



CORE REPORT

03.28.25

COST

01

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

SUPPLY

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

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

ECONOMIC

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- ⊖ inflation
- ▼ confidence
- ▲ GDP
- ▲ income



THE RIGHT STEEL SUPPLY CHAIN HAS NEVER MATTERED MORE

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COST

▲ SPOT IRON ORE¹

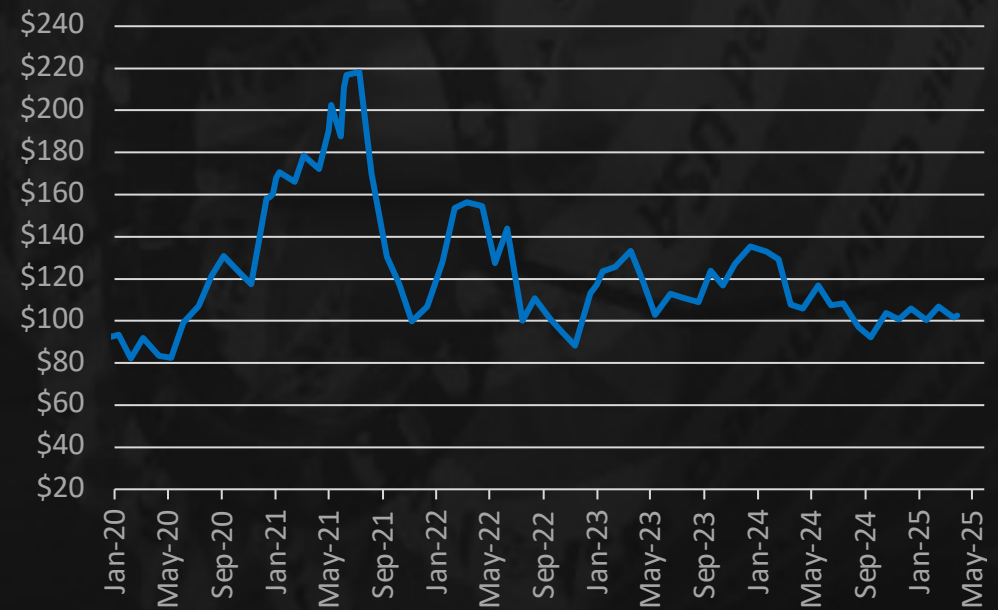
Spot iron ore increased slightly this week after slipping four out of the last five weeks.

Spot iron ore pricing ended the week at \$102.40/mt, up from \$101.75/mt a week ago.

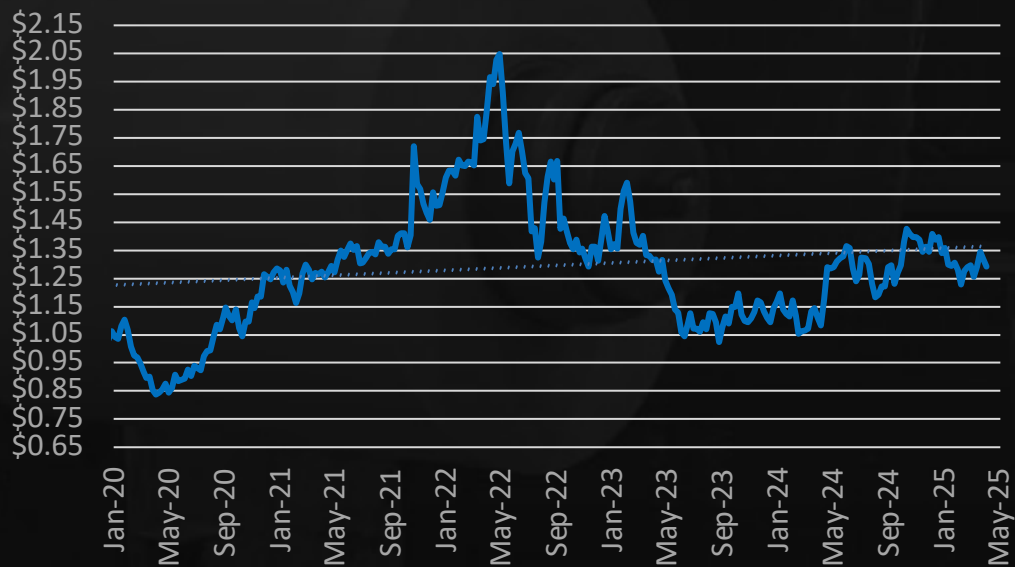
- Iron ore pricing has remained in a tight range since the beginning of the year.

Steelmaking raw materials continue to face headwinds as China's steel production remains well above levels seen a year ago, likely leading to steel output cuts in top-consumer China.

IRON ORE COST



WEEKLY ZINC PRICING



ZINC²

Zinc pricing dropped slightly again this week.

Zinc pricing ended the week at \$2,851/mt (\$1.293/lb), down from \$2,906/mt (\$1.318/lb) previously.

- Zinc is still up 4% month-over-month on concerns over refined supply cuts and the threat of tariffs.
- Zinc premiums could climb for North America if the 25% blanket tariff on Canada and Mexico is reinstated.
- Canada is the largest supplier of zinc to the United States, followed by Mexico.

Global zinc inventory decreased again this week, now down three out of the last four weeks.

- LME warehouse inventory decreased for sixteenth time in the last seventeen weeks, slipping from 155,225 metric tons to 144,575 metric tons.
- Shanghai warehouse inventory dropped as well this week, slipping from 73,528 metric tons to 72,236 metric tons.

COST

▲ COKING COAL³

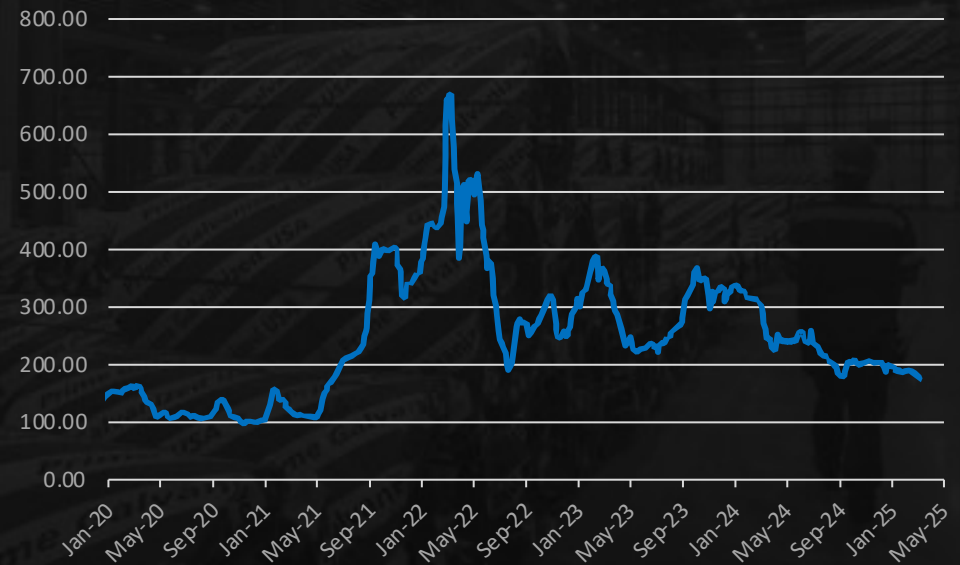
Coking coal pricing reversed course slightly this week after sliding the previous five weeks.

Coking coal settled at \$169.00/mt, up from \$166.00/mt last week.

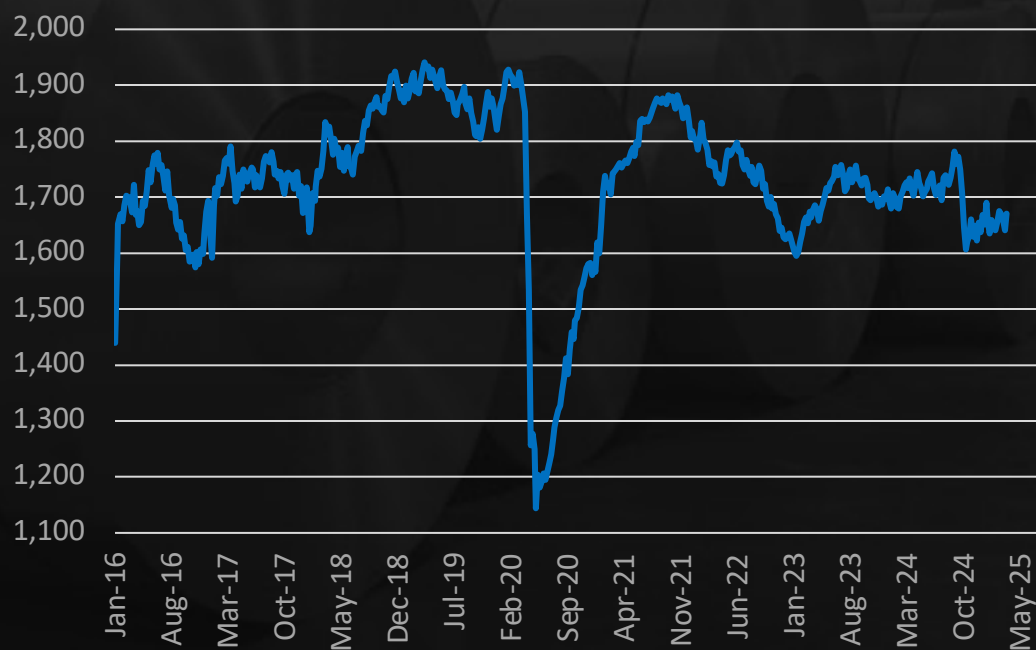
- Despite the increase, this is down 11.4% from this time last month and remains near the lowest level since before the pandemic.

Weak demand and steel output cuts in China continues to put a limit on any upside for coking coal.

COKING COAL PRICE



WEEKLY DOMESTIC PRODUCTION



WEEKLY DOMESTIC STEEL PRODUCTION⁴

Domestic raw steel production ticked down slightly again last week, now down five out of the last six weeks.

U.S. mills produced an estimated 1,654k tons at a 74.3% utilization rate; this is down from 1,667k tons and a 74.9% rate previously.

- This was the lowest weekly output since the last week of February.

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

- Production from the Southern region slipped from 771k tons to 745k tons.

Year-to-date production is now down 2.95% compared to the same timeframe from last year.

SUPPLY

GLOBAL STEEL PRODUCTION⁵

February global steel production slowed from January and was down from February last year as well.

February production totaled 144.7 million metric tons, down 8.0% from January and was down 3.4% from last year.

- This is the second consecutive month in which total production declined on a y/y basis.

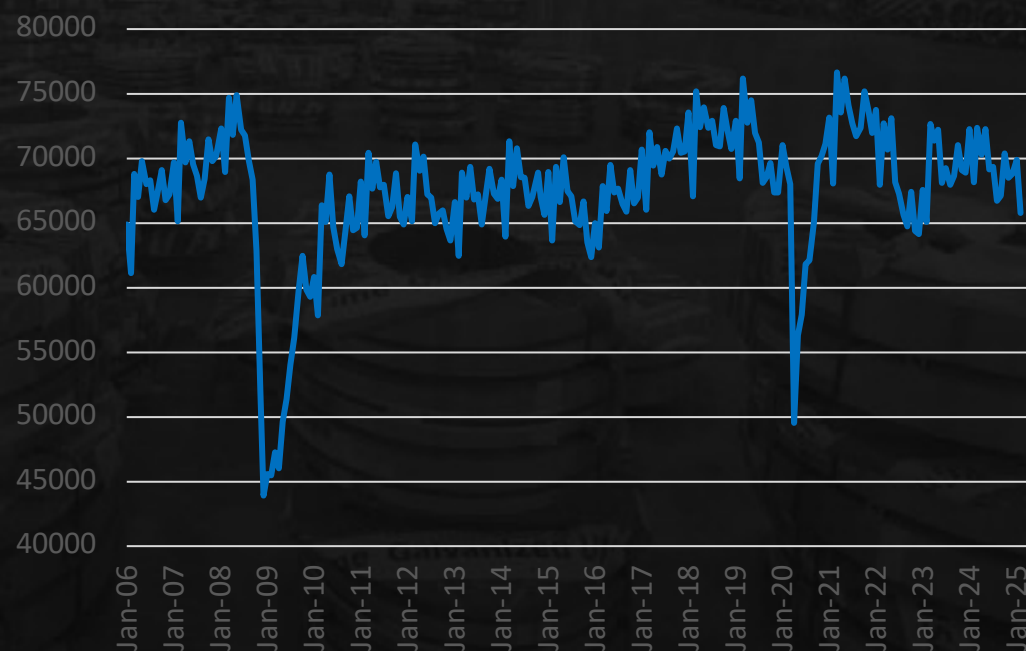
Chinese production dropped sharply, sliding 9.7% from January to 78.9 million metric tons.

- This was the first y/y decline in Chinese production since September and follows the recent rhetoric from their government for the need to cut production by 10%- 15%.

Global production, ex-China, totaled 65.8 million metric tons, the lowest level since December 2022.

- U.S. production totaled 6.03 million metric tons, down 11.7% from January and was the lowest monthly output since September 2020.

GLOBAL PRODUCTION (EX. CHINA)



CARBON FLAT ROLLED IMPORTS



⊖ CARBON STEEL IMPORTS⁶

After the mid-month announcement of Section 232 tariffs, carbon steel imports slowed dramatically in February.

February carbon steel imports dropped over 30% from January to 1.655 million tons and down a sharp 10.4% from February last year.

Carbon flat rolled imports totaled 440,949 tons, down 22.4% from January and down 18.9% from February 2024.

- This was the lowest monthly total for flat rolled imports since October 2023.

All three carbon flat rolled products declined from January, with coated imports (-26.2%) seeing the sharpest decline.

- Hot rolled and cold rolled imports declined as well, sliding 7.0% and 14.5%, respectively.

Year-to-date carbon flat rolled imports are now down 12.0% compared to the first two months of 2024 and down 29.3% compared to the same time period in 2023.

DEMAND

▲ NEW HOMES SALES⁷

After a slow start to the year, new home sales rebounded in February.

February new home sales came in at a 676,000 unit rate, up 1.8% from January and up 5.1% from February 2024.

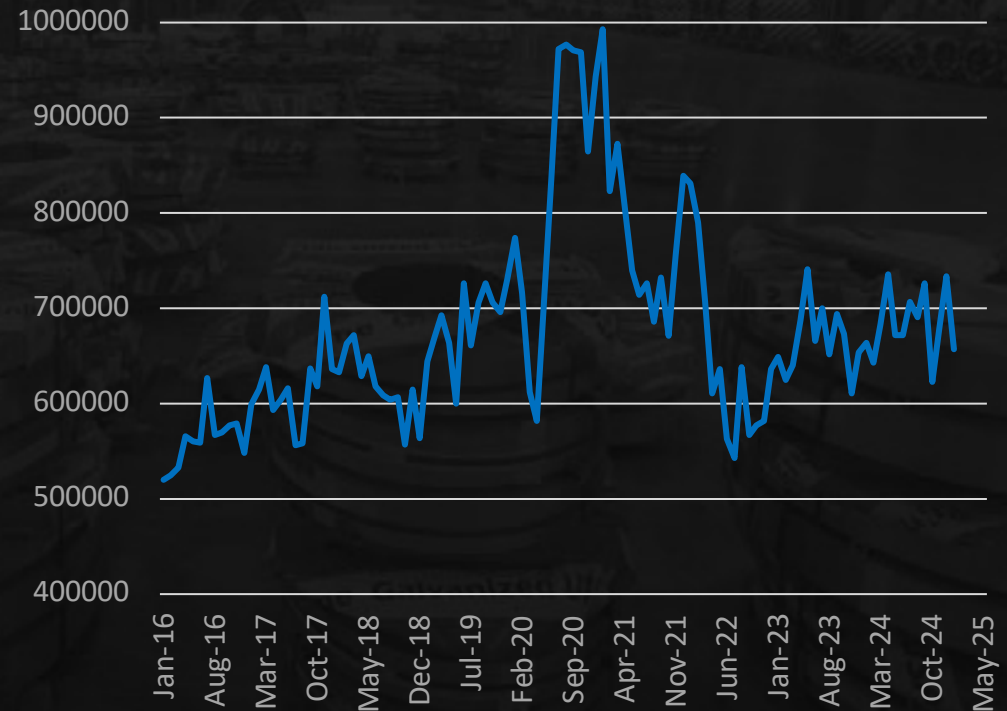
- This was the fourth consecutive month in which sales increased on a year-over-year basis.

The inventory of unsold new homes at the end of February slipped slightly to 494,000 units, down from 496,000 units in January.

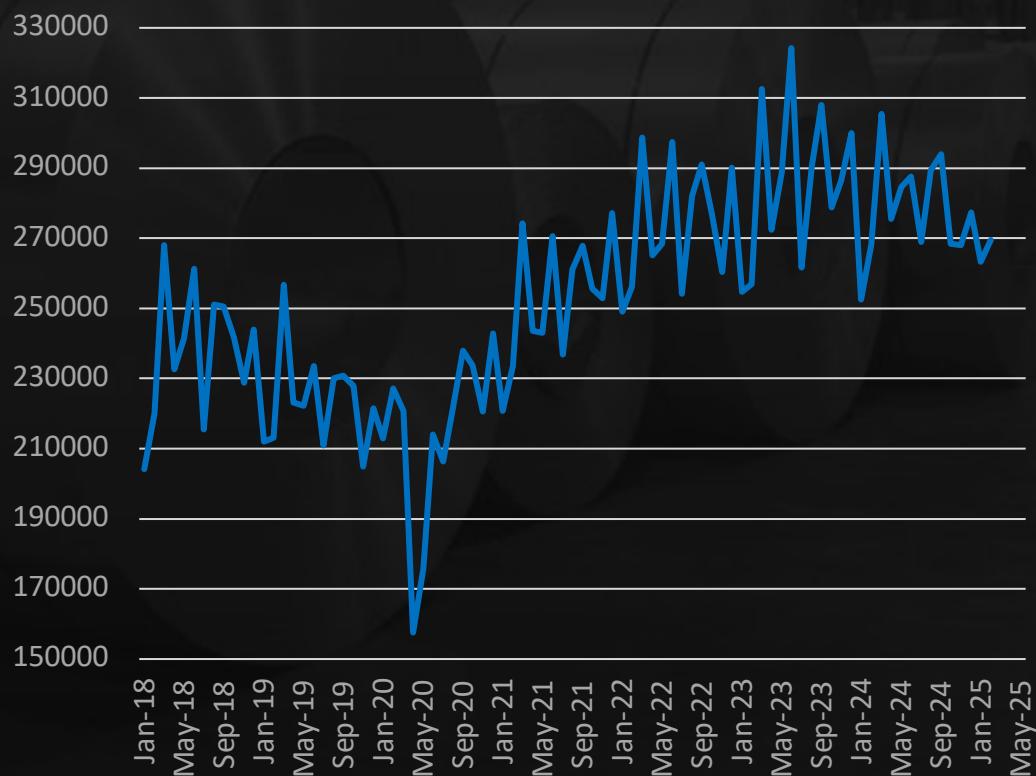
- The current inventory, when combined with February's sales pace, equates to 8.3 months of supply.
- This is the lowest months of supply since September.

The median sales price slipped to \$414,500, down on a year-over-year basis for the fourth straight month and for the seventeenth time in the last eighteen months.

NEW HOME SALES (SAAR)



DURABLE GOODS NEW ORDERS



⊙ DURABLE GOODS⁸

New orders for manufactured durable goods increased again in February and is now up for the second consecutive month.

Durable good new orders increased 0.9% in February to a \$289.3 billion rate and follows a 3.3% increase in January.

- Excluding transportation, new orders were up 0.7% compared to January.

New orders for both primary metals and fabricated metal products increased in February, climbing 1.2% and 0.9%, respectively.

- Nondefense capital good (ex. aircraft) new orders slipped however, sliding 0.3% after seeing a 0.9% increase in January.

Inventories of durable goods increased slightly in February and are now up for the fourth consecutive month.

- Total inventories increased by \$0.4 billion to a \$533.2 billion rate.

WEEKLY INITIAL JOBLESS CLAIMS⁹

The number of Americans filing new claims for unemployment benefits decreased slightly last week, now down three out of the last four weeks.

The Department of Labor's Weekly Initial Jobless Claims report came in at 224,000 claims, down from 225,000 claims previously.

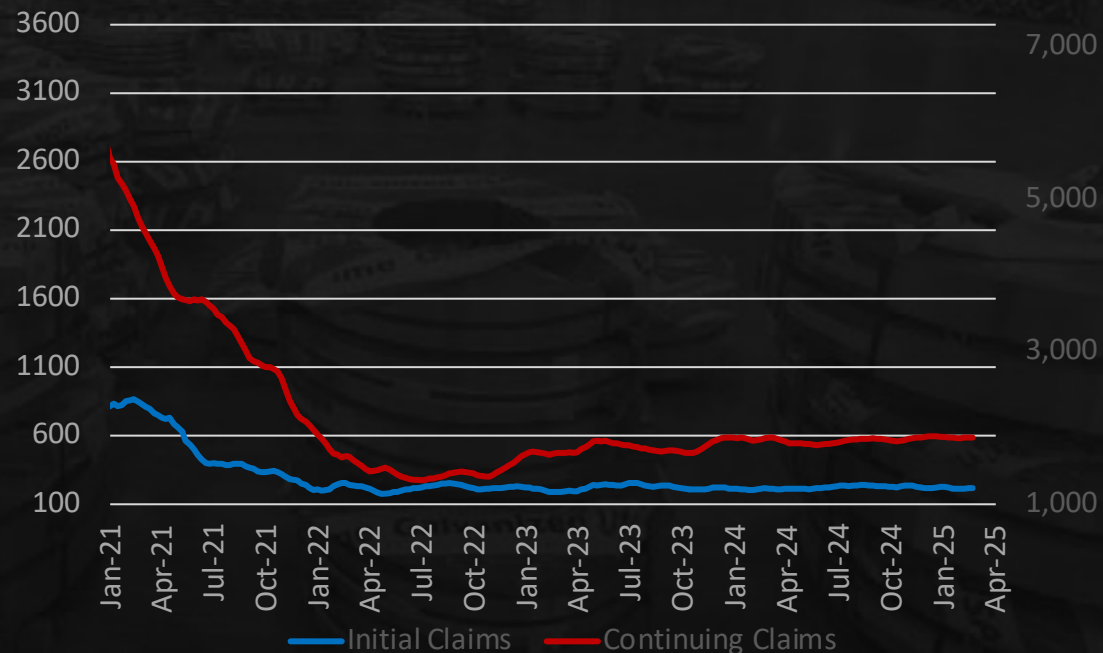
- The four-week moving average, considered a better measure of the labor market as it irons out week-to-week volatility, decreased slightly to 223,000.

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

- Continuing claims came in at 1.856 million claims, down from 1.881 million claims previously.

10,000 federal job cuts ordered by DOGE should show up in the weekly layoffs report over the next several weeks, however most workers are likely to be rehired in the private sector.

WEEKLY INITIAL JOBLESS CLAIMS



▼ CONSUMER CONFIDENCE¹⁰

Confidence among U.S. consumers fell again in March, sliding to 92.9 from 100.1 previously.

- This was the fourth consecutive month in which confidence declined.

The Present Situation Index declined to 134.5, down over 3.5 points from February.

The Expectations Index, based on a short-term outlook, dropped to 65.2 in March from 74.8 in February.

- This was the lowest reading in 12 years and well below the key threshold of 80 that typically signals a recession is ahead.

On a six-month average basis, purchasing plans for both homes and cars declined but intentions to buy big-ticket items (appliances/electronics) ticked up, however.

▲ GROSS DOMESTIC PRODUCT¹¹

According to the third and final estimate, the U.S. economy grew at a slightly faster rate in Q4 than initial estimated.

Q4 2024 GDP increased at an annual rate of 2.4%, up from a 2.3% rate previously.

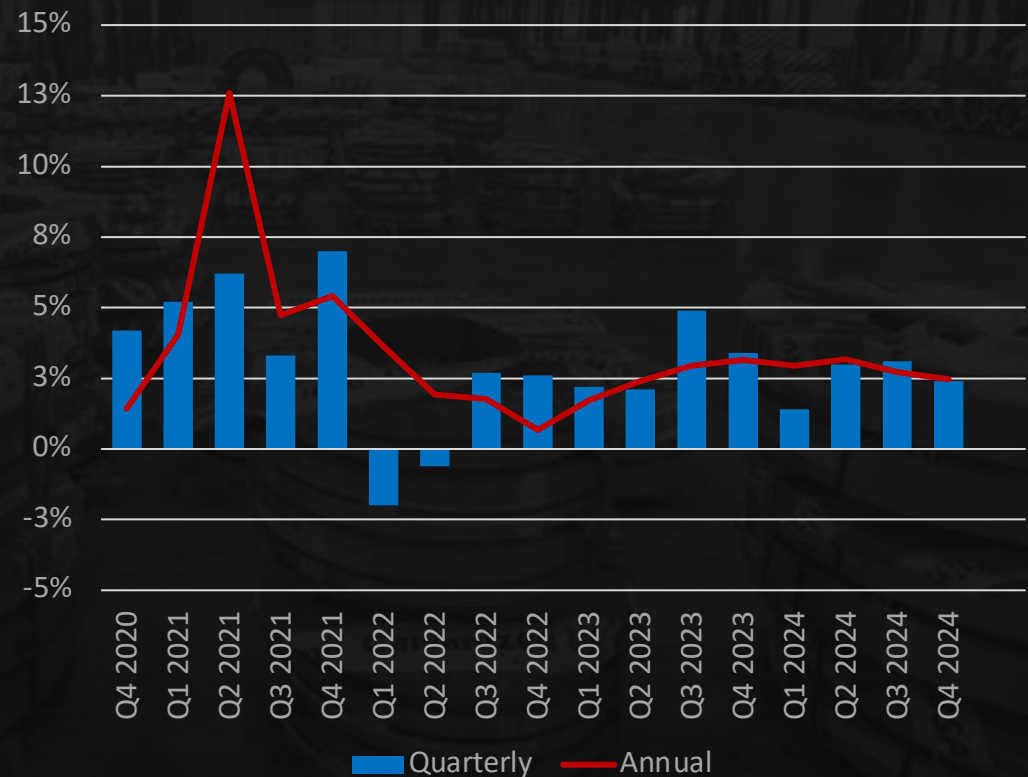
- Despite the slight increase from the second estimate, GDP grew at a slower rate than the final 3.1% rate for Q3 2024.

The increased rate in Q4 was boosted by increases in consumer spending and government spending.

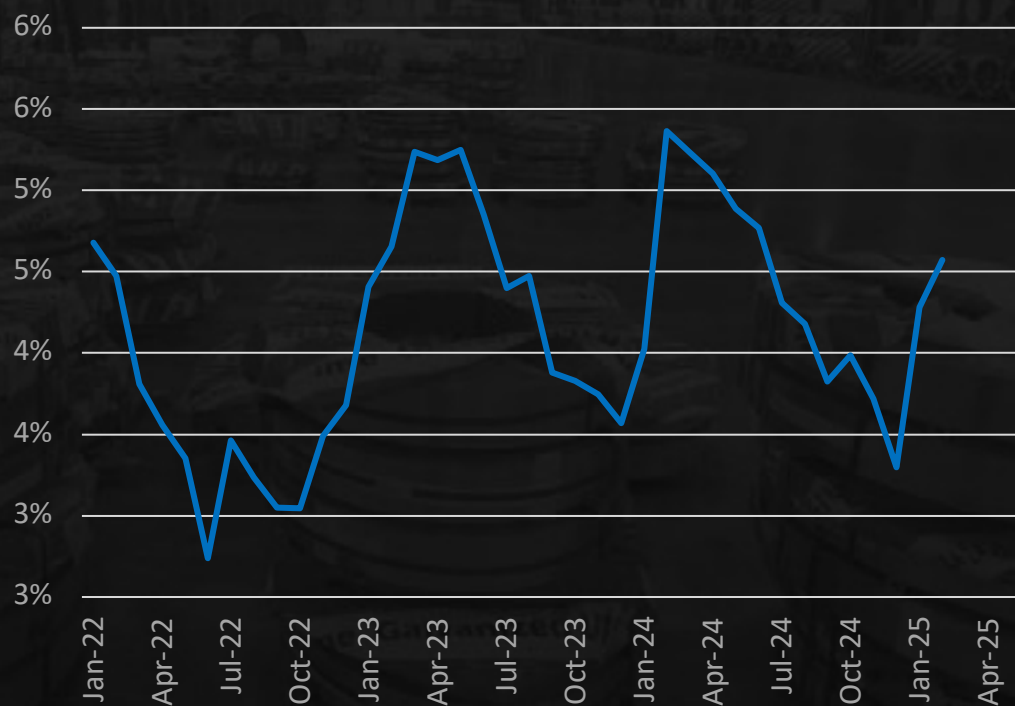
- These increases were partly offset by a decline in inventory investment.
- Imports, which are a subtraction of GDP, declined.

Compared to Q3, the slowdown in GDP reflected slowdowns in investment and exports.

GROSS DOMESTIC PRODUCT



PERSONAL SAVINGS RATE



PERSONAL INCOME & OUTLAYS¹²

Total personal income increased 0.8% from January to a \$25.442 trillion rate.

- The increase in personal income reflected increases in personal current transfer receipts and compensation.
- The boost in personal current transfers were led by government social benefits (tax credits for health insurance).
- The increase in compensation was led by wages/salaries for both service and good producing industries.

Total personal outlays, total spending, increased 0.6% to a \$21.281 trillion rate.

The increase in personal income outpaced total spending which helped to boost the personal savings rate in February.

- The February personal savings rate increased to 4.6%, the highest rate since last June.

SOURCES

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

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