

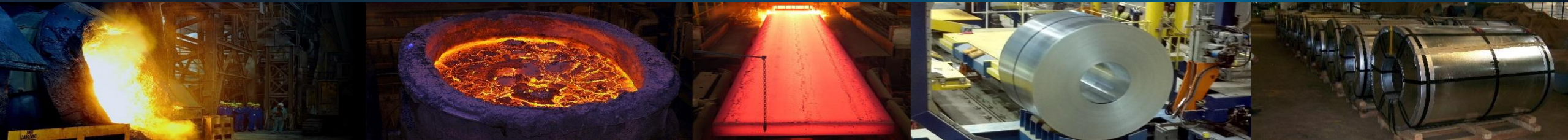


# STEEL MARKET UPDATE

part of the  Group

## SMU Flat Rolled Market Trends Analysis

Responses from our September 12-14, 2022 Market Survey



# Steel Market Update Team



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 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](mailto:Brett@SteelMarketUpdate.com)

# Upcoming Events

Date	Event	Status	Venue
<b>October 19-20</b>	SMU Steel 101 Workshop	<b>Live</b>	Corpus Christi, Texas
<b>February 5-7</b>	Tampa Steel Conference 2023	<b>Live</b>	Tampa, Florida

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**

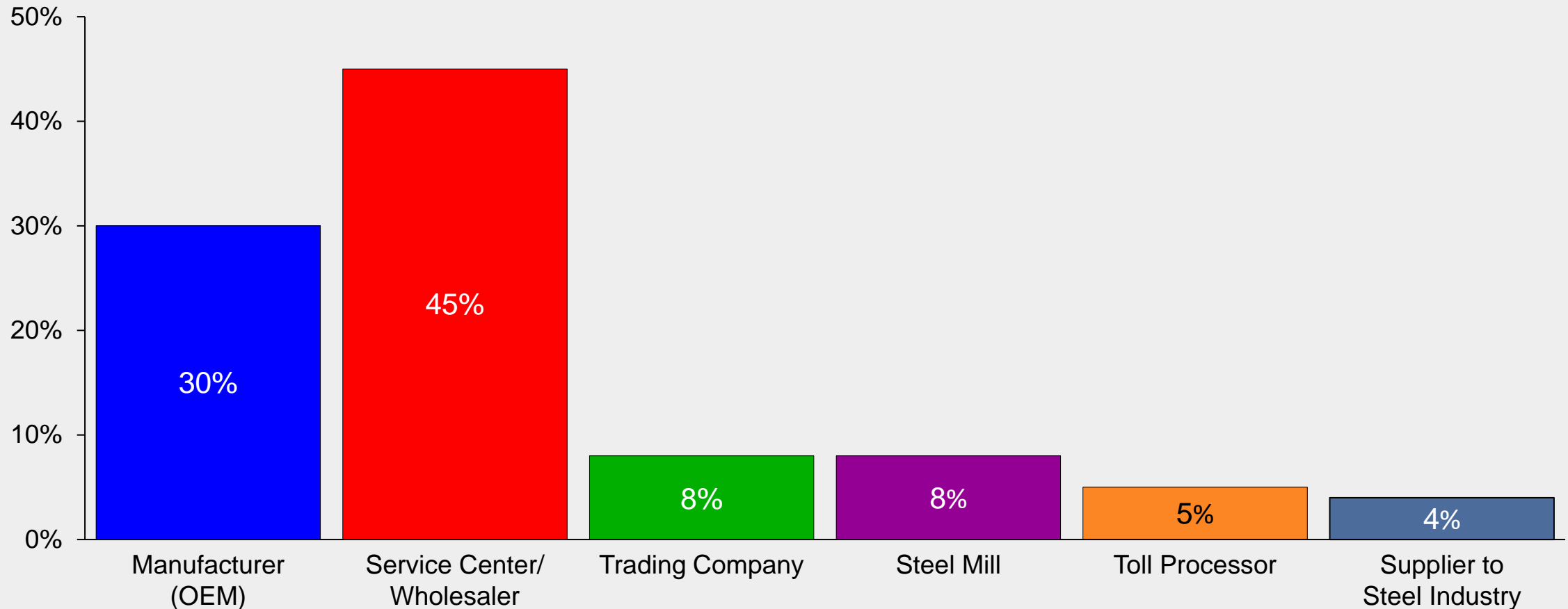
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Don't just read our data, see your  
company's experience reflected in it.

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

# Survey Participants

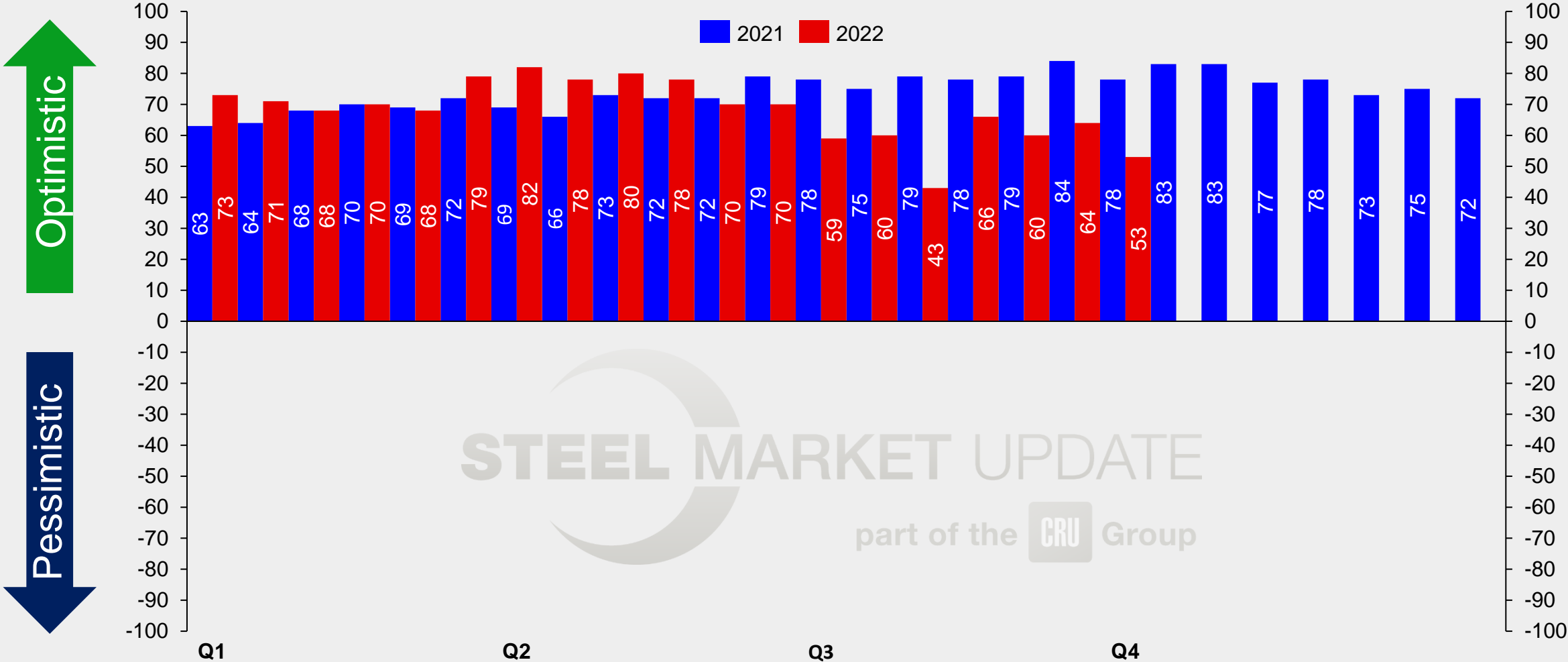
Our survey is by invitation only. Over 700 companies, mostly in the manufacturing or distribution industries, are asked to participate. Here are the percentages of participation in this week's survey by market sector.



# Steel Buyers Sentiment

Down 11 points to +53

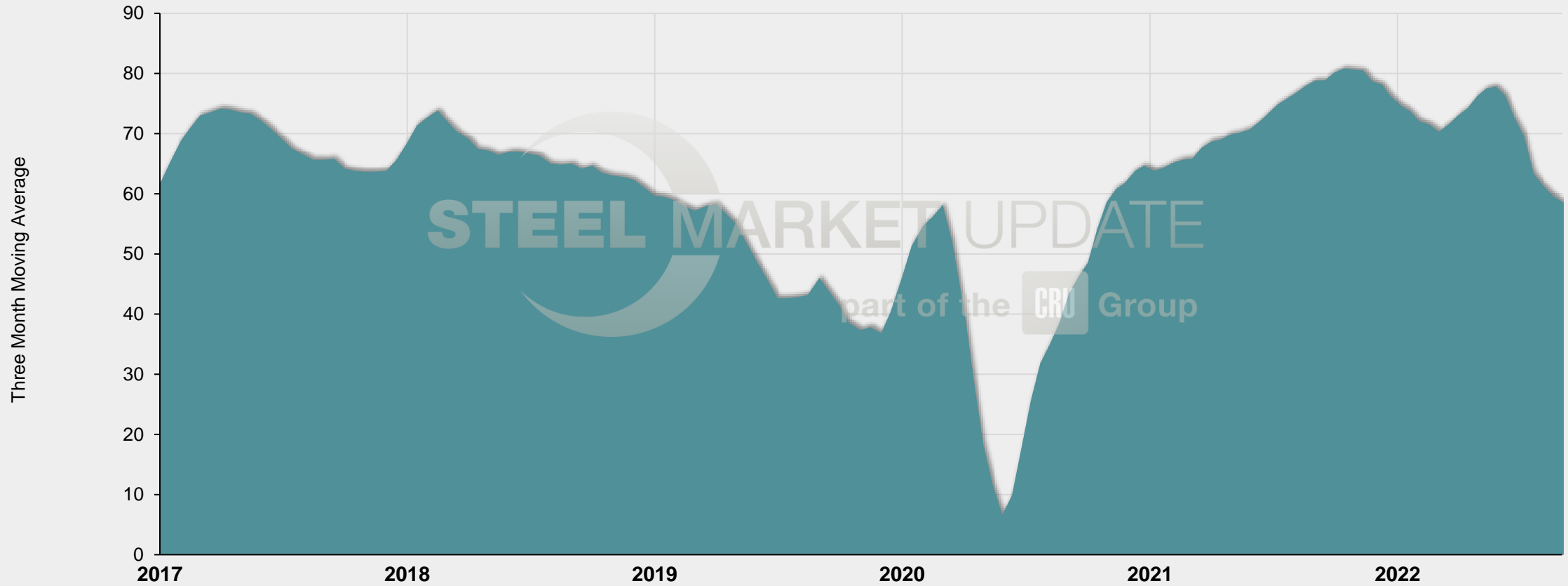
### Steel Market Update Steel Buyers Sentiment Index



# Steel Buyers Sentiment

Three Month Moving Average at +57.67

**SMU Steel Buyers Sentiment Index**  
3MMA - January 2017 through September 15, 2022

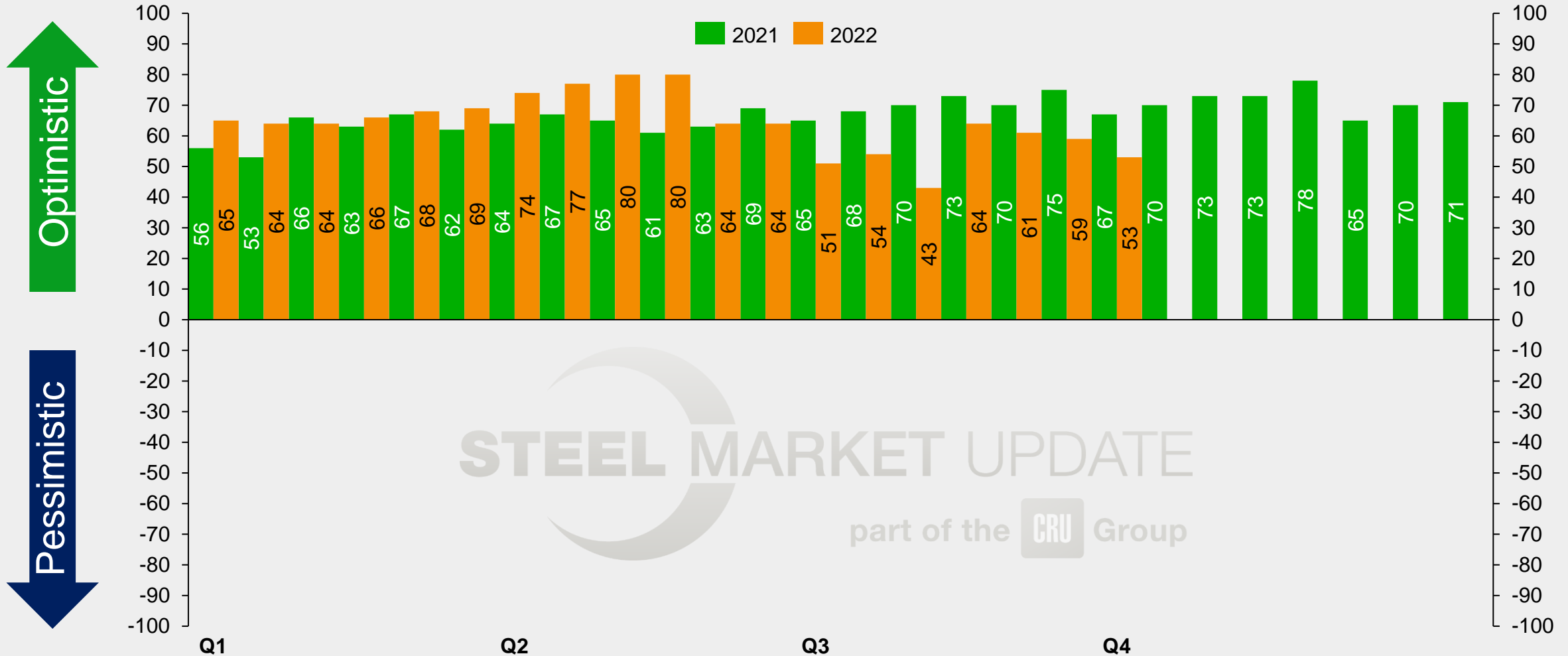




# Steel Buyers Future Sentiment

Down 6 points to +53

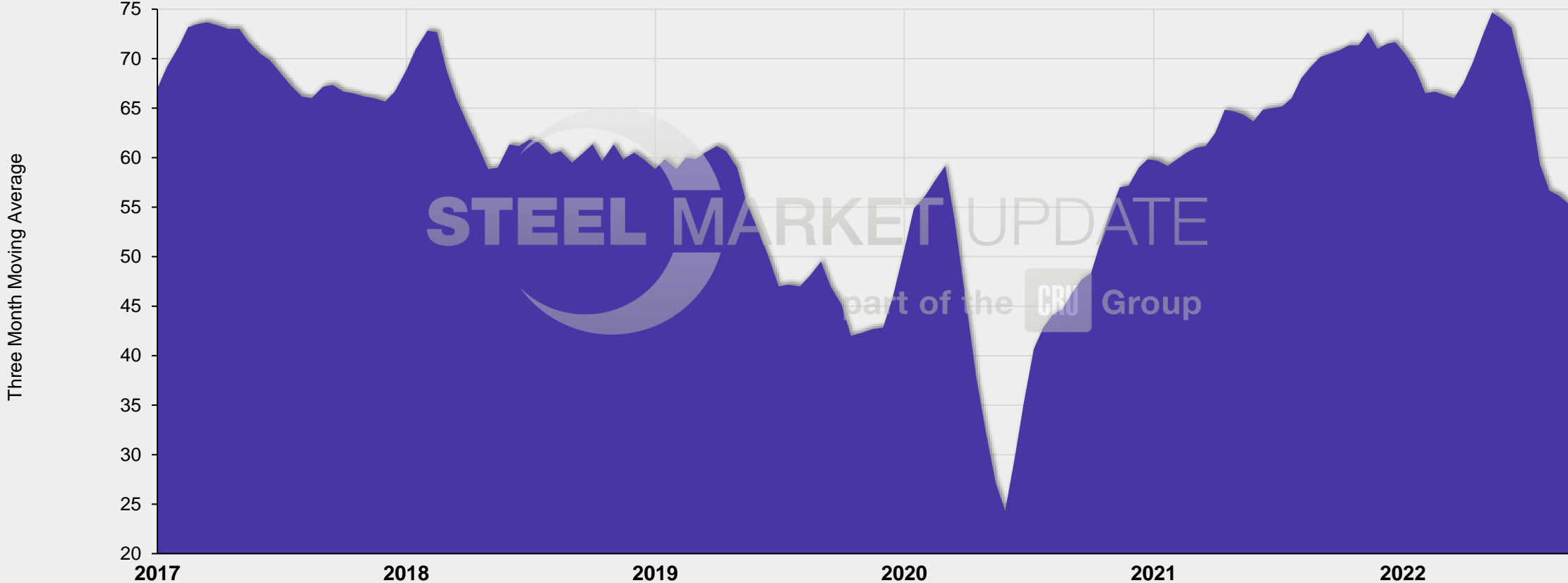
### Steel Market Update Future Steel Buyers Sentiment Index



# Steel Buyers Future Sentiment

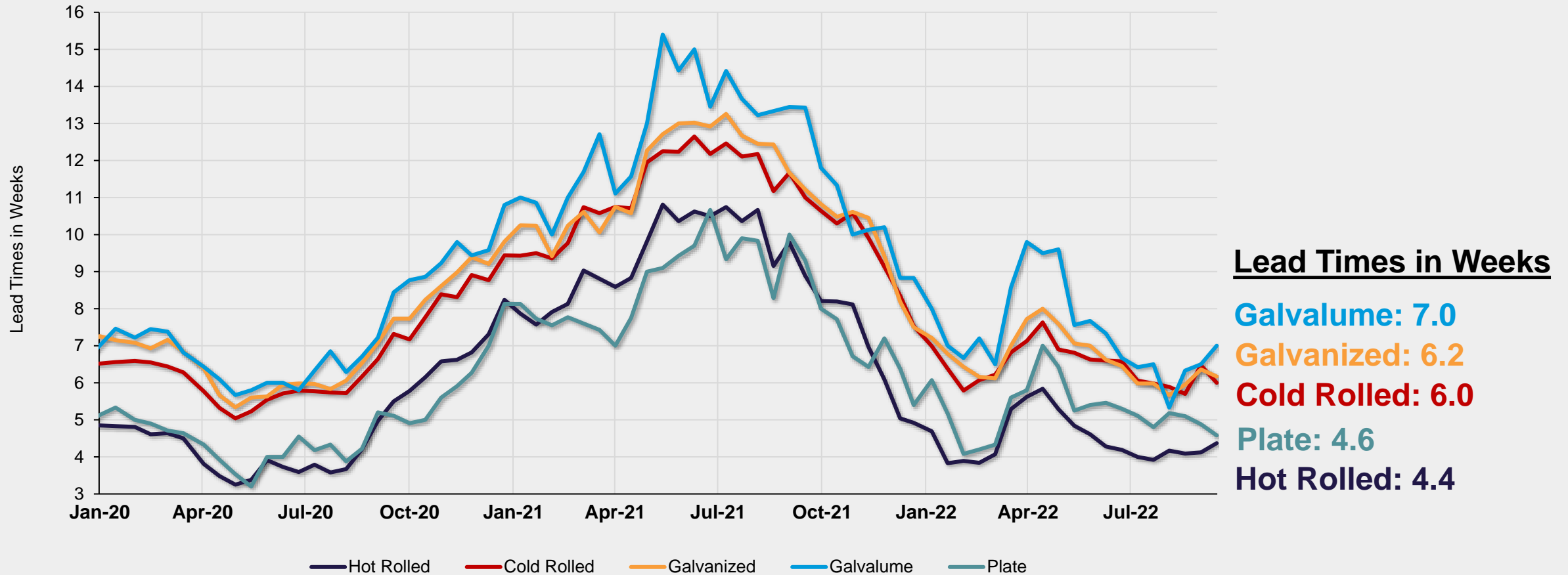
Three Month Moving Average at +55.67

**SMU Future Steel Buyers Sentiment Index**  
3MMA - January 2017 through September 15, 2022



# Steel Mill Lead Times by Product

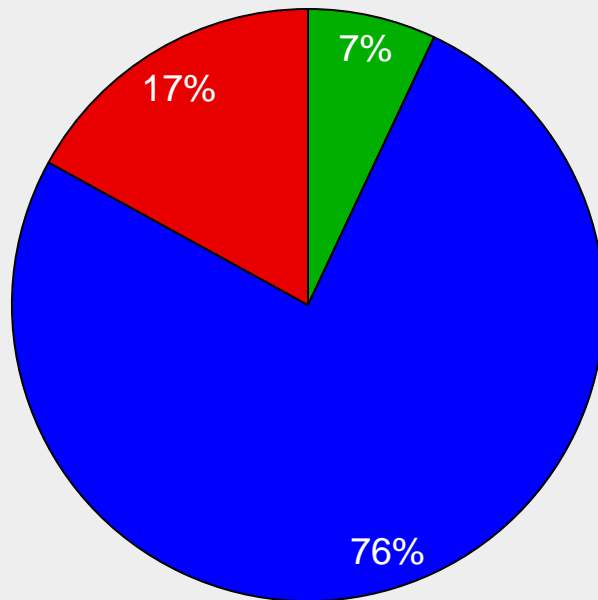
**SMU Lead Times Comparison**  
January 1, 2020 through September 15, 2022



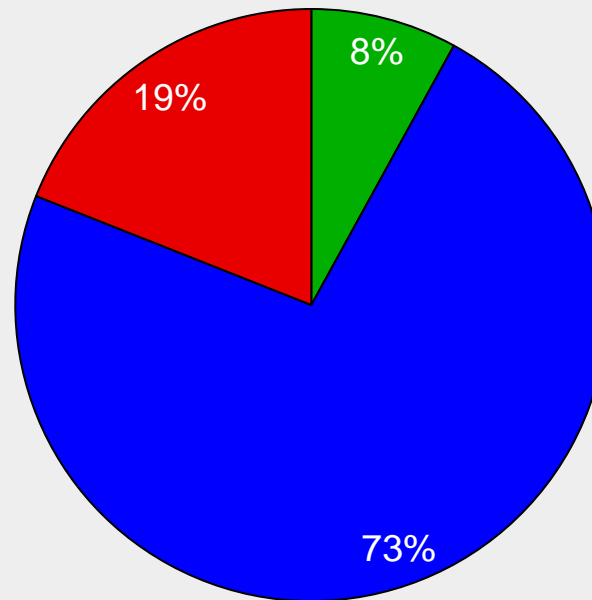
Which way are lead times going?

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

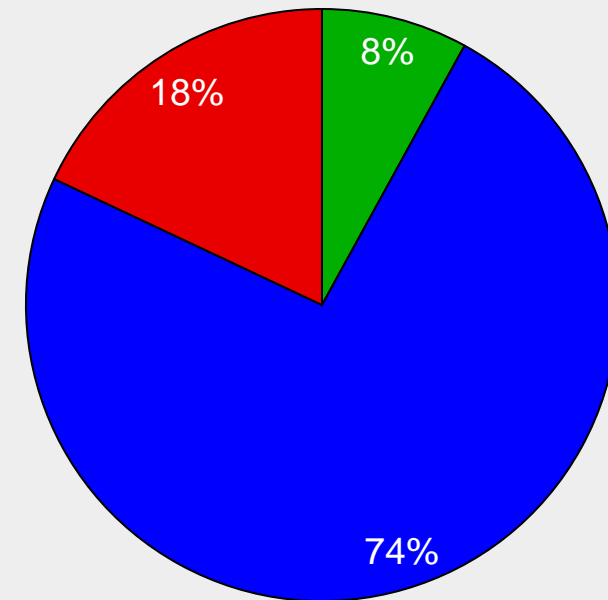
August 18, 2022



September 1, 2022

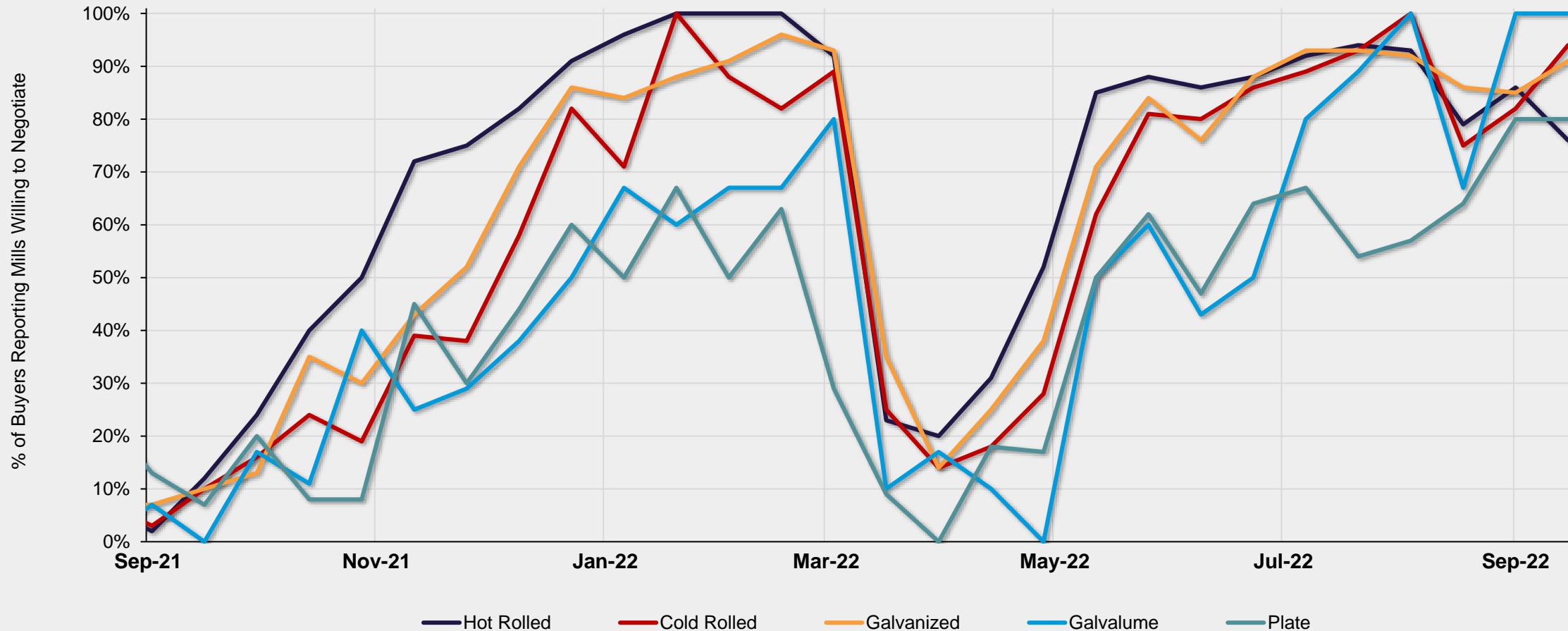


September 15, 2022



# Steel Mill Negotiations

**SMU Price Negotiations on New Steel Orders**  
September 1, 2021 through September 15, 2022



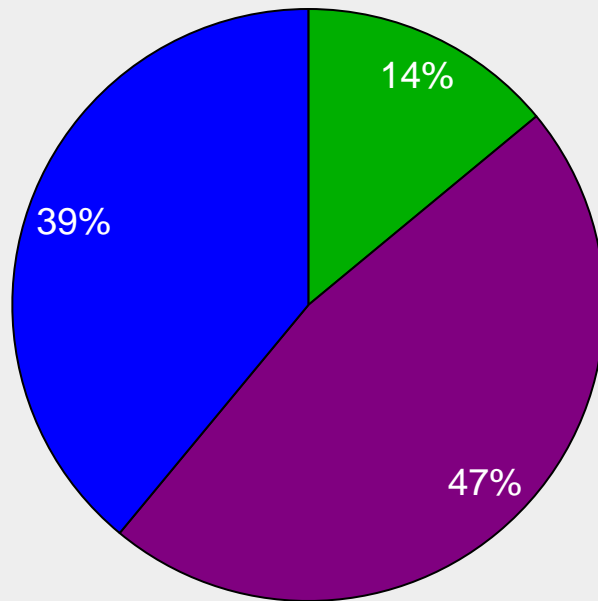
© Steel Market Update 2022

# Price Increase Announcements

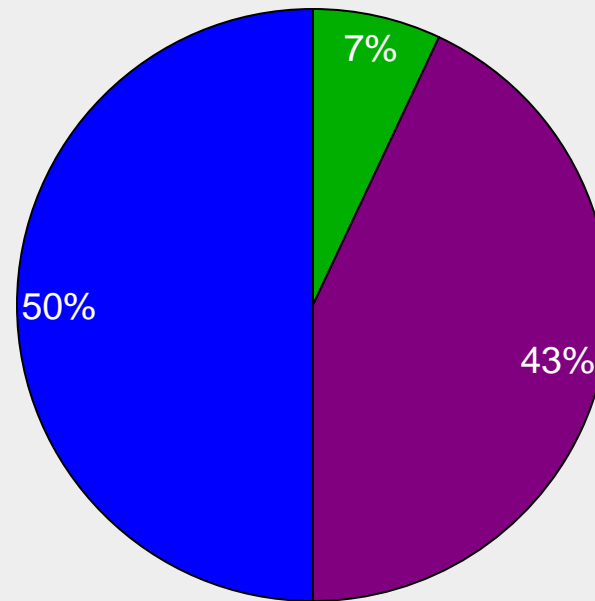
Are announced sheet price increases sticking, and why or why not?

Yes No Partially

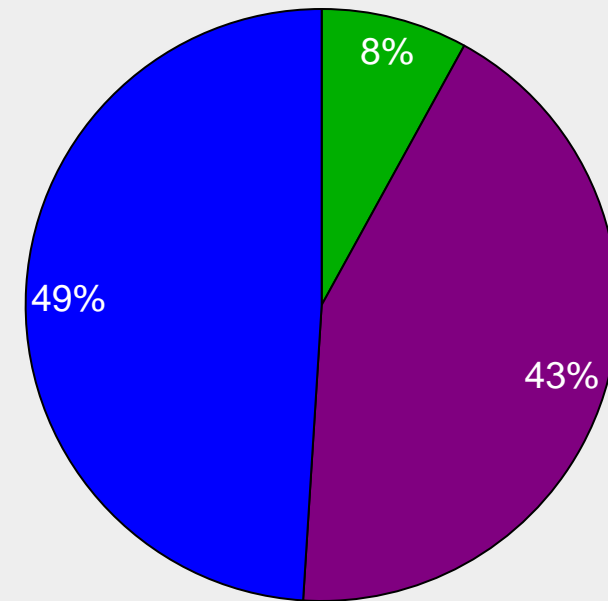
August 18, 2022



September 1, 2022



September 15, 2022

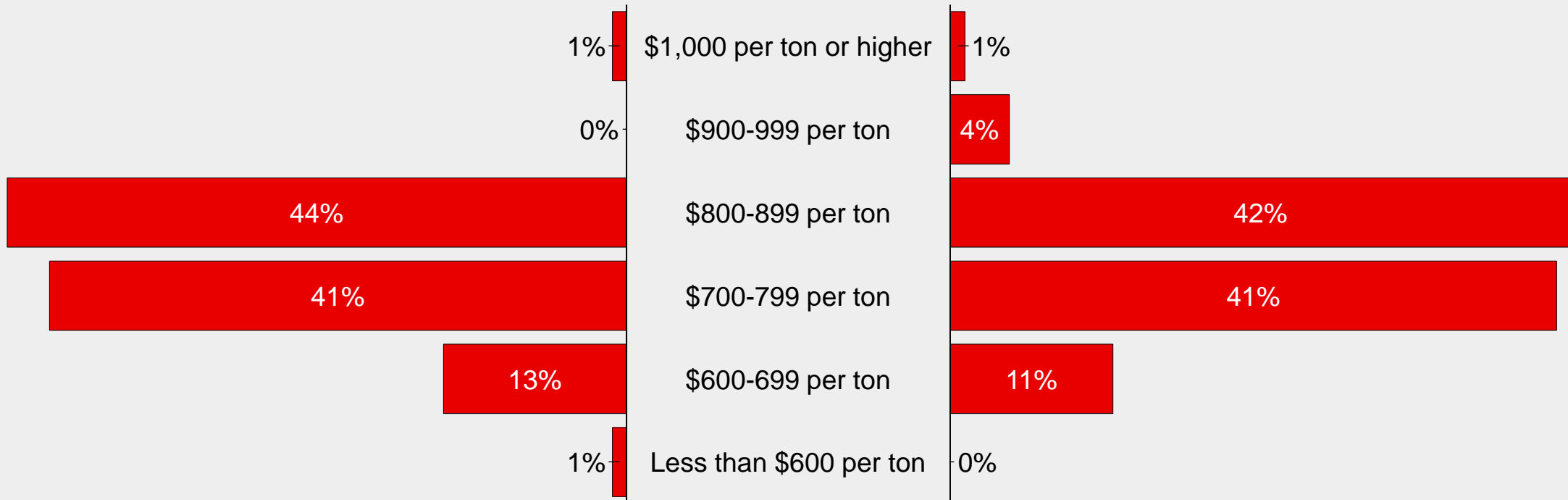


# Future HRC Prices

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

September 1, 2022

September 15, 2022

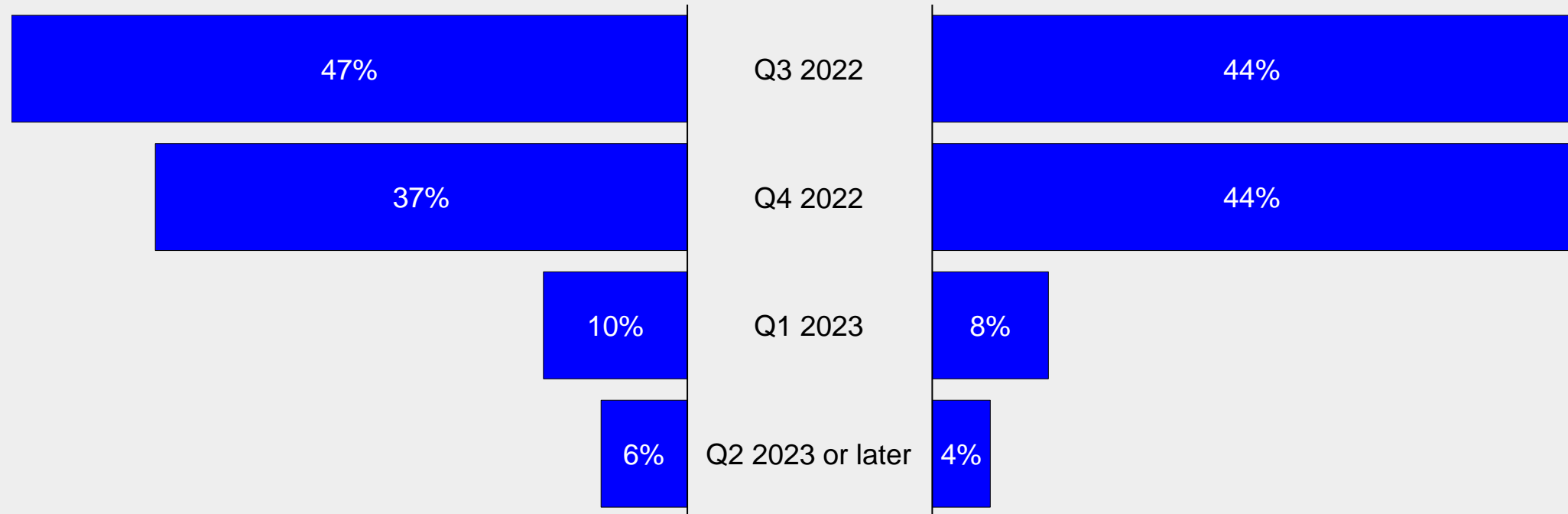


# HRC Price Inflection Point

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

September 1, 2022

September 15, 2022

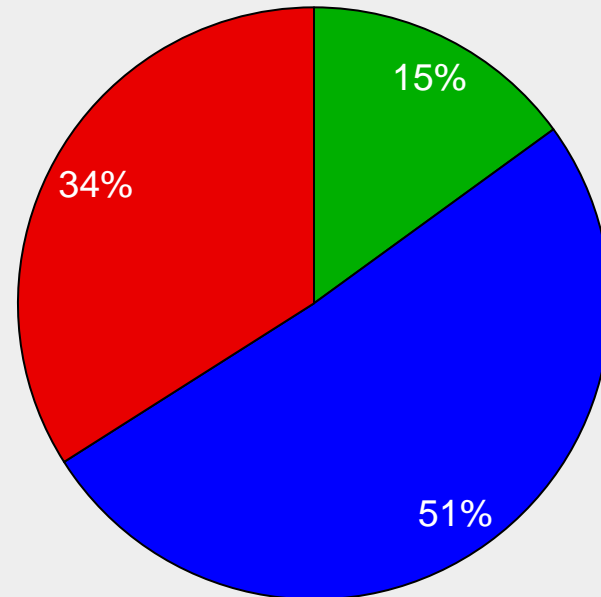




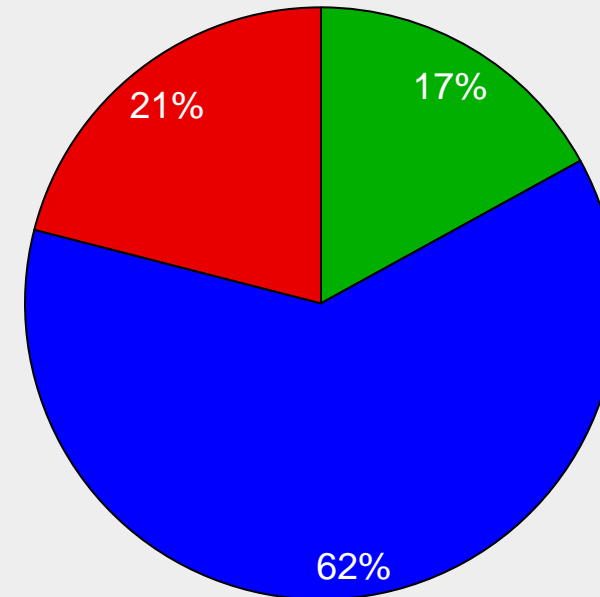
How did your company perform last month compared to your forecast?

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

August 4, 2022 – For July



September 15, 2022 – For August

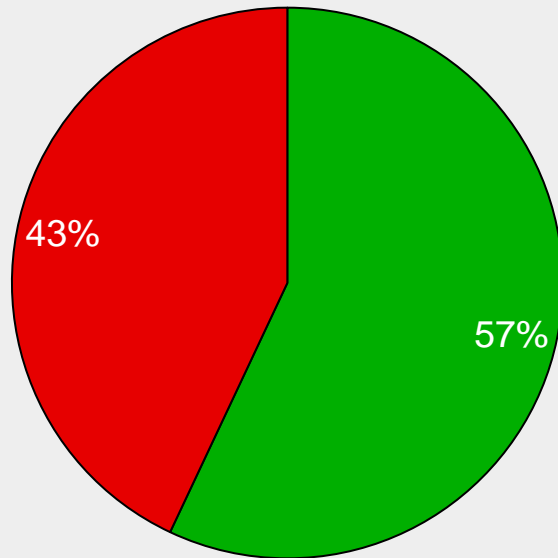


# Future Prospects

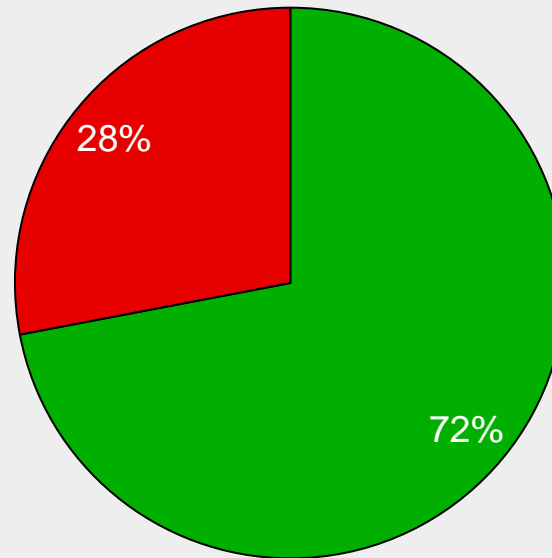
Would you describe yourself as optimistic or pessimistic about your prospects for the remainder of 2022?

Optimistic Pessimistic

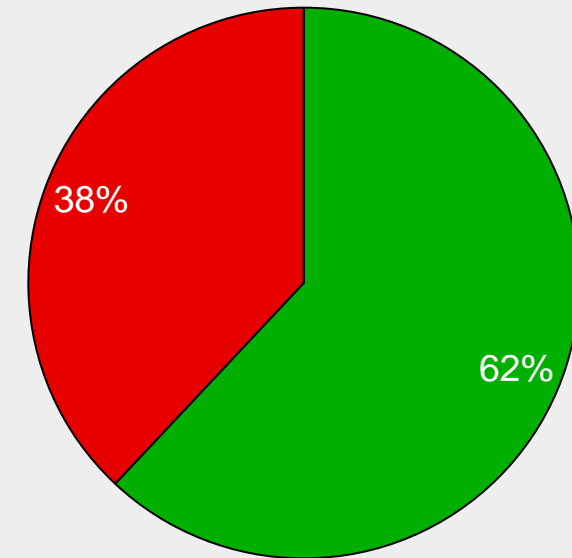
August 18, 2022



September 1, 2022



September 15, 2022

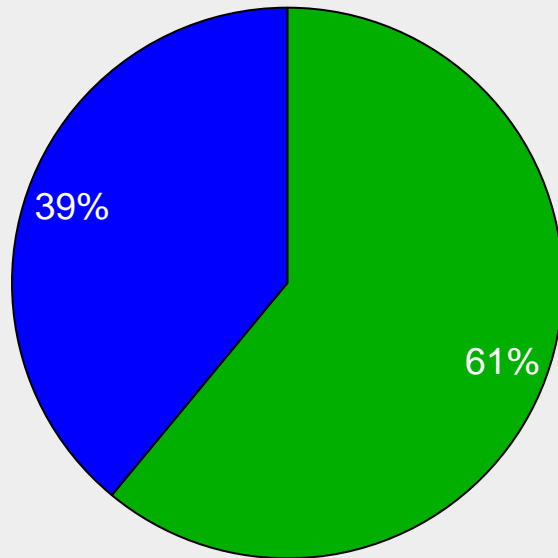


# Staying on the Sidelines?

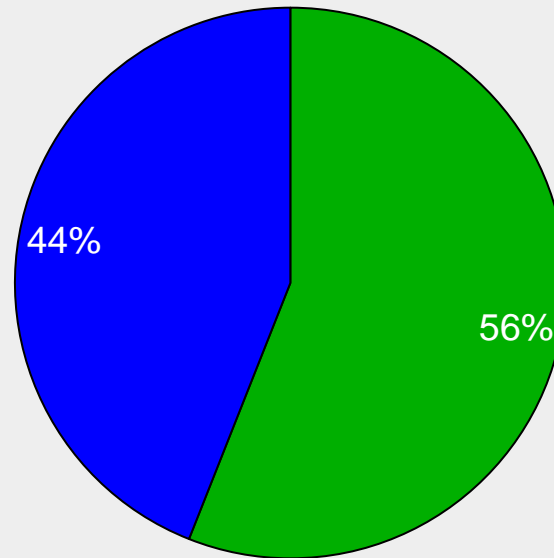
Are you an active buyer or staying on the sidelines?

■ Active buyer ■ On the sidelines

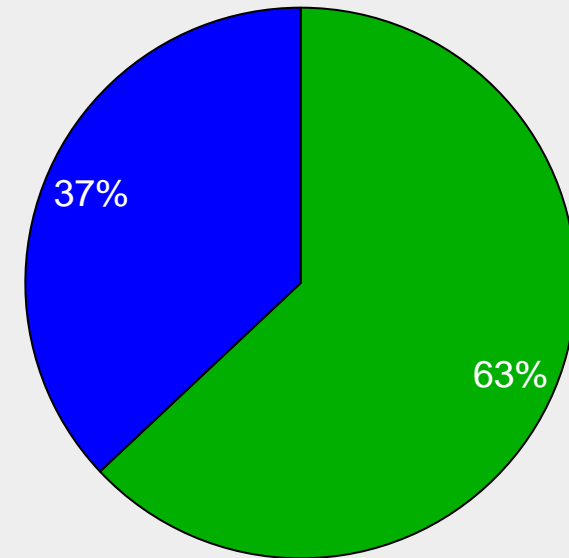
August 18, 2022



September 1, 2022

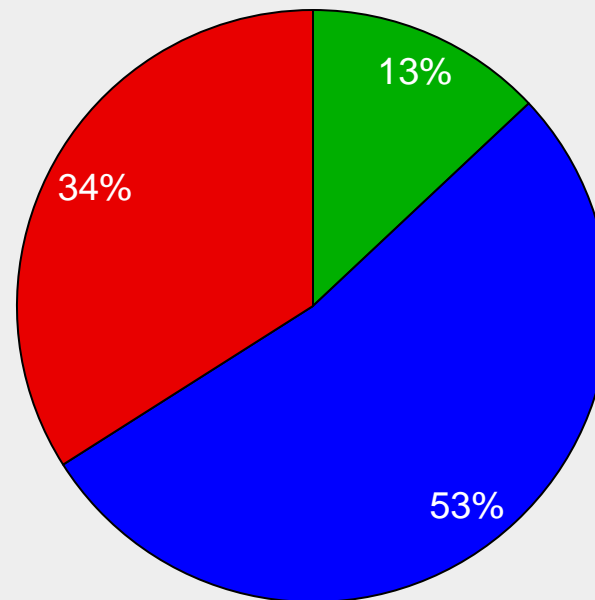


September 15, 2022



How are you seeing demand for your products?

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

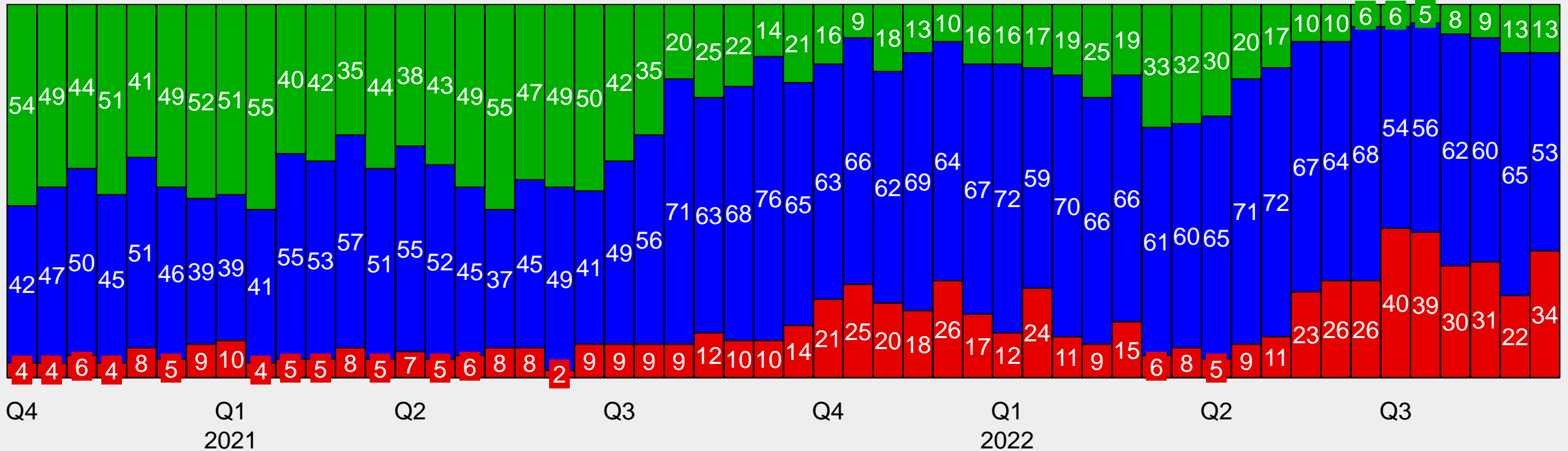


# Overall Demand History

How are you seeing demand for your products?

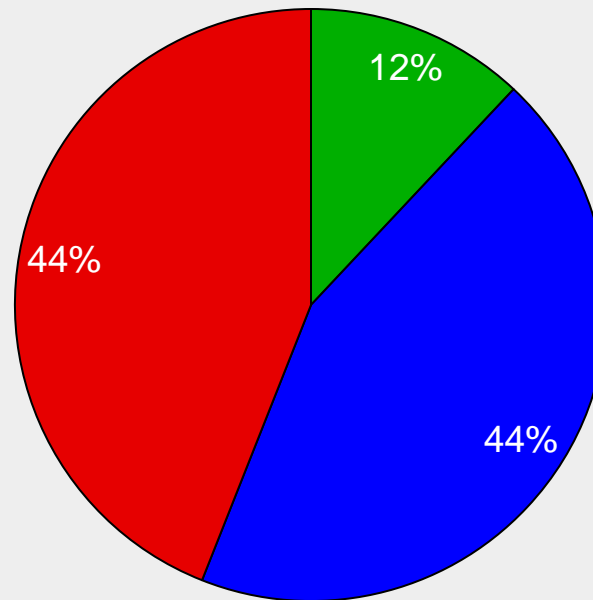
- Demand is improving
- Demand is stable
- Demand is declining

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

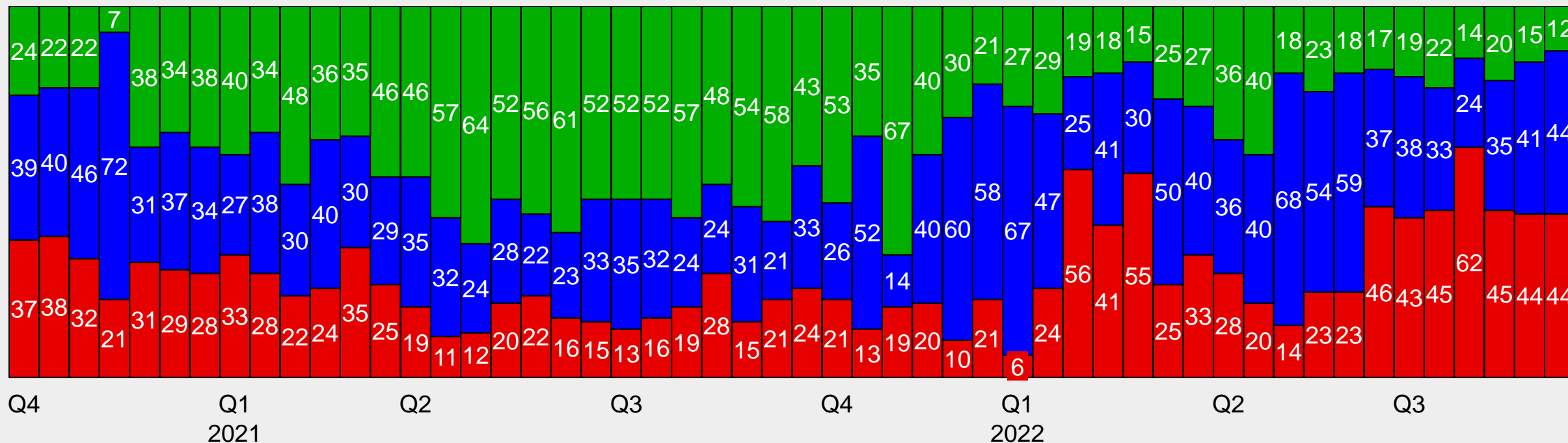


# History of Manufacturer Purchases

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

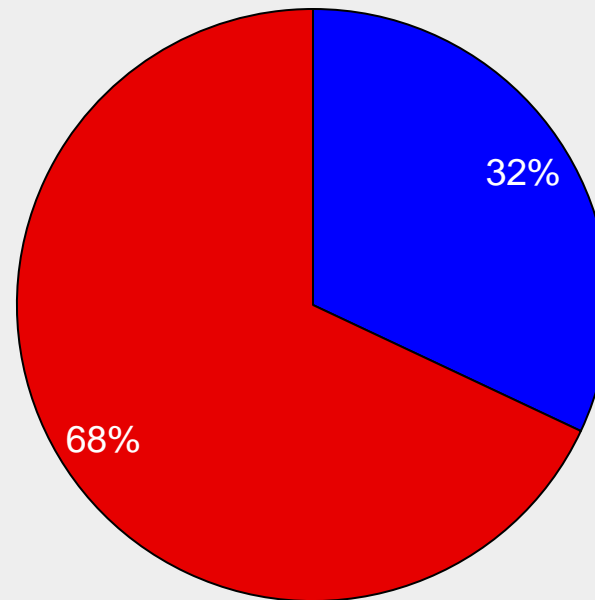
- Buying more steel
- Buying the same amount of steel
- Buying less steel

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



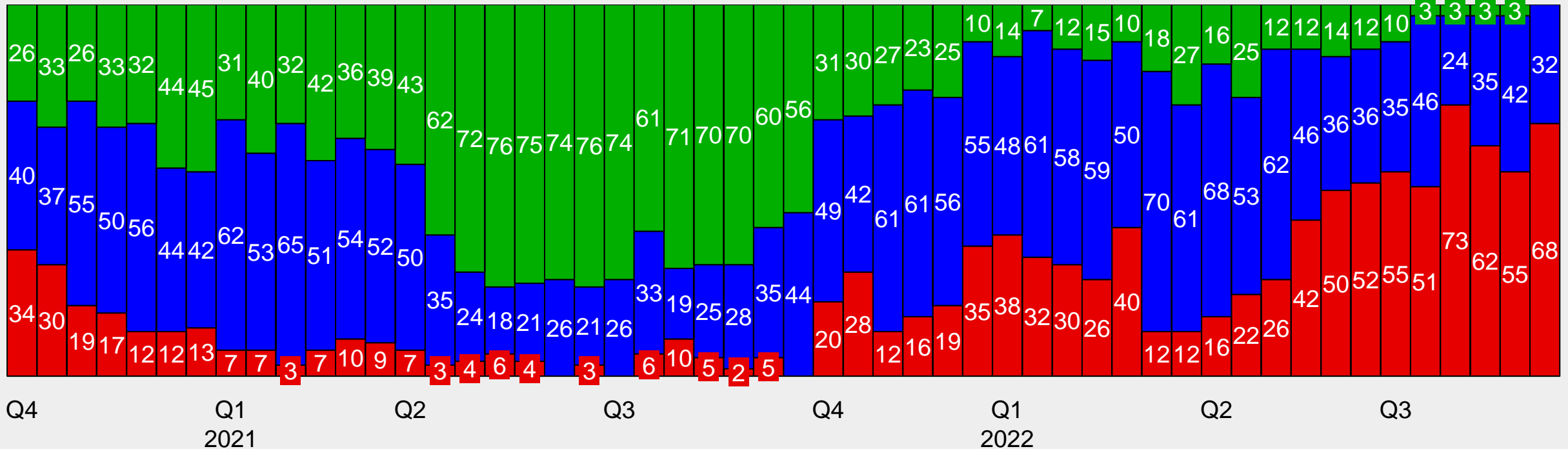


# Service Center Release History

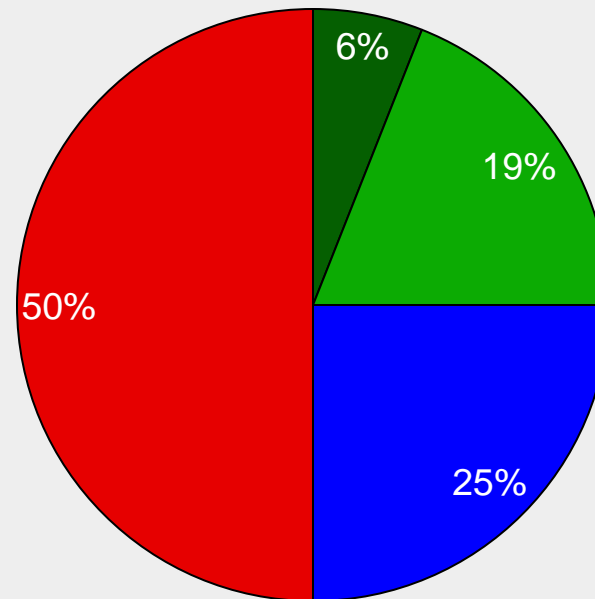
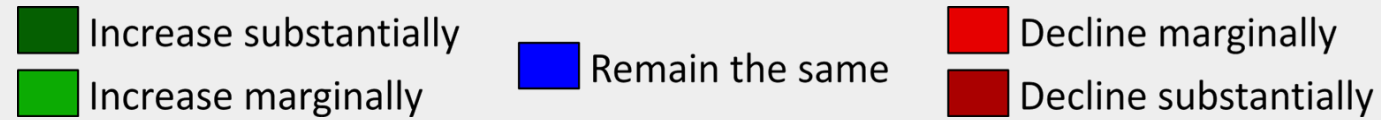
**Service Centers-** How do you see your customers releases (demand) for the products your company provides compared to one year ago?

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

out of 100%

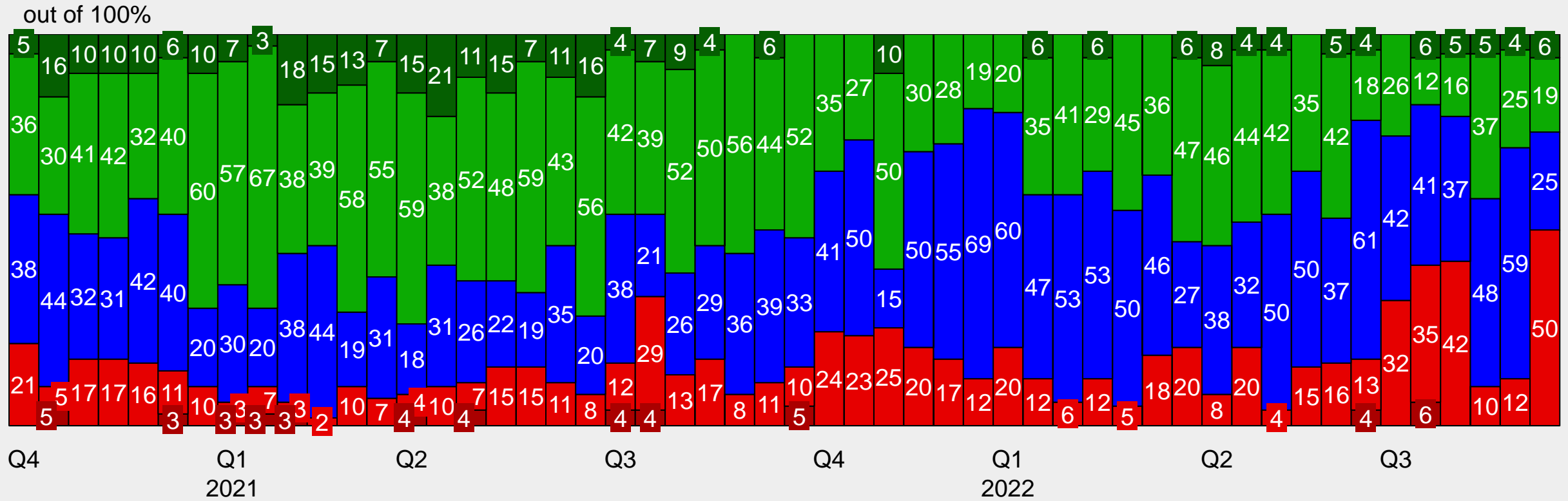
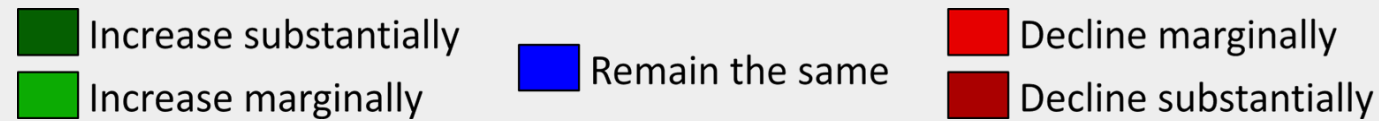


**Manufacturers-** Demand for your products will \_\_\_\_\_  
over the next 3 months based on current order flows.



# Manufacturer Demand History

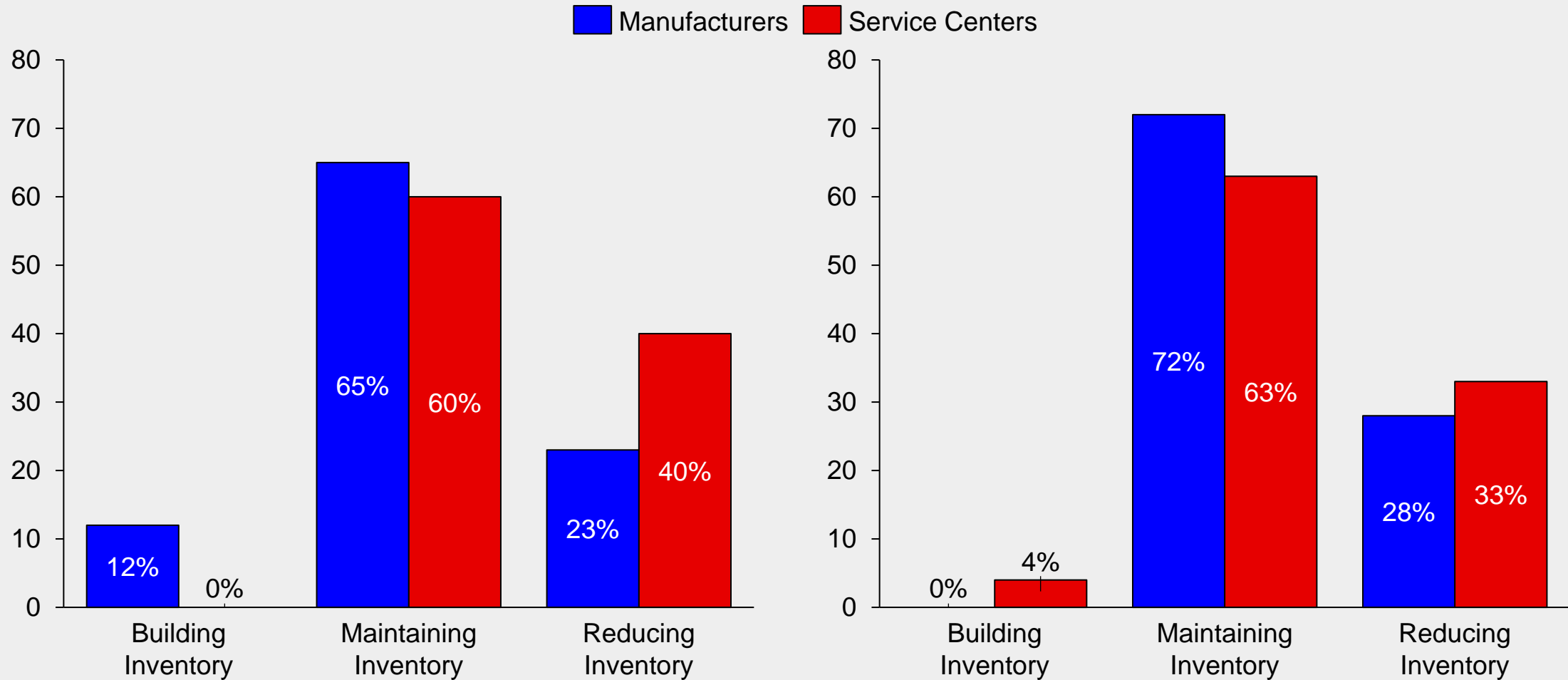
**Manufacturers-** Demand for your products will \_\_\_\_\_  
over the next 3 months based on current order flows.



# Manufacturer and Service Center Inventory Buying Patterns

September 1, 2022

September 15, 2022

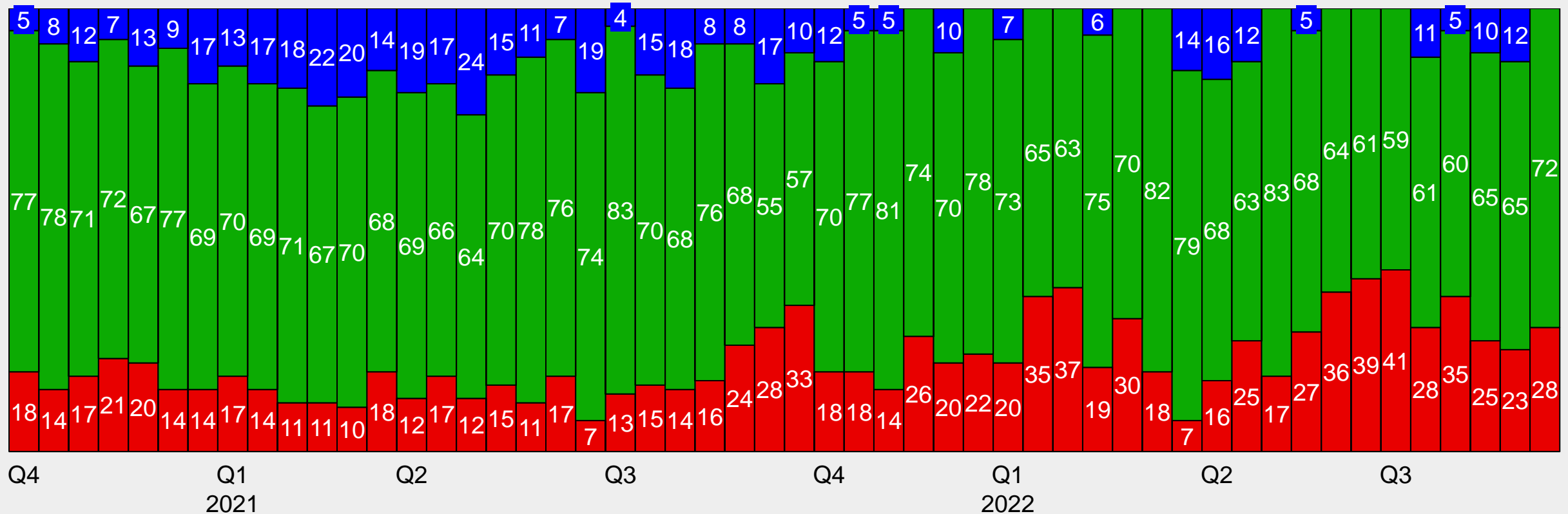


# Manufacturer Inventory Buying History

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

■ Building Inventory 
 ■ Maintaining Inventory 
 ■ Reducing Inventory

out of 100%

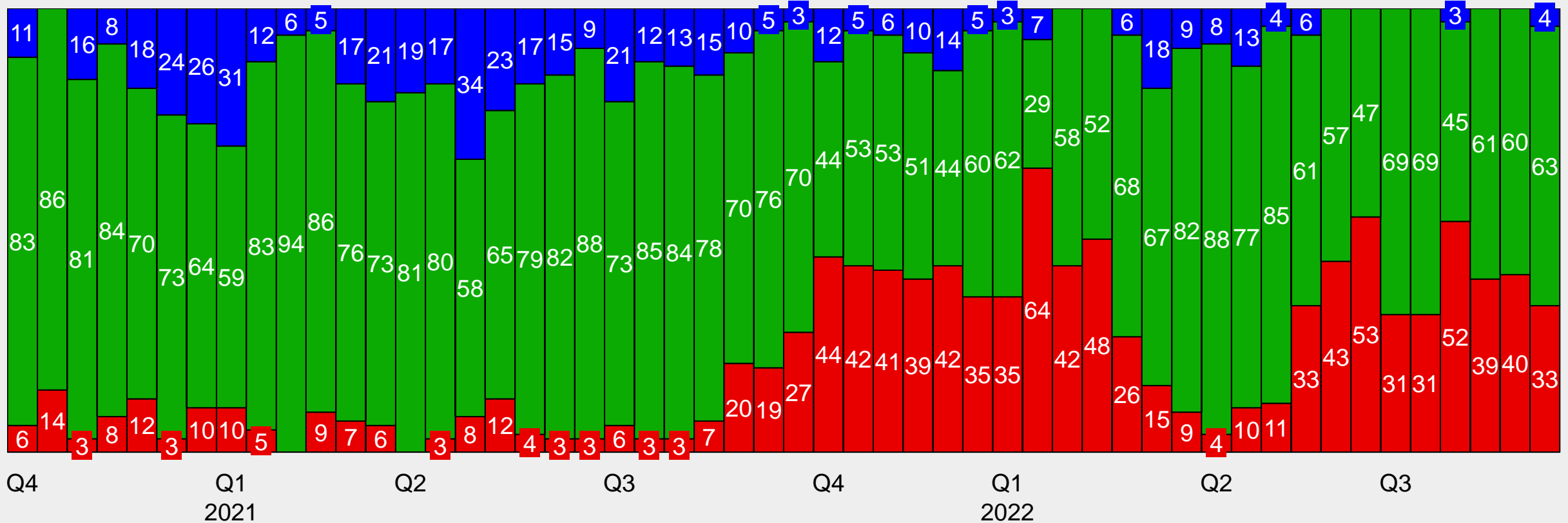


# Service Center Inventory Buying History

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

■ Building Inventory 
 ■ Maintaining Inventory 
 ■ Reducing Inventory

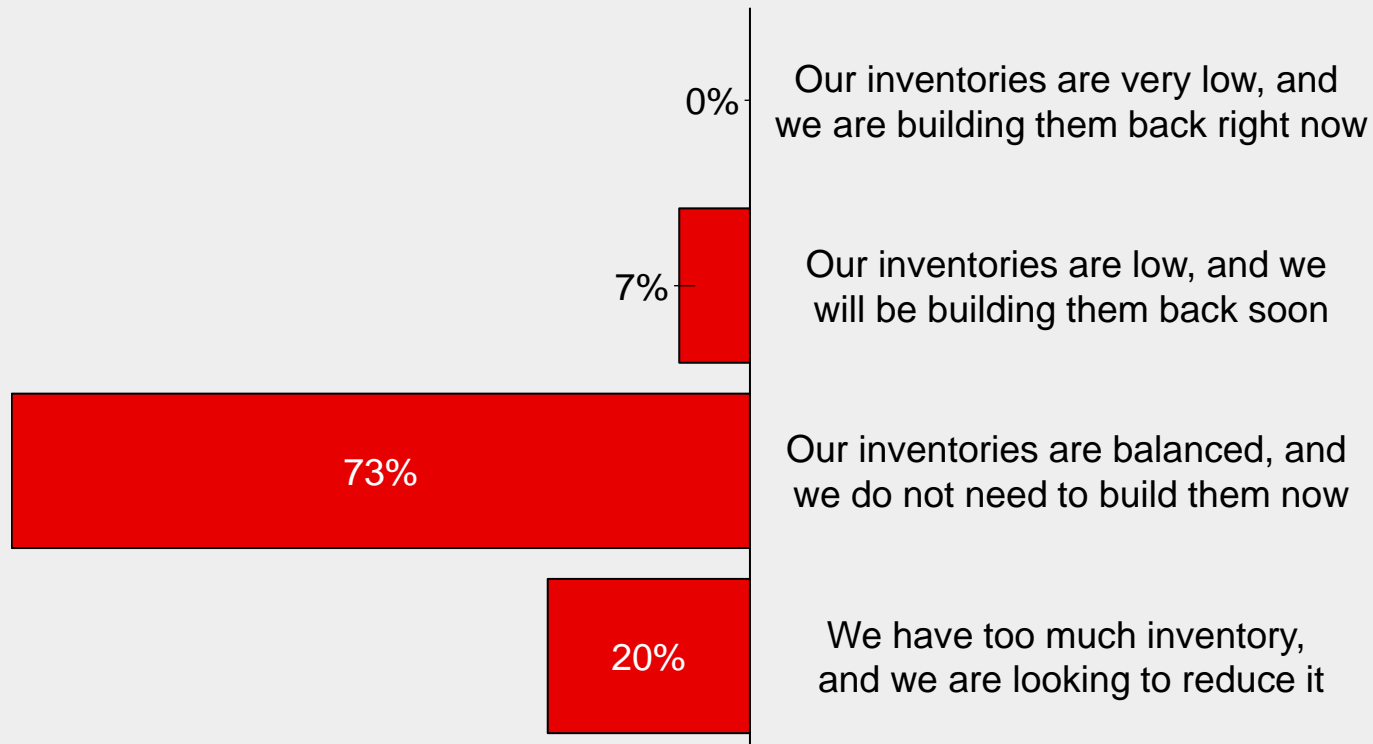
out of 100%



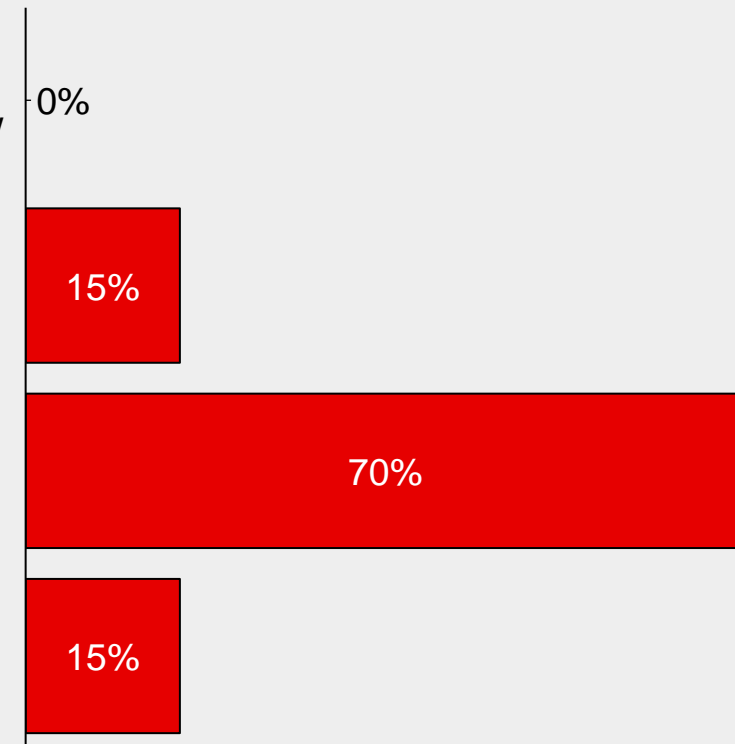
# Service Center Inventories

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

September 1, 2022

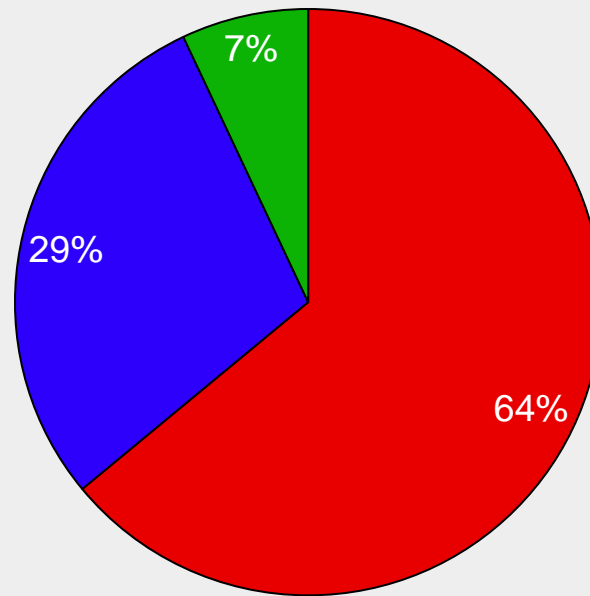


September 15, 2022



**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



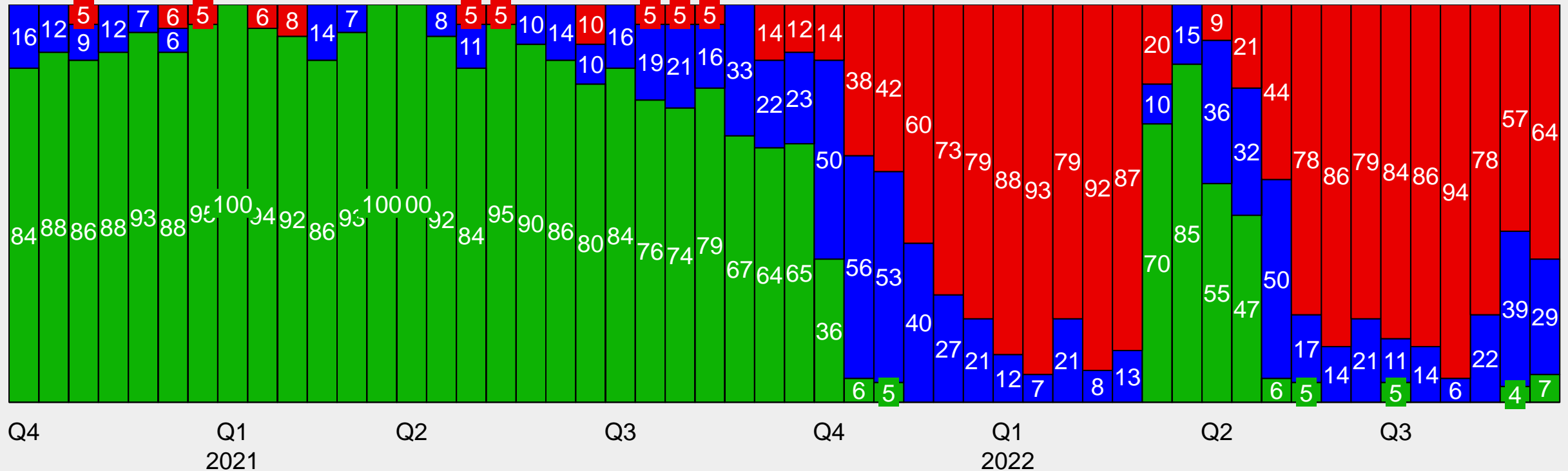


# Manufacturer's View of Service Center Selling Prices History

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

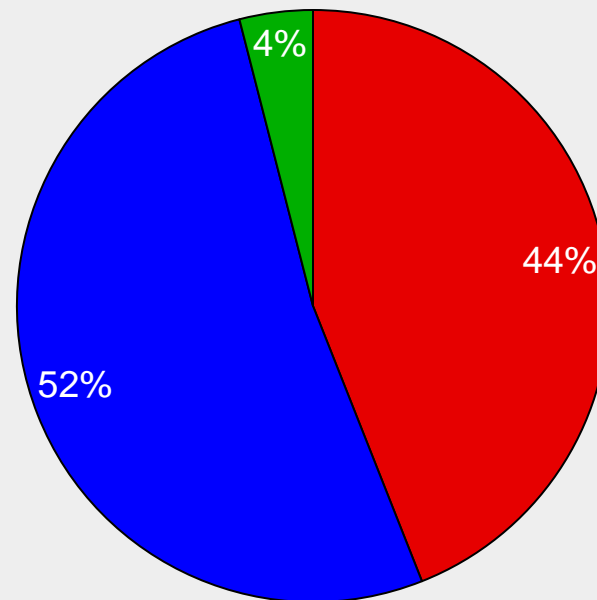
- We see prices decreasing from our service centers
- We see stable prices from our service centers
- We see prices increasing from our service centers

out of 100%



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

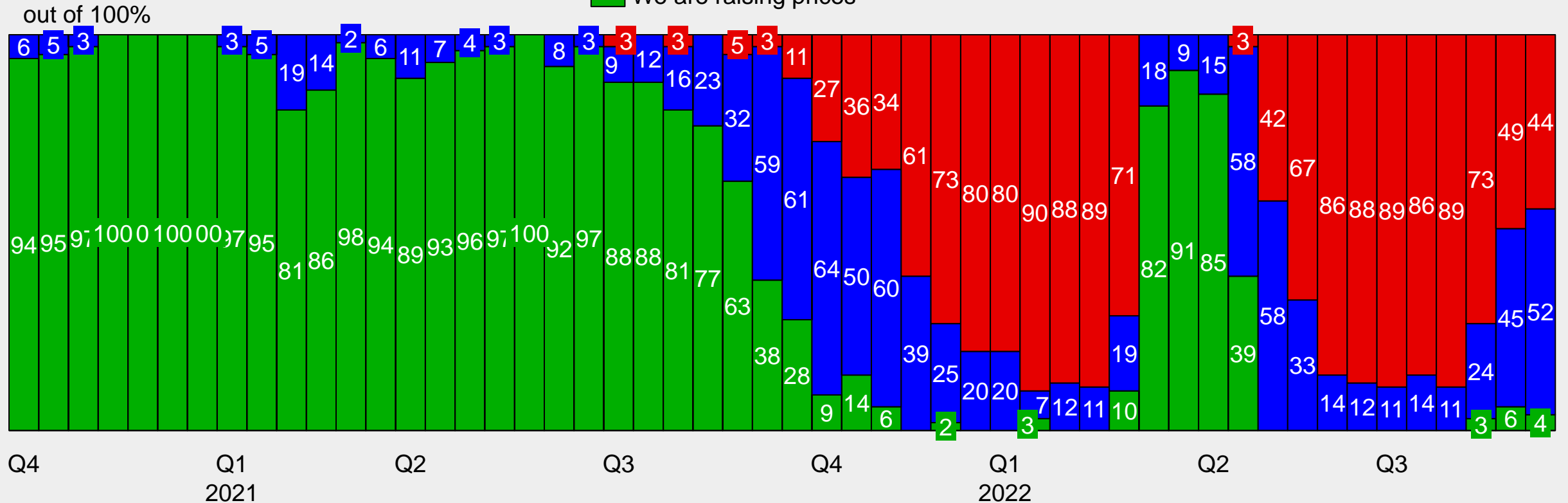
- We are lowering prices
- We are keeping prices the same
- We are raising prices



# 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

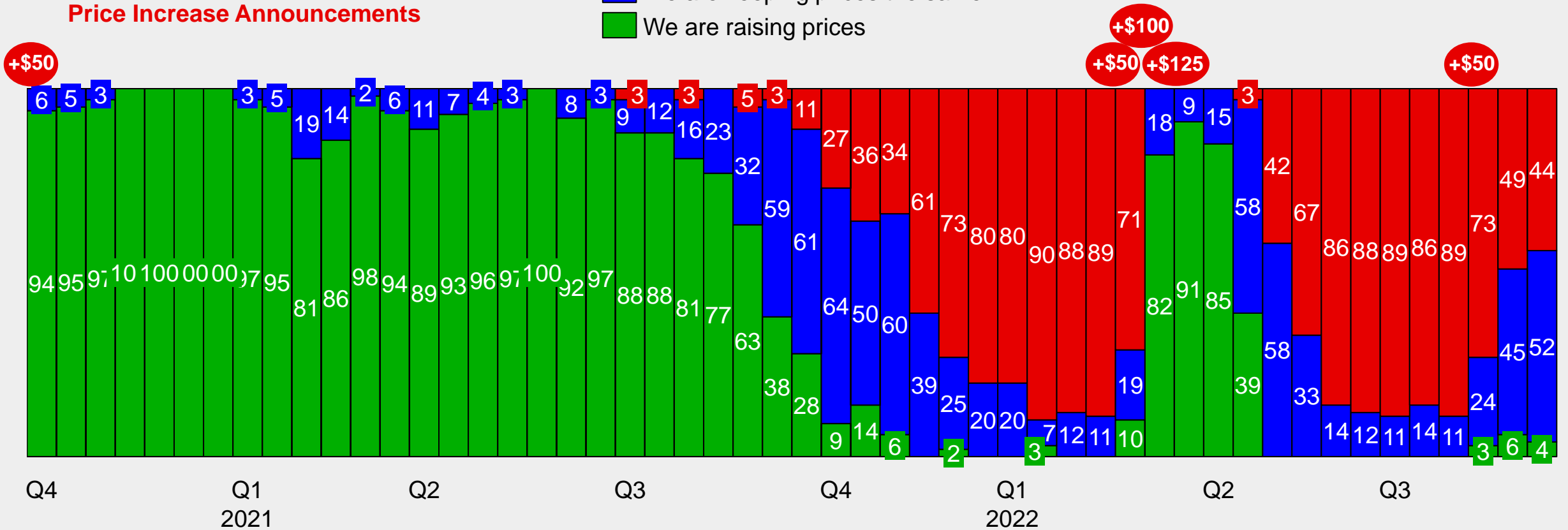


# Service Center View of Selling Prices History

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

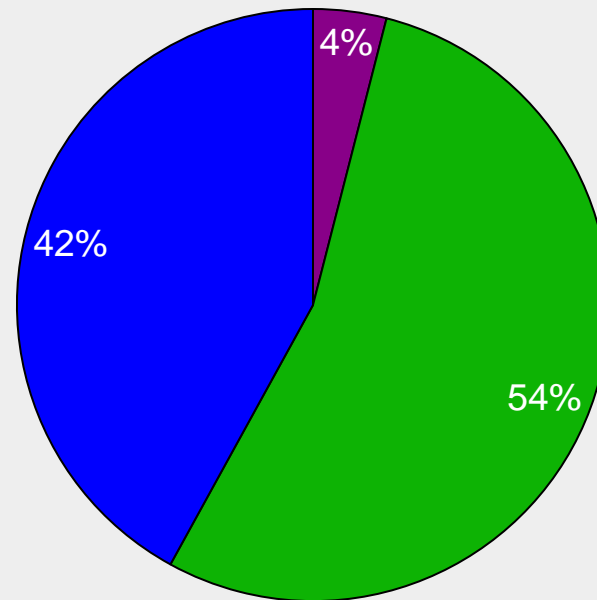
- We are lowering prices
- We are keeping prices the same
- We are raising prices

**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

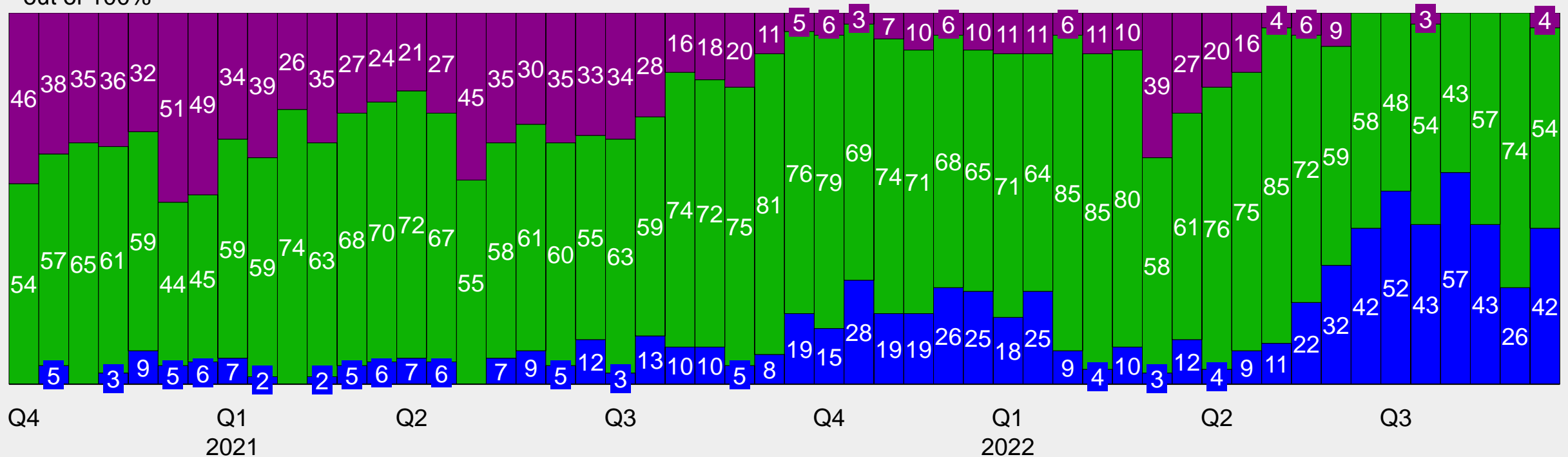


# Service Centers on Manufacturer Orders History

**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%

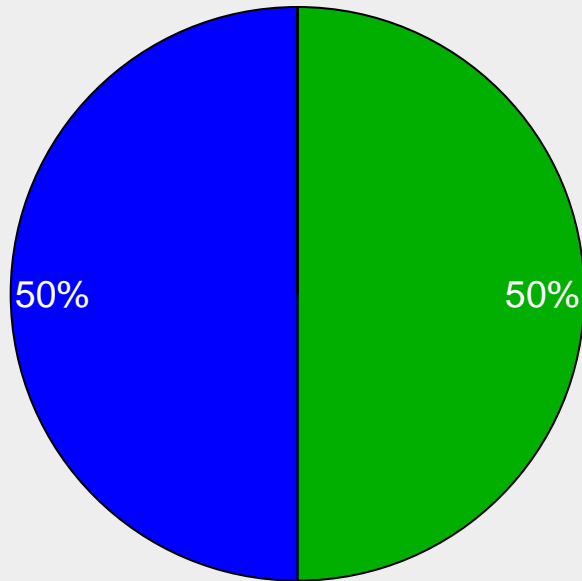


# Mill Lead Times

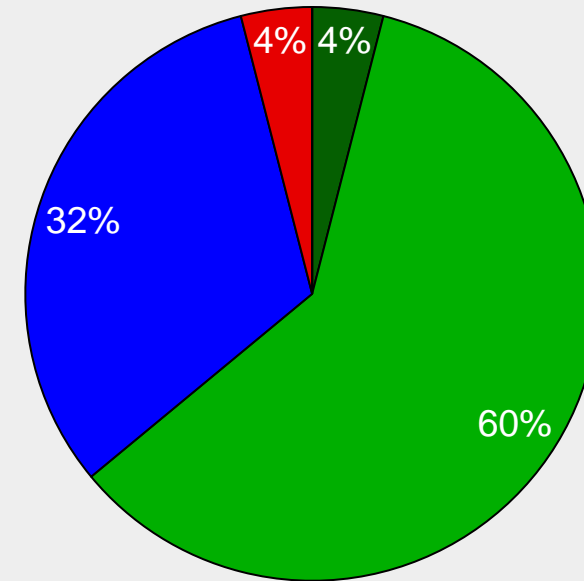
How would you describe domestic mill lead times for new orders placed right now?

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

**Manufacturers**

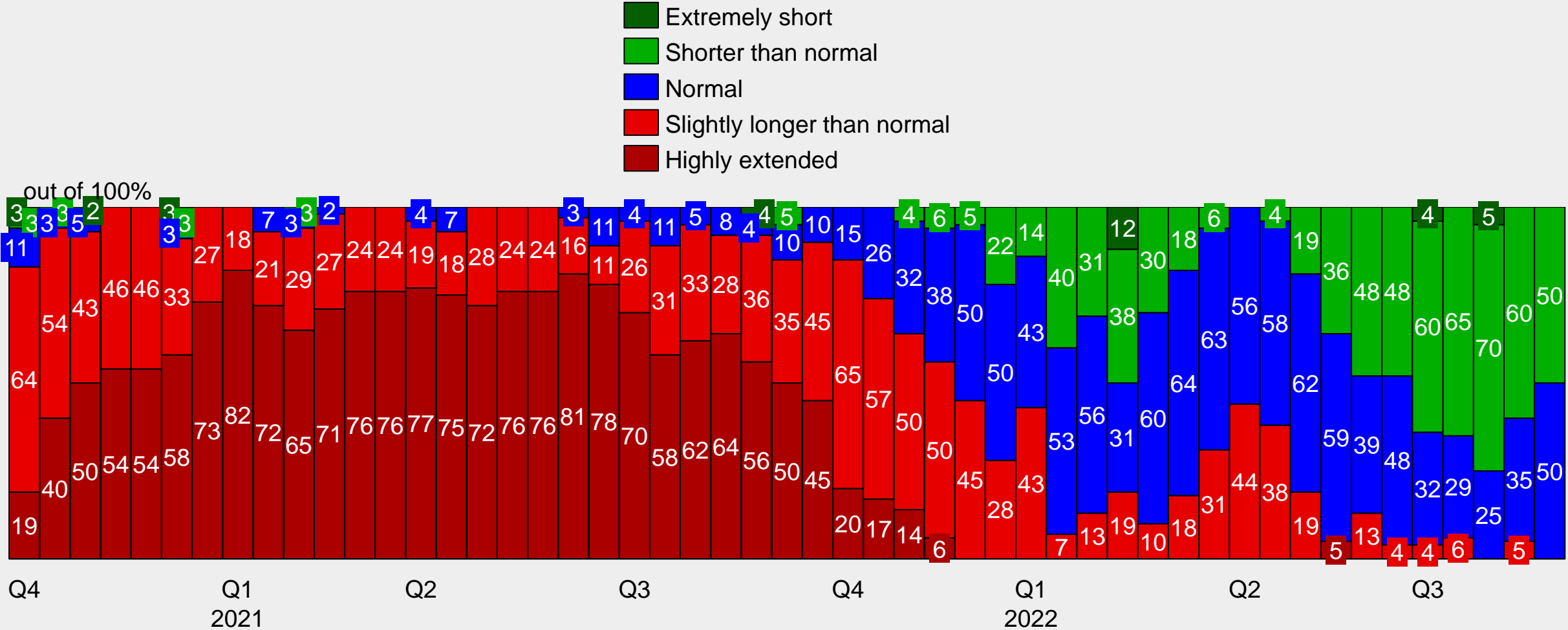


**Service Centers**



# Mill Lead Times History

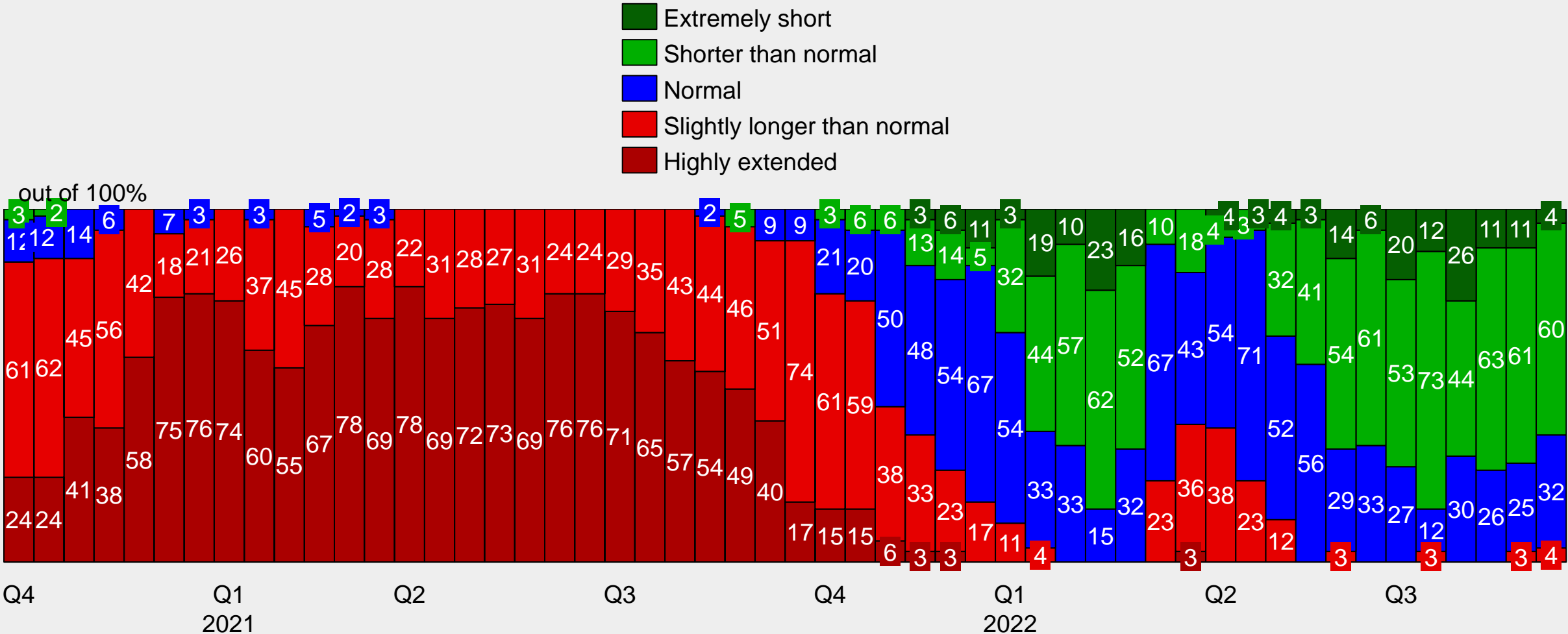
**Manufacturers-** How would you describe domestic mill lead times for new orders placed right now?





# Mill Lead Times History

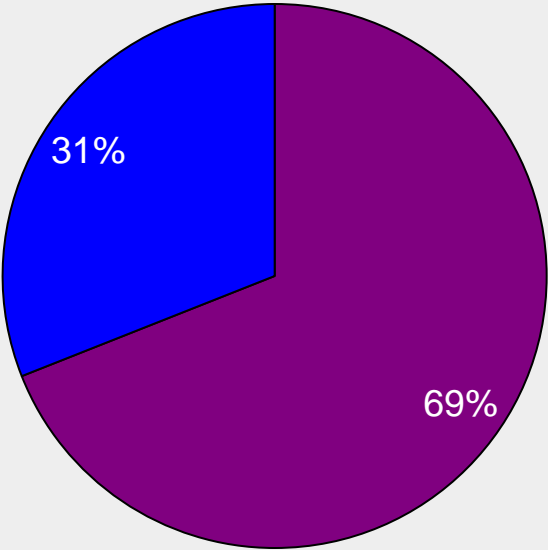
**Service Centers-** How would you describe domestic mill lead times for new orders placed right now?



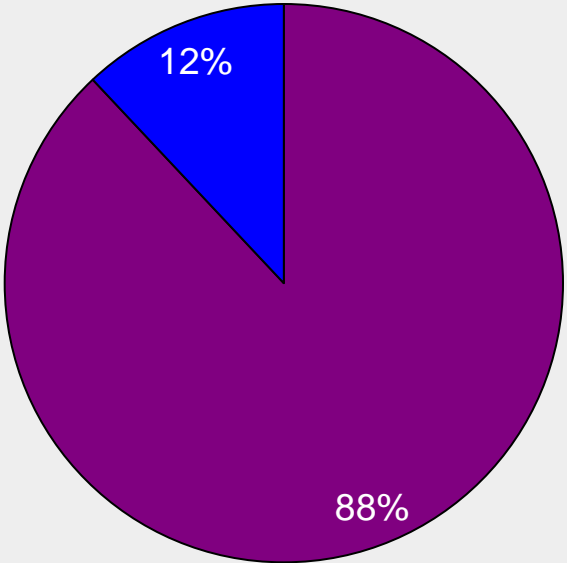
Does your company buy foreign steel?

Yes No

**Manufacturers**



**Service Centers**

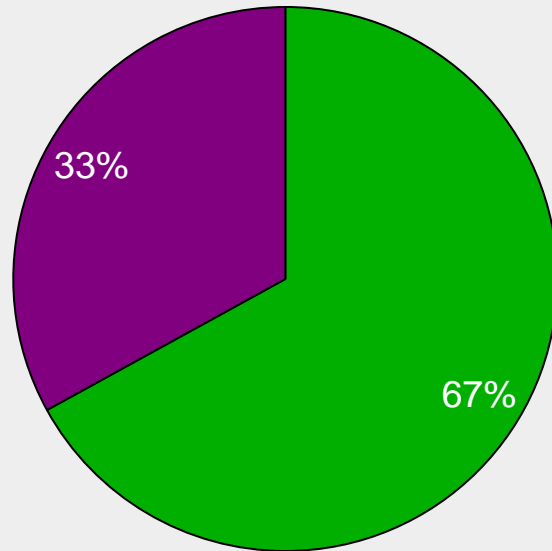


# Foreign Steel Competitive?

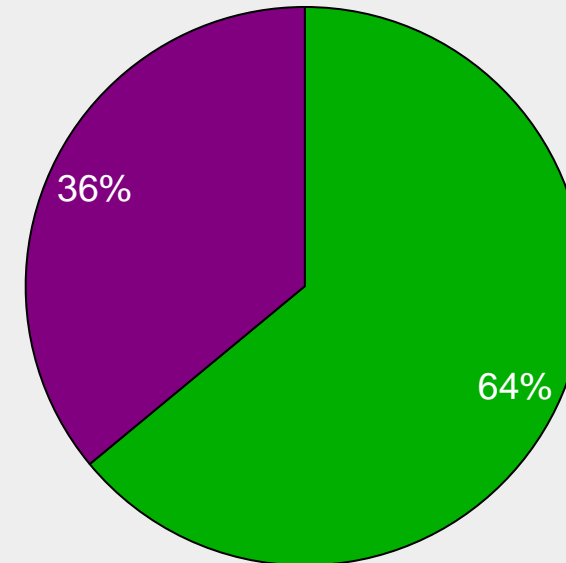
Are your foreign steel suppliers quoting you competitive prices for new orders for future delivery?

Yes No

## Manufacturers



## Service Centers

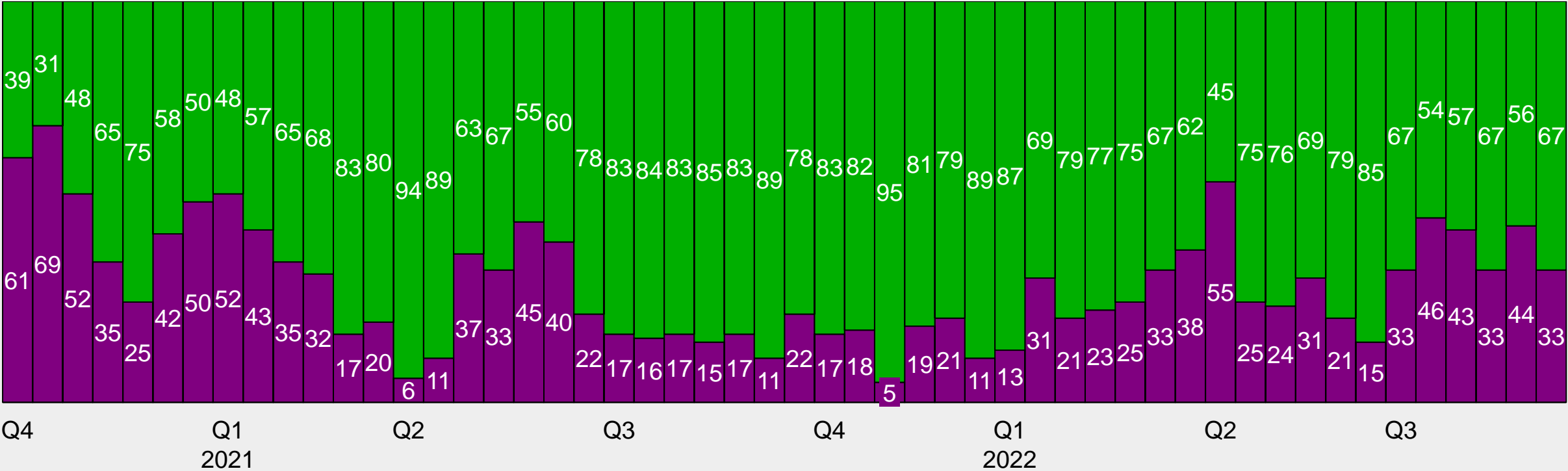


# Foreign Steel Competitiveness History

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

Yes No

out of 100%

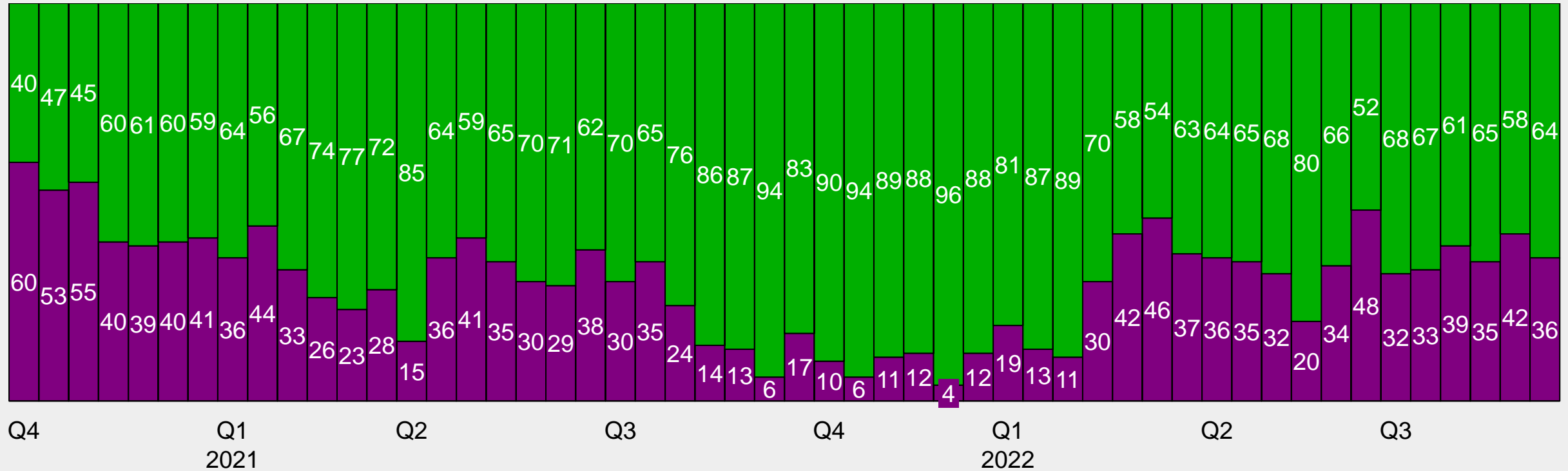


# Foreign Steel Competitiveness History

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

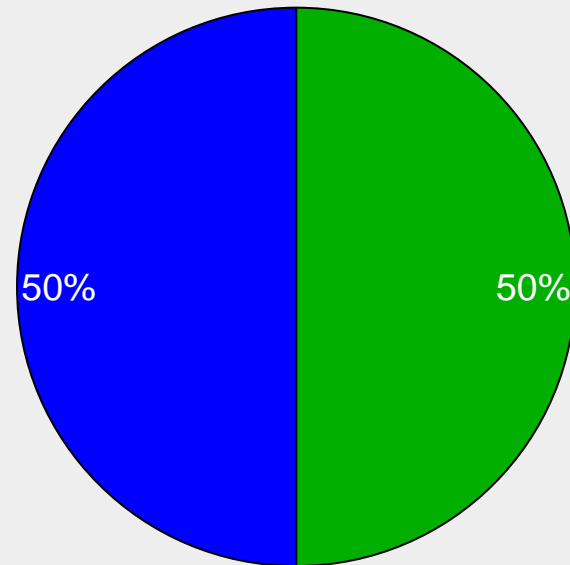
Yes No

out of 100%



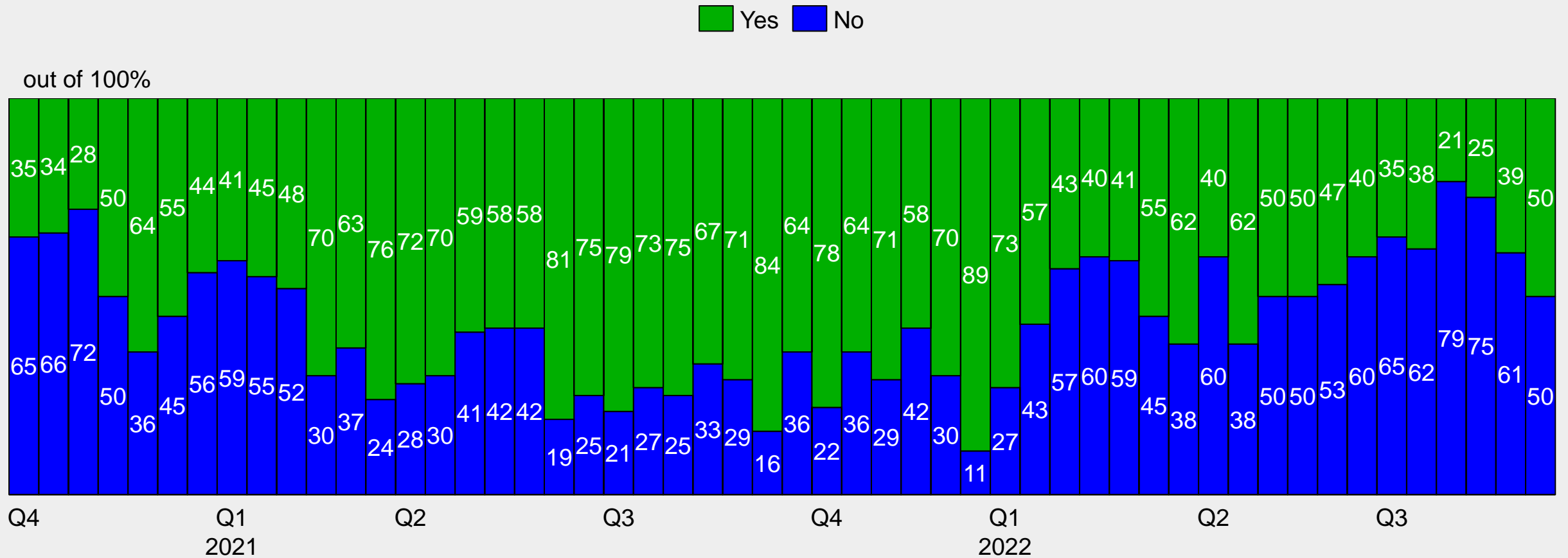
**Manufacturers-** Are you buying new orders of foreign steel for future delivery?

Yes No



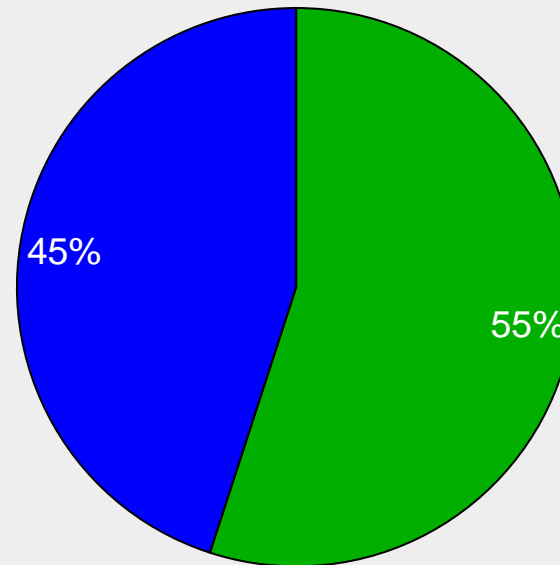
# New Foreign Steel Orders History

**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?

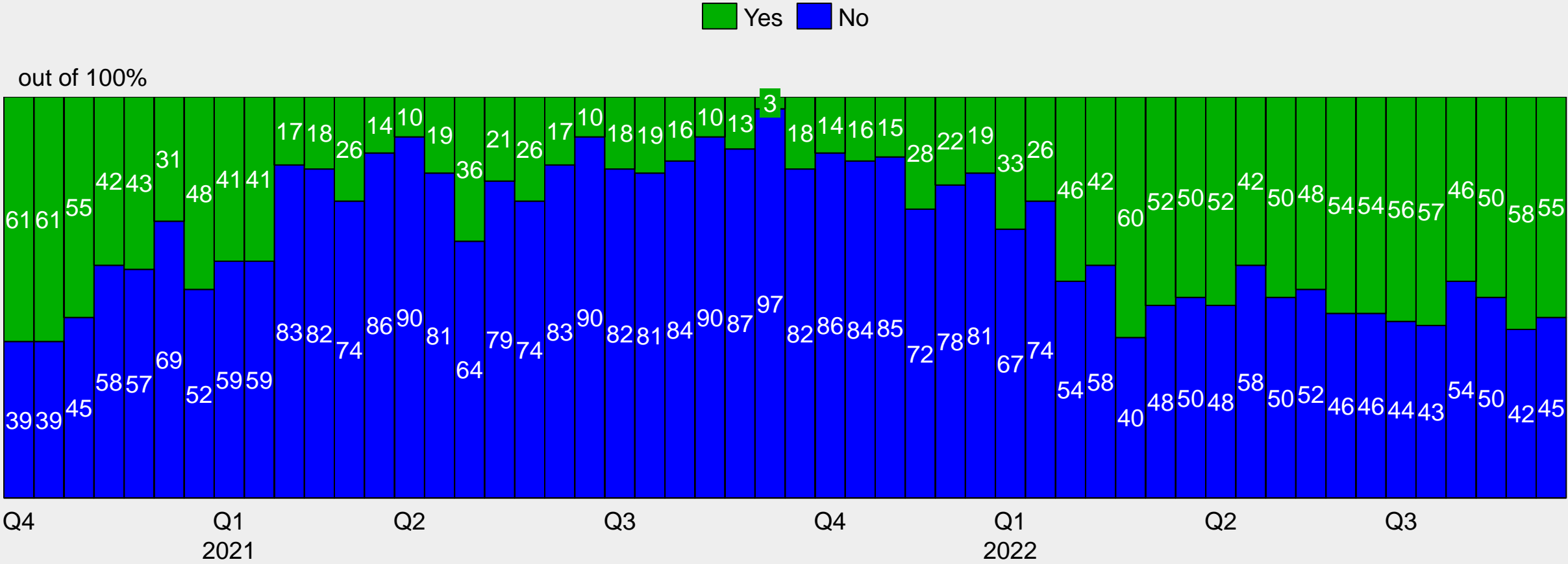
Yes No



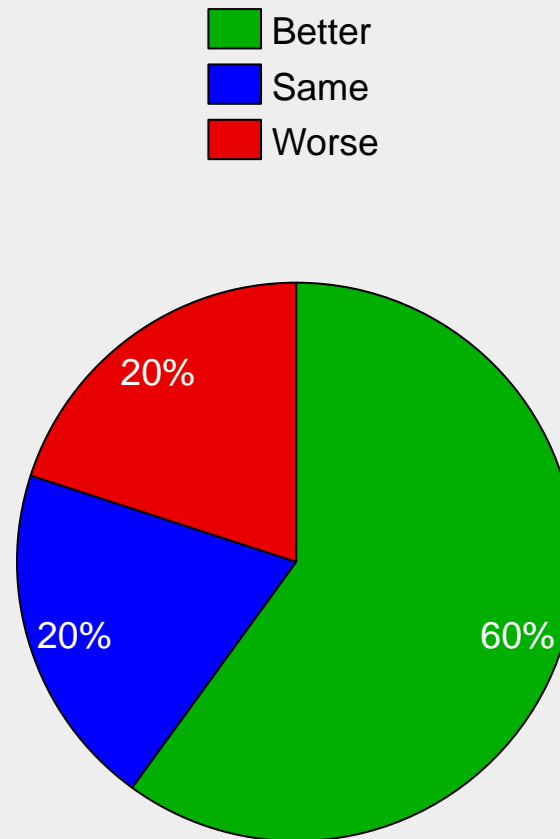


# Foreign Steel Order History

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

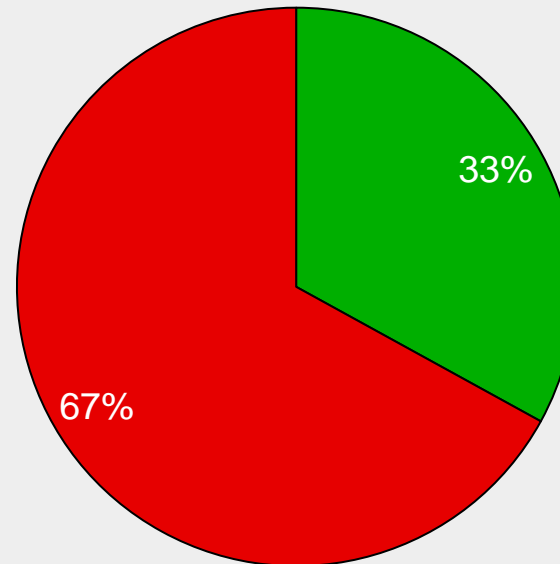


The current order book at your mill is better or worse than last month?



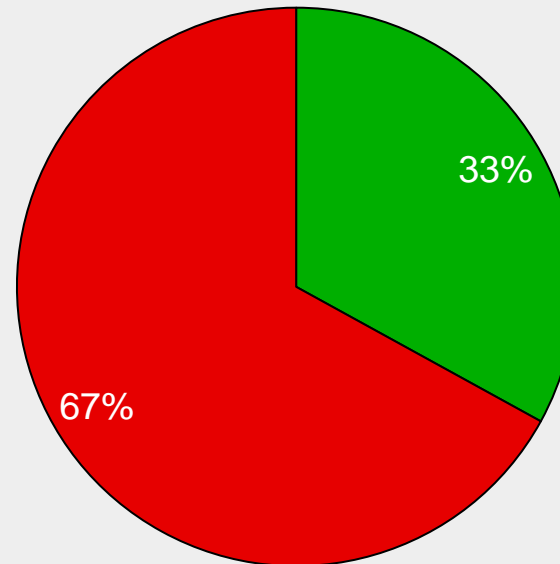
Are you seeing an increase or decrease in orders from your North American buyers?

■ Increase  
■ Decrease



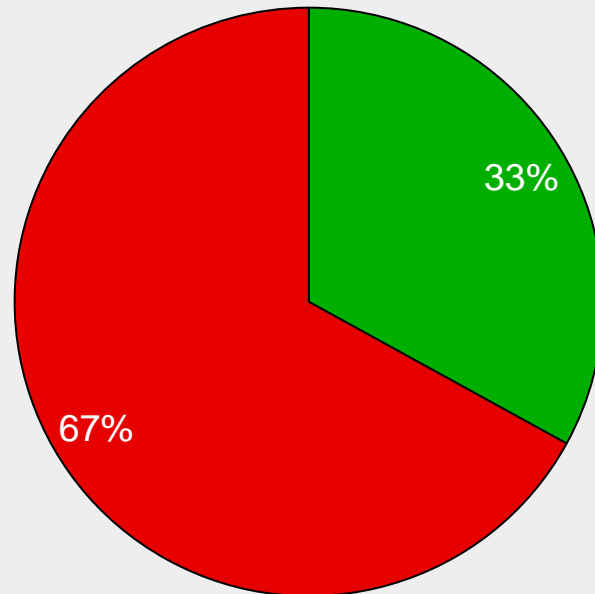
Are foreign products attractive to U.S. buyers?

Yes No



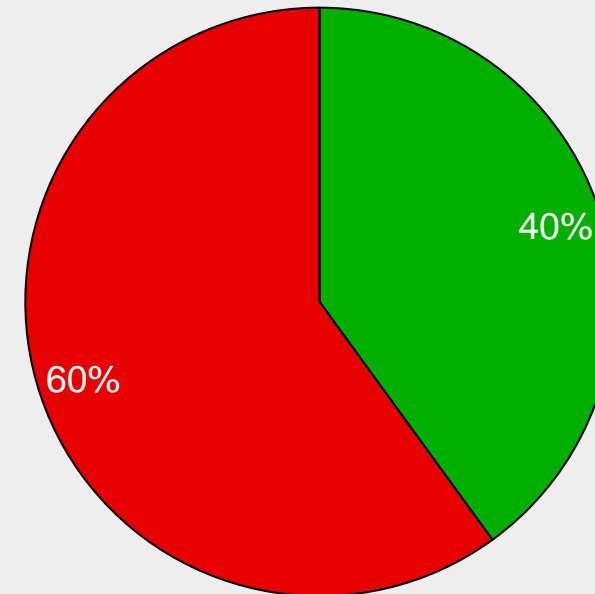
Are you able to offer hot rolled pricing that is attractive to buyers right now?

Yes No



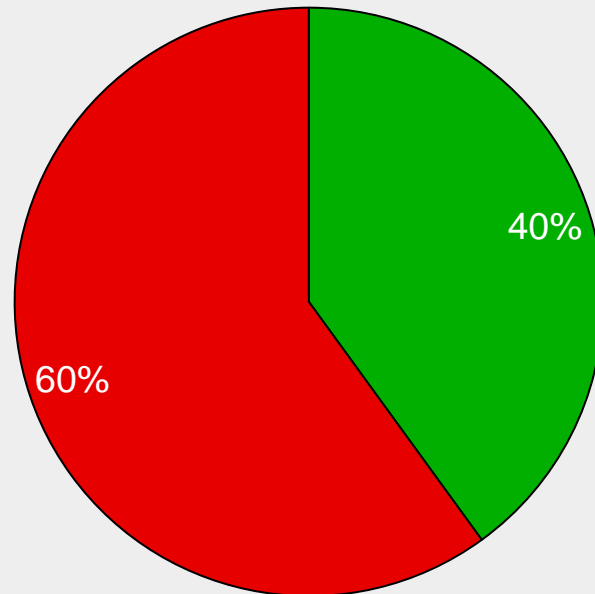
Are you able to offer plate pricing that is attractive to buyers right now?

Yes No



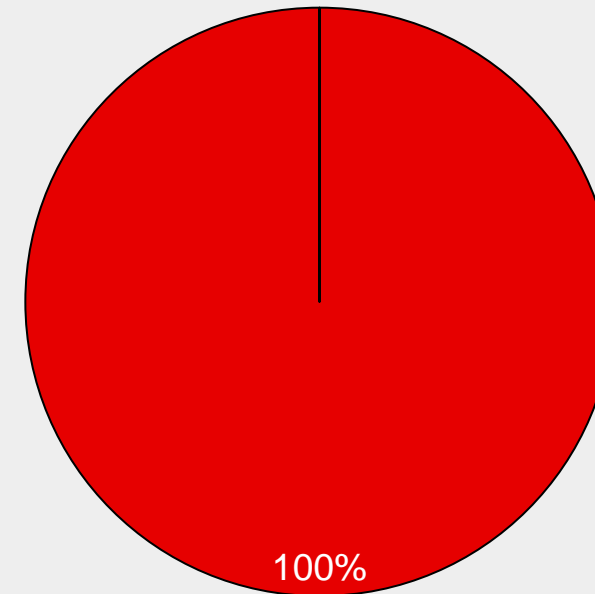
Are your galvanized prices competitive enough right now to get orders (including duties)?

Yes No



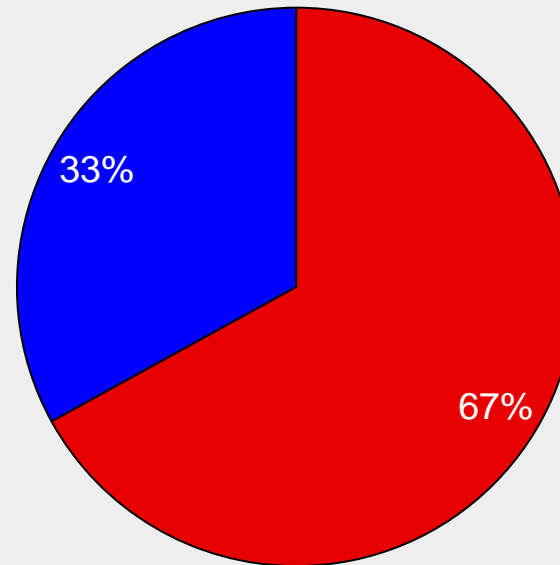
Are your Galvalume prices competitive enough right now to get orders (including duties)?

Yes No



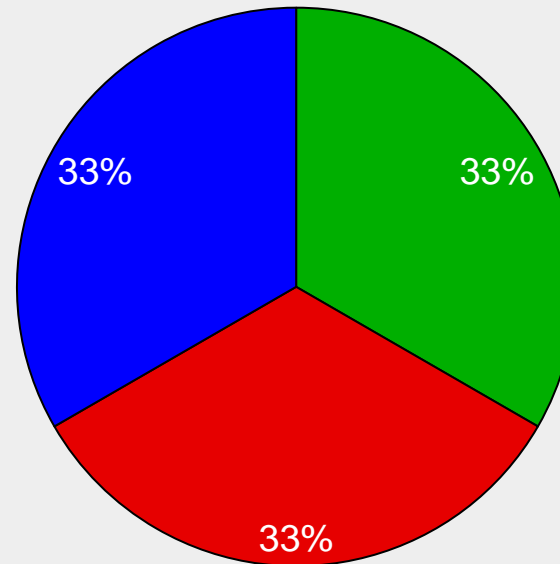
Has your business seen a change in demand this month compared to last month?

- 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?

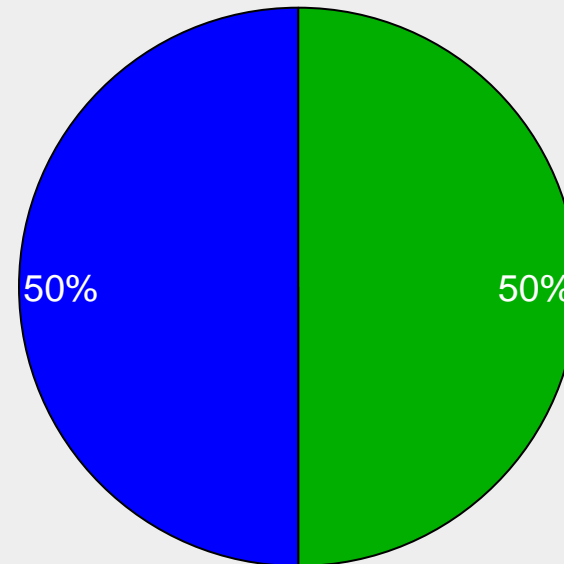
- Improving
- Declining
- Remaining the same





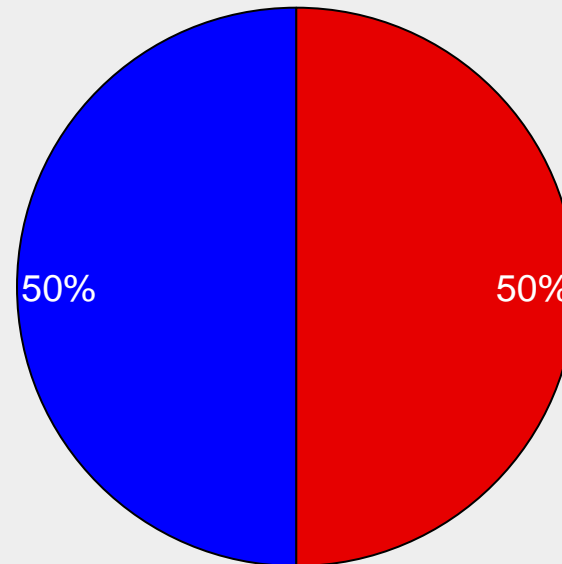
Are you forecasting business levels to be better, worse or the same during this month compared to last month?

- Better
- Worse
- Same



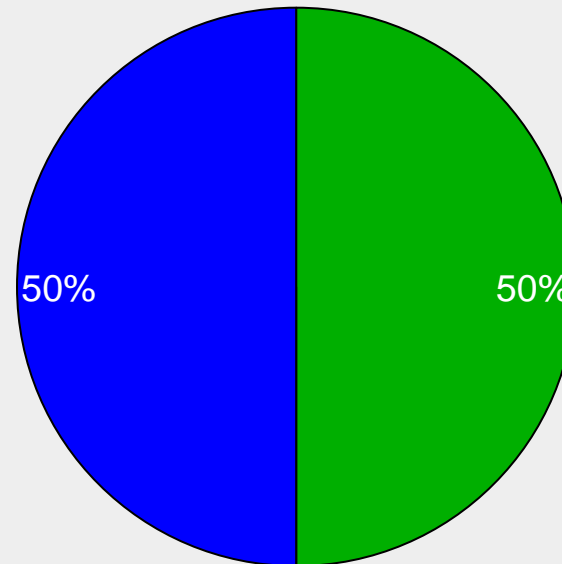
Do you see inventory on your floor beginning to increase, decline or remain the same compared to the one month ago?

- 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.

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**Look for our next survey  
the week of Sept. 26, 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

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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)