

CORE 01.24.25 **REPORT**

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

08

- ⊖ employment
- ⊖ inflation
- ⊖ retail sales
- ⊖ income
- ⊖ freight rates



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 **MAJESTIC
STEEL USA**

SPOT IRON ORE¹

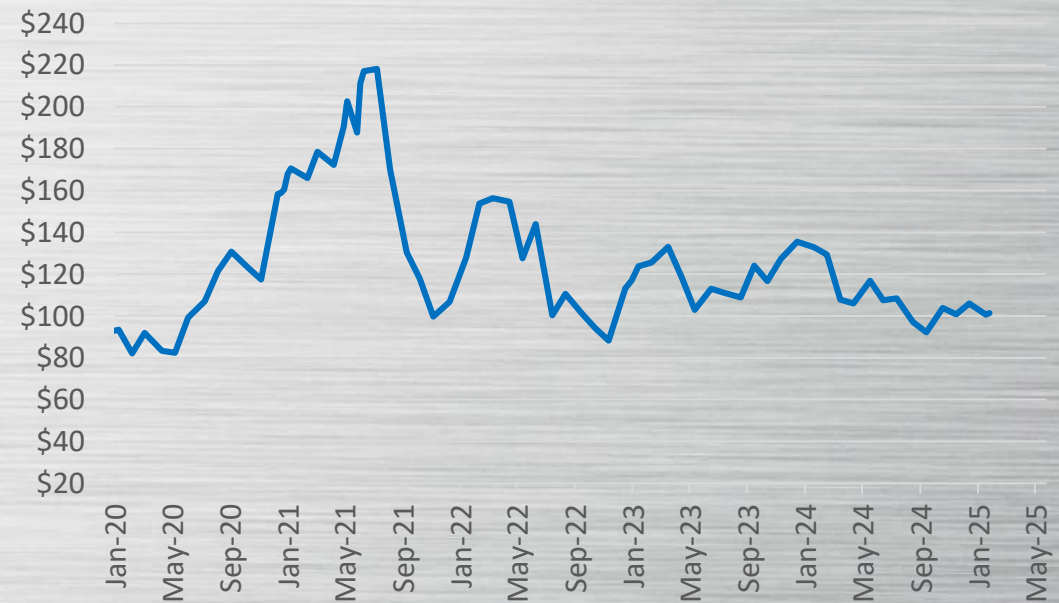
Spot iron ore increased again this week, now up for the second consecutive week.

Spot iron ore pricing settled at \$101.35/mt, up from \$100.55/mt the week prior.

- This is now up 3.2% over the last two weeks after hitting the lowest level since September.

Rio Tinto, the world's largest iron ore miner, reported that Tropical Cyclone Sean has impacted its Pilbara port operations following record rain levels, which could offer some support to iron ore prices in the short term.

IRON ORE COST



COST



WEEKLY ZINC PRICING²



ZINC

Zinc pricing dropped this week after a slight bump last week.

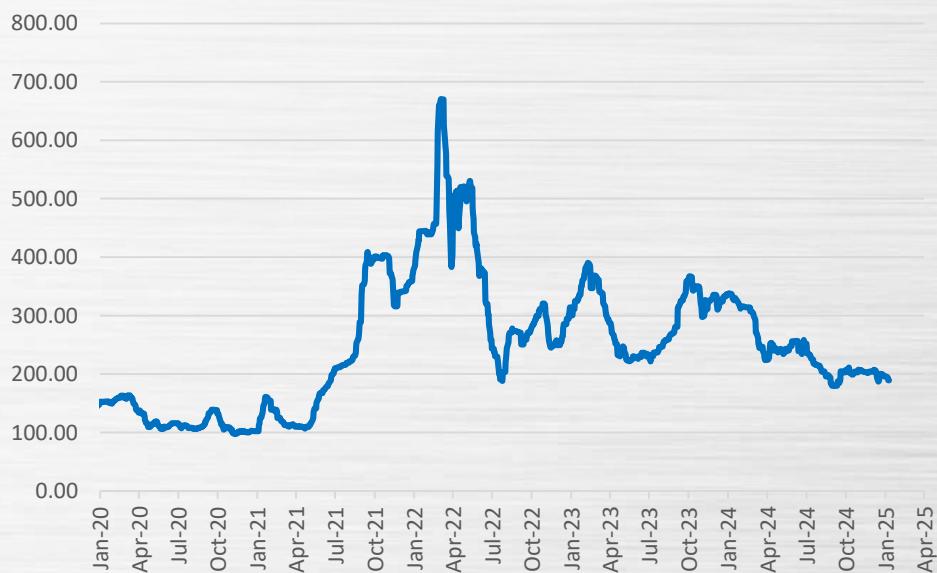
Zinc pricing ended the week at \$2,821/mt (\$1.280/lb), down from \$2,882/mt (\$1.307/lb) previously.

- China’s industrial output has showed improvement of late, however construction demand, the largest sector of zinc consumption, remains weak.

Global zinc inventory continued its recent slide, dropping for the ninth consecutive week to a one-year low.

- LME warehouse inventory slipped for the seventh consecutive week, dropping from 203,900 metric tons to 191,125 metric tons.
- Shanghai warehouse inventory decreased to a new one-year low, sliding from 21,040 metric tons to 20,499 metric tons.

COKING COAL³



COKING COAL

Coking coal pricing dipped again this week, now down seven out of the last eight weeks.

Coking coal settled at \$186.25/mt, down from \$189.00/mt last week.

- Coking coal pricing has now dropped over 9% since mid-December.

Coking coal faces headwinds as China’s steel demand remains weak ahead of their week-long New Year holiday break.

SUPPLY



WEEKLY DOMESTIC STEEL PRODUCTION⁴

Domestic raw steel production dipped slightly last week after a sharp rebound the week prior.

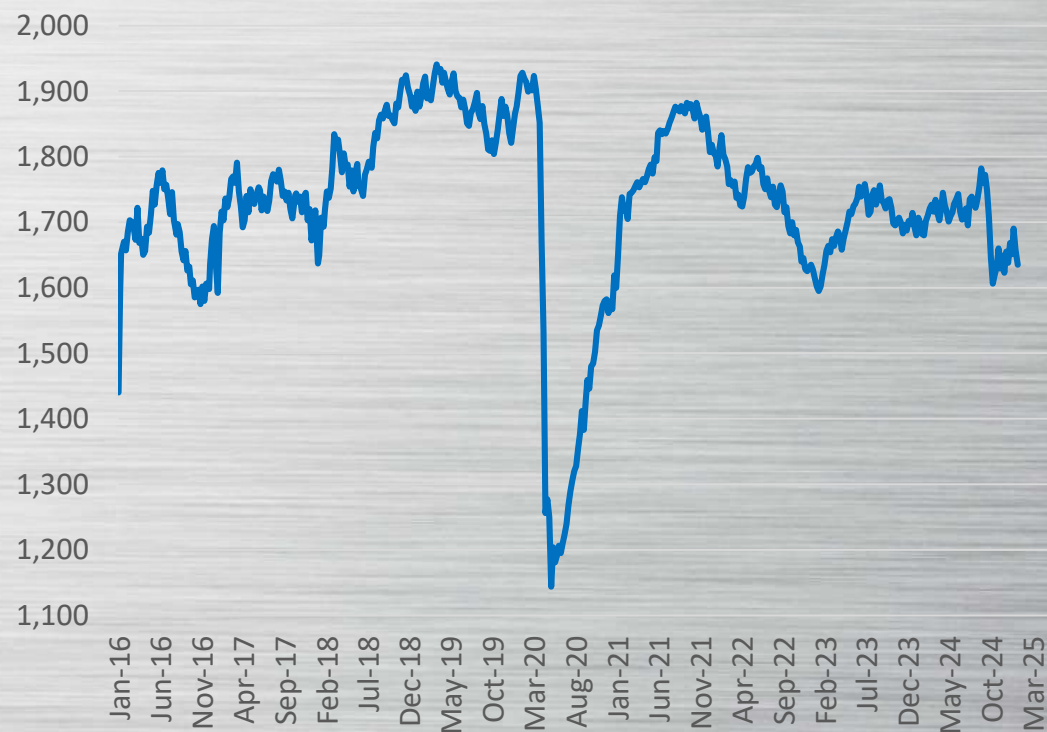
U.S. mills produced an estimated 1,644k tons at a 73.8% utilization rate; this is down from 1,659k tons and a 74.5% rate previously.

Production rose slightly in three of the five regions but was offset by a large drop in the Southern region.

- Production from the Southern region slipped from 750k tons to 731k tons.

Despite the drop, overall production is up 3% compared to this point last year.

WEEKLY DOMESTIC PRODUCTION



DEMAND

LIGHT VEHICLE PRODUCTION⁵

Domestic light vehicle production ended the year on a soft note.

U.S. light vehicle production totaled 641,099 units in December, down 21.3% from November and 13.6% from 742,289 units in December 2023.

- This was the second consecutive month in which light vehicle production declined on a year-over-year basis.

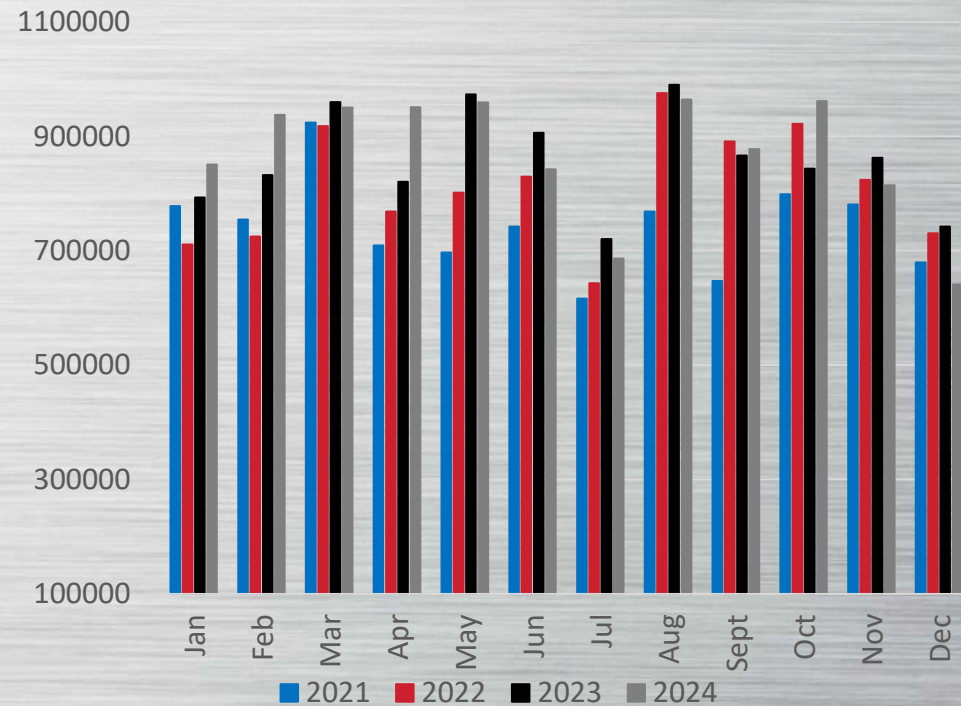
December production came in at a 20.7k units/day rate, the lowest rate since July 2021.

While production of both cars and light trucks decline, the production of cars saw a much sharper decline.

- U.S. car production totaled 79,739 units in December, the lowest monthly total since May 2020.

Despite the weak ending to the year, total light vehicle production for 2024 (10.4 million units) was up 1.2% from 2023 and was the highest annual total since 2019

U.S. LIGHT VEHICLE PRODUCTION



ARCHITECTURE BILLINGS INDEX⁶

New billings at the architecture firm level ended the year on a weaker note.

The December Architecture Billings Index slipped to 44.1, down from 49.6 in November and down from 45.4 in December 2023.

- A side from a slight blip in October, the index has now been below 50 for sixteen of the last seventeen months.
 - Any reading below 50 signals a decline in activity, while any reading above 50 indicates growth.

Regionally, only the West (52.2) showed growth, while the Northeast (41.7) was the weakest.

The sector breakout showed all sectors in contraction, with commercial/industrial (44.1) being the slowest.

ARCHITECTURE BILLINGS INDEX (3MMA)



EXISTING HOME SALES⁷

Sales of existing homes ended the year on a strong note with sales hitting a ten-month high.

December existing home sales came in at a 4.240 million unit rate, up 2.2% from November and up 9.3% from the 3.880 million unit rate in December 2023.

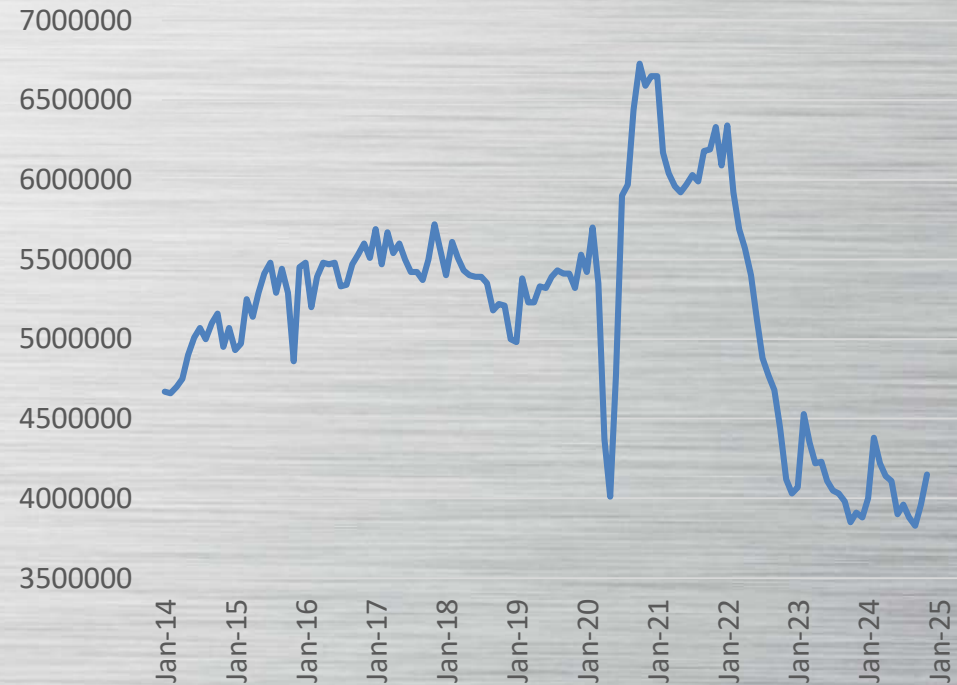
- This was third consecutive month with a y/y increase after seeing thirty-seven consecutive declines.
 - This was the largest year-over-year increase since June 2021.

Inventory of unsold existing homes declined for the second consecutive month in December, sliding 13.5% to 1.150 million units.

- Despite the recent m/m declines, current inventory remains 16.2% above the inventory at the end of last December.

The current inventory, when combined with December's sales pace, equates to 3.3 months of supply.

EXISTING HOMES FOR SALE (SAAR)



ECONOMIC



WEEKLY INITIAL JOBLESS CLAIMS⁸

The number of Americans filing new claims for unemployment benefits ticked up for the second consecutive week.

The Department of Labor's Weekly Initial Jobless Claims report came in at 223,000 claims, up from 217,000 claims previously.

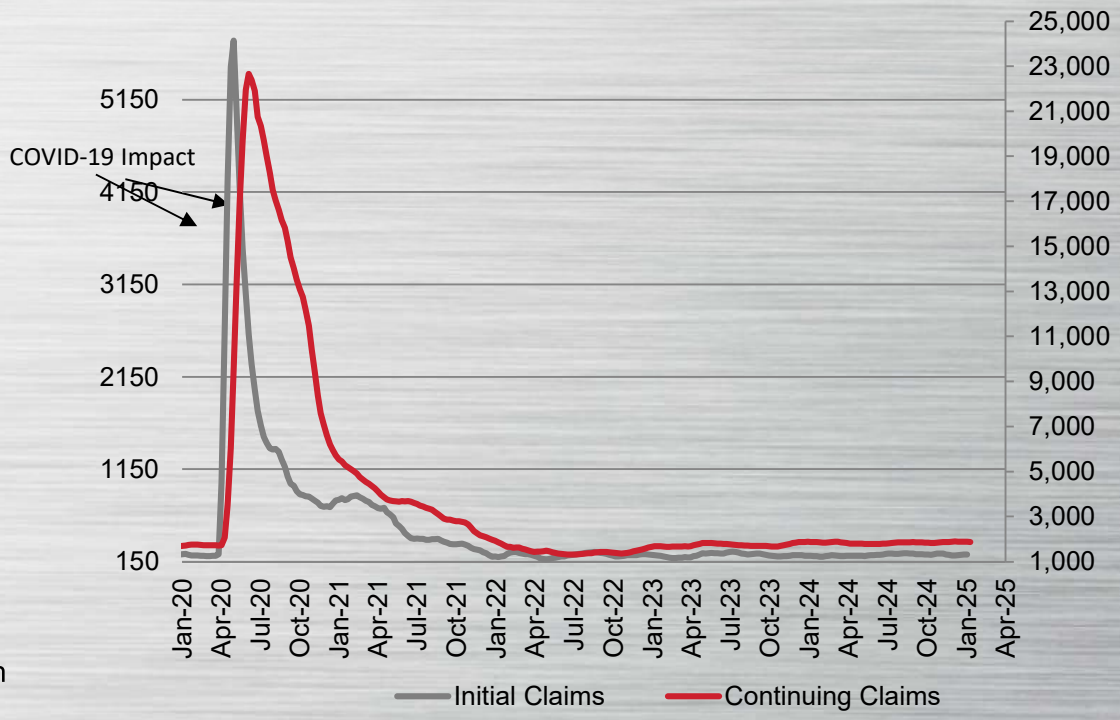
- The four-week moving average, considered a better measure of the labor market as it irons out week-to-week volatility, rose to 213,500.

Continuing claims, or claims lasting longer than one week, increased sharply for the second time in the last three weeks.

- Continuing claims came in at 1.899 million claims, up from 1.853 million claims previously.

Claims were lifted by the recent wildfires in California, but fell in the majority of states, while the snowstorm in the South could temporarily boost claims in the weeks ahead.

WEEKLY INITIAL JOBLESS CLAIMS



SOURCES

- 1 Platts, Spot Iron Ore: January 24, 2025.
- 2 London Metal Exchange, Weekly Zinc Price and Inventory Report: January 24, 2025.
Shanghai Futures Exchange, Weekly Zinc Inventory Report: January 24, 2025.
- 3 Platts, Coking Coal Price: January 24, 2025.
- 4 American Iron & Steel Institute, Weekly Domestic Steel Production: January 21, 2025.
- 5 WardsAuto, U.S. Light Vehicle Production: December 2024.
- 6 American Institute of Architects, Architecture Billings Index: December 2024.
- 7 National Association of Realtors, Existing Home Sales: December 2024.
- 8 Department of Labor, Weekly Initial Jobless Claims: January 23, 2025.

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The logo for MSUSA, featuring a stylized red 'M' followed by the text 'MSUSA' in white. The background of the entire image is a dark American flag with a field of coins in the upper left corner.

M MSUSA

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