



# STEEL MARKET UPDATE

part of the  Group

## SMU Flat Rolled Market Trends Analysis

Responses from our July 6-9, 2020 Market Survey





- 31 years actively selling flat rolled steel – 40+ years in the steel business.
- 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 600 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.

# SMU Steel Summit 2020 Virtual Conference

**An interactive and immersive experience awaits YOU!**



SMU Steel Summit Virtual Conference 2020 will be a fully immersive online environment where you can attend conference presentations by top speakers with live Q&A; interact with exhibitors, and network with fellow attendees - right at the start of planning and negotiation season.

**SMU Steel Summit 2020**  
VIRTUAL CONFERENCE  
August 24-26, 2020

**EXHIBIT HALL** ↓



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VIRTUAL CONFERENCE  
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**THEATER** ↓

Upcoming Sessions (British Summer Time)

6:00 - 6:40 Jul 22

**Energy Cable Leadership Panel: Energy Cable in the Recovery**

RSVP



We are pleased to announce the 2nd annual [SMU NexGen Leadership Award](#), sponsored by the Steel Manufacturers Association. The Award is designed to recognize and celebrate the excellence of emerging leaders within the greater steel community.

SMU is dedicated to helping businesses recruit, train and retain the next generation of talent. Any young motivated employee under the age of 35 who is currently employed by an organization that utilizes carbon steel as part of its core business function is eligible for this award.

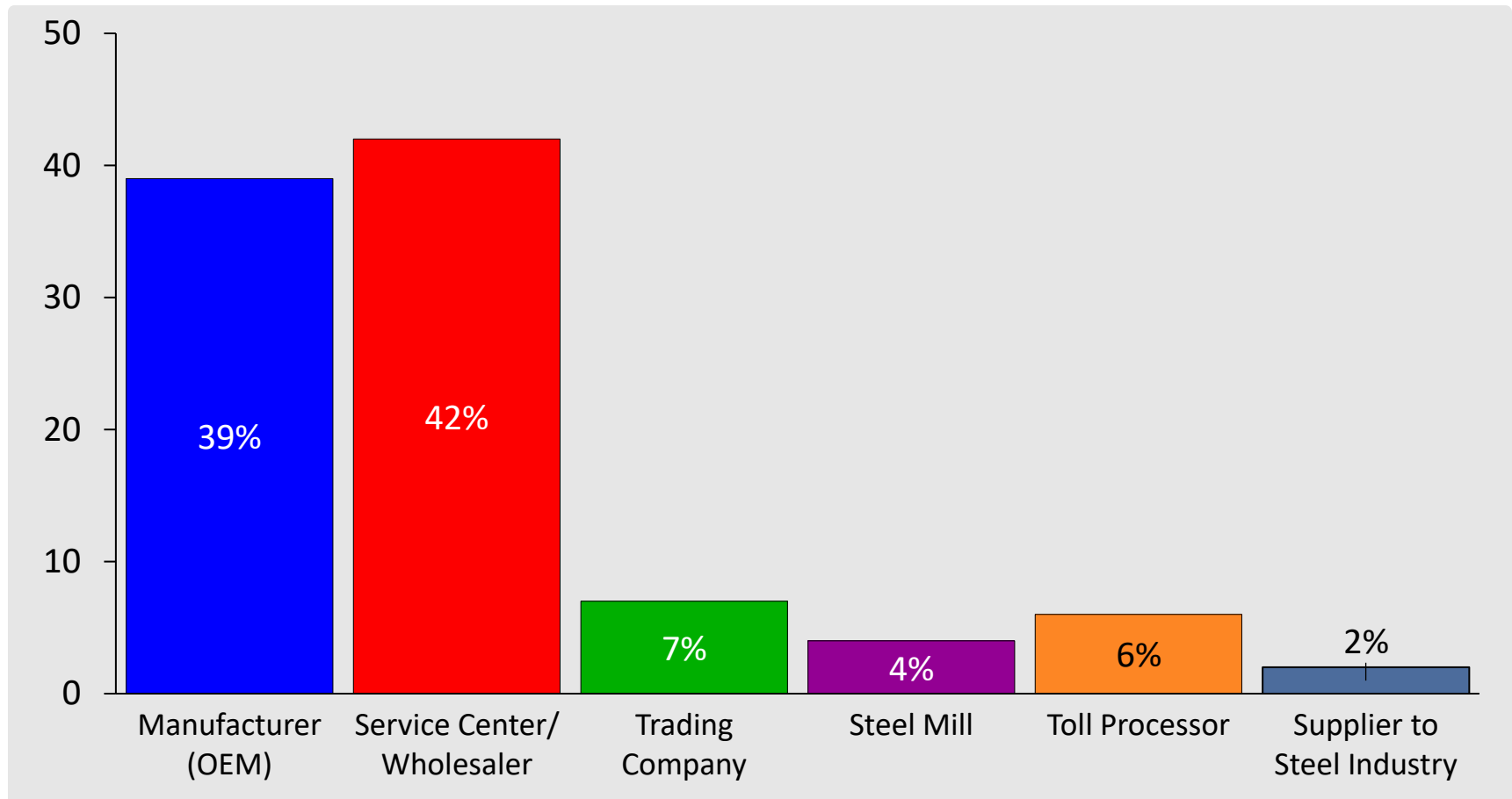
**This is a great opportunity to shine the light on the hard work of the people in your organization, and celebrate it with the greater steel industry.**

**The winner will get:** a mentorship day with **Chuck Schmitt, President of SSAB Americas**; a free pass to a SMU Steel 101 Workshops; and a free pass to the next SMU Steel Summit.

**Nomination details will be announced by SMU in the coming days.**

# Survey Participants

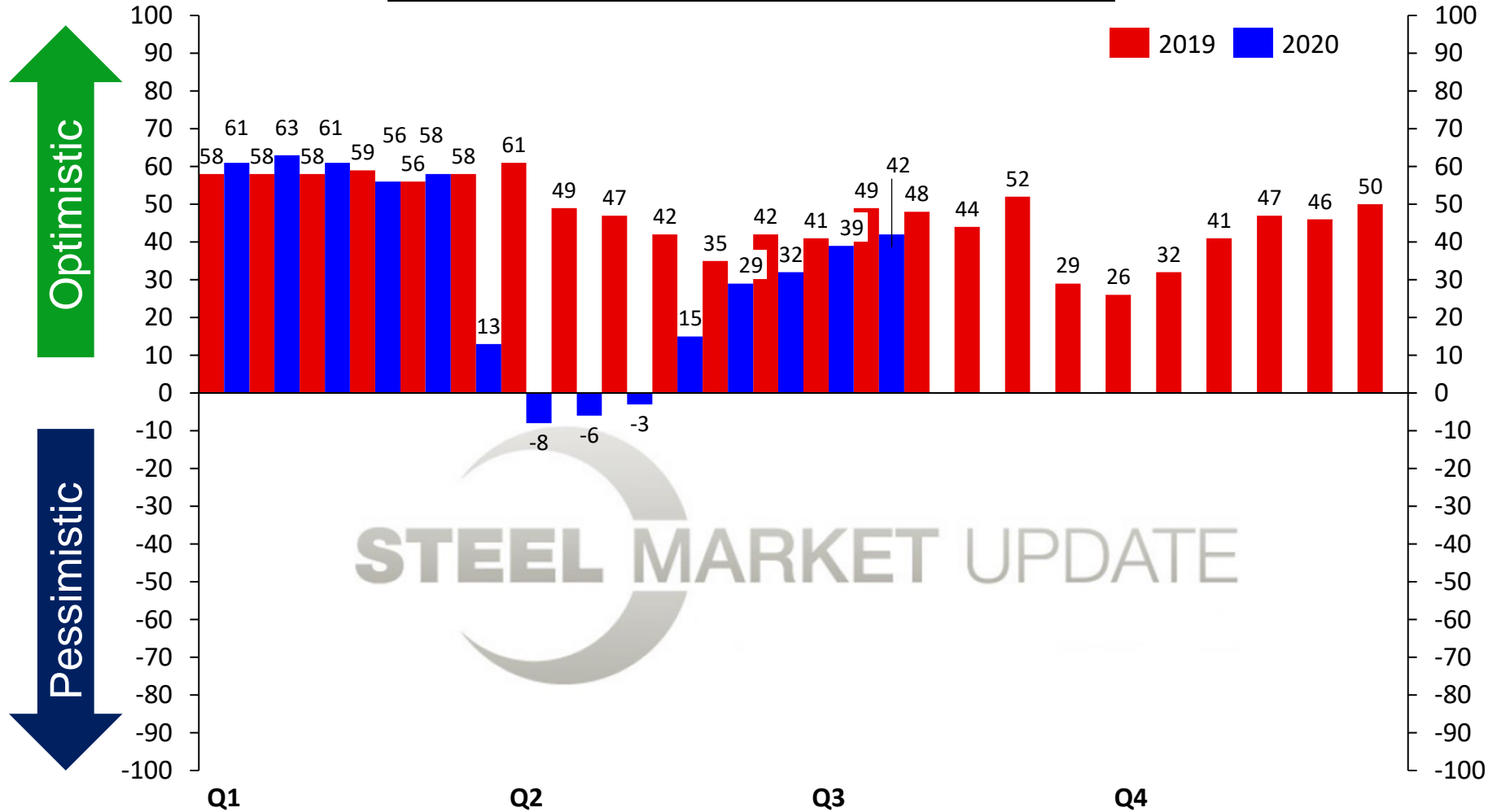
Our survey is by invitation only- Over 600 companies, mostly in the manufacturing or distribution industries, are asked to participate. Here are the percentages of participation in this week's survey by market sector.



# SMU Buyers Sentiment Index

Up 3 points to +42

## Steel Market Update Buyers Sentiment Index

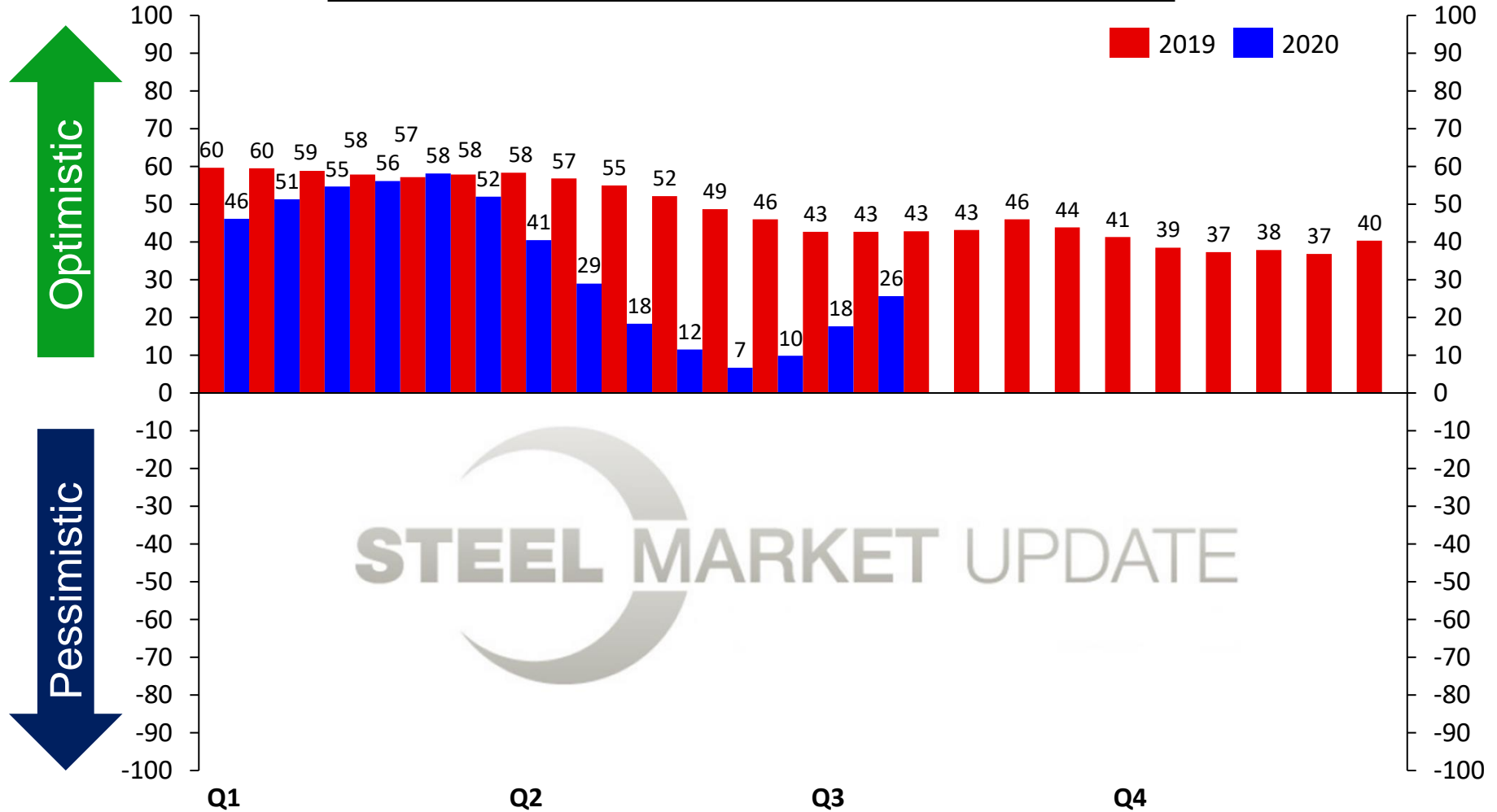




# SMU Buyers Sentiment Index

Three Month Moving Average at +25.67

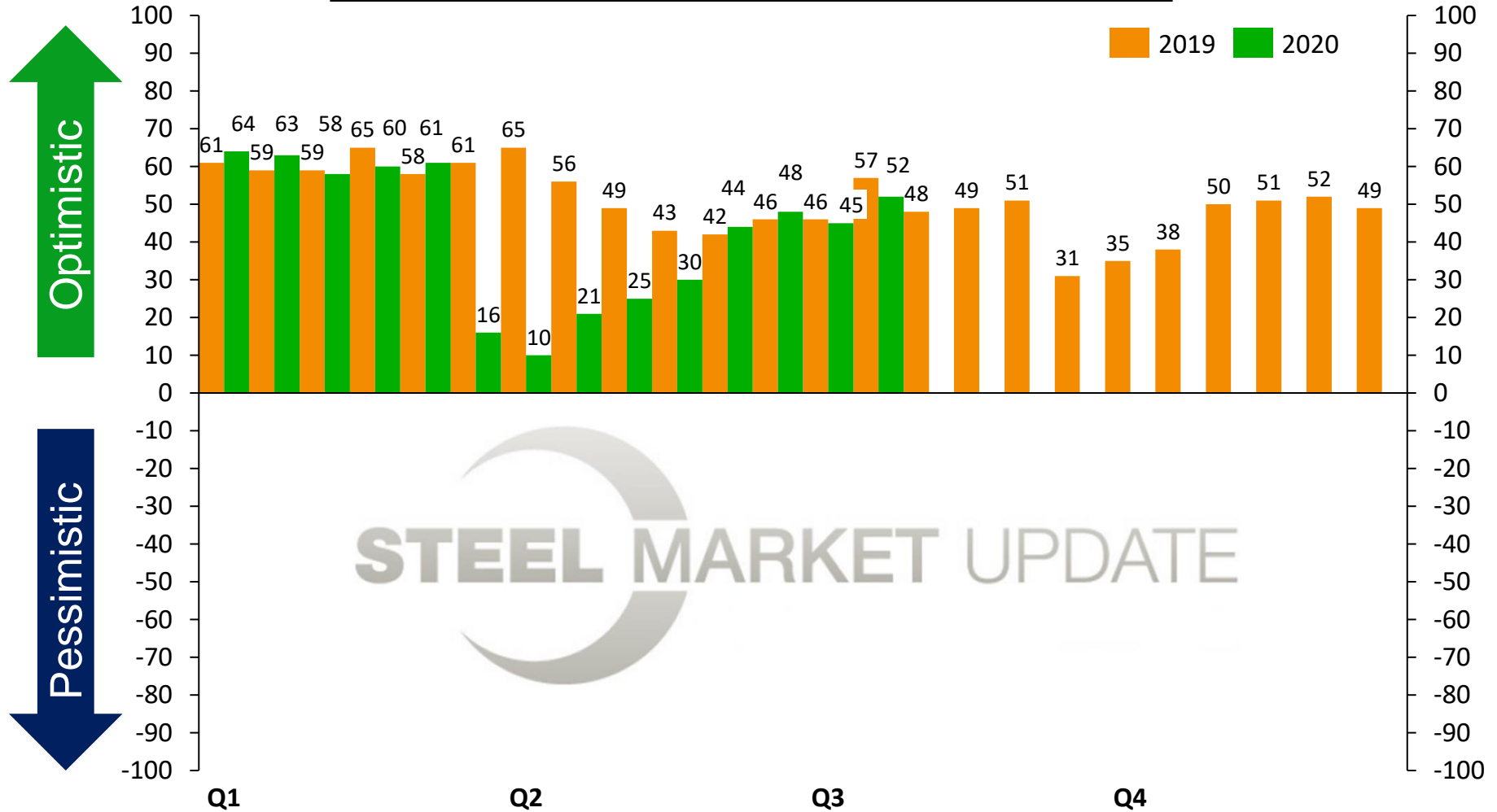
## Steel Market Update Buyers Sentiment Index 3MMA



# SMU Future Buyers Sentiment Index

Up 7 points to +52

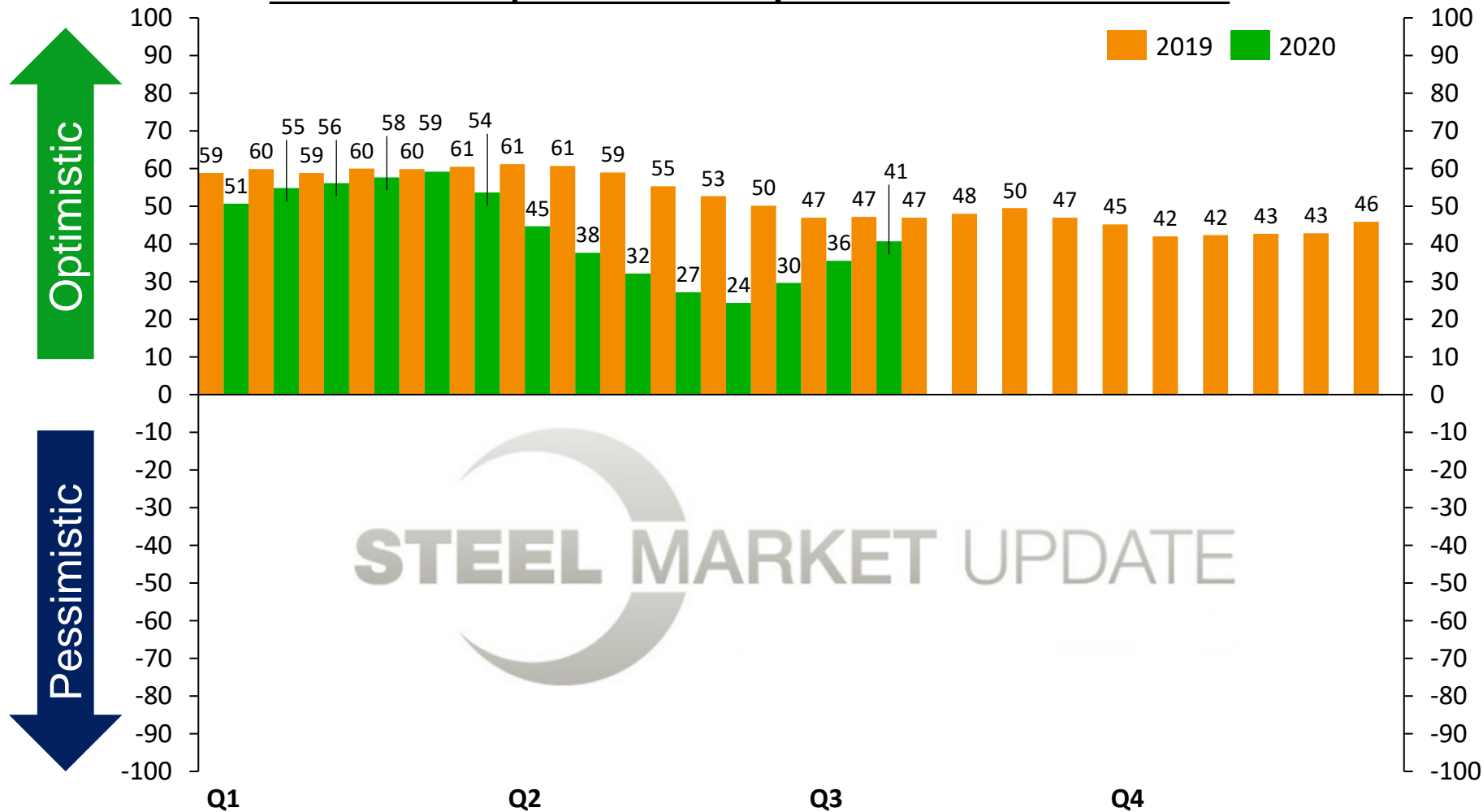
## Steel Market Update Future Buyers Sentiment Index



# SMU Future Buyers Sentiment Index

Three Month Moving Average at +40.67

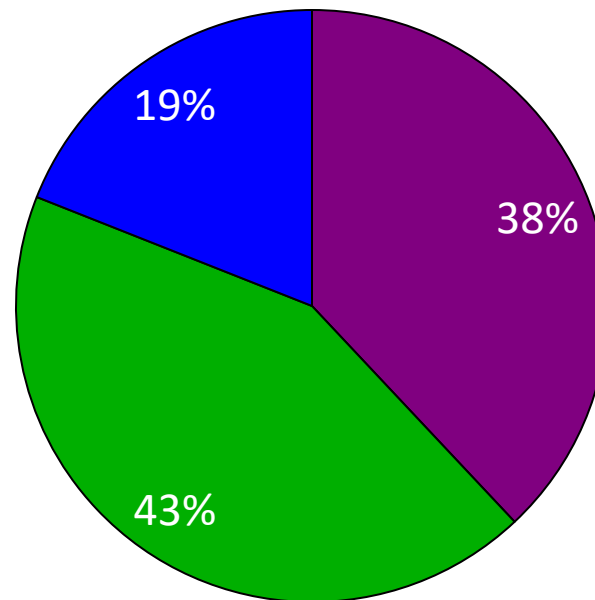
## Steel Market Update Future Buyers Sentiment Index 3MMA



# Overall Demand

Are you seeing demand for your products improving, remaining the same or declining?

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

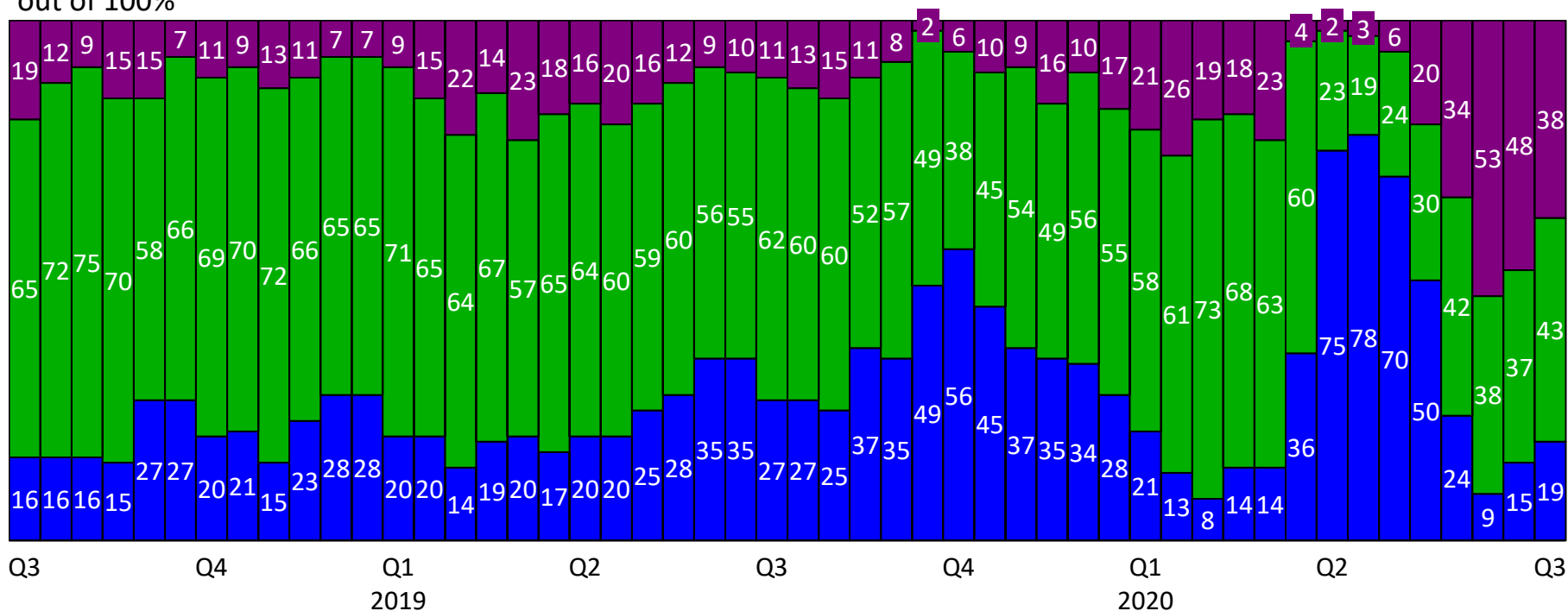


# Overall Demand History

Are you seeing demand for your products improving, remaining the same or declining?

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

out of 100%

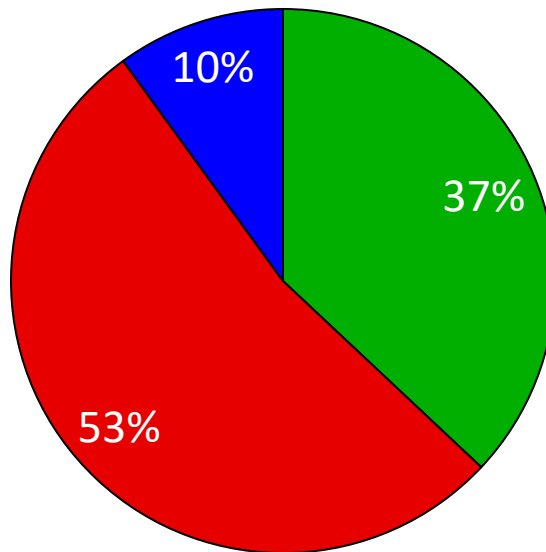


# Steel Prices

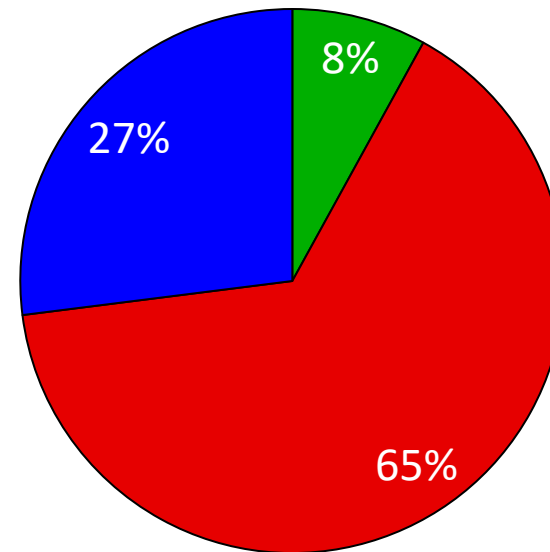
Steel prices seem to have stalled, and begun to fall back on flat rolled.  
Where do you see prices heading over the next 30 days?

- Prices will rise
- Prices will stall at current levels
- Prices will continue to slide

June 26, 2020



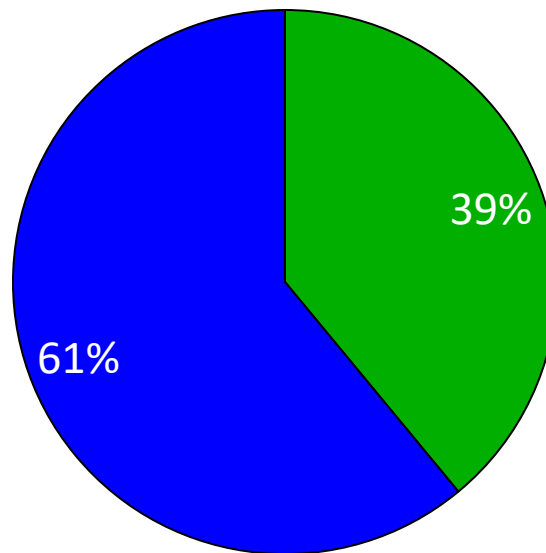
July 10, 2020



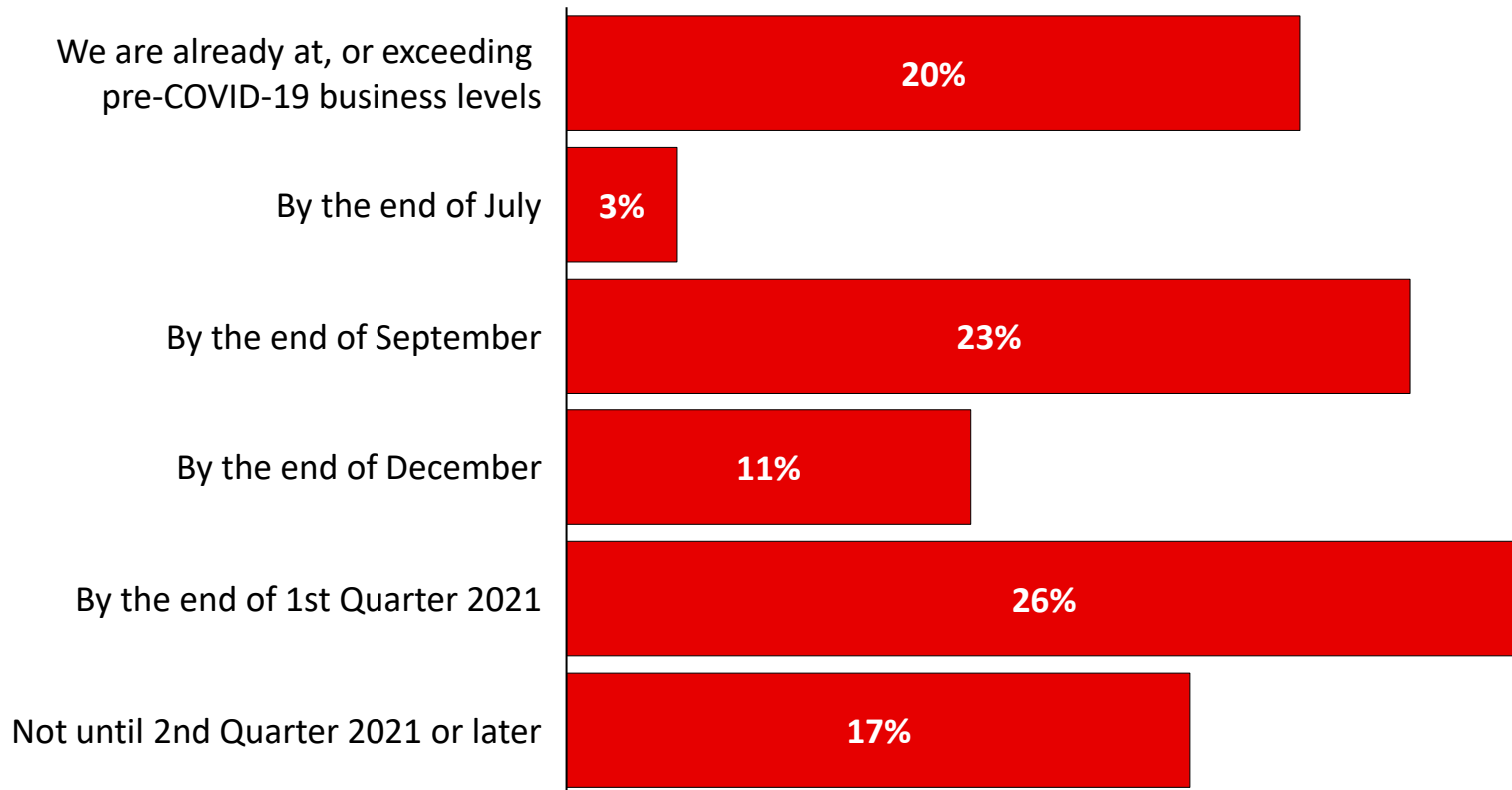
# Economic Pause Necessary?

Are you, or your company, concerned about the rising numbers of COVID-19 cases in the south and southwest, and do you think another "pause" in the economy will be necessary?

Yes No



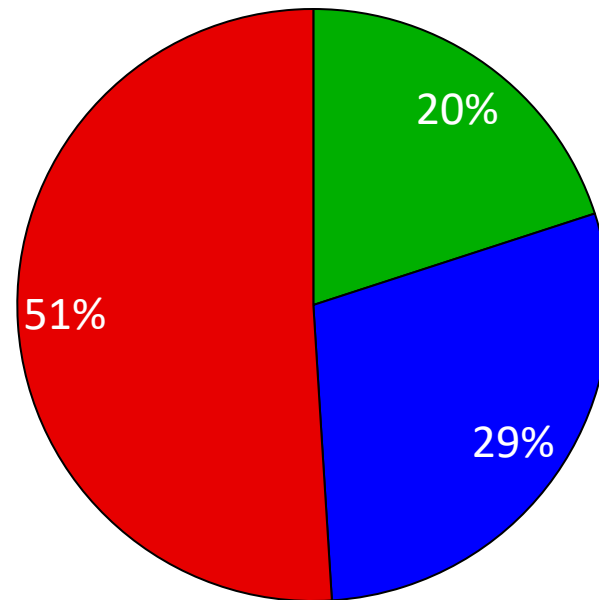
When will your company be back to pre-COVID-19 business levels?





**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

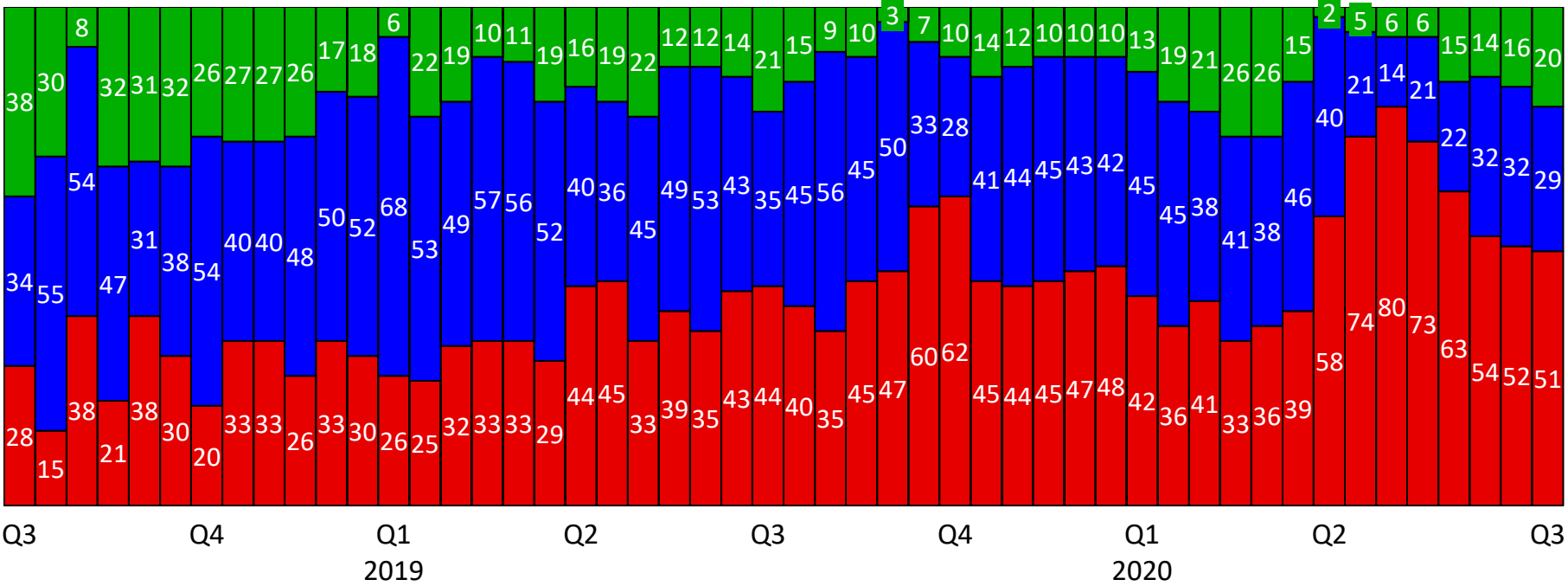


# History of Manufacturer Purchases

**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?

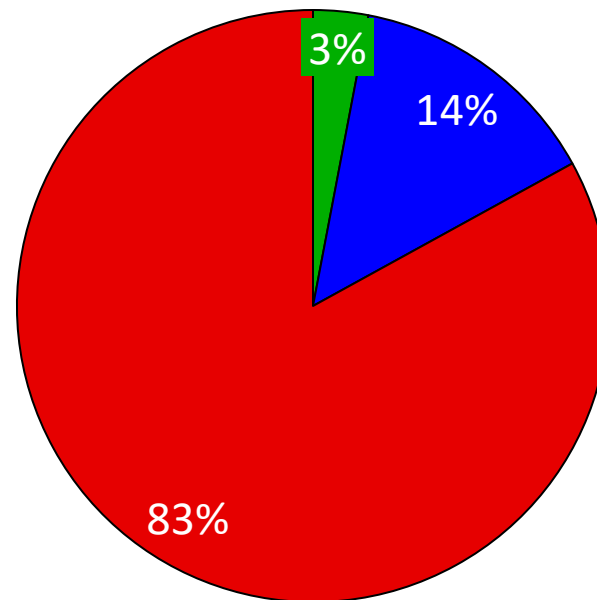
- Buying more steel
- Buying the same amount of steel
- Buying less steel

out of 100%



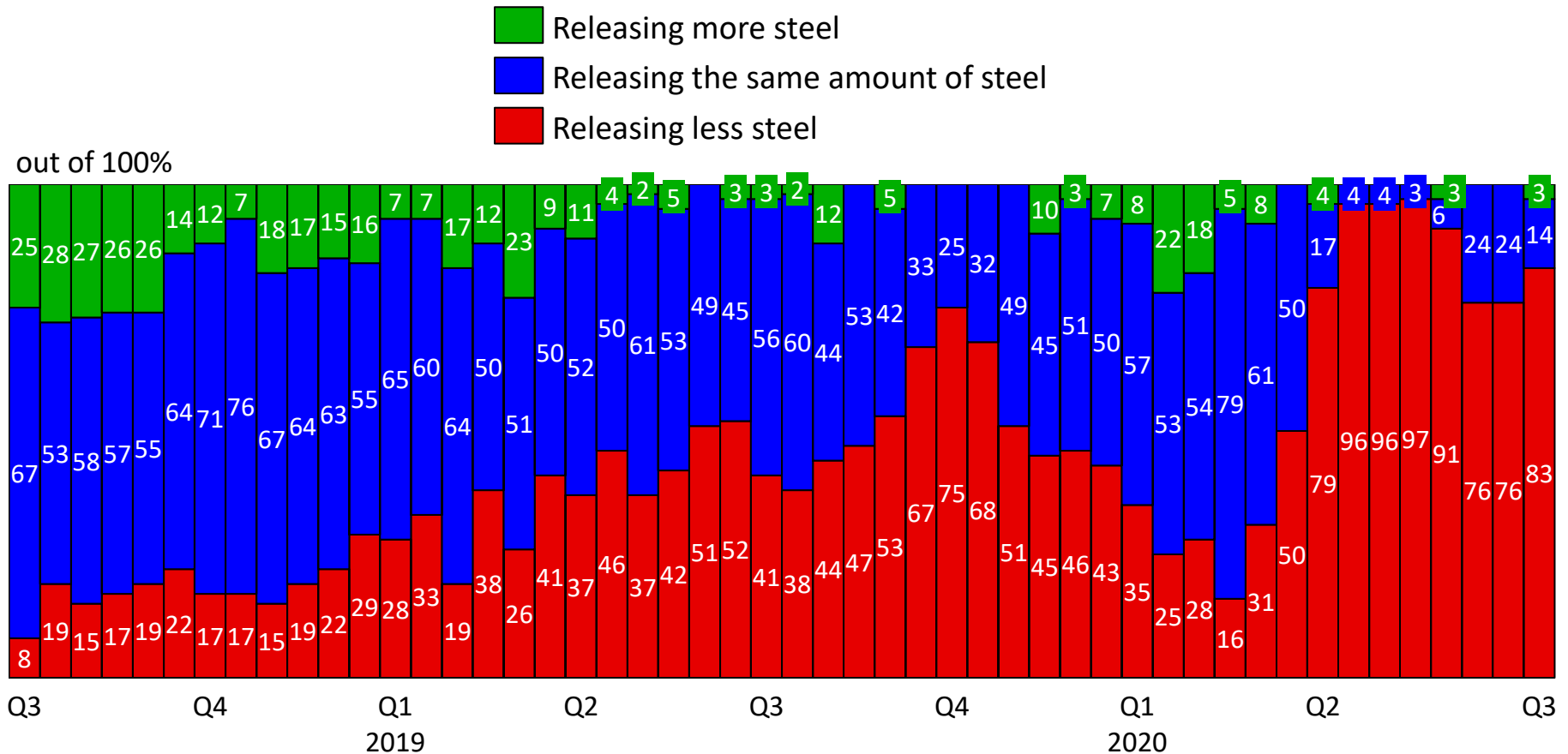
**Service Centers-** How do you see your customers releases (demand) for the products your company provides this year compared to this time last year?

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



# Service Center Release History

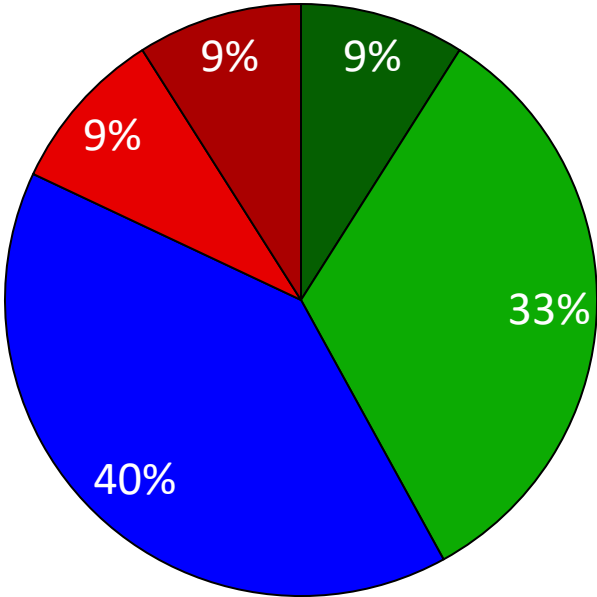
**Service Centers-** How do you see your customers releases (demand) for the products your company provides this year compared to this time last year?



# Manufacturer Demand

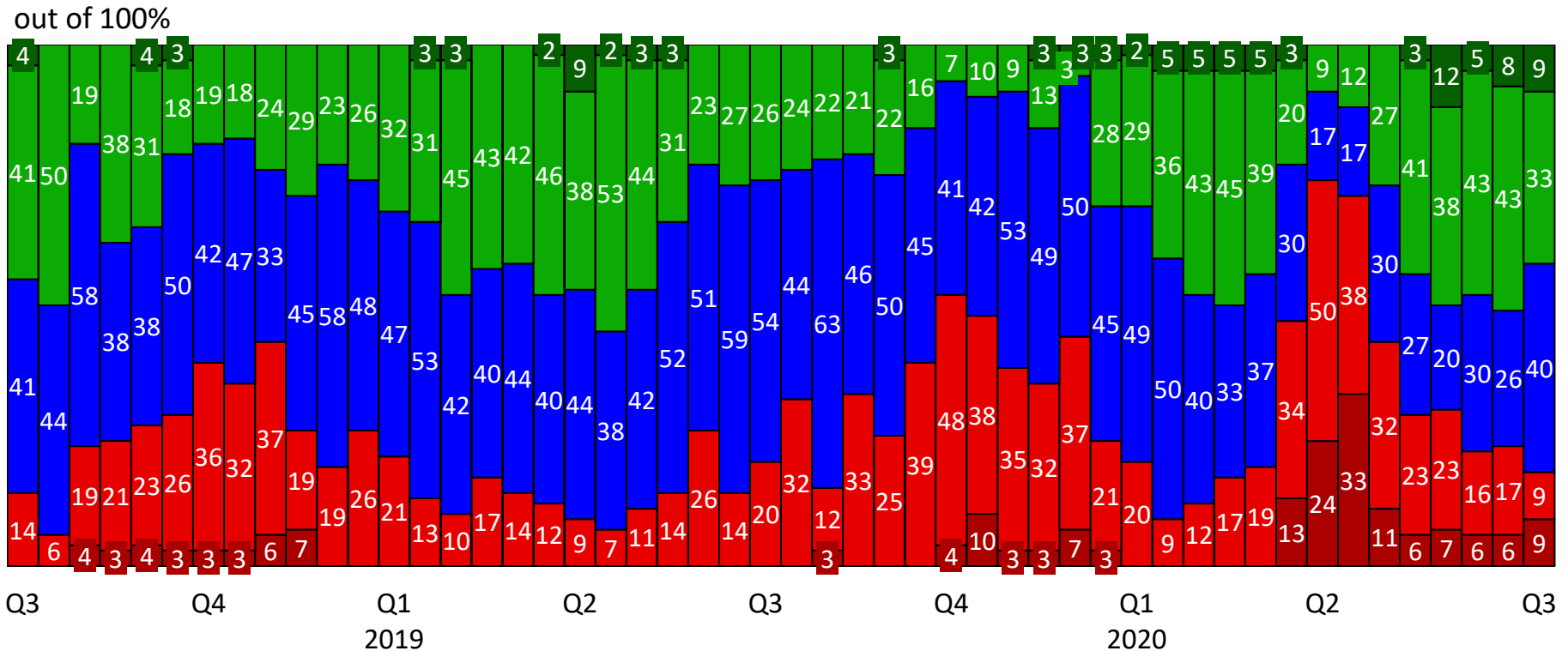
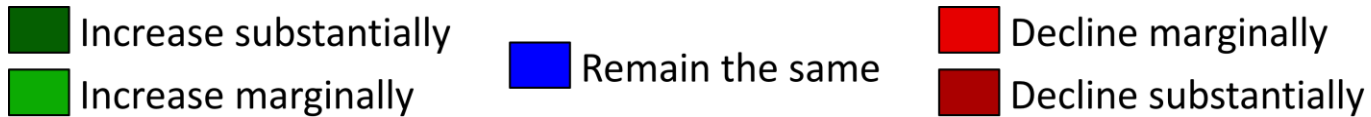
**Manufacturers-** Demand for your products will \_\_\_\_\_  
over the next 3 months based on current order flows.

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



# Manufacturer Demand History

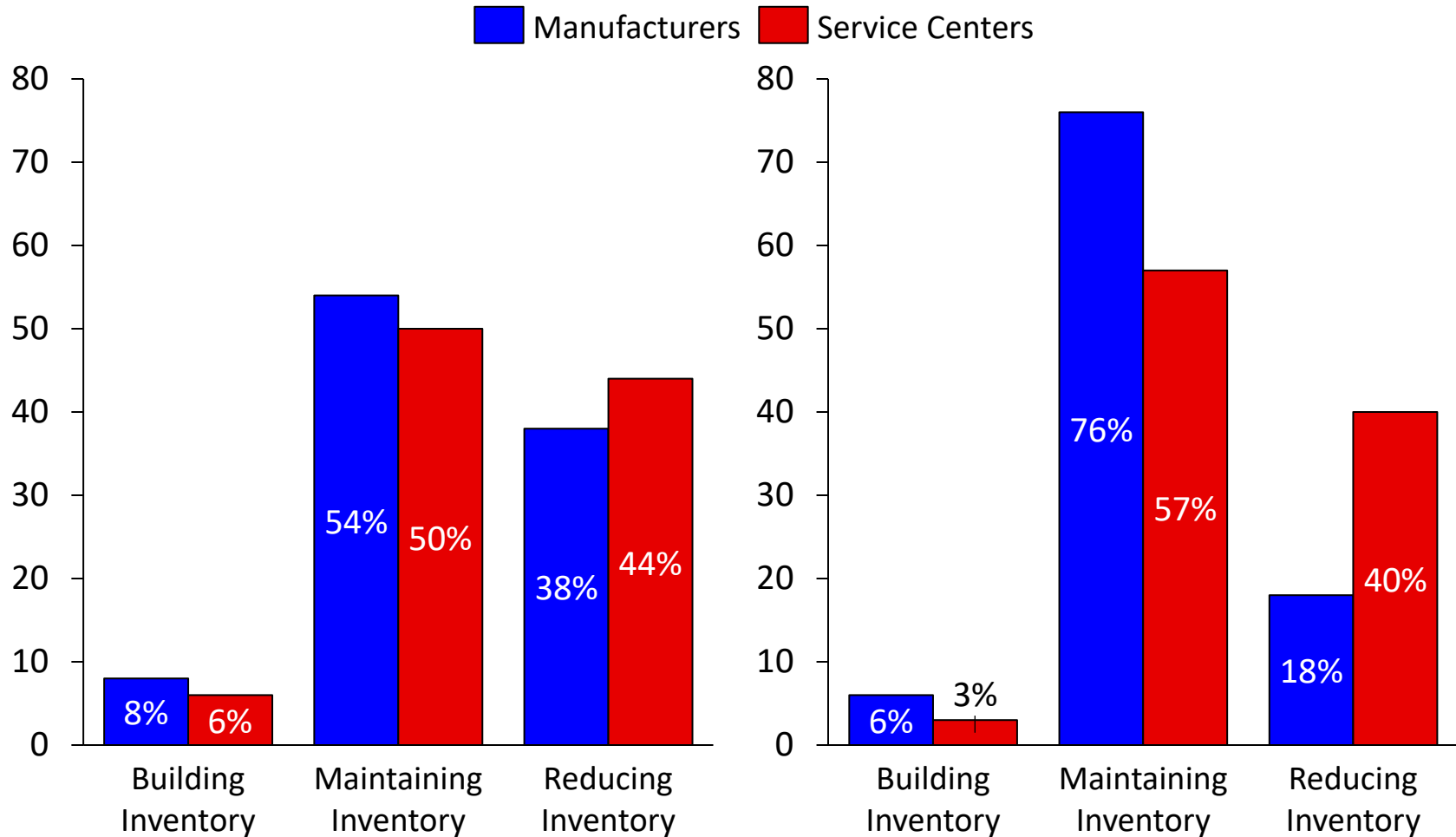
**Manufacturers-** Demand for your products will \_\_\_\_\_  
over the next 3 months based on current order flows.



# Manufacturer and Service Center Inventory Buying Patterns

June 12, 2020

July 10, 2020

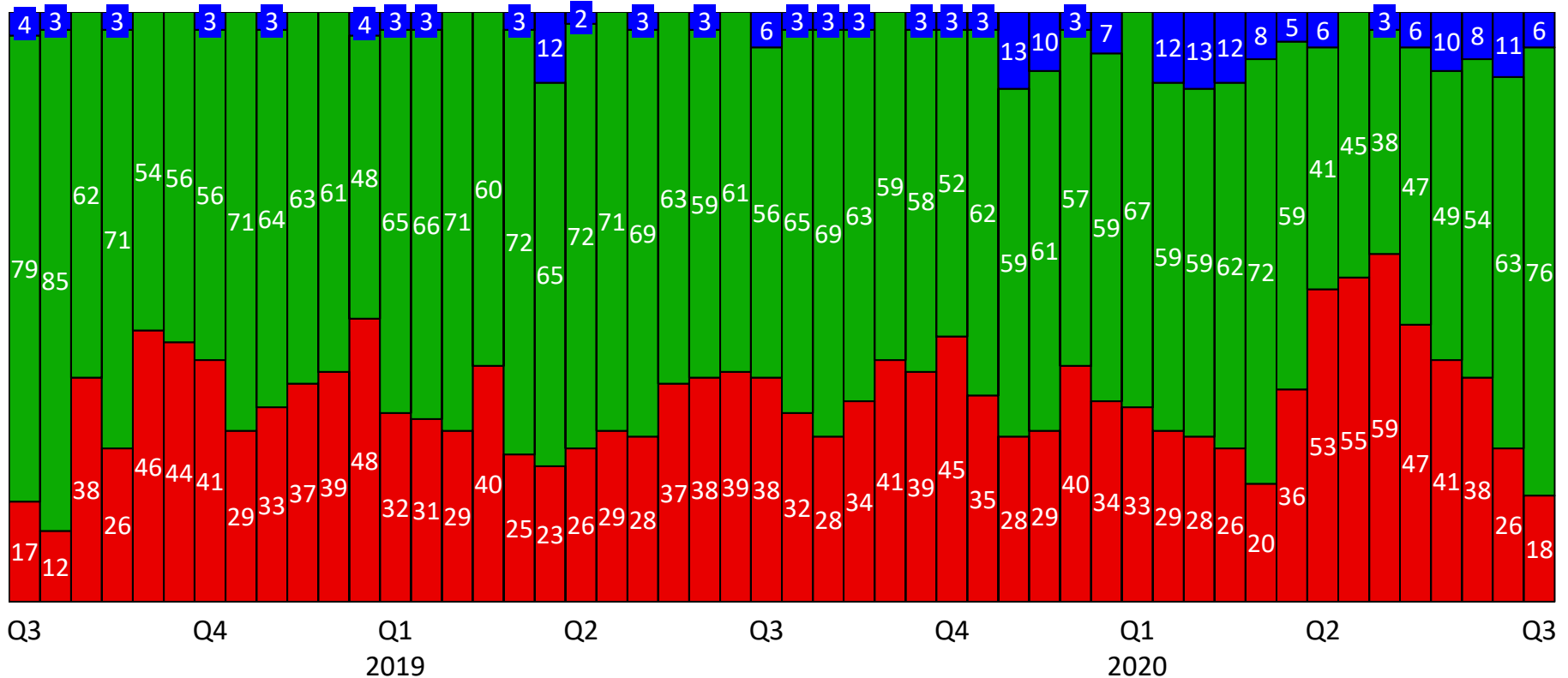


# Manufacturer Inventory Buying History

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

■ Building Inventory  
 ■ Maintaining Inventory  
 ■ Reducing Inventory

out of 100%





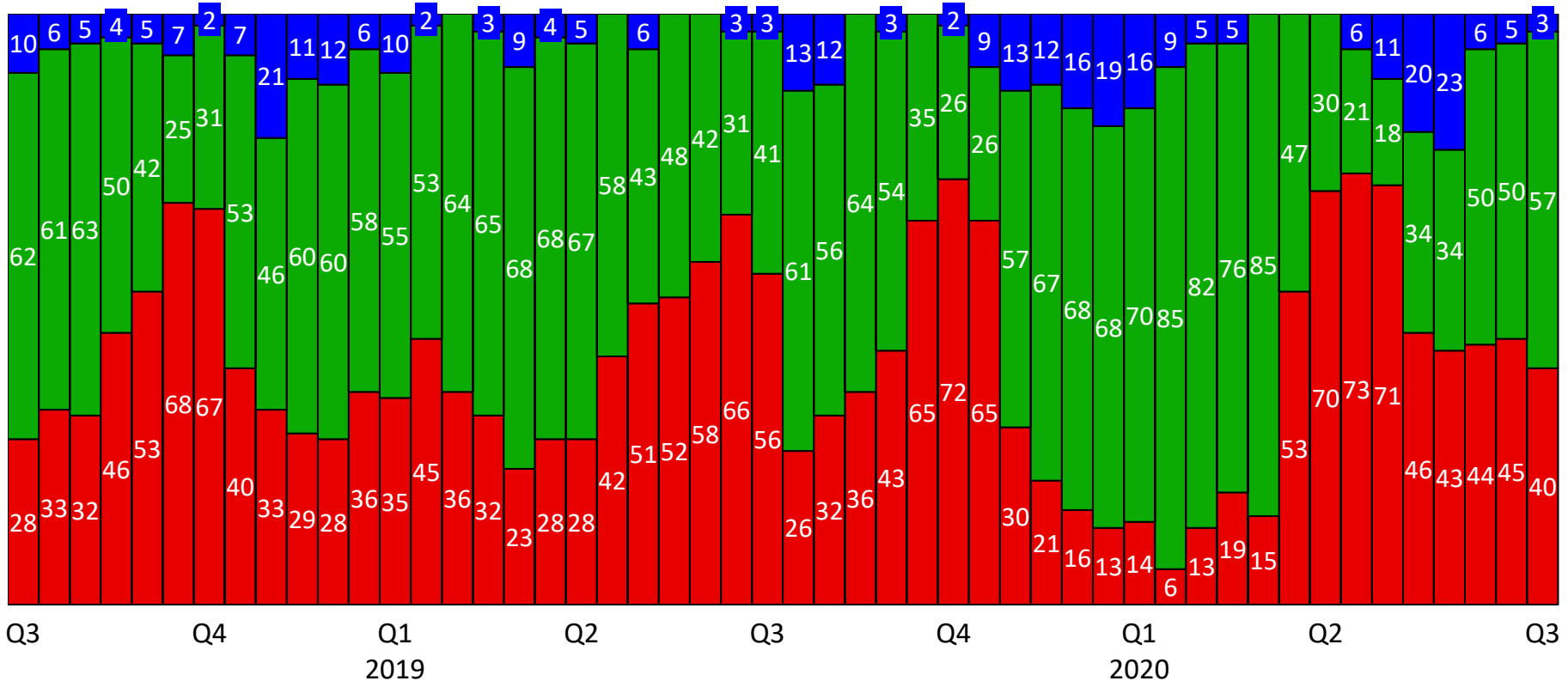
# Service Center Inventory

## Buying History

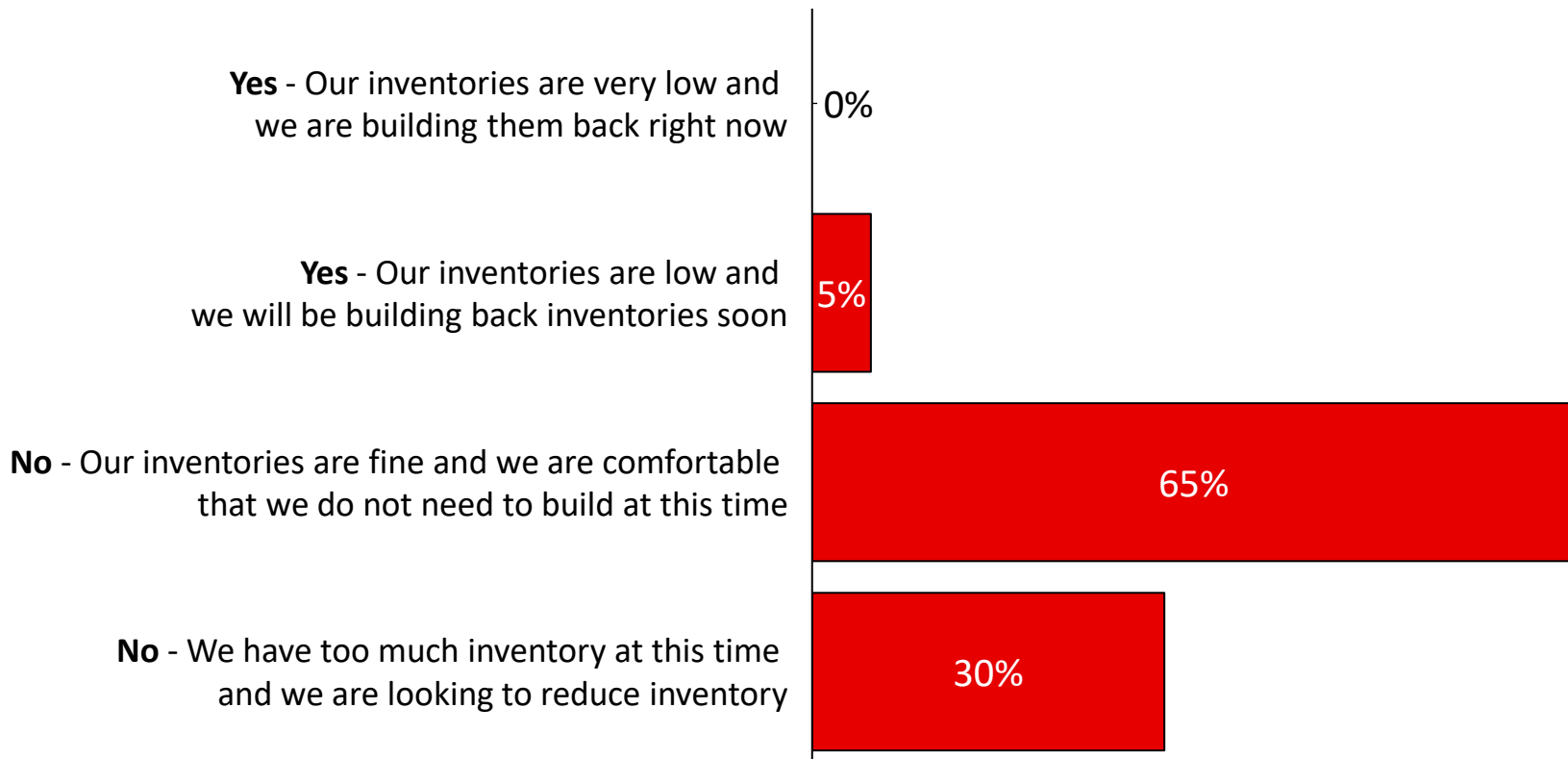
**Service Centers-** Is your company building, reducing or maintaining its flat rolled steel inventory?

■ Building Inventory 
 ■ Maintaining Inventory 
 ■ Reducing Inventory

out of 100%



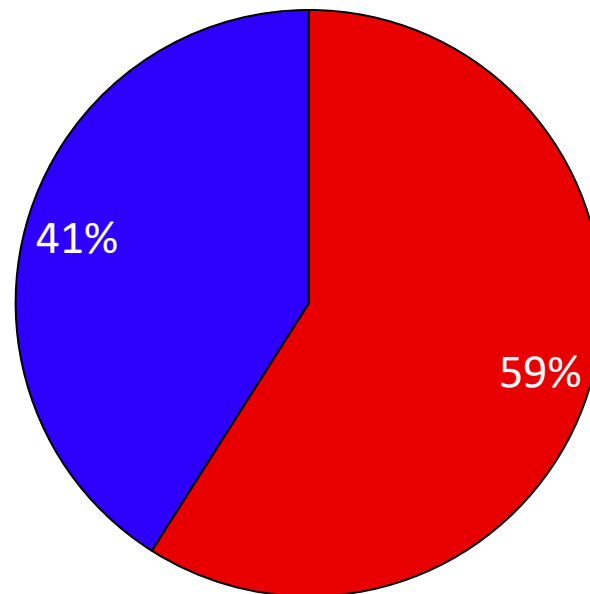
**Service Centers-** Does your company need to build back inventories or are you comfortable with the levels you are holding on your floor?



# 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

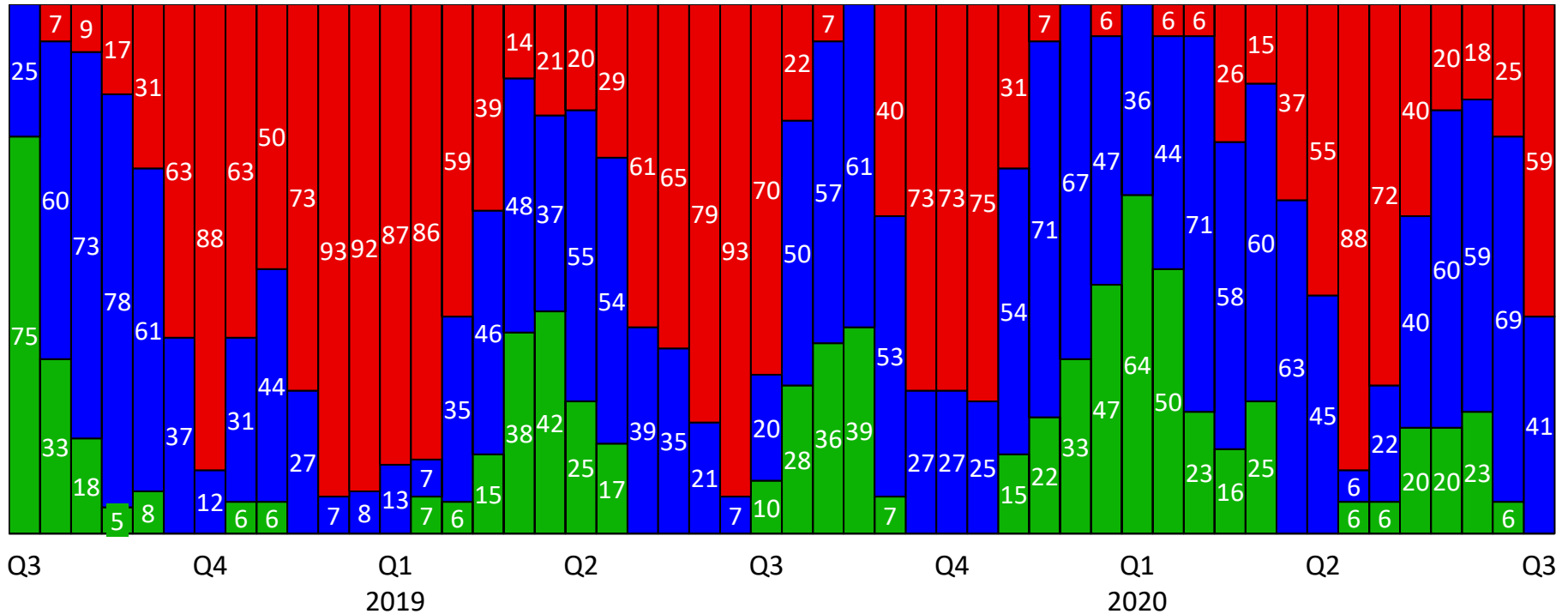


# Manufacturer's View of Service Center Selling Prices History

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

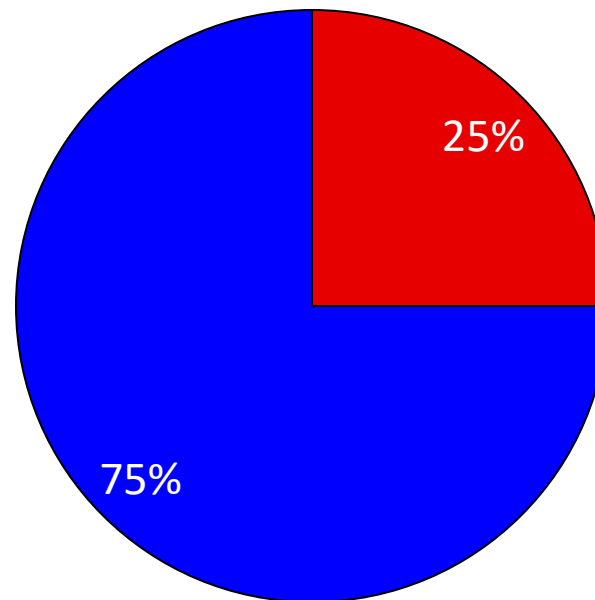
- We are seeing prices decreasing from our service centers
- We are seeing prices stable from our service centers
- We are seeing prices rising from our service centers

out of 100%

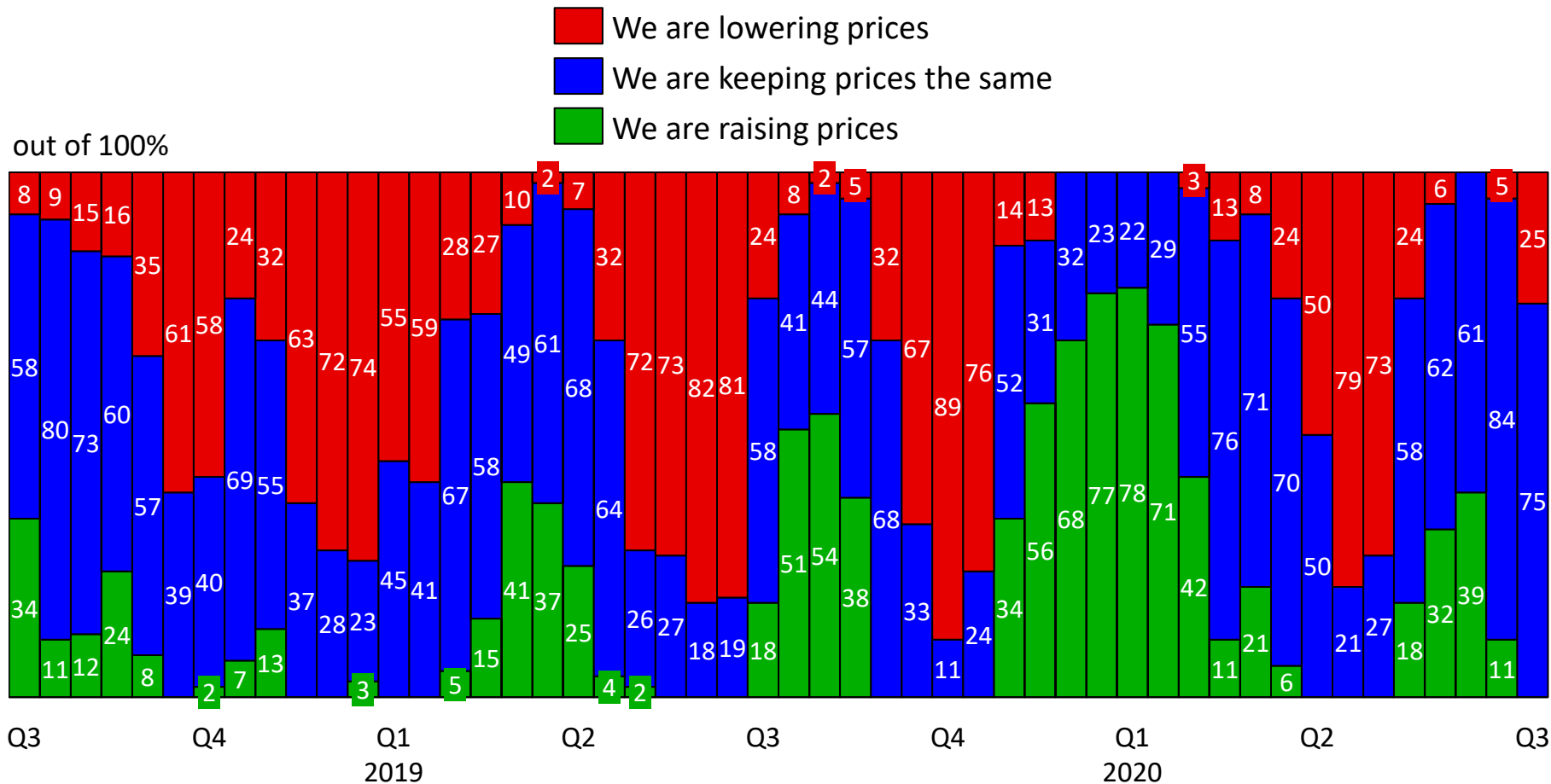


**Service Centers-** Compared to two weeks ago, how is your company handling spot pricing to your customers at this time?

- 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?

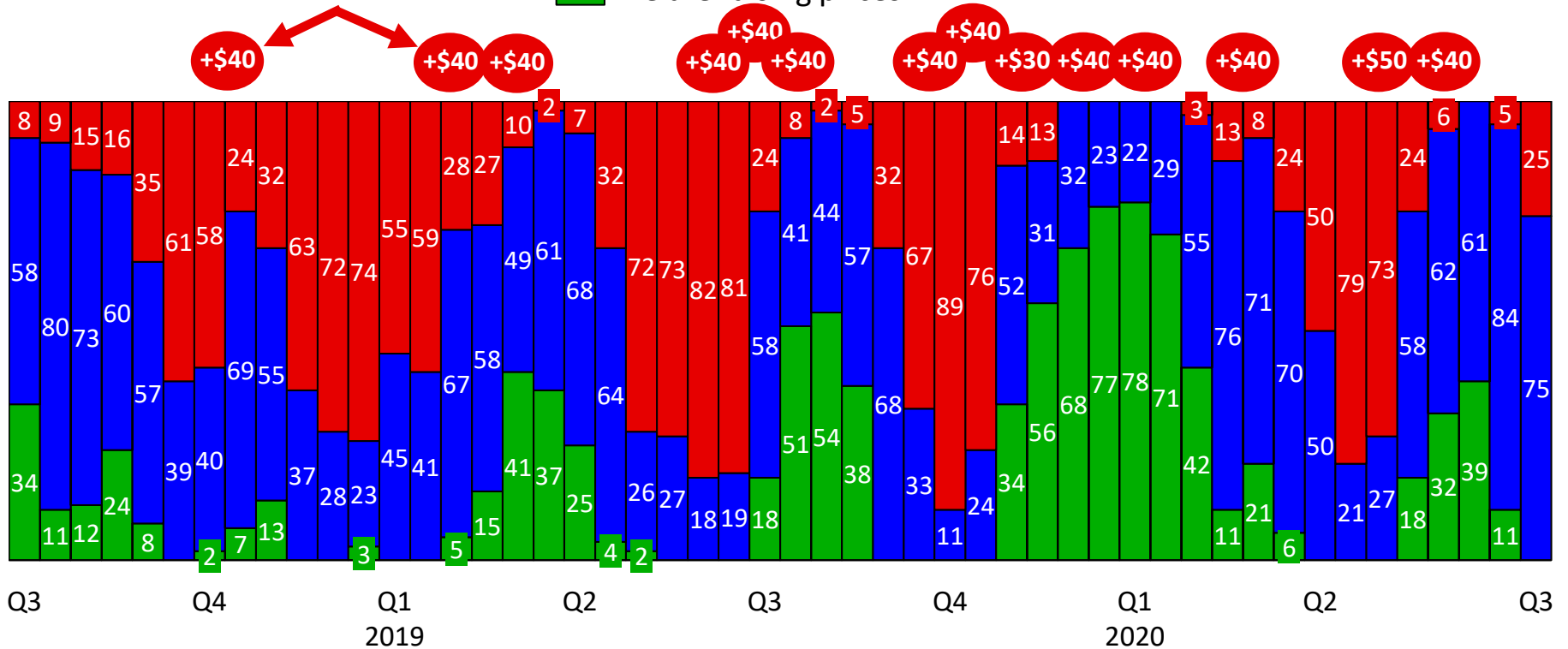


# Service Center View of Selling Prices History

**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

**Historical Nucor Flat Rolled Price Increase Announcements**

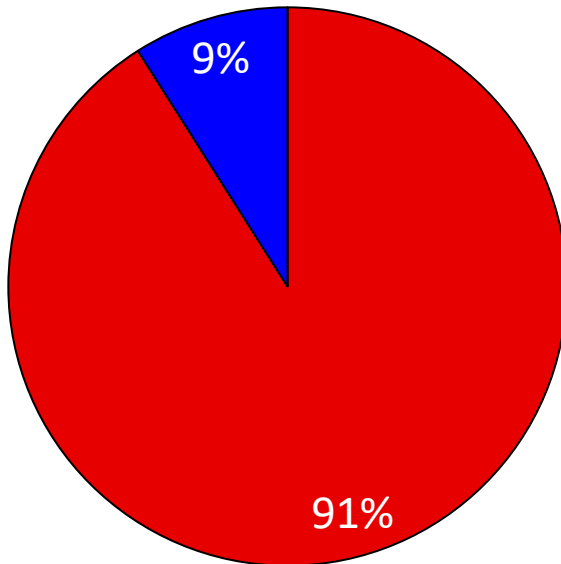


# Passing Along Higher Prices

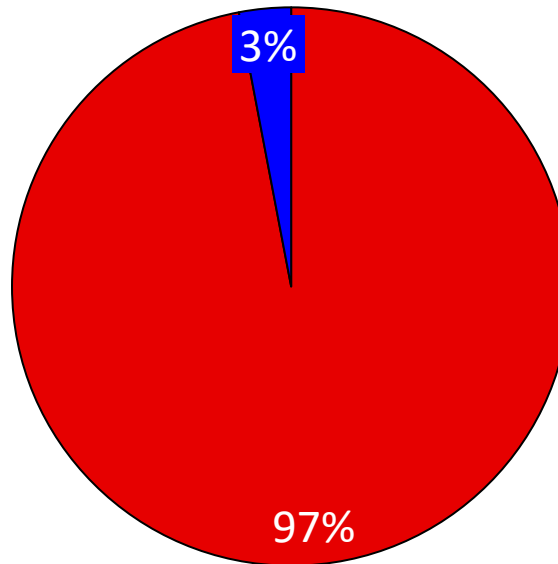
**Service Centers-** Are you having any difficulties in passing along the new higher prices to your customers?

Yes No

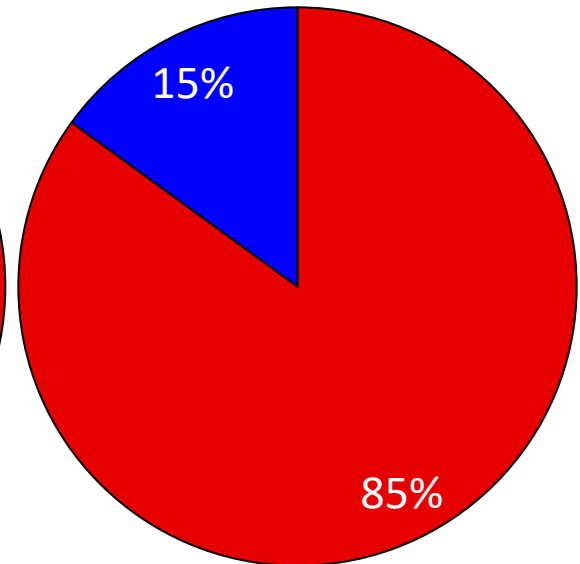
May 16, 2020



June 26, 2020



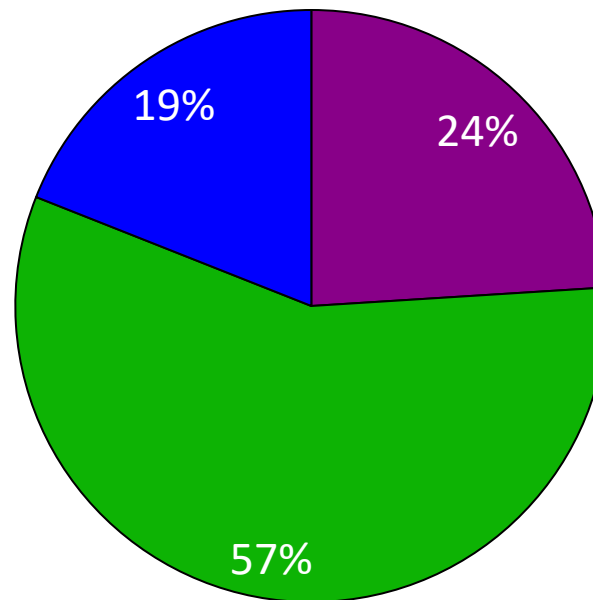
July 10, 2020





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

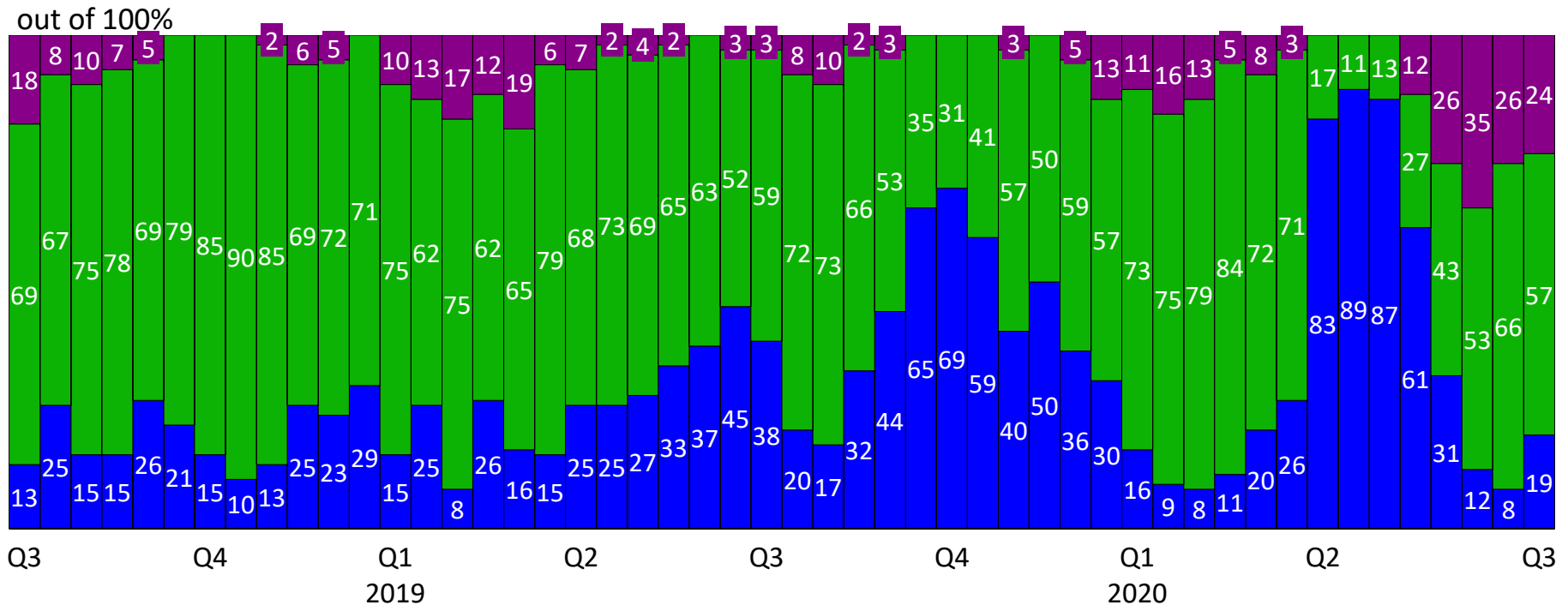
- Our manufacturing customers are increasing orders
- Our manufacturing customers are maintaining their orders
- Our manufacturing customers are reducing their orders



# Service Centers on Manufacturer Orders History

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

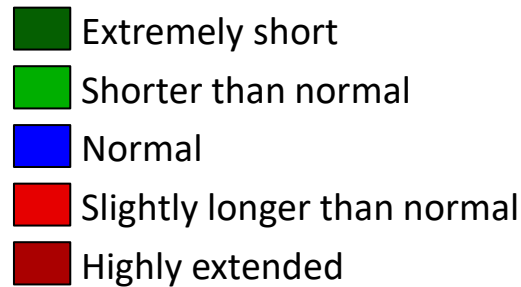
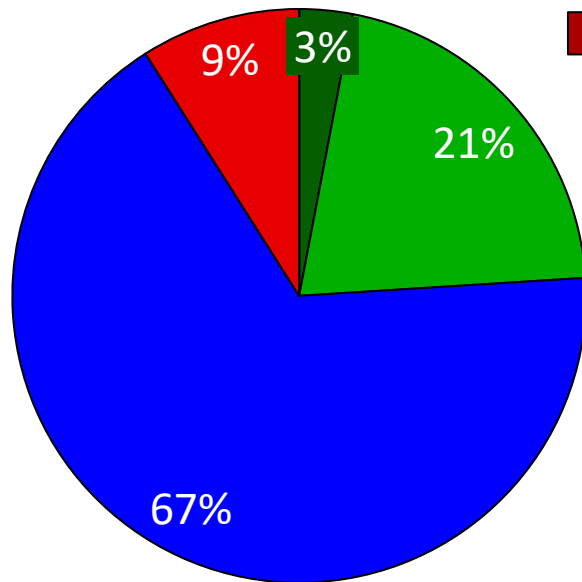
- Our manufacturing customers are increasing orders
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- Our manufacturing customers are reducing their orders



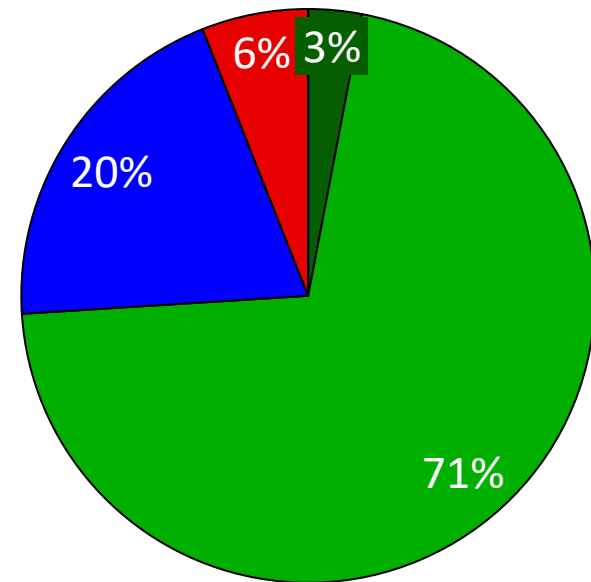
# Mill Lead Times

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

## Manufacturers

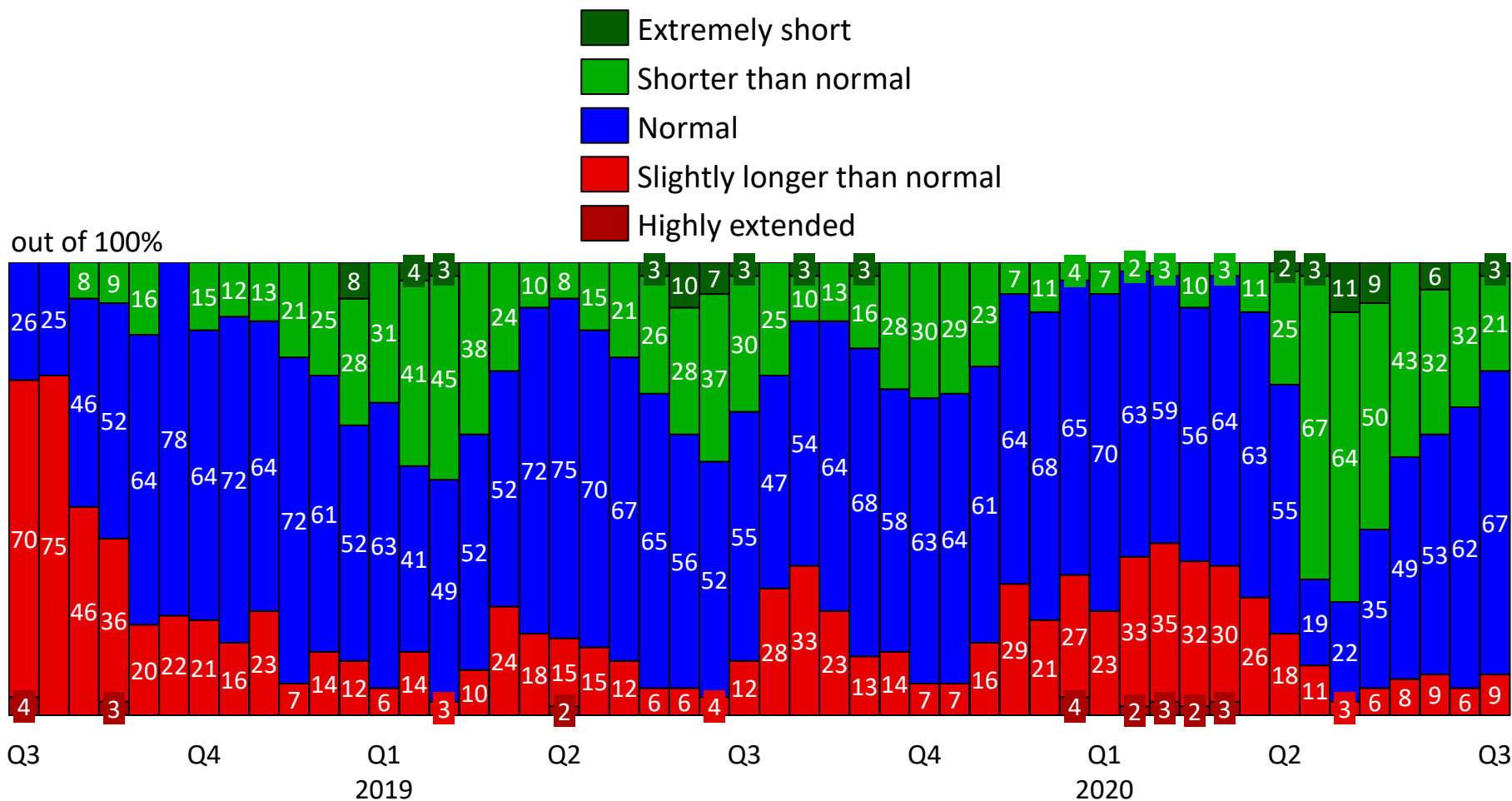


## Service Centers



# Mill Lead Times History

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

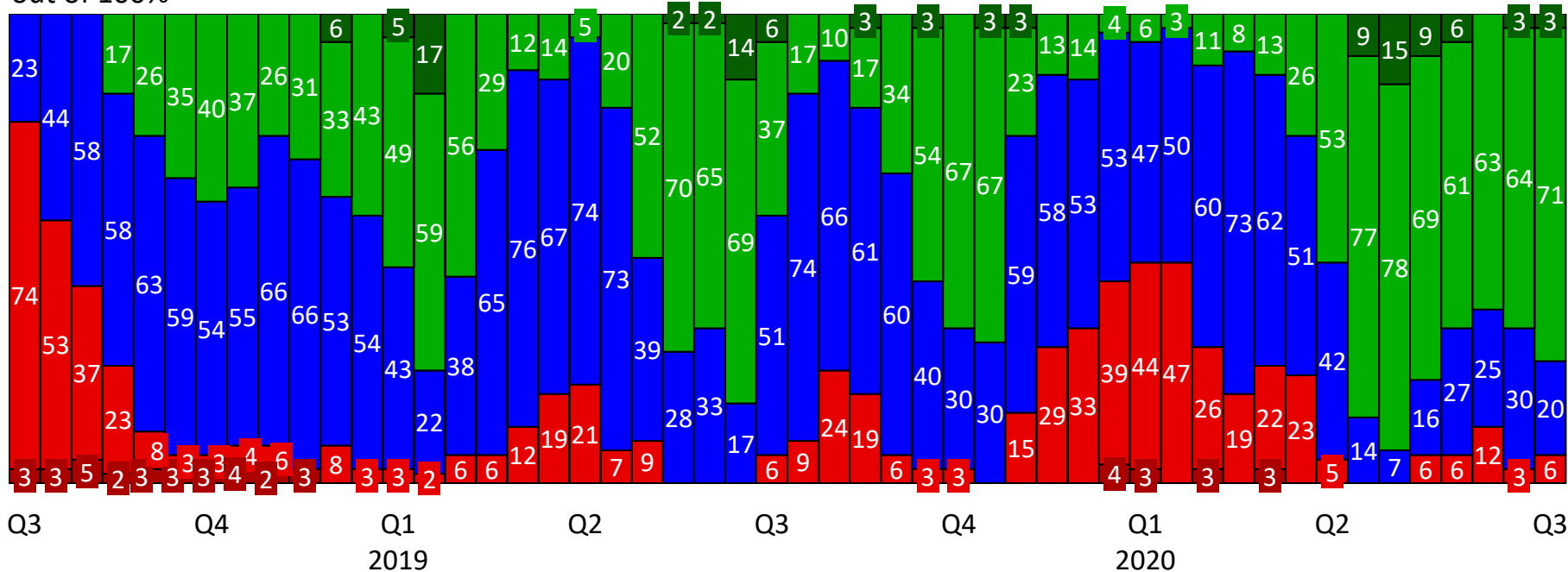


# Mill Lead Times History

**Service Centers-** 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%

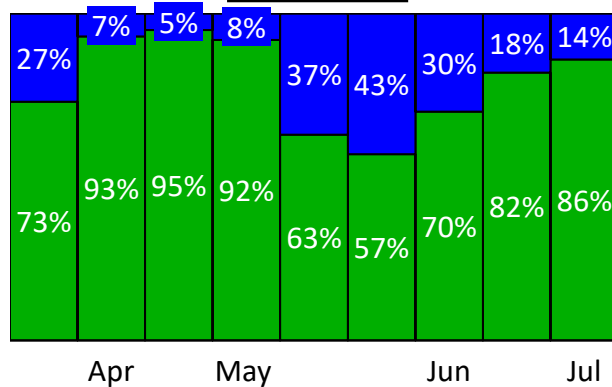


# Mill Negotiations

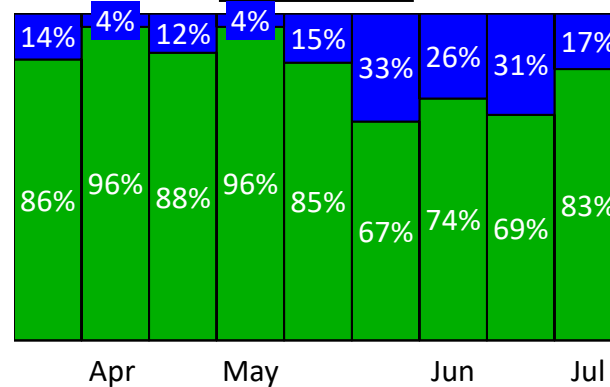
Are you finding the domestic mills are willing to negotiate pricing on brand new orders placed this week?

Yes No

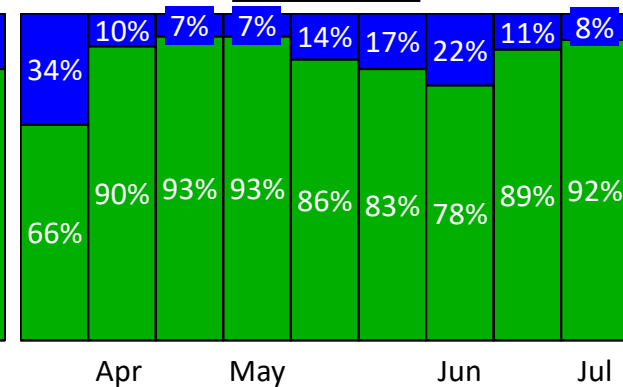
## Hot Rolled



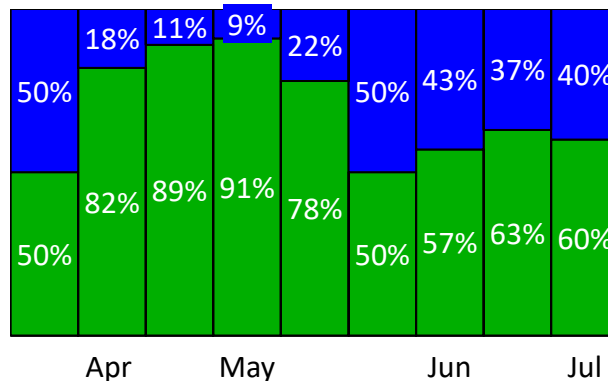
## Cold Rolled



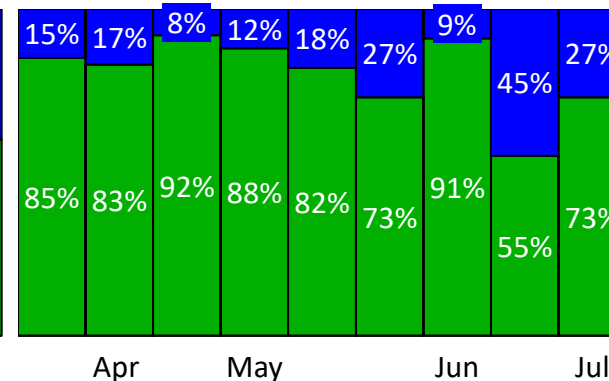
## Galvanized



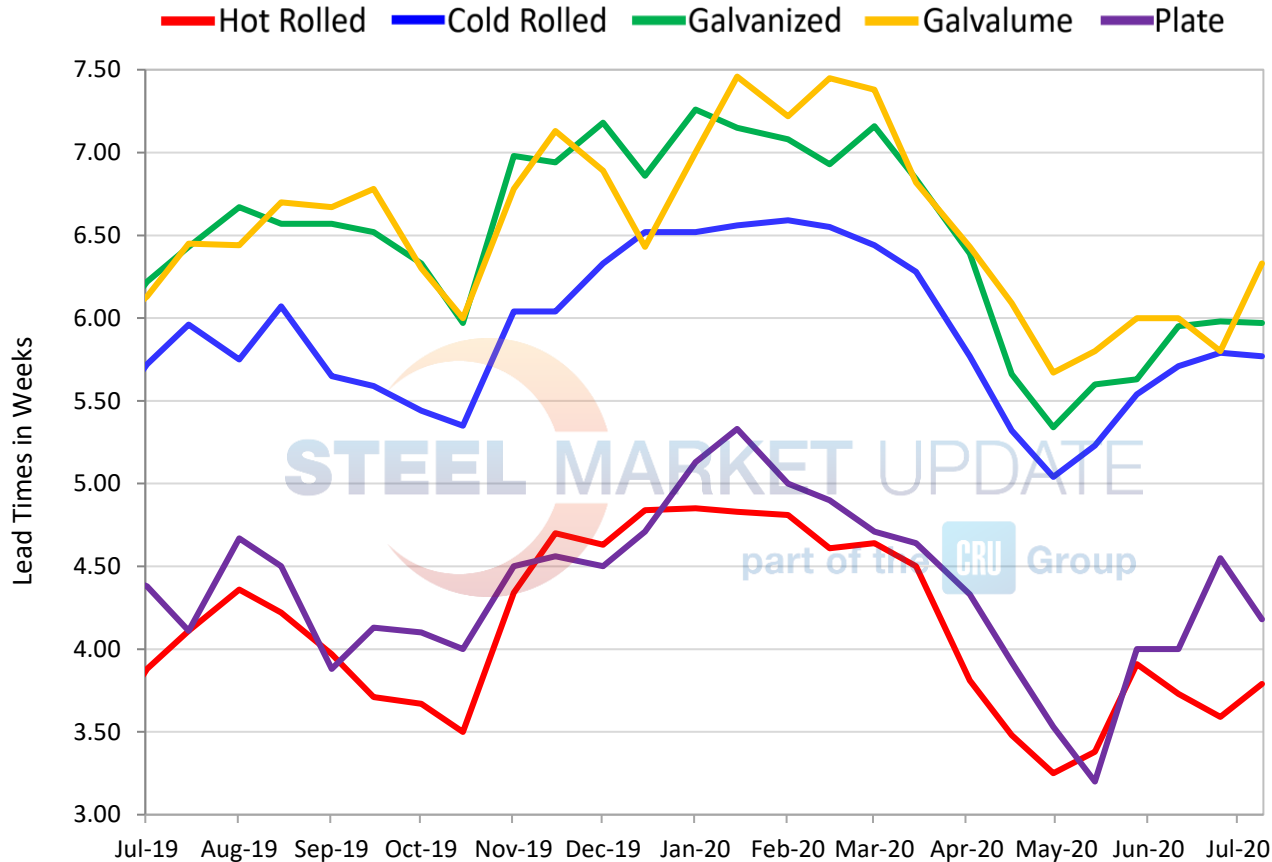
## Galvalume



## Plate



# Mill Lead Times



## Lead Times in Weeks

**Galvalume: 6.33**

**Galvanized: 5.97**

**Cold Rolled: 5.77**

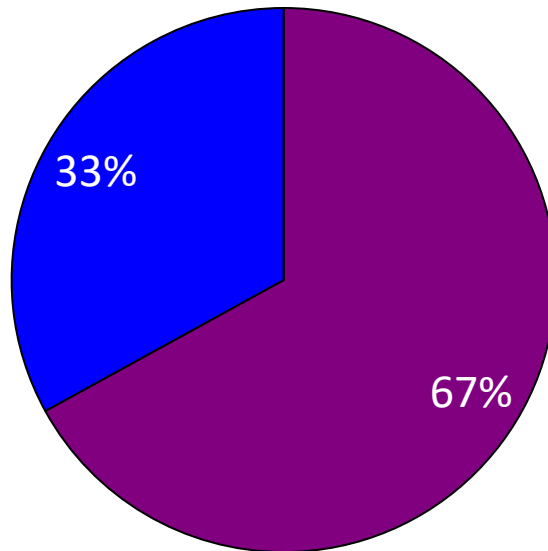
**Plate: 4.18**

**Hot Rolled: 3.79**

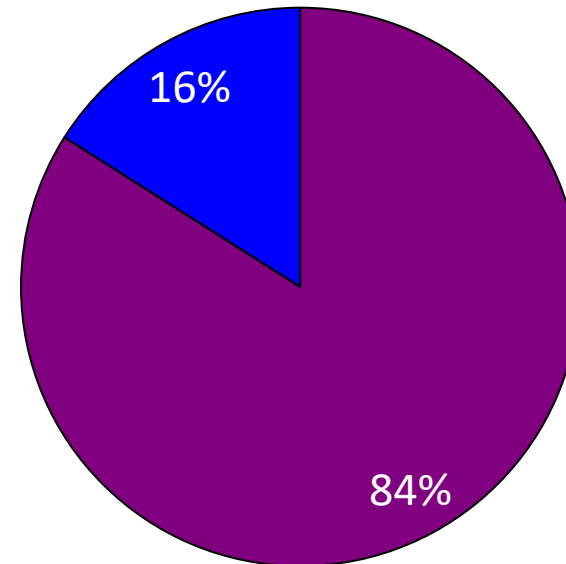
Does your company buy foreign steel?

■ Yes ■ No

## Manufacturers



## Service Centers

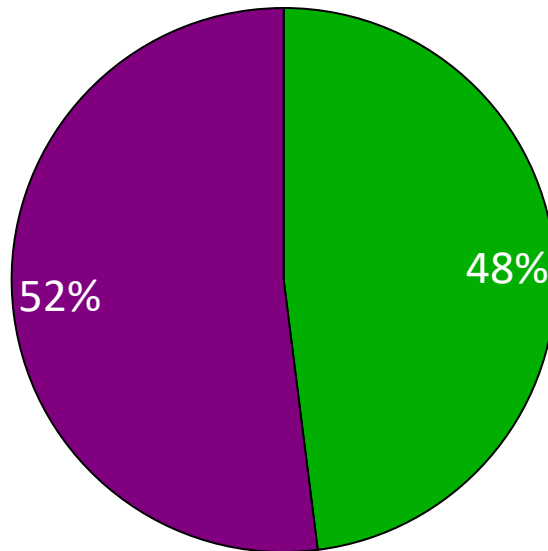




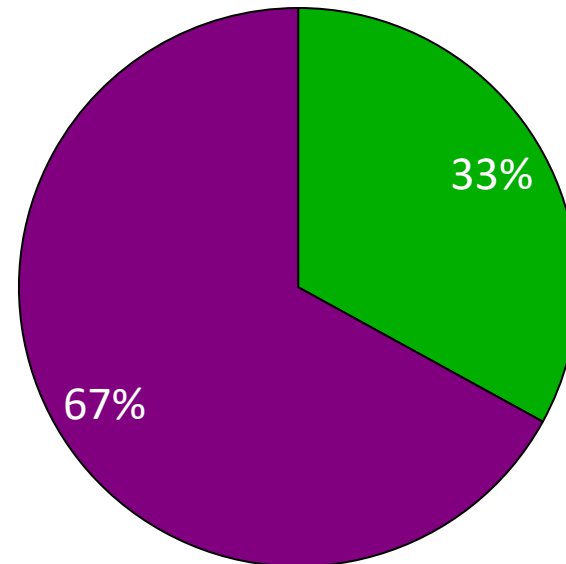
Are your foreign steel suppliers quoting you competitive prices for new orders for future delivery?

Yes No

## Manufacturers



## Service Centers

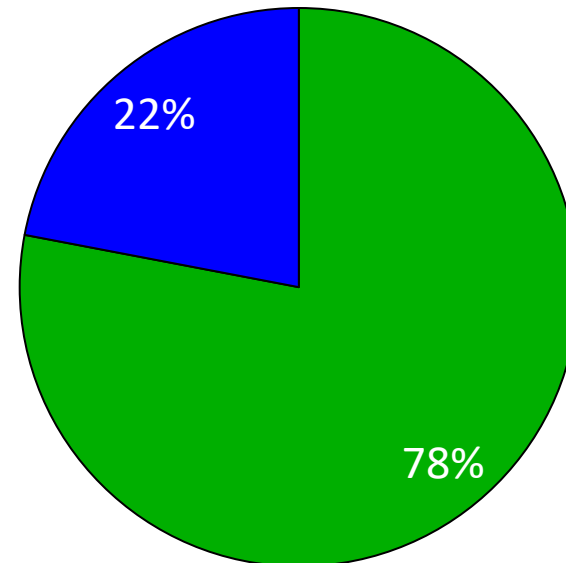
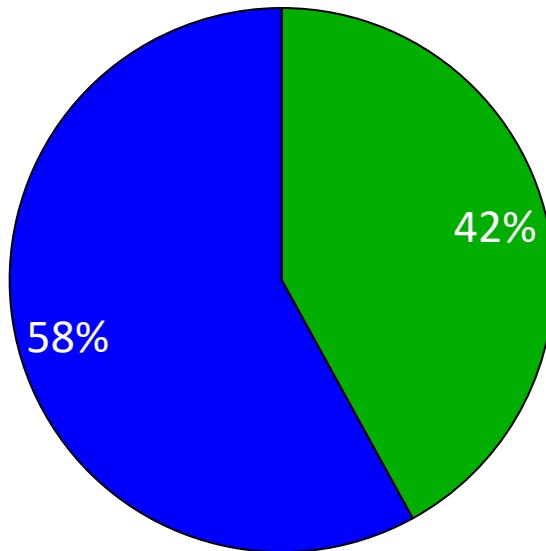


# Foreign Steel

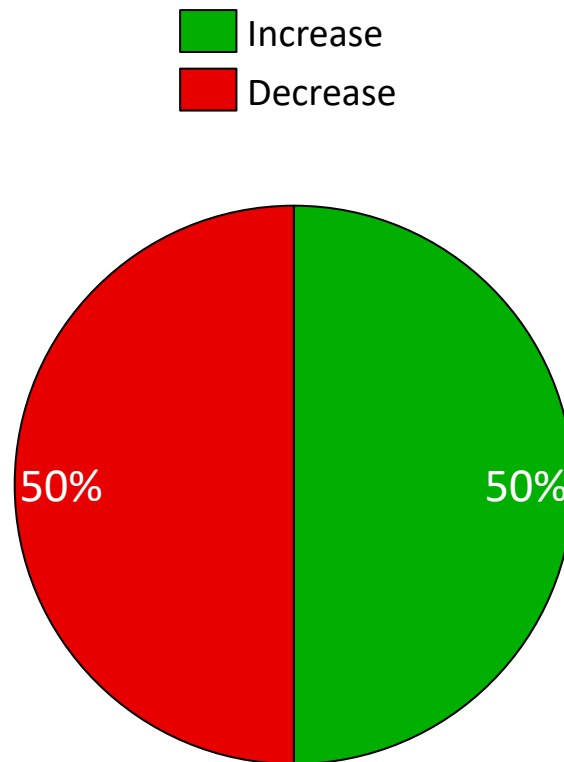
**Manufacturers-** Are you buying new orders of foreign steel for future delivery?

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

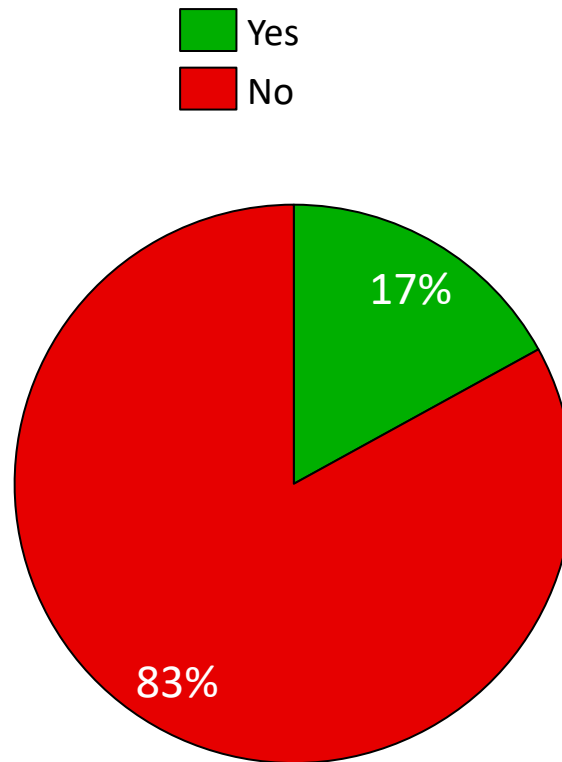
Yes No



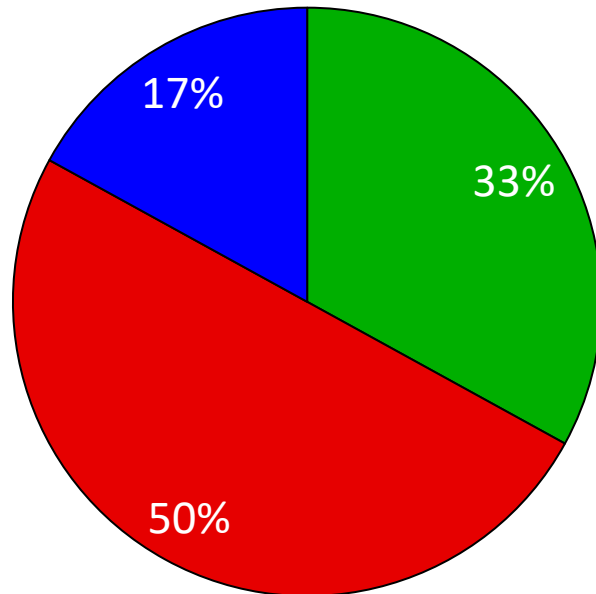
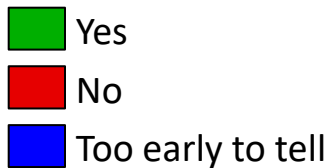
At this time, are you seeing an increase or decrease in orders from your North American buyers?



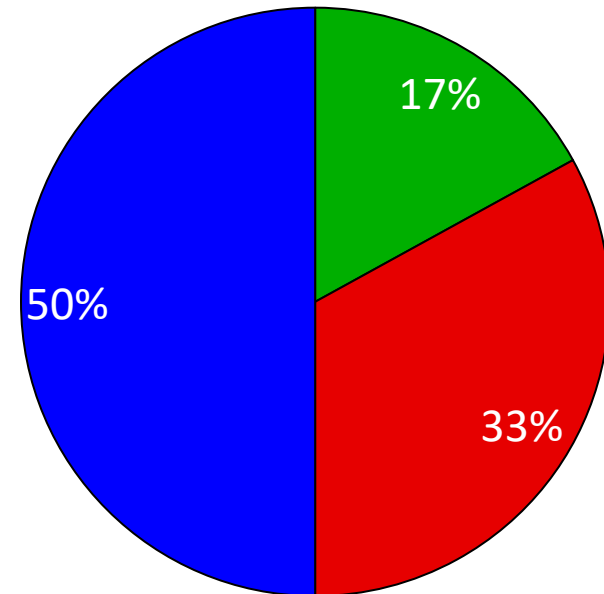
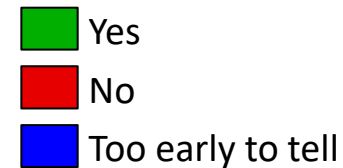
With prices increasing out of the domestic steel mills are foreign products now becoming more attractive to U.S. steel buyers?



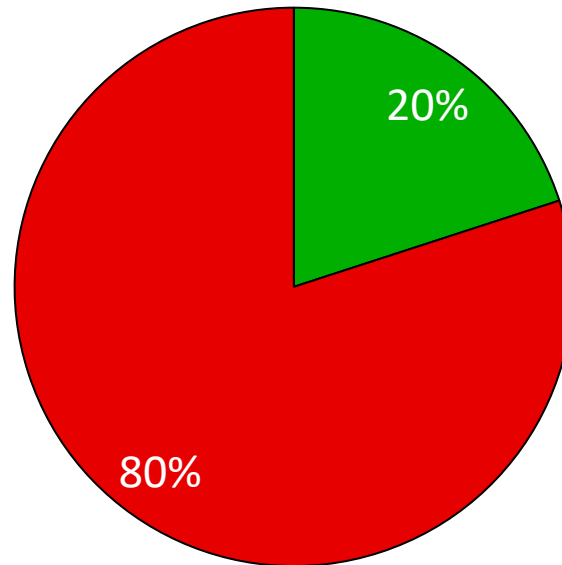
Are your galvanized prices competitive enough right now to get orders (including the new duties)?



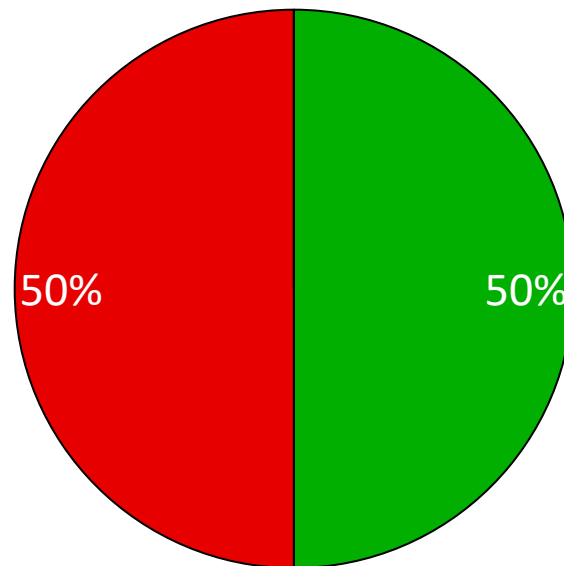
Are your Galvalume prices competitive enough right now to get orders (including the new duties)?



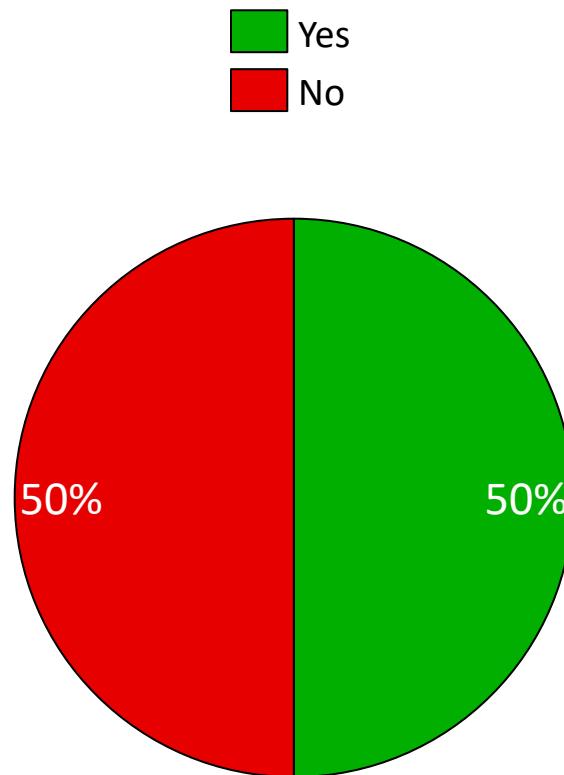
Are you able to offer plate pricing that is attractive to buyers right now?



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

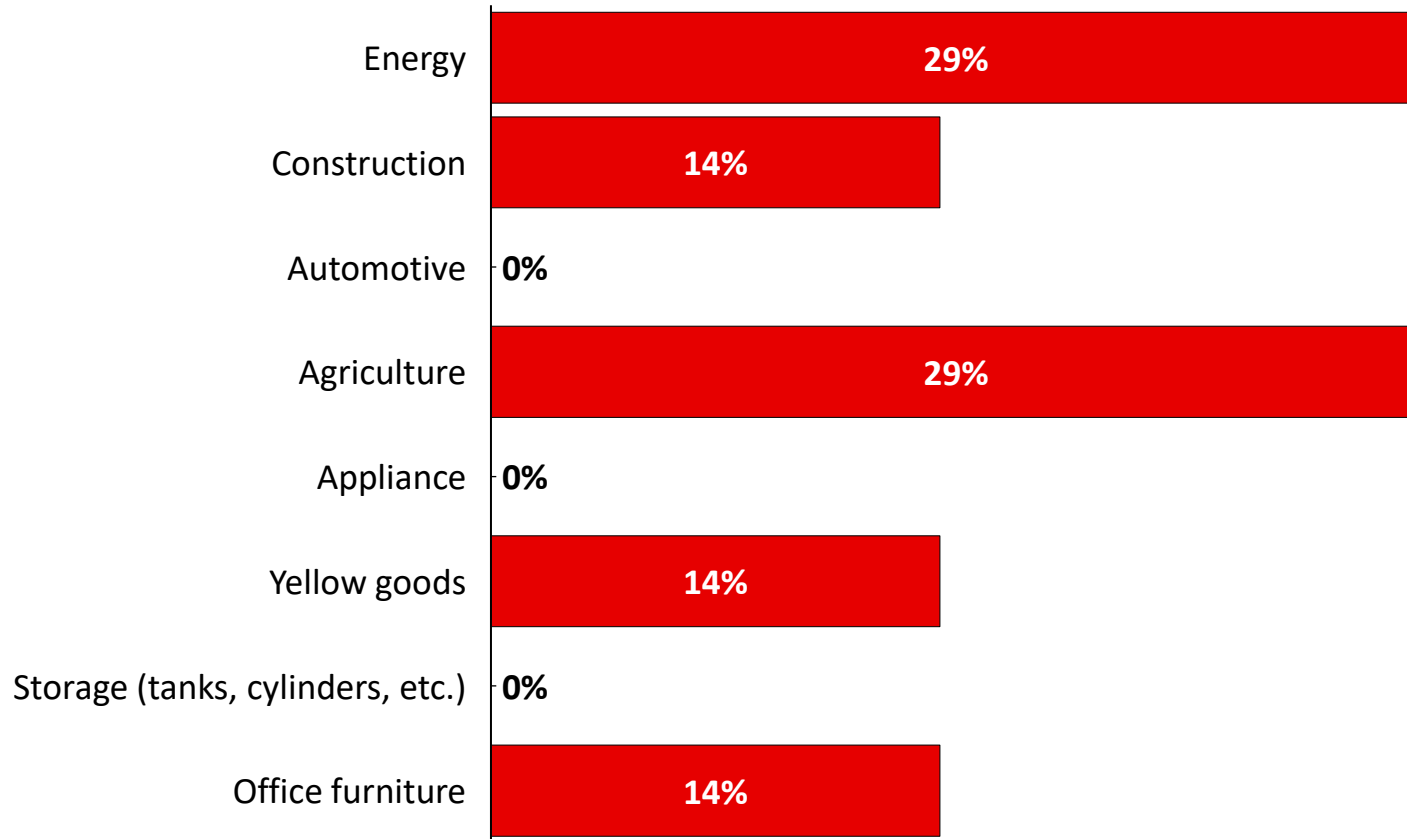


Will the restarts of the blast furnaces at the integrated mills put too much supply and hold down steel prices over the next few months?





Are there any market segments that your company feels will be doing poorly 3-6 months from now (check all that apply)?



# 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.

We always appreciate referrals- tell your friends, suppliers, and customers to sign up for a free trial at [SteelMarketUpdate.com](https://SteelMarketUpdate.com).

# Look for Our Next Survey



Our next survey  
will be conducted  
the week of  
**July 20, 2020**

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 central point. The text 'STEEL MARKET UPDATE' is written in a bold, white, sans-serif font across the middle of the image, with the circular logo partially overlapping the word 'STEEL'.

# STEEL MARKET UPDATE

part of the  Group

When you need answers... [www.SteelMarketUpdate.com](http://www.SteelMarketUpdate.com)