MAJESTIC STEEL USA

CORE REPORT 09.11.26

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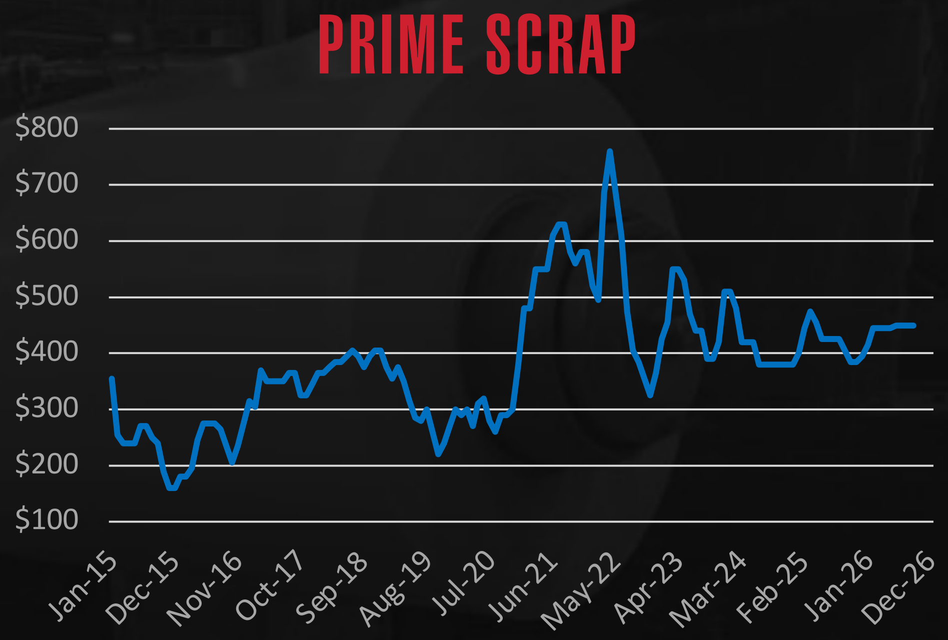
COST

SCRAP[1]



Prime scrap settled flat again in September, supported by balanced supply and demand despite several upcoming mill outages.

September prime scrap pricing held steady at $450/gt for the fourth consecutive month.

Prime scrap pricing continues to be supported by limited supply, rising steel pricing, and higher pig iron costs.

- The spread between HRC and prime grades has now widened to levels last seen during the 2021–22 post-pandemic market peak.

Shredded scrap pricing also settled flat in September, holding at $415/gt for the second consecutive month.

COST

SPOT IRON ORE[2]

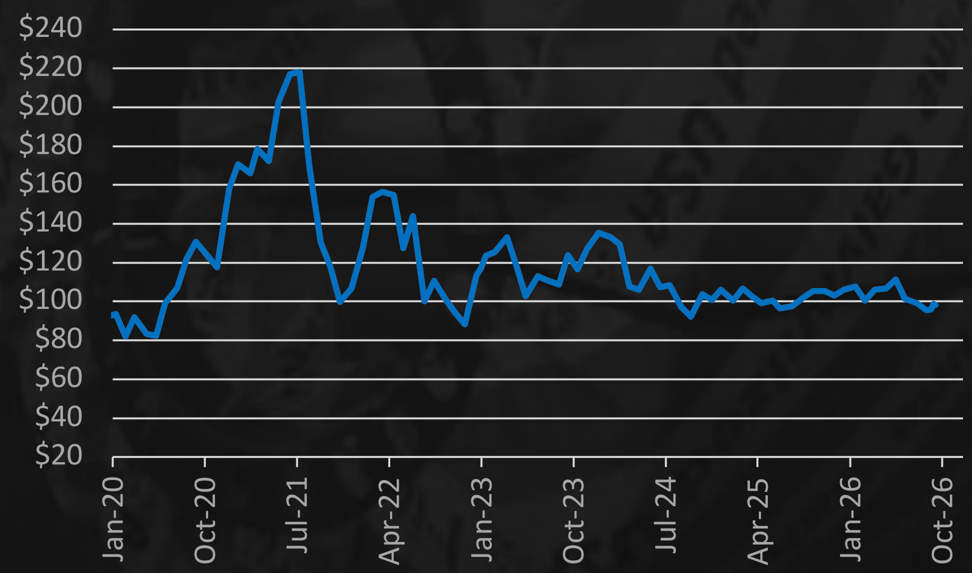
Spot iron ore decreased slightly this week after hitting the highest level since the beginning of July.

Spot iron ore pricing ended the week at $98.05/mt, down from $98.95/mt previously.

- This was down 1% after briefly hitting $100/mt earlier in the week.

Pricing slipped slightly amid renewed market weakness, however higher fuel and seaborne freight costs, along with geopolitical uncertainty has helped drive pricing higher.

IRON ORE COST



COST

ZINC[3]

WEEKLY ZINC PRICING

Zinc pricing dropped slightly this week after climbing the previous seven weeks.

Zinc pricing ended the week at $4,013/mt ($1.820/lb), down from $4,085/mt ($1.853/lb) previously.

- Zinc briefly touched $1.898/lb earlier in the week, the highest price since April 2022.
- The sharp inventory drawdown over the last year continues to keep pricing elevated – driven by high energy prices and numerous mine shutdowns.

Global zinc inventory increased slightly again for the fourth straight week.

- LME warehouse inventory increased slightly this week, climbing from 110,500/mt to 111,350/mt.
- Shanghai warehouse inventory increased slightly as well, climbing from 148,661/mt to 149,914/mt.

COST

COKING COAL[4]

Coking coal pricing decreased slightly this week after climbing the previous five weeks.

Coking coal pricing settled at $244.00/mt, down from $245.50/mt previously.

- Despite the slight drop, coking coal is still up nearly 40% since the recent bottom in May.

China's coking coal market continues to face tight supply, while strong demand from steelmakers and elevated production costs are supporting global prices.

WEEKLY DOMESTIC STEEL PRODUCTION[5]

Domestic steel production dropped again last week, holding at the lowest output since March.

U.S. mills produced an estimated 1,808k tons at a 78.3% utilization rate, down from 1,818k tons and a 78.7% rate previously.

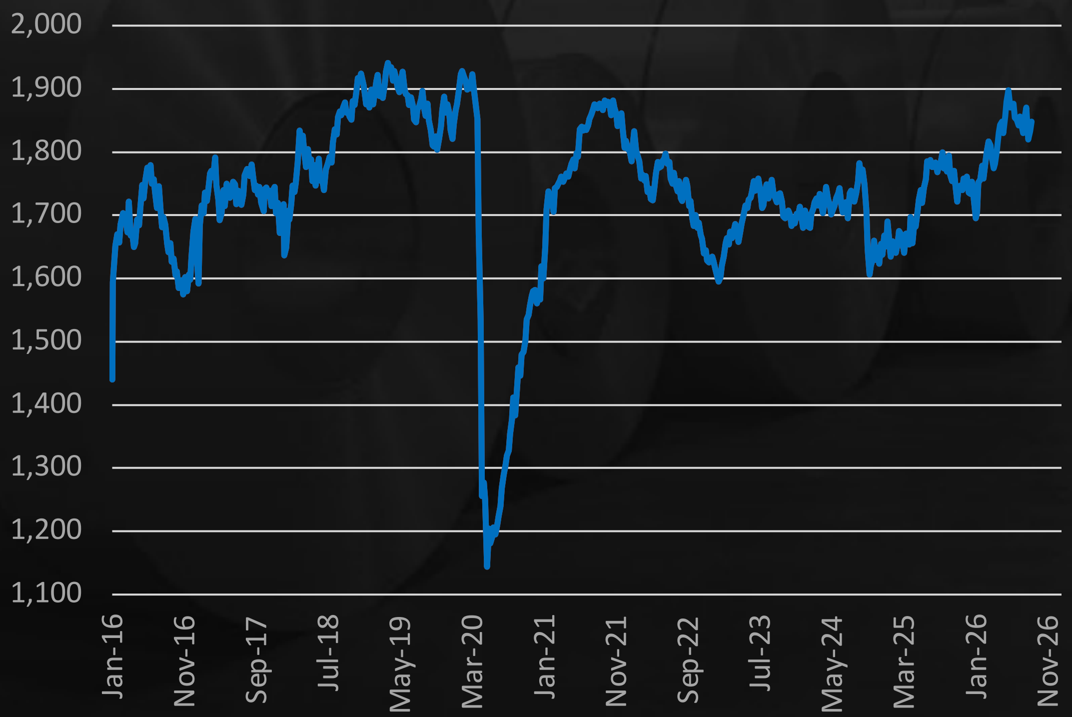
- This was the lowest tonnage output since the second week of March as Fall mill maintenance outages are underway.

Production slipped in four of the five region, with the largest decrease (in tons) coming from the Southern region.

- Production from the Southern region slipped from 839k tons to 821k tons.

Year-to-date production is now up 6% compared to the same time frame last year.

WEEKLY DOMESTIC PRODUCTION



DEMAND

LIGHT VEHICLE INVENTORY[6]

The inventory of new vehicles on dealers lots at the end of August was down slightly from July and was at its lowest month-end level since May 2025.

Light vehicle inventory ended August at 2.681 million units, down from 2.725 million units at the end of July and down from the 2.730 million unit level from the end of last August.

- The current YTD average (2.808 million units) is the lowest annual average since 2021.

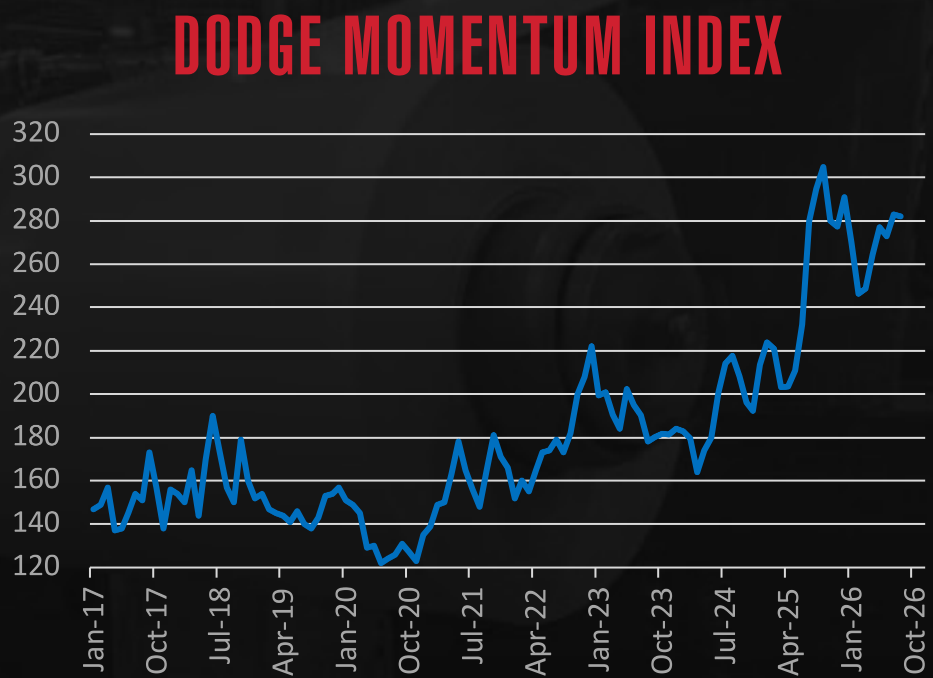
The current inventory, when combined with August's sales rate, equates to 73 days of supply.

- This is down from 77 days in July and is the lowest since April 2025.

U.S. LIGHT VEHICLE INVENTORY

DEMAND

DODGE MOMENTUM INDEX[7]



A key leading indicator for non-residential construction spending held steady in August after a solid bump in July.

The August Dodge Momentum Index came in at 282, down slightly from 283 in July and down from 294.7 last August.

While the institutional planning sector increased by 4.9%, it was not enough to overcome the 3.0% decline from commercial planning.

- Commercial planning activity slowed for data centers, retail stores, and warehouses.
- These declines overcame slight increases in planning for offices, parking garages, and hotels.

On the institutional planning side, activity on plans for education, recreational, and public buildings improved.

DEMAND

EXISTING HOME SALES[8]

Sales of existing homes continued to slide in August and are now down for the third consecutive month.

August existing home sales came in at a 3.980 million unit rate, down 2.0% from July and down 1.2% from the 4.030 million unit rate last August.

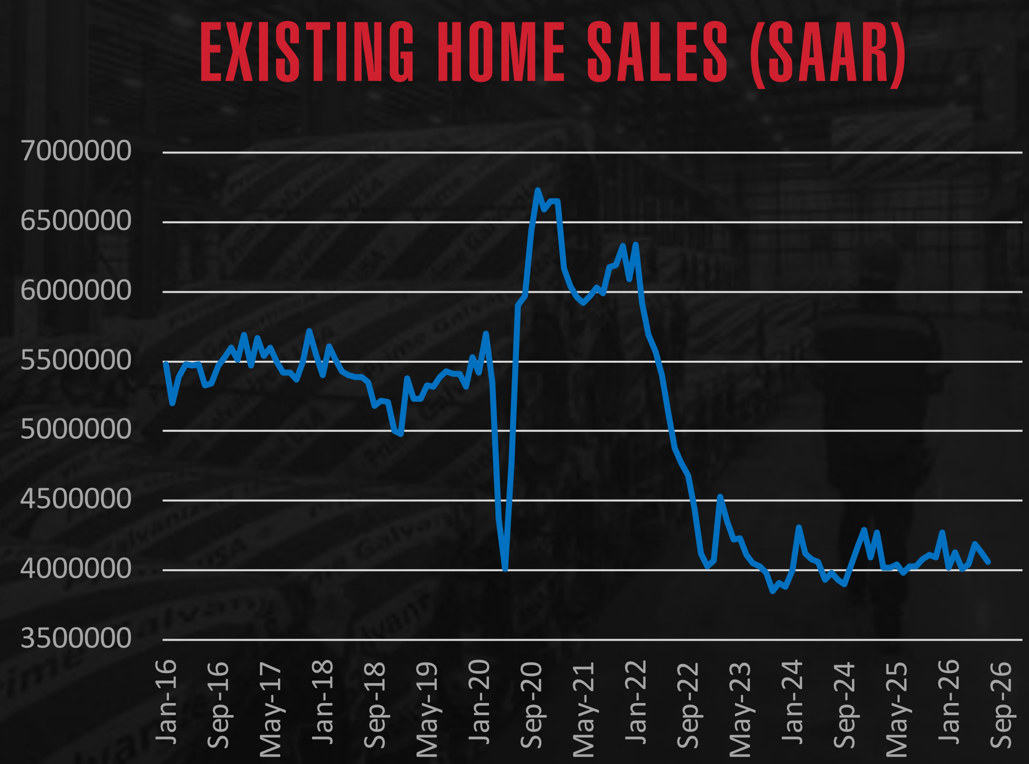
- This was the slowest monthly sales rate since June 2025.

The inventory of unsold existing homes increased to 1.620 million units, up from July and up 5.9% from last August.

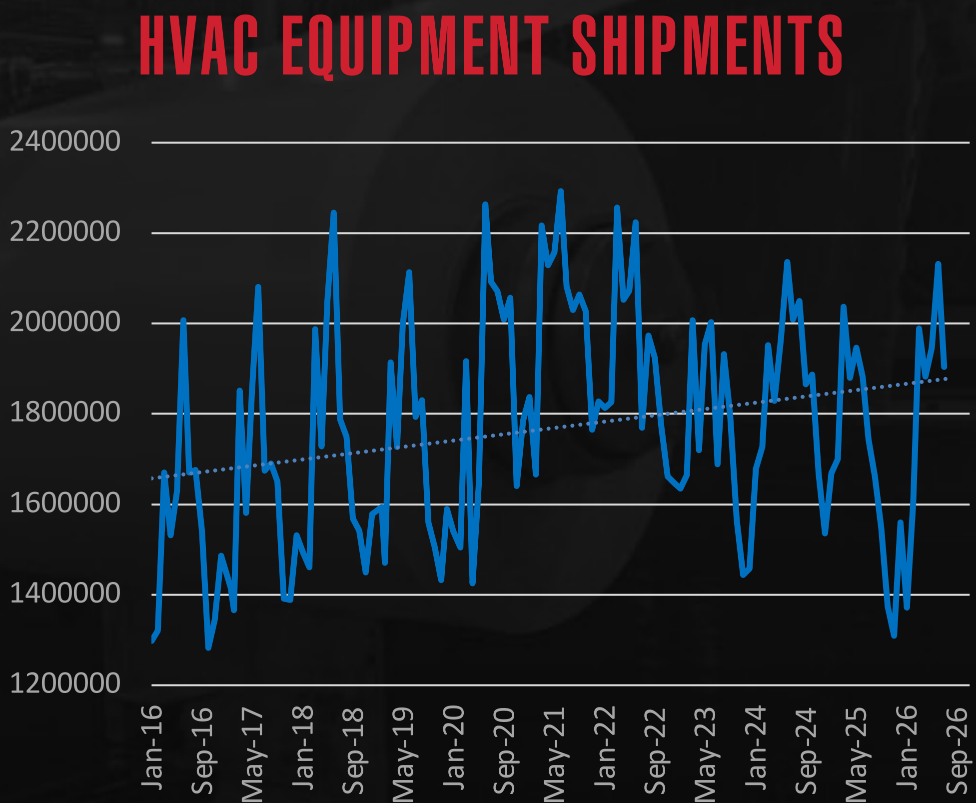
- The current inventory, when combined with August sales pace, equates to 4.9 months of supply.

- This was the highest months of supply since November 2015.

The median sales price slipped to $429,100, down for the second consecutive month.



DEMAND



HVAC EQUIPMENT SHIPMENTS[9]

After climbing the previous two months, shipments of HVAC equipment declined in July.

July HVAC equipment shipments totaled 1.904 million units, down 10.7% from June but up 9.2% compared to last July.

Looking on a year-over-year basis, to help smooth out seasonality, shipments for each product group were up.

- While A/C & heat pump shipments saw the largest increase (+20.1%), water heater (+0.1%) and furnace (2.4%) shipments saw increases as well.

YTD shipments are now down slightly (0.2%) compared to the same timeframe last year.

ECONOMIC

WEEKLY INITIAL JOBLESS CLAIMS[10]

The number of Americans filing new unemployment claims dropped slightly last week, now down three out of the last four weeks.

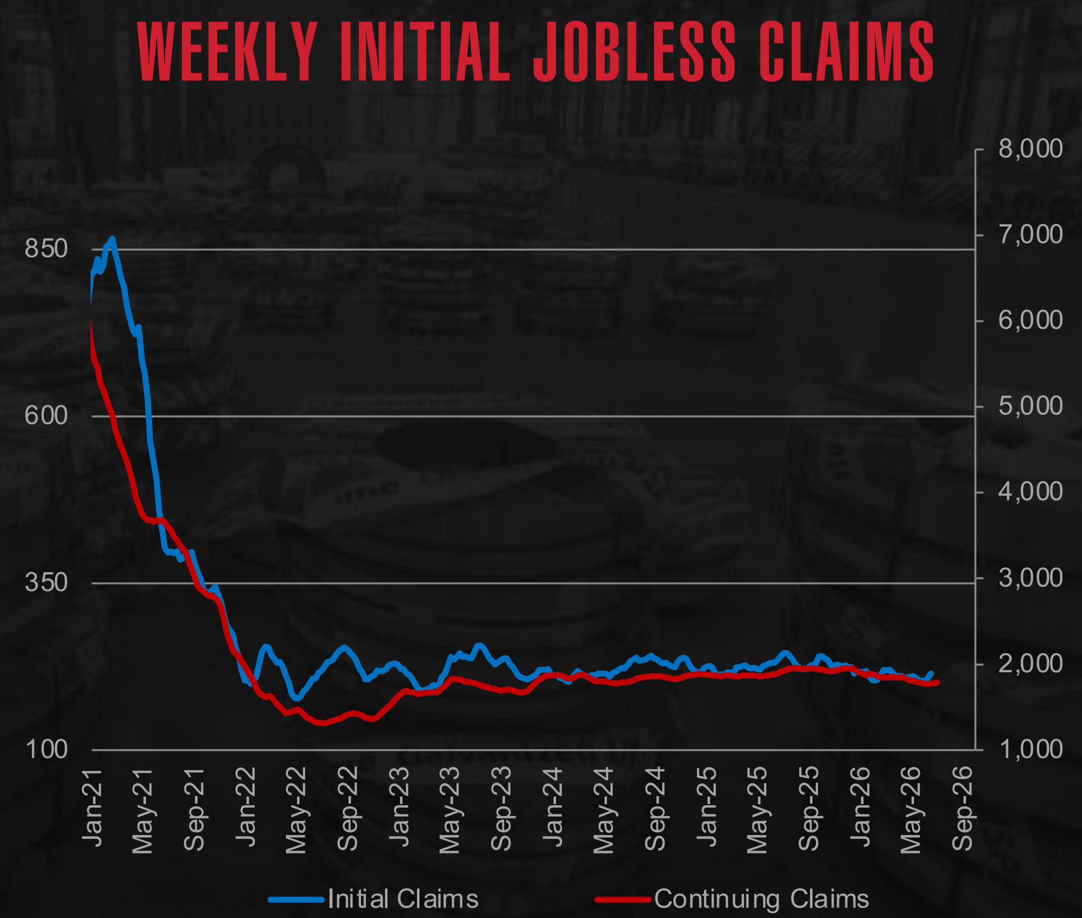
The Department of Labor's Weekly Initial Jobless Claims report came in at 206,000 claims, down from 207,000 previously.

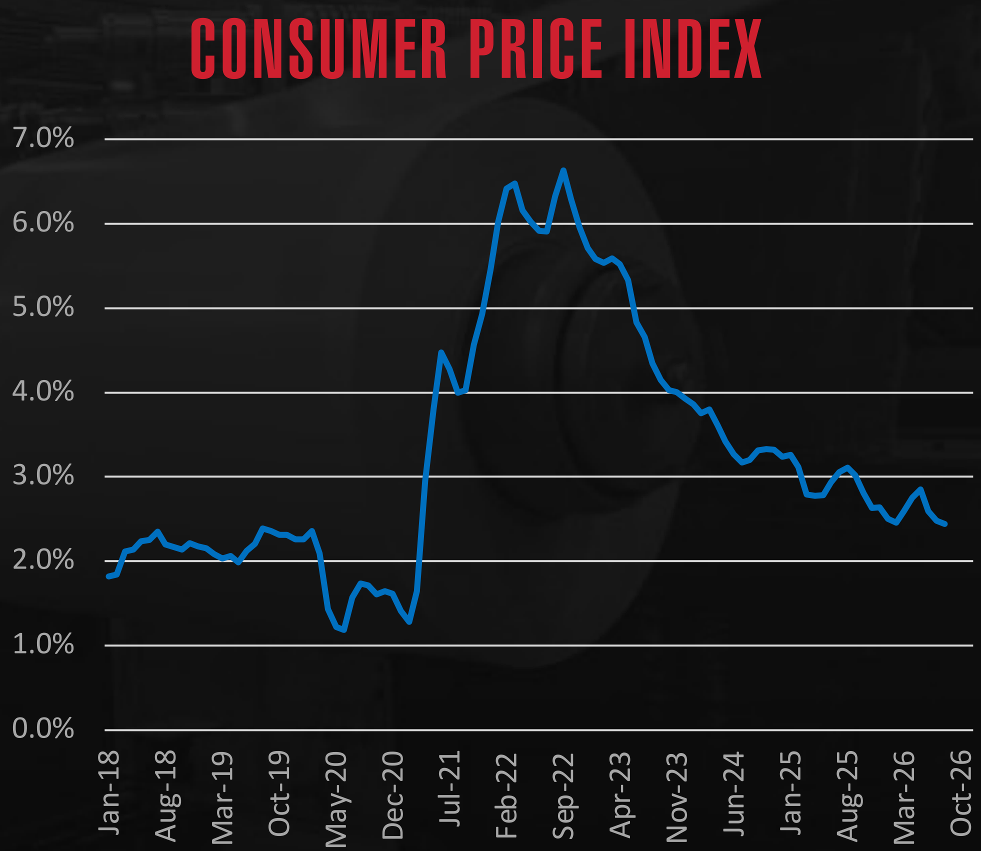
- The four-week moving average, considered a better measure of the labor market as it irons out week-to-week volatility, decreased to 206,000

Continuing claims, or claims lasting longer than one week, dropped slightly as well.

- Continuing claims came in at 1.774 million claims, down from 1.775 million claims previously.

Claims have held in a narrow range since mid-July, as the labor market remains in a "low-hire, low-fire" mode.





ECONOMIC

CONSUMER PRICE INDEX[11]

Prices paid by consumers continued to push higher on an annual rate in August.

The August Consumer Price Index was up 3.40% on an annual basis, up from the 3.36% increase in July.

- The annual CPI change has been north of the Feds 2.0% target for the sixty-third consecutive month.

Excluding the volatile food and energy segments, the CORE-CPI was 2.45%.

- This is essentially flat from the 2.48% growth in July.

Over the last twelve months, prices for shelter saw a 3.0% increase.

- Prices for recreation, medical care, and personal care, increased as well, climbing 2.7%, 1.6%, and 3.8%, respectively.

- The price for airline fares was up a sharp 23.4%, but that can be attributed the rise in energy costs.

SOURCES

1 Prime Scrap Price, Market Conversations: Week ending September 11, 2026

2 Platts, Spot Iron Ore: September 11, 2026.

3 London Metal Exchange, Weekly Zinc Price and Inventory Report: September 11, 2026.

Shanghai Futures Exchange, Weekly Zinc Inventory Report: September 11, 2026.

4 Platts, Coking Coal Price: September 11, 2026.

5 American Iron & Steel Institute, Weekly Domestic Steel Production: September 8, 2026.

6 Cox Automotive, U.S. Light Vehicle Inventory: August 2026.

7 Dodge Construction Network, Dodge Momentum Index: August 2026.

8 National Association of Realtors, Existing Home Sales: August 2026.

9 A/C Heating & Refrigeration Institute, HVAC Equipment Shipments: July 2026.

10 Department of Labor, Weekly Initial Jobless Claims: September 10, 2026.

11 Bureau of Labor Statistics, Consumer Price Index: August 2026.

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