



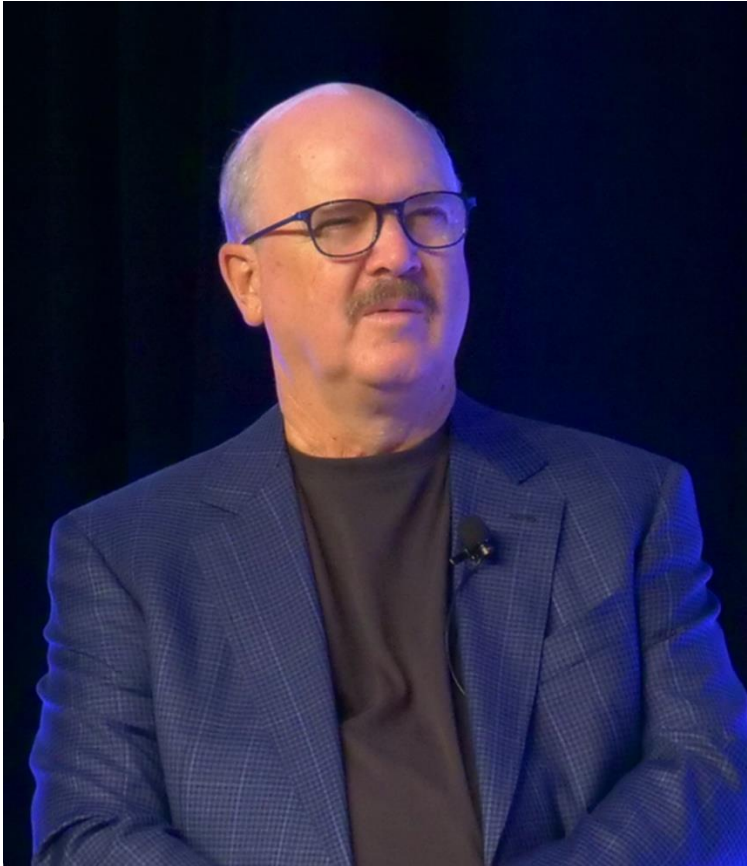
# STEEL MARKET UPDATE

part of the  Group

## SMU Flat Rolled Market Trends Analysis

Responses from our March 4-7, 2019 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 650 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.

**Steel Summit:** A steel conference for manufacturing companies, fabricators, service centers, wholesalers, trading companies, steel mills, toll processors and companies who provide products and services to the steel industry.

**When:** August 26-28, 2019

**Where:** Atlanta, Georgia, USA –  
Georgia International Convention Center

**Lead Hotel:** Atlanta Airport Marriott  
Gateway Hotel (adjacent to the Georgia  
International Convention Center)

Additional details can be found at [www.SteelMarketUpdate.com/Events/Steel-Summit](http://www.SteelMarketUpdate.com/Events/Steel-Summit)



# Steel 101: Introduction to Steelmaking & Market Fundamentals

**Instructors:** John Packard, Charles McDaniels, Mario Briccetti, & Roger Walburn

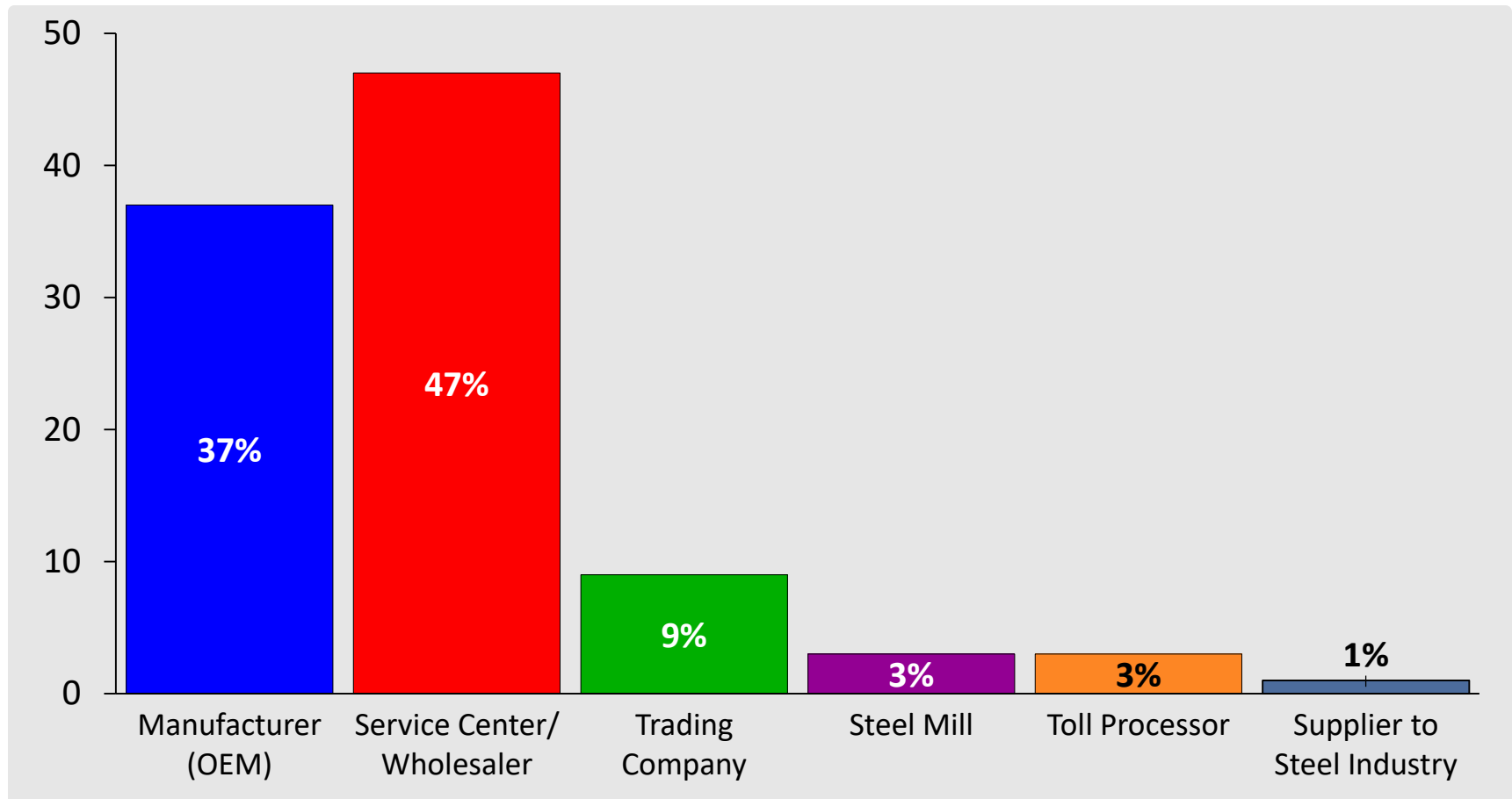
We have both classroom & on-site (mill) instruction during our 2 day workshop.  
For more information [visit our website here](#).



Steel 101 Workshop, Severstal Dearborn 2012

# Survey Participants

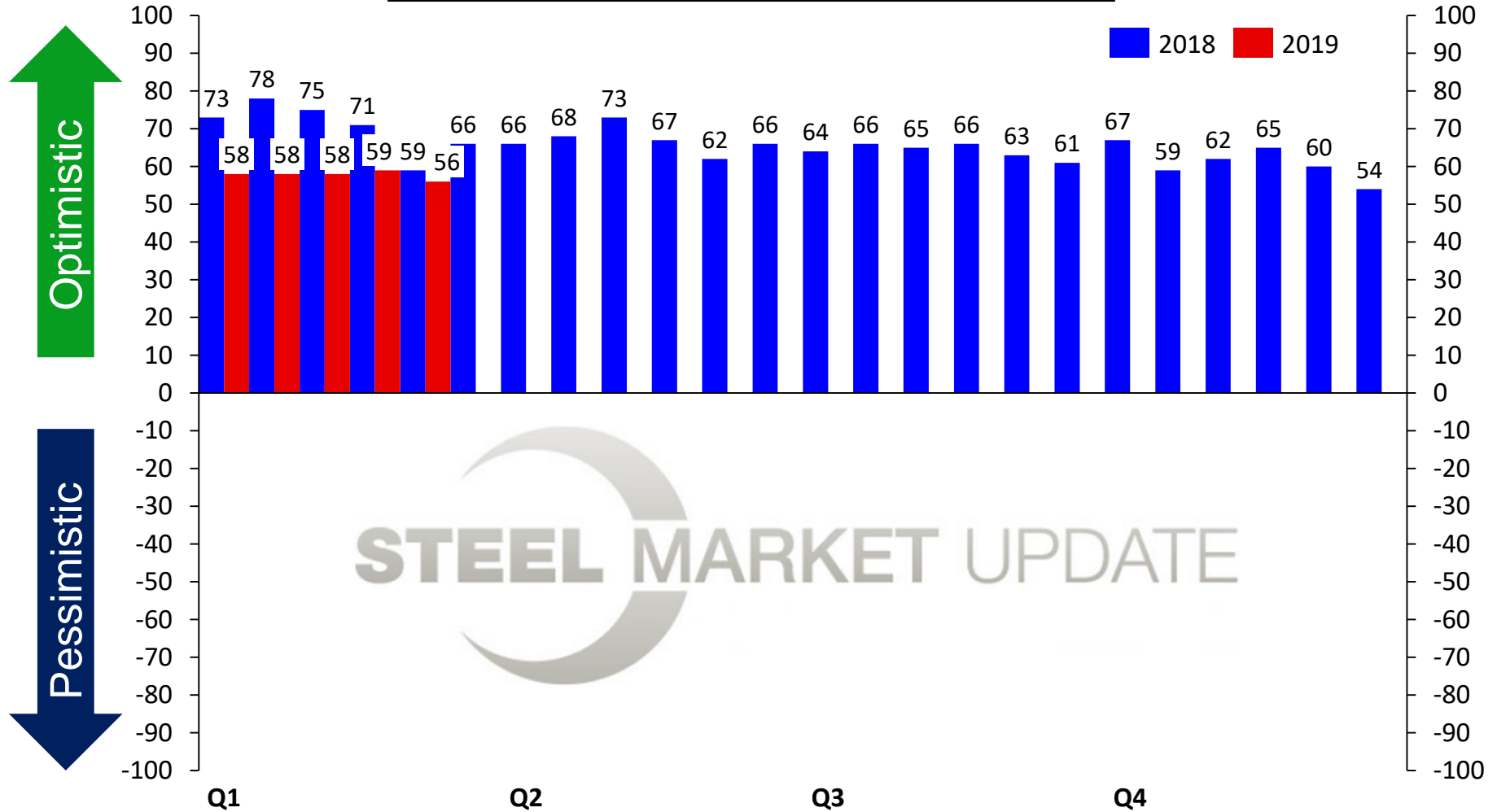
Our survey is by invitation only- Over 650 companies, mostly in the manufacturing or distribution industries, are asked to participate. Here are the percentages of participation in this week's survey by market sector.



# SMU Buyers Sentiment Index

Down 3 points to +56

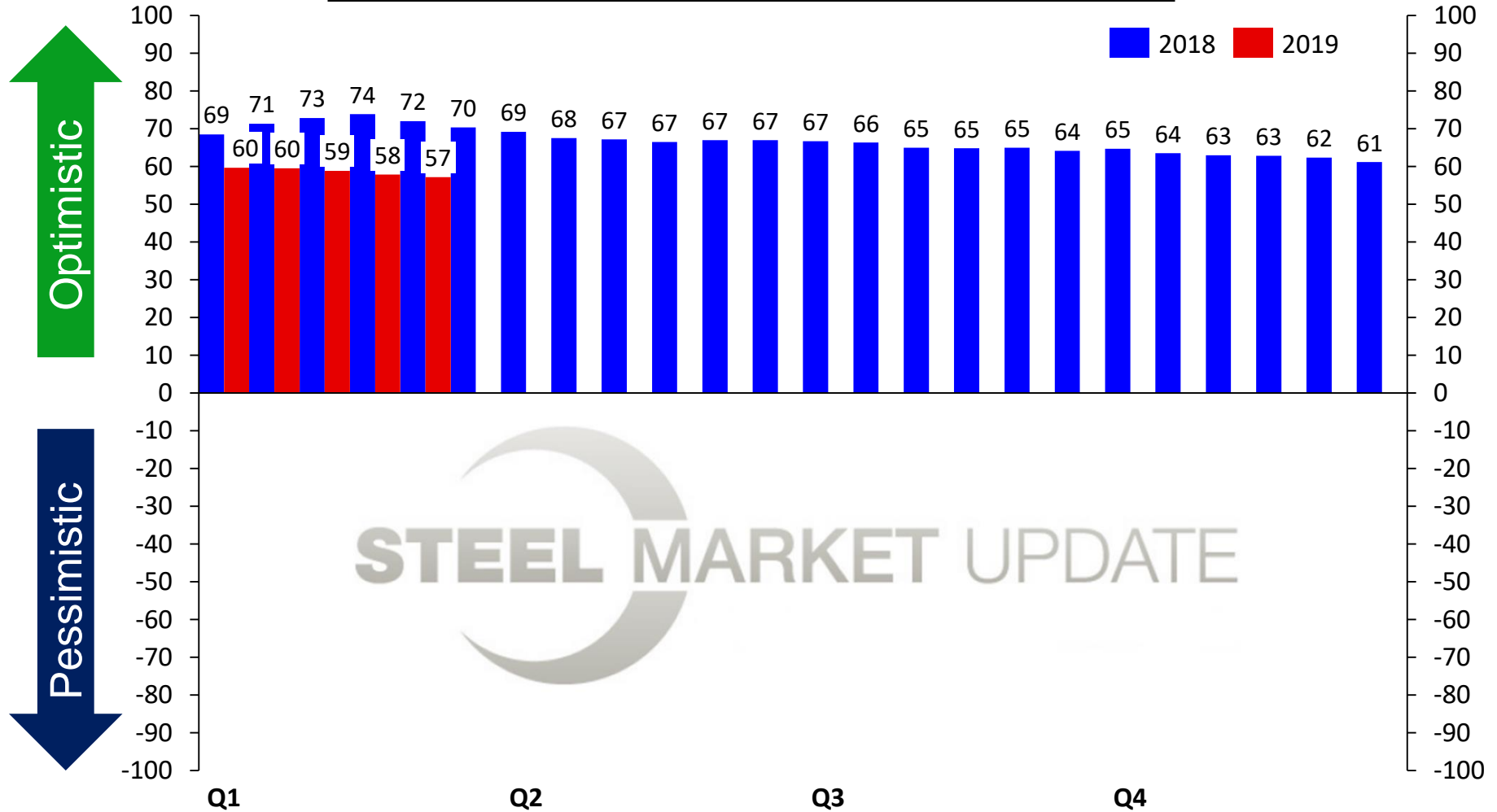
## Steel Market Update Buyers Sentiment Index



# SMU Buyers Sentiment Index

Three Month Moving Average at +57.17

### Steel Market Update Buyers Sentiment Index 3MMA

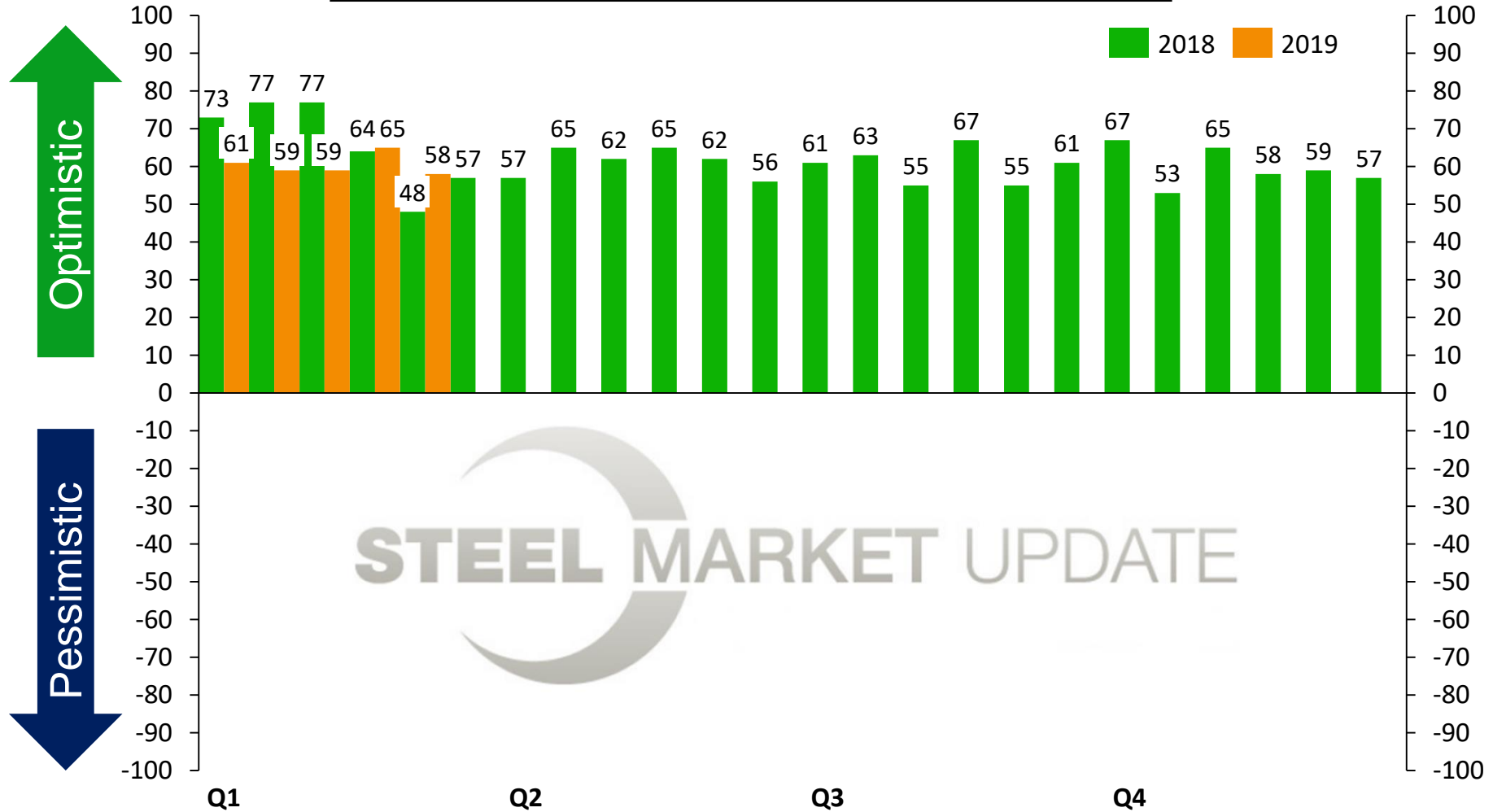




# SMU Future Buyers Sentiment Index

Down 7 points to +58

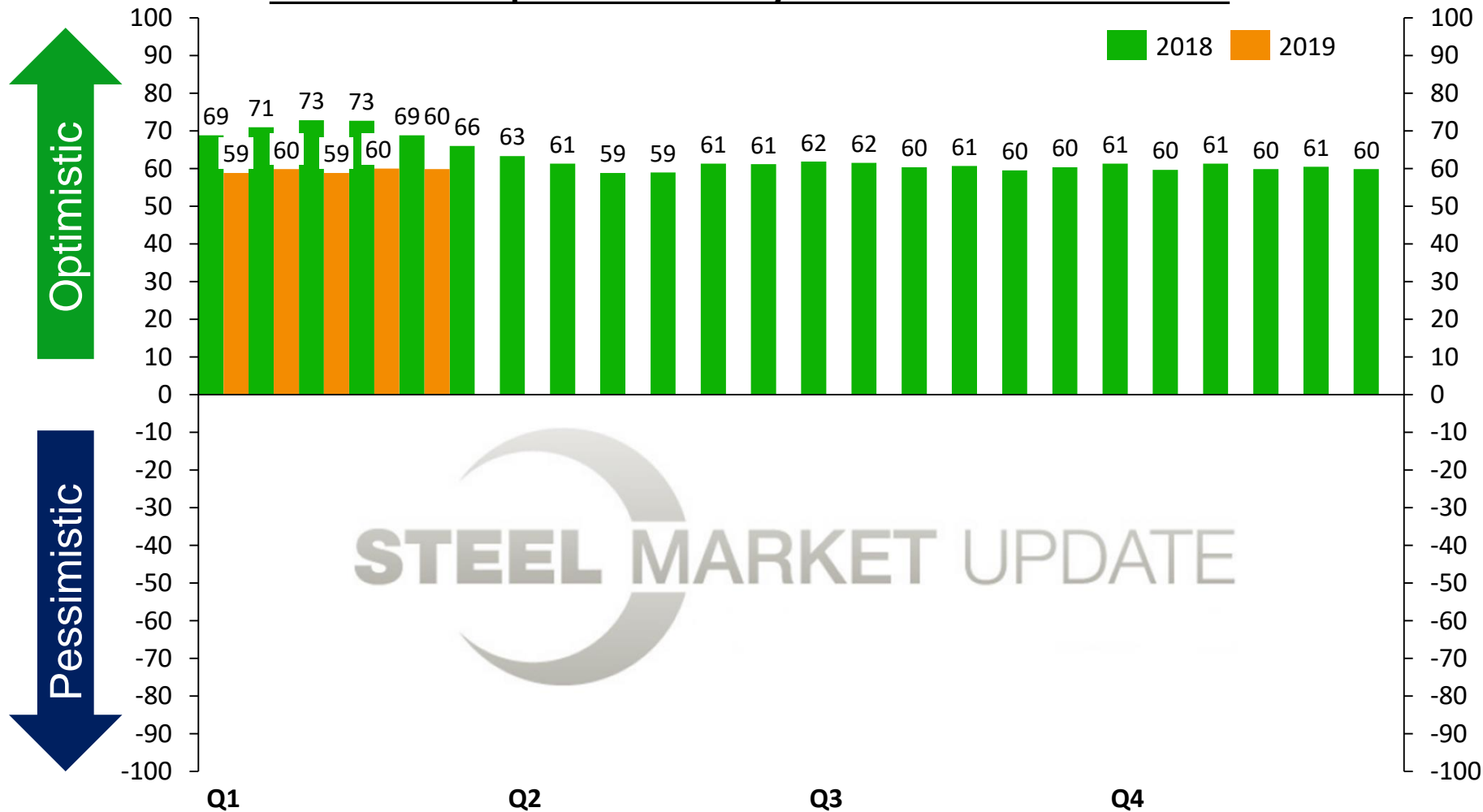
## Steel Market Update Future Buyers Sentiment Index






# SMU Future Buyers Sentiment Index

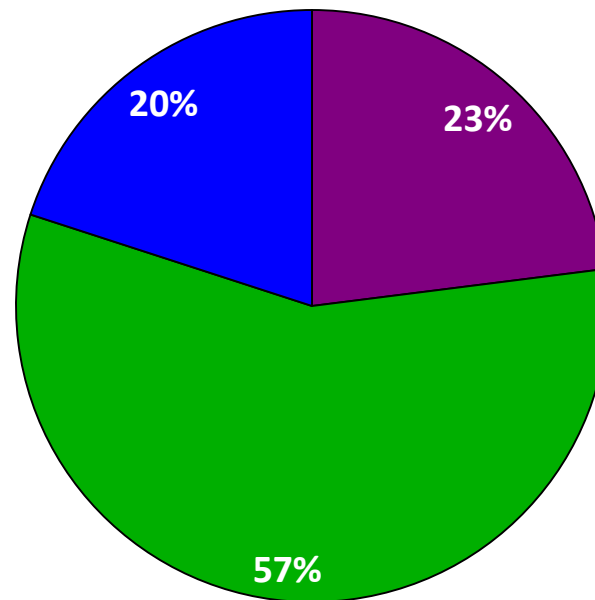
Three Month Moving Average at +59.83

## 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

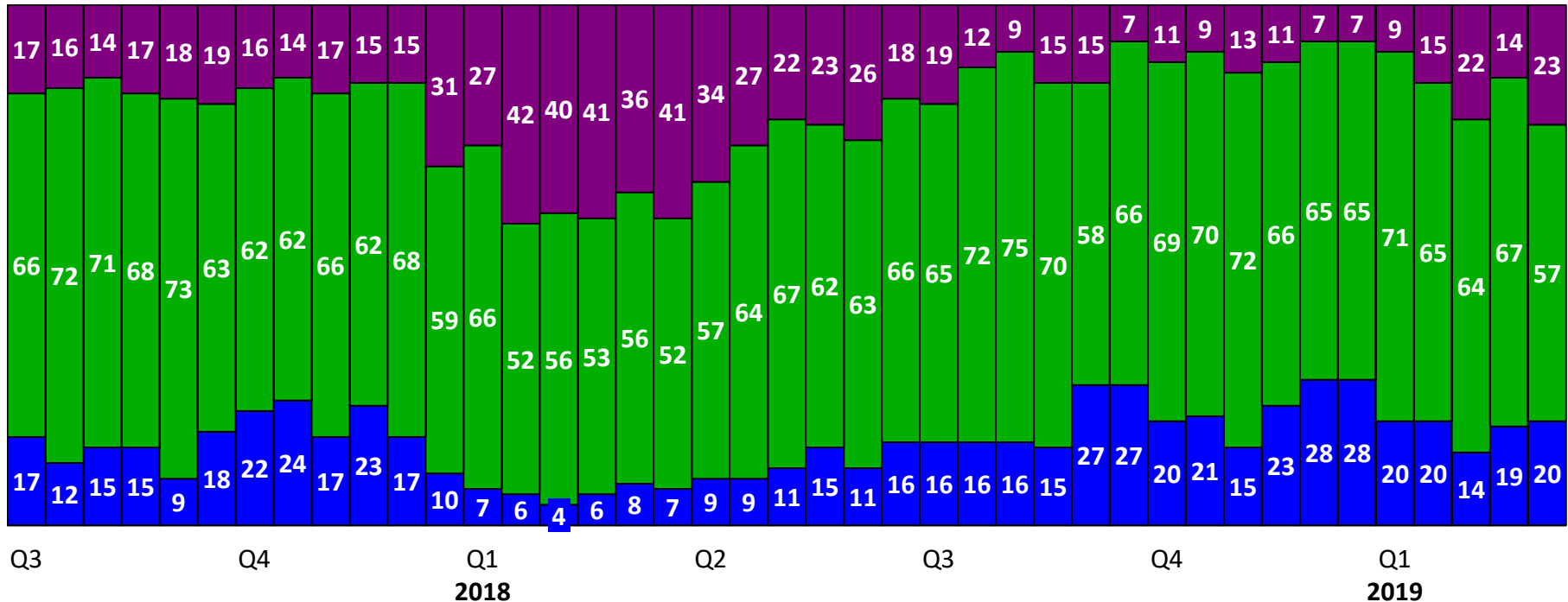


# Overall Demand History

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

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

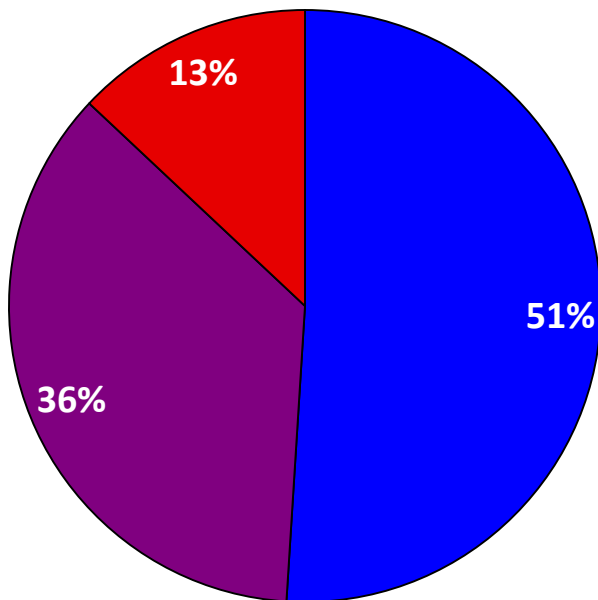
out of 100%



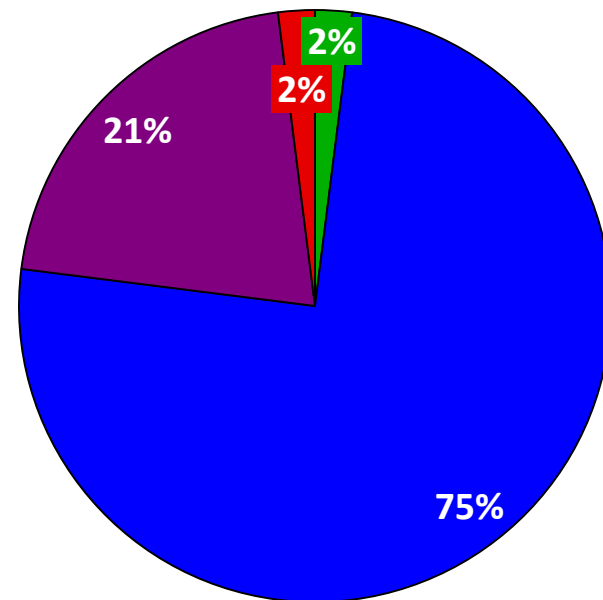
Are the latest announced flat rolled price increase "sticking"?

- Yes - 100% of increase is being collected
- Yes - but less than the \$40 announced
- No - none of the increase is being collected, but price erosion has stopped
- No - none of the increase is being collected and prices are continuing to slide lower

February 22, 2019



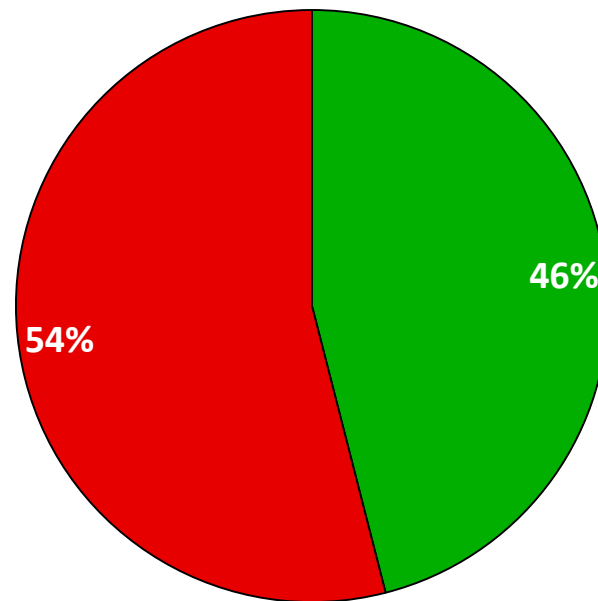
March 8, 2019



# Tariff Effects on Business

It has now been one year since President Trump announced the Section 232 tariffs on steel and aluminum, have the tariffs been good for your business?

Yes No

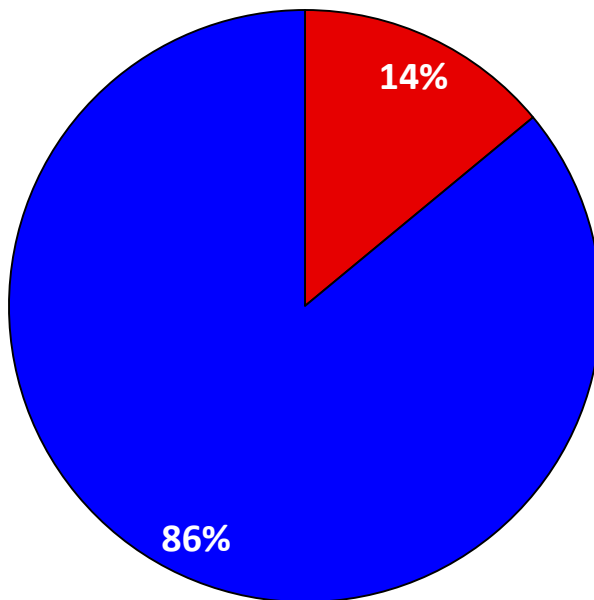


# Shortage Concerns

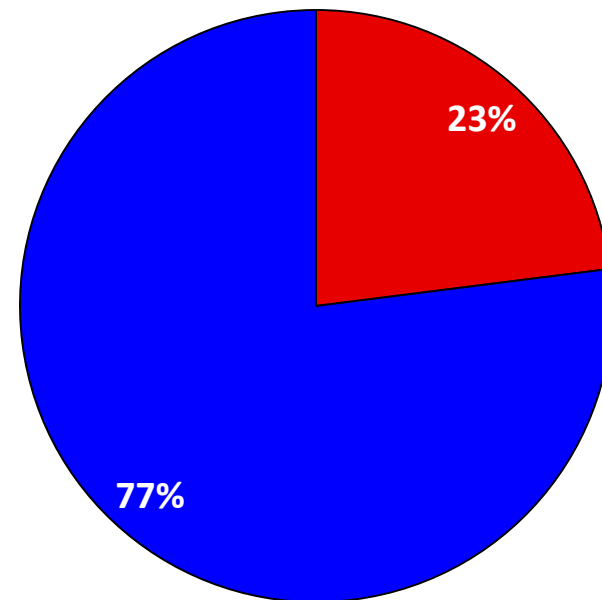
Are you concerned that a potential drop-off in flat rolled and plate imports could create a short-term shortage?

Yes No

February 22, 2019

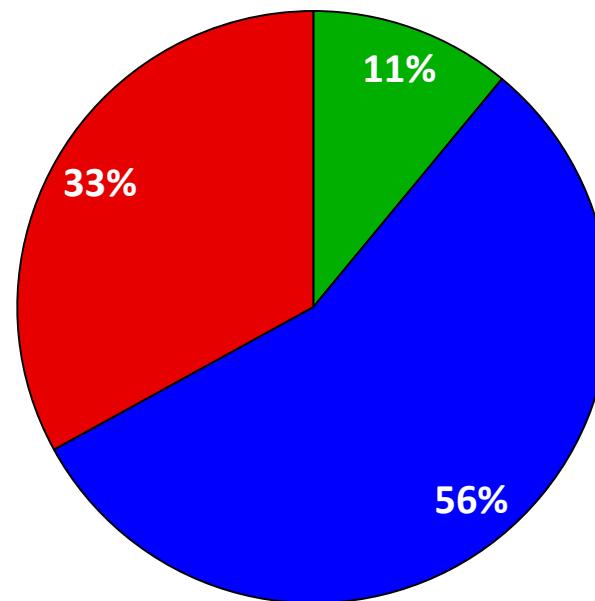


March 8, 2019



**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



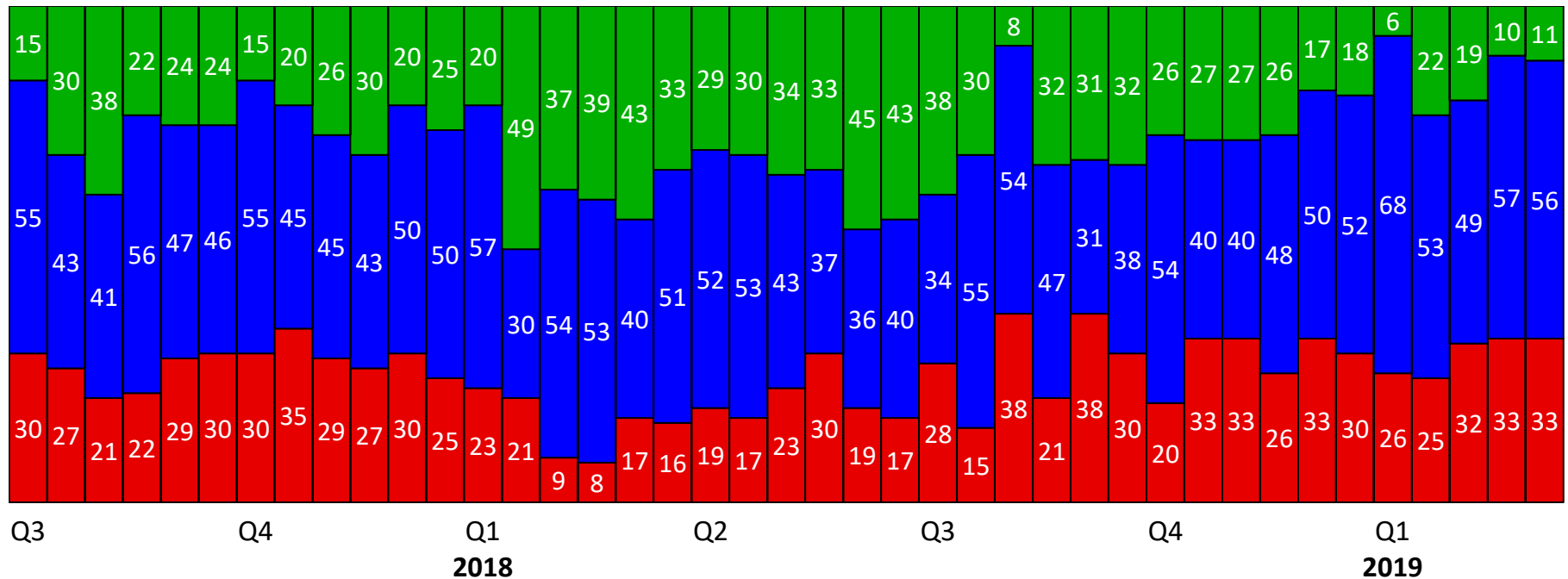


# History of Manufacturer Purchases

**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?

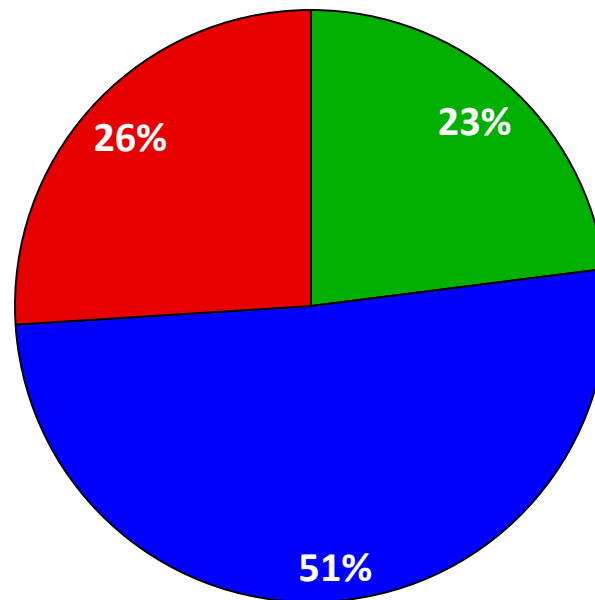
- Buying more steel
- Buying the same amount of steel
- Buying less steel

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

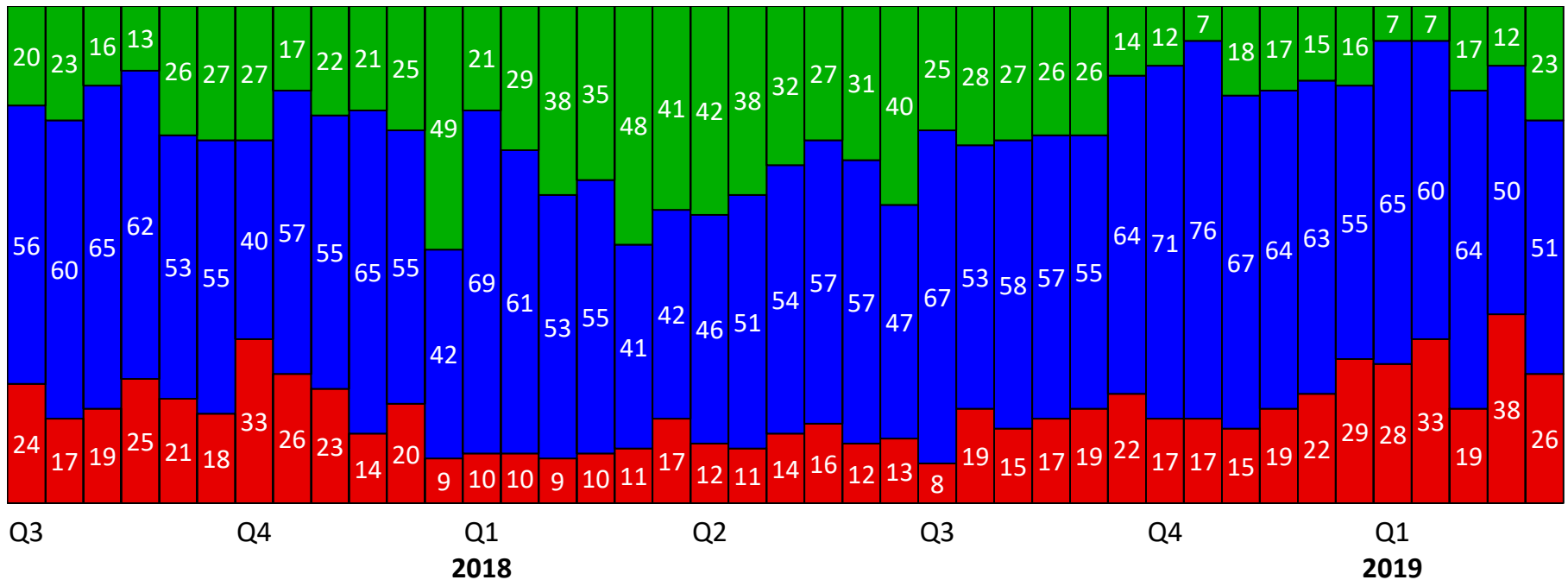


# Service Center Release History

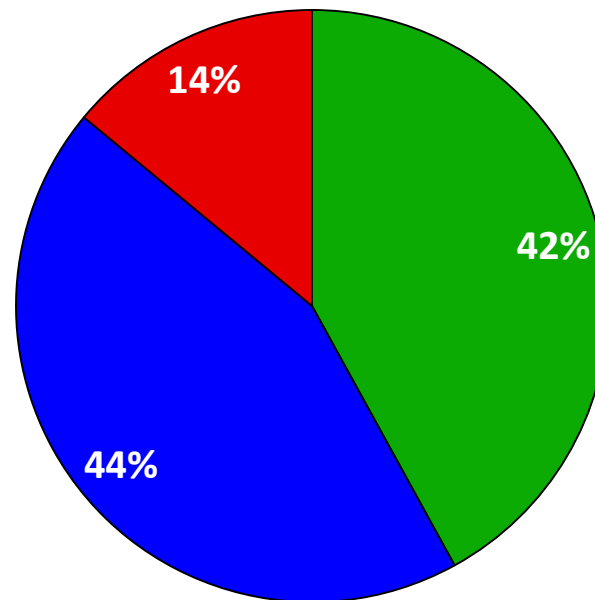
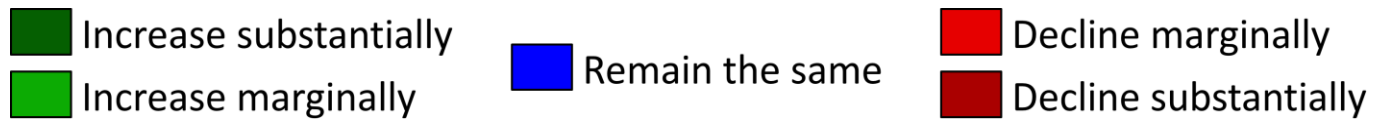
**Service Centers-** How do you see your customers releases (demand) for the products your company provides this year compared to this time last year?

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

out of 100%

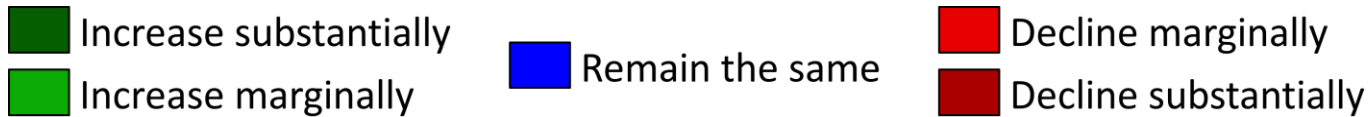


**Manufacturers-** Demand for your products will \_\_\_\_\_  
over the next 3 months based on current order flows.

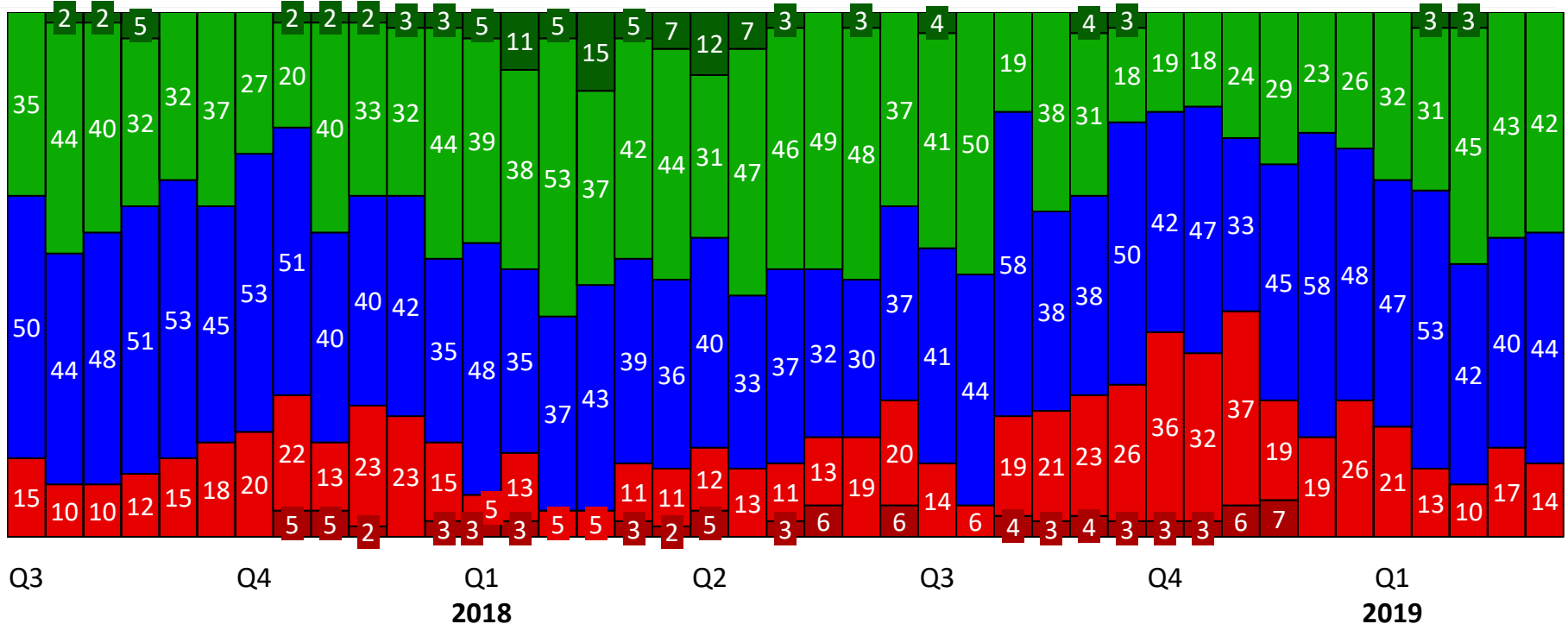


# Manufacturer Demand History

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



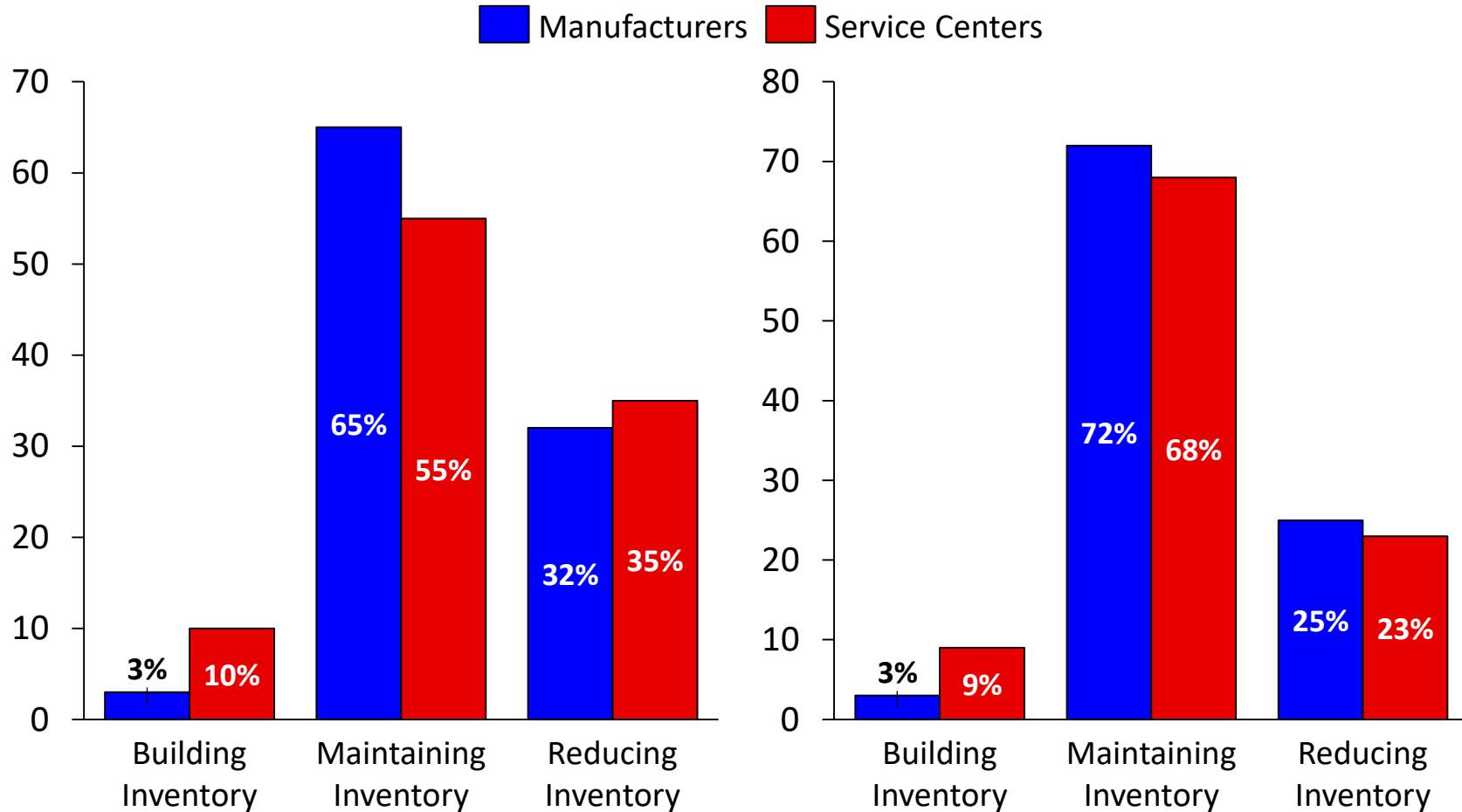
out of 100%



# Manufacturer and Service Center Inventory Buying Patterns

January 11, 2019

March 8, 2019

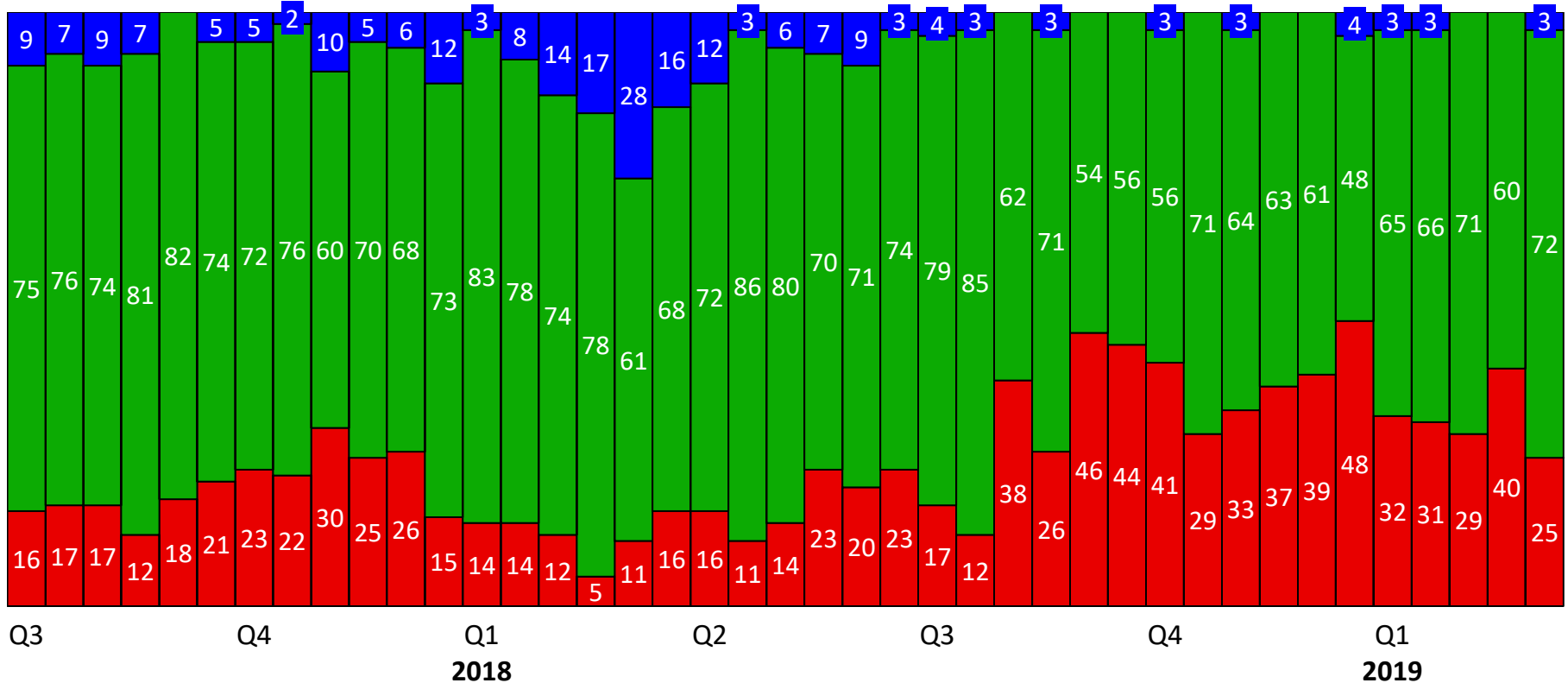


# Manufacturer Inventory Buying History

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

■ Building Inventory 
 ■ Maintaining Inventory 
 ■ Reducing Inventory

out of 100%

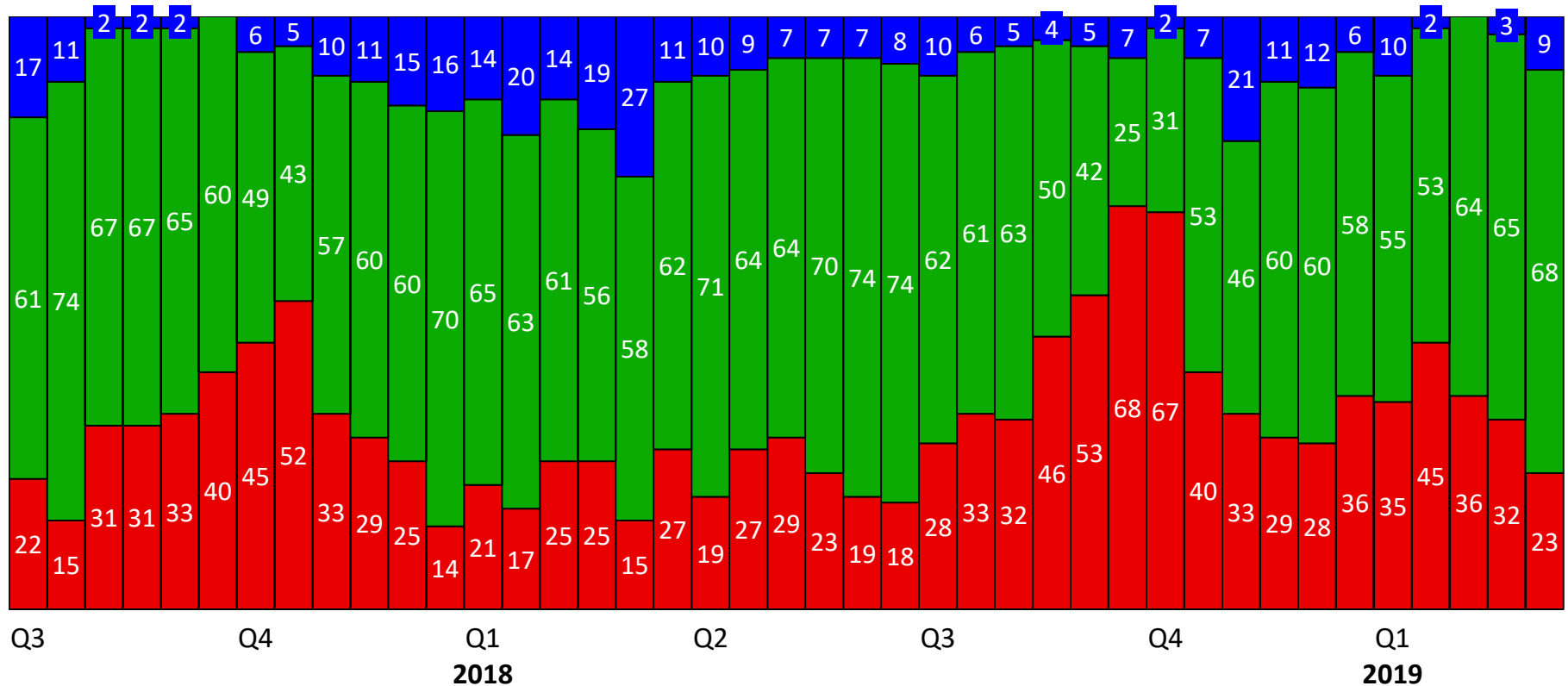


# Service Center Inventory Buying History

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

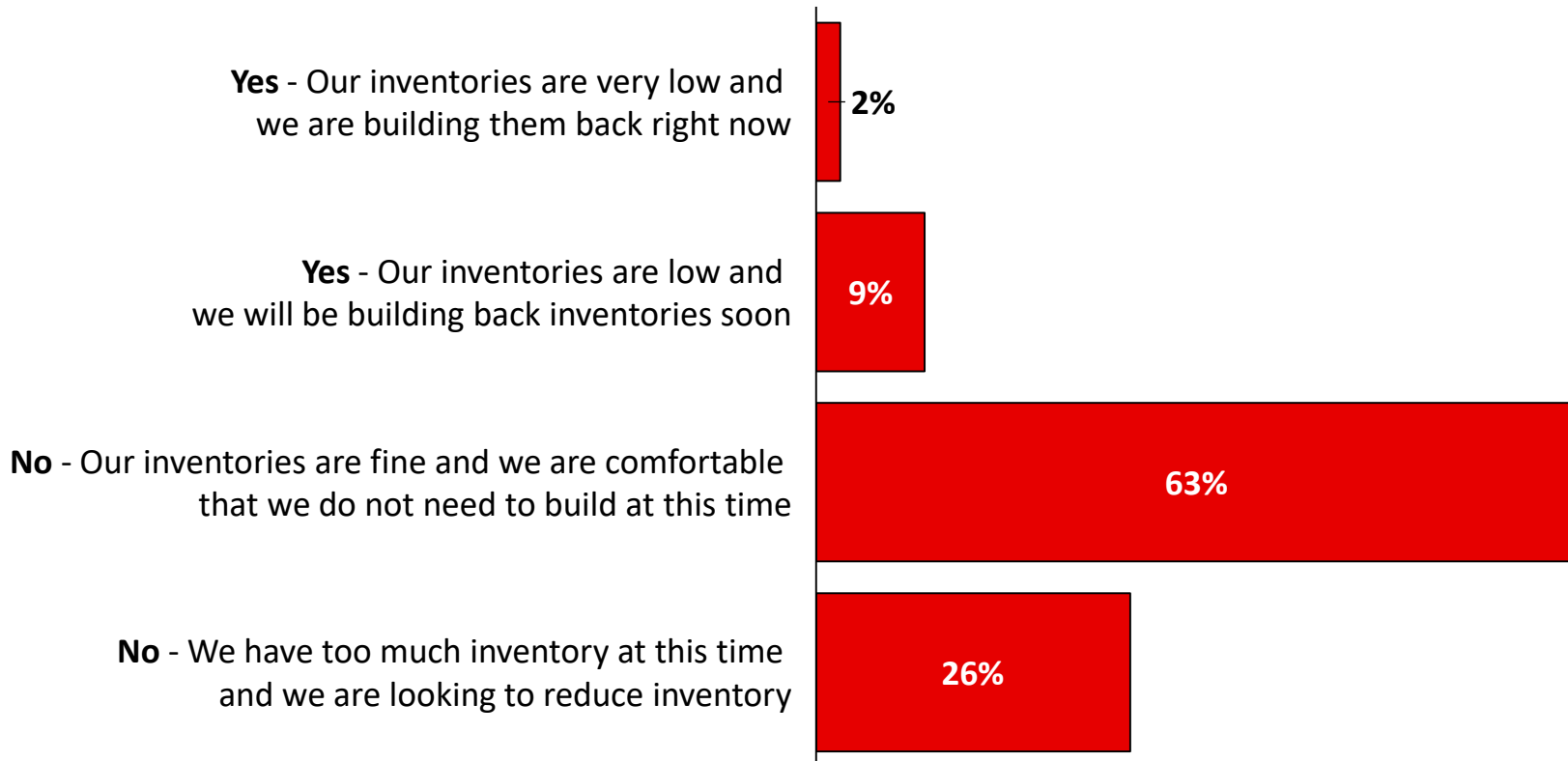
■ Building Inventory 
 ■ Maintaining Inventory 
 ■ Reducing Inventory

out of 100%





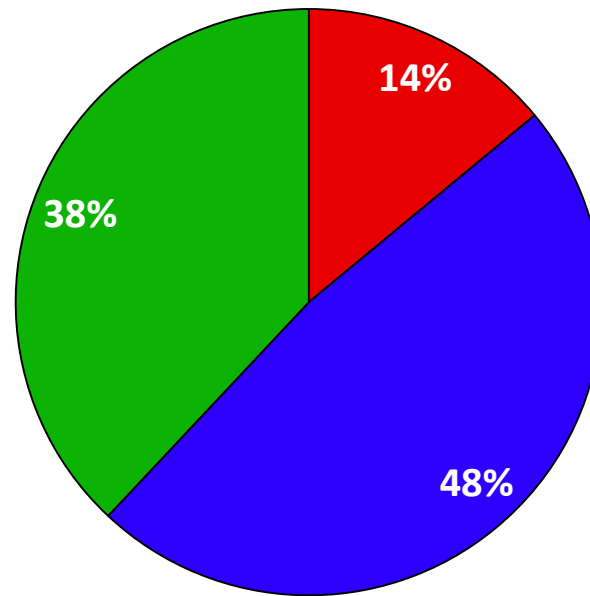
**Service Centers-** Does your company need to build back inventories or are you comfortable with the levels you are holding on your floor?



# 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

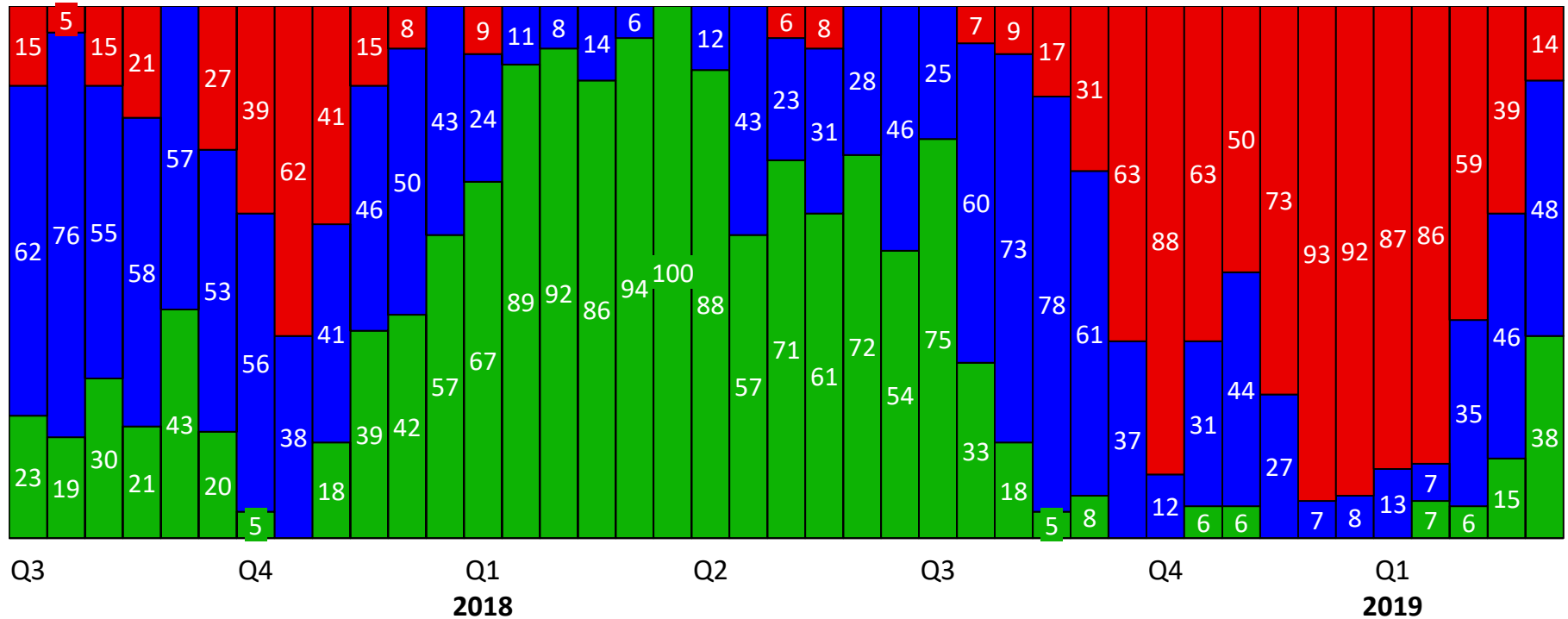


# Manufacturer's View of Service Center Selling Prices History

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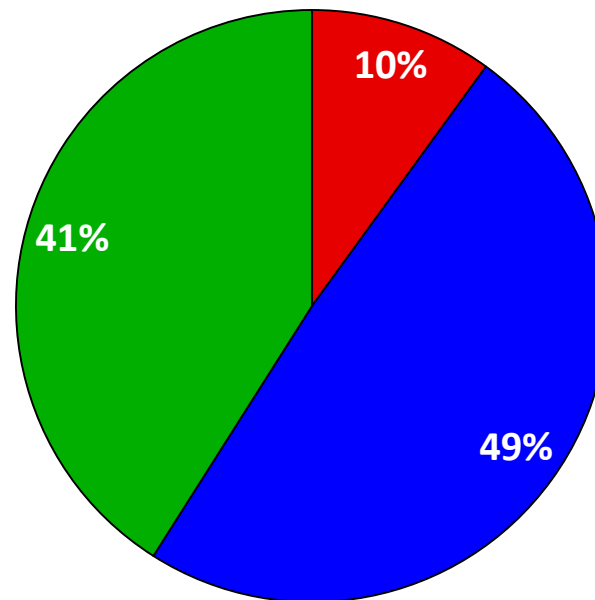
- We are seeing prices decreasing from our service centers
- We are seeing prices stable from our service centers
- We are seeing prices rising from our service centers

out of 100%

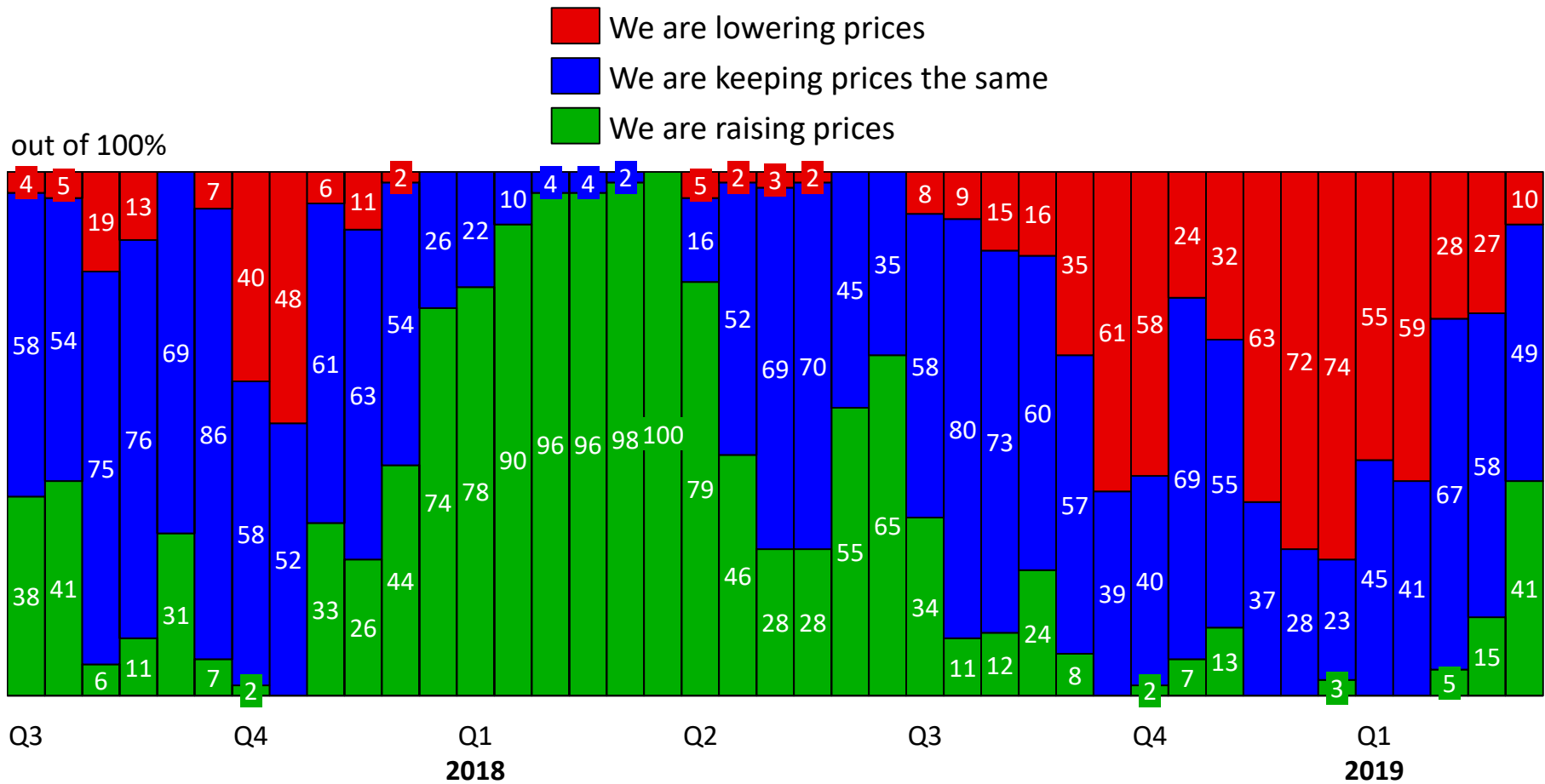


**Service Centers-** Compared to two weeks ago, how is your company handling spot pricing to your customers at this time?

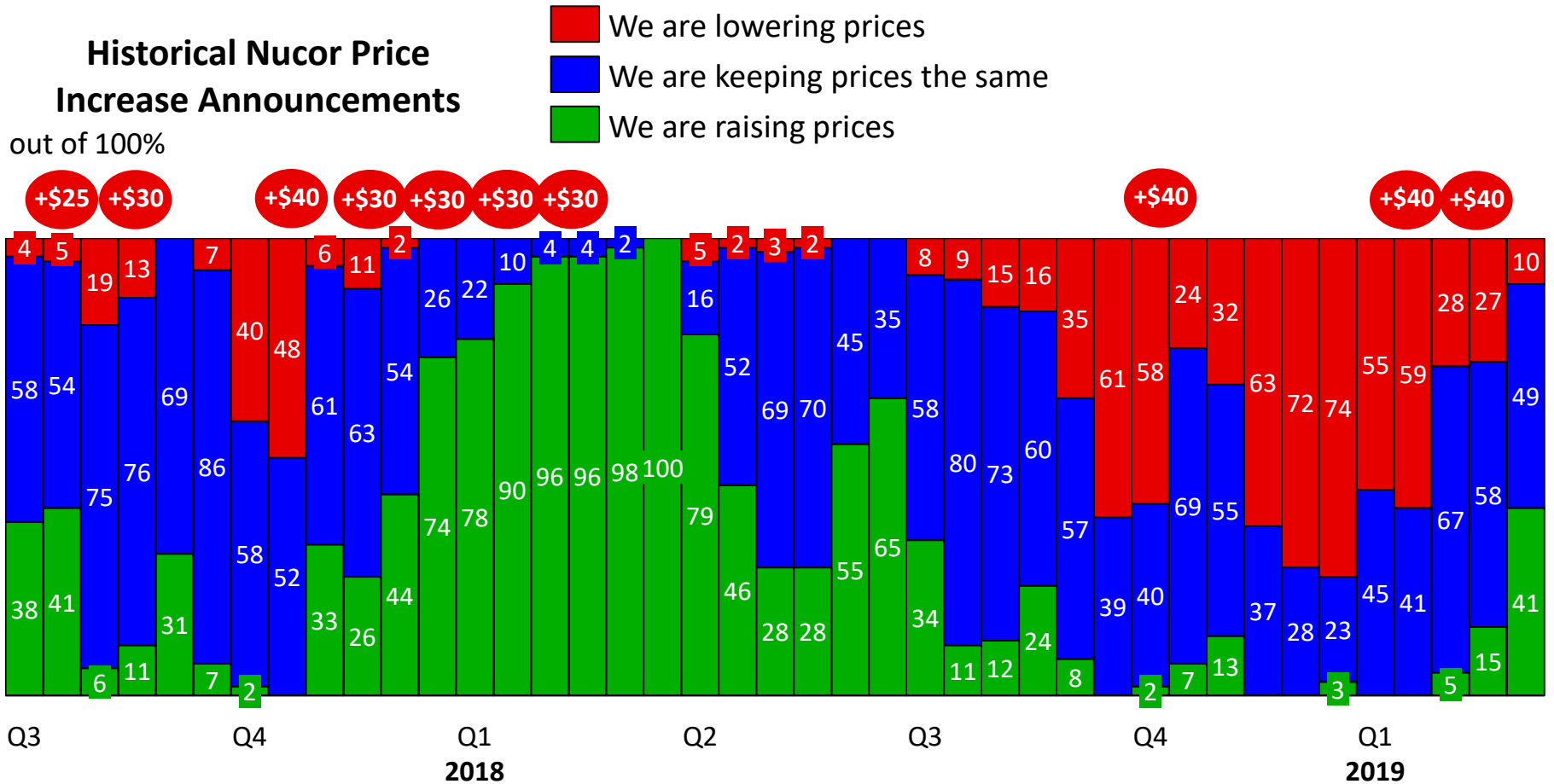
- We are lowering prices
- We are keeping prices the same
- We are raising prices



**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?

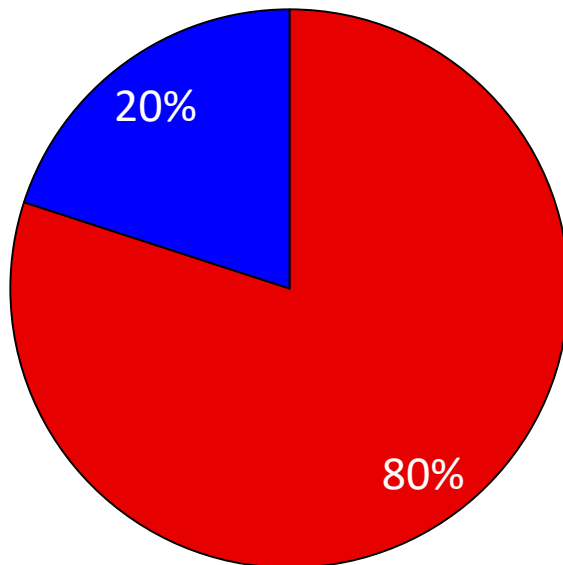


# Passing Along Higher Prices

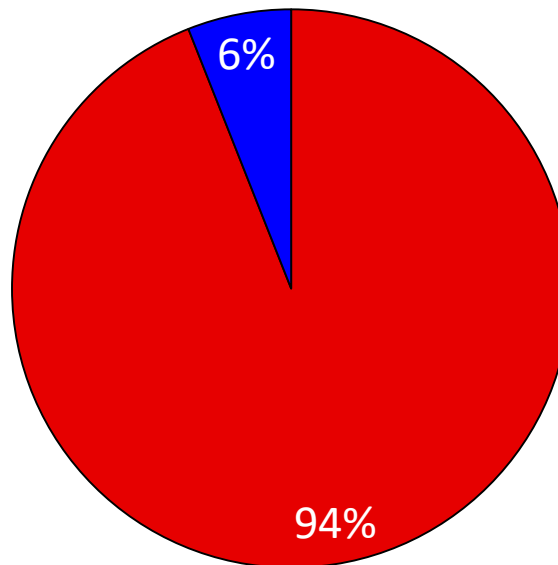
**Service Centers-** Are you having any difficulties in passing along the new higher prices to your customers?

Yes No

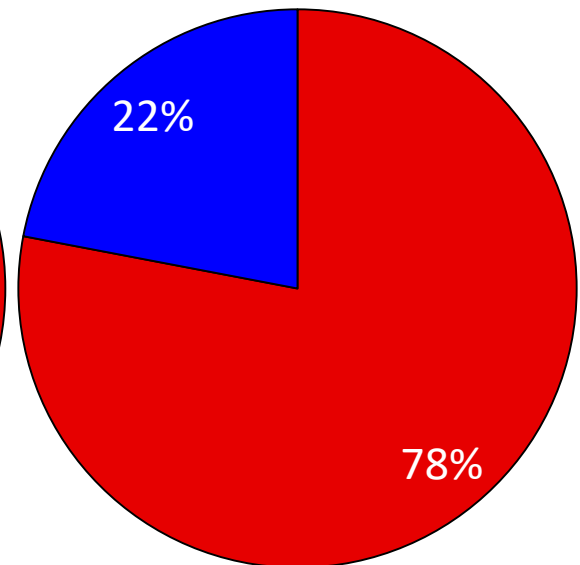
January 11, 2019



February 7, 2019

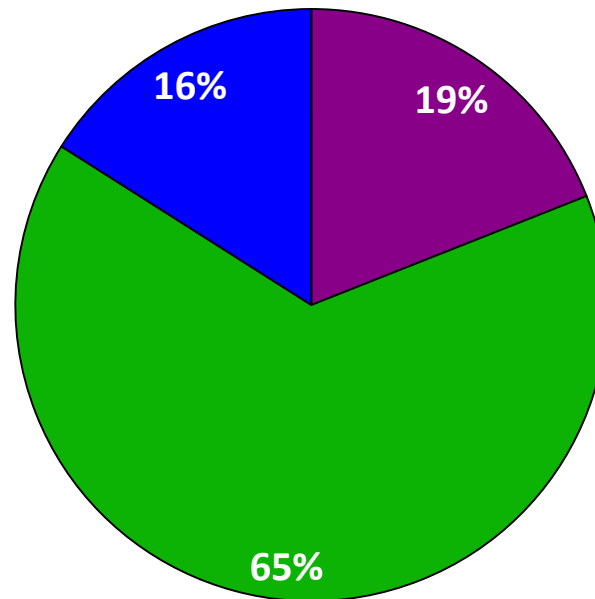


March 8, 2019



**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

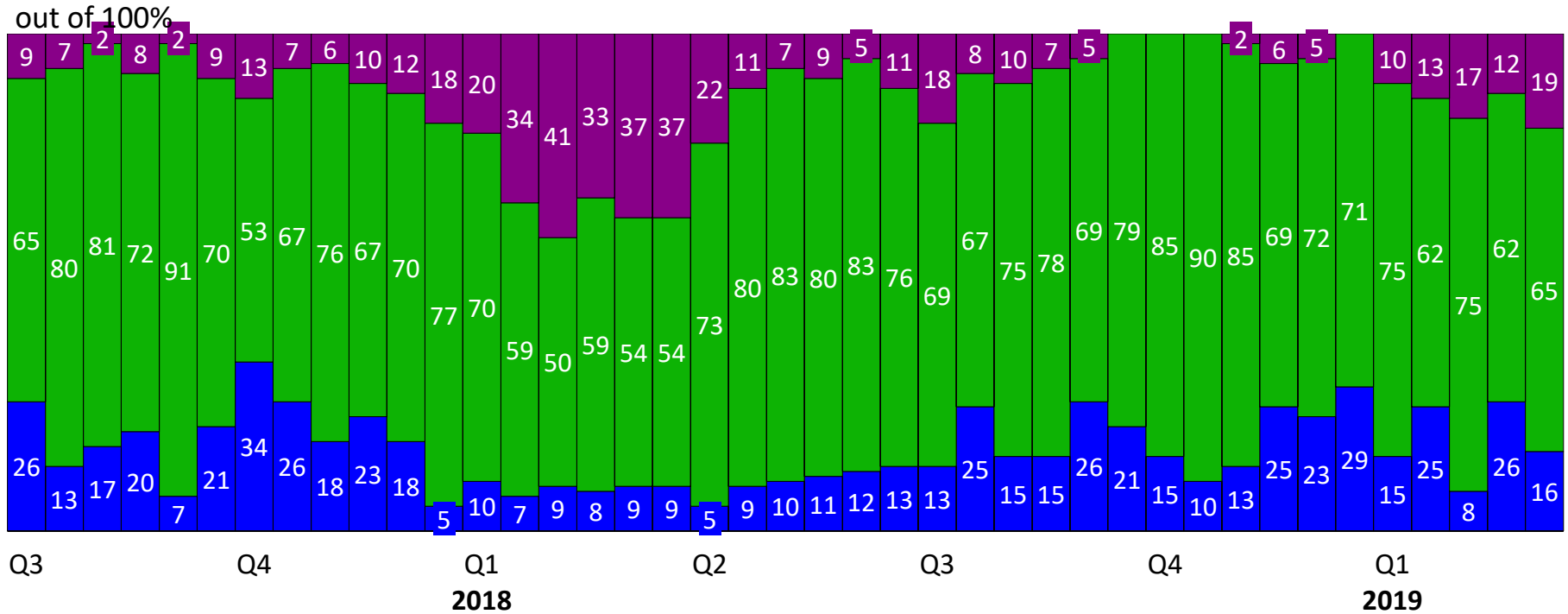




# Service Centers on Manufacturer Orders History

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

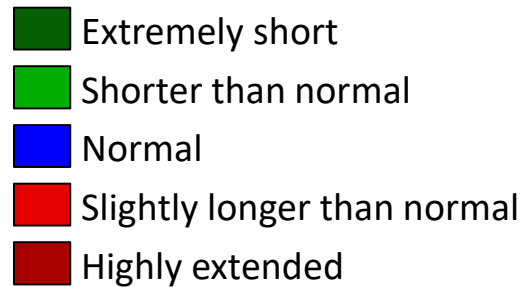
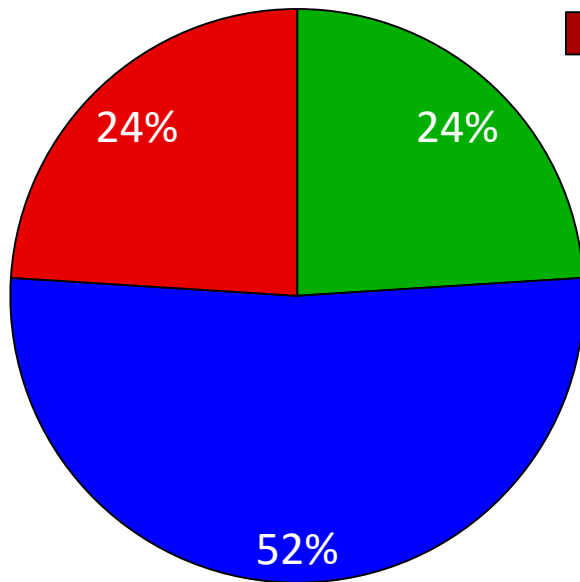
- Our manufacturing customers are increasing orders
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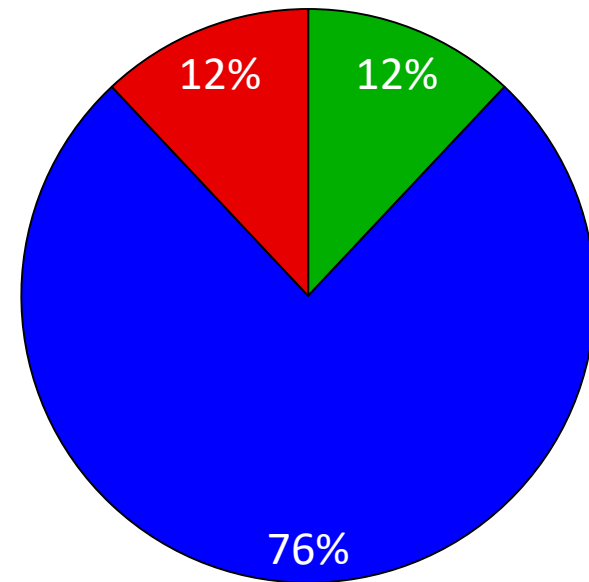
# Mill Lead Times

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

## Manufacturers

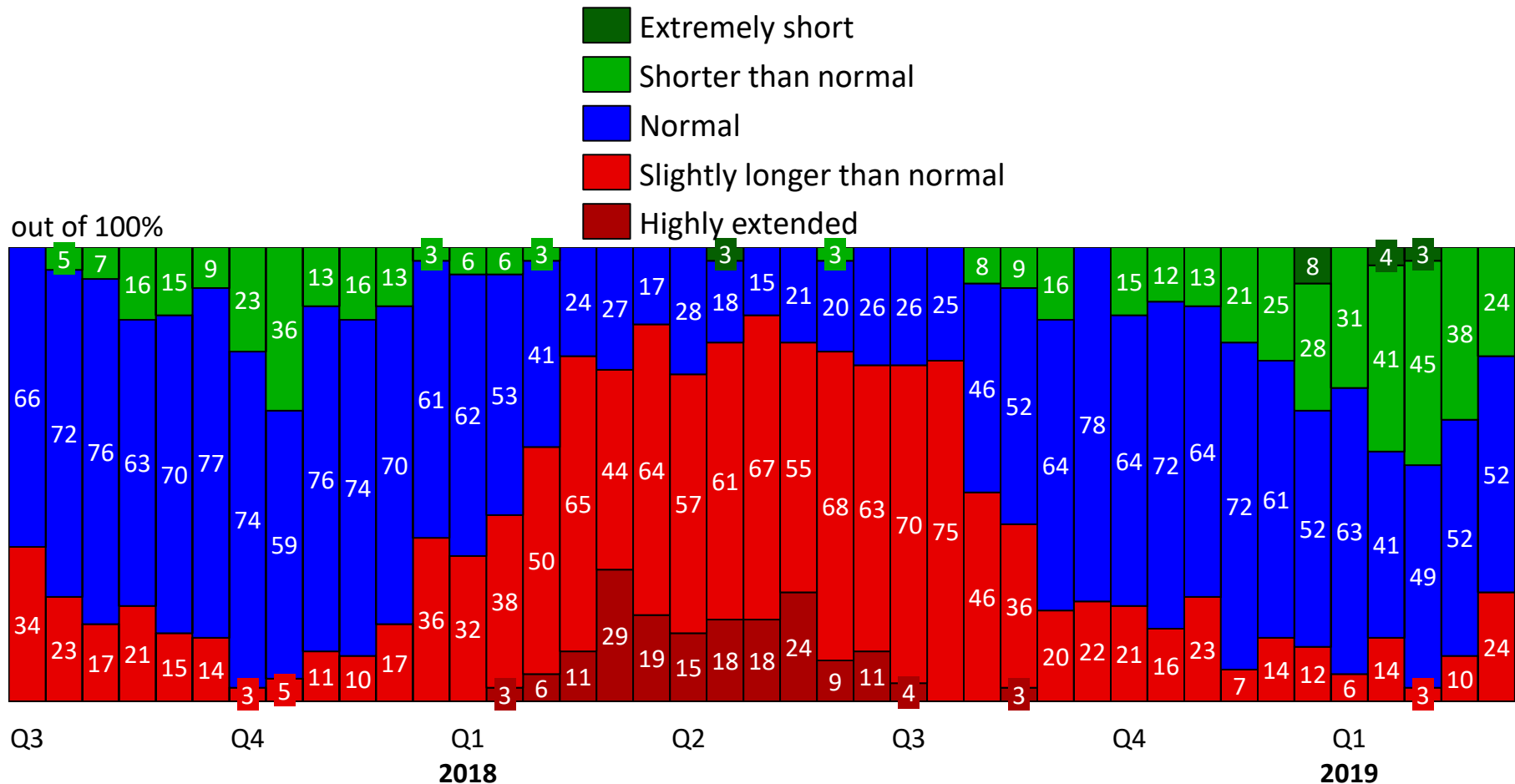


## Service Centers



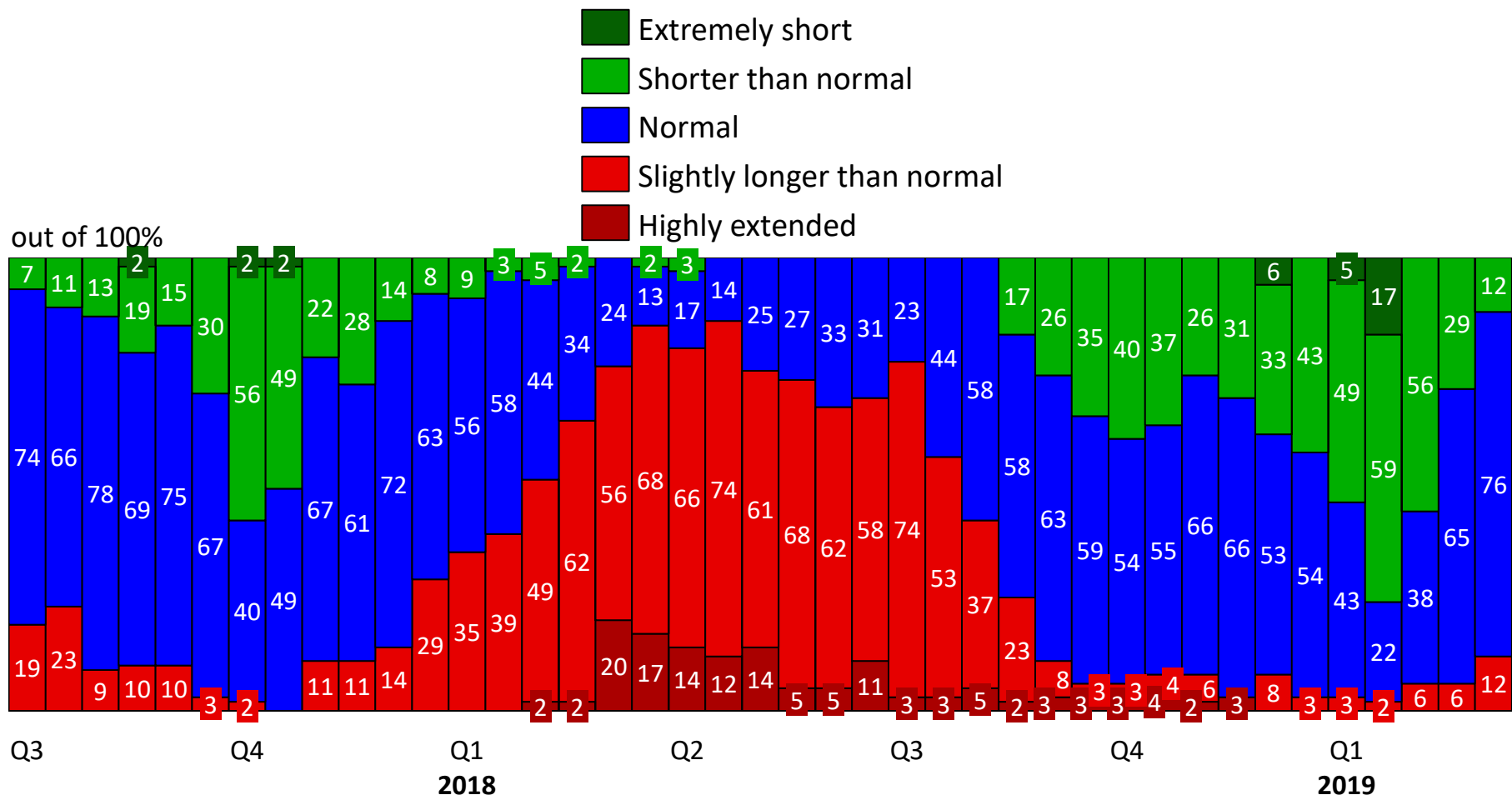
# Mill Lead Times History

**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?

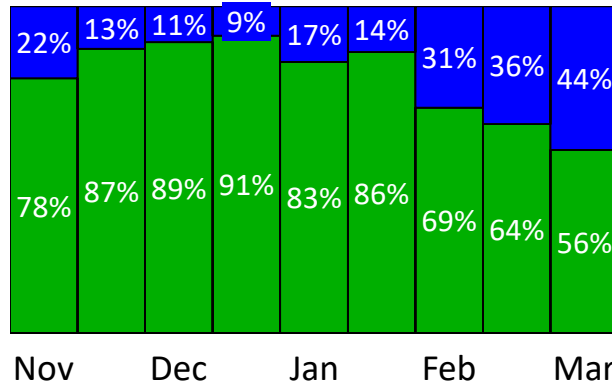


# Mill Negotiations

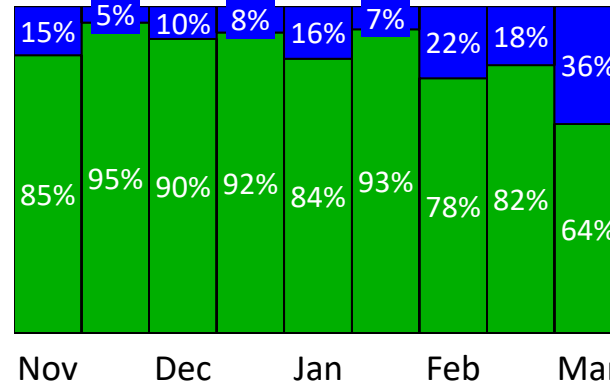
Are you finding the domestic mills are willing to negotiate pricing on brand new orders placed this week?

Yes No

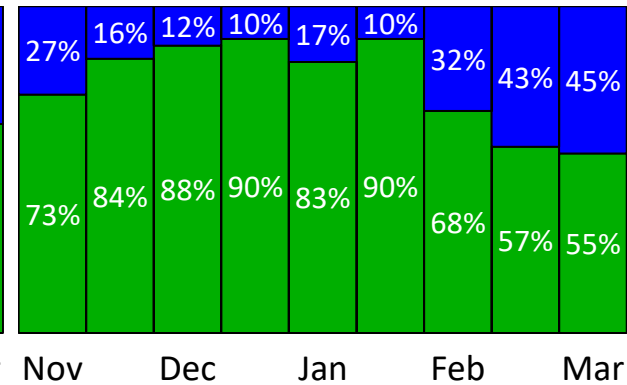
Hot Rolled



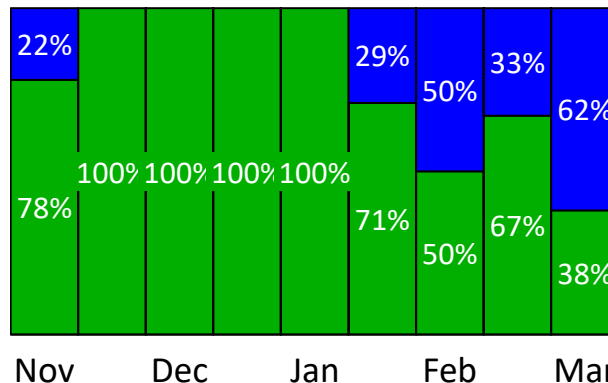
Cold Rolled



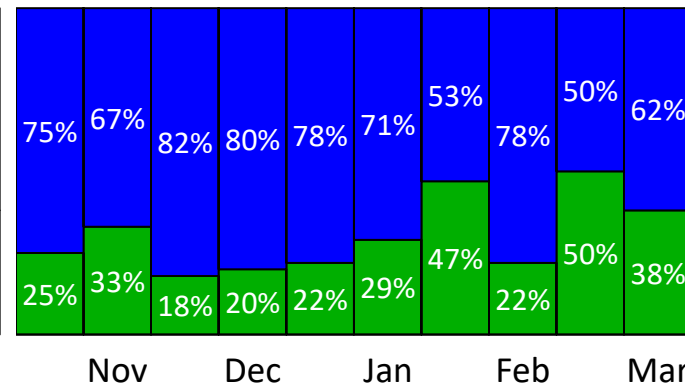
Galvanized



Galvalume

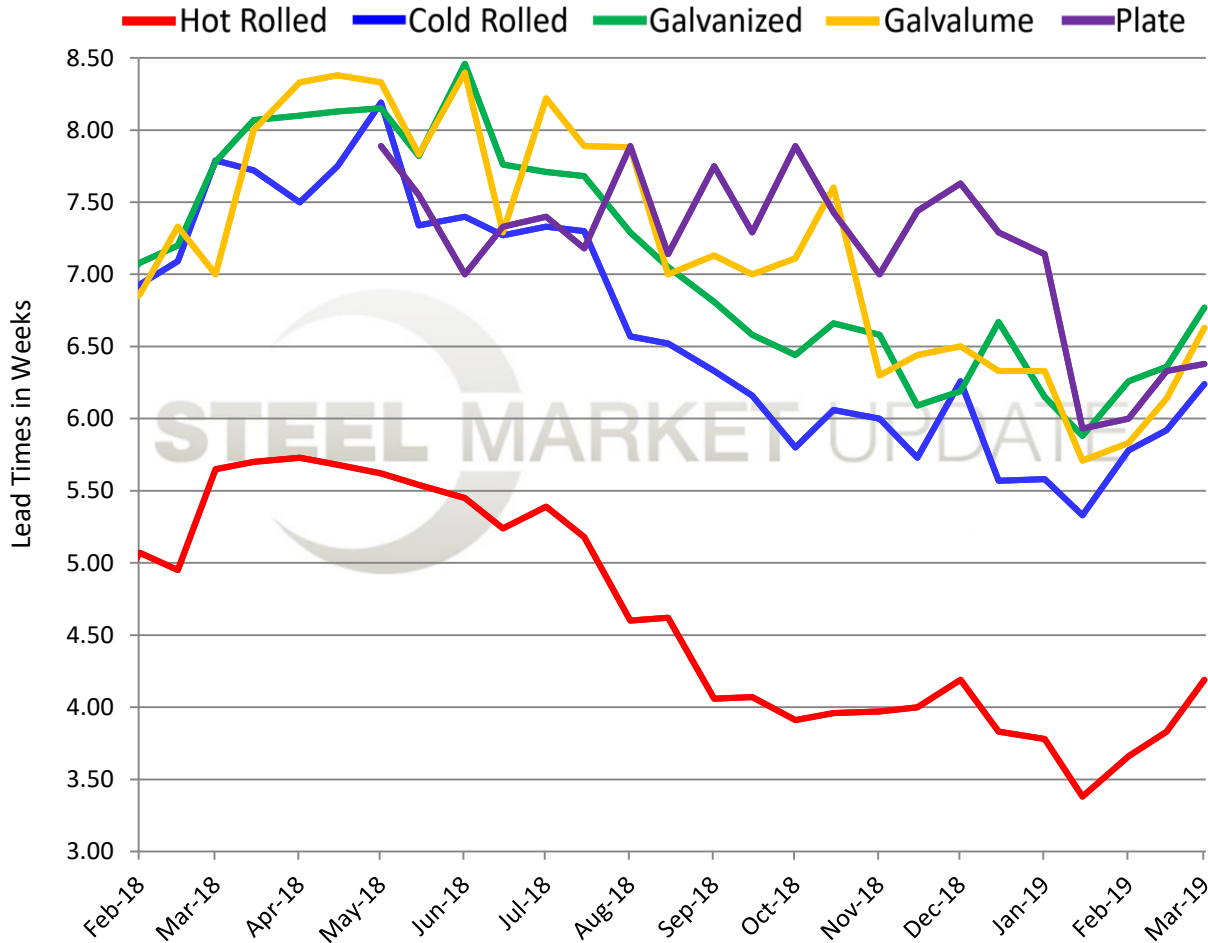


Plate



# Mill Lead Times

### Steel Market Update Lead Times Comparison

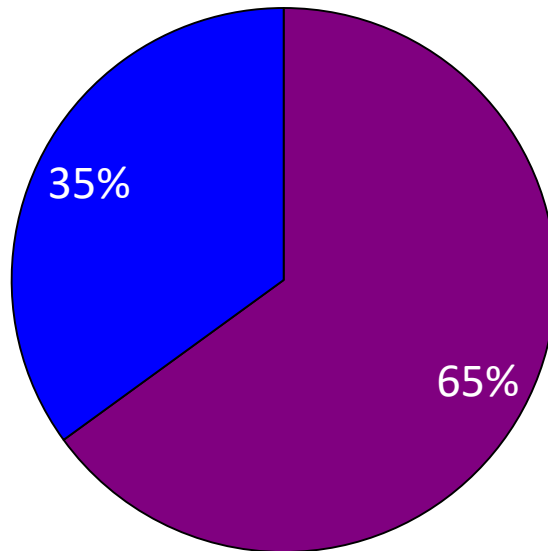


**Hot Rolled:** 4.19  
**Cold Rolled:** 6.24  
**Galvanized:** 6.77  
**Galvalume:** 6.63  
**Plate:** 6.38

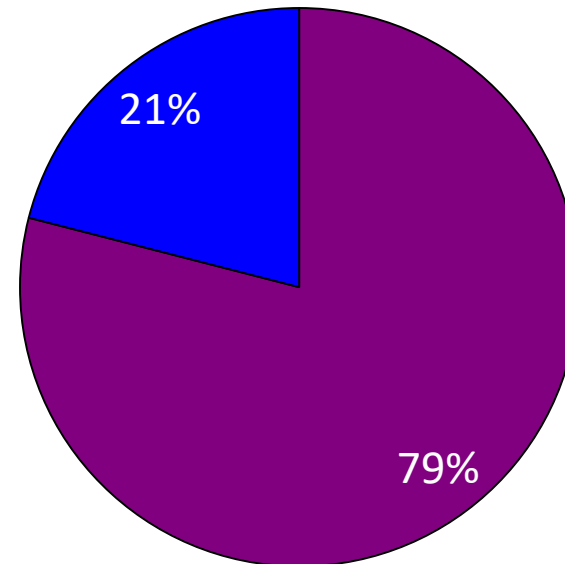
Does your company buy foreign steel?

Yes No

## Manufacturers



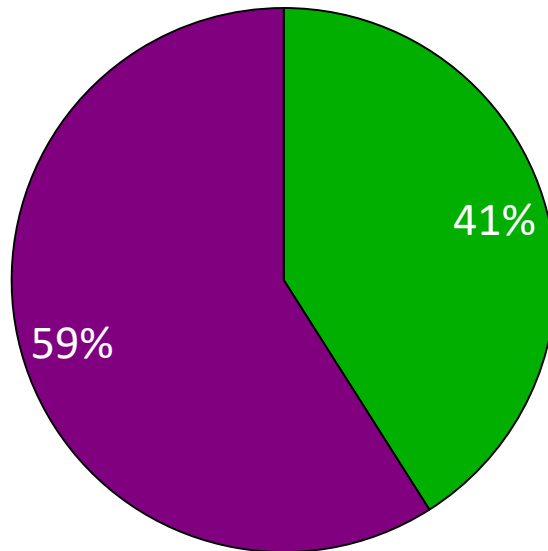
## Service Centers



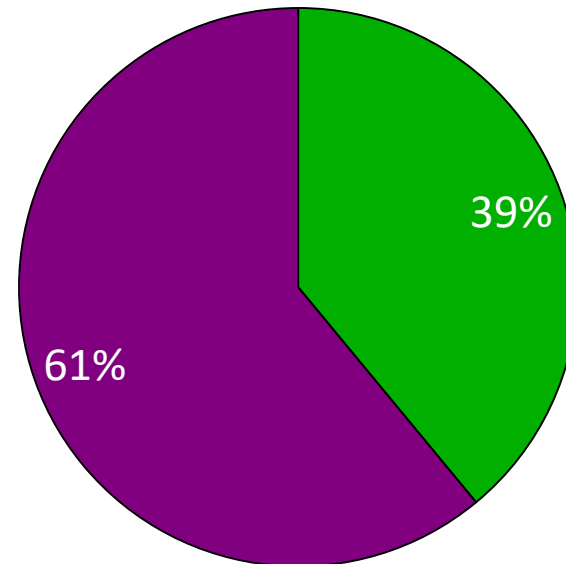
Are your foreign steel suppliers quoting you competitive prices for new orders for future delivery?

Yes No

## Manufacturers



## Service Centers



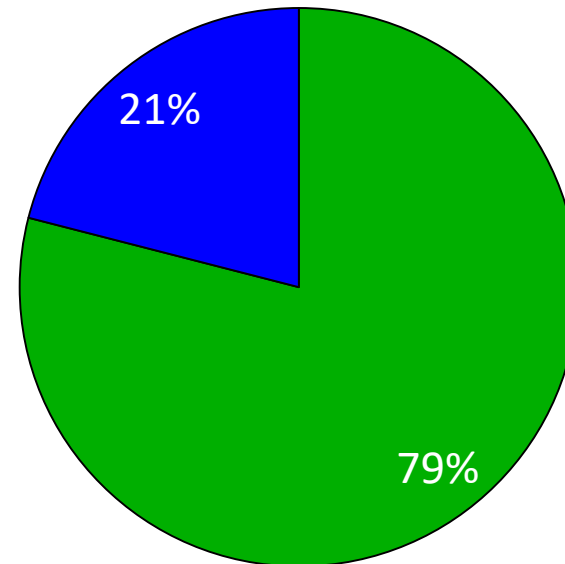
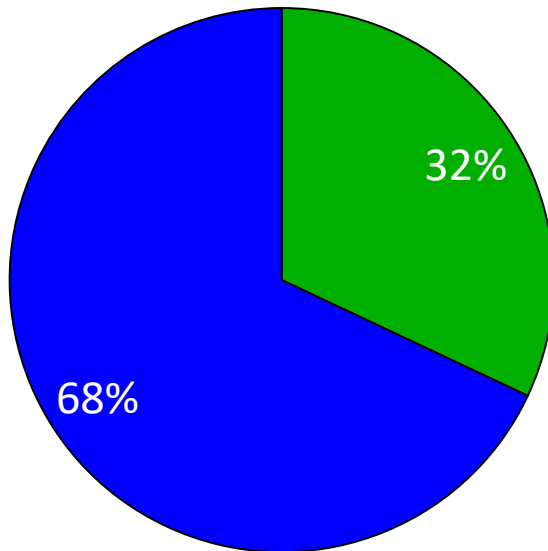


# Foreign Steel

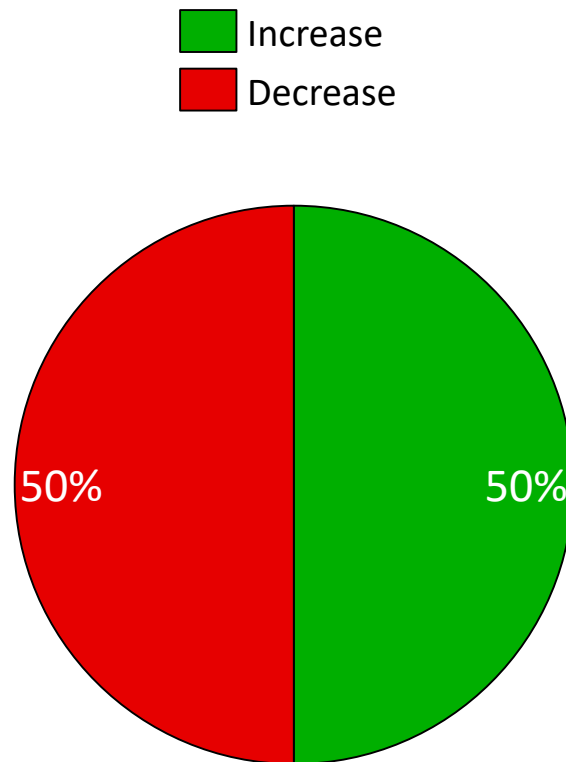
**Manufacturers-** Are you buying new orders of foreign steel for future delivery?

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

Yes No



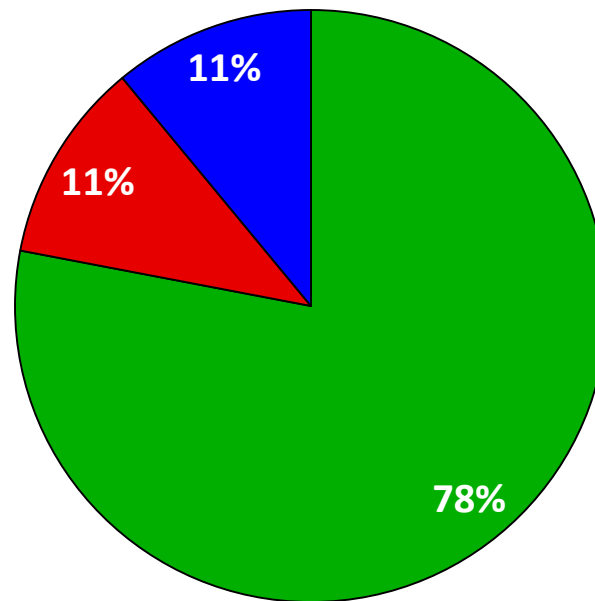
At this time, are you seeing an increase or decrease in orders from your North American buyers?



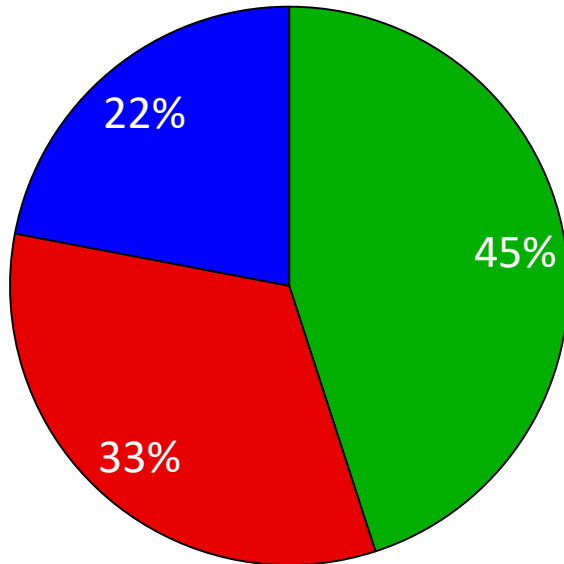
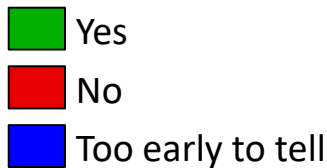
# Trading Companies

Based on your company's order flows do you believe there will be more or less foreign steel coming into the United States in Q2 2019 than Q1?

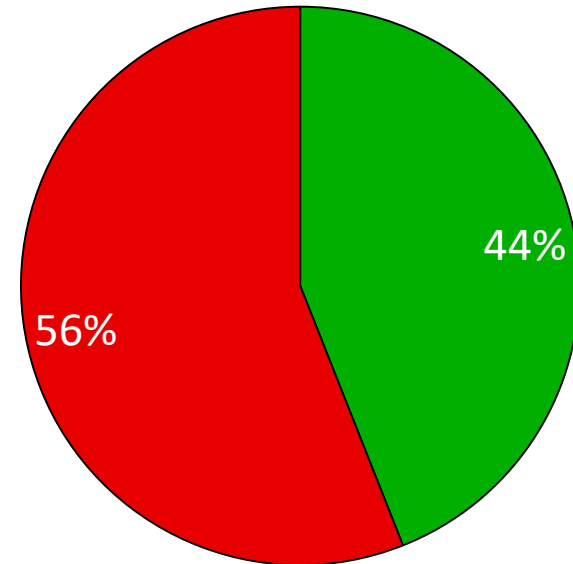
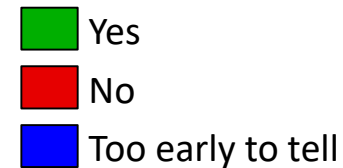
Less More Same as now



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



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



# 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 18, 2019**



# STEEL MARKET UPDATE

part of the  Group

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