

SMU Community Chat

June 3, 2020

Starting at 11 AM Eastern

John Packard, President & CEO of Steel Market Update
Lewis Leibowitz of The Law Office of Lewis E. Leibowitz



SteelMarketUpdate.com/Blog/SMU-Community-Chat-Webinars



An interactive and immersive experience, including the exhibition and networking

As the world faces an unprecedented challenge, and COVID-19 makes large gatherings in person impractical, we want to provide what SMU always has: high quality information and discussion; and an opportunity to connect with your peers - to network and do business.

We are pleased to announce the SMU Steel Summit will go ahead this year - as a virtual conference - to ensure the health and wellbeing of all participants. The dates remain the same, to coincide with the start of planning and negotiation season.



We are pleased to announce the 2nd annual [SMU NexGen Leadership Award](#), sponsored by the Steel Manufacturers Association. The Award is designed to recognize and celebrate the excellence of emerging leaders within the greater steel community.

SMU is dedicated to helping businesses recruit, train and retain the next generation of talent. Any young motivated employee under the age of 35 who is currently employed by an organization that utilizes carbon steel as part of its core business function is eligible for this award.

This is a great opportunity to shine the light on the hard work of the people in your organization, and celebrate it with the greater steel industry.

The winner will get: a mentorship day with **Chuck Schmitt, President of SSAB Americas**; a free pass to a SMU Steel 101 Workshops; and a free pass to the next SMU Steel Summit.

Nomination details will be announced by SMU in the coming days.

SMU Hot Rolled Price Index

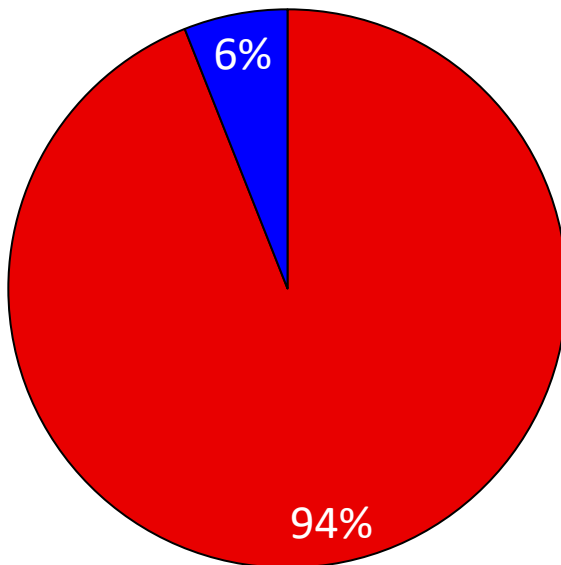


Passing Along Higher Prices

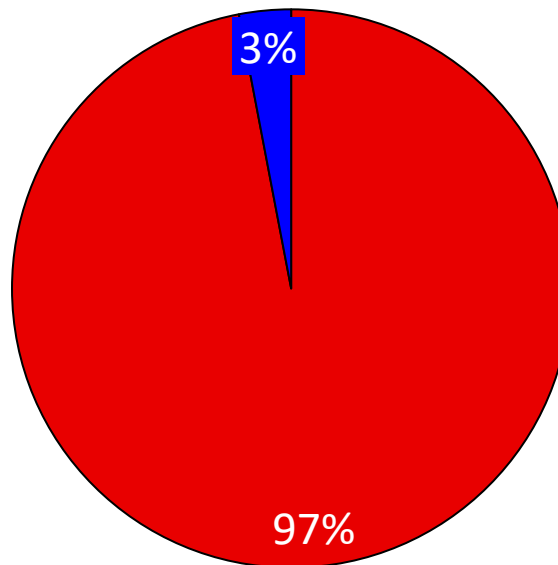
Service Centers- Are you having any difficulties in passing along the new higher prices to your customers?

Yes No

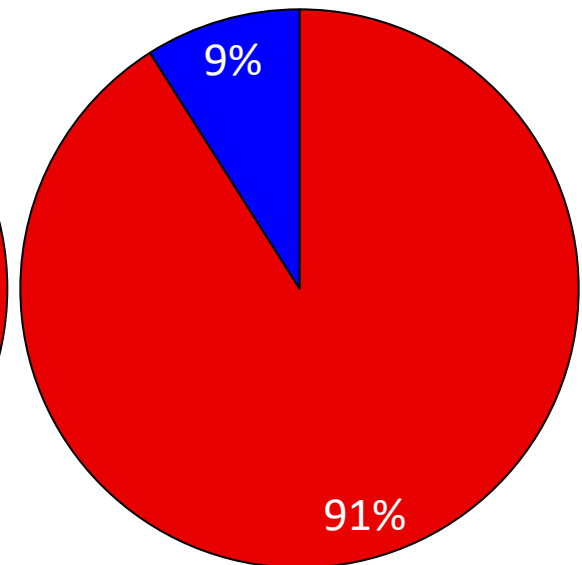
March 20, 2020



April 17, 2020



May 29, 2020

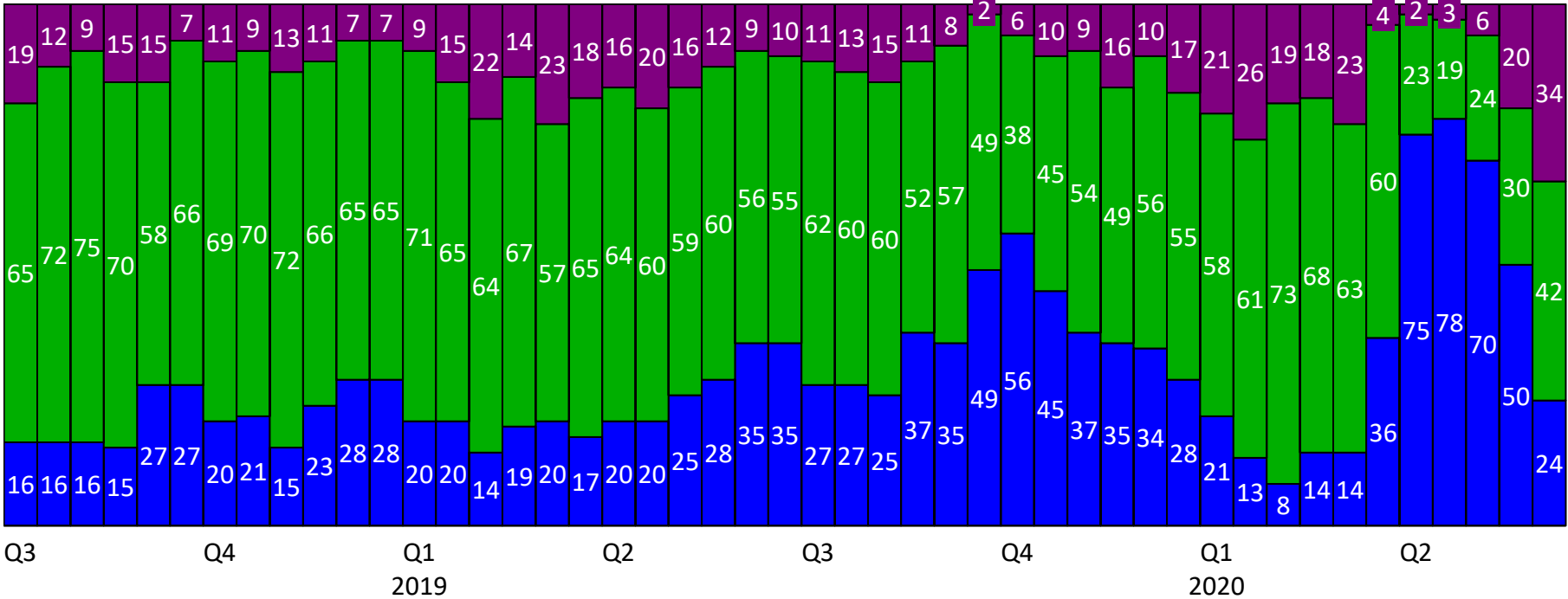


Overall Demand History

Are you seeing demand for your products improving, remaining the same or declining?

- Demand is improving
- Demand is remaining the same
- Demand is declining

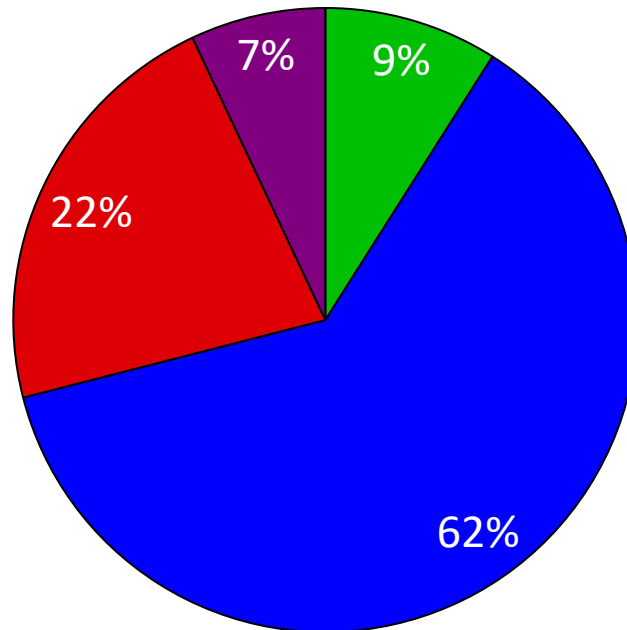
out of 100%



Price Increase Collection

Given current demand, will the domestic mills be able to collect the full price increases leading to \$540 hot rolled and \$740 base cold rolled and coated?

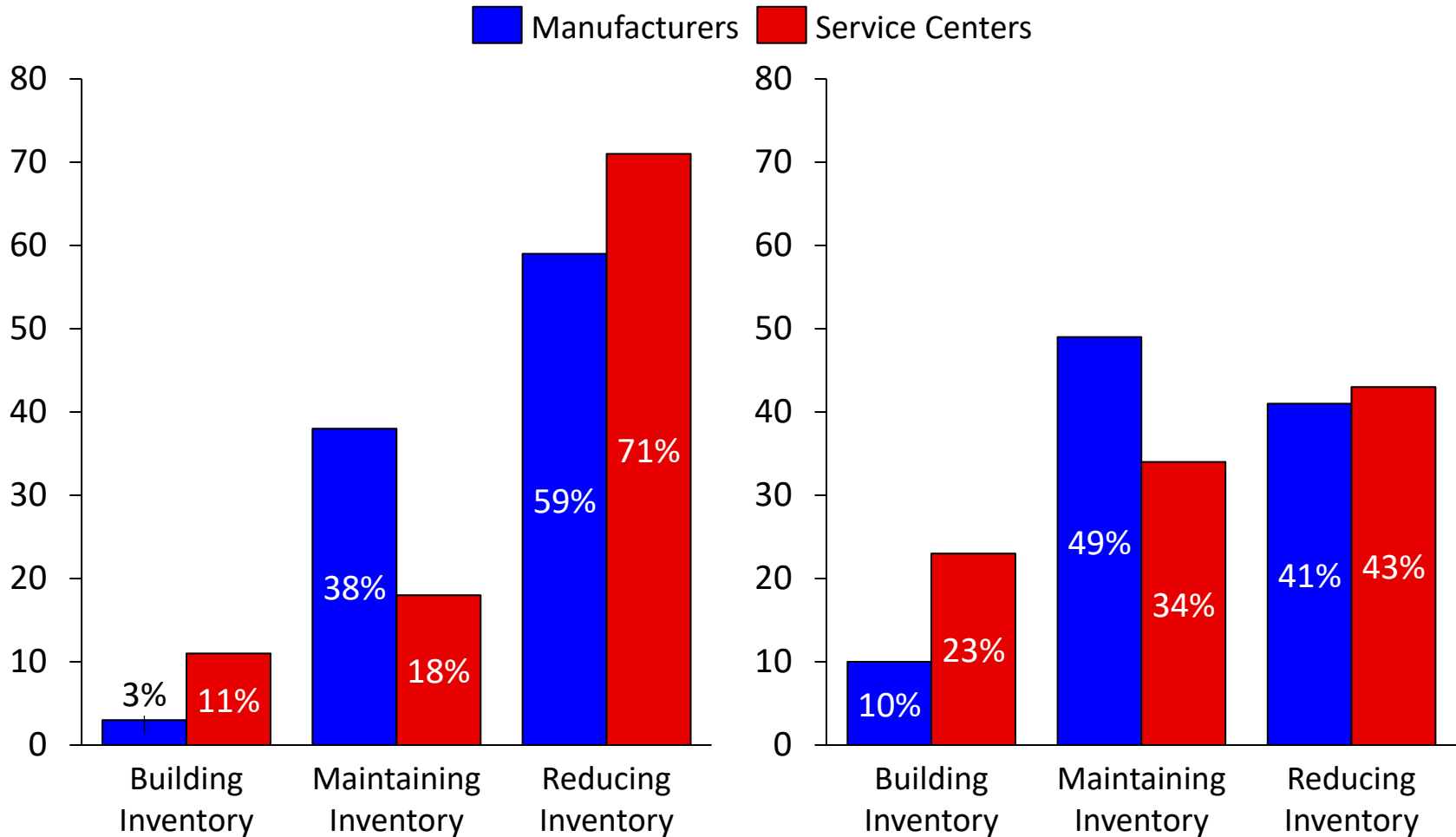
- Yes – the mills will collect the full price increases
- Yes – the mills will collect a portion of the increases
- Prices will remain the same as they were prior to the increase announcements
- No – prices will move lower from here



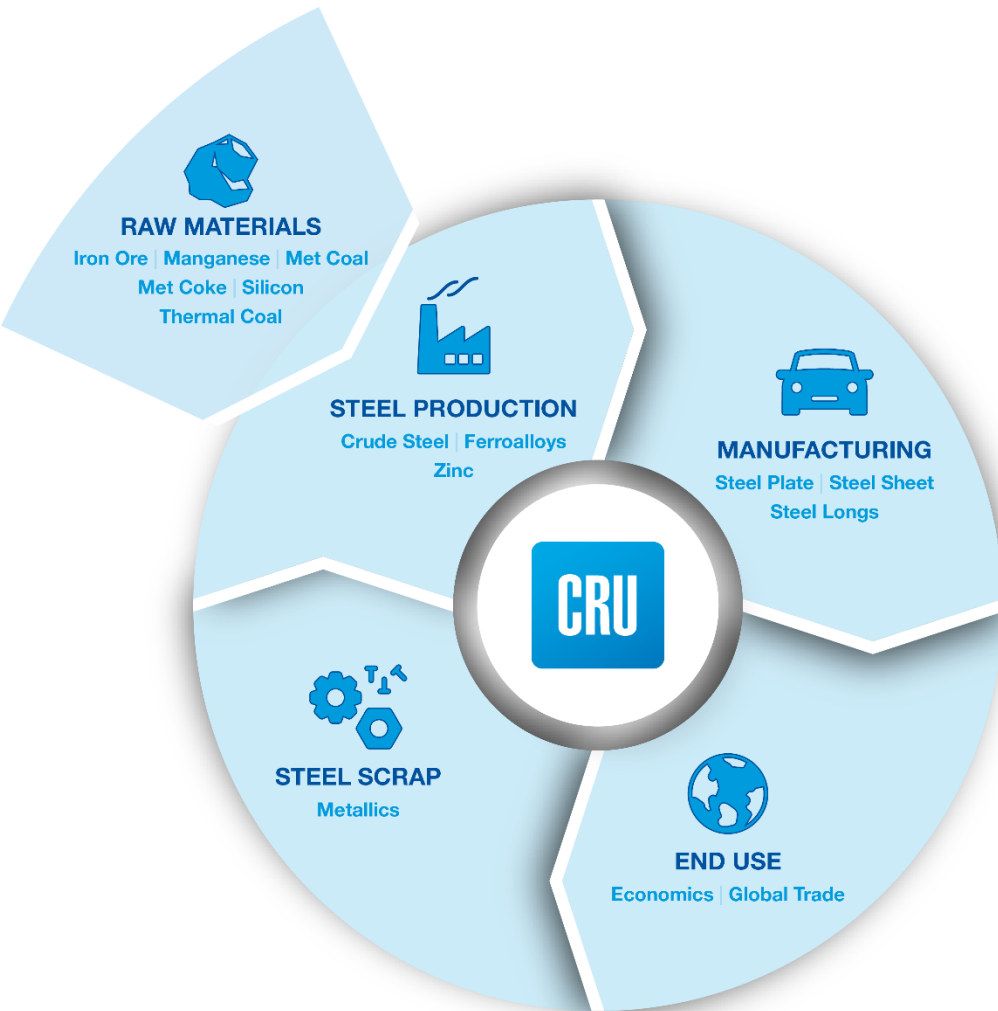
Manufacturer and Service Center Inventory Buying Patterns

April 30, 2020

May 29, 2020

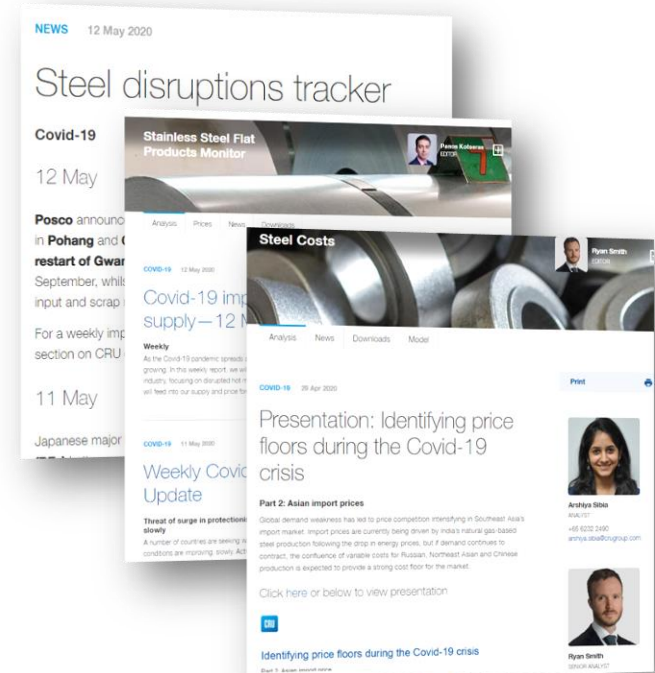


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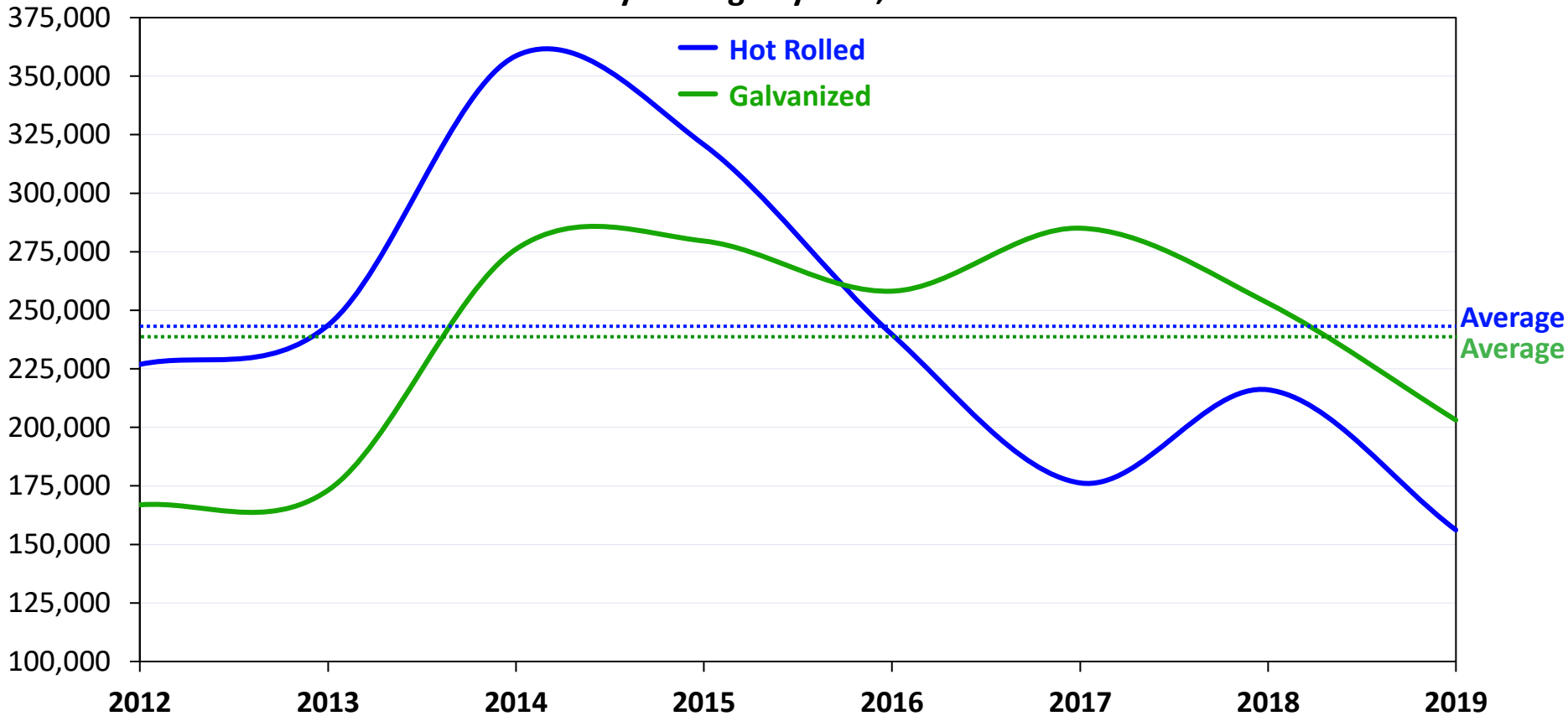
Lewis Leibowitz is a prominent international trade and Customs attorney based in Washington, D.C. He advises clients on international trade opportunities and challenges dealing with domestic and international law and government policy. He speaks and writes frequently on international trade legal and policy issues. Lewis has long experience with international trade matters involving government regulations, administrative and judicial proceedings. He has worked on trade issues involving the steel industry, the automotive industry, textiles, agriculture and many other industries. A well-known champion of “consuming industries,” he has worked to guide coalitions aimed at reducing trade barriers, whether imposed by presidential action or administrative decisions. Lewis is a past Chairman of the National Association of Foreign Trade Zones (NAFTZ) and assisted in the creation of the World Free Zones Organization (WFZO). He is an acknowledged leader in foreign trade zone law and policy.



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Historical Steel Import Levels

Monthly Average by Year, Net Tons



	2012	2013	2014	2015	2016	2017	2018	2019	Average
Hot Rolled	226,894	243,651	358,663	320,745	239,797	176,298	216,071	156,234	242,294
Galvanized	166,854	173,097	276,104	279,626	258,171	285,098	253,095	203,100	236,893

Source: U.S. Department of Commerce, Enforcement & Compliance

Steel Developments 2020: Trade Disputes, Cases, Changes

Presented by
Lewis Leibowitz
The Law Office of Lewis E. Leibowitz
Washington, D.C.

AD/CVD Cases

- **May 1 – June 2—54 Federal Register notices on AD/CVD matters**
 - **30 notices involve steel or steel-containing products**
 - **26 notices involve China (no. 2 is India with 5)**
 - **New circumvention cases**
 - **Rebar/Mexico**
 - **Changed circumstances**
 - **Large diameter line pipe—India**
 - **Domestic industry lack of interest—certain X-60, X-65, X-80**
 - **Investment needed to make this pipe domestically “far exceeds” the potential benefit**
- **Disregarding impacts on the domestic economy from tariffs**

USMCA

- **USMCA effective date July 1, 2020**
- **New de minimis rules**
- **New automotive rules—steel affected**
- **Three countries' interest in China**

Section 232 Update

- ▶ **New Investigations**
 - ▶ **Transformers, cores, laminations (elec. Steel)**
 - ▶ **Mobile cranes**
 - ▶ **Vanadium**
- ▶ **Litigation**
 - ▶ **Challenge to steel findings and effects**
 - ▶ **Turkish tariffs**
 - ▶ **Exclusion denials**
 - ▶ **Presidential decisions**

The Trade War with China

- Will Phase One Survive
- China is largely out of the US market
- Are we accomplishing our goals through tariffs?
- Who wins from the tariff war?
- Who loses?
- When will it be over?

Questions

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Thank You

Thank you for attending our SMU Community Chat Webinar.

A special thank you to Mr. Leibowitz for his participation in today's community chat.

Our next webinar will be **Wednesday, June 10th at 11 AM ET.**

To contact John Packard – John@SteelMarketUpdate.com

For information about subscribing to SMU contact Paige Mayhair at Paige@SteelMarketUpdate.com

Stay safe and stay tuned to Steel Market Update.

The logo features a stylized circular shape on the left, composed of two curved segments. The top segment is orange and the bottom segment is red, meeting at a point on the right side. The text 'STEEL MARKET UPDATE' is written in white, bold, uppercase letters across the middle of the logo.

STEEL MARKET UPDATE

part of the  Group

When you need answers... www.SteelMarketUpdate.com