



# STEEL MARKET UPDATE

part of the **CRU** Group

## SMU Flat Rolled Market Trends Analysis

Responses from our April 27-30, 2020 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.

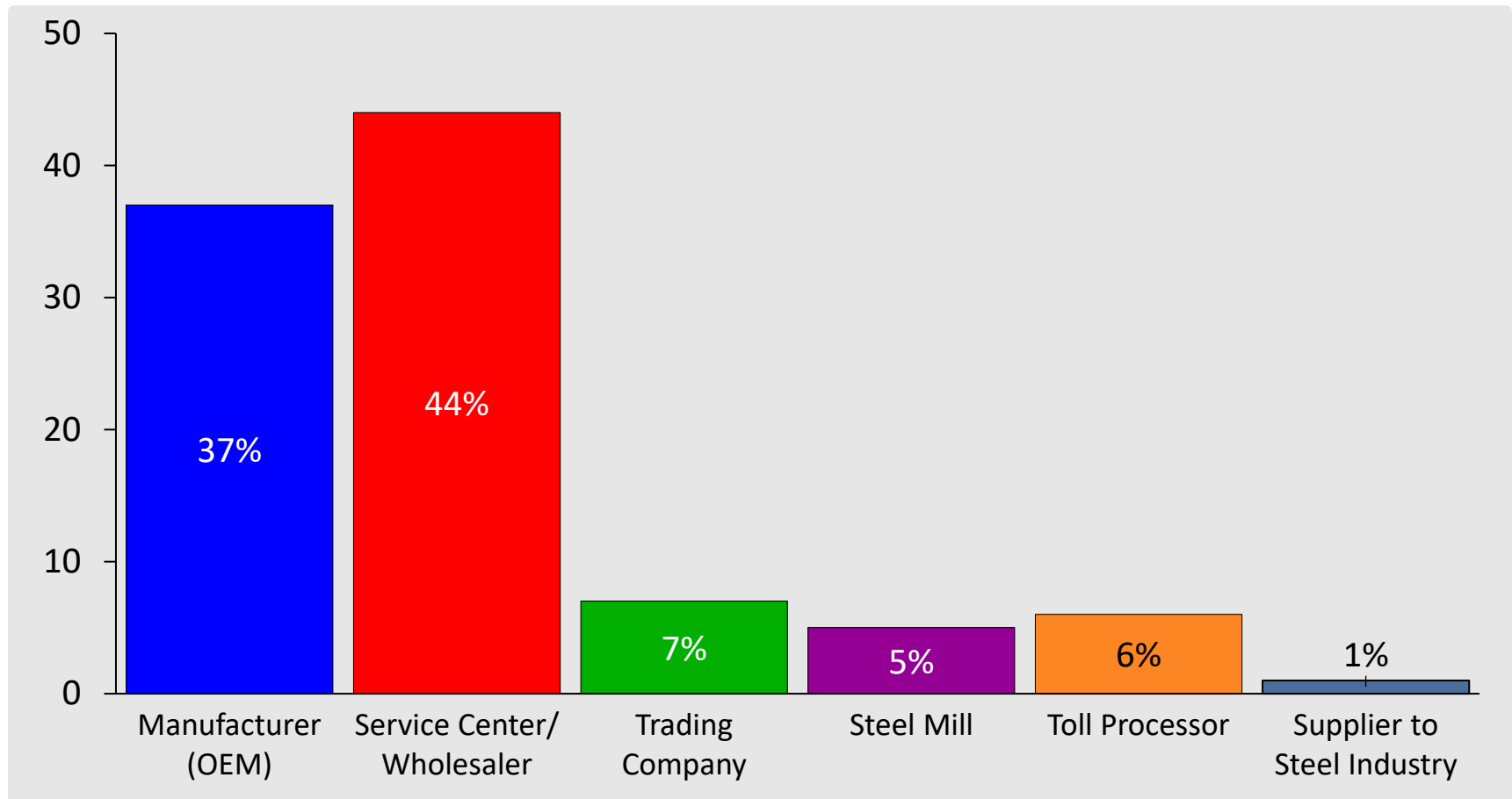
We invite over 600 companies to participate in our surveys.

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.

# Survey Participants

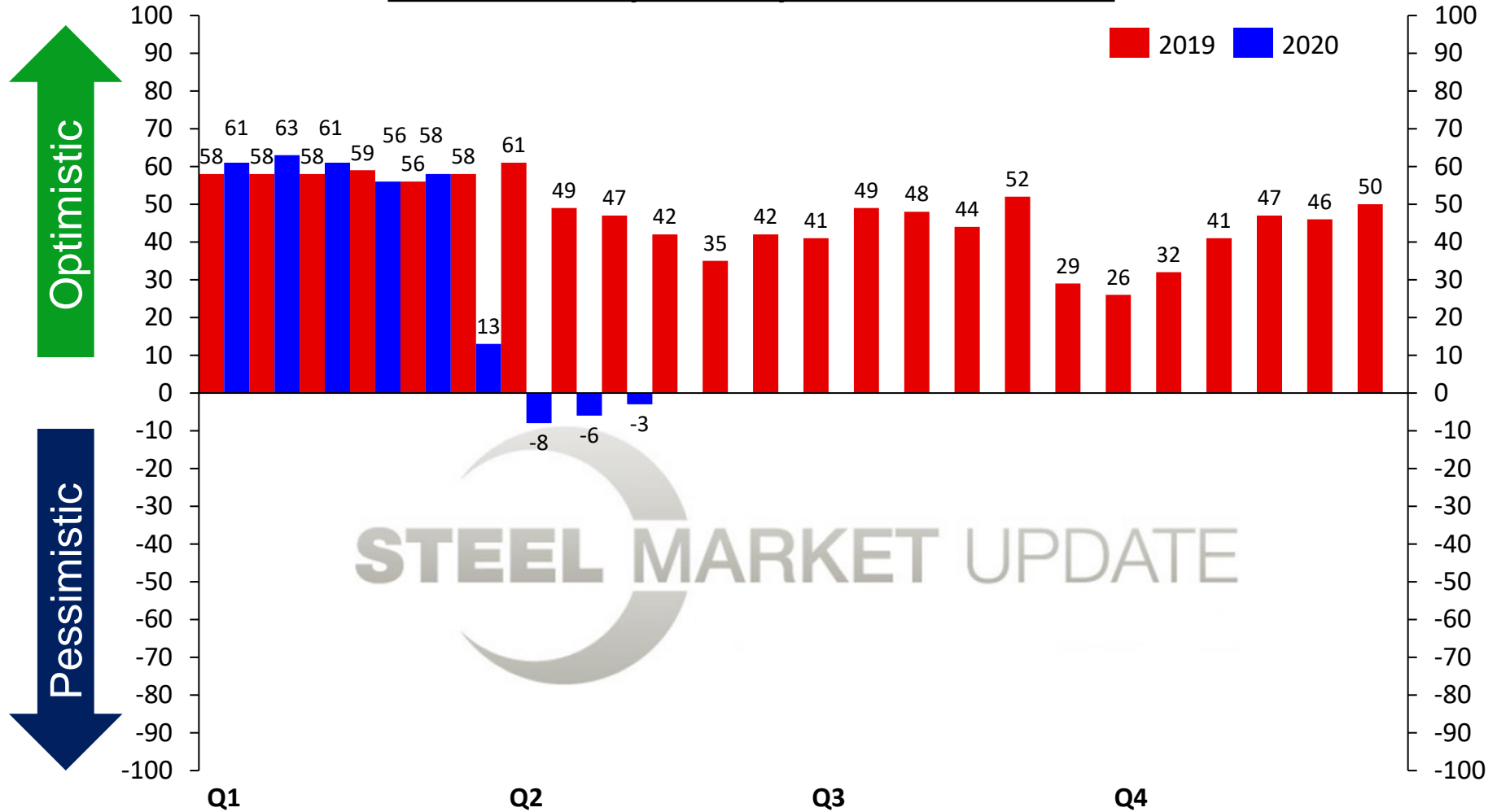
Our survey is by invitation only- Over 600 companies, mostly in the manufacturing or distribution industries, are asked to participate. Here are the percentages of participation in this week's survey by market sector.



# SMU Buyers Sentiment Index

Up 3 points to -3

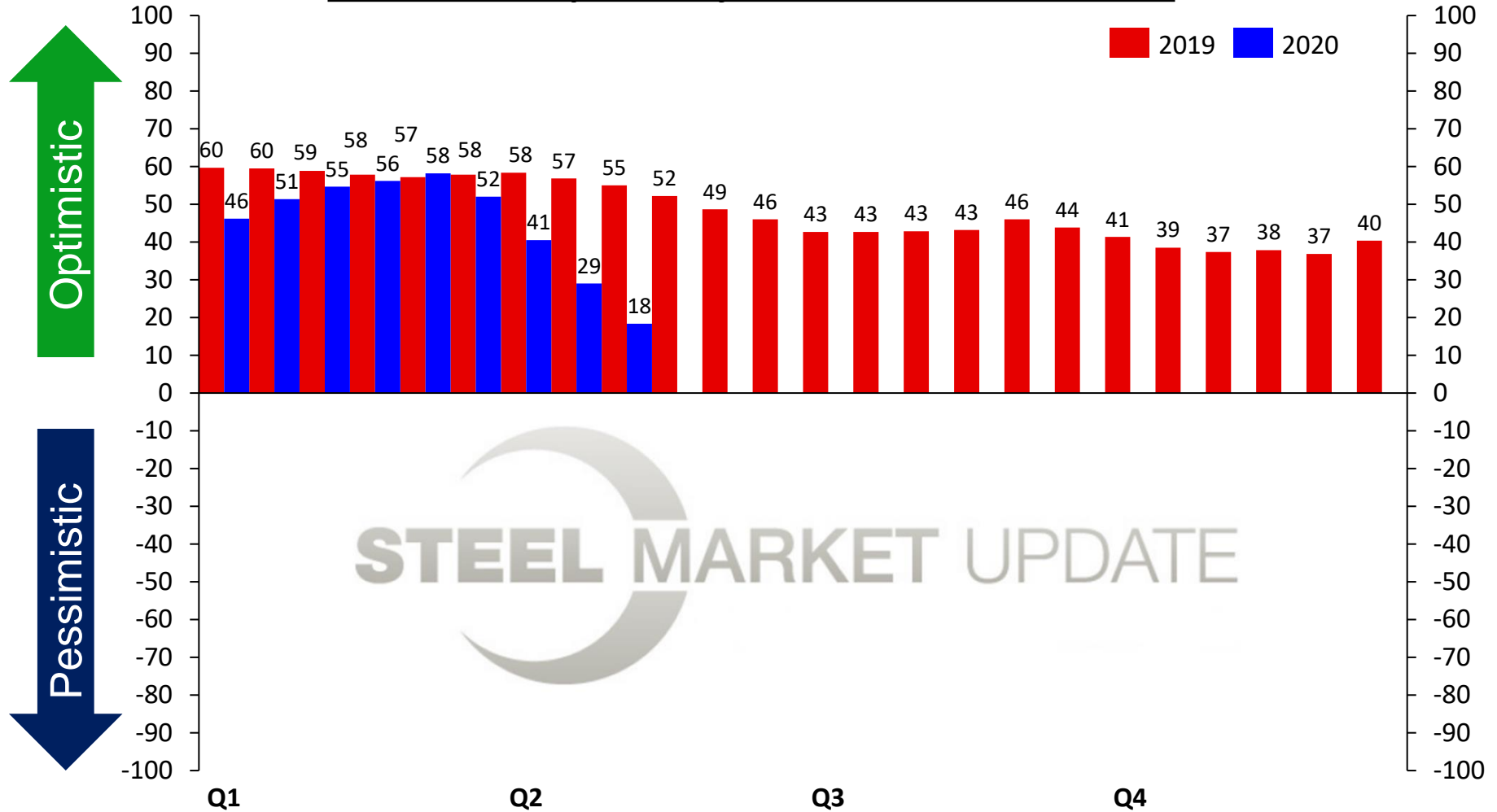
## Steel Market Update Buyers Sentiment Index



# SMU Buyers Sentiment Index

Three Month Moving Average at +18.33

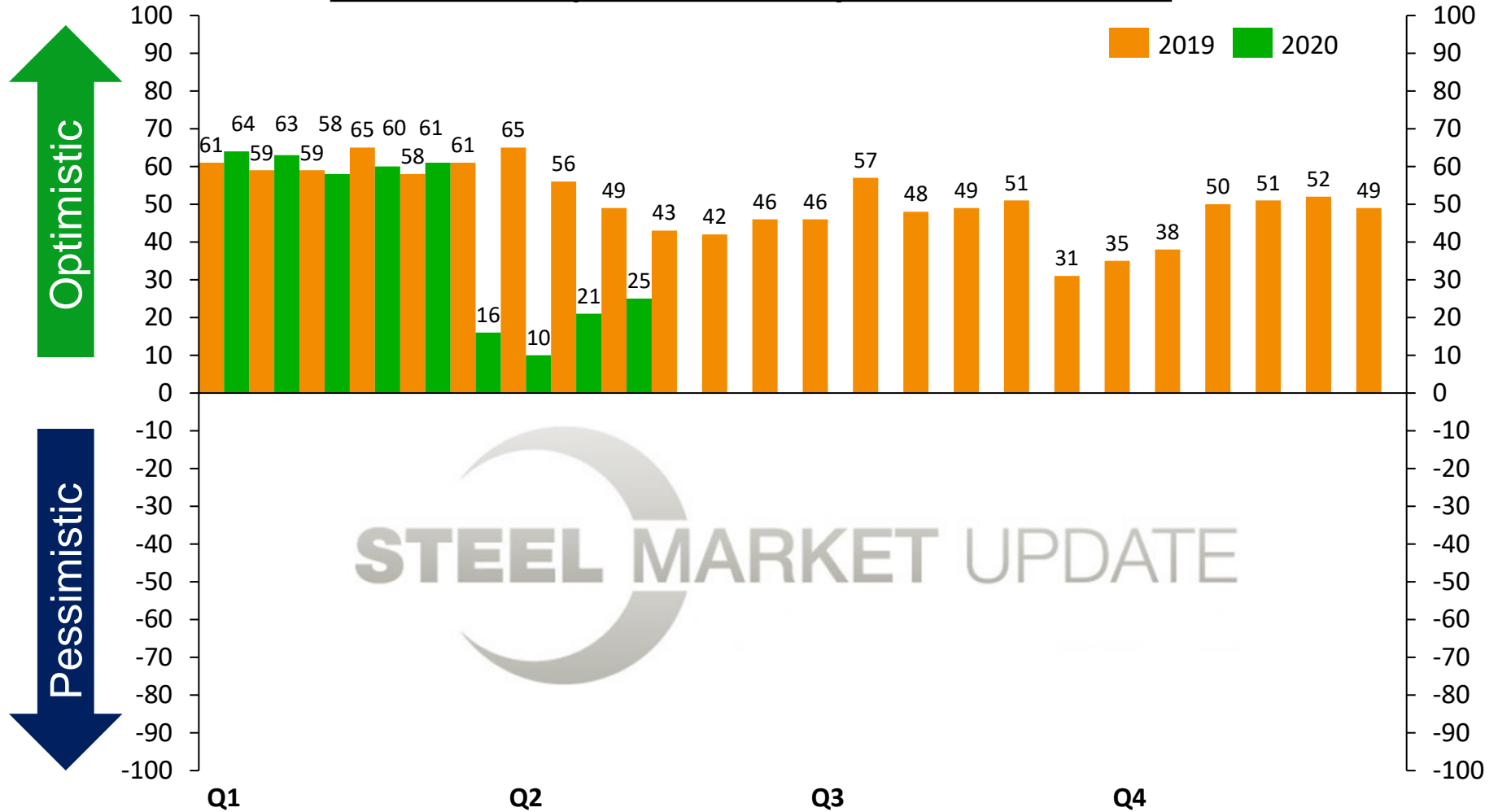
## Steel Market Update Buyers Sentiment Index 3MMA



# SMU Future Buyers Sentiment Index

Up 4 points to +25

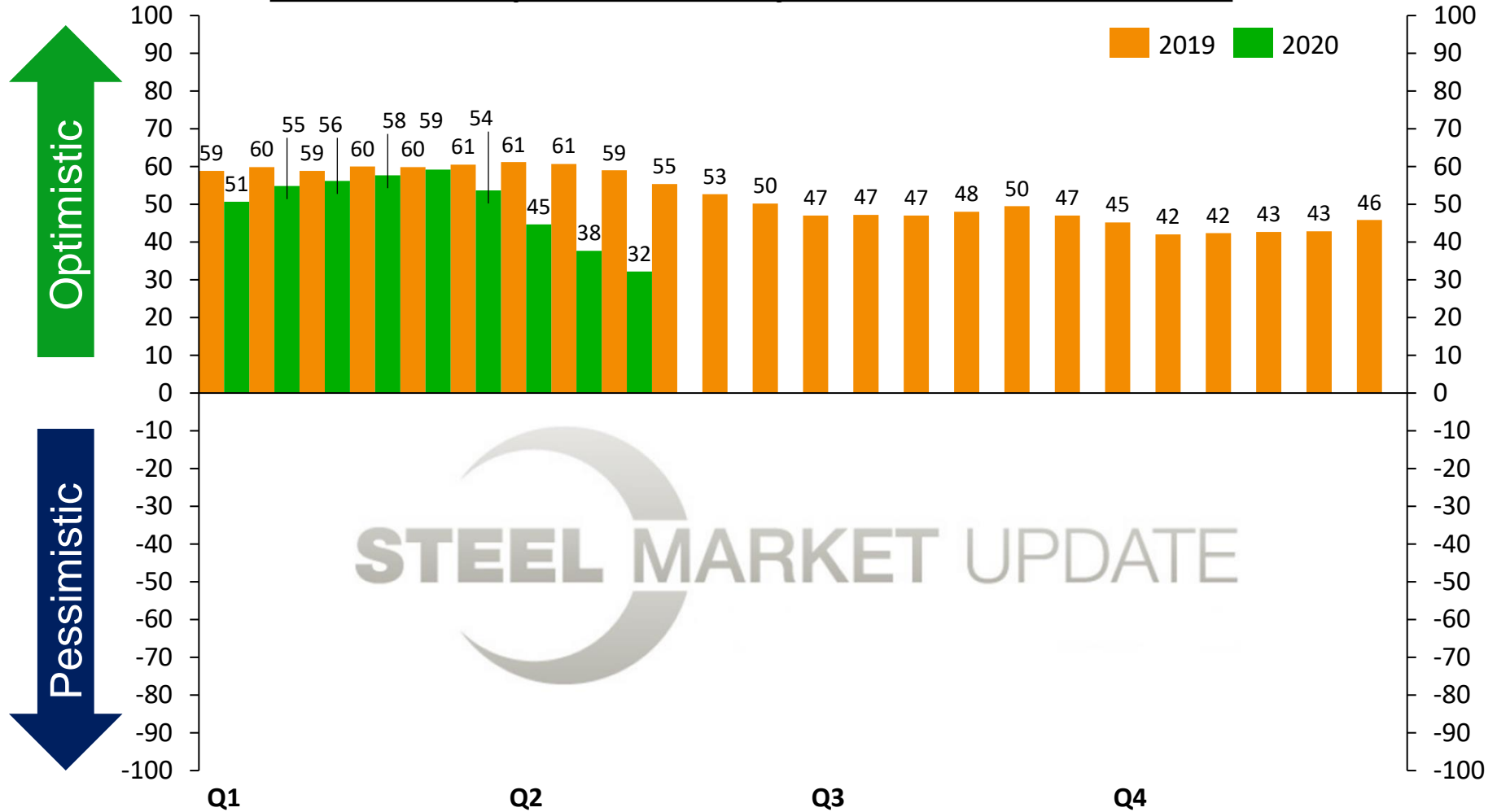
## Steel Market Update Future Buyers Sentiment Index



# SMU Future Buyers Sentiment Index

Three Month Moving Average at +32.17

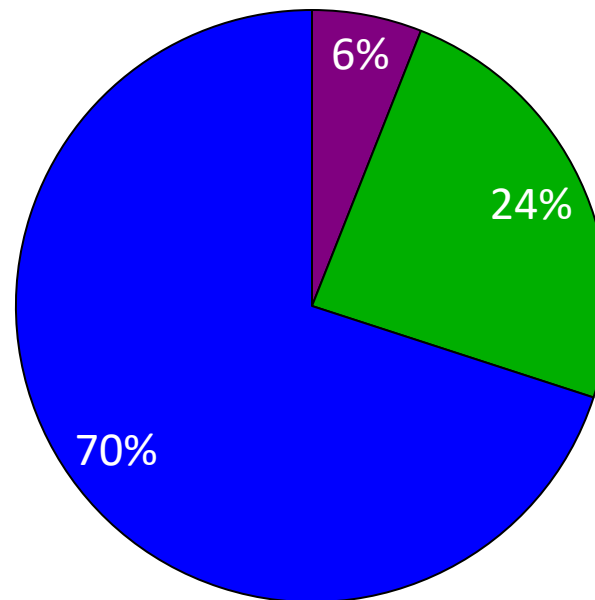
## Steel Market Update Future Buyers Sentiment Index 3MMA





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

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

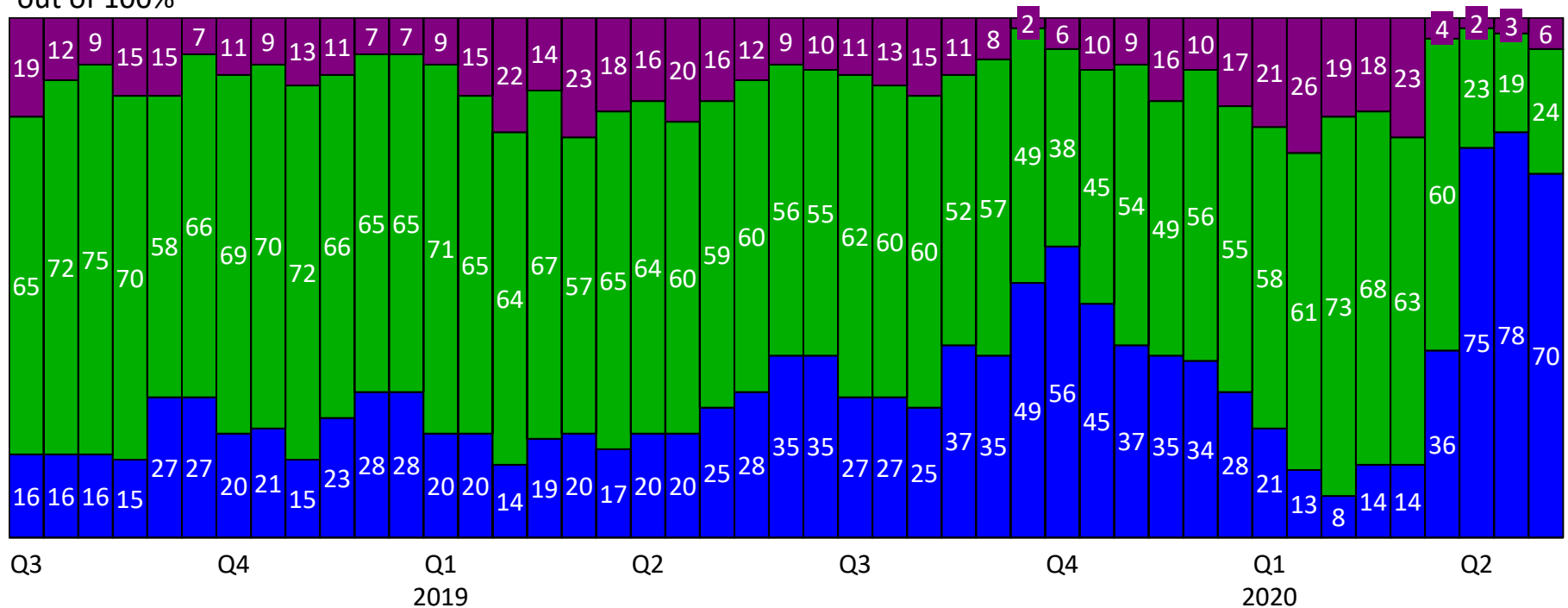


# Overall Demand History

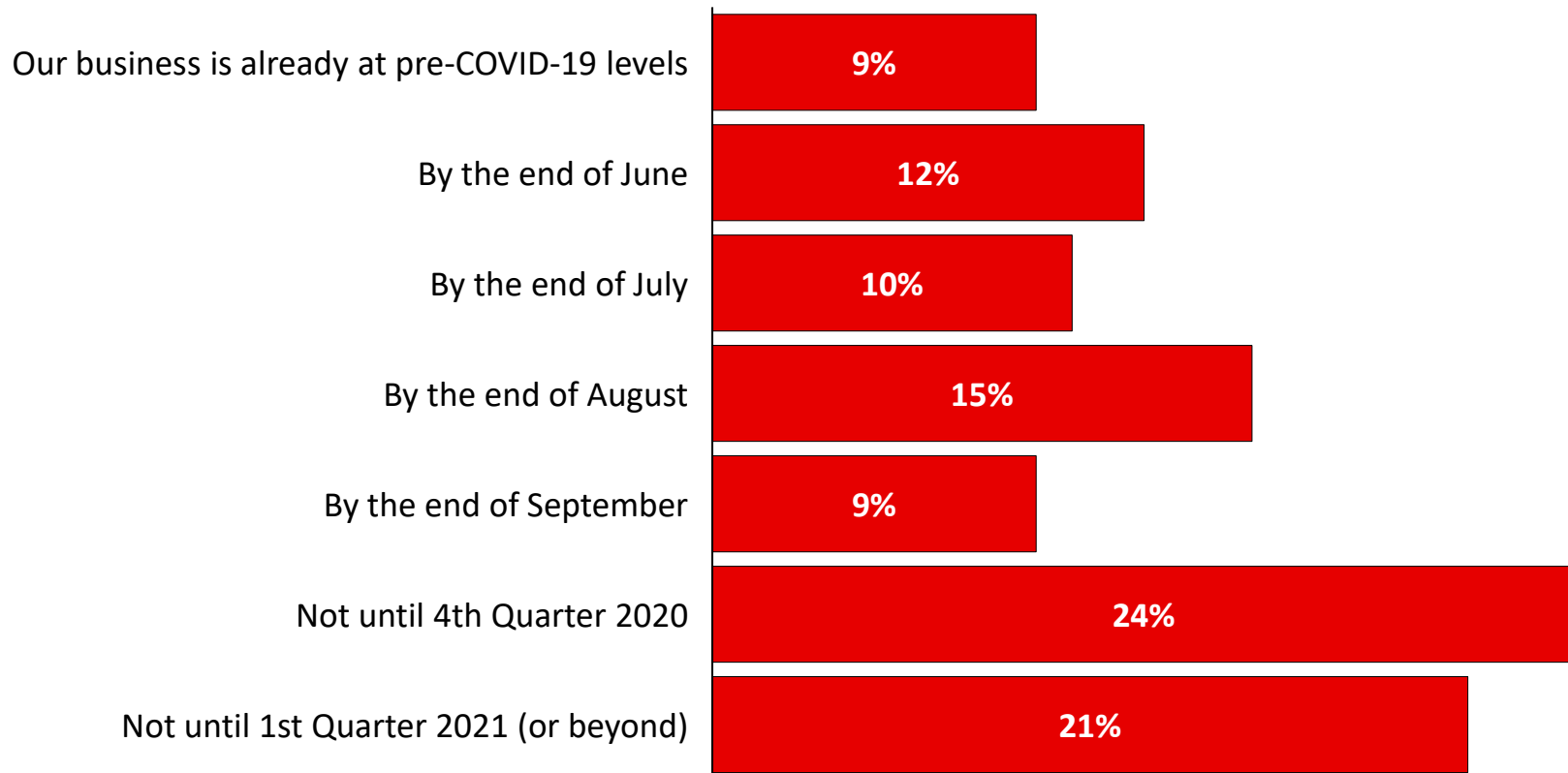
Are you seeing demand for your products improving, remaining the same or declining?

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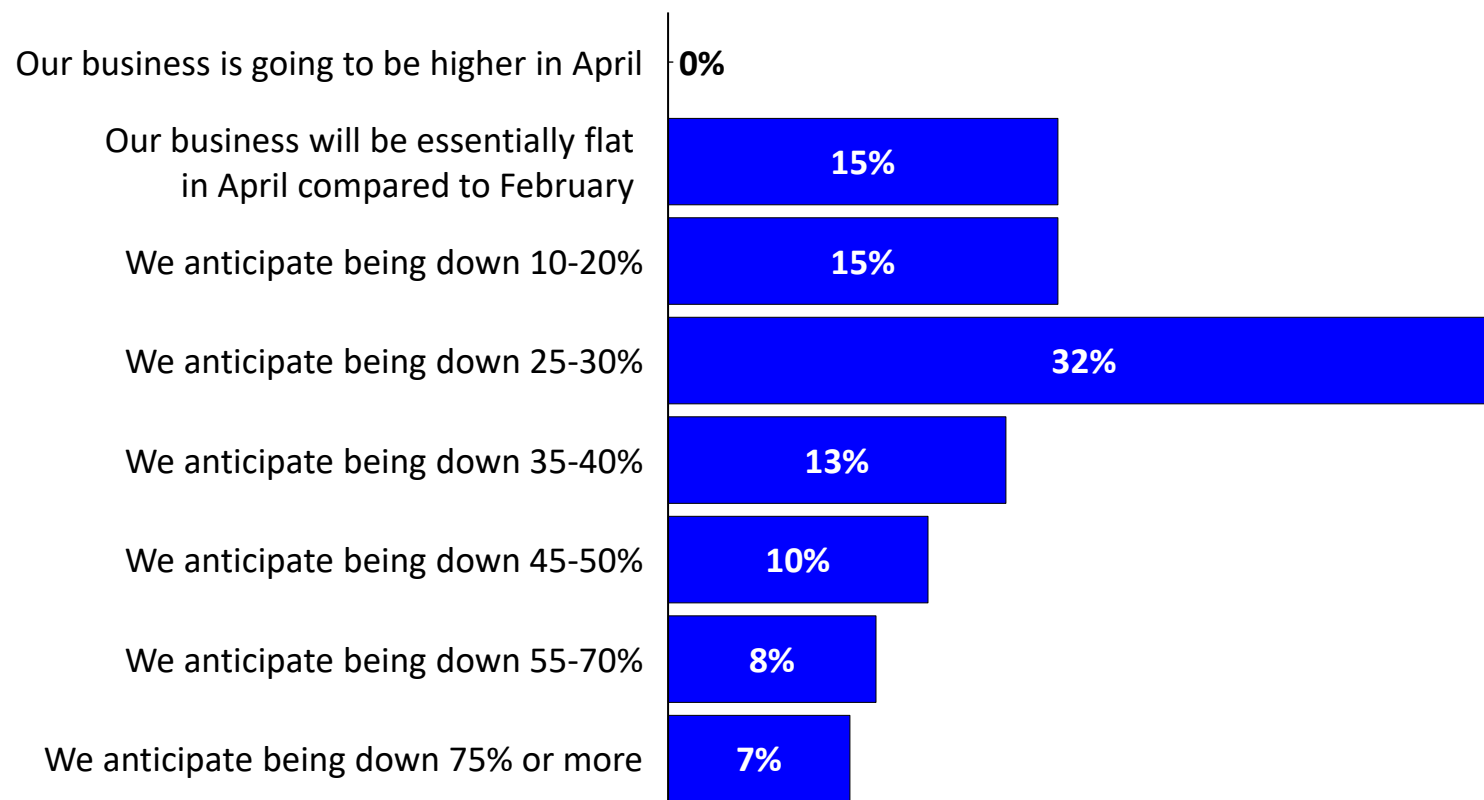
out of 100%



Some states are beginning to re-open for business. The question now becomes when will your business return to pre-COVID-19 levels?



As it stands now, what will the impact of the virus be on your order book and/or shipments for the month of April compared to what it was in February 2020?

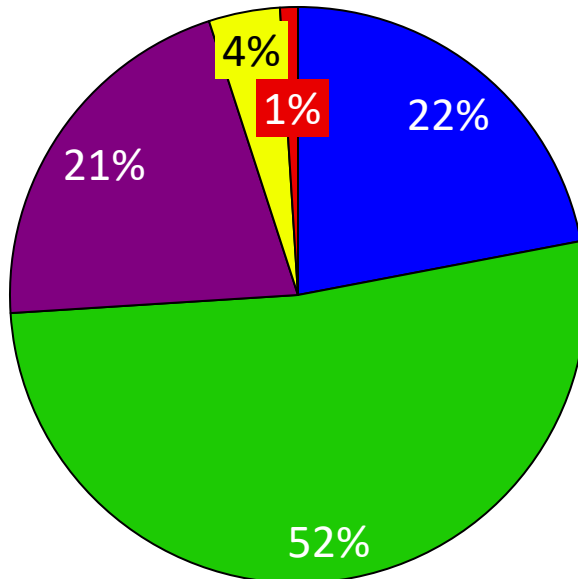


# Price Expectations

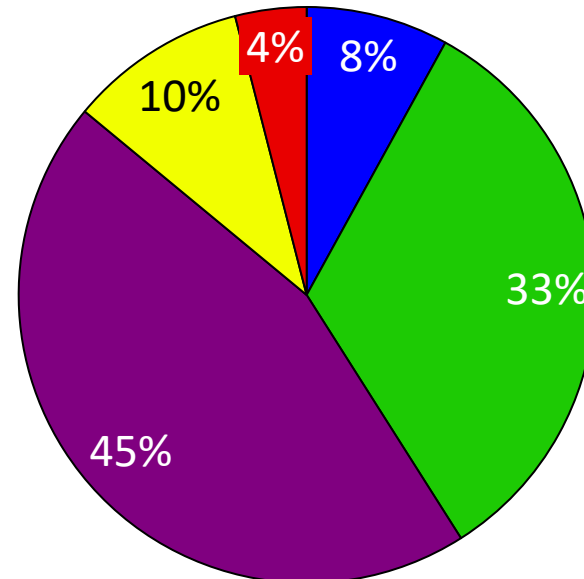
Do you expect prices to move lower from here, and how dramatically?

- Yes – prices will drop by \$60 per ton or more over next 30 days
- Yes – prices will drop by \$30-\$50 per ton over next 30 days
- Yes – prices will drop by \$10-\$20 per ton over next 30 days
- No – no change in existing pricing
- No – prices may move higher from here

April 17, 2020



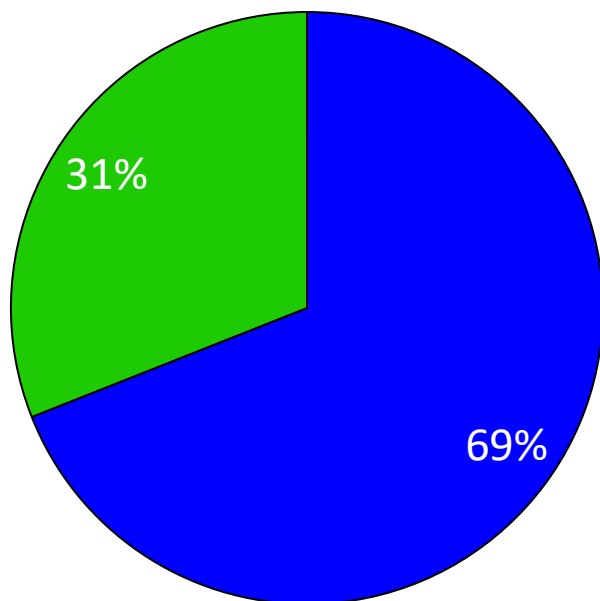
April 30, 2020



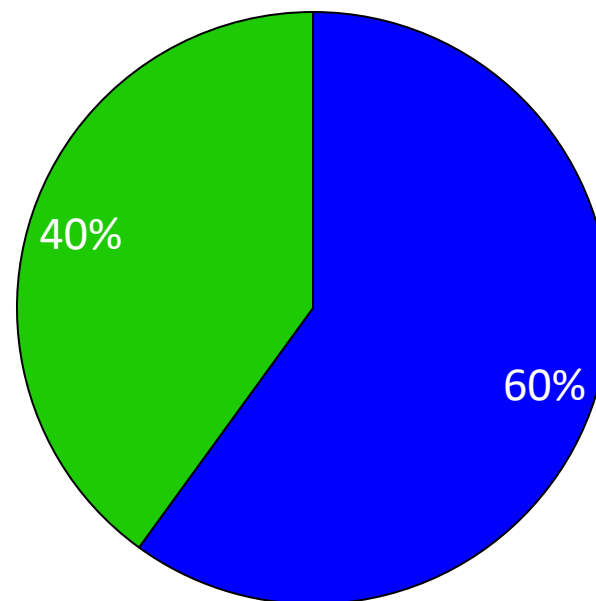
Has your company put purchasing in a wait and see mode or are you buying as normal?

- Yes – we are holding all future purchases unless the steel is sold
- No – we continue to purchase as normal

April 17, 2020

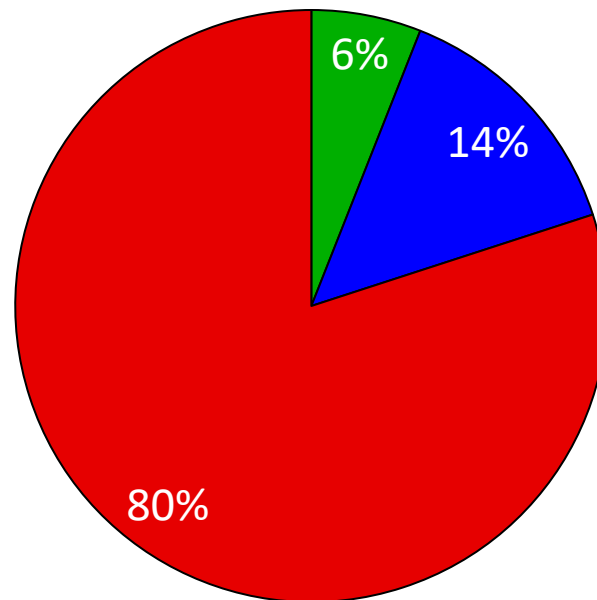


April 30, 2020



**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

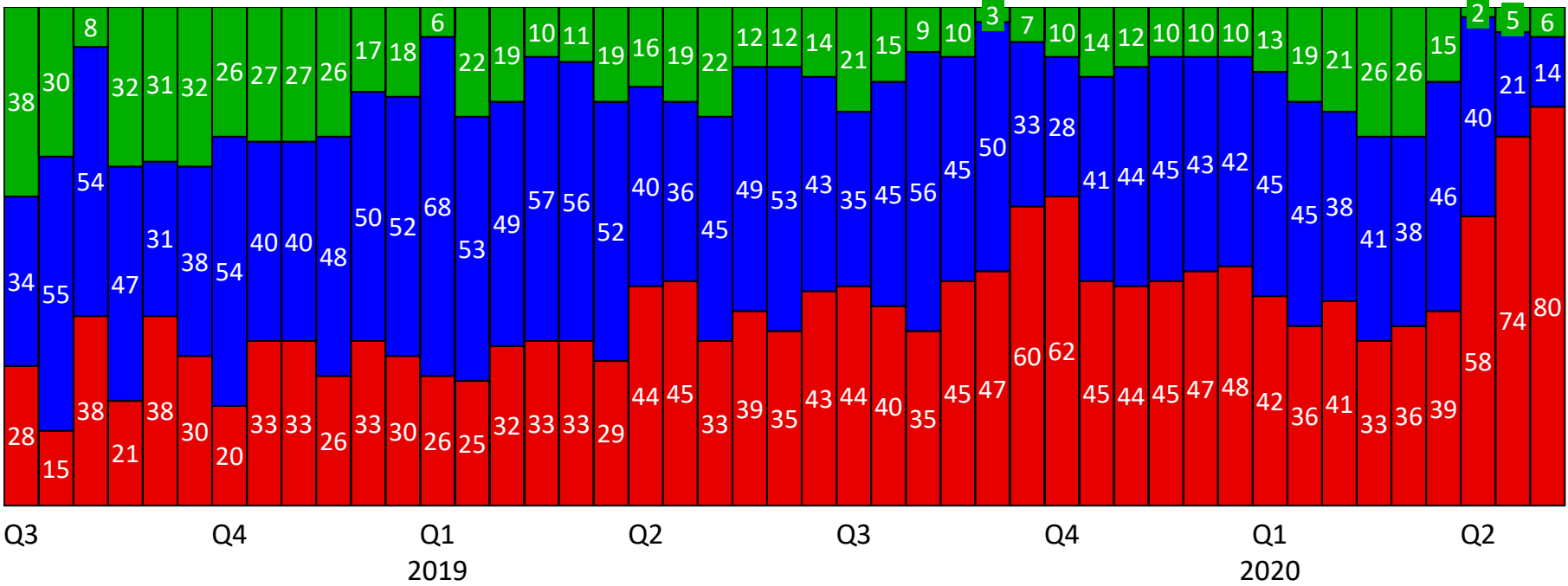


# History of Manufacturer Purchases

**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

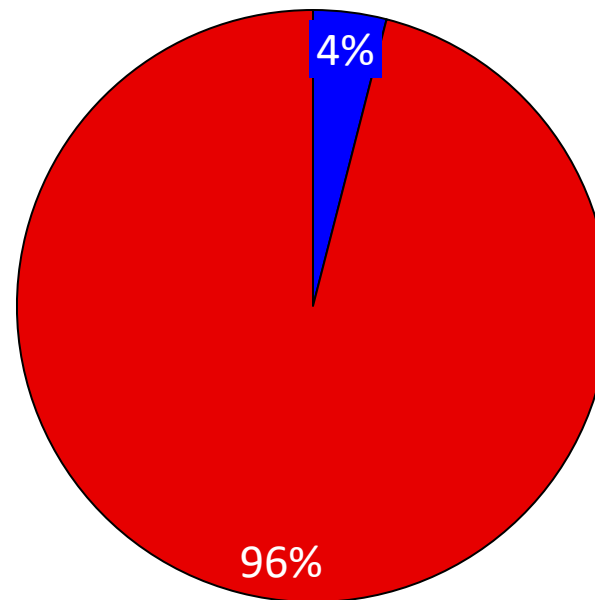
out of 100%





**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

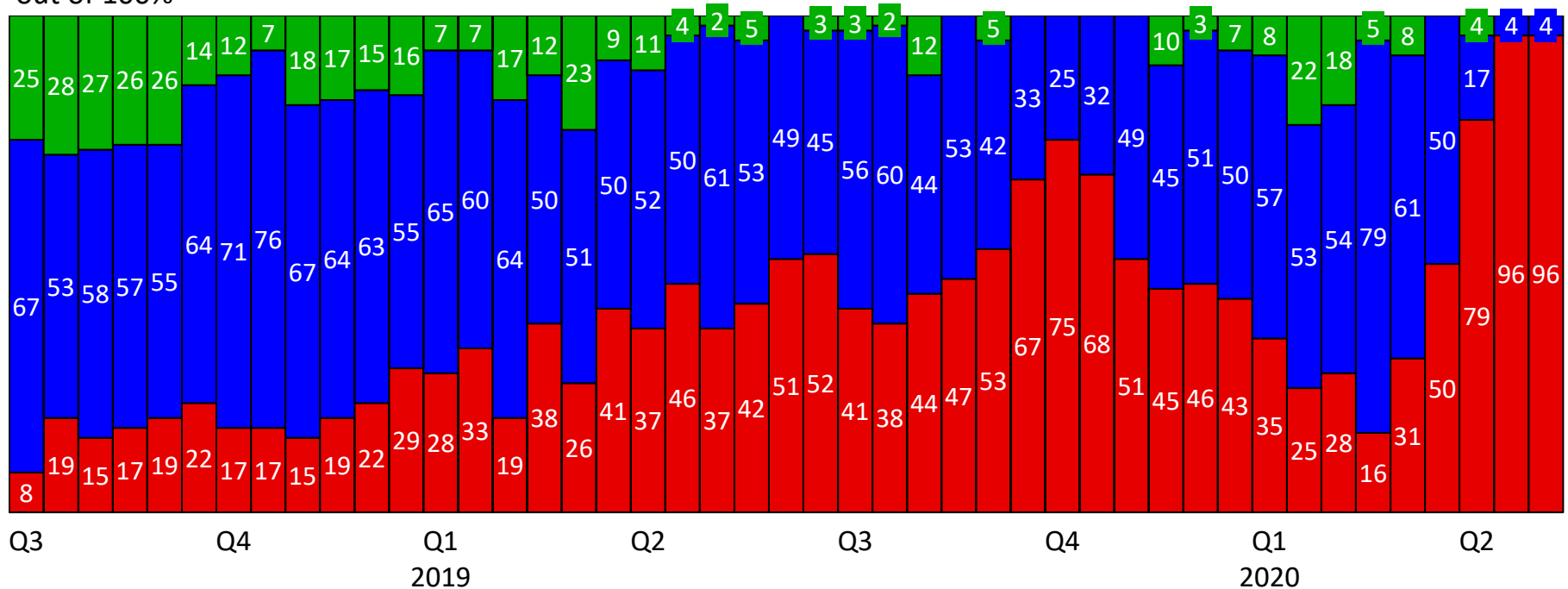


# Service Center Release History

**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

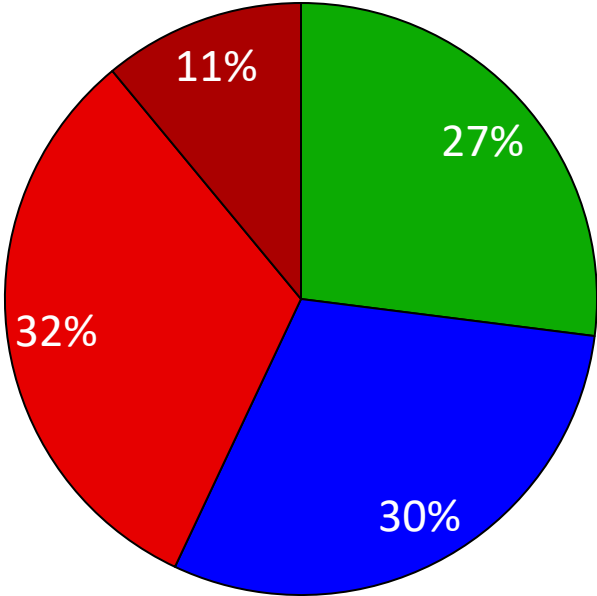
out of 100%



# Manufacturer Demand

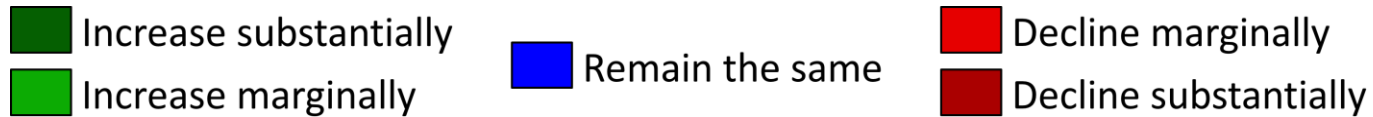
**Manufacturers-** Demand for your products will \_\_\_\_\_  
over the next 3 months based on current order flows.

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

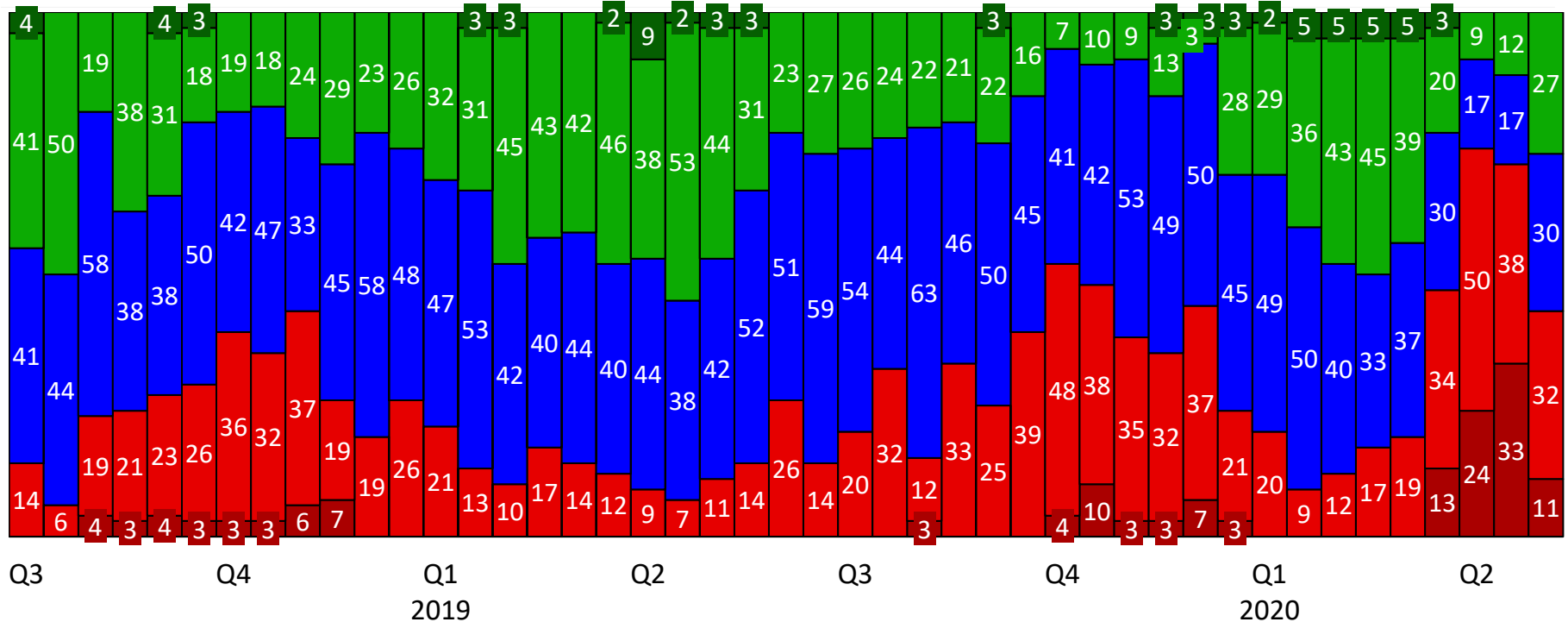


# Manufacturer Demand History

**Manufacturers-** Demand for your products will \_\_\_\_\_  
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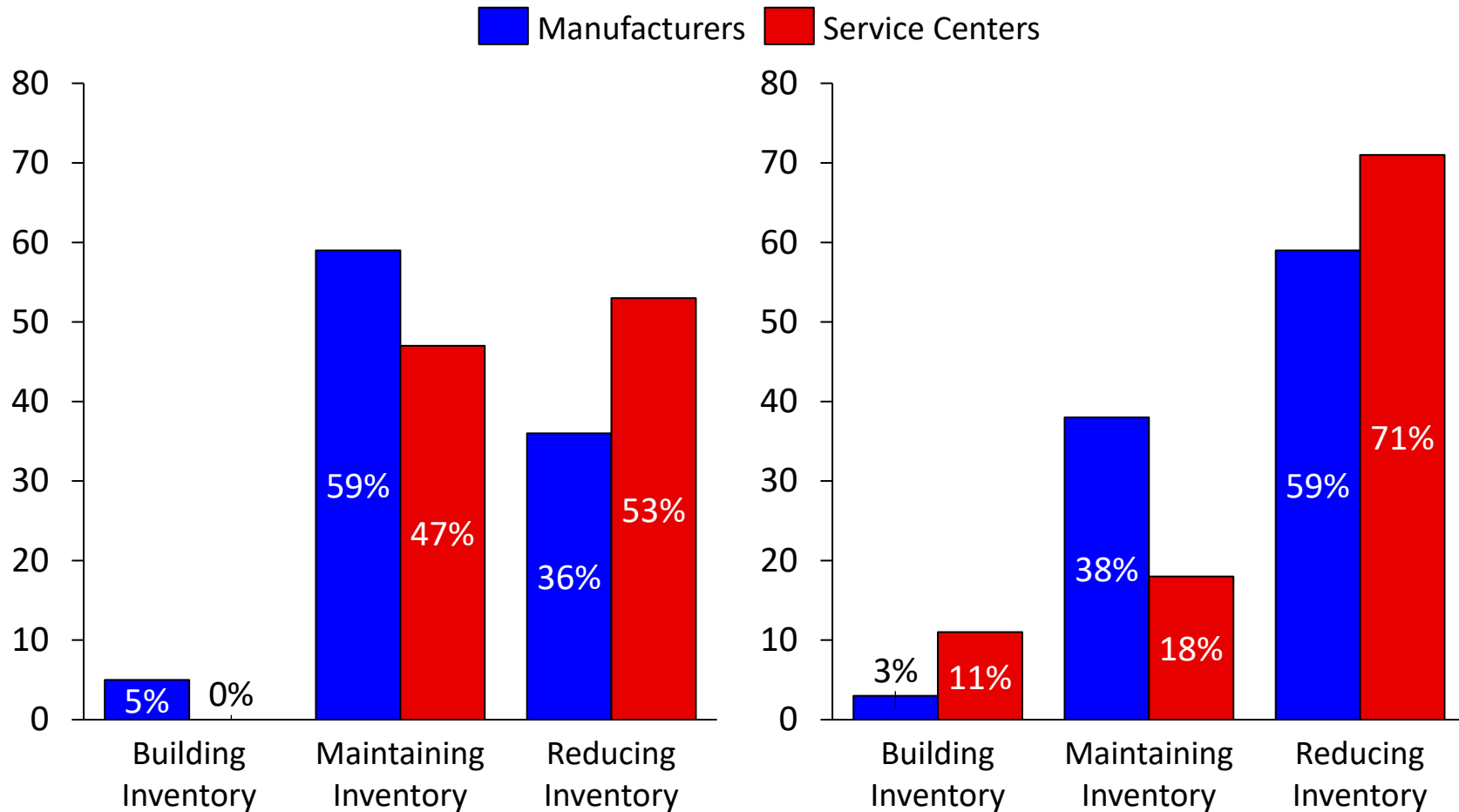
out of 100%



# Manufacturer and Service Center Inventory Buying Patterns

March 20, 2020

April 30, 2020

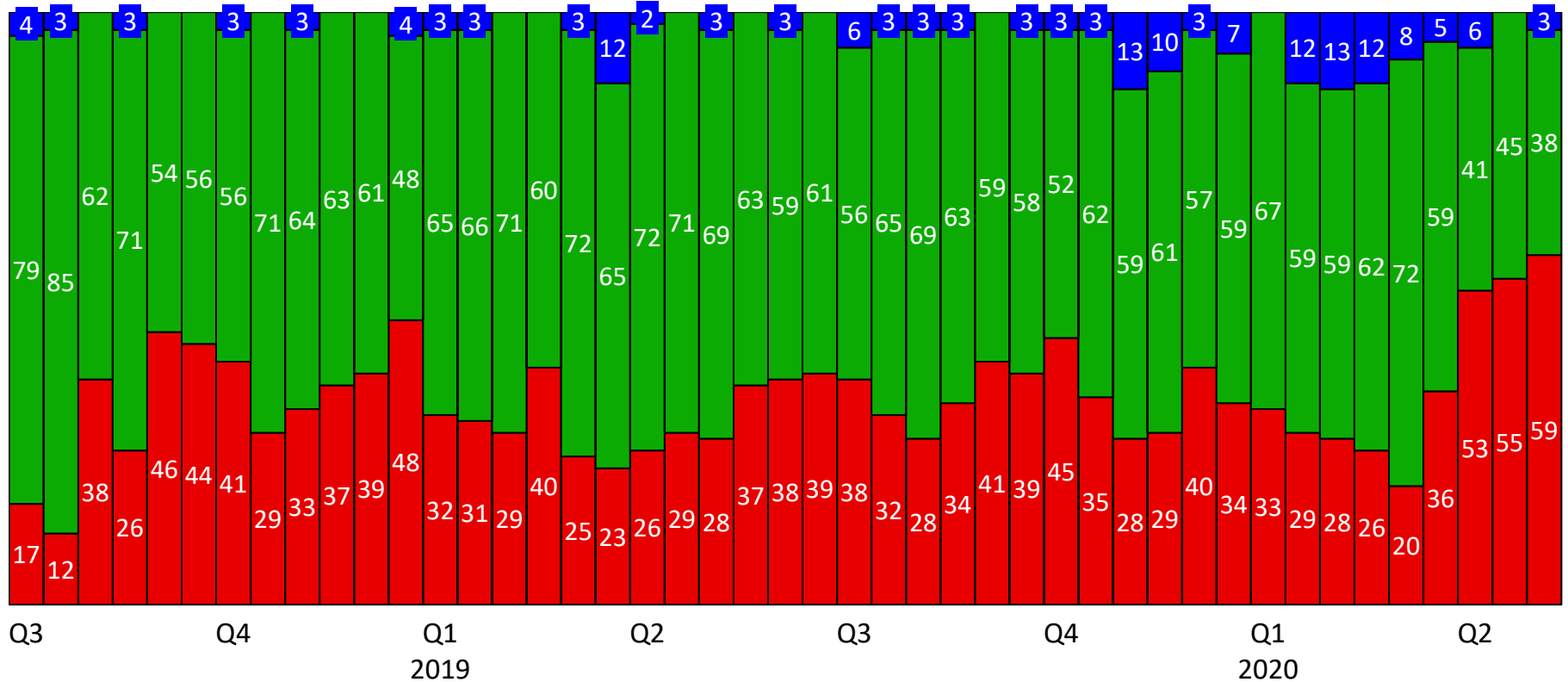


# Manufacturer Inventory Buying History

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

■ Building Inventory 
 ■ Maintaining Inventory 
 ■ Reducing Inventory

out of 100%

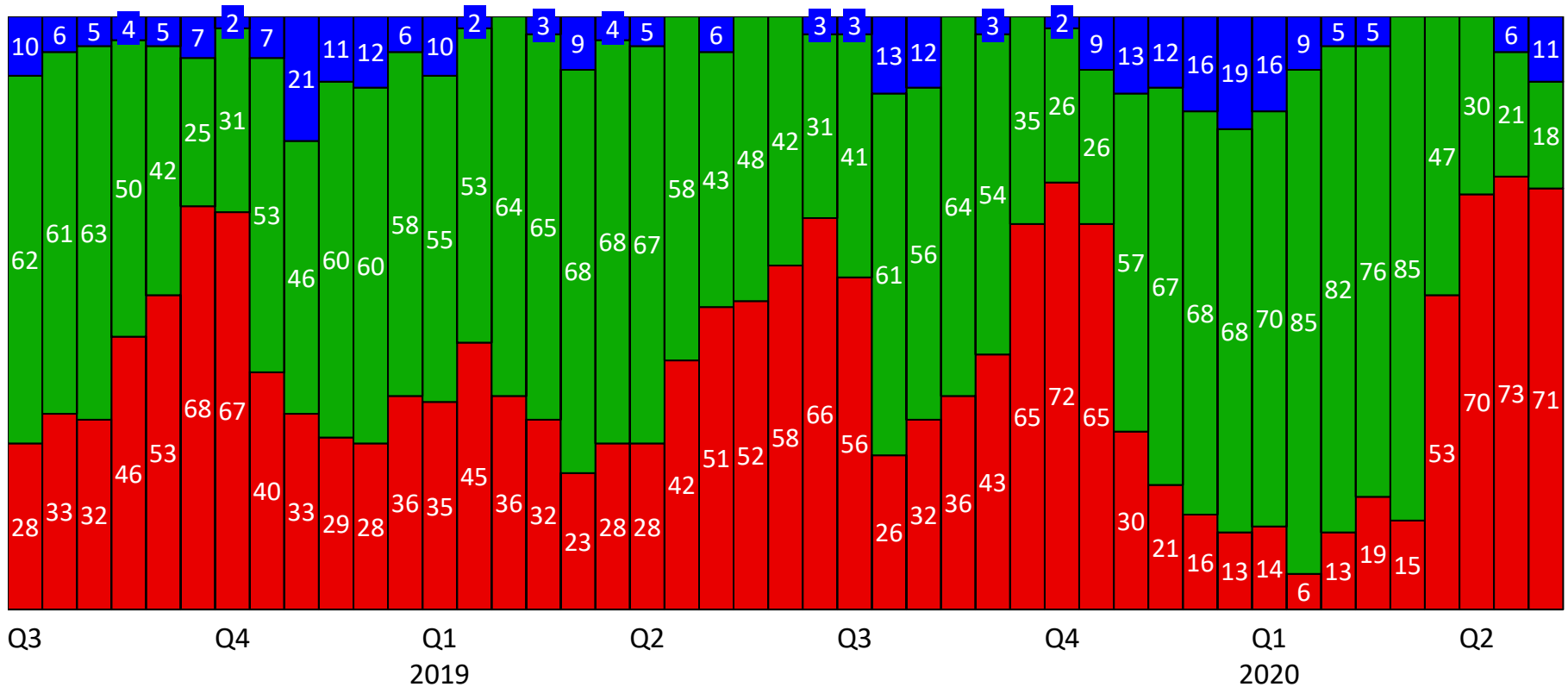


# Service Center Inventory Buying History

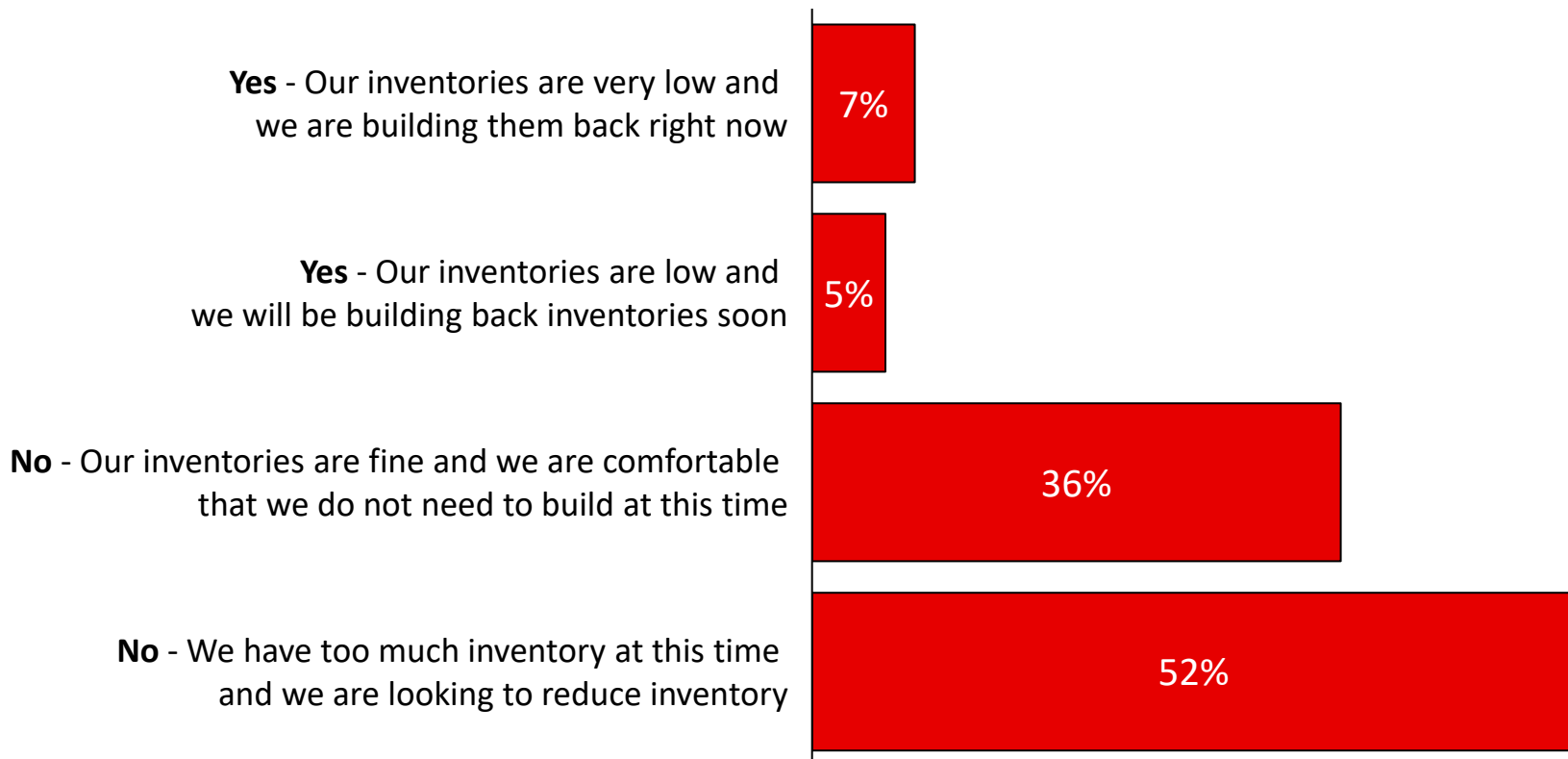
**Service Centers-** Is your company building, reducing or maintaining its flat rolled steel inventory?

■ 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?

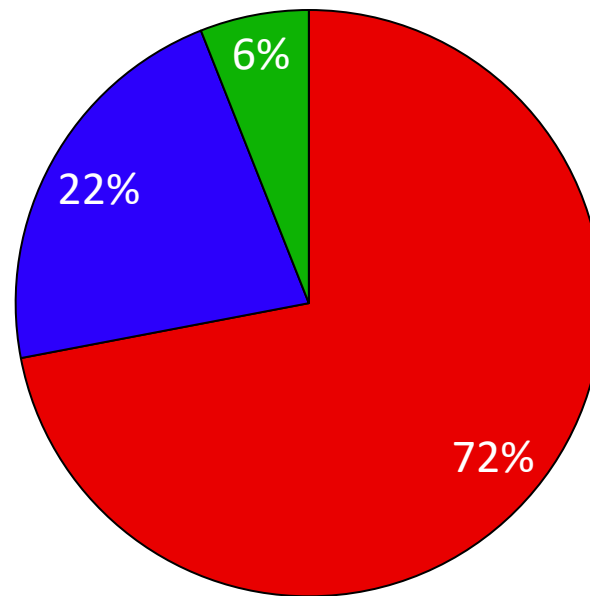




# Manufacturer's View of Service Center Selling Prices

**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

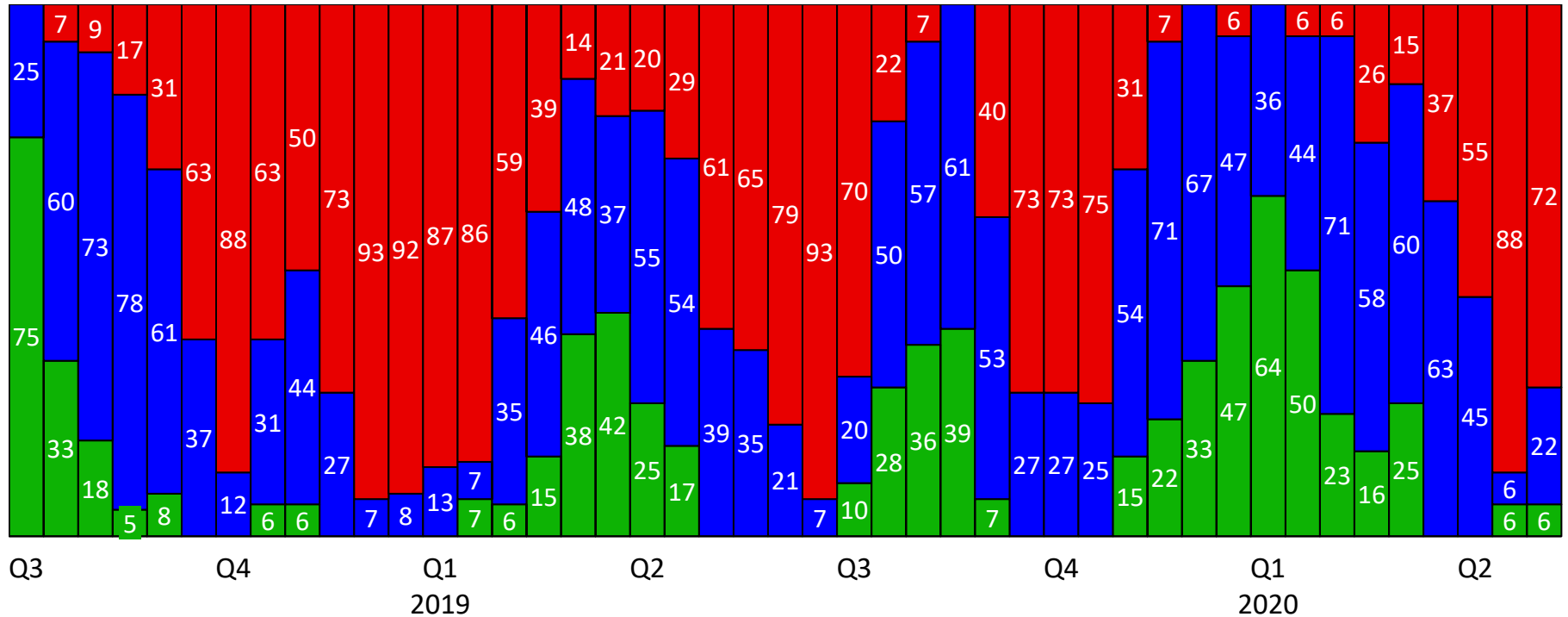


# Manufacturer's View of Service Center Selling Prices History

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

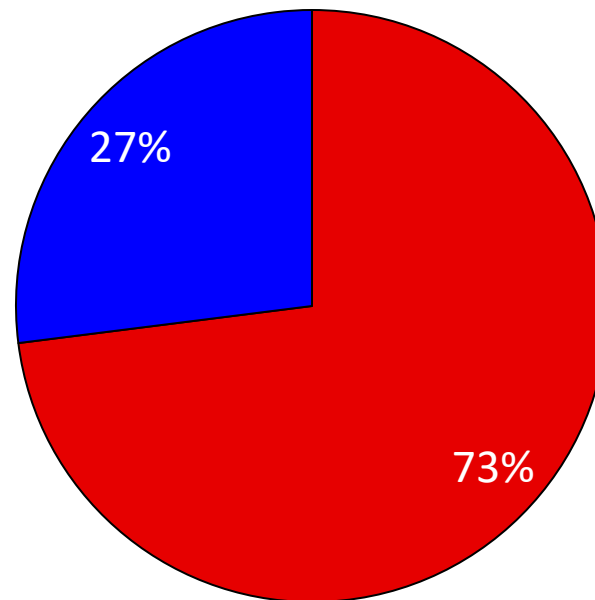
- We are seeing prices decreasing from our service centers
- We are seeing prices stable from our service centers
- We are seeing prices rising from our service centers

out of 100%

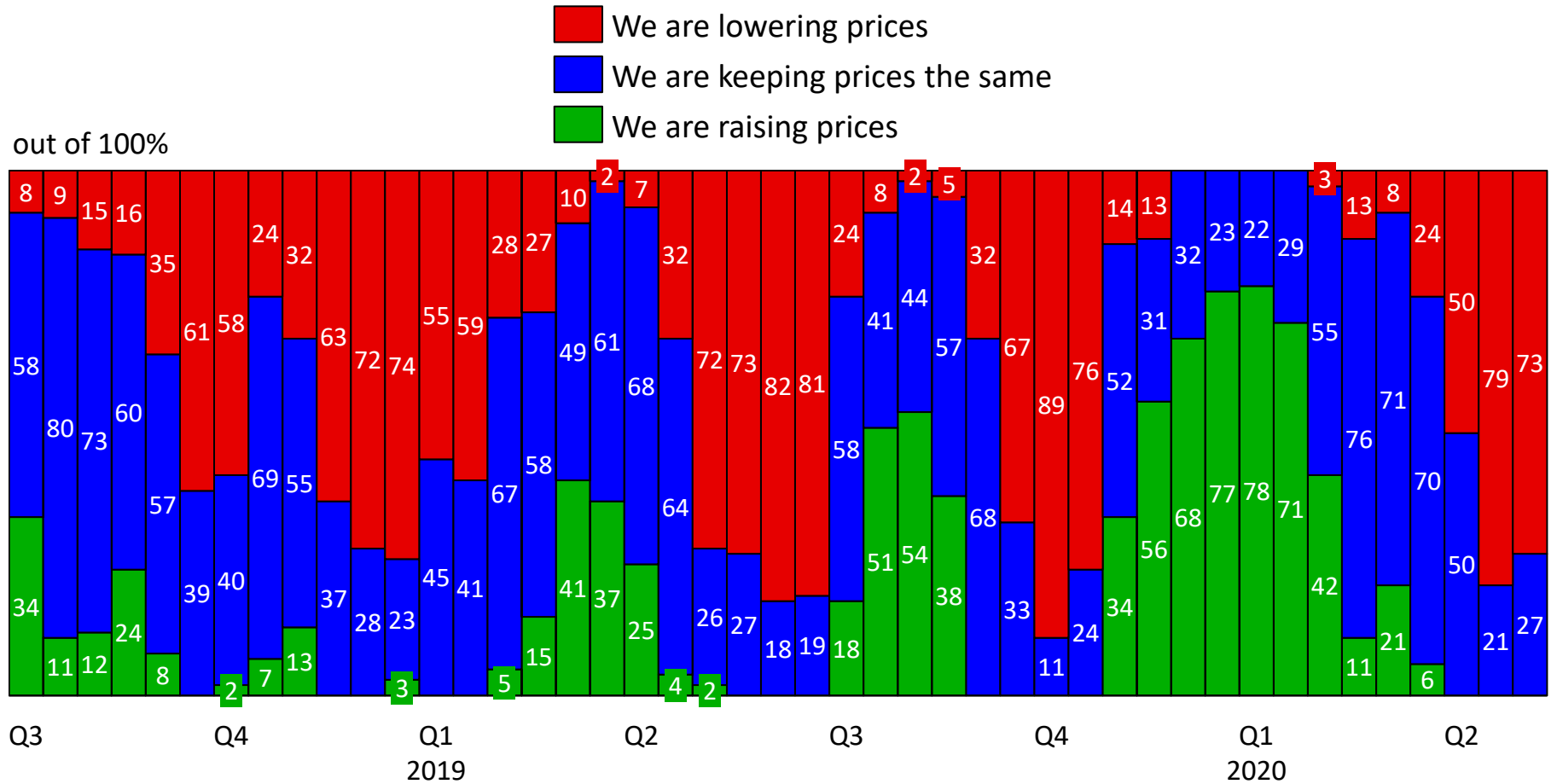


**Service Centers-** Compared to two weeks ago, how is your company handling spot pricing to your customers at this time?

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



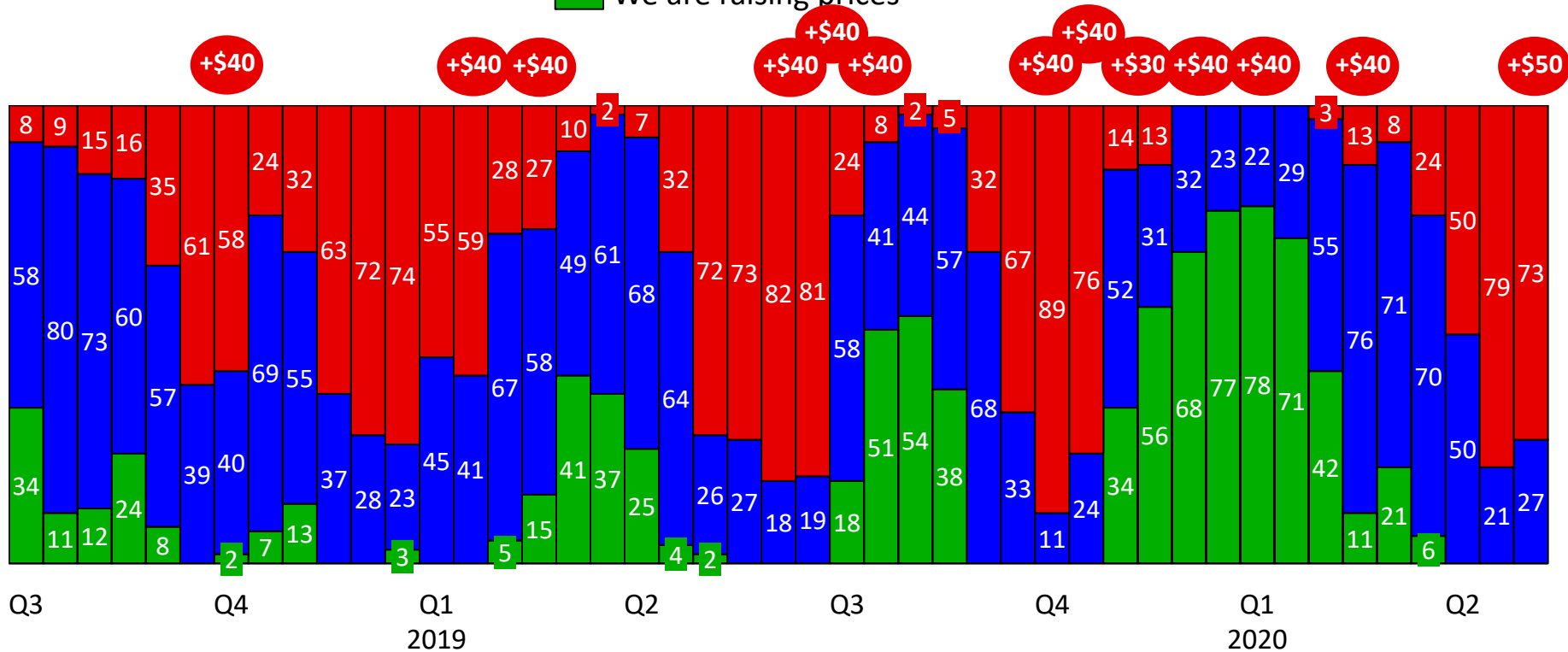
**Service Centers-** Compared to two weeks ago, how is your company handling spot pricing to your customers at this time?



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## Historical Nucor Price Increase Announcements

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

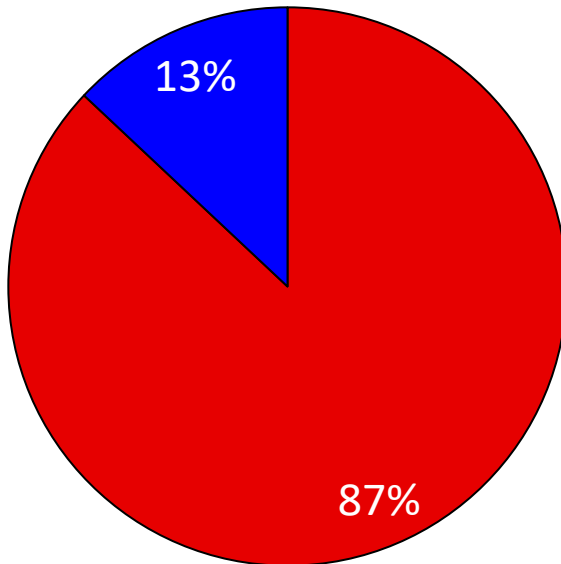


# Passing Along Higher Prices

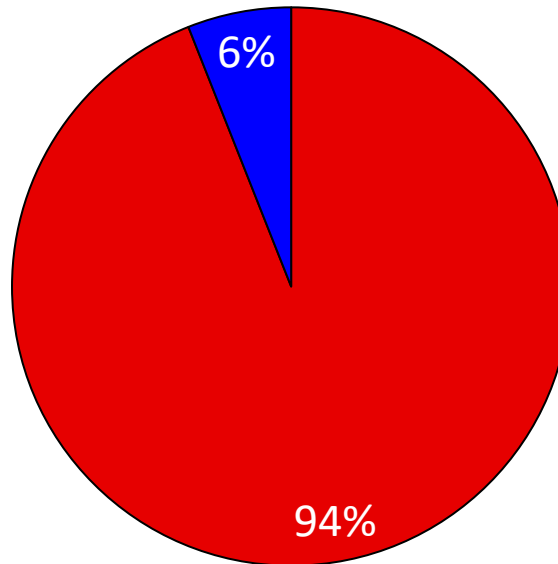
**Service Centers-** Are you having any difficulties in passing along the new higher prices to your customers?

Yes No

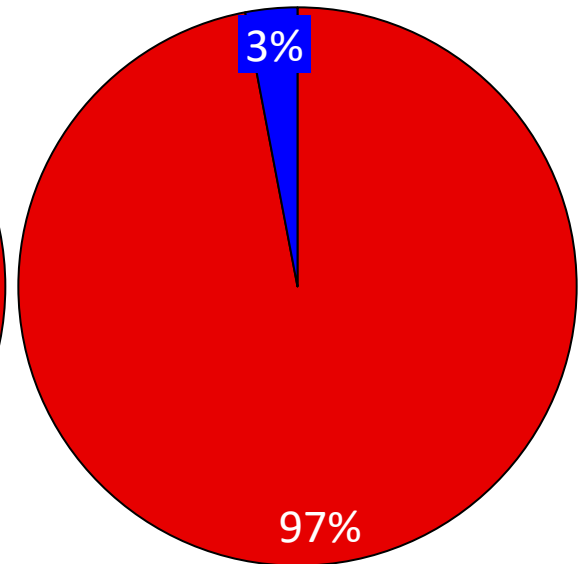
February 7, 2020






March 20, 2020

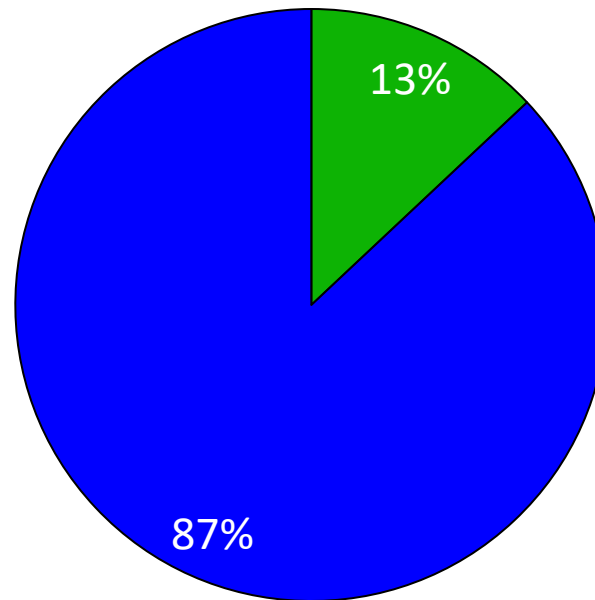


May 1, 2020



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

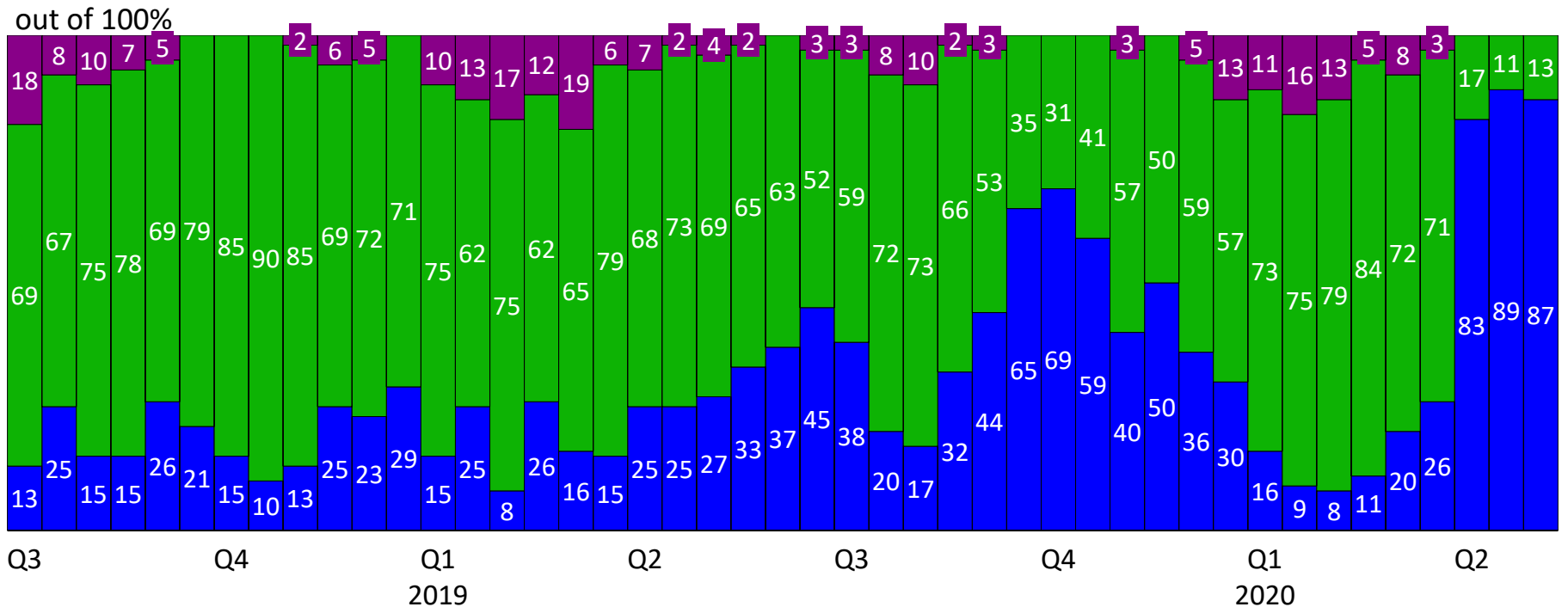
-  Our manufacturing customers are increasing orders
-  Our manufacturing customers are maintaining their orders
-  Our manufacturing customers are reducing their orders



# 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

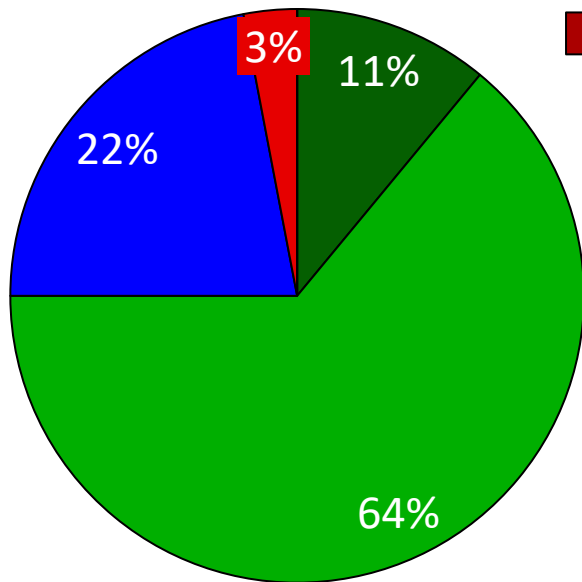




# Mill Lead Times

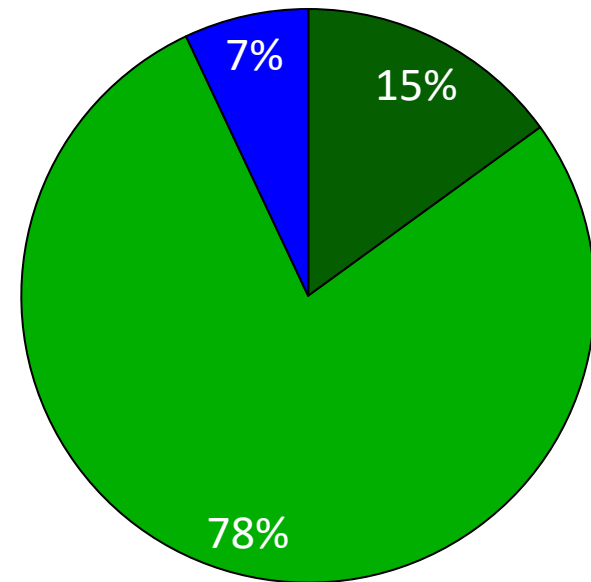
How would you describe domestic mill lead times for new orders placed right now?

## Manufacturers



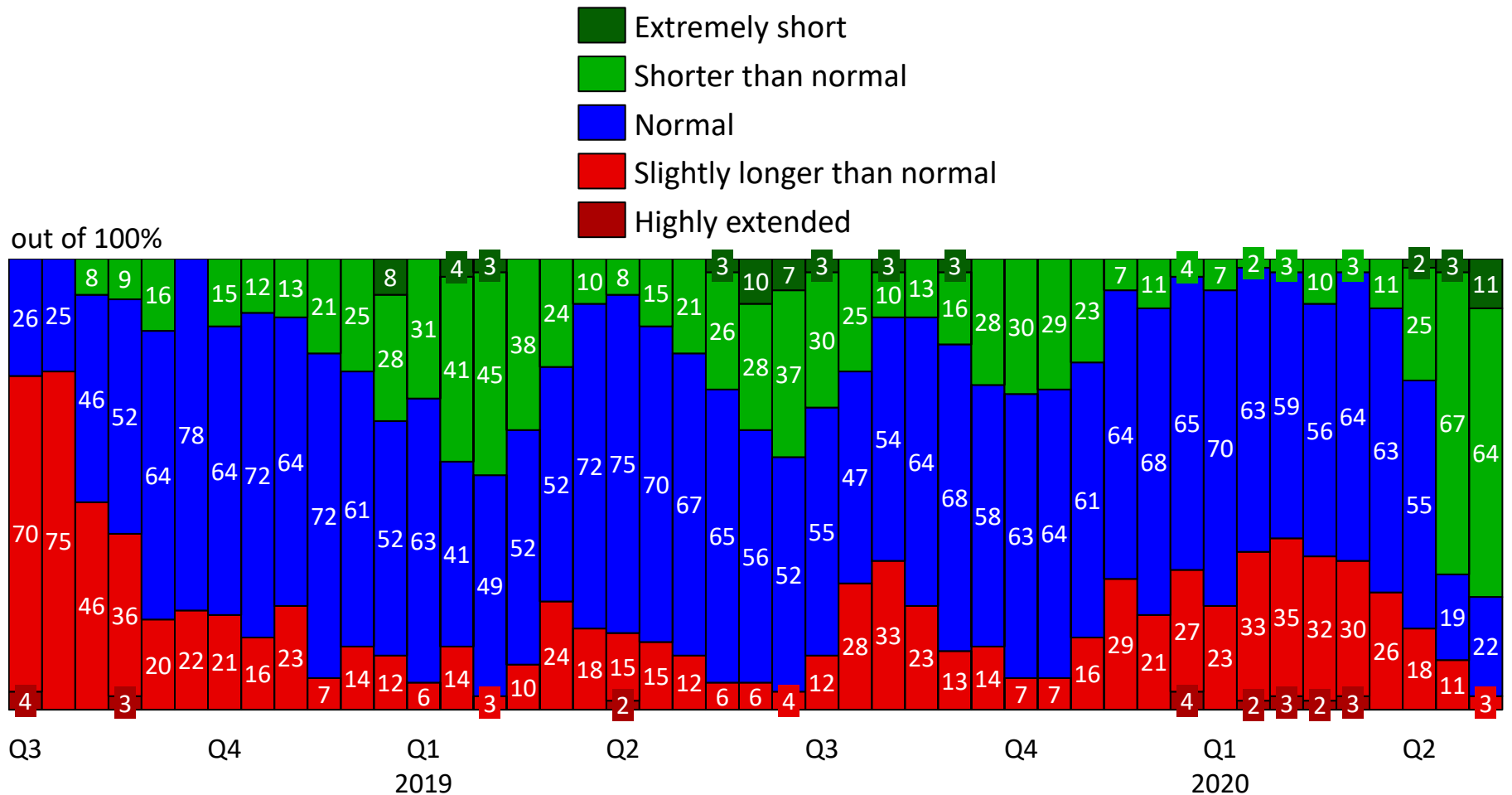
- Extremely short
- Shorter than normal
- Normal
- Slightly longer than normal
- Highly extended

## Service Centers



# Mill Lead Times History

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

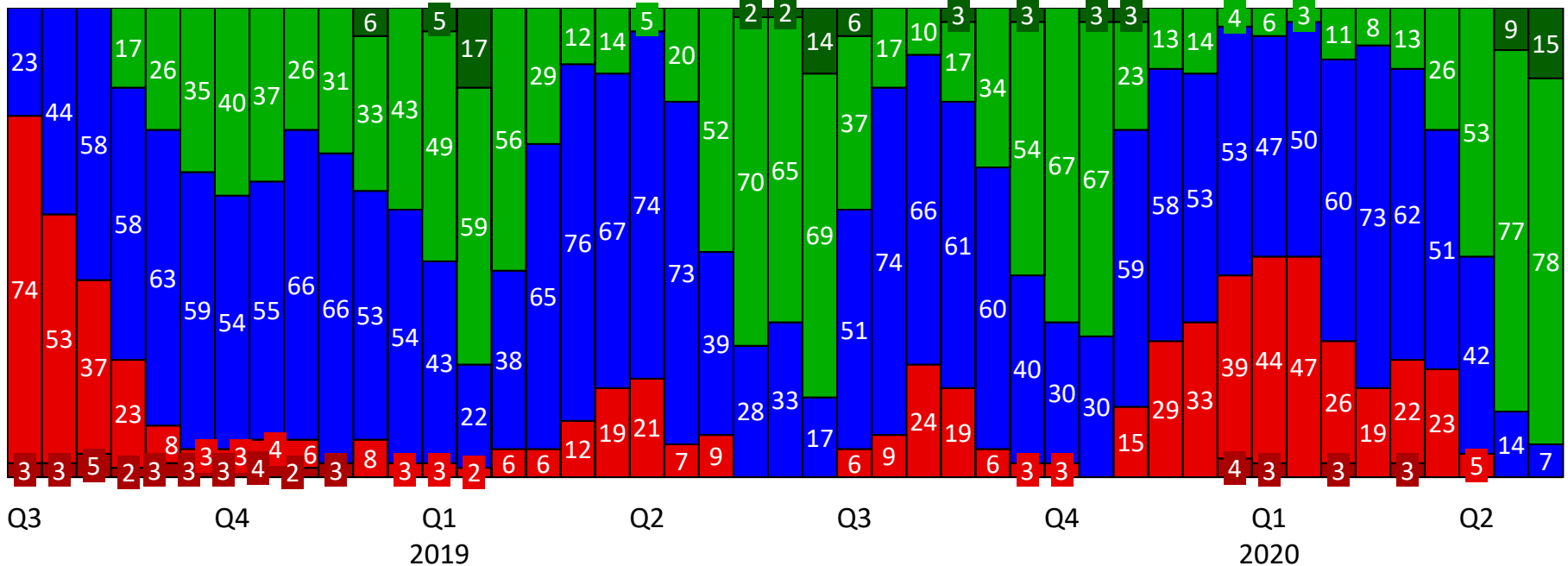


# Mill Lead Times History

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

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

out of 100%

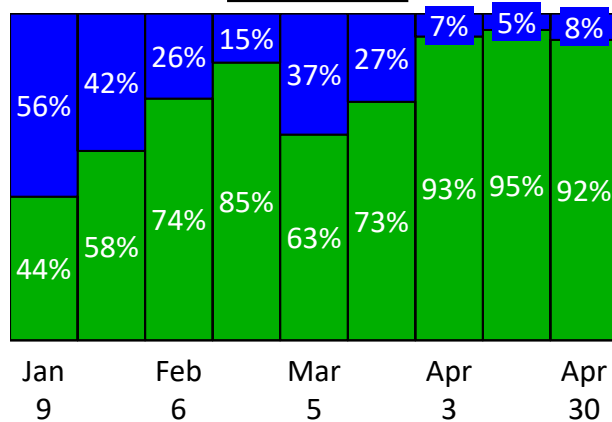


# Mill Negotiations

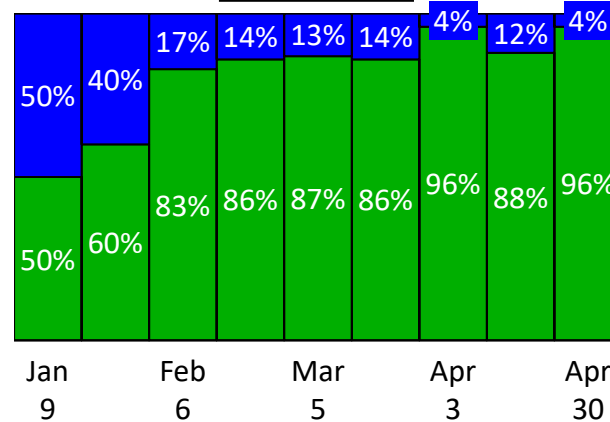
Are you finding the domestic mills are willing to negotiate pricing on brand new orders placed this week?

Yes No

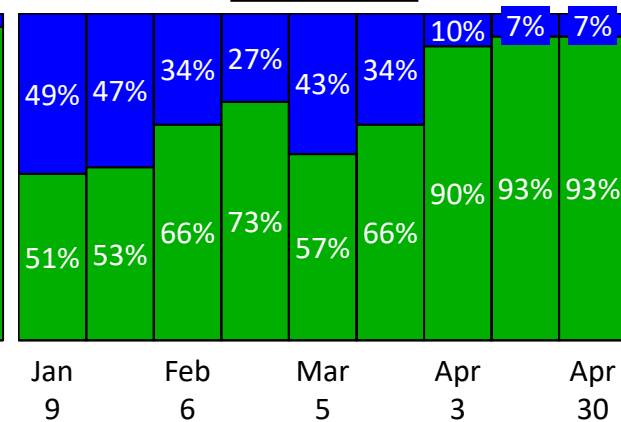
Hot Rolled



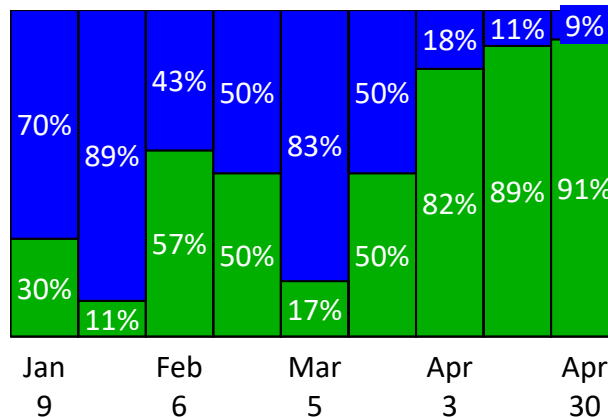
Cold Rolled



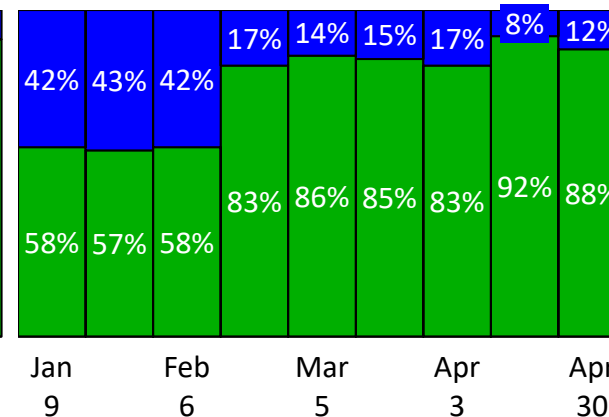
Galvanized



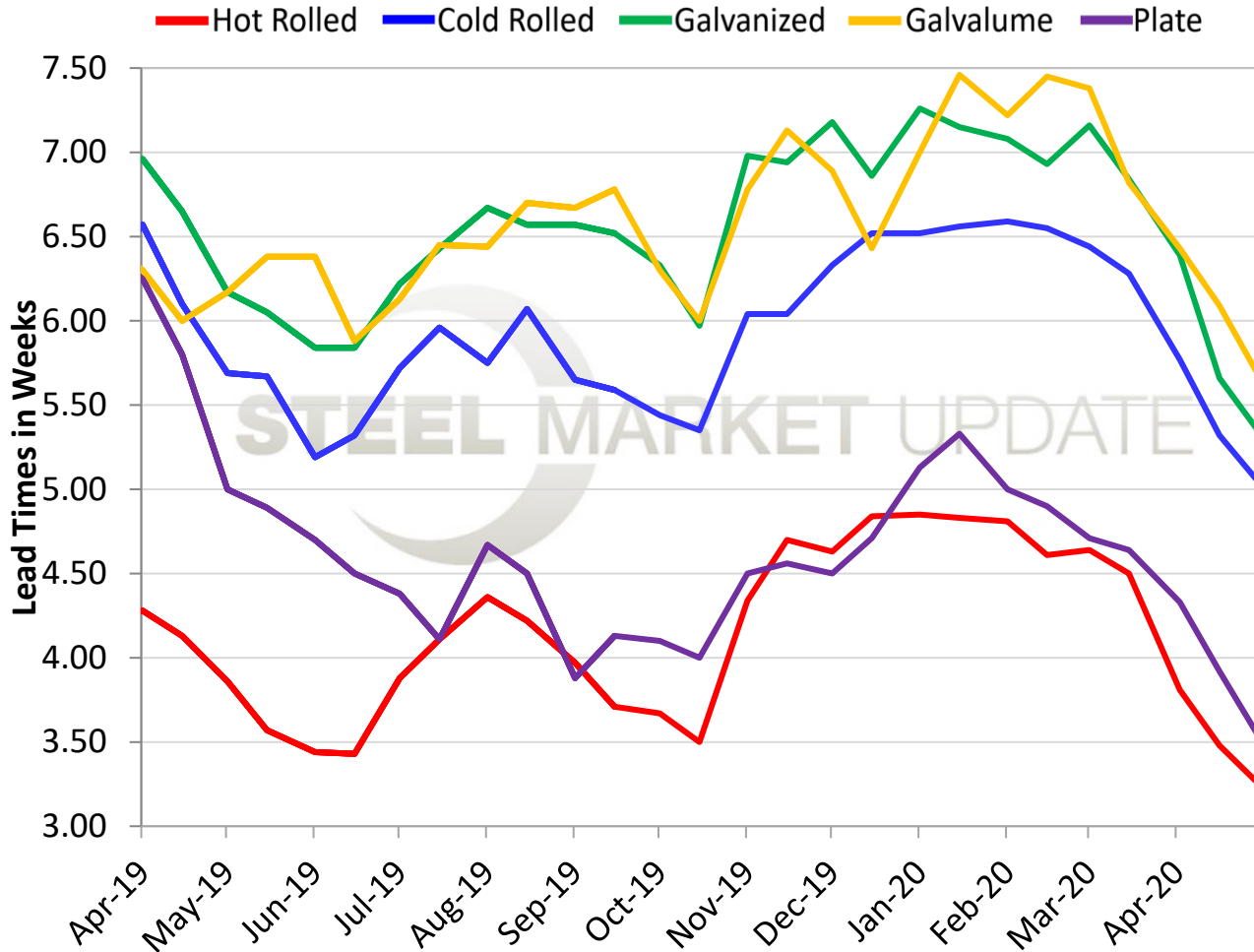
Galvalume



Plate



# Mill Lead Times



## Lead Times in Weeks

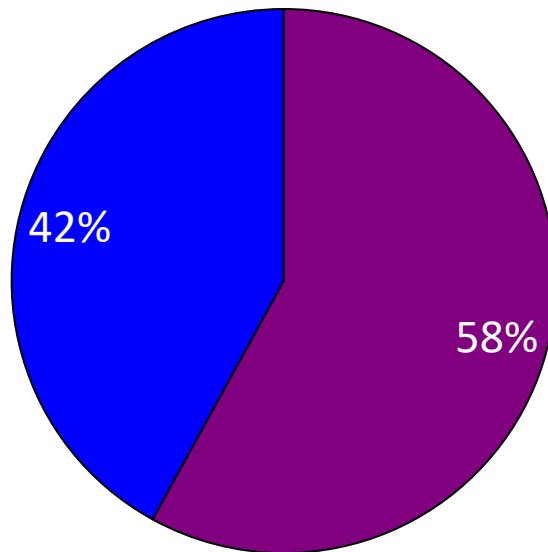
**Galvalume: 5.67**  
**Galvanized: 5.34**  
**Cold Rolled: 5.04**

**Plate: 3.53**  
**Hot Rolled: 3.25**

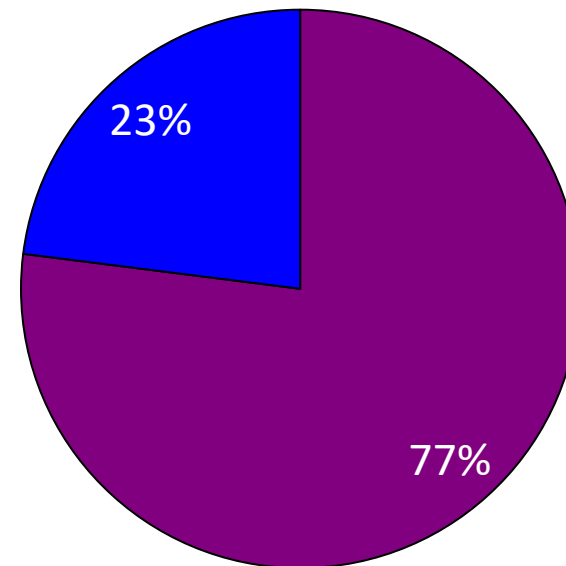
Does your company buy foreign steel?

■ Yes ■ No

## Manufacturers



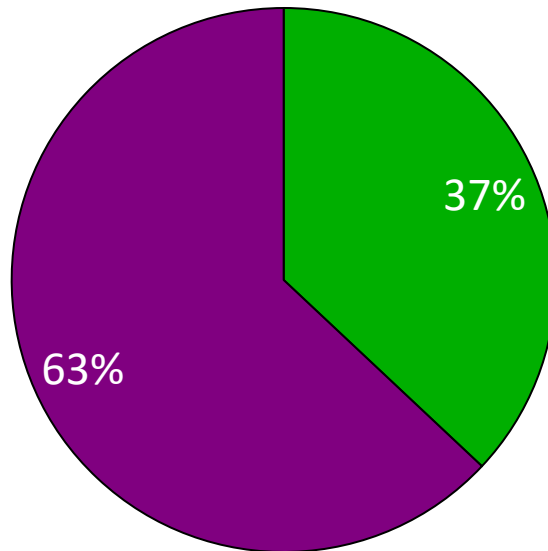
## Service Centers



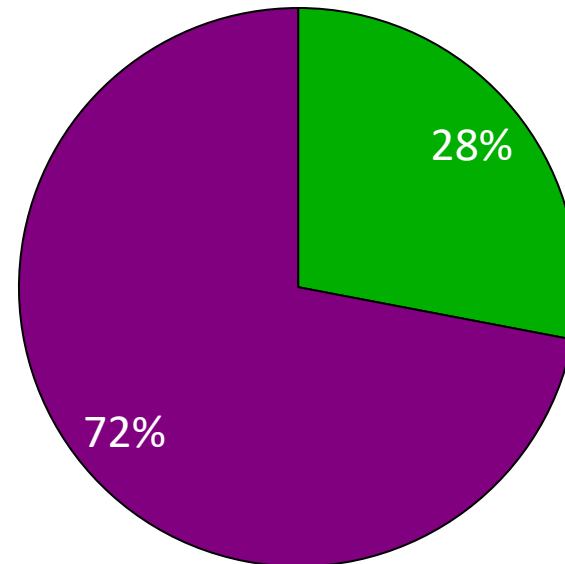
Are your foreign steel suppliers quoting you competitive prices for new orders for future delivery?

Yes No

## Manufacturers



## Service Centers

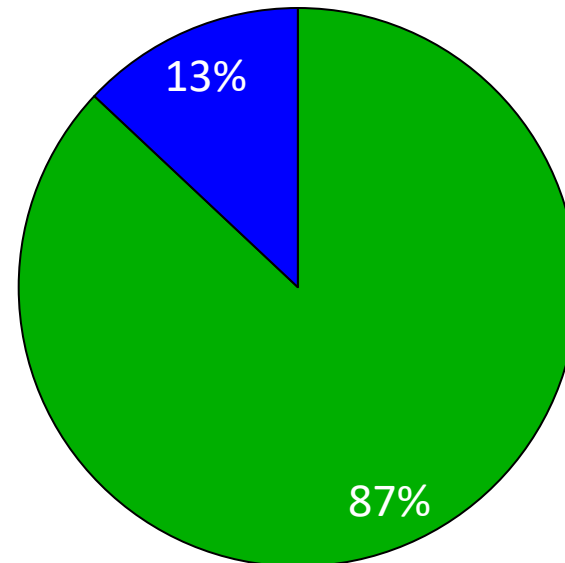
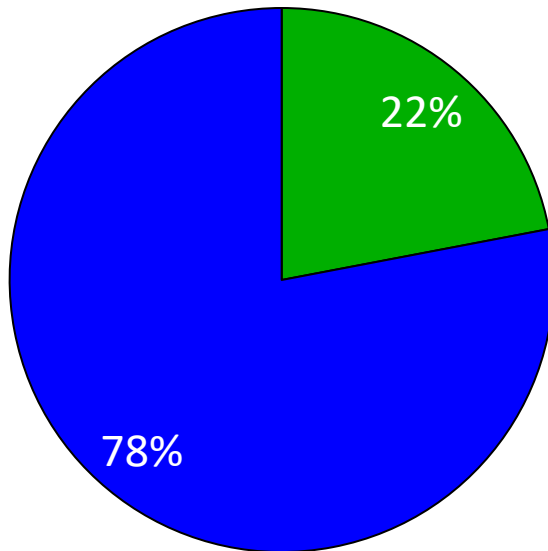


# Foreign Steel

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

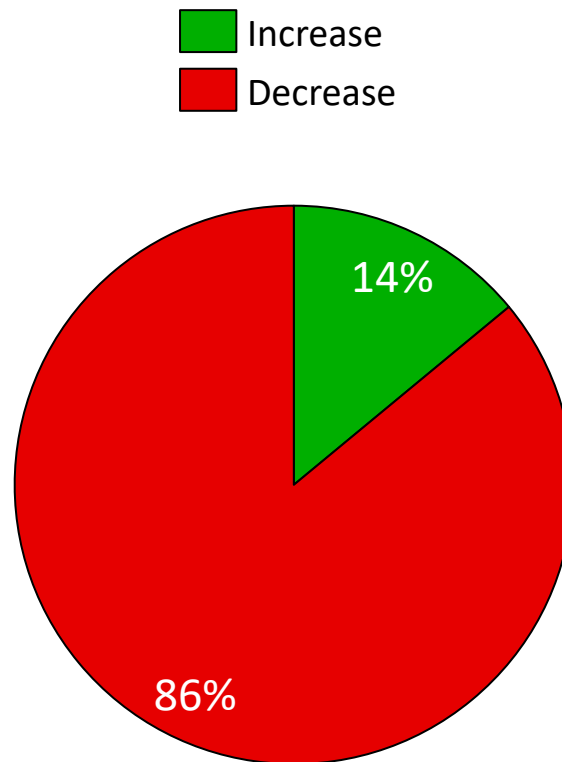
**Service Centers-** Are you decreasing the percentage of foreign steel on your order book?

 Yes  No



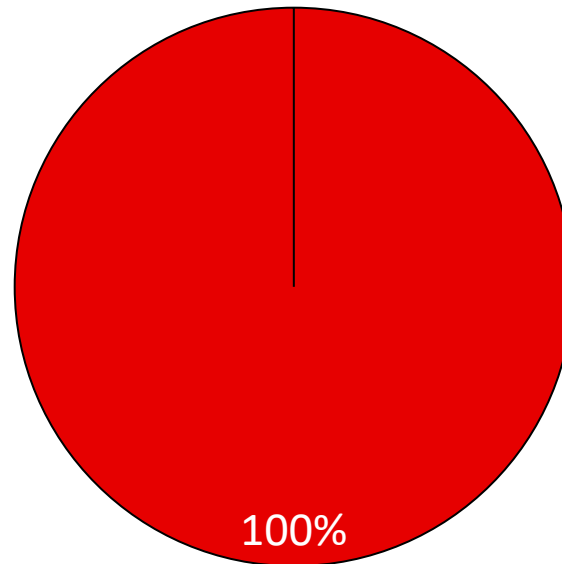


At this time, are you seeing an increase or decrease in orders from your North American buyers?



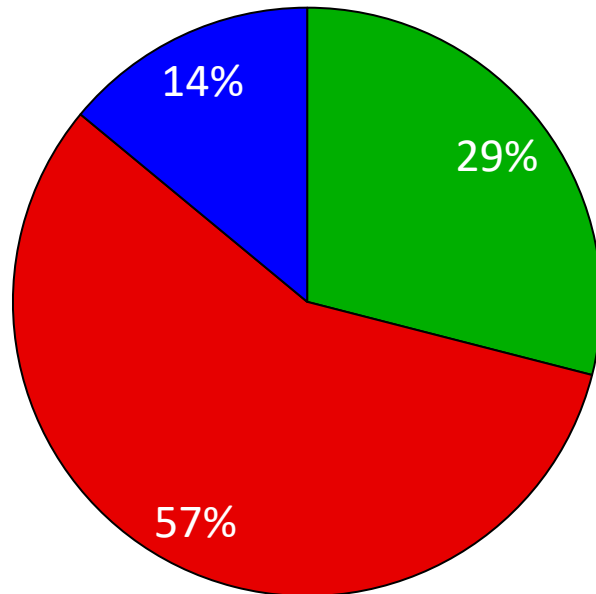
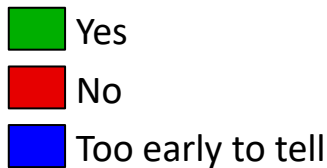
With prices increasing out of the domestic steel mills are foreign products now becoming more attractive to U.S. steel buyers?

Yes  
No

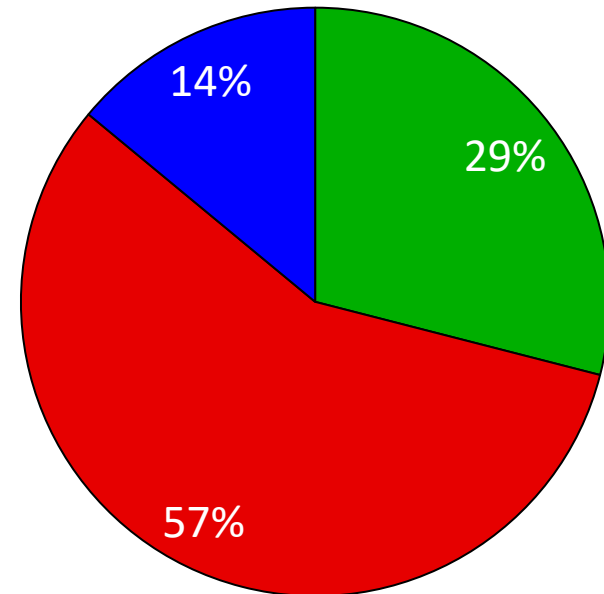
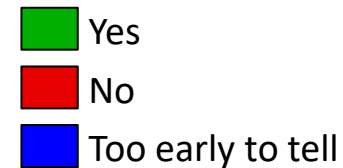


# Trading Companies

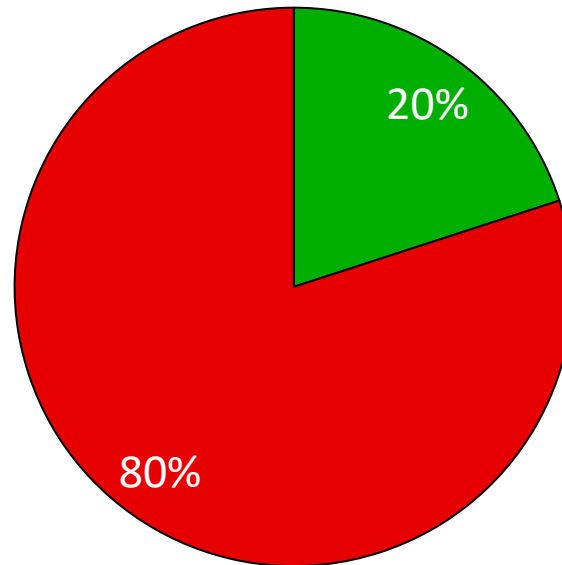
Are your galvanized prices competitive enough right now to get orders (including the new duties)?



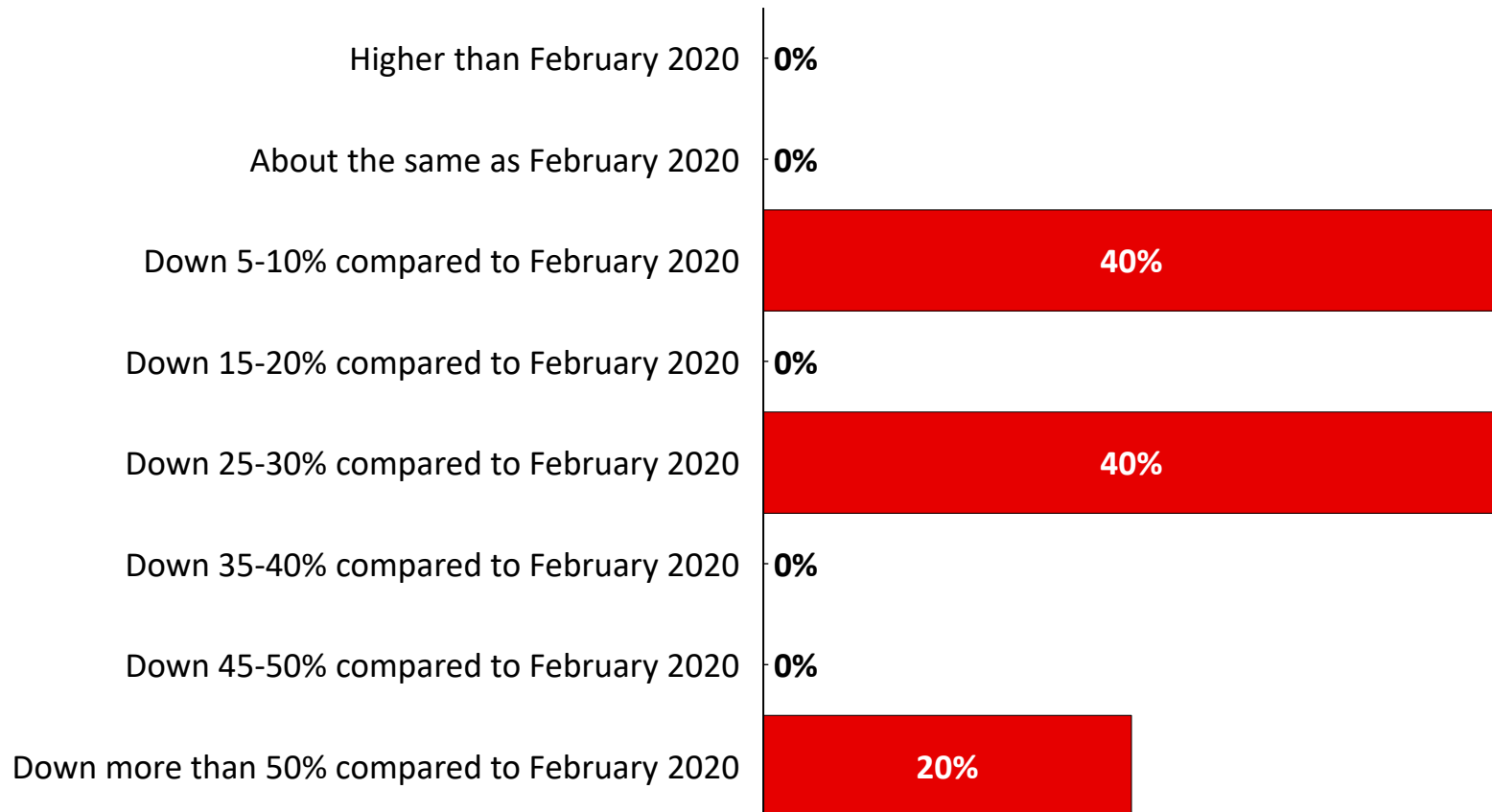
Are your Galvalume prices competitive enough right now to get orders (including the new duties)?



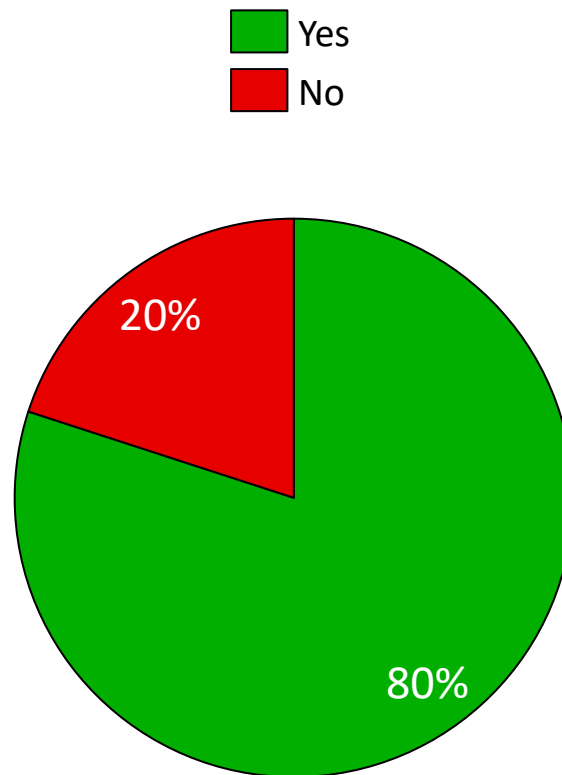
Are you able to offer plate pricing that is attractive to buyers right now?



Current order book at your mill is \_\_\_\_\_ compared to the month of February?

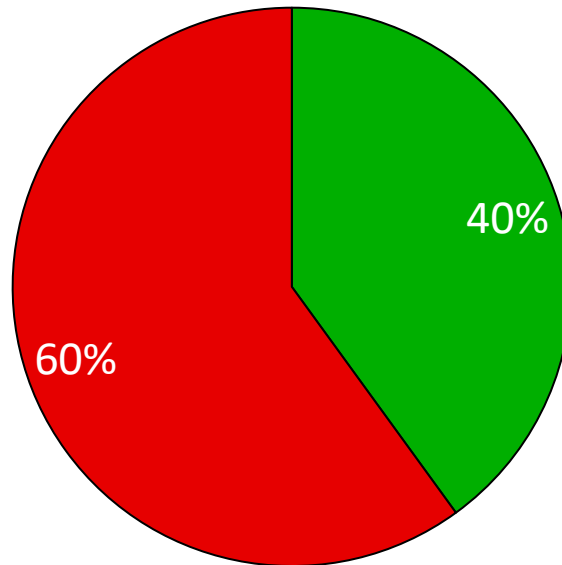


Do you think prices will stabilize by the end of May 2020?



Are you seeing order cancellations, or a large amount of order "push-outs" coming from your customers?

Yes  
No



# 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  
**May 11, 2020**



# STEEL MARKET UPDATE

part of the  Group

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