

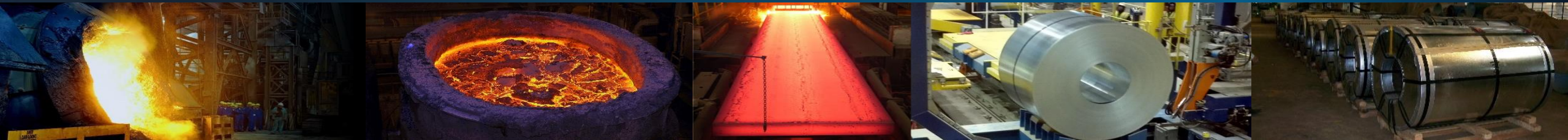


# STEEL MARKET UPDATE

part of the  Group

## SMU Flat Rolled Market Trends Analysis

Responses from our June 20-22, 2022 Market Survey





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](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.

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

To become a data provider, contact [Brett@SteelMarketUpdate.com](mailto:Brett@SteelMarketUpdate.com)



# Upcoming Events

Date	Event	Status	Venue
<b>July 19-20</b>	SMU Steel 101 Workshop	<b>Virtual</b>	Online
<b>August 22-24</b>	SMU Steel Summit Conference	<b>Live</b>	Georgia International Convention Center, Atlanta, Georgia
<b>August 22-24</b>	SMU NexGen Leadership Award	<b><u>Link</u></b>	SMU Steel Summit Conference

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)



# **STEEL MARKET UPDATE**

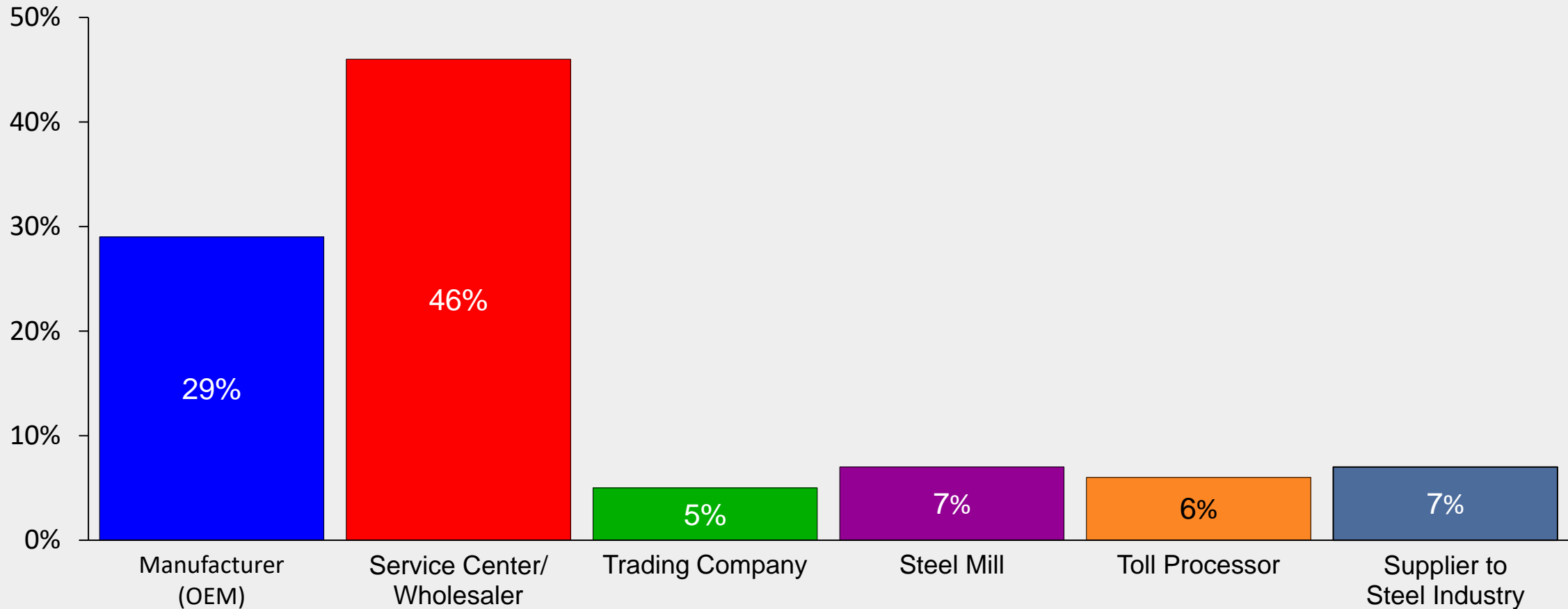
part of the  Group

**Don't just read our data, see your  
company's experience reflected in it.**

**Contact [Brett@SteelMarketUpdate.com](mailto:Brett@SteelMarketUpdate.com)  
for participation information.**

# Survey Participants

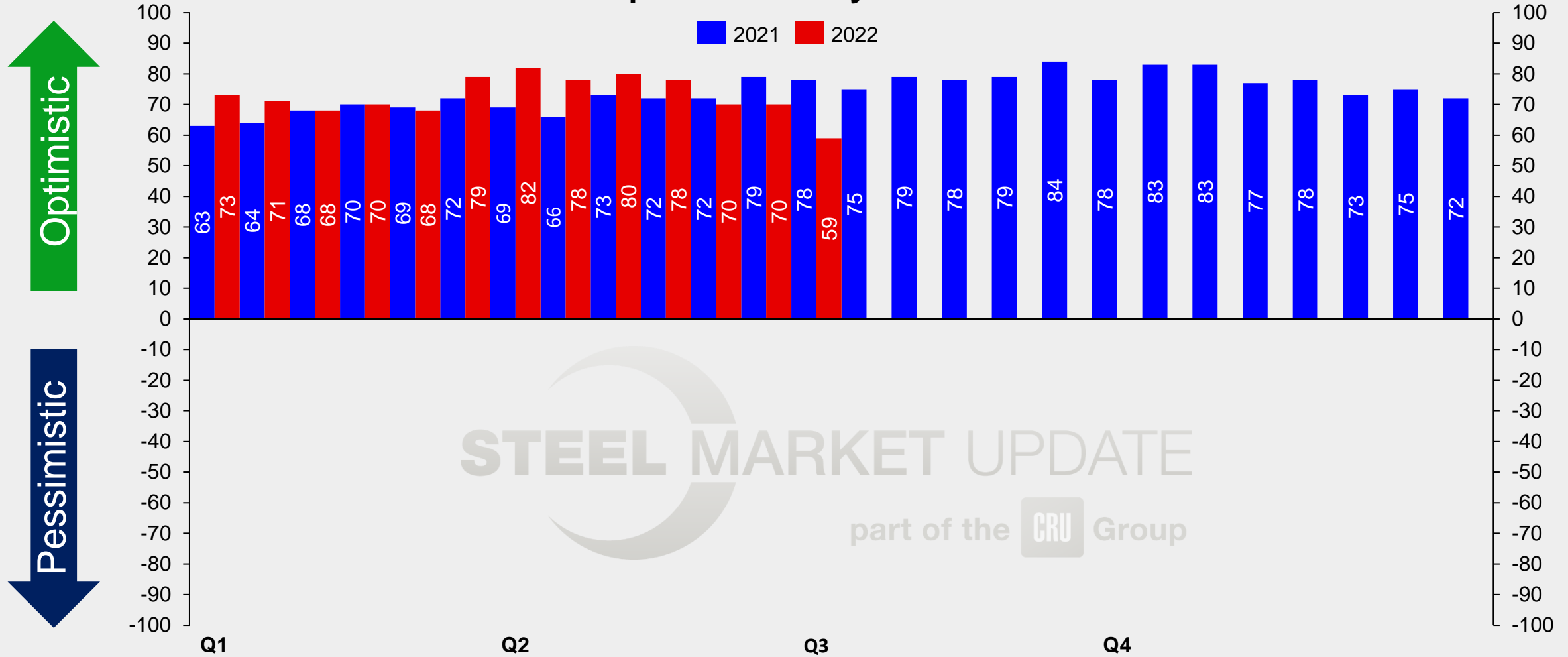
Our survey is by invitation only- Over 600 companies, mostly in the manufacturing or distribution industries, are asked to participate. Here are the percentages of participation in this week's survey by market sector.



# SMU Steel Buyers Sentiment Index

Down 11 points to +59

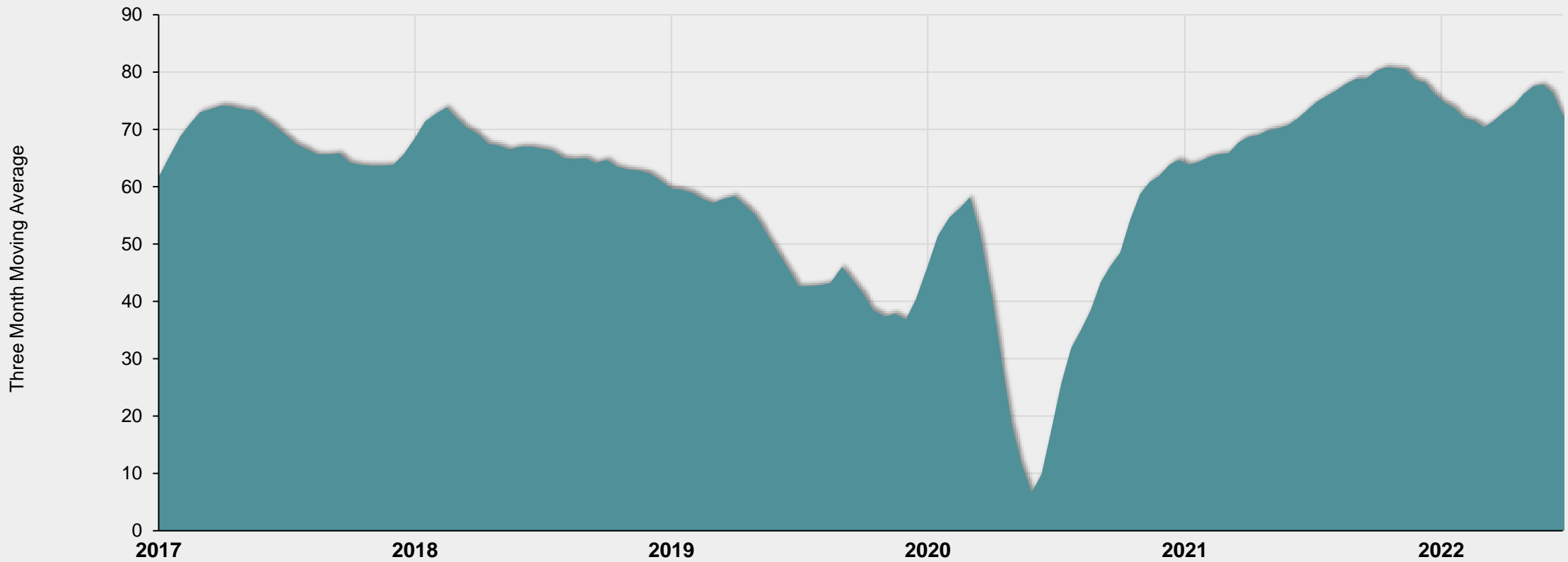
## Steel Market Update Steel Buyers Sentiment Index



# SMU Steel Buyers Sentiment Index 3MMA

Three Month Moving Average at +72.50

**SMU Steel Buyers Sentiment Index**  
3MMA - January 2017 through June 23, 2022

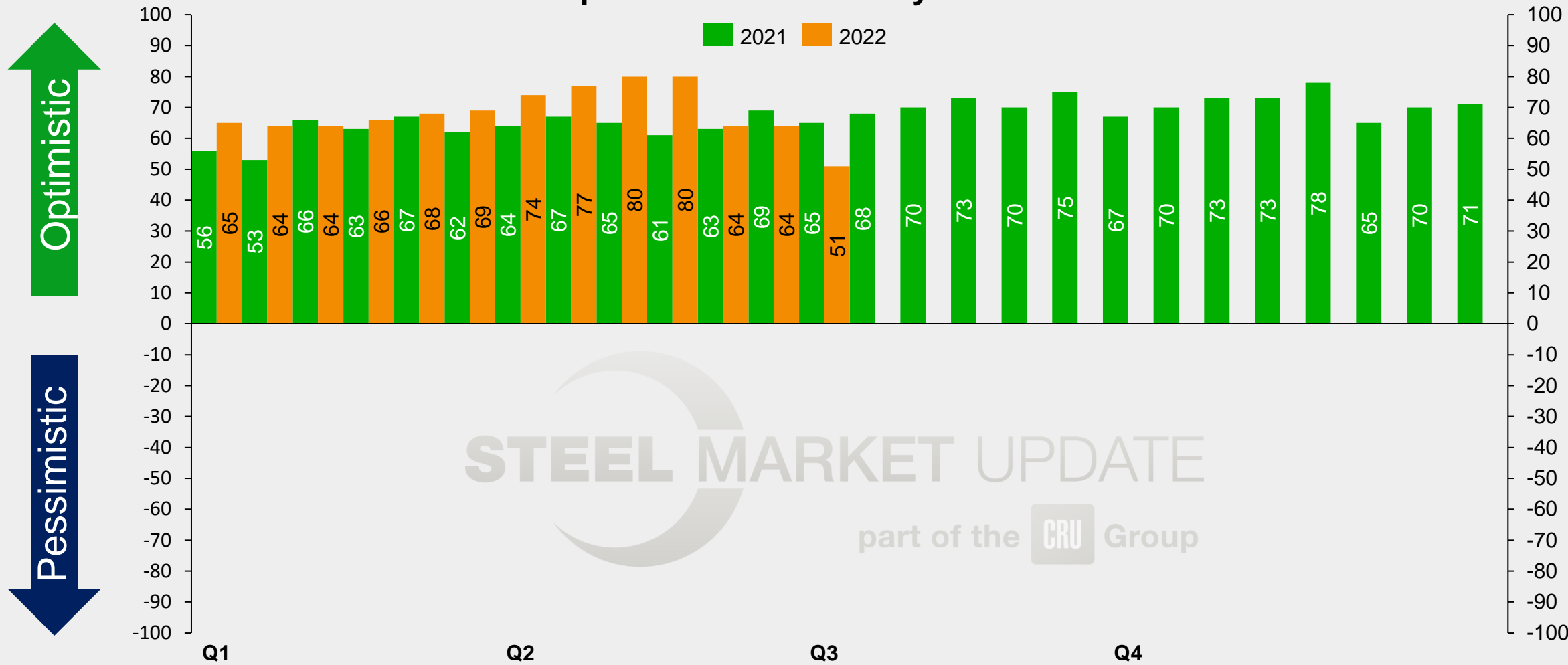




# SMU Steel Buyers Future Sentiment Index

Down 13 points to +51

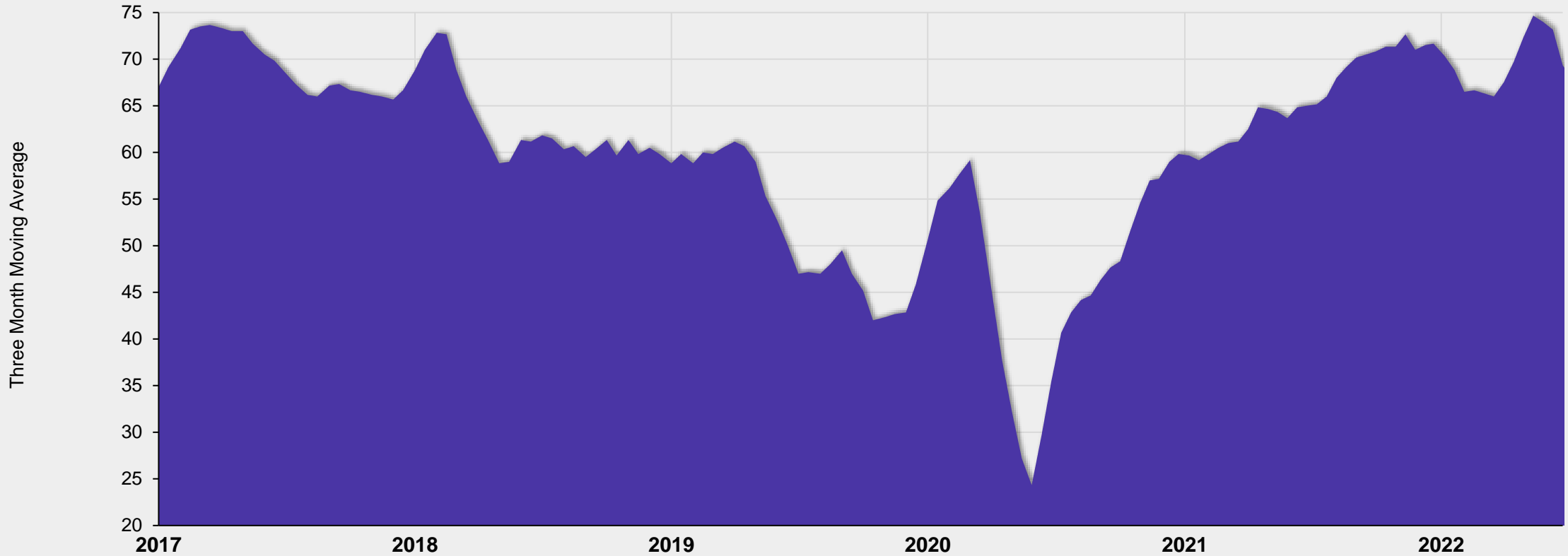
## Steel Market Update Future Steel Buyers Sentiment Index



# SMU Steel Buyers Future Sentiment Index 3MMA

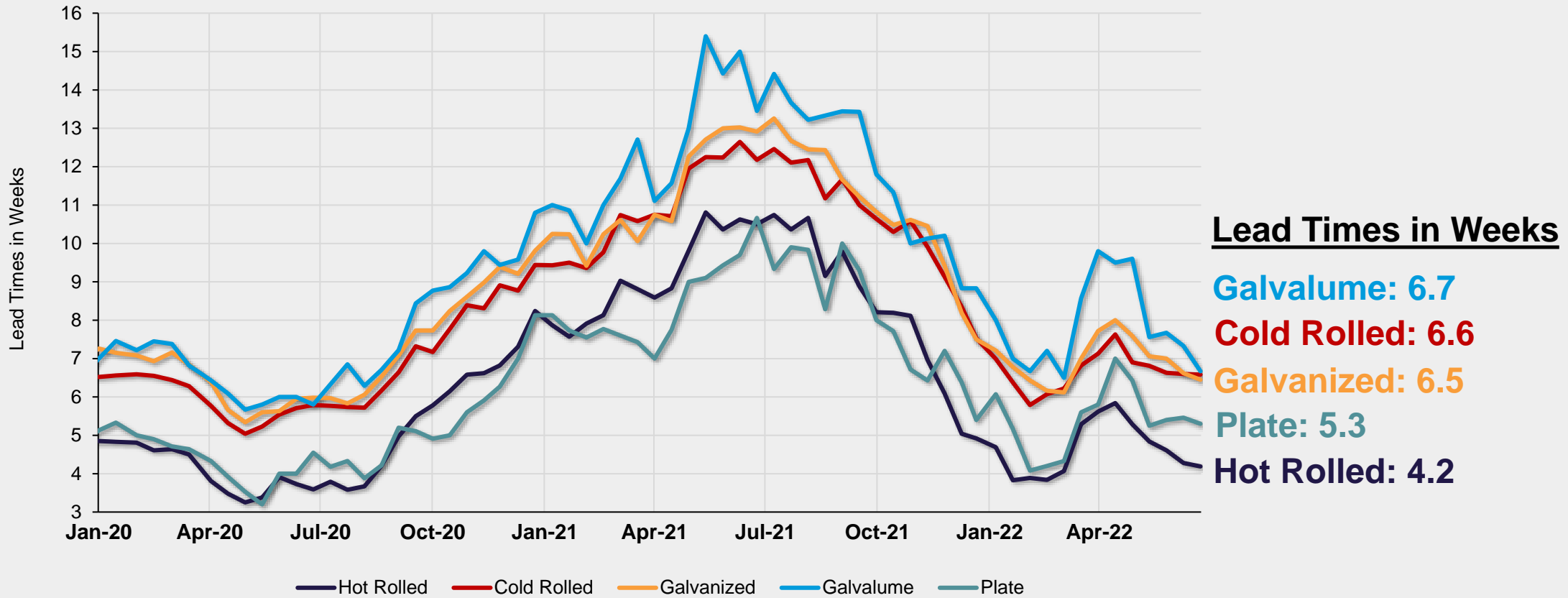
Three Month Moving Average at +69.33

**SMU Steel Buyers Future Sentiment Index**  
3MMA - January 2017 through June 23, 2022



# Steel Mill Lead Times by Product

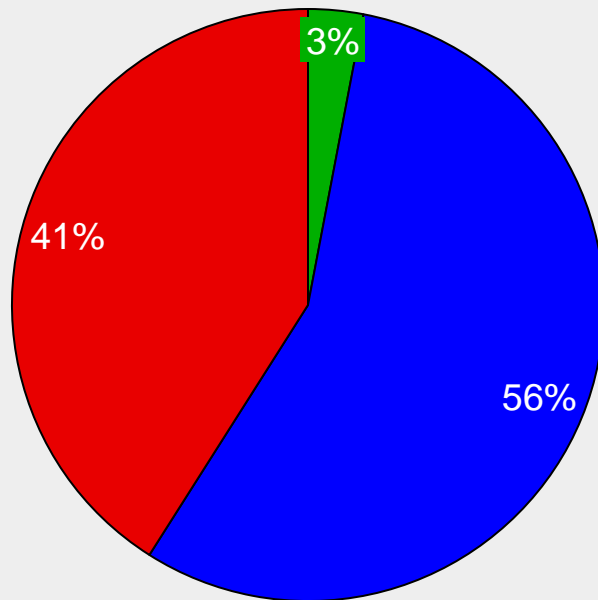
**SMU Lead Times Comparison**  
January 2020 through June 23, 2022



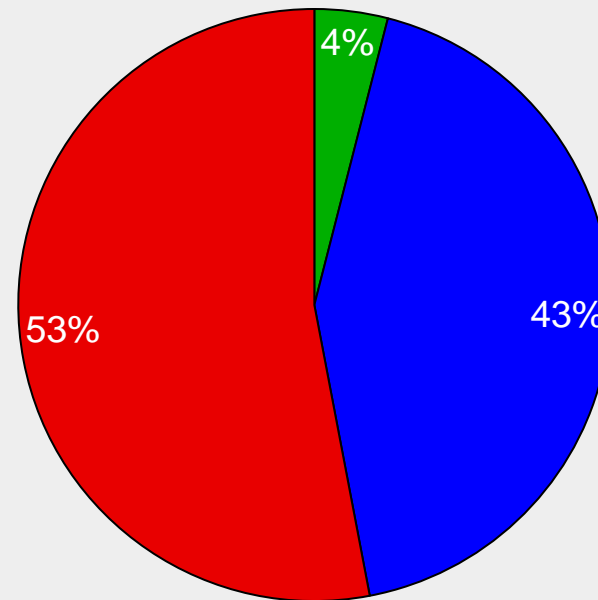
Which way are lead times going, and why?

- Lead times are extending
- Lead times are stable
- Lead times are slipping

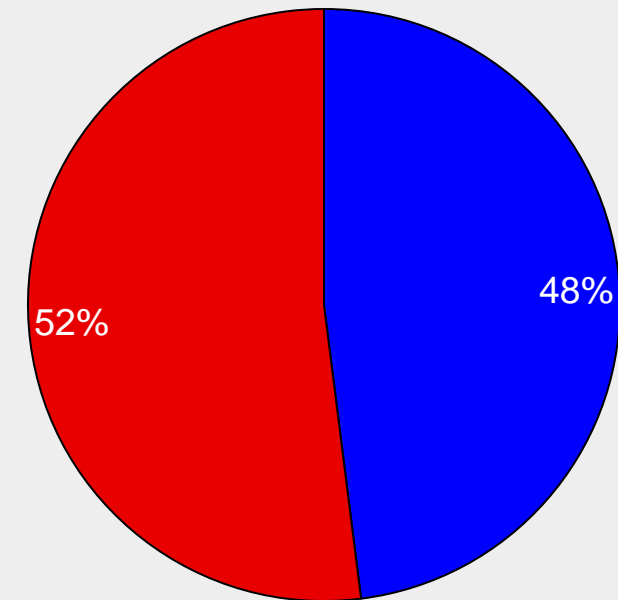
May 24, 2022



June 9, 2022

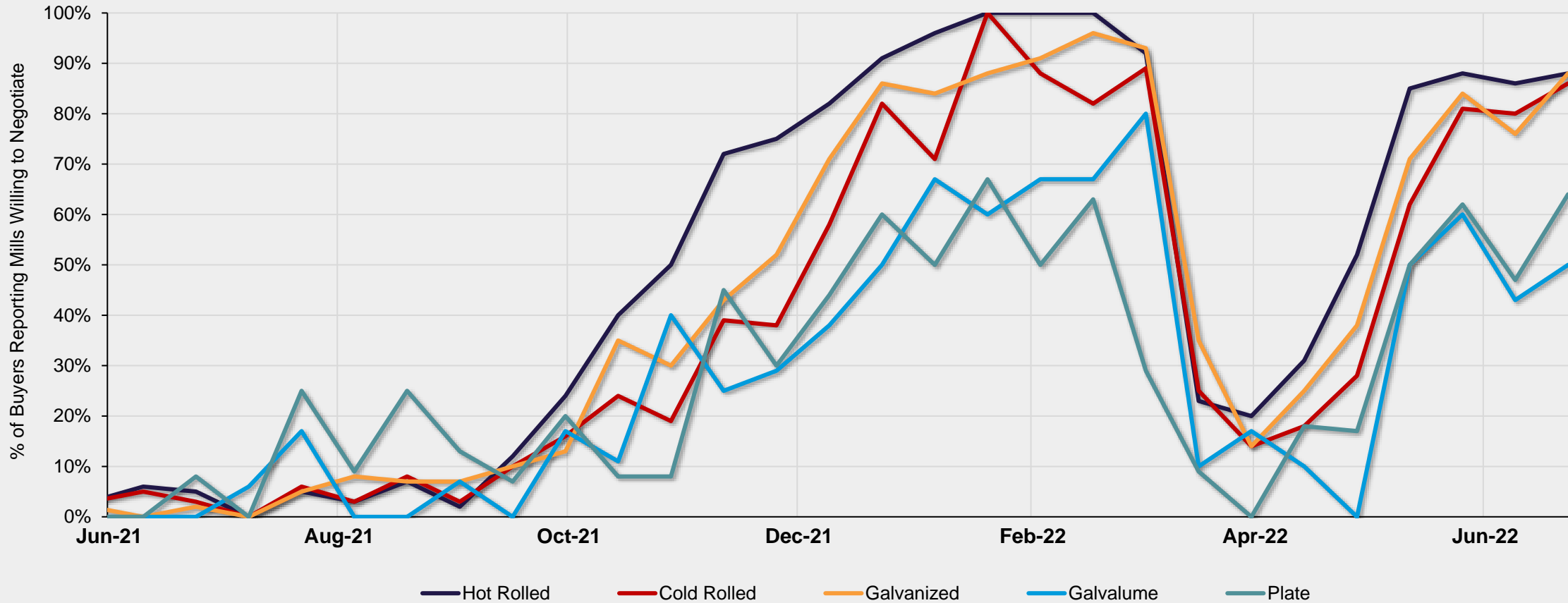


June 23, 2022



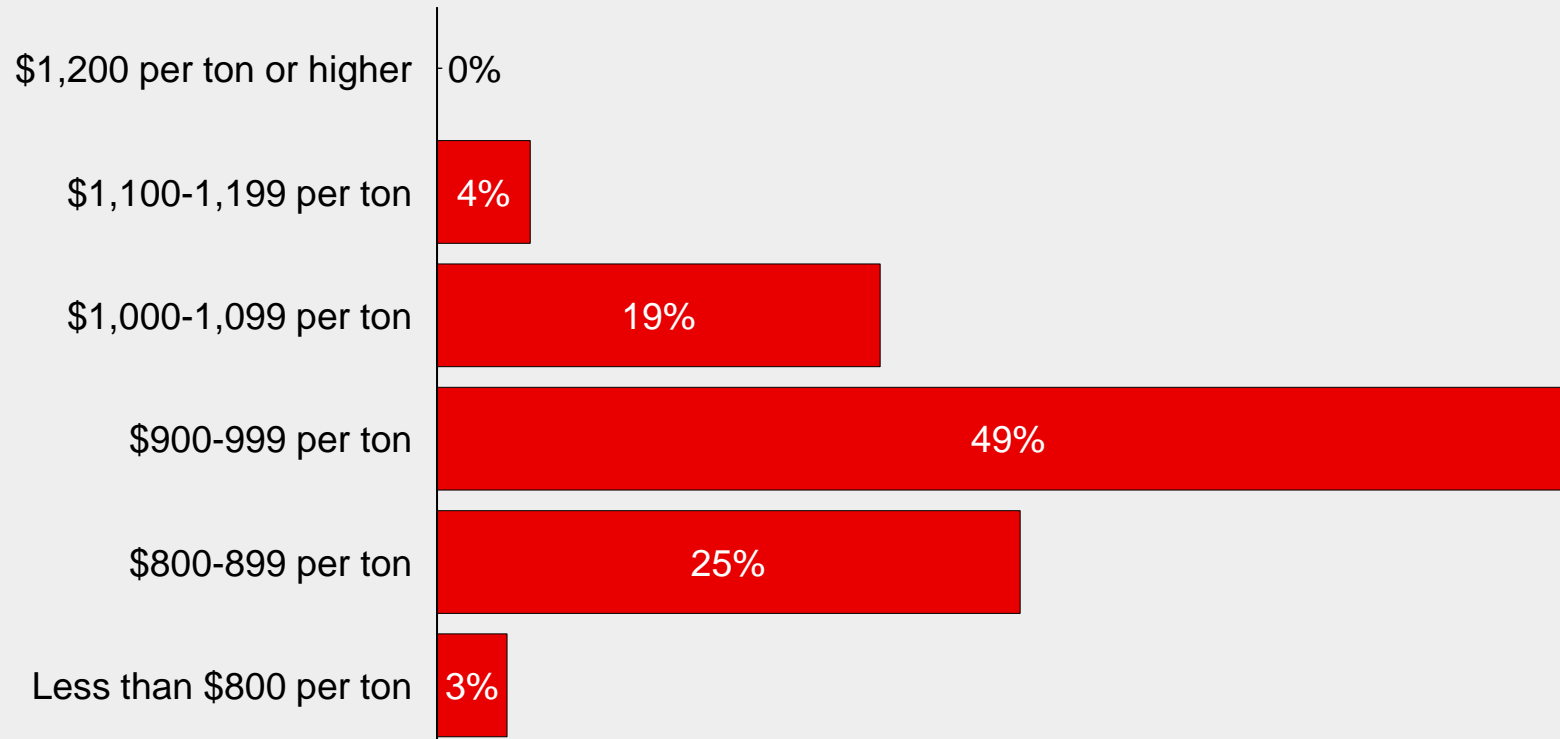
# Steel Mill Negotiations

**SMU Price Negotiations on New Steel Orders**  
June 2021 through June 23, 2022



# Future HRC Prices

Hot rolled coil prices averaged \$1,100\* per ton last week.  
Where do you think HRC prices will be two months from now?

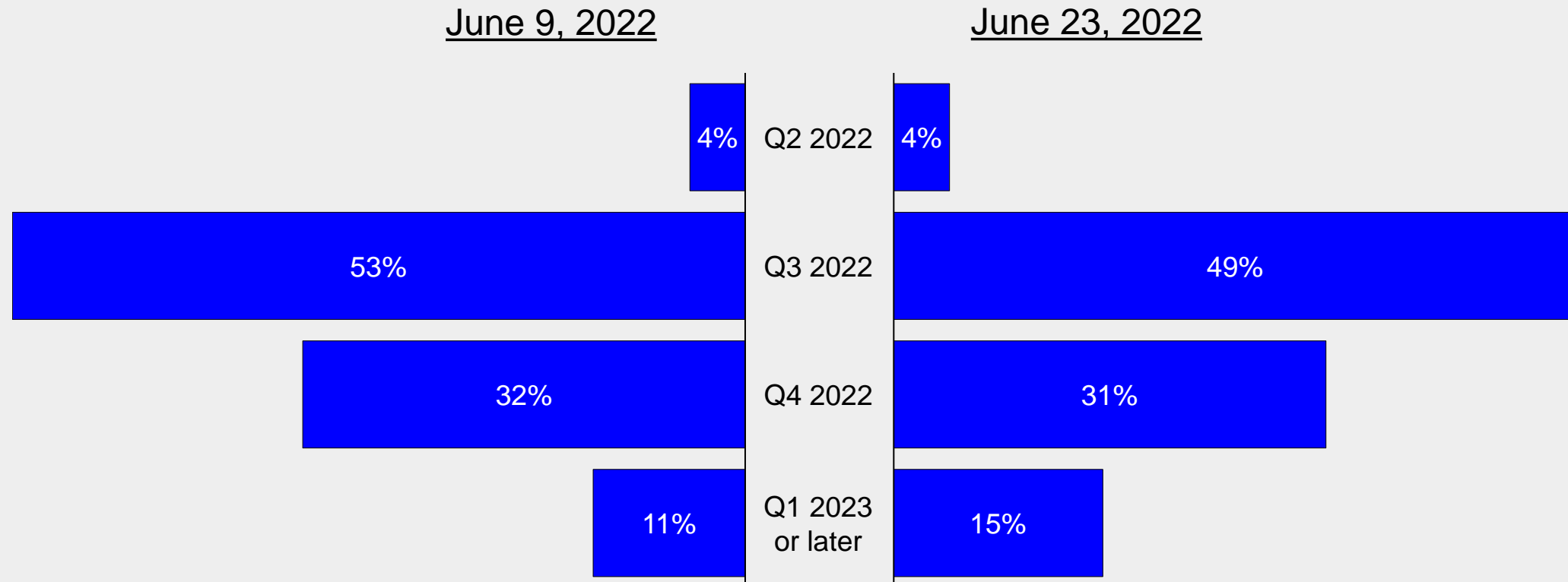


\* As of Monday, June 20, 2022; the latest SMU HR average is \$1,040 per ton



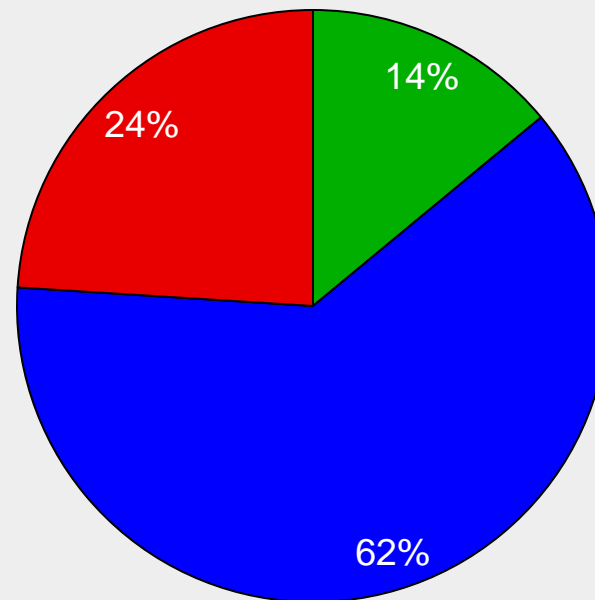
# HRC Price Inflection Point

When do you think HRC prices will bottom out and why?



How is your company performing in June compared to forecast?

- We expect to exceed our forecast
- We expect to met our forecast
- We expect to not meet our forecast

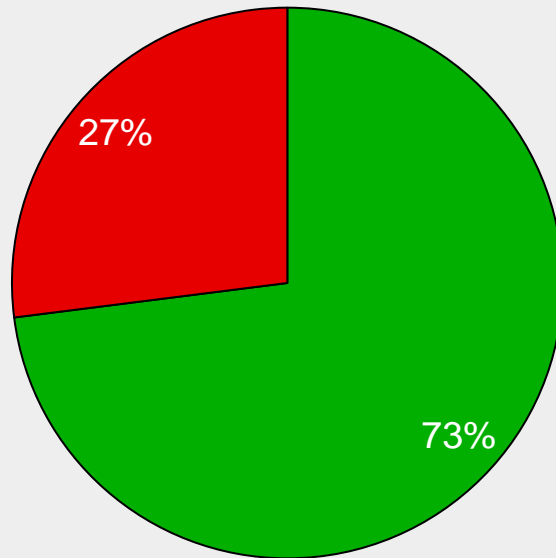


# Future Prospects

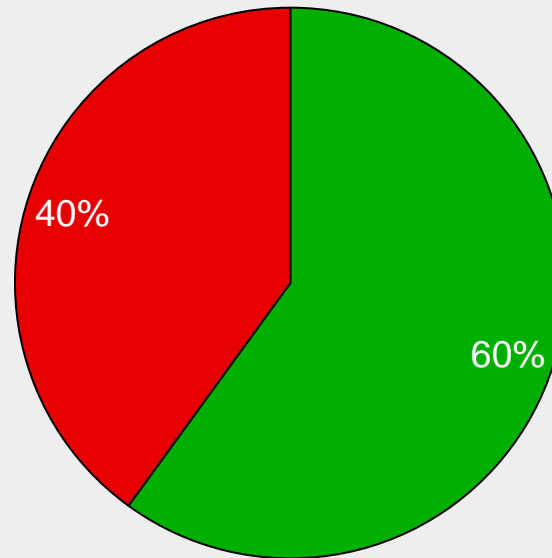
Would you describe yourself as optimistic or pessimistic about your prospects in the second half\* of 2022?

■ Optimistic ■ Pessimistic

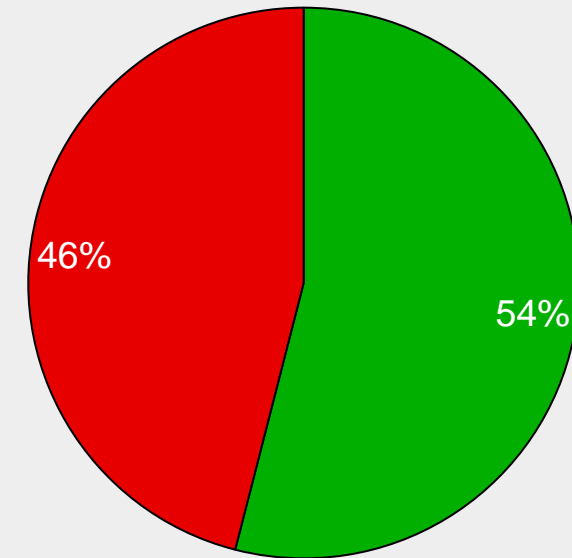
May 26, 2022



June 9, 2022



June 23, 2022



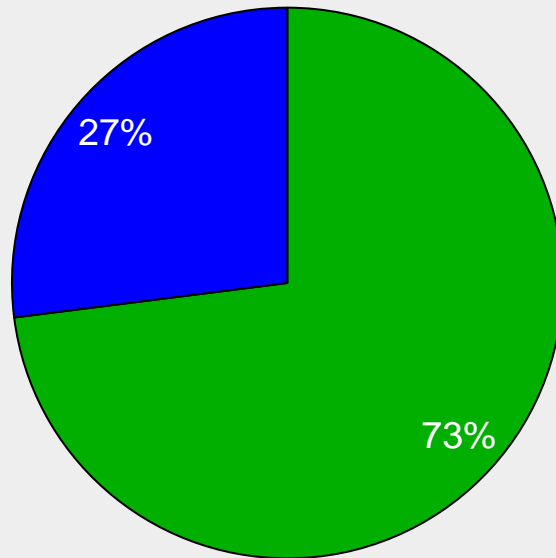
\* May survey participants were asked about their Q2 2022 prospects, while June participants were asked about H2 2022.

# Staying on the Sidelines?

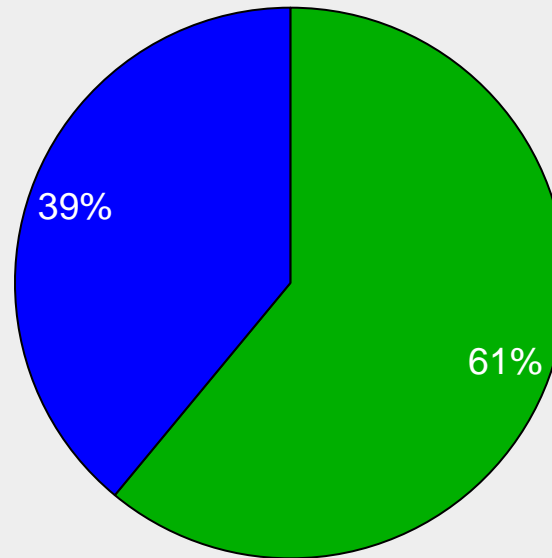
Are you an active buyer or staying on the sidelines?

■ Active buyer ■ On the sidelines

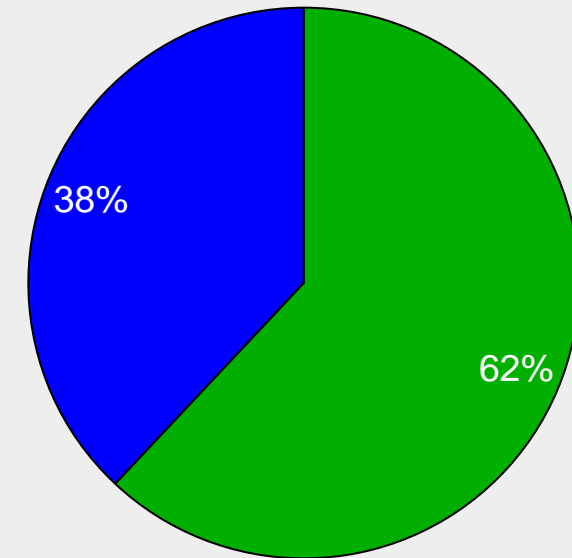
May 26, 2022



June 9, 2022

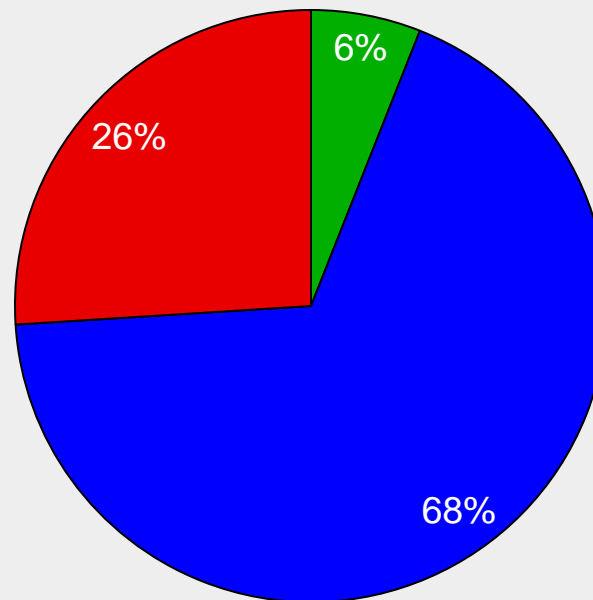


June 23, 2022



How are you seeing demand for your products?

- Demand is improving
- Demand is stable
- Demand is declining

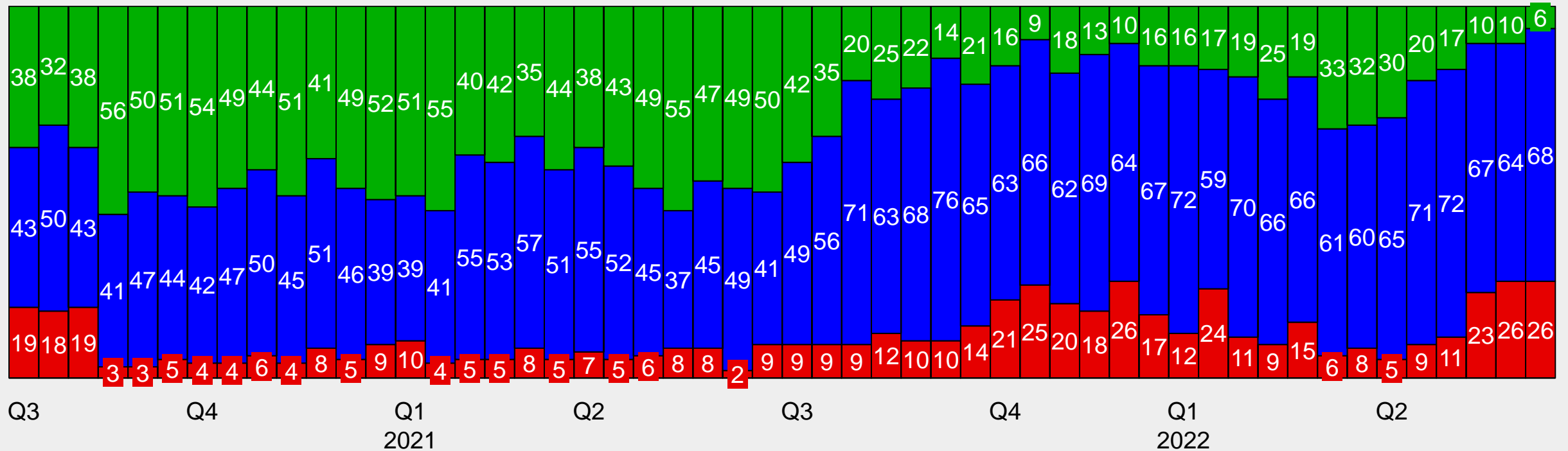


# Overall Demand History

How are you seeing demand for your products?

- Demand is improving
- Demand is stable
- Demand is declining

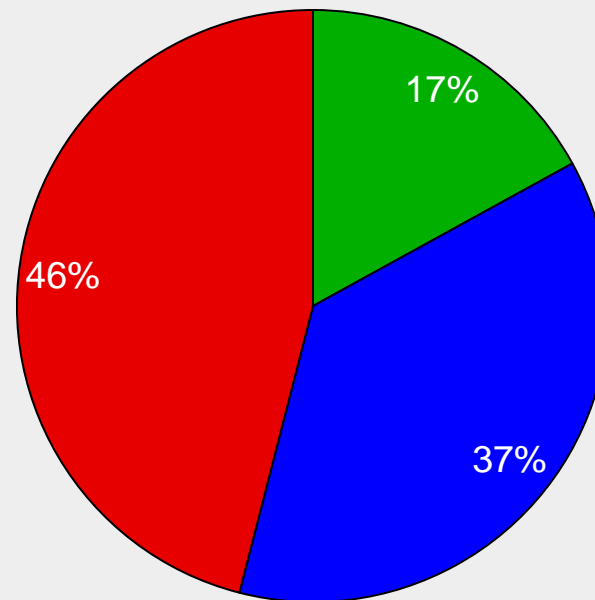
out of 100%





**Manufacturers-** Is your company buying more, less or the same amount of flat rolled steel compared to one year ago?

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

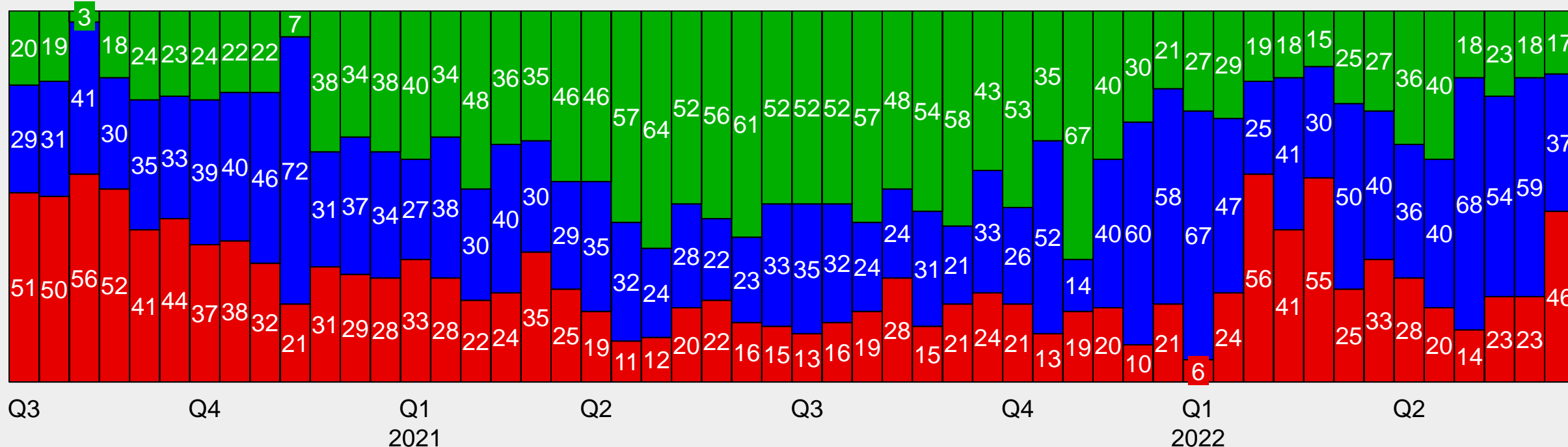


# History of Manufacturer Purchases

**Manufacturers-** Is your company buying more, less or the same amount of flat rolled steel compared to one year ago?

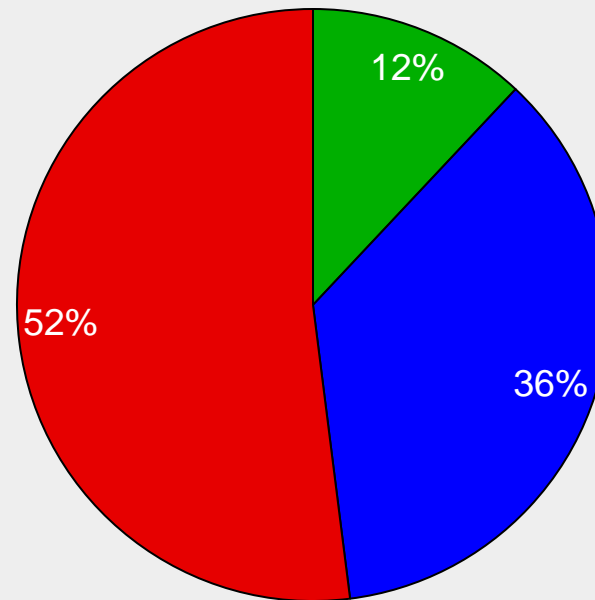
- Buying more steel
- Buying the same amount of steel
- Buying less steel

out of 100%



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

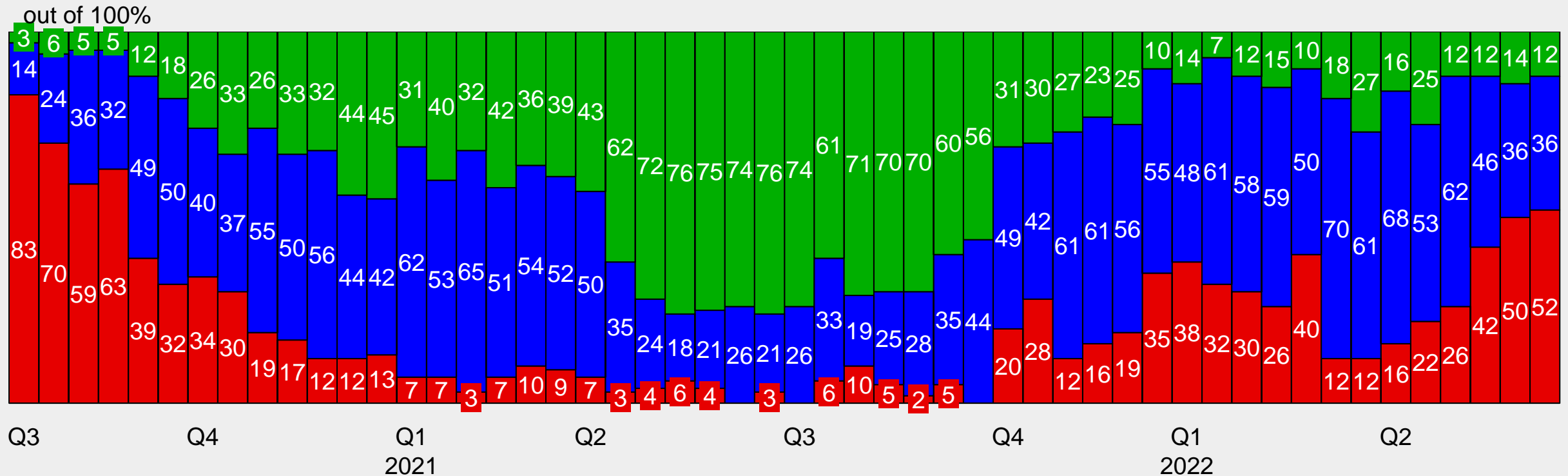
- Releasing more steel
- Releasing the same amount of steel
- Releasing less steel



# Service Center Release History

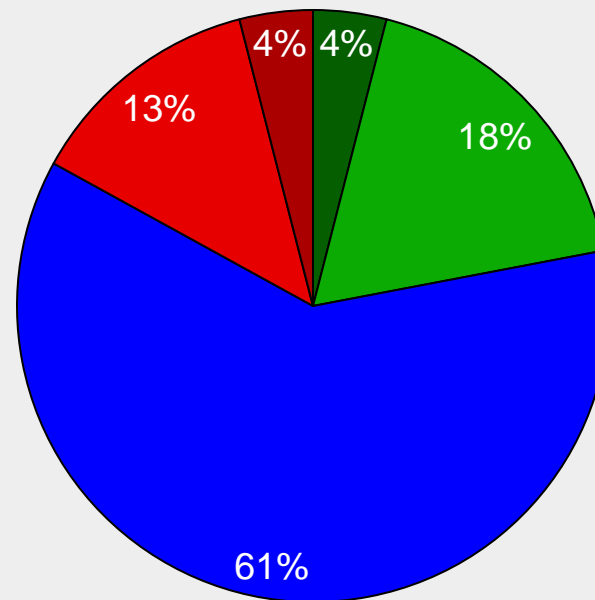
**Service Centers-** How do you see your customers releases (demand) for the products your company provides compared to one year ago?

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



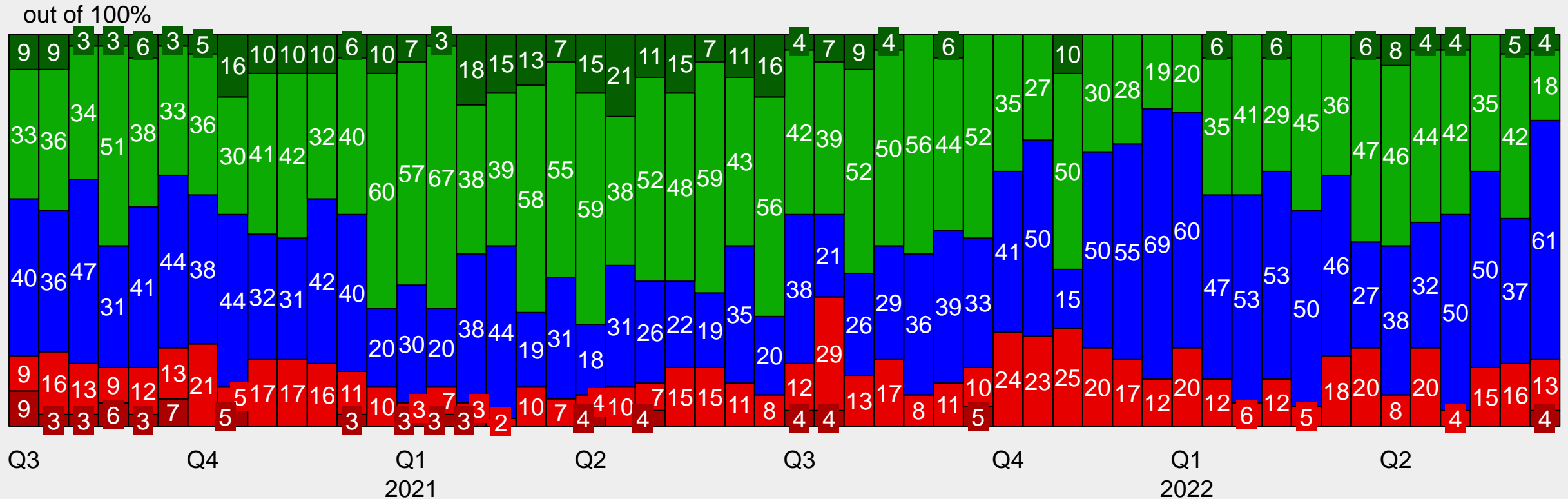
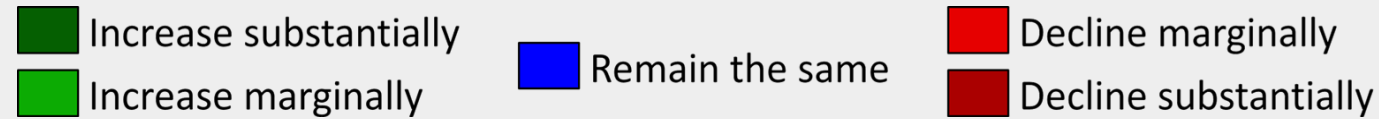
**Manufacturers-** Demand for your products will \_\_\_\_\_  
over the next 3 months based on current order flows.

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



# Manufacturer Demand History

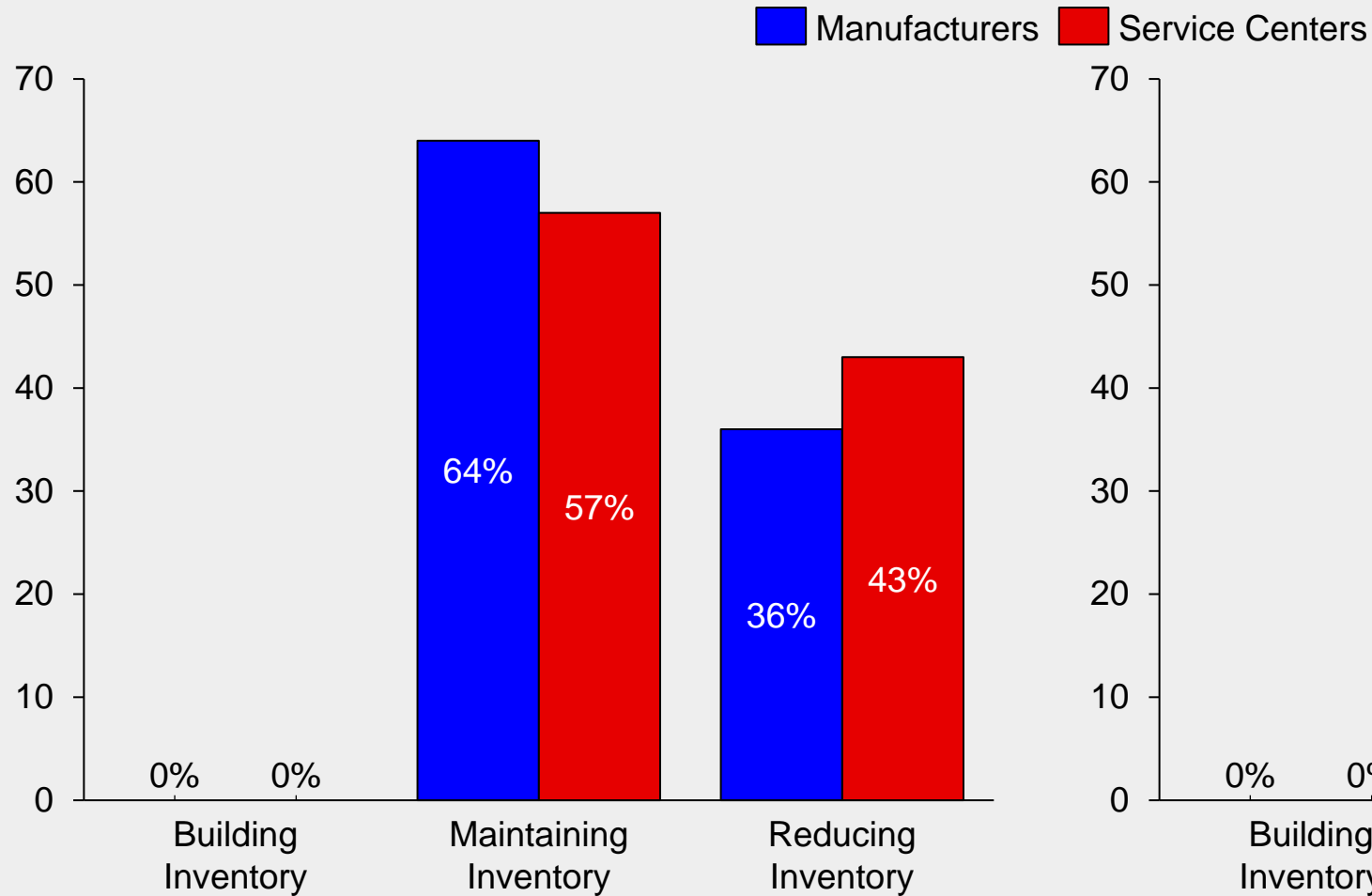
**Manufacturers-** Demand for your products will \_\_\_\_\_  
over the next 3 months based on current order flows.



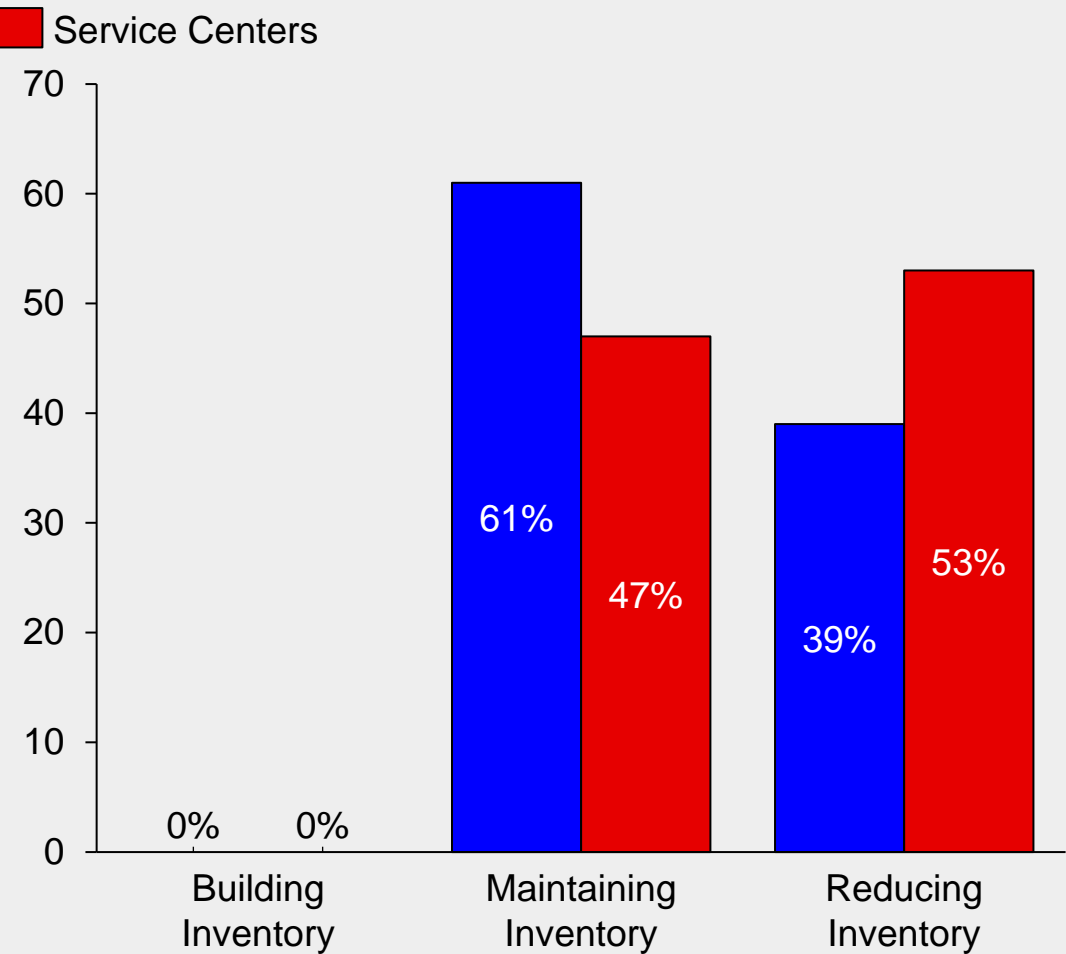


# Manufacturer and Service Center Inventory Buying Patterns

June 9, 2022



June 23, 2022

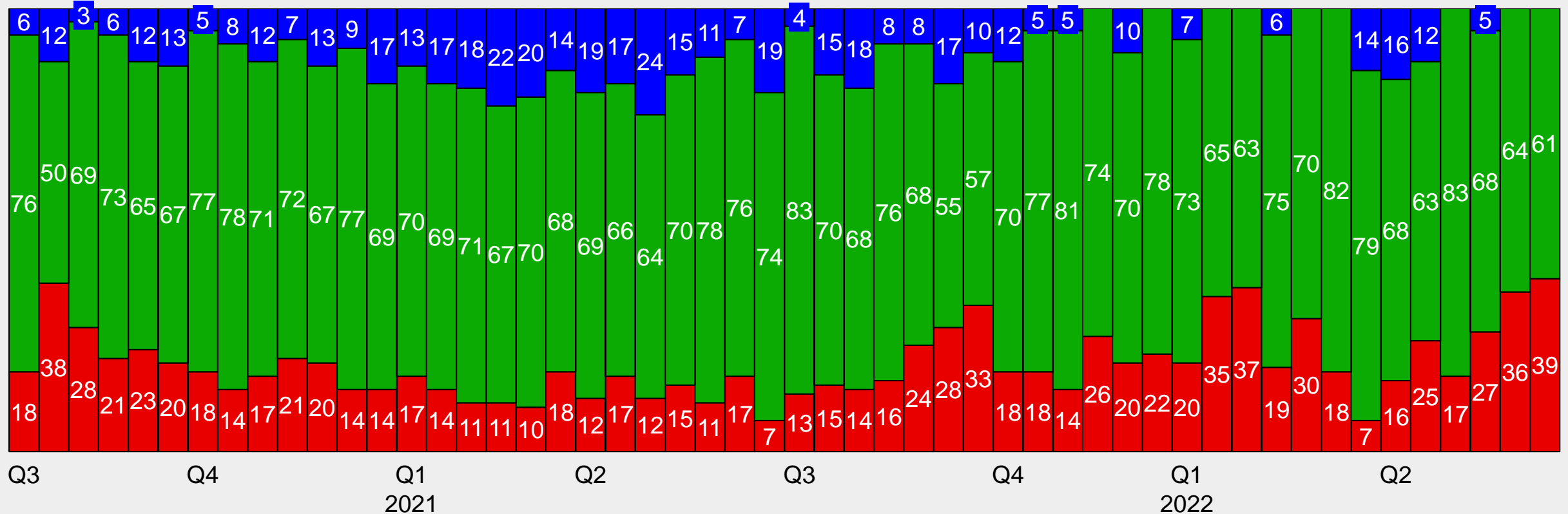


# Manufacturer Inventory Buying History

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

■ Building Inventory 
 ■ Maintaining Inventory 
 ■ Reducing Inventory

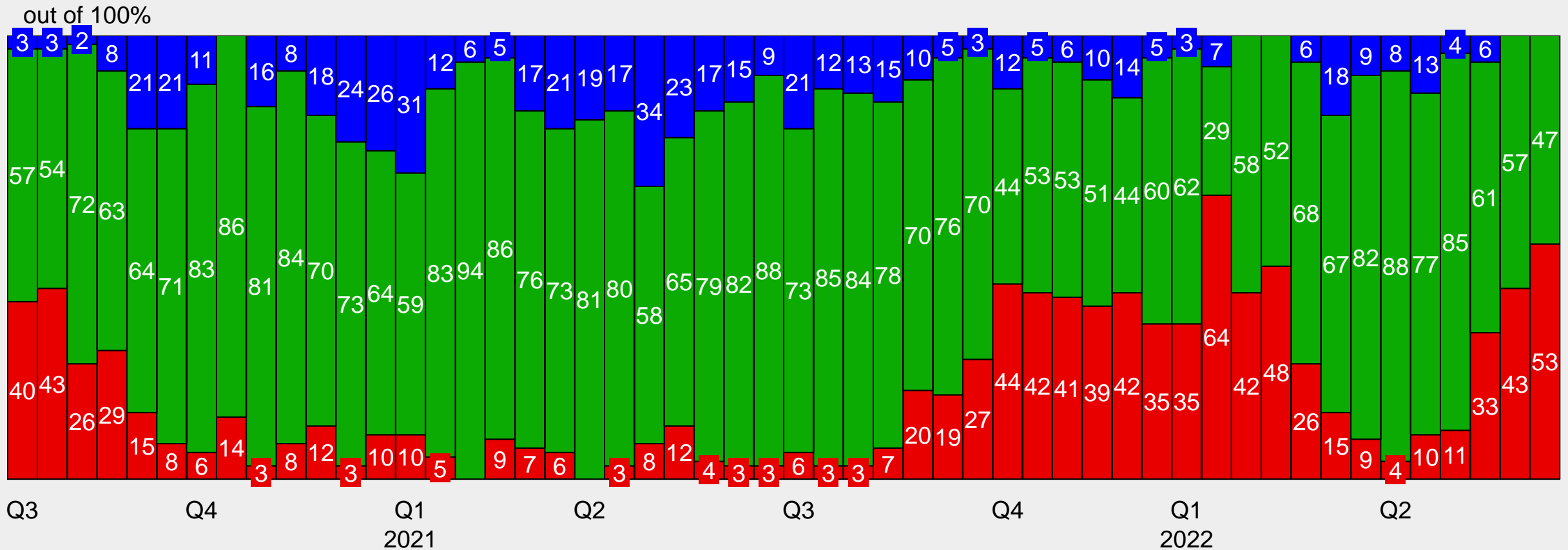
out of 100%



# 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

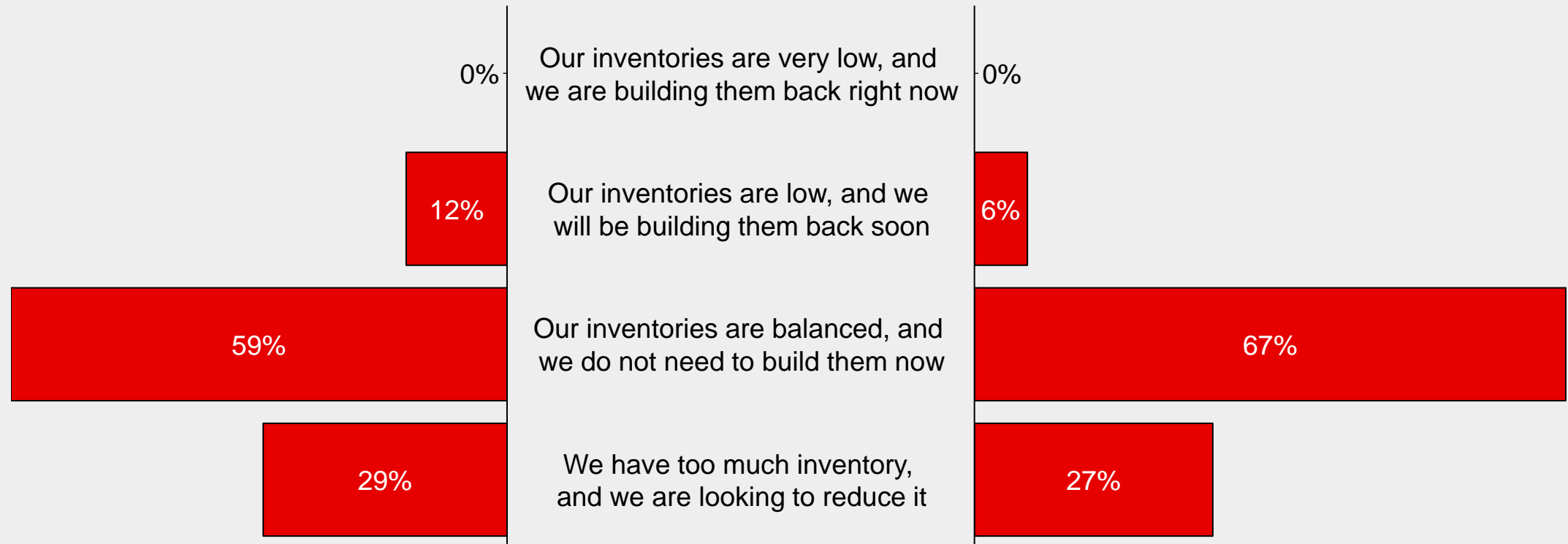


# Service Center Inventories

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

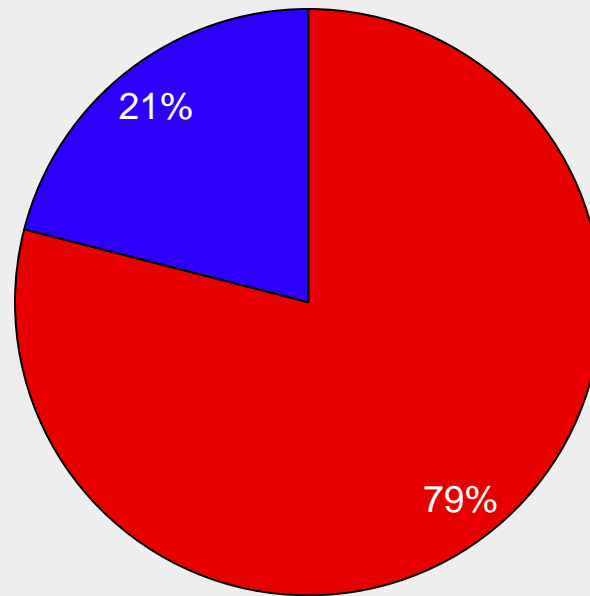
June 9, 2022

June 23, 2022



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

- We see prices decreasing from our service centers
- We see stable prices from our service centers
- We see prices increasing from our service centers

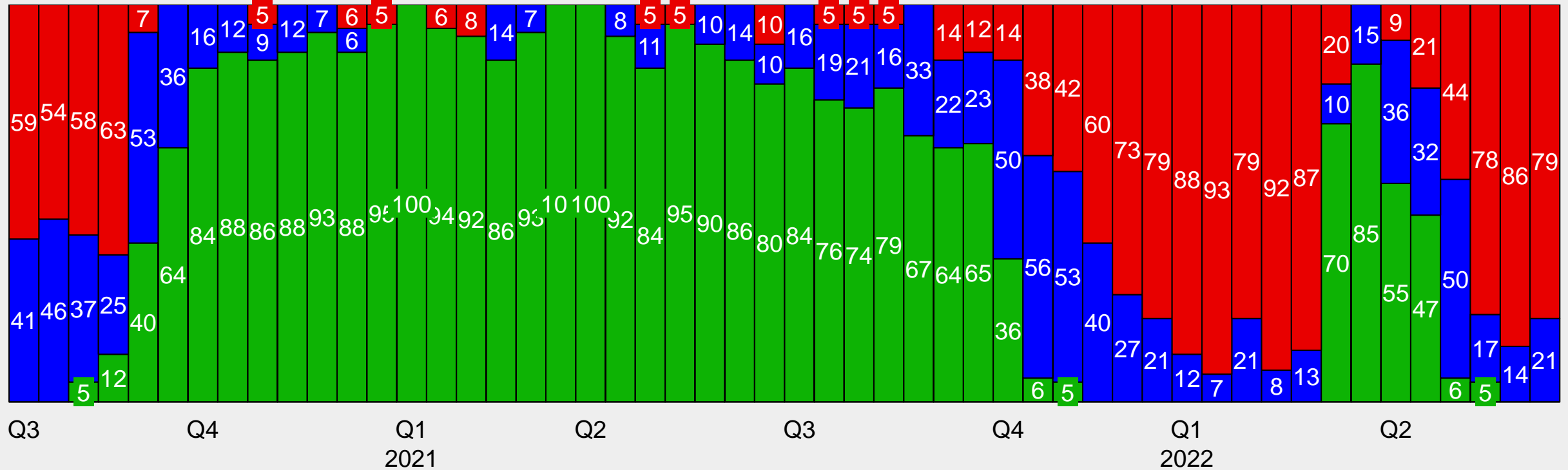


# Manufacturer's View of Service Center Selling Prices History

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

- We see prices decreasing from our service centers
- We see stable prices from our service centers
- We see prices increasing from our service centers

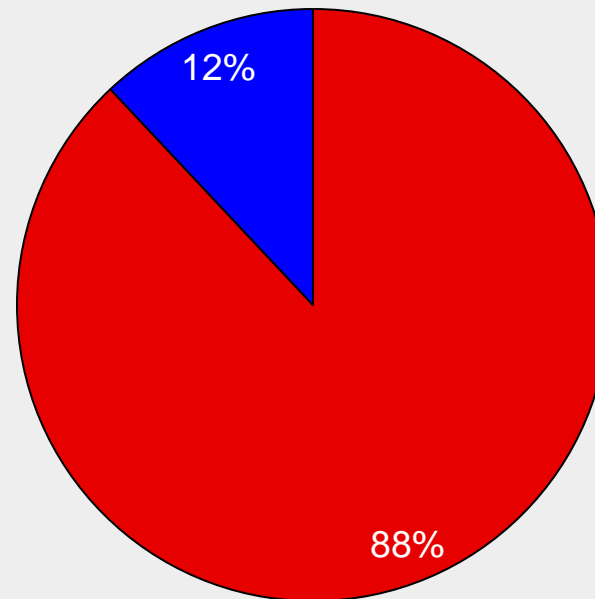
out of 100%





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

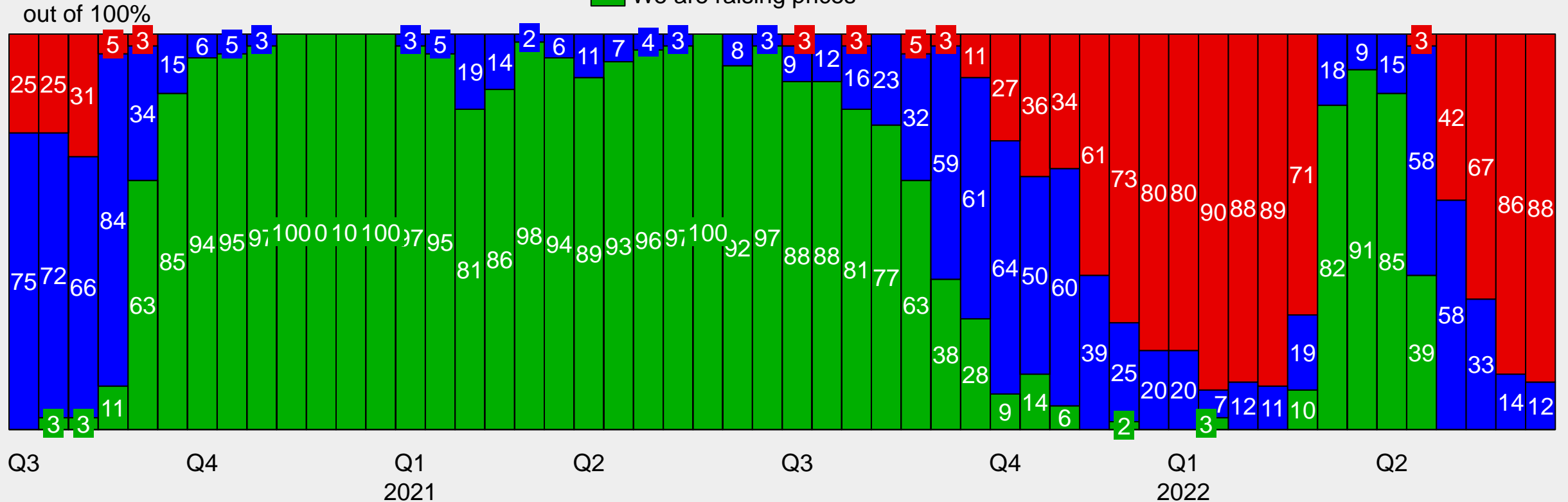
- We are lowering prices
- We are keeping prices the same
- We are raising prices



# Service Center View of Selling Prices History

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

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

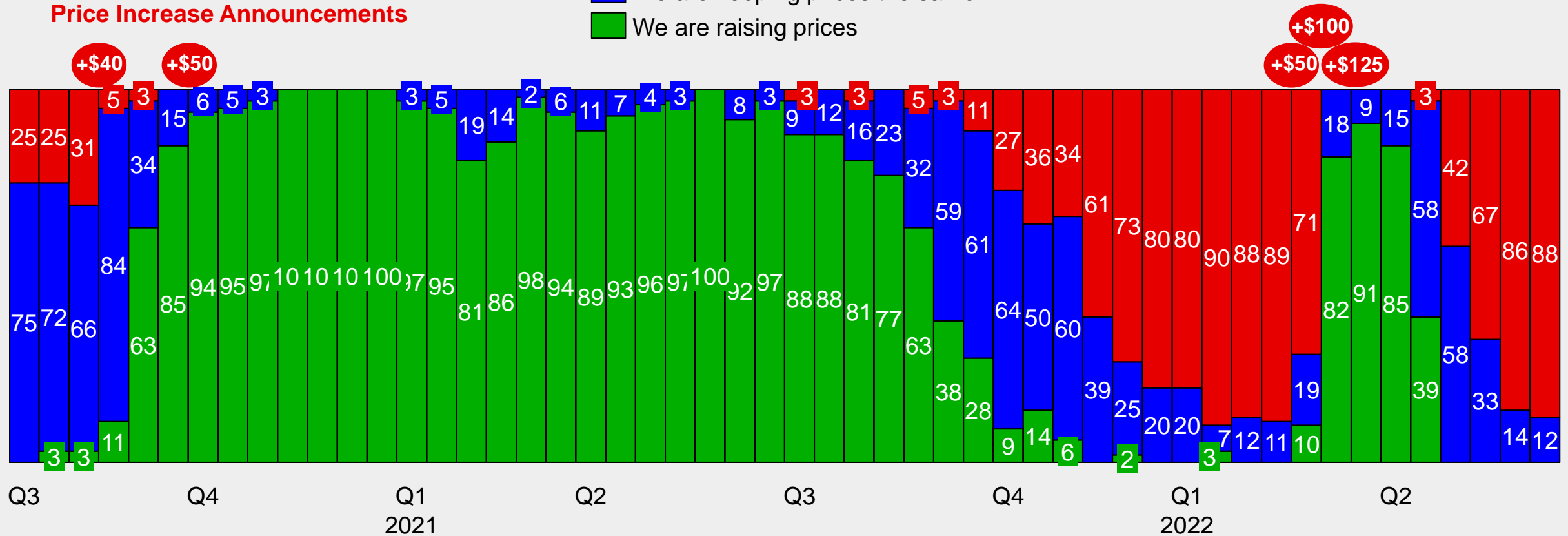


# Service Center View of Selling Prices History

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

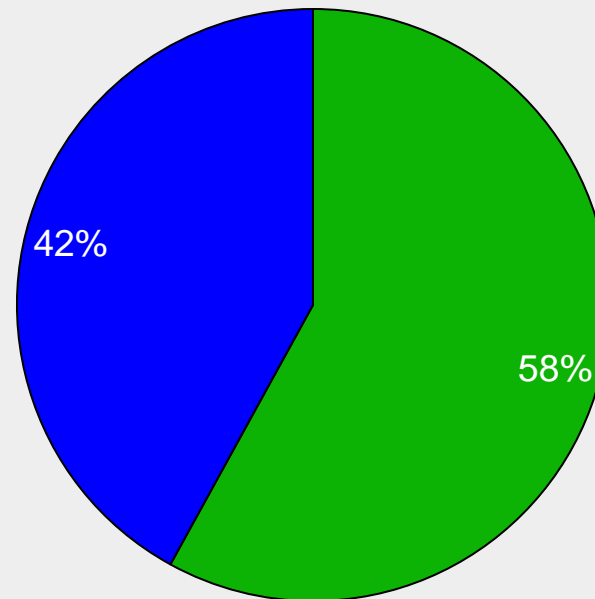
- We are lowering prices
- We are keeping prices the same
- We are raising prices

**Historical Nucor Flat Rolled Price Increase Announcements**



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

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

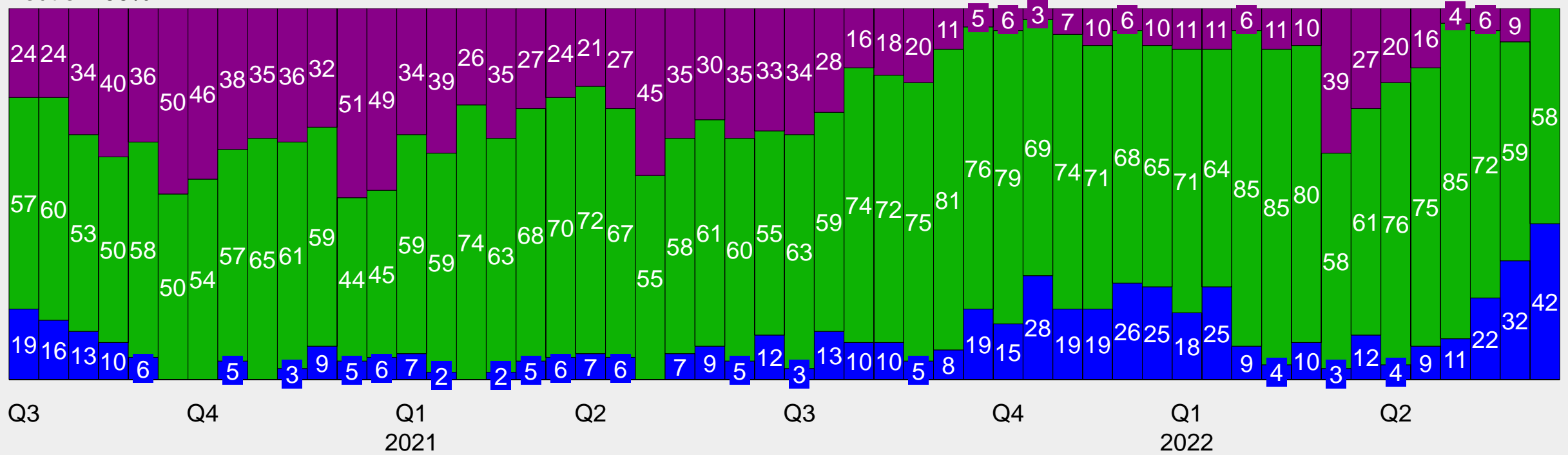


# Service Centers on Manufacturer Orders History

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

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

out of 100%

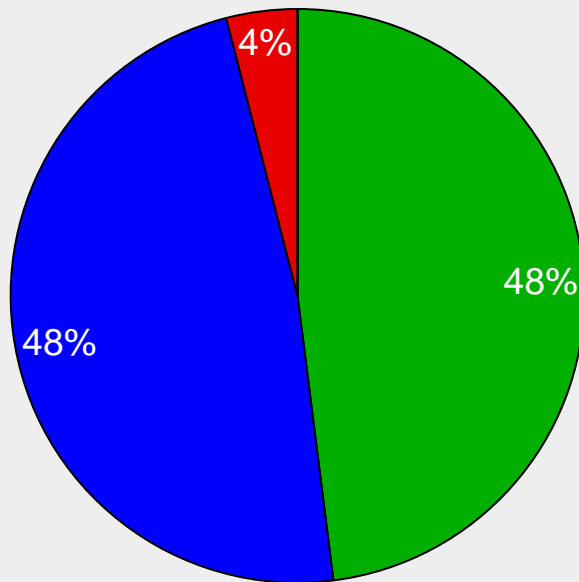


# Mill Lead Times

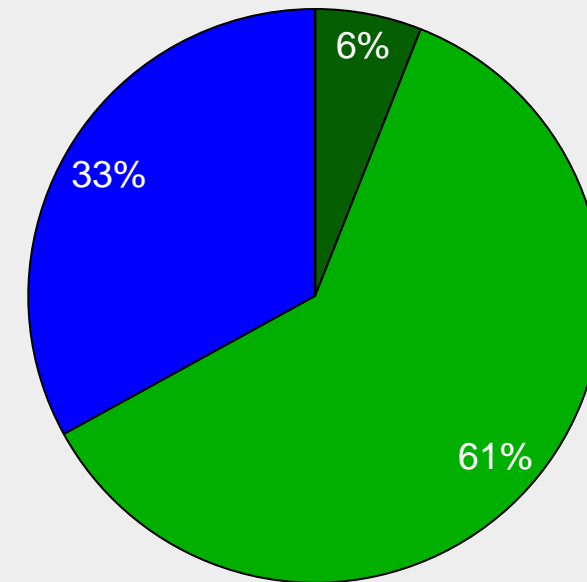
How would you describe domestic mill lead times for new orders placed right now?

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

**Manufacturers**

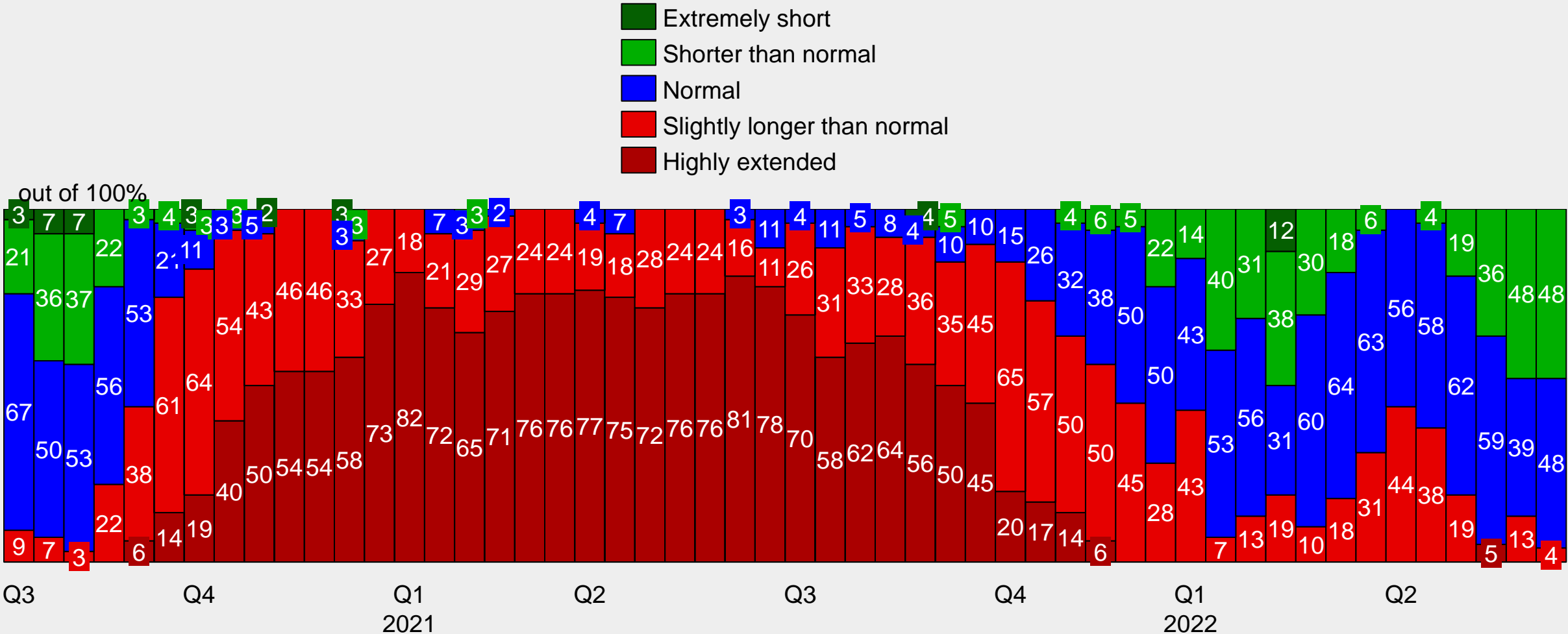


**Service Centers**



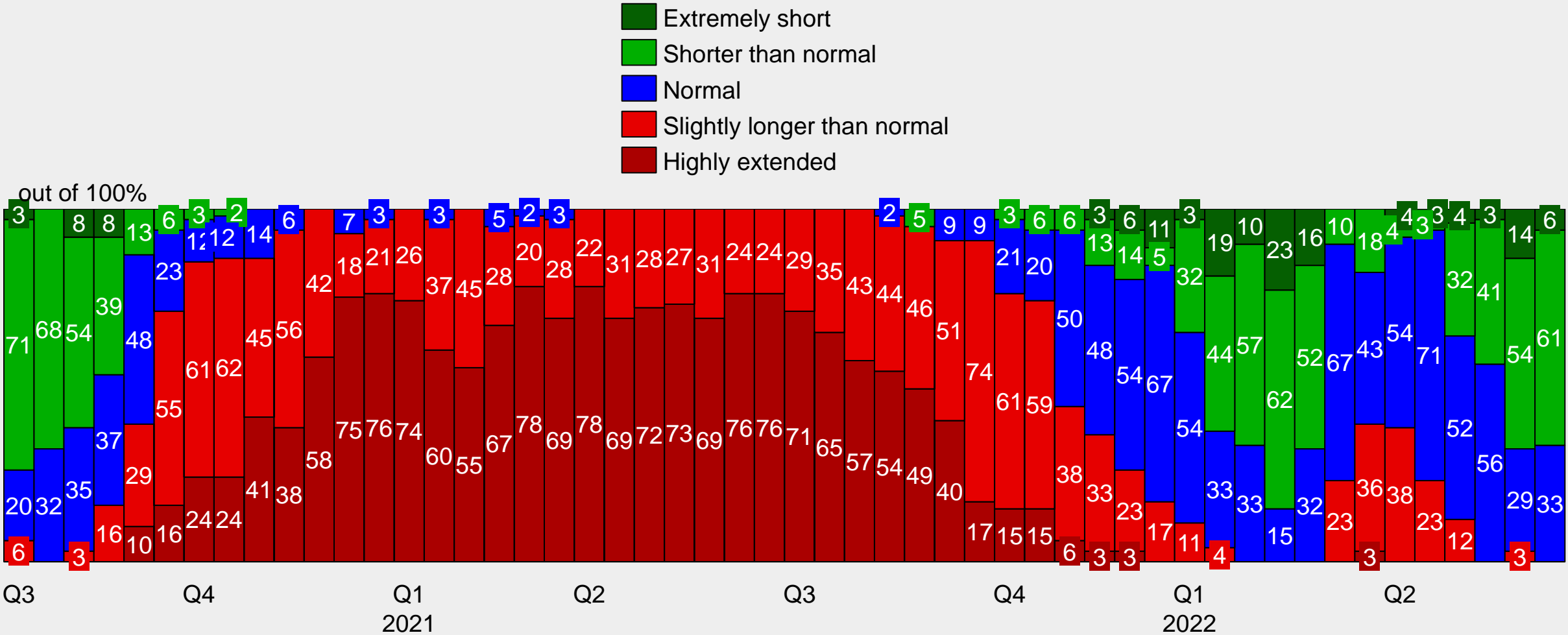
# Mill Lead Times History

**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?

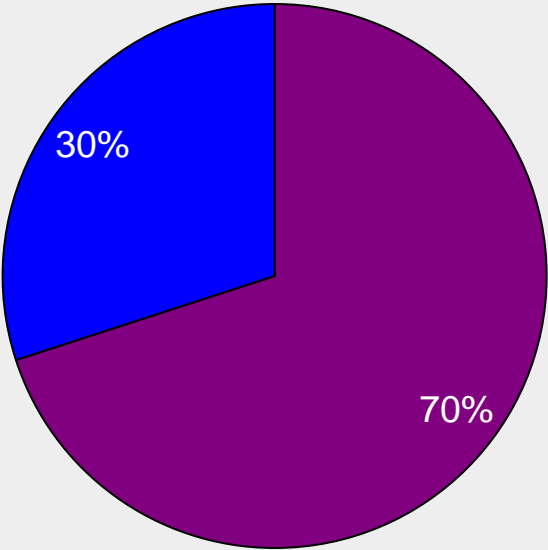




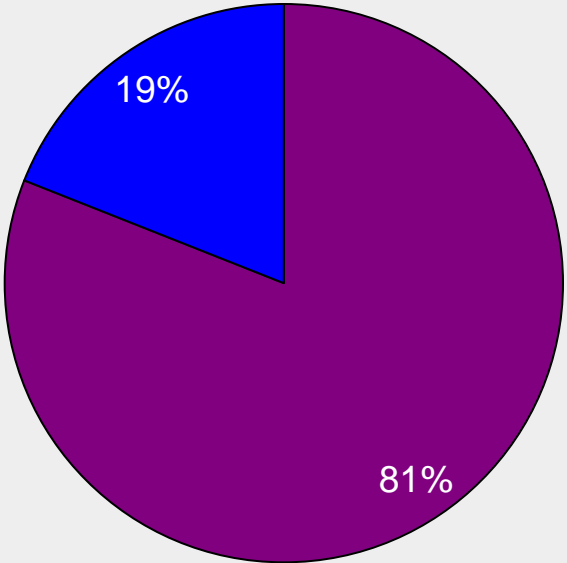
Does your company buy foreign steel?

Yes No

**Manufacturers**



**Service Centers**

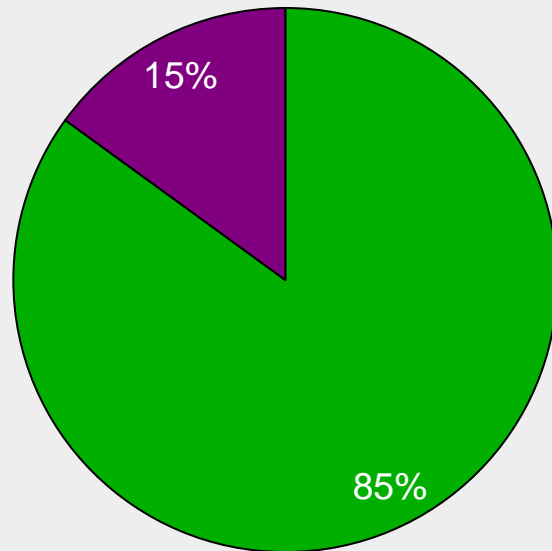


# Foreign Steel Competitive?

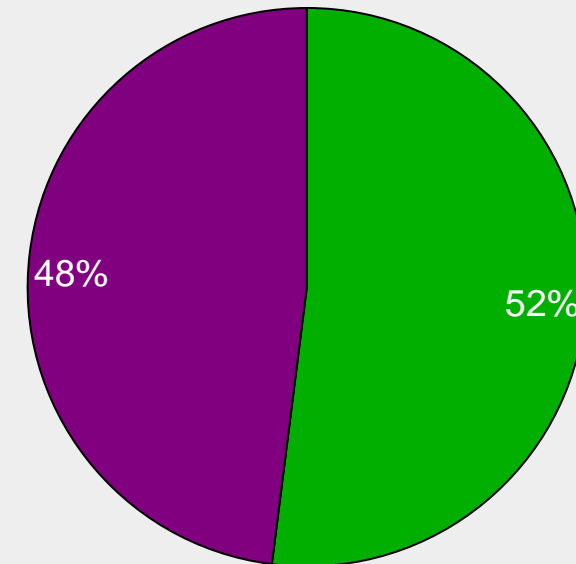
Are your foreign steel suppliers quoting you competitive prices for new orders for future delivery?

Yes No

## Manufacturers



## Service Centers

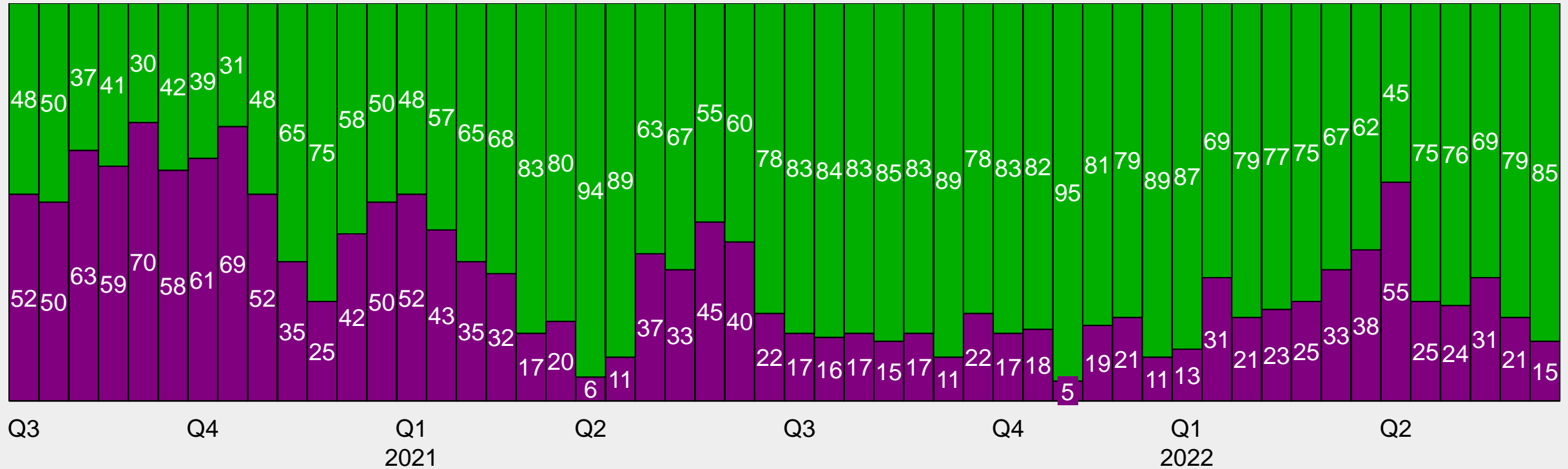


# Foreign Steel Competitiveness History

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

Yes No

out of 100%

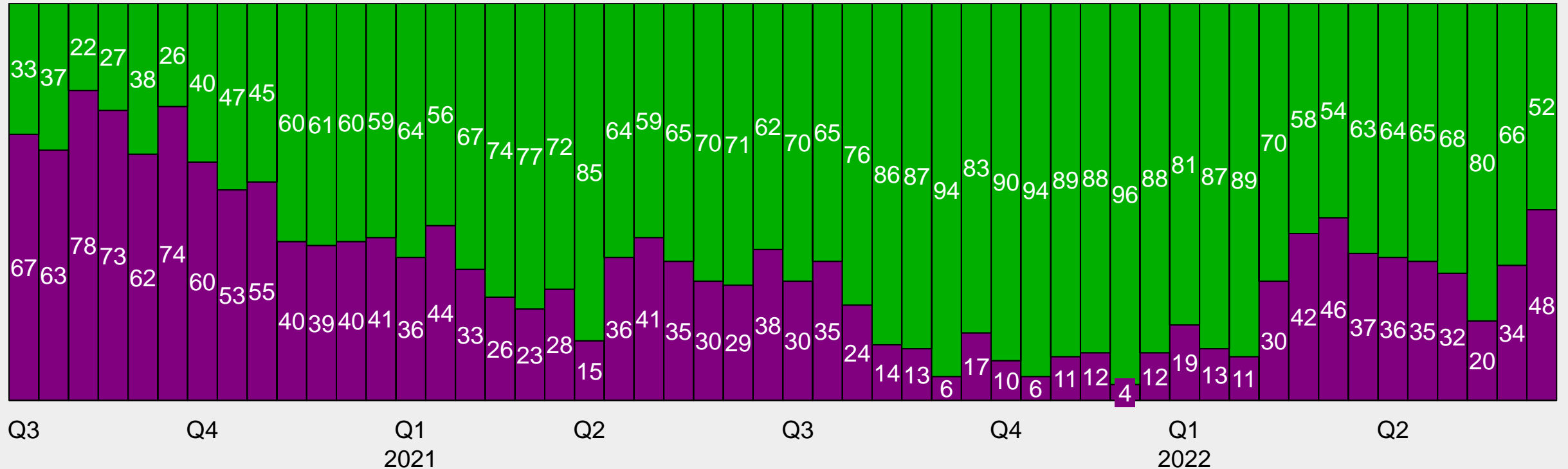


# Foreign Steel Competitiveness History

**Service Centers-** Are your foreign steel suppliers quoting you competitive prices for new orders for future delivery?

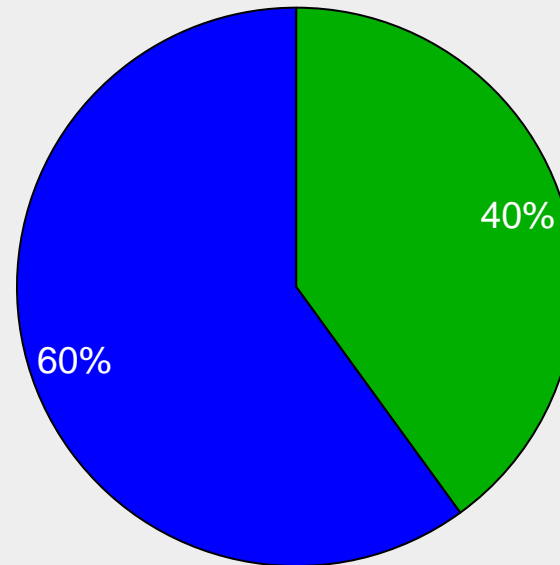
Yes No

out of 100%



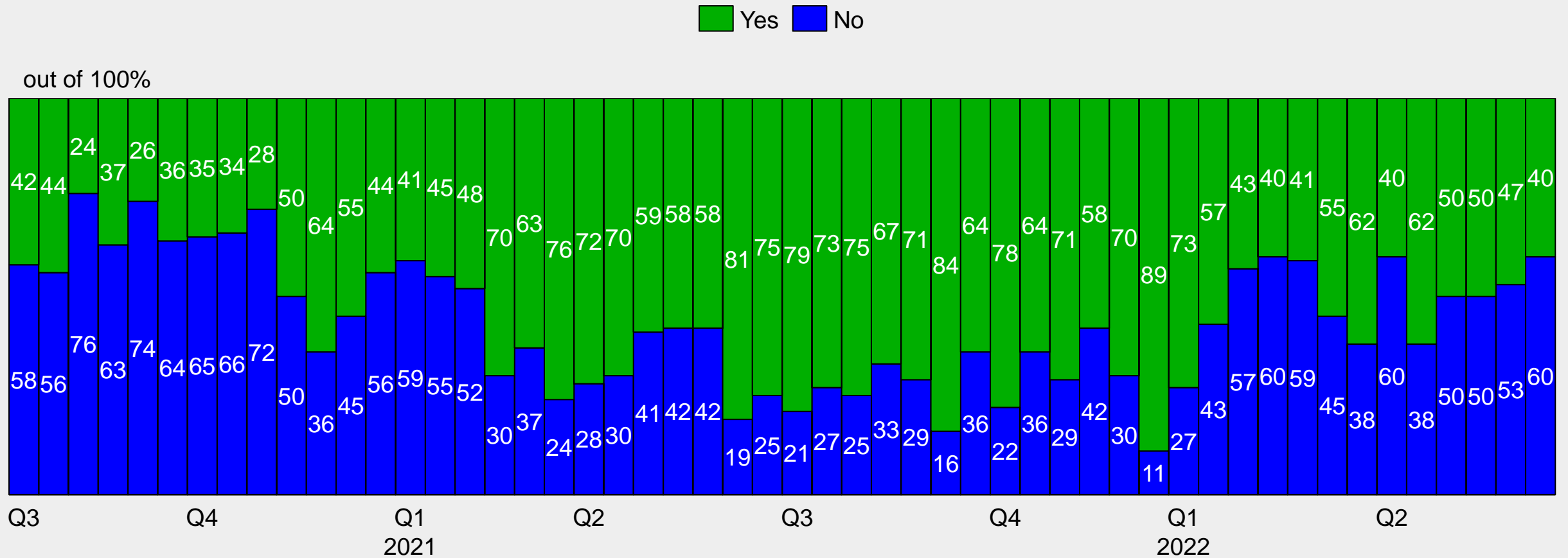
**Manufacturers-** Are you buying new orders of foreign steel for future delivery?

Yes No



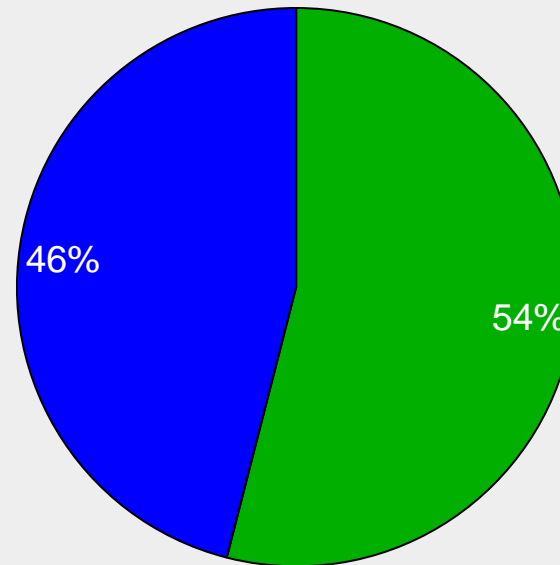
# New Foreign Steel Orders History

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



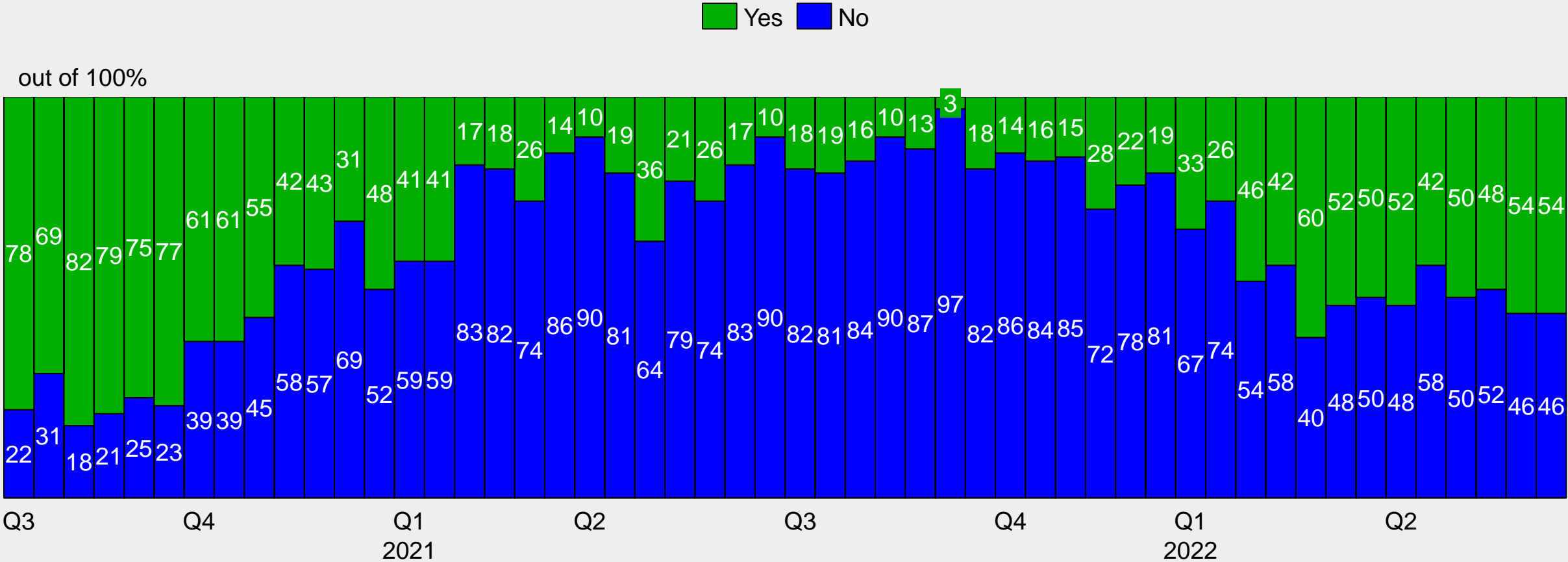
**Service Centers-** Are you decreasing the percentage of foreign steel on your order book?

Yes No



# Foreign Steel Order History

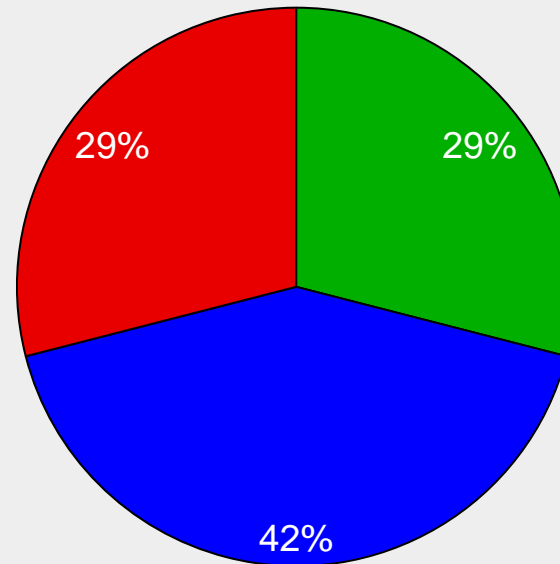
**Service Centers-** Are you decreasing the percentage of foreign steel on your order book?







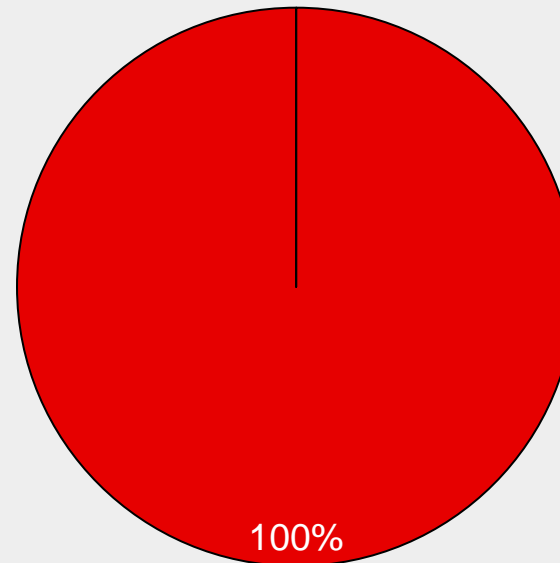
The current order book at your mill is better or worse than last month?

- Better
- Same
- Worse



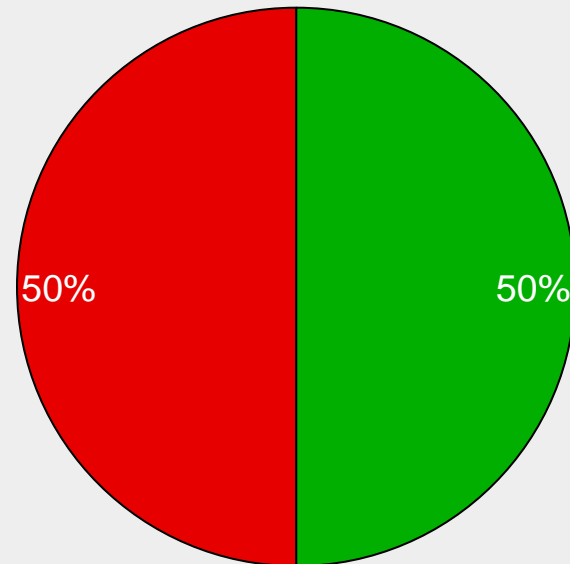
Are you seeing an increase or decrease in orders from your North American buyers?

 Increase  
 Decrease



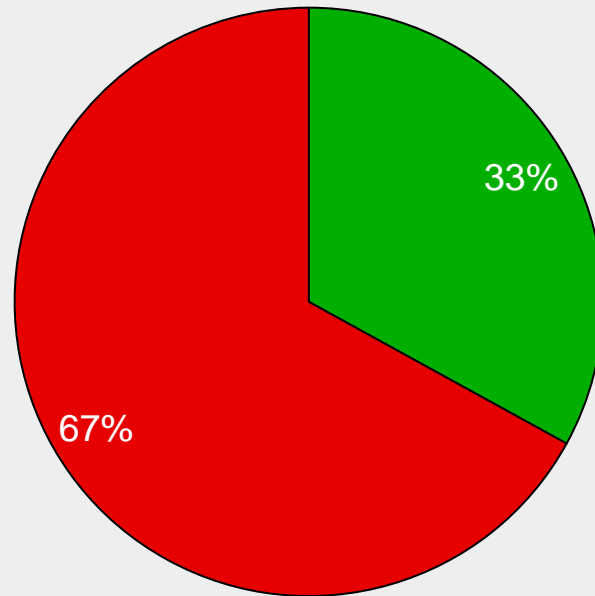
Are foreign products attractive to U.S. buyers?

Yes No



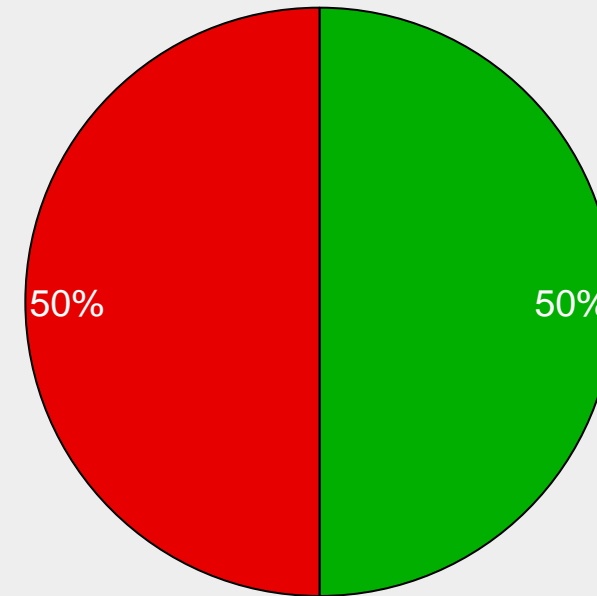
Are you able to offer hot rolled pricing that is attractive to buyers right now?

Yes No



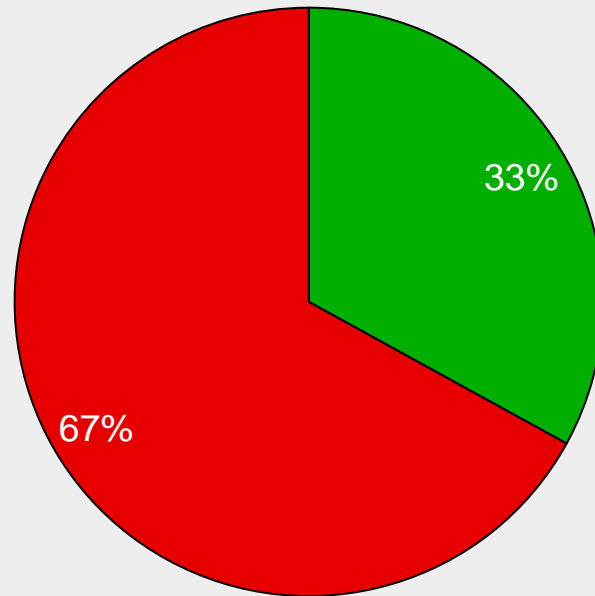
Are you able to offer plate pricing that is attractive to buyers right now?

Yes No



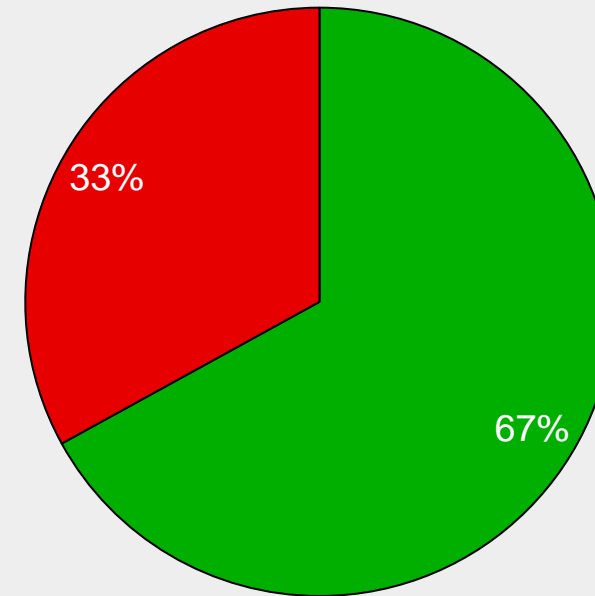
Are your galvanized prices competitive enough right now to get orders (including duties)?

Yes No



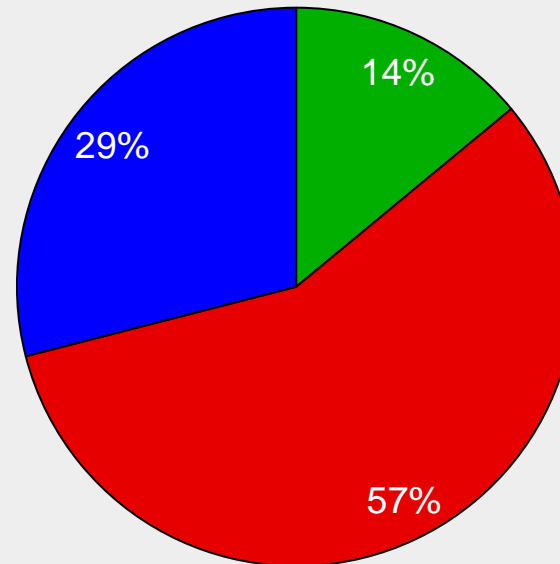
Are your Galvalume prices competitive enough right now to get orders (including duties)?

Yes No



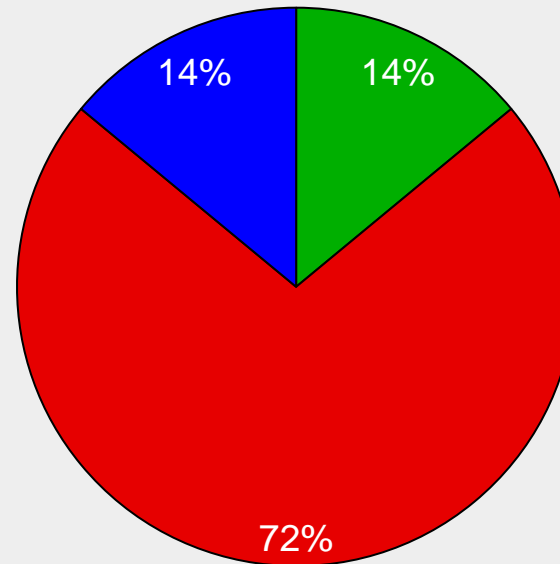
Has your business seen a change in demand this month compared to last month?

- Yes - Demand is increasing
- Yes - Demand is declining
- No - Steady demand



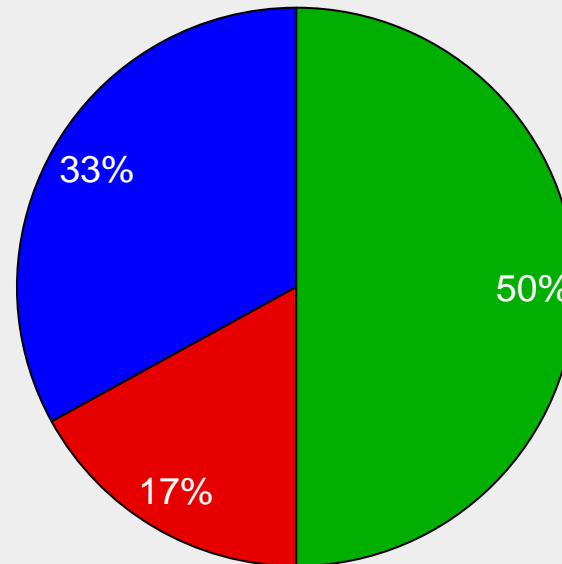
How do you see demand for your services over the next 3-6 months?

- Improving
- Declining
- Remaining the same



Are you forecasting business levels to be better, worse or the same during this month compared to last month?

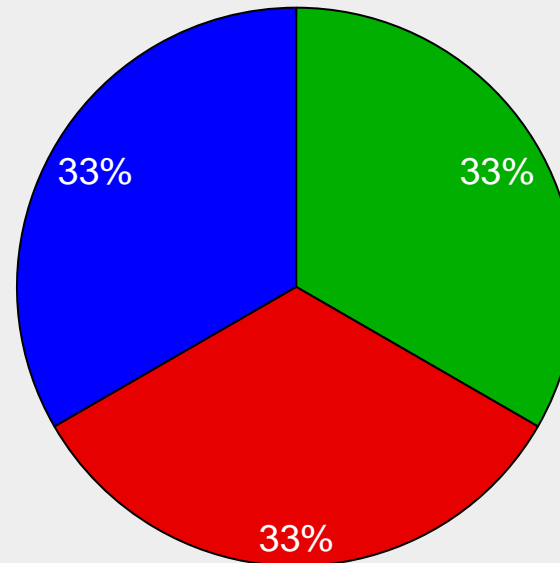
- Better
- Worse
- Same





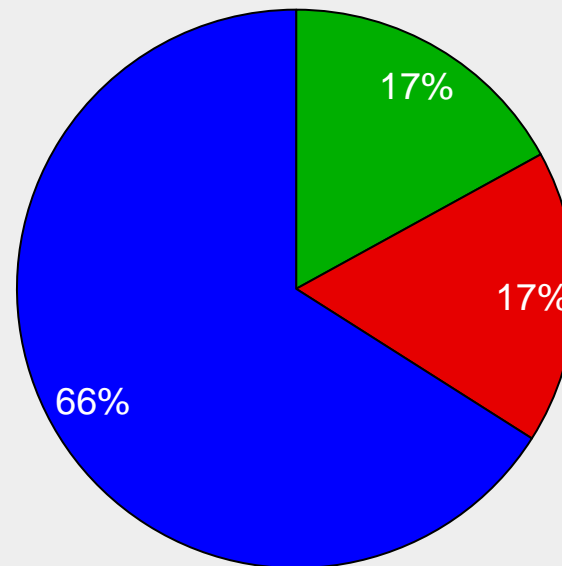
Are you starting to see inventory on your floor beginning to increase, decline or remain the same compared to what it has been over the previous month or two?

- Inventory is increasing
- Inventory has remained about the same
- Inventory is declining



How do you see demand for your services over the next 3-6 months?

- Improving
- Declining
- Remaining the same



# 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://www.steelmarketupdate.com).





**Look for our next survey  
the week of July 4, 2022**

**Don't just read our data, see your company's experience reflected in it.  
Contact [Brett@SteelMarketUpdate.com](mailto:Brett@SteelMarketUpdate.com) for participation information**





# STEEL MARKET UPDATE

part of the  Group

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

If you would like to participate in our survey, please contact Brett Linton at [Brett@SteelMarketUpdate.com](mailto:Brett@SteelMarketUpdate.com)