

# SMU Community Chat

August 12, 2020

Starting at 11 AM Eastern

Tim Triplett, Steel Market Update

Tim Gill, American Iron and Steel Institute



[SteelMarketUpdate.com/Blog/SMU-Community-Chat-Webinars](https://SteelMarketUpdate.com/Blog/SMU-Community-Chat-Webinars)



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. Recognition in the form of a trophy or plaque and a write-up in the SMU newsletter.

**All Qualified Nominees will be provided a free registration to this year's conference.**

## Steel Mill CEOs

**David Burritt**, U.S. Steel  
**Mark Millett**, Steel Dynamics  
**Leon Topalian**, Nucor  
**Lourenco Goncalves**, Cleveland-Cliffs/AK Steel  
**Maximo Vedoya**, Ternium  
**David Stickler**, Big River Steel

## Economists & Analysts

**Dr. Alan Beaulieu**, ITR Economics  
**John Anton**, IHS Markit  
**Timna Tanners**, Bank of America  
**Paul Lowrey**, Steel Research Associates  
**Ken Simonson**, Associated General Contractors  
**Steven Brown**, Fitch Ratings  
**Ryan Smith**, CRU  
**Chris Houlden**, CRU  
**Josh Spoores**, CRU

## Steel Buyers

**Tom Valvo**, MiTek  
**Frank Ruane**, Olympic Steel  
**Steve Sukup**, Sukup Manufacturing

## Industry Experts

**Rick Preckel**, Preston Pipe  
**Michael Setterdahl**, GFG Alliance  
**Philip Bell**, Steel Manufacturers Association  
**Jose Gasca**, Mettrading International AG  
**Ryan McKinley**, CRU  
**Lewis Leibowitz**, The Law Offices of Lewis E. Leibowitz  
**Tom Cullen**, Magic Coil Products

## Special Program on Youth and the Industry

**Ryan Avery**, AveryToday, Inc.  
**Todd Leebow**, Majestic Steel  
**Jim Vincent**, Big Ass Fans  
**David Everett**, Hamline University  
**Jeff Butler**, JButler International

## Special Program on 2020 Presidential & Congressional Elections

**Dr. David Schultz**, Hamline University,  
University of Minnesota Law School

Also special programs on Futures conducted by CME and AI conducted by Crowe.

# SMU Hot Rolled Price Index

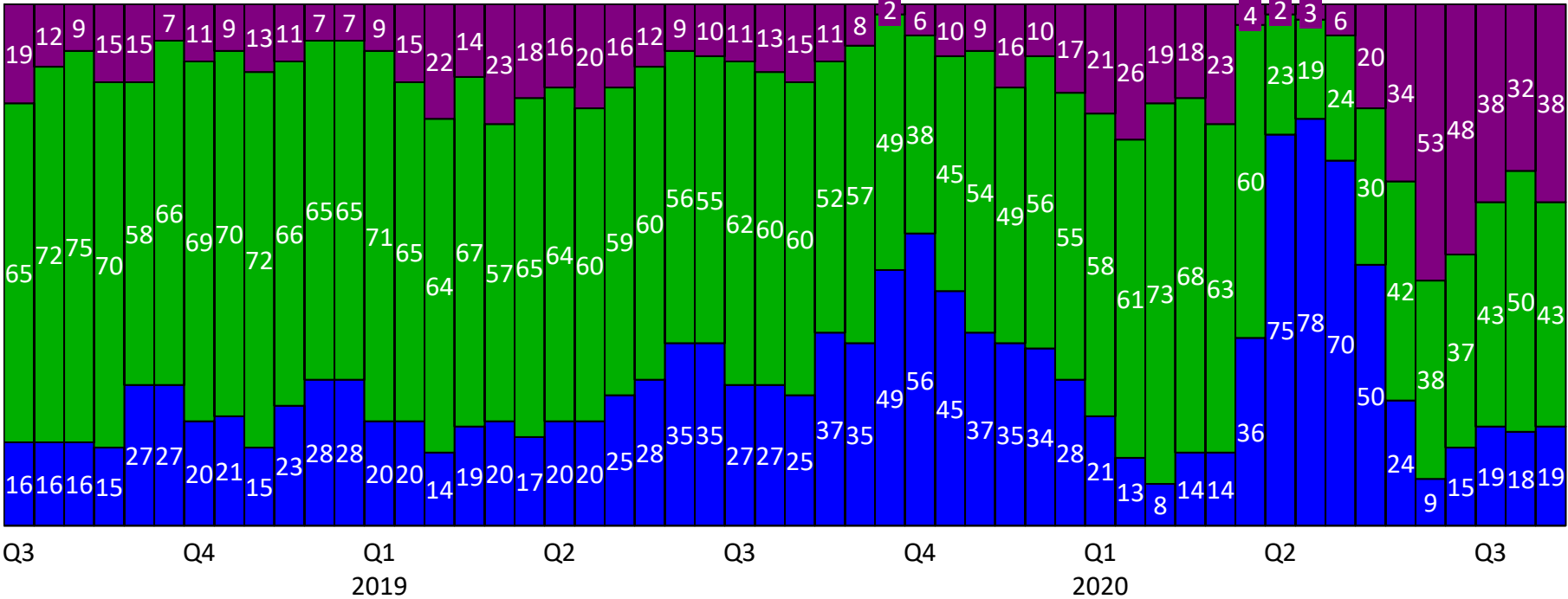


# Overall Demand History

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

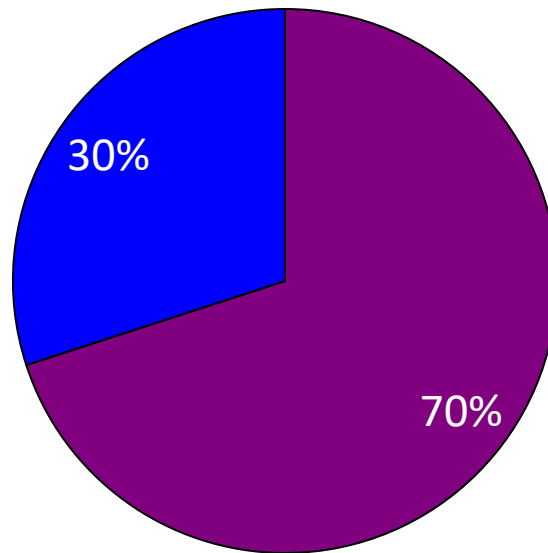
- Demand is improving
- Demand is remaining the same
- Demand is declining

out of 100%

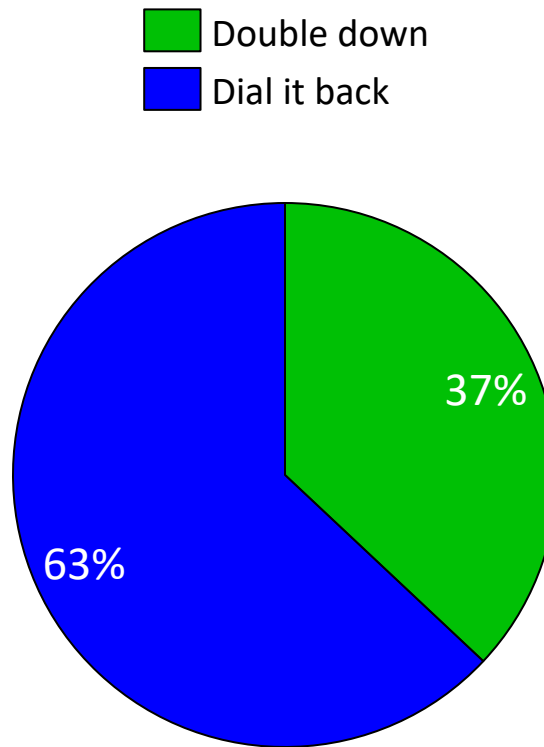


Do you believe flat rolled steel prices are near a bottom and a price hike from the EAF mills is coming soon?

Yes No



Is it time for the government to double down on the stimulus spending or time to dial it back and not overreact?

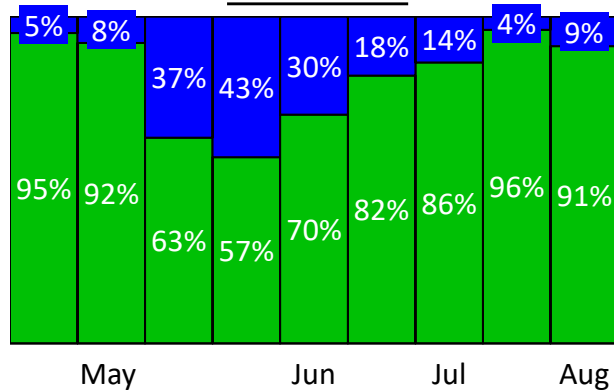


# Mill Negotiations

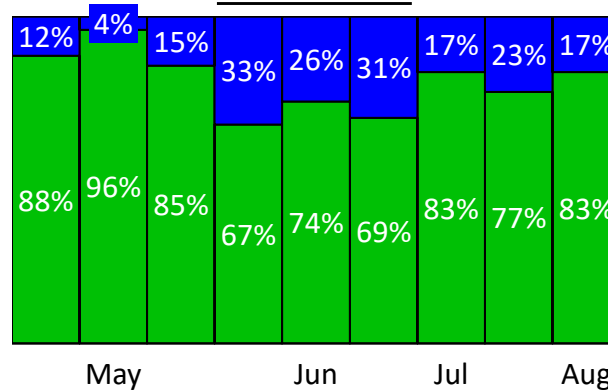
Are you finding the domestic mills are willing to negotiate pricing on brand new orders placed this week?

Yes No

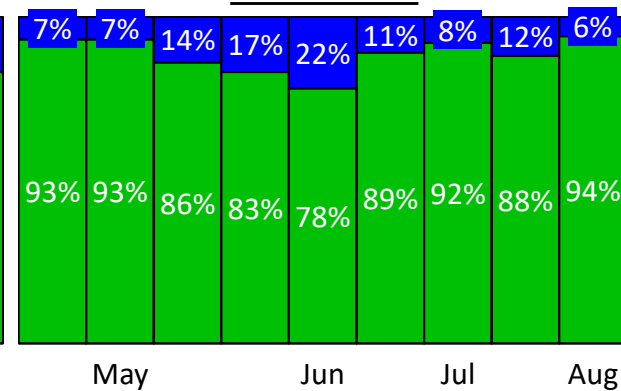
## Hot Rolled



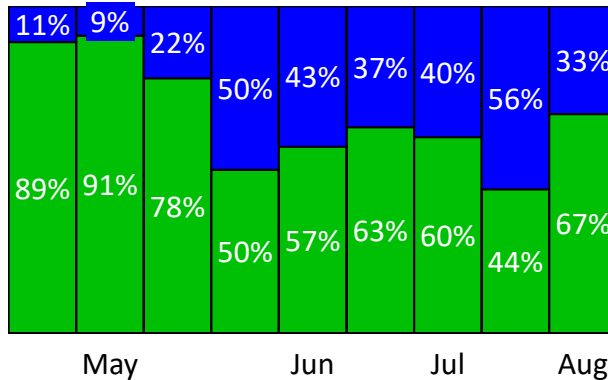
## Cold Rolled



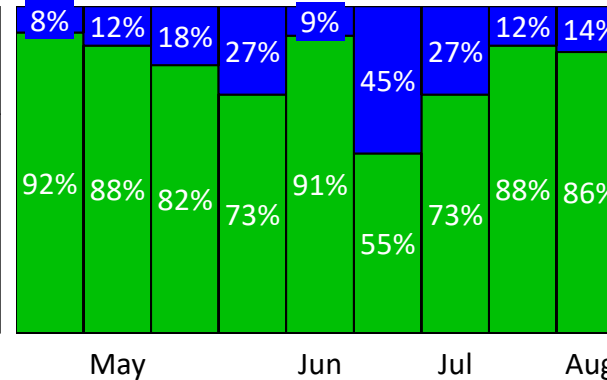
## Galvanized



## Galvalume

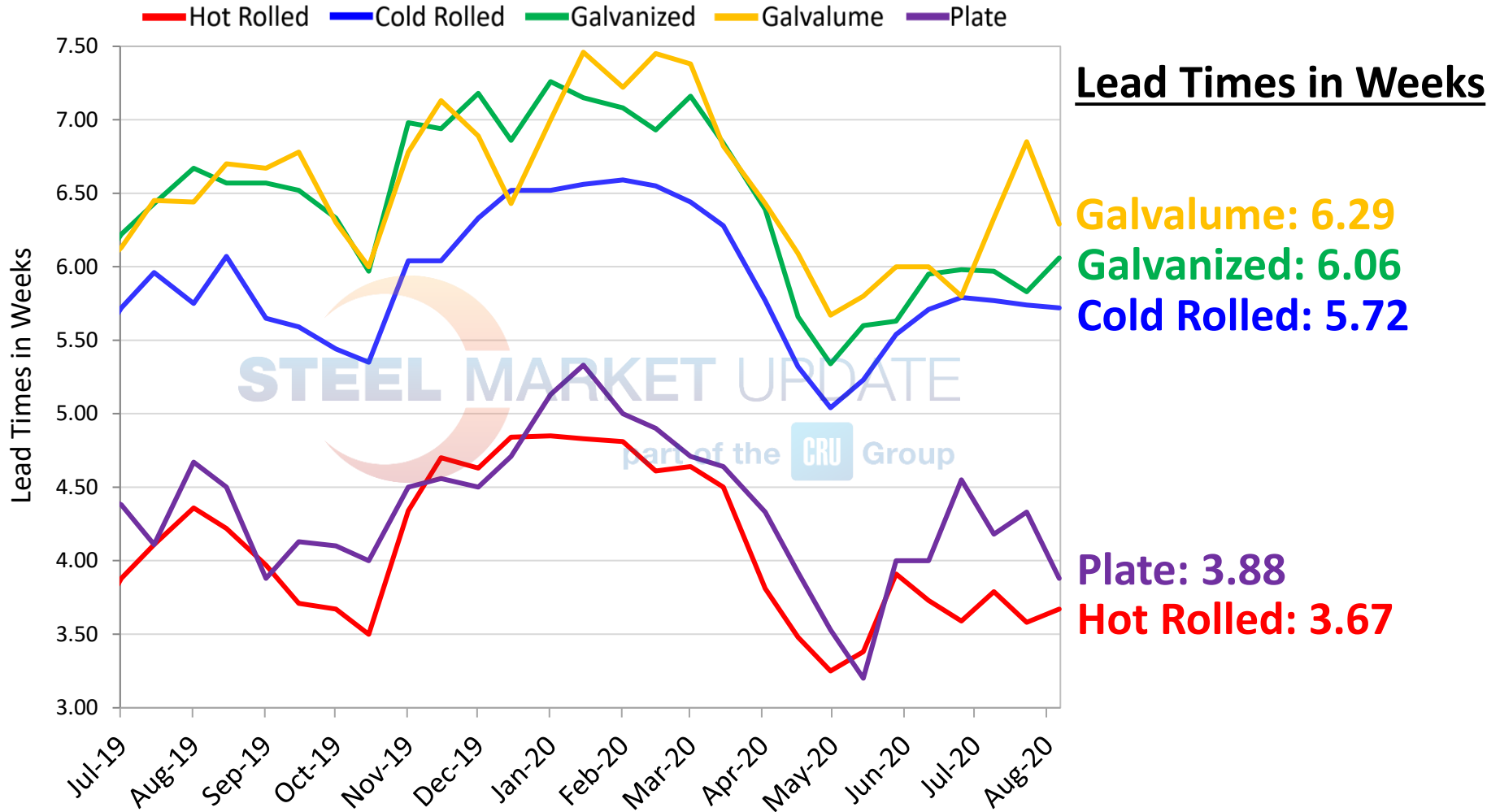


## Plate





# Mill Lead Times



Timothy Gill has served as AISI's chief economist since July 2016. In this role, he monitors, assesses and forecasts the impact of economic conditions and policies on the North American steel industry and its end-use markets. He provides data and analytical support to AISI's public policy, market development, and communications functions, manages its industry statistics program, and is staff director for its Commercial Research Committee.



Previously, Gill was with the National Electrical Manufacturers Association (NEMA), where he served as deputy chief economist. His forecasts of the U.S. economy were cited by *The Wall Street Journal* as among the most accurate of 2011, 2012 and 2013. Earlier, he served as senior analyst at the American Petroleum Institute and as an economist with DRI/McGraw-Hill.

Gill speaks frequently on the business environment and contributes to outlook surveys compiled by Bloomberg, the Federal Reserve Bank of Philadelphia and *The Wall Street Journal*, among others. He is an active member of the National Association for Business Economics (NABE) and currently chairs its outlook survey committee. He holds a B.A. from John Carroll University and an M.A. in economics from Miami University, and is a Certified Business Economist.



# **U.S. Economic and Steel Market Update**

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**SMU Community Chat**

**Timothy Gill, Chief Economist**

**American Iron and Steel Institute**

August 12, 2020

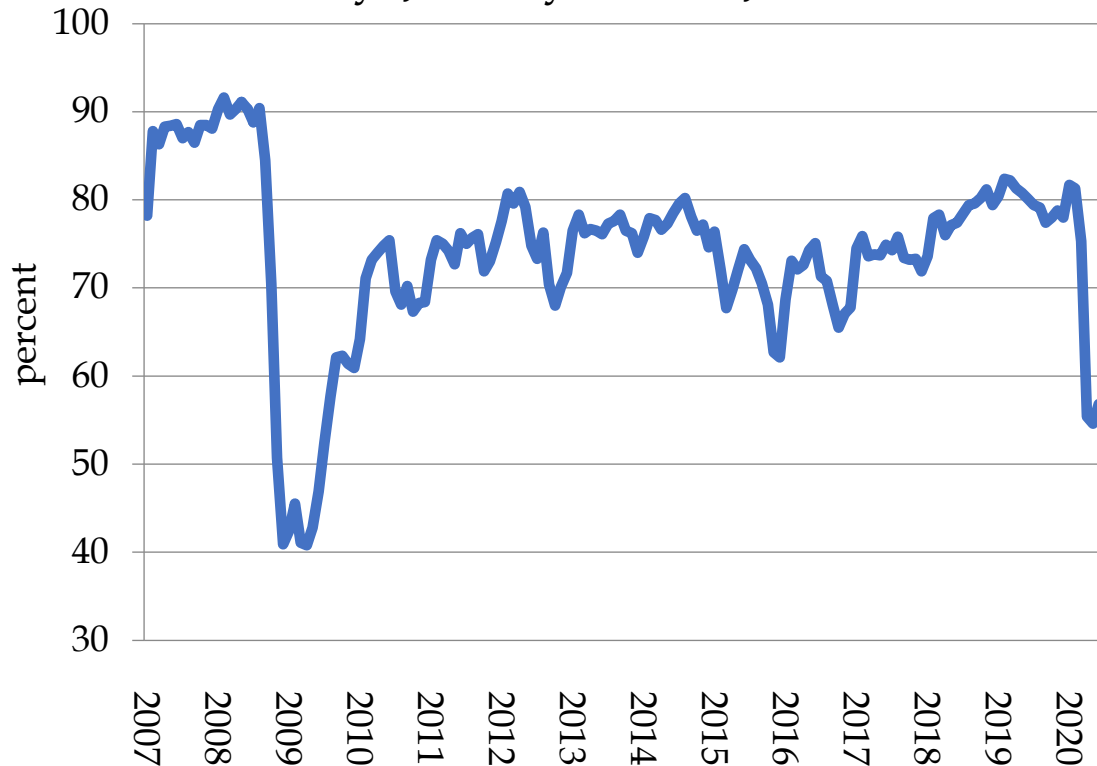


# Capacity Utilization is Slowly Recovering From Early May Low Point

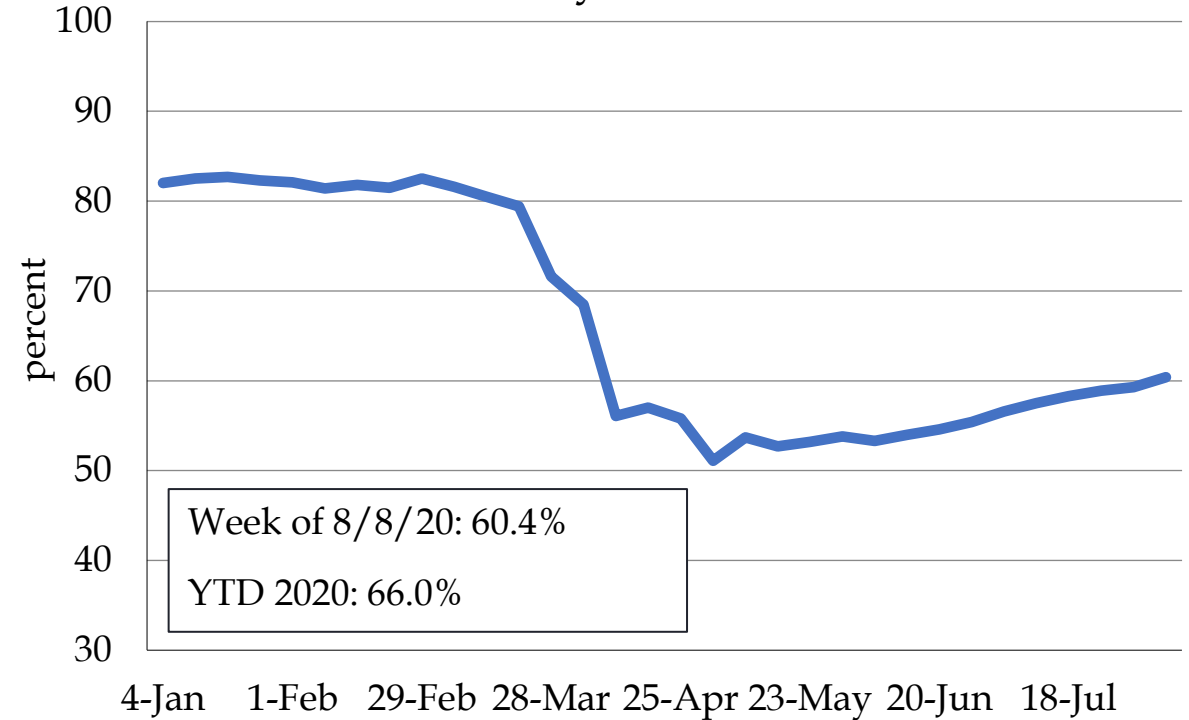
## Raw Steelmaking Capacity Utilization

Source: AISI

Monthly, January 2007 to June 2020



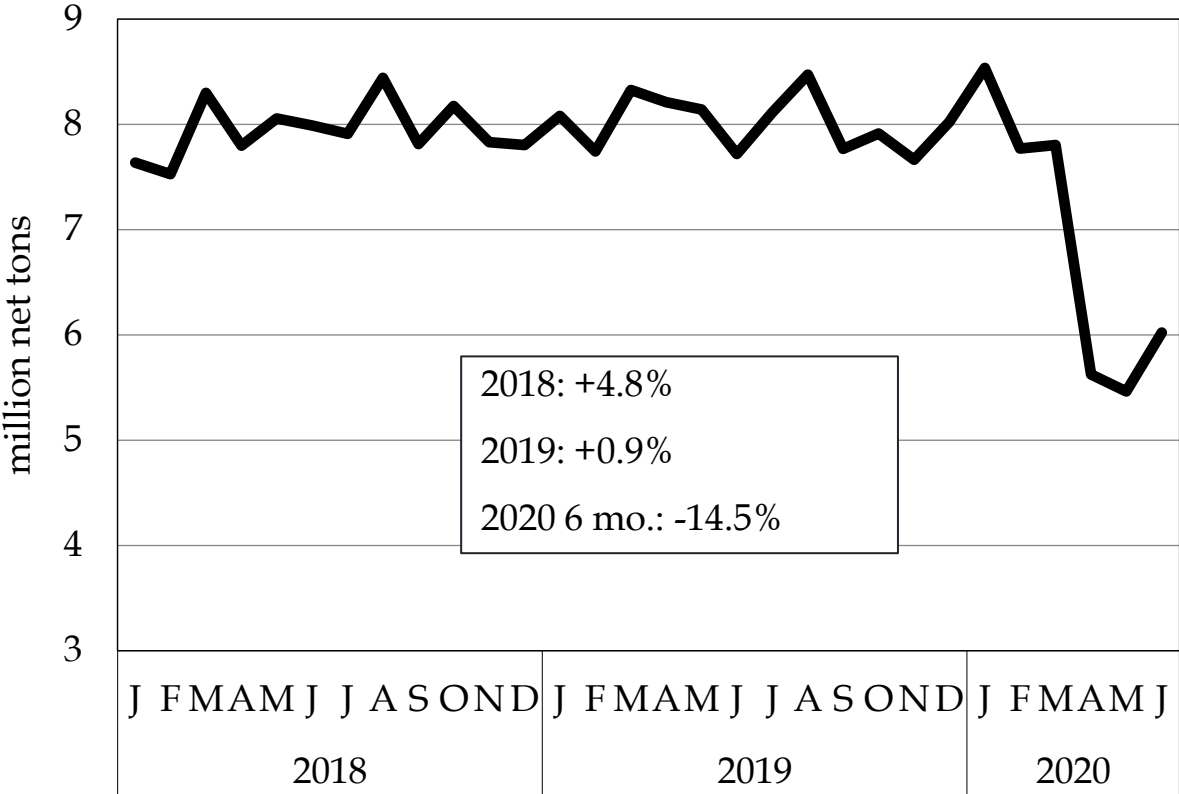
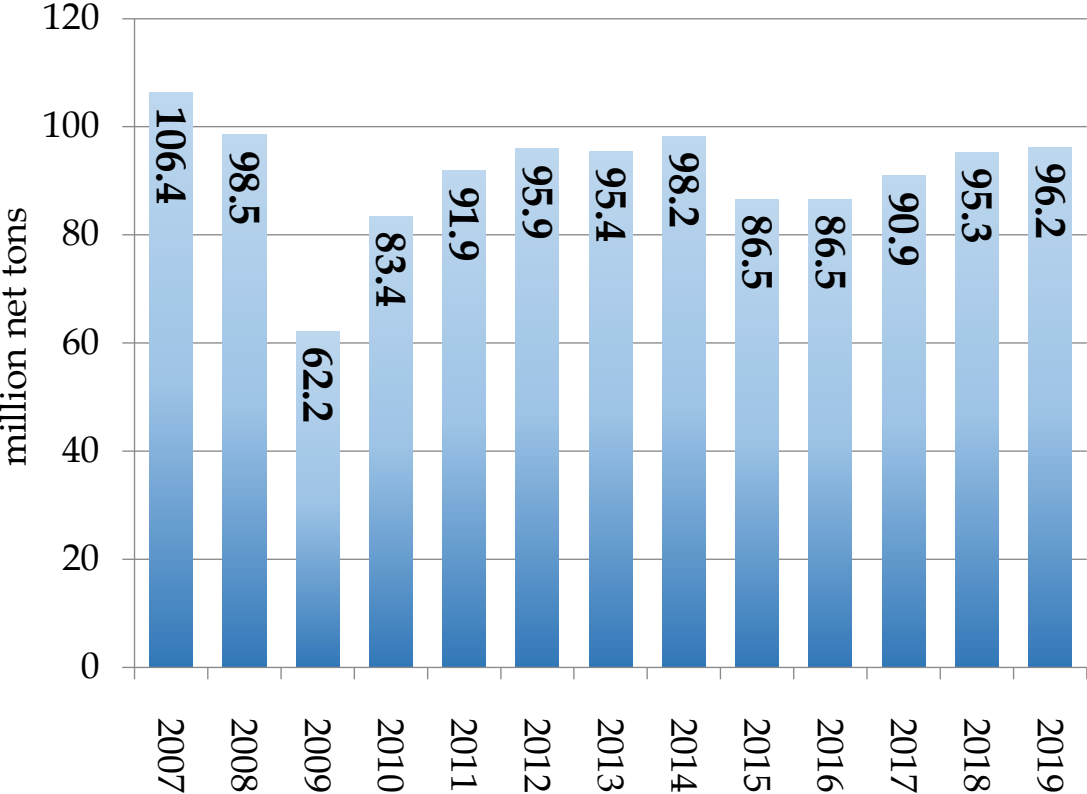
Weekly, 2020 YTD



# Steel Shipments Are Down Nearly 15 Percent in the First Half of 2020

## Steel Mill Product Shipments

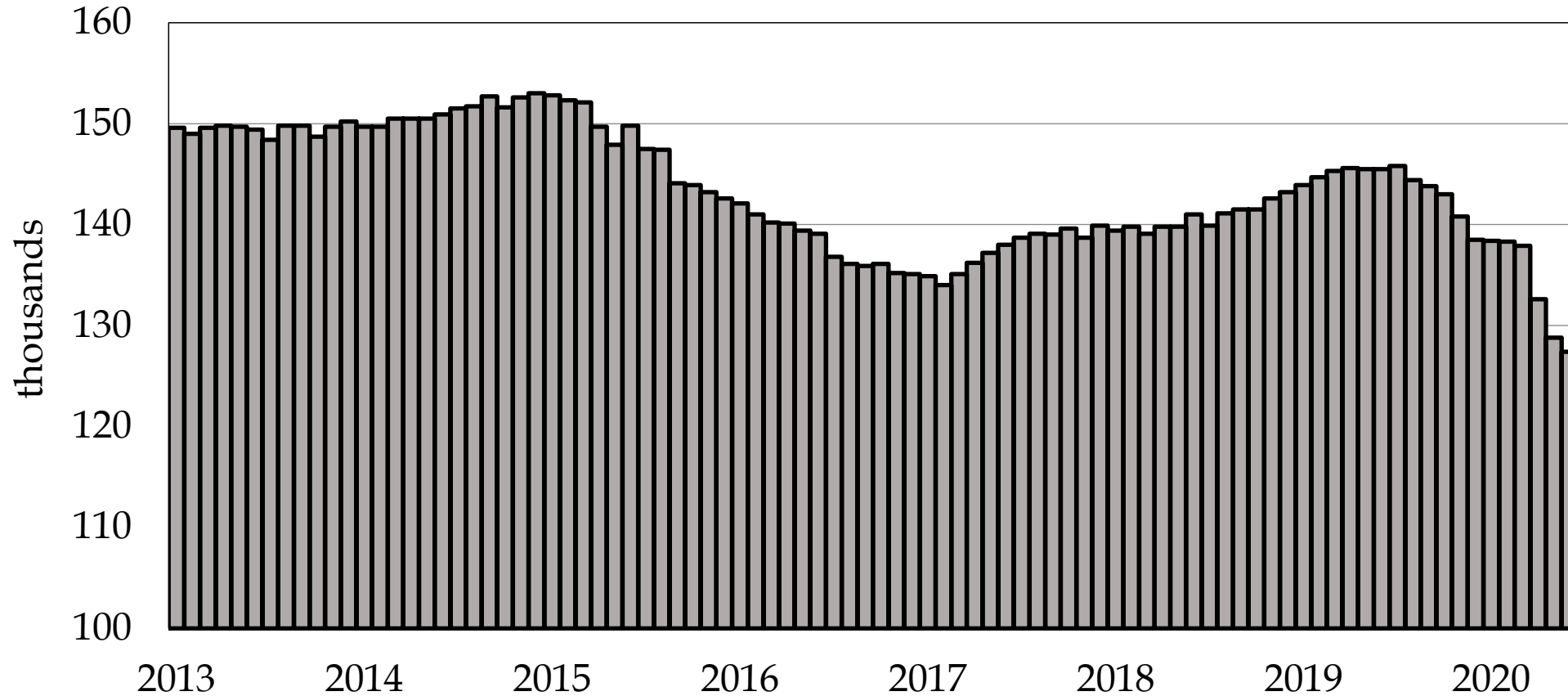
Source: AISI



# Facility Idlings, Curtailments Have Trimmed Nearly 11,000 From Steel Mill Payrolls Since February

## Steel Mill Employment

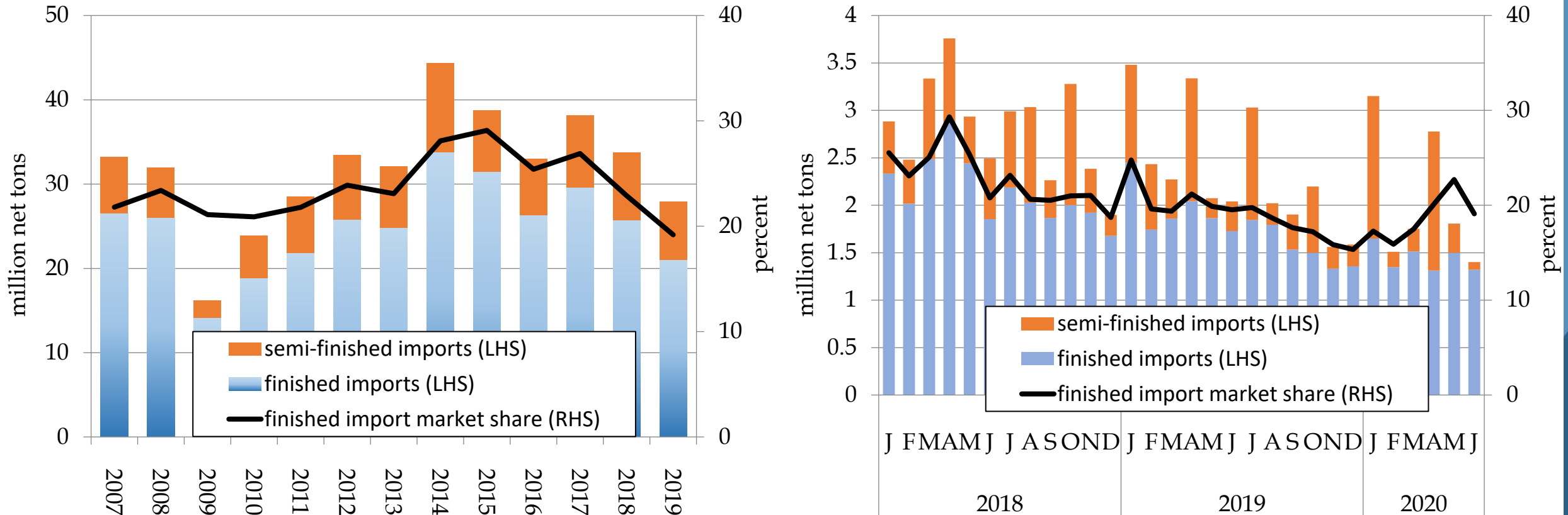
Source: BLS



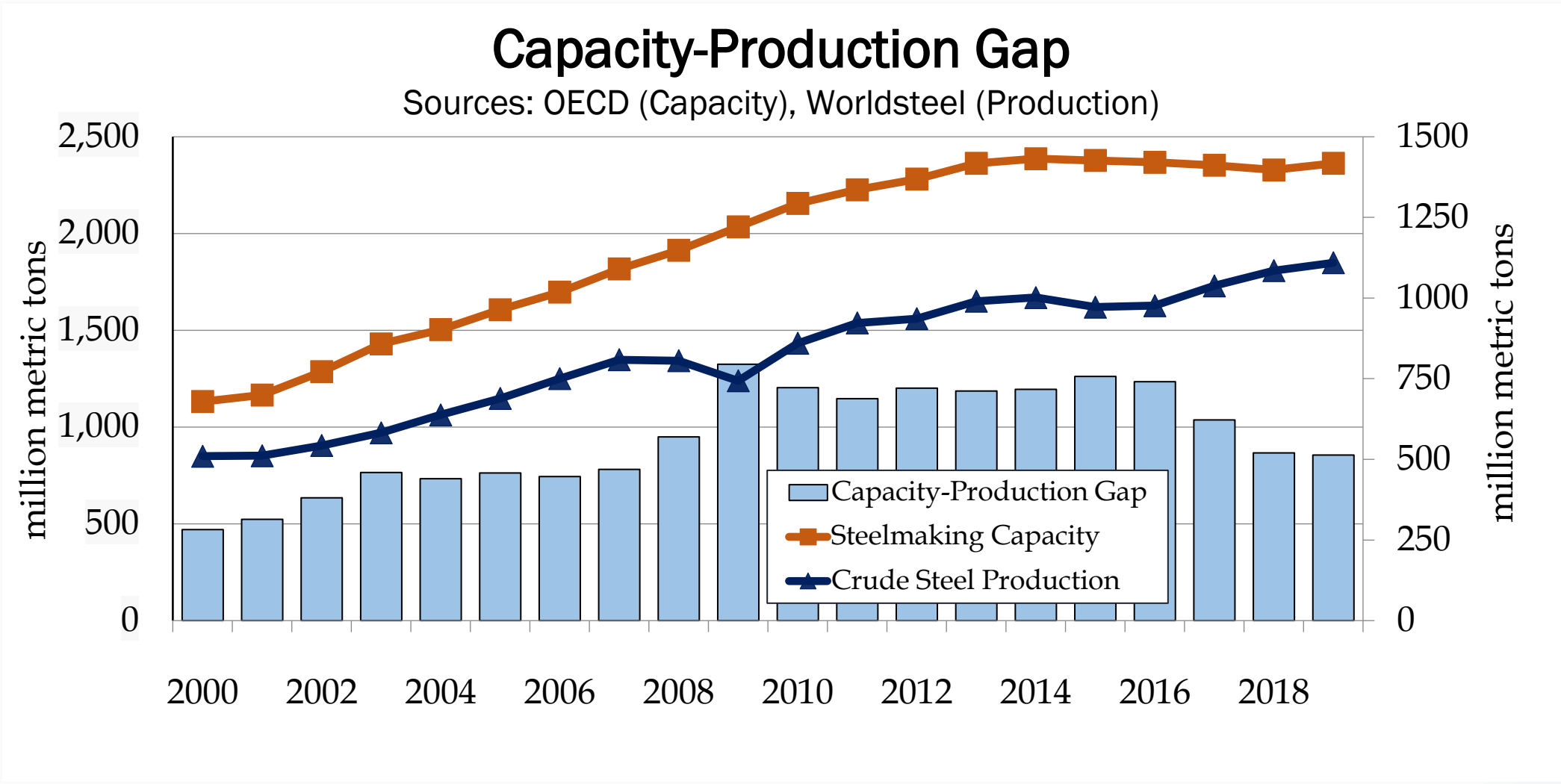
# Total Steel Imports Down in First Half of 2020 but Market Share Trending Higher in Recent Months

## Steel Imports

Source: US Census Bureau, AISI



# Global Steel Overcapacity Tops 500 MMT Again in 2019

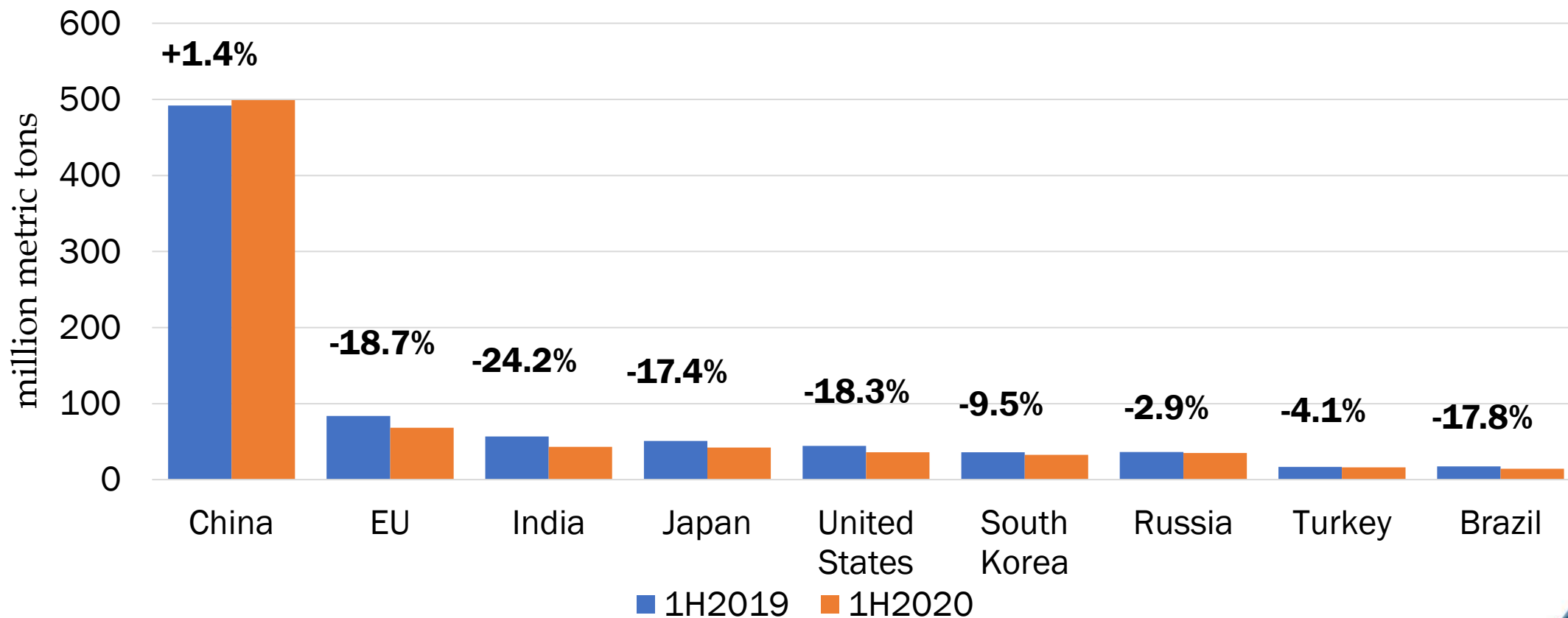




# Excluding China, Global Steel Production in the First Half of 2020 Declined by 14.3 Percent

## Raw Steel Production – Top Global Producers

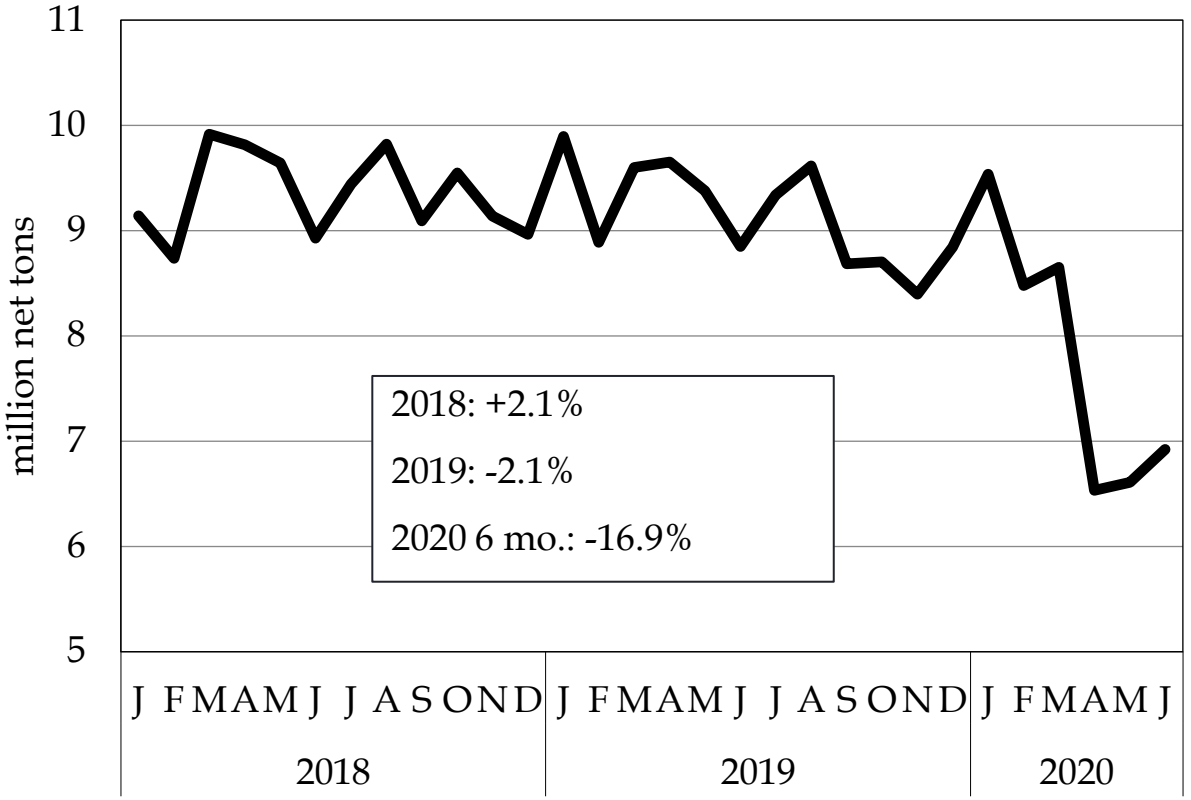
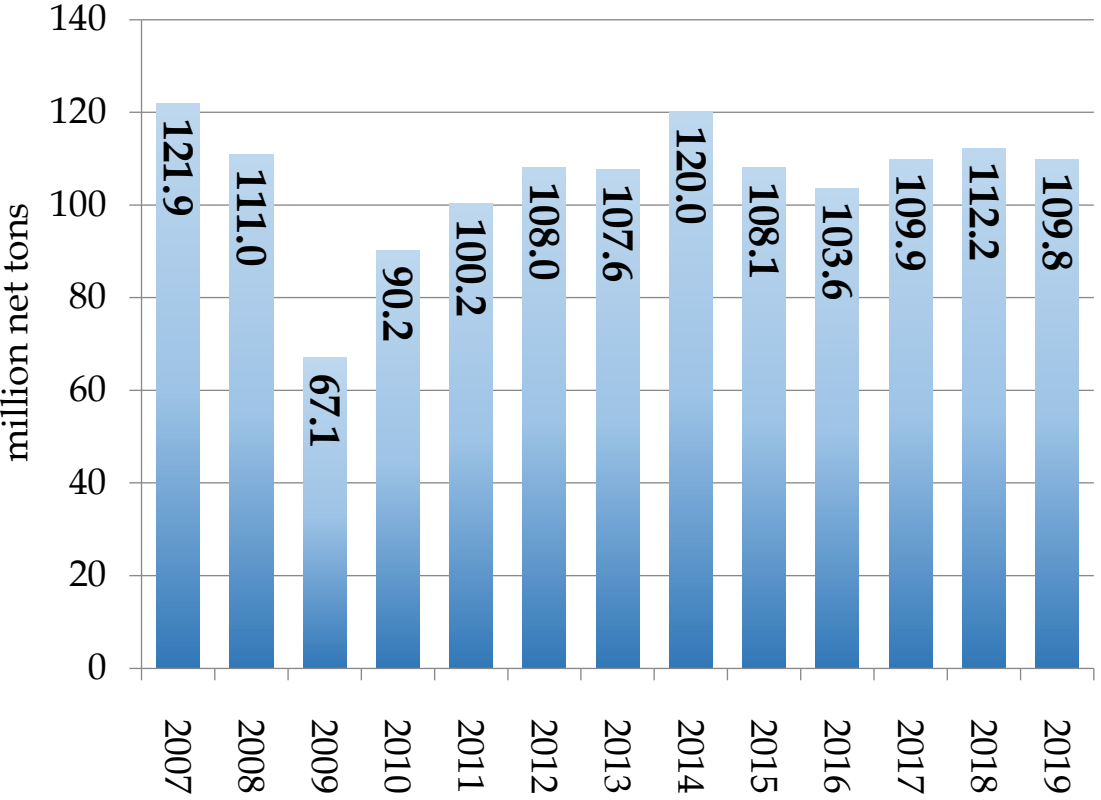
Source: World Steel Association



# Apparent Steel Use Is Down 17 Percent YTD in 2020

## Apparent Steel Use

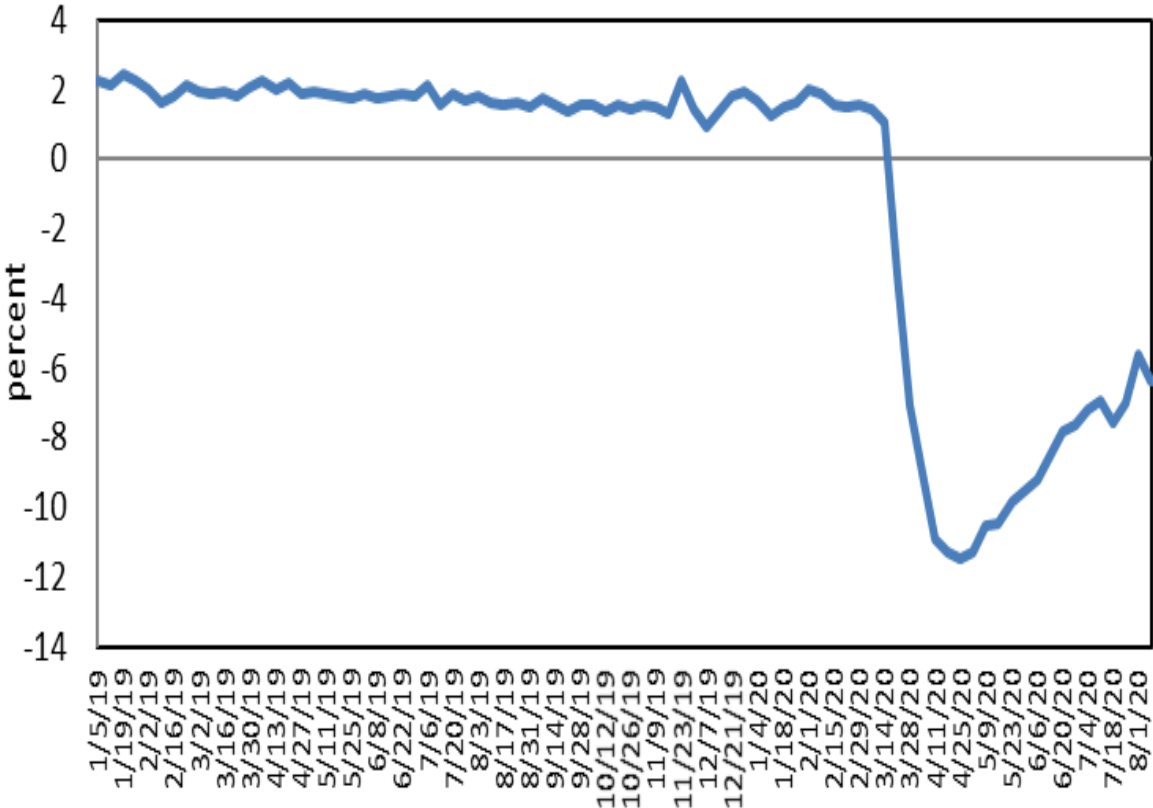
Source: AISI



# U.S. Economic Activity Clawing Its Way Back From April Trough

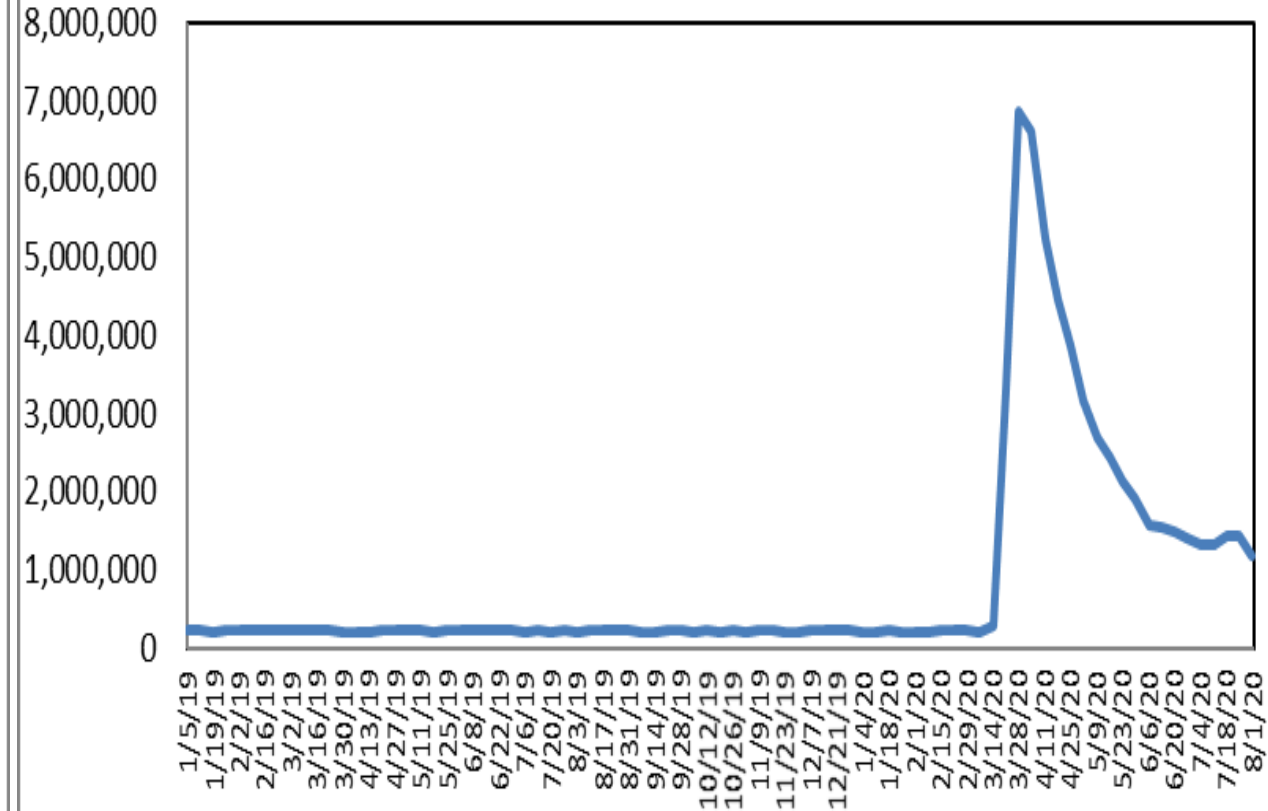
## Weekly Economic Index

Source: Federal Reserve Bank of New York



## Weekly Initial Jobless Claims

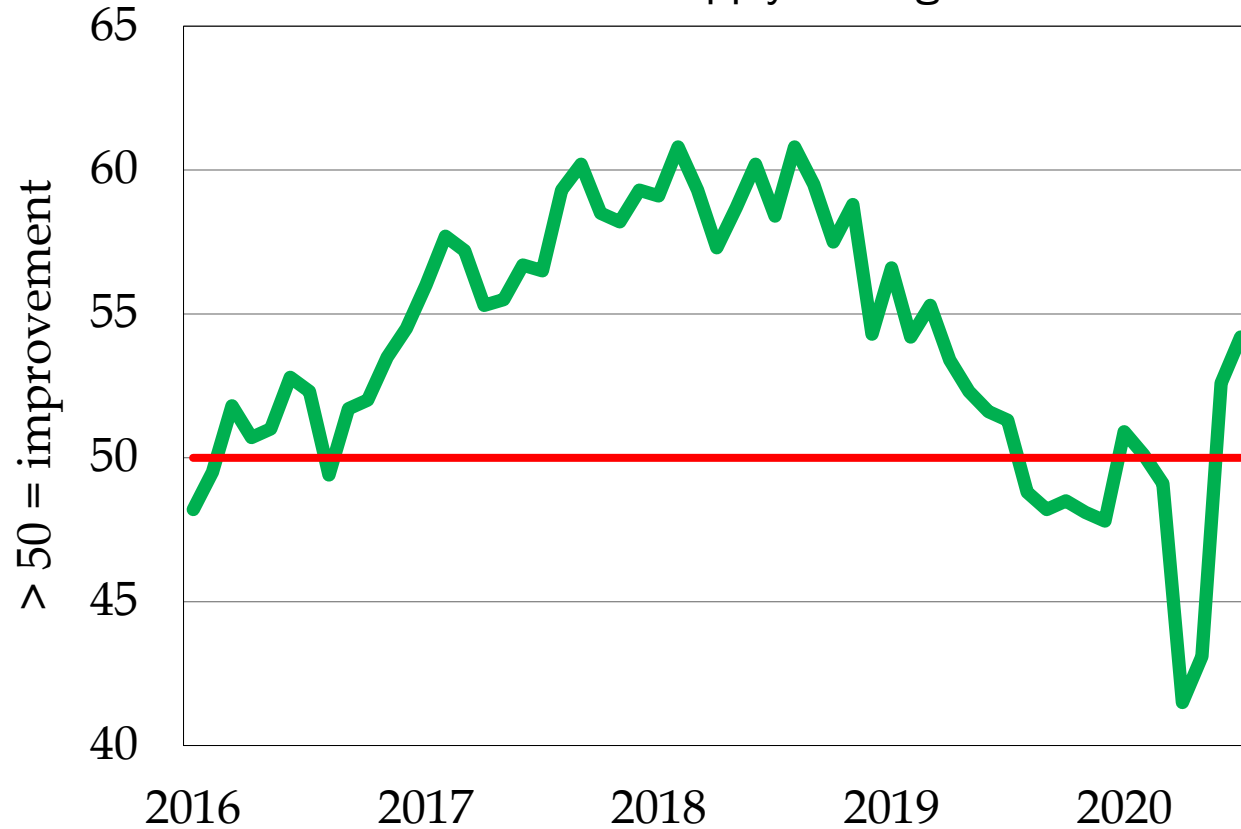
Source: Department of Labor



# Manufacturing Indicators Are Improving

## ISM Manufacturing Index

Source: Institute for Supply Management



## U.S. Light Vehicle Production

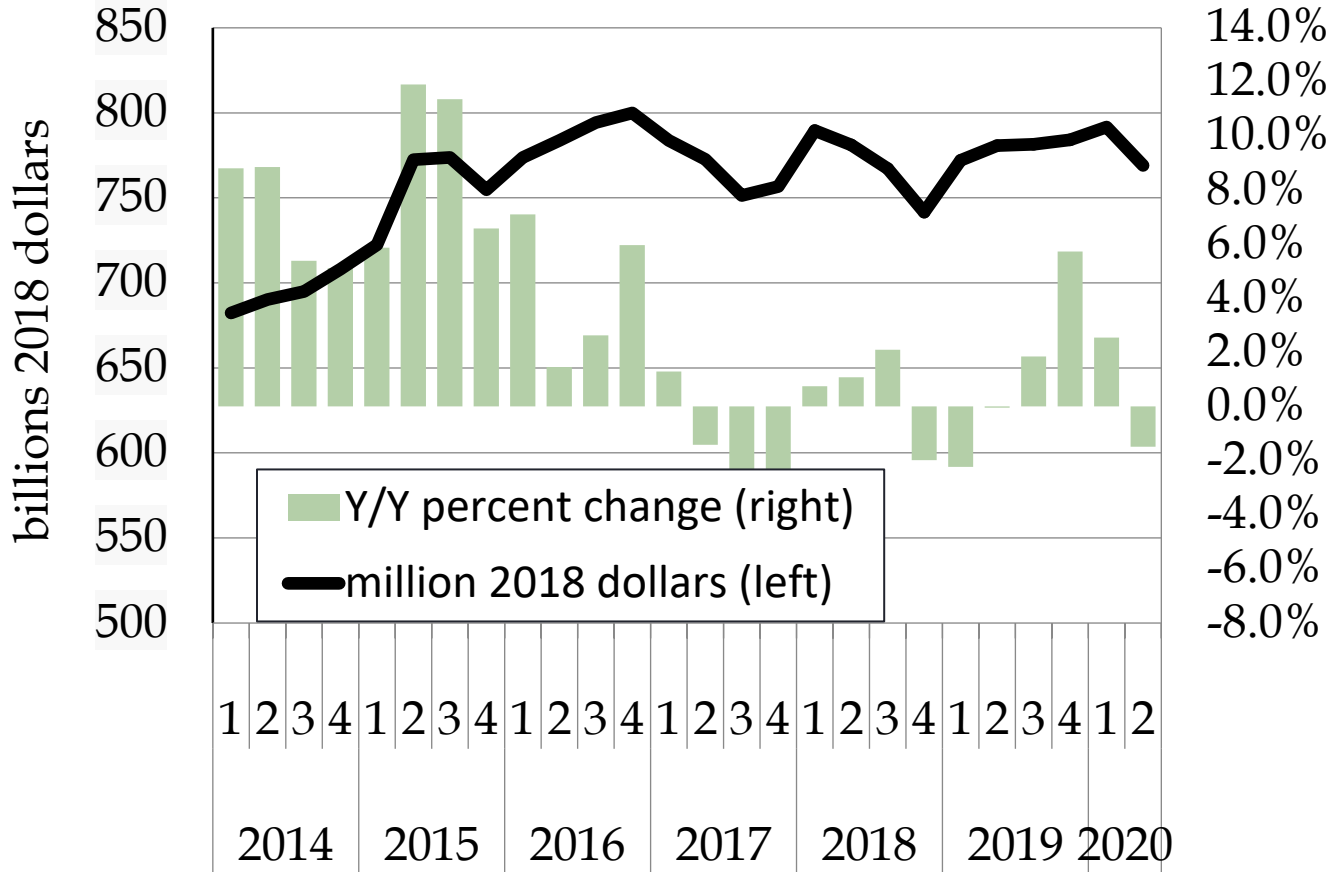
Source: Federal Reserve Board



# Construction and Energy Indicators Are Retreating

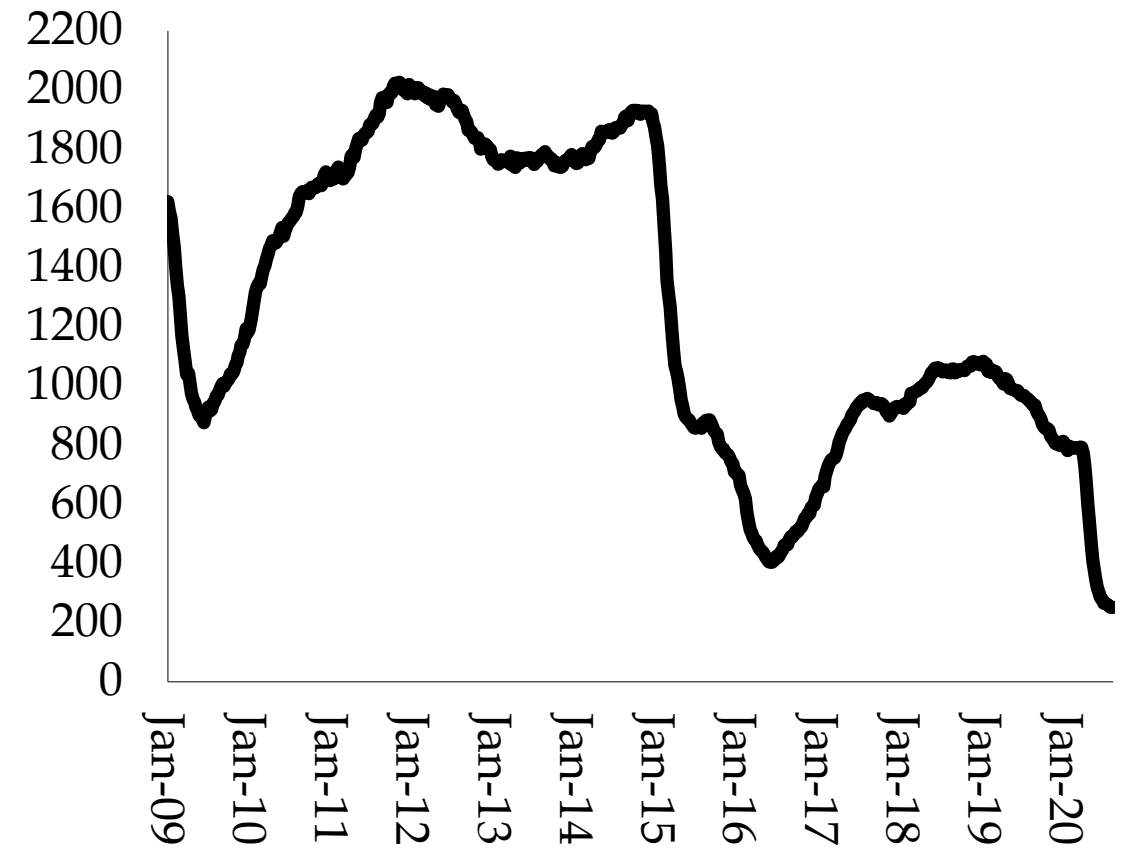
## Nonresidential Construction

Source: Census, IHS Markit, AISI

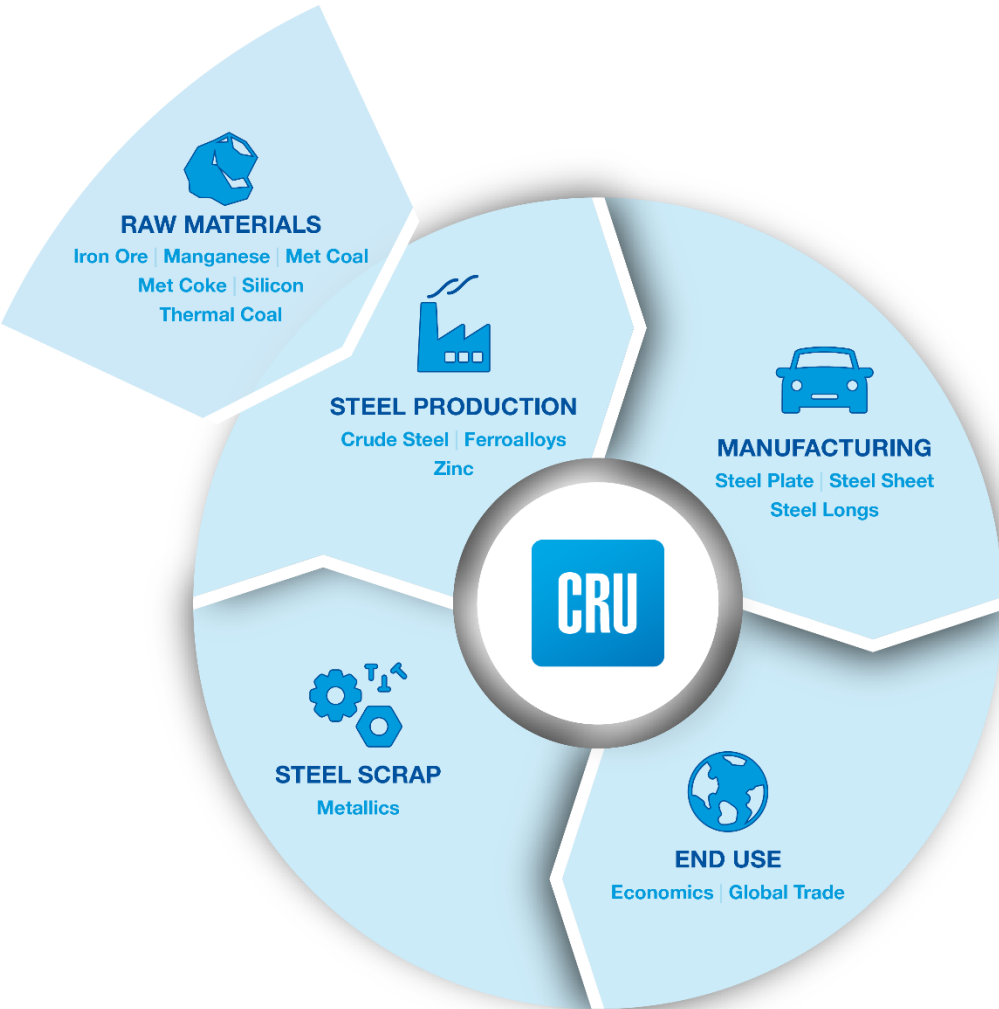


## Total Rig Count

Source: Baker Hughes

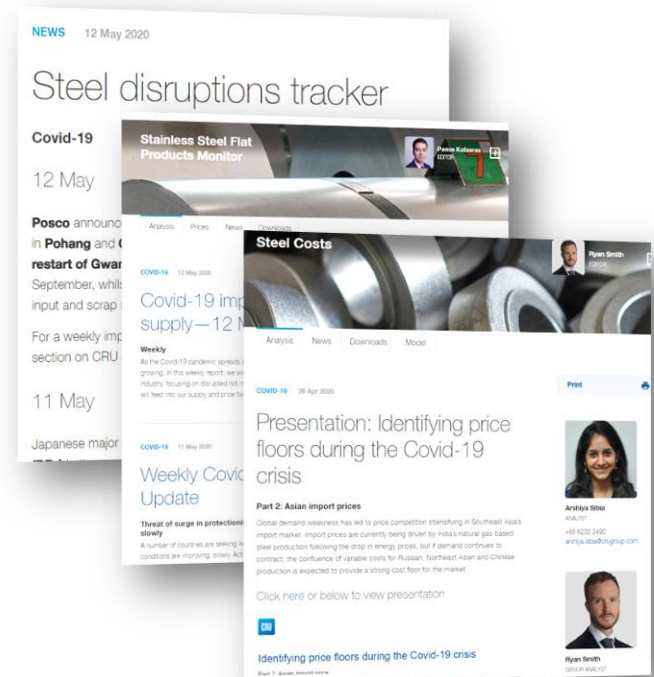


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Get in touch for more information or a demo

# Thank You

Thank you for attending our SMU Community Chat Webinar.

Our next webinar will be **Wednesday, August 19<sup>th</sup> at 11 AM ET.**

To contact John Packard – [John@SteelMarketUpdate.com](mailto:John@SteelMarketUpdate.com)

To contact Tim Triplett – [Tim@SteelMarketUpdate.com](mailto:Tim@SteelMarketUpdate.com)

For information about subscribing to SMU contact  
Paige Mayhair at [Paige@SteelMarketUpdate.com](mailto: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 dark blue center. The text 'STEEL MARKET UPDATE' is written in white, bold, uppercase letters across the middle of the circle.

# STEEL MARKET UPDATE

part of the  Group

The CRU logo is a white square with the letters 'CRU' in blue, bold, uppercase font.

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