



CORE REPORT

02.21.25

COST

01

- ⊖ scrap
- ▲ iron ore
- ⊖ energy
- ▲ zinc
- ▼ coking coal

SUPPLY

04

- ⊖ lead times
- ▼ production
- ⊖ imports
- ⊖ inventories

DEMAND

05

- ⊖ automotive
- ▼ construction
- ⊖ appliance
- ▲ manufacturing
- ⊖ agriculture
- ⊖ durable goods

ECONOMIC

10

- ▲ employment
- ⊖ GDP
- ⊖ confidence
- ⊖ retail sales



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COST

▲ SPOT IRON ORE¹

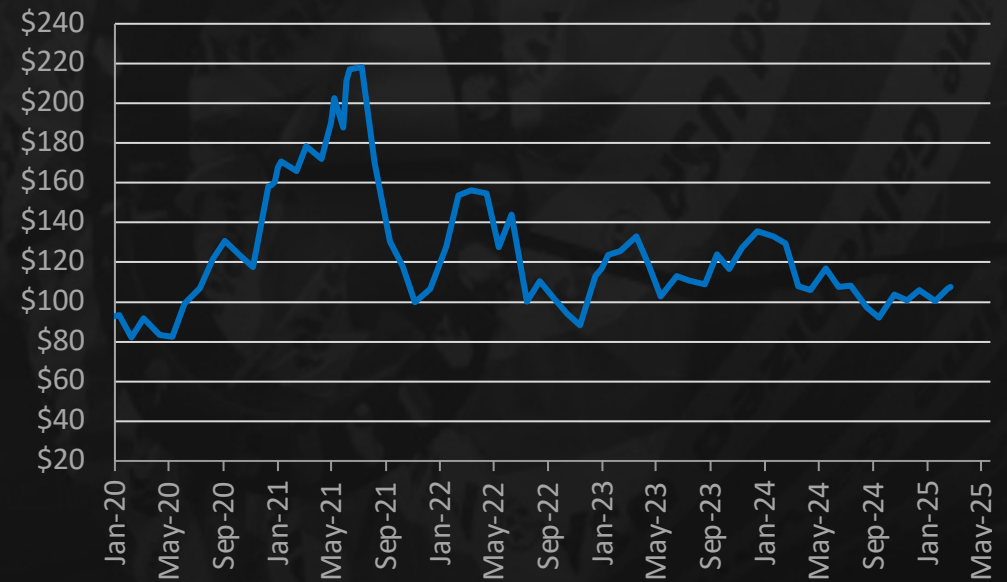
Spot iron ore continued its upward momentum this week, climbing for the sixth consecutive week.

Spot iron ore pricing ended the week at \$107.60/mt, up from \$106.77/mt a week ago.

- This is now the highest price for iron ore since July.

Port operations in Australia resumed late last week after a cyclone hit the coast, disrupting some iron ore supply and leading to the recent bump in pricing.

IRON ORE COST





WEEKLY ZINC PRICING



Zinc pricing ticked up slightly again this week, now up for the third consecutive week.

Zinc pricing ended the week at \$2,858.50/mt (\$1.297/lb), up from \$2,843/mt (\$1.290/lb) previously.

- Pricing continues to climb on improved demand in China, while the Red Dog Mine in Alaska, the largest zinc mine and responsible for about 10% of global output, is expected to lower production in 2025.

Global zinc inventory rose for the third consecutive week due to another surge in Shanghai warehouse inventory.

- LME warehouse inventory slipped for the eleventh consecutive week, dropping from 163,275 metric tons to 156,275 metric tons.
- Shanghai warehouse inventory rebounded sharply for the third consecutive week, climbing from 67,503 metric tons to 85,265 metric tons.

COST

▼ COKING COAL³

Coking coal pricing ticked down slightly this week after climbing the previous two weeks.

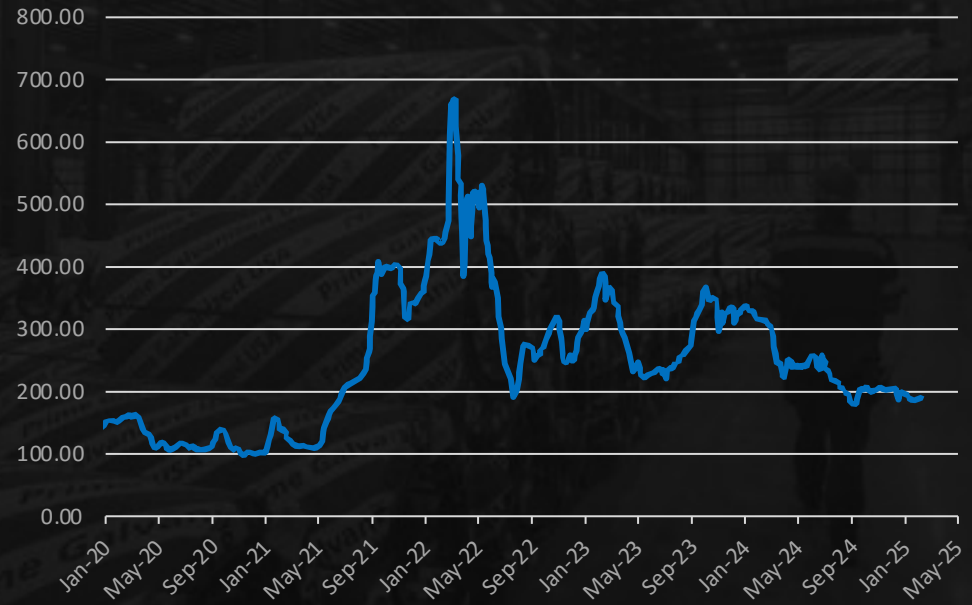
Coking coal settled at \$188.50/mt, down from \$190.25/mt last week.

- This is down 1% after hitting the highest price since mid-January.

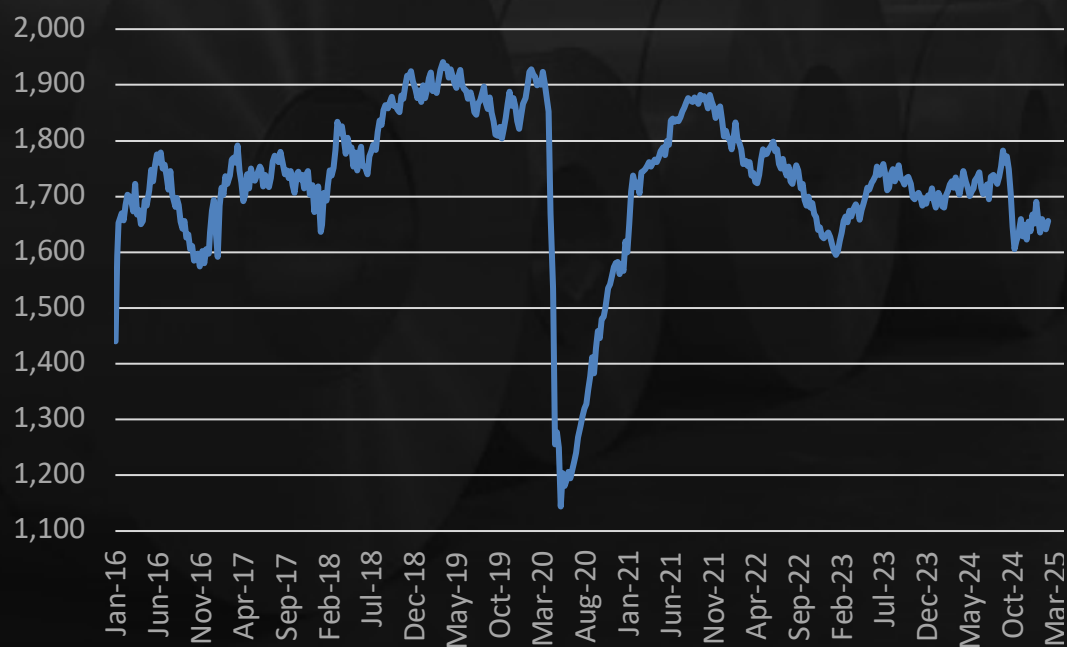
China's retaliatory tariffs against U.S. energy imports is likely to be most felt in their seaborne market for metallurgical coal.

- China's total seaborne imports of coking coal were 43.02 million metric tons in 2024, with the United States providing 5.02 million metric tons or 11.7%.

COKING COAL PRICE



WEEKLY DOMESTIC PRODUCTION



WEEKLY DOMESTIC STEEL PRODUCTION⁴

Domestic raw steel production ticked down slightly last week after climbing the previous two weeks.

U.S. mills produced an estimated 1,670k tons at a 75.0% utilization rate; this is down from 1,675k tons and a 75.2% rate previously.

Production increased in three of the five regions but was offset by a large drop in the Great Lakes region.

- Production from the Great Lakes region slipped from 496k tons to 487k tons.

Year-to-date production is still down 2.3% compared to the same timeframe from last year.

DEMAND

HOUSING MARKET INDEX⁵

Confidence among U.S. home builders, for newly built single-family homes, continued to be weak in February.

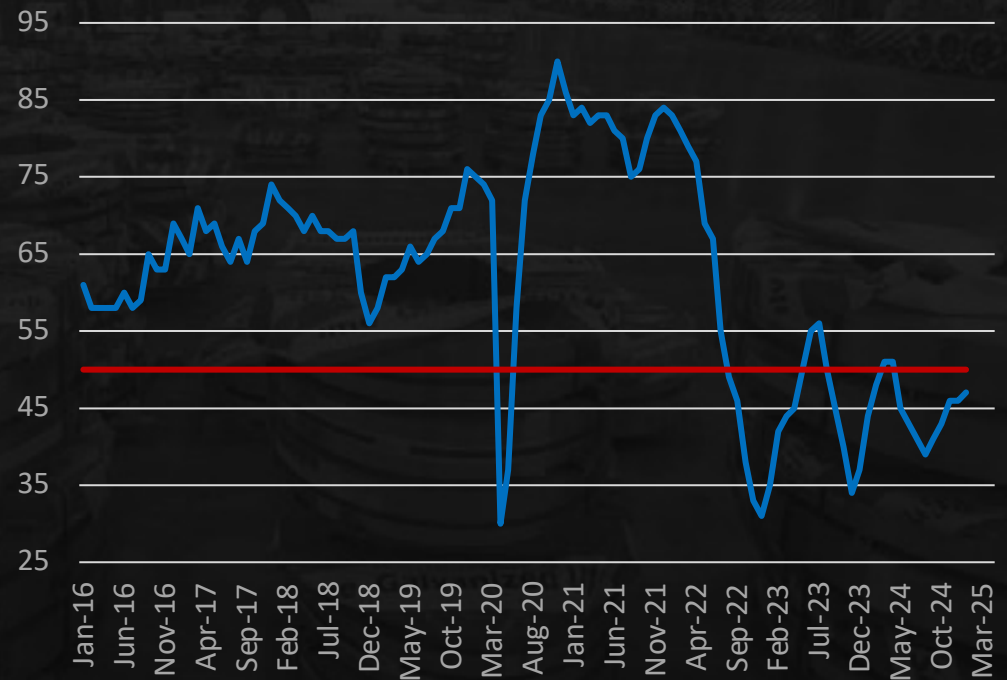
- The February Housing Market Index came in at 42, down from 47 in January and is now in contraction for the tenth consecutive month.
- Any reading below 50 shows a pessimistic outlook, while any reading over 50 shows optimism.

Within the overall index all three component outlooks were weak, with both the present and next six month outlook falling back into pessimism.

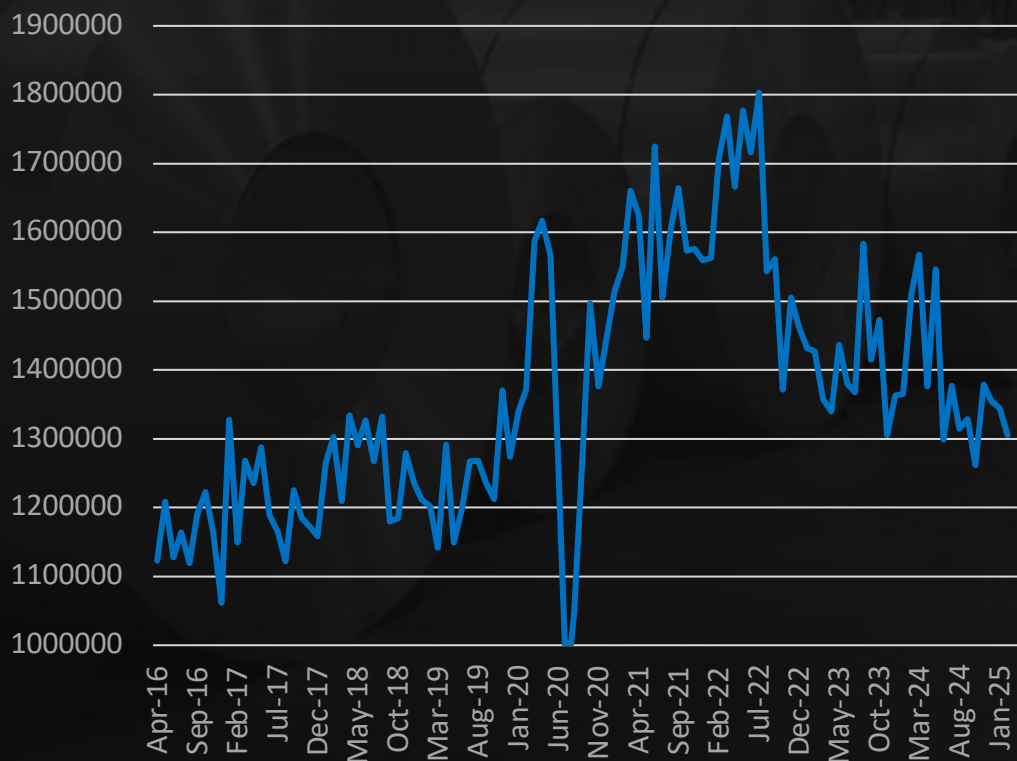
- The traffic component continues to be the weakest component of the index, slipping to 29 in February.

Tariff threats and rising labor costs negatively impacted outlooks as we move through Q1.

HOUSING MARKET INDEX



NEW HOUSING STARTS (SAAR)



RESIDENTIAL CONSTRUCTION⁶

After a sharp increase to close out the year in December, new residential construction starts dropped in January.

January new housing starts came in at a 1.366 million unit rate, down 9.8% from December and 0.7% from the 1.376 million unit rate from January 2024.

- This was the fifth consecutive month in which starts declined on a year-over-year basis.
- The decline in January was led by multi-family starts, which were down 13.5% from December.

Permits, a leading indicator for future construction, increased slightly in January, climbing by 1,000 units from December to a 1.483 million unit rate.

- Permits were down on a year-over-year basis however, slipping 1.7%.

DEMAND

ARCHITECTURE BILLINGS INDEX⁷

Despite improving slightly to start the year, activity at the architectural firm level continued to contract in January.

The January Architecture Billings Index came in at 45.6, up slightly from the 44.6 reading in December but was lower than the 46.2 reading from January 2024.

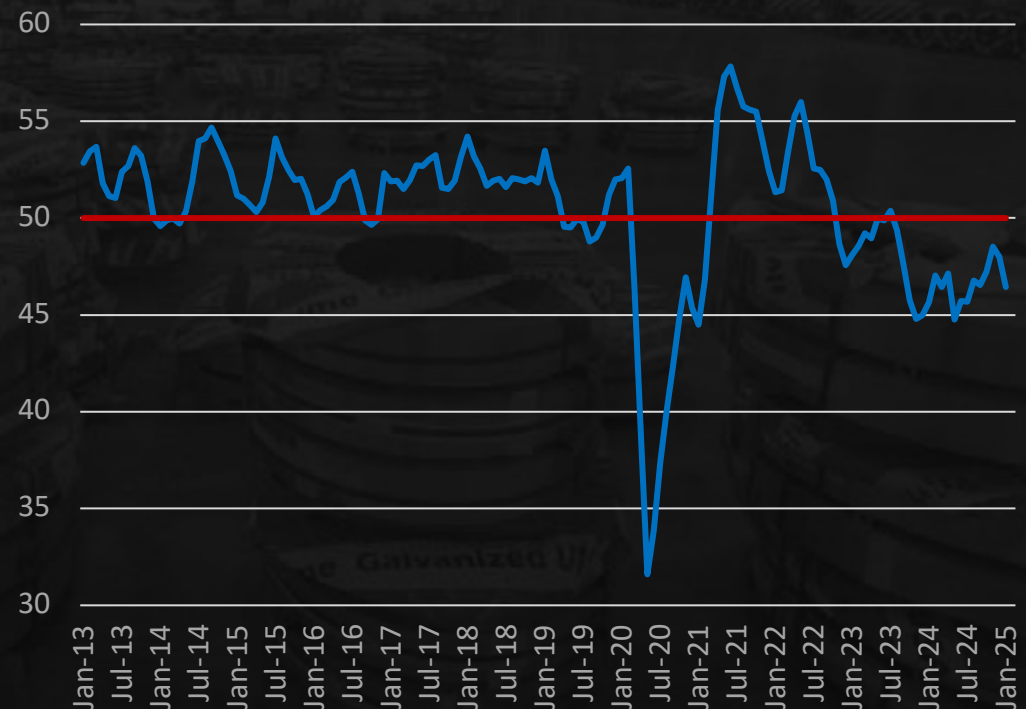
- Any reading above 50 shows expansion in activity, while any reading below 50 shows contraction.
- The ABI is a leading indicator for nonresidential construction spending 9-12 months out.

On a positive, the index for inquiries for new projects increased to 51.4.

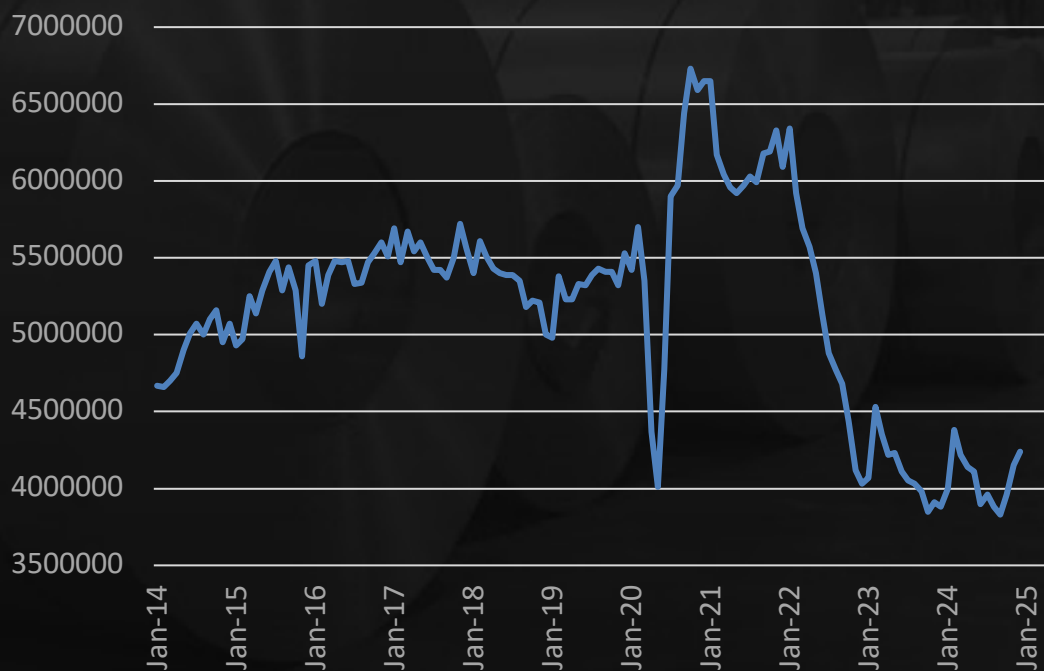
Regionally, all four regions showed contraction, with the Northeast (41.1) being the weakest.

All sectors contracted as well, with the commercial/industrial sector (43.1) being the weakest.

ARCHITECTURE BILLINGS INDEX (3MA)



EXISTING HOME SALES (SAAR)



EXISTING HOME SALES⁸

After recovering throughout Q4, existing home sales started the year on a slow note.

January existing home sales came in at a 4.080 million unit rate, down 4.9% from December but were still up 2.0% compared to the 4.000 million unit rate in January 2024.

- This was the fourth consecutive month in which sales increased on a year-over-year basis; the longest such streak since Q2 2021.

The inventory of unsold existing homes increased on improving seasonal trends.

- The inventory increased to 1.180 million units, up 3.5% from December and up 16.8% compared to last January.

The current inventory, when compared to January's sales rate, equates to 3.5 months of supply.

The median sales pricing slipped to \$396,900, the first sub-\$400k level since March.

▲ EMPIRE MANUFACTURING INDEX⁹

Business activity in the New York region increased in February after declining to start the year.

The February Empire Manufacturing Index came in at 5.7, up from -12.6 in January and the highest reading since November.

- The two-month average was -3.5, remaining below 0.0 for the second consecutive month.
- Any reading above 0.0 shows expansion while any reading below 0.0 shows contraction.

Strong improvements from both the new order and shipment component helped to push the overall index higher.

- The unfilled orders and inventories components increased as well.

The index for future business activity fell sharply to 22.2 but remained well above 0.0 in February.

- While still in expansion, plans for capital spending softened slightly but remained in expansion as well.

EMPIRE MANUFACTURING INDEX (2MMA)



WEEKLY INITIAL JOBLESS CLAIMS¹⁰

The number of Americans filing new claims for unemployment benefits increased moderately last week as the labor market remains strong.

The Department of Labor's Weekly Initial Jobless Claims report came in at 219,000 claims, up slightly from 214,000 claims previously.

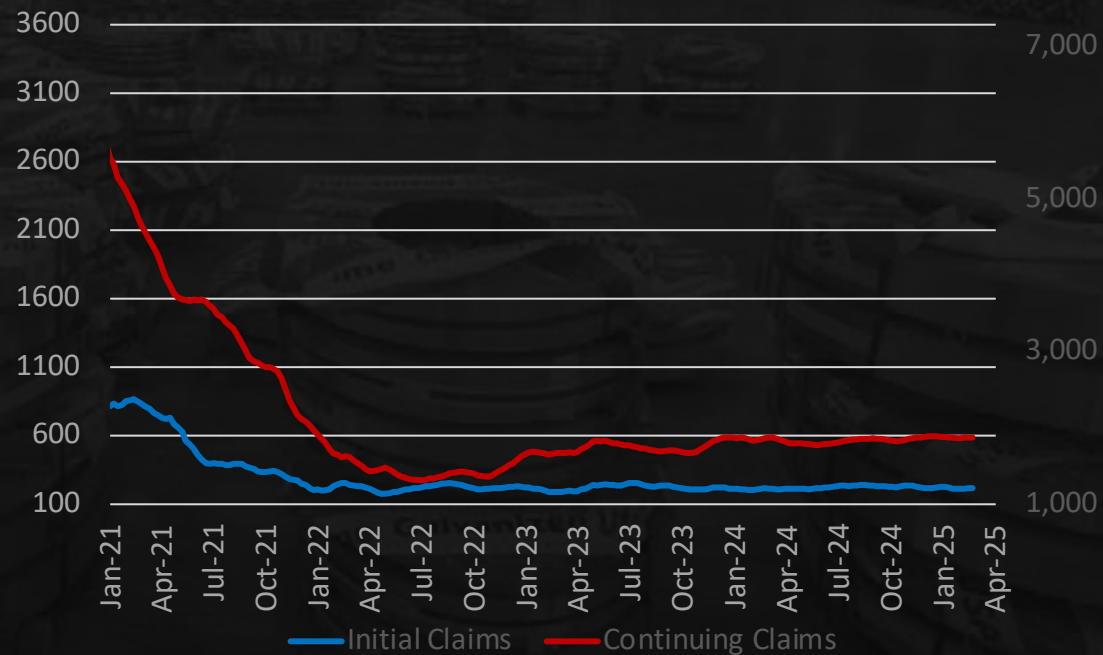
- The four-week moving average, considered a better measure of the labor market as it irons out week-to-week volatility, decreased slightly to 215,250.

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

- Continuing claims came in at 1.869 million claims, up from 1.845 million claims previously.

So far, there are no signs in the labor data of the mass layoffs and resignations of federal government workers, which will likely go straight into the private sector.

WEEKLY INITIAL JOBLESS CLAIMS



SOURCES

- 1 Platts, Spot Iron Ore: February 21, 2025.
- 2 London Metal Exchange, Weekly Zinc Price and Inventory Report: February 21, 2025.
Shanghai Futures Exchange, Weekly Zinc Inventory Report: February 21, 2025.
- 3 Platts, Coking Coal Price: February 21, 2025.
- 4 American Iron & Steel Institute, Weekly Domestic Steel Production: February 18, 2025.
- 5 National Association of Homebuilders, Housing Market Index: February 2025.
- 6 U.S. Census Bureau, New Residential Construction: January 2025.
- 7 American Institute of Architects, Architecture Billings Index: January 2025.
- 8 National Association of Realtors, Existing Home Sales: January 2025.
- 9 Federal Reserve, Empire Manufacturing Index: February 2025
- 10 Department of Labor, Weekly Initial Jobless Claims: February 20, 2025.

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