



STEEL MARKET UPDATE

part of the  Group

SMU Flat Rolled Market Trends Analysis

Responses from our March 29-31, 2021 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 600 companies to participate in our surveys.

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

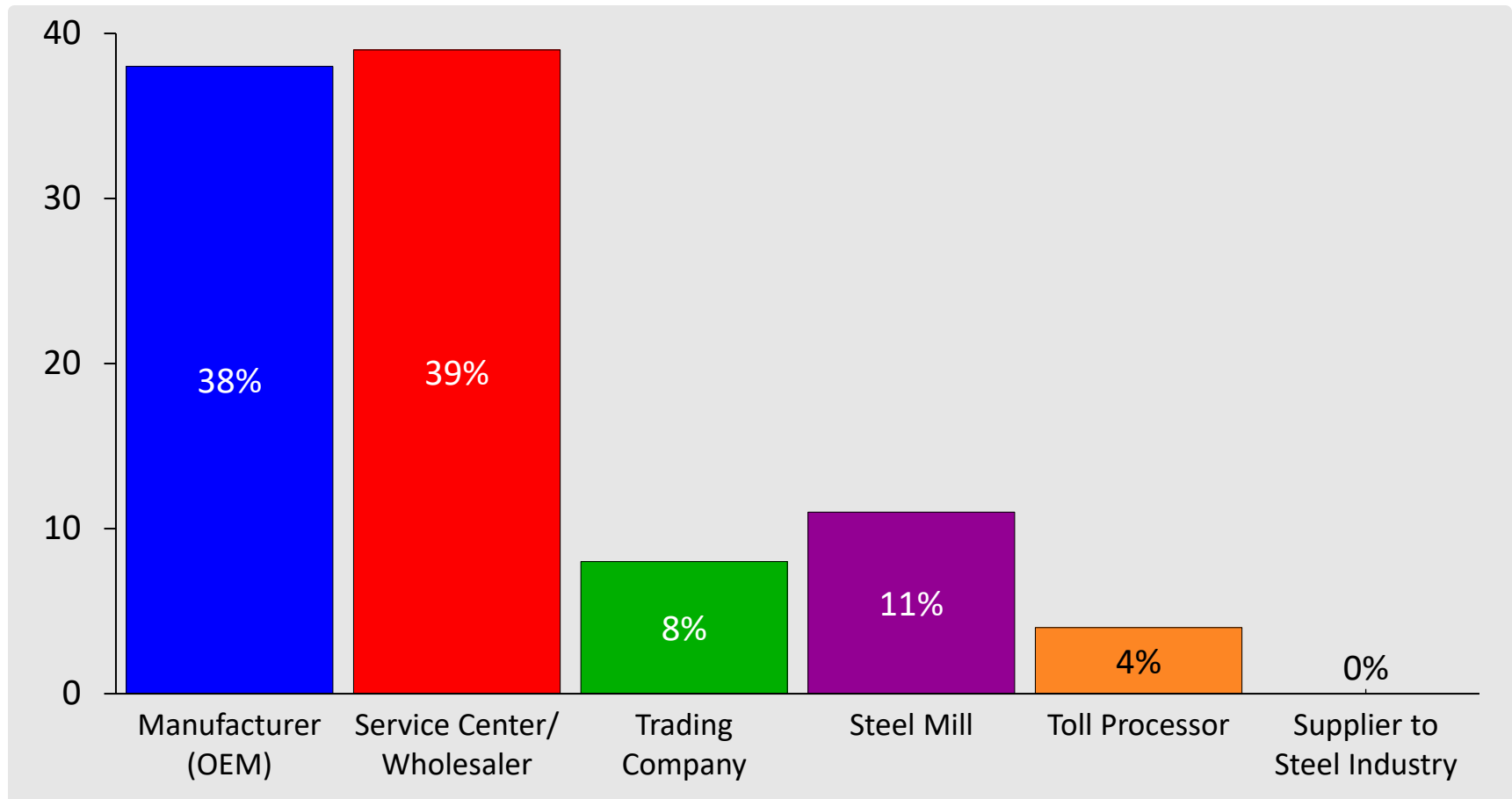
All responses are kept confidential and are never attributed to the individual or company responding.

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

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

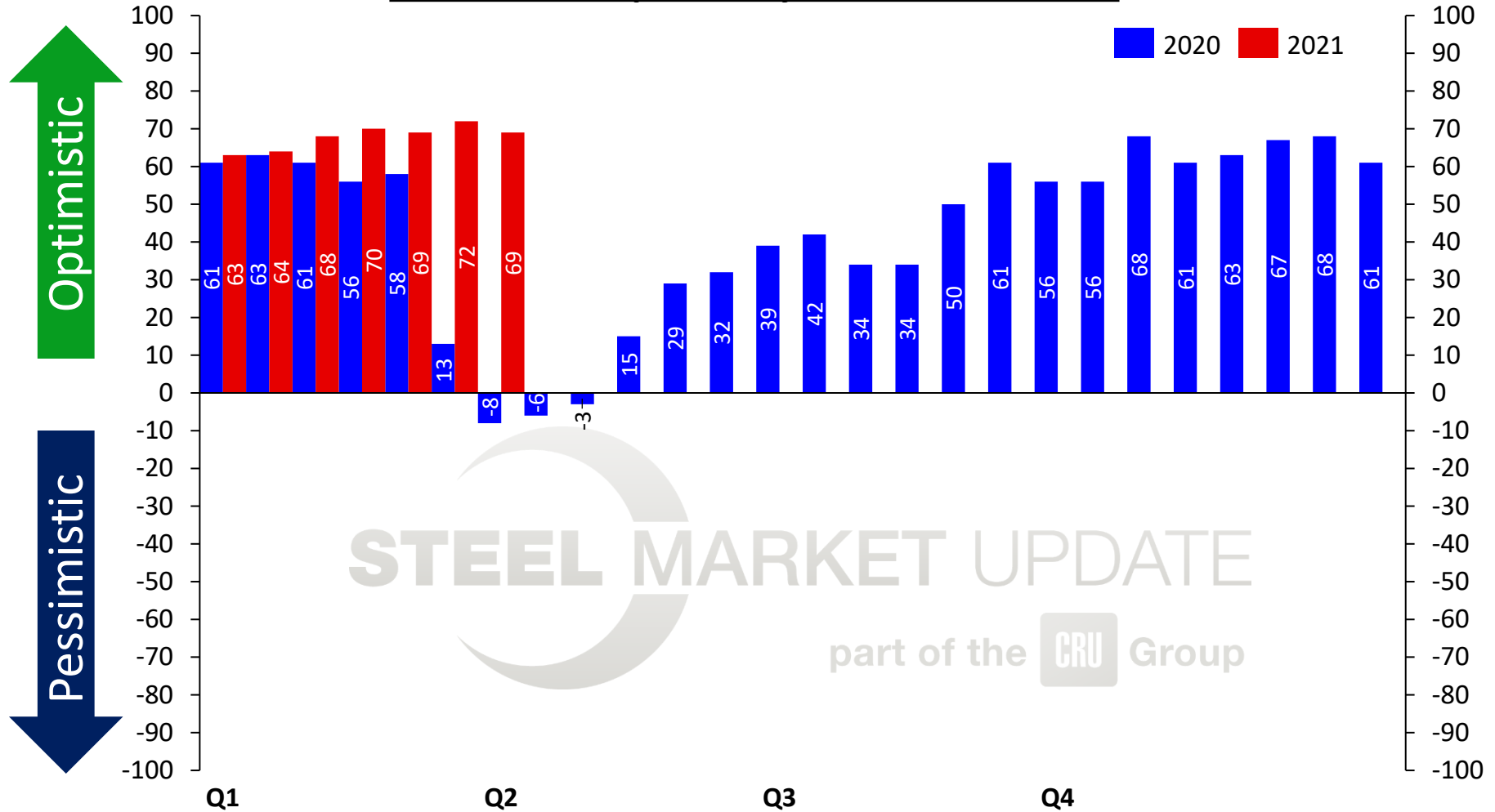
Our survey is by invitation only- Over 500 companies, mostly in the manufacturing or distribution industries, are asked to participate. Here are the percentages of participation in this week's survey by market sector.



SMU Buyers Sentiment Index

Down 3 points to +69

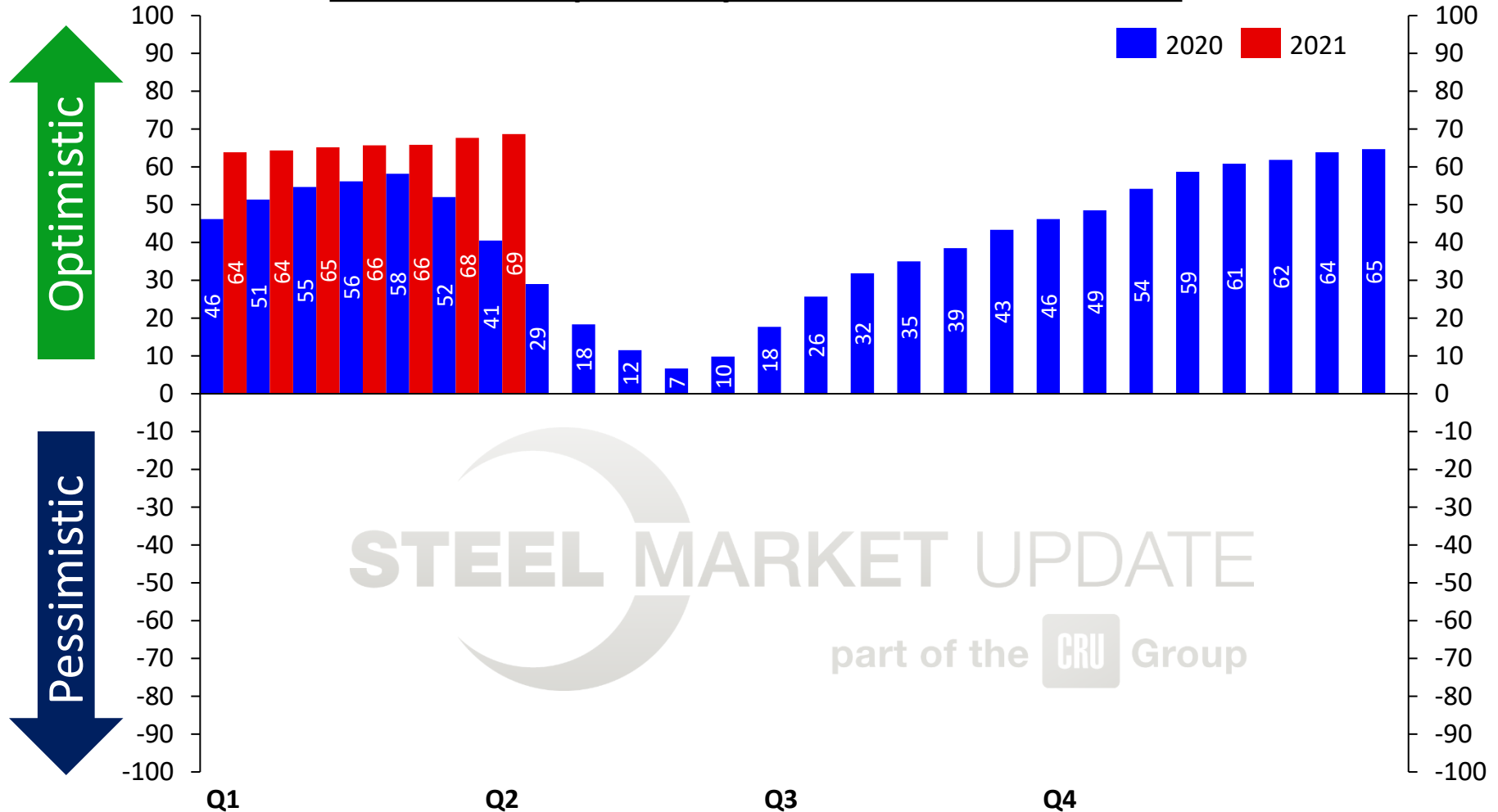
Steel Market Update Buyers Sentiment Index



SMU Buyers Sentiment Index

Three Month Moving Average at +68.67

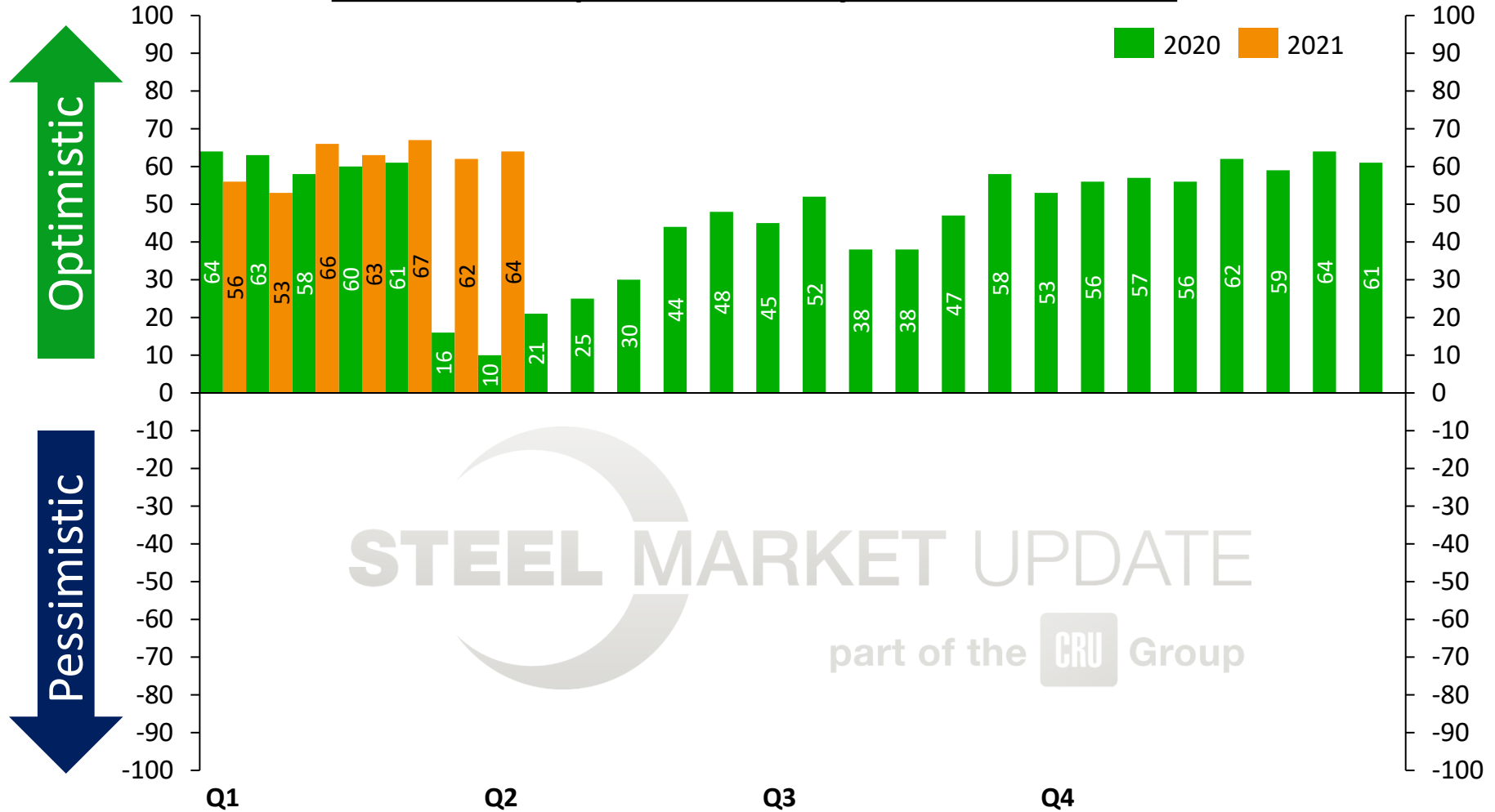
Steel Market Update Buyers Sentiment Index 3MMA



SMU Future Buyers Sentiment Index

Up 2 points to +64

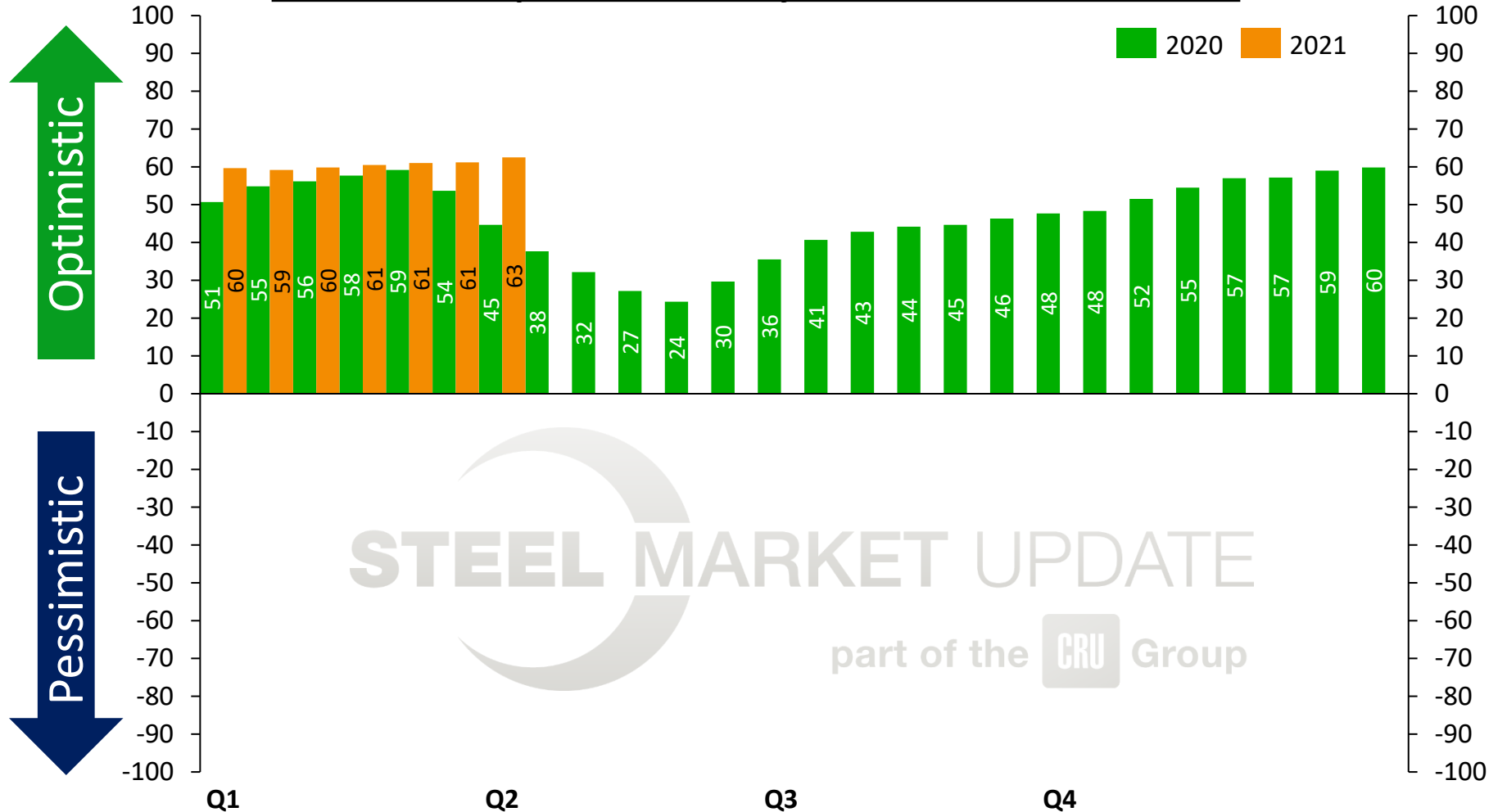
Steel Market Update Future Buyers Sentiment Index



SMU Future Buyers Sentiment Index

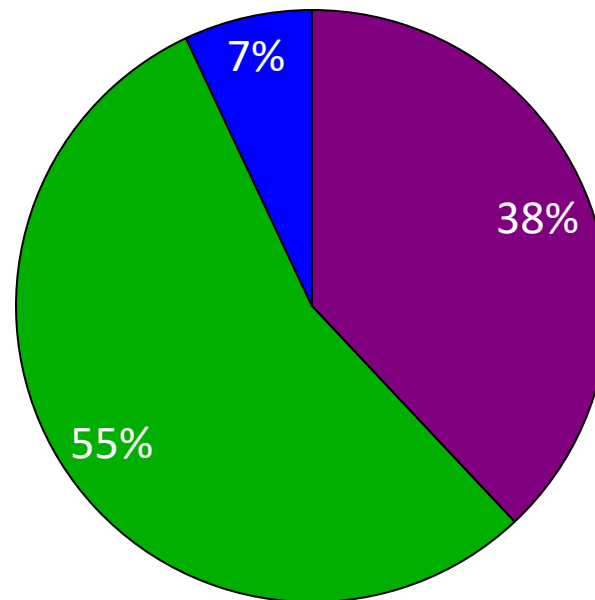
Three Month Moving Average at +62.50

Steel Market Update Future Buyers Sentiment Index 3MMA



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

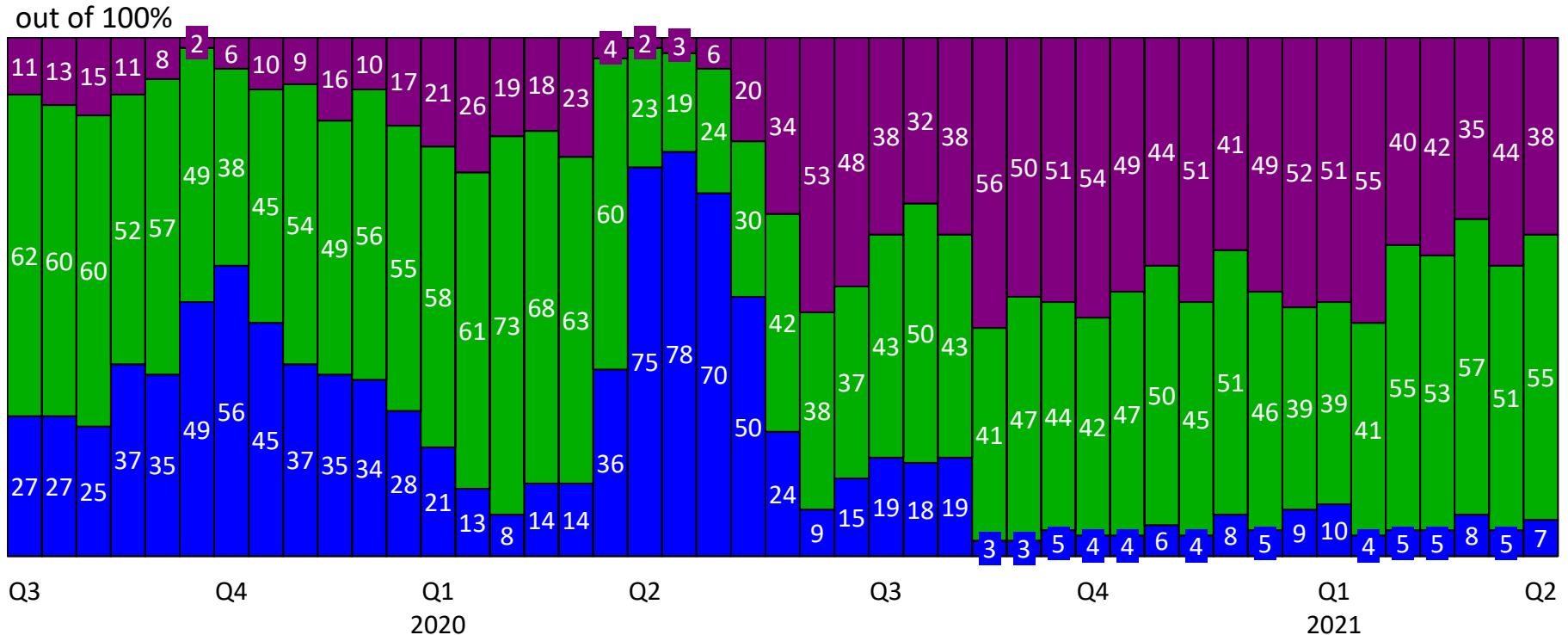
- Demand is improving
- Demand is remaining the same
- Demand is declining



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

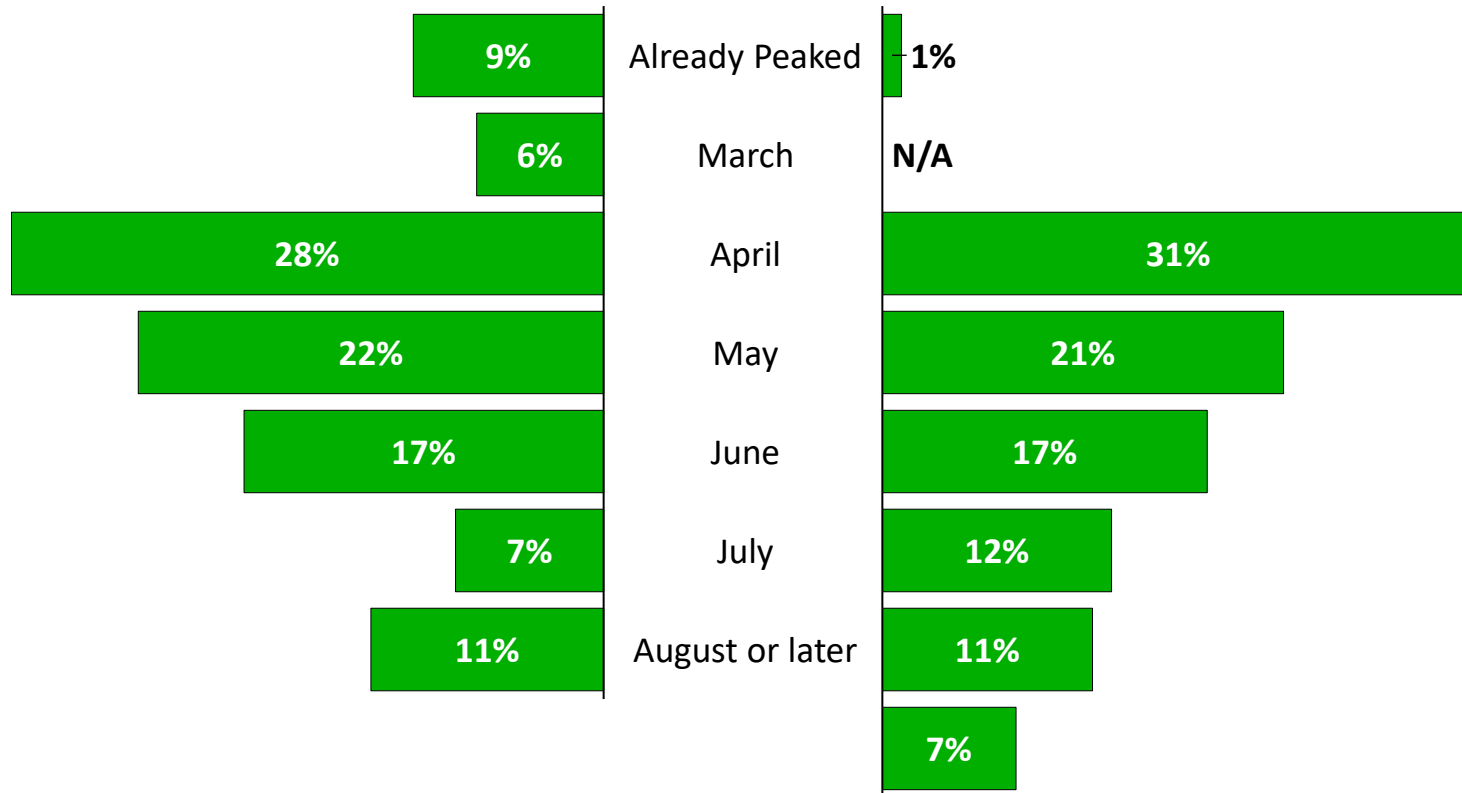


When Will Prices Peak?

When do you see prices peaking?

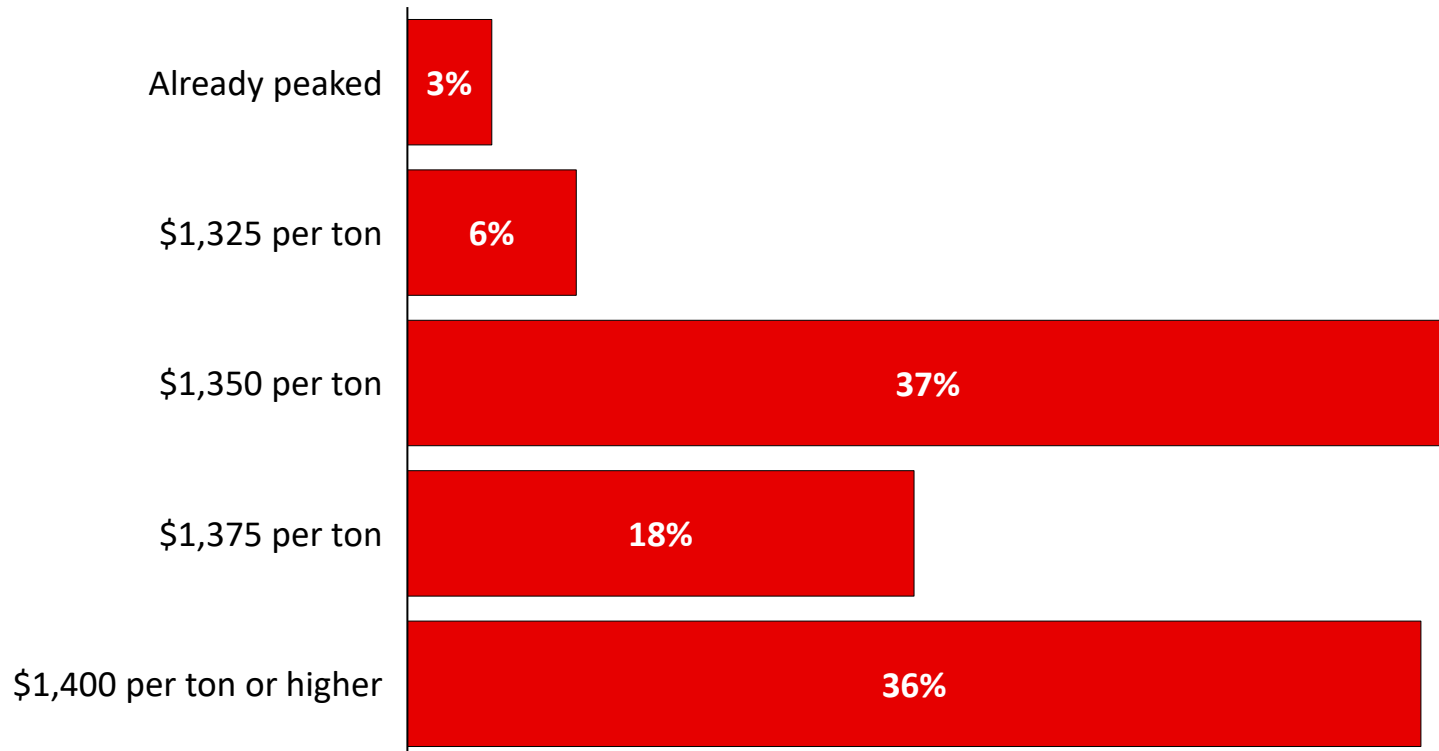
March 18, 2021

April 1, 2021



HRC Price Peak

Hot rolled coil prices now average \$1,315* per ton.
Where do you think HRC prices will peak?



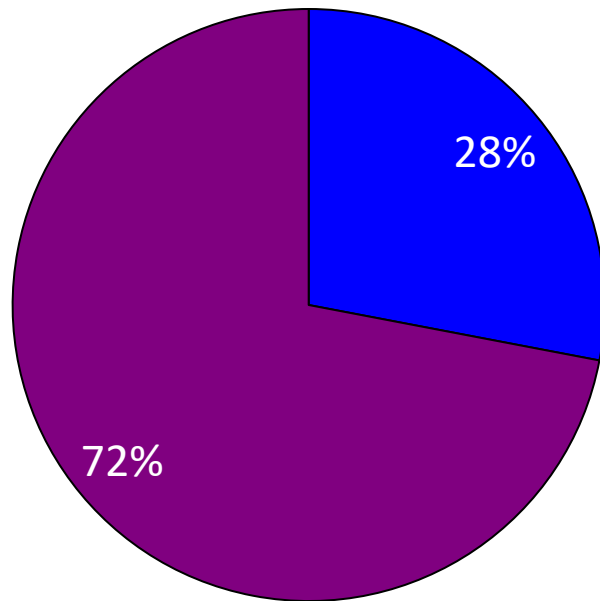
* As of Monday, March 29, 2021; the latest SMU HR average is \$1,330 per ton

Tipping Point?

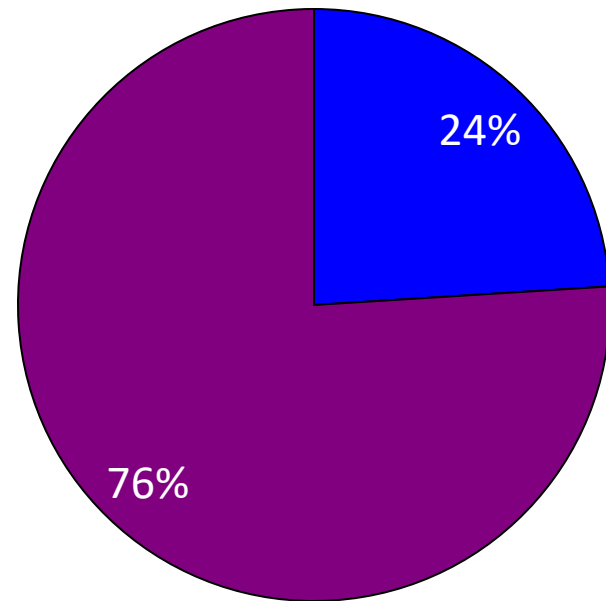
Have you seen any cracks in the market yet, signaling that the record-high steel prices are nearing a tipping point?

Yes No

March 18, 2021



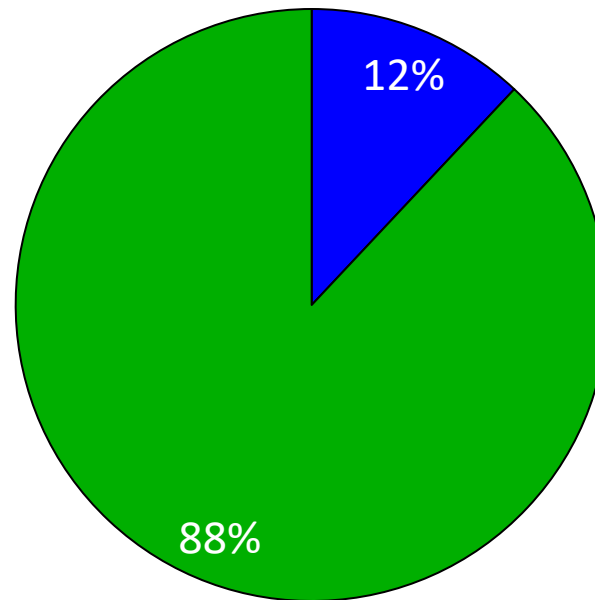
April 1, 2021



Regional Price Variances

Are you seeing any variance in fob prices between mills in the north and those in the south?

■ Yes ■ No

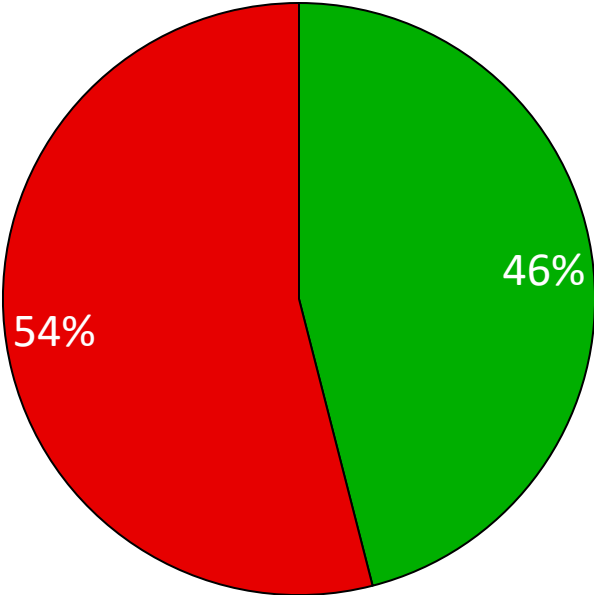


Material Availability

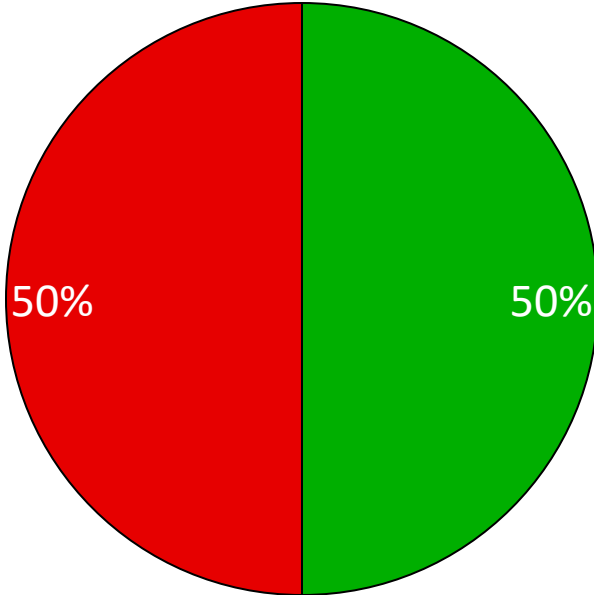
Are you able to purchase all of the material you need to run your business, or keep your customers satisfied?

Yes No

March 18, 2021



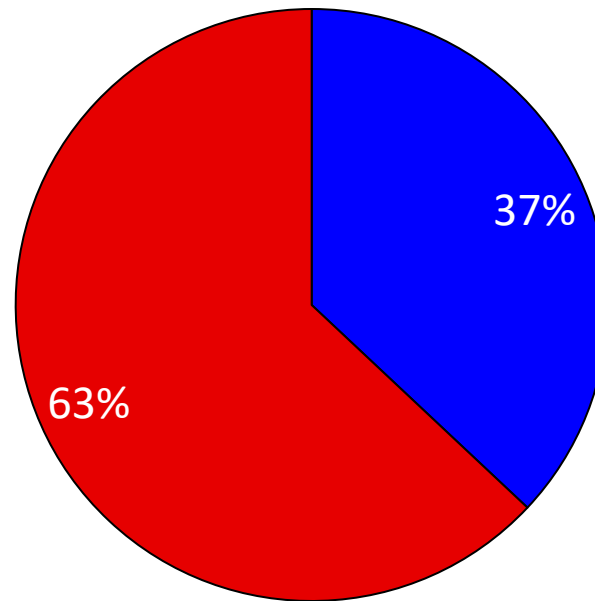
April 1, 2021



Spot Ton Availability

Do your mill suppliers have spot tons available, and, on contract business, are they holding you to your minimum volumes?

Yes No

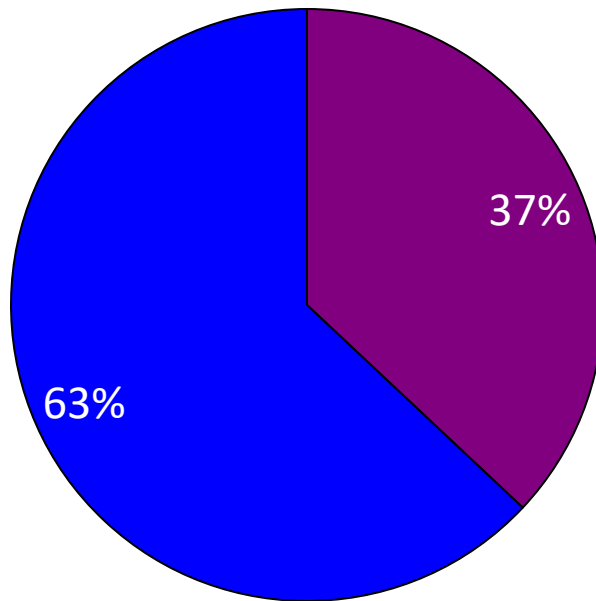


Oversupply?

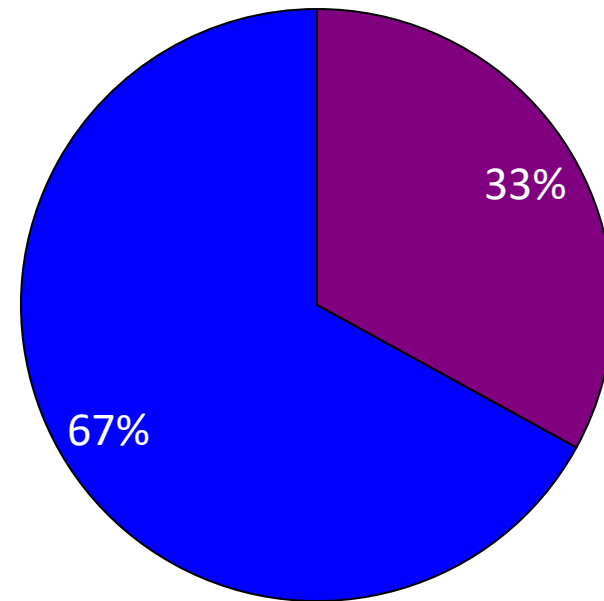
Do you fear that imports and mill capacity additions over the next few months could oversupply the market and cause a sharp drop in steel prices?

Yes No

March 18, 2021

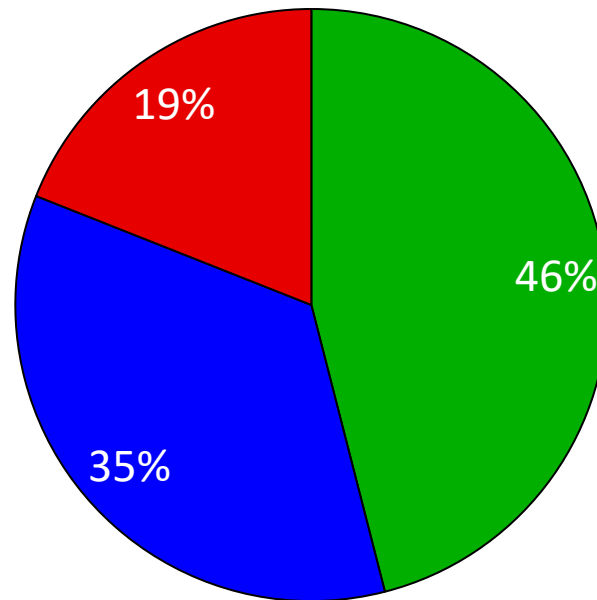


April 1, 2021

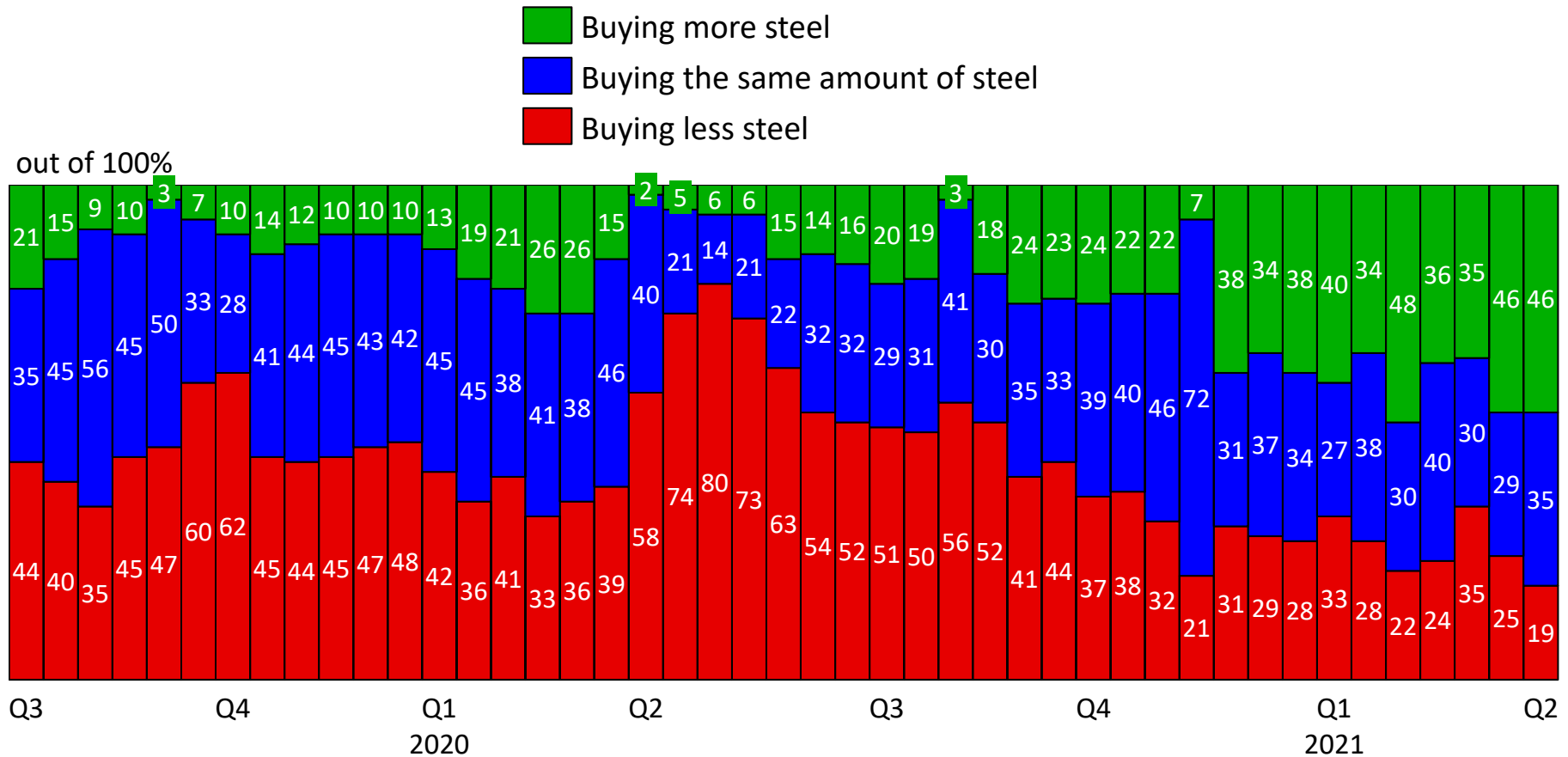


Manufacturers- Compared to this time last year –
is your company buying more, less or the same
amount of flat rolled steel as one year ago?

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

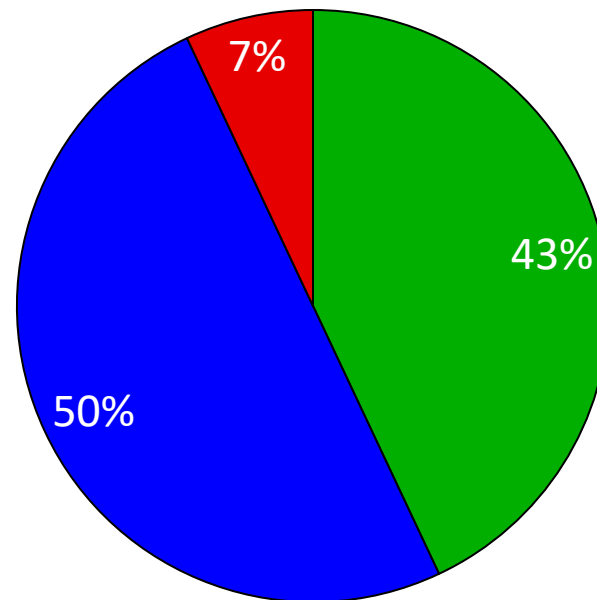


Manufacturers- Compared to this time last year –
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amount of flat rolled steel as one year ago?



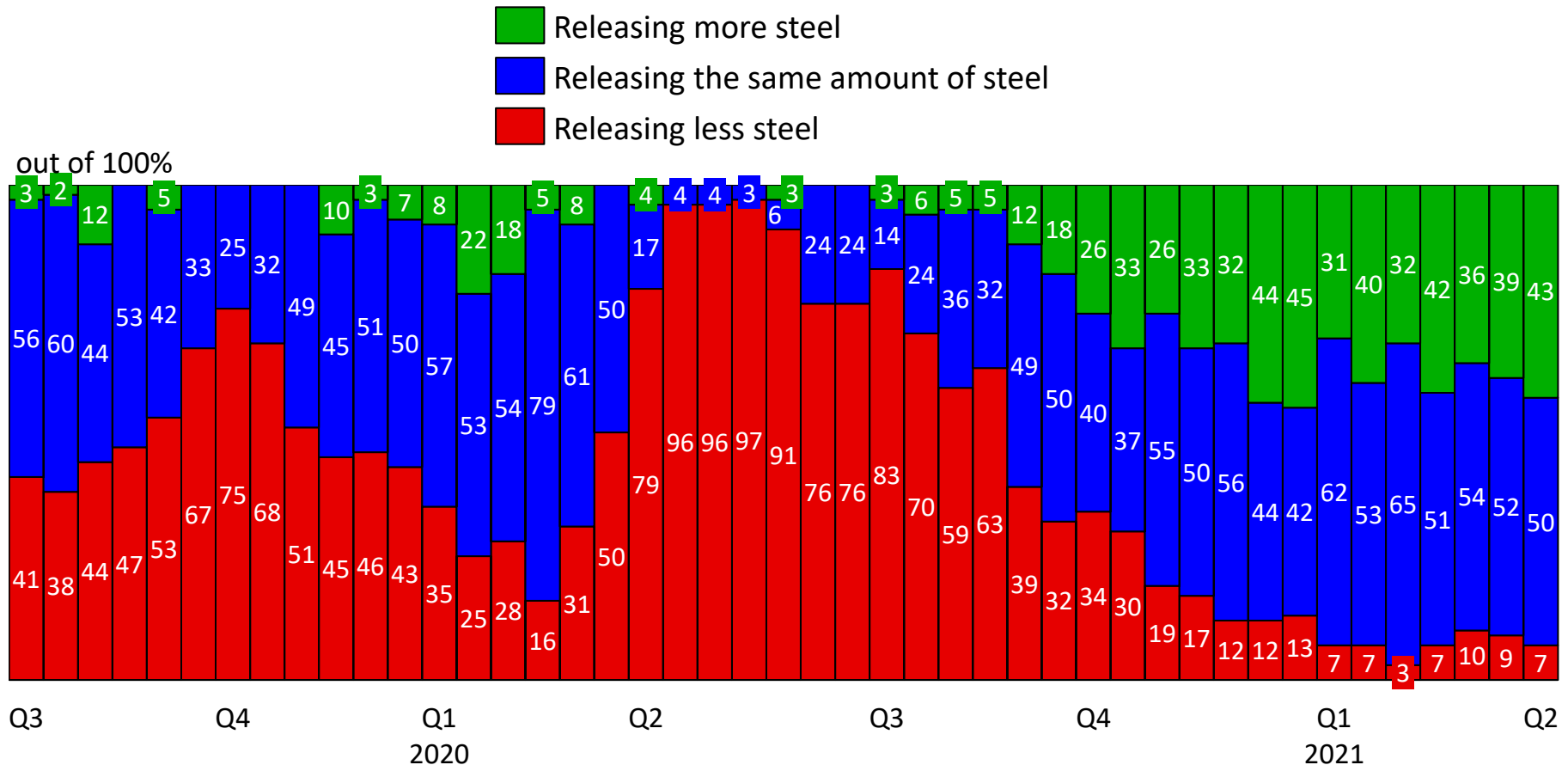
Service Centers- How do you see your customers releases (demand) for the products your company provides this year compared to this time last year?

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



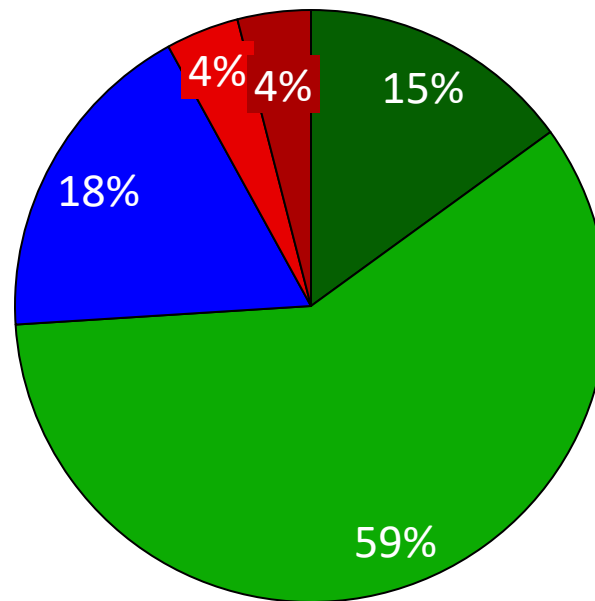
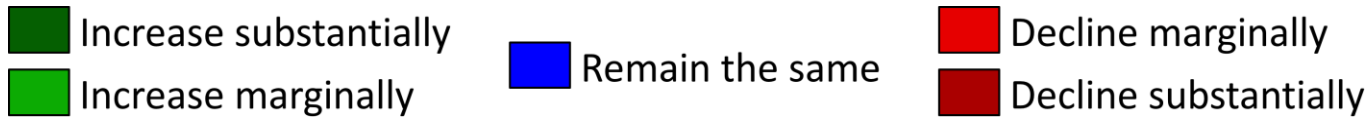
Service Center Release History

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



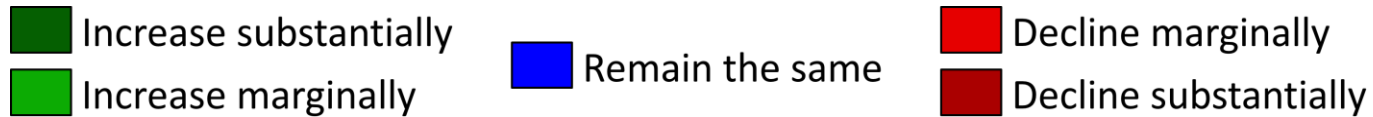
Manufacturer Demand

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

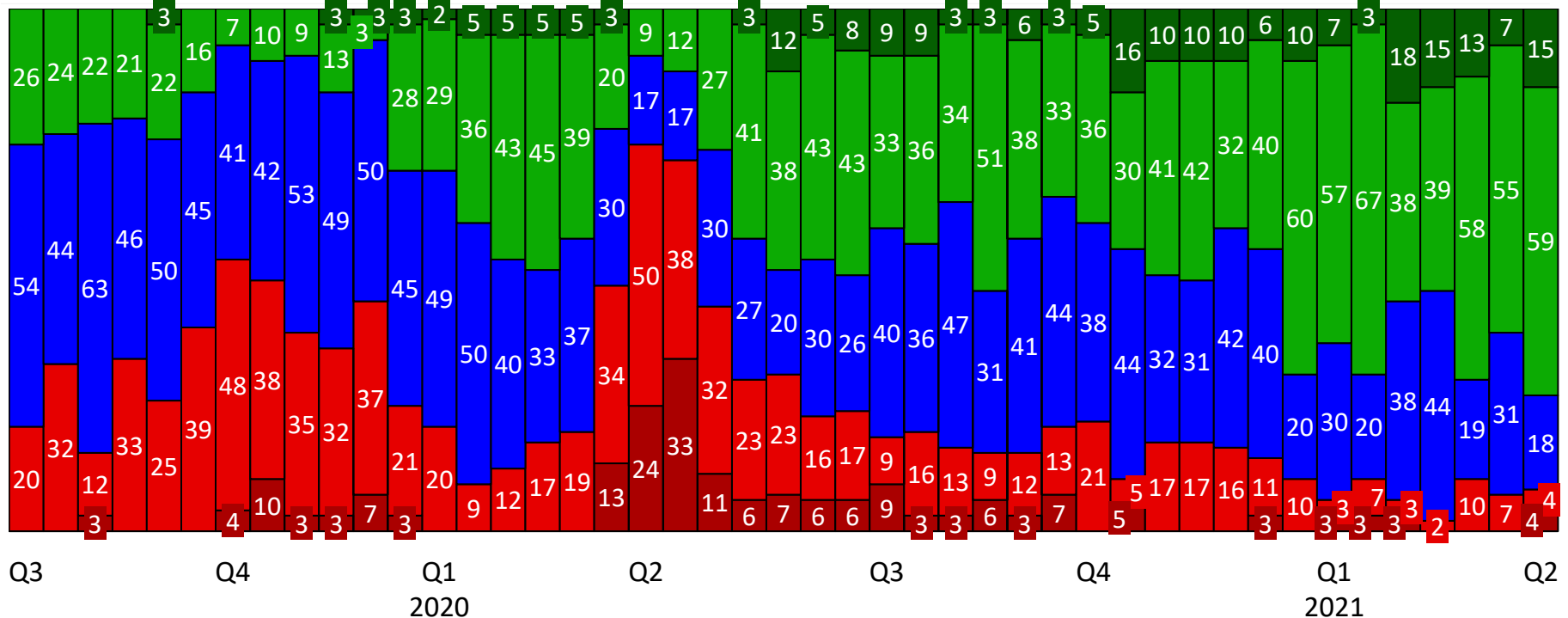


Manufacturer Demand History

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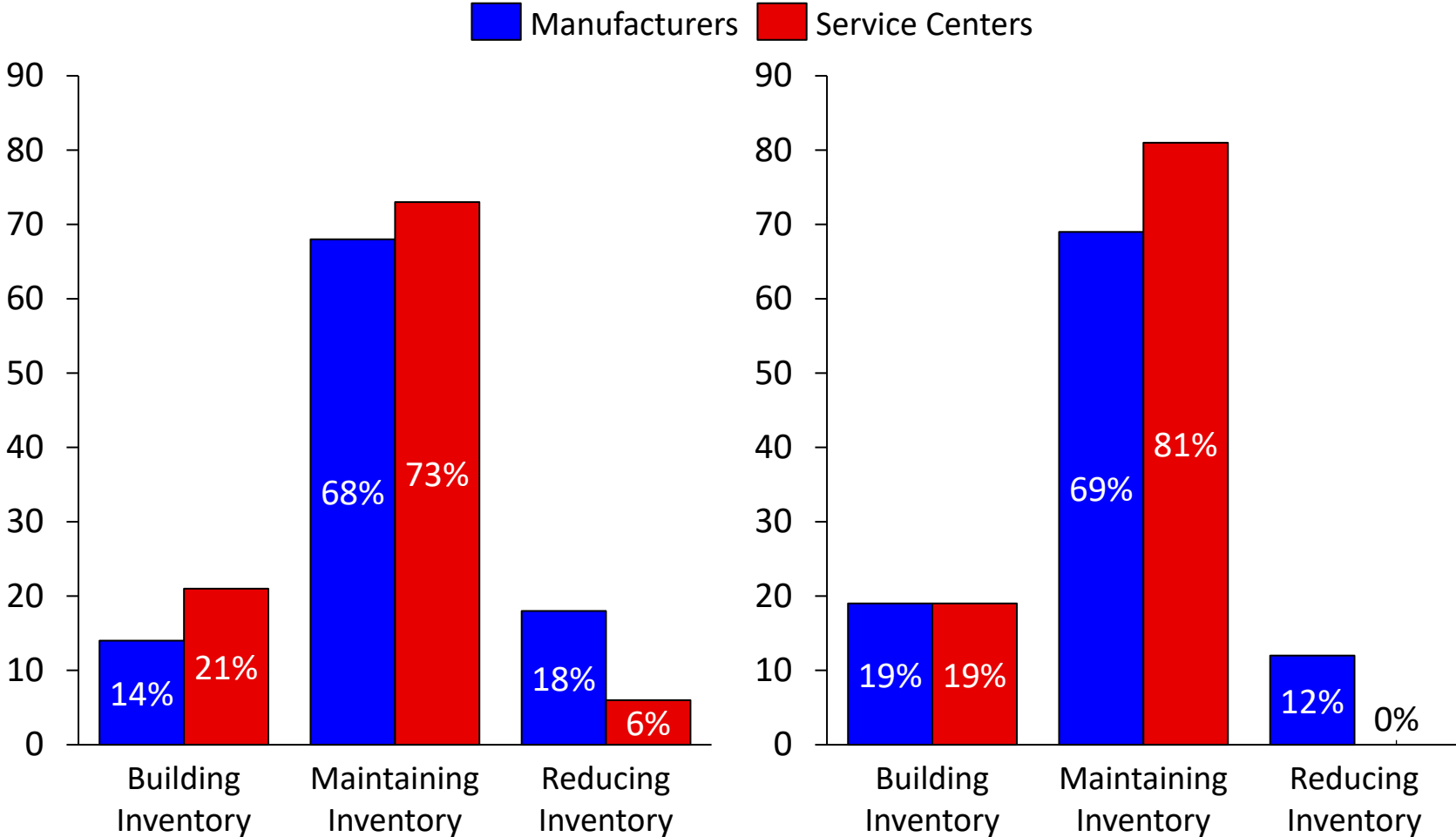
out of 100%



Manufacturer and Service Center Inventory Buying Patterns

March 18, 2021

April 1, 2021

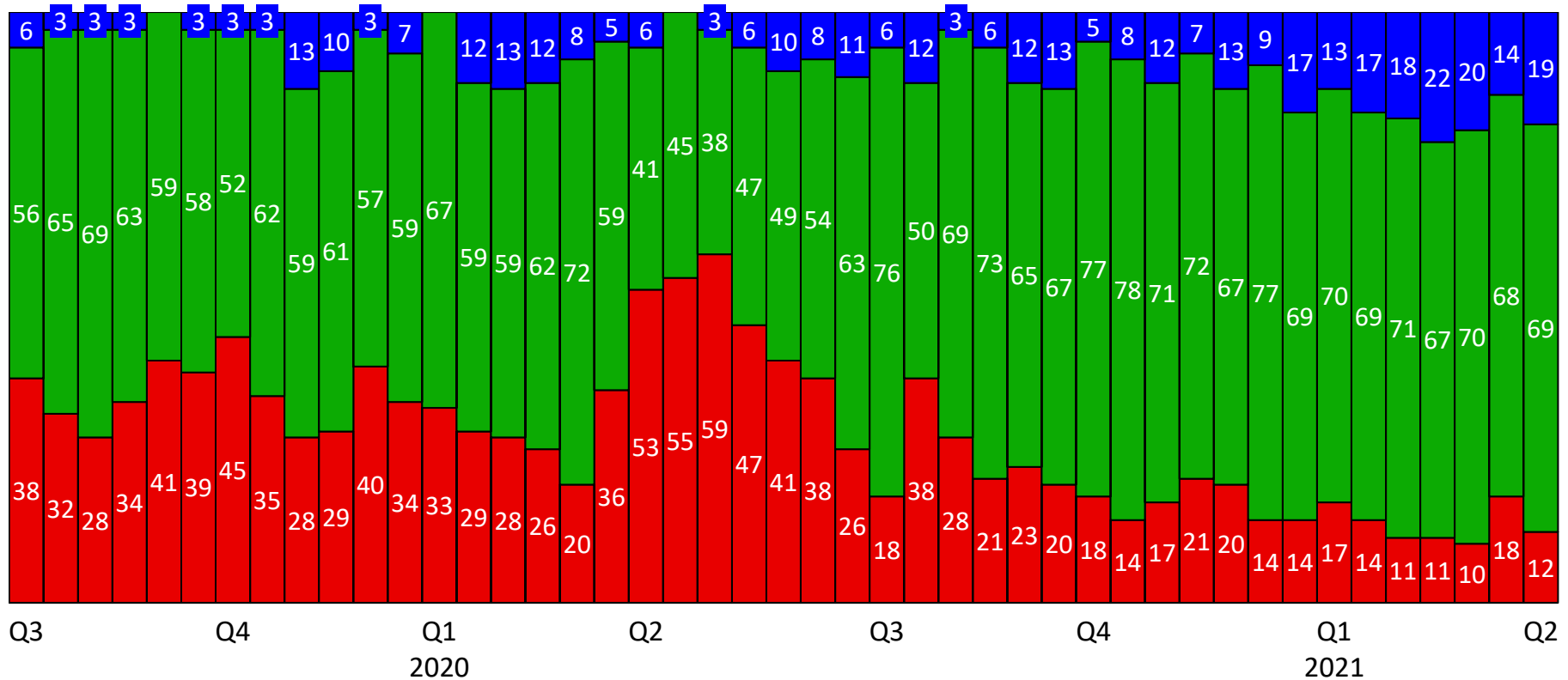


Manufacturer Inventory Buying History

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

■ Building Inventory
 ■ Maintaining Inventory
 ■ Reducing Inventory

out of 100%

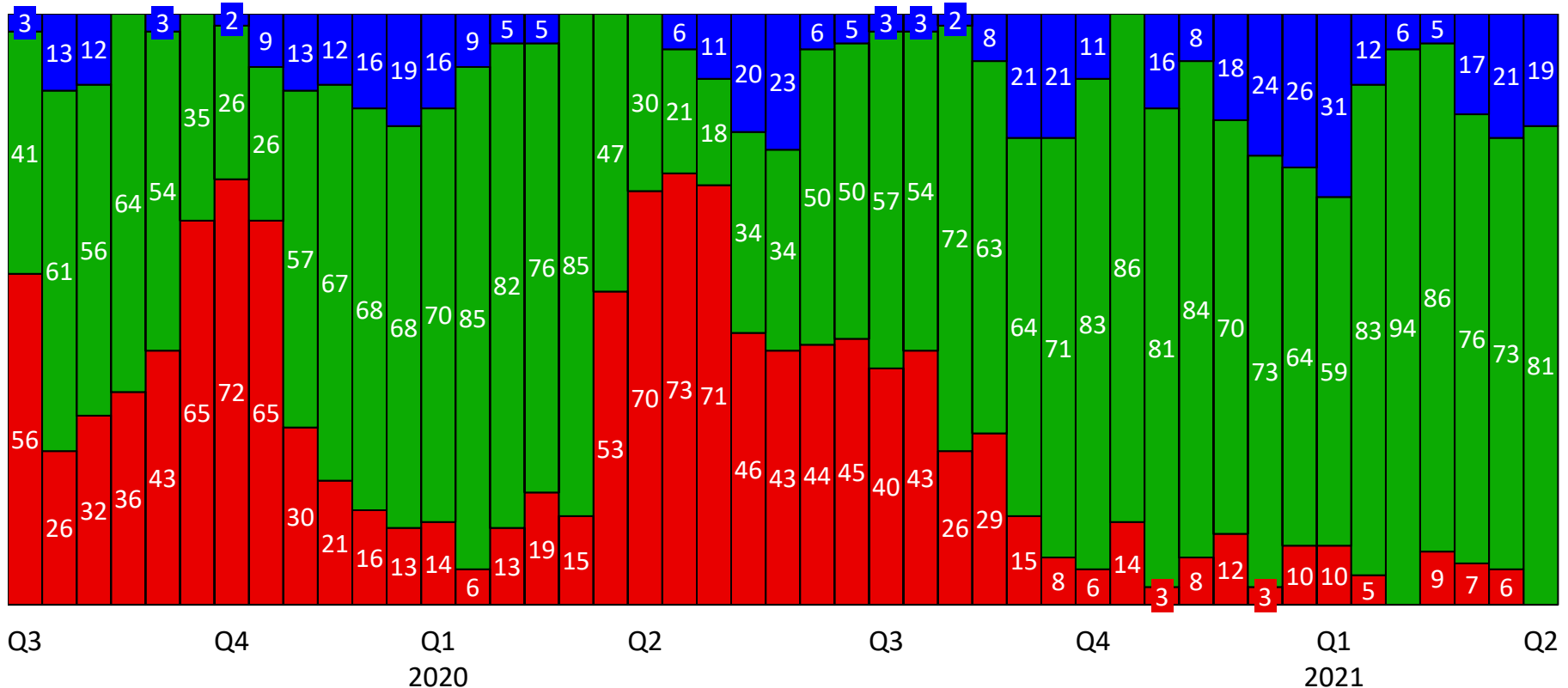


Service Center Inventory Buying History

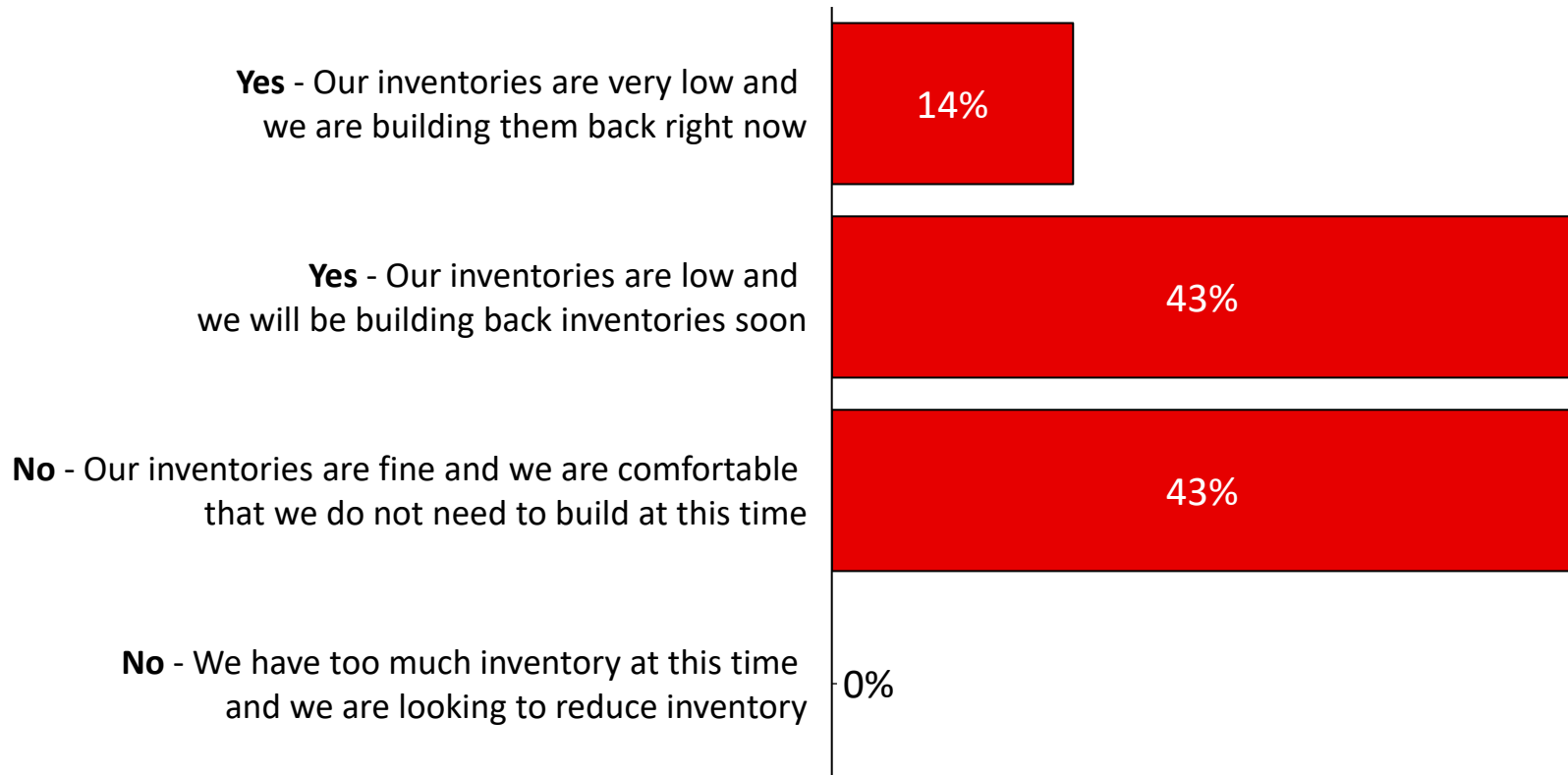
Service Centers- Is your company building, reducing or maintaining its flat rolled steel inventory?

■ Building Inventory
 ■ Maintaining Inventory
 ■ Reducing Inventory

out of 100%



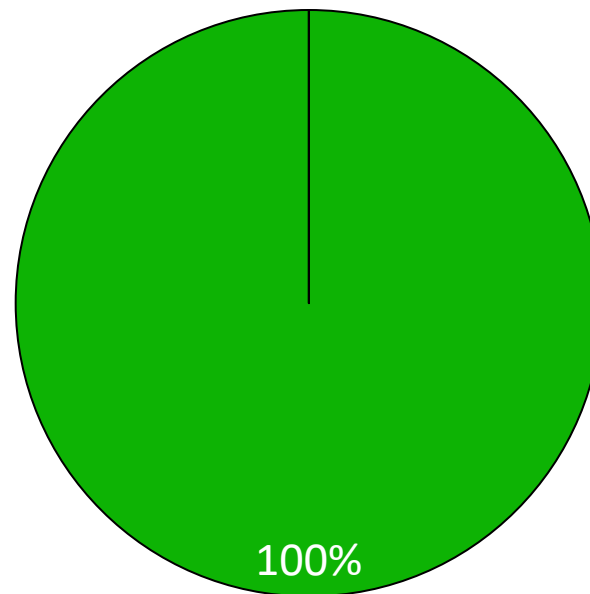
Service Centers- Does your company need to build back inventories or are you comfortable with the levels you are holding on your floor?



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

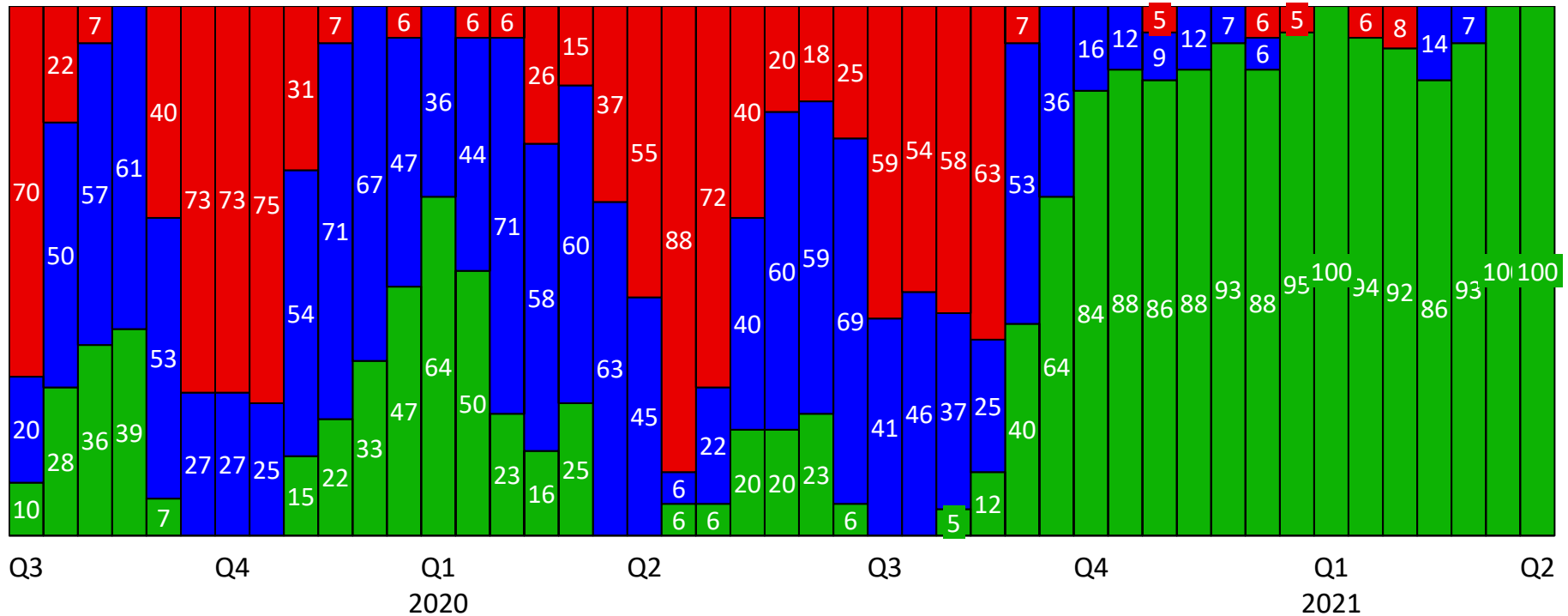


Manufacturer's View of Service Center Selling Prices History

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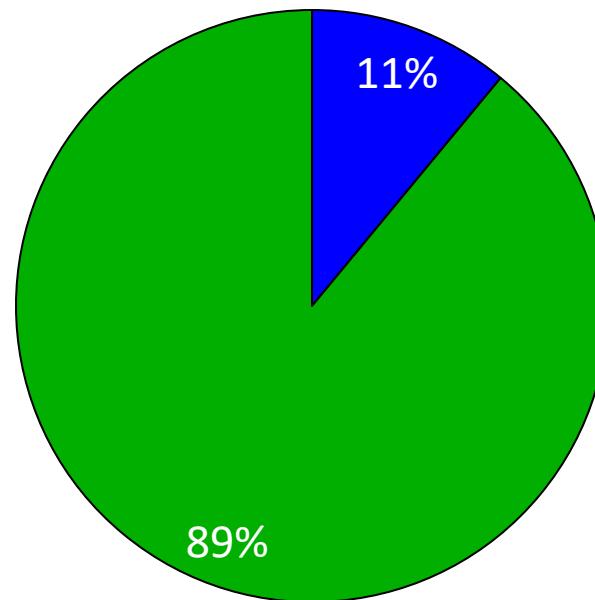
- We are seeing prices decreasing from our service centers
- We are seeing prices stable from our service centers
- We are seeing prices rising from our service centers

out of 100%

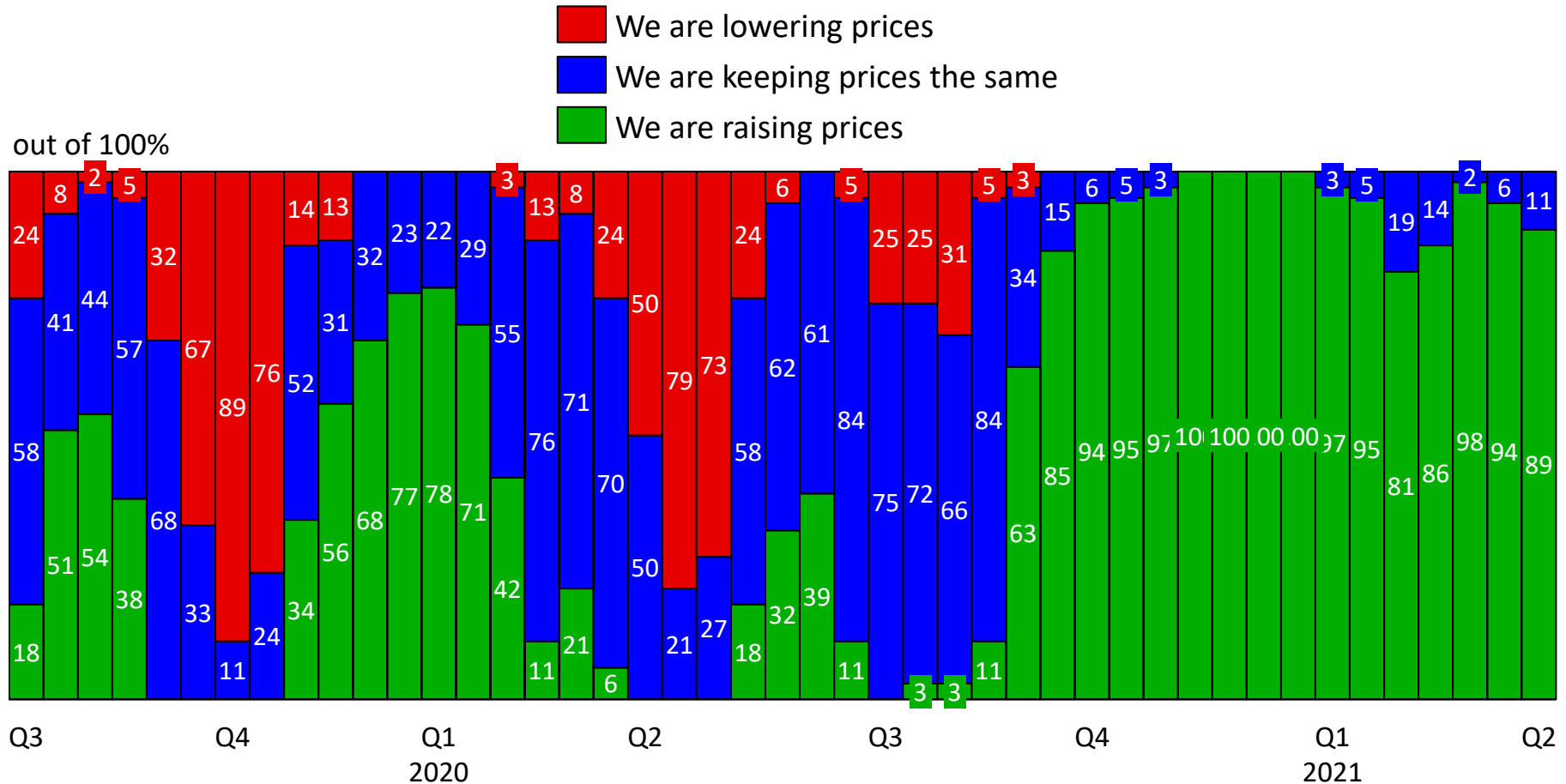


Service Centers- Compared to two weeks ago, how is your company handling spot pricing to your customers at this time?

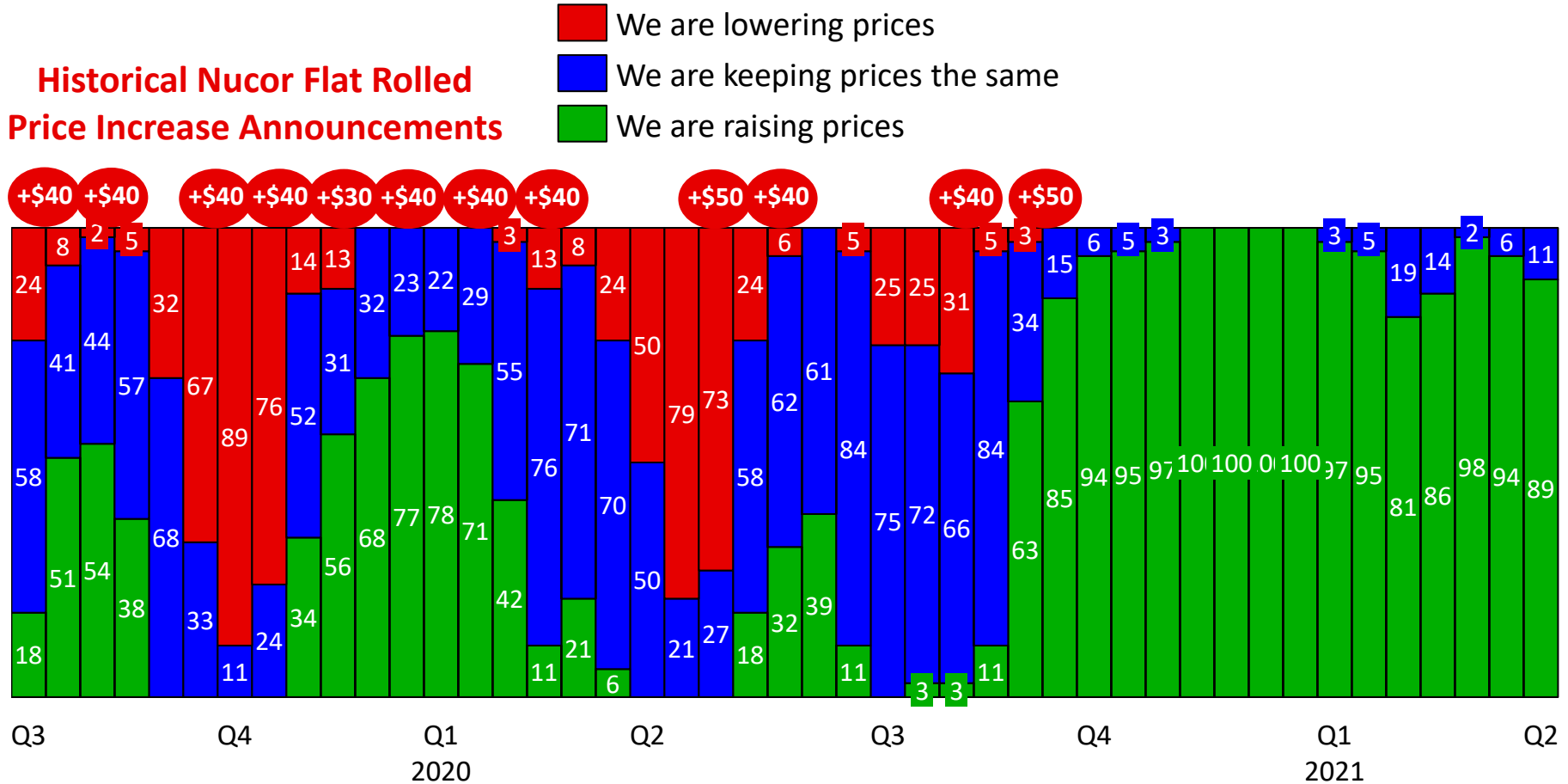
- We are lowering prices
- We are keeping prices the same
- We are raising prices



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?

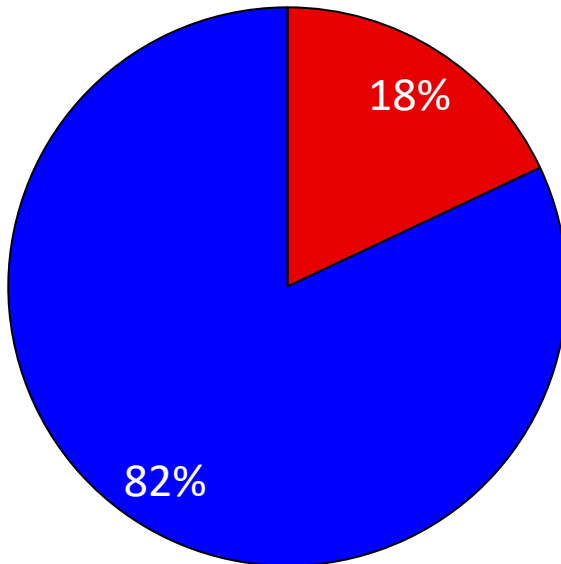


Passing Along Higher Prices

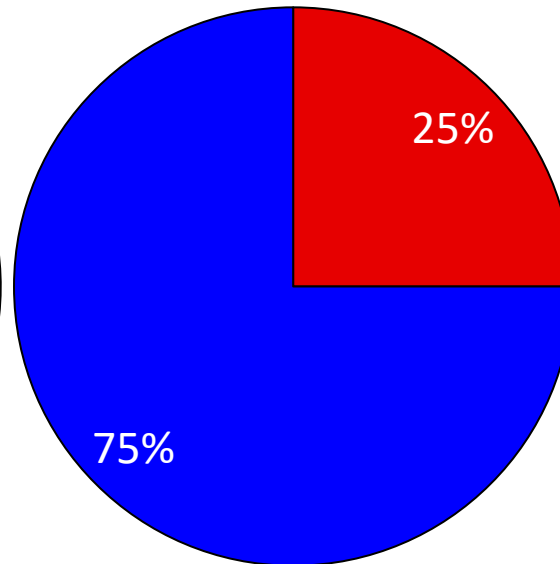
Service Centers- Are you having any difficulties in passing along the new higher prices to your customers?

Yes No

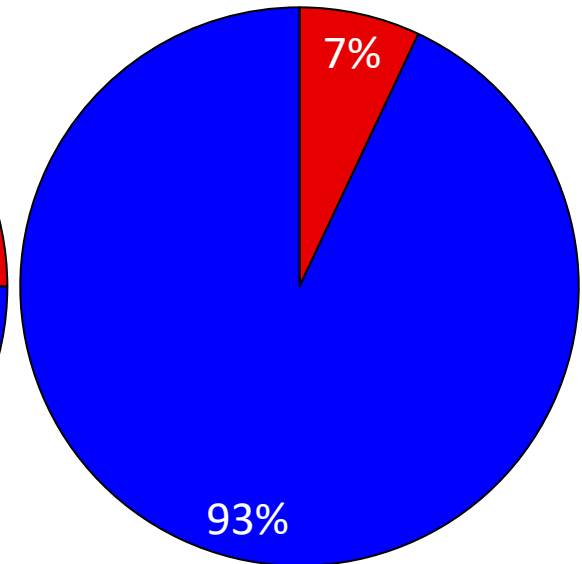
March 5, 2021






March 18, 2021

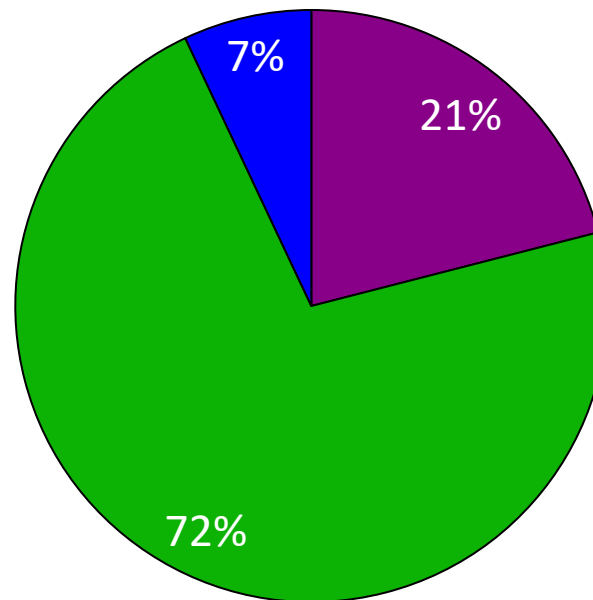


April 1, 2021



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

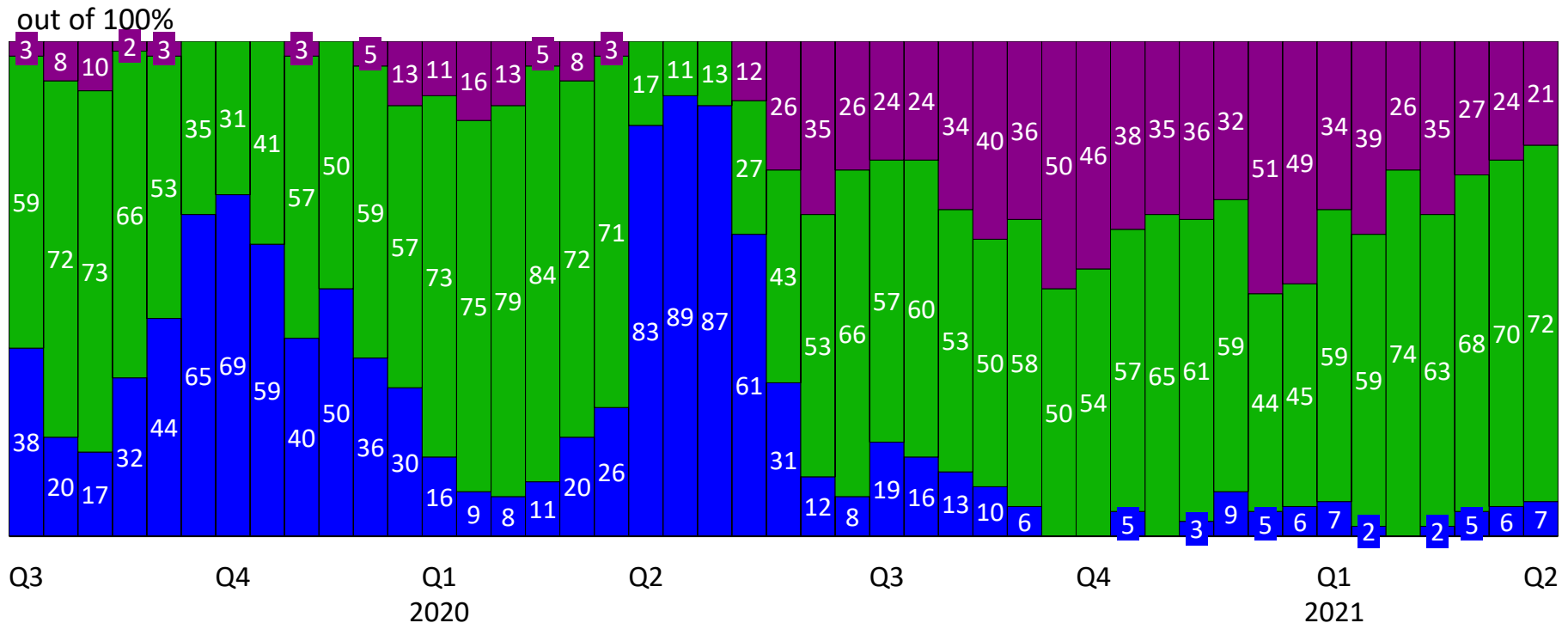
-  Our manufacturing customers are increasing orders
-  Our manufacturing customers are maintaining their orders
-  Our manufacturing customers are reducing their orders



Service Centers on Manufacturer Orders History

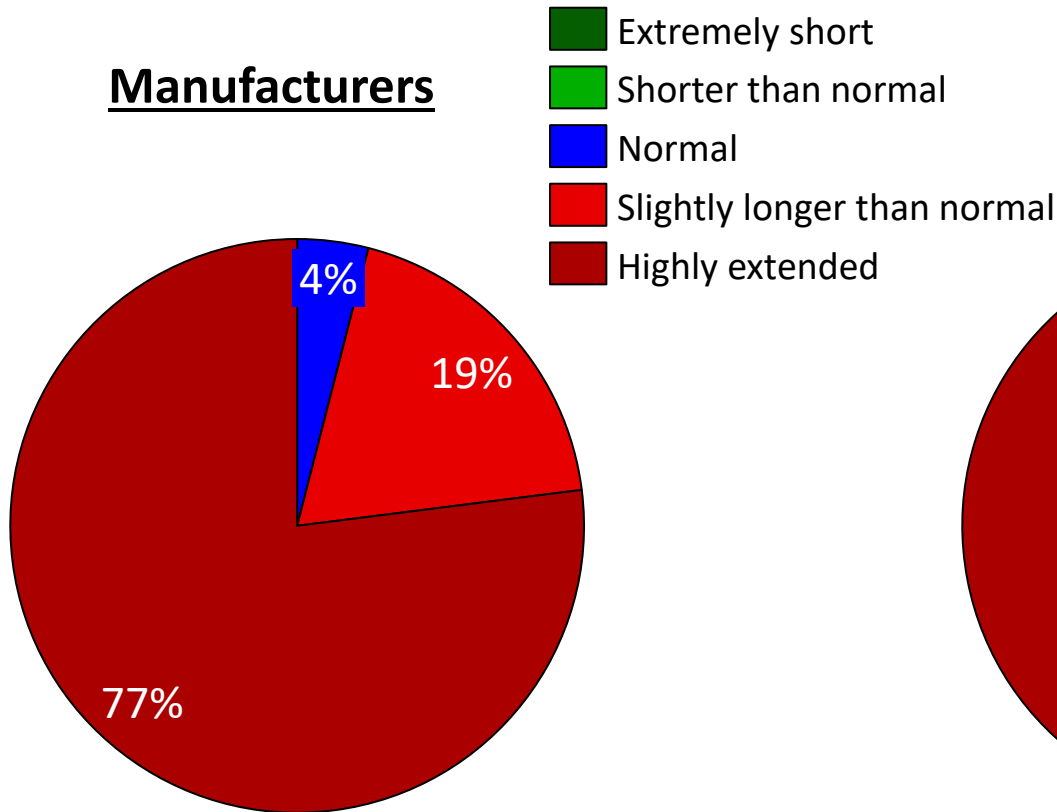
Service Centers- Are your manufacturing customers increasing orders, keeping them the same or reducing orders at this time?

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

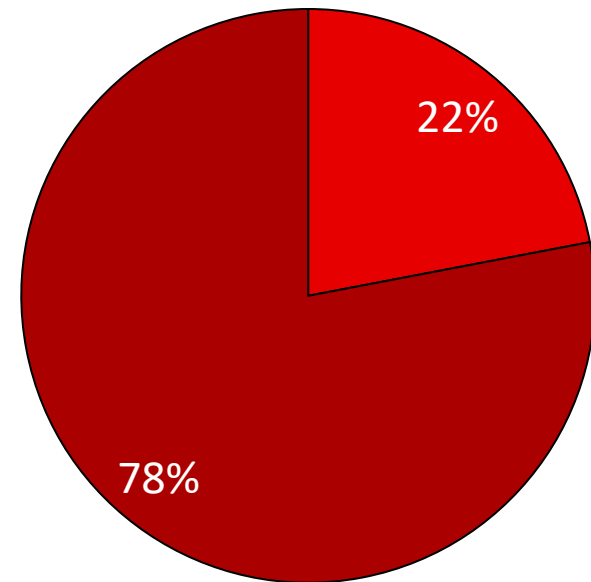


How would you describe domestic mill lead times for new orders placed right now?

Manufacturers

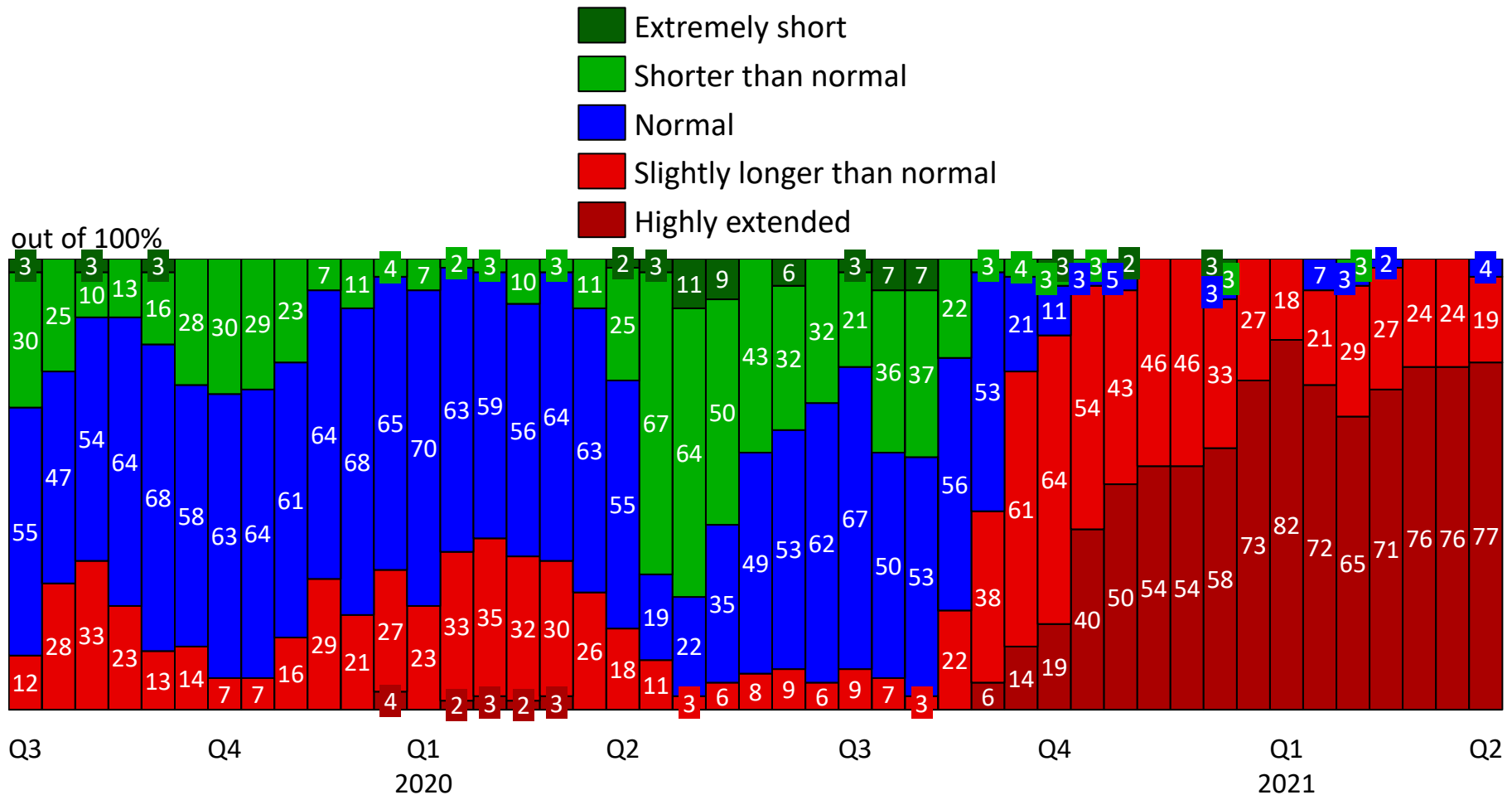


Service Centers



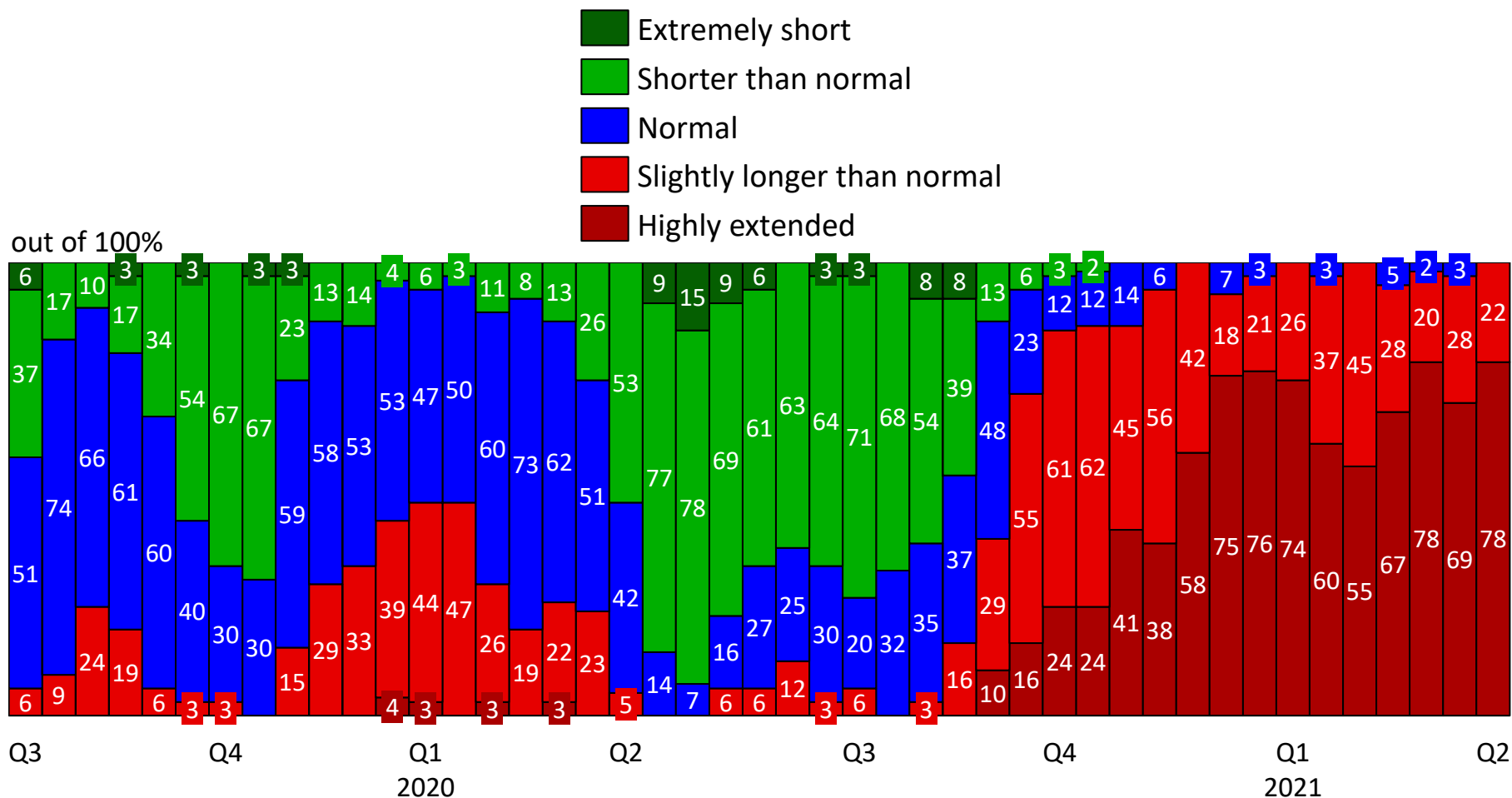
Mill Lead Times History

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?

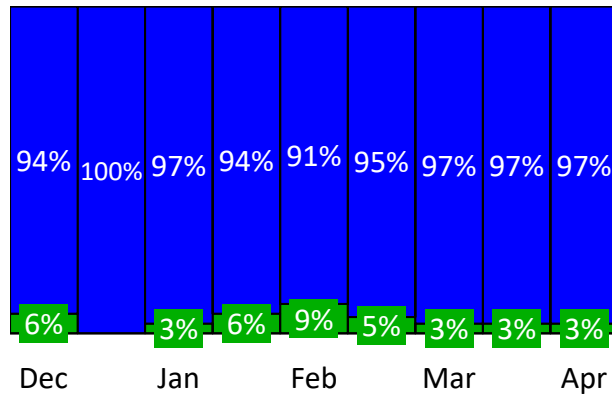


Mill Negotiations

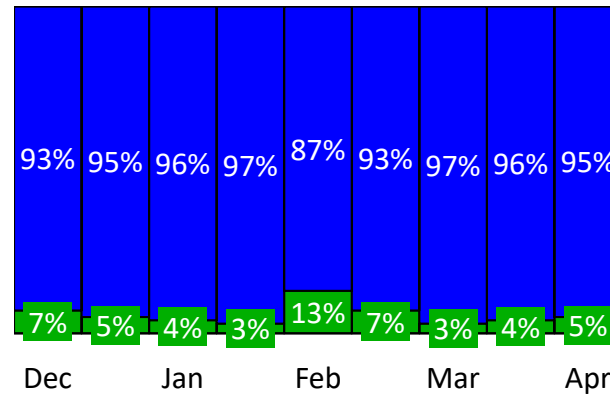
Are you finding the domestic mills are willing to negotiate pricing on brand new orders placed this week?

Yes No

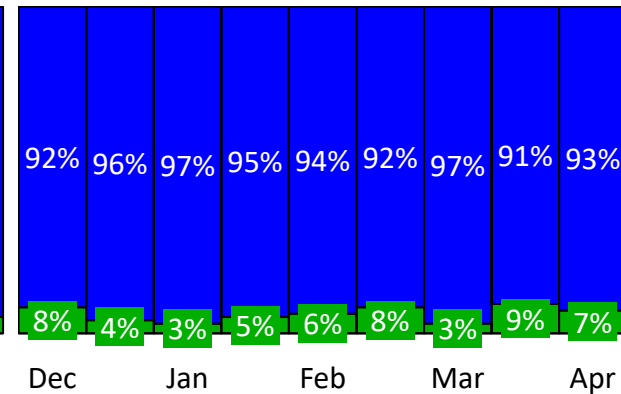
Hot Rolled



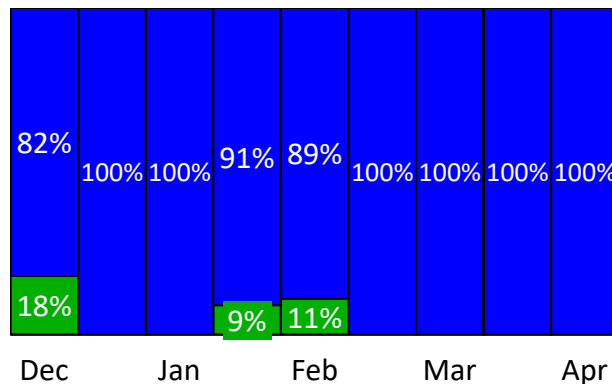
Cold Rolled



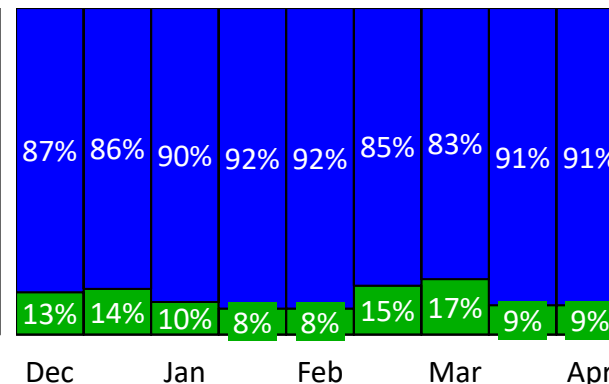
Galvanized



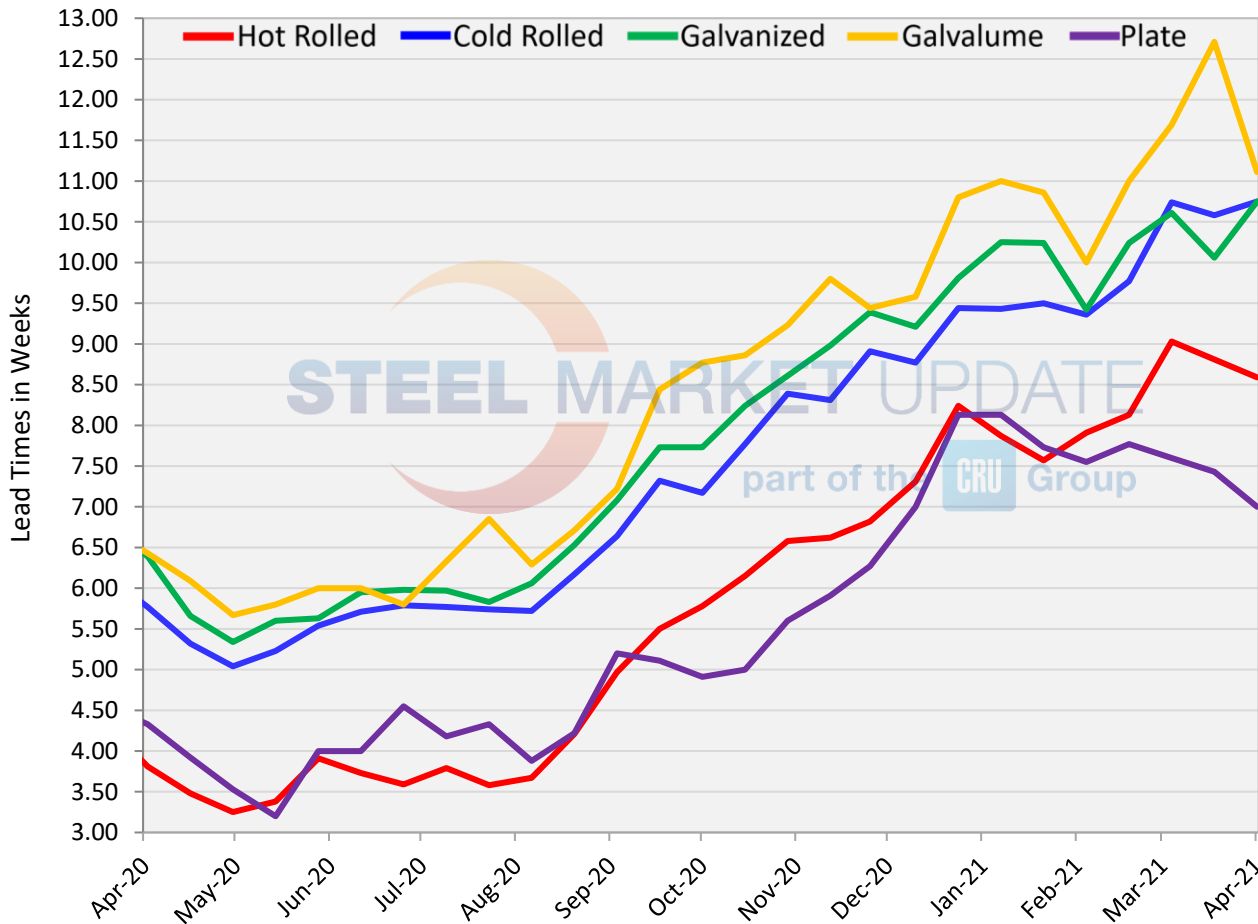
Galvalume



Plate



Mill Lead Times



Lead Times in Weeks

Galvalume: 11.11

Cold Rolled: 10.75

Galvanized: 10.75

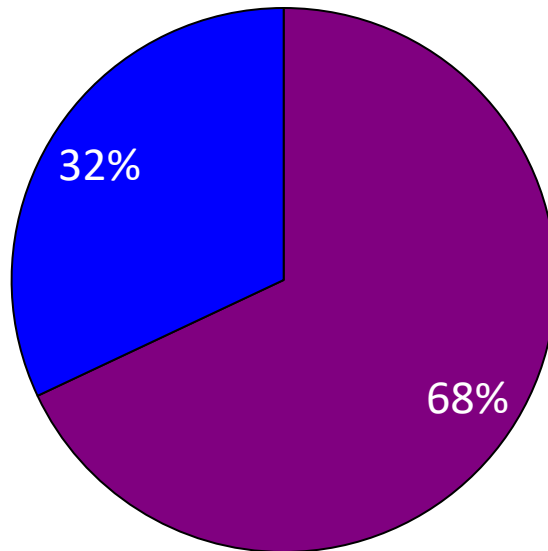
Hot Rolled: 8.59

Plate: 7.00

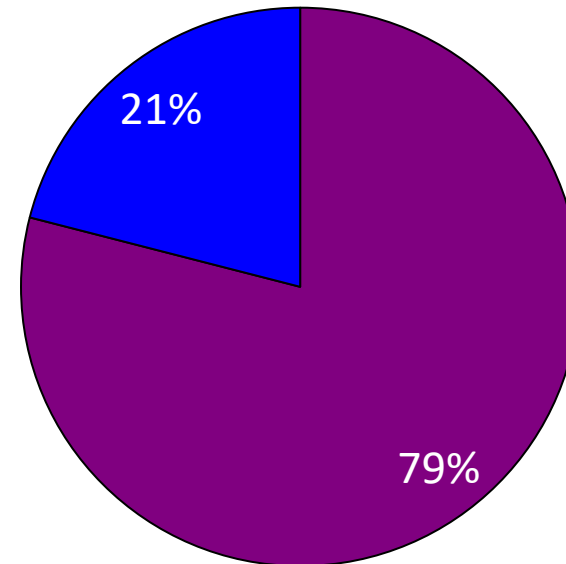
Does your company buy foreign steel?

■ Yes ■ No

Manufacturers



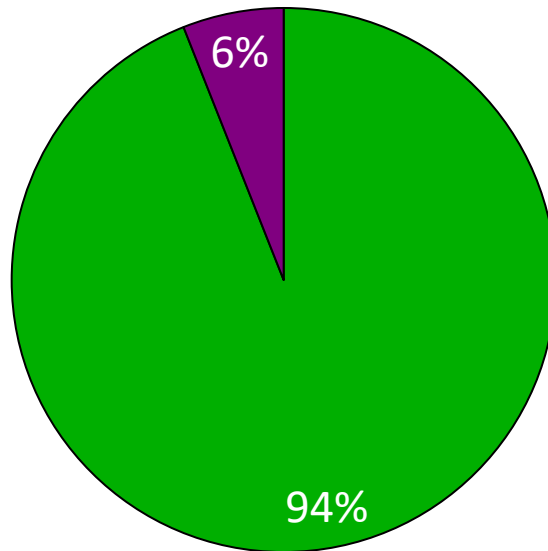
Service Centers



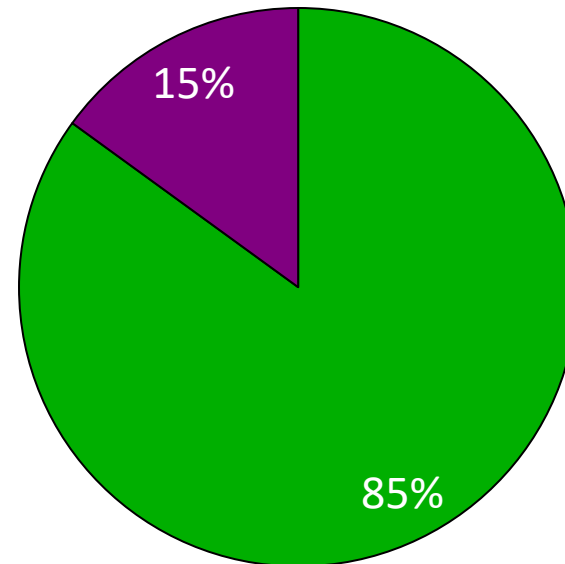
Are your foreign steel suppliers quoting you competitive prices for new orders for future delivery?

Yes No

Manufacturers



Service Centers

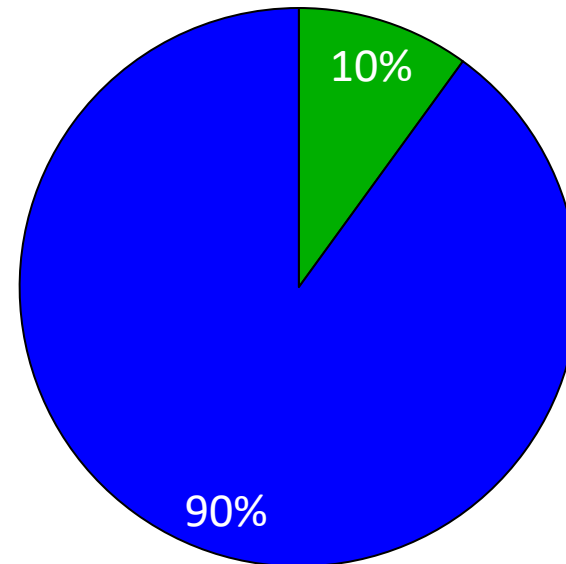
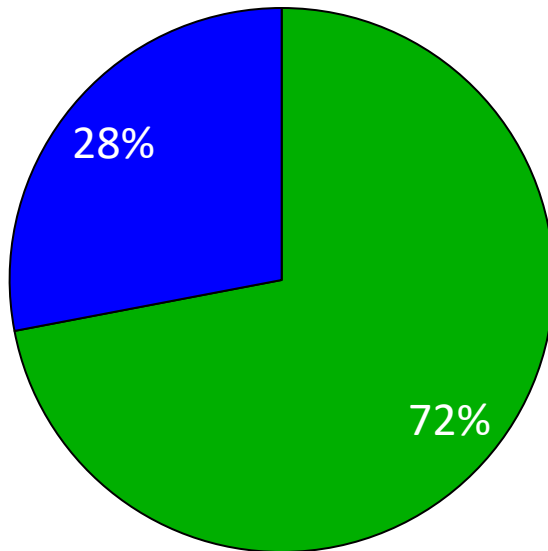


Foreign Steel

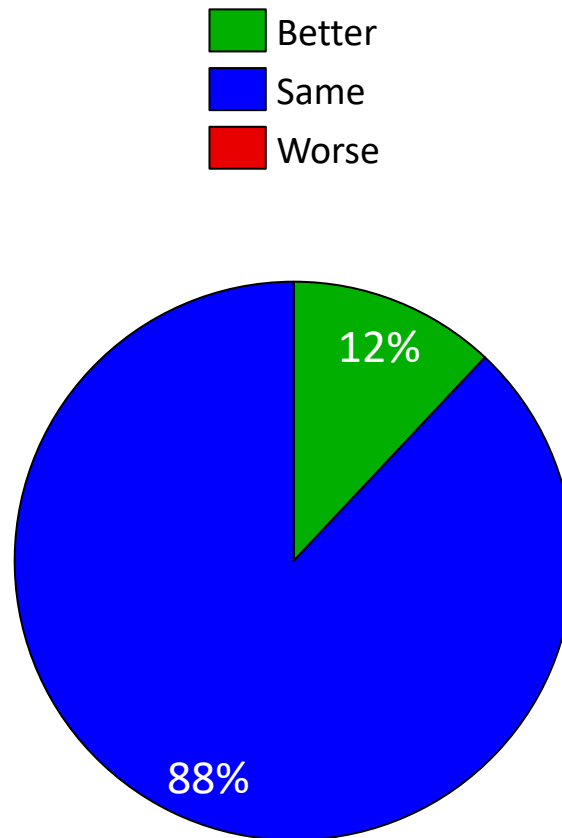
Manufacturers- Are you buying new orders of foreign steel for future delivery?

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

Yes No

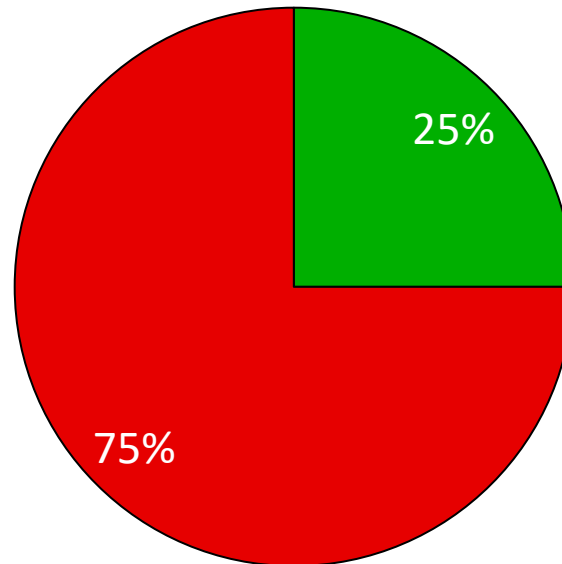


The current order book at your mill is better or worse than last month?

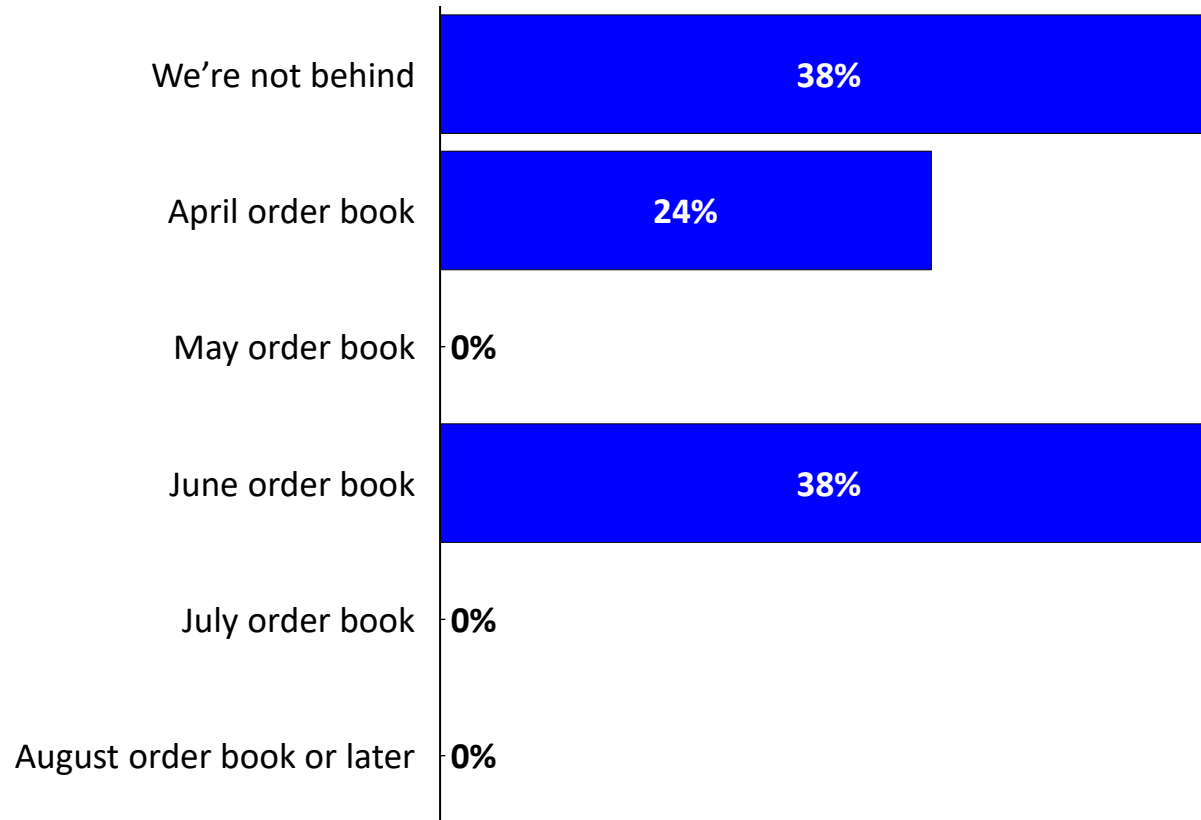


Will restarts of blast furnaces at the integrated mills add enough supply to affect steel prices this year?

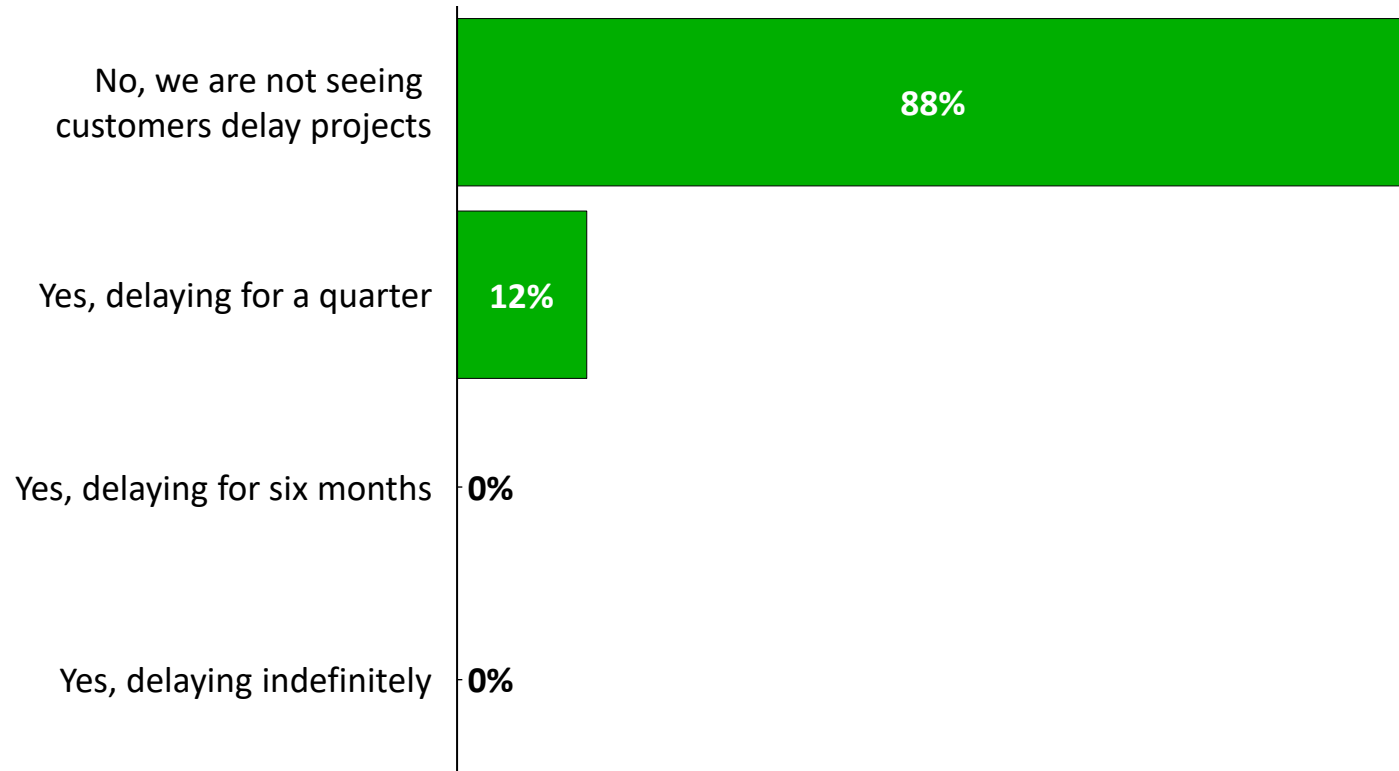
■ Yes ■ No



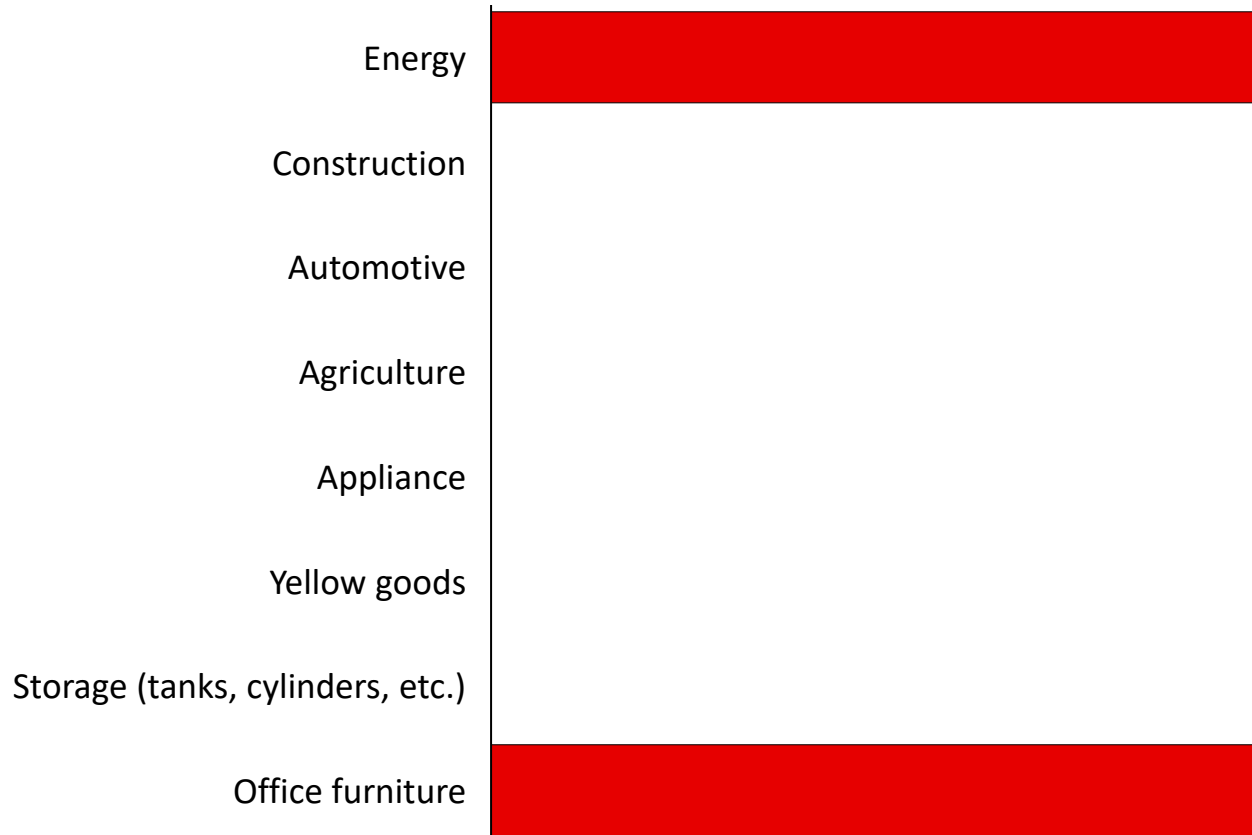
If you are behind on orders, how long do you think it will take you to catch up?



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

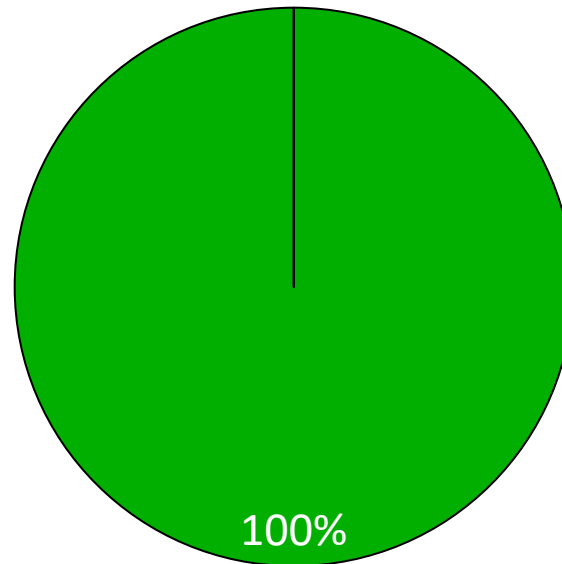


Are there any market segments that your company feels will be doing poorly 3-6 months from now (check all that apply)?



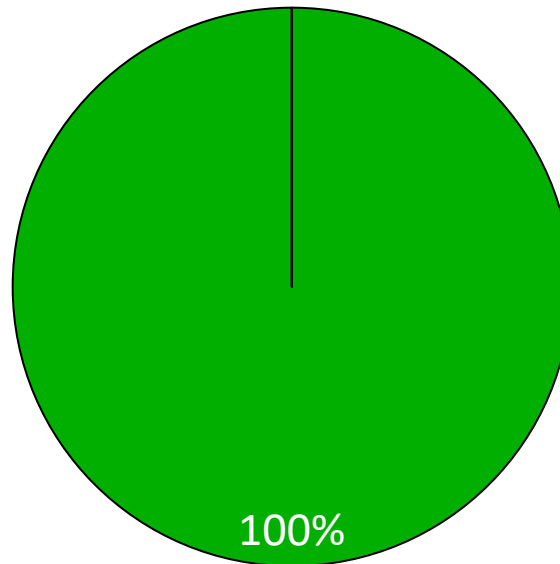
At this time, are you seeing an increase or decrease in orders from your North American buyers?

 Increase
 Decrease



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

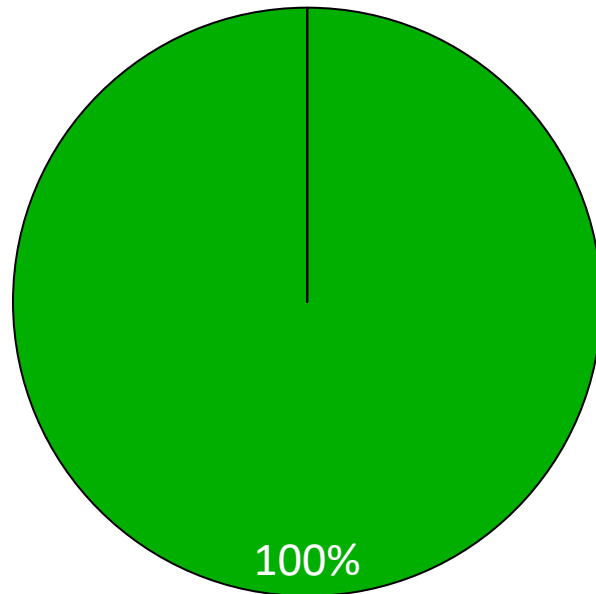
Yes No



Trading Companies

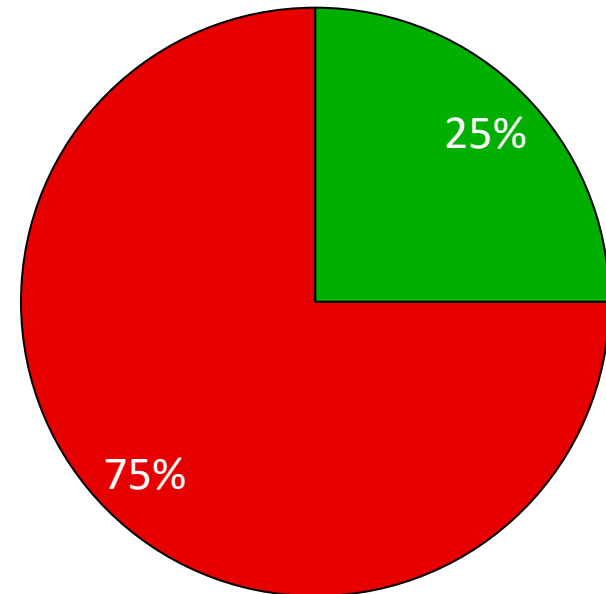
Are you able to offer hot rolled pricing that is attractive to buyers right now?

Yes No



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

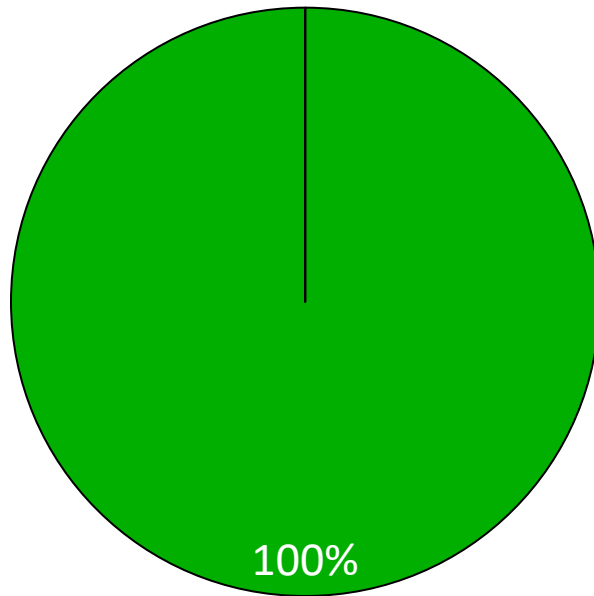
Yes No



Trading Companies

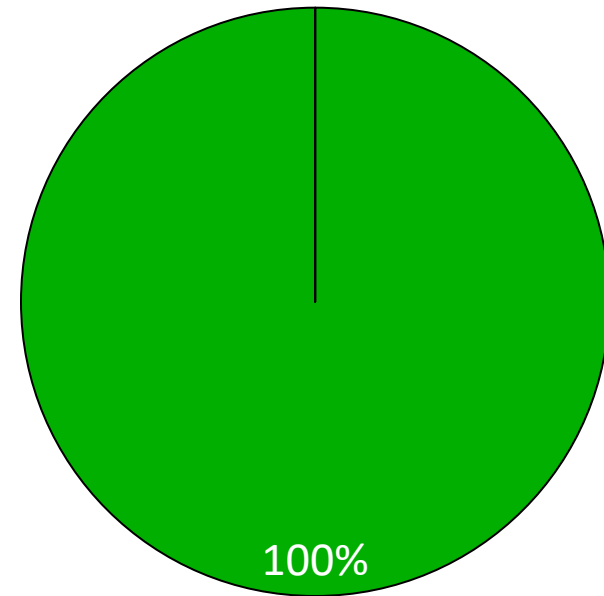
Are your galvanized prices competitive enough right now to get orders (including duties)?

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



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



STEEL MARKET UPDATE

part of the  Group

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