



Steel Market Update CRU
Community Chat

Featuring:

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Partner and International Trade Co-Chair
Wiley

March 13, 2025 // Michael Cowden, Editor-in-Chief

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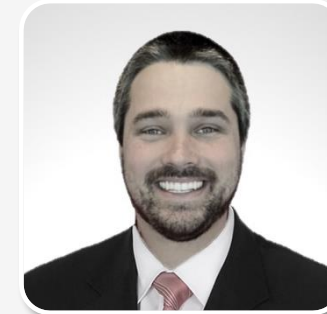
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The SMU newsletter was developed for active buyers and sellers of flat-rolled steel.

Prices | Momentum | Sentiment
Trends | Analysis

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Recent headlines

Canada, Mexico get 30-day delay on blanket tariffs (again)

US importers face stricter rules under revamped S232 tariffs

SMU price ranges: \$1,000/ton
HRC is back!

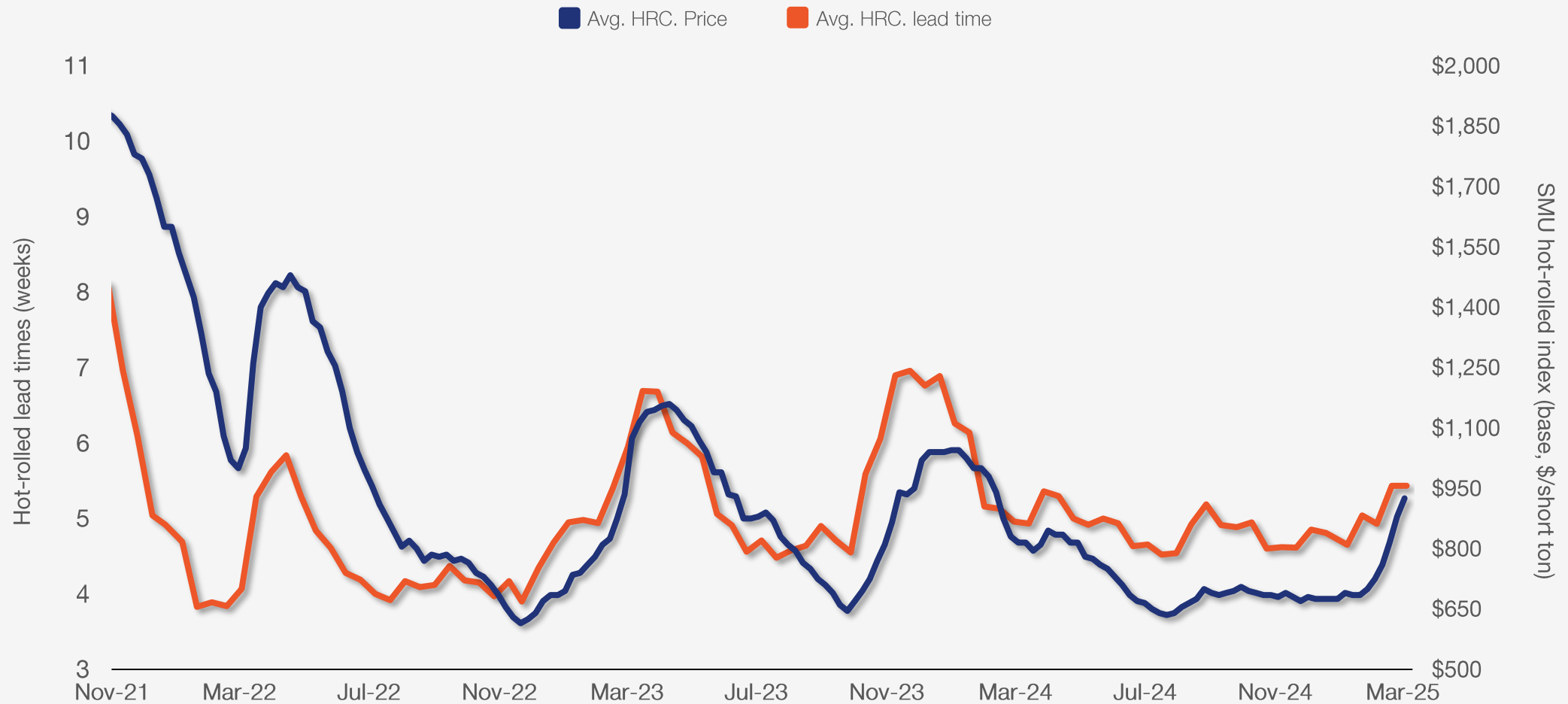
Algoma Steel halts US shipments, plans layoffs in wake of tariff war

US HR prices jump higher above imported tags

Trump holds off on 50% Canadian steel, aluminum tariffs after day of threats and reversals

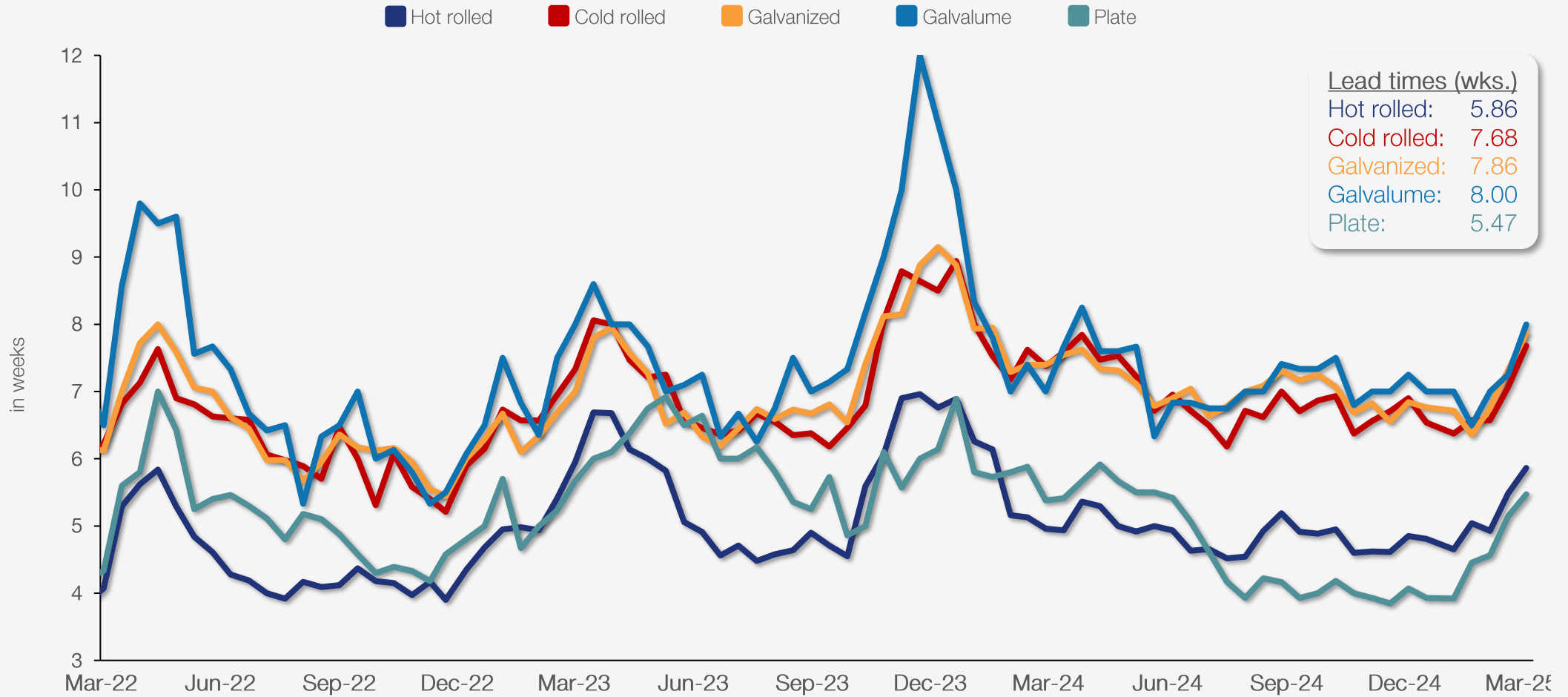
Hot-rolled steel prices vs. lead times

SMU's hot-rolled steel prices and lead times, with data through March 5, 2025.



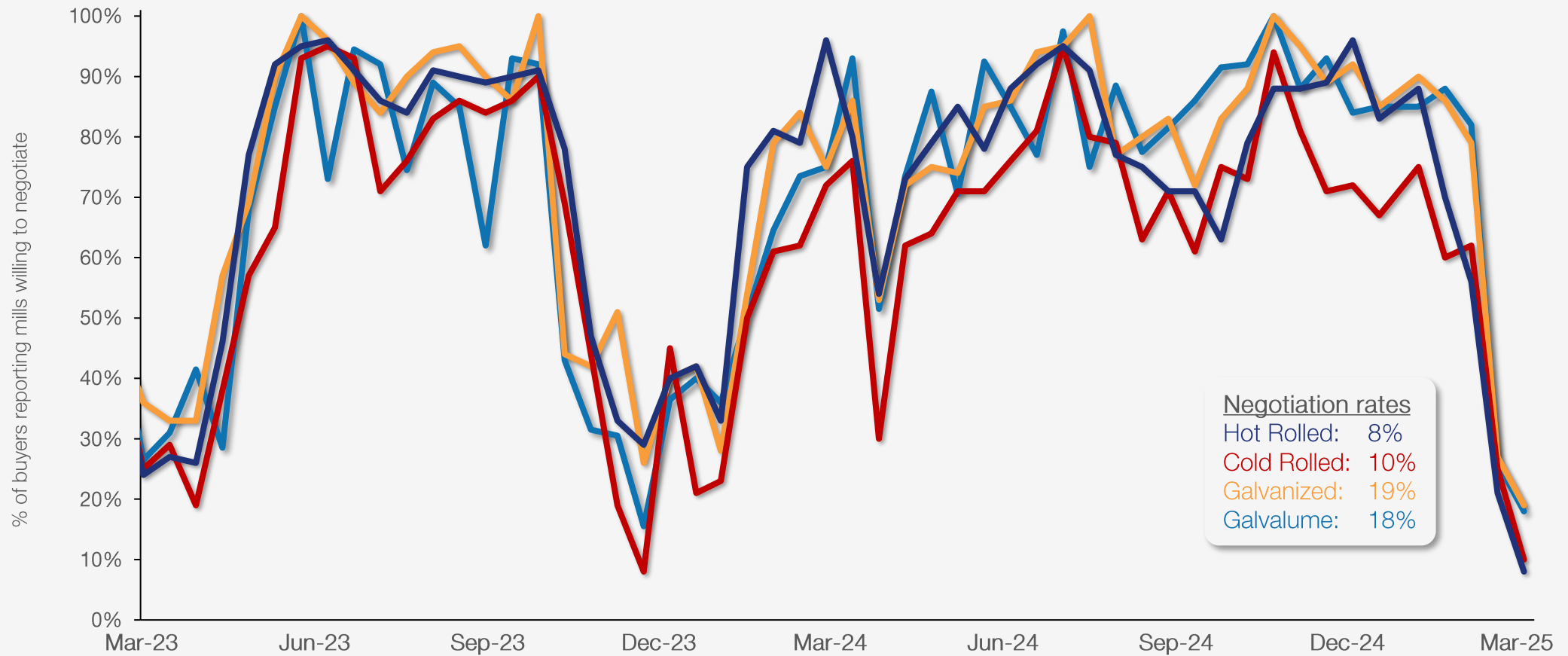
Steel mill lead times by product

SMU lead times on new steel orders by product through March 5, 2025.



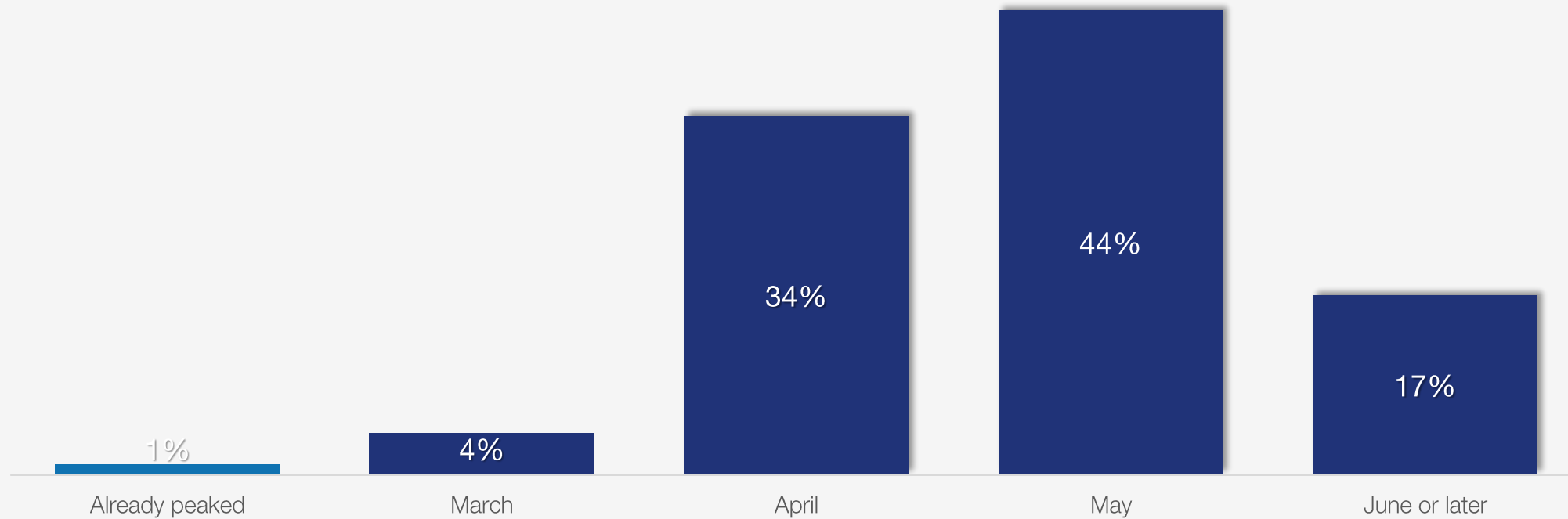
Steel mill negotiations

SMU's price negotiations on new steel orders by product through March 5, 2025.



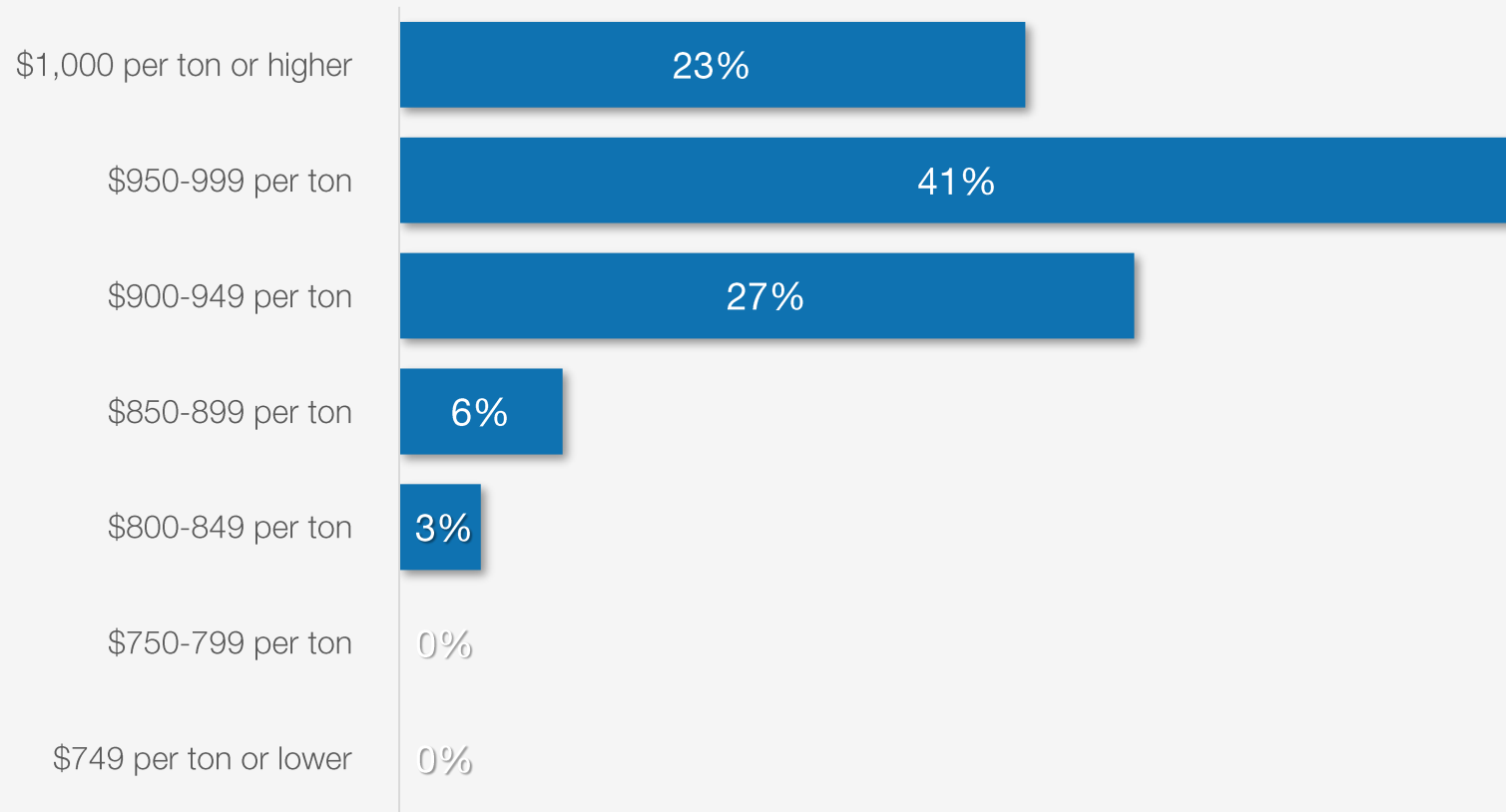
Hot rolled inflection point

When do you think steel prices will peak?



Future hot rolled prices

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

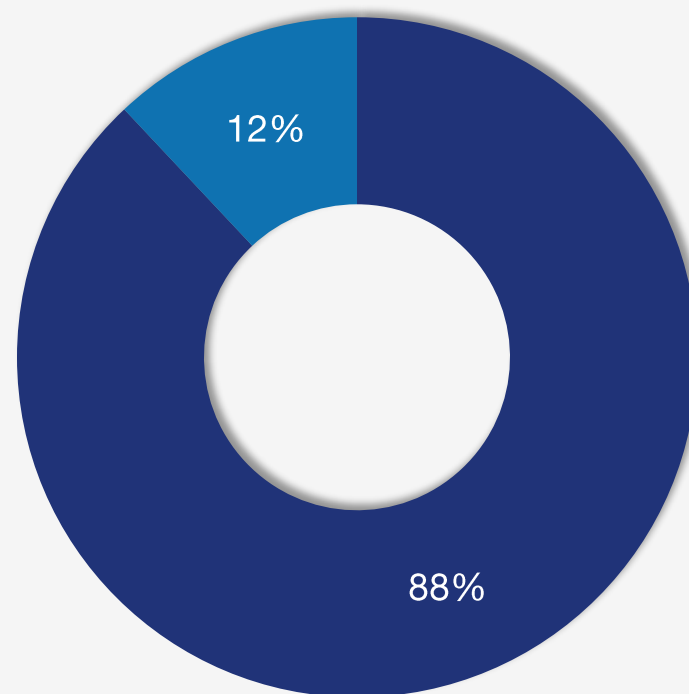


March scrap

Prime scrap prices in March will be:

■ Up ■ Sideways ■ Down

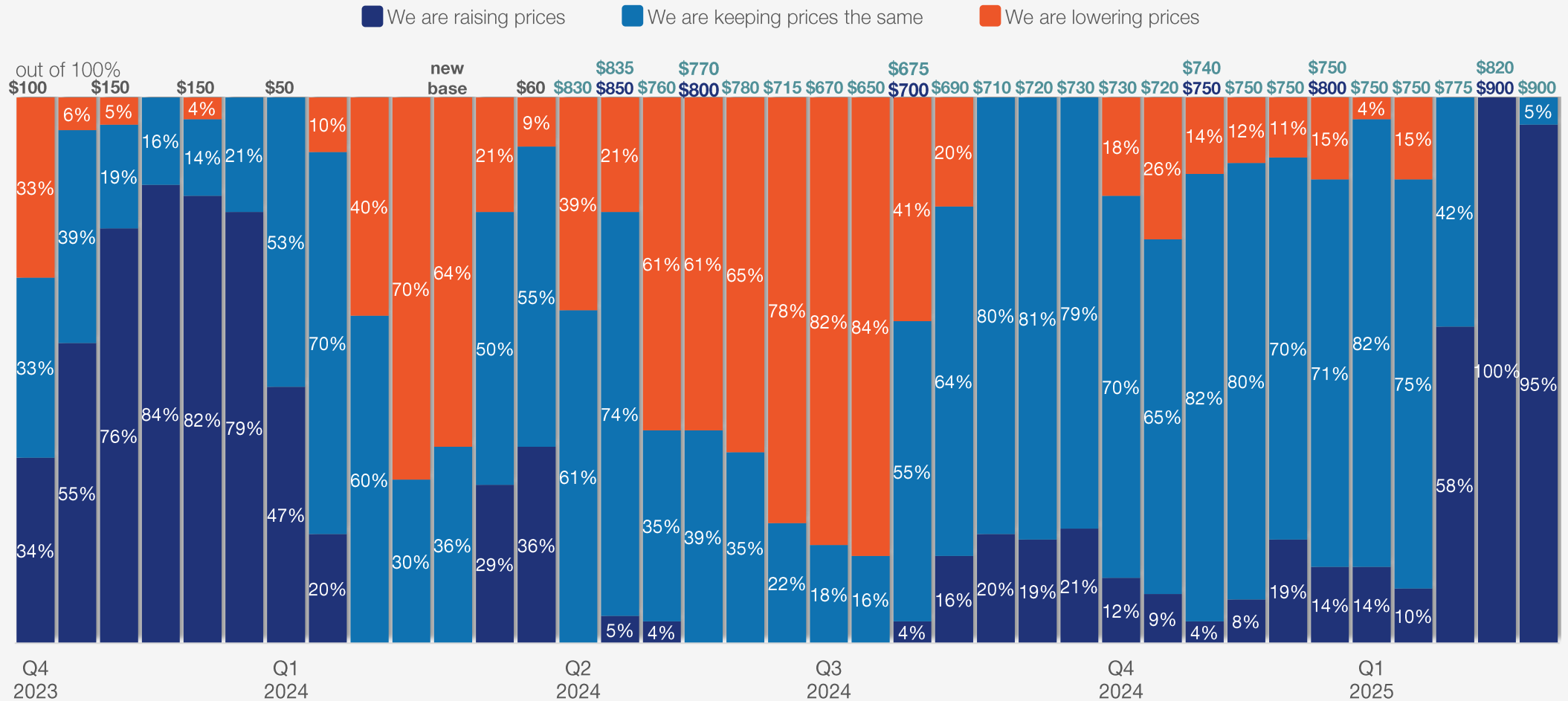
March 5, 2025



Service center view of selling prices history

Service centers

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

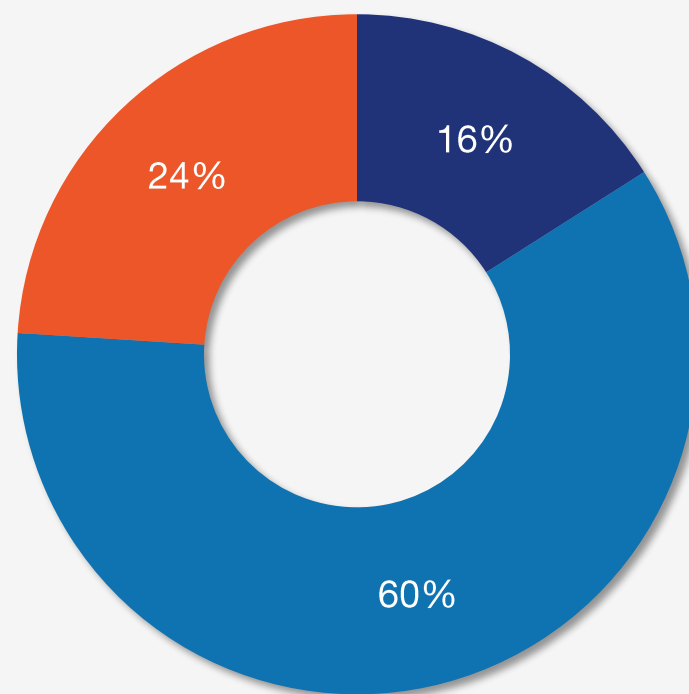


Business forecasts

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

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

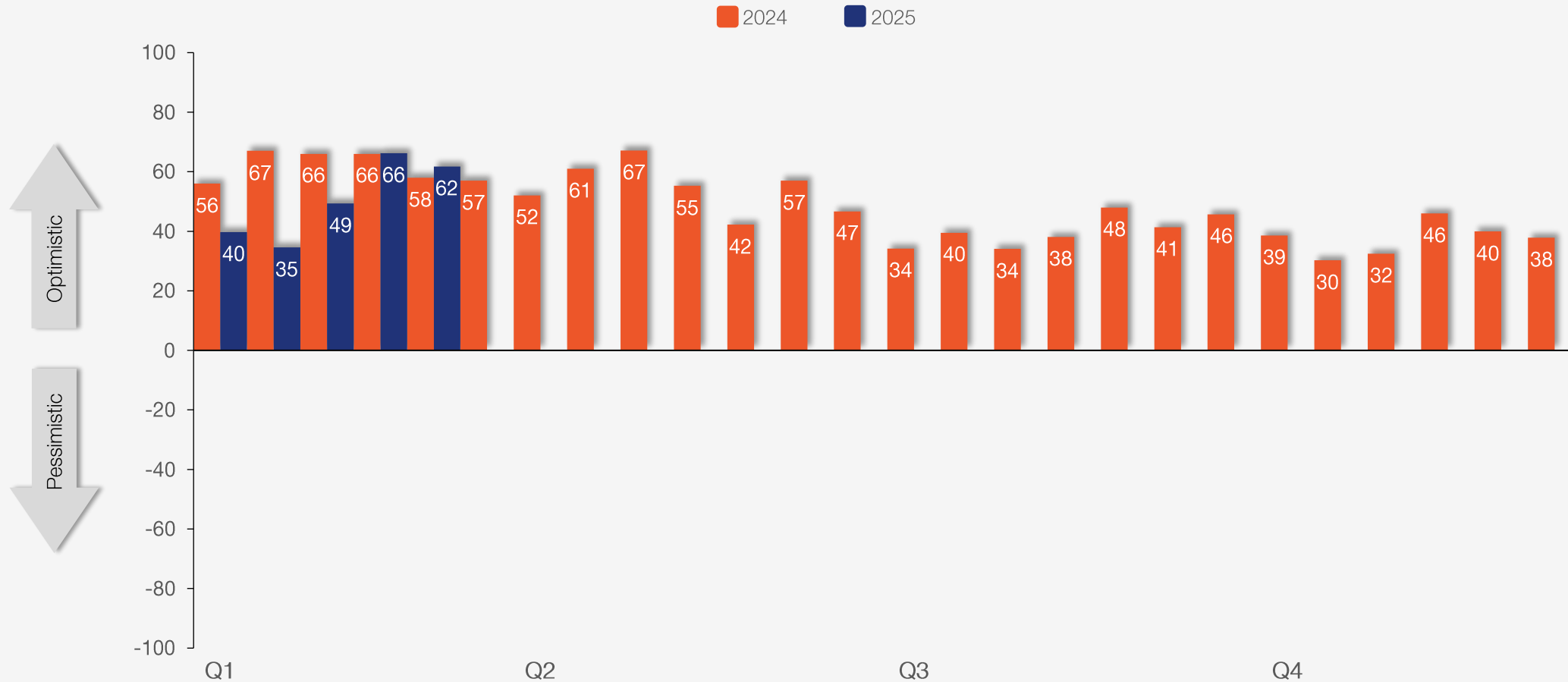
March 5, 2025



Steel buyers' sentiment

Down 4 points to +62

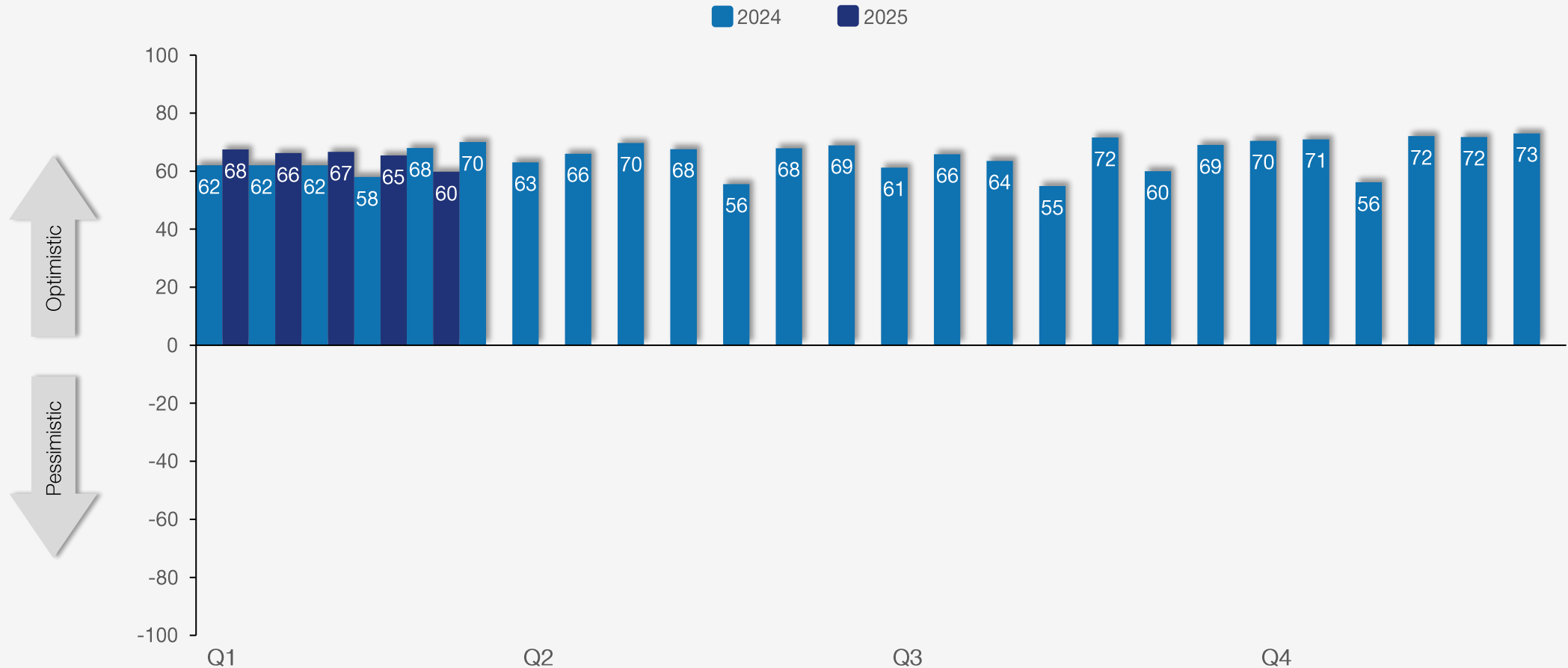
SMU's current steel buyers' sentiment index, with data through March 5, 2025.



Steel buyers' future sentiment

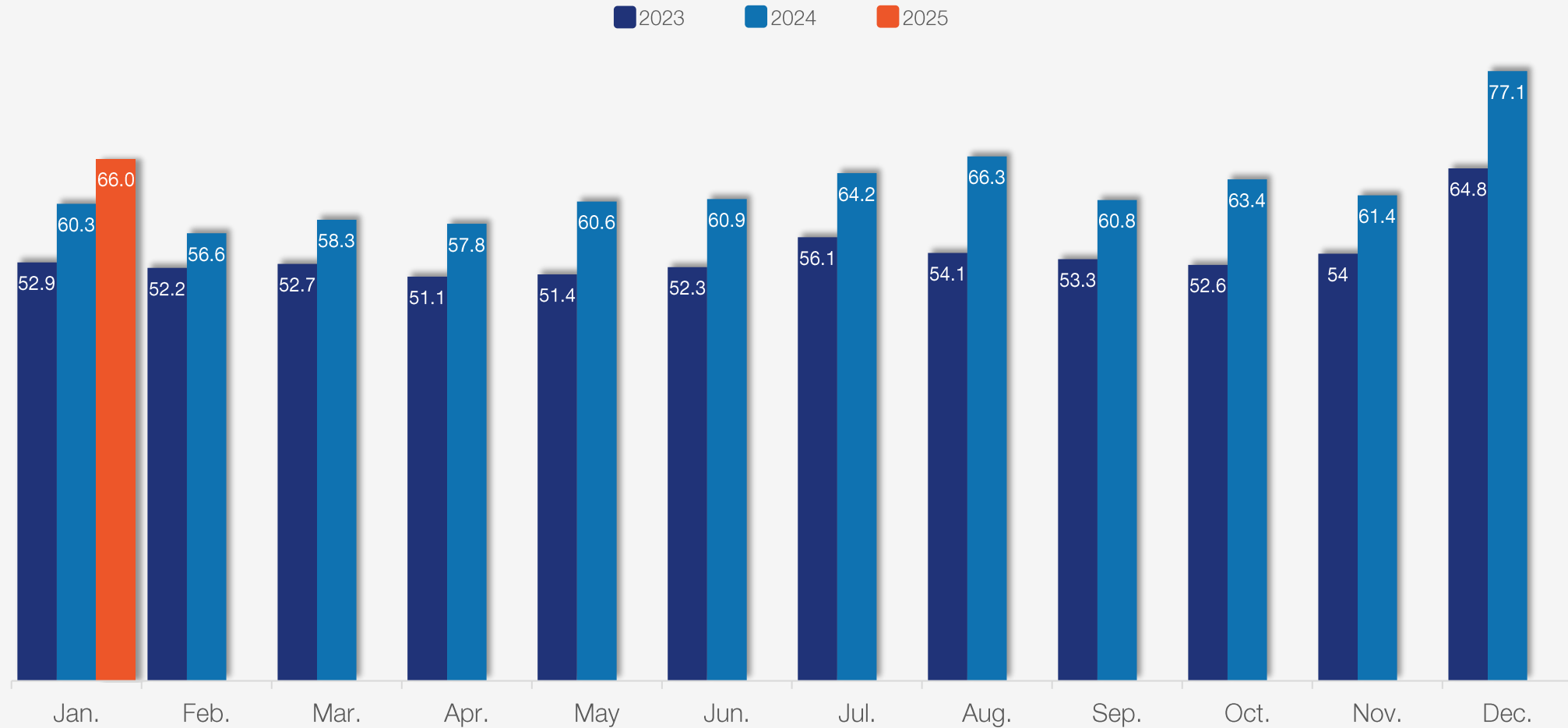
Down five points to +60

SMU's future steel buyers' sentiment index, with data through March 5, 2025.



Service center inventories history

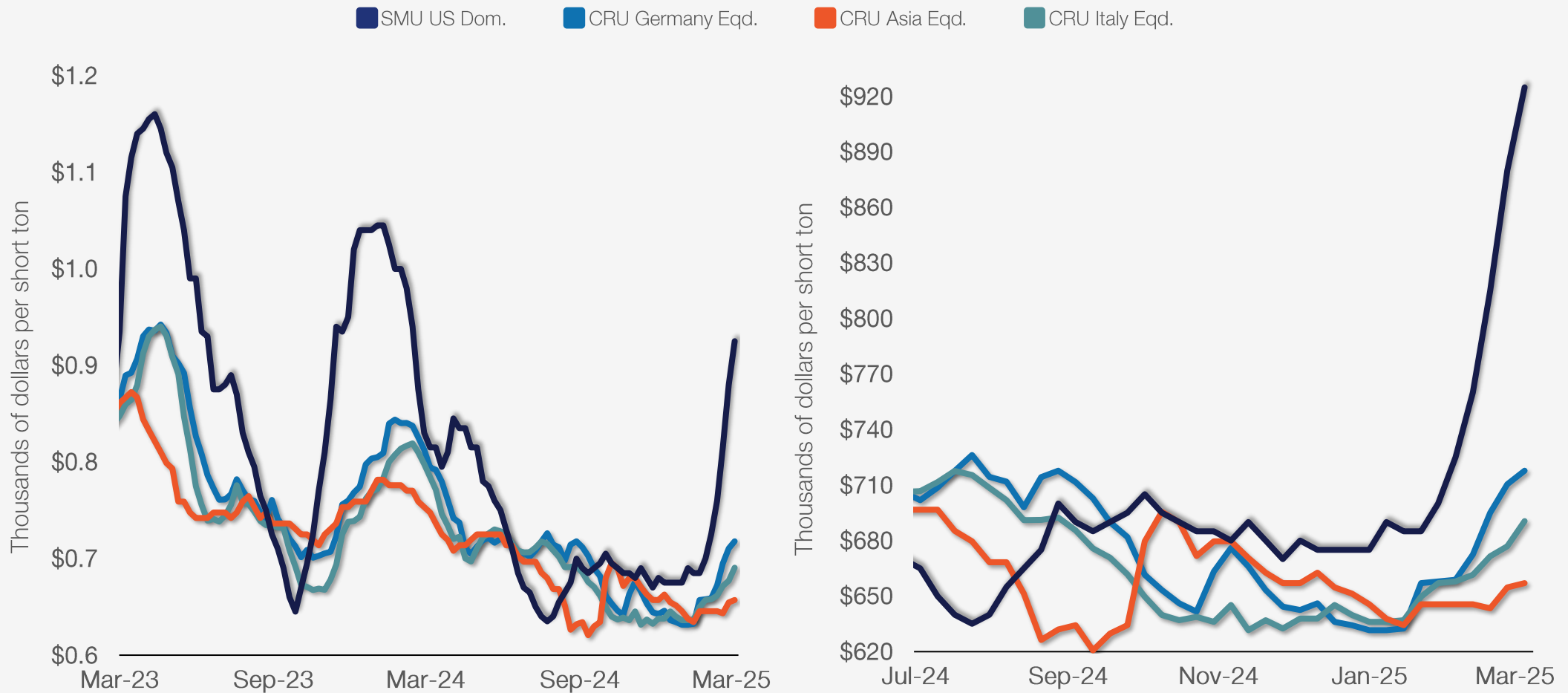
SMU's flat rolled product shipping days of supply, with data through January 2025.



Foreign vs domestic HR prices

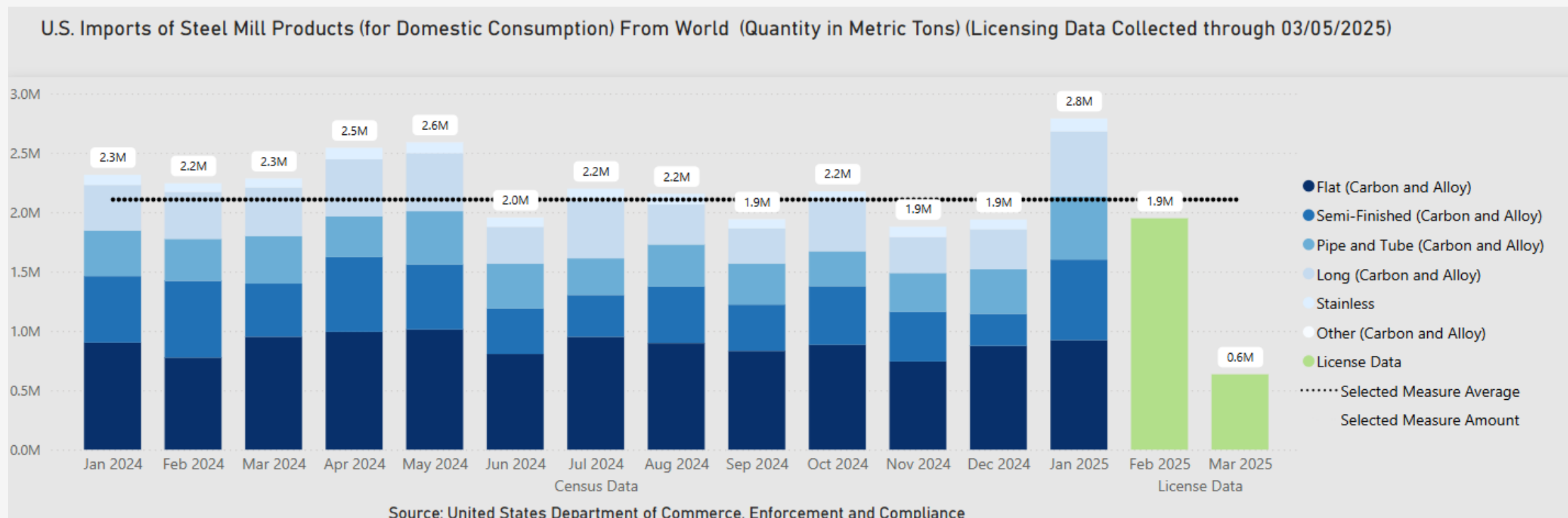
Foreign prices include \$90/st in importing costs, Asian prices include a 25% tariff

SMU's HR coil price vs. CRU offshore HR coil price, with data through March 6, 2025.



Import volumes down. But for how long?

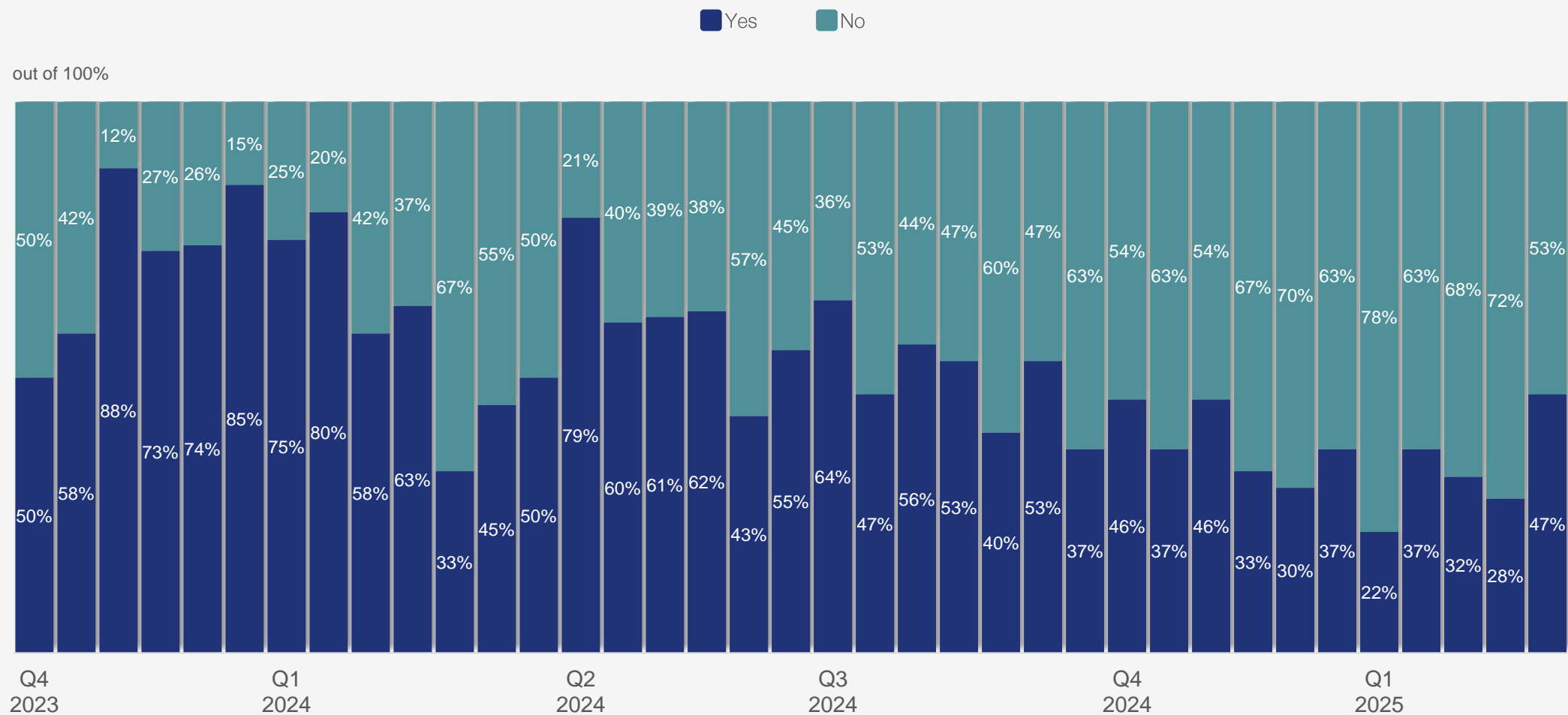
US Department of Commerce total US steel imports, monthly imports through February 2025 license data



Foreign steel competitiveness

Service centers

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



wiley

Summary of President Trump's Tariff Actions

Alan H. Price

March 13, 2025



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Current U.S. Tariff Measures

IEEPA Int'l economic emergency (fentanyl/migration)	Section 232 National security (steel & aluminum)	Section 301 Unreasonable trade practices (China trade war)
<p>China: Effective February 4/March 4 20% on all products</p>	<p>Effective March 12 25% on steel and aluminum imports from all sources (including derivative products)</p>	<p>25% on wide range of Chinese products</p>
<p>Mexico: Effective March 4 0% for all USMCA compliant products 10% for non-USMCA potash 25% for all other products</p>		
<p>Canada: Effective March 4 0% for all USMCA compliant products 10% for non-USMCA energy products & potash 25% on all other products</p> <p style="text-align: right;">Note: Tariffs are additive (232 + IEEPA + 301 + AD/CVD)</p>		



Potential U.S. Tariff Measures

Reciprocal	Shipbuilding	Other
<p data-bbox="384 675 746 775">Reciprocal tariffs on all sources</p> <p data-bbox="303 822 828 922">Effective date and tariff level TBD (April 2?)</p>	<p data-bbox="1026 589 1684 922">Potential fees on inbound and outbound ships owned/operated by Chinese companies, as well as fleets that contain Chinese owned ships</p> <p data-bbox="1156 965 1554 1008">Effective date TBD</p>	<p data-bbox="1755 704 2372 861">Autos, semiconductors, pharmaceuticals, copper and lumber</p> <p data-bbox="1852 908 2275 951">Effective dates TBD</p>

Practical Issues (IEEPA)

- **IEEPA Tariffs on China**

- Apply to goods that Chinese or products of Hong Kong under the “substantial transformation test”
- At 10% from February 4 – March 3; rose to 20% effective March 4
- Tariffs apply in addition to Section 301 or other applicable tariffs (e.g., 232)

- **IEEPA Tariffs on Canada and Mexico**

- Tariffs apply to goods that are Canadian / Mexican under the “substantial transformation test” or 19 C.F.R. Part 102 Rules
- USMCA Exemption:
 - Effective March 7; goods entered March 4 to March 6 are not eligible
 - The exemption does not apply to all goods from Canada / Mexico. It is available only to goods that meet the complex, product-specific rules of origin under USMCA Chapter 4
- Tariffs apply in addition to other applicable tariffs (e.g., 232)



Practical Issues (Section 232)

- All prior country-specific special treatment (exemptions, quotas) and Generally Approved Exclusions revoked
 - Product-specific exclusions to expire at the end of their current terms without renewal
 - No future special treatment or exclusions contemplated
- Aluminum tariffs increased from 10% - 25%
- Coverage expanded to new tariff codes, including codes outside of Chapters 72/73 (covering steel mill goods and steel articles) and 76 (covering aluminum “mill” goods and articles)
 - For the additional goods outside of Chapters 72/73/76, duties apply only to value of steel/aluminum content
 - CBP has issued Cargo Systems Messages with information on how to report duties on these goods
 - All duties effective March 12 – including on the steel/aluminum portion of non-72/73/76 goods
 - If importer cannot segregate the value of the steel/aluminum content, may choose to pay duties on full value
- Potential for further expansion to additional articles

Thank You!

Thanks for listening!

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