

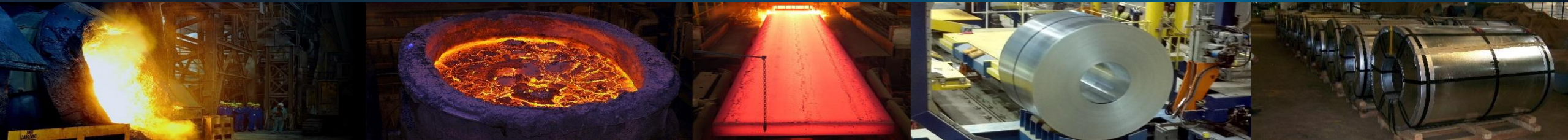


# STEEL MARKET UPDATE

part of the  Group

## SMU Flat Rolled Market Trends Analysis

Responses from our September 26-28, 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**

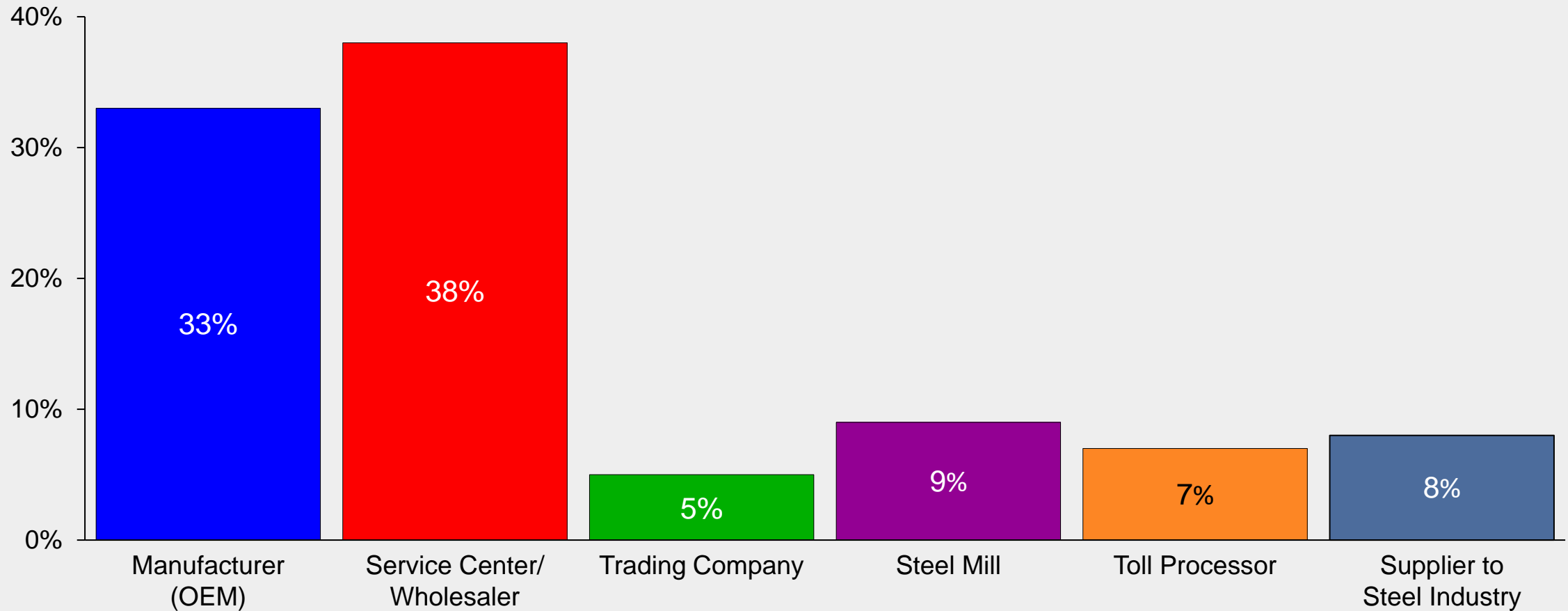
part of the  Group

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

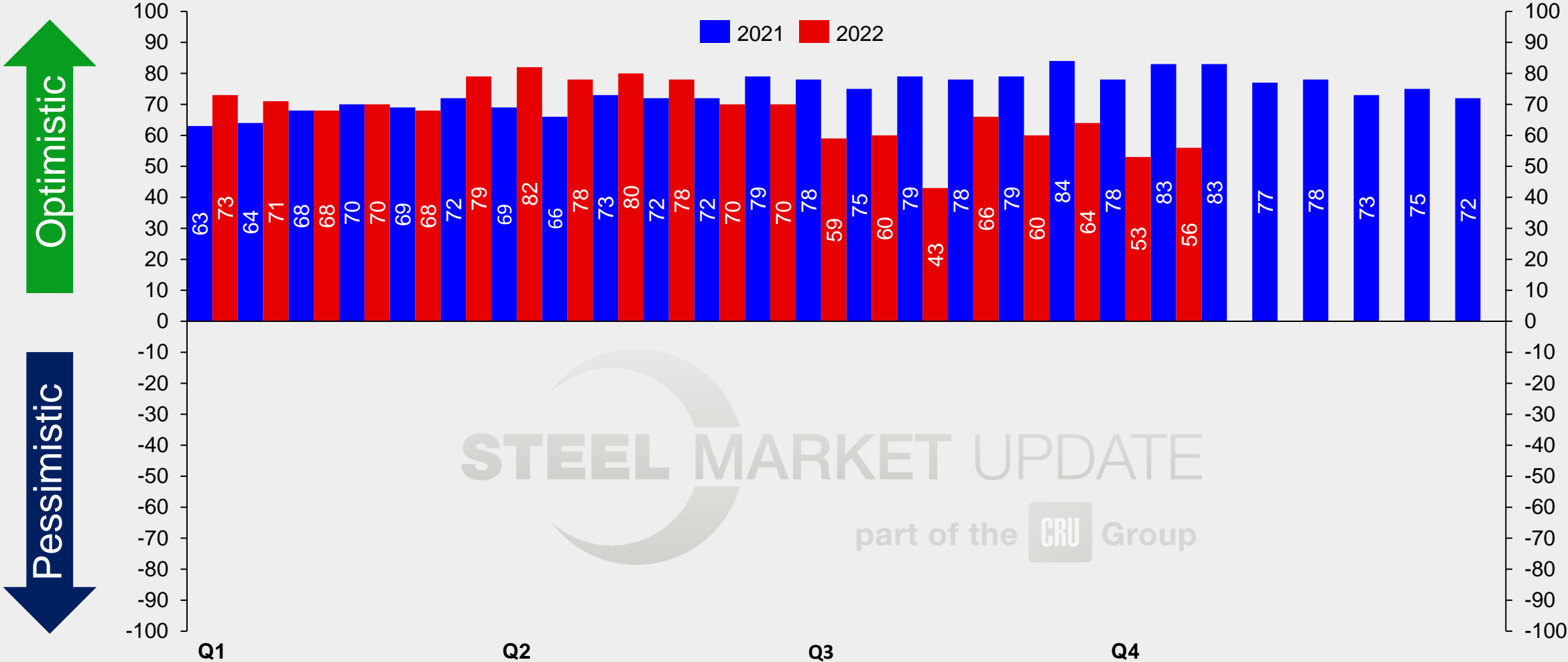
Our survey is by invitation only. Over 700 companies, mostly in the manufacturing or distribution industries, are asked to participate. Here are the percentages of participation in this week's survey by market sector.



# Steel Buyers Sentiment

Up 3 points to +56

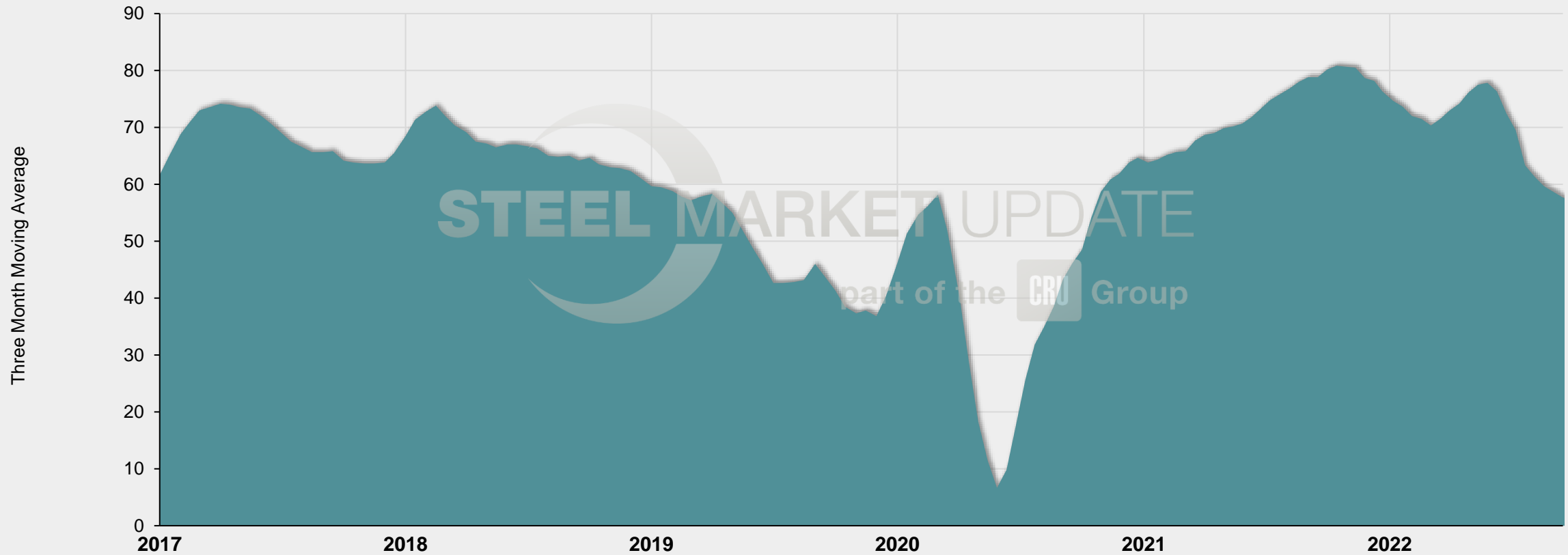
### Steel Market Update Steel Buyers Sentiment Index



# Steel Buyers Sentiment

Three Month Moving Average at +57.00

**SMU Steel Buyers Sentiment Index**  
3MMA - through September 29, 2022

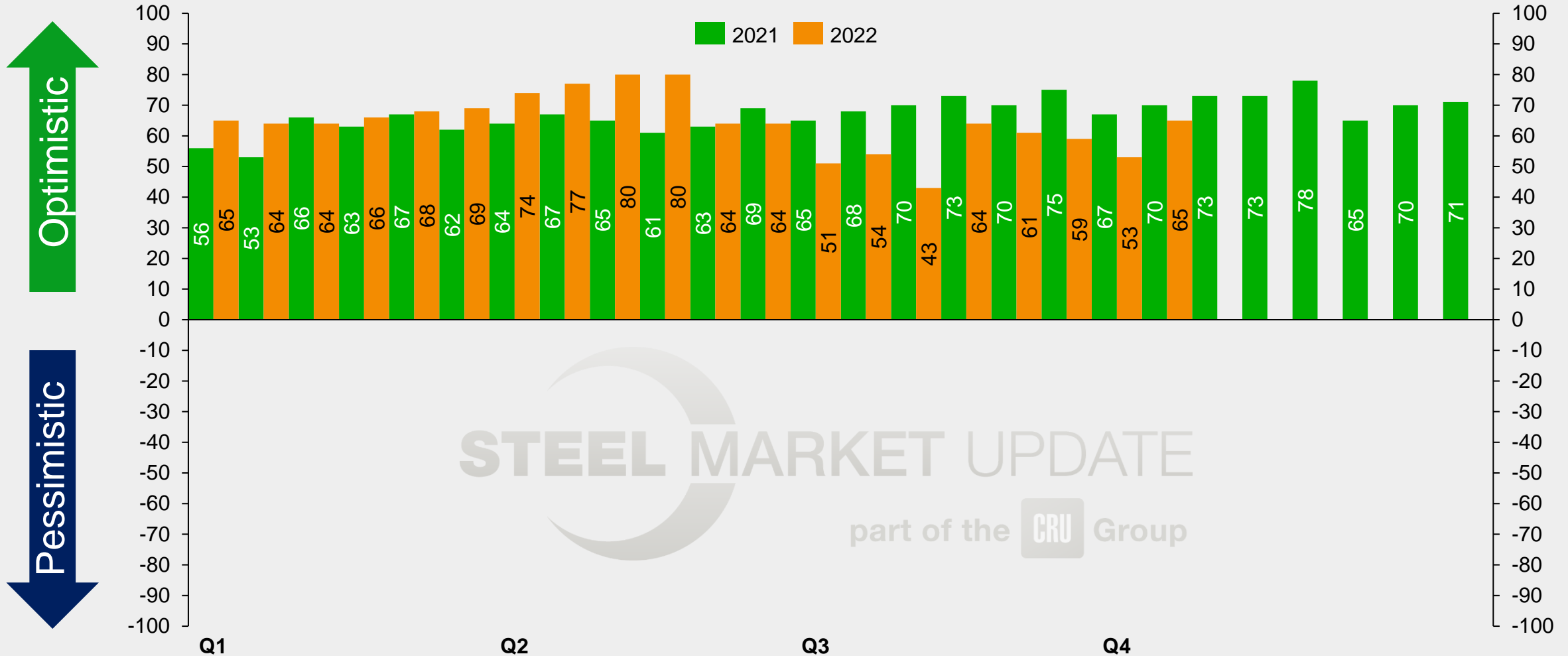




# Steel Buyers Future Sentiment

Up 12 points to +65

### Steel Market Update Future Steel Buyers Sentiment Index

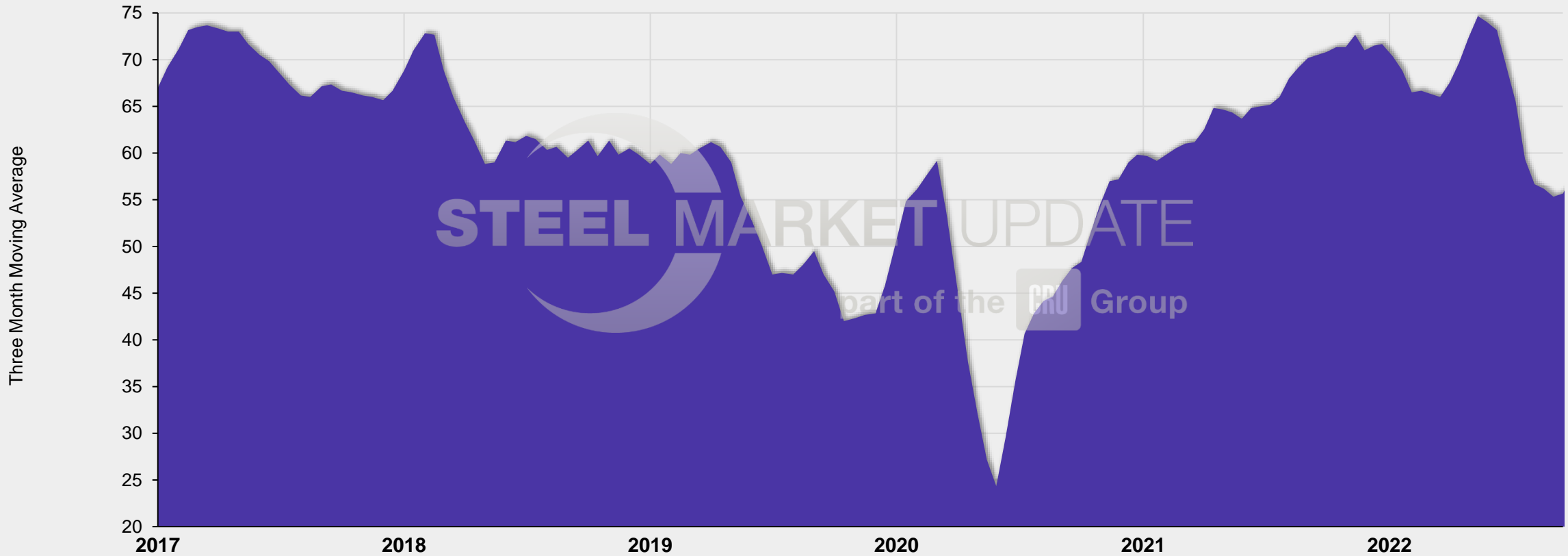


# Steel Buyers Future Sentiment

Three Month Moving Average at +57.50

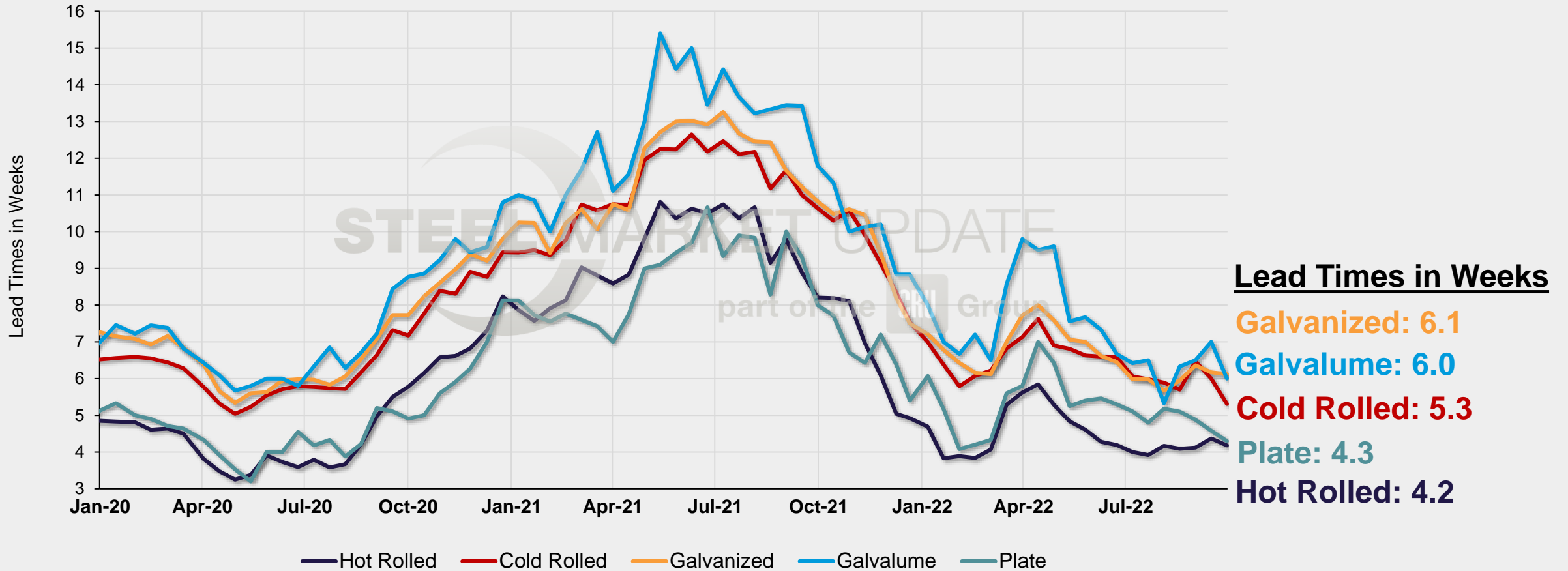
## SMU Future Steel Buyers Sentiment Index

3MMA - through September 29, 2022

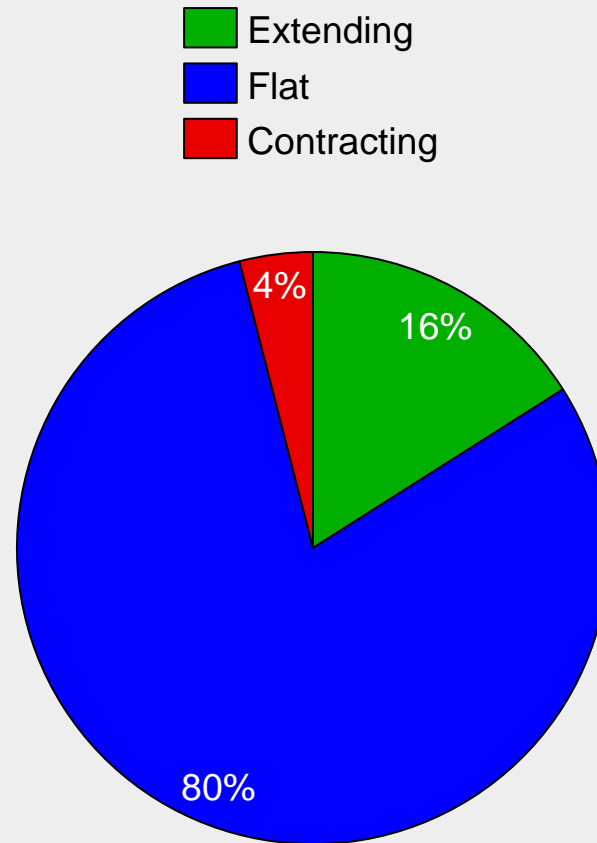


# Steel Mill Lead Times by Product

**SMU Lead Times Comparison**  
Through September 29, 2022

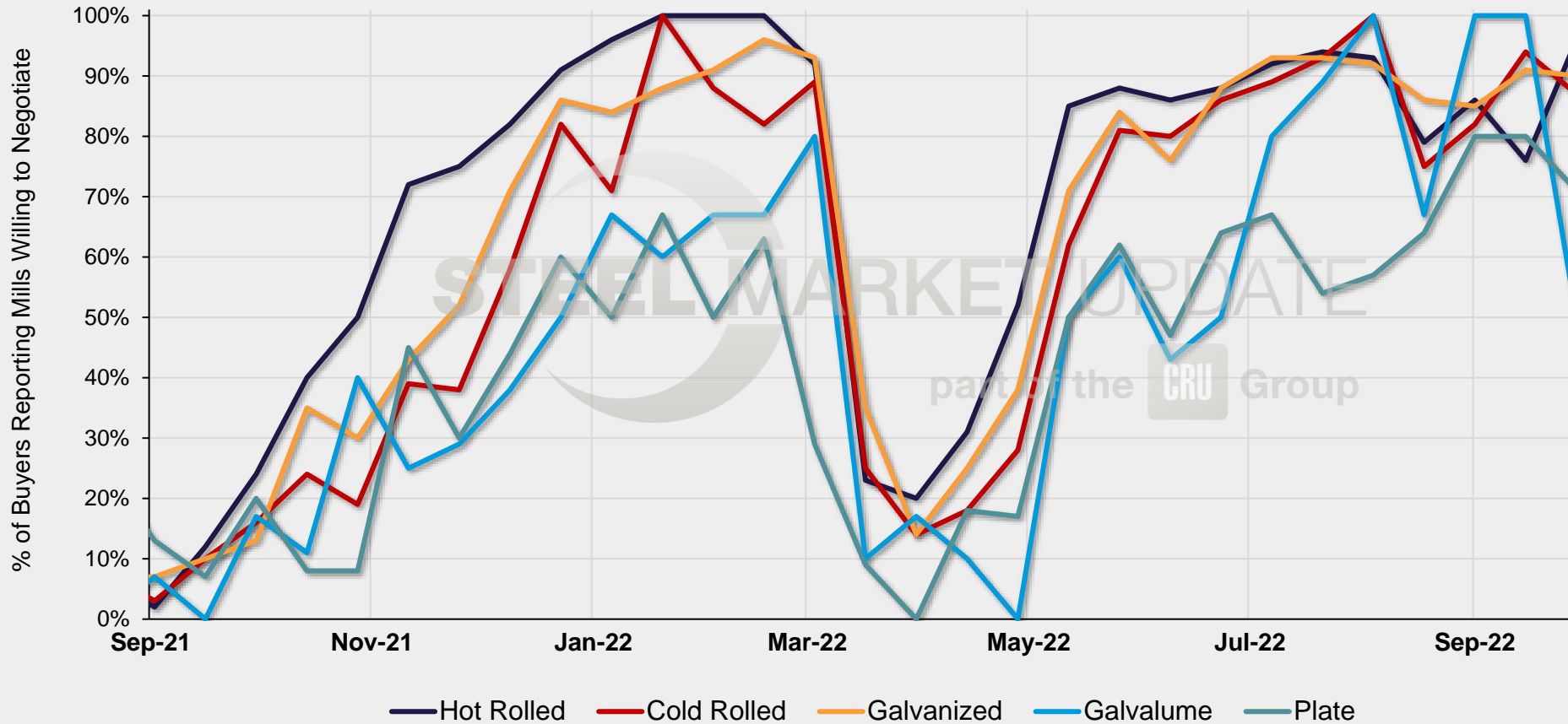


Two months from now, will lead times be extending, flat, or contracting?



# Steel Mill Negotiations

**SMU Price Negotiations on New Steel Orders by Product**  
Through September 29, 2022



## Negotiation Rates

**Hot Rolled: 96%**

**Galvanized: 90%**

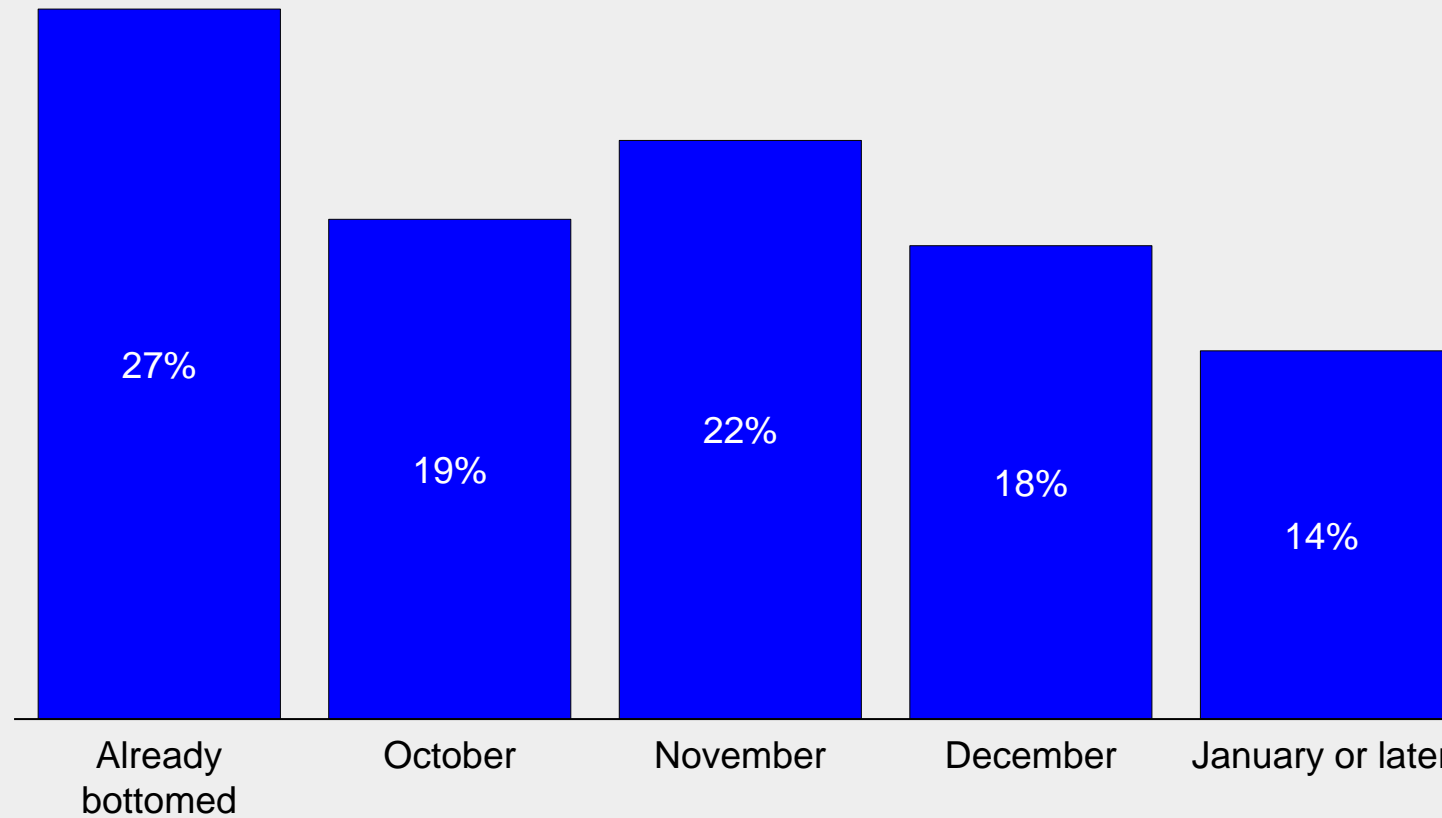
**Cold Rolled: 87%**

**Plate: 71%**

**Galvalume: 50%**

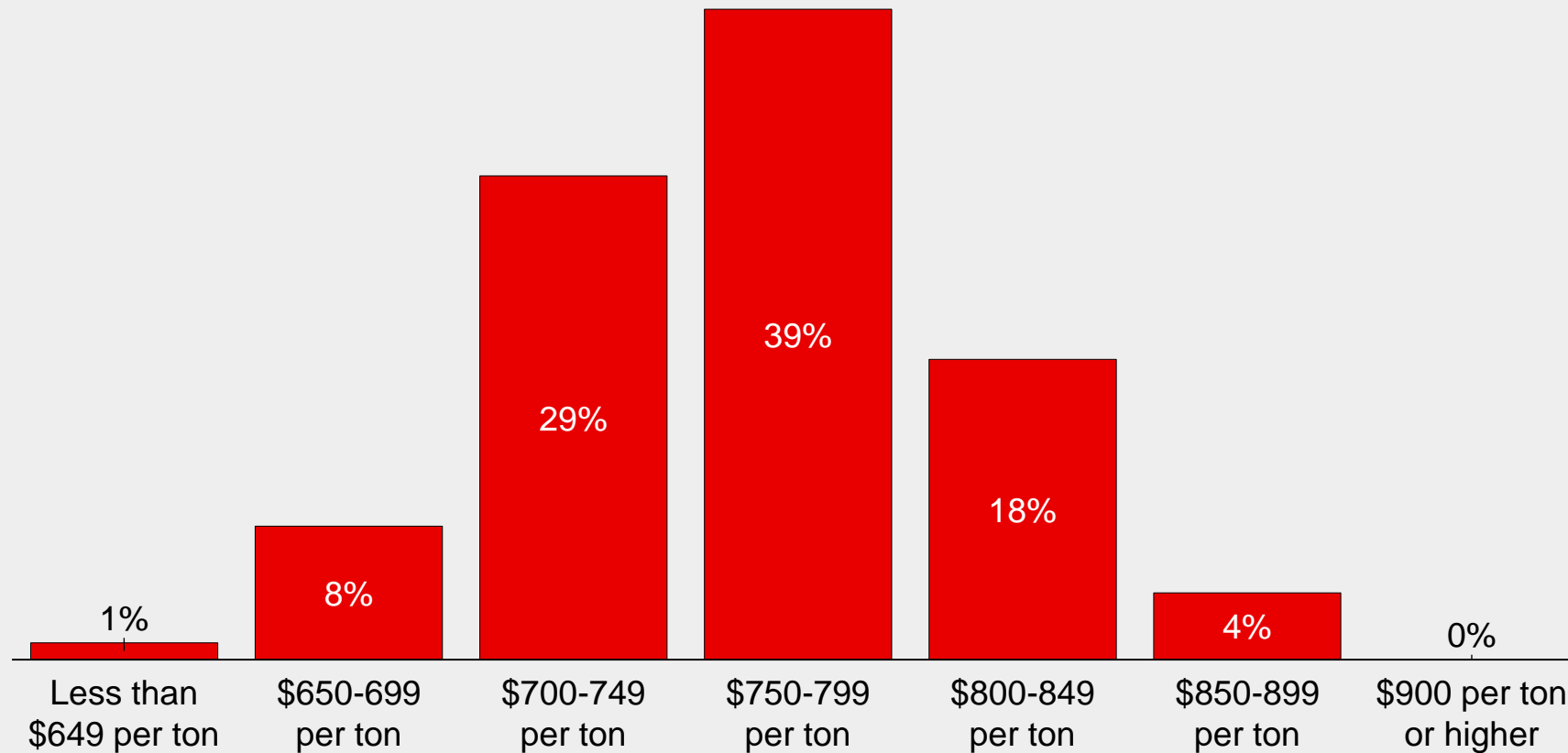
# Hot Rolled Inflection Point

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



# Future Hot Rolled Prices

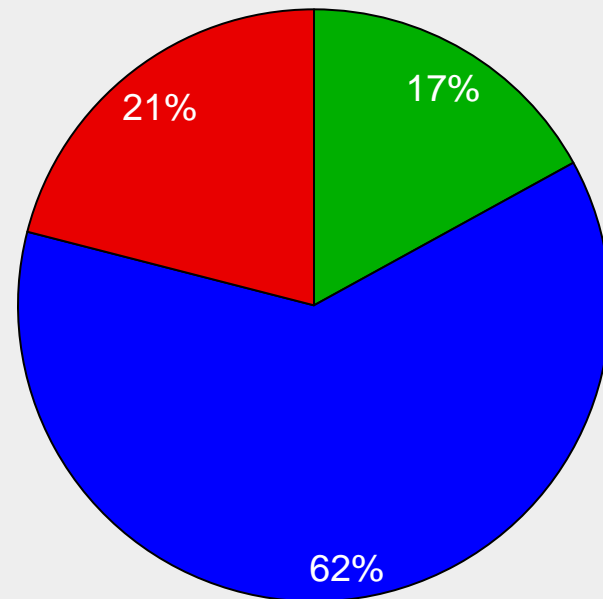
Where do you think HRC prices will be two months from now?



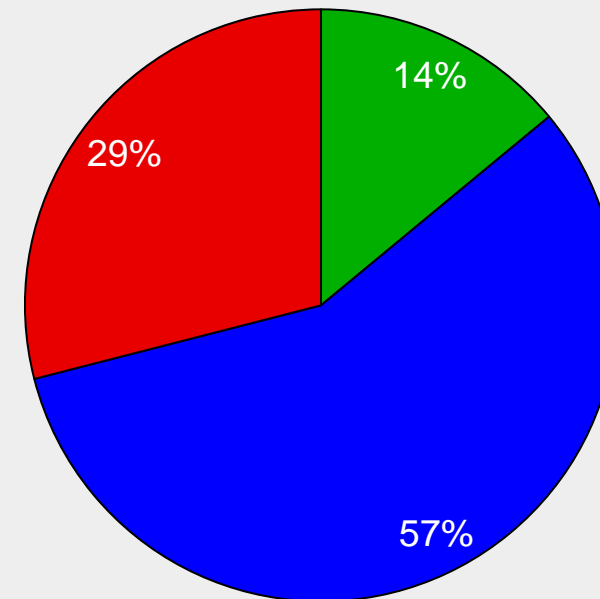
How is your company performing this month compared to your forecast?

- We will exceed forecast
- We will meet forecast
- We will not meet our forecast

September 1, 2022



September 29, 2022



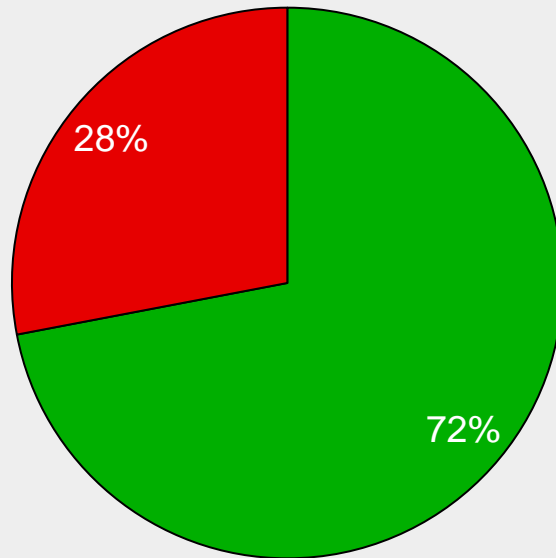


# Future Prospects

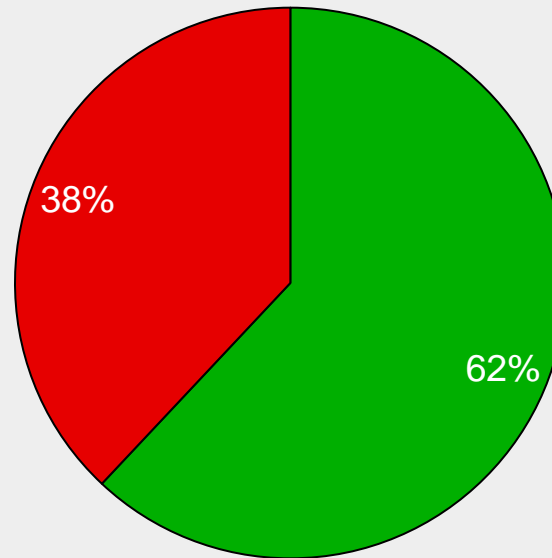
Would you describe yourself as optimistic or pessimistic about your prospects for the remainder of 2022?

■ Optimistic ■ Pessimistic

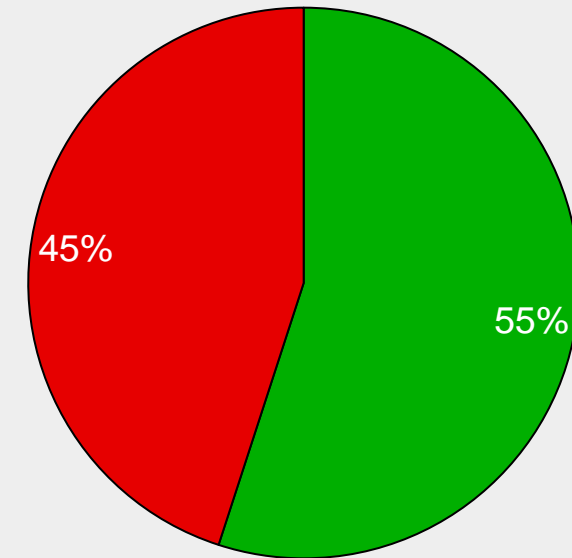
September 1, 2022



September 15, 2022



September 29, 2022

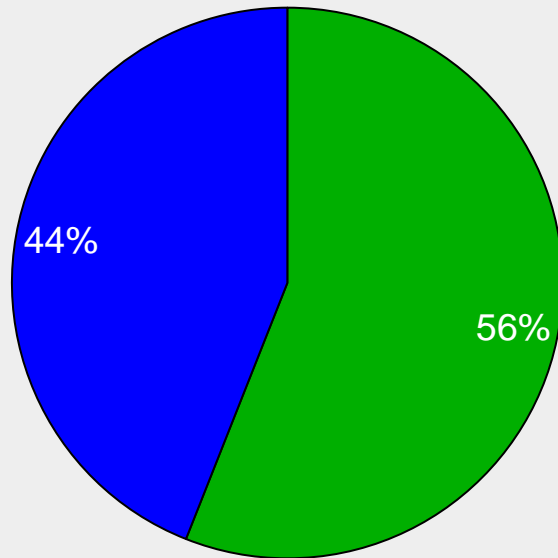


# Staying on the Sidelines?

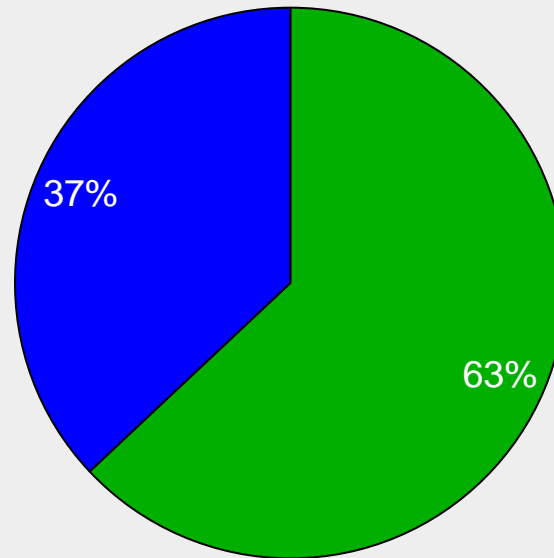
Are you an active buyer or staying on the sidelines?

■ Active buyer ■ On the sidelines

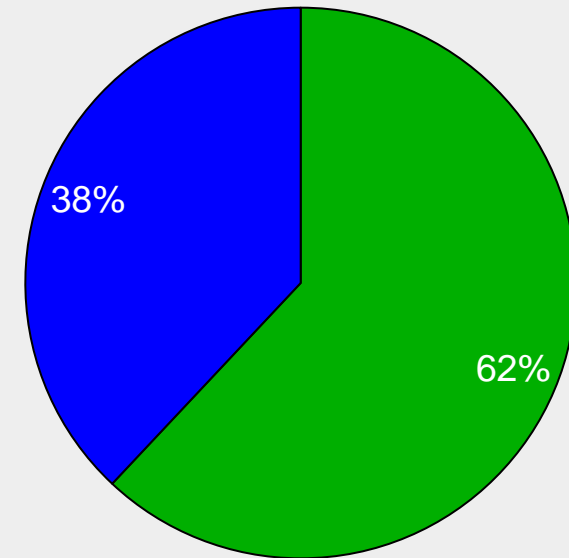
September 1, 2022



September 15, 2022

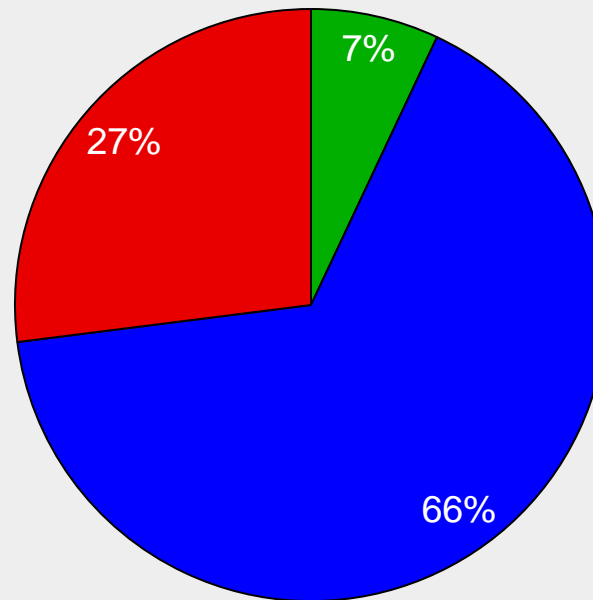


September 29, 2022



How are you seeing demand for your products?

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

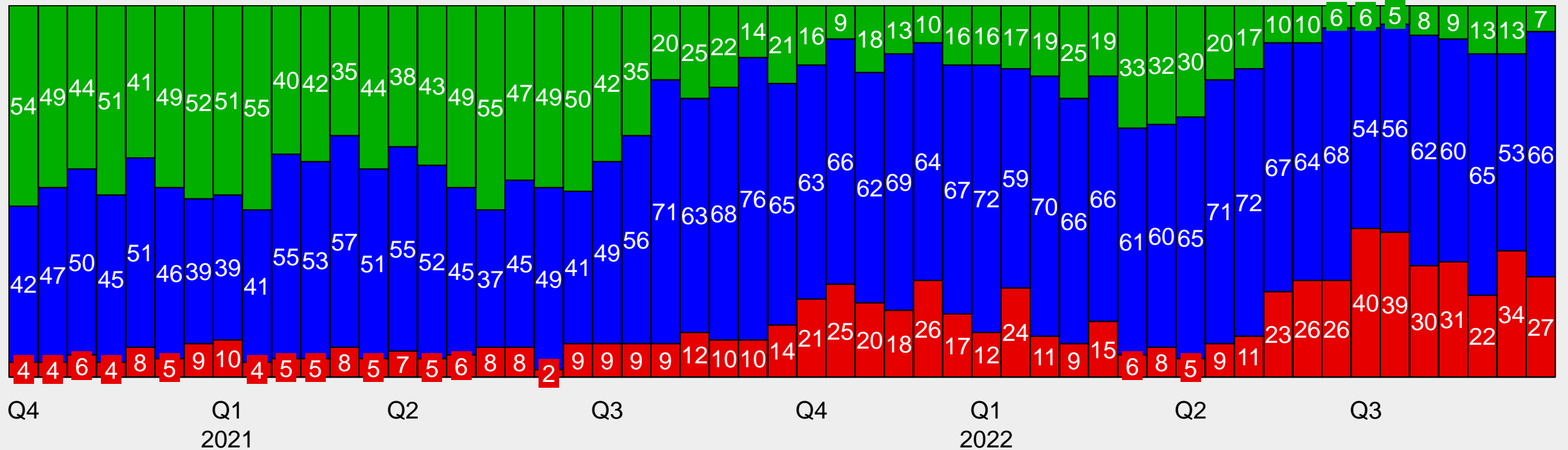


# Overall Demand History

How are you seeing demand for your products?

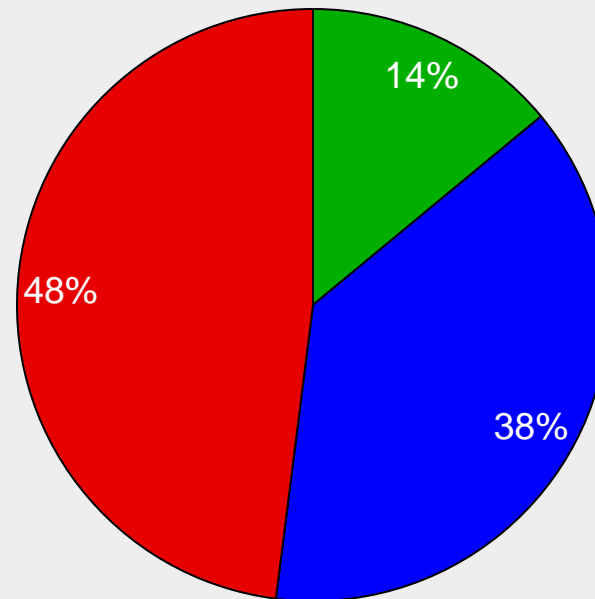
- Demand is improving
- Demand is stable
- Demand is declining

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

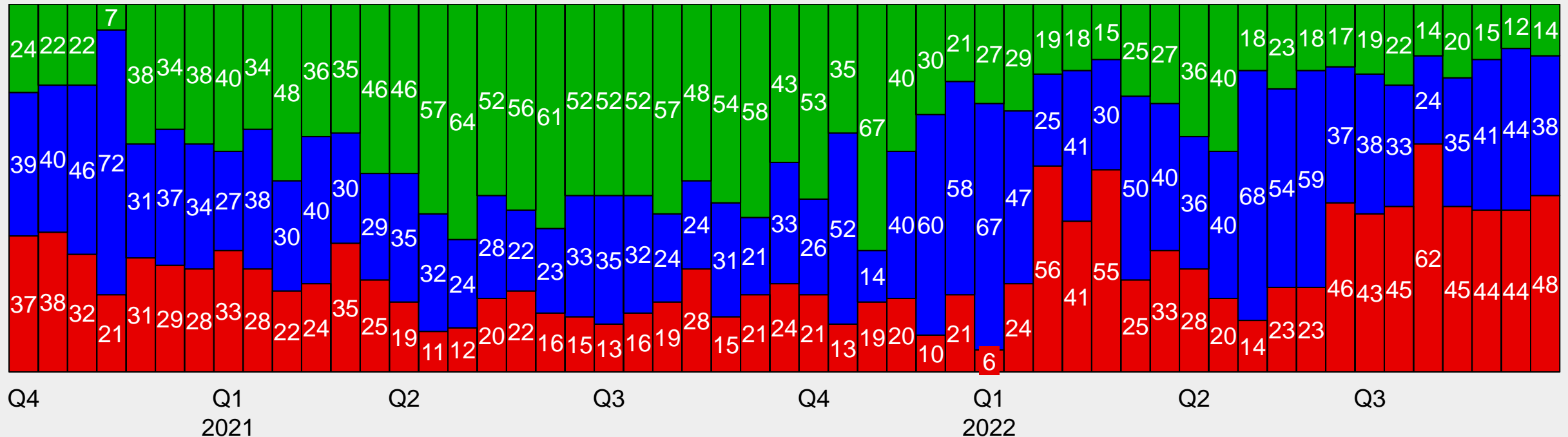


# History of Manufacturer Purchases

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

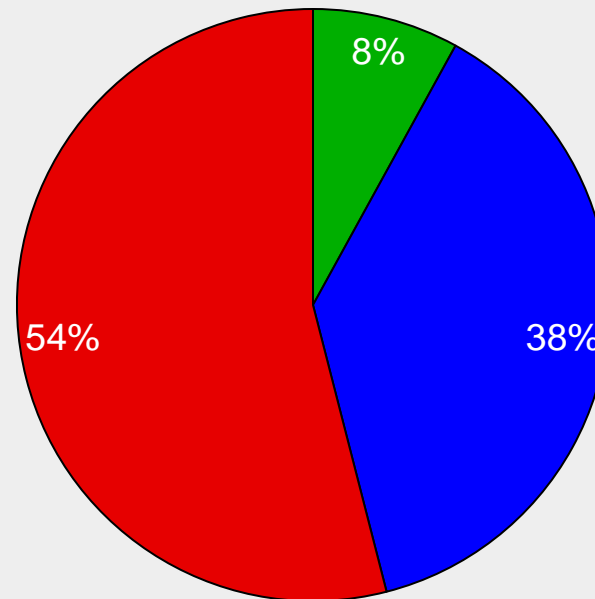
- Buying more steel
- Buying the same amount of steel
- Buying less steel

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

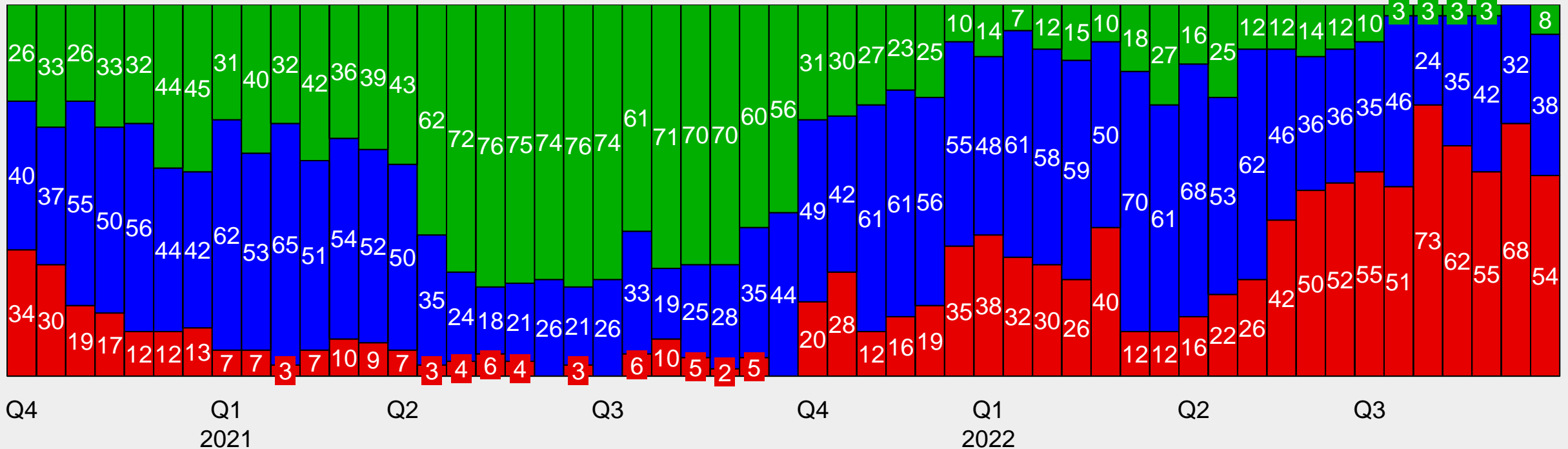


# Service Center Release History

**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

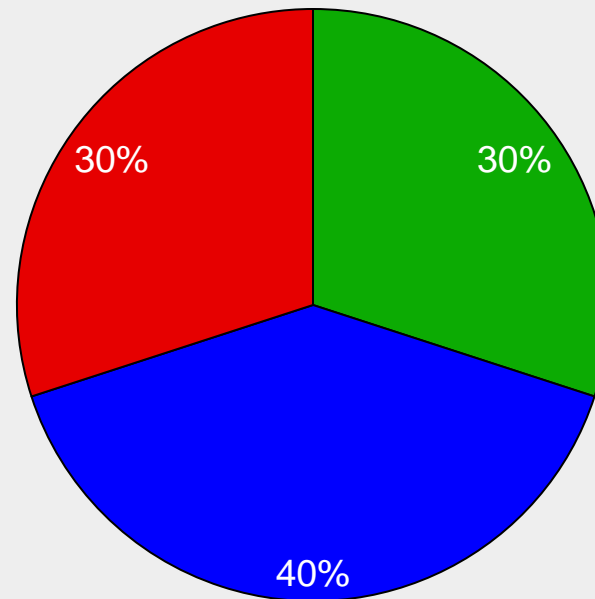
out of 100%





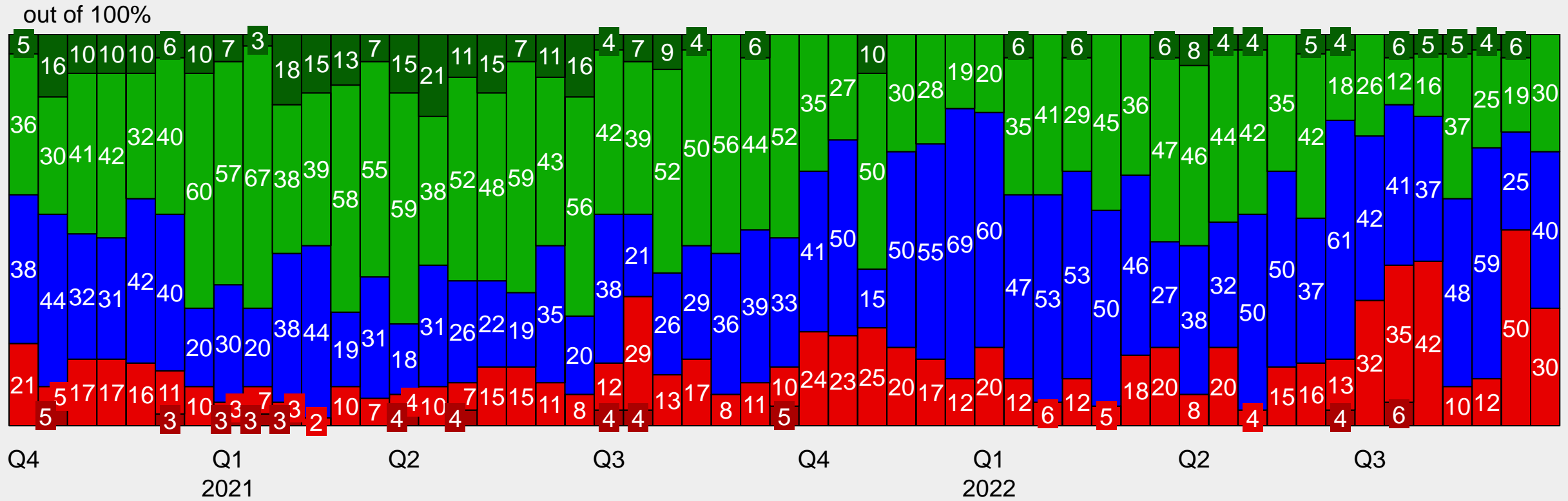
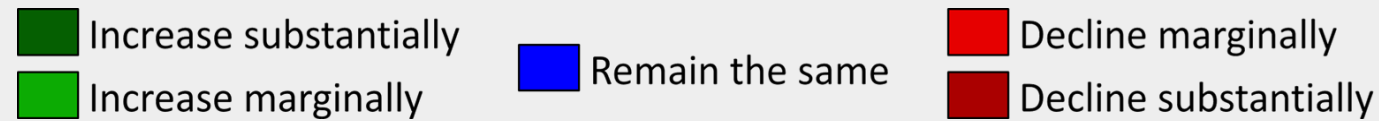
**Manufacturers-** Demand for your products will \_\_\_\_\_  
over the next 3 months based on current order flows.

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



# Manufacturer Demand History

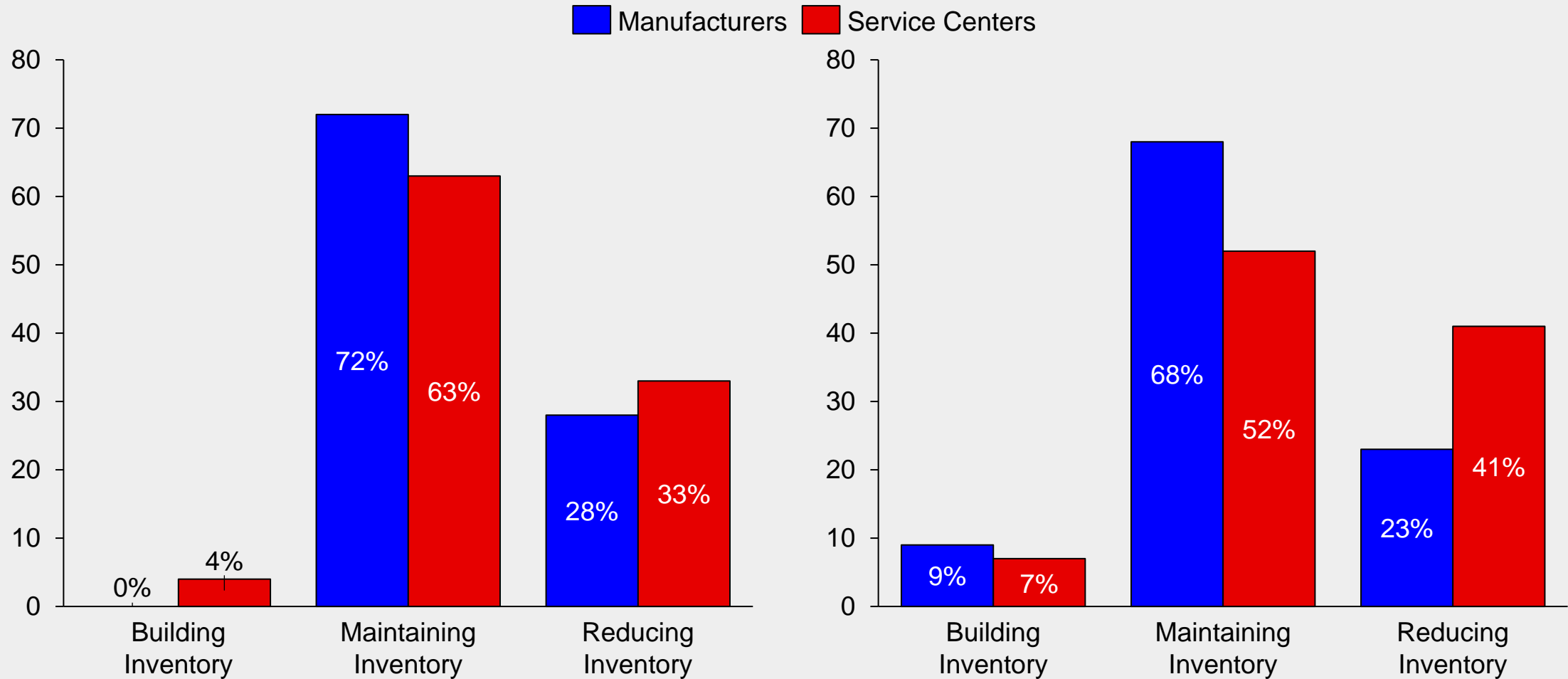
**Manufacturers-** Demand for your products will \_\_\_\_\_  
over the next 3 months based on current order flows.



# Manufacturer and Service Center Inventory Buying Patterns

September 15, 2022

September 29, 2022

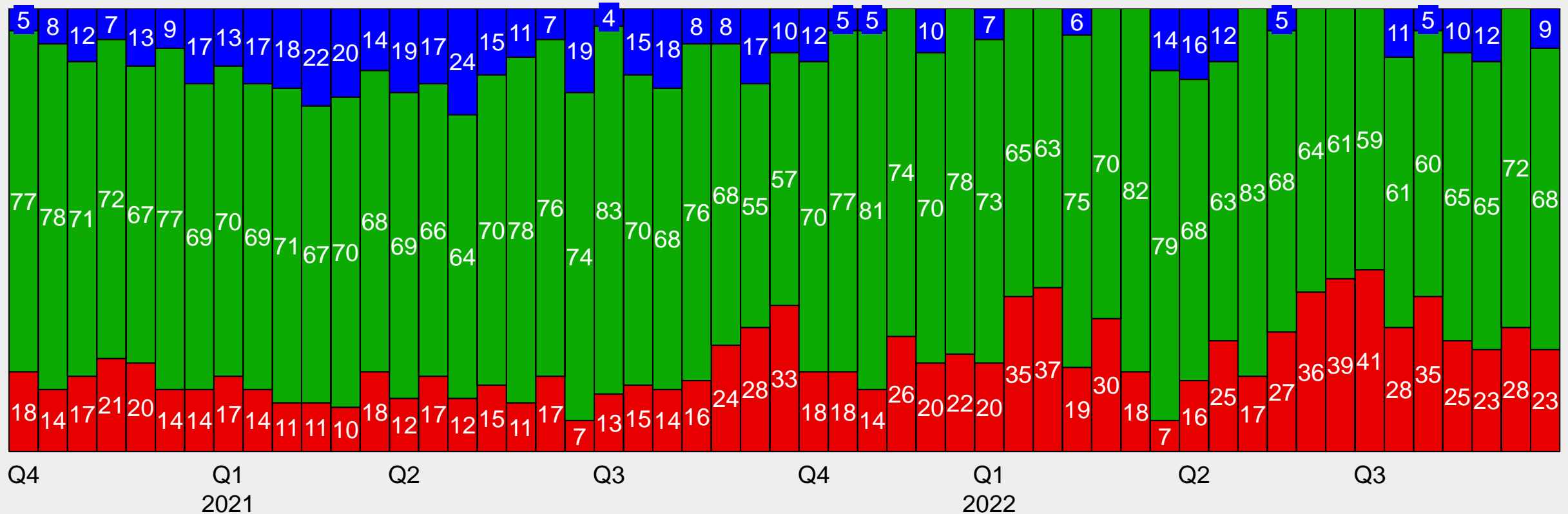


# Manufacturer Inventory Buying History

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

■ Building Inventory 
 ■ Maintaining Inventory 
 ■ Reducing Inventory

out of 100%

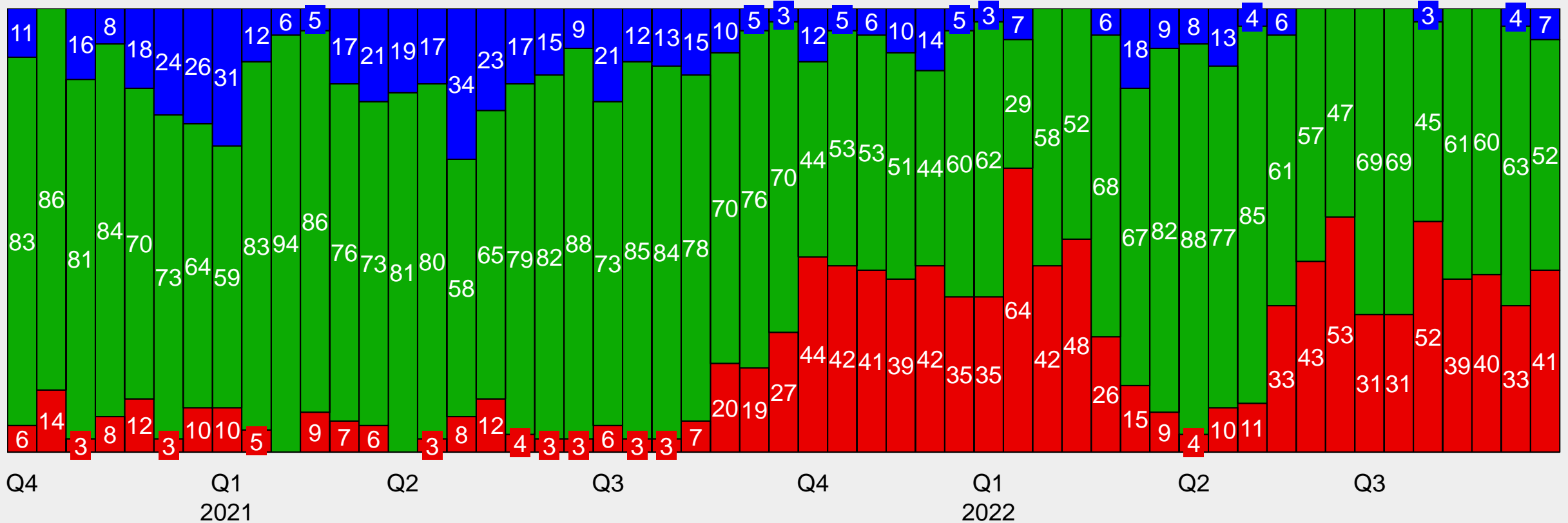


# Service Center Inventory Buying History

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

■ Building Inventory 
 ■ Maintaining Inventory 
 ■ Reducing Inventory

out of 100%

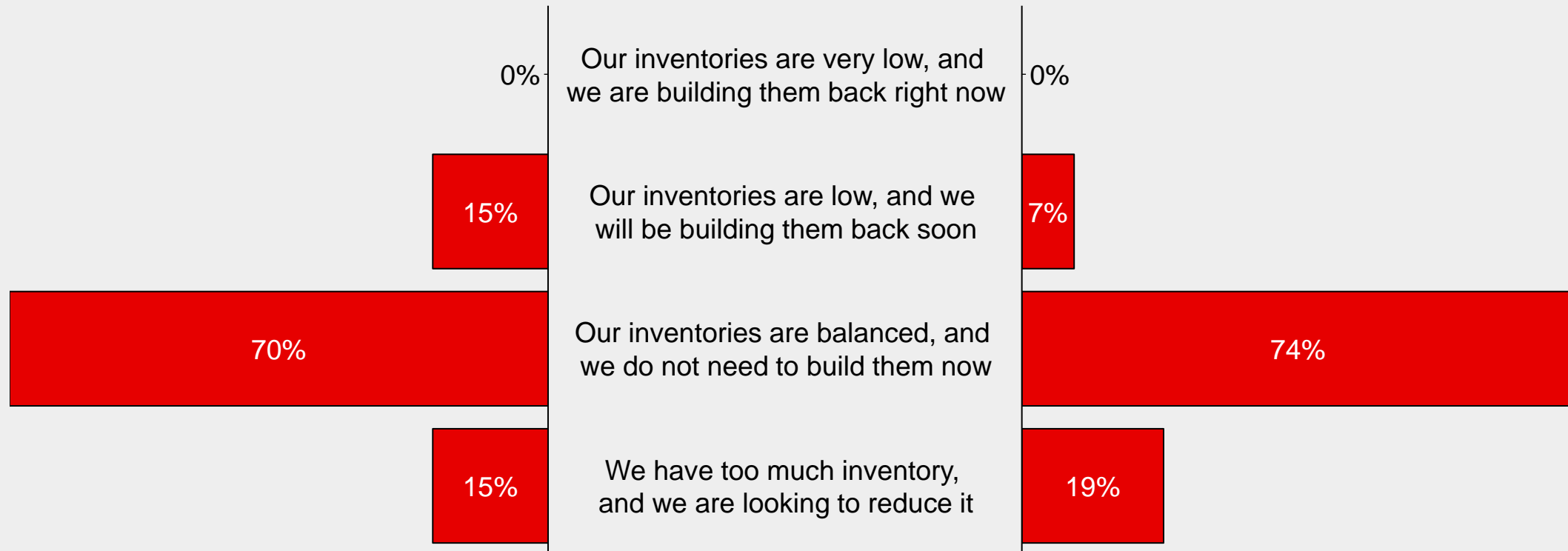


# Service Center Inventories

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

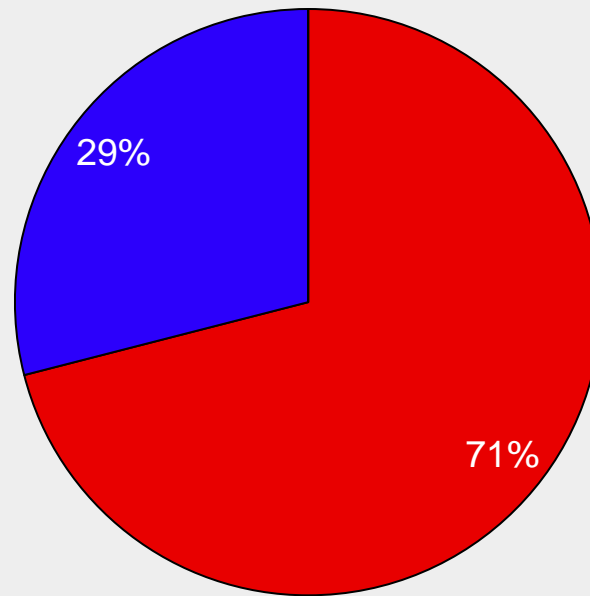
September 15, 2022

September 29, 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

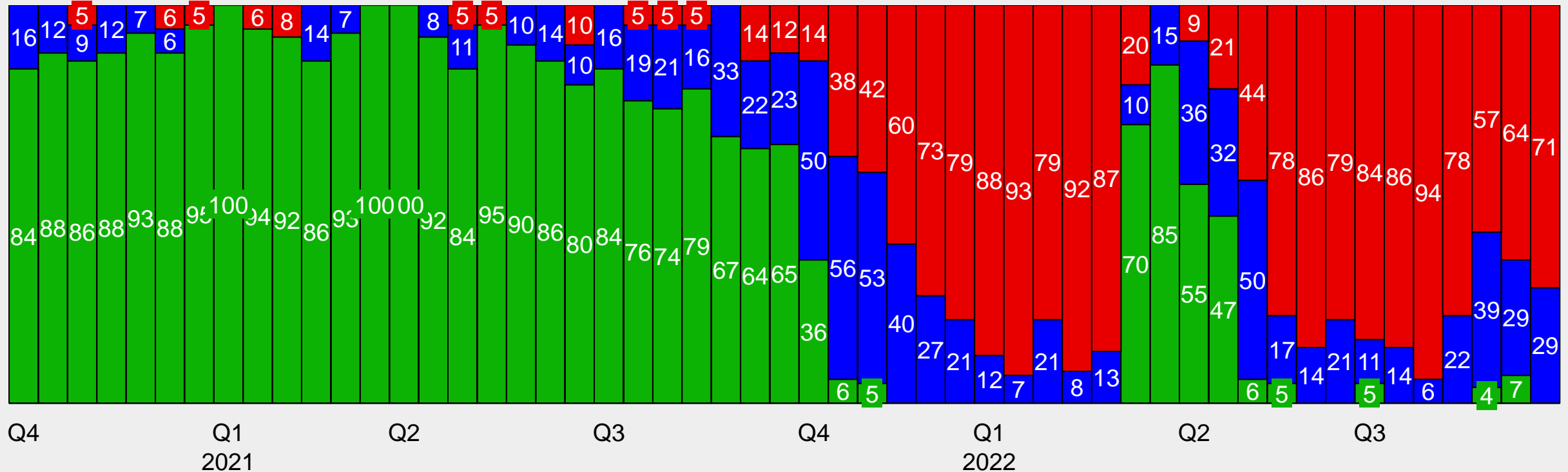


# Manufacturer's View of Service Center Selling Prices History

**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

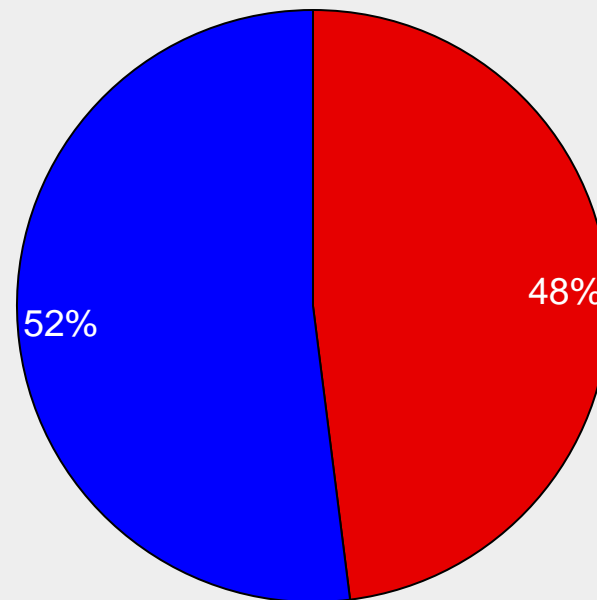
out of 100%





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

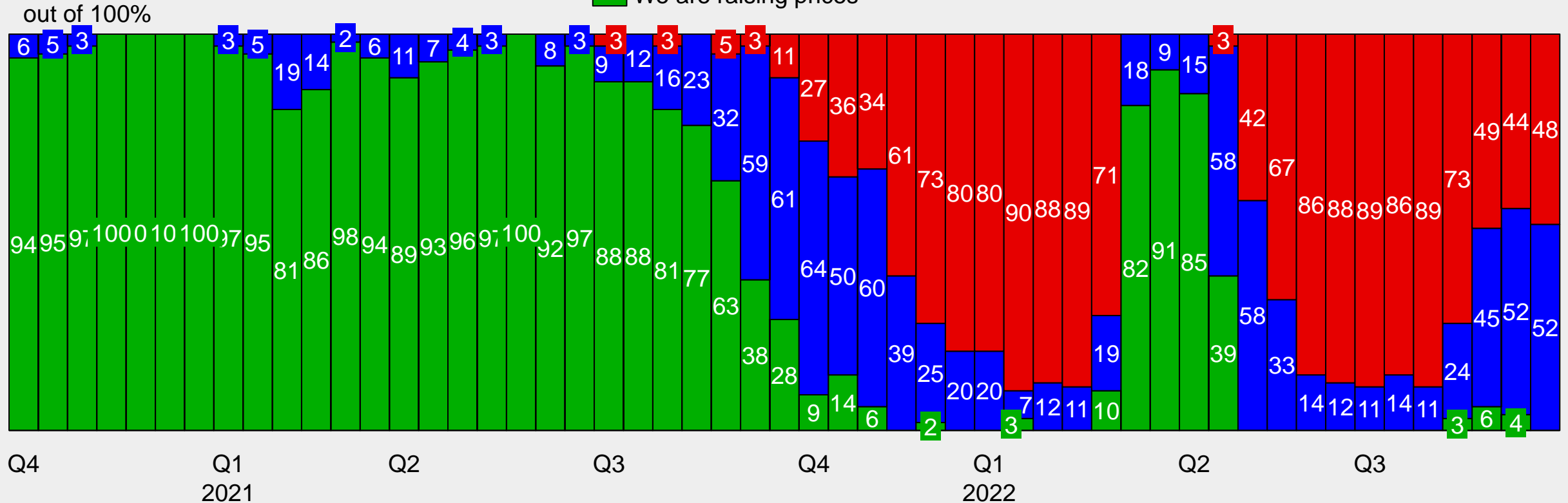
- We are lowering prices
- We are keeping prices the same
- We are raising prices



# 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

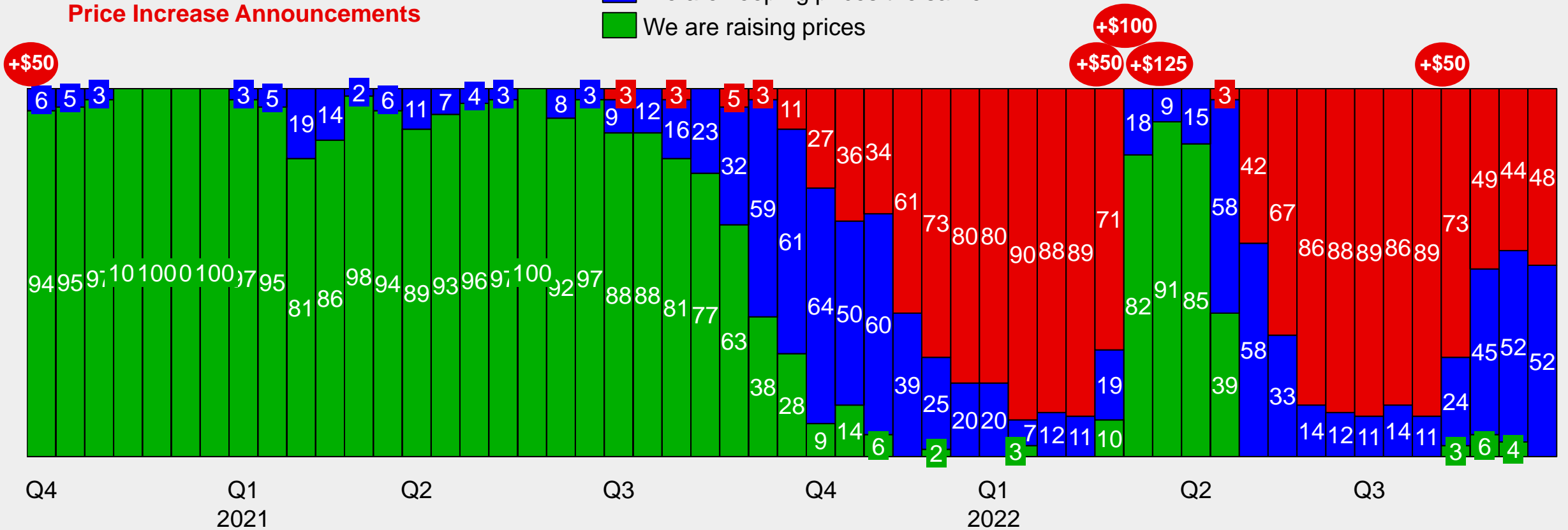


# Service Center View of Selling Prices History

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

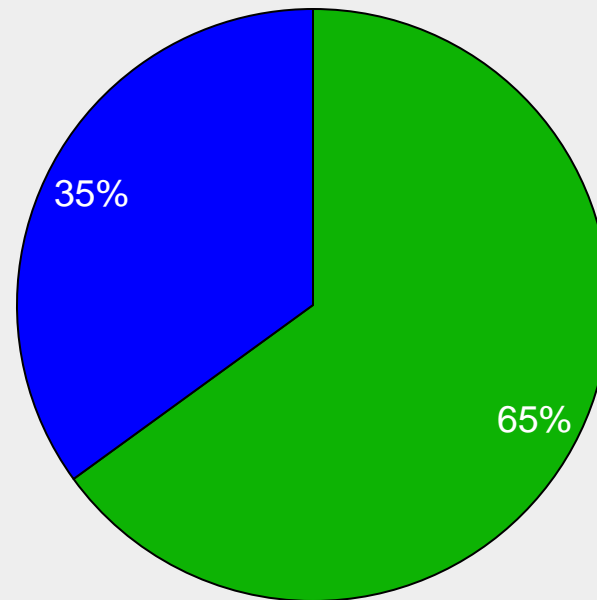
- We are lowering prices
- We are keeping prices the same
- We are raising prices

**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

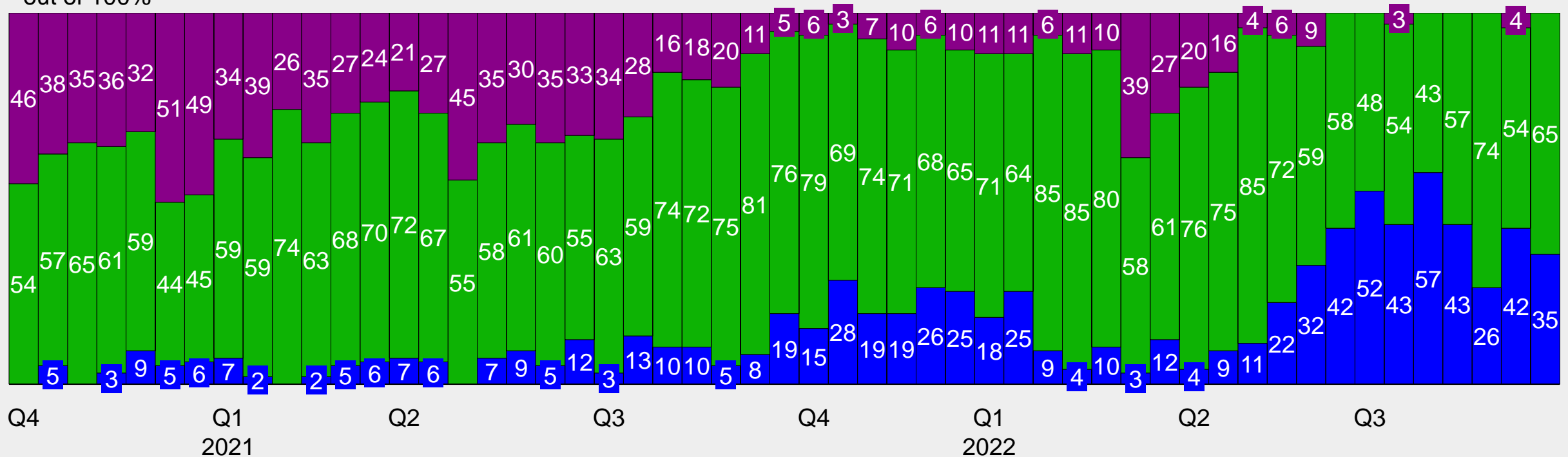


# Service Centers on Manufacturer Orders History

**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%

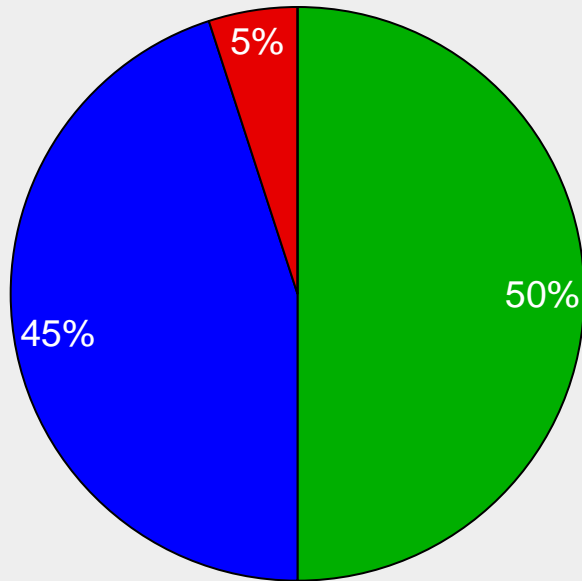


# Mill Lead Times

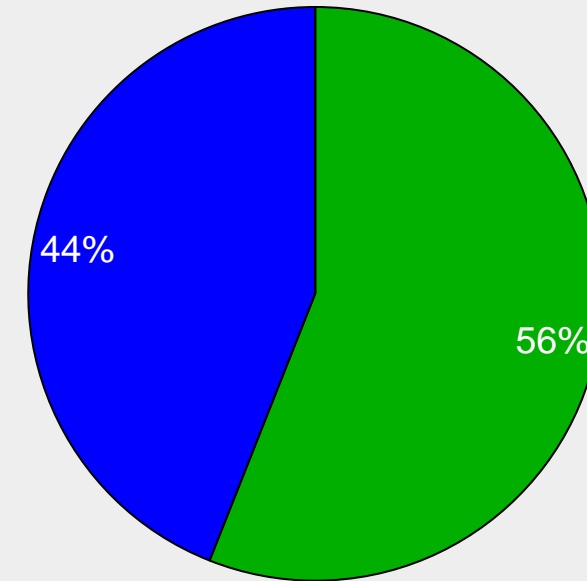
How would you describe domestic mill lead times for new orders placed right now?

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

**Manufacturers**

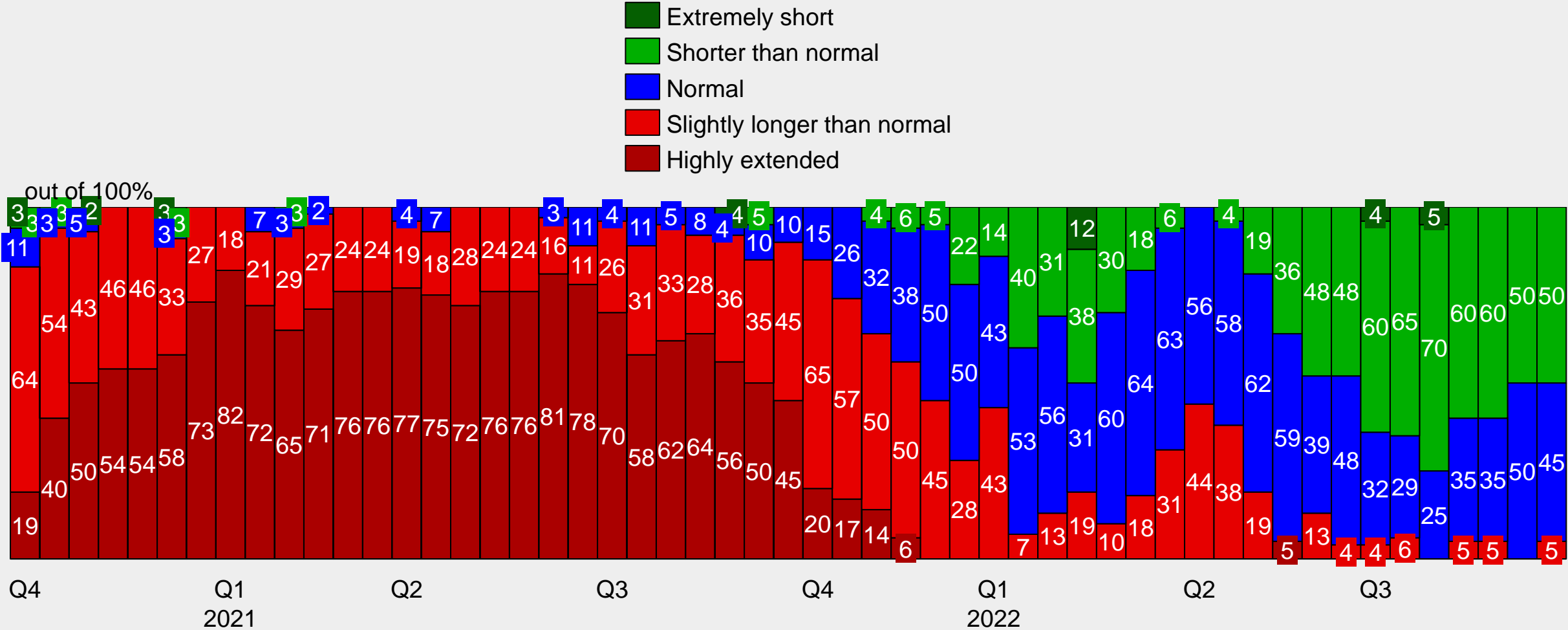


**Service Centers**



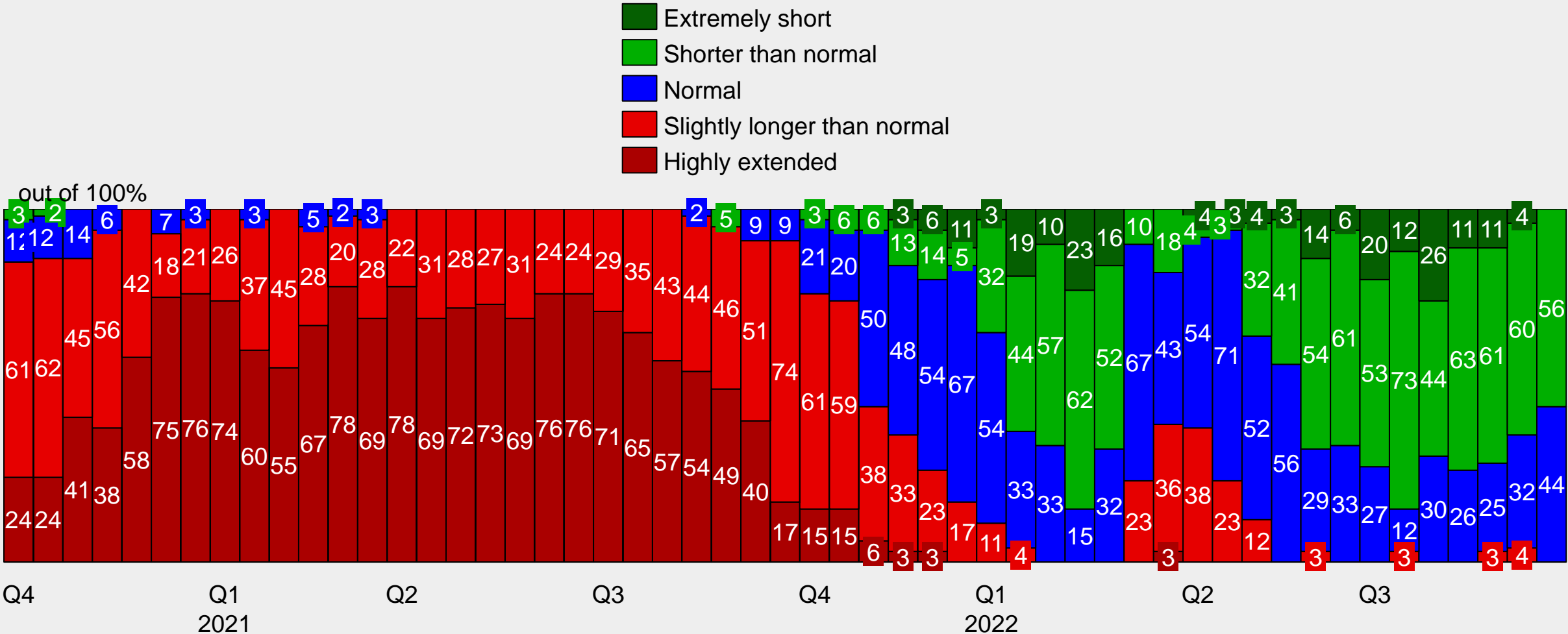
# Mill Lead Times History

**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?

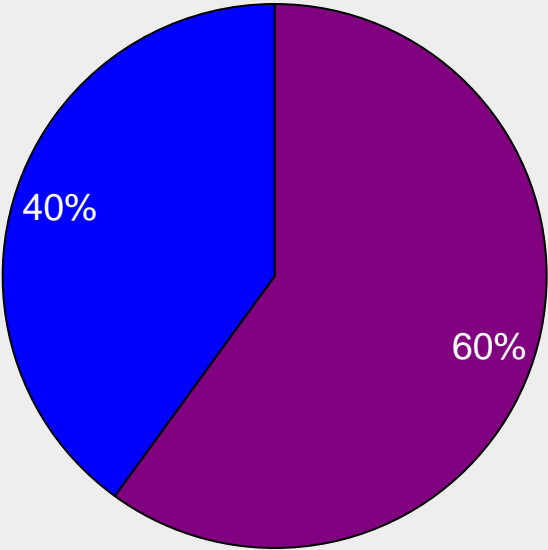




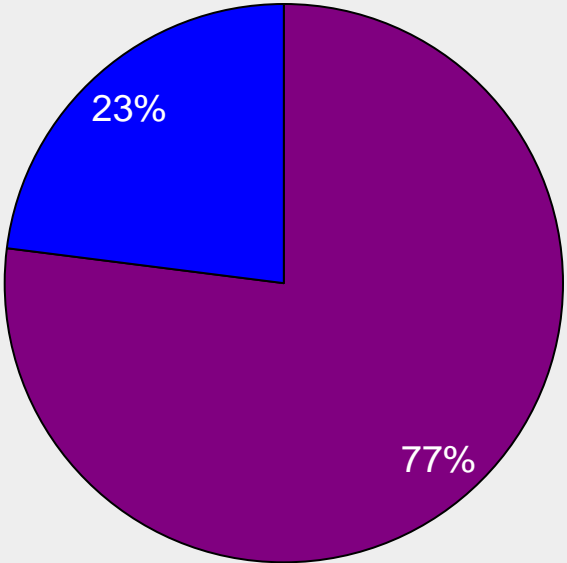
Does your company buy foreign steel?

Yes No

**Manufacturers**



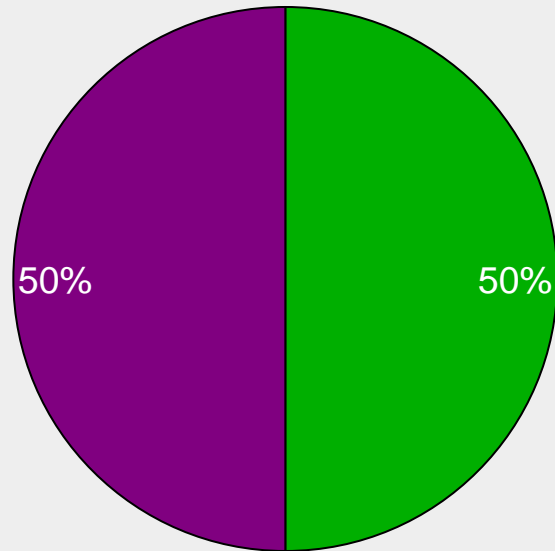
**Service Centers**



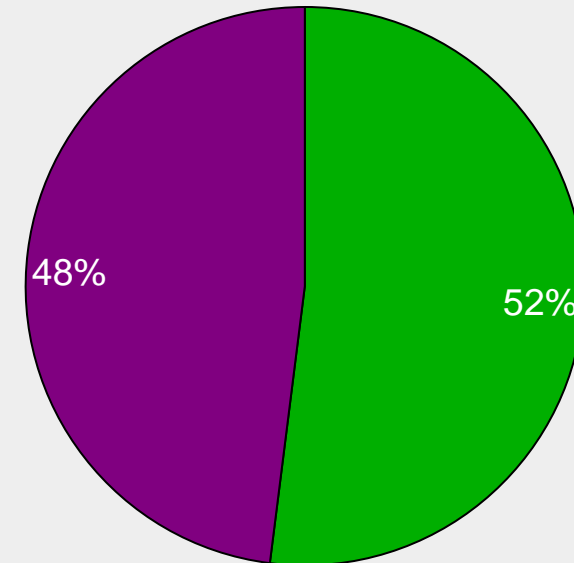
Are your foreign steel suppliers quoting you competitive prices for new orders for future delivery?

Yes No

## Manufacturers



## Service Centers

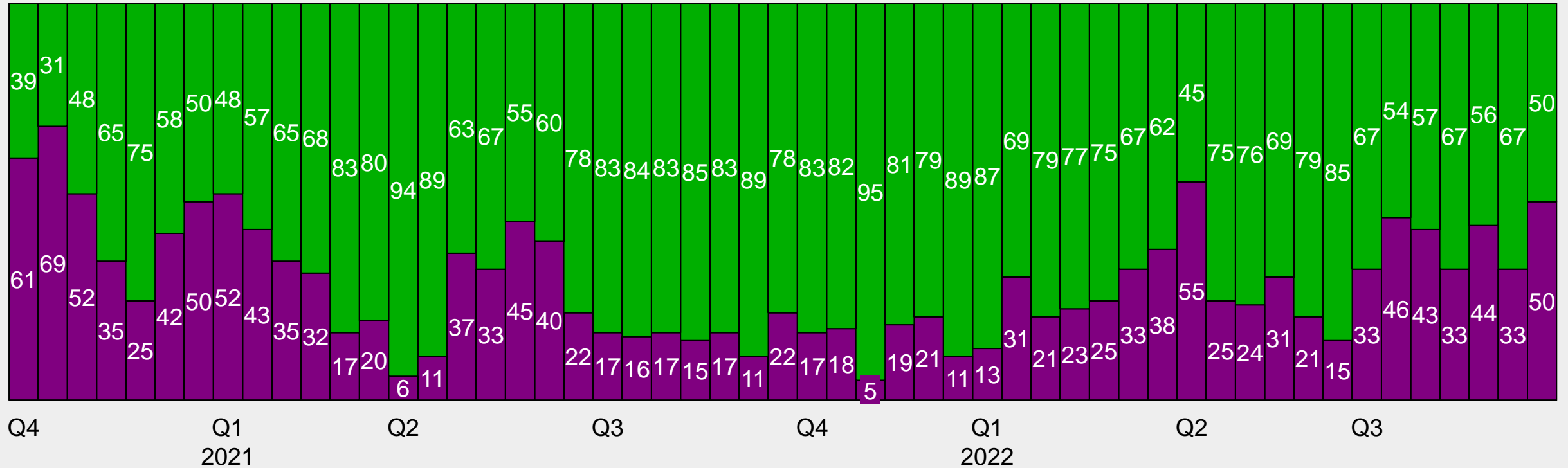


# Foreign Steel Competitiveness History

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

Yes No

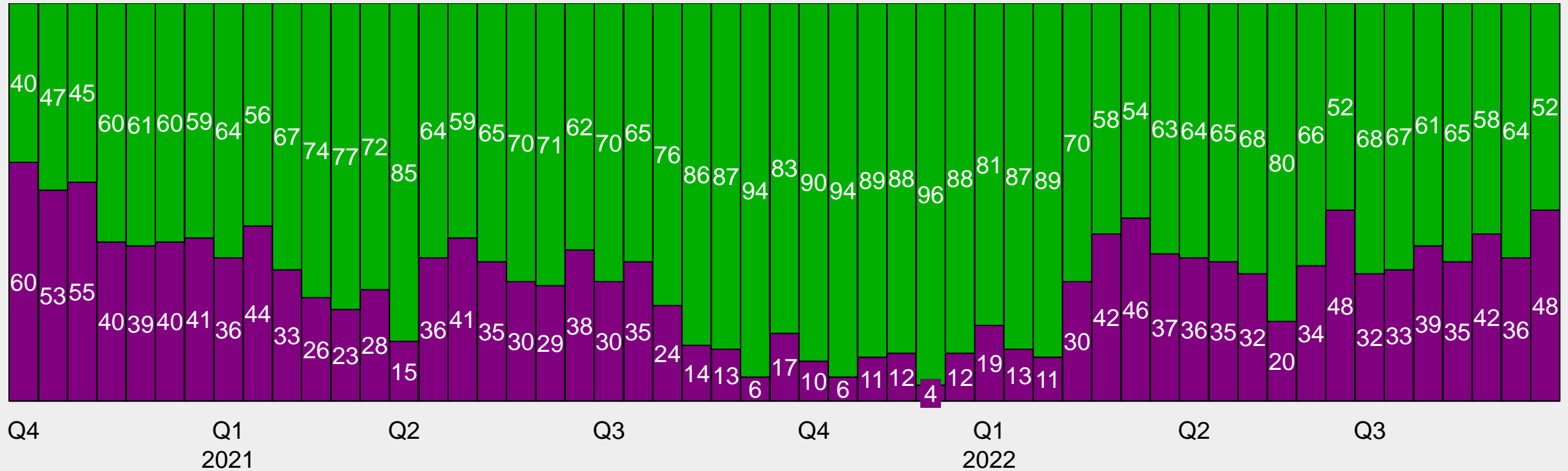
out of 100%



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

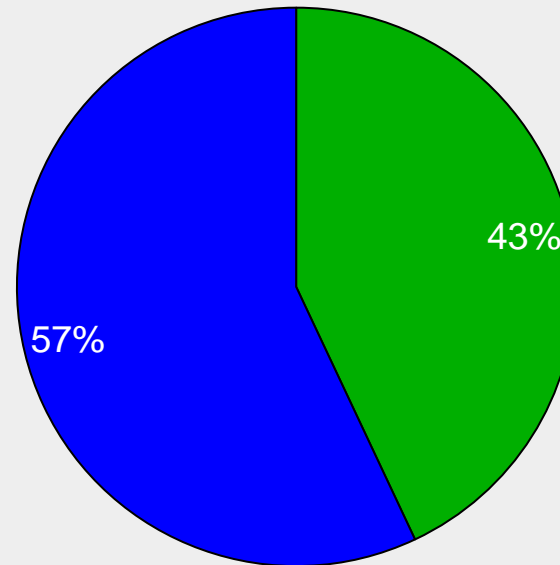
Yes No

out of 100%



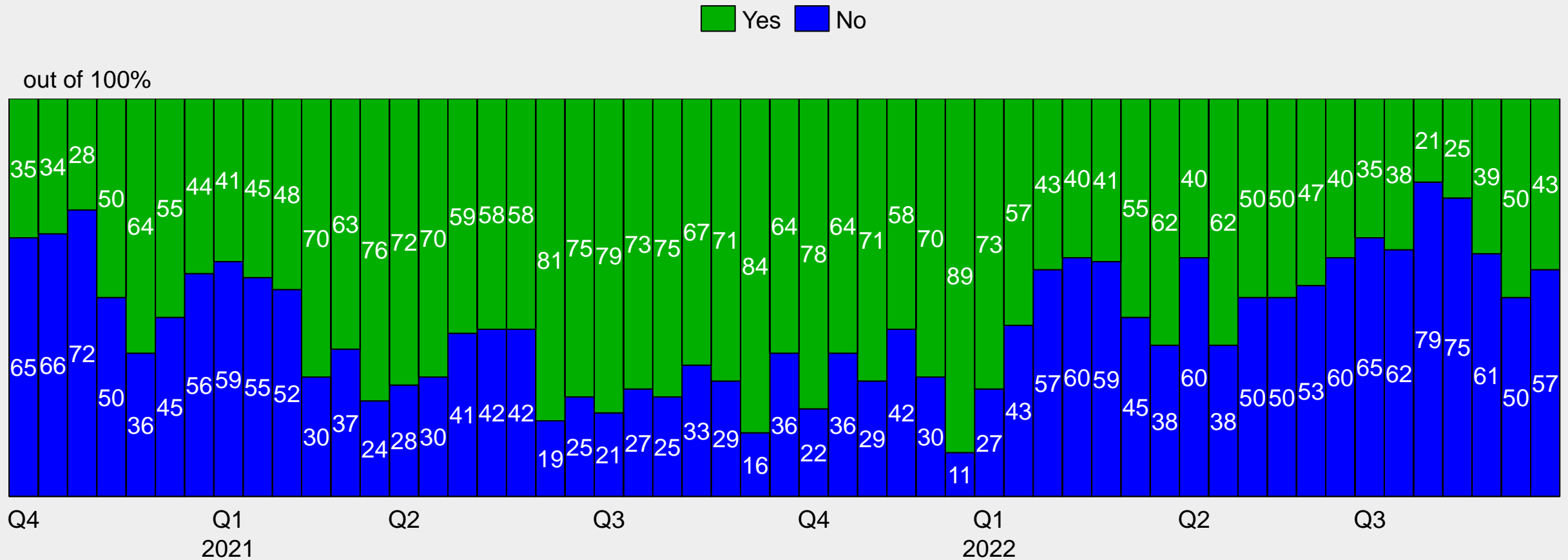
**Manufacturers-** Are you buying new orders of foreign steel for future delivery?

Yes No



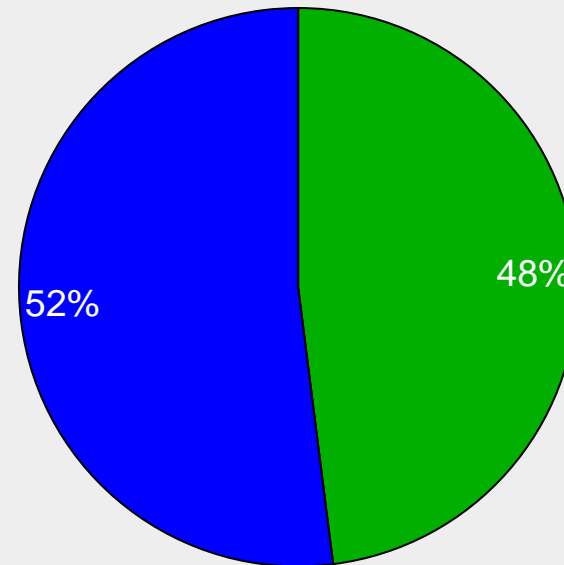
# New Foreign Steel Orders History

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



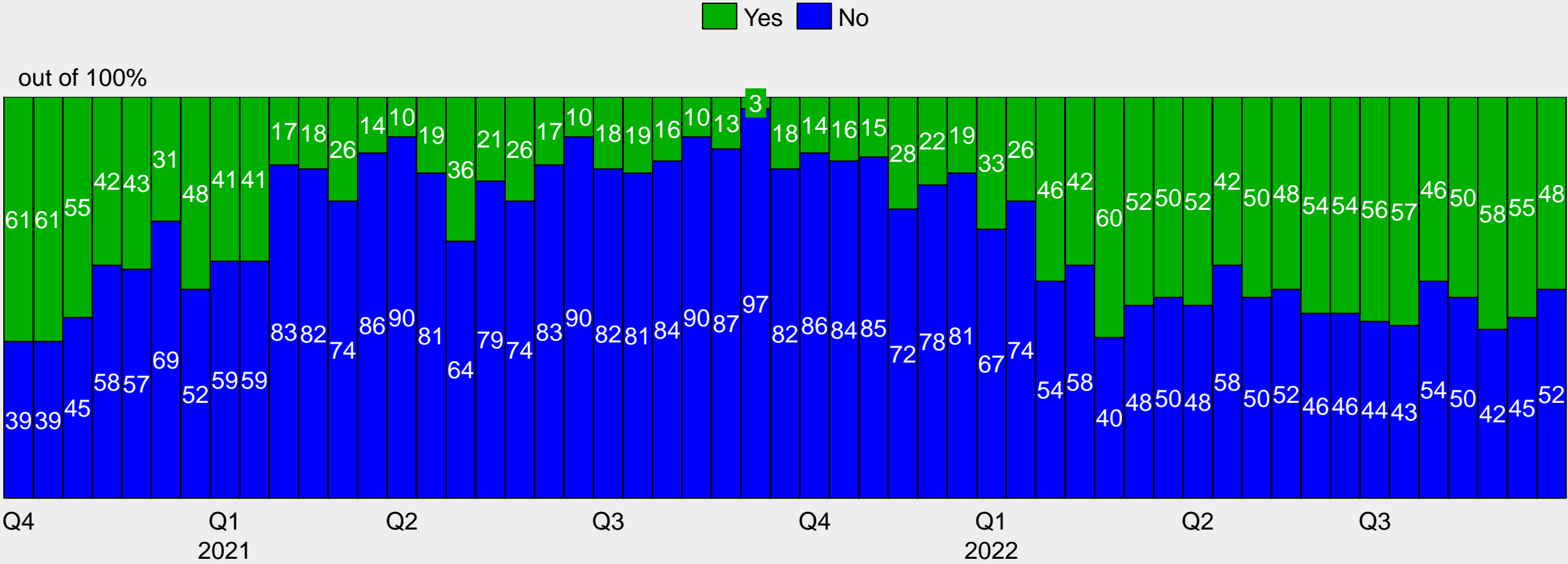
**Service Centers-** Are you decreasing the percentage of foreign steel on your order book?

Yes No



# Foreign Steel Order History

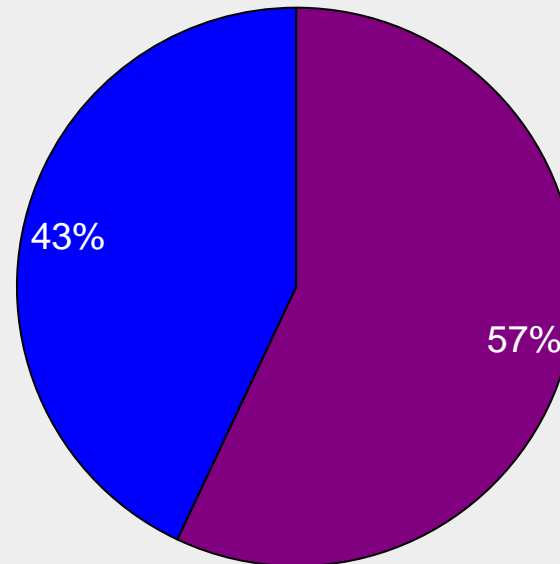
**Service Centers-** Are you decreasing the percentage of foreign steel on your order book?





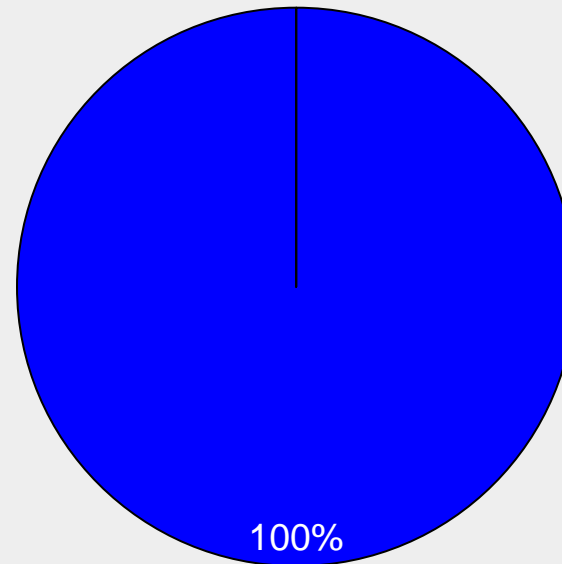
Do you plan to idle capacity over the next three months?\*

Yes  
No

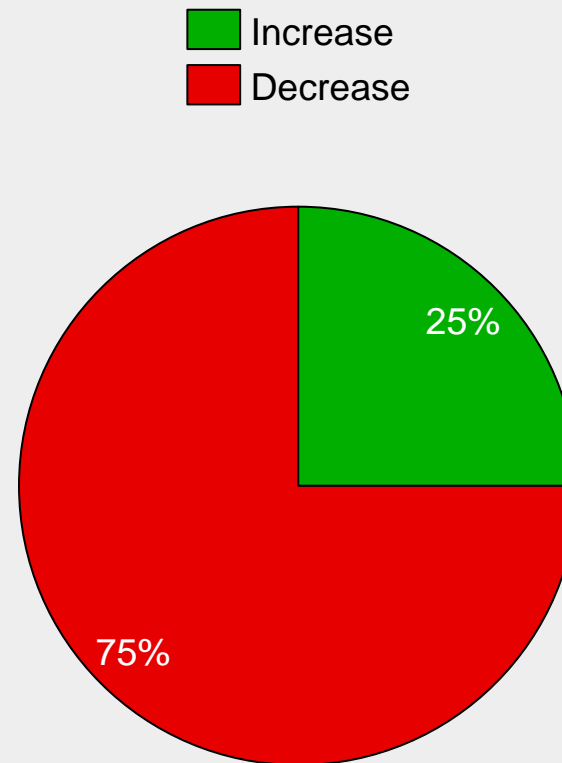


The current order book at your mill is better or worse than last month?\*

- Better
- Same
- Worse

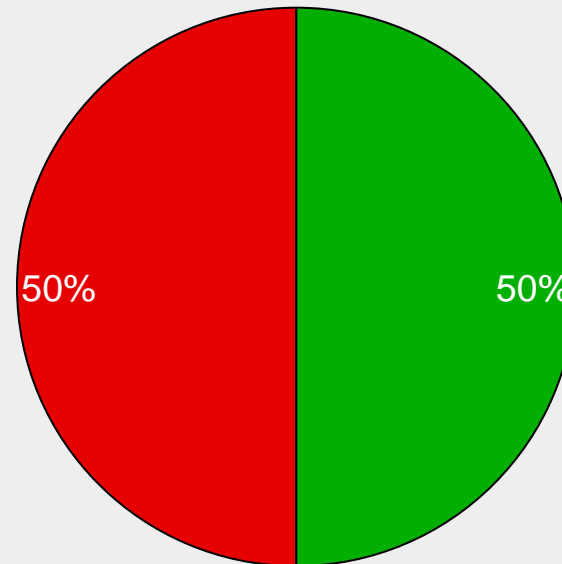


Are you seeing an increase or decrease in orders from your North American buyers?\*



Are foreign products attractive to U.S. buyers?\*

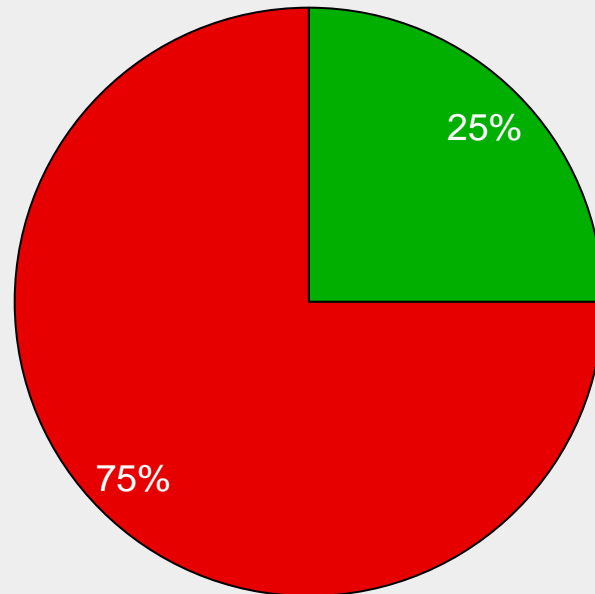
Yes No



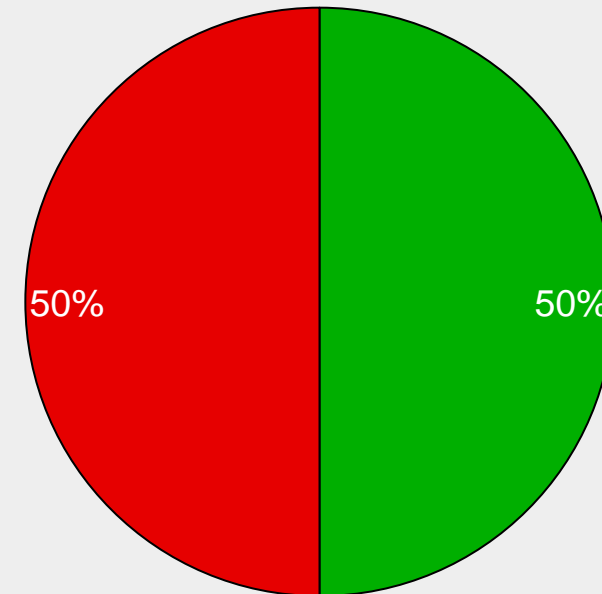
Are you able to offer hot rolled pricing that attracts buyers right now?\*

Are you able to offer cold rolled pricing that attracts buyers right now?\*

Yes No



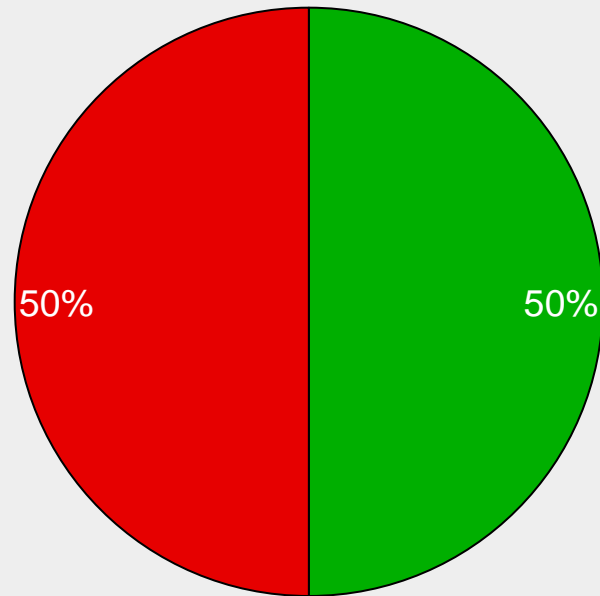
Yes No



# Trading Companies on Coated and Plate

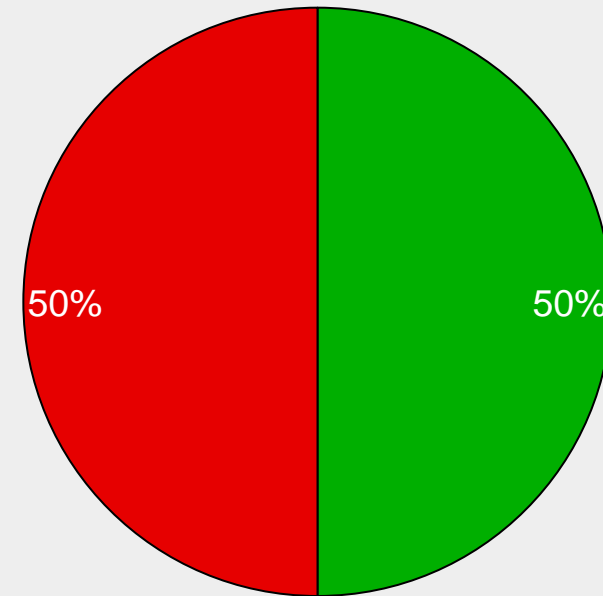
Are your coated prices competitive enough right now to get orders?\*

Yes No



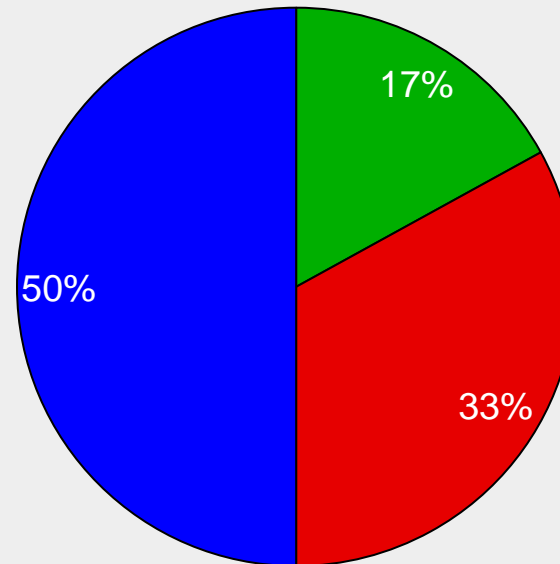
Are you able to offer plate pricing that attracts buyers right now?\*

Yes No



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

- Yes - increase in demand
- Yes - decline in demand
- No - steady demand

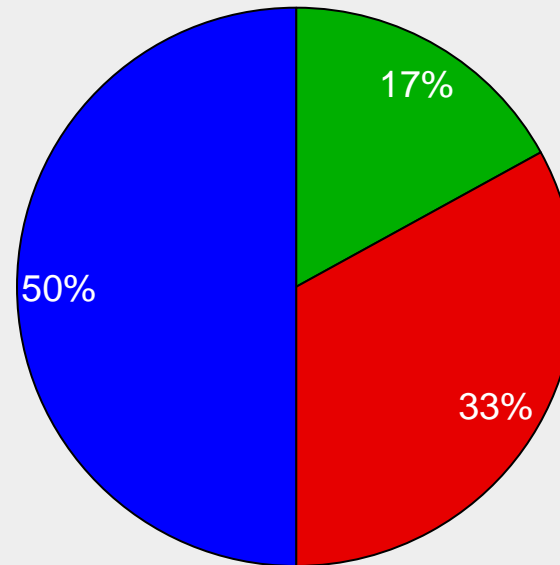


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\*Limited number of responses to this question

Will business levels be better, worse, or stable in the next 3-6 months?\*

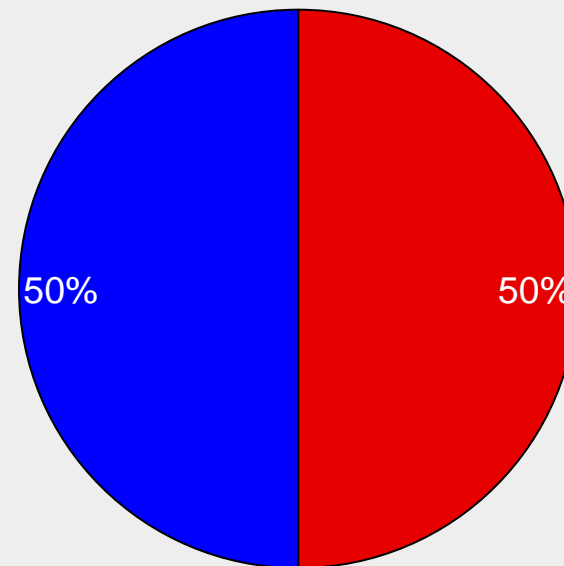
- Better
- Worse
- Stable



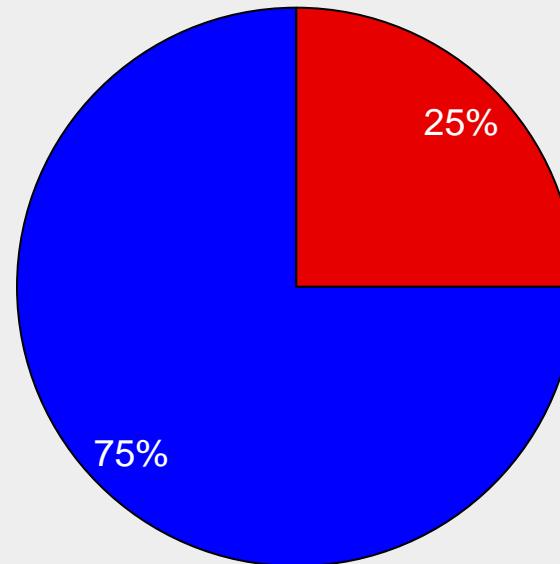


Are business levels better, worse or the same compared to last month?\*

- Better
- Worse
- Same

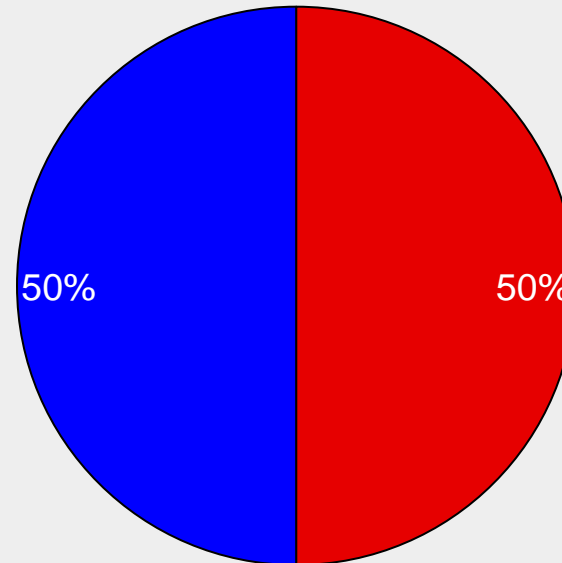


Will business levels be better, worse, or stable in the next 3-6 months?\*



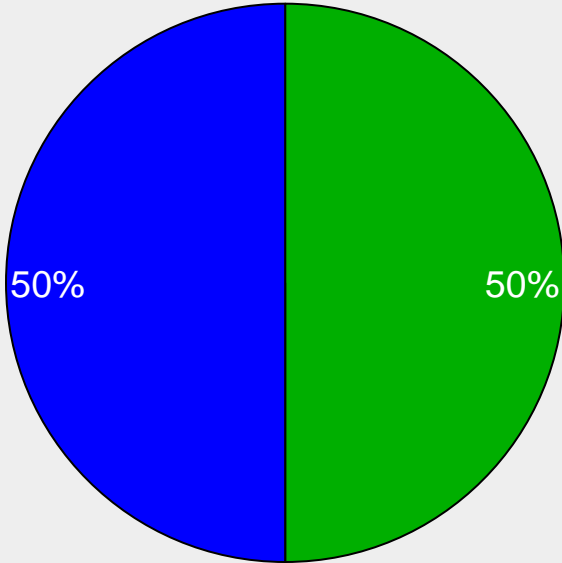
Do you see inventory on your floor beginning to increase, decline or remain the same compared to the one month ago?\*

- 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 October 10, 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)