

# SMU Community Chat

June 15, 2022

Starting at 11 AM Eastern

Michael Cowden, Steel Market Update

Rick Marabito, CEO of Olympic Steel



[SteelMarketUpdate.com/Blog/SMU-Community-Chat-Webinars](https://SteelMarketUpdate.com/Blog/SMU-Community-Chat-Webinars)



SMU Newsletter developed for active buyers & sellers of flat rolled steel.

**Prices – Momentum – Trends – Analysis – with a guarantee**

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# Upcoming Events

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

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 101 Workshop, Severstal Dearborn 2012

Our goal is to provide quality information to the flat rolled steel industry.

We invite over 600 companies to participate in our surveys.

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

To become a data provider, contact [Brett@SteelMarketUpdate.com](mailto:Brett@SteelMarketUpdate.com)



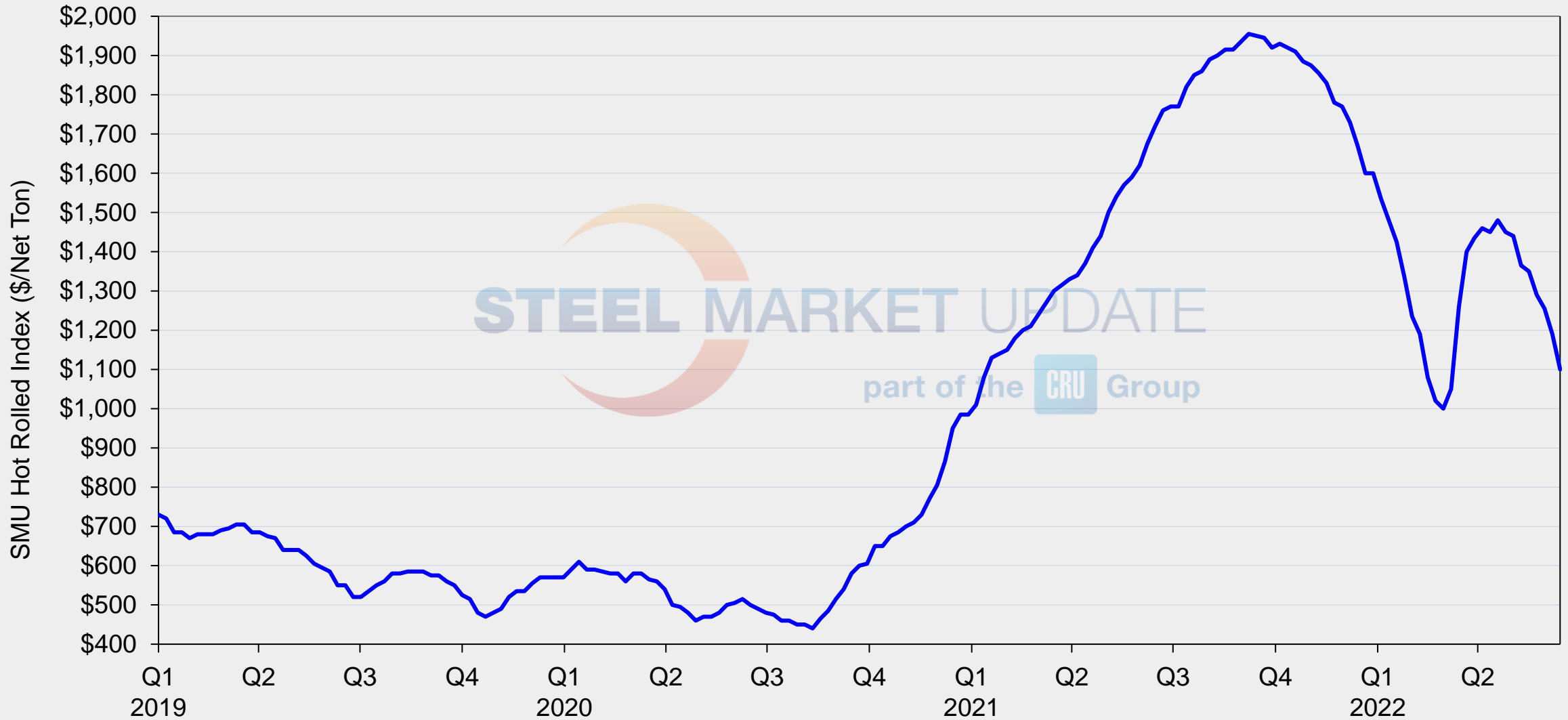
# **STEEL MARKET UPDATE**

part of the  Group

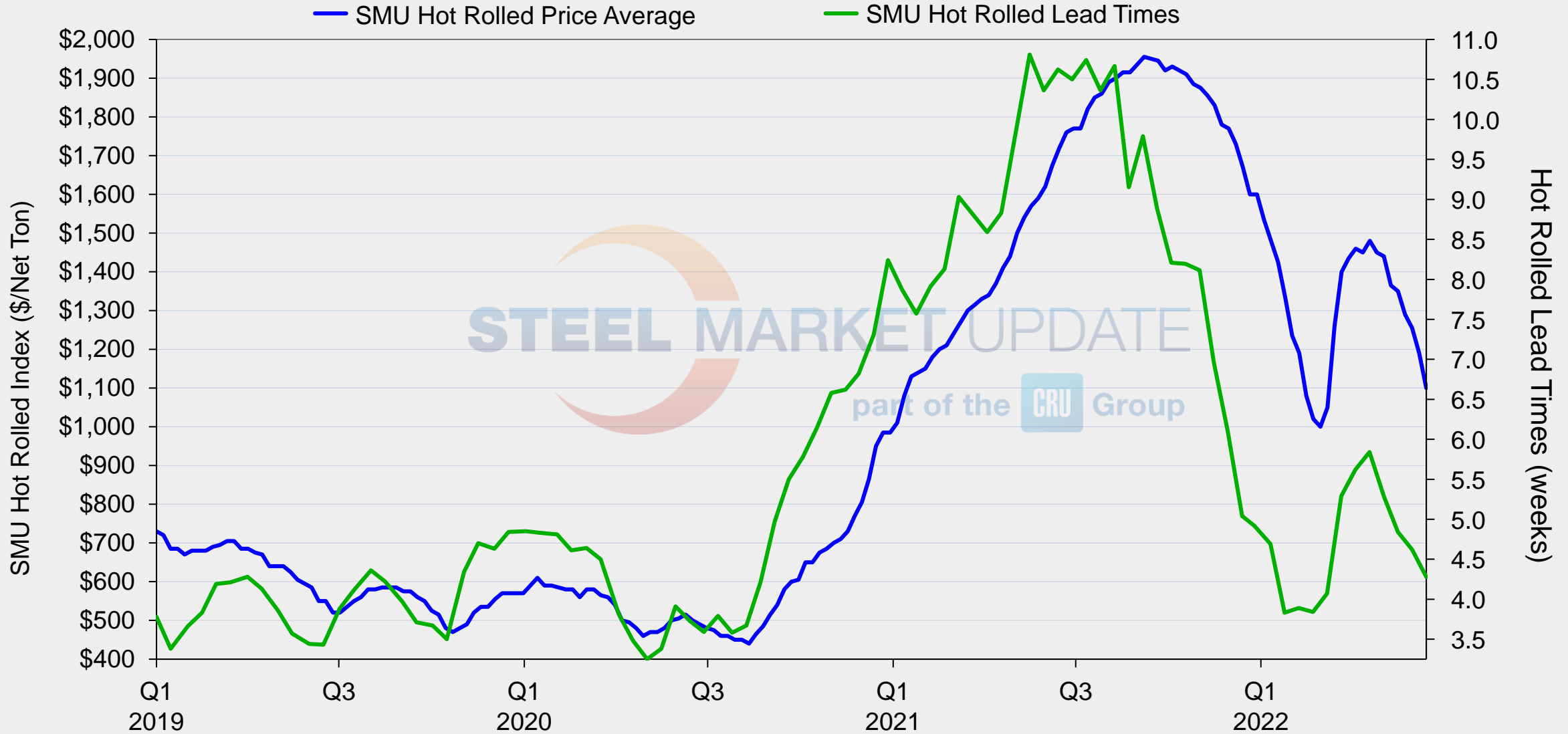
Don't just read our data, see your  
company's experience reflected in it.

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

# SMU Hot Rolled Steel Prices



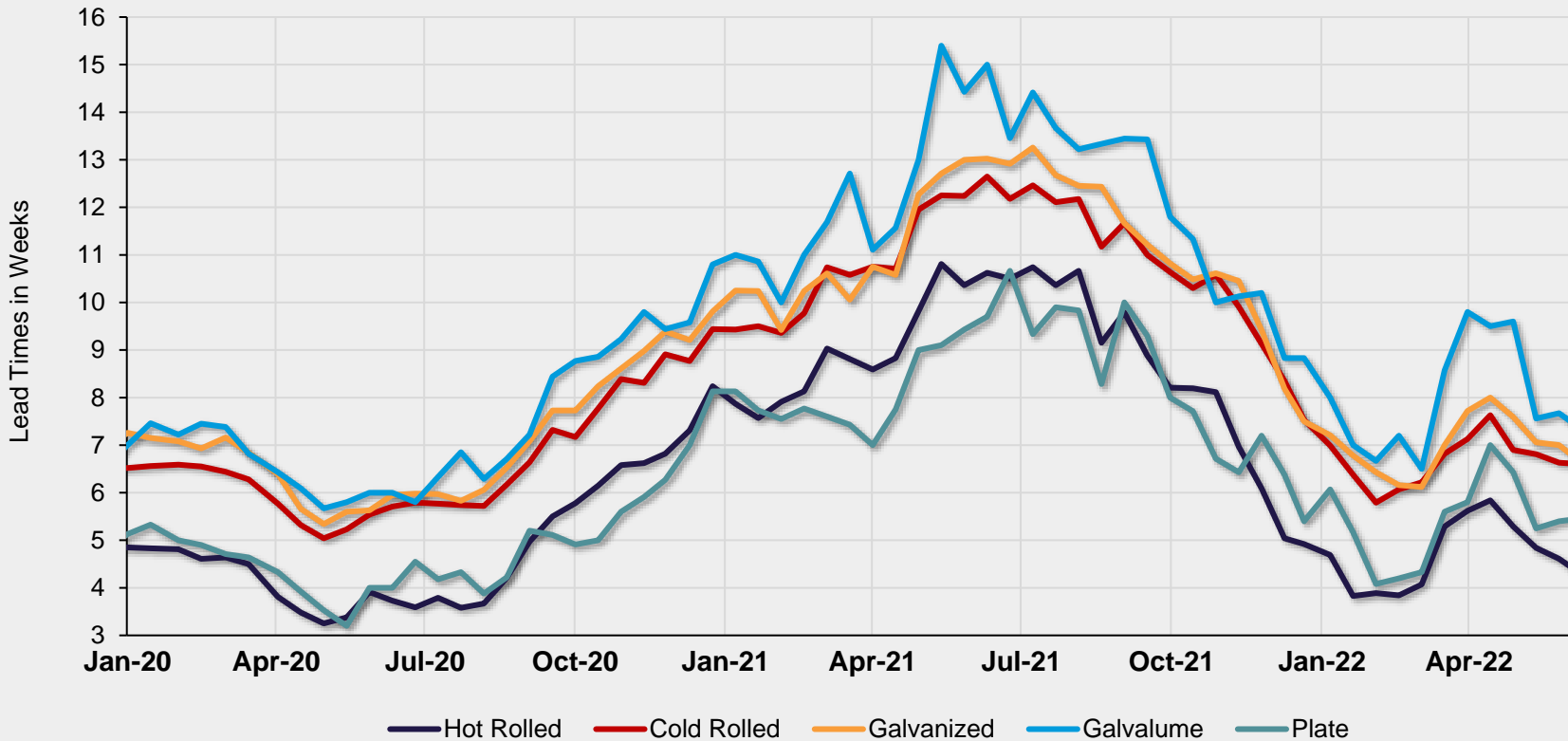
# SMU Steel Prices vs Lead Times





# Steel Mill Lead Times by Product

**SMU Lead Times Comparison**  
January 2020 through June 9, 2022



## Lead Times in Weeks

**Galvalume: 7.3**

**Galvanized: 6.6**

**Cold Rolled: 6.6**

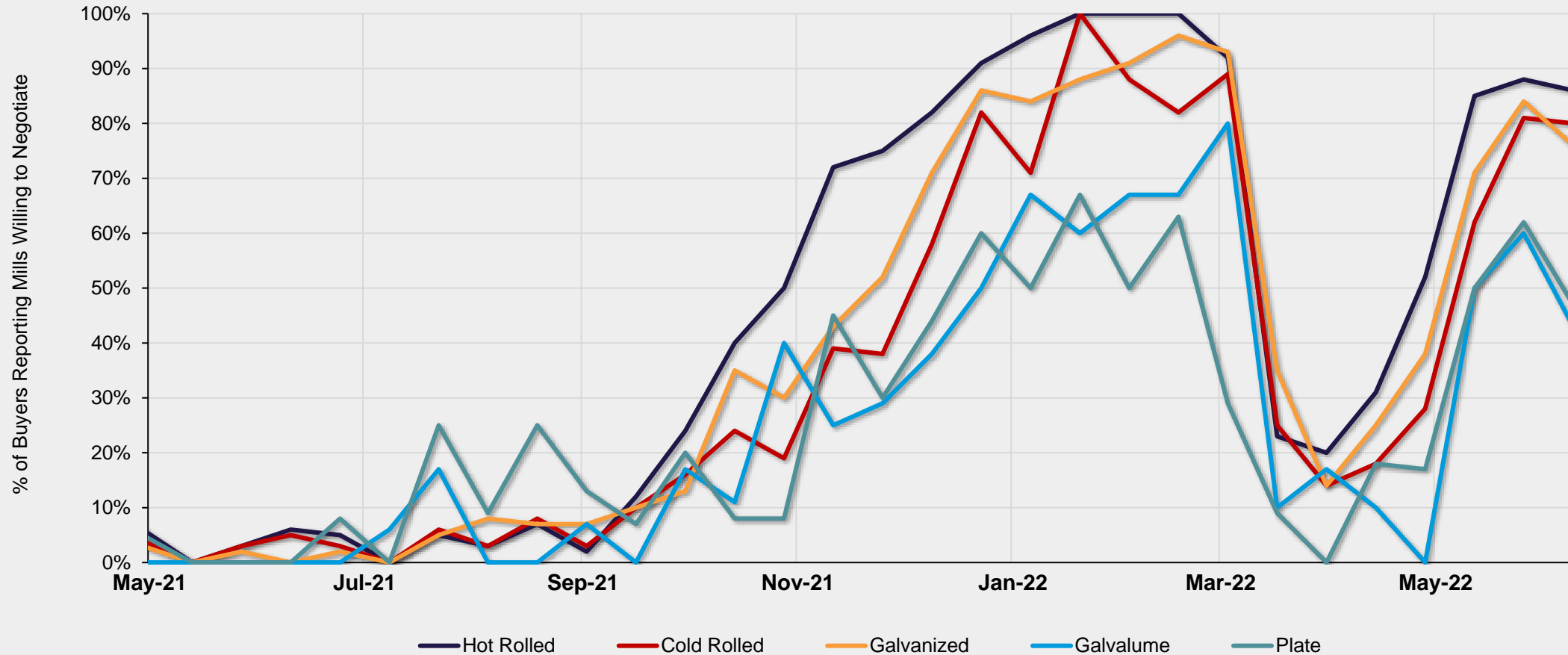
**Plate: 5.5**

**Hot Rolled: 4.3**



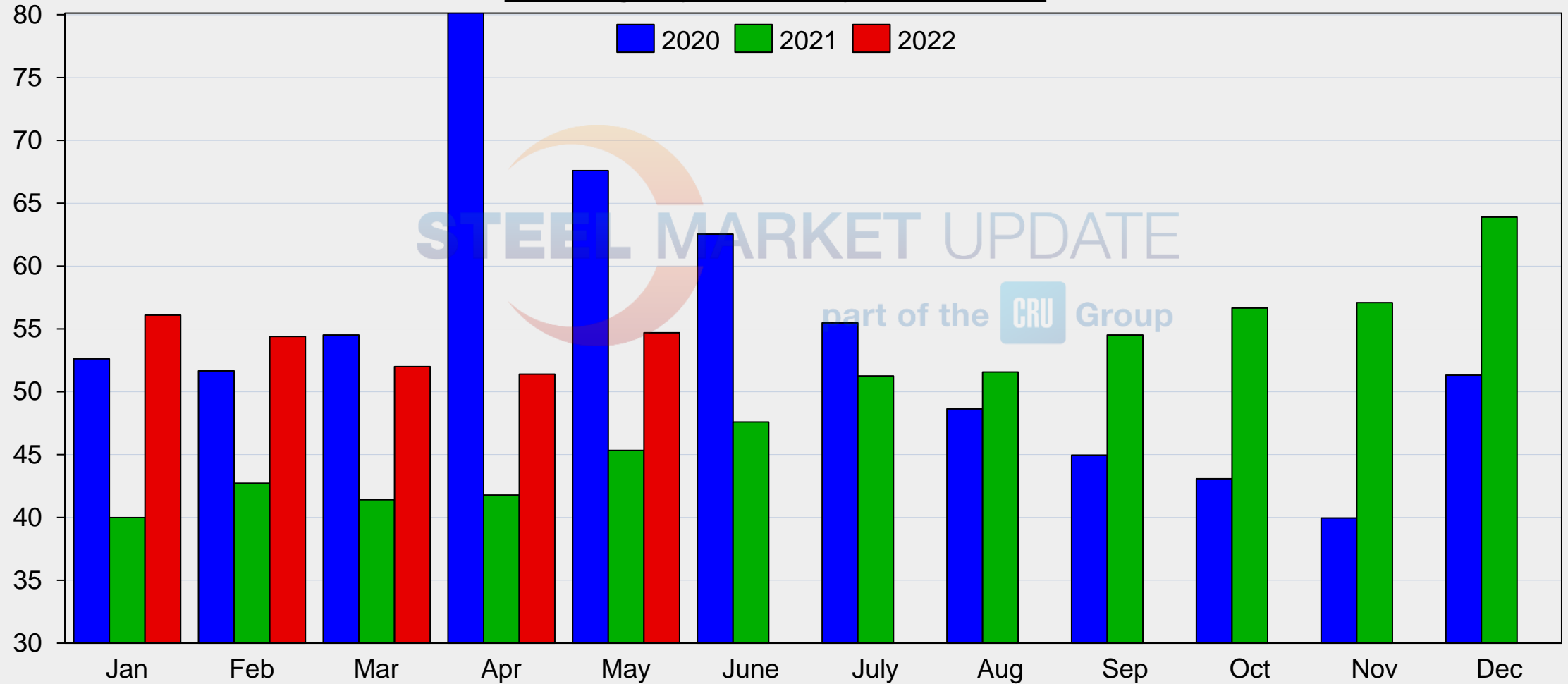
# Steel Mill Negotiations

**SMU Price Negotiations on New Steel Orders**  
January 2021 through June 9, 2022



# Service Center Inventories

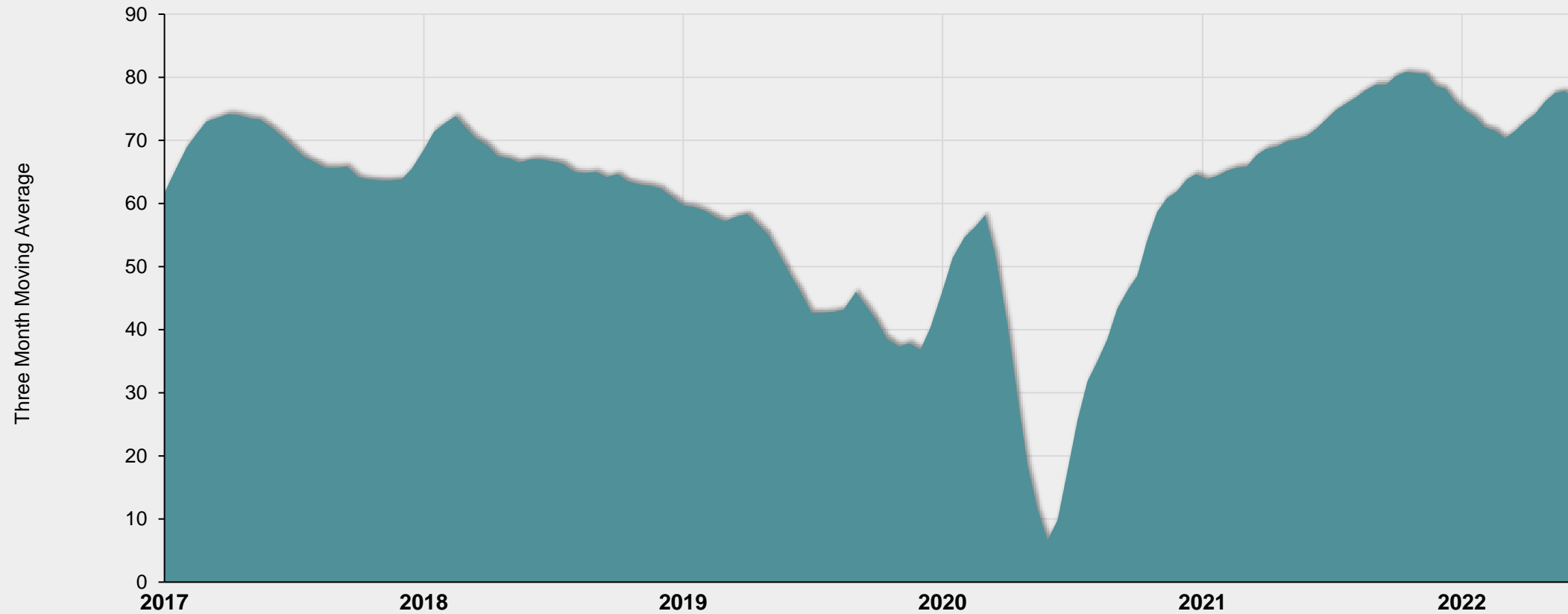
**Shipping Days of Supply – Flat Rolled**



# SMU Steel Buyers Sentiment Index 3MMA

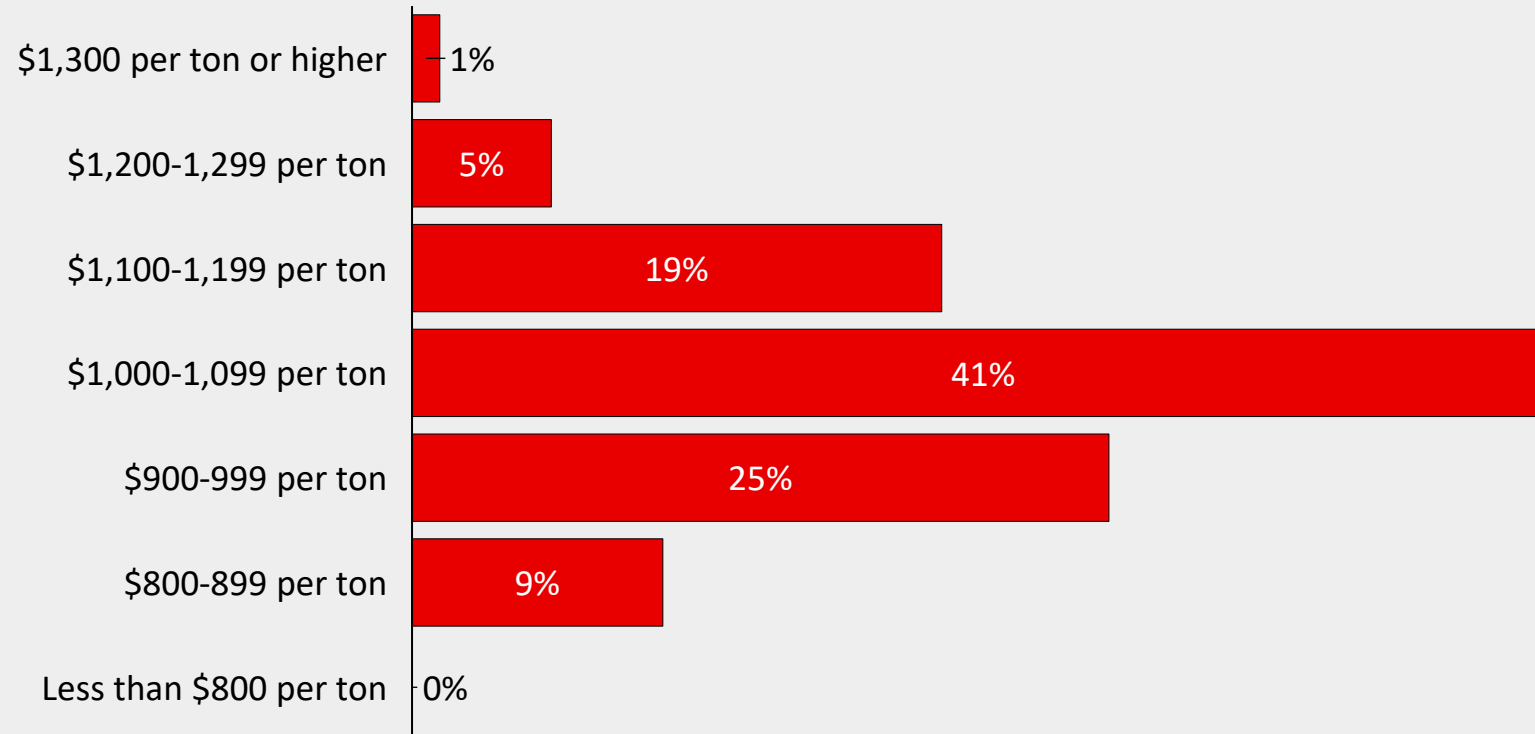
Three Month Moving Average at +76.33

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



# Future HRC Prices

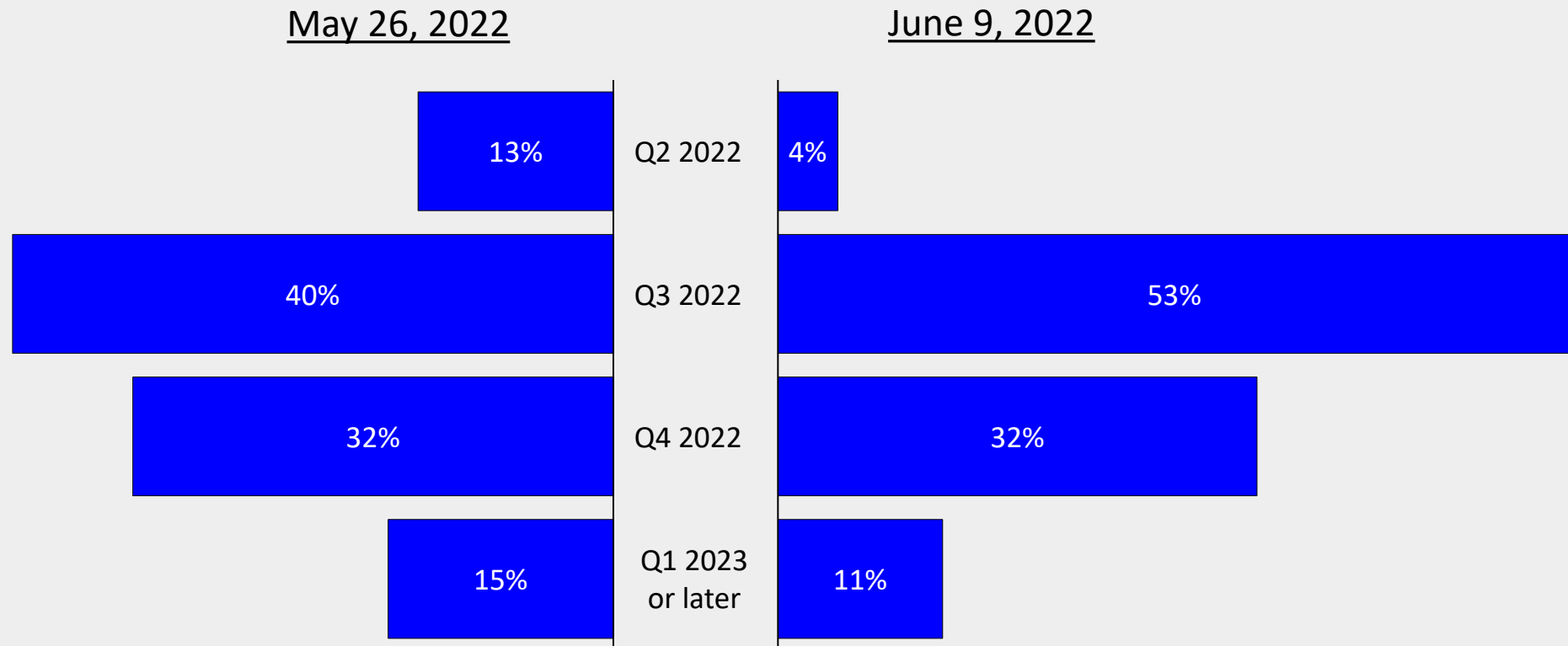
Hot rolled coil prices averaged \$1,255\* per ton last week.  
Where do you think HRC prices will be two months from now?



\* As of Monday, June 6, 2022; the latest SMU HR average is \$1,100 per ton

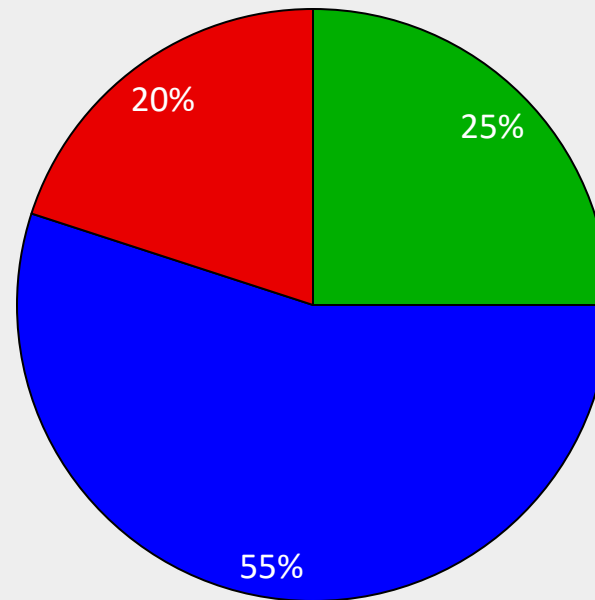
# HRC Price Inflection Point

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



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

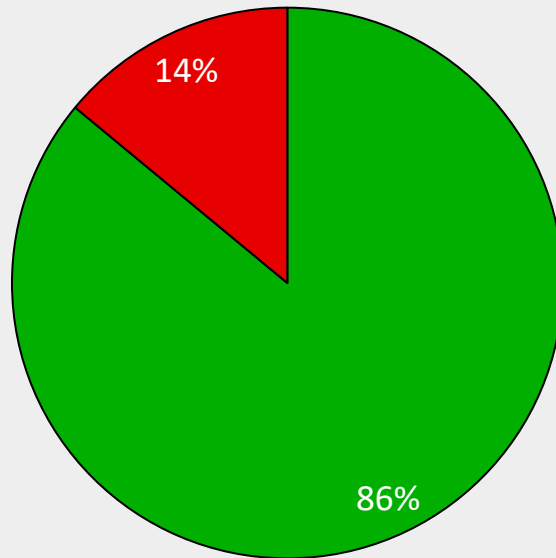
- We exceeded our forecast
- We met our forecast
- We did not meet our forecast



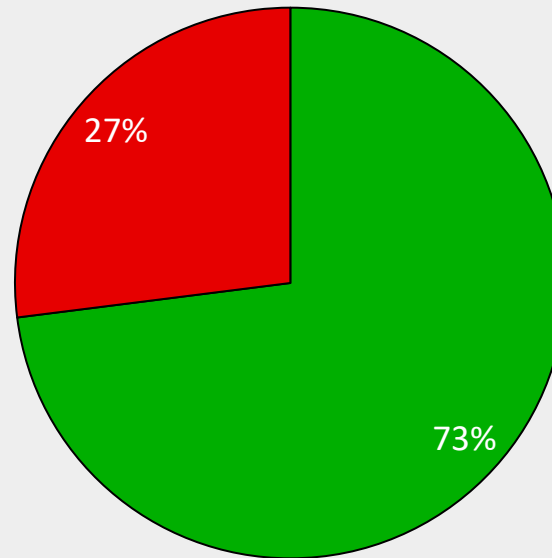
Would you describe yourself as optimistic or pessimistic about your prospects in the second half\* of 2022?

■ Optimistic ■ Pessimistic

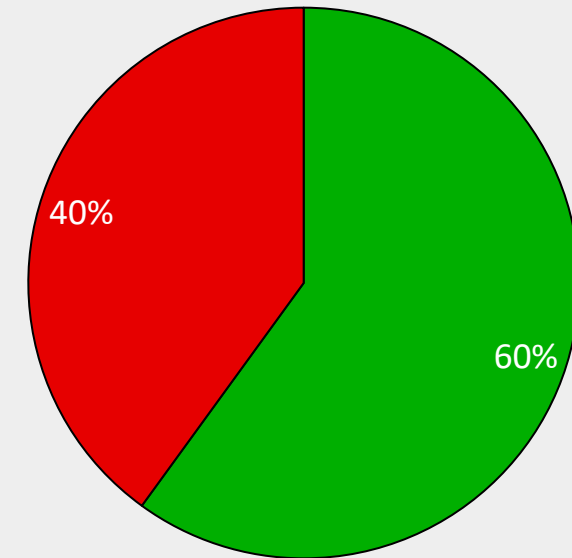
May 12, 2022



May 26, 2022



June 9, 2022



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

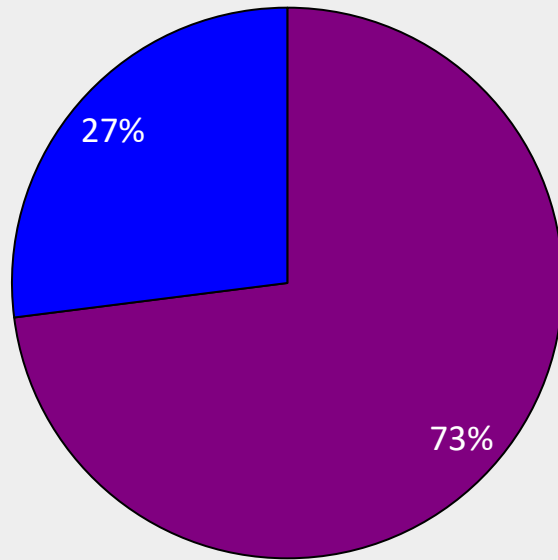


# Staying on the Sidelines?

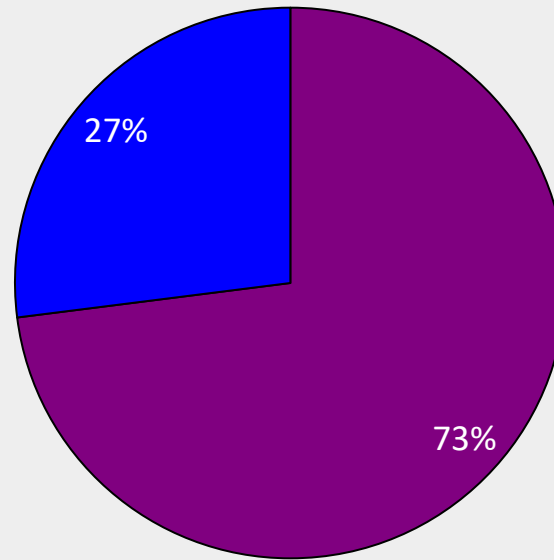
Are you an active buyer or staying on the sidelines?

■ Active buyer ■ On the sidelines

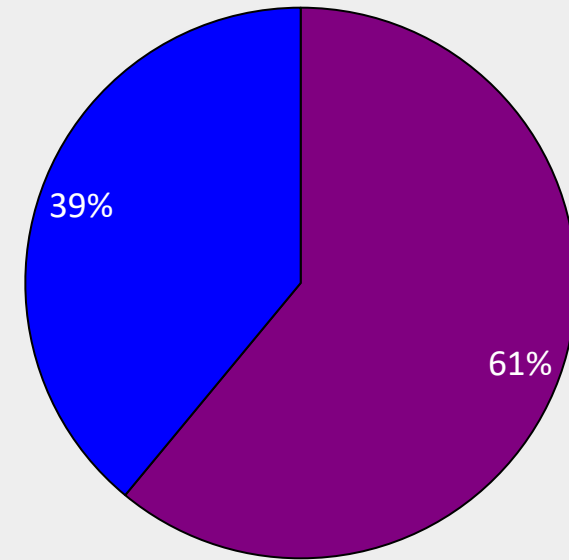
May 12, 2022



May 26, 2022



June 9, 2022

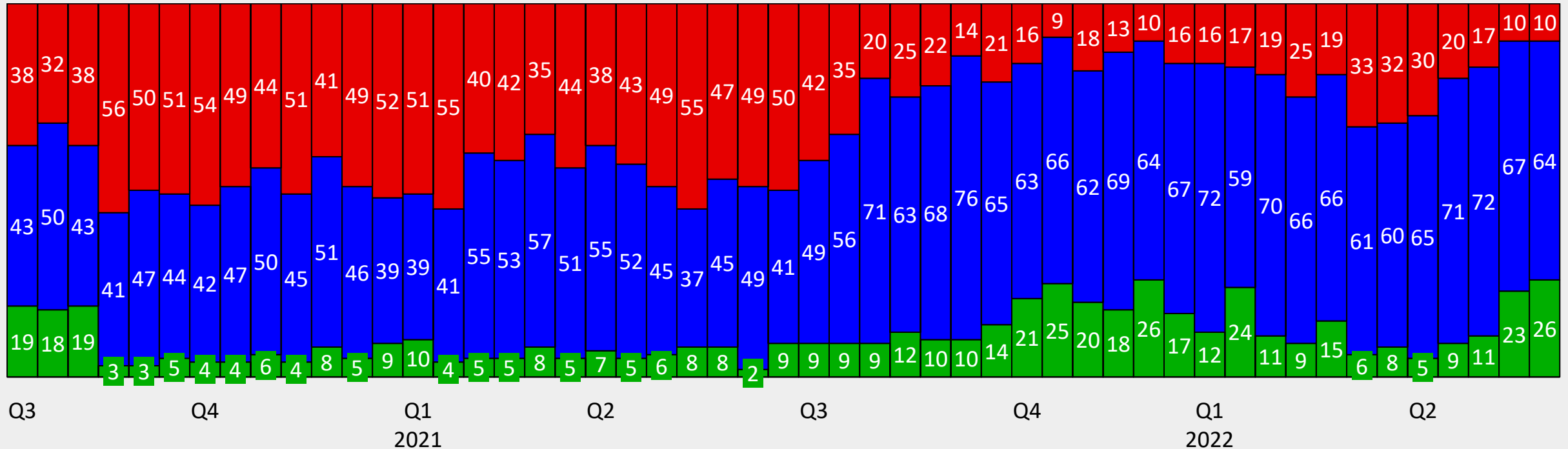


# Overall Demand History

How are you seeing demand for your products?

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

out of 100%

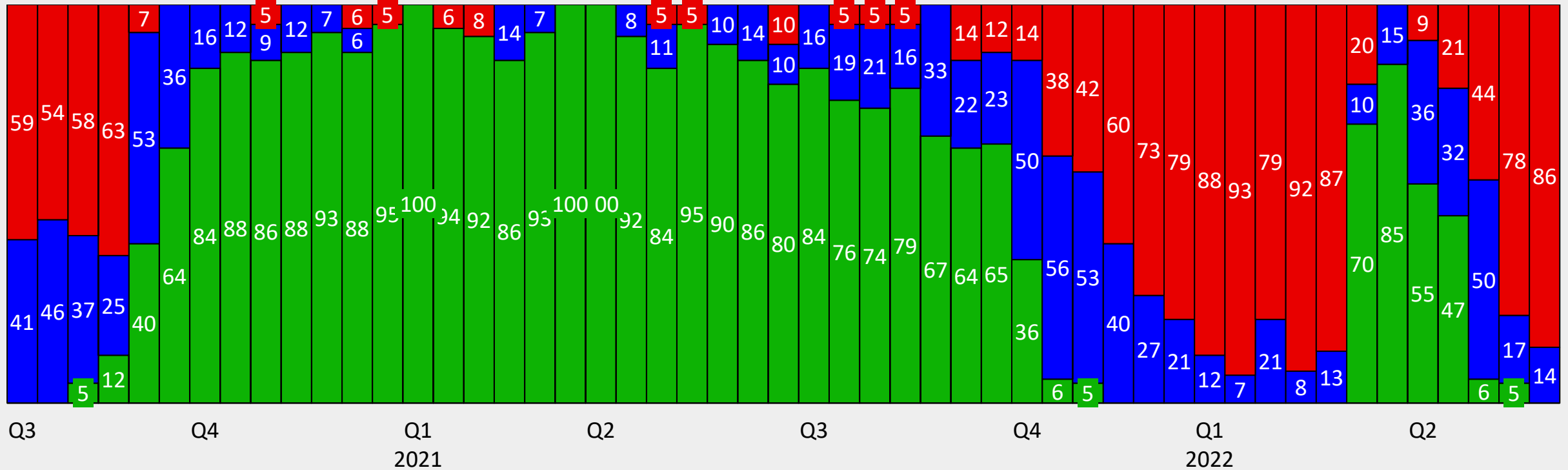


# Manufacturer's View of Service Center Selling Prices History

**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

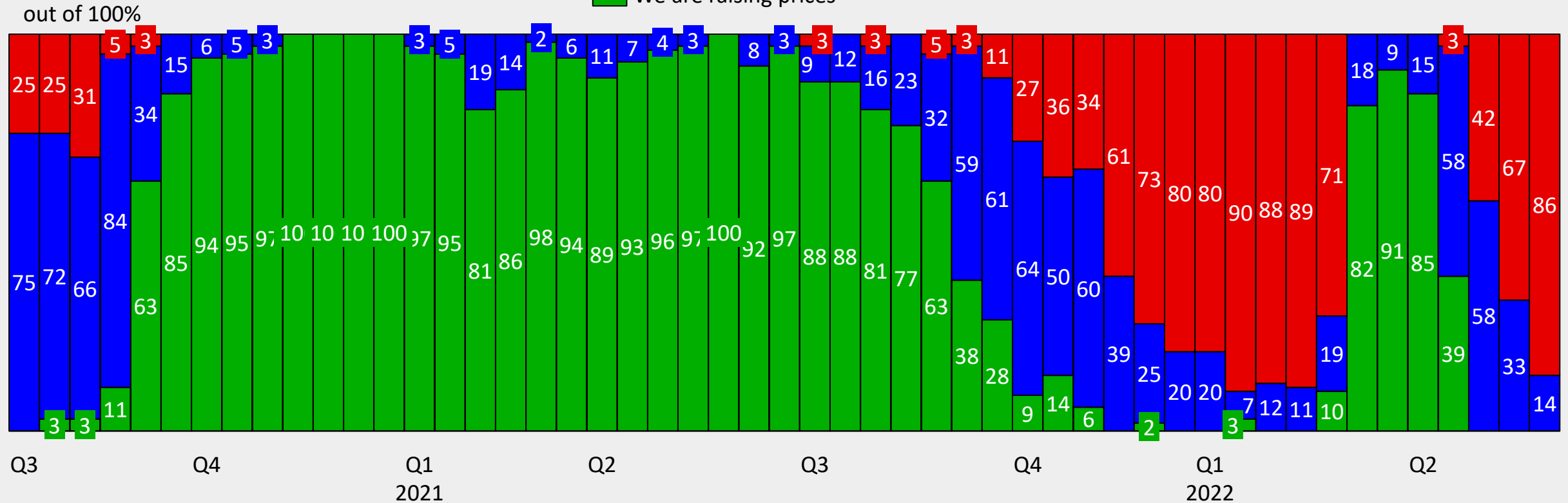
out of 100%



# Service Center View of Selling Prices History

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

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





**Rick Marabito** is CEO of Olympic Steel, where he has worked since 1994. He has previously served as the company's chief financial officer, corporate controller and treasurer. Marabito is also chairman of the Metals Service Center Institute.

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**Timna Tanners** is a Managing Director at **Wolfe Research**. She has covered the Metals and Mining sector since 2002. She was ranked #1 in Metals and Mining in the Institutional Investor All-America Research Poll from 2013 to 2018. Before joining Wolfe Research, Tanners worked as a Managing Director at Bank of America, where she covered metals and mining not only in North America but in Latin America as well. She began her career in 2002 at UBS. Tanners has a BA in politics from Pomona College, an MS in journalism from Northwestern University, and an MBA from UCLA. She is based in New York.

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# Thank You

Thank you for attending our SMU Community Chat. And a special thank you to Mr. Marabito for his participation today.

To contact Michael Cowden: [Michael@SteelMarketUpdate.com](mailto:Michael@SteelMarketUpdate.com)

For information about subscribing to SMU, contact Paige Mayhair: [Paige@SteelMarketUpdate.com](mailto:Paige@SteelMarketUpdate.com)

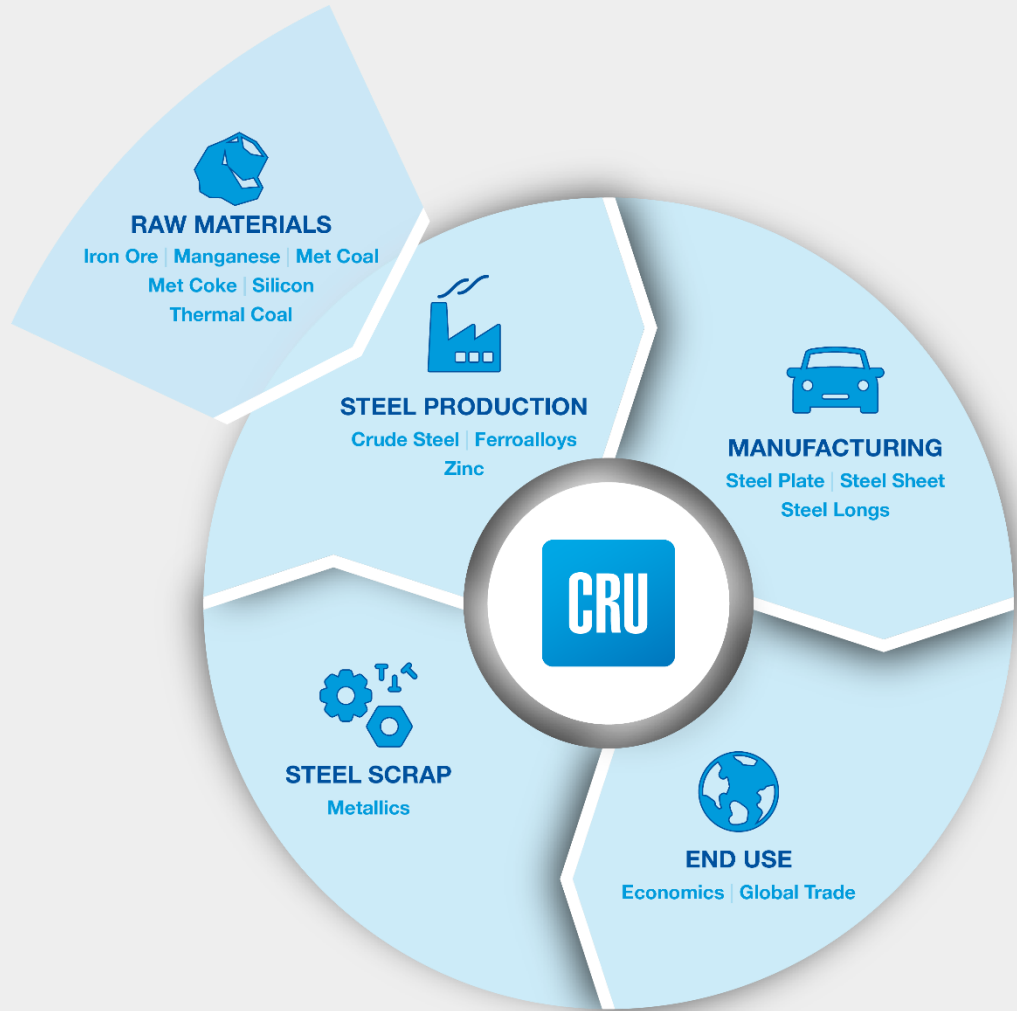
To participate in our survey contact Brett Linton: [Brett@SteelMarketUpdate.com](mailto:Brett@SteelMarketUpdate.com)

To become a data provider for our service center inventory report, contact Estelle Tran: [Estelle.Tran@CRUGroup.com](mailto:Estelle.Tran@CRUGroup.com)

Stay safe and stay tuned to Steel Market Update!

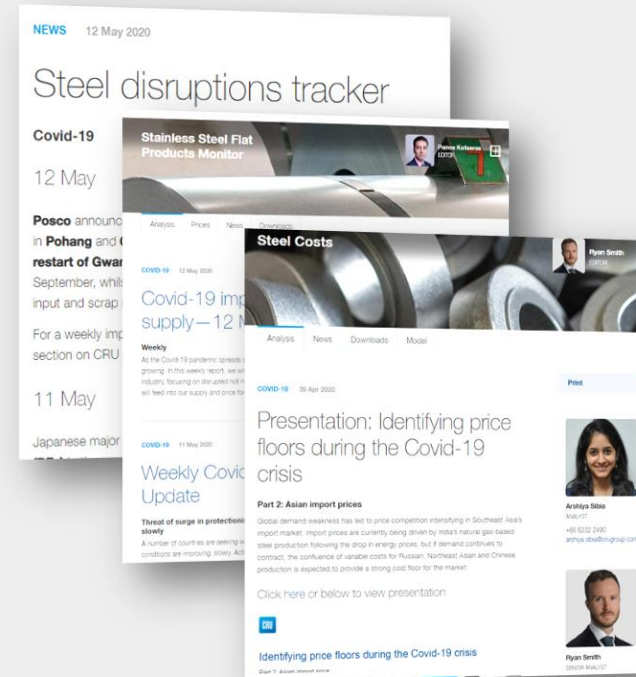


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The logo features a stylized circular element on the left, composed of two curved segments. The top segment is orange and the bottom segment is red, meeting at a point on the right side. The text 'STEEL MARKET UPDATE' is written in a bold, white, sans-serif font across the middle of this circular element.

# STEEL MARKET UPDATE

part of the  Group

The CRU logo consists of the letters 'CRU' in a bold, white, sans-serif font, enclosed within a white square.

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