



MAJESTIC
STEEL USA

CORE REPORT

10.23.26

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



THE RIGHT STEEL SUPPLY CHAIN HAS NEVER MATTERED MORE

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COST

▲ SPOT IRON ORE¹

Spot iron ore ticked up slightly this week after falling to a 15-month low last week.

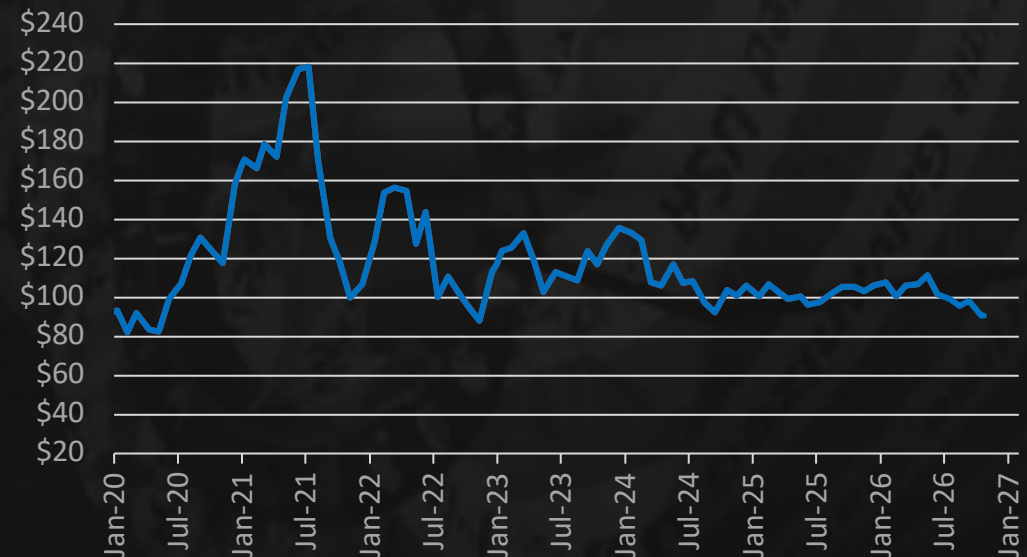
Spot iron ore pricing ended the week at \$90.75/mt, up from \$90.55/mt previously.

- Despite the increase, spot iron ore is still down nearly 20% since the recent peak in mid-May.

Iron ore prices remained resilient this week, supported by expectations for Chinese steel production and infrastructure demand despite lingering concerns over the construction sector.

- Mills are likely to continue purchasing on an as-needed basis and show limited appetite for heavy restocking.

IRON ORE COST



WEEKLY ZINC PRICING



Zinc pricing rebounded slightly this week after hitting its lowest level since last July.

Zinc pricing ended the week at \$3,788/mt (\$1.718/lb), up from \$3,738/mt (\$1.696/lb) previously.

- Zinc pricing held steady this week as the market balanced cautious industrial demand against ongoing concerns over supply, availability, and rising interest rates in the U.S.

Global zinc inventory increased sharply again this week, now up for the tenth consecutive week.

- LME warehouse inventory rose to the highest level since April 2025, climbing from 151,050/mt to 167,075/mt.
- Shanghai warehouse inventory decreased slightly again, sliding from 144,009/mt to 137,139/mt.

COST

▼ COKING COAL³

Coking coal pricing resumed its downward momentum this week after rebounding last week, now down six out of the last seven weeks.

Coking coal pricing settled at \$230.10/mt, down slightly from \$233.30/mt previously.

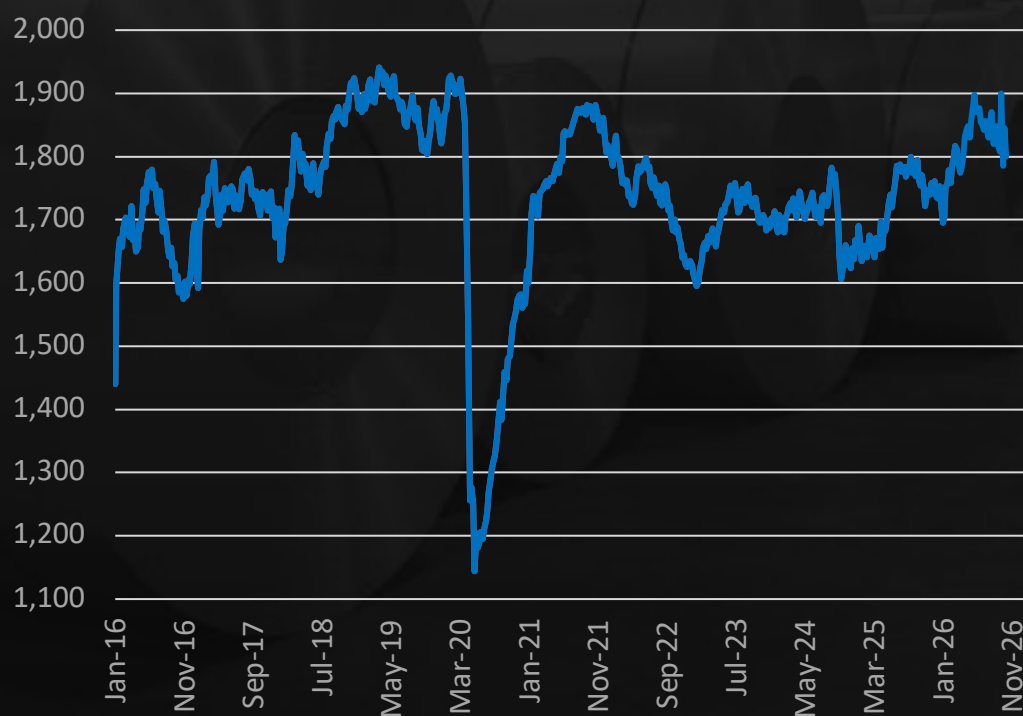
- Despite the drop, coking coal pricing continues to trade in a tight window of late.

Steelmakers continue to secure supply ahead of winter, with seaborne markets supported by tight availability and strong steel margins in key regions.

COKING COAL PRICE



WEEKLY DOMESTIC PRODUCTION



WEEKLY DOMESTIC STEEL PRODUCTION⁴

Domestic steel production rebounded sharply last week after sliding five out of the previous six weeks.

U.S. mills produced an estimated 1,870k tons at an 80.9% utilization rate, up from 1,796k tons and a 77.8% rate previously.

- This was the highest weekly output since mid-September.

Production dropped in three of the five regions, but was offset by a large increase in the Southern region.

- Production from the Southern region spiked from 768k tons to 842k tons.

Year-to-date production is still up 5.8% compared to the same time frame last year.

DEMAND

▲ LIGHT VEHICLE INVENTORY⁵

New-vehicle inventory increased 4.5% in September to 2.80 million units, reversing three consecutive monthly declines.

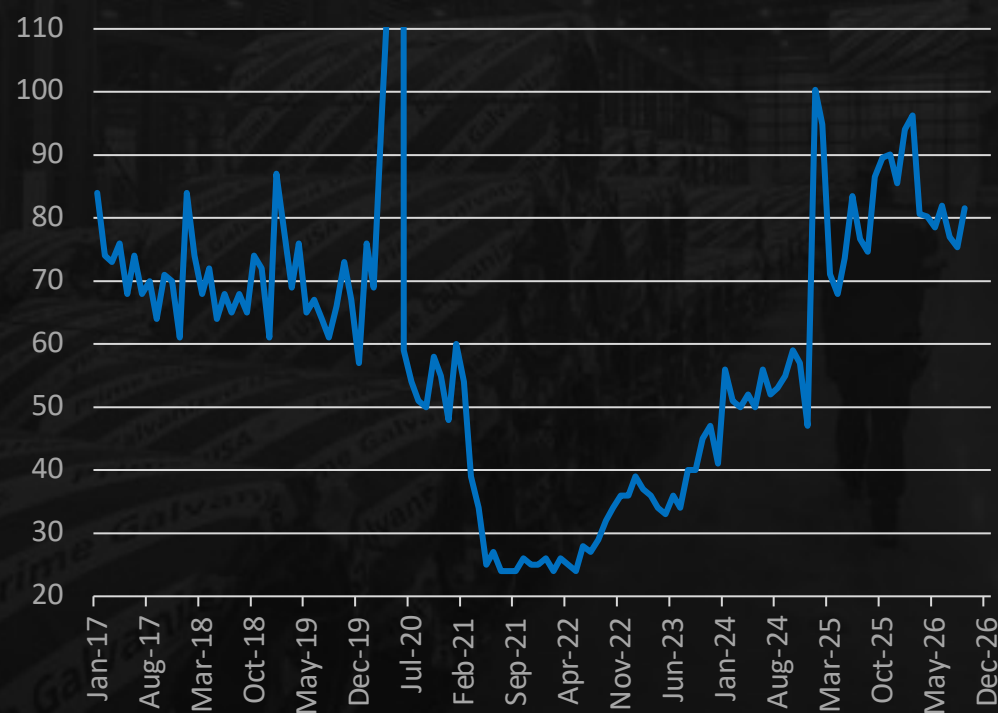
- Days of supply climbed to 82 days from 75 in August but remained below 87 days a year earlier.

Inventory remains sharply divided by automaker, as Toyota, Lexus and Honda carried 35-48 days' supply, compared with 149-169 days for Dodge, Jeep and Ram, highlighting uneven potential production needs.

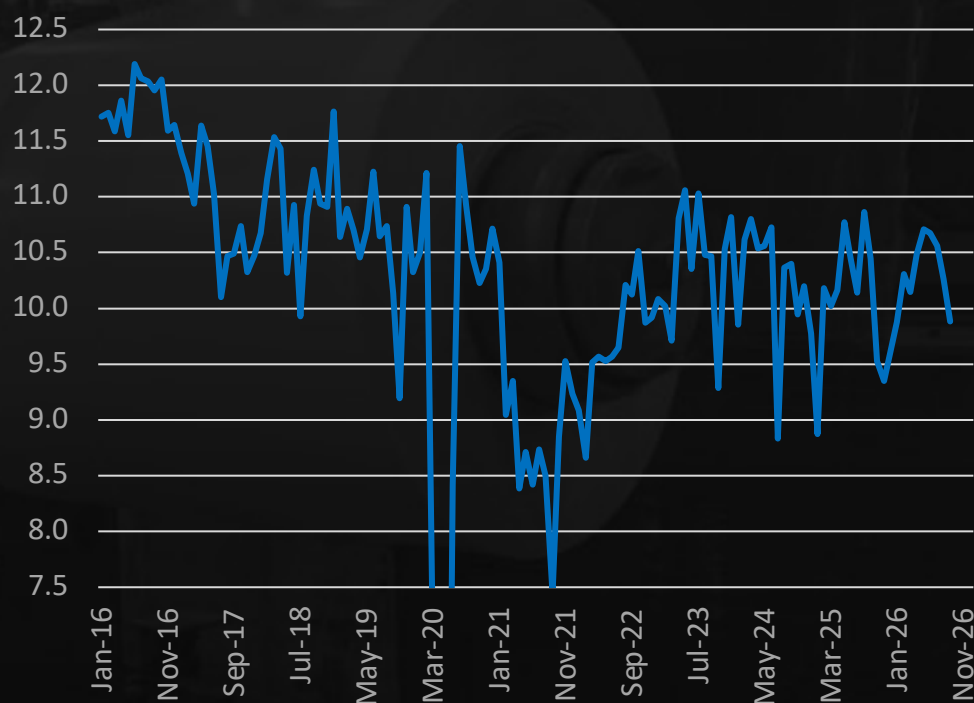
Affordability remains a constraint as listing prices edge higher.

- The average listing price reached \$49,726, up 0.7% monthly and 1.4% annually.
- Vehicles priced below \$40,000 represented just 31% of inventory, while higher-priced vehicles generally sat longer.

U.S. LIGHT VEHICLE DAYS OF INVENTORY



U.S. LIGHT VEHICLE ASSEMBLIES



▼ LIGHT VEHICLE ASSEMBLIES⁶

U.S. light vehicle assemblies fell 3.7% in September to a 9.89 million seasonally adjusted annual rate, down from 10.26 million in August and 5.3% below September 2025.

- Production momentum has weakened steadily as September marked the fourth consecutive monthly decline, leaving assemblies 7.7% below May's pace and at their lowest rate since January.

Light trucks drove most of September's decline, as assemblies fell 3.4% to an 8.81 million annual rate, accounting for approximately 82% of the overall monthly reduction.

For flat rolled steel, the figures suggest automotive demand is losing momentum heading into Q4 and potentially 2027, as interest rates climb.

DEMAND

RESIDENTIAL CONSTRUCTION⁷

New housing starts continued to slow in September, declining for the third straight month and the fifth time in the last six months.

New housing starts came in at a 1.221 million unit rate, down 5.2% from August and down 7.4% from the 1.319 million unit rate last September.

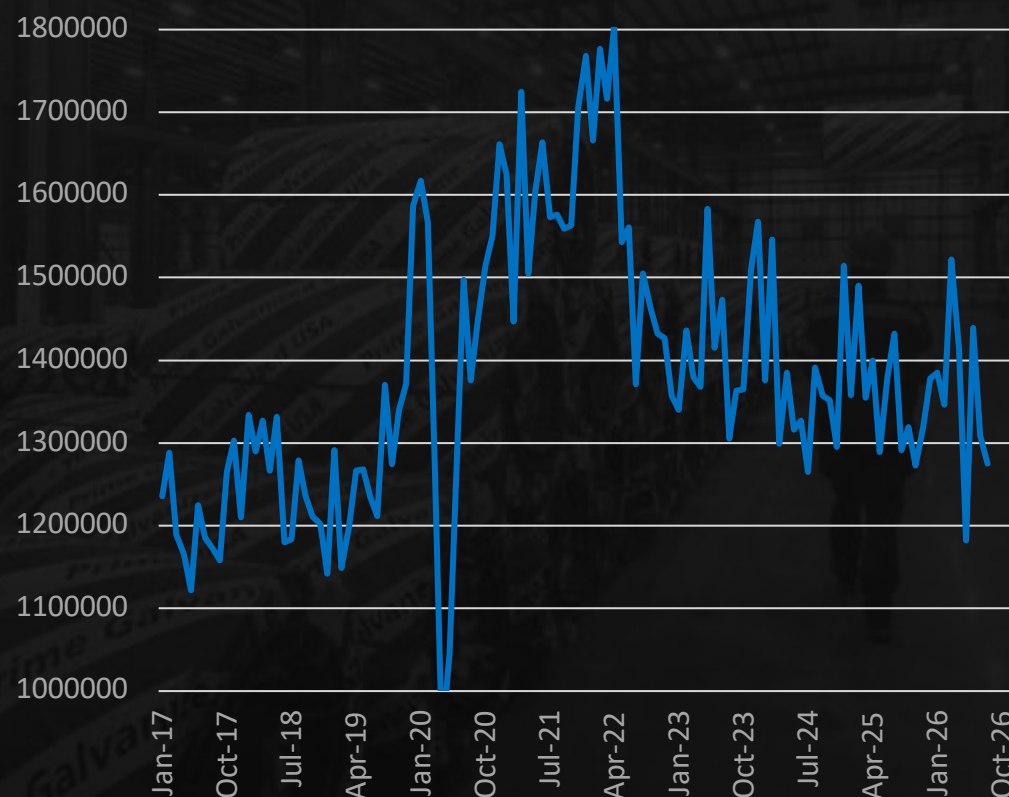
- New starts for both residential and non-residential units declined in September.

Year-to-date actual starts are now down 1.1% compared to the same timeframe last year.

Housing permits, a leading indicator for future construction, declined to a 1.400 million unit rate.

- This was down 0.2% from August and 3.0% from the 1.444 million unit rate last September.

NEW HOUSING STARTS (SAAR)



WEEKLY INITIAL JOBLESS CLAIMS⁸

The number of Americans filing new unemployment claims dropped last week, now down six out of the last seven weeks.

The Department of Labor's Weekly Initial Jobless Claims report came in at 194,000 claims, down from 200,000 previously.

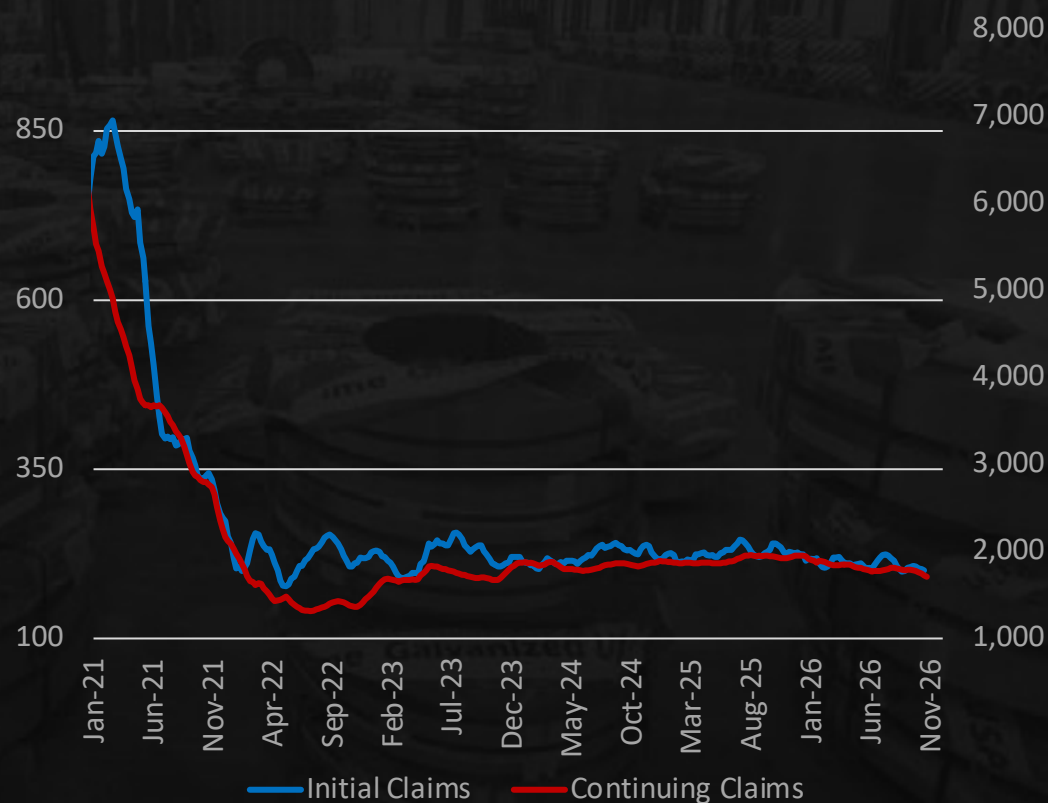
- The four-week moving average, considered a better measure of the labor market as it irons out week-to-week volatility, decreased to 197,750.

Continuing claims, or claims lasting longer than one week, increased after dropping the previous week.

- Continuing claims came in at 1.728 million claims, up from 1.703 million claims previously.

While job growth has slowed, the U.S. labor market remains strong, with layoffs holding near a 57-year low.

WEEKLY INITIAL JOBLESS CLAIMS



SOURCES

- 1 Platts, Spot Iron Ore: October 23, 2026.
- 2 London Metal Exchange, Weekly Zinc Price and Inventory Report: October 23, 2026.
- 3 Shanghai Futures Exchange, Weekly Zinc Inventory Report: October 23, 2026.
Platts, Coking Coal Price: October 23, 2026.
- 4 American Iron & Steel Institute, Weekly Domestic Steel Production: October 20, 2026.
- 5 WardsAuto, U.S. Light Vehicle Inventory: September 2026.
- 6 FRED, U.S. Light Vehicle Assembly: September 2026.
- 7 U.S. Census Bureau, New Housing Starts, September 2026.
- 8 Department of Labor, Weekly Initial Jobless Claims: October 22, 2026.

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