



Steel Market Update
Community Chat

CRU

Featuring:

Josh Spoores
Head of Steel Analysis Americas
CRU

Feb. 19, 2025 // Michael Cowden, Editor-in-Chief

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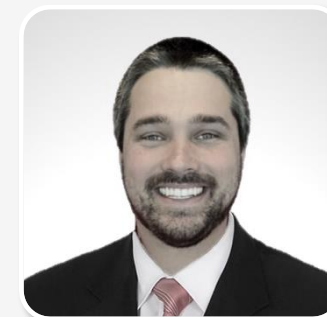
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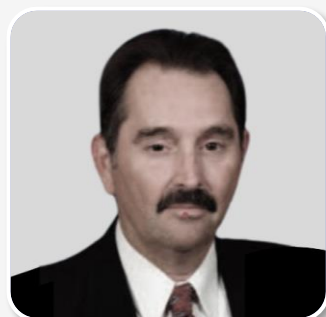
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The SMU newsletter was developed for active buyers and sellers of flat-rolled steel.

Prices | Momentum | Sentiment
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Upcoming events



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



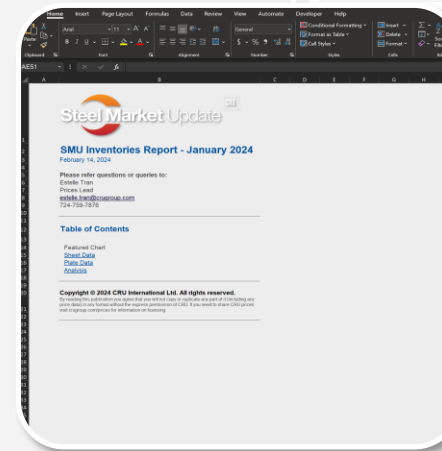
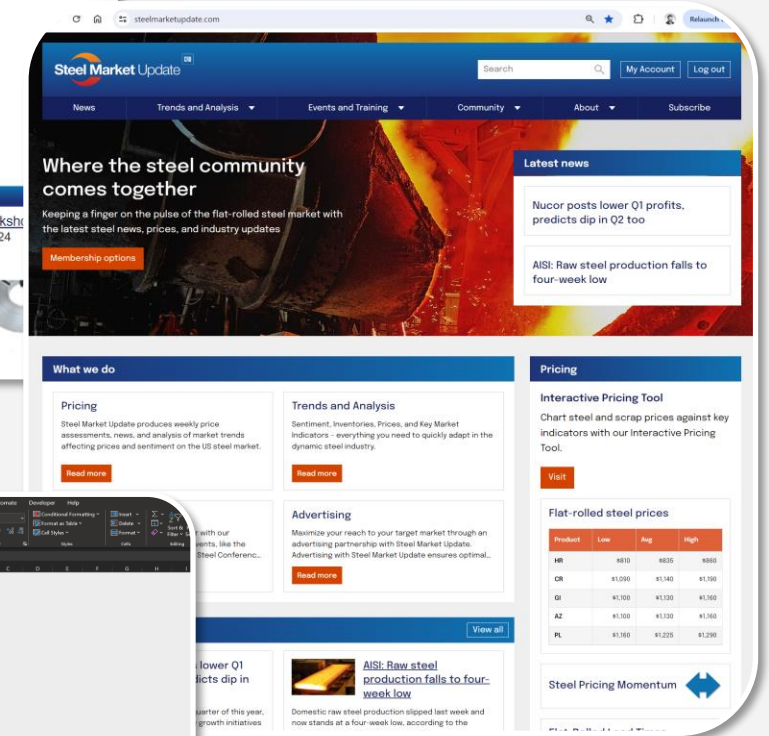
Steel Summit 2025
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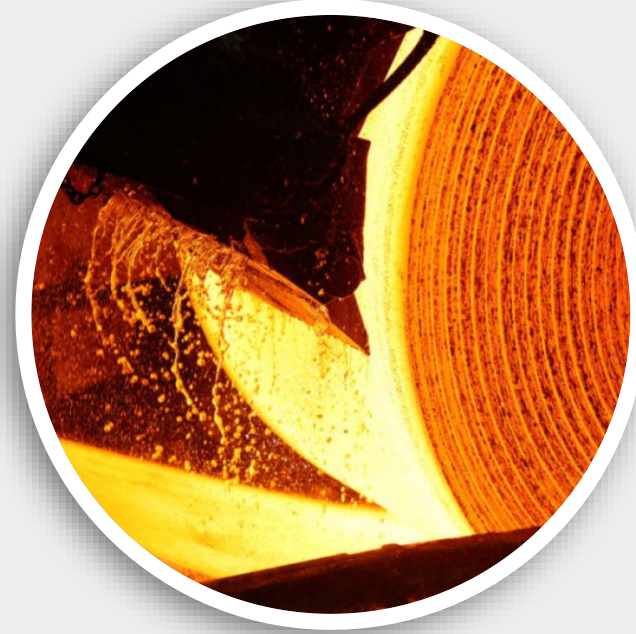
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- *Membership tiers from up to 4, and unlimited*





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

Contact david@steelmarketupdate.com for participation information.



Recent headlines

Trump officially orders sweeping 25% tariff on steel, aluminum

Section 232 tariffs are headed downstream

Trump to place 25% tariffs on Canada and Mexico, 10% on China

Steel groups from Canada, Mexico, Europe call for tariff retaliation

SMU price ranges: Sheet and plate on a rocket ship to the moon (or Mars)

HRC and scrap futures: Markets pop on hot steel and tariff headlines

CORE AD/CVD timeline update

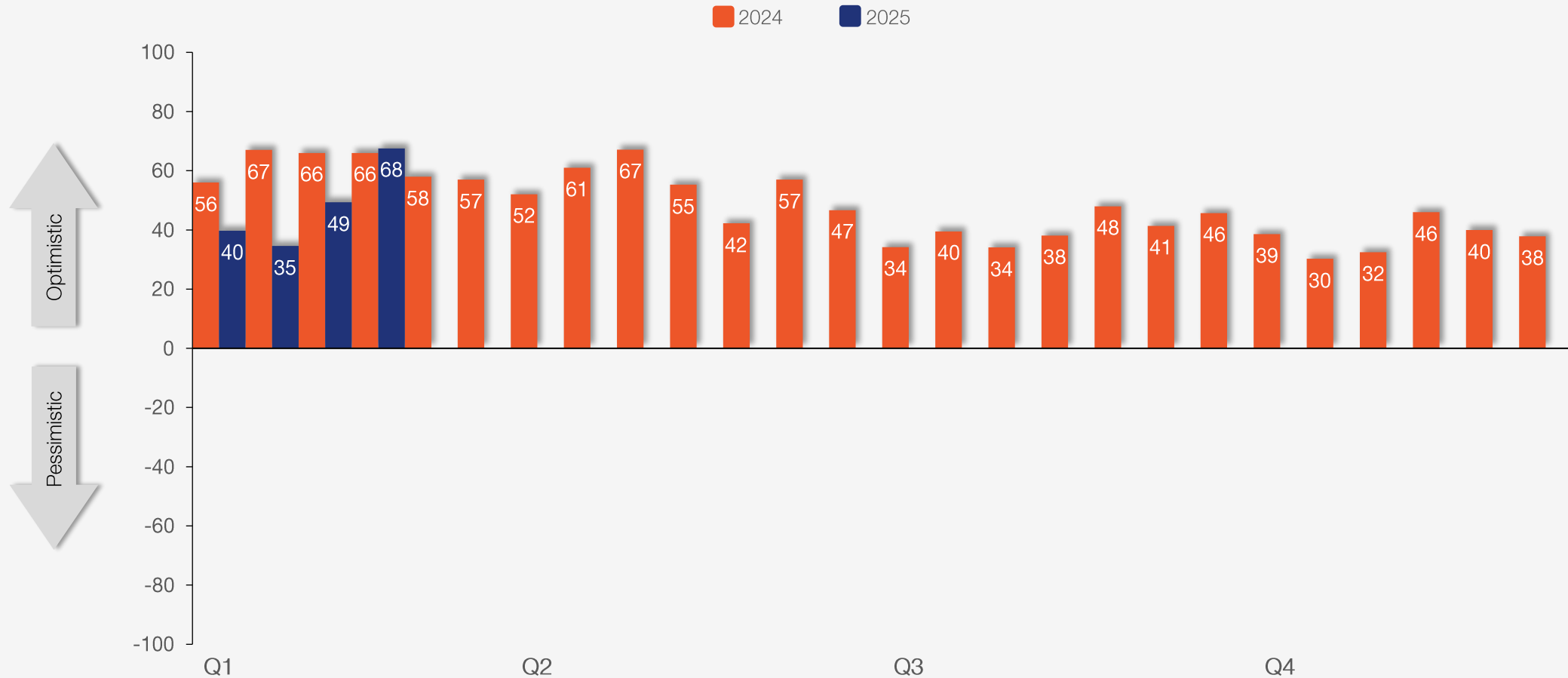
Prelim CVDs just day away here, ADs in early April

CORE trade case event	Current due date	Potential due date (if case alignments approved)
DOC preliminary CVD margin determination	Feb. 3	Feb. 3
DOC preliminary AD margin determination	April 3	April 3
DOC final CVD margin determination	April 19	June 17
DOC final AD margin determination	April 28	June 17
ITC final CVD injury determination	June 3	Aug. 1
ITC final AD injury determination	June 12	Aug. 1

Steel buyers' sentiment

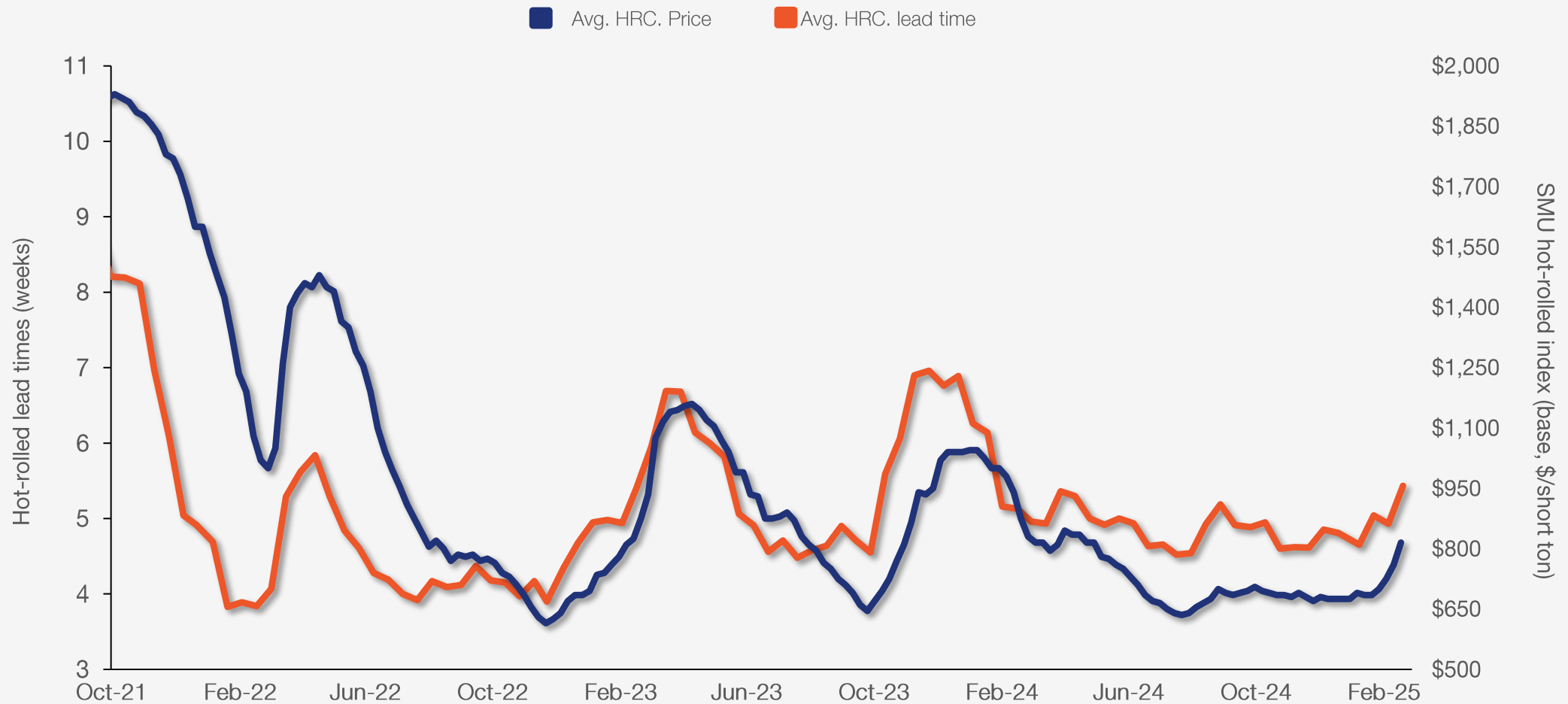
Up 19 points to +68

SMU's current steel buyers' sentiment index, with data through Feb. 18, 2025.



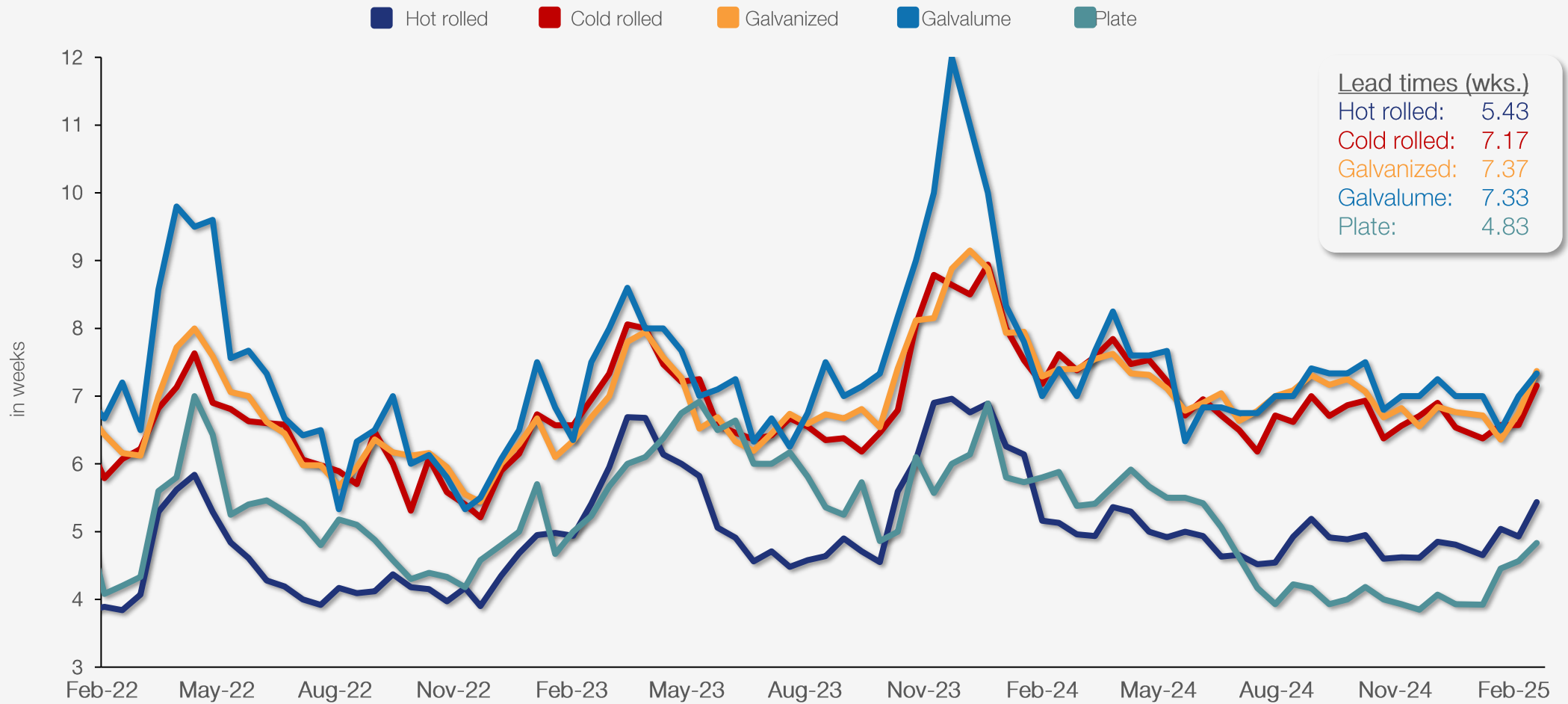
Hot-rolled steel prices vs. lead times

SMU's hot-rolled steel prices and lead times, data through Feb. 18, 2025.



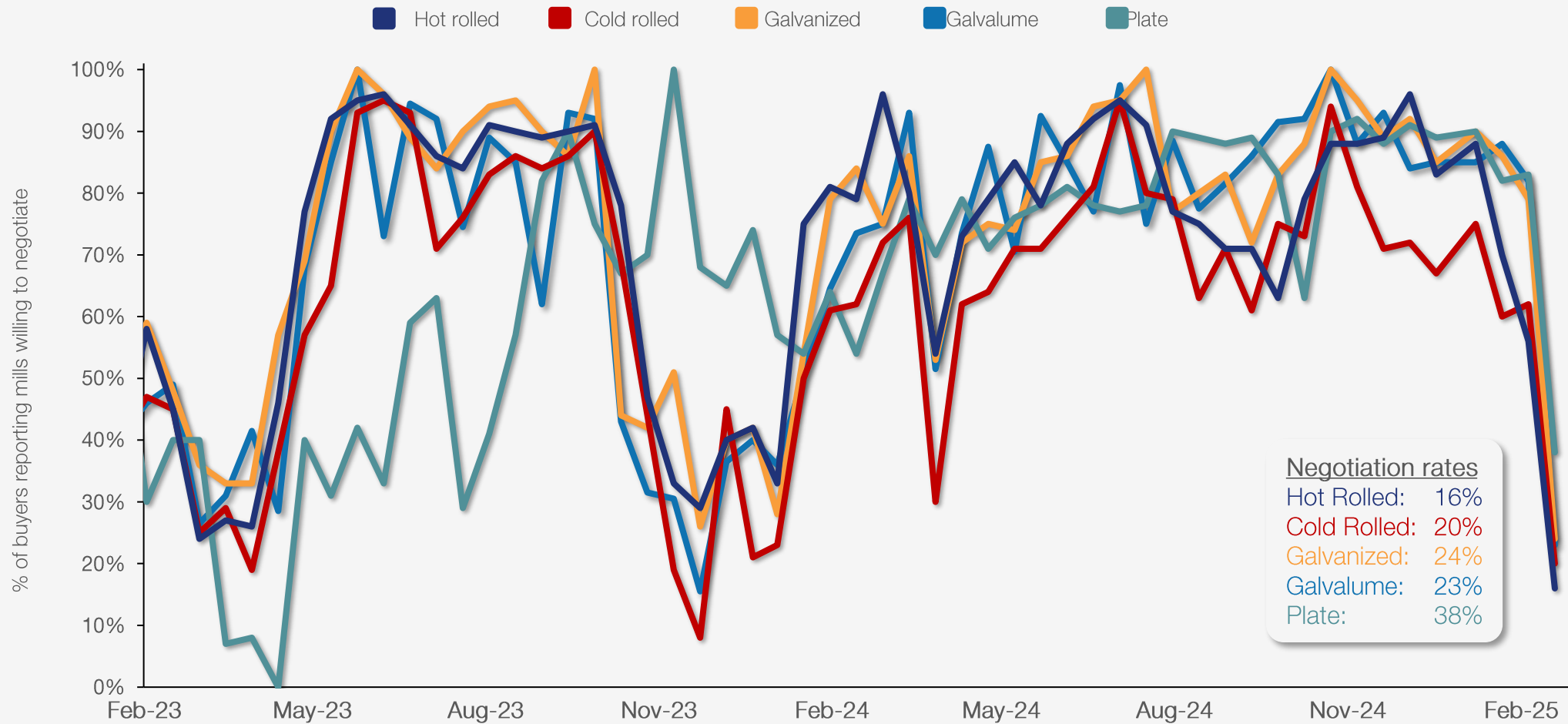
Steel mill lead times by product

SMU lead times on new steel orders by product through Feb. 18, 2025.



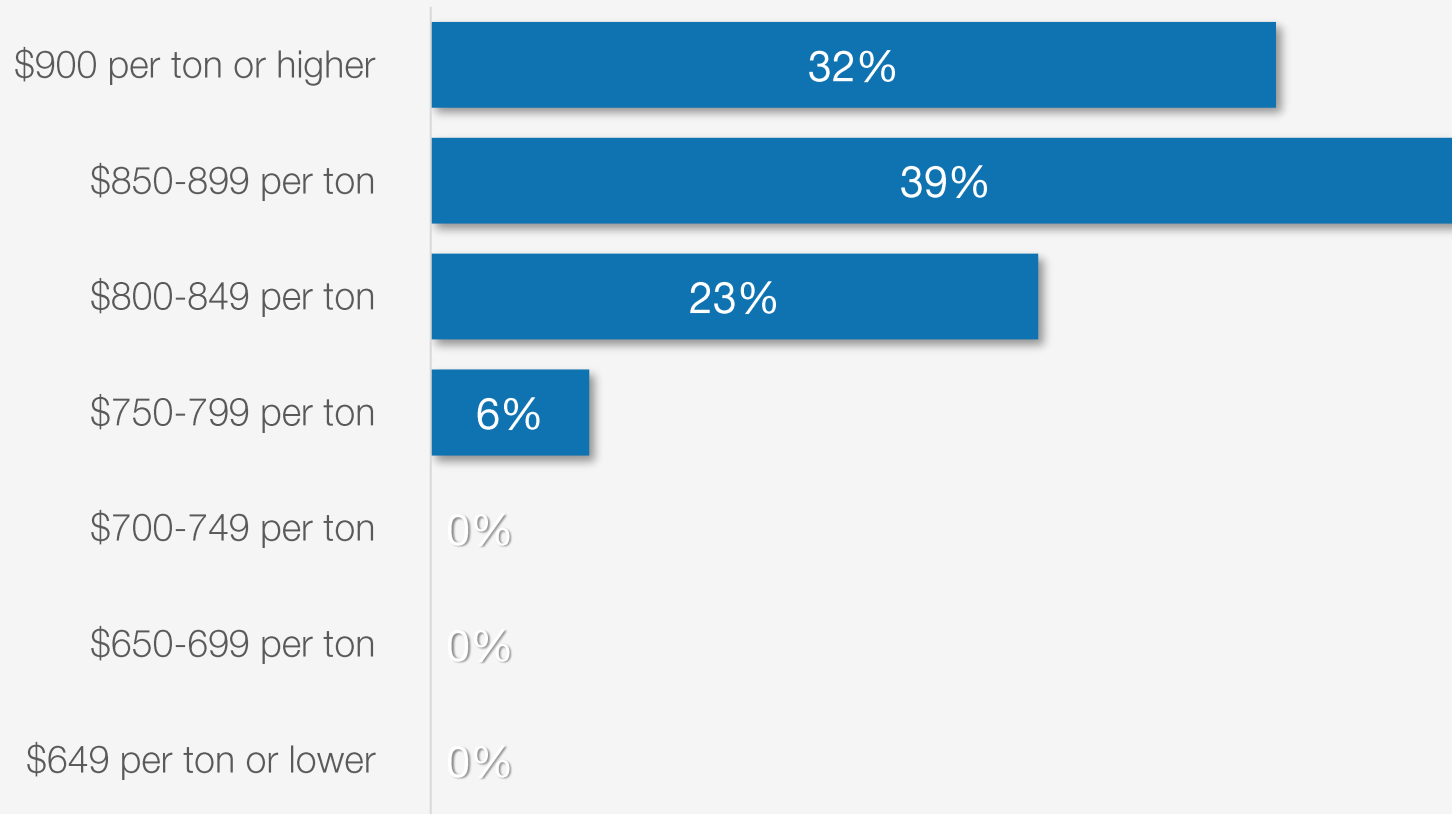
Steel mill negotiations

SMU's price negotiations on new steel orders by product through Feb. 18, 2025.



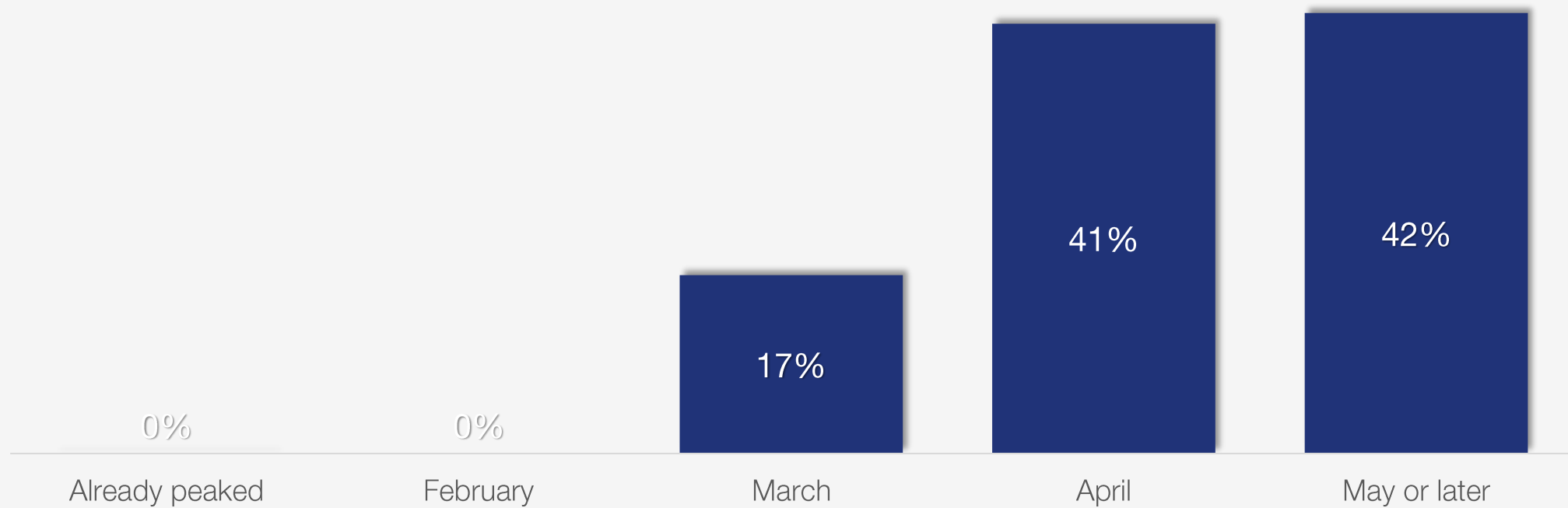
Future hot rolled prices

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



Hot rolled inflection point

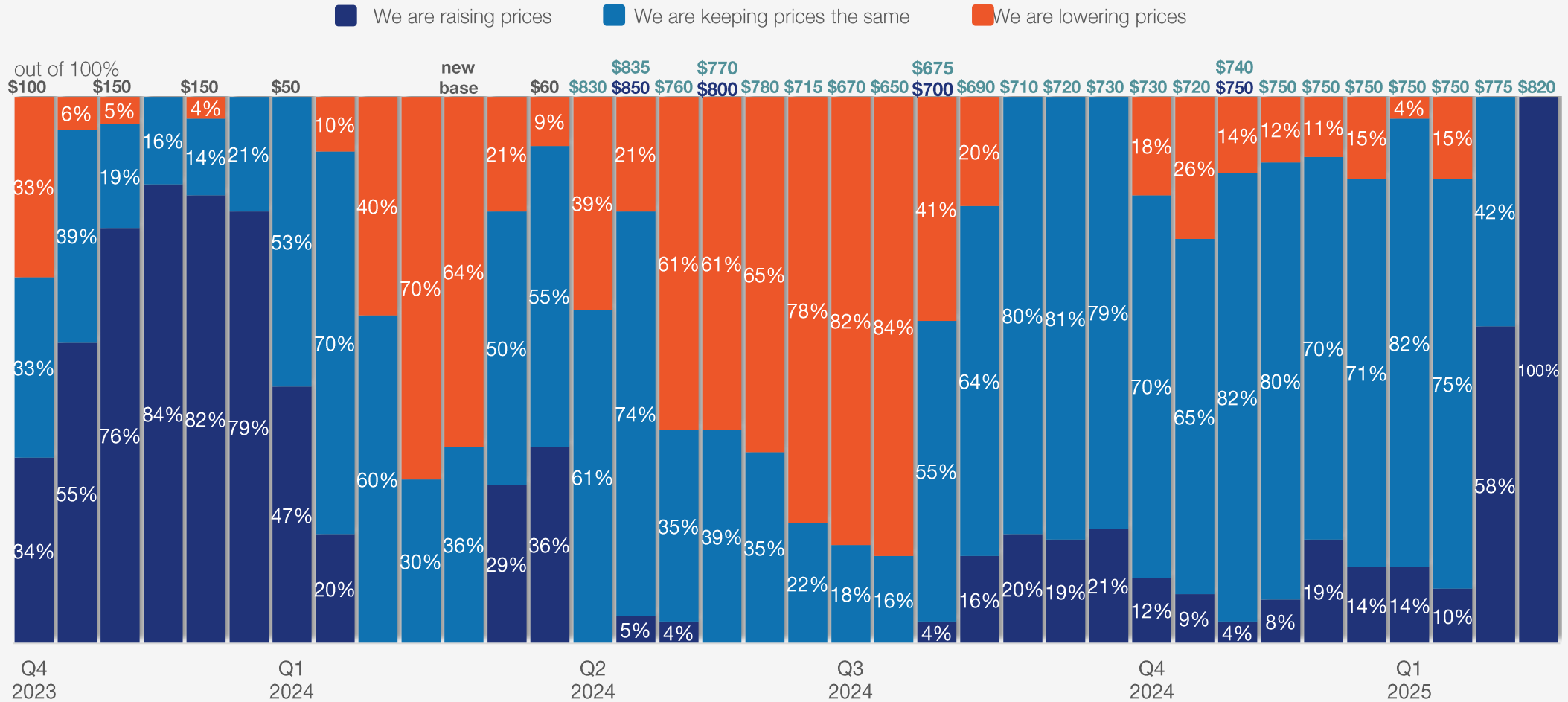
When do you think steel prices will peak?



Service center view of selling prices history

Service centers

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

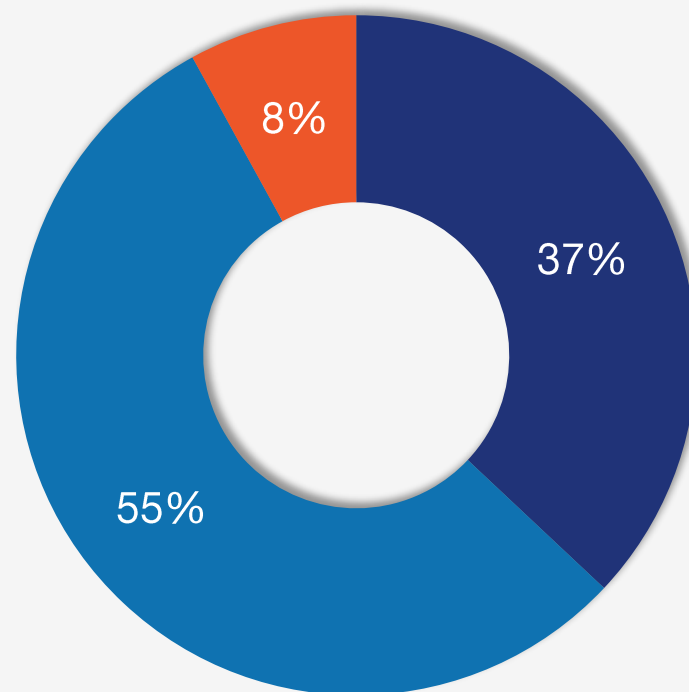


Overall demand

How is demand for your products?

■ Improving
 ■ Stable
 ■ Declining

Feb. 18, 2025

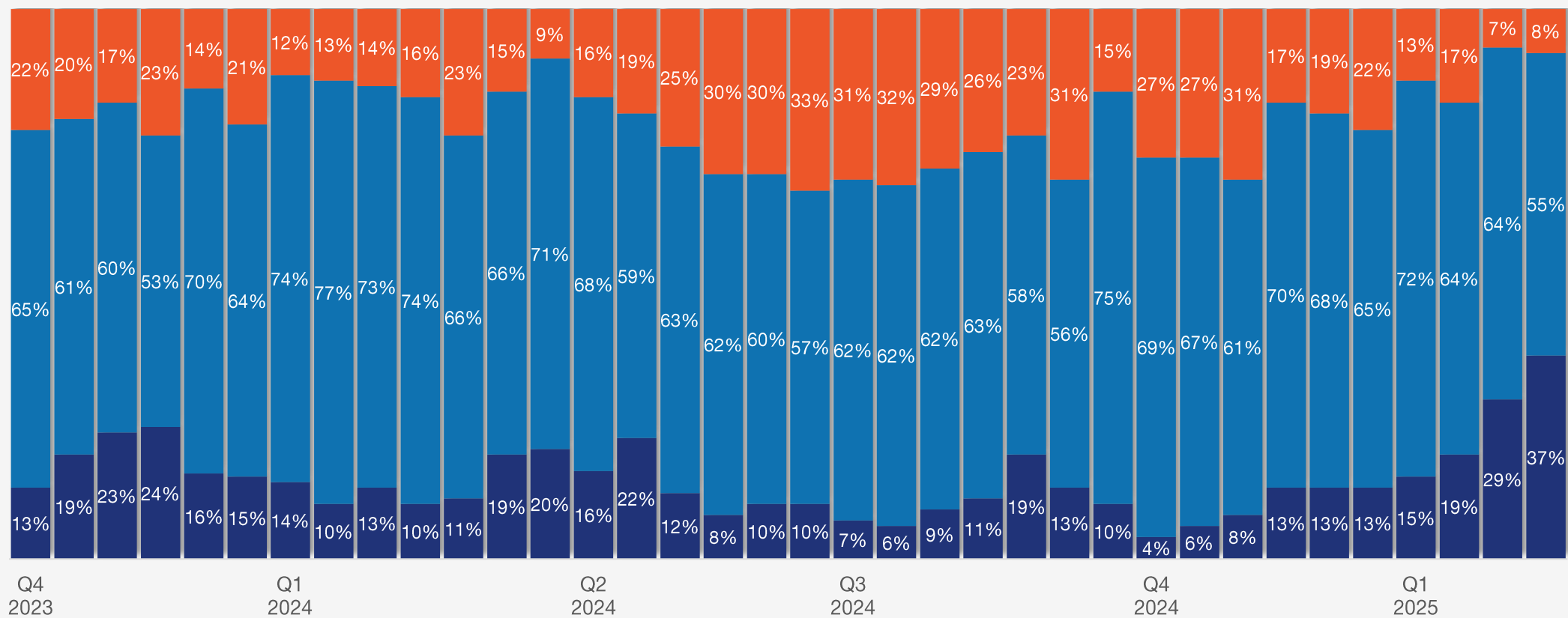


Overall demand history

How is demand for your products?

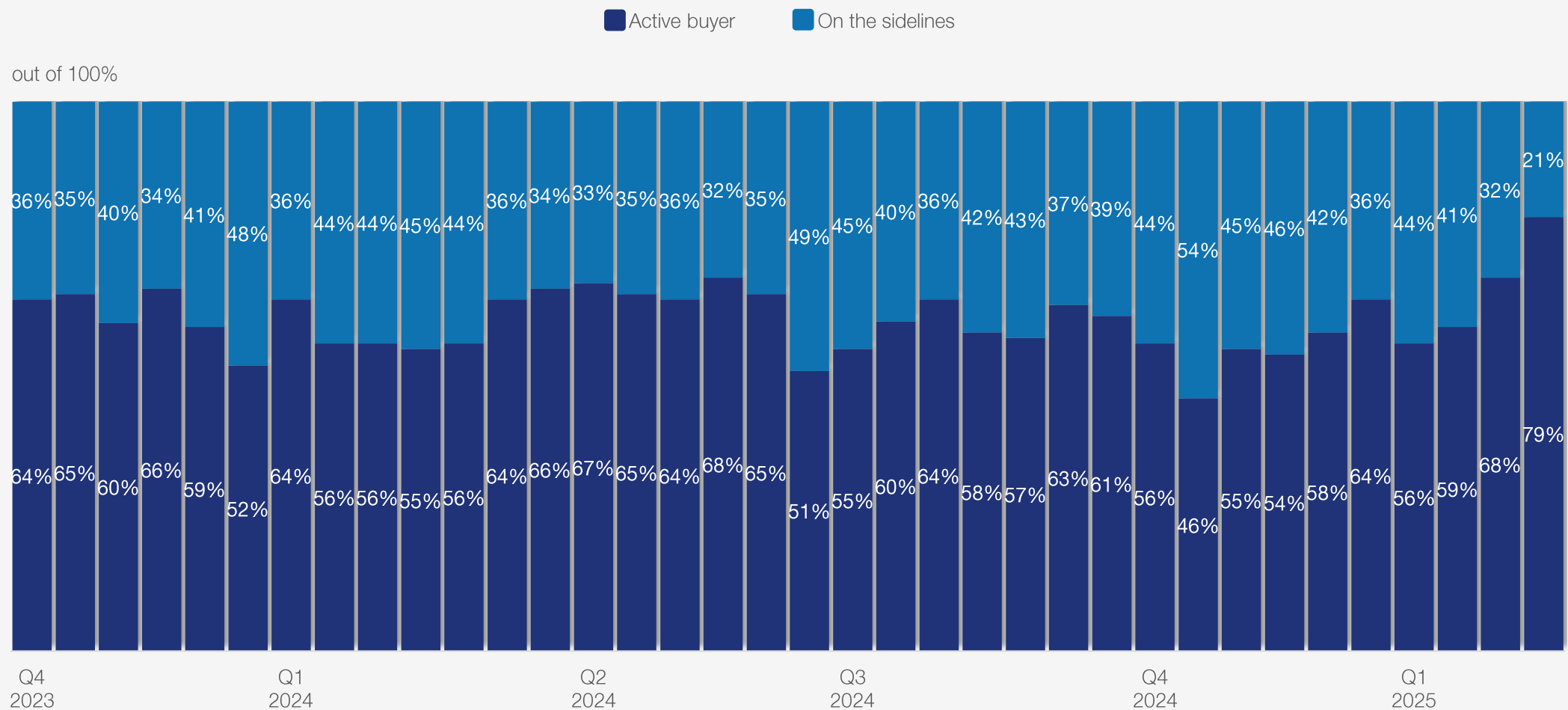
Improving Stable Declining

out of 100%



Staying on the sidelines history

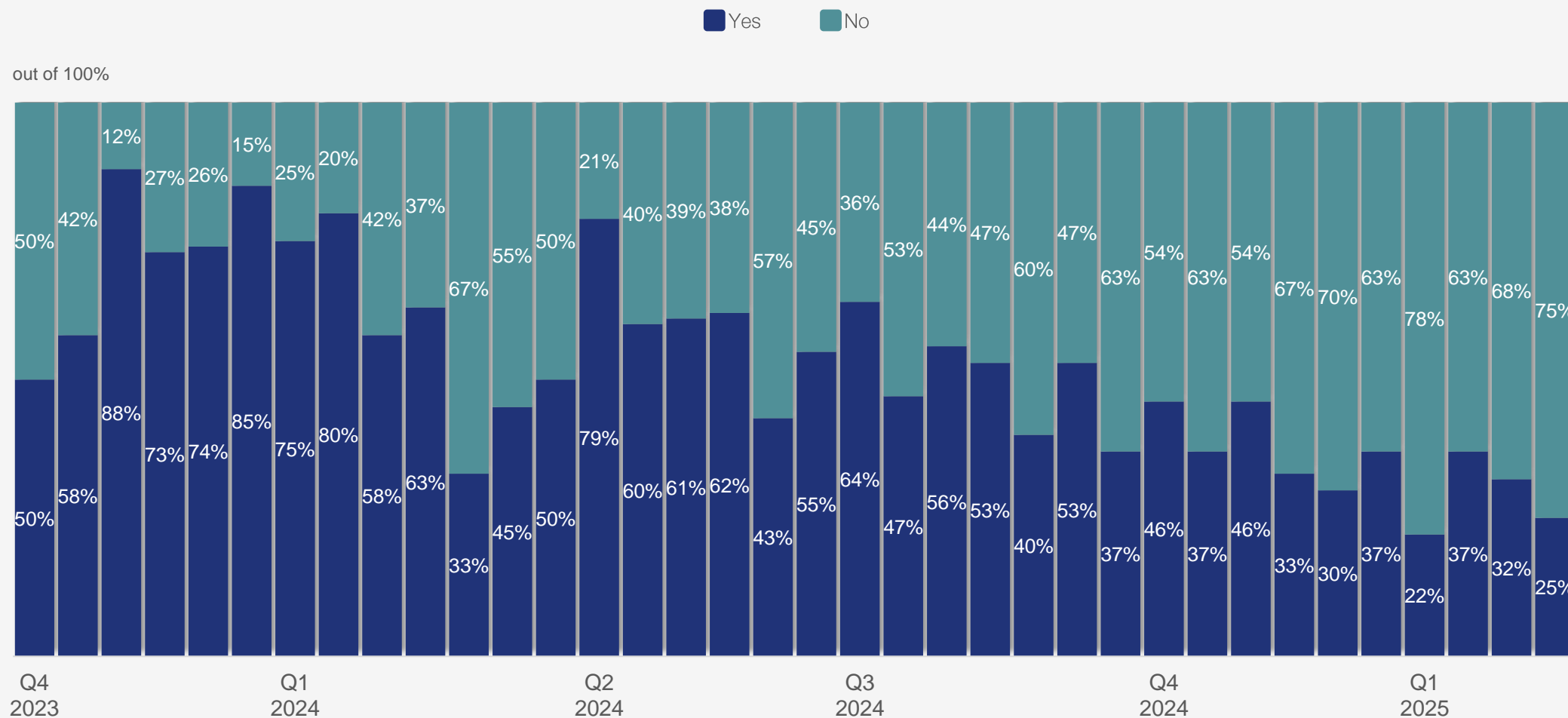
Are you an active buyer or on the sidelines?



Foreign steel competitiveness

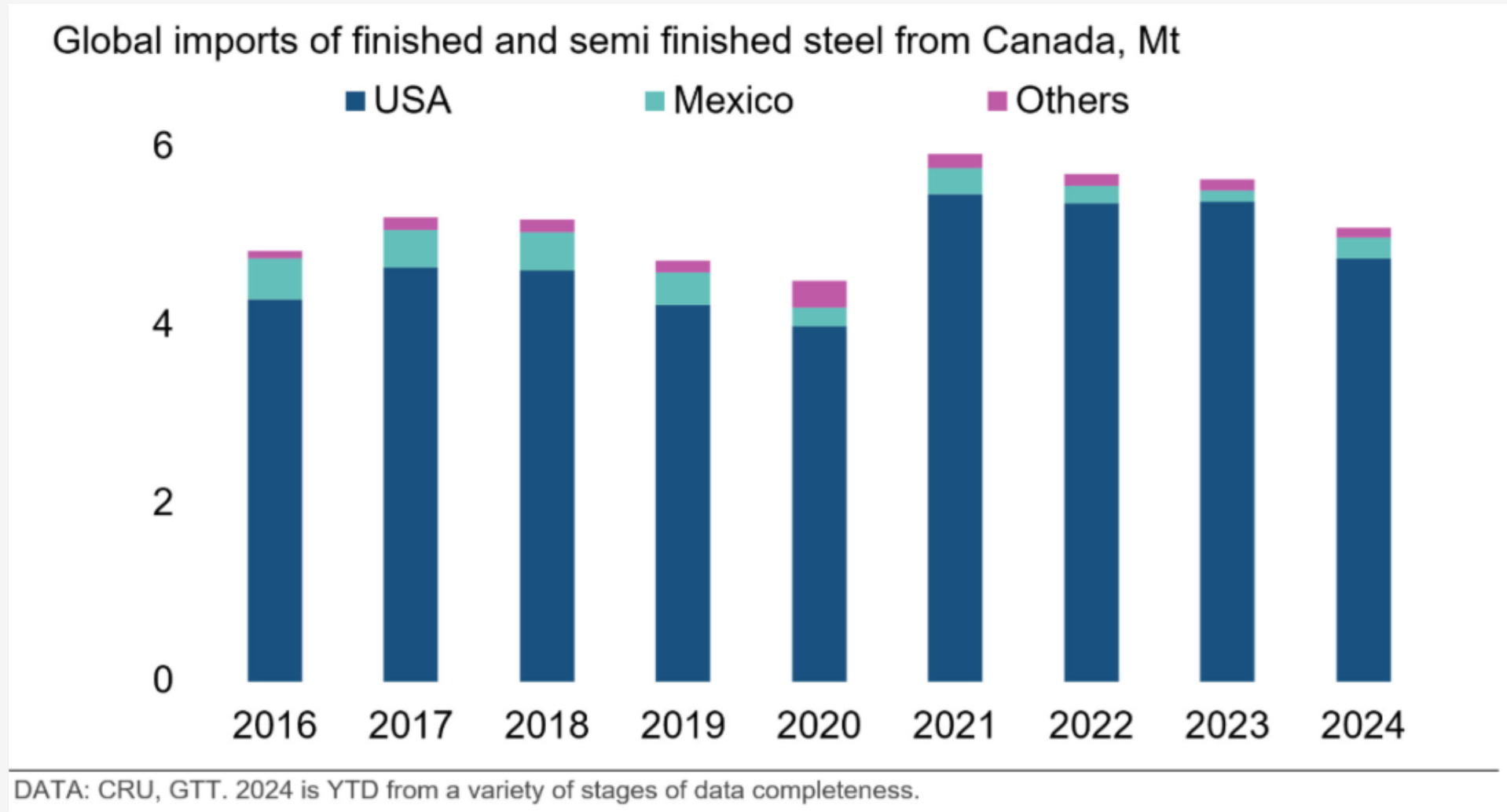
Service centers

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



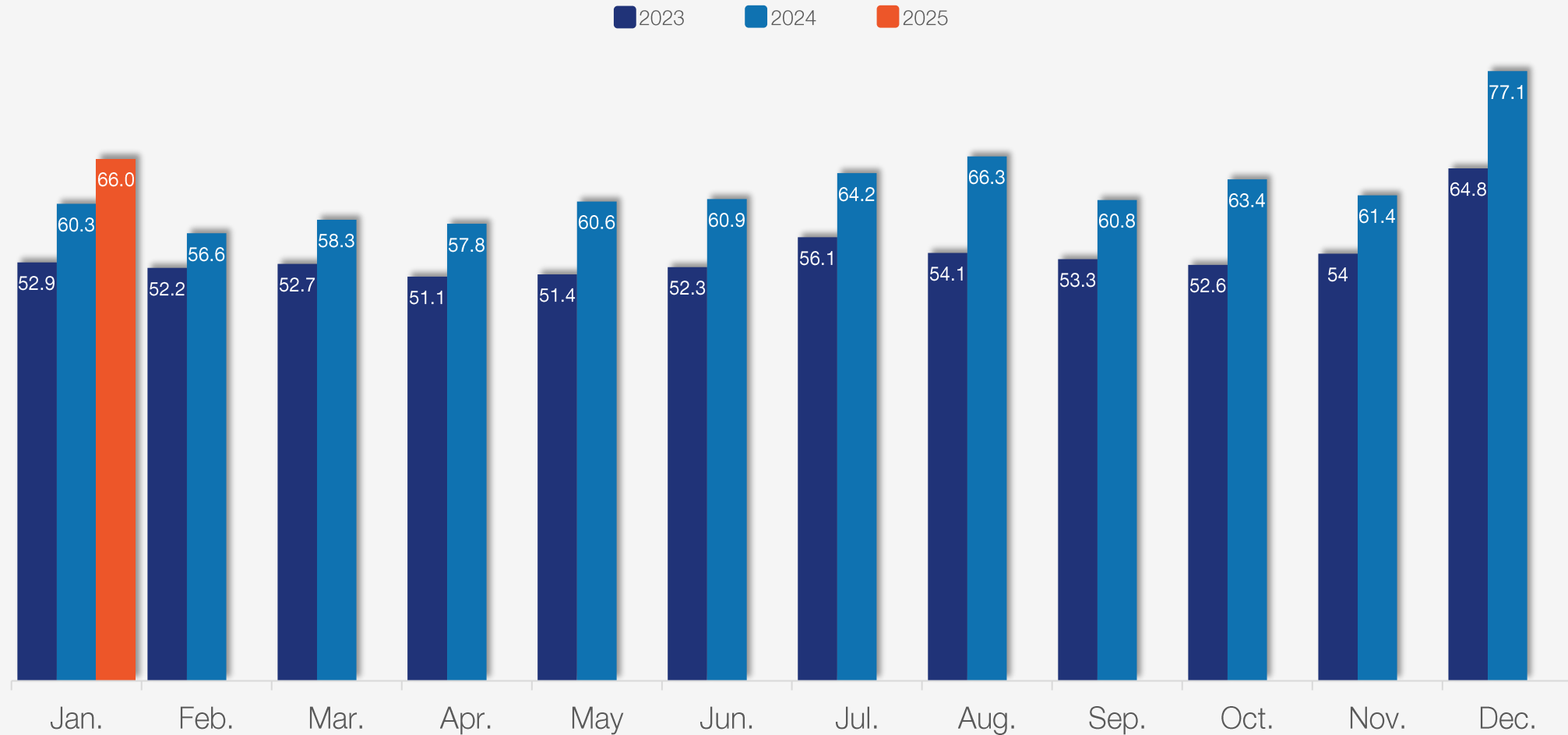
Canada could struggle to replace the US market

About 90% of Canada's steel exports go to the US



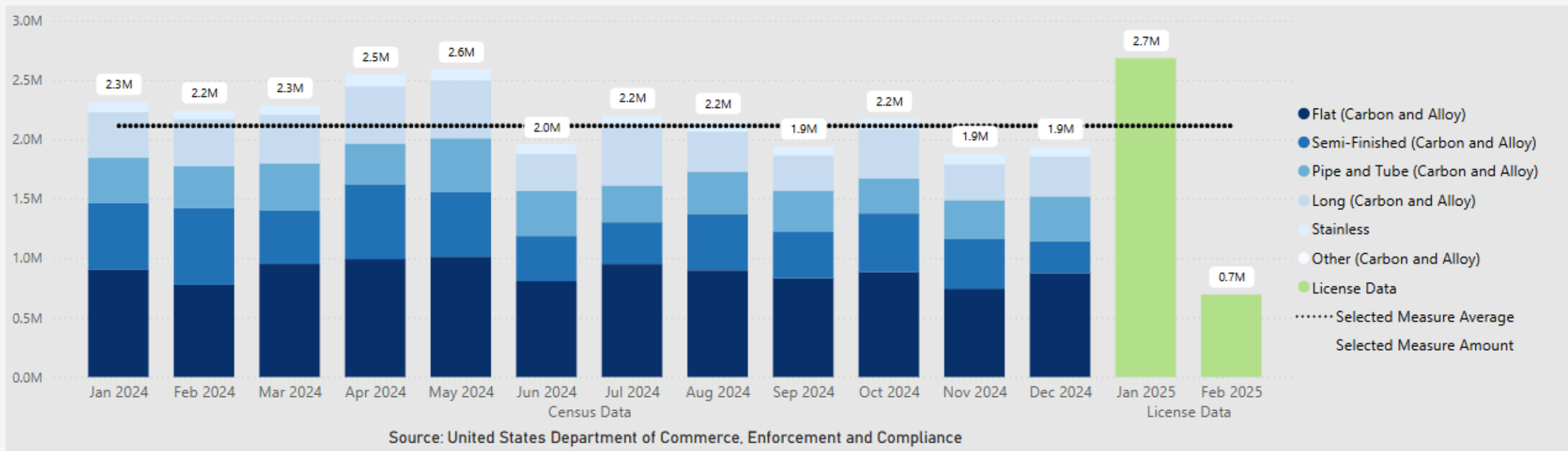
Service center inventories history

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

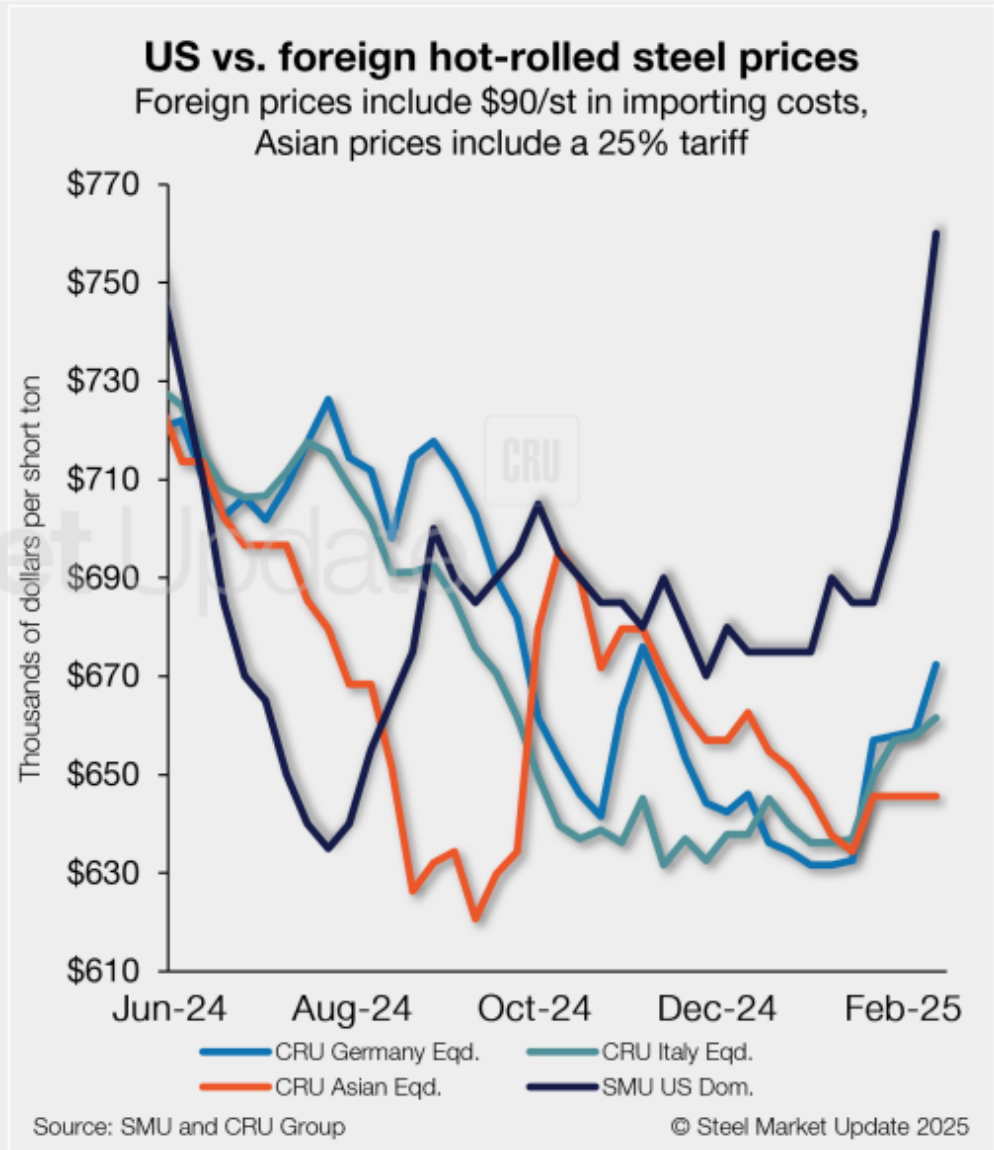
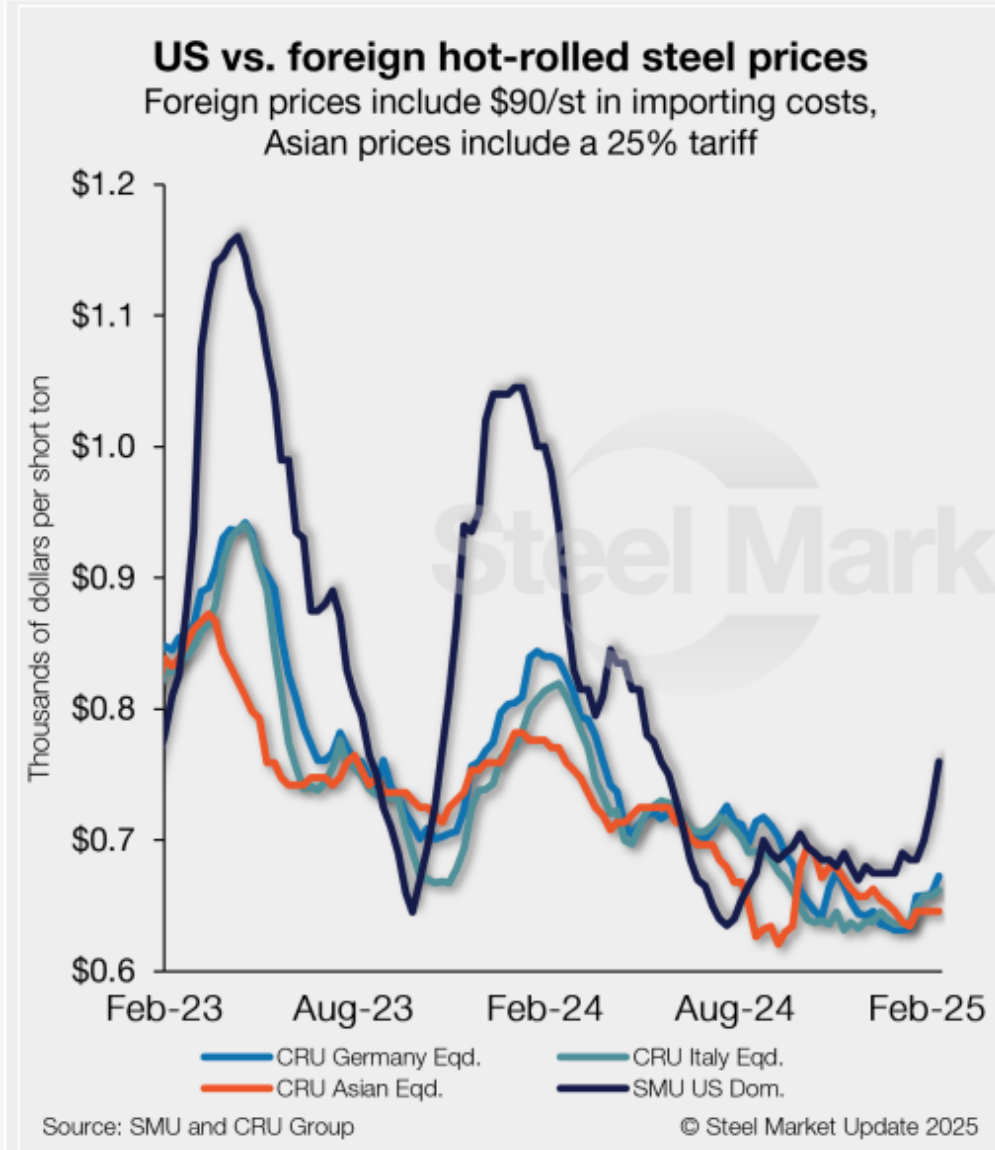


January imports up

Commerce Department license data through Feb. 10, 2025



US prices decoupling from rest of world

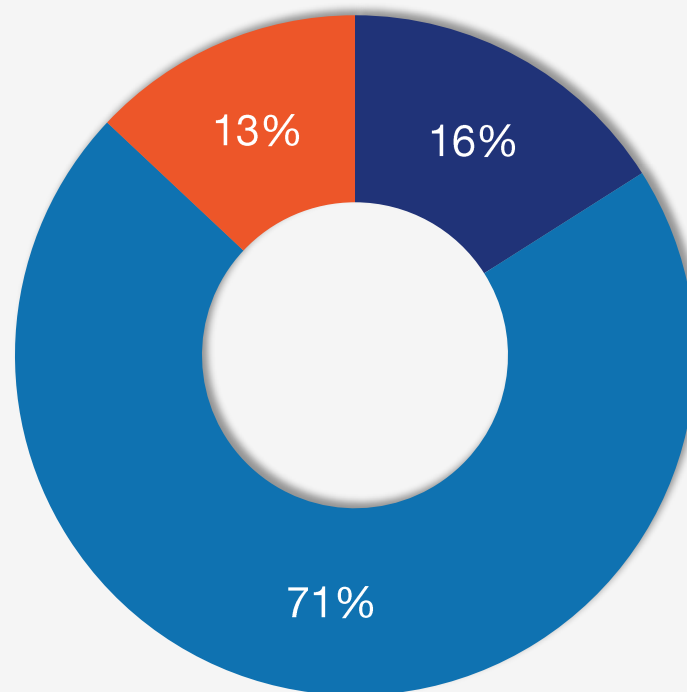


Business forecasts

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

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

Feb. 18, 2025

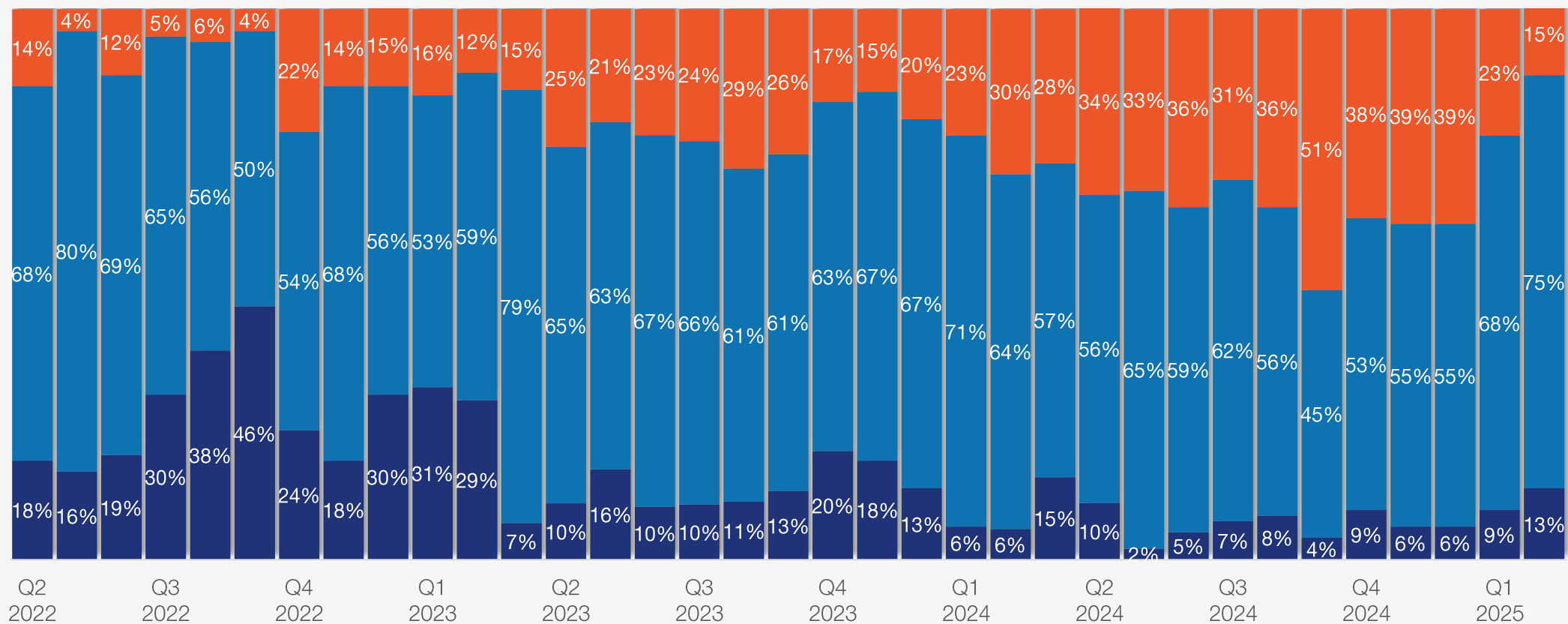


Business forecasts history

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

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

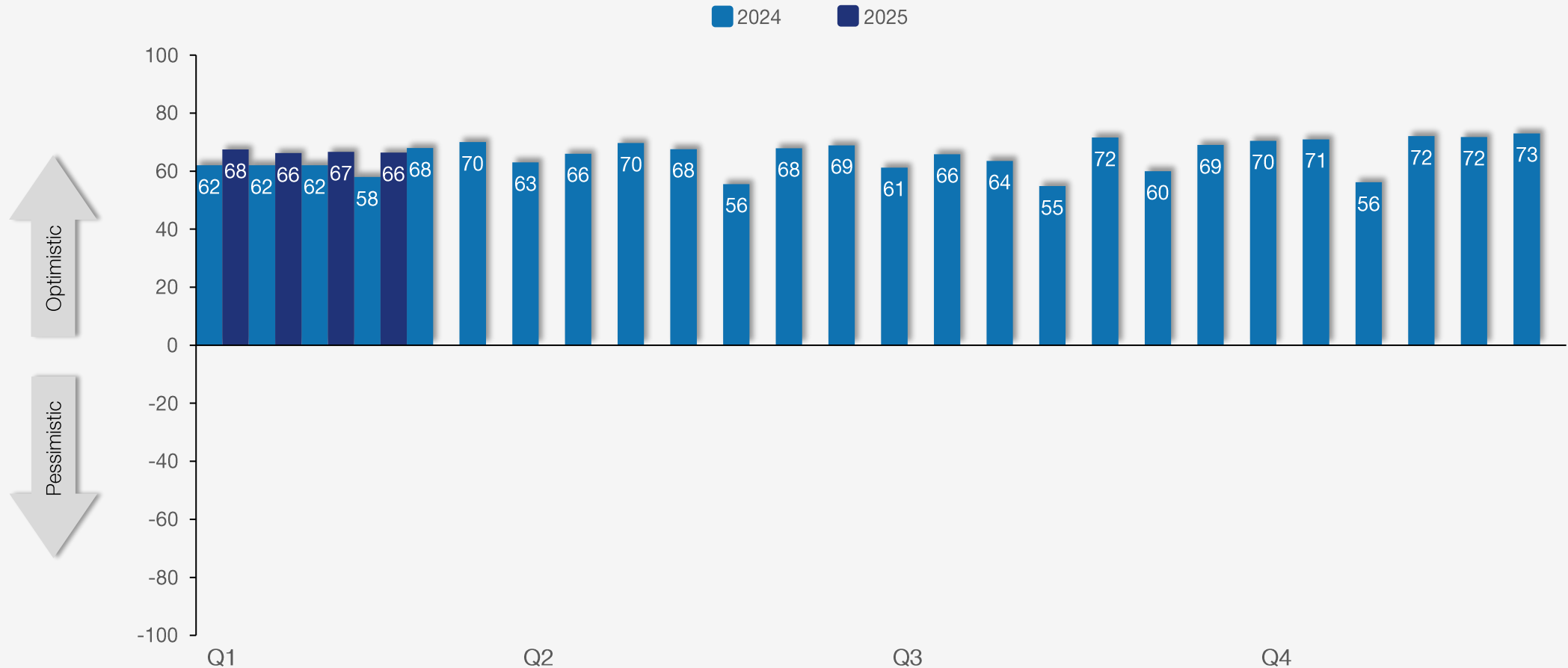
out of 100%



Steel buyers' future sentiment

Down one point to +66

SMU's future steel buyers' sentiment index, with data through Feb. 18, 2025.



Josh Spoores



Josh Spoores is a **head of steel analysis – Americas at CRU**. He joined CRU in 2012 as principal analyst and editor of CRU’s Steel Sheet Monitor and Steel Sheet Market Outlook.

During that time, Spoores forecast prices, demand, production, and trade of sheet and plate products for both Canada and the US. Today, he heads up steel analysis and forecasting for the wider Americas region.

Prior to joining CRU, he was a senior marketing analyst at Severstal North America, founder of Steel Reality, a forward-looking market analysis firm. He was also the market research manager at Majestic Steel USA, one of the largest flat rolled service centers in the US. He has a BSc in Business Administration from Bowling Green State University.



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2025: A chaotic return to volatility?

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SMU Community Chat

February 19, 2025

Josh Spoores

Head of Steel, Americas



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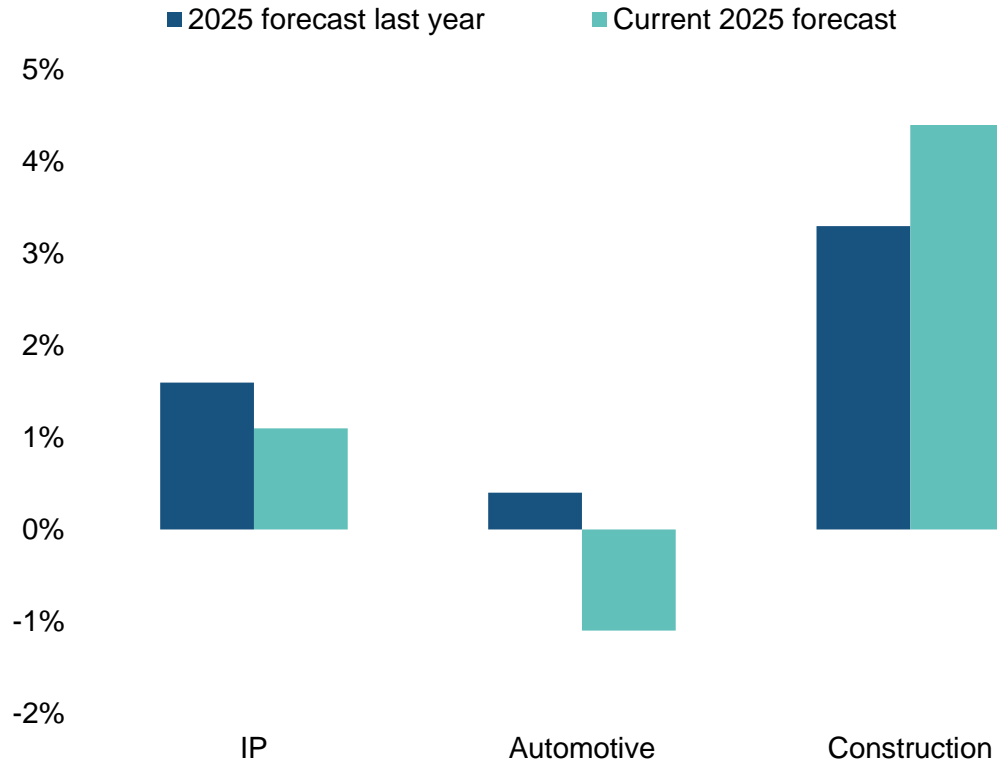
3 themes for 2025:

1. Slow start to a demand recovery
2. Mills battle for market share
3. Political dynamics will disrupt the status quo



Demand recovery starting, but we revised growth lower for 2025-26

Output of key metals end-use sectors in 2025, y/y



DATA: CRU Global Economic Outlook, December 2023 vs January 2025
 Automotive output measured by number of autos and commercial vehicles
 Construction output measured by Gross Value Add at constant prices

CRU January 2025 forecast

	2023	2024	2025	2026
IP	0.2%	-0.3%	1.1%	1.7%
Automotive	5.8%	-1.3%	-1.1%	0.6%
Construction	-2.3%	3.6%	4.4%	5.2%

Steel demand growth to come in 2025...

While expectations have been lowered from this time last year, 2025 should be a year of recovery that puts us on the path towards stronger gains in 2026.

...though tariff policy can quickly disrupt this expectation

Tariffs have the opportunity to hinder near term growth. However, if tariffs are targeted to support renewed foreign direct investment into the USA, we could see a resurgence in demand over the medium term.

[Link to insight: Trump tariffs could stimulate steel demand](#)

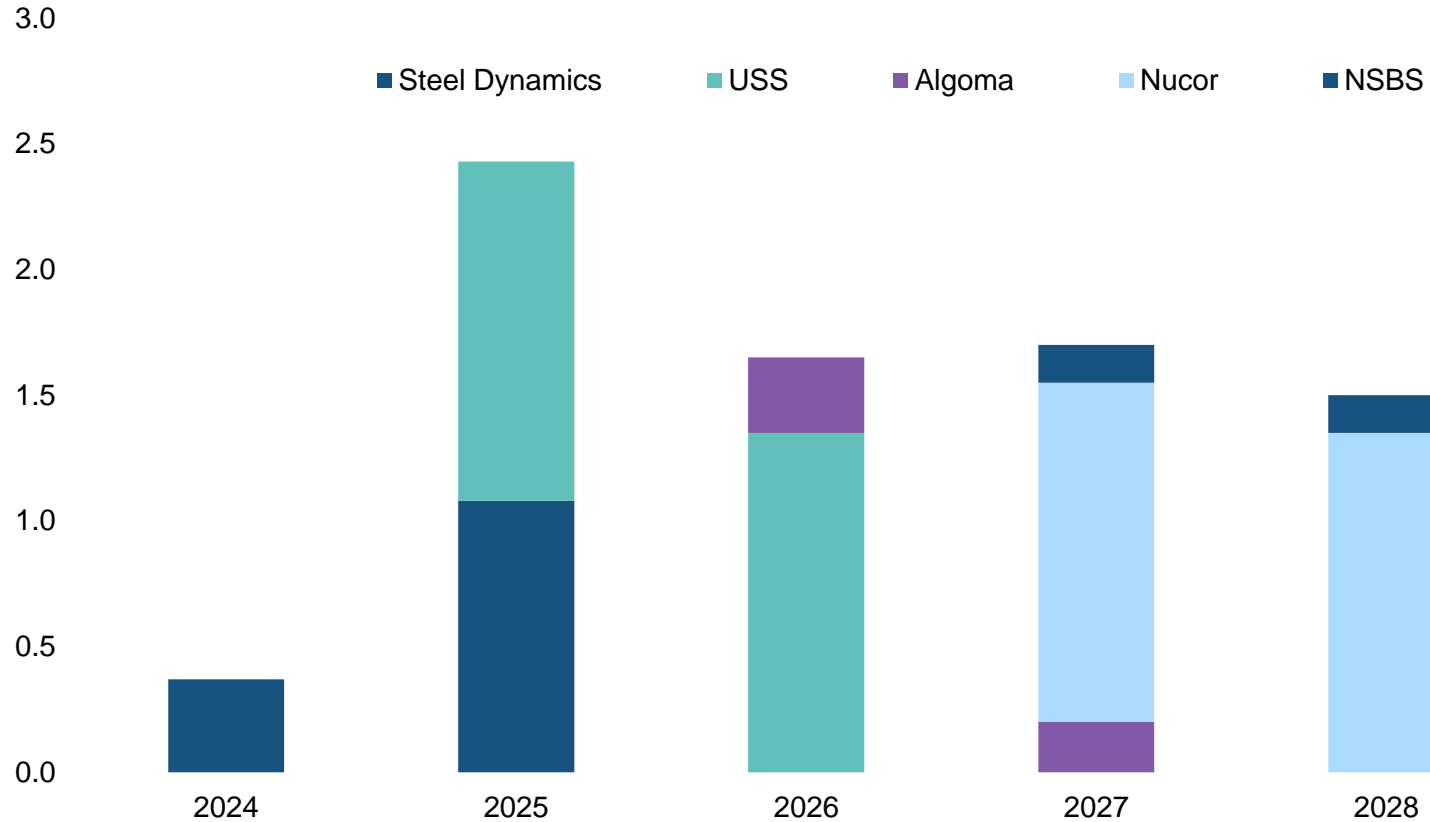
[Link to insight: Trump tariff threat signals early start to trade negotiations](#)

[Link to insight: US steel prices to jump on new Trump tariffs](#)



While demand starts to recover, flat rolled sheet capacity is now ramping

New North American sheet capacity 2024-2028, Mt (million metric tonnes)



Substantial sheet capacity is being planned, built, and ramped up

Sheet mills in the region earned extraordinary profits during the pandemic era and most have reinvested a portion of these earnings into capacity.

2025 is the largest y/y increase

Incremental gains are now starting in earnest with Sinton running closer to capacity while the planned ramp at BRS2 has started. In 2025, we expect an average of 2.4 Mt of incremental capacity in the North American sheet market before an additional 1.7 Mt comes online in 2026.

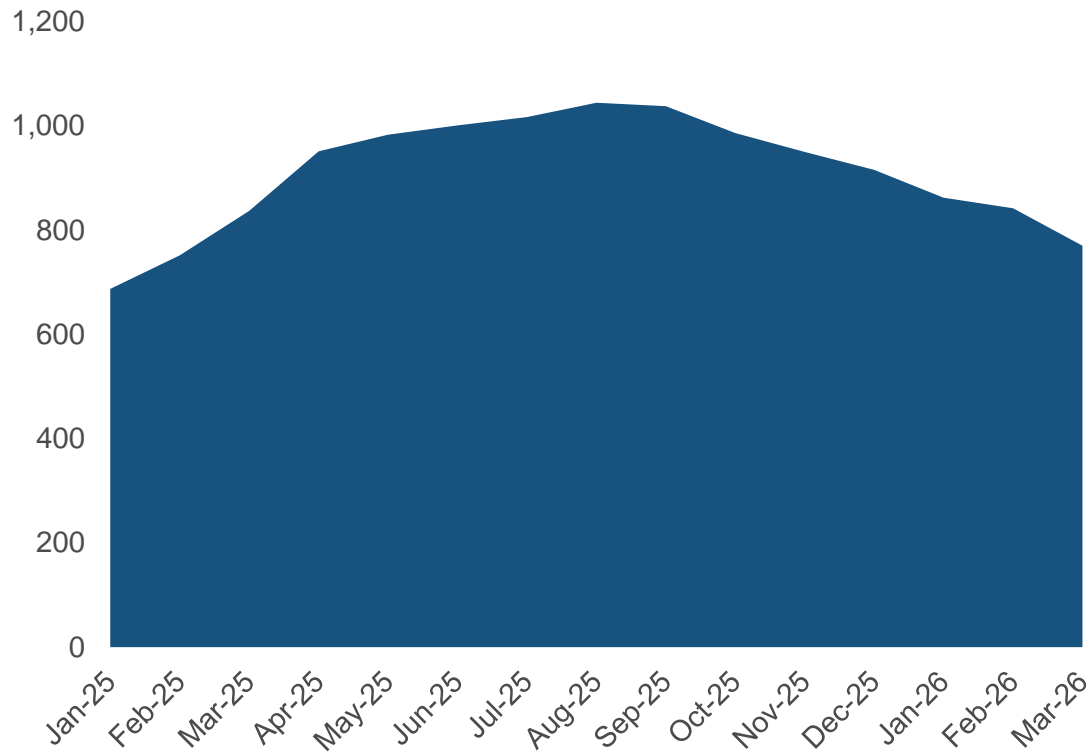
This increase is not just HR coil capacity as around 4 Mt of coated capacity is also ramping up between 2024 and 2027.

DATA: CRU estimates, Company Earnings



HRC price forecast scenario: supply is being repriced, will prices follow 2018?

HR coil price scenario based on 2018 price, US Midwest price, \$/st



DATA: CRU.

Tariff scenario – prices based on 2018

The annual average price of HR coil could reach \$930 /s.ton with a peak near \$1,050 /s.ton if 25% tariffs are enforced without exception or exclusion. Price gains emerge as the marginal source of supply is a tariffed import.

2018-style price reaction

Tariffs were watered down over time, as well as in the first few weeks. Regardless, in this price scenario, the visibility of rapid price gains will spur excessive ordering, pushing inventories through the entire supply chain to unsustainably high levels. This would trigger destocking if end demand doesn't quickly increase. Any destocking could come as new capacity ramps are in full swing.

Winners, losers, & risks

If S232 remains as is for the foreseeable future, US producers are the primary winners and steel buyers are losers. Risks are centered around:

- The uncertainty and lack of visibility in the market surrounding these tariffs and potential others.
- How might S232 change? More items added to the list vs potential exclusions.



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Thank you.

*Josh Spoores
Head of Steel, Americas*

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Thank You!

Thanks for listening!

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