



MAJESTIC
STEEL USA

CORE REPORT

07.17.26

COST

01

- ⊖ scrap
- ⬆ iron ore
- ⊖ energy
- ⬇ zinc
- ⬇ coking coal

SUPPLY

05

- ⬆ lead times
- ⬇ production
- ⊖ imports
- ⊖ shipments

DEMAND

07

- ⊖ automotive
- ⊖ construction
- ⬆ appliance
- ⬆ manufacturing
- ⊖ agriculture
- ⊖ durable goods

ECONOMIC

12

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

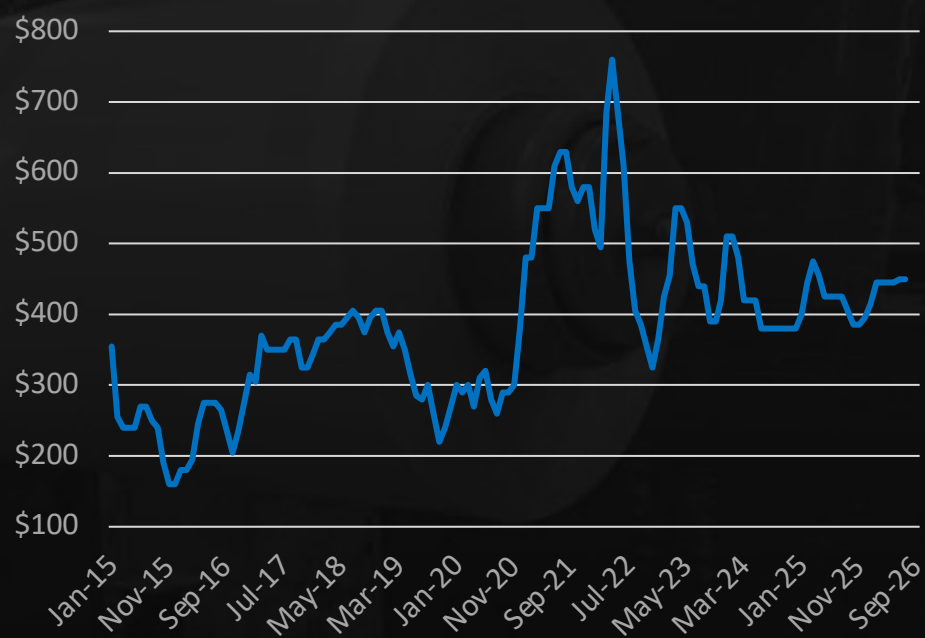


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PRIME SCRAP


 SCRAP¹

After a slight \$5/gt increase in June, prime scrap settled flat in July.

- July prime scrap pricing held steady at \$450/gt.

Prime scrap remained supported by favorable steel market fundamentals.

- Tight seasonal supply and healthy steel demand have continued to support the market, even as automotive shutdowns and reduced manufacturing activity have limited scrap generation.

Shredded scrap pricing dropped \$5/gt to \$420/gt after settling flat the previous three months.

COST

▲ SPOT IRON ORE²

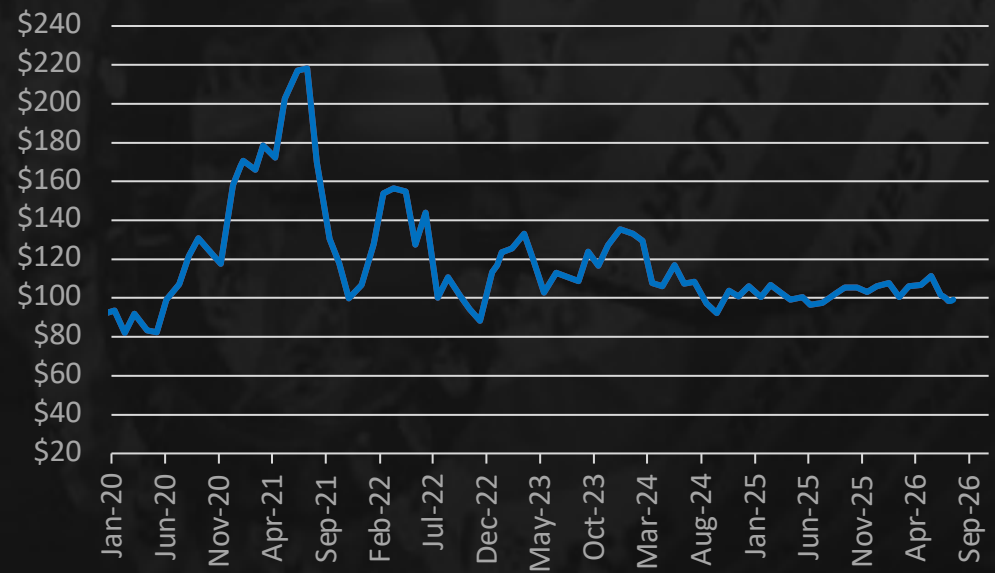
Spot iron ore increased slightly for the second consecutive week.

Spot iron ore pricing ended the week at \$99.30/mt, up from \$98.60/mt a week ago.

- Despite increasing in back-to-back weeks, iron ore is still down 11% since mid-May.

Iron ore pricing rose following further escalation in the Strait of Hormuz, lifting freight costs and tightening availability in the spot market.

IRON ORE COST



WEEKLY ZINC PRICING



Zinc pricing ticked down slightly this week after climbing eleven out of the previous thirteen weeks.

Zinc pricing ended the week at \$3,548/mt (\$1.609/lb), down slightly from \$3,601/mt (\$1.633/lb) previously.

- Despite the slight drop, zinc remains elevated due to ongoing supply issues, high energy prices, and geopolitical tensions.

Global zinc inventory dropped slightly for the third consecutive week.

- LME warehouse inventory decreased again this week, sliding from 115,525/mt to 111,875/mt.
- Shanghai warehouse inventory decreased as well, dropping from 152,228/mt to 151,801/mt.

COST

④ COKING COAL⁴

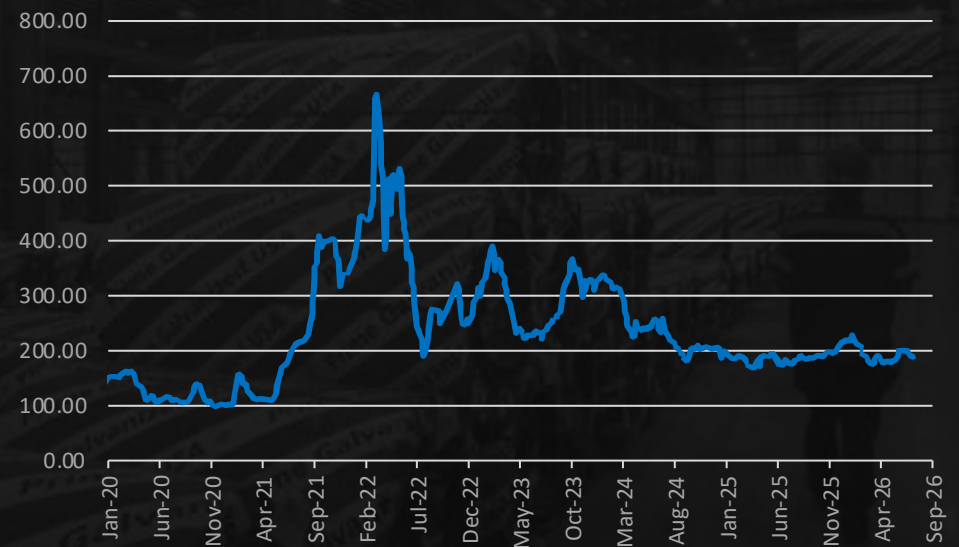
Coking coal pricing dipped slightly again this week, now down for the fourth consecutive week.

Coking coal pricing dropped to \$189.50/mt, down from \$192.60/mt previously.

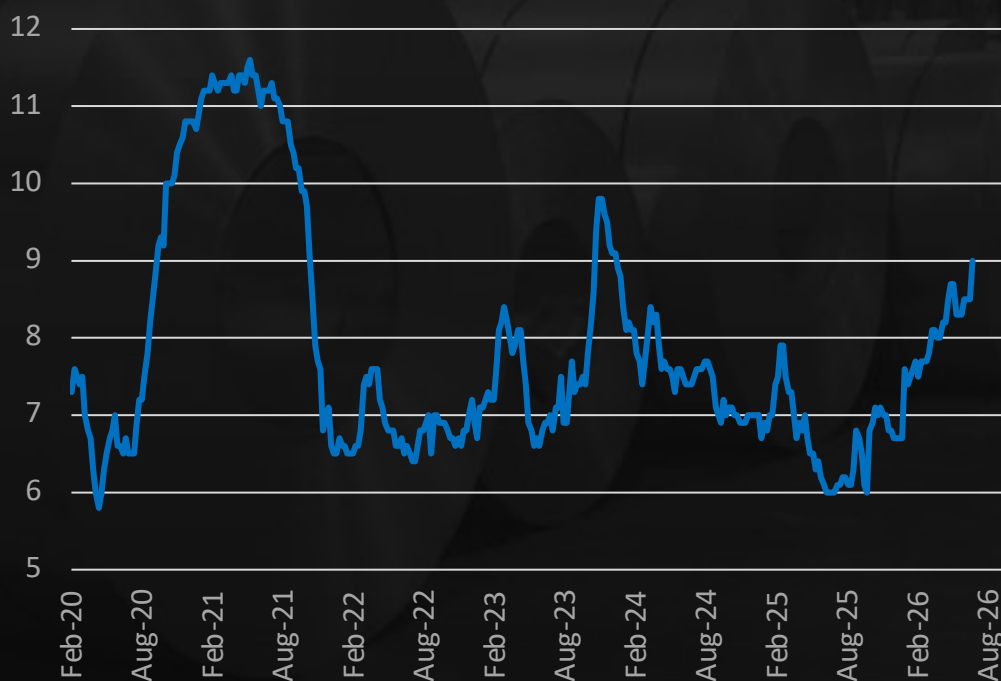
- Coal pricing has now dropped 6.6% after peaking in May.

Weak seasonal demand and frequent safety inspections of coal mines in China continues to limit any upside in pricing.

COKING COAL PRICE



HDG LEAD TIMES

▲ LEAD TIMES⁵

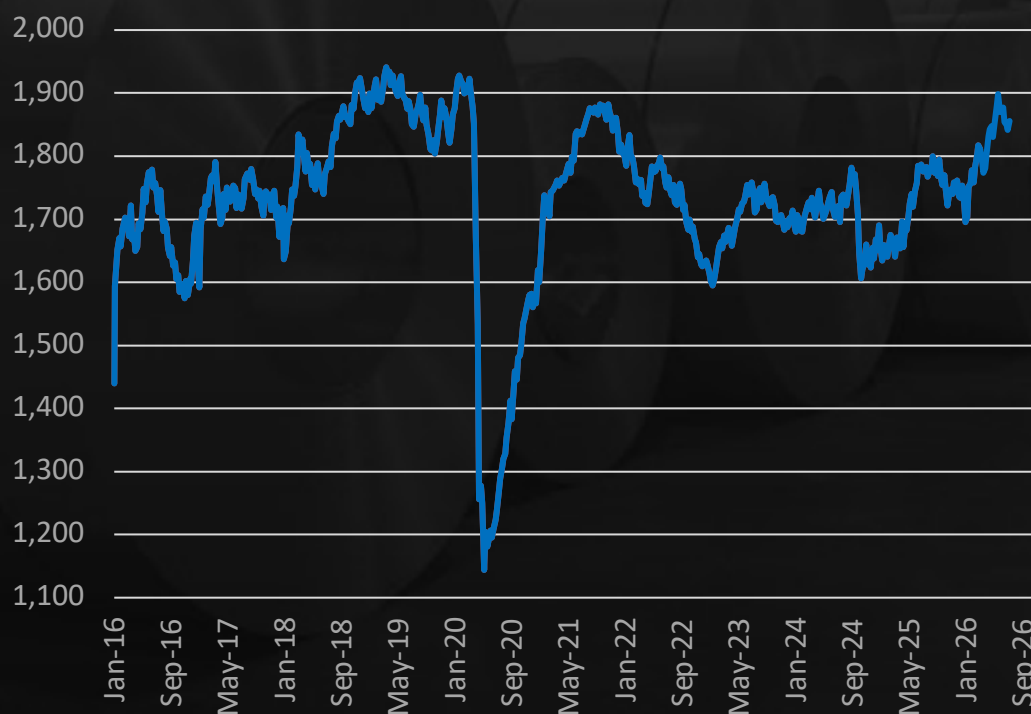
Domestic hot-dipped galvanized lead times climbed sharply last week, signaling increased pressure on coated steel availability.

- HDG lead times reached 9.0 weeks in mid-July, up from 8.5 weeks one month ago and 8.0 weeks in mid-April.
- The latest increase places HDG lead times at their highest level since December 2023.

Longer lead times typically strengthen mills' pricing leverage by limiting spot availability and reducing buyers' ability to quickly replace tons.

- With HDG availability tightening and broader flat-rolled pricing continuing to move higher, current conditions remain supportive of firm galvanized pricing and may create additional upward pressure if demand remains resilient.

WEEKLY DOMESTIC PRODUCTION



▼ WEEKLY DOMESTIC STEEL PRODUCTION⁶

Domestic steel production slipped again last week, now down four out of the last five weeks.

U.S. mills produced an estimated 1,840k tons at a 79.7% utilization rate, down from 1,856k tons and an 80.4% rate previously.

- This was the lowest tonnage output since the last week of April.

Production dropped in three of the five regions, with the largest decrease (in tons) coming from the Great Lakes region.

- Production from the Great Lakes region slipped from 503k tons to 491k tons.

Year-to-date production is now up 7% compared to the same time frame last year.

DEMAND

HOUSING MARKET INDEX⁷

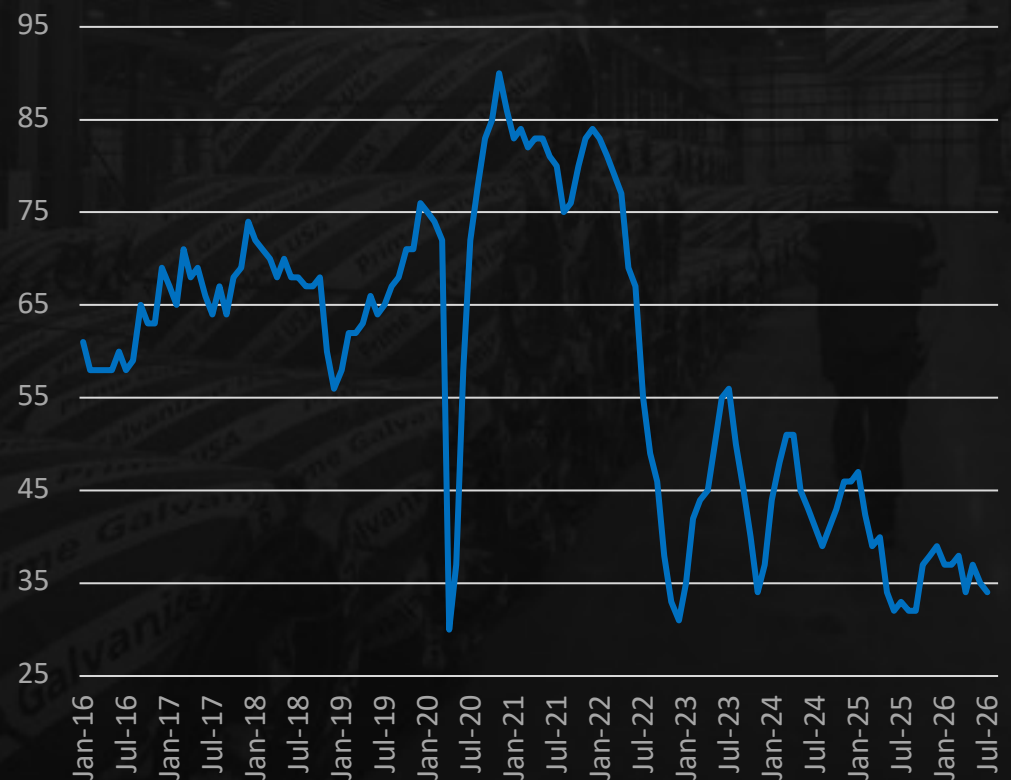
Homebuilder confidence continued to deteriorate in July, now below the key 50 level for the fifteenth consecutive month.

- The Housing Market Index (HMI) came in at 34 in July, down from 35 in June but up slightly from 33 last June.
- All three components remain weak, as current sales and sales expectations for the next six months declined to 37 and 43, respectively.

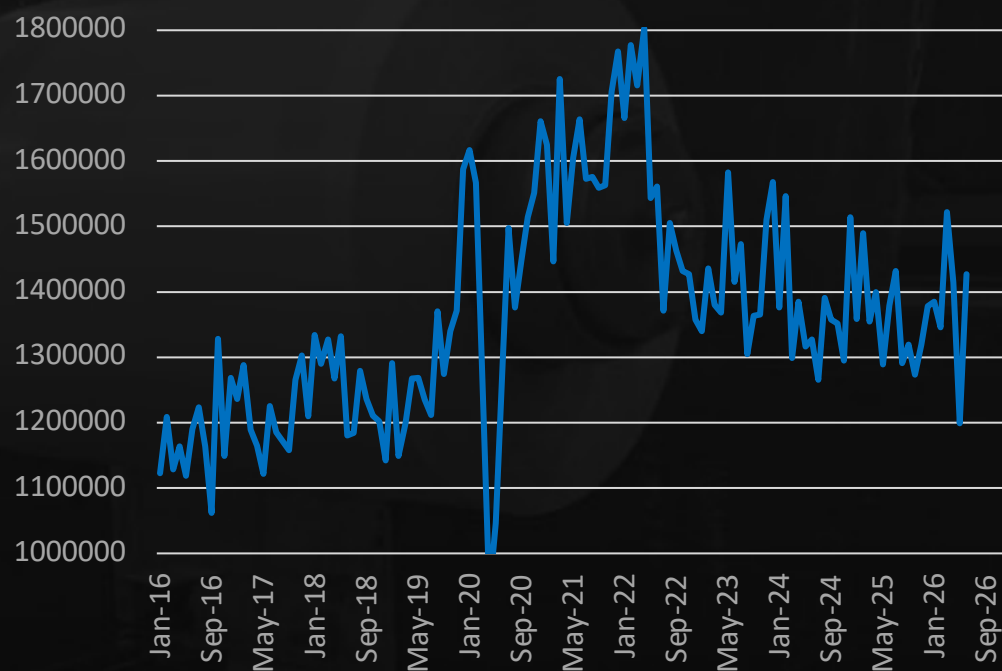
Rising mortgage rates, hovering between 6% - 7%, have continued to weigh on buyer demand.

- In response, builders have reported cutting prices and increasing sales incentives to attract buyers.

HOUSING MARKET INDEX



NEW HOUSING STARTS (SAAR)



RESIDENTIAL CONSTRUCTION⁸

After a sharp decline in both April and May, new residential construction jumped in June.

June new housing starts came in at a 1.427 million unit rate, up 19.0% from May and up 3.5% from the 1.379 million unit rate last June.

- The boost in starts was almost entirely from multi-family units, while single-family units slipped slightly.

Year-to-date starts are now up 0.5% compared to the first half of 2025.

Permits, an indicator for future construction, slipped for the second consecutive month.

- Permits came in at a 1.367 million unit rate, down 3.0% from May and down 2.3% from 1.399 million unit rate last June.

DEMAND

ⓘ HVAC EQUIPMENT SHIPMENTS⁹

Shipments of HVAC equipment increased in May, now climbing for the third time in the last four months.

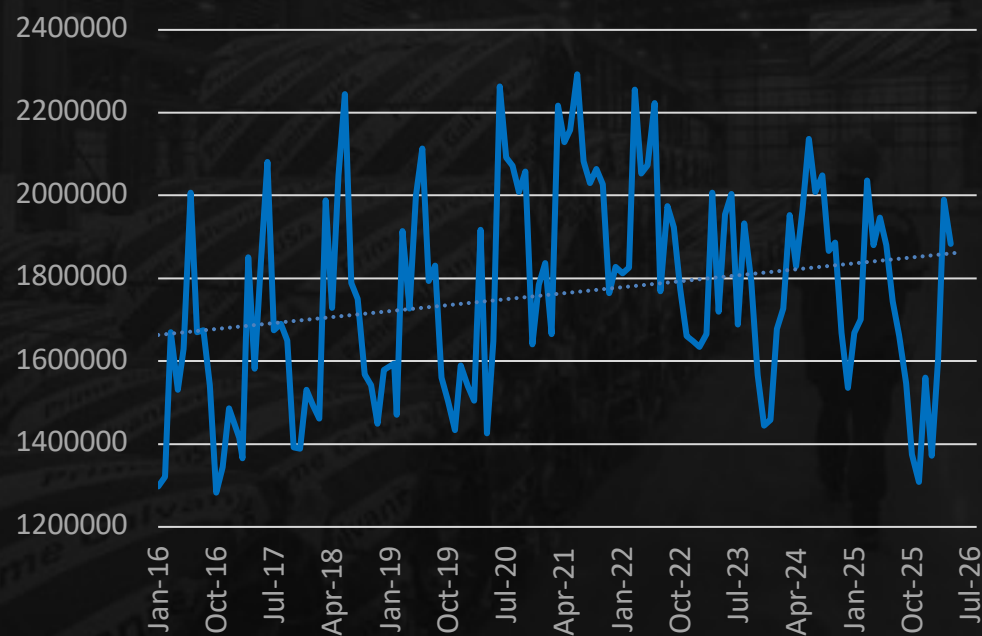
- Shipments totaled 1.947 million units, up 3.4% from April and flat from last May.

Looking on a y/y basis, to help smooth seasonality, the boost (6.7%) in A/C & heat pump shipments helped cancel out the decline seen in both water heater and furnace shipments.

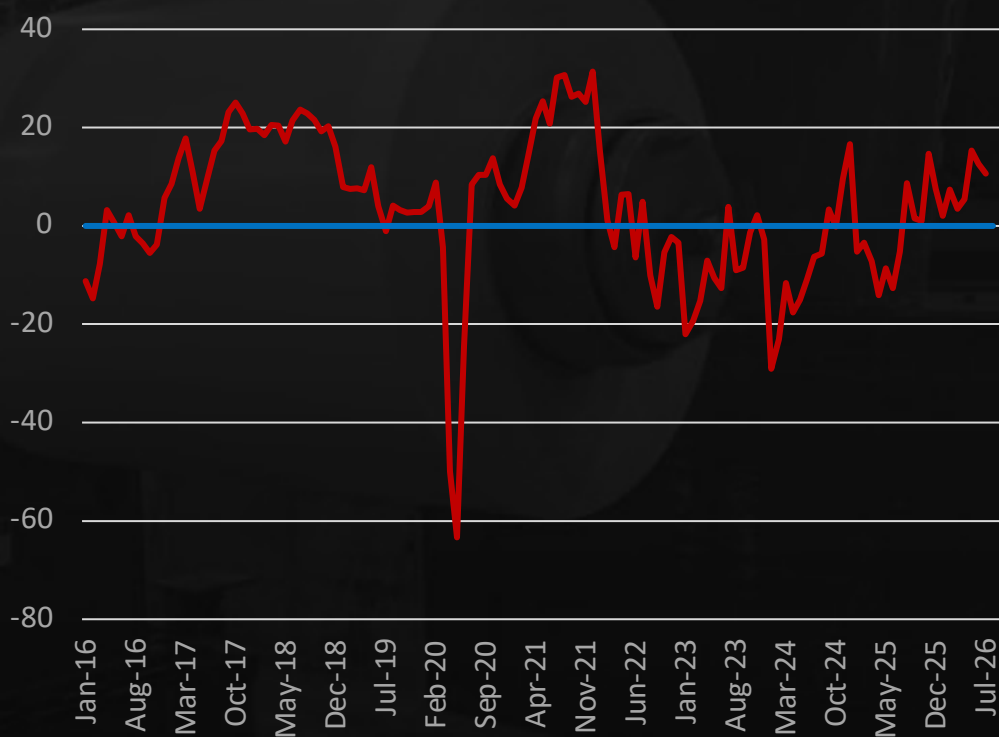
- Shipments of water heaters and furnaces declined 5.0% and 6.2%, respectively.

Year-to-date total HVAC equipment shipments are still down 4.7% compared to the same timeframe last year.

HVAC EQUIPMENT SHIPMENTS



EMPIRE MANUFACTURING INDEX (2MA)



⓪ EMPIRE MANUFACTURING INDEX¹⁰

Business activity expanded at a sharp rate in July, and has now expanded for the fourth straight month.

The July Empire Manufacturing Index came in at 15.6, up nearly 10 points from 5.7 in June.

- The two-month average remained strong at 10.7, remaining in expansion for the twelfth consecutive month.
- Any reading over 0.0 shows expansion, while any reading below 0.0 shows contraction.

While new orders and shipments expanded at a much faster rate than in June, unfilled orders expanded at the same pace as last month.

- The shipment component increased to 24.4, the highest reading in four years.

The index for future business conditions came in at 27.9, led by expected growth in both new orders and shipments.

DEMAND

⊖ INDUSTRIAL PRODUCTION/ CAPACITY UTILIZATION¹¹

Industrial production was essentially flat from May and has now grown at a 4.0% annual rate in Q2.

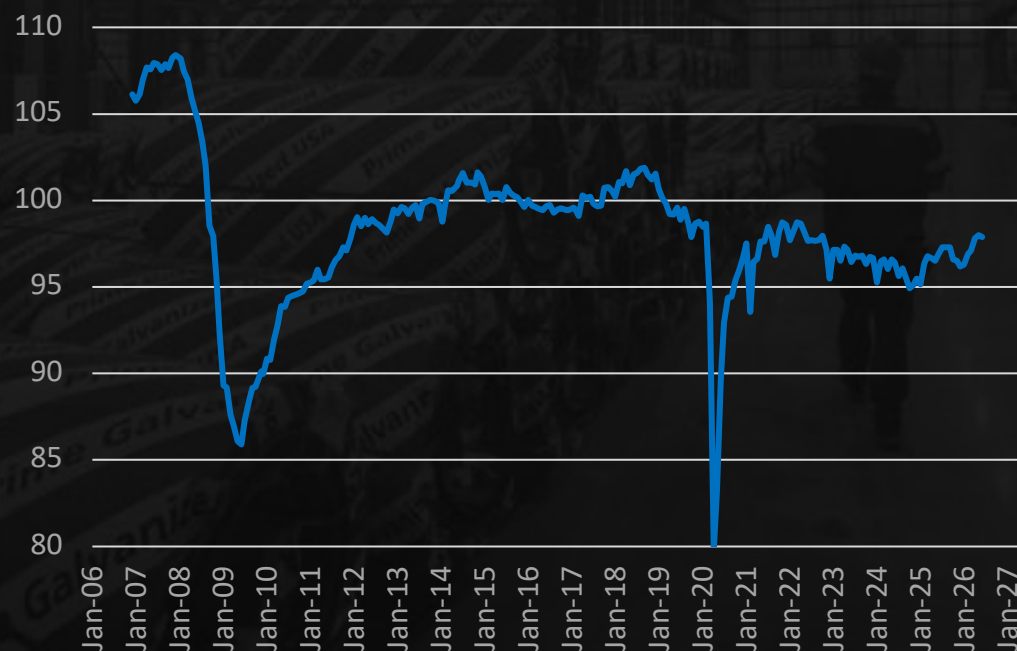
The industrial production index came in at 102.6, flat from last month but up 1.1% from last June.

- Manufacturing output was flat month-over-month as well but grew at an annual rate of 4.7% in Q2.

Within manufacturing, output for durable goods slipped 0.1%, led by declines for appliances, electrical equipment, machinery and other sectors.

The overall capacity utilization rate was flat at 76.1% but remained 3.3% below the 50-year average.

INDUSTRIAL PRODUCTION - MANUFACTURING



WEEKLY INITIAL JOBLESS CLAIMS¹²

The number of Americans filing new unemployment claims dropped for the fifth consecutive week.

The Department of Labor's Weekly Initial Jobless Claims report came in at 208,000 claims, down from 216,000 previously.

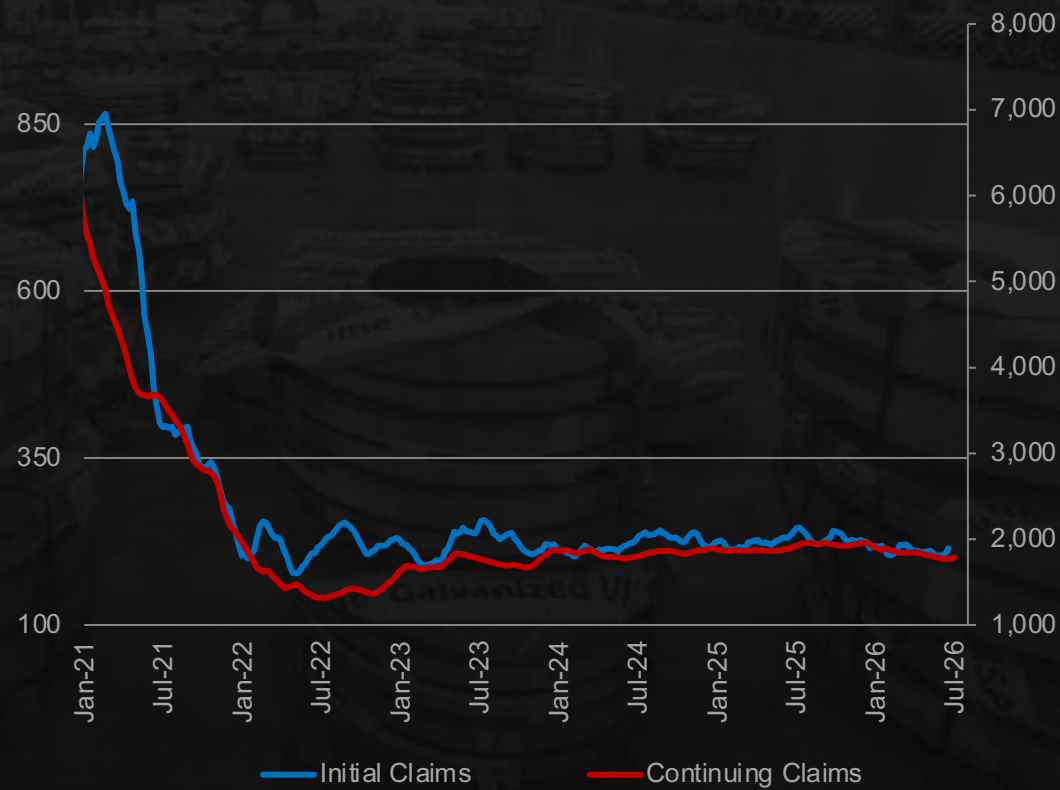
- The four-week moving average, considered a better measure of the labor market as it irons out week-to-week volatility, dropped to 214,250.

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

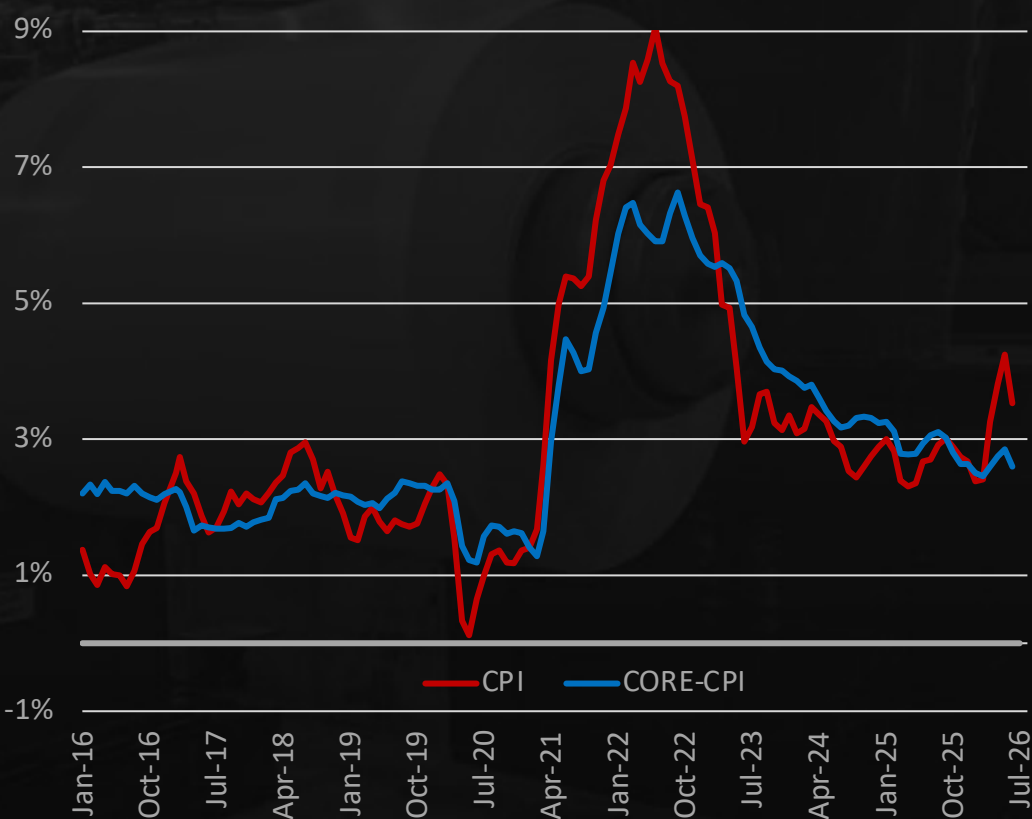
- Continuing claims came in at 1.805 million claims, down from 1.821 million claims previously.

Claims are now at the lowest level in 10 weeks as the labor market continues to show remarkable stability.

WEEKLY INITIAL JOBLESS CLAIMS



CONSUMER PRICE INDEX



⦿ CONSUMER PRICE INDEX¹³

The Consumer Price Index fell 0.4% month-over-month - the largest monthly decline since April 2020, bringing annual inflation down to 3.5%, well below expectations of 3.8%.

- Core CPI, which excludes food and energy, was unchanged during the month, lowering the annual core inflation rate to 2.6% from 2.9% in May.
- This suggests underlying inflation pressures continue to ease.

Energy prices fell 5.7% in June, led by more than 9% declines in gasoline and fuel oil, providing meaningful relief to consumers despite energy prices remaining elevated versus last year.

- Key service categories, including shelter and transportation, showed slower price growth, with services excluding energy flat for the month.

SOURCES

- 1 Prime Scrap Price, Market Conversations: Week ending July 17, 2026.
- 2 Platts, Spot Iron Ore: July 17, 2026.
- 3 London Metal Exchange, Weekly Zinc Price and Inventory Report: July 17, 2026.
Shanghai Futures Exchange, Weekly Zinc Inventory Report: July 17, 2026.
- 4 Platts, Coking Coal Price: July 17, 2026.
- 5 Domestic Flat-Rolled Lead Times: July 15, 2026.
- 6 American Iron & Steel Institute, Weekly Domestic Steel Production: July 14, 2026.
- 7 National Association of Homebuilders, Housing Market Index: July 2026.
- 8 U.S. Census Bureau, New Residential Construction: June 2026.
- 9 A/C, Heating, & Refrigeration Institute, HVAC Equipment Shipments: May 2026.
- 10 Federal Reserve, Empire Manufacturing Index: July 2026.
- 11 Federal Reserve, Industrial Production/Capacity Utilization: June 2026.
- 12 Department of Labor, Weekly Initial Jobless Claims: July 16, 2026.
- 13 Bureau of Economic Analysis, Consumer Price Index: June 2026.

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