



CORE REPORT

06.19.26

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

10

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



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COST

SPOT IRON ORE¹

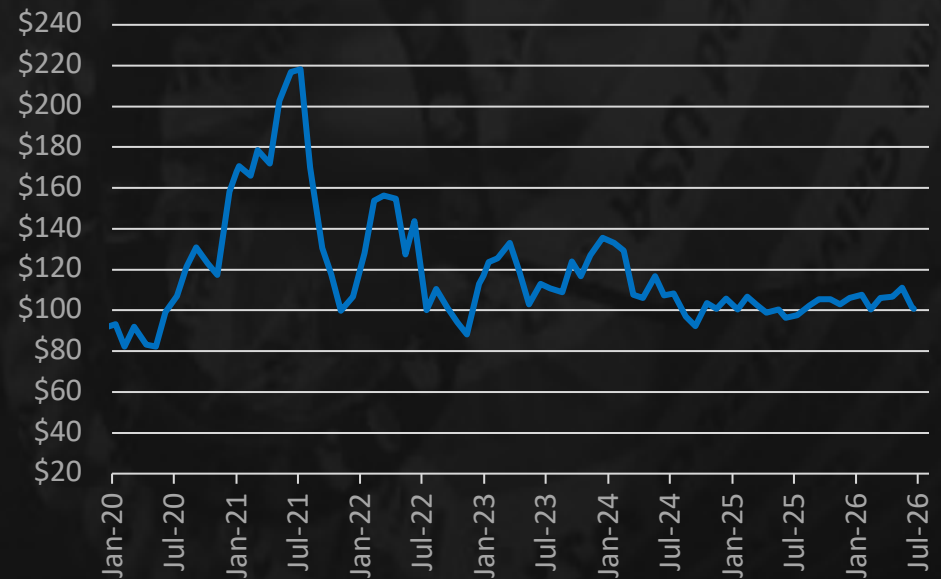
Spot iron ore resumed its downward momentum this week, now down four out of the last five weeks.

Spot iron ore pricing ended the week at \$100.75/mt, down from \$101.60/mt a week ago.

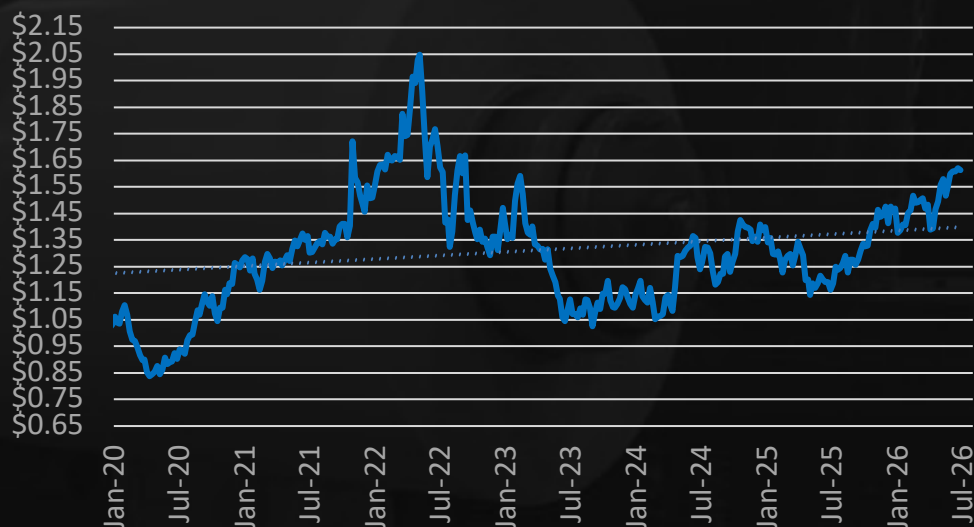
- Iron ore has now dropped 9.4% over the last month after hitting the highest level since the fall of 2024.

Weak industrial data, contracting steel output, and shrinking mill margins have been major headwinds for iron ore pricing of late.

IRON ORE COST



WEEKLY ZINC PRICING



ZINC²

Zinc pricing resumed its sharp upward momentum this week, now up nine out of the last eleven weeks.

Zinc pricing ended the week at \$3,584/mt (\$1.626/lb), up from \$3,556.50/mt (\$1.613/lb) previously.

- The recent peace deal between the U.S. and Iran provided a jump-start to the global economy and zinc demand.
- However, ongoing supply issues remain and will likely support elevated zinc pricing through the back half of the year.

Global zinc inventory rebounded on the back of a sharp increase in LME inventory.

- LME warehouse inventory increased from 109,475/mt to 120,900/mt.
- Shanghai warehouse inventory remained flat at 156,797/mt.

COST

⊖ COKING COAL³

Coking coal pricing held steady this week following turbulence over the last three weeks.

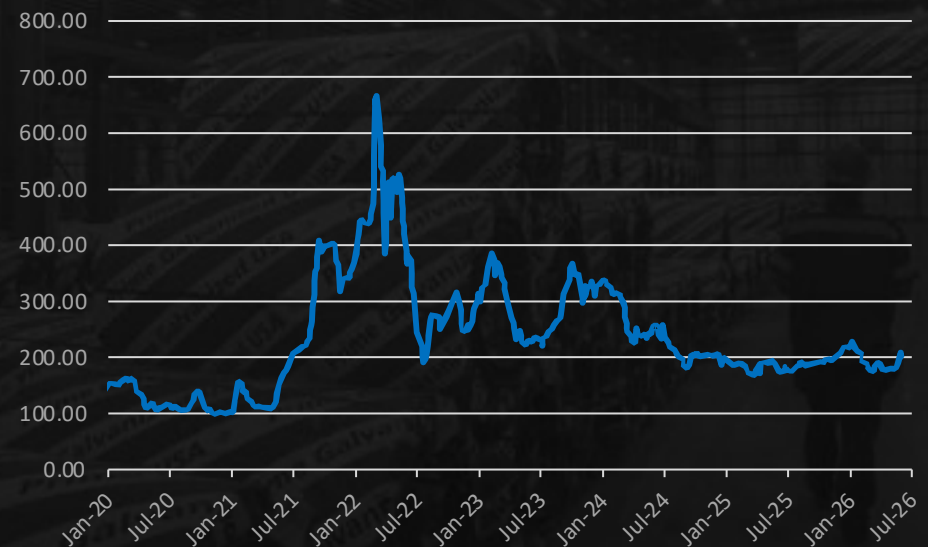
Coking coal pricing remained flat at \$200.00/mt

- This follows a sharp 18% increase over the last three weeks.

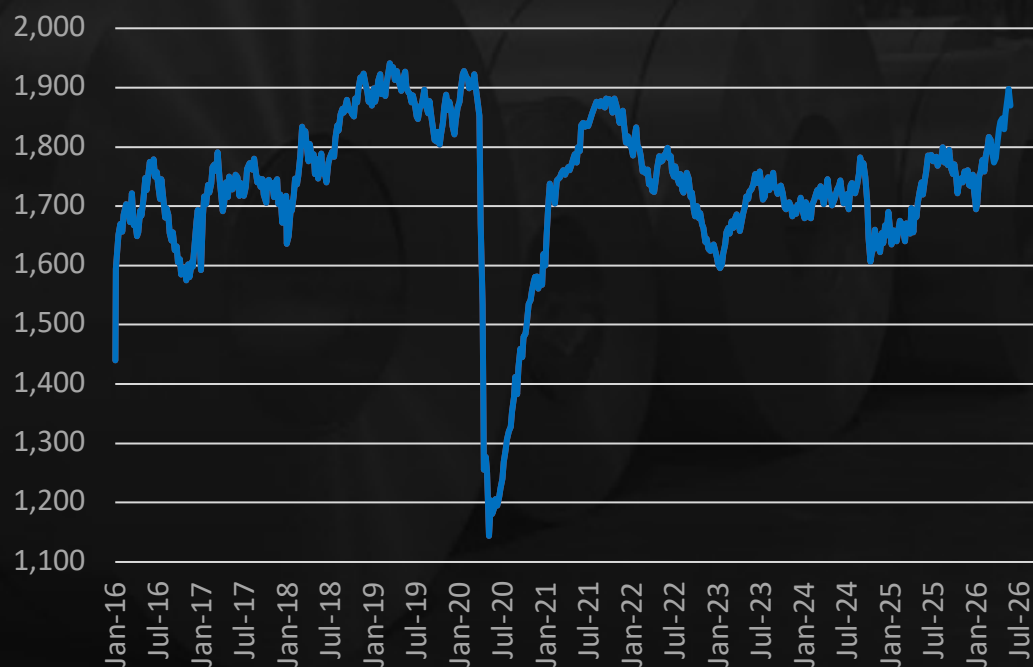
The coal market is returning to normal operations following a massive explosion in China that disrupted operations and led to safety checks across hundreds of mines.

- Contracting steel output and shrinking mill margins in China are also major headwinds for coal.

COKING COAL PRICE



WEEKLY DOMESTIC PRODUCTION



▼ WEEKLY DOMESTIC STEEL PRODUCTION⁴

Domestic steel production dropped sharply last week after climbing the previous two weeks.

U.S. mills produced an estimated 1,854k tons at an 80.3% utilization rate, down from 1,877k tons and an 81.3% rate previously.

- Despite the drop, domestic output continues to come in at the highest level since the onset of the pandemic.

Production dropped in all five regions, with the largest decrease (in tons) coming from the Southern region.

- Production from the Southern region slipped from 844k tons to 835k tons.

Year-to-date production is now up 7.6% compared to the same time frame last year.

DEMAND

HOUSING MARKET INDEX⁵

Confidence among U.S. homebuilders remains stuck in a prolonged slump.

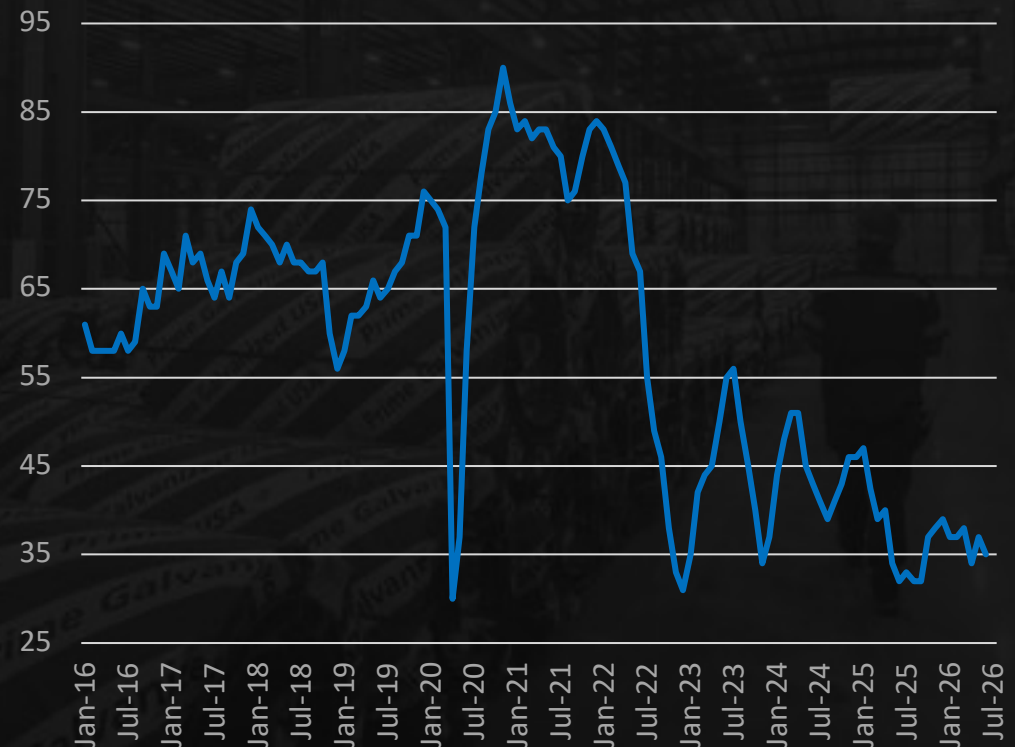
The June Housing Market Index slipped to 35, down from 37 in May.

- June marked the twenty-sixth consecutive month below 50, the key threshold marking increased optimism or increased pessimism.
- This was also the fourteenth straight month below 40, a streak not seen since 2011-2012.

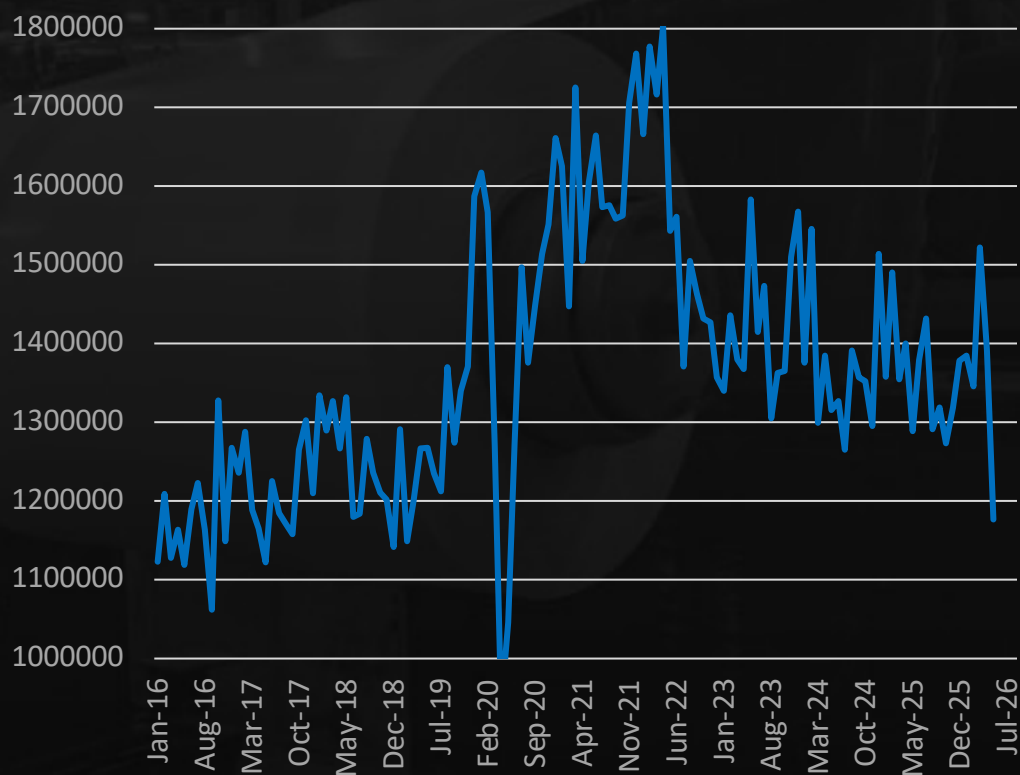
All three components were close to last month's readings and point to further unfavorable conditions for builders.

This month's report highlights rising cost and inefficient regulatory policy as key factors hurting builders' ability to increase housing supply.

HOUSING MARKET INDEX



NEW HOUSING STARTS (SAAR)



RESIDENTIAL CONSTRUCTION⁶

New residential construction dropped sharply in May and is now down for the third time in the last four months.

May new housing starts came in at a 1.177 million unit rate, down 15.4% from April and down 8.9% from the 1.289 million unit rate last May.

- This was the lowest monthly pace since initial COVID shutdowns.

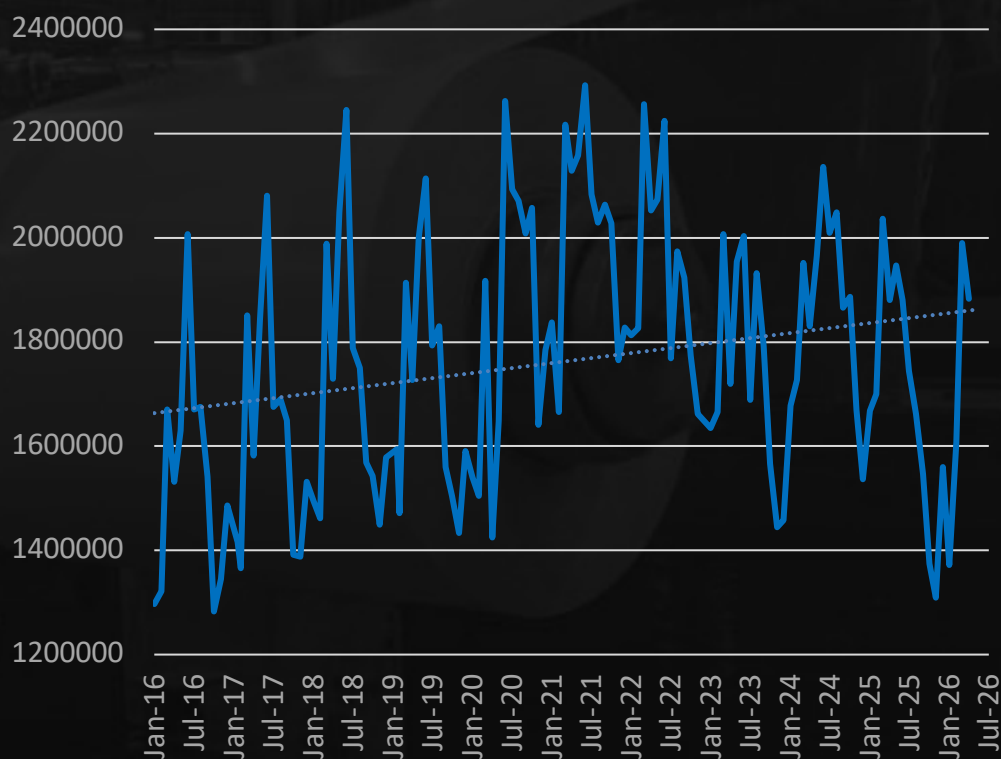
While both single and multi-family unit starts dropped, the sharper drop in multi-family starts pulled the overall total down.

YTD actual starts are now down 0.9% from the same timeframe last year.

Permits, a leading indicator for starts, slipped slightly, sliding 0.7% to a 1.413 million unit rate.

- Permits have now fallen on a year-over-year basis for the 22nd time in the last 26 months.

HVAC EQUIPMENT SHIPMENTS



Ⓣ HVAC EQUIPMENT SHIPMENTS⁷

Shipments of HVAC equipment slipped in April after climbing sharply the previous two months.

HVAC equipment shipments totaled 1.883 million units, down 5.3% from March but up slightly (0.2%) from last April.

- This was the first year-over-year increase in shipments December and only the second increase in a year.

Looking on a year-over-year basis to help smooth seasonality, shipments of both water heater and furnaces declined, sliding 3.1% and 4.6%, respectively.

- The 5.1% year-over-year increase in A/C & heat pump shipments helped overcome the declines from the other categories.

YTD shipments are still down 6.0% compared to the first four months of last year.

▲ INDUSTRIAL PRODUCTION/ CAPACITY UTILIZATION⁸

Industrial production inched higher in May, climbing 0.1 points to 102.6.

- This was the highest monthly reading since August 2019.

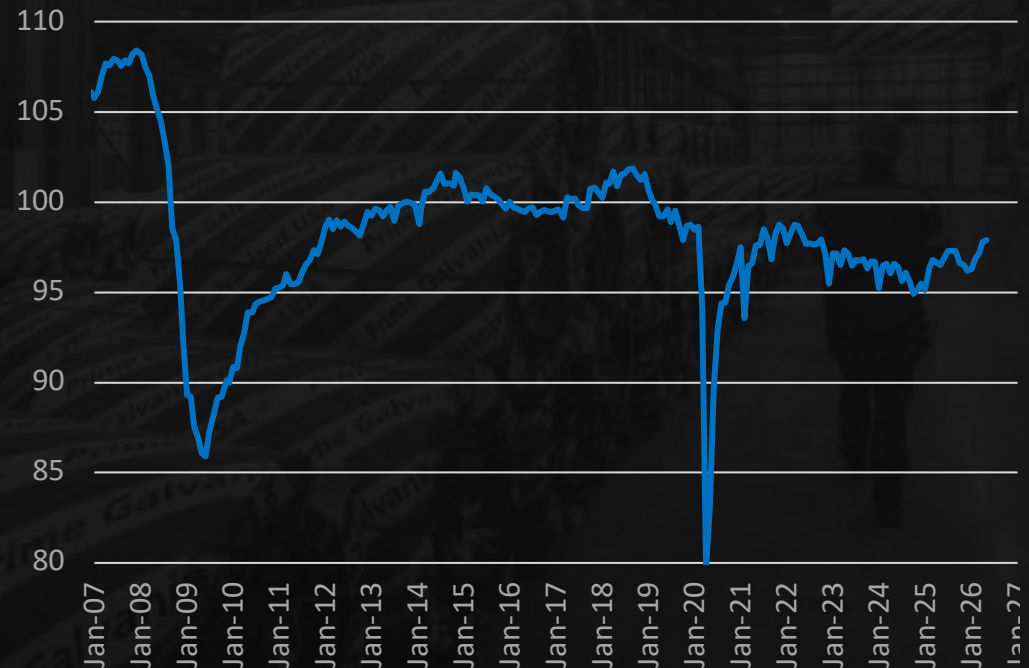
Capacity utilization edged higher to a 76.2% rate, still 3.2% below the 50-year average.

Within the overall index, the manufacturing output came in flat after seeing a strong 0.7% increase in April.

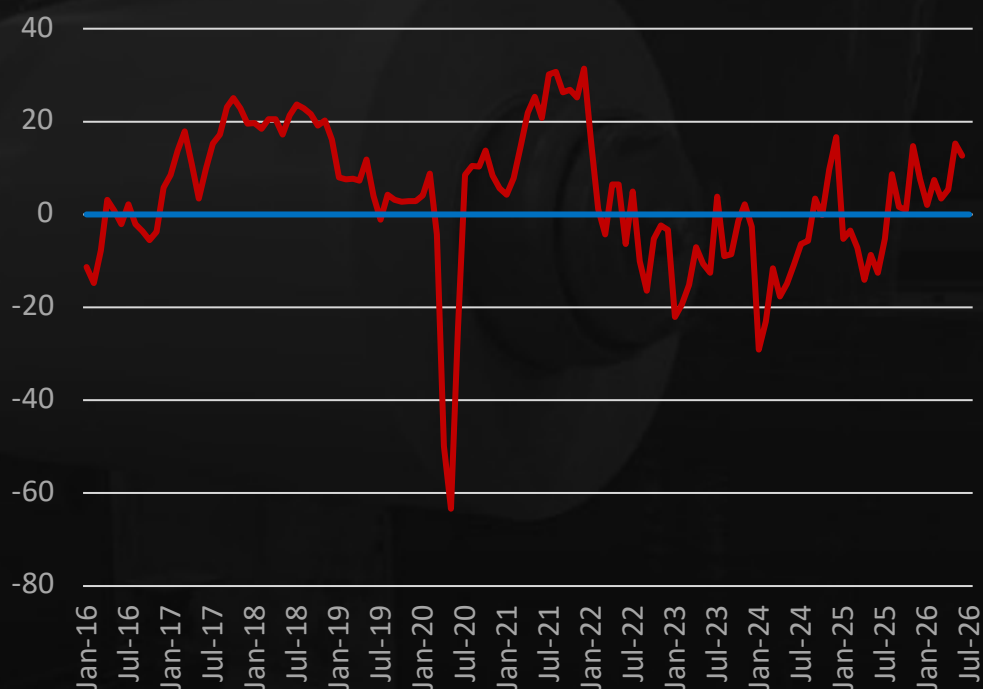
- While production of durable goods increased 0.8, led by primary metal products and motor vehicle output.
- Nondurable good production fell 0.9% from April.

Capacity utilization for manufacturing was flat in May, holding at 75.7%.

INDUSTRIAL PRODUCTION (MANUFACTURING)



EMPIRE MANUFACTURING INDEX (2MMA)



EMPIRE MANUFACTURING INDEX⁹

Despite slowing in June, manufacturing in the New York region continued to grow.

The Empire Manufacturing Index came in at 5.7, down from 19.6 in May.

- Despite the slowdown, the index has been in growth territory for the third straight month and for the fifth time in the last six months.
- The two-month average is at 12.7, marking the eleventh straight month in growth.

Any reading over 0.0 indicates growth, while any reading below 0.0 shows contraction.

- The new orders, unfilled orders, and shipments all moved higher in June.

The index for future business conditions came in at 30.1, remaining well into growth territory.

WEEKLY INITIAL JOBLESS CLAIMS¹⁰

The number of Americans filing new unemployment claims dropped slightly last week after rising the previous three weeks.

The Department of Labor's Weekly Initial Jobless Claims report came in at 226,000 claims, down from 230,000 previously.

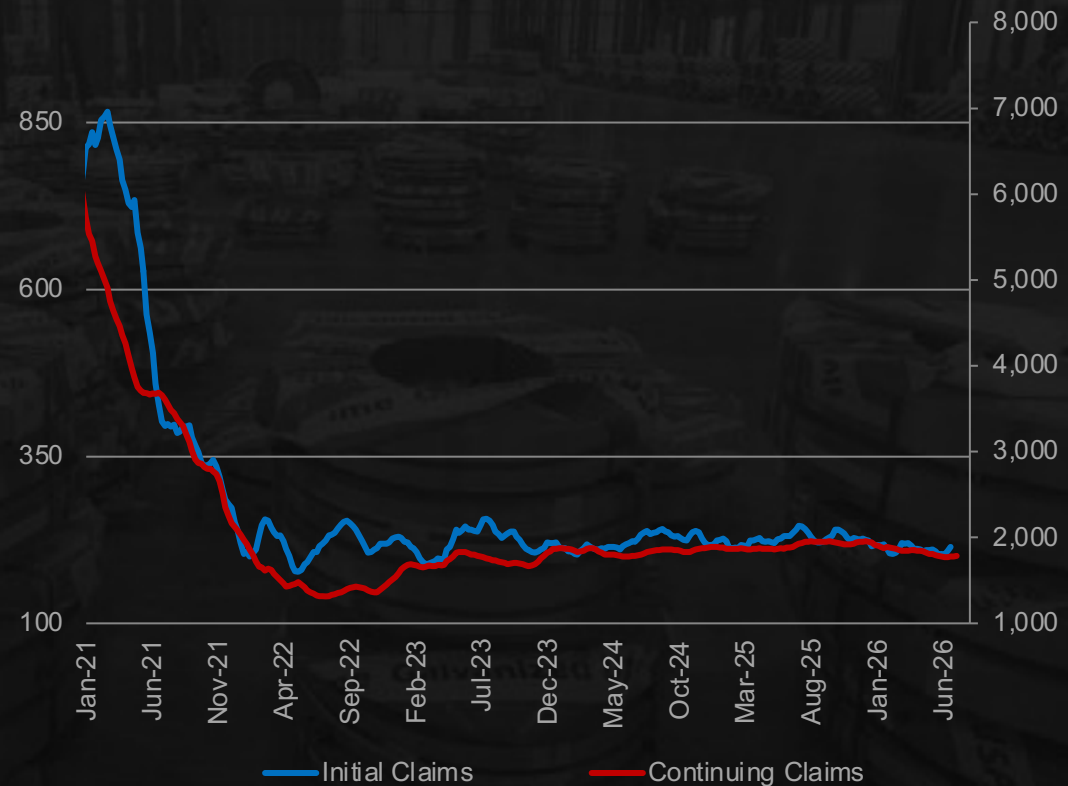
- The four-week moving average, considered a better measure of the labor market as it irons out week-to-week volatility, increased sharply to 223,250.

Continuing claims, or claims lasting longer than one week, increased sharply for the second straight week.

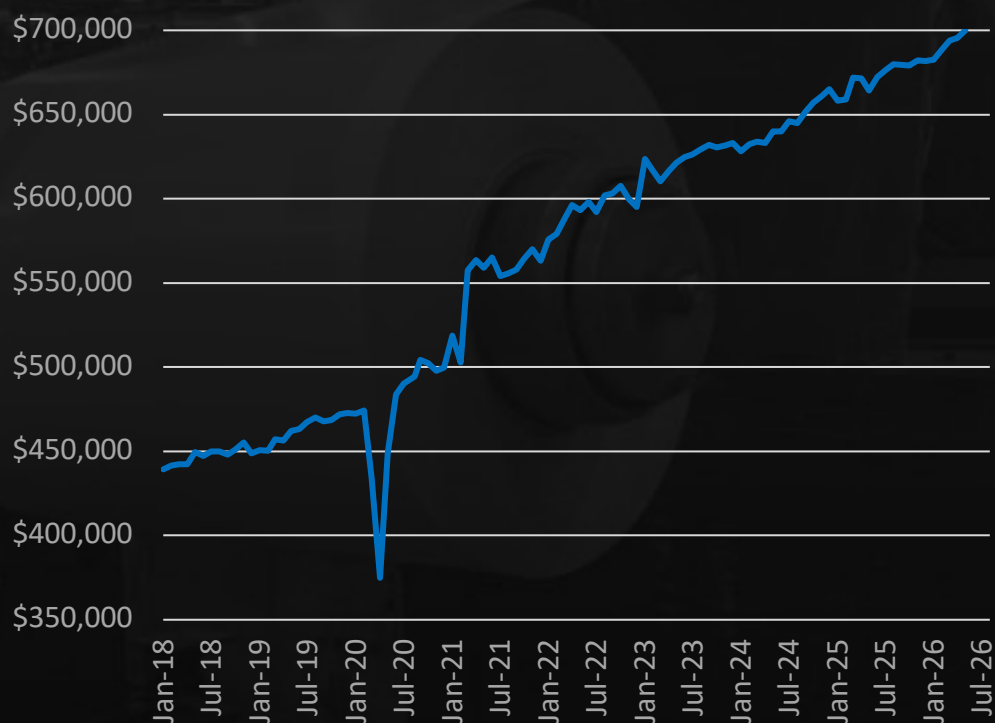
- Continuing claims came in at 1.810 million claims, up from 1.786 million claims previously.

The labor market remains stable enough for the Federal Reserve to focus on lowering inflation, mostly fueled by the Iran war.

WEEKLY INITIAL JOBLESS CLAIMS



RETAIL SALES (SAAR) EX. GAS STATIONS



RETAIL SALES¹¹

U.S. retail sales continued to climb in May, continuing to be boosted by gas station sales.

U.S. retail sales came in at a \$763.7 billion rate, up 0.9% from April and up 6.9% from the \$714.6 billion rate last May.

- Despite the jump in gas station sales, total sales ex gas stations increased as well, climbing 0.7% from April and 5.4% from last May.
- This was the highest year-over-year increase since last August.

Business types to see the largest increases in sales in April were gas stations, motor vehicle dealers, online retailers, and furniture stores.

- These increases helped to overcome slight declines from department stores and food & drinking places.

Actual YTD sales are now up 4.3% compared to the first five months of last year.

SOURCES

- 1 Platts, Spot Iron Ore: June 19, 2026.
- 2 London Metal Exchange, Weekly Zinc Price and Inventory Report: June 19, 2026.
Shanghai Futures Exchange, Weekly Zinc Inventory Report: June 19, 2026.
- 3 Platts, Coking Coal Price: June 19, 2026.
- 4 American Iron & Steel Institute, Weekly Domestic Steel Production: June 16, 2026.
- 5 National Association of Homebuilders, Housing Market Index: June 2026.
- 6 U.S. Census Bureau, New Residential Construction: May 2026.
- 7 A/C Heating & Refrigeration Institute, HVAC Equipment Shipments: April 2026.
- 8 Federal Reserve, Industrial Production/Capacity Utilization: May 2026.
- 9 Federal Reserve, Empire Manufacturing Index: June 2026
- 10 Department of Labor, Weekly Initial Jobless Claims: June 18, 2026.
- 11 U.S. Census Bureau, Retail Sales: May 2026.

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