



STEEL MARKET UPDATE

part of the  Group

SMU Flat Rolled Market Trends Analysis

Responses from our June 22-25, 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



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.

SMU Steel Summit 2020 Virtual Conference

An interactive and immersive experience awaits YOU!



SMU Steel Summit Virtual Conference 2020 will be a fully immersive online environment where you can attend conference presentations by top speakers with live Q&A; interact with exhibitors, and network with fellow attendees - right at the start of planning and negotiation season.

SMU Steel Summit 2020 Virtual Conference

Agenda: The timings and mix of live and on-demand sessions will mean that whatever time zone you're in, you can watch the presentations you want, when you want. So no need to choose between attending a meeting or attending a presentation - you can now do both!

Networking Lounge: Here you can search the delegate list, request private meetings, chat in a group, or schedule a video chat.

Exhibit Hall: Here you can visit a booth, chat to the exhibitors, watch their videos and download brochures of interest. Booths will be manned by staff during the event dates.

More Time for Everything: The virtual event will be open before the event start date and will remain open after - allowing you more time to schedule meetings, watch conference sessions and browse the exhibit hall.

"The SMU steel summit is a very worthwhile event - a good place to invest your time and a very reasonable amount of money."

- Patrick Murley, CEO, Material Sciences Corp

For more information and to book your place, visit www.smusteelsummit.com





We are pleased to announce the 2nd annual [SMU NexGen Leadership Award](#), sponsored by the Steel Manufacturers Association. The Award is designed to recognize and celebrate the excellence of emerging leaders within the greater steel community.

SMU is dedicated to helping businesses recruit, train and retain the next generation of talent. Any young motivated employee under the age of 35 who is currently employed by an organization that utilizes carbon steel as part of its core business function is eligible for this award.

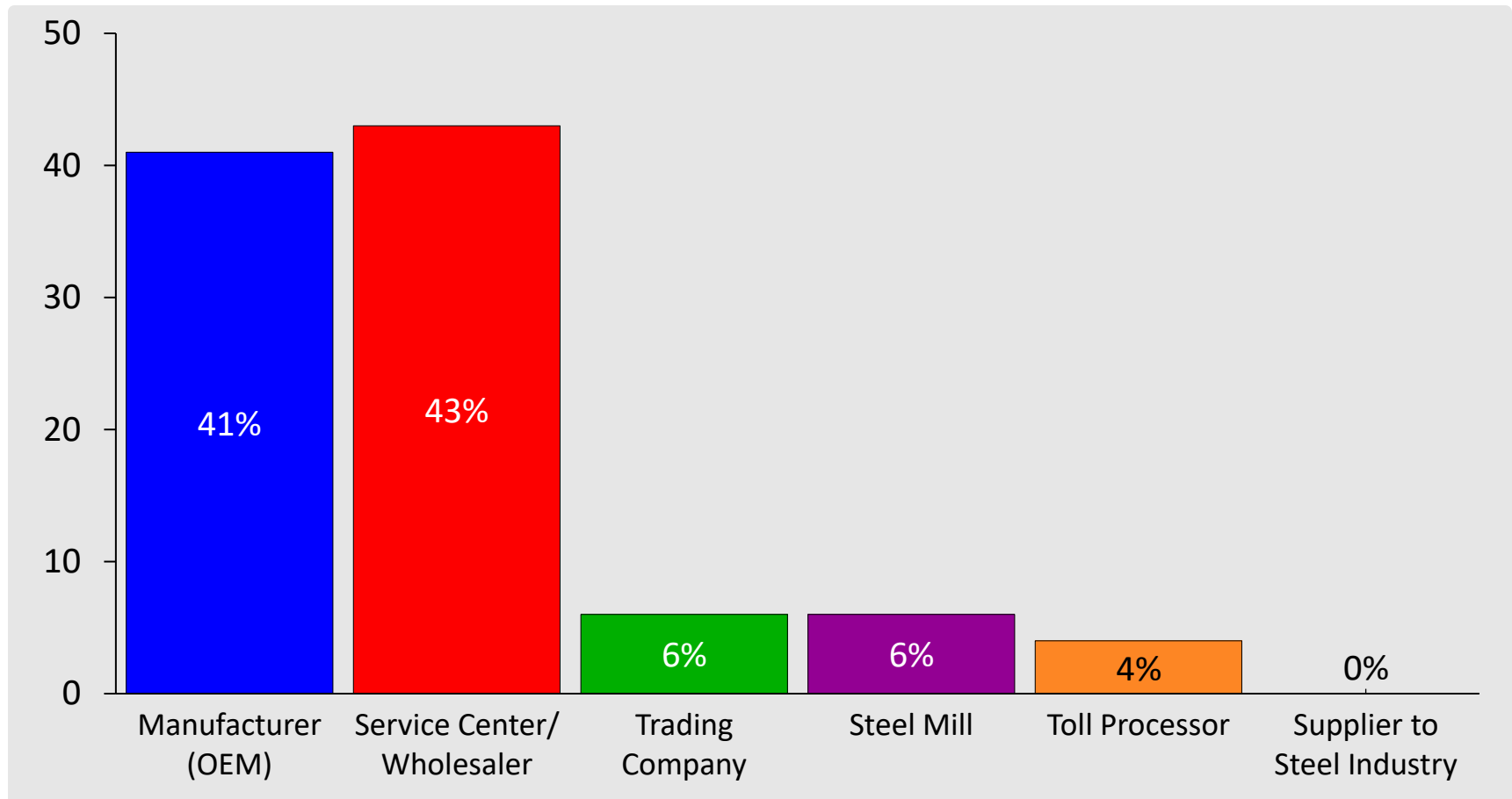
This is a great opportunity to shine the light on the hard work of the people in your organization, and celebrate it with the greater steel industry.

The winner will get: a mentorship day with **Chuck Schmitt, President of SSAB Americas**; a free pass to a SMU Steel 101 Workshops; and a free pass to the next SMU Steel Summit.

Nomination details will be announced by SMU in the coming days.

Survey Participants

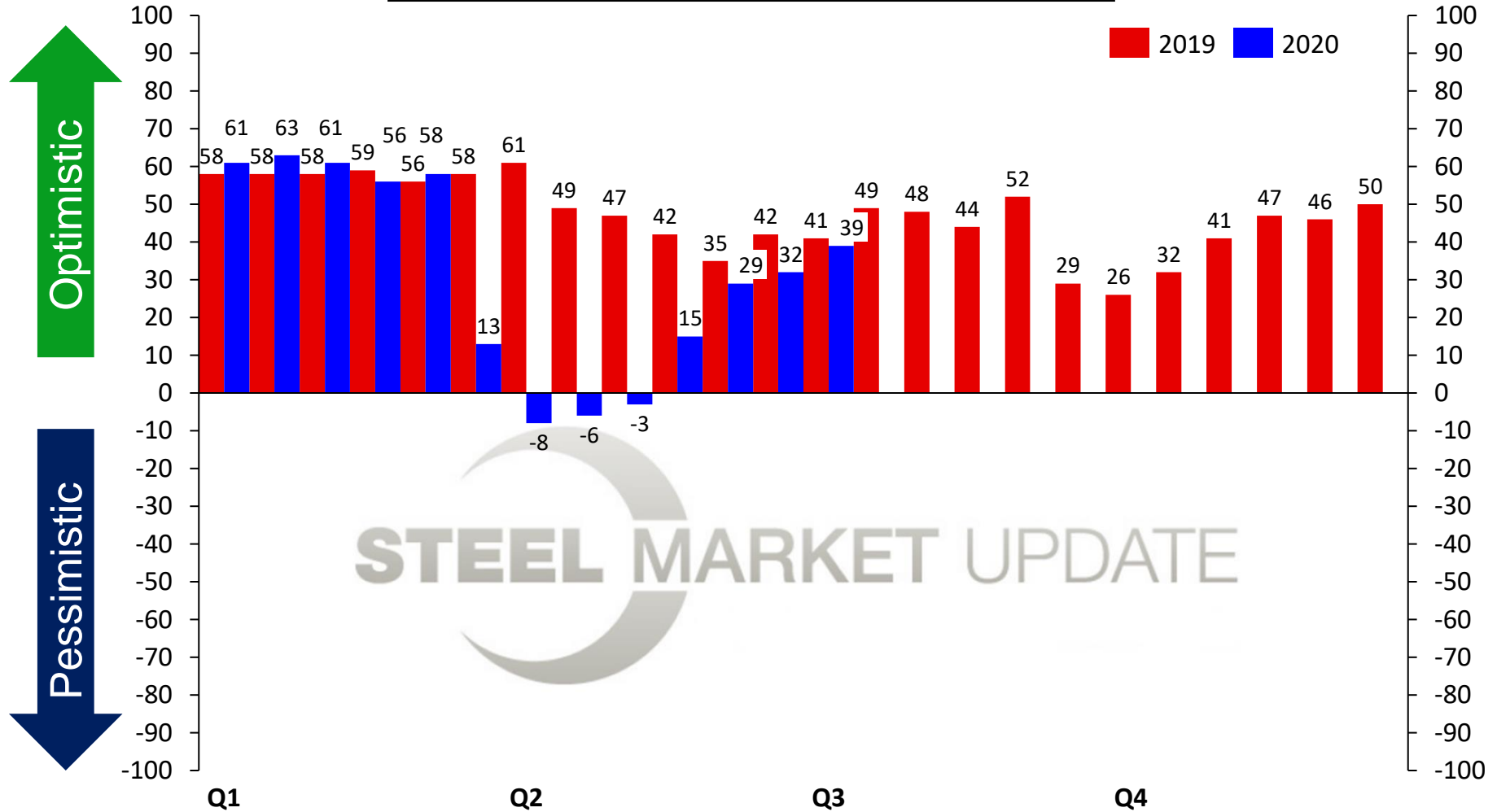
Our survey is by invitation only- Over 600 companies, mostly in the manufacturing or distribution industries, are asked to participate. Here are the percentages of participation in this week's survey by market sector.



SMU Buyers Sentiment Index

Up 7 points to +39

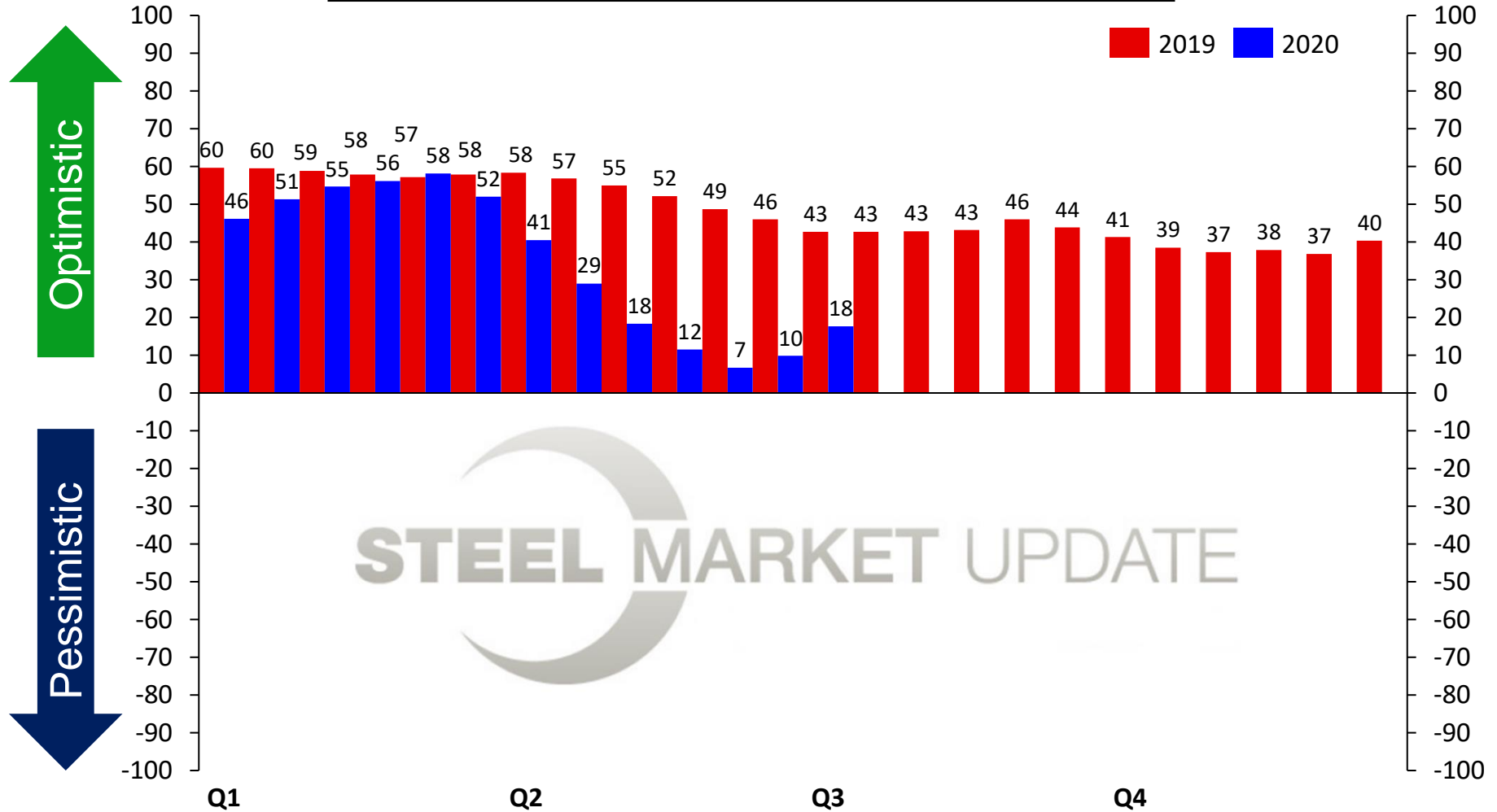
Steel Market Update Buyers Sentiment Index



SMU Buyers Sentiment Index

Three Month Moving Average at +17.67

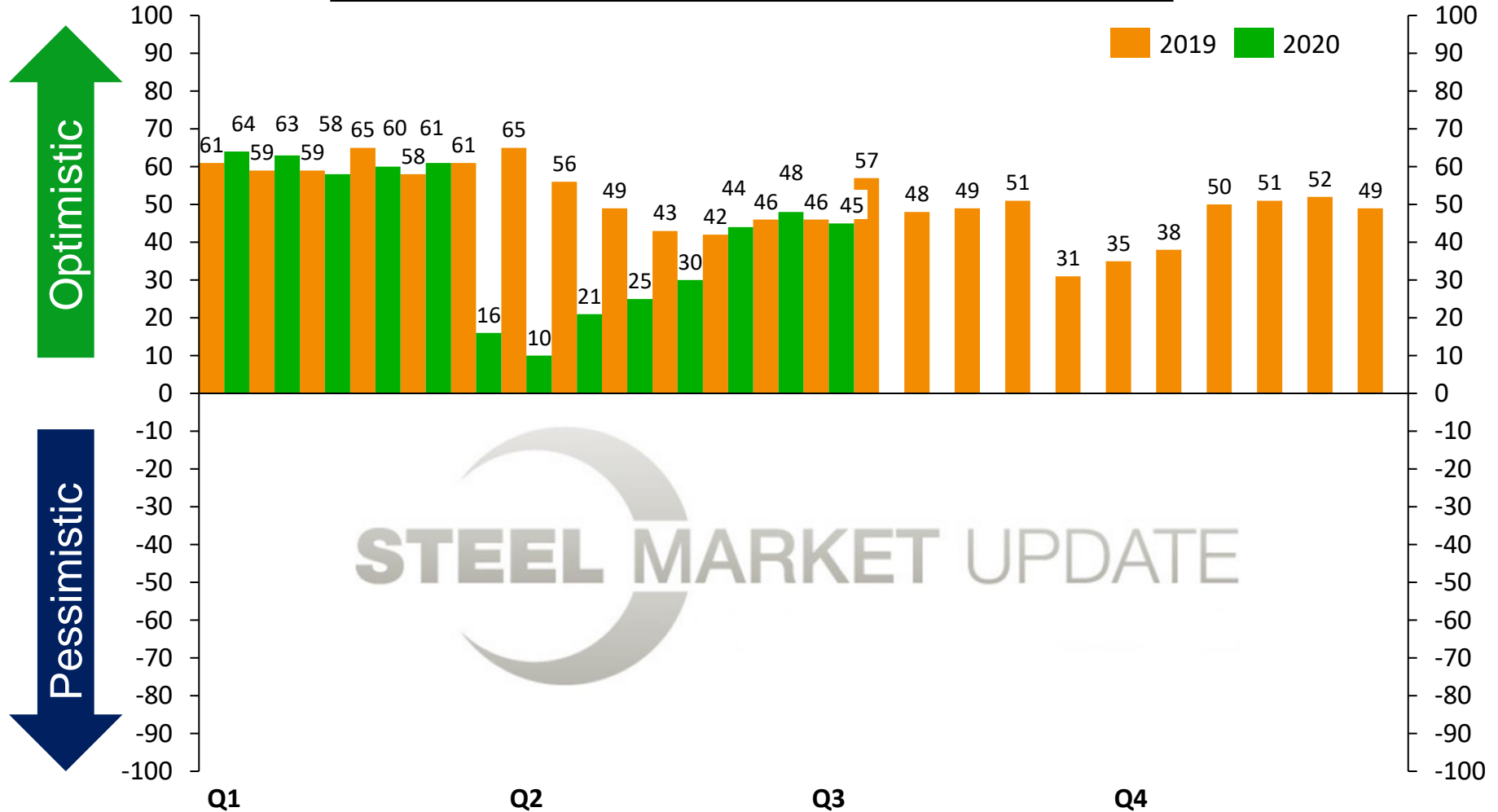
Steel Market Update Buyers Sentiment Index 3MMA



SMU Future Buyers Sentiment Index

Down 3 points to +45

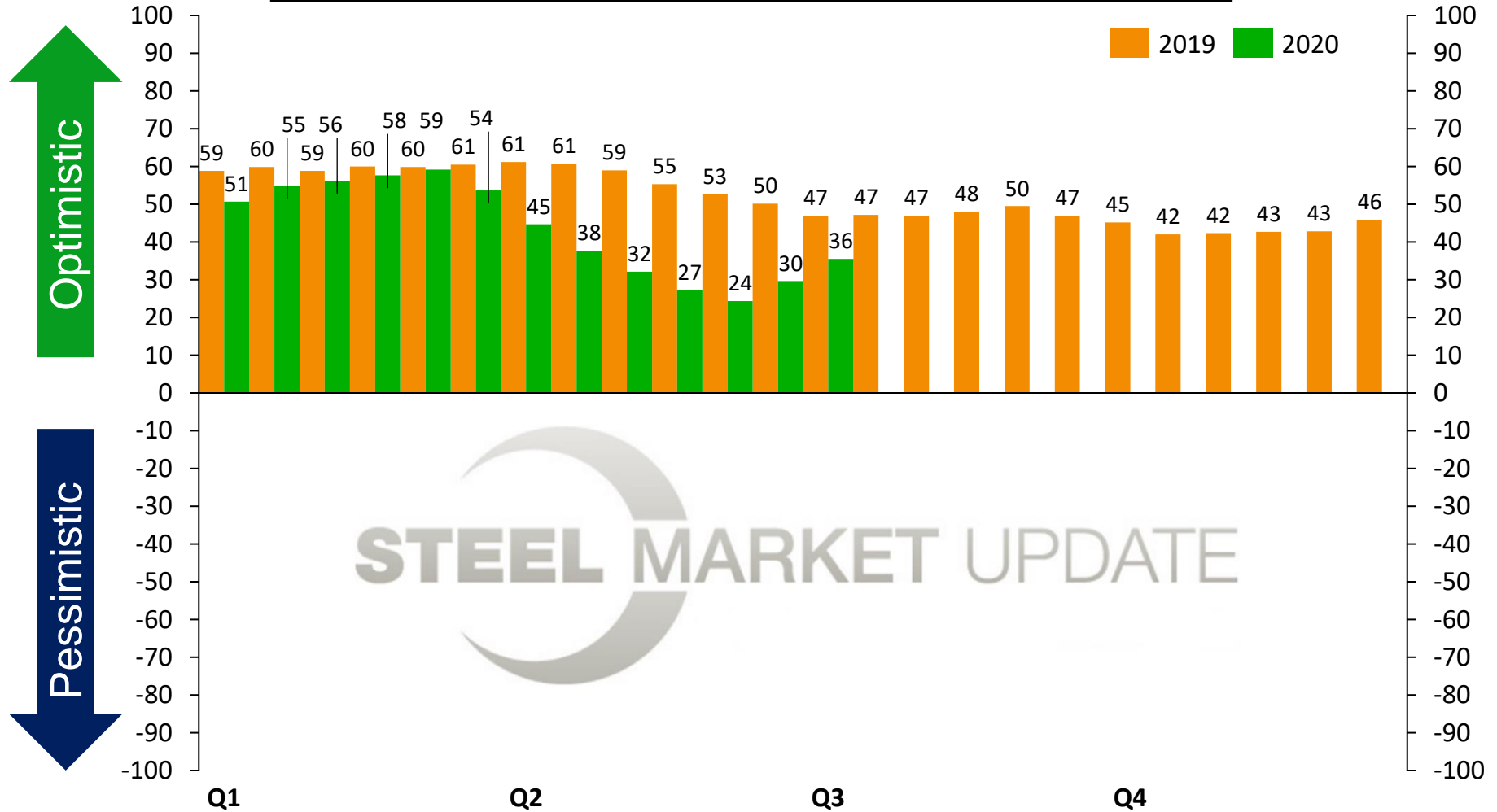
Steel Market Update Future Buyers Sentiment Index



SMU Future Buyers Sentiment Index

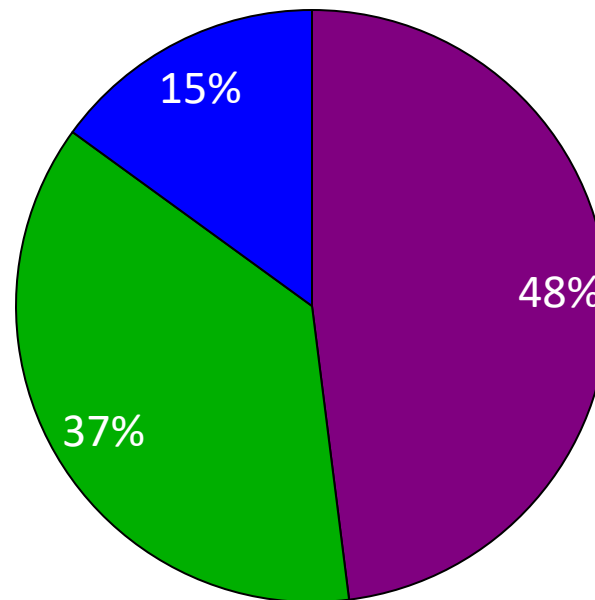
Three Month Moving Average at +35.50

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

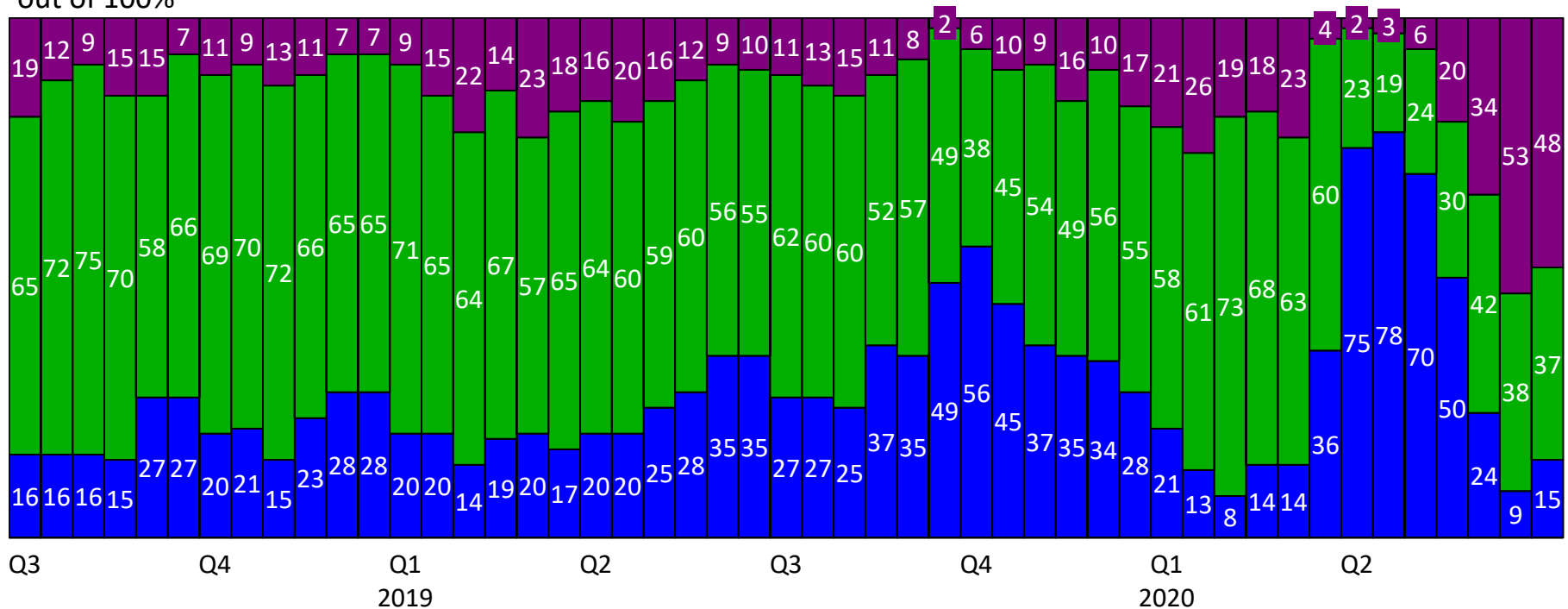


Overall Demand History

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

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

out of 100%

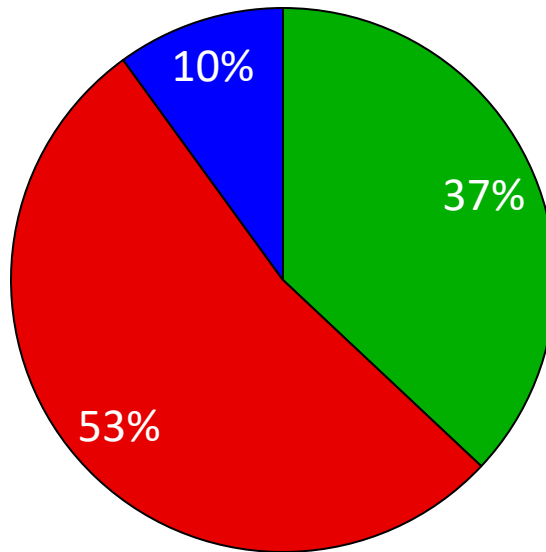


Steel Prices

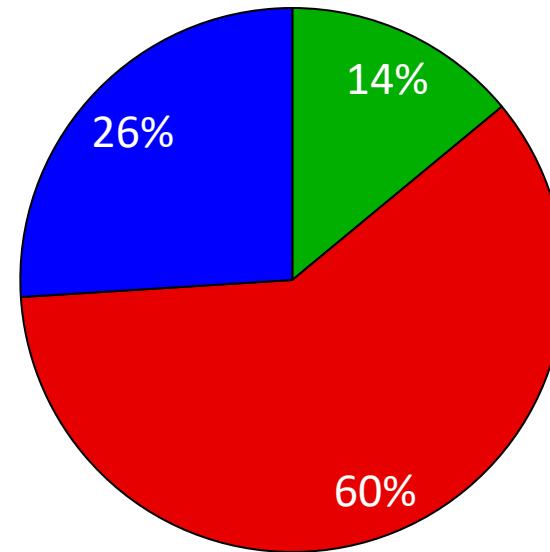
Prices have risen modestly since the mills first began raising prices.
Do you think prices will continue to rise over the next 60 days,
will they stall or will they begin to move lower?

- Prices will continue to rise
- Prices will stall at current levels
- Prices will begin to slide

June 12, 2020

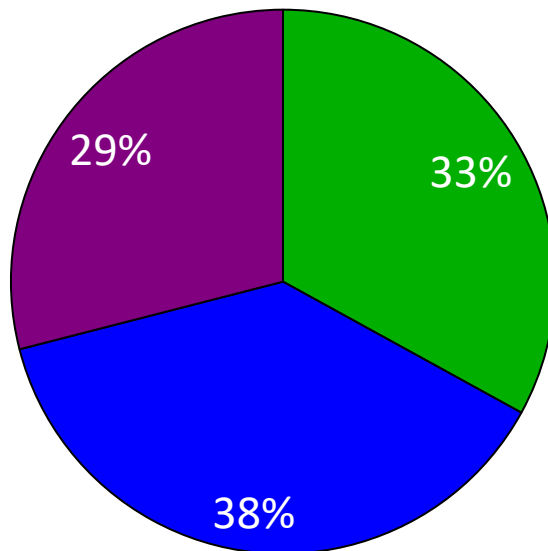


June 26, 2020



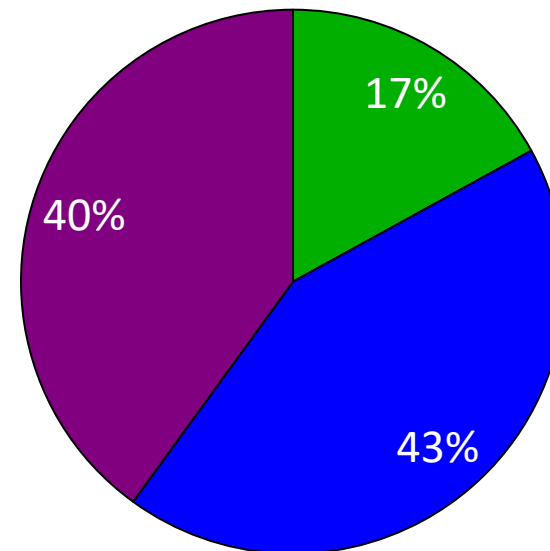
Has your company returned all of your employees back to an office environment?

- Yes
- Partial return – high risk remain at home (or employees have option)
- No



Does your company now allow travel to your customers and/or visits into your offices?

- Yes
- Yes – but with limitations
- No

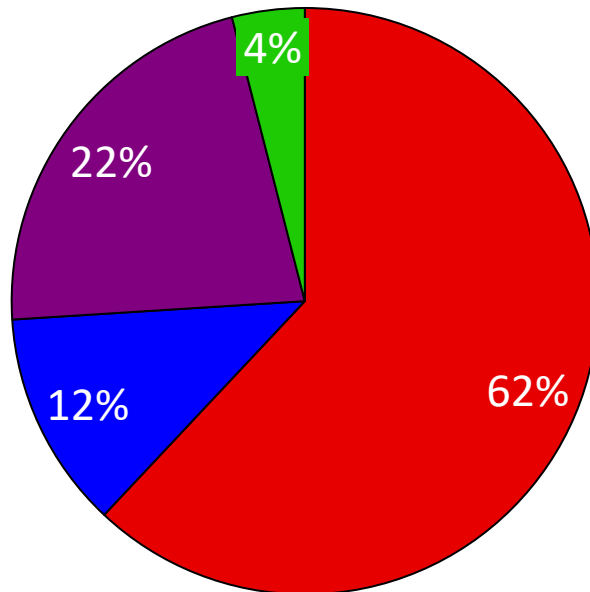


Presidential Race

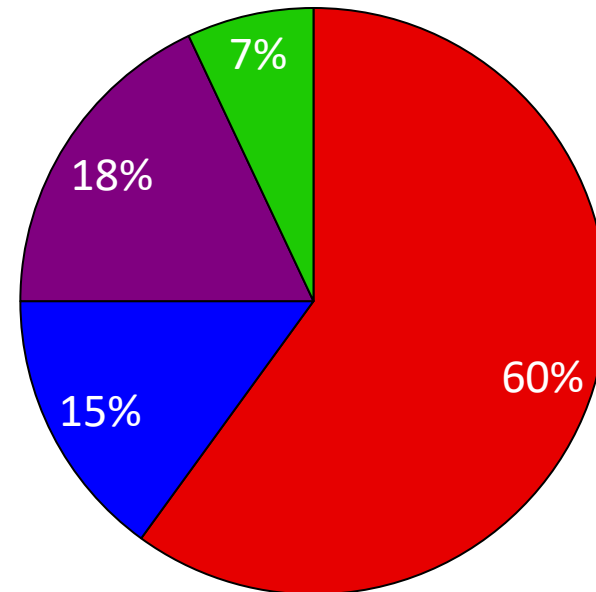
2020 has been a tumultuous year (so far) and there is a presidential election in November. As things stand now who are you supporting for president?

- Donald Trump for a second term
- Joe Biden
- Do not know yet
- Other

June 12, 2020



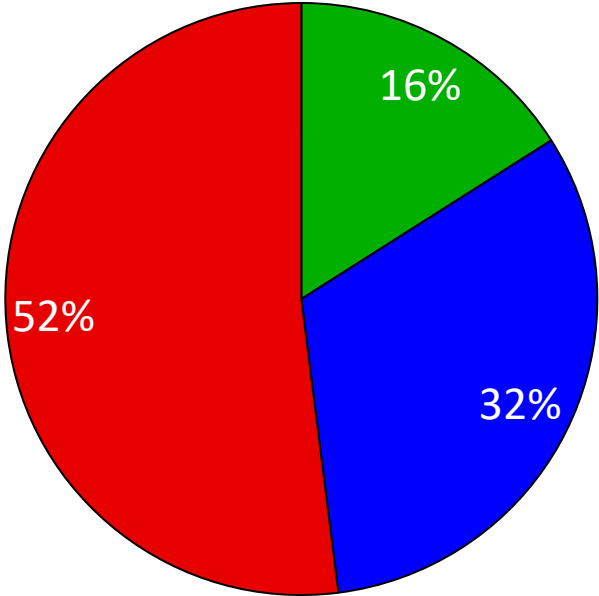
June 26, 2020



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

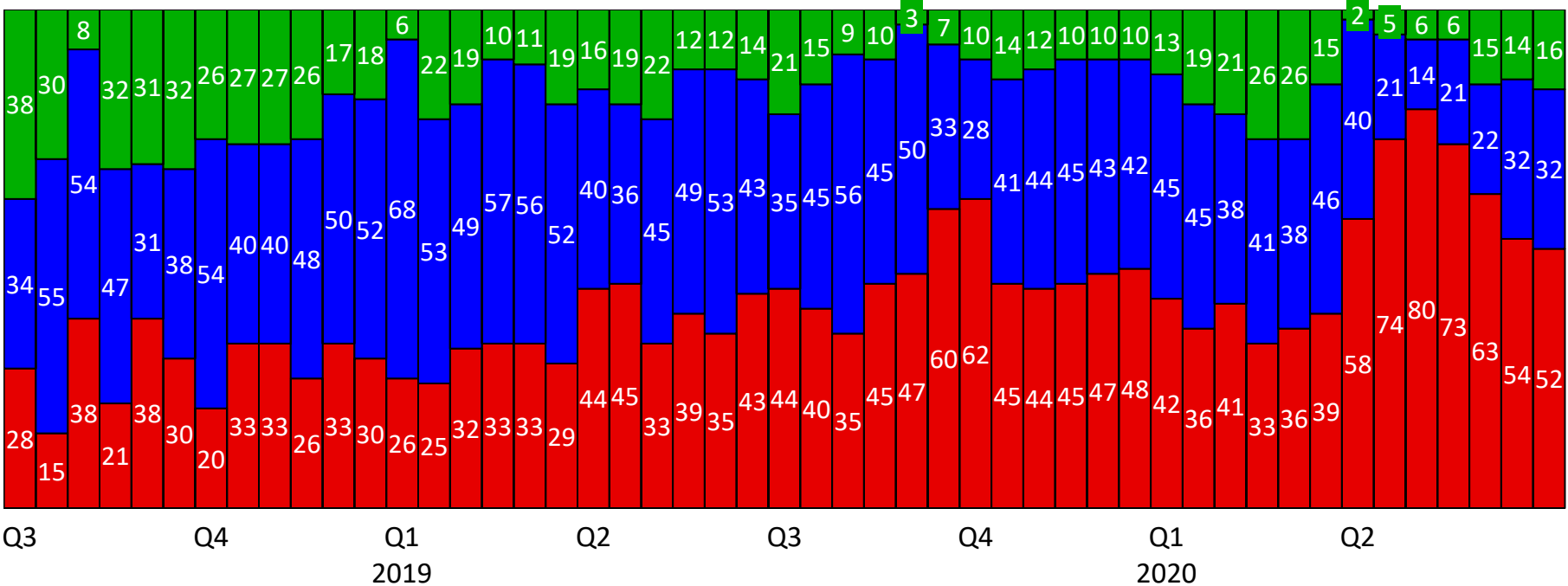


History of Manufacturer Purchases

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?

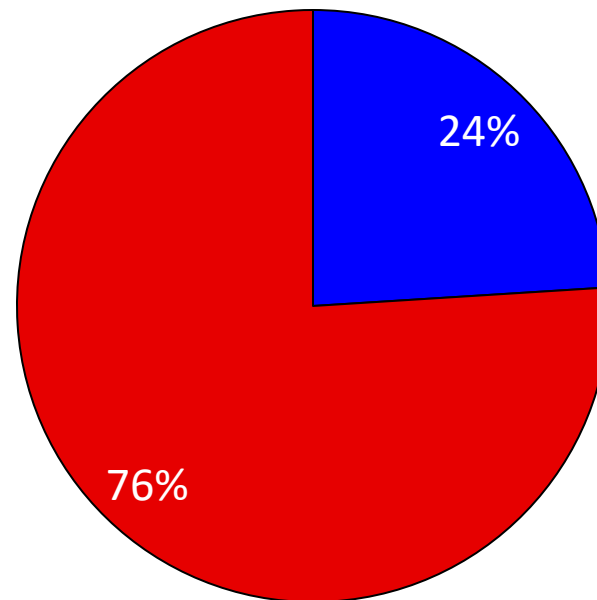
- Buying more steel
- Buying the same amount of steel
- Buying less steel

out of 100%



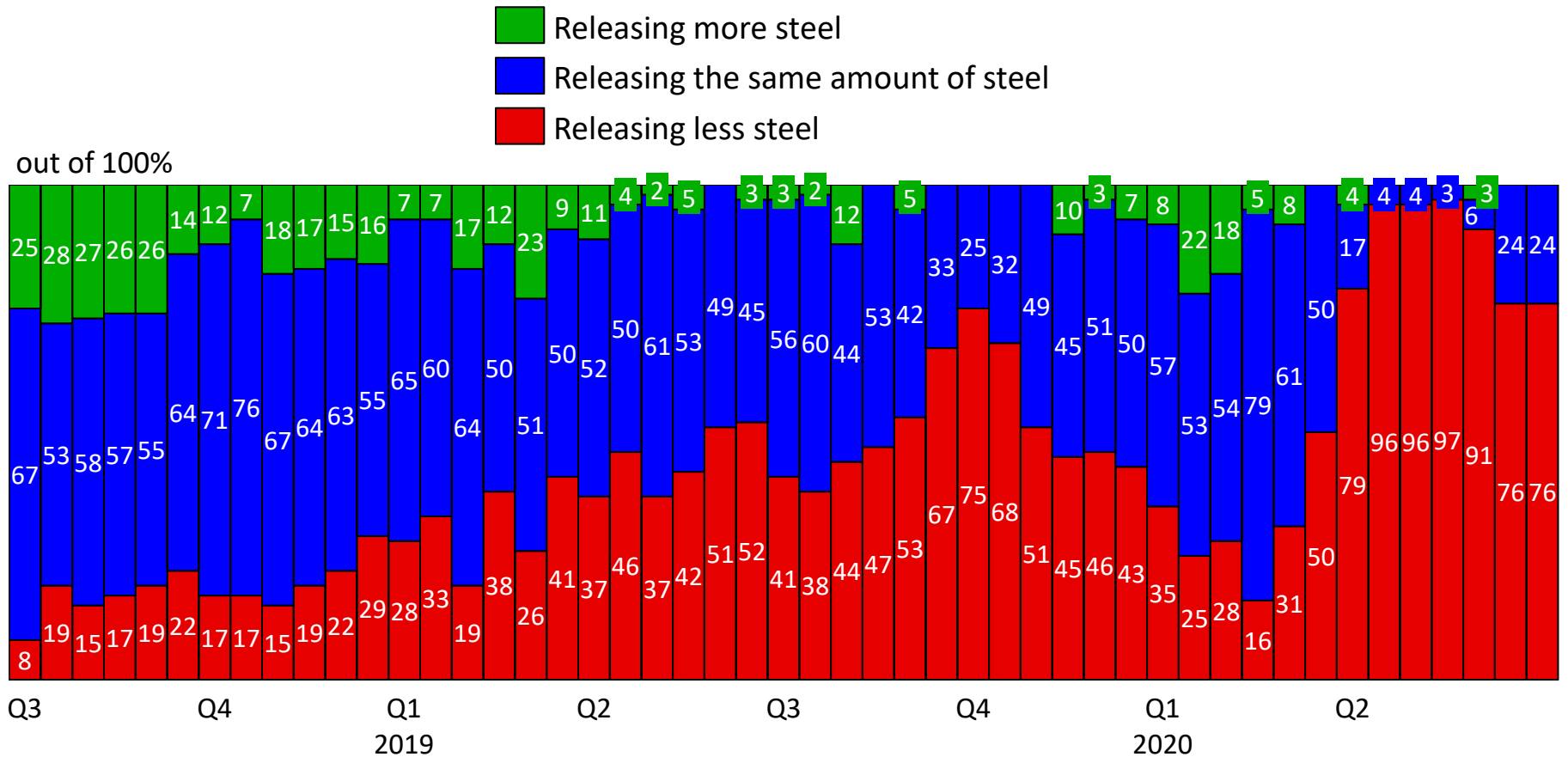
Service Centers- How do you see your customers releases (demand) for the products your company provides this year compared to this time last year?

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



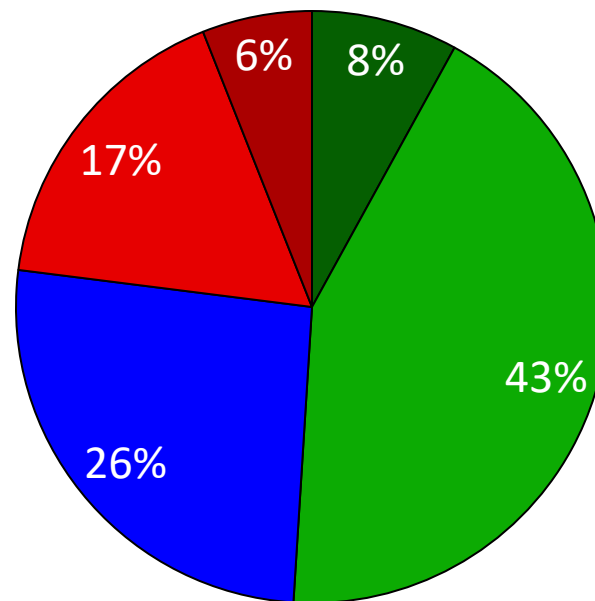
Service Center Release History

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



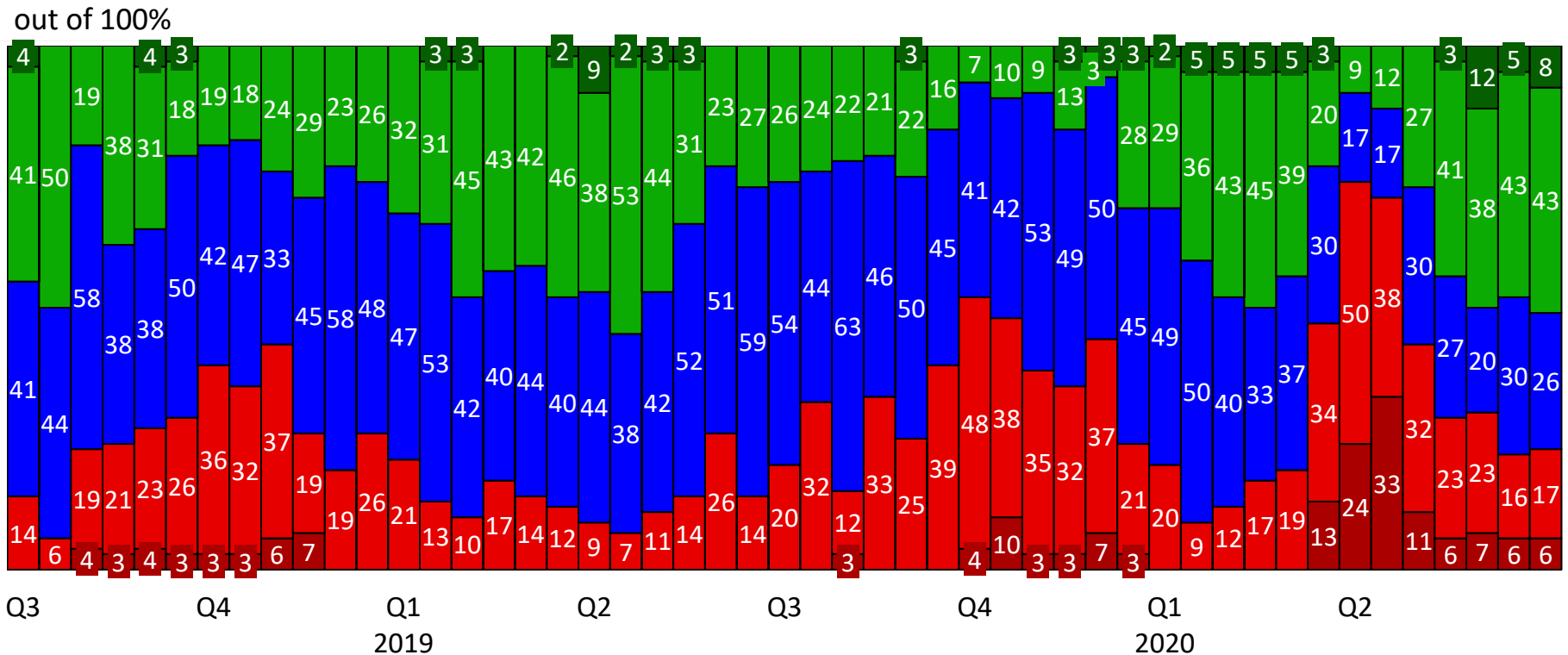
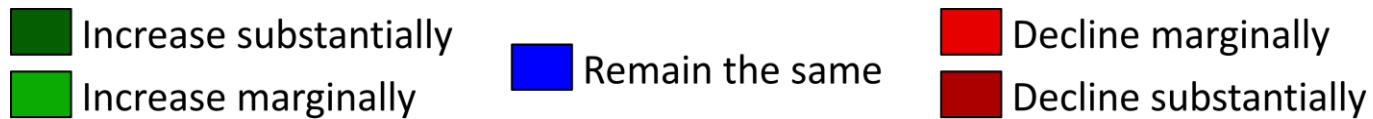
Manufacturers- Demand for your products will _____
over the next 3 months based on current order flows.

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



Manufacturer Demand History

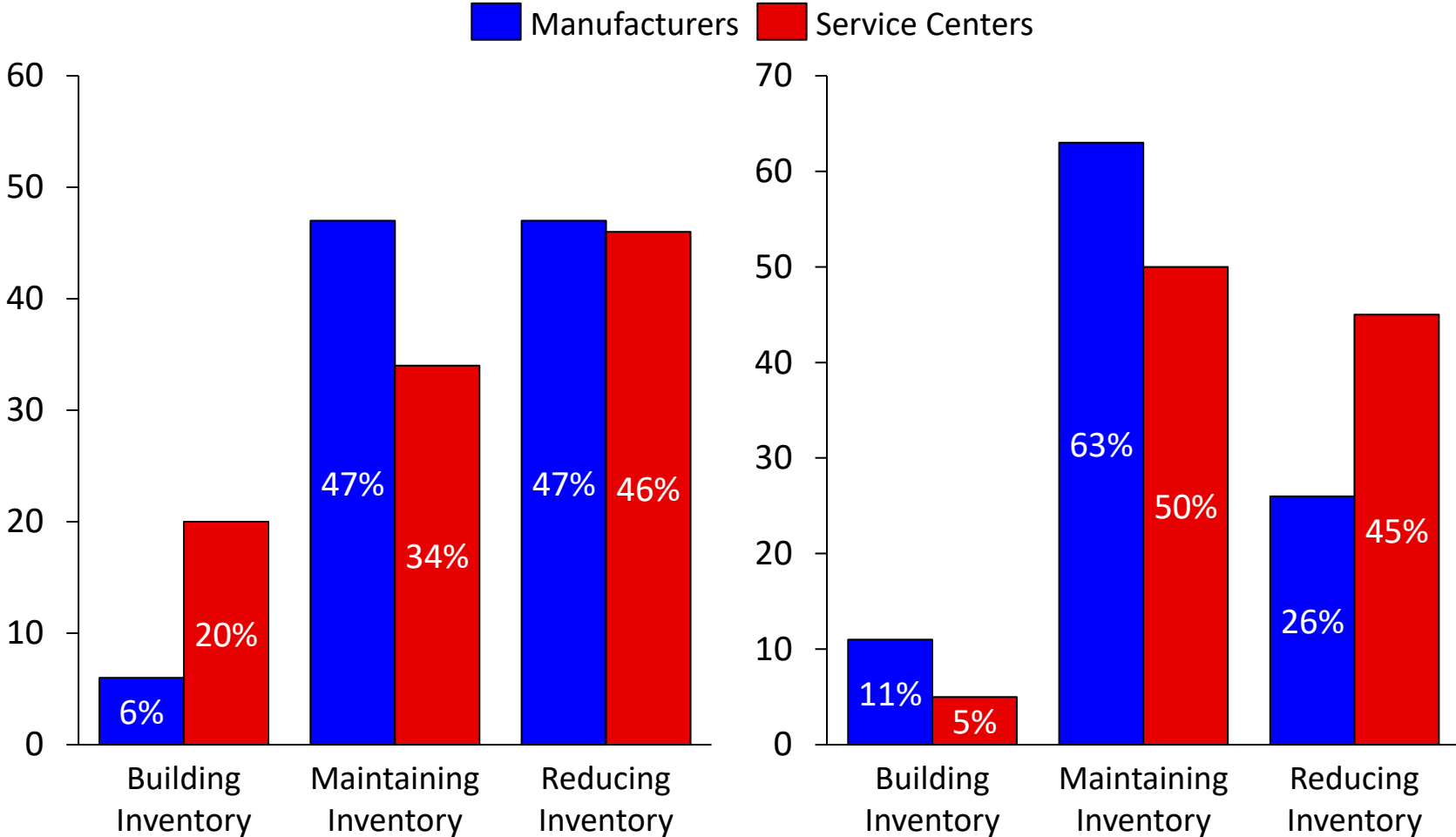
Manufacturers- Demand for your products will _____
over the next 3 months based on current order flows.



Manufacturer and Service Center Inventory Buying Patterns

May 16, 2020

June 26, 2020

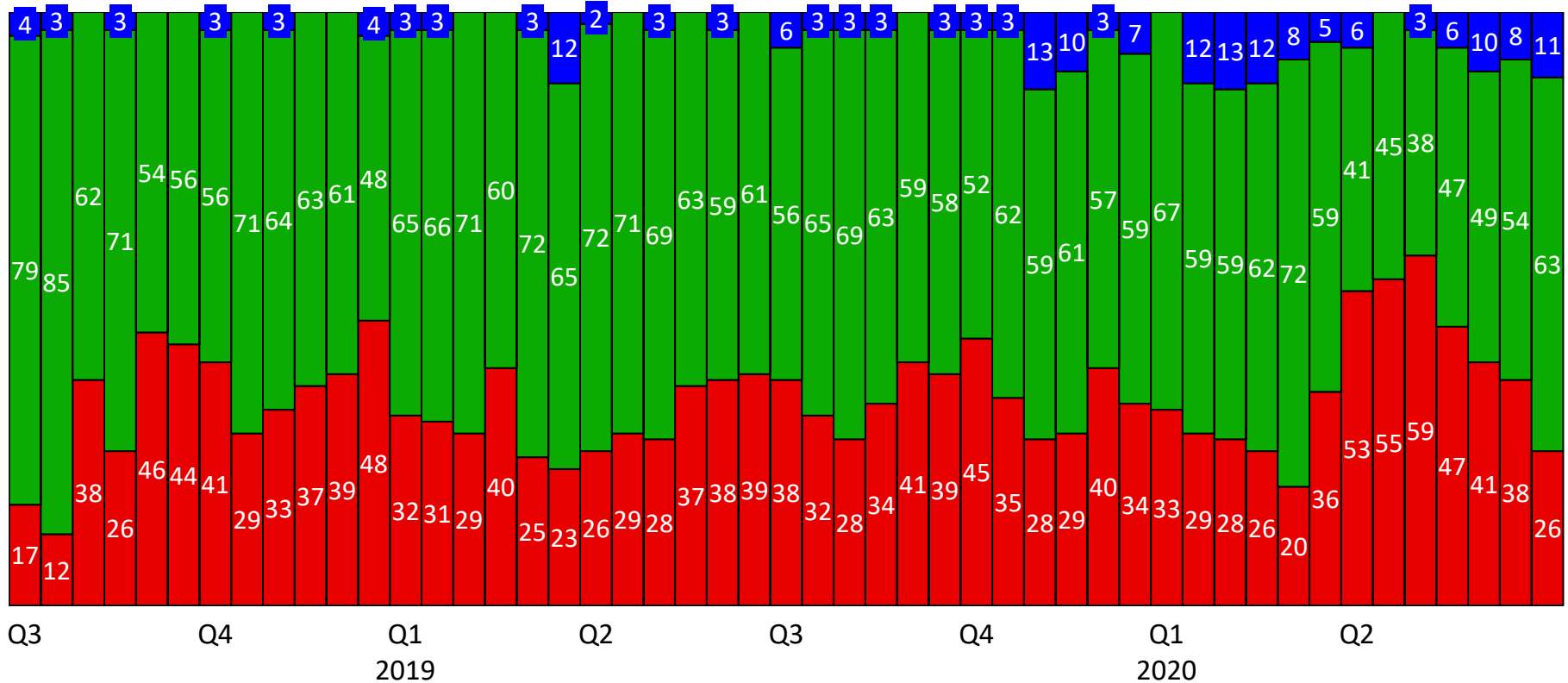


Manufacturer Inventory Buying History

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

■ Building Inventory
 ■ Maintaining Inventory
 ■ Reducing Inventory

out of 100%

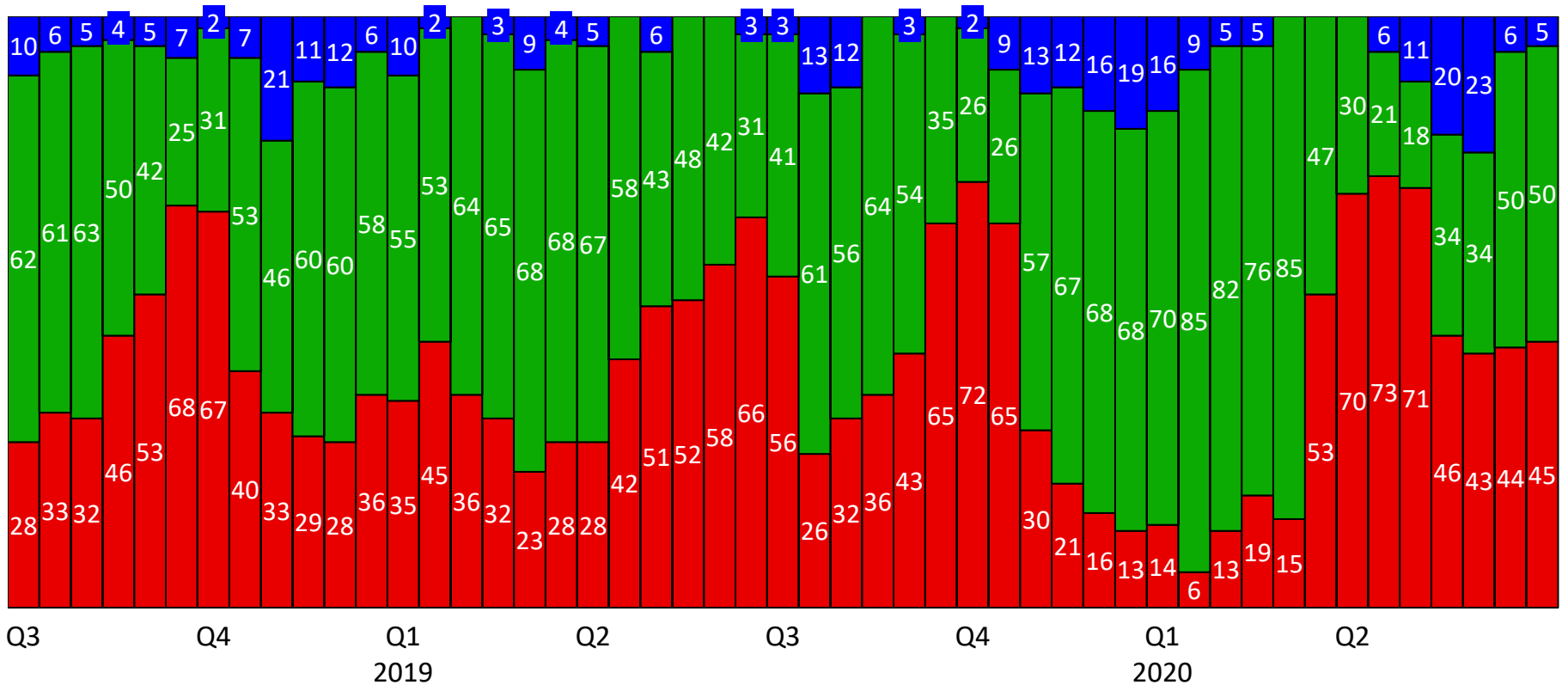


Service Center Inventory Buying History

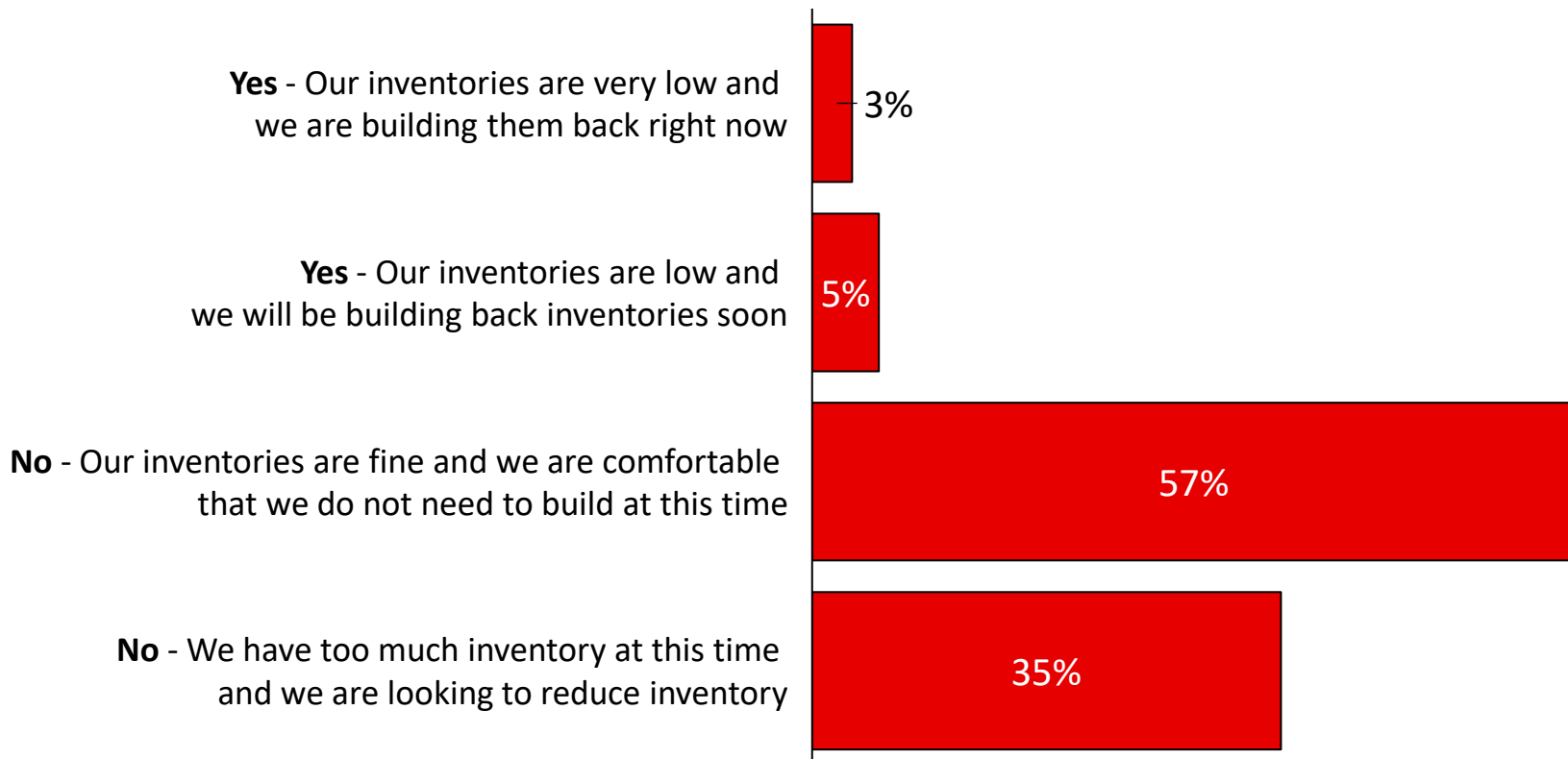
Service Centers- Is your company building, reducing or maintaining its flat rolled steel inventory?

■ Building Inventory
 ■ Maintaining Inventory
 ■ Reducing Inventory

out of 100%



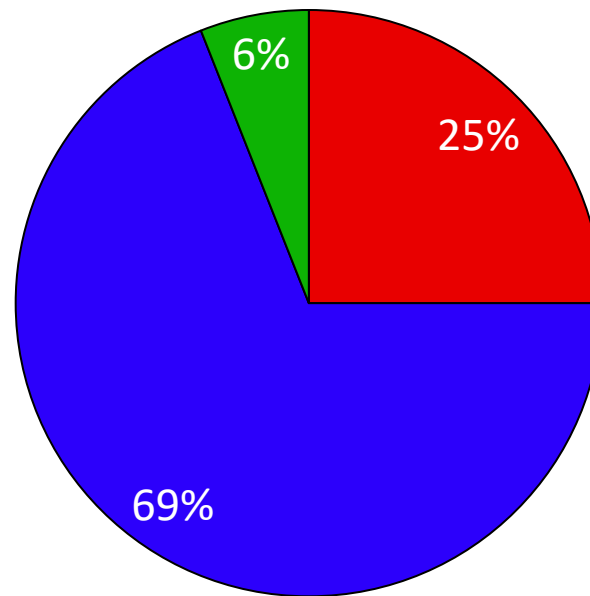
Service Centers- Does your company need to build back inventories or are you comfortable with the levels you are holding on your floor?



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

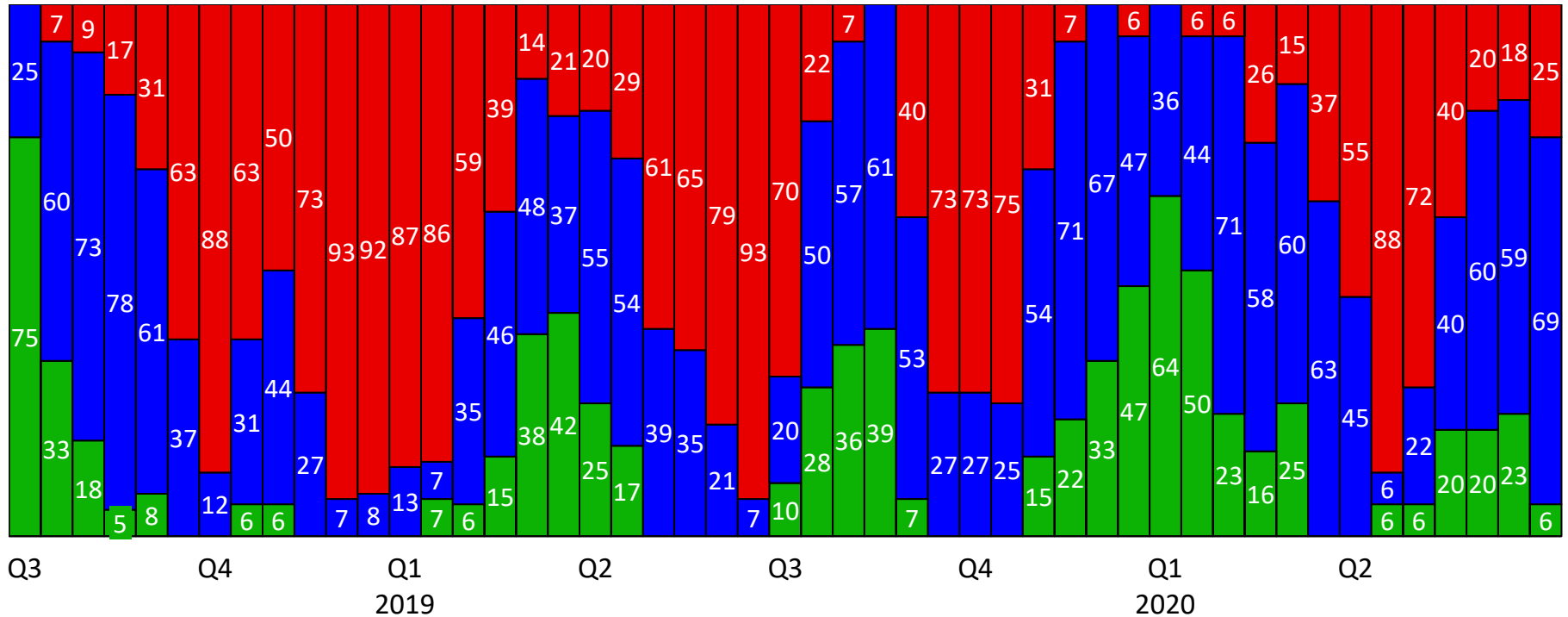


Manufacturer's View of Service Center Selling Prices History

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

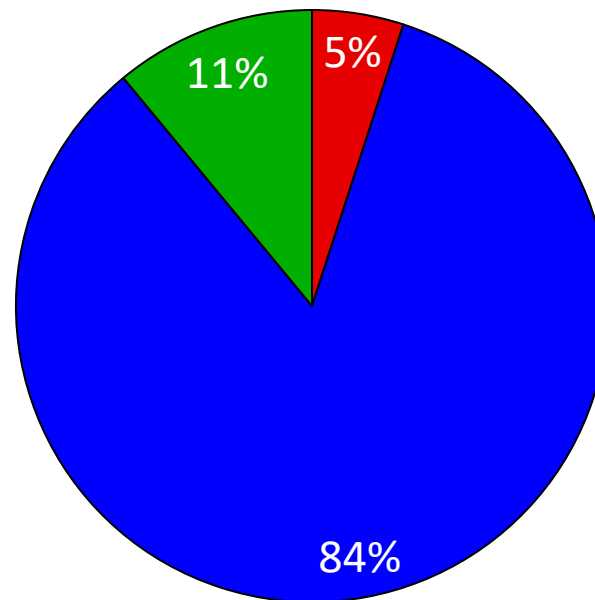
- We are seeing prices decreasing from our service centers
- We are seeing prices stable from our service centers
- We are seeing prices rising from our service centers

out of 100%

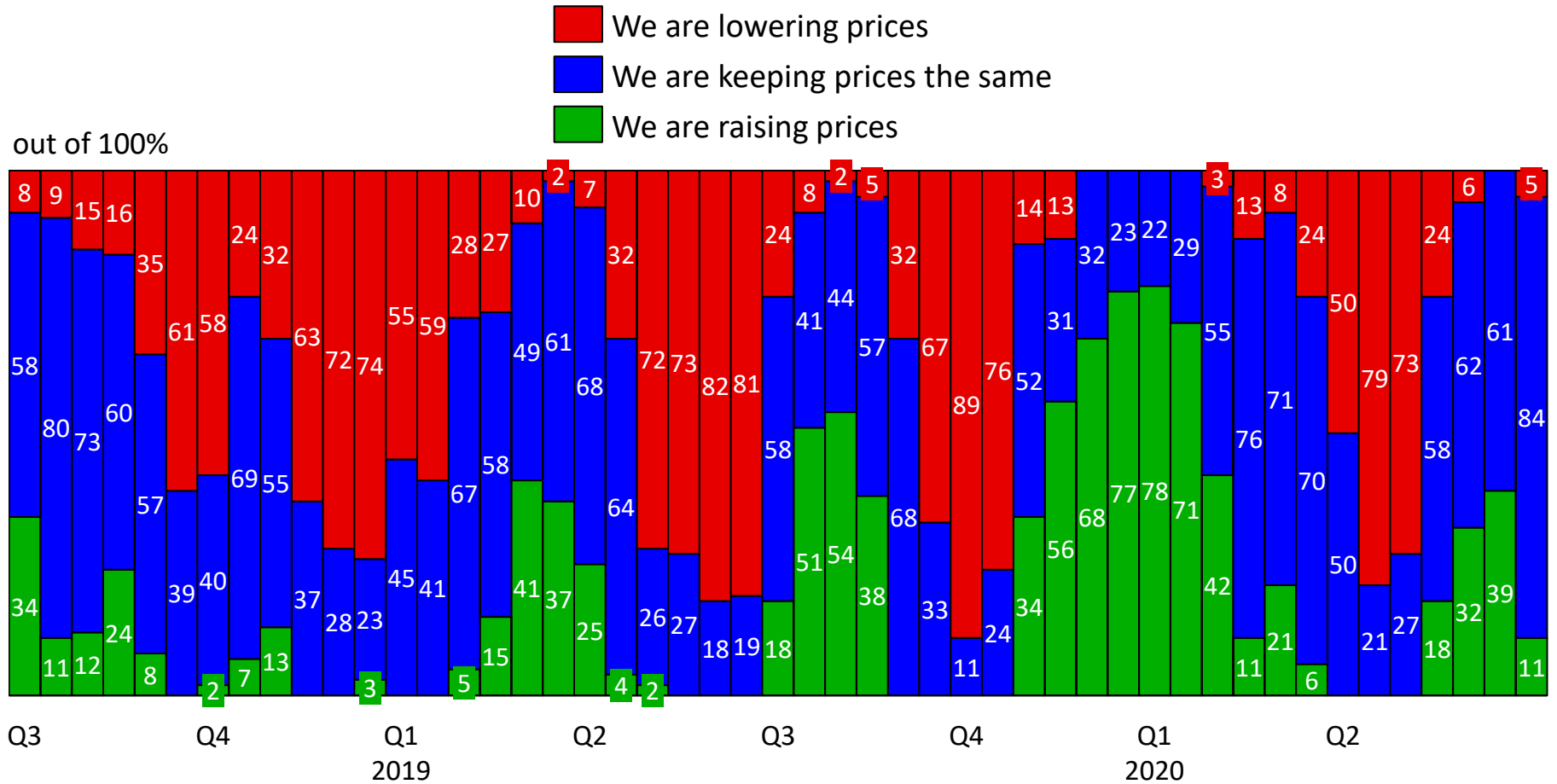


Service Centers- Compared to two weeks ago, how is your company handling spot pricing to your customers at this time?

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



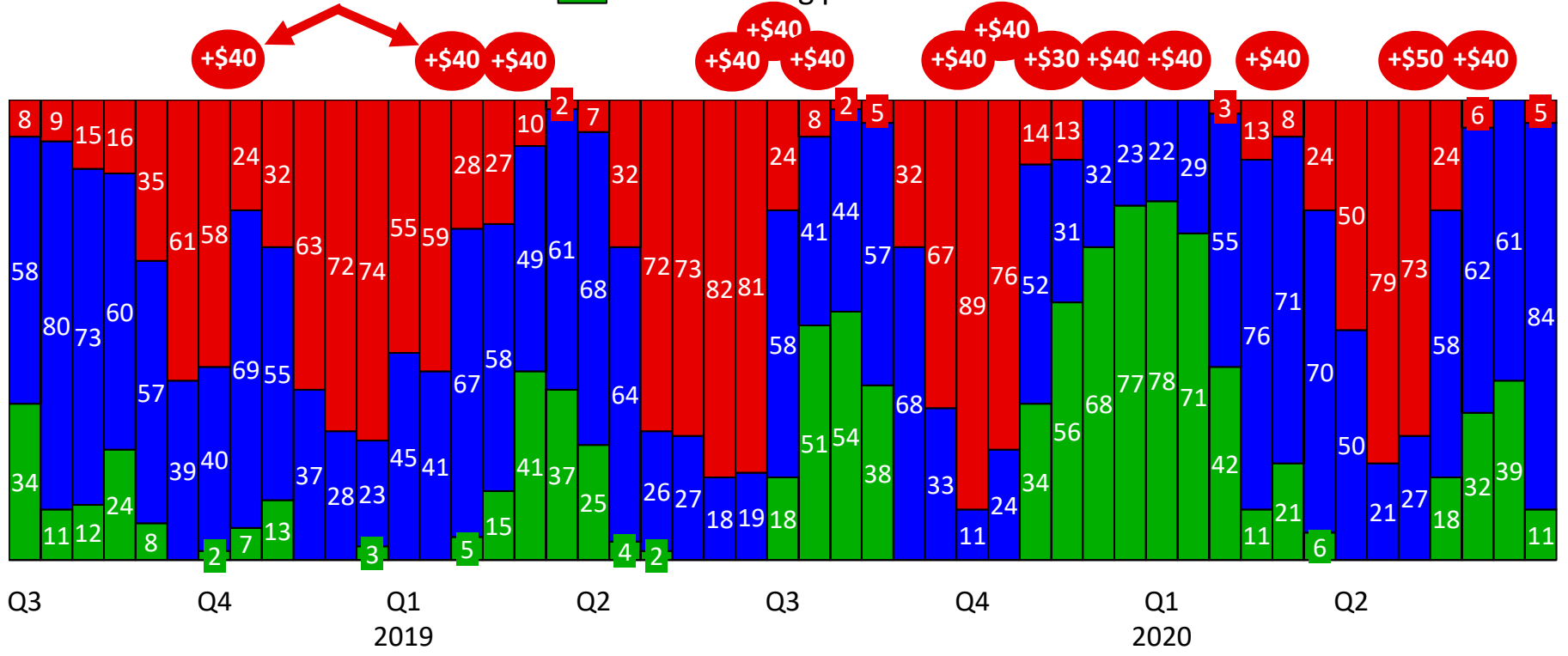
Service Centers- Compared to two weeks ago, how is your company handling spot pricing to your customers at this time?



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 Flat Rolled Price Increase Announcements

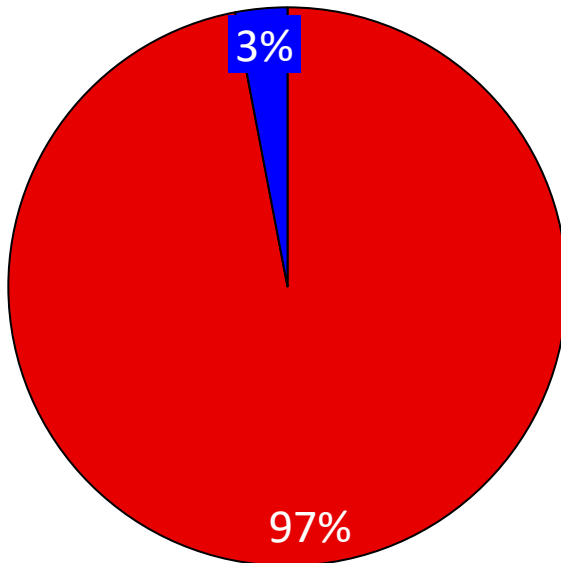


Passing Along Higher Prices

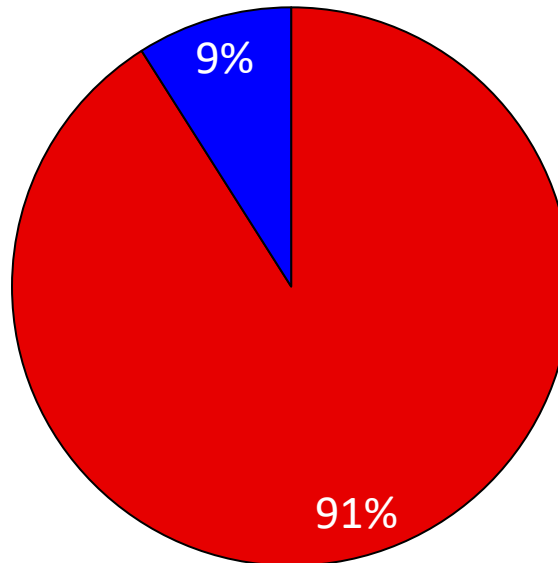
Service Centers- Are you having any difficulties in passing along the new higher prices to your customers?

Yes No

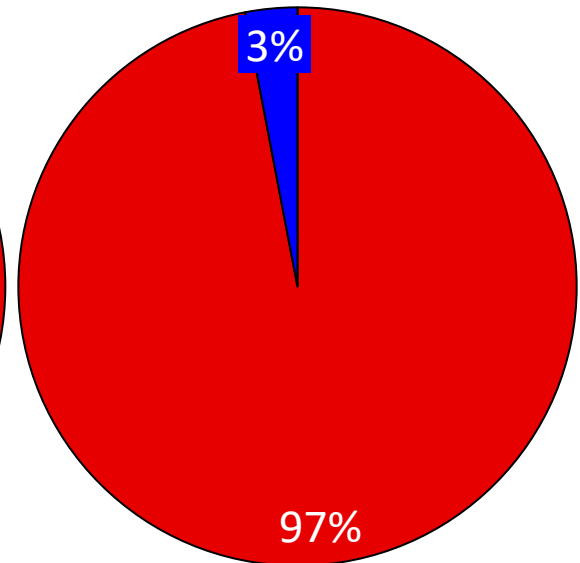
April 17, 2020






May 16, 2020

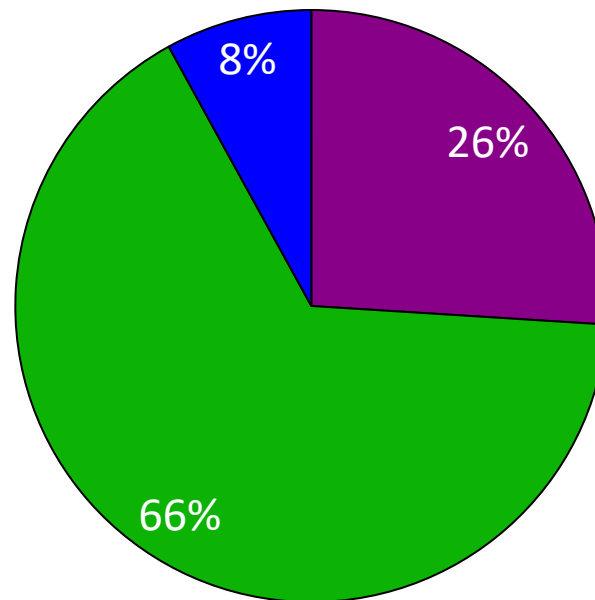


June 26, 2020



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

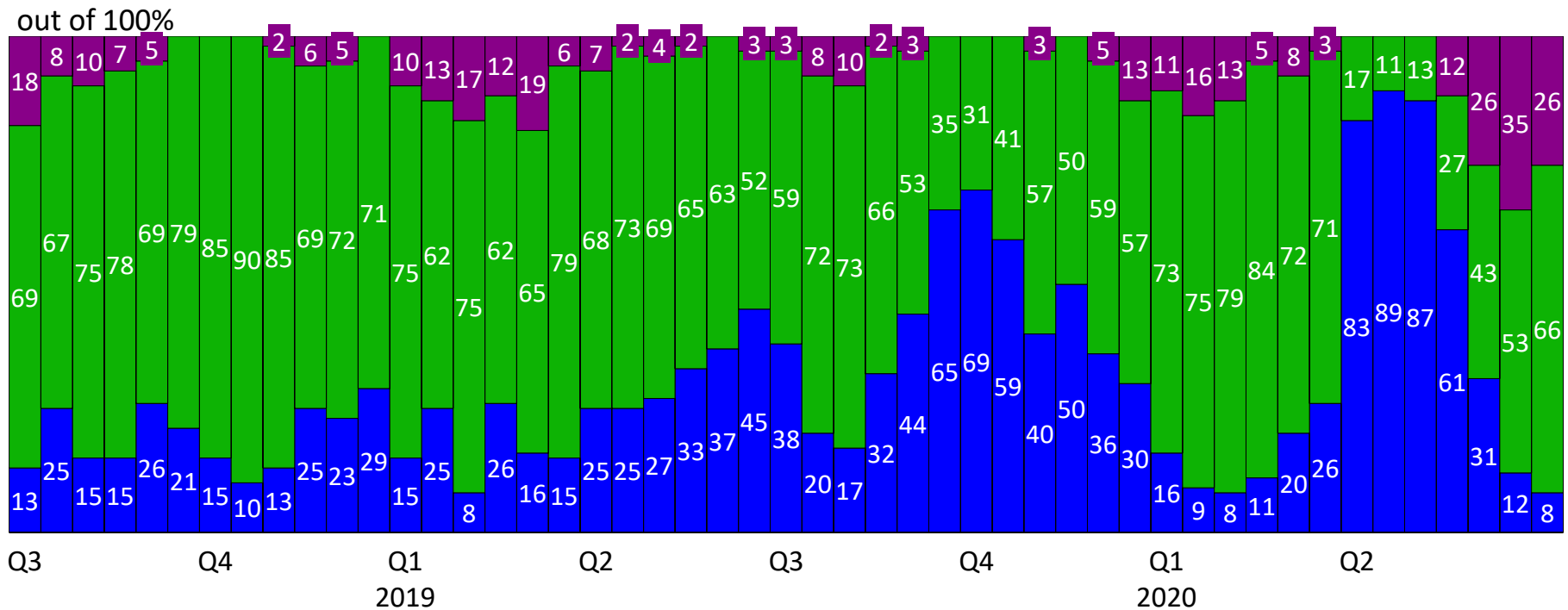
-  Our manufacturing customers are increasing orders
-  Our manufacturing customers are maintaining their orders
-  Our manufacturing customers are reducing their orders



Service Centers on Manufacturer Orders History

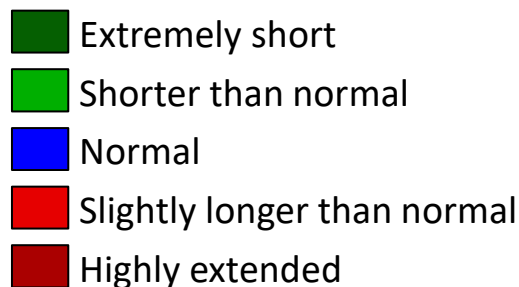
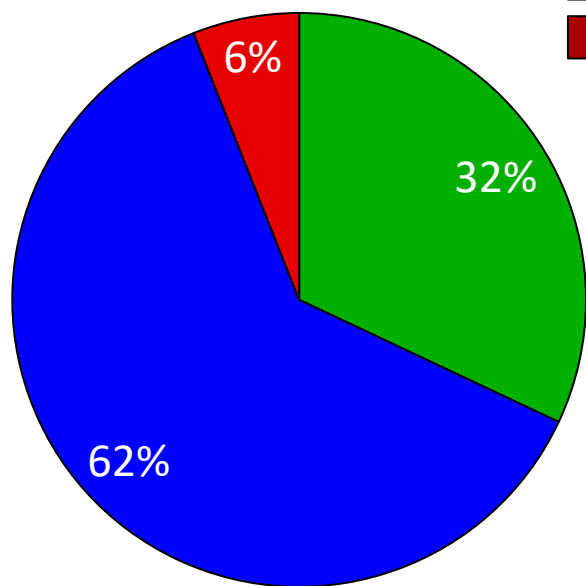
Service Centers- Are your manufacturing customers increasing orders, keeping them the same or reducing orders at this time?

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

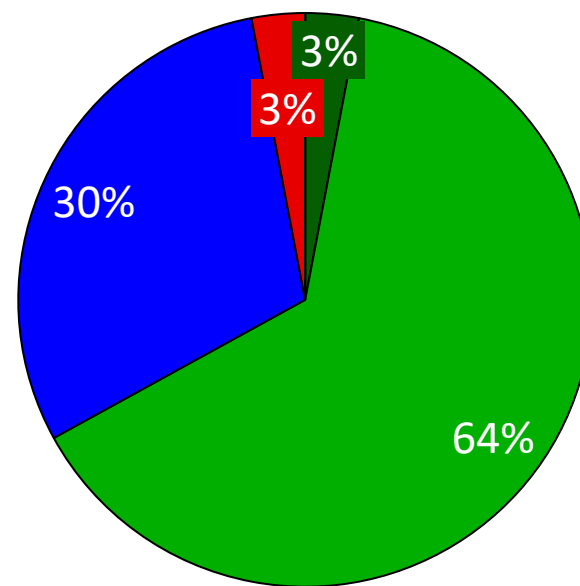


How would you describe domestic mill lead times for new orders placed right now?

Manufacturers



Service Centers

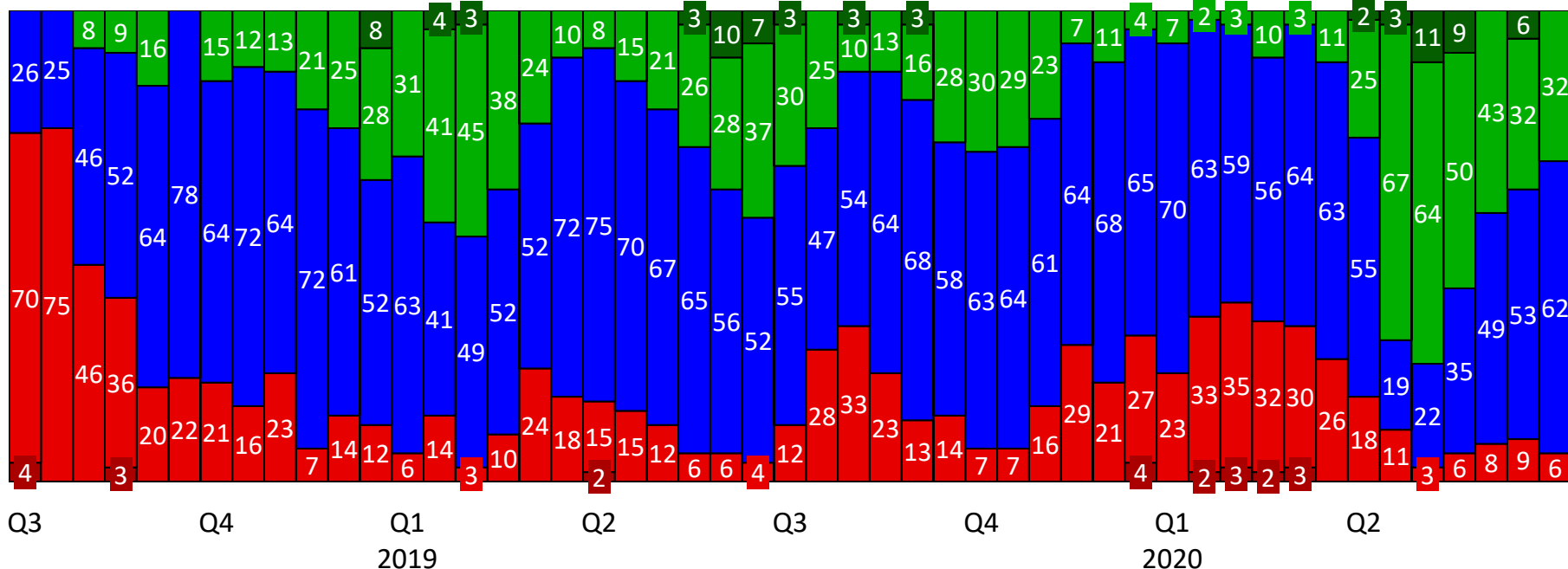


Mill Lead Times History

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

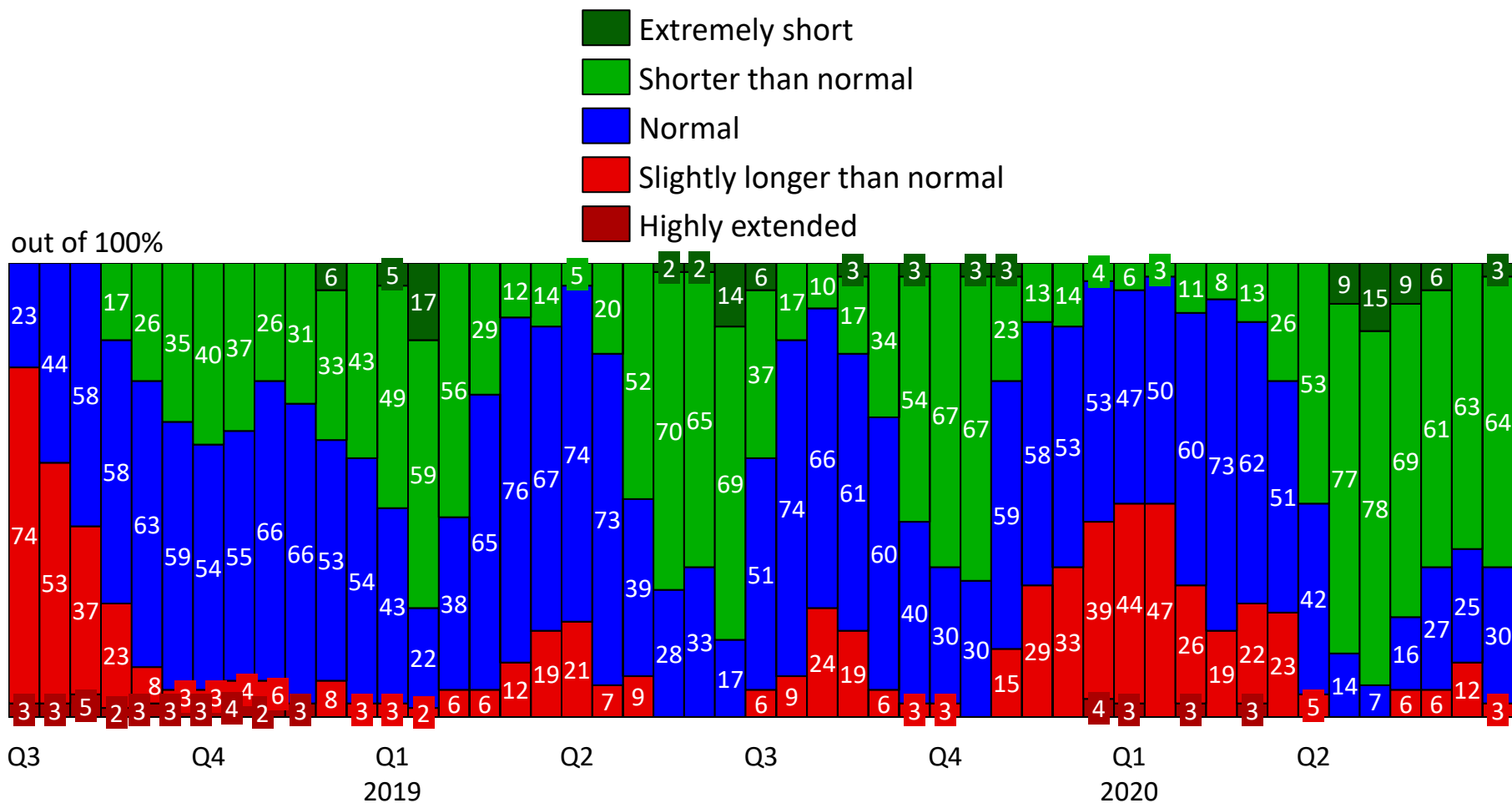
- Extremely short
- Shorter than normal
- Normal
- Slightly longer than normal
- Highly extended

out of 100%



Mill Lead Times History

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

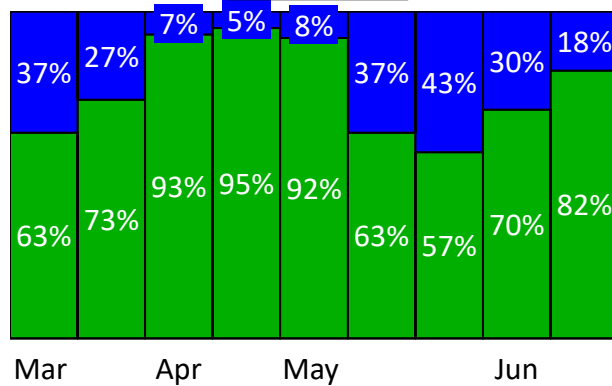


Mill Negotiations

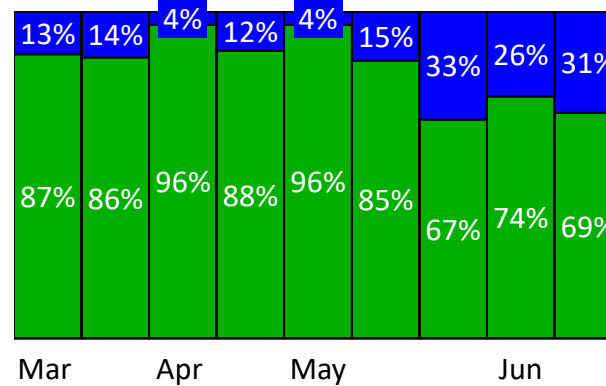
Are you finding the domestic mills are willing to negotiate pricing on brand new orders placed this week?

Yes No

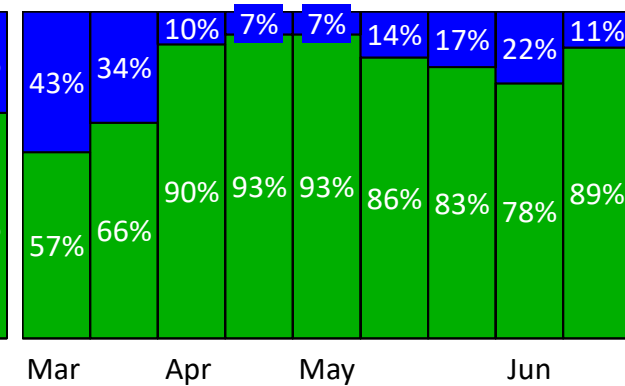
Hot Rolled



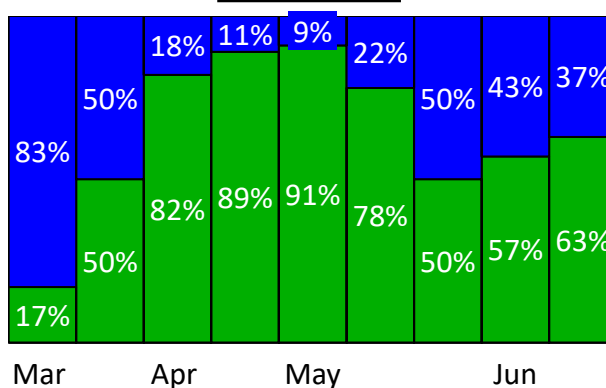
Cold Rolled



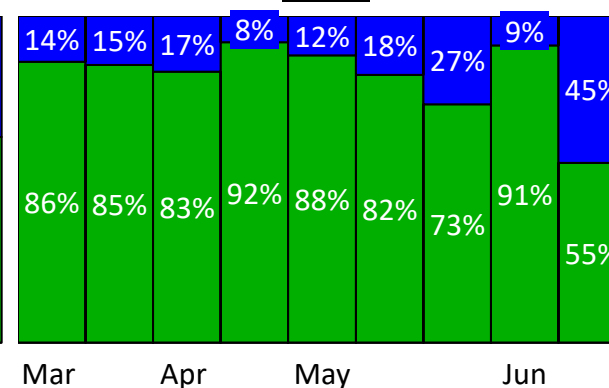
Galvanized



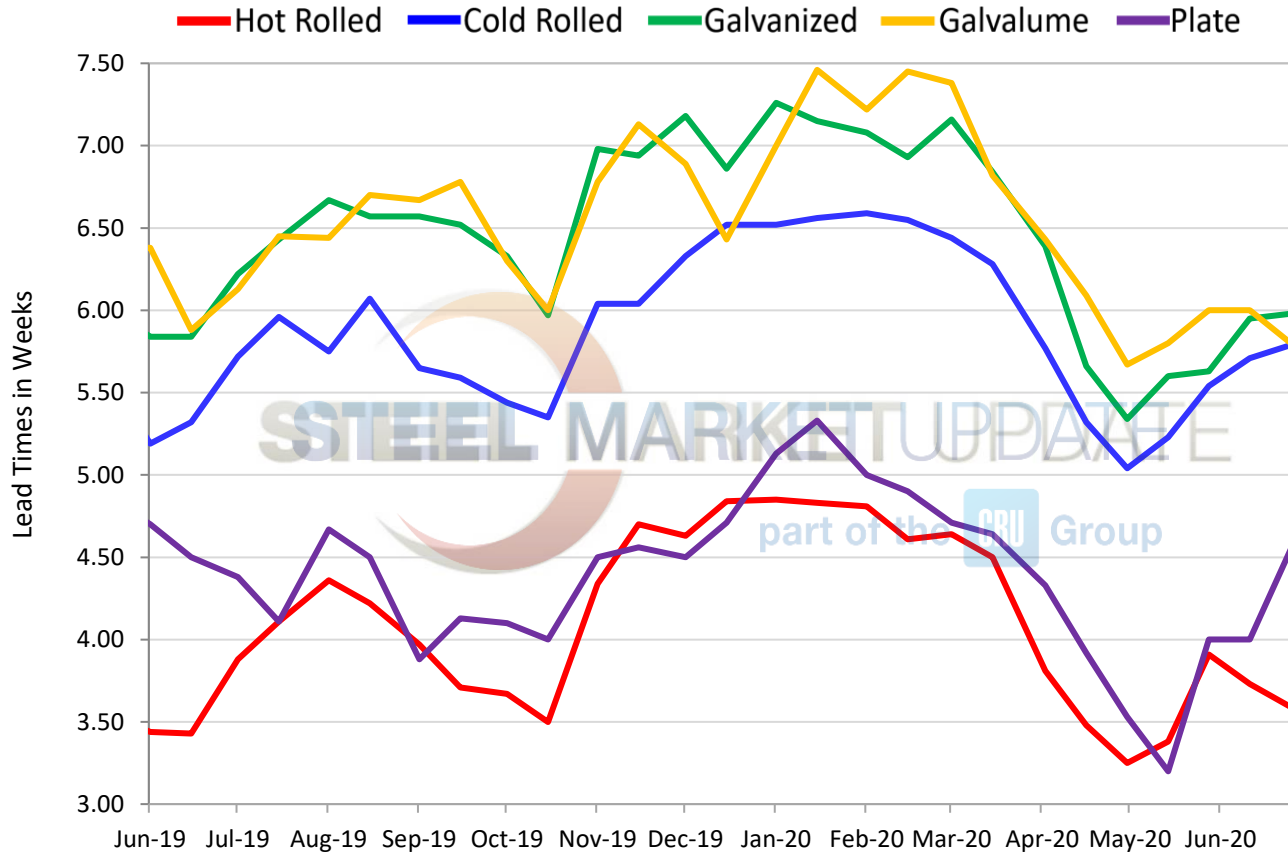
Galvalume



Plate



Mill Lead Times



Lead Times in Weeks

Galvanized: 5.98

Galvalume: 5.80

Cold Rolled: 5.79

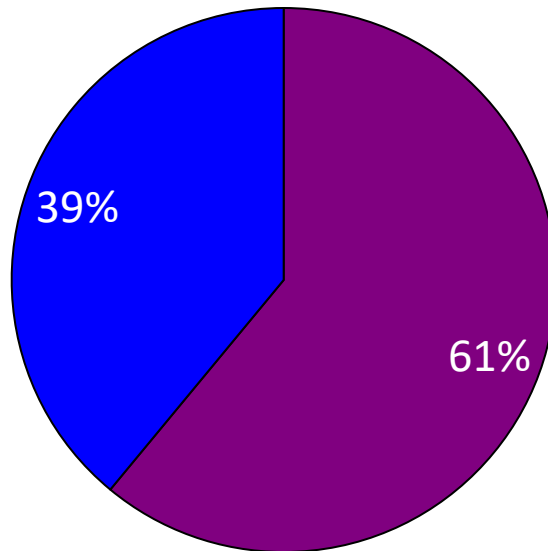
Plate: 4.55

Hot Rolled: 3.59

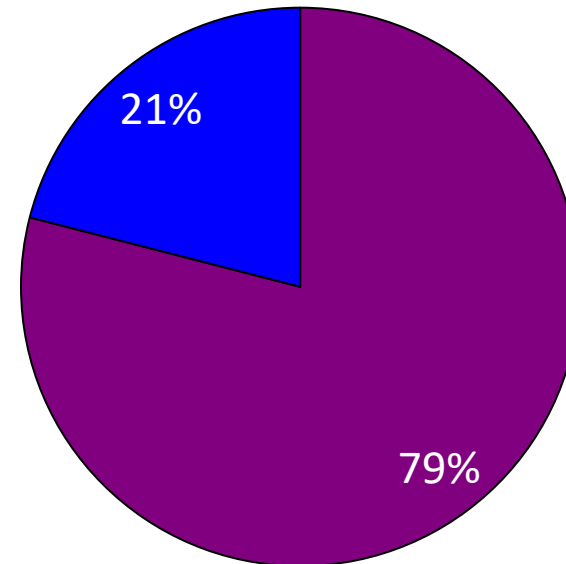
Does your company buy foreign steel?

■ Yes ■ No

Manufacturers



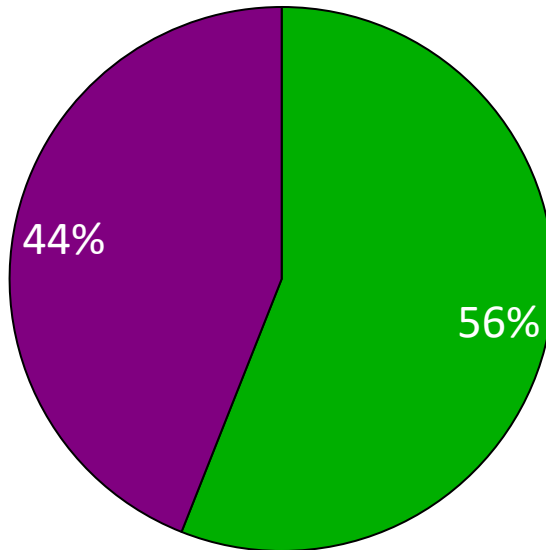
Service Centers



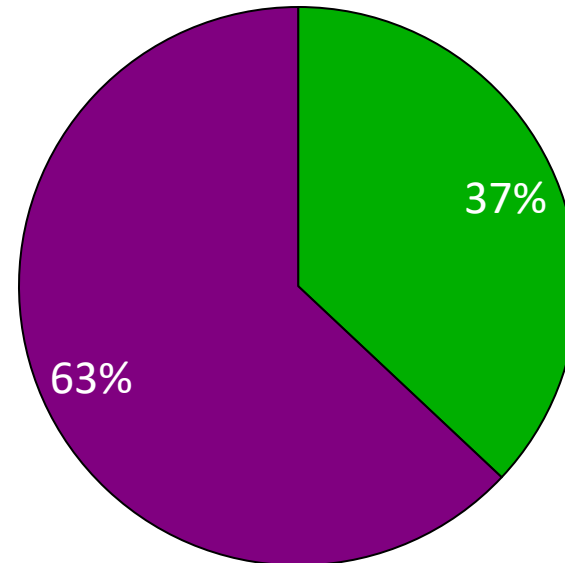
Are your foreign steel suppliers quoting you competitive prices for new orders for future delivery?

Yes No

Manufacturers



Service Centers

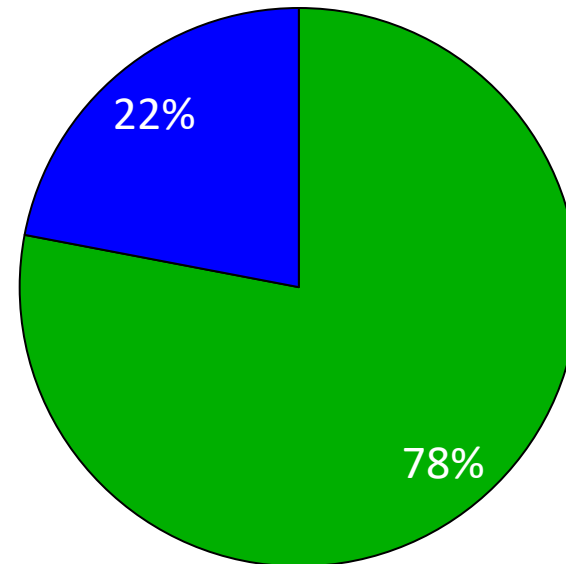
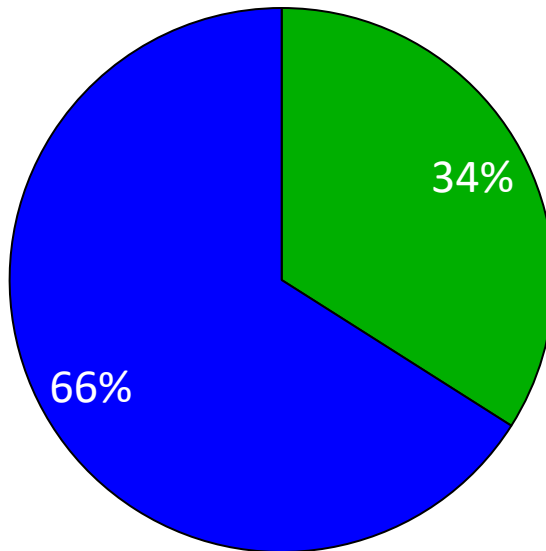


Foreign Steel

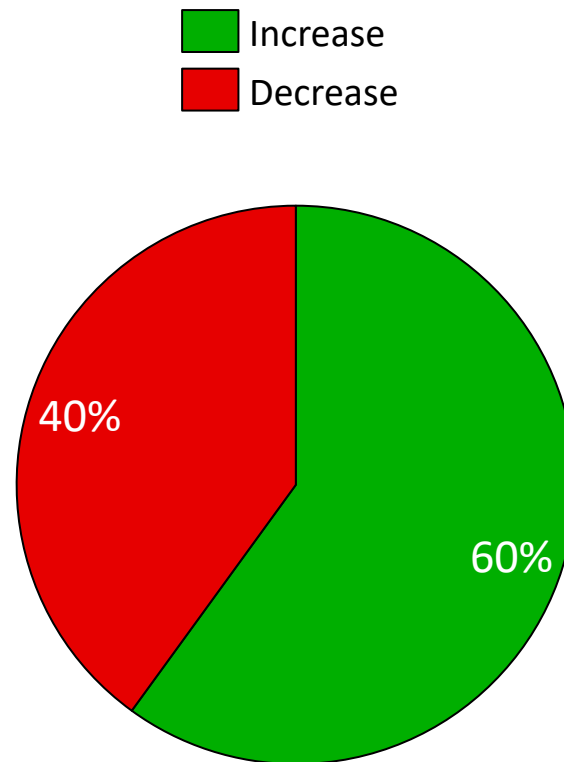
Manufacturers- Are you buying new orders of foreign steel for future delivery?

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

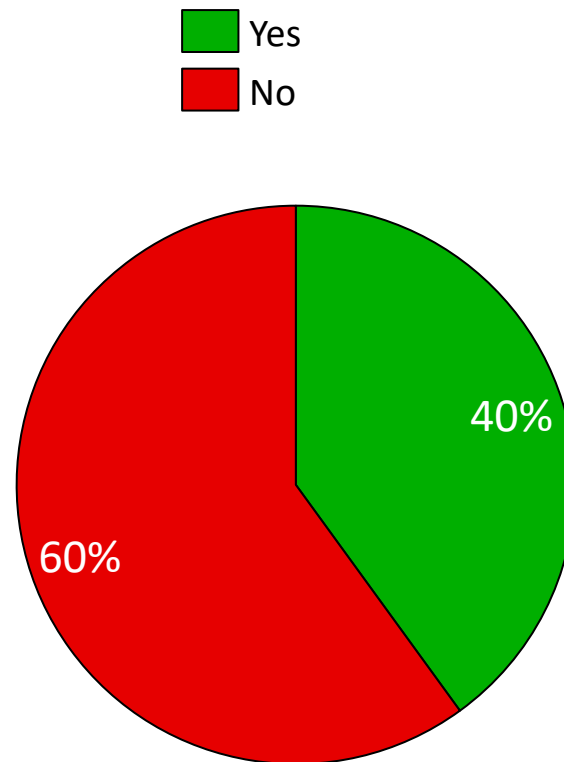
Yes No



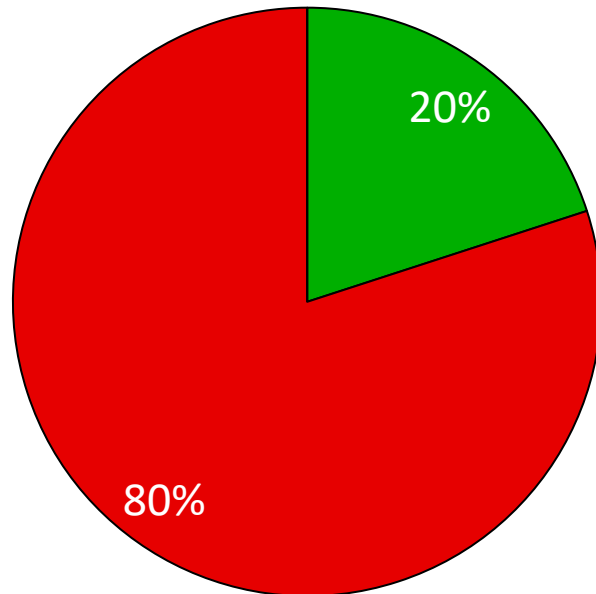
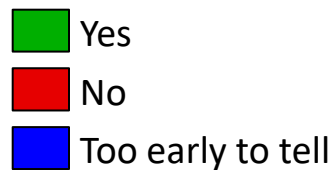
At this time, are you seeing an increase or decrease in orders from your North American buyers?



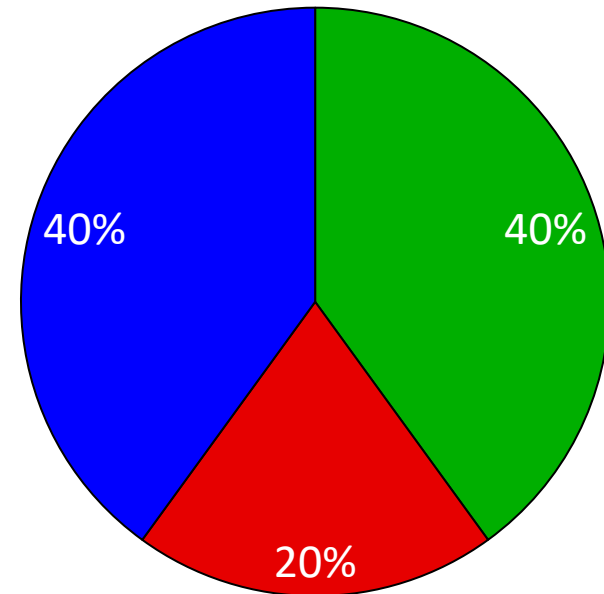
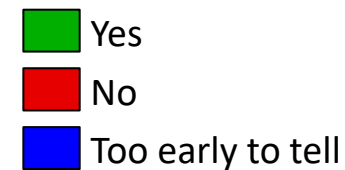
With prices increasing out of the domestic steel mills are foreign products now becoming more attractive to U.S. steel buyers?



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

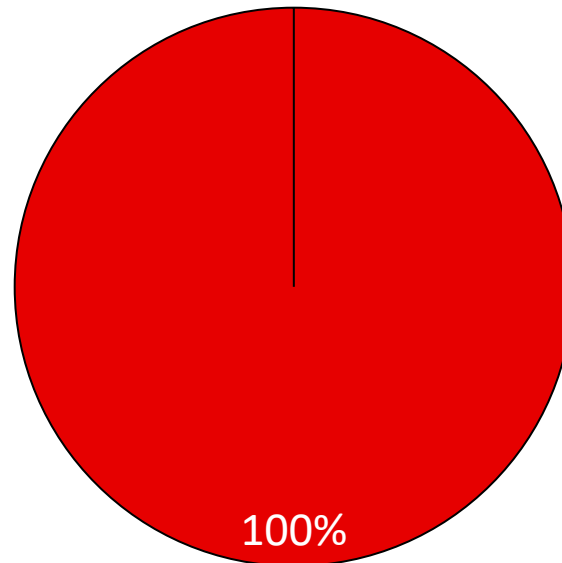


Are your Galvalume prices competitive enough right now to get orders (including the new duties)?

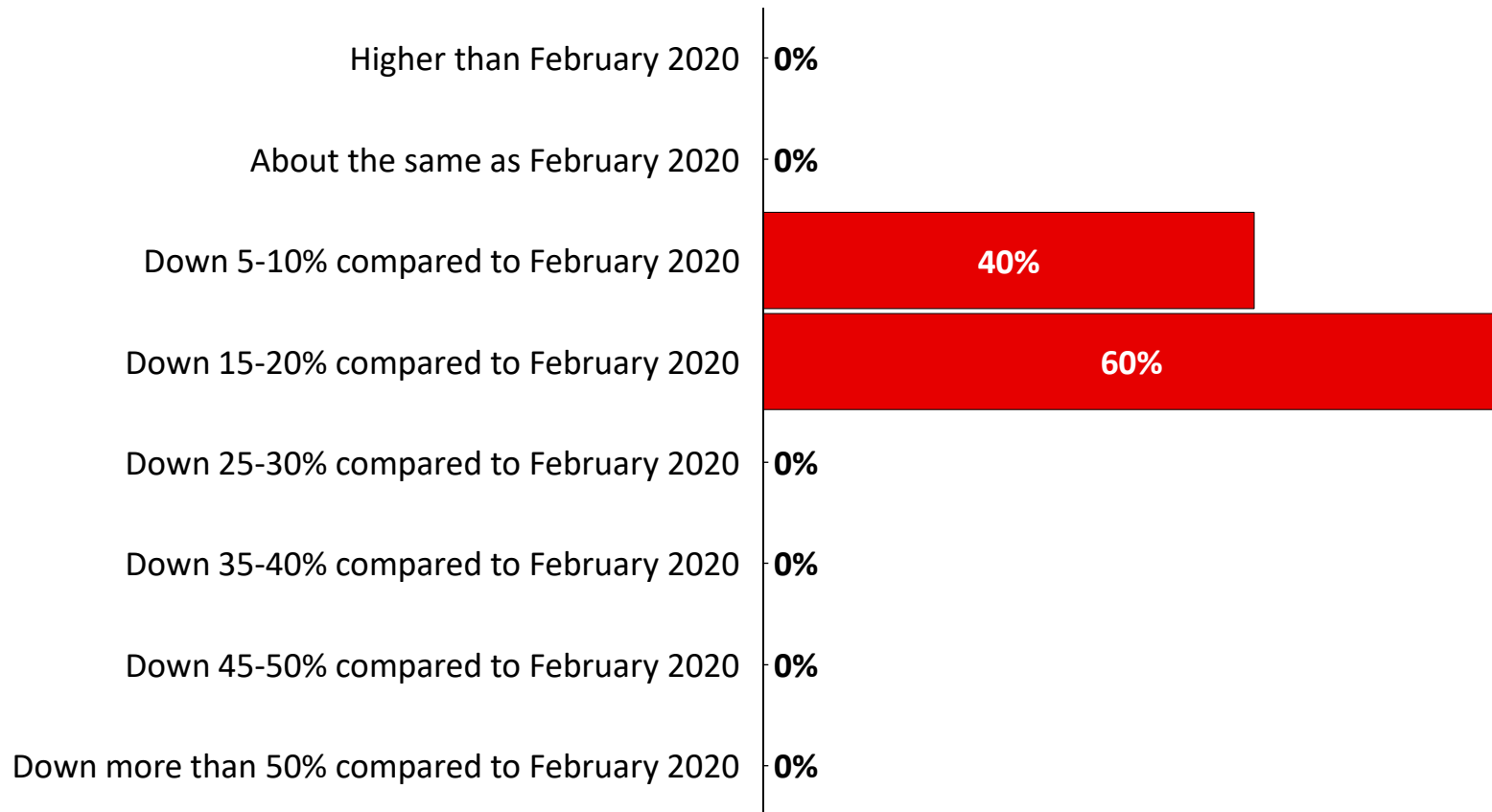


Are you able to offer plate pricing that is attractive to buyers right now?

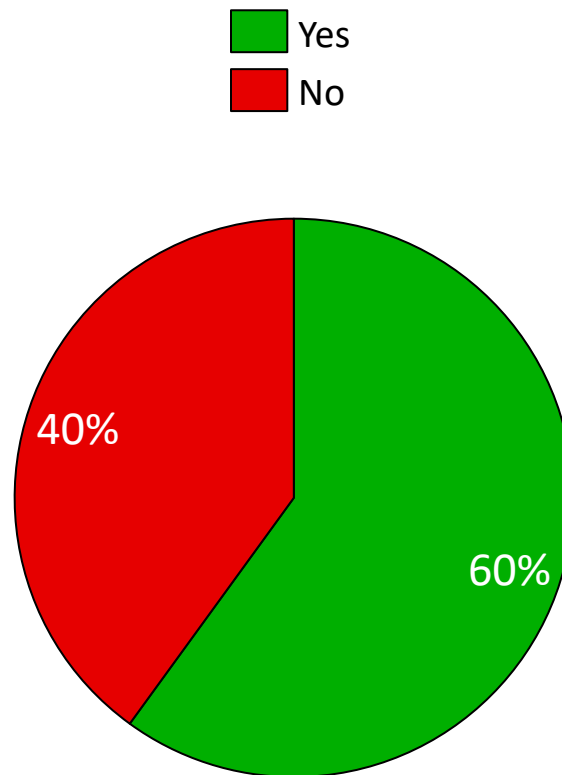
Yes
No



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

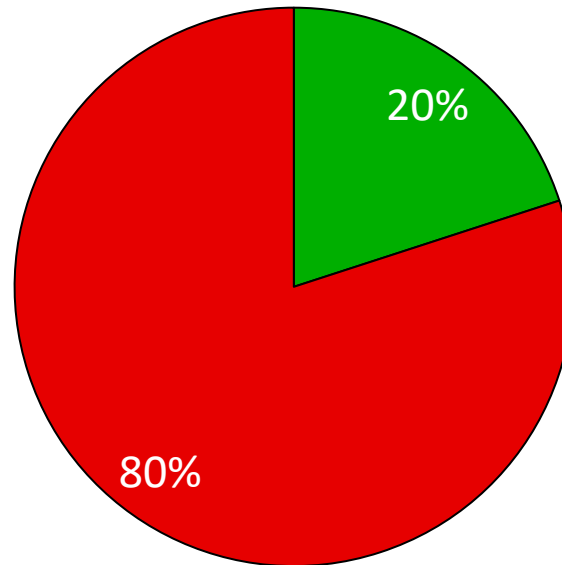


Do you think prices will stabilize by the end of June 2020?



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.

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
July 6, 2020



STEEL MARKET UPDATE

part of the  Group

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