

US hot-rolled, cold-rolled and hot dipped galvanized coil price soars to record high

The hot-rolled coil index established a new all-time high since Fastmarkets started covering the market in 1960. The index has set and broken a series of records since the beginning of this year.

With domestic lead times out at least until July and distributors in dire need of inventory for busy customers, the sources said the direction of pricing is still pointing higher.

Preliminary discussions with traders indicate that more imported coil may be on its way to the United States, but not enough to have any significant impact on supply availability. Still, prices for foreign material are climbing just as sharply as US domestic prices, and sources questioned whether the incoming volumes will be enough to put a dent in the domestic prices before autumn. At this time, there is evidence that pricing will remain elevated through year-end.

QUOTE OF THE DAY

"The bottom line is everything is moving up. I would think they are going to keep going. Is it possible that we could have, by August, a full year of prices going up every week? Eventually you are going to get to the top of the hill. We just don't know when."

NEWS UPDATE

- With mill shutdowns scheduled for the summer, this situation may worsen.
- Demand from the automotive sector continues to exert pressure on steel supply.
- Activity in the construction segment, including residential and commercial buildings also continues to increase.
- Stainless prices – surcharges are up, and all protective PVC producers have announced price increases of 8.5% due to rising raw material costs for resin, shipping costs along with availability and production cost increases.



TRANSPORTATION & OCEAN FREIGHT PRESSURES SET TO CONTINUE INTO THE SUMMER WITH COSTS INCREASING



There is a significant shortage of truckers, ocean freight vessels, vessel space and containers. Import volume is surging, one year after blank sailings and pandemic-induced stay-at-home orders led cargo numbers to plummet at ocean gateways across the country. The sector is facing a second round of the logistics headaches that first hit last October-November. These shortages are affecting the shipment of inbound steel and at the center of material delays.

Combined with the increase in trade flows since the first quarter of the year - fueled by strong outlooks across markets and economies recovering from the Covid-19 pandemic - localized operational issues due to Covid outbreaks and intermittent port operations, moving heavy cargo including mineral raw materials and metals is proving ever more challenging. Imported 20 ft containers (TEUs) grew by almost 51% YoY across the U.S. in March. These numbers are being driven by import levels from Asia.

Figures on what is being imported highlight how consumer demand is driving the surge. Numbers show that imports of leisure products, including toys and workout equipment, rose almost 95% YoY, and imports of home furnishing items rose more than 91% YoY. The wave of imports hitting U.S. shores is not expected to let up anytime soon. The National Retail Federation expects the high levels to last through the summer.

"Between federal stimulus checks and money saved by staying home for the better part of a year, consumers have money in their pockets and they're spending it with retailers as fast as retailers can stock their shelves."

The high levels of imports have led to issues with port congestion over the last few months with many vessels waiting at anchor. Congestion issues have spread to many ports, adding to the delay of inbound steel shipments. Throughout much of the global ocean freight logistics chain for several months, difficulties are projected to continue well into the third quarter (Q3) of this year, including high prices, poor vessel reliability, capacity issues, and acute equipment shortages.

How long the congestion continues will depend mainly on import volumes between now and the beginning of August's peak season. Anticipating record sales in 2021, retailers expect the U.S. containerized exports will increase 20 percent or more each month through June.

Port Houston is positioning itself as a viable option for handling more containerized imports from Asia, thanks to congestion woes for importers on the West and East coasts. West Coast ports such as the Port of Los Angeles still handle a large share of containerized goods coming into the country from Asia, but Houston and other Gulf Coast ports have been pulling more market share from Asia, port officials said.

Port Houston manages the eight public terminals that make up the more than 200 terminals – most of them private – along the Port of Houston. The Port of Houston is 25 miles of the 52-mile-long Houston Ship Channel, a federal waterway. In 2020, the Houston Ship Channel was ranked the busiest waterway in terms of tonnage

The loss in ocean capacity resulting from carrier schedule changes after the Suez Canal blockage is also expected to stretch into June. When the Suez - one of the busiest trade lanes in the world became blocked, ships arrived late to ports of call. Carriers had to respond by blanking sailings that were scheduled on these late ships. The altered schedules and delays have even resulted in carriers unloading cargo at the incorrect port as they attempt to quickly turn ships around and get capacity back to Asia. "Port congestion and delays at both origins and destinations are expected to make the container shortage in Asia worse over the next few weeks, before easing in late June." The disruptions are occurring at a time when many ports — especially in the U.S. and Europe are already congested.

Watch the Walk, Never Mind the Talk



Every organization, no matter the size or type, has a written set of values and principles. Whether it is a business, a non-profit, a government agency or a political group, people who work together to achieve a purpose tend to write down what they believe in and how they want to present themselves. This is the common bond. Sometimes these documents are described as "Core Values", a "Code of Conduct", a "Statement of Values" or "Our Principles". Whatever the title, organizations want to be explicit about their ideals and may spend a great deal of time contemplating these words, debating them, refining them, and presenting them - both to the outside world and to each other.

This is laudable. The more explicit these documents are, the greater the expectation that people will behave in accordance with the words. We spend a lot of time on the "talk" in order to encourage the right kind of "walk." So why is it so often the case that these carefully considered and chosen words end up as simply a plaque on the wall that people ignore? Why is there so much skepticism, even cynicism, around them?

Here is another question: why do so many organizations build a "balanced scorecard" of metrics (profit and customer satisfaction for example) and then actually pay attention to only a few of them? Or why do so many teams labor over a strategic plan and then put it on a shelf and go back to what they were doing before?

The answer? A lack of accountability. Accountability is the disciplined practice of confronting behavior and choices that are inconsistent with written statements of ideals; performance that falls short of all, not just some, of the metrics that matter; decisions on how to spend time and money that are inconsistent with strategic intent. And true accountability requires not just acknowledgement and confrontation of behavior, performance and decisions that fall short, but also real consequence. Consequences can range from direct conversations to course correction to punitive action, but consequences must occur. Without accountability and consequence, words are just words.

When people look around the organization to which they belong, they focus on what happens, not what is supposed to happen. Who gets ahead? Who gets the attention? Does anyone get called out when they violate the Core Values? Are there any real consequences when people fall short of some goals if they are achieving others? How much can you get away with? Forget the boundaries suggested by the words. What are the actual boundaries we have learned through experience? No matter how lofty or well- intentioned or brilliant the talk, only accountability and consequence can change the walk.

People may appreciate the talk, but they watch the walk. For an individual, a team, or an organization, it is our walk that defines us, not our talk. Actions always speak louder than words.

DIY Mother's Day Floral Arrangement

Spring is here and Mother's Day is right around the corner. How about a 'do it yourself' flower arrangement for Mom on her special day? It is easier than you think....

Here are the items you'll need: (or you can go for it on your own with your own selections)

1. Seeded Eucalyptus
2. Eucalyptus
3. Kalanchoe
4. Stock
5. 3 white Hydrangeas
6. Hypericum
7. 10-12 Soft pink Roses
8. Galvanized or Enameled pitcher

Once you've chosen your flowers and greenery, it's time to prepare the stems. Remove any foliage (leaves) below the water line of your vase. Cut all stems at a diagonal just before inserting into the water. All woody stems (like roses) should be split at the bottom with floral shears. This helps the blooms last longer.

Start your spring flower arrangement by placing long green stems. A mix of eucalyptus is good. Next, add long blooming stems, kalanchoe and stock. Once your greens and long-stemmed accent flowers are placed, it's time to add the largest flowers in your arrangement, the 3 hydrangeas (odd number is best). The final step is to fill any holes with soft pink roses. Add small berries (hypericum) for visual interest. The flower arrangement can be used as a beautiful centerpiece on a dining table.

Voila! Mom will love it!!!!



CHANCES DOG RESCUE & RELOCATION HELP US BY GETTING INVOLVED

Chances Dog Rescue and Relocation is lucky to have some amazing northern partners. On the heels of Northeast Animal Shelter's life saving mission south to pick up dogs displaced by winter storm URI, Cape Ann Animal Aid (CAAA) followed suit with two similar trips.

Staff and volunteers from CAAA flew down to Houston at the end of March and April and personally drove over 60 lucky dogs up to Massachusetts to meet their forever families. Generous donors in Massachusetts covered the cost of the first rescue mission, and Texas' own Tito's Vodka sponsored the second trip.

Undaunted by the 1500+ mile, 30+ hour trip, CAAA has staff and volunteers ready to jump on a plane and do it all over again this June / July.

Perhaps even more exciting, CAAA and Chances are forging a partnership to help treat some amazing heartworm positive dogs and get them up to Massachusetts for adoption. The first dogs will begin their 30-day course of doxycycline later this month and will be ready to travel by July.

If you would like follow Chances or Cape Ann Animal Aid, you can do so easily on Facebook. Like what you see? Share a post or two or send a donation so we can all continue our life saving work.

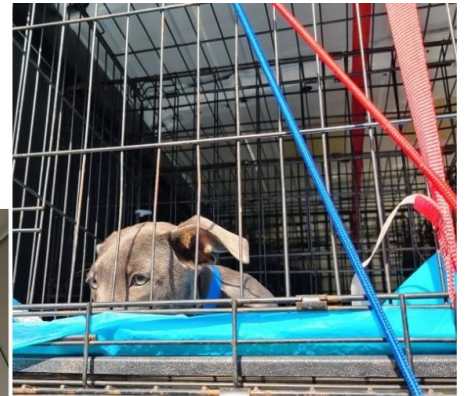
If you would like to Get Involved and Donate, please go to: www.chancesrescue.org go to the bottom of the page and click the "Donate" tab.



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New US steelmaking expansions not in focus

Domestic steelmakers are still in the process of completing capacity expansion projects spurred on by the last boom in 2018, when steel prices spiked to nearly 10-year highs. The temporary run up in steel prices after the implementation of sweeping tariffs on steel and aluminum products led to a profit windfall for mills in 2018 and a resulting rash of capacity expansion announcements at new and existing locations.



Now, new quarterly profit records are being hit, but US steelmakers have seemed uninterested in new capacity expansions and instead have hinted at growing downstream capabilities as well as reducing debt levels. Steel Dynamics, one of the earliest US steelmakers to announce first quarter results, hit multiple operational and financial records for Q1 '21. It is also one of the mills still in the process of completing a new \$1.9 billion mill in Sinton, Texas. The company expects the 3 million short ton per year capacity to start making shipments in the fourth quarter. SDI's CEO Mark Millett said during the company's earnings call that he thought any additional organic growth on the steel production side was off the table. "Downstream coating and value add is in the cards," added Millett.

RIG COUNT OVERVIEW & SUMMARY COUNT

Area	Last Count	Count	Change from Prior Count	Date of Prior Count	Change from Last Year	Date of Last Year's Count
U.S.	7 May 2021	448	+8	30 April 2021	+74	8 May 2020

MATERIAL COSTS MAY 2021 (prices still increasing)



Stainless: Prices continue to rise



Galvanized sheet: Prices continue to rise



Domestic 60" Galvanized: Prices continue to rise



Hot Rolled: Prices continue to rise



Cold Rolled: Prices continue to rise



Aluminum: Prices continue to rise