## Steel Market Update Community Chat

*Featuring:* **Timna Tanners** Managing Director Wolfe Research

June 11, 2025 // Michael Cowden, Editor-in-Chief

Steel Market Update Community Chat

## **UPCOMING** events

# Atlanta // Aug. 25-27, 2025

North America's largest gathering of the flat-rolled steel industry at the *Georgia International Convention Center* 

Davenport, Iowa // Oct. 14-15, 2025

An introduction to steelmaking and market fundamentals Includes workbook, *Tour of SSAB Iowa*, and networking

For more information about our workshops and conferences visit

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Steel Market Update Community Chat



# See your company's experience reflected in it.

Contact david@steelmarketupdate.com for participation information.





Tariff announcement upends futures market

AISI: Raw steel production climbs to three-year high

Ferrous scrap pricing sideways in June

It's official: Trump proclamation doubles S232 on imported steel, aluminum to 50%

SMU price ranges: Steel prices rise in response to tariffs

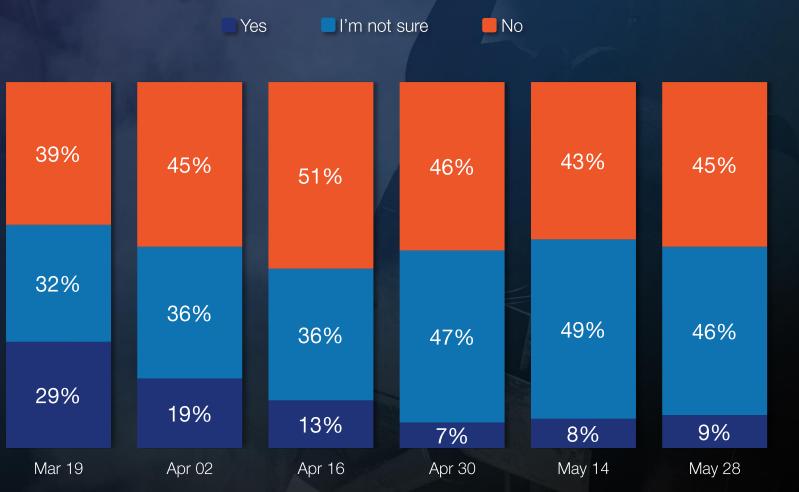
Tariffs, ample domestic supply cause importers to shift or cancel HR import orders

Reibus closes down its online metals marketplace



## How popular are Trump's tariffs

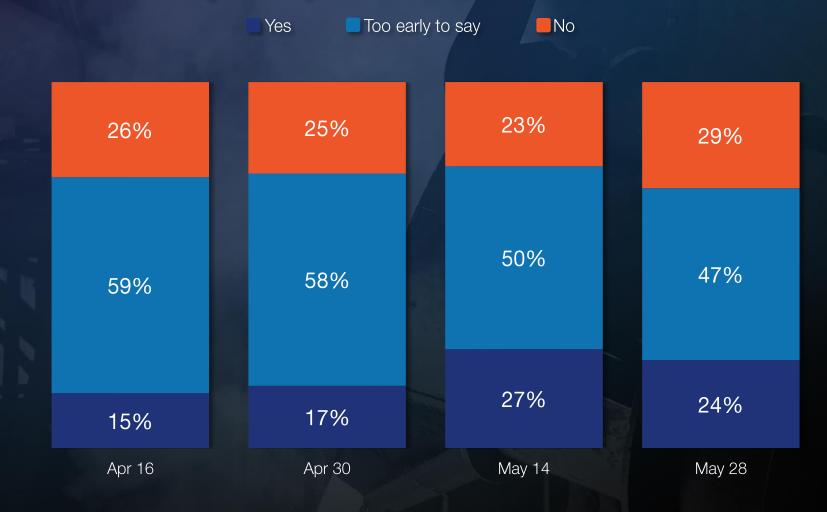
Are President Trump's tariff policies helping your business?





## **Evidence of reshoring**

Are you seeing evidence of manufacturing reshoring to the US because of Trump's tariffs?



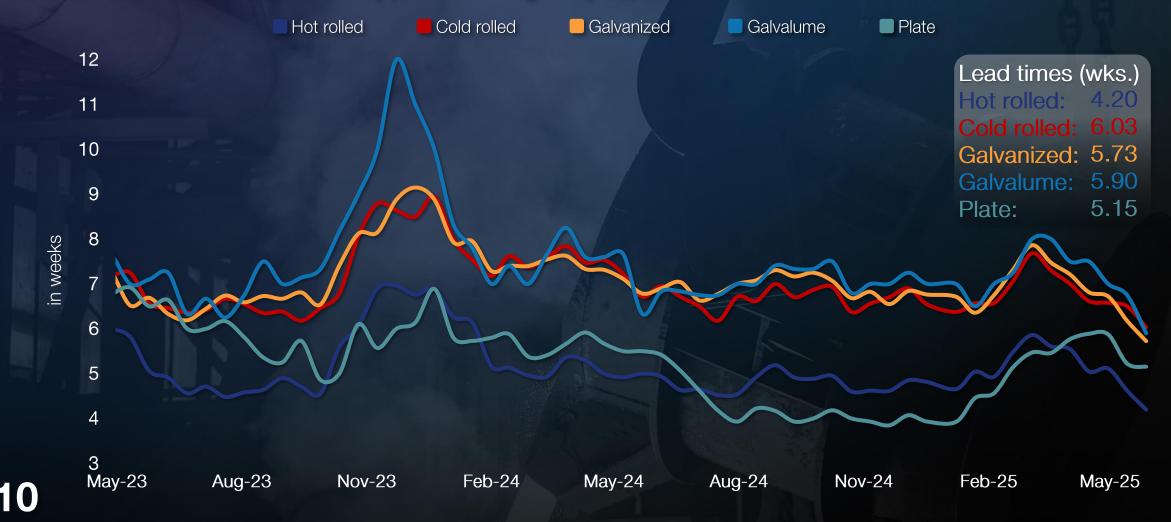
## Hot-rolled steel prices vs. lead times

SMU's hot-rolled steel prices and lead times, with data through June 10, 2025.



## **Steel mill lead times by product**

SMU lead times on new steel orders by product through May 28, 2025.



## **Steel mill negotiations**

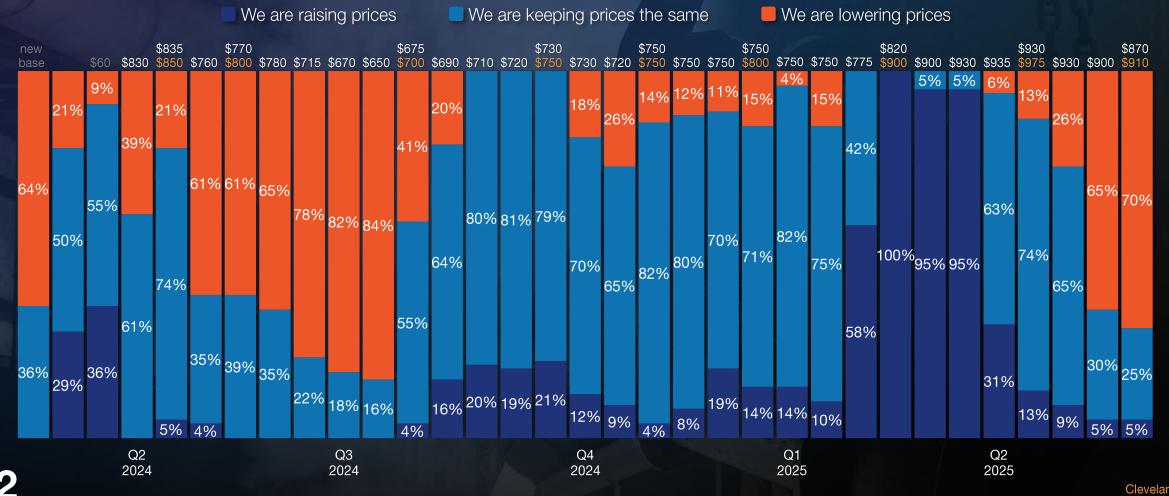




## Service center view of selling prices history

Service centers

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



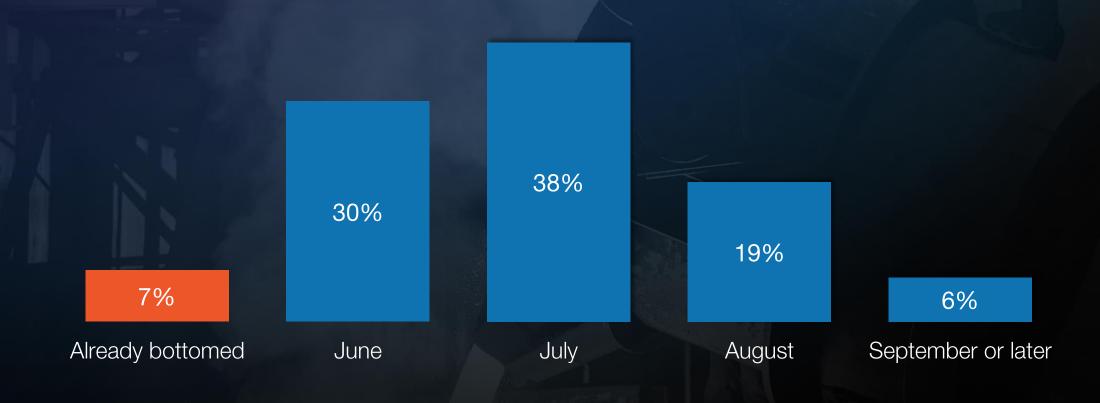
\*\*(Historical leading flat rolled price increase announcements)

Nucor



## Hot rolled inflection point

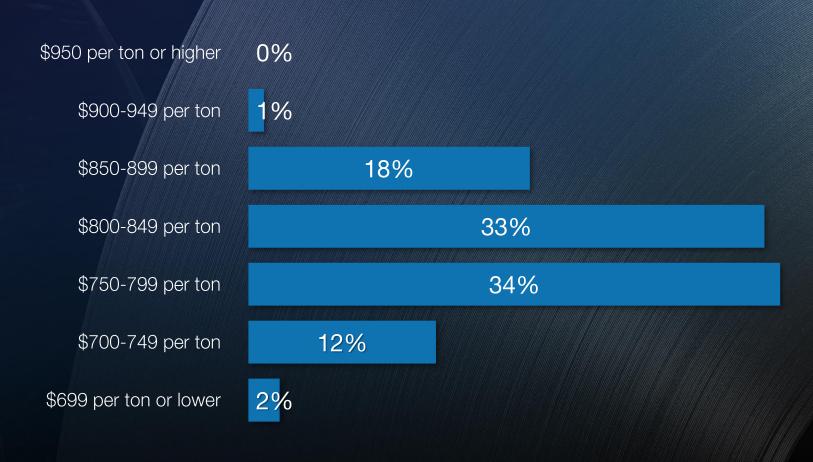
When do you think steel prices will bottom?





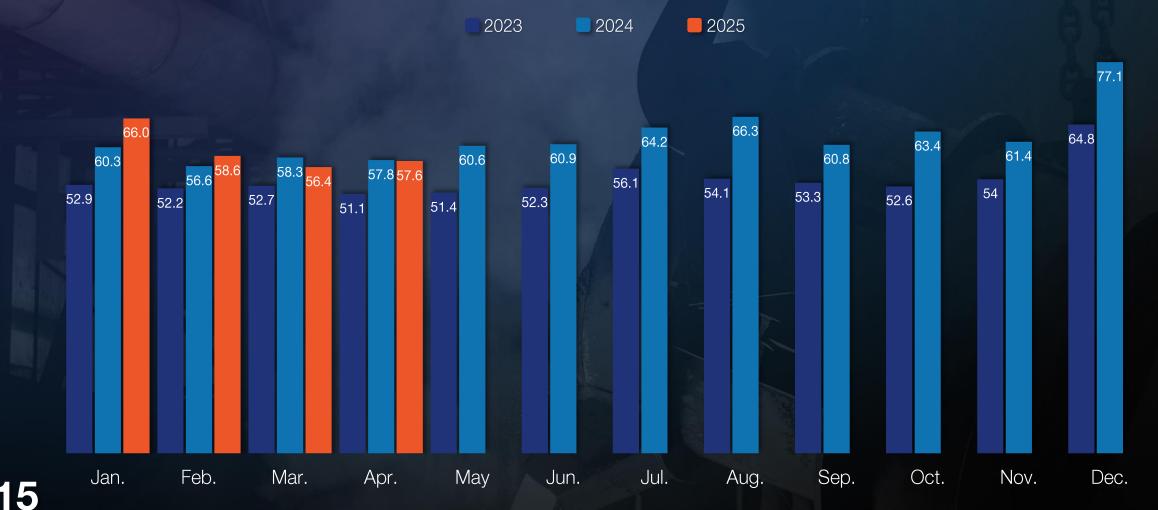
## **Future hot rolled prices**

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



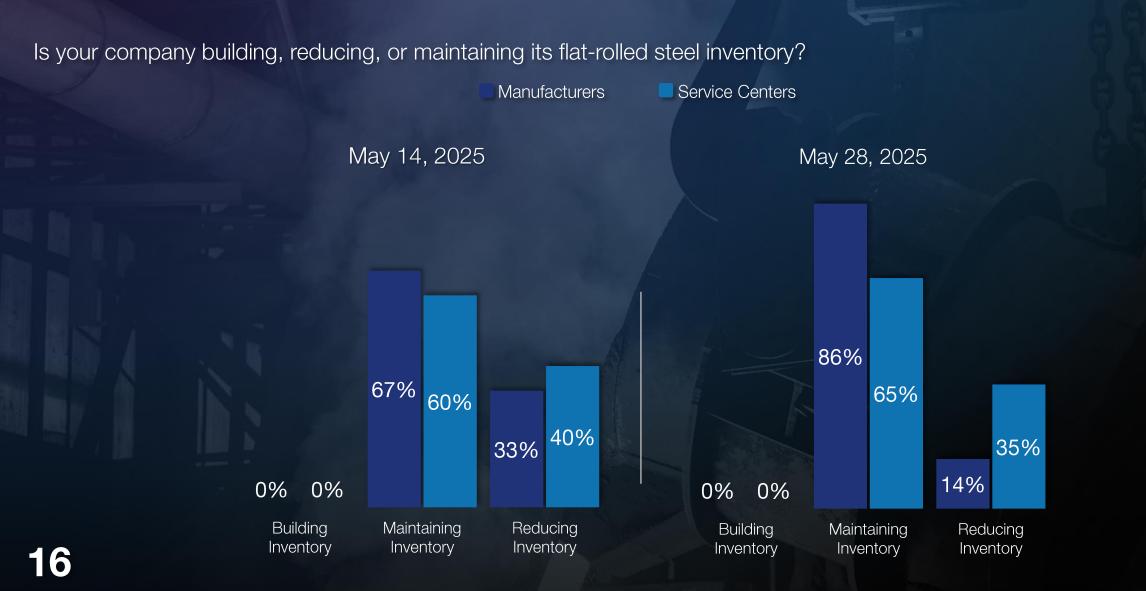
## **Service center inventories history**

SMU's flat rolled product shipping days of supply, with data through April 2025.





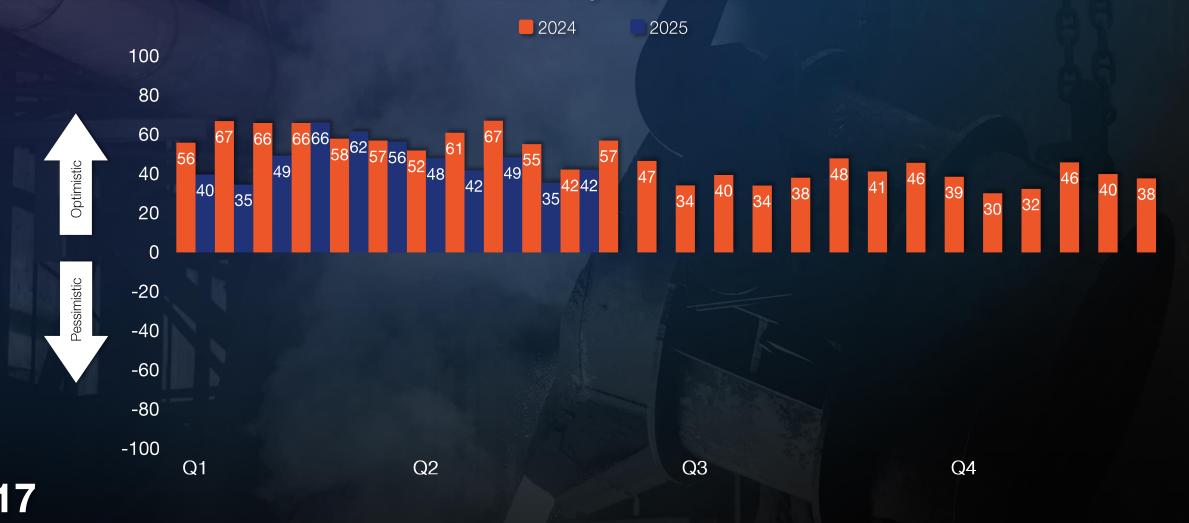
## Manufacturer and service center inventory buying patterns





## **Steel buyers' sentiment** Up seven points to +42

SMU's current steel buyers' sentiment index, with data through May 28, 2025.

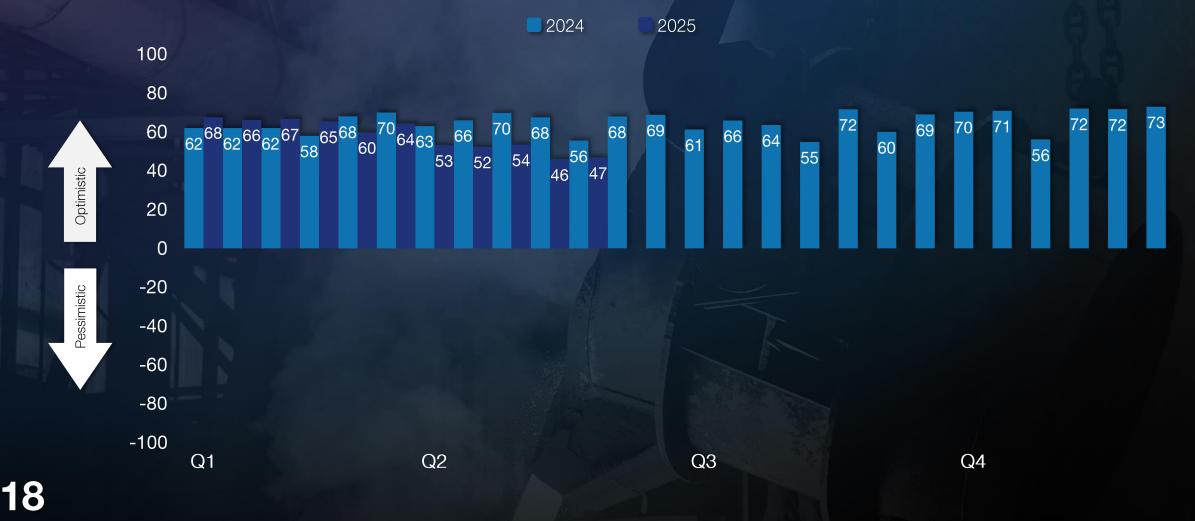




## **Steel buyers' future sentiment**

Up one point to +47

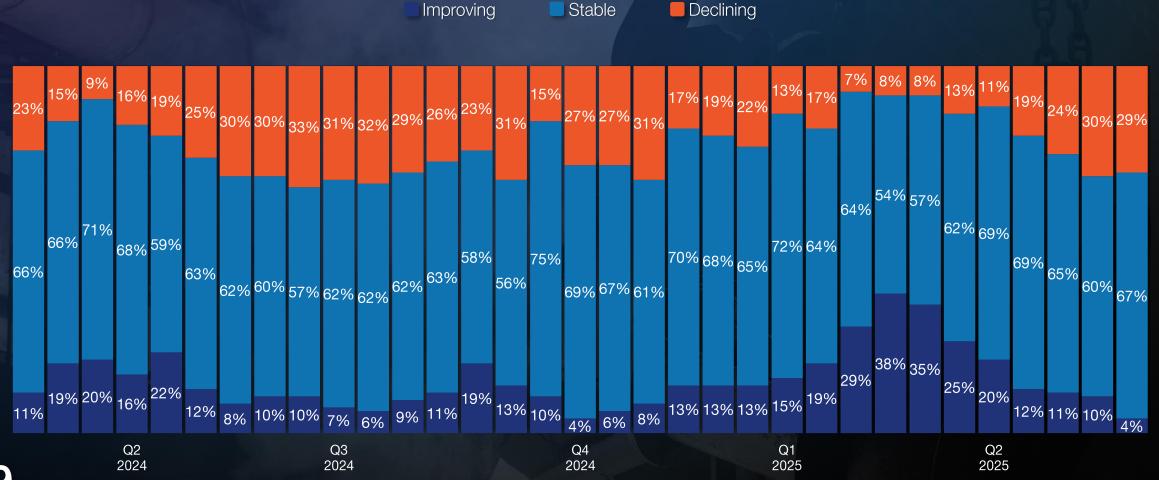
SMU's future steel buyers' sentiment index, with data through May 28, 2025.





## **Overall demand history**

How is demand for your products?







Timna Tanners Wolfe Research 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.



June 11, 2025

#### SMU Community Chat: Does the U.S. steel industry need imports?

June 11, 2025

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Click Here for Timna's Research

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#### Does the U.S. steel industry still need imports?

- The world's largest steel importer, the U.S., increasingly needs fewer tons.
- The U.S. steel industry has seen unprecedented added capacity in 2023-26E.
- While modest blast furnace closures have provided some offset, new rebar and sheet supply can make the U.S. self sufficient soon.

				U.S. net imports by product									
U.S. net imports (Kt)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
HRC	1,606	1,714	3,147	2,816	1,891	966	1,706	1,190	903	1,870	1,575	1,019	1,034
CRC	421	521	1,744	1,413	1,394	1,705	1,234	877	660	722	968	437	652
Galv	577	642	1,714	1,798	1,562	1,734	1,508	960	965	1,181	1,306	581	1,240
Plate	612	(27)	1,734	1,646	776	184	678	335	(294)	142	479	338	145
Rebar	280	601	829	1,490	1,652	1,070	764	834	759	972	1,107	1,024	689
OCTG	2,773	2,512	3,092	1,667	773	2,708	2,234	1,872	839	1,516	2,164	1,951	1,243

Source: Wolfe Research, U.S. Census Bureau



#### Sheet Storm: In the throes of it, with reprieve after 2026E

- Over 5Mt added in recent years, 4Mt/yr in 2025E, 3Mt/yr in 2026E, and 3-6Mt/yr possible in 2029E from new foreign entrants Hyundai/Posco, perhaps Nippon Steel. Granite City restart?
- Some older blast furnace capacity has shut: ~3.6Mt/yr from X & CLF, what's next?

Target ramp-up	Company	Capacity (Mst/yr)		
2023	Blue Scope (North Star)	0.94		
2023	Nucor (Gallatin)	1.50		
Q125	U.S. Steel (BRS)	3.00		
2025E	AM/NS (Calvert)	1.65		
2025E	Steel Dynamics Inc. (Sinton remaining)	1.00		
2025E	Algoma	3.70		
2026E	Nucor (Apple Grove)	3.00		
2026E	Ternium	4.40		
2027E	Blue Scope (North Star)	0.33		
2029E	Hyundai Steel	TBD		
	Total new capacity:	19.52		
2022/2023	Ternium	0.90		
2022	Cleveland-Cliffs	1.75		
2023	U.S. Steel	2.80		
2025E	AM/NS Calvert	1.65		
2026E	Algoma	2.80		
2026E	Ternium	2.87		
	Net new capacity:	6.75		

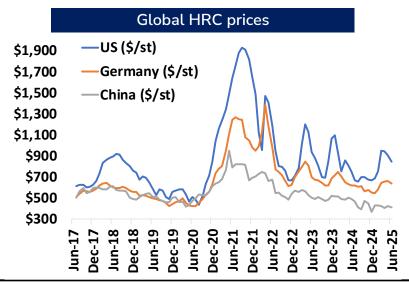
#### Net new NA sheet capacity

Source: Wolfe Research, company documents



#### Why imports matter

- If the U.S. needs imports, the marginal cost of imported steel helps set the U.S. price. With 25-50% tariffs, this is generally a nice margin for all steel produced in the U.S. Even without the added Section 232 tariffs, many countries have restrictive AD/CVD duties.
- If the U.S. doesn't need imports, the marginal price is the price equivalent to the lowest cost a mill is willing to produce.



Source: Wolfe Research, U.S. Census Bureau



#### Does the U.S. steel industry still need imports?

- Galvanized galore: About 4.5Mt of new capacity from 2024-28E on a ~19Mt market.
- Rebarmageddon?: New rebar in 2025E-26E ~20% of the U.S. mkt. BUT more concentrated for now.

Target ramp-up completion	Company	Capacity (Kst/yr)
Q224	Steel Dynamics Inc (Sinton)	300
Q324	Steel Dynamics Inc (Terre Haute)	300
Q224	U.S. Steel - Big River Steel (BRS)	325
Q125	U.S. Steel - Big River 2	1,000
2025E	Nucor (Crawfordsville)	300
2025E	Ternium (Pesquería)	600
2026E	Nucor (Apple Grove)	1,000
H226E	Nucor (Berkeley)	500
2027E	Nucor (California Steel)	500
2028E	BlueScope	300
	Total new capacity:	5,125
Q423	U.S. Steel-POSCO (UPI)	400
	Net new capacity:	4,725

#### New NA galvanizing capacity

#### New NA rebar capacity

Target ramp-up completion	Company	Capacity (Mst/yr)
2024	Optimus Steel expansion	0.80
H225E	CMC (Arizona 2)	0.50
Q325E	Nucor (North Carolina)	0.43
2026E	Hybar minimill (Arkansas)	0.63
2026E	CMC (West Virginia)	0.50
H226E	Grupo Deacero (Mexico)	1.10
2027E	Pacific Steel Group (California)	0.38
TBD	Nucor (Pacific Northwest) **replacement capacity	0.65
TBD	72 Steel Group LLC (Pennsylvania)	0.50
TBD	Hybar minimills 2 & 3 (4?)	1.26
TBD	Ashoka Steel Mills (Texas)	0.35
TBD	Miami Steel (Florida)	0.75
	Total new capacity	7.20
	Total new capacity (ex TBD projects)	4.34

Source: Wolfe Research, company documents



#### Other topics in play

Nippon X implications

Mexico carveout implications

Canada carveout implications

Will 50% Section 232 tariffs stick?

How are we seeing demand? What's the construction outlook?

Other tariff talk

Price forecasts, and what drives them

Have a great summer – see you in Atlanta!



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