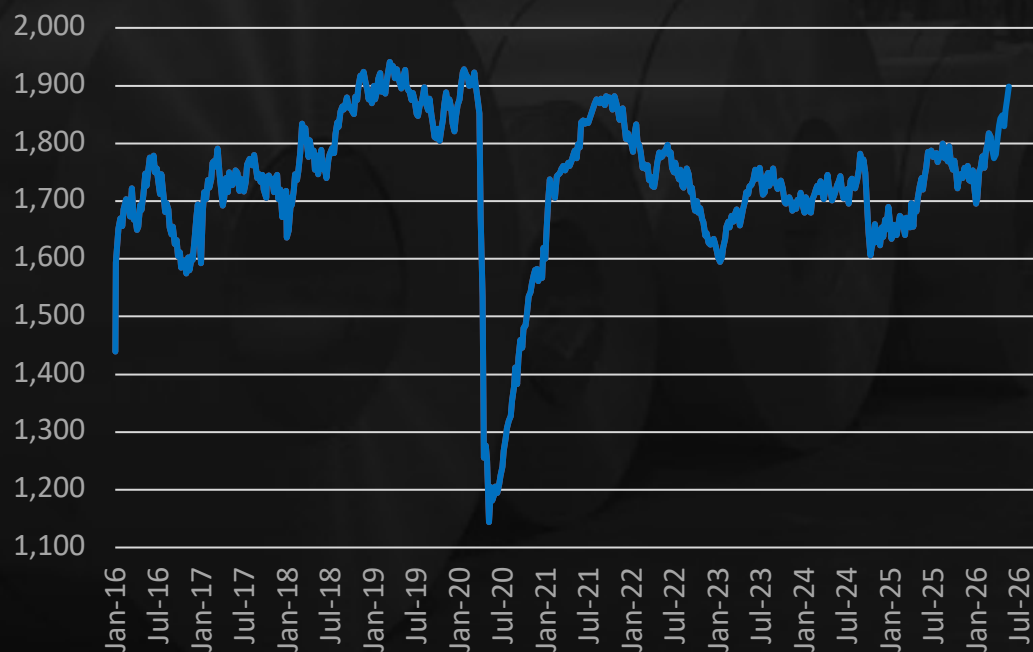
- Despite the drop, coal pricing is still up 18% over the last two weeks.

The coal market is returning to normal operations following a massive explosion in China that disrupted operations and led to safety checks across hundreds of mines.

COKING COAL PRICE



WEEKLY DOMESTIC PRODUCTION



WEEKLY DOMESTIC STEEL PRODUCTION⁵

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

U.S. mills produced an estimated 1,877k tons at an 81.3% utilization rate, up slightly from 1,872k tons and an 81.1% rate previously.

- Domestic output continues to come in at the highest level since before the pandemic.

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

- Production from the Great Lakes region rose from 495k tons to 502k tons.

Year-to-date production is now up 7.7% compared to the same time frame last year.

DEMAND

▲ DODGE MOMENTUM INDEX⁶

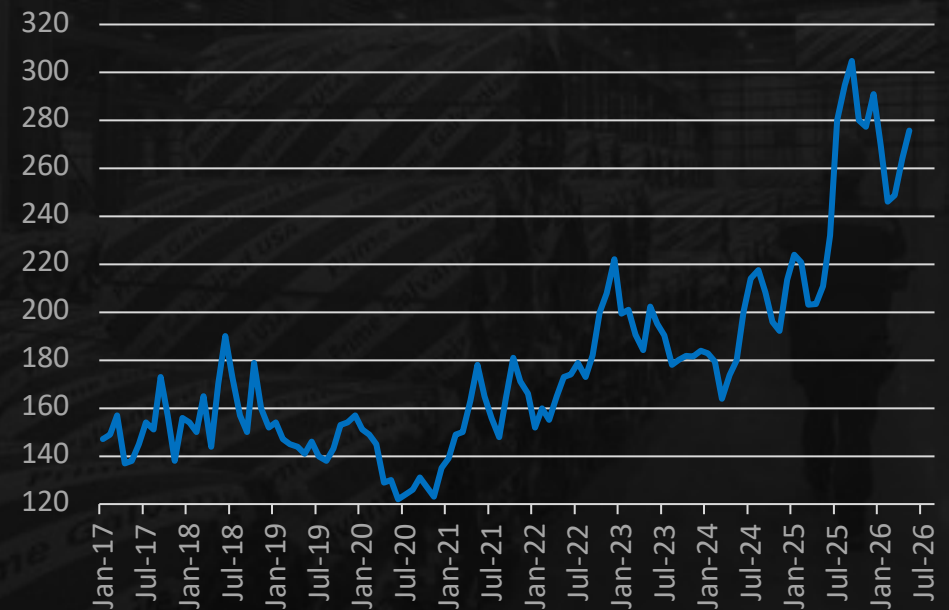
The Dodge Momentum Index (DMI), a leading indicator for non-residential construction activity, increased 5.9% month-over-month in May to 275.7 (+33.8% year-over-year).

- This was up from the revised 260.4 reading in April.
- The commercial sector increased by 6.9% while the institutional sector rose 3.1%.

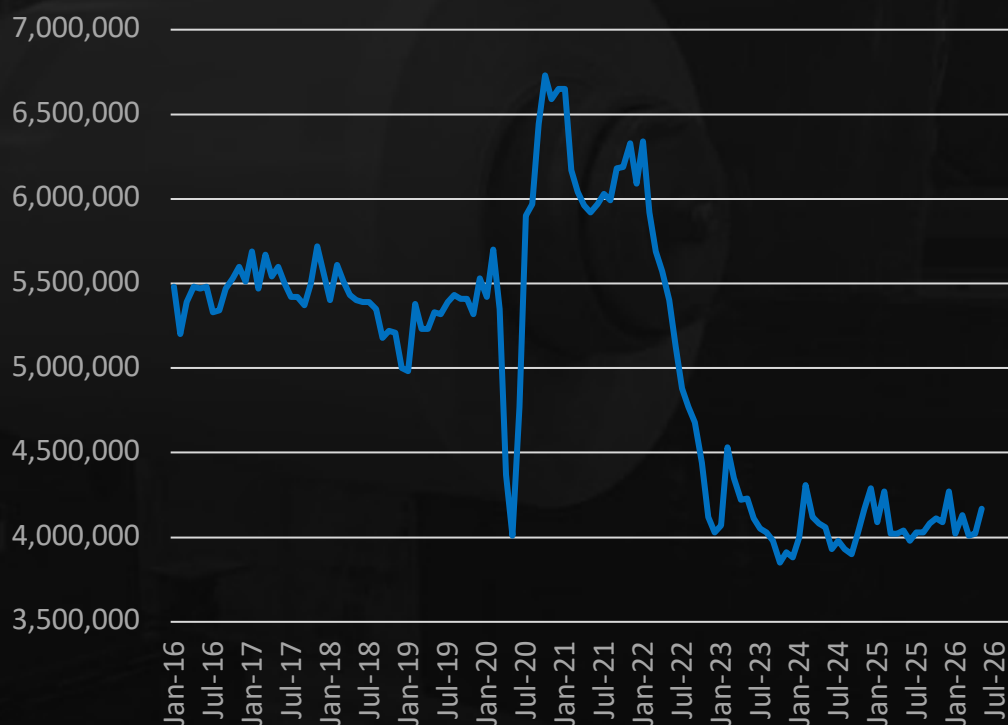
Data center demand continues to lead growth, with additional momentum from healthcare, retail and office segments.

However, broader macroeconomic headwinds, including supply chain disruptions, cost inflation, and labor shortages, are weighing on near-term market sentiment.

DODGE MOMENTUM INDEX



EXISTING HOME SALES (SAAR)



EXISTING HOME SALES⁷

After a slight increase in April, existing home sales increased once again in May.

- May existing home sales came in at a 4.17 million unit rate, up 3.2% from April to its strongest pace since December.

Housing inventory increased but remains at just 4.5 months of supply, below the 6-month level generally considered balanced.

Continued supply constraints are keeping home prices near record highs, with the median sales price for existing homes increasing 1.3% year-over-year to \$429,300.

- Slightly lower mortgage rates combined with wage growth are helping buyers re-enter the housing market.

WEEKLY INITIAL JOBLESS CLAIMS⁸

The number of Americans filing new unemployment claims increased again last week to the highest level since February, now up five out of the last six weeks.

The Department of Labor's Weekly Initial Jobless Claims report came in at 229,000 claims, up from 225,000 previously.

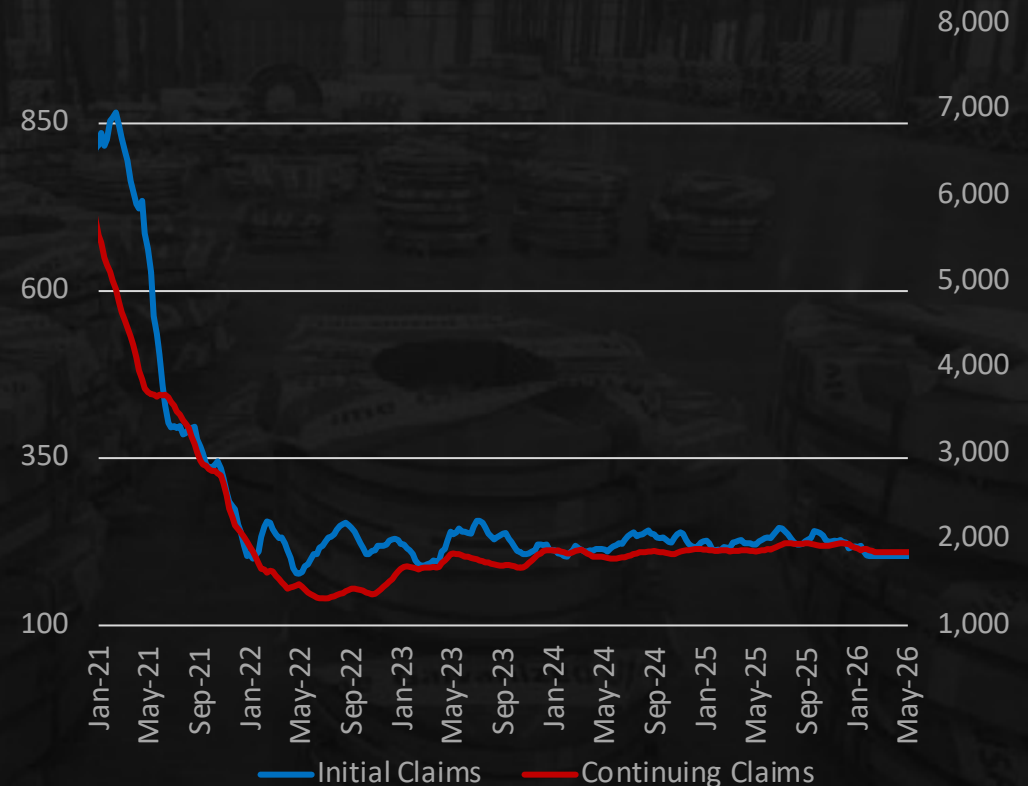
- The four-week moving average, considered a better measure of the labor market as it irons out week-to-week volatility, increased sharply to 219,000.

Continuing claims, or claims lasting longer than one week, increased sharply.

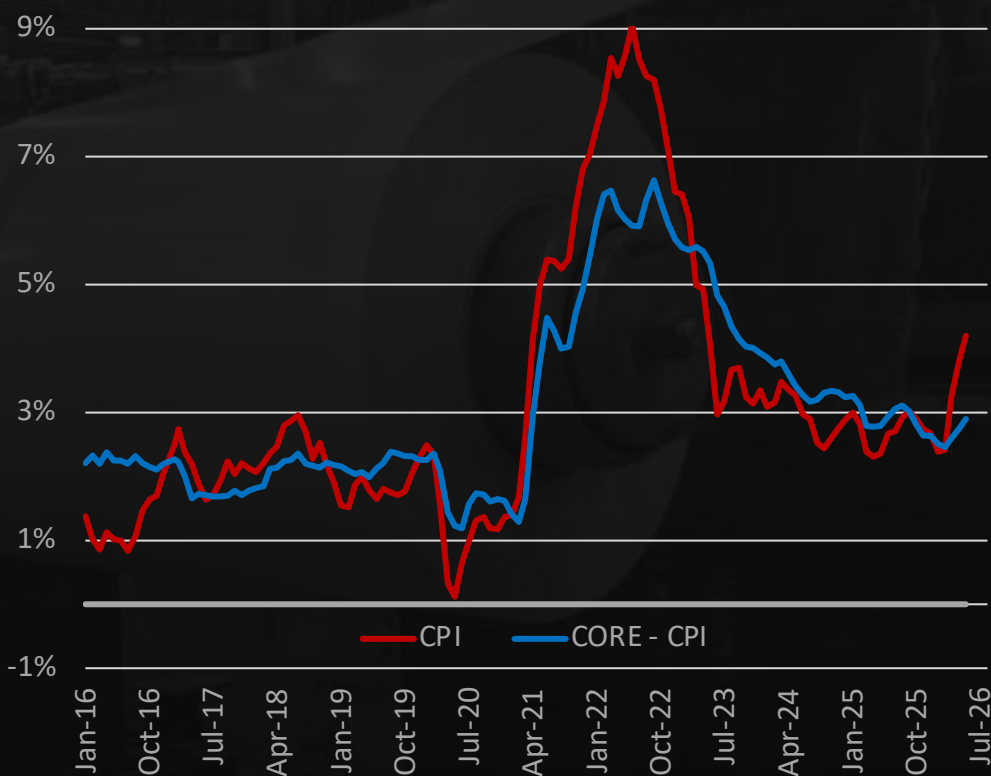
- Continuing claims came in at 1.795 million claims, up from 1.771 million claims previously.

The labor market remains resilient, however rising inflation and the ongoing Middle East conflict is creating uncertainty.

WEEKLY INITIAL JOBLESS CLAIMS



CONSUMER PRICE INDEX



▲ CONSUMER PRICE INDEX⁹

Consumer prices rose 4.2% annually in May, to the highest level in three years.

The consumer price index, a broad gauge of goods and services costs across the U.S. economy, rose at a seasonally adjusted 0.5% for the month, putting the annual inflation rate at 4.2%.

Much of the inflation surge came from a 3.9% jump in energy prices, contributed to the Middle East conflict.

- However, stripping out volatile food and energy prices, the CORE CPI rose only 0.2% for the month and 2.9% from a year ago.

The other sectors impacted the most were shelter (rent and mortgages), which were up 3.4%, and airline tickets, which rose 2.7%.

SOURCES

- 1 Platts, Spot Iron Ore: June 12, 2026.
- 2 London Metal Exchange, Weekly Zinc Price and Inventory Report: June 12, 2026.
Shanghai Futures Exchange, Weekly Zinc Inventory Report: June 12, 2026.
- 3 Platts, Coking Coal Price: June 12, 2026.
- 4 American Iron & Steel Institute, Weekly Domestic Steel Production: June 9, 2026. *****
- 5 Construction Network, Dodge Momentum Index: 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.

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