



CORE REPORT

02.28.25

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COST

▼ SPOT IRON ORE¹

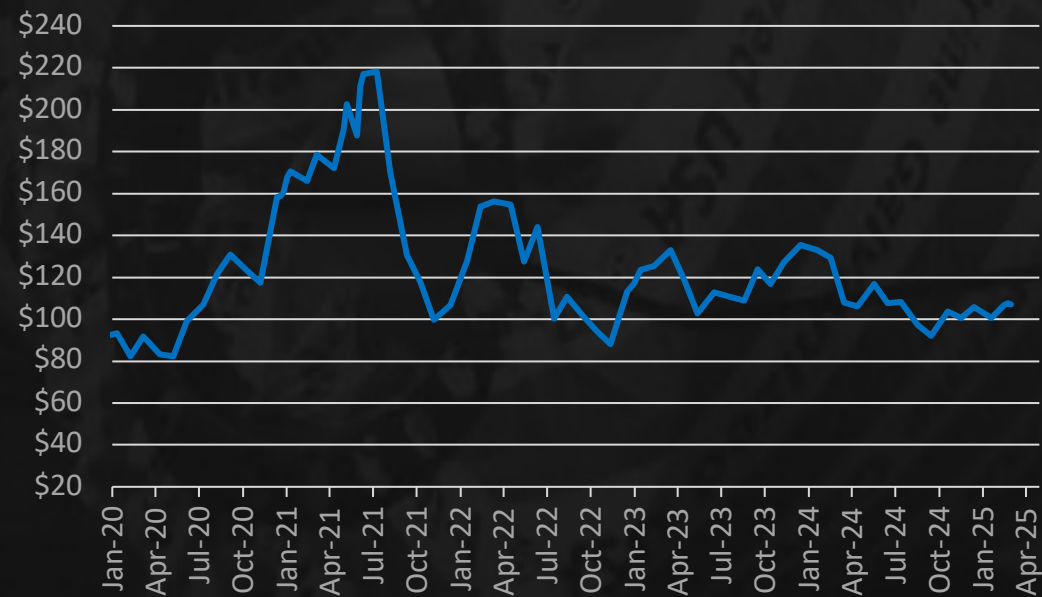
Spot iron ore dropped slightly this week after climbing the previous six weeks.

Spot iron ore pricing ended the week at \$106.95/mt, down from \$107.60/mt a week ago.

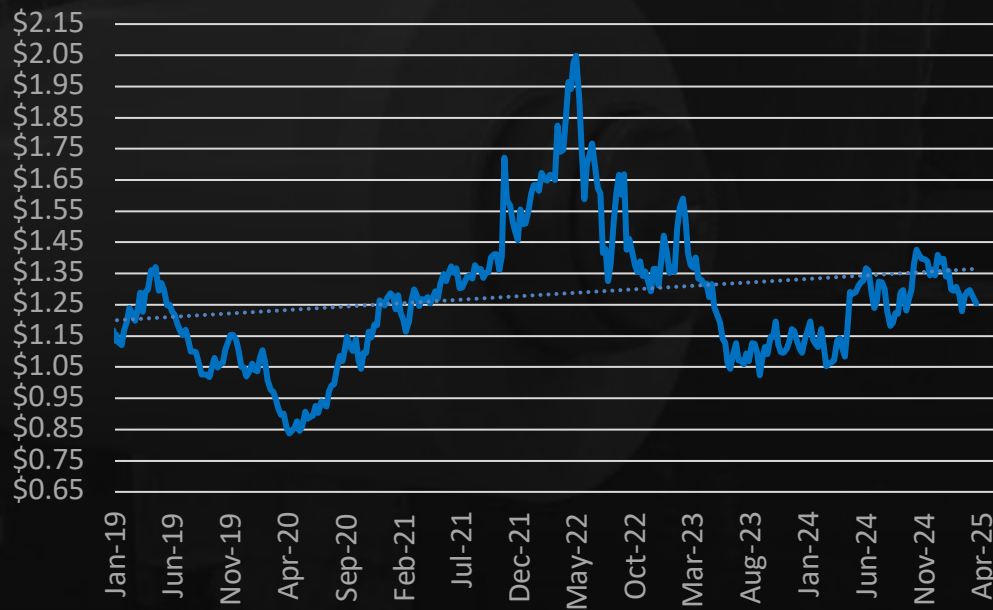
- Despite the drop, iron ore remains within striking distance of the multi-month high last seen in July.

Pricing snapped a six-week climb earlier in the week as Vietnam placed tariffs on Chinese steel, dampening demand prospects for production and the key steelmaking ingredient.

IRON ORE COST



WEEKLY ZINC PRICING



ZINC²

Zinc pricing slipped this week after climbing the previous three weeks.

Zinc pricing ended the week at \$2,767/mt (\$1.255/lb), down from \$2,858.50/mt (\$1.297/lb) previously.

- Demand continues to recover in top consumer China, however the zinc market faces uncertainty around tariffs and protectionist policies.
- The potential for 25% tariffs on Canada and Mexico could also drive zinc premiums higher in North America.

Global zinc inventory rose for the fourth consecutive week.

- LME warehouse inventory increased for the first time in twelve weeks, climbing from 156,275 metric tons to 164,950 metric tons.
- Shanghai warehouse inventory dropped after climbing the previous three weeks, slipping from 85,265 metric tons to 79,391 metric tons.

COST

▼ COKING COAL³

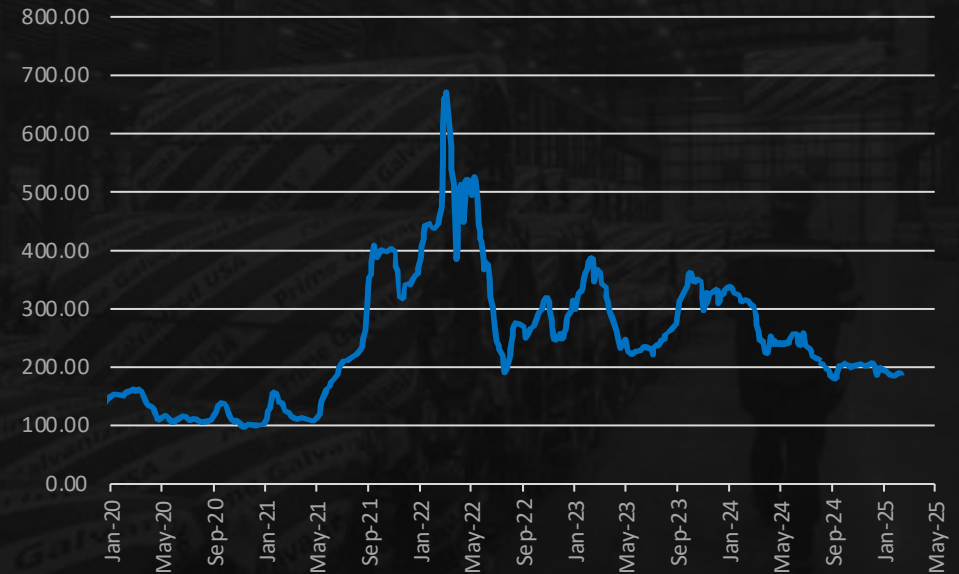
Coking coal pricing ticked down slightly once again this week.

Coking coal settled at \$186.50/mt, down from \$188.50/mt last week.

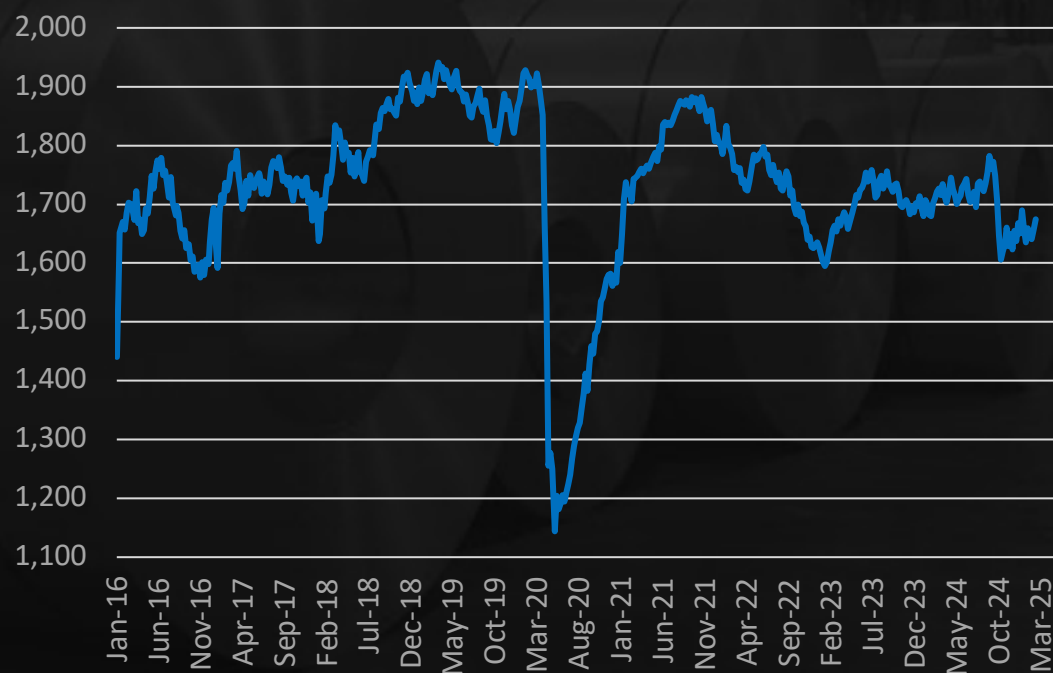
- This is down 1.5% after hitting the highest price since mid-January two weeks ago.

Recently announced U.S. import tariffs on steel, along with retaliatory tariffs by China, will likely further dampen demand for coking coal from the steel sector.

COKING COAL PRICE



WEEKLY DOMESTIC PRODUCTION



WEEKLY DOMESTIC STEEL PRODUCTION⁴

Domestic raw steel production ticked down slightly last week, now down for the second consecutive week.

U.S. mills produced an estimated 1,659k tons at a 74.5% utilization rate; this is down from 1,670k tons and a 75.0% rate previously.

- This was the lowest tonnage output and utilization rate since the first week of February.

Production decreased in three of the five regions, with the largest drop (in tons) coming from the Northeast region.

- Production from the Northeast region slipped from 122k tons to 107k tons.

Year-to-date production is now down 2.5% compared to the same timeframe from last year.

SUPPLY

GLOBAL STEEL PRODUCTION⁵

After sliding throughout the back half of Q4, global steel production rebounded to start 2025.

Global steel production came in at a 4.884 million mt/day rate in January, up 4.6% from December but was down 4.4% from the 5.109 million mt/day rate in January 2024.

- This was the first year-over-year decline since September.

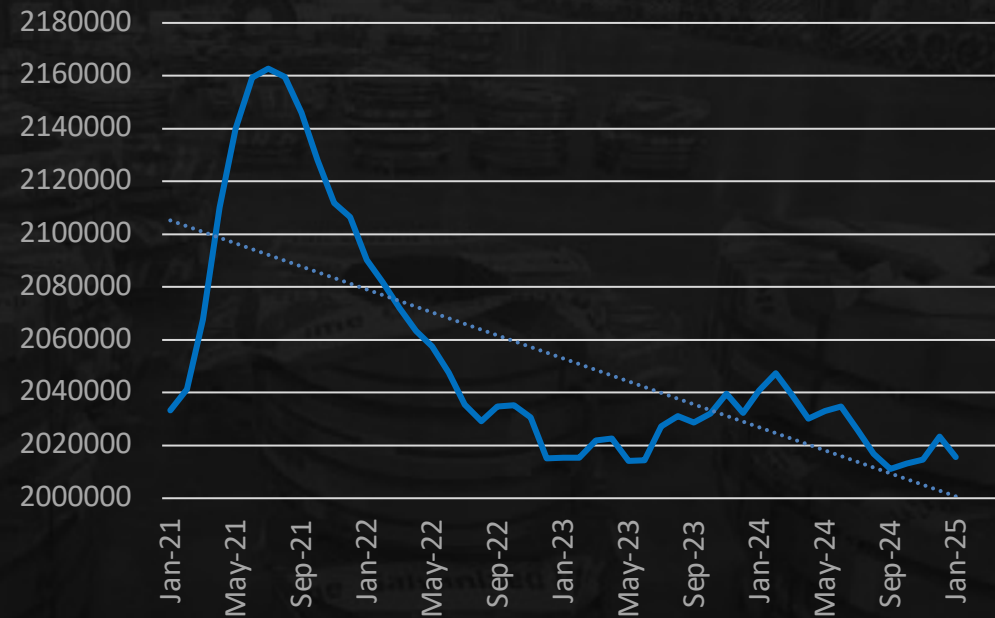
While Chinese production was up 7.8% from December, production was down 5.6% compared to January 2024.

- Production in China averaged 2.642 million mt/day and the rest of the world averaged 2.241 million mt/day.

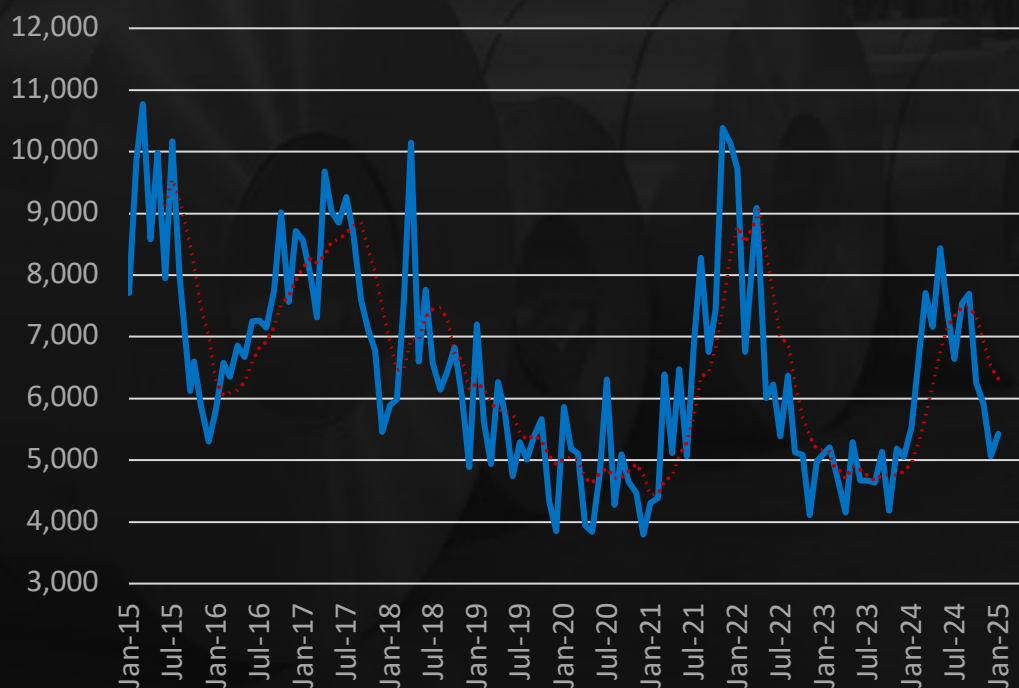
NAFTA production came in at a 289k mt/day rate in January, down 0.6% from December and down 0.4% from January 2024.

- U.S. production slipped 1.1% from December, while both Mexico and Canada saw slight increases.

GLOBAL STEEL PRODUCTION (R12)



HDG IMPORTS DAILY RATE



⊙ CARBON STEEL IMPORTS⁶

The looming threat of tariffs and duties spurred import activity in January.

- January carbon steel imports totaled 2.389 million tons, up 48% from December and up 25% from last January.

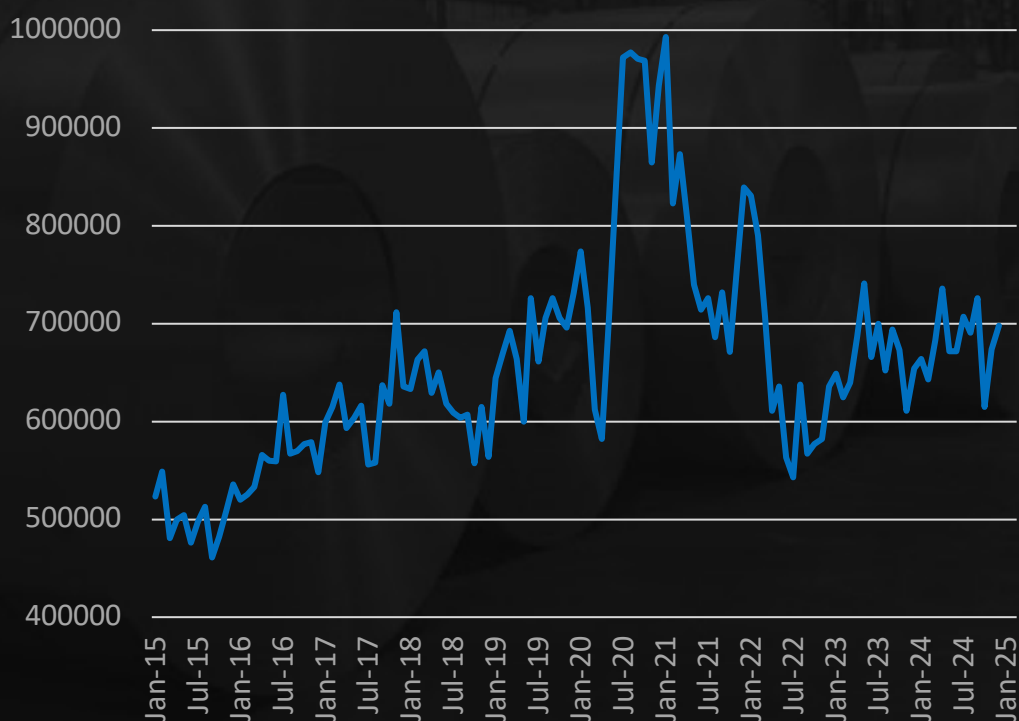
Carbon sheet imports were essentially flat month-over-month, totaling 568,082 tons.

- January's level was down 0.2% from December and down 5.9% from the 603,596 total from January 2024.
- Carbon sheet imports accounted for 24% of all imports in January, the lowest rate since April 2023.

While both cold rolled and coated sheet imports increased from December, hot rolled imports were down.

- Coated sheet imports totaled 265,540, up 5.7% from December but were well below the 2024 monthly average of 325,000 tons/month.

NEW HOME SALES (SAAR)



NEW HOME SALES⁷

After climbing the previous two months, sales of new homes on a seasonally adjusted basis, dropped sharply to kick off 2025.

January new home sales came in at a 657,000 unit rate, down 10.5% from December and down 1.1% from the 664,000 unit rate in January 2024.

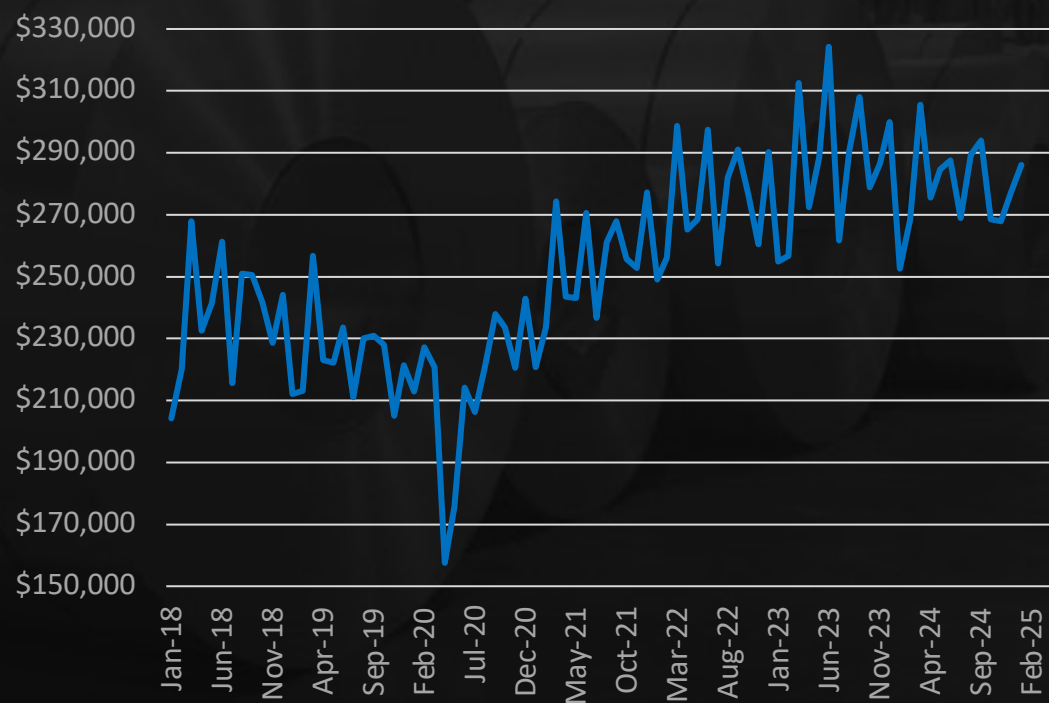
- This was the lowest monthly sales rate since October.

Inventory of unsold new homes increased to 496,000 units at the end of January, the highest month end level since December 2007.

- The current inventory, when combined with January's sales rate, equates to 8.8 months of supply.
- This is flat from December and remains above the five-year average supply level of 7.7 months.

The median sales price jumped to \$446,000, up from \$415,000 in December.

DURABLE GOODS NEW ORDERS



⊕ DURABLE GOODS⁸

New orders for manufactured durable goods rebounded in January after sliding the previous two months, coming in at a \$286.0 billion rate.

- This is up \$8.7 billion or 3.1% after sliding 1.8% in December.

Excluding transportation, new orders were virtually unchanged.

Nondefense new orders for capital goods in January increased a sharp \$10.3 billion or 12.9% to \$90.6 billion, signaling confidence in business investment.

Shipments of manufactured durable goods increased in January for the second consecutive month, climbing \$1.3 billion or 0.4% to \$288.2 billion.

- This followed a 0.8% December increase.

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

WEEKLY INITIAL JOBLESS CLAIMS⁹

The number of Americans filing new claims for unemployment benefits increased to a three-month high last week.

The Department of Labor's Weekly Initial Jobless Claims report came in at 242,000 claims, up from 220,000 claims previously.

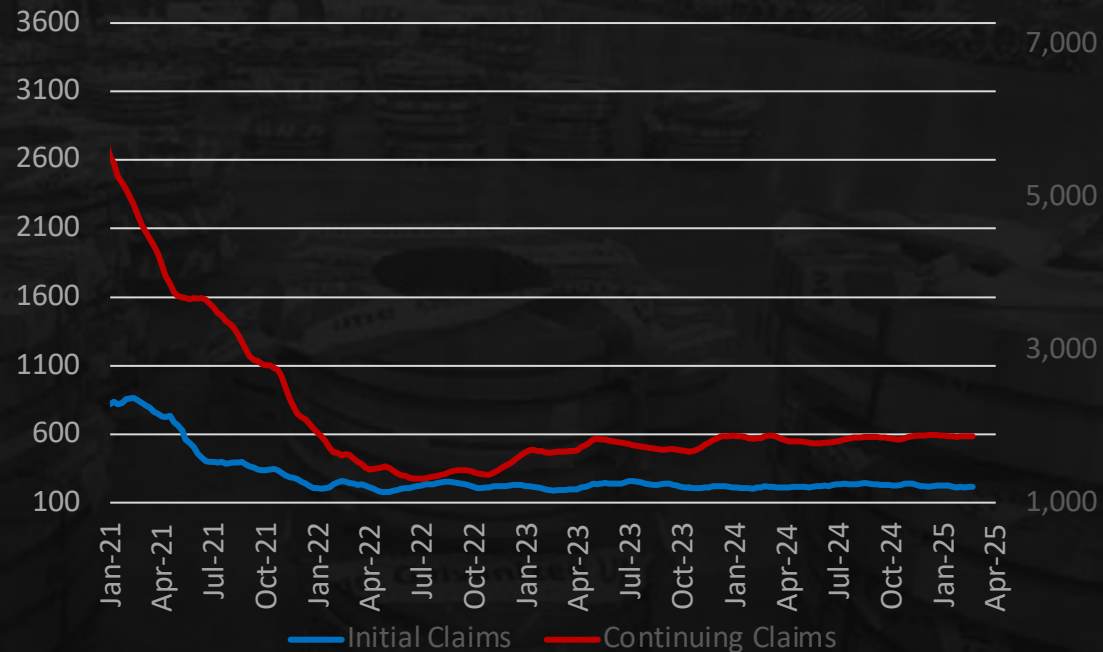
- The four-week moving average, considered a better measure of the labor market as it irons out week-to-week volatility, increased sharply to 224,000.

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

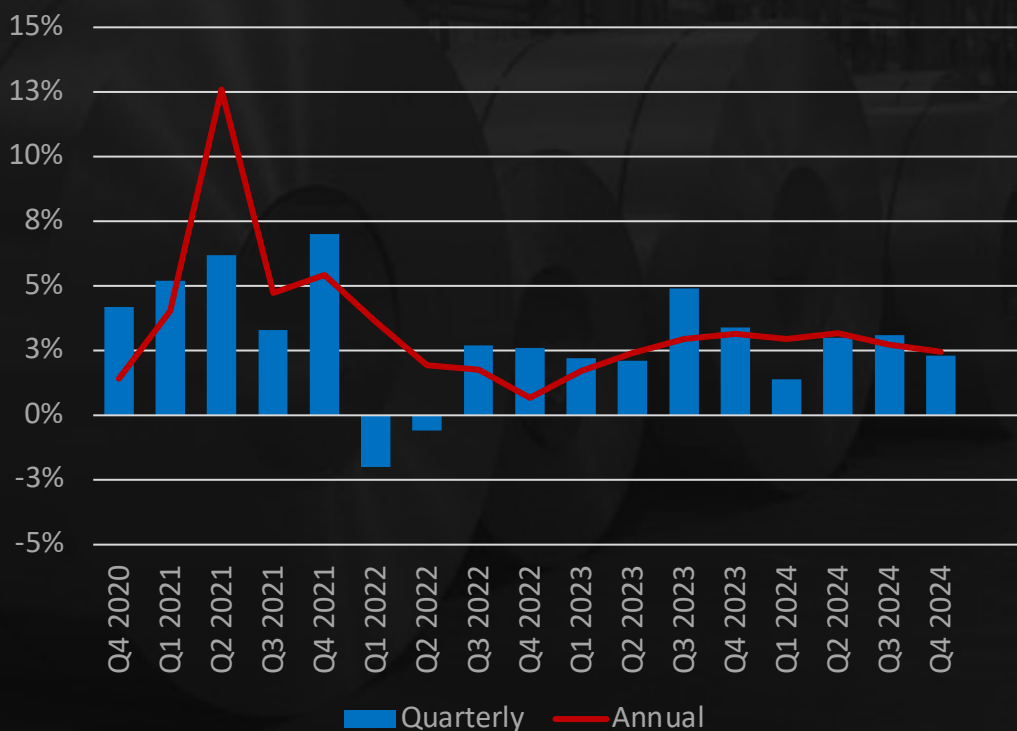
- Continuing claims came in at 1.862 million claims, down from 1.867 million claims previously.

While the private sector remains stable, there's turbulence in claims data as the federal government moves forward with downsizing efforts.

WEEKLY INITIAL JOBLESS CLAIMS



GROSS DOMESTIC PRODUCT



▲ GROSS DOMESTIC PRODUCT¹⁰

The second estimate of Q4 2024 GDP showed the U.S. economy grew at a 2.3% annual rate, flat from the initial estimate and down slightly from the final Q3 annual growth rate of 3.1%

In Q4, the growth reflected increases in consumer spending and government spending.

- These increases were partly offset by declines in inventory investment.
- Imports, which are a subtraction to GDP, declined.

Compared to Q3, the declaration in GDP came from inventory investment slowdowns and lower exports.

- These were partly offset by higher spending and lower imports.

For the full year 2024, GDP increased at a 2.8% rate, compared to the 2023 annual level.

Ⓣ CONSUMER CONFIDENCE¹¹

Confidence from the U.S. consumer continued to slow in February, sliding 7.0 points to 98.3.

- This is the biggest monthly decline in more than four years (August 2021).
- The Confidence Index is now down for the third consecutive month.

Within the index the Present Situation Index slipped to 136.5 while the expectations component dropped to 72.9.

- The expectations component slipped below the key 80 threshold, which usually signals a recess ahead, for the first time since June 2024.

On a six-month moving average basis, purchasing plans for homes continued to recover, likely supported by the recent decline in mortgage rates.

- On the other hand, buying plans for cars and big-ticket items were down.

⦿ **MILL PRICE INCREASES¹²**

Domestic steelmakers Cleveland-Cliffs and Nucor continued hiking their steel spot prices over the last week.

Cliffs raised their spot hot-rolled price by \$100/st late on February 21st, setting its April production level at \$900/st.

Nucor raised its published hot-rolled coil consumer spot price (CSP) by \$40/st this week to \$860/st (\$43.00/cwt), along with 3-5 week lead times.

- This is the fifth week in a row that Nucor has raised the weekly CSP price, now up a total of \$110/st in that timeframe.

Supply uncertainty due to current and future trade actions could provide a boost to domestic steel prices over the short-to-medium term.

PERSONAL INCOME & OUTLAYS¹³

Total personal income continued to climb in January, increasing 0.9% from December.

- Disposable personal income, total income less personal taxes, increased 0.9% as well.
- The boost in personal income reflected increases in current transfer receipts, compensation, and receipts on assets.

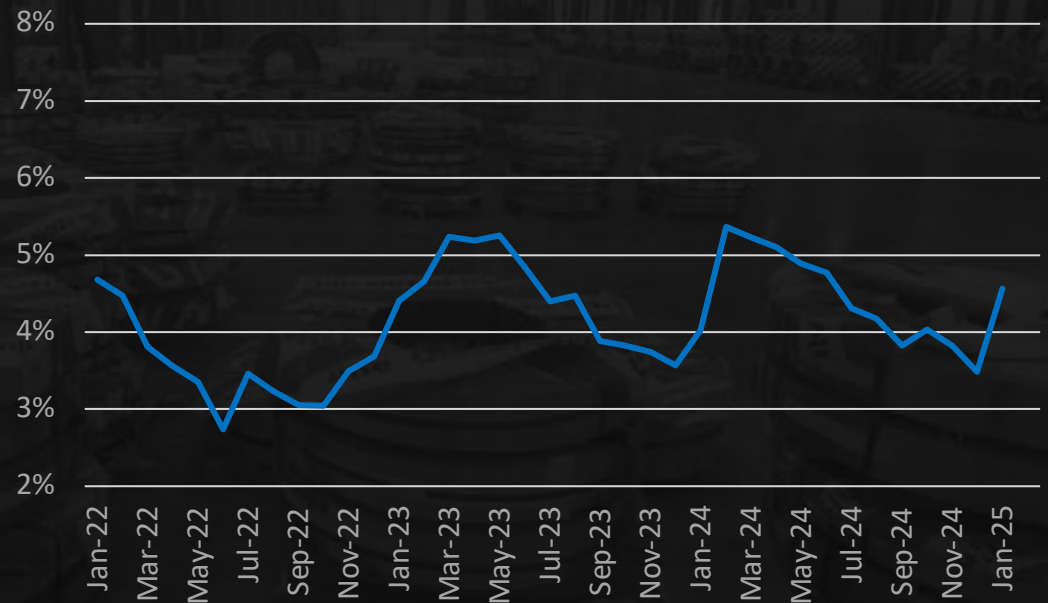
While total income was up, total personal spending declined by 0.2%.

- While spending on services increased, spending on goods dropped sharply, sliding by 1.7%.
- Spending on goods dropped by 3.4% and spending on nondurable goods dropped by 0.8%.

The increase in incomes, combined with the decline in spending, helped push the total savings rate to 4.6%.

- This is the highest savings rate since June.

PERSONAL SAVINGS RATE



SOURCES

- 1 Platts, Spot Iron Ore: February 28, 2025.
- 2 London Metal Exchange, Weekly Zinc Price and Inventory Report: February 28, 2025.
Shanghai Futures Exchange, Weekly Zinc Inventory Report: February 28, 2025.
- 3 Platts, Coking Coal Price: February 28, 2025.
- 4 American Iron & Steel Institute, Weekly Domestic Steel Production: February 25, 2025.
- 5 WorldSteel, Global Steel Production: January 2025.
- 6 U.S. Census Bureau, Carbon Steel Imports: January 2025.
- 7 U.S. Census Bureau, New Home Sales: January 2025.
- 8 U.S. Census Bureau, Durable Goods Report: January 2025.
- 9 Department of Labor, Weekly Initial Jobless Claims: February 27, 2025.
- 10 Bureau of Economic Analysis, Gross Domestic Product: Q4 2024.
- 11 The Conference Board, Consumer Confidence: February 2025.
- 12 Mill Price Increase Letters, Cleveland-Cliffs & Nucor: Week ending February 28, 2025.
- 13 Bureau of Economic Analysis, Personal Income & Outlays: January 2025.

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