Steel Market Update Community Chat

CRU

Featuring:

Thais Terzian
Principal Analyst, Steel
CRU

Frank Nikolic
Vice President, Base and Battery Metals
CRU

July 09, 2025 // Michael Cowden, Editor-in-Chief, SMU

Steel Market Update Community Chat

UPCOMING *events*

Steel Summit 2025

Atlanta // Aug. 25-27, 2025

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

Steel 101 Workshop

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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DON'T JUST READ *our data*

See your company's experience reflected in it.

Contact david@steelmarketupdate.com for participation information.

RECENT *headlines*

Nucor holds HR list price at $910/ton

US steel imports fell in June

US ferrous scrap market lands flat in July

Sheet, plate slip as lift from S232 ebbs

Cliffs idles Steelton, Riverdale, and Conshohocken operations

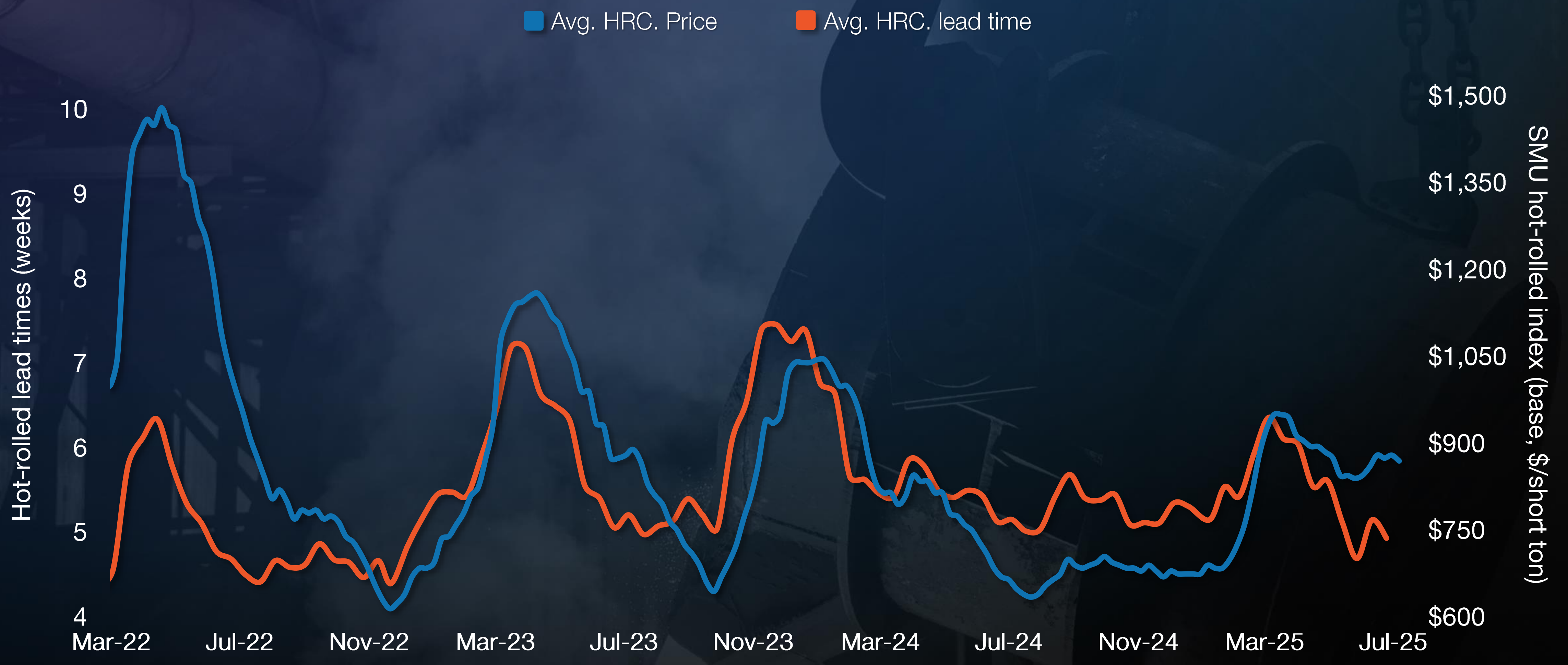
SMU Market Chatter: Uncertainty reigns

AISI: US steel mill production remains elevated

Steel buyer spirits tempered by soft spot market conditions

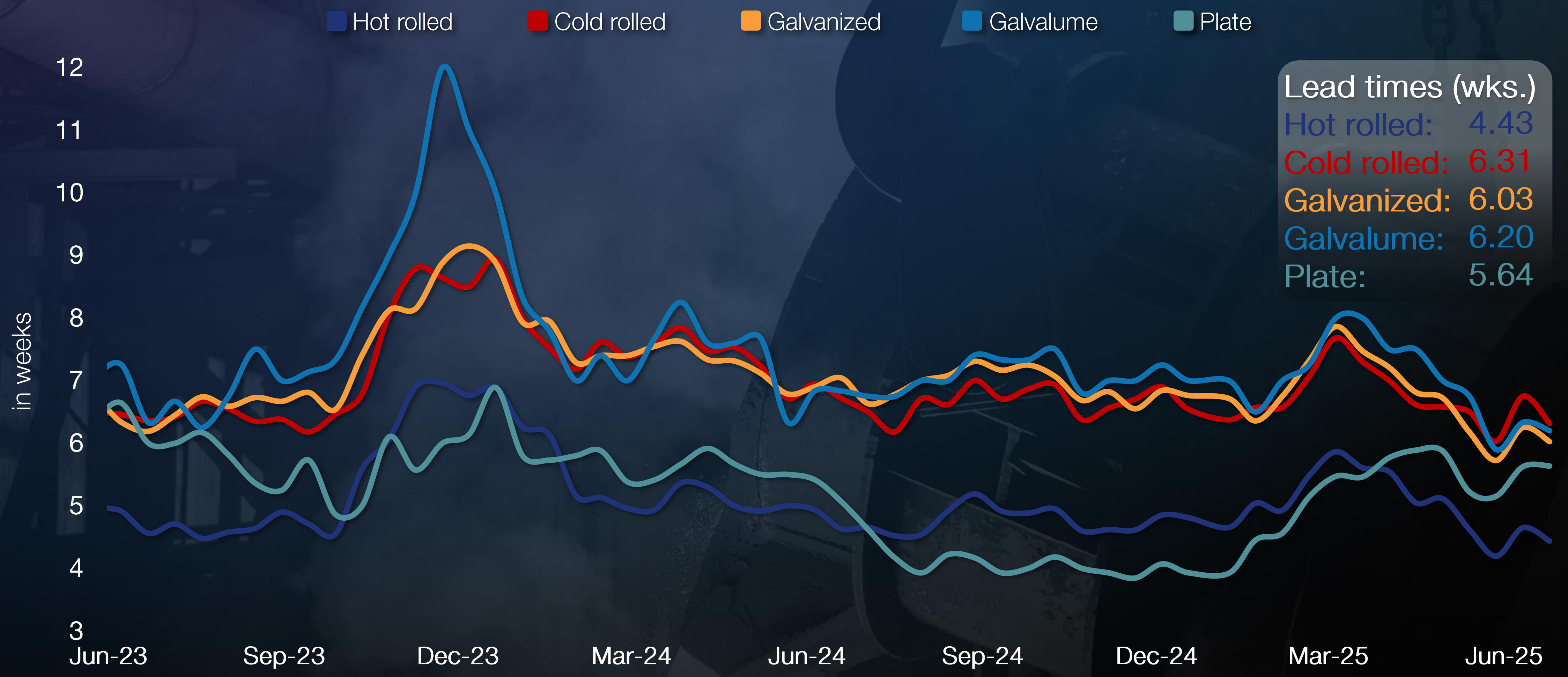
Hot-rolled steel prices vs. lead times

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 June 25, 2025.



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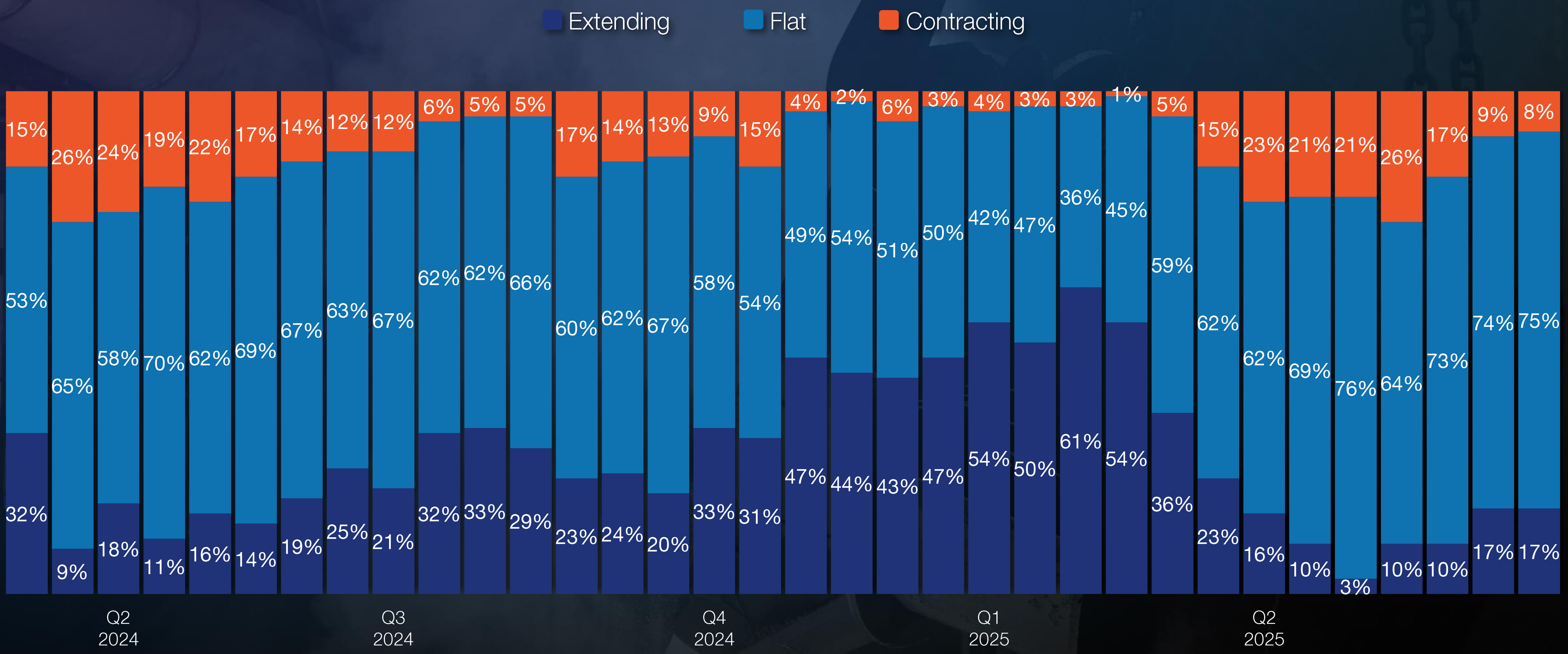
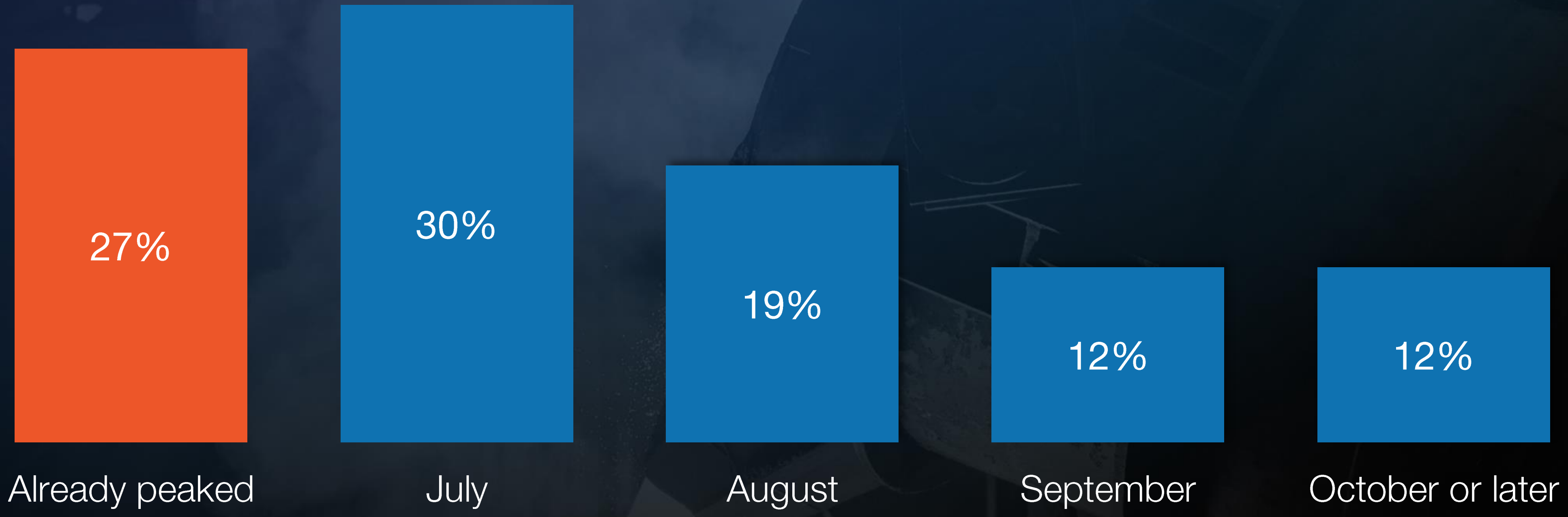
Direction of steel mill lead times history

Two months from now, will lead times be extending, flat, or contracting?



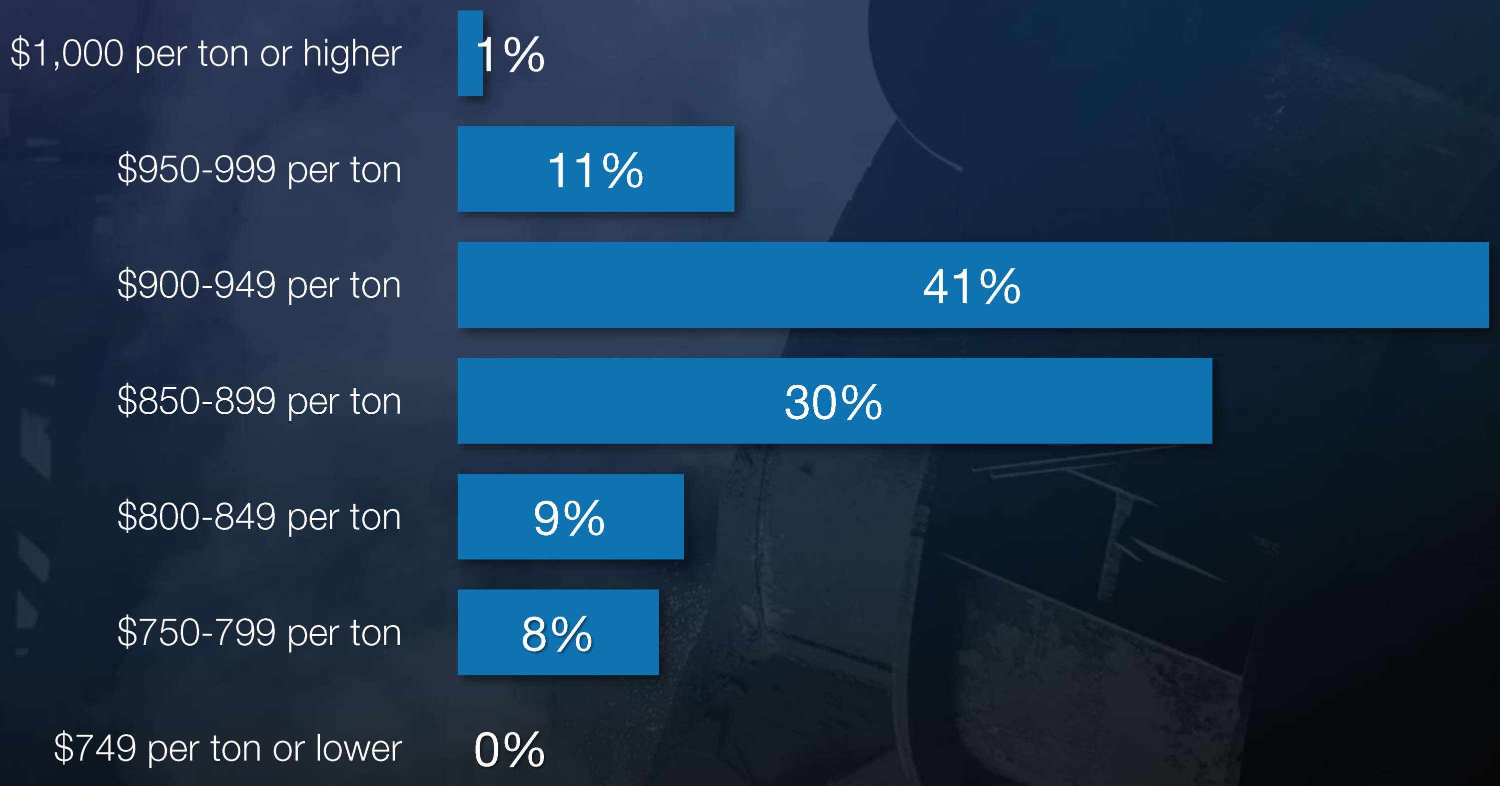
Hot rolled inflection point

When do you think steel prices will peak?



Future hot rolled prices

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



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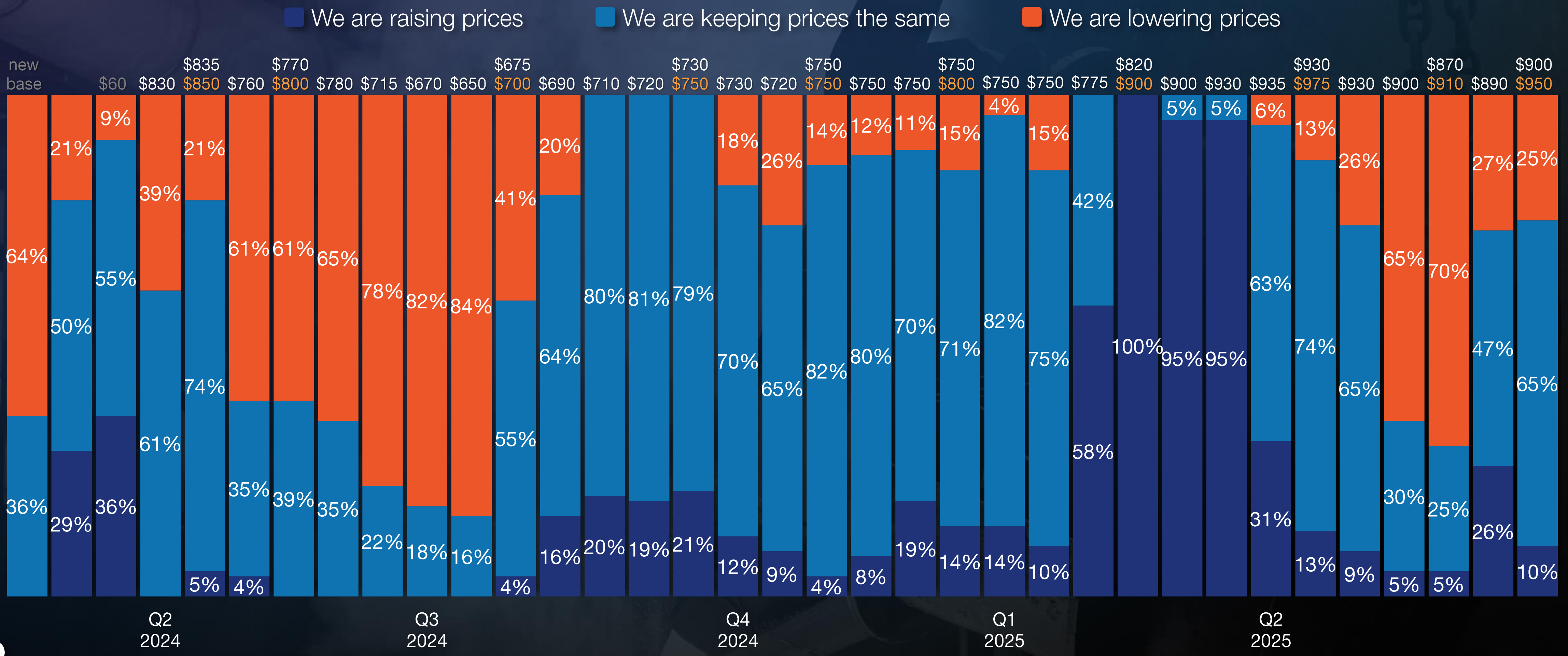
Service center view of selling prices history

Service centers

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



Nucor

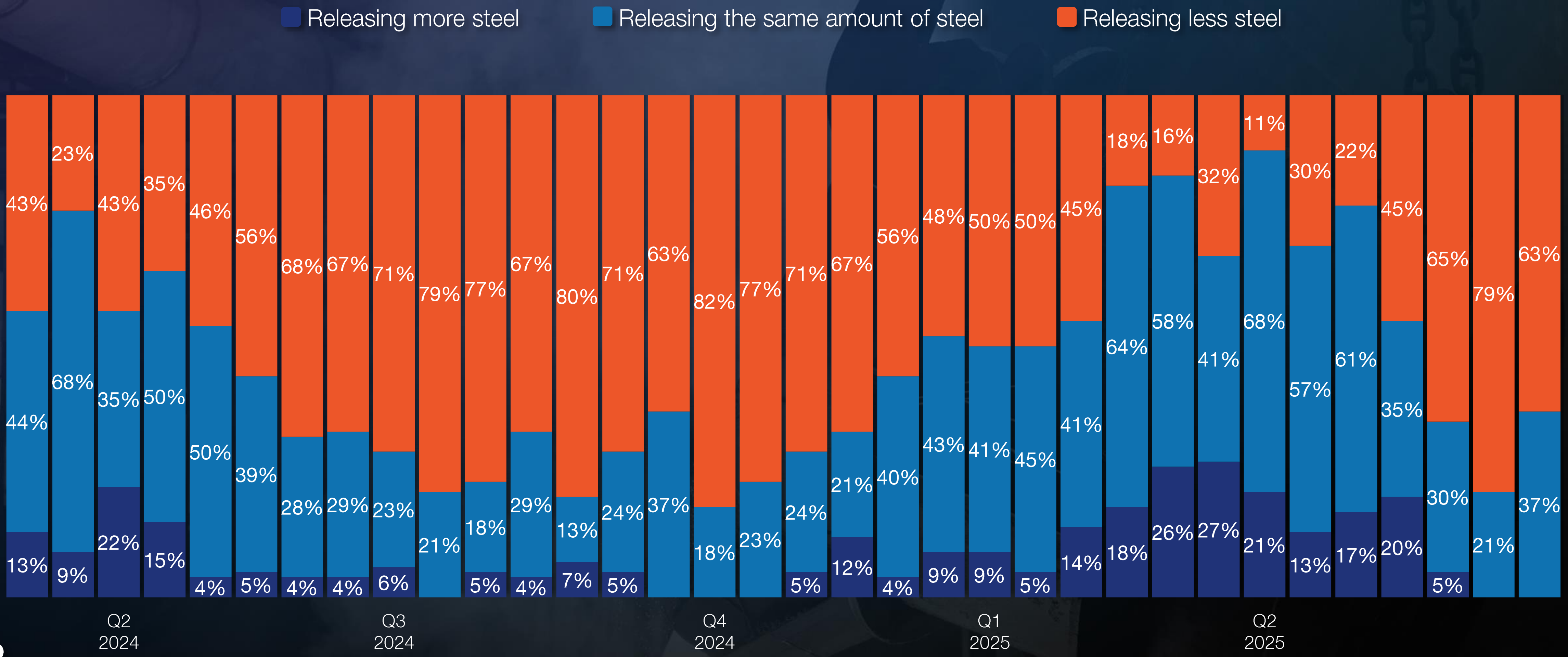
Cleveland-Cliffs

**(Historical leading flat rolled price increase announcements)

Service center releases history

Service centers

How do you see your customer releases (demand) for your products compared to one year ago?



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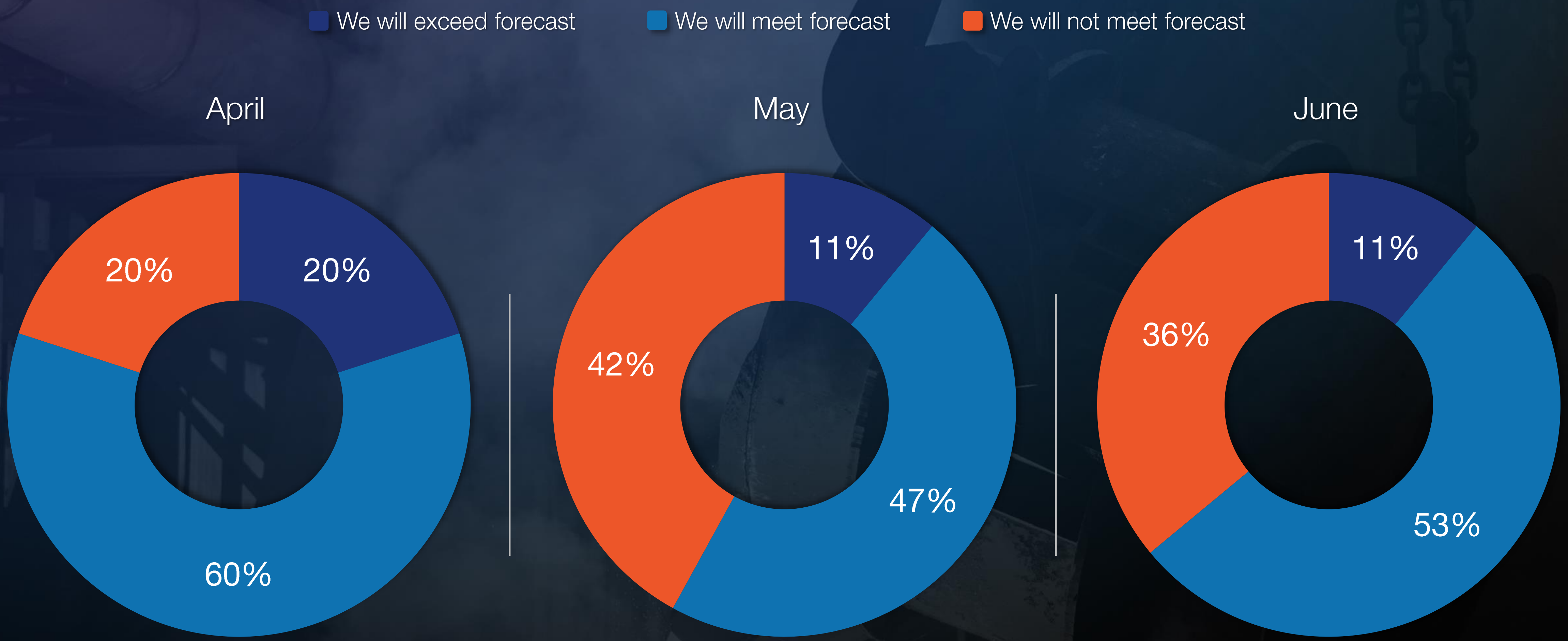
Business forecasts

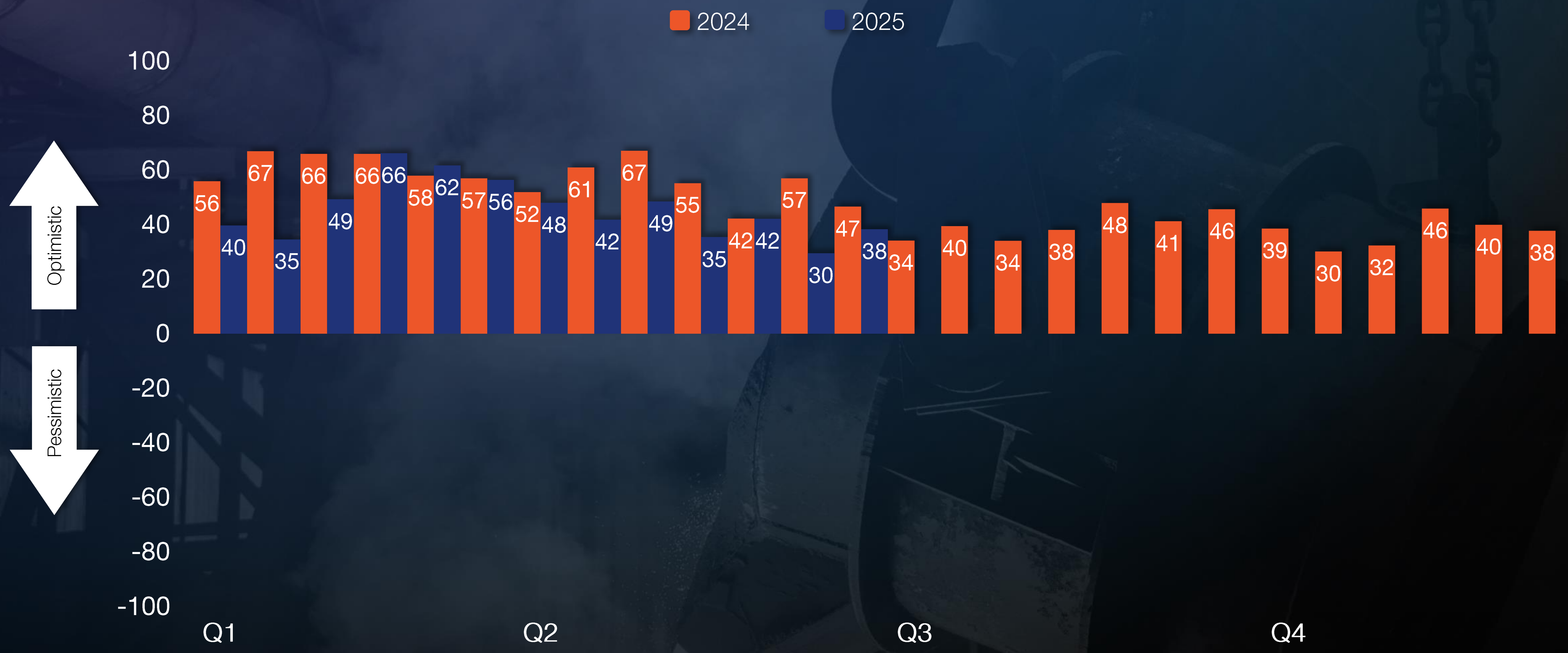
How will your company perform this month compared to your forecast?



Steel buyers' sentiment

Up eight points to +38

SMU's current steel buyers' sentiment index, with data through June 25, 2025.



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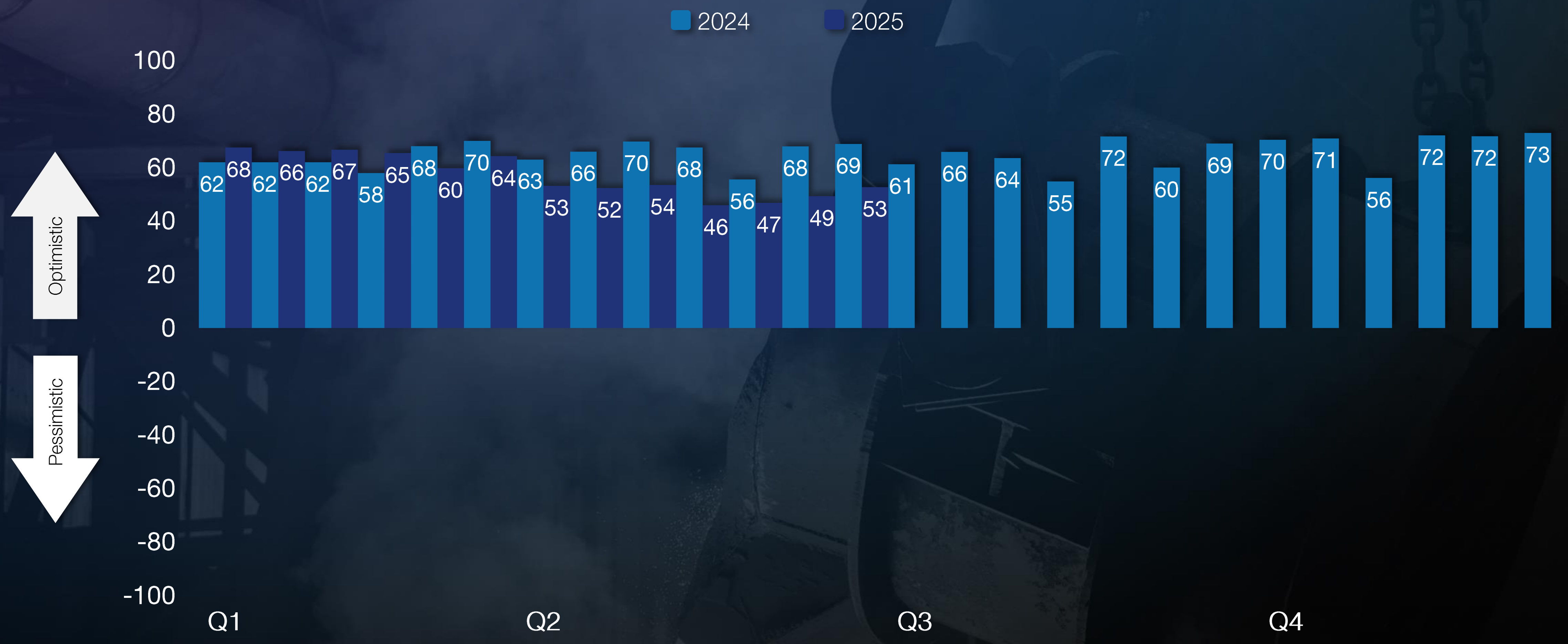
Steel buyers’ future sentiment

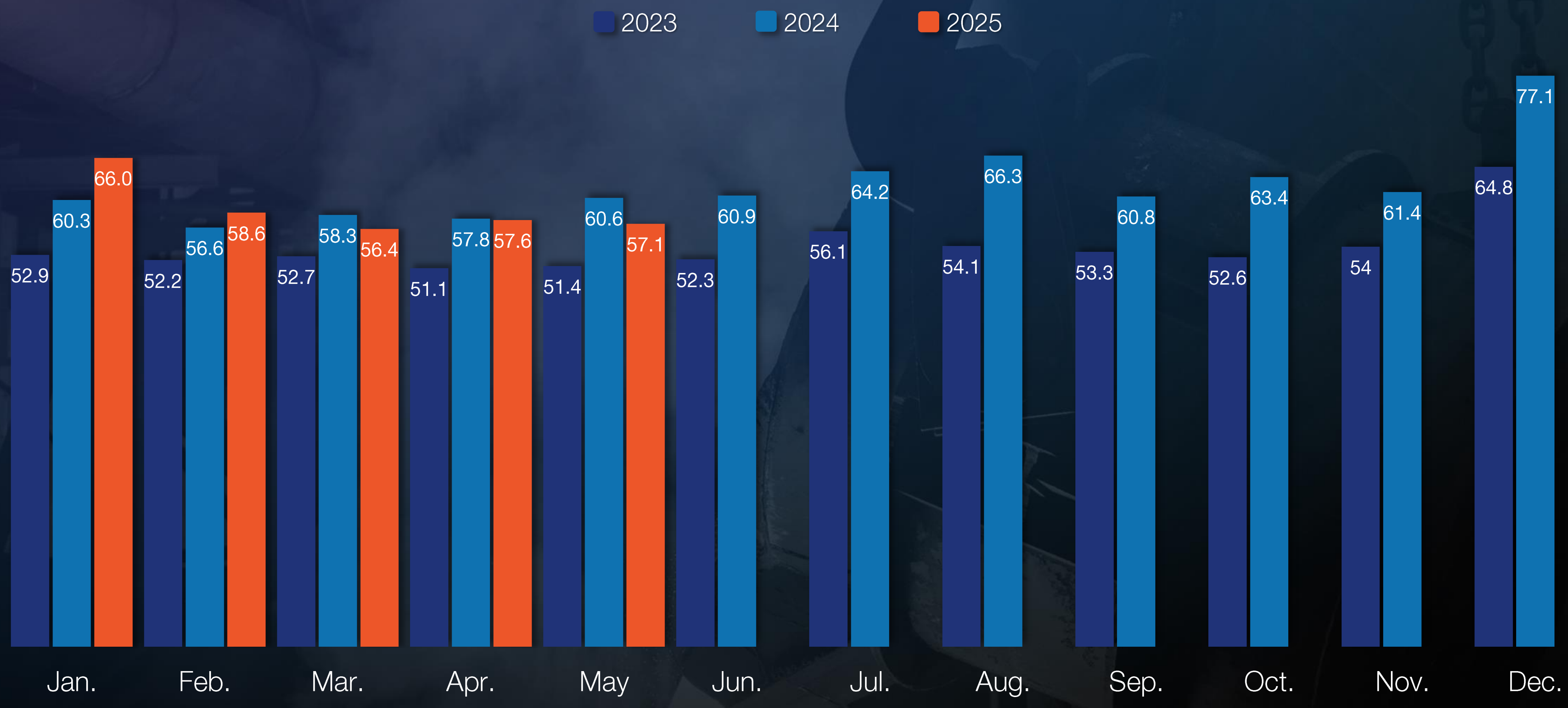
Up four points to +53

SMU’s future steel buyers’ sentiment index, with data through June 25, 2025.



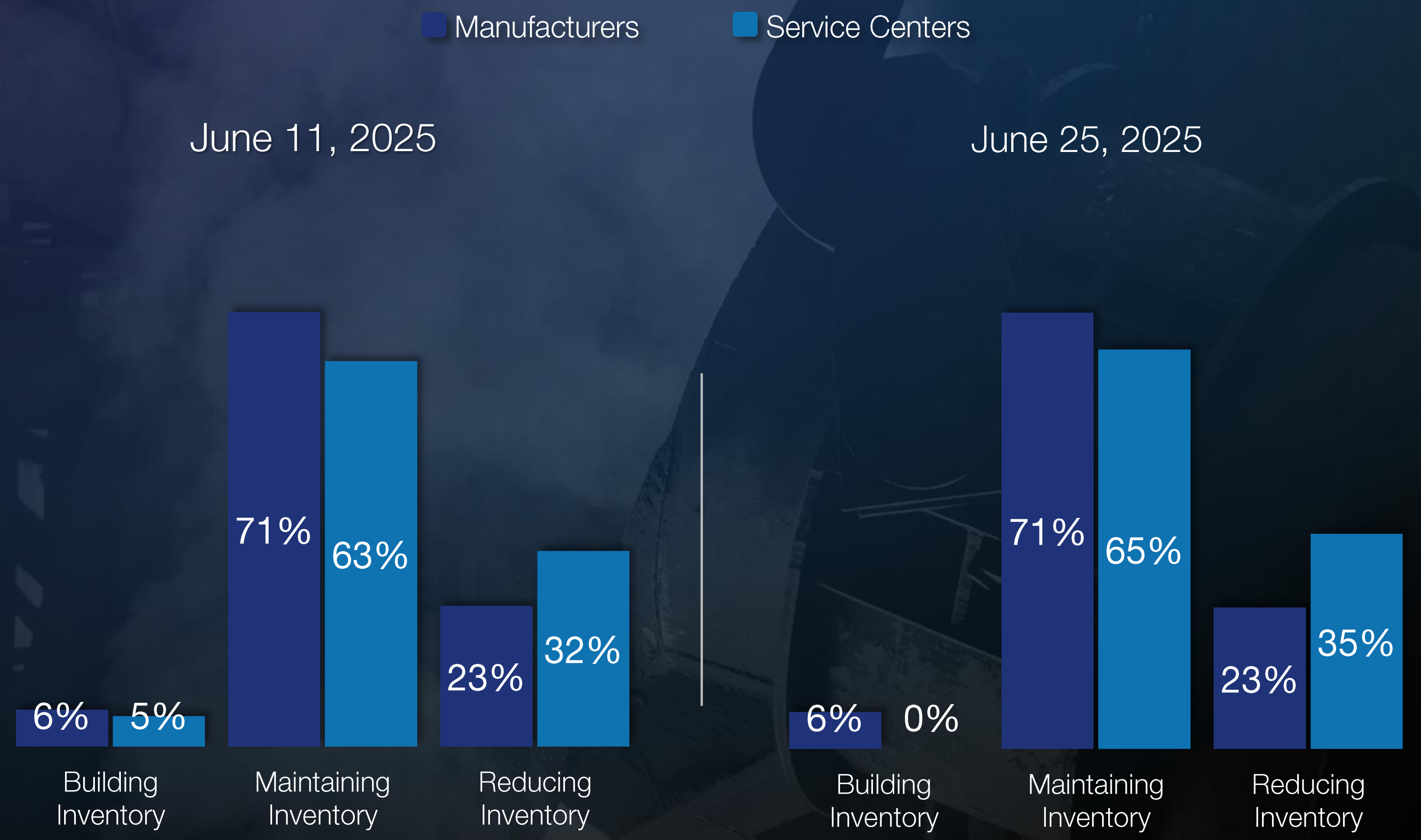
Service center inventories history

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



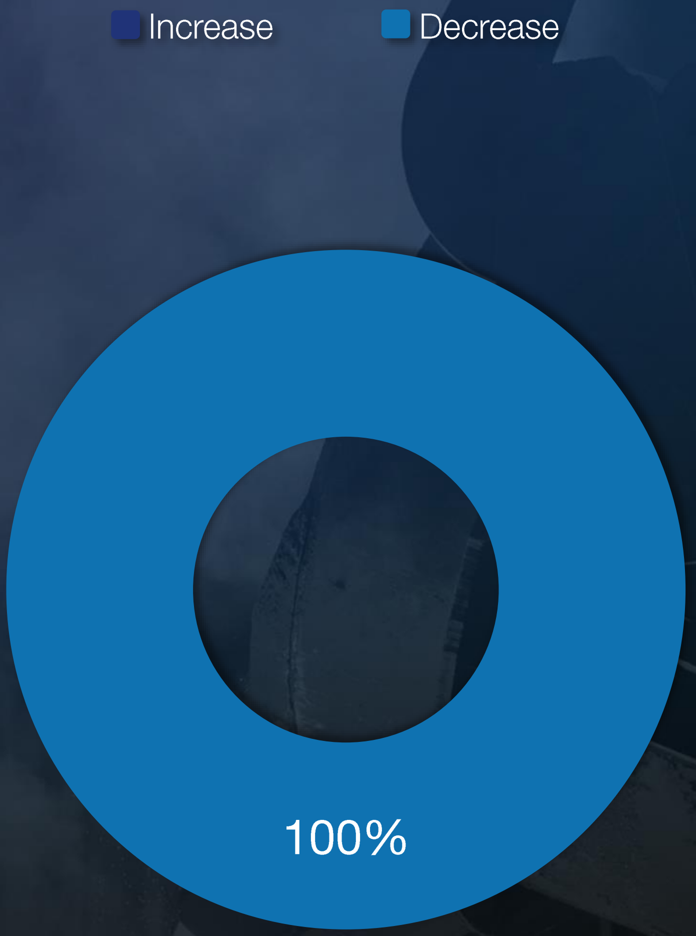
Manufacturer and service center inventory buying patterns

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



Trading companies

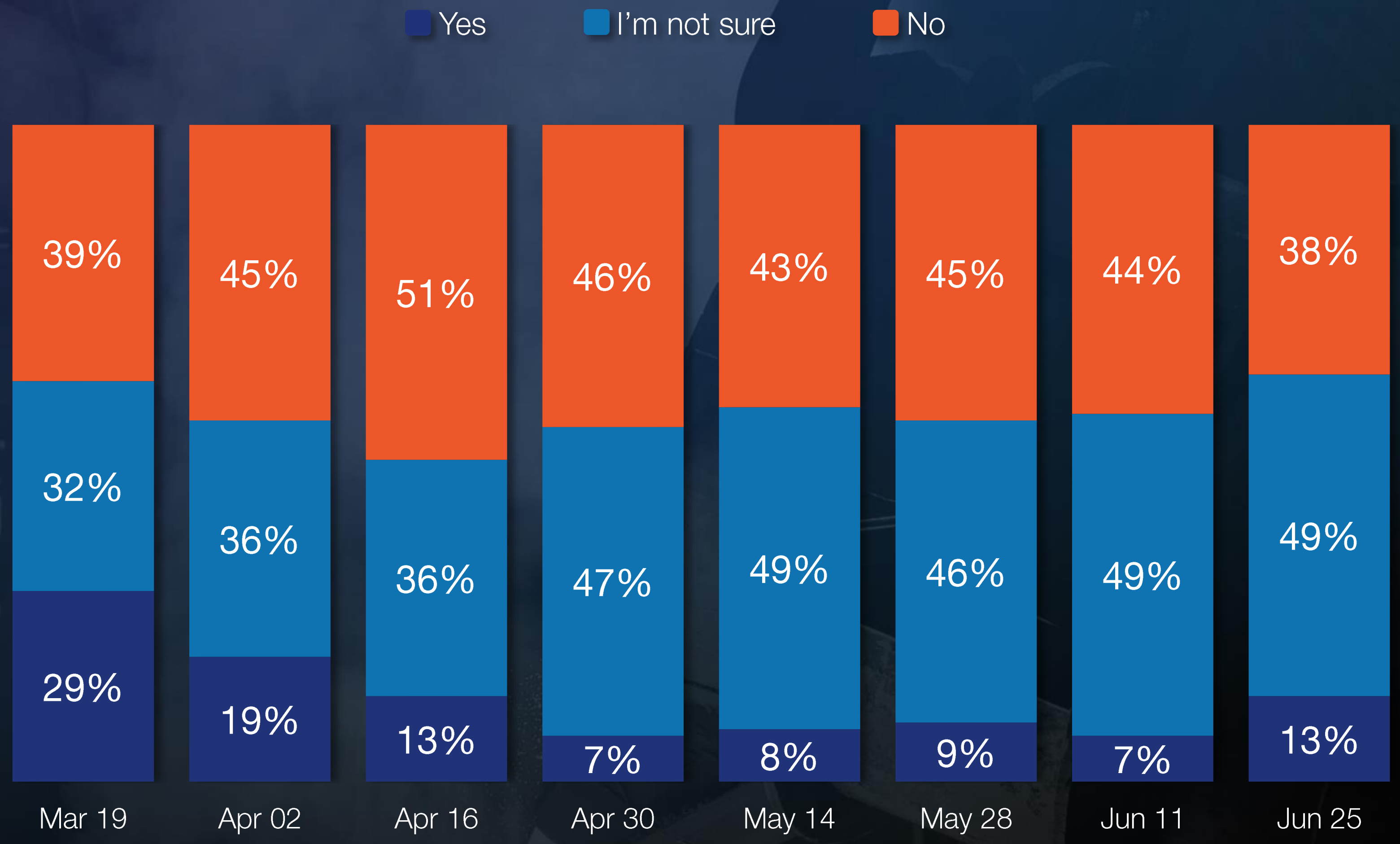
Are you seeing an increase or decrease in orders from your North American buyers?



*Limited number of responses to this question

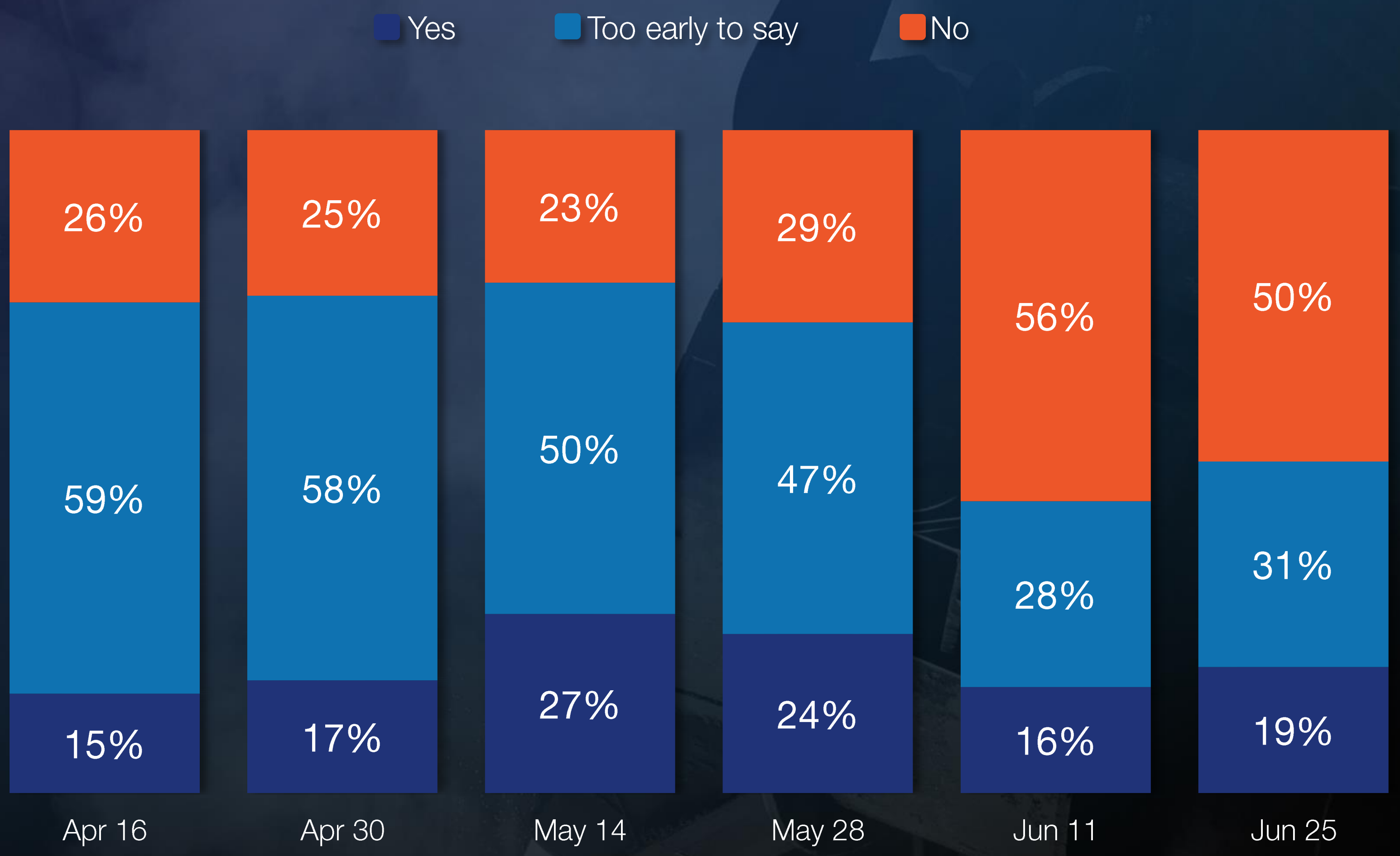
How popular are Trump's tariffs

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?



FEATURED *guests*

Thais Terzian
CRU Group

Thais is a Principal Analyst at CRU and has over 15 years' experience in commodities research. She is currently the lead of CRU's crude steel and metallics analysis. Prior to joining CRU, she worked at Nexa Resources, a Brazilian mining company, where she was responsible for the analysis of base metals markets. Thais holds a Business Administration degree from Fundação Getúlio Vargas and is based in CRU's Santiago office.

Frank Nikolic
CRU Group

Frank has over two decades of experience in the mining industry, holding senior leadership roles across strategy, market intelligence, metallurgy, digital transformation, and global commercial operations. He joined CRU two years ago in the Base and Battery Metals group where the team focuses on delivering market insights across the suite of commodities.

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Data, Insight, Strategy & Communities

Tariffs impact on metallics and semis markets in the Americas

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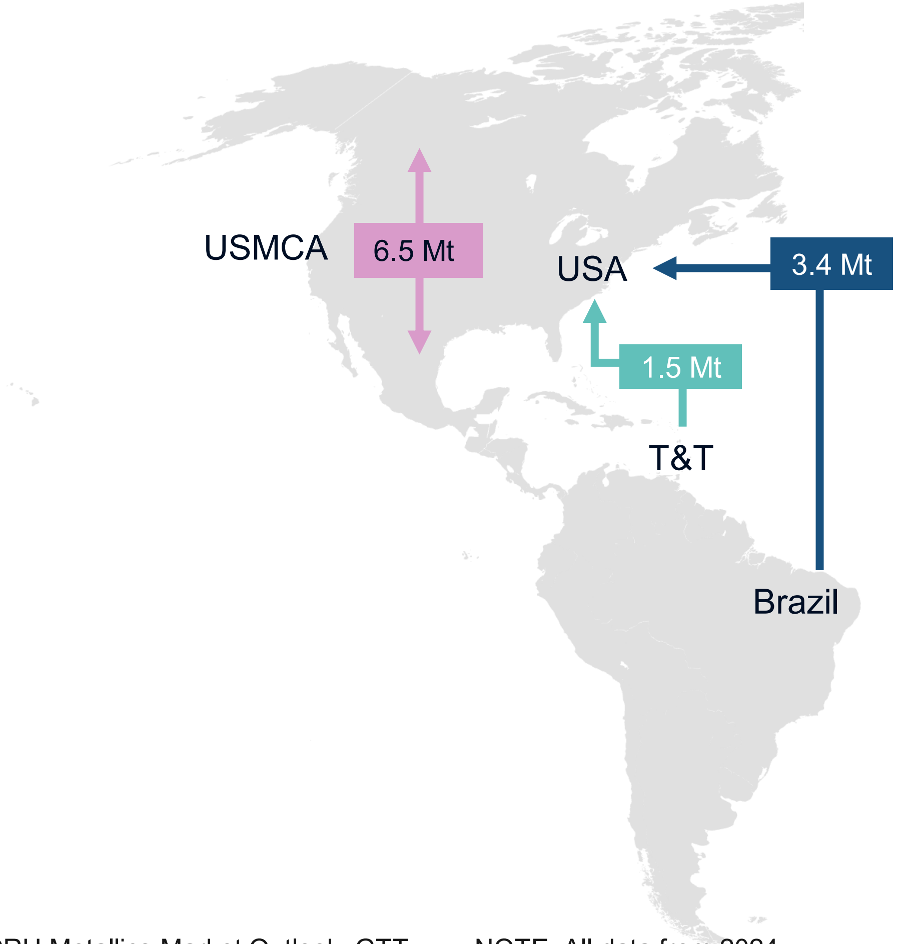
9 July 2025

Big interdependency in the Americas metallics markets

Metallics main trade flows in the Americas

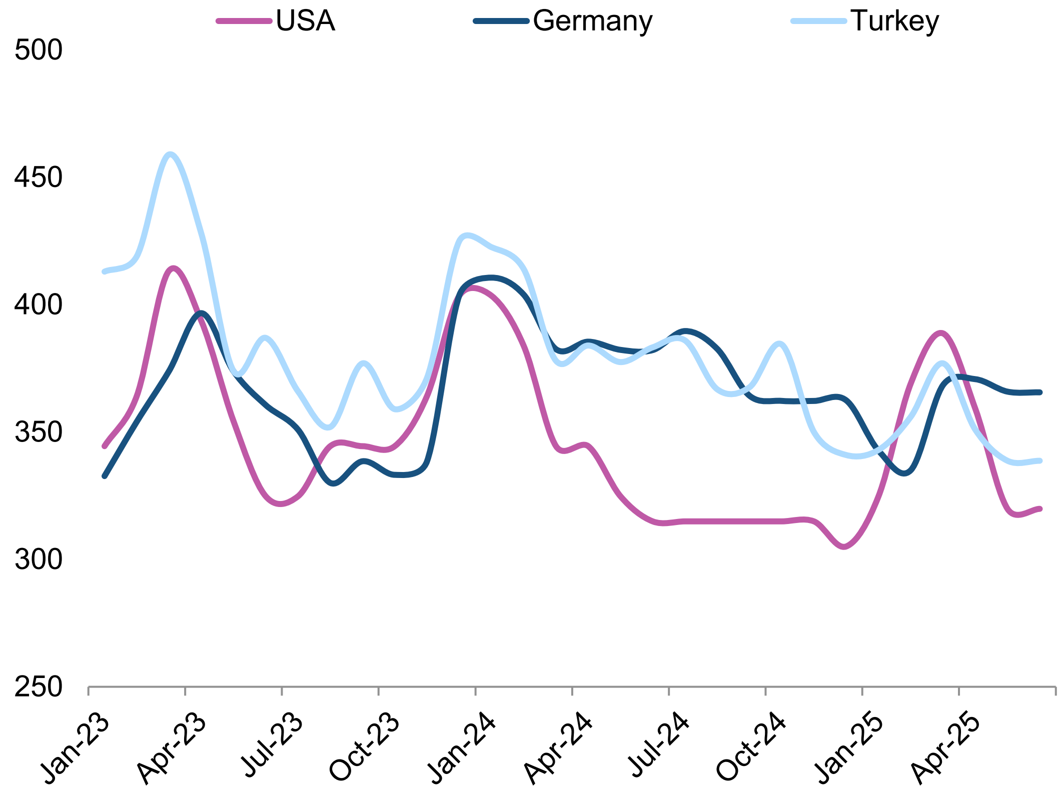


DATA: CRU Metallics Market Outlook, GTT NOTE: All data from 2024

- 90% of US **scrap** imports come from Canada and Mexico and are free of tariffs for now.
- 80% of Canada and Mexico **scrap** imports come from the US.
- ~100% of **DRI/HBI** imports by the US come from Trinidad & Tobago. Despite being an inter-company trade, it currently has a 10% tariff.
- Brazil is the origin of ~75% of US **pig iron** imports. These are also subject to a 10% tariff now.

Spike in obsolete scrap prices ahead of "Liberation Day" was short-lived

Obsolete scrap prices[1], $/t

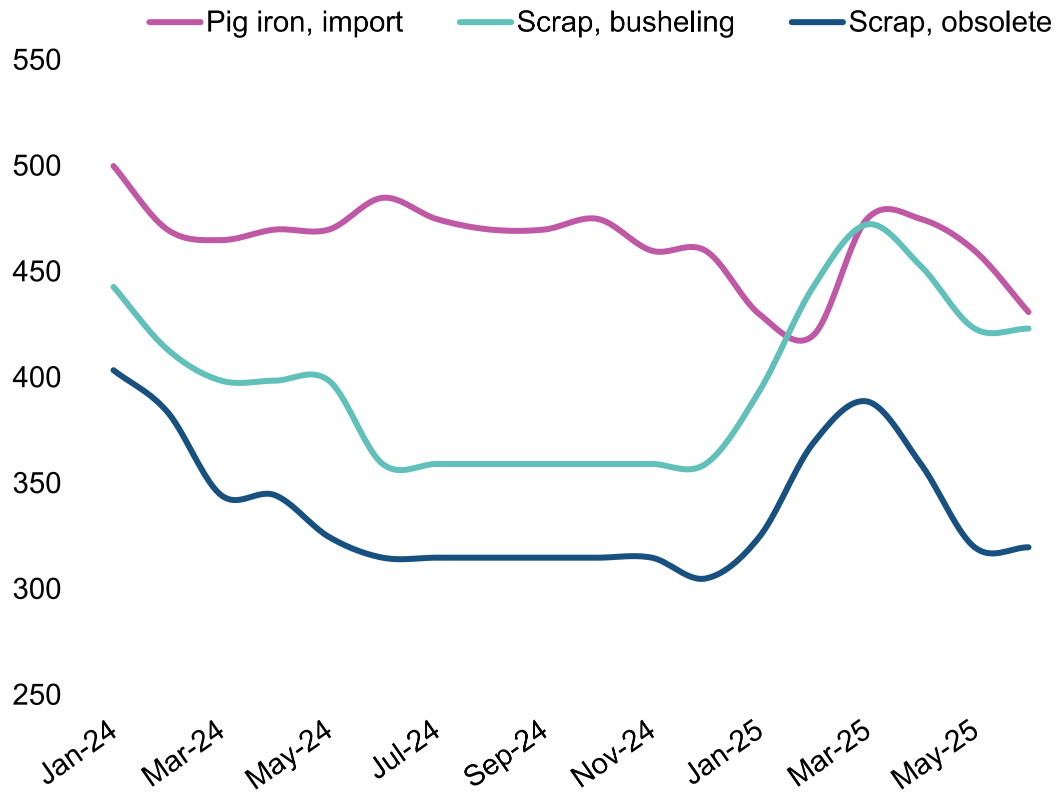


- Tariff uncertainty pushed US obsolete scrap prices up and had a ripple effect on other global markets.
- Uptrend was short-lived as tariffs did not impact scrap trade flows significantly and demand was weak.
- Oversupply and seasonality have kept prices stable at low levels since May.

DATA: CRU Metallics Monitor NOTE: (1) USA and Germany domestic delivered #1 HMS and E3; Turkey import HMS 1/2 80:20 CFR

Prime scrap prices were the main benefited from the tariffs

Pig iron and scrap prices, USA, $/t

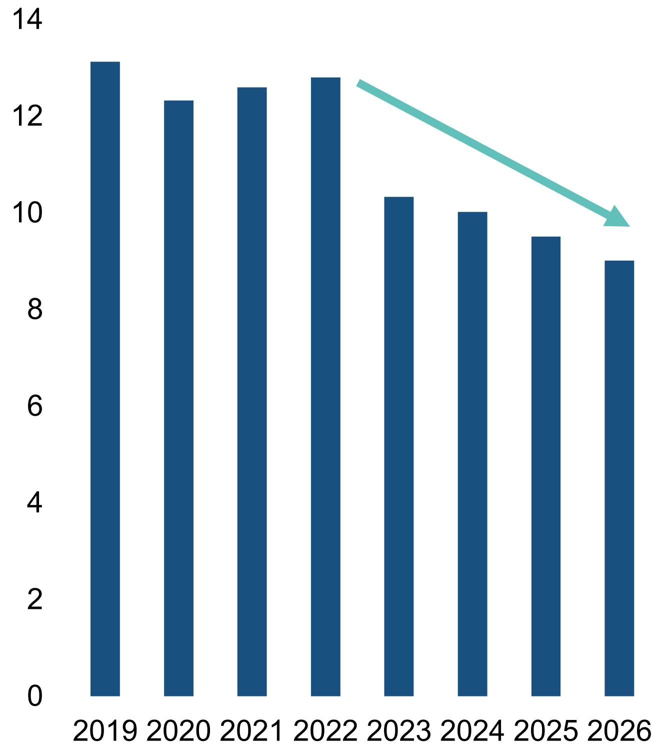


DATA: CRU Metallics Monitor NOTE: Pig iron CFR NOLA; Scrap busheling and HMS #1, delivered

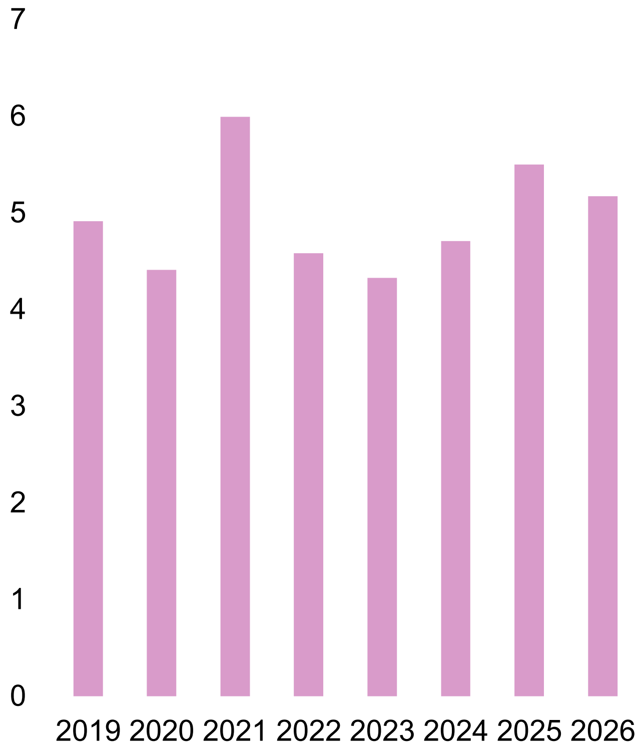
- Pig iron prices moved less than scrap prices, as supply has been limited since the Ukraine war started. However, prices also started to drop in May to accommodate the 10% import tariff.
- The main beneficiated from the tariffs were prime scrap prices. As prime grade scrap is an alternative to ore-based metallics use, demand increased and supported prices, that are now similar to pig iron's and have a wider spread over obsolete grades.

Scrap trade is expected to reduce in the US, but not due to tariffs

US scrap net exports, Mt



US pig iron net imports, Mt

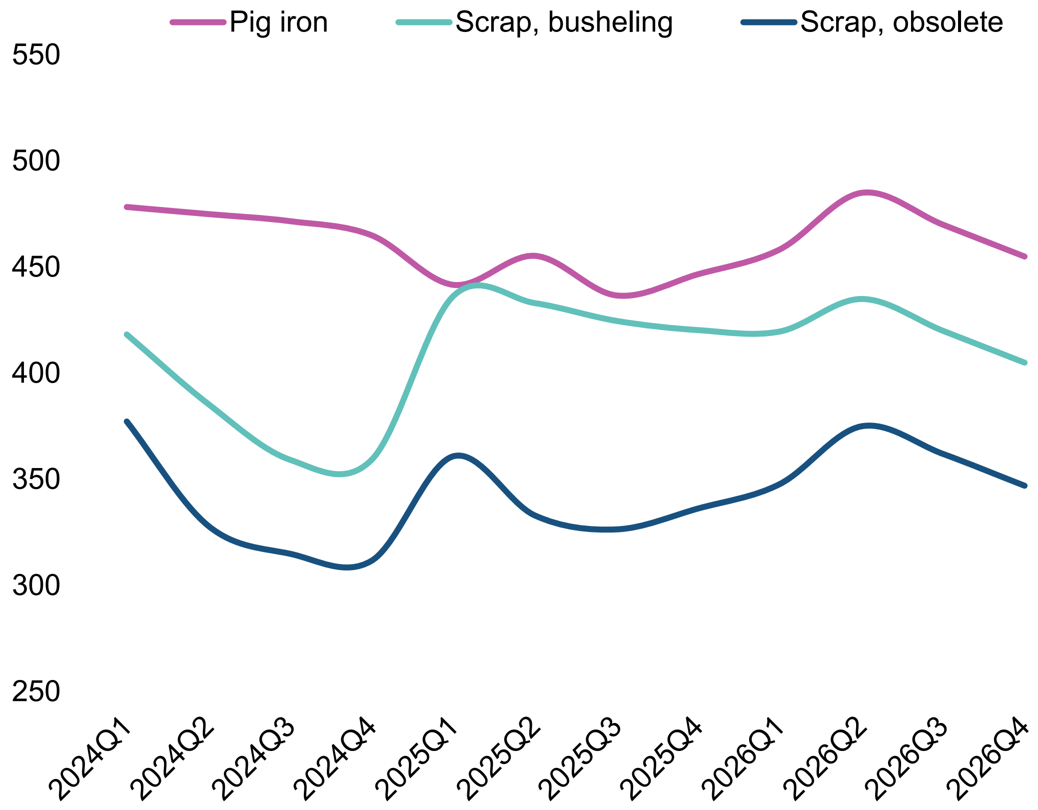


- New EAF capacity in the USA will continue to demand more domestic scrap. Downtrend in exports will continue.
- The same new EAF capacity is also demanding more pig iron. Imports will increase in 2025 and hold high in 2026.
- DRI/HBI demand will also rise, risk of under supply.

DATA: CRU, GTT

Higher demand will support higher metallics prices

Pig iron and scrap prices, USA, $/t

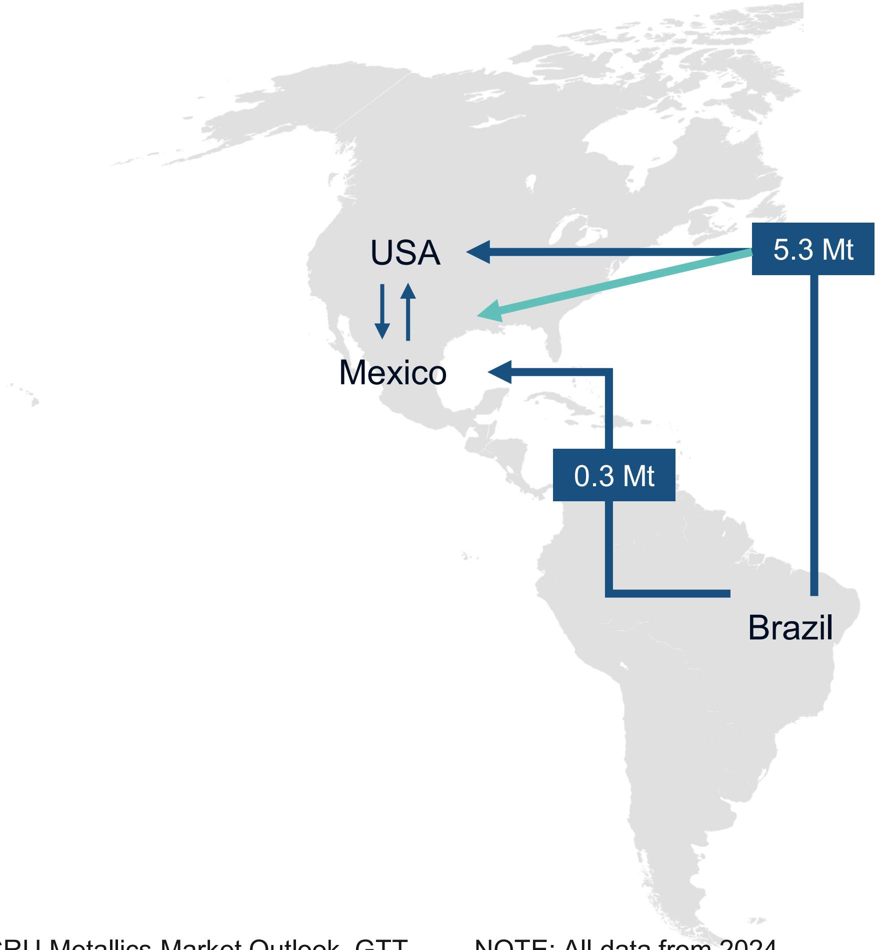


DATA: CRU Metallics Monitor NOTE: Pig iron CFR NOLA; Scrap busheling and HMS #1, delivered

- Obsolete scrap and pig iron prices are expected to increase y/y in 2026 on the back of higher demand and limited supply growth.
- Prime scrap prices will correct from current highs and spreads over obsolete scrap and pig iron will start to normalise.

Semis are also traded in the Americas, but focus on Brazilian exports

Semi-finished steel main trade flows in the Americas

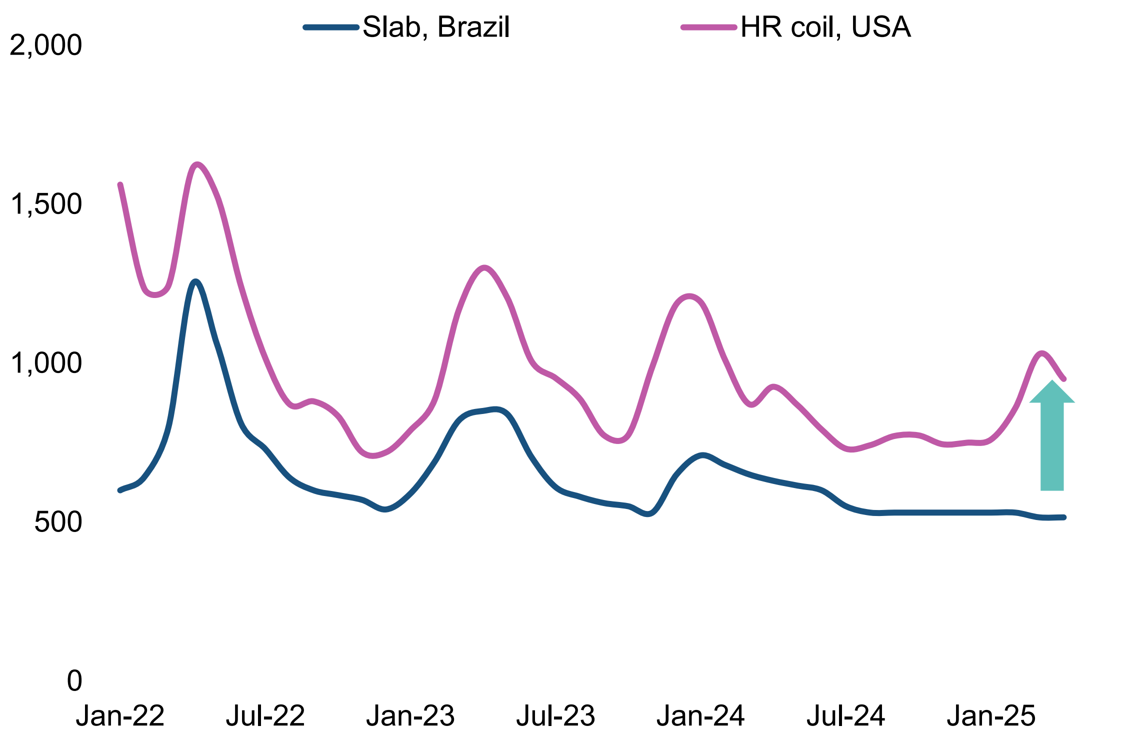


DATA: CRU Metallics Market Outlook, GTT NOTE: All data from 2024

- Semis trade data is not as transparent as metallics.
- ~80% of Brazilian total slab and billet exports went to the USA and Mexico in 2024, where Brazil is also the main supplier.
- Before the Section 232 changes, Brazil had an export quota of 3.5 Mt/y to the US. This was replaced by a 50% import tariff.
- The merchant volume available in Brazil has reduced considerably with steelmakers buying merchant slab producers.

Tariffs broke Brazilian slab prices correlation with US HR coil prices

US HR coil and Brazilian slab prices, $/t[1]

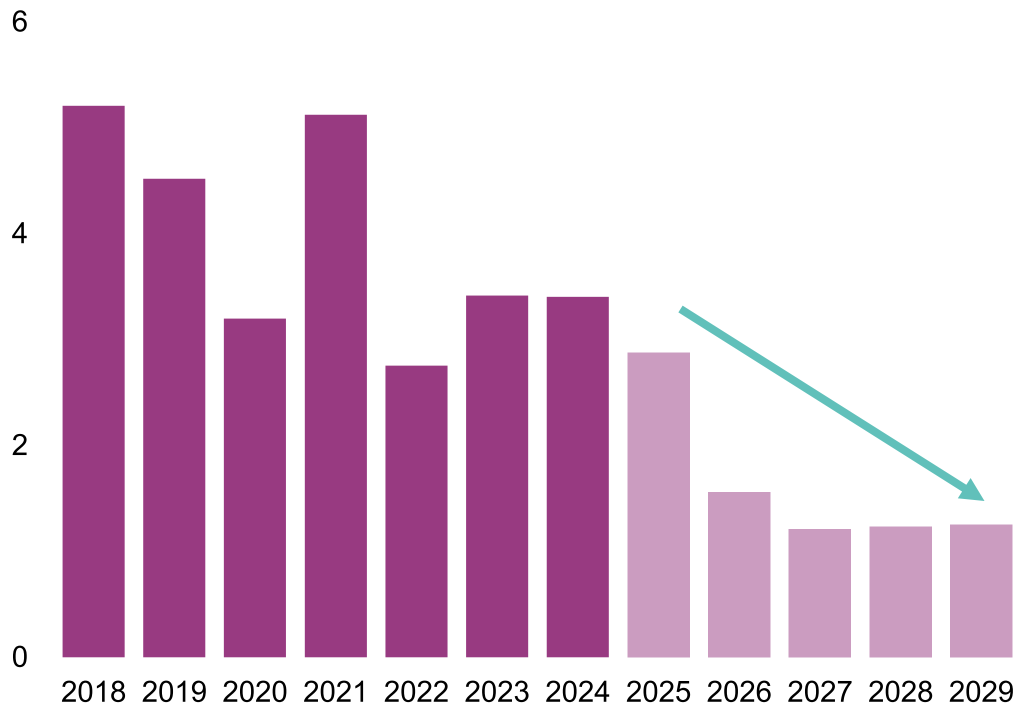


- Since the Section 232 import quotas were implemented in 2018, Brazilian slab export prices have followed closely HR coil prices in the US. With the end of the quotas, and imposition of the 50% import tariff, this price correlation was broken. While US steel sheet prices spiked following the S232 changes, Brazilian slab remained stable at low levels.
- With the end of the Brazilian quotas, other slab suppliers are now attractive in the US market, and Brazilian slab prices will have to be low enough to accommodate the 50% tariff and remain competitive.
- Though, we have not observed significant changes in trade flows or volumes in the US market.

DATA: CRU NOTE: (1) HR coil spot price is US Midwest, FOB; Brazil slab is export price, FOB

New steel capacity will reduce reliance on slab imports

US slab net imports, Mt

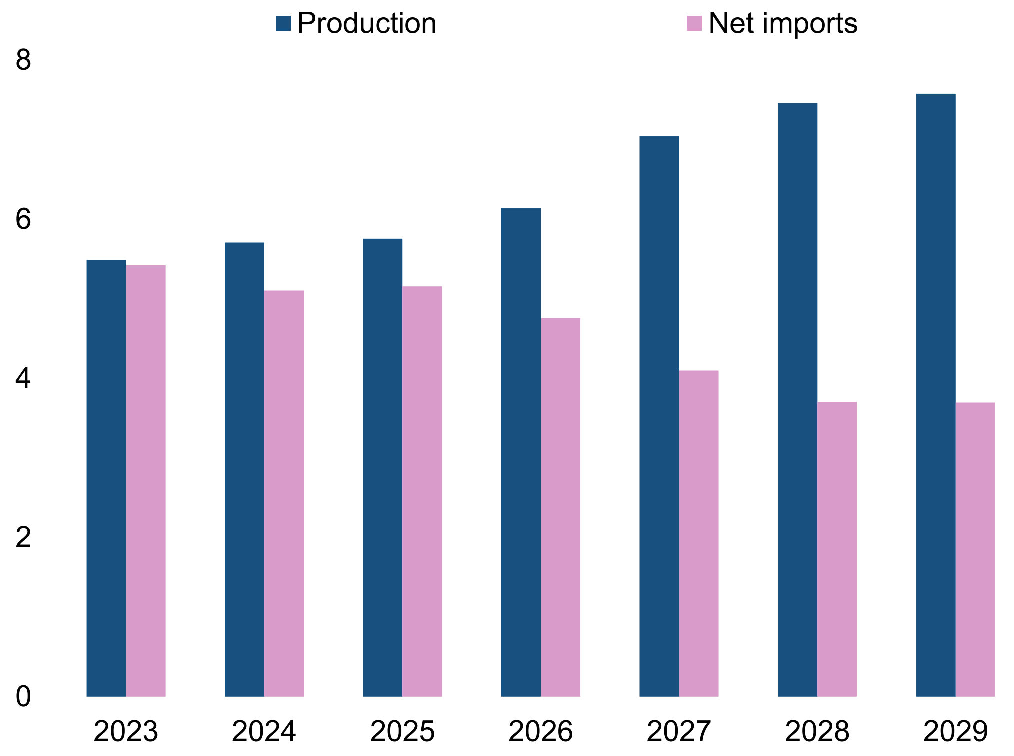


- Start up of new slab capacity in the US will reduce import needs.
- However, the new production or tariffs will not be able to fully eliminate slab imports from the US market. And we expect Brazil remain the main supplier.

DATA: CRU, GTT

Mexico is also investing in new slab capacity to reduce exposure to imports

Mexico slab production and net imports, Mt

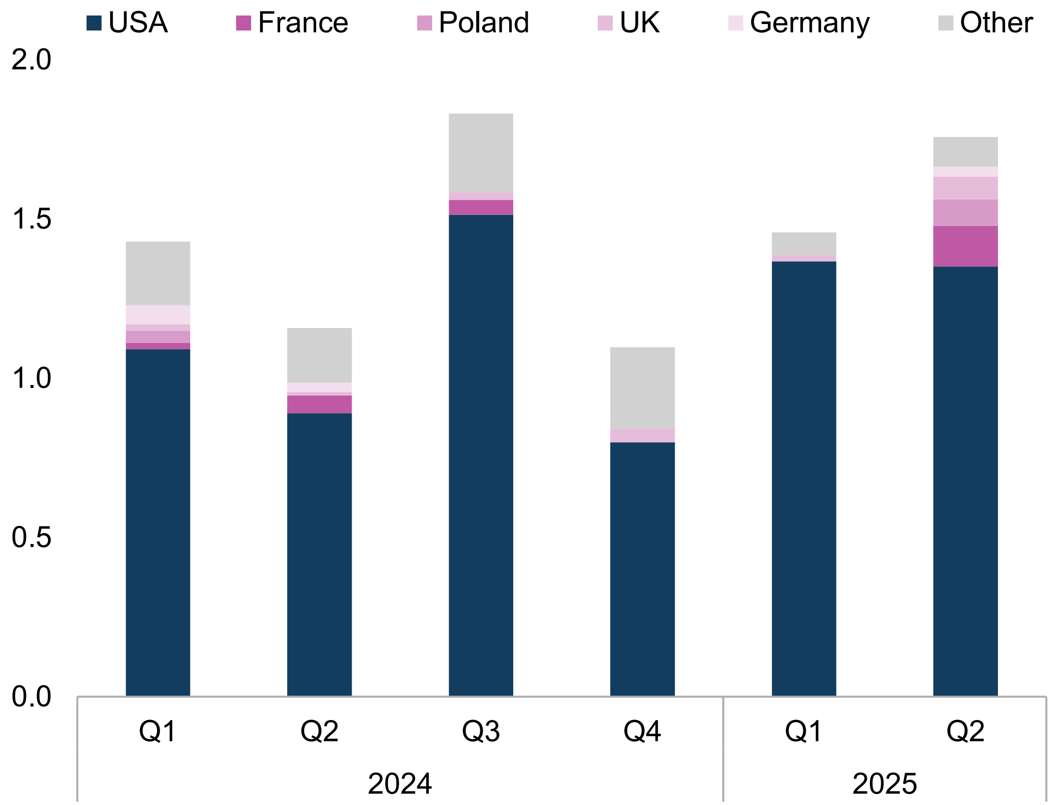


- New slab production capacity from Ternium and Grupo Acerero will reduce the need of slab imports.
- Remaining import volume is likely to be filled by Ternium slab plant in Brazil

DATA: CRU, GTT

Brazil is starting to diversify destinations, but CBAM could limit reach

Brazilian slab exports, Mt



DATA: CRU, GTT

- Since the 50% import tariff on Brazilian slab was implemented in the USA, we started seeing Brazilian exports arriving more in different destinations.
- With European sanctions on Russian slab, and hot end capacity closures in the UK and other countries, there is a void in the European market that Brazil is starting to fill.
- However, the start of CBAM next year could be a limiting factor for further expansions in this trade flow.

Key takeaways

Tariffs **did not impact scrap** markets significantly, but had a tool on pig iron

US **scrap trade will shrink** on higher domestic demand

Brazilian slab was heavily impacted by the S232 new rules

Merchant **slab demand will fall in North America**, Brazil must diversify

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Zinc - the coating that counts

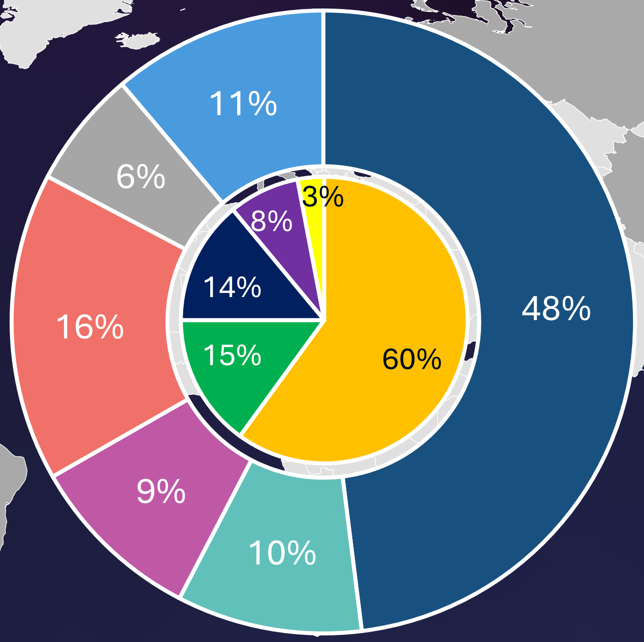
CRU. Independent *expert* intelligence

Zinc is predominately used for its protective properties across key industrial applications

Global refined zinc demand, estimated first-use and end-use structure, 2020-2025

Outer Circle

- Construction
- Automotive
- Other transport
- Engineering and Infrastructure
- Machinery
- Consumer and other



Inner Circle

- Galvanized Steel
- Zinc Alloys
- Brass & Bronze
- Chemicals
- Other

Zinc has a low share of consumer goods demand

The infrastructure and construction sectors account for around 65% of total zinc demand, resulting in high levels of zinc consumption during earlier stages of economic development.

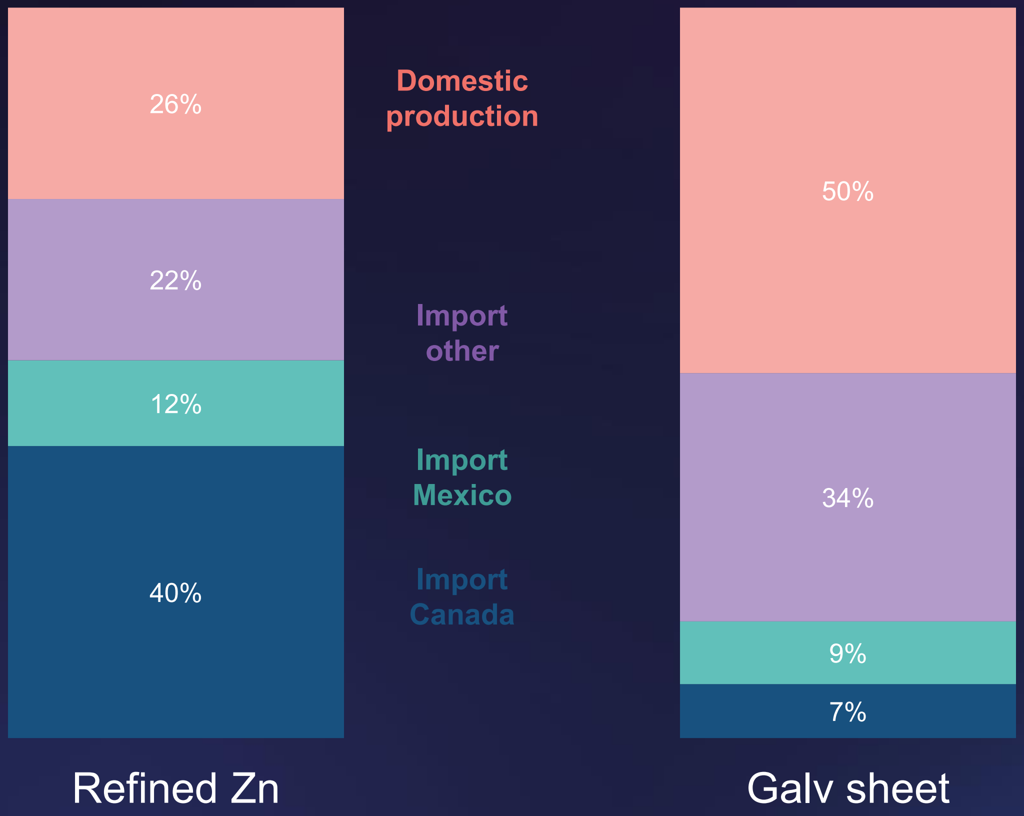
Infrastructure projects and construction activity also require government spending and/or high-income growth levels, making zinc demand more dependent on “boom” times.

DATA: CRU Zinc Market Outlook

Uncertainty is hurting zinc demand by discouraging investment

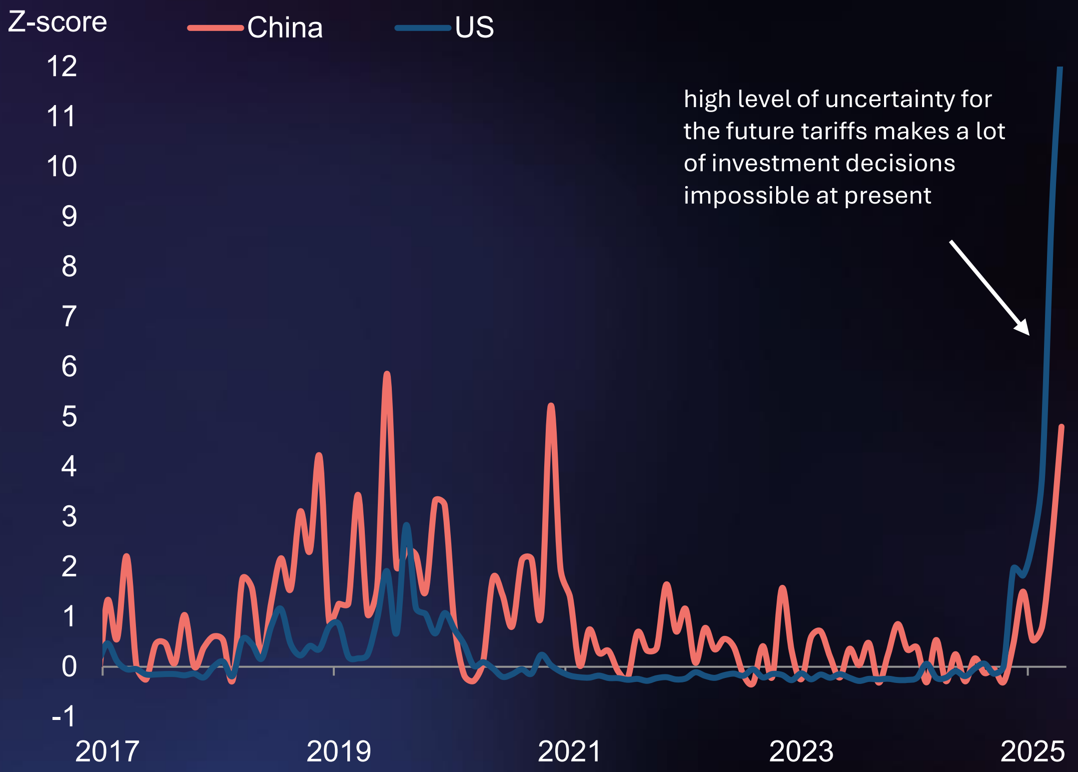
74% of US Zn consumption is covered by imports

Structure of refined Zn consumption and galvanised sheet apparent demand, 2022-24, %



Uncertainty about trade policy is sky-high

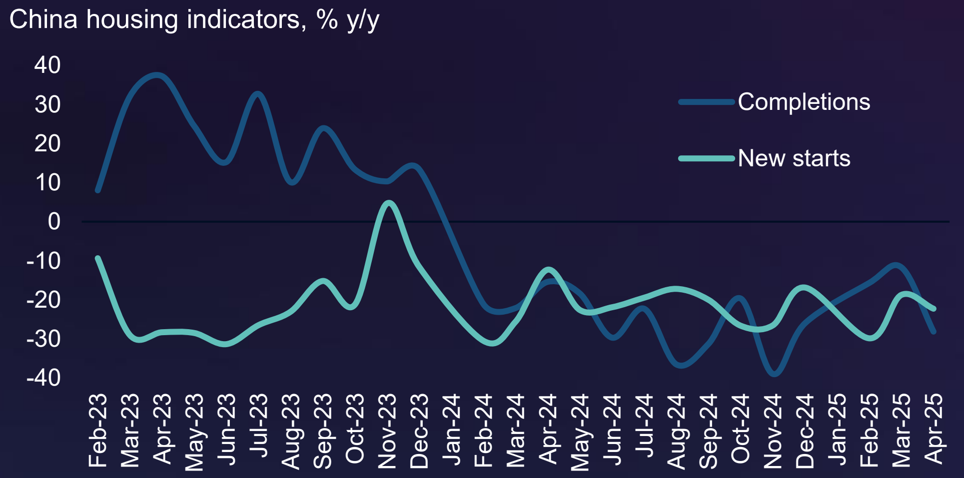
Trade policy uncertainty indices



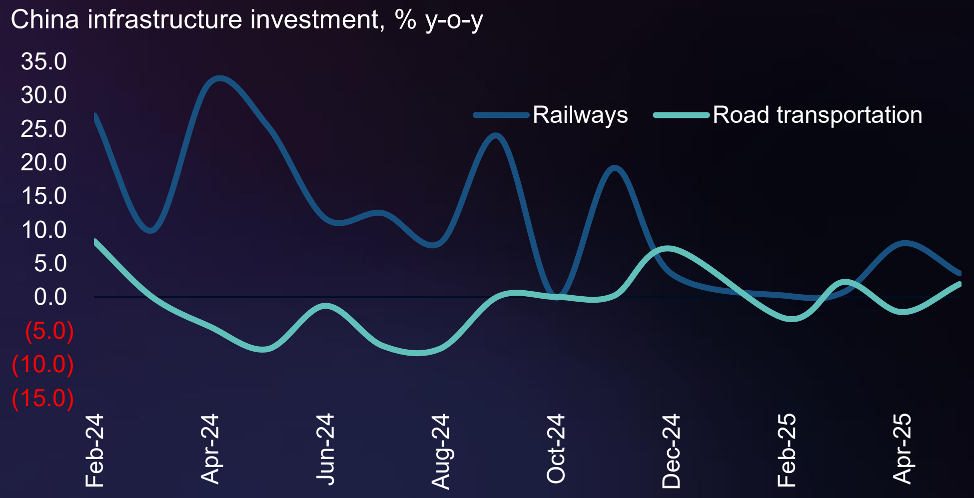
DATA: CRU, GTT

Key sectors related to zinc demand remain subdued in 2025 H1 in China

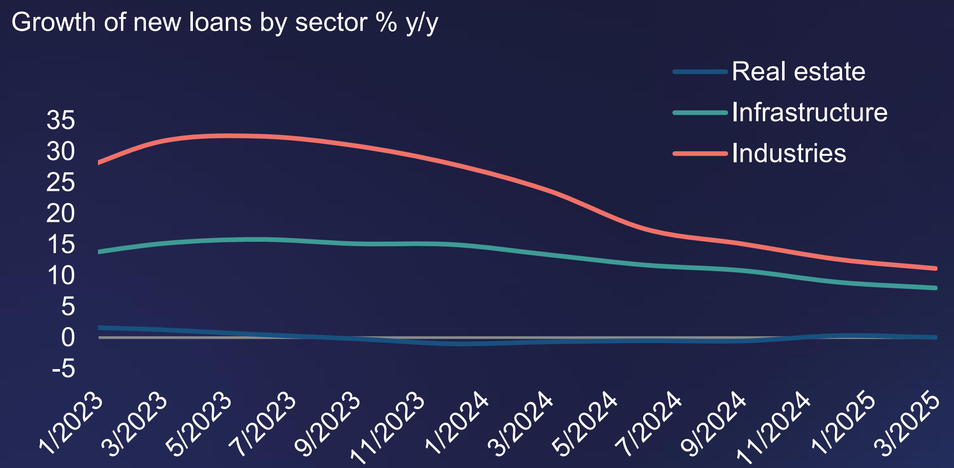
No growth in Chinese housing sector



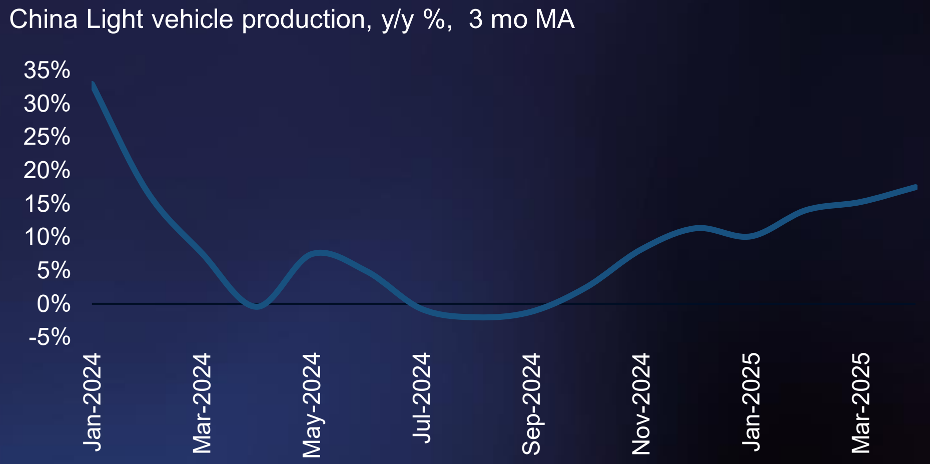
Infrastructure investment downturn



Growth of new loans slows down

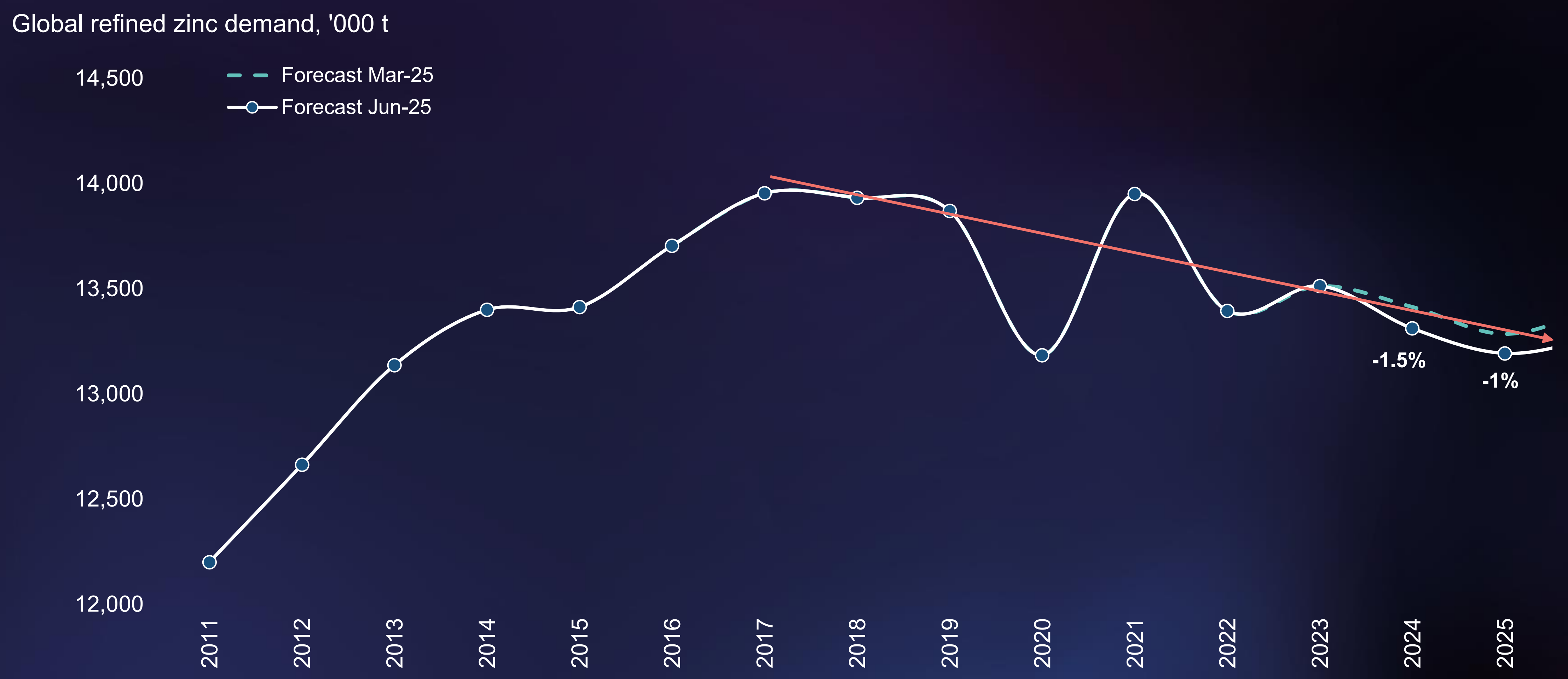


Automotive output up but inventories at a record



DATA: CRU, CEIC, NBS, Global Data

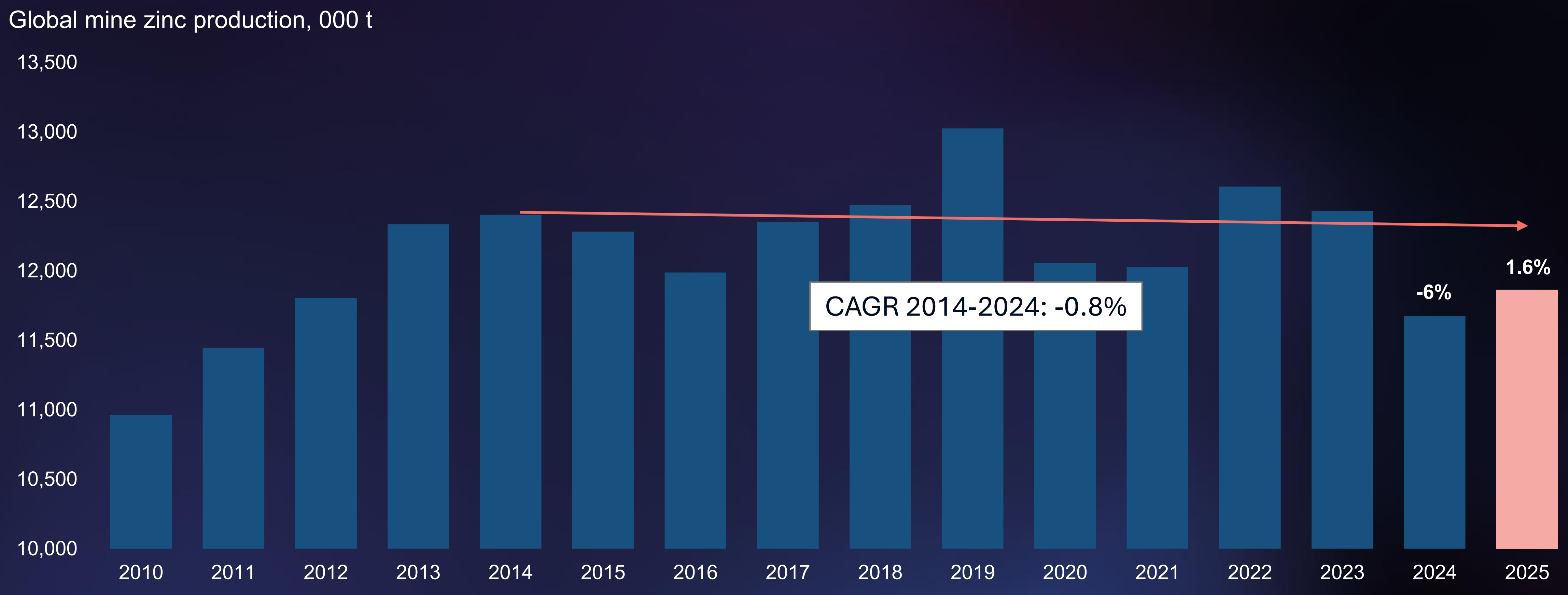
Demand has been on a downward trajectory since 2017



DATA: CRU

Global mine supply growth will remain on a flat trend over the forecast horizon

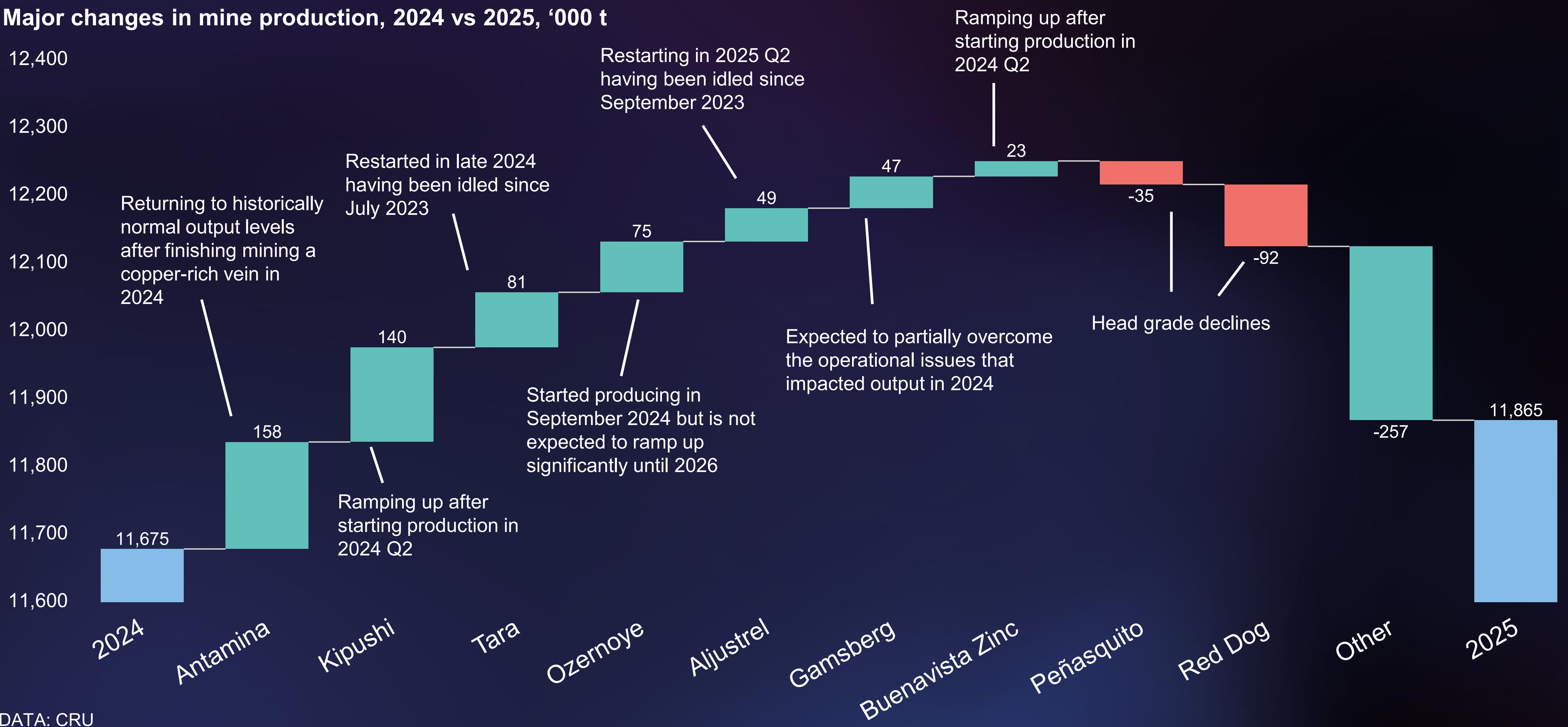
Global mine supply will not exceed 2013 level over the forecast period



DATA: CRU

Mine supply changes – 2024 vs 2025

Major changes in mine production, 2024 vs 2025, '000 t

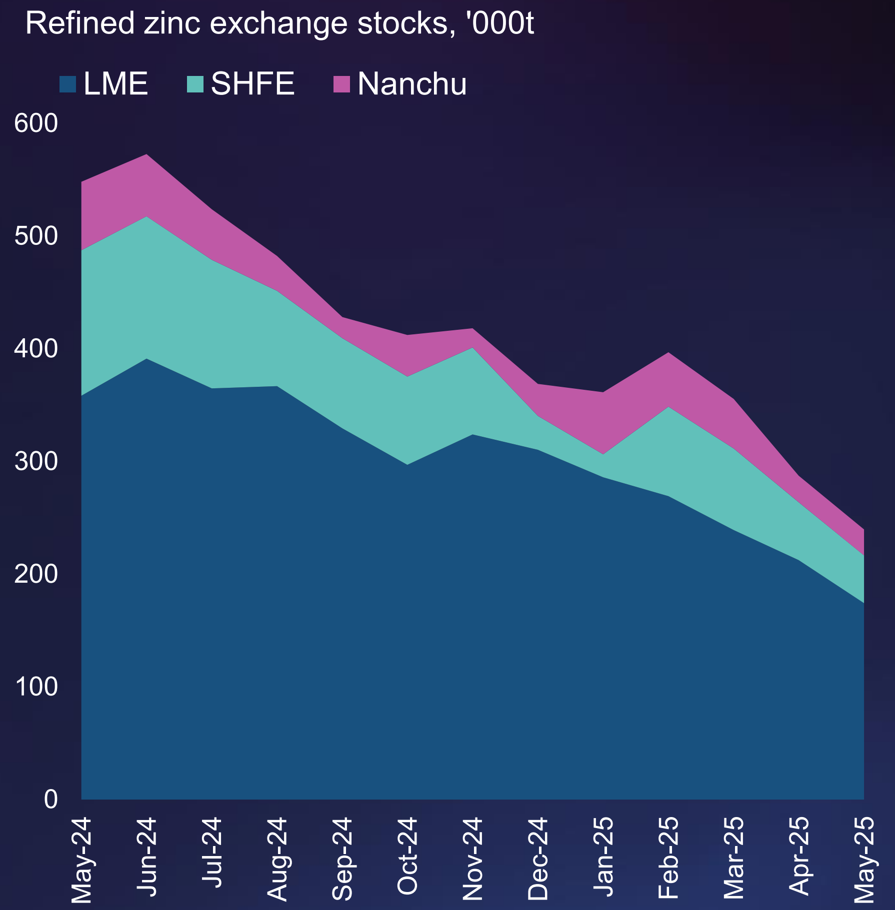


DATA: CRU

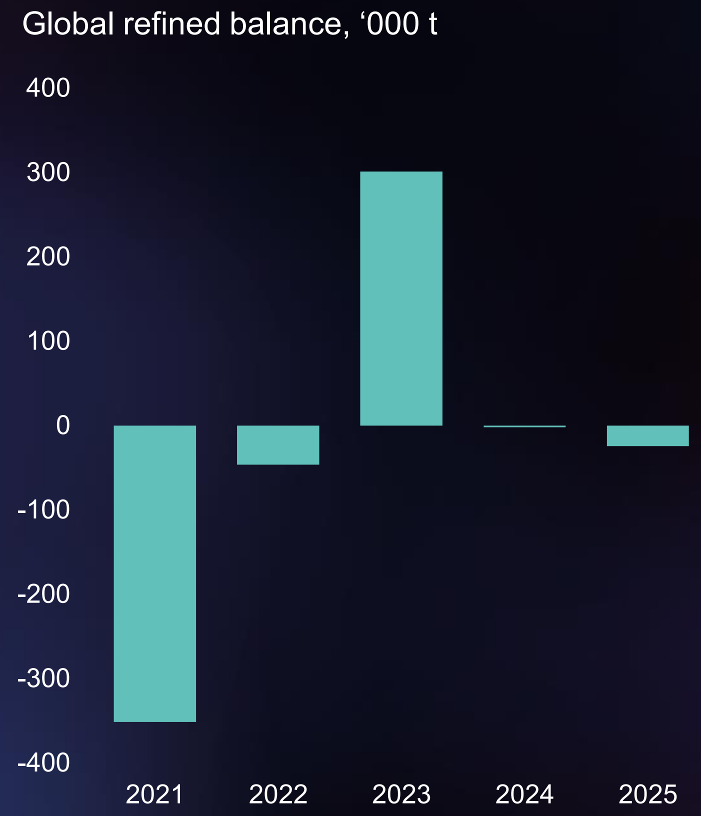
Price hits a new low level due to high uncertainty, despite trade-war de-escalation and market signalling tightness

Zinc prices have traded within a narrow range in recent months, like other base commodities…

…LME stocks have steadily been decreasing…



…indicative of a tight market.



DATA: CRU, LME, SHFE, NANCHU

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Our works are part of a broad ecosystem of commodity and value chain coverage

Outlooks

Serialized *works and data that narrate our most confident* ***forward-looking scenarios*** *on industry and the value chain the industry serves.*

Monitors

Serialized *works and data that explain what has or is happening* ***within the context of our expectations*** *as set out in our forward-looking works.*

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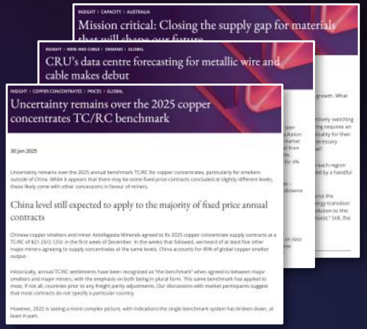
Continually updated comprehensive bottom-up *intelligence on costs, revenue and emissions for individual assets across the commodities we support.*



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Our analysts are available to our clients to help navigate the dynamic market space with a ready industry network. We are the natural extension of their internal workflows. Our data is available via AIP for seamless integration.

THANKS *for listening*

Steel Market Update Community Chat

We're glad you joined!

To contact Thais: thais.terzian@crugroup.com

To contact Frank: frank.nikolic@crugroup.com

To contact Michael: michael@steelmarketupdate.com

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

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When you *need answers*…

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