



STEEL MARKET UPDATE

part of the  Group

SMU Flat Rolled Market Trends Analysis

Responses from our October 11-13, 2021 Market Survey



Steel Market Update



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 500 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.

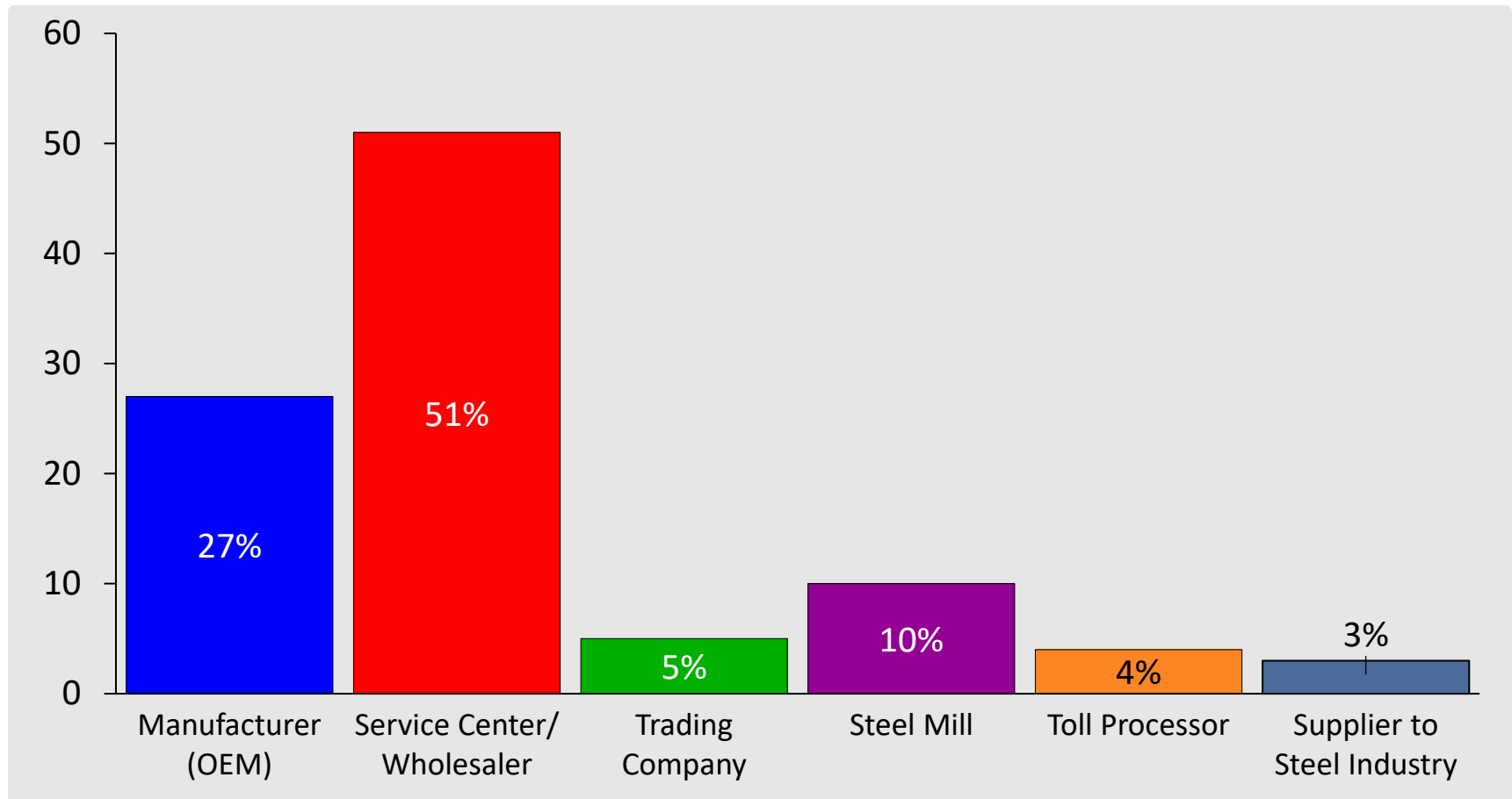
Upcoming SMU Events

Date	Event	Status	Venue
November 2-3	SMU Steel Hedging Workshop	Virtual	Online
December 7-8	CRU Carbon Offset and Clean Power Strategies Training Course	Virtual	Online
February 14-16	Tampa Steel Conference	Live	Marriott Waterside Hotel Tampa, Florida
August 22-24	SMU Steel Summit Conference	Live	Georgia International Convention Center, Atlanta, Georgia

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

Survey Participants

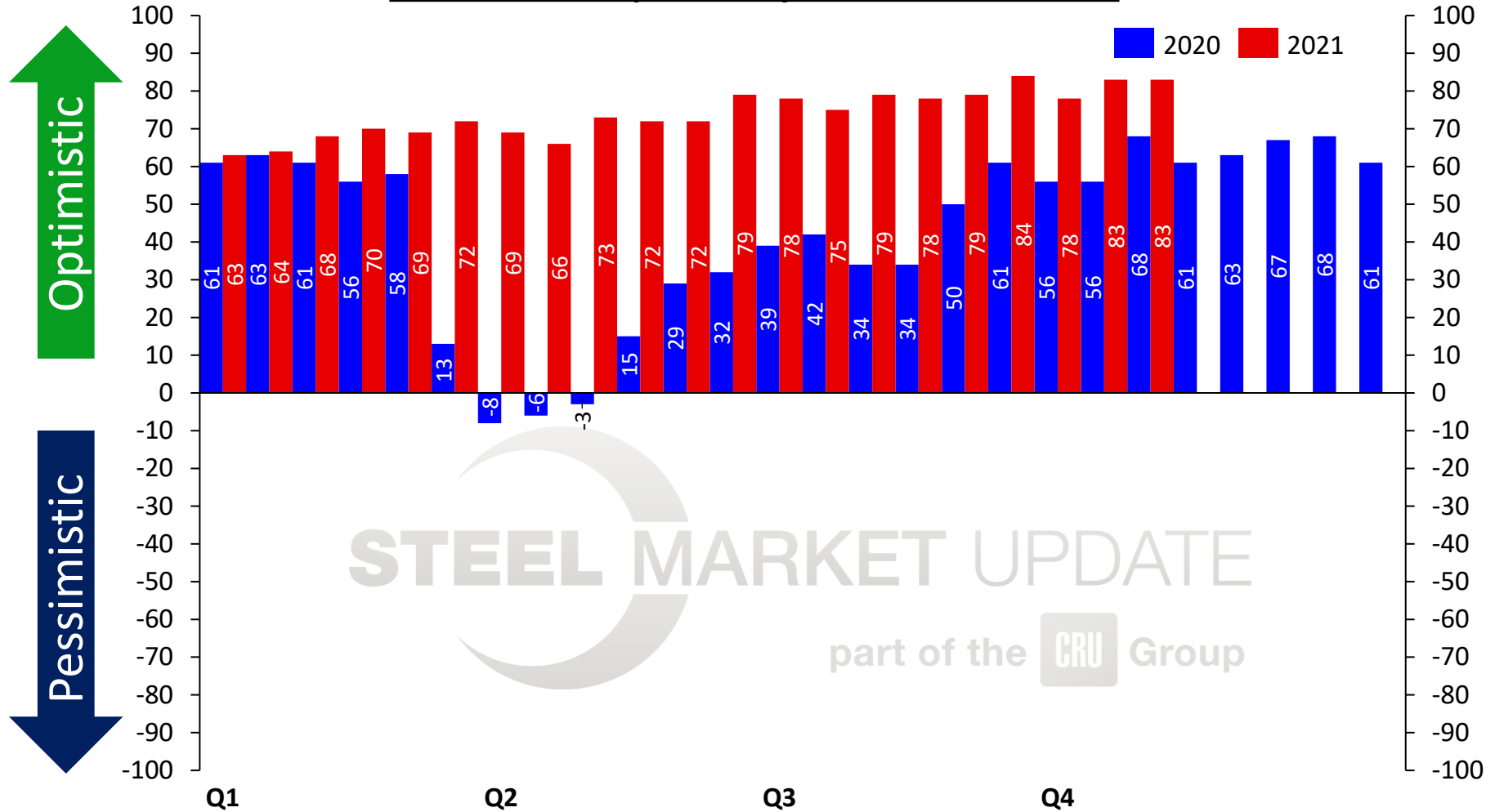
Our survey is by invitation only- Over 500 companies, mostly in the manufacturing or distribution industries, are asked to participate. Here are the percentages of participation in this week's survey by market sector.



SMU Buyers Sentiment Index

Unchanged at +83

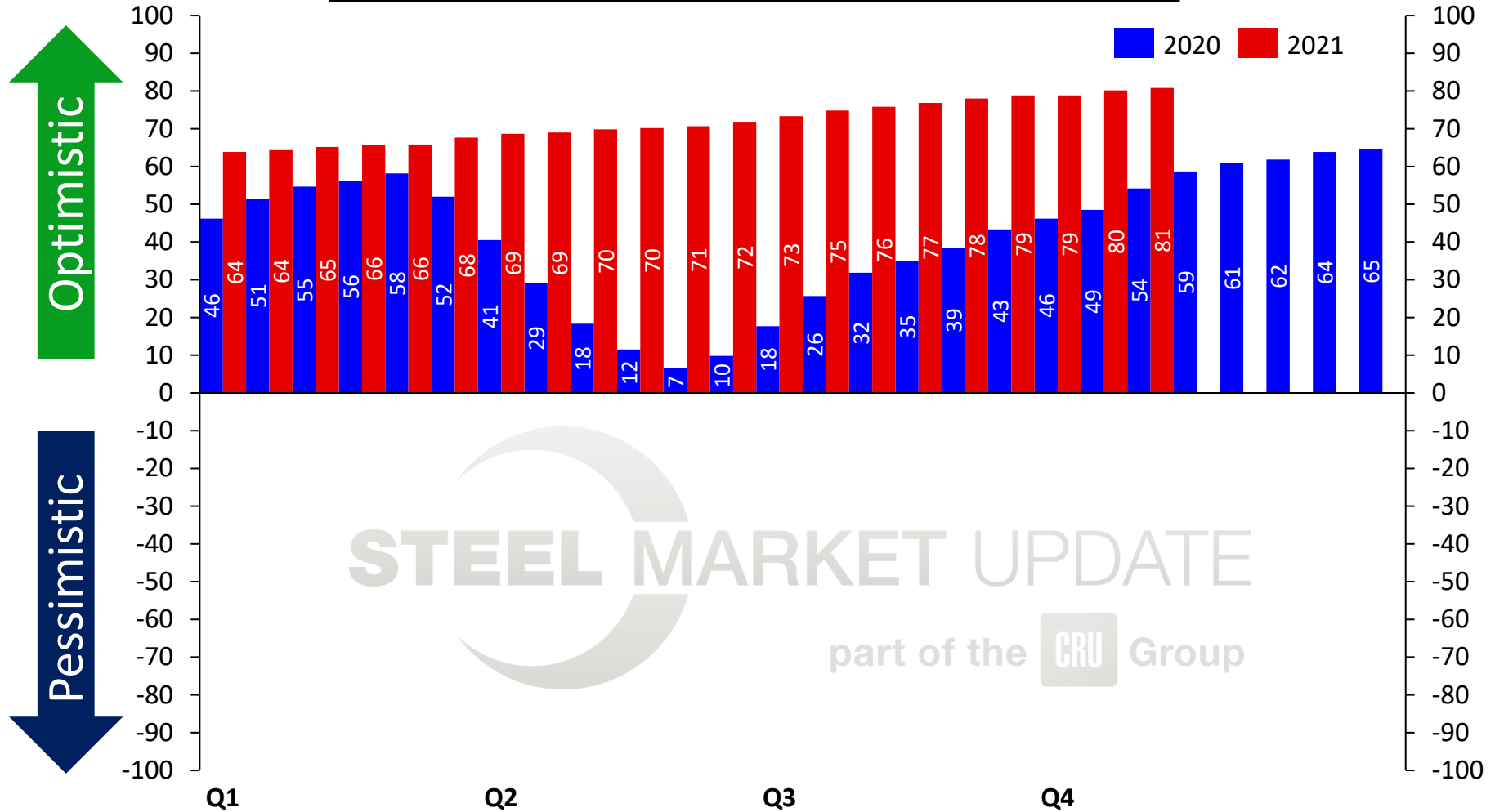
Steel Market Update Buyers Sentiment Index



SMU Buyers Sentiment Index

Three Month Moving Average at +80.83

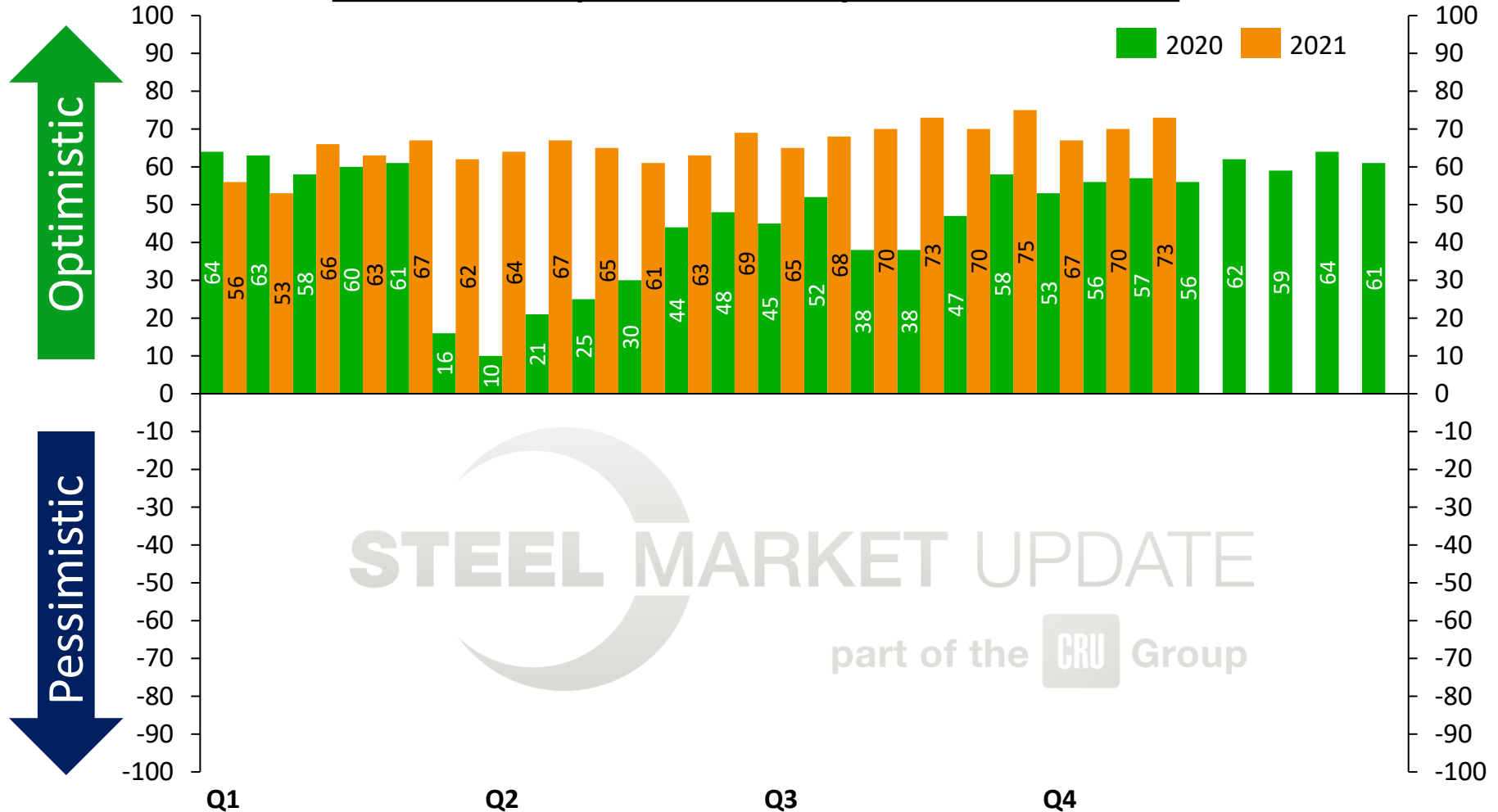
Steel Market Update Buyers Sentiment Index 3MMA



SMU Future Buyers Sentiment Index

Up 3 points to +73

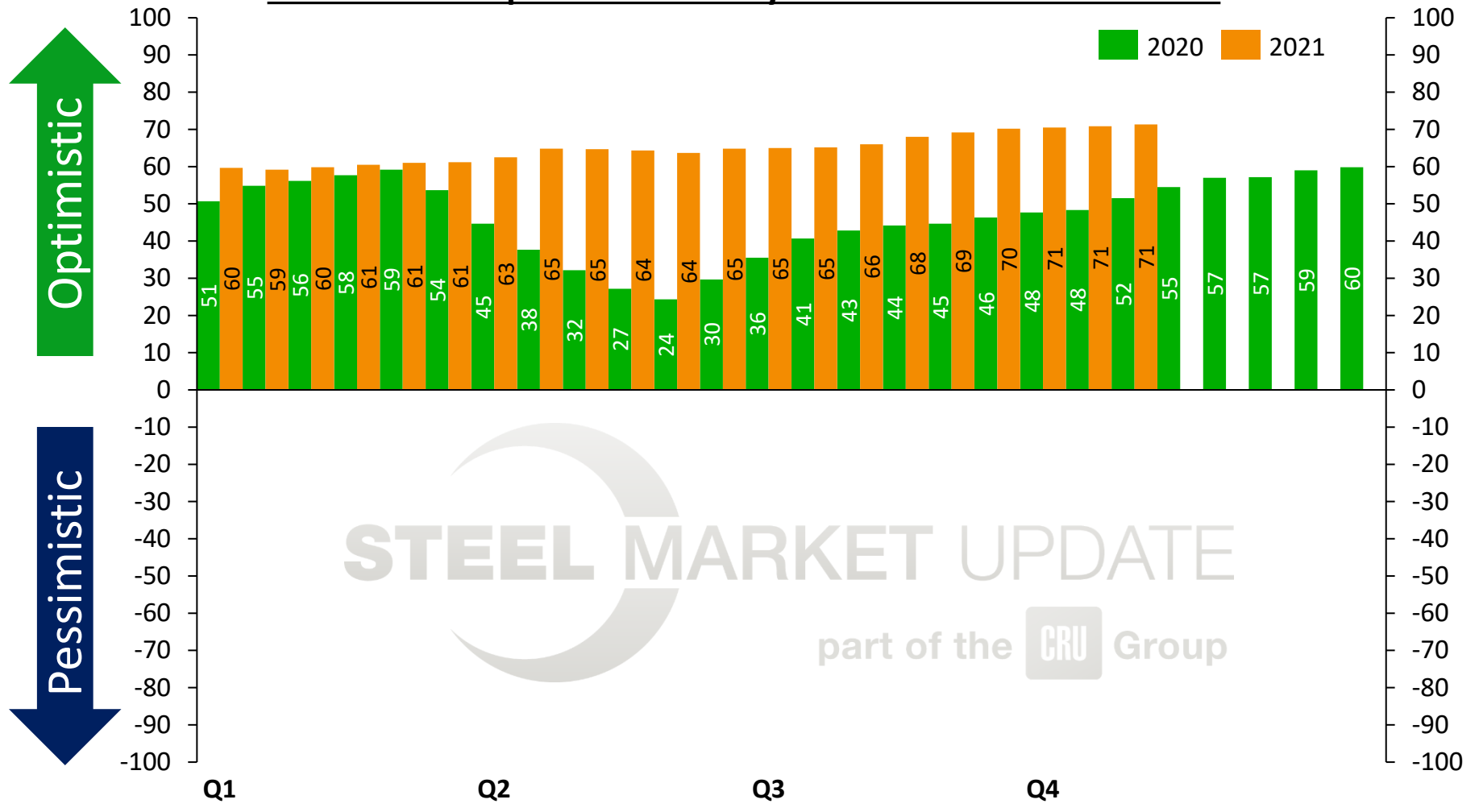
Steel Market Update Future Buyers Sentiment Index



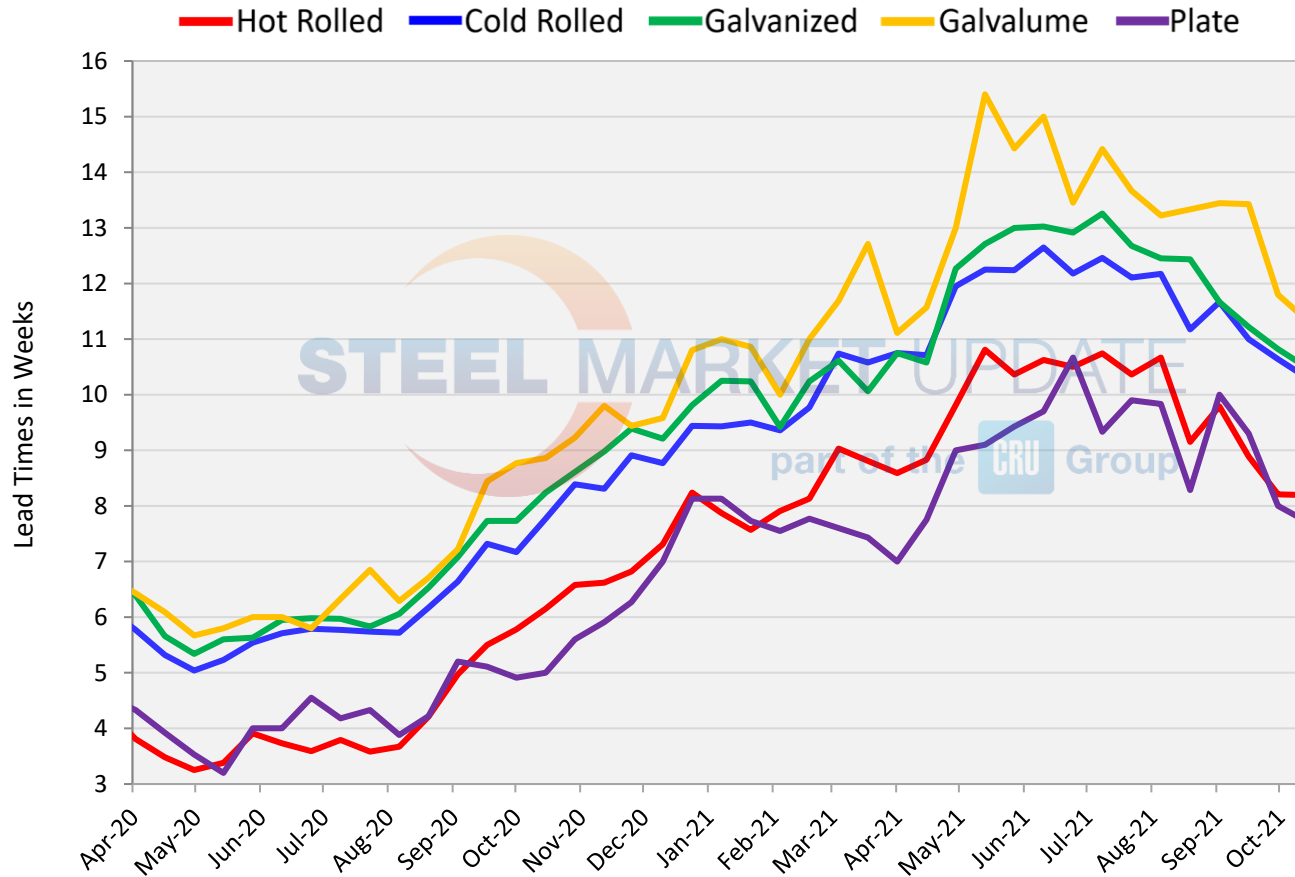
SMU Future Buyers Sentiment Index

Three Month Moving Average at +71.33

Steel Market Update Future Buyers Sentiment Index 3MMA



Mill Lead Times



Lead Times in Weeks

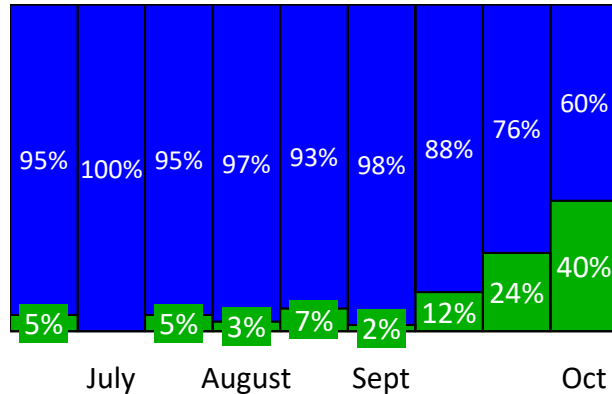
Galvalume: 11.33
Galvanized: 10.48
Cold Rolled: 10.30
Hot Rolled: 8.19
Plate: 7.71

Mill Negotiations

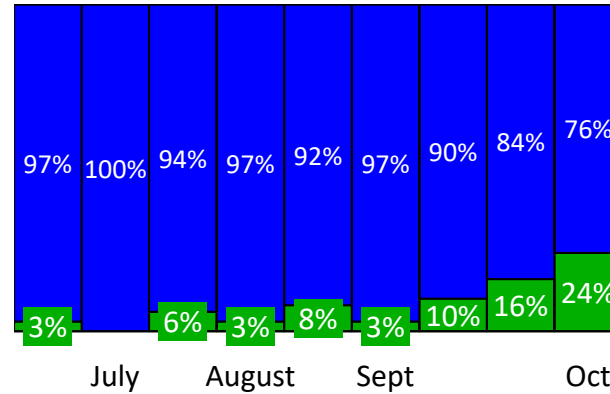
Are you finding the domestic mills are willing to negotiate pricing on brand new orders placed this week?

Yes No

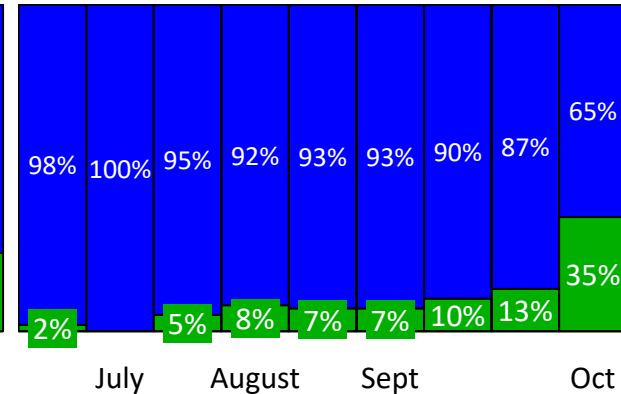
Hot Rolled



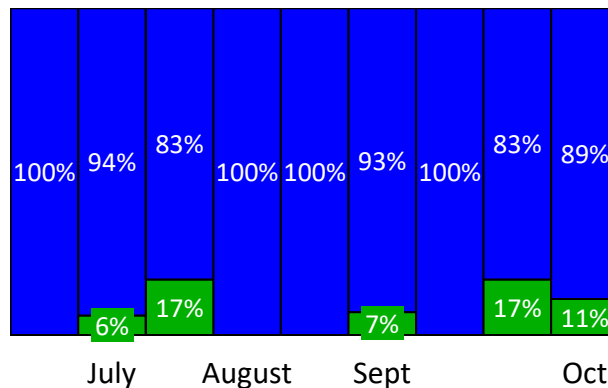
Cold Rolled



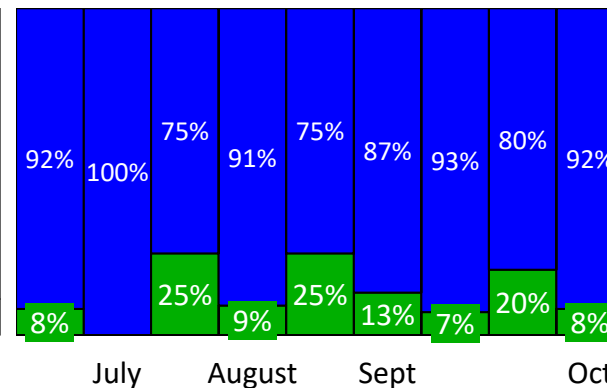
Galvanized



Galvalume

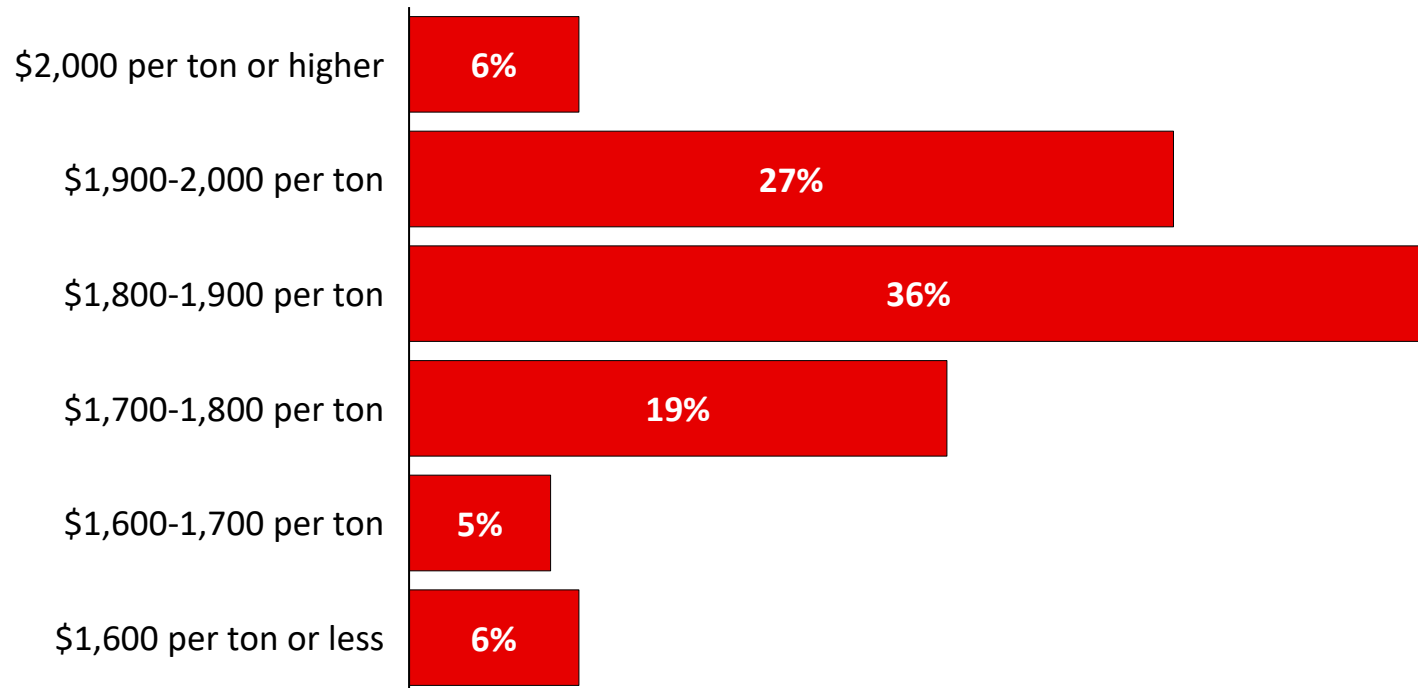


Plate



End of Year HRC Prices

Hot rolled coil prices have bounced up and down and now average \$1,930* per ton.
Where do you think HRC prices will be at the end of this year?



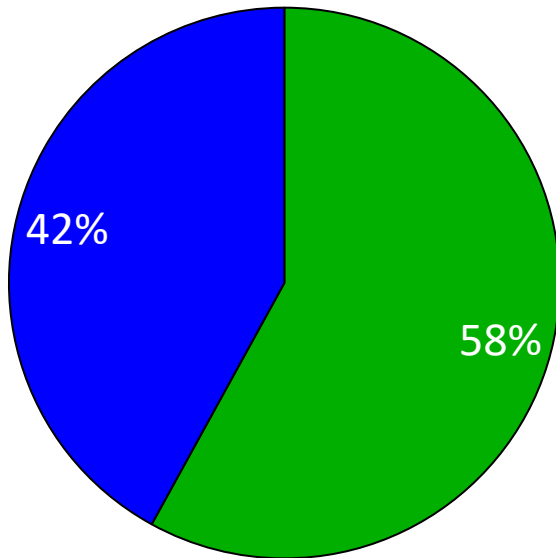
* As of Monday, October 11, 2021; the latest SMU HR average is \$1,920 per ton

Mill Availability

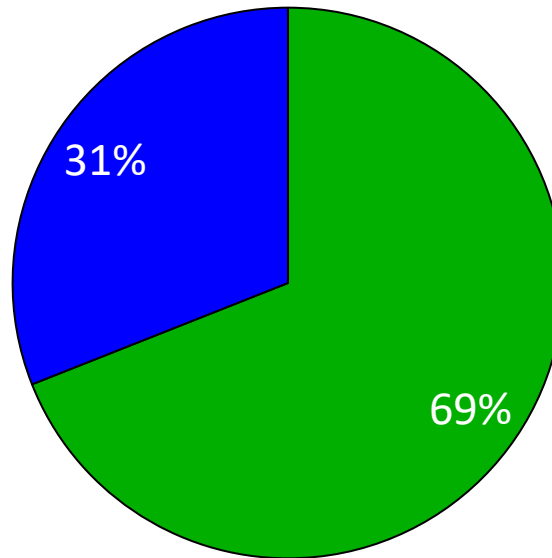
Are you seeing more availability from domestic mills?

Yes No

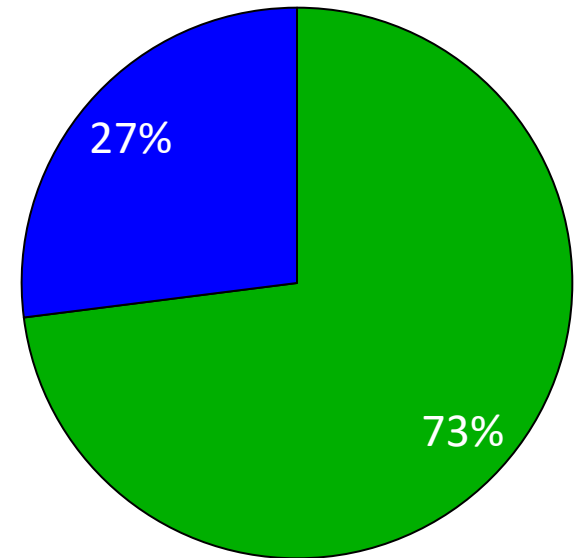
September 16, 2021



September 30, 2021



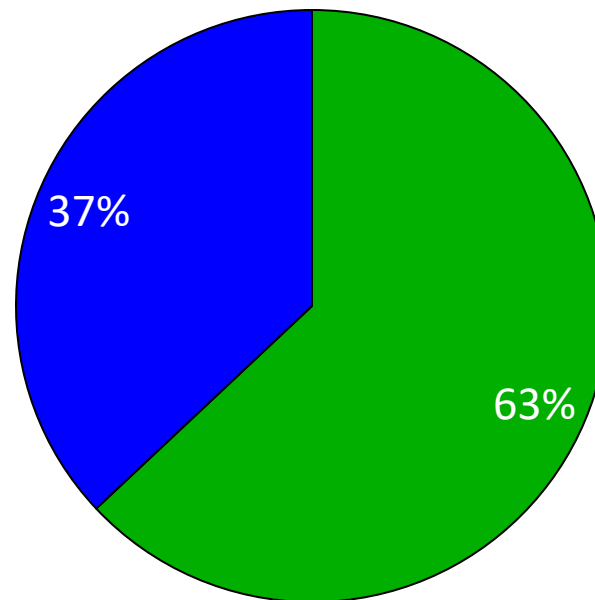
October 14, 2021



Staying on the Sidelines?

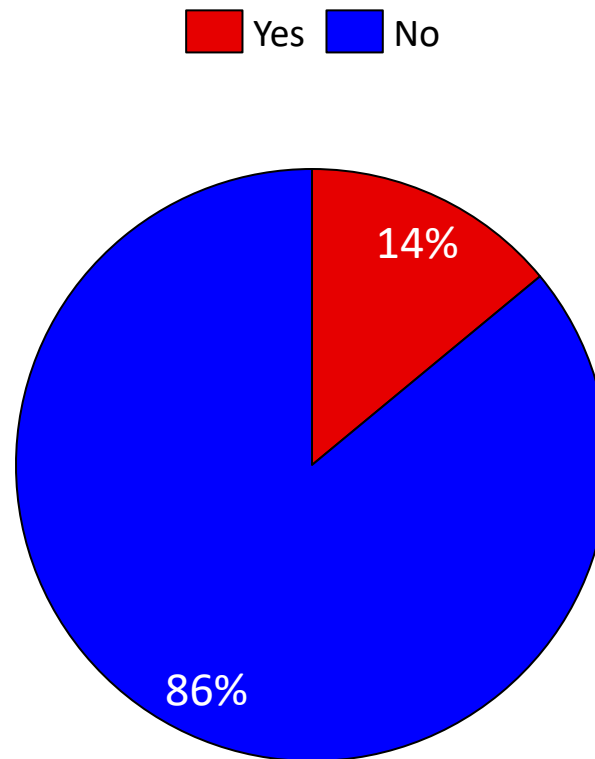
Are you an active buyer or staying on the sidelines to see how prices play out?

- Active buyer
- On the sidelines



Order Cancellations

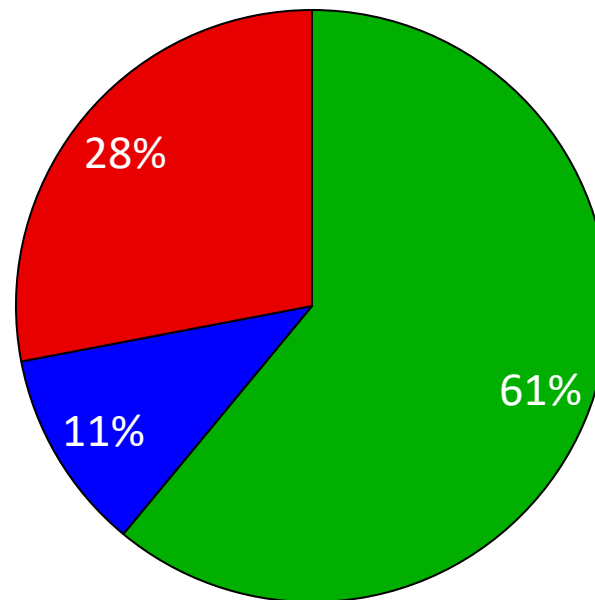
Have you cancelled any steel orders or seen cancellations from customers in anticipation of declining steel prices?



Contract vs. Spot

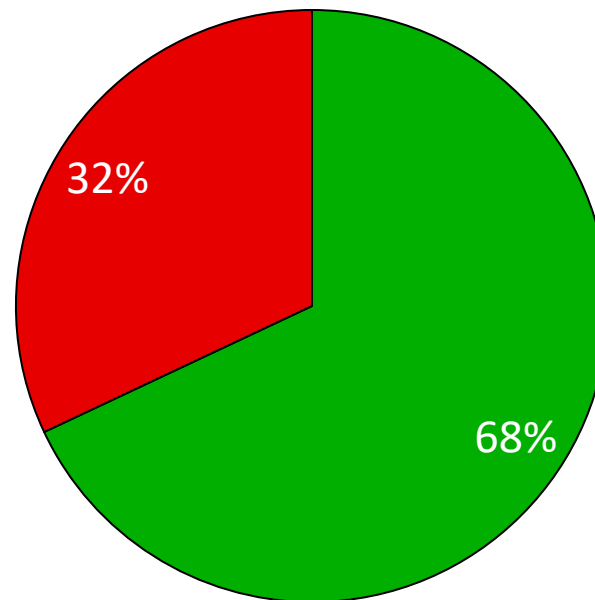
Do current market conditions call for a change in your mix of contract vs. spot tons?

- No, we will buy the same
- Yes, we will buy more on contract and less on spot
- Yes, we will buy more on spot and less on contract



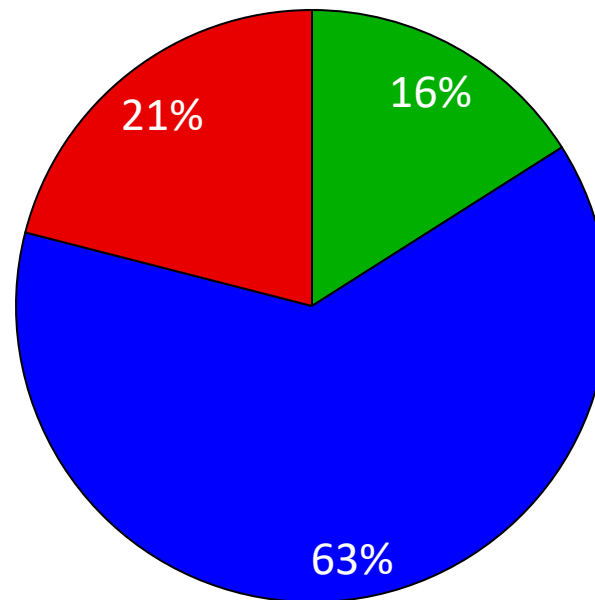
Do you believe Cleveland-Cliffs' acquisition of Ferrous Processing and Trading Co. is a positive development for the scrap/steel sectors?

- Yes, positive
- No, negative



How are you seeing demand for your products?

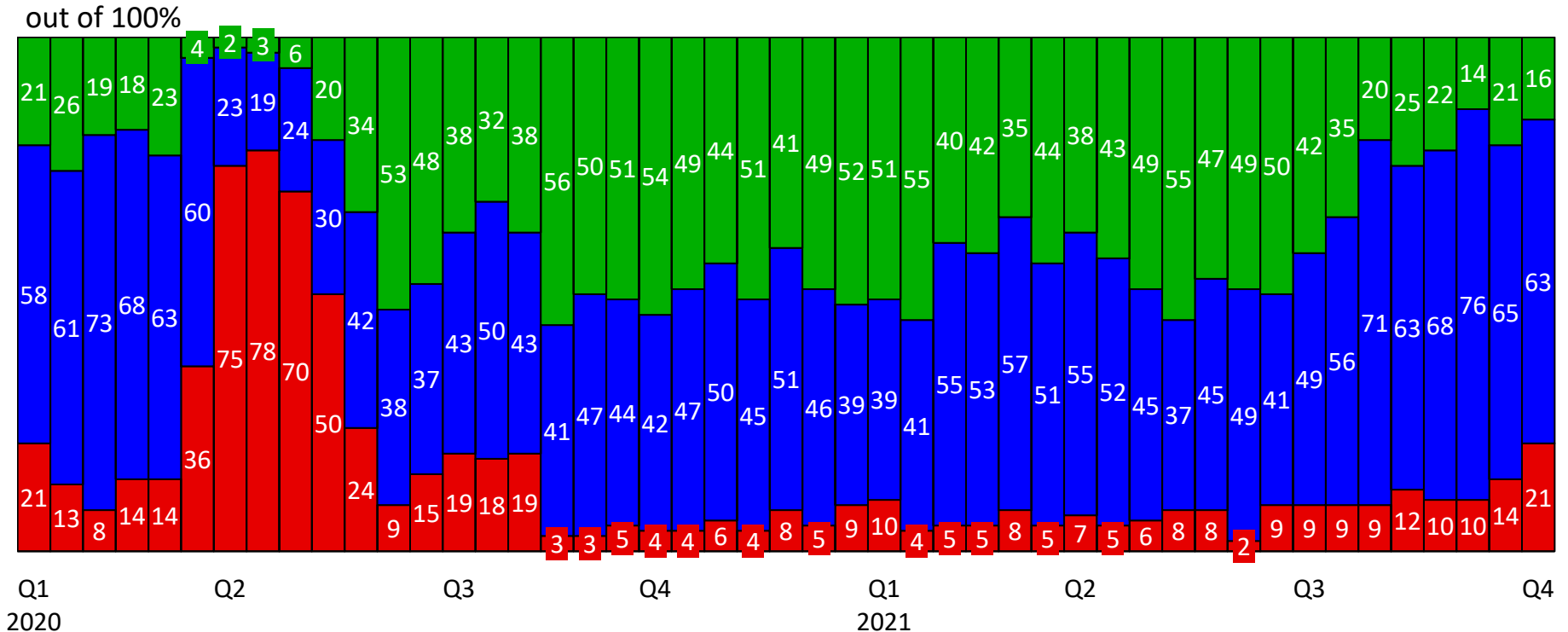
- Demand is improving
- Demand is remaining the same
- Demand is declining



Overall Demand History

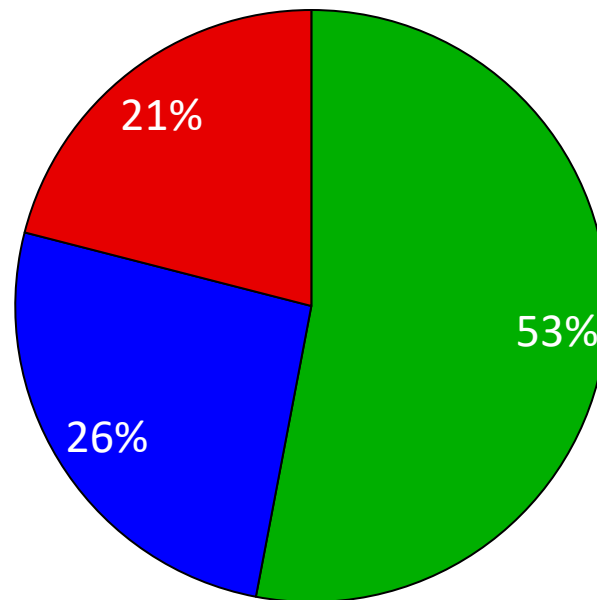
How are you seeing demand for your products?

- Demand is improving
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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?

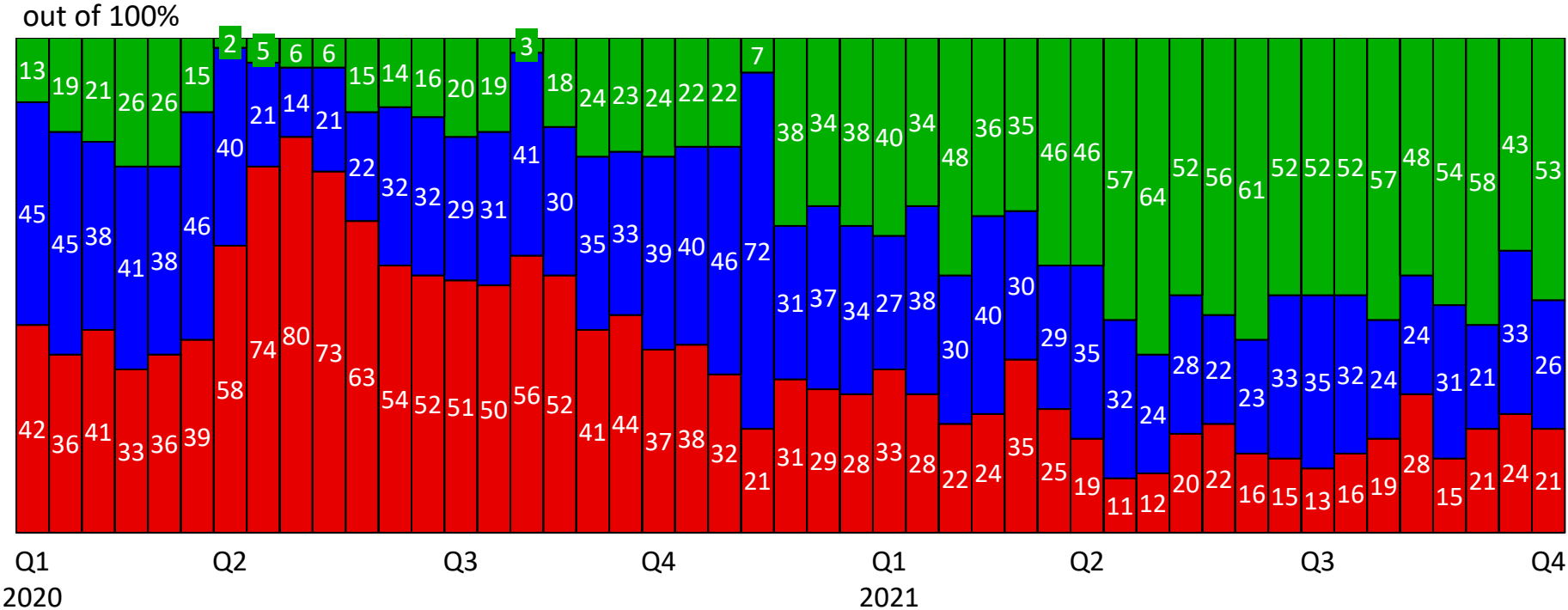
- Buying more steel
- Buying the same amount of steel
- Buying less steel



History of Manufacturer Purchases

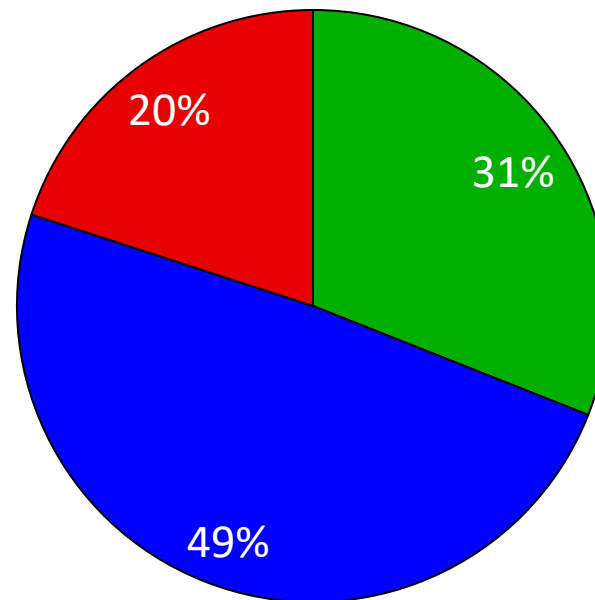
Manufacturers- Compared to this time last year – is your company buying more, less or the same amount of flat rolled steel as one year ago?

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



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

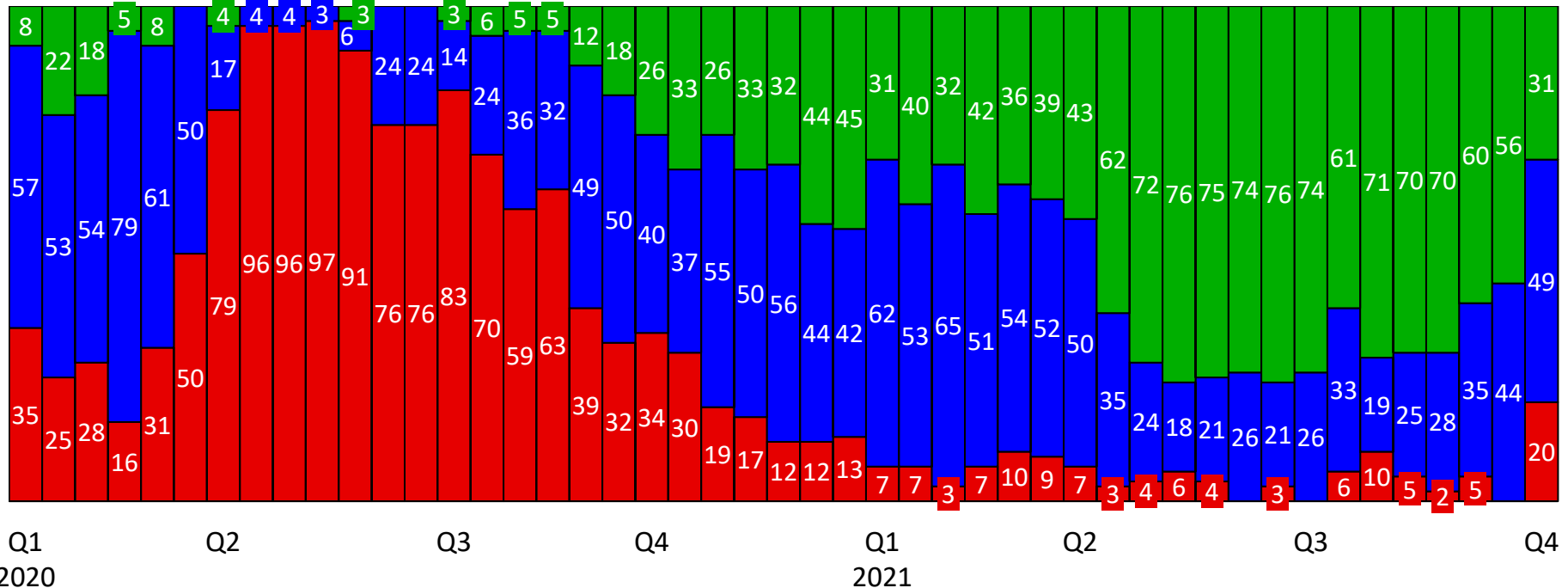


Service Center Release History

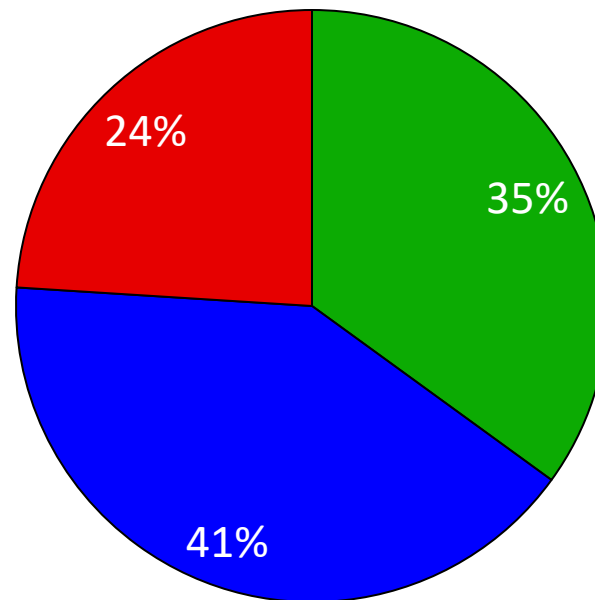
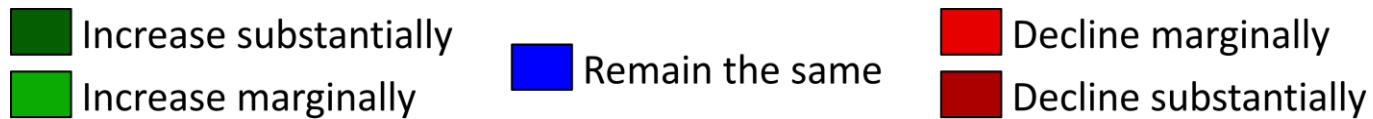
Service Centers- How do you see your customers releases (demand) for the products your company provides this year compared to this time last year?

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

out of 100%

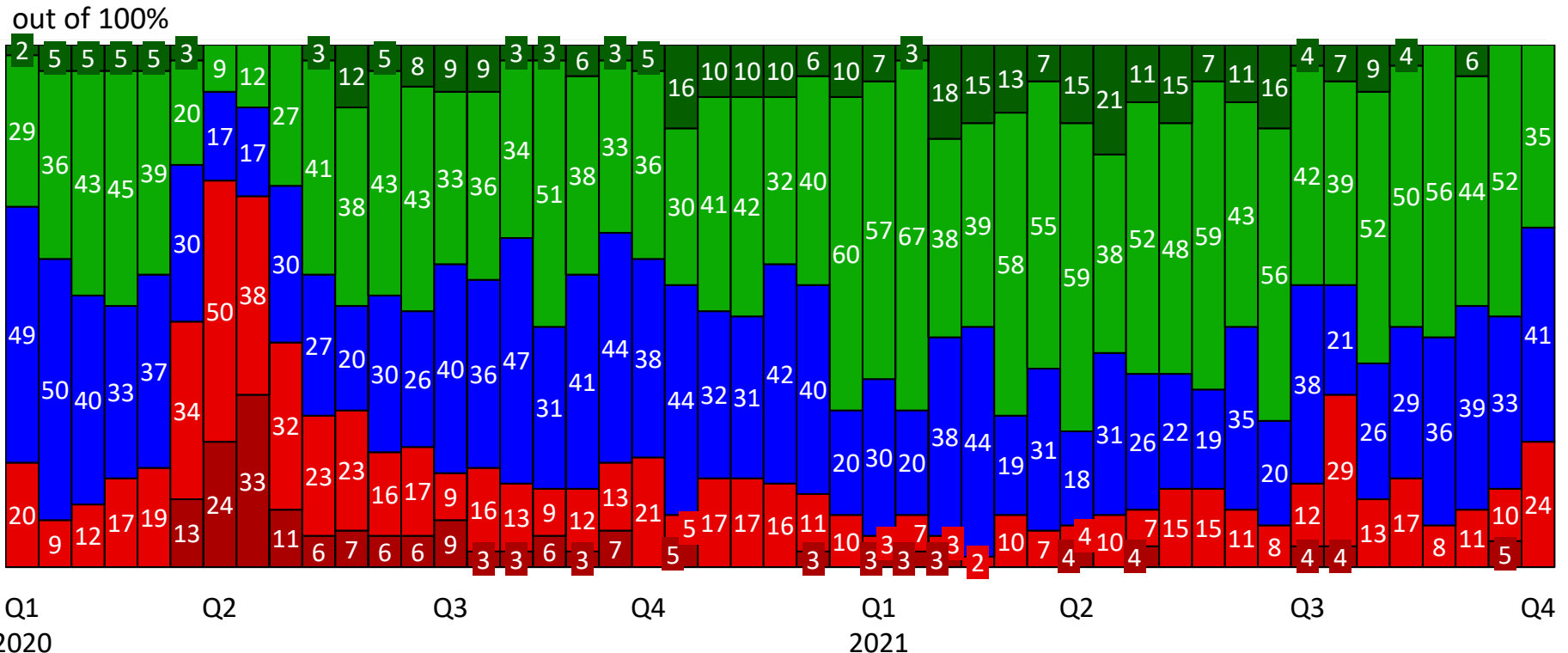
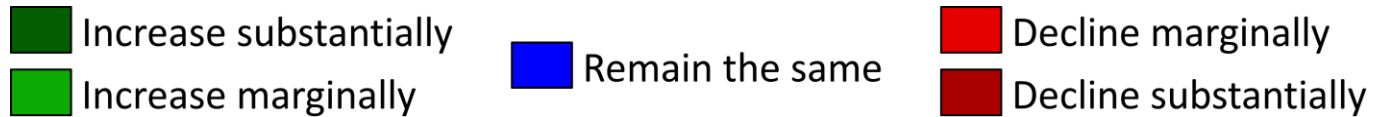


Manufacturers- Demand for your products will _____
over the next 3 months based on current order flows.



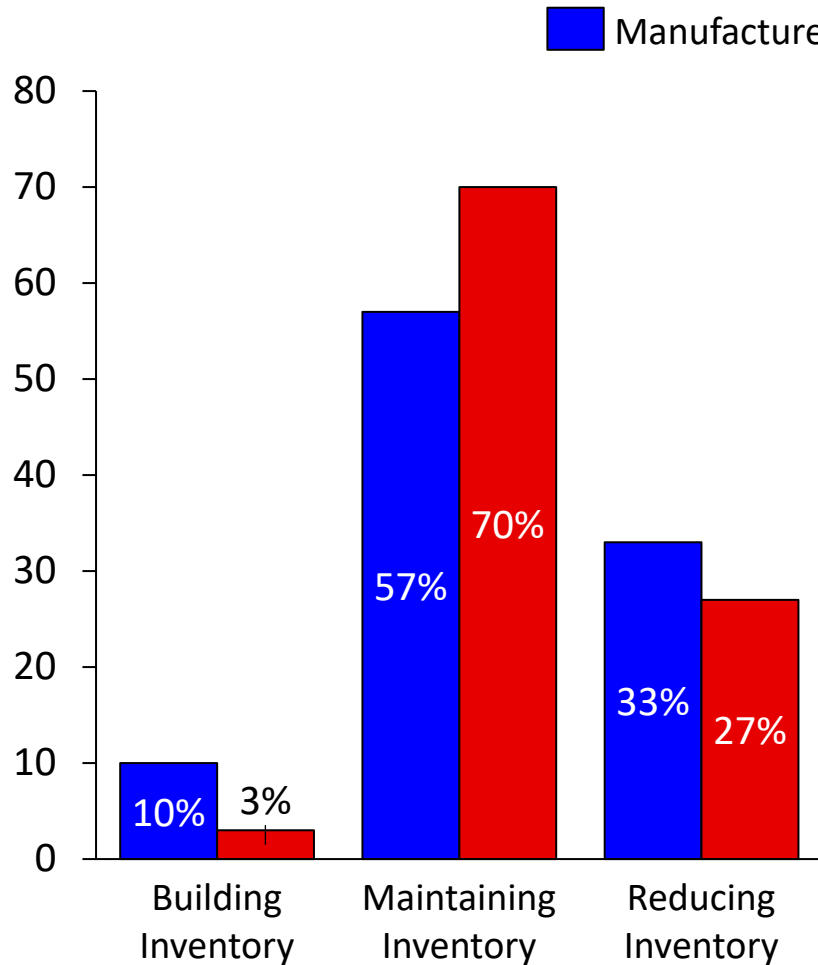
Manufacturer Demand History

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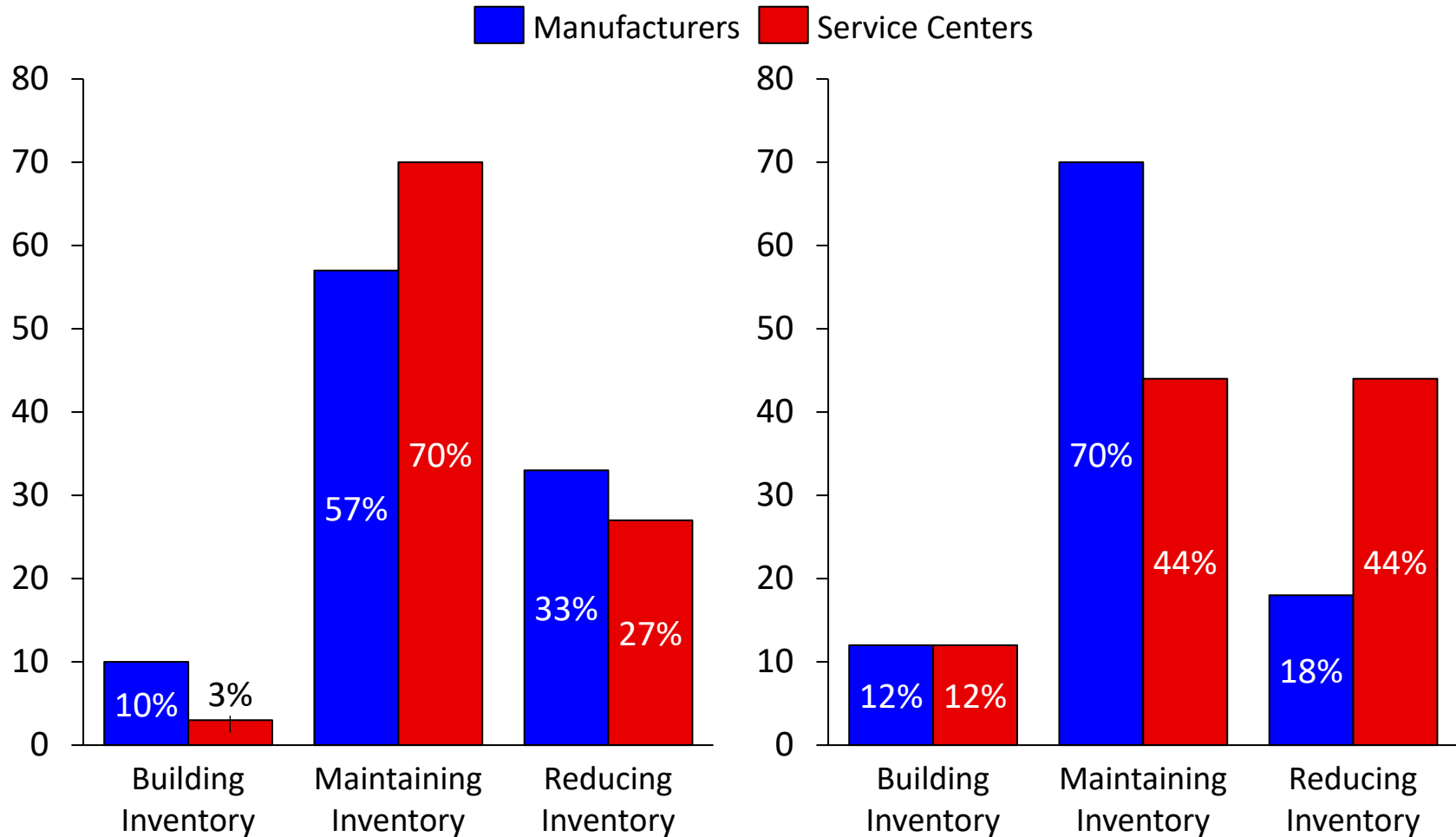


Manufacturer and Service Center Inventory Buying Patterns

September 30, 2021



October 14, 2021

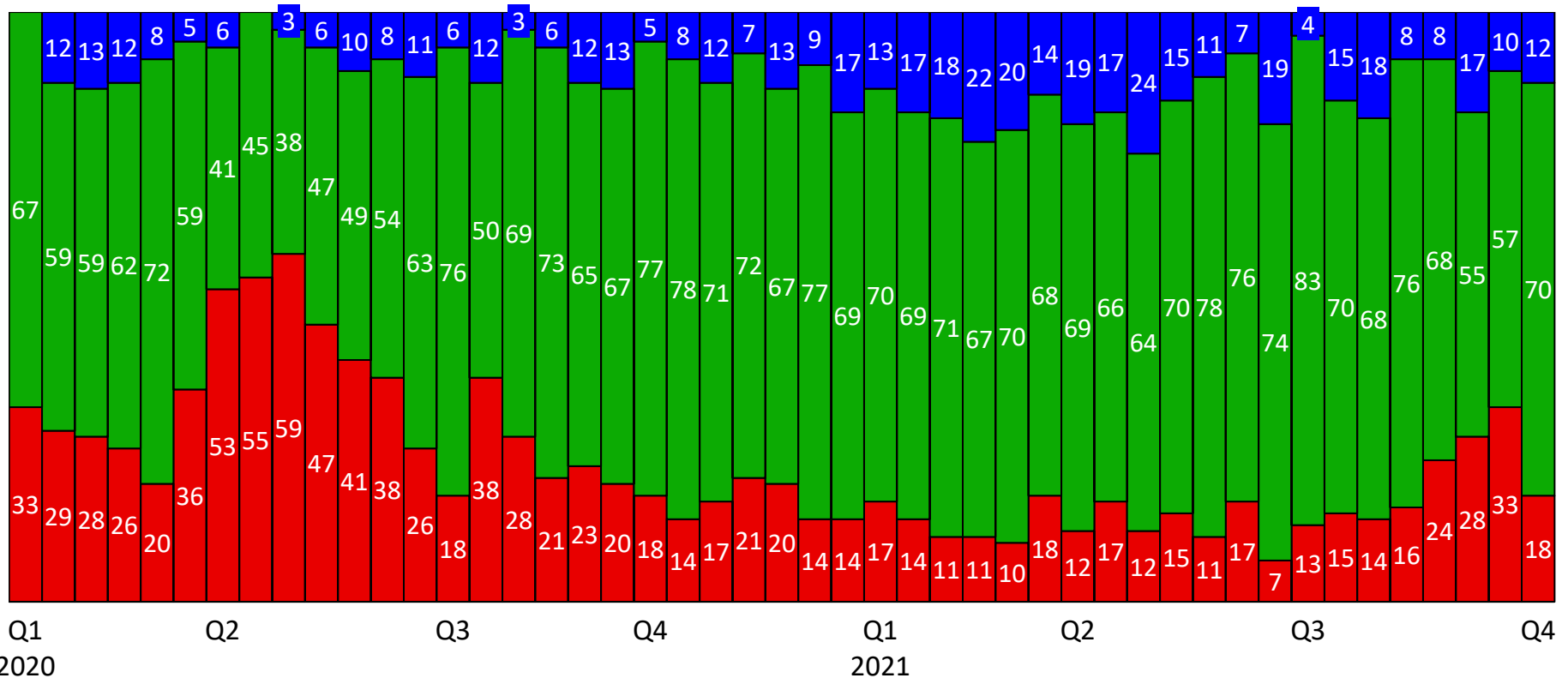


Manufacturer Inventory Buying History

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

■ Building Inventory
 ■ Maintaining Inventory
 ■ Reducing Inventory

out of 100%

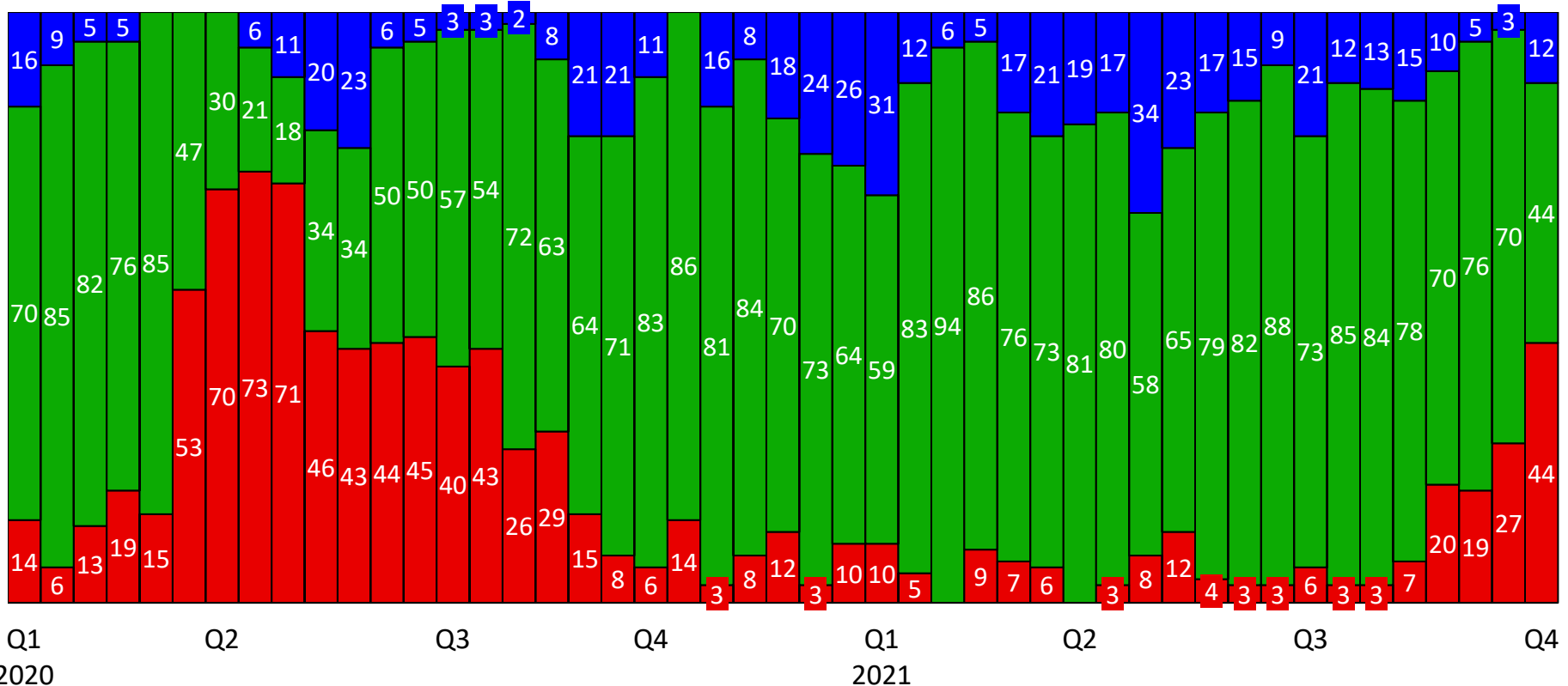


Service Center Inventory Buying History

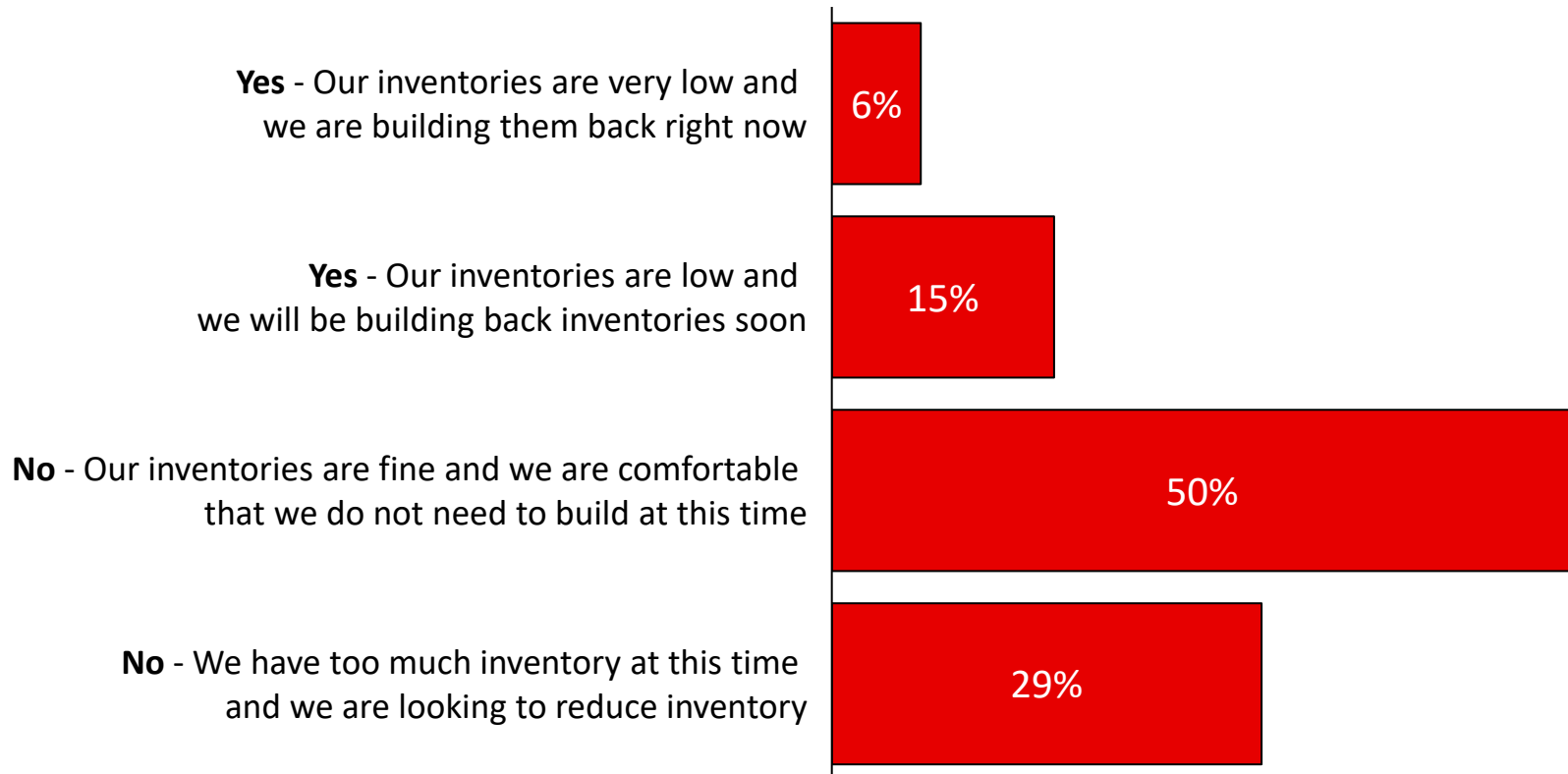
Service Centers- Is your company building, reducing or maintaining its flat rolled steel inventory?

■ Building Inventory
 ■ Maintaining Inventory
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out of 100%



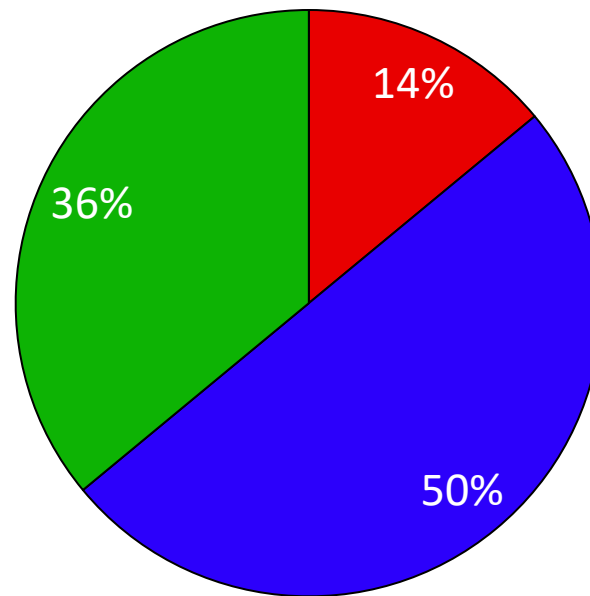
Service Centers- Does your company need to build back inventories or are you comfortable with the levels you are holding on your floor?



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

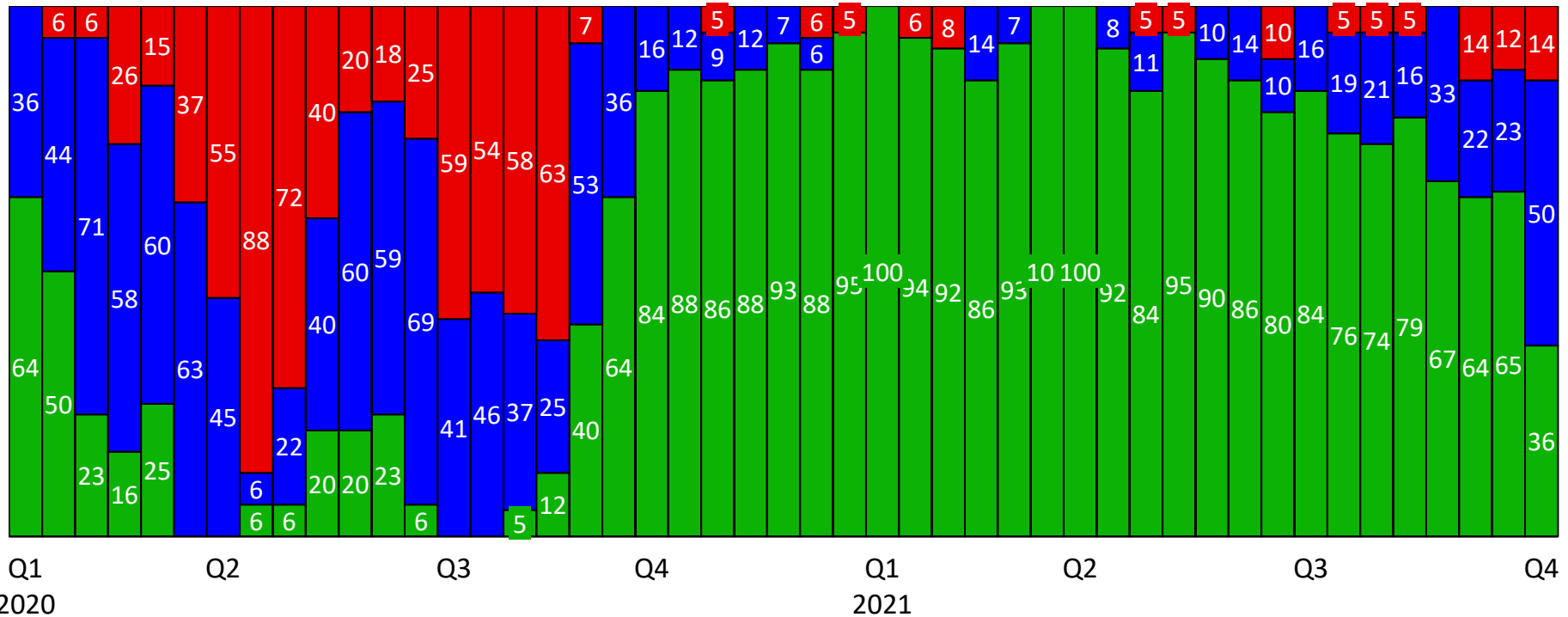


Manufacturer's View of Service Center Selling Prices History

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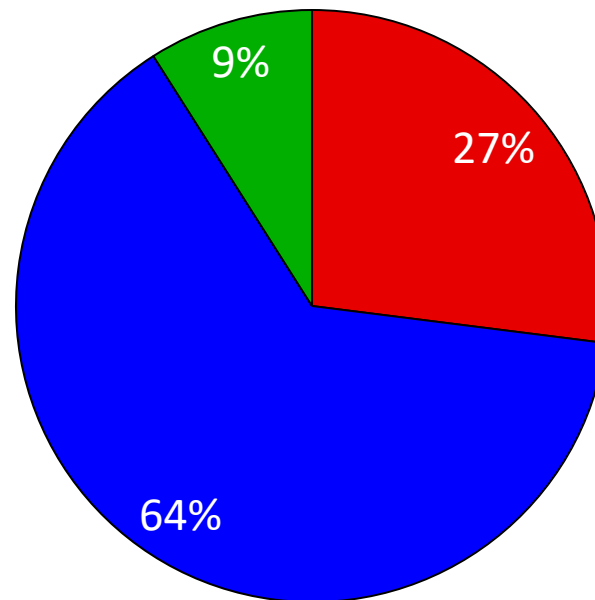
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out of 100%

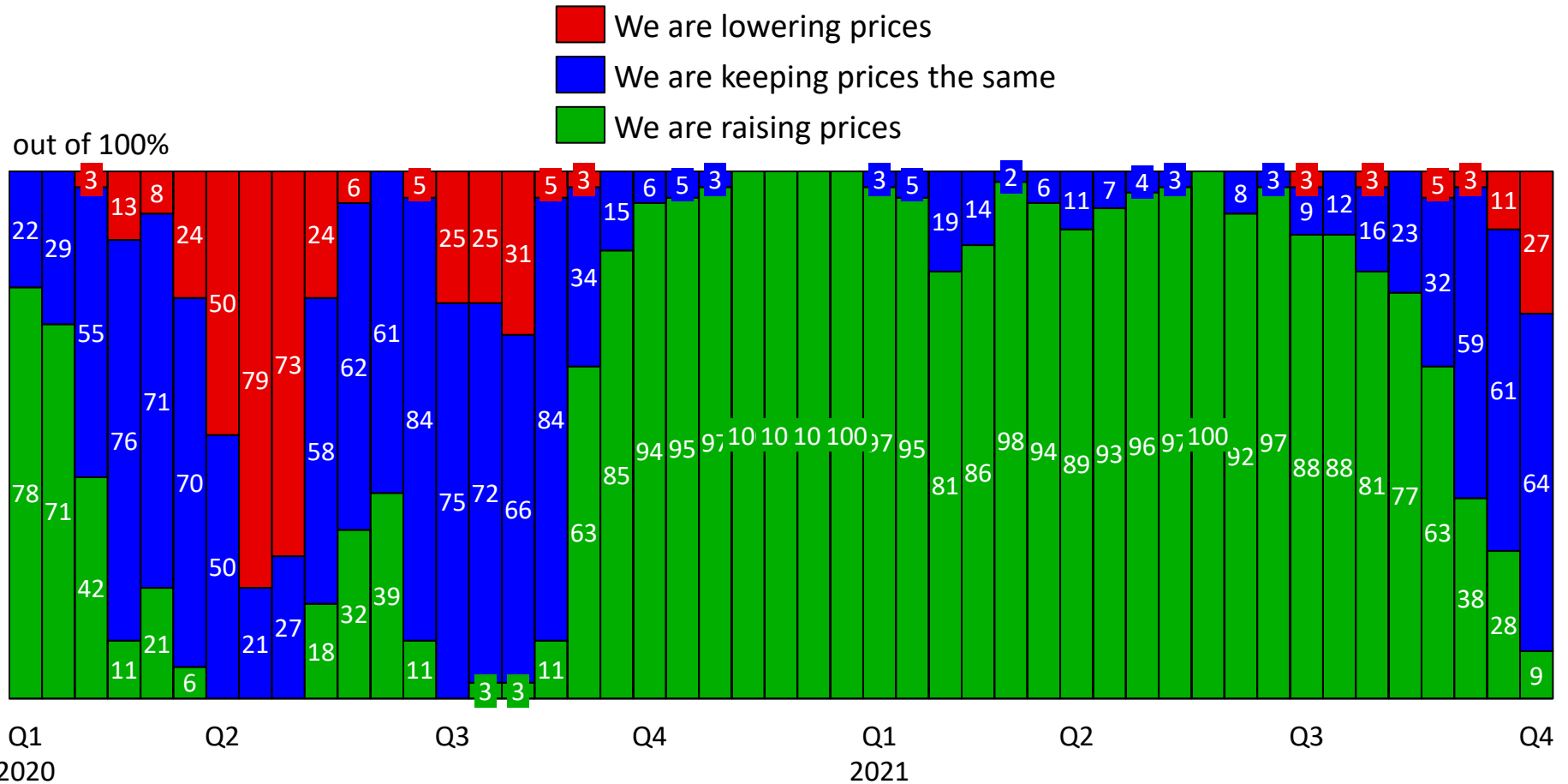


Service Centers- Compared to two weeks ago, how is your company handling spot pricing to your customers at this time?

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

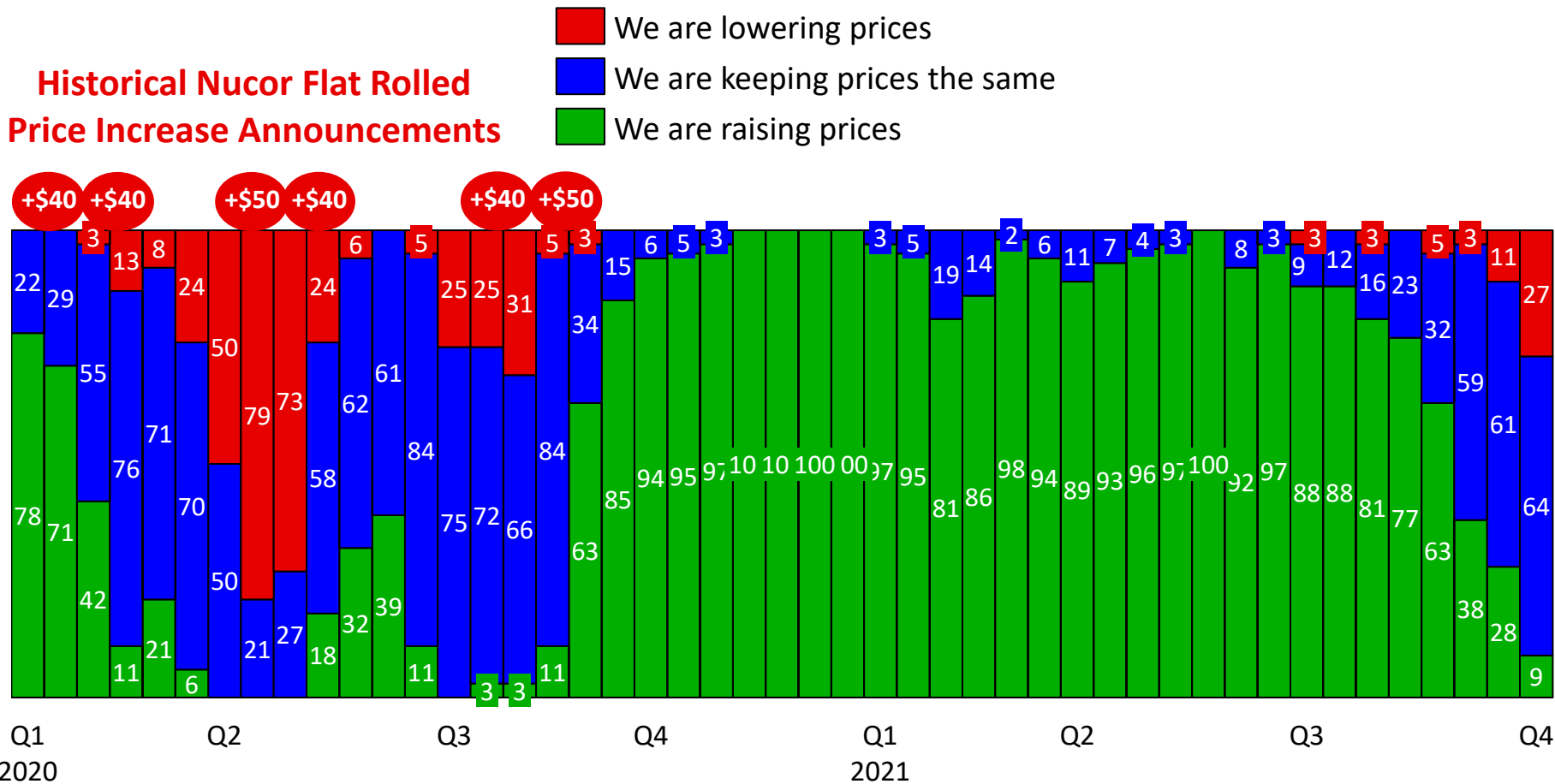


Service Centers- Compared to two weeks ago, how is your company handling spot pricing to your customers at this time?



Service Center View of Selling Prices History

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

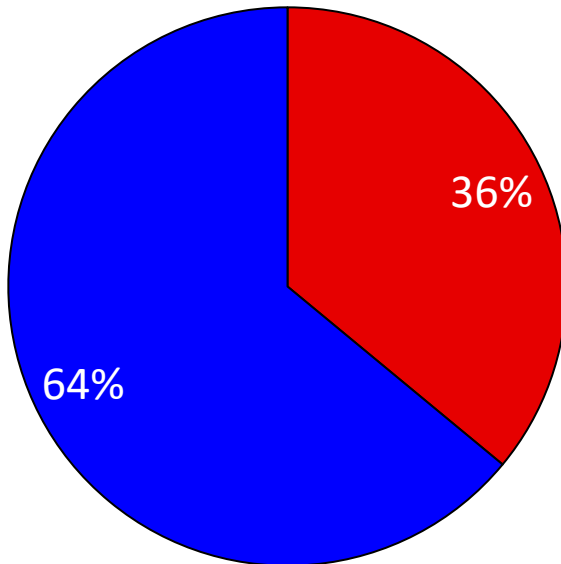


Passing Along Higher Prices

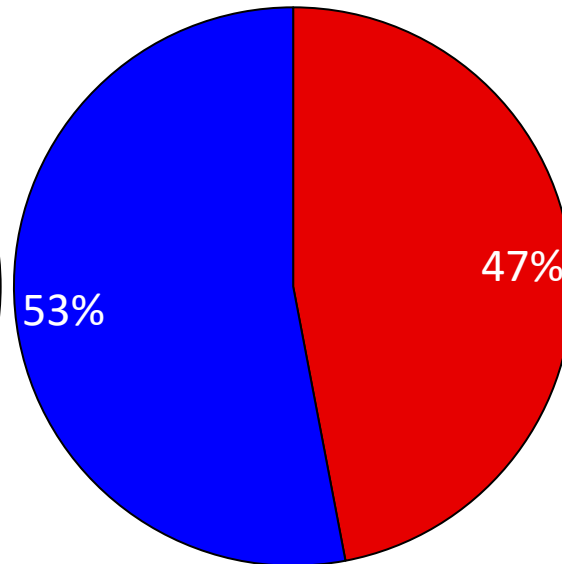
Service Centers- Are you having any difficulties in passing along the new higher prices to your customers?

Yes No

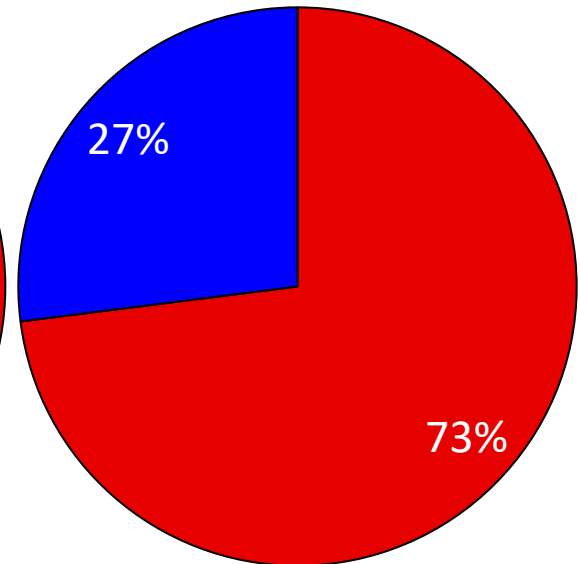
September 16, 2021






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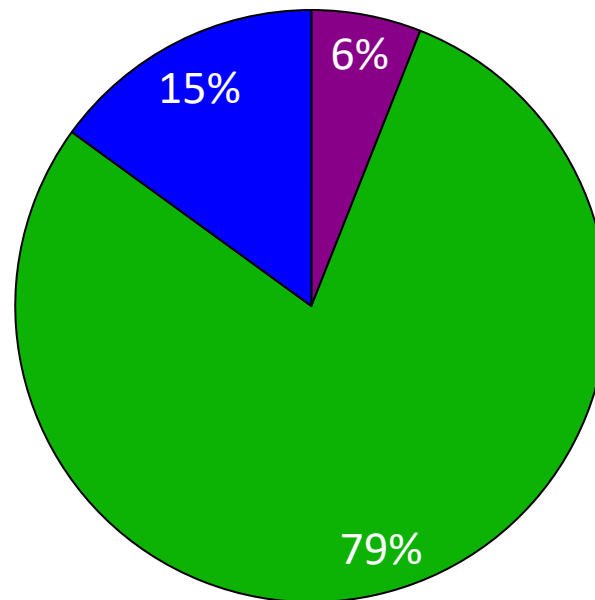


October 14, 2021



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

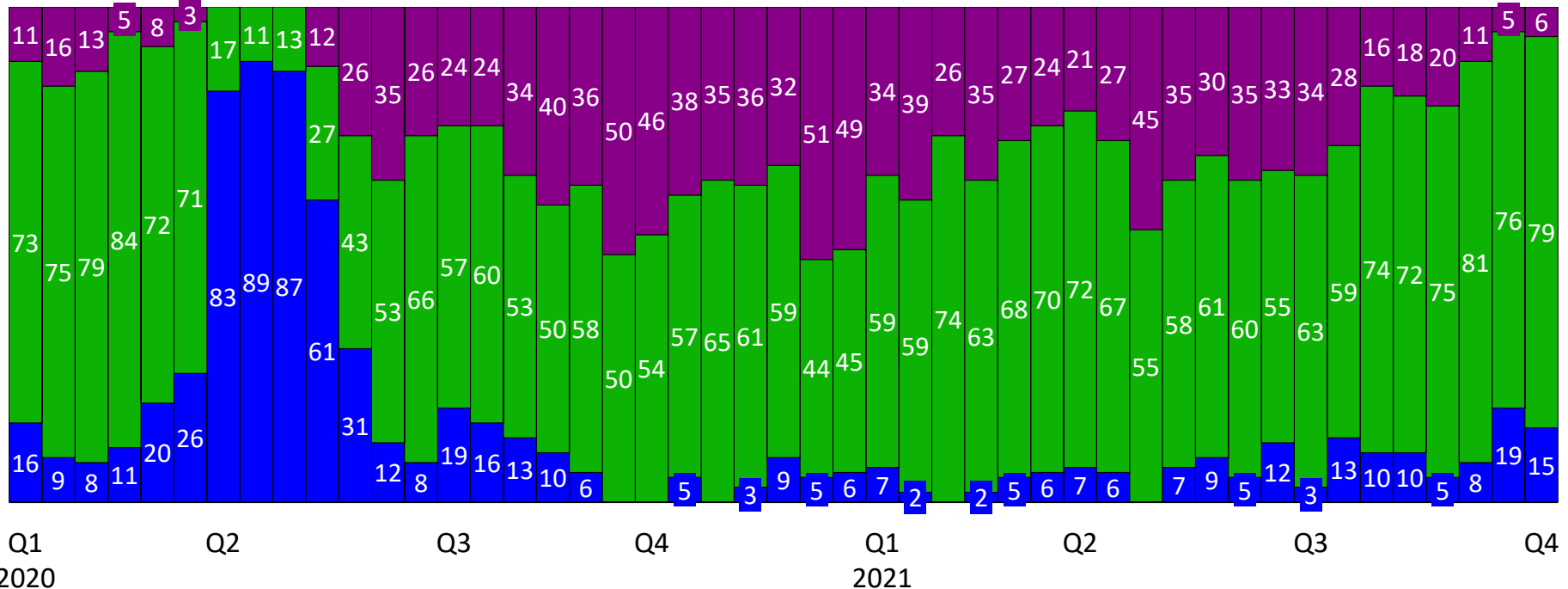


Service Centers on Manufacturer Orders History

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

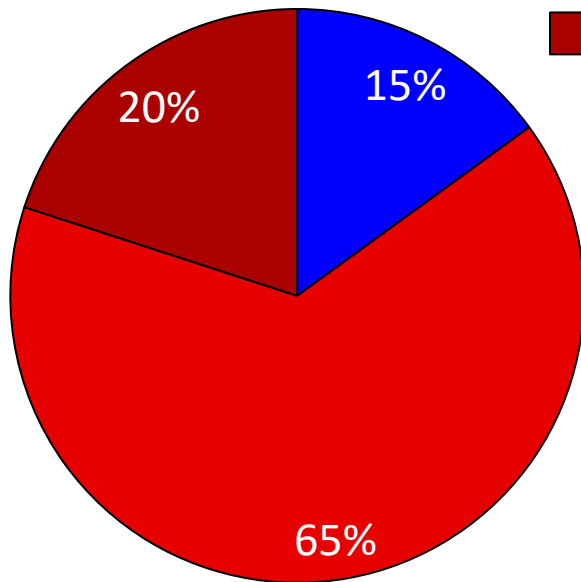
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out of 100%



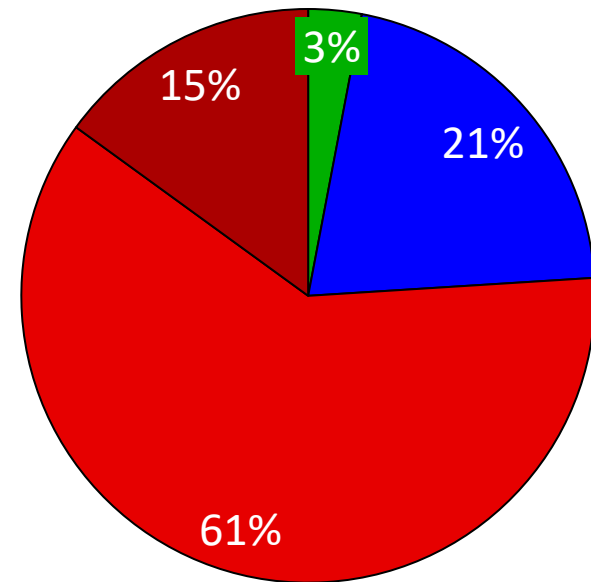
How would you describe domestic mill lead times for new orders placed right now?

Manufacturers



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

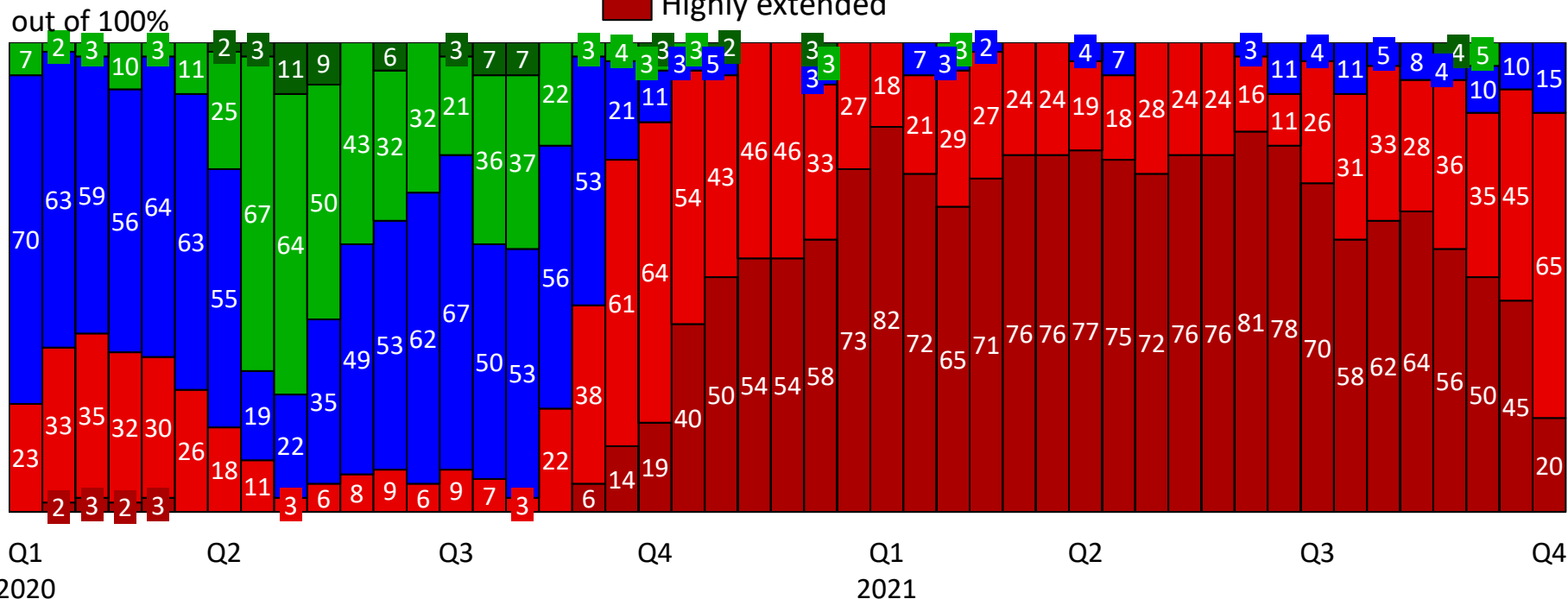
Service Centers



Mill Lead Times History

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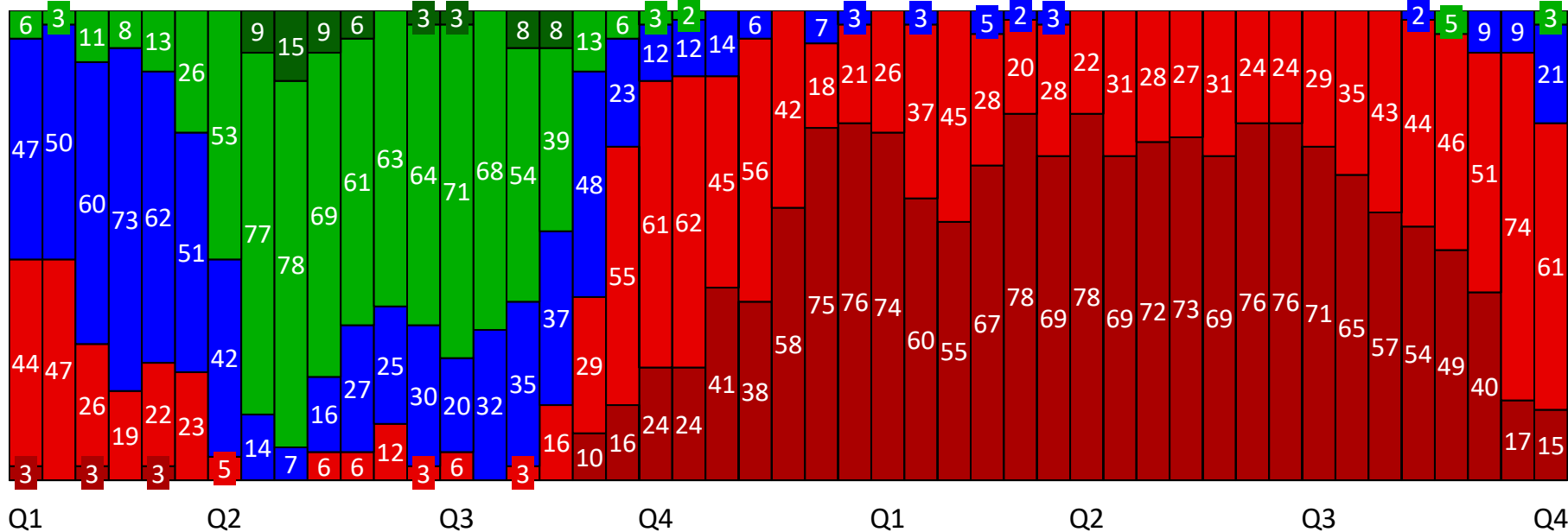


Mill Lead Times History

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out of 100%

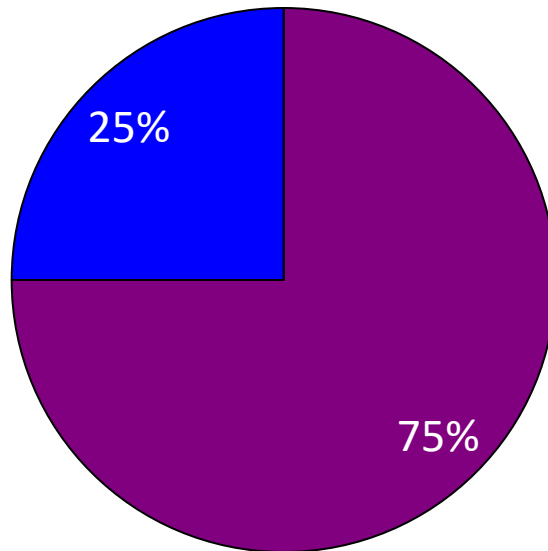


Foreign Steel Purchases

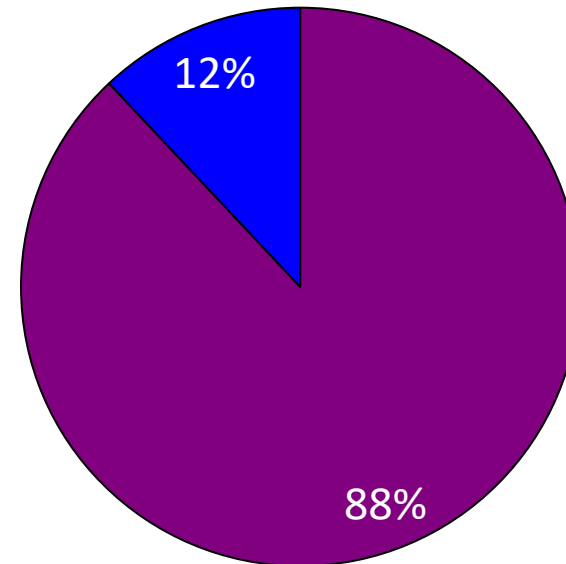
Does your company buy foreign steel?

■ Yes ■ No

Manufacturers



Service Centers

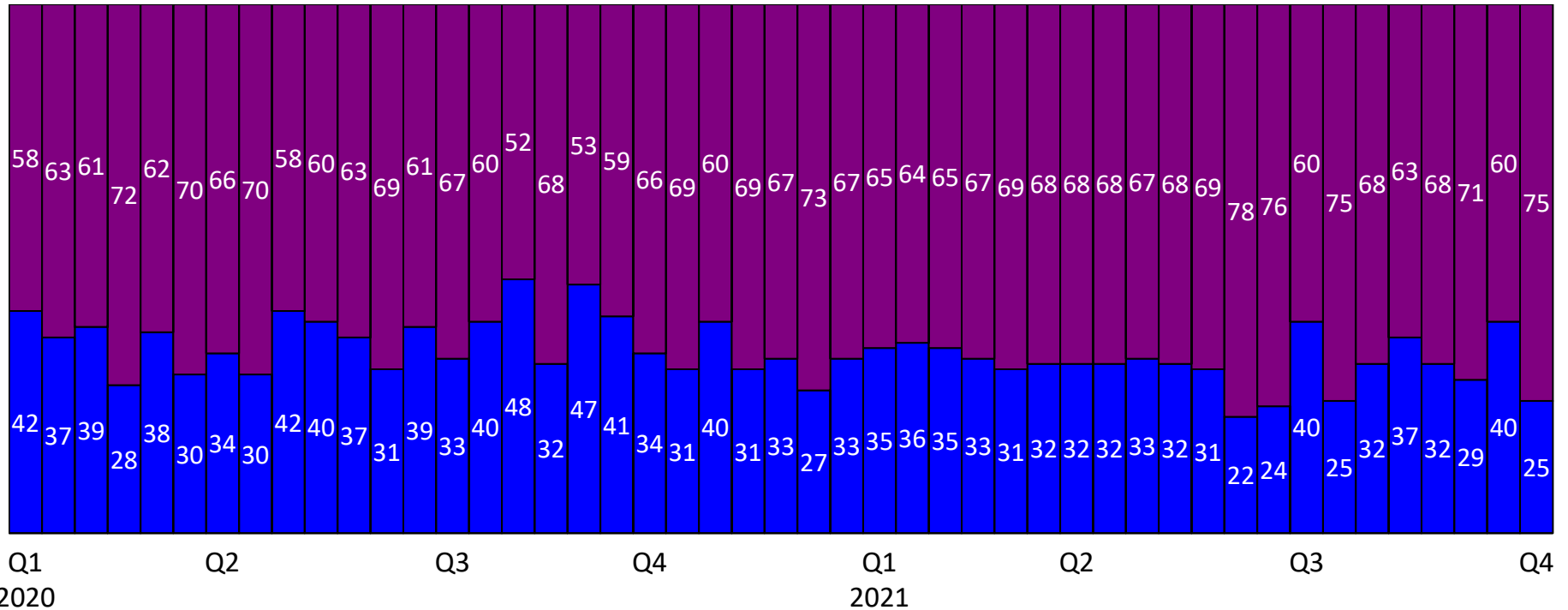


Foreign Steel Purchase History

Manufacturers- Does your company buy foreign steel?

Yes No

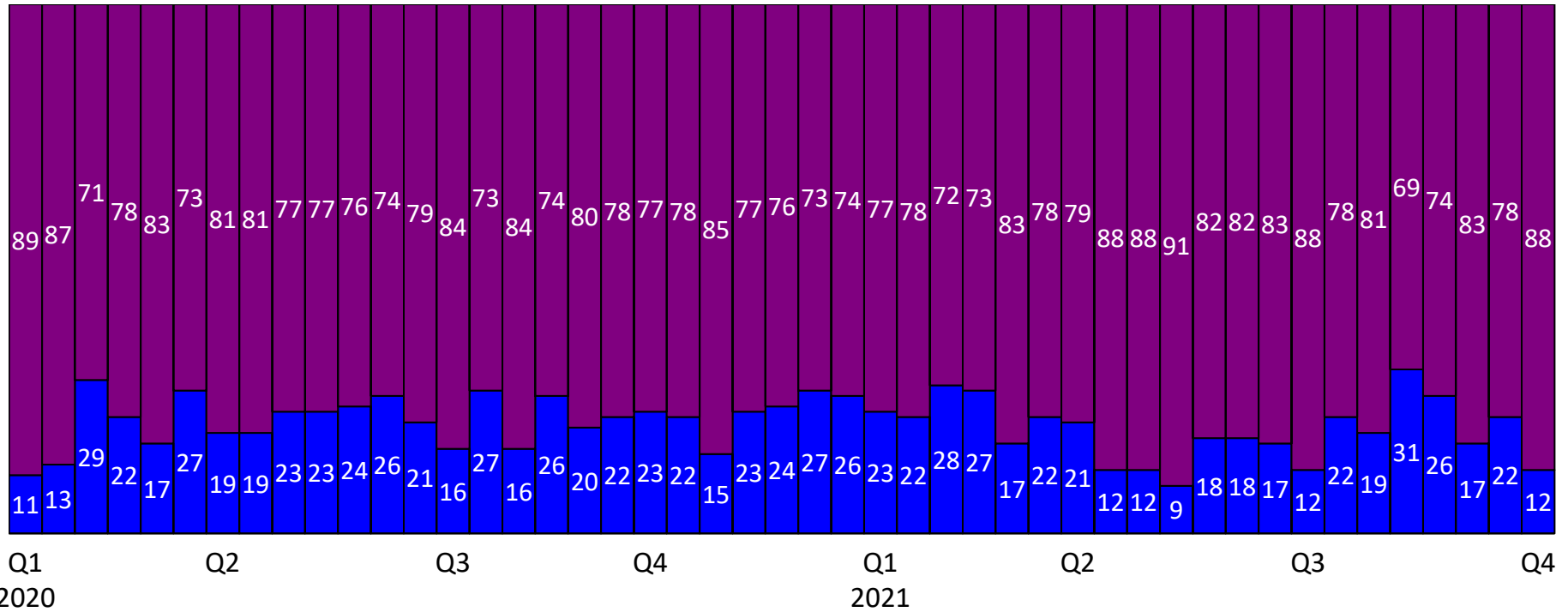
out of 100%



Service Centers- Does your company buy foreign steel?

Yes No

out of 100%

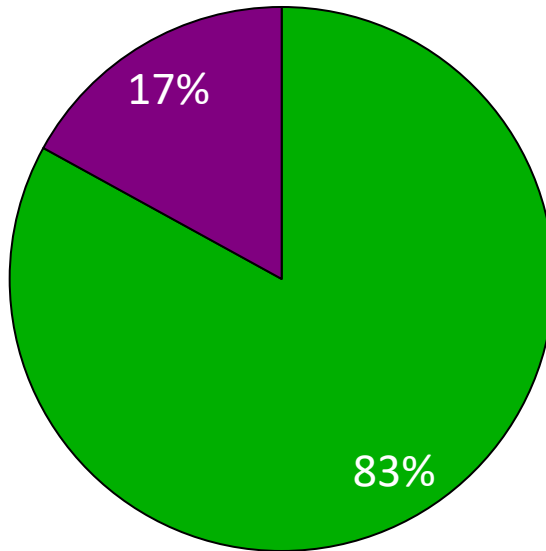


Foreign Steel Competitive?

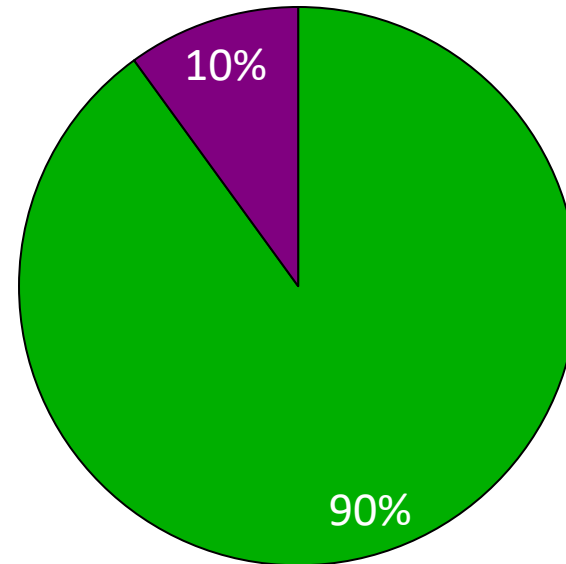
Are your foreign steel suppliers quoting you competitive prices for new orders for future delivery?

Yes No

Manufacturers



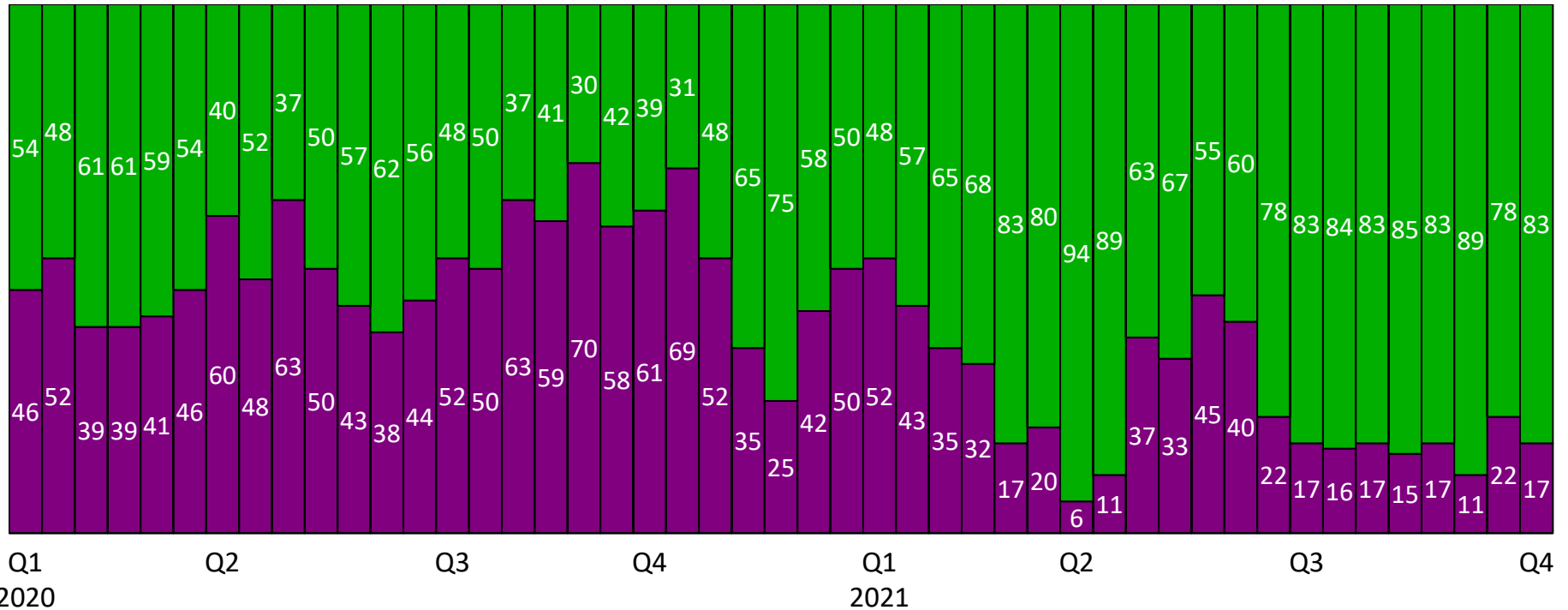
Service Centers



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

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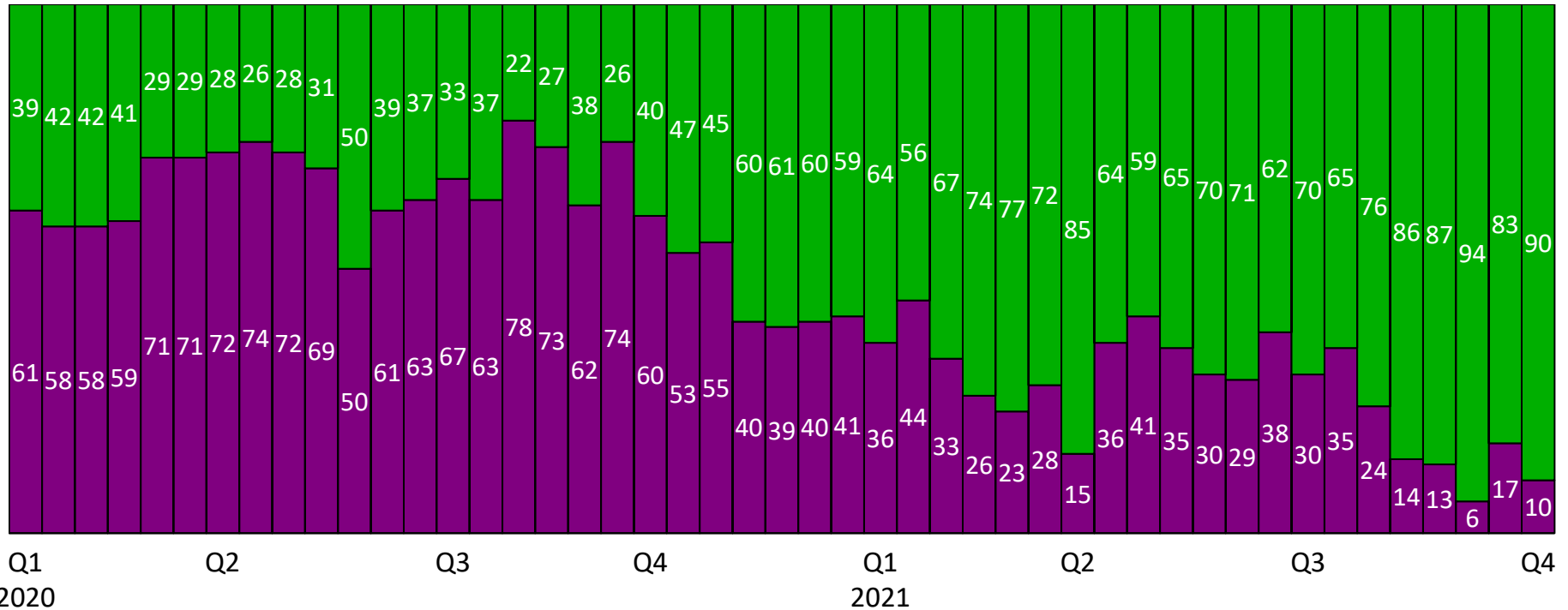
out of 100%



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

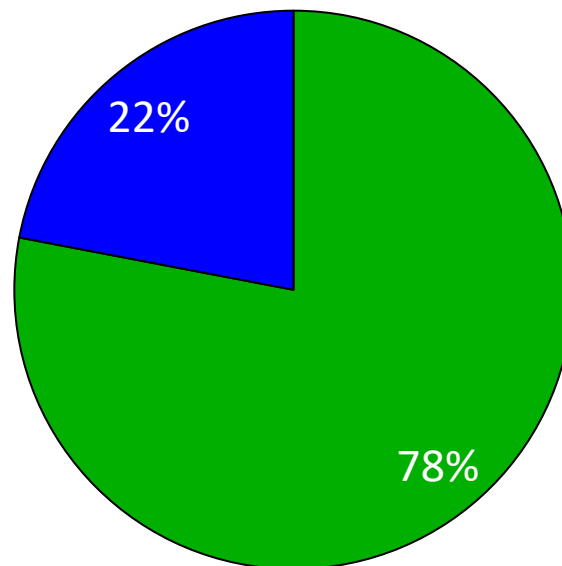
Yes No

out of 100%



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

Yes No

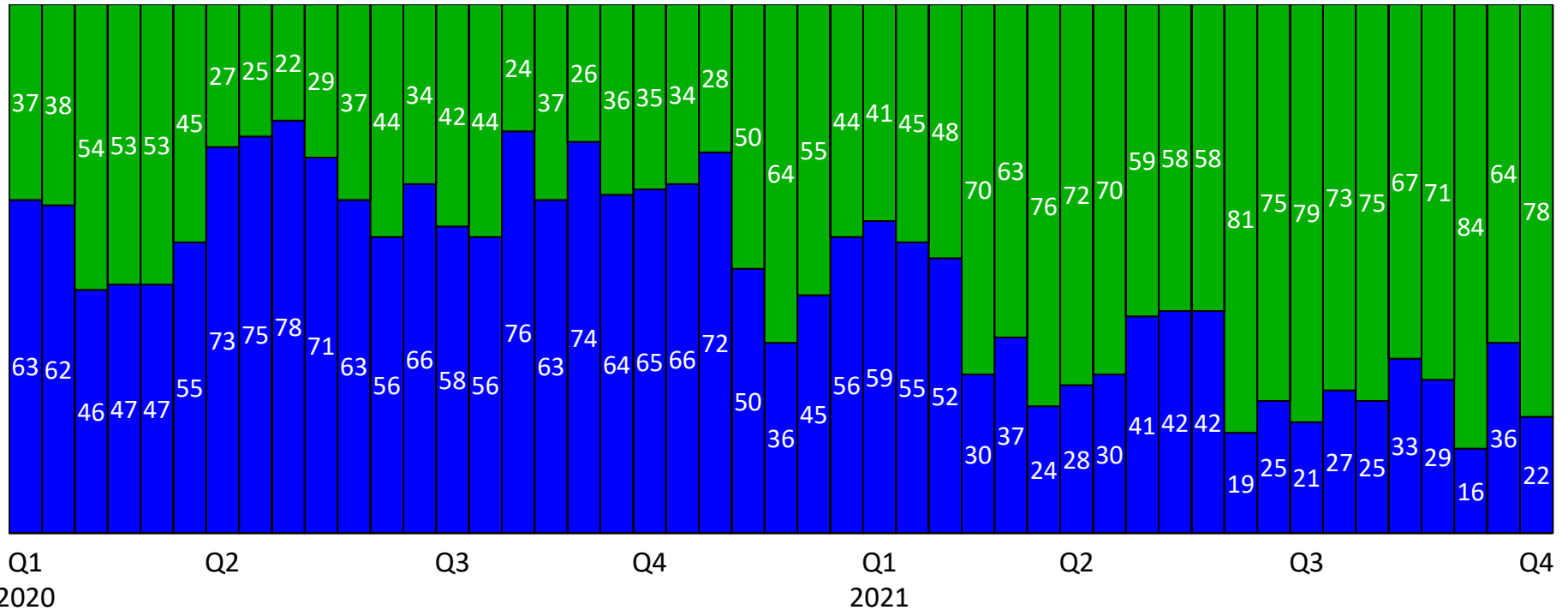


New Foreign Steel Orders History

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

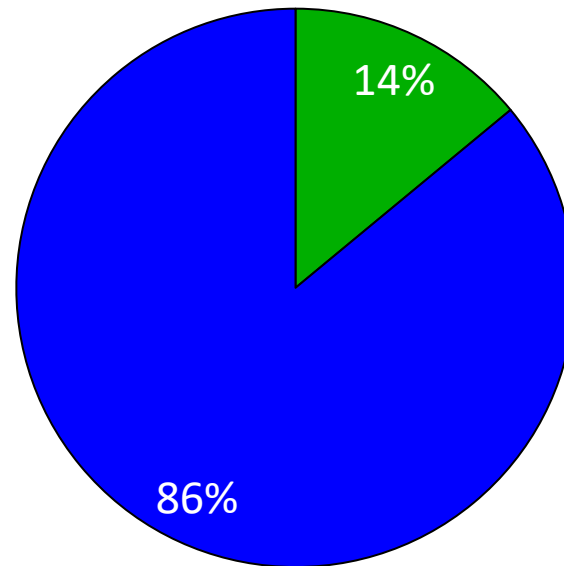
Yes No

out of 100%



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

Yes No

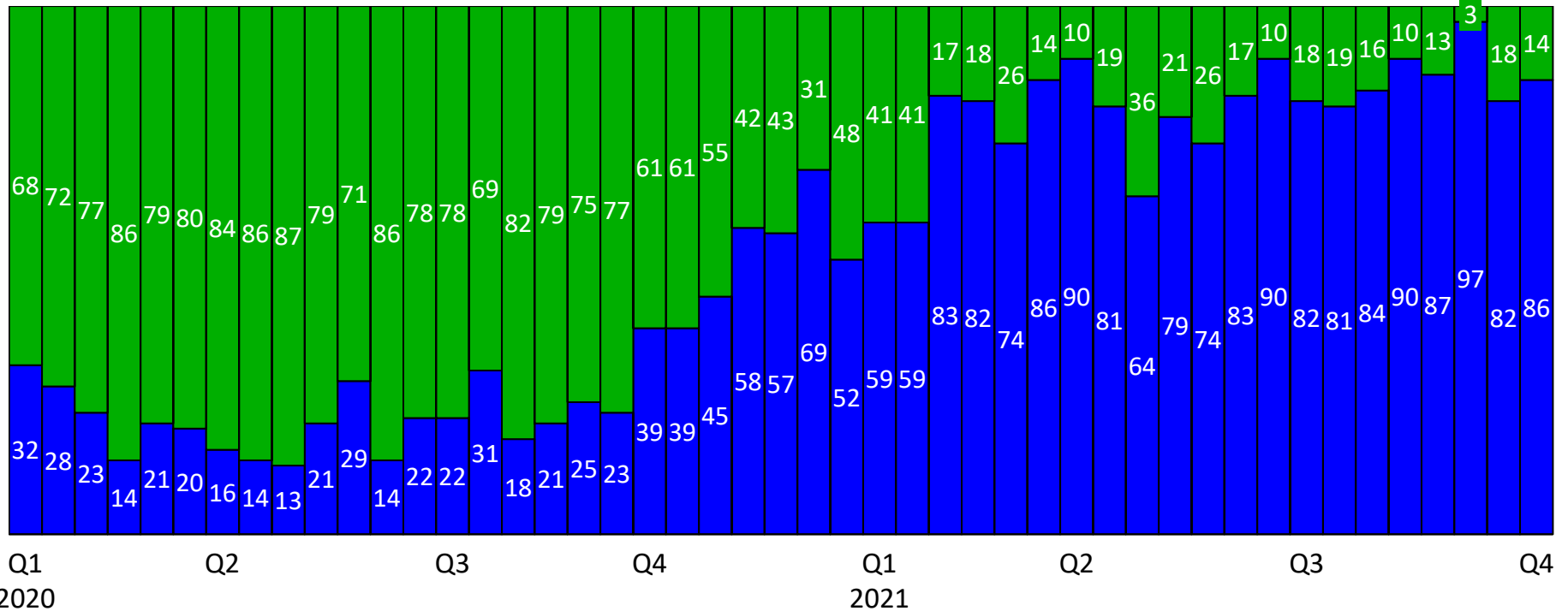


Foreign Steel Order History

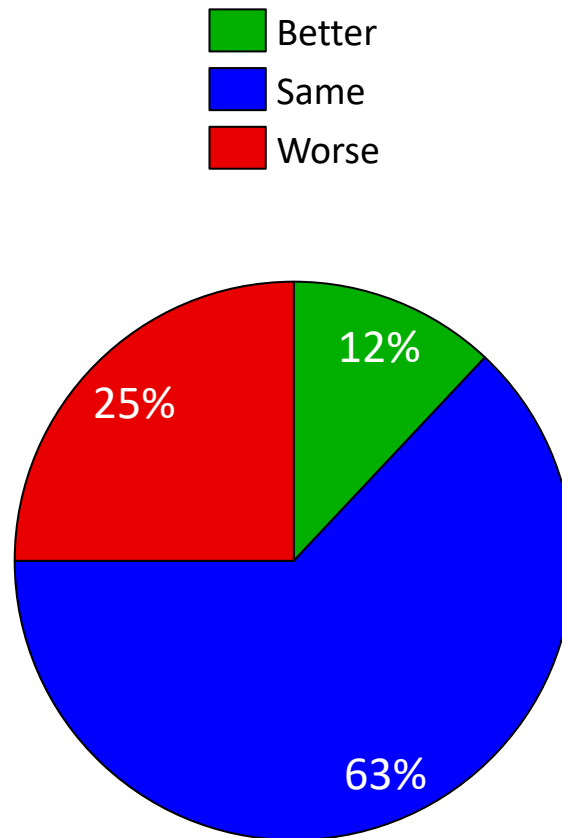
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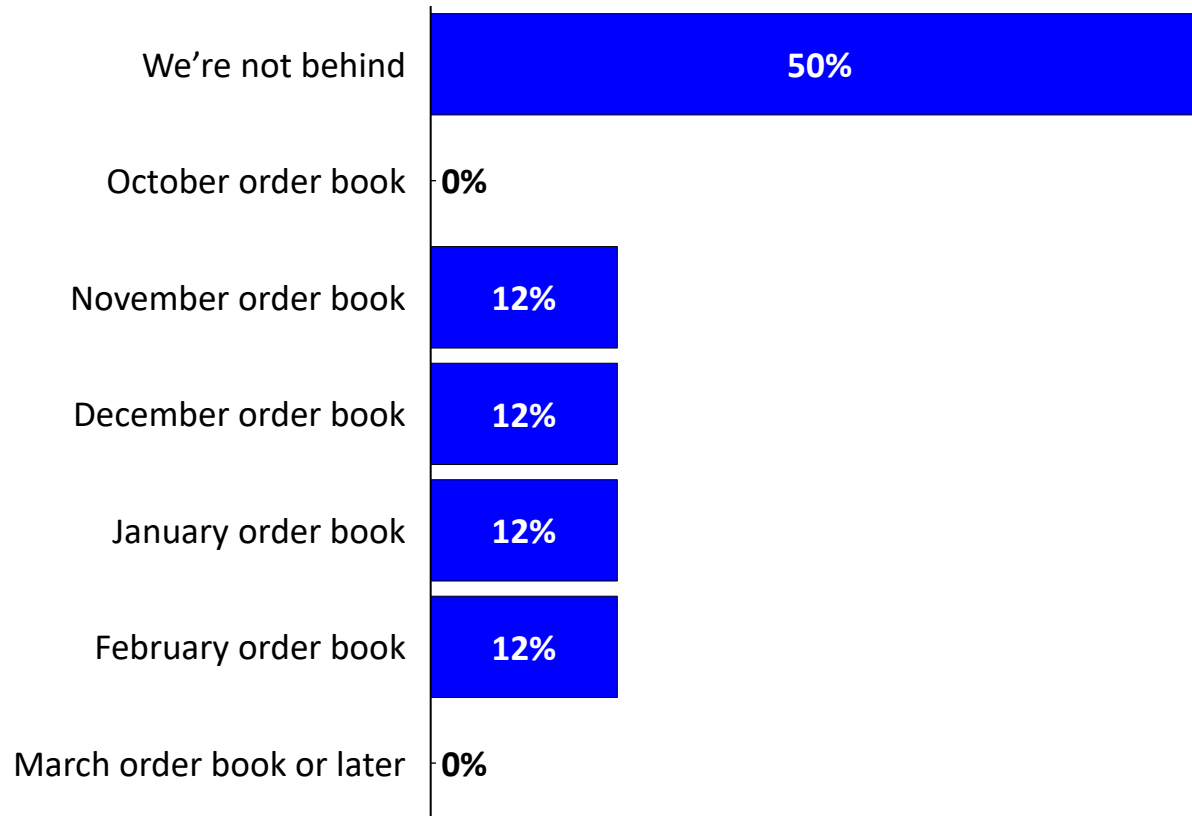
out of 100%



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

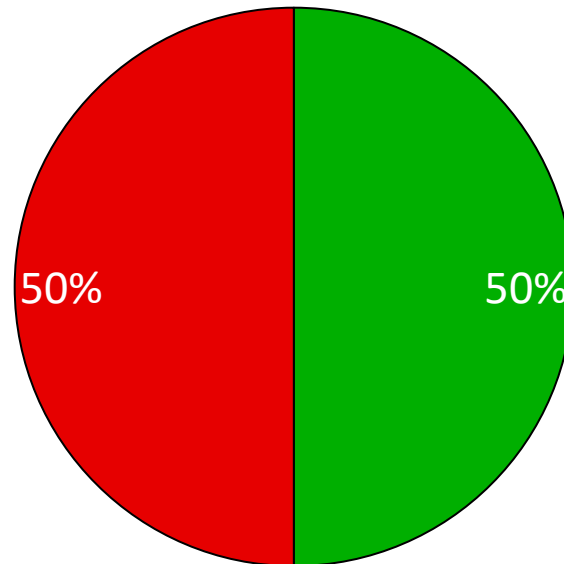


If you are behind on orders, how long do you think it will take you to catch up?



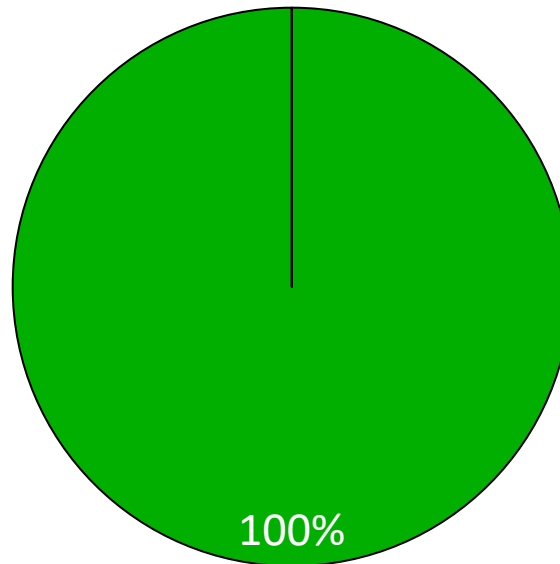
At this time, are you seeing an increase or decrease in orders from your North American buyers?

 Increase
 Decrease



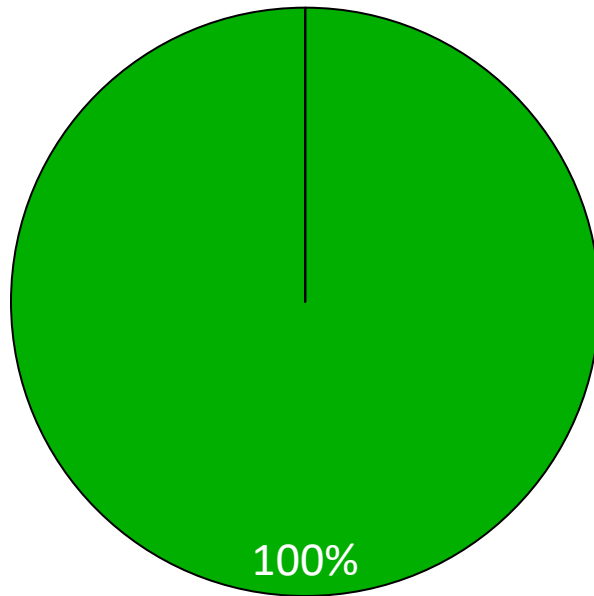
With prices so high out of the domestic steel mills,
are foreign products now attractive to U.S. steel buyers?

■ Yes ■ No



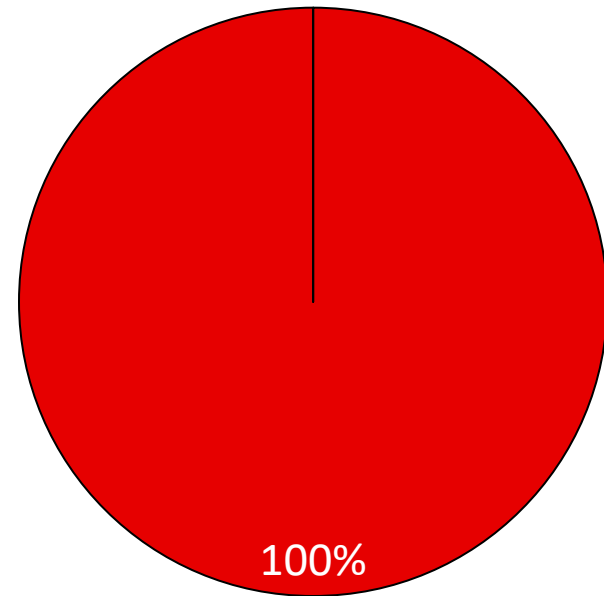
Are you able to offer hot rolled pricing that is attractive to buyers right now?

Yes No



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

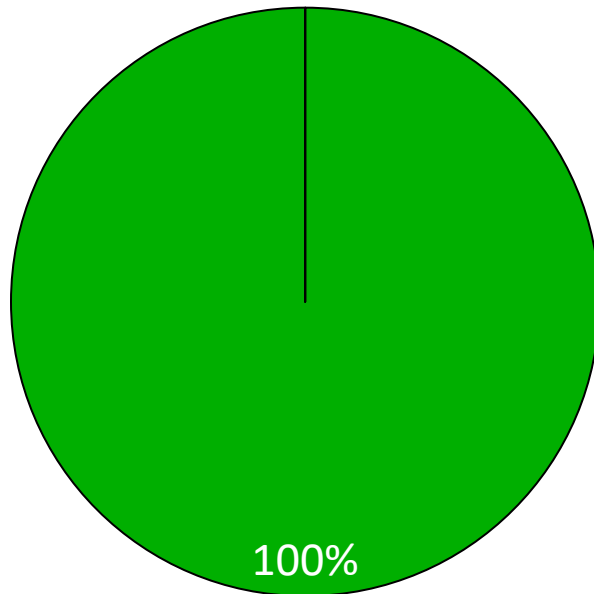
Yes No



Trading Companies – Coated

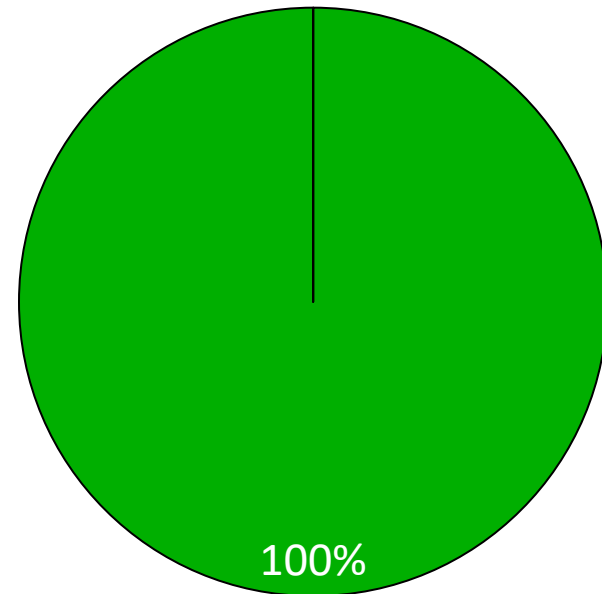
Are your galvanized prices competitive enough right now to get orders (including duties)?

Yes No



Are your Galvalume prices competitive enough right now to get orders (including duties)?

Yes No



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 Oct. 25, 2021



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