



STEEL MARKET UPDATE

part of the  Group

SMU Flat Rolled Market Trends Analysis

Responses from our August 16-18, 2021 Market Survey



Steel Market Update



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.

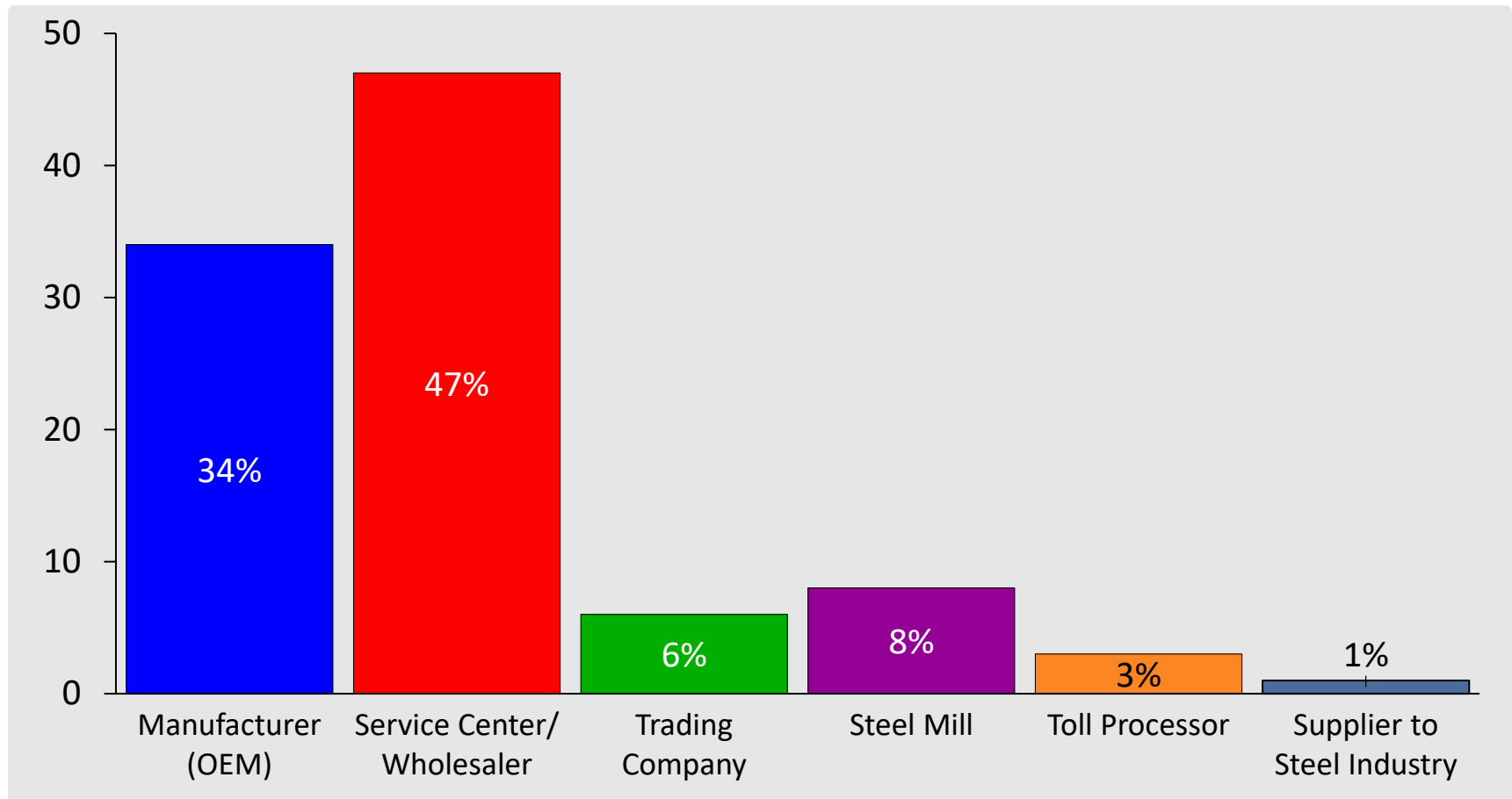
We invite over 500 companies to participate in our surveys.

Normal response rate is 100-150 individuals on any one survey.

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

Survey Participants

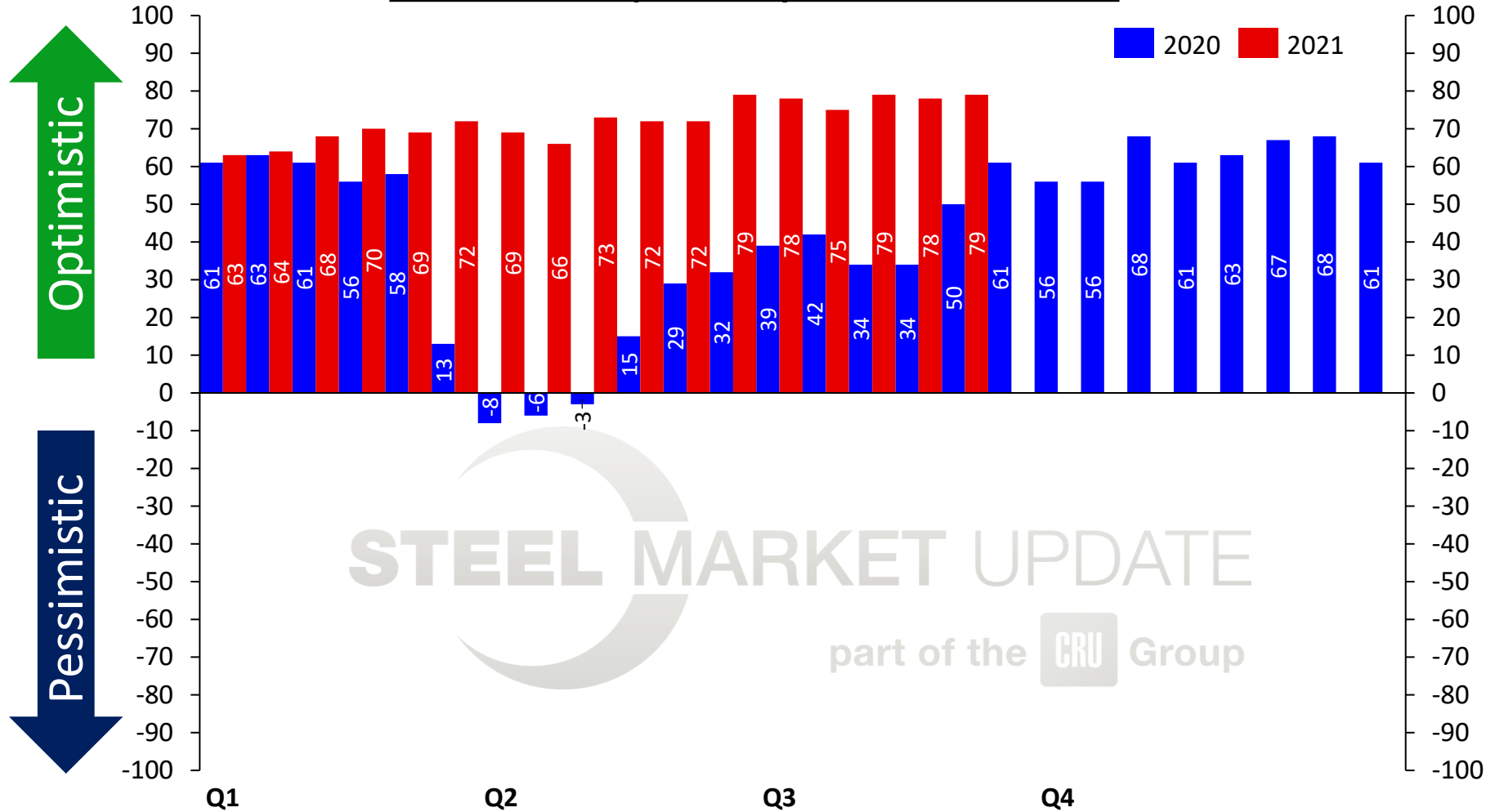
Our survey is by invitation only- Over 500 companies, mostly in the manufacturing or distribution industries, are asked to participate. Here are the percentages of participation in this week's survey by market sector.



SMU Buyers Sentiment Index

Up 1 point to +79

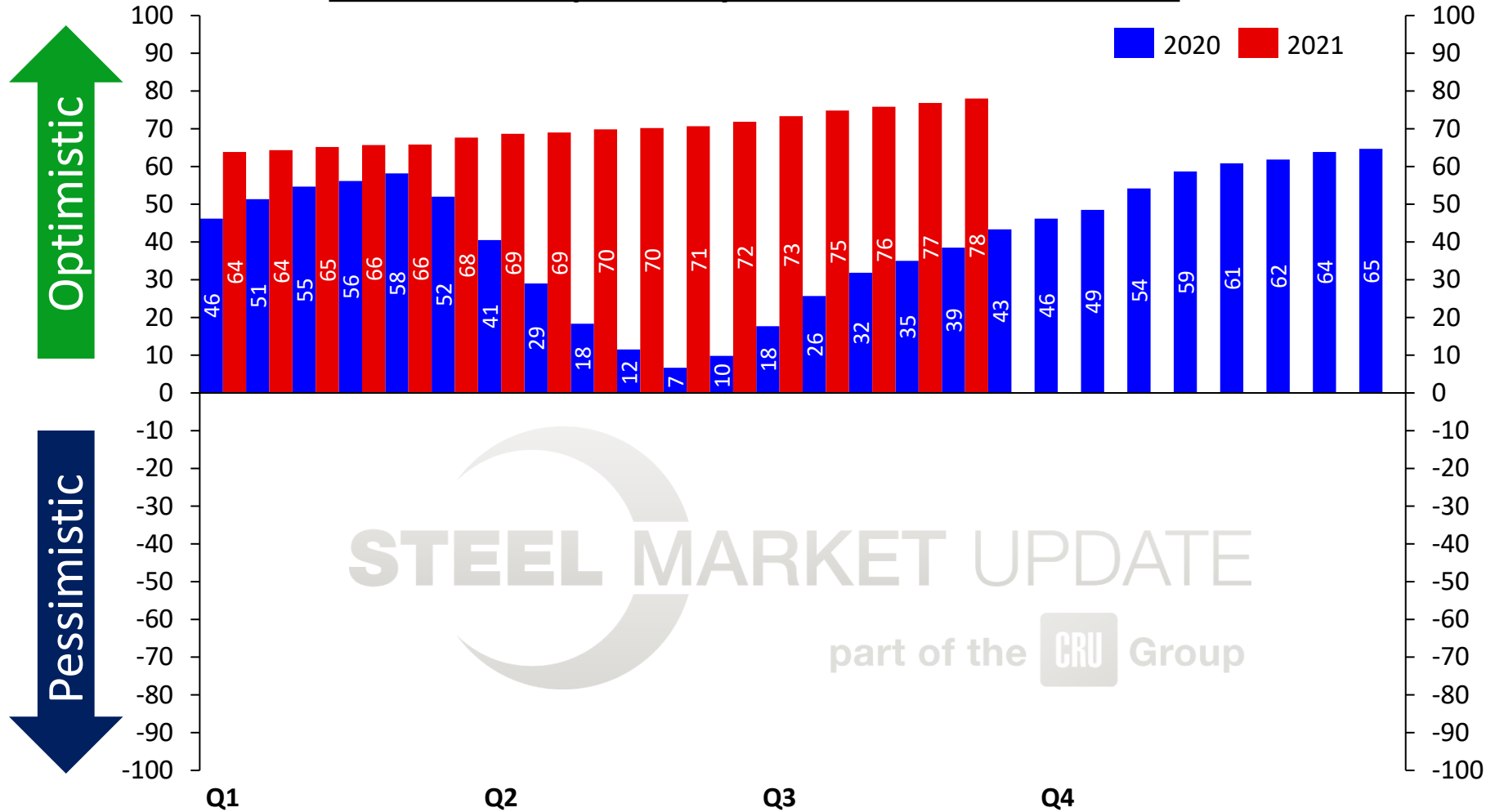
Steel Market Update Buyers Sentiment Index



SMU Buyers Sentiment Index

Three Month Moving Average at +78.00

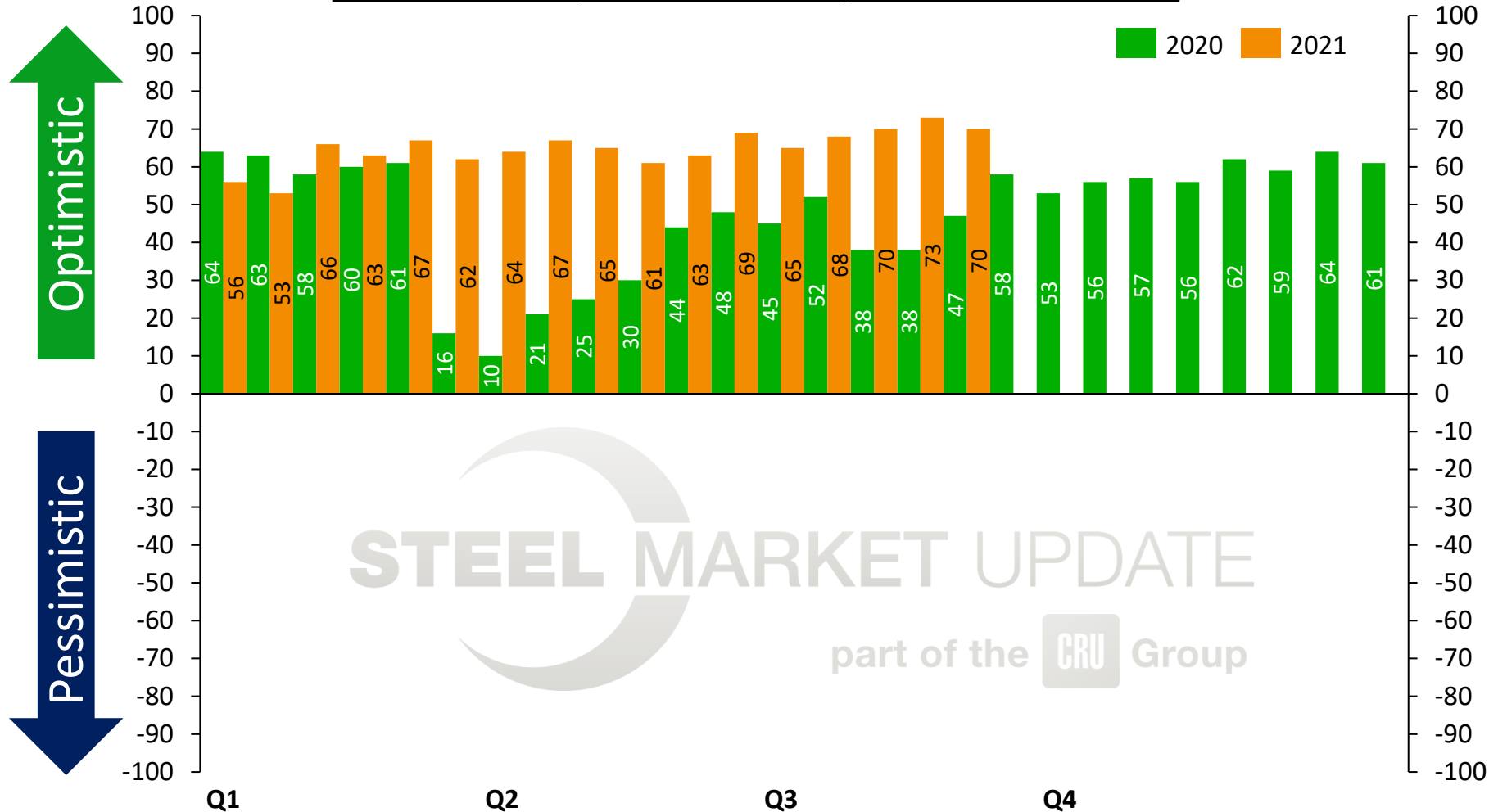
Steel Market Update Buyers Sentiment Index 3MMA



SMU Future Buyers Sentiment Index

Down 3 points to +70

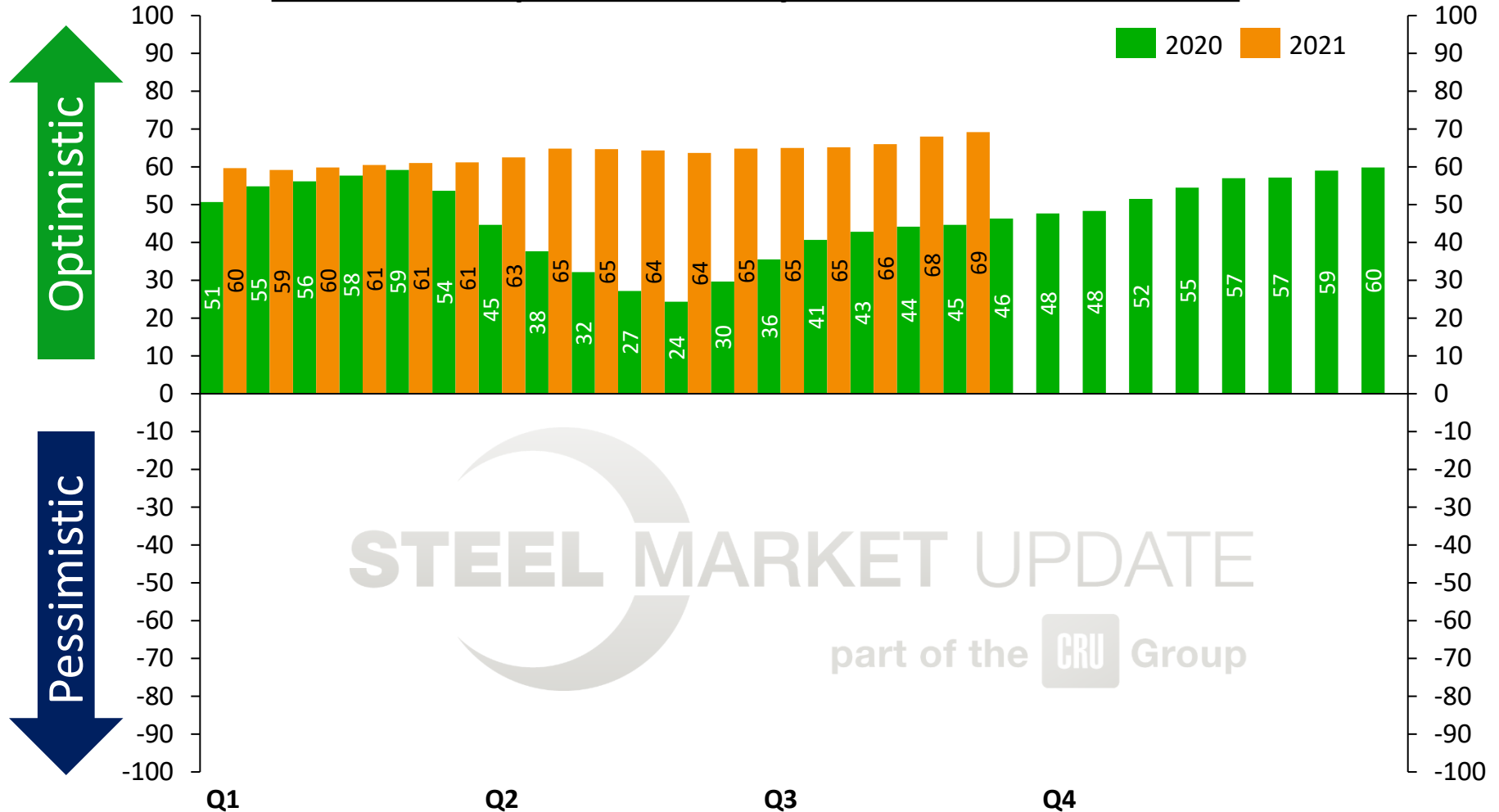
Steel Market Update Future Buyers Sentiment Index



SMU Future Buyers Sentiment Index

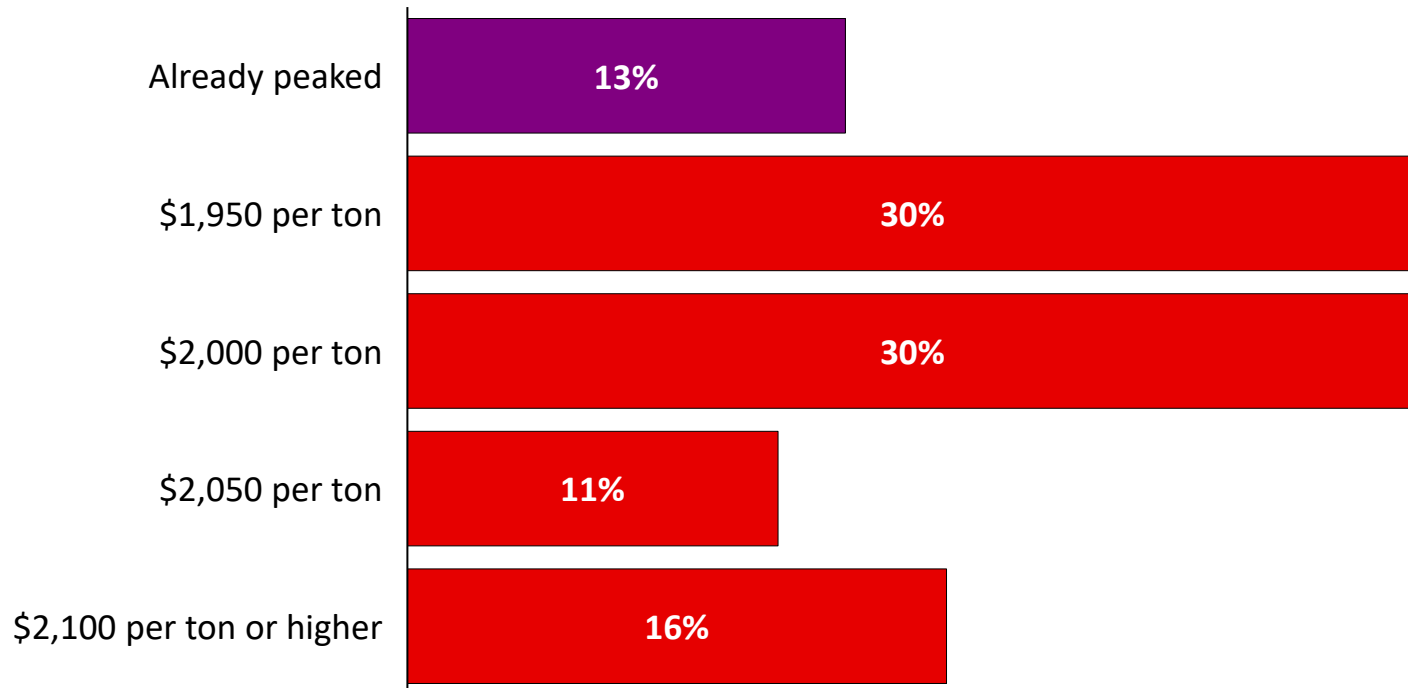
Three Month Moving Average at +69.17

Steel Market Update Future Buyers Sentiment Index 3MMA



HRC Price Peak

Hot rolled coil prices average \$1,900* per ton.
Where do you think HRC prices will peak?



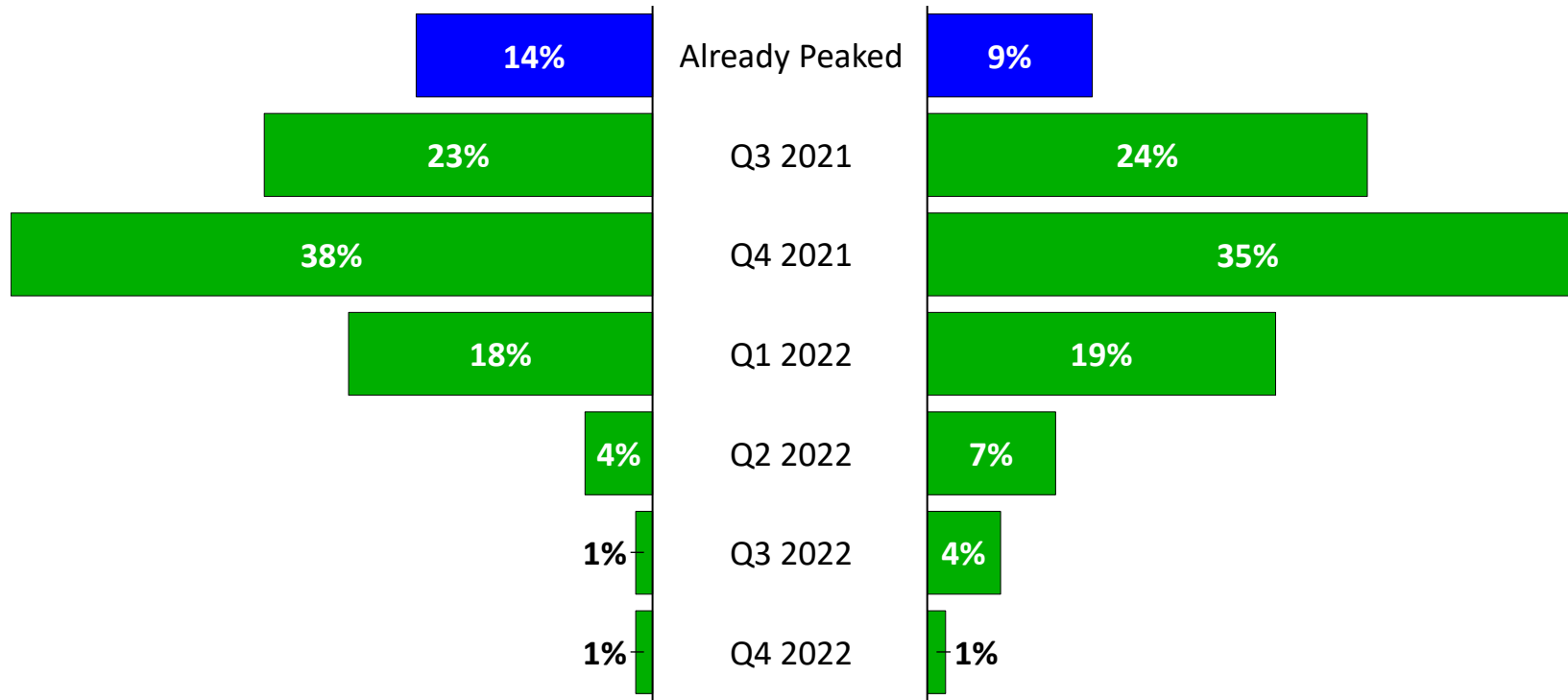
* As of Monday, August 16, 2021; the latest SMU HR average is \$1,915 per ton

When Will Prices Peak?

When do you think prices will peak?

August 5, 2021

August 19, 2021

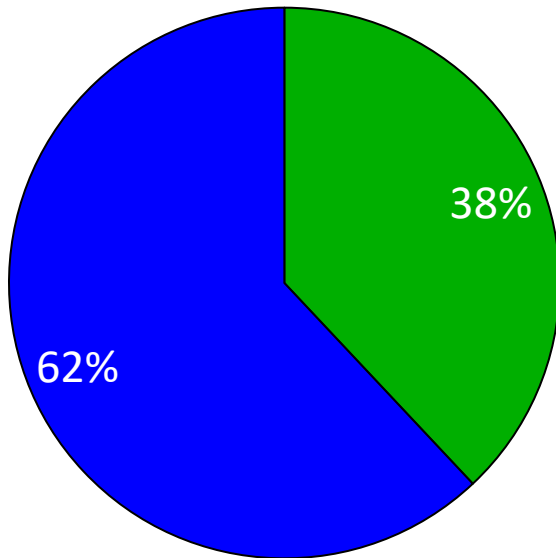


Mill Availability

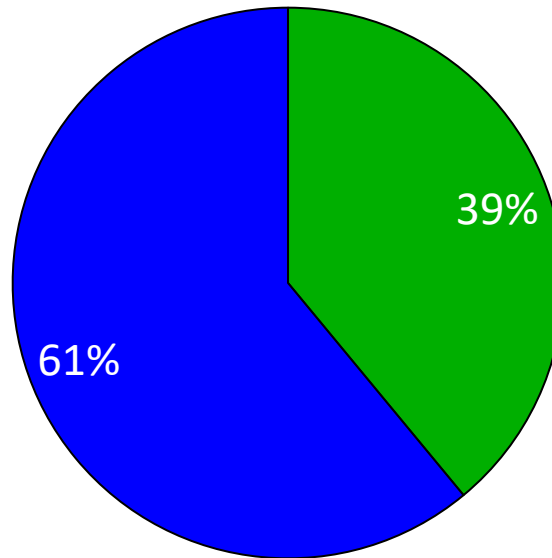
Are you seeing more availability from domestic mills?

Yes No

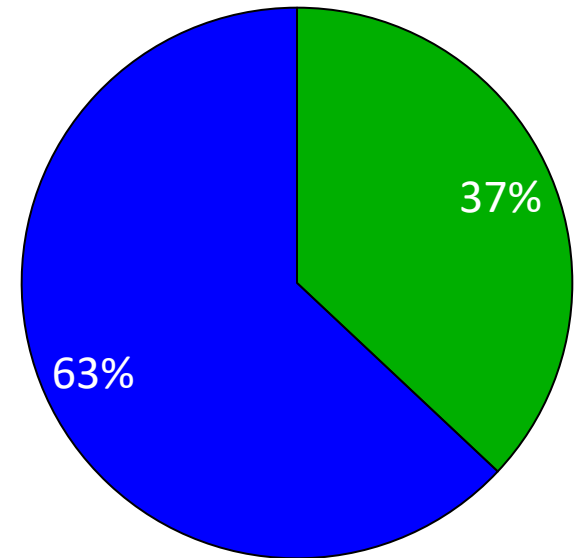
July 22, 2021



August 5, 2021

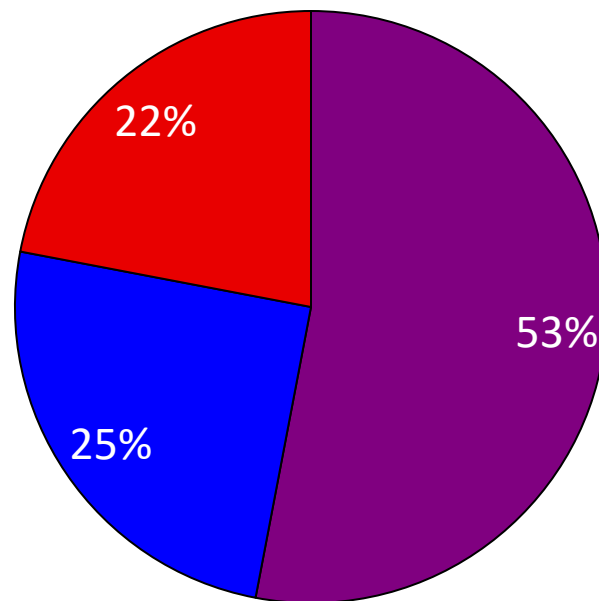


August 19, 2021



Will the infrastructure legislation now working its way through Congress have a significant impact on steel in the next year or two?

■ Yes ■ No ■ Unsure

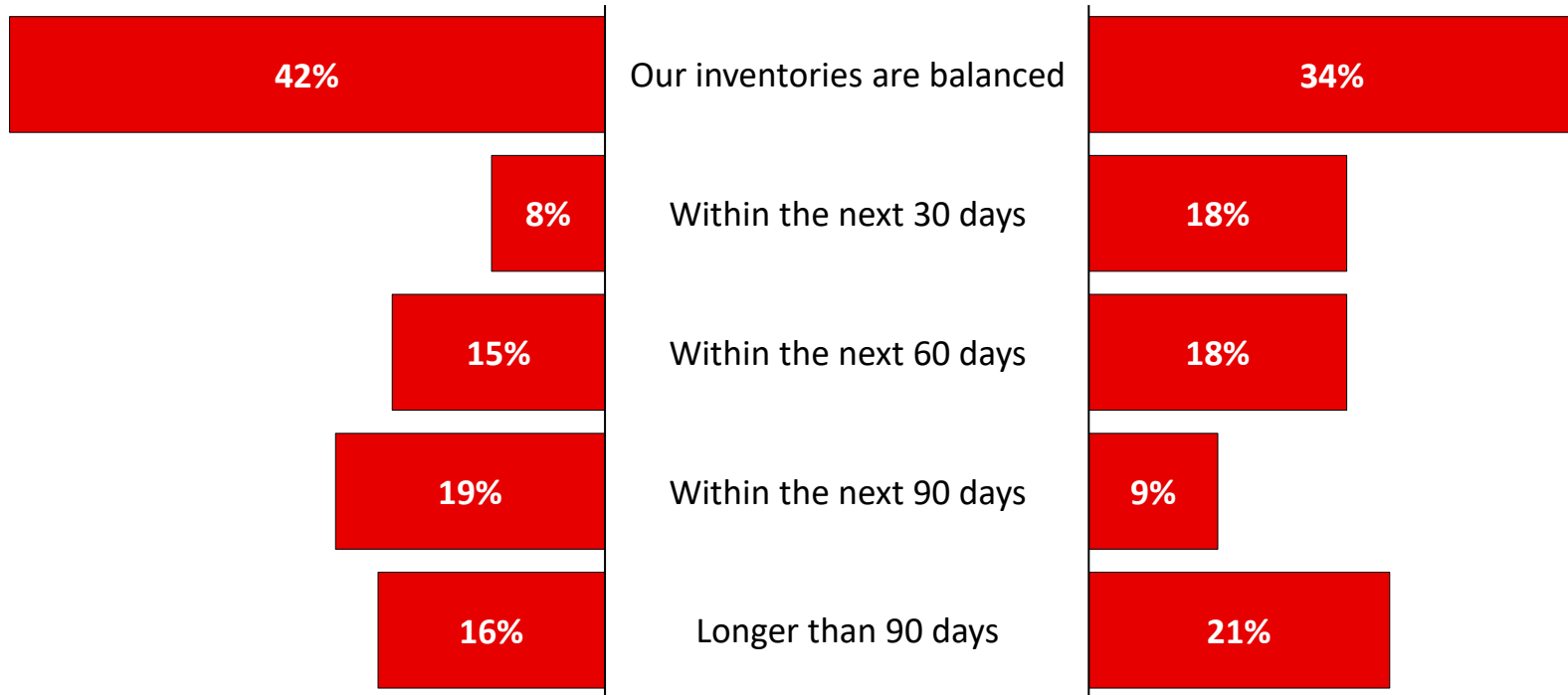


Inventory Levels

When will your inventories become balanced or at a comfortable level given current market conditions?

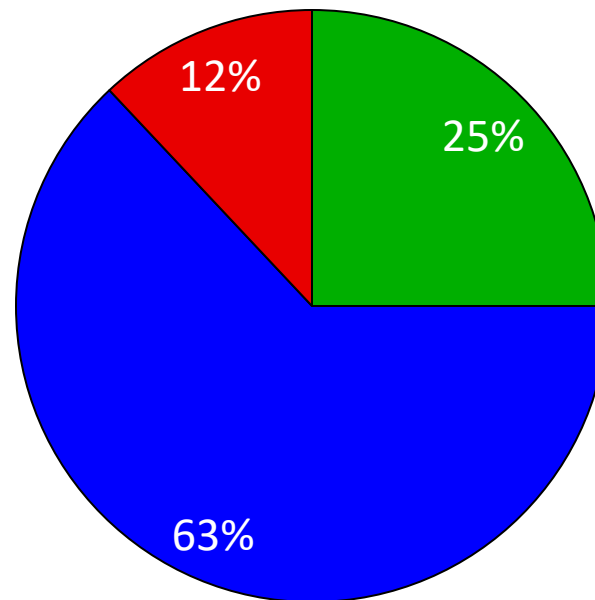
August 5, 2021

August 19, 2021



How are you seeing demand for your products?

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

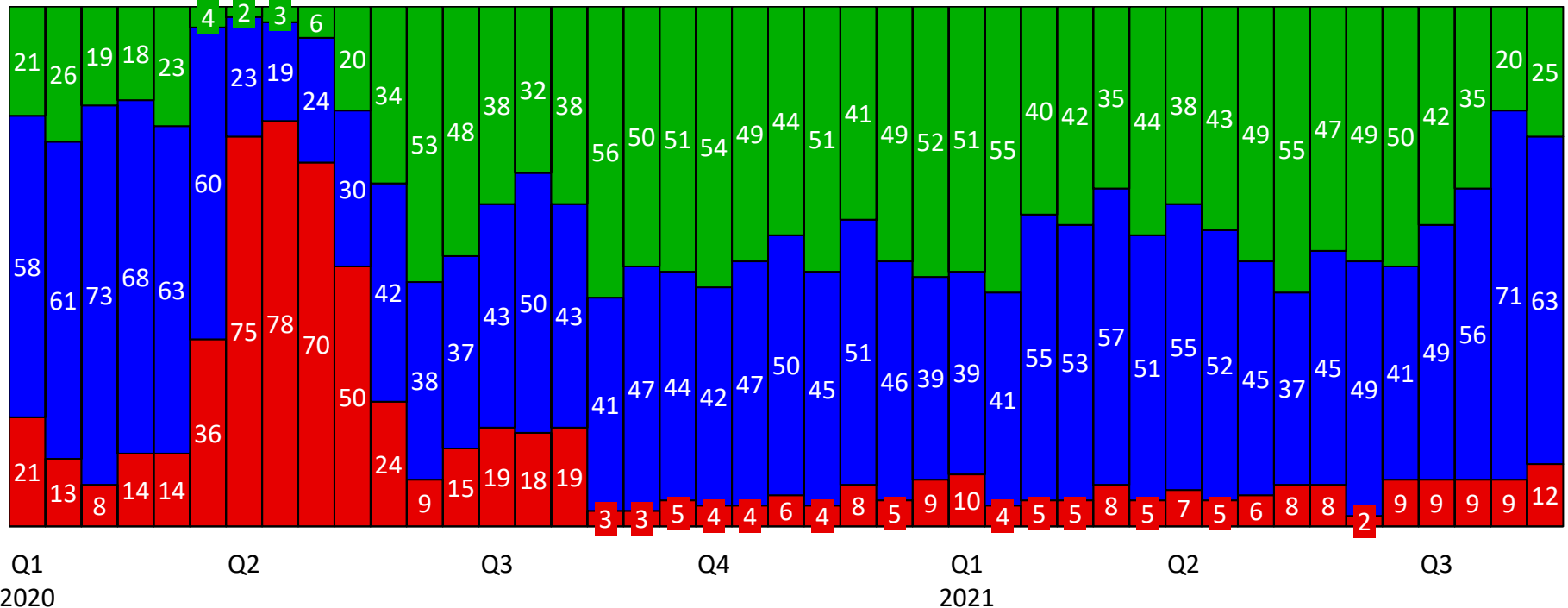


Overall Demand History

How are you seeing demand for your products?

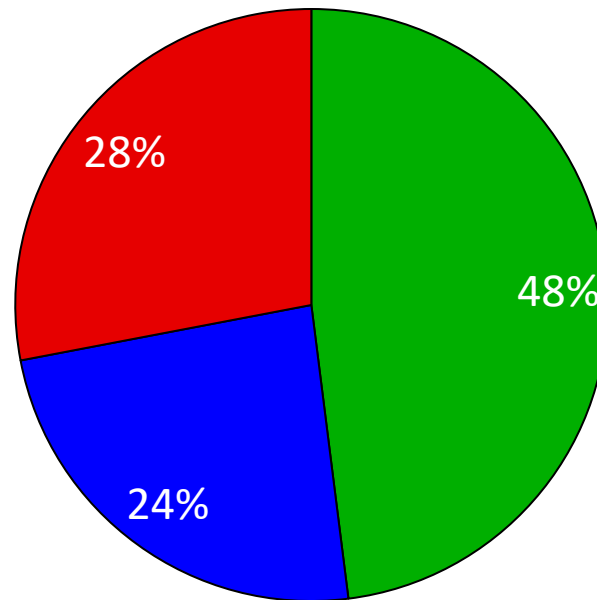
- Demand is improving
- Demand is remaining the same
- Demand is declining

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

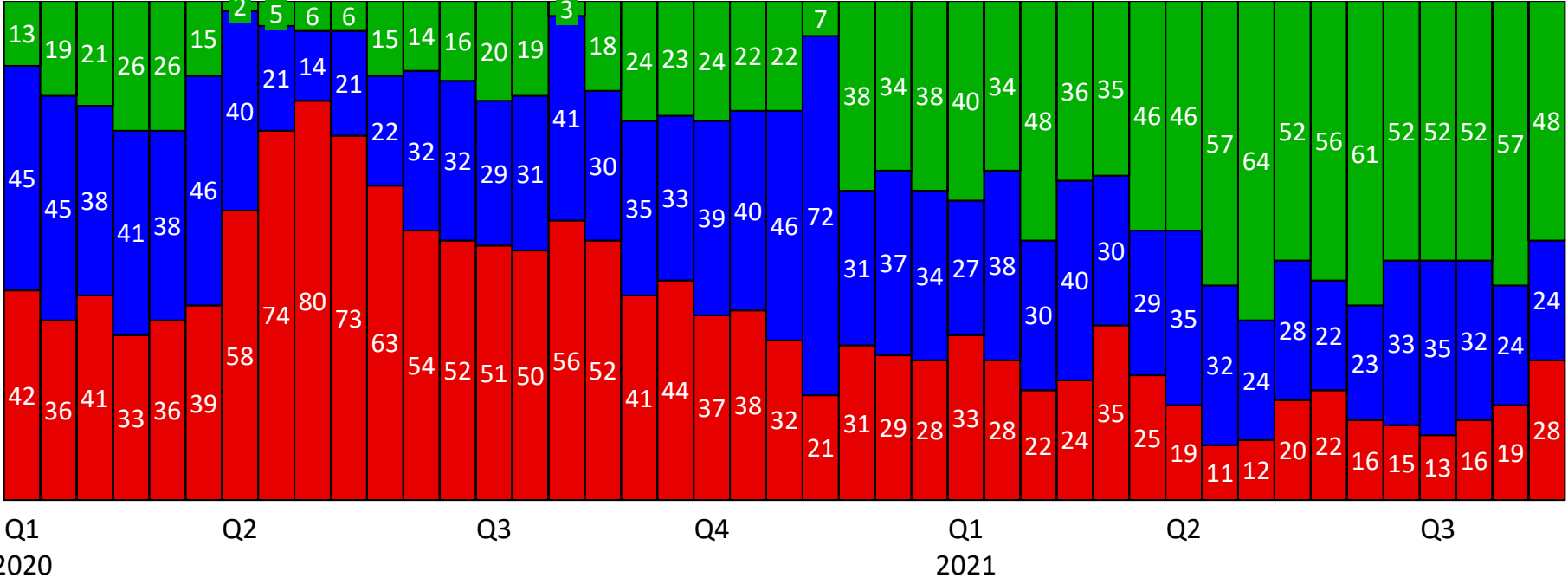


History of Manufacturer Purchases

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?

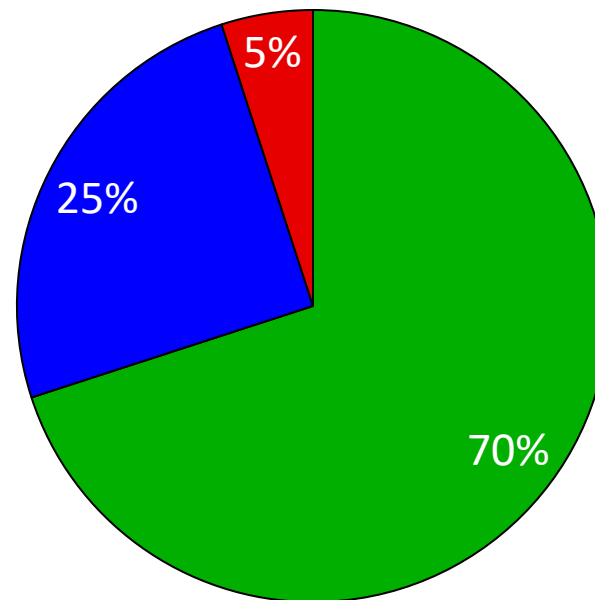
- Buying more steel
- Buying the same amount of steel
- Buying less steel

out of 100%



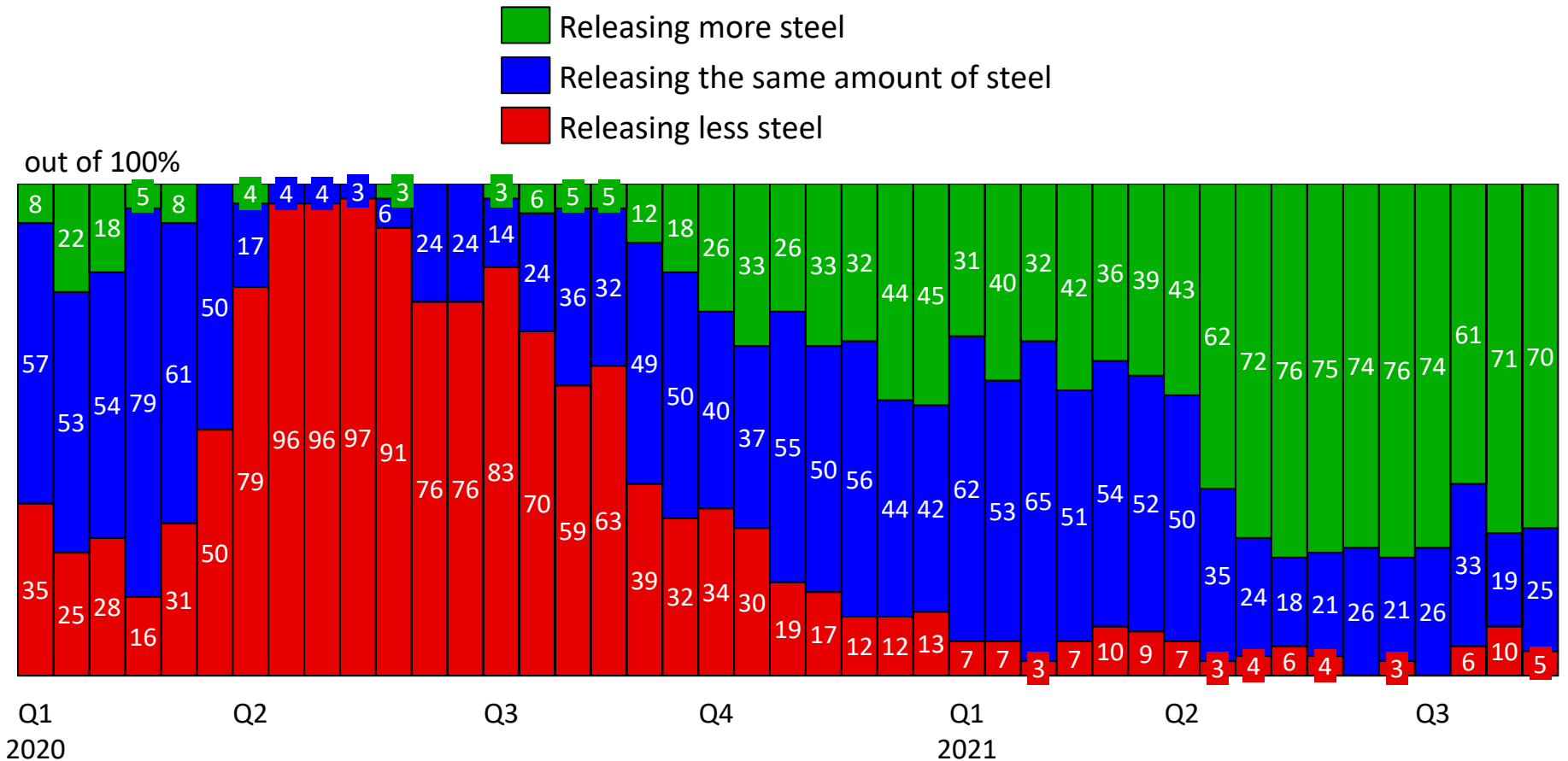
Service Centers- How do you see your customers releases (demand) for the products your company provides this year compared to this time last year?

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



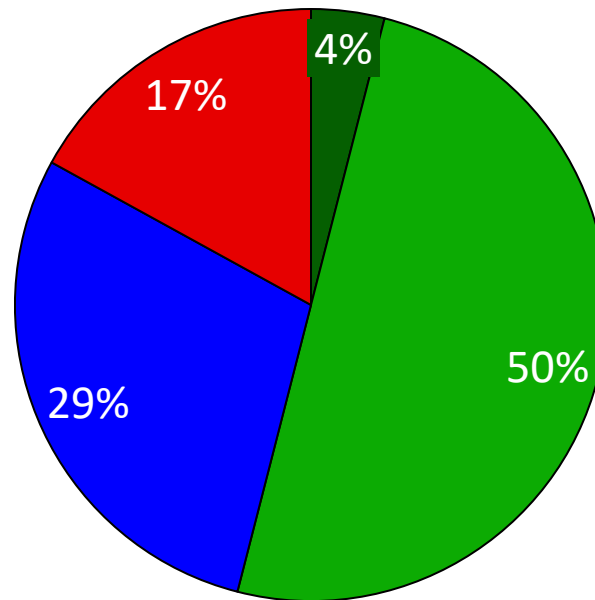
Service Center Release History

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



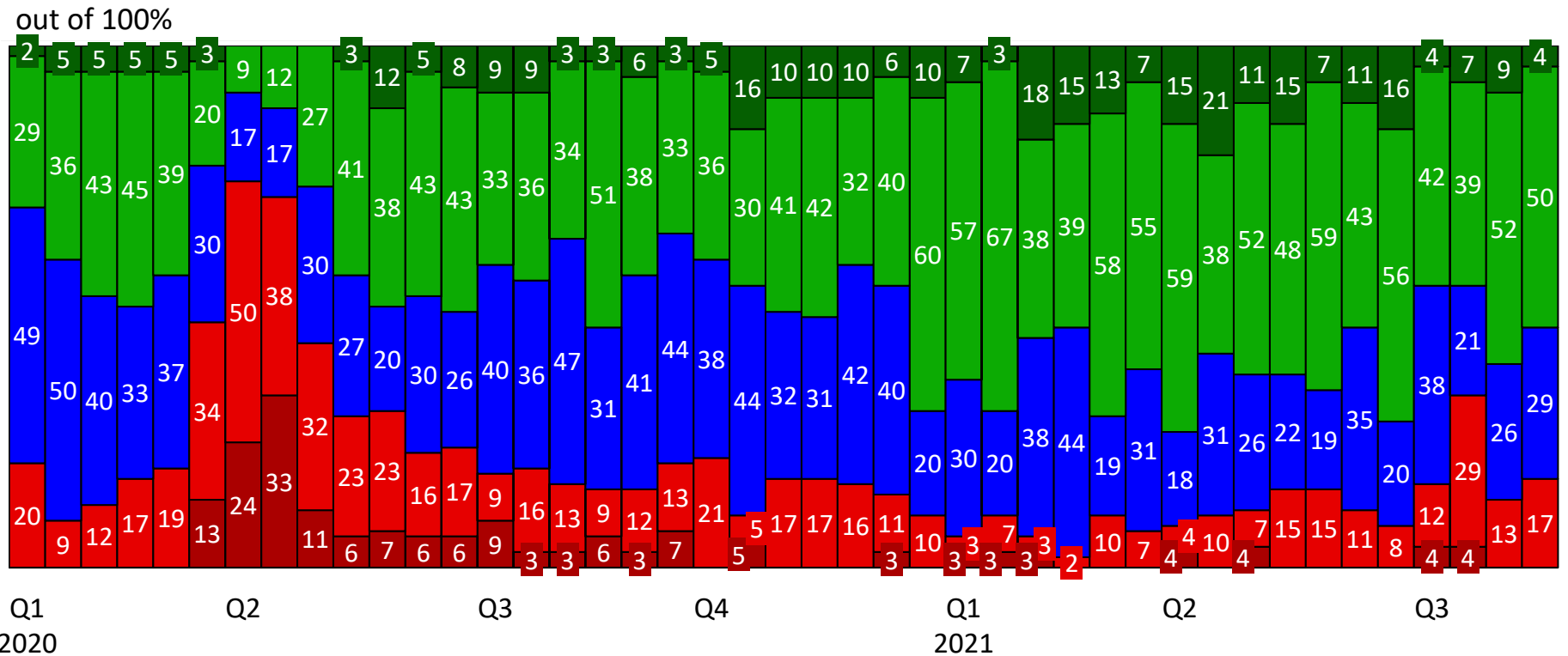
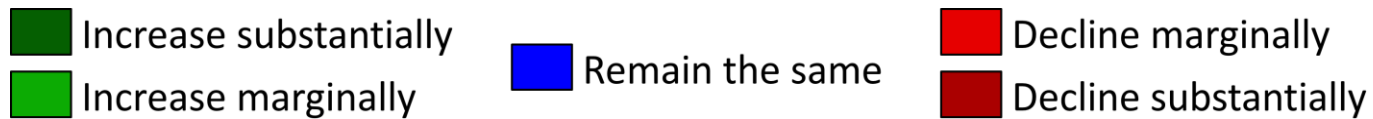
Manufacturers- Demand for your products will _____
over the next 3 months based on current order flows.

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



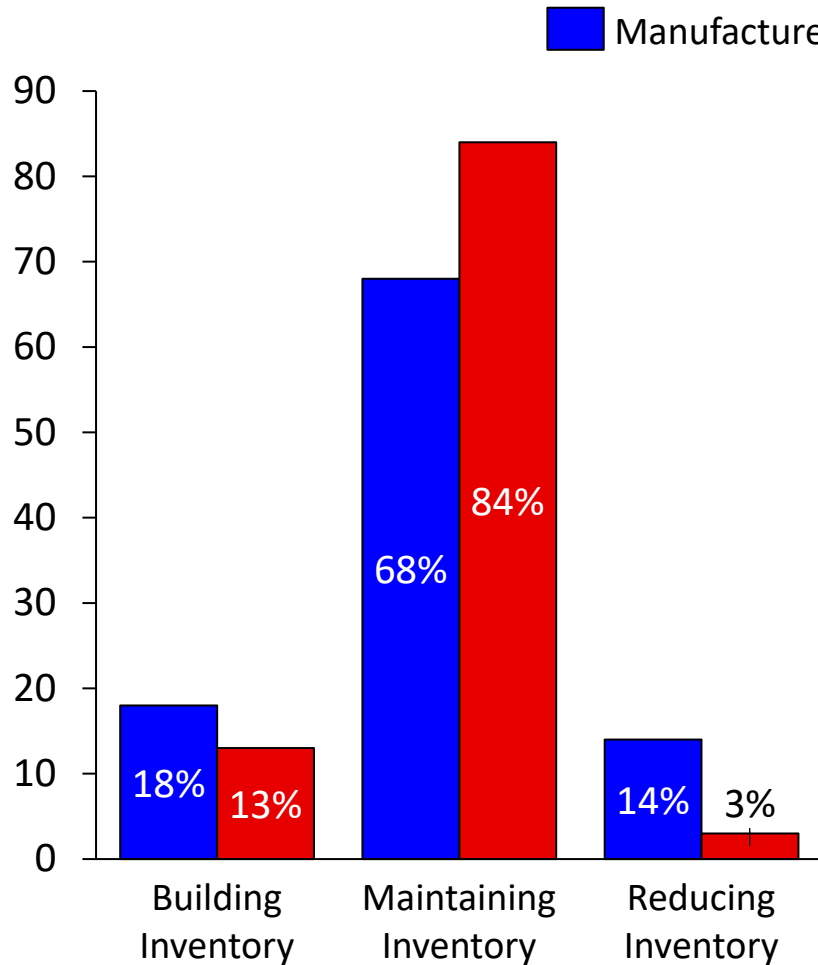
Manufacturer Demand History

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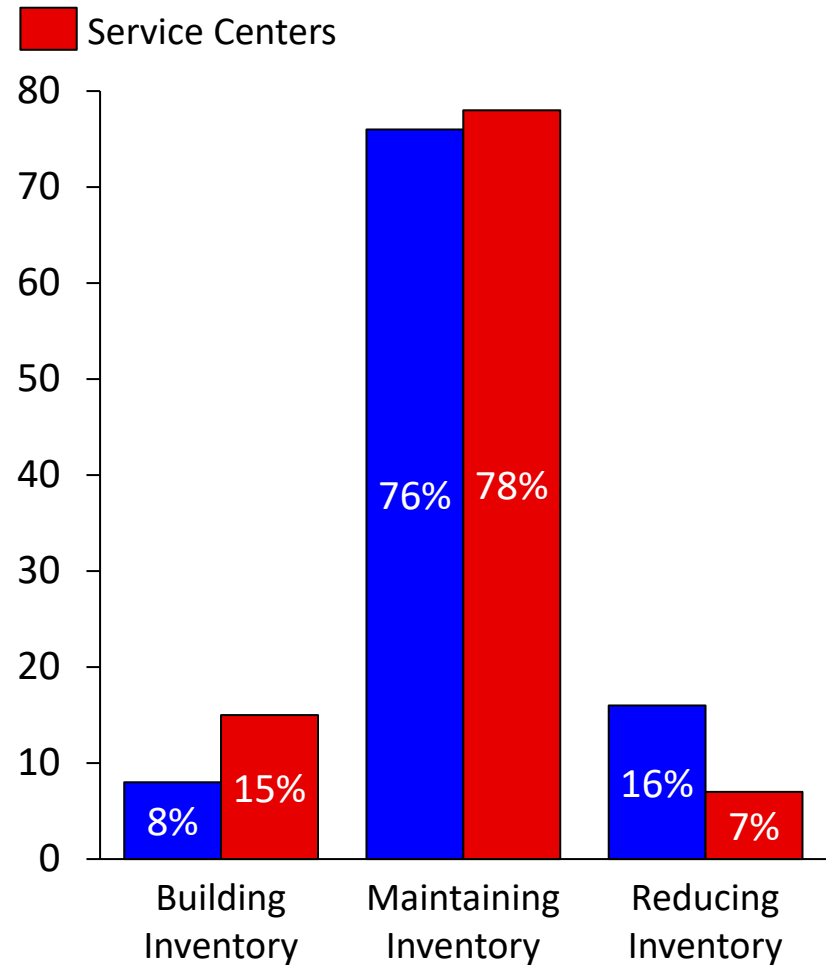


Manufacturer and Service Center Inventory Buying Patterns

August 5, 2021



August 19, 2021

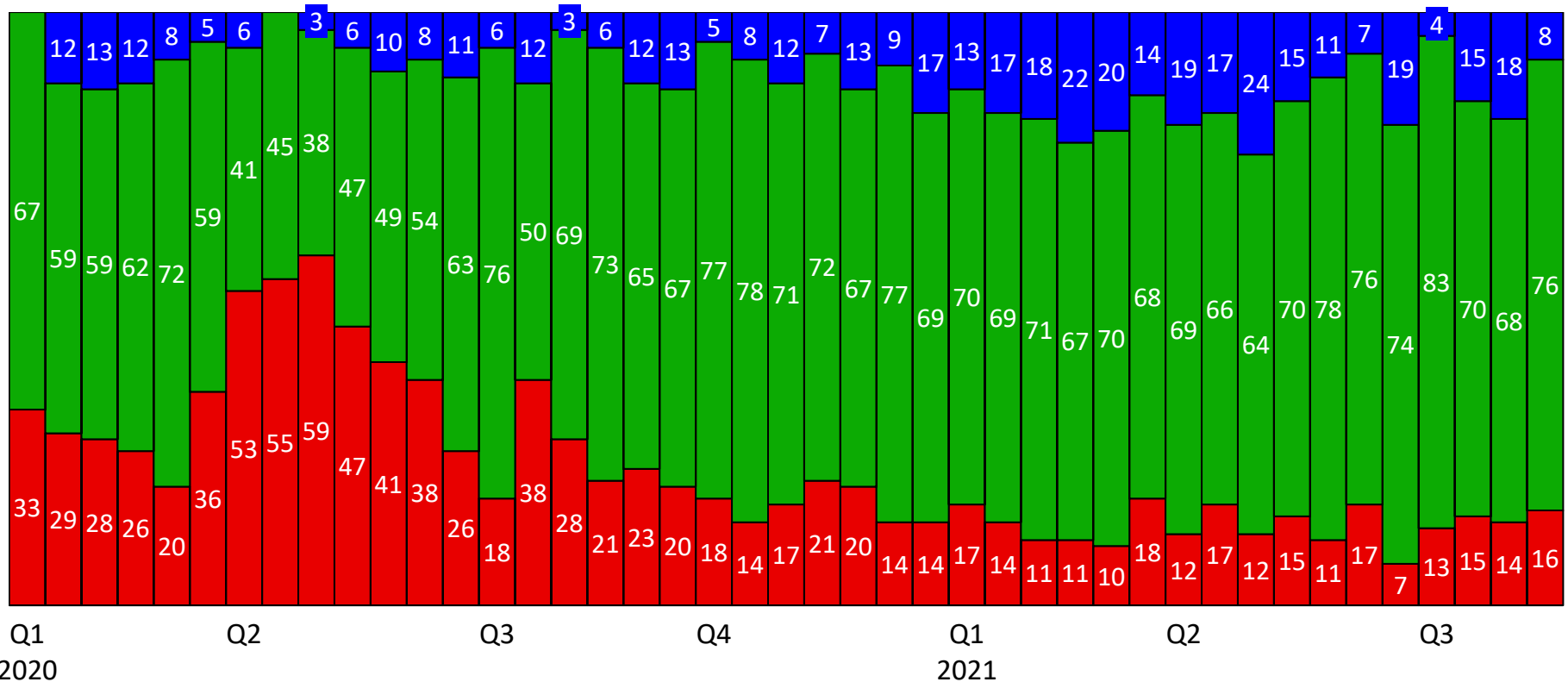


Manufacturer Inventory Buying History

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

■ Building Inventory
 ■ Maintaining Inventory
 ■ Reducing Inventory

out of 100%

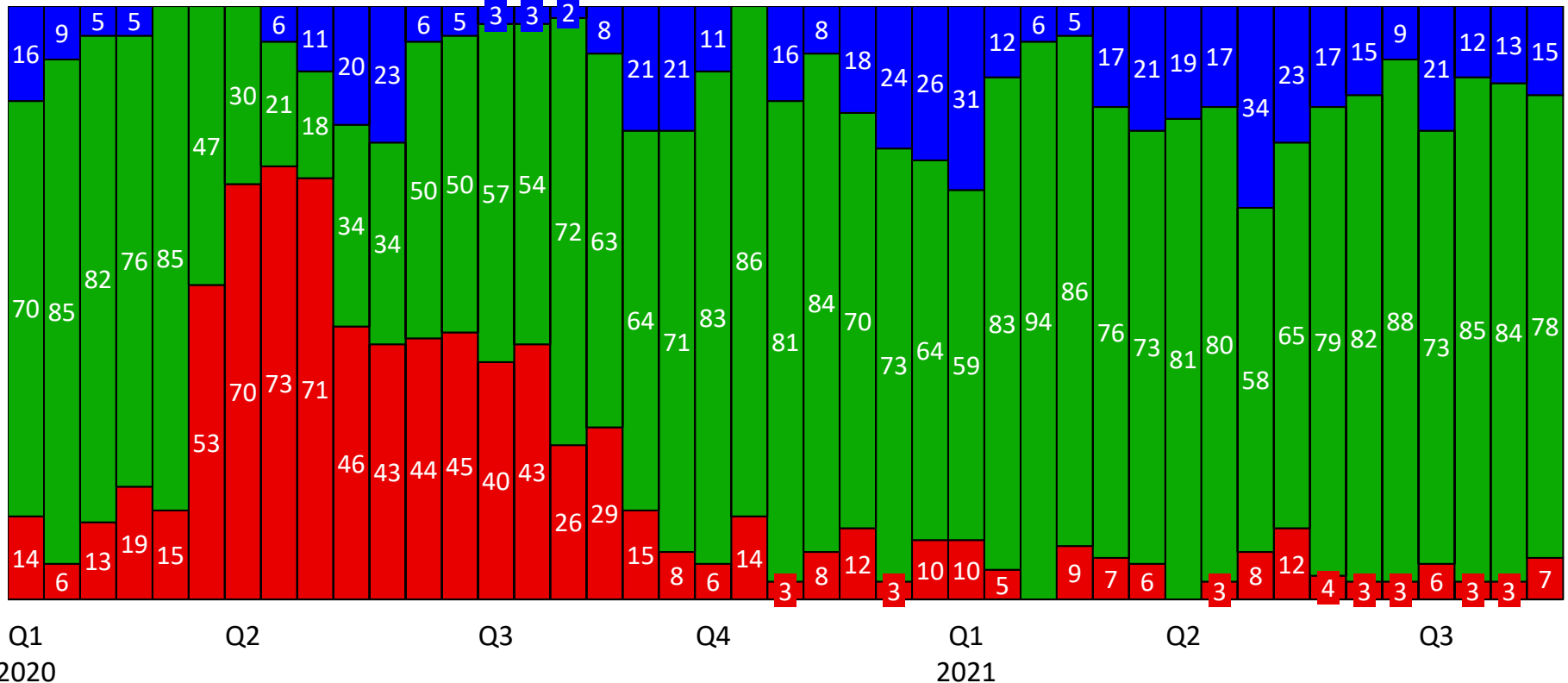


Service Center Inventory Buying History

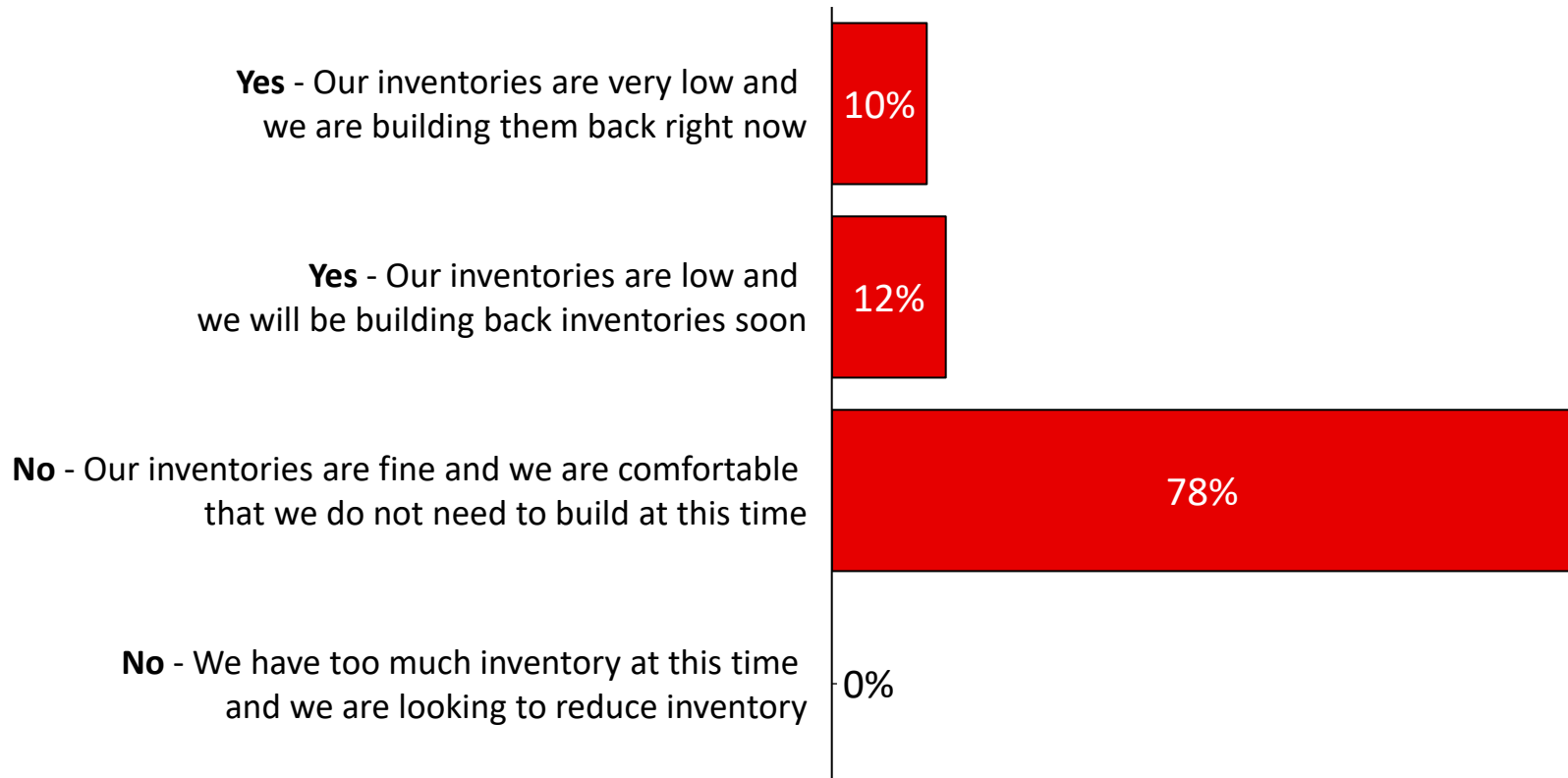
Service Centers- Is your company building, reducing or maintaining its flat rolled steel inventory?

■ Building Inventory
 ■ Maintaining Inventory
 ■ Reducing Inventory

out of 100%



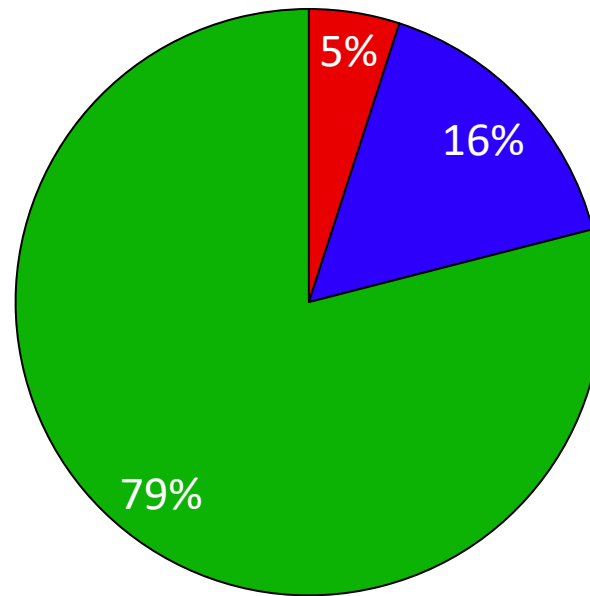
Service Centers- Does your company need to build back inventories or are you comfortable with the levels you are holding on your floor?



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

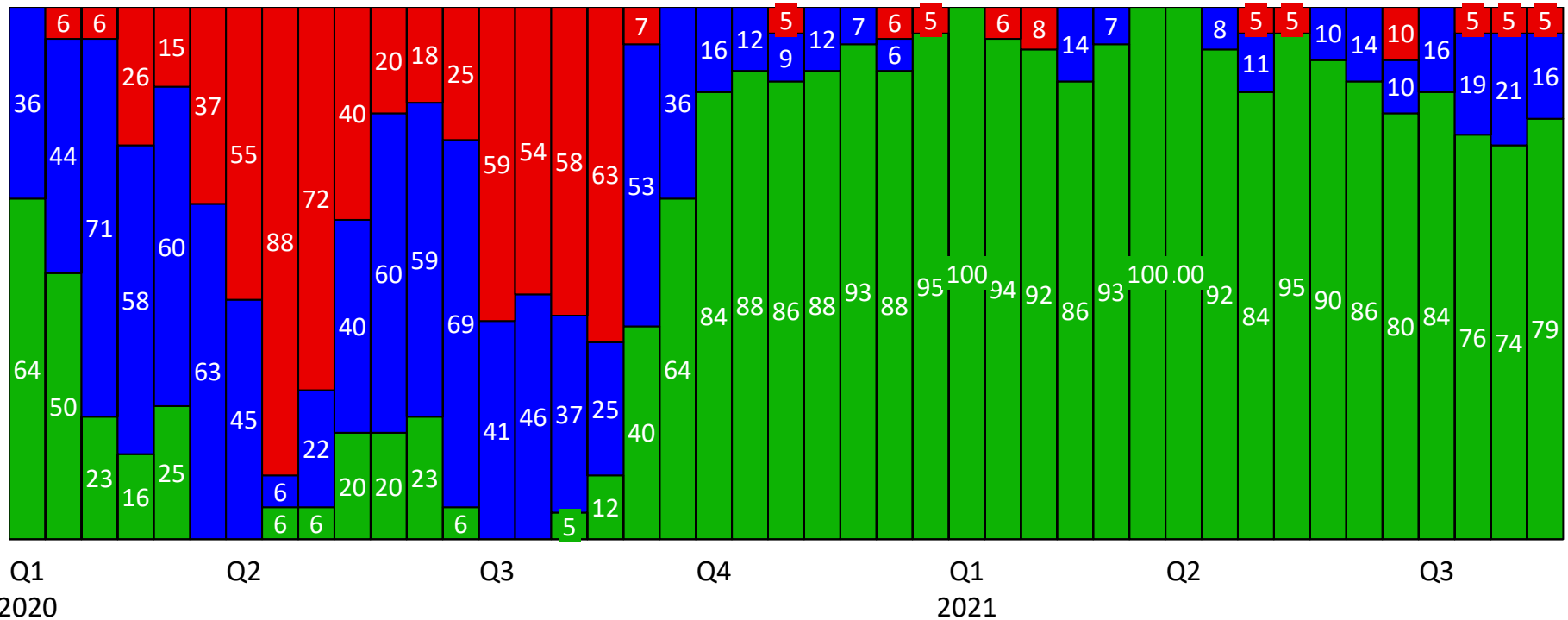


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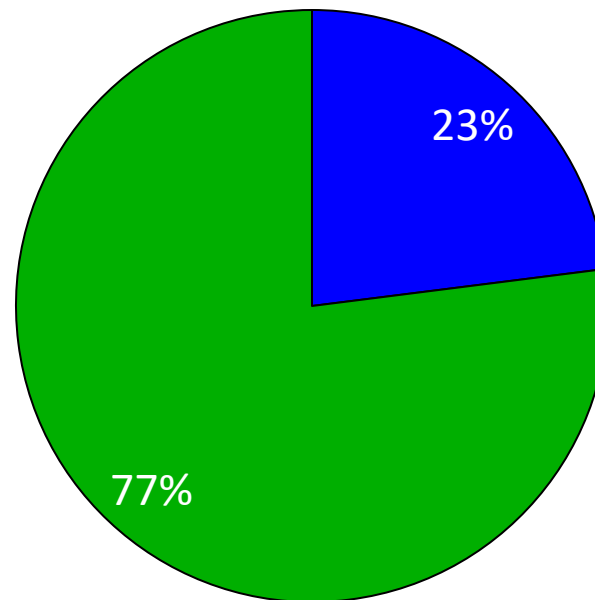
- We are seeing prices decreasing from our service centers
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out of 100%

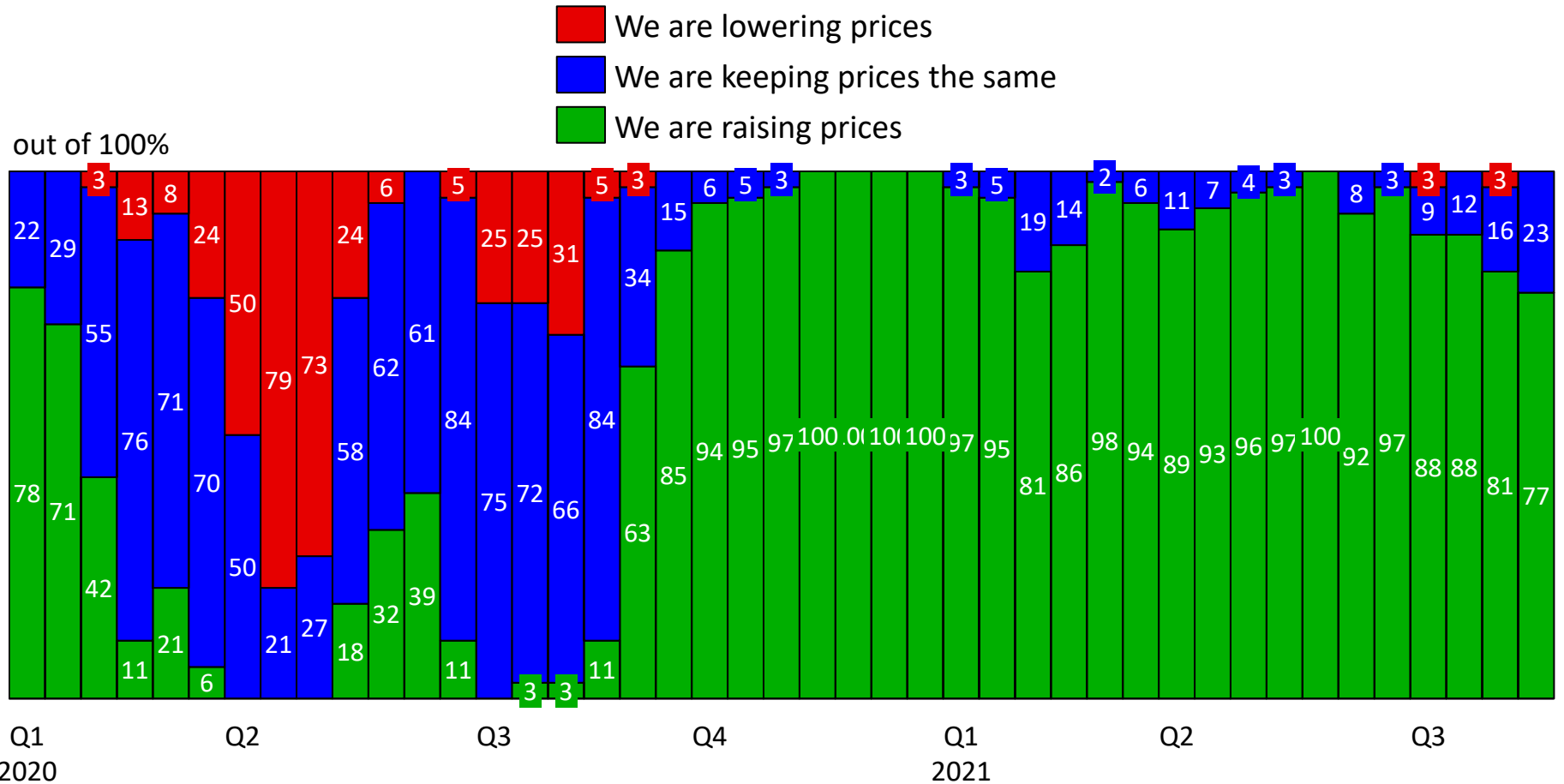


Service Centers- Compared to two weeks ago, how is your company handling spot pricing to your customers at this time?

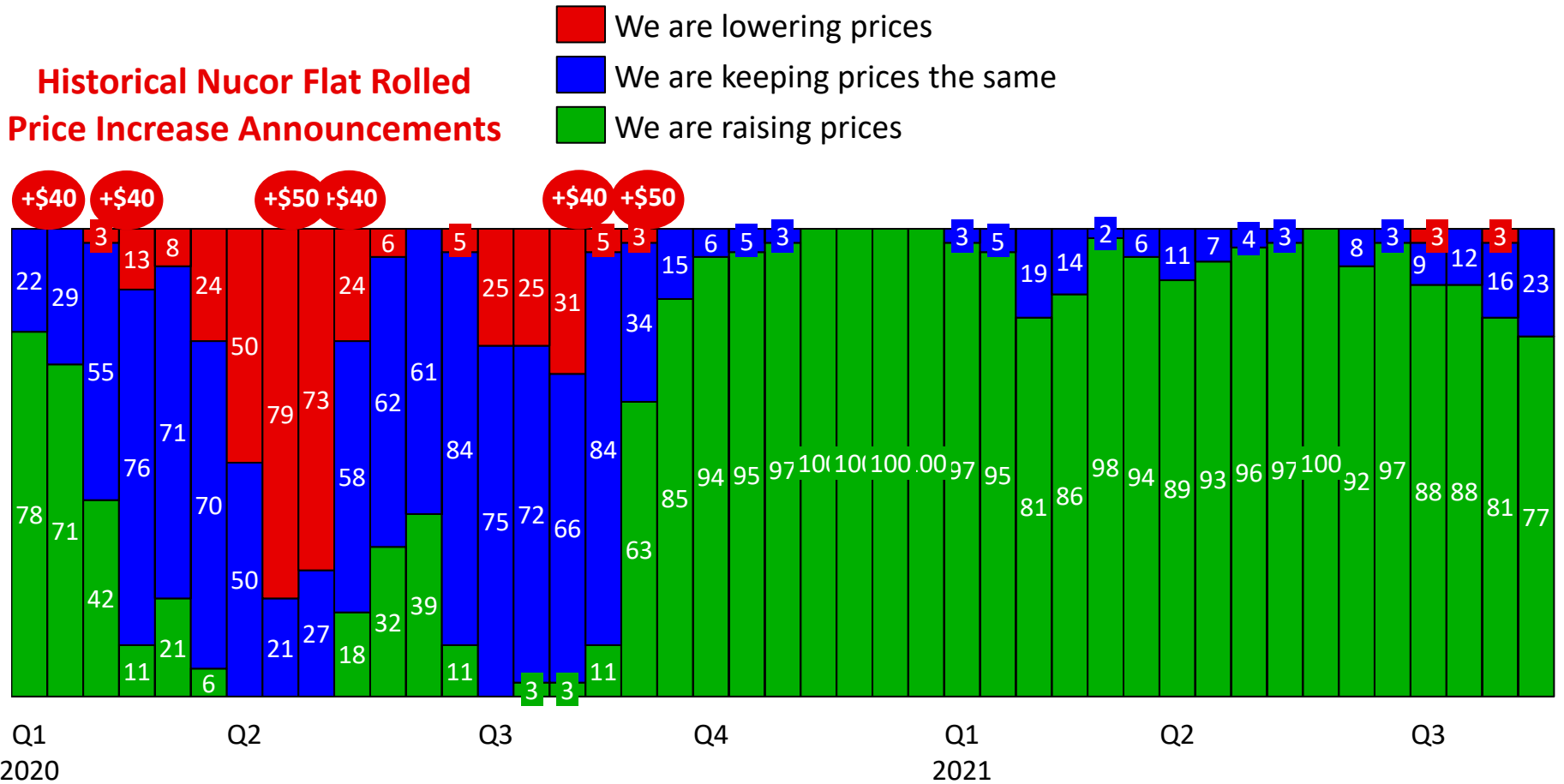
- We are lowering prices
- We are keeping prices the same
- We are raising prices



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?

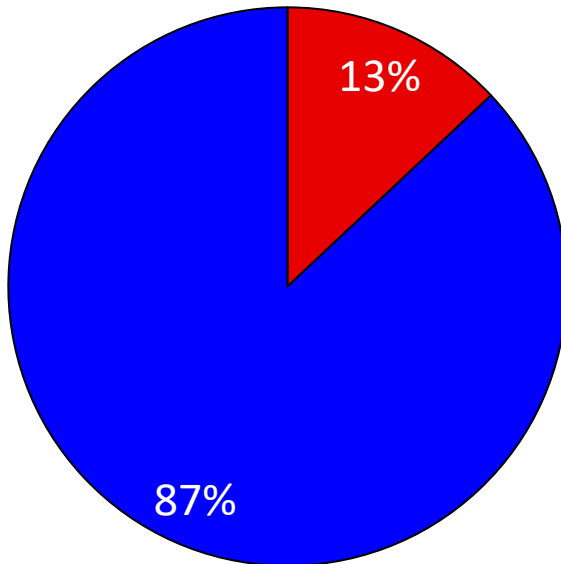


Passing Along Higher Prices

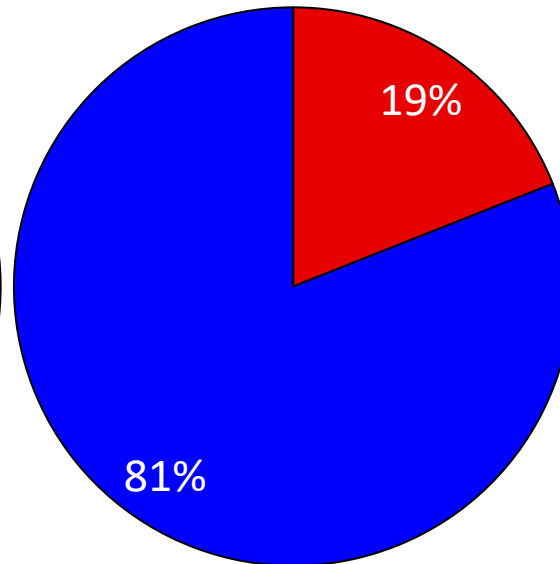
Service Centers- Are you having any difficulties in passing along the new higher prices to your customers?

Yes No

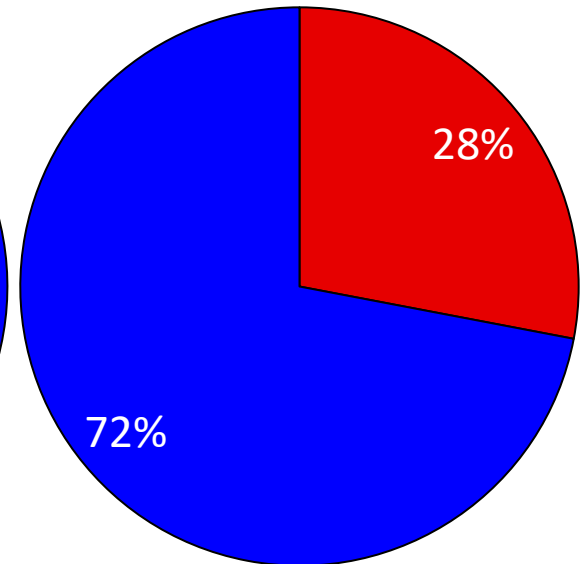
July 22, 2021






August 5, 2021

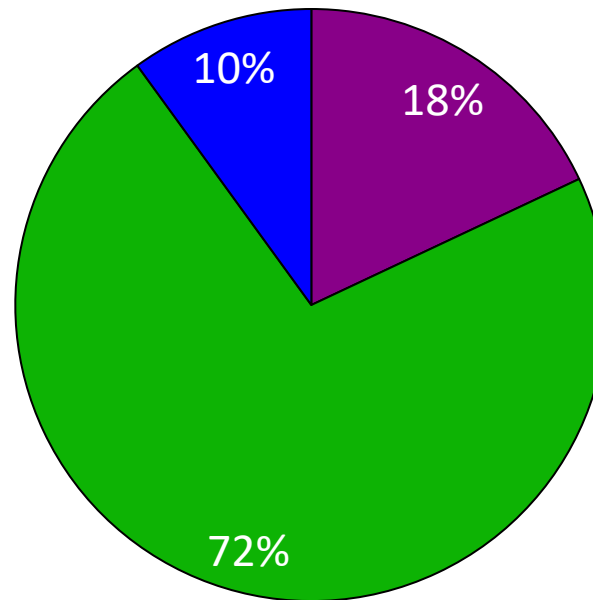


August 19, 2021



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

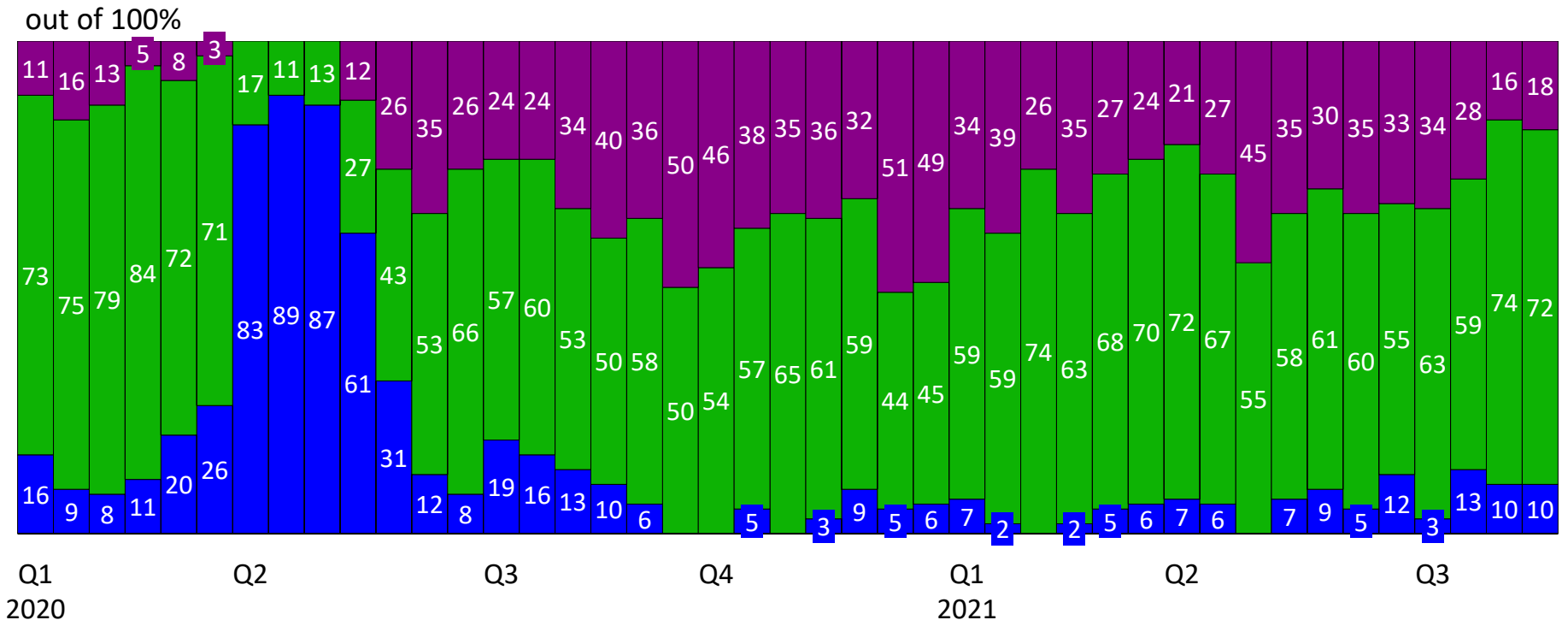
-  Our manufacturing customers are increasing orders
-  Our manufacturing customers are maintaining their orders
-  Our manufacturing customers are reducing their orders



Service Centers on Manufacturer Orders History

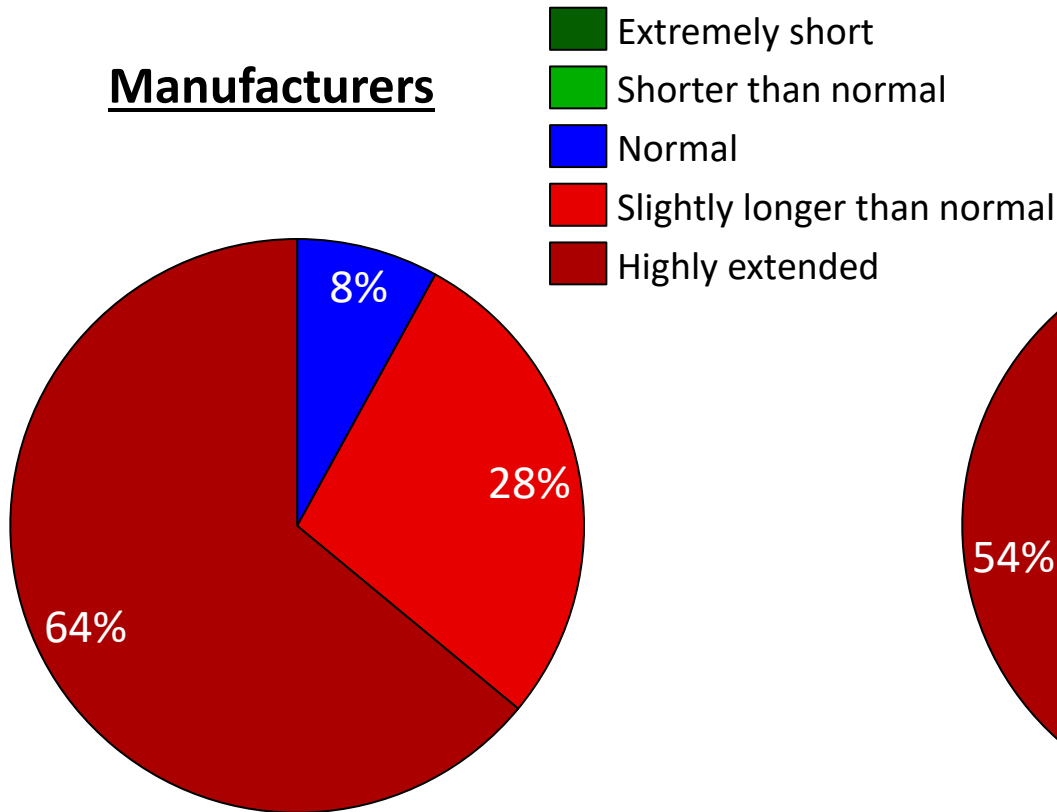
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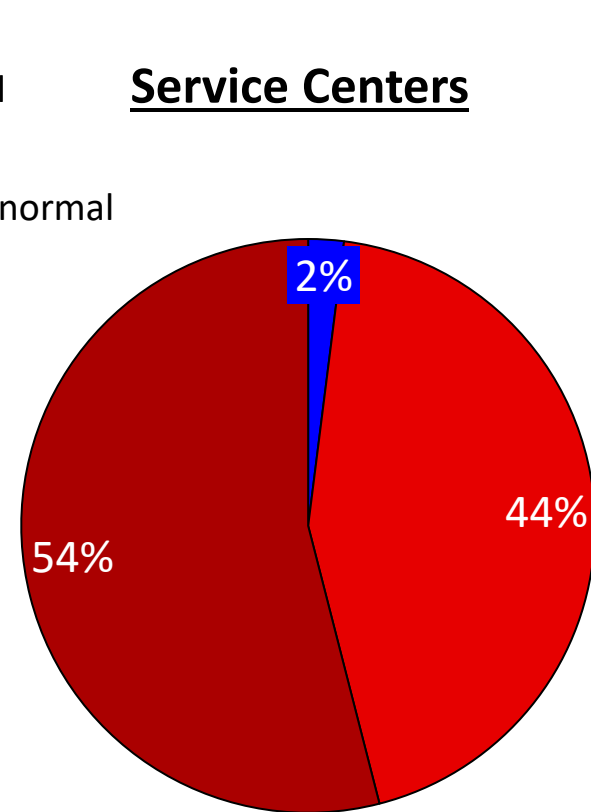


How would you describe domestic mill lead times for new orders placed right now?

Manufacturers



Service Centers

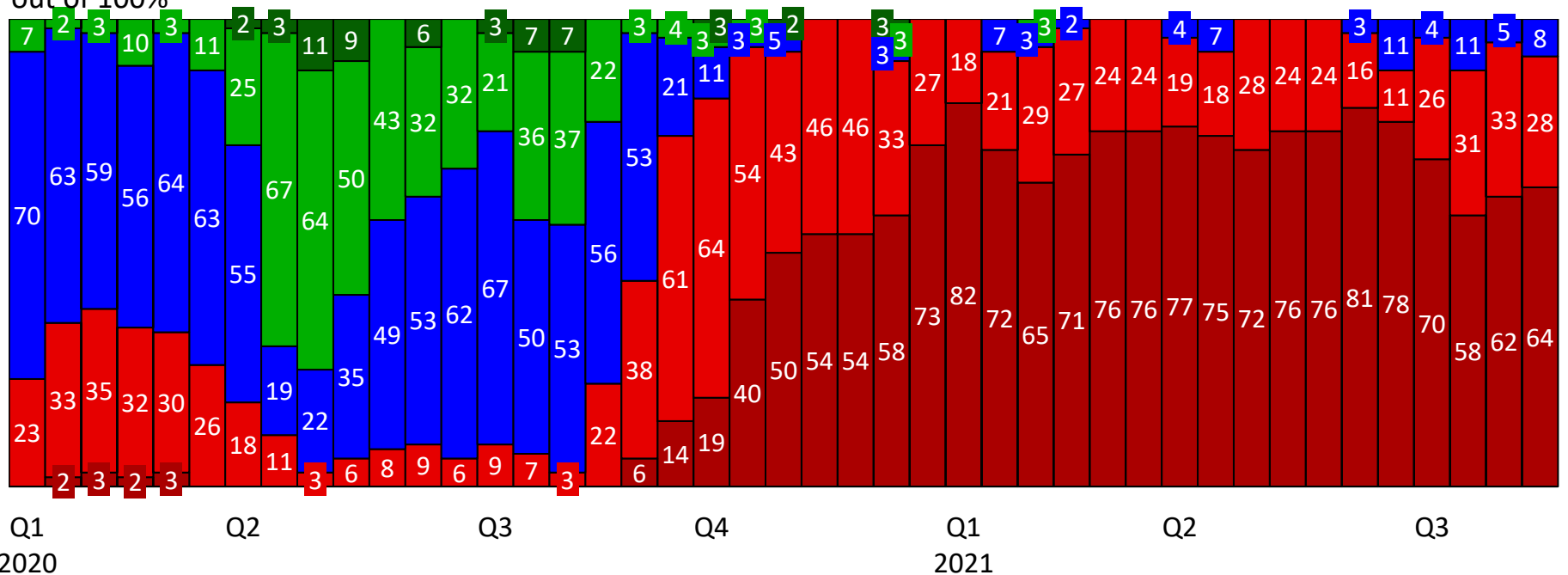


Mill Lead Times History

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%

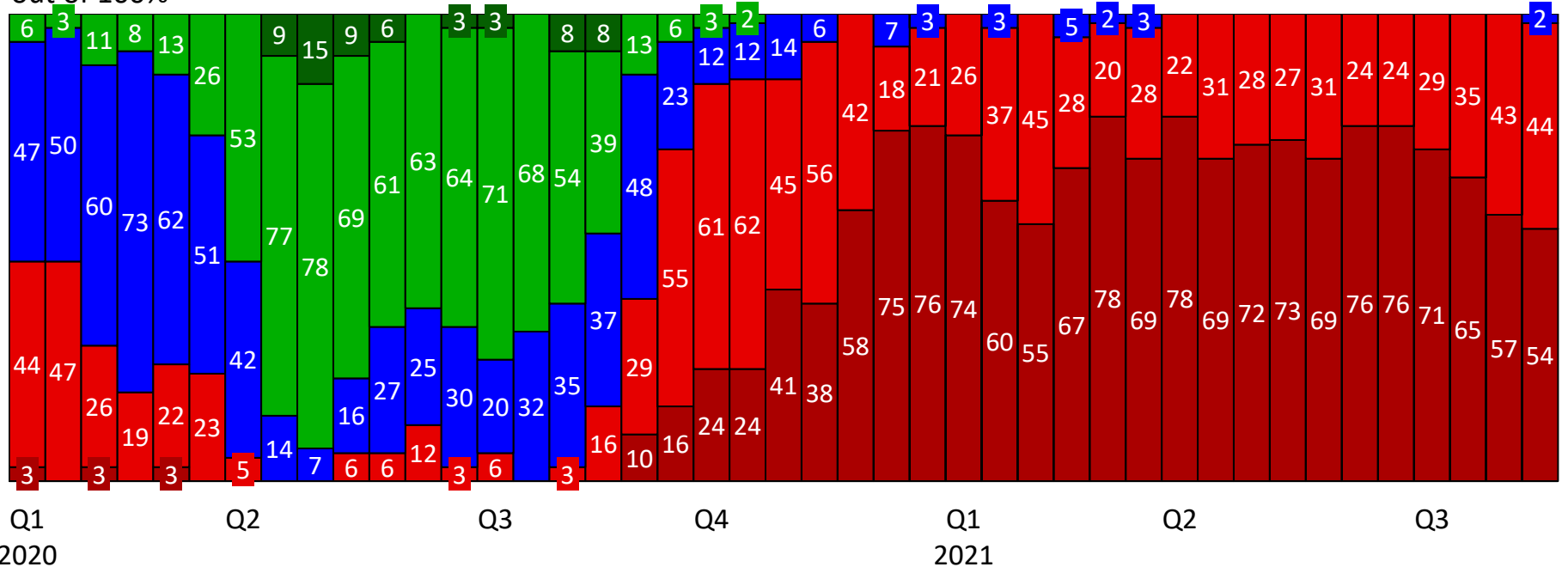


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out of 100%

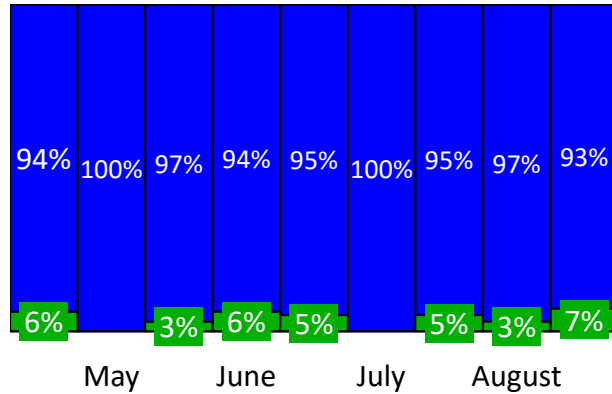


Mill Negotiations

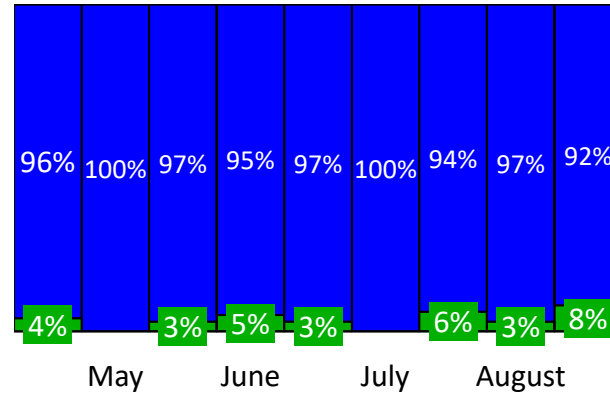
Are you finding the domestic mills are willing to negotiate pricing on brand new orders placed this week?

Yes No

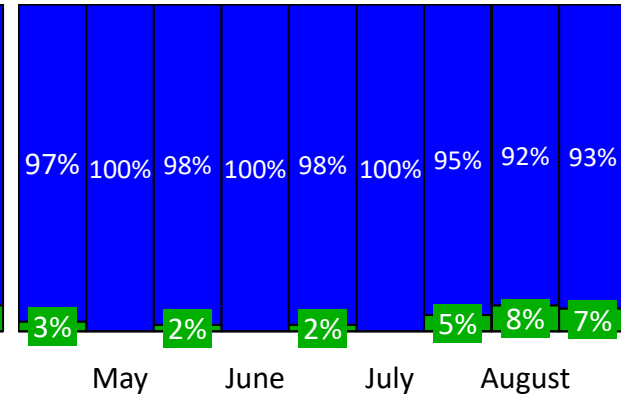
Hot Rolled



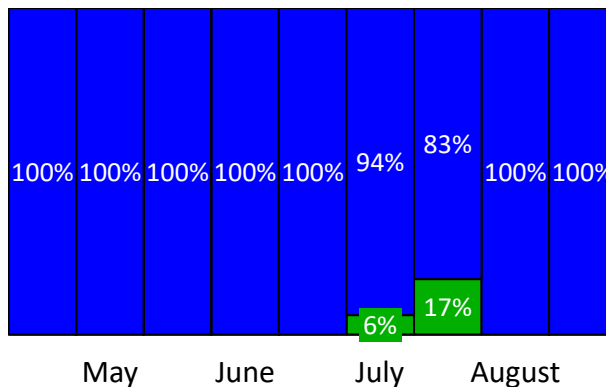
Cold Rolled



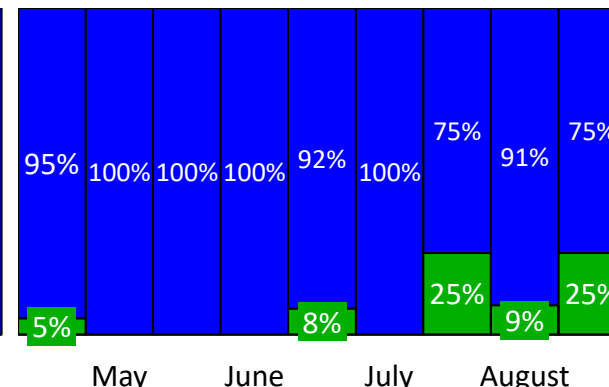
Galvanized



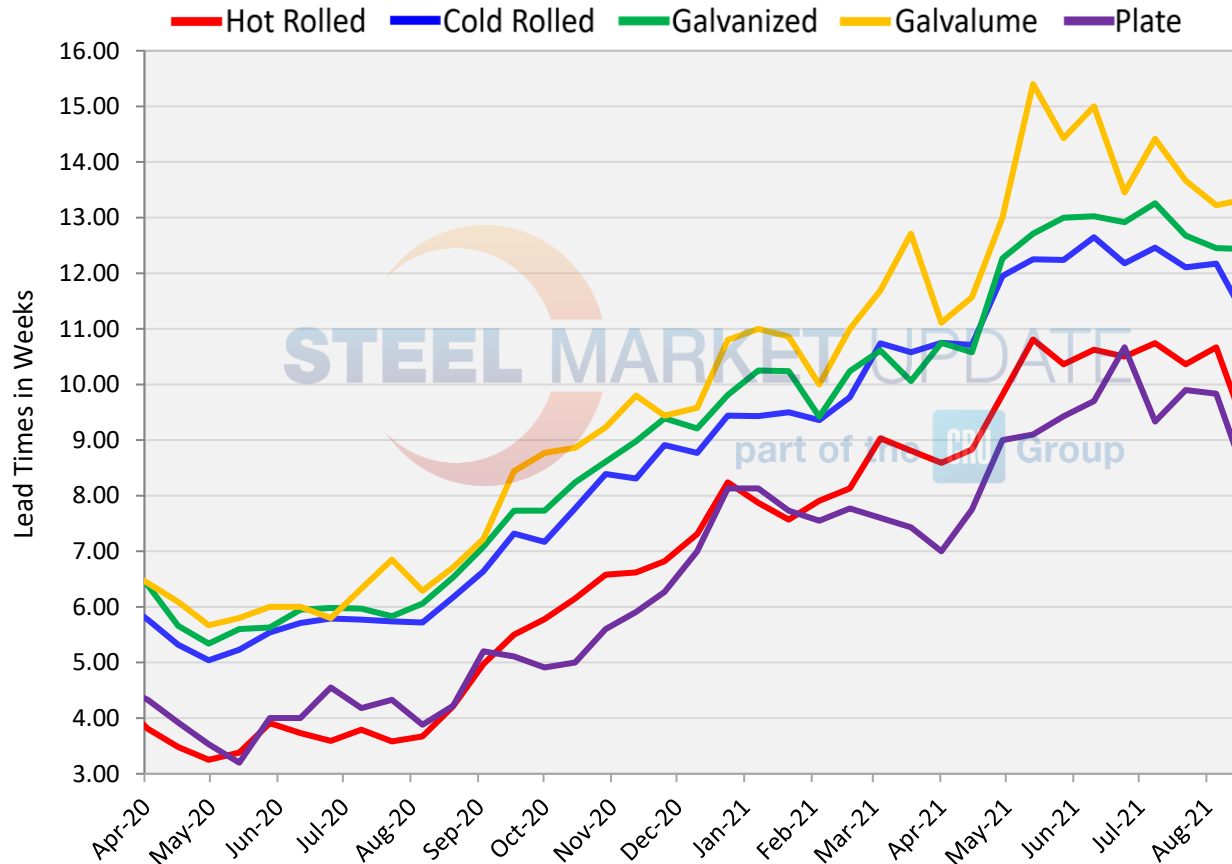
Galvalume



Plate



Mill Lead Times



Lead Times in Weeks

Galvalume: 13.33

Galvanized: 12.43

Cold Rolled: 11.17

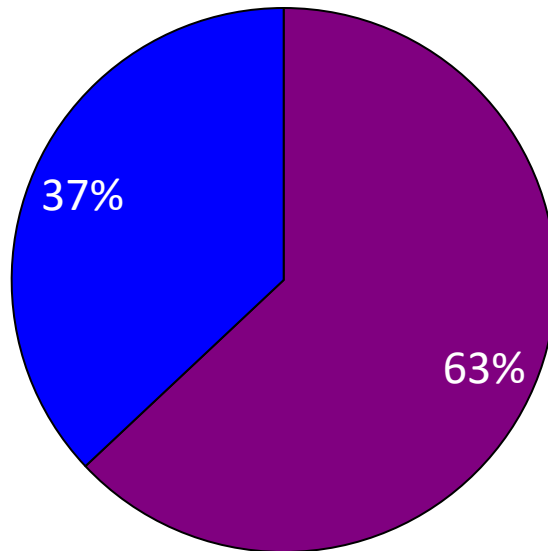
Hot Rolled: 9.15

Plate: 8.29

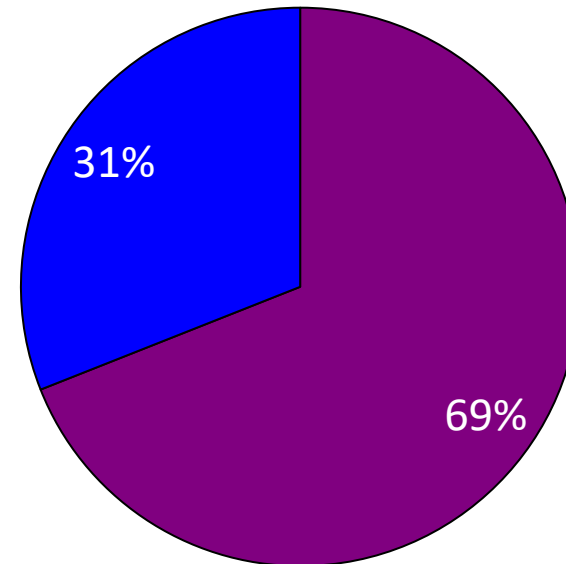
Does your company buy foreign steel?

■ Yes ■ No

Manufacturers



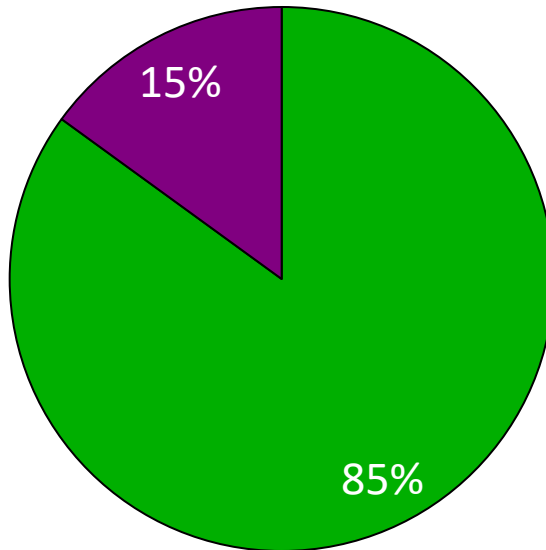
Service Centers



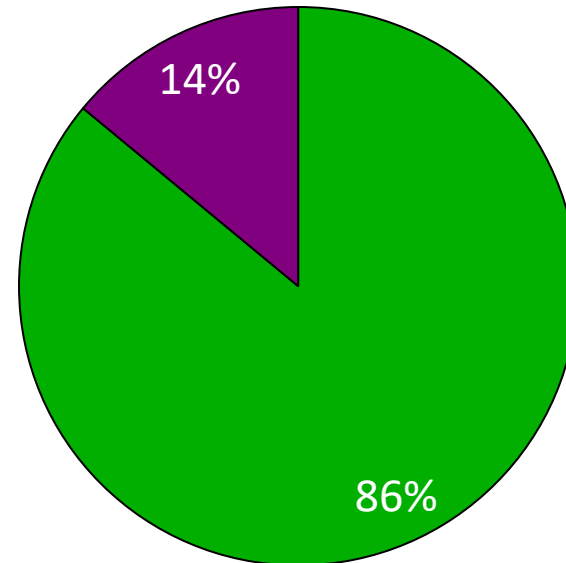
Are your foreign steel suppliers quoting you competitive prices for new orders for future delivery?

Yes No

Manufacturers



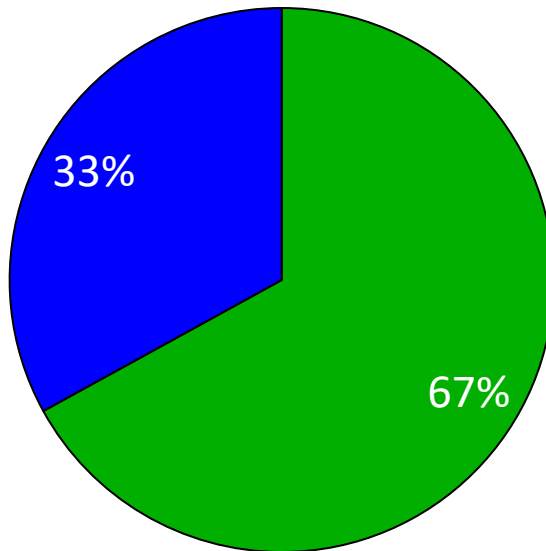
Service Centers



Foreign Steel

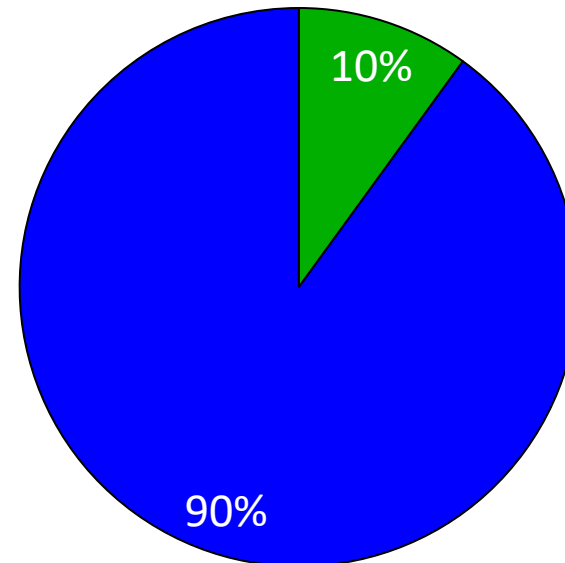
Manufacturers- Are you buying new orders of foreign steel for future delivery?

Yes No

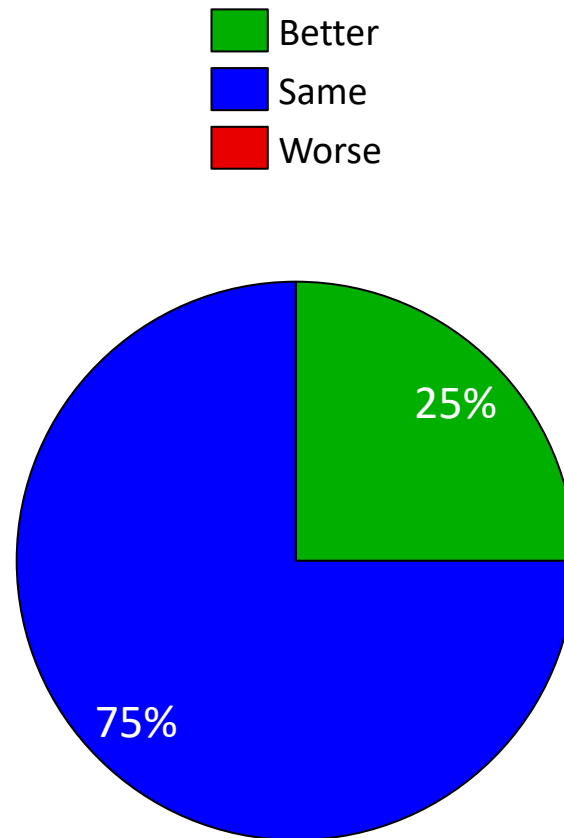


Service Centers- Are you decreasing the percentage of foreign steel on your order book?

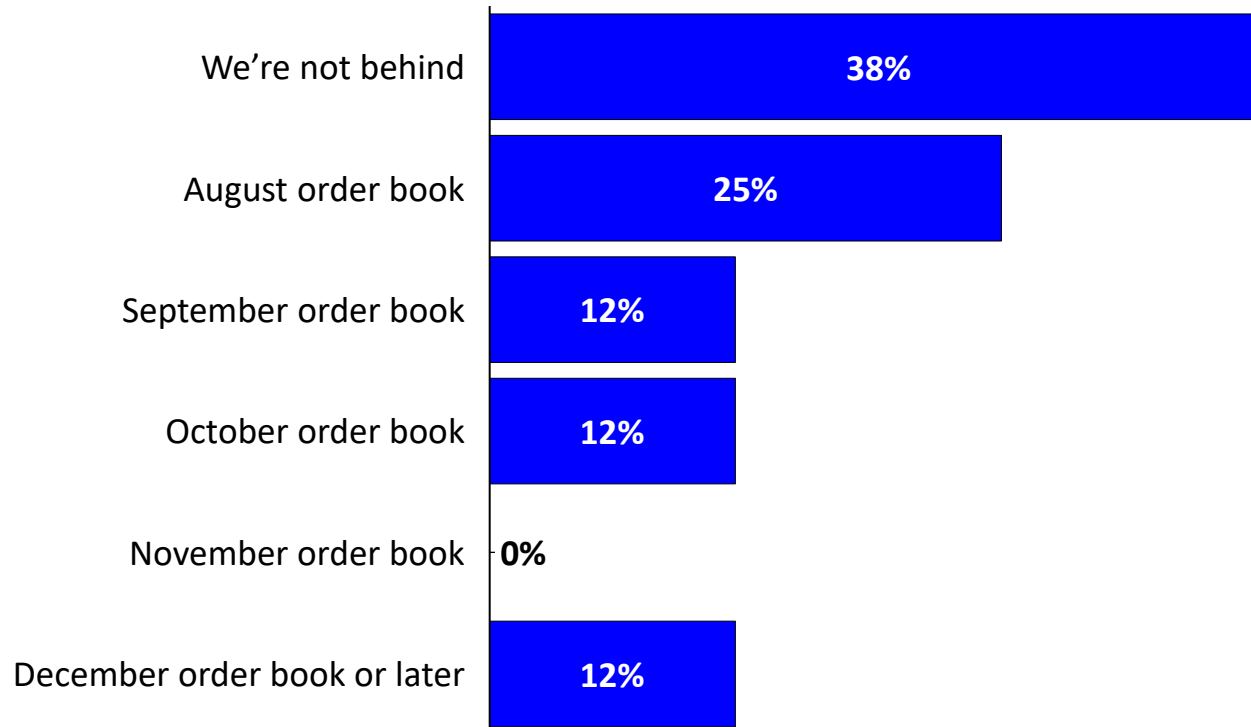
Yes No



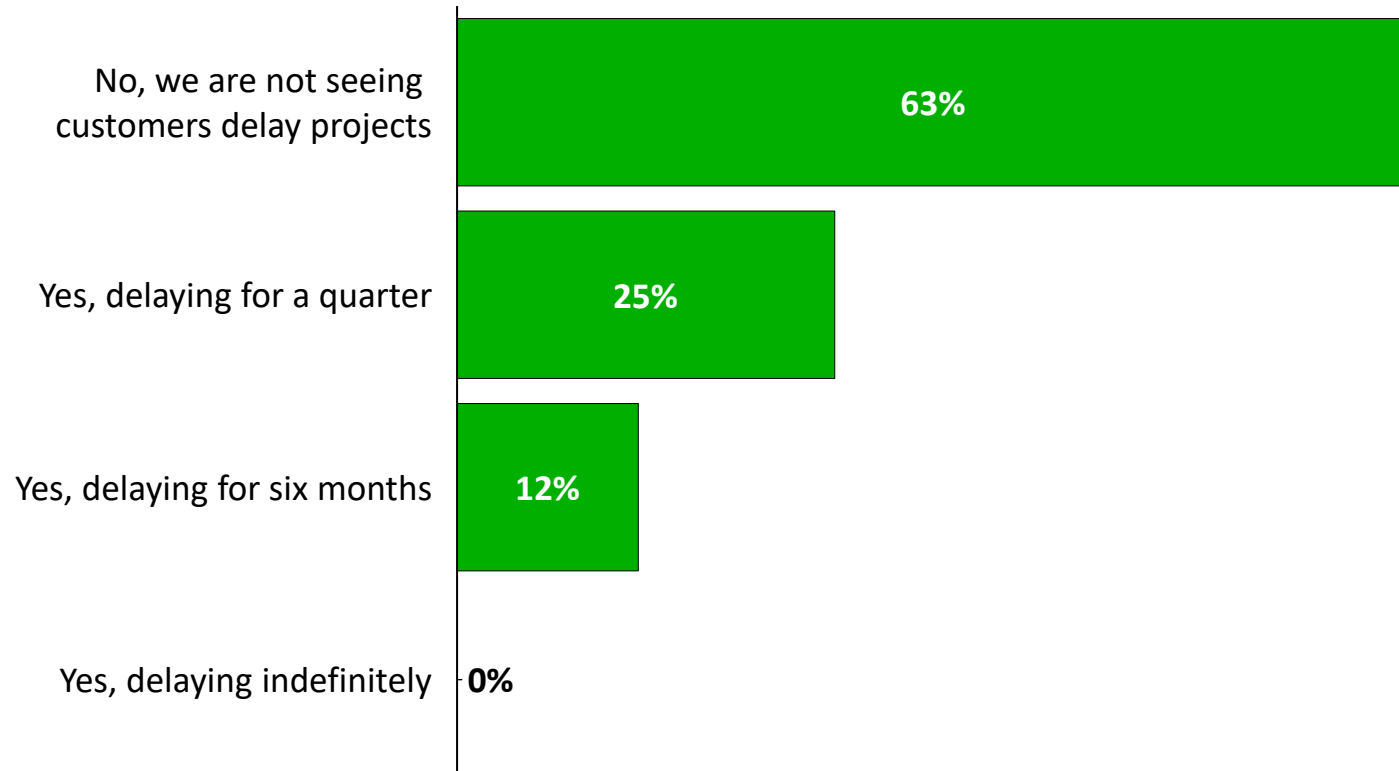
The current order book at your mill is better or worse than last month?



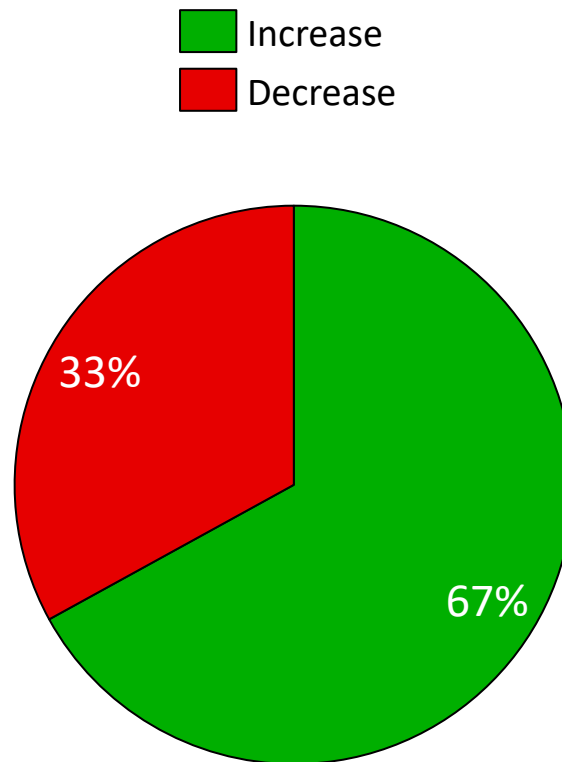
If you are behind on orders, how long do you think it will take you to catch up?



Are you seeing customers delay projects because of high prices? And, if yes, for how long?

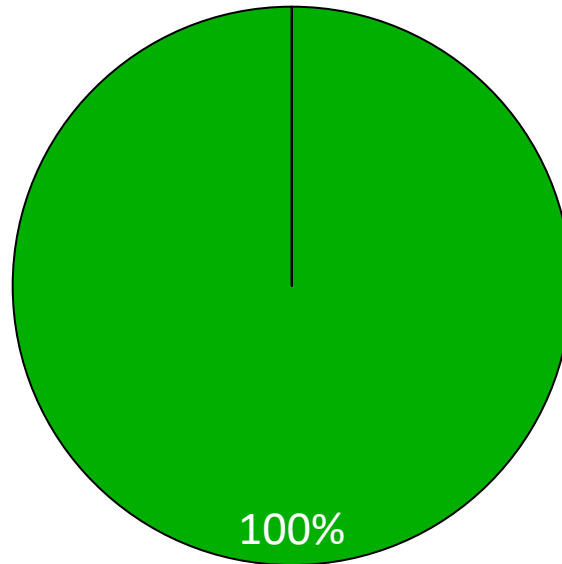


At this time, are you seeing an increase or decrease in orders from your North American buyers?



With prices so high out of the domestic steel mills,
are foreign products now attractive to U.S. steel buyers?

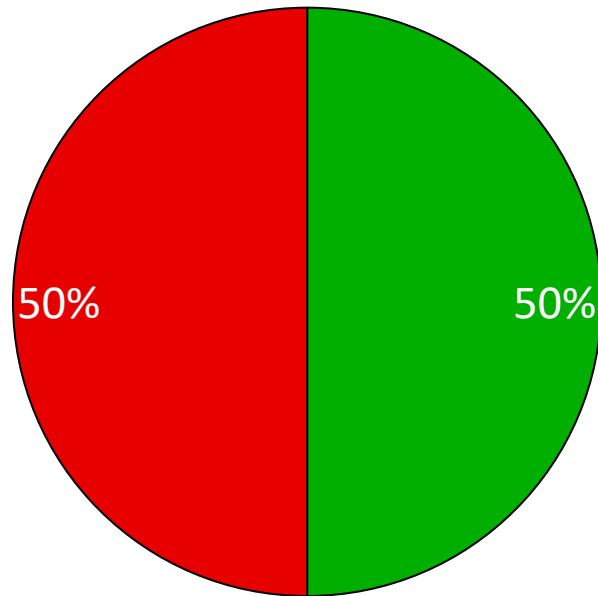
Yes No



Trading Companies

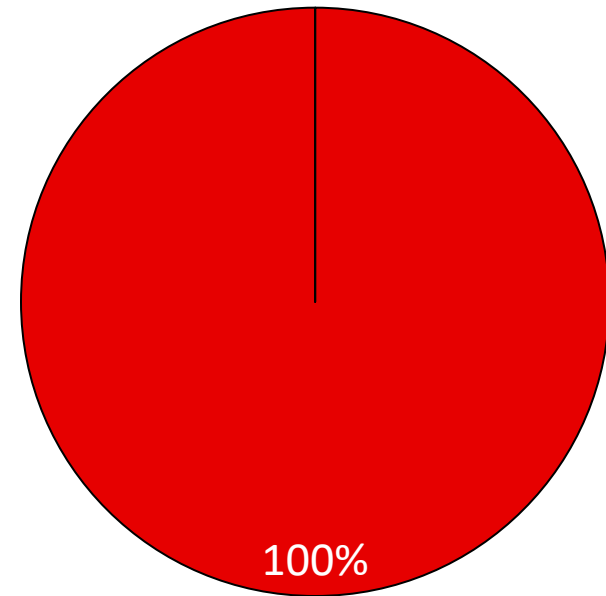
Are you able to offer hot rolled pricing that is attractive to buyers right now?

Yes No



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

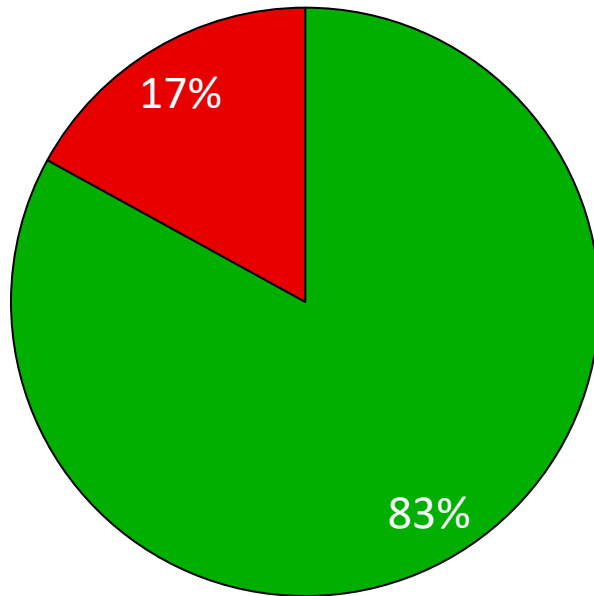
Yes No



Trading Companies

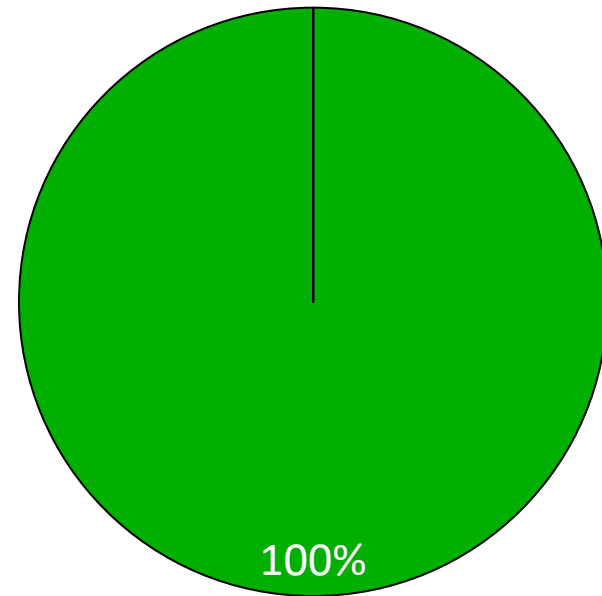
Are your galvanized prices competitive enough right now to get orders (including duties)?

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.



Look for our next survey
the week of August 30, 2021



STEEL MARKET UPDATE

part of the  Group

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