



STEEL MARKET UPDATE

part of the  Group

SMU Flat Rolled Market Trends Analysis

Responses from our June 6-8, 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



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

Upcoming Events

Date	Event	Status	Venue
July 12-13	SMU Advanced Steel Hedging Workshop	Virtual	Online
July 19-20	SMU Steel 101 Workshop	Virtual	Online
August 22-24	SMU Steel Summit Conference	Live	Georgia International Convention Center, Atlanta, Georgia
August 22-24	SMU NexGen Leadership Award	<u>Link</u>	SMU Steel Summit Conference

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



STEEL MARKET UPDATE

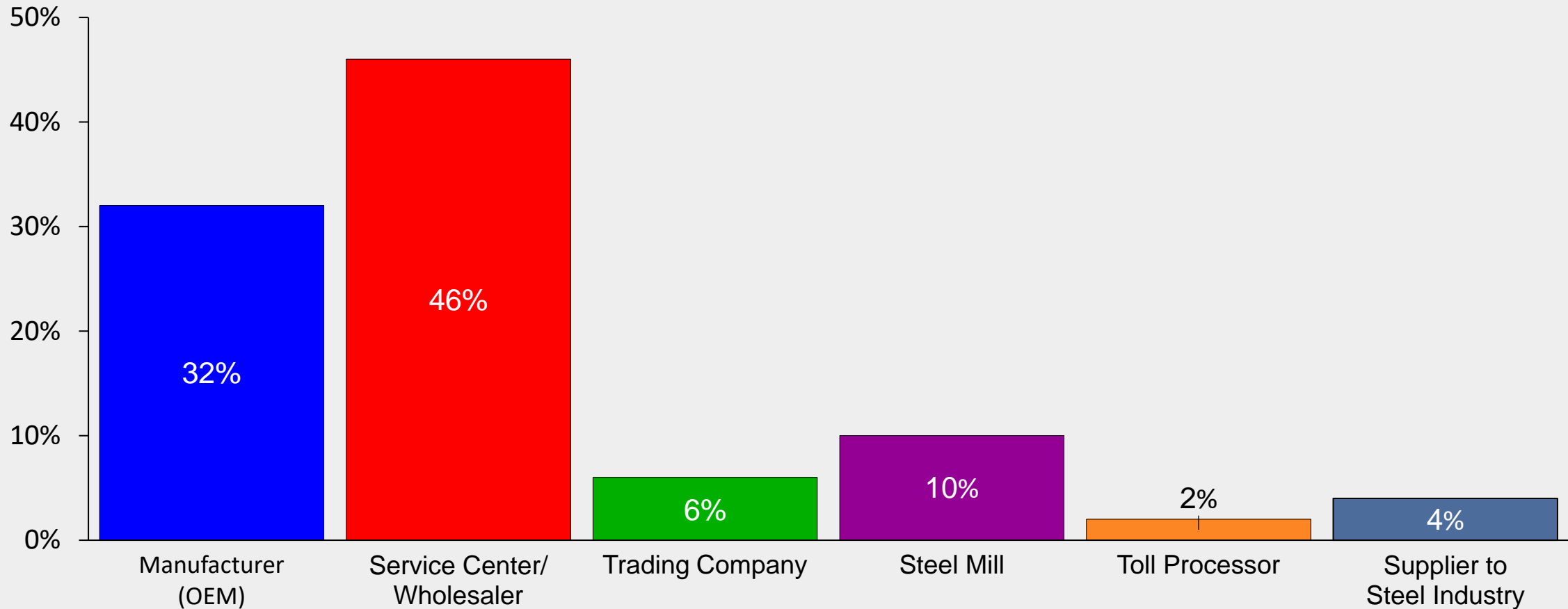
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Don't just read our data, see your
company's experience reflected in it.

Contact Brett@SteelMarketUpdate.com
for participation information.

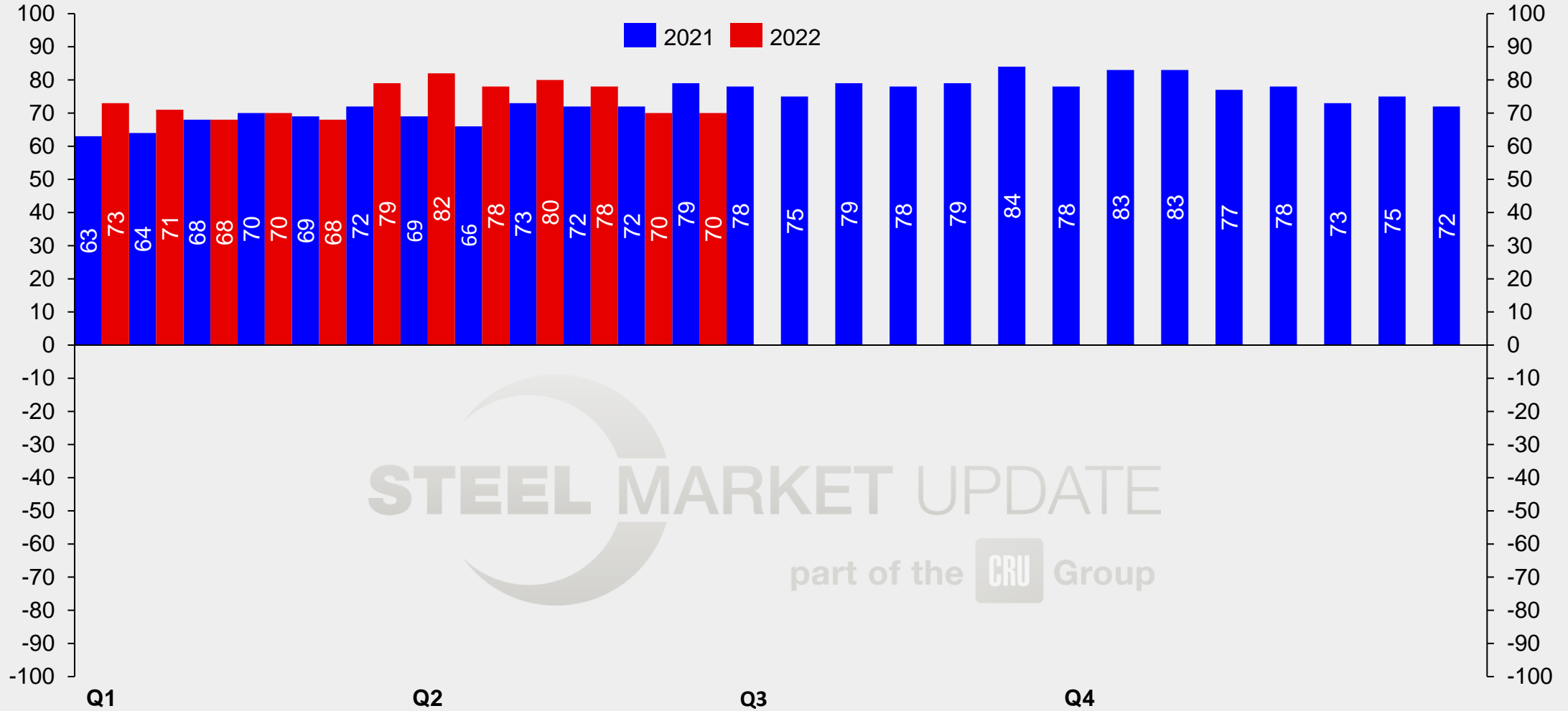
Survey Participants

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

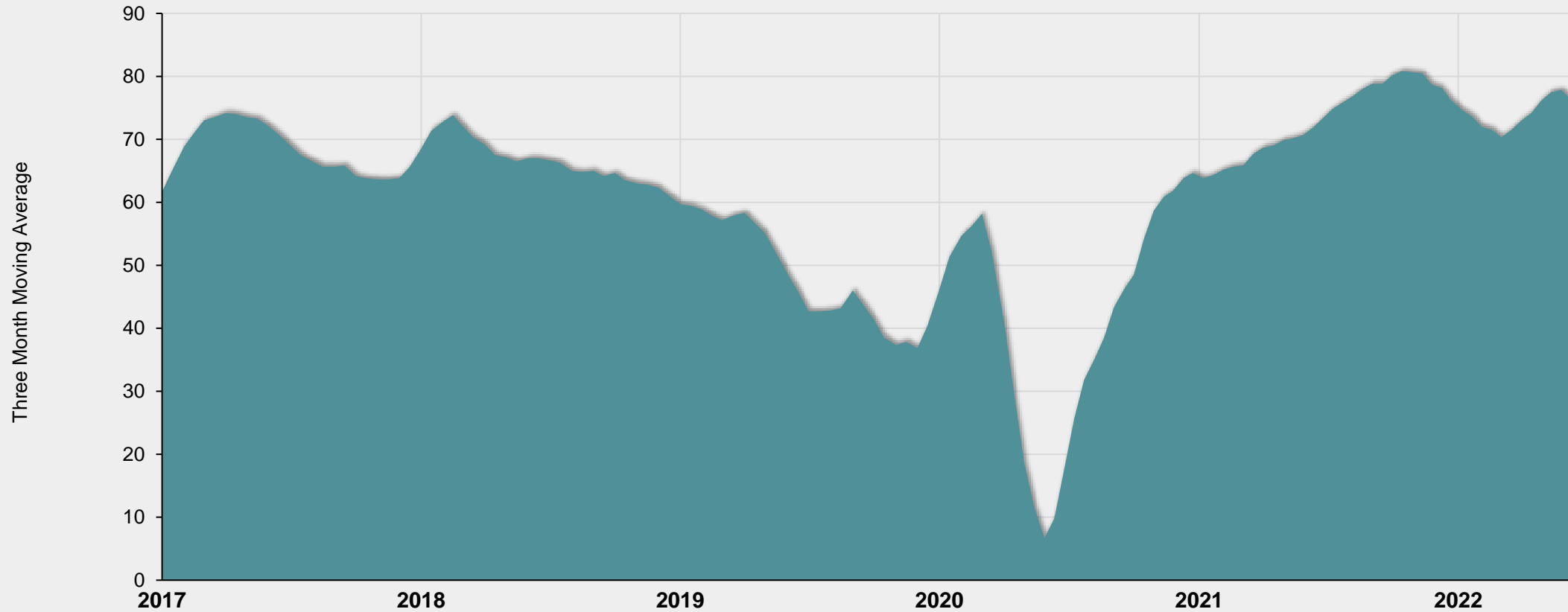
Unchanged at +70



SMU Steel Buyers Sentiment Index 3MMA

Three Month Moving Average at +76.33

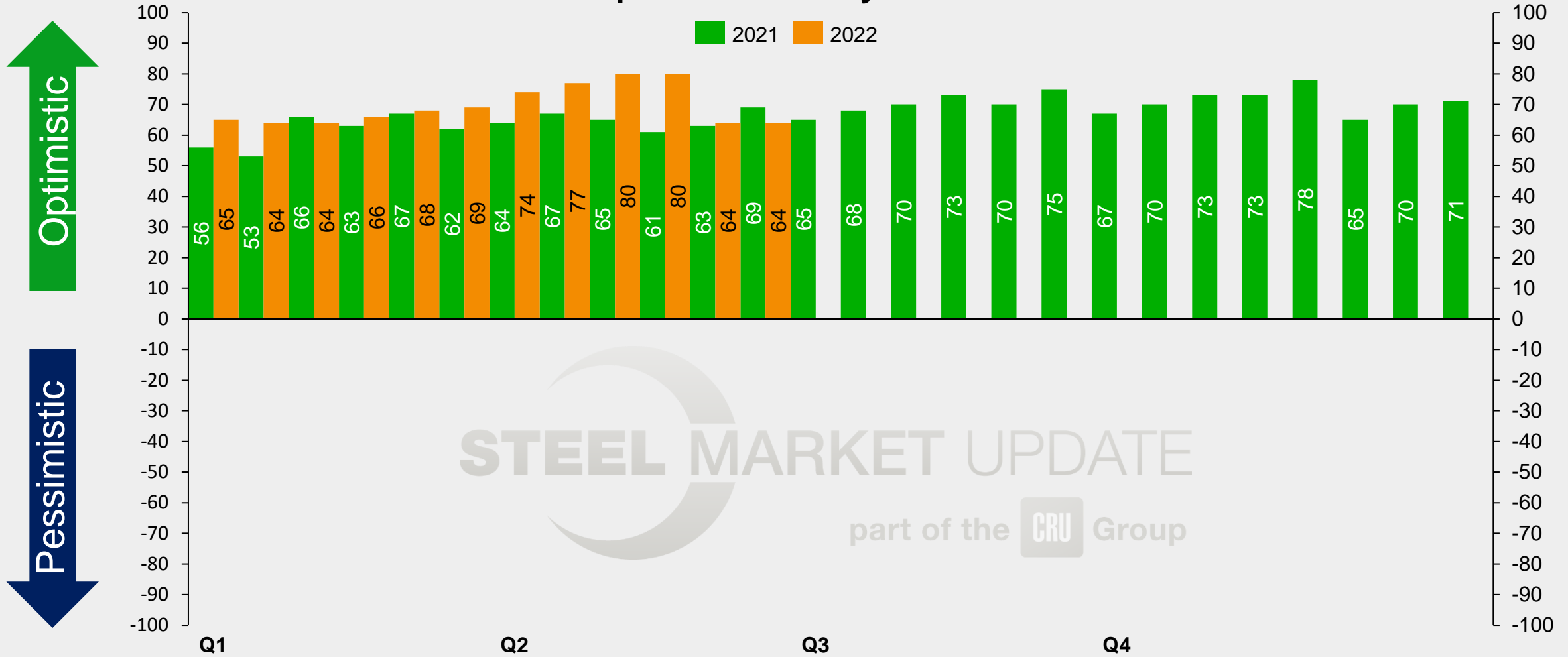
SMU Steel Buyers Sentiment Index
3MMA - January 2017 through June 9, 2022



SMU Steel Buyers Future Sentiment Index

Unchanged at +64

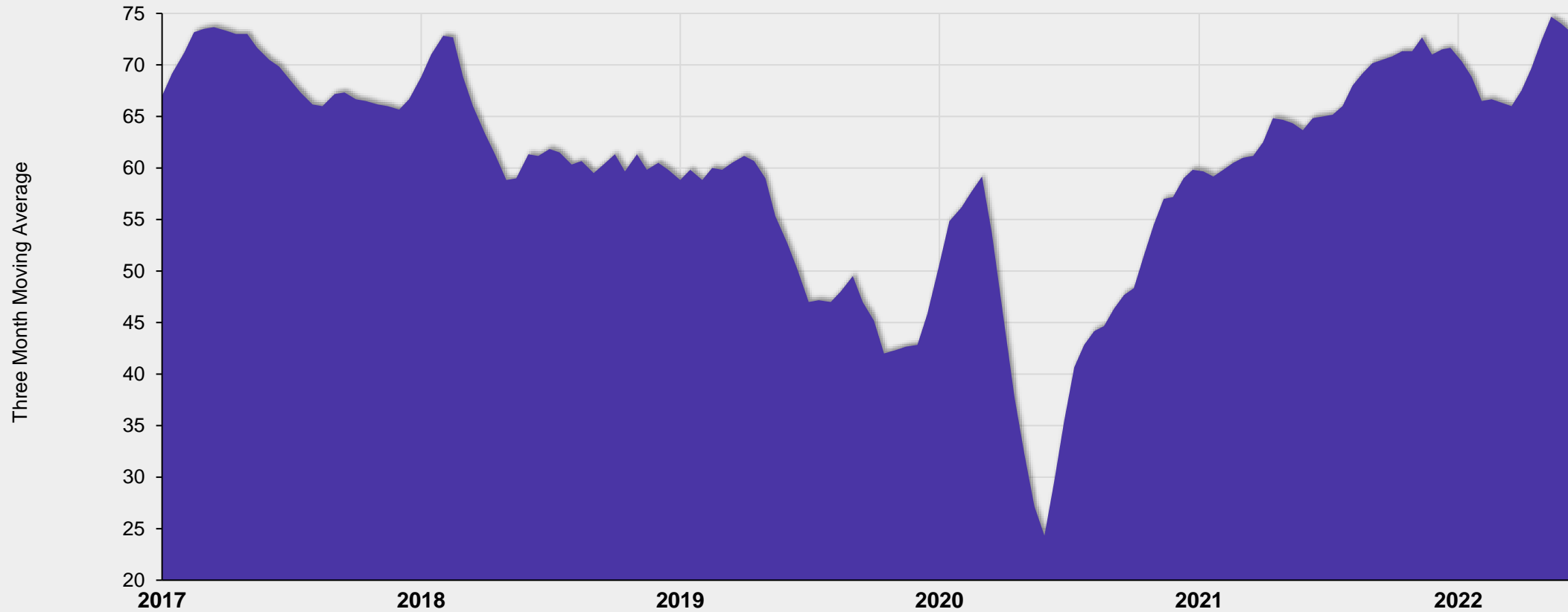
Steel Market Update Future Buyers Sentiment Index



SMU Steel Buyers Future Sentiment Index 3MMA

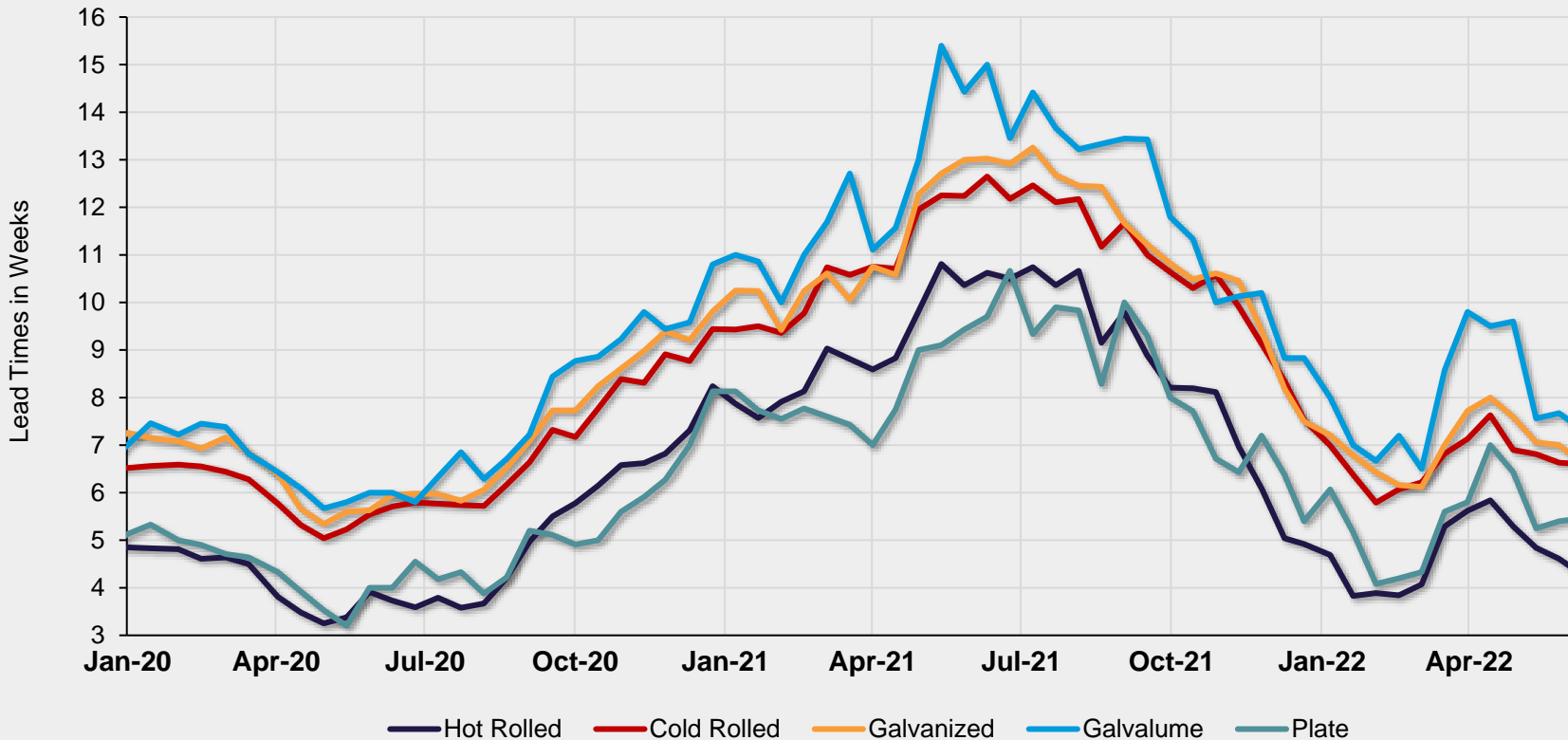
Three Month Moving Average at +73.17

SMU Steel Buyers Future Sentiment Index
3MMA - January 2017 through June 9, 2022



Steel Mill Lead Times by Product

SMU Lead Times Comparison
January 2020 through June 9, 2022



Lead Times in Weeks

Galvalume: 7.3

Galvanized: 6.6

Cold Rolled: 6.6

Plate: 5.5

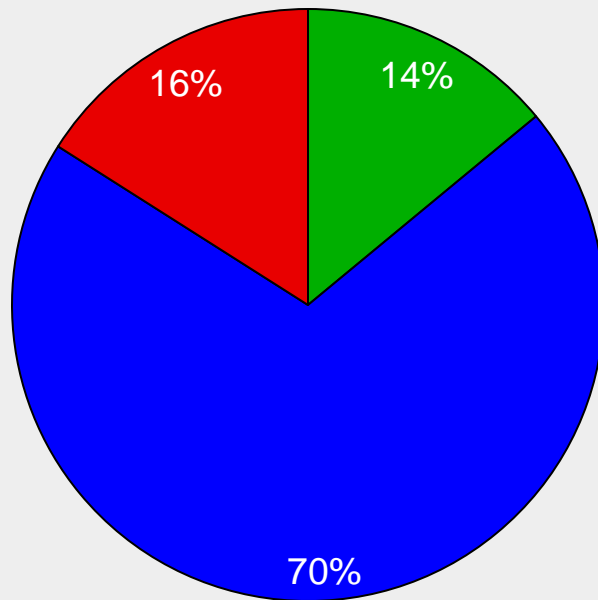
Hot Rolled: 4.3

Steel Mill Lead Times

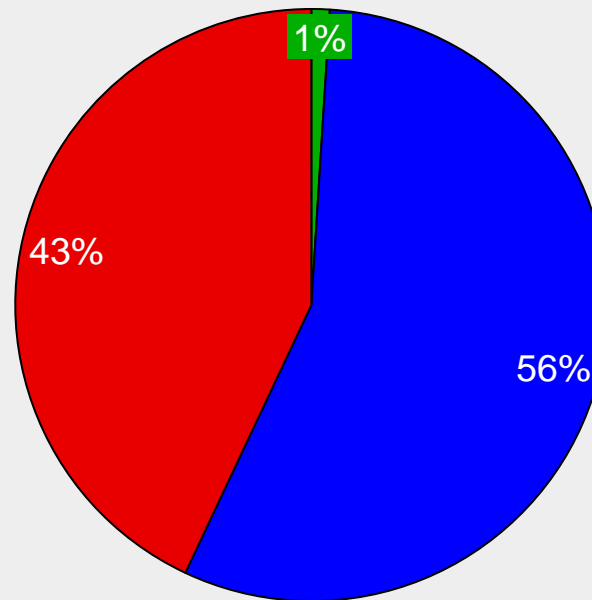
Which way are lead times going, and why?

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

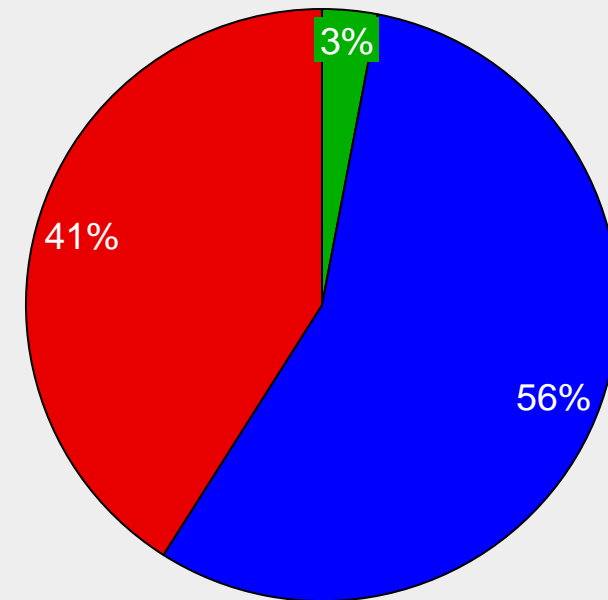
April 28, 2022



May 12, 2022



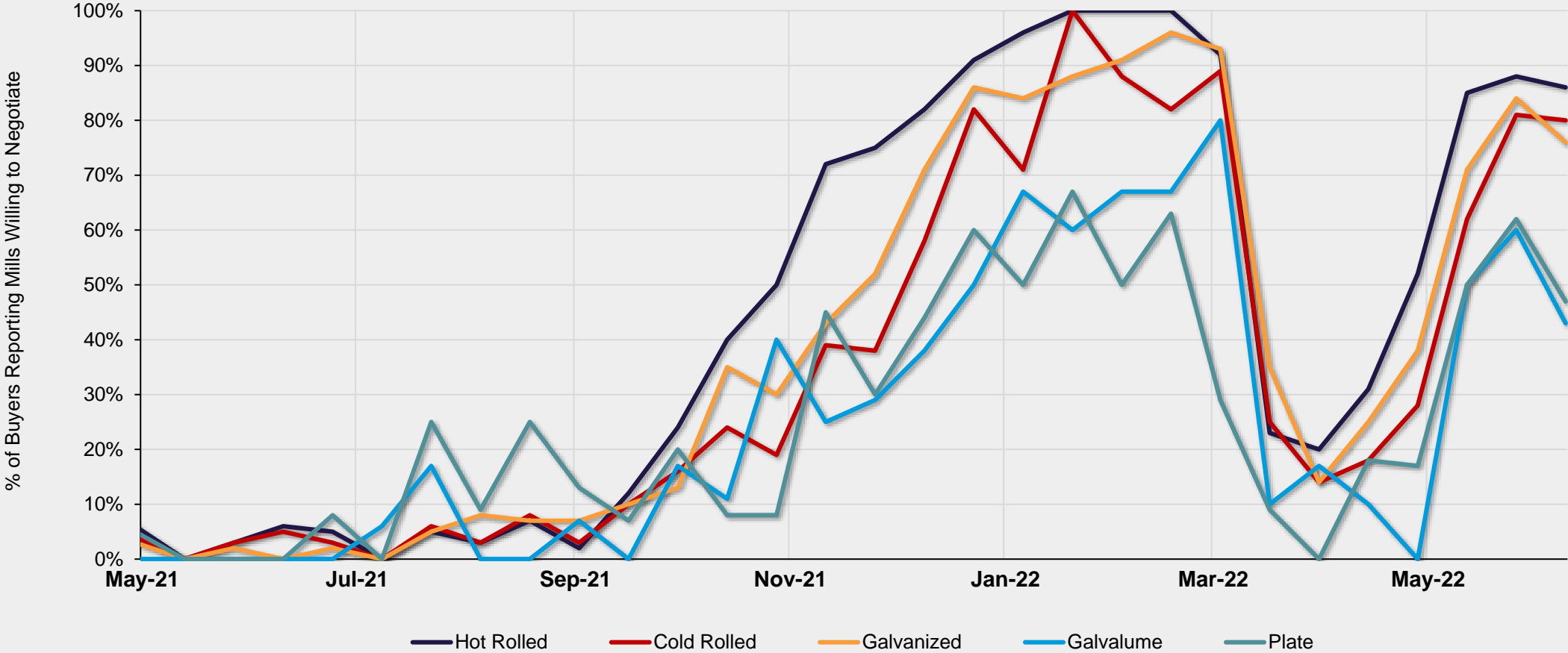
May 24, 2022



Steel Mill Negotiations

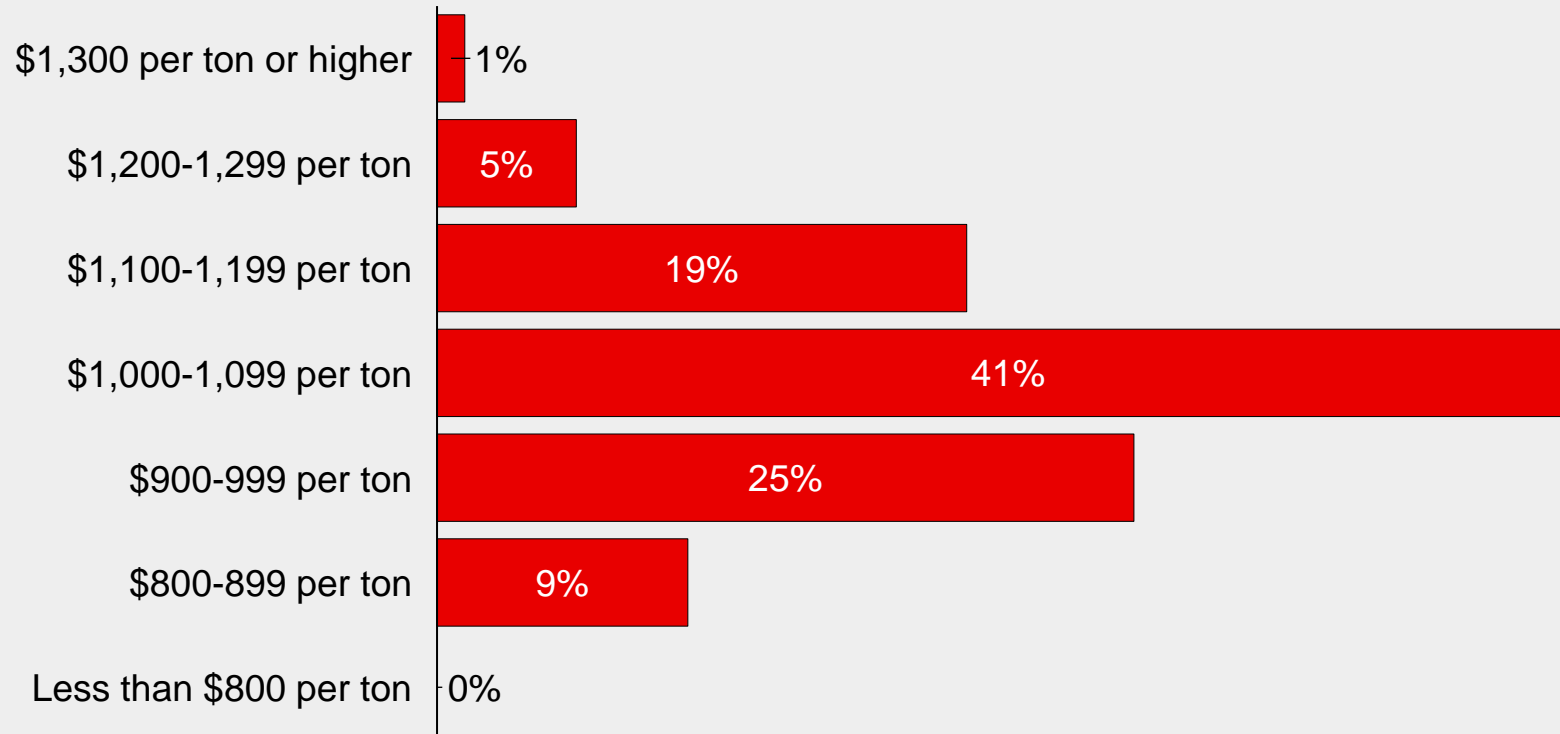
SMU Price Negotiations on New Steel Orders

January 2021 through June 9, 2022



Future HRC Prices

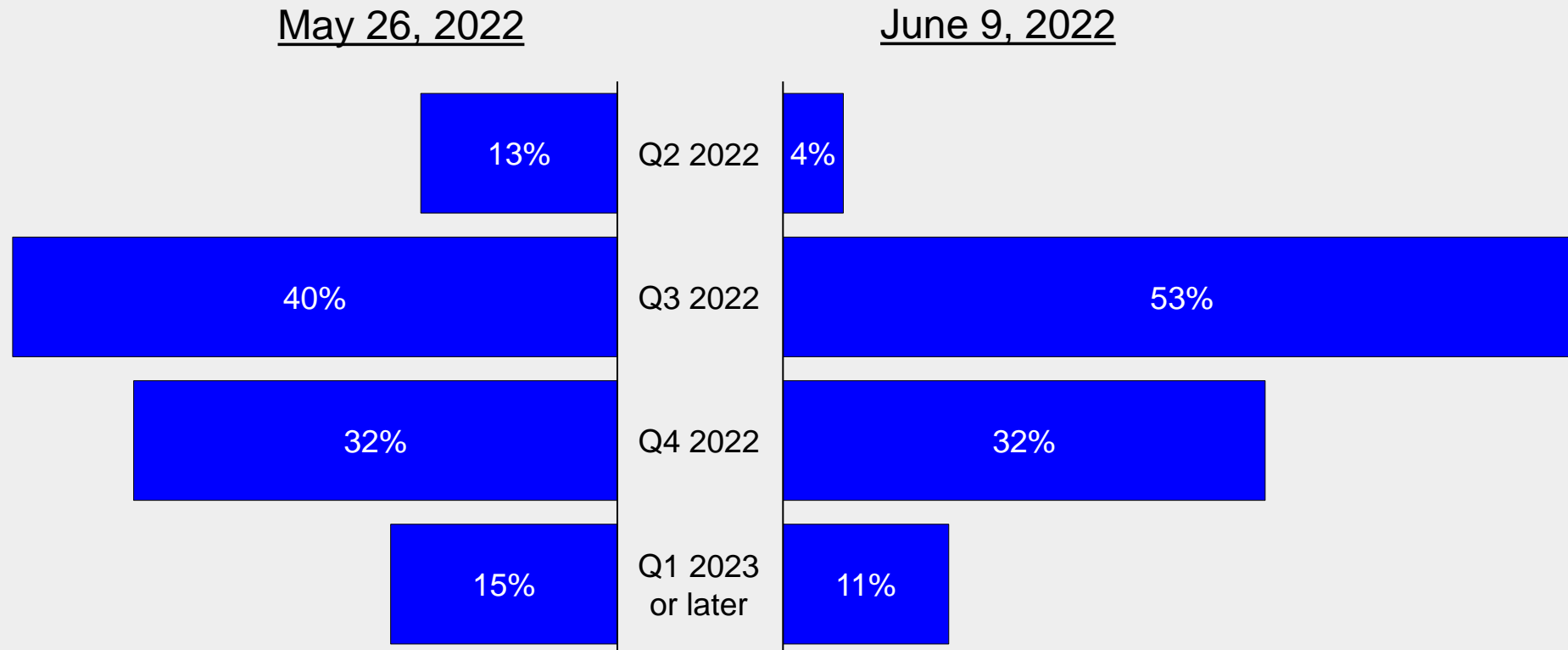
Hot rolled coil prices averaged \$1,255* per ton last week.
Where do you think HRC prices will be two months from now?



* As of Monday, June 6, 2022; the latest SMU HR average is \$1,190 per ton

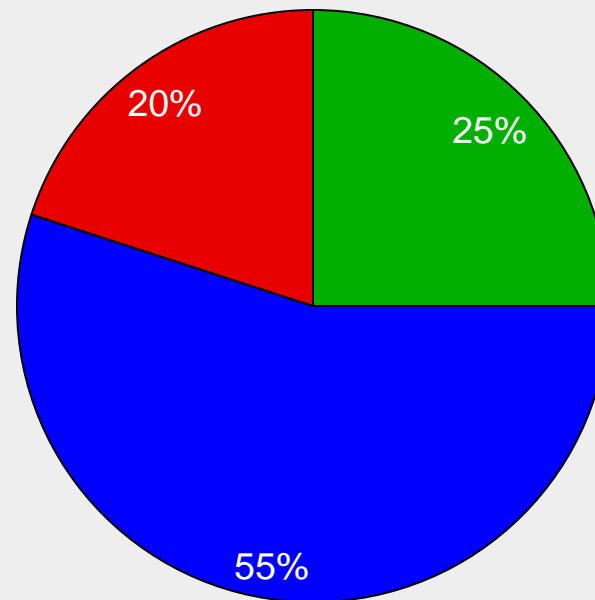
HRC Price Inflection Point

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



How did your company perform in May compared to your forecast?

- We exceeded our forecast
- We met our forecast
- We did not meet our forecast

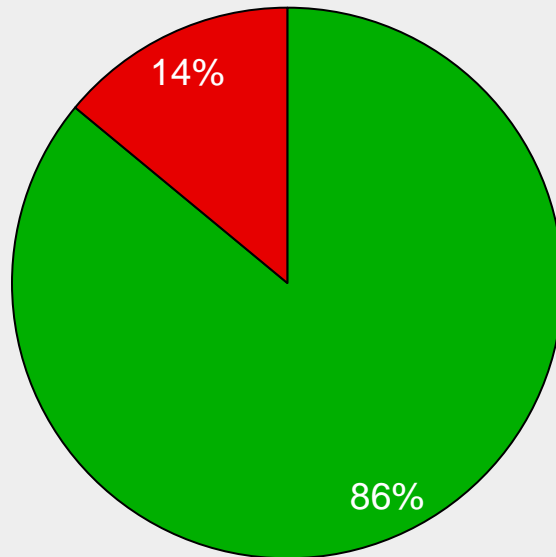


Future Prospects

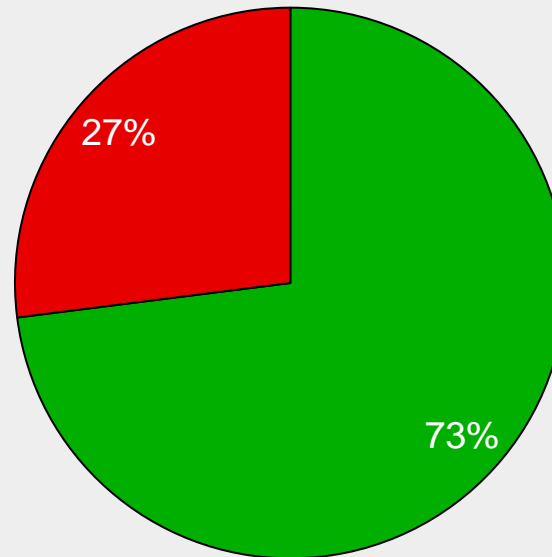
Would you describe yourself as optimistic or pessimistic about your prospects in the second half* of 2022?

■ Optimistic ■ Pessimistic

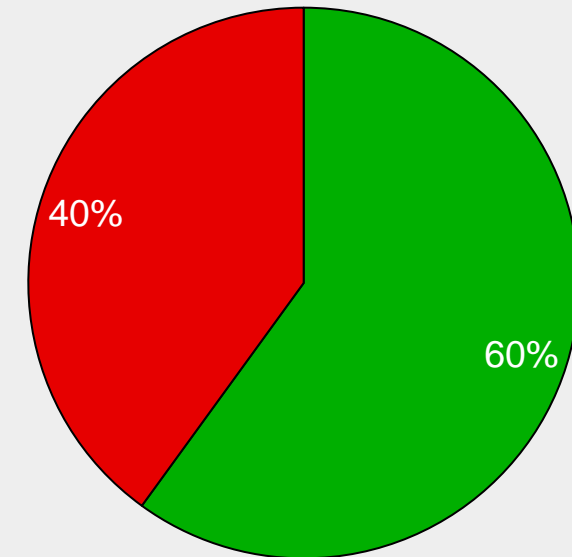
May 12, 2022



May 26, 2022



June 9, 2022



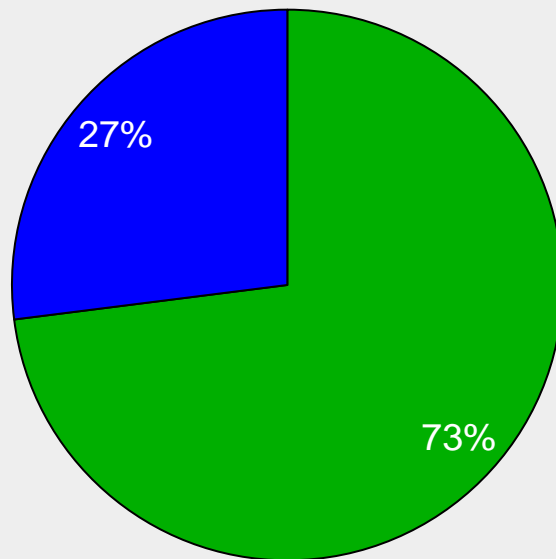
* May survey participants were asked about their Q2 2022 prospects, while June participants were asked about H2 2022.

Staying on the Sidelines?

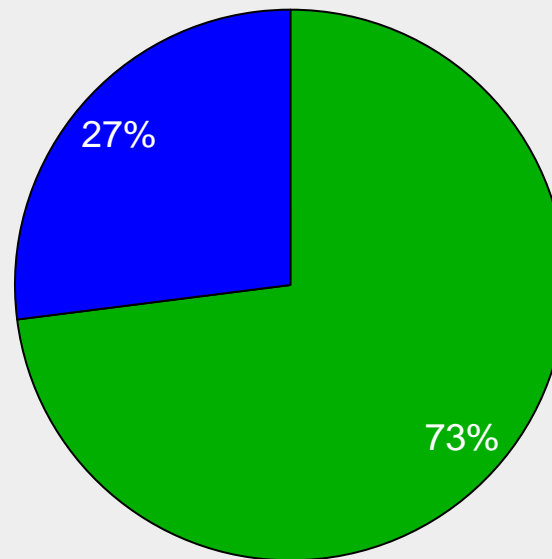
Are you an active buyer or staying on the sidelines?

■ Active buyer ■ On the sidelines

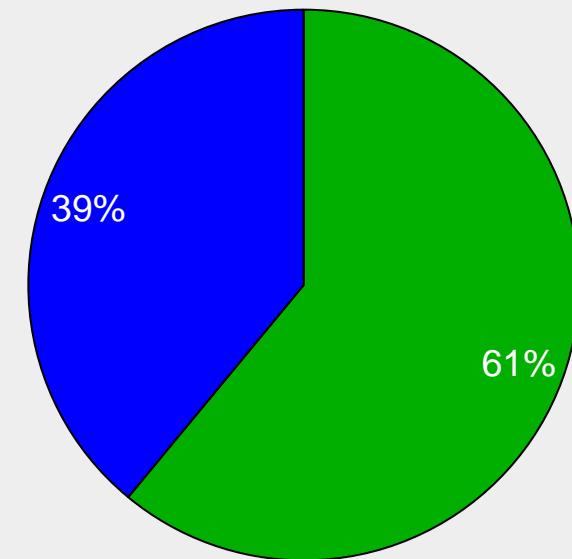
May 12, 2022



May 26, 2022

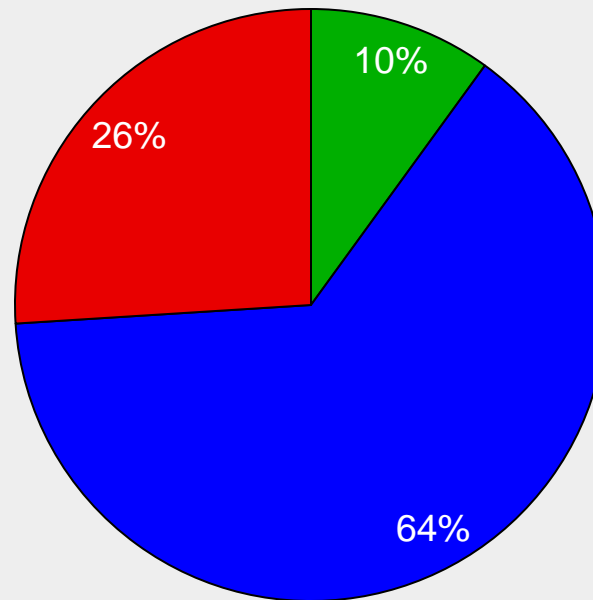


June 9, 2022



How are you seeing demand for your products?

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

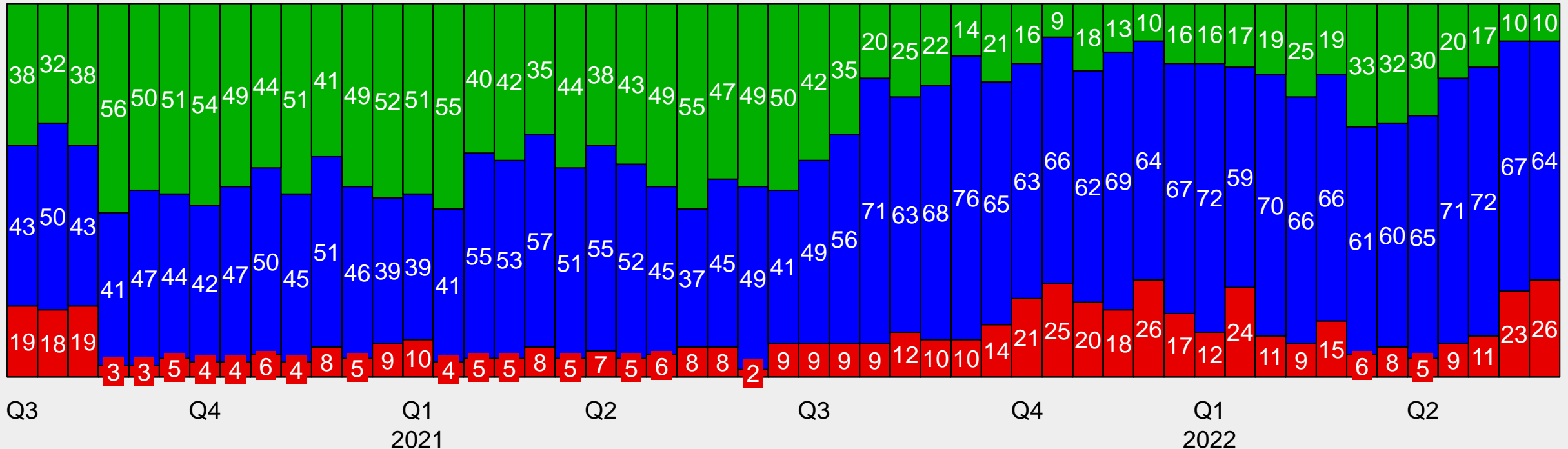


Overall Demand History

How are you seeing demand for your products?

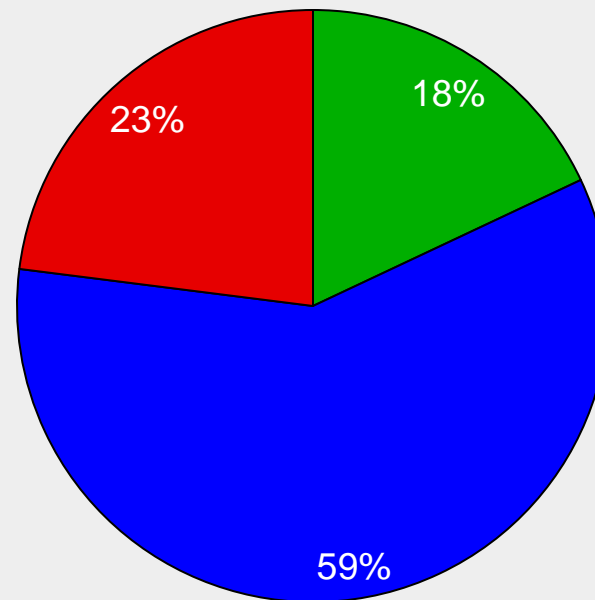
- Demand is improving
- Demand is stable
- Demand is declining

out of 100%



Manufacturers- 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

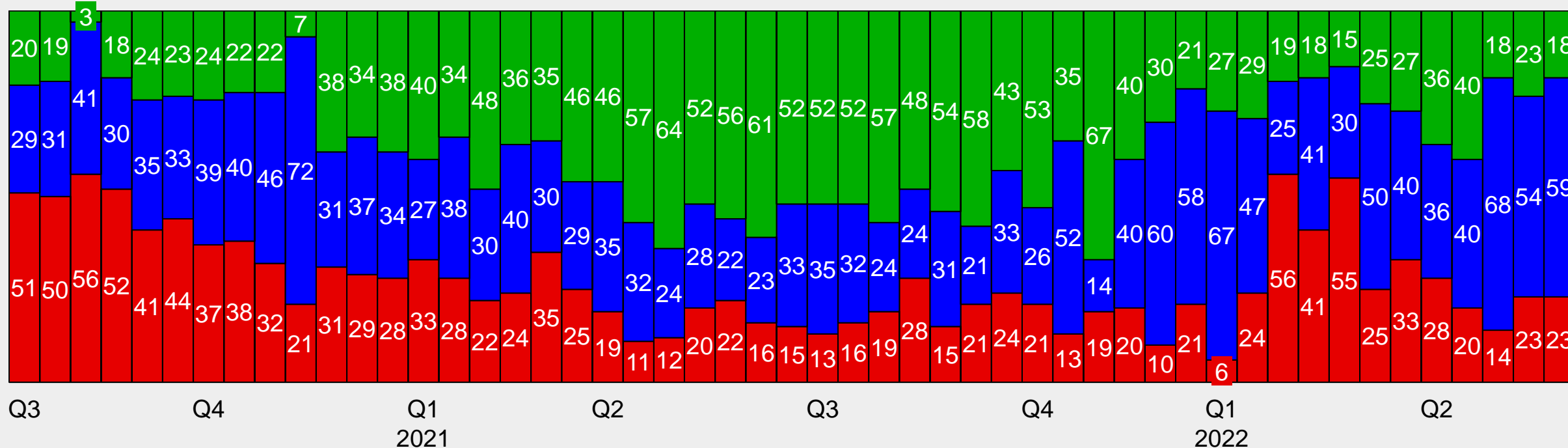


History of Manufacturer Purchases

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?

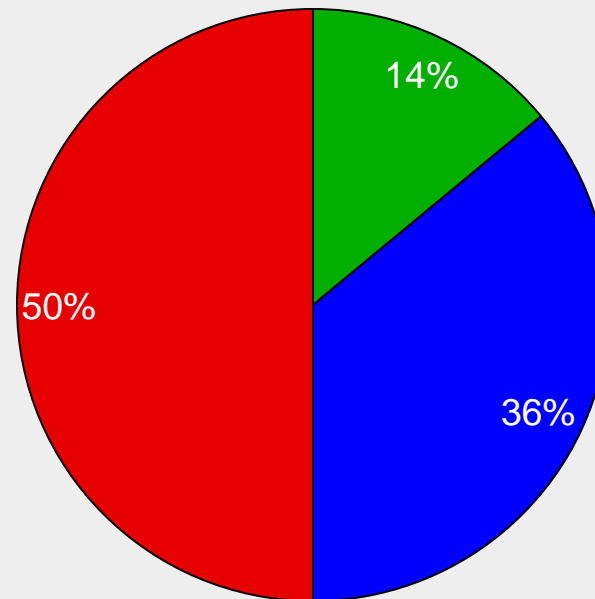
- Buying more steel
- Buying the same amount of steel
- Buying less steel

out of 100%



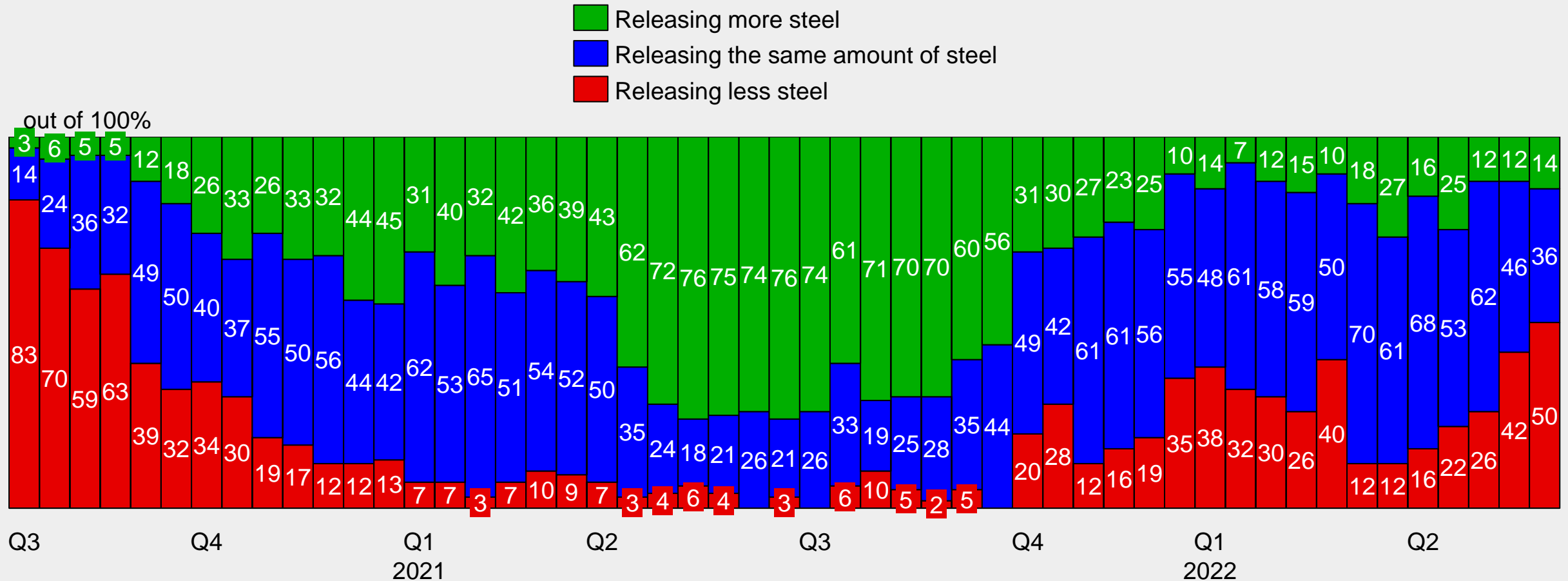
Service Centers- How do you see your customers releases (demand) for the products your company provides this year compared to this time last year?

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



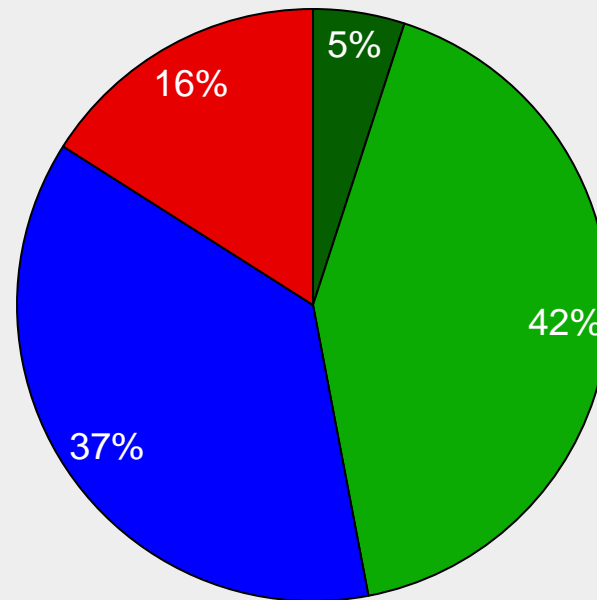
Service Center Release History

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



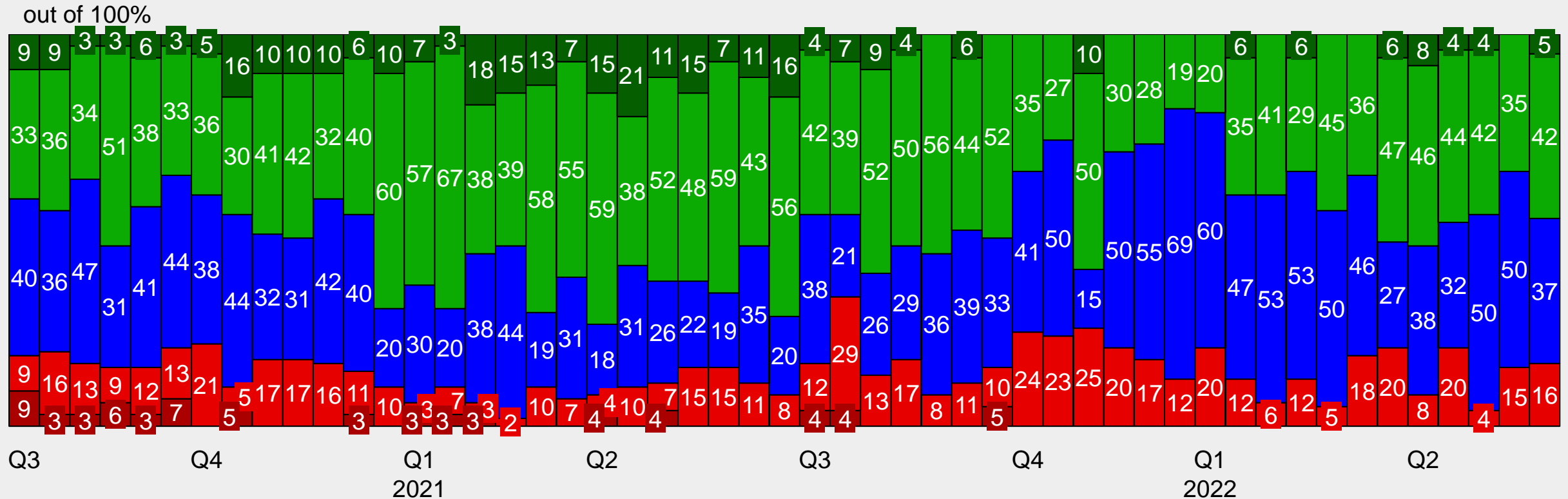
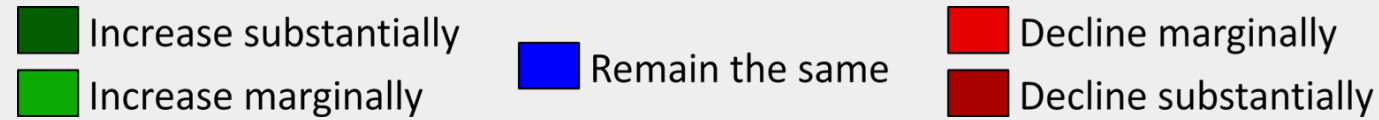
Manufacturers- Demand for your products will _____
over the next 3 months based on current order flows.

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



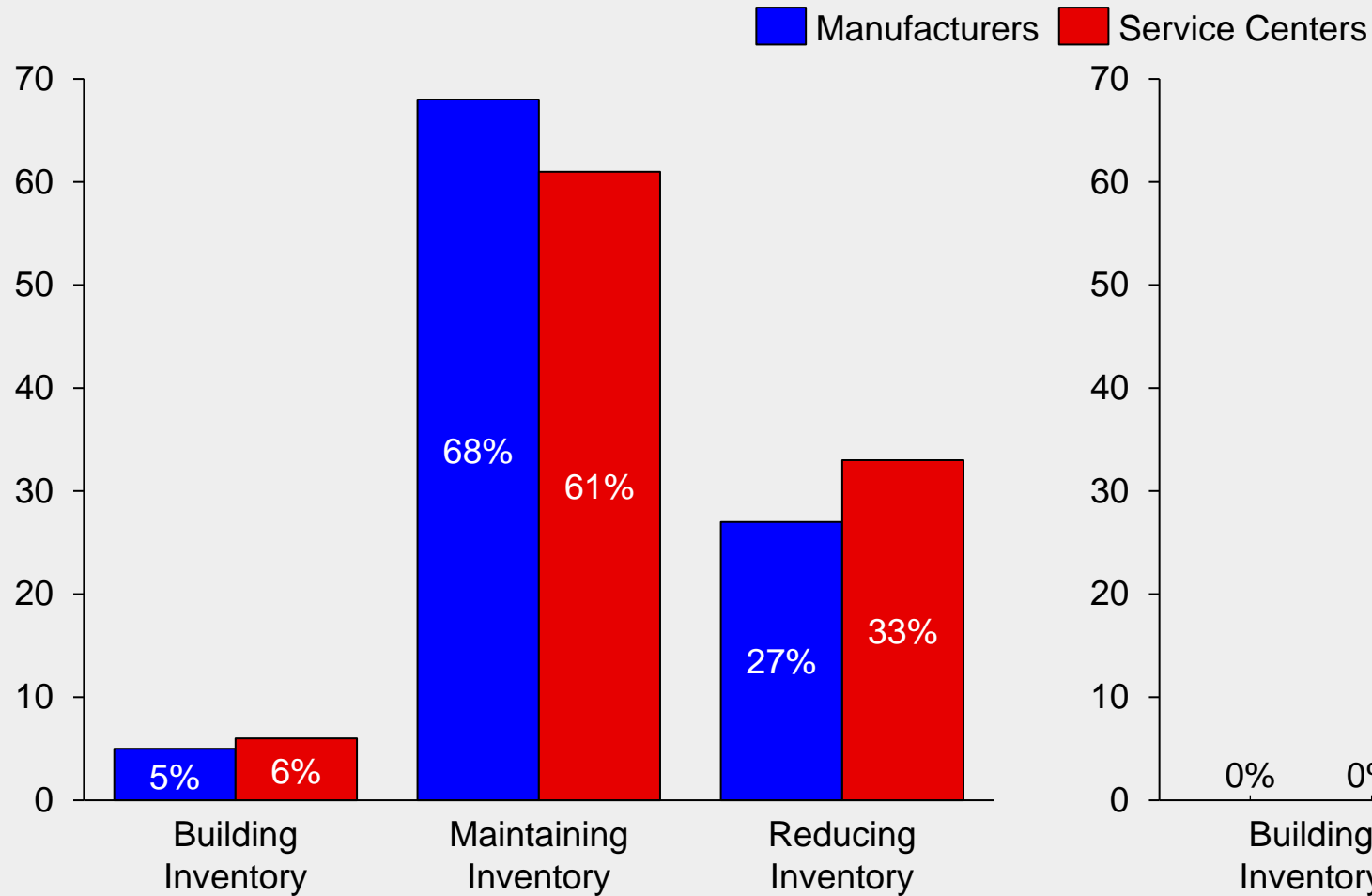
Manufacturer Demand History

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

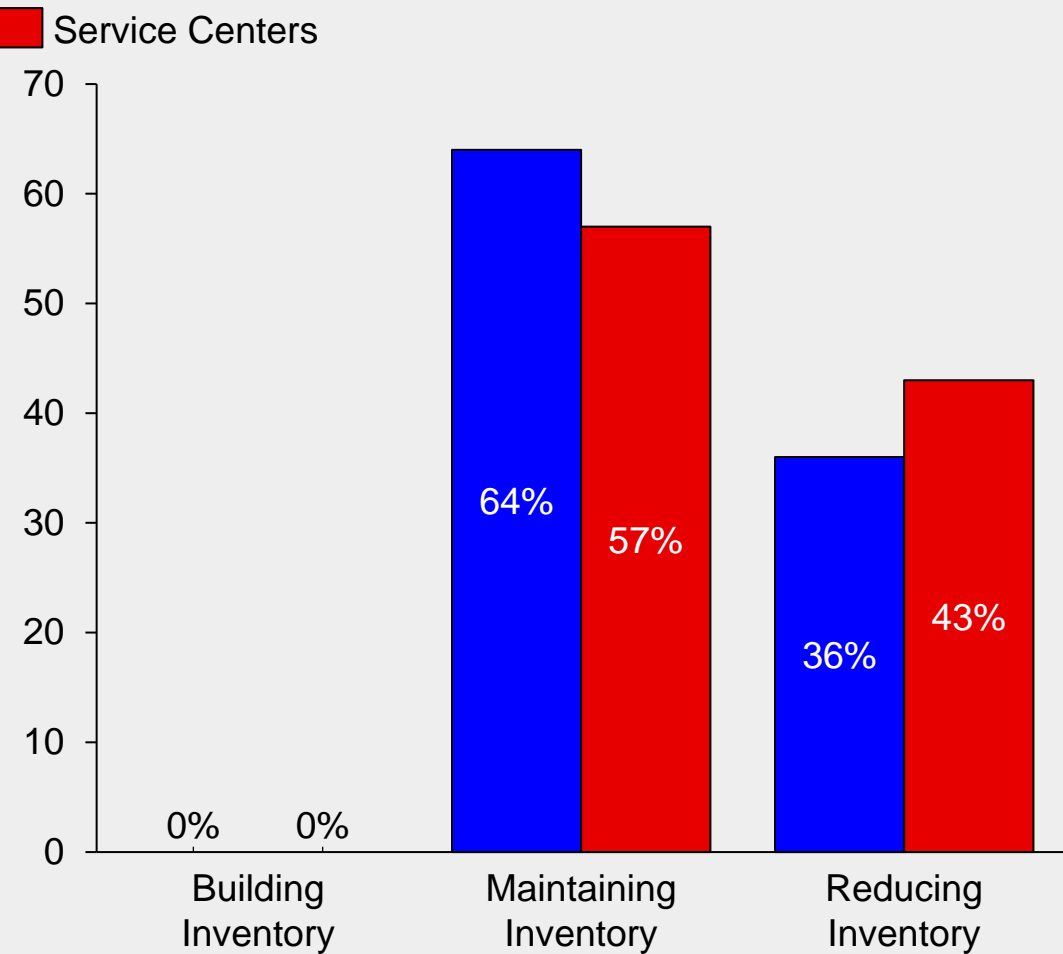


Manufacturer and Service Center Inventory Buying Patterns

May 26, 2022



June 9, 2022

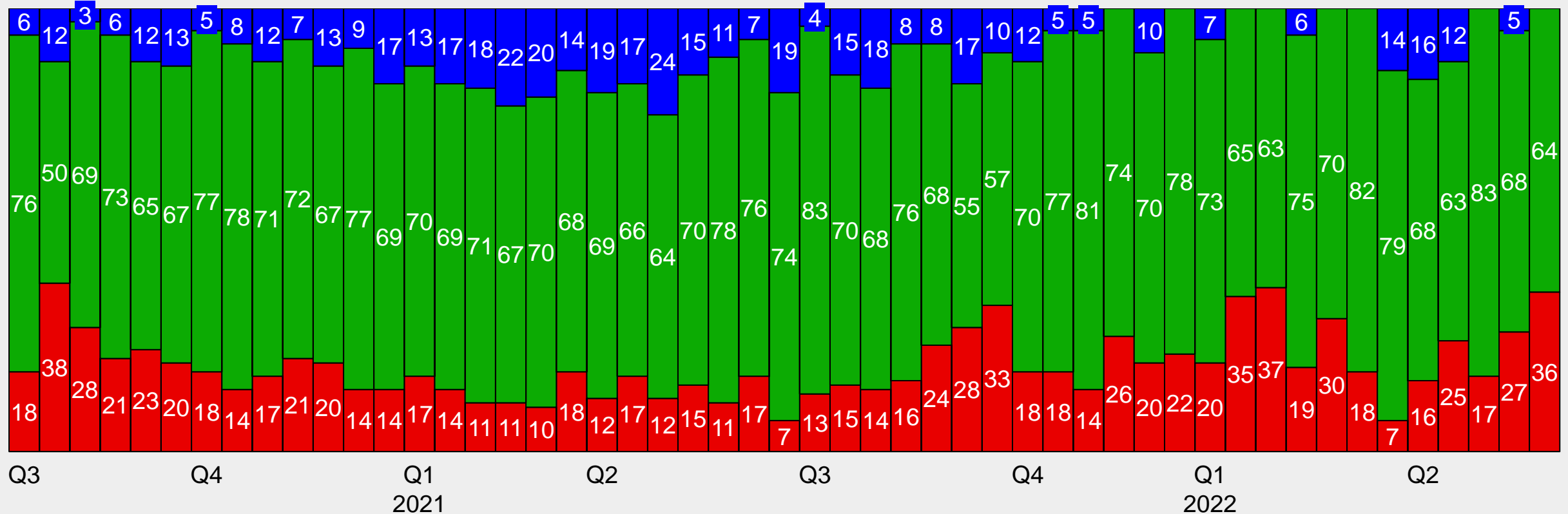


Manufacturer Inventory Buying History

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

■ Building Inventory
 ■ Maintaining Inventory
 ■ Reducing Inventory

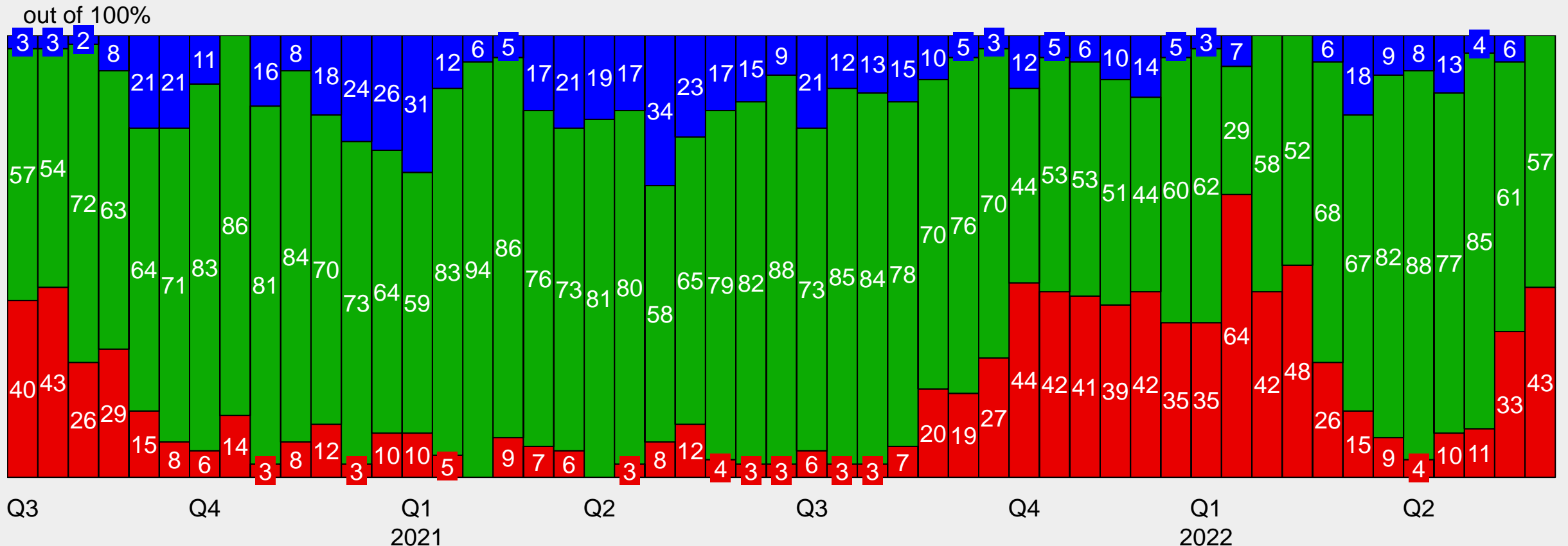
out of 100%



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

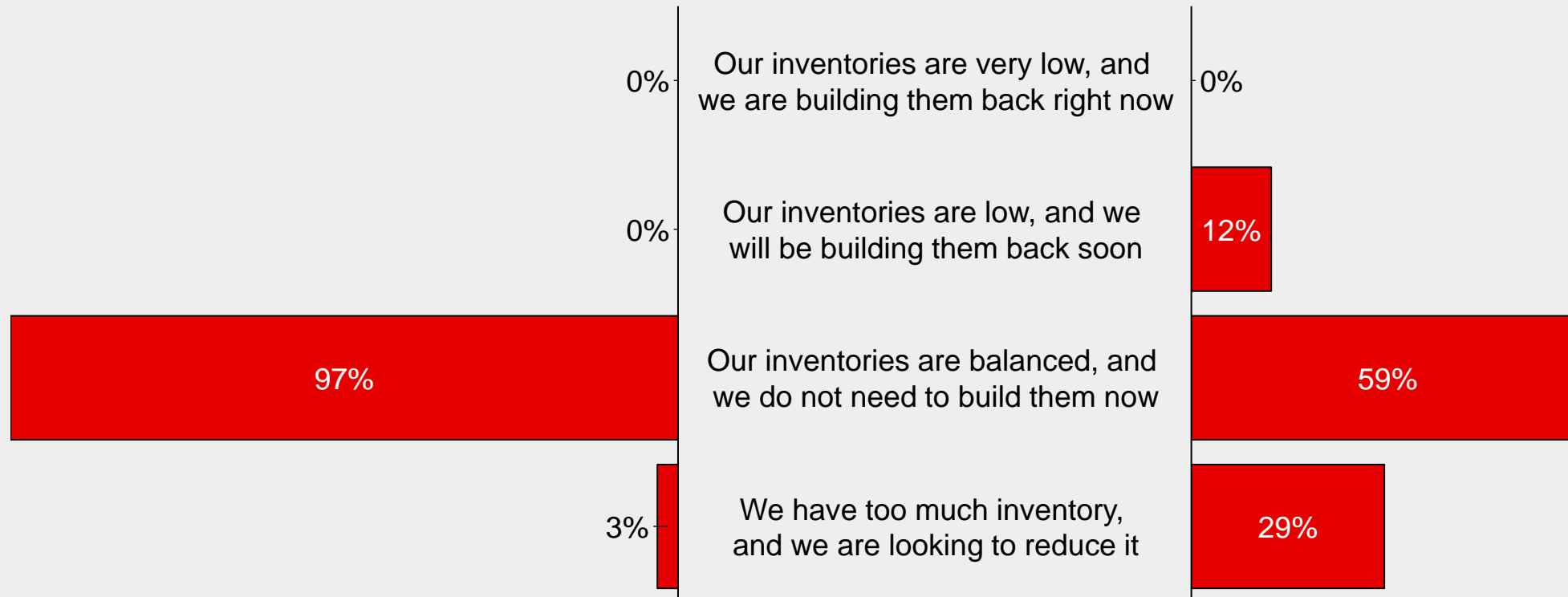


Service Center Inventories

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

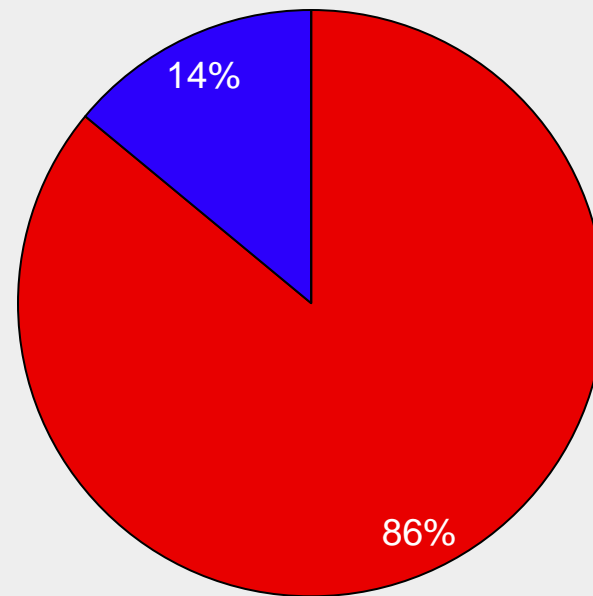
May 26, 2022

June 9, 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

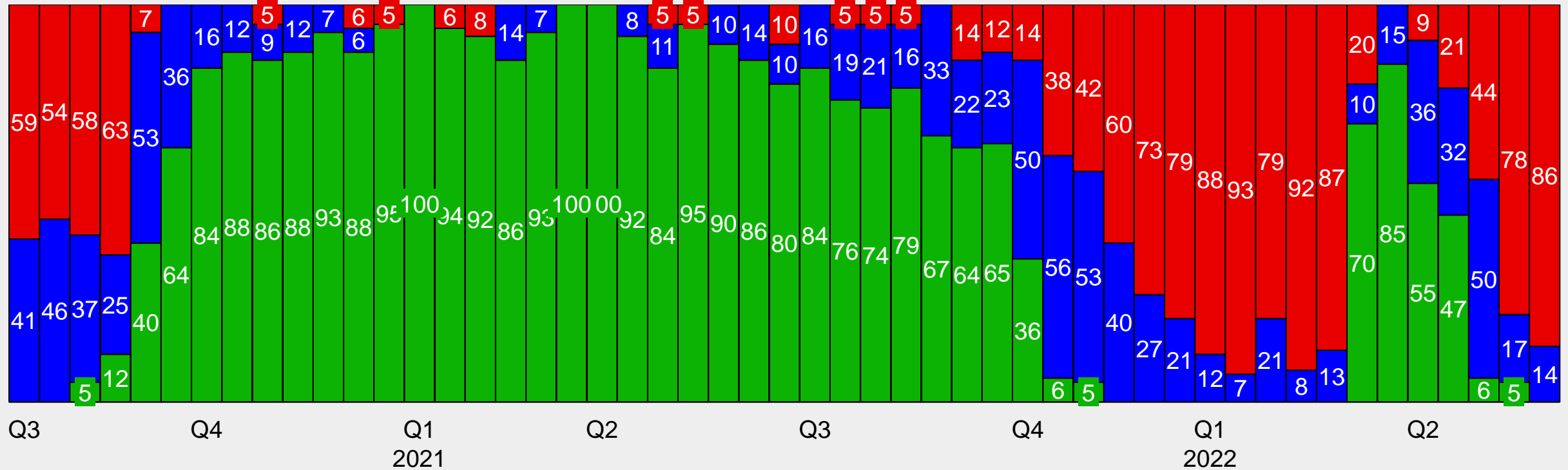


Manufacturer's View of Service Center Selling Prices History

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

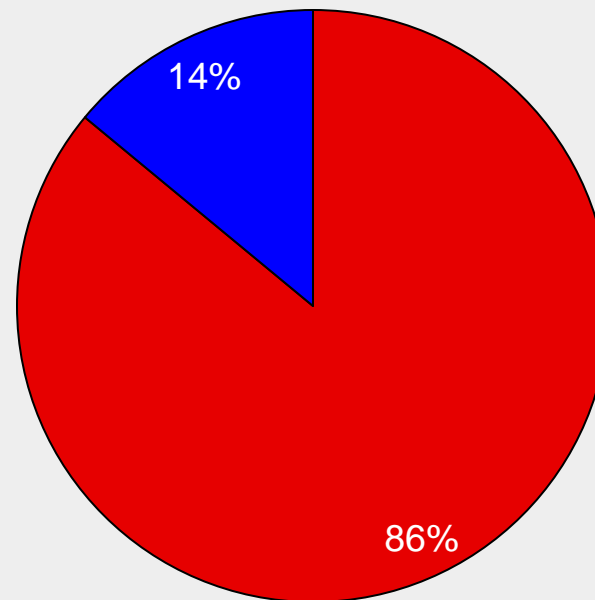
- We see prices decreasing from our service centers
- We see stable prices from our service centers
- We see prices increasing from our service centers

out of 100%



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

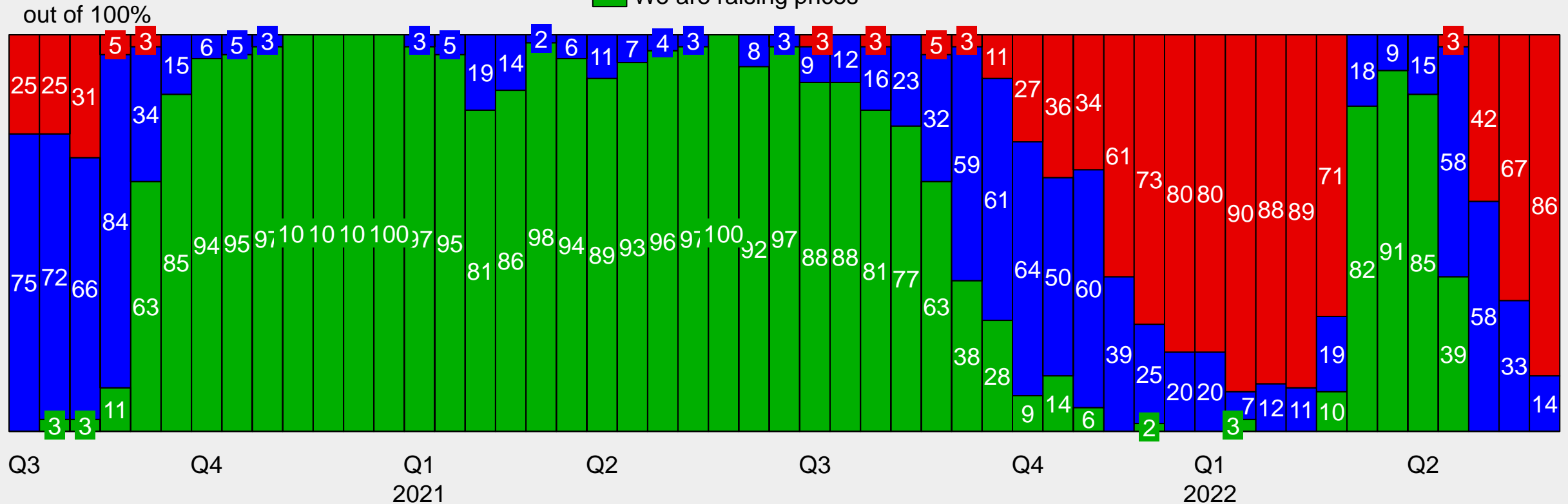
- We are lowering prices
- We are keeping prices the same
- We are raising prices



Service Center View of Selling Prices History

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

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

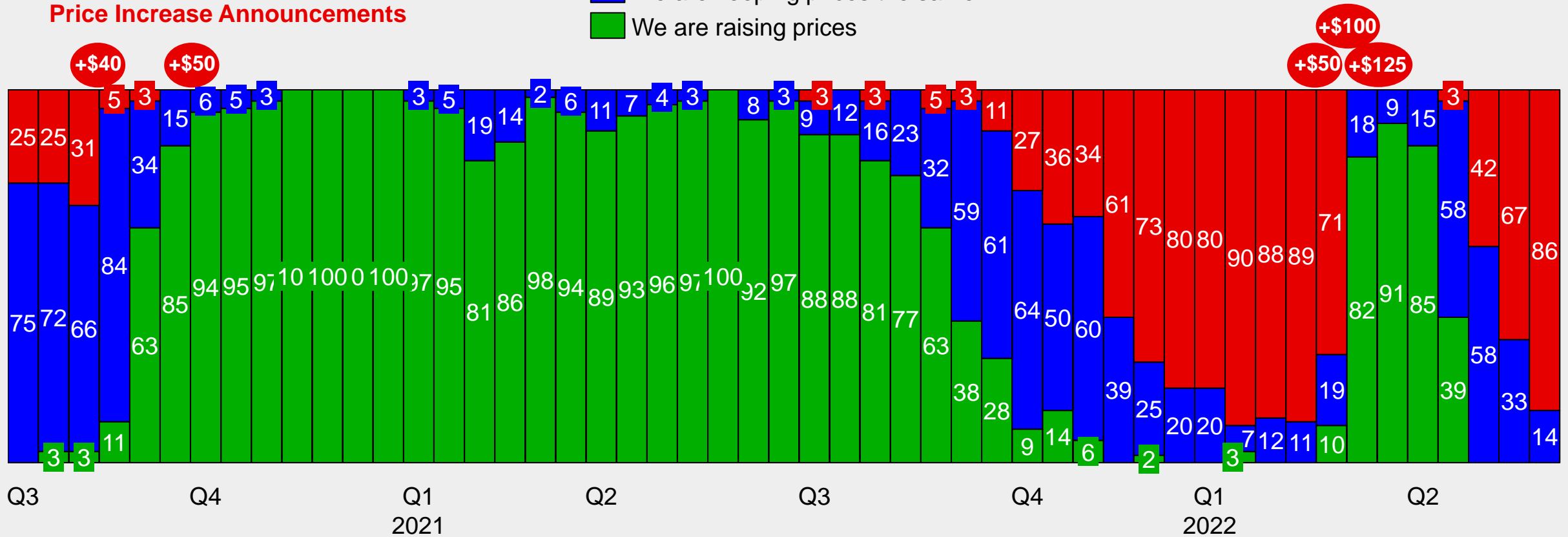


Service Center View of Selling Prices History

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

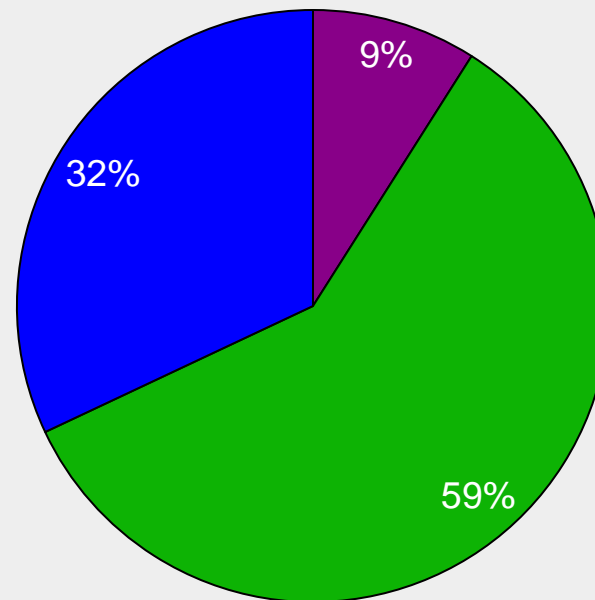
- We are lowering prices
- We are keeping prices the same
- We are raising prices

Historical Nucor Flat Rolled Price Increase Announcements



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

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

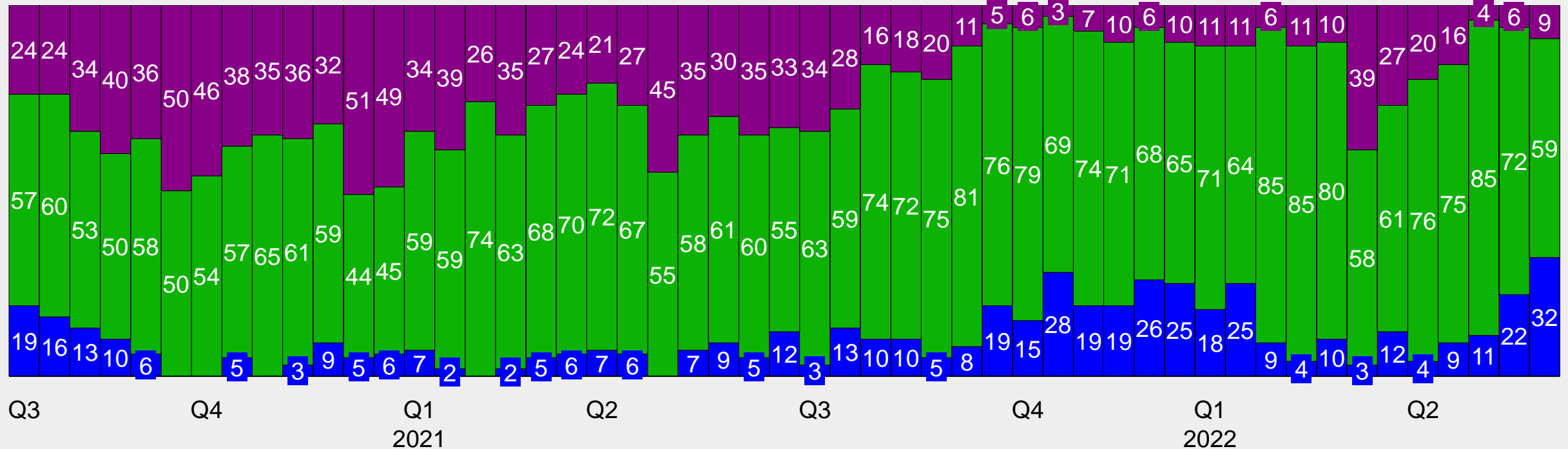


Service Centers on Manufacturer Orders History

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

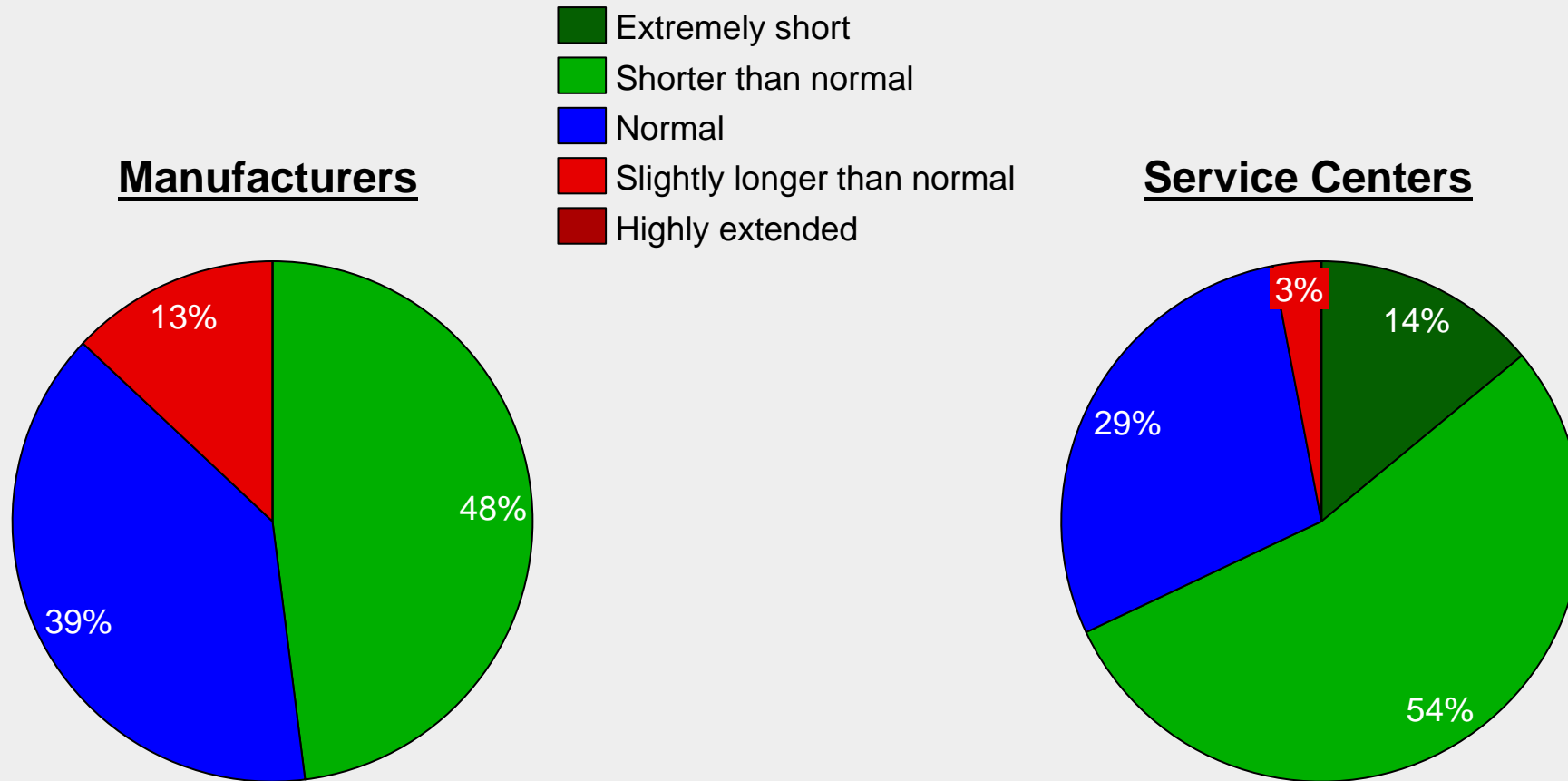
- Our manufacturing customers are increasing orders
- Our manufacturing customers are maintaining their orders
- Our manufacturing customers are reducing their orders

out of 100%



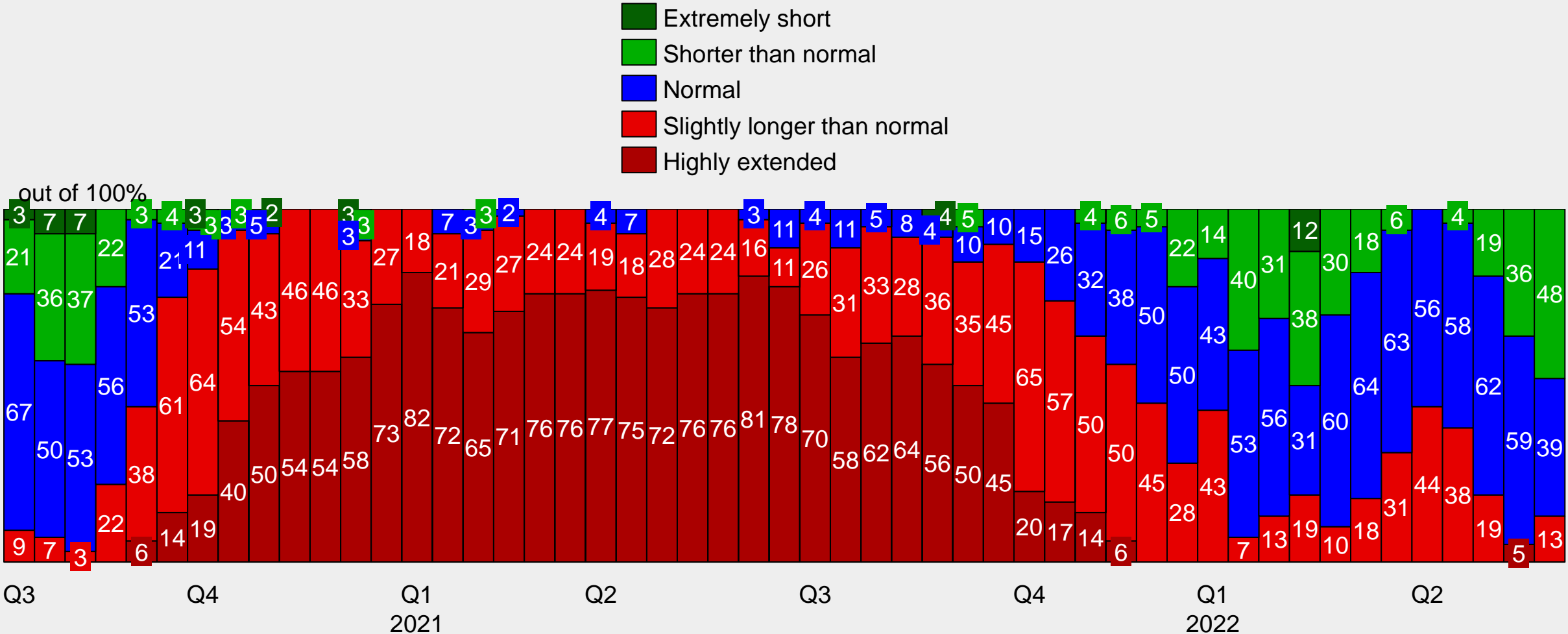
Mill Lead Times

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



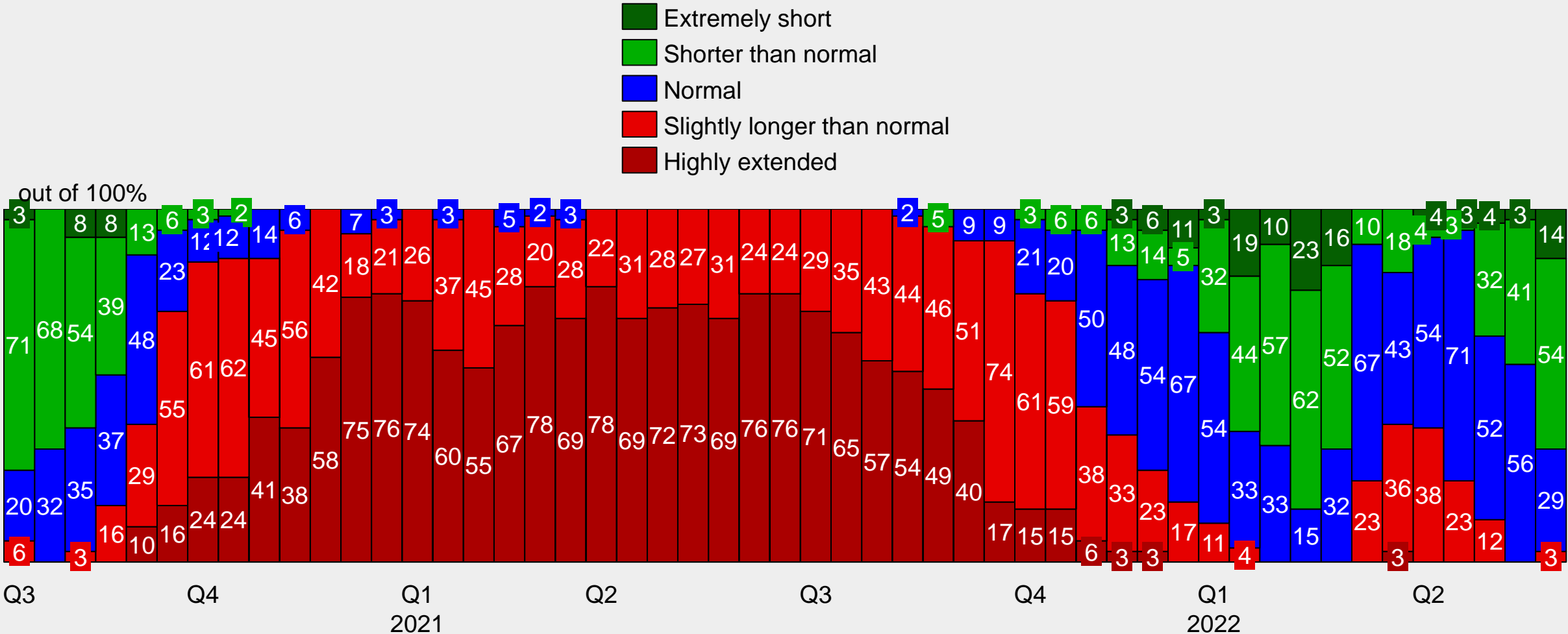
Mill Lead Times History

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



Mill Lead Times History

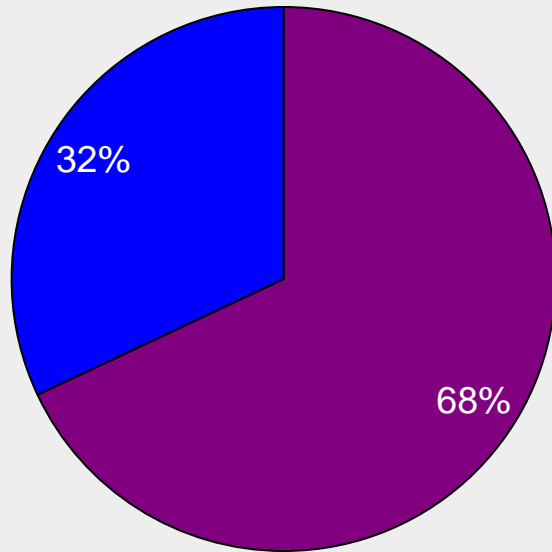
Service Centers- How would you describe domestic mill lead times for new orders placed right now?



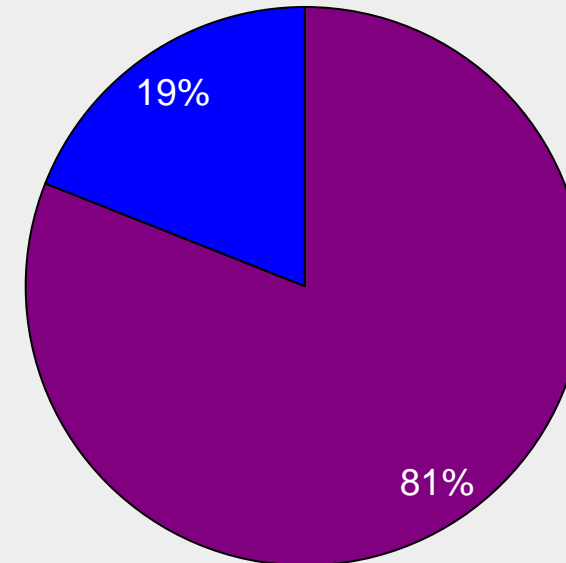
Does your company buy foreign steel?

■ Yes ■ No

Manufacturers



Service Centers

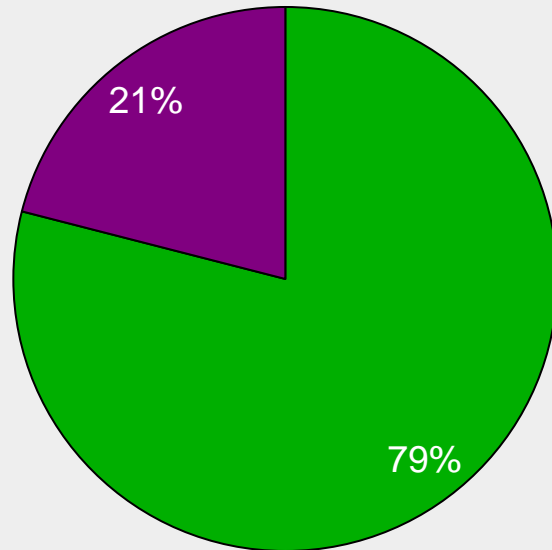


Foreign Steel Competitive?

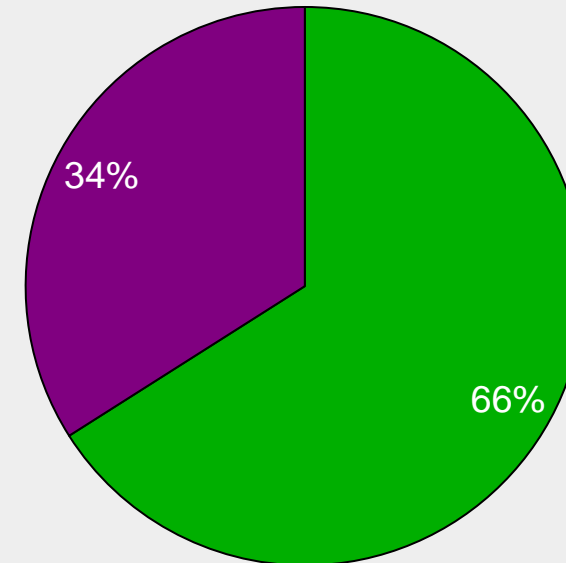
Are your foreign steel suppliers quoting you competitive prices for new orders for future delivery?

Yes No

Manufacturers



Service Centers

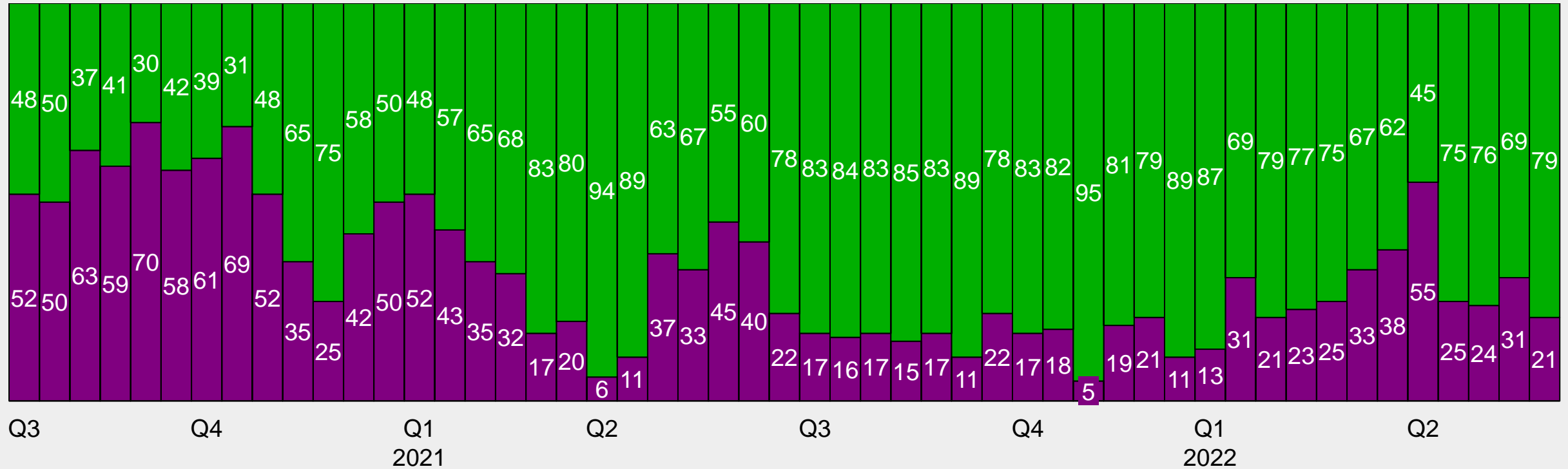


Foreign Steel Competitiveness History

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

Yes No

out of 100%

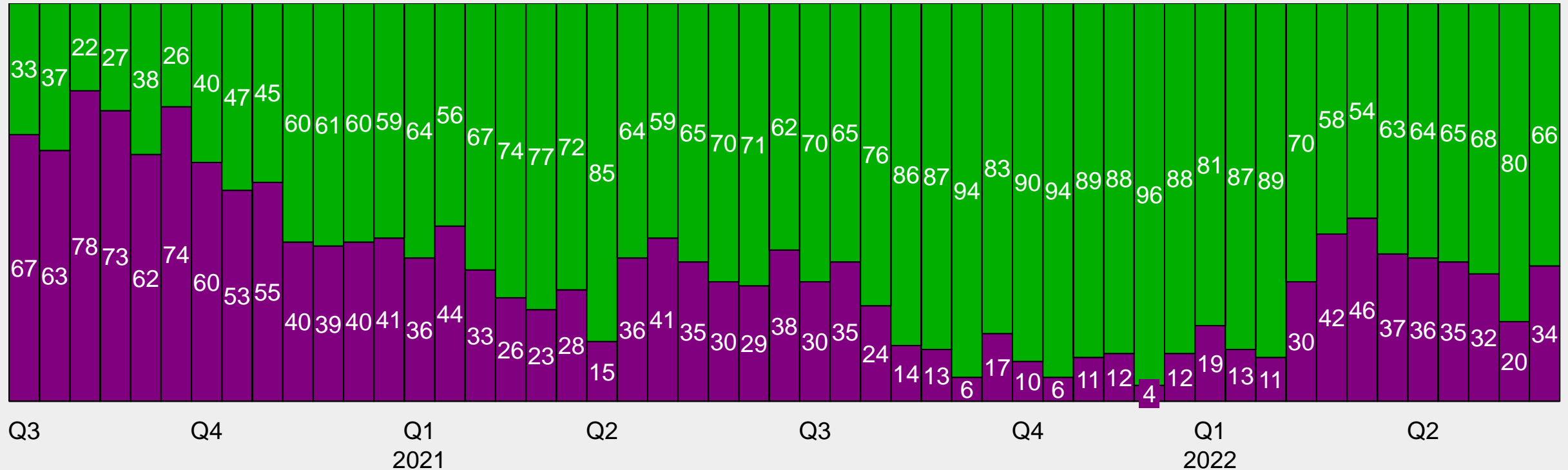


Foreign Steel Competitiveness History

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

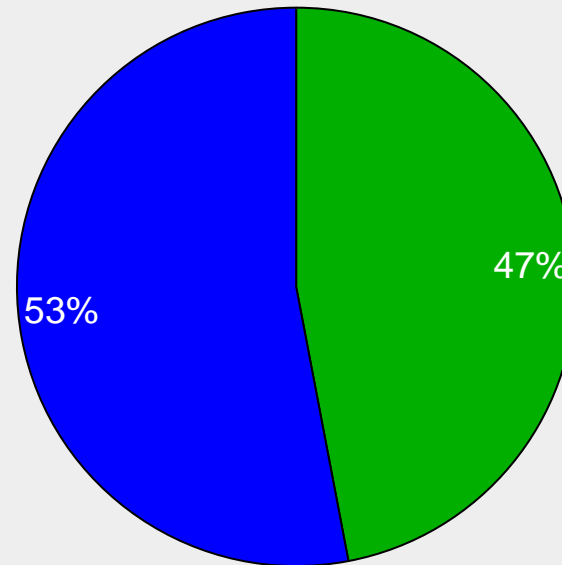
Yes No

out of 100%



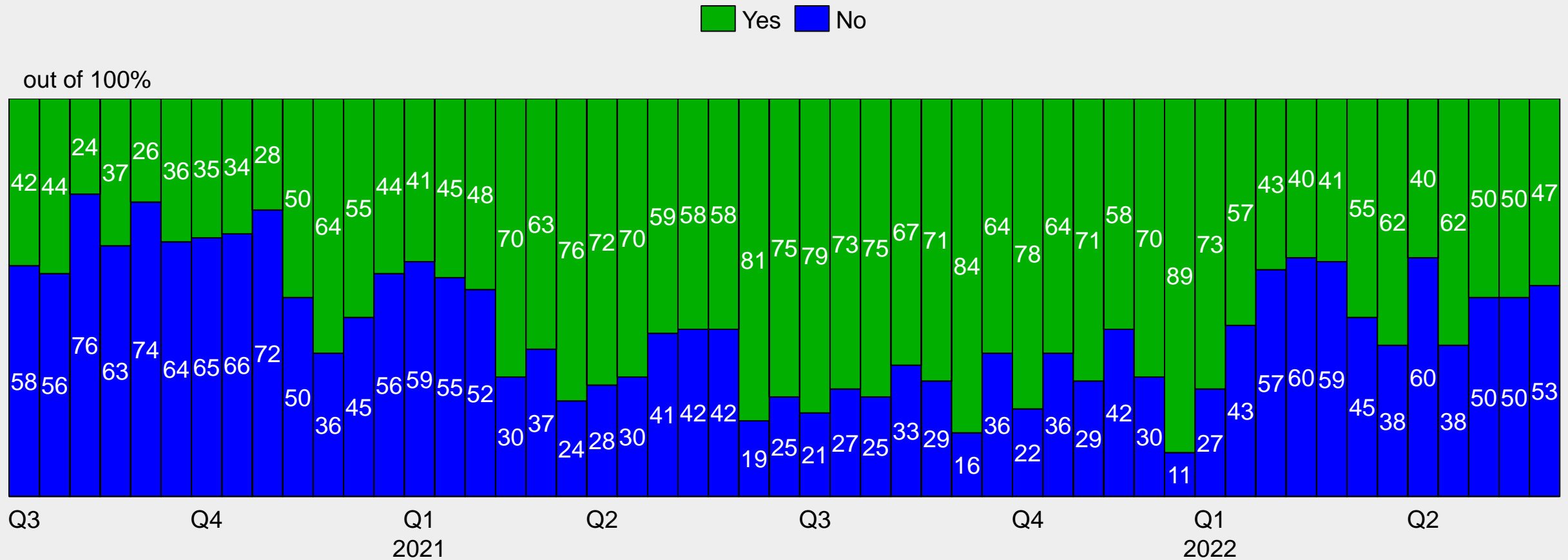
Manufacturers- Are you buying new orders of foreign steel for future delivery?

Yes No



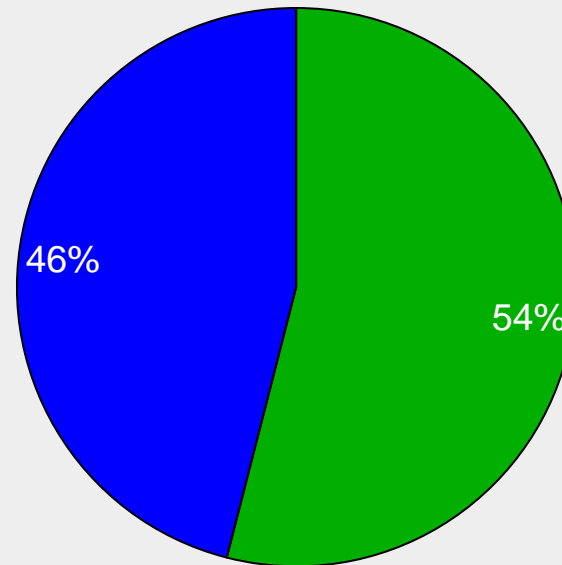
New Foreign Steel Orders History

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



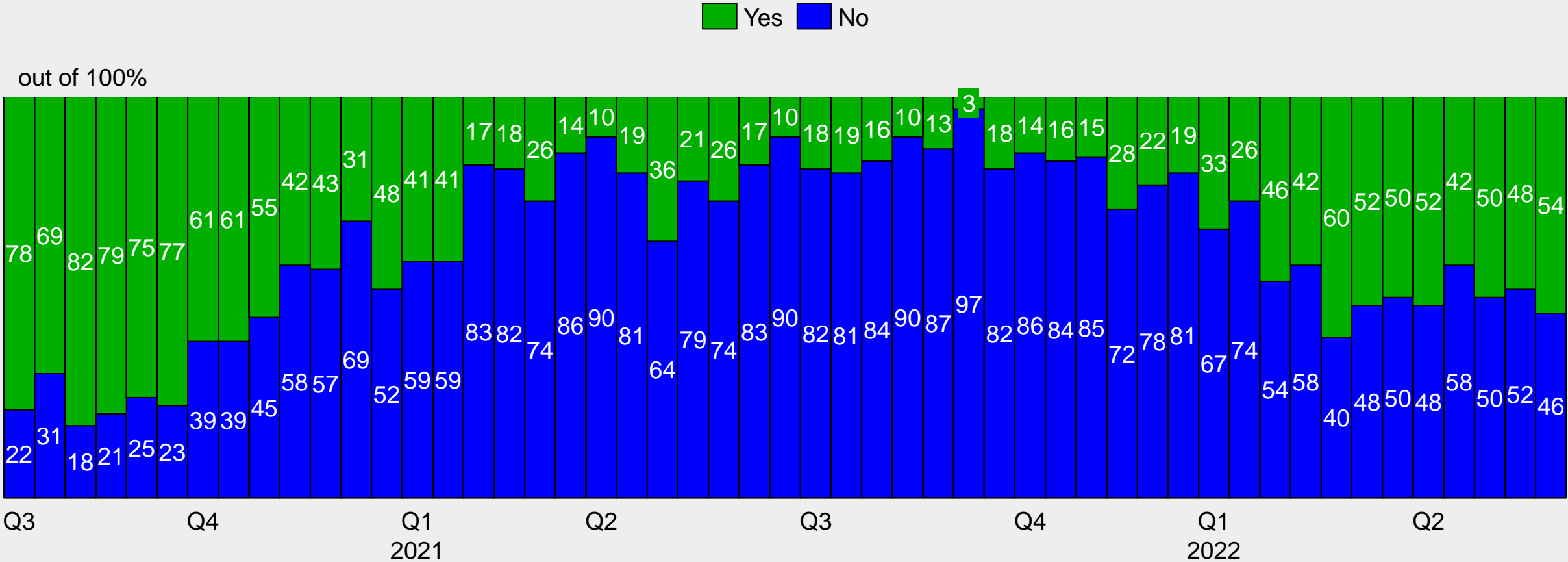
Service Centers- Are you decreasing the percentage of foreign steel on your order book?

Yes No



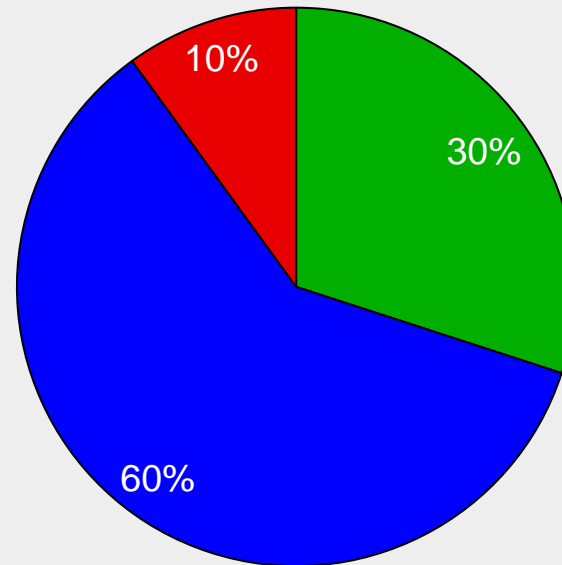
Foreign Steel Order History

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



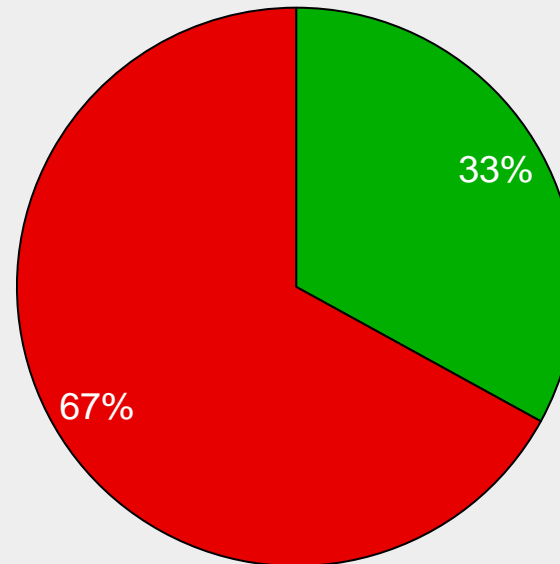
The current order book at your mill is better or worse than last month?

- Better
- Same
- Worse



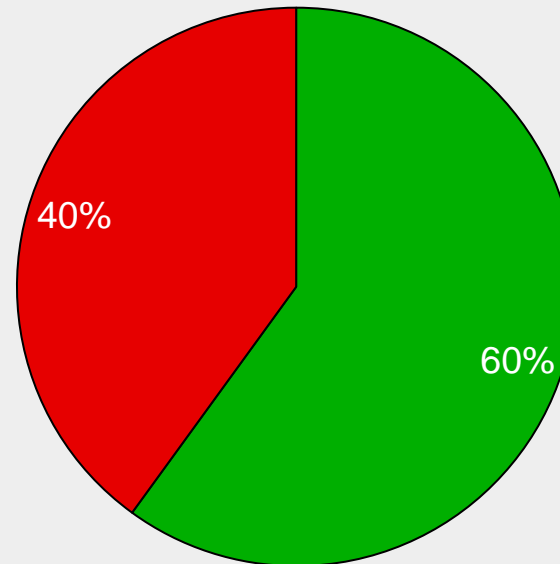
Are you seeing an increase or decrease in orders from your North American buyers?

■ Increase
■ Decrease



Are foreign products attractive to U.S. buyers?

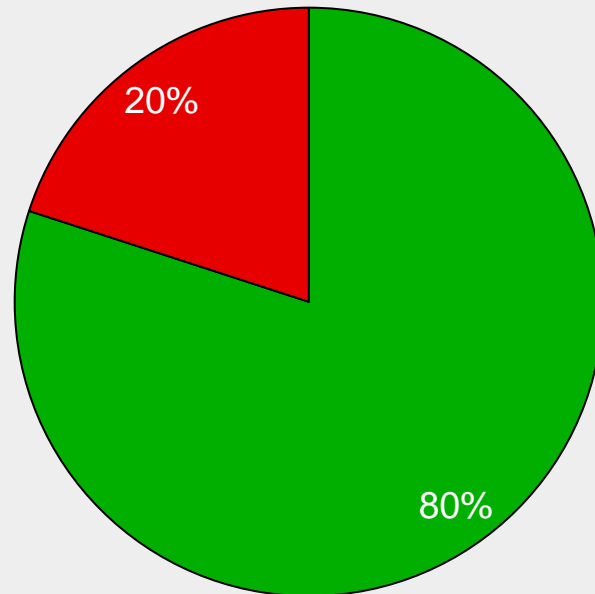
Yes No



Trading Companies on Hot Rolled and Plate

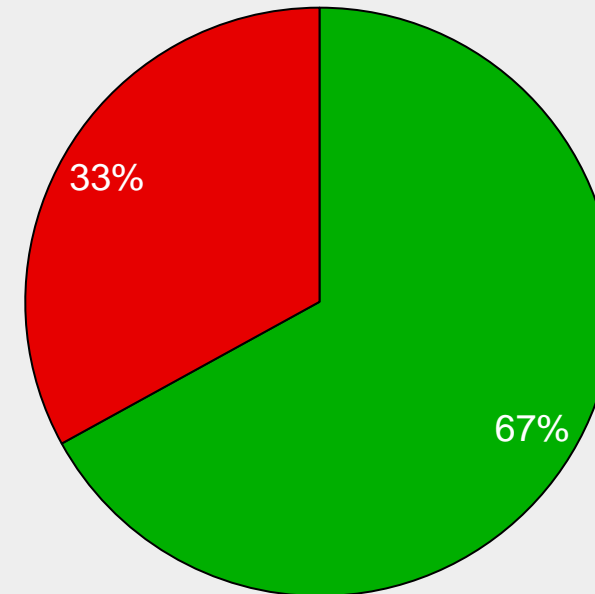
Are you able to offer hot rolled pricing that is attractive to buyers right now?

Yes No



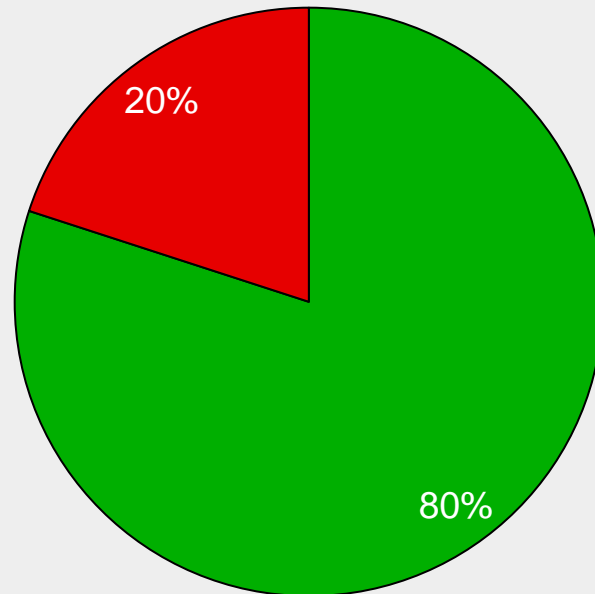
Are you able to offer plate pricing that is attractive to buyers right now?

Yes No



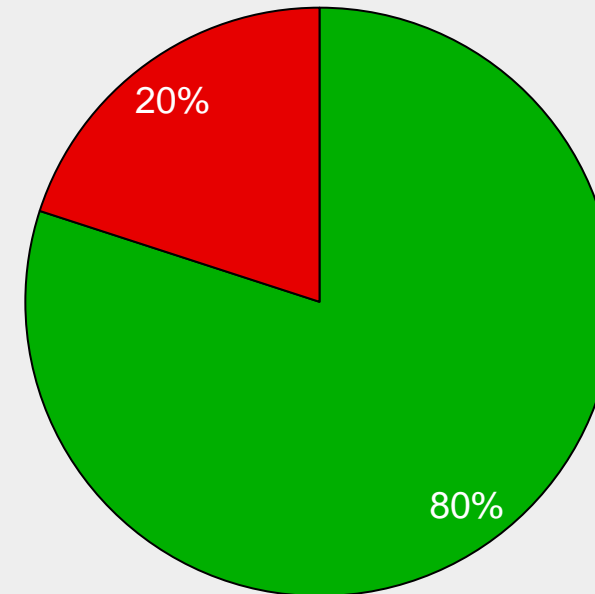
Are your galvanized prices competitive enough right now to get orders (including duties)?

Yes No



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

Yes No



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](https://www.steelmarketupdate.com).



**Look for our next survey
the week of June 20, 2022**

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



STEEL MARKET UPDATE

part of the  Group

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

If you would like to participate in our survey, please contact Brett Linton at Brett@SteelMarketUpdate.com