



CORE REPORT

03.07.25

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COST

SPOT IRON ORE¹

Spot iron ore dropped again this week to a six-week low.

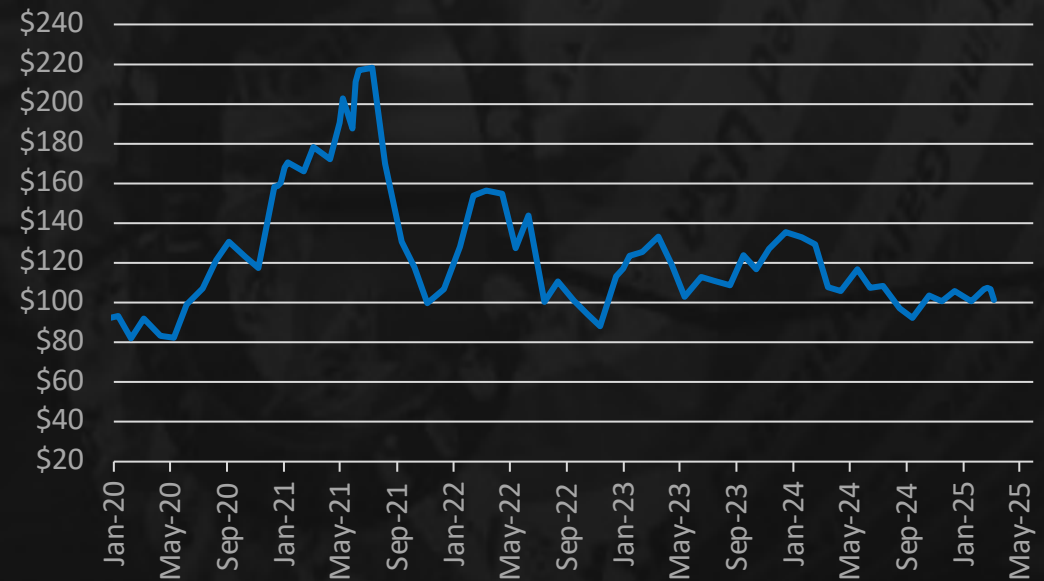
Spot iron ore pricing ended the week at \$101.30/mt, down from \$106.95/mt a week ago.

- This is down 4% week-over-week to the lowest level since mid-January.

The rising trade tensions between China and the U.S. continues to lower demand for steelmaking ingredients.

- Mexico announced that they are looking at tariffs and anti-dumping duties on China as well, which will further hurt China's steel exports.
- China has announced plans to restructure its steel industry through output cuts, with expectations least 50 million mt of cuts this year.

IRON ORE COST



WEEKLY ZINC PRICING



Zinc pricing resumed its upward momentum this week, now up four out of the last five weeks.

Zinc pricing ended the week at \$2,850/mt (\$1.293/lb), up from \$2,767/mt (\$1.255/lb) previously.

- Despite the increase, the global tariff war and China's sluggish construction sector continue to be headwinds for the zinc market.
- Teck Resources in Canada is also looking to shift zinc shipments to Asia now that the 25% U.S. tariff is in place, further driving up zinc pricing in North America.

Global zinc inventory decreased after climbing the previous four weeks.

- LME warehouse inventory decreased for thirteenth time in the last fourteen weeks, slipping from 164,950 metric tons to 160,950 metric tons.
- Shanghai warehouse inventory slipped this week as well, dropping from 79,391 metric tons to 78,331 metric tons.

COST

▼ COKING COAL³

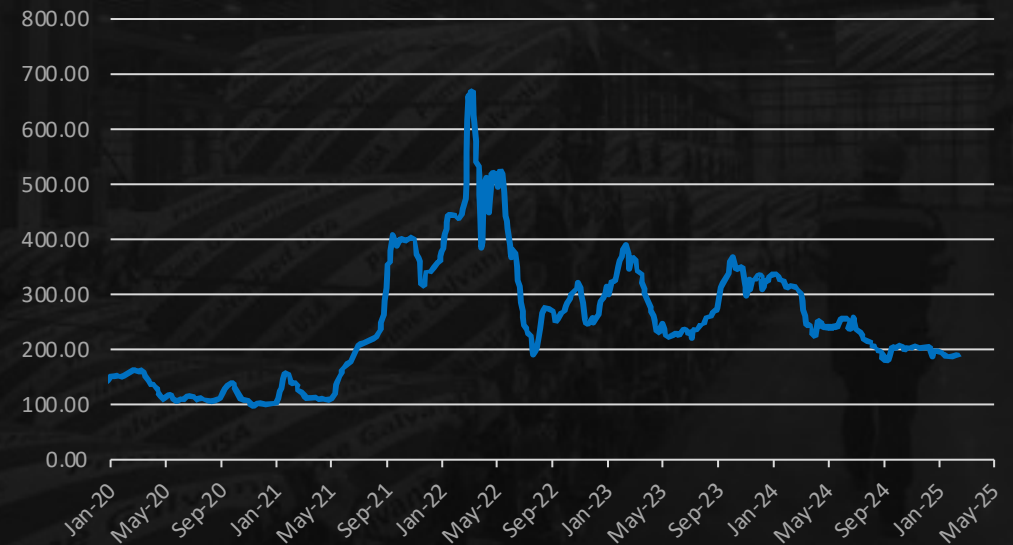
Coking coal pricing ticked down slightly for the third consecutive week.

Coking coal settled at \$183.00/mt, down from \$186.50/mt last week.

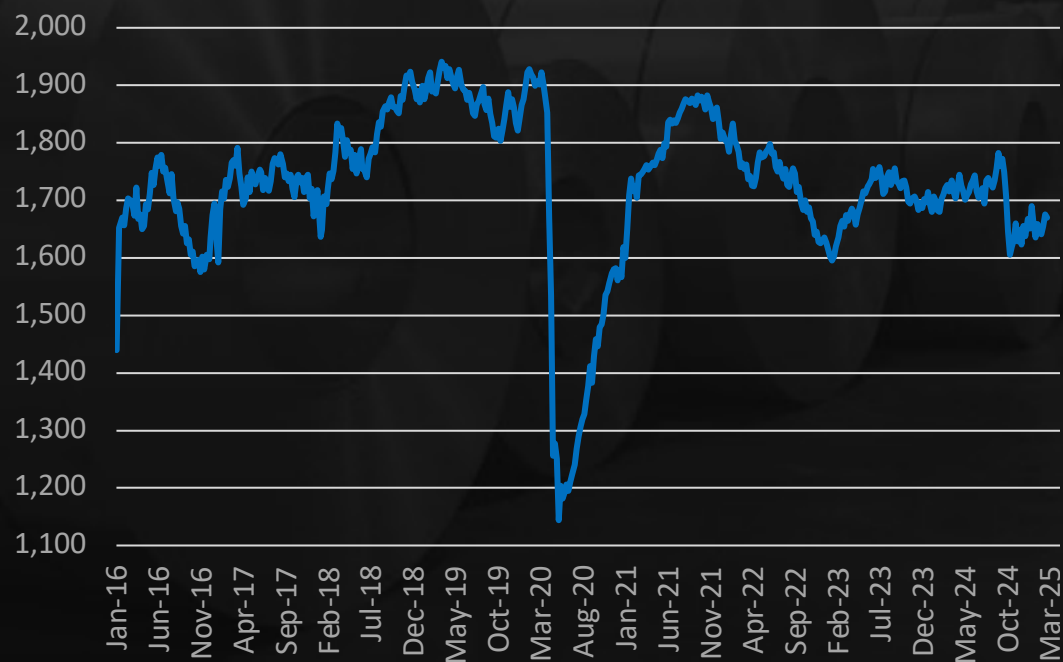
- This is down 3.7% over the last three weeks.

Recently announced U.S. and Vietnam import tariffs on steel, along with the potential for Mexican tariffs, will 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 third consecutive week.

U.S. mills produced an estimated 1,641k tons at a 73.7% utilization rate; this is down from 1,659k tons and a 74.5% rate previously.

- This was the lowest tonnage output and utilization rate since the last week of January.

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

- Production from the Great Lakes region slipped from 481k tons to 464k tons.

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

DEMAND

▲ LIGHT VEHICLE SALES⁵

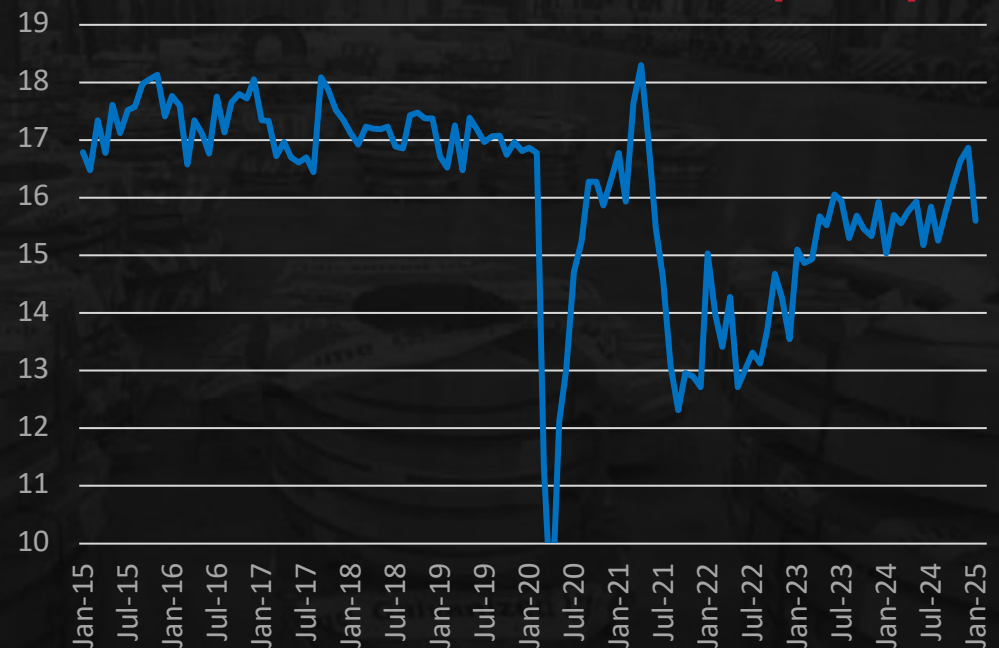
Sales of light vehicles increased in February and is now up for the fourth time in the last five months.

- February light vehicle sales came in at a 16.00 million unit rate, up from a 15.60 million unit rate in January.
- The twelve-month average increased to 15.89, the highest level since August 2021.

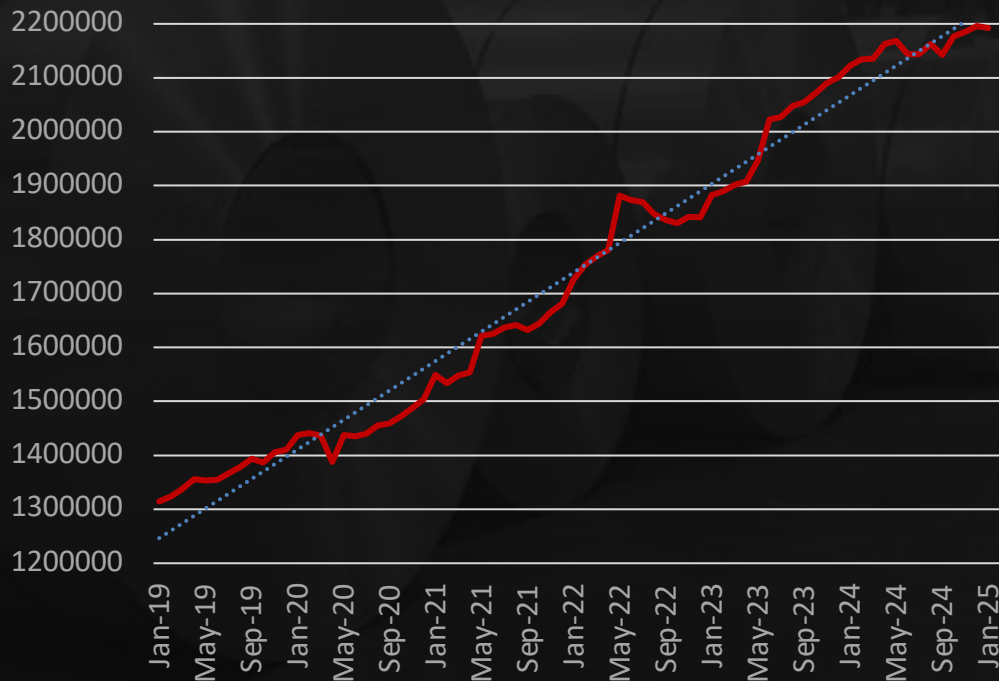
The increase in sales was focused on the two ends of the spectrum as sales increased for entry level vehicles and premium-luxury vehicles.

The boost in sales in February helped the results come in slightly above market consensus for the fourth consecutive month.

U.S. LIGHT VEHICLE SALES (SAAR)



CONSTRUCTION SPENDING (SAAR)



CONSTRUCTION SPENDING⁶

Total construction spending on an adjusted basis slipped in January, ending a string of three consecutive increases.

January construction spending totaled \$2.193 trillion, down 0.2% from December but was up 3.3% from \$2.122 trillion in January 2024.

- Despite continuing to climb on a year-over-year basis, the growth was at its lowest level since the first half of 2019.

While non-residential construction spending improved slightly, a stronger decline in residential spending pull the total down.

- Non-residential construction spending was up 0.1% from December while residential spending slipped 0.5%.

The largest month-over-month increases in January within the non-residential sector, came from religious buildings, hotels, and healthcare facilities.

DEMAND

⊕ ISM MANUFACTURING INDEX⁷

Economic activity in the manufacturing sector expanded in February, just at a slightly slower rate than in January.

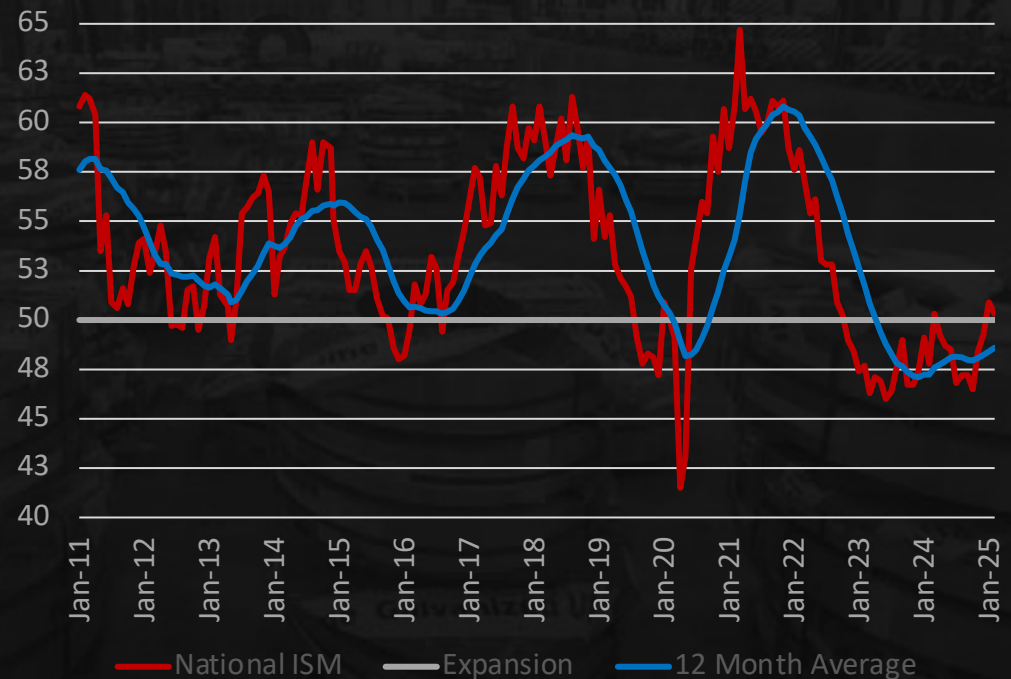
The February ISM Manufacturing Index came in at 50.3, down slightly from 50.9 in January but up from 47.8 in February last year.

- This was the second consecutive reading over 50.0, the key level for expansion, and the first back-to-back readings over 50 since Q3 2022.

While the new order component slowed the most in February, sliding 6.5 points to 48.6, the production component continued to expand at 50.7.

- While still contracting, the backlog of orders component showed slightly improved by climbing nearly 2 points to 46.8.

ISM MANUFACTURING INDEX



COATED PER/DAY CONSUMPTION



⊙ CARBON STEEL CONSUMPTION⁸

The combination of increased domestic mill shipments and increased imports helped to push carbon flat rolled consumption higher in January.

January carbon flat rolled consumption totaled 5.108 million tons, up over 17% from December and up nearly 8.0% from 4.736 million tons in January 2024.

- This was the highest monthly flat rolled consumption since November 2021.

Within flat rolled, coated sheet consumption increased on a month-over-month basis as well but continued to trail year-ago levels.

- Coated sheet consumption totaled 1.669 million tons in January, up 2.7% from December but down 7.2% from January last year.

WEEKLY INITIAL JOBLESS CLAIMS⁹

The number of Americans filing new claims for unemployment benefits decreased sharply last week after hitting a three-month high the week prior.

The Department of Labor's Weekly Initial Jobless Claims report came in at 221,000 claims, down from 242,000 claims previously.

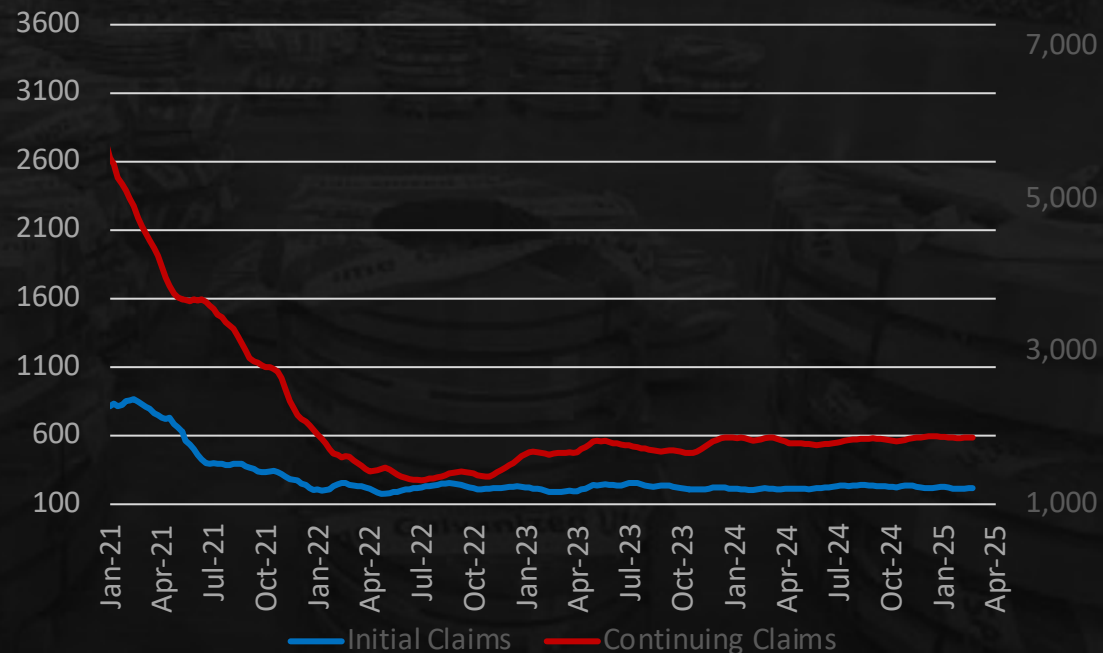
- The four-week moving average, considered a better measure of the labor market as it irons out week-to-week volatility, increased slightly to 224,250.

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

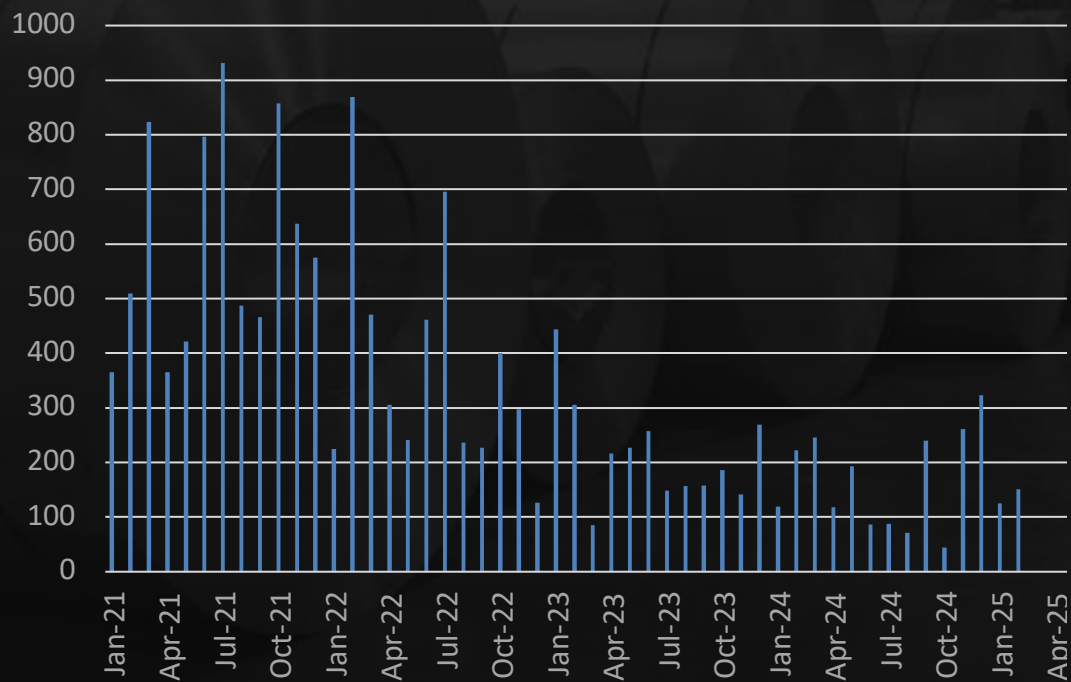
- Continuing claims came in at 1.897 million claims, up from 1.855 million claims previously.

Layoffs ordered by the Department of Government Efficiency, including up to 90,000 IRS workers, are expected to show up in the coming weeks or months.

WEEKLY INITIAL JOBLESS CLAIMS



MONTHLY JOBS ADDED



📈 EMPLOYMENT SITUATION¹⁰

Employment in the U.S. grew faster than expected in February as the U.S. added 151,000 new jobs.

- This was up from the 125,000 jobs added in January.

The private sector, which accounts for roughly 70% of total employment, saw an increase of 140k jobs.

- Government employment increased as well, climbing by 11,000 jobs after 44,000 jobs were added in January.

While the construction sector saw an increase of 19,000 jobs, only 1,800 of those jobs were attributed to building construction.

- Within building construction, 1,700 new jobs went to nonresidential building, while only 100 went to residential.

Manufacturing employment increased by 10,000, with 11,000 coming from durable good manufacturing.

Despite the increase in jobs, the unemployment rate ticked higher to 4.1%.

SOURCES

- 1 Platts, Spot Iron Ore: March 7, 2025.
- 2 London Metal Exchange, Weekly Zinc Price and Inventory Report: March 7, 2025.
Shanghai Futures Exchange, Weekly Zinc Inventory Report: March 7, 2025.
- 3 Platts, Coking Coal Price: March 7, 2025.
- 4 American Iron & Steel Institute, Weekly Domestic Steel Production: March 7, 2025.
- 5 WardsAuto, U.S. Light Vehicle Sales: February 2025.
- 6 U.S. Census Bureau, Construction Spending: January 2025.
- 7 Institute for Supply Management. Manufacturing PMI: February 2025.
- 8 American Iron and Steel Institute, Carbon Steel Consumption: January 2025.
- 9 Department of Labor, Weekly Initial Jobless Claims: February 27, 2025.
- 10 U.S. Census Bureau, Employment Situation: February 2025.

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