

# CORE REPORT

01.10.25

## COST

01

- ⊖ scrap
- ⊖ iron ore
- ⊖ energy
- ⊖ zinc
- ⊕ coking coal

## SUPPLY

04

- ⊖ lead times
- ⊖ production
- ⊖ imports
- ⊖ lead times

## DEMAND

05

- ⊕ automotive
- ⊕ construction
- ⊖ agriculture
- ⊖ manufacturing
- ⊖ appliance
- ⊖ consumption

## ECONOMIC

10

- ⊕ employment
- ⊖ inflation
- ⊖ retail sales
- ⊖ income
- ⊖ GDP



# THE RIGHT STEEL SUPPLY CHAIN HAS NEVER MATTERED MORE

MANAGE COST. MITIGATE RISK. MORE RELIABLE.

[LEARN MORE](#)

 **MAJESTIC  
STEEL USA**

# SPOT IRON ORE<sup>1</sup>

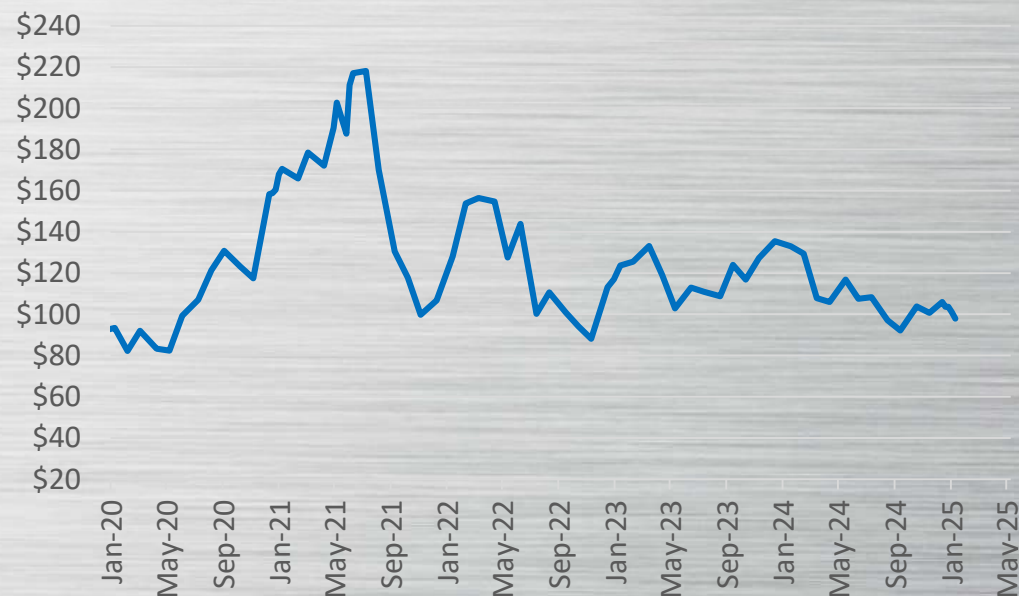
Spot iron ore continued its downward momentum this week, sliding for the second consecutive week.

Spot iron ore pricing settled at \$97.90/mt, down from \$101.05/mt the week prior.

- This is now the lowest price for iron ore since early-September.

Iron ore continues to be dragged down by sluggish demand, thin steel margins, and oversupply in China, however mills will likely restock ahead of Chinese New Year at the end of January.

## IRON ORE COST



# COST

## WEEKLY ZINC PRICING<sup>2</sup>



## ZINC

Zinc pricing settled flat this week after a sharp drop to start off the New Year.

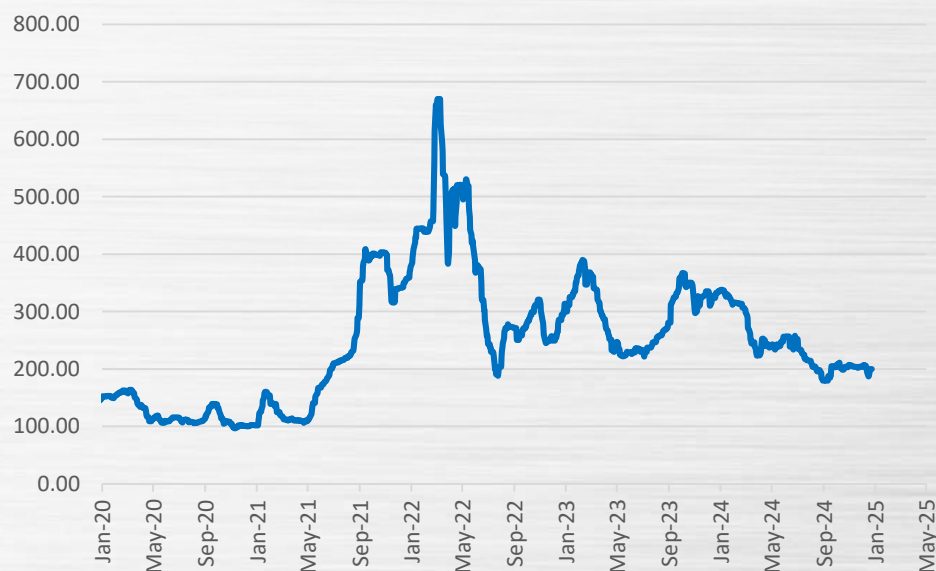
Zinc pricing ended the week at \$2,856/mt (\$1.295/lb), flat from \$2,864/mt (\$1.299/lb) previously.

- This remains the lowest price for zinc since mid-September due to China’s slower-than-expected manufacturing growth and construction activity in December.

Global zinc inventory dropped for the seventh consecutive week.

- LME warehouse inventory slipped again, dropping from 234,100 metric tons to 216,900 metric tons.
- Shanghai warehouse inventory decreased as well to a one-year low, sliding from 23,912 metric tons to 21,334 metric tons.

## COST


**COKING COAL<sup>3</sup>**
**COKING COAL**

Coking coal pricing dipped slightly this week, now down five out of the last six weeks.

Coking coal settled at \$196.00/mt, down from \$199.00/mt last week.

- Coking coal pricing has now dropped 5.5% since mid-December.

Much like iron ore, coking coal sentiment is expected to pick up as mills restock ahead of Chinese New Year.

## SUPPLY



# WEEKLY DOMESTIC STEEL PRODUCTION<sup>4</sup>

Domestic raw steel production dropped sharply to end 2024 due to the shortened holiday week.

U.S. mills produced an estimated 1,635k tons at a 73.6% utilization rate; this is down from 1,658k tons and a 74.7% rate previously.

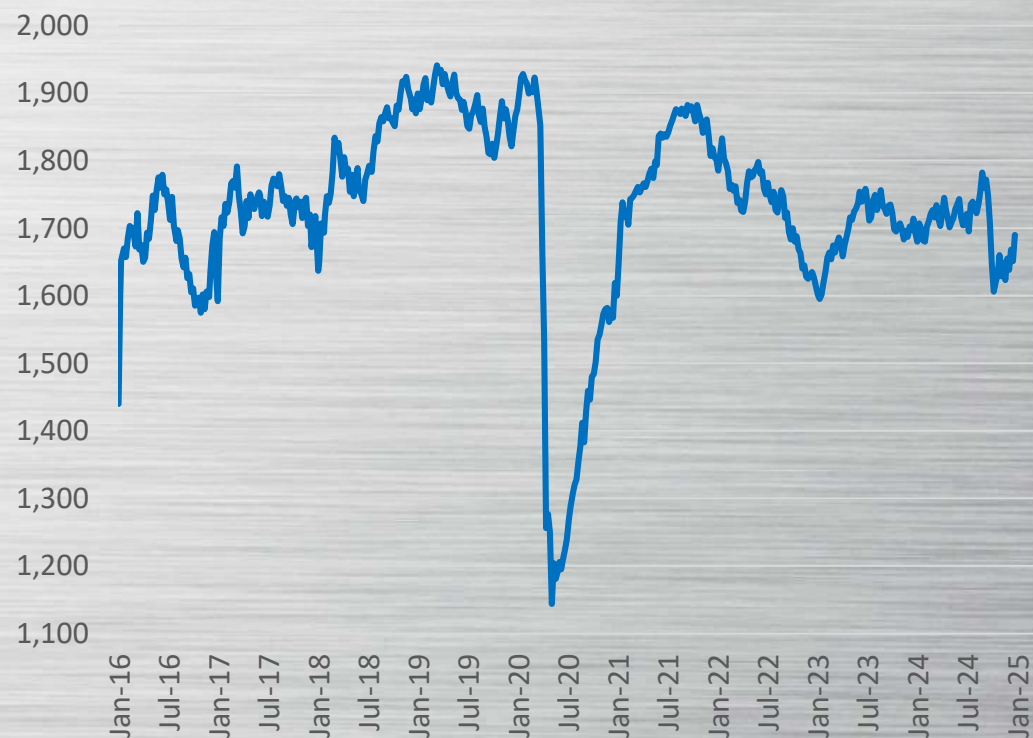
- This was the lowest tonnage output and utilization since mid-November.

Production slipped in four of the five regions, with the largest drop (in tons) coming from the Great Lakes region.

- Production from the Great Lakes region dropped from 563k tons to 544k tons.

Raw steel production ended the year at 90,124k tons, nearly flat from 2023 raw steel production of 90,149k tons.

## WEEKLY DOMESTIC PRODUCTION



## DEMAND

# LIGHT VEHICLE SALES<sup>5</sup>

Light vehicle sales ended the year on a strong note, climbing for the fourth consecutive month.

U.S. light vehicle sales came in at a 16.80 million unit rate in December, up from a 16.65 million unit rate in November and up from the 15.92 million unit rate in December 2023.

- This was the highest monthly rate since May 2021.

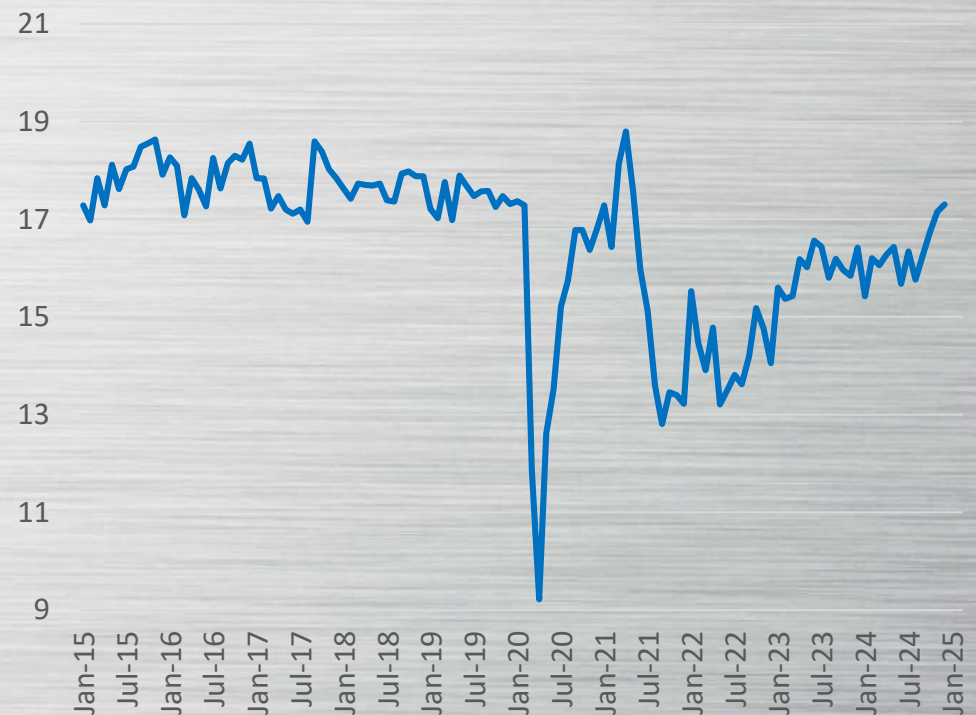
For the full year 2024, light vehicle sales totaled 15.88 million units, up 2.4% from 2023.

- This was the highest monthly sales totaled since 2019.

The year-end boost in sales was helped by improving inventory availability, increased dealer incentives, and lower interest rates.

- Increased electric vehicle sales were boosted by the end of year cuts in government incentives.

## U.S. LIGHT VEHICLE SALES (SAAR)



# ▼ LIGHT VEHICLE INVENTORY<sup>6</sup>

U.S. light vehicle inventory slipped in December on the back of strong sales to finish the year.

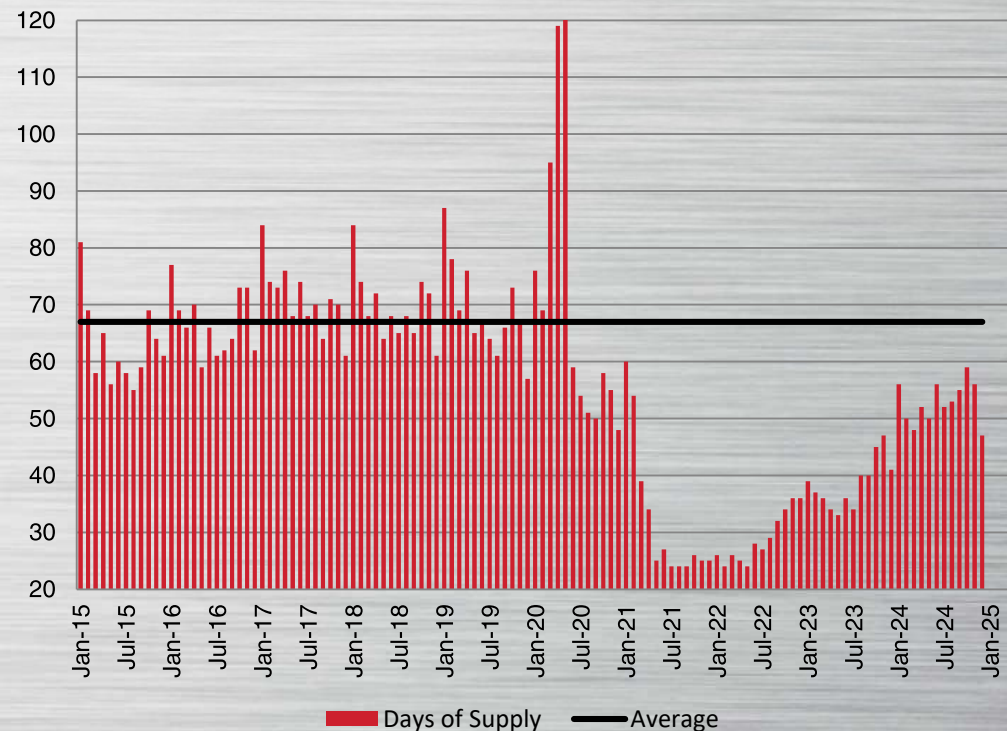
U.S. light vehicle sales ended the year at 2.790 million units, down 5.9% from November but still up 21.0% from 2.305 million units to end 2023.

- This was the highest year-end inventory level since 2019.

The current inventory, when combined with December's sales rate, equates to 47 days of supply.

- This is down from 56 days in in November and was at its lowest level since last December.
- The days of supply has been below the historically normal level of 65 days since peak COVID lockdown in Q2 2020.

## U.S. LIGHT VEHICLE DAYS OF SUPPLY





# DODGE MOMENTUM INDEX<sup>7</sup>

A key metric measuring the value of nonresidential projects, that have gone into the planning phase, rebounded in December.

The December Dodge Momentum Index came in at 212.0, up 10.2% from 192.3 in November.

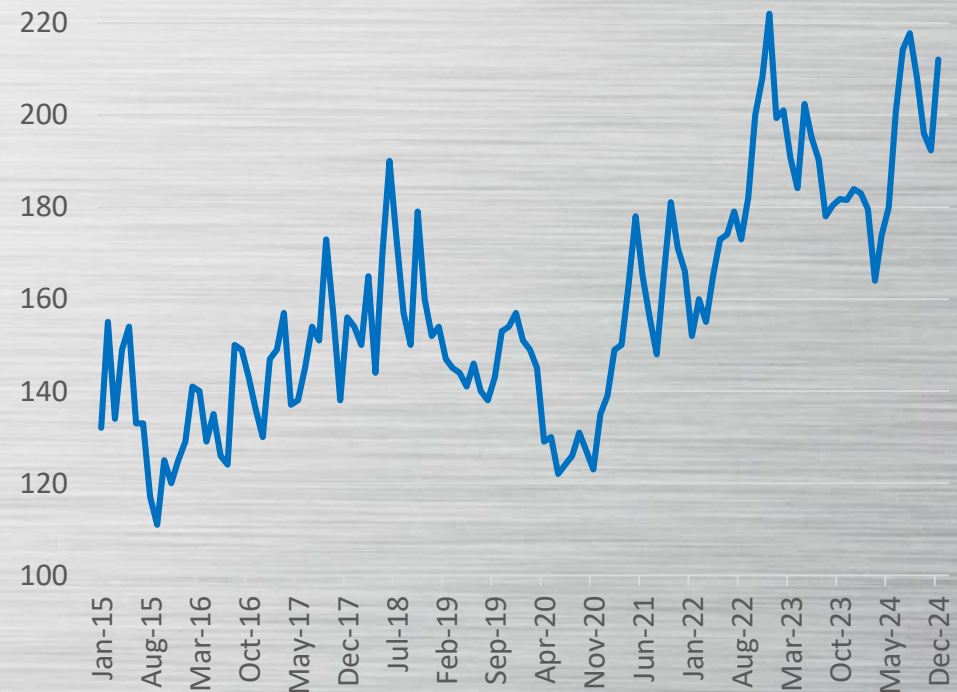
- The index was up sharply on a year-over-year basis as well, climbing from 183.9 in December 2023.
- The current index is at its highest level since July.

Compared to November, planning for commercial projects increased 14.2% while planning for institutional projects were up 2.5%.

- Commercial activity rebounded strongly on the back of a reacceleration in data center and warehouse planning activity.
- Stronger healthcare and education activity supported the institutional portion of the index.

The strong growth in the index is expected to support nonresidential construction spending throughout 2025.

## DODGE MOMENTUM INDEX



# HVAC EQUIPMENT SHIPMENTS<sup>8</sup>

## HVAC EQUIPMENT SHIPMENTS

Shipments HVAC equipment dropped in November, mainly due to seasonal factors.

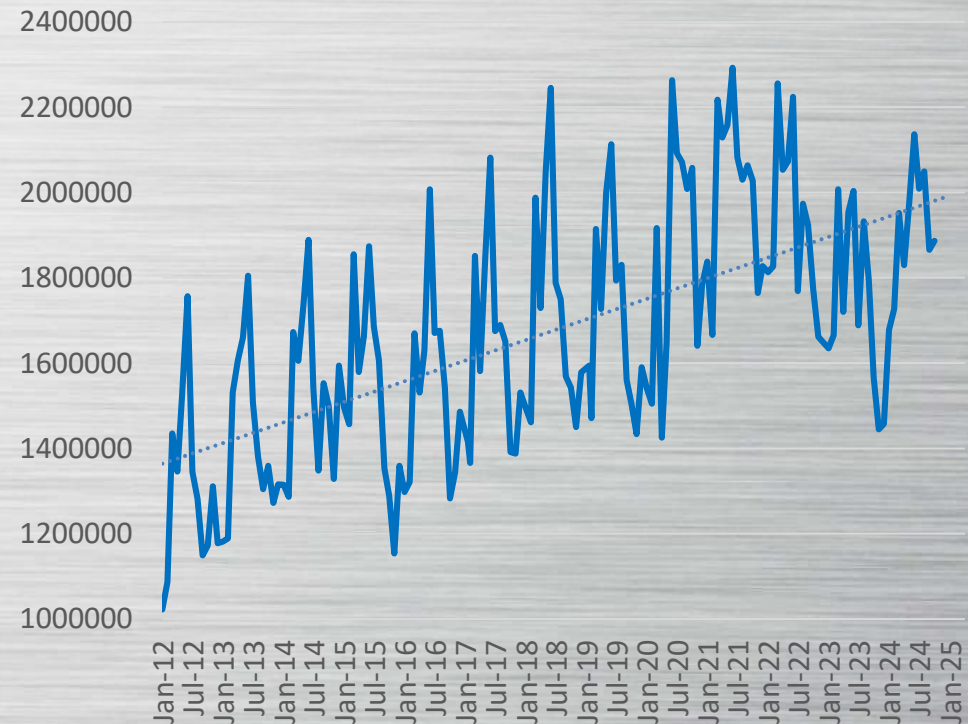
November HVAC equipment shipments totaled 1.669 million units, down 11.6% from October but were up 15.5% from November 2023.

- This is the second consecutive month with a double-digit y/y percentage increase.

On a y/y basis, to help smooth seasonality, shipments increased in two of the three main segments.

- Furnace and A/C & heat pump shipments saw strong increases, climbing 14.9% and 55.2%, respectively, from last November.
- Water heater shipments slipped however, sliding 8.1% from last year.

Year-to-date shipments are now up 7.0% compared to the same timeframe last year.



# ▼ CARBON STEEL CONSUMPTION<sup>9</sup>

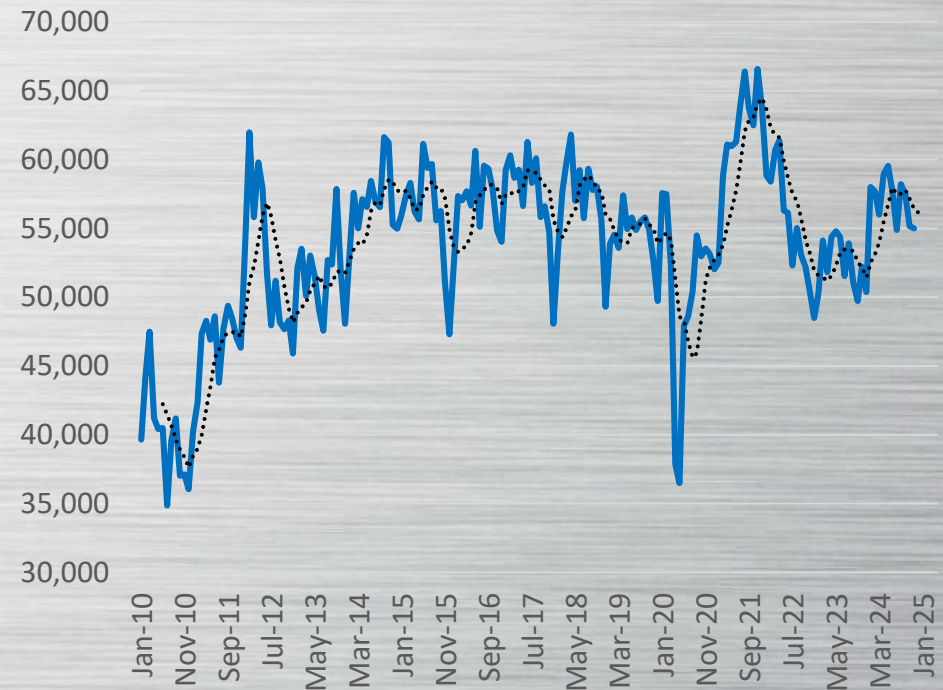
## COATED PER/DAY CONSUMPTION

Carbon flat rolled consumption came in at a rate of 135.2 thousand tons/day in November, down from the 138.1 thousand tons/day rate in October and is down 3.2% from the 139.7 thousand tons/day rate from last November.

- This was the lowest daily consumption rate for flat rolled since January 2023.
- YTD carbon flat rolled consumption is now up 2.7% compared to the same timeframe last year.

Per/day coated flat rolled consumption declined as well, now down for the fifth time in the last six months.

- Coated consumption slipped 0.3% to a 55.0 thousand tons/day rate.
- November coated consumption was up 5.4% from the 52.2 thousand tons/day rate in November 2023, however.





## WEEKLY INITIAL JOBLESS CLAIMS<sup>10</sup>

The number of Americans filing new claims for unemployment benefits dropped to an eleven-month low to start the year, signaling a healthy job market.

The Department of Labor's Weekly Initial Jobless Claims report came in at 201,000 claims, down from 220,000 claims previously.

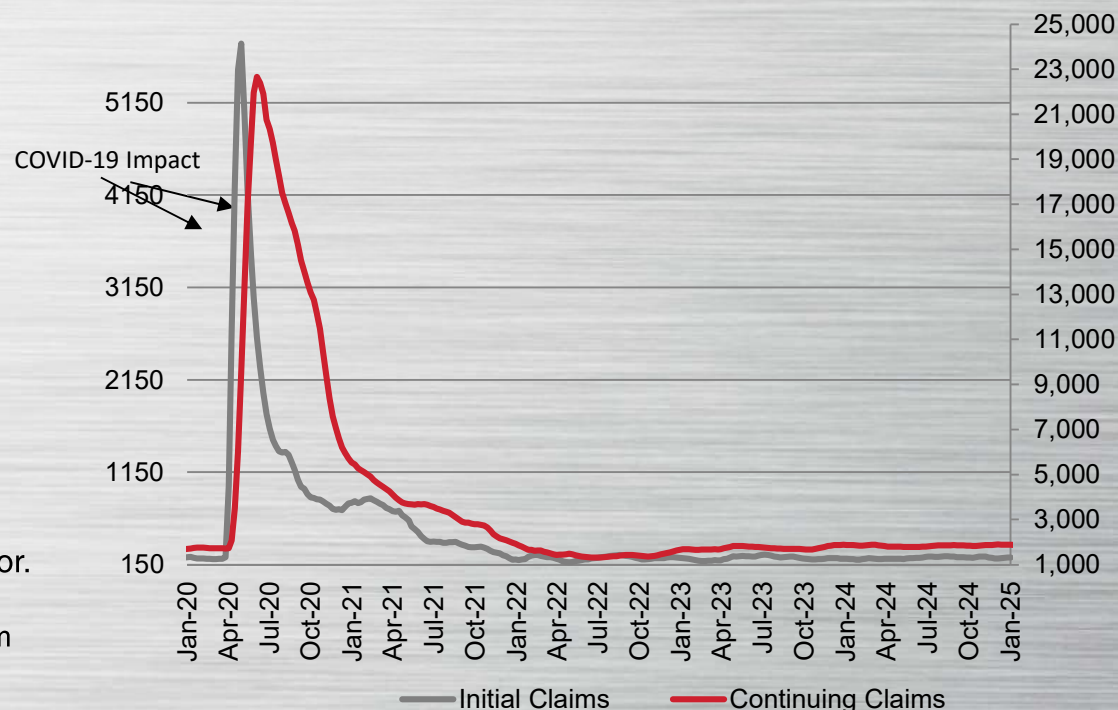
- The four-week moving average, considered a better measure of the labor market as it irons out week-to-week volatility, decreased to 212,750.

Continuing claims, or claims lasting longer than one week, increased slightly after a sharp drop the week prior.

- Continuing claims came in at 1.867 million claims, up from 1.834 million claims previously.

Claims data will likely be volatile in over the next several weeks due to the Los Angeles wildfires.

## WEEKLY INITIAL JOBLESS CLAIMS



**ECONOMIC**



# EMPLOYMENT SITUATION<sup>11</sup>

The U.S. employment increased at its strongest rate since March in December, climbing by 256k jobs.

- The increase in jobs helped to push the unemployment rate to 4.1%, down from 4.2% previously.

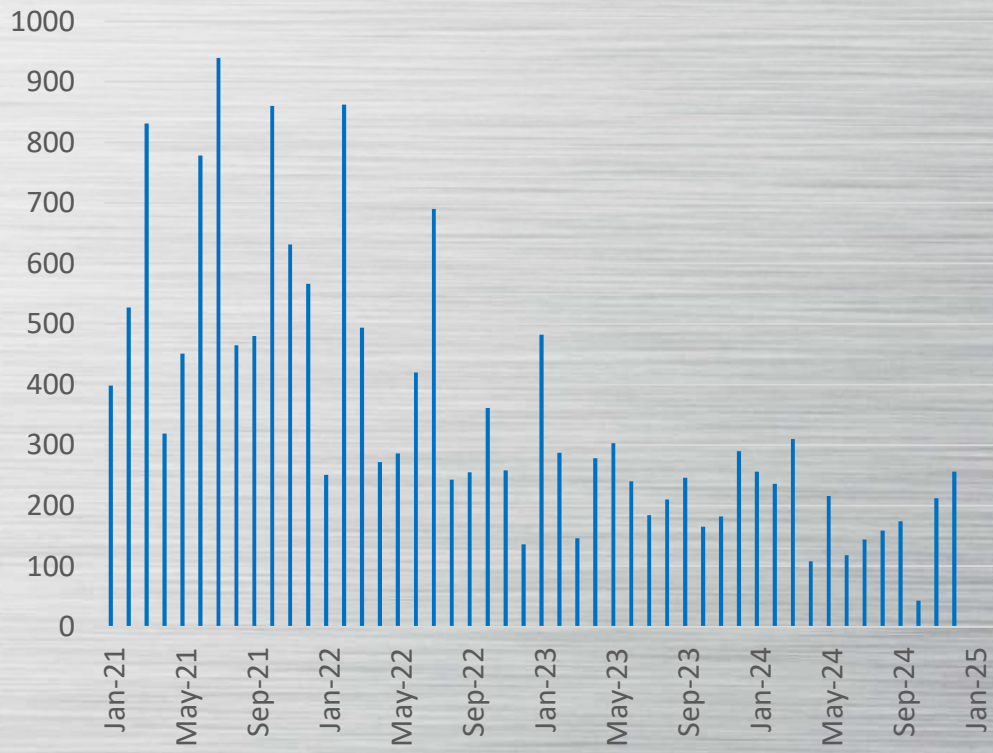
The private sector, which accounts for 70% of the workforce, added 223,000 jobs in December.

- The goods producing sector lost 8,000 jobs after adding 34,000 jobs in November.
- The construction sector added 8,000 jobs for the second consecutive month.
  - Construction of buildings added 3,700 jobs, with the majority (3,500) coming from residential buildings.

The manufacturing sector lost 13,000 jobs in December, with durable good manufacturing contributing a 16,000 job loss.

- Both primary metal manufacturing and fabricated metal product manufacturing saw job losses, coming in at 200 and 800, respectively.

## MONTHLY JOBS ADDED



## SOURCES

- 1 Platts, Spot Iron Ore: January 10, 2025.
- 2 London Metal Exchange, Weekly Zinc Price and Inventory Report: January 10, 2025.  
Shanghai Futures Exchange, Weekly Zinc Inventory Report: January 10, 2025.
- 3 Platts, Coking Coal Price: January 10, 2025.
- 4 American Iron & Steel Institute, Weekly Domestic Steel Production: January 7, 2025.
- 5 WardsAuto, U.S. Light Vehicle Sales: December 2024.
- 6 WardsAuto, U.S. Light Vehicle Inventory: December 2024.
- 7 Dodge Construction: Dodge Momentum Index: December 2024.
- 8 Institute for Supply Management, Chicago PMI: December 2024.
- 9 American Iron & Steel Institute, Carbon Steel Consumption: November 2024.
- 10 Department of Labor, Weekly Initial Jobless Claims: January 9, 2025.
- 11 U.S. Census Bureau, Employment Situation: December 2024.

**Disclaimer:** The material, information and analyses included herein (the "Content") may include certain statements, estimates and projections prepared with respect to, among other things, historical data and anticipated performance. Such Content may reflect various assumptions by Majestic Steel USA, Inc. ("Majestic Steel") concerning anticipated results that are inherently subject to significant economic, competitive and other uncertainties and contingencies and have been included for illustrative purposes. Content is provided to you on an "AS IS" basis and, Majestic Steel, together with its third party providers, do not make any representations or warranties as to the Content and, to the fullest extent allowed by law, exclude all implied warranties (including, but not limited to, warranties of merchantability, title and fitness for a particular purpose) regarding (i) the suitability of the Content; (ii) the accuracy, availability, reliability, currentness, completeness or timeliness of the Content; and (iii) the results obtained from accessing and using the Content. Due to the electronic nature of the Content, there is a risk that the Content may have been modified and/or contains inaccuracies or typographical errors. As such, Majestic Steel does not represent or warrant that the Content is error-free or that any defects will be corrected. The Content herein is for informational purposes only and under no circumstances should it be (a) relied upon as advice or recommendations for any particular business or activity, or (b) construed as an offer to sell or a solicitation to buy any future contract, material, option, security or derivative including foreign exchange. All Content, graphics and trademarks incorporated in or forming a part of this report are owned by Majestic Steel USA, Inc. or its third party providers. All rights are reserved. In no event shall Majestic Steel or any third party provider or any of their respective affiliates, officers, directors, employees, agents or licensors be liable to you or to anyone else for any direct, special, incidental, indirect, punitive, consequential damages or any other loss or injury caused in whole or in part by contingencies beyond their control or any negligence, including any gross negligence, in procuring, providing, compiling, interpreting, editing, writing, reporting, transmitting or delivering the Content. Modification of the Content without the prior written consent of Majestic Steel is strictly prohibited.



**M MSUSA**

THANK

**YOU**

SUBSCRIBE HERE

