

CORE 01.31.25 **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
- ⊖ durable goods

ECONOMIC

08

- ⊖ employment
- ⊖ inflation
- ⊖ income
- ⊕ confidence
- ⊖ GDP



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 **MAJESTIC
STEEL USA**

SPOT IRON ORE¹

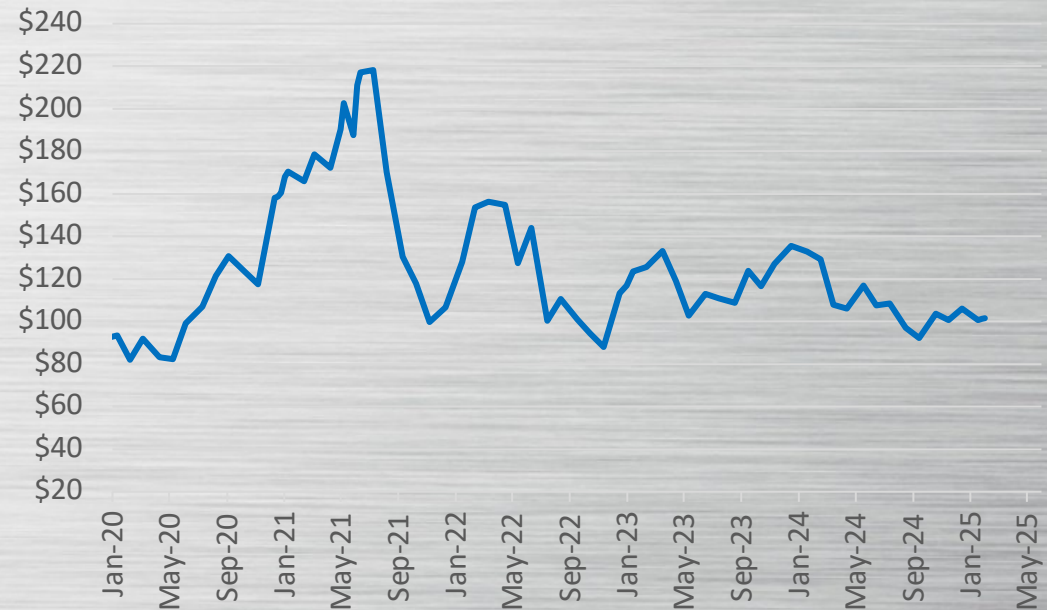
Spot iron ore increased slightly again this week, now up for the third consecutive week.

Spot iron ore pricing settled at \$101.45/mt, up from \$101.35/mt the week prior.

- This is now up 3.5% over the last three weeks after hitting the lowest level since September.

While steel production in China will taper off due to the two-week long Lunar New Year break, the recent tropical cyclone in Australia could disrupt supply and hold iron ore prices steady in the short term.

IRON ORE COST



COST



WEEKLY ZINC PRICING²



ZINC

Zinc pricing dropped sharply this week, now down for the second consecutive week.

Zinc pricing ended the week at \$2,710.50/mt (\$1.229/lb), down from \$2,821/mt (\$1.280/lb) previously.

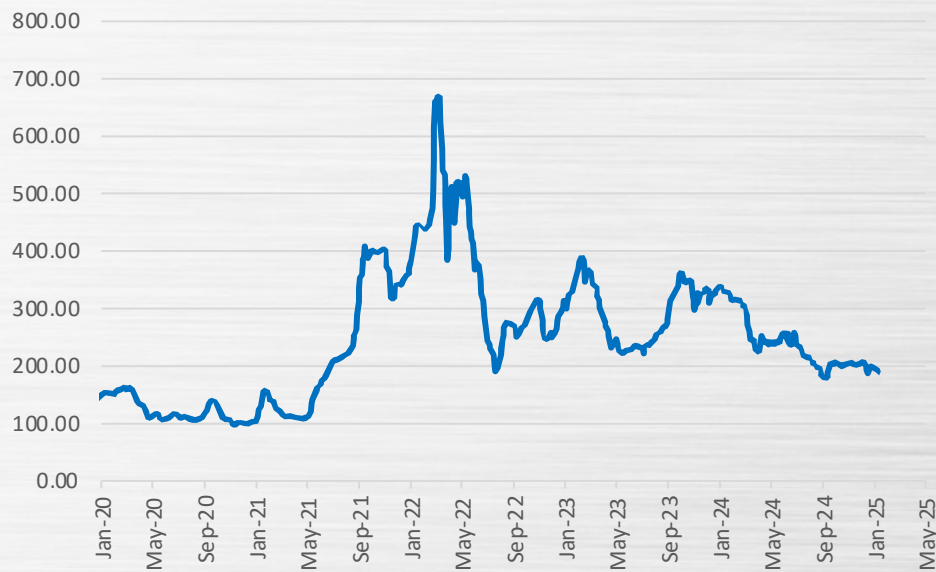
- This is the lowest price for zinc since September.
- The drop was due to expectations of weak demand in China due to Lunar New Year break, which will last two weeks and remove the largest market for zinc consumption.

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

- LME warehouse inventory slipped for the eighth consecutive week, dropping from 191,125 metric tons to 180,725 metric tons.
- Shanghai warehouse inventory came in flat due to Lunar New Year, remaining at 20,499 metric tons.

COST

COKING COAL³



COKING COAL

Coking coal pricing came in flat this week, ending a stretch of seven declines in the previous eight weeks.

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

- Despite the flat settlement, coking coal pricing is down over 9% since mid-December.

Coking coal will likely remain rangebound through Lunar New Year as most Chinese mills restocked ahead of the break and will curtail steel production.

SUPPLY



WEEKLY DOMESTIC STEEL PRODUCTION⁴

Domestic raw steel production came in relatively flat from last week.

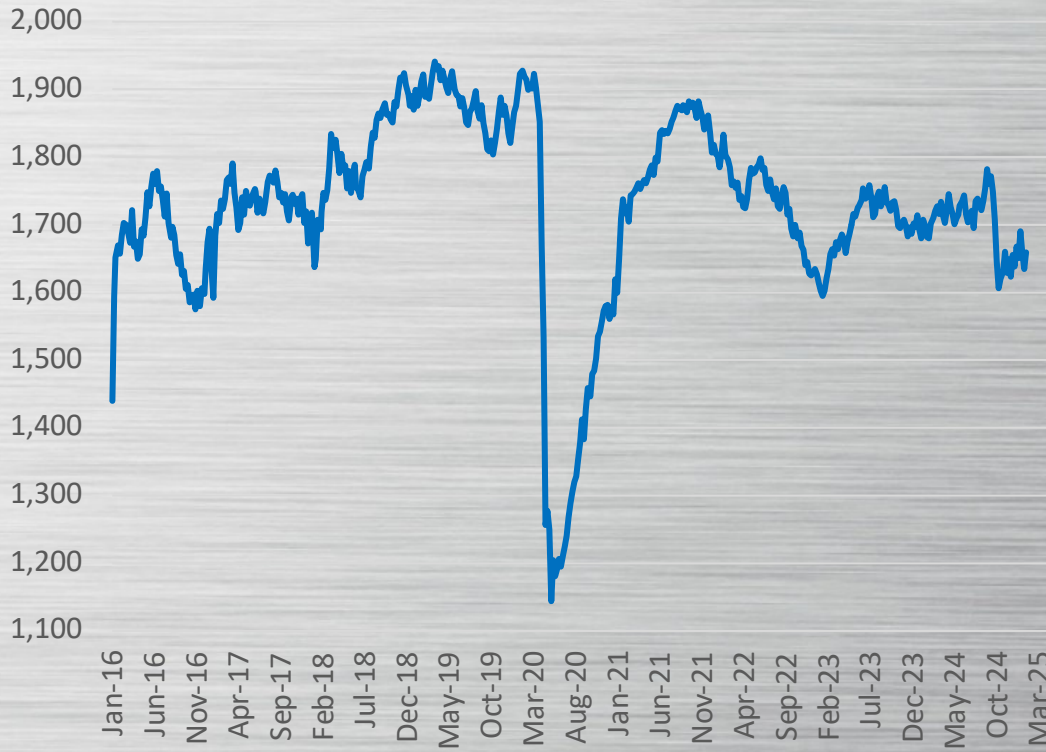
U.S. mills produced an estimated 1,641k tons at a 73.7% utilization rate; this is down slightly from 1,644k tons and a 73.8% rate previously.

Production increased in four of the five regions but was offset by another large drop in the Southern region.

- Production from the Southern region slipped from 731k tons to 703k tons.

Year-to-date production is now up 2.8% compared to the same timeframe from last year.

WEEKLY DOMESTIC PRODUCTION



SUPPLY



CARBON STEEL IMPORTS⁵

Preliminary carbon steel imports climbed in December after a sharp decline in November.

- Preliminary carbon steel imports totaled 1.609 million tons, up from both November and last December.

Carbon flat rolled imports increased as well, climbing nearly 15% from November to 568,799 tons.

- Carbon flat rolled imports were boosted by a sharp 87.2% increase in hot rolled imports.
- While cold rolled imports increased 9.5% from November, coated imports were down nearly 13%.
 - Coated sheet imports were at their lowest daily rate (8,103 tons/day) in a year.
 - HDG imports dropped sharply as well, sliding 14.0% to a 5,065 ton/day rate)

Carbon sheet imports ended the year at 7.167 million tons, up 26.5% from last year and nearly matching the level from two years ago.

COATED PER/DAY IMPORT RATE



NEW HOME SALES⁶

Sales of new homes ended the year on a strong note as sales increased for the second consecutive month.

December new home sales came in at a 698,000 unit rate, up 3.6% from November and up 6.7% from the 654,000 unit rate in December 2023.

- This is the second consecutive month and the sixth time in the last seven months in which sales have increased on a year-over-year basis.

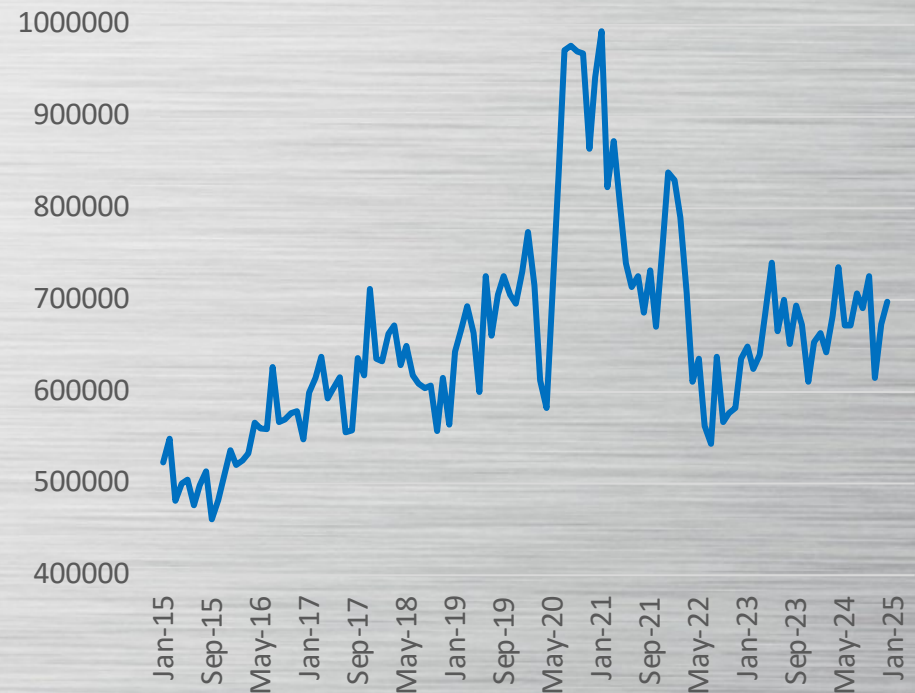
For 2024, total new home sales were up 2.6% compared to the total in 2023.

The inventory of new homes for sale at months end increased slightly to 496,000 units, the highest level since Q4 2007.

- The current inventory, combined with December's sales pace, equates to 9.5 months of supply.

The median sales price increased to \$427,000, the highest level since July.

NEW HOME SALES (SAAR)



DURABLE GOODS⁷

New orders for manufactured durable goods declined in December, sliding to a \$276.1 billion rate.

- This is down 2.2% from November and follows a 2.0% decline in November.
 - New orders have now declined in four of the last five months.
- Excluding transportation, new orders increased 0.3% after sliding 0.2% in November.

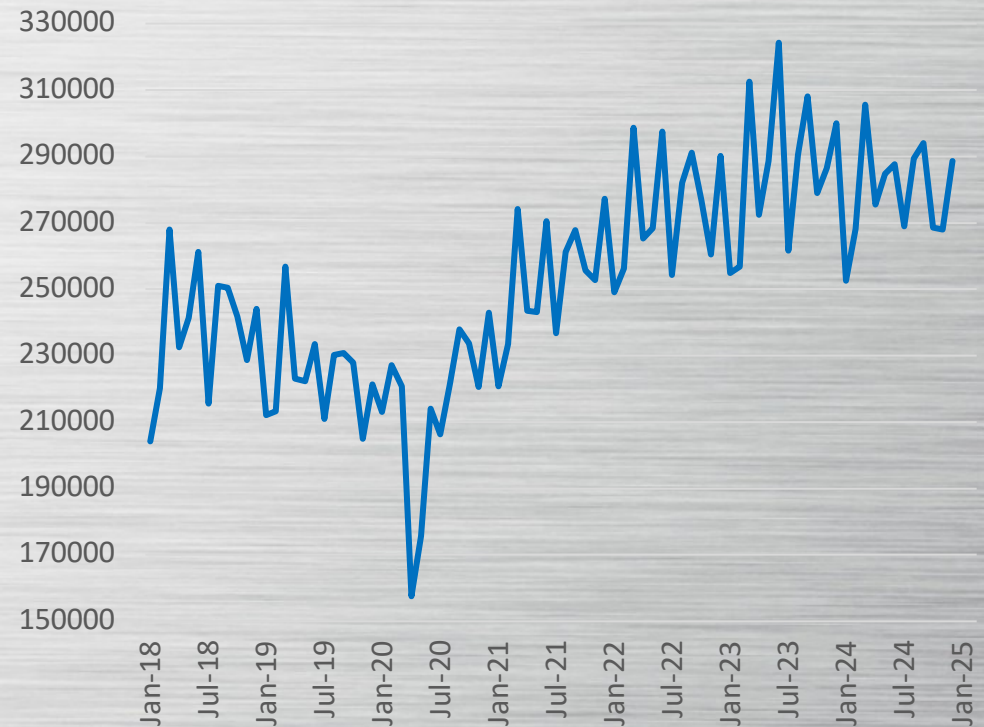
Nondefense new orders for capital goods dropped a sharp 7.8% to a \$78.2 billion rate, while unfilled orders slipped 0.8% to a \$841.1 billion rate.

After sliding the previous four months, shipments of durable goods increased in December.

- Shipments increased 0.9% to a \$287.4 billion rate and followed a 0.2% decline in November.

Inventory of manufactured durable goods increased 0.4% in December and is now up for the second consecutive month.

DURABLE GOODS NEW ORDERS





WEEKLY INITIAL JOBLESS CLAIMS⁸

The number of Americans filing new claims for unemployment benefits dropped last week after climbing the previous two weeks.

The Department of Labor's Weekly Initial Jobless Claims report came in at 207,000 claims, down from 223,000 claims previously.

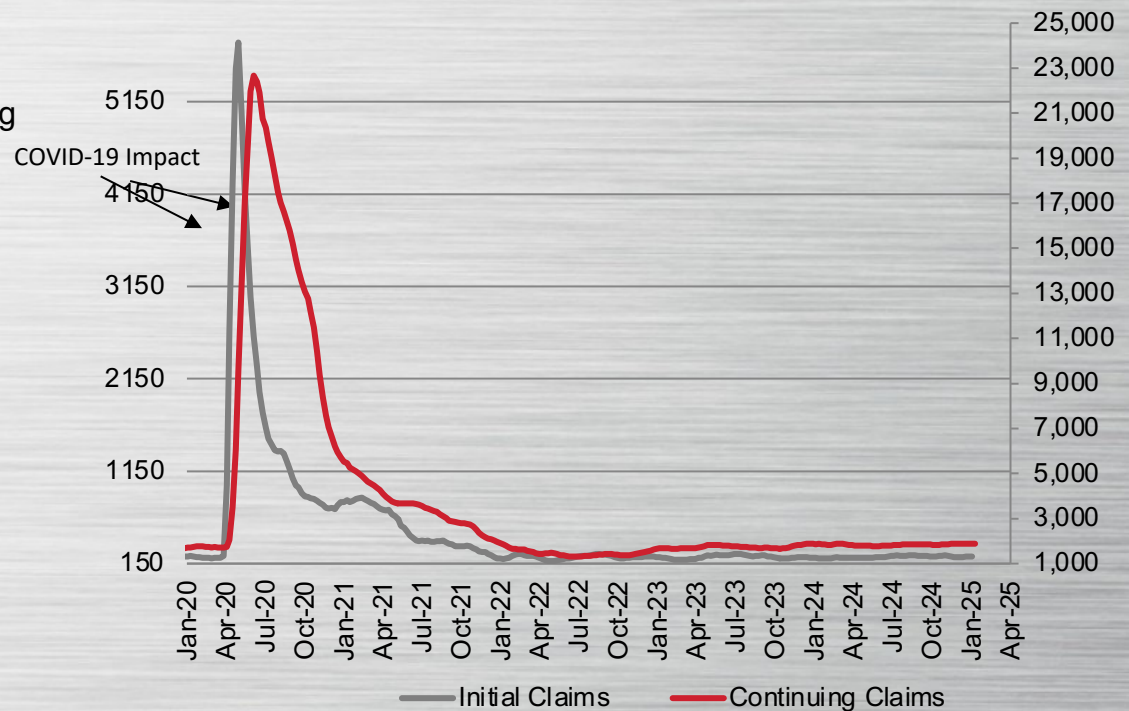
- The four-week moving average, considered a better measure of the labor market as it irons out week-to-week volatility, dropped to 212,500.

Continuing claims, or claims lasting longer than one week, decreased sharply after a spike the week prior.

- Continuing claims came in at 1.858 million claims, down from 1.900 million claims previously.

Employers are now waiting to see how the policies of President Trump, including tax cuts, tariffs and deportations, impact the labor market.

WEEKLY INITIAL JOBLESS CLAIMS



ECONOMIC



PERSONAL INCOME & OUTLAYS⁹

Total personal income increased in December, climbing 0.4% to a \$25.2 trillion rate.

- Within total income, wages and salaries increased 0.4%, rental income was up 0.6%, and receipts on assets increased by 0.2%.

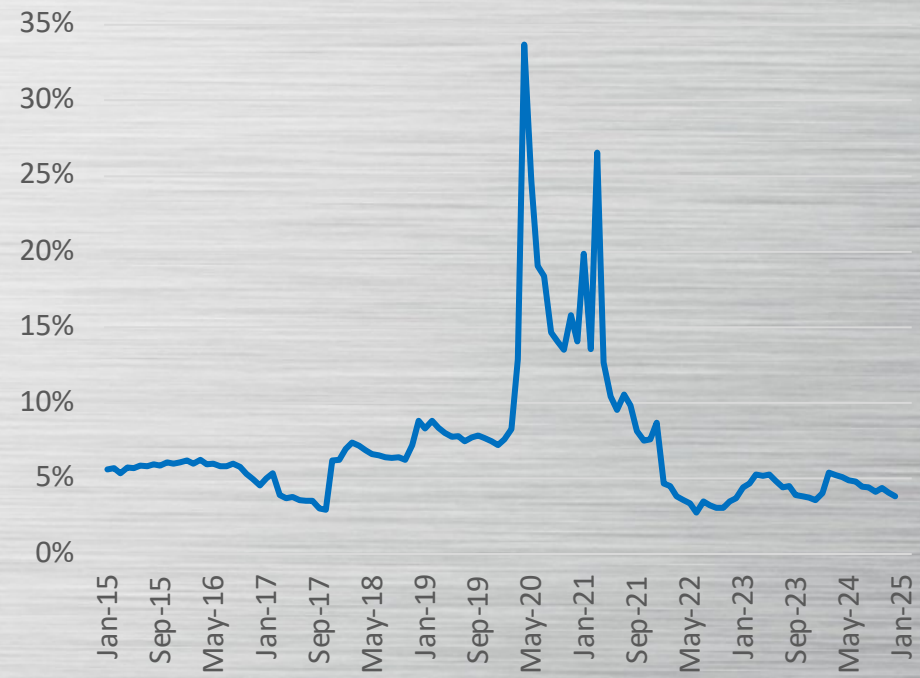
While total disposable personal income increased by 0.4%, total personal expenditures increased by 0.7%.

- The increase in total expenditures came from both goods and services, which increased 0.9% and 0.6%, respectively.
 - Within good purchases, durable goods were up 0.6%, while nondurables increased 1.0% from November.

The larger increase in spending, compared to income, helped to push the personal savings rate to 3.8%.

- This was down from 4.1% in November and the lowest rate in a year

PERSONAL SAVINGS RATE





CONSUMER CONFIDENCE¹⁰

Confidence of U.S. consumers slipped in January and is now down in back-to-back months.

- The January Consumer Confidence Index came in at 104.1 in January, down from the upwardly revised 109.5 reading in December.

The present situation index fell sharply in January, sliding nearly 10.0 points to 134.3.

- The expectations index, a short-term outlook, slipped as well, sliding 2.6 points to 83.9.
- Despite the decline in the expectations index, it remains above the key threshold of 80 that usually signals that a recession is on the horizon.

On a positive, more consumers planned to buy big-ticket items over the next six months than not, while purchasing plans for homes and cars held steady from December.



GROSS DOMESTIC PRODUCT¹¹

The U.S. economy continued to grow in Q4, just at a slightly lower rate than in Q3.

- Q4 GDP increased at an annual rate of 2.3%, down from 3.1% growth in Q3 and down from 3.4% growth in Q4 2023.
- This was the lowest annual growth rate since Q1.

The growth in Q4 reflected increases in consumer spending and government spending.

- Consumer spending increased for both goods and services, with the boost in good spending coming from recreational goods and vehicles, and motor vehicles.
- These increases were partly offset by declines in inventory investment.
 - Imports, which are a subtraction in the calculation of GDP, declined.

For the full year 2024, real GDP increased 2.8%, compared to the 2.9% increase seen in 2023.

- The increase in 2024 came from consumer spending, investment, government spending, and exports.

GROSS DOMESTIC PRODUCT



SOURCES

- 1 Platts, Spot Iron Ore: January 31, 2025.
- 2 London Metal Exchange, Weekly Zinc Price and Inventory Report: January 31, 2025.
Shanghai Futures Exchange, Weekly Zinc Inventory Report: January 31, 2025.
- 3 Platts, Coking Coal Price: January 31, 2025.
- 4 American Iron & Steel Institute, Weekly Domestic Steel Production: January 28, 2025.
- 5 U.S. Census Bureau, Carbon Sheet Imports: December 2024.
- 6 U.S. Census Bureau, New Home Sales: December 2024.
- 7 U.S. Census Bureau, Durable Goods Report: December 2024.
- 8 Department of Labor, Weekly Initial Jobless Claims: January 30, 2025.
- 9 Bureau of Economic Analysis, Personal Income and Outlays: December 2024.
- 10 Conference Board, Consumer Confidence Index: January 2025.
- 11 Bureau of Economic Analysis, Gross Domestic Product: Q4 2024.

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