



STEEL MARKET UPDATE

part of the  Group

SMU Flat Rolled Market Trends Analysis

Responses from our March 15-17, 2021 Market Survey





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



Steel 101 Workshop, Severstal Dearborn 2012

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

We invite over 600 companies to participate in our surveys.

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

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

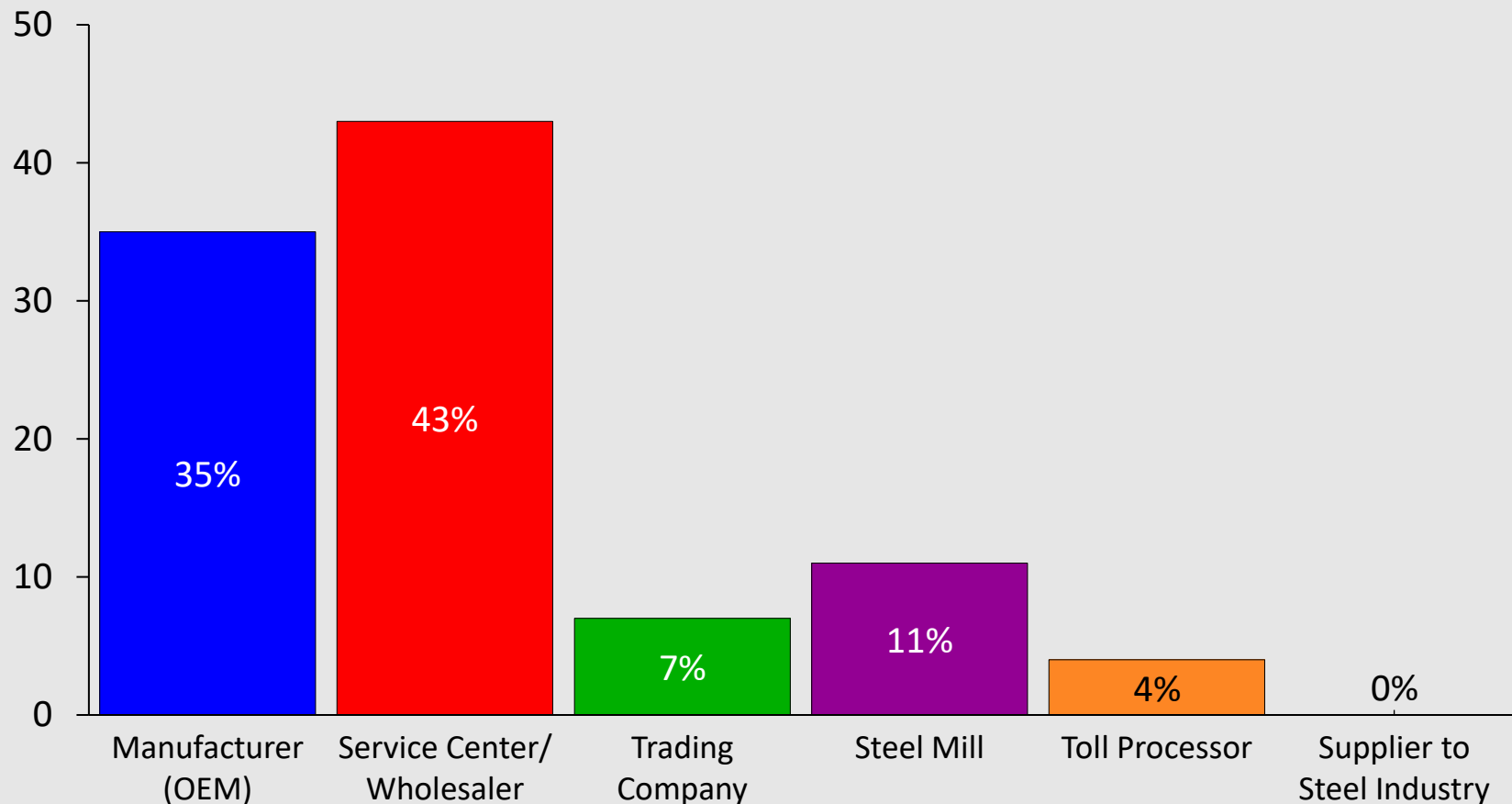
2021 Steel Market Update Events

Date	Conference	Status	Venue
March 30-31	Steel Hedging 101	Virtual	Online
April 21	Galvanized Hedging	Virtual	Online
May 5-6	Steel Hedging 201	Virtual	Online
May 11-12	Steel 101	Virtual	Online
May TBD	Steel 201	Virtual	Online
June 2-3	Steel Hedging 101	Virtual	Online
July 14	Galvanized Hedging	Virtual	Online
July 20-21	Steel 101	Virtual	Online
July TBD	Steel 201	Virtual	Online
August 3-4	Steel Hedging 201	Virtual	Online
August 23-25	SMU Steel Summit	Live	Georgia International Convention Center

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

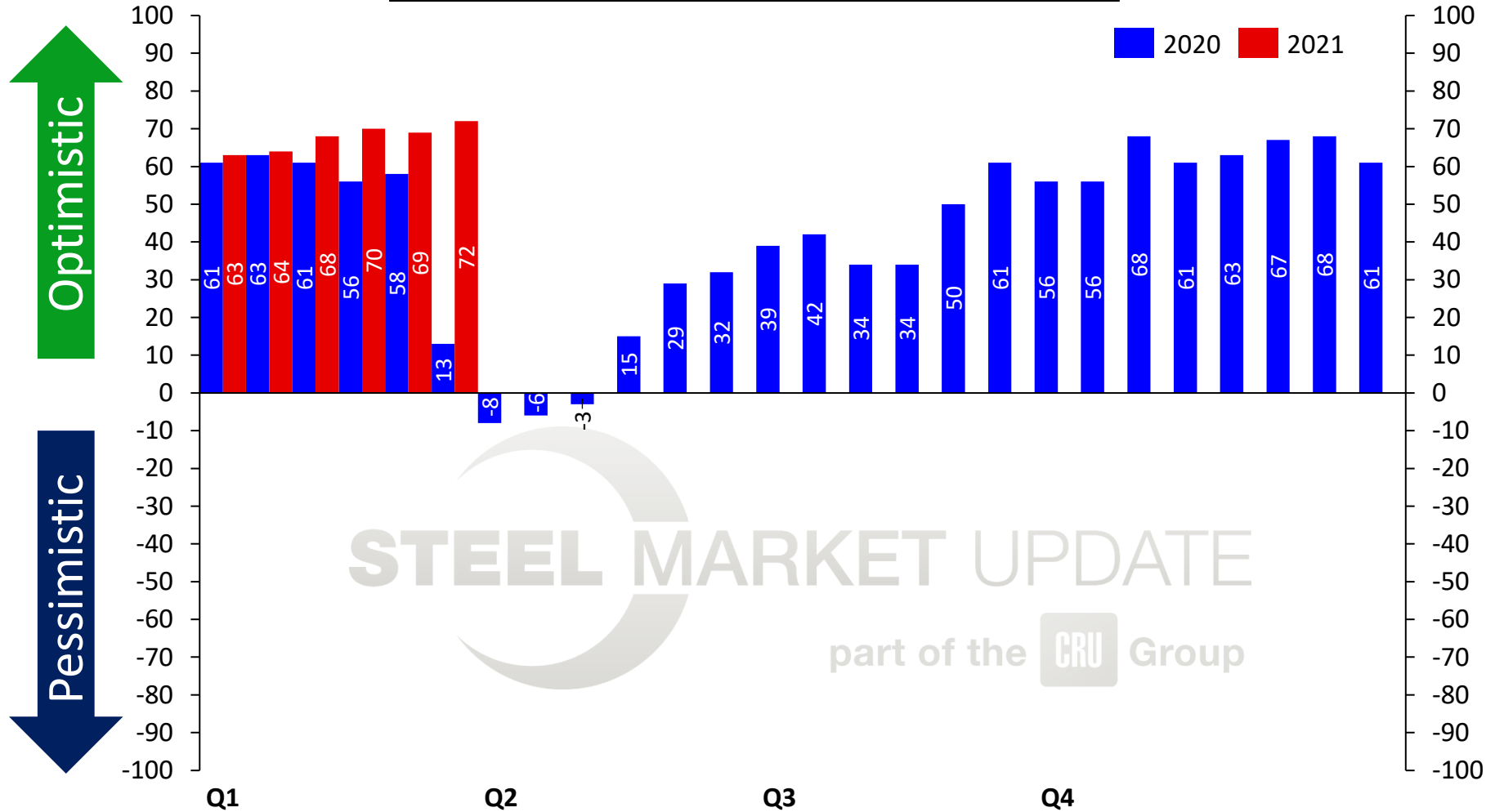
Our survey is by invitation only- Over 600 companies, mostly in the manufacturing or distribution industries, are asked to participate. Here are the percentages of participation in this week's survey by market sector.



SMU Buyers Sentiment Index

Up 3 points to +72

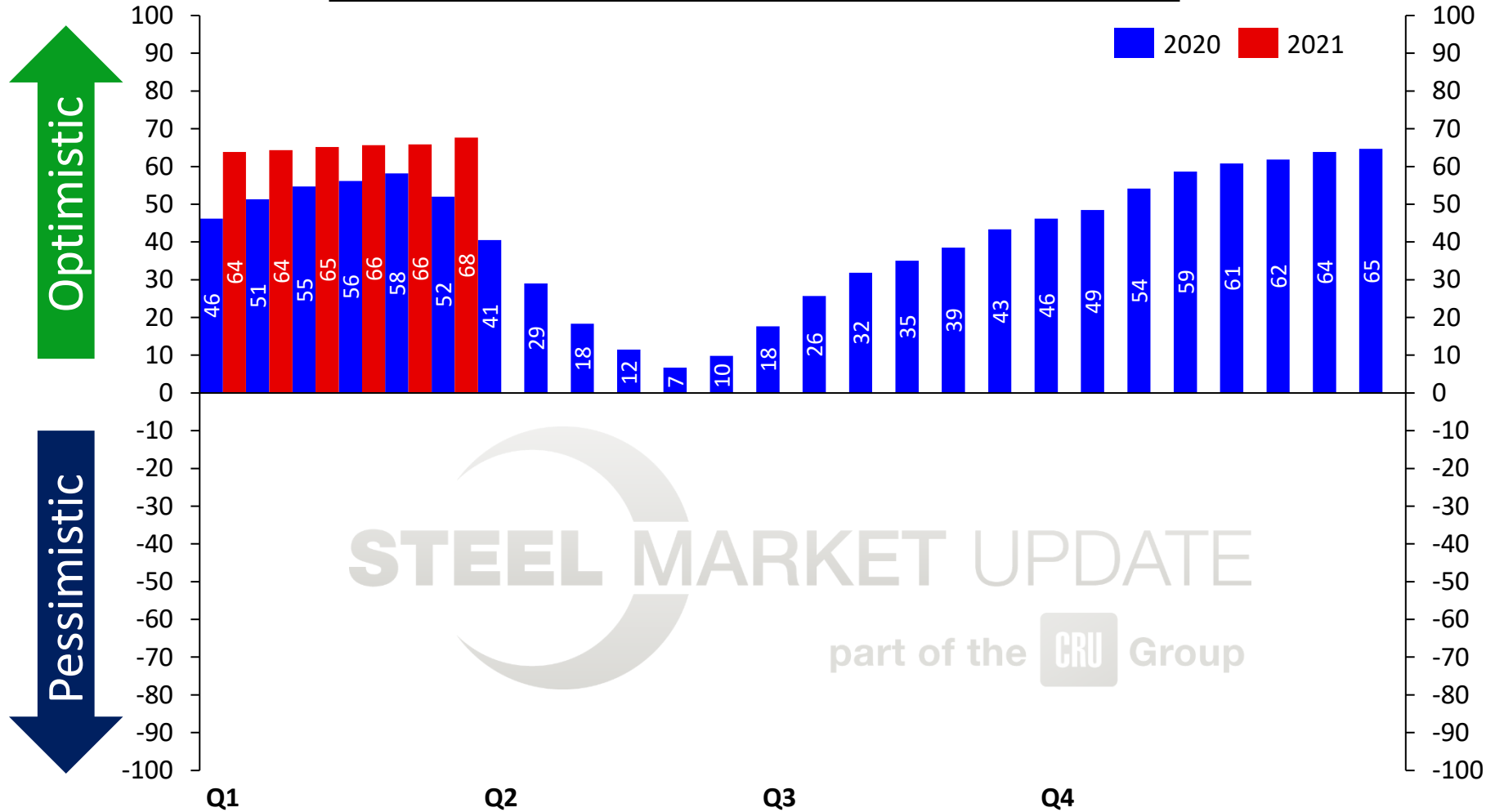
Steel Market Update Buyers Sentiment Index



SMU Buyers Sentiment Index

Three Month Moving Average at +67.67

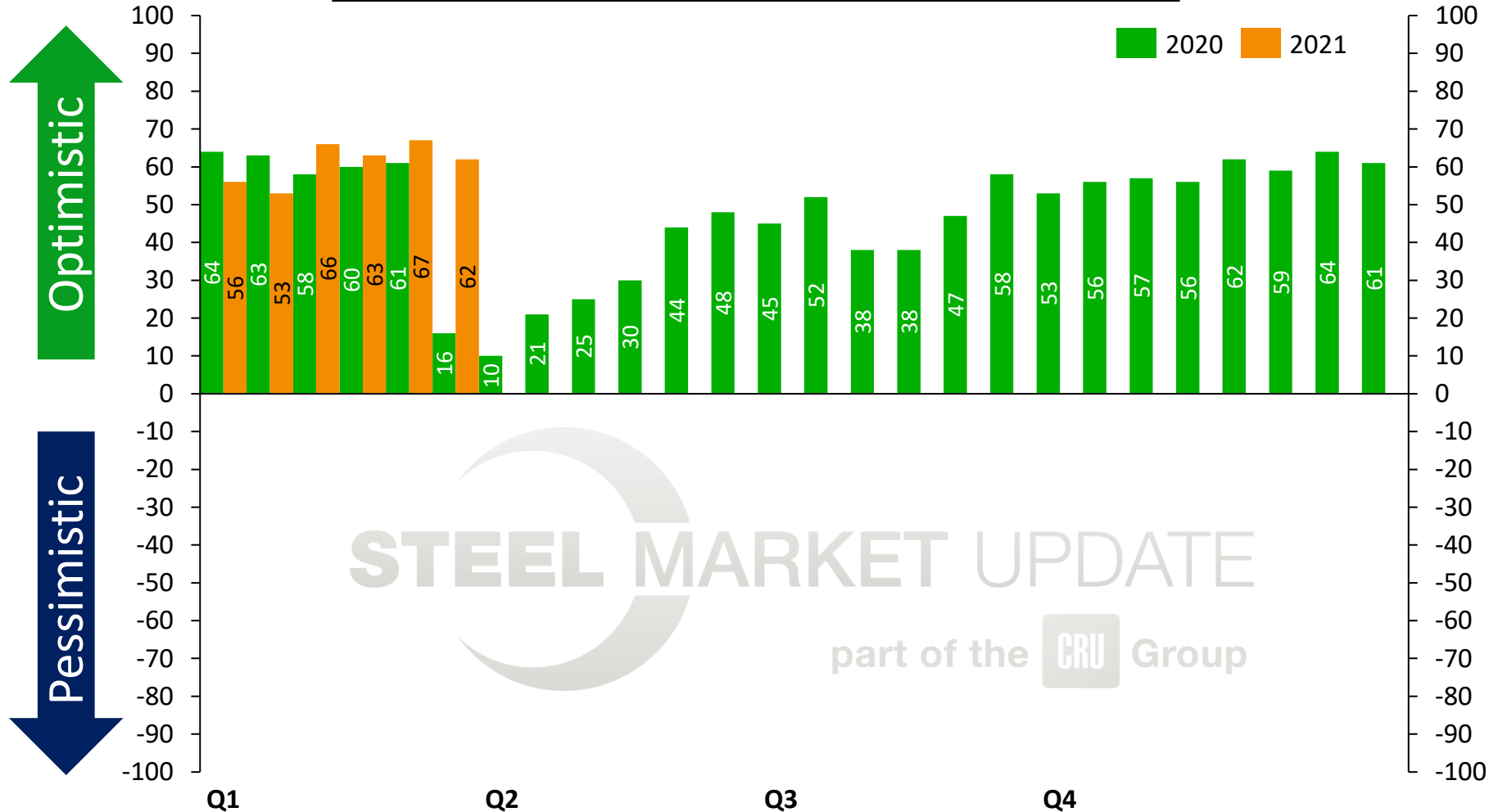
Steel Market Update Buyers Sentiment Index 3MMA



SMU Future Buyers Sentiment Index

Down 5 points to +62

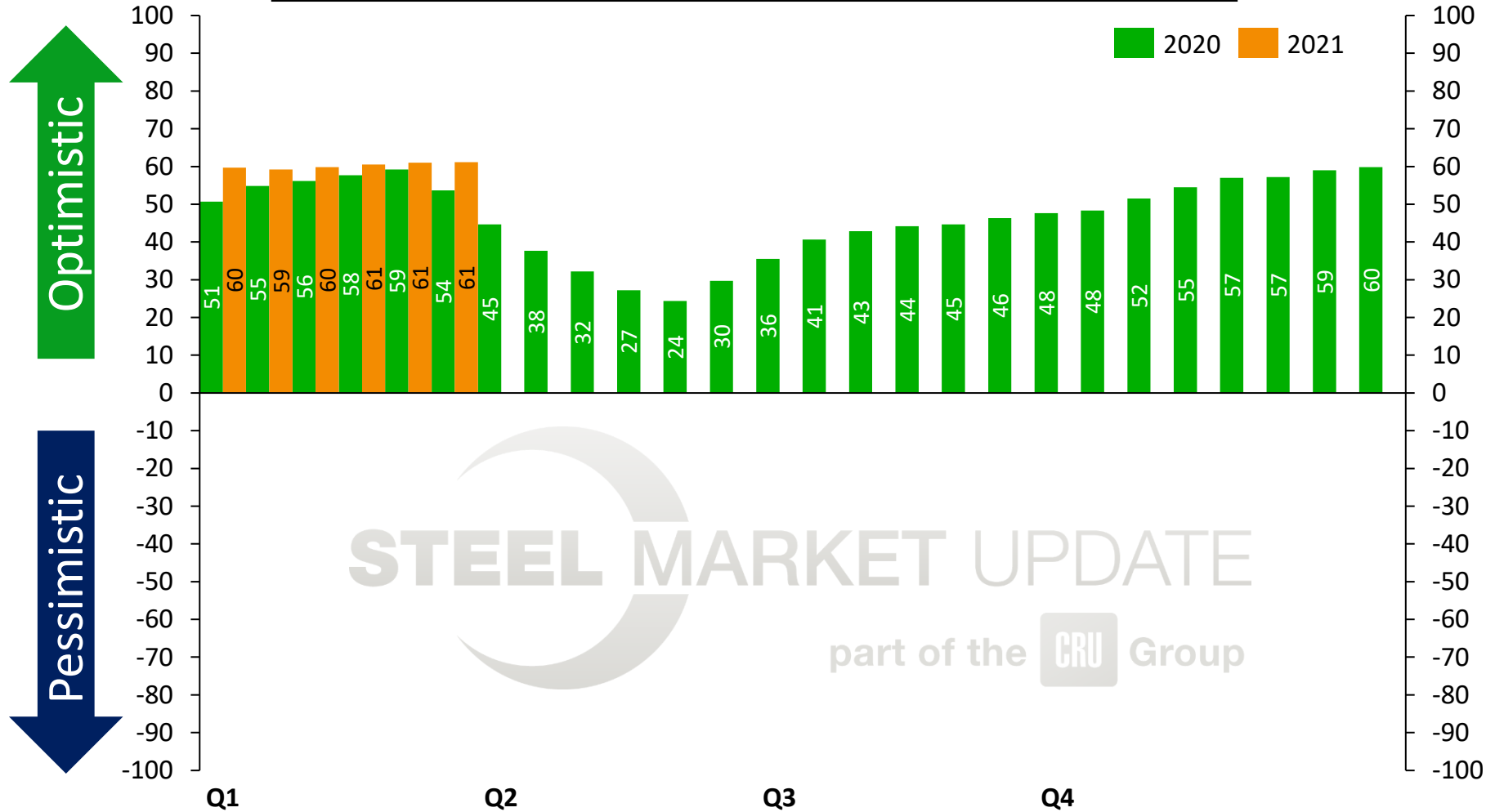
Steel Market Update Future Buyers Sentiment Index



SMU Future Buyers Sentiment Index

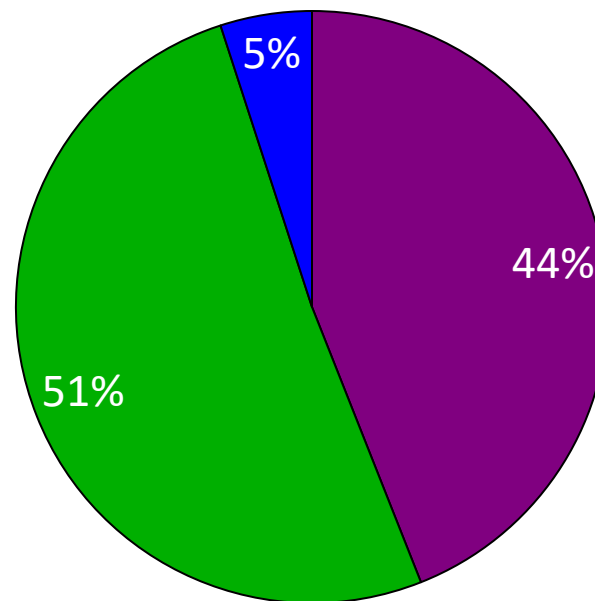
Three Month Moving Average at +61.17

Steel Market Update Future Buyers Sentiment Index 3MMA



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

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

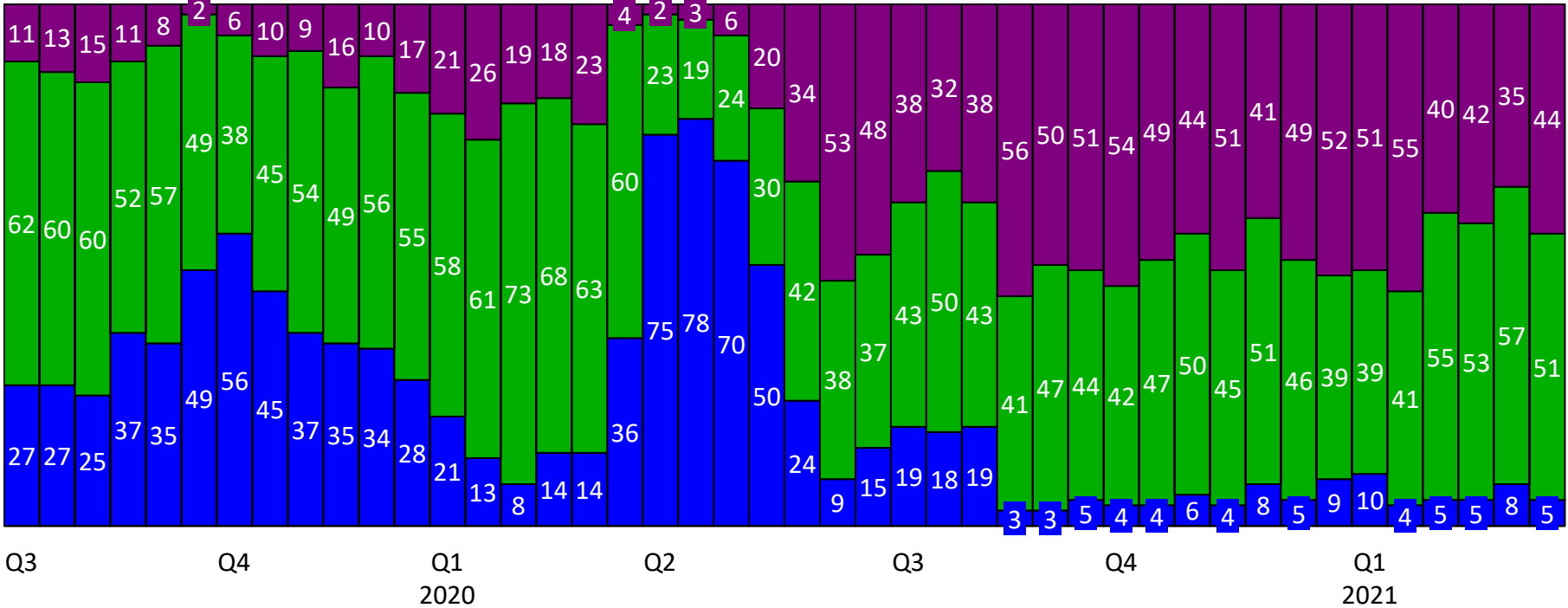


Overall Demand History

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

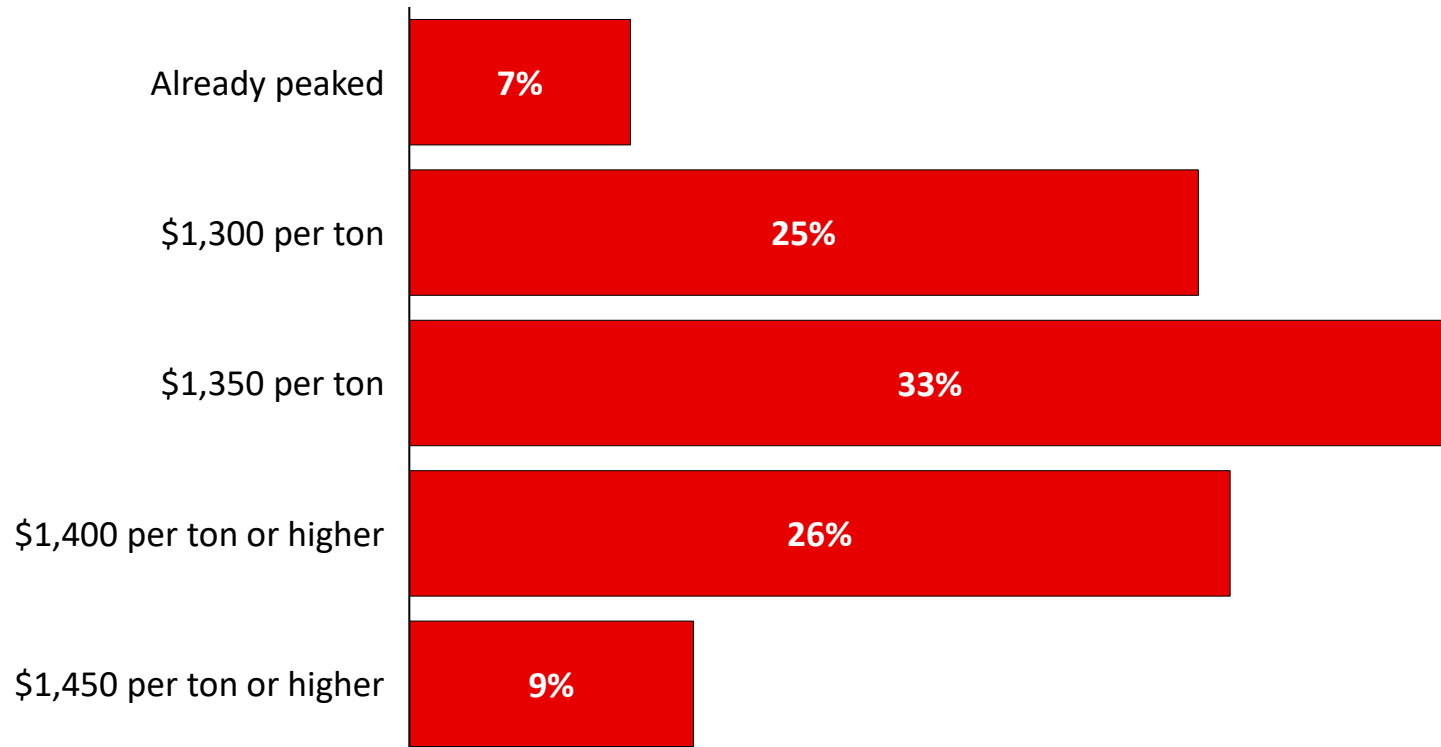
- Demand is improving
- Demand is remaining the same
- Demand is declining

out of 100%



HRC Price Peak

Hot rolled coil prices now average \$1,270* per ton.
Where do you think HRC prices will peak?



* As of Monday, March 15, 2021

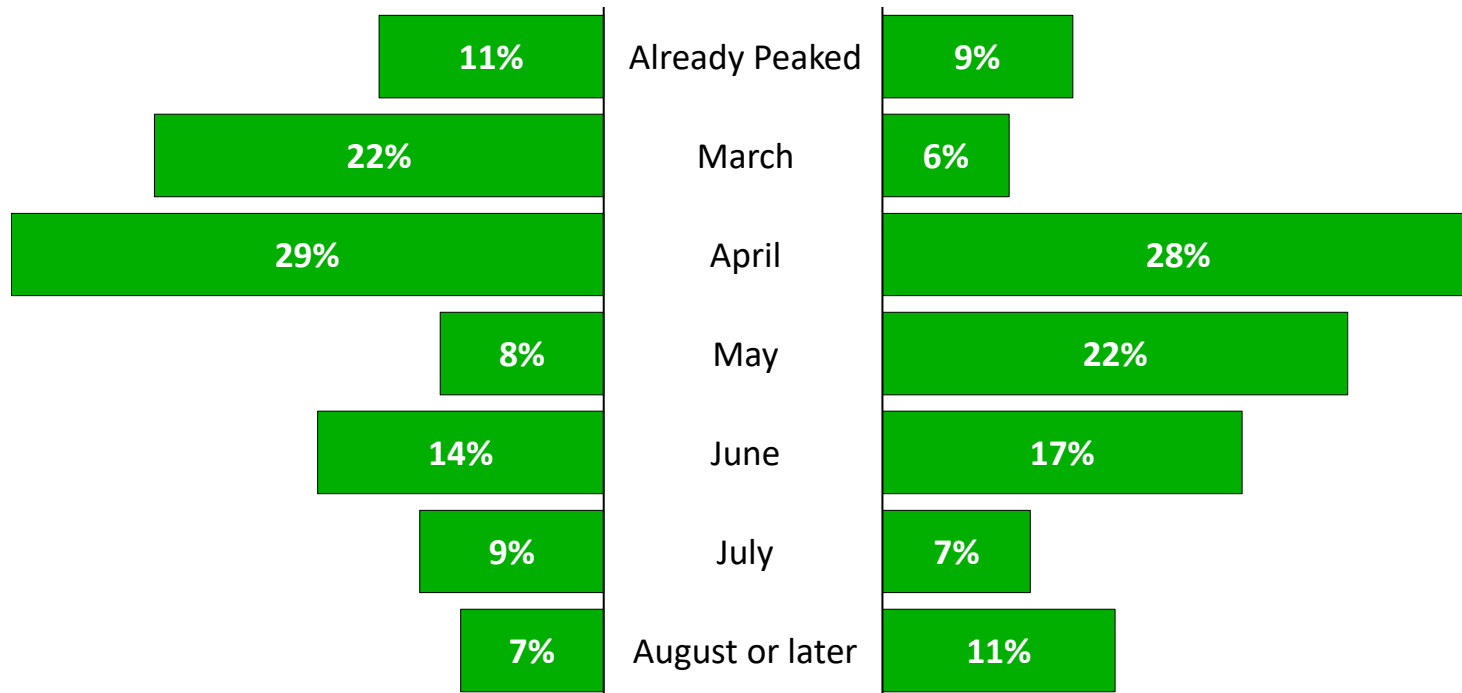
© Steel Market Update 2021

When Will Prices Peak?

When do you see prices peaking?

March 5, 2021

March 18, 2021

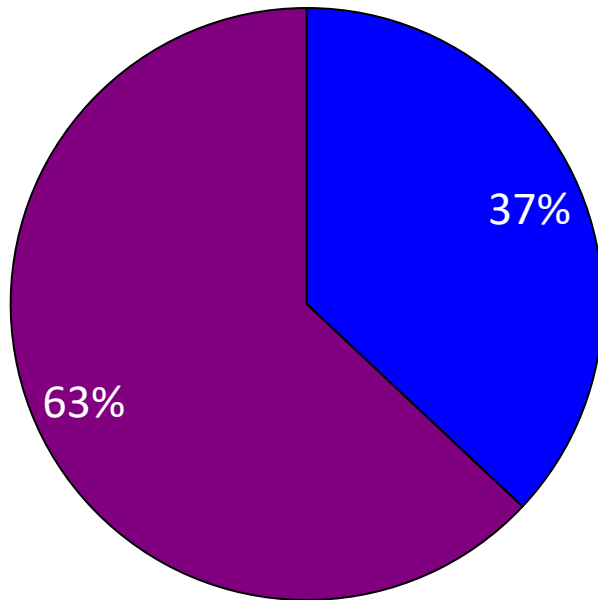


Tipping Point?

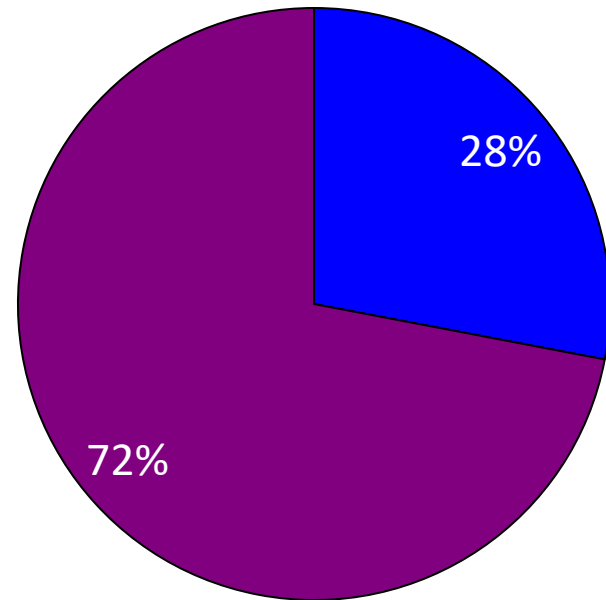
Have you seen any cracks in the market yet, signaling that the record-high steel prices are nearing a tipping point?

Yes No

March 5, 2021



March 18, 2021

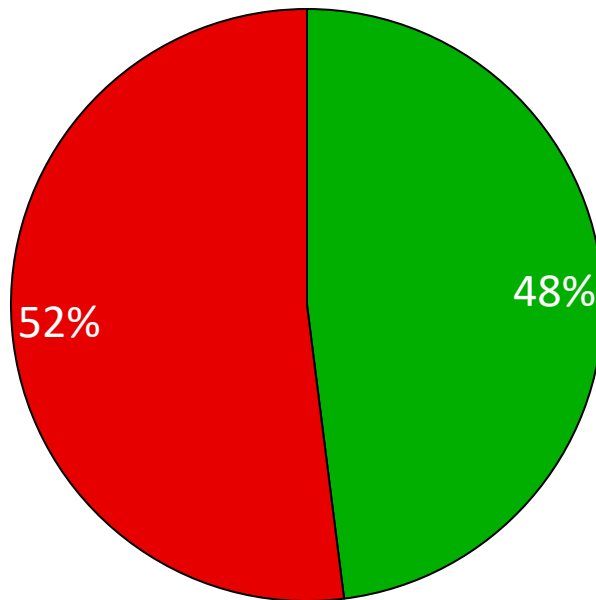


Material Availability

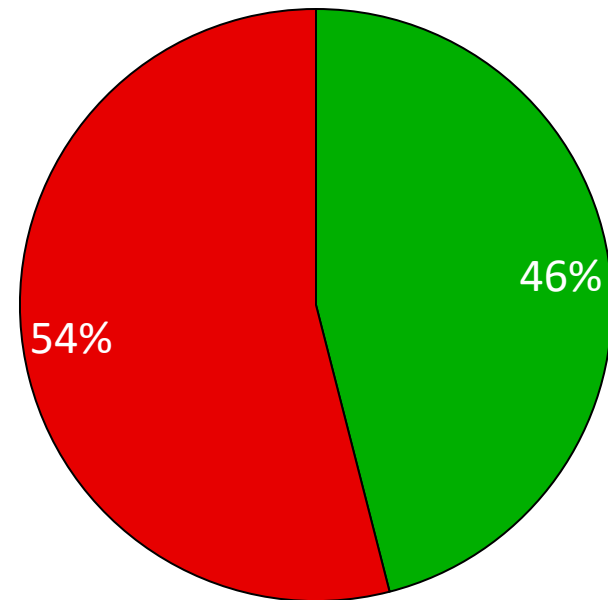
Are you able to purchase all of the material you need to run your business, or keep your customers satisfied?

Yes No

March 5, 2021



March 18, 2021

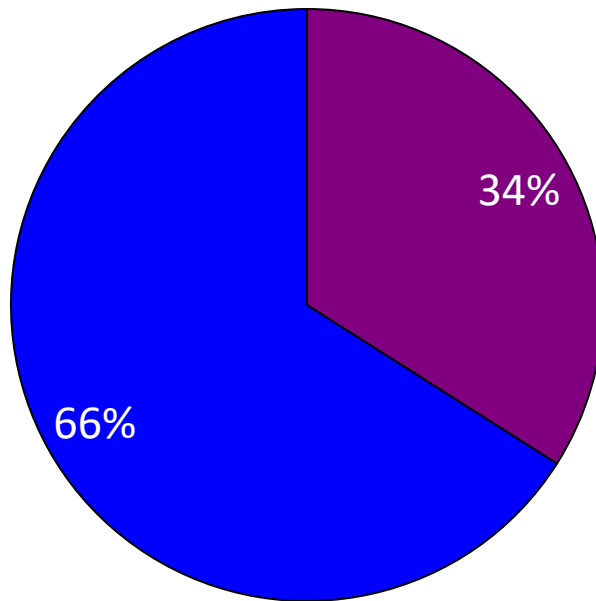


Oversupply?

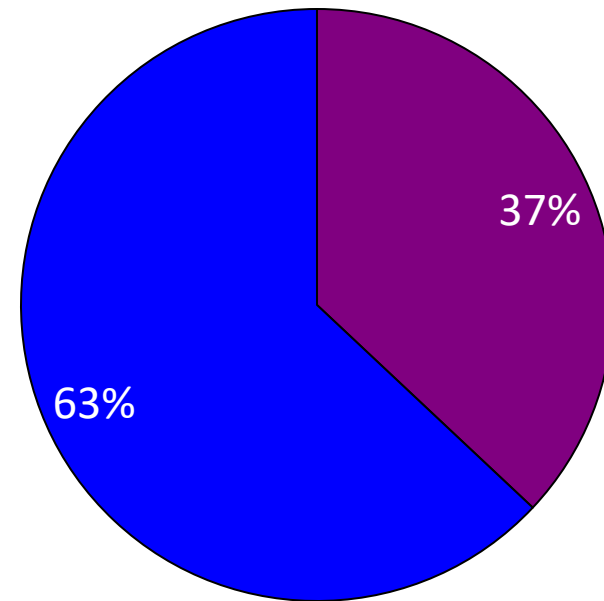
Do you fear that imports and mill capacity additions over the next few months could oversupply the market and cause a sharp drop in steel prices?

■ Yes ■ No

March 5, 2021

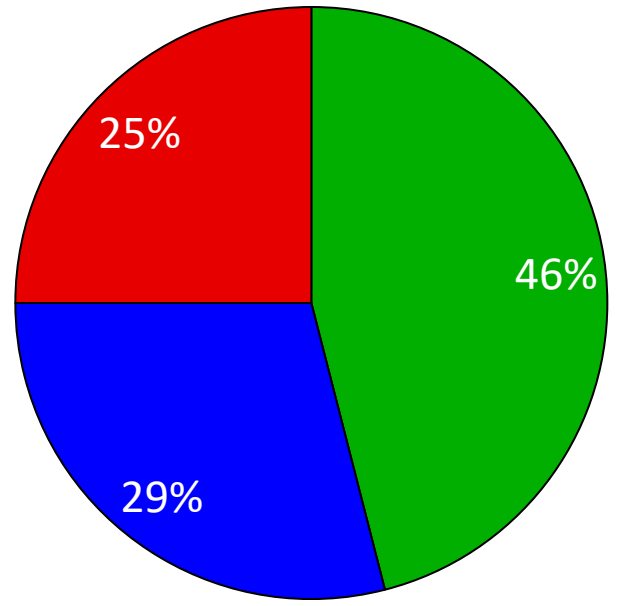


March 18, 2021



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

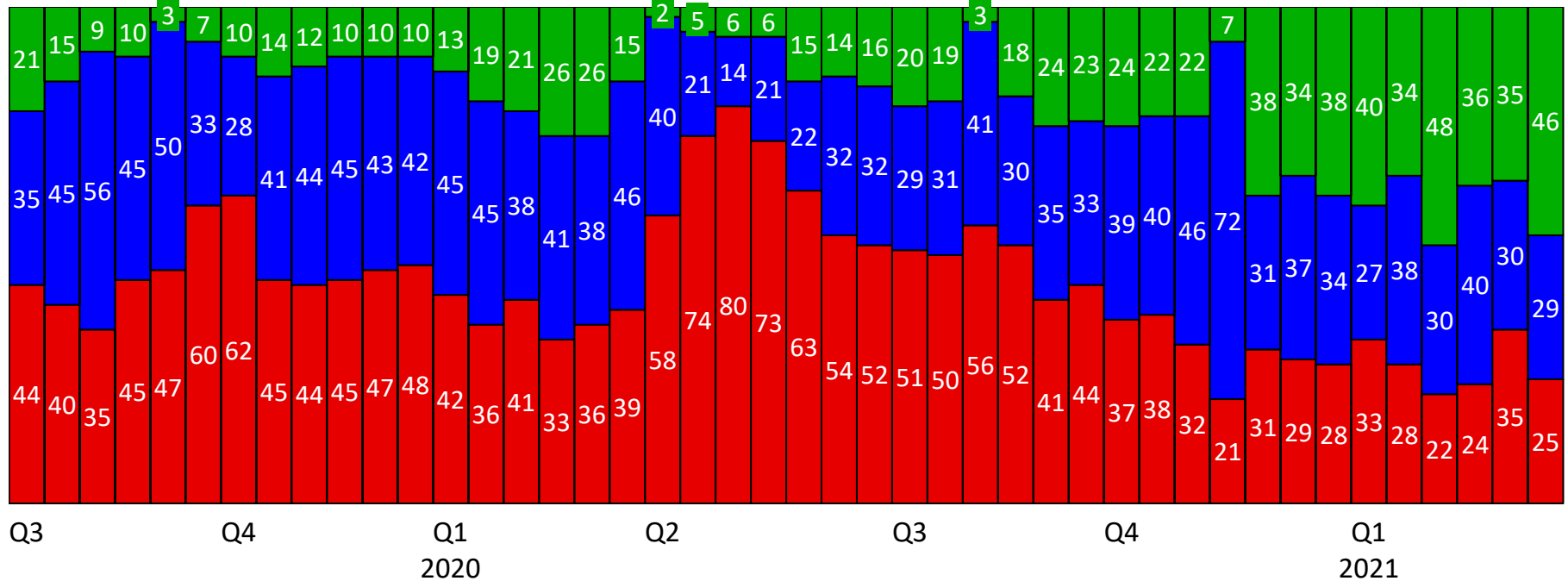


History of Manufacturer Purchases

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?

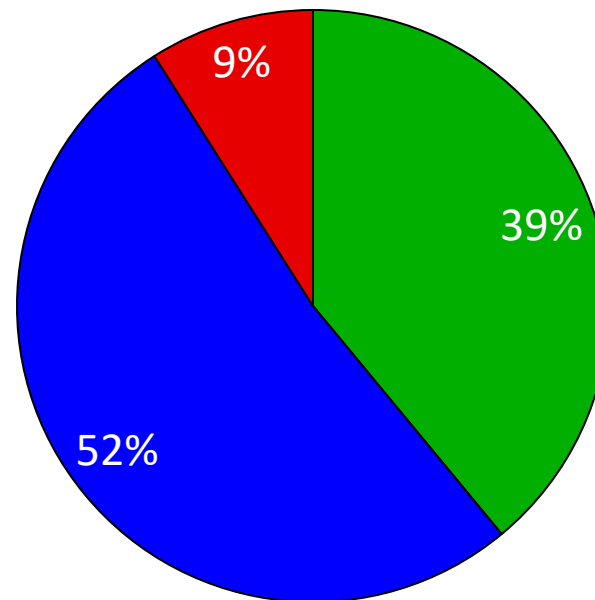
- Buying more steel
- Buying the same amount of steel
- Buying less steel

out of 100%



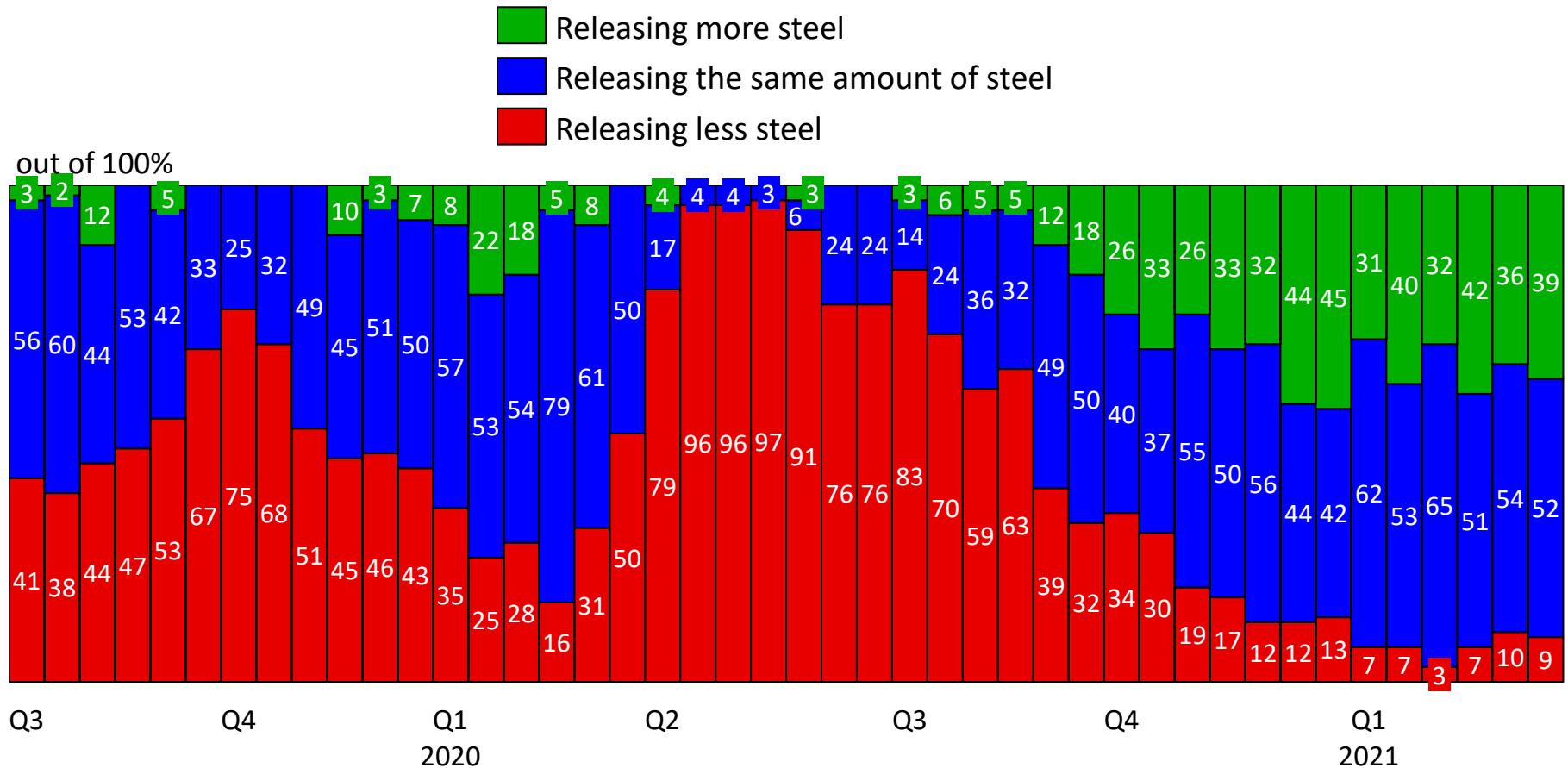
Service Centers- How do you see your customers releases (demand) for the products your company provides this year compared to this time last year?

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



Service Center Release History

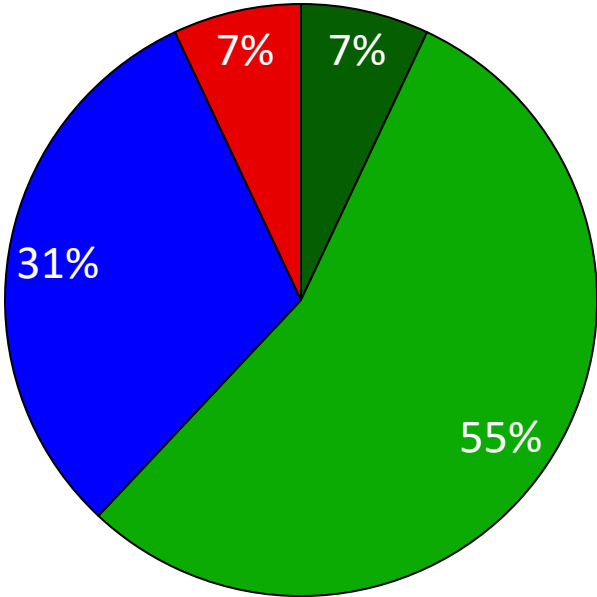
Service Centers- How do you see your customers releases (demand) for the products your company provides this year compared to this time last year?



Manufacturer Demand

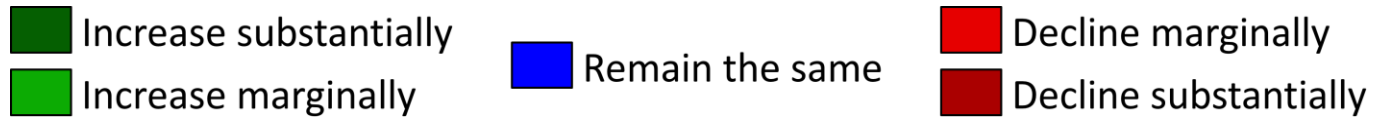
Manufacturers- Demand for your products will _____
over the next 3 months based on current order flows.

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

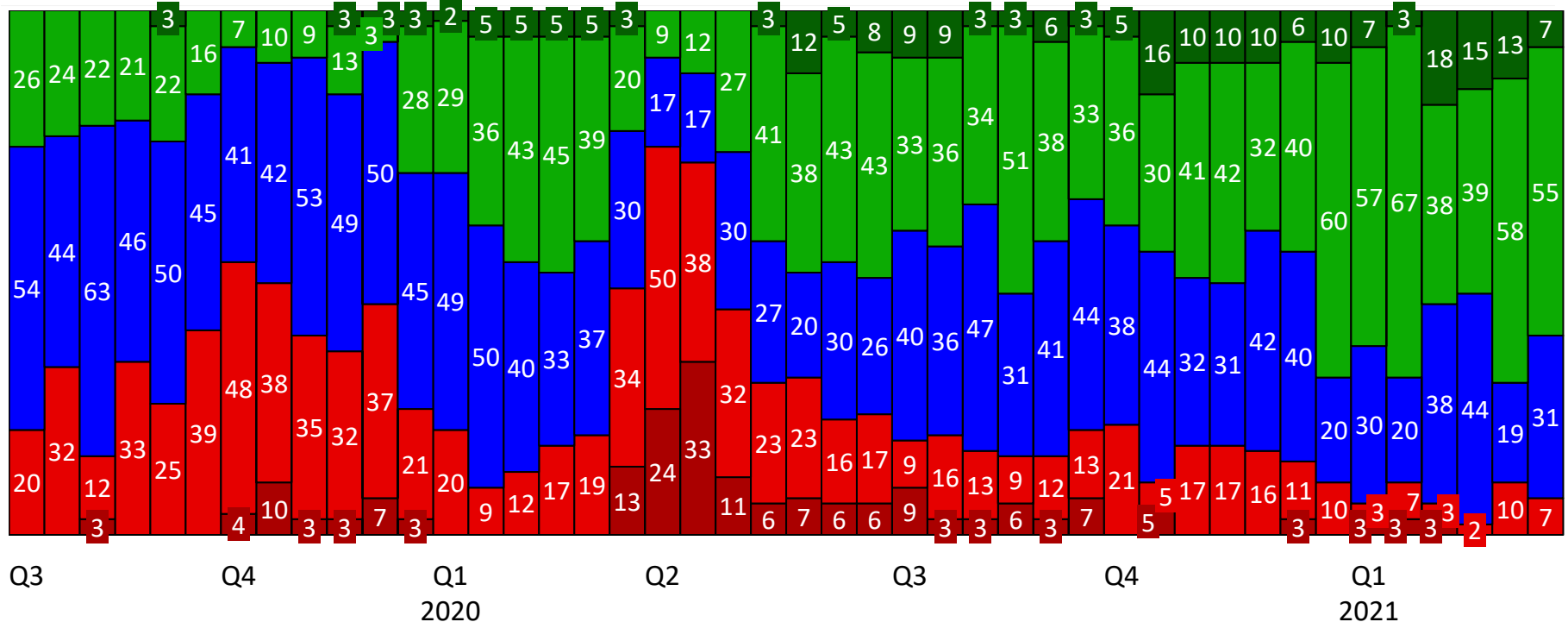


Manufacturer Demand History

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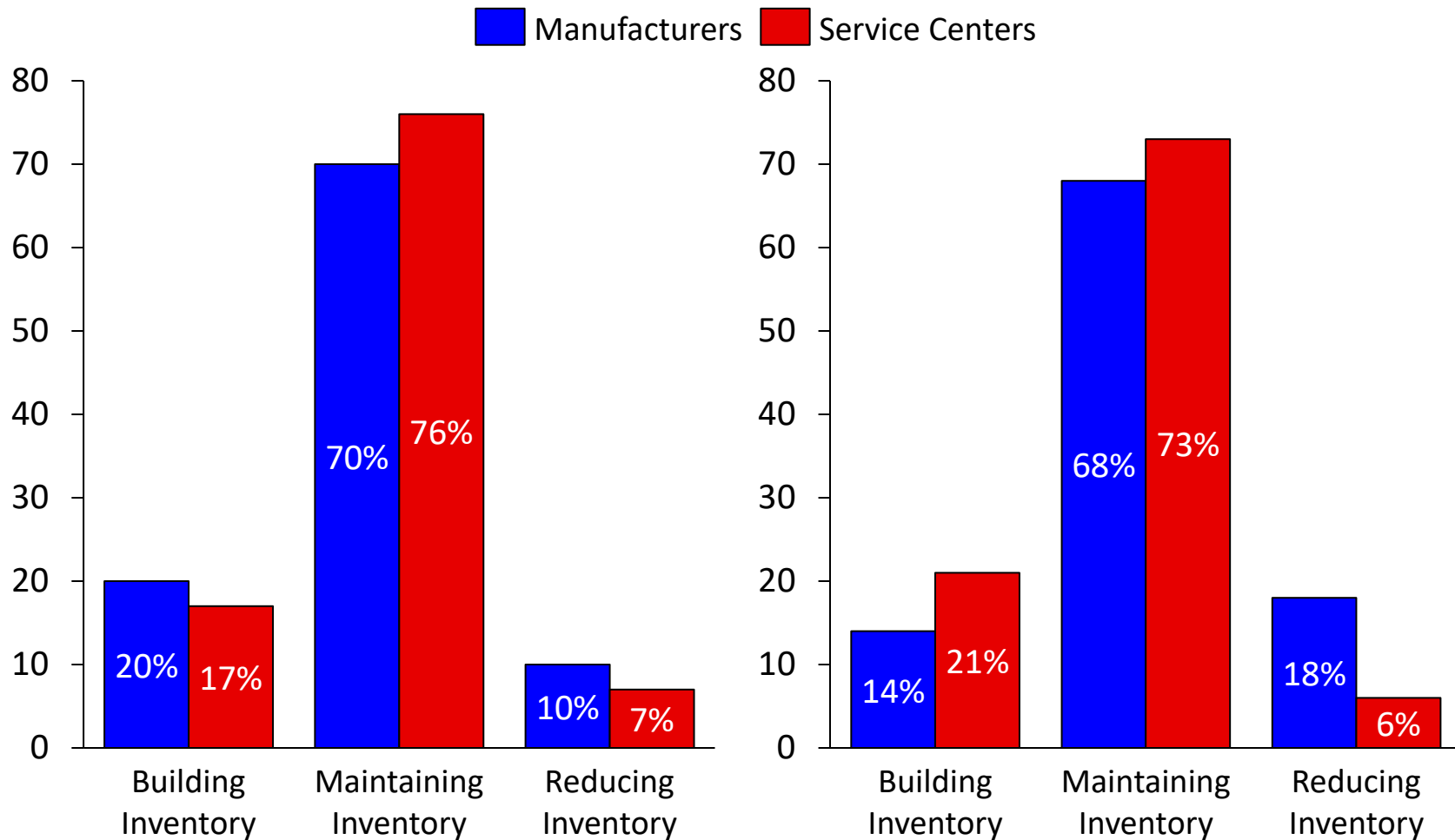
out of 100%



Manufacturer and Service Center Inventory Buying Patterns

March 5, 2021

March 18, 2021

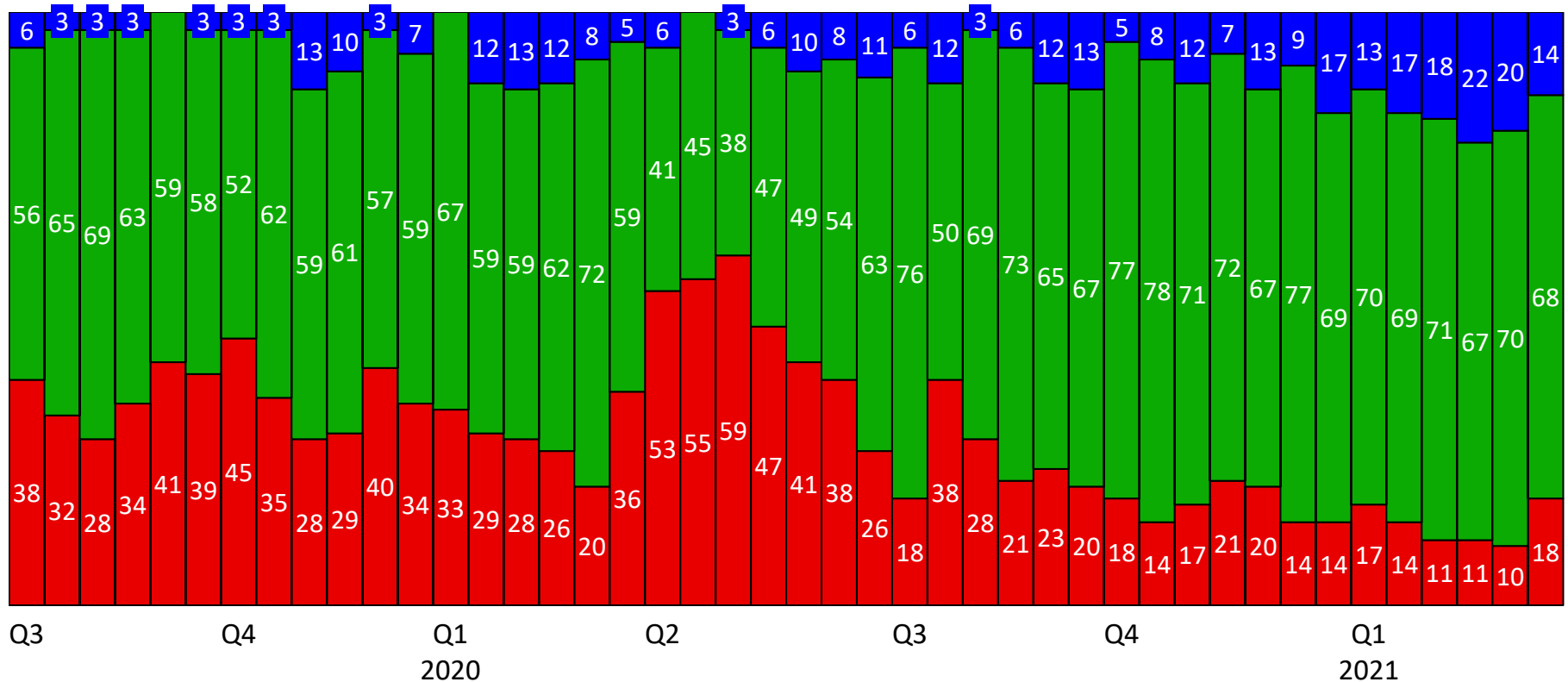


Manufacturer Inventory Buying History

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

■ Building Inventory
 ■ Maintaining Inventory
 ■ Reducing Inventory

out of 100%

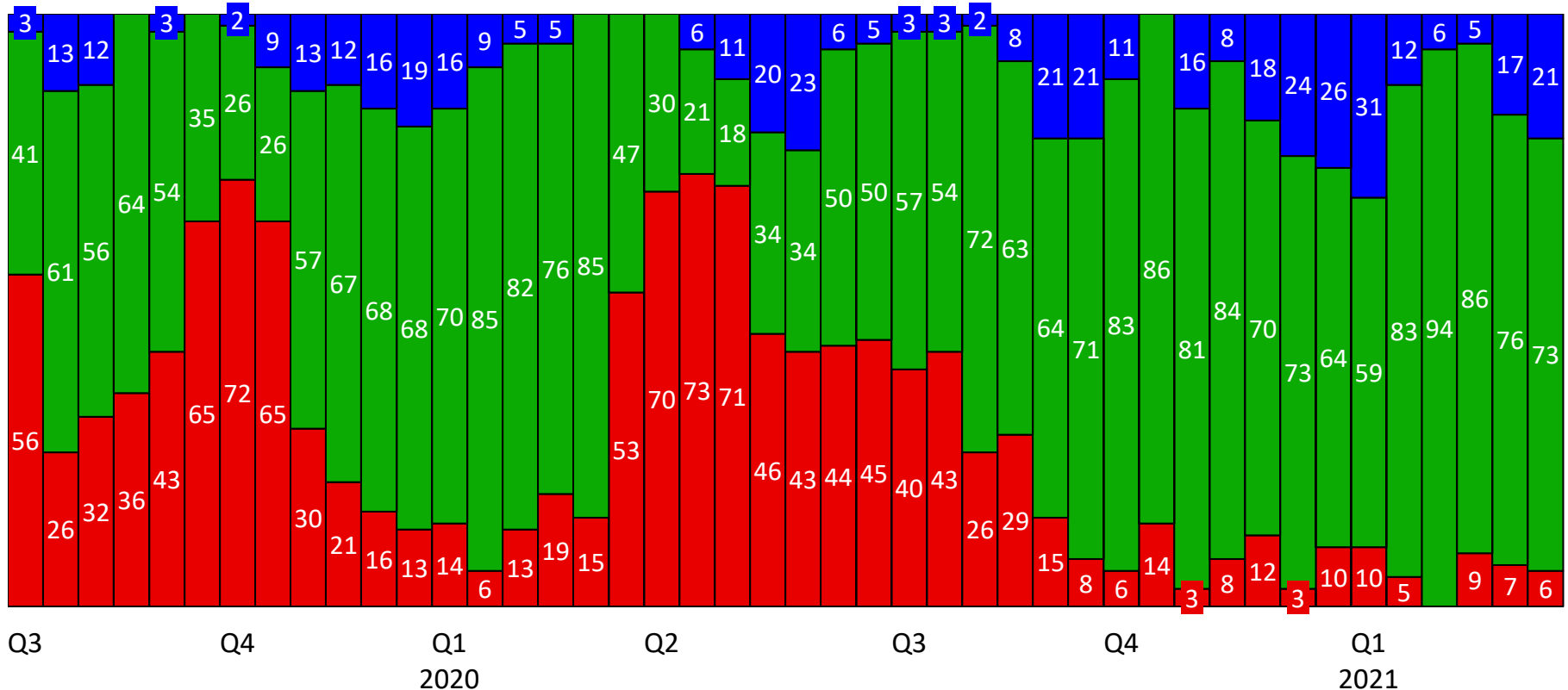


Service Center Inventory Buying History

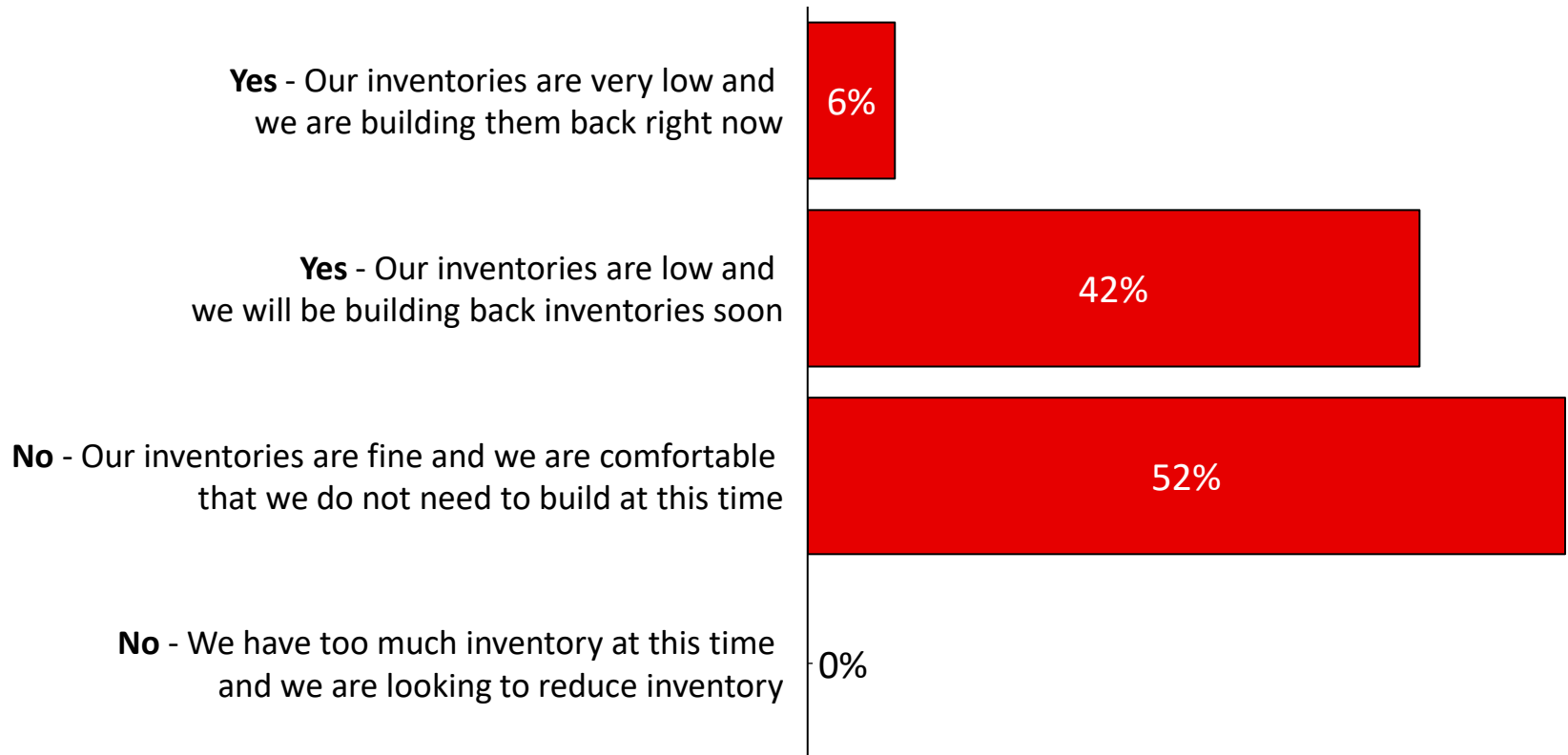
Service Centers- Is your company building, reducing or maintaining its flat rolled steel inventory?

■ Building Inventory
 ■ Maintaining Inventory
 ■ Reducing Inventory

out of 100%



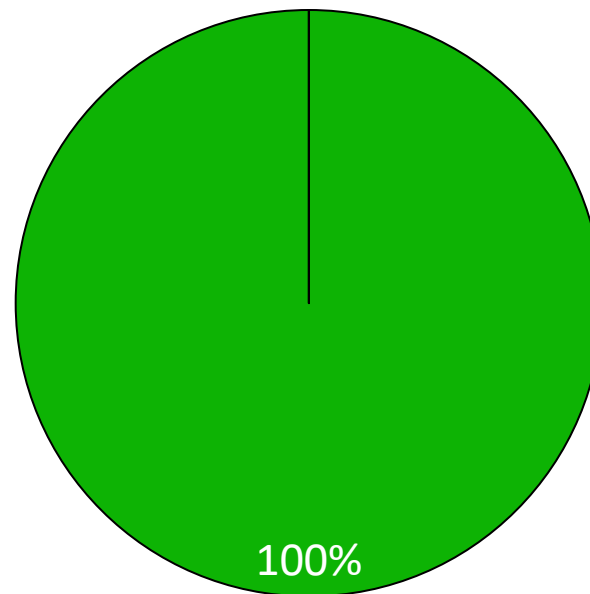
Service Centers- Does your company need to build back inventories or are you comfortable with the levels you are holding on your floor?



Manufacturer's View of Service Center Selling Prices

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

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

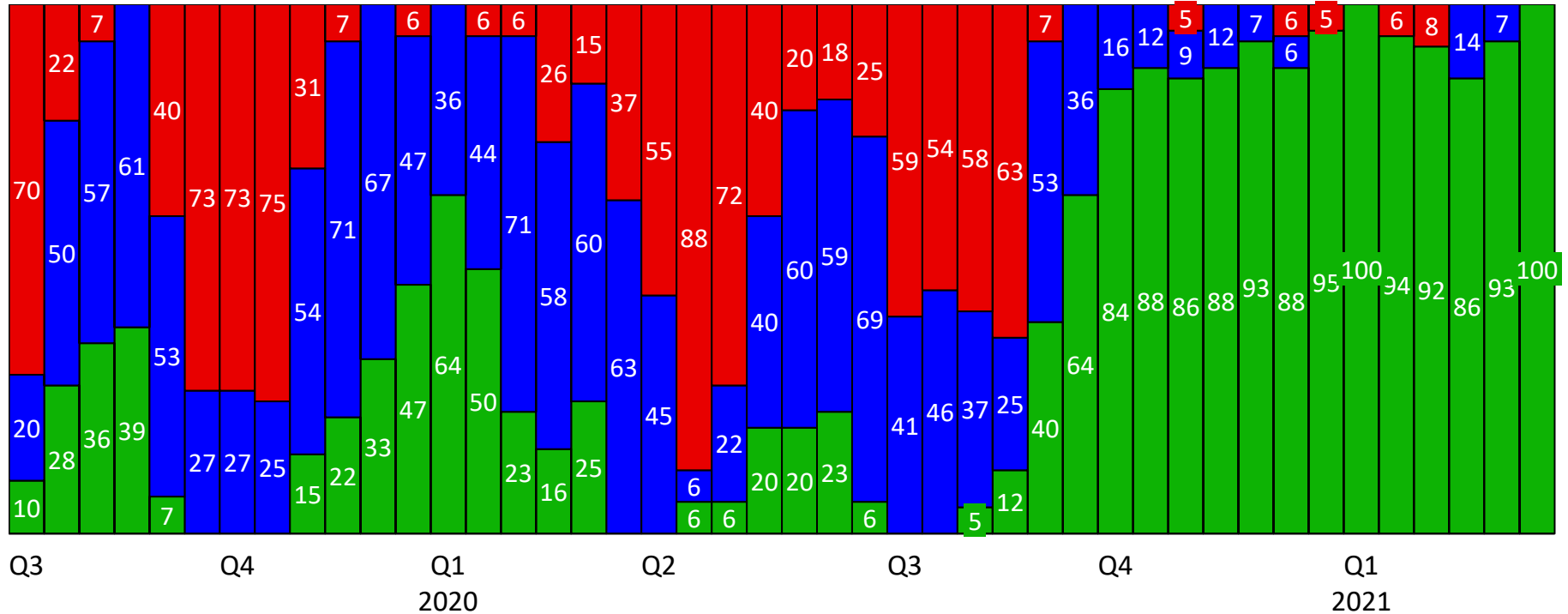


Manufacturer's View of Service Center Selling Prices History

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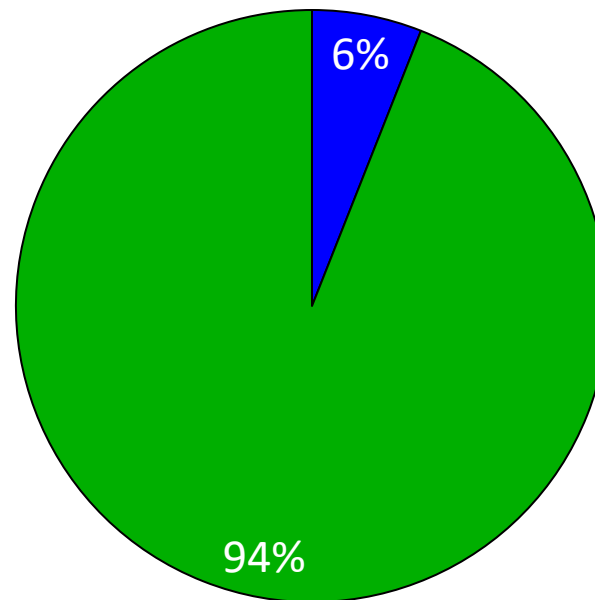
- We are seeing prices decreasing from our service centers
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out of 100%

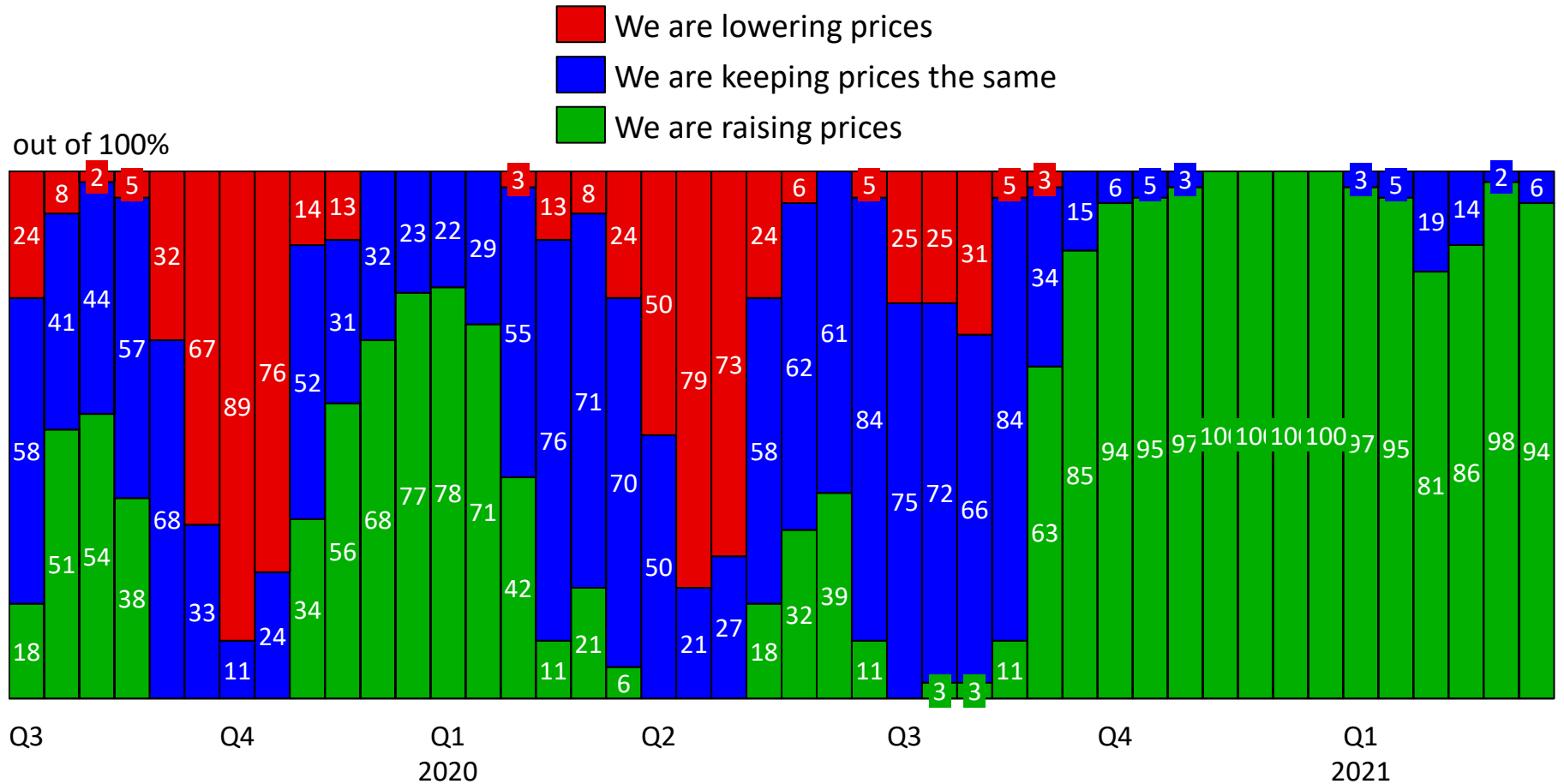


Service Centers- Compared to two weeks ago, how is your company handling spot pricing to your customers at this time?

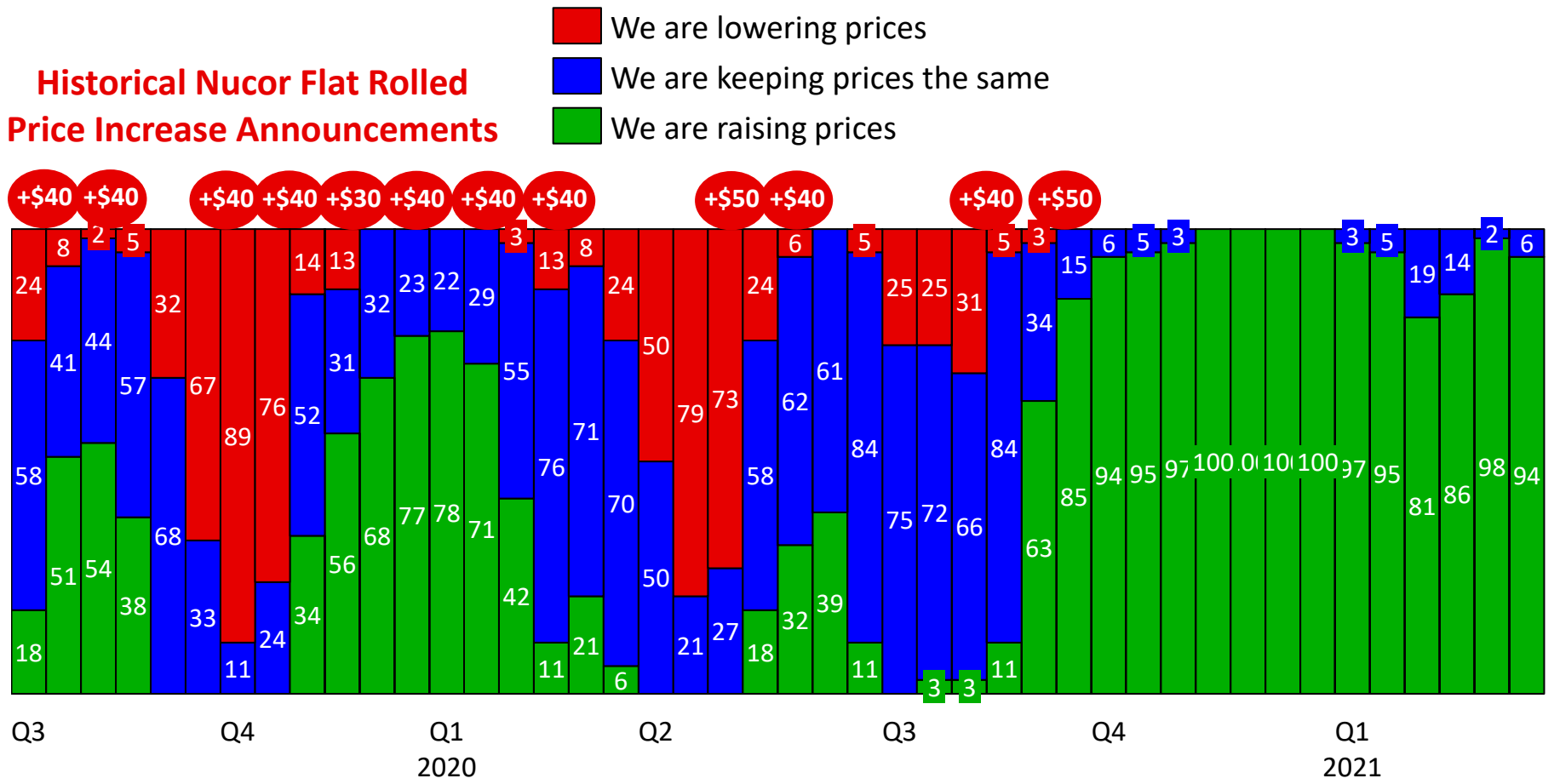
- We are lowering prices
- We are keeping prices the same
- We are raising prices



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



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

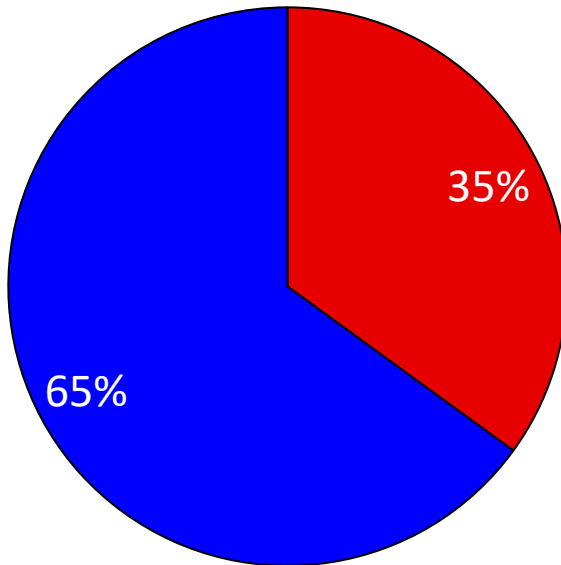


Passing Along Higher Prices

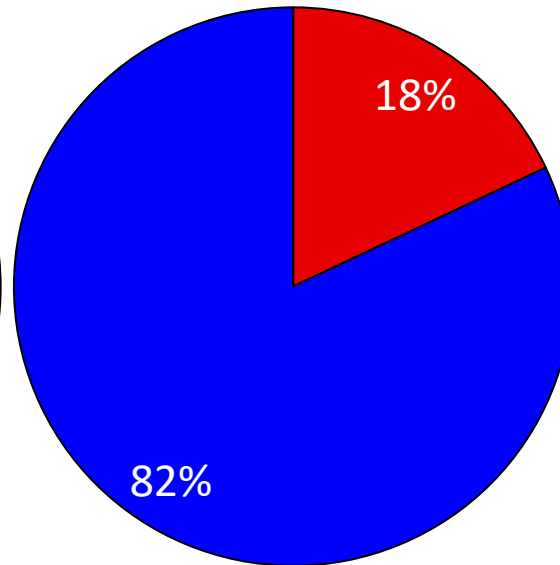
Service Centers- Are you having any difficulties in passing along the new higher prices to your customers?

Yes No

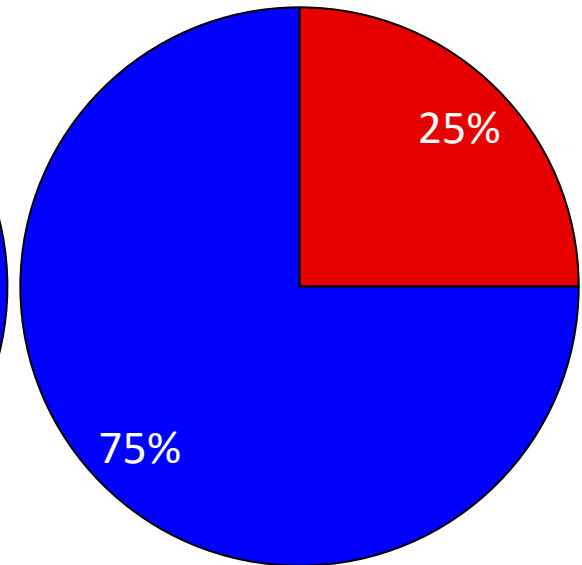
February 19, 2021






March 5, 2021

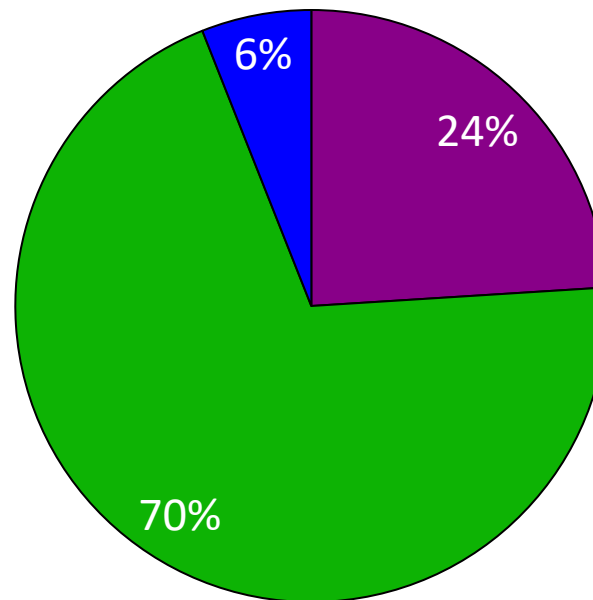


March 18, 2021



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

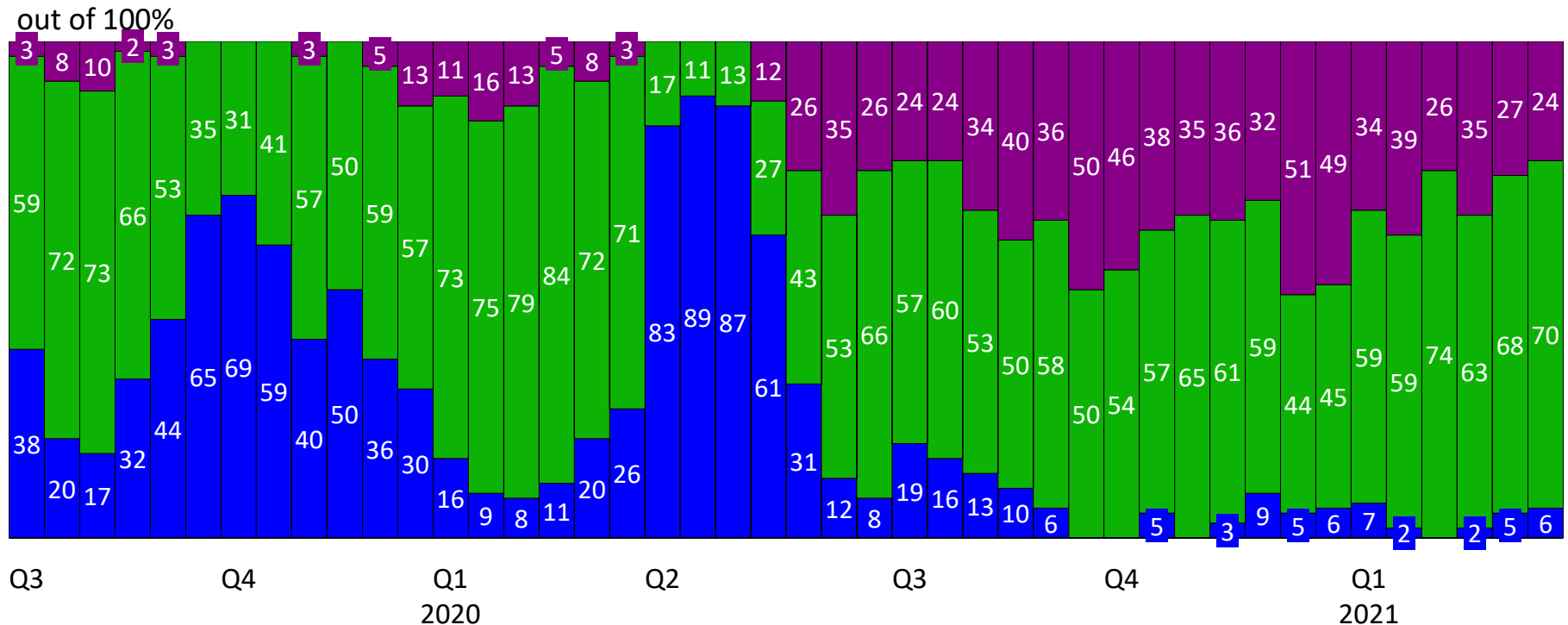
-  Our manufacturing customers are increasing orders
-  Our manufacturing customers are maintaining their orders
-  Our manufacturing customers are reducing their orders



Service Centers on Manufacturer Orders History

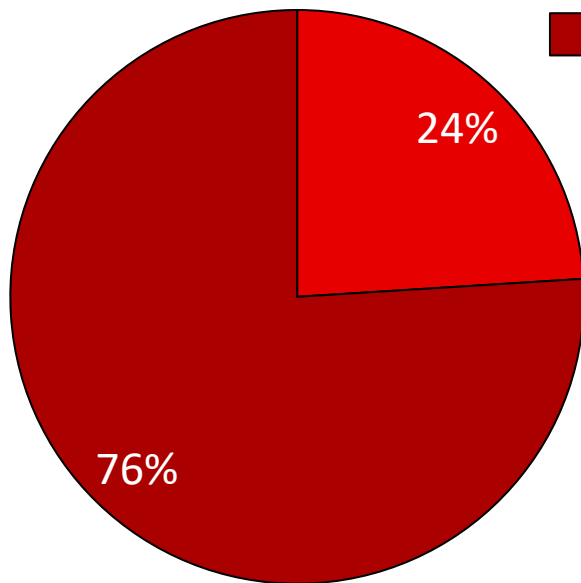
Service Centers- Are your manufacturing customers increasing orders, keeping them the same or reducing orders at this time?

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



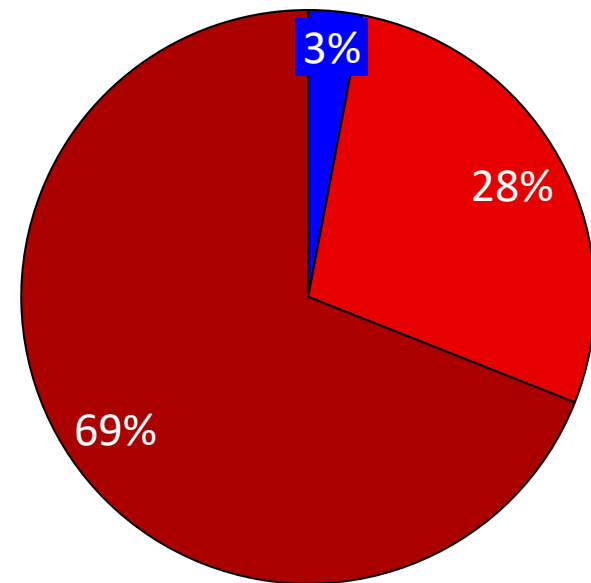
How would you describe domestic mill lead times for new orders placed right now?

Manufacturers



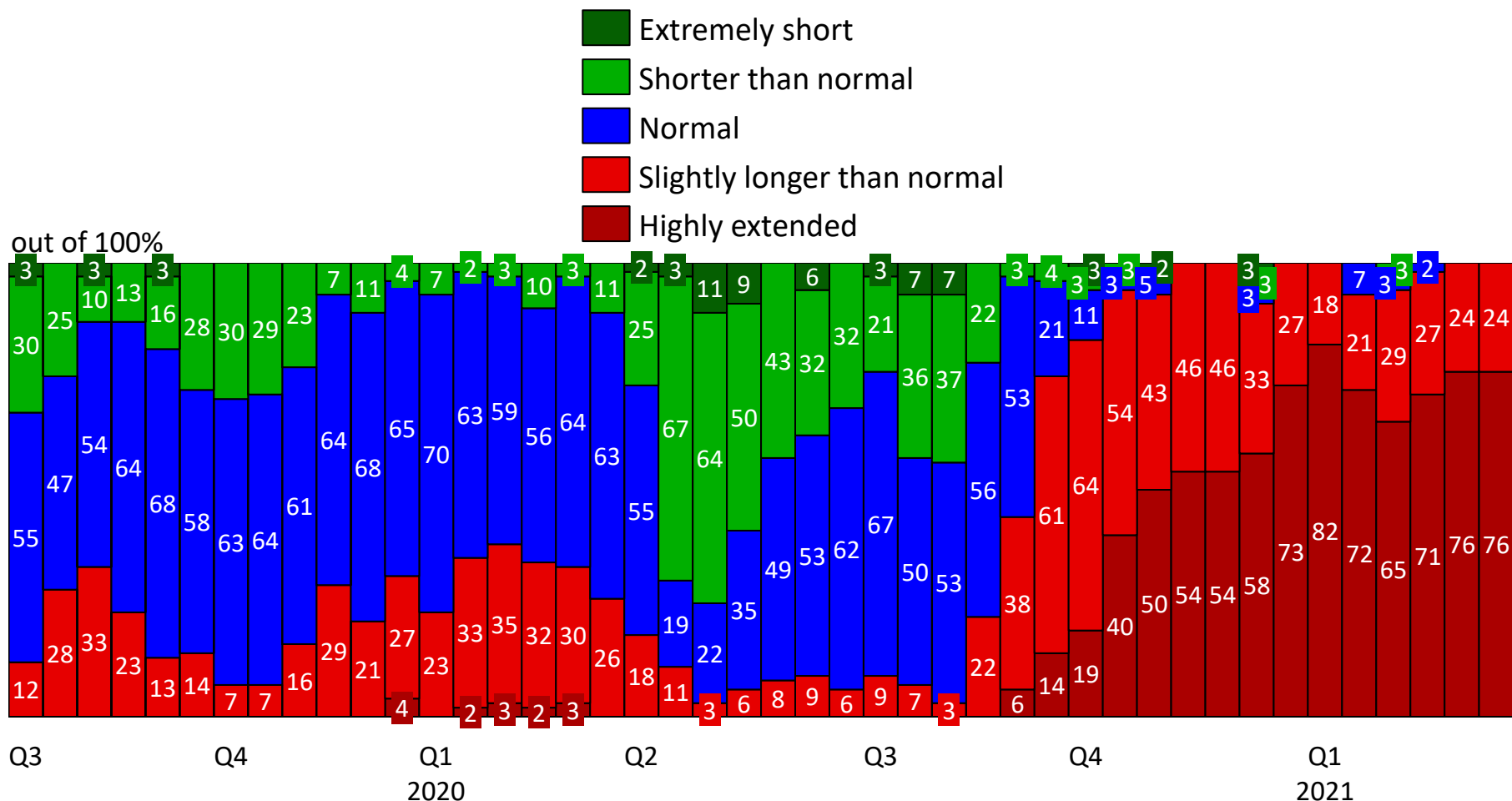
- Extremely short
- Shorter than normal
- Normal
- Slightly longer than normal
- Highly extended

Service Centers



Mill Lead Times History

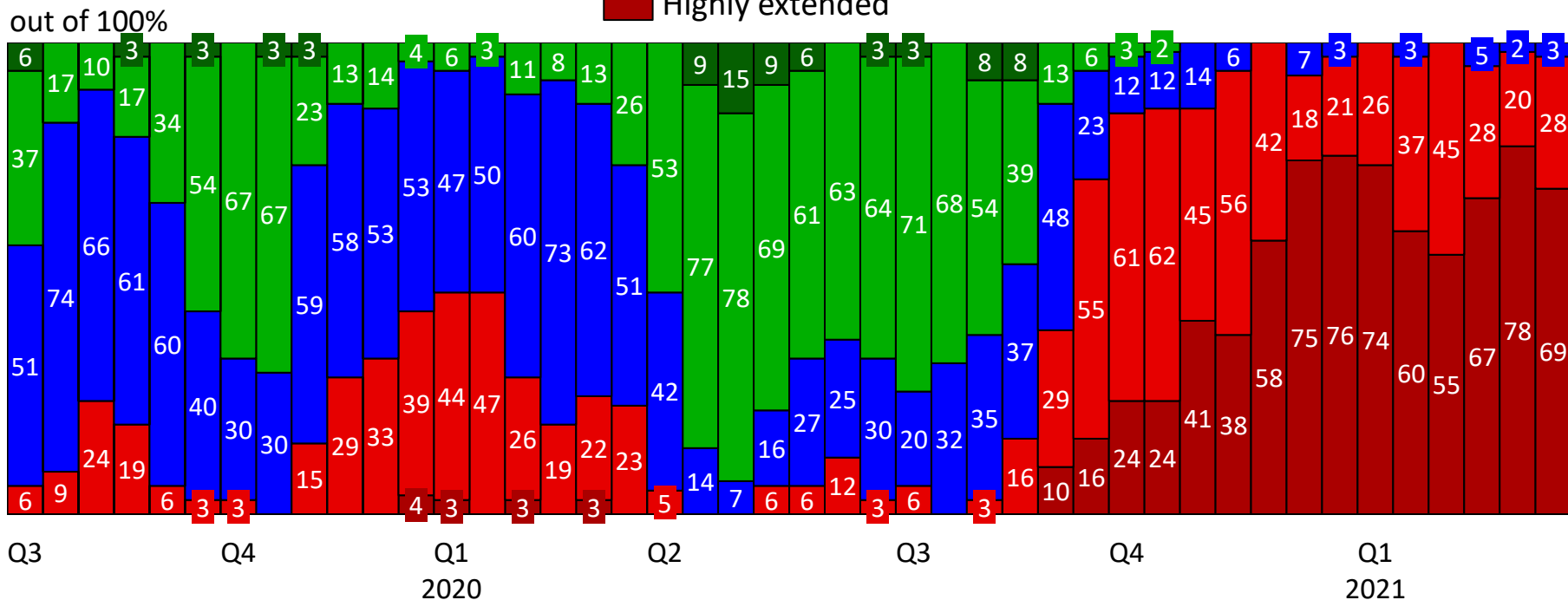
Manufacturers- How would you describe domestic mill lead times for new orders placed right now?



Mill Lead Times History

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

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

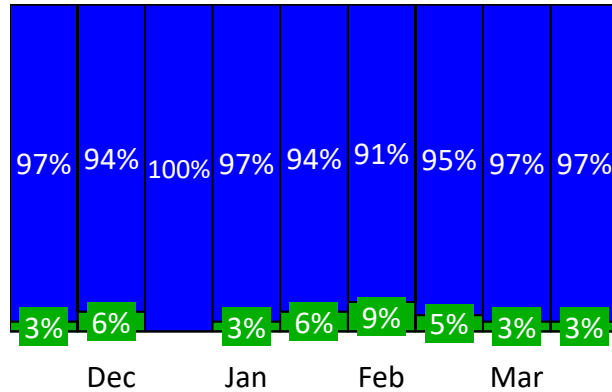


Mill Negotiations

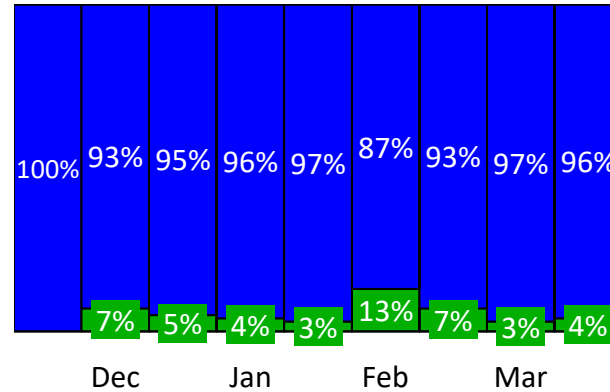
Are you finding the domestic mills are willing to negotiate pricing on brand new orders placed this week?

Yes No

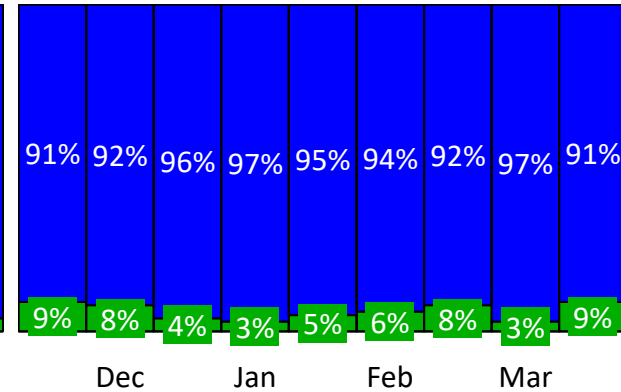
Hot Rolled



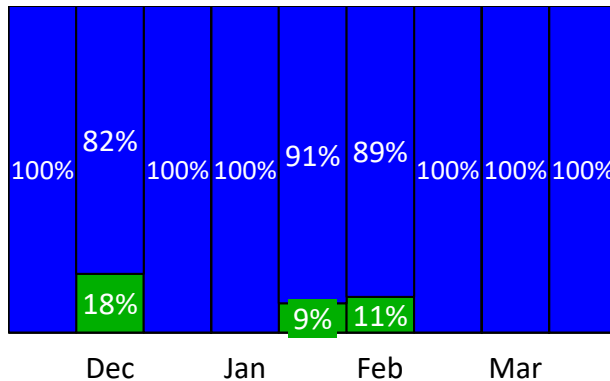
Cold Rolled



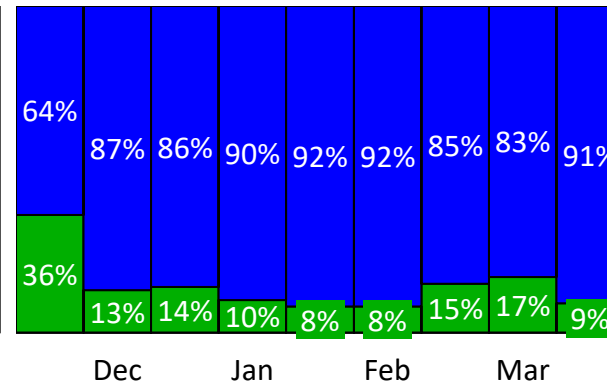
Galvanized



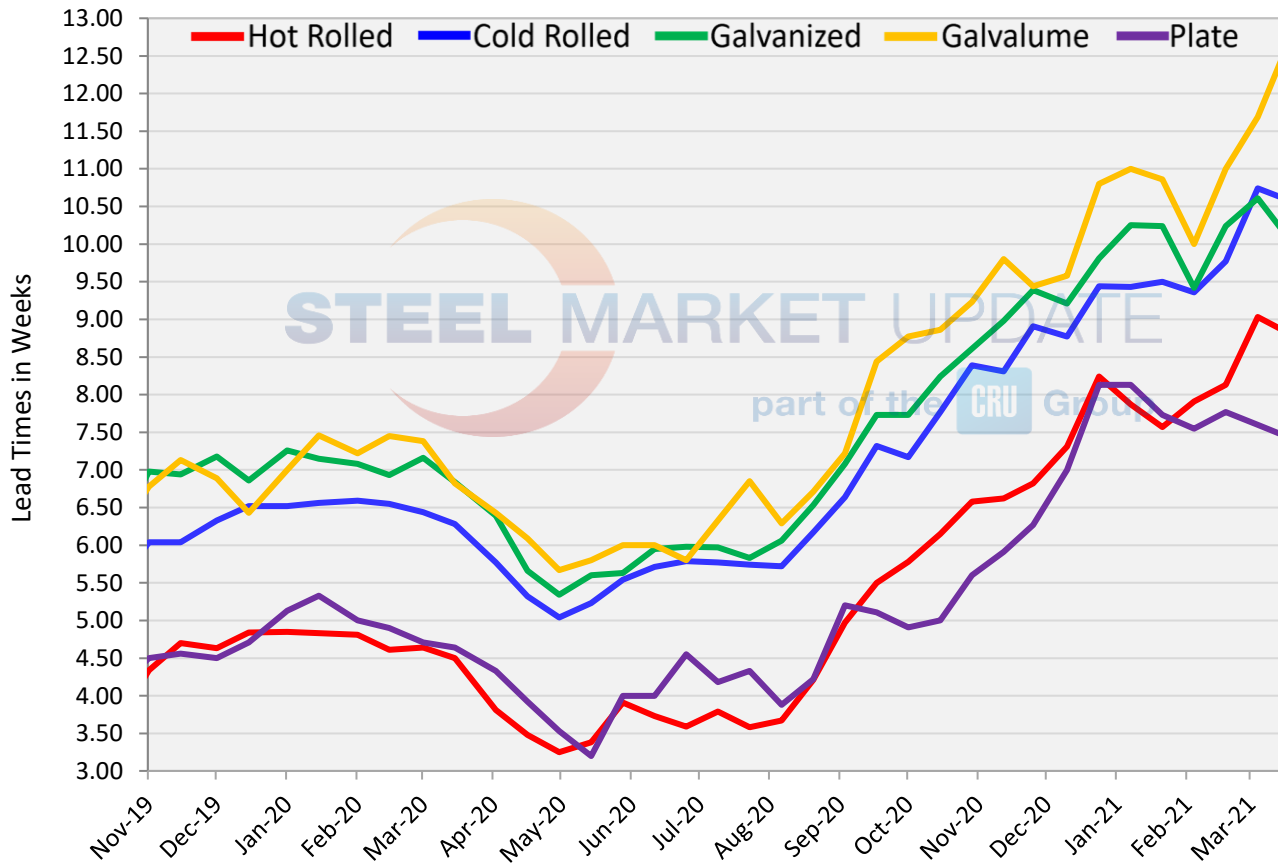
Galvalume



Plate



Mill Lead Times



Lead Times in Weeks

Galvalume: 12.71

Cold Rolled: 10.58

Galvanized: 10.06

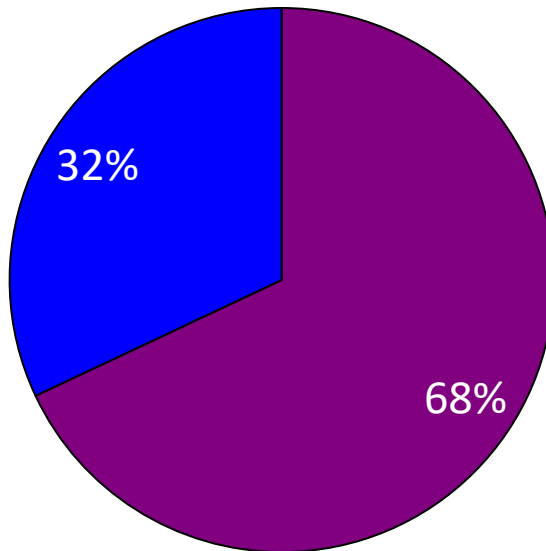
Hot Rolled: 8.81

Plate: 7.43

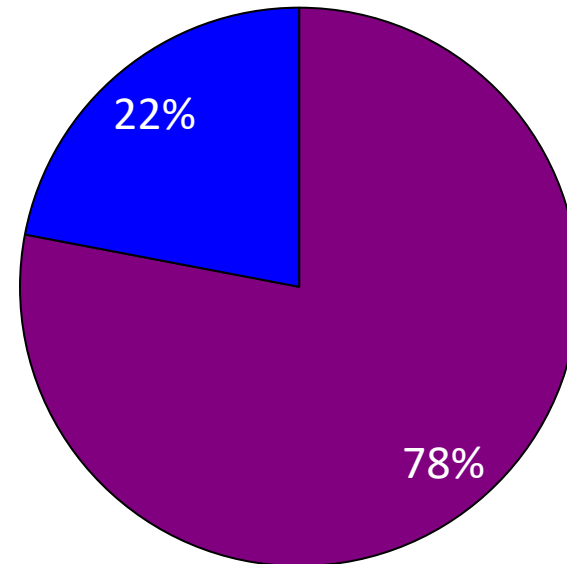
Does your company buy foreign steel?

■ Yes ■ No

Manufacturers



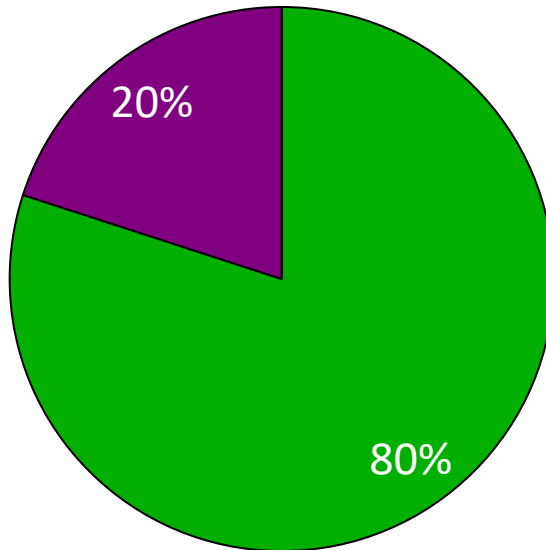
Service Centers



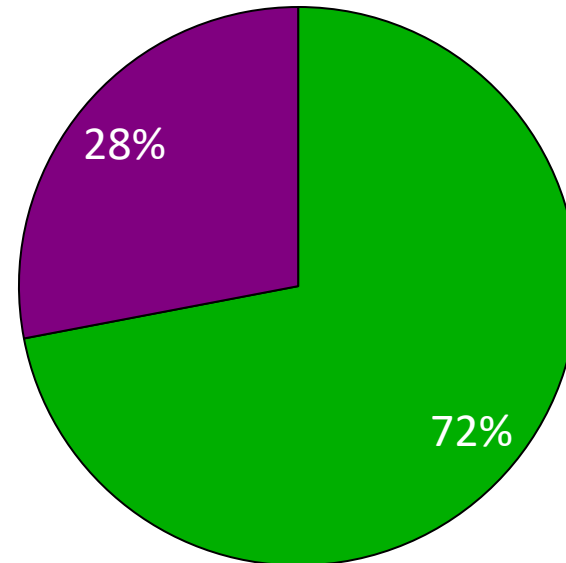
Are your foreign steel suppliers quoting you competitive prices for new orders for future delivery?

Yes No

Manufacturers



Service Centers

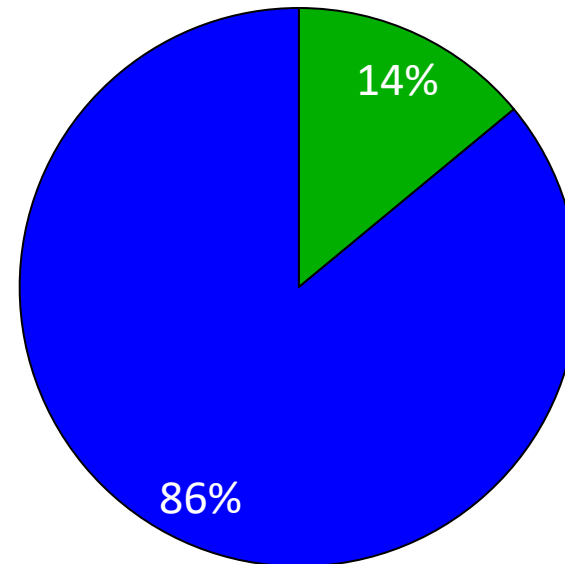
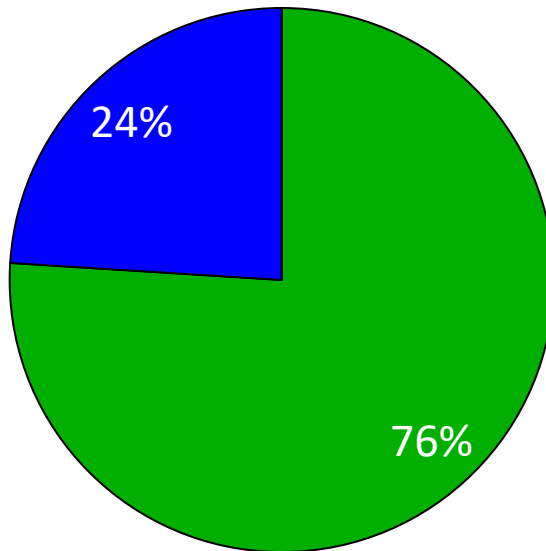


Foreign Steel

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

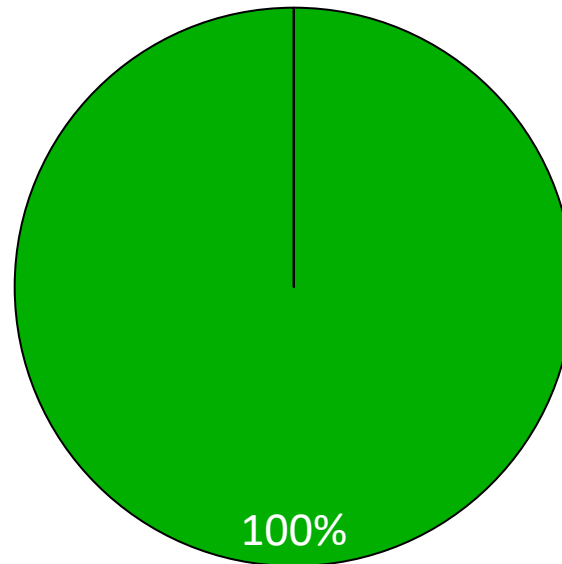
Service Centers- Are you decreasing the percentage of foreign steel on your order book?

Yes No



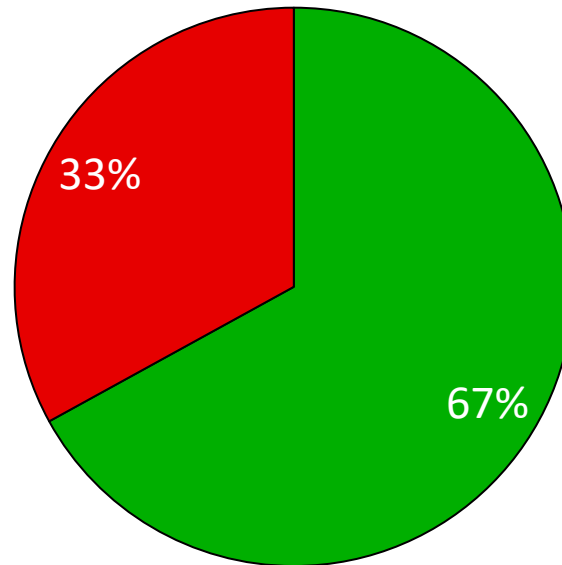
At this time, are you seeing an increase or decrease in orders from your North American buyers?

 Increase
 Decrease



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

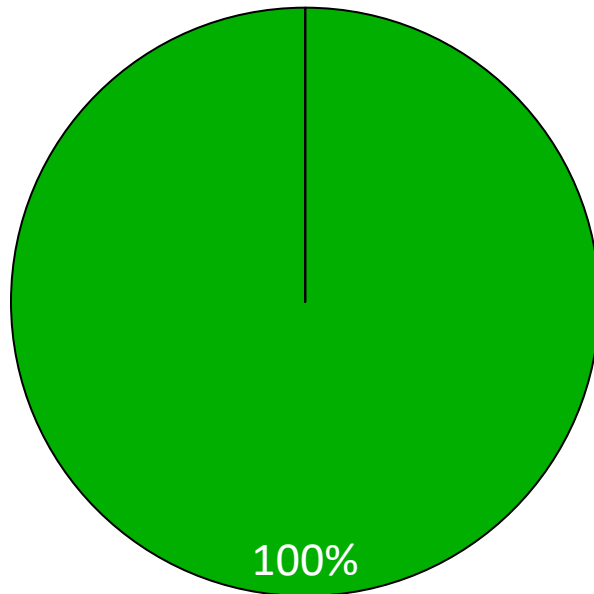
Yes No



Trading Companies

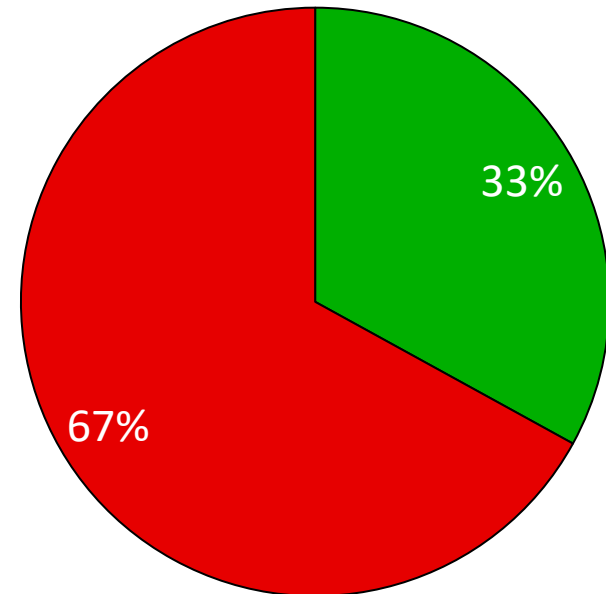
Are you able to offer hot rolled pricing that is attractive to buyers right now?

Yes No



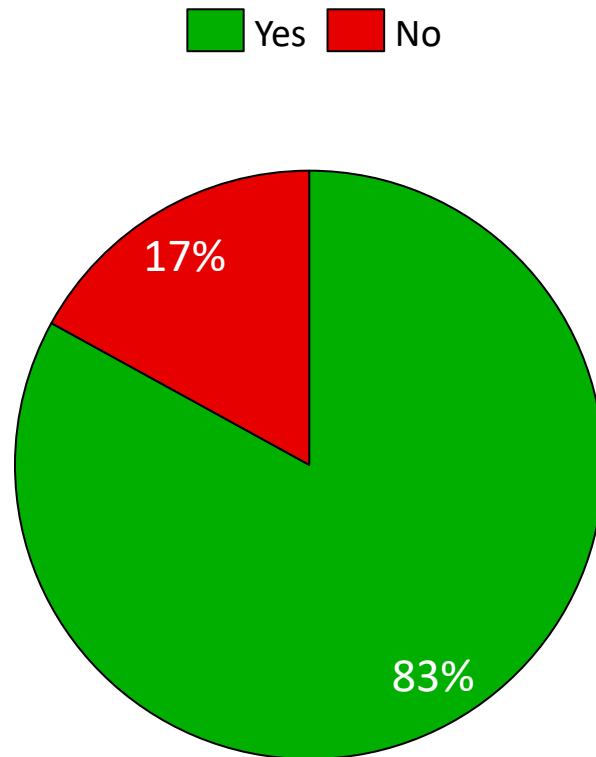
Are you able to offer plate pricing that is attractive to buyers right now?

Yes No

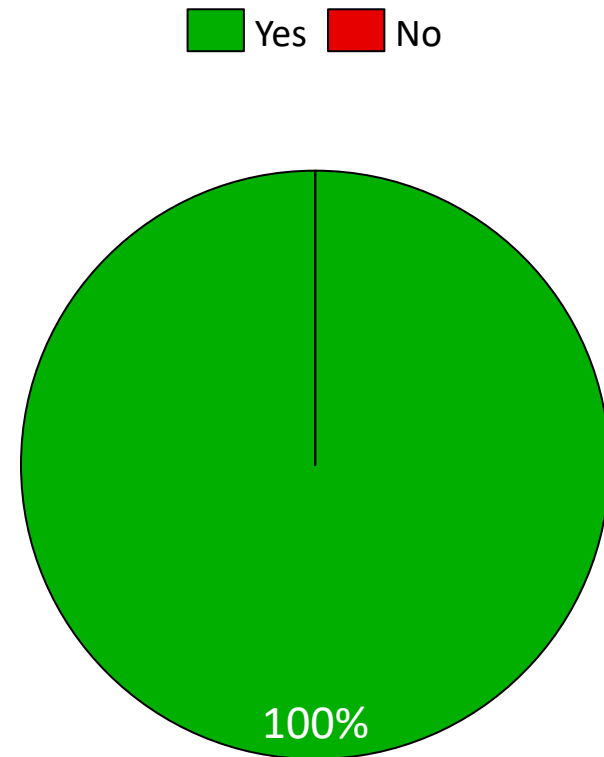


Trading Companies

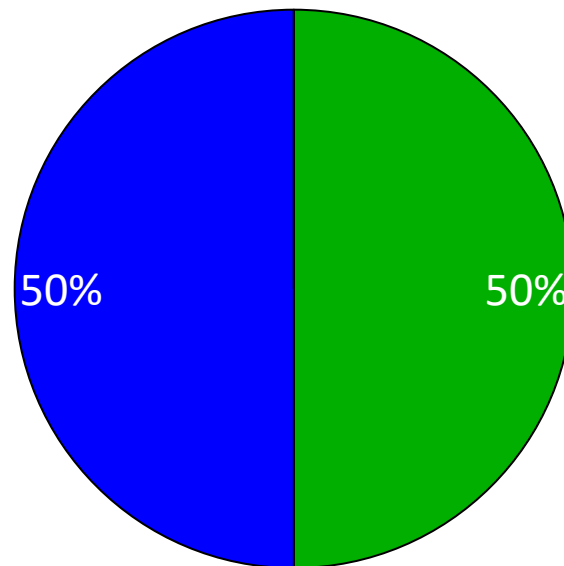
Are your galvanized prices competitive enough right now to get orders (including duties)?



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

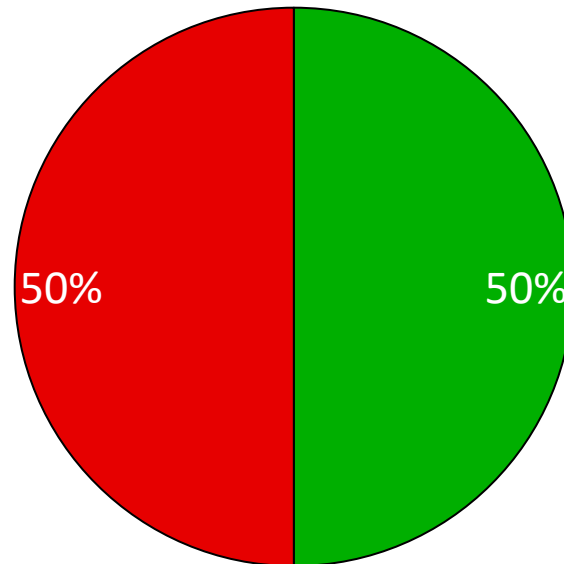


The current order book at your mill is better or worse than last month?

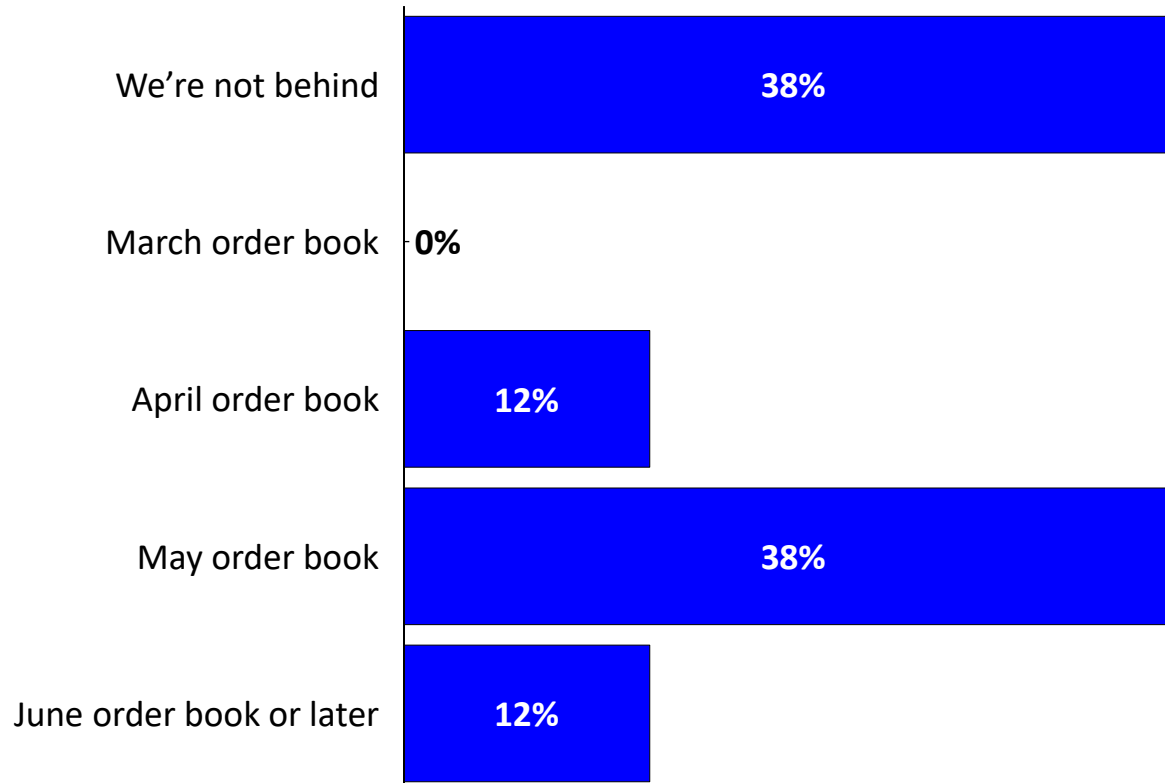


Will restarts of blast furnaces at the integrated mills add enough supply to affect steel prices this year?

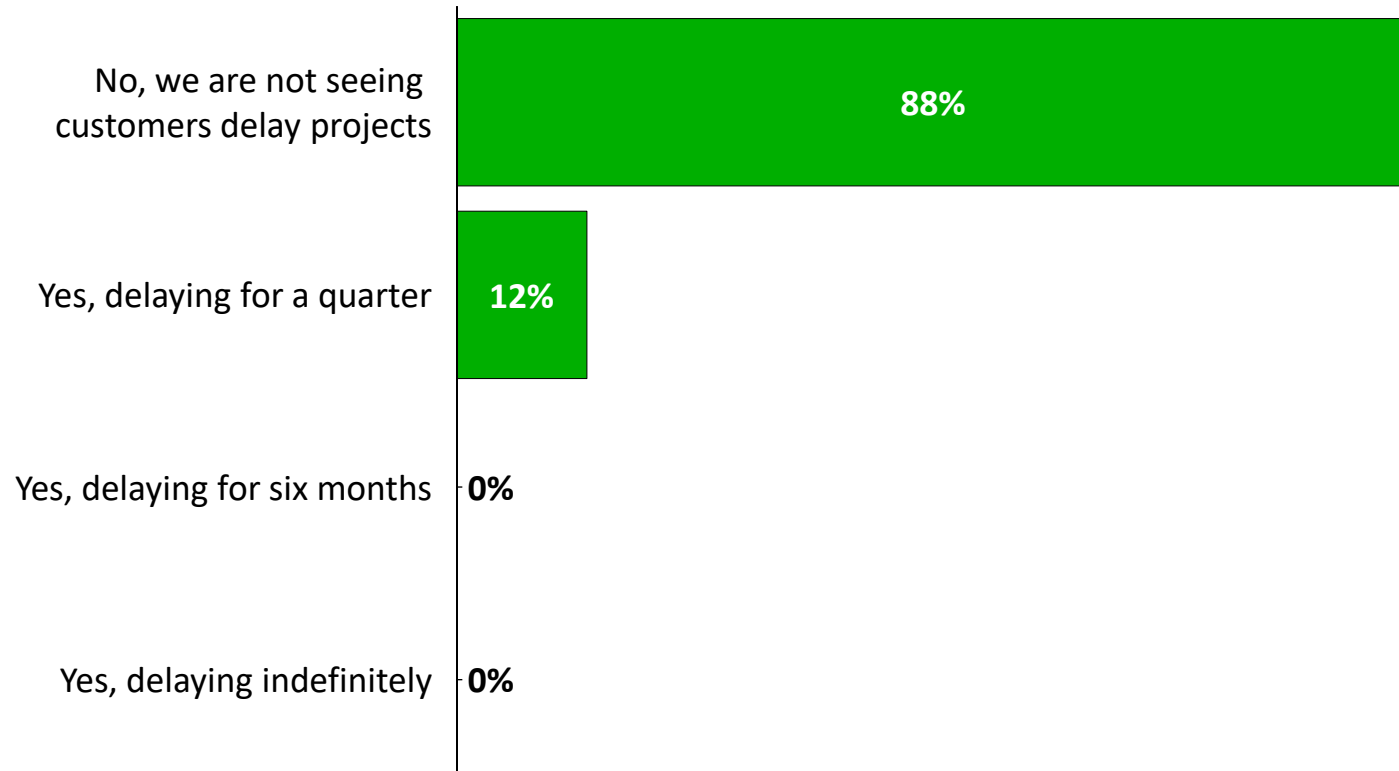
■ Yes ■ No



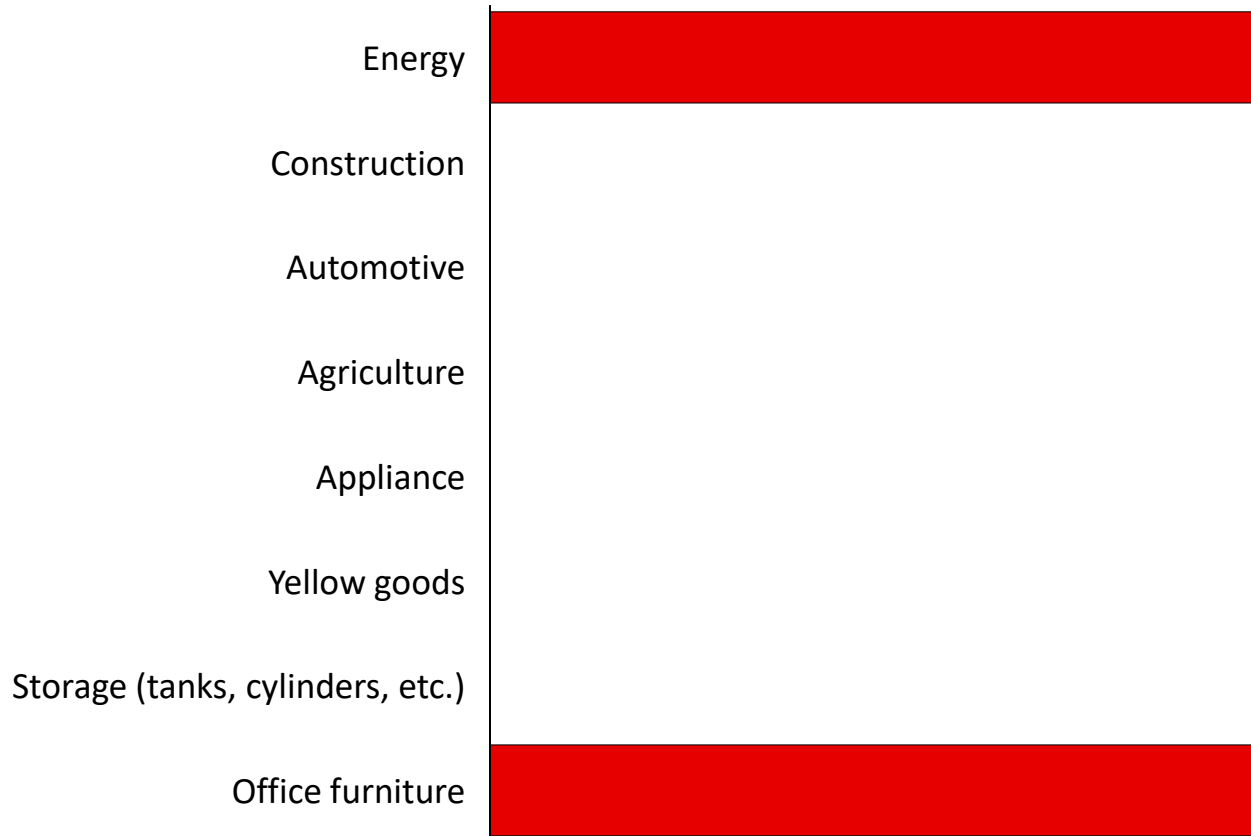
If you are behind on orders, how long do you think it will take you to catch up?



Are you seeing customers delay projects because of high prices? And, if yes, for how long?



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



Questions?

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

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

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

Look for Our Next Survey



Our next survey
will be conducted
the week of
March 29, 2021

The logo features a stylized circular element on the left, composed of two curved segments. The top segment is orange and the bottom segment is red, meeting at a central point. The text 'STEEL MARKET UPDATE' is written in a bold, white, sans-serif font across the middle of the image, with the circular logo partially overlapping the word 'STEEL'.

STEEL MARKET UPDATE

part of the  Group

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