



# STEEL MARKET UPDATE

part of the **CRU** Group

## SMU Flat Rolled Market Trends Analysis

Responses from our March 1-3, 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](http://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.

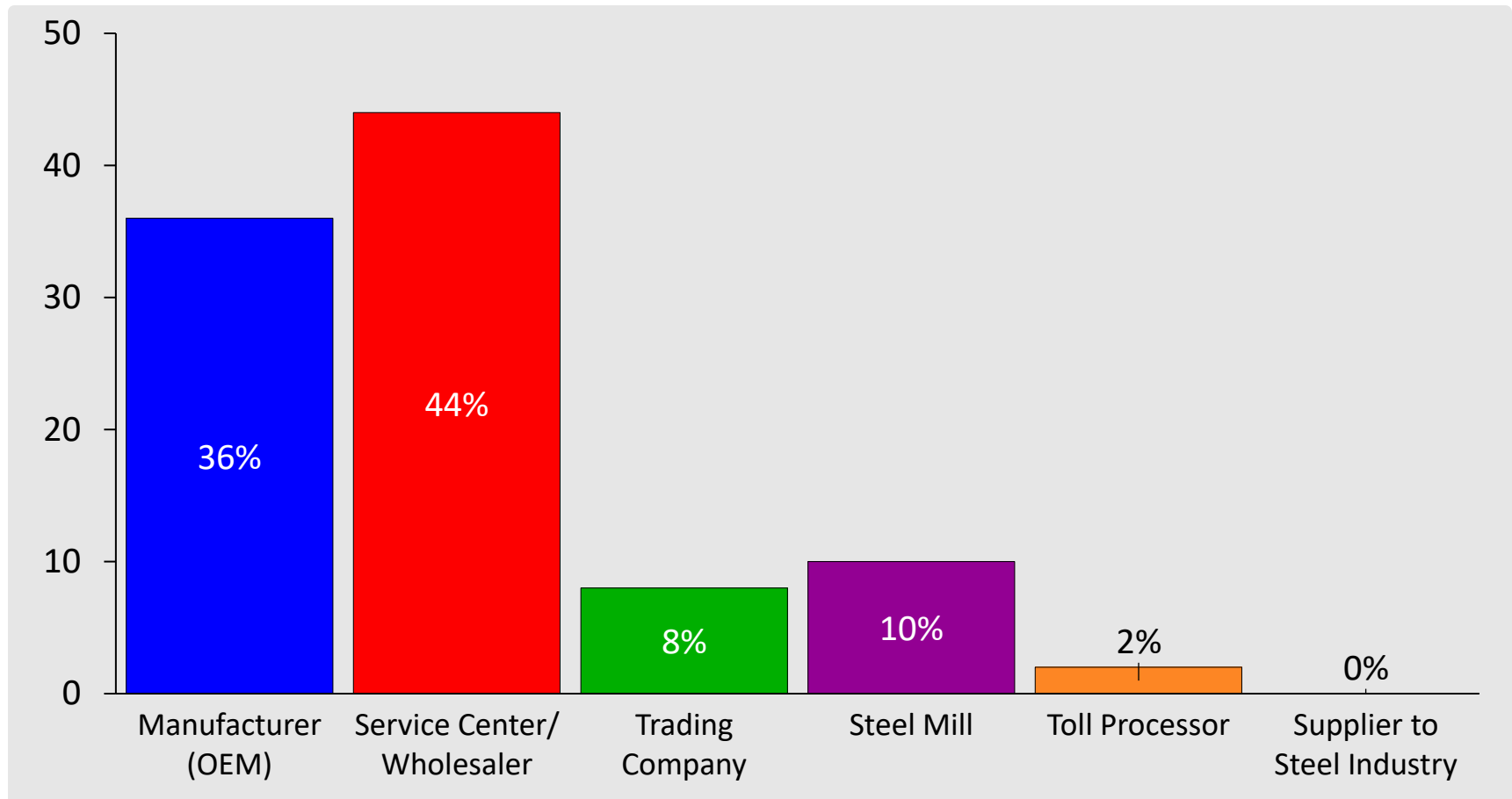
# 2021 Steel Market Update Events

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](https://SteelMarketUpdate.com/Events) or e-mail our team at [Events@SteelMarketUpdate.com](mailto:Events@SteelMarketUpdate.com)

# Survey Participants

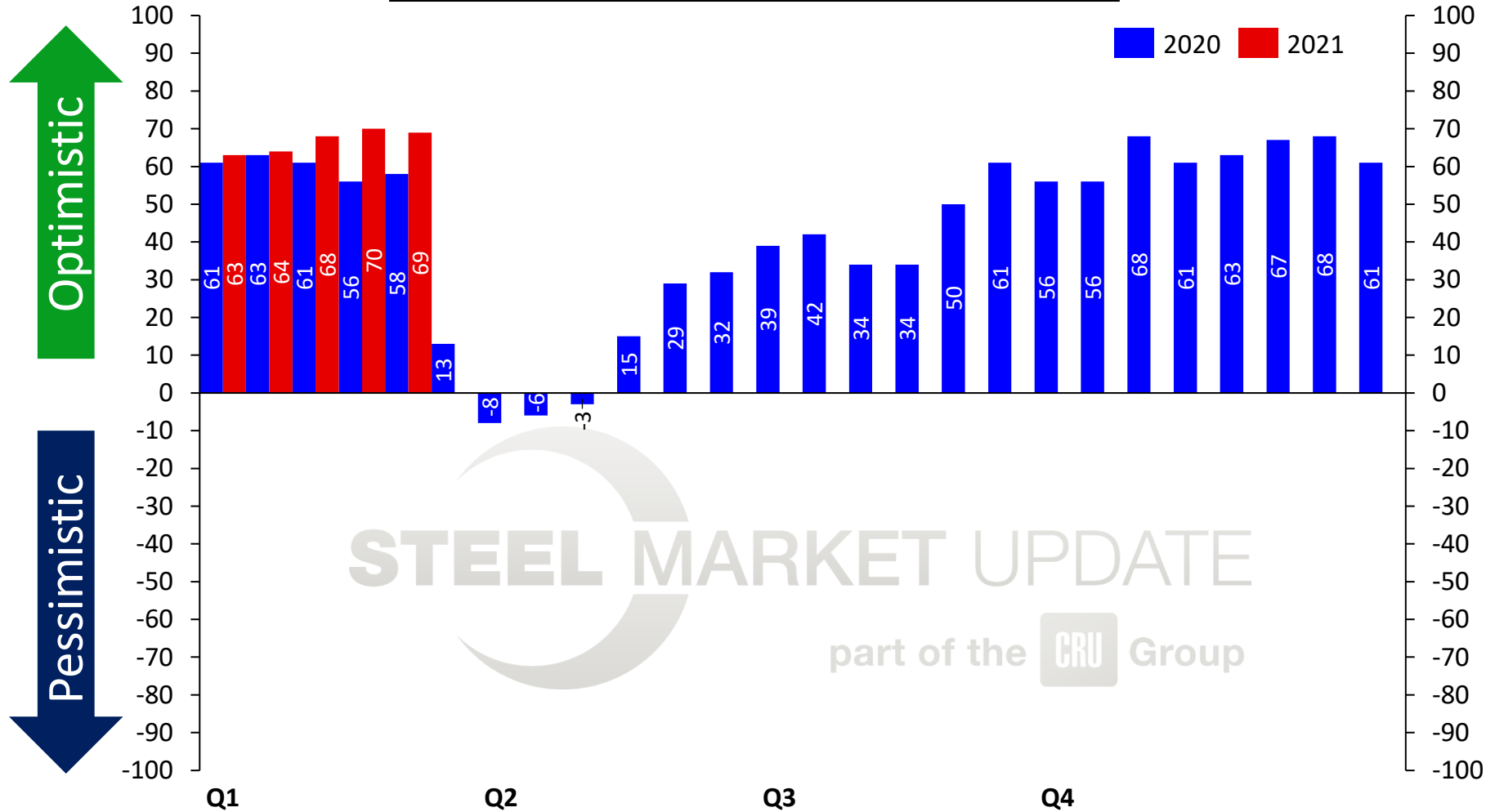
Our survey is by invitation only- Over 600 companies, mostly in the manufacturing or distribution industries, are asked to participate. Here are the percentages of participation in this week's survey by market sector.



# SMU Buyers Sentiment Index

Down 1 point to +69

## Steel Market Update Buyers Sentiment Index

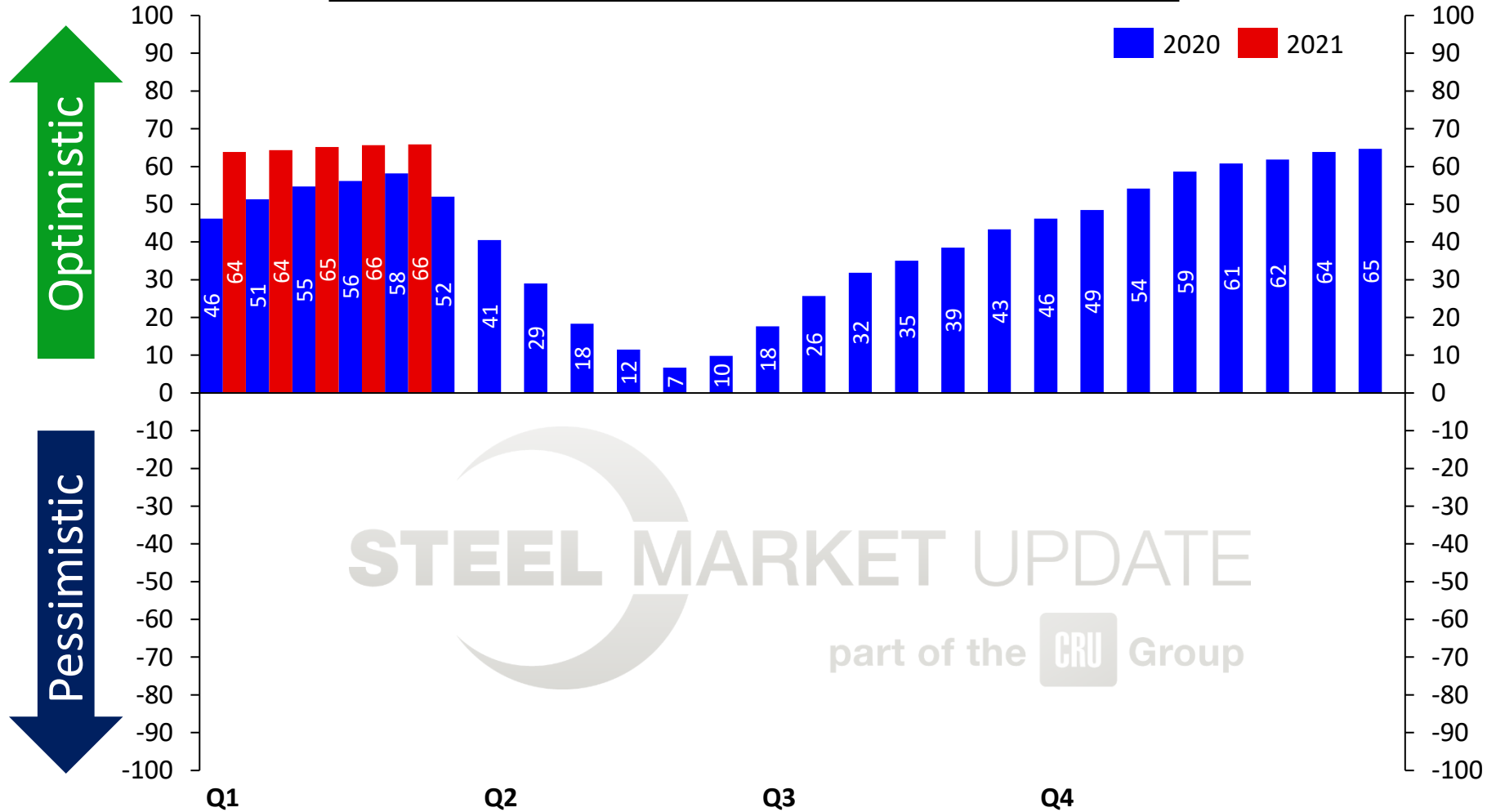




# SMU Buyers Sentiment Index

Three Month Moving Average at +65.83

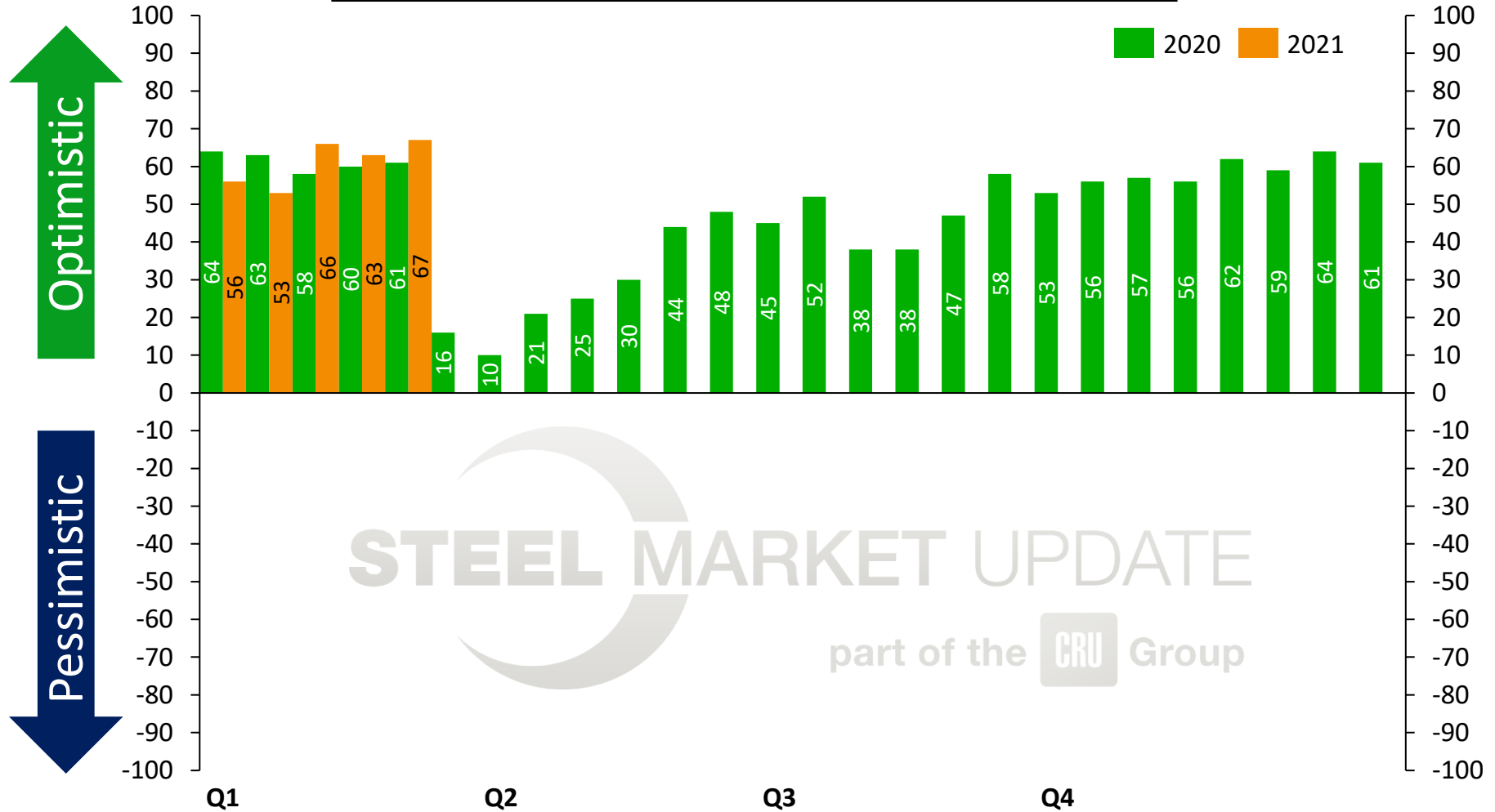
## Steel Market Update Buyers Sentiment Index 3MMA



# SMU Future Buyers Sentiment Index

Up 4 points to +67

## Steel Market Update Future Buyers Sentiment Index

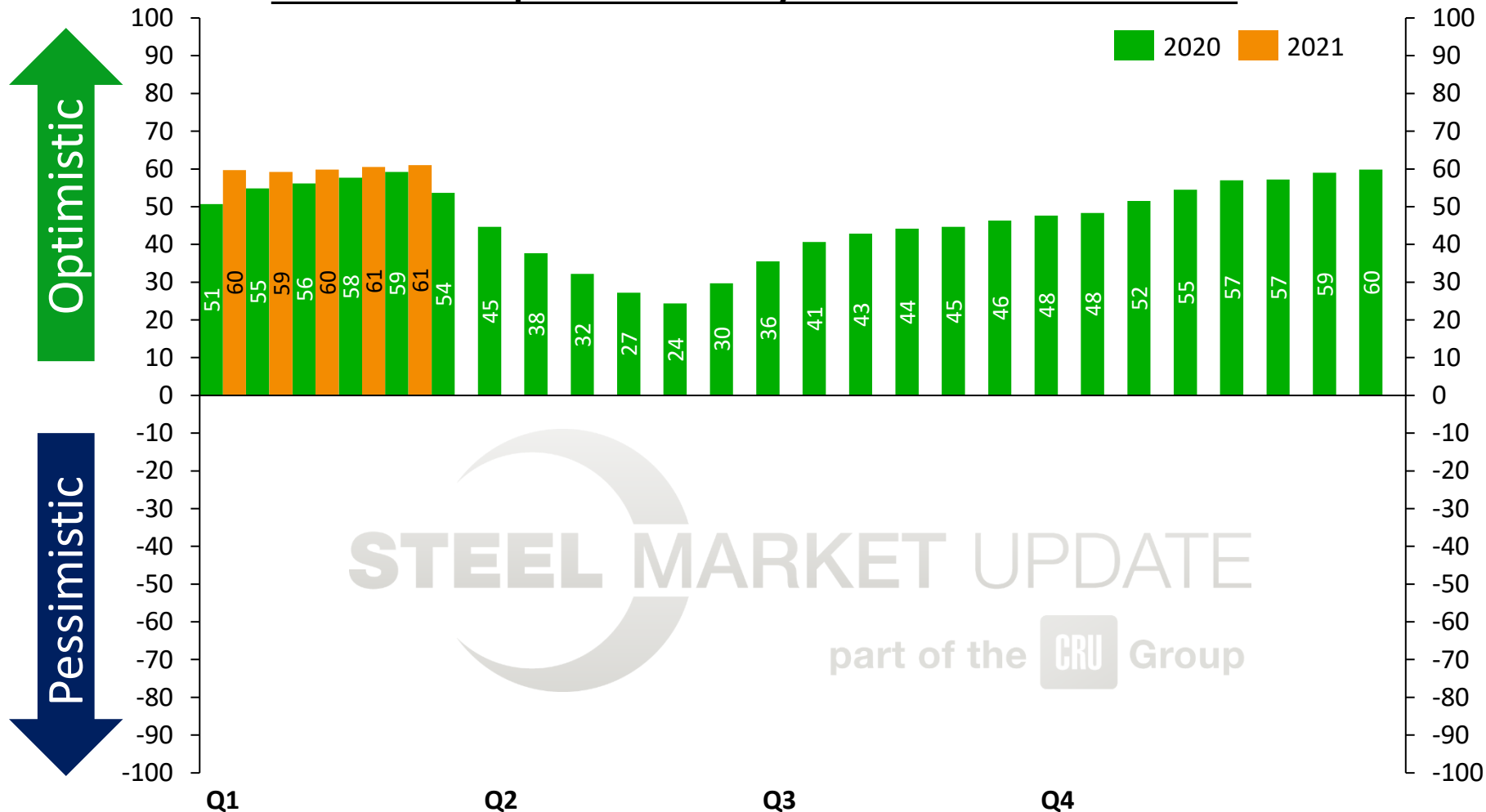




# SMU Future Buyers Sentiment Index

Three Month Moving Average at +61.00

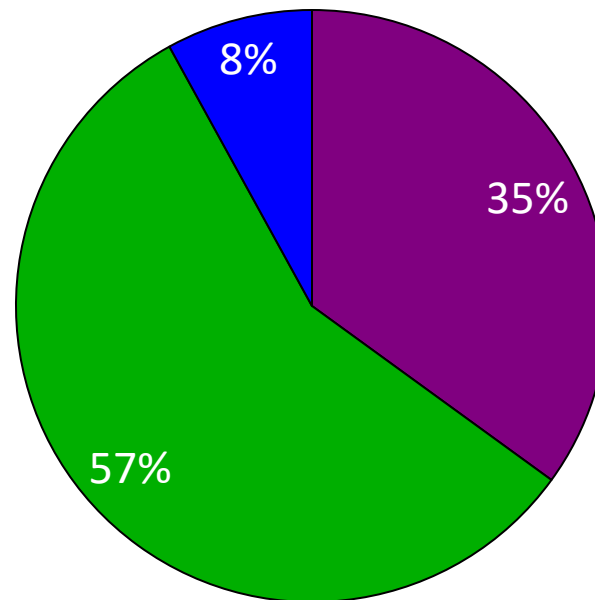
## Steel Market Update Future Buyers Sentiment Index 3MMA



# Overall Demand

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

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

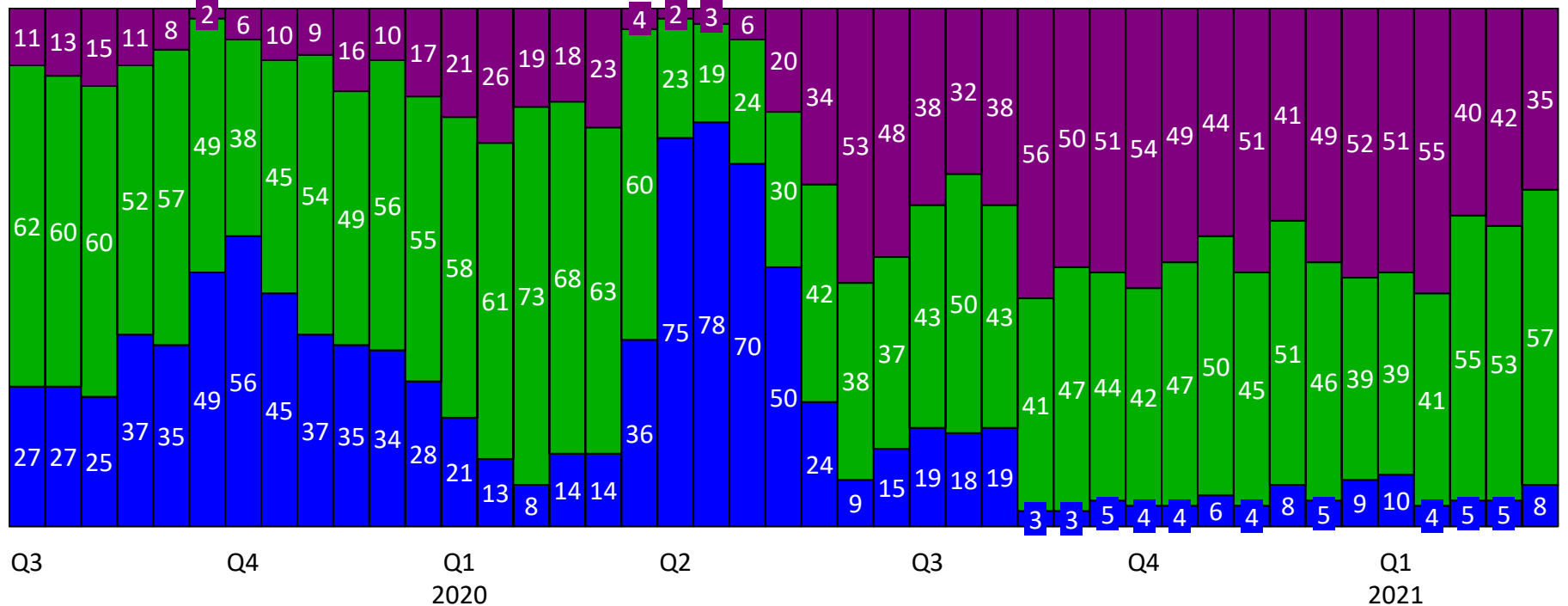


# Overall Demand History

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

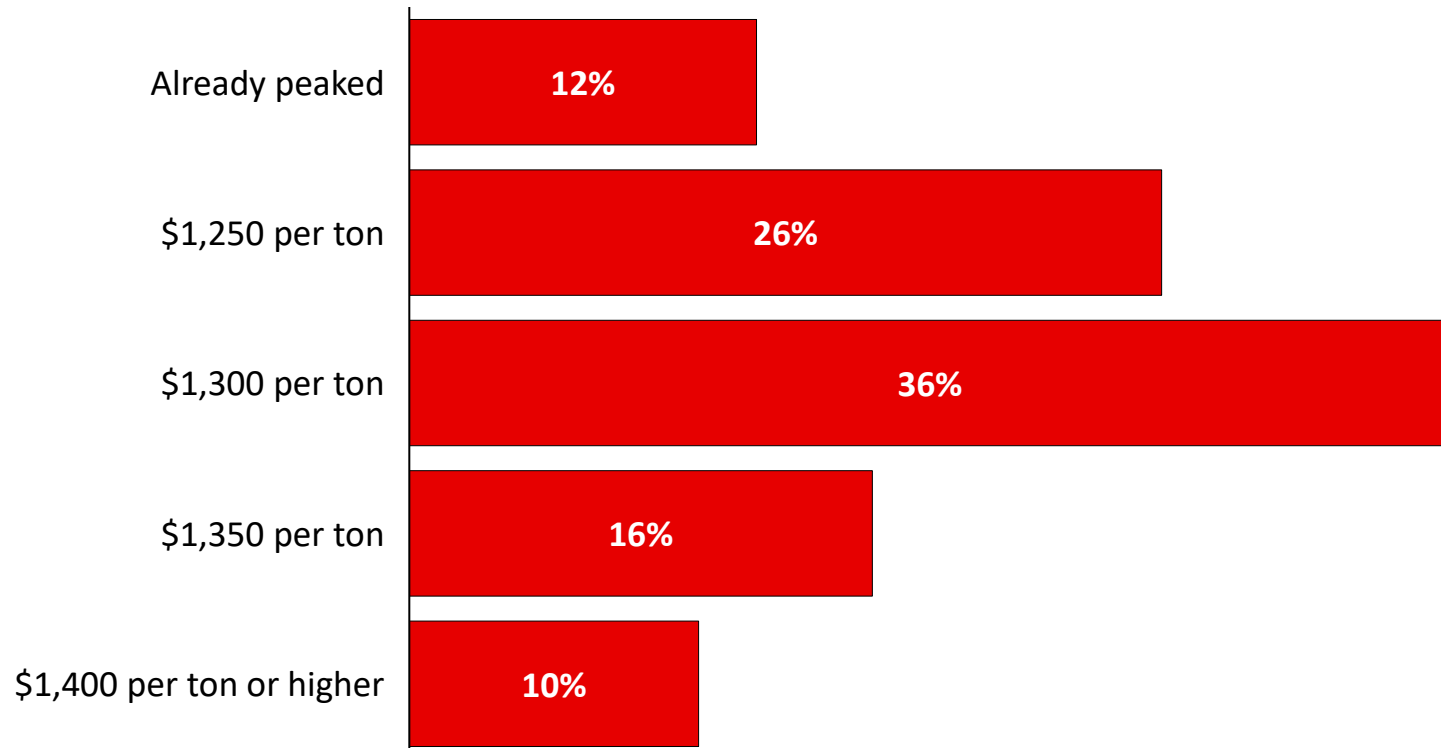
- Demand is improving
- Demand is remaining the same
- Demand is declining

out of 100%



# HRC Price Peak

Hot rolled price offers have now surpassed \$1,200 per ton.  
At what level do you think HRC prices will peak?

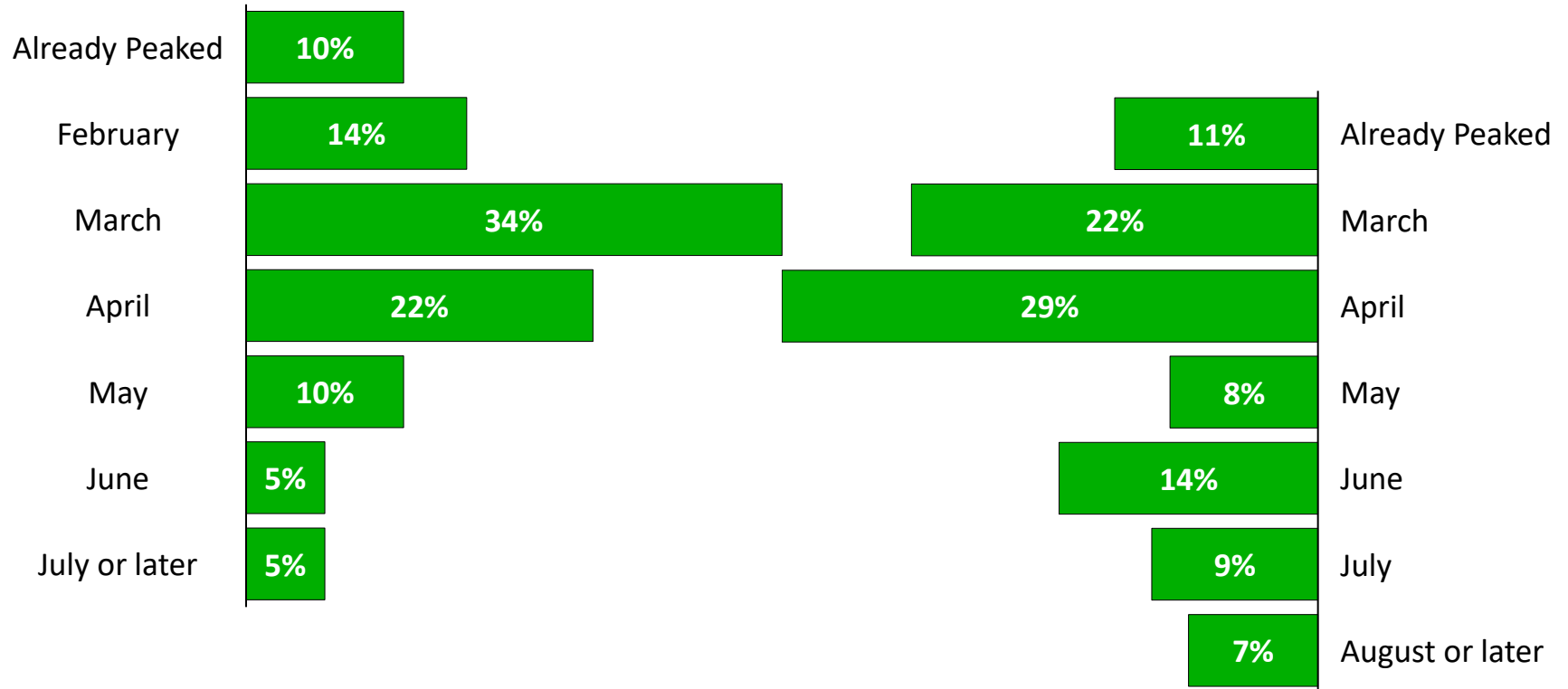


# When Will Prices Peak?

When do you see prices peaking?

February 19, 2021

March 5, 2021

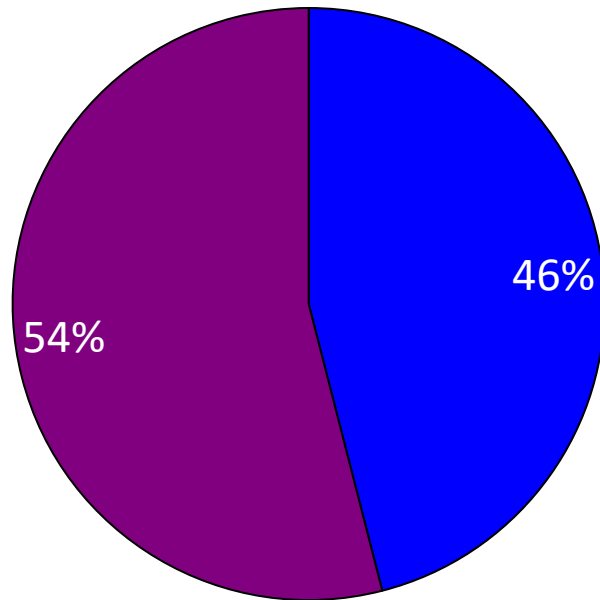


# Tipping Point?

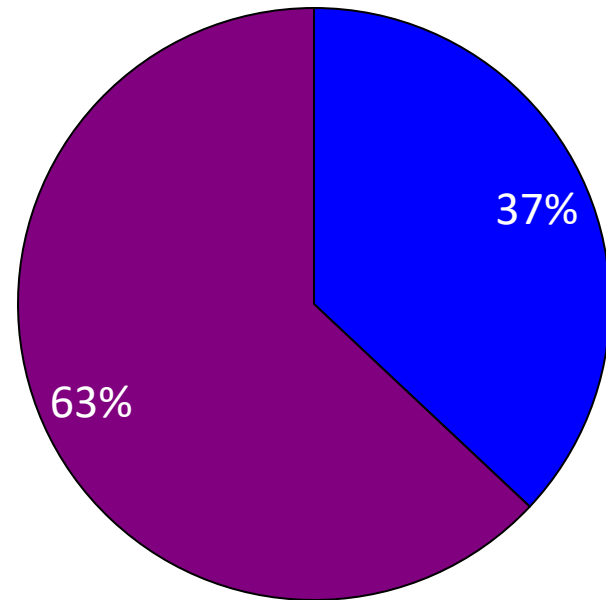
Have you seen any cracks in the market yet, signaling that the record-high steel prices are nearing a tipping point?

Yes No

February 19, 2021



March 5, 2021

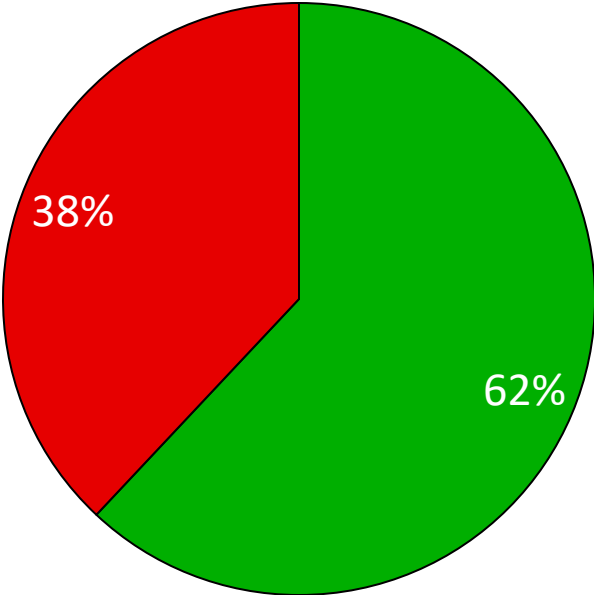


# Material Availability

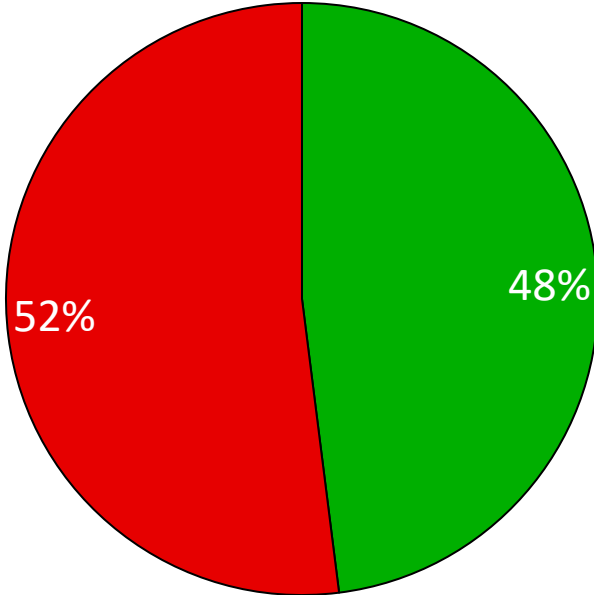
Are you able to purchase all of the material you need to run your business, or keep your customers satisfied?

Yes No

February 19, 2021



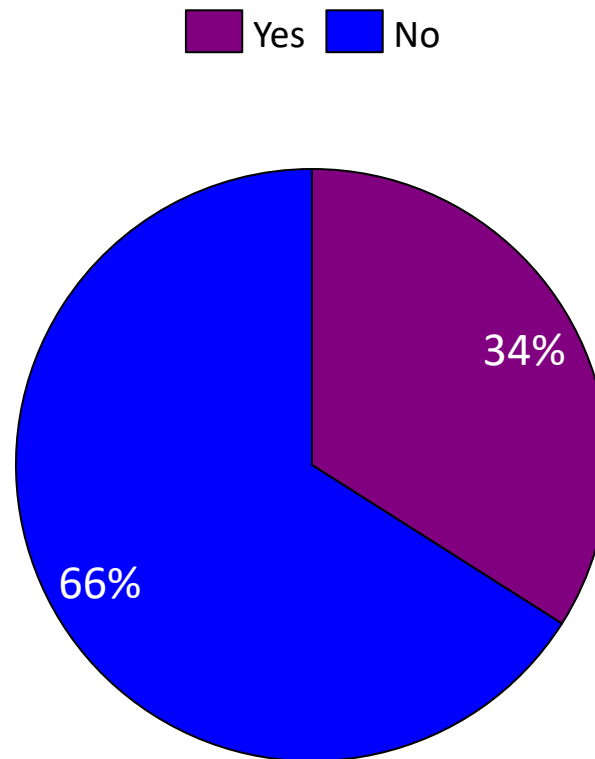
March 5, 2021





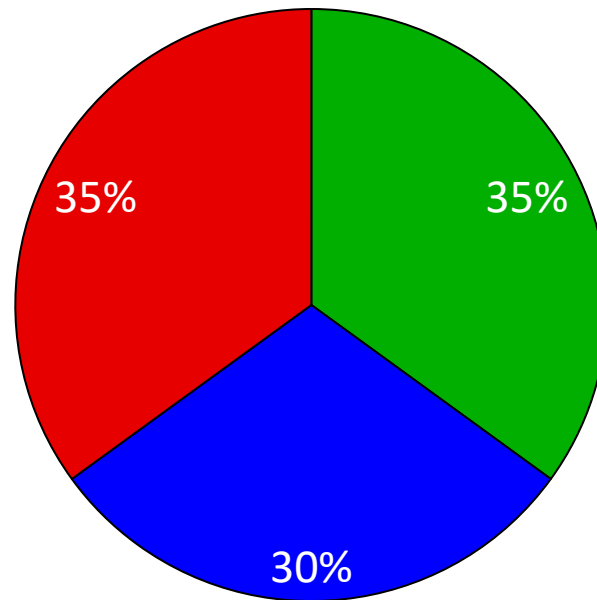
# Oversupply?

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?



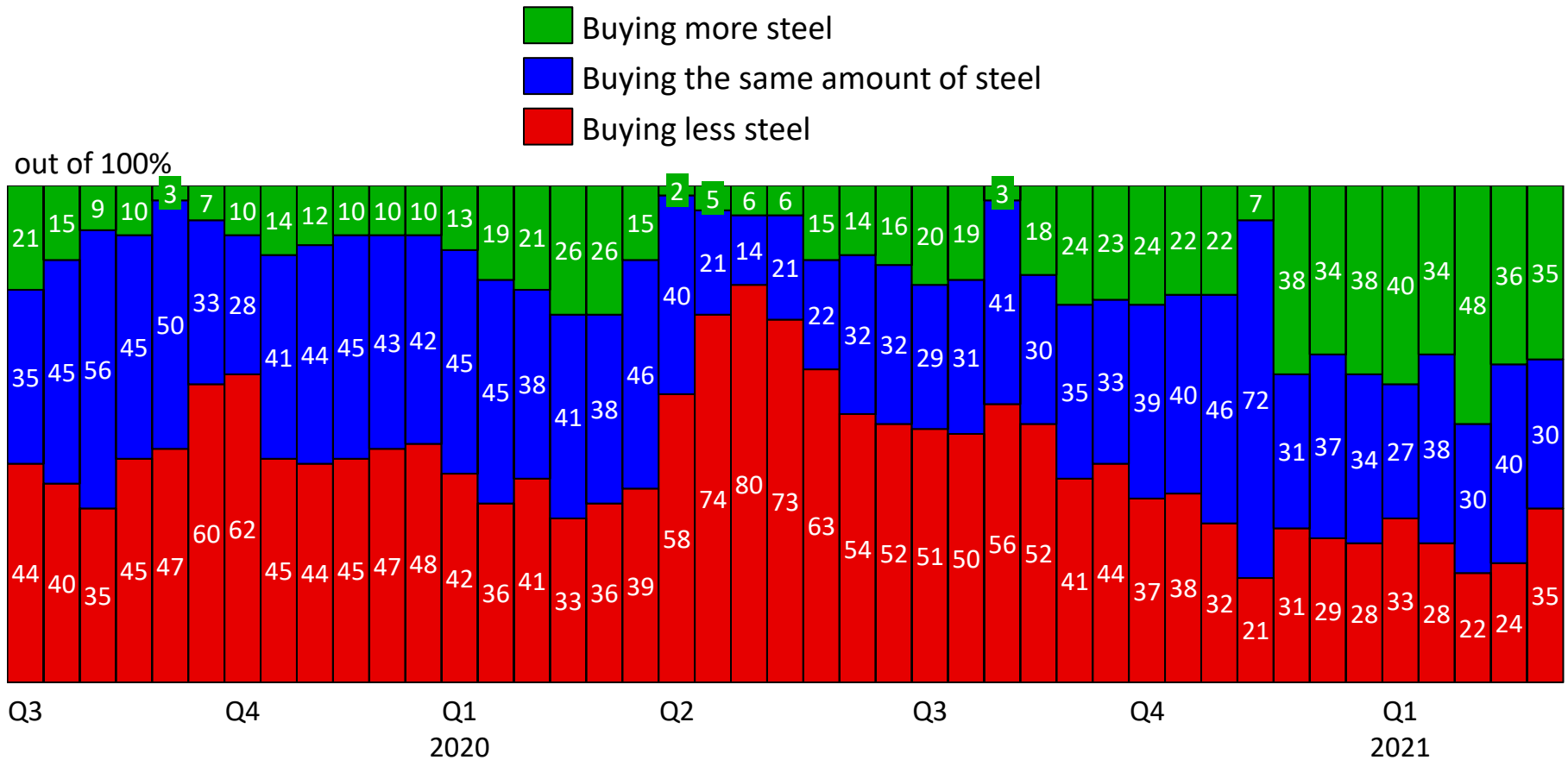
**Manufacturers-** Compared to this time last year –  
is your company buying more, less or the same  
amount of flat rolled steel as one year ago?

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



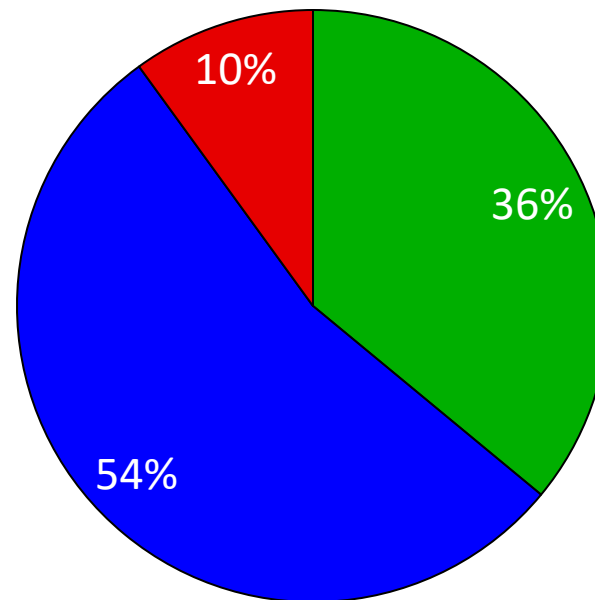
# History of Manufacturer Purchases

**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?



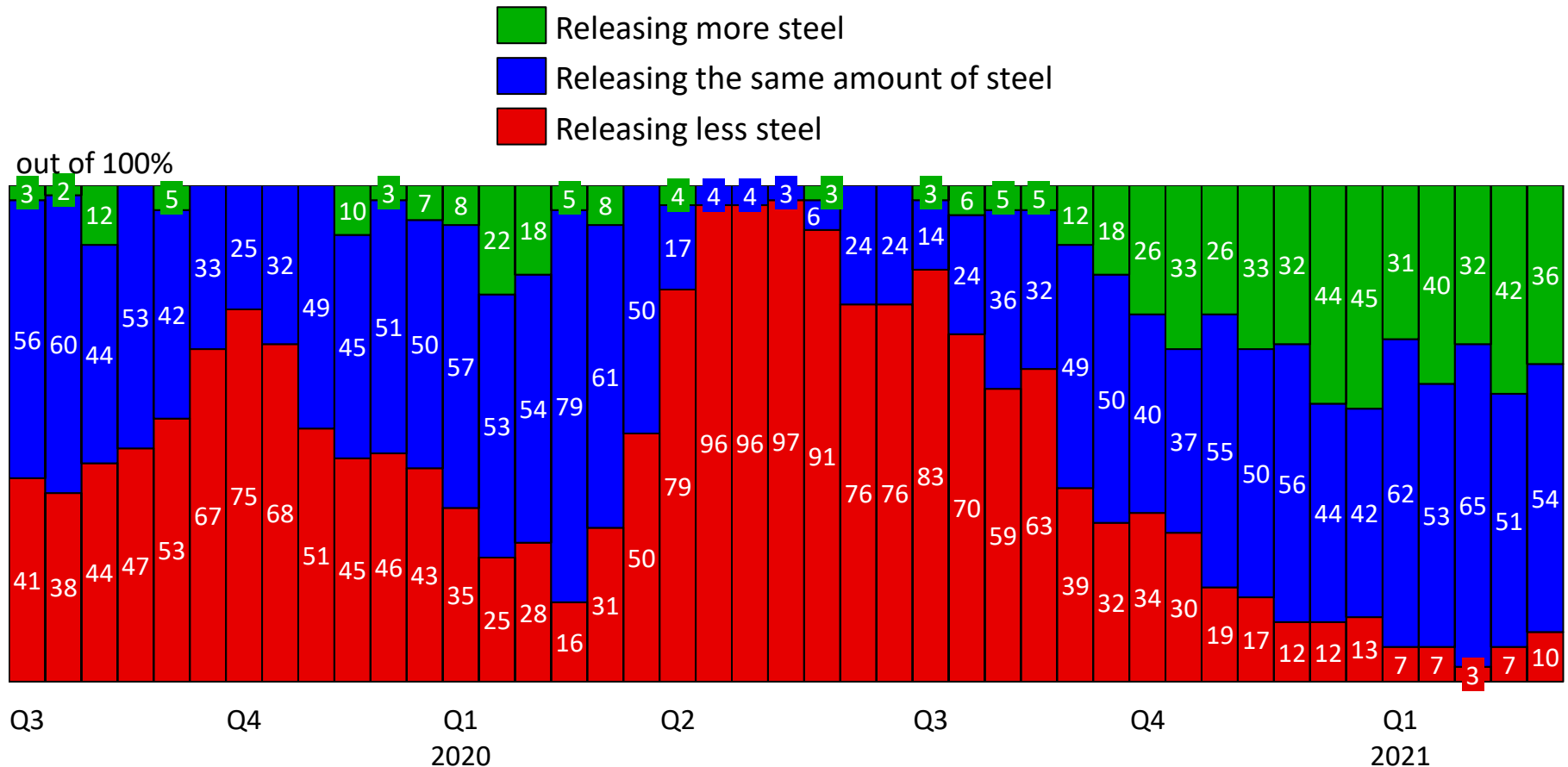
**Service Centers-** How do you see your customers releases (demand) for the products your company provides this year compared to this time last year?

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



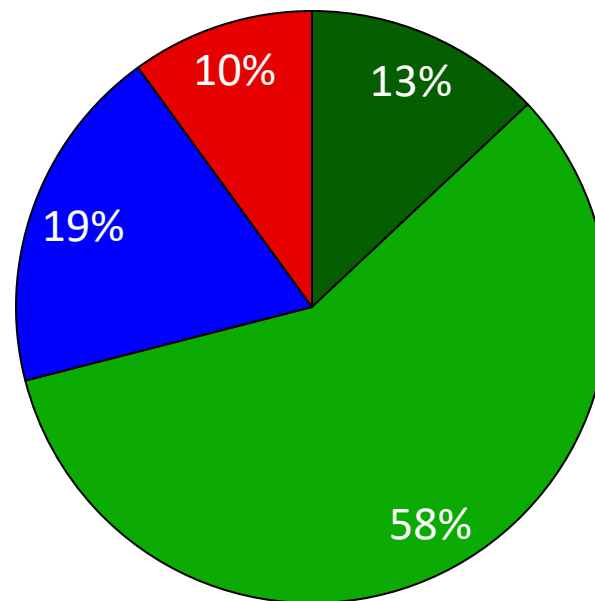
# Service Center Release History

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



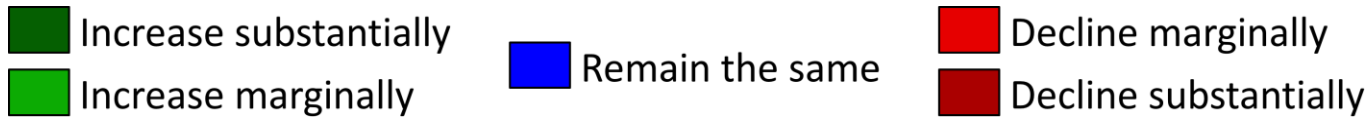
**Manufacturers-** Demand for your products will \_\_\_\_\_  
over the next 3 months based on current order flows.

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

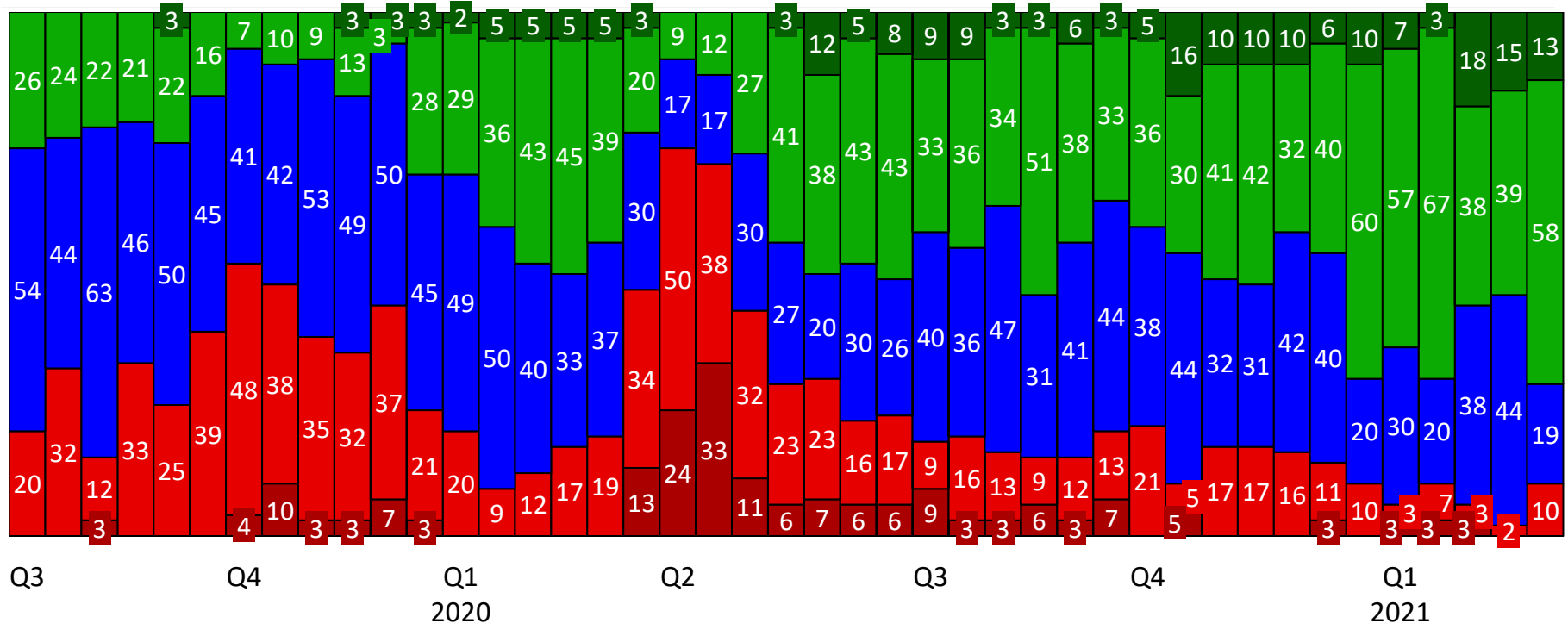


# Manufacturer Demand History

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



out of 100%

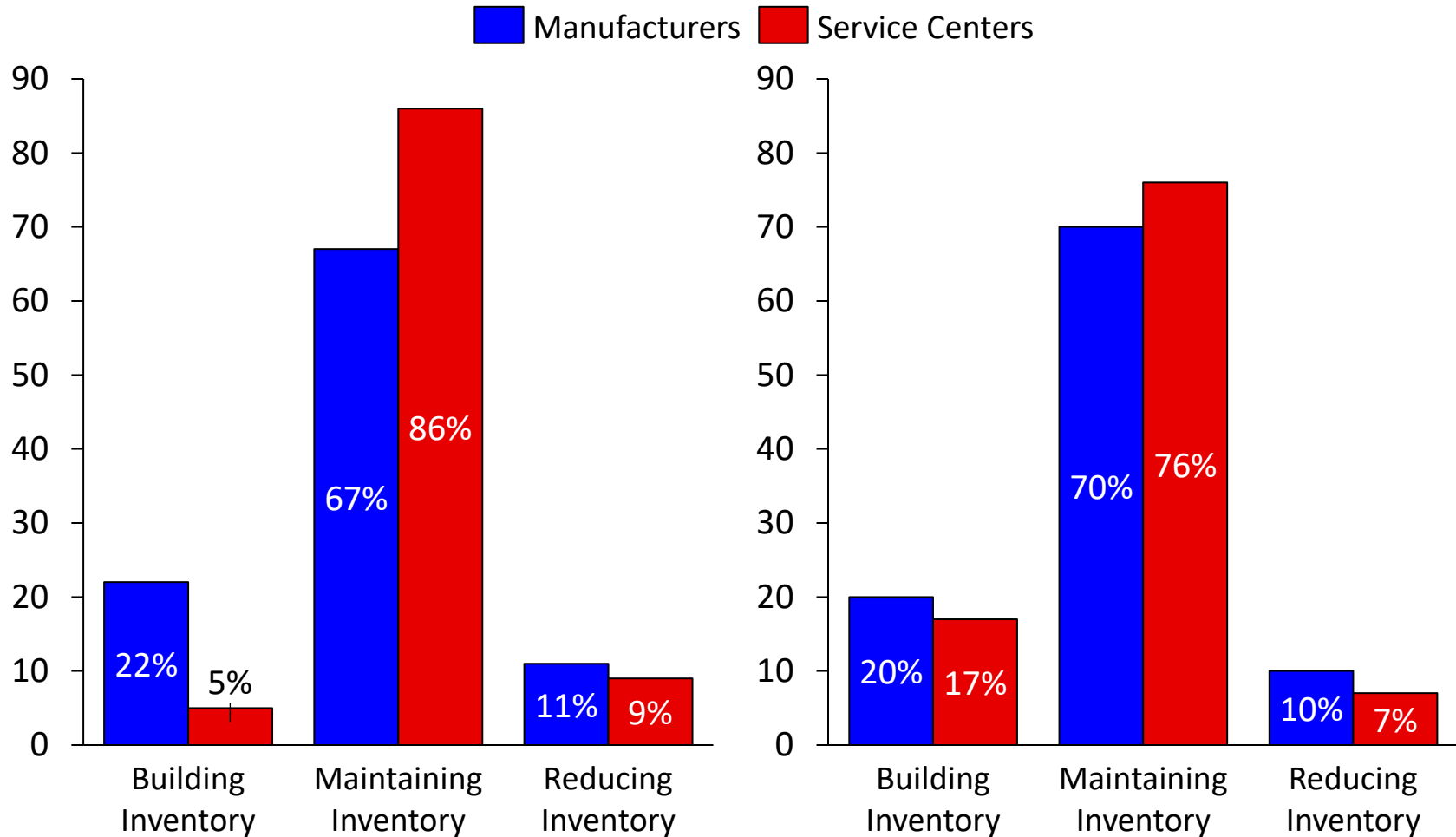




# Manufacturer and Service Center Inventory Buying Patterns

February 19, 2021

March 5, 2021



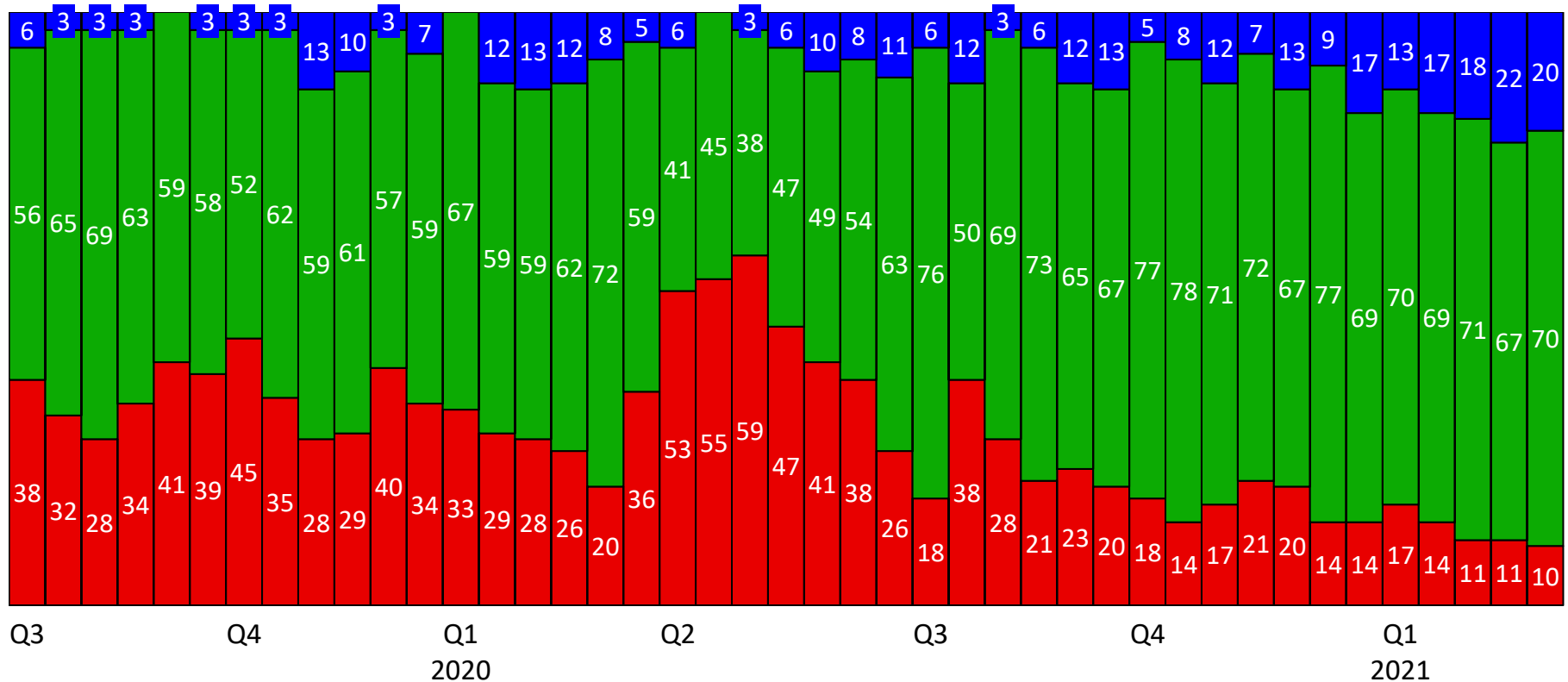
© Steel Market Update 2021

# 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%

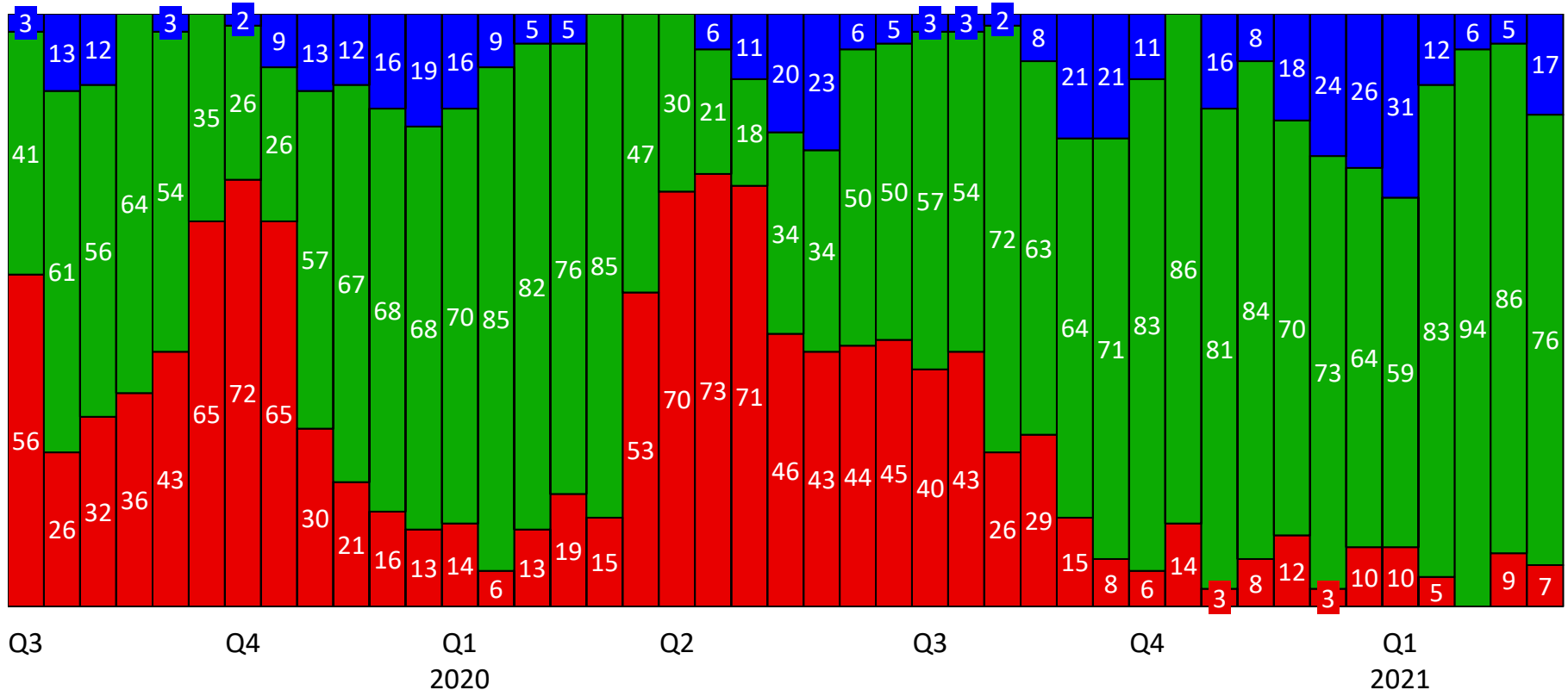


# Service Center Inventory Buying History

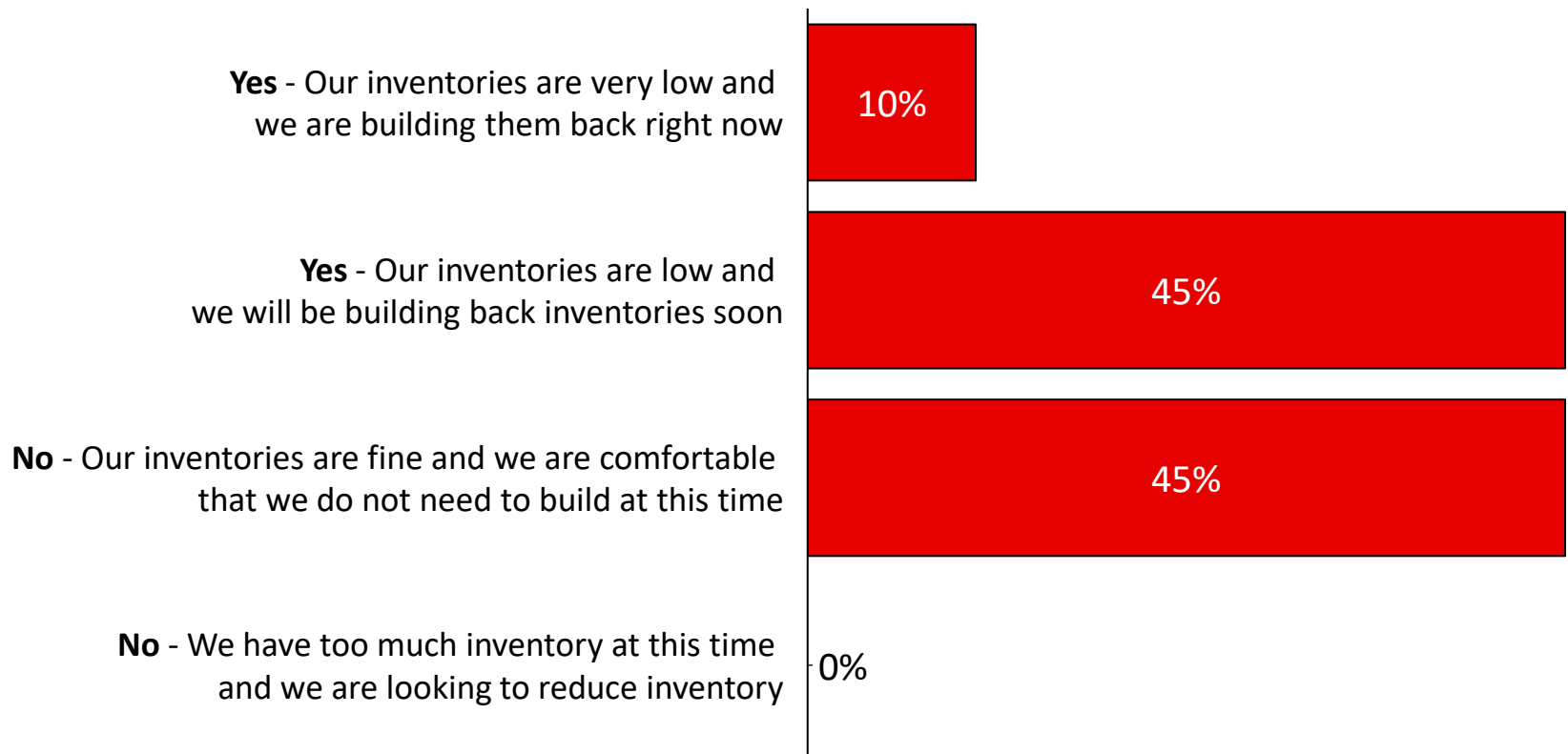
**Service Centers-** Is your company building, reducing or maintaining its flat rolled steel inventory?

■ Building Inventory   
 ■ Maintaining Inventory   
 ■ Reducing Inventory

out of 100%



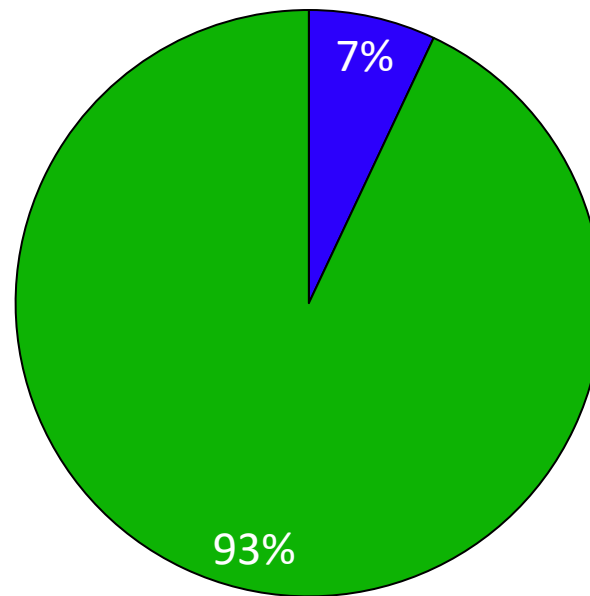
**Service Centers-** Does your company need to build back inventories or are you comfortable with the levels you are holding on your floor?



# 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

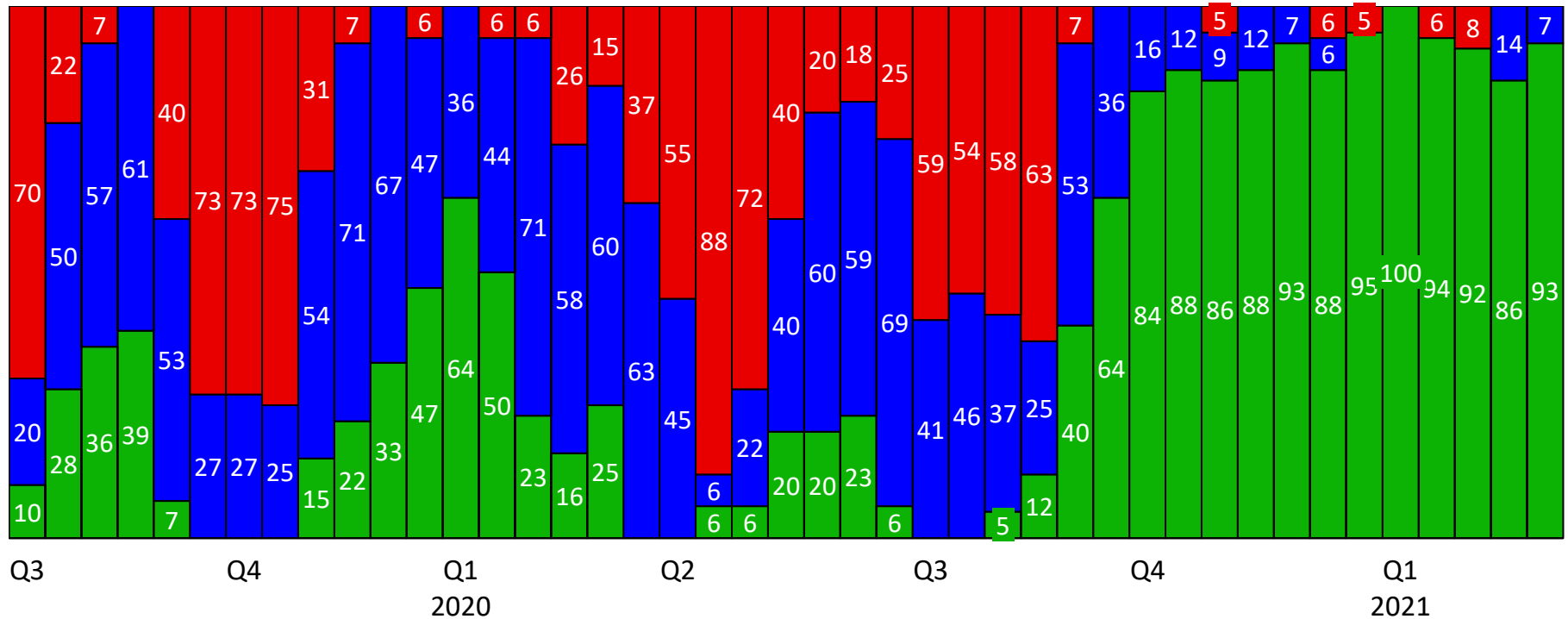


# Manufacturer's View of Service Center Selling Prices History

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

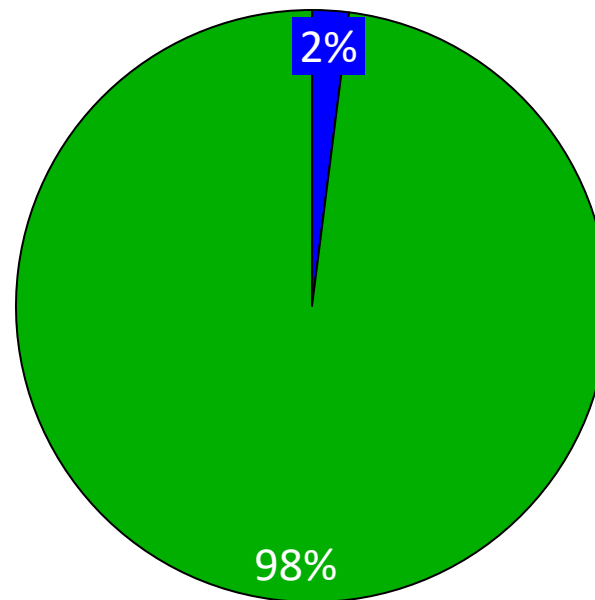
- We are seeing prices decreasing from our service centers
- We are seeing prices stable from our service centers
- We are seeing prices rising from our service centers

out of 100%



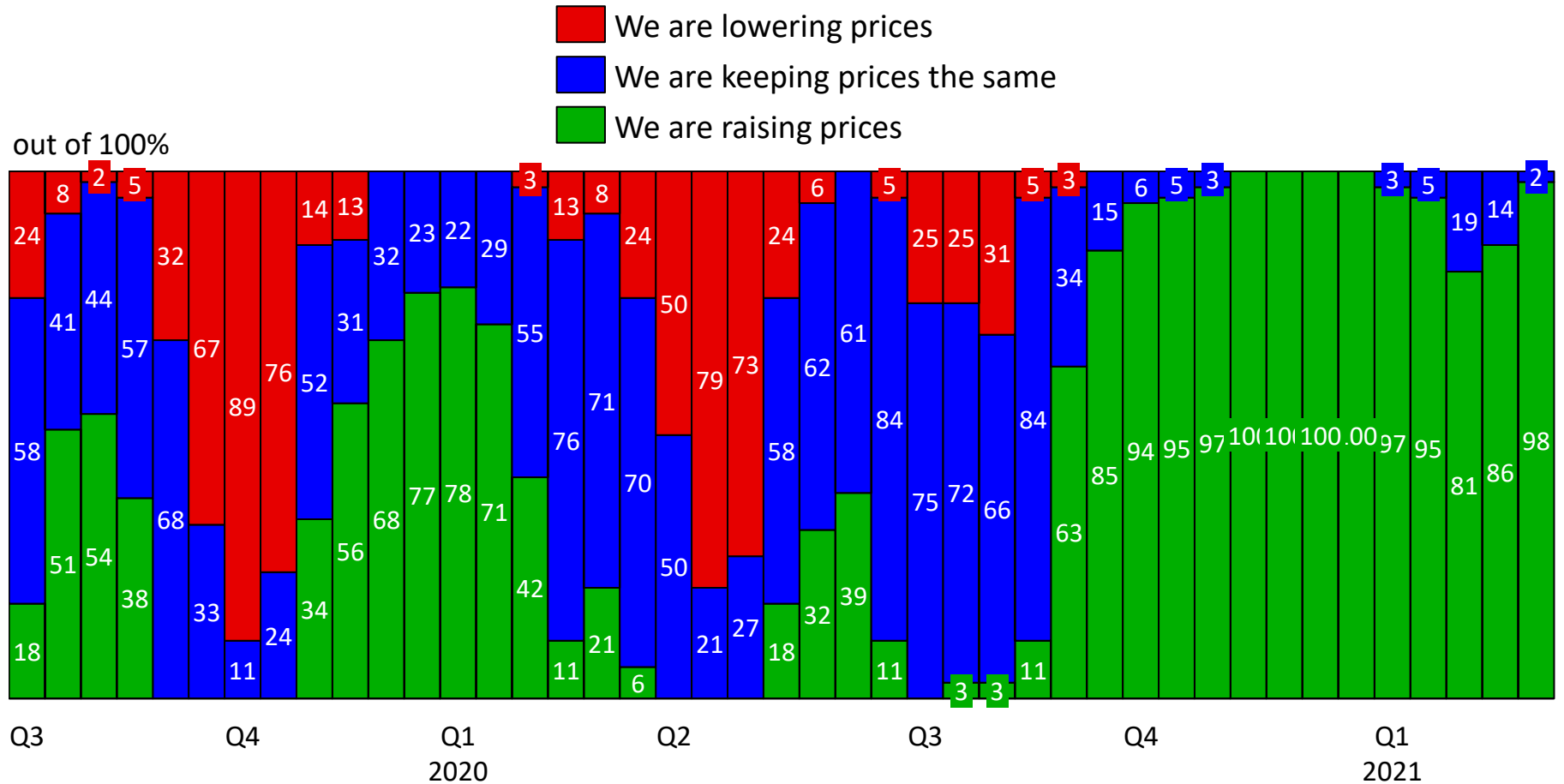
**Service Centers-** Compared to two weeks ago, how is your company handling spot pricing to your customers at this time?

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

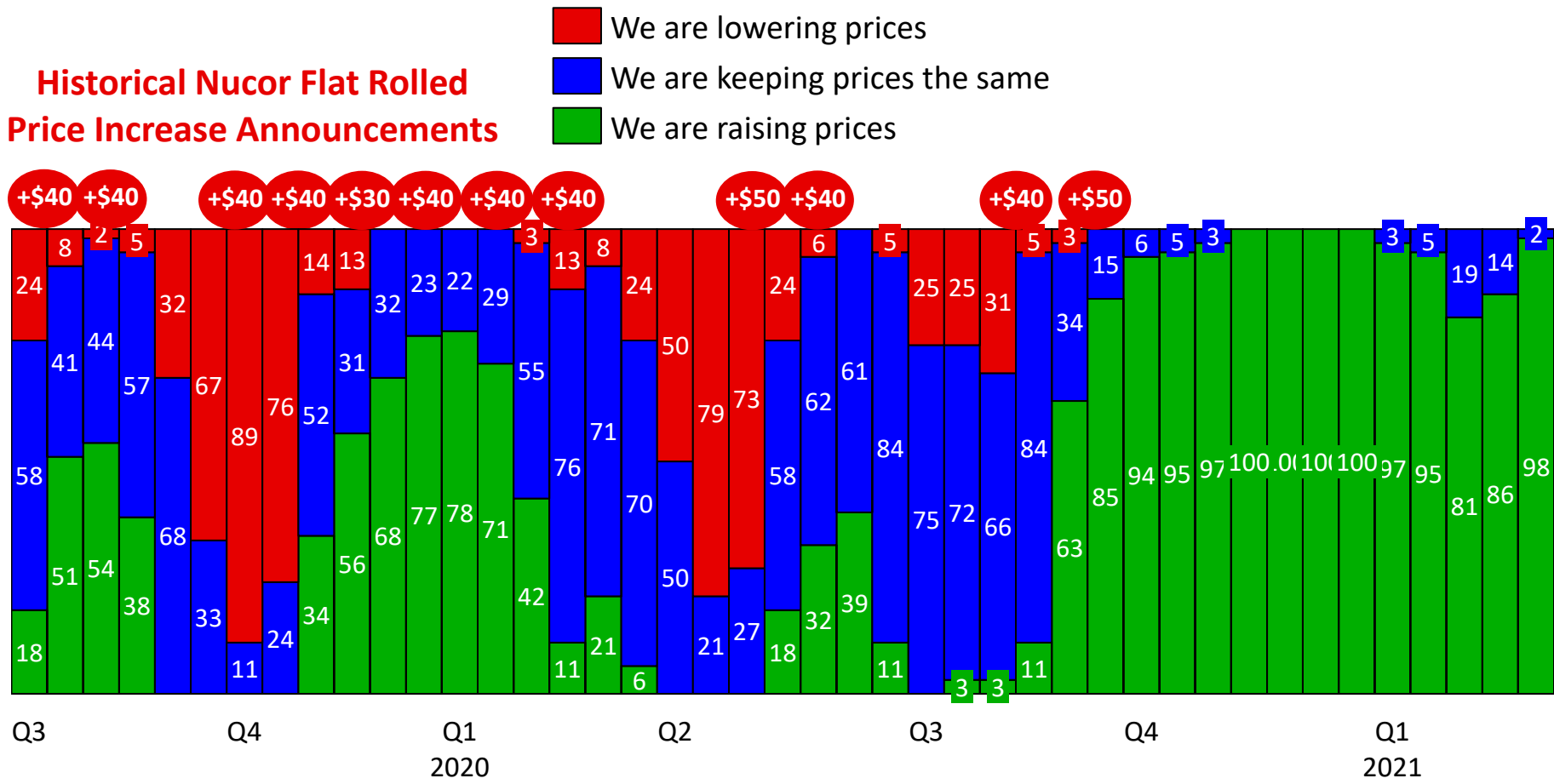




**Service Centers-** Compared to two weeks ago, how is your company handling spot pricing to your customers at this time?



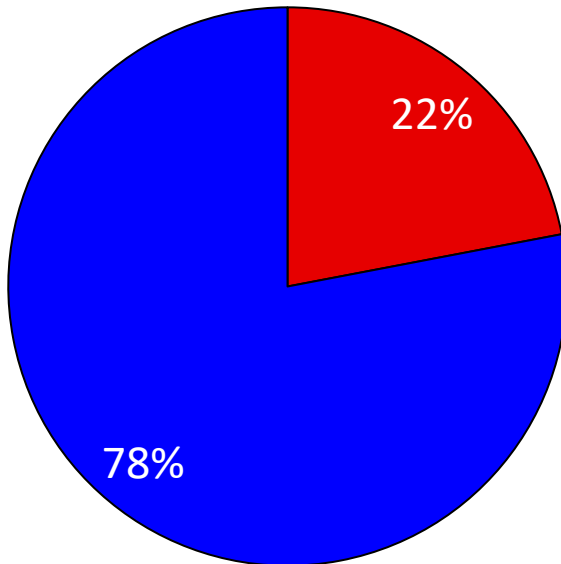
**Service Centers-** Compared to two weeks ago, how is your company handling spot pricing to your customers at this time?



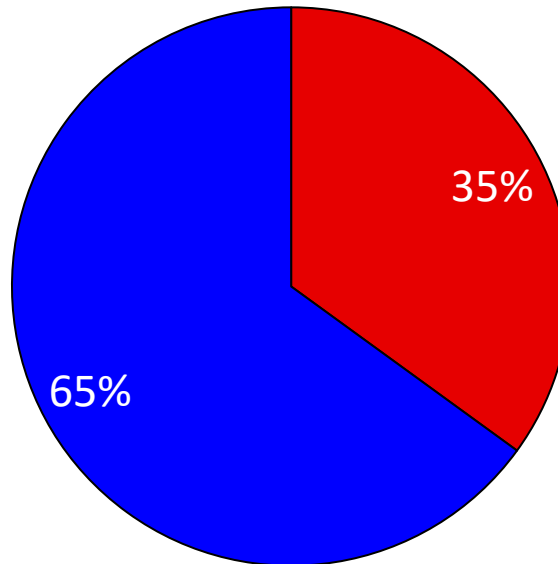
**Service Centers-** Are you having any difficulties in passing along the new higher prices to your customers?

Yes No

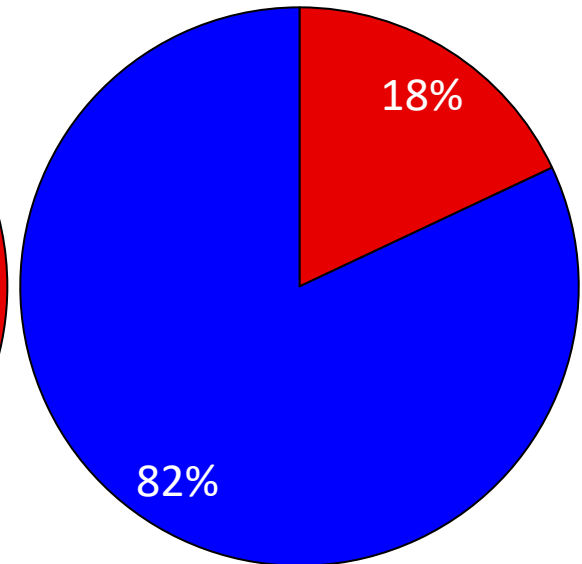
January 21, 2021



February 19, 2021

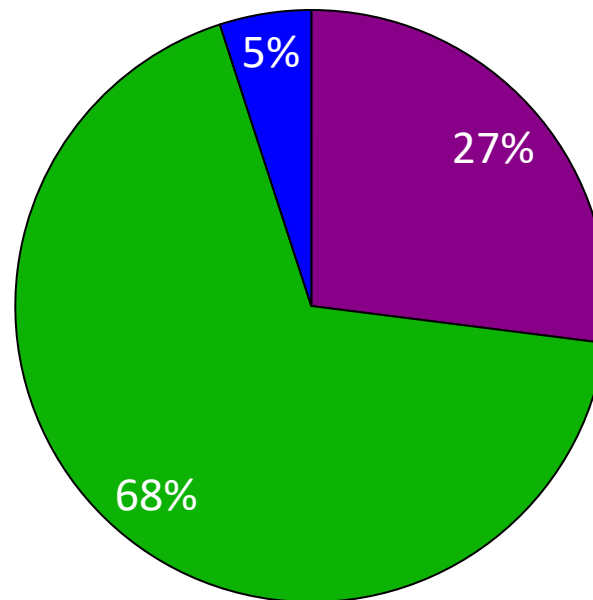


March 5, 2021



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

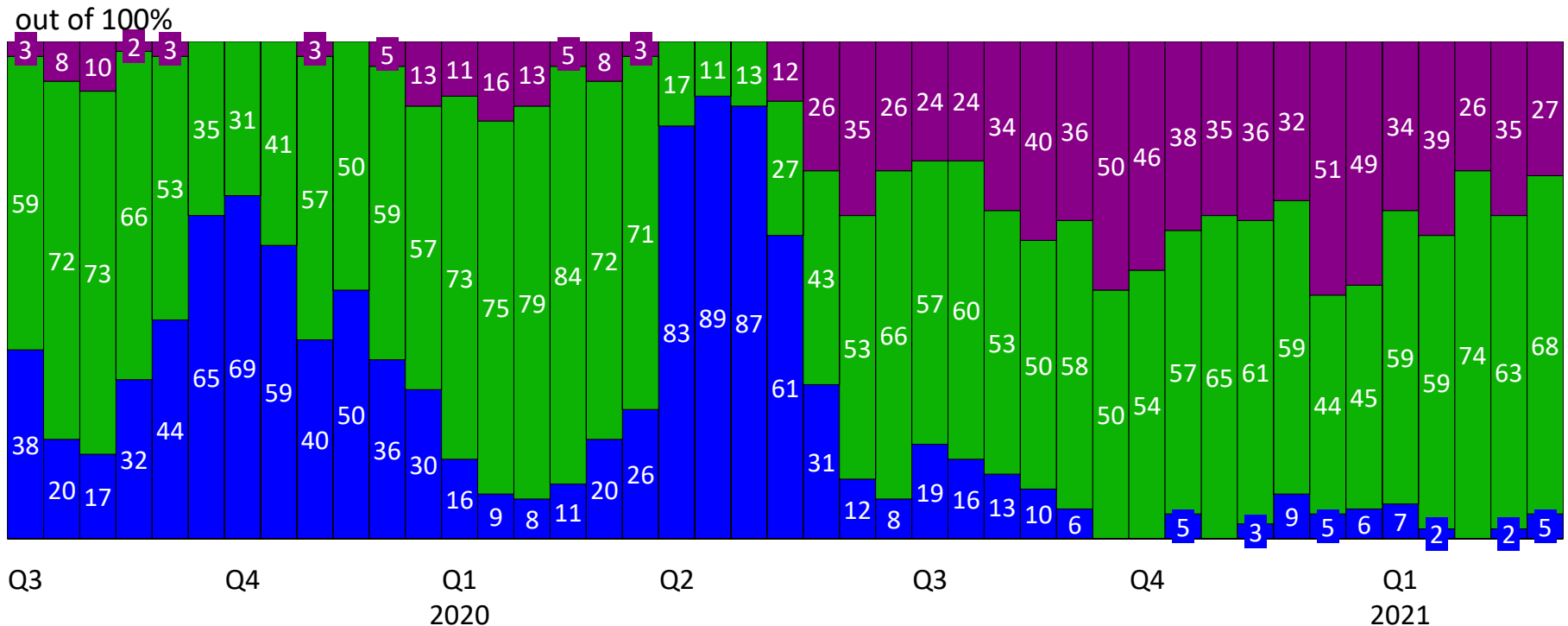
- Our manufacturing customers are increasing orders
- Our manufacturing customers are maintaining their orders
- Our manufacturing customers are reducing their orders



# Service Centers on Manufacturer Orders History

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

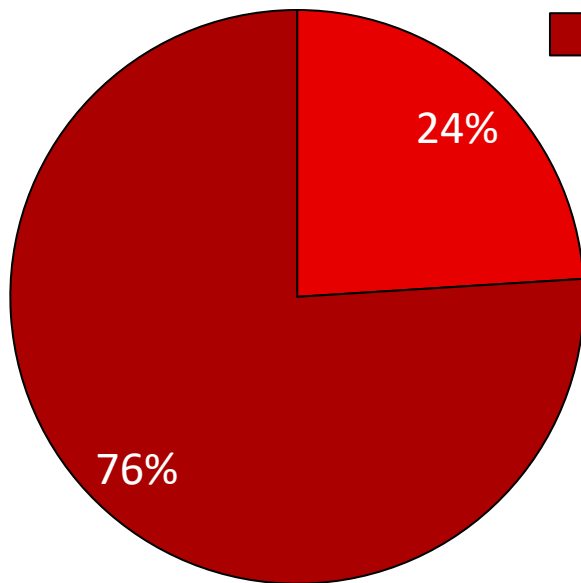
- Our manufacturing customers are increasing orders
- Our manufacturing customers are maintaining their orders
- Our manufacturing customers are reducing their orders



# Mill Lead Times

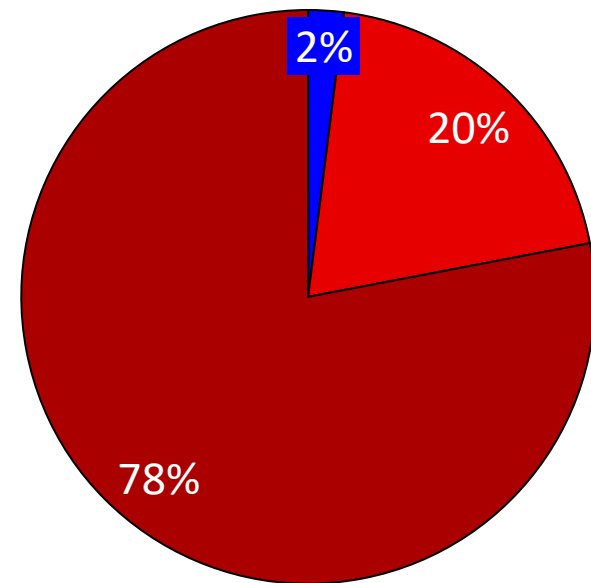
How would you describe domestic mill lead times for new orders placed right now?

## Manufacturers



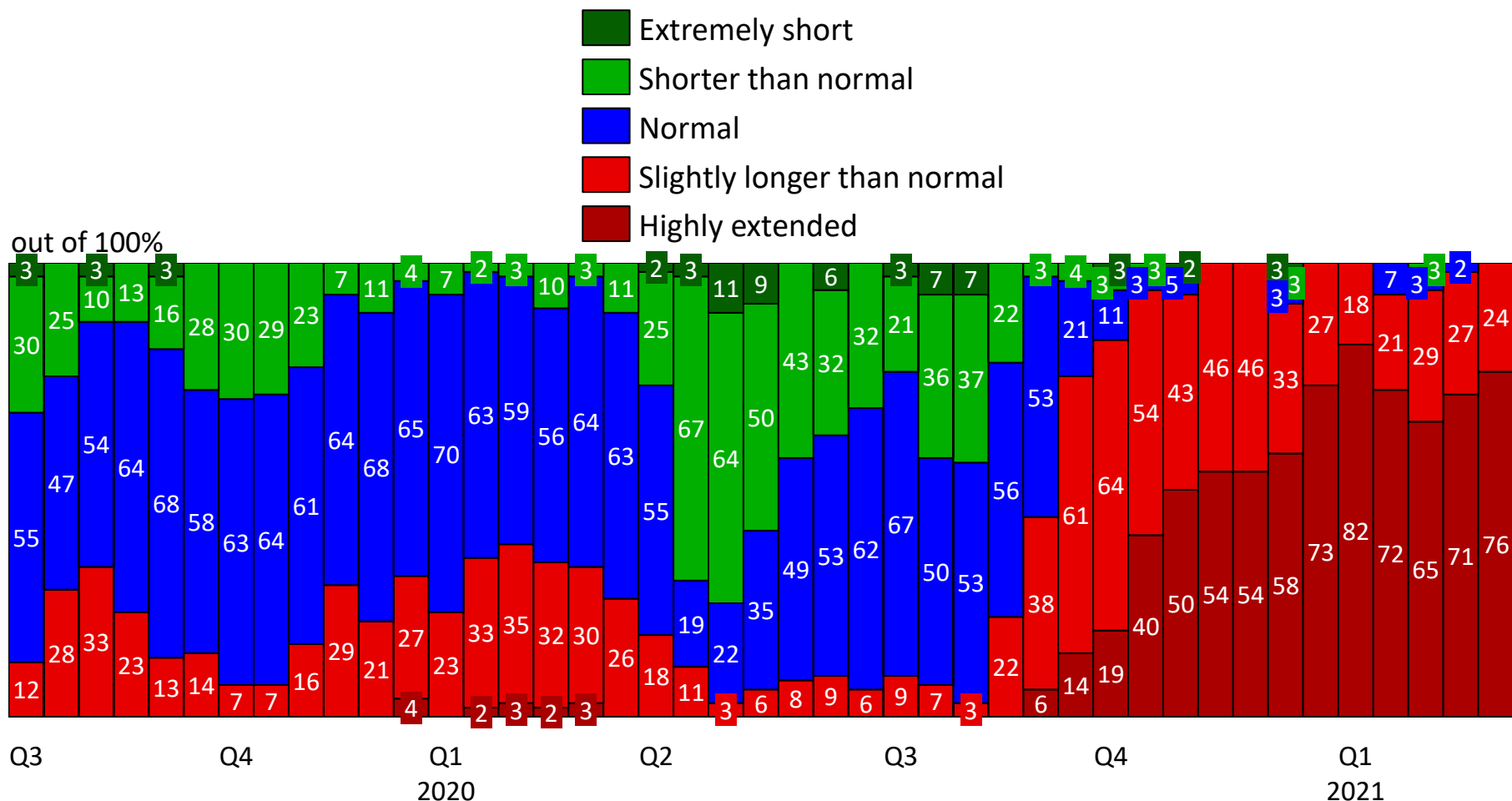
- Extremely short
- Shorter than normal
- Normal
- Slightly longer than normal
- Highly extended

## Service Centers



# Mill Lead Times History

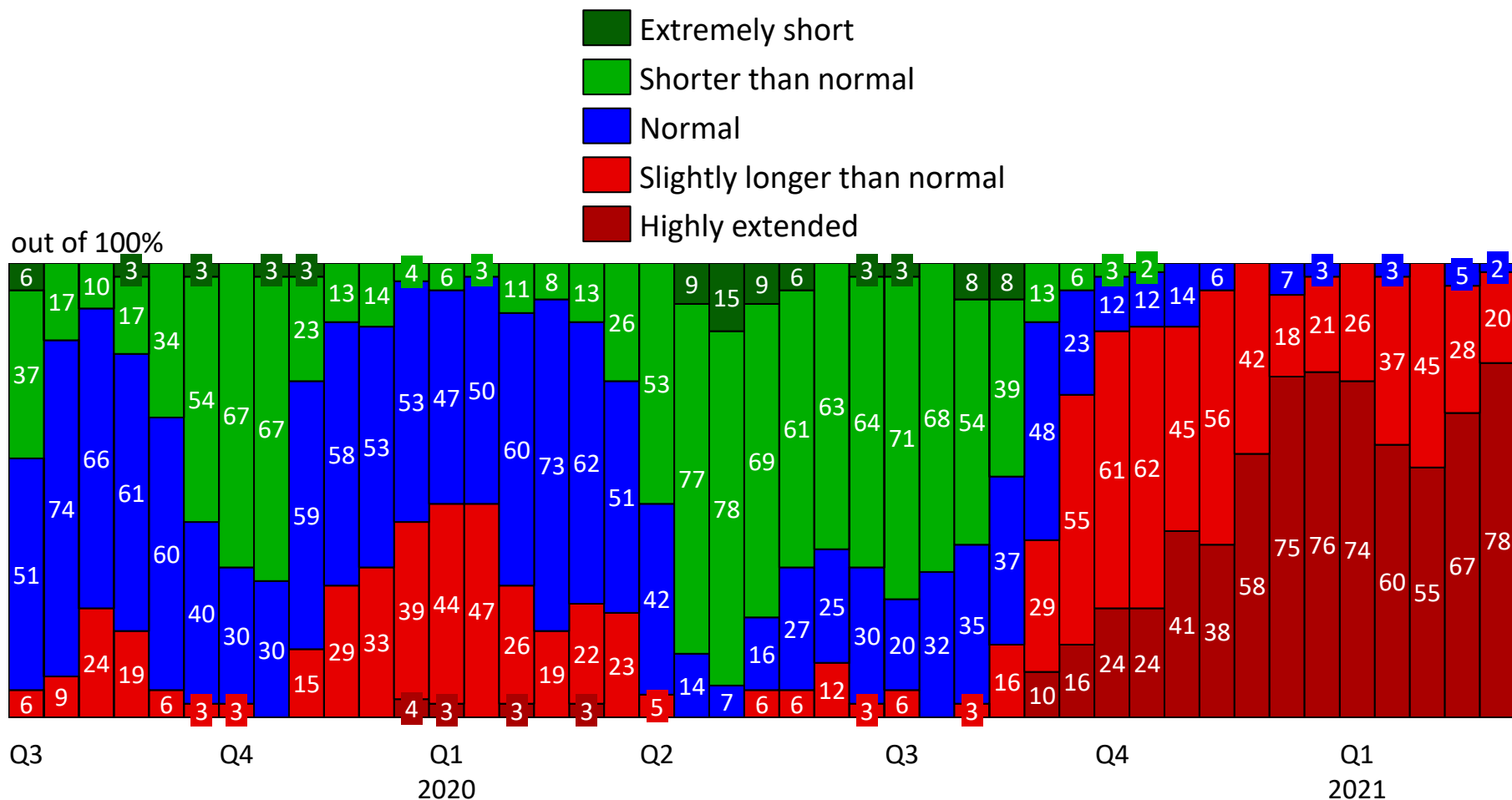
**Manufacturers-** How would you describe domestic mill lead times for new orders placed right now?





# Mill Lead Times History

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

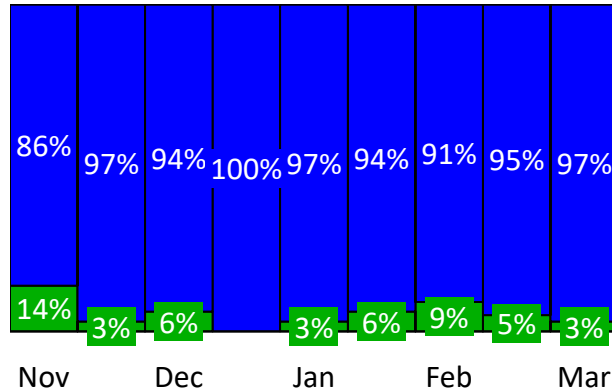


# Mill Negotiations

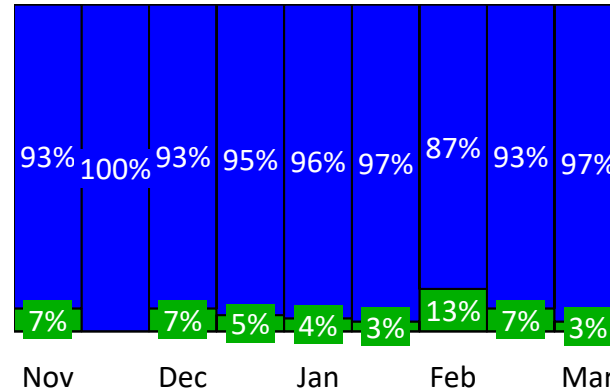
Are you finding the domestic mills are willing to negotiate pricing on brand new orders placed this week?

Yes No

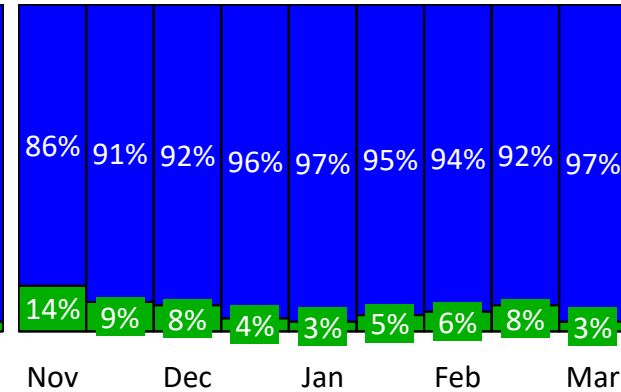
Hot Rolled



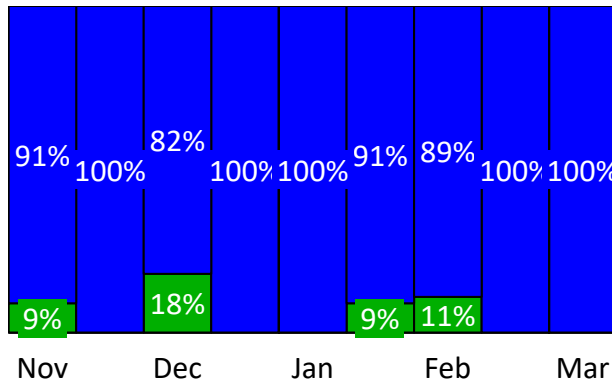
Cold Rolled



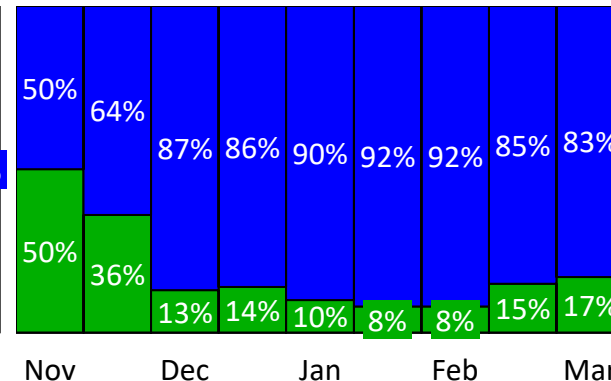
Galvanized



Galvalume

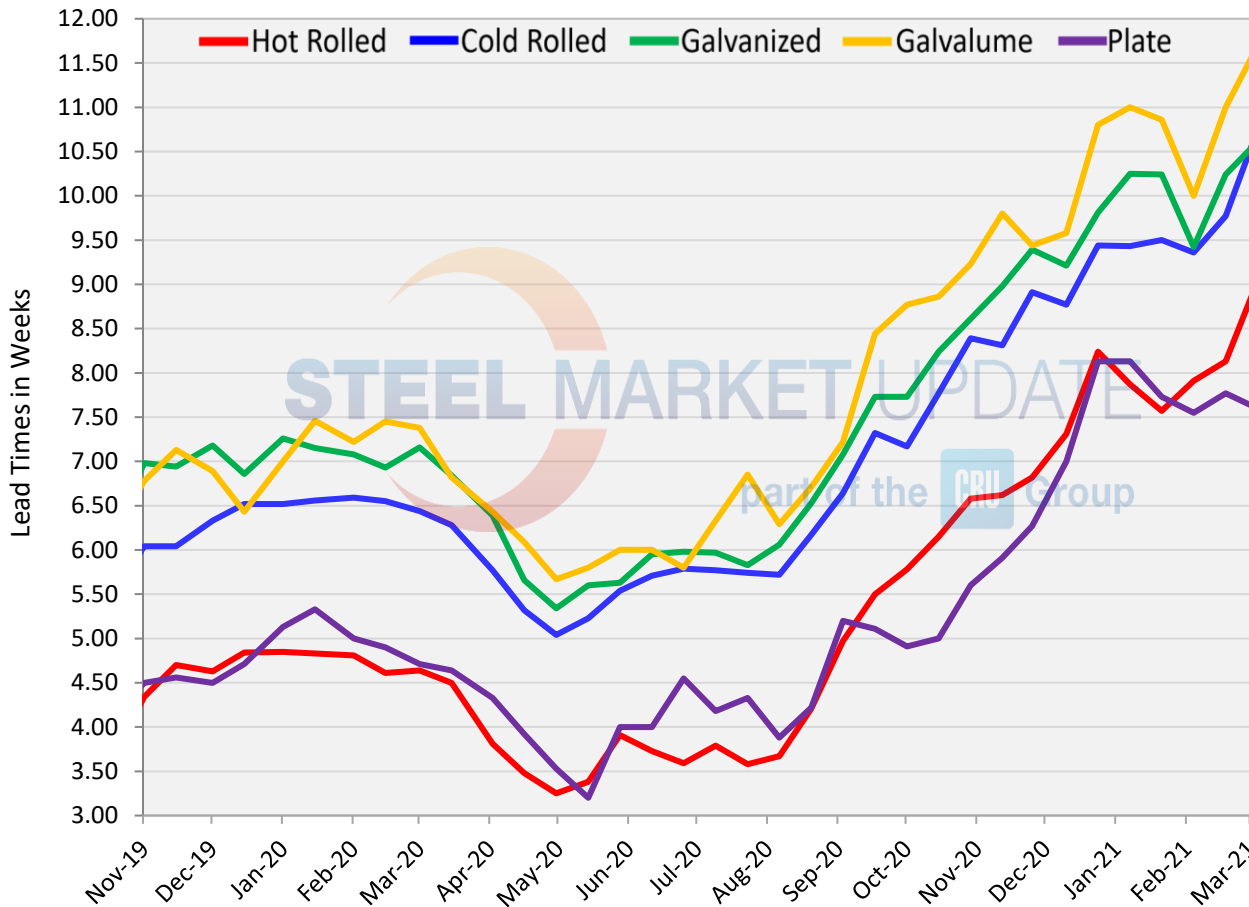


Plate



# Mill Lead Times

## Lead Times in Weeks



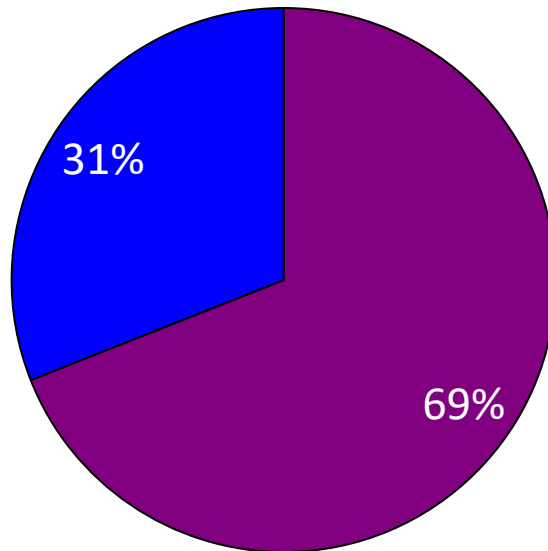
**Galvalume: 11.69**  
**Cold Rolled: 10.74**  
**Galvanized: 10.61**  
**Hot Rolled: 9.03**  
**Plate: 7.60**

# Foreign Steel

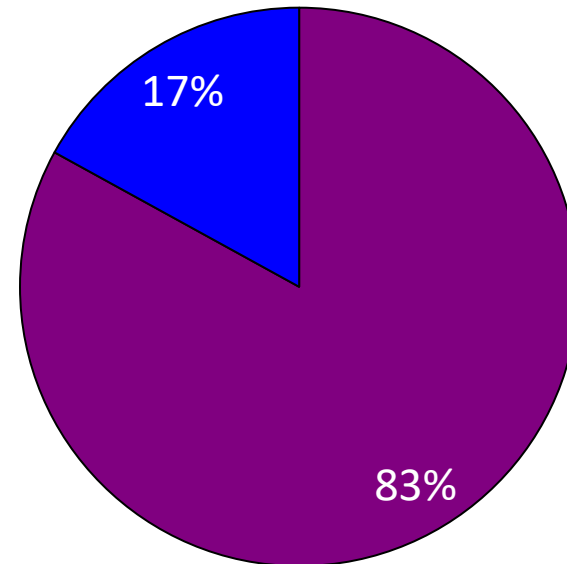
Does your company buy foreign steel?

■ Yes ■ No

## Manufacturers



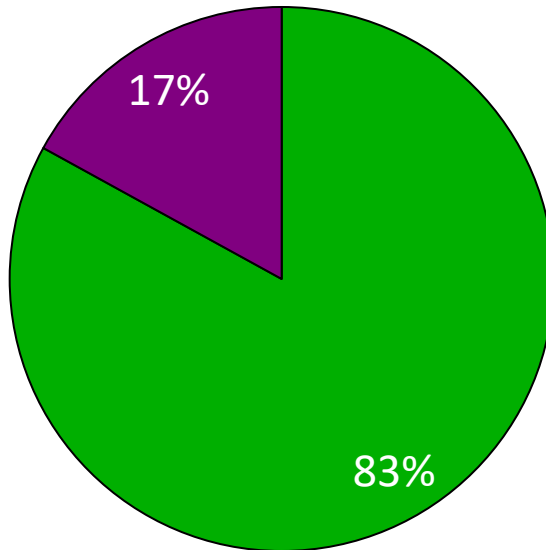
## Service Centers



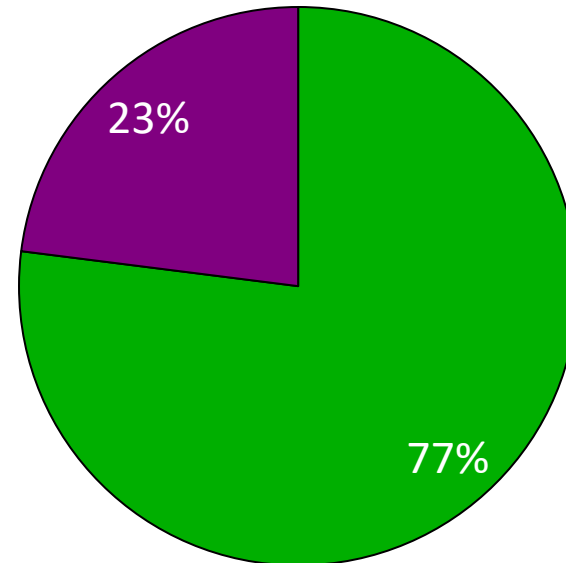
Are your foreign steel suppliers quoting you competitive prices for new orders for future delivery?

Yes No

## Manufacturers



## Service Centers

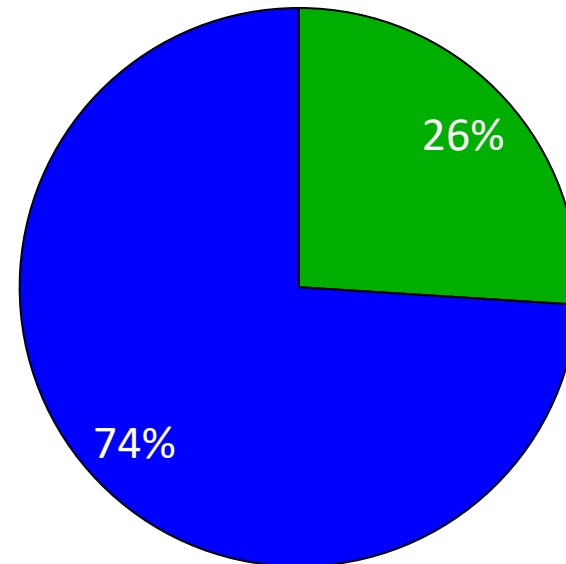
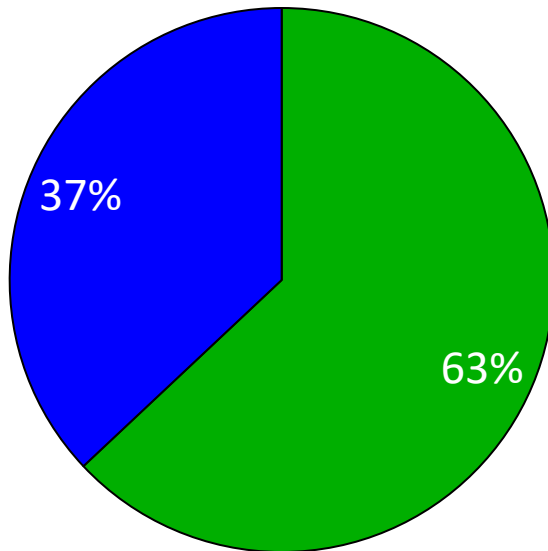


# Foreign Steel

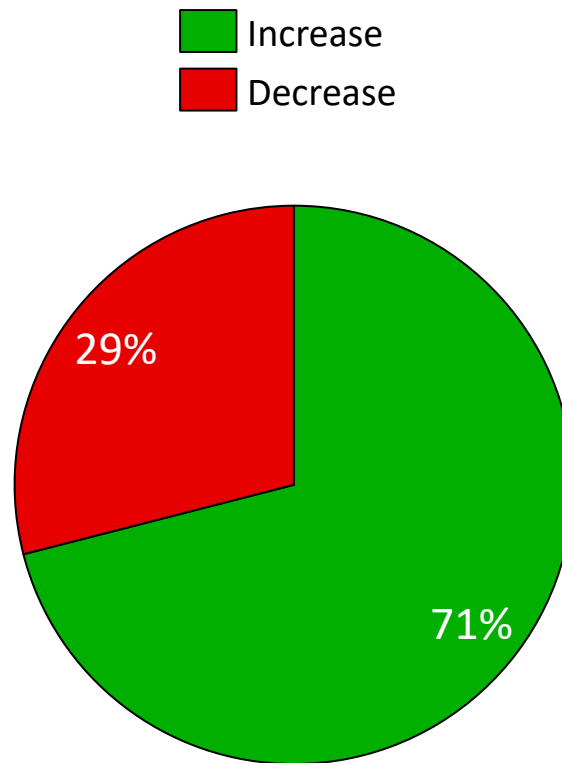
**Manufacturers-** Are you buying new orders of foreign steel for future delivery?

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

Yes No

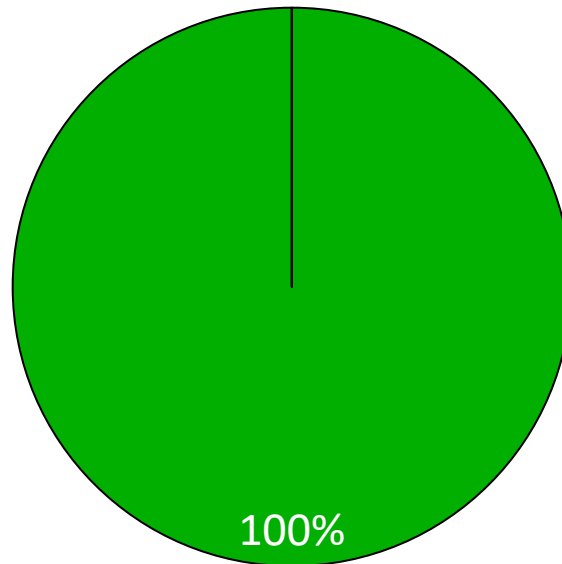


At this time, are you seeing an increase or decrease in orders from your North American buyers?



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

■ Yes ■ No

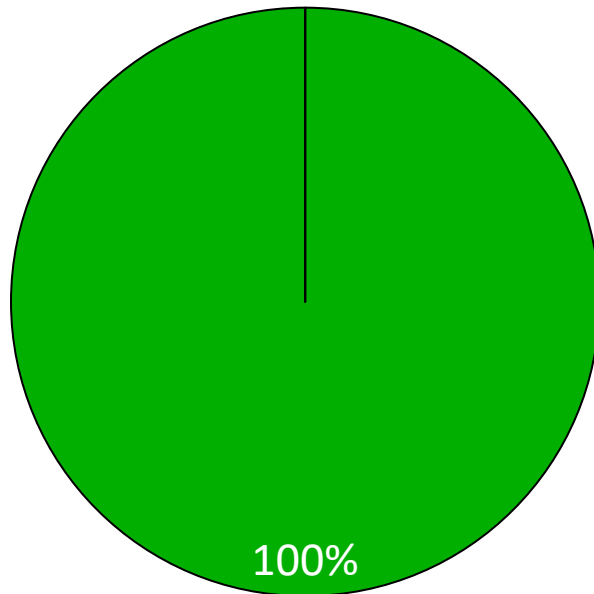




# Trading Companies

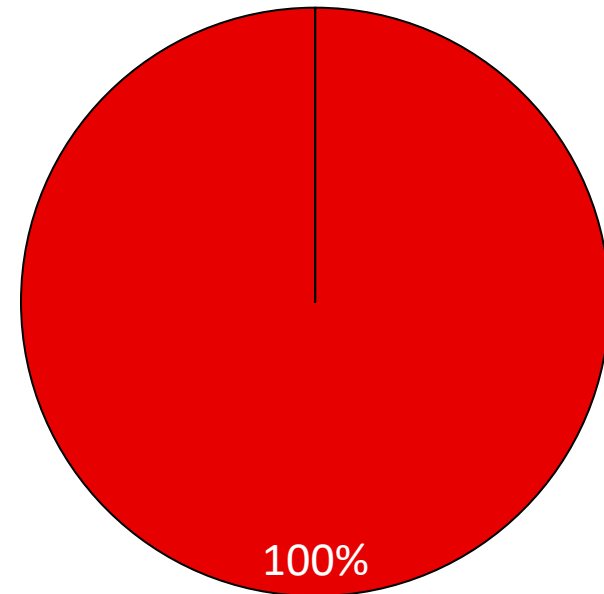
Are you able to offer hot rolled pricing that is attractive to buyers right now?

Yes No



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

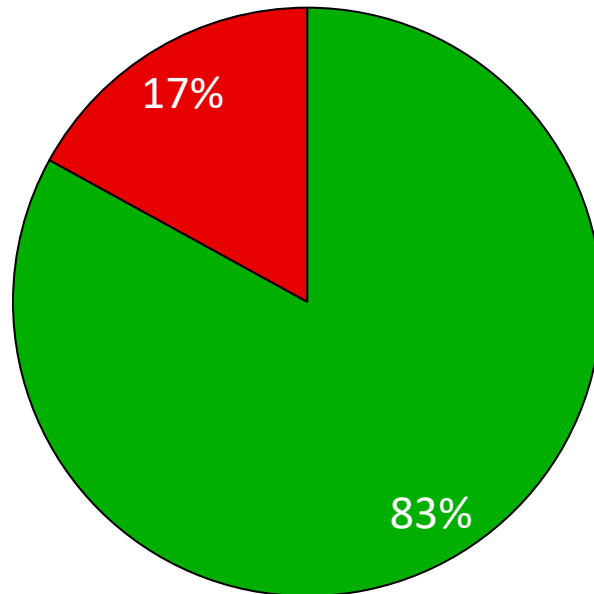
Yes No



# Trading Companies

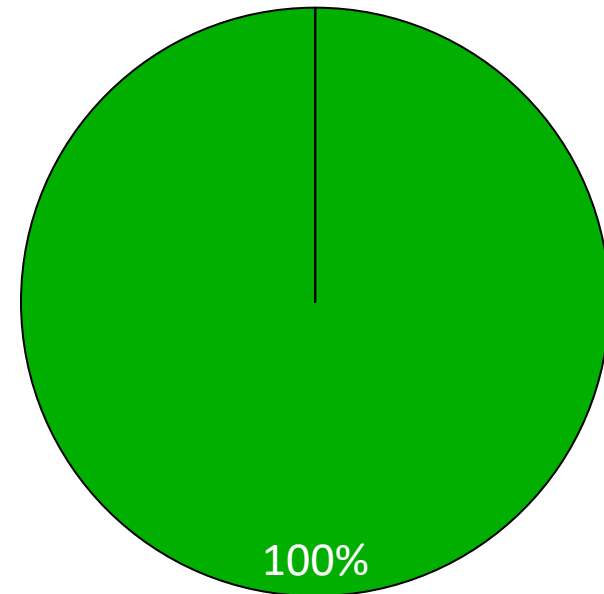
Are your galvanized prices competitive enough right now to get orders (including duties)?

Yes No

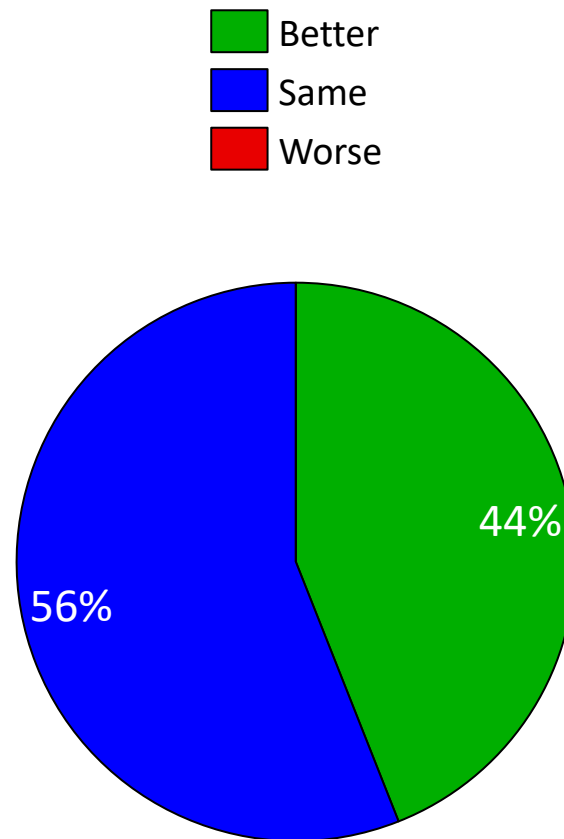


Are your Galvalume prices competitive enough right now to get orders (including duties)?

Yes No

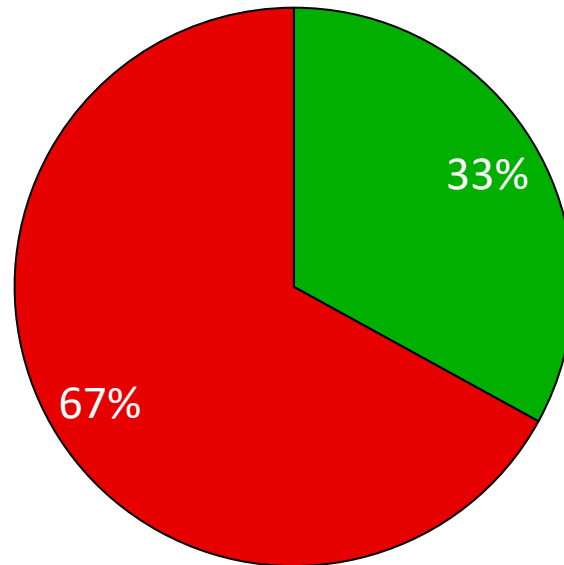


The current order book at your mill is better or worse than last month?

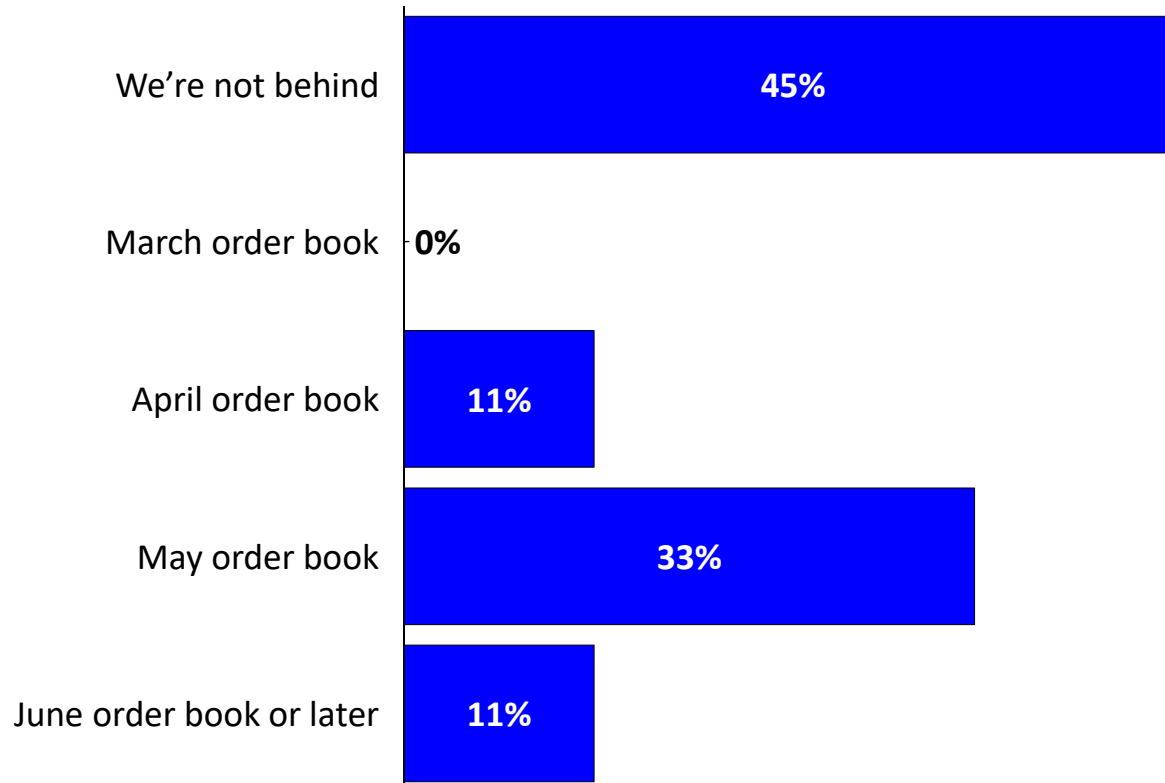


Will restarts of blast furnaces at the integrated mills add enough supply to affect steel prices this year?

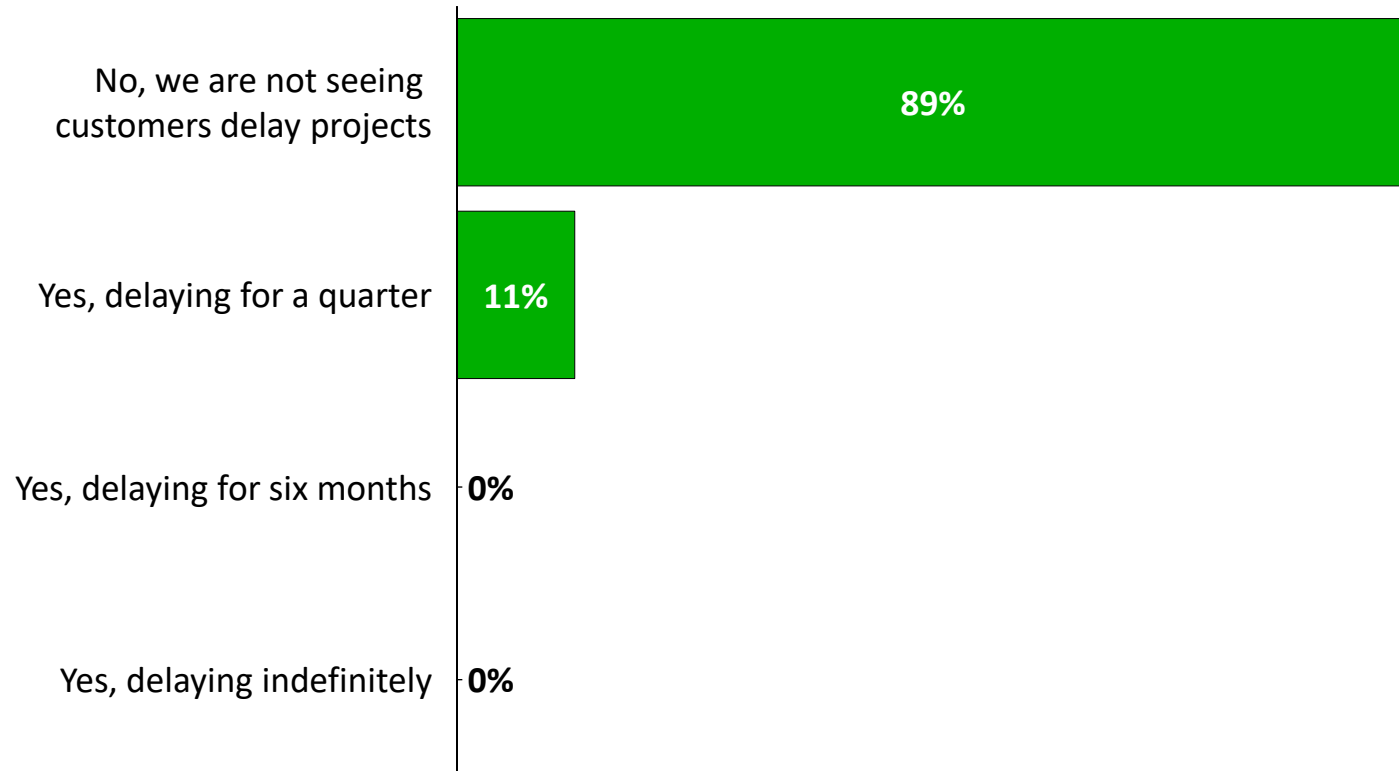
■ Yes ■ No



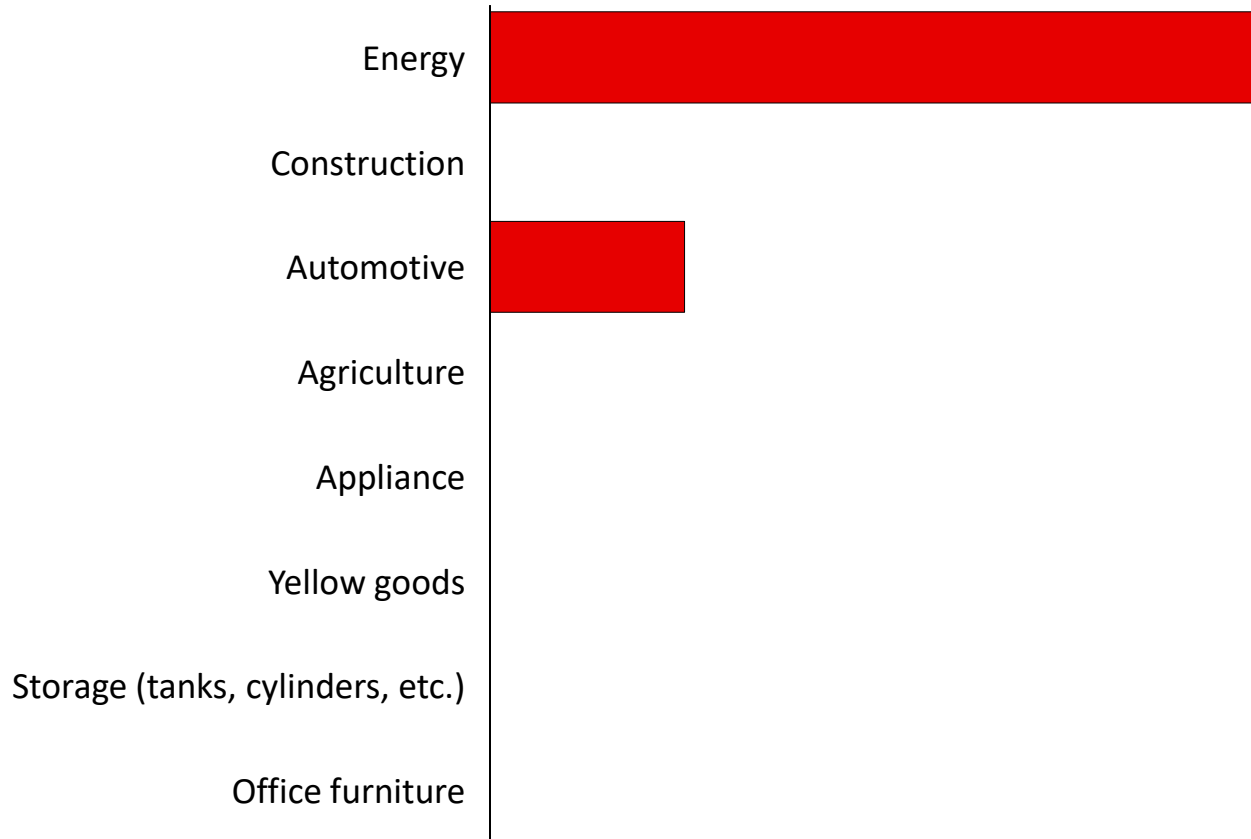
If you are behind on orders, how long do you think it will take you to catch up?



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?

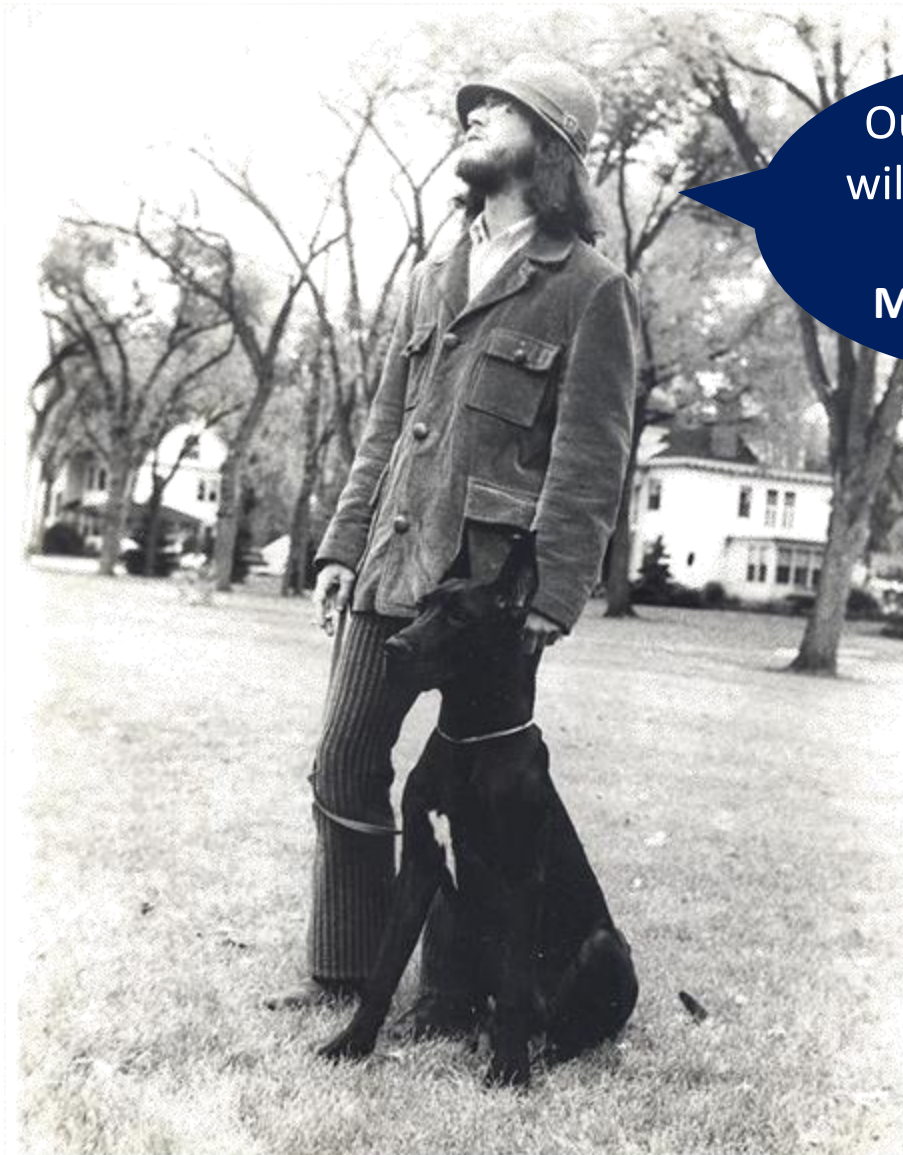
If you have any questions regarding the information presented here, please contact us at [info@SteelMarketUpdate.com](mailto:info@SteelMarketUpdate.com).

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](https://SteelMarketUpdate.com).



# Look for Our Next Survey



Our next survey  
will be conducted  
the week of  
**March 15, 2021**



# STEEL MARKET UPDATE

part of the  Group

When you need answers... [www.SteelMarketUpdate.com](http://www.SteelMarketUpdate.com)