

# SMU Community Chat

January 13, 2021

Starting at 11 AM Eastern

John Packard, Steel Market Update

Michael Cowden, Steel Market Update



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

# Tampa Steel Conference

## Virtual on February 2, 2021



### **Port Tampa Bay and SMU join forces to keep the steel trade community connected in 2021**

Port Tampa Bay and Steel Market Update are delighted to announce a new partnership to present the first virtual edition for the 32nd annual **Tampa Steel Conference**, to be held on February 2, 2021.

The Tampa Steel Conference began in 1990 as an evening reception and has evolved into one of the nation's largest steel conferences. The movement of iron and steel products is extremely important to the US economy, and this event recognizes that importance, and provides an opportunity for participants to discuss and debate the national and international issues impacting the steel industry and shipment of steel and to network.

[SteelMarketUpdate.com/Events/Tampa-Steel-Conference](https://SteelMarketUpdate.com/Events/Tampa-Steel-Conference)

# Steel Hedging 101 & 201



## Steel Hedging 101: Introduction to Managing Price Risk

**Steel Market Update** and Spencer Johnson, StoneX Group Inc., along with the CME Group, will be conducting a workshop for those who are actively involved in the buying or selling of steel. This workshop is tailored for those looking to understand financial derivatives as an instrument to hedge price risk, protect margins, protect inventories, or offer long-term pricing to their customers.

## Steel Hedging 201: Advanced Strategies and Execution

**Steel Market Update** and Spencer Johnson, StoneX Group Inc., along with the CME Group, will be conducting a workshop for those who are actively involved in the buying or selling of steel. This is a continuing education course, which will go past introducing market participants to hedging and the terminology involved when dealing with financial derivatives, and to concentrate on defining strategies and the execution of trades involved with a specific end goal in mind.

[events.crugroup.com/steel101/about-steel-hedging-101](https://events.crugroup.com/steel101/about-steel-hedging-101)

[events.crugroup.com/steel101/about-steel-hedging-201](https://events.crugroup.com/steel101/about-steel-hedging-201)

# Next Steel 101 Workshop

## Virtual on February 9-10, 2021



SMU will host a virtual version of our next Steel 101 workshop on **February 9-10, 2021** using a similar platform as our Virtual Steel Summit.

SMU's team of expert instructors will describe the structure of the steel industry and the steelmaking process, starting with raw materials and going all the way through the various rolling and coating processes. Participants will have the opportunity to ask questions in live Q&As after each main topic. The agenda even includes a Networking Happy Hour to allow registrants to "mingle" online with other workshop attendees.

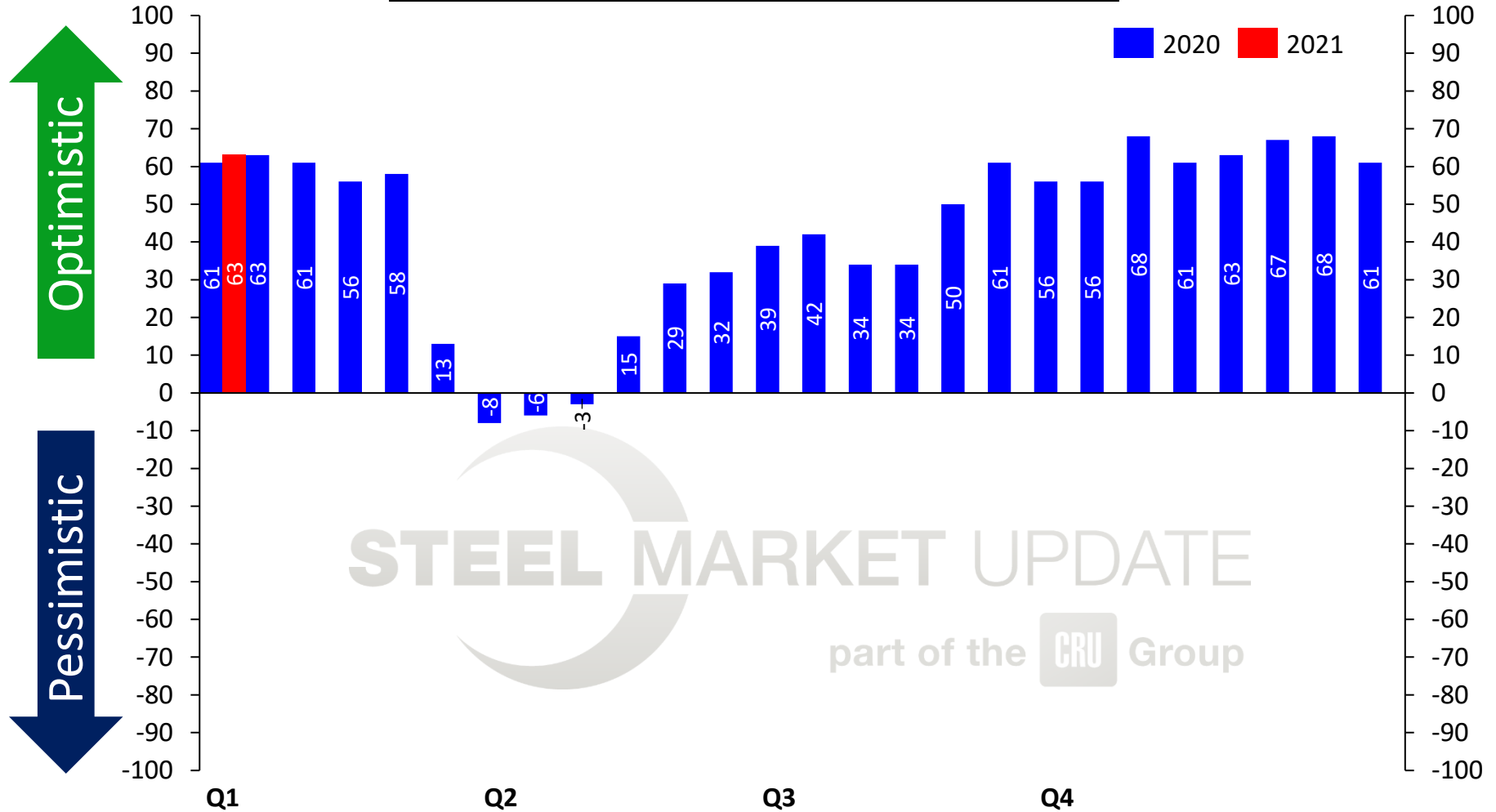
For more information and to register, click [here](#).

If you would like more information about any of our workshops, you may visit [SteelMarketUpdate.com/Events](https://SteelMarketUpdate.com/Events), call our office at 800-432-3475, or e-mail our team at [Events@SteelMarketUpdate.com](mailto:Events@SteelMarketUpdate.com)

# SMU Buyers Sentiment Index

Up 2 points to +63

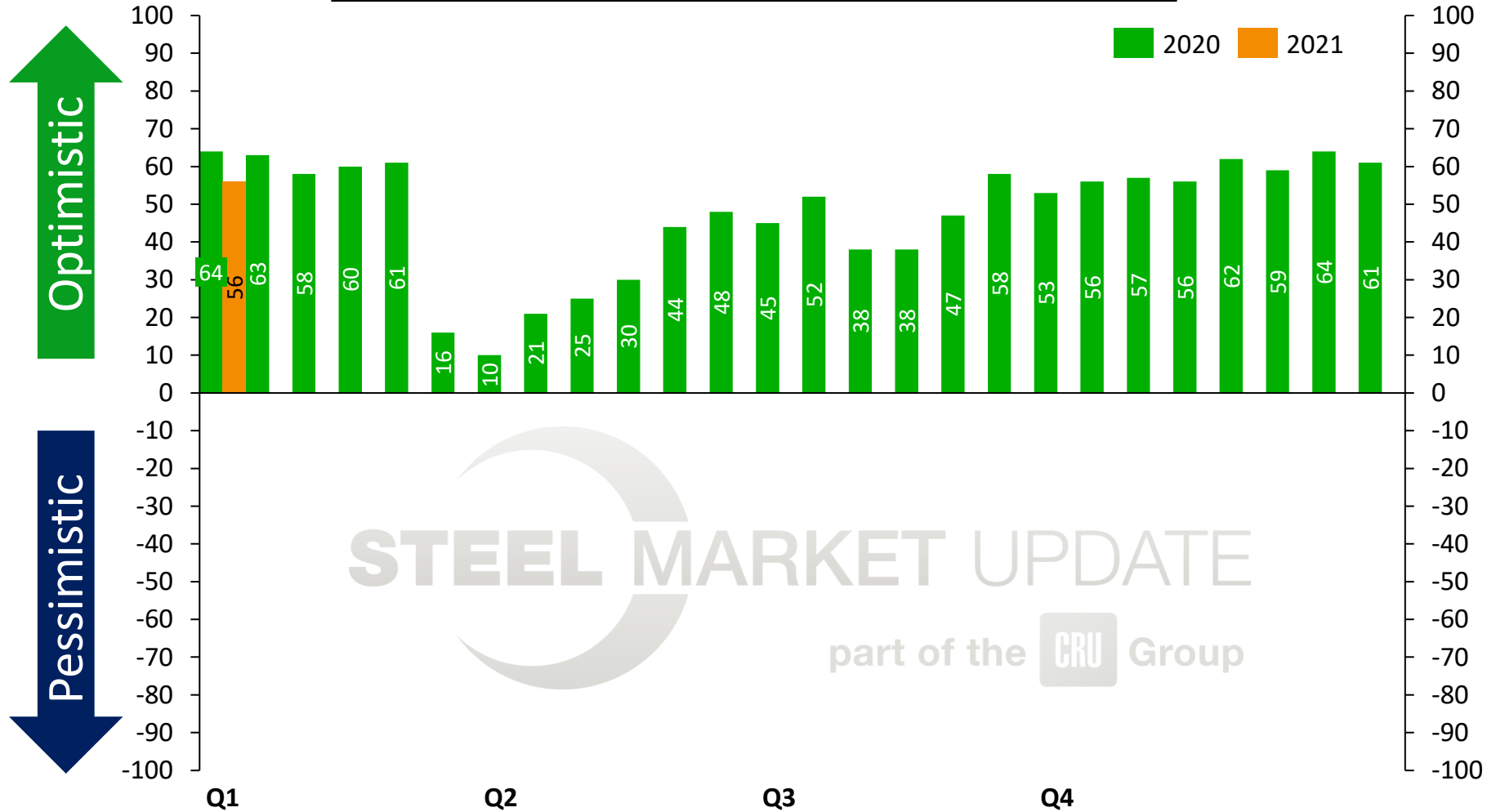
## Steel Market Update Buyers Sentiment Index



# SMU Future Buyers Sentiment Index

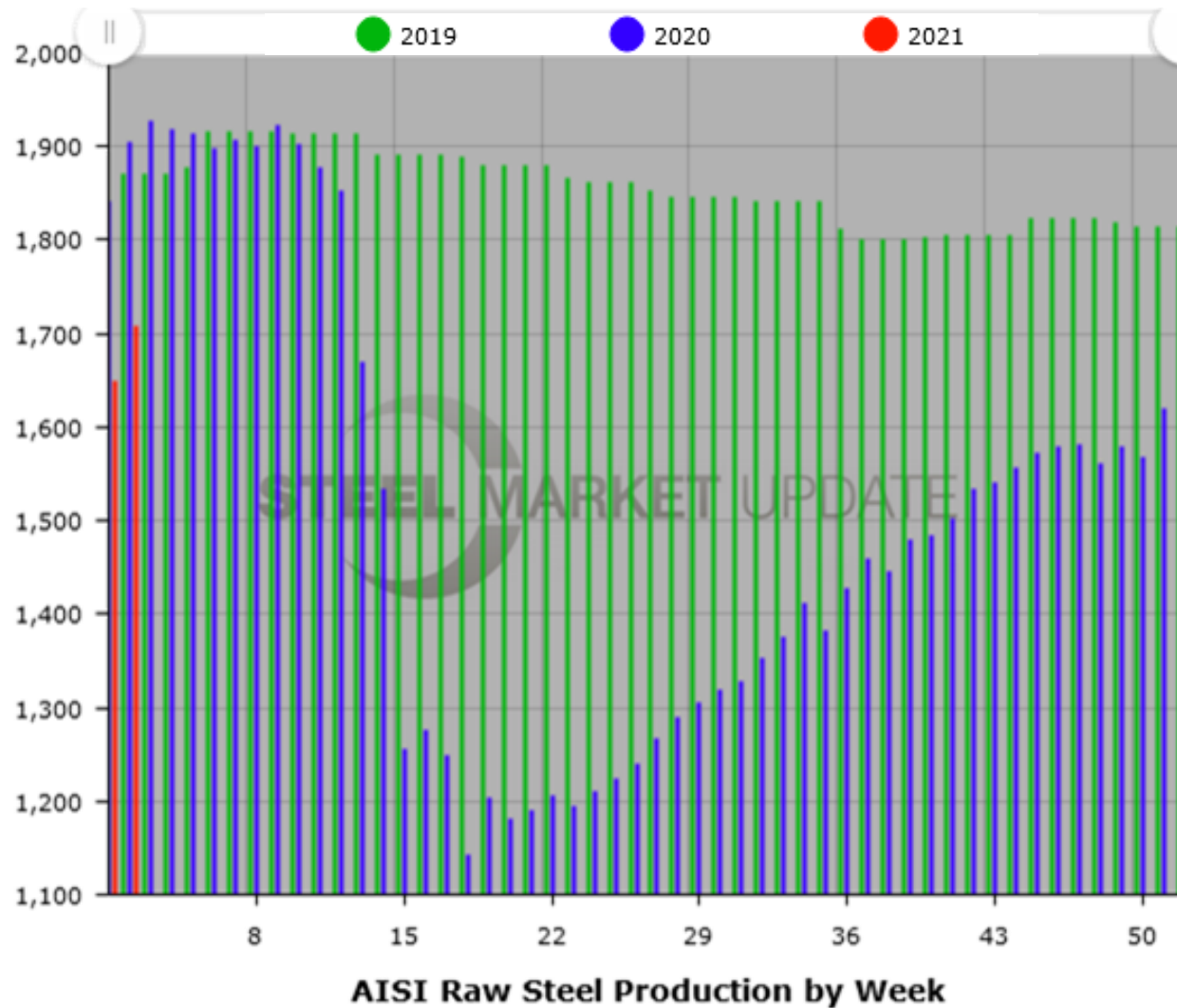
Down 5 points to +56

## Steel Market Update Future Buyers Sentiment Index





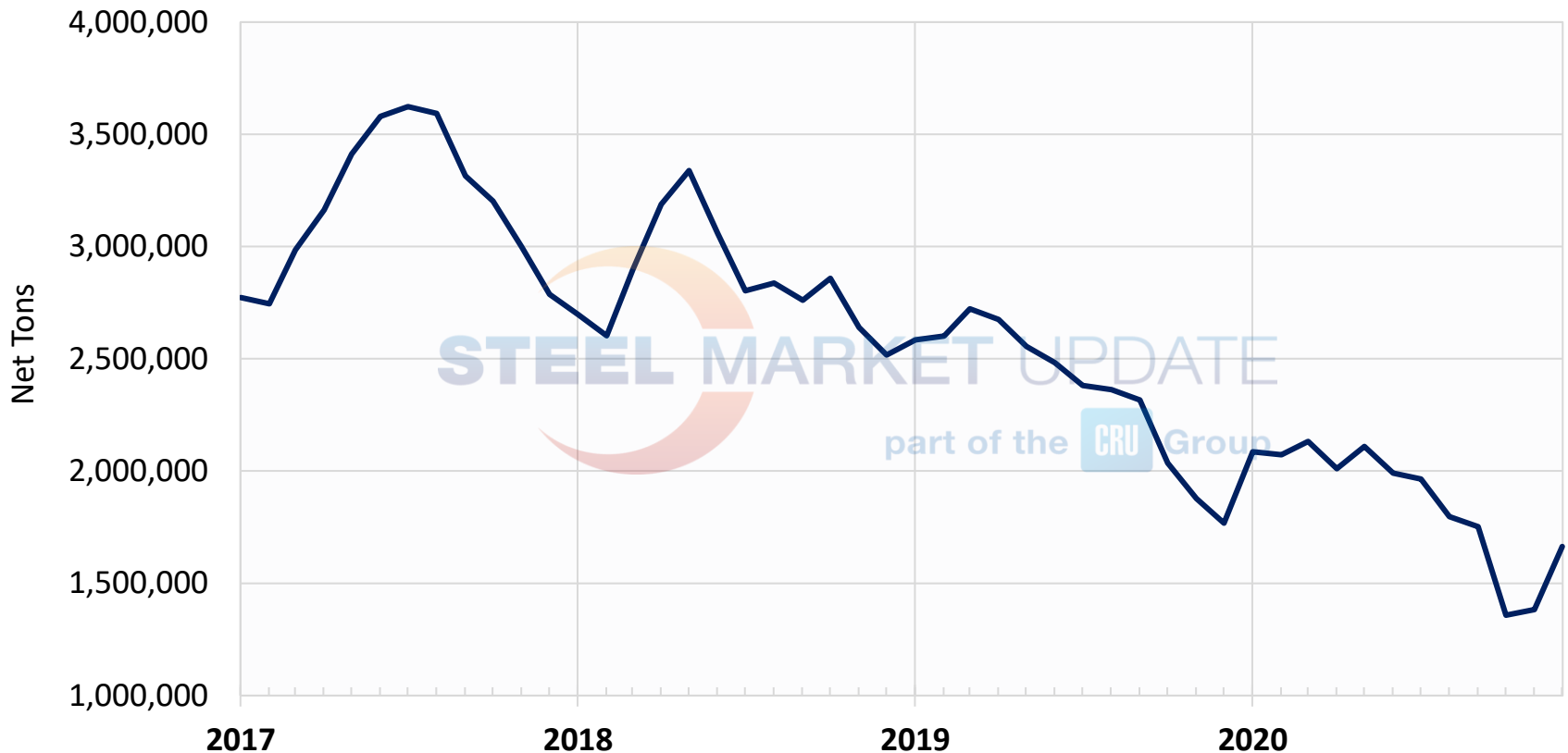
# AISI Capacity Utilization Rates



# US Steel Imports – 3MMA

## Total U.S. Steel Imports

3 month moving averages through Dec. 2020 data



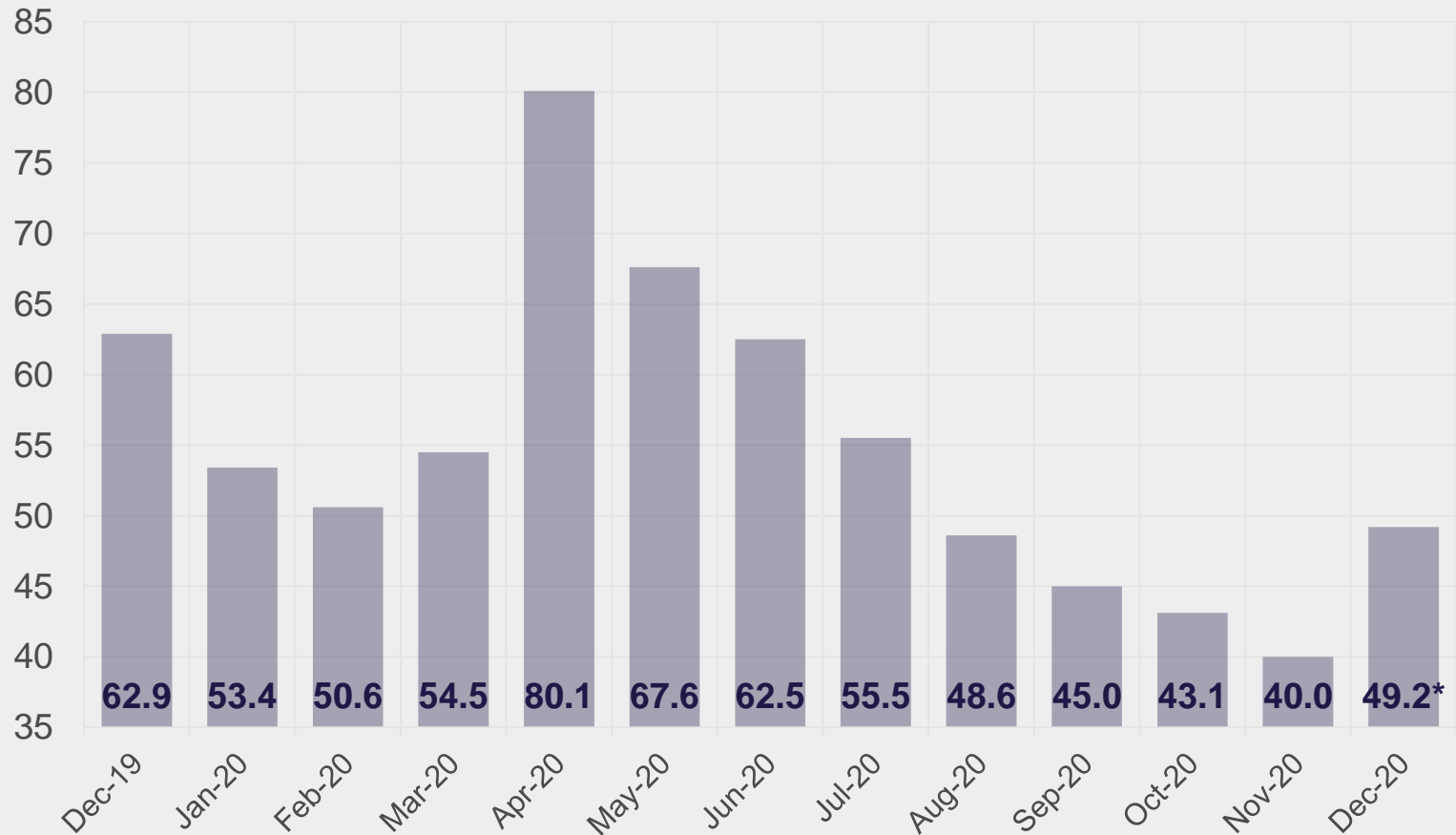
Source: U.S. Department of Commerce



# Service Center Inventories

Left axis:  
Shipping days of  
supply in inventory  
(unadjusted data)

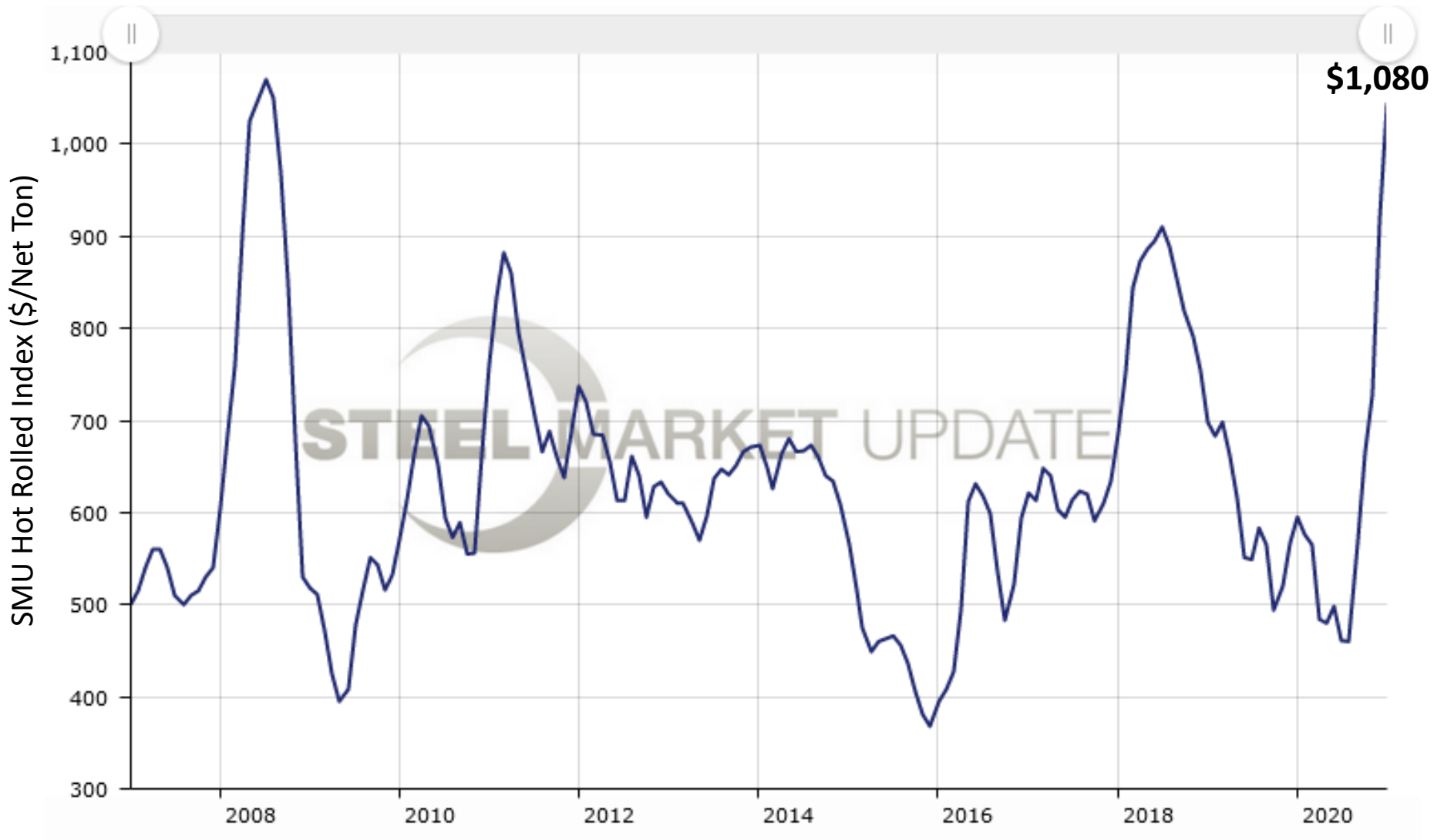
## Sheet supply and monthly average CRU



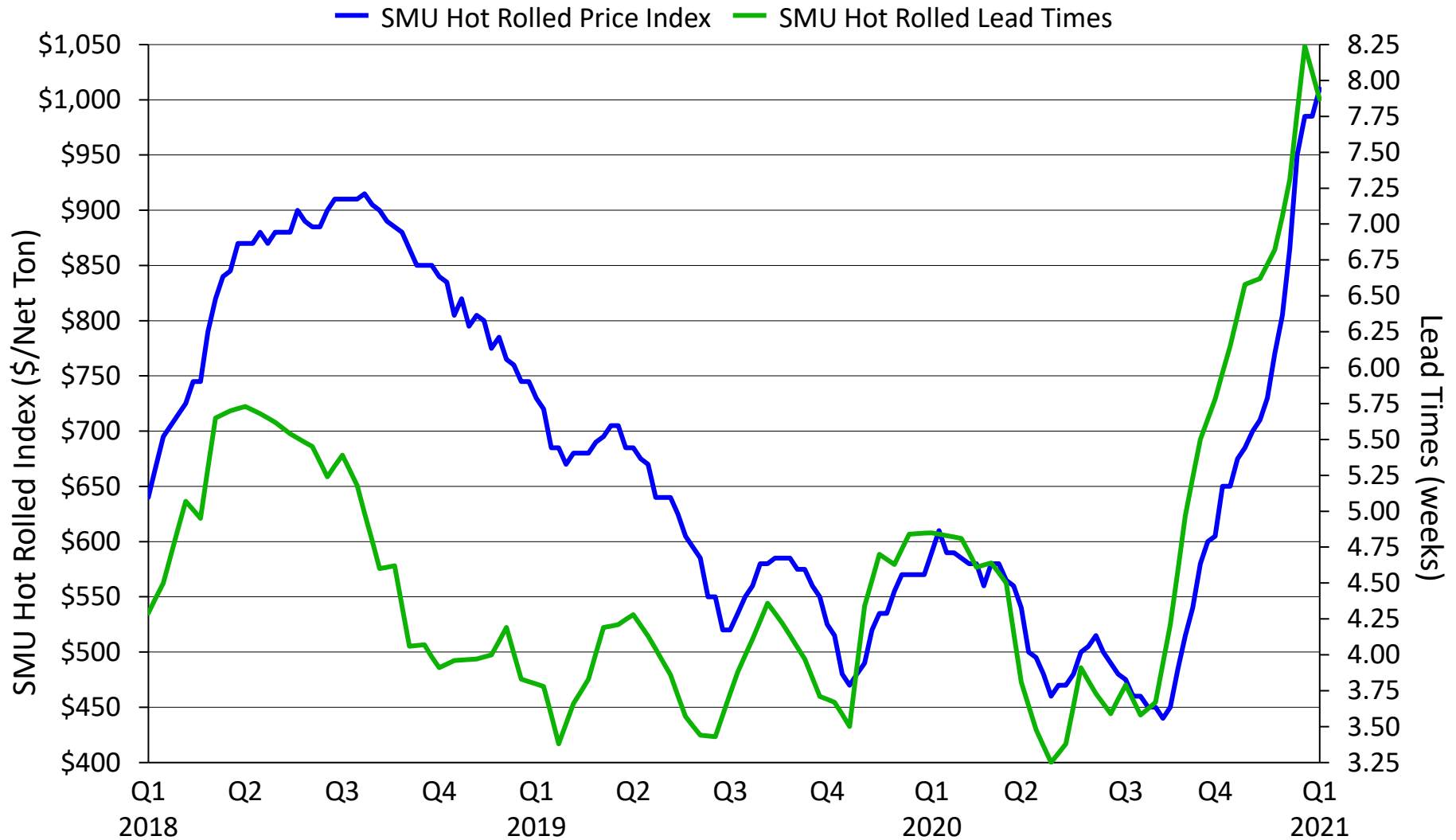
# SMU Hot Rolled Price Index



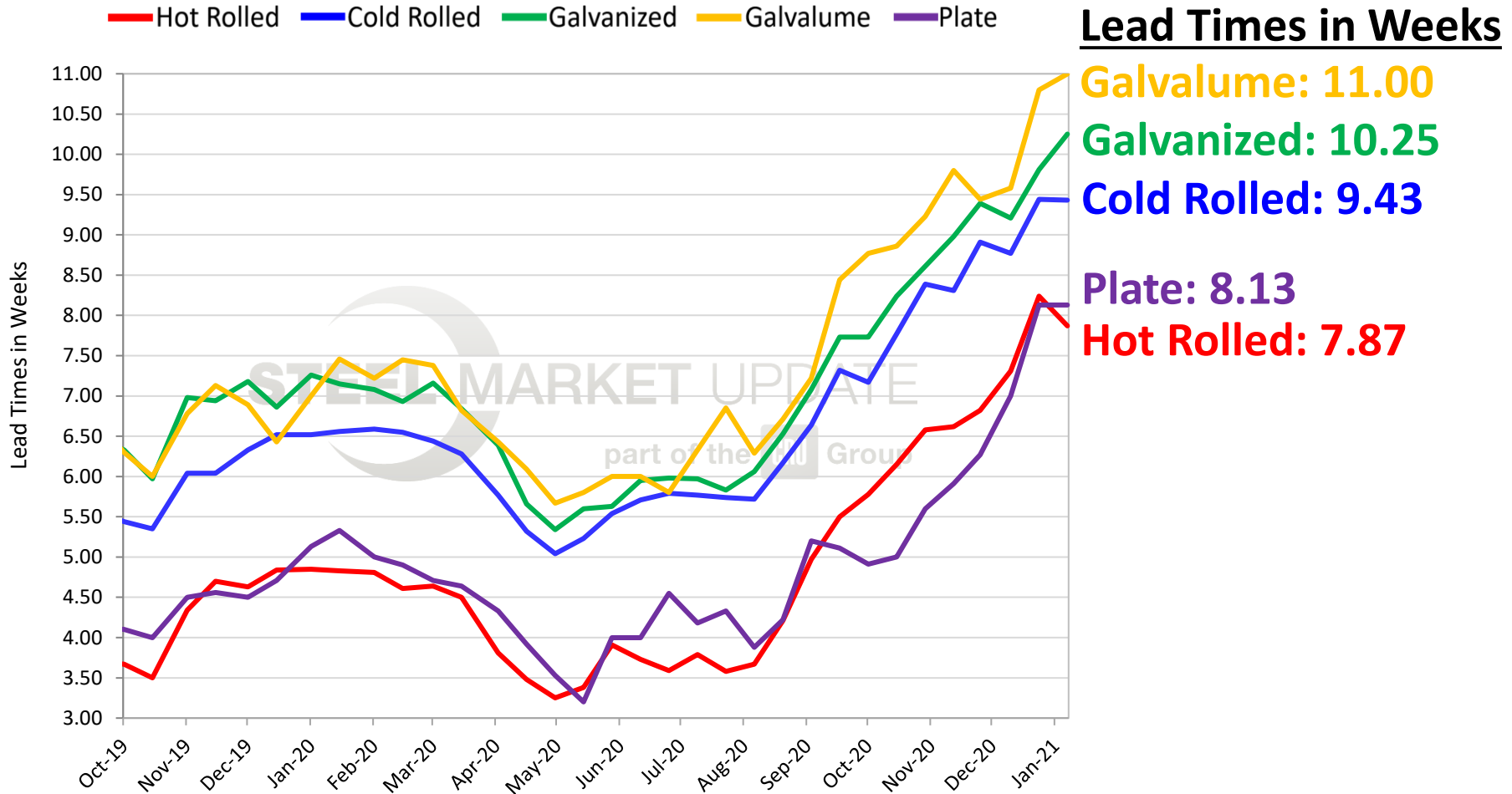
# SMU Hot Rolled Price Index



# SMU Hot Rolled Index & Lead Times



# Mill Lead Times

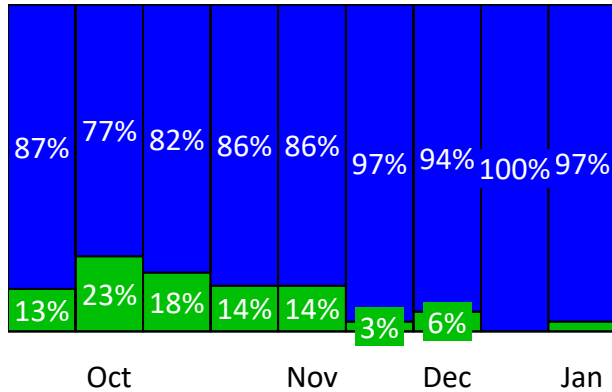


# Mill Negotiations

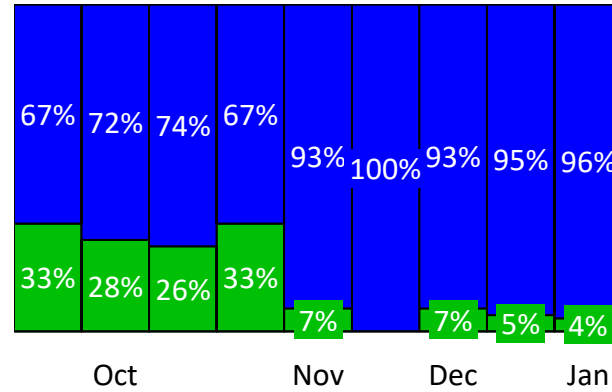
Are you finding the domestic mills are willing to negotiate pricing on brand new orders placed this week?

Yes No

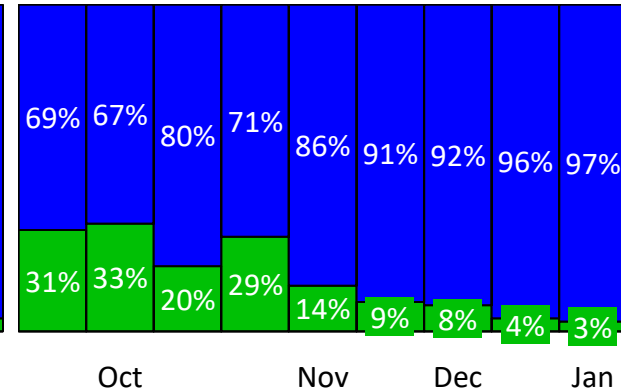
Hot Rolled



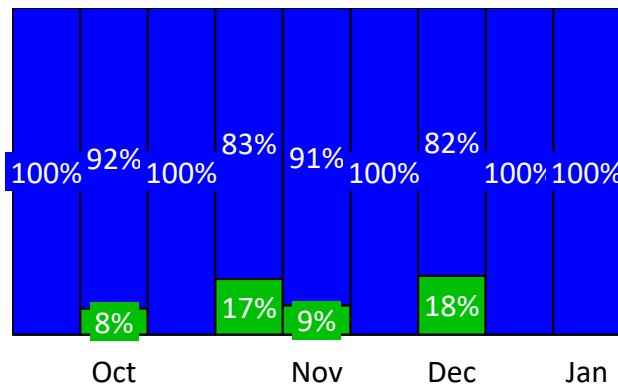
Cold Rolled



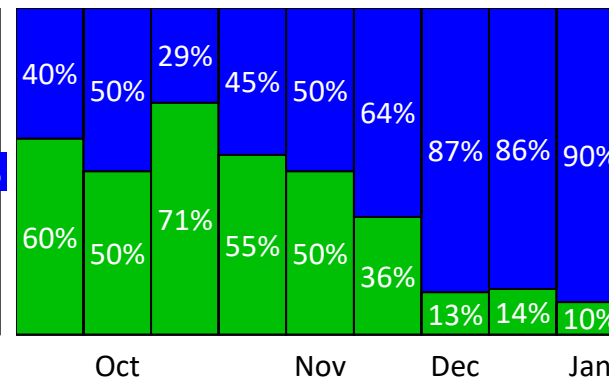
Galvanized



Galvalume



Plate

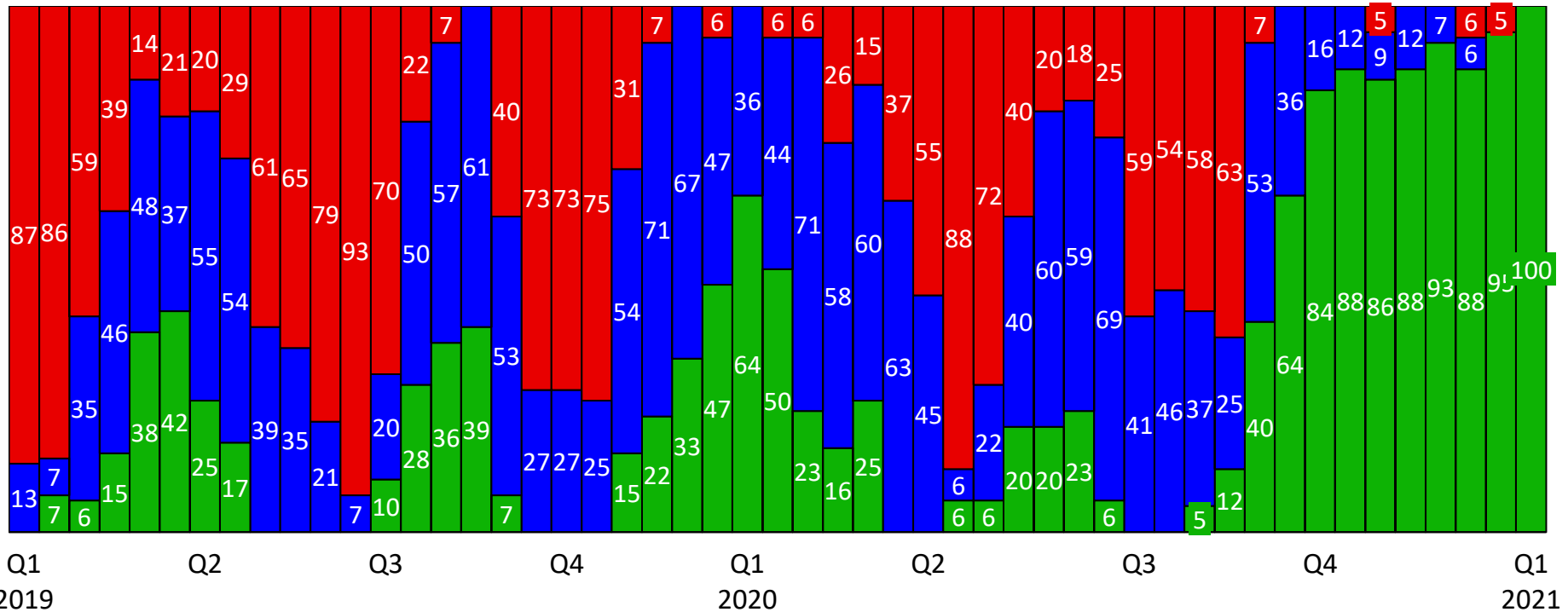


# Manufacturer's View of Service Center Selling Prices History

**Manufacturers-** Which comment do you feel is representative of service center pricing right now compared to two weeks ago?

- We are seeing prices decreasing from our service centers
- We are seeing prices stable from our service centers
- We are seeing prices rising from our service centers

out of 100%

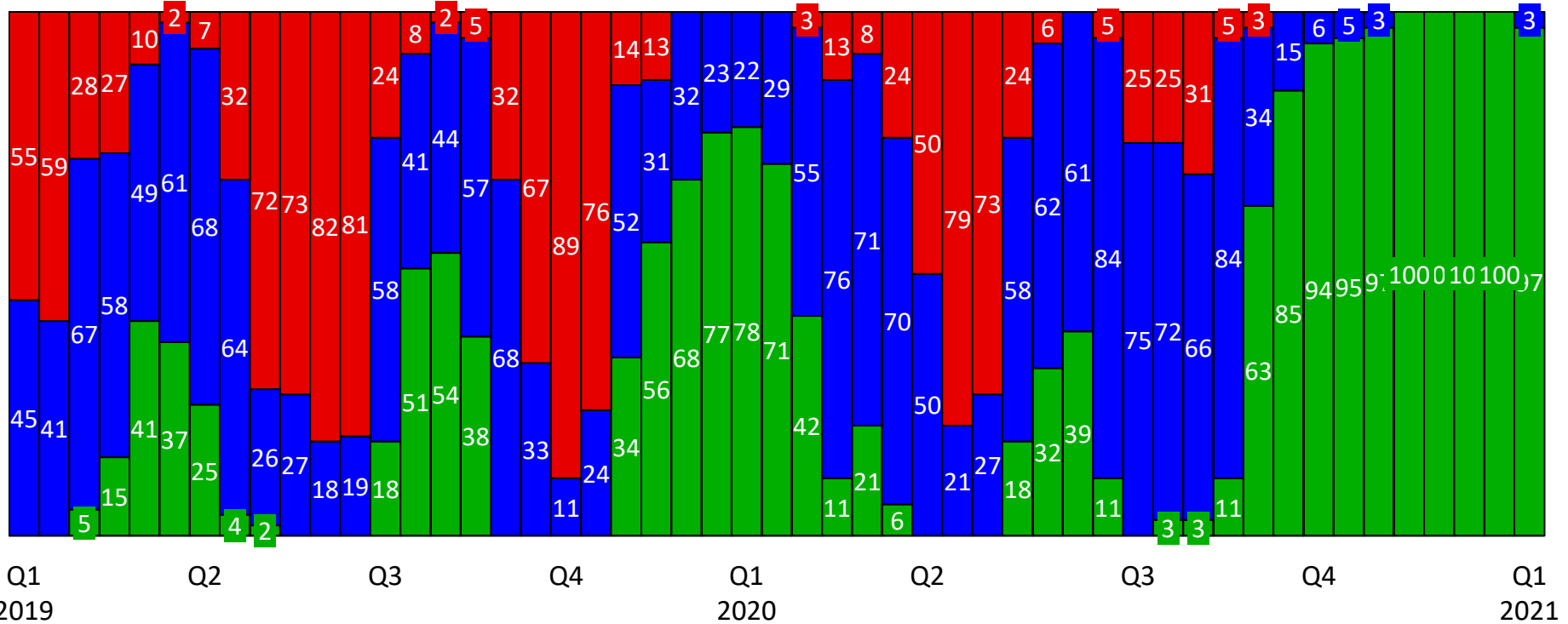




**Service Centers-** Compared to two weeks ago, how is your company handling spot pricing to your customers at this time?

- We are lowering prices
- We are keeping prices the same
- We are raising prices

out of 100%

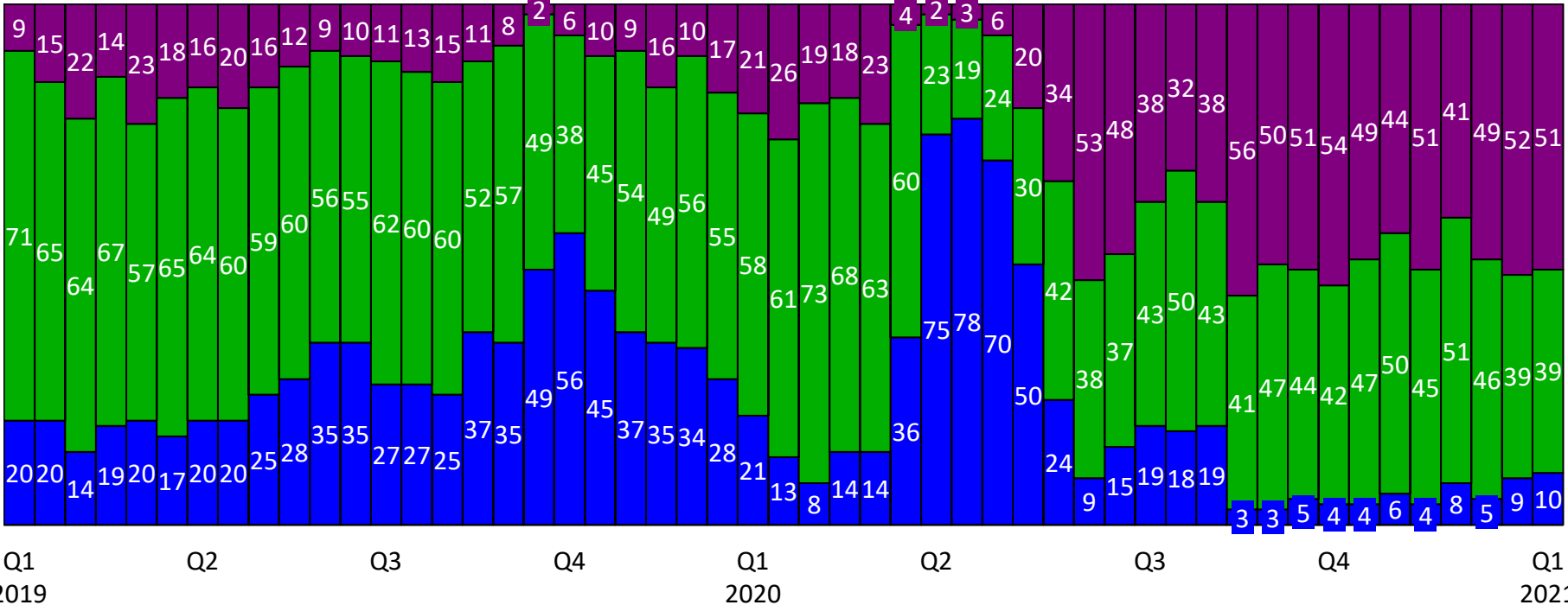


# Overall Demand History

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

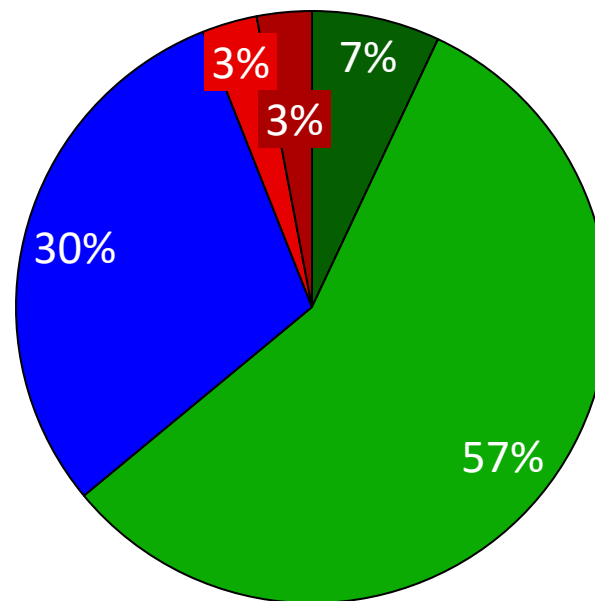
- Demand is improving
- Demand is remaining the same
- Demand is declining

out of 100%



**Manufacturers-** Demand for your products will \_\_\_\_\_  
over the next 3 months based on current order flows.

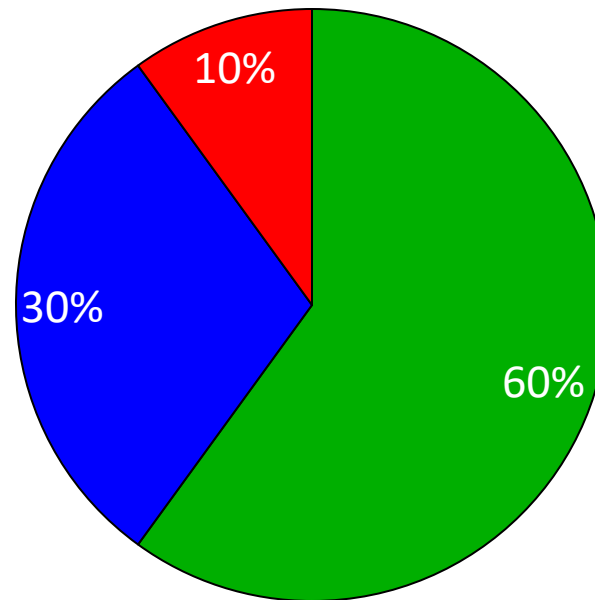
- Increase substantially
- Increase marginally
- Remain the same
- Decline marginally
- Decline substantially



# 2021 vs 2020 Demand

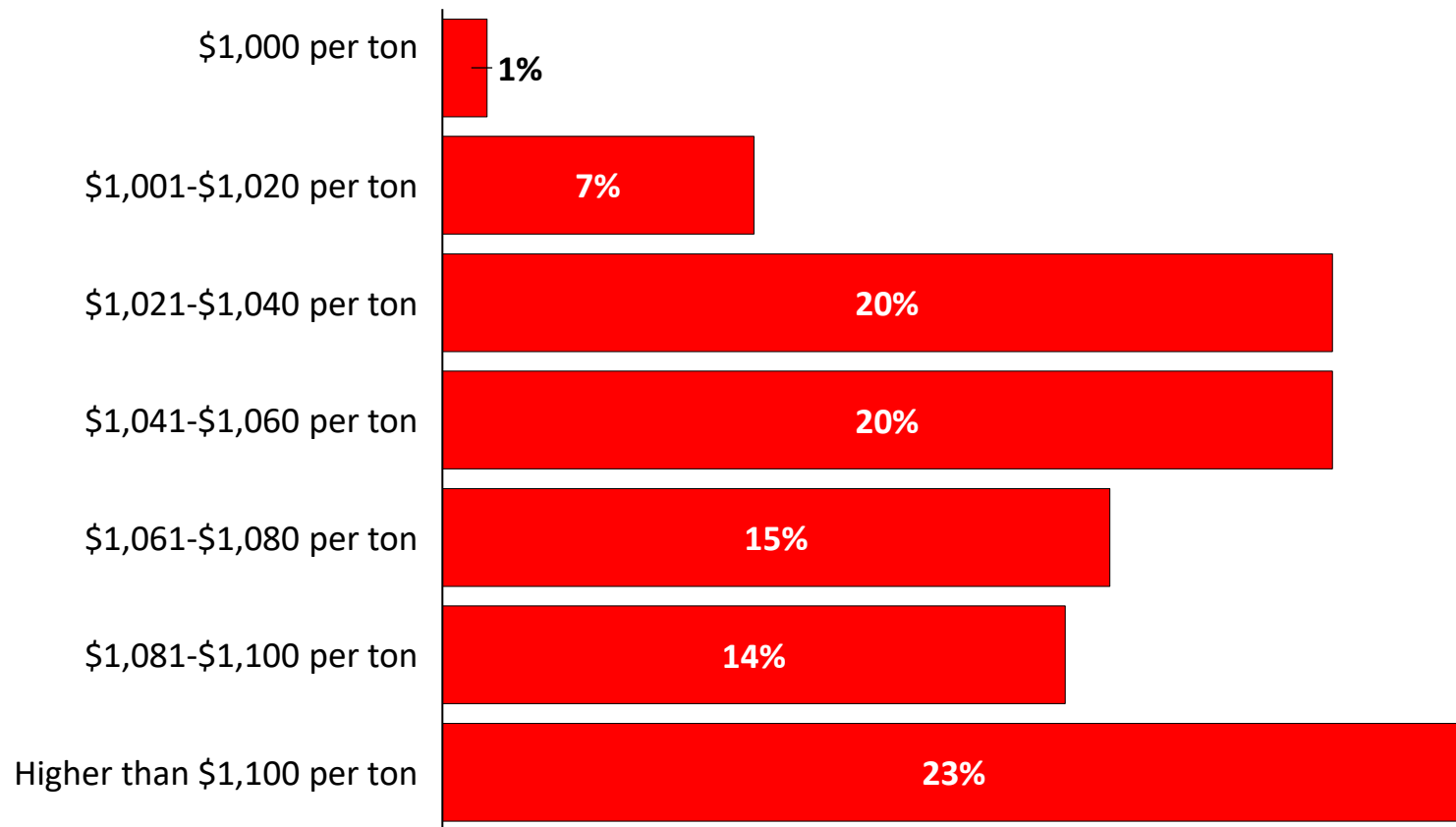
Demand for your products in 2021  
will be higher or lower than 2020?

- Higher
- Same
- Lower



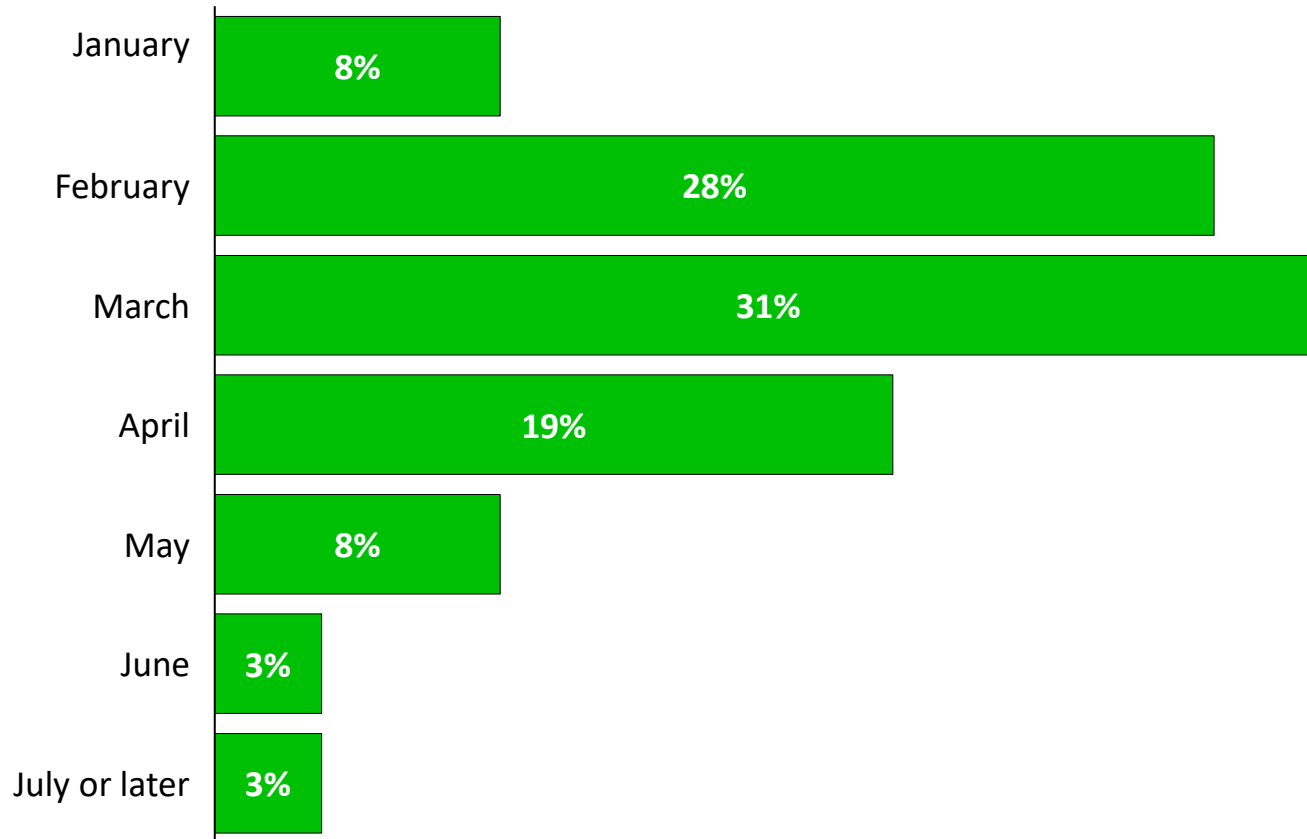
# HRC Price Peak

HRC price offers are now exceeding \$1,000 per ton.  
At what level do you think HRC prices will peak?



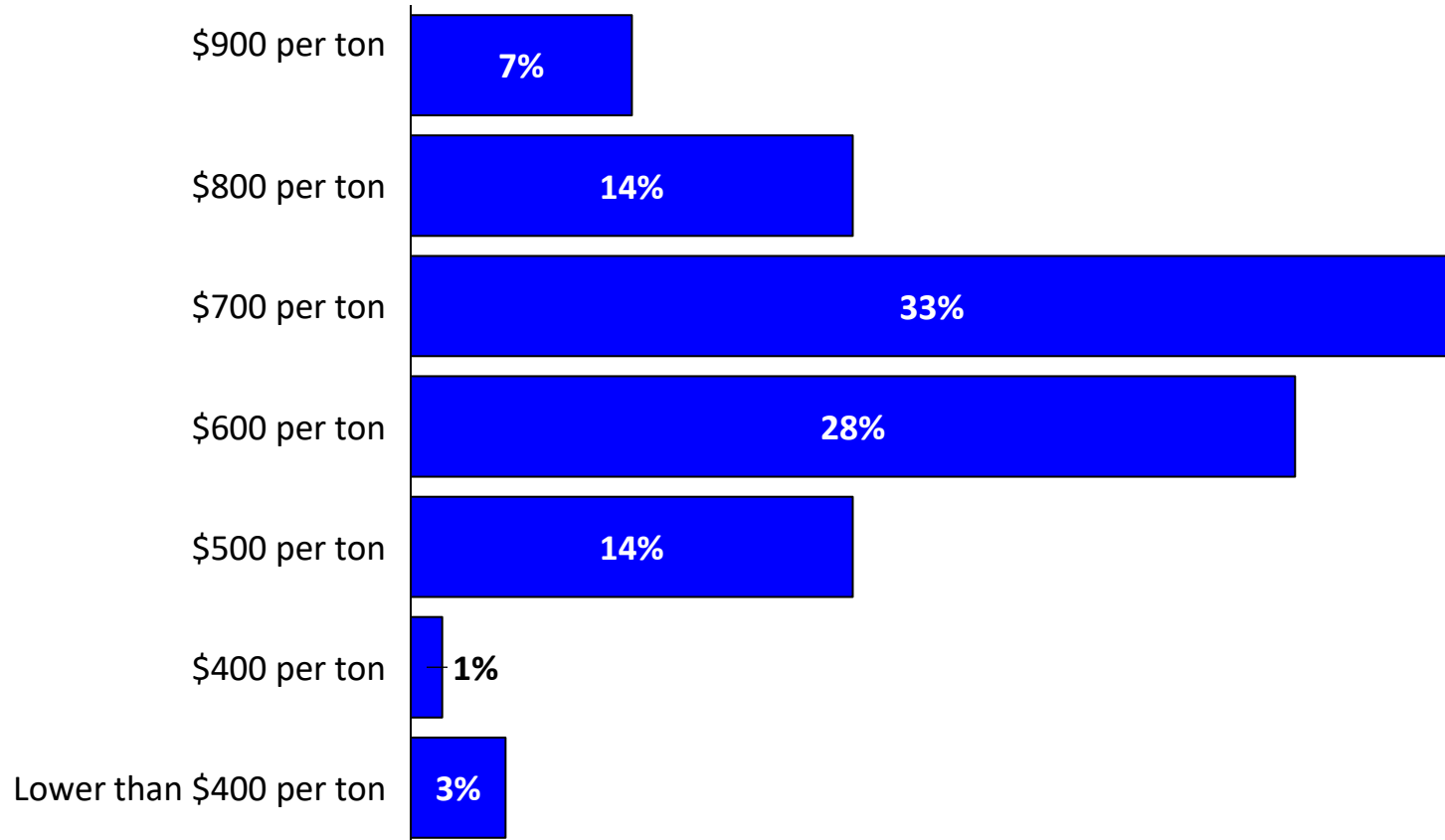
# When Will Prices Peak?

Supply should be coming back into the market.  
When do you think prices will peak?






# Future Price Bottom

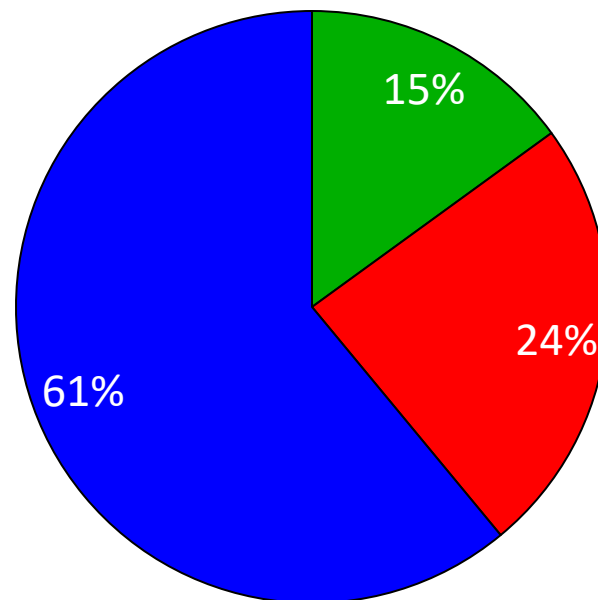
Once prices peak, how low do you think prices will drop before they bottom out?





The Biden administration will be good or bad for the steel/manufacturing business?

-  Good
-  Bad
-  Don't know yet

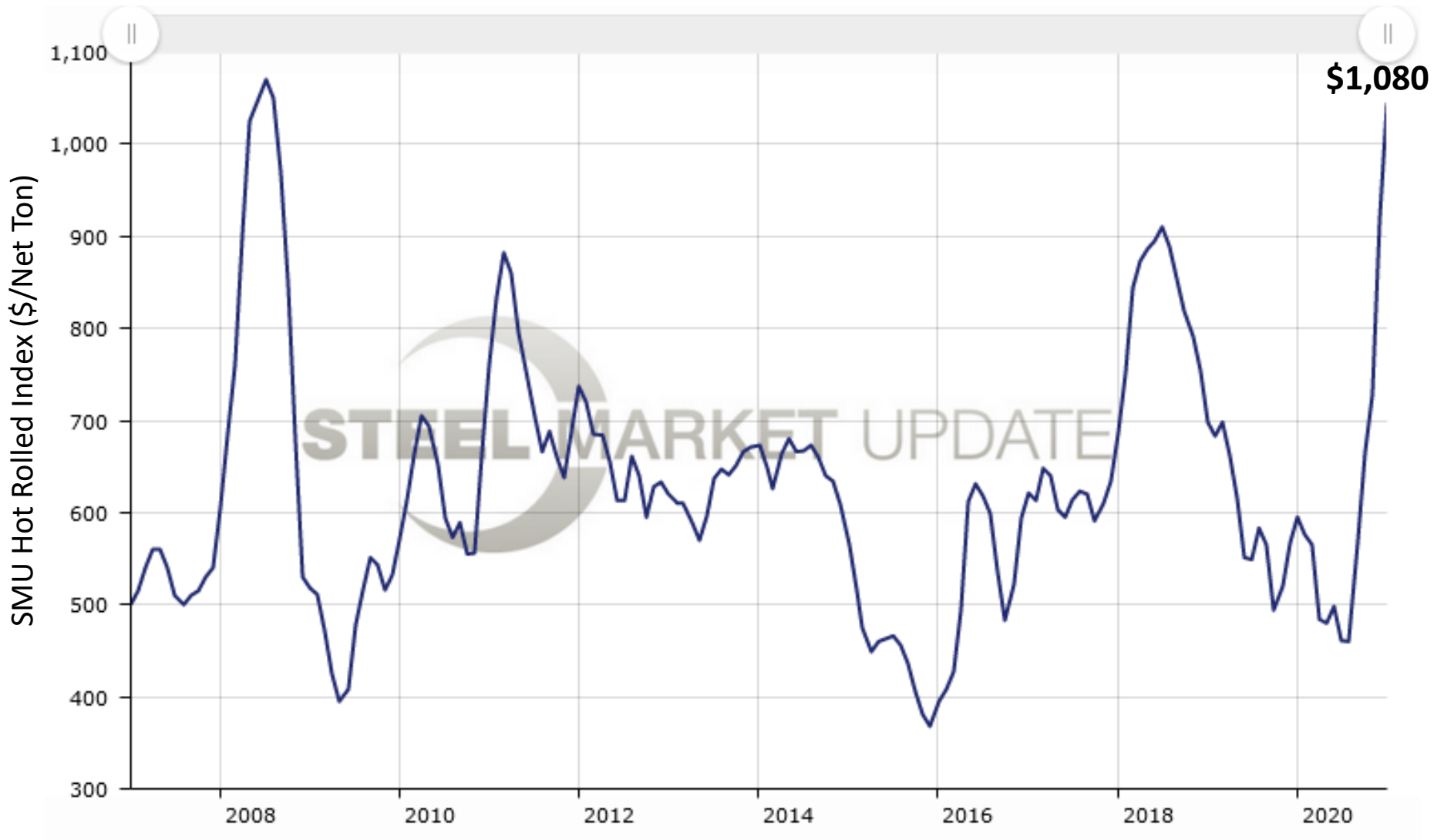




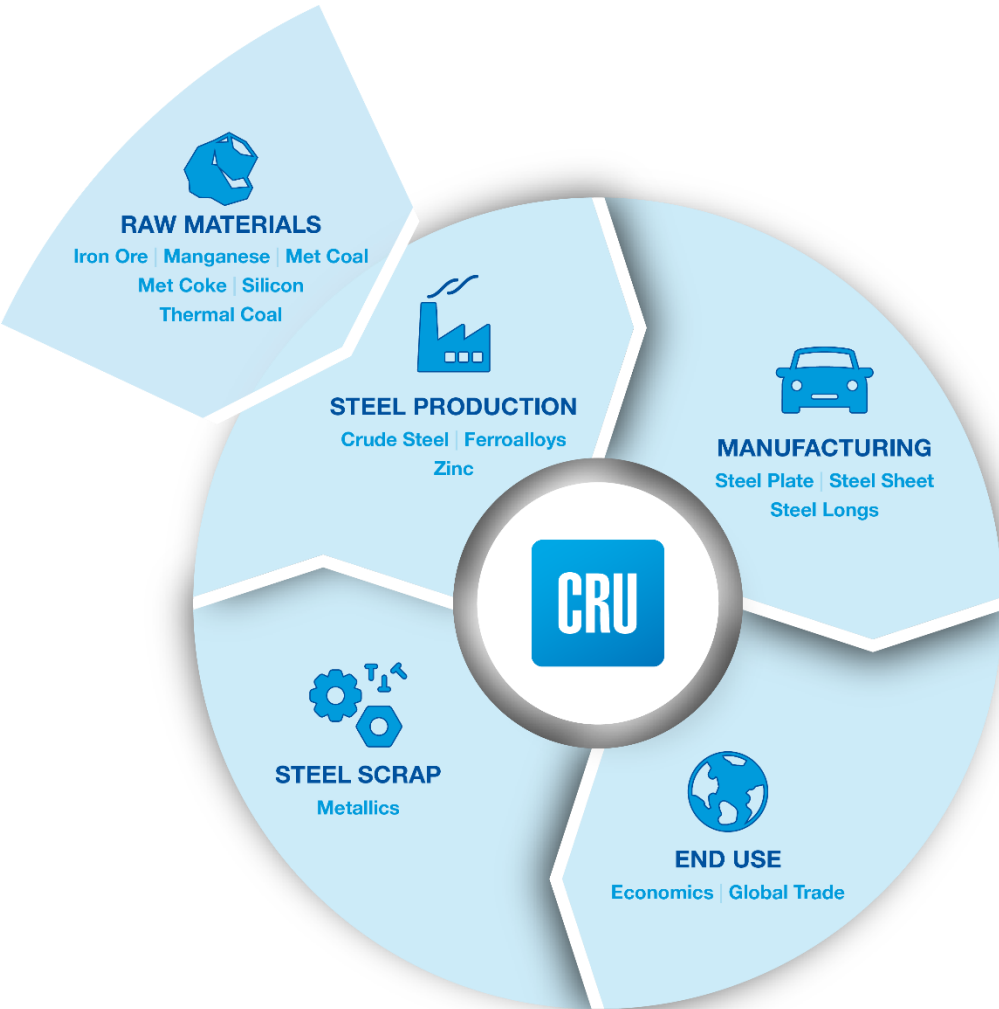
Michael Cowden is a senior editor for Steel Market Update. Cowden has covered the steel industry since 2007. He has since 2014 specialized in flat-rolled steel but has previously reported on steel long products, steel pipe and tube as well as aluminum. Before joining SMU, Cowden held reporting jobs at Fastmarkets AMM in Chicago - where he was involved in launching AMM's daily hot-rolled coil index, the Associated Press in Pittsburgh, and the Cambodia Daily in Phnom Penh. He has also worked as a copy editor and in marketing at the University of Chicago Press. Cowden has a bachelor's degree in English from the University of Chicago and a master's degree in journalism from Northwestern University's Medill School of Journalism. Contact him at [Michael@SteelMarketUpdate.com](mailto:Michael@SteelMarketUpdate.com).

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# SMU Hot Rolled Price Index

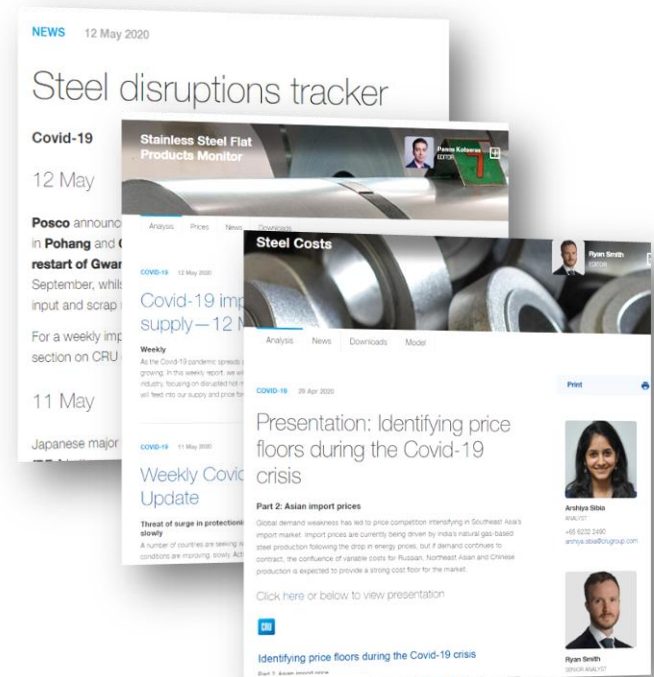


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# Thank You

Thank you for attending our SMU Community Chat Webinar.

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

To contact Michael Cowden – [Michael@SteelMarketUpdate.com](mailto:Michael@SteelMarketUpdate.com)

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