



STEEL MARKET UPDATE

part of the  Group

SMU Flat Rolled Market Trends Analysis

Responses from our October 10-12, 2022 Market Survey



Steel Market Update Team



SMU 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 700 companies to participate in our surveys.

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

To become a data provider, contact Brett@SteelMarketUpdate.com

Upcoming Events

Date	Event	Status	Venue
October 19-20	SMU Steel 101 Workshop	Live	Corpus Christi, Texas
November 30- December 1	Introduction to Steel Hedging: Managing Price Risk Course	Virtual	
February 5-7	Tampa Steel Conference 2023	Live	Tampa, Florida

If you would like more information about any of our workshops, you may visit SteelMarketUpdate.com/Events or e-mail our team at Events@SteelMarketUpdate.com



STEEL MARKET UPDATE

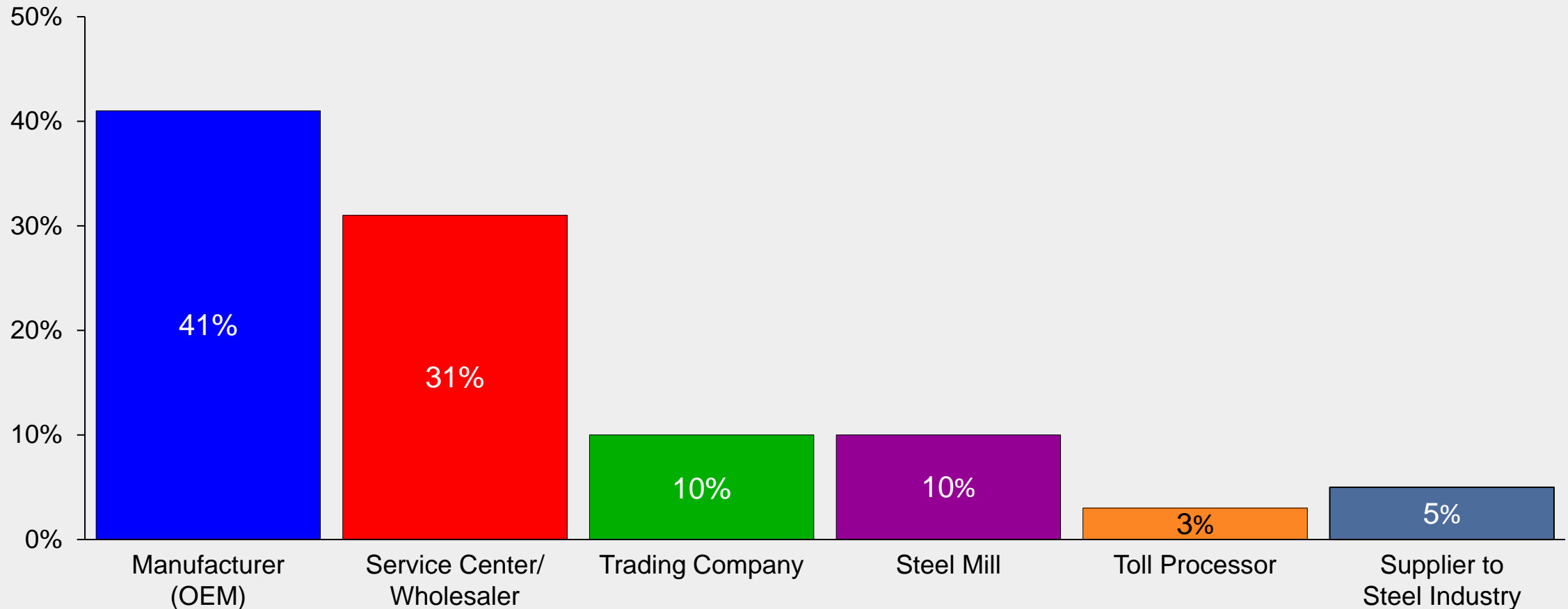
part of the  Group

**Don't just read our data, see your
company's experience reflected in it.**

**Contact Brett@SteelMarketUpdate.com
for participation information.**

Survey Participants

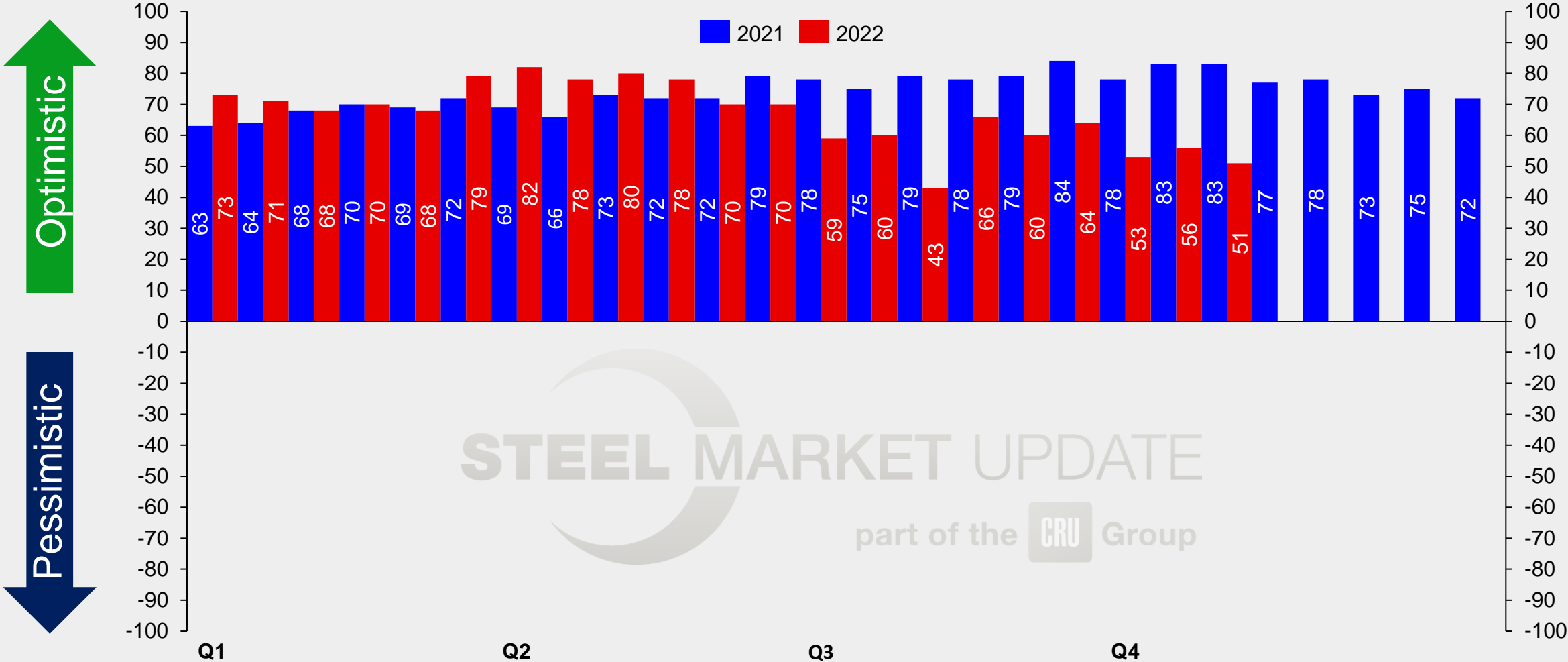
Our survey is by invitation only. Over 700 companies, mostly in the manufacturing or distribution industries, are asked to participate. Here are the percentages of participation in this week's survey by market sector.



Steel Buyers Sentiment

Down 5 points to +51

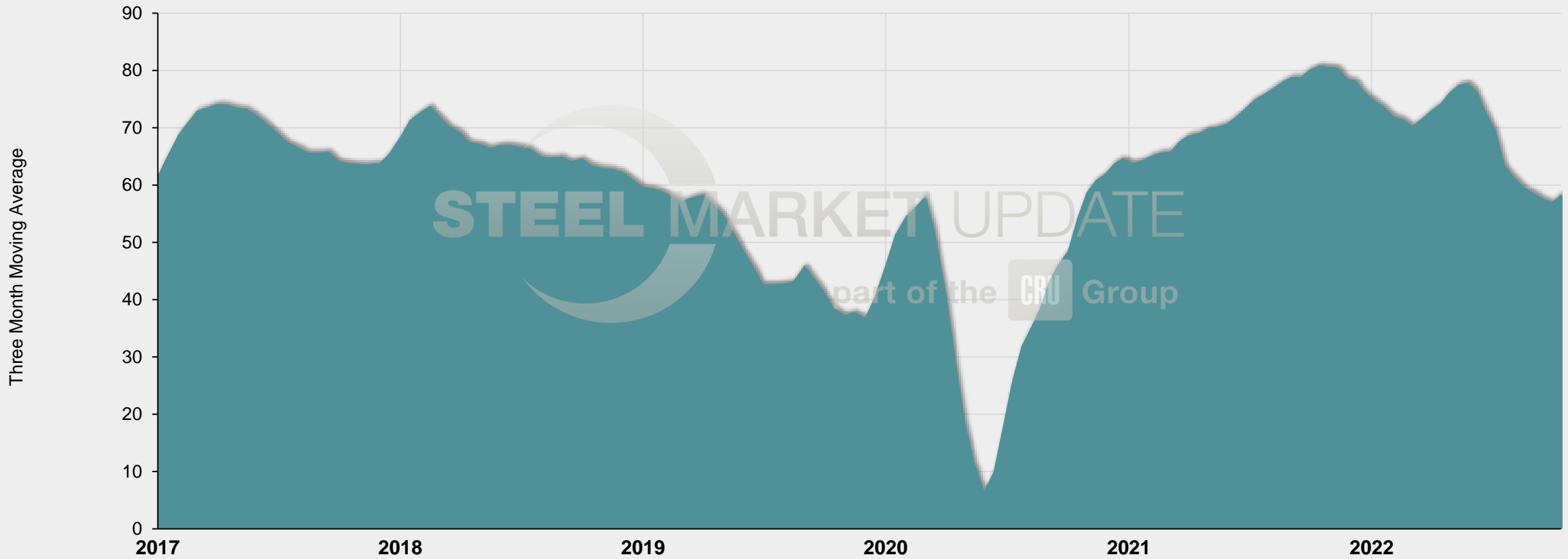
Steel Market Update Steel Buyers Sentiment Index



Steel Buyers Sentiment

Three Month Moving Average at +58.33

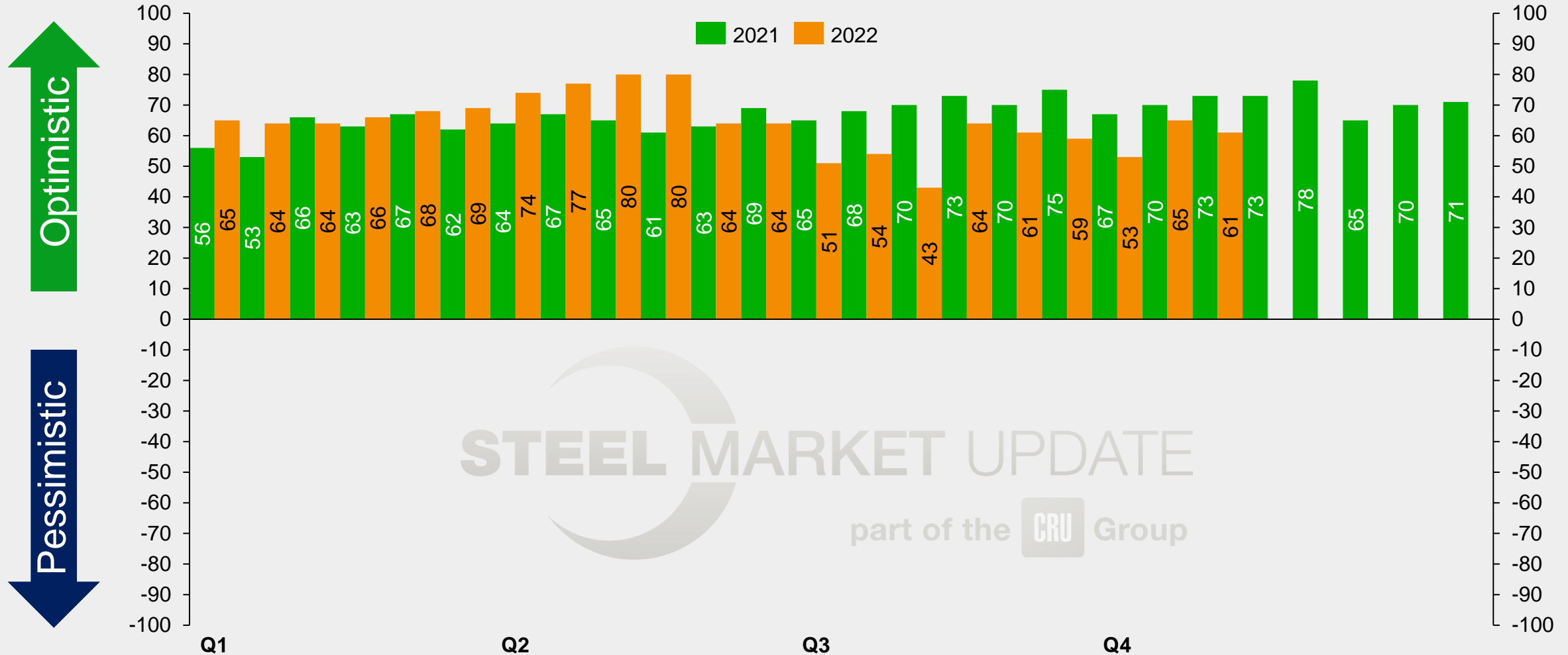
SMU Current Steel Buyers Sentiment Index
3MMA - through October 13, 2022



Steel Buyers Future Sentiment

Down 4 points to +61

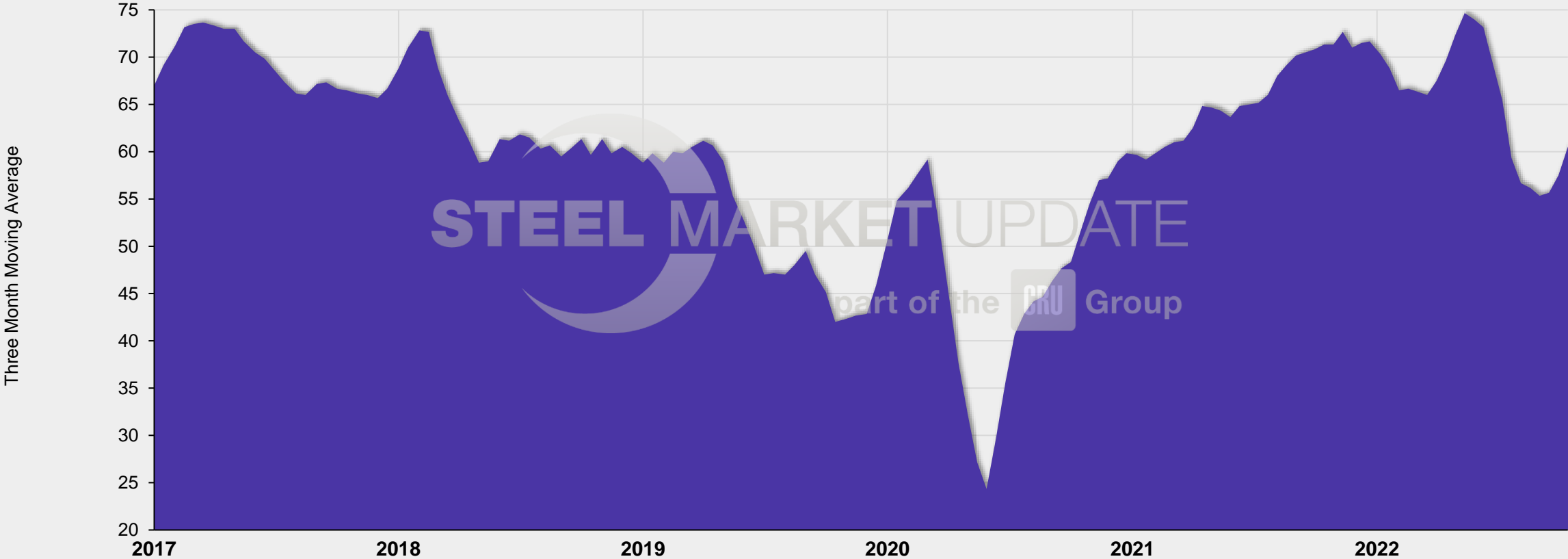
Steel Market Update Future Steel Buyers Sentiment Index



Steel Buyers Future Sentiment

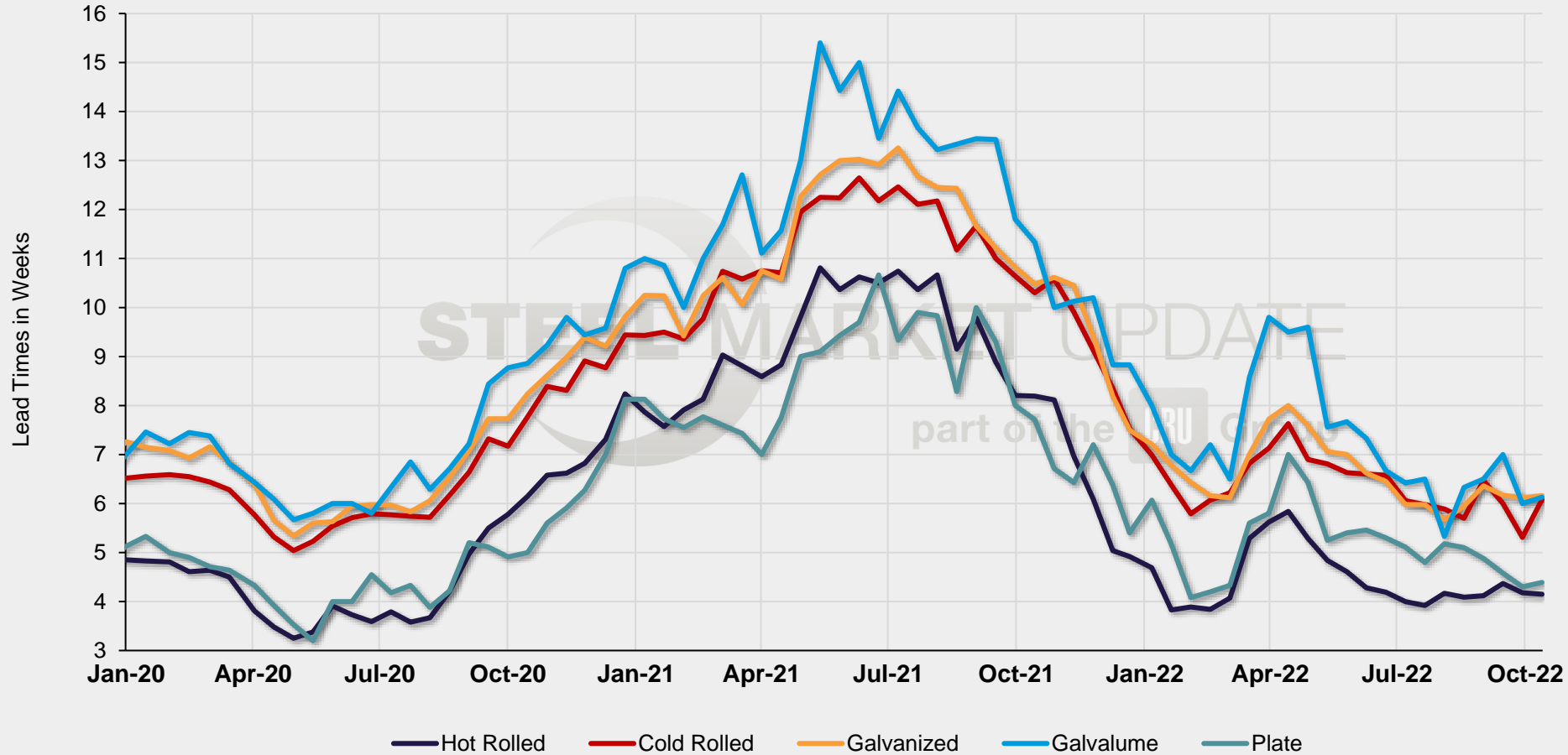
Three Month Moving Average at +57.50

SMU Future Steel Buyers Sentiment Index
3MMA - through October 13, 2022



Steel Mill Lead Times by Product

SMU Lead Times Comparison
Through October 13, 2022



Lead Times in Weeks

Galvanized: 6.2
Galvalume: 6.1
Cold Rolled: 6.1
Plate: 4.4
Hot Rolled: 4.2

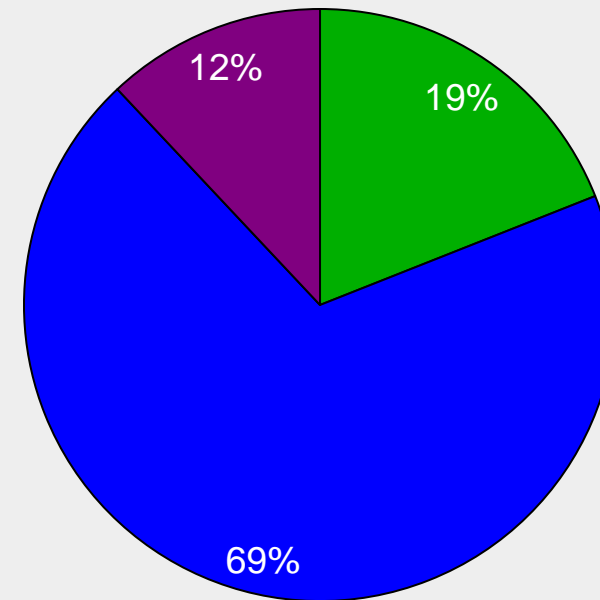
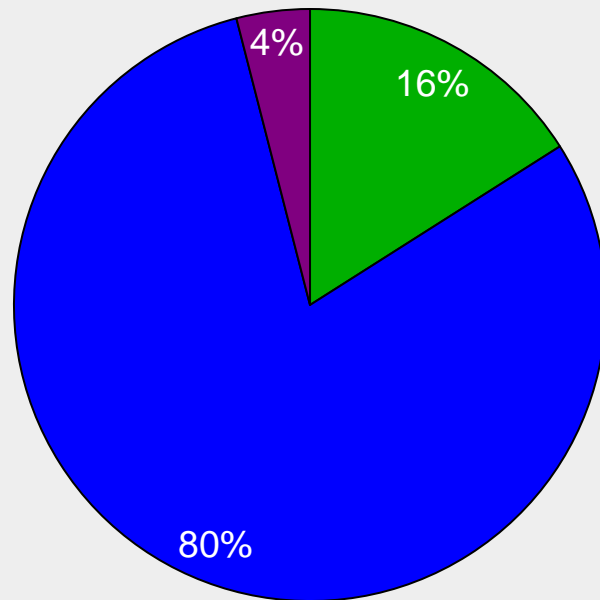
Direction of Steel Mill Lead Times

Two months from now, will lead times be extending, flat, or contracting?

September 29, 2022

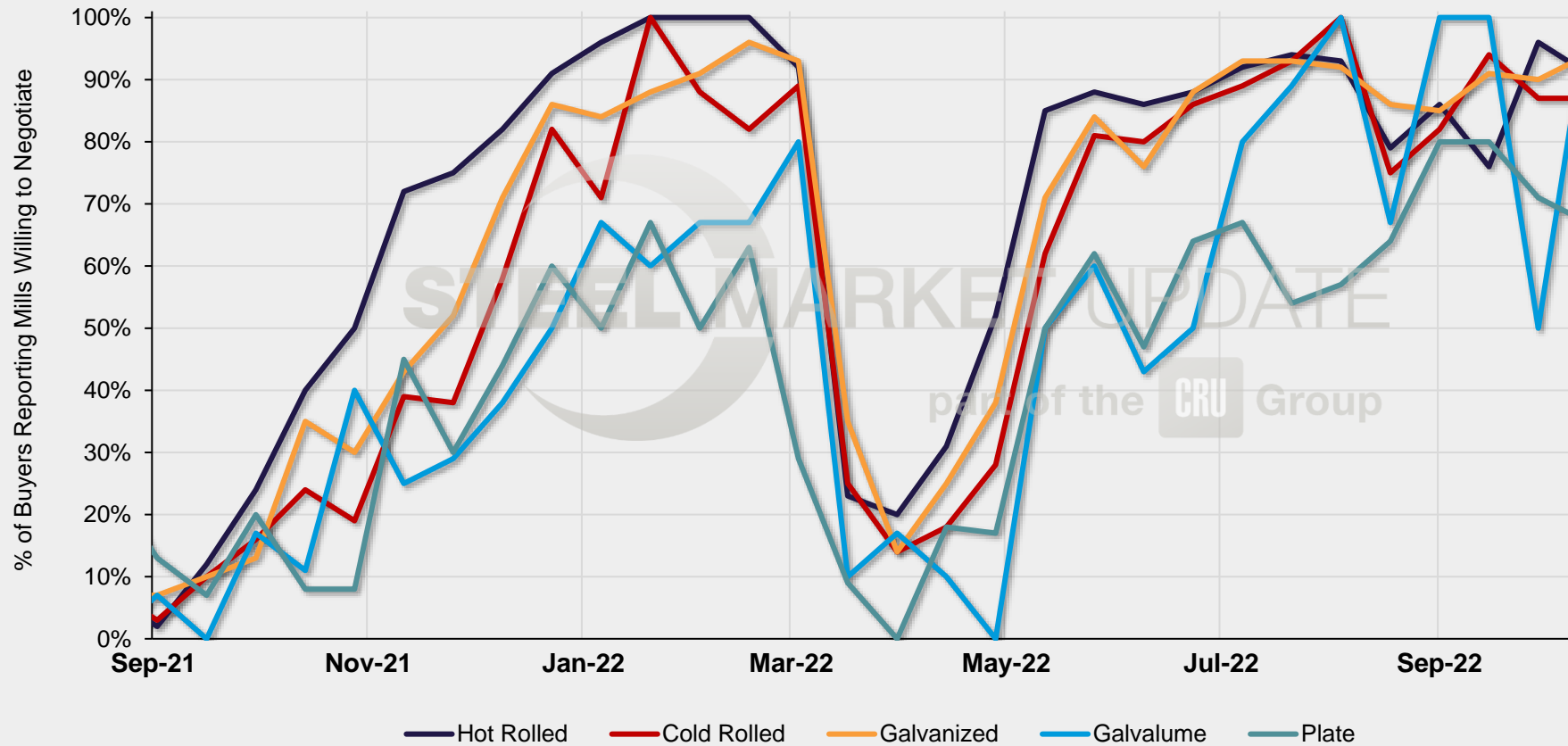
October 13, 2022

■ Extending ■ Flat ■ Contracting



Steel Mill Negotiations

SMU Price Negotiations on New Steel Orders by Product
Through October 13, 2022



Negotiation Rates

Galvalume: 100%

Galvanized: 94%

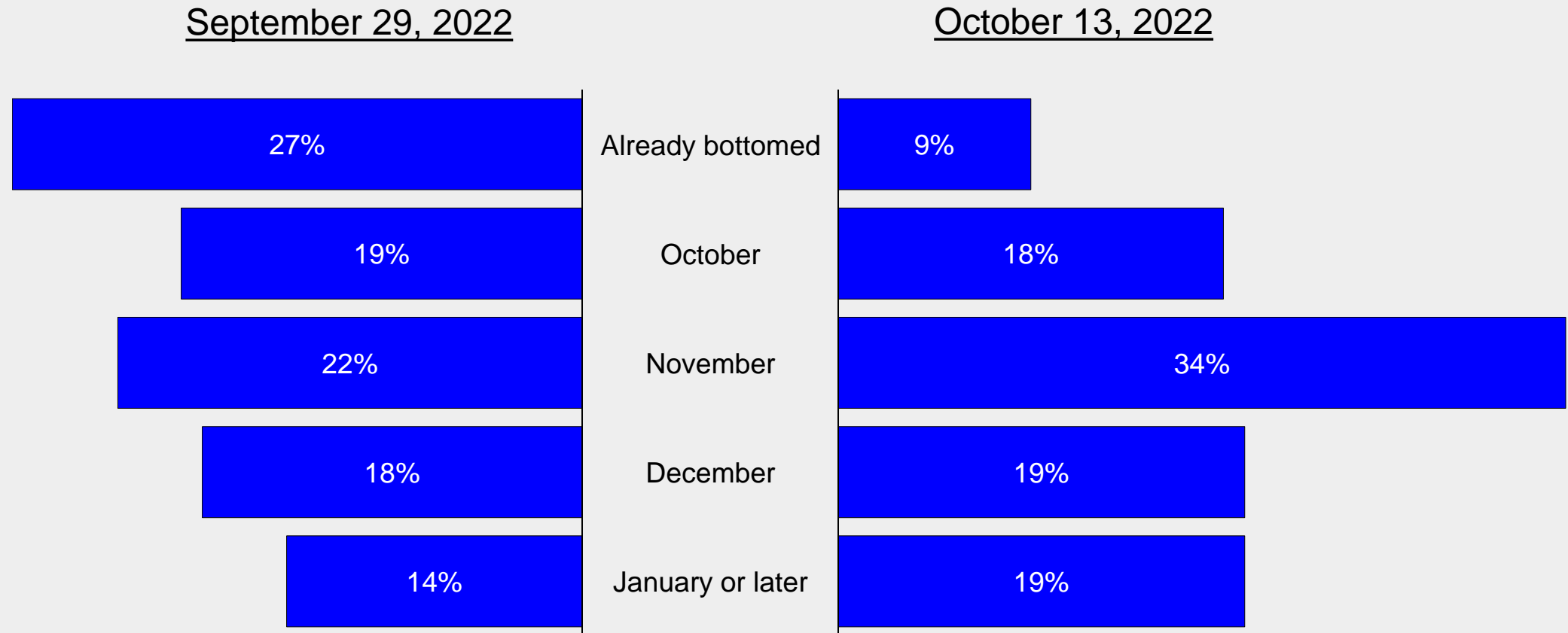
Hot Rolled: 91%

Cold Rolled: 87%

Plate: 67%

Hot Rolled Inflection Point

When do you think HRC prices will bottom out and why?

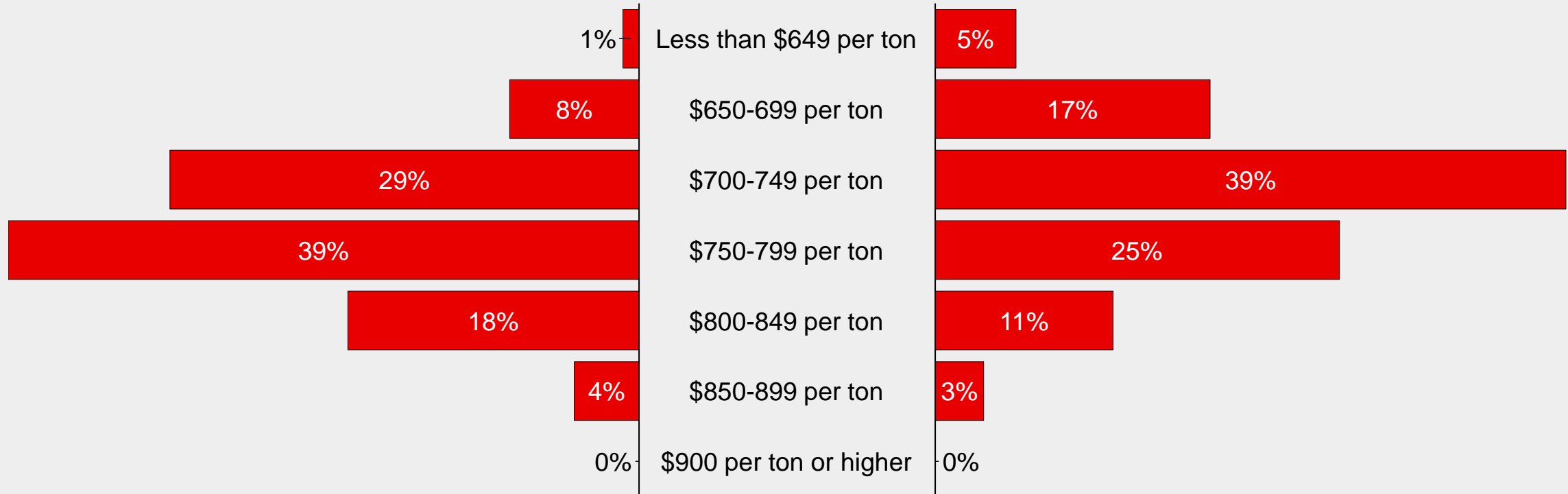


Future Hot Rolled Prices

Where do you think HRC prices will be two months from now?

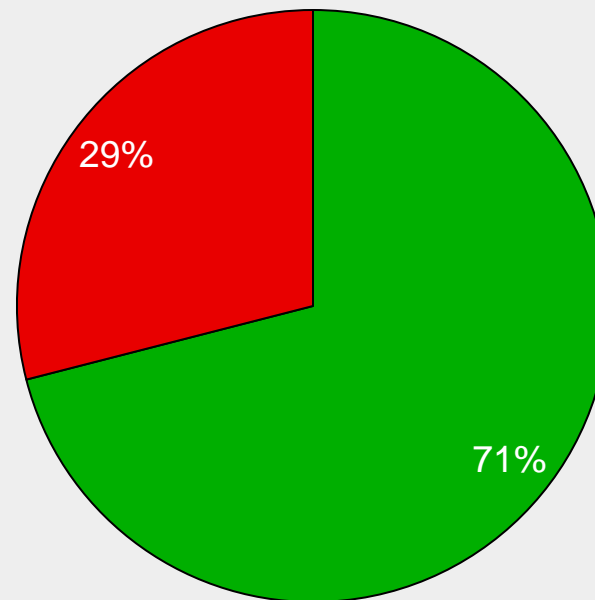
September 29, 2022

October 13, 2022



Do you think the USW and US Steel will reach a new labor agreement, or will there be a strike or lockout?

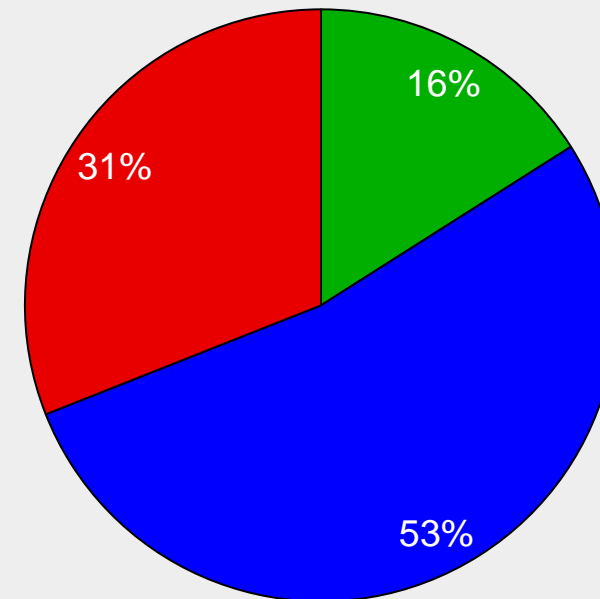
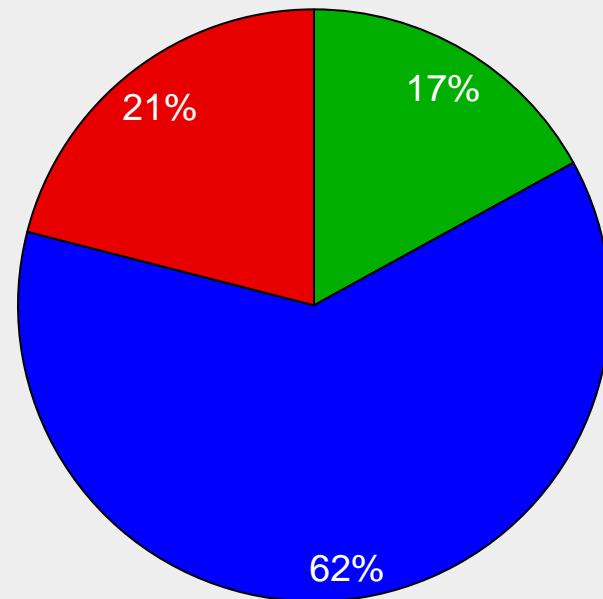
Deal Strike/Lockout



How did your company perform last month compared to your forecast?

- We exceeded forecast
- We met forecast
- We did not meet forecast

September 15, 2022 (For August) October 13, 2022 (For September)

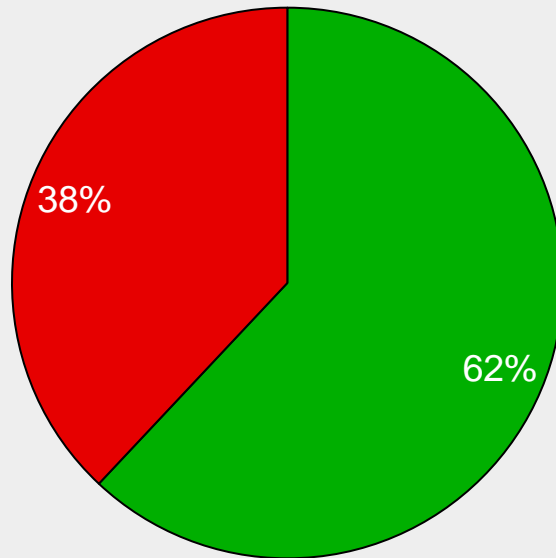


Future Prospects

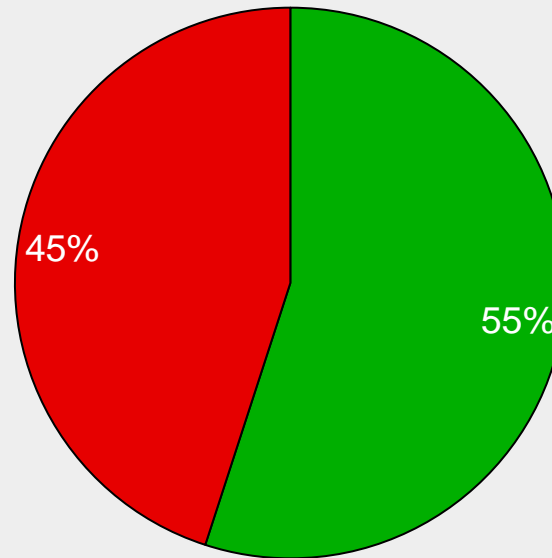
Would you describe yourself as optimistic or pessimistic about your prospects for the remainder of 2022?

■ Optimistic ■ Pessimistic

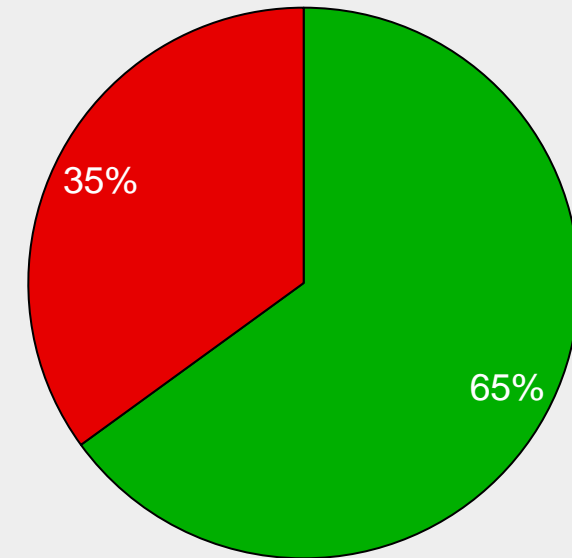
September 15, 2022



September 29, 2022



October 13, 2022

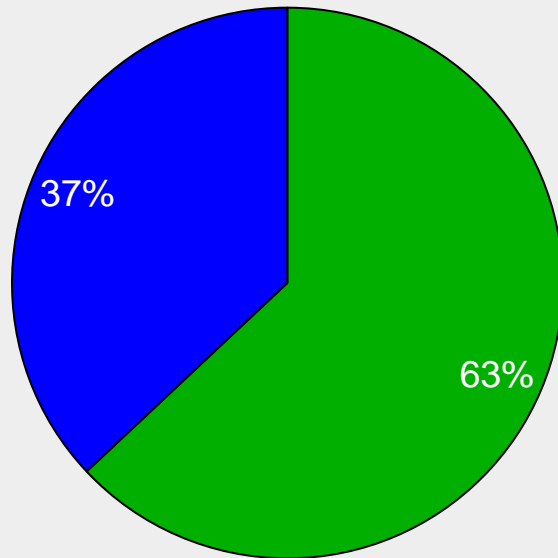


Staying on the Sidelines?

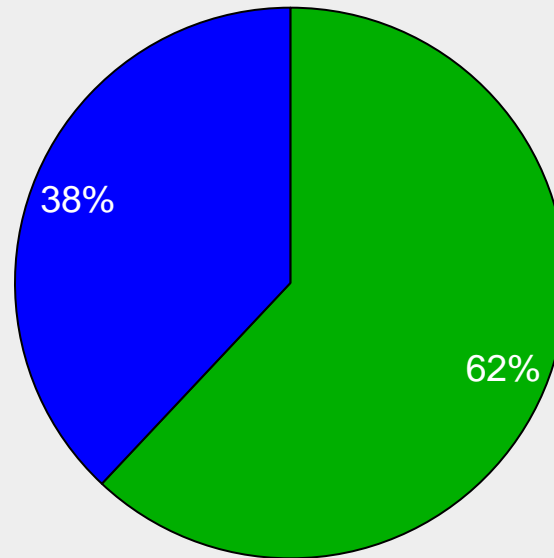
Are you an active buyer or staying on the sidelines?

■ Active buyer ■ On the sidelines

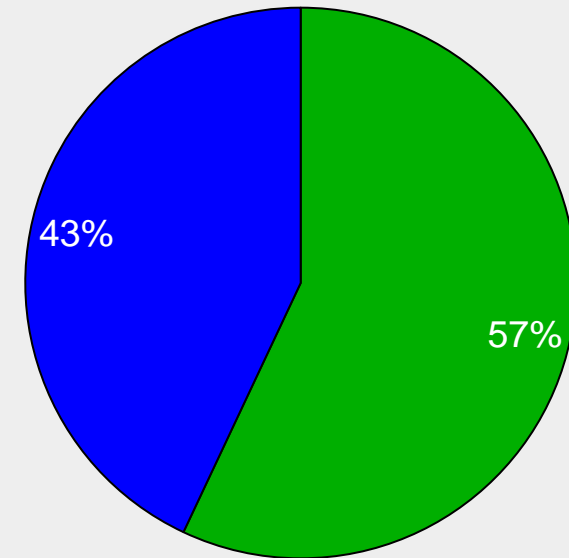
September 15, 2022



September 29, 2022

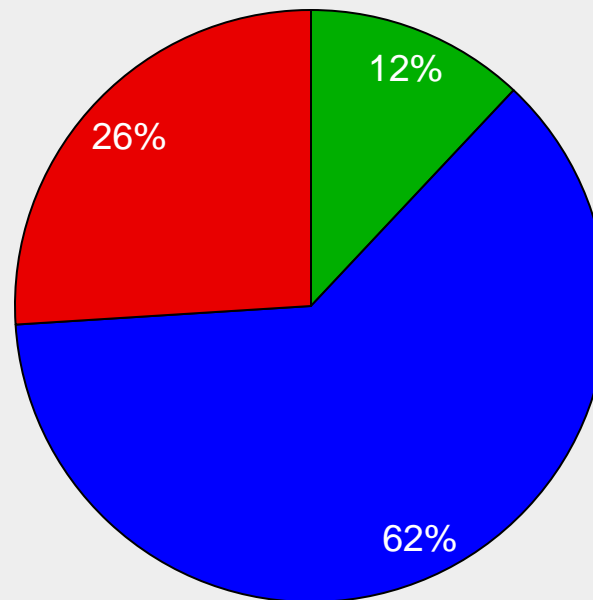


October 13, 2022



How are you seeing demand for your products?

- Demand is improving
- Demand is stable
- Demand is declining

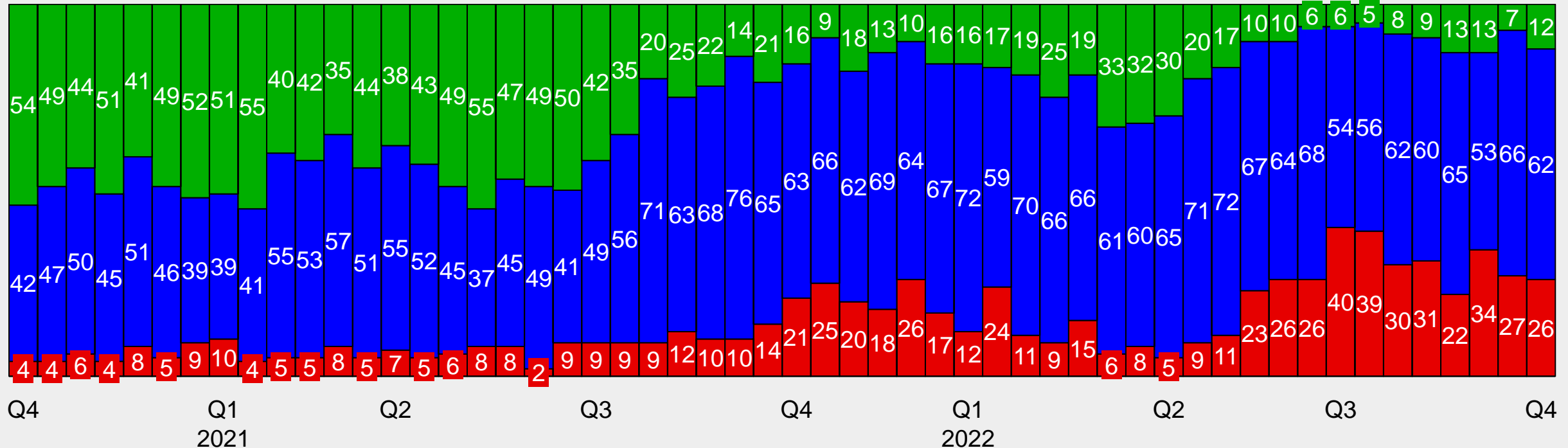


Overall Demand History

How are you seeing demand for your products?

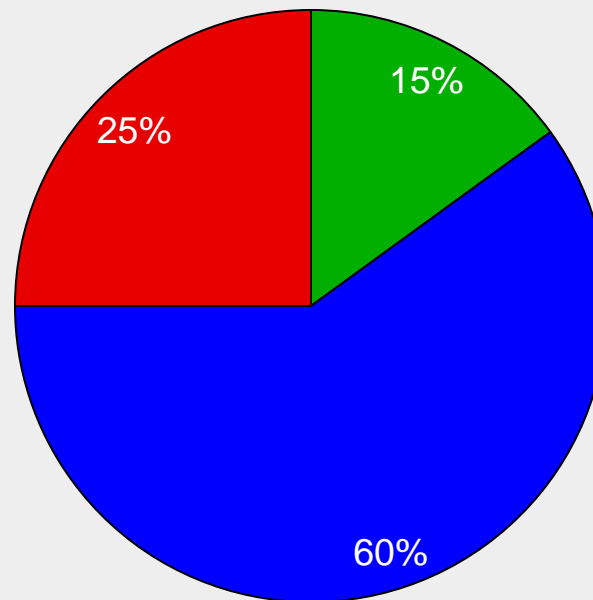
- Demand is improving
- Demand is stable
- Demand is declining

out of 100%



Manufacturers- Is your company buying more, less or the same amount of flat rolled steel compared to one year ago?

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

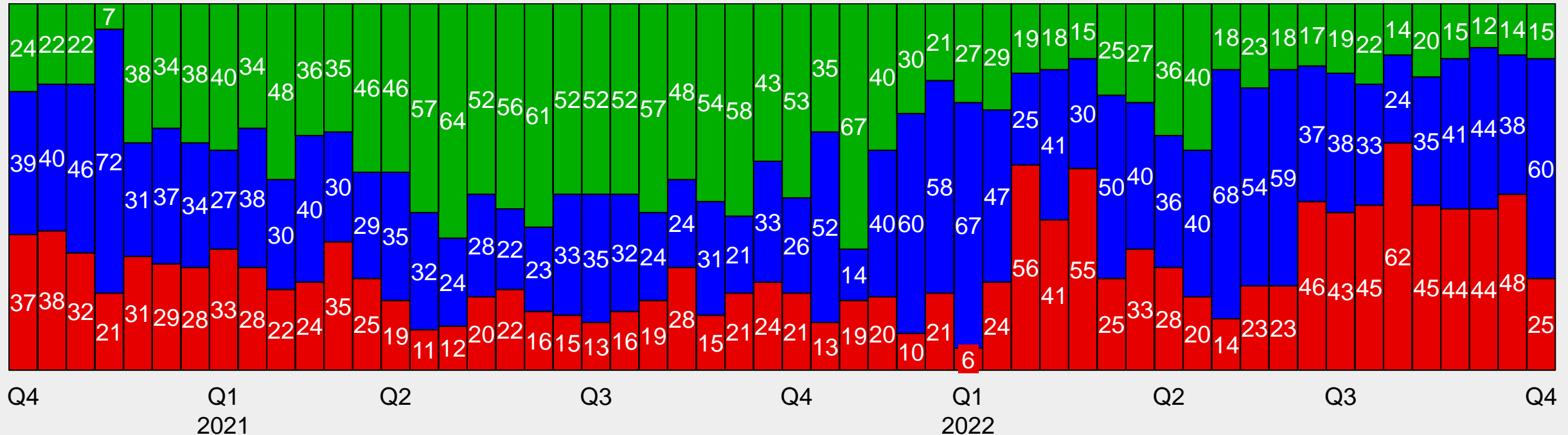


History of Manufacturer Purchases

Manufacturers- Is your company buying more, less or the same amount of flat rolled steel compared to one year ago?

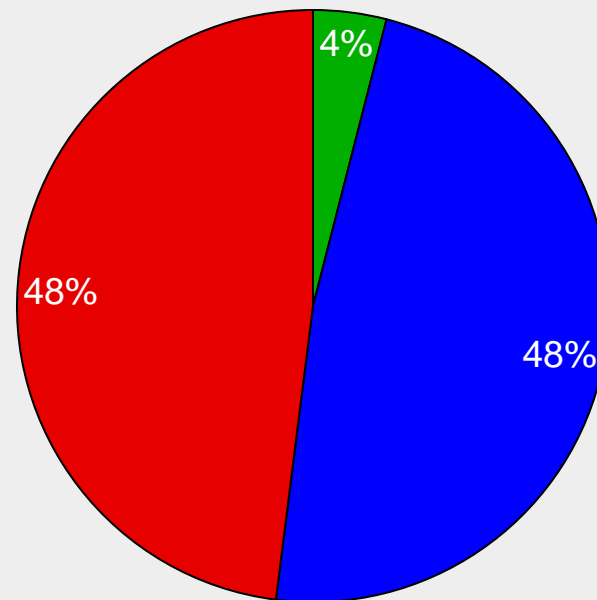
- Buying more steel
- Buying the same amount of steel
- Buying less steel

out of 100%



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

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

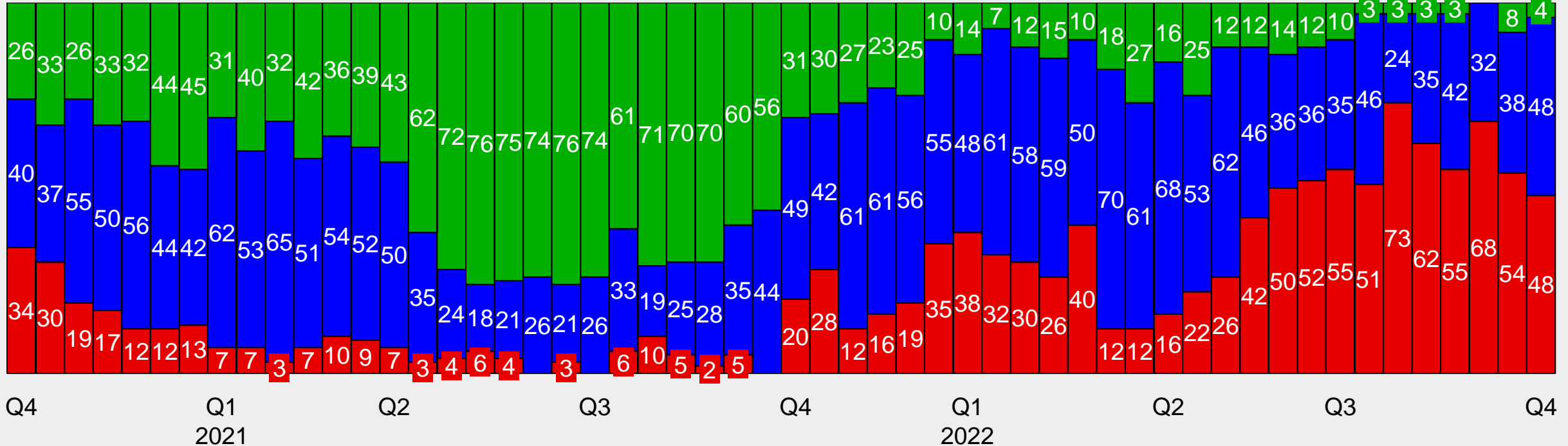


Service Center Release History

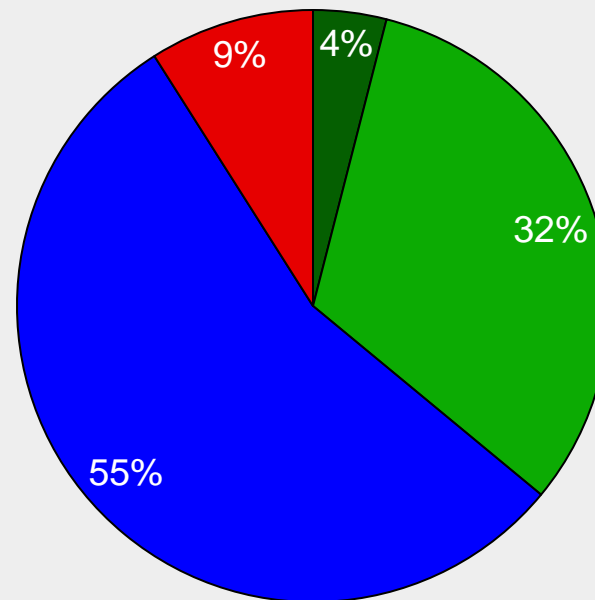
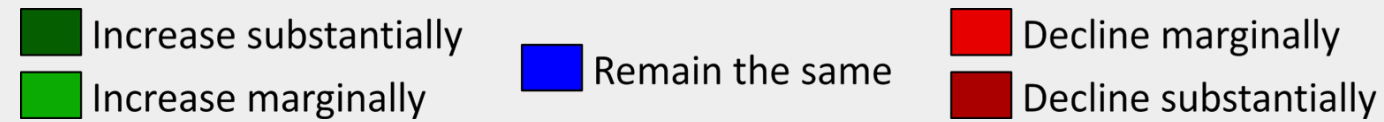
Service Centers- How do you see your customers releases (demand) for the products your company provides compared to one year ago?

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

out of 100%

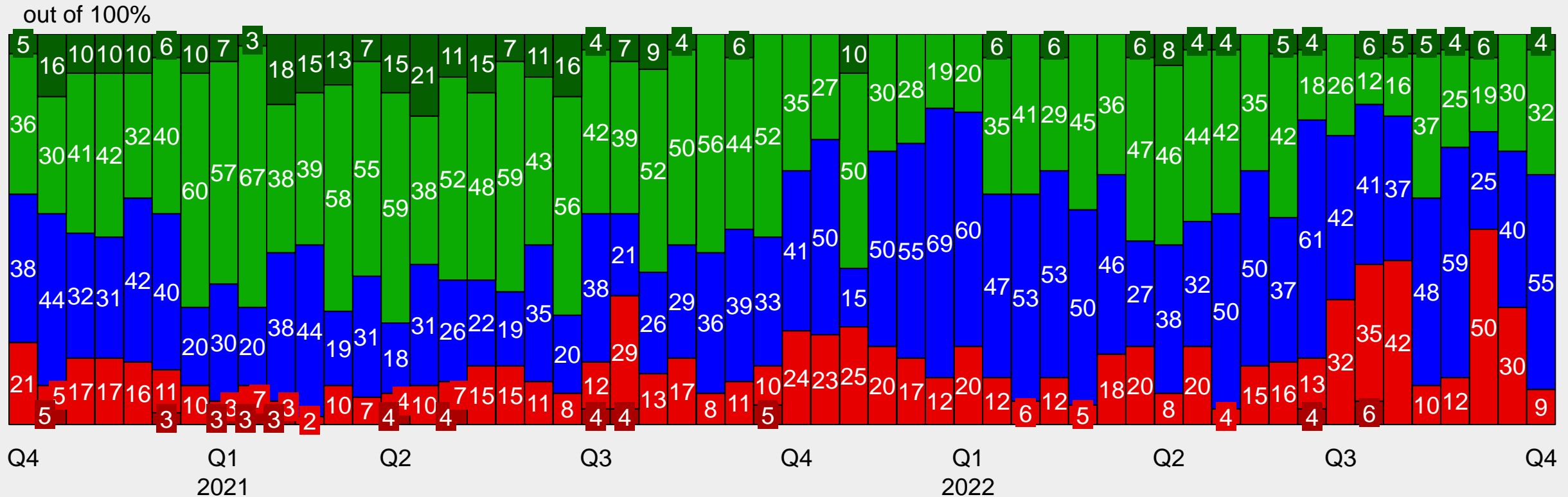
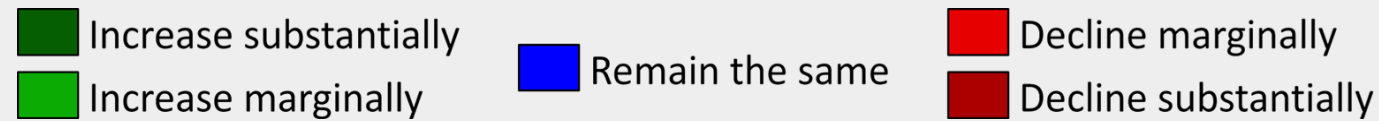


Manufacturers- Demand for your products will _____
over the next 3 months based on current order flows.



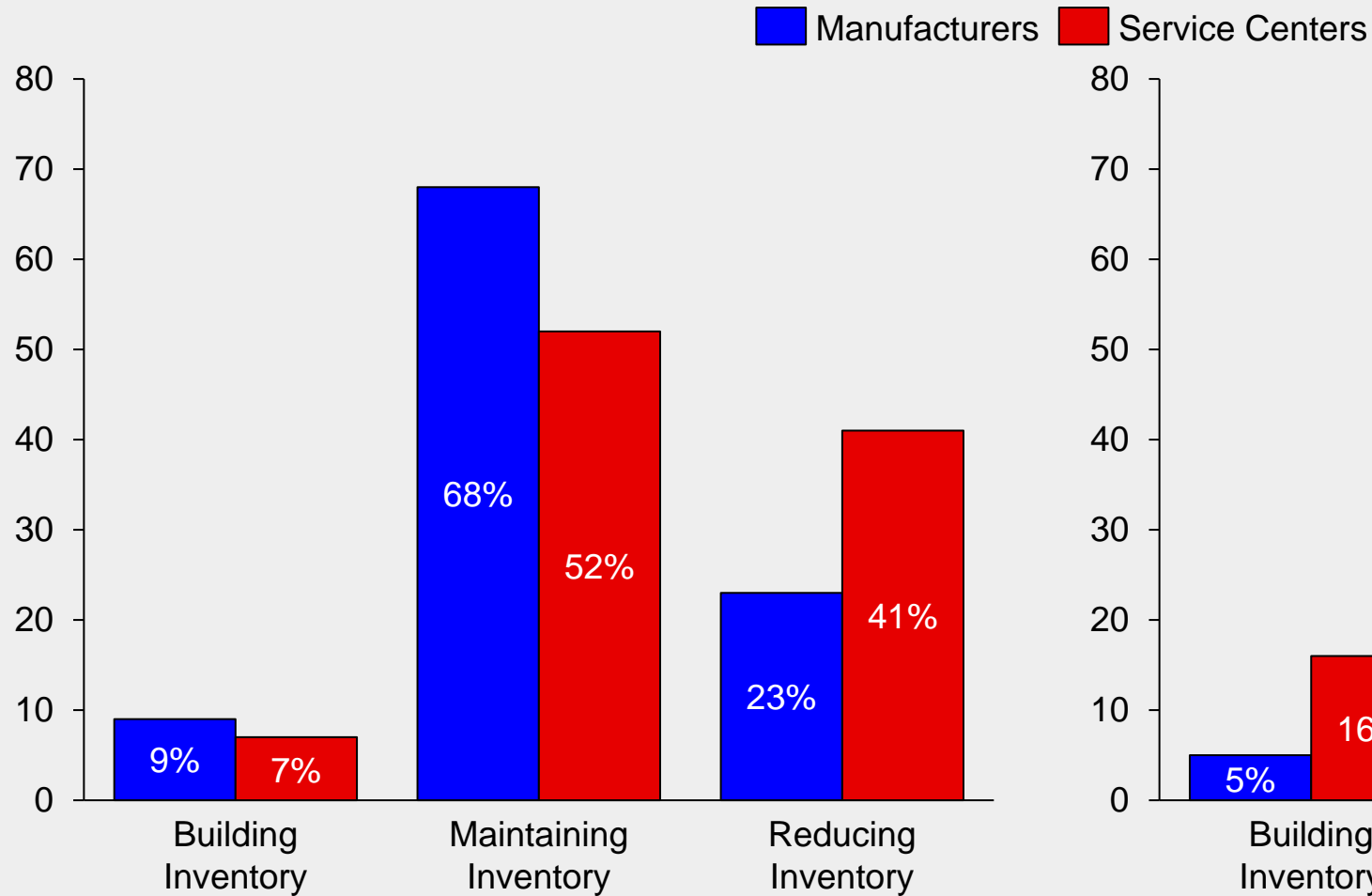
Manufacturer Demand History

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

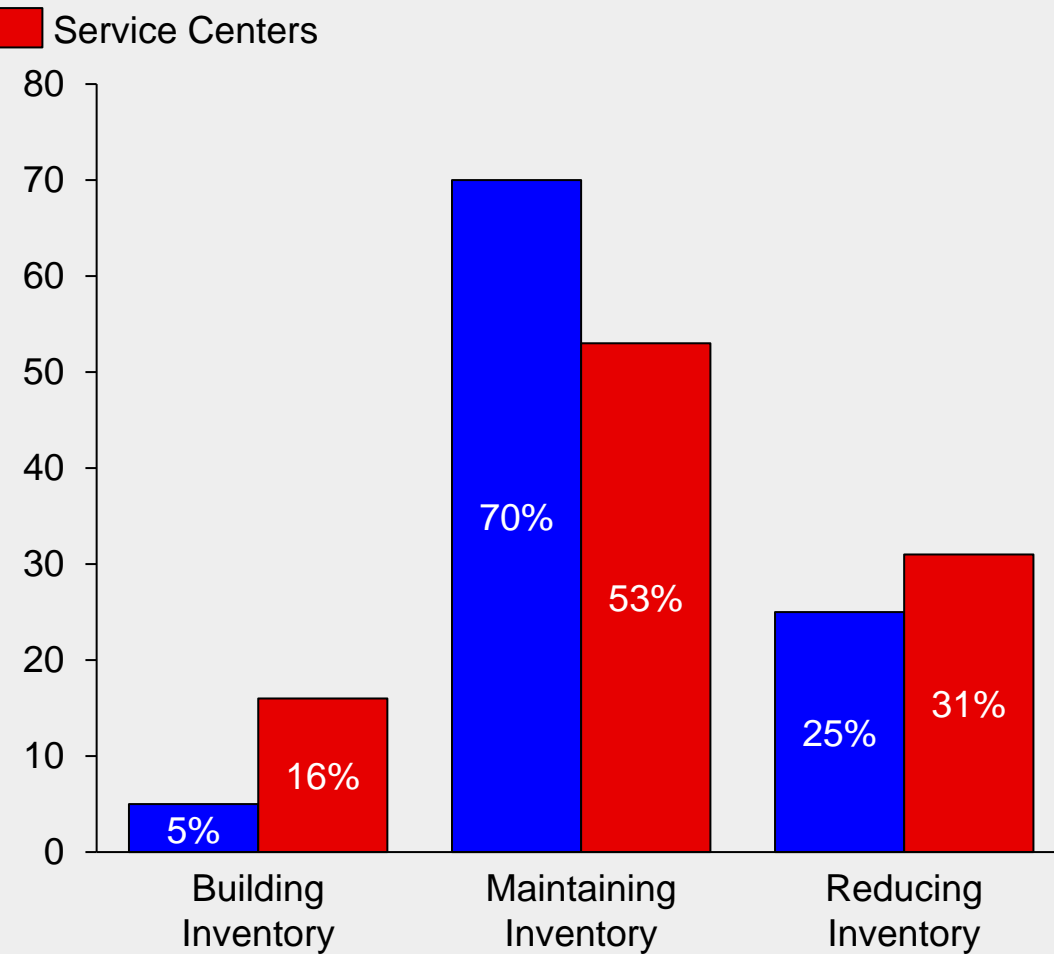


Manufacturer and Service Center Inventory Buying Patterns

September 29, 2022



October 13, 2022

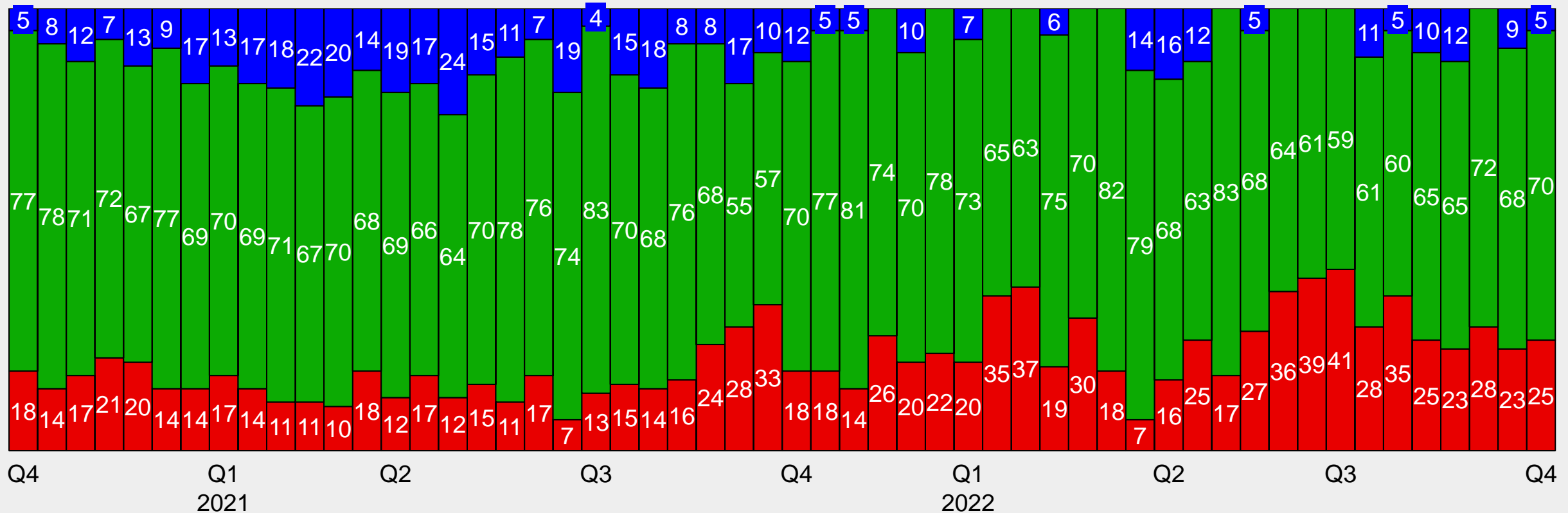


Manufacturer Inventory Buying History

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

■ Building Inventory
 ■ Maintaining Inventory
 ■ Reducing Inventory

out of 100%

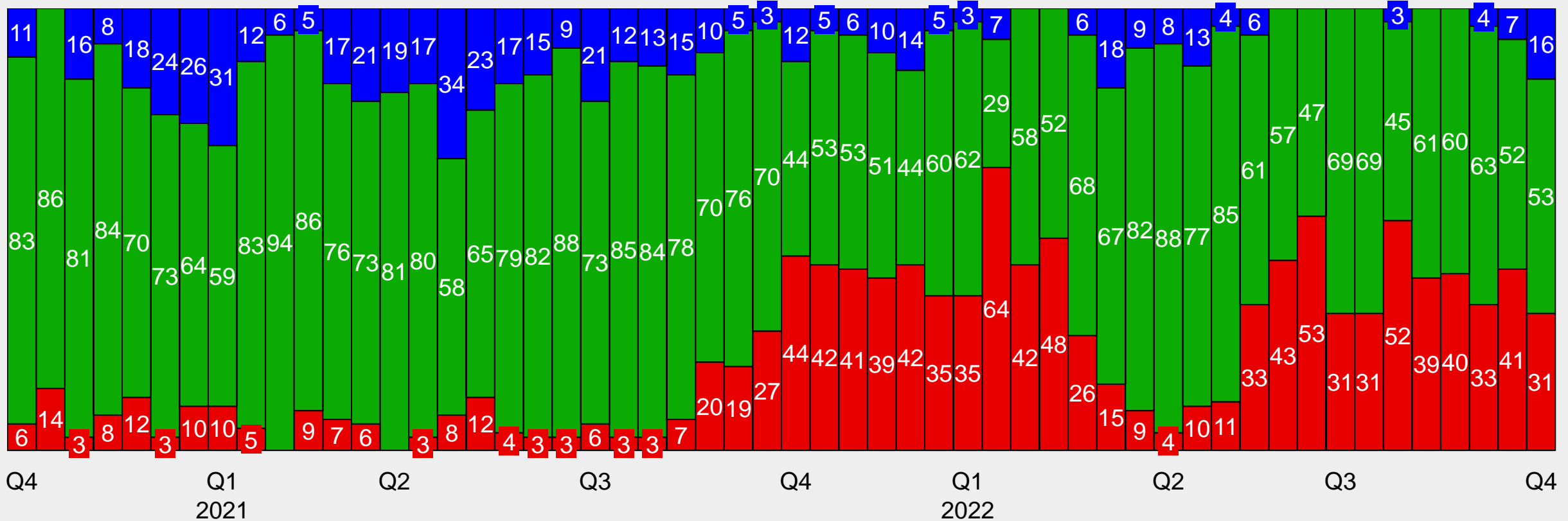


Service Center Inventory Buying History

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

■ Building Inventory
 ■ Maintaining Inventory
 ■ Reducing Inventory

out of 100%

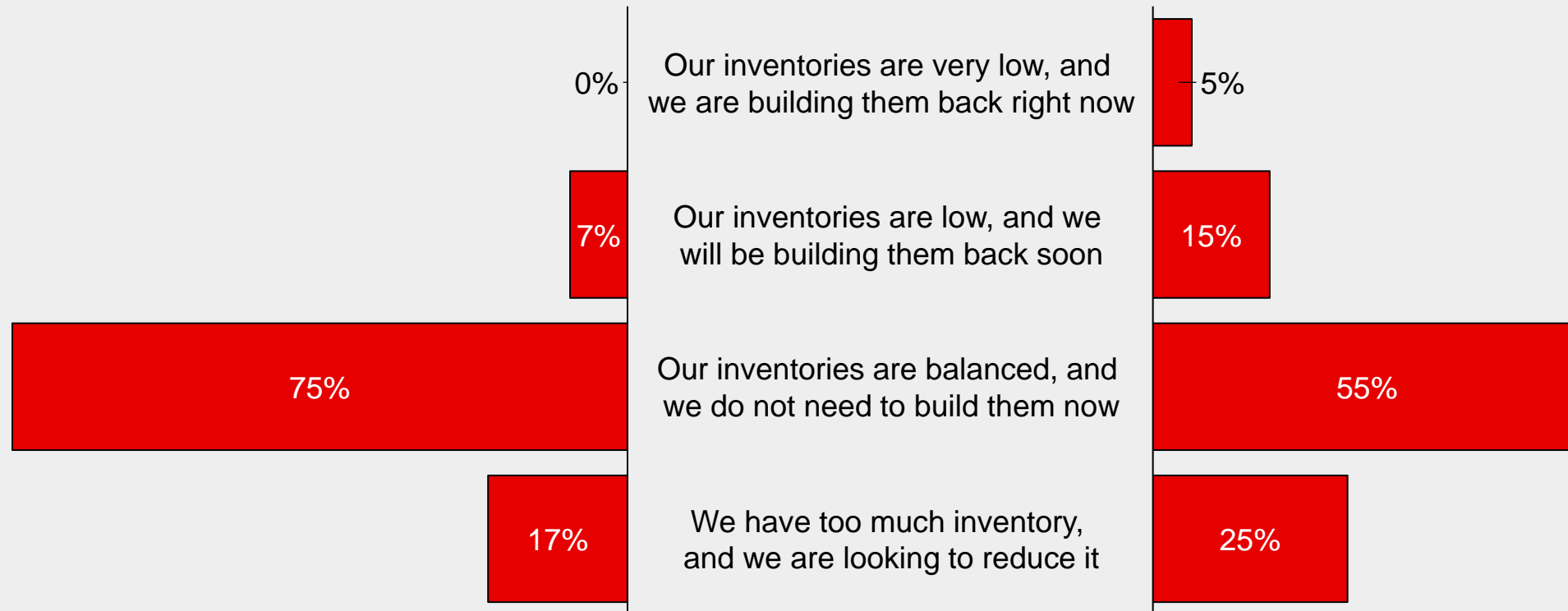


Service Center Inventories

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

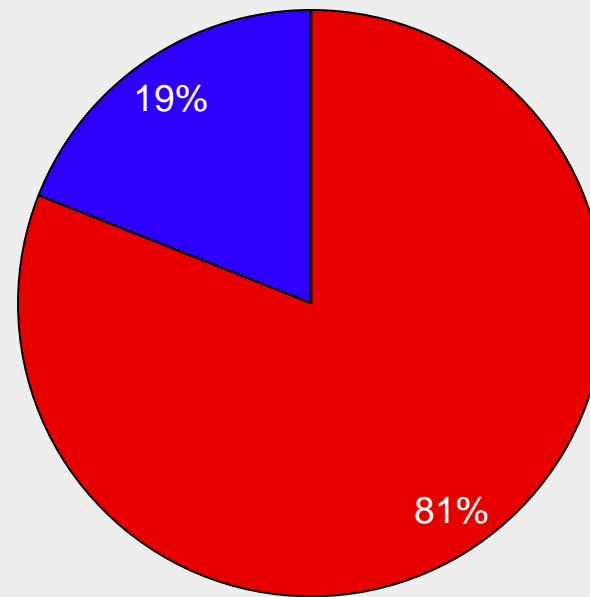
September 29, 2022

October 13, 2022



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

- We see prices decreasing from our service centers
- We see stable prices from our service centers
- We see prices increasing from our service centers

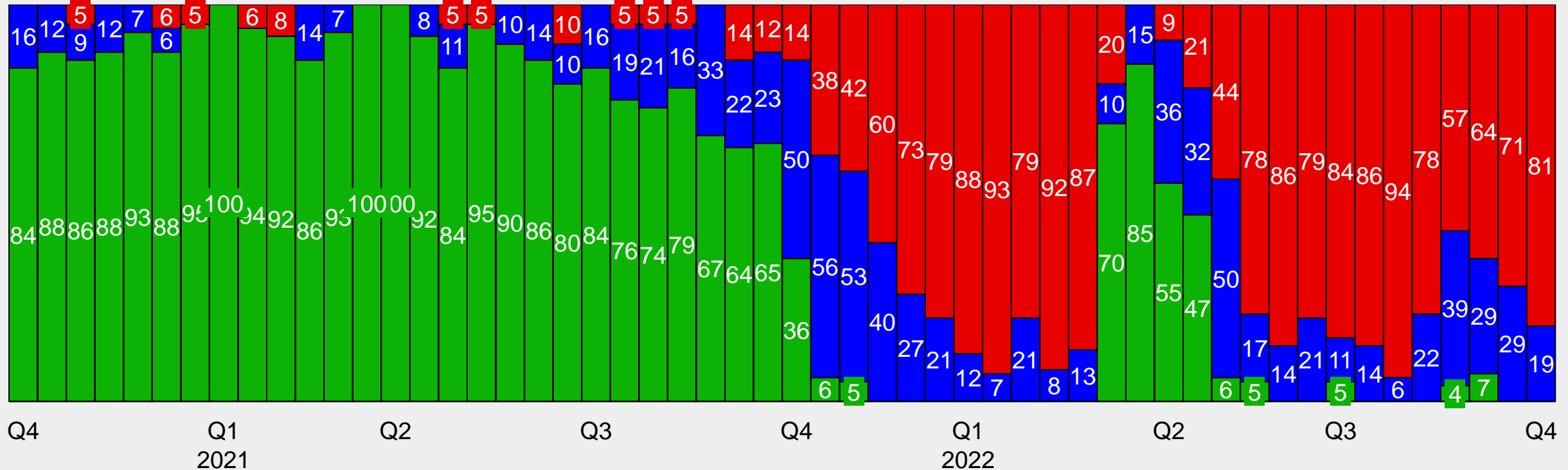


Manufacturer's View of Service Center Selling Prices History

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

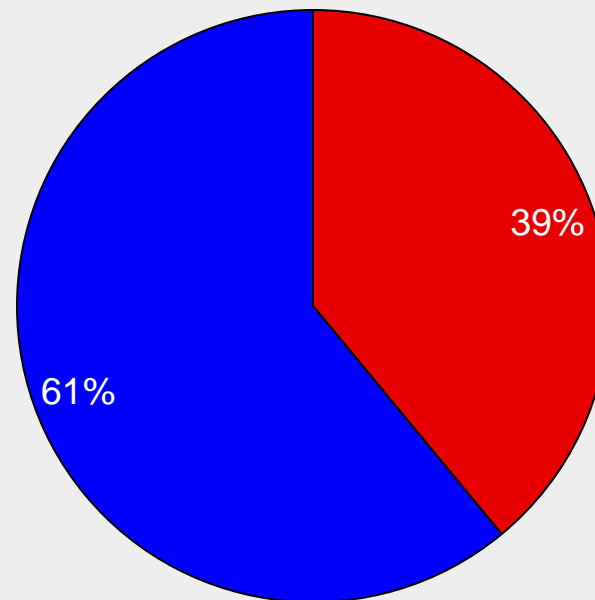
- We see prices decreasing from our service centers
- We see stable prices from our service centers
- We see prices increasing from our service centers

out of 100%



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

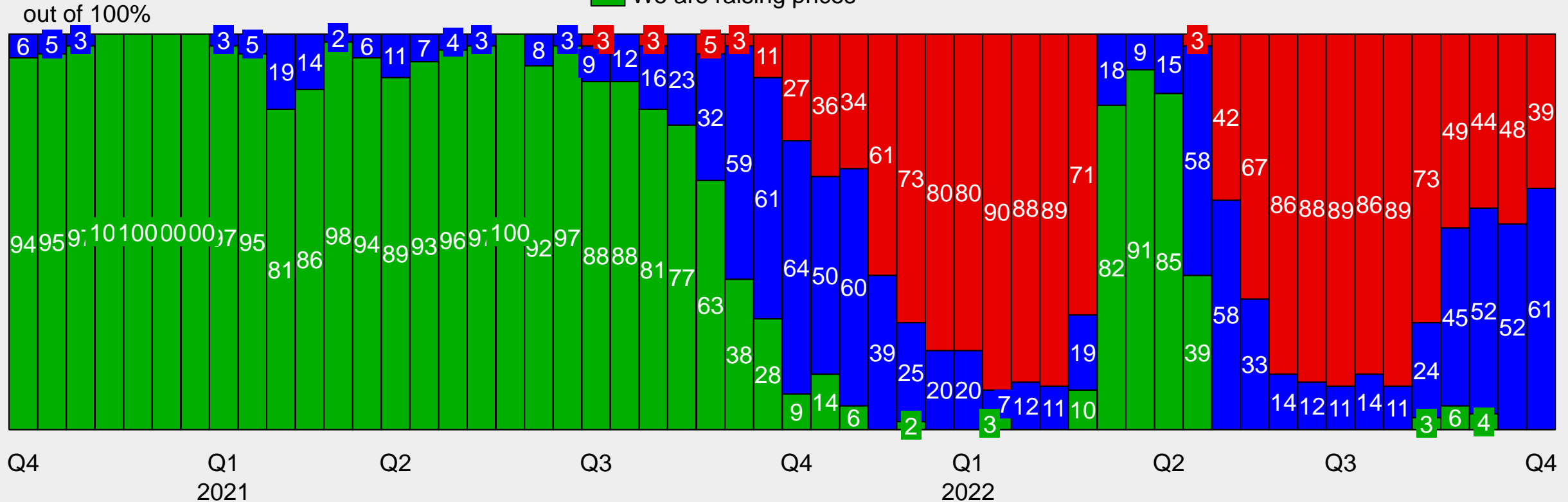
- We are lowering prices
- We are keeping prices the same
- We are raising prices



Service Center View of Selling Prices History

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

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

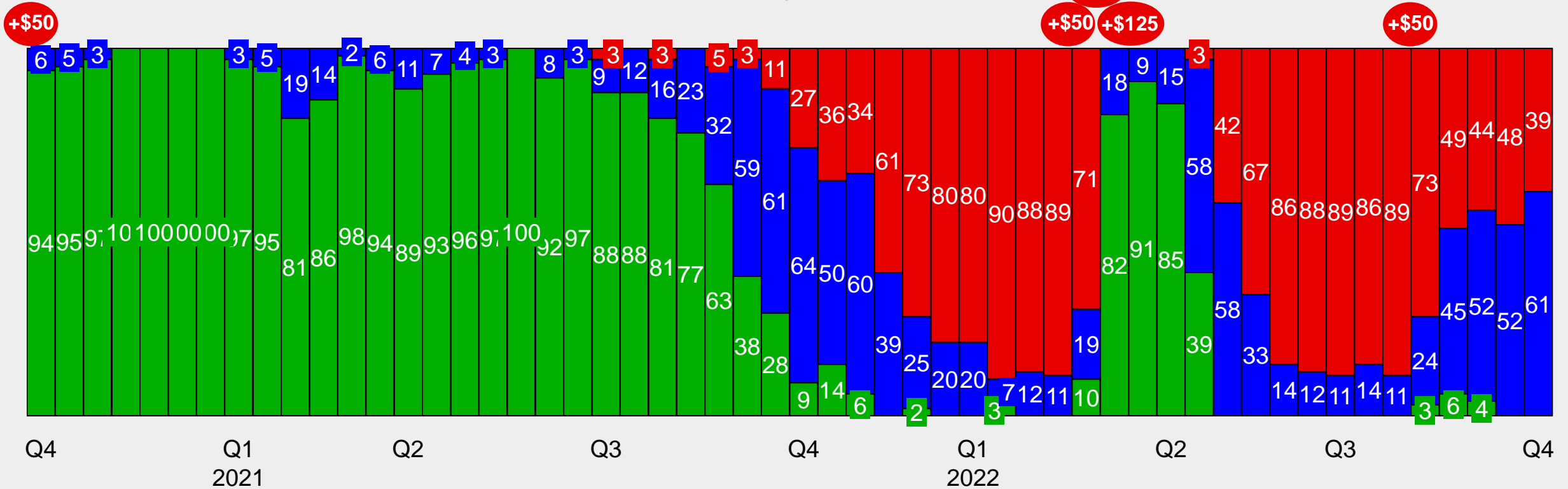


Service Center View of Selling Prices History

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

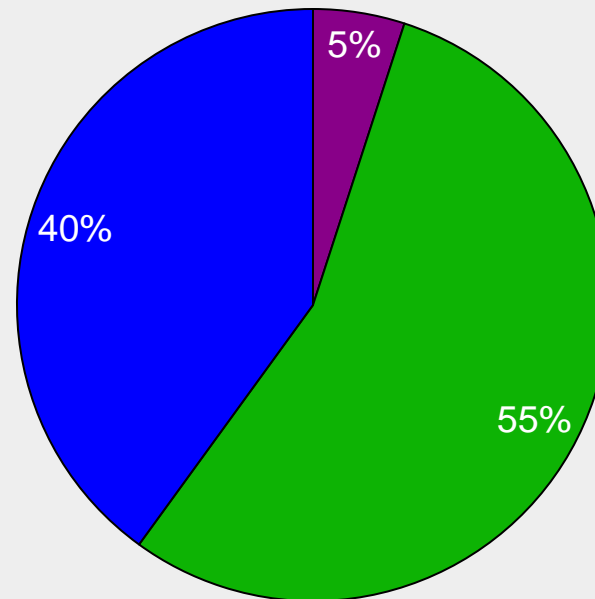
- We are lowering prices
- We are keeping prices the same
- We are raising prices

Historical Nucor Flat Rolled Price Increase Announcements



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

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

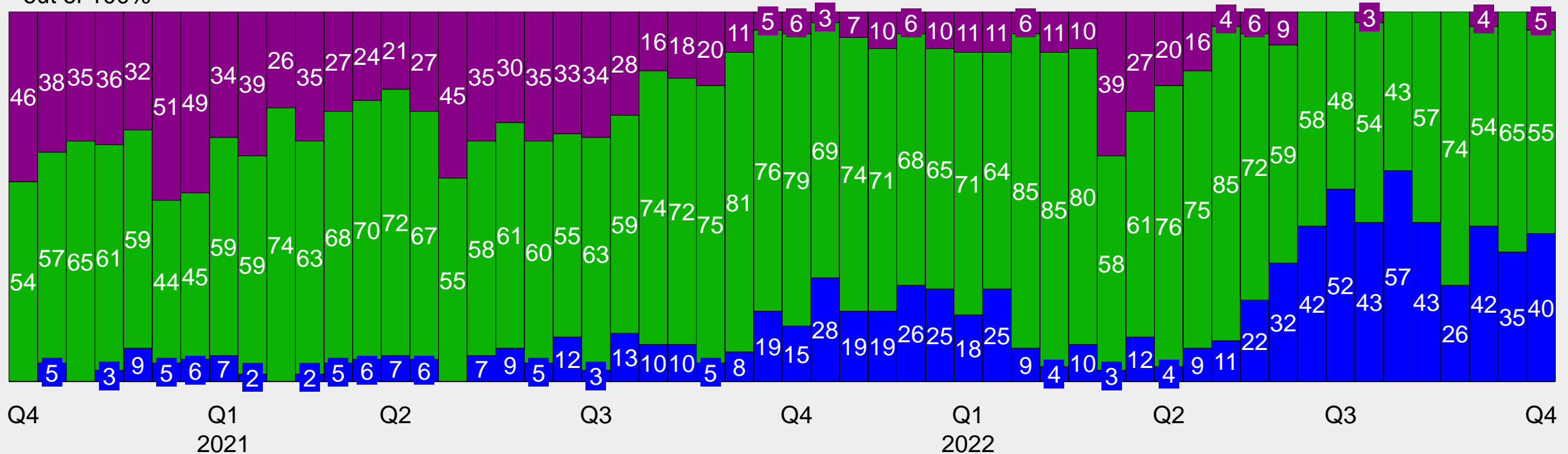


Service Centers on Manufacturer Orders History

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

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

out of 100%

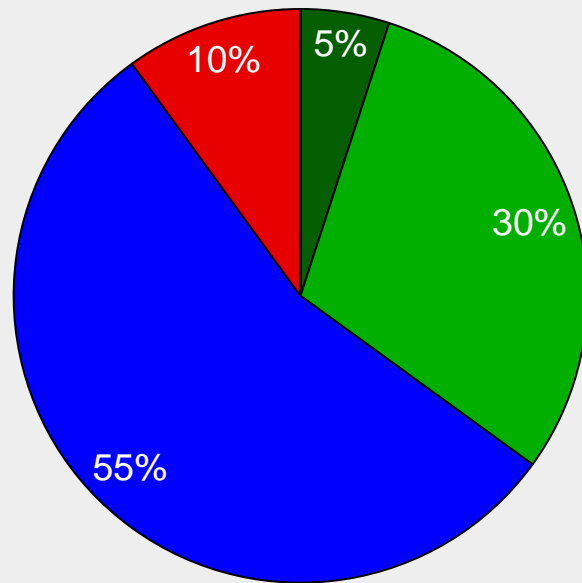


Mill Lead Times

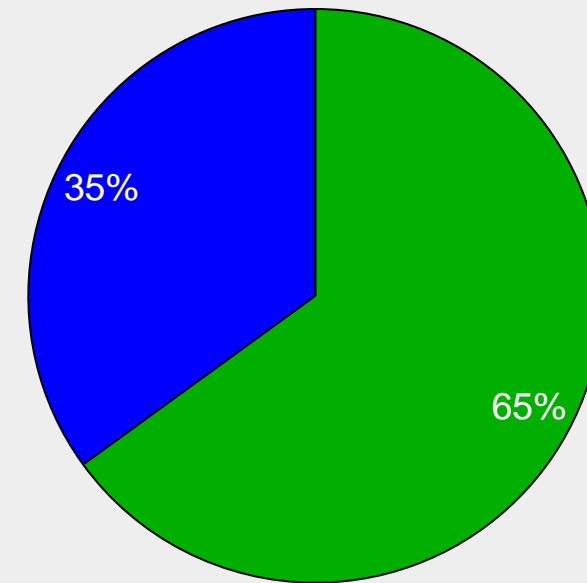
How would you describe domestic mill lead times for new orders placed right now?

- Extremely short
- Shorter than normal
- Normal
- Slightly longer than normal
- Highly extended

Manufacturers

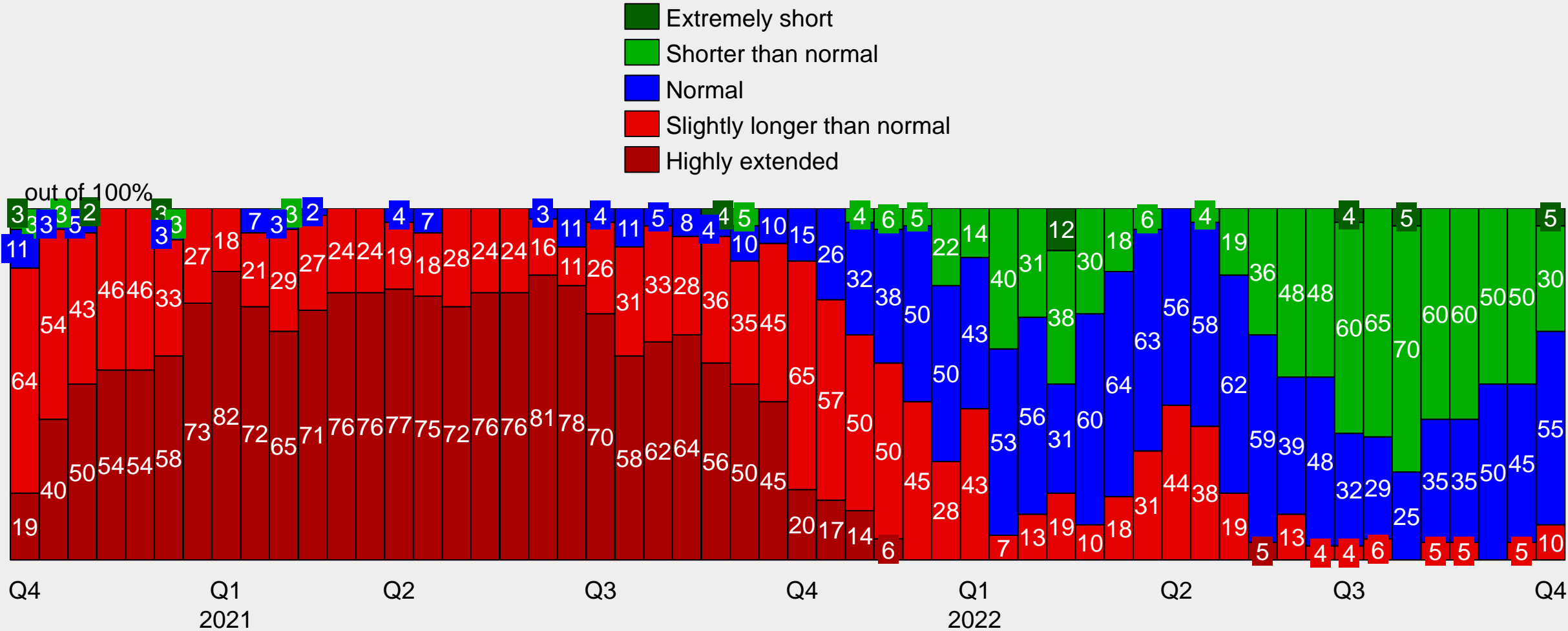


Service Centers



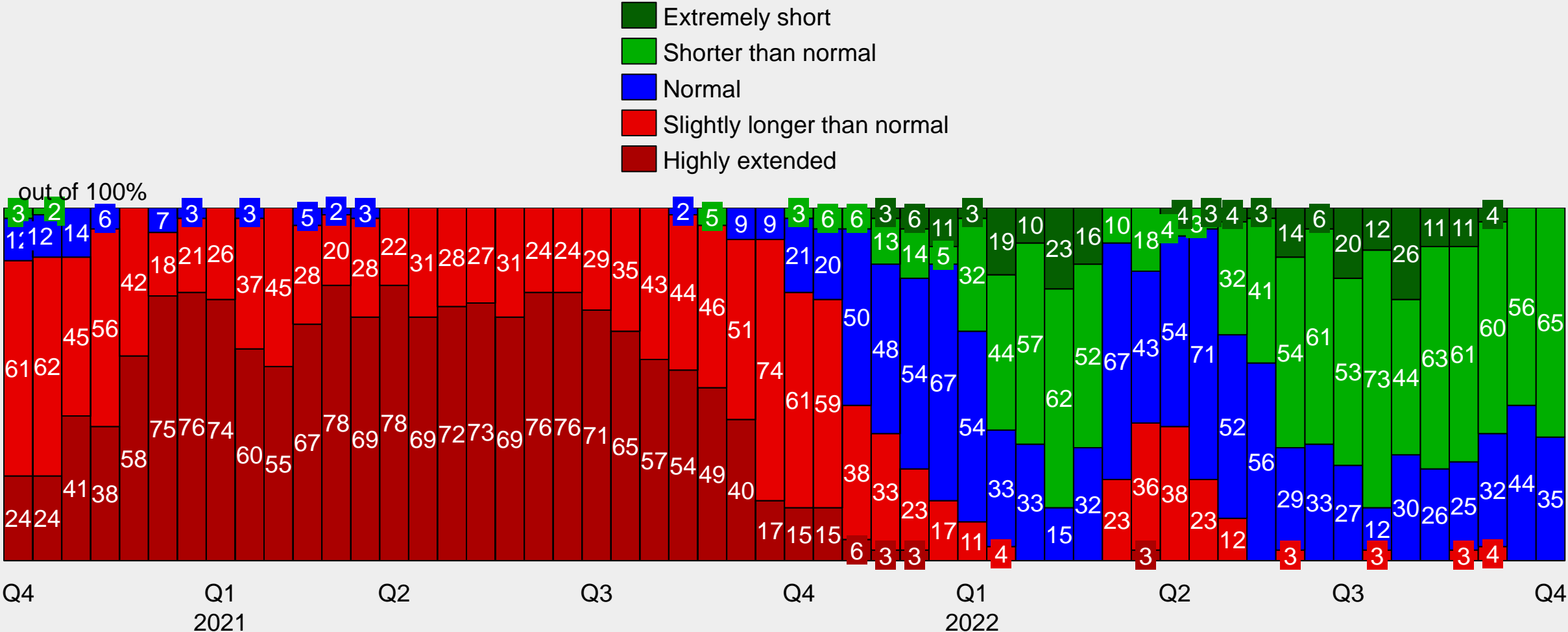
Mill Lead Times History

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?

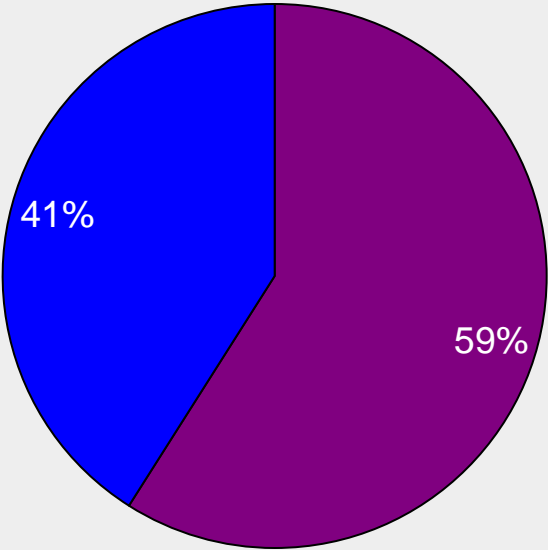


Foreign Steel Purchases

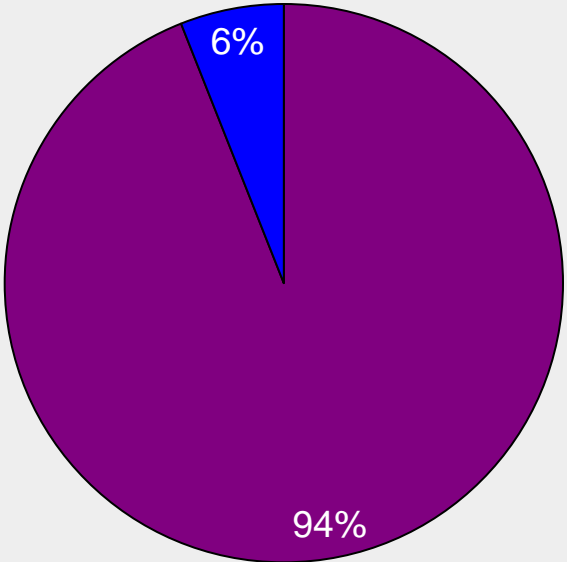
Does your company buy foreign steel?

Yes No

Manufacturers



Service Centers

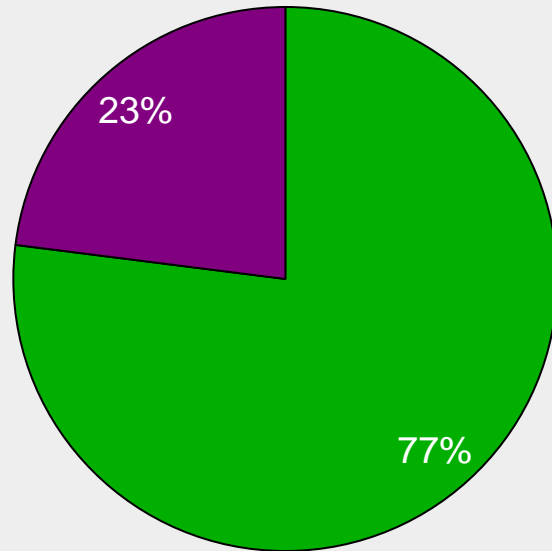


Foreign Steel Competitive?

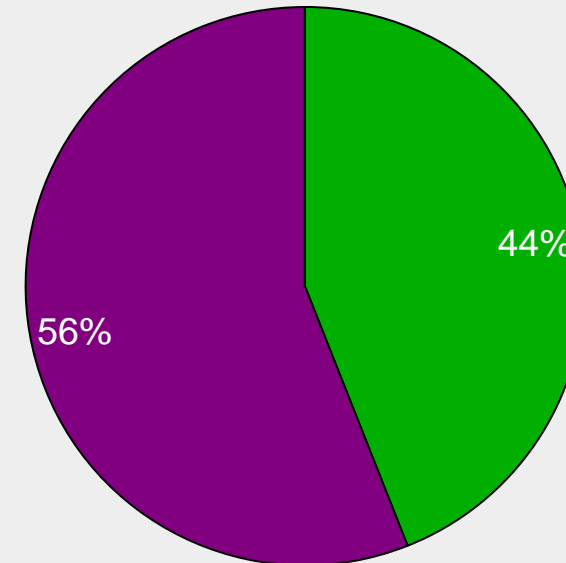
Are your foreign steel suppliers quoting you competitive prices for new orders for future delivery?

Yes No

Manufacturers



Service Centers

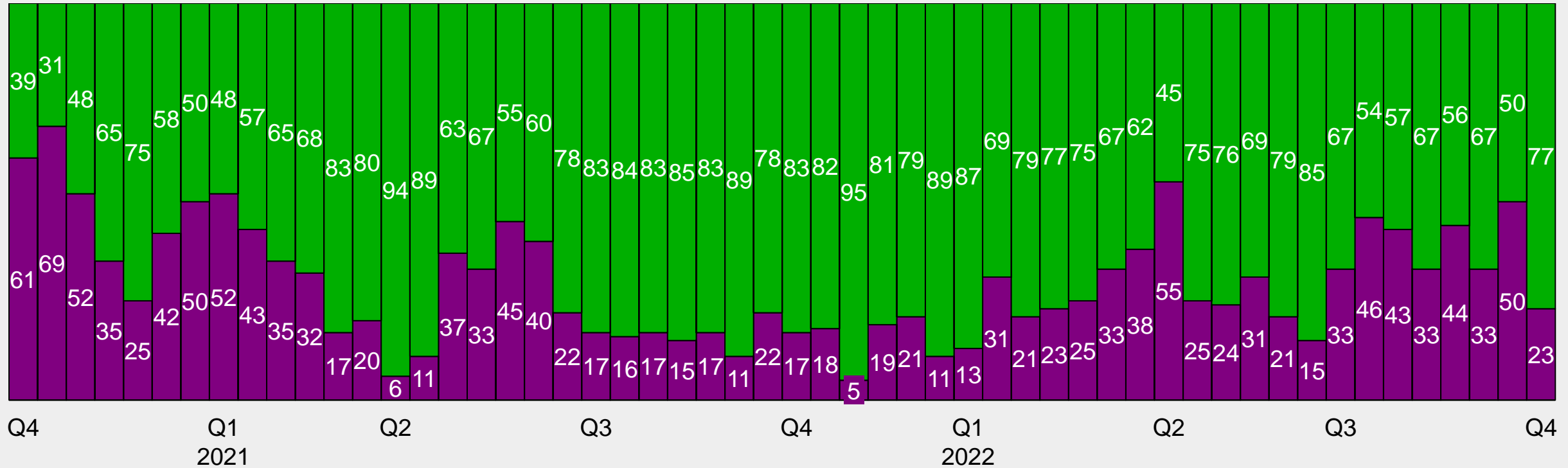


Foreign Steel Competitiveness History

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

Yes No

out of 100%

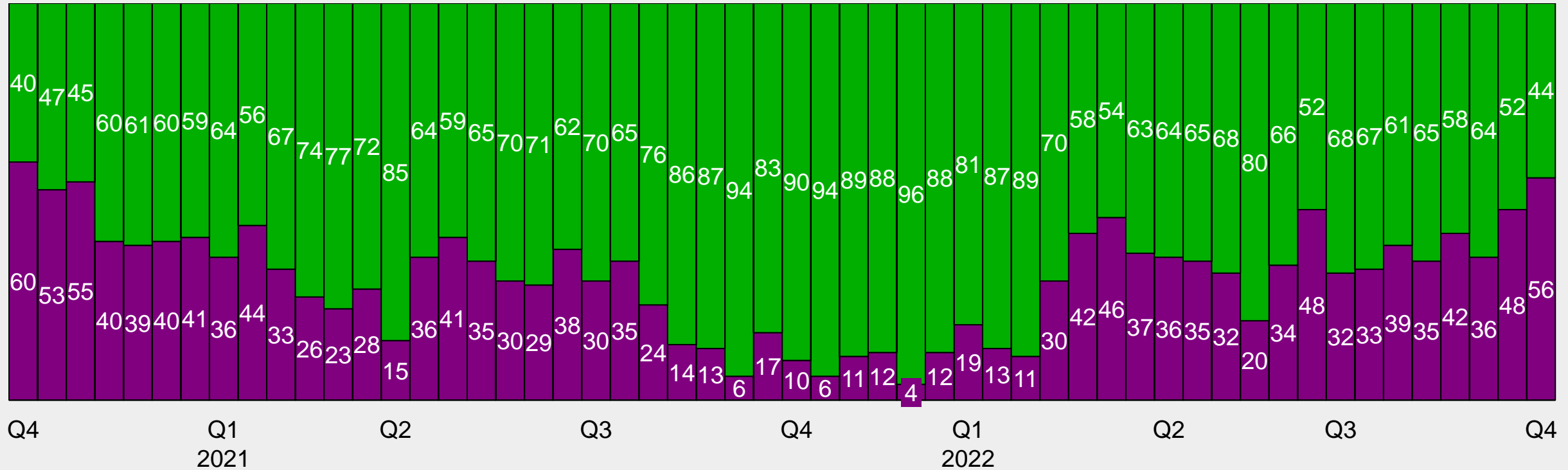


Foreign Steel Competitiveness History

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

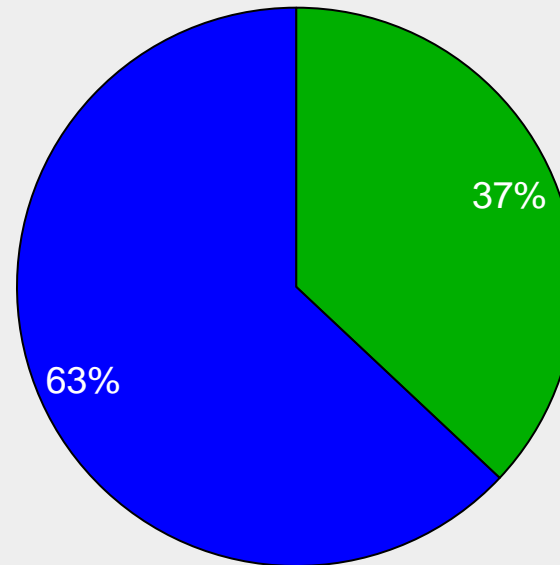
Yes No

out of 100%



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

Yes No

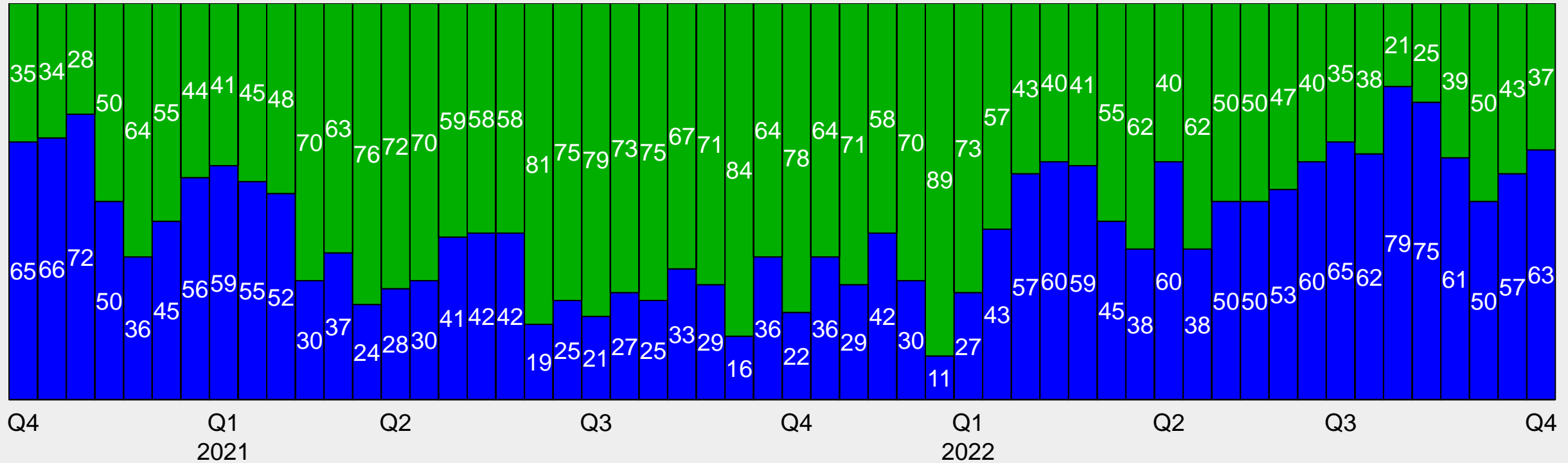


New Foreign Steel Orders History

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

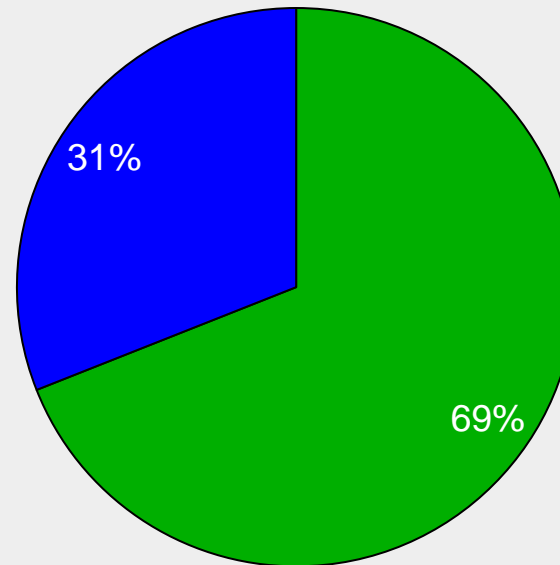
Yes No

out of 100%



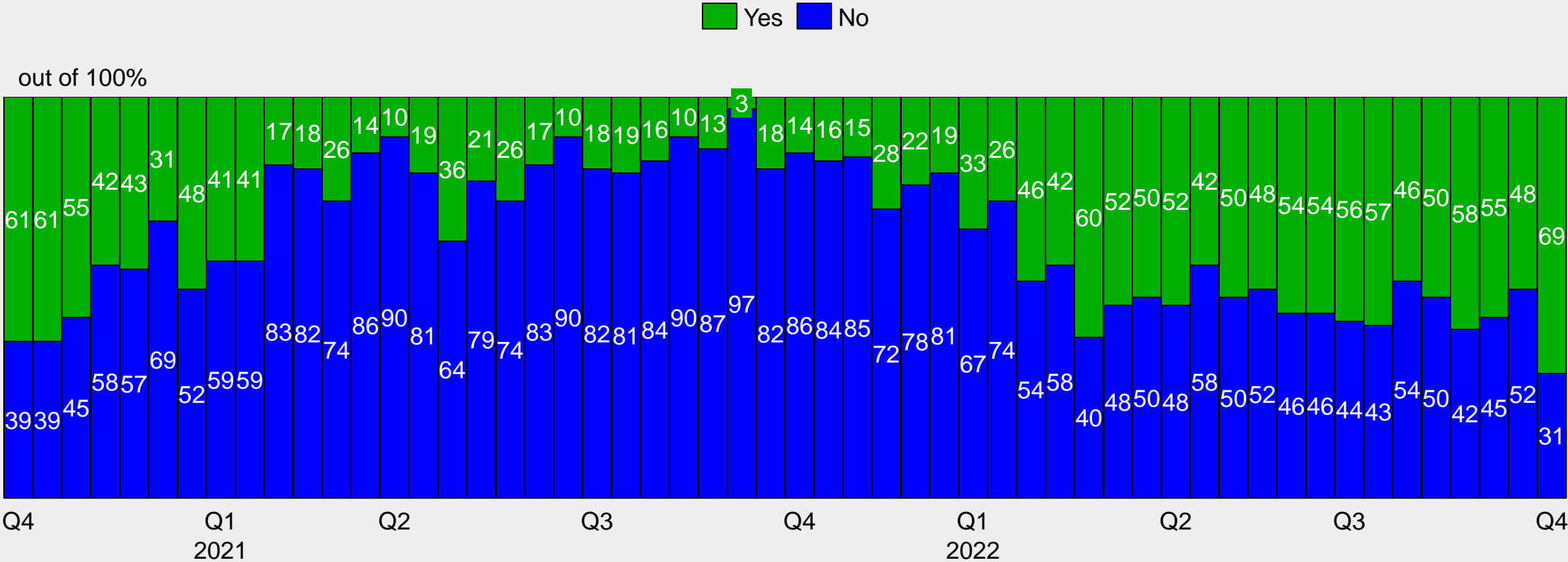
Service Centers- Are you decreasing the percentage of foreign steel on your order book?

Yes No



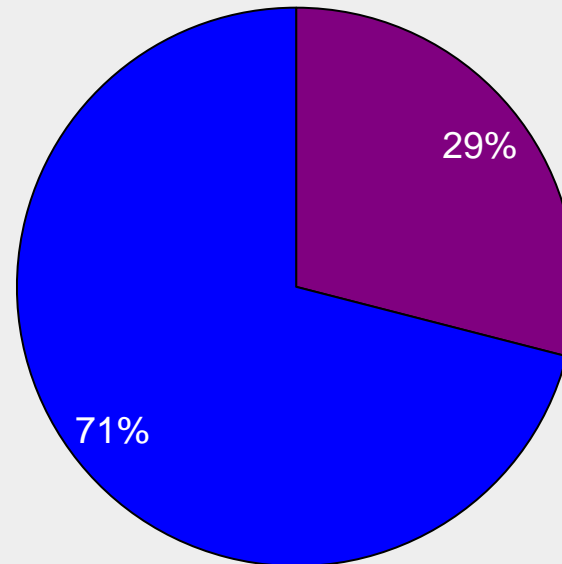
Foreign Steel Order History

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



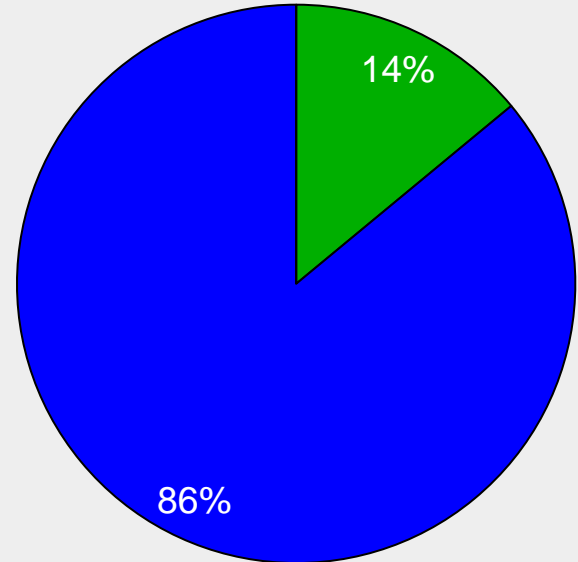
Do you plan to idle capacity over the next three months?*

Yes
No



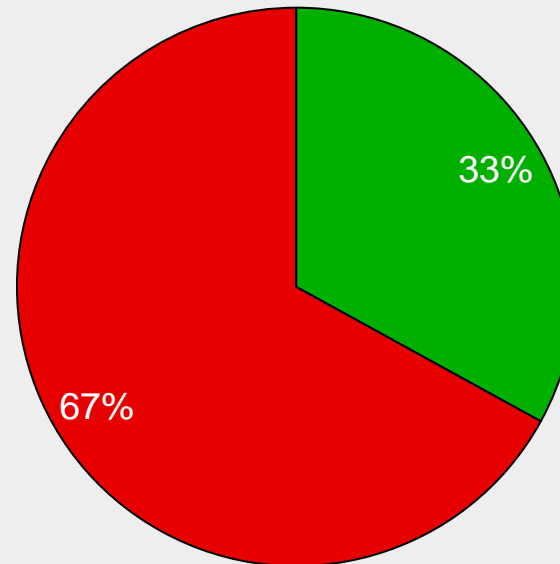
The current order book at your mill is better or worse than last month?*

- Better
- Same
- Worse



Are you seeing an increase or decrease in orders from your North American buyers?*

■ Increase
■ Decrease

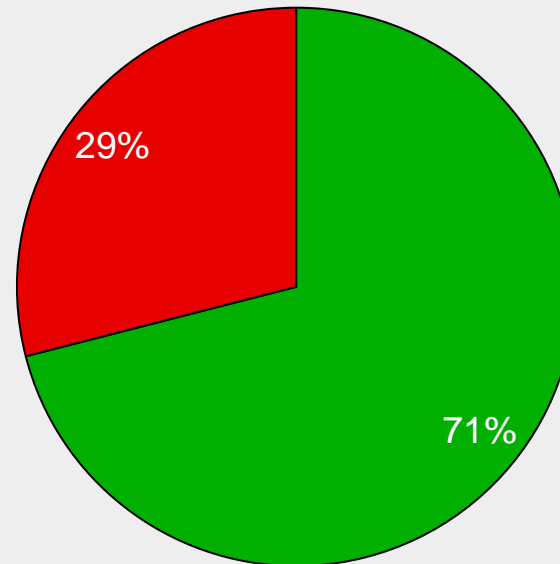


© Steel Market Update 2022

*Limited number of responses to this question

Are foreign products attractive to U.S. buyers?*

Yes No



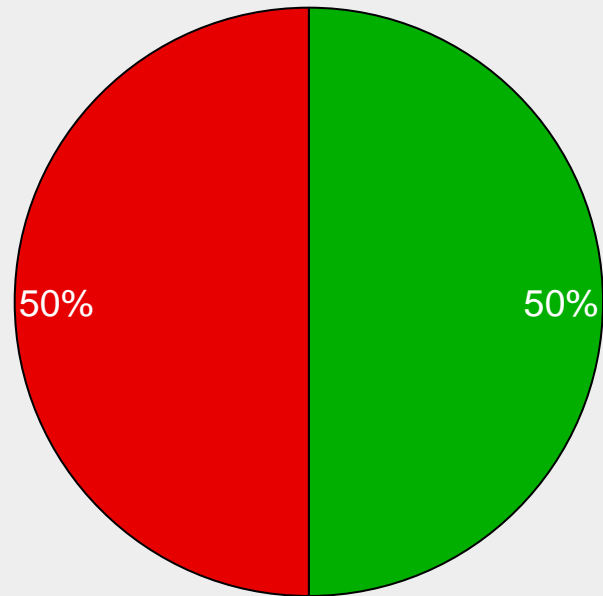
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*Limited number of responses to this question

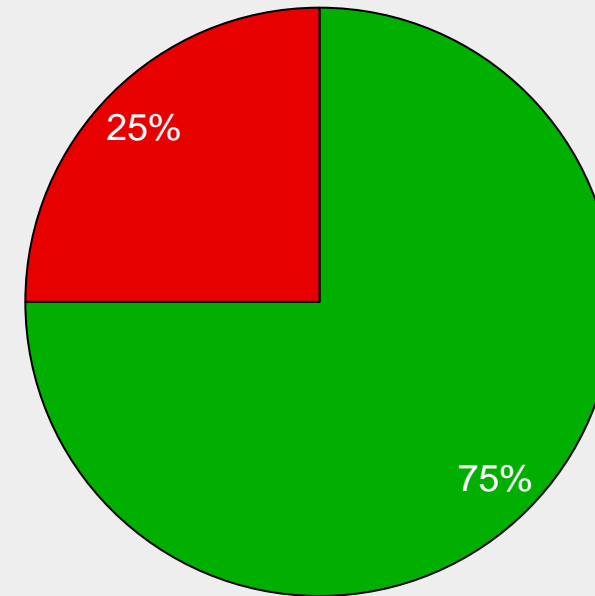
Are you able to offer hot rolled pricing that attracts buyers right now?*

Are you able to offer cold rolled pricing that attracts buyers right now?*

Yes No



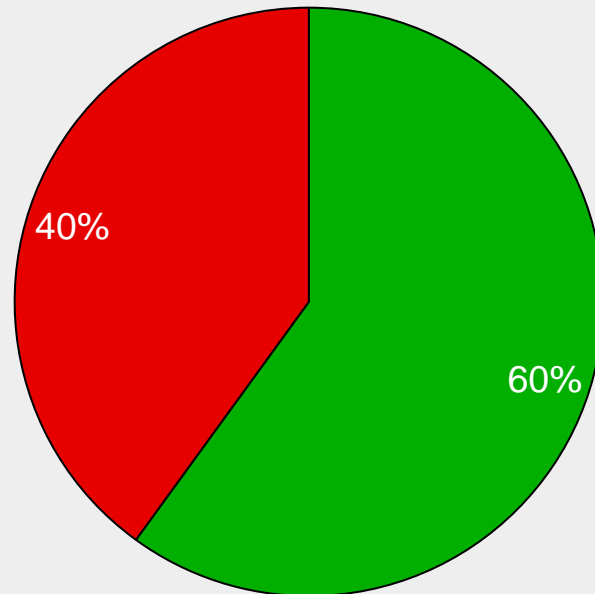
Yes No



Trading Companies on Coated and Plate

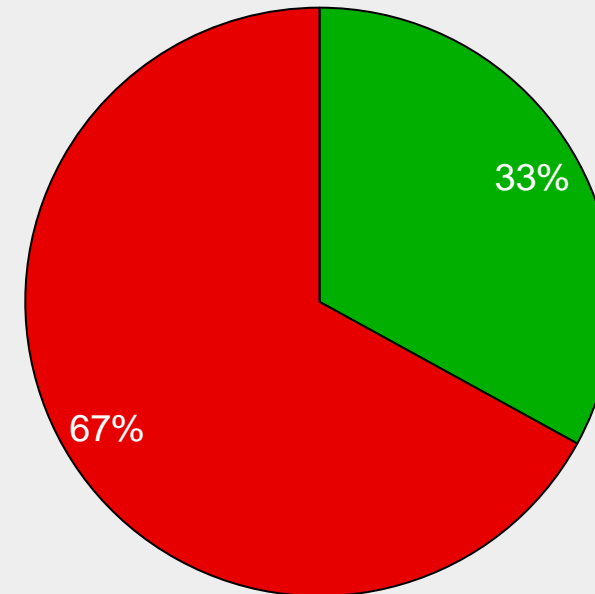
Are your coated prices competitive enough right now to get orders?*

Yes No



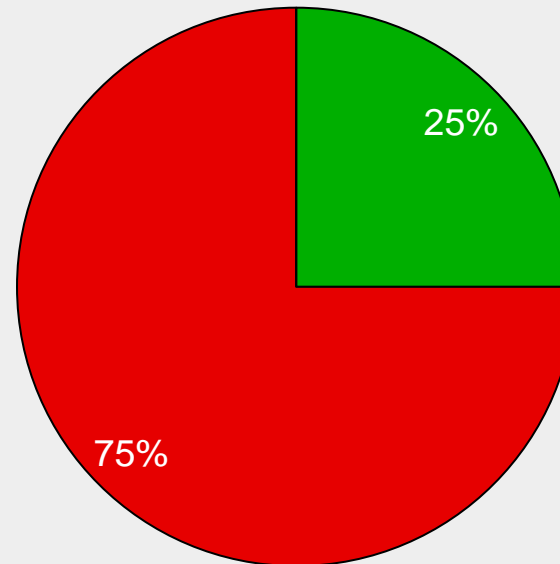
Are you able to offer plate pricing that attracts buyers right now?*

Yes No

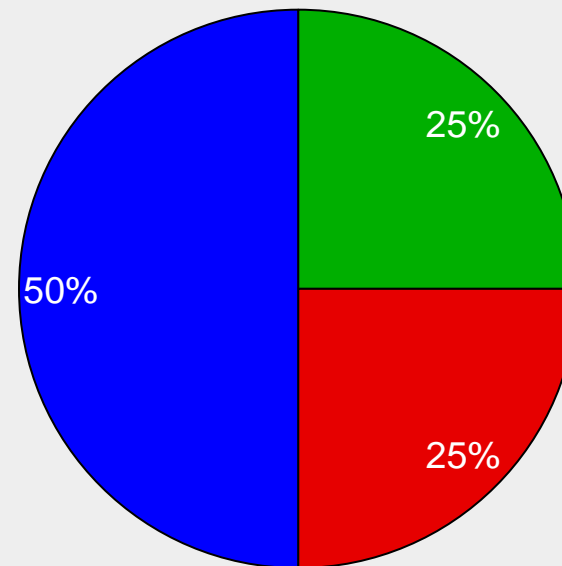


Has your business seen a change in demand this month compared to last month?*

- Yes - increase in demand
- Yes - decline in demand
- No - steady demand

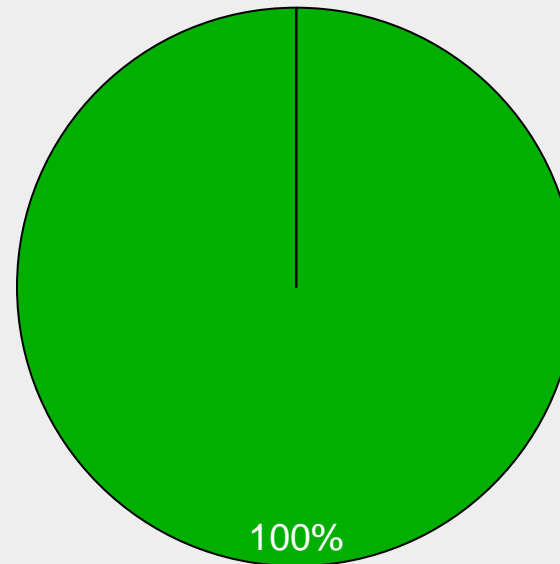


Will business levels be better, worse, or stable in the next 3-6 months?*



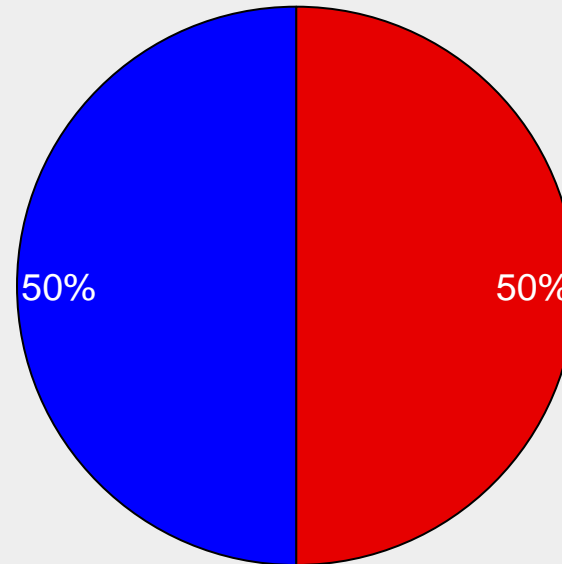
Are business levels better, worse or the same compared to last month?*

- Better
- Worse
- Same



Will business levels be better, worse, or stable in the next 3-6 months?*

- Better
- Worse
- Stable



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.

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**Look for our next survey
the week of October 24, 2022**

**Don't just read our data, see your company's experience reflected in it.
Contact Brett@SteelMarketUpdate.com for participation information**



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When you need answers...
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If you would like to participate in our survey, please contact Brett Linton at Brett@SteelMarketUpdate.com