

The logo features a stylized circular graphic composed of two curved segments, one orange and one red, positioned behind the text.

Steel Market Update

CRU

Community Chat with Spencer Johnson, head of ferrous trading at StoneX Financial

May 29, 2024 | Michael Cowden, Managing Editor

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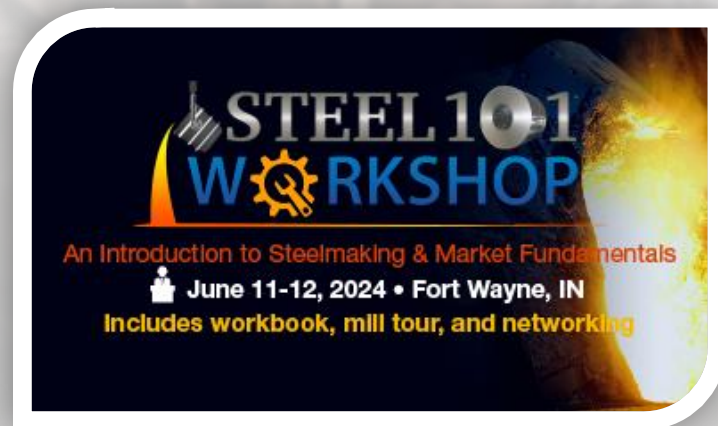
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Chicago
Sr. Account Exec.

The SMU newsletter was developed for active buyers and sellers of flat-rolled steel.

Prices | Lead times | Sentiment | Trends | Analysis

For more information visit www.steelmarketupdate.com

Upcoming events



Live Steel 101 Workshop
 June 11-12, 2024 | Fort Wayne, Ind.
Includes mill tour of Steel Dynamics



SMU Steel Summit 2024
 August 26-28, 2024 | Atlanta
Georgia International Convention Center

For more information about our workshops and conferences visit:
www.steelmarketupdate.com/events-and-training/ or e-mail our team at events@steelmarketupdate.com.



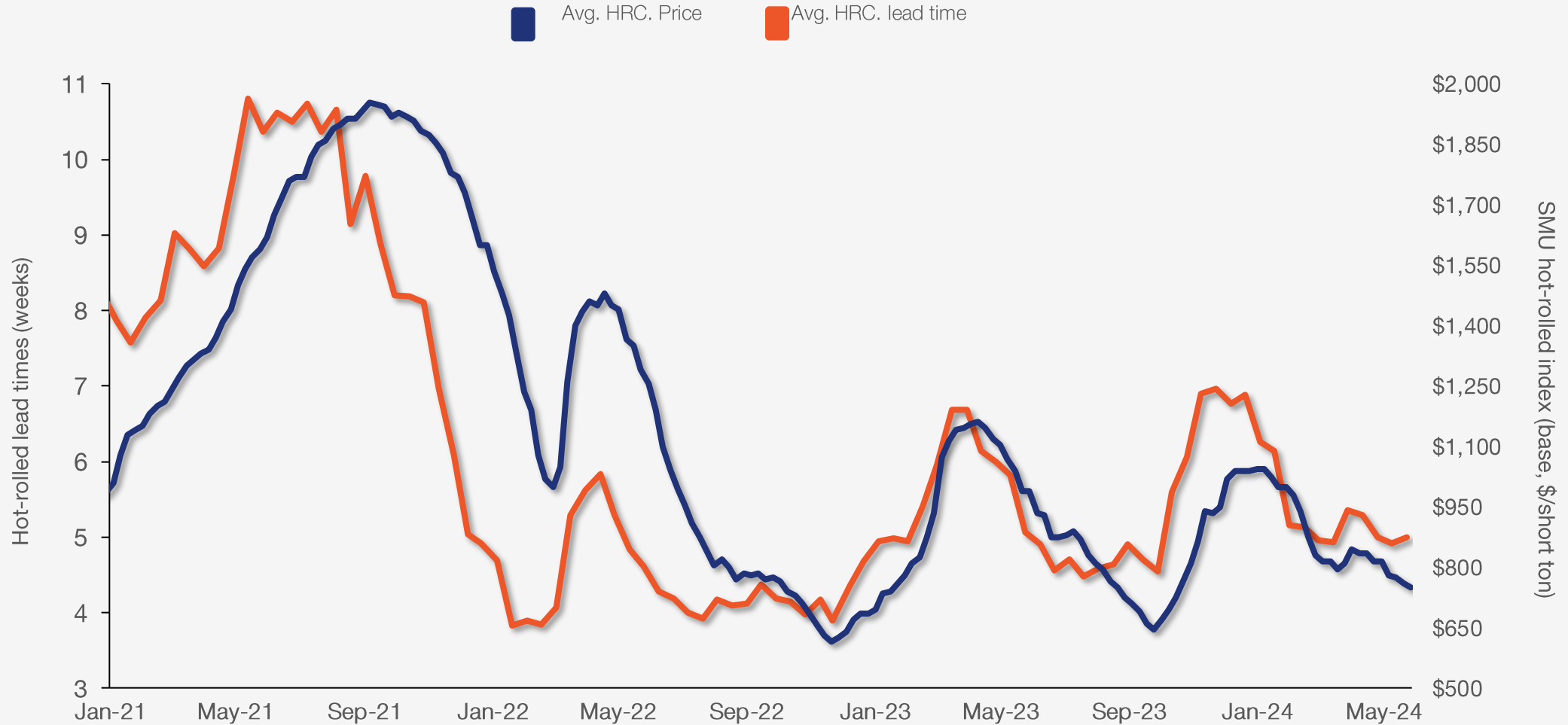
Don't just read our data,
**see your company's
experience reflected in it.**

Contact david@steelmarketupdate.com for participation information.



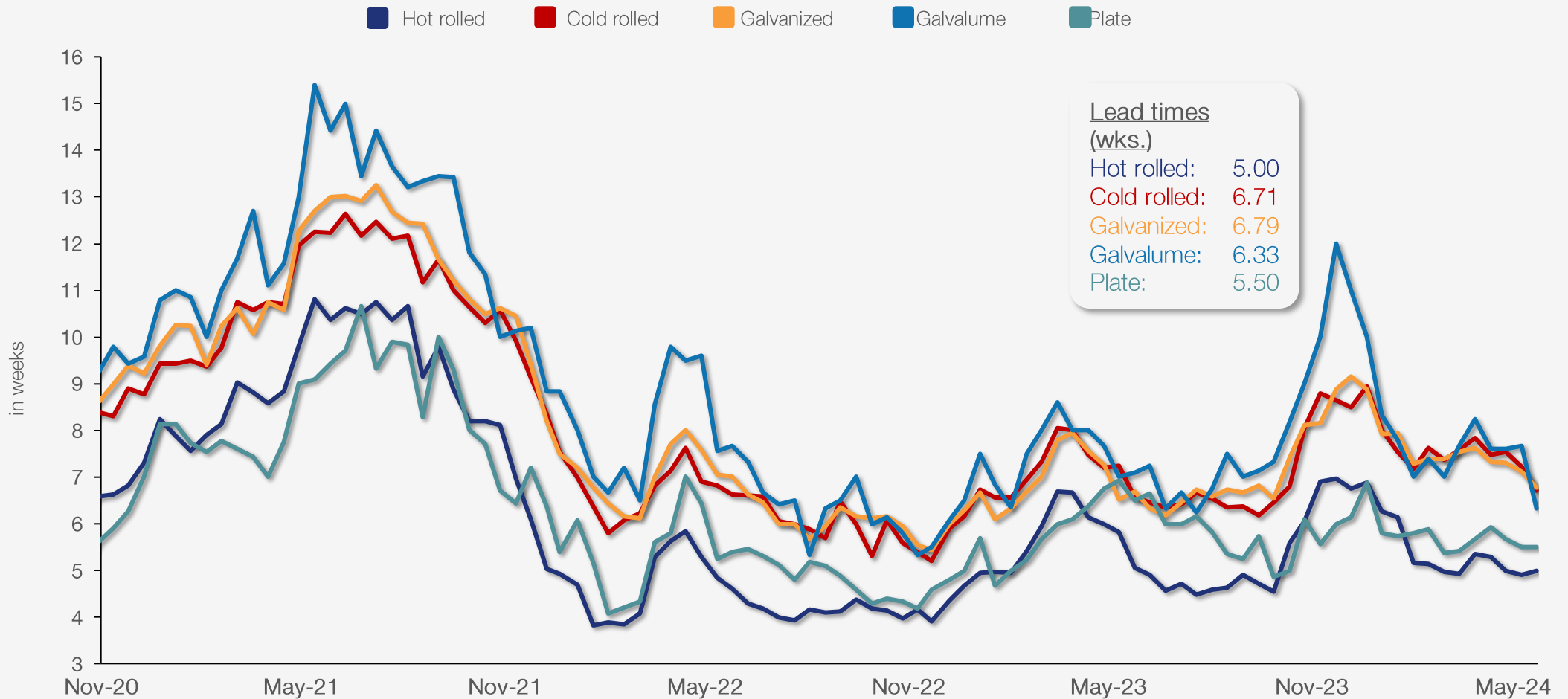
Hot-rolled steel prices vs. lead times

SMU's hot-rolled steel prices and lead times, with data through May 28, 2024.



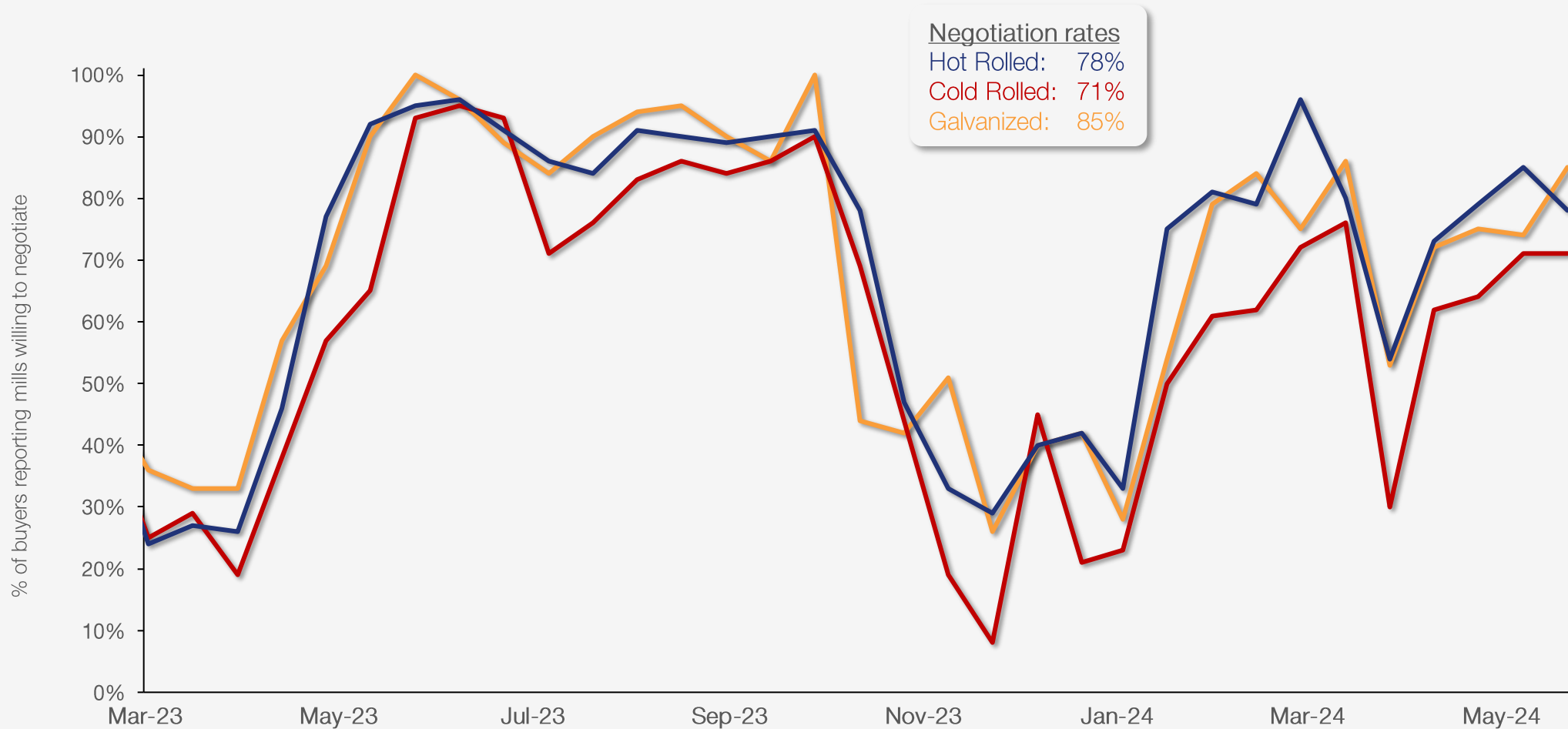
Steel mill lead times by product

SMU lead times on new steel orders by product through May 22, 2024.



Steel mill negotiations

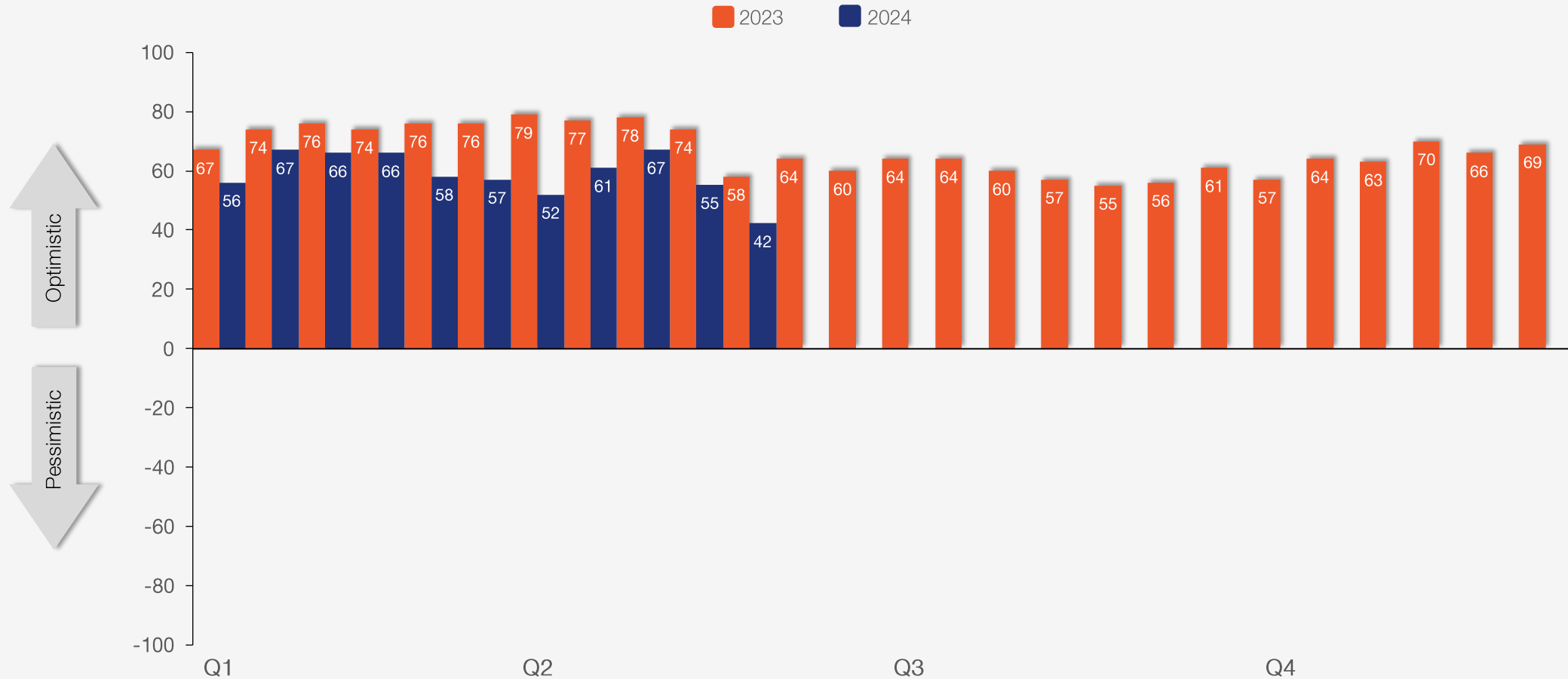
SMU's price negotiations on new steel orders by product through May 22, 2024.



Steel buyers' sentiment

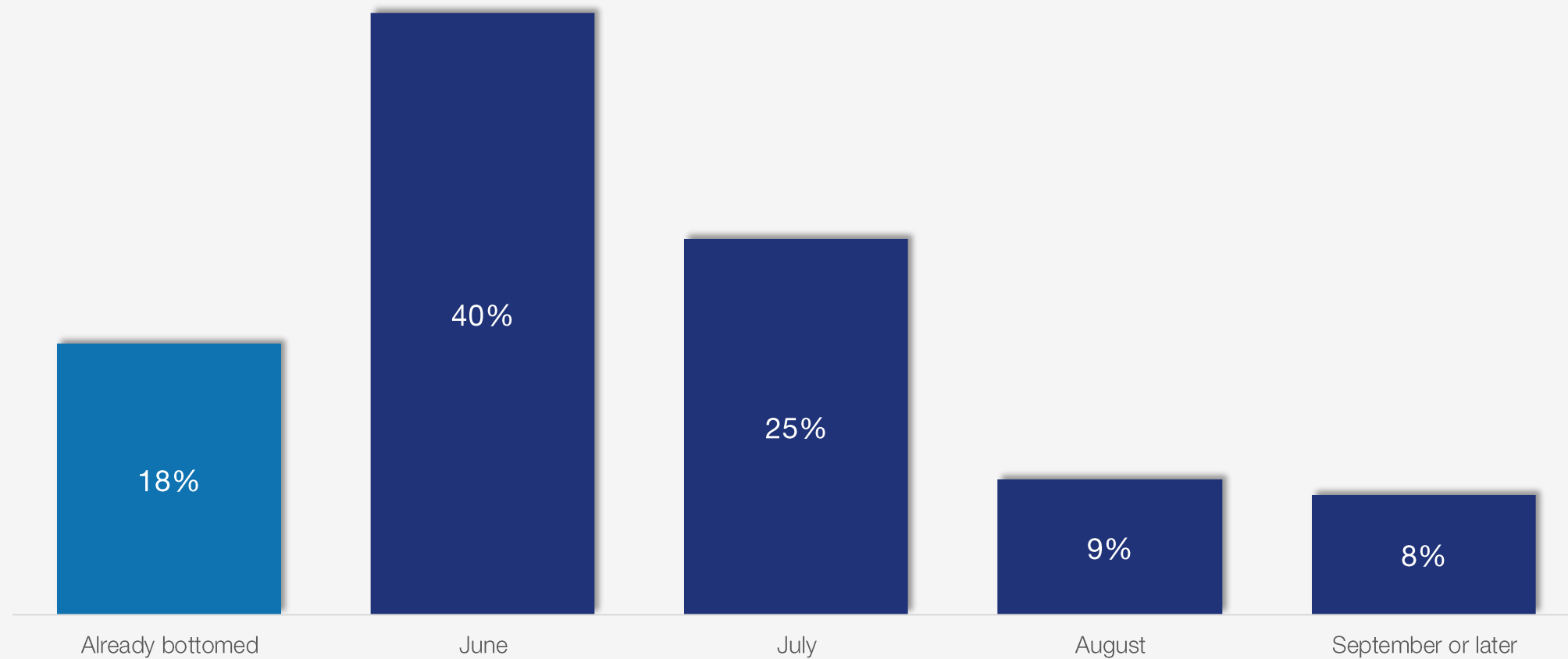
Down 13 points to +42

SMU's current steel buyers' sentiment index, with data through May 22, 2024.



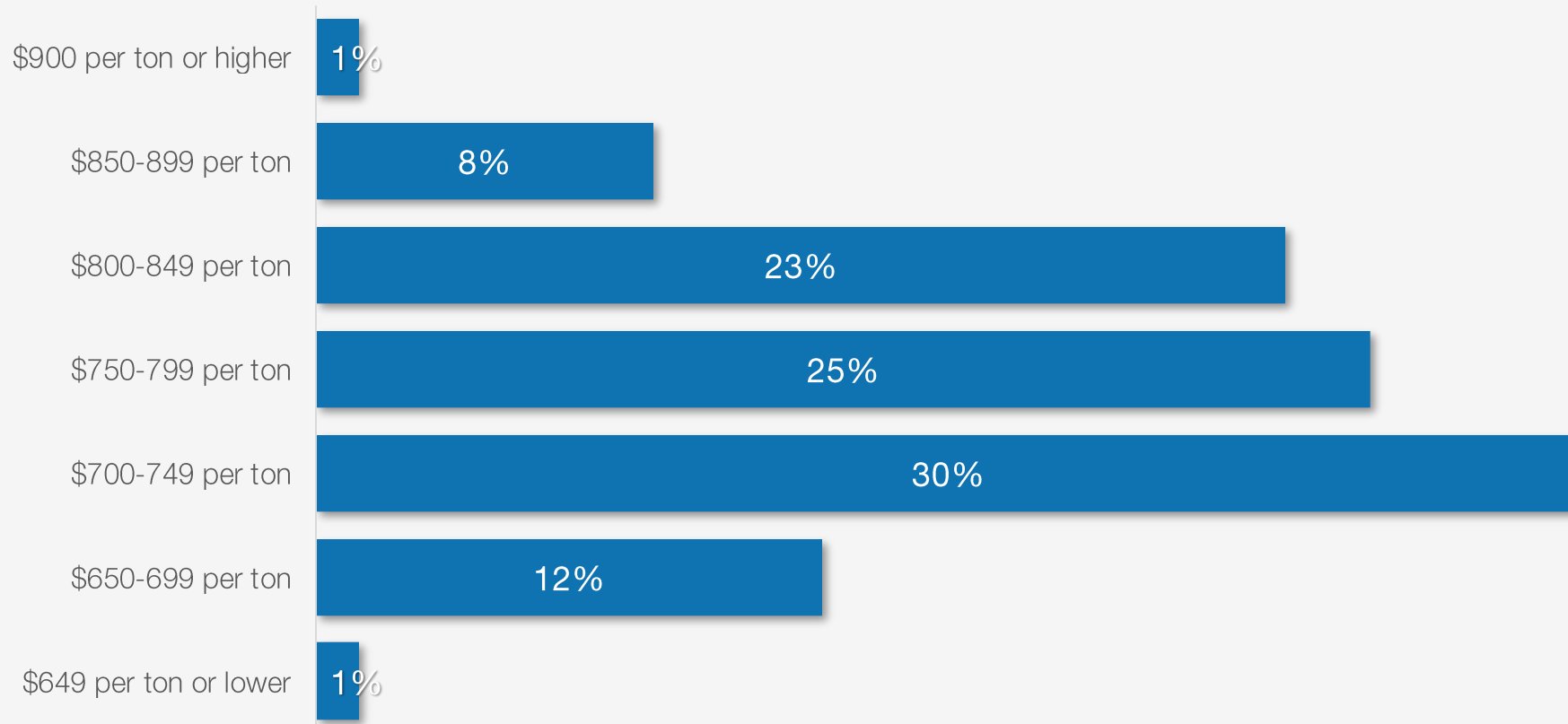
Hot rolled inflection point

When do you think steel prices will bottom?



Future hot rolled prices

Where do you think HRC prices will be in two months?

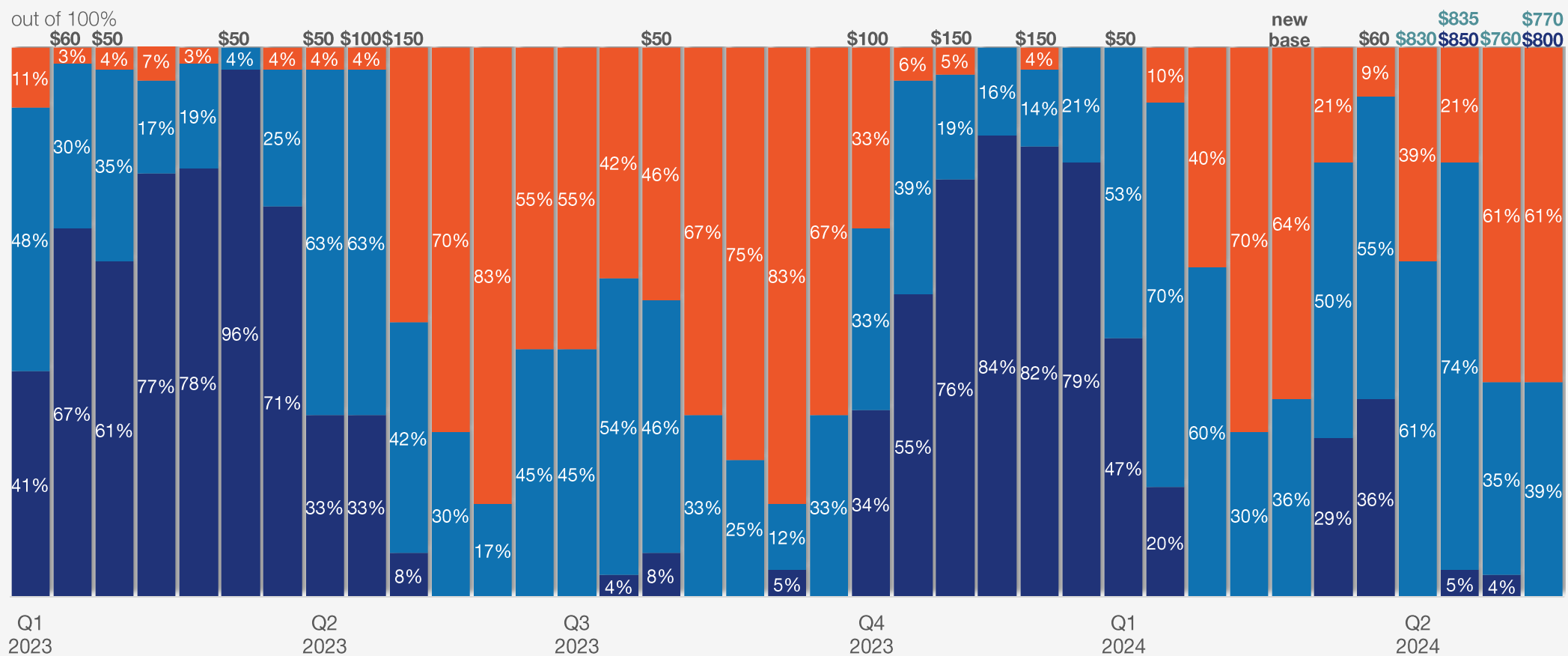


Service center view of selling prices history

Service centers

Compared to two weeks ago, how is your company handling spot pricing to your customers?

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

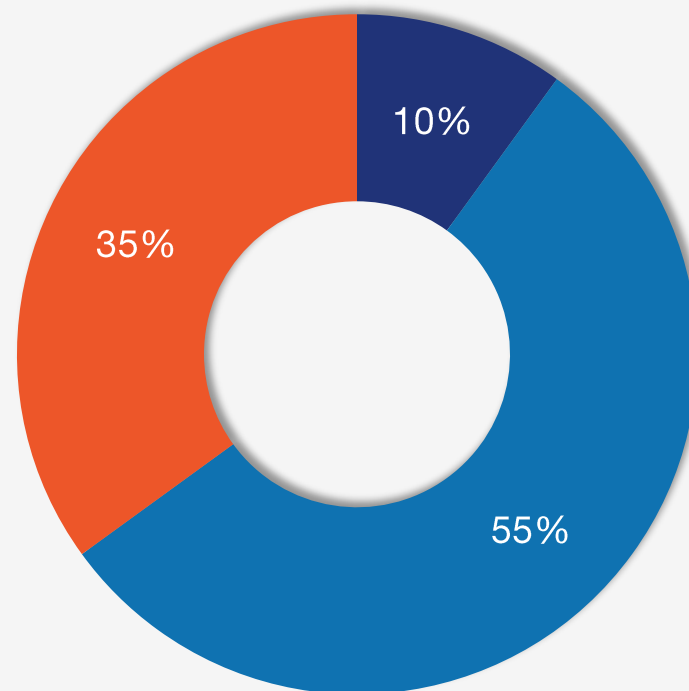


June scrap

Prime scrap prices in June will be:

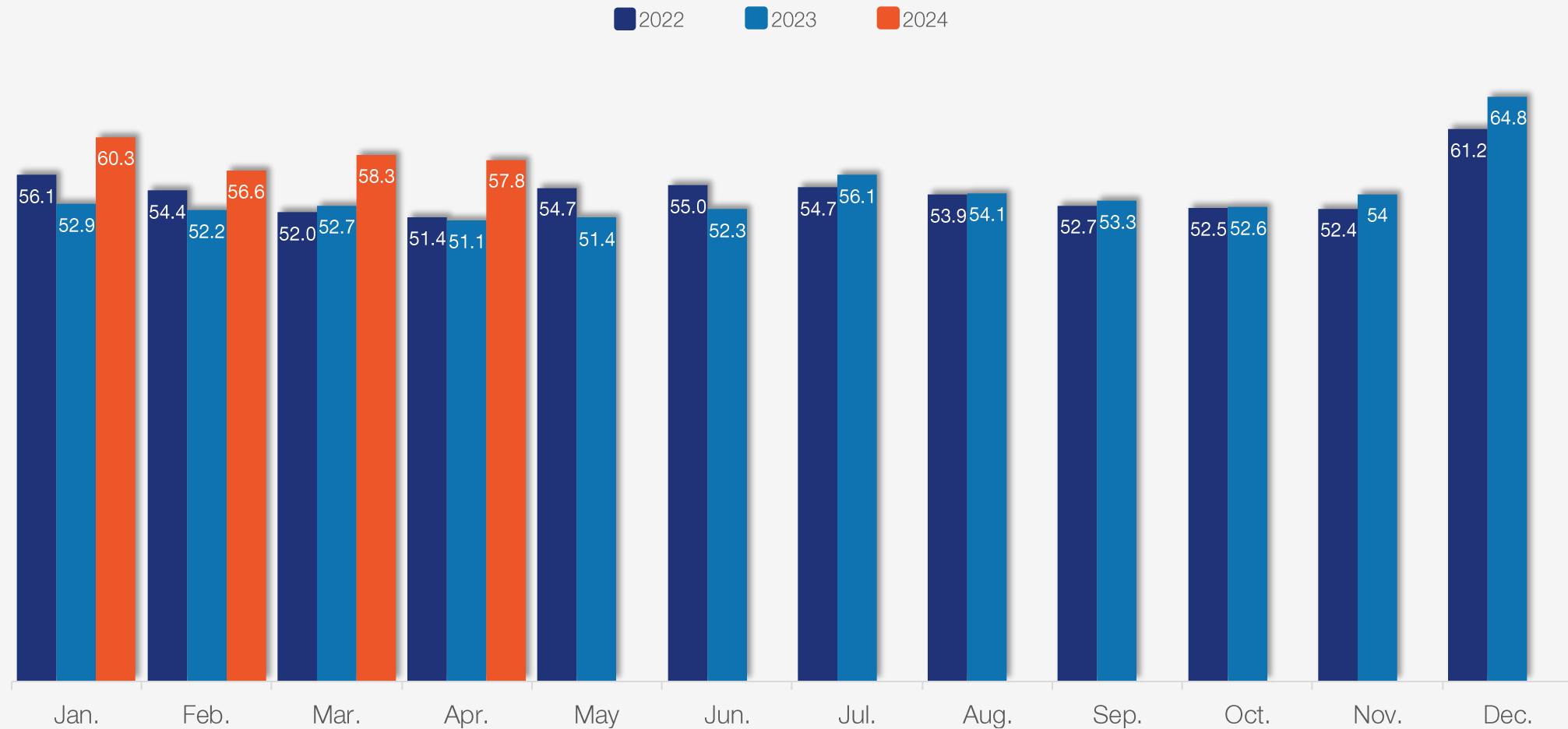
■ Up ■ Sideways ■ Down

May 22, 2024



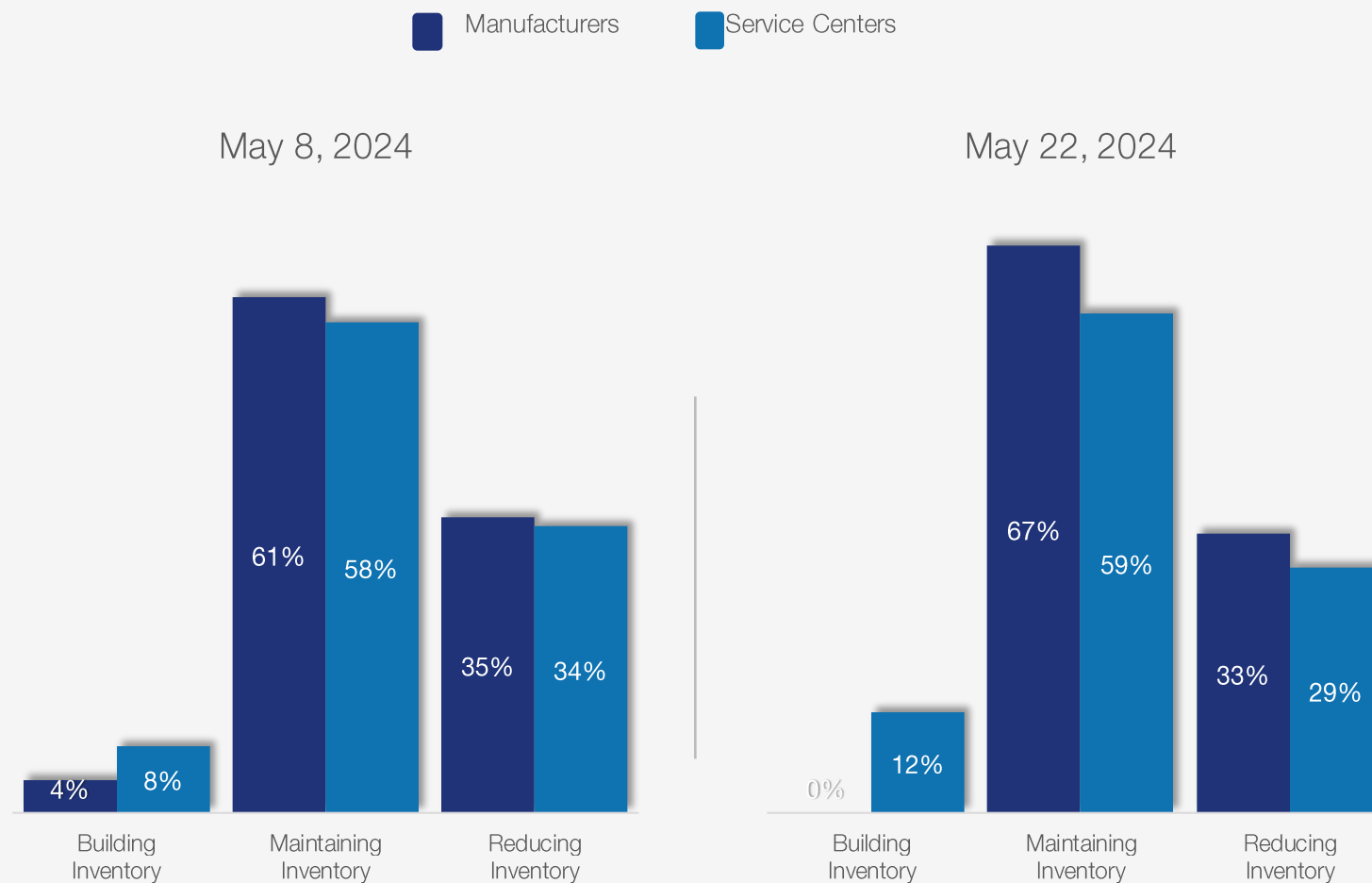
Service center inventories history

SMU's flat rolled product shipping days of supply, with data through April 2024.



Manufacturer and service center inventory buying patterns

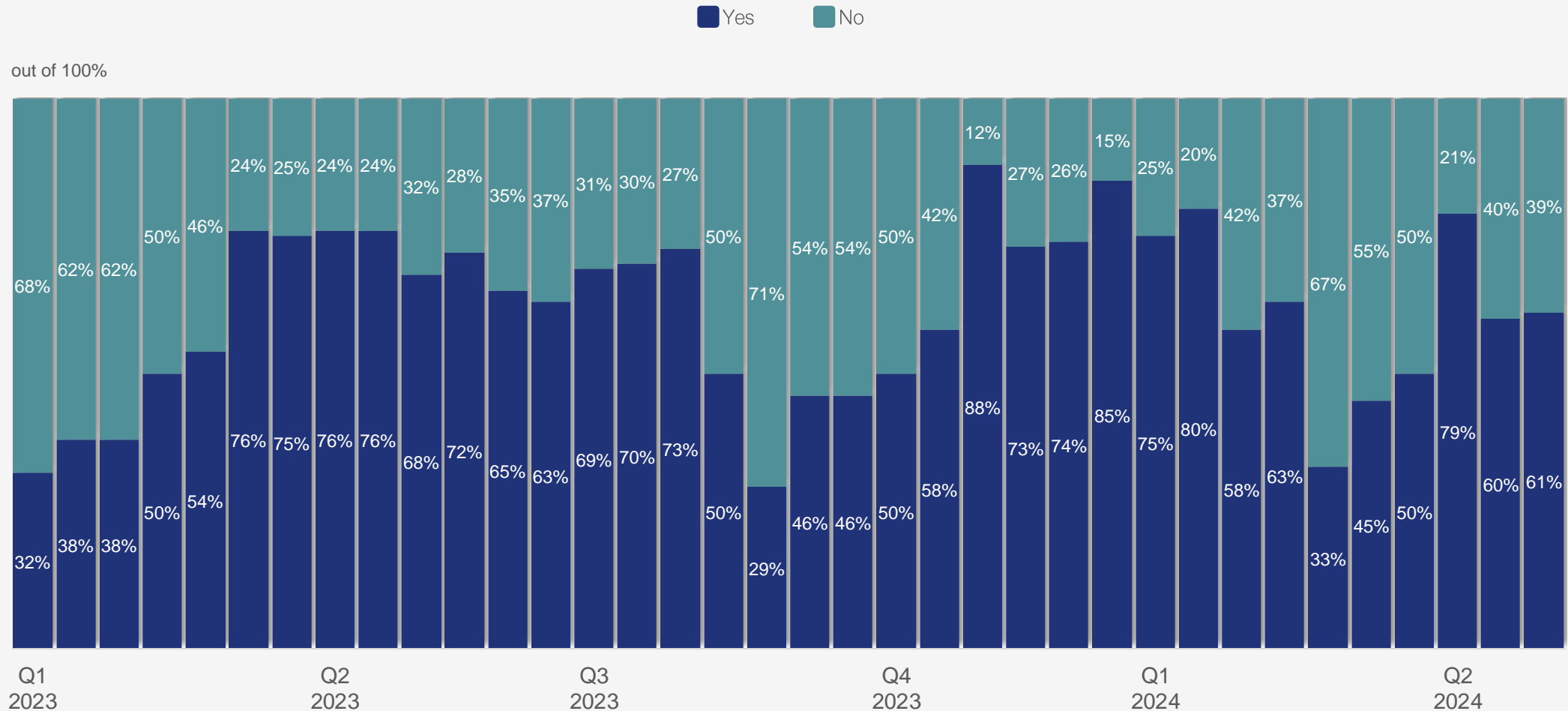
Is your company building, reducing, or maintaining its flat-rolled steel inventory?



Foreign steel competitiveness

Service centers

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

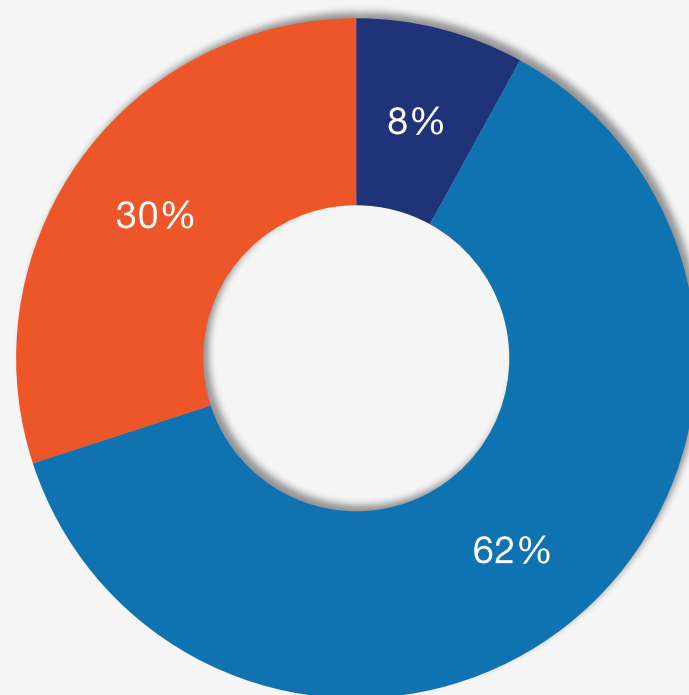


Overall demand

How is demand for your products?

■ Improving
 ■ Stable
 ■ Declining

May 22, 2024

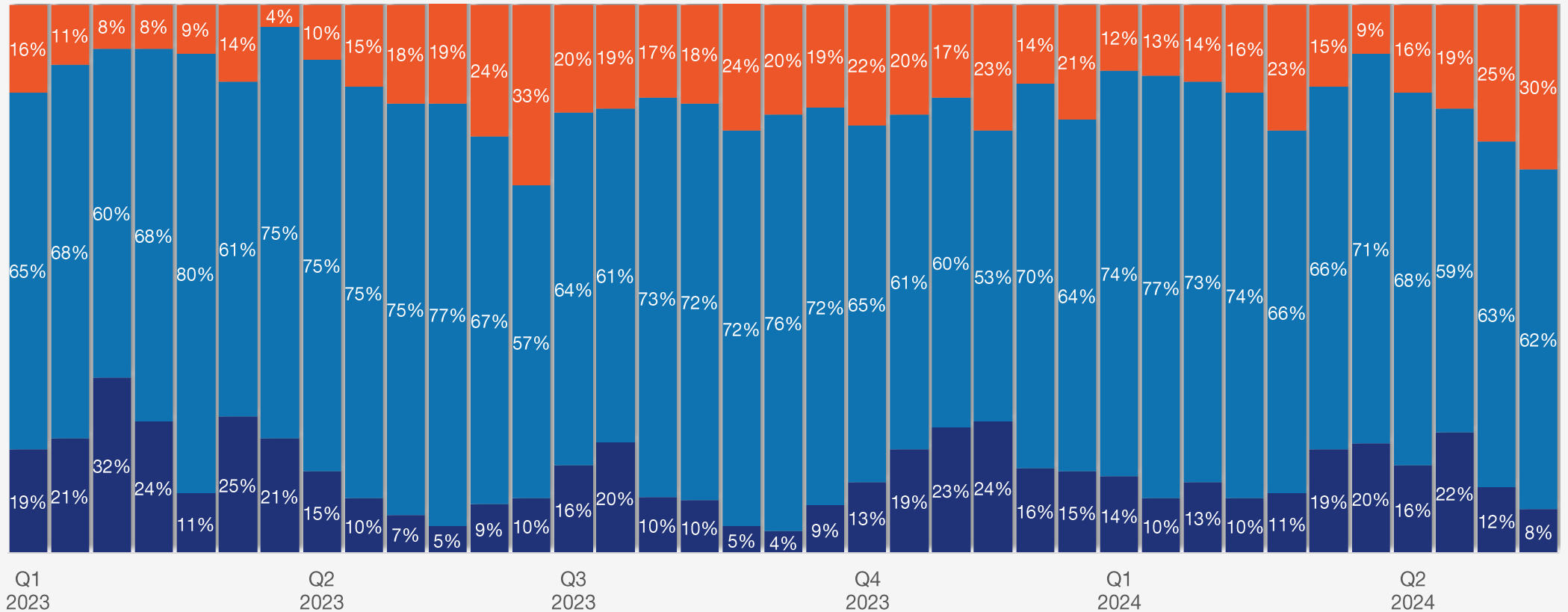


Overall demand history

How is demand for your products?

■ Improving
 ■ Stable
 ■ Declining

out of 100%

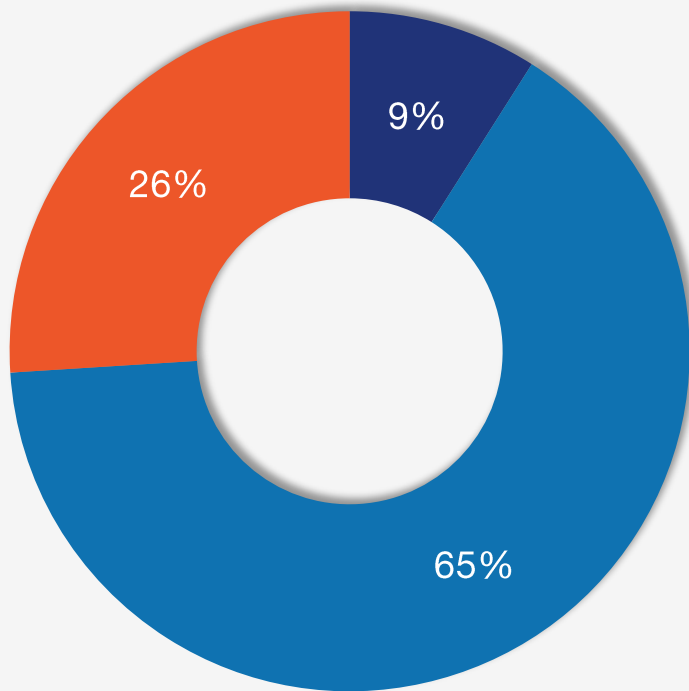


Business forecasts

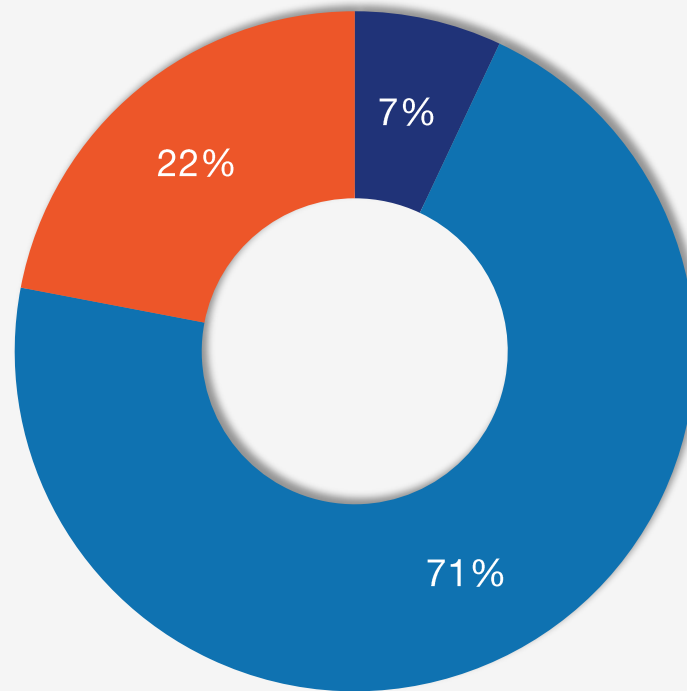
How will your company perform this month compared to your forecast?

■ We will exceed forecast
 ■ We will meet forecast
 ■ We will not meet forecast

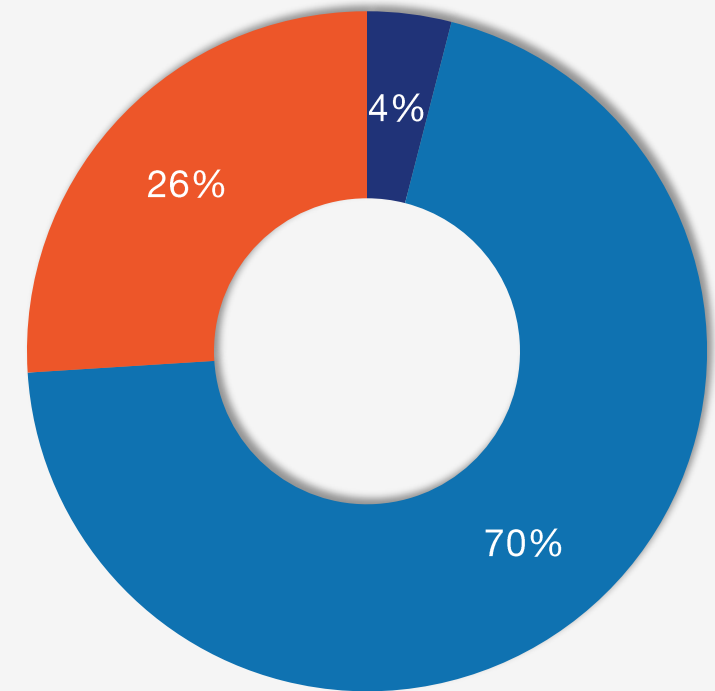
March 27, 2024



April 24, 2024



May 22, 2024

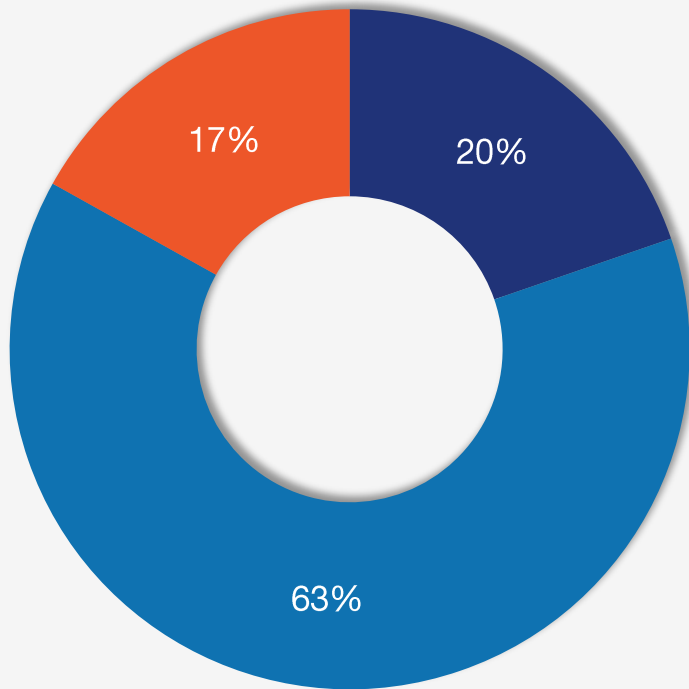


Business forecasts

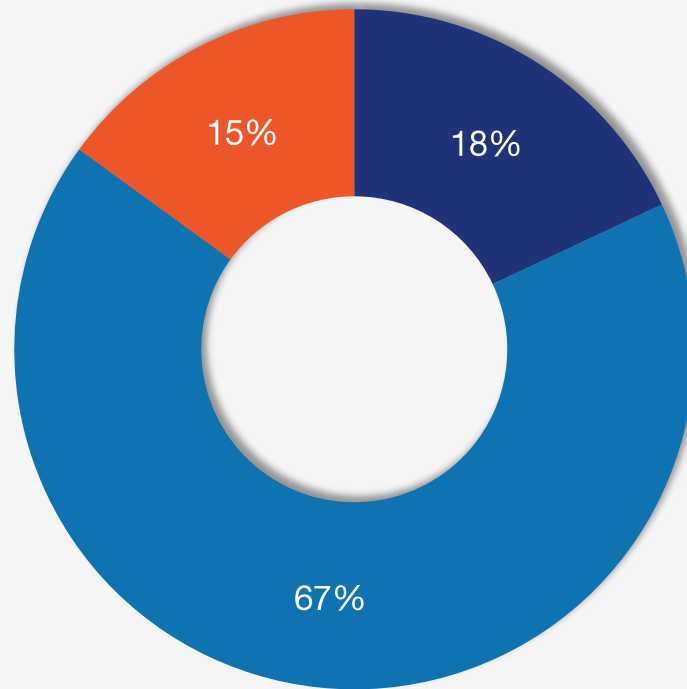
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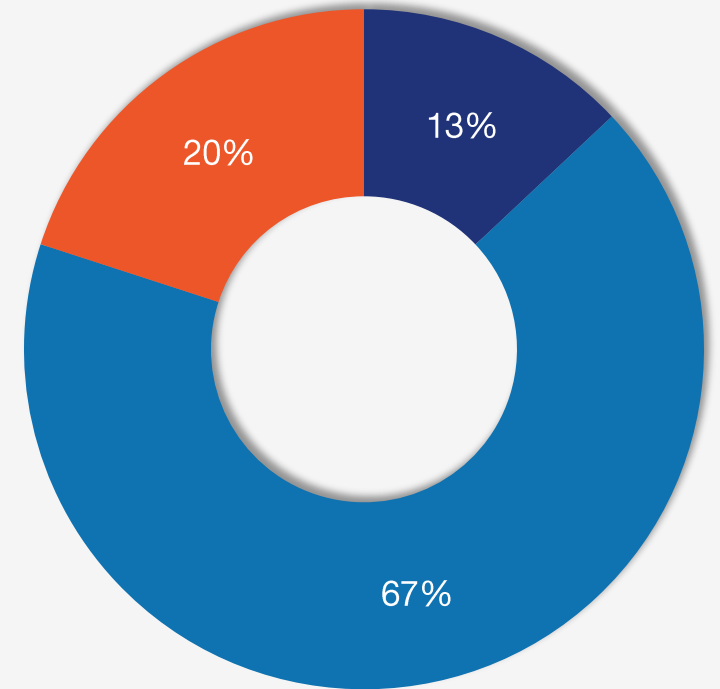
Dec. 20, 2023



Jan. 17, 2024



Feb. 14, 2024



Spencer Johnson



Spencer Johnson is head of ferrous trading at StoneX Financial and a 12-year veteran in the world of steel futures.

He has worked with every type of market participant to formulate risk management and trading strategies for steel derivatives.

Johnson is in addition one of the longest serving members of the London Metal Exchange's steel committee.

StoneX®

How to Access Ferrous Derivatives Trading

A brief overview of how to access ferrous derivative trading

Spencer Onstot Johnson

StoneX Financial Inc. FCM Division



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Ferrous Derivatives:
Key Points of Access

- The Exchange
 - Default protection and security
 - Standardization and liquidity
 - Electronic access
- The “Swap dealer”
 - OTC*
 - Credit
 - Customization
- The “voice broker” (can execute, cannot clear)
 - Important in emerging markets
 - Crucial for odd dates/volumes, strips and calendar spreads
- The “clearing broker” (can clear, may or may not execute)
 - Platforms
 - Services and products

*otc products are offered to eligible counterparts only

OTC or Futures?

	Over the Counter	Exchange Traded
Margin	Margin may not be necessary for customers trading OTC, swap dealers can establish lines of credit for trading	N. American futures exchanges require exchange traded products be margined according to exchange rules
Mark to Market	Most commonly marked to market against the midpoint of the contract's bid/ask range, as submitted to a clearinghouse by brokers	Daily settlements are determined by exchange trade activity- exact settlement processes defer by commodity and by exchange
Counterparty risk	You take on counterparty risk with whoever you are trading with, and vice-versa	Exchanges offer insulation from counter-party default- they "guarantee" trades regardless of the other side's performance
Customization	OTC products are fully customizable to the extent liquidity will allow. Contracts can be modified in terms of currency denominations, lot sizes or grade differentials for example	Exchange traded products are standardized- the exchange may introduce new contracts, but you are limited to the specifications of a standardized contract

*otc products are offered to eligible counterparts only

Key facts

- Global access to 40+ exchanges
- Operates in over 180 countries across 140+ currencies
- 100-year track record
- Nasdaq stock ticker: SNEX
- Global headquarters
230 Park Avenue, New York, NY
Tel: (212) 692-5100
- Worldwide employees
4,000+ employees and 80+ offices

Exchanges

• AEX	• IFED	• NODAL
• ASX	• IFFI	• NORFXCO
• B3	• IFLL	• NXE
• BYMA	• IFLO	• NYME
• CBT	• IFLX	• OSE
• CFE	• IFUS	• SAFX
• CME	• INE	• SGX
• COMX	• KRX	• SMALL
• DCE	• LME	• TAIFEX
• DGCK	• MATBA-ROFEX	• TCE
• DME	• MATF	• TMX
• EEX	• MDEX	• TOCOM
• EURX	• MEFF	• ZCE
• HKFE	• MGEX	
• IDEM	• MONP	
• IFAD	• NDEX	

(1) Total volume traded of FX, CFD, Securities, and Global Payments contracts on a trailing twelve month basis as of September 30, 2023

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Thank You!

Thanks for listening!

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To subscribe to SMU, contact Luis Corona at luis@steelmarketupdate.com

To sign up for Steel Summit, contact: events@steelmarketupdate.com

Join us on June 26th at 11 a.m. ET for our next Community Chat with Gary Stein, CEO of Triple-S Steel Holdings.



Where the *steel* community
comes together.