

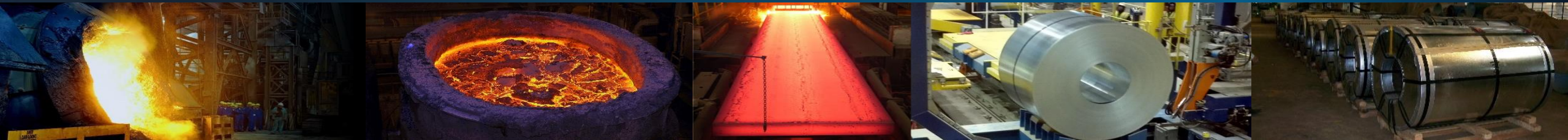


STEEL MARKET UPDATE

part of the  Group

SMU Flat Rolled Market Trends Analysis

Responses from our July 4-6, 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 700 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 19-20	SMU Steel 101 Workshop	Virtual	Online
August 22-24	SMU Steel Summit Conference	Live	Georgia International Convention Center, Atlanta
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

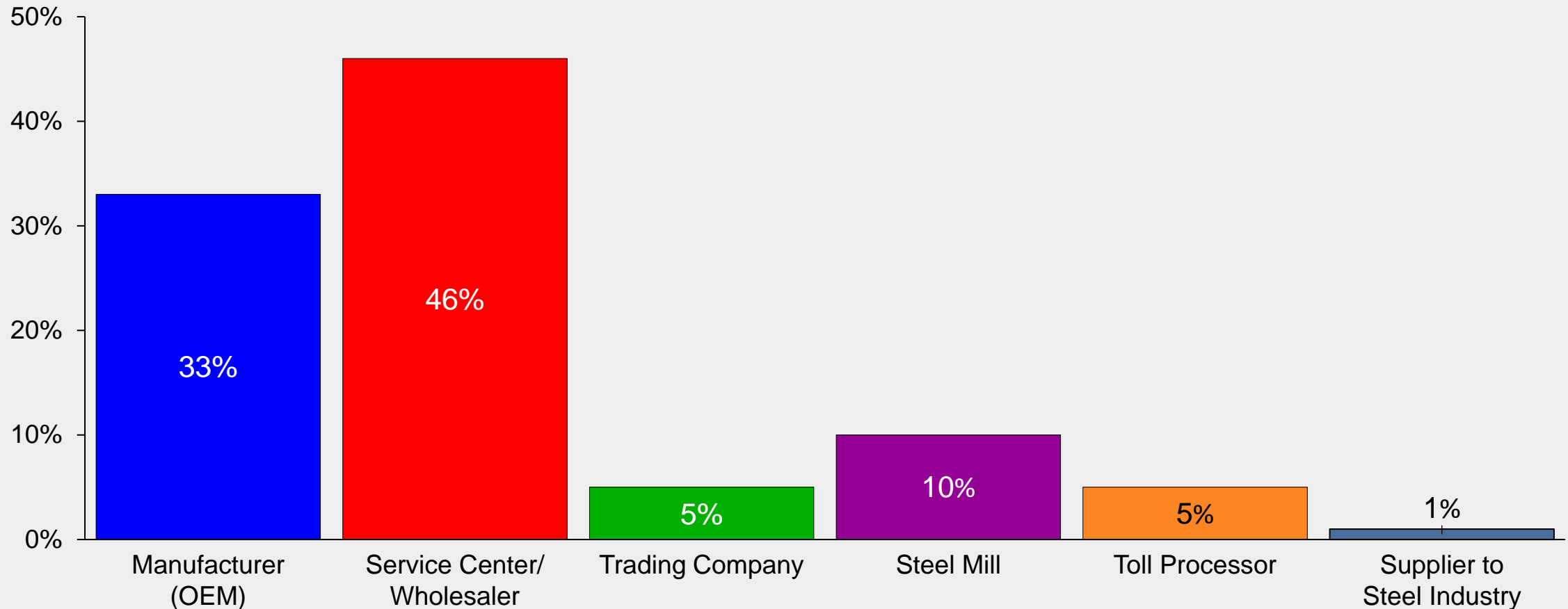
part of the  Group

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

Contact Brett@SteelMarketUpdate.com
for participation information.

Survey Participants

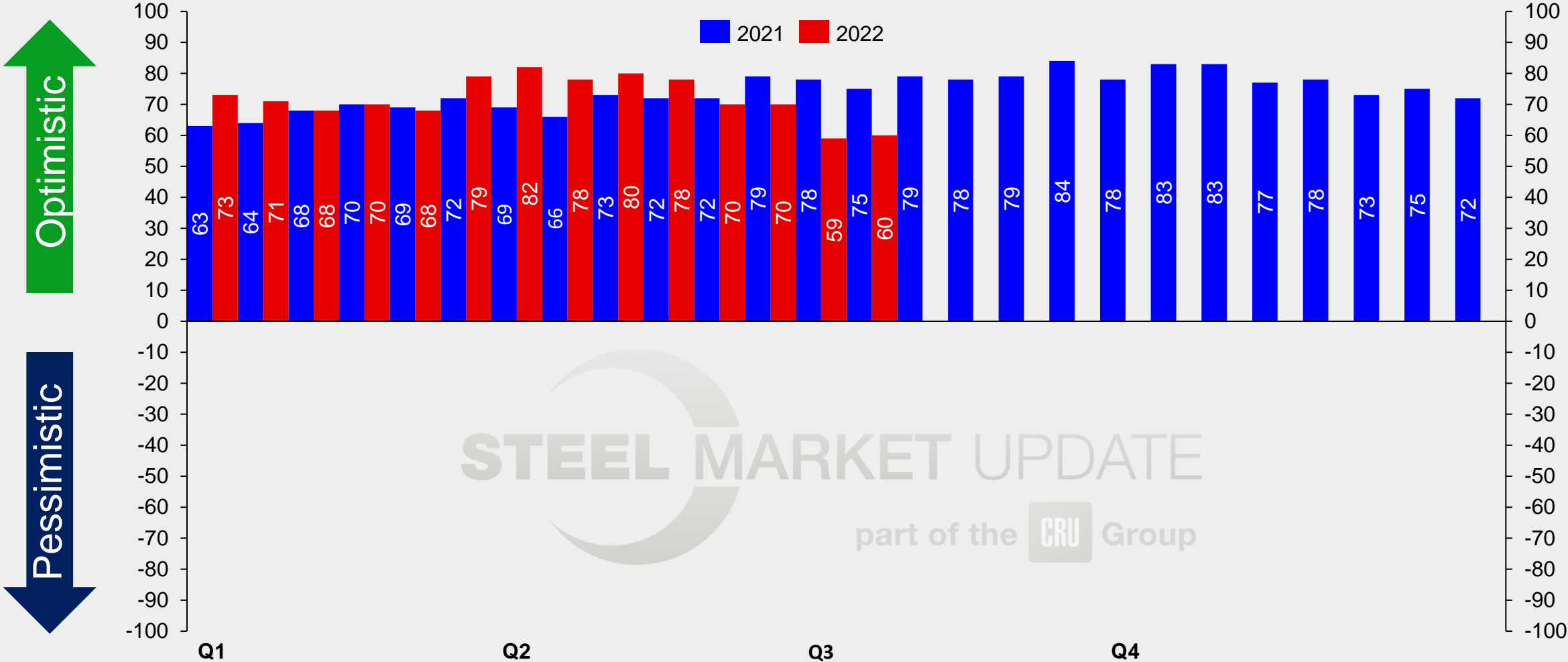
Our survey is by invitation only. Over 700 companies, mostly in the manufacturing or distribution industries, are asked to participate. Here are the percentages of participation in this week's survey by market sector.



Steel Buyers Sentiment

Up 1 point to +60

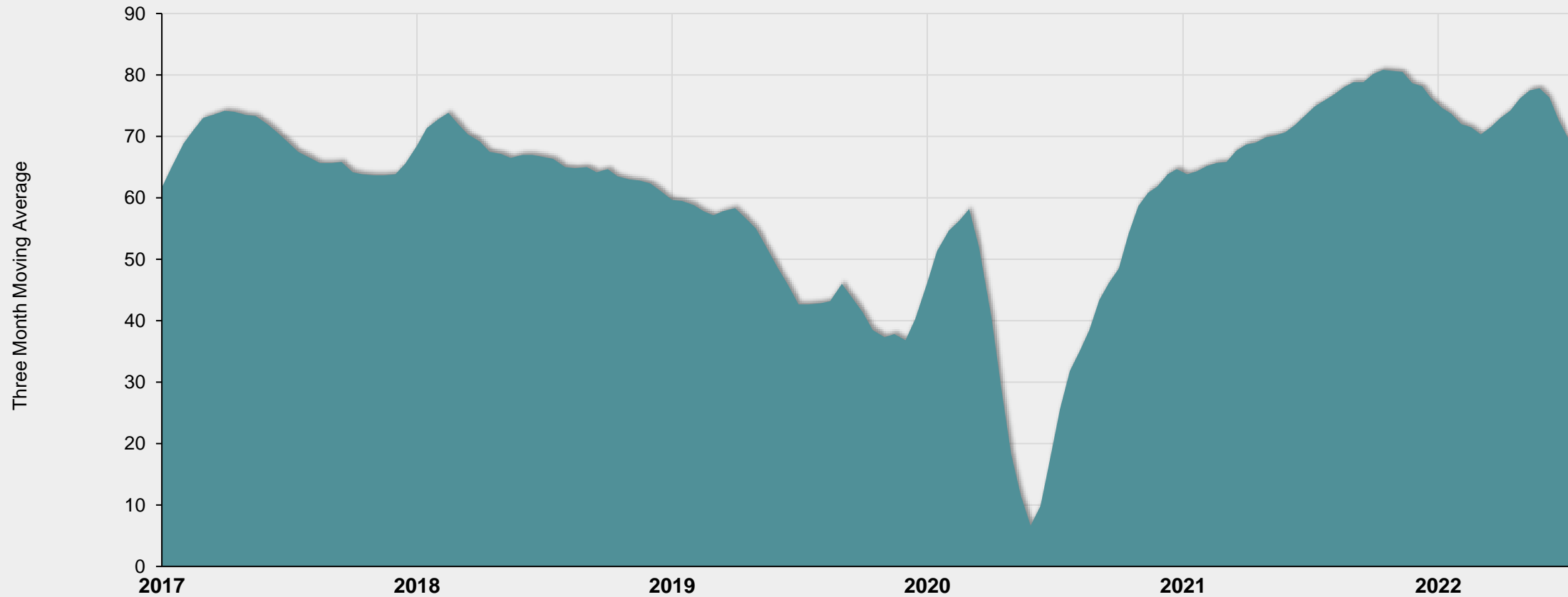
Steel Market Update Steel Buyers Sentiment Index



Steel Buyers Sentiment

Three Month Moving Average at +69.50

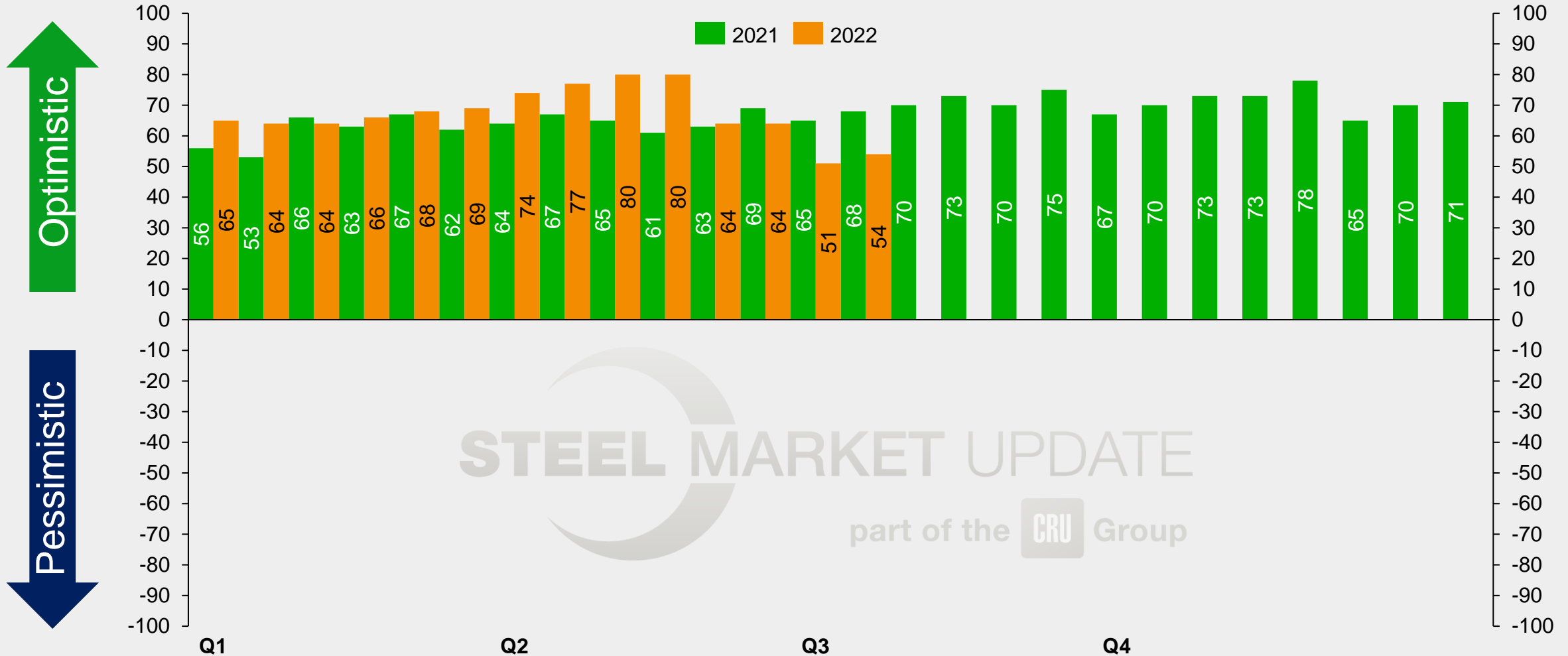
SMU Steel Buyers Sentiment Index
3MMA - January 2017 through July 7, 2022



Steel Buyers Future Sentiment

Up 3 points to +54

Steel Market Update Future Steel Buyers Sentiment Index

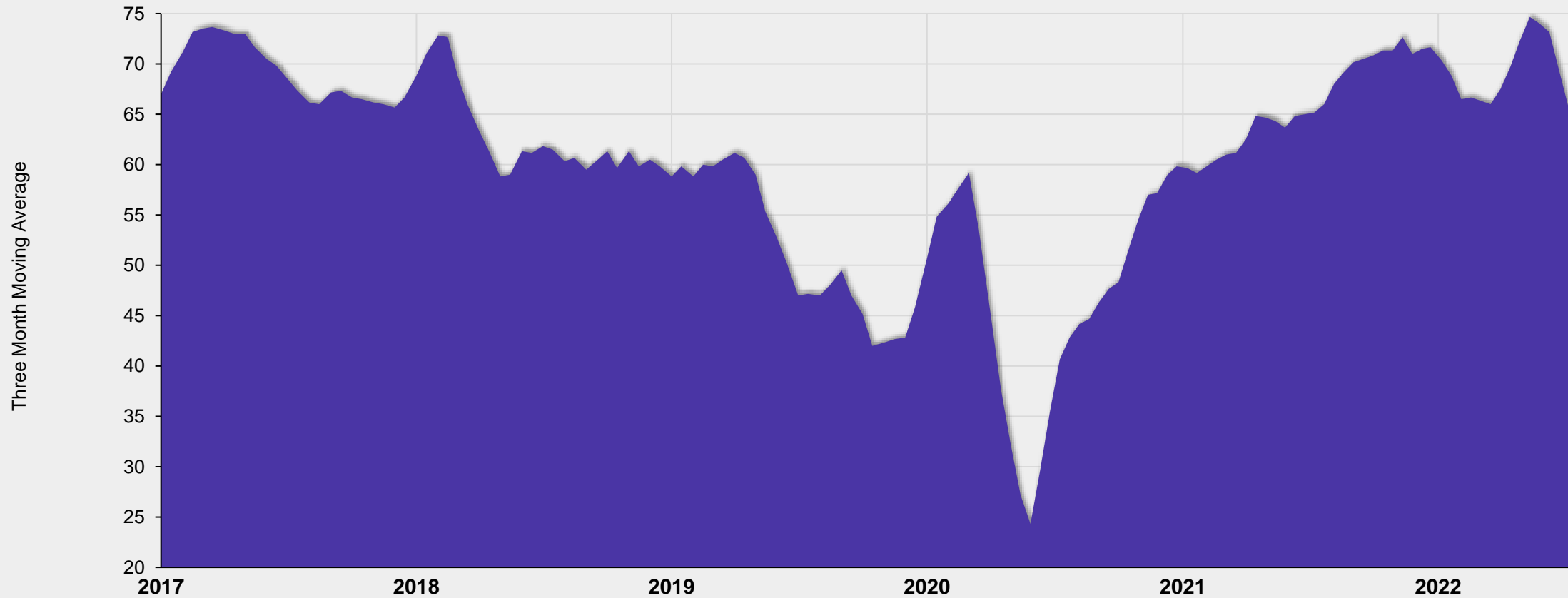


Steel Buyers Future Sentiment

Three Month Moving Average at +65.50

SMU Steel Buyers Future Sentiment Index

3MMA - January 2017 through July 7, 2022

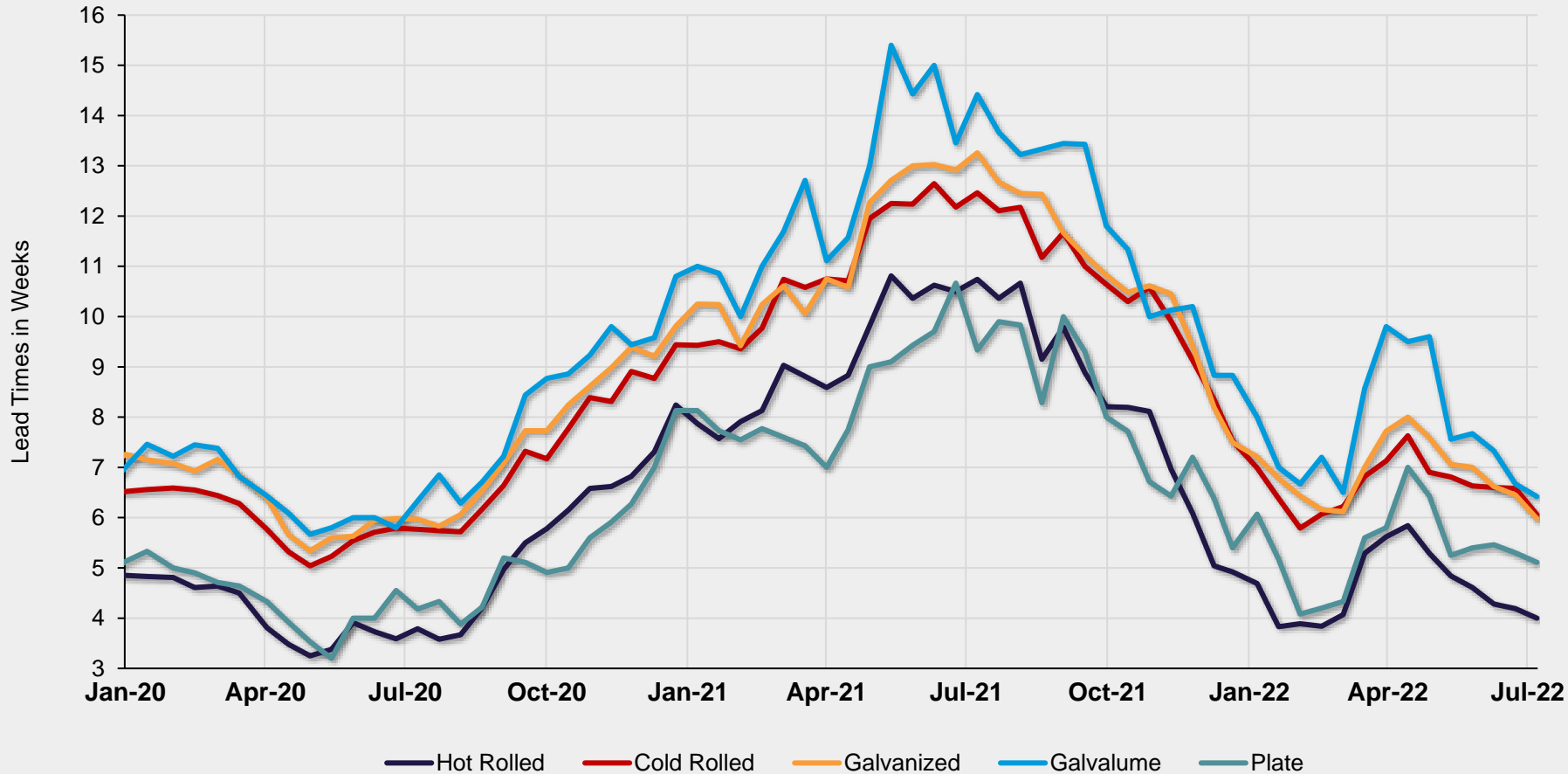


© Steel Market Update 2022

Steel Mill Lead Times by Product

SMU Lead Times Comparison

January 2020 through July 7, 2022



Lead Times in Weeks

Galvalume: 6.4

Cold Rolled: 6.1

Galvanized: 6.0

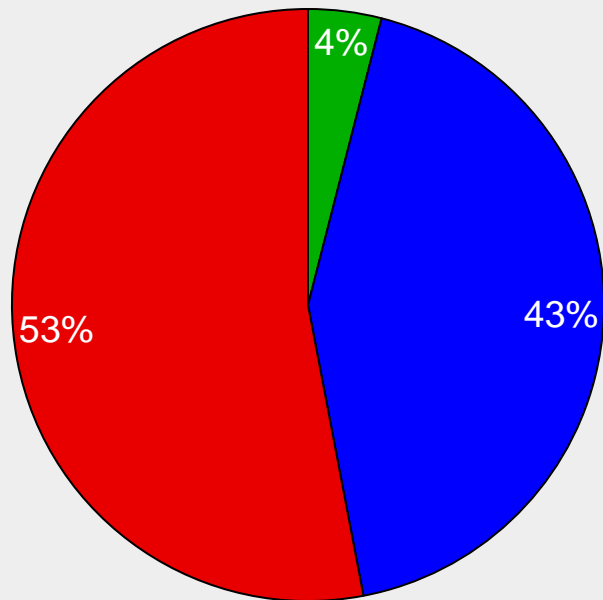
Plate: 5.1

Hot Rolled: 4.0

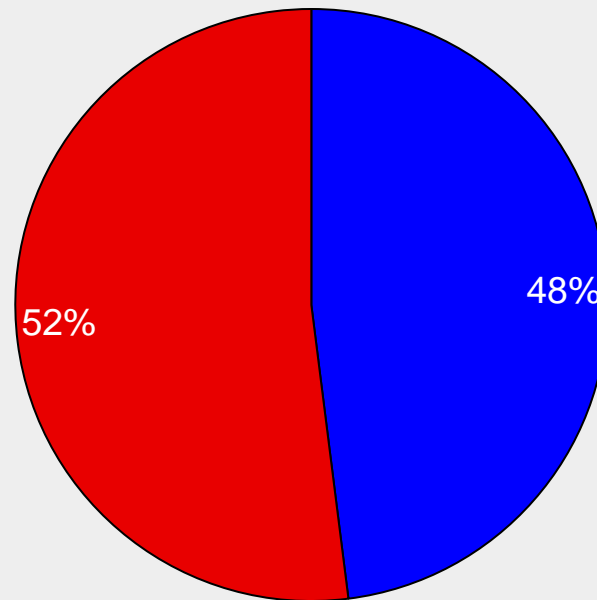
Which way are lead times going?

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

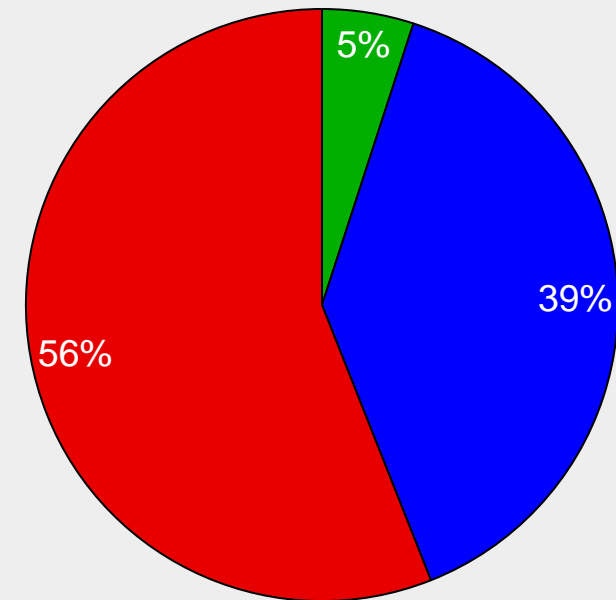
June 9, 2022



June 23, 2022

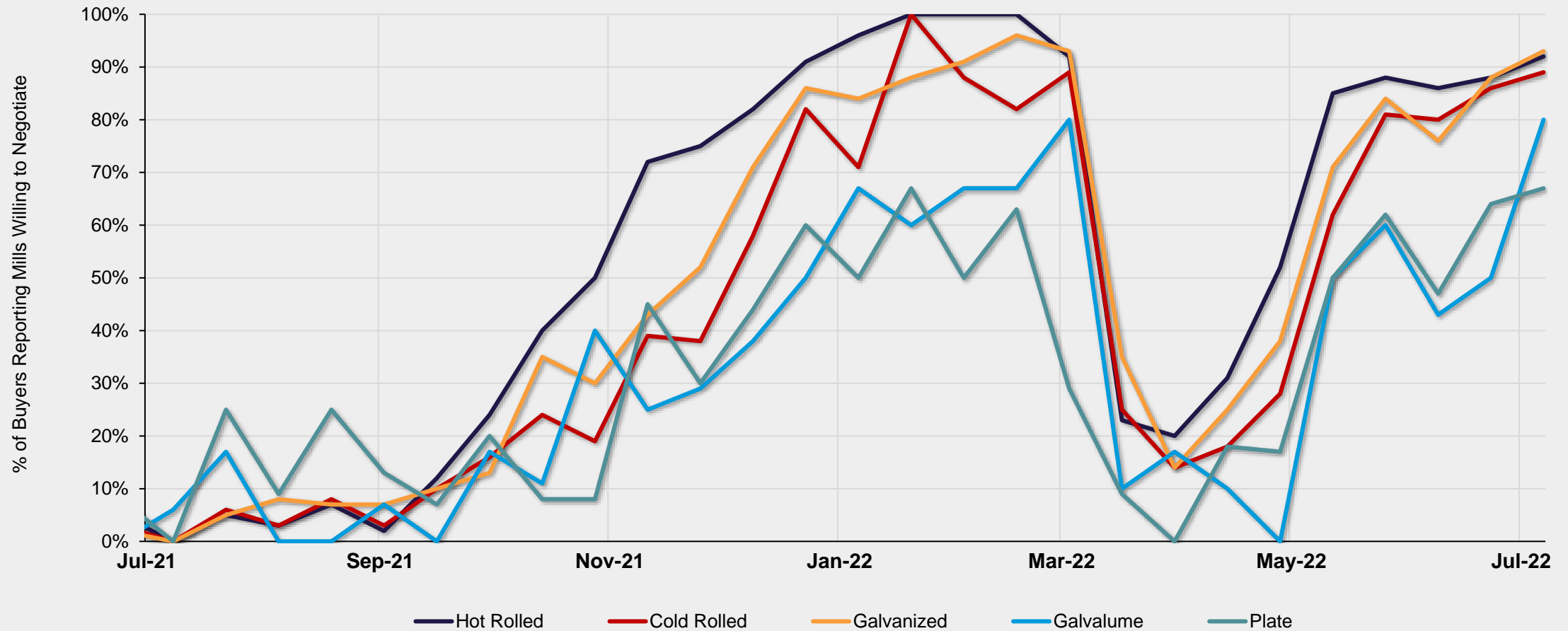


July 7, 2022



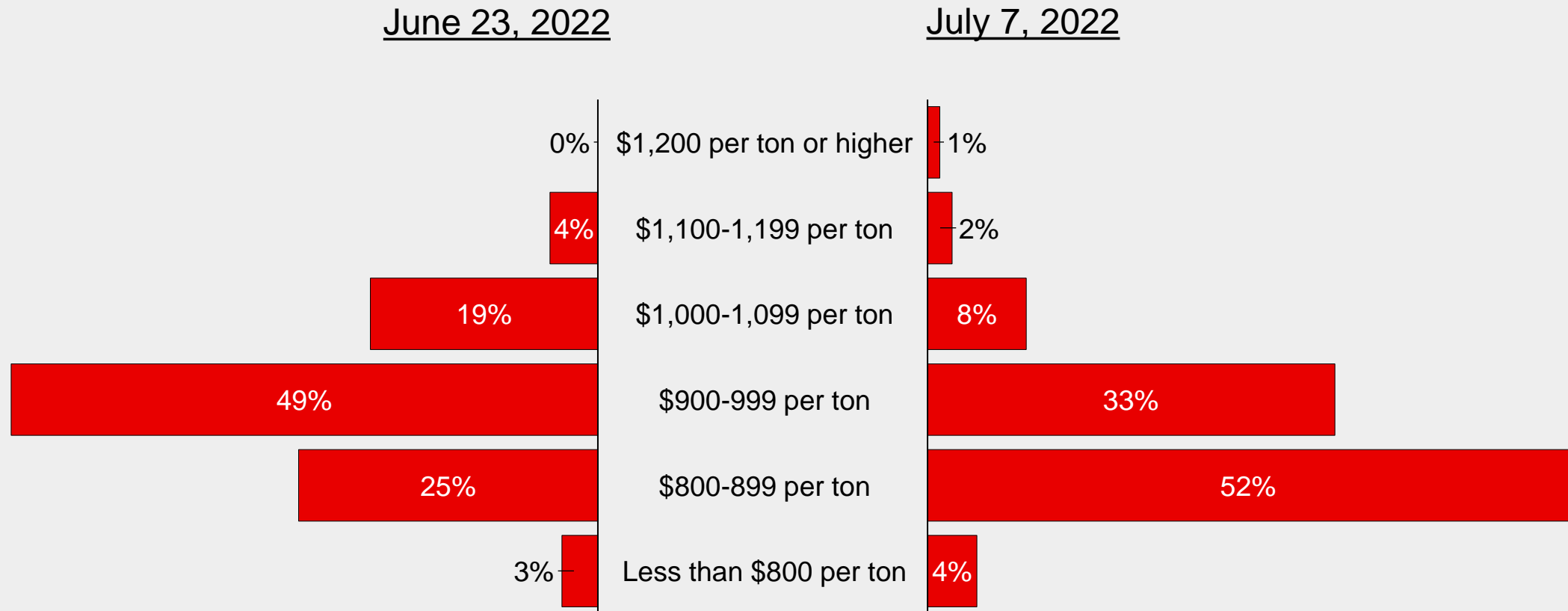
Steel Mill Negotiations

SMU Price Negotiations on New Steel Orders
July 2021 through July 7, 2022



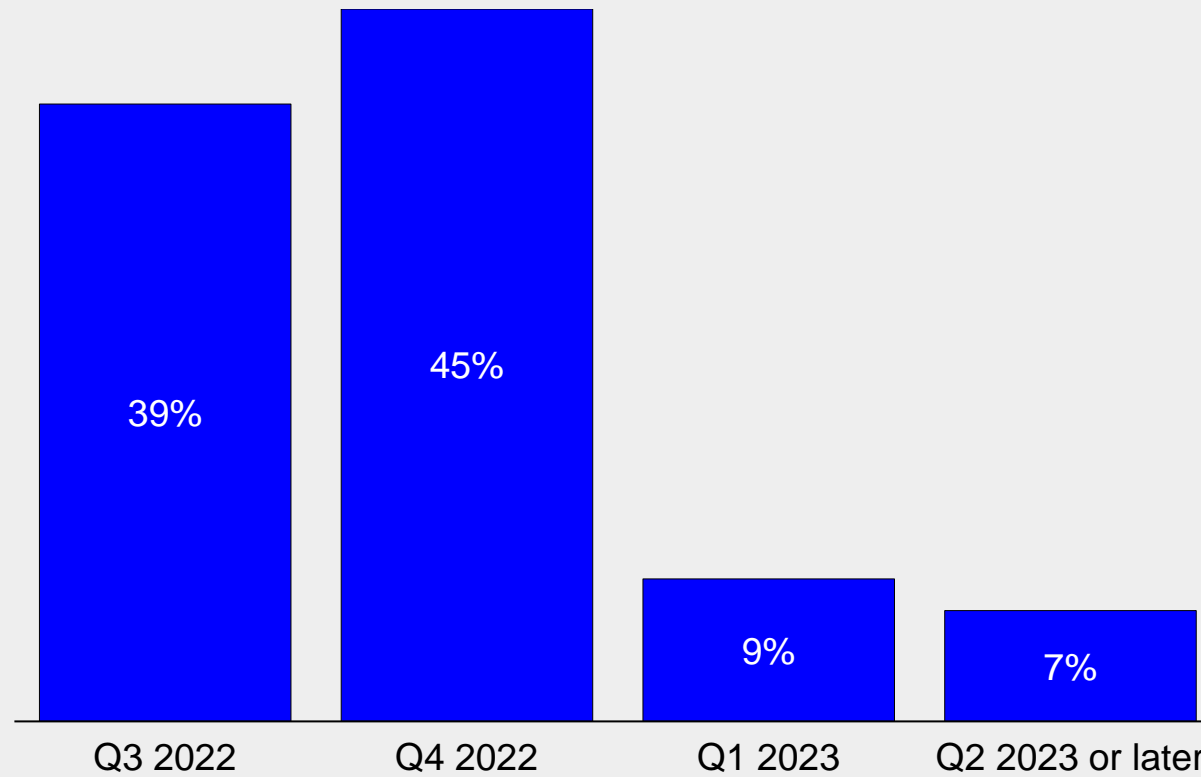
Future HRC Prices

Where do you think HRC prices will be two months from now?



HRC Price Inflection Point

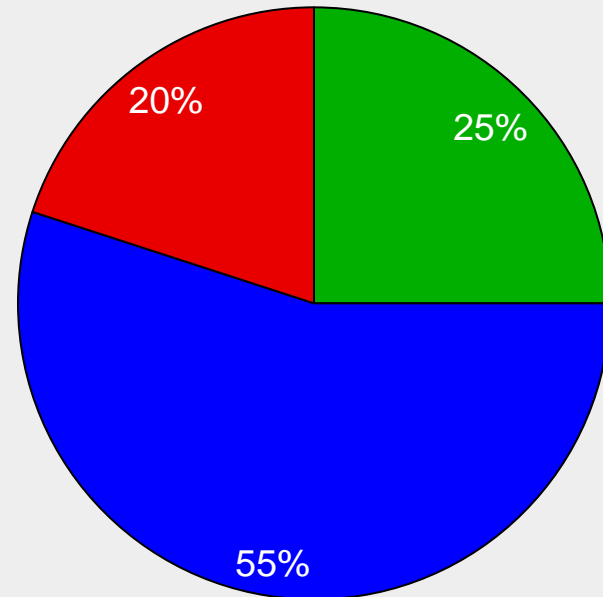
When do you think HRC prices will bottom out?



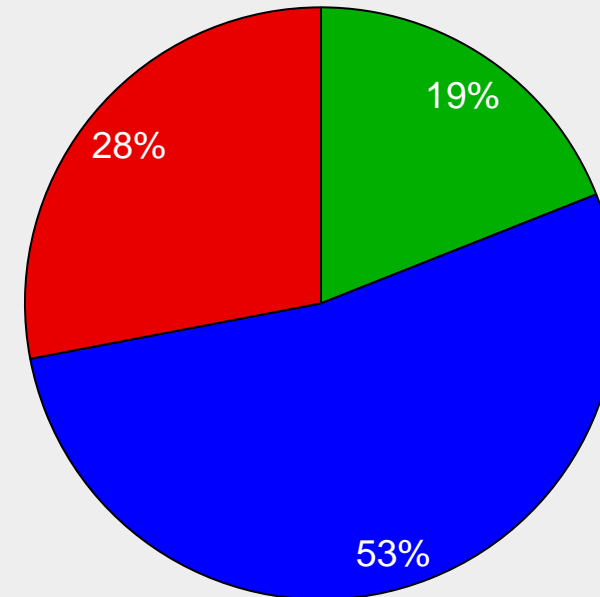
How did your company perform last month compared to your forecast?

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

June 9, 2022 – For May



July 7, 2022 – For June

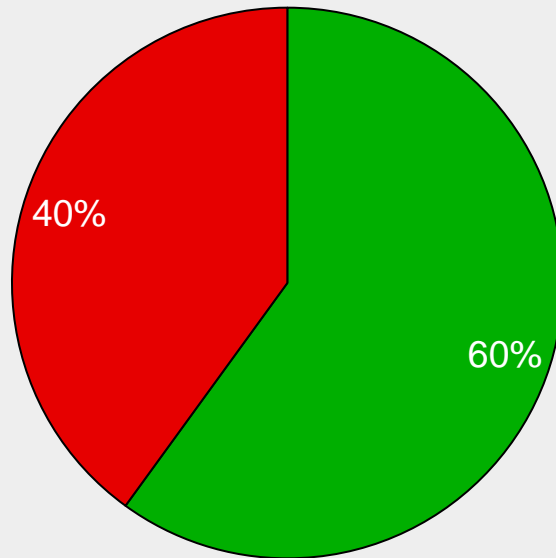


Future Prospects

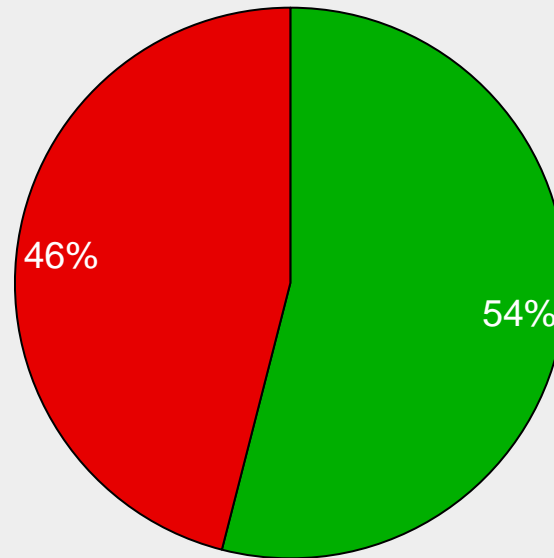
Would you describe yourself as optimistic or pessimistic about your prospects in the second half of 2022?

■ Optimistic ■ Pessimistic

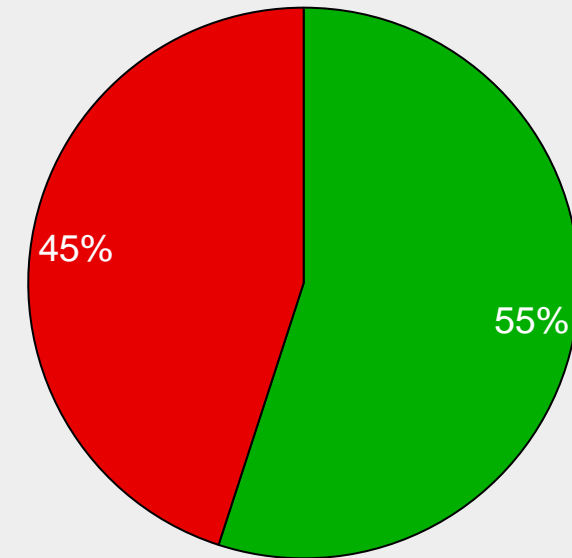
June 9, 2022



June 23, 2022



July 7, 2022

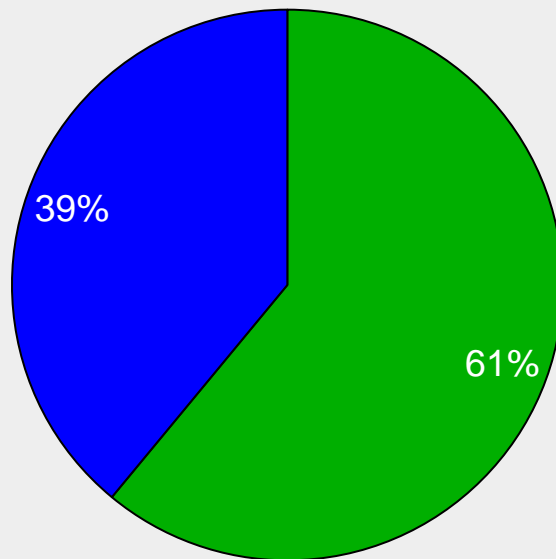


Staying on the Sidelines?

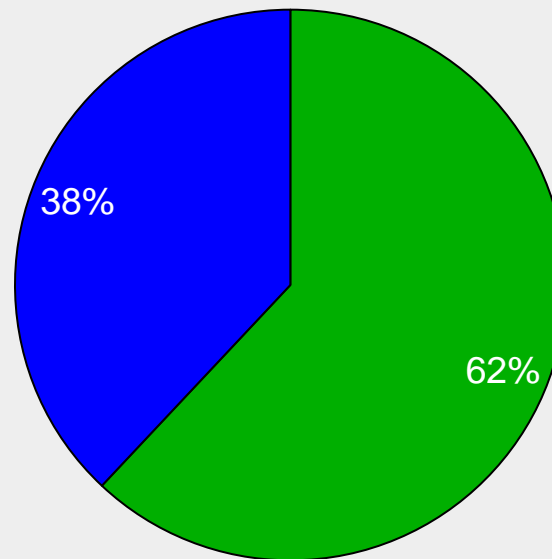
Are you an active buyer or staying on the sidelines?

■ Active buyer ■ On the sidelines

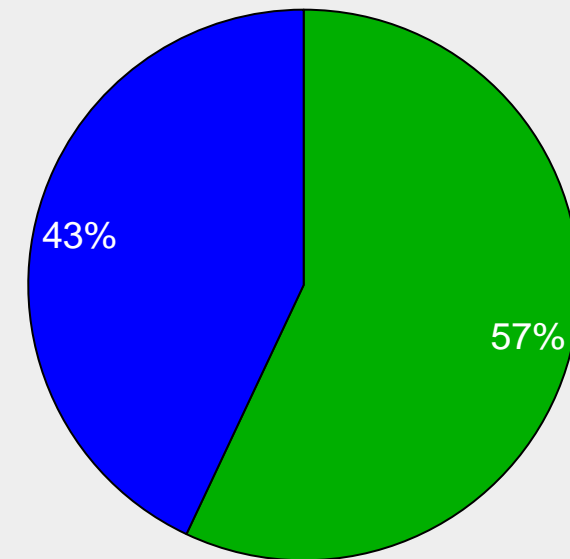
June 9, 2022



June 23, 2022

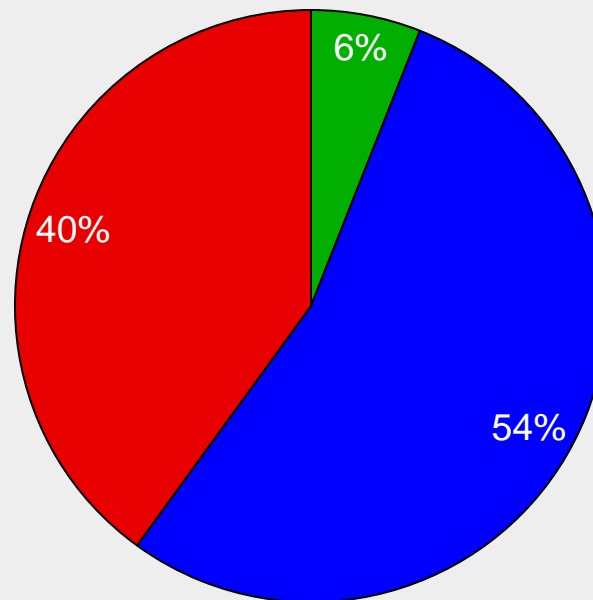


July 7, 2022



How are you seeing demand for your products?

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

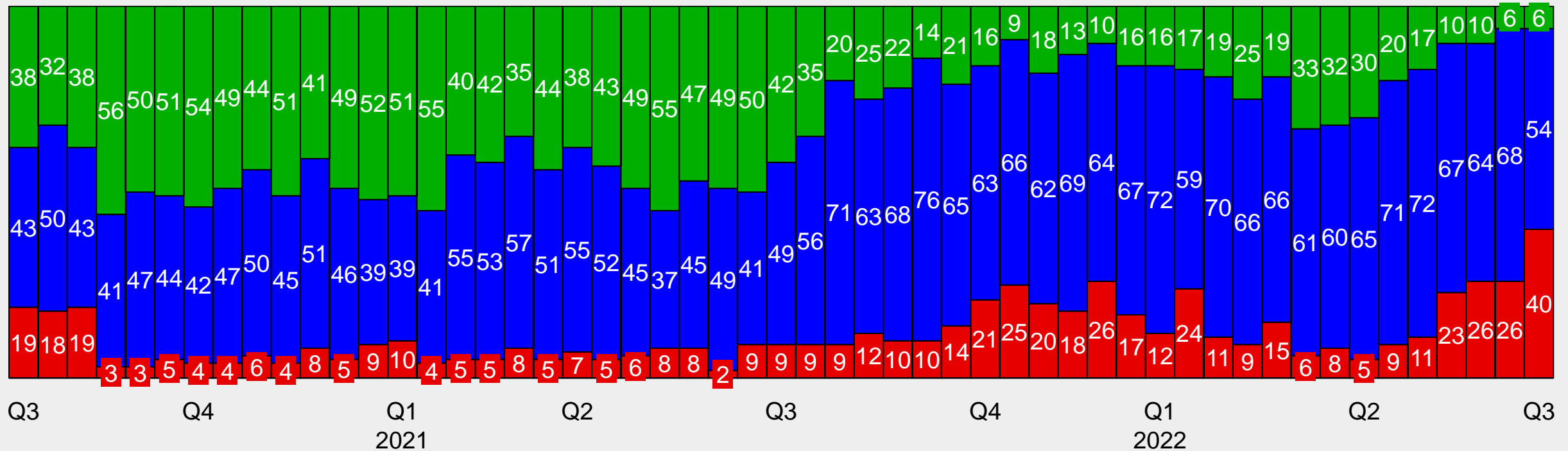


Overall Demand History

How are you seeing demand for your products?

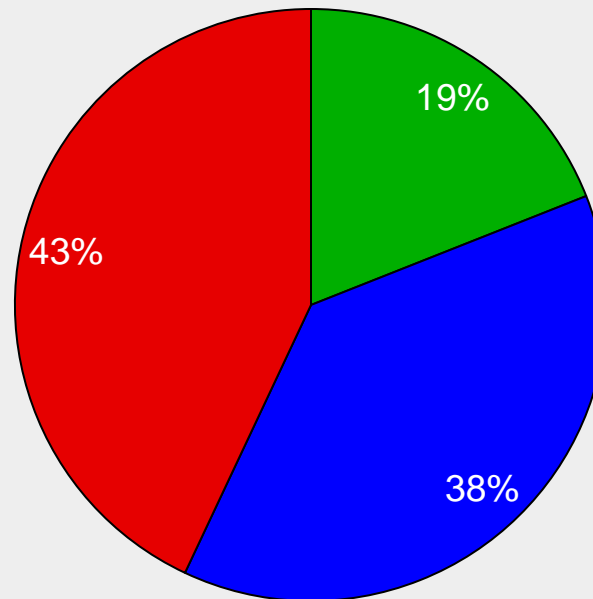
- Demand is improving
- Demand is stable
- Demand is declining

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

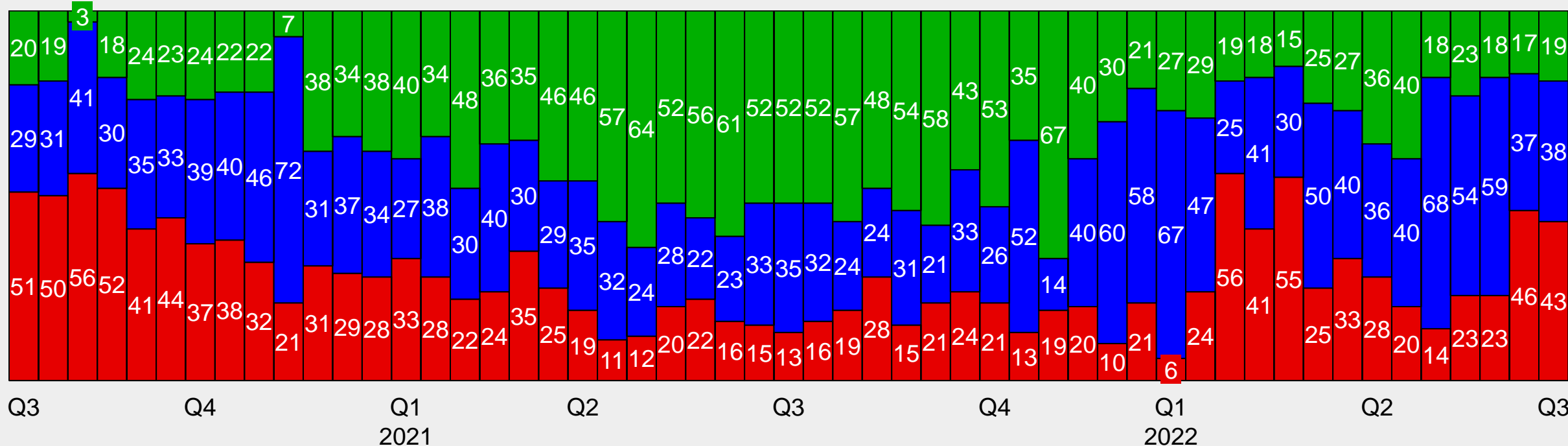


History of Manufacturer Purchases

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

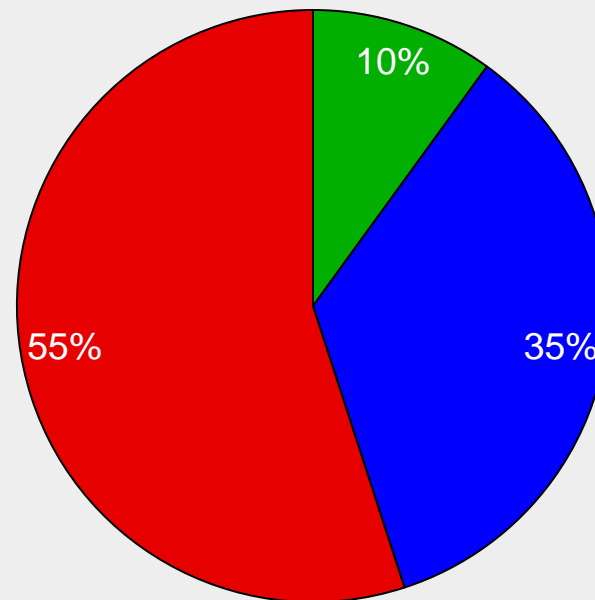
- Buying more steel
- Buying the same amount of steel
- Buying less steel

out of 100%



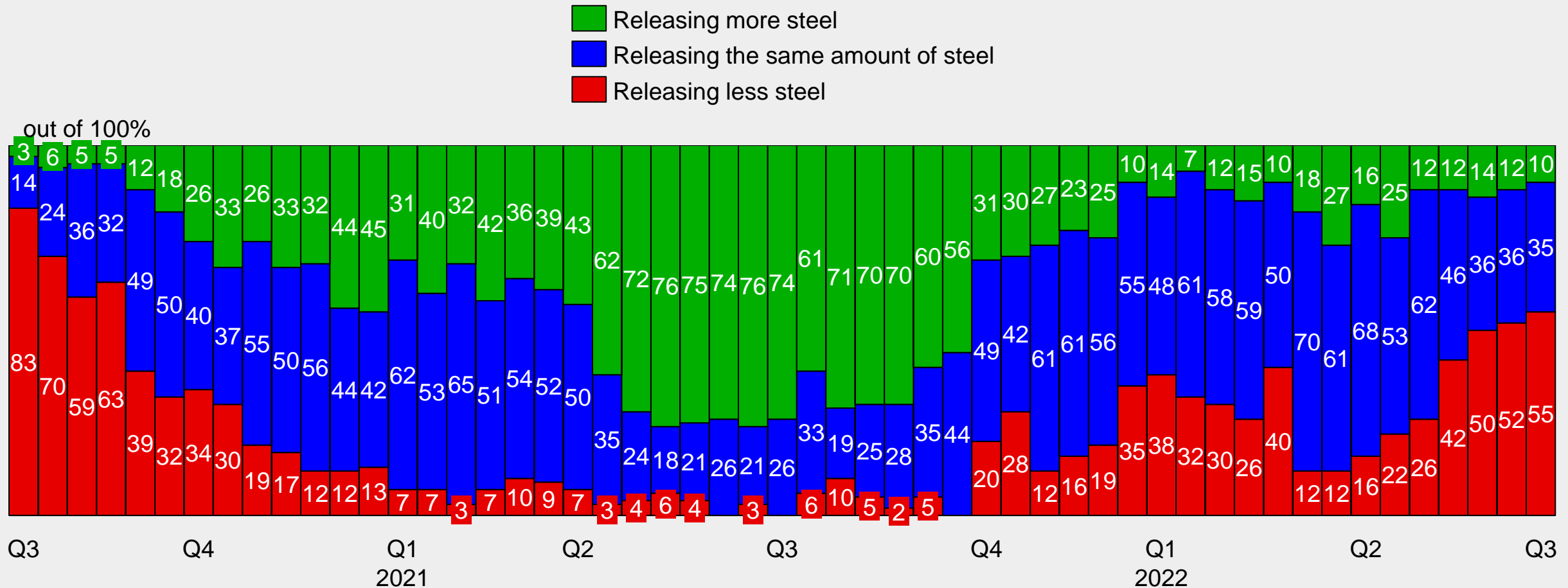
Service Centers- How do you see your customers releases (demand) for the products your company provides compared to one year ago?

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

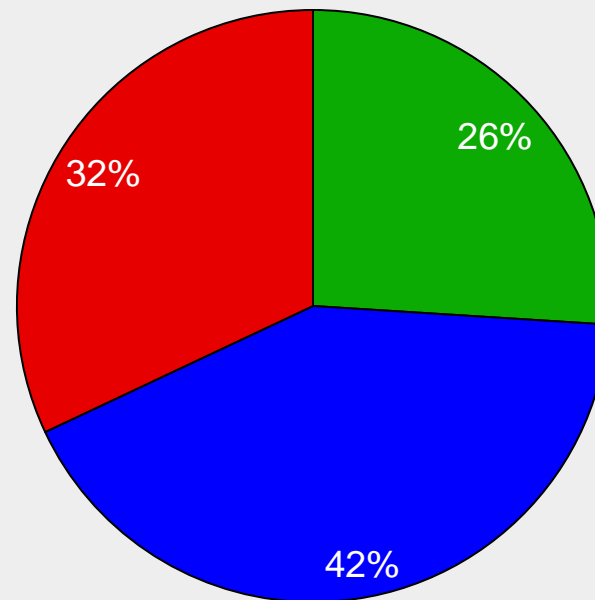
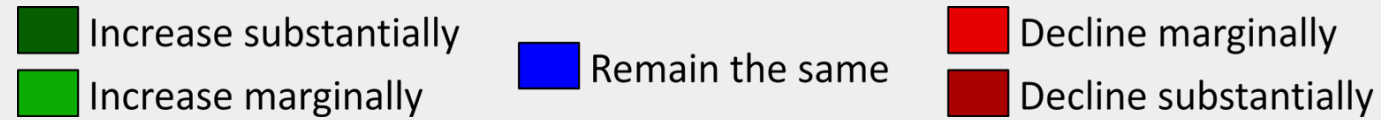


Service Center Release History

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

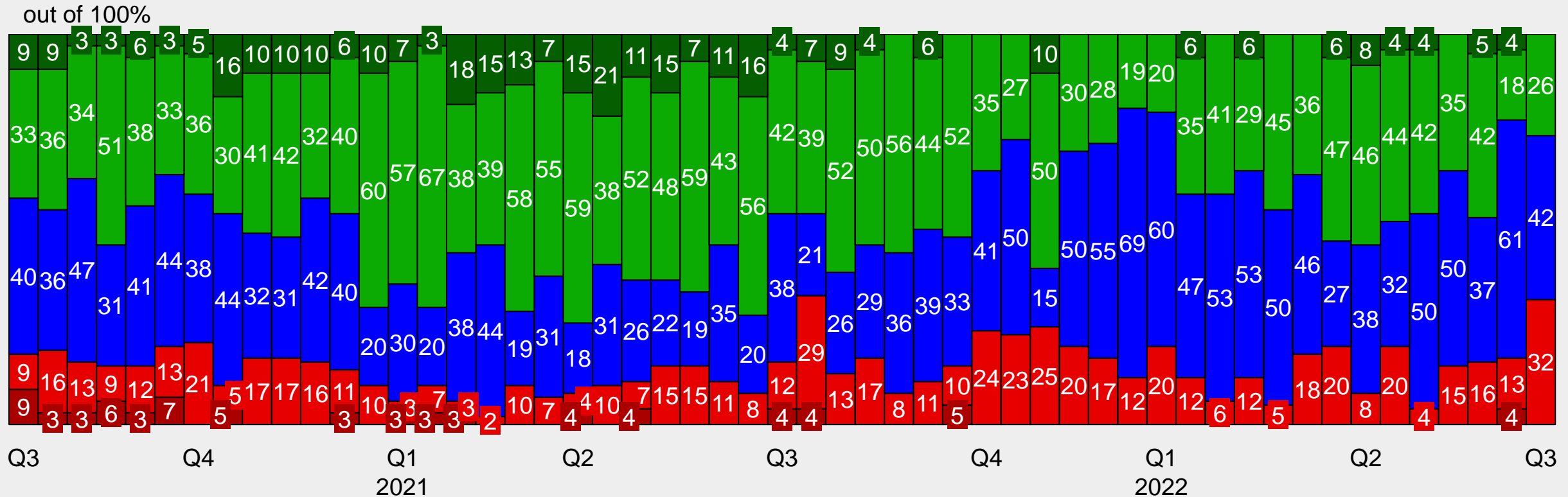
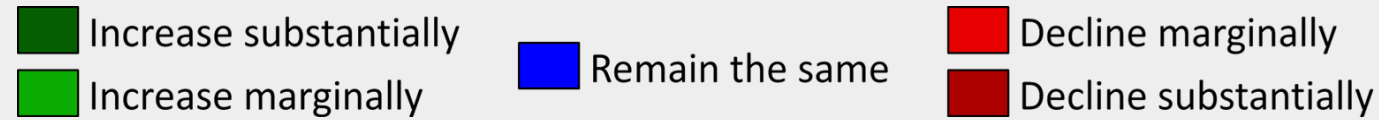


Manufacturers- Demand for your products will _____
over the next 3 months based on current order flows.



Manufacturer Demand History

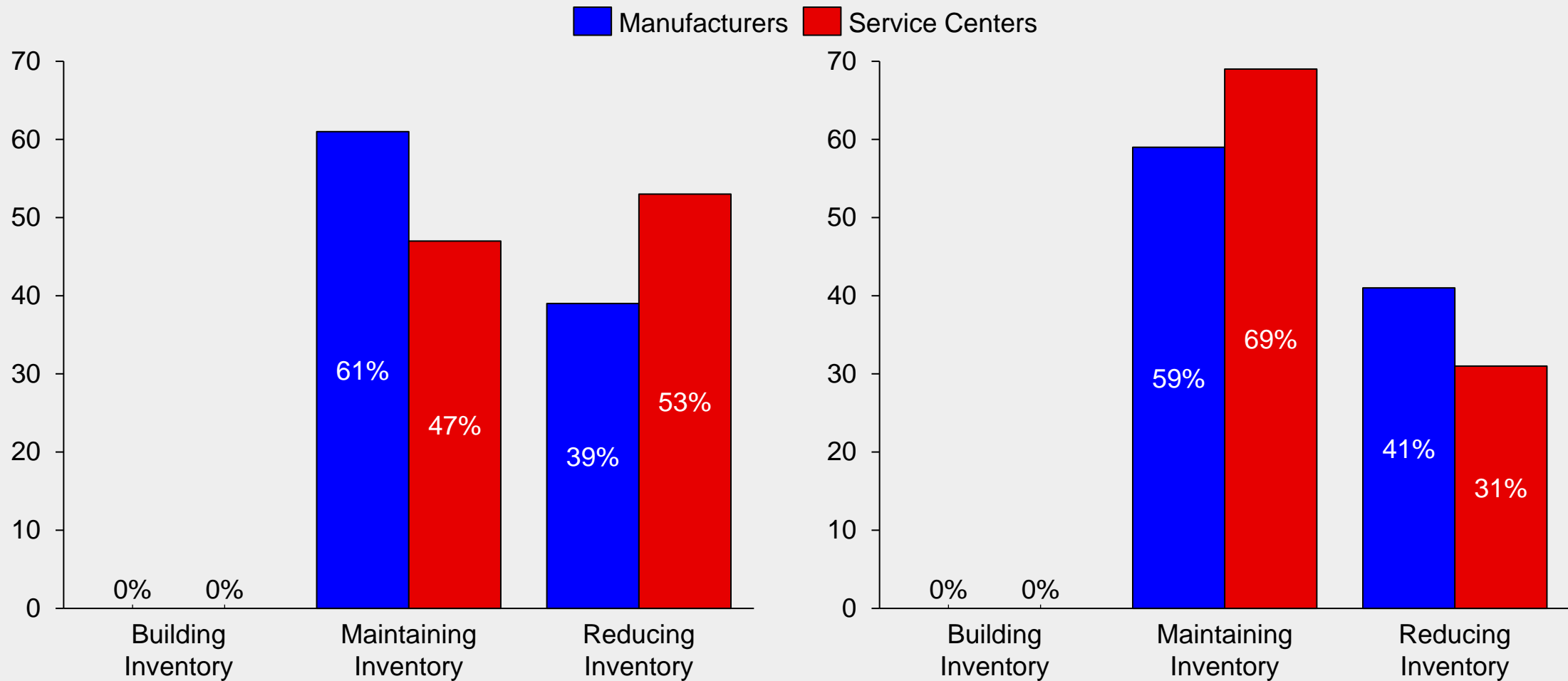
Manufacturers- Demand for your products will _____
over the next 3 months based on current order flows.



Manufacturer and Service Center Inventory Buying Patterns

June 23, 2022

July 7, 2022

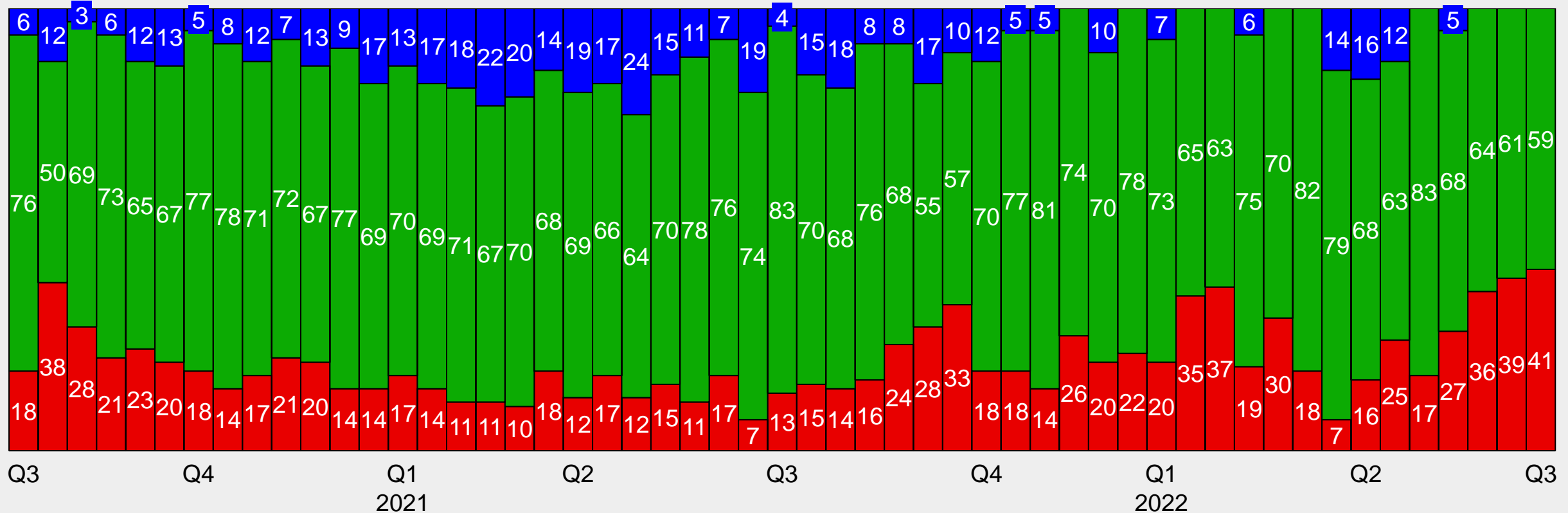


Manufacturer Inventory Buying History

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

■ Building Inventory
 ■ Maintaining Inventory
 ■ Reducing Inventory

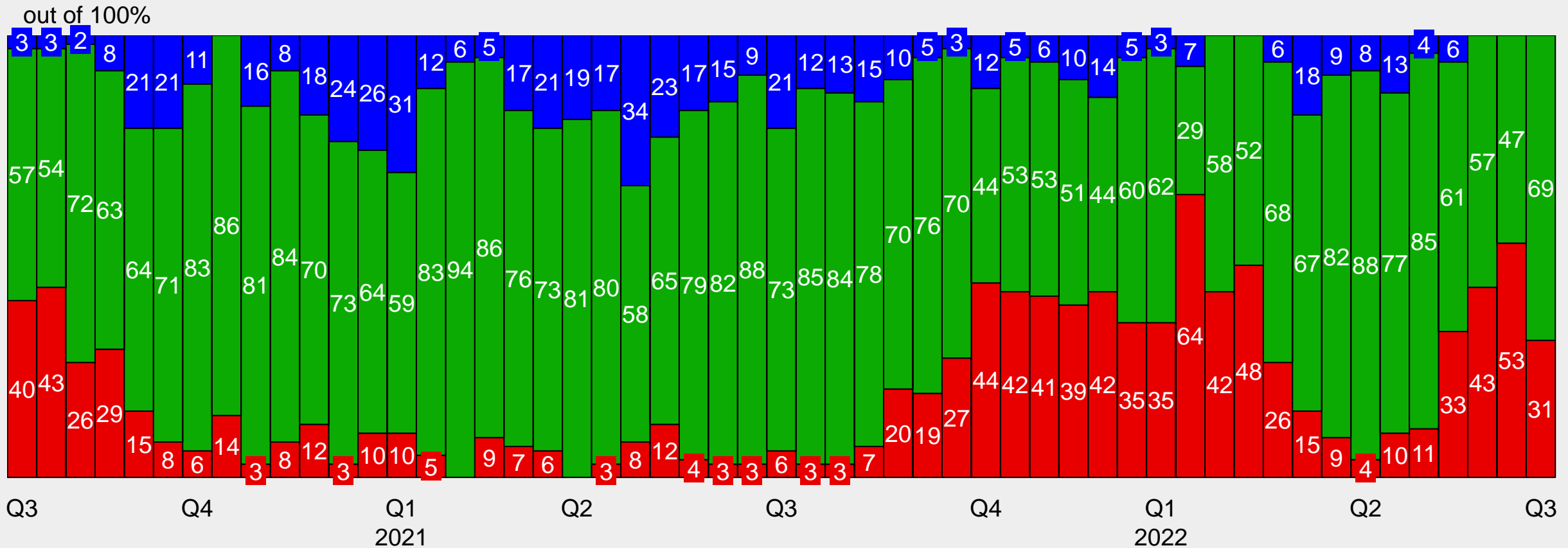
out of 100%



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

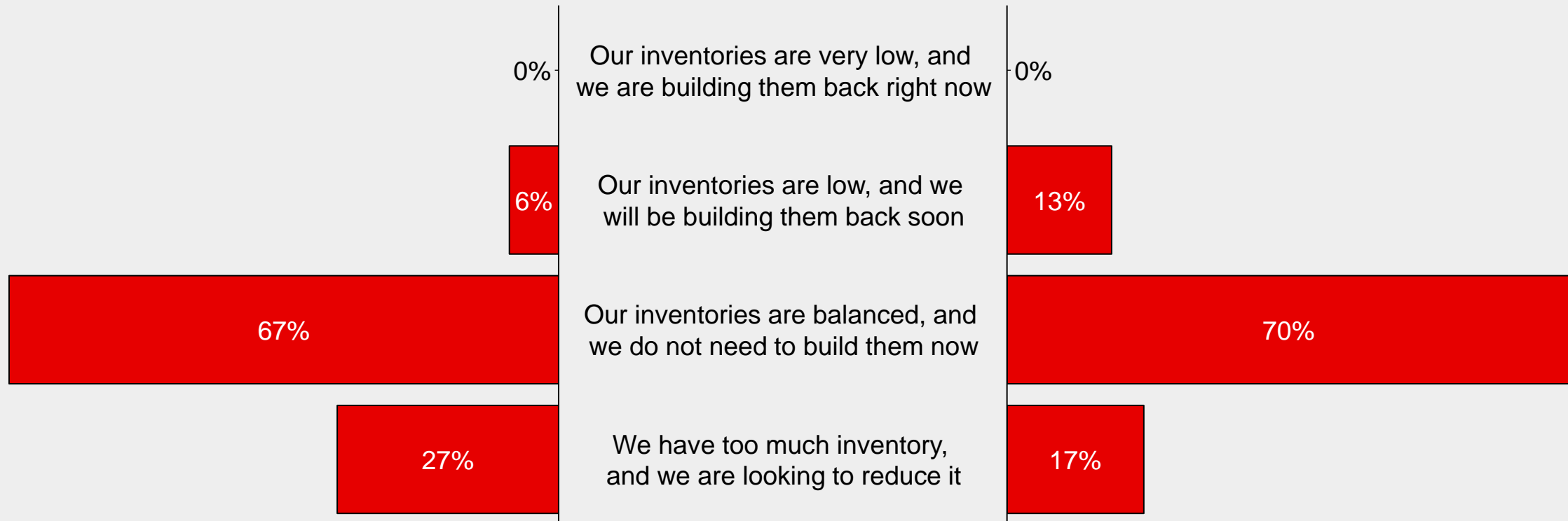


Service Center Inventories

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

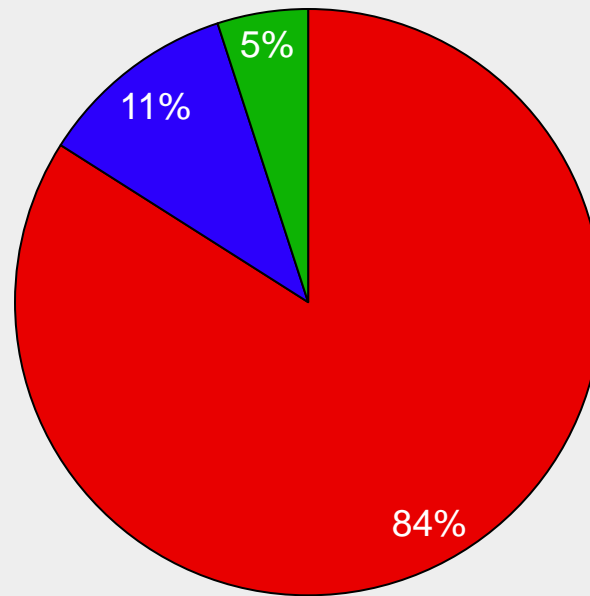
June 23, 2022

July 7, 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

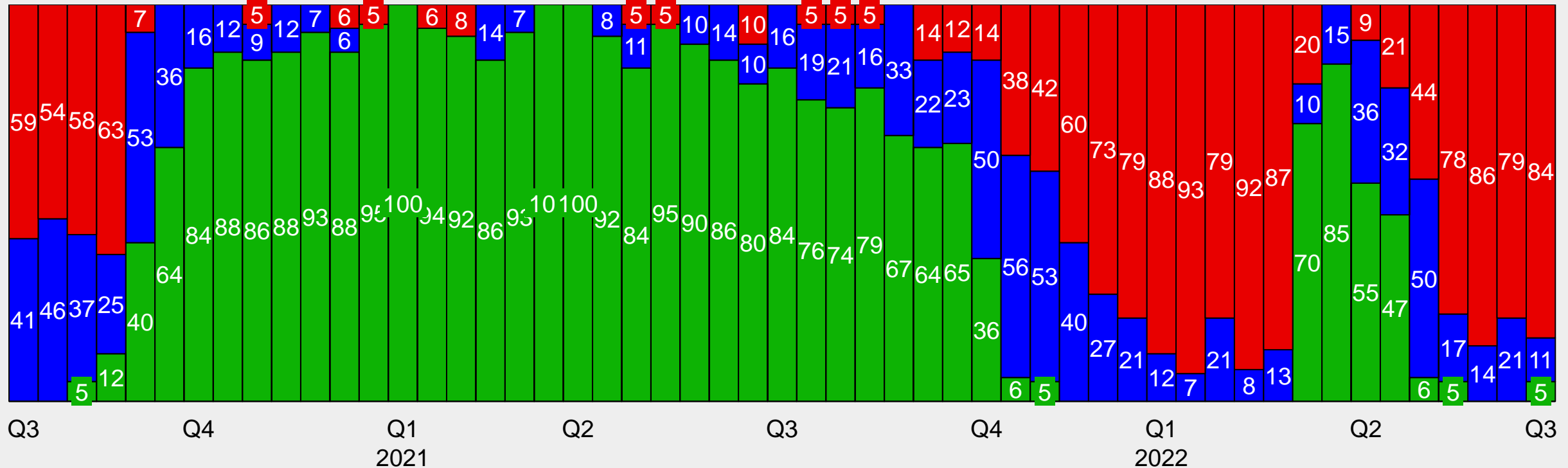


Manufacturer's View of Service Center Selling Prices History

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

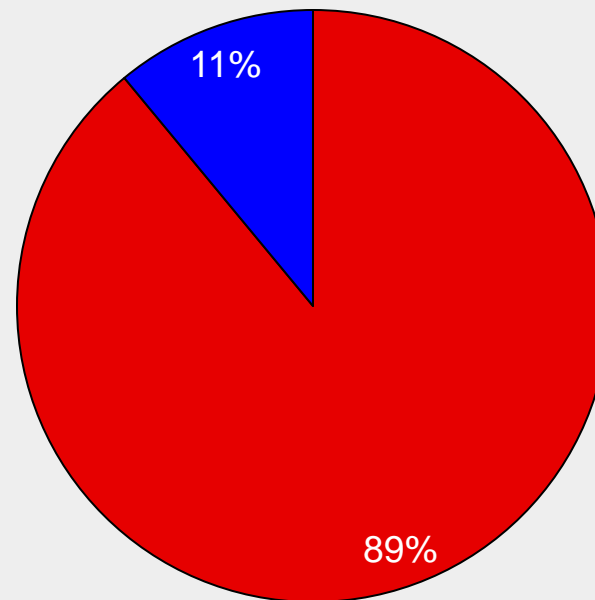
- We see prices decreasing from our service centers
- We see stable prices from our service centers
- We see prices increasing from our service centers

out of 100%



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

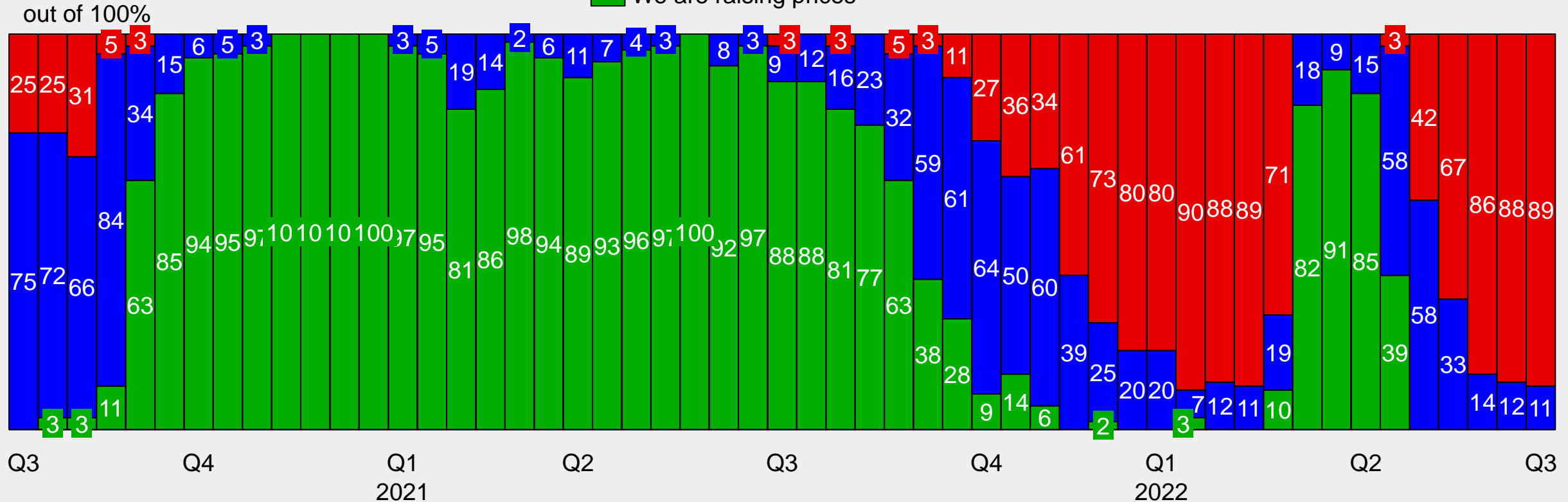
- We are lowering prices
- We are keeping prices the same
- We are raising prices



Service Center View of Selling Prices History

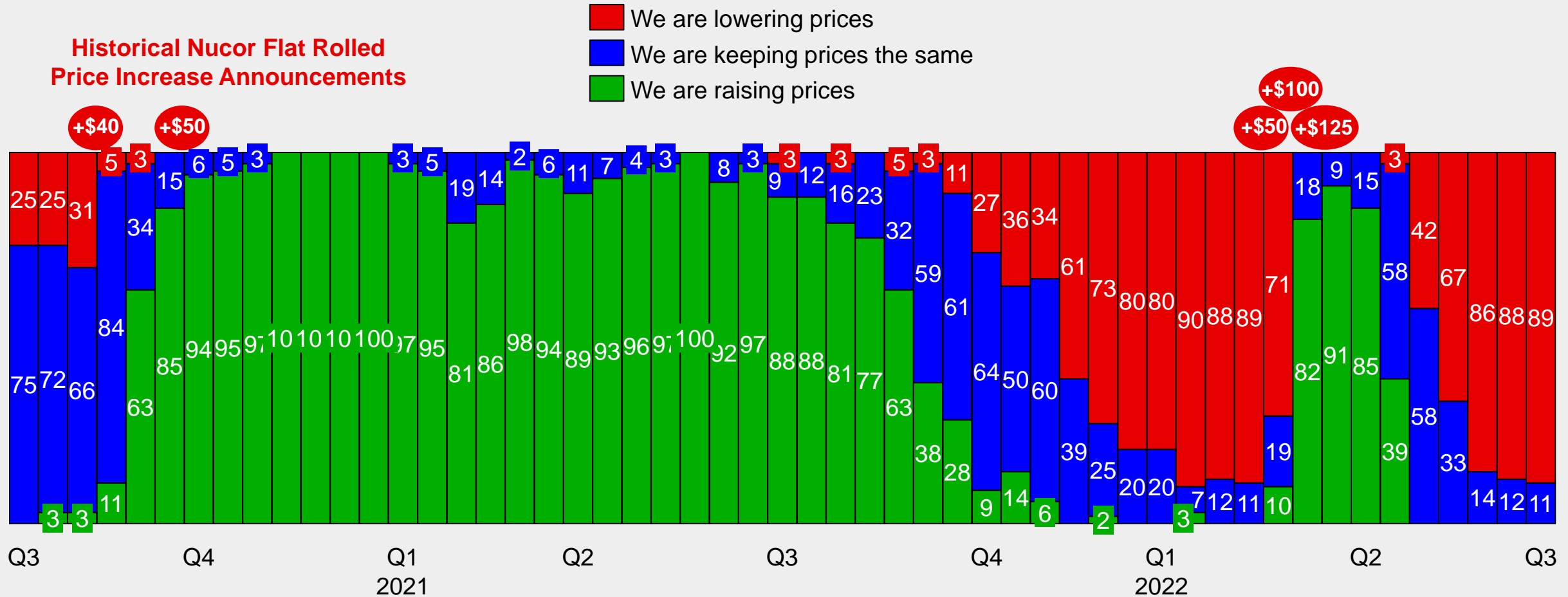
Service Centers- Compared to two weeks ago, how is your company handling spot pricing to your customers?

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



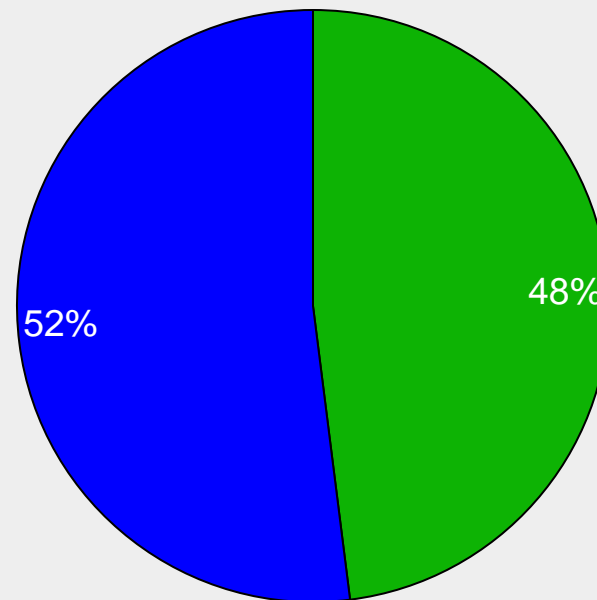
Service Center View of Selling Prices History

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



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

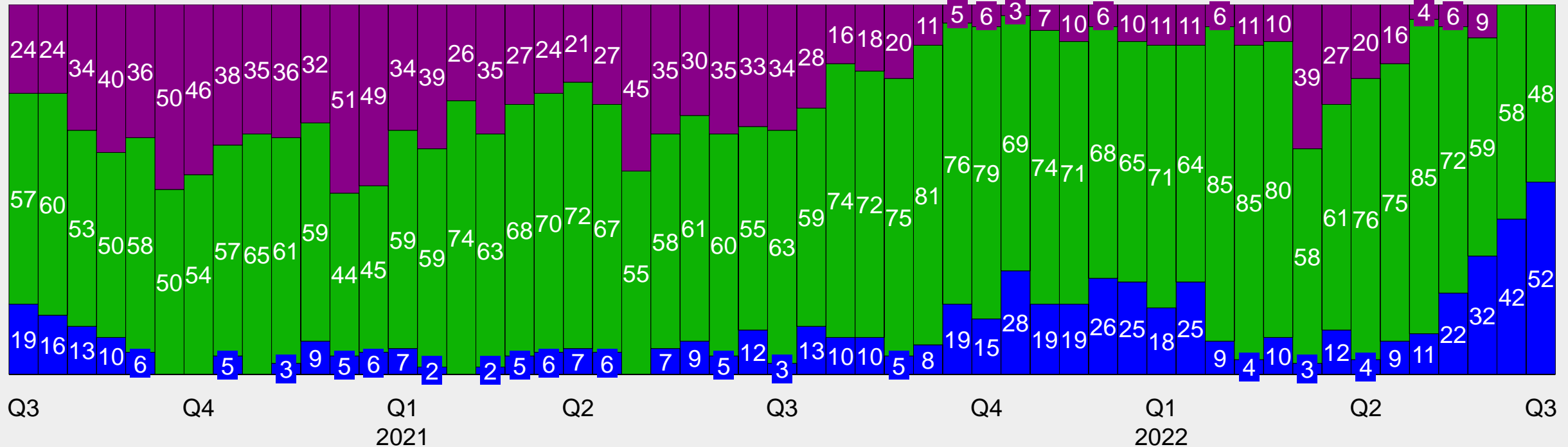


Service Centers on Manufacturer Orders History

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%

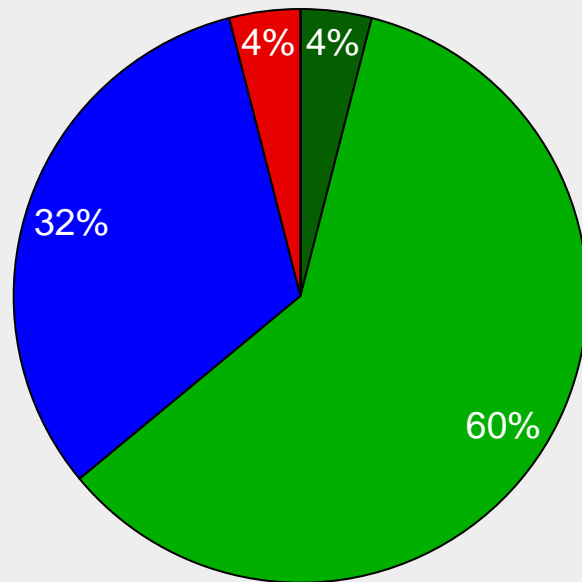


Mill Lead Times

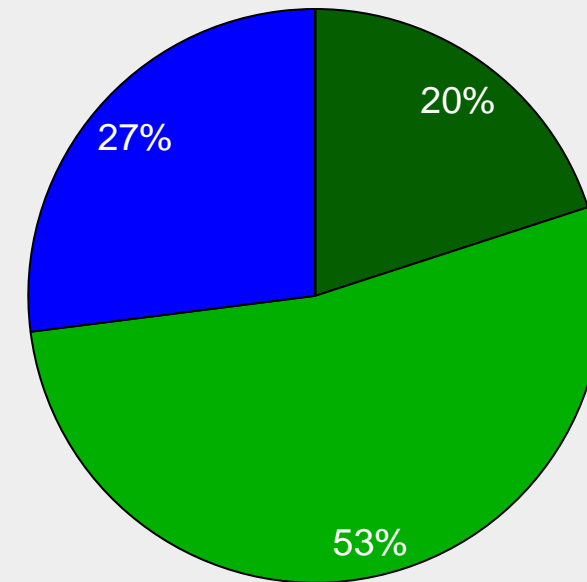
How would you describe domestic mill lead times for new orders placed right now?

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

Manufacturers

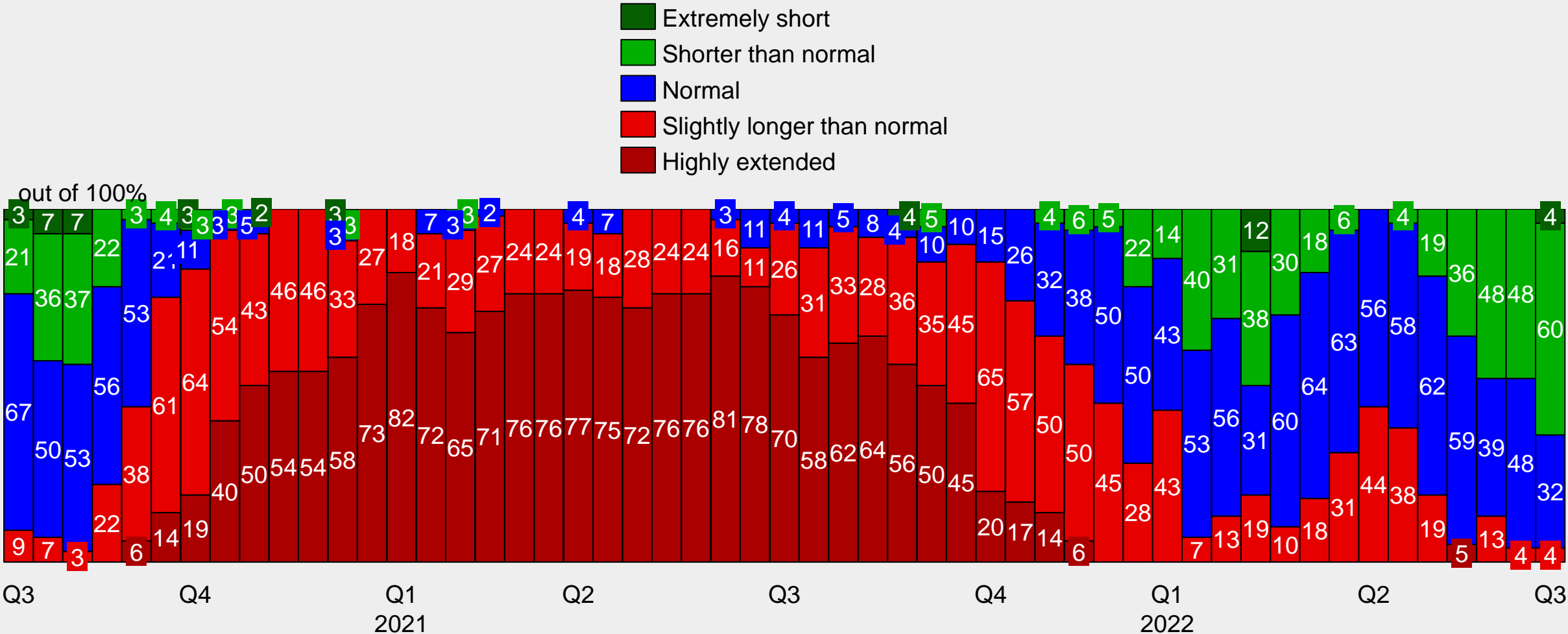


Service Centers



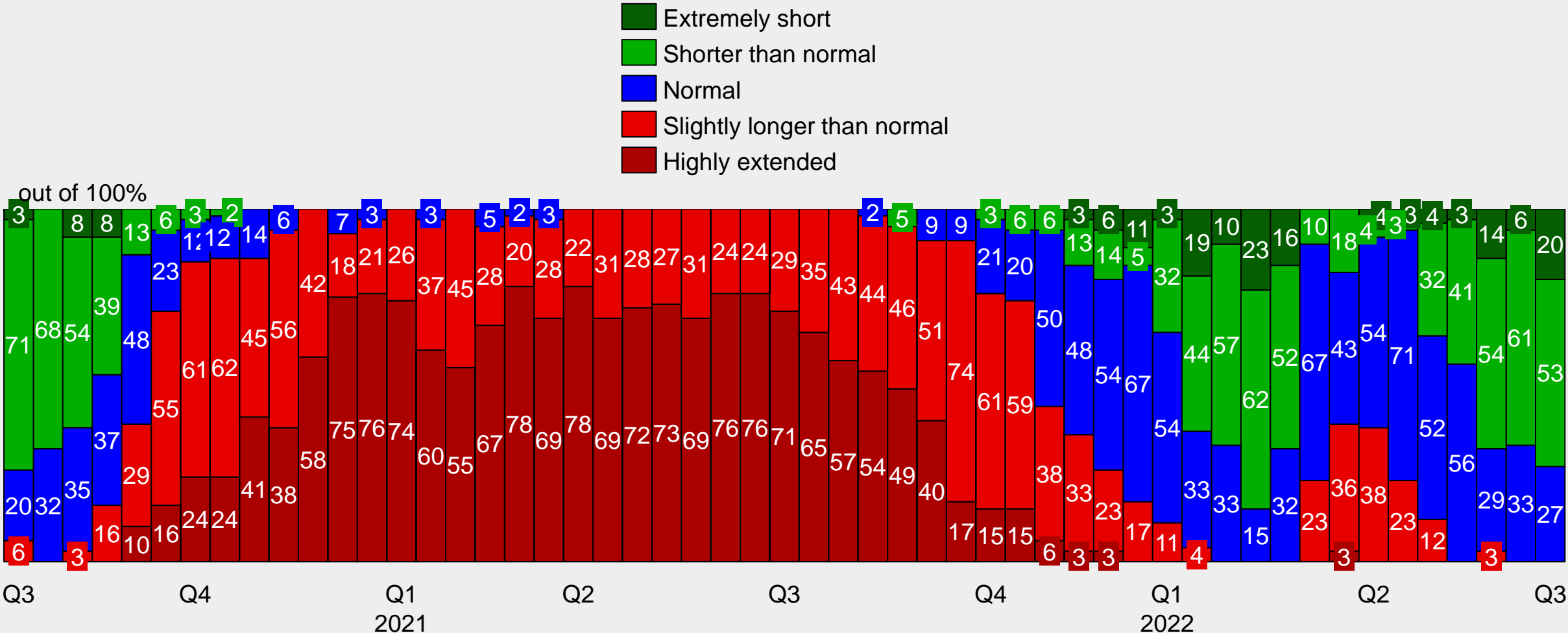
Mill Lead Times History

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



Mill Lead Times History

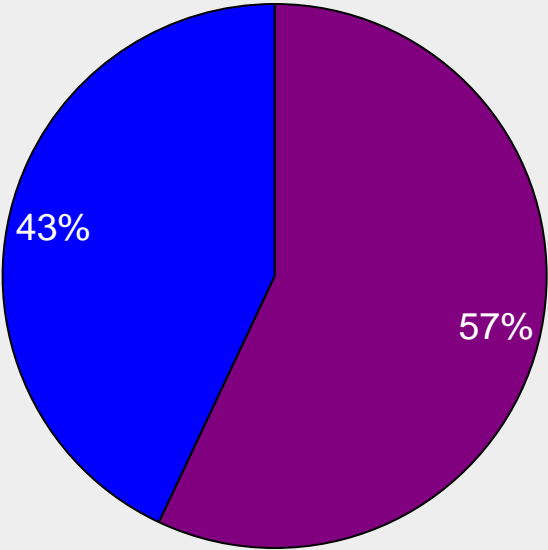
Service Centers- How would you describe domestic mill lead times for new orders placed right now?



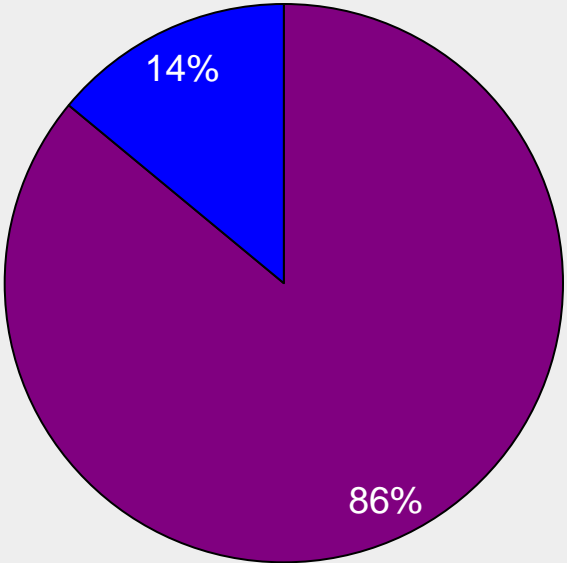
Does your company buy foreign steel?

Yes No

Manufacturers



Service Centers

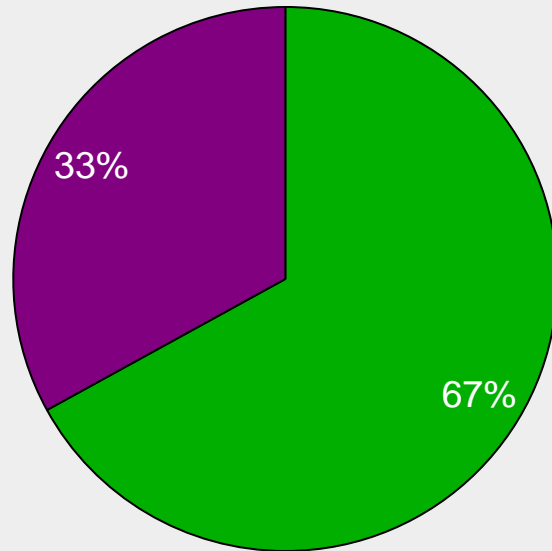


Foreign Steel Competitive?

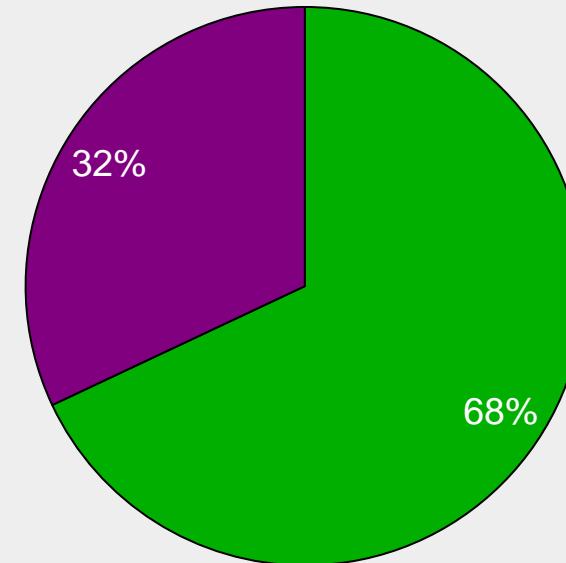
Are your foreign steel suppliers quoting you competitive prices for new orders for future delivery?

Yes No

Manufacturers



Service Centers

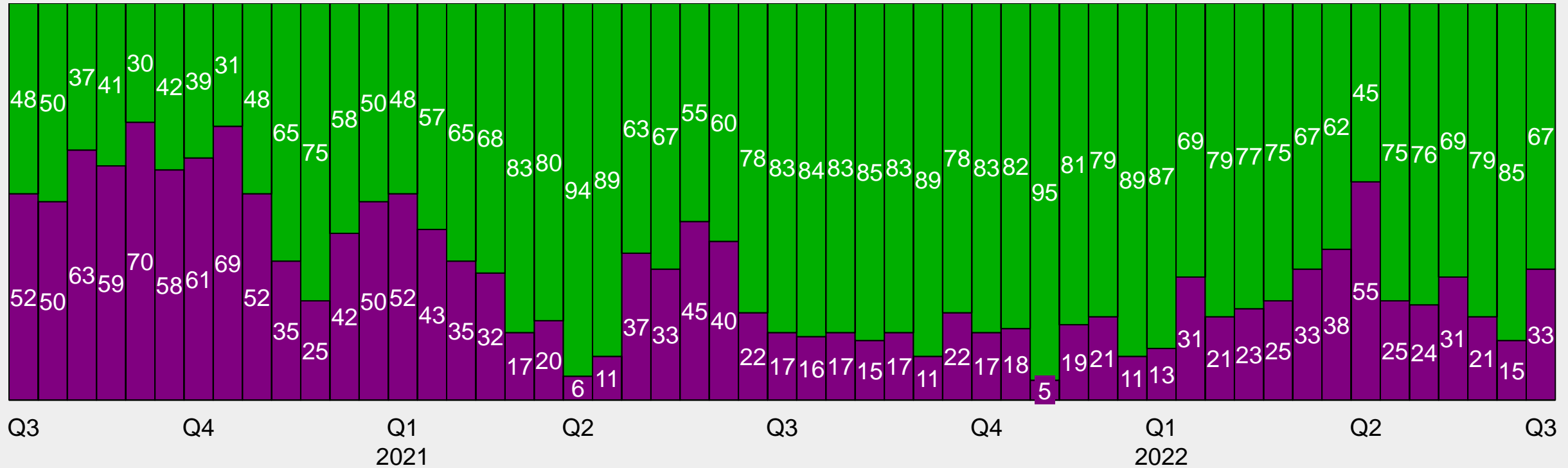


Foreign Steel Competitiveness History

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

Yes No

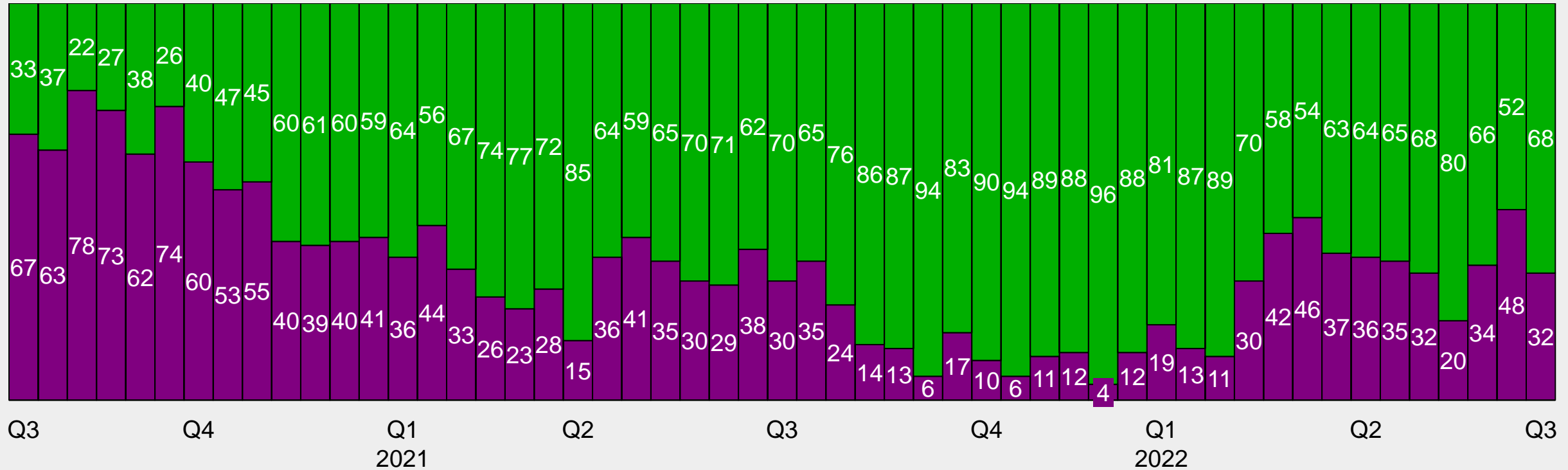
out of 100%



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

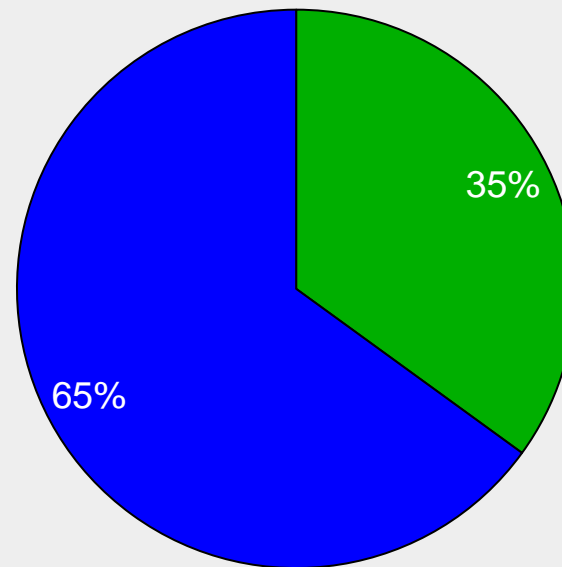
Yes No

out of 100%



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

Yes No

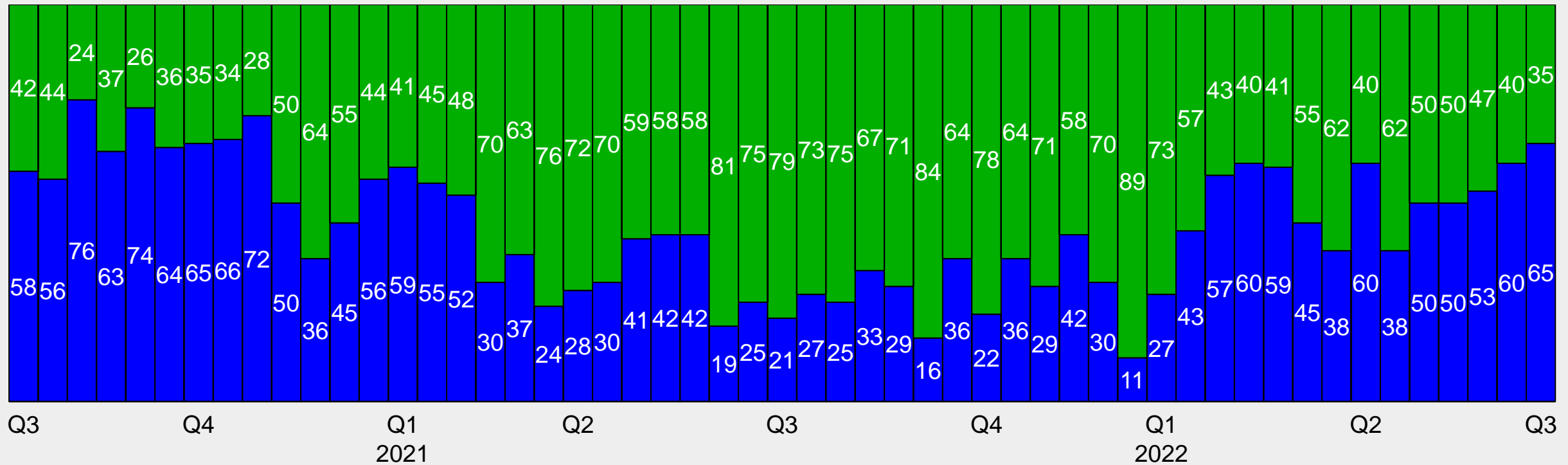


New Foreign Steel Orders History

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

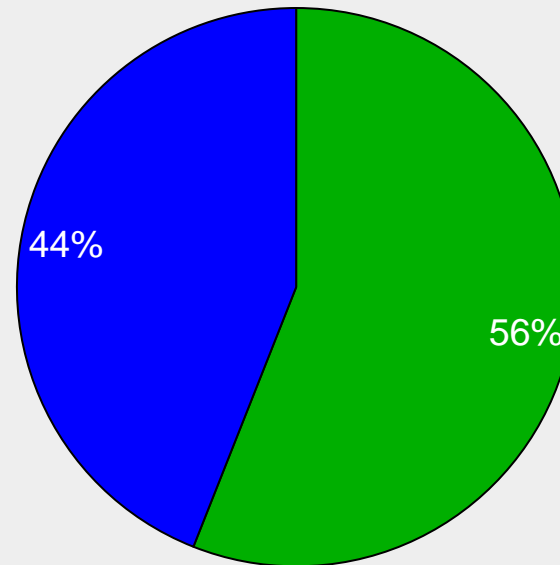
Yes No

out of 100%



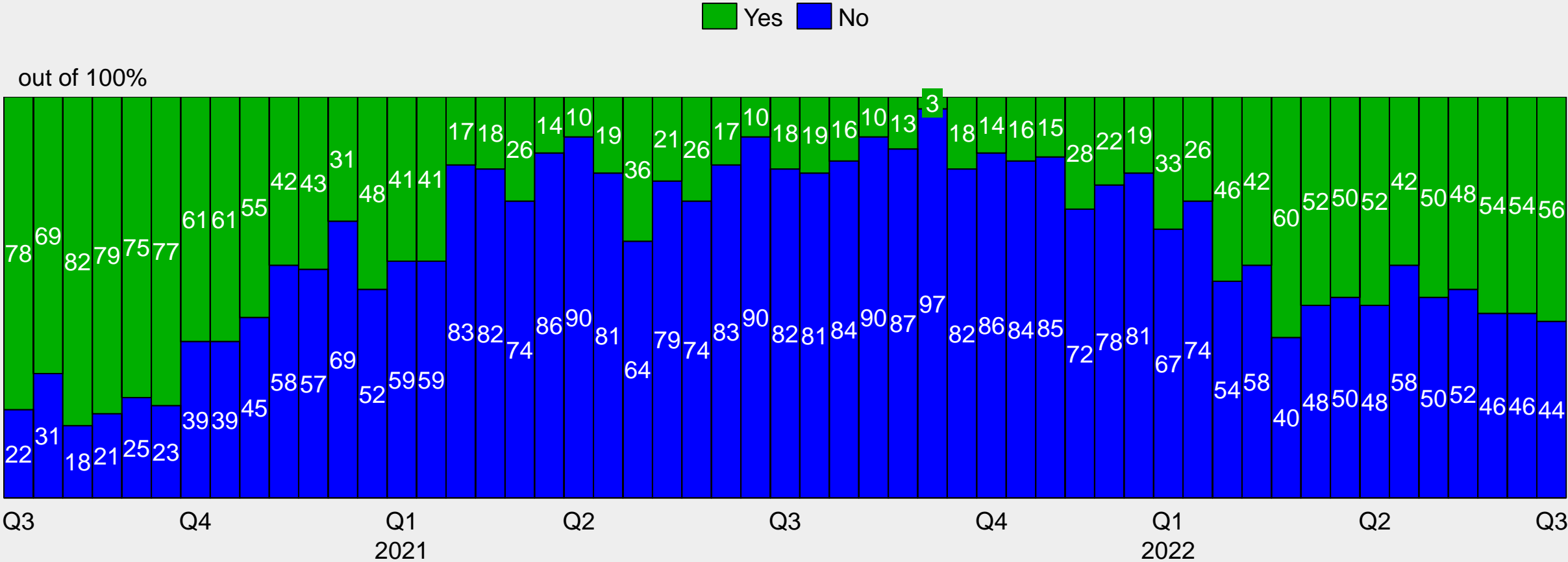
Service Centers- Are you decreasing the percentage of foreign steel on your order book?

Yes No



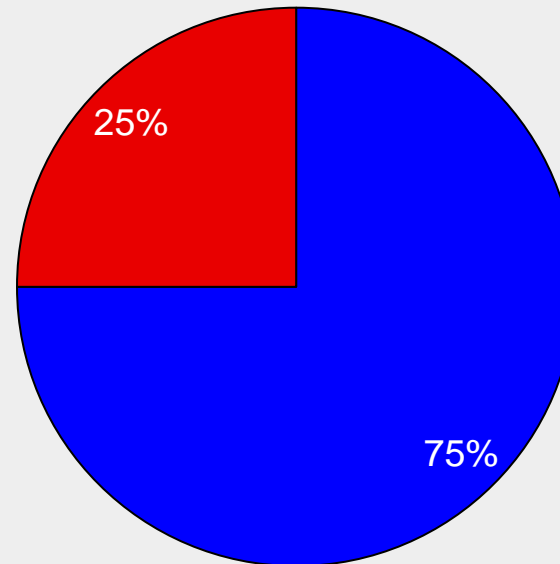
Foreign Steel Order History

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



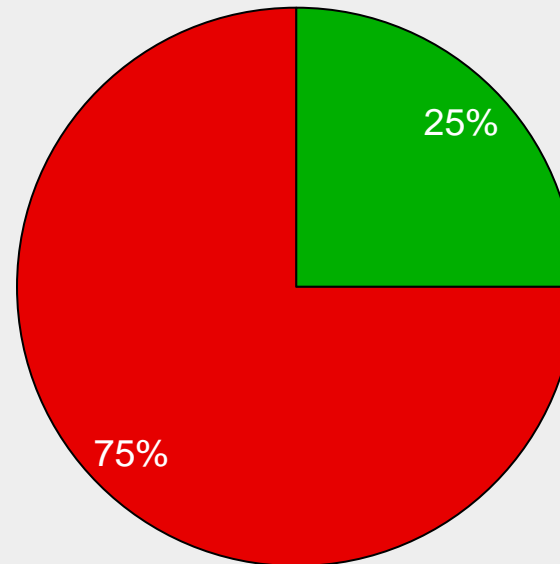
The current order book at your mill is better or worse than last month?

- Better
- Same
- Worse



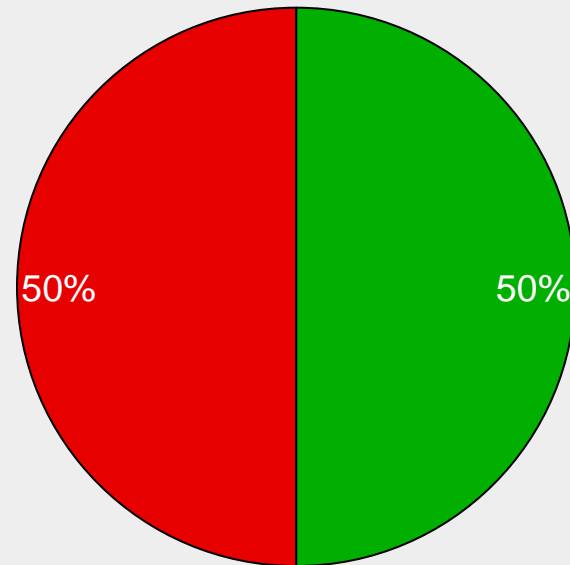
Are you seeing an increase or decrease in orders from your North American buyers?

■ Increase
■ Decrease



Are foreign products attractive to U.S. buyers?

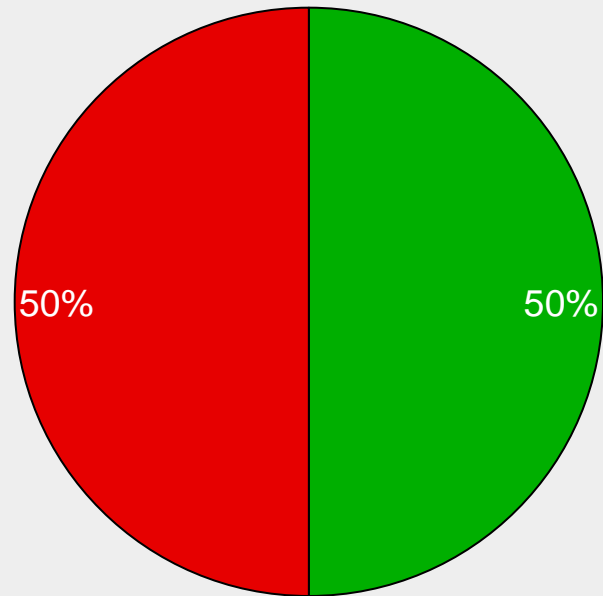
Yes No



Trading Companies on Hot Rolled and Plate

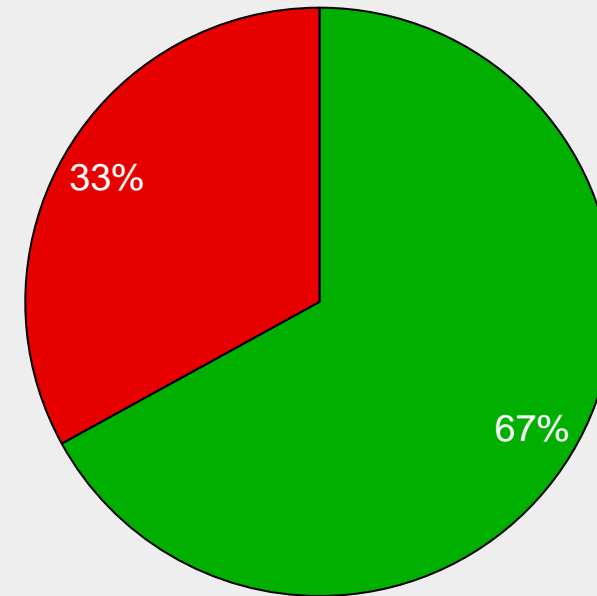
Are you able to offer hot rolled pricing that is attractive to buyers right now?

Yes No



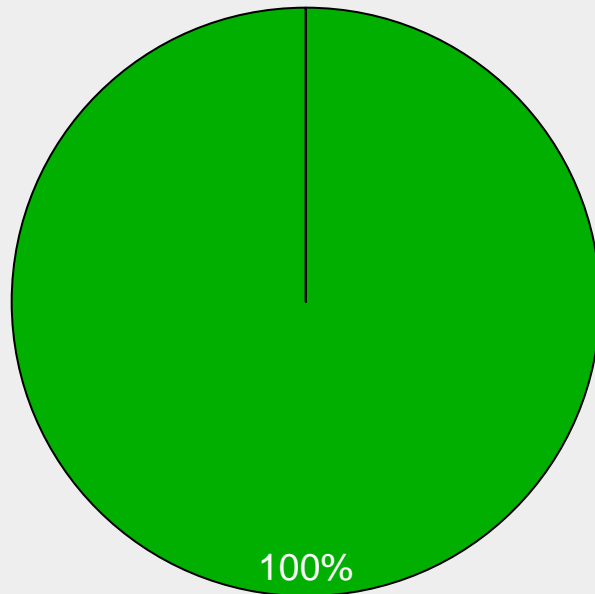
Are you able to offer plate pricing that is attractive to buyers right now?

Yes No



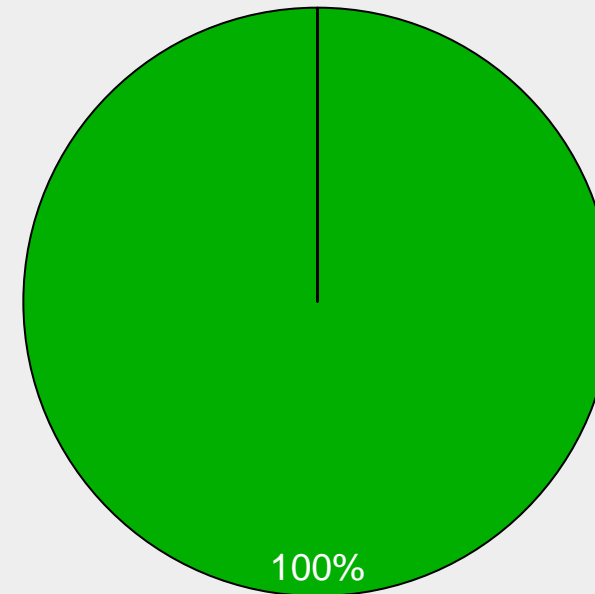
Are your galvanized prices competitive enough right now to get orders (including duties)?

Yes No



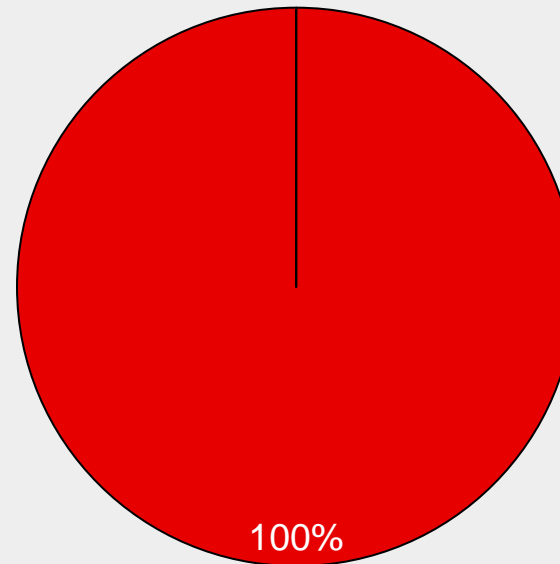
Are your Galvalume prices competitive enough right now to get orders (including duties)?

Yes No



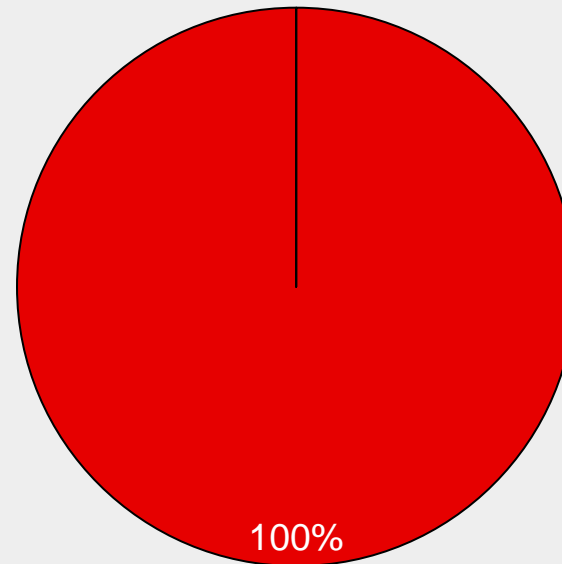
Has your business seen a change in demand this month compared to last month?

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



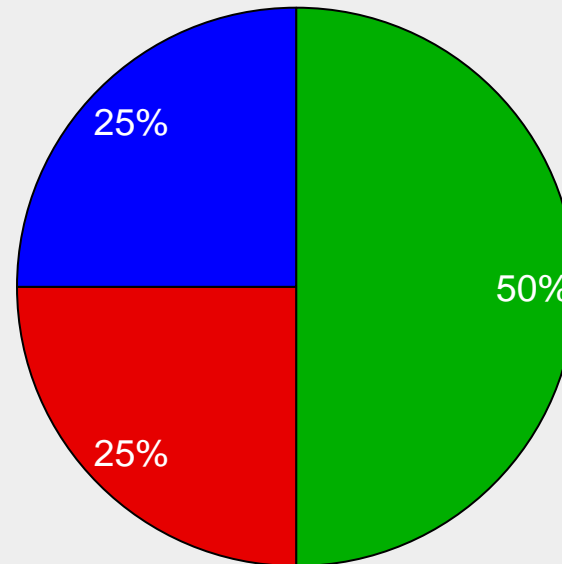
How do you see demand for your services over the next 3-6 months?

- Improving
- Declining
- Remaining the same



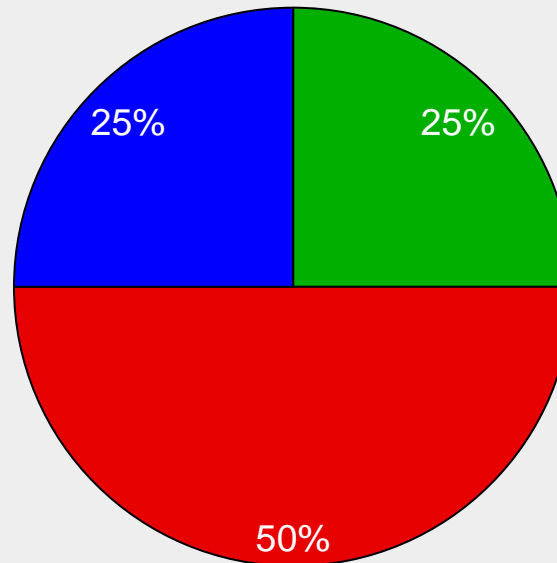
Are you forecasting business levels to be better, worse or the same during this month compared to last month?

- Better
- Worse
- Same



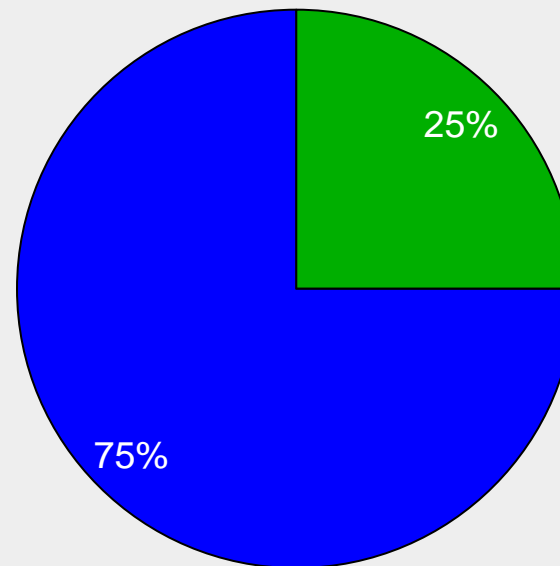
Are you starting to see inventory on your floor beginning to increase, decline or remain the same compared to what it has been over the previous month or two?

- 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.

If you would like a copy of this presentation, please send an email to the above email address with your request.

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**Look for our next survey
the week of July 18, 2022**

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



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