

SMU Community Chat

October 12, 2022

Starting at 11 AM Eastern

Michael Cowden, Steel Market Update

David Feldstein, Rock Trading Advisors



SteelMarketUpdate.com/Blog/SMU-Community-Chat-Webinars

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

Upcoming Events

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

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 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



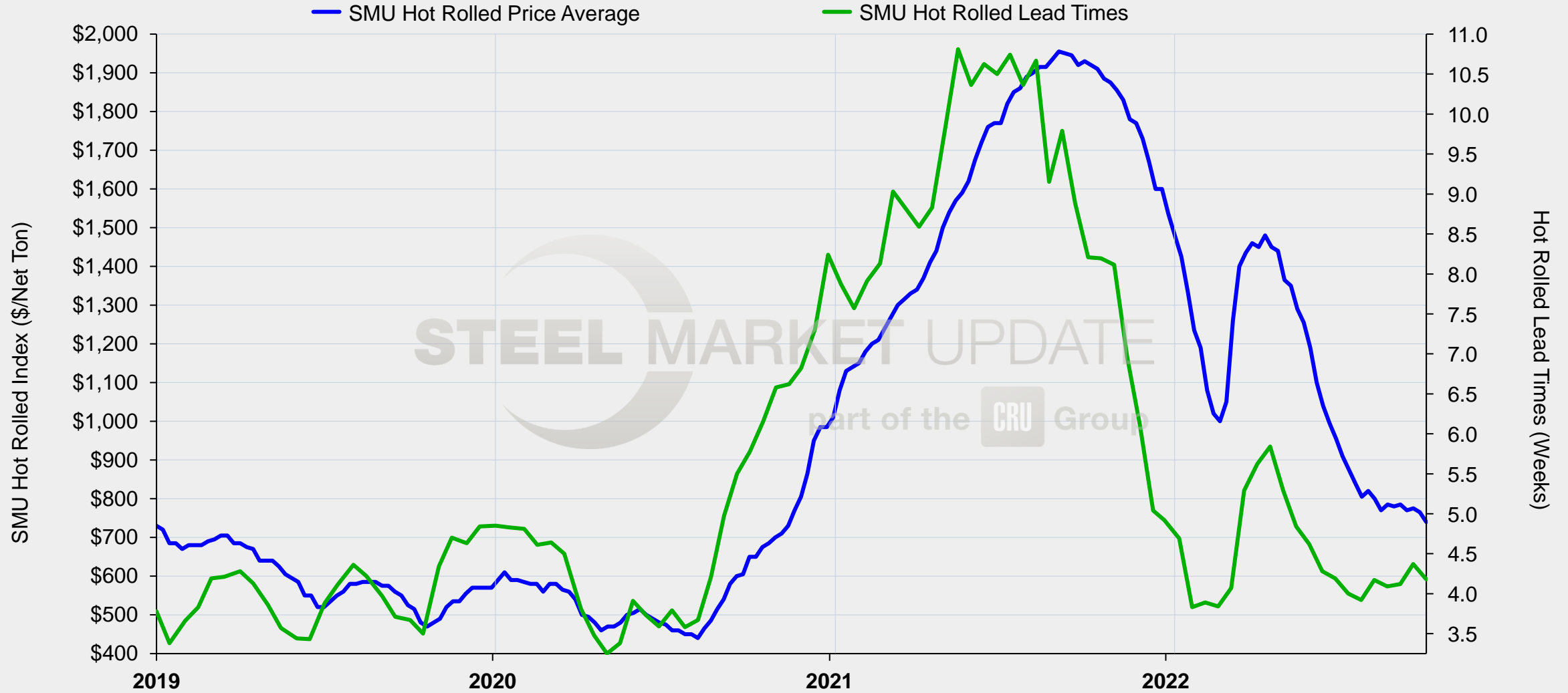
STEEL MARKET UPDATE

part of the  Group

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

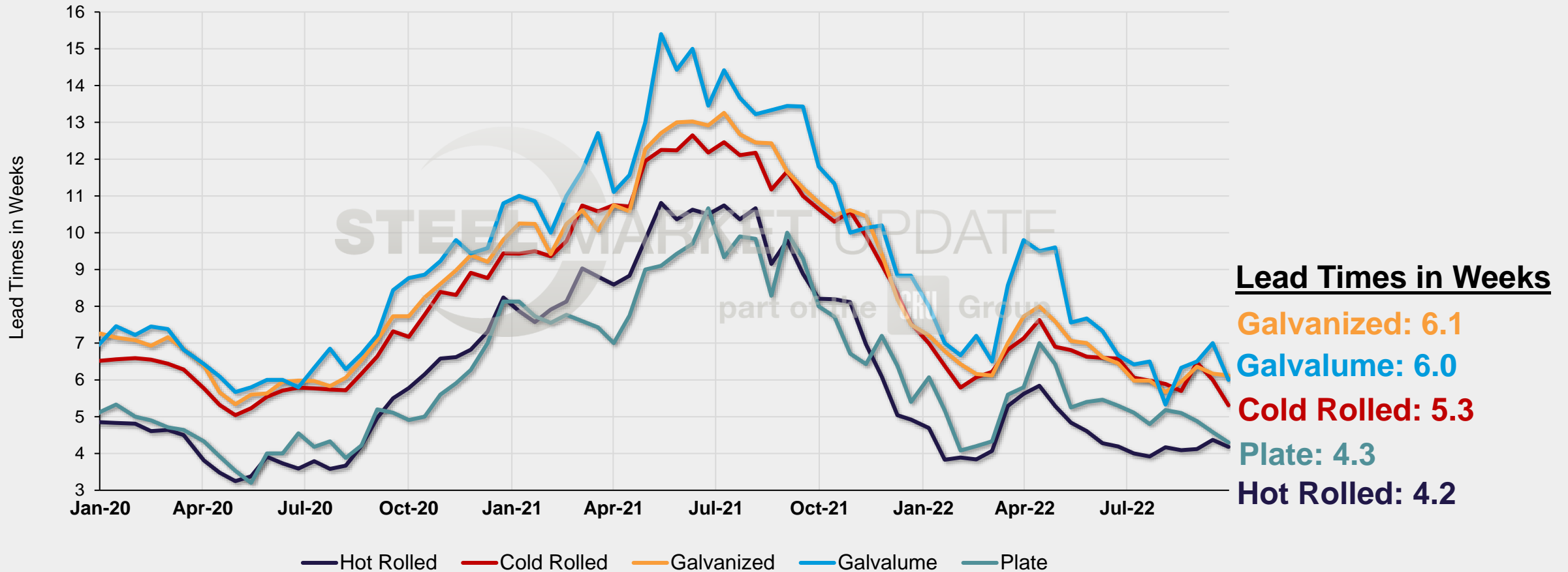
Contact Brett@SteelMarketUpdate.com
for participation information.

SMU Steel Prices vs Lead Times



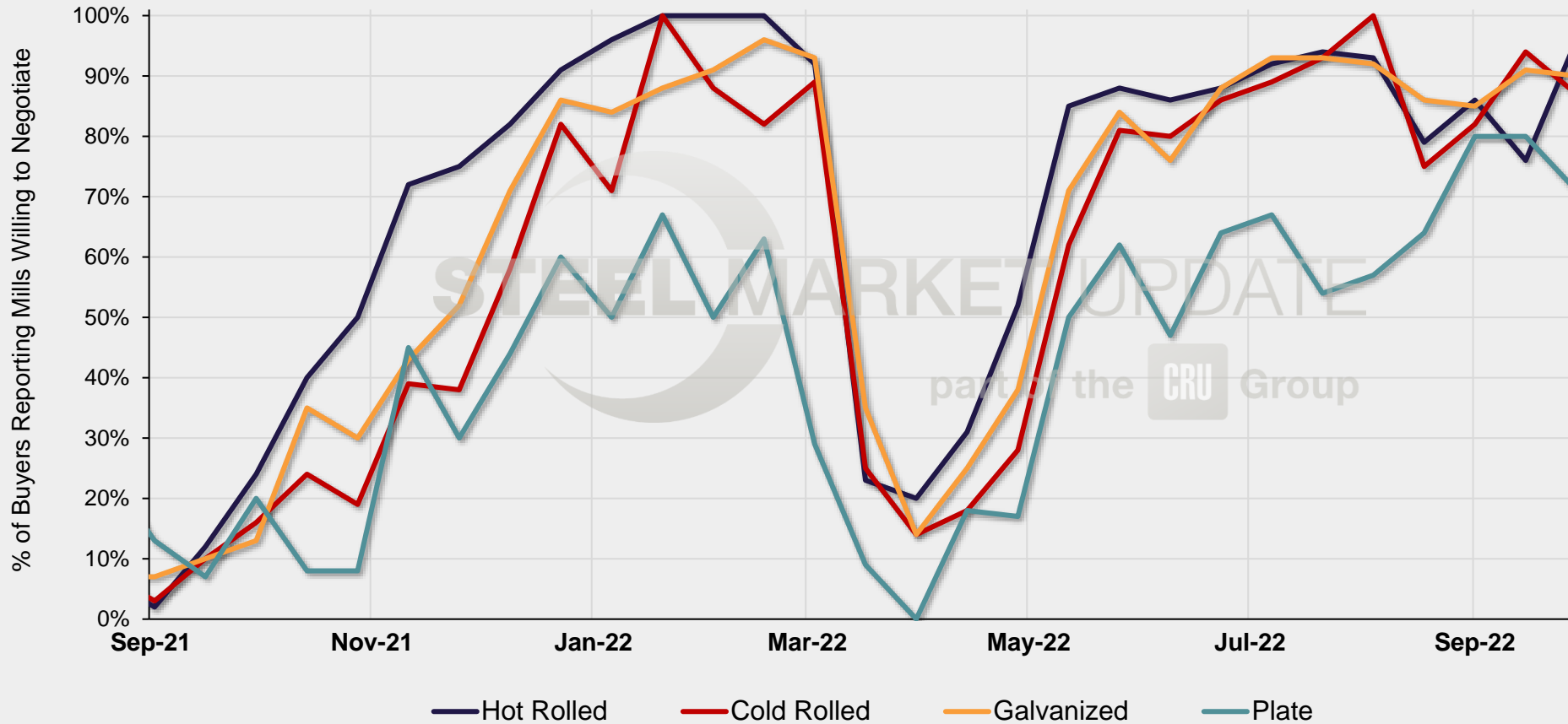
Steel Mill Lead Times by Product

SMU Lead Times Comparison
Through September 29, 2022



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%

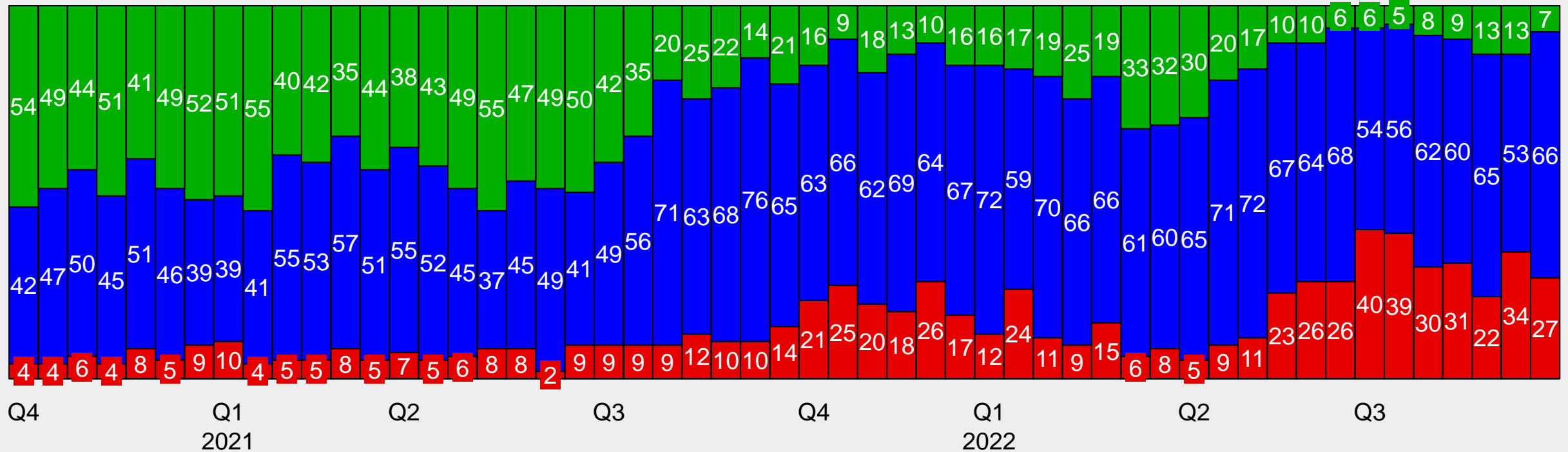
Plate: 71%

Overall Demand History

How are you seeing demand for your products?

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

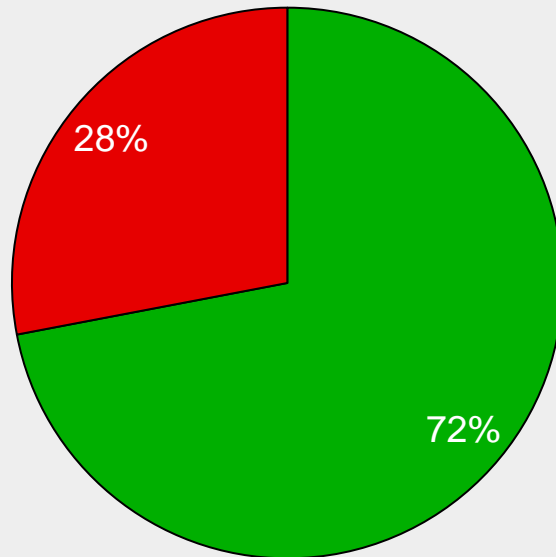
out of 100%



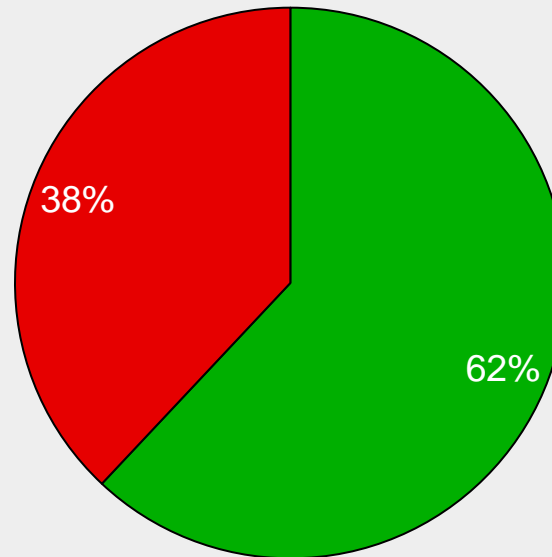
Would you describe yourself as optimistic or pessimistic about your prospects for the remainder of 2022?

■ Optimistic ■ Pessimistic

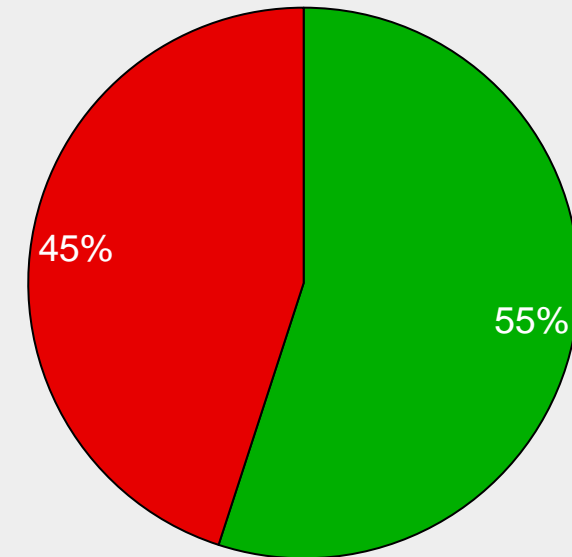
September 1, 2022



September 15, 2022

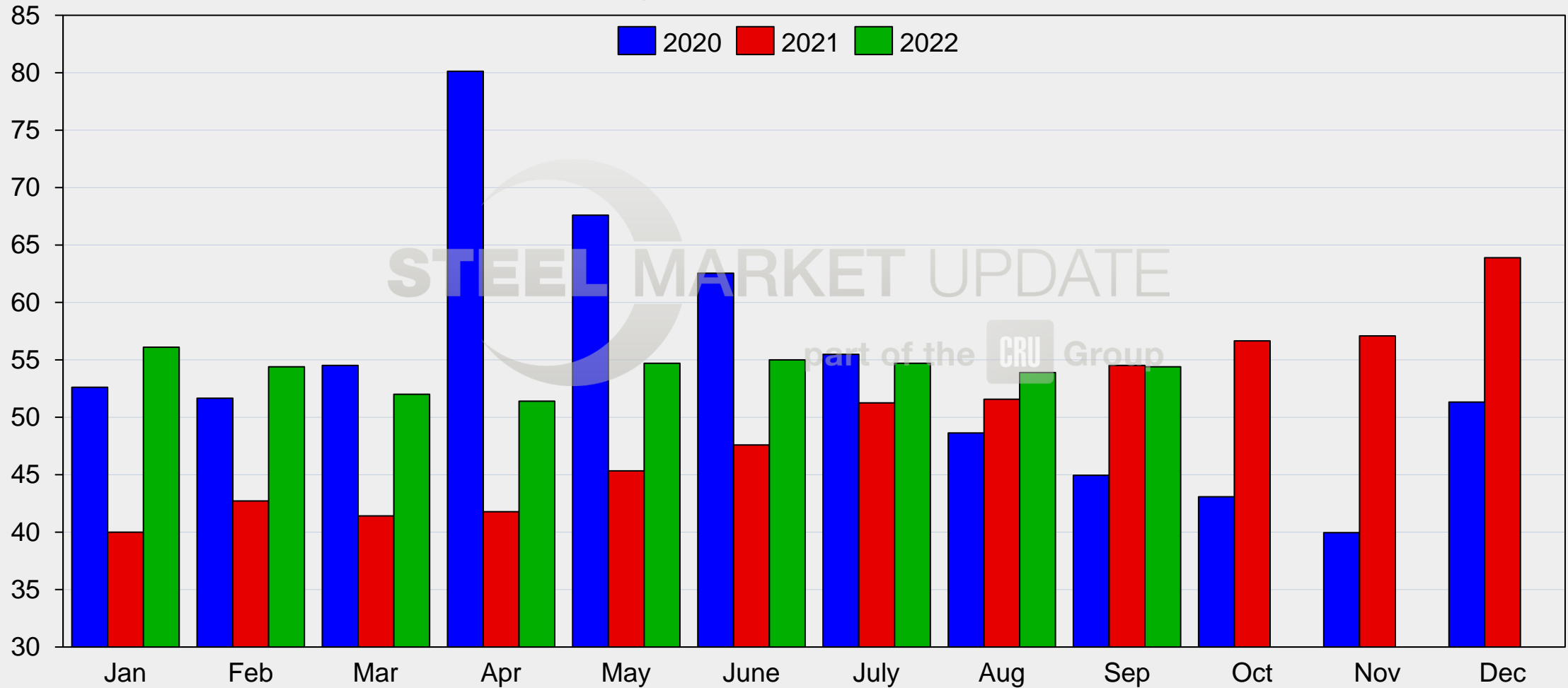


September 29, 2022



Service Center Inventories

Shipping Days of Supply – Flat Rolled





David Feldstein is president of Rock Trading Advisors.

Rock Trading Advisors is a commodity trade advisory (CTA) focused on commercial firms in the metals and mining space. RTA provides price risk management for not only ferrous products, but also base metals, energy and interest rates. RTA trains customer's sales staff and creates the infrastructure necessary for the firm to offer their customers long-term fixed pricing on physical sales.

David has over 20 years of financial market trading experience and has been active in the ferrous futures space since 2012.

www.SteelMarketUpdate.com/blog/SMU-Community-Chat-Webinars

**CHATTIN' WITH
STEEL MARKET UPDATE
ABOUT HEDGING & TRADING**

OCTOBER 12, 2022

**ROCK
TRADING
ADVISORS**

**DAVID FELDSTEIN
PRESIDENT**

DAVIDFELDSTEIN@ROCKTRADINGADVISORS.COM

Disclaimer

Disclaimer: The content of this presentation is for informational purposes only. Any views discussed do not represent financial services or advice. Any opinion expressed by David Feldstein should not be treated as a specific inducement to make a particular investment or follow a particular strategy, but only as an expression of his opinion. Views and forecasts expressed are as of date indicated, are subject to change without notice, may not come to be and do not represent a recommendation or offer of any particular security, strategy or investment. Strategies mentioned may not be suitable for you. Derivatives markets are extremely risky. You must make an independent decision regarding investments or strategies mentioned in this article. It is recommended you consider your own particular circumstances and seek the advice from a financial professional before taking any action in financial markets.

Commodity trading involves substantial risk of loss. Futures and options are leveraged financial instruments that can result in the loss of all of your investment.

HEDGING & TRADING

PRICE RISK

DEAL MAKING

BUSINESS STRATEGY

PHILOSOPHY

HEDGING & TRADING

PRICE RISK

DEAL MAKING

STEEL

ENERGY

CAPITAL

STEEL

MIDWEST HRC

BUSHELING

TURK. SCRAP

N.E. HRC

BASE METALS

IRON ORE

ENERGY

DIESEL

CRUDE

GASOLINE

NAT GAS

CAPITAL

RATES

TREASURY

BONDS

S.O.F.R.

EURODOLLAR

CURRENCY

CME

LME

SGX

STEEL

MIDWEST HRC

BUSHELING

TURK. SCRAP

N.E. HRC

IRON ORE

ENERGY

CAPITAL

S.O.F.R.

EURODOLLAR

**FINANCIALLY
DELIVERED**

HEDGING & TRADING

SOMEBODY'S GOTTA DO IT

80% / 20%

CHOICES

A) BANK

B) INTERNAL TRADE DESK

C) COMMODITY TRADE ADVISOR

COMMODITY TRADE ADVISOR

C.T.A

**FINANCIAL SERVICES PROFESSIONAL
FIDUCIARY DUTY**

REGULATOR – C.F.T.C.

COMMODITY FUTURES TRADING COMMISSION

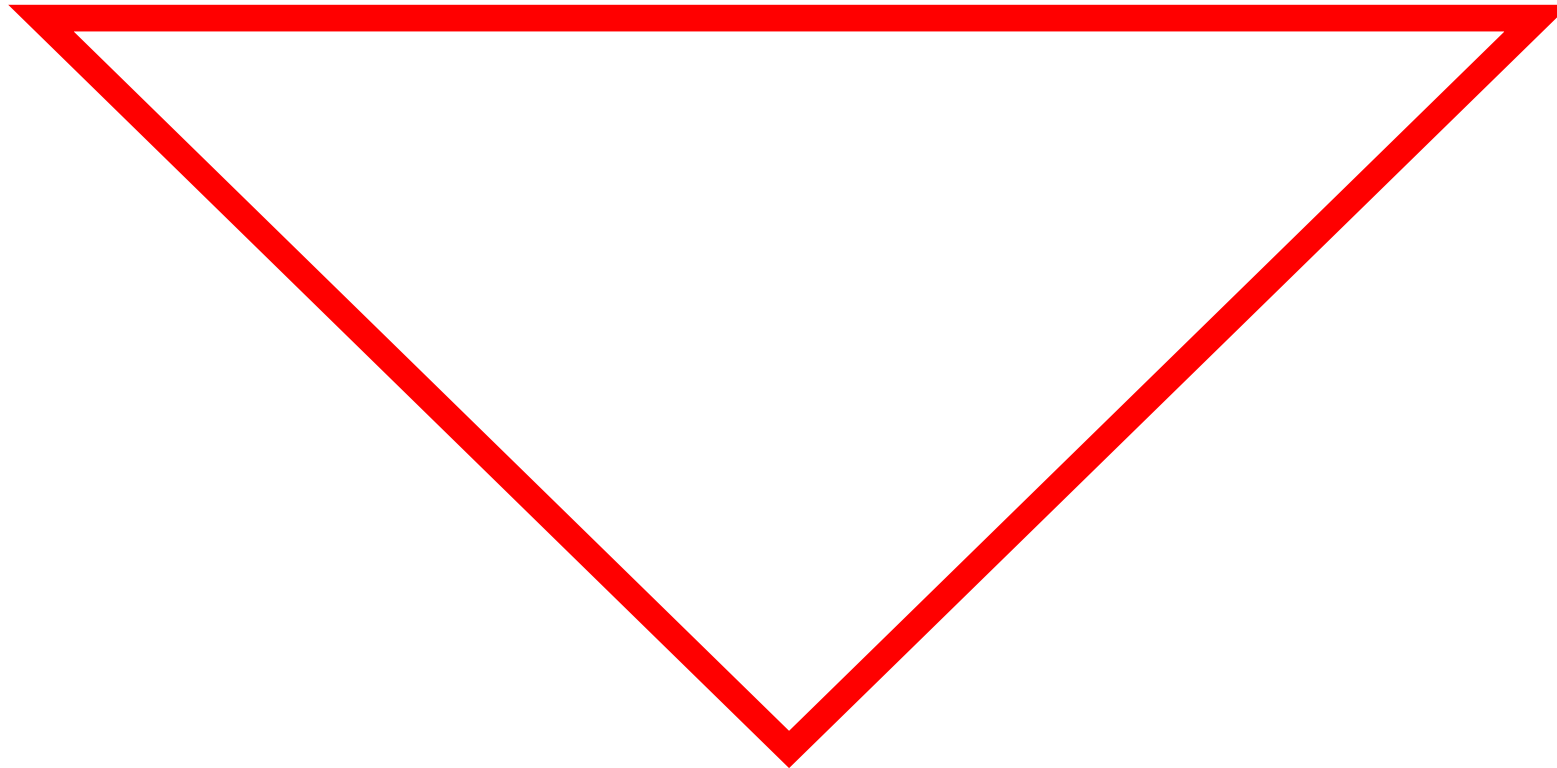
MEMBER - NATIONAL FUTURES ASSOCIATION

SERIES 3 EXAM

DO NOT HOLD OR CONTROL FUNDS

COMMERCIALS

SPECULATORS



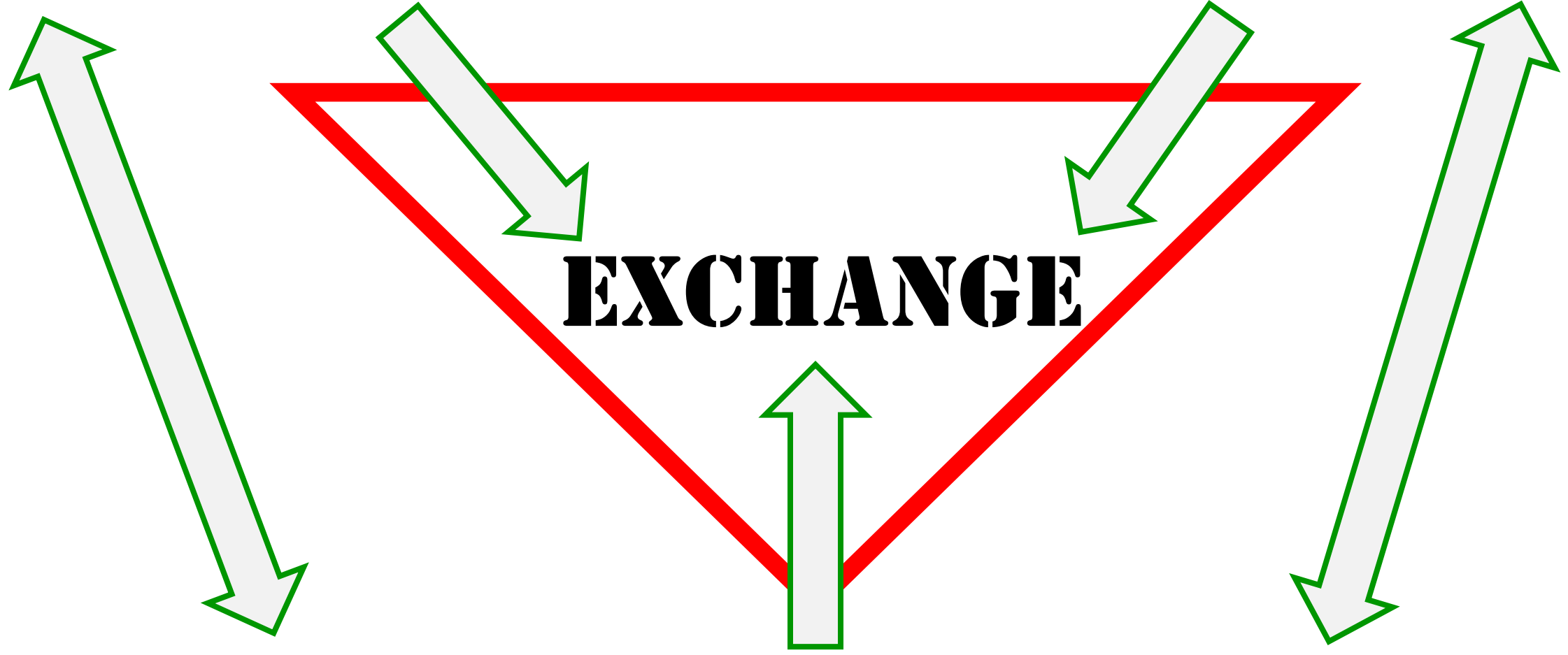
FINANCIAL INTERMEDIARIES

COMMERCIALS

SPECULATORS

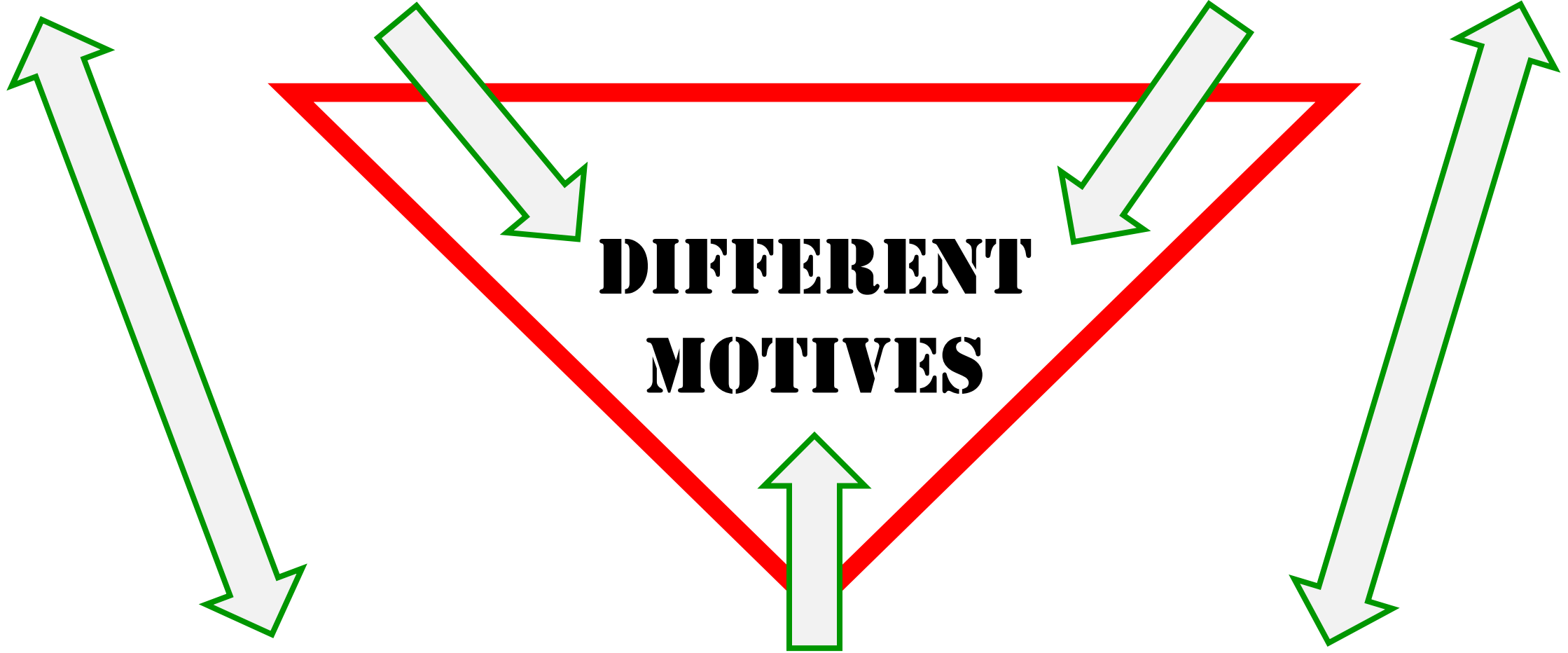
EXCHANGE

FINANCIAL INTERMEDIARIES



COMMERCIALS

SPECULATORS



**DIFFERENT
MOTIVES**

FINANCIAL INTERMEDIARIES

ROCK TRADING ADVISORS

CUSTOMIZED SOLUTIONS

TRADING OPERATIONS

EVOLUTION FACTOR

DRIVING REVENUE

ROCK TRADING ADVISOR'S BELIEFS

CREATE ENERGY

ALIGNED INCENTIVES

IN PERPETUITY

EVERY DAY IS A FIGHT

“NOBODY CARES, WORK HARDER”

- LAMAR JACKSON

**“EVERYONE HAS A PLAN UNTIL THEY GET
PUNCHED IN THE MOUTH”**

- IRON MIKE TYSON

2020 – 2021

TIMING MISMATCH & POLITICS

Rolling 2nd Month Midwest HRC future



2020 - 2021

TIMING MISMATCH & POLITICS

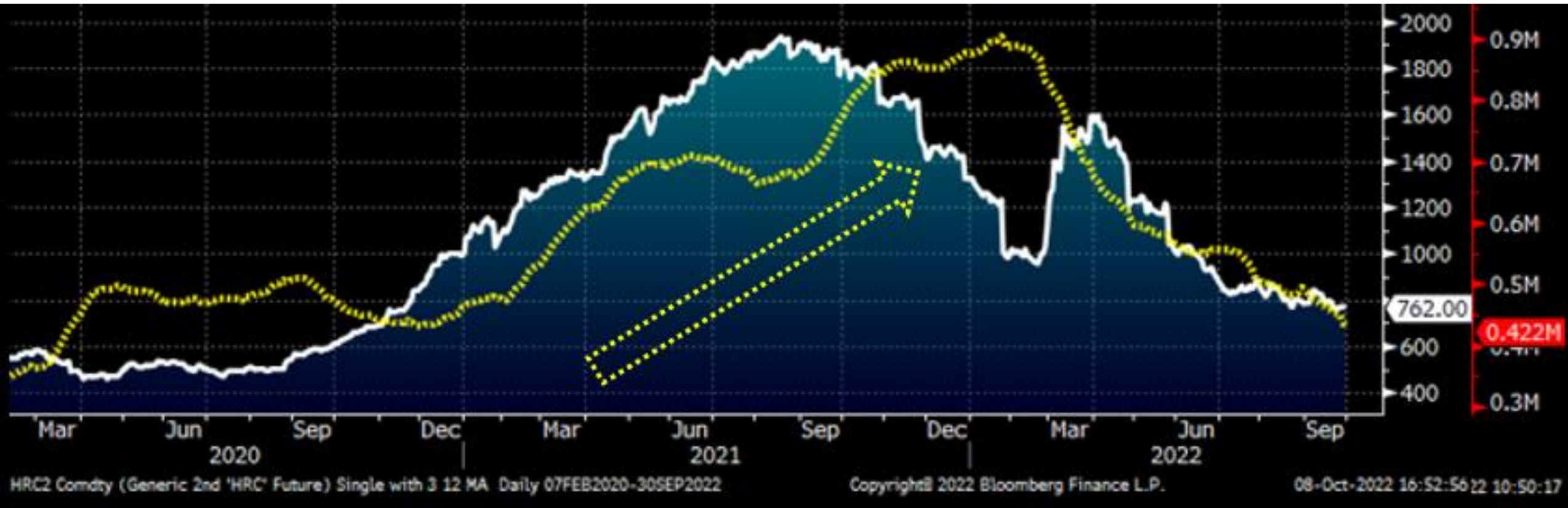


2020 - 2021 FROM HERO TO GOAT



OPEN INTEREST

THE NUMBER OF OUTSTANDING FUTURES CONTRACTS



PRICE RISK MANAGEMENT

*WHY WOULDN'T YOU AT LEAST HAVE
YOUR COMPANY SET UP TO TRADE*

MECHANISM TO RAPIDLY ADJUST PRICE RISK EXPOSURE

SPEED

NEGATIVELY CORRELATED REVENUE – TRADE-OFF

INSURANCE POLICY

CONSERVATIVE & PRUDENT

PRICE RISK MANAGEMENT

MECHANISM TO RAPIDLY ADJUST PRICE RISK EXPOSURE

NEGATIVELY CORRELATED REVENUE – TRADE-OFF

INSURANCE POLICY

CONSERVATIVE & PRUDENT

UNLESS YOU SCREW IT UP

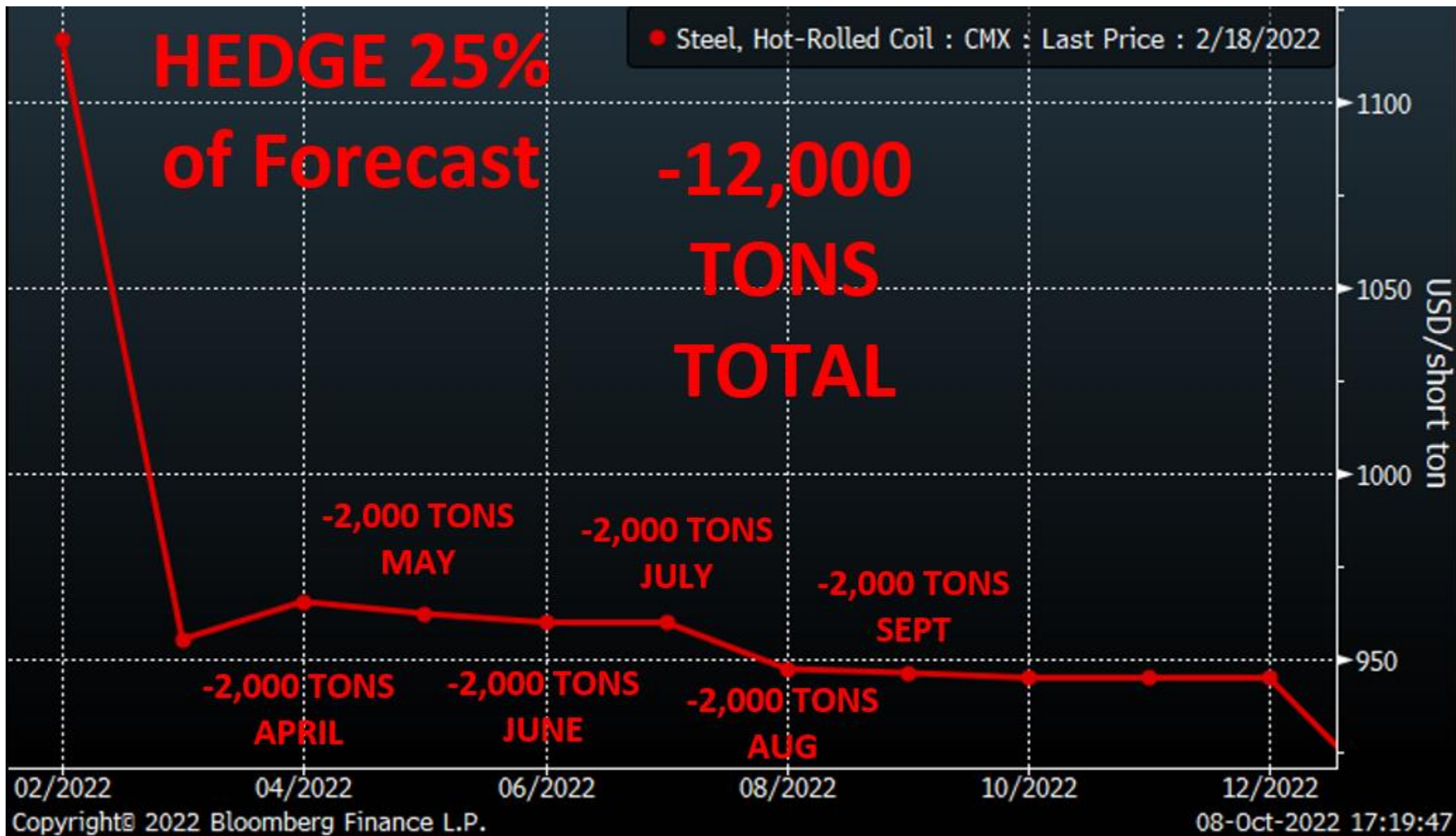
HOW TO SCREW IT UP



HOW TO SCREW IT UP



HOW TO SCREW IT UP

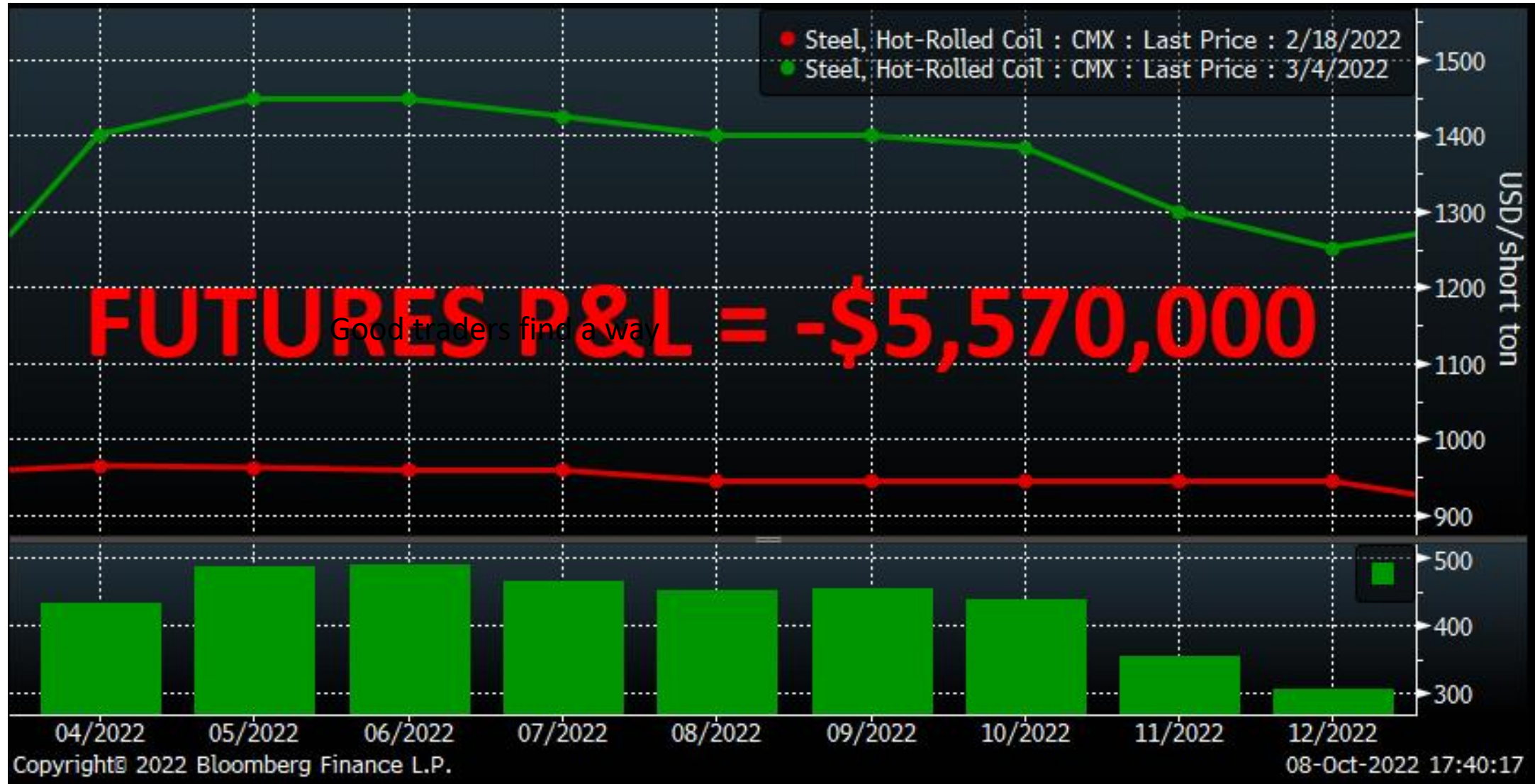


HOW TO SCREW IT UP

March 1					March 2					March 3							
Description	Last	Chg	Settle	Volume	Open Int	Description	Last	Chg	Settle	Volume	Open Int	Description	Last	Chg	Settle	Volume	Open Int
Mar22	1060.00s	+4.00		613	5972	Mar22	1057.00s	-3.00		184	5887	Mar22	1085.00s	+28.00		286	5889
Apr22	1205.00s	+103.00		806	6134	Apr22	1265.00s	+60.00		433	6136	Apr22	1275.00s	+10.00		829	6113
May22	1211.00s	+119.00		424	4830	May22	1270.00s	+59.00		348	4759	May22	1325.00s	+55.00		863	4881
Jun22	1201.00s	+121.00		274	4041	Jun22	1300.00s	+99.00		136	4017	Jun22	1330.00s	+30.00		669	3932
Jul22	1192.00s	+132.00		111	2786	Jul22	1260.00s	+68.00		150	2711	Jul22	1275.00s	+15.00		340	2696
Aug22	1180.00s	+115.00		130	3047	Aug22	1250.00s	+70.00		83	3044	Aug22	1260.00s	+10.00		327	3006
Sep22	1165.00s	+115.00		129	2507	Sep22	1240.00s	+75.00		82	2503	Sep22	1245.00s	+5.00		317	2465
Oct22	1095.00s	+61.00		81	1837	Oct22	1205.00s	+110.00		6	1837	Oct22	1235.00s	+30.00		311	1757
Nov22	1085.00s	+51.00		57	1625	Nov22	1200.00s	+115.00		1	1625	Nov22	1209.00s	+9.00		297	1436
Dec22	1080.00s	+40.00		33	1277	Dec22	1130.00s	+50.00		12	1278	Dec22	1185.00s	+55.00		310	1084

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HOW TO SCREW IT UP



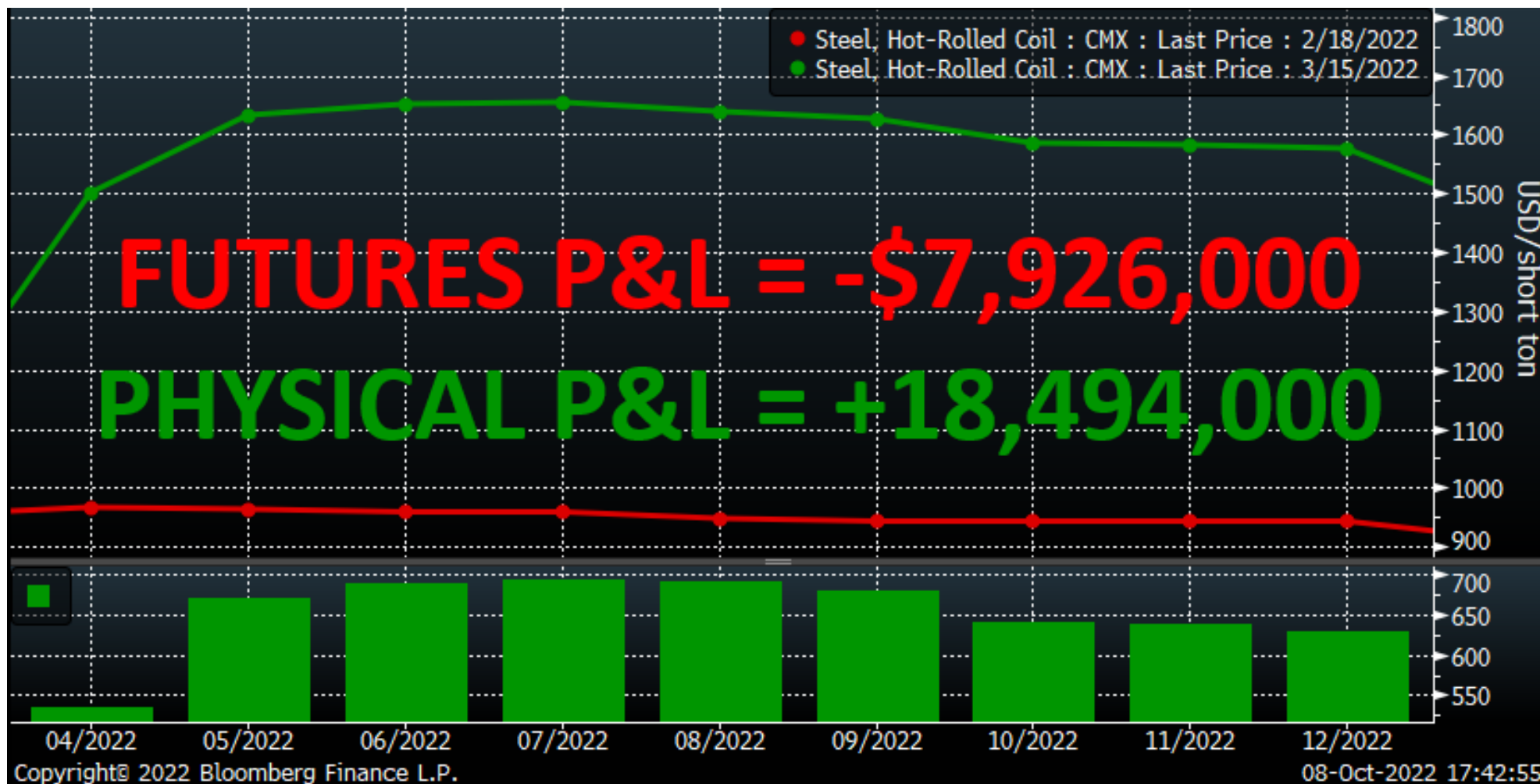
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March 4					March 9					March 10										
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Mar22	1175.00s	+90.00		137	5873		Mar22	1090.00s	+25.00		104	5882		Mar22	1102.00s	+12.00		105	5829	
Apr22	1400.00s	+125.00		713	6274		Apr22	1420.00s	+60.00		464	5899		Apr22	1550.00s	+130.00		275	5947	
May22	1450.00s	+125.00		532	4914		May22	1540.00s	+80.00		431	4635		May22	1620.00s	+80.00		223	4656	
Jun22	1450.00s	+120.00		487	4022		Jun22	1540.00s	+105.00		329	3738		Jun22	1620.00s	+80.00		200	3727	
Jul22	1425.00s	+150.00		326	2706		Jul22	1520.00s	+85.00		236	2397		Jul22	1600.00s	+80.00		345	2262	
Aug22	1400.00s	+140.00		207	2957		Aug22	1500.00s	+117.00		211	2637		Aug22	1600.00s	+100.00		335	2564	
Sep22	1400.00s	+155.00		201	2415		Sep22	1500.00s	+109.00		243	2278		Sep22	1590.00s	+90.00		443	2271	
Oct22	1385.00s	+150.00		115	1748		Oct22	1475.00s	+94.00		306	1633		Oct22	1570.00s	+95.00		79	1569	
Nov22	1300.00s	+91.00		115	1455		Nov22	1475.00s	+105.00		564	1425		Nov22	1570.00s	+95.00		102	1313	
Dec22	1252.00s	+67.00		115	1107		Dec22	1450.00s	+110.00		406	1109		Dec22	1570.00s	+120.00		166	1063	

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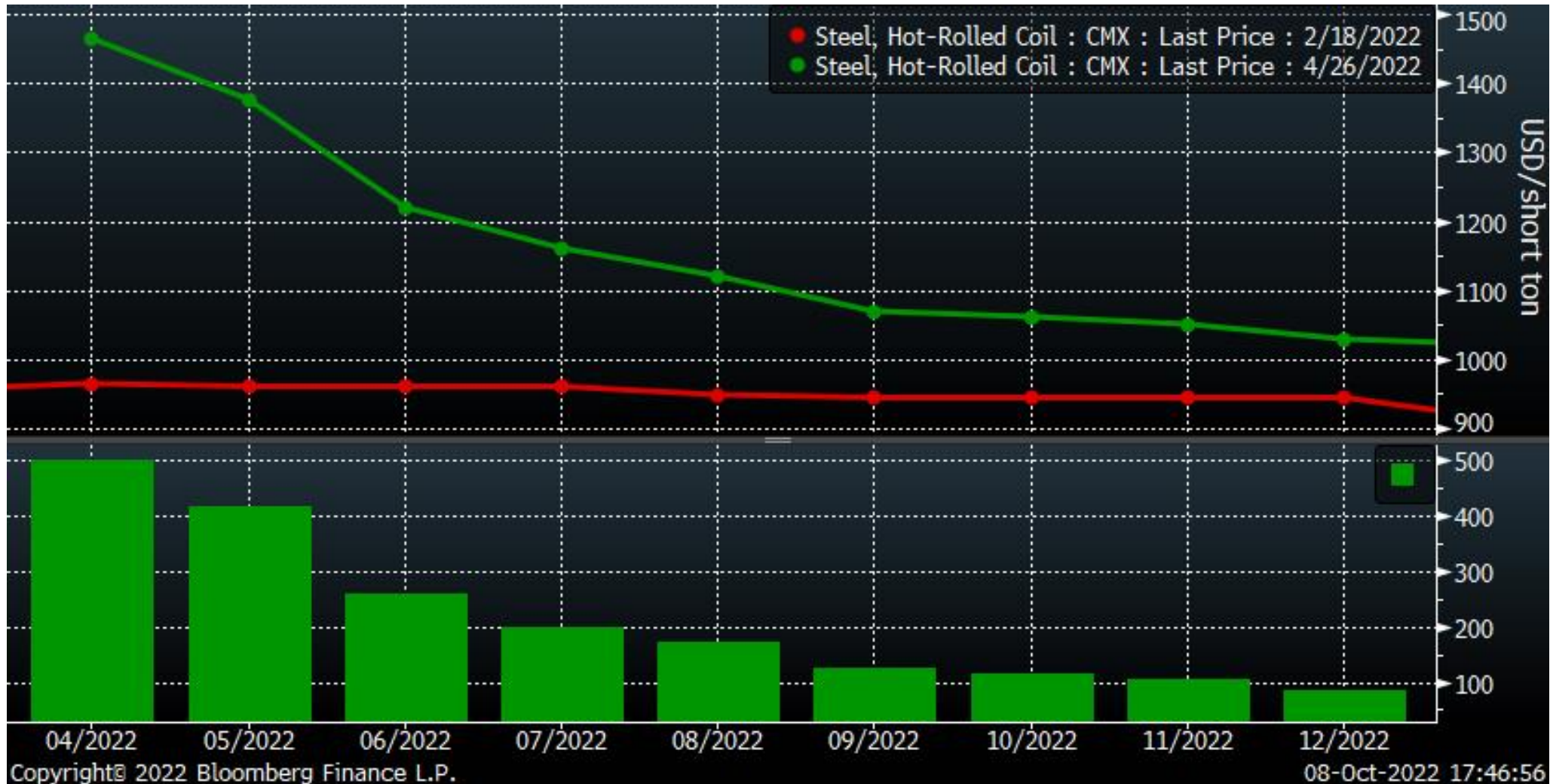
HOW TO SCREW IT UP

RUN OUT OF CAPITAL



HOW TO SCREW IT UP

BUY IN THE FUTURES



WHY WOULDN'T YOU AT LEAST HAVE YOUR COMPANY SET UP TO TRADE

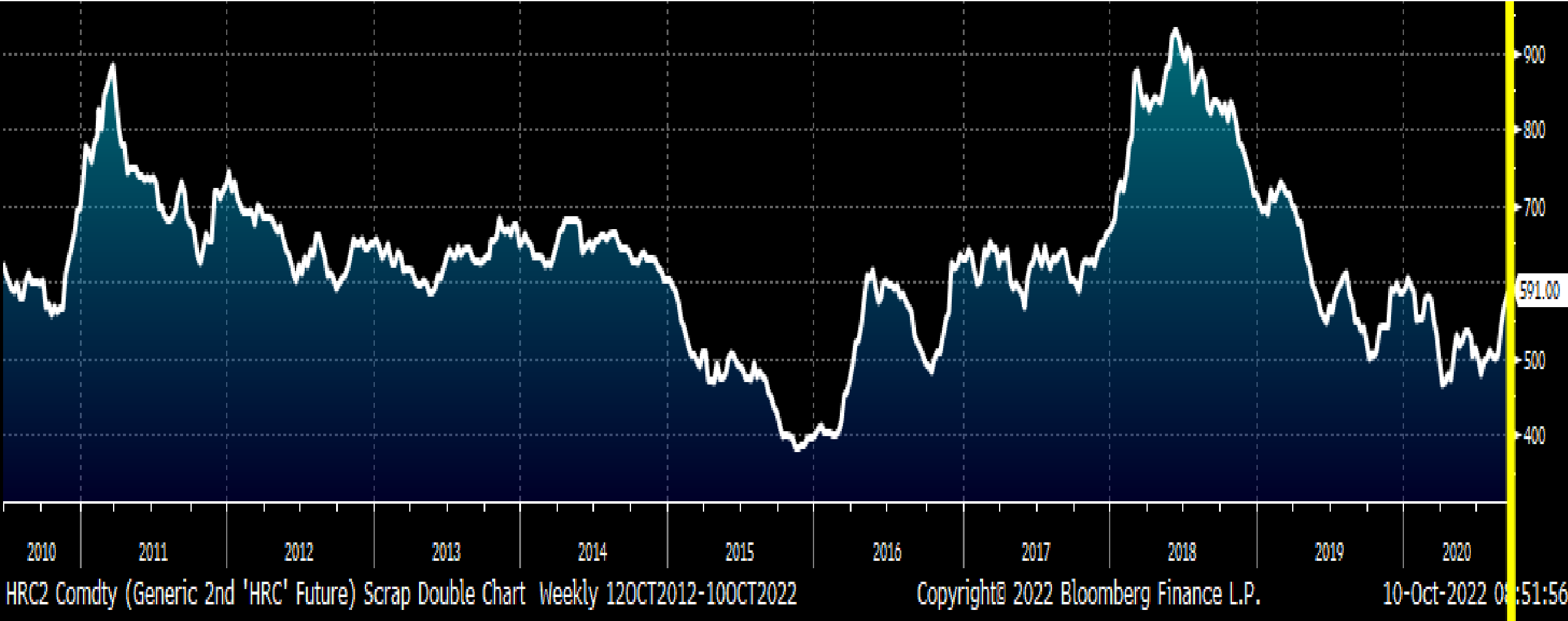
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May22	1450.00s	+125.00		532	4914	May22	1540.00s	+80.00		431	4635	May22	1620.00s	+80.00		223	4656
Jun22	1450.00s	+120.00		487	4022	Jun22	1540.00s	+105.00		329	3738	Jun22	1620.00s	+80.00		200	3727
Jul22	1425.00s	+150.00		326	2706	Jul22	1520.00s	+85.00		236	2397	Jul22	1600.00s	+80.00		345	2262
Aug22	1400.00s	+140.00		207	2957	Aug22	1500.00s	+117.00		211	2637	Aug22	1600.00s	+100.00		335	2564
Sep22	1400.00s	+155.00		201	2415	Sep22	1500.00s	+109.00		243	2278	Sep22	1590.00s	+90.00		443	2271
Oct22	1385.00s	+150.00		115	1748	Oct22	1475.00s	+94.00		306	1633	Oct22	1570.00s	+95.00		79	1569
Nov22	1300.00s	+91.00		115	1455	Nov22	1475.00s	+105.00		564	1425	Nov22	1570.00s	+95.00		102	1313
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MARKET VOLATILITY

Rolling 2nd Month CME Hot Rolled Coil Future \$/st



HRC2 Comdty (Generic 2nd 'HRC' Future) Scrap Double Chart Weekly 12OCT2012-10OCT2022

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MARKET VOLATILITY

Rolling 2nd Month CME Hot Rolled Coil Future \$/st



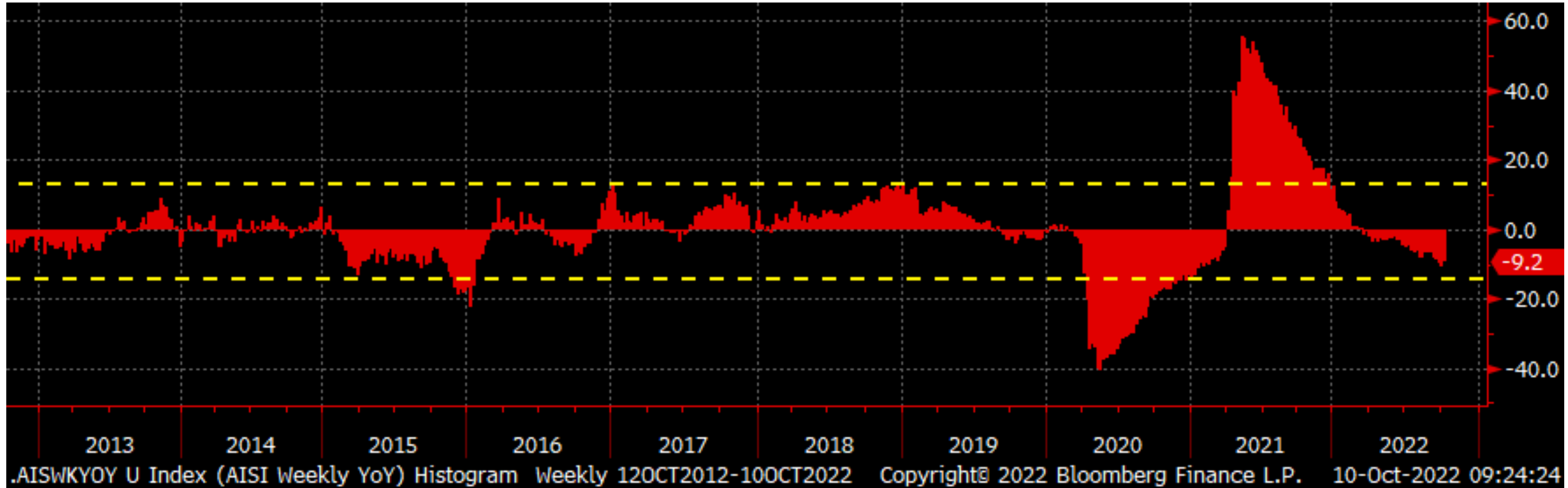
HRC2 Comdty (Generic 2nd 'HRC' Future) Scrap Double Chart Weekly 12OCT2012-10OCT2022

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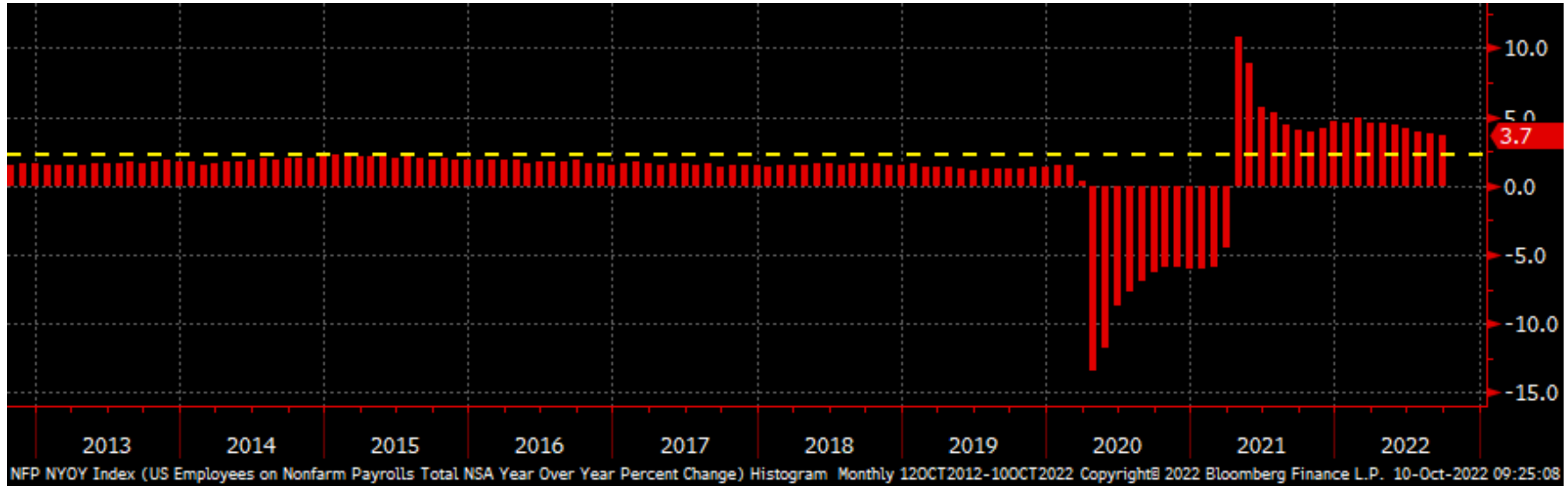
MARKET VOLATILITY

AISI Weekly Production YoY % Change



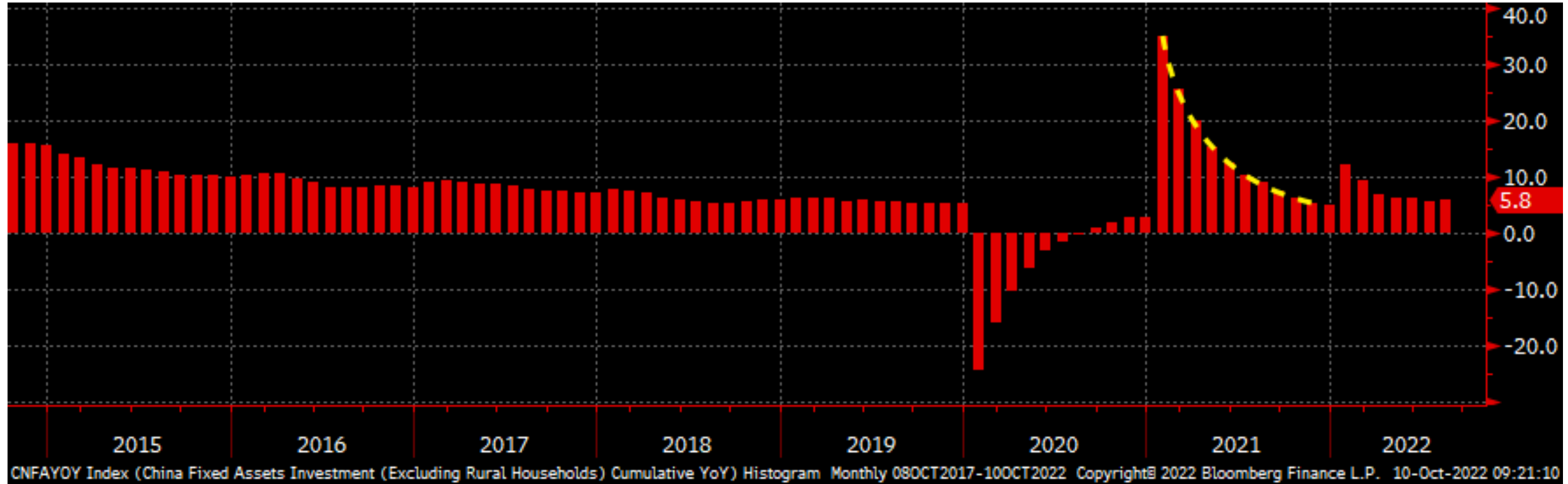
MARKET VOLATILITY

U.S. Nonfarm Payrolls YoY % Change



MARKET VOLATILITY

China Fixed Asset Investment YoY % Change



MARKET VOLATILITY

U.S. Dollar Index



USD/Yen Cross



USD/Euro Cross



USD/Lira Cross



MARKET VOLATILITY

U.S. 2-Year Treasury Rate



Bankrate.com 30-Year Fixed Mortgage Rate



WHY WOULDN'T YOU ??

QUESTIONS



Thank You

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

To contact Michael Cowden: Michael@SteelMarketUpdate.com

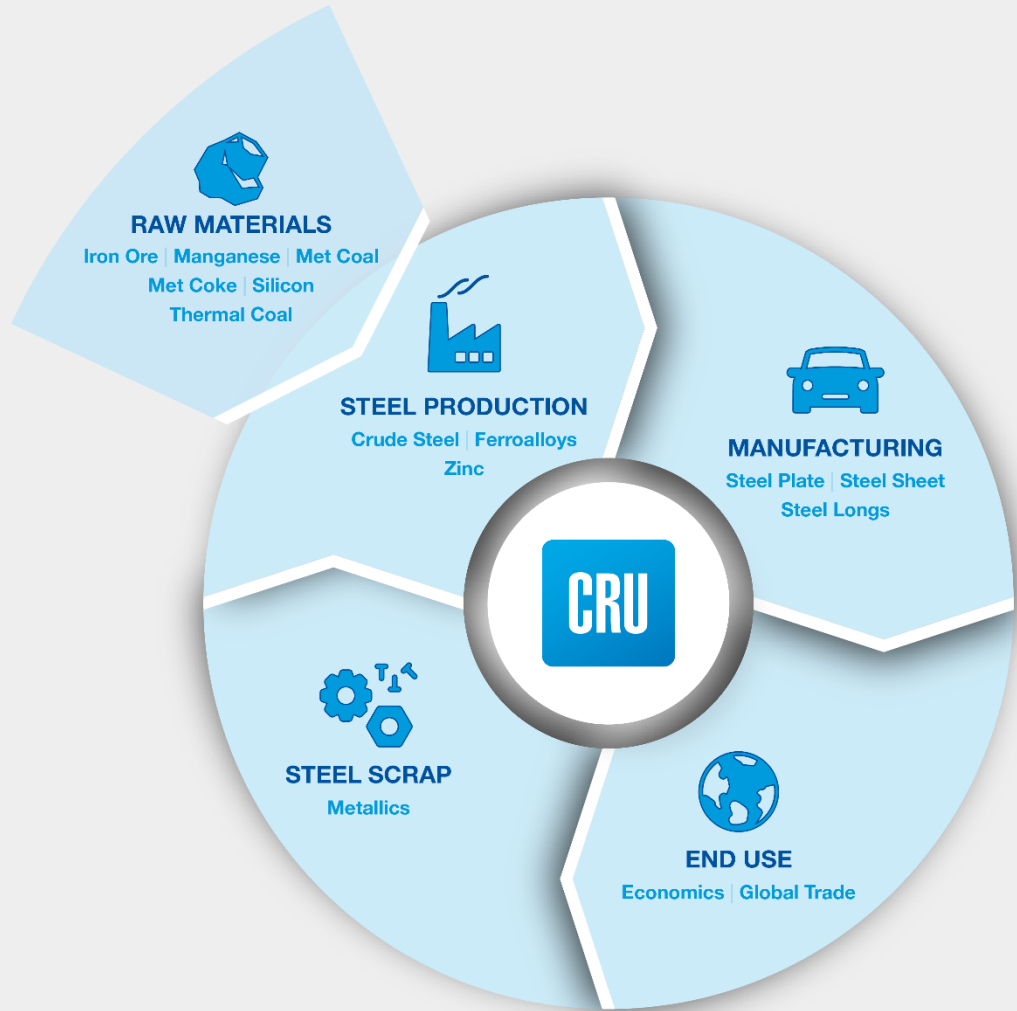
For information on subscribing to SMU, contact Paige Mayhair:
Paige@SteelMarketUpdate.com

To participate in our survey contact Brett Linton:
Brett@SteelMarketUpdate.com

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

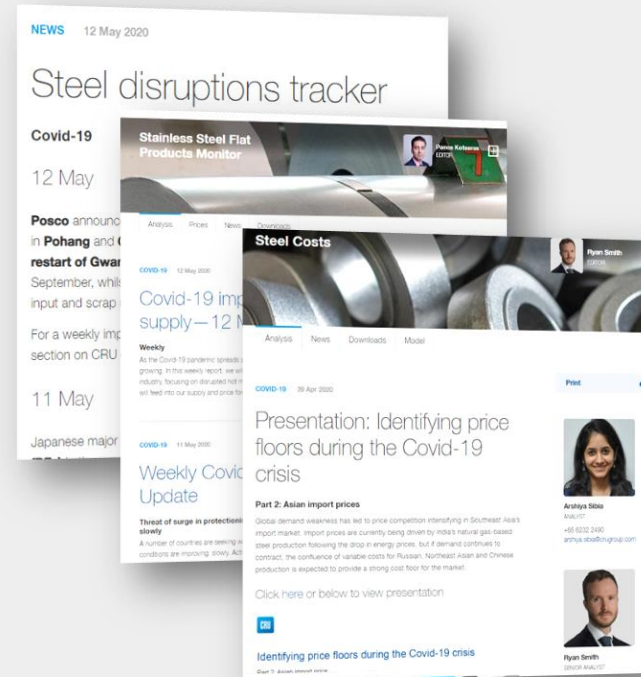
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When you need answers... www.SteelMarketUpdate.com