



STEEL MARKET UPDATE

part of the  Group

SMU Flat Rolled Market Trends Analysis

Responses from our January 18-21, 2021 Market Survey





- 31 years actively selling flat rolled steel – 40+ years in the steel business.
- Newsletter developed for active buyers & sellers of flat rolled steel.
- Prices – Momentum – Trends – Analysis – with a guarantee.
- For more information visit www.SteelMarketUpdate.com



Steel 101 Workshop, Severstal Dearborn 2012

Our goal is to provide quality information to the flat rolled steel industry.

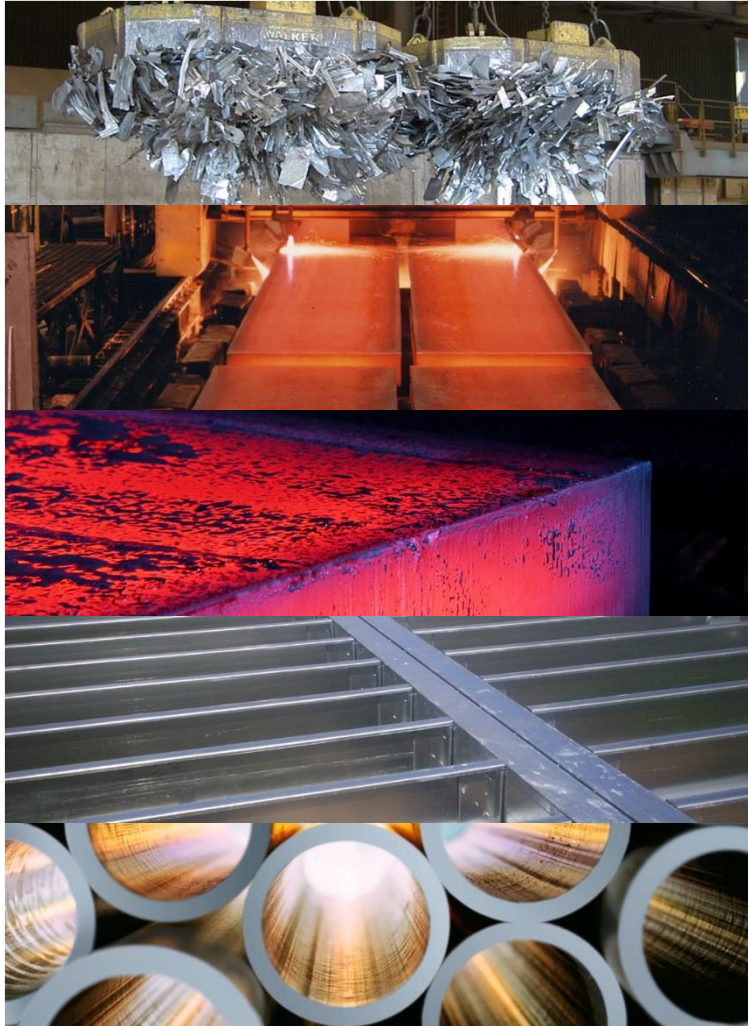
We invite over 600 companies to participate in our surveys.

Normal response rate is 100-150 individuals on any one survey.

All responses are kept confidential and are never attributed to the individual or company responding.

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, call our office at 800-432-3475, or e-mail our team at Events@SteelMarketUpdate.com

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://www.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

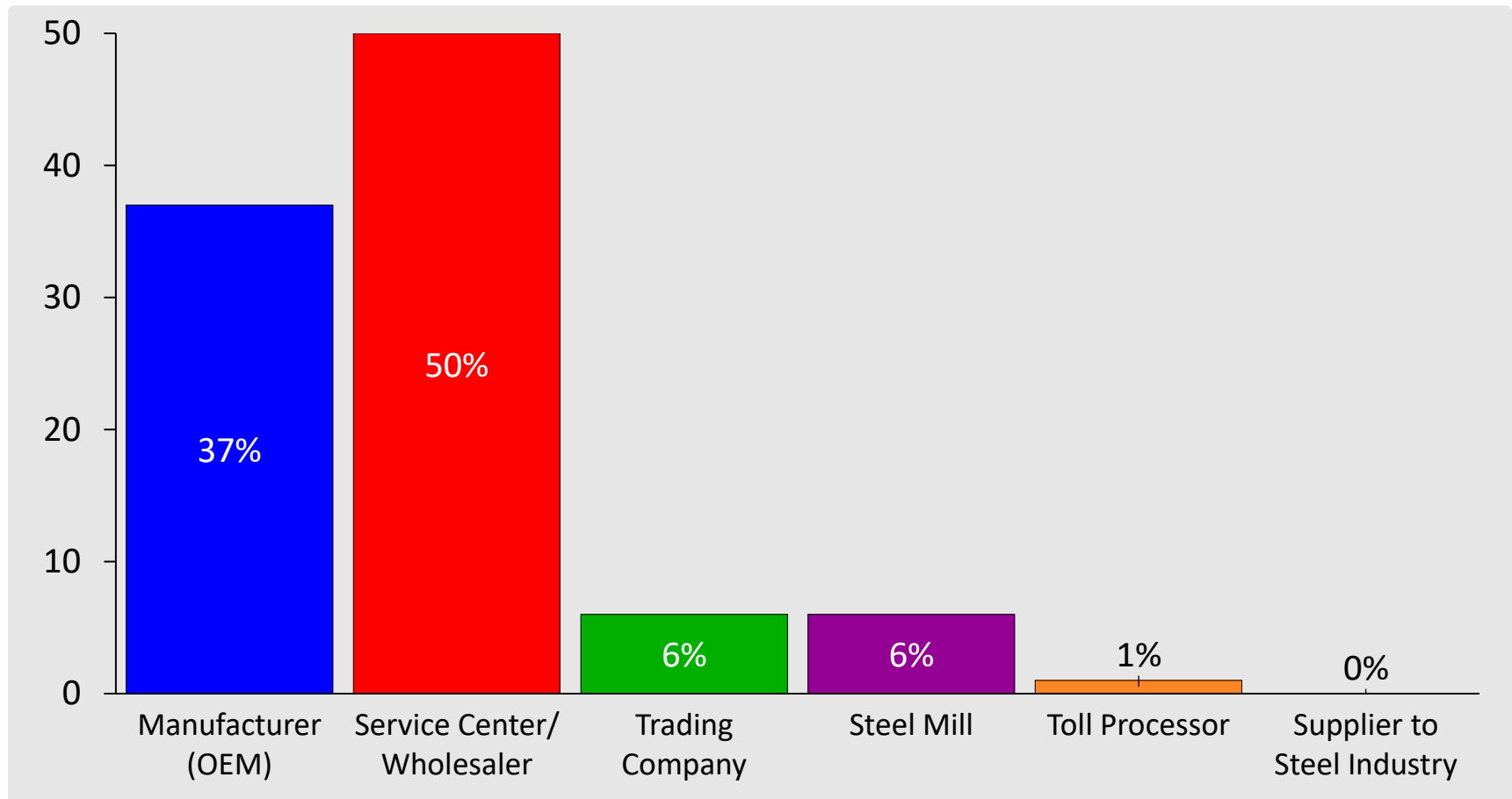
Steel Market Update and Spencer Johnson, StoneX Group Inc., along with the CME Group, will be conducting a workshop for those who are actively involved in the buying or selling of steel. This is a continuing education course, which will go past introducing market participants to hedging and the terminology 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

events.crugroup.com/steel101/about-steel-hedging-201

Survey Participants

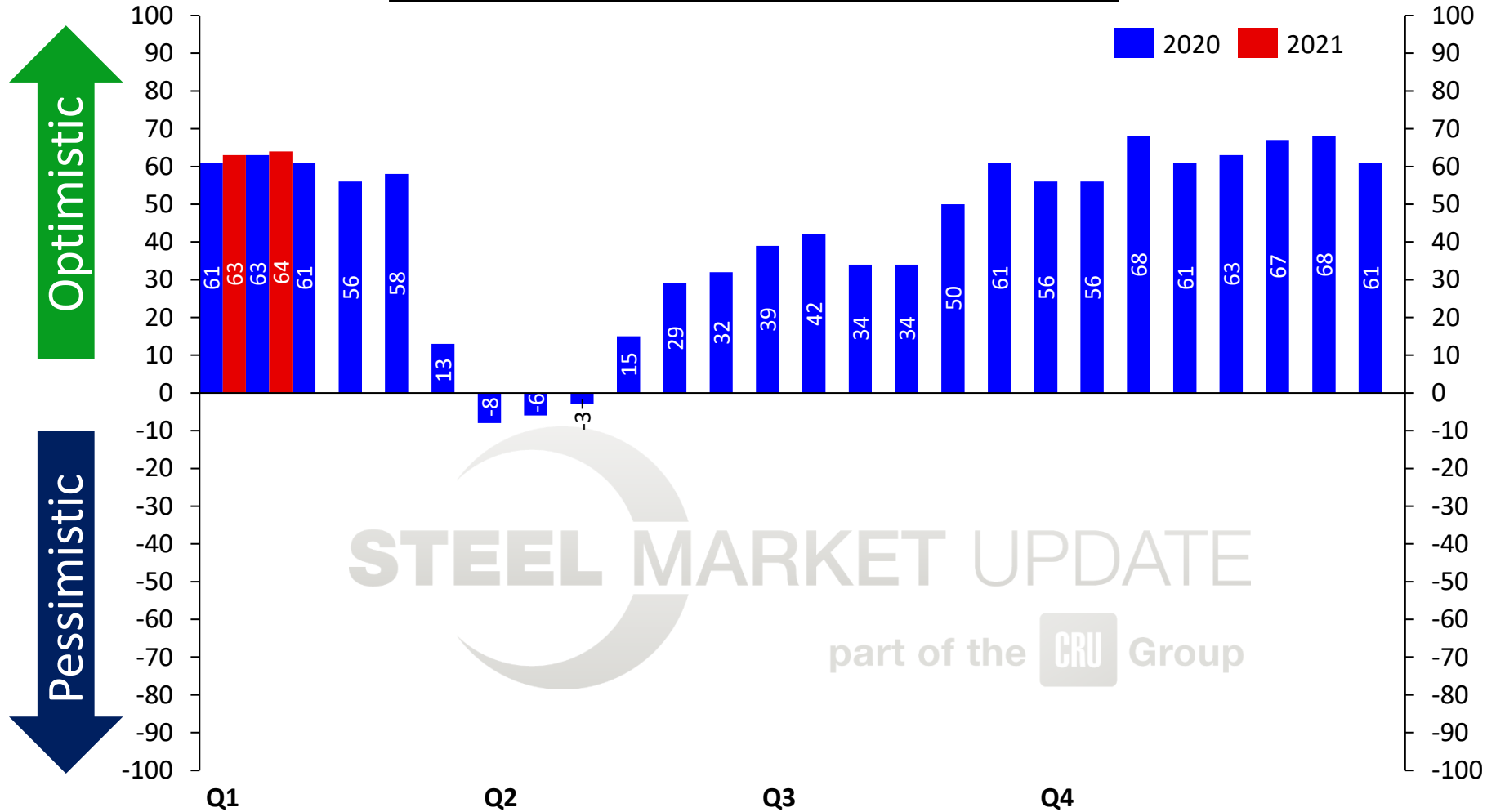
Our survey is by invitation only- Over 600 companies, mostly in the manufacturing or distribution industries, are asked to participate. Here are the percentages of participation in this week's survey by market sector.



SMU Buyers Sentiment Index

Up 1 point to +64

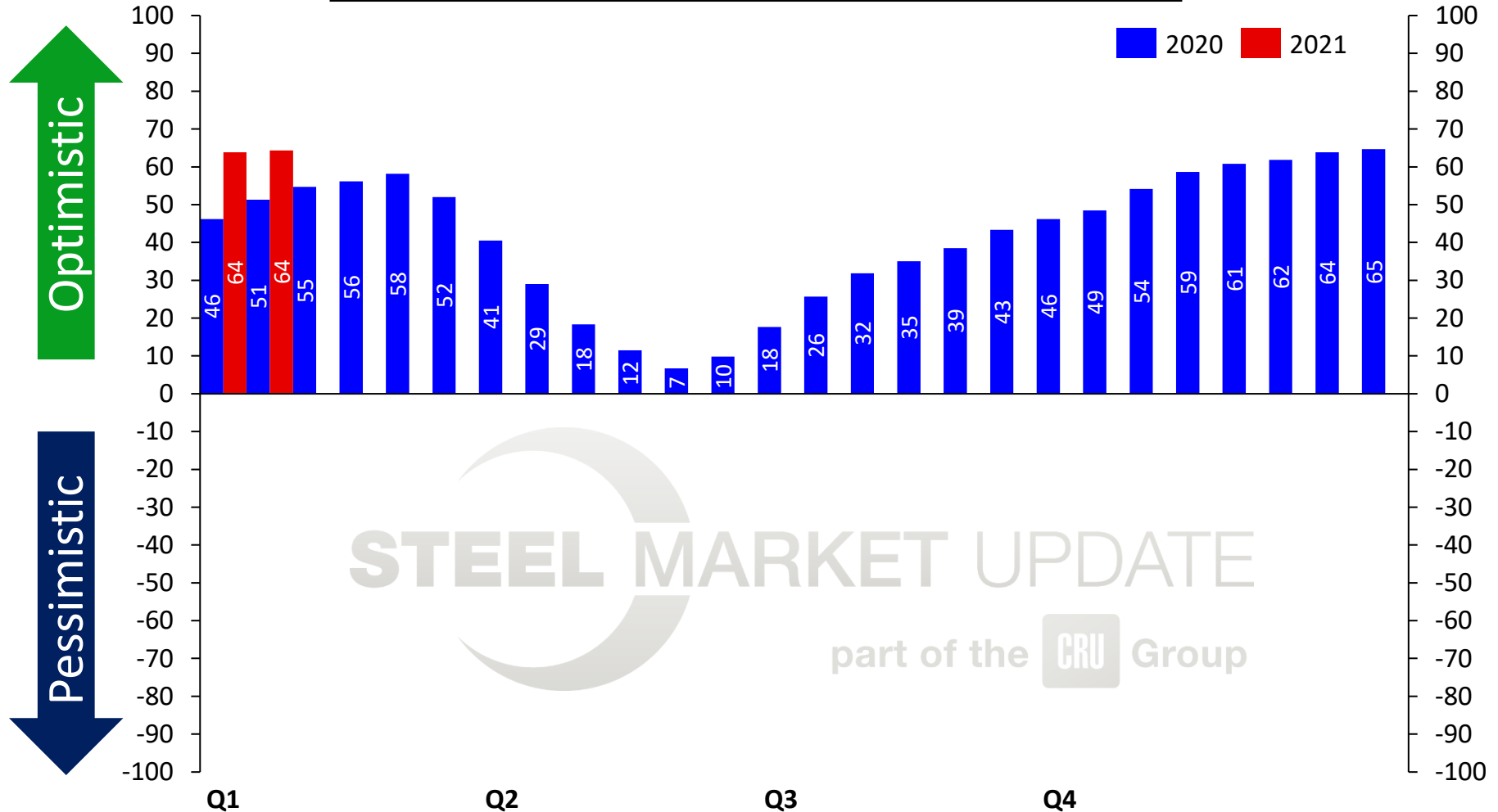
Steel Market Update Buyers Sentiment Index



SMU Buyers Sentiment Index

Three Month Moving Average at +64.33

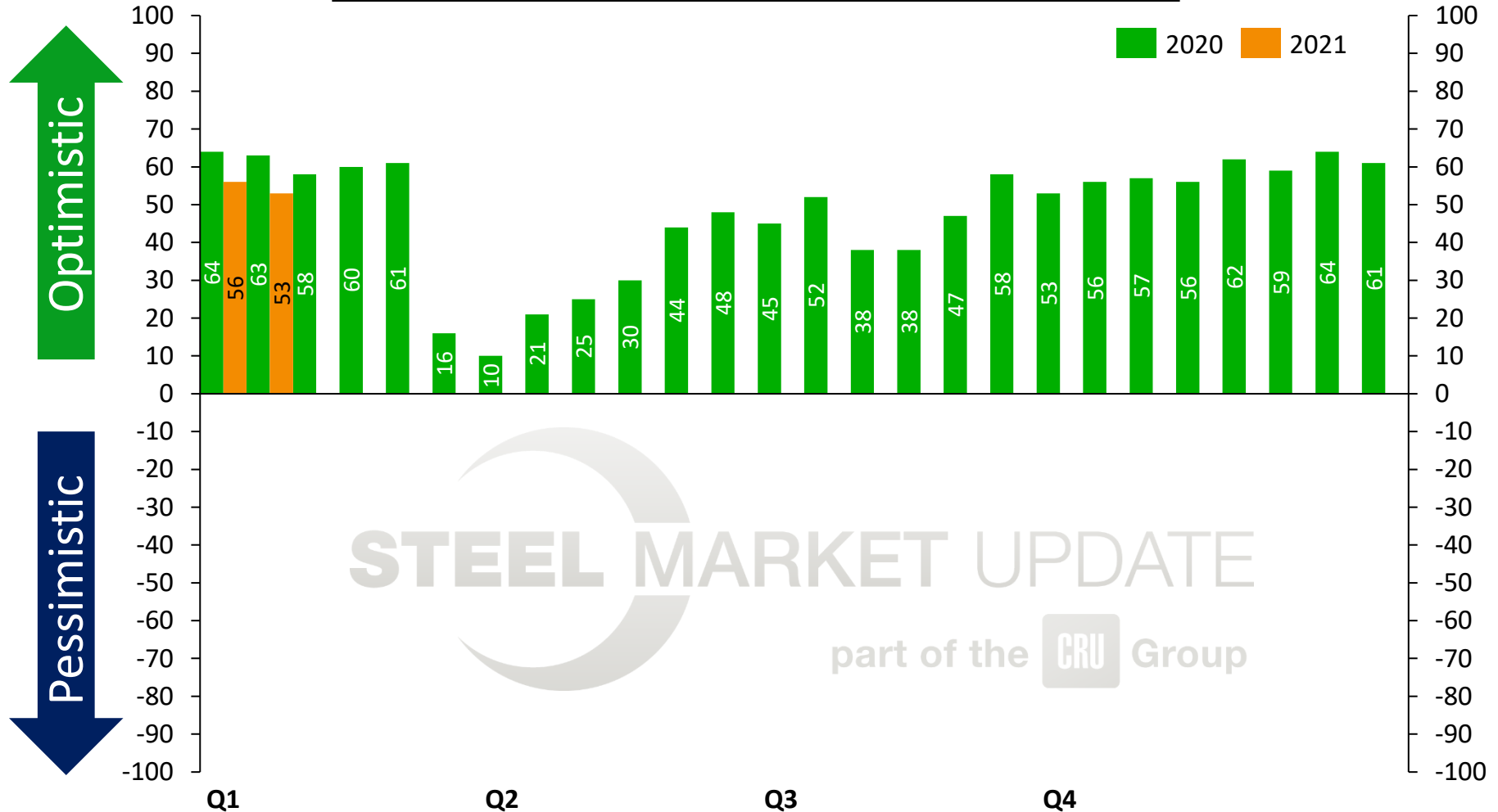
Steel Market Update Buyers Sentiment Index 3MMA



SMU Future Buyers Sentiment Index

Down 3 points to +53

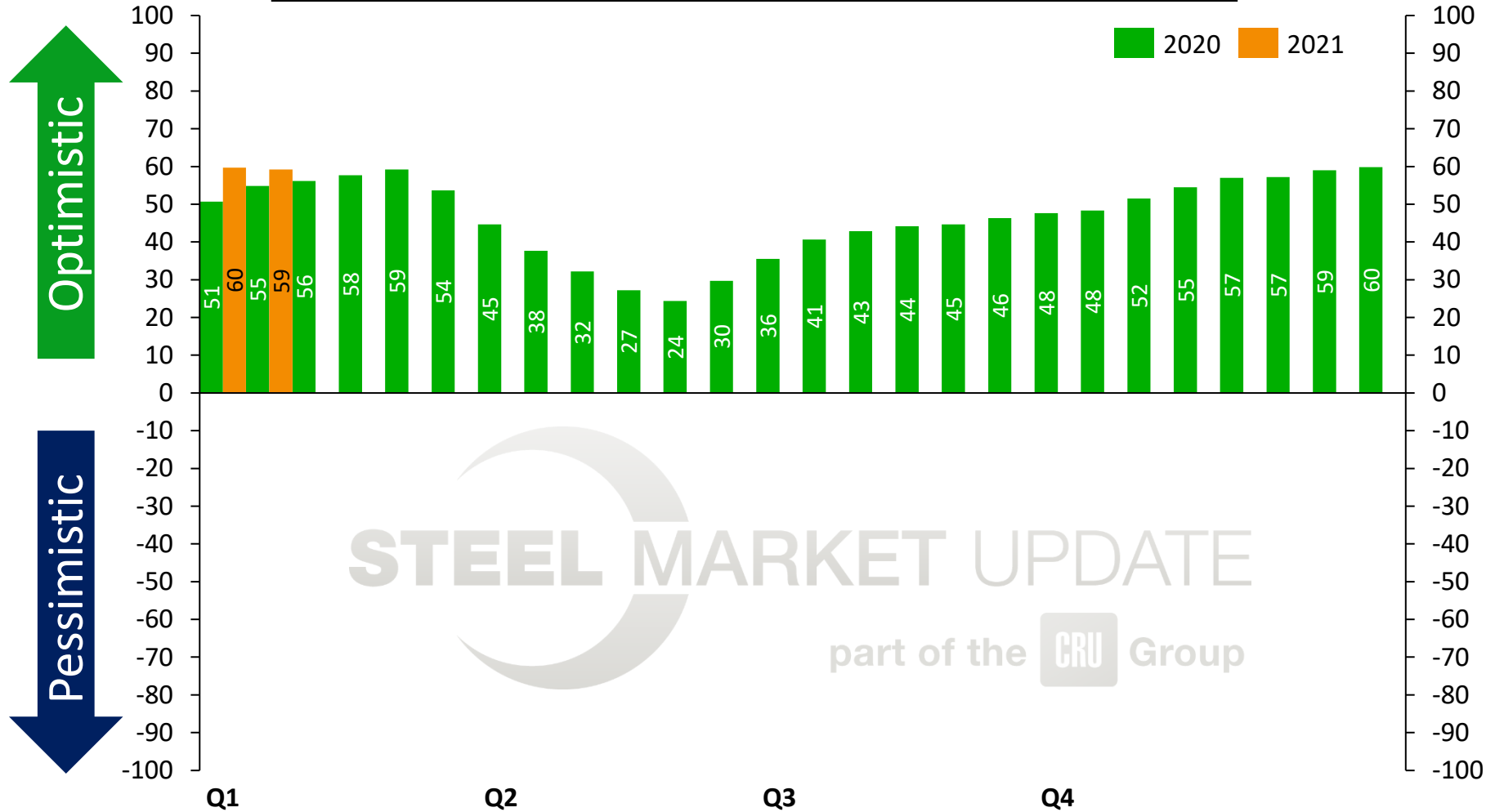
Steel Market Update Future Buyers Sentiment Index



SMU Future Buyers Sentiment Index

Three Month Moving Average at +59.17

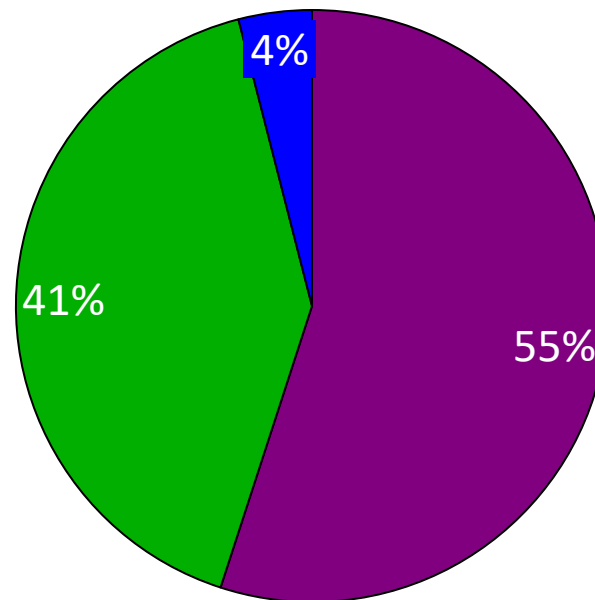
Steel Market Update Future Buyers Sentiment Index 3MMA



Overall Demand

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

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

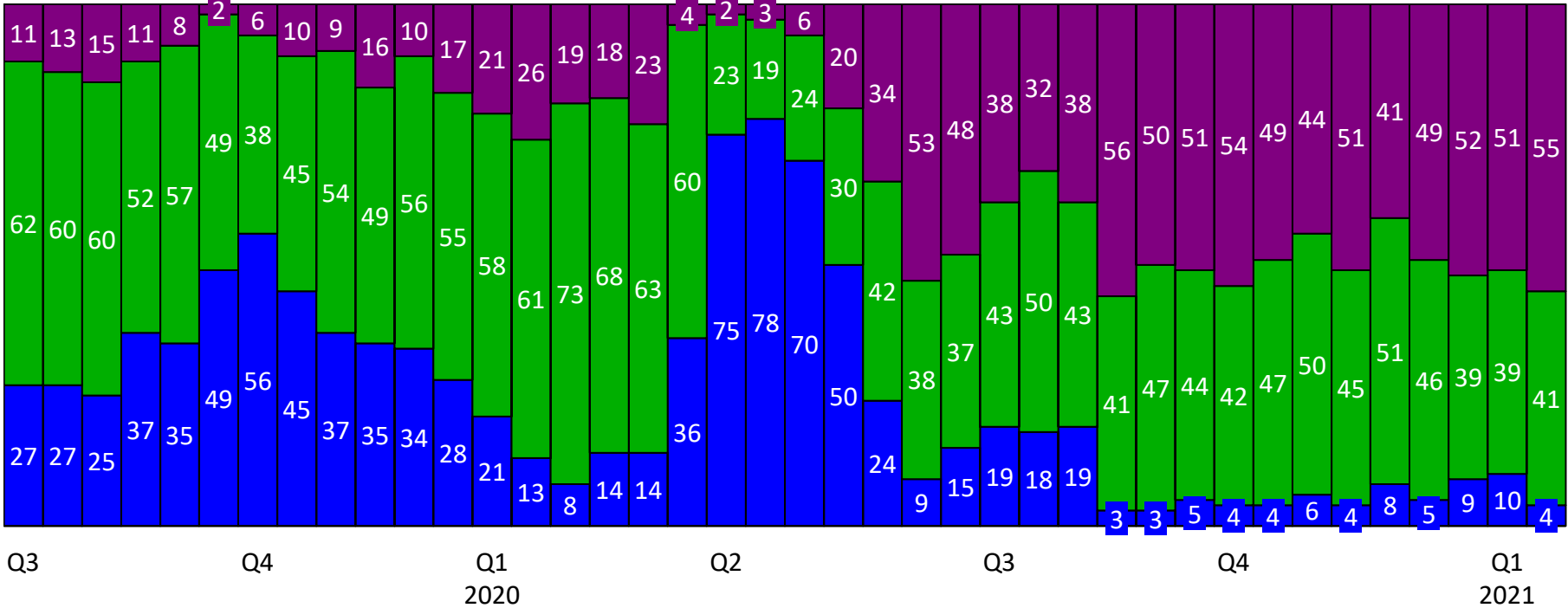


Overall Demand History

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

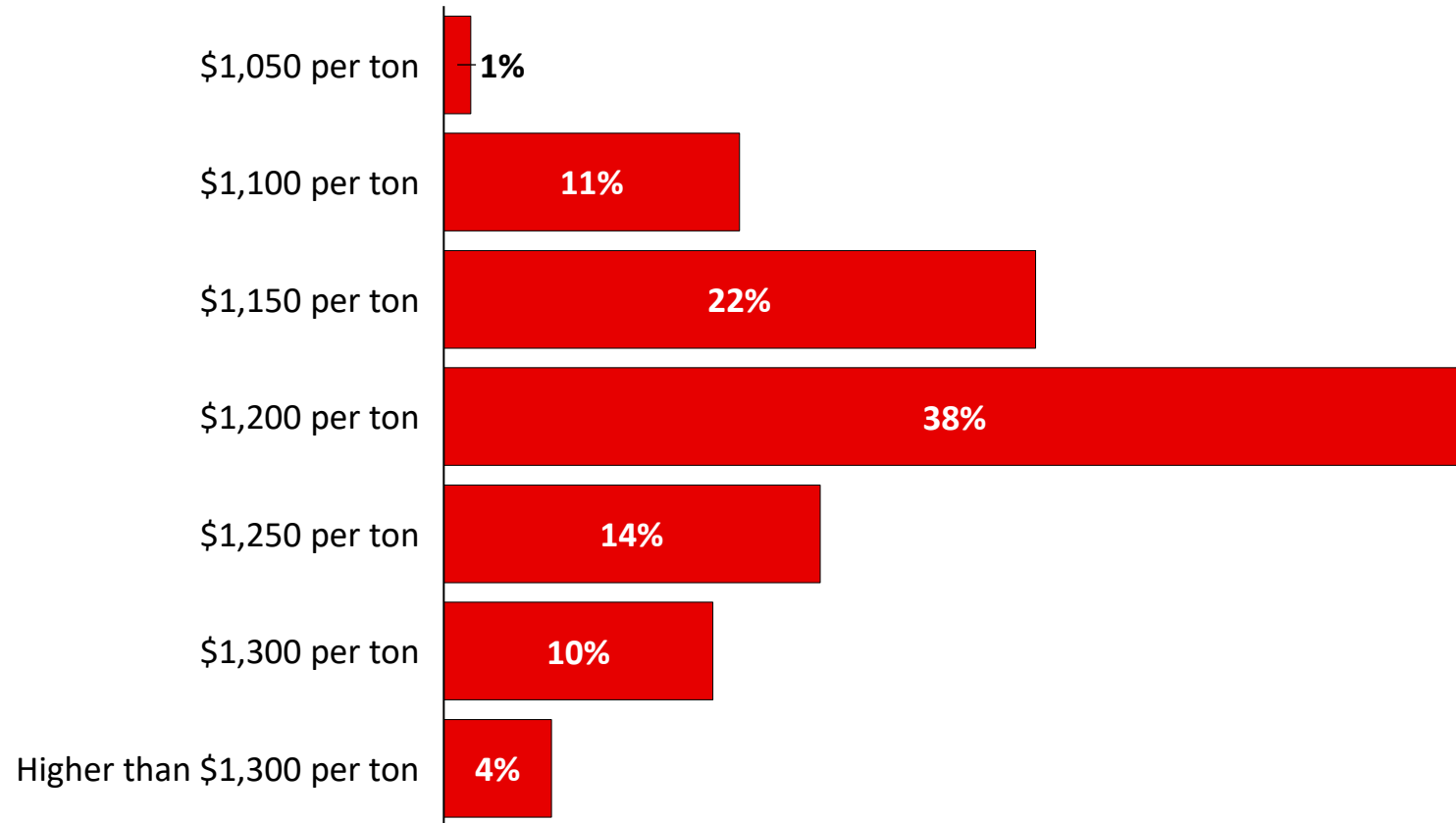
- Demand is improving
- Demand is remaining the same
- Demand is declining

out of 100%



HRC Price Peak

Hot rolled price offers are now reaching \$1,100 per ton.
At what level do you think HRC prices will peak?

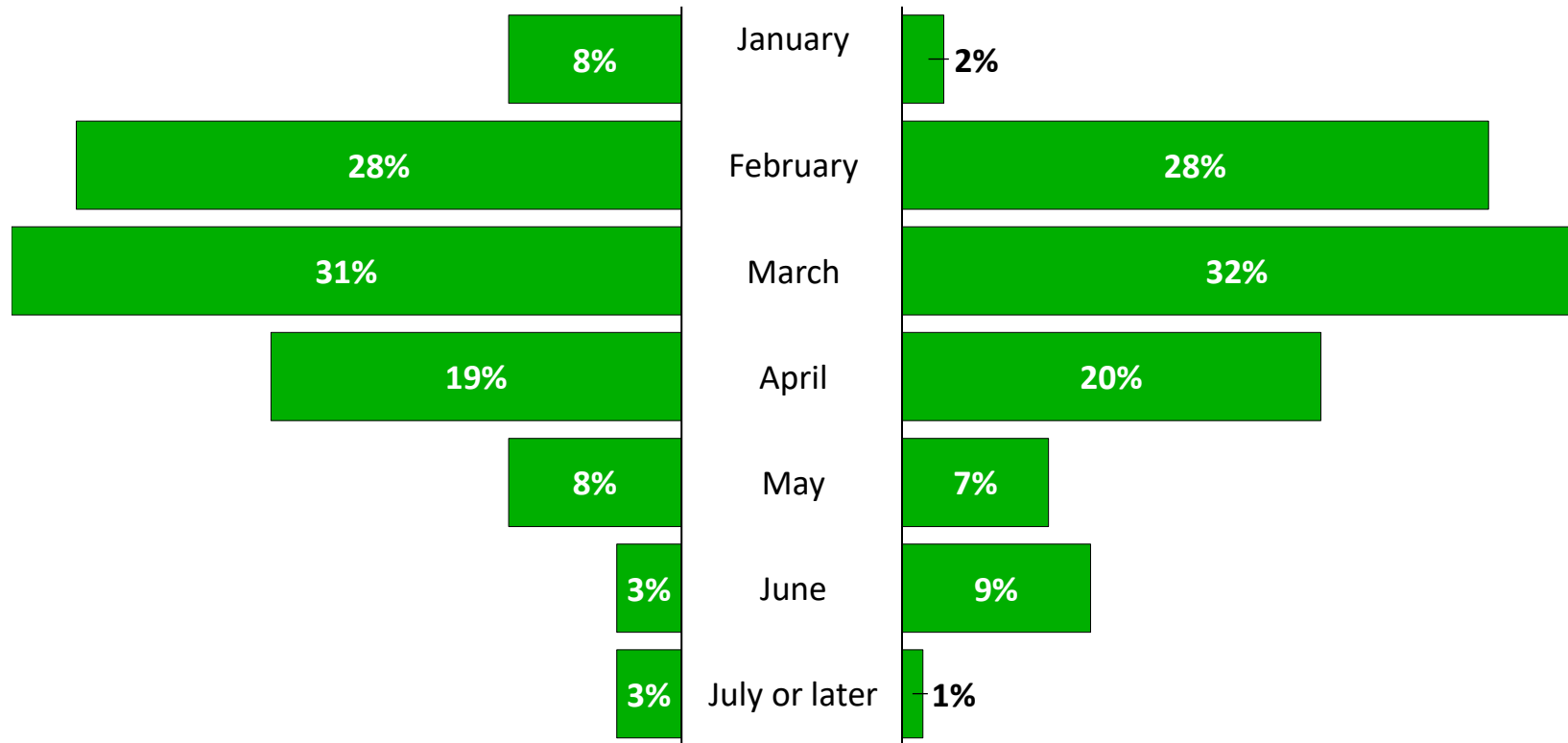


When Will Prices Peak?

When do you see prices peaking?

January 8, 2021

January 22, 2021

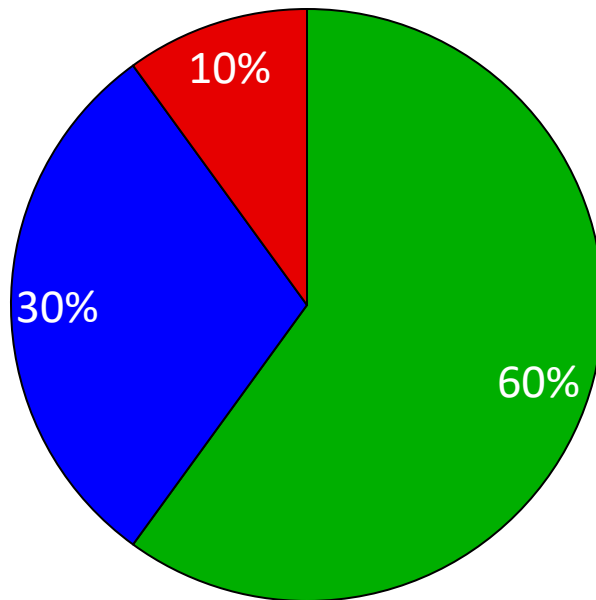


2021 vs 2020 Demand

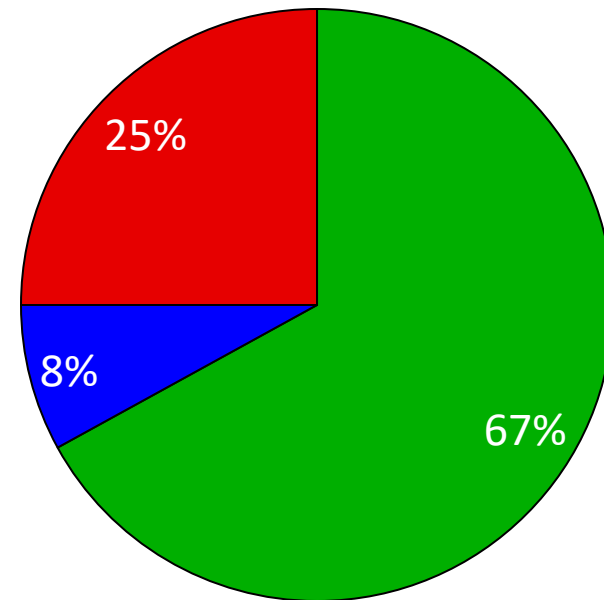
Demand for your products in 2021
will be higher or lower than 2020?

- Higher
- Same
- Lower

January 8, 2021

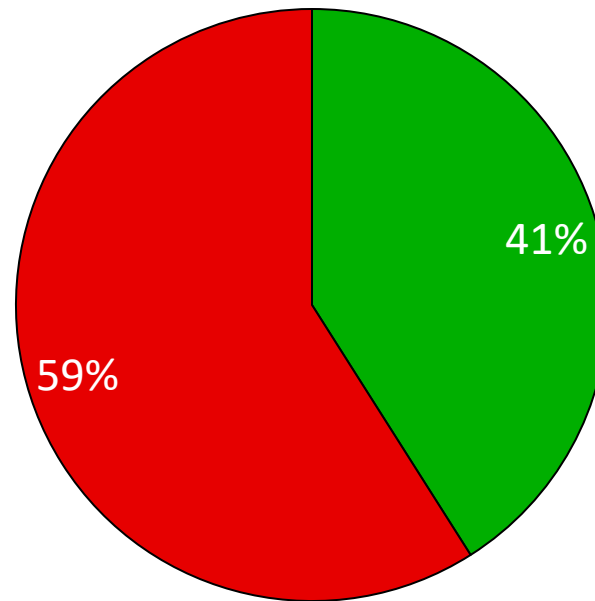


January 22, 2021



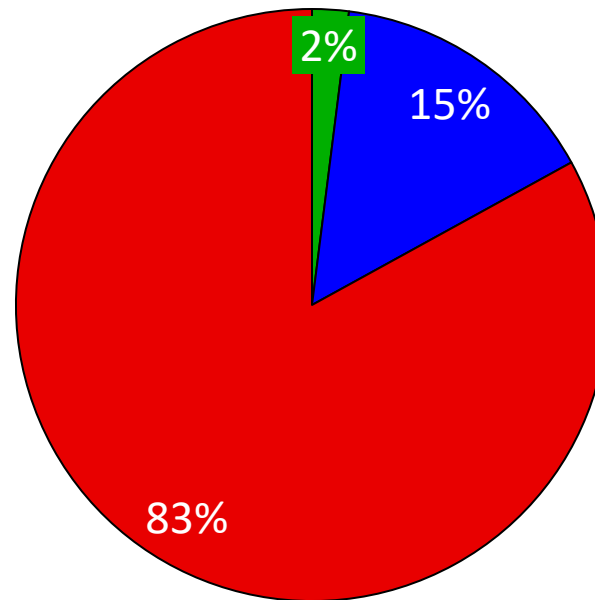
Are you able to purchase all of the material you need to run your business, or keep your customers satisfied?

Yes No

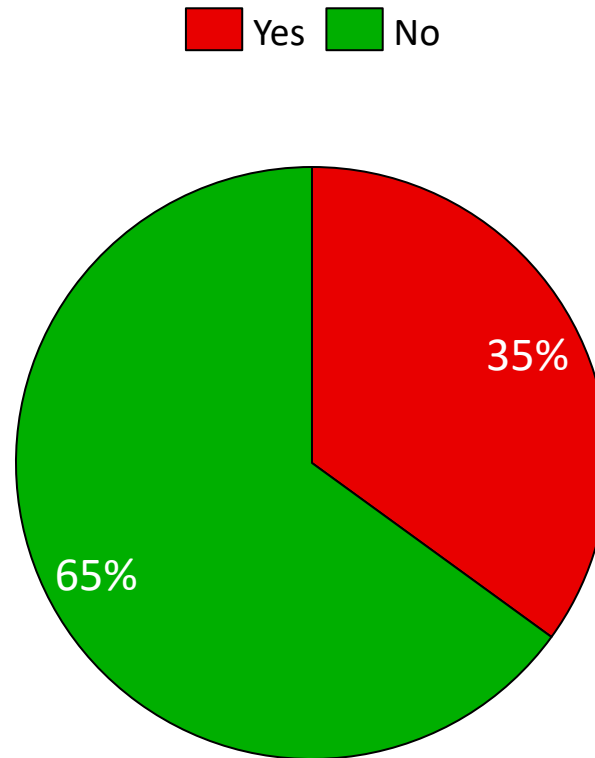


Are your mill suppliers running on time, late, or early?

- Early (more than 2 weeks early)
- On Time (+/- 2 weeks from original promise date)
- Late (more than 2 weeks late)



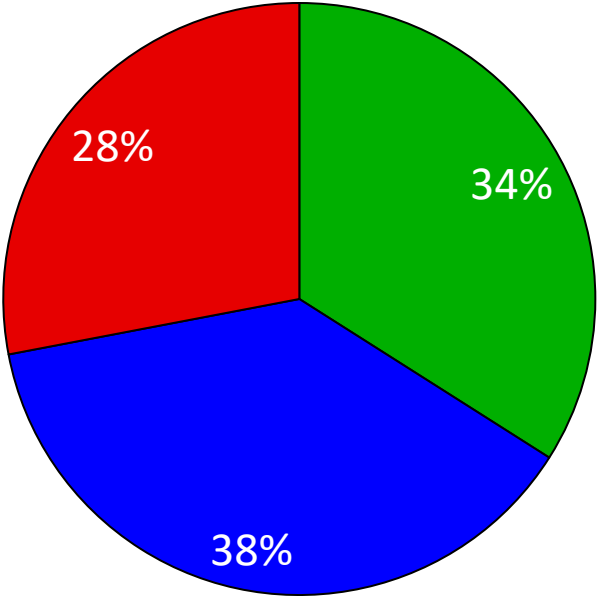
With the new higher steel prices are you, or your customers, having credit issues and not able to buy all the steel you (or they) need?



Manufacturer Purchases

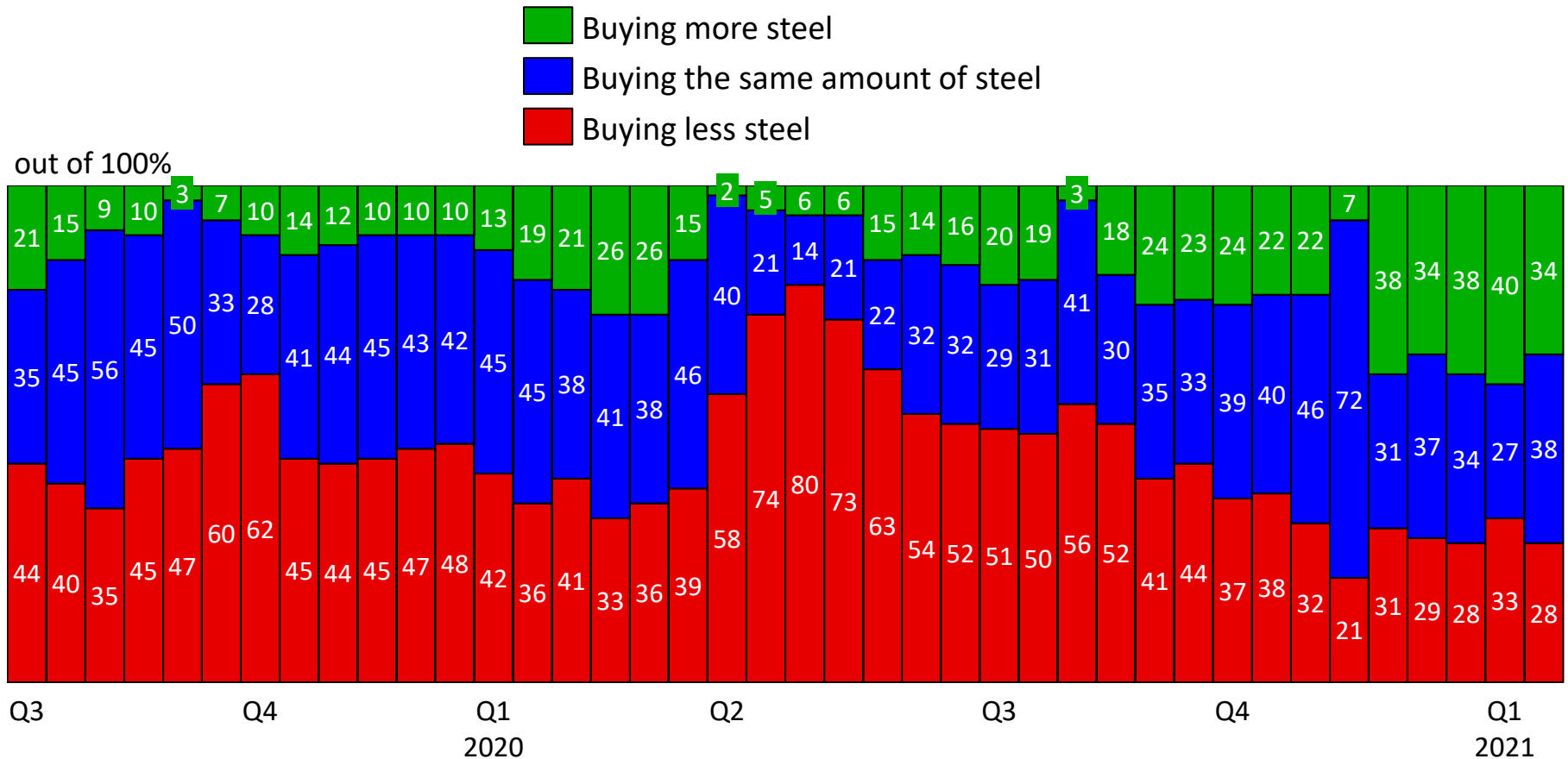
Manufacturers- Compared to this time last year –
is your company buying more, less or the same
amount of flat rolled steel as one year ago?

- Buying more steel
- Buying the same amount of steel
- Buying less steel



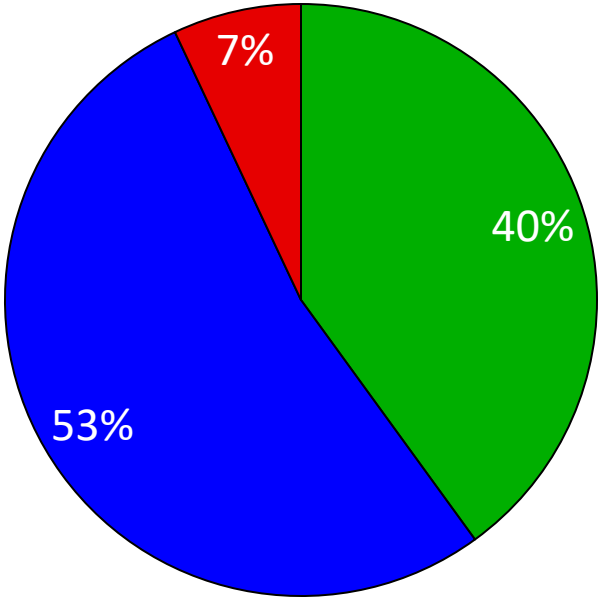
History of Manufacturer Purchases

Manufacturers- Compared to this time last year – is your company buying more, less or the same amount of flat rolled steel as one year ago?



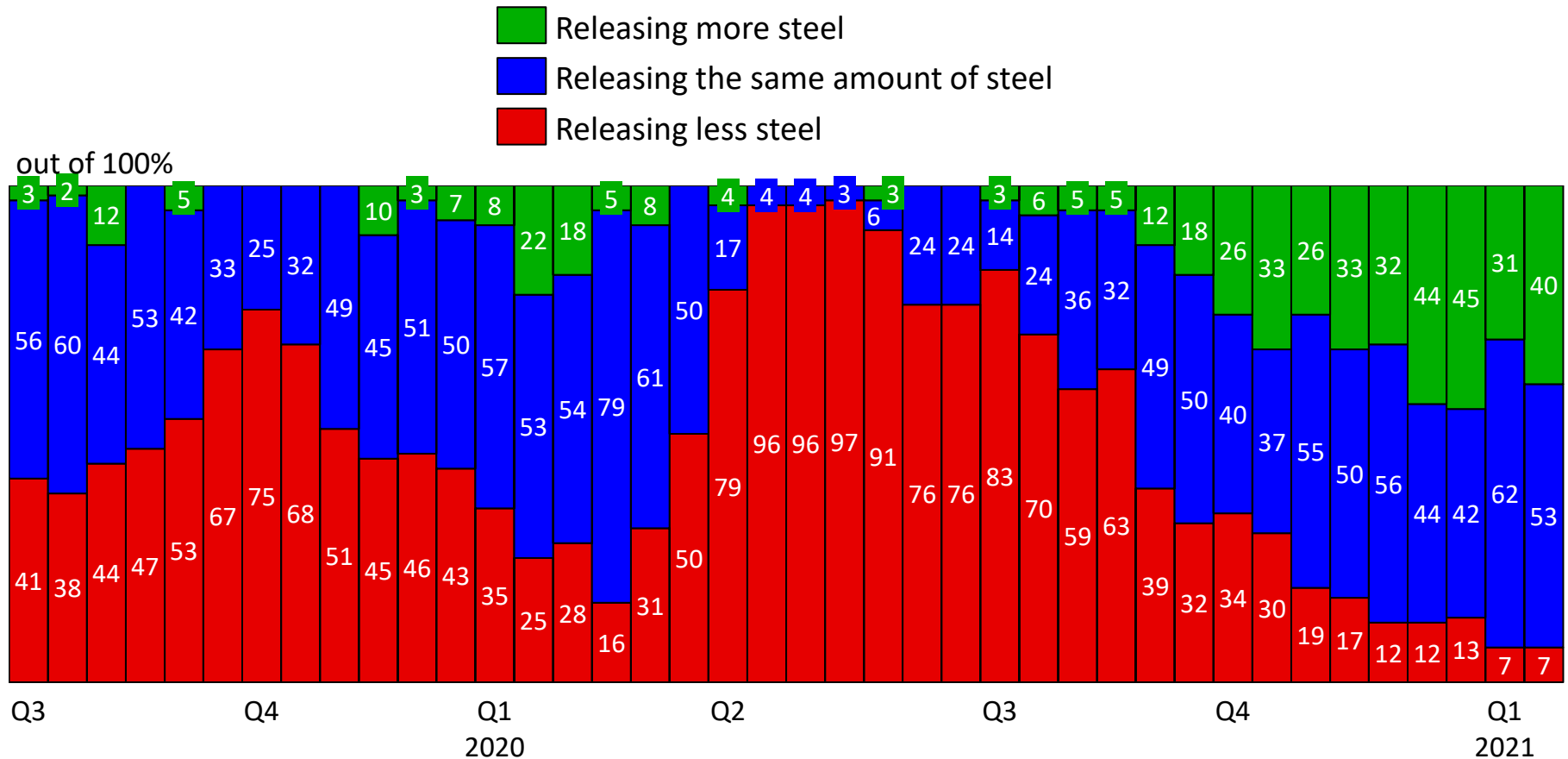
Service Centers- How do you see your customers releases (demand) for the products your company provides this year compared to this time last year?

- Releasing more steel
- Releasing the same amount of steel
- Releasing less steel



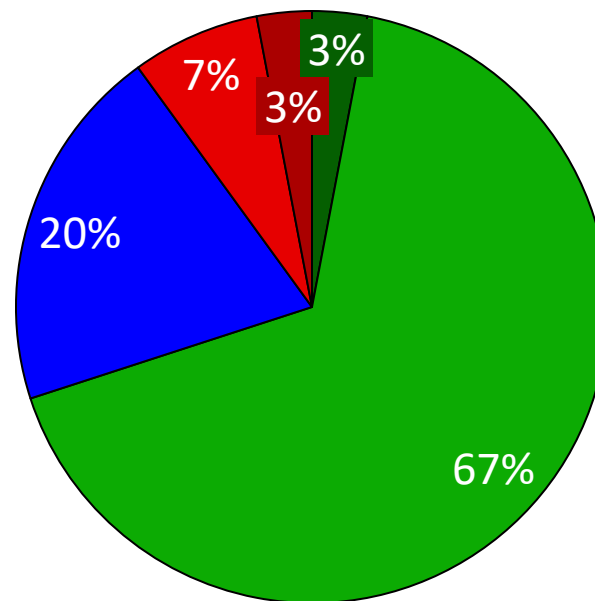
Service Center Release History

Service Centers- How do you see your customers releases (demand) for the products your company provides this year compared to this time last year?



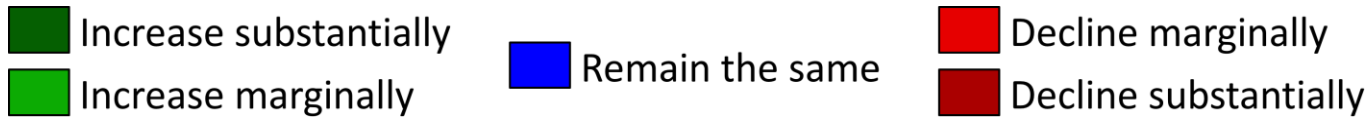
Manufacturers- Demand for your products will _____
over the next 3 months based on current order flows.

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

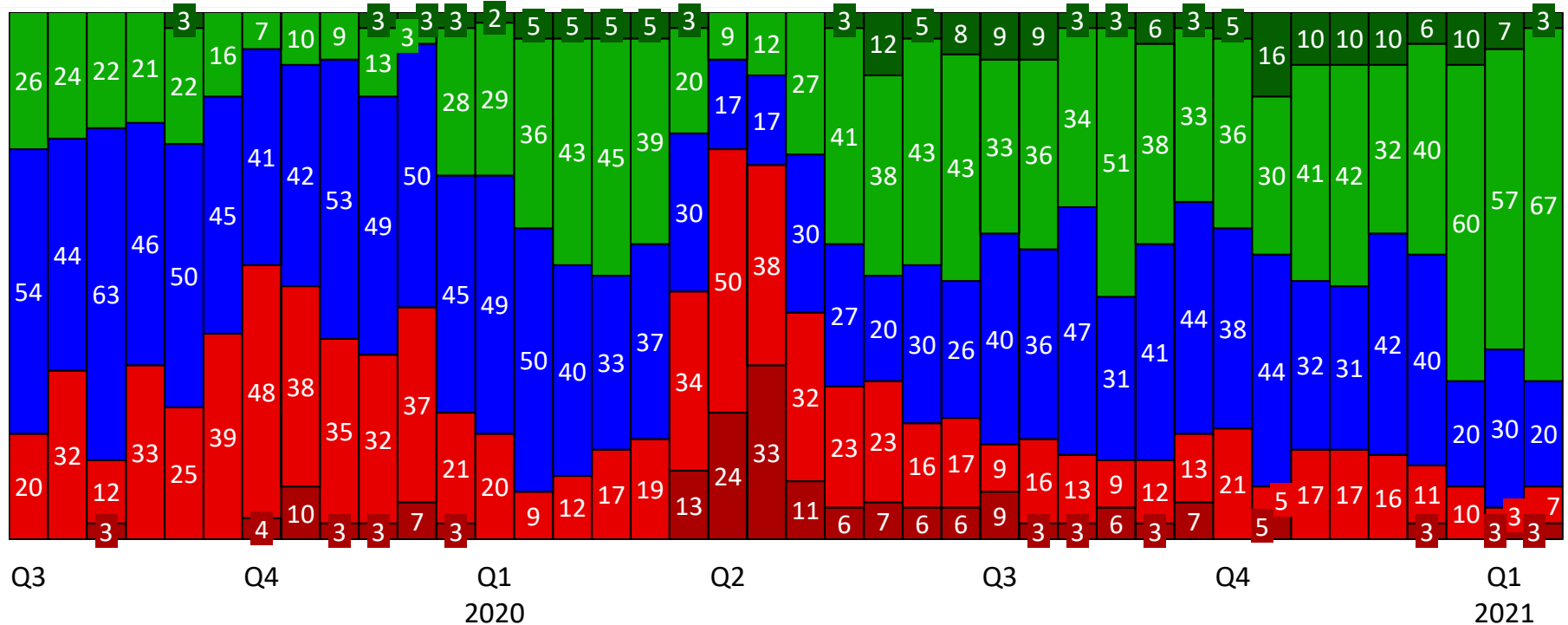


Manufacturer Demand History

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

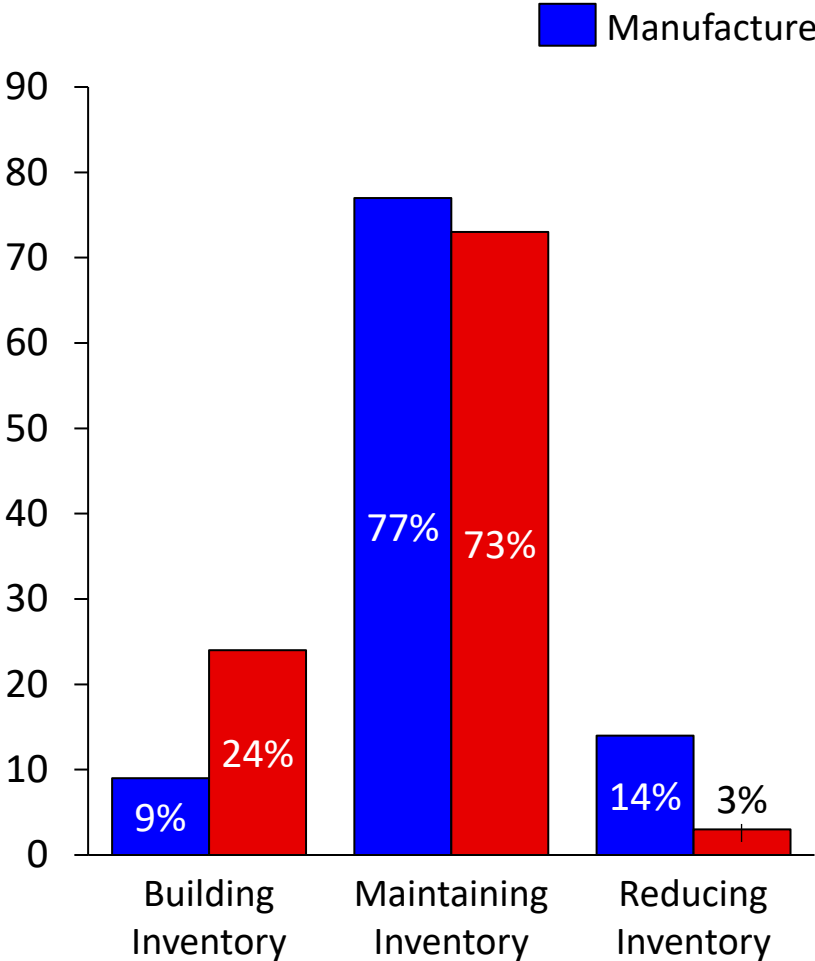


out of 100%

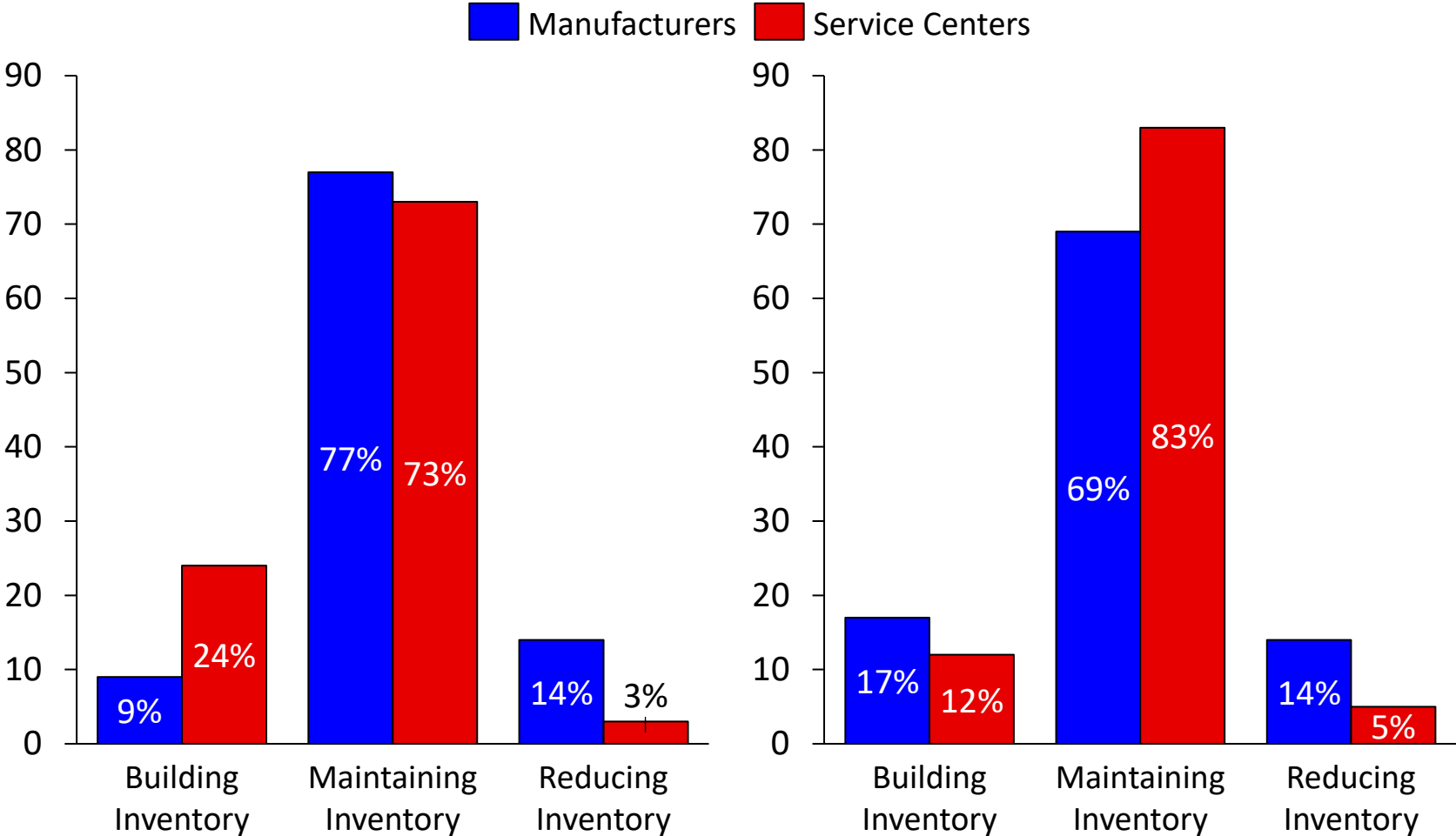


Manufacturer and Service Center Inventory Buying Patterns

December 11, 2020



January 21, 2021

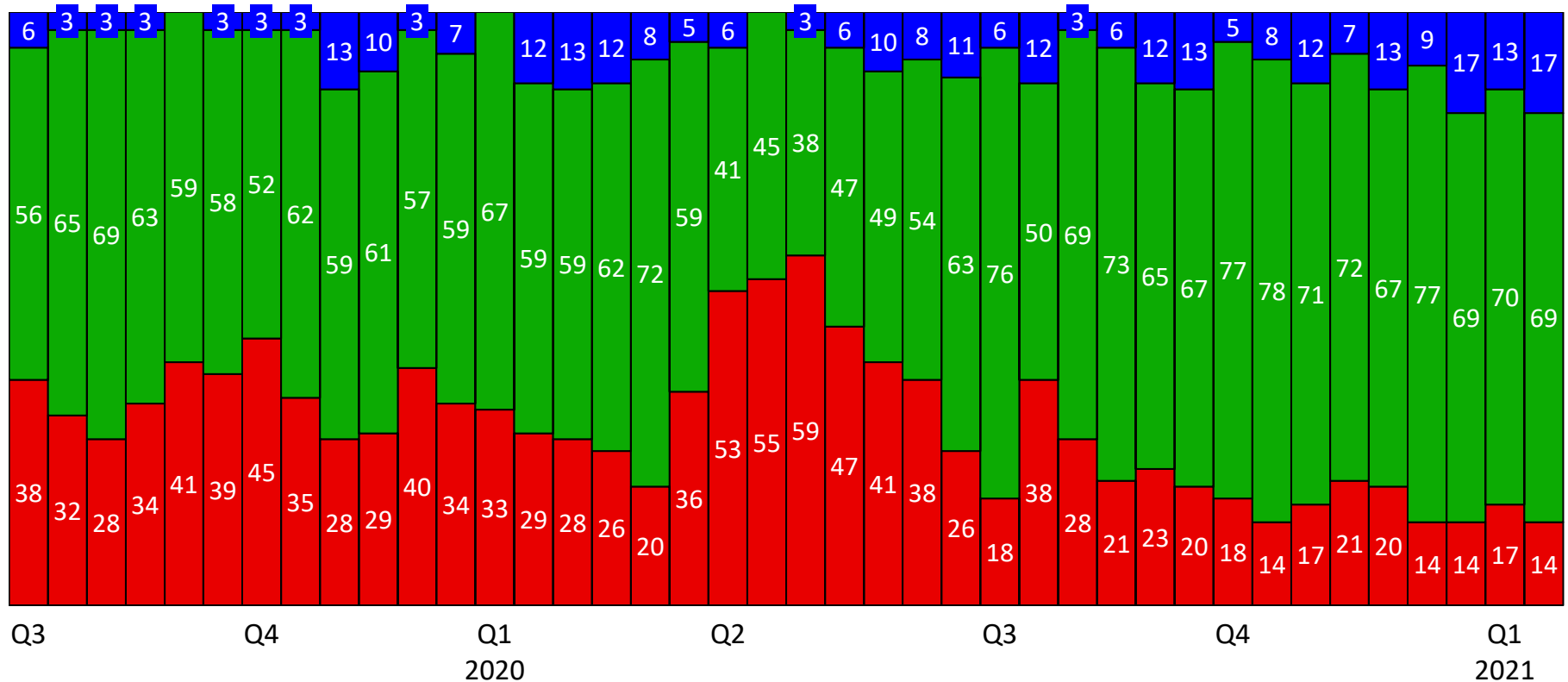


Manufacturer Inventory Buying History

Manufacturers- Is your company building, reducing or maintaining its flat rolled steel inventory?

■ Building Inventory
 ■ Maintaining Inventory
 ■ Reducing Inventory

out of 100%

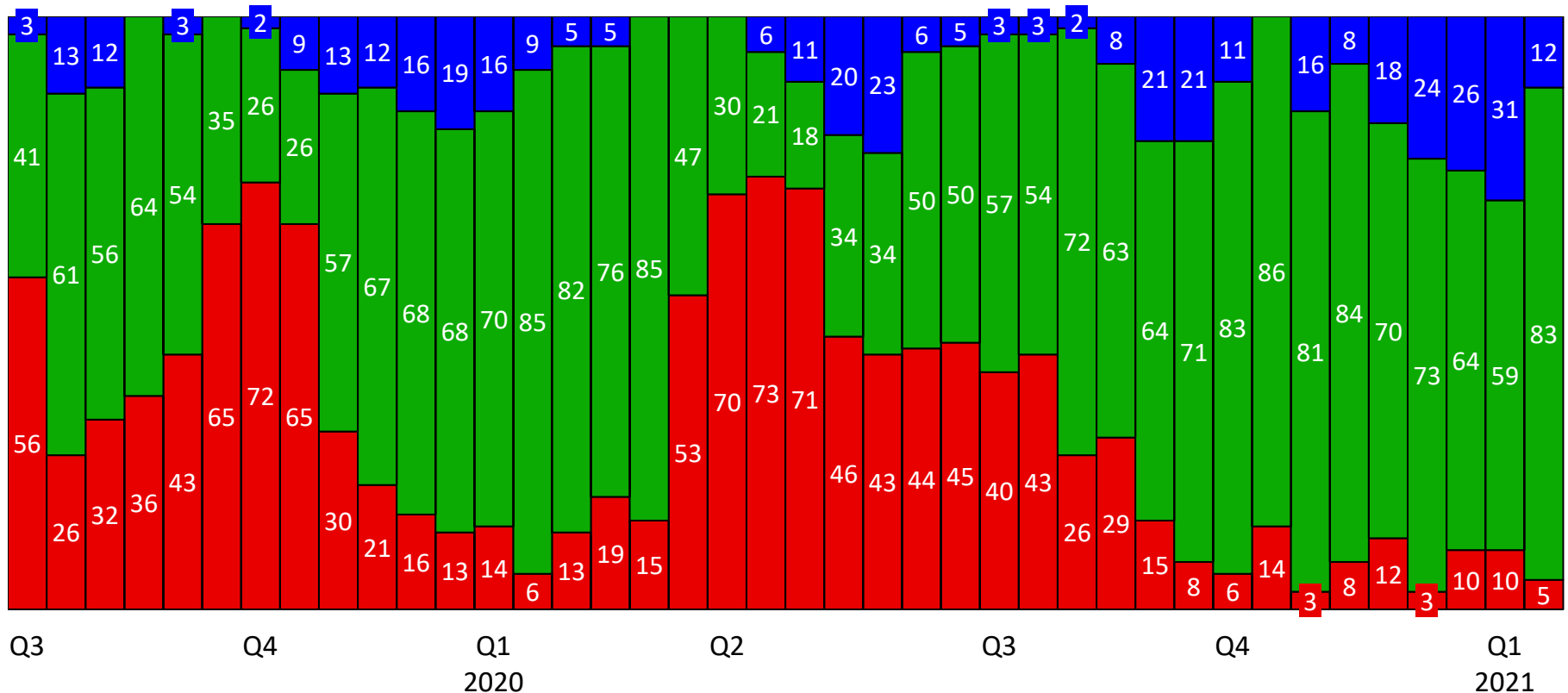


Service Center Inventory Buying History

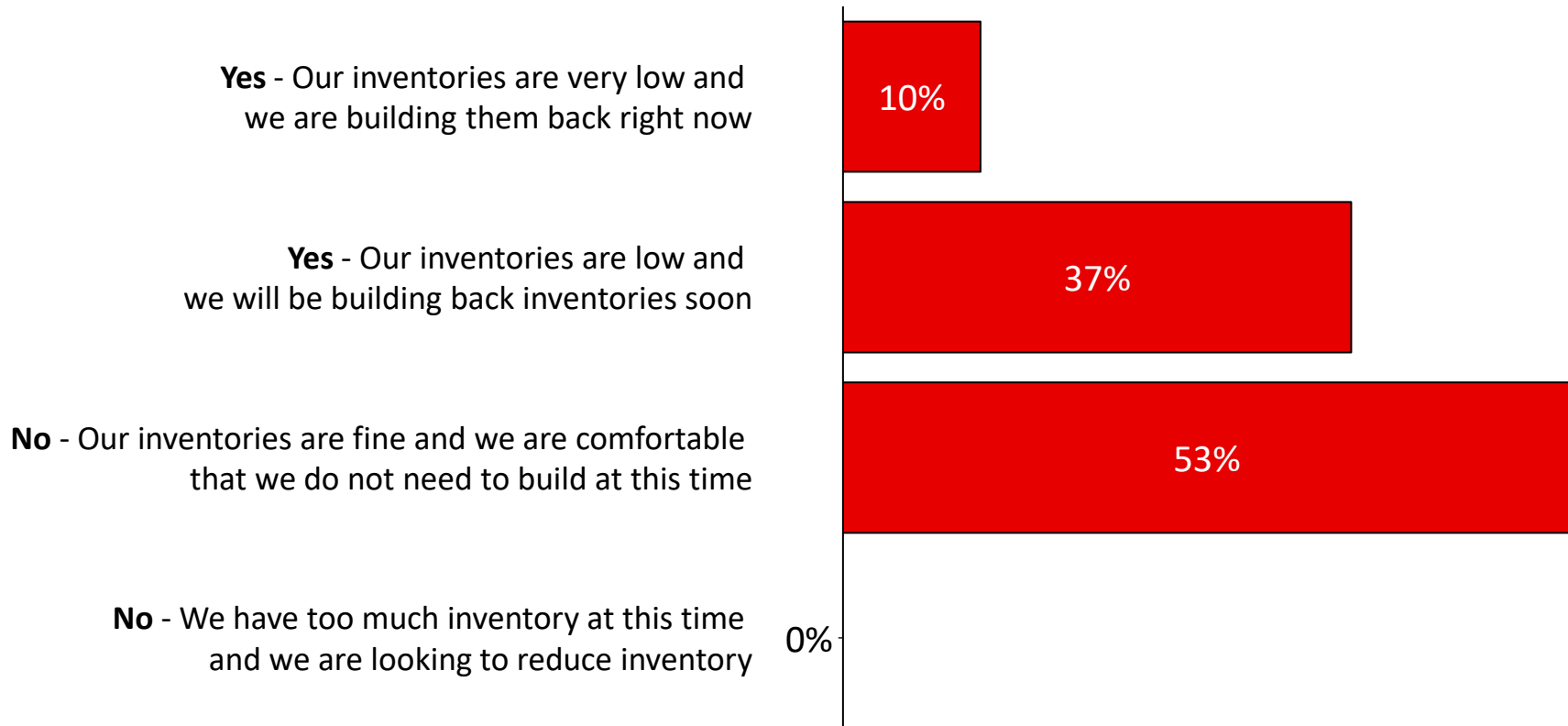
Service Centers- Is your company building, reducing or maintaining its flat rolled steel inventory?

■ Building Inventory
 ■ Maintaining Inventory
 ■ Reducing Inventory

out of 100%



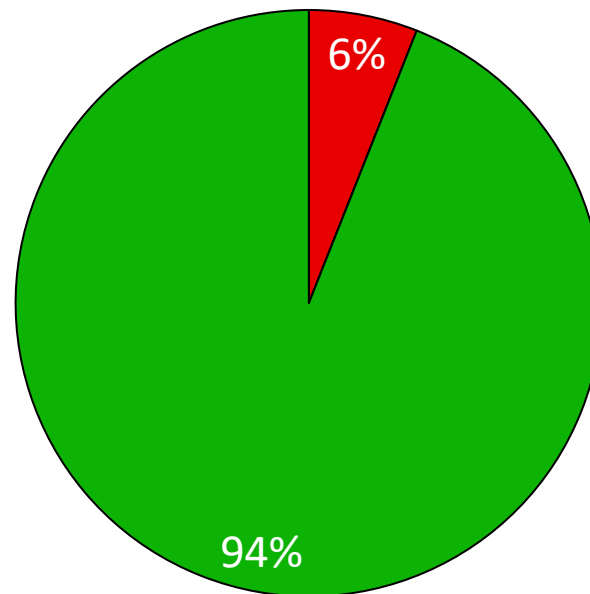
Service Centers- Does your company need to build back inventories or are you comfortable with the levels you are holding on your floor?



Manufacturer's View of Service Center Selling Prices

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

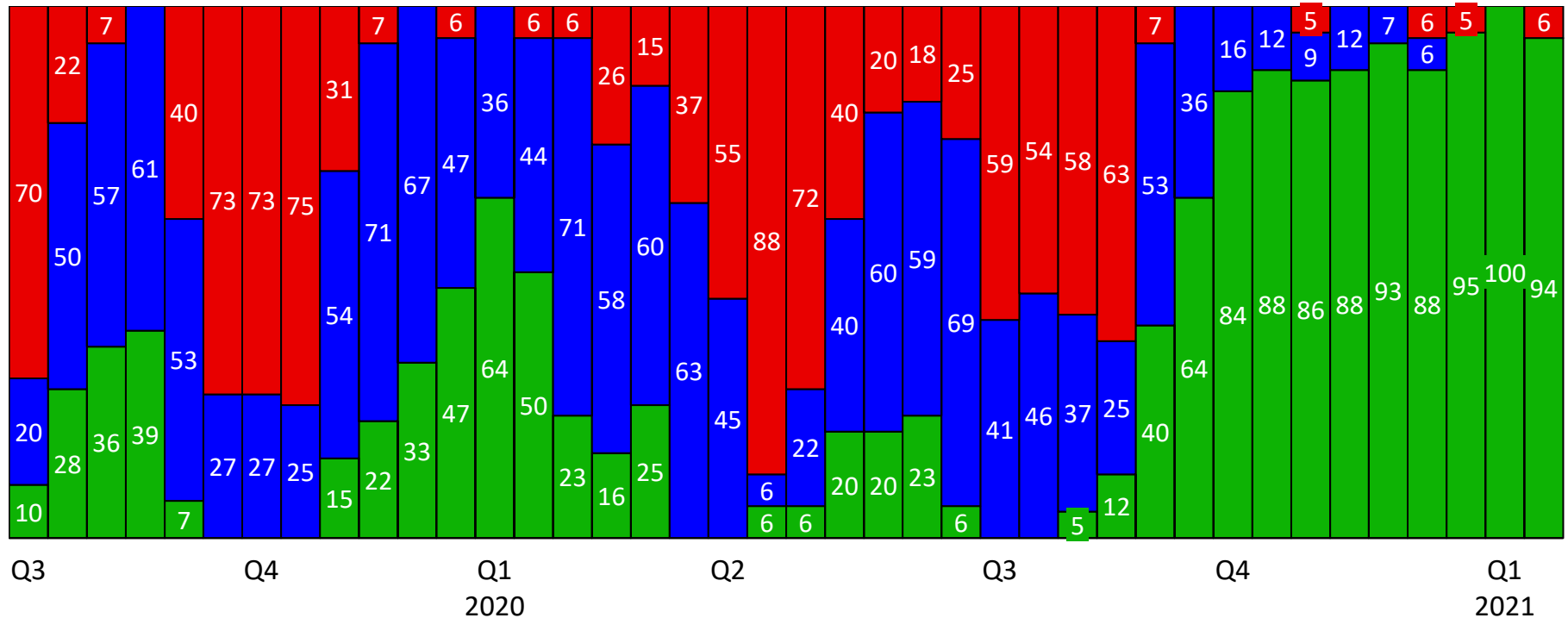


Manufacturer's View of Service Center Selling Prices History

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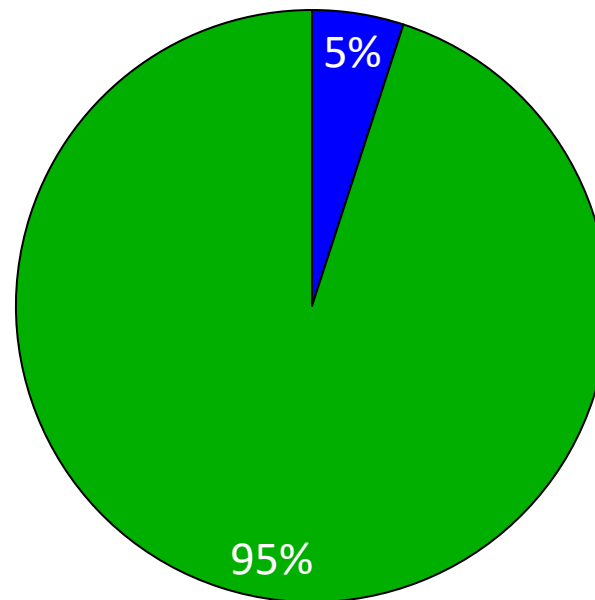
- We are seeing prices decreasing from our service centers
- We are seeing prices stable from our service centers
- We are seeing prices rising from our service centers

out of 100%



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

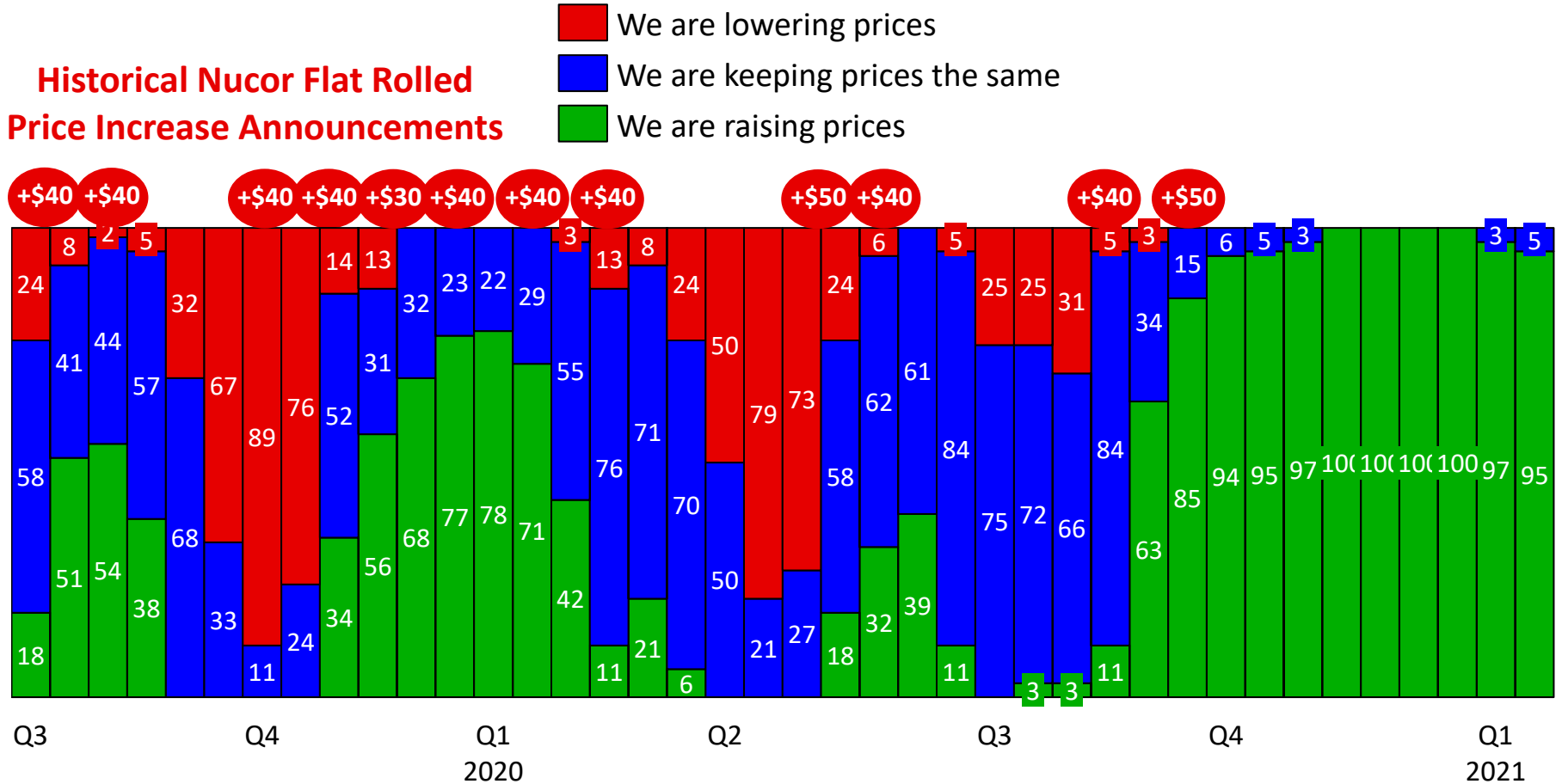
- We are lowering prices
- We are keeping prices the same
- We are raising prices



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



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

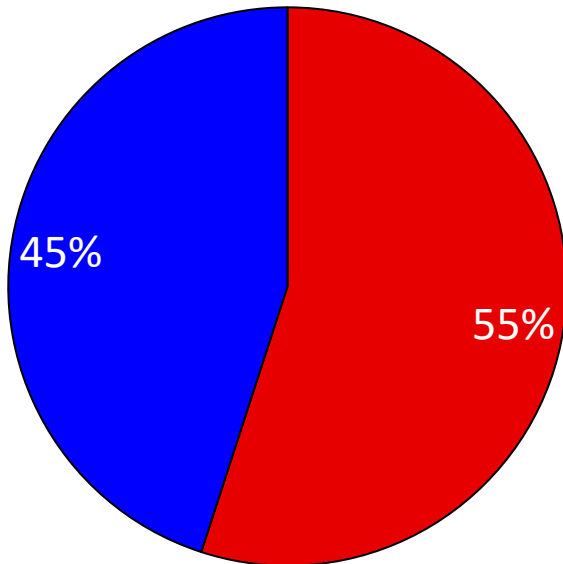


Passing Along Higher Prices

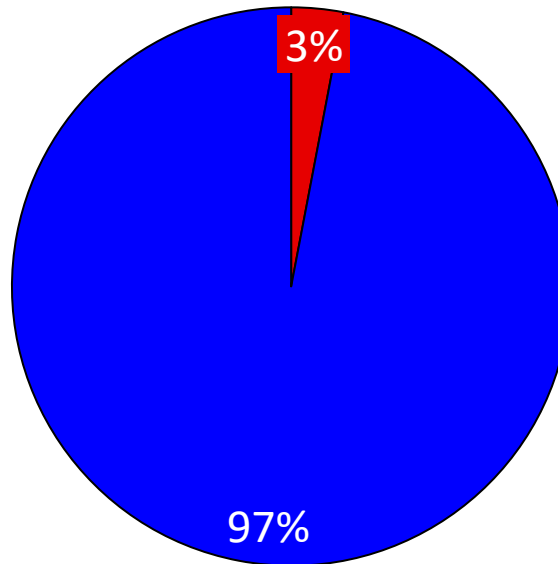
Service Centers- Are you having any difficulties in passing along the new higher prices to your customers?

Yes No

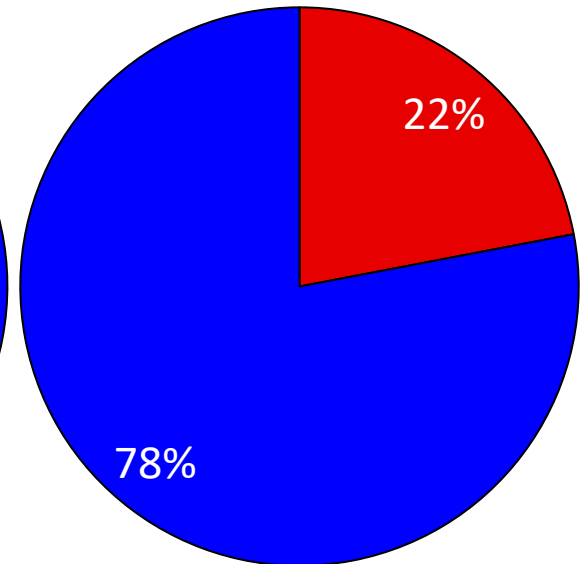
October 2, 2020



December 23, 2020

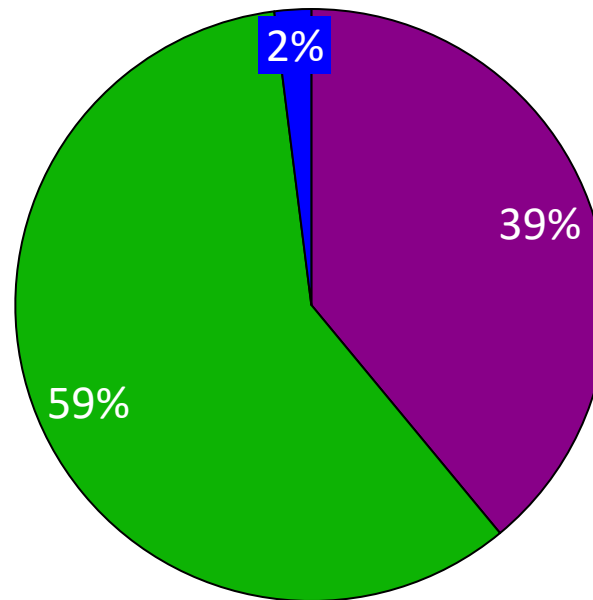


January 21, 2021



Service Centers- Are your manufacturing customers increasing orders, keeping them the same or reducing orders at this time?

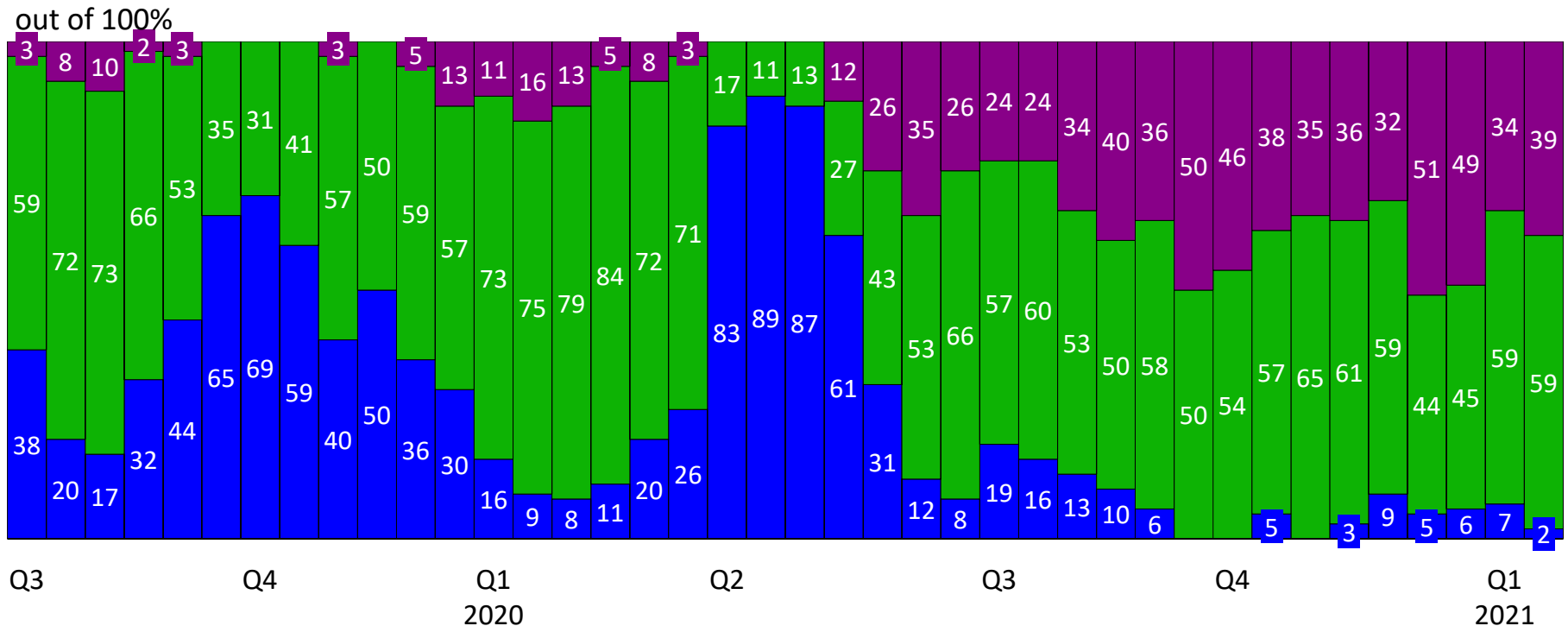
- Our manufacturing customers are increasing orders
- Our manufacturing customers are maintaining their orders
- Our manufacturing customers are reducing their orders



Service Centers on Manufacturer Orders History

Service Centers- Are your manufacturing customers increasing orders, keeping them the same or reducing orders at this time?

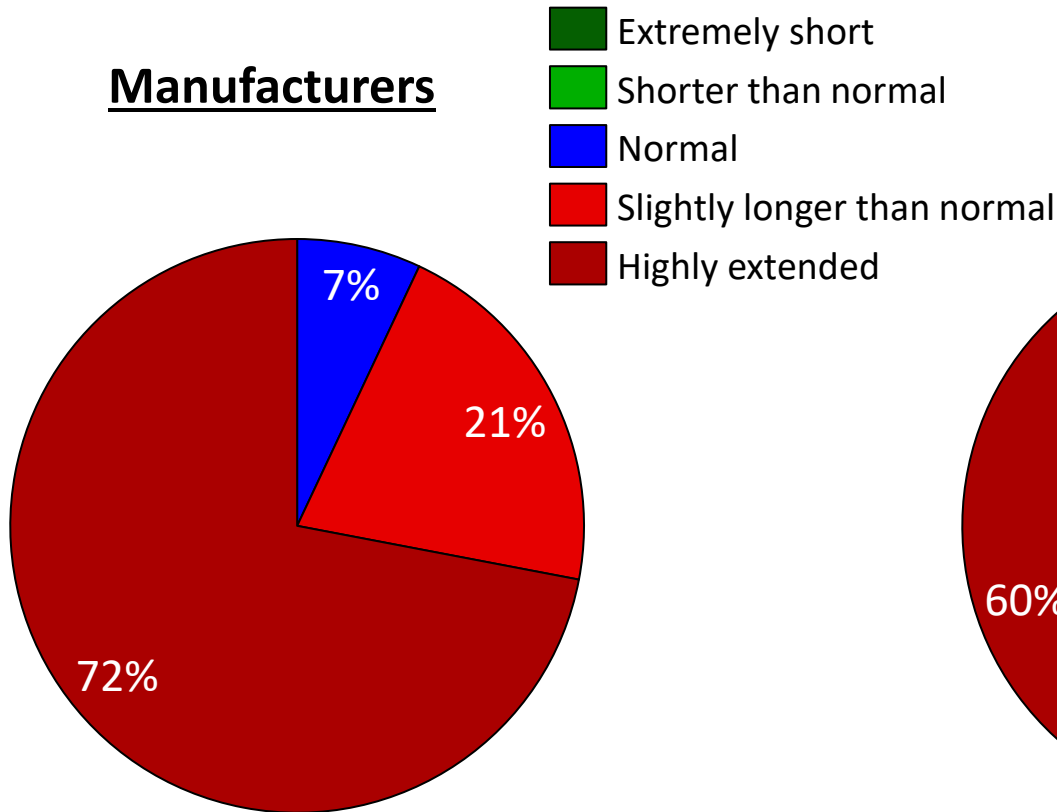
- Our manufacturing customers are increasing orders
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- Our manufacturing customers are reducing their orders



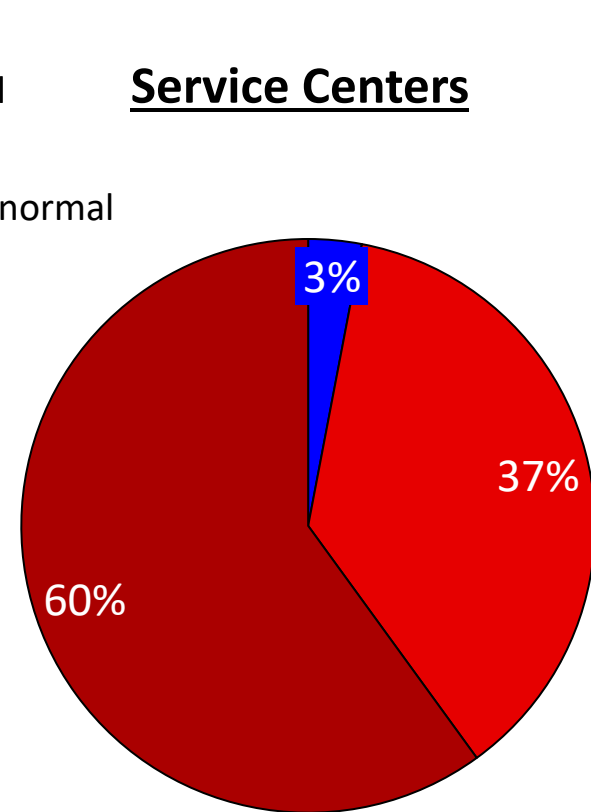
Mill Lead Times

How would you describe domestic mill lead times for new orders placed right now?

Manufacturers

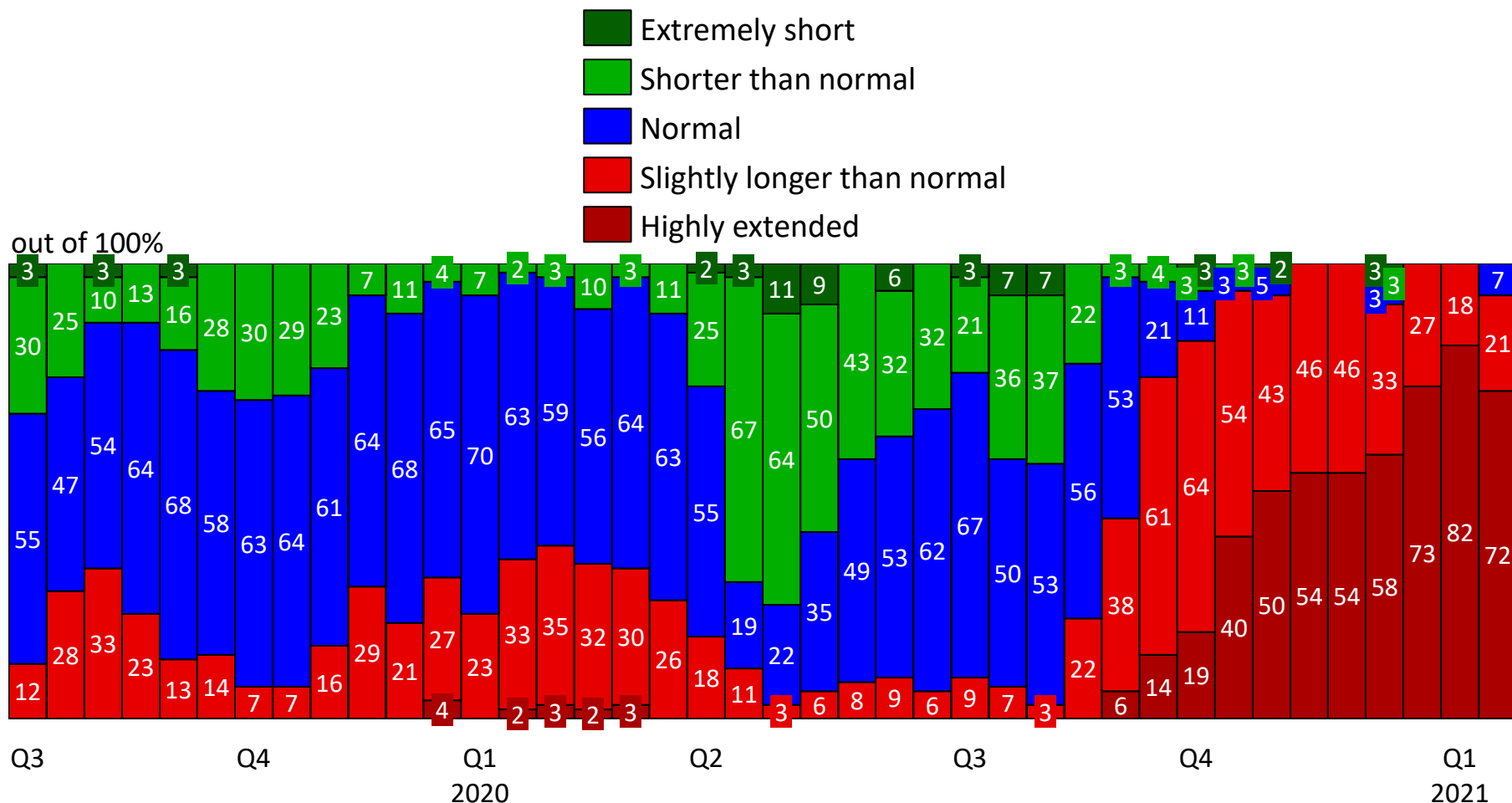


Service Centers



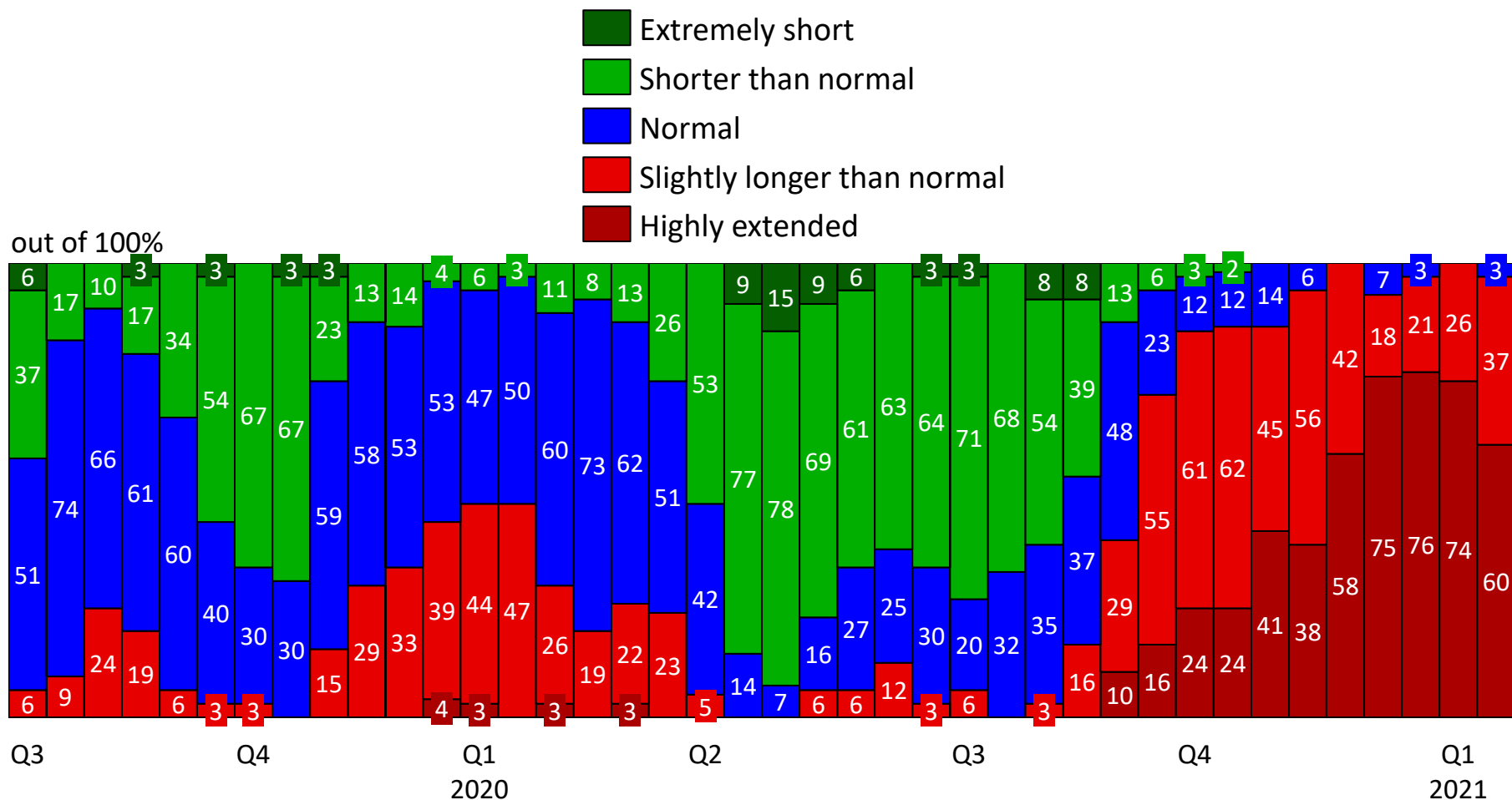
Mill Lead Times History

Manufacturers- How would you describe domestic mill lead times for new orders placed right now?



Mill Lead Times History

Service Centers- How would you describe domestic mill lead times for new orders placed right now?

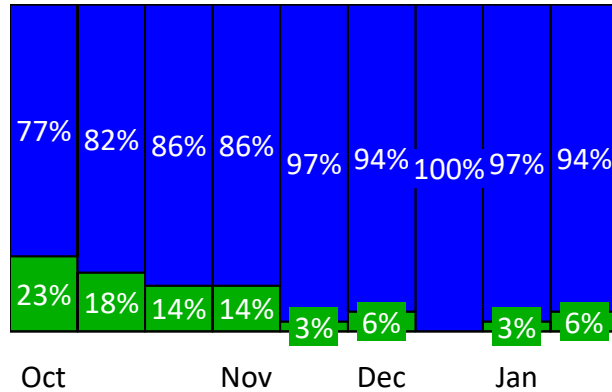


Mill Negotiations

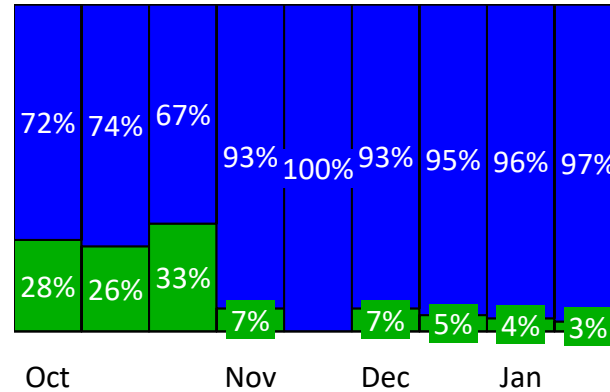
Are you finding the domestic mills are willing to negotiate pricing on brand new orders placed this week?

Yes No

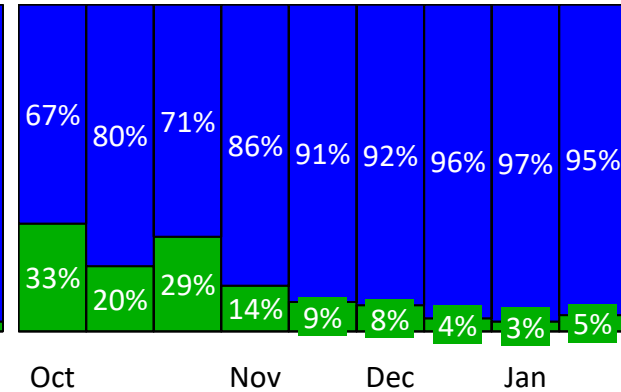
Hot Rolled



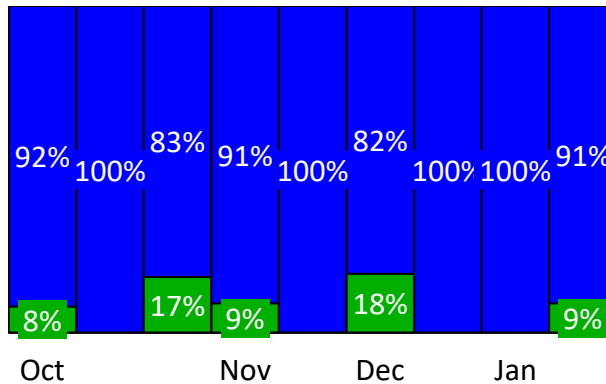
Cold Rolled



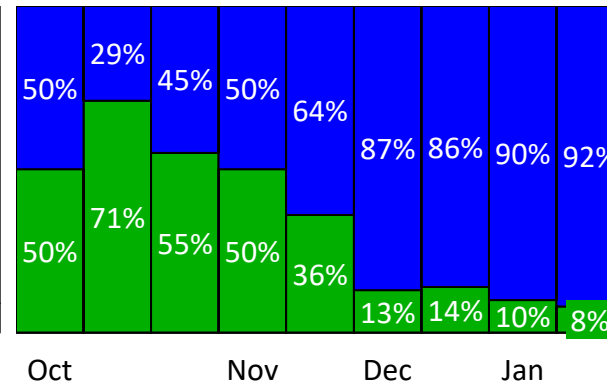
Galvanized



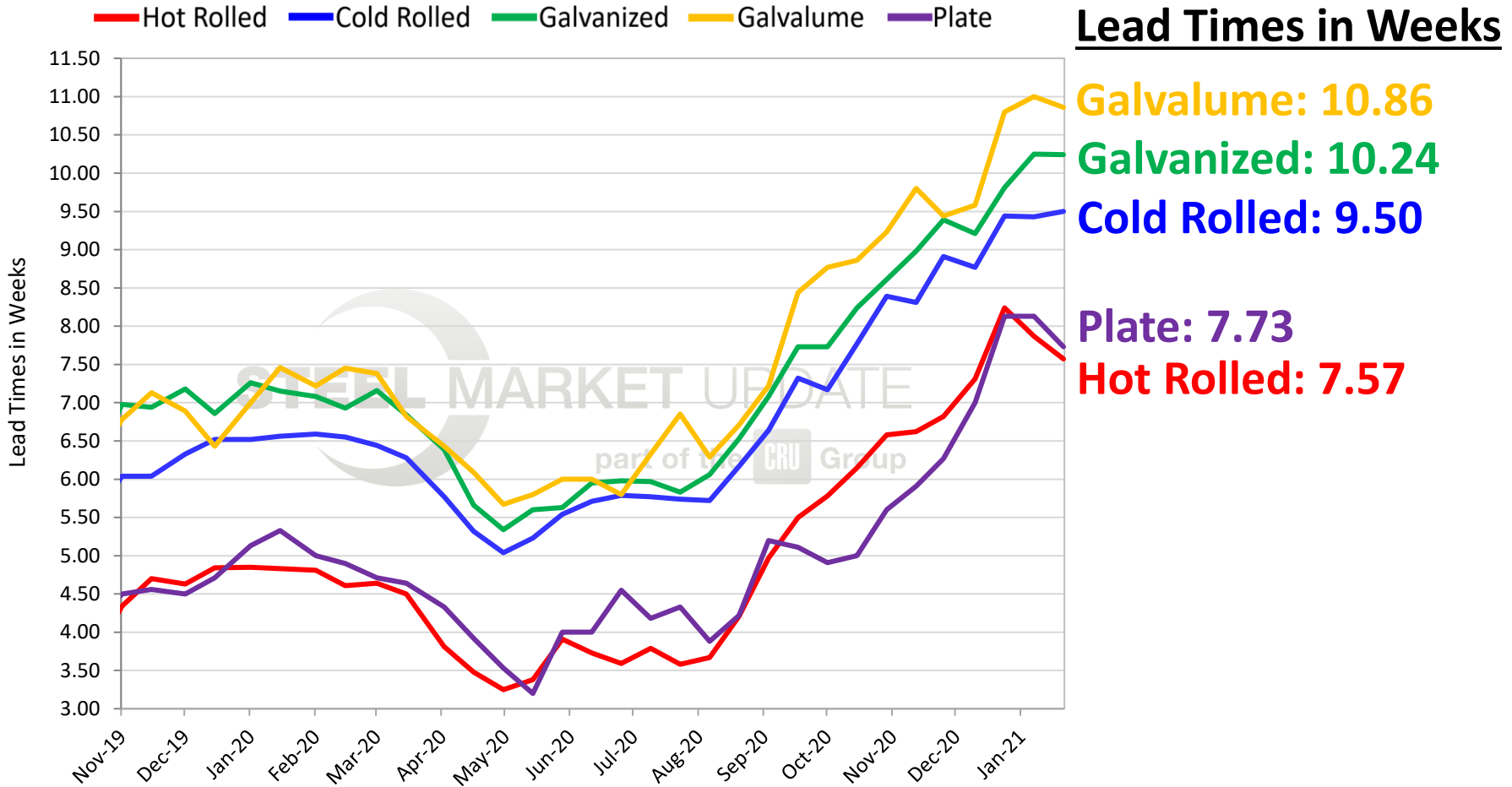
Galvalume



Plate



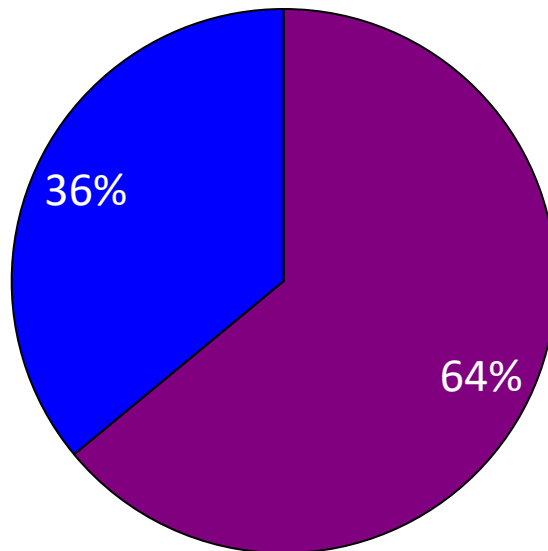
Mill Lead Times



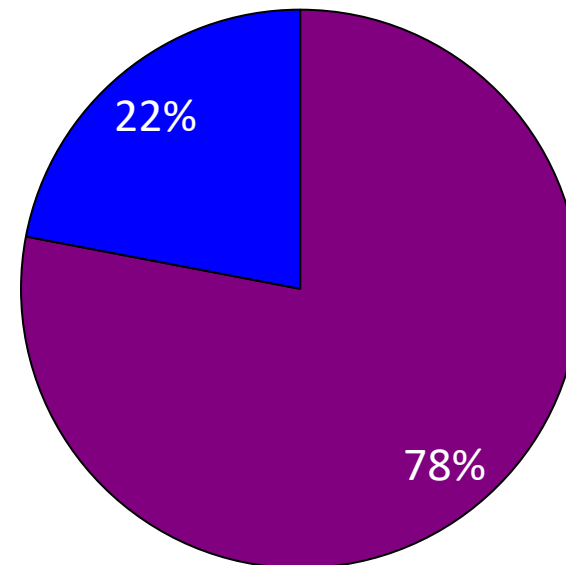
Does your company buy foreign steel?

■ Yes ■ No

Manufacturers



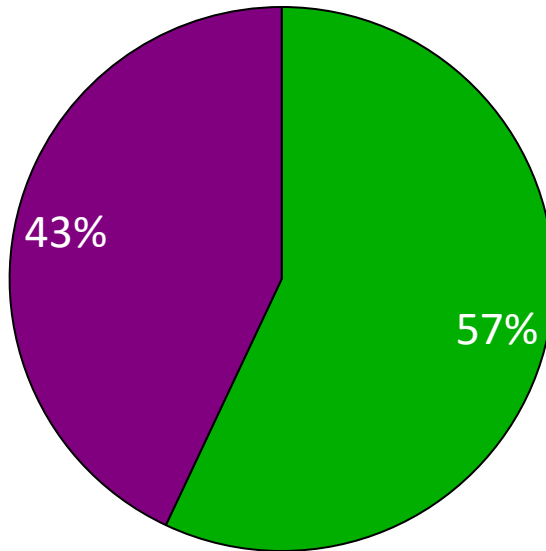
Service Centers



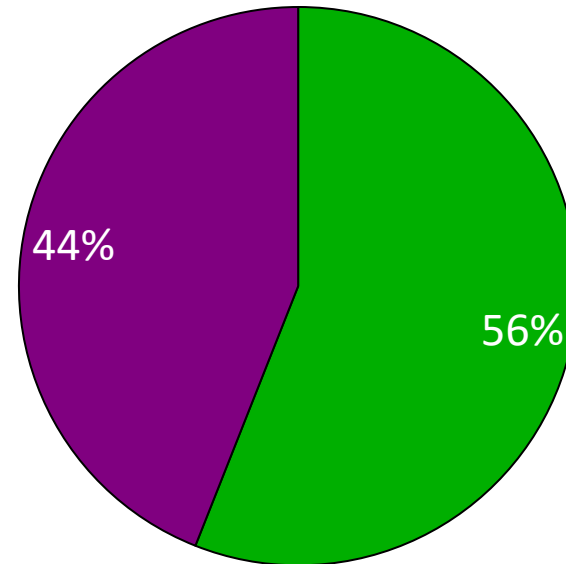
Are your foreign steel suppliers quoting you competitive prices for new orders for future delivery?

Yes No

Manufacturers



Service Centers

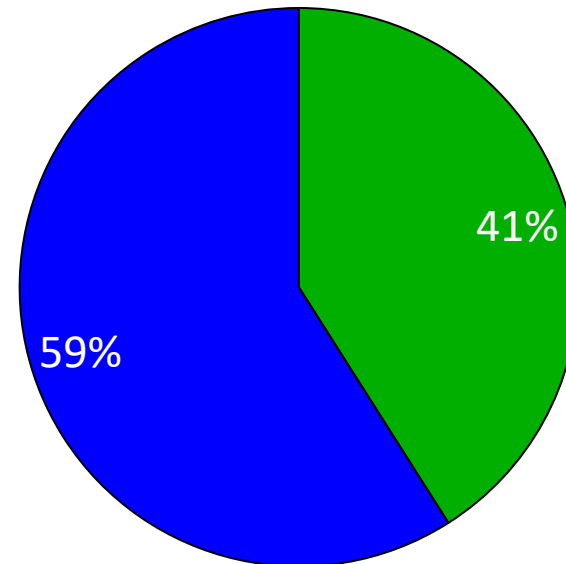
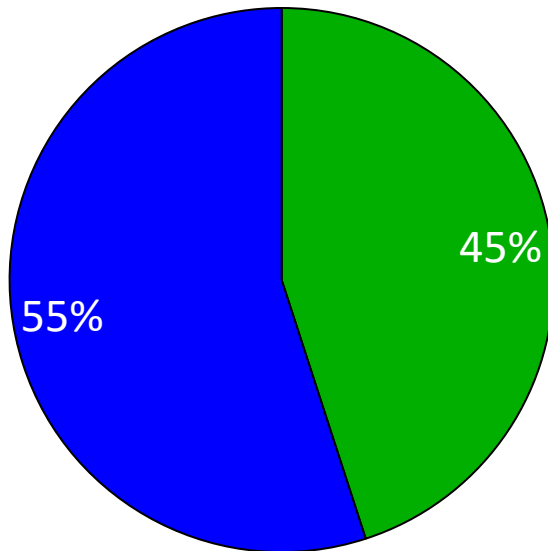


Foreign Steel

Manufacturers- Are you buying new orders of foreign steel for future delivery?

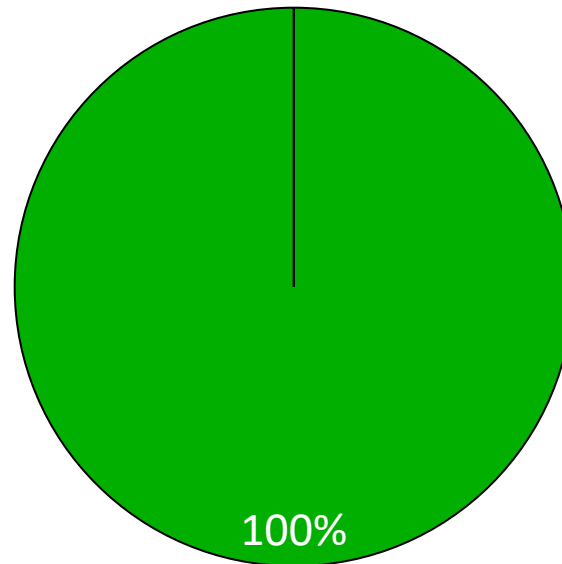
Service Centers- Are you decreasing the percentage of foreign steel on your order book?

Yes No



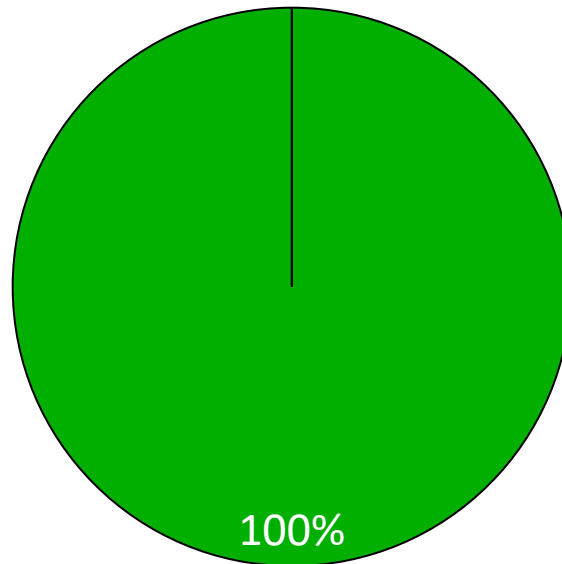
At this time, are you seeing an increase or decrease in orders from your North American buyers?

 Increase
 Decrease



With prices increasing out of the domestic steel mills are foreign products now becoming more attractive to U.S. steel buyers?

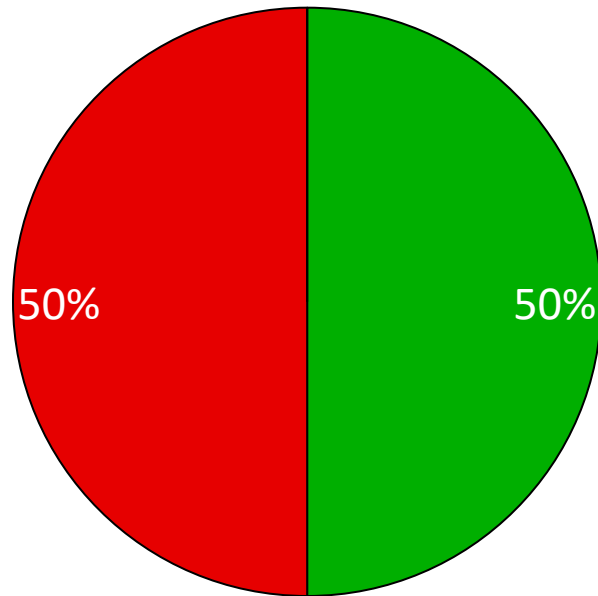
Yes No



Trading Companies

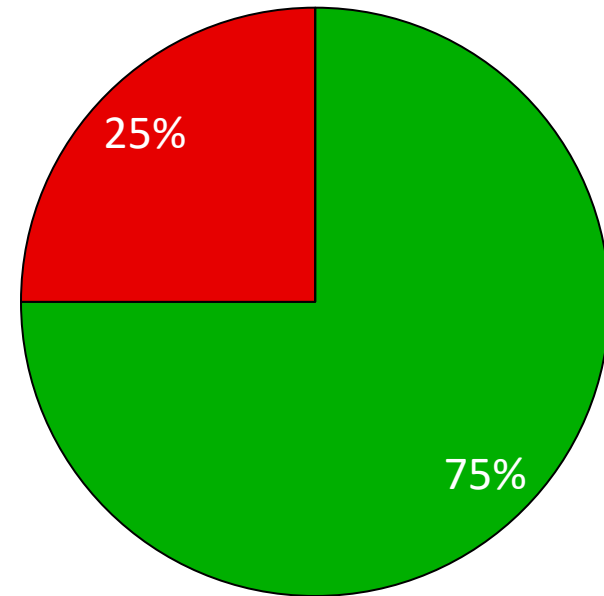
Are your galvanized prices competitive enough right now to get orders (including the new duties)?

- Yes
- No
- Too early to tell



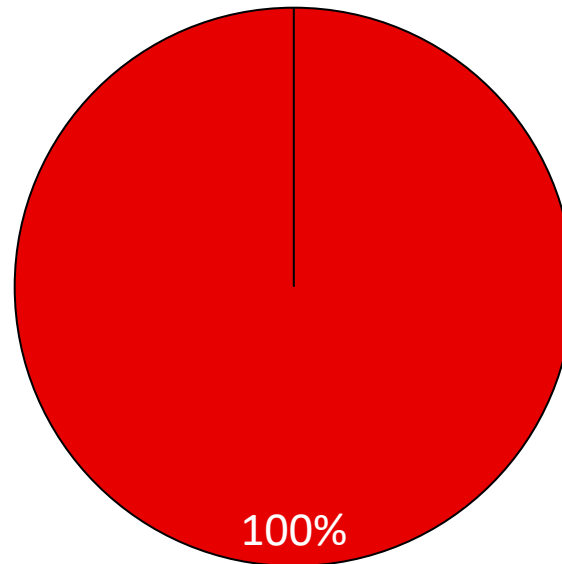
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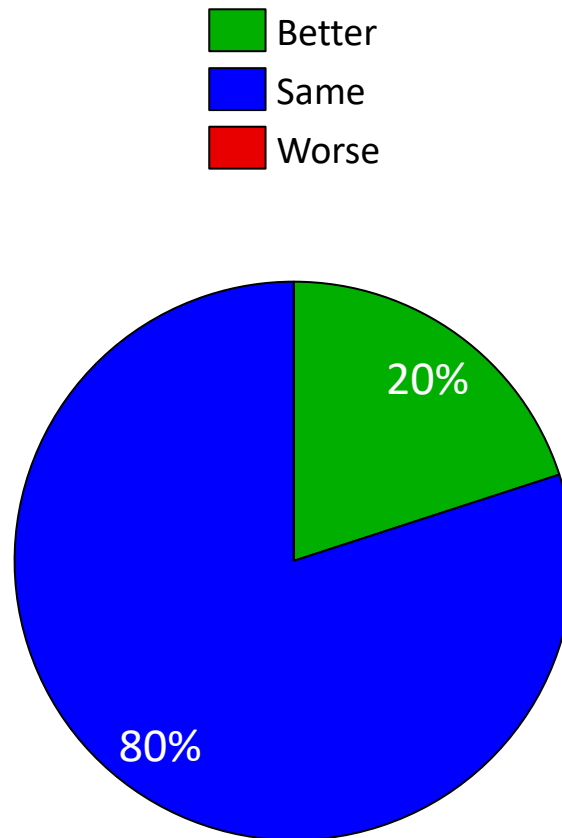


Are you able to offer plate pricing that is attractive to buyers right now?

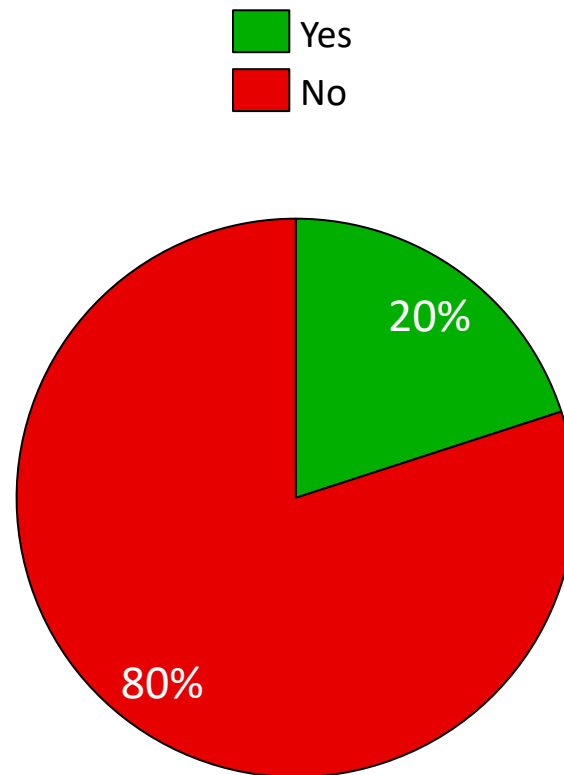
Yes
No



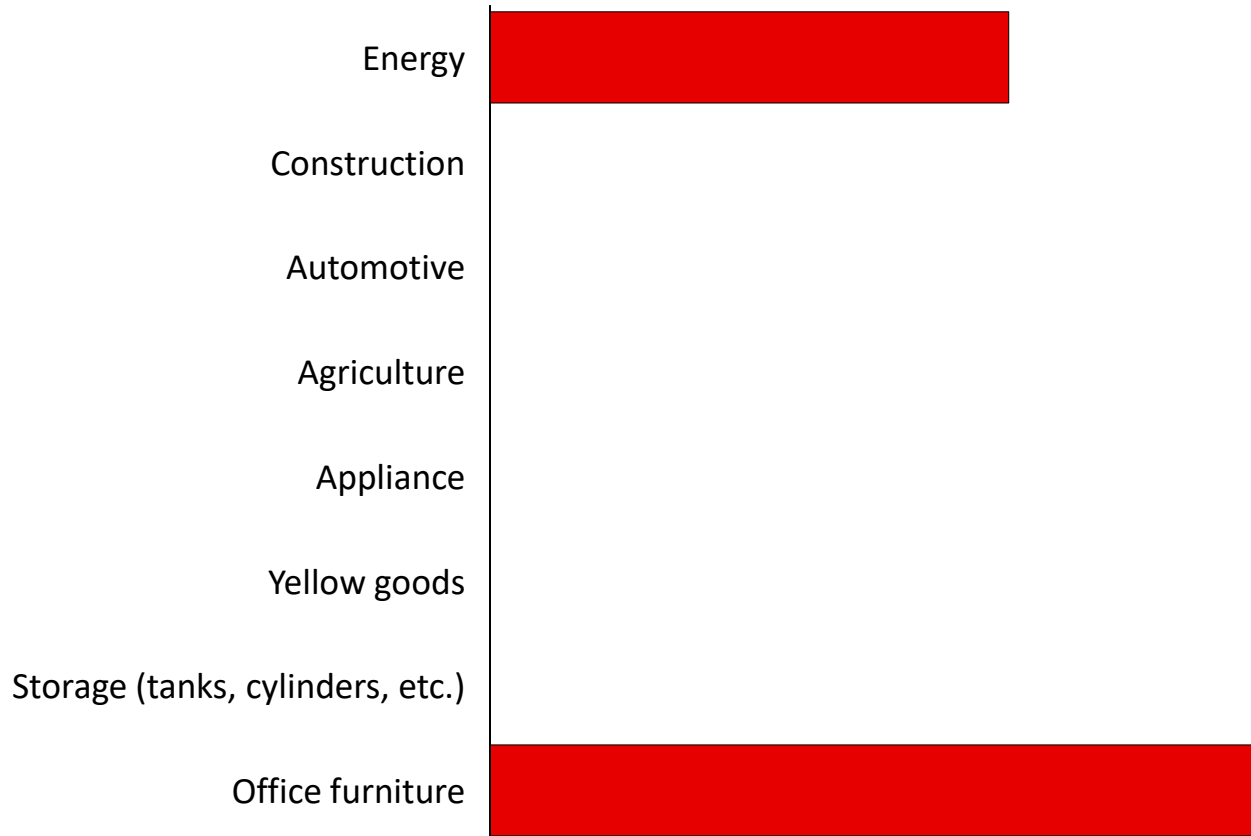
The current order book at your mill is better or worse than last month?



Will the restarts of the blast furnaces at the integrated mills put too much supply and hold down steel prices over the next few months?



Are there any market segments that your company feels will be doing poorly 3-6 months from now (check all that apply)?



Questions?

If you have any questions regarding the information presented here, please contact us at info@SteelMarketUpdate.com.

If you would like a copy of this presentation, please send an email to the above email address with your request.

We always appreciate referrals- tell your friends, suppliers, and customers to sign up for a free trial at SteelMarketUpdate.com.

Look for Our Next Survey



Our next survey
will be conducted
the week of
February 1, 2021

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 central point. The text 'STEEL MARKET UPDATE' is written in a bold, white, sans-serif font across the middle of the image, with the circular logo partially overlapping the word 'STEEL'.

STEEL MARKET UPDATE

part of the  Group

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