

The logo consists of two curved shapes, one orange and one red, forming a partial circle.

Steel Market Update

CRU

SMU flat rolled market trends analysis

Oct. 7-9, 2024, market survey results

Legal notice

This presentation is private and confidential. It must not be disclosed in whole or in part, directly or indirectly, or in any other format without the prior written permission of Steel Market Update and parent CRU International Limited.

CRU International Limited's responsibility is solely to its clients and its liability is limited to the amount of the fees actually paid for professional services.

Although reasonable care and diligence have been used in the preparation of this presentation, we do not guarantee the accuracy of any data, assumptions, forecasts, or other forward-looking statements. We accept no liability to third parties, howsoever arising.

CRU takes information security seriously and currently holds the UK Government approved Cyber Essentials certification. This certifies that we have the appropriate security controls across our organization and third-party suppliers to protect our information assets. CRU also has a privacy policy in place that explains how we handle personal data on our customers.



Where the *steel* community
comes together.

Table of contents

<u><i>Overview:</i></u> SMU team, upcoming events, and survey details	Pg. 5
<u><i>Lead times:</i></u> Steel mill lead times by product, direction, and buyers' view of lead times	Pg. 10
<u><i>Negotiations:</i></u> Steel mill negotiation rates	Pg. 16
<u><i>Sentiment:</i></u> Steel buyers' current, future, and 3MMAs sentiment	Pg. 17
<u><i>Demand:</i></u> Overall demand, manufacturer demand, and Svc. Center view of Mfr. orders	Pg. 21
<u><i>Prices:</i></u> HR inflection point, future HR prices, Mfr. and Svc. Center view of prices, and scrap price direction	Pg. 27
<u><i>Business forecast:</i></u> Current and historical views	Pg. 35
<u><i>Buying trends:</i></u> Active buyer, manufacturer purchases	Pg. 37
<u><i>Offshore product:</i></u> Foreign steel buying, new offshore orders, import competitiveness	Pg. 46
<u><i>Steel mills' view:</i></u> Current order book activity	Pg. 51
<u><i>Traders' view:</i></u> Orders trend, foreign product interest, and flat-rolled offer pricing	Pg. 52

Steel Market Update team



Michael Cowden
Chicago
Managing Editor



David Schollaert
Atlanta
Sr. Analyst / Editor



Laura Miller
Erie, Pa.
Reporter / Editor



Ethan Bernard
Austin, Texas
Reporter / Editor



Brett Linton
Atlanta
Senior Analyst



Kaylee Turner
Cleveland
Dig. Content Admin.



Jill Waldman
Steamboat Springs, Colo.
Spons./Expo. Sales Mgr.



Marlea Pitman
Birch Bay, Wash.
Sr. Event Manager



Luis Corona
Chicago
Sr. Account Exec.

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

Prices | Momentum | Sentiment | Trends | Analysis

For more information visit www.steelmarketupdate.com

Upcoming events



Tampa Steel Conference
Feb. 2-4, 2025 | Tampa, Fla.
JW Marriott Tampa Water Street



Live Steel 101 Workshop
March 11-12, 2025 | Charleston, S.C.
Tour of Nucor Berkeley



Steel Summit 2025
Aug. 25-27, 2025 | 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.

SMU flat rolled market trends analysis

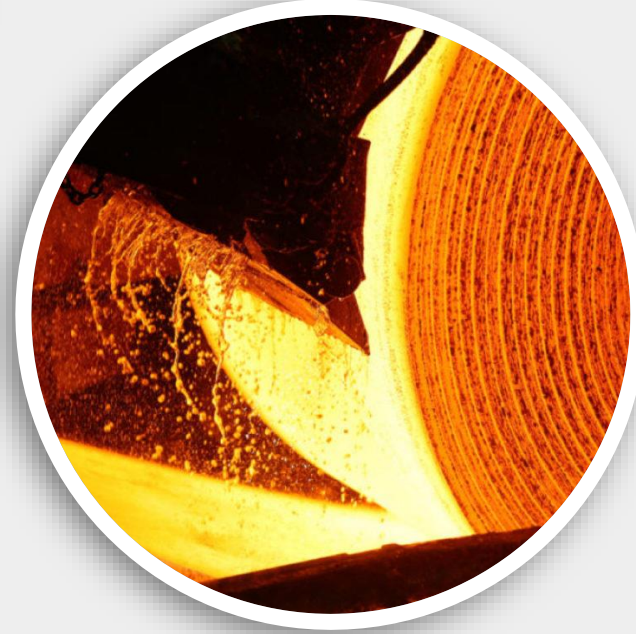


Our goal is to provide quality information to the flat-rolled steel industry.

Our survey is by invitation only. We ask companies, mostly in manufacturing and distribution, to participate.

All responses are kept confidential and are never attributed to the individual or company responding.

To become a data provider, contact:
david@steelmarketupdate.com.



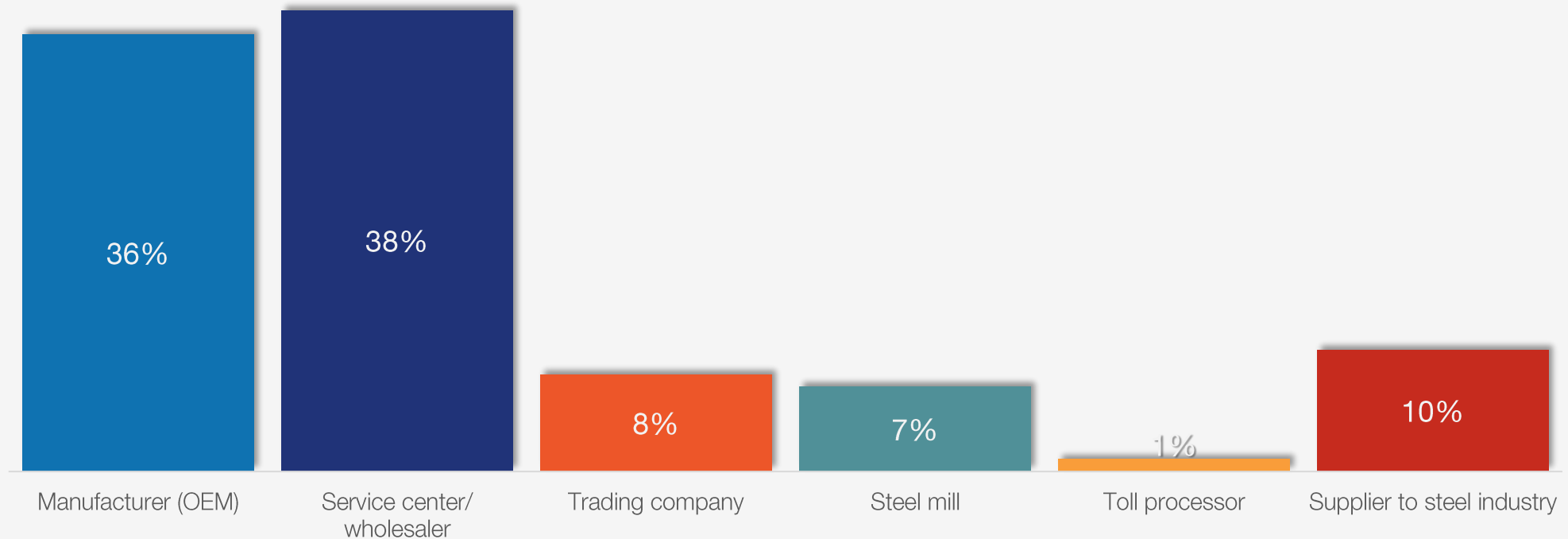
Don't just read our data,
**see your company's
experience reflected in it.**

Contact david@steelmarketupdate.com for participation information.



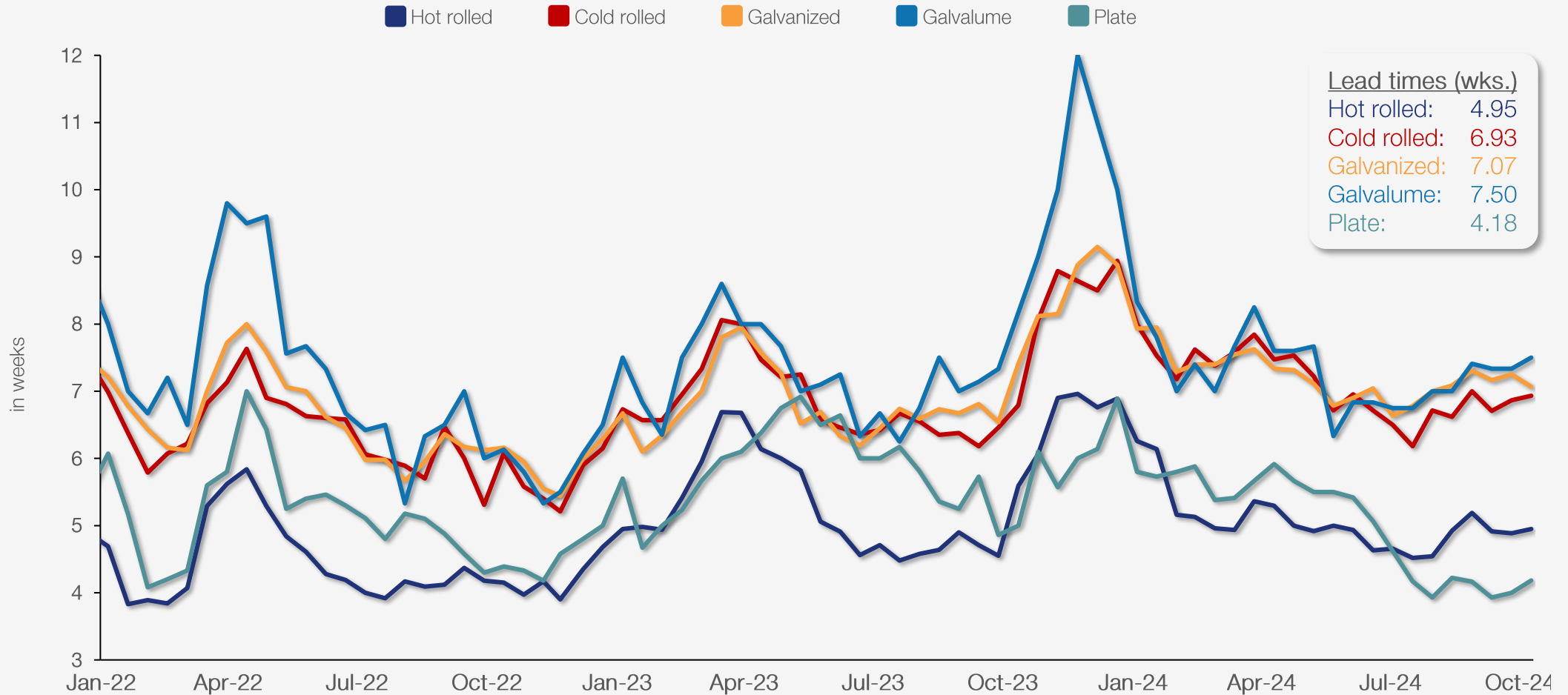
Survey participants

Our survey is by invitation only. Over 1,000 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.



Steel mill lead times by product

SMU lead times on new steel orders by product through Oct. 9, 2024.

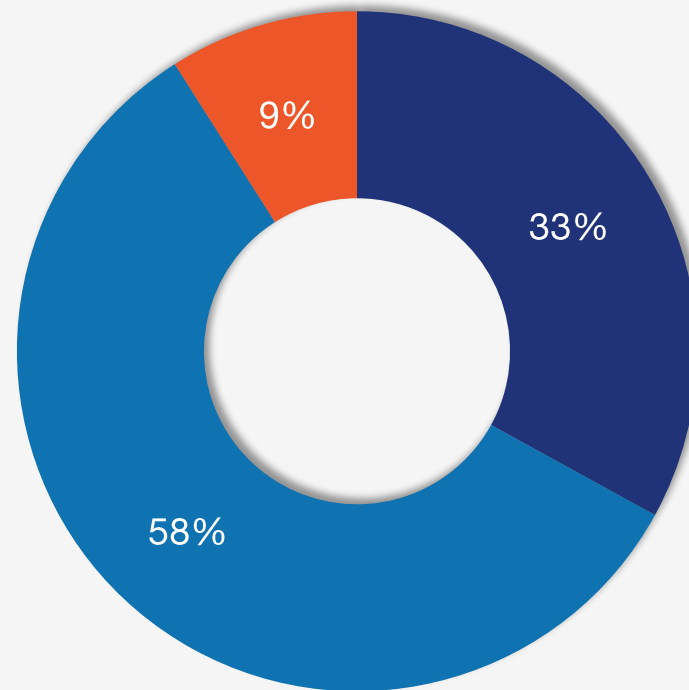


Direction of steel mill lead times

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

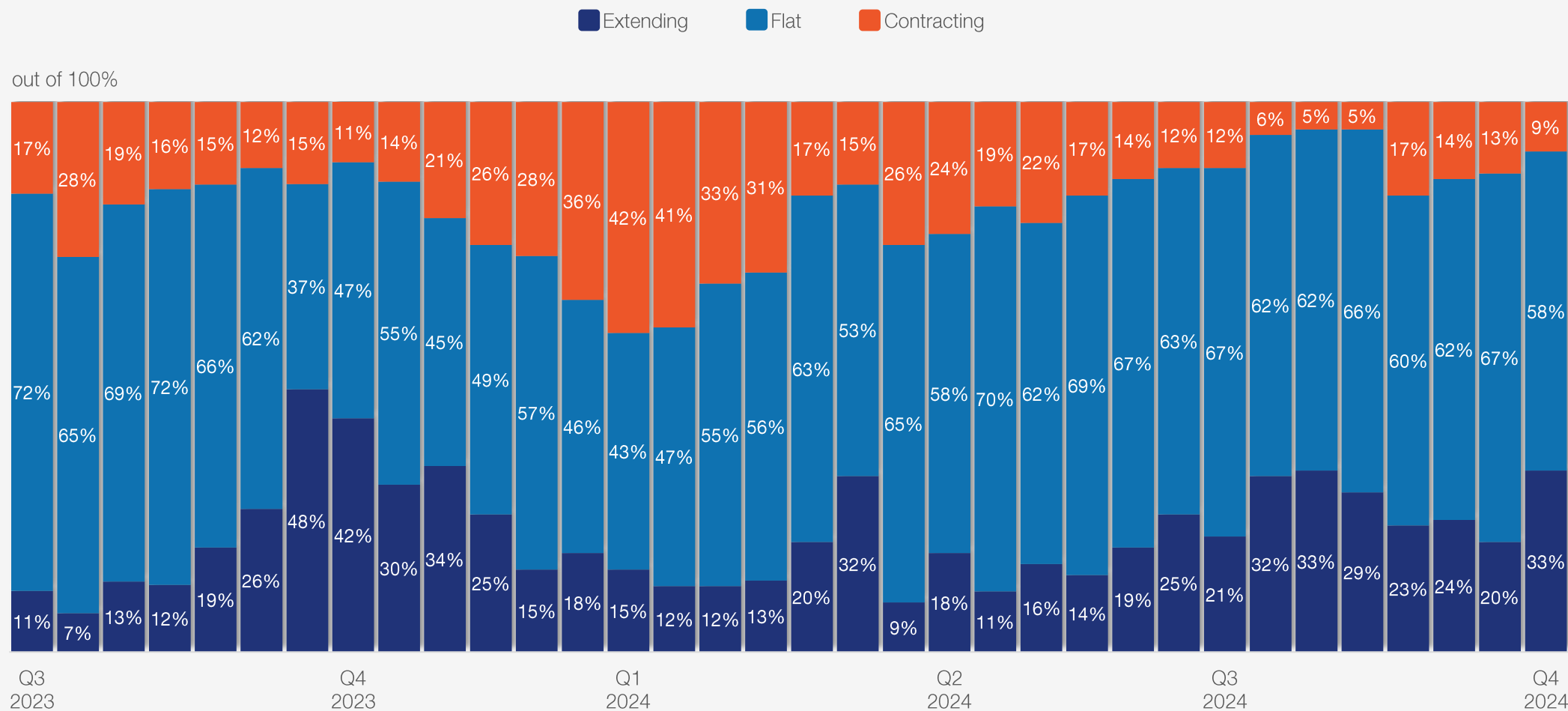
■ Extending ■ Flat ■ Contracting

Oct. 9, 2024



Direction of steel mill lead times history

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

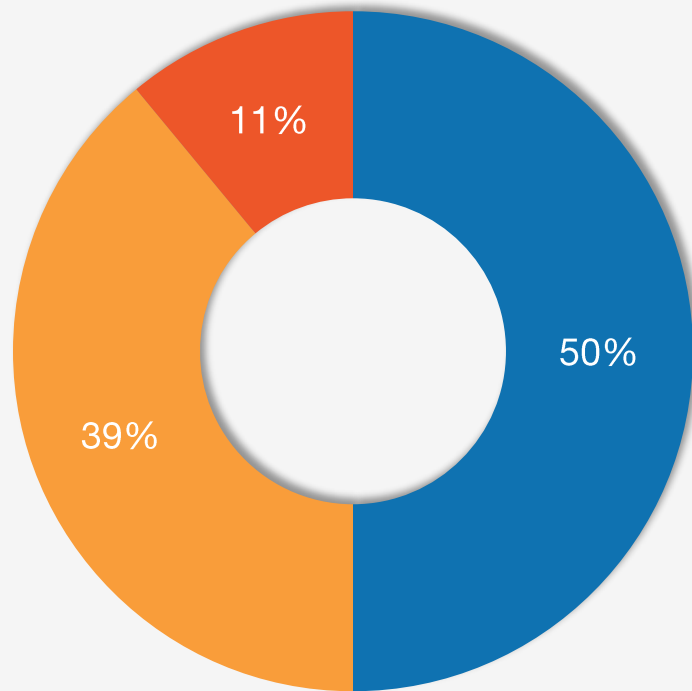


Buyers' view of mill lead times

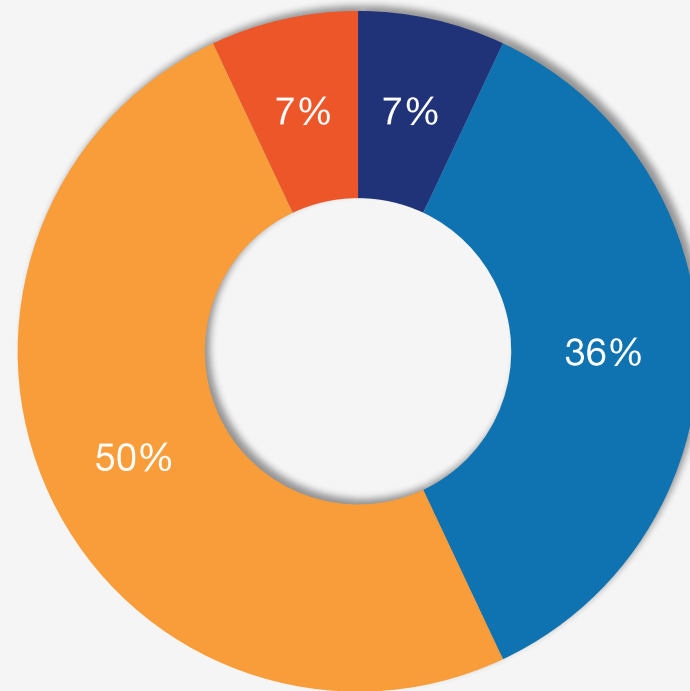
How would you describe domestic mill lead times for new orders placed right now?

■ Extremely short
 ■ Shorter than normal
 ■ Normal
 ■ Slightly longer than normal
 ■ Highly extended

Manufacturers



Service centers



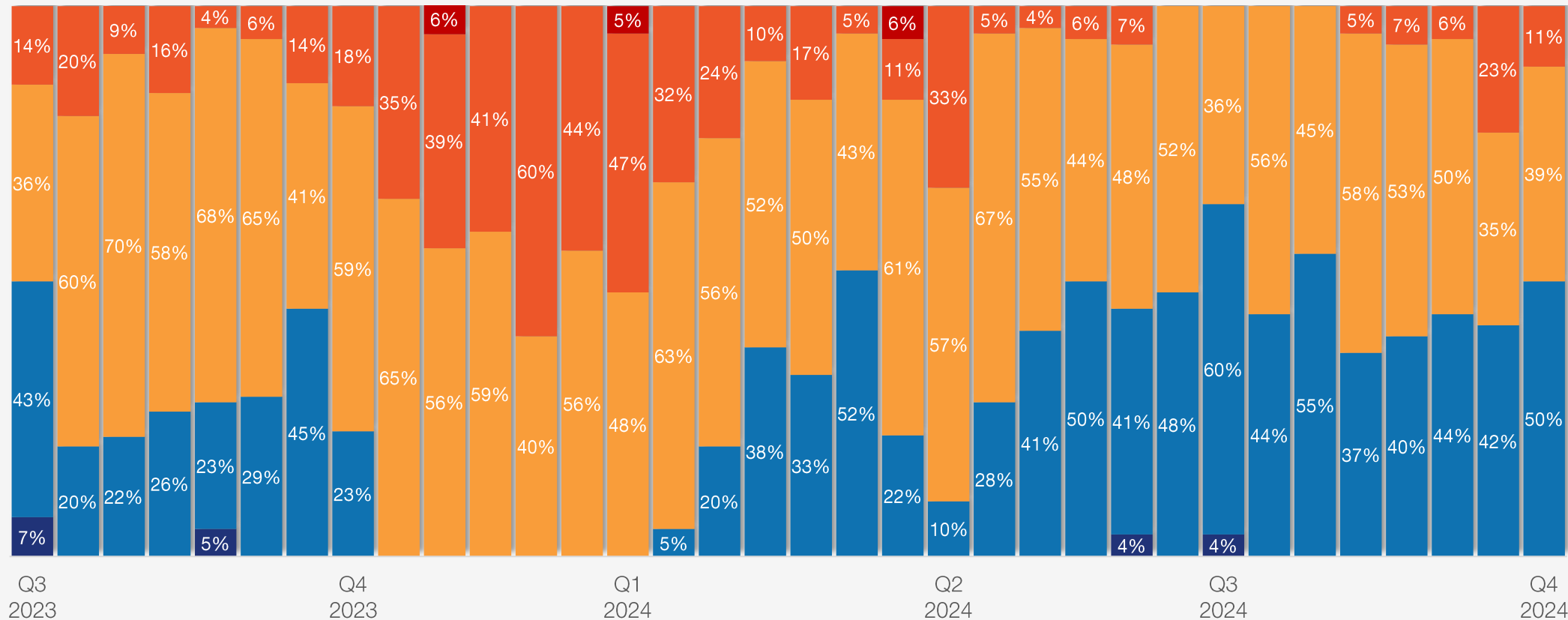
Buyers' view of mill lead times history

Manufacturers

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%



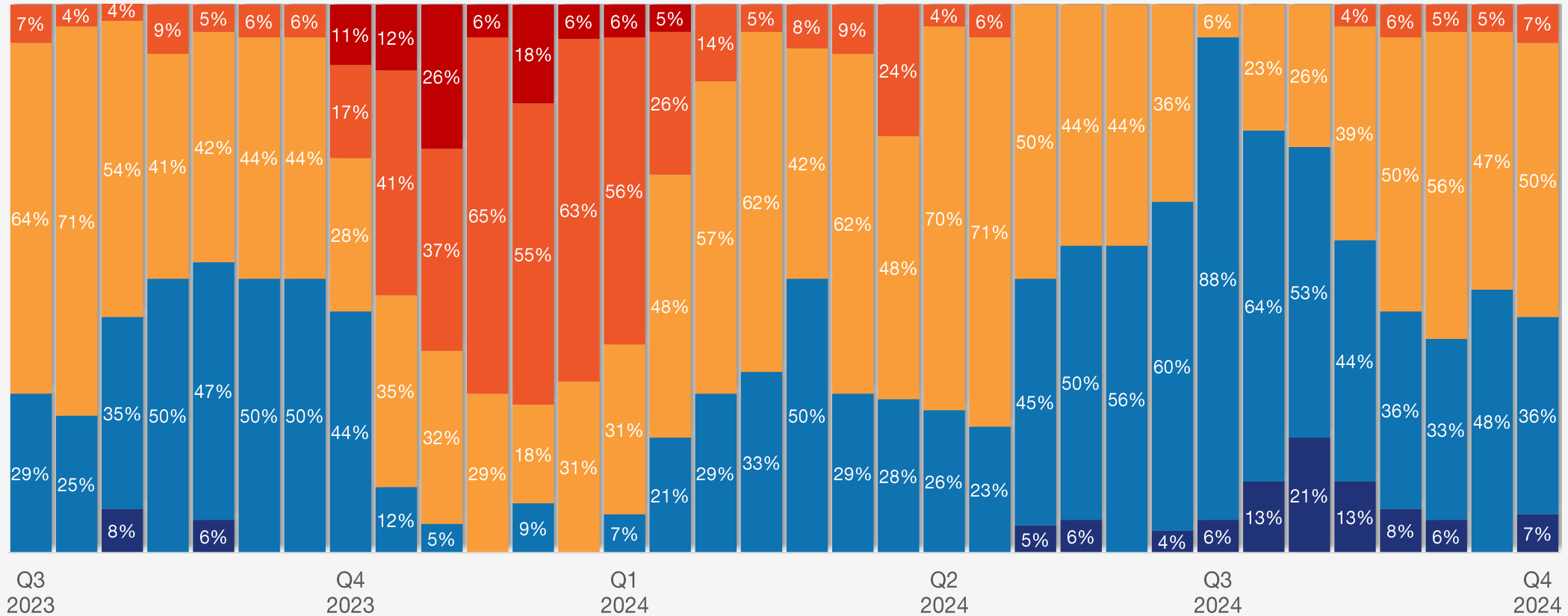
Buyers' view of mill lead times history

Service centers

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

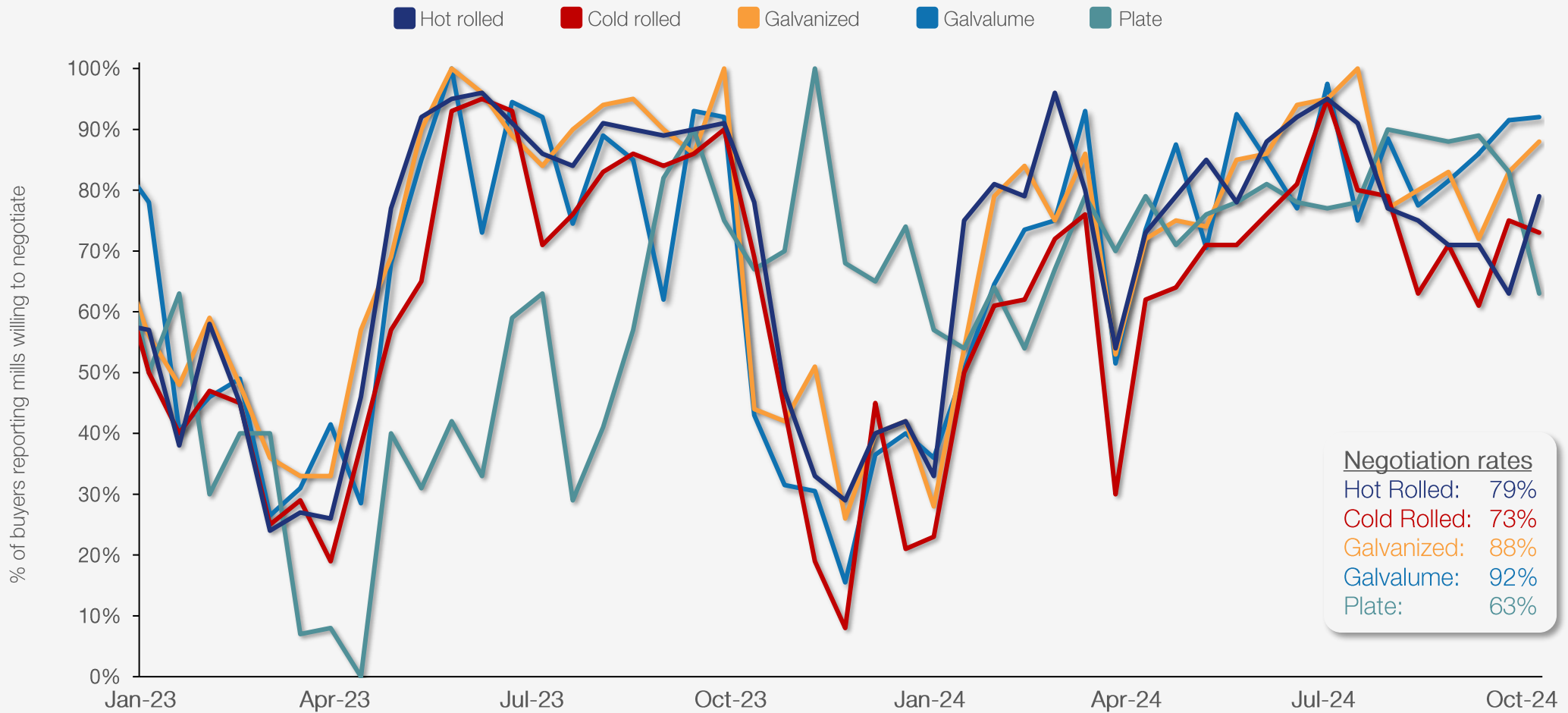
■ Extremely short
 ■ Shorter than normal
 ■ Normal
 ■ Slightly longer than normal
 ■ Highly extended

out of 100%



Steel mill negotiations

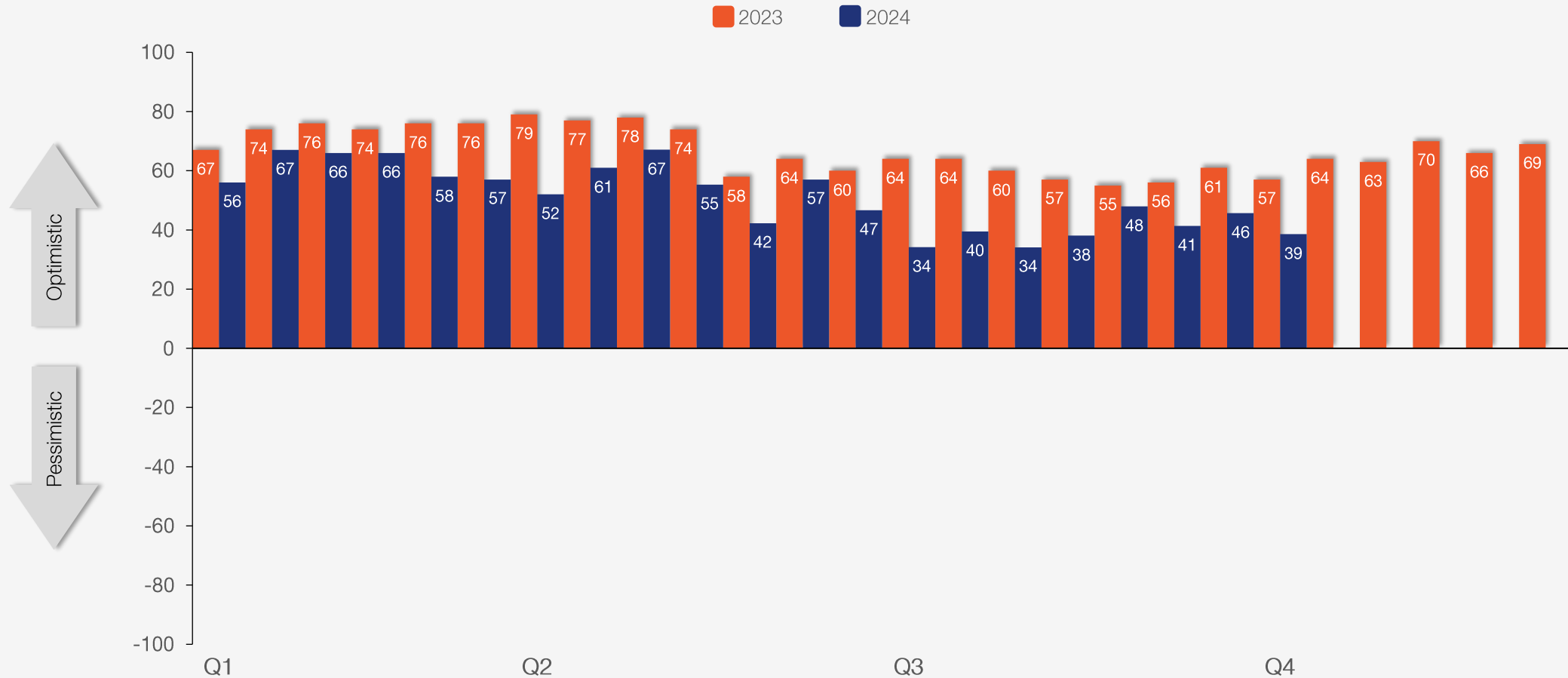
SMU's price negotiations on new steel orders by product through Oct. 9, 2024.



Steel buyers' sentiment

Down seven points to +39

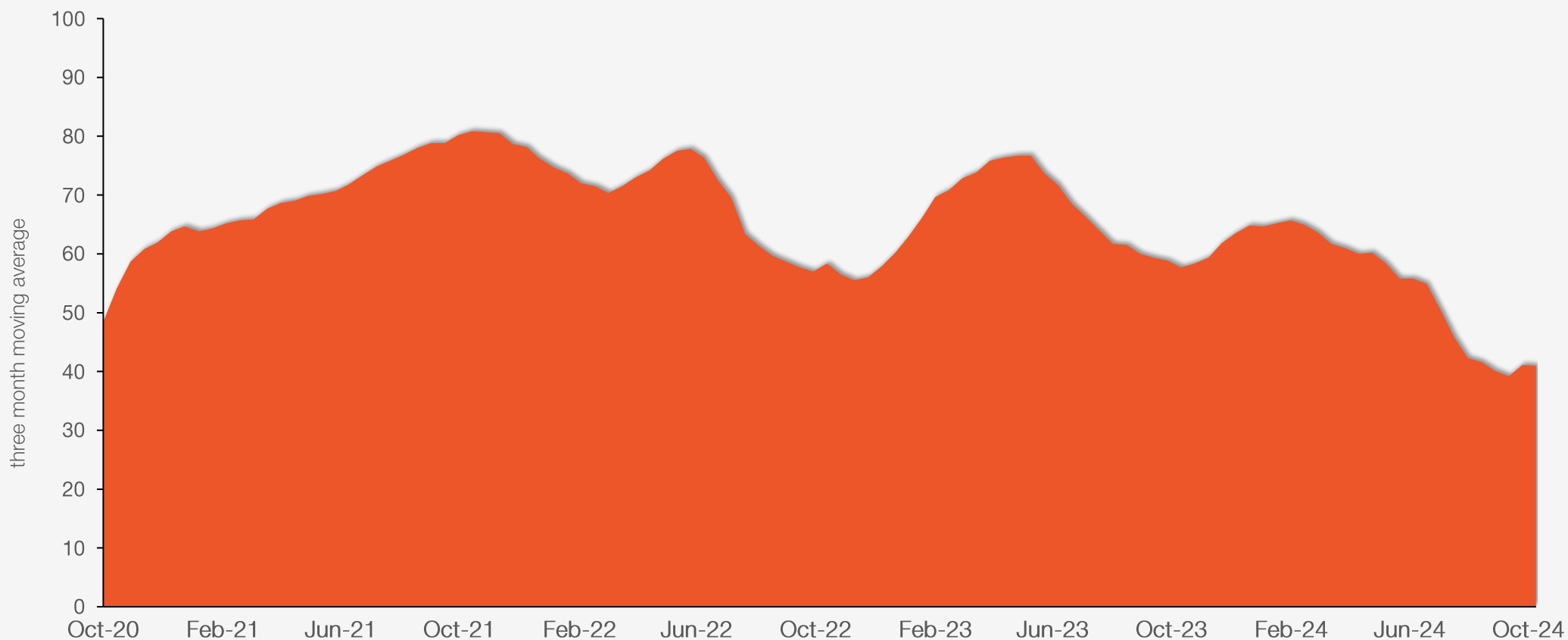
SMU's current steel buyers' sentiment index, with data through Oct. 9, 2024.



Steel buyers' sentiment

Three-month moving average at +40.96

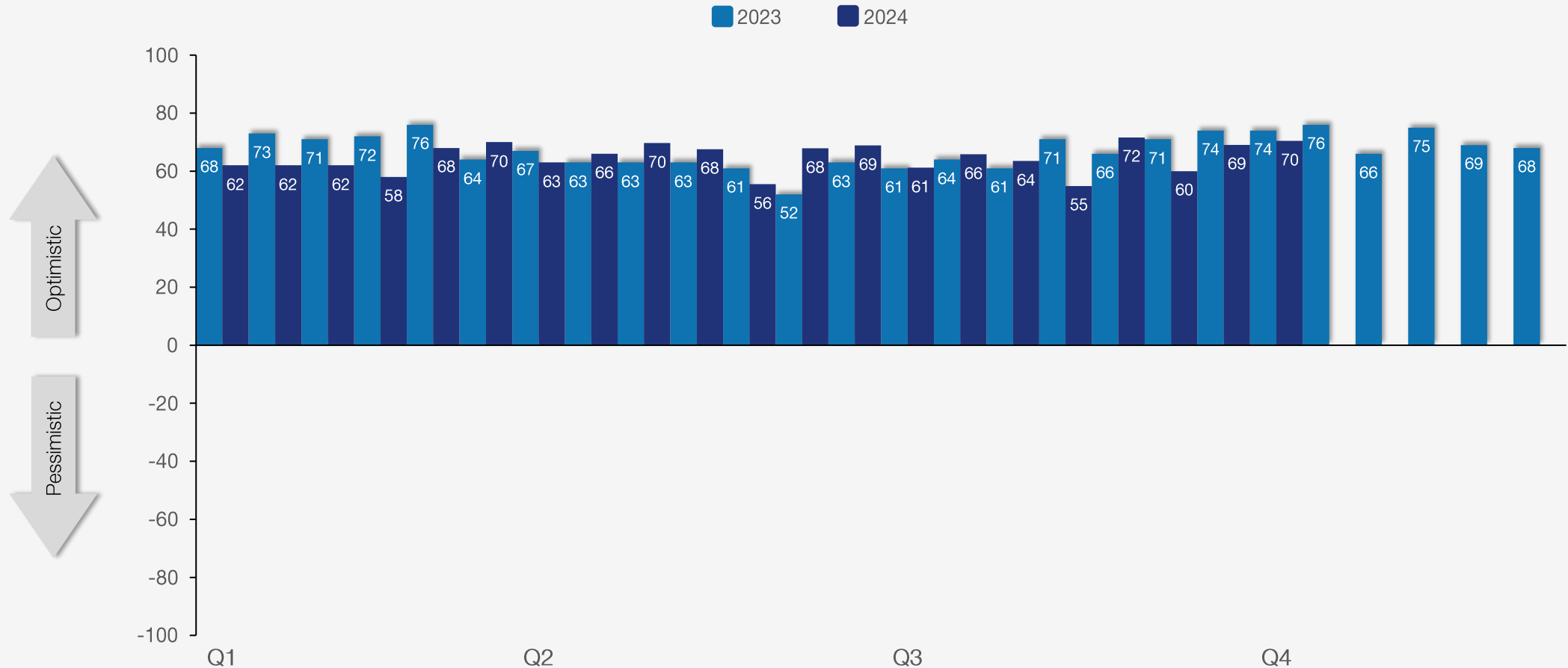
SMU's current 3MMA steel buyers' sentiment index, with data through Oct. 9, 2024.



Steel buyers' future sentiment

Up one point to +70

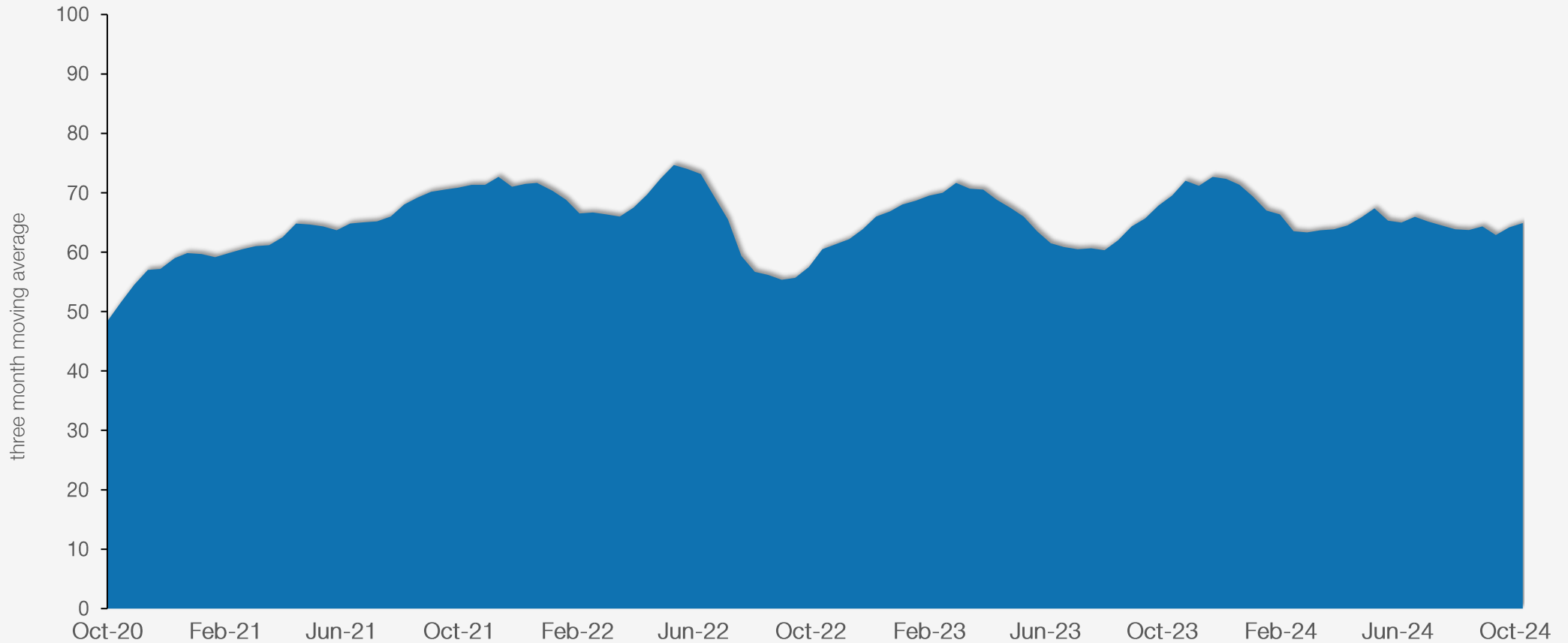
SMU's future steel buyers' sentiment index, with data through Oct. 9, 2024.



Steel buyers' future sentiment

Three-month moving average at +64.91

SMU's future 3MMA steel buyers' sentiment index, with data through Oct. 9, 2024.

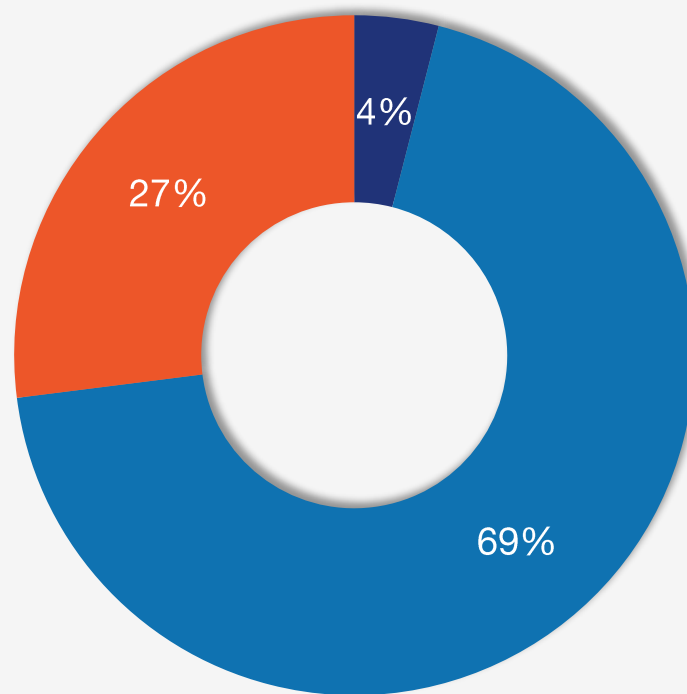


Overall demand

How is demand for your products?

■ Improving
 ■ Stable
 ■ Declining

Oct. 9, 2024

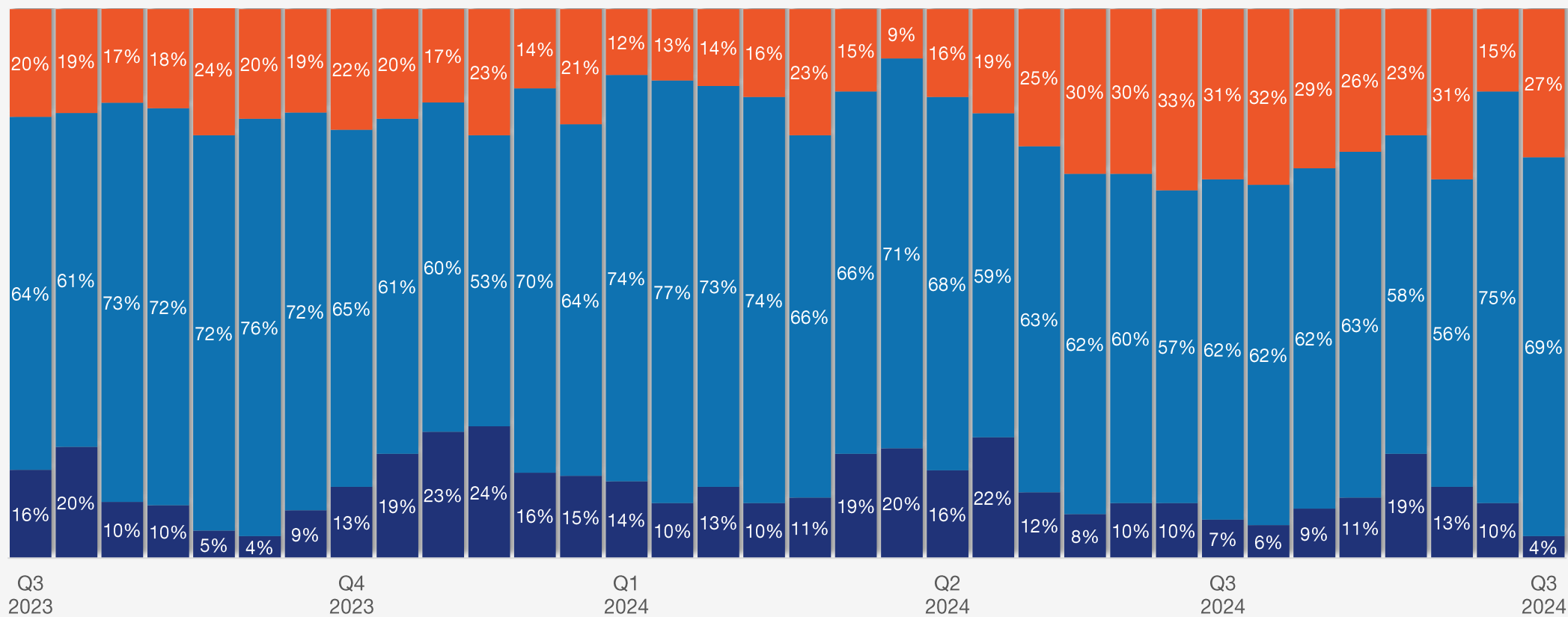


Overall demand history

How is demand for your products?

■ Improving
 ■ Stable
 ■ Declining

out of 100%



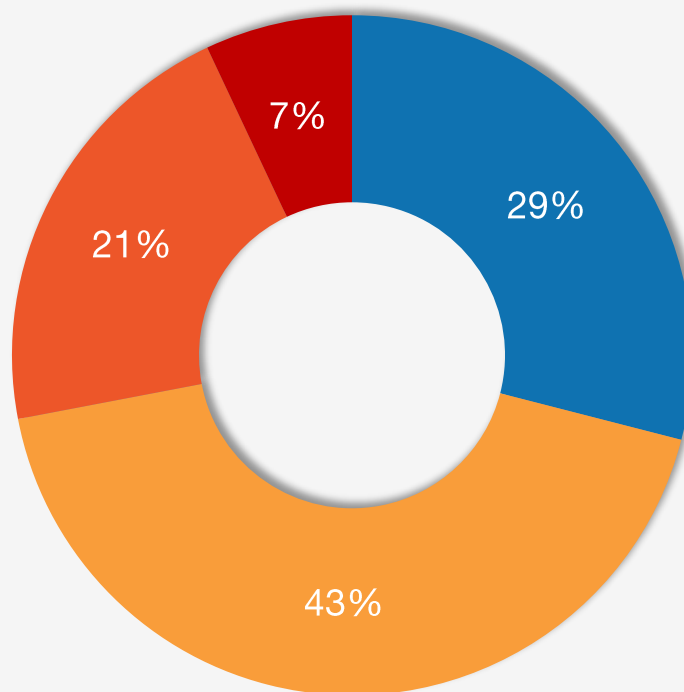
Manufacturer demand

Manufacturers

Demand for your products will _____ over the next three months based on current order flows.

■ Increase substantially
 ■ Increase marginally
 ■ Remain the same
 ■ Decline marginally
 ■ Decline substantially

Oct. 9, 2024



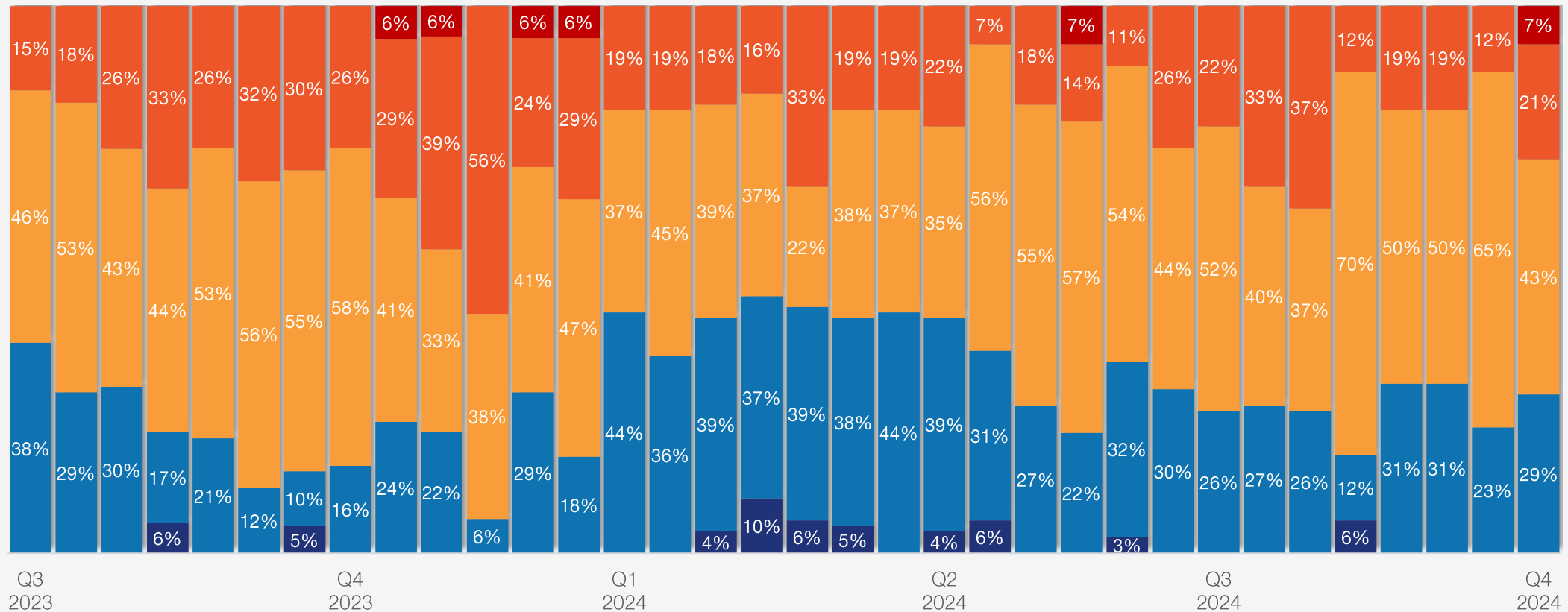
Manufacturer demand history

Manufacturers

Demand for your products will _____ over the next three months based on current order flows.

■ Increase substantially
 ■ Increase marginally
 ■ Remain the same
 ■ Decline marginally
 ■ Decline substantially

out of 100%



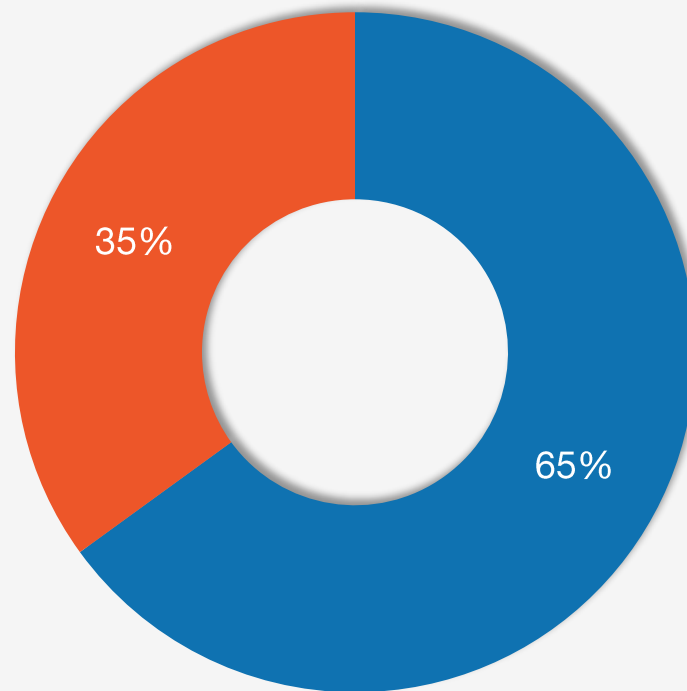
Service centers on manufacturer orders

Service centers

Are your manufacturing customers increasing orders, keeping them the same, or reducing orders?

■ Our mfg. customers are increasing orders ■ Our mfg. customers are maintaining orders ■ Our mfg. customers are reducing orders

Oct. 9, 2024



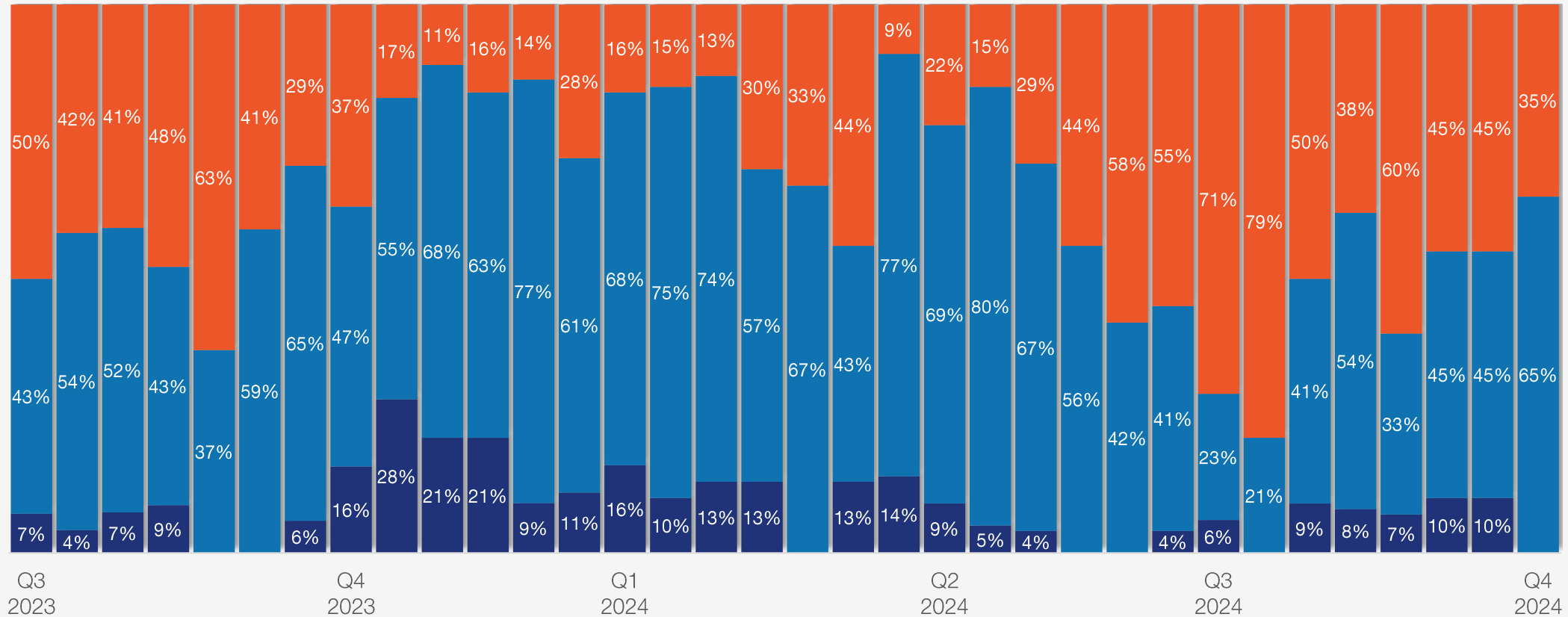
Service centers on manufacturer orders

Service centers

Are your manufacturing customers increasing orders, keeping them the same, or reducing orders?

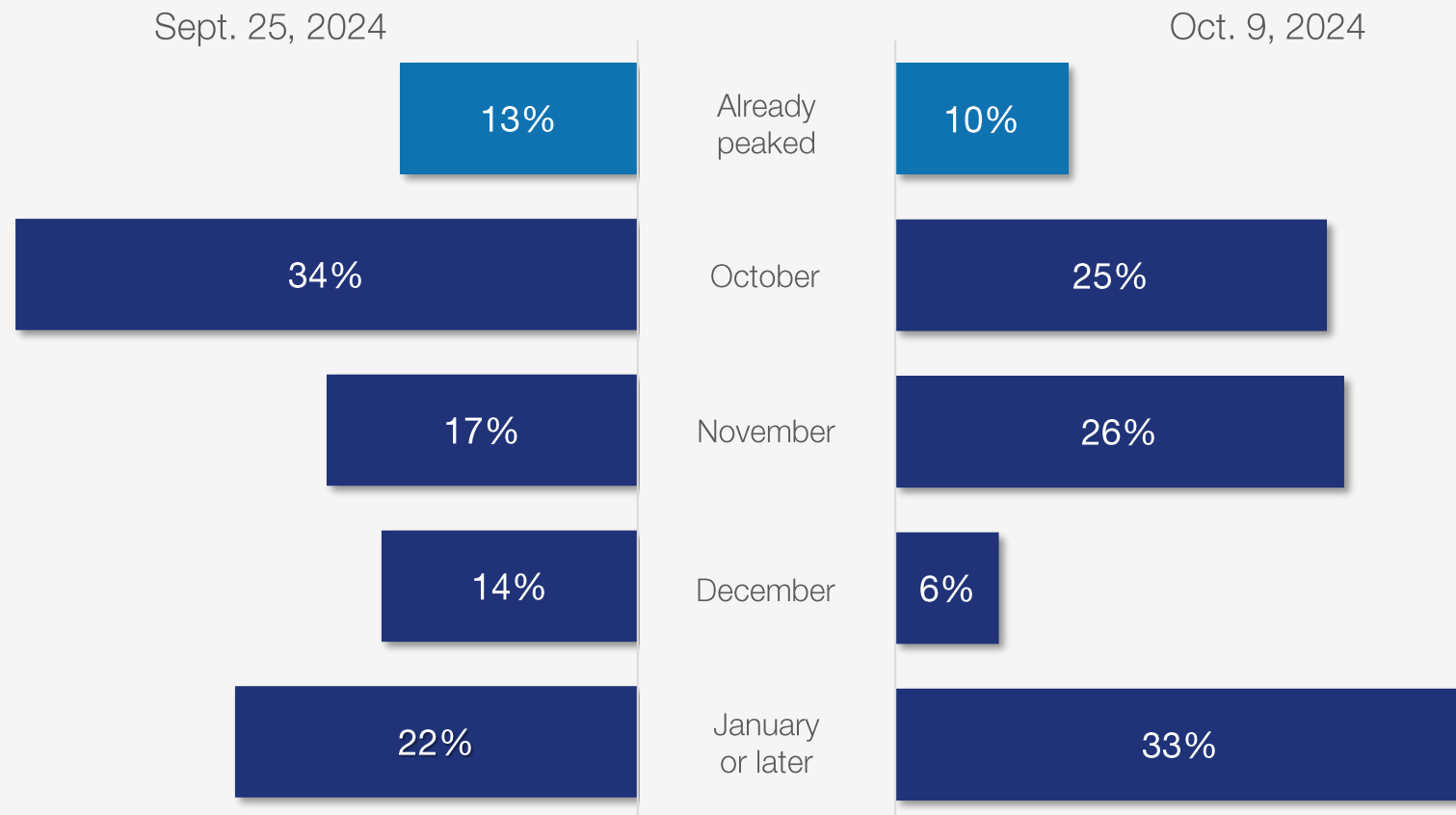
■ Our mfg. customers are increasing orders
 ■ Our mfg. customers are maintaining orders
 ■ Our mfg. customers are reducing orders

out of 100%



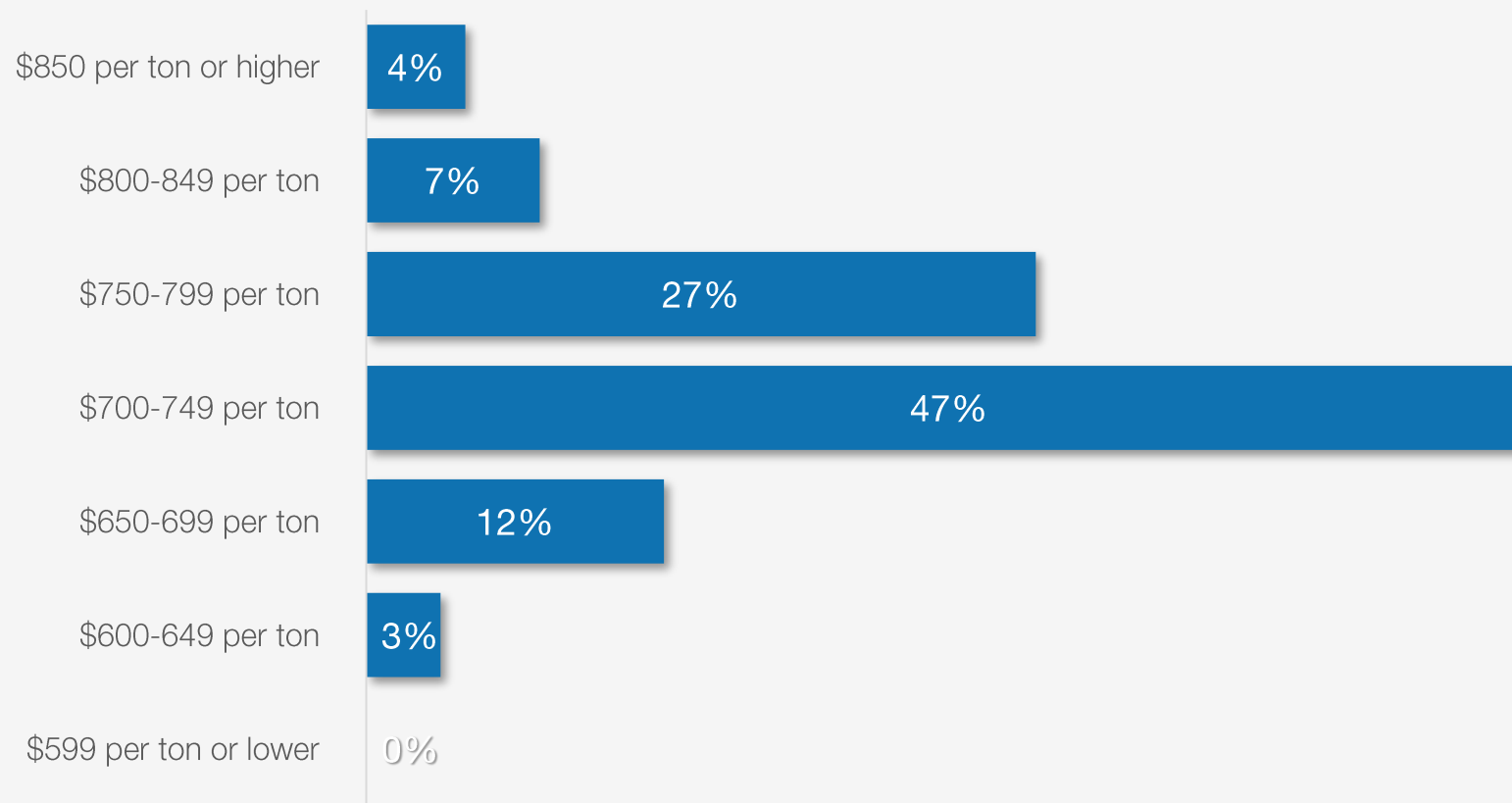
Hot rolled inflection point

When do you think steel prices will peak?



Future hot rolled prices

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



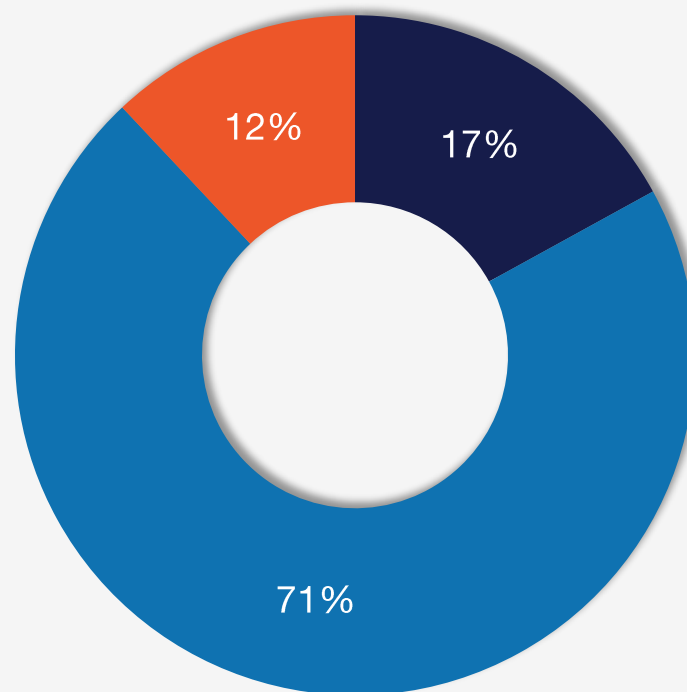
Manufacturers' view of service center selling prices

Manufacturers

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

- We see prices increasing from our service centers
- We see stable prices from our service centers
- We see prices decreasing from our service centers

Oct. 9, 2024



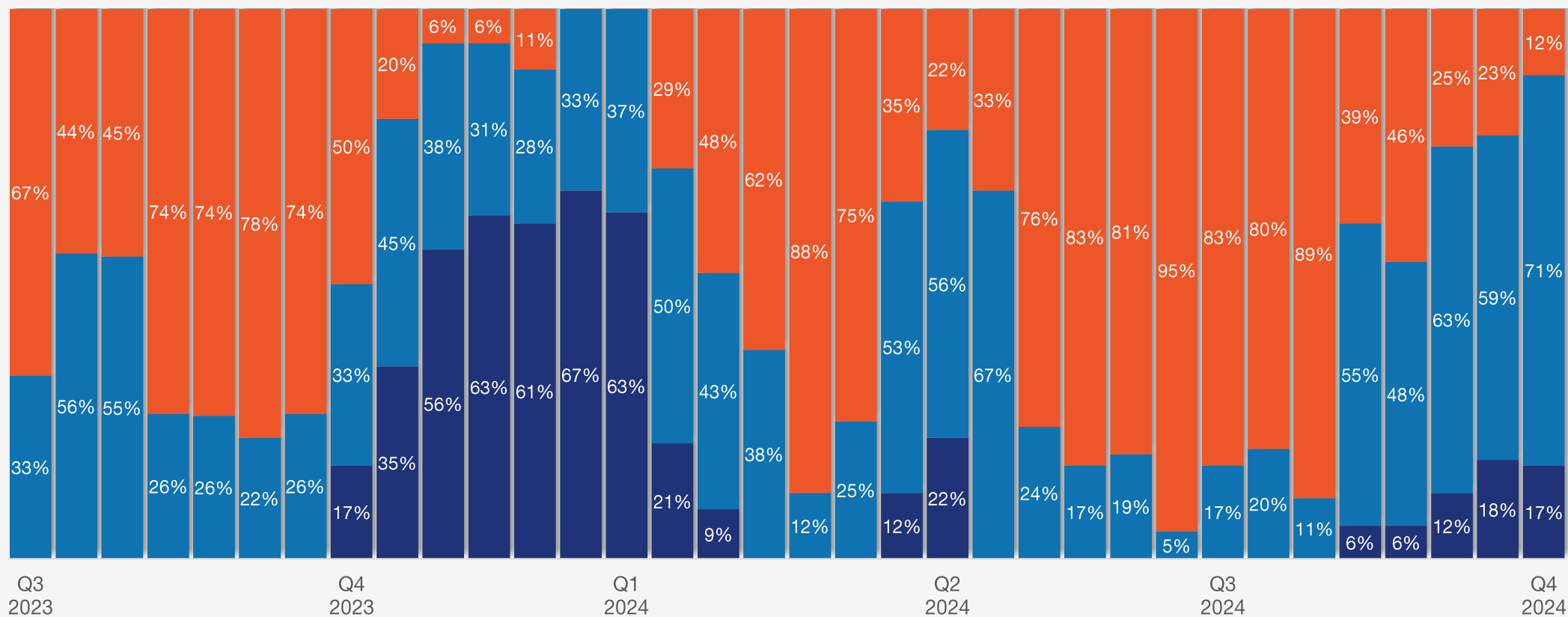
Manufacturers' view of service center selling prices history

Manufacturers

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

■ We see prices increasing from our service centers
 ■ We see stable prices from our service centers
 ■ We see prices decreasing from our service centers

out of 100%



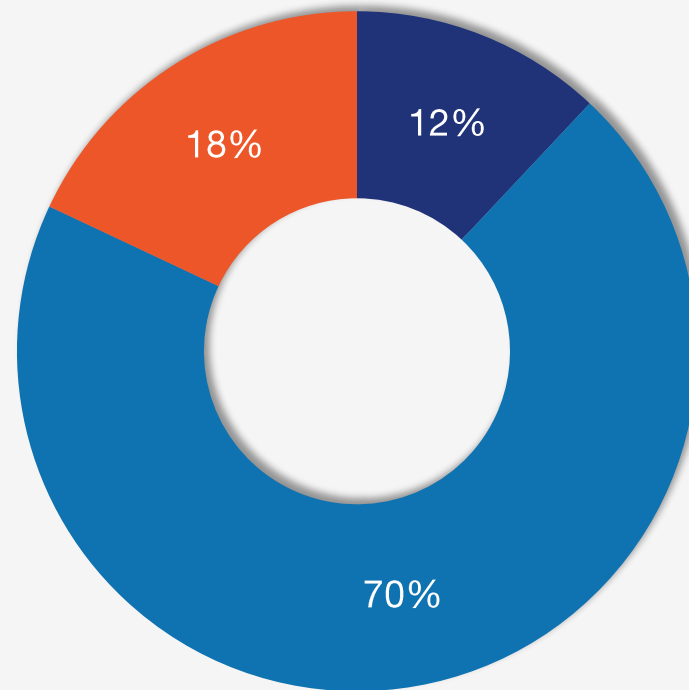
Service center view of selling prices

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

Oct. 9, 2024



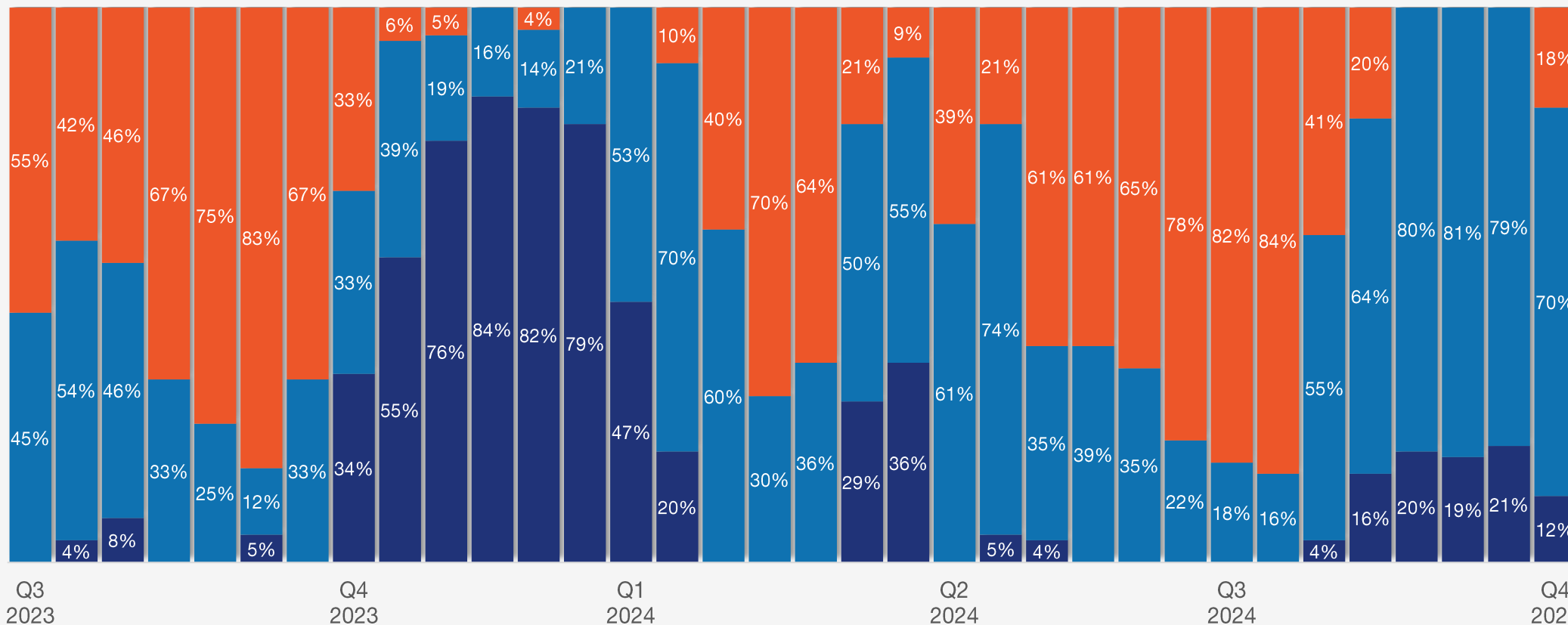
Service center view of selling prices history

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

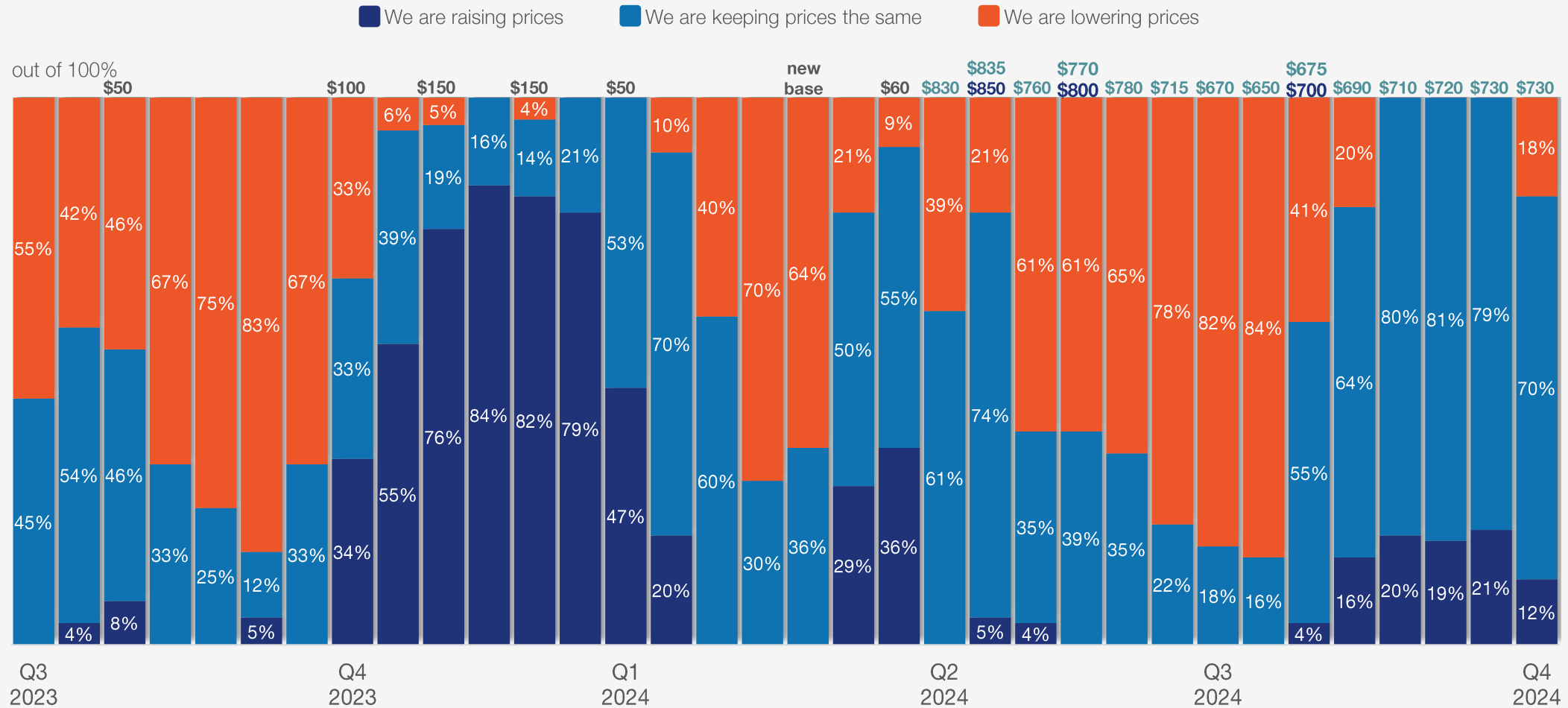
out of 100%



Service center view of selling prices history

Service centers

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

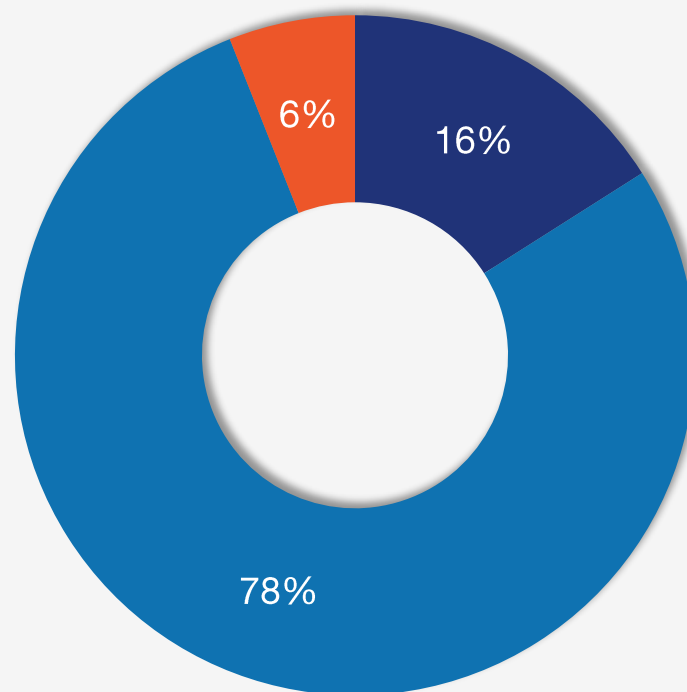


October scrap

Prime scrap prices in October will be:

■ Up
 ■ Sideways
 ■ Down

Oct. 9, 2024

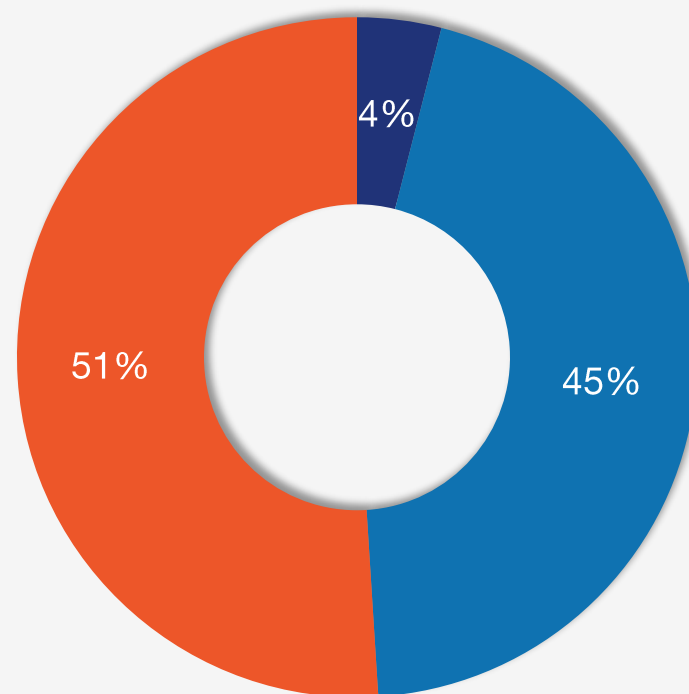


Business forecasts

How did your company perform last month compared to your forecast?

■ We exceeded forecast ■ We met forecast ■ We did not meet forecast

Oct. 9, 2024

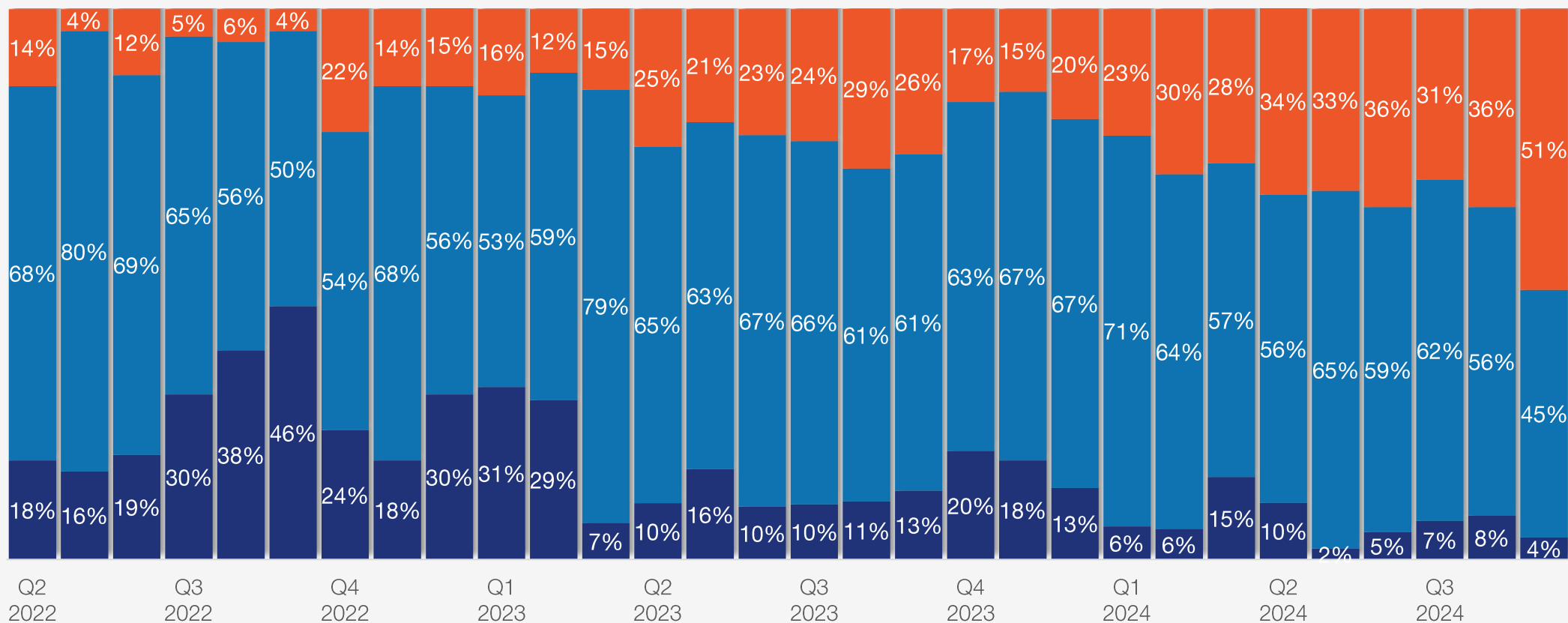


Business forecasts history

How did your company perform last month compared to your forecast?

■ We exceeded forecast
 ■ We met forecast
 ■ We did not meet forecast

out of 100%

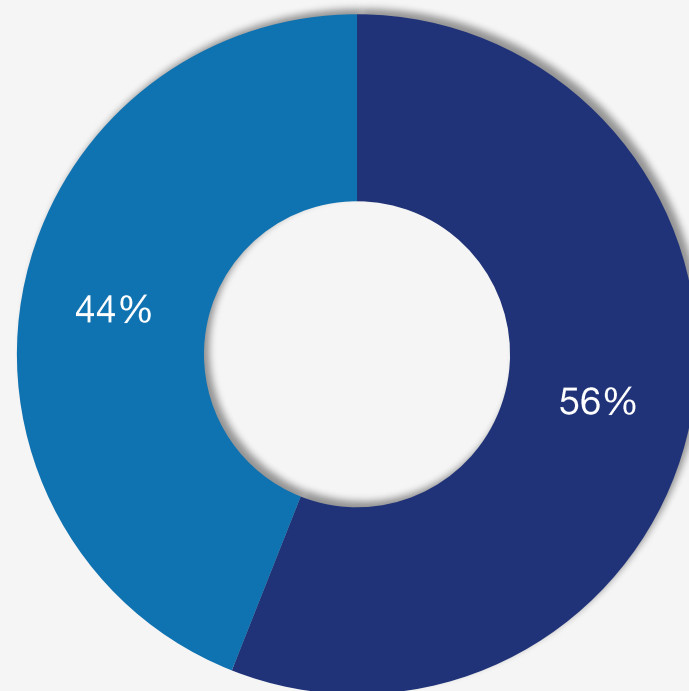


Staying on the sidelines?

Are you an active buyer or on the sidelines?

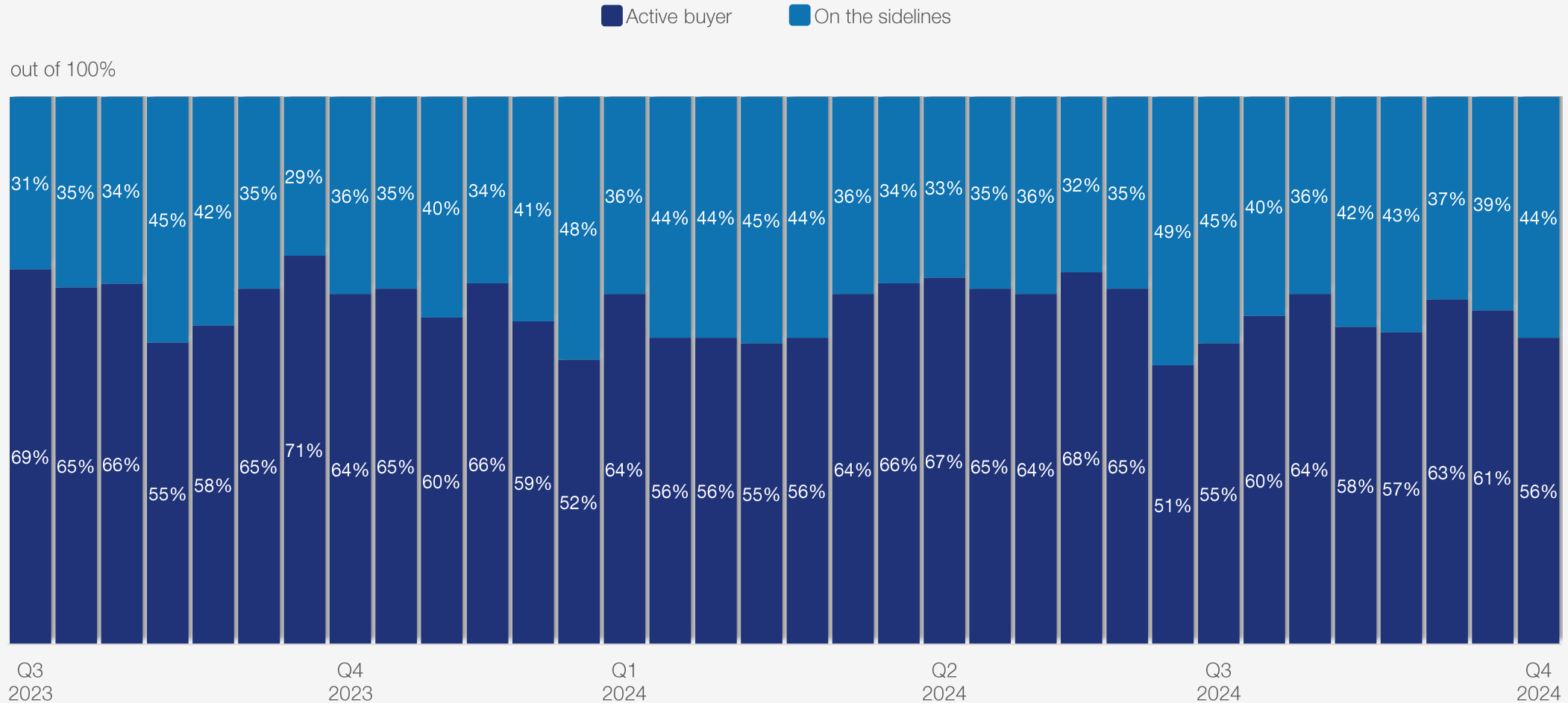
■ Active buyer ■ On the sidelines

Oct. 9, 2024



Staying on the sidelines history

Are you an active buyer or on the sidelines?



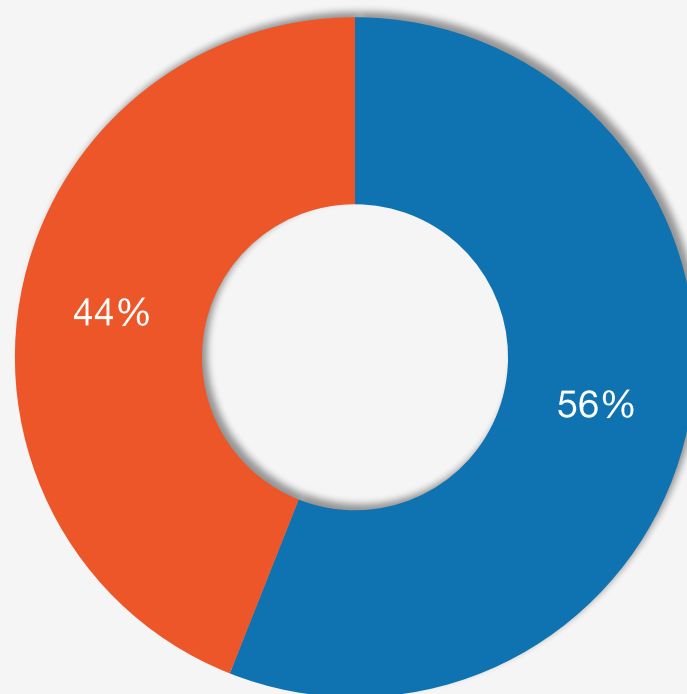
Manufacturer purchases

Manufacturers

Is your company buying more, less, or the same amount of flat-rolled steel compared to one year ago?

■ More ■ Same ■ Less

Oct. 9, 2024



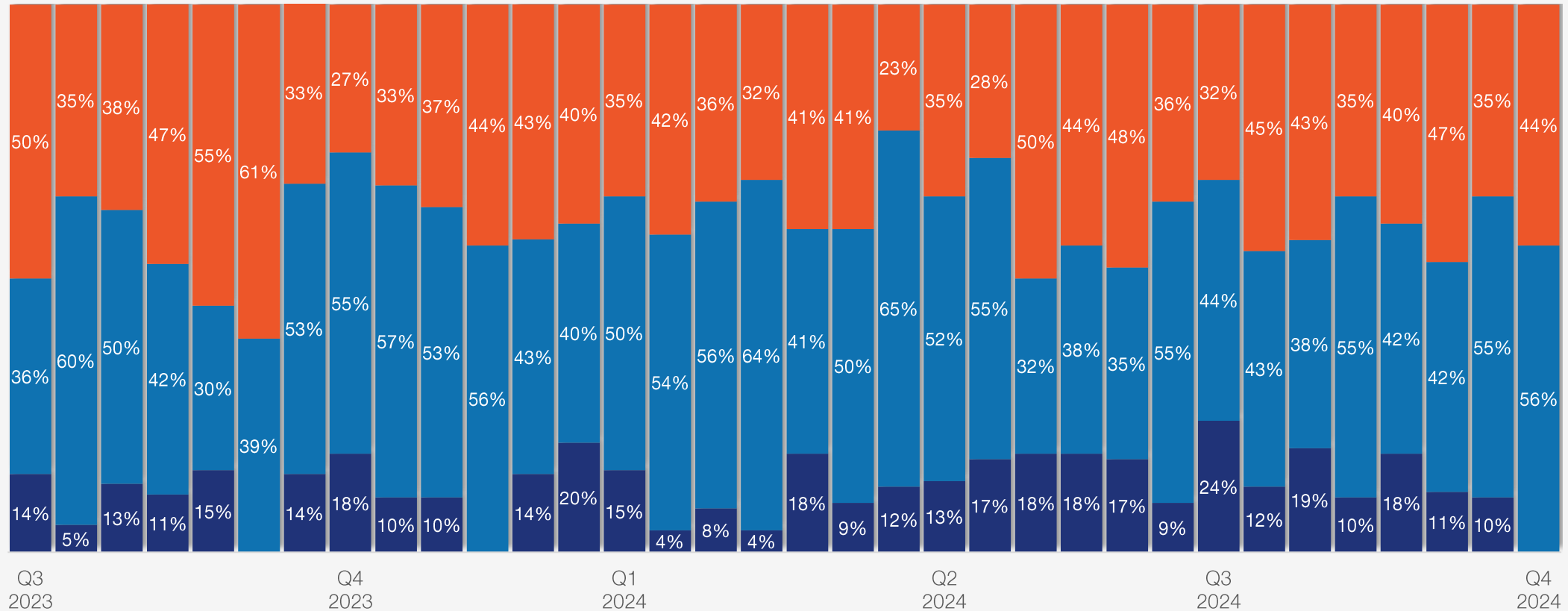
Manufacturer purchases history

Manufacturers

Is your company buying more, less, or the same amount of flat-rolled steel compared to one year ago?

More Same Less

out of 100%



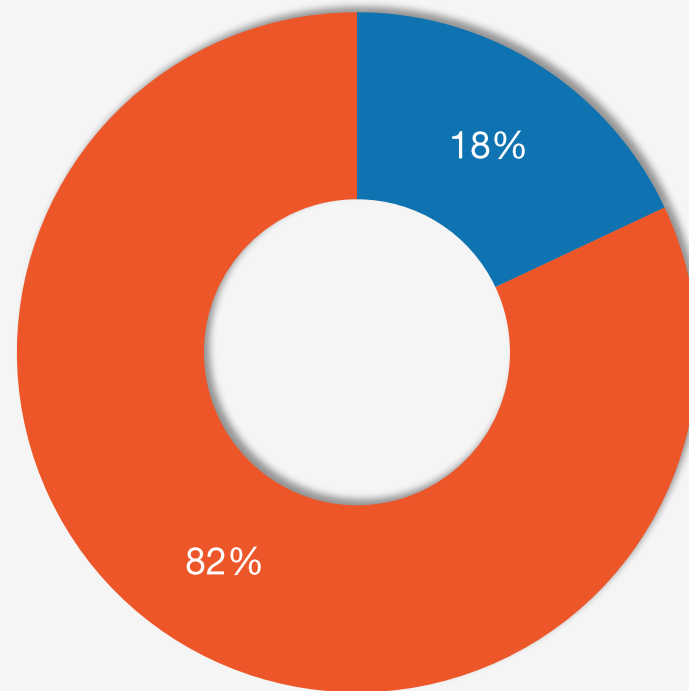
Service center releases

Service centers

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

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

Oct. 9, 2024



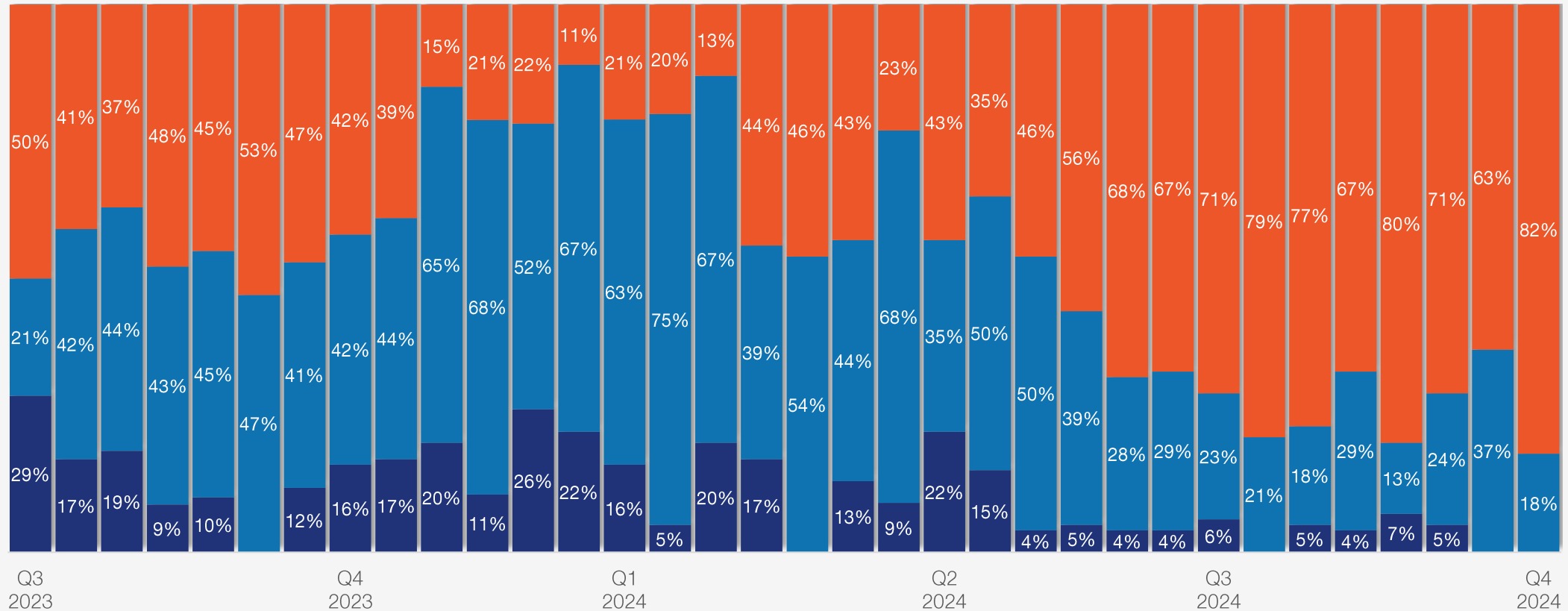
Service center releases history

Service centers

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

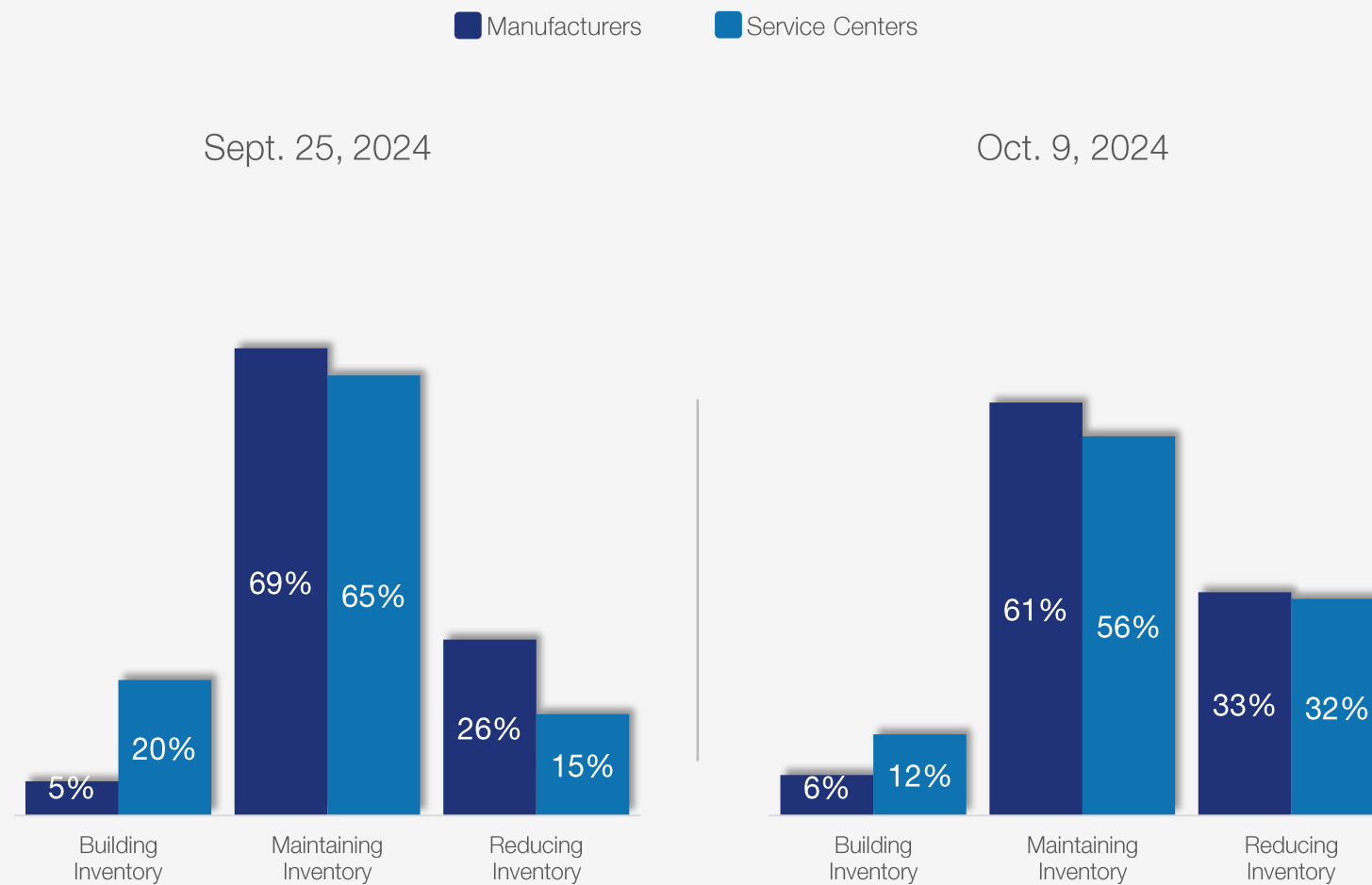
■ Releasing more steel
 ■ Releasing the same amount of steel
 ■ Releasing less steel

out of 100%



Manufacturer and service center inventory buying patterns

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



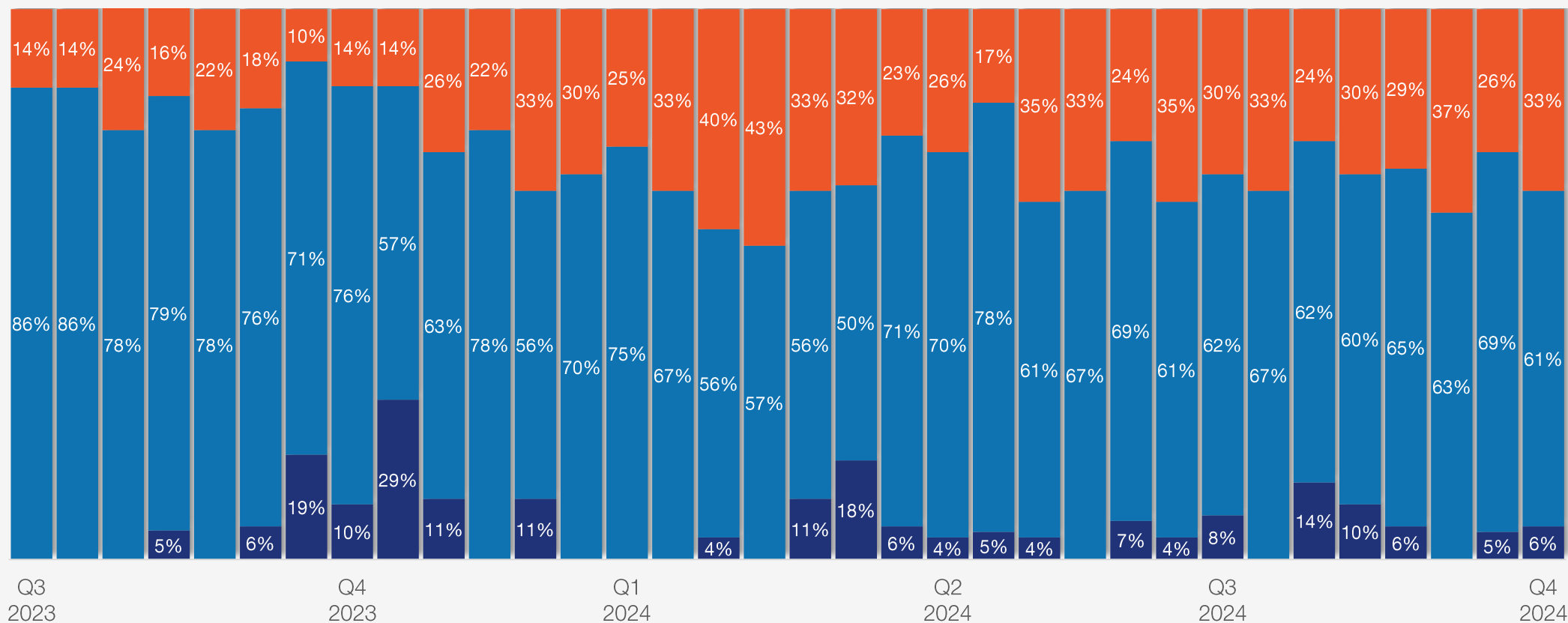
Manufacturer inventory buying history

Manufacturers

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

■ Building inventory
 ■ Maintaining inventory
 ■ Reducing inventory

out of 100%



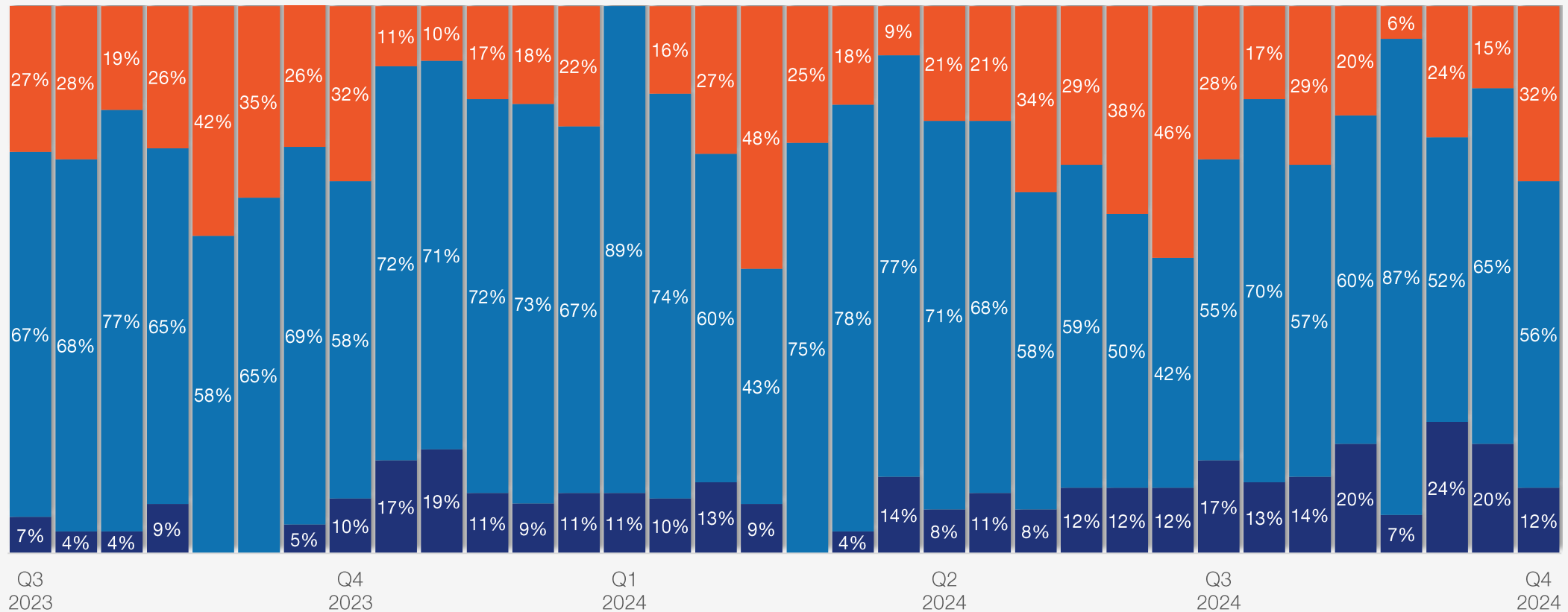
Service center inventory buying history

Service centers

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

■ Building inventory
 ■ Maintaining inventory
 ■ Reducing inventory

out of 100%

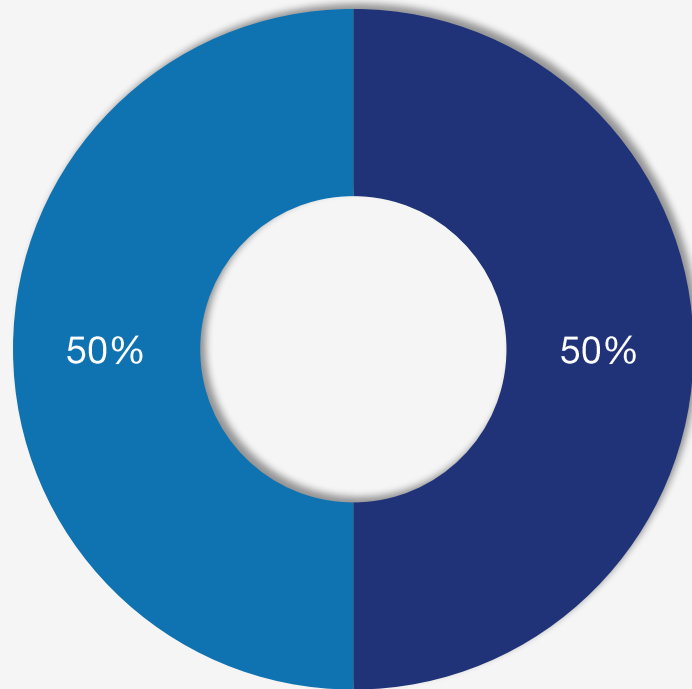


Foreign steel purchases

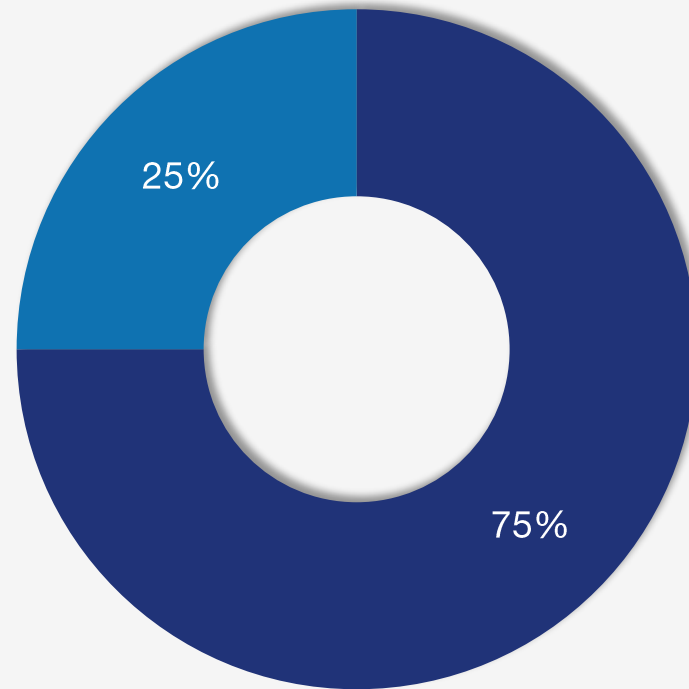
Does your company buy foreign (offshore) steel?

■ Yes ■ No

Manufacturers



Service centers

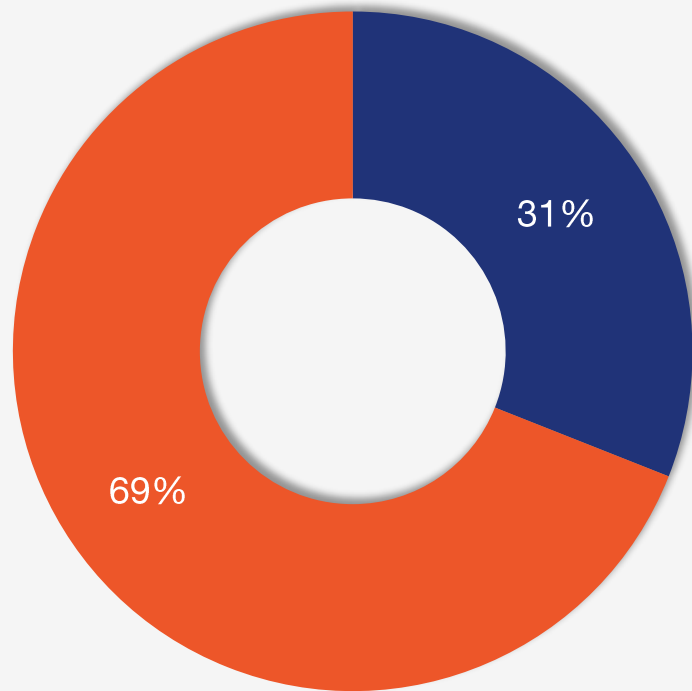


New foreign steel orders

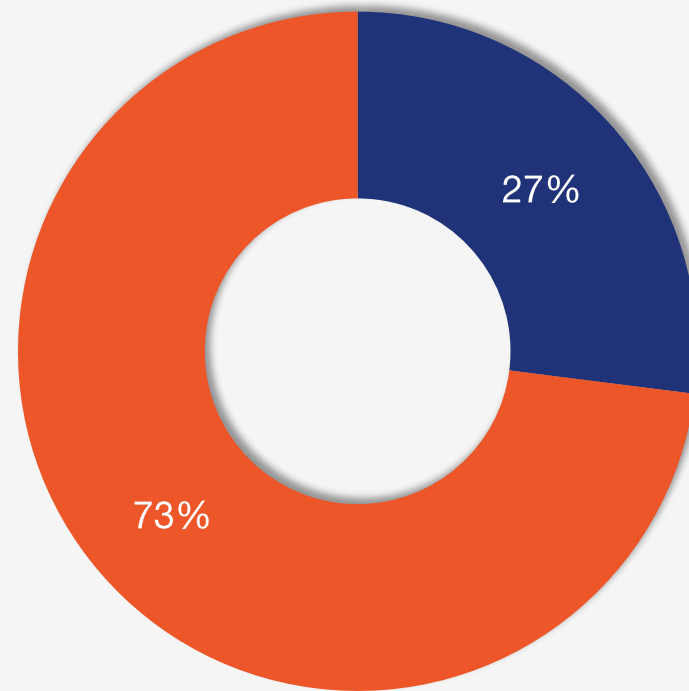
Are you buying new orders of foreign steel for future delivery?

■ Yes ■ No

Manufacturers



Service centers

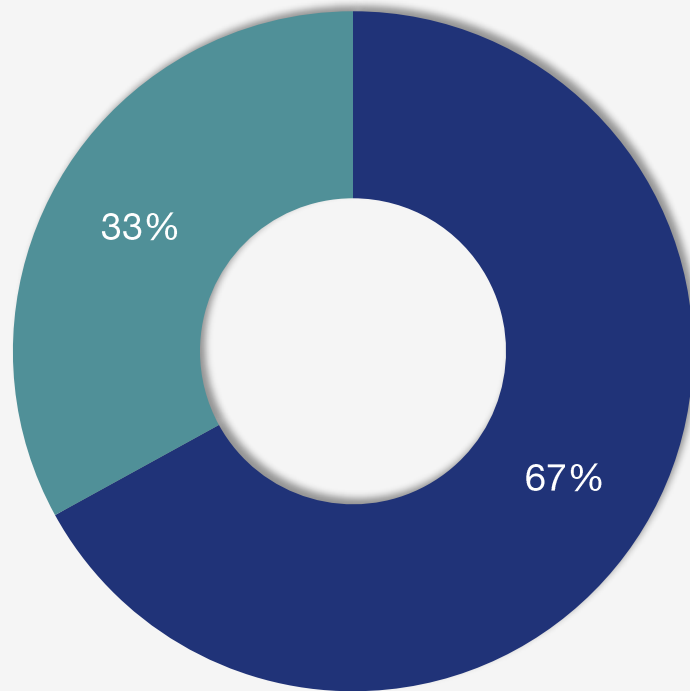


Foreign steel competitiveness

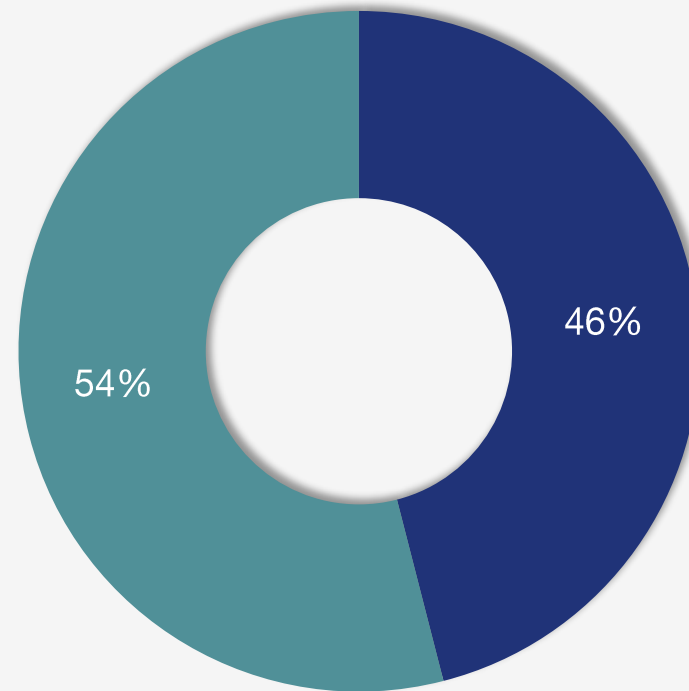
Are your foreign steel suppliers quoting you competitive prices for new orders for future delivery?

■ Yes ■ No

Manufacturers



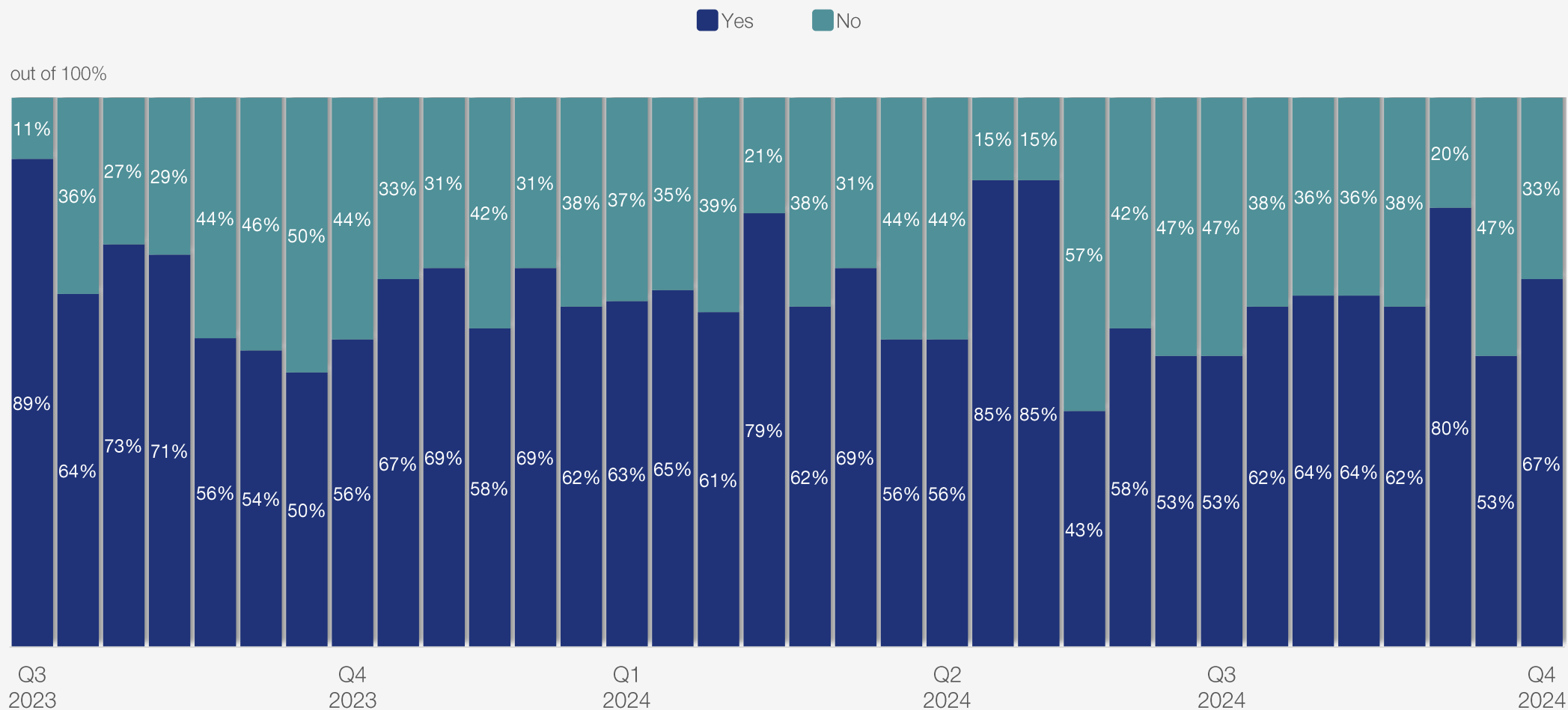
Service centers



Foreign steel competitiveness

Manufacturers

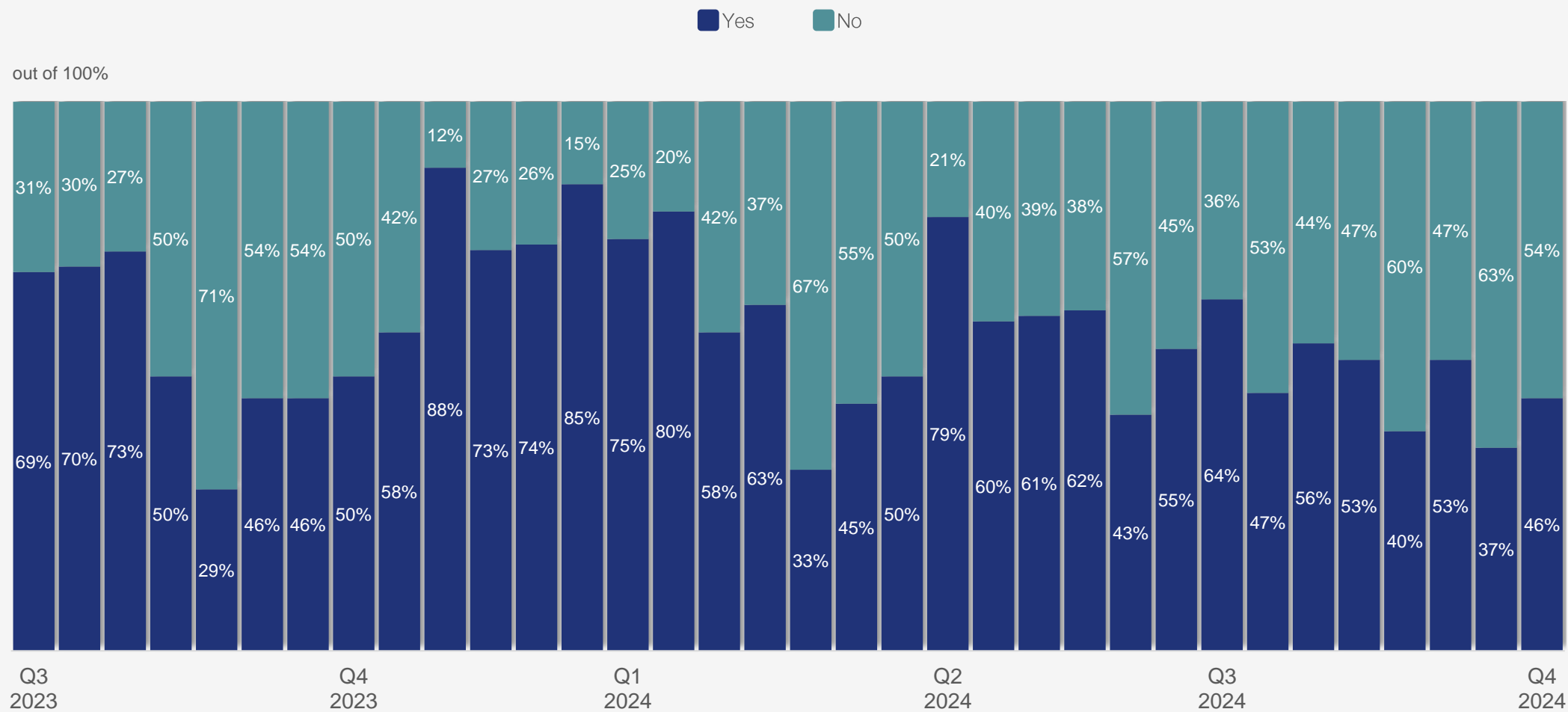
Are your foreign steel suppliers quoting you competitive prices for new orders for future delivery?



Foreign steel competitiveness

Service centers

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

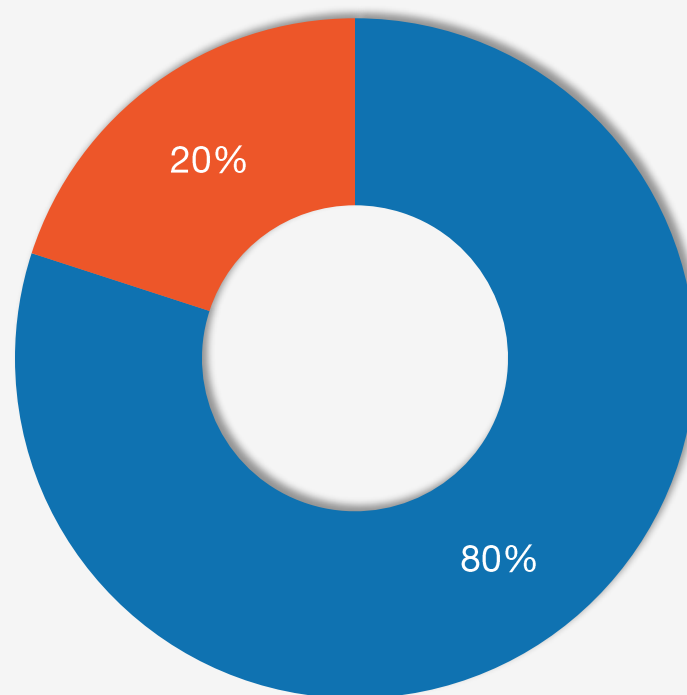


Steel mills

Is the current order book at your mill better or worse than last month?*

■ Better
 ■ Same
 ■ Worse

Oct. 9, 2024



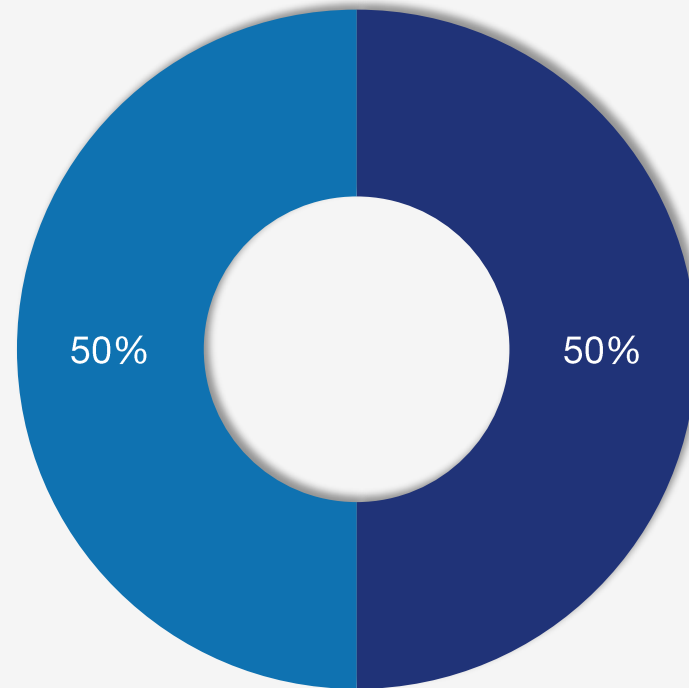
*Limited number of responses to this question

Trading companies

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

■ Increase ■ Decrease

Oct. 9, 2024



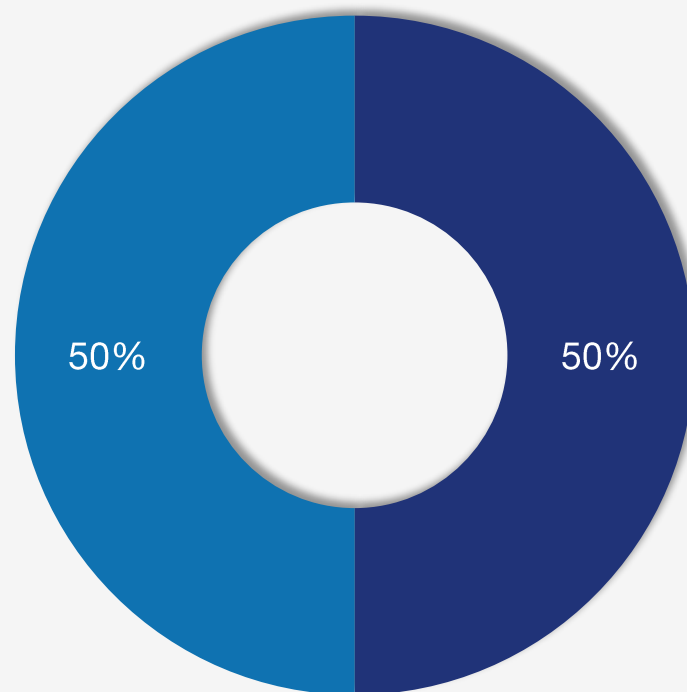
*Limited number of responses to this question

Trading companies

Are foreign products attractive to US buyers?*

■ Yes ■ No

Oct. 9, 2024



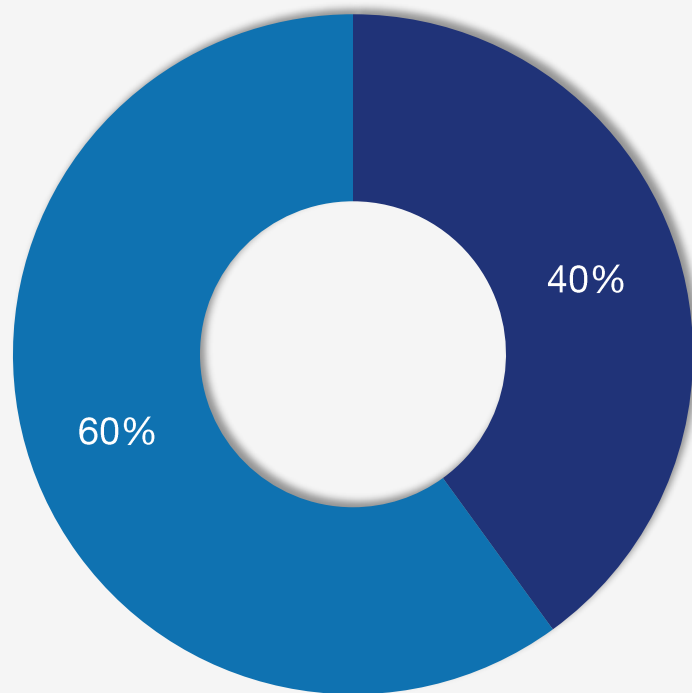
*Limited number of responses to this question

Trading companies on hot rolled and cold rolled

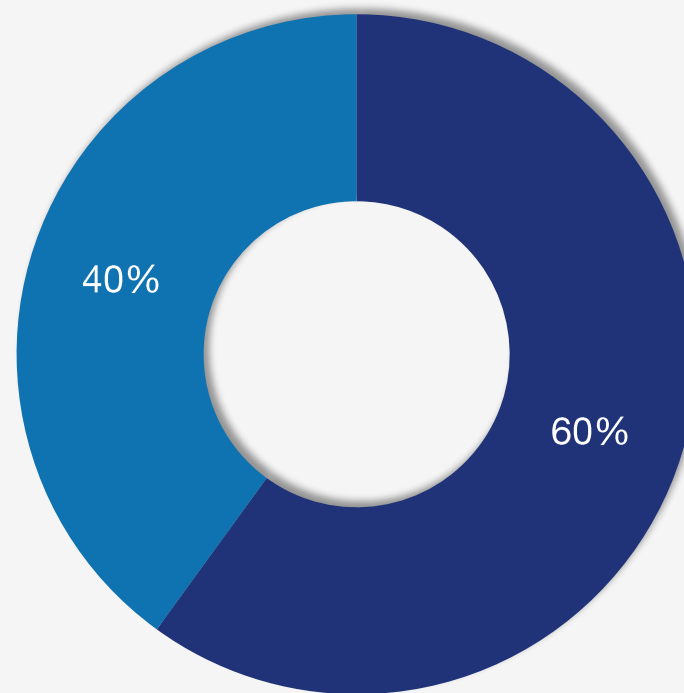
Are you able to offer pricing that attracts buyers right now?*

■ Yes ■ No

Hot-rolled coil



Cold-rolled coil

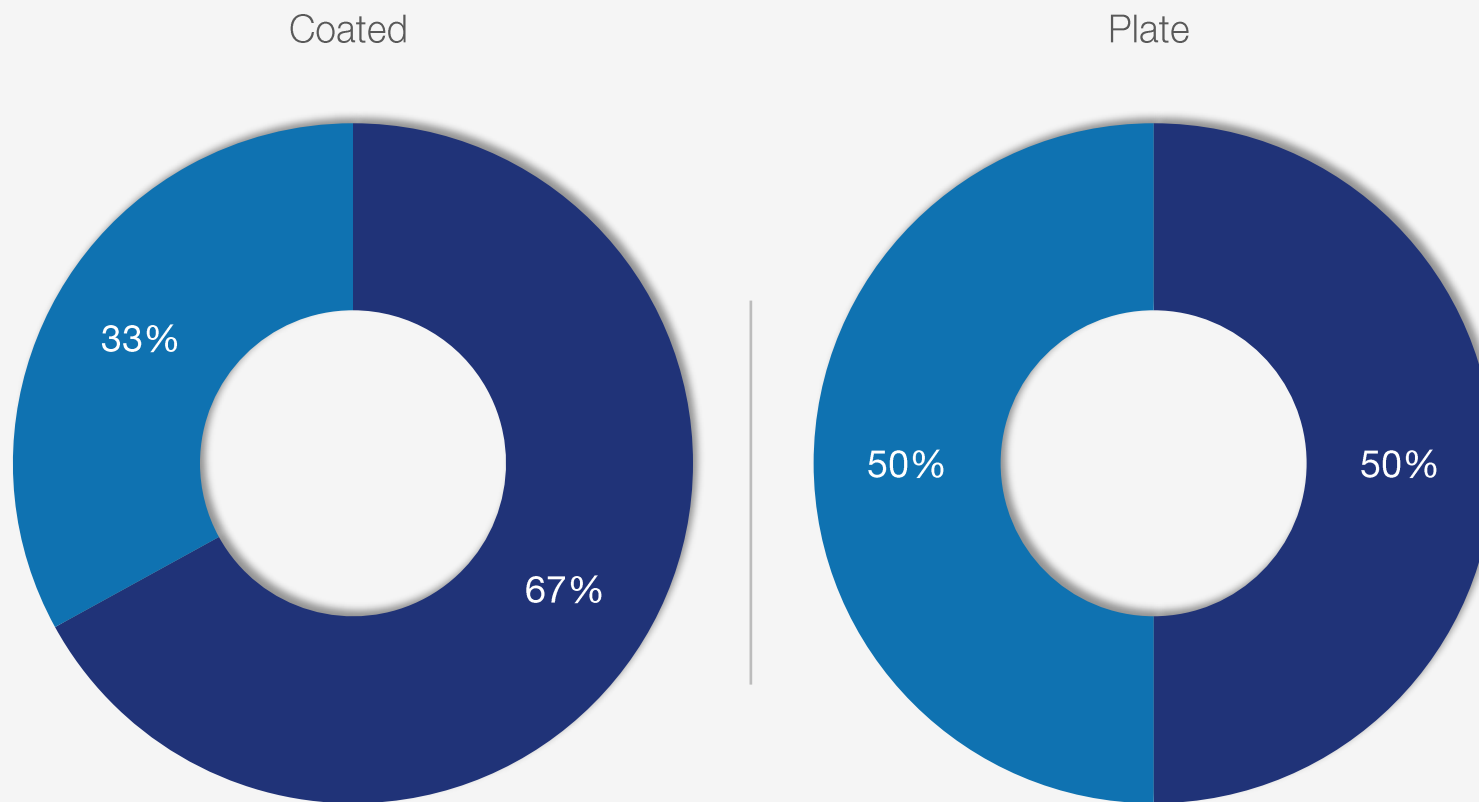


*Limited number of responses to this question

Trading companies on coated and plate products

Are you able to offer pricing that attracts buyers right now?*

■ Yes ■ No



*Limited number of responses to this question

Questions?

If you have any questions regarding the information presented here, please get in touch with us at info@steelmarketupdate.com.

We always appreciate referrals. Tell your friends, suppliers, and customers to sign up for a free trial. Contact luis.corona@crugroup.com

When you need answers...
www.steelmarketupdate.com

Look for our next survey on Oct. 25, 2024

If you would like to participate in our survey, please contact david@steelmarketupdate.com

