



STEEL MARKET UPDATE

part of the  Group

SMU Flat Rolled Market Trends Analysis

Responses from our November 7-9, 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	Venue
November 30- December 1	<u>Introduction to Steel Hedging: Managing Price Risk Course</u>	Virtual
January 17-18	<u>Steel 101 Workshop</u>	Virtual
February 5-7	<u>Tampa Steel Conference 2023</u>	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

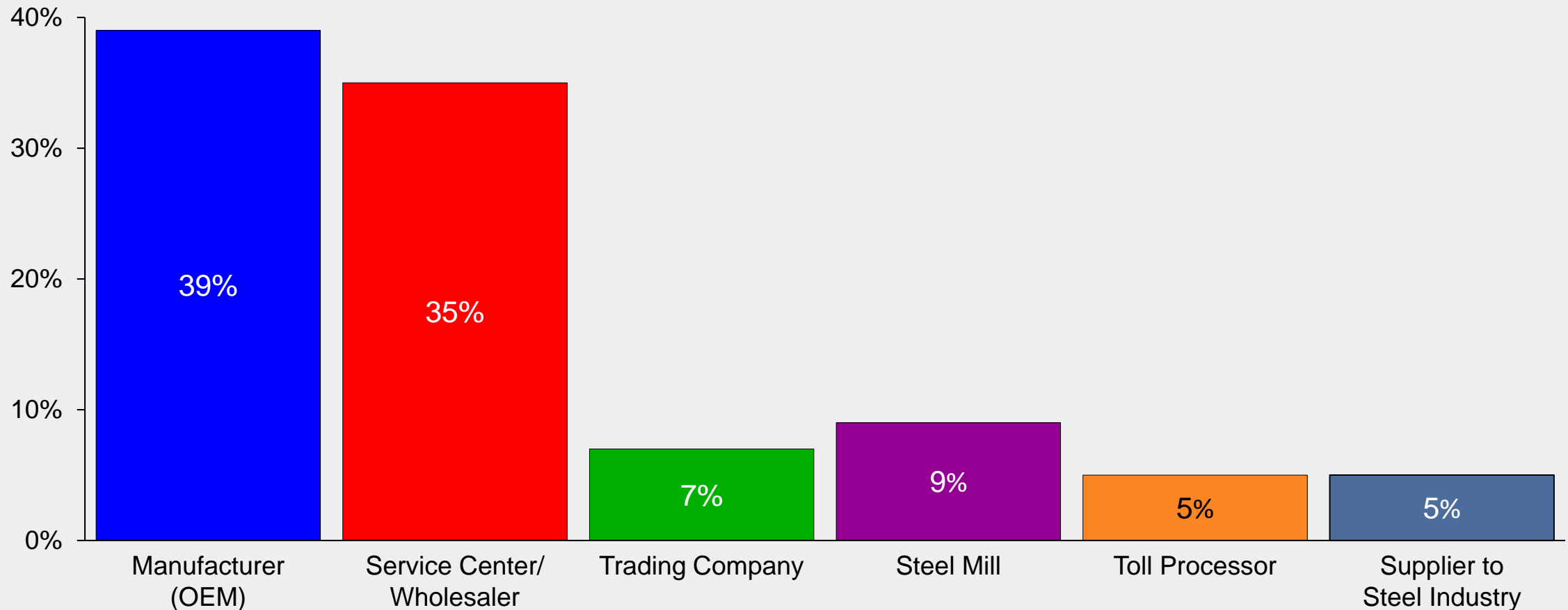
part of the  Group

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

Contact Brett@SteelMarketUpdate.com
for participation information.

Survey Participants

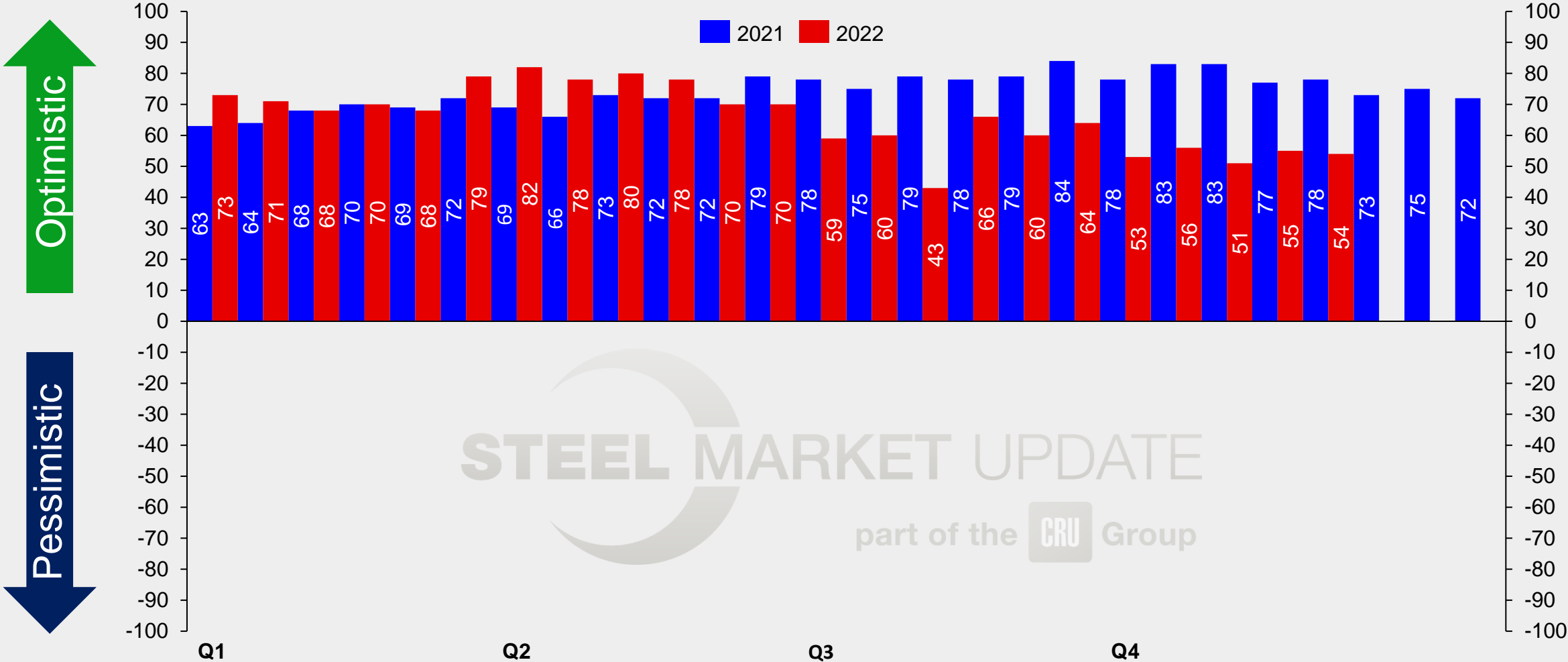
Our survey is by invitation only. Over 700 companies, mostly in the manufacturing or distribution industries, are asked to participate. Here are the percentages of participation in this week's survey by market sector.



Steel Buyers Sentiment

Down 1 point to +54

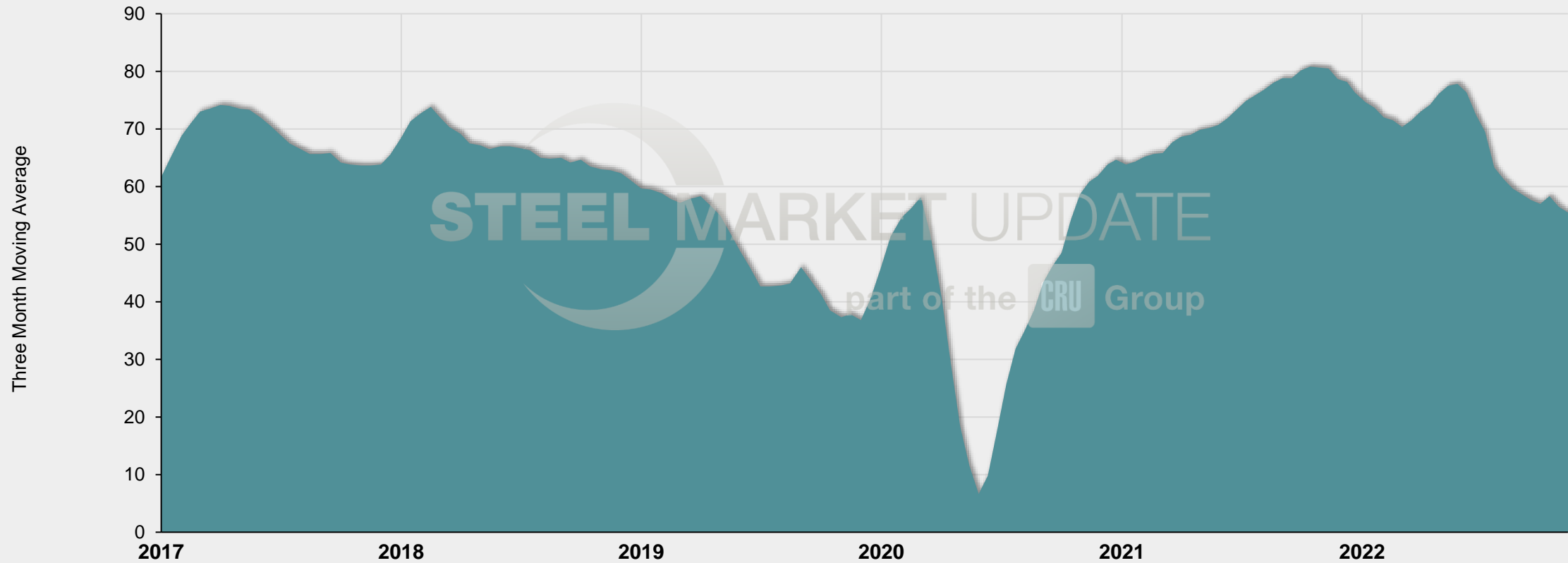
Steel Market Update Steel Buyers Sentiment Index



Steel Buyers Sentiment

Three Month Moving Average at +55.50

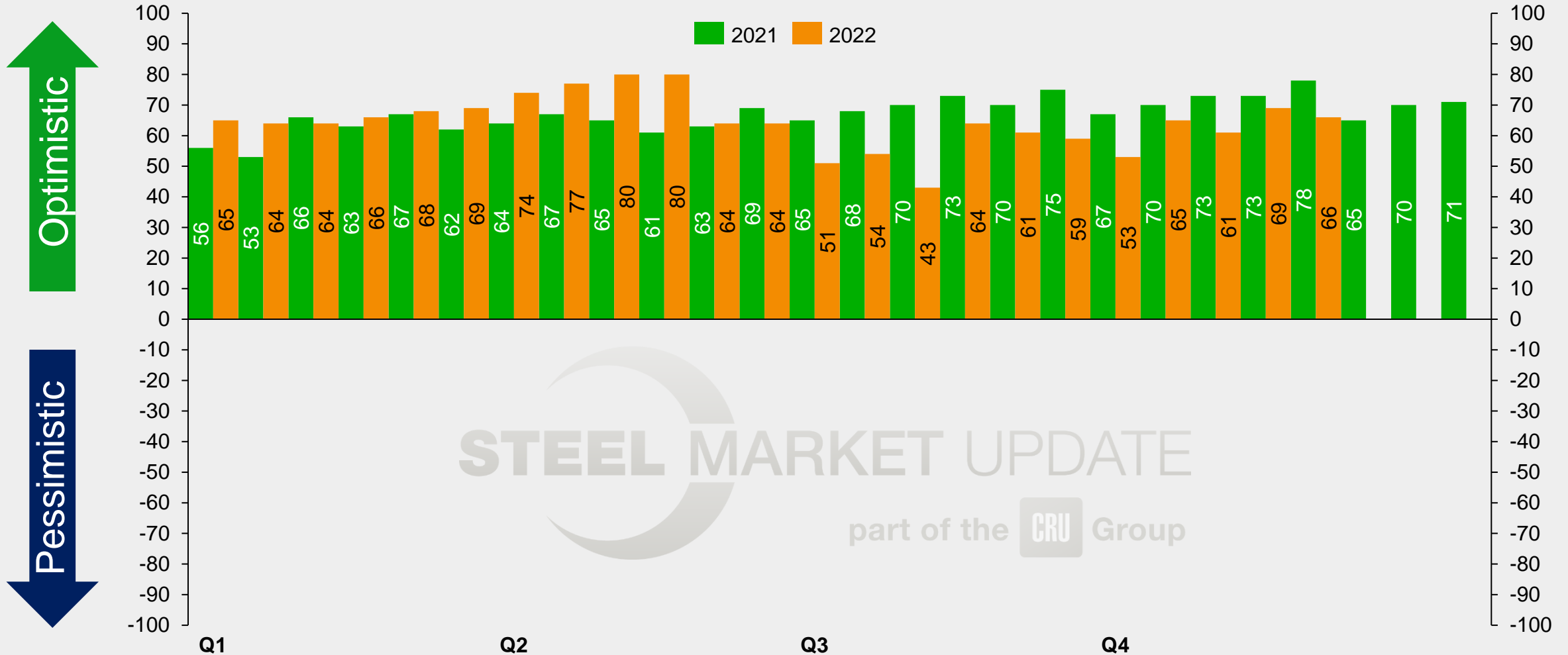
SMU Current Steel Buyers Sentiment Index
3-Month Moving Average



Steel Buyers Future Sentiment

Down 3 points to +66

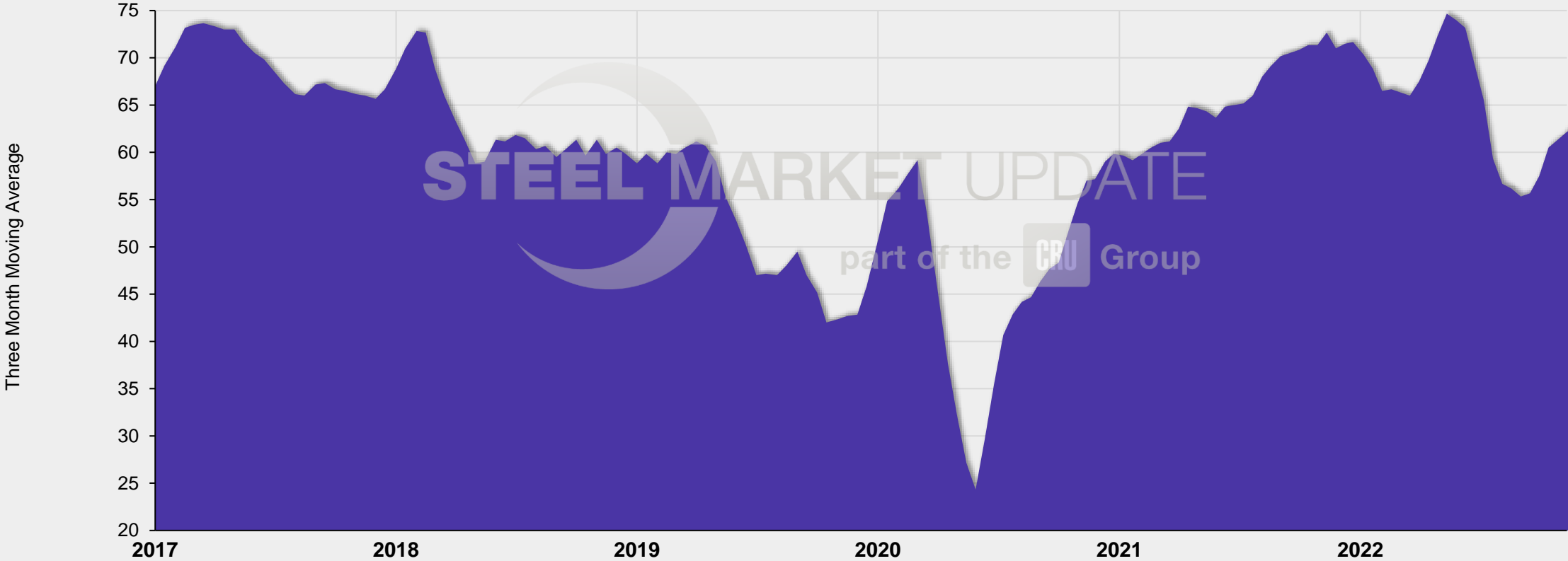
Steel Market Update Future Steel Buyers Sentiment Index



Steel Buyers Future Sentiment

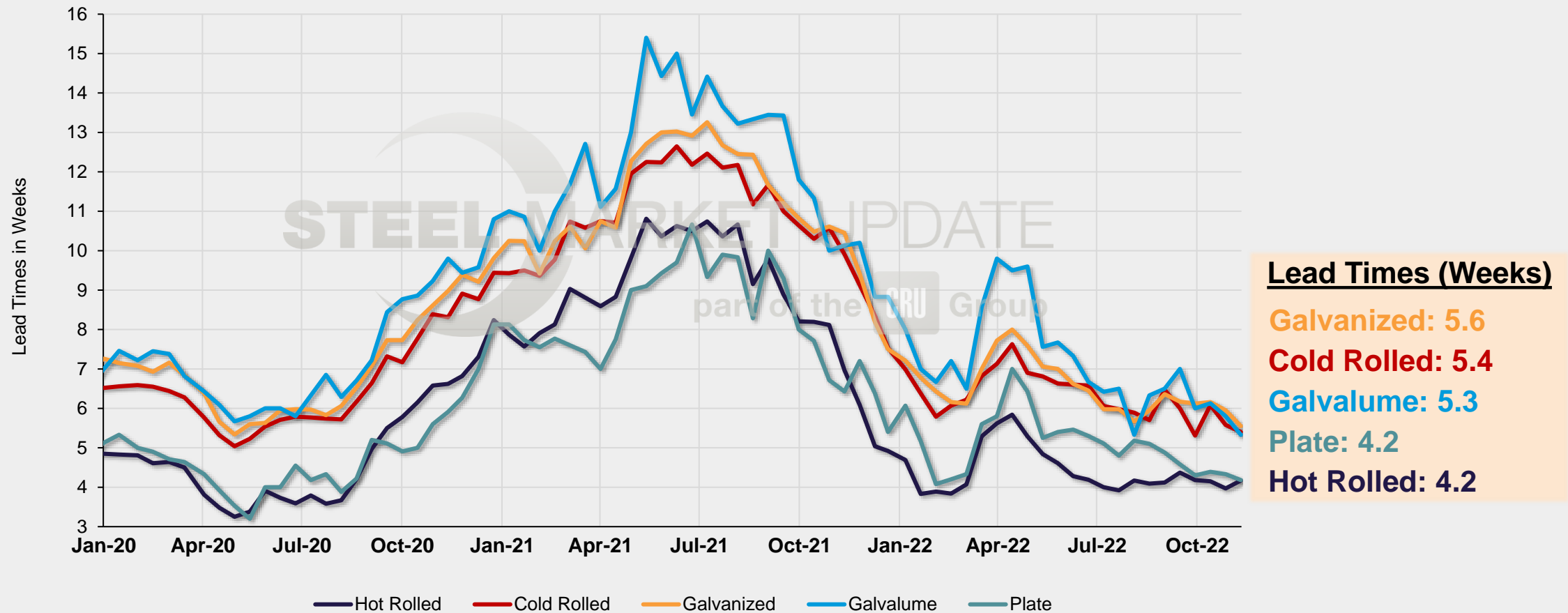
Three Month Moving Average at +62.17

SMU Future Steel Buyers Sentiment Index
3-Month Moving Average



Steel Mill Lead Times by Product

SMU Lead Times Comparison
Through November 10, 2022



Direction of Steel Mill Lead Times

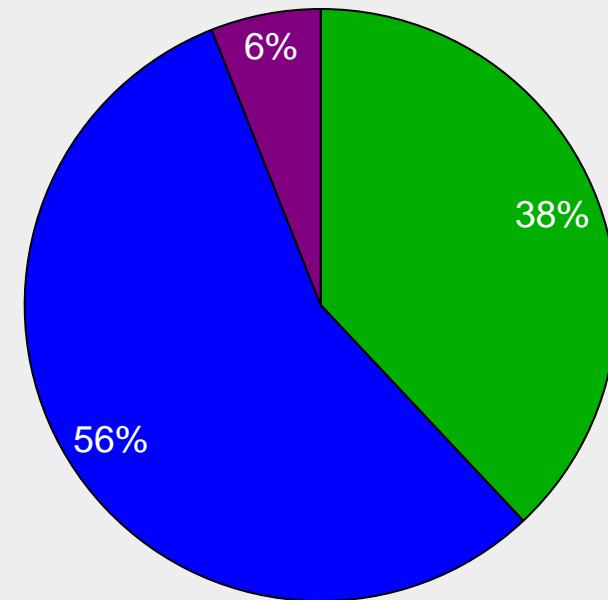
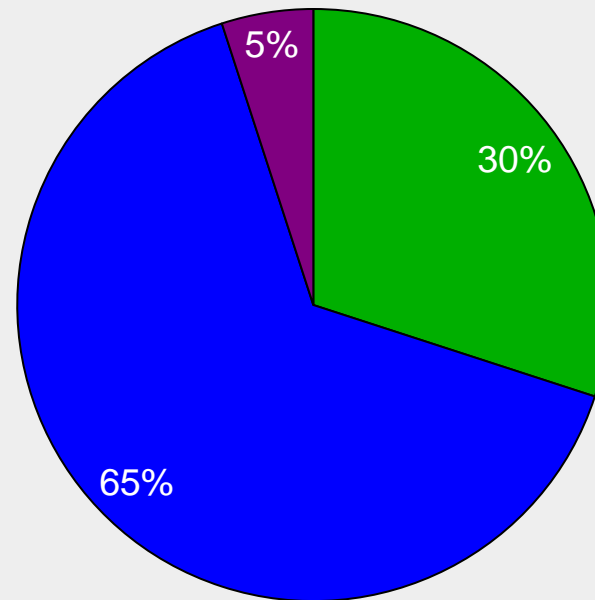
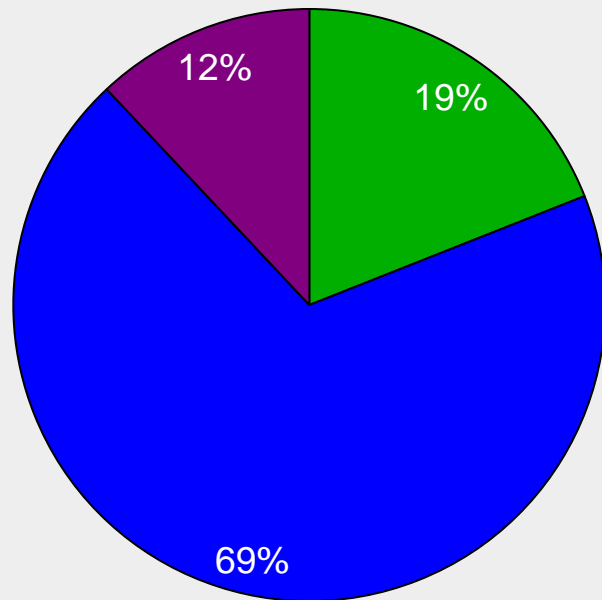
Two months from now, will lead times be extending, flat, or contracting?

October 13, 2022

October 27, 2022

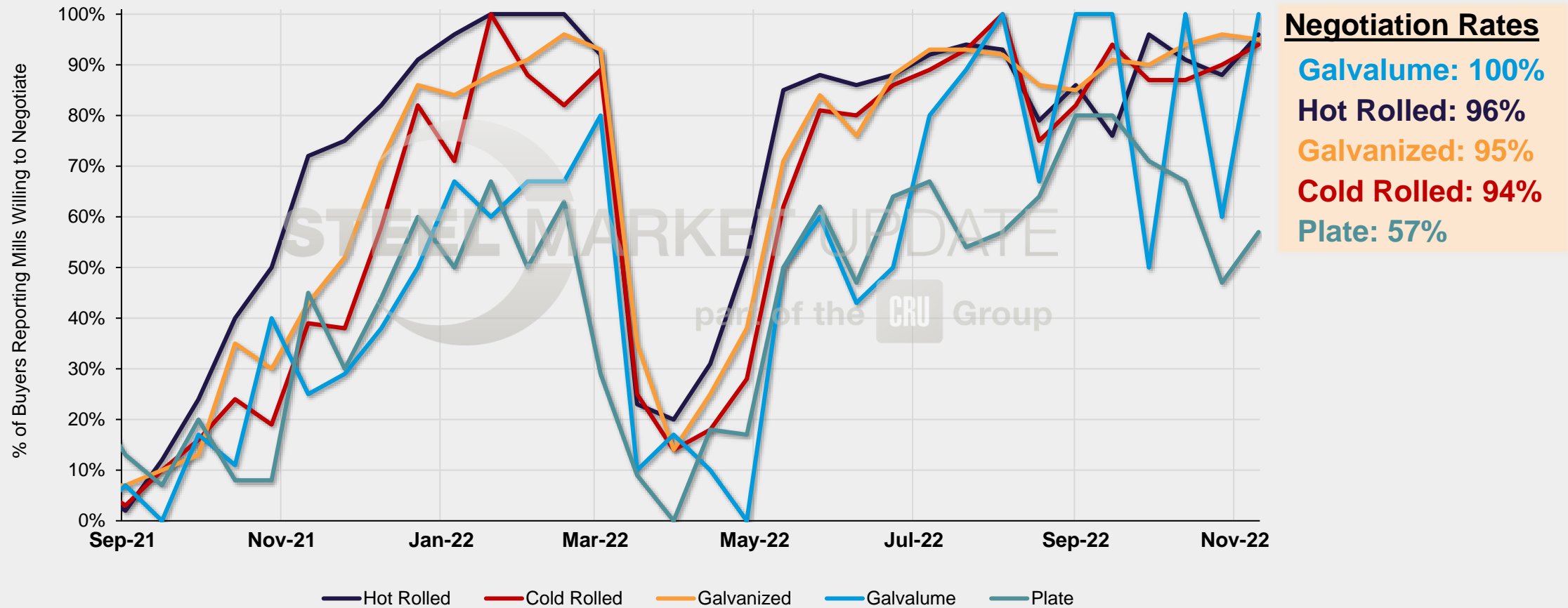
November 10, 2022

■ Extending ■ Flat ■ Contracting



Steel Mill Negotiations

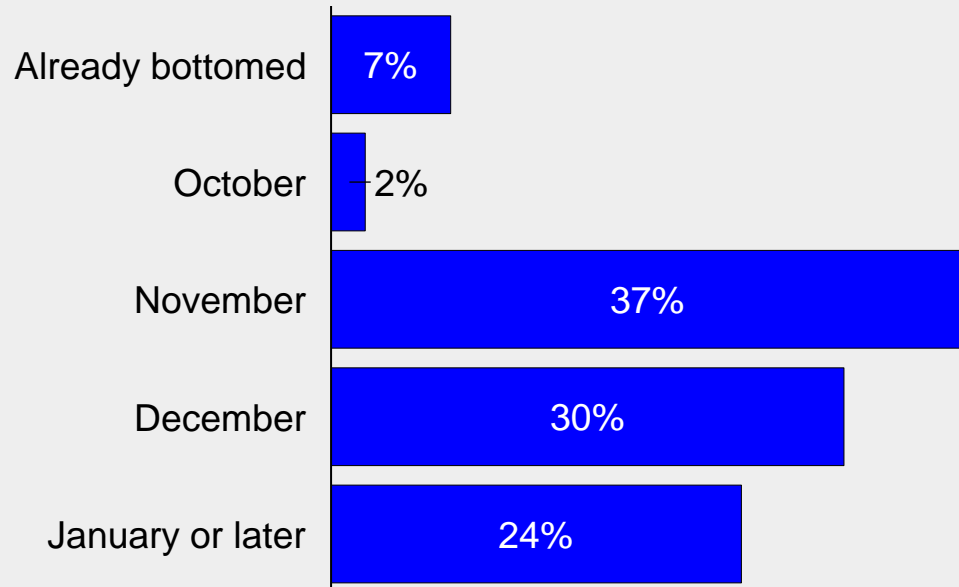
SMU Price Negotiations on New Steel Orders by Product
Through November 10, 2022



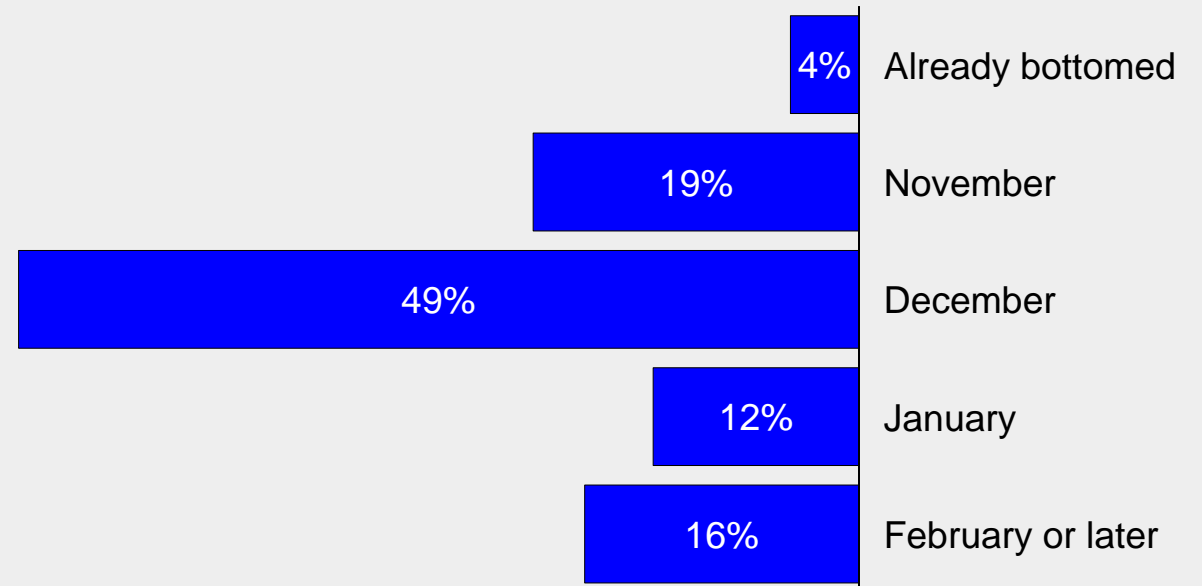
Hot Rolled Inflection Point

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

October 27, 2022



November 10, 2022

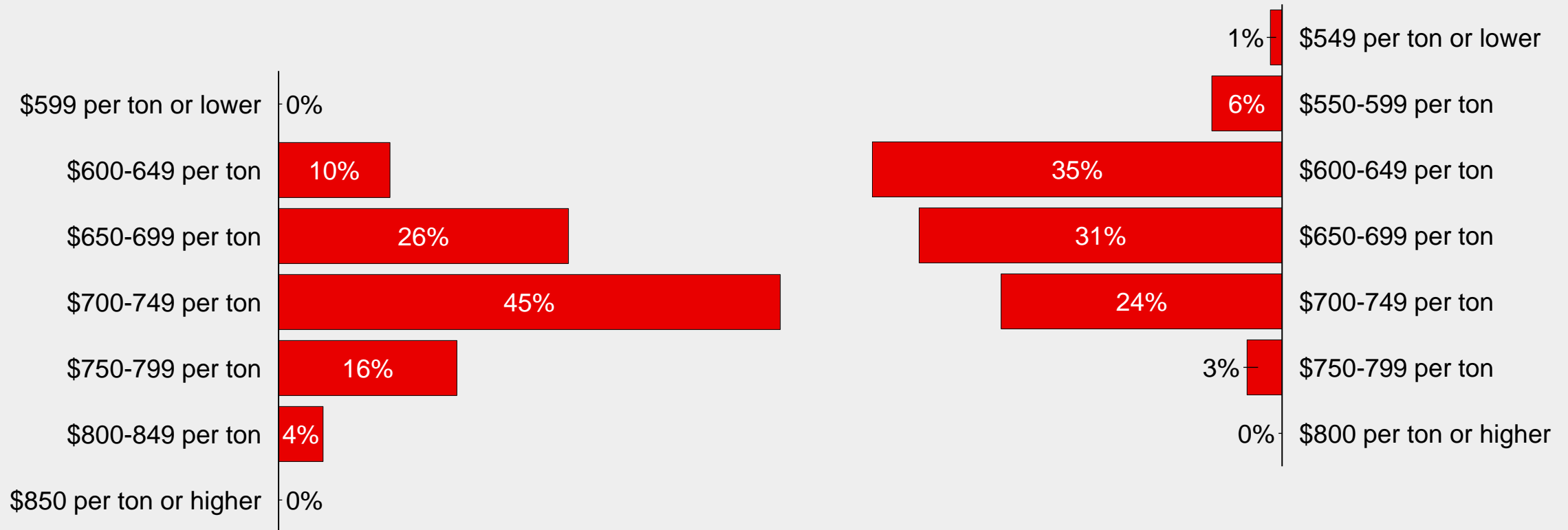


Future Hot Rolled Prices

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

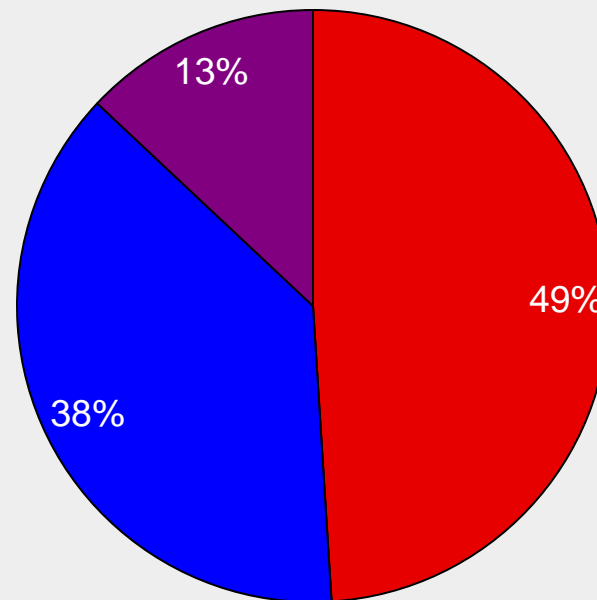
October 27, 2022

November 10, 2022



Are you concerned about a potential rail strike?

- Yes
- No
- Not applicable



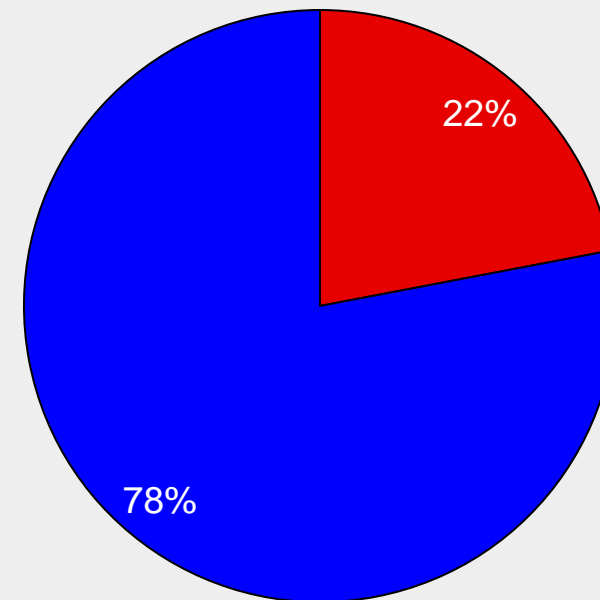
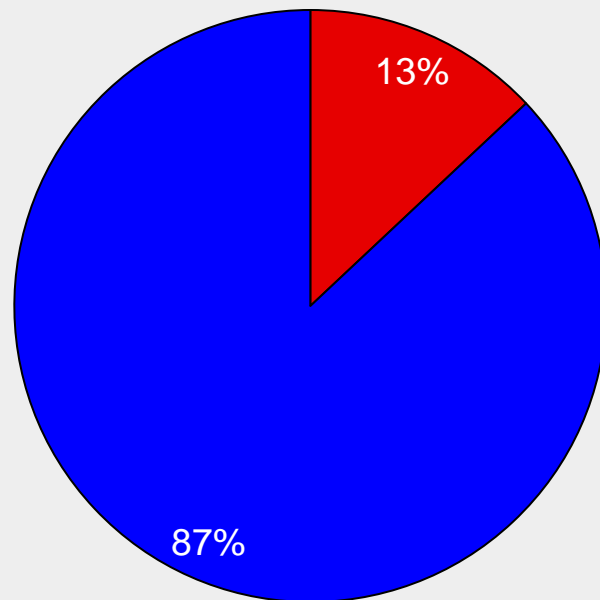
Water Level Impact

Are low waters on the Mississippi River and the Ohio River impacting your operations?

October 27, 2022

Yes No

November 10, 2022



USW vs US Steel

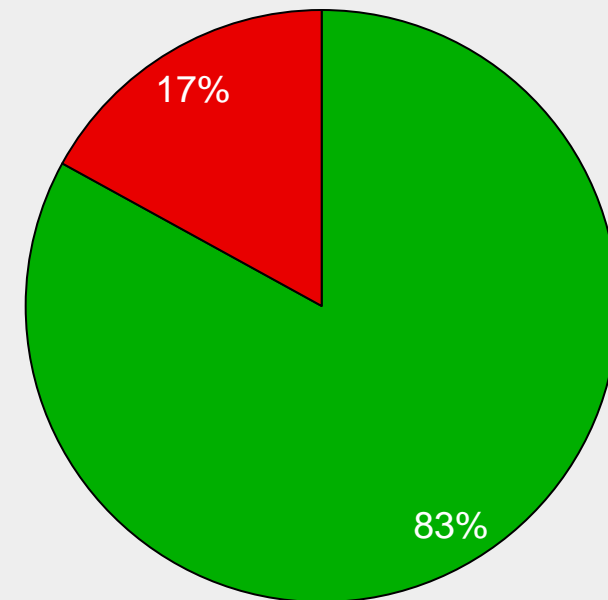
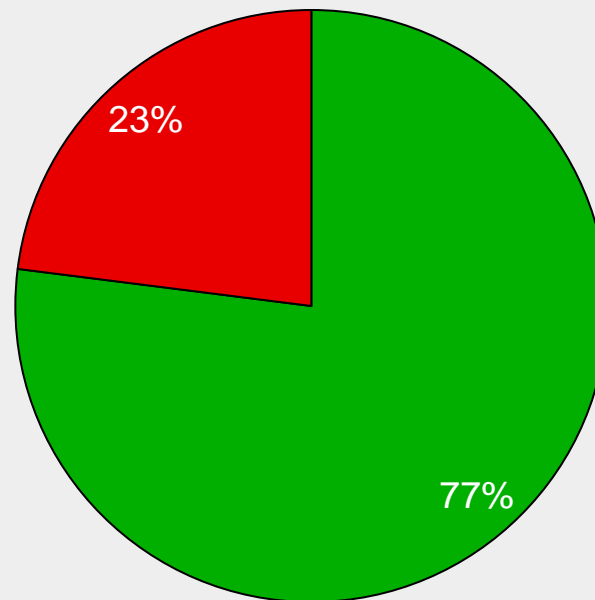
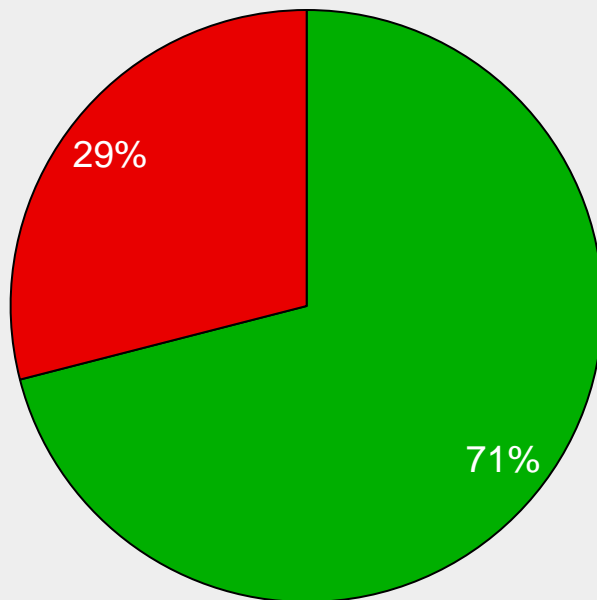
Do you think the USW and US Steel will reach a new labor agreement, or will there be a strike or lockout?

October 13, 2022

October 27, 2022

November 10, 2022

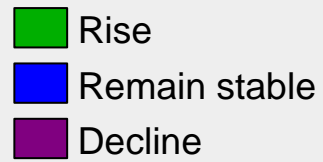
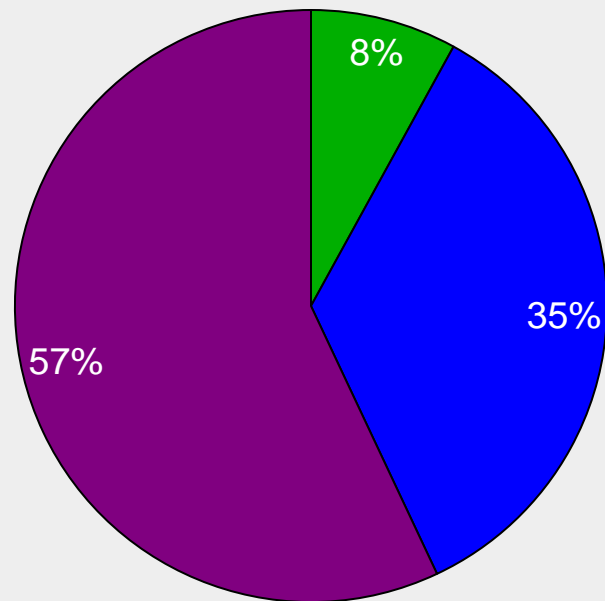
Deal Strike/Lockout



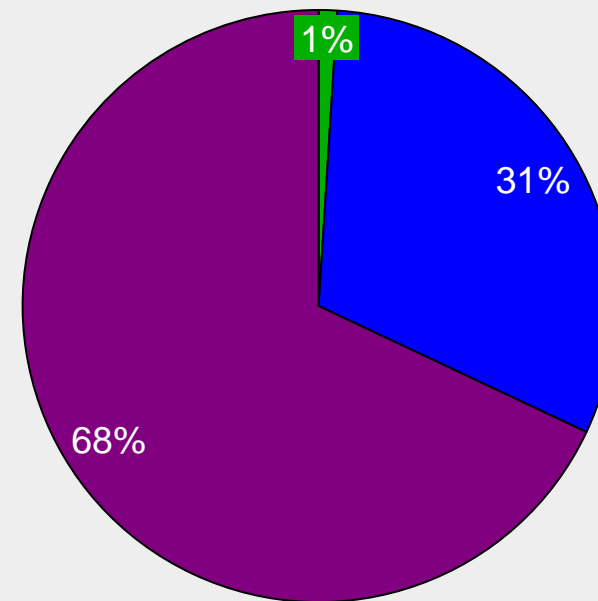
November Scrap

Prime scrap prices in November will:

October 27, 2022



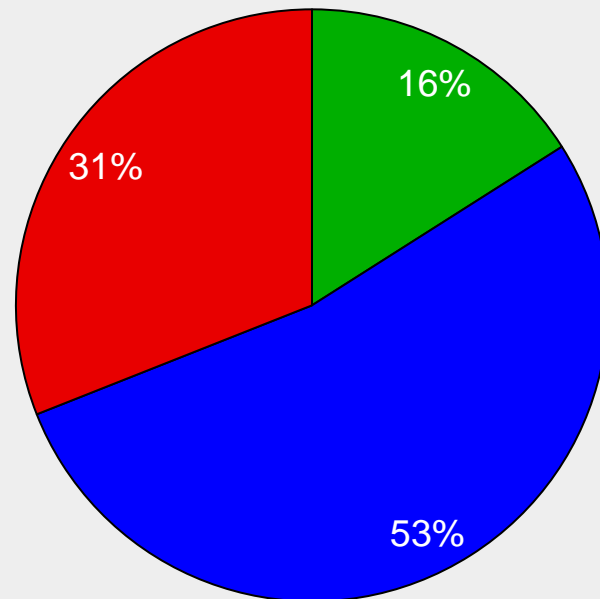
November 10, 2022



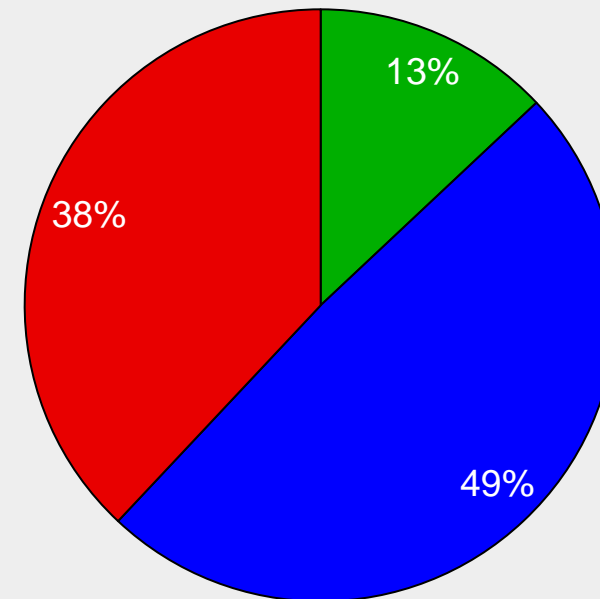
How did your company perform last month compared to your forecast?

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

October 13, 2022 (For September)



November 10, 2022 (For October)

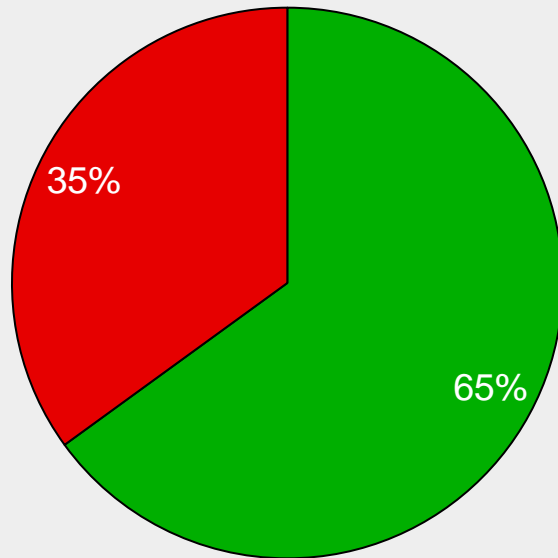


Future Prospects

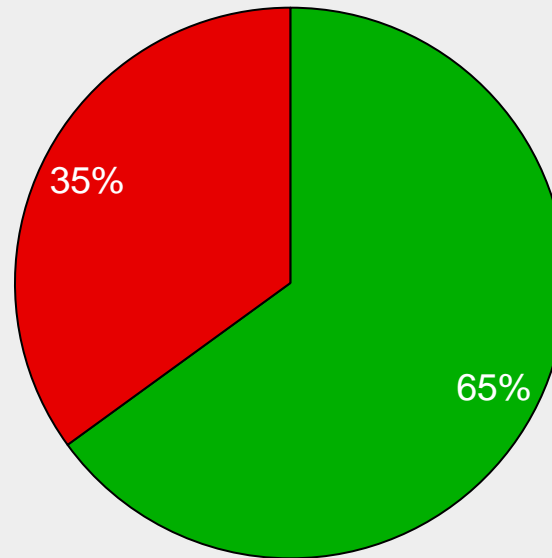
Would you describe yourself as optimistic or pessimistic about your prospects for the remainder of 2022?

■ Optimistic ■ Pessimistic

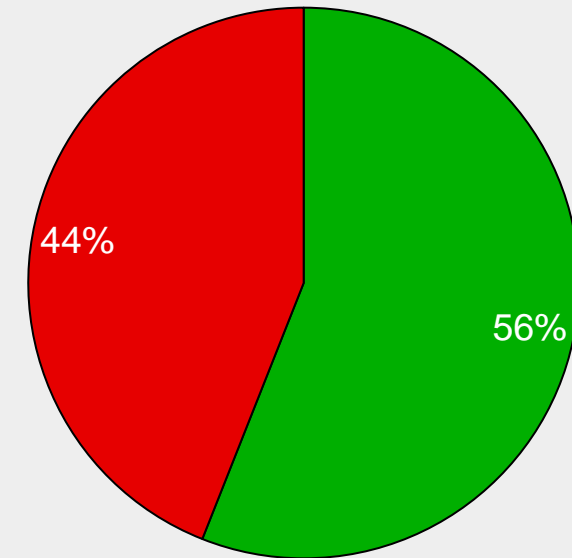
October 13, 2022



October 27, 2022



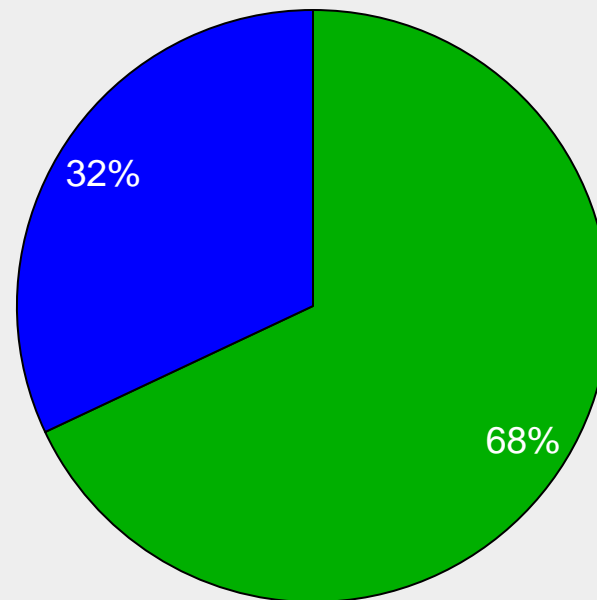
November 10, 2022



Staying on the Sidelines?

Are you an active buyer or staying on the sidelines?

- Active buyer
- On the sidelines

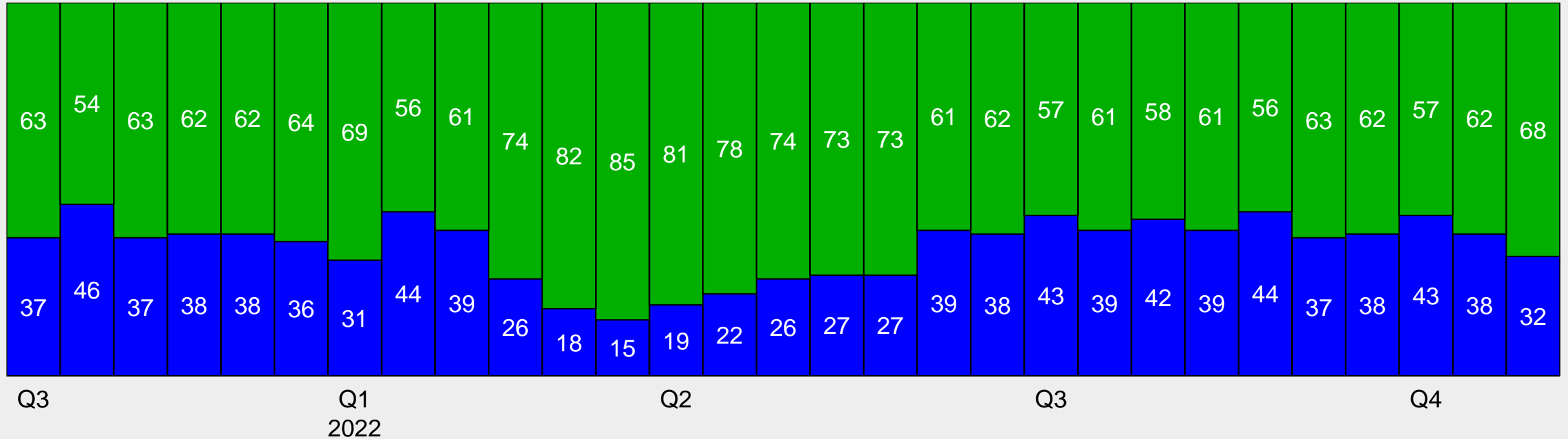


Staying on the Sidelines?

Are you an active buyer or staying on the sidelines?

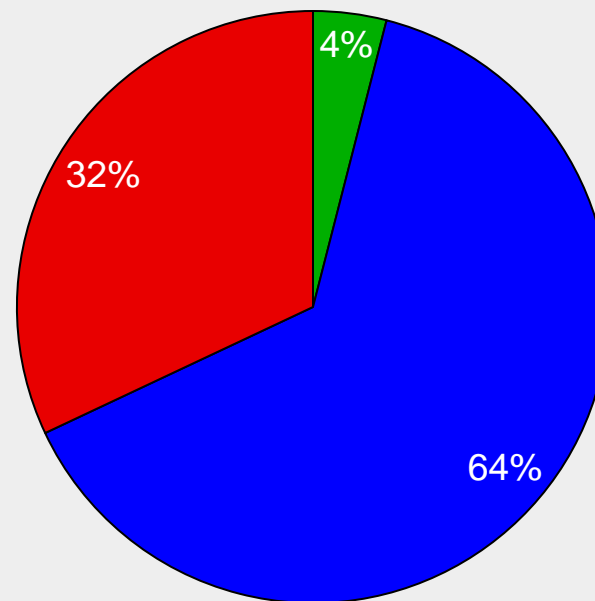
Active buyer
On the sidelines

out of 100%



How are you seeing demand for your products?

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

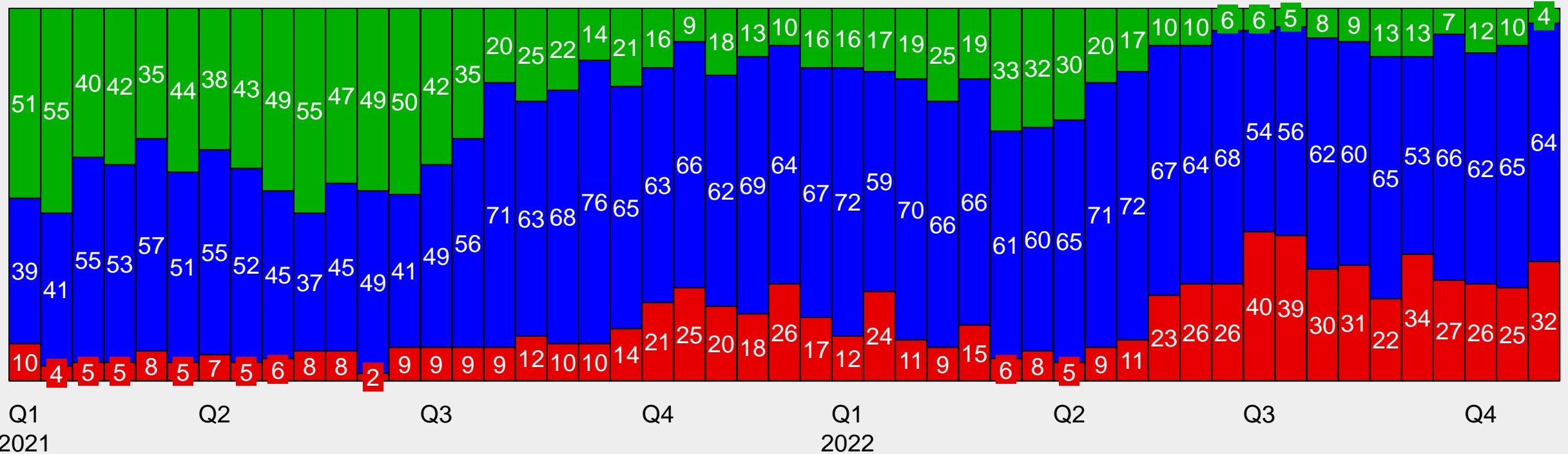


Overall Demand History

How are you seeing demand for your products?

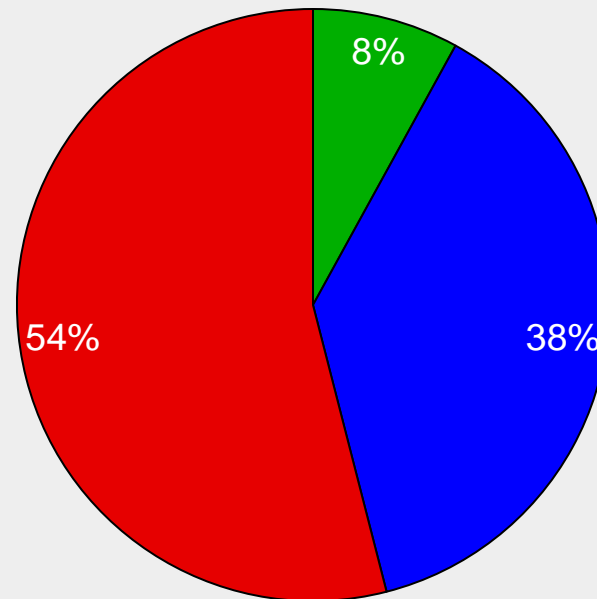
- Demand is improving
- Demand is stable
- Demand is declining

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

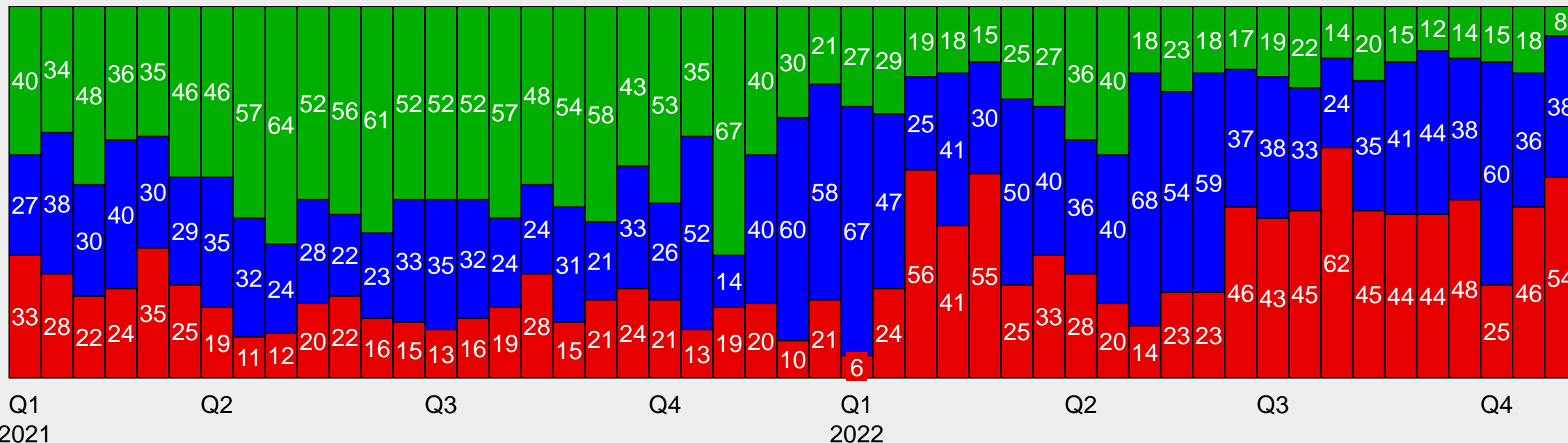


History of Manufacturer Purchases

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

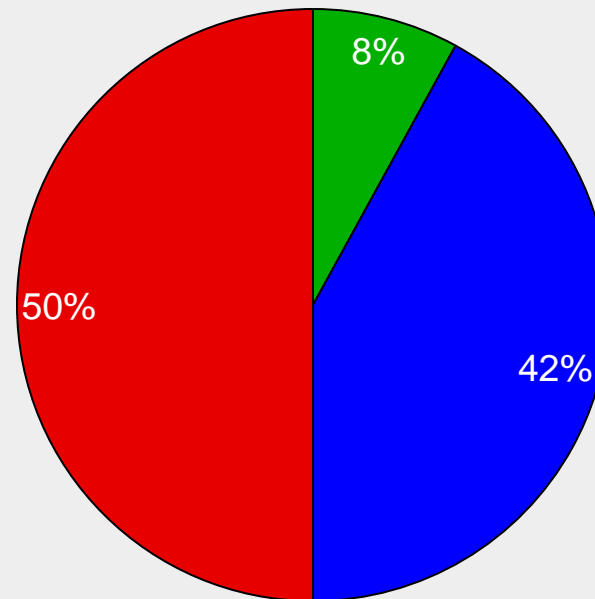
- Buying more steel
- Buying the same amount of steel
- Buying less steel

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

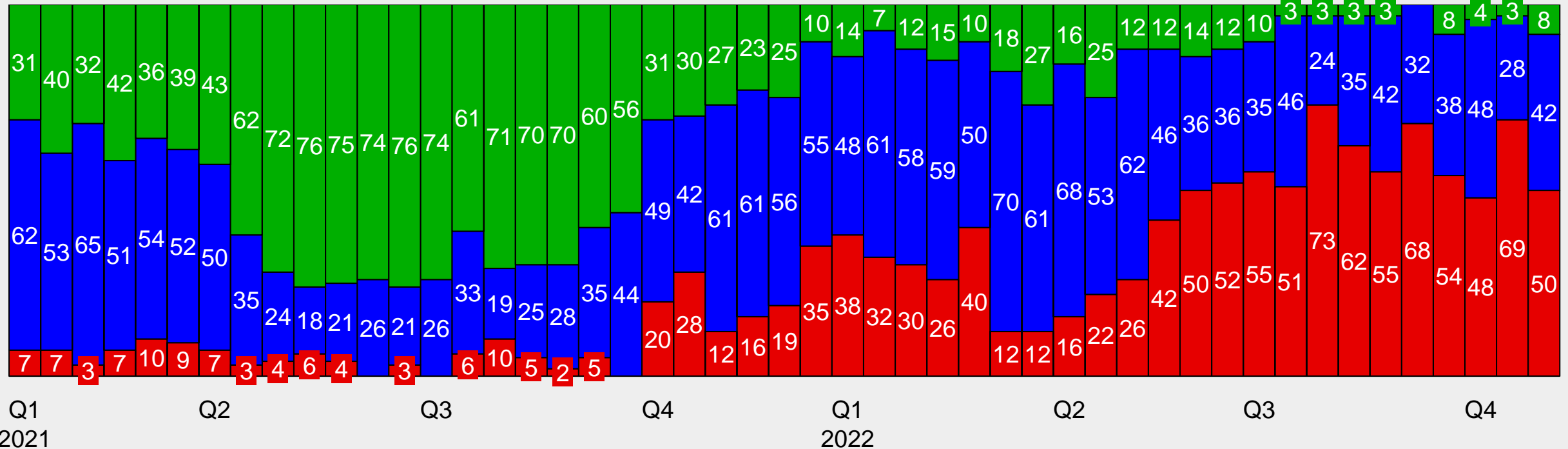


Service Center Release History

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

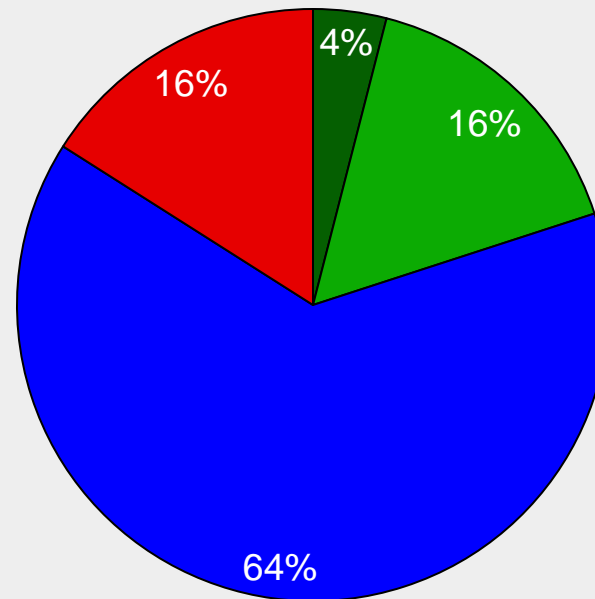
- Releasing more steel
- Releasing the same amount of steel
- Releasing less steel

out of 100%



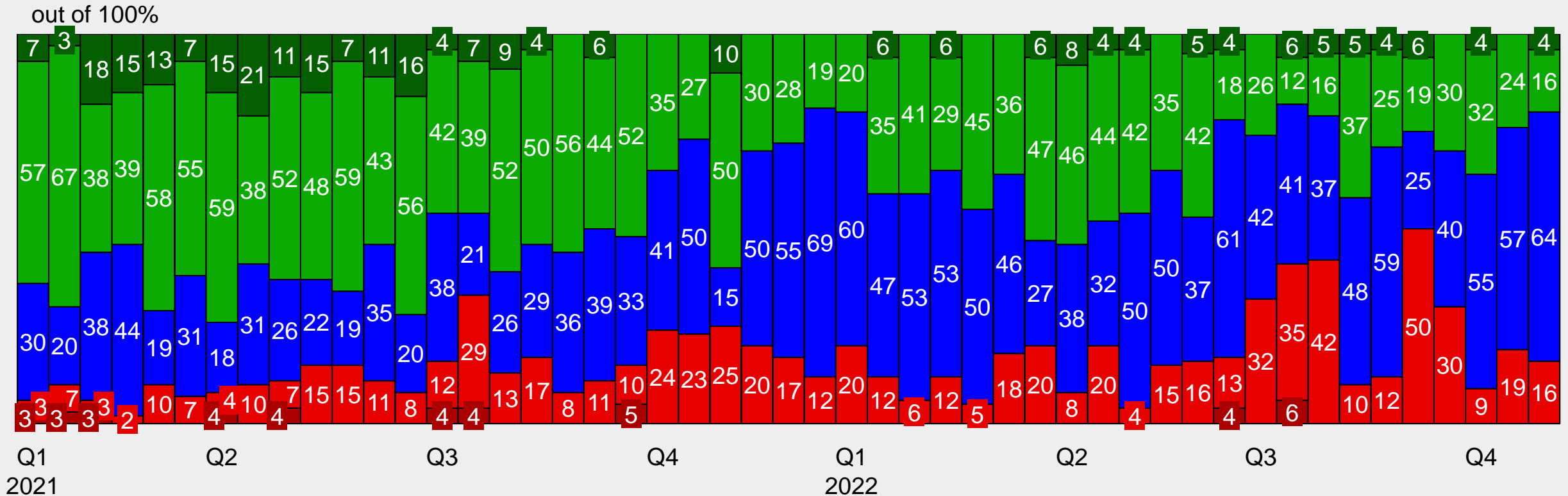
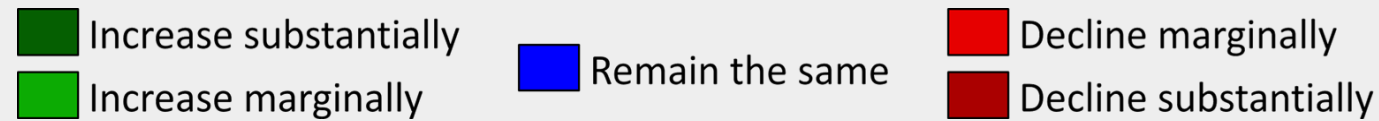
Manufacturers- Demand for your products will _____
over the next 3 months based on current order flows.

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



Manufacturer Demand History

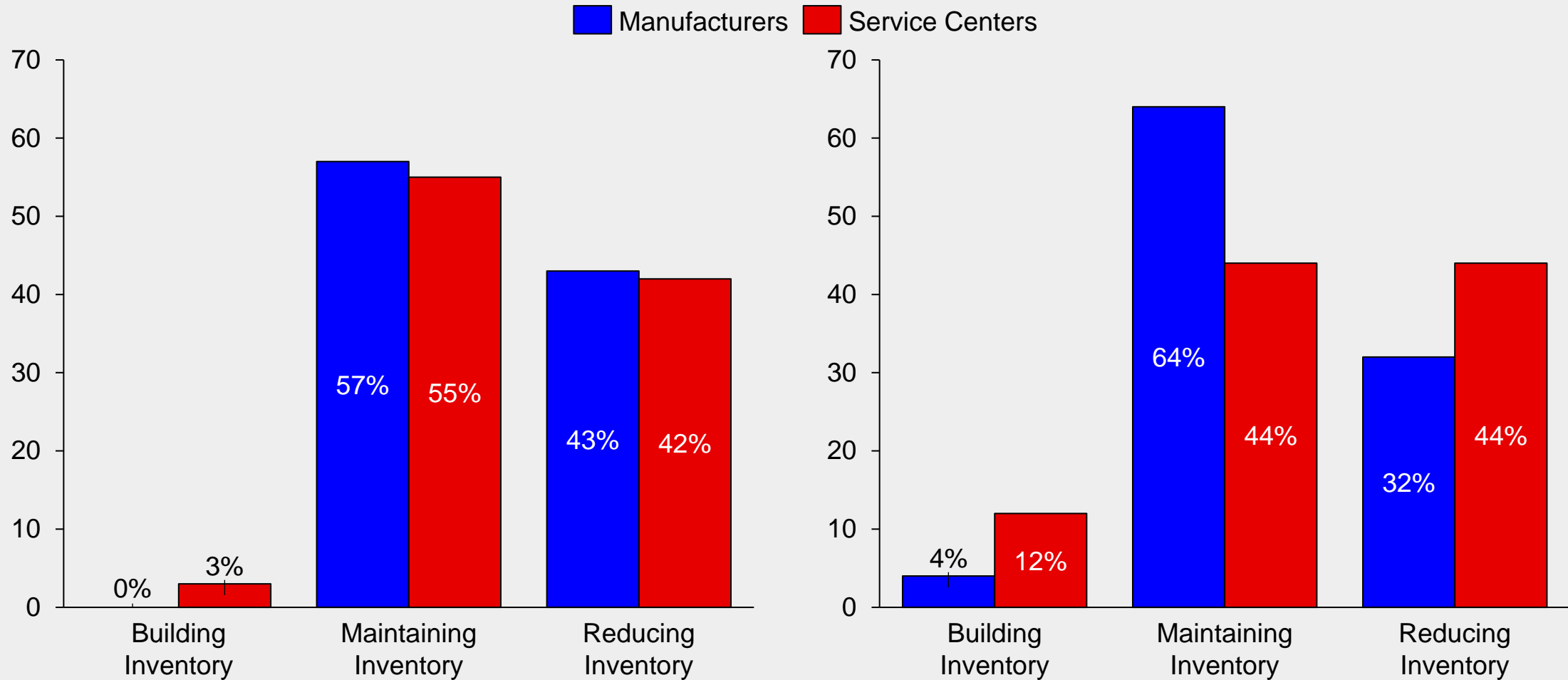
Manufacturers- Demand for your products will _____
over the next 3 months based on current order flows.



Manufacturer and Service Center Inventory Buying Patterns

October 27, 2022

November 10, 2022

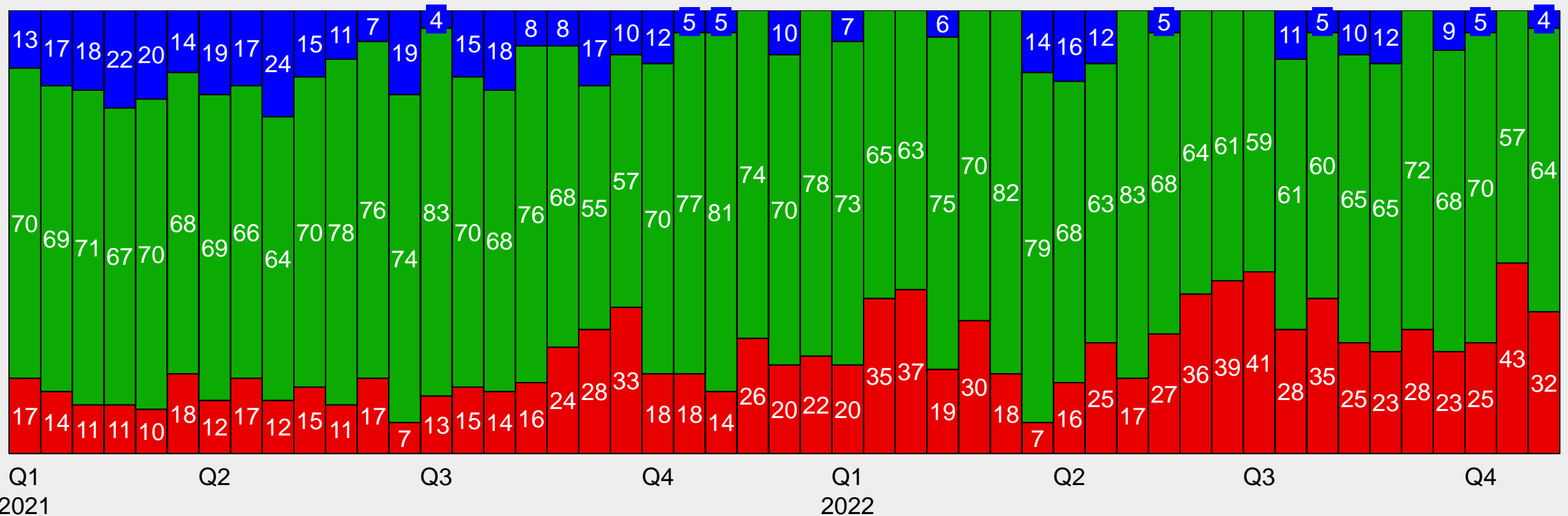


Manufacturer Inventory Buying History

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

■ Building Inventory
 ■ Maintaining Inventory
 ■ Reducing Inventory

out of 100%

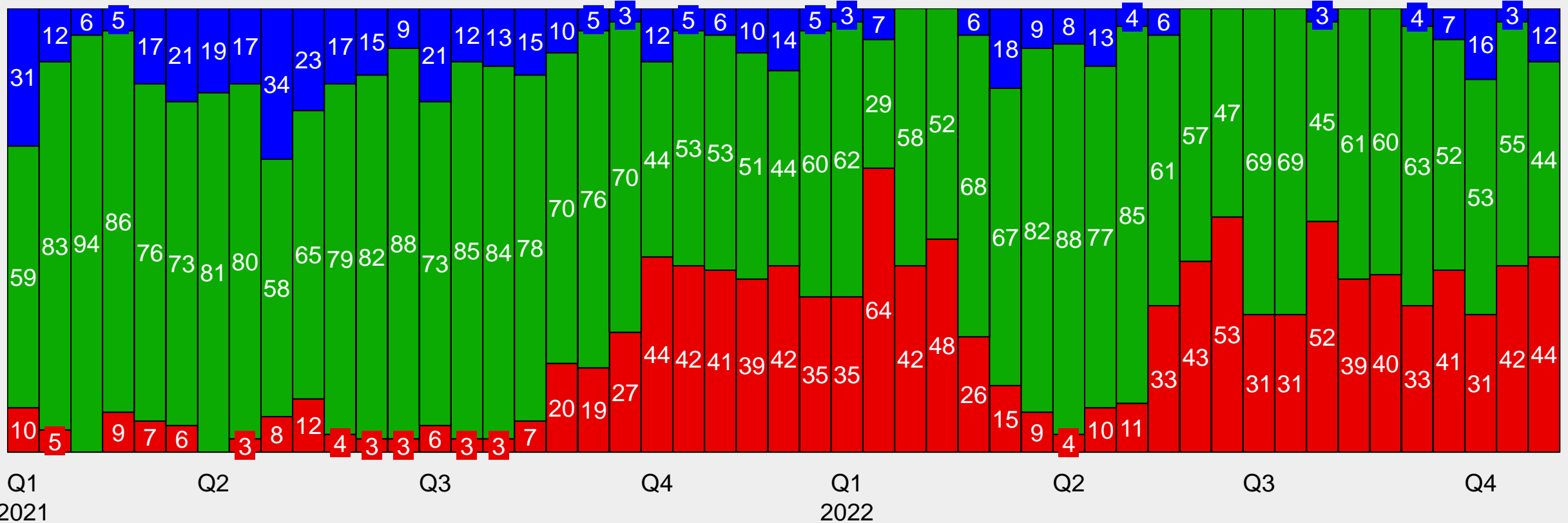


Service Center Inventory Buying History

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

■ Building Inventory
 ■ Maintaining Inventory
 ■ Reducing Inventory

out of 100%

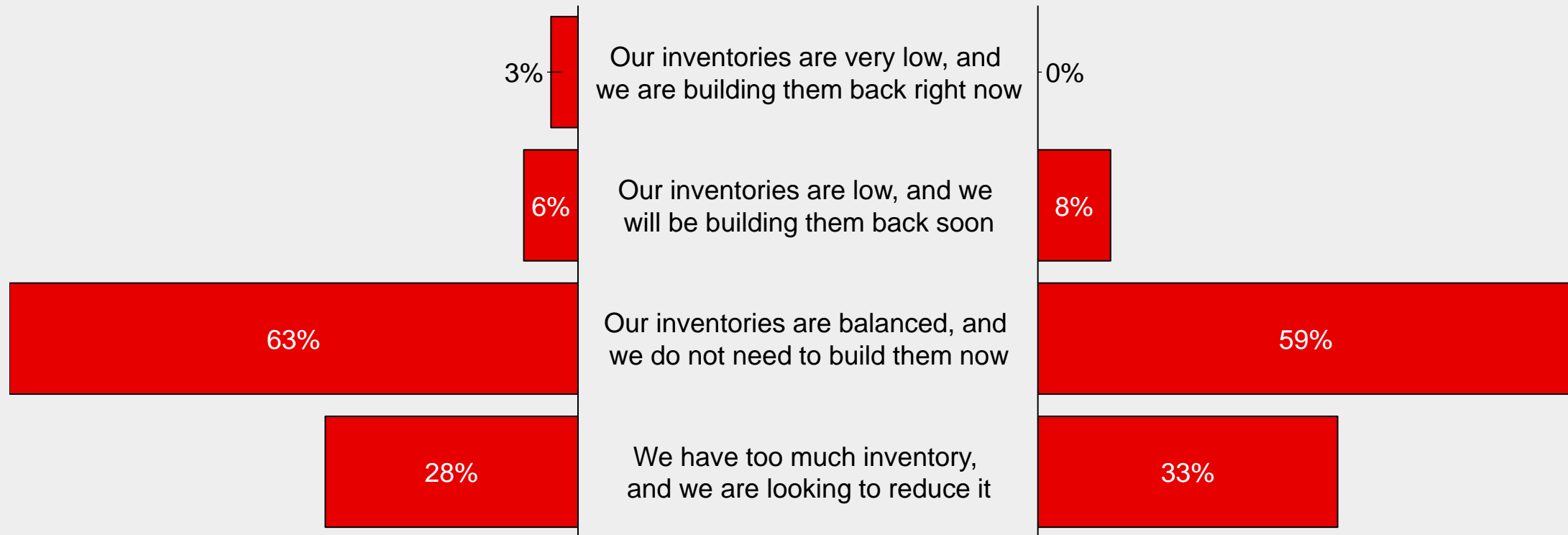


Service Center Inventories

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

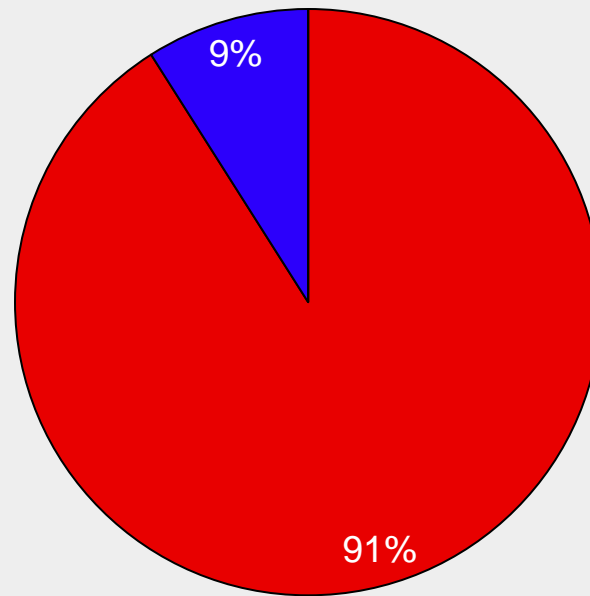
October 27, 2022

November 10, 2022



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

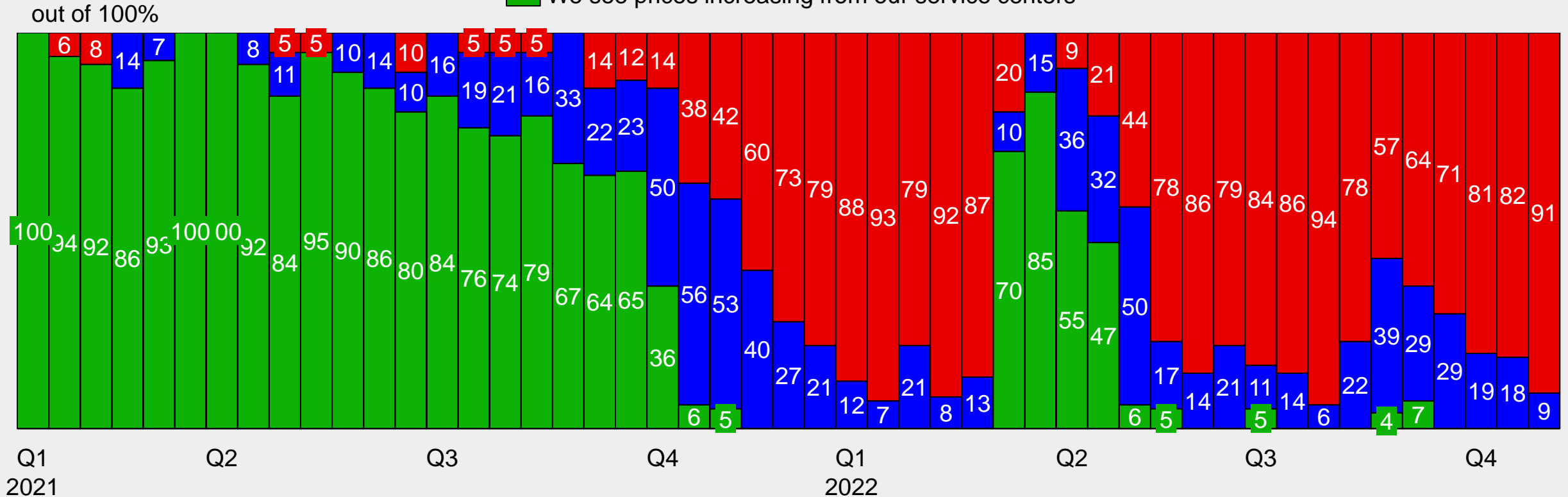
- We see prices decreasing from our service centers
- We see stable prices from our service centers
- We see prices increasing from our service centers



Manufacturer's View of Service Center Selling Prices History

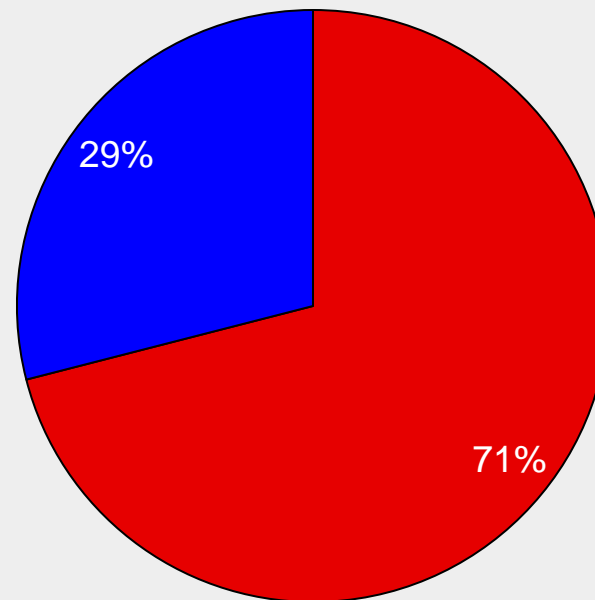
Manufacturers- Which comment do you feel is representative of service center pricing right now compared to two weeks ago?

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



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

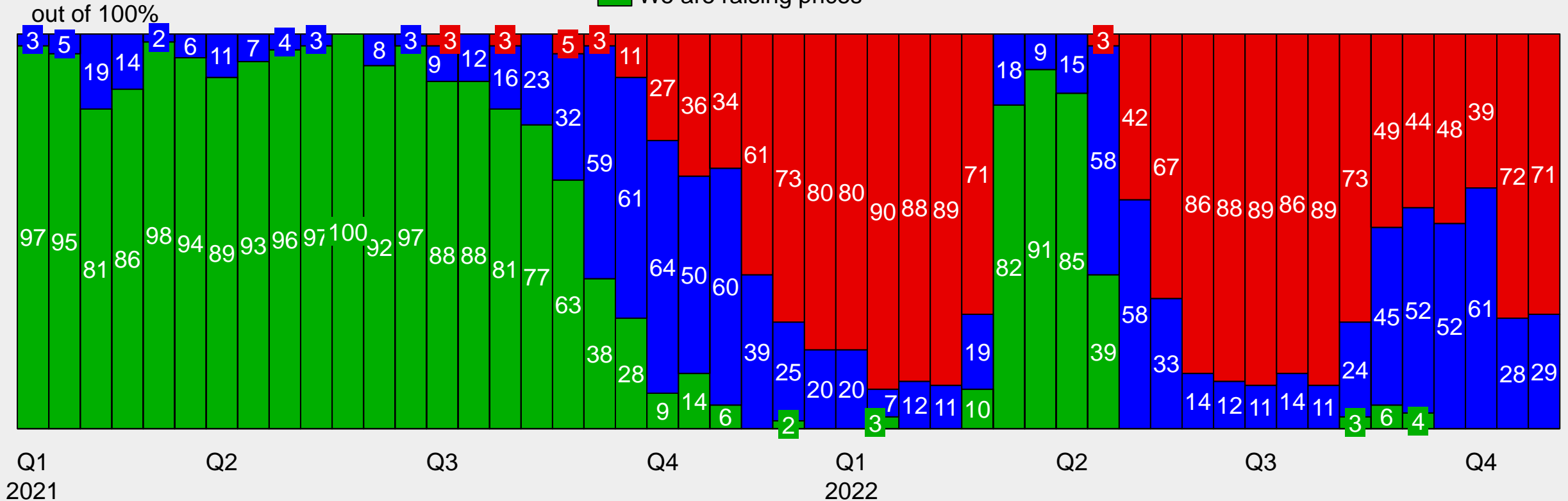
- We are lowering prices
- We are keeping prices the same
- We are raising prices



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?

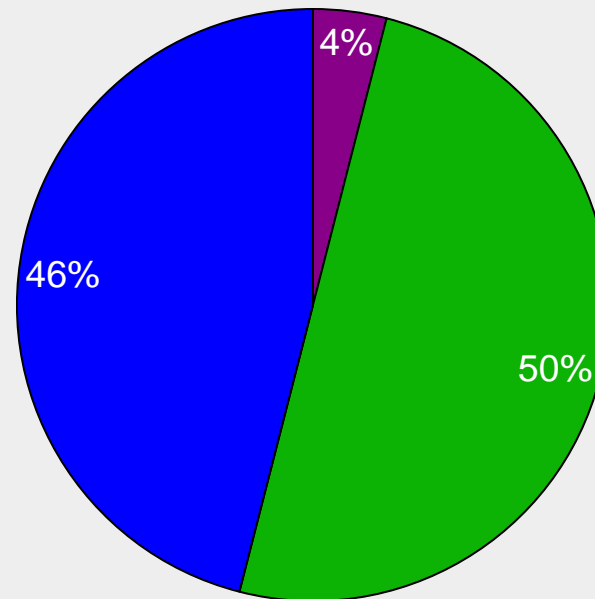
Historical Nucor Flat Rolled Price Increase Announcements

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



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

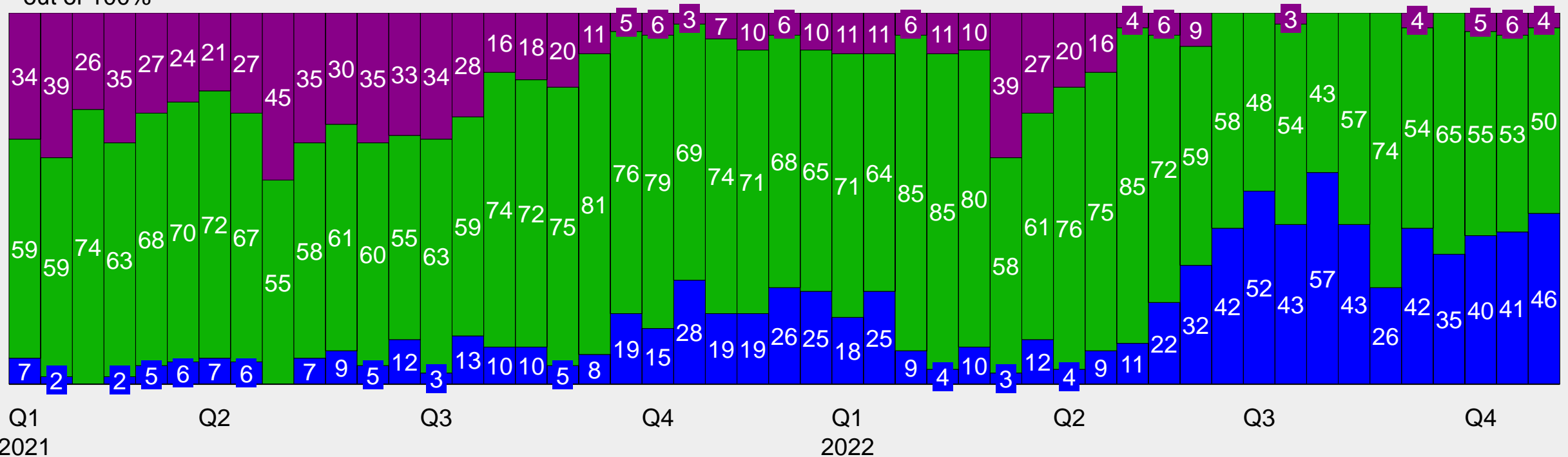


Service Centers on Manufacturer Orders History

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

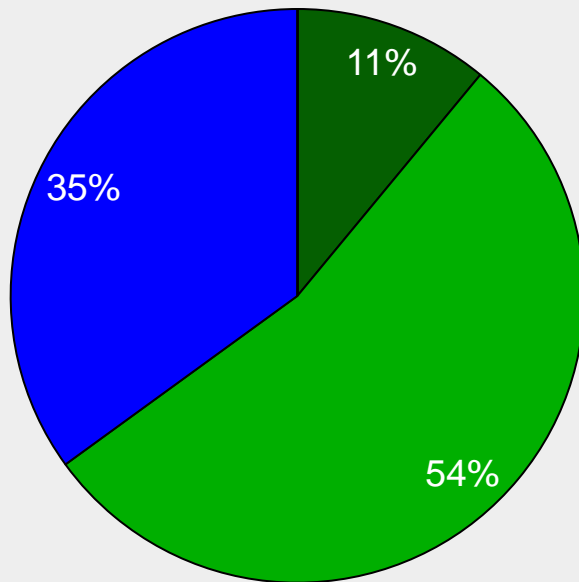
out of 100%



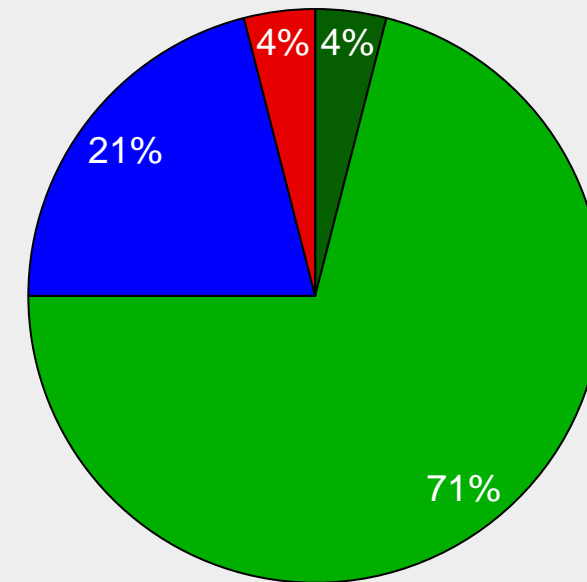
How would you describe domestic mill lead times for new orders placed right now?

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

Manufacturers

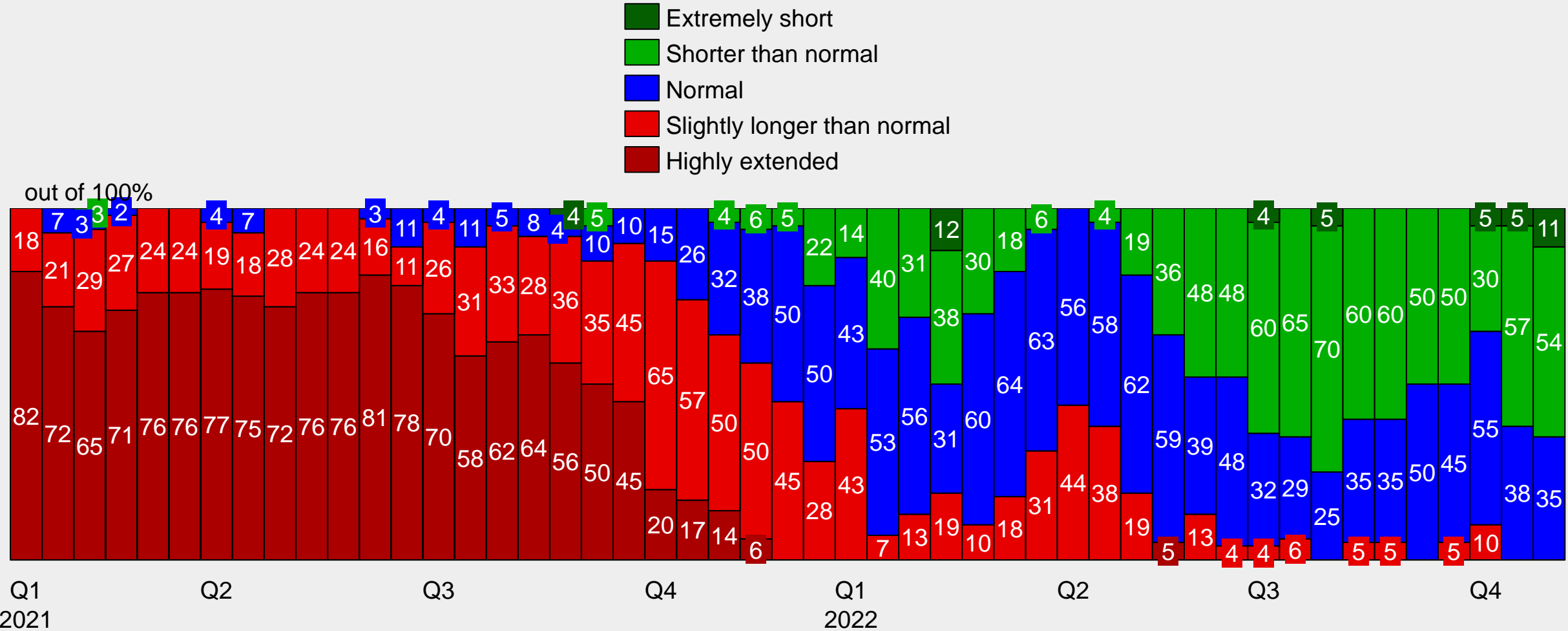


Service Centers



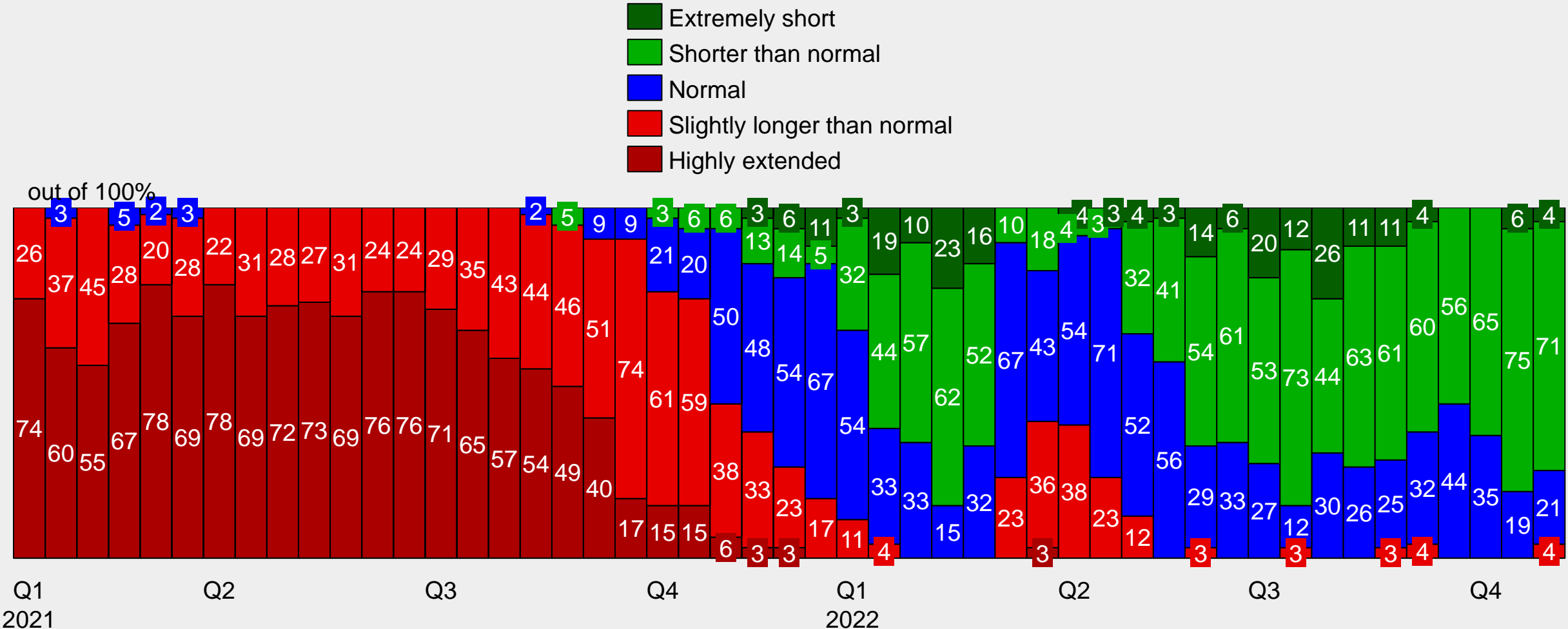
Mill Lead Times History

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



Mill Lead Times History

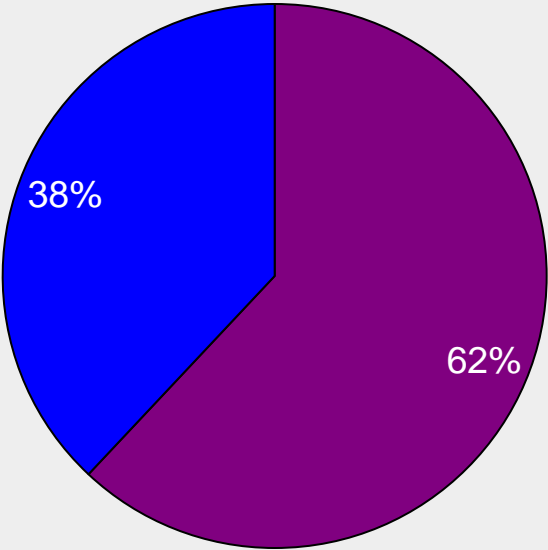
Service Centers- How would you describe domestic mill lead times for new orders placed right now?



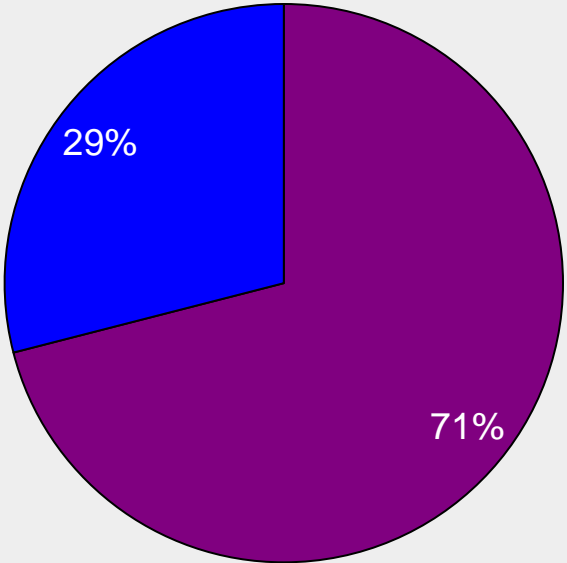
Does your company buy foreign steel?

Yes No

Manufacturers



Service Centers

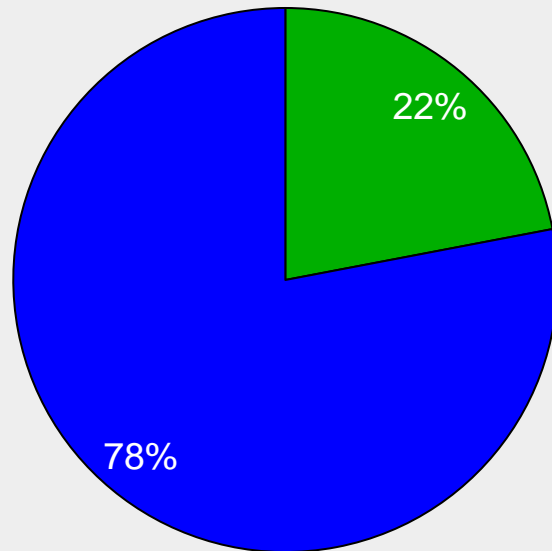


New Foreign Steel Orders

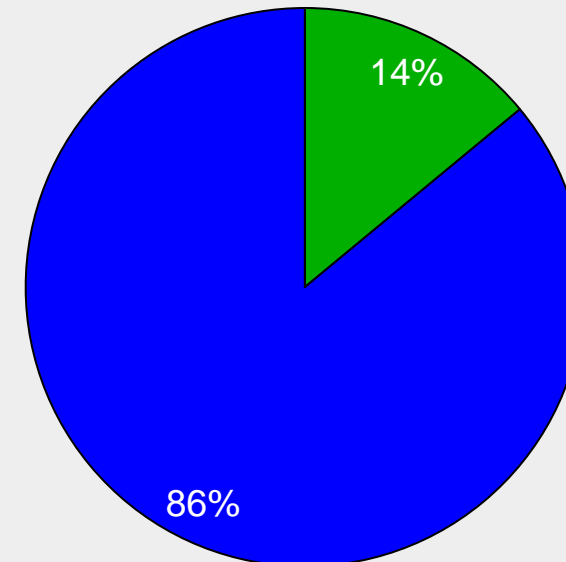
Are you buying new orders of foreign steel for future delivery?

Yes No

Manufacturers



Service Centers

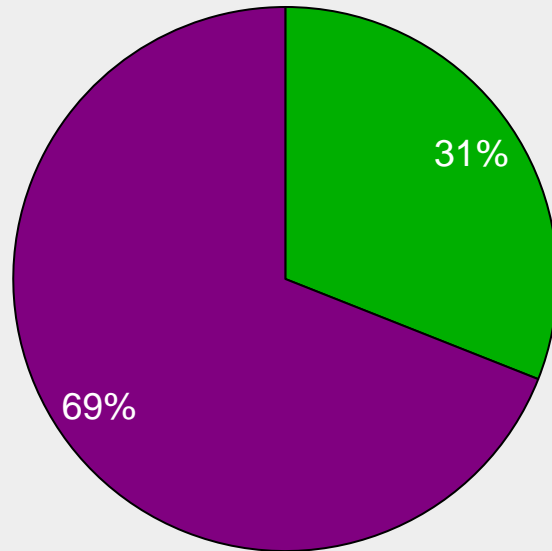


Foreign Steel Competitive?

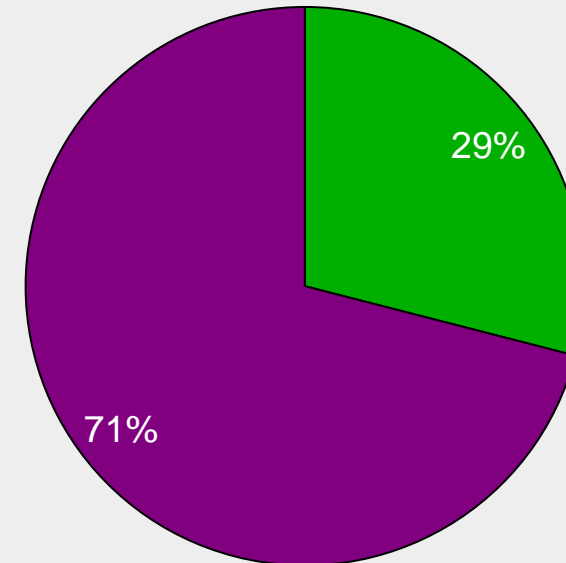
Are your foreign steel suppliers quoting you competitive prices for new orders for future delivery?

Yes No

Manufacturers



Service Centers

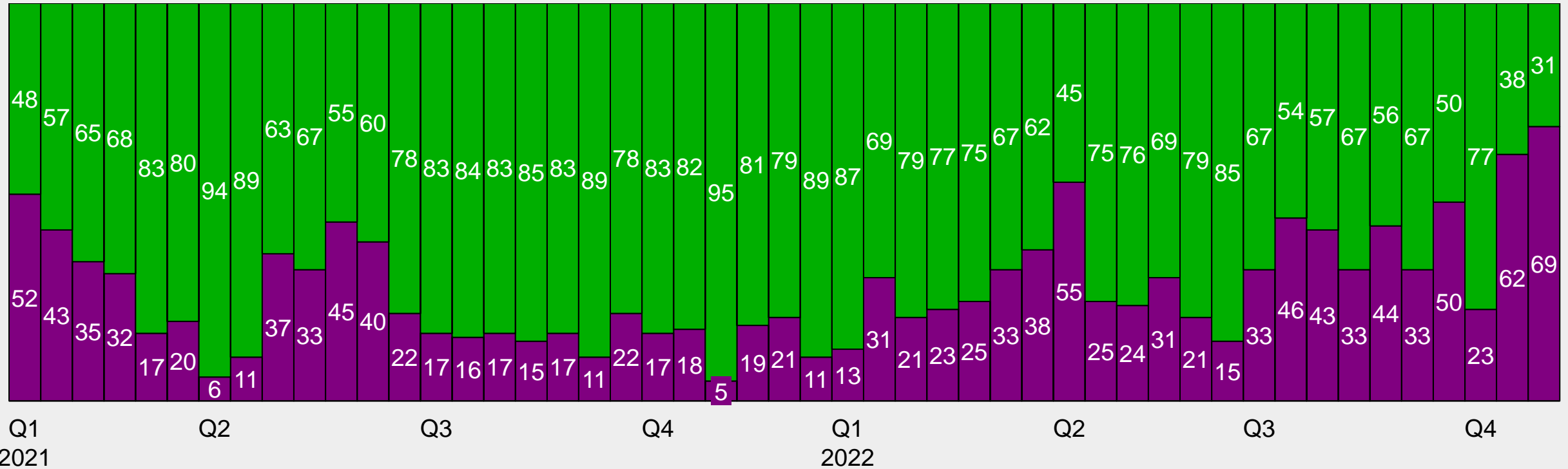


Foreign Steel Competitiveness History

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

Yes No

out of 100%

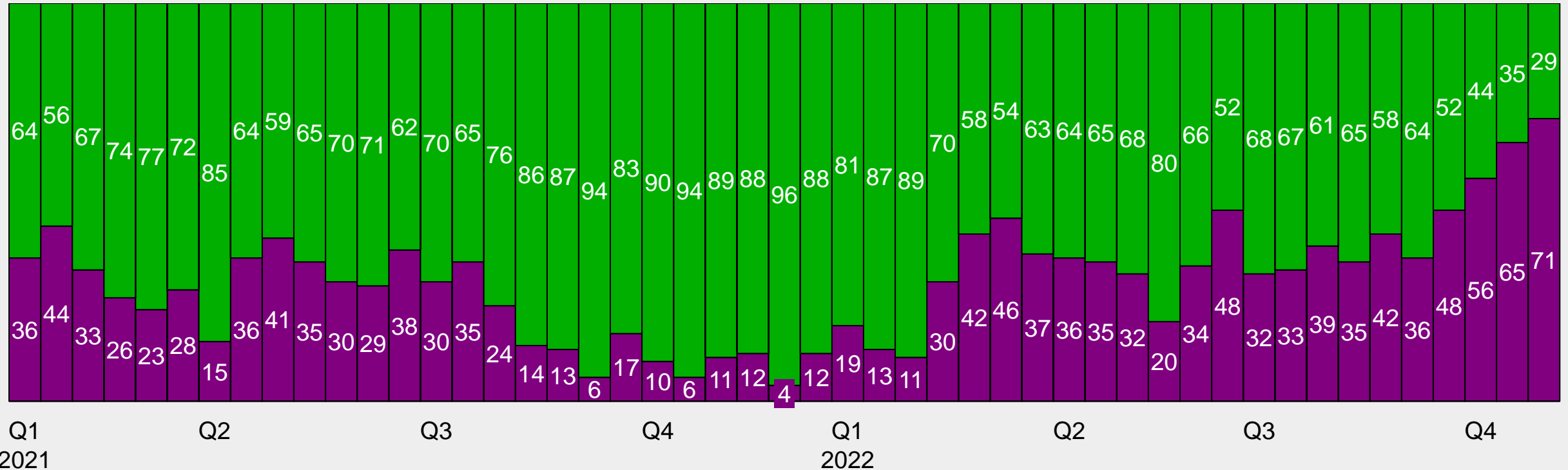


Foreign Steel Competitiveness History

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

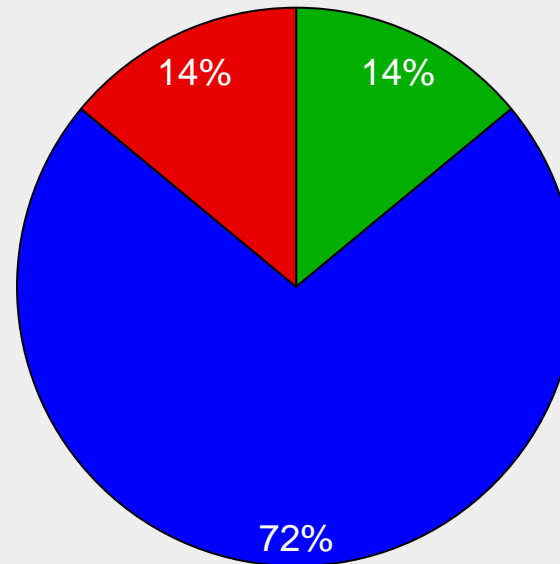
Yes No

out of 100%

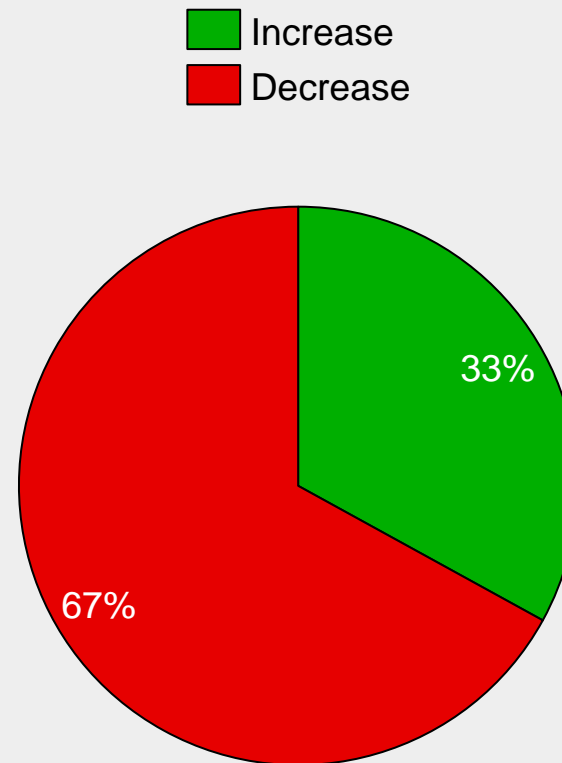


The current order book at your mill is better or worse than last month?*

- Better
- Same
- Worse

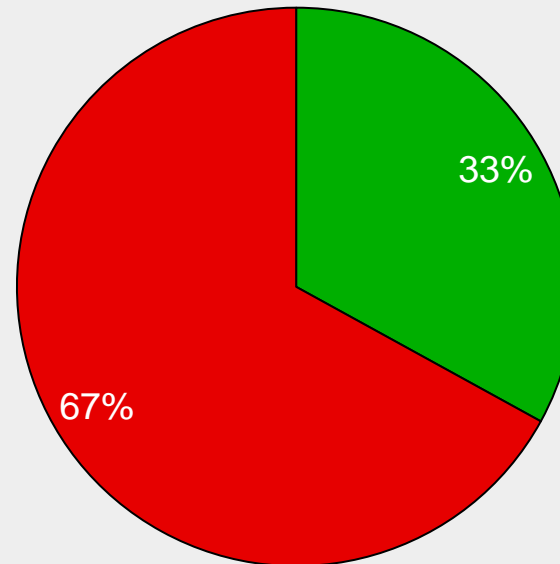


Are you seeing an increase or decrease in orders from your North American buyers?*



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

Yes No



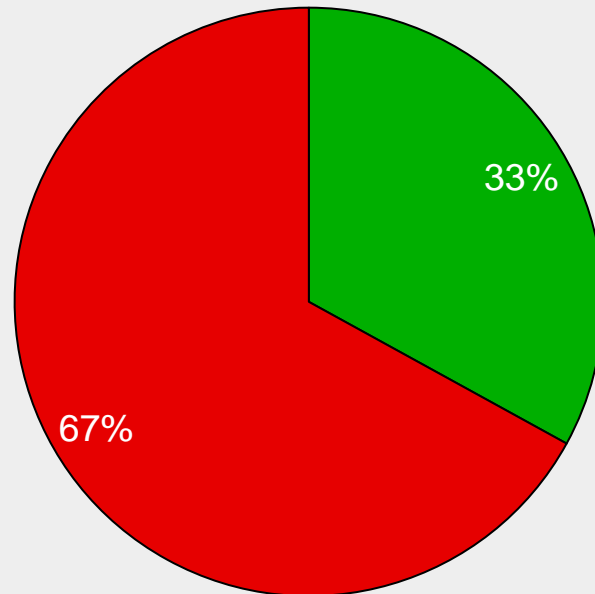
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*Limited number of responses to this question

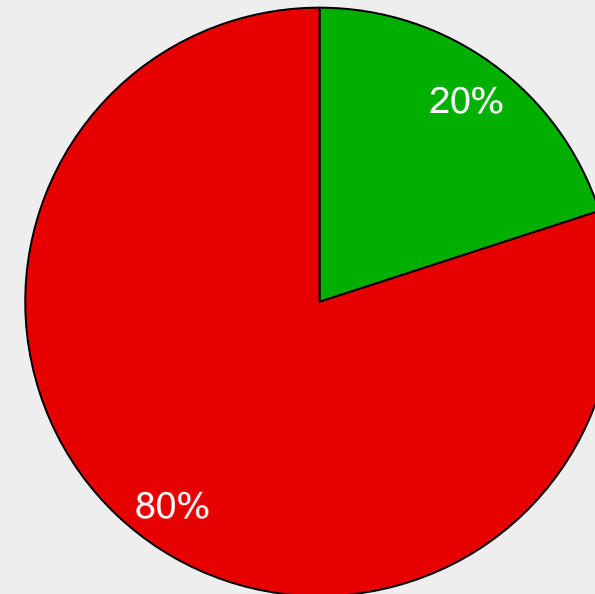
Are you able to offer hot rolled pricing that attracts buyers right now?*

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

Yes No



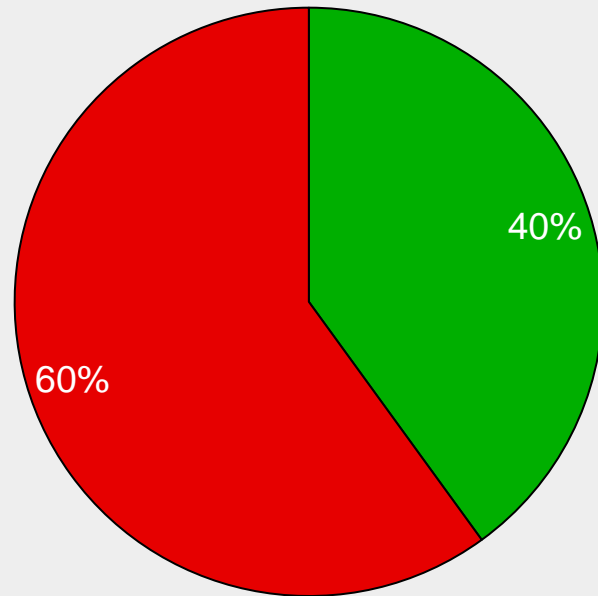
Yes No



Trading Companies on Coated and Plate

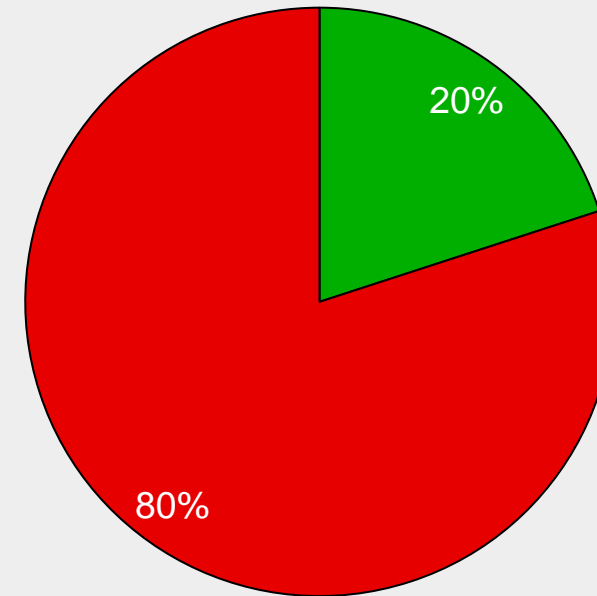
Are your coated prices competitive enough right now to get orders?*

Yes No



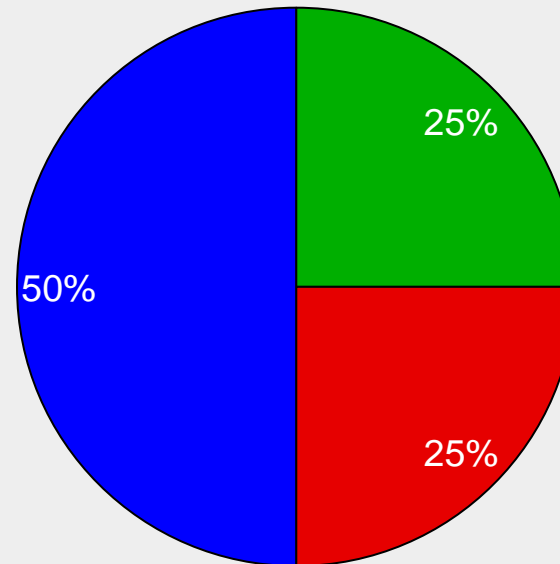
Are you able to offer plate pricing that attracts buyers right now?*

Yes No



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

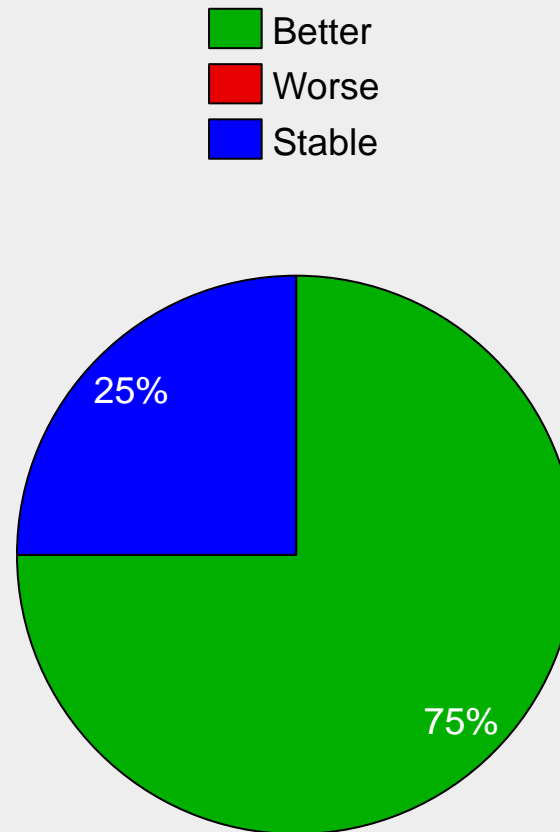
- Yes - Increase in demand
- Yes - Decline in demand
- No - Steady demand



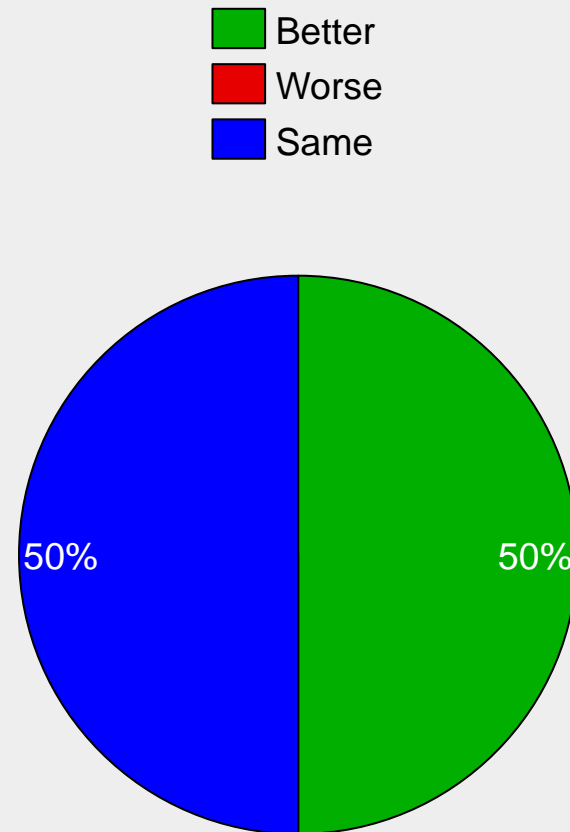
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*Limited number of responses to this question

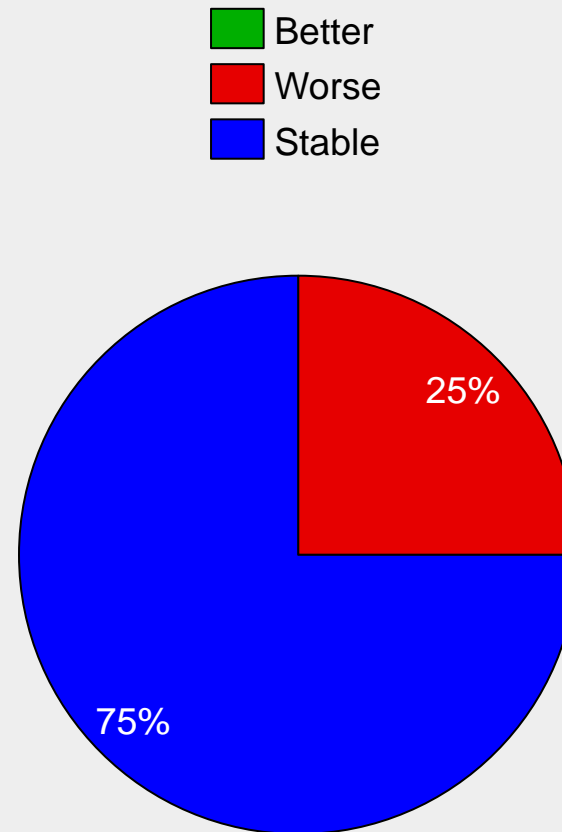
Will business levels be better, worse, or stable in the next 3-6 months?*



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



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



Questions?

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

We always appreciate referrals. Tell your friends, suppliers, and customers to sign up for a free trial. Contact Lindsey Fox at Lindsey@SteelMarketUpdate.com or (724) 313-7748.



**Look for our next survey
the week of November 21, 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...
www.SteelMarketUpdate.com

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