



CORE REPORT

03.14.25

COST

01

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

SUPPLY

05

- lead times
- ▲ production
- imports
- inventories

DEMAND

06

- automotive
- ▲ construction
- ▲ appliance
- manufacturing
- ▲ agriculture
- consumption

ECONOMIC

09

- ▲ employment
- ▲ inflation
- mill price increase
- confidence
- income

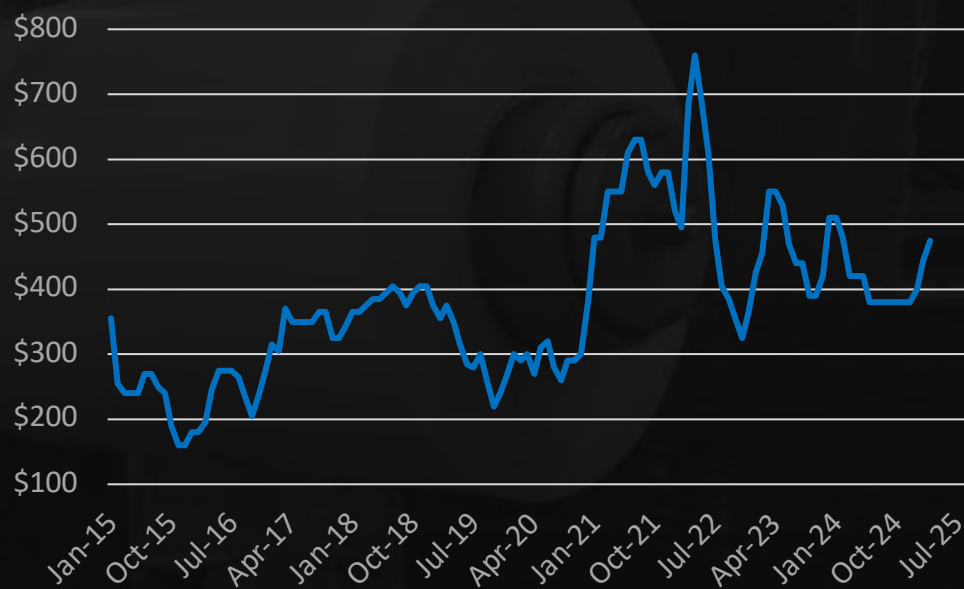


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PRIME SCRAP



SCRAP¹

The prime scrap market continued its upward momentum in March, climbing for the third consecutive month.

- Prime scrap settled at \$475/gt, up \$30/gt from \$445/gt in February.
 - Prime scrap is now up \$95/gt (25%) over the past three months and remains at its highest level since last February.

Several factors continue to drive scrap pricing up including strong hot-rolled pricing, supply chain disruptions, robust mill demand, and uncertainty around tariffs between Canada and Mexico.

- The ramp up of new EAF mills such as Big River 2 and SDI Sinton will add roughly 2.4 million tons of sheet capacity and drive increased scrap demand, helping set a new floor.

Shredded scrap pricing increased as well, climbing \$30/gt to \$450/gt.

COST

SPOT IRON ORE²

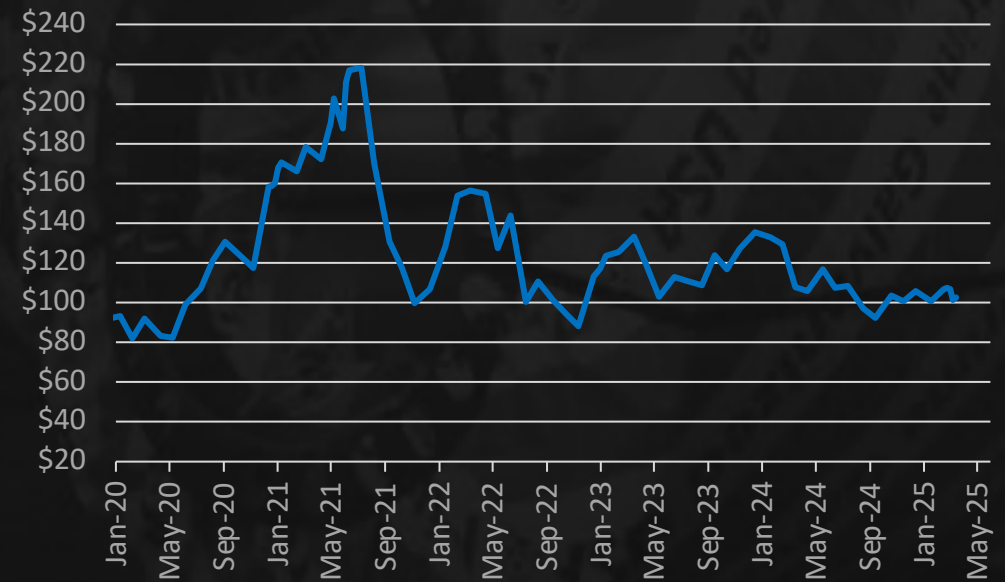
Spot iron ore rebounded slightly this week after dropping the previous three weeks.

Spot iron ore pricing ended the week at \$102.65/mt, up from \$101.30/mt a week ago.

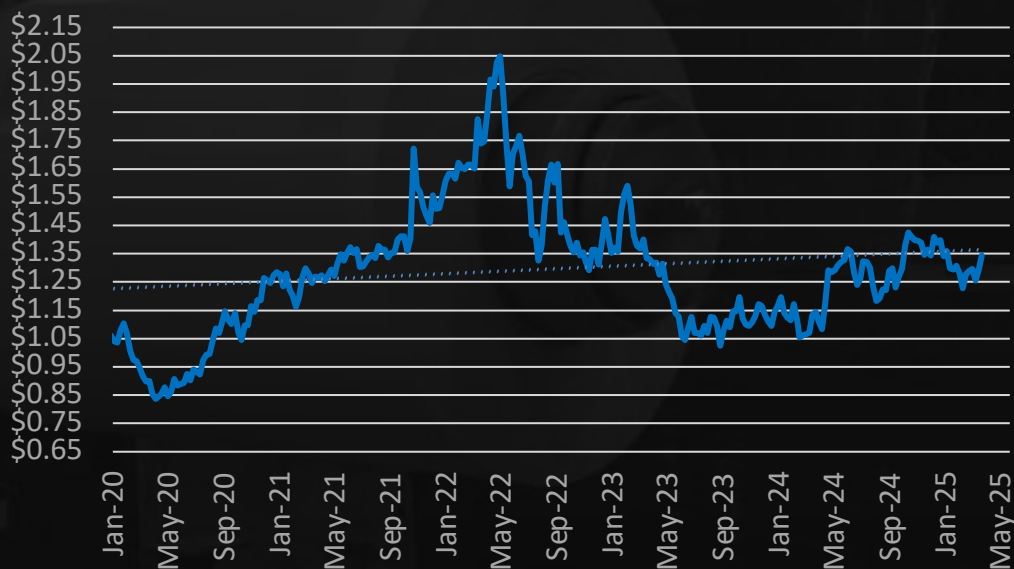
- This is up 1.3% after hitting a six-week low the prior week.

Despite the increase, steelmaking ingredients continue to face headwinds after China announced plans to cut their steel output by upwards of 50 million metric tons, as tariffs and anti-dumping duties are likely to weaken their export market.

IRON ORE COST



WEEKLY ZINC PRICING



ZINC³

Zinc pricing continued its sharp climb this week, now up five out of the last six weeks.

Zinc pricing ended the week at \$2,964/mt (\$1.344/lb), up from \$2,850/mt (\$1.293/lb) previously.

- This is the highest price for zinc since December of 2024.
- Pricing rose sharply on the news that Nyrstar, one of the largest zinc miners in the world, will cut its Australian production by 25% starting in April.

Global zinc inventory increased this week, now up five out of the last six weeks.

- LME warehouse inventory decreased for fourteenth time in the last fifteen weeks, slipping from 160,950 metric tons to 160,325 metric tons.
- Shanghai warehouse inventory increased slightly this week, climbing from 78,331 metric tons to 79,002 metric tons.

COST

▼ COKING COAL⁴

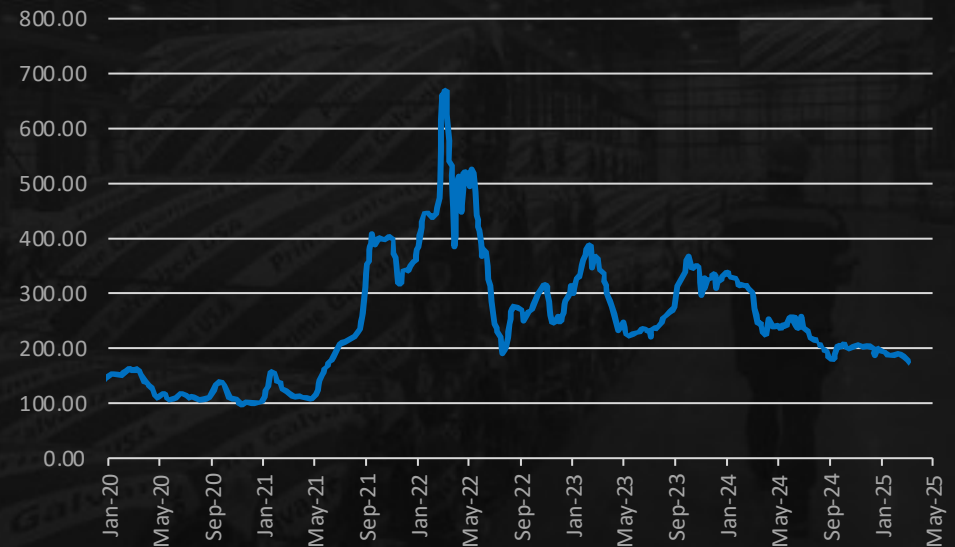
Coking coal pricing continued its slide, dropping for the fourth consecutive week.

Coking coal settled at \$174.00/mt, down from \$183.00/mt last week.

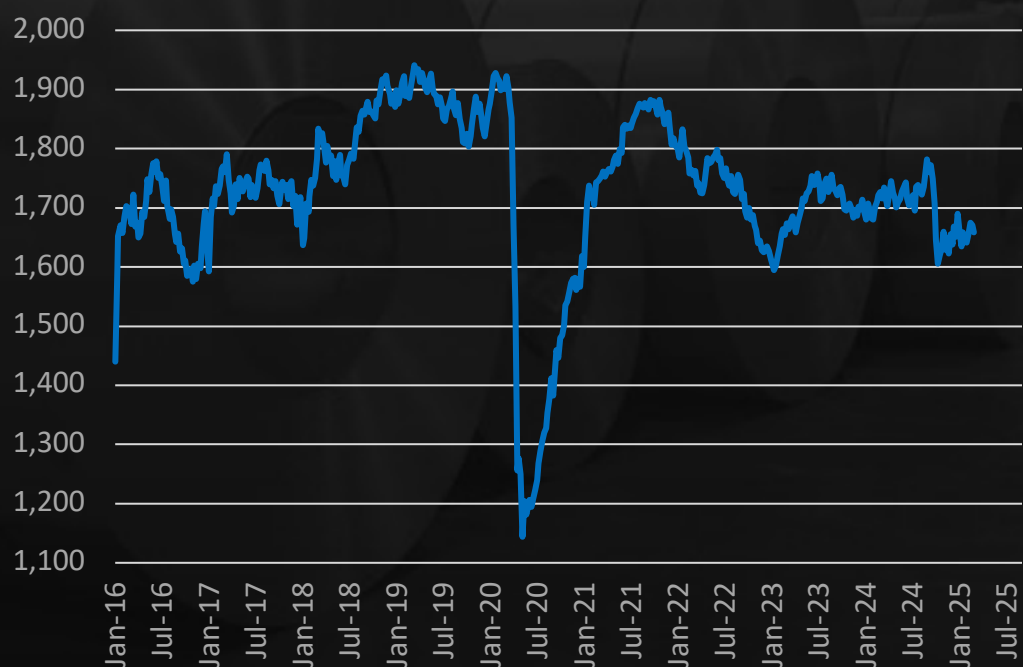
- This is down 7.7% over the last four weeks and is now at the lowest level since June 2021.

Steelmaking ingredients continue to face headwinds after China announced plans to cut their steel output by upwards of 50 million metric tons, as tariffs and anti-dumping duties are likely to weaken their export market.

COKING COAL PRICE



WEEKLY DOMESTIC PRODUCTION



WEEKLY DOMESTIC STEEL PRODUCTION⁵

Domestic raw steel production rebounded last week after slipping the previous three weeks.

U.S. mills produced an estimated 1,671k tons at a 75.0% utilization rate; this is up from 1,641k tons and a 73.7% rate previously.

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

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

- Production from the Great Lakes region spiked from 464k tons to 472k tons.

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

DEMAND

▲ DODGE MOMENTUM INDEX⁶

The Dodge Momentum Index continued to climb in February and is now at a fresh all-time high.

The February DMI came in at 225.6, up 0.7% from a revised 223.9 reading in January.

- Compared to January, planning for commercial projects increased 3.3%, while institutional planning fell 4.6%.

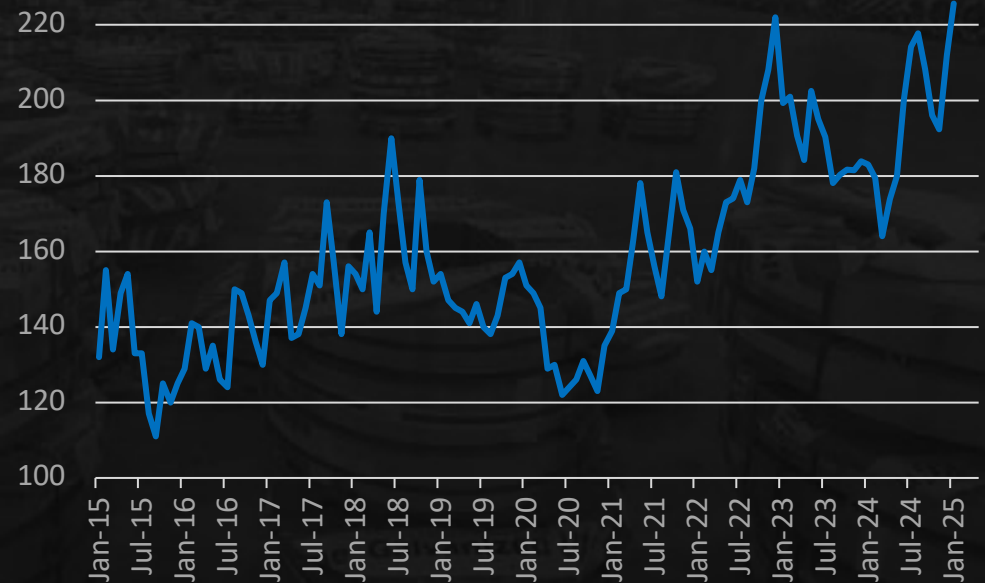
The overall DMI continues to be boosted by data centers, excluding data centers the DMI would have slipped 2%.

- Uncertainty around labor, material costs, and government policies, negatively impacted planning.

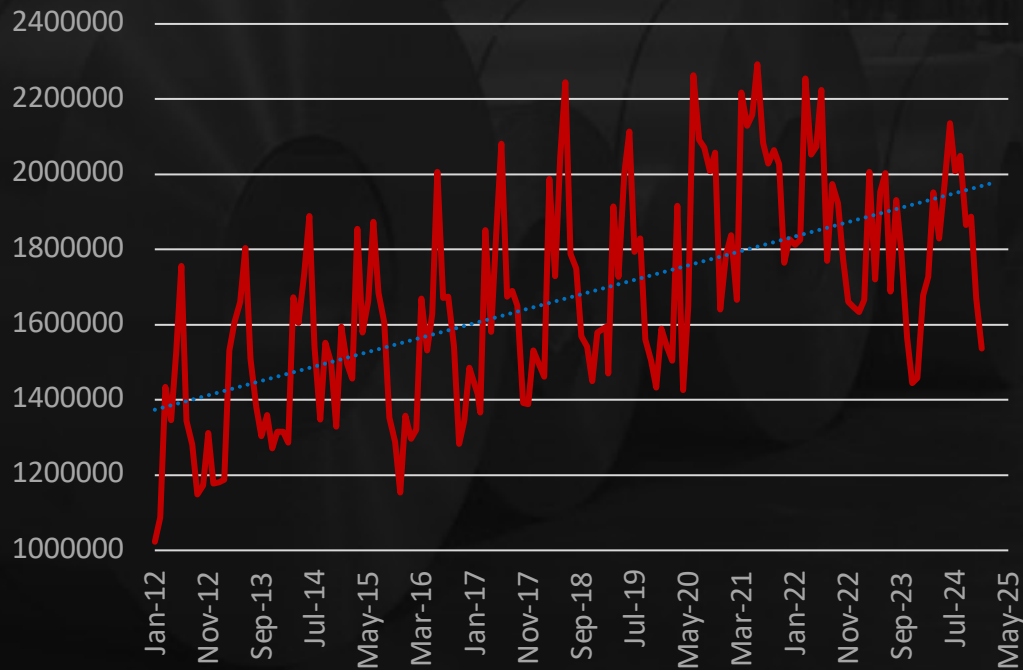
On the commercial side, data centers, office buildings, and retail planning led the increases.

- The decline in institutional planning came from weaker education planning.

DODGE MOMENTUM INDEX



HVAC EQUIPMENT SHIPMENTS



▲ HVAC EQUIPMENT SHIPMENTS⁷

Shipments of HVAC equipment started the year on a stronger note after sliding the previous two months.

HVAC equipment shipments totaled 1.669 million units, up 8.6% from December, but were down 0.6% from the 1.678 million unit total in January 2024.

- This was the first year-over-year decline in shipments since March.

Looking on a year-over-year basis to help smooth seasonality, shipments increased sharply for A/C & heat pumps and moderately for water heaters.

- Despite the increases from the other two sectors, the sharp drop in shipments of furnaces (-36.9%) brought the overall total lower.

DEMAND

⊙ TRACTOR & COMBINE SHIPMENTS⁸

Shipments of North American (Canada & U.S.) tractors and combines increased from January but remained well below year ago levels.

Shipments totaled 12,411 units, up 17.5% from January but down 15.4% from February 2024.

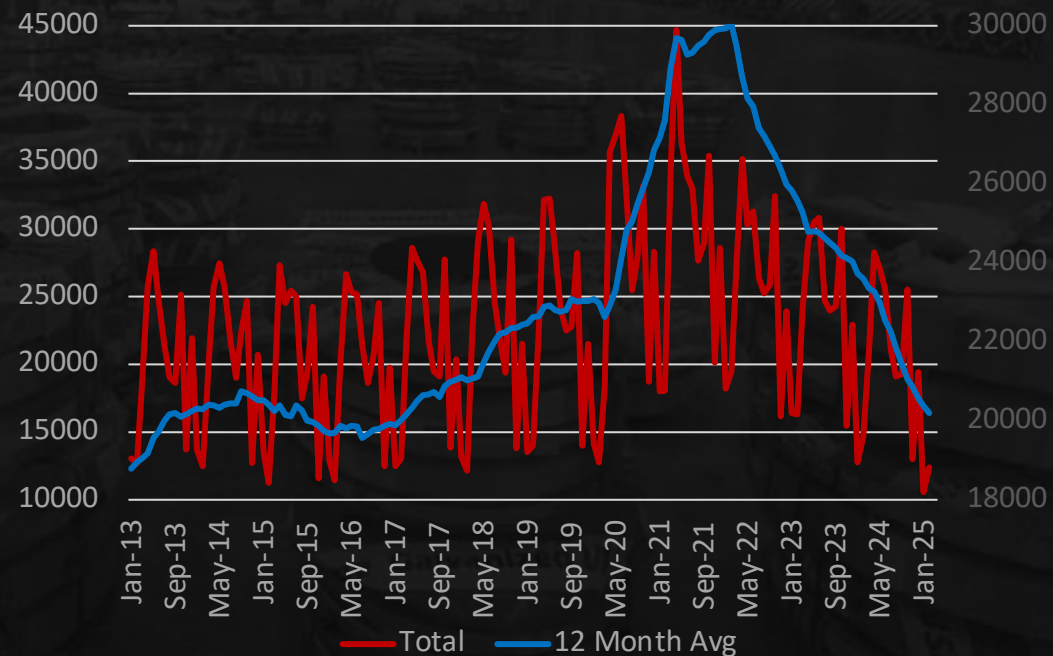
- This is the twenty-first consecutive m/m decline and the tenth straight month with a decline of at least 10%.

Shipments of both tractors and combines declined compared to the same month last year.

- While tractors saw shipments drop by 14.3%, combine shipments were down a steep 44.7%.

Through February, YTD shipments were down 16.3% compared to the same timeframe last year.

TRACTOR AND COMBINE SHIPMENTS



WEEKLY INITIAL JOBLESS CLAIMS⁹

The number of Americans filing new claims for unemployment benefits decreased slightly last week, now down for the second consecutive week.

The Department of Labor's Weekly Initial Jobless Claims report came in at 220,000 claims, down from 222,000 claims previously.

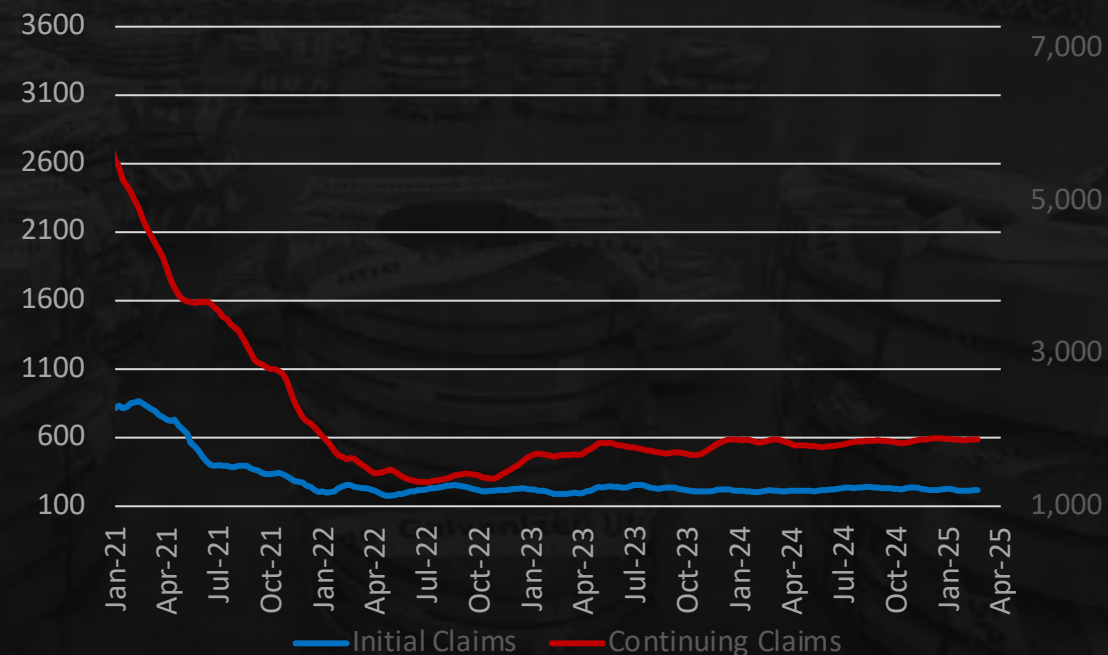
- The four-week moving average, considered a better measure of the labor market as it irons out week-to-week volatility, increased slightly to 226,000.

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

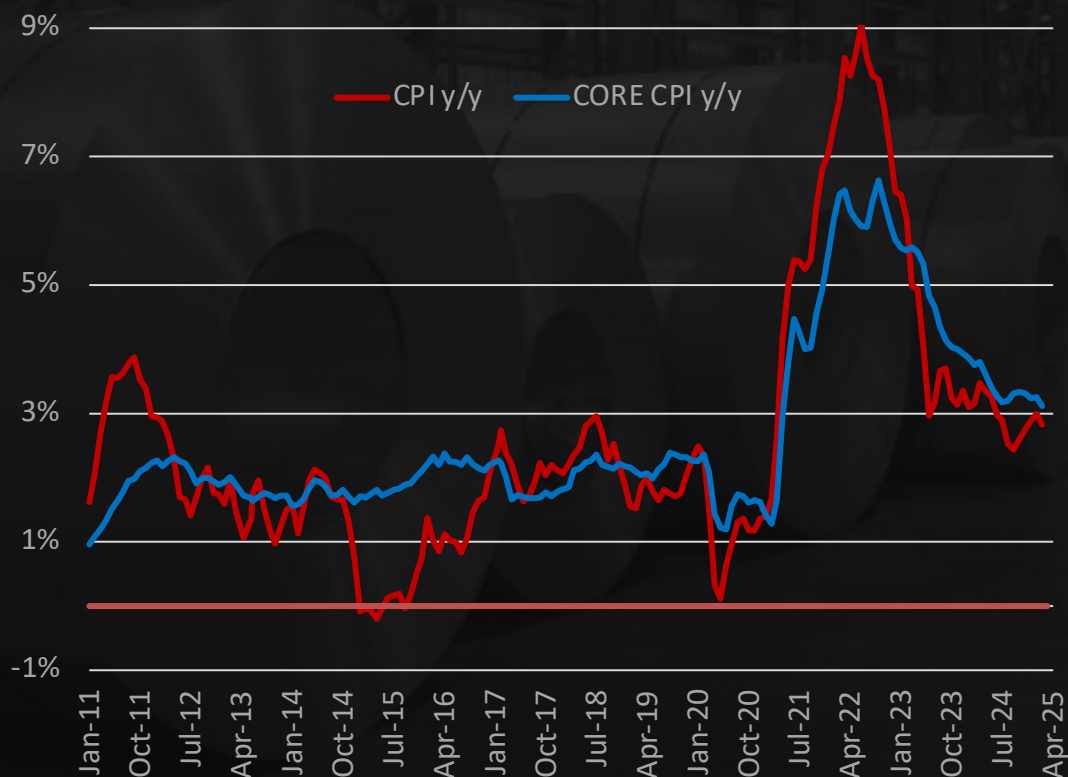
- Continuing claims came in at 1.870 million claims, down from 1.897 million claims previously.

Despite showing some signs of weakening during the past year, the labor market remains healthy with plentiful jobs and relatively few layoffs.

WEEKLY INITIAL JOBLESS CLAIMS



CONSUMER PRICE INDEX



CONSUMER PRICE INDEX¹⁰

Prices paid by consumers grew at their slowest annual rate since November.

The February Consumer Price Index increased 2.82% compared to last year, down from the 3% year-over-year increase in January.

- Excluding the volatile food and energy sectors, prices increased 3.12% compared to last February.
- This was the lowest annual increase since April 2021.

The CORE-CPI saw prices, over the last twelve months, increase 4.2% compared to last February, the lowest 12-month increase since December 2021.

- Other indexes with notable increases over the last year include motor insurance (11.1%), medical care (2.9%), recreation (1.8%), and education (3.7%).

SOURCES

- 1 Prime Scrap Price, Market Conversations: Week ending March 14, 2025.
- 2 Platts, Spot Iron Ore: March 14, 2025.
- 3 London Metal Exchange, Weekly Zinc Price and Inventory Report: March 14, 2025.
Shanghai Futures Exchange, Weekly Zinc Inventory Report: March 14, 2025.
- 4 Platts, Coking Coal Price: March 14, 2025.
- 5 American Iron & Steel Institute, Weekly Domestic Steel Production: March 11, 2025.
- 6 Dodge Construction Network, Dodge Momentum Index: February 2025.
- 7 A/C Heating & Refrigeration Institute, HVAC Equipment Shipments: January 2025.
- 8 Association of Equipment Manufacturers, Tractor and Combine Shipments: February 2025.
- 9 Department of Labor, Weekly Initial Jobless Claims: March 13, 2025.
- 10 Bureau of Labor Statistics, Consumer Price Index: February 2025.

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