



STEEL MARKET UPDATE

part of the **CRU** Group

SMU Flat Rolled Market Trends Analysis

Responses from our March 14-16, 2022 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.

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
April 19-20	SMU Steel 101 Workshop	Live	Memphis, Tennessee
April 26-27	SMU Introduction to Steel Hedging Workshop	Virtual	Online
April 26-28	CRU Steel Decarbonisation Strategies 2022	Virtual	Online
July 19-20	SMU Steel 101 Workshop	Virtual	Online
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



STEEL MARKET UPDATE

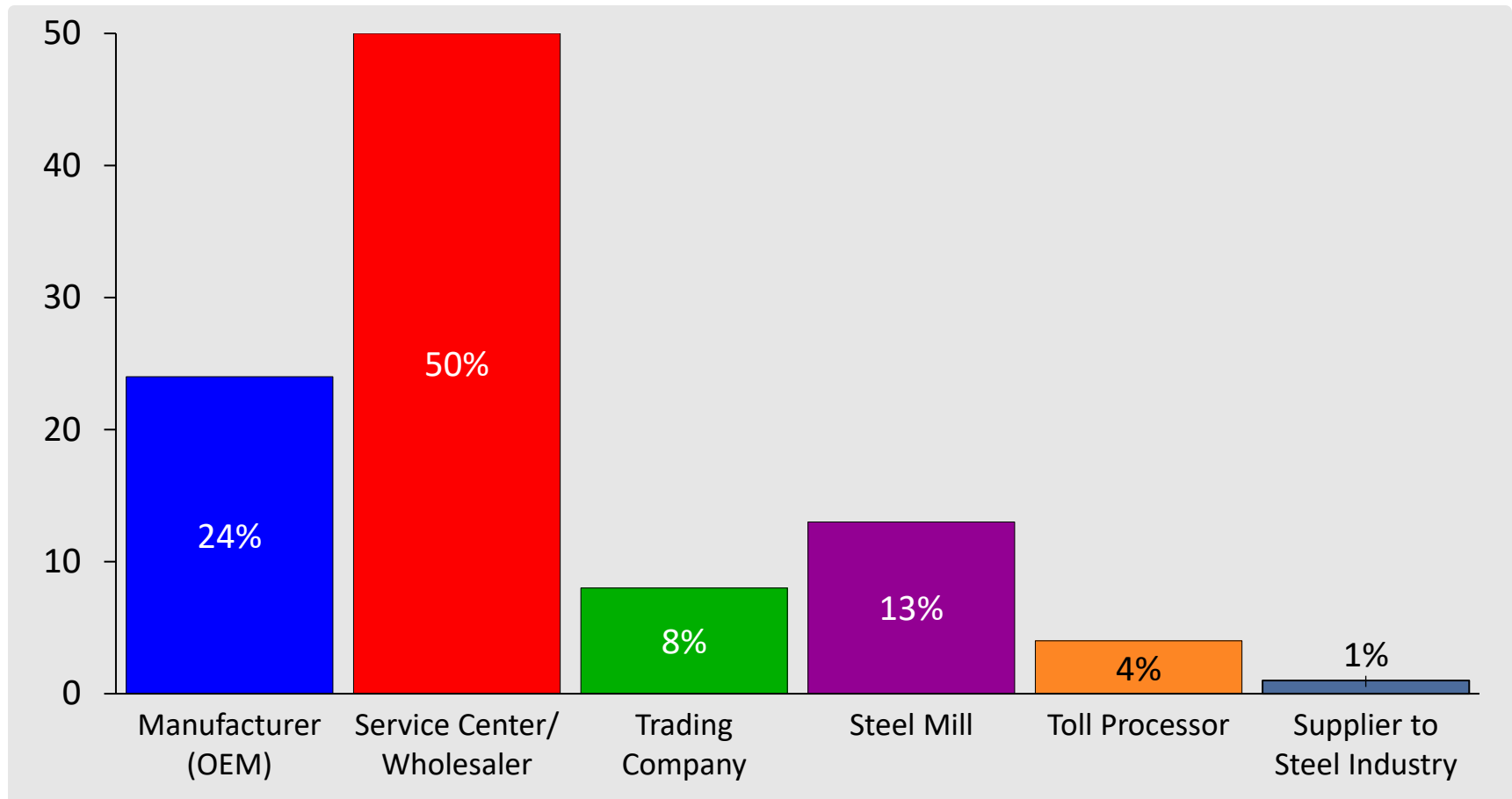
part of the  Group

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

Contact Brett@SteelMarketUpdate.com
for participation information.

Survey Participants

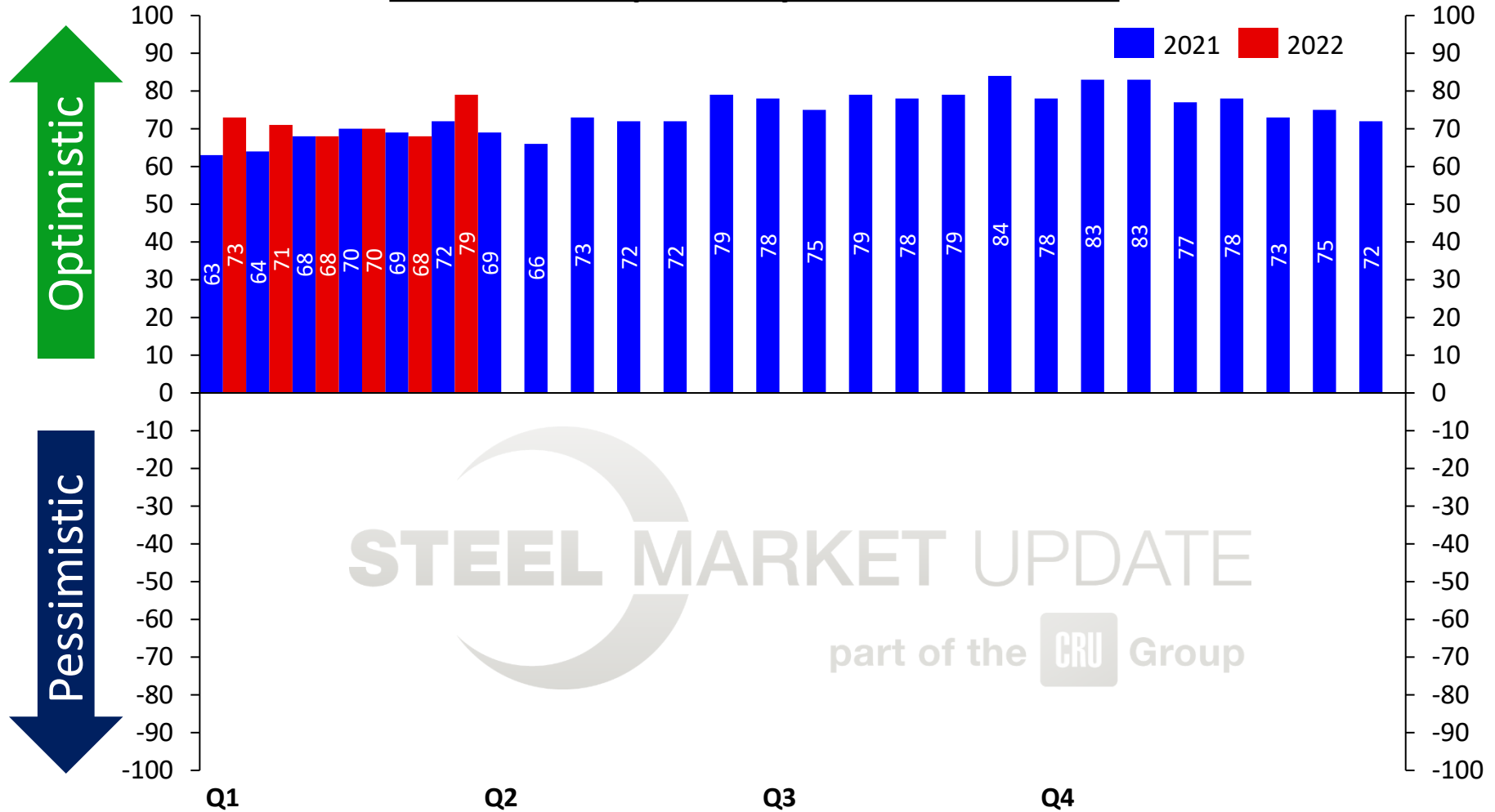
Our survey is by invitation only- Over 500 companies, mostly in the manufacturing or distribution industries, are asked to participate. Here are the percentages of participation in this week's survey by market sector.



SMU Buyers Sentiment Index

Up 11 points to +79

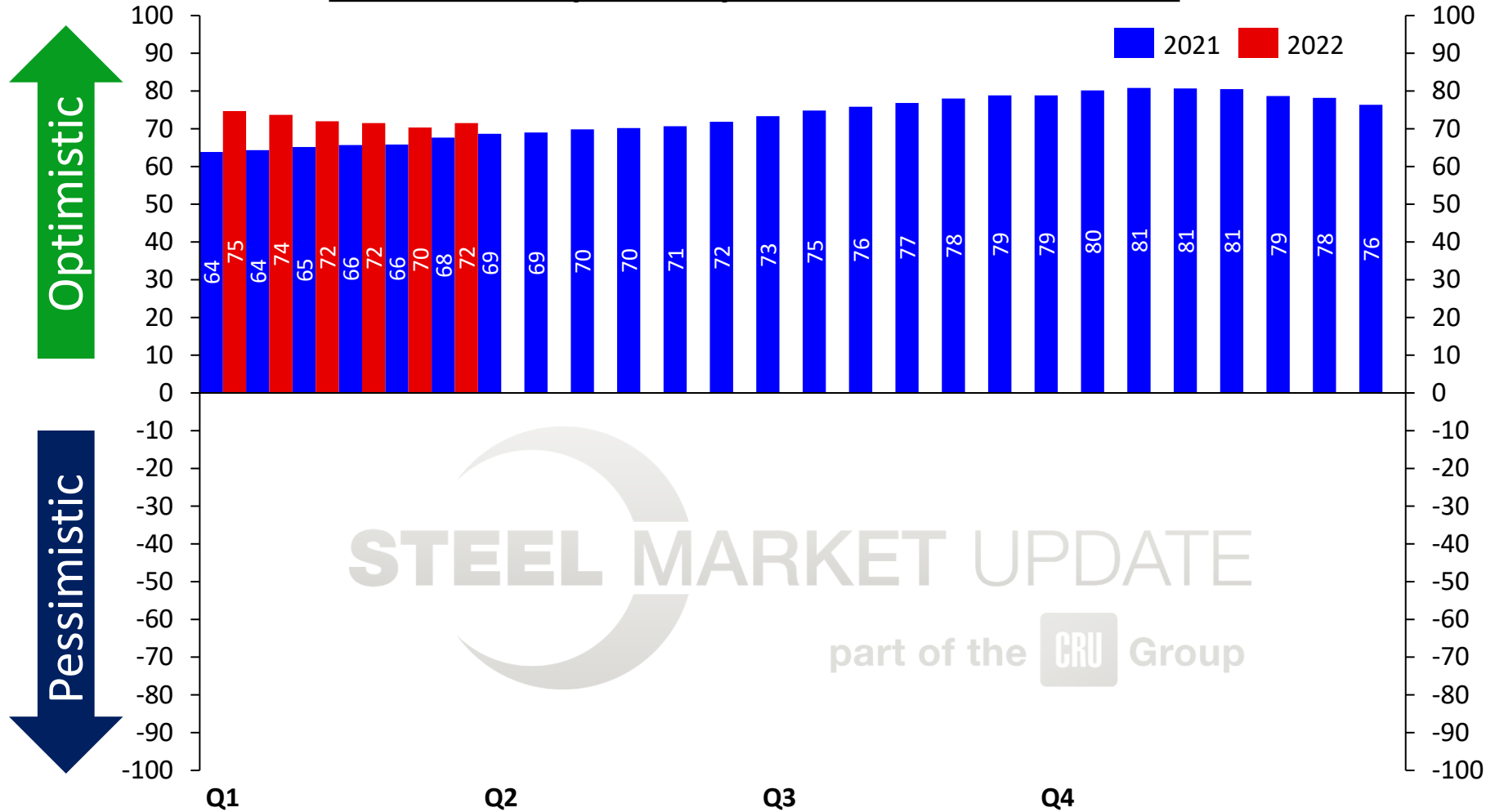
Steel Market Update Buyers Sentiment Index



SMU Buyers Sentiment Index

Three Month Moving Average at +71.50

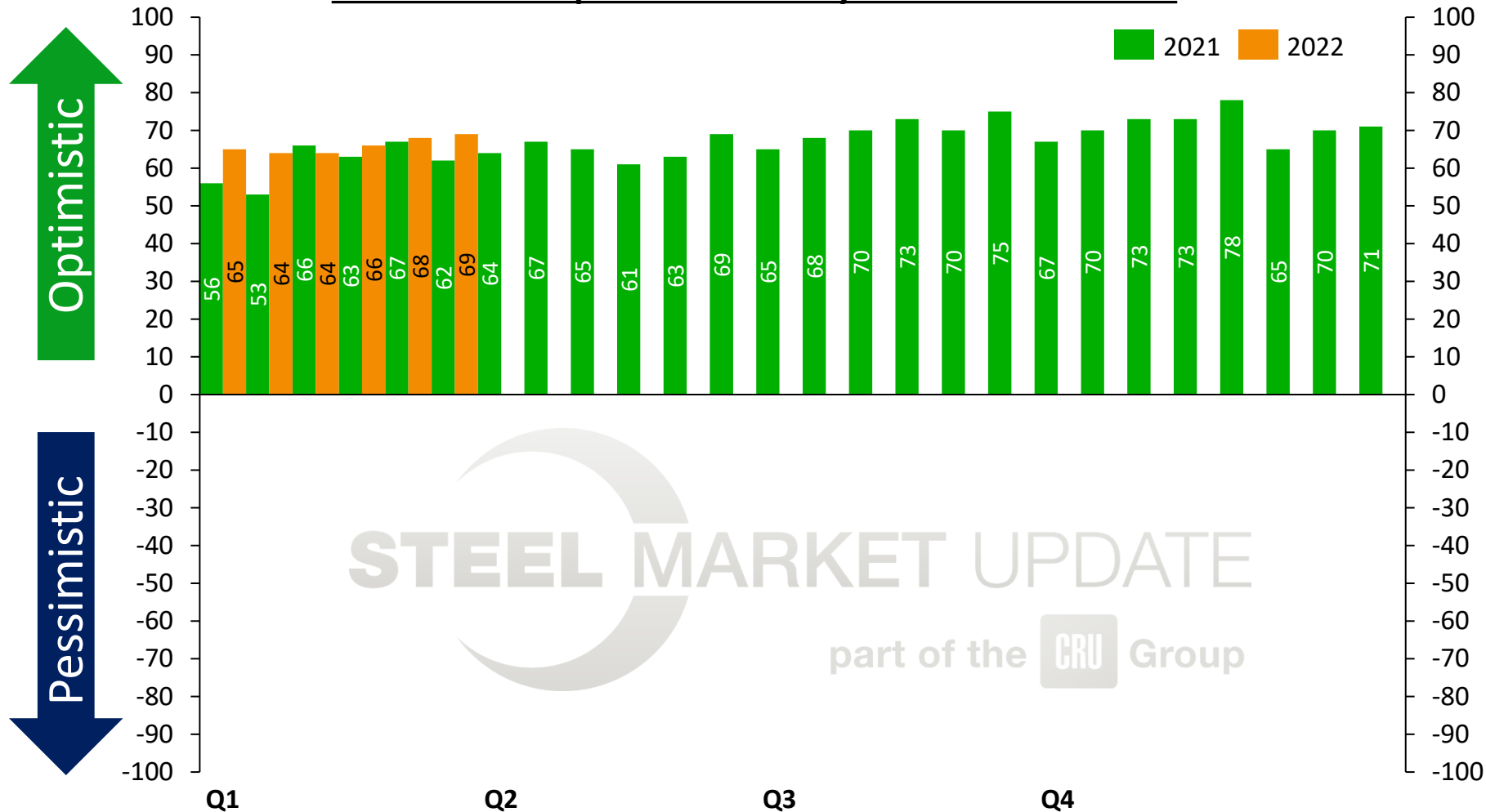
Steel Market Update Buyers Sentiment Index 3MMA



SMU Future Buyers Sentiment Index

Up 1 point to +69

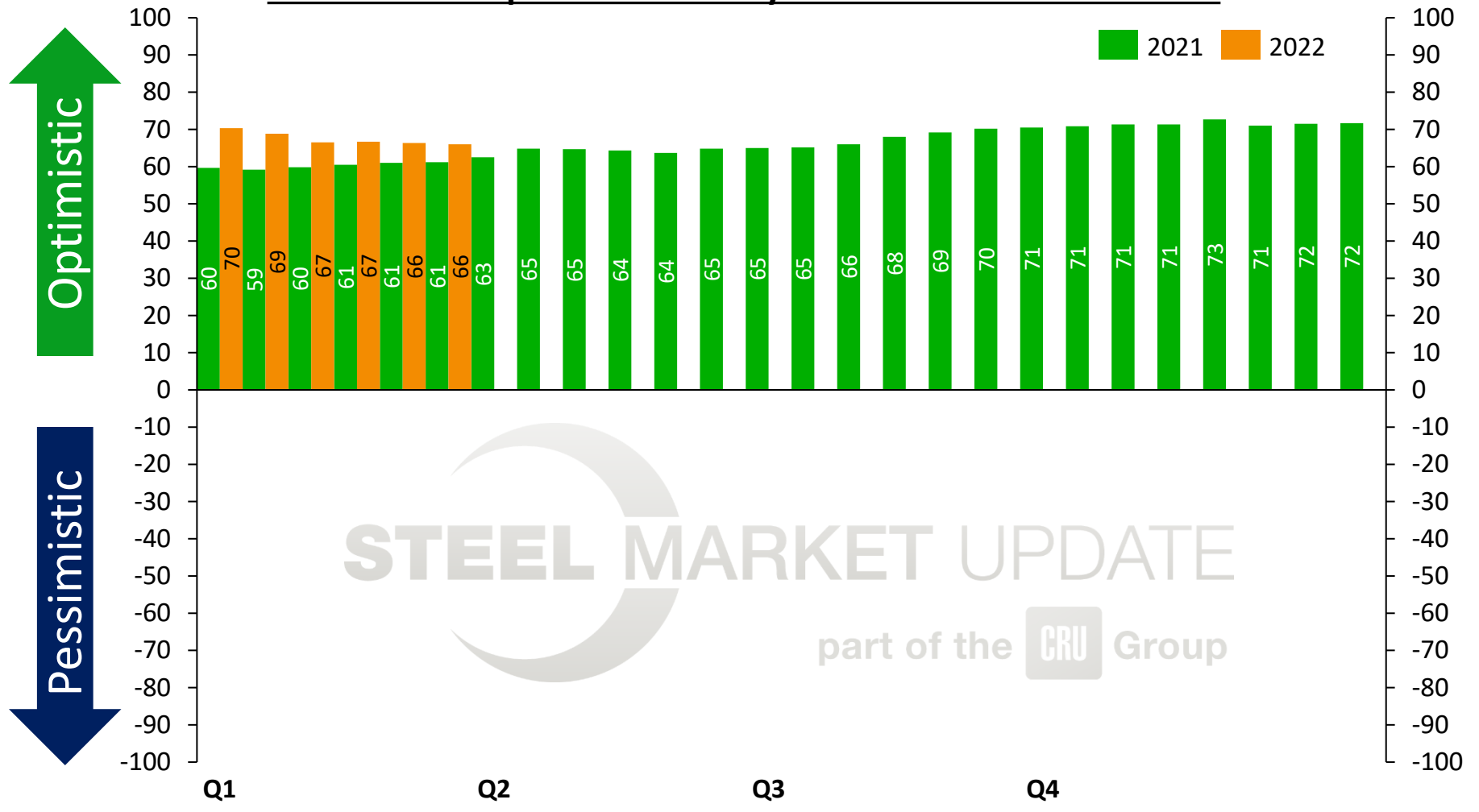
Steel Market Update Future Buyers Sentiment Index



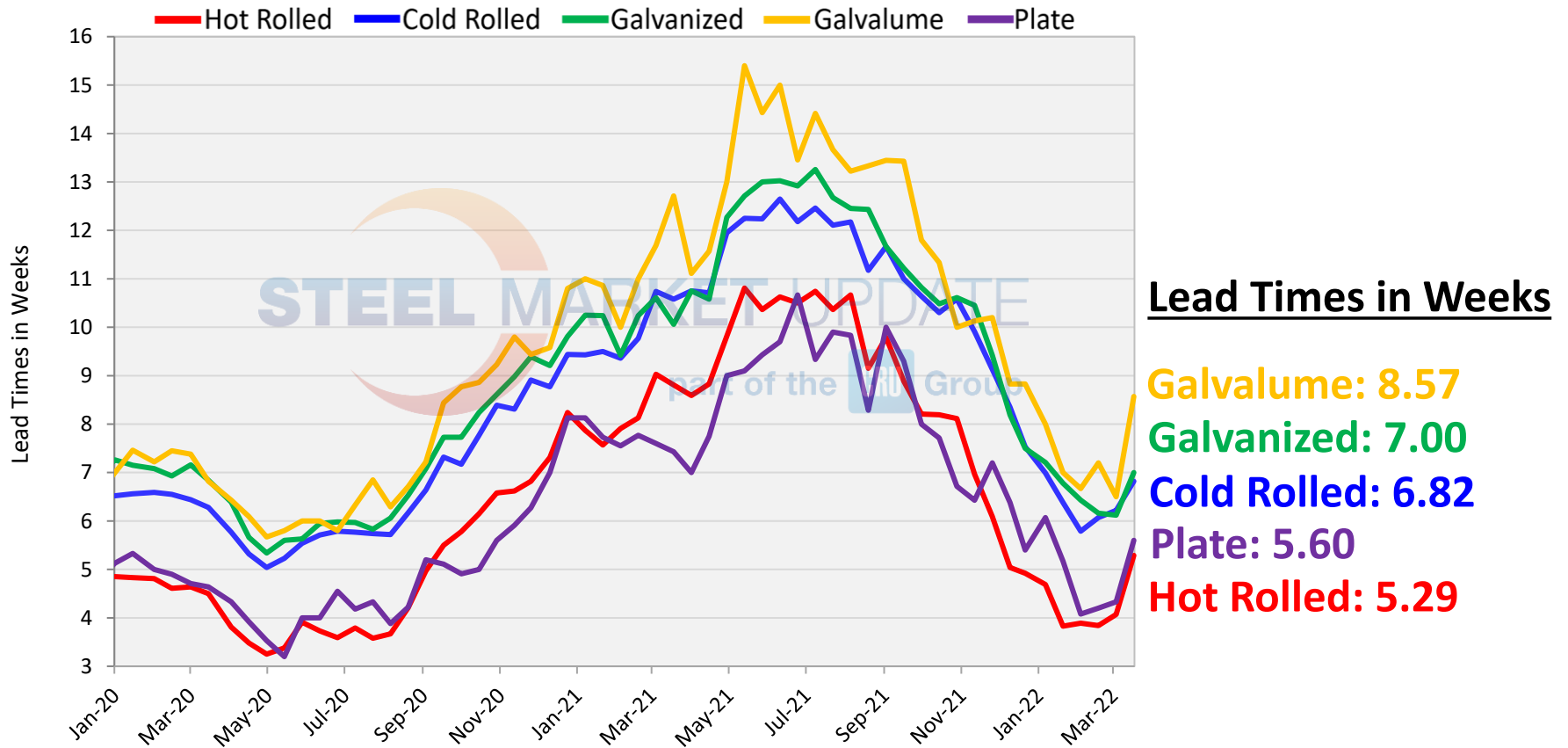
SMU Future Buyers Sentiment Index

Three Month Moving Average at +66.00

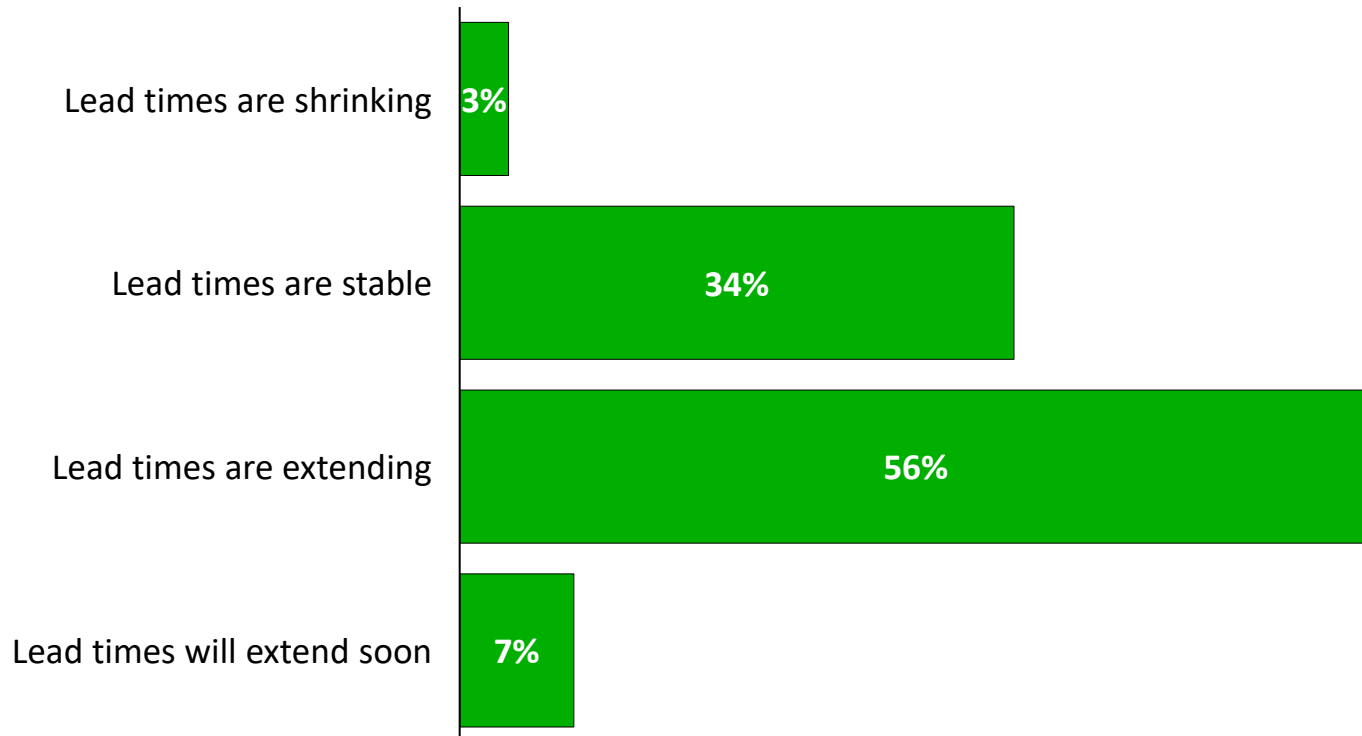
Steel Market Update Future Buyers Sentiment Index 3MMA



Steel Mill Lead Times



Which way are lead times going, and why?

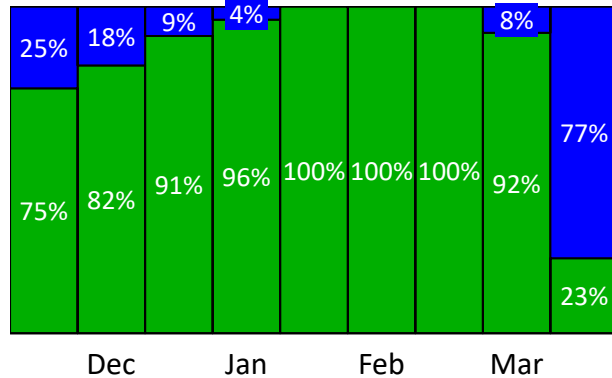


Mill Negotiations

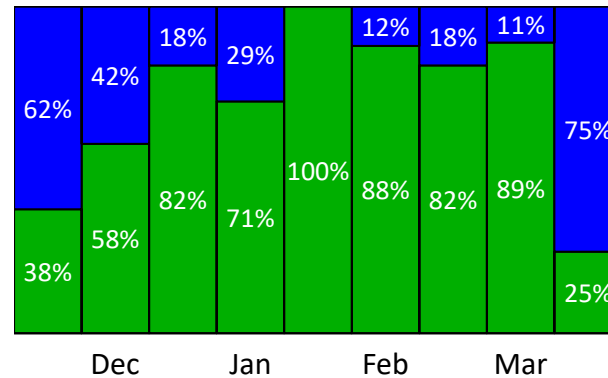
Are you finding the domestic mills are willing to negotiate pricing on brand new orders placed this week?

Yes No

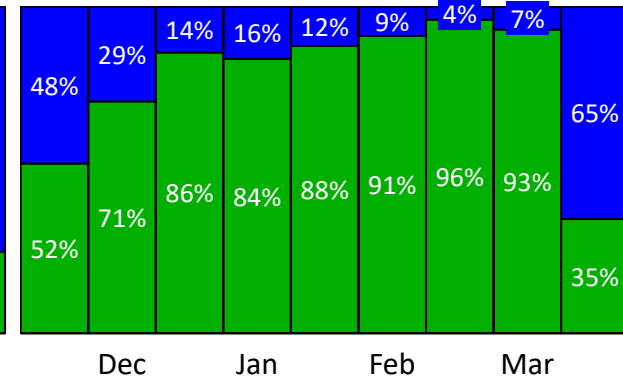
Hot Rolled



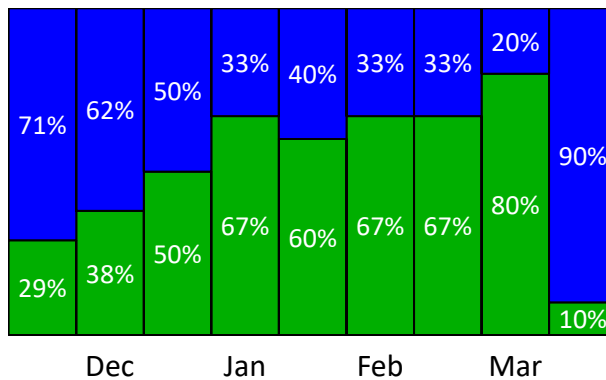
Cold Rolled



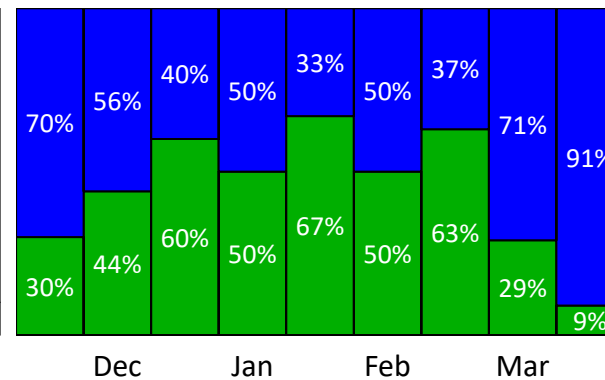
Galvanized



Galvalume

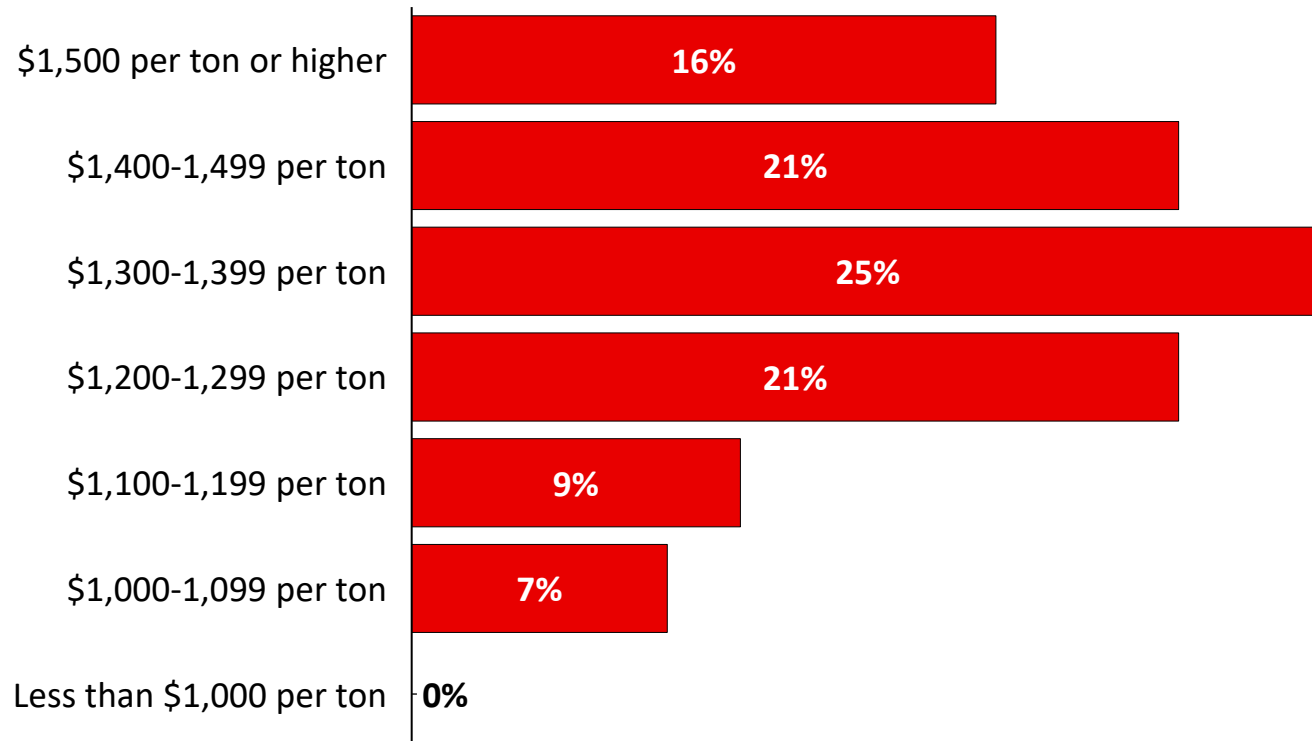


Plate



Q1 2022 HRC Prices

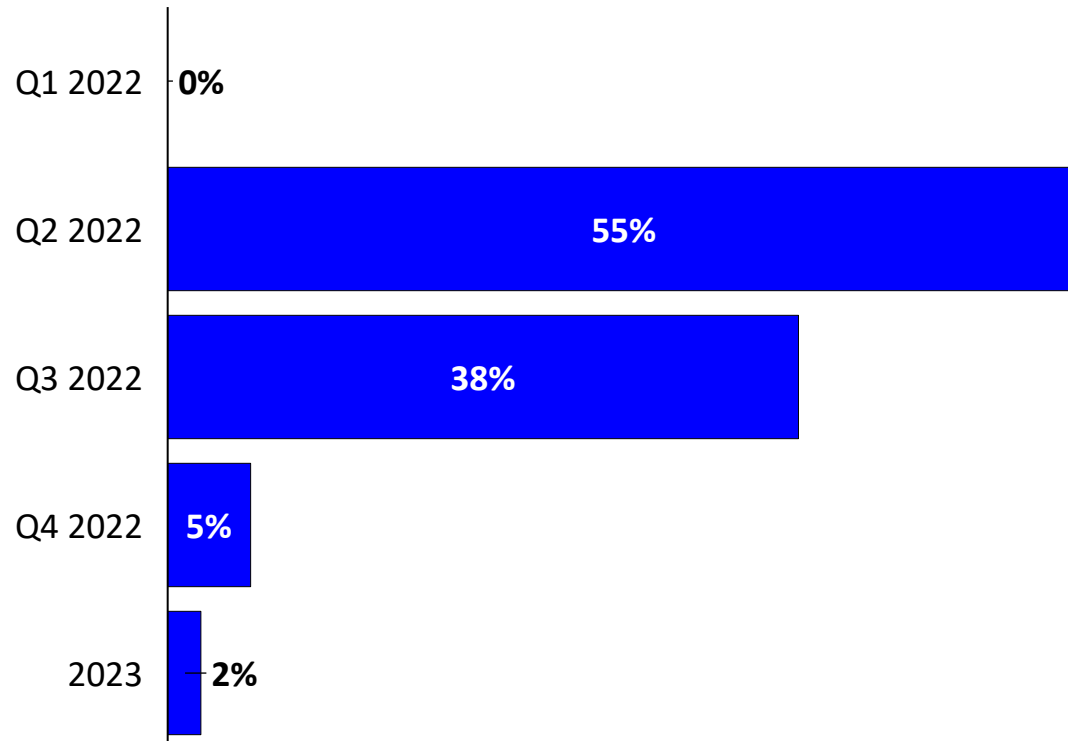
Hot rolled coil prices averaged \$1,050* per ton last week.
Where do you think HRC prices will be at the end of Q1 2022?



* As of Monday, March 14, 2022; the latest SMU HR average is \$1,260 per ton

HRC Price Peak

When do you think HRC prices will peak and why?

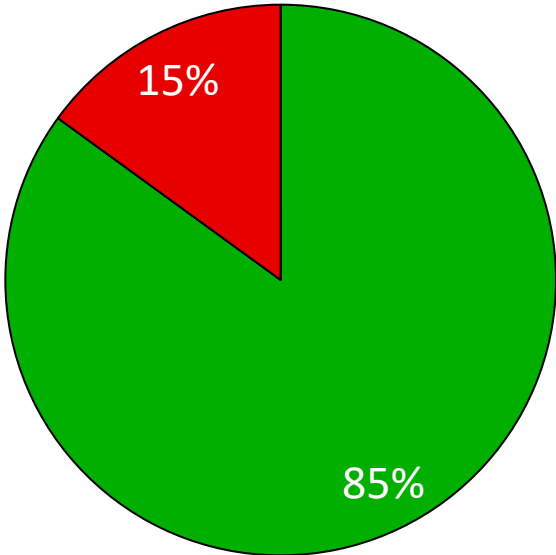


Q1 & Q2 2022 Outlook

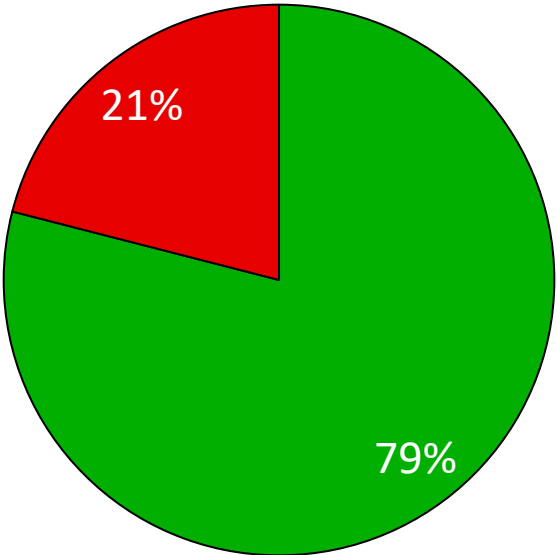
Would you describe yourself as optimistic or pessimistic about your prospects in the first half of 2022, and why?

Optimistic Pessimistic

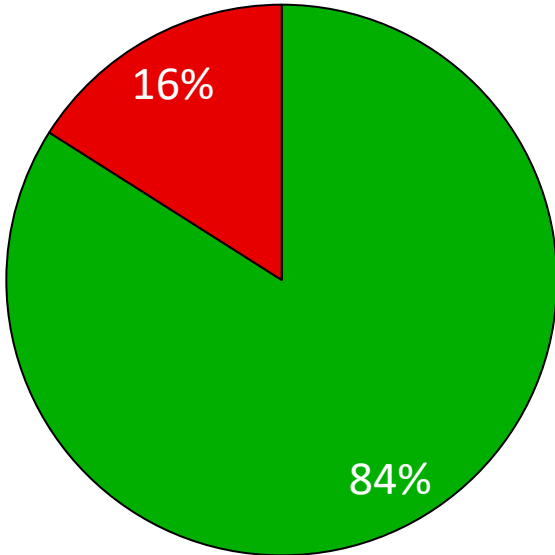
February 17, 2022



March 3, 2022



March 17, 2022

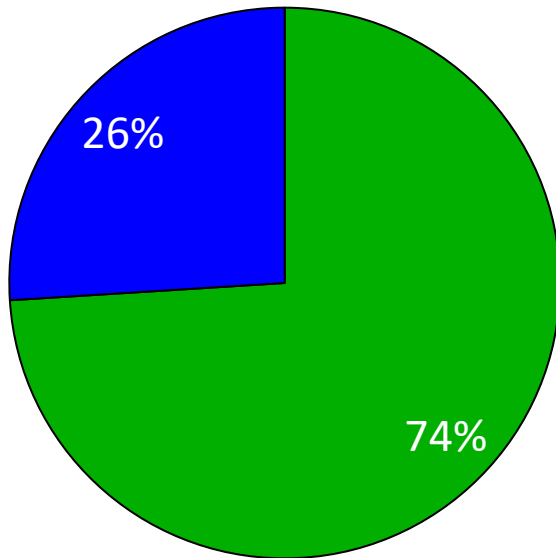


Staying on the Sidelines?

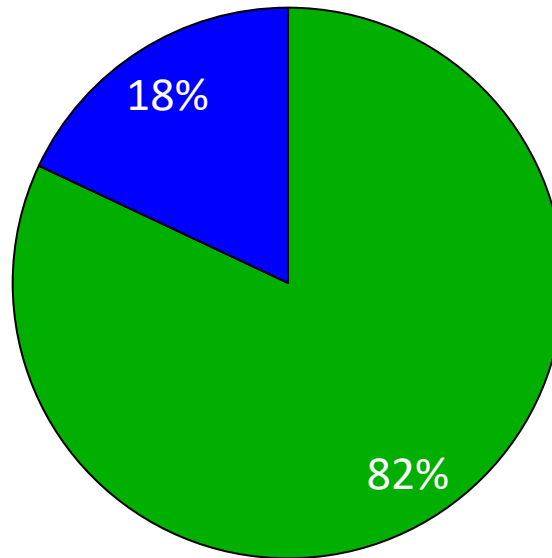
Are you an active buyer or staying on the sidelines to see how prices play out?

■ Active buyer ■ On the sidelines

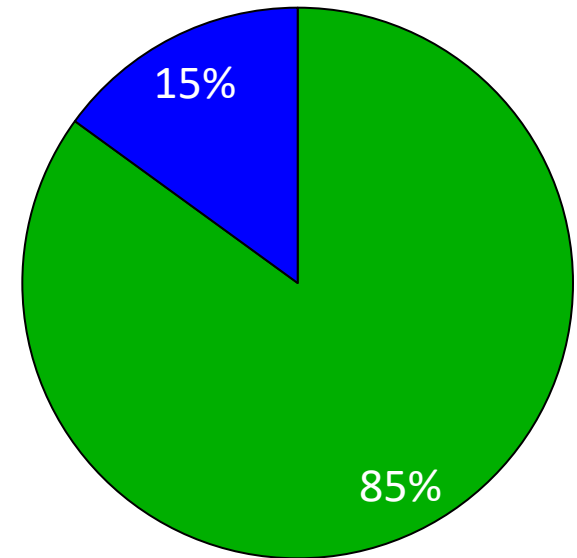
February 17, 2022



March 3, 2022

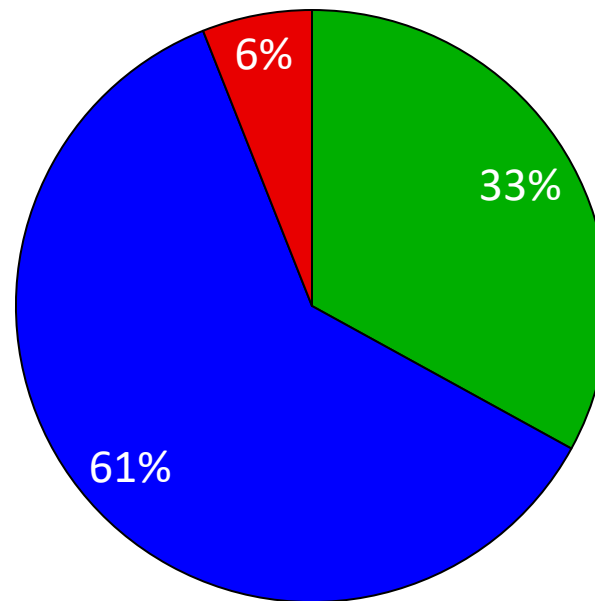


March 17, 2022



How are you seeing demand for your products?

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

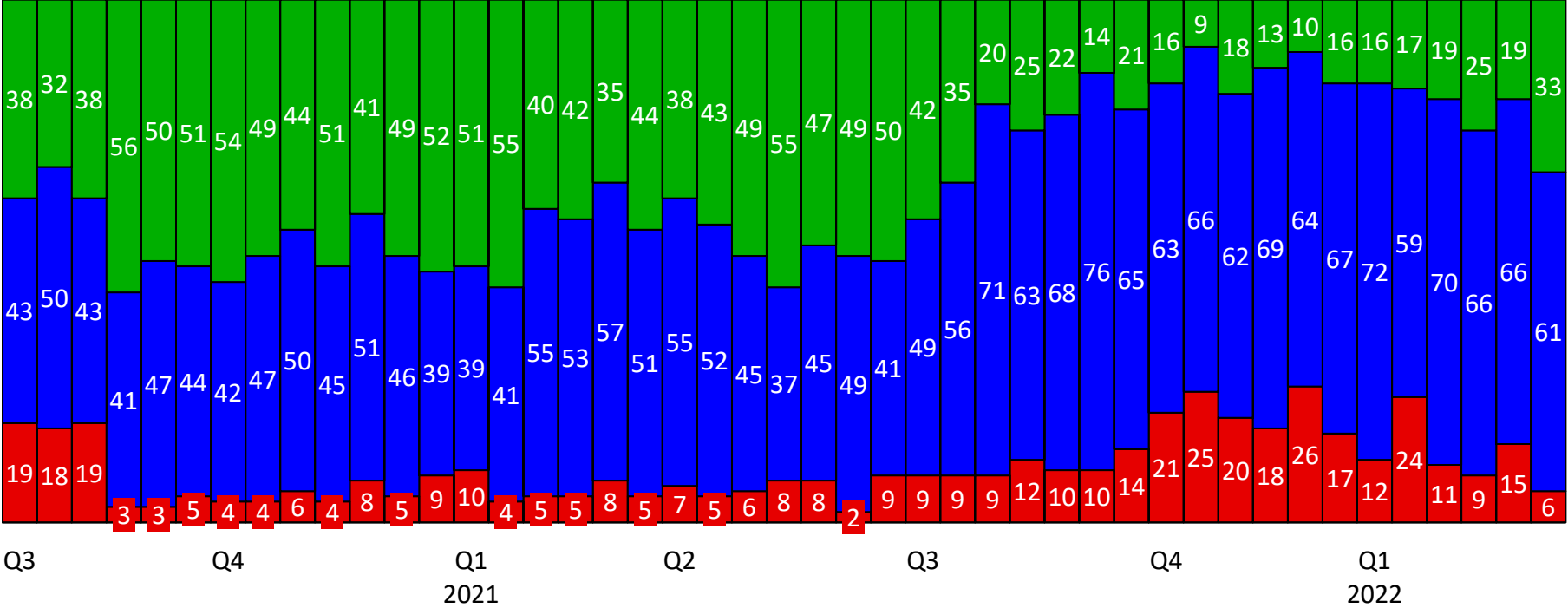


Overall Demand History

How are you seeing demand for your products?

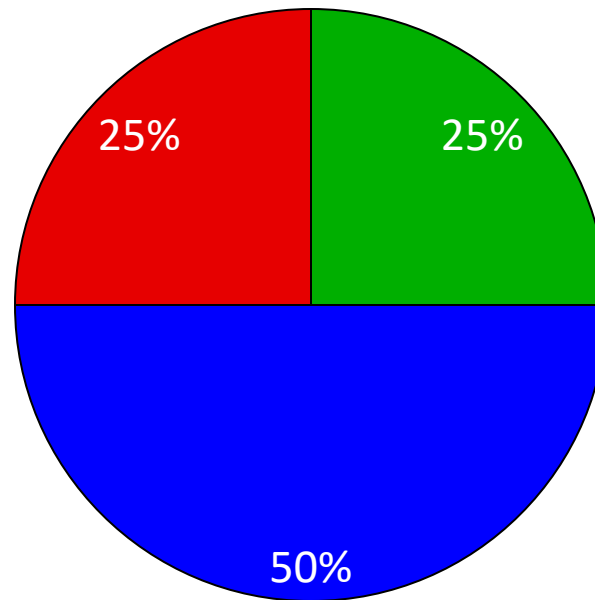
- Demand is improving
- Demand is stable
- Demand is declining

out of 100%



Manufacturers- 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

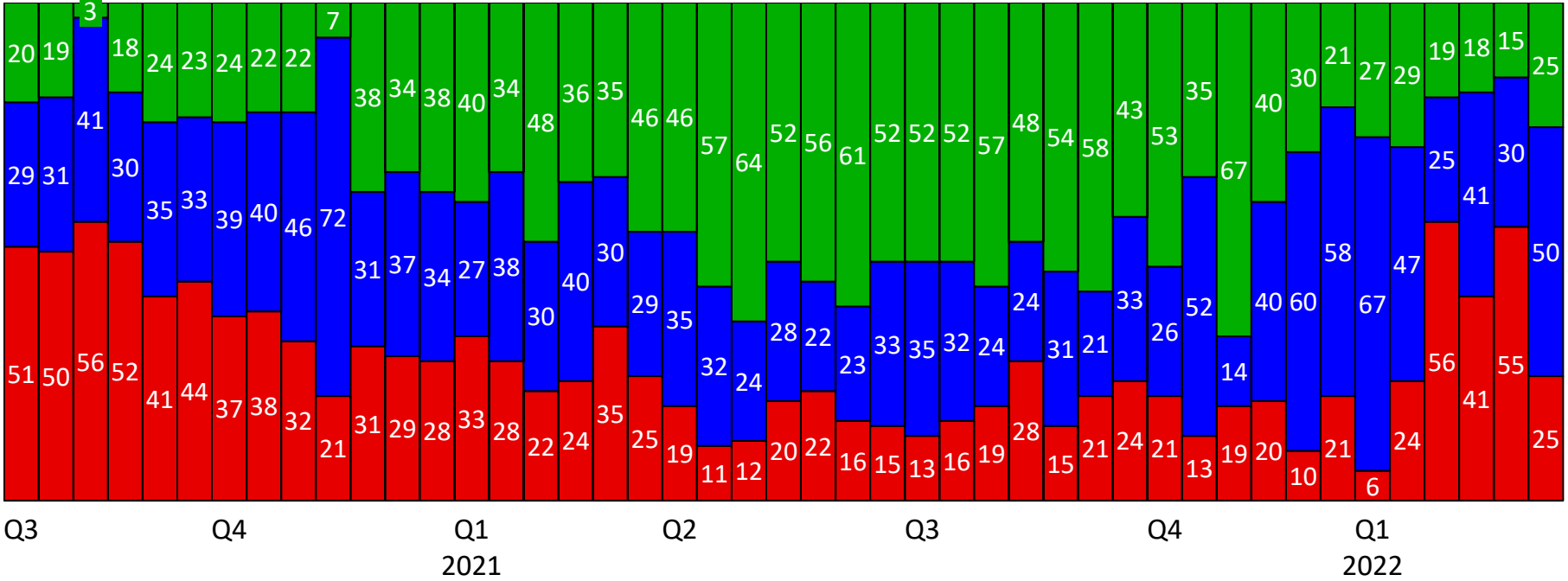


History of Manufacturer Purchases

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

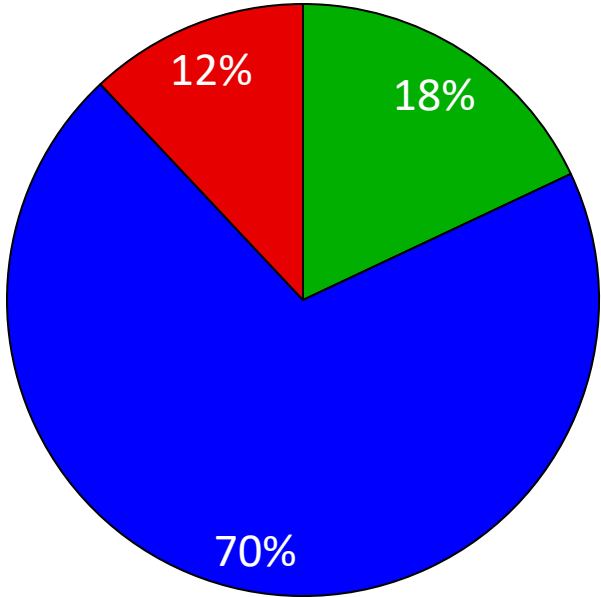
out of 100%



Service Center Releases

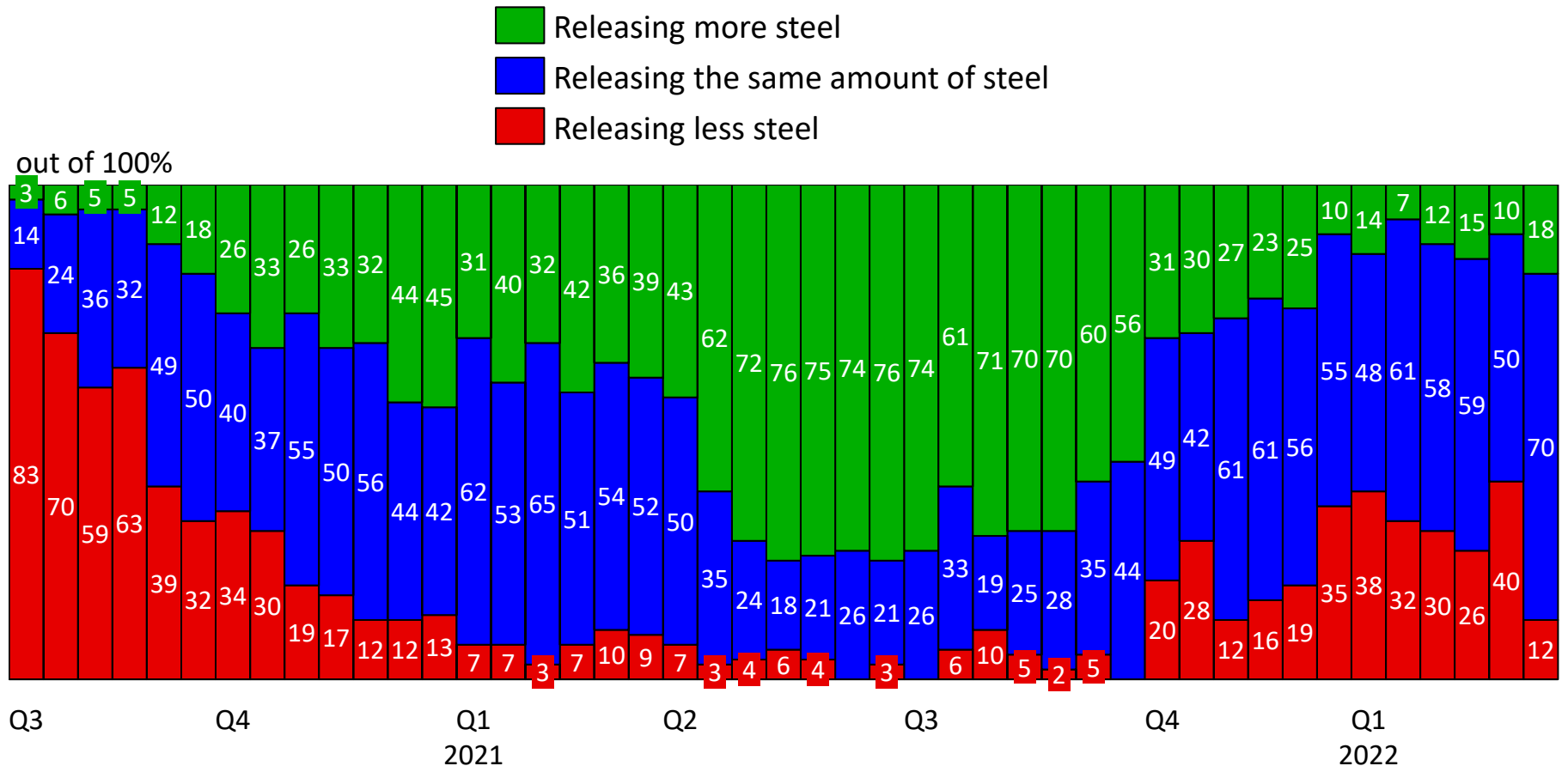
Service Centers- How do you see your customers releases (demand) for the products your company provides this year compared to this time last year?

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



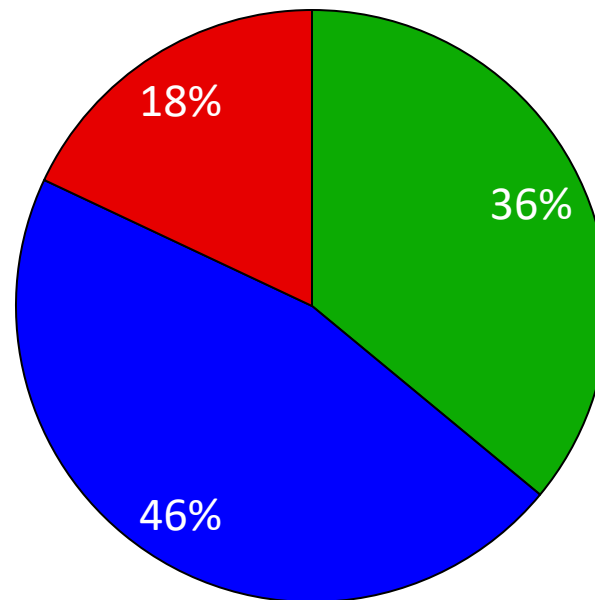
Service Center Release History

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



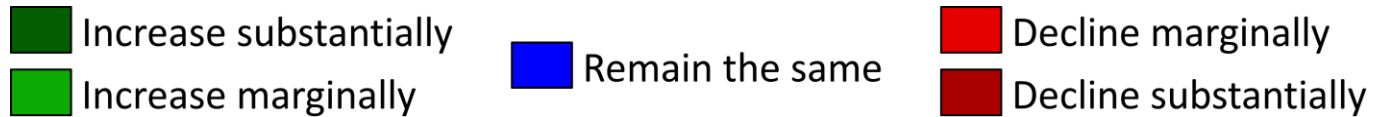
Manufacturers- Demand for your products will _____
over the next 3 months based on current order flows.

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

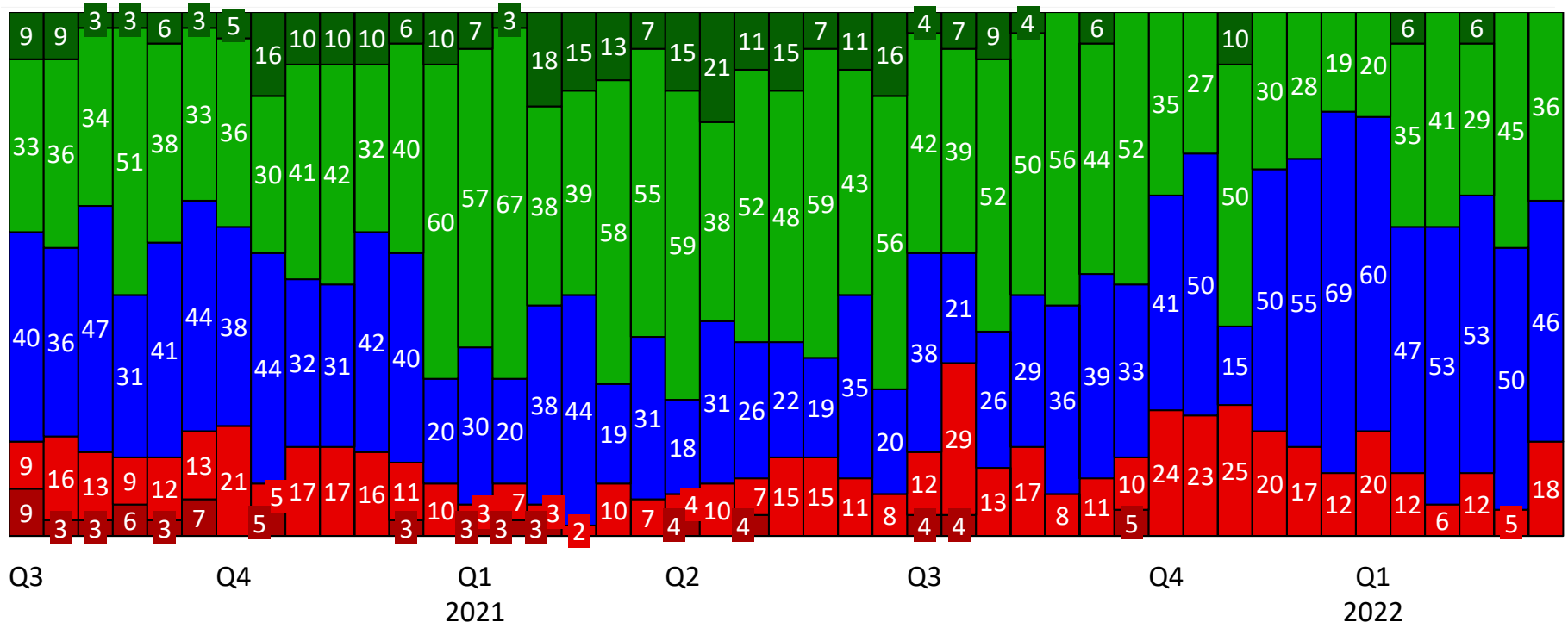


Manufacturer Demand History

Manufacturers- Demand for your products will _____
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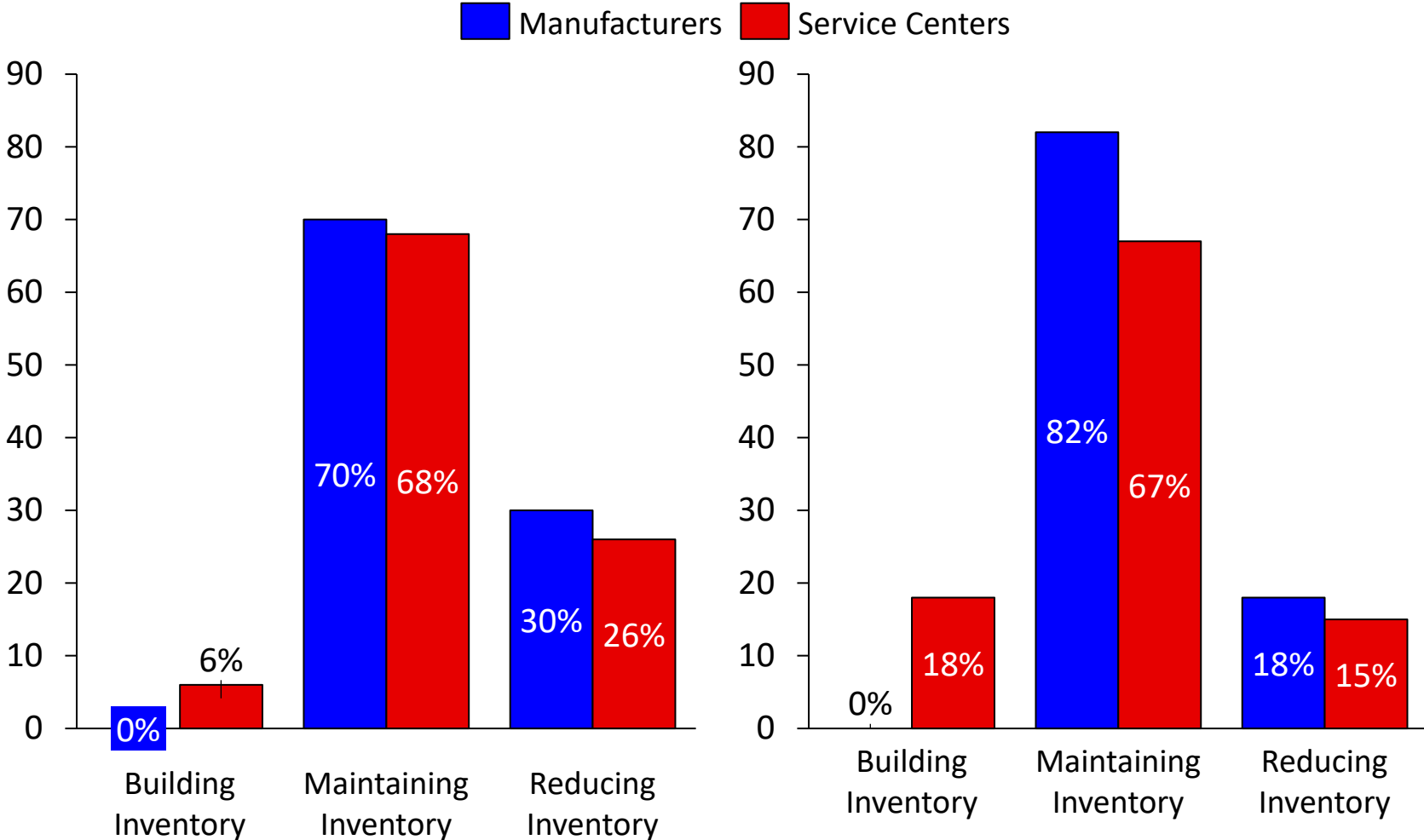
out of 100%



Manufacturer and Service Center Inventory Buying Patterns

March 3, 2022

March 17, 2022

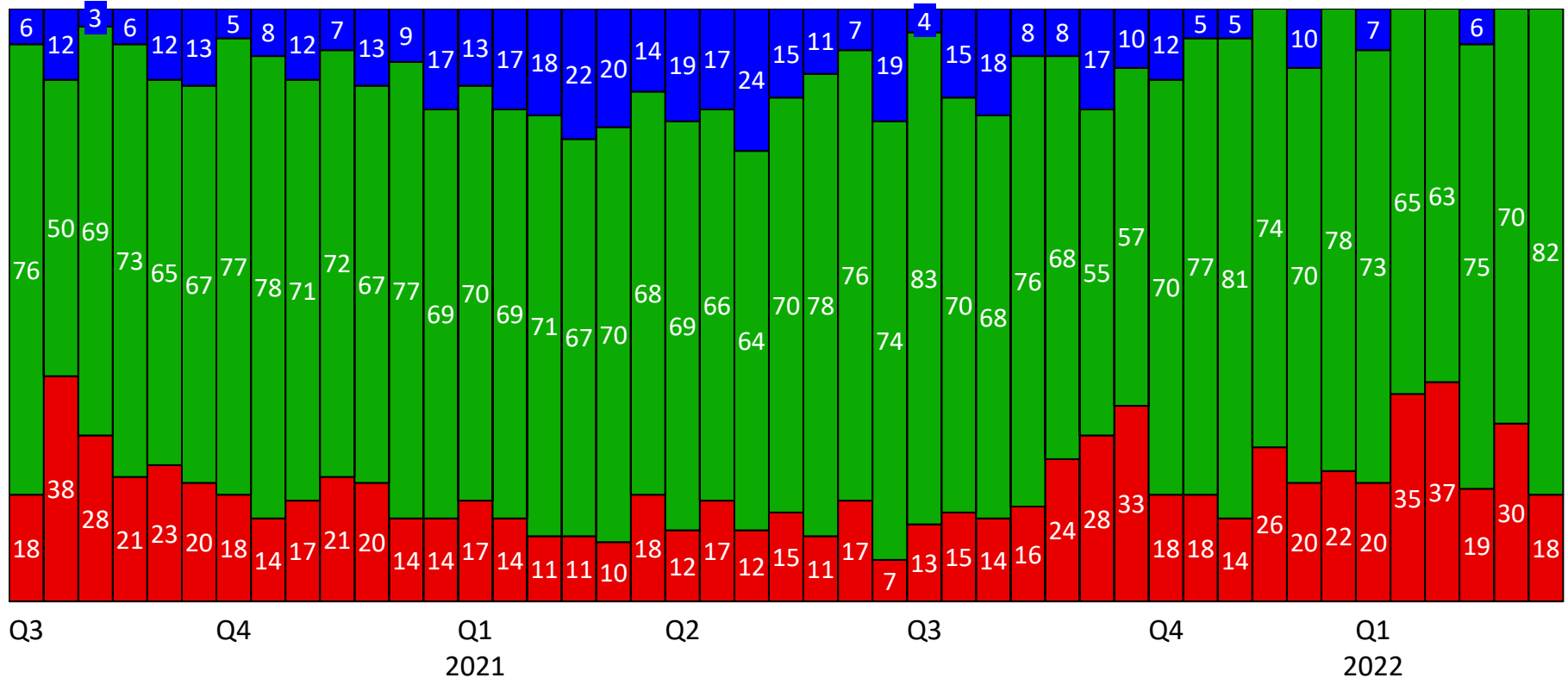


Manufacturer Inventory Buying History

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

■ Building Inventory
 ■ Maintaining Inventory
 ■ Reducing Inventory

out of 100%

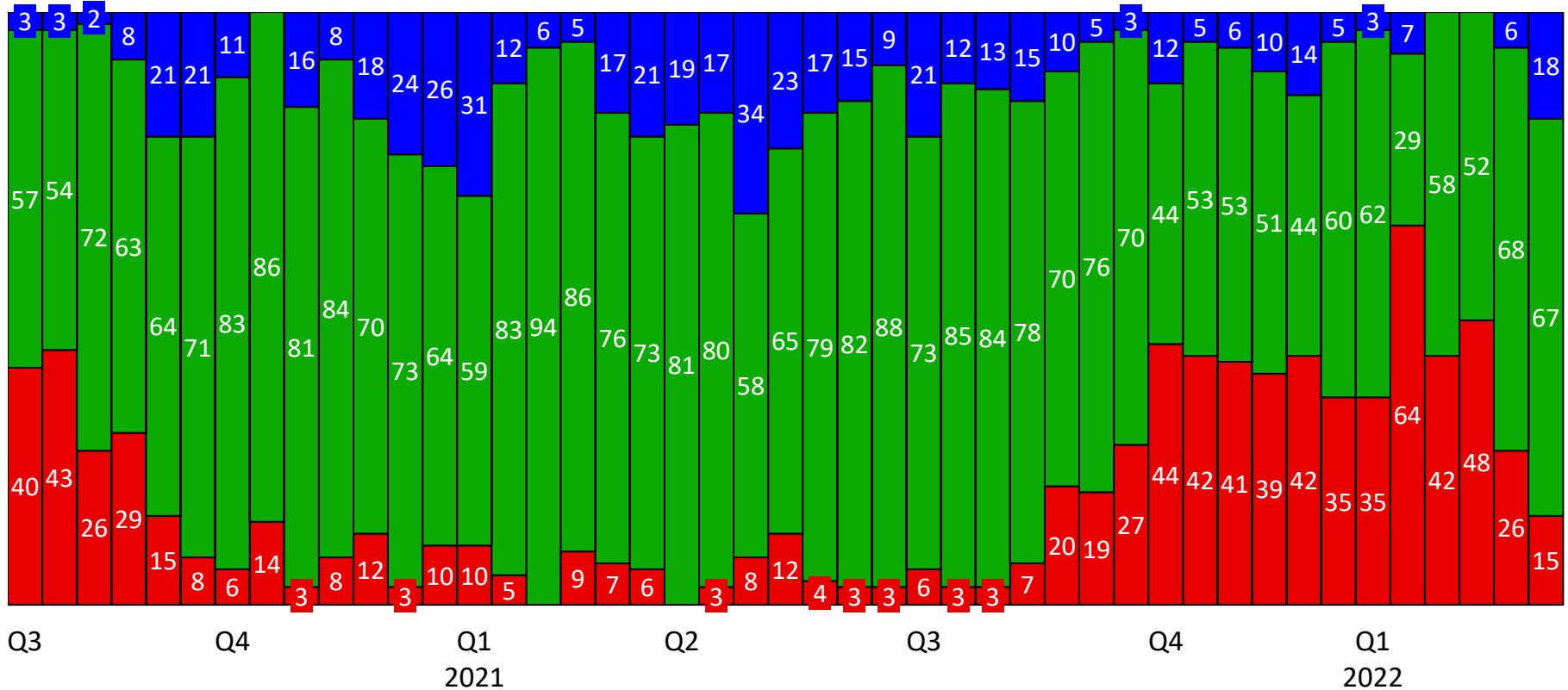


Service Center Inventory Buying History

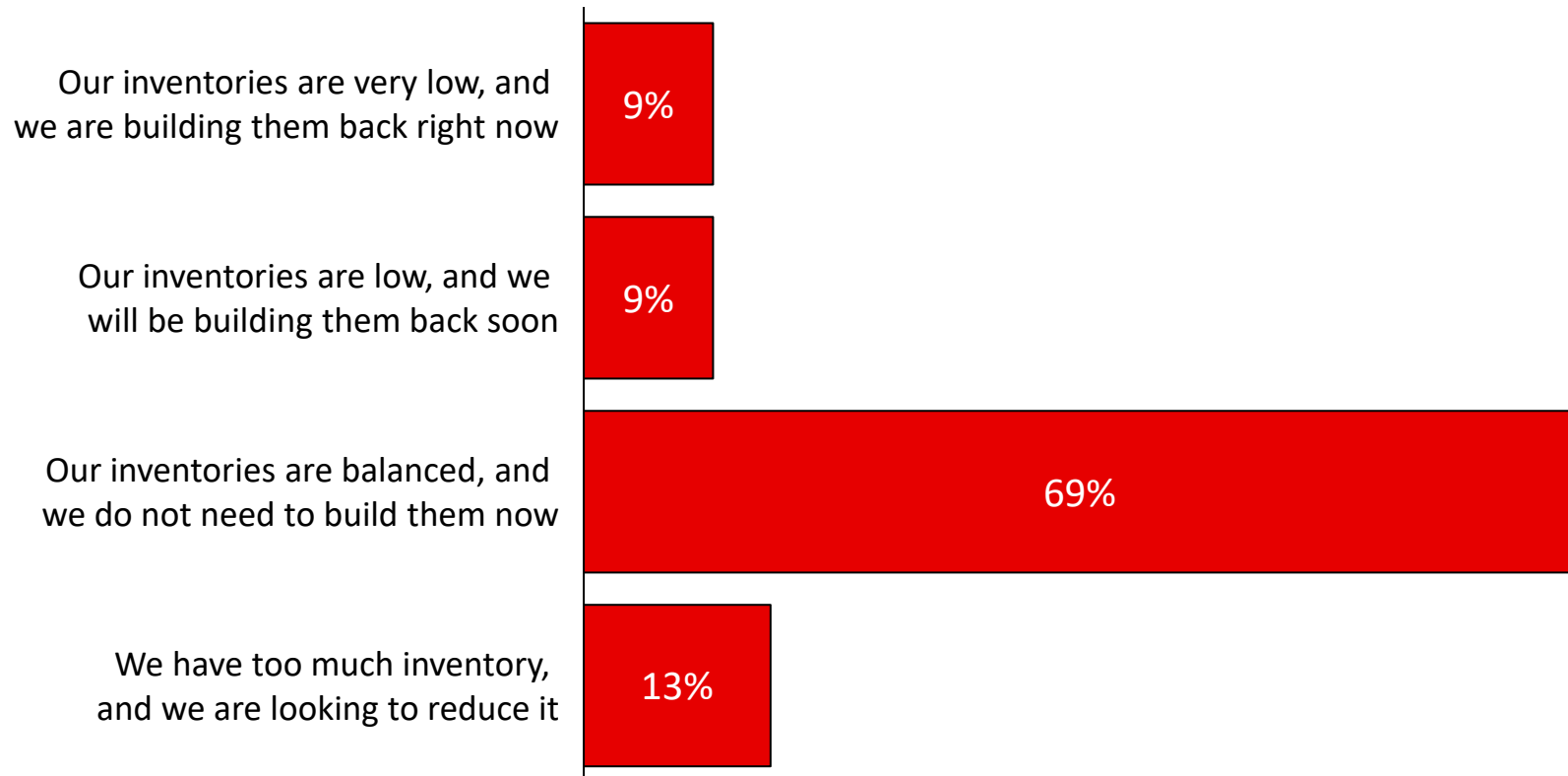
Service Centers- Is your company building, reducing or maintaining its flat rolled steel inventory?

■ Building Inventory
 ■ Maintaining Inventory
 ■ Reducing Inventory

out of 100%



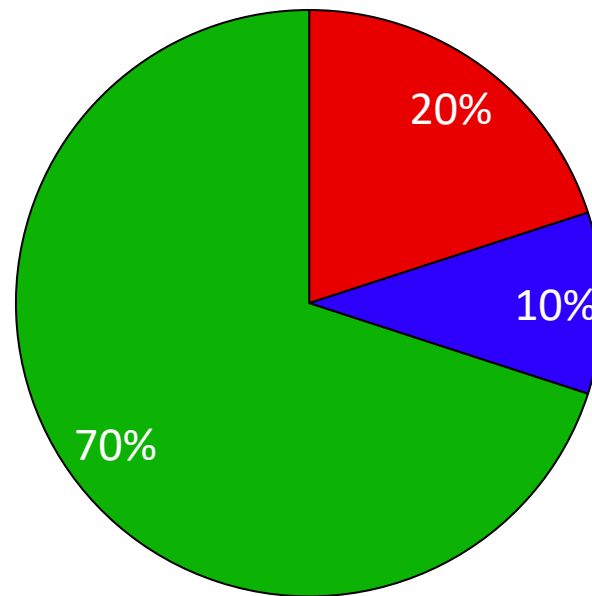
Service Centers- Does your company need to build back inventories or are you comfortable with the levels you are holding on your floor?



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

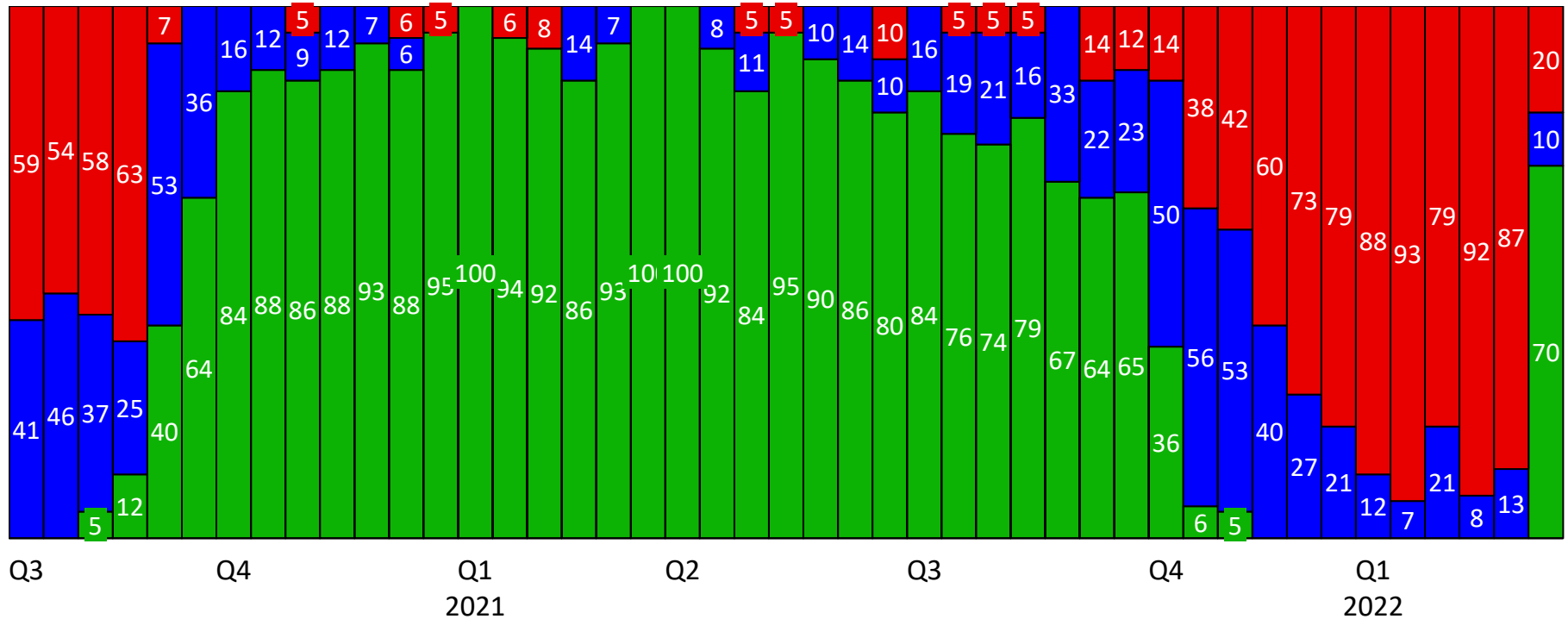


Manufacturer's View of Service Center Selling Prices History

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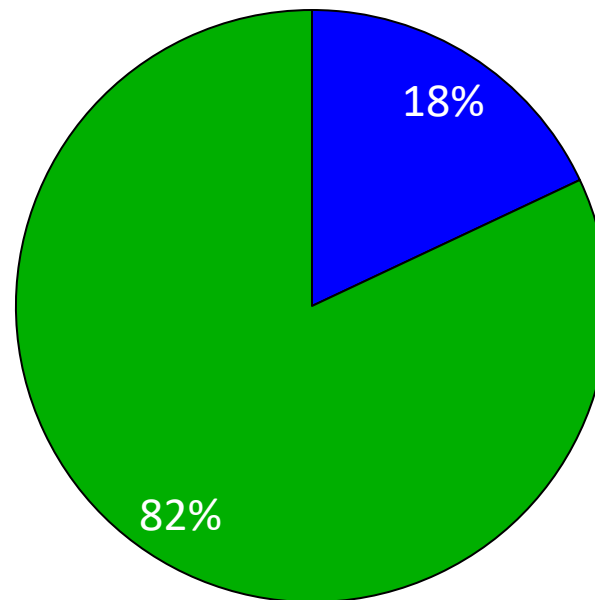
- We see prices decreasing from our service centers
- We see stable prices from our service centers
- We see prices increasing from our service centers

out of 100%

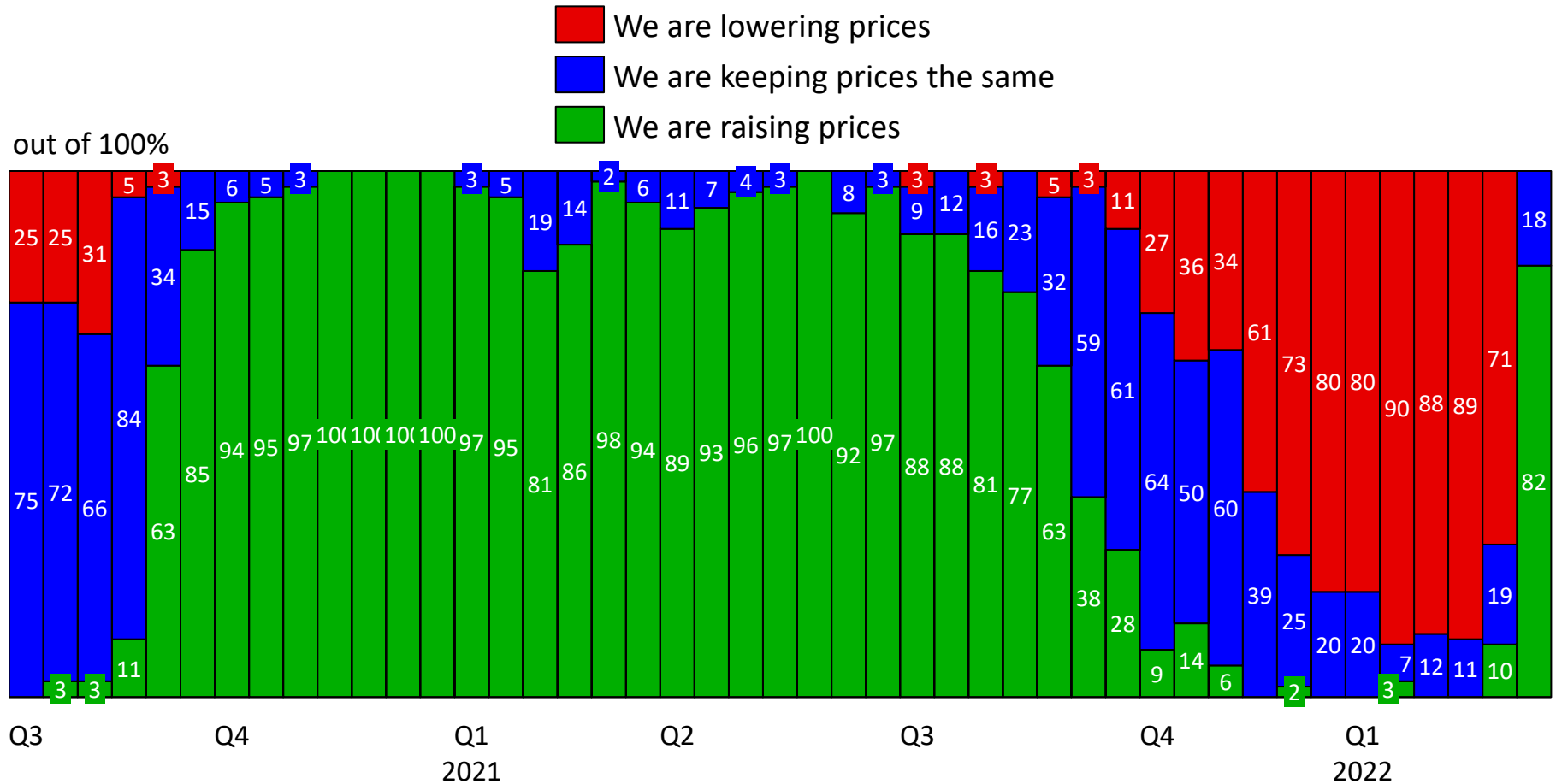


Service Centers- Compared to two weeks ago, how is your company handling spot pricing to your customers at this time?

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



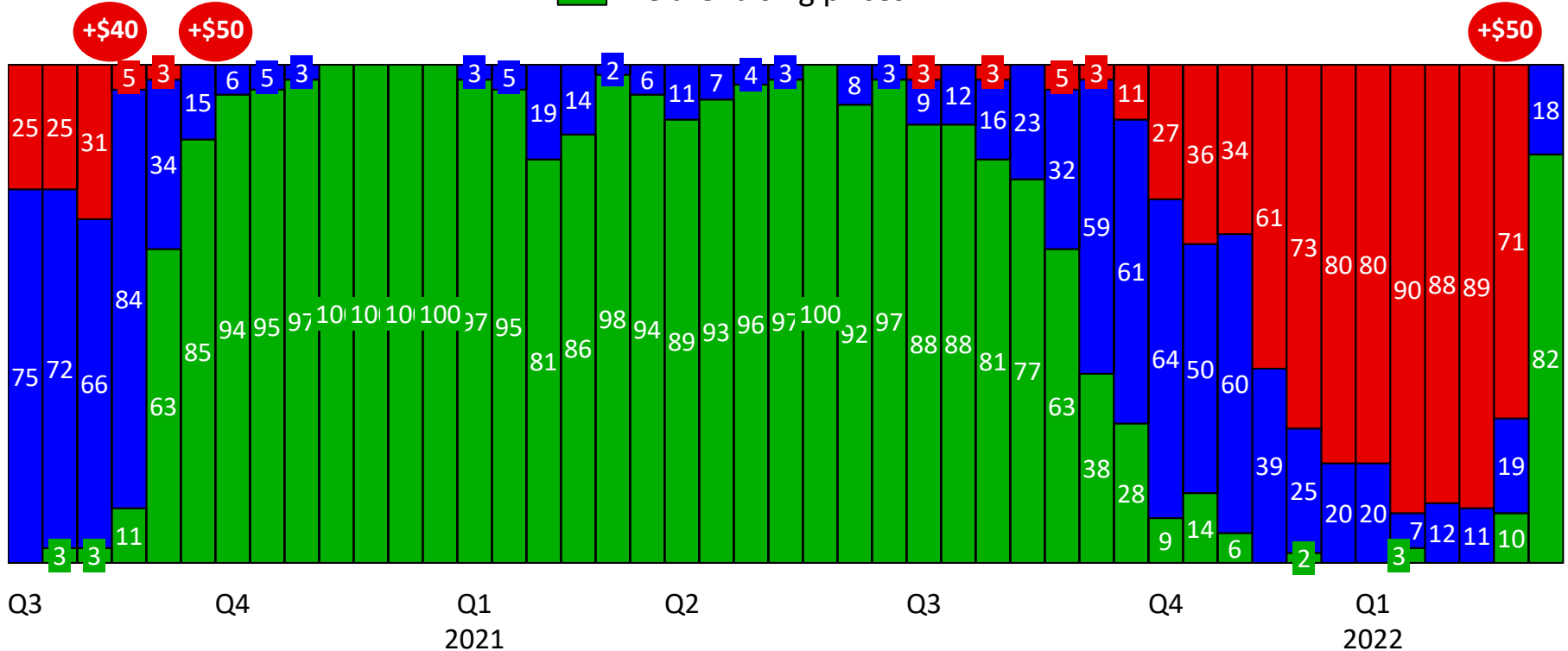
Service Centers- Compared to two weeks ago, how is your company handling spot pricing to your customers at this time?



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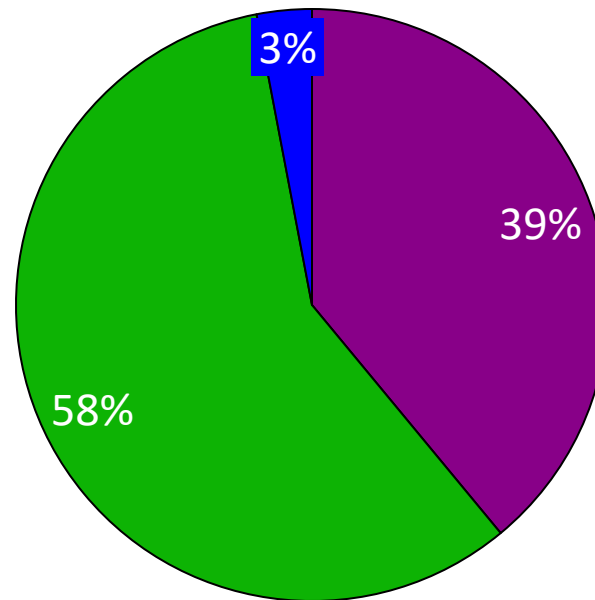
- We are lowering prices
- We are keeping prices the same
- We are raising prices

Historical Nucor Flat Rolled Price Increase Announcements



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

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

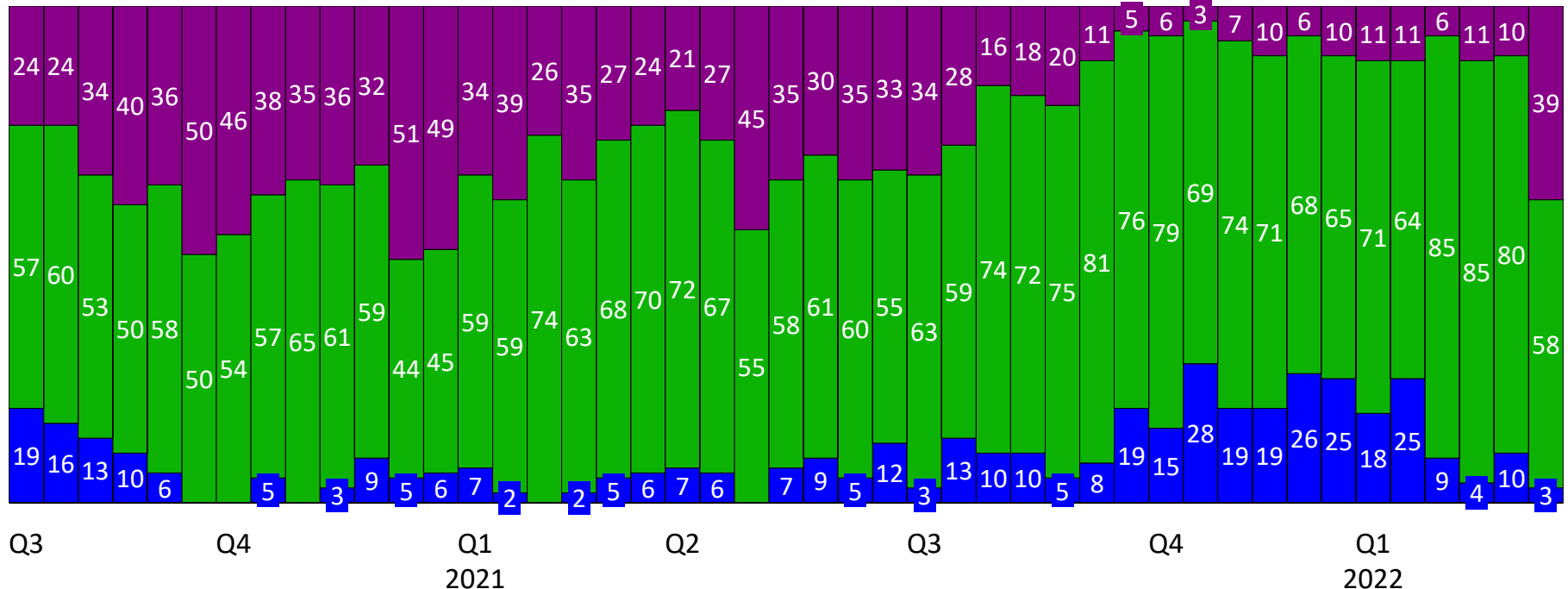


Service Centers on Manufacturer Orders History

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

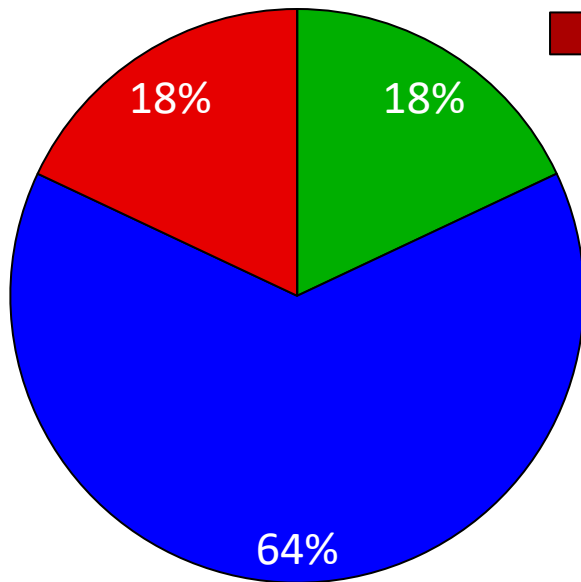
- Our manufacturing customers are increasing orders
- Our manufacturing customers are maintaining their orders
- Our manufacturing customers are reducing their orders

out of 100%



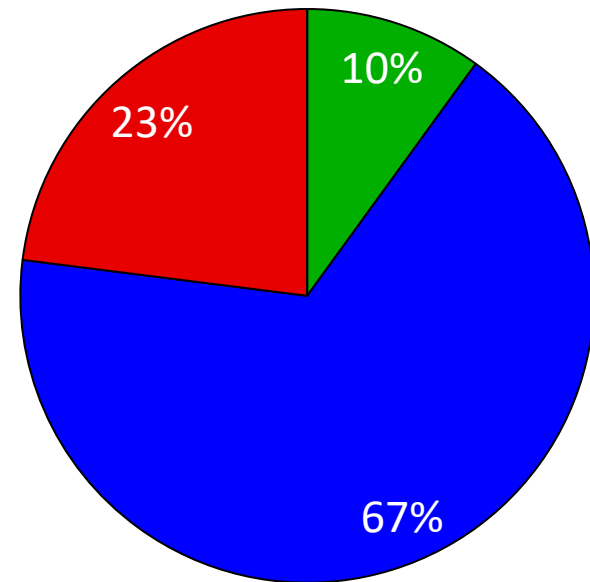
How would you describe domestic mill lead times for new orders placed right now?

Manufacturers



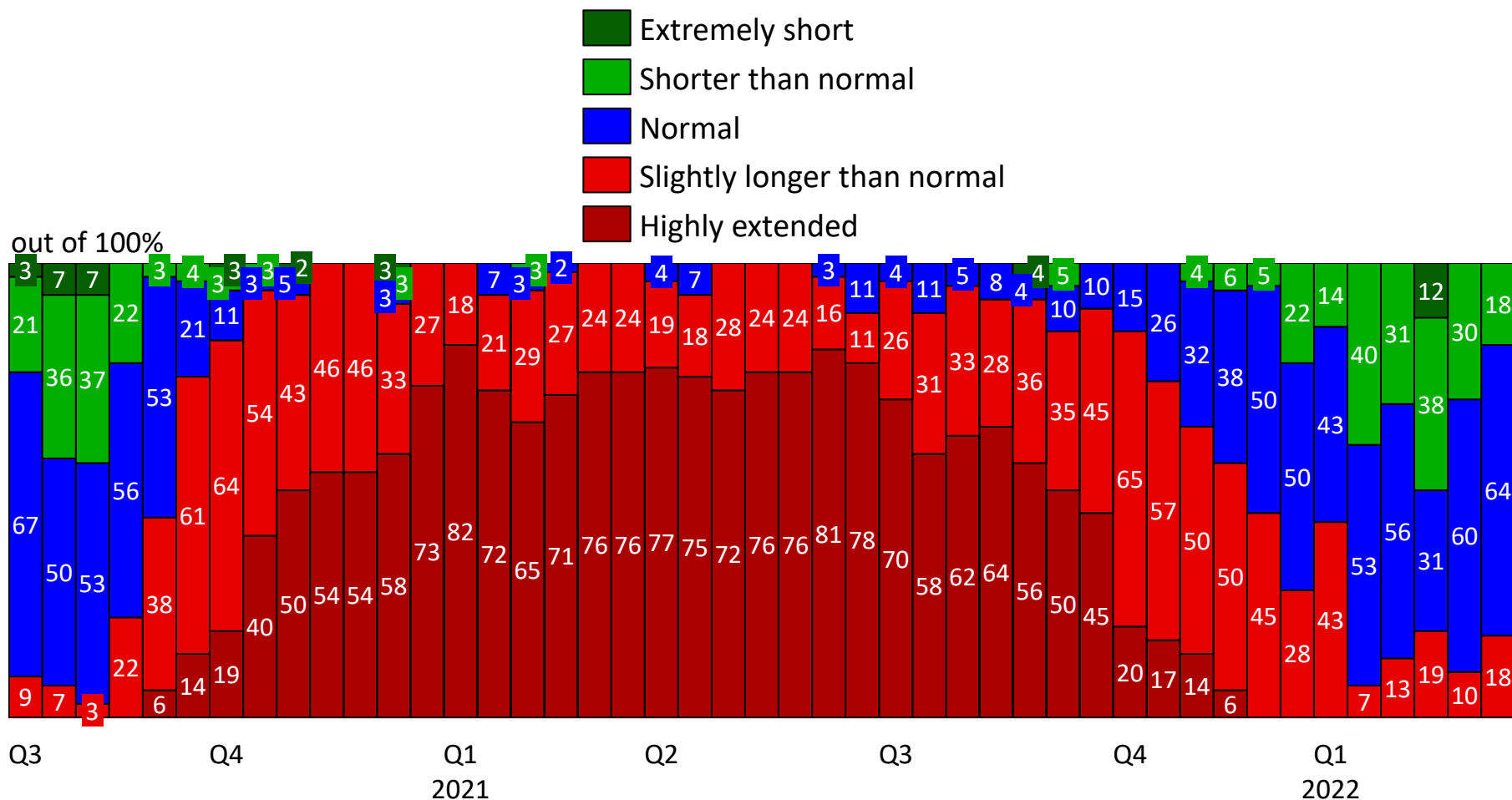
- Extremely short
- Shorter than normal
- Normal
- Slightly longer than normal
- Highly extended

Service Centers



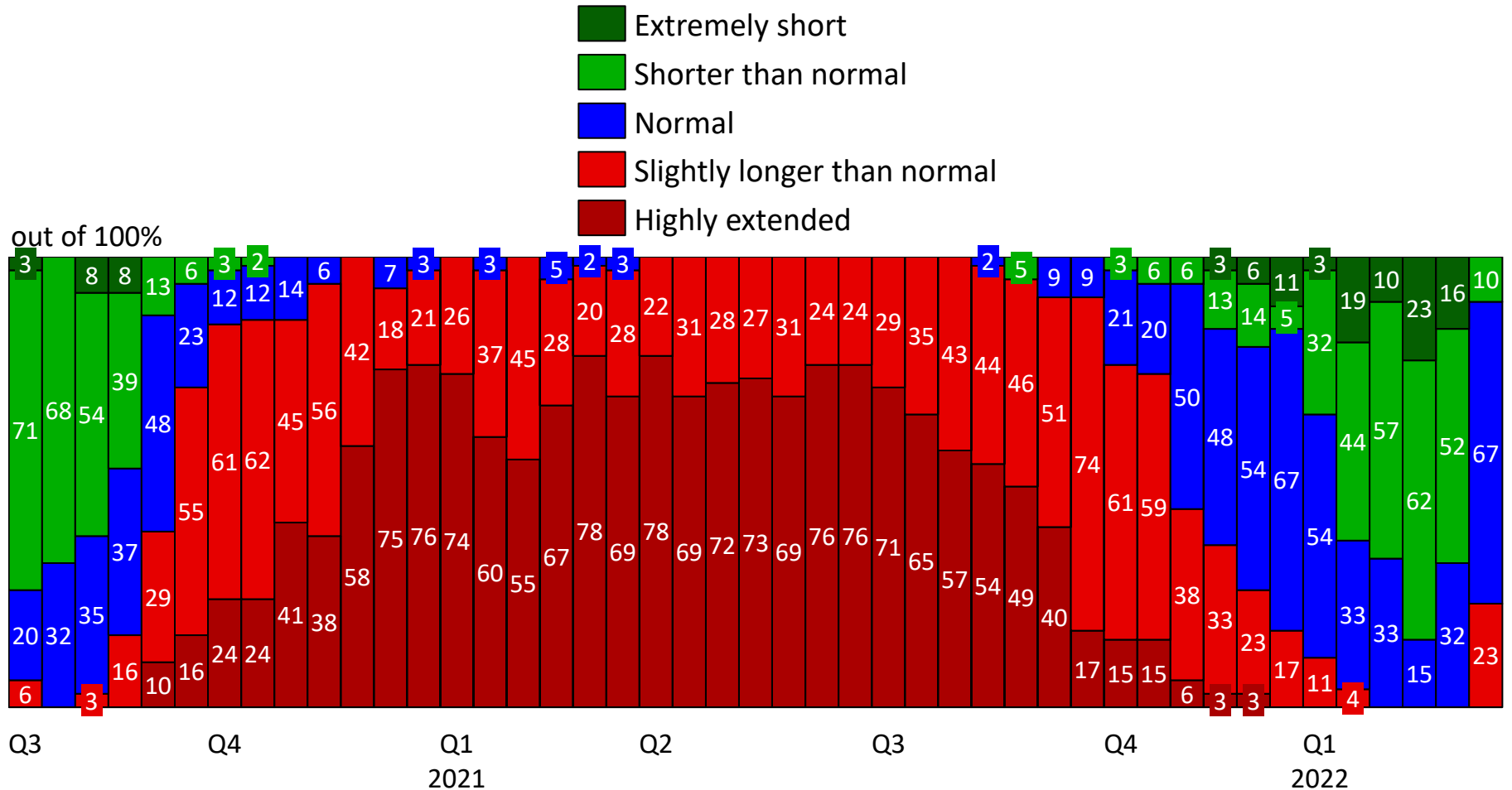
Mill Lead Times History

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?

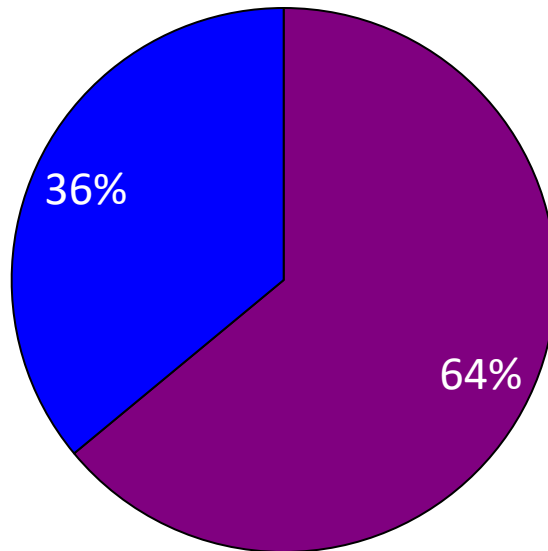


Foreign Steel Purchases

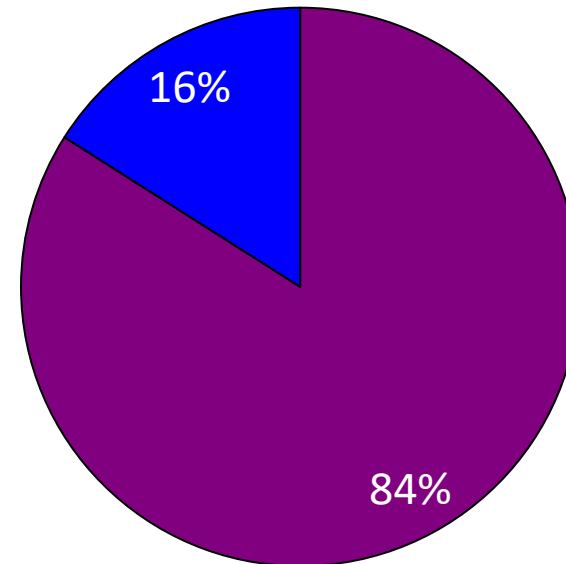
Does your company buy foreign steel?

■ Yes ■ No

Manufacturers



Service Centers

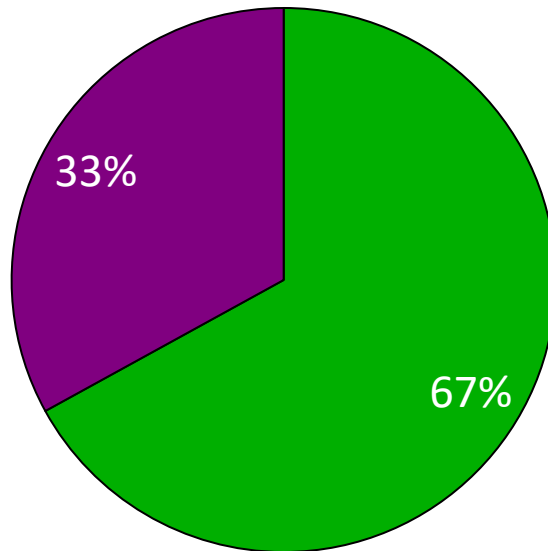


Foreign Steel Competitive?

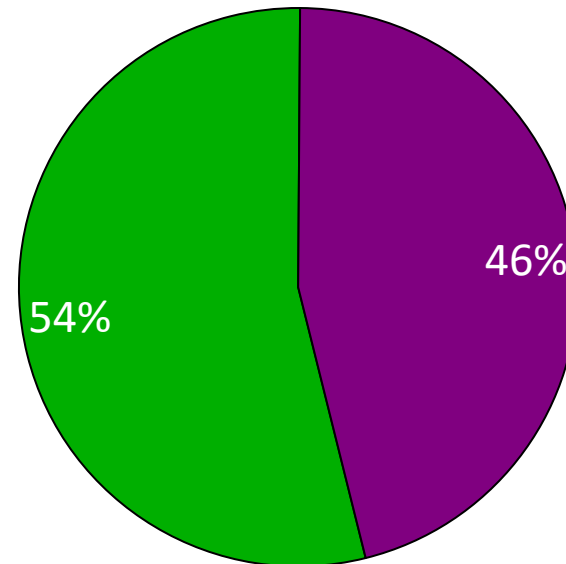
Are your foreign steel suppliers quoting you competitive prices for new orders for future delivery?

Yes No

Manufacturers



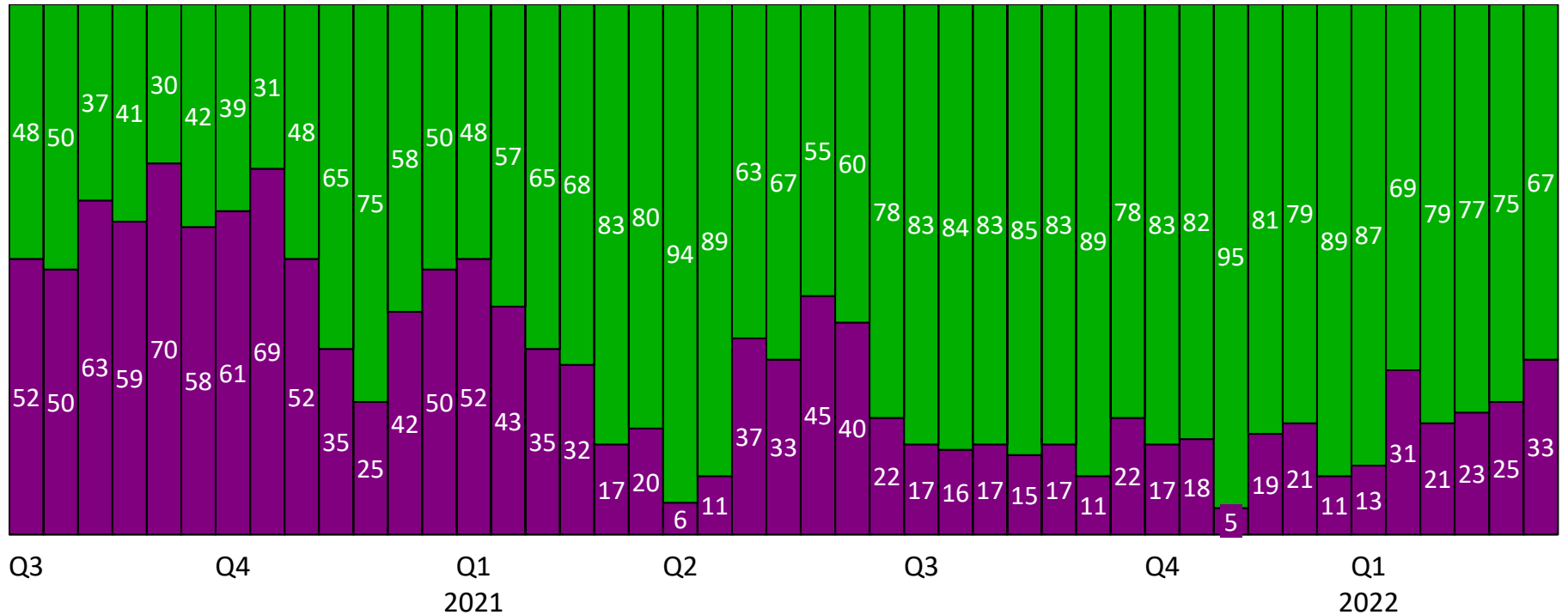
Service Centers



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

Yes No

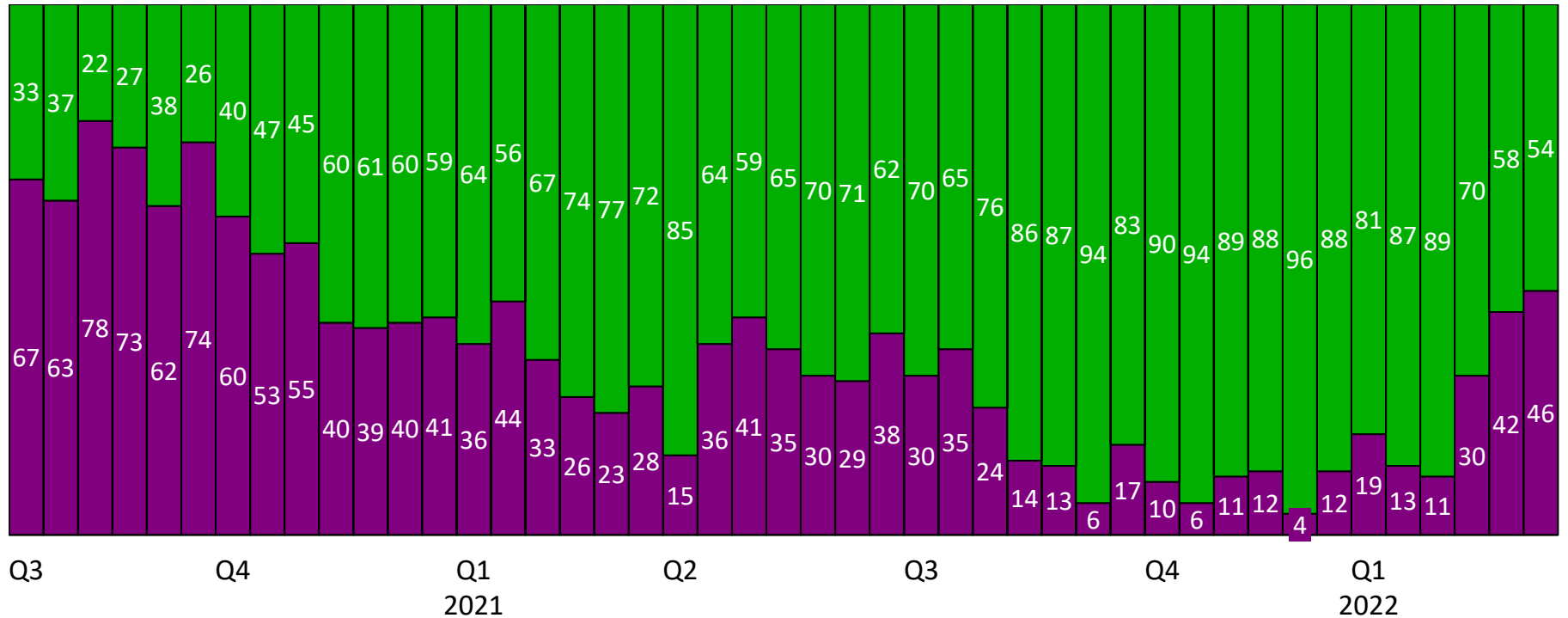
out of 100%



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

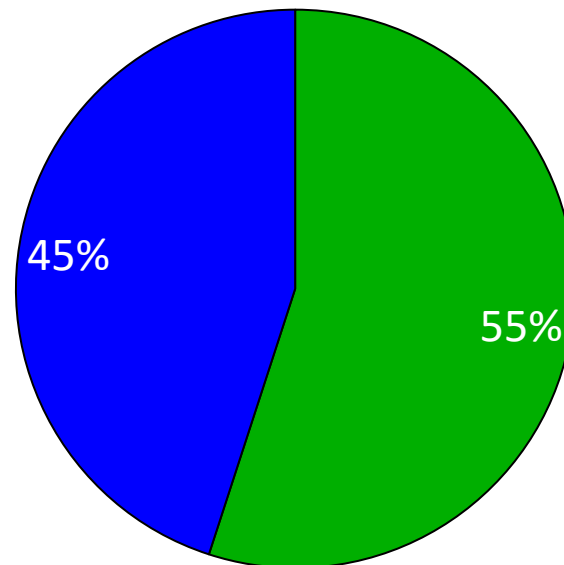
Yes No

out of 100%



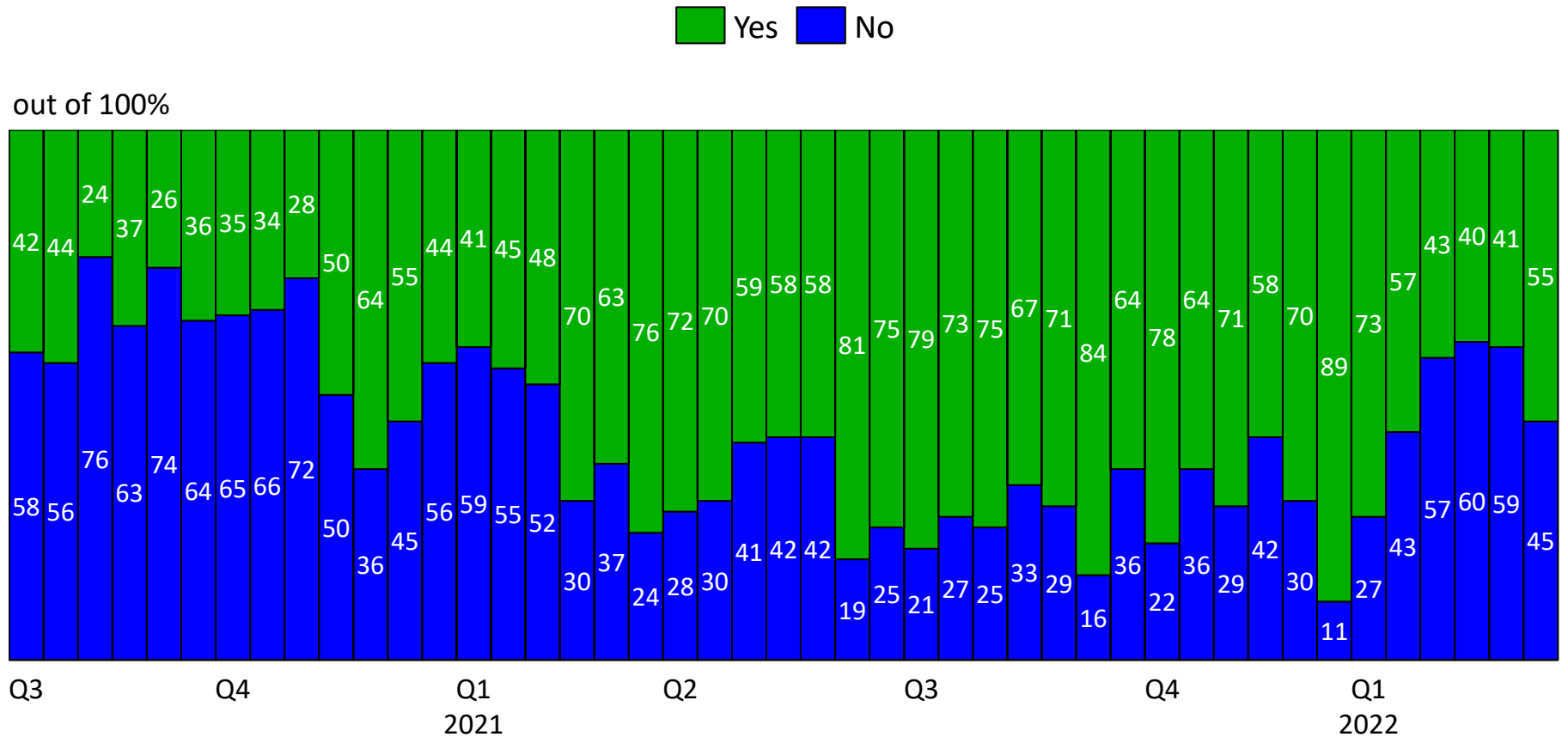
Manufacturers- Are you buying new orders of foreign steel for future delivery?

Yes No



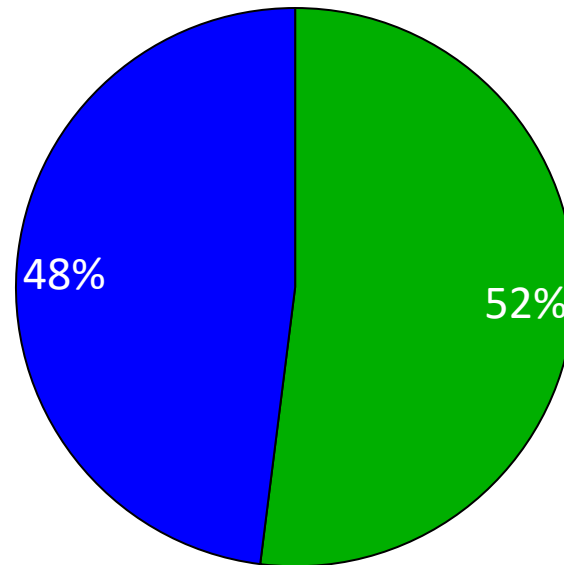
New Foreign Steel Orders History

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



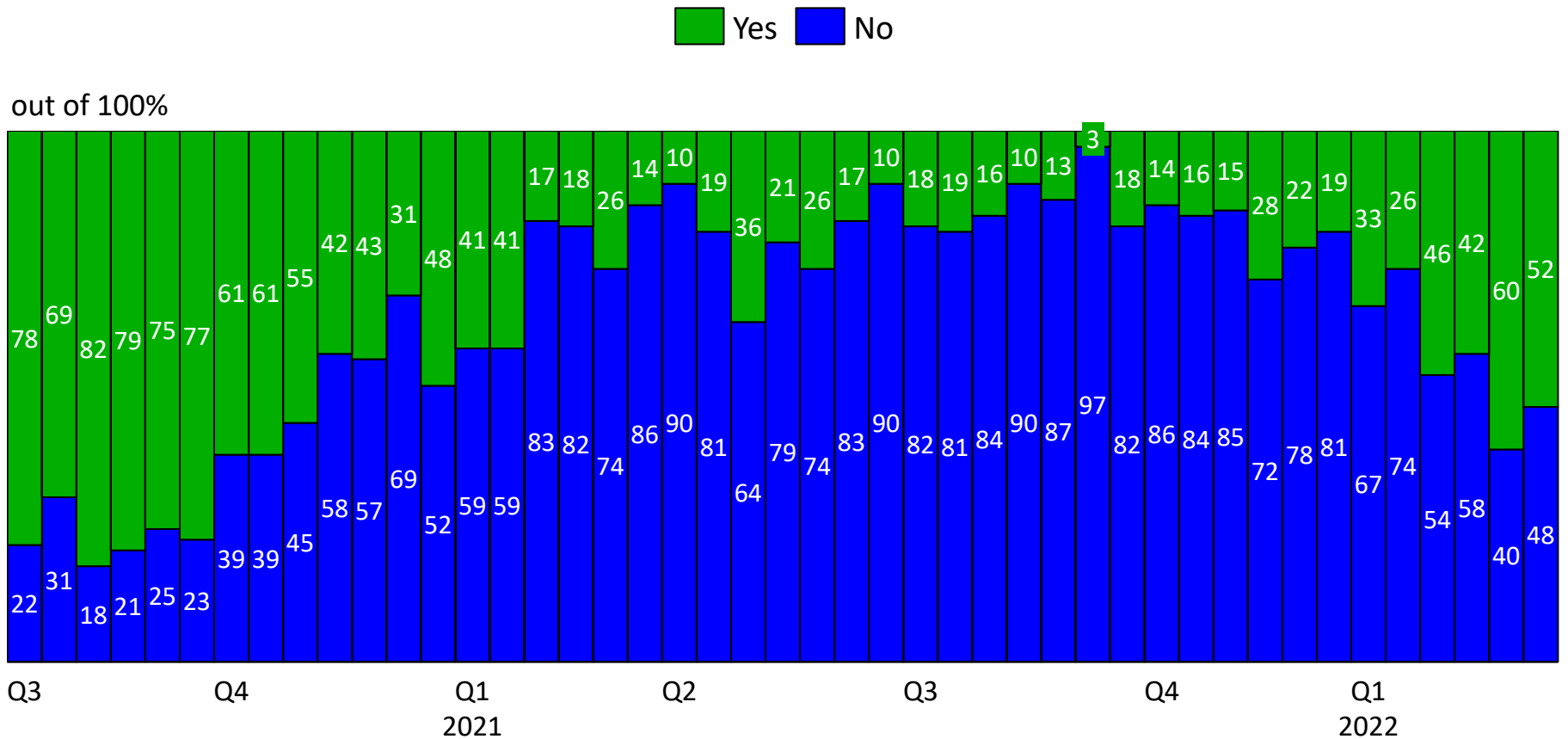
Service Centers- Are you decreasing the percentage of foreign steel on your order book?

Yes No

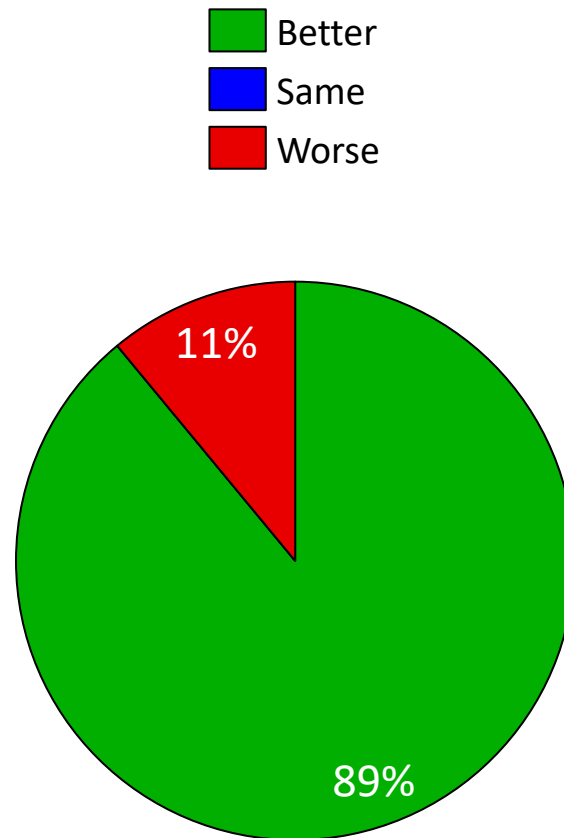


Foreign Steel Order History

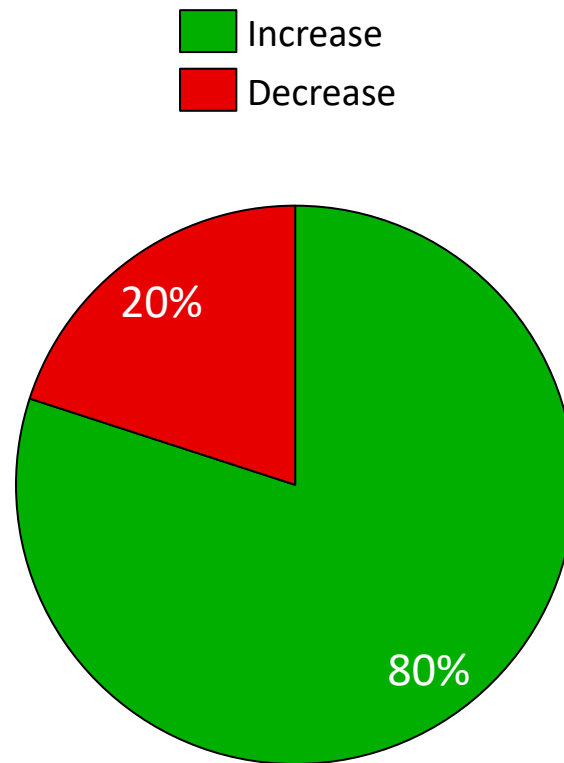
Service Centers- Are you decreasing the percentage of foreign steel on your order book?



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

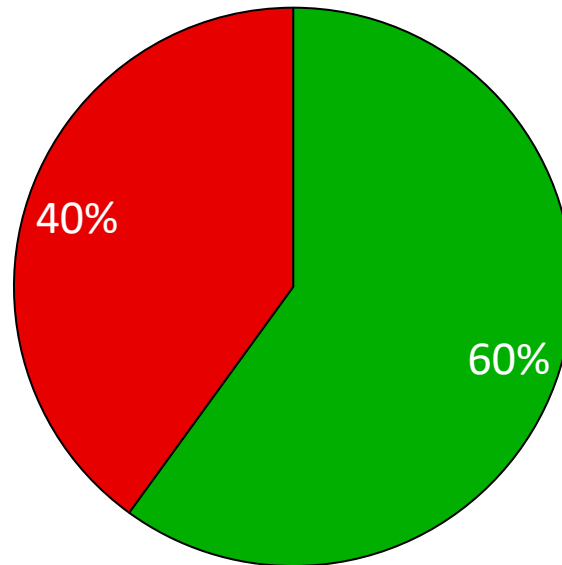


Are you seeing an increase or decrease in orders from your North American buyers?

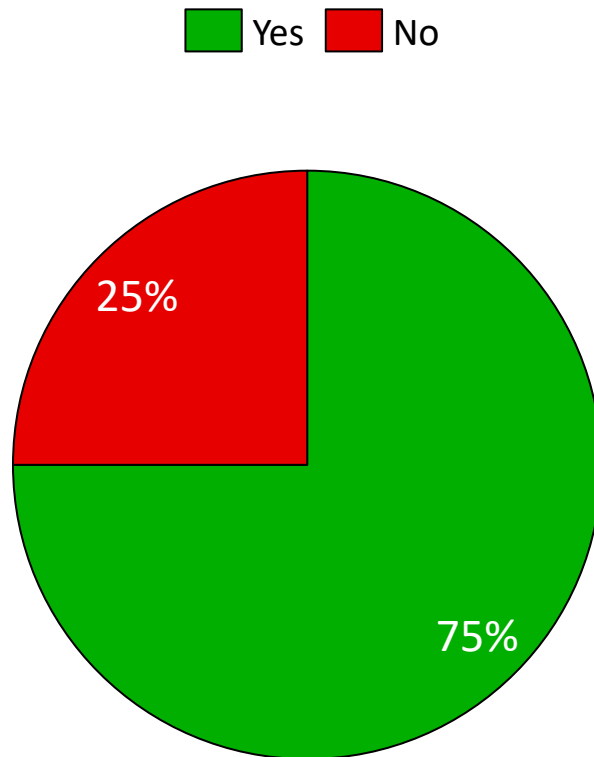


Are foreign products attractive to U.S. buyers?

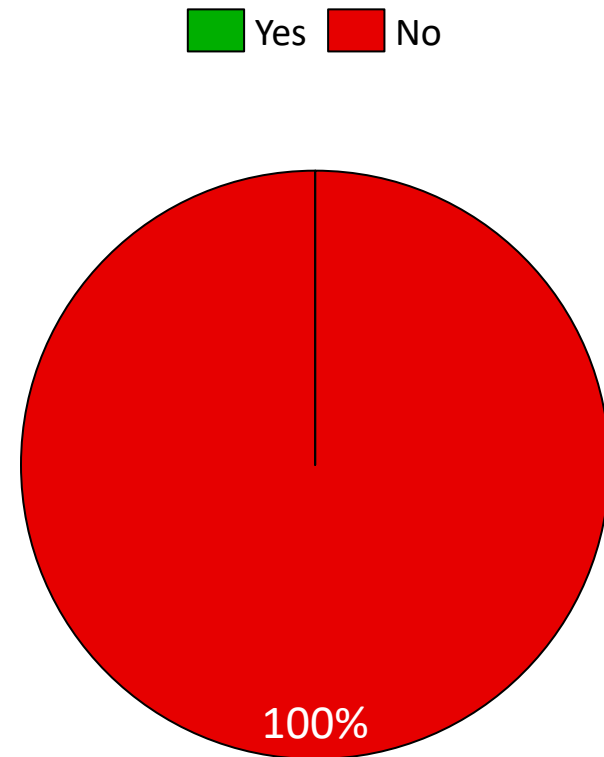
Yes No



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



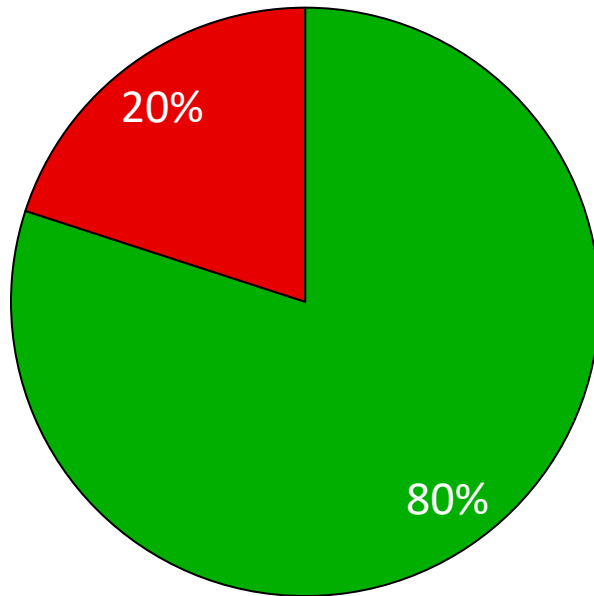
Are you able to offer plate pricing that is attractive to buyers right now?



Trading Companies – Coated

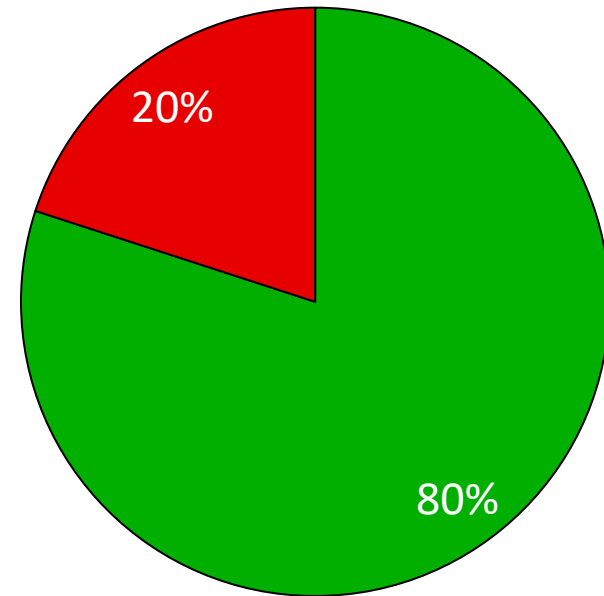
Are your galvanized prices competitive enough right now to get orders (including duties)?

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.

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
the week of March 28, 2022

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



STEEL MARKET UPDATE

part of the  Group

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

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