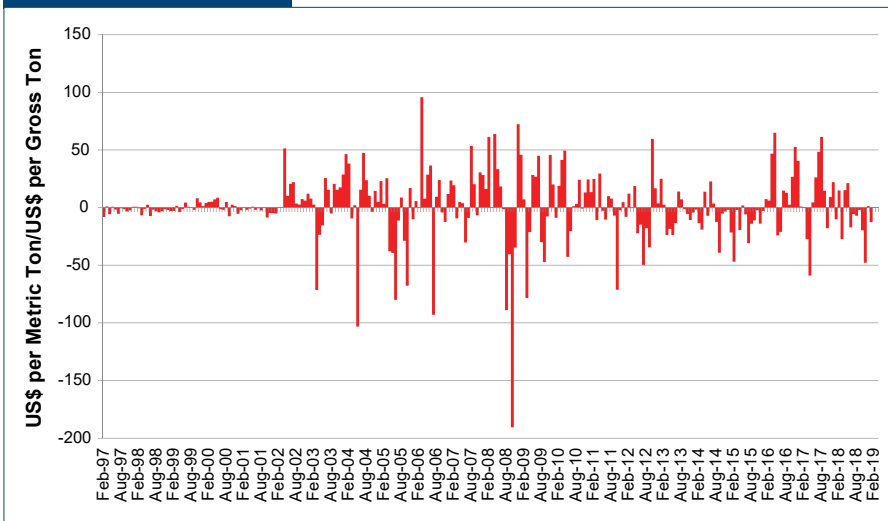


Steel Price Volatility = Cardiac Arrest. Time for a Rally.

Time and again over the past 20 years, and usually irrespective of the trend in underlying steel demand, the hot-rolled band (HRB) export price has changed direction about every 6 to 10 months. Since 2000, the HRB export price trend

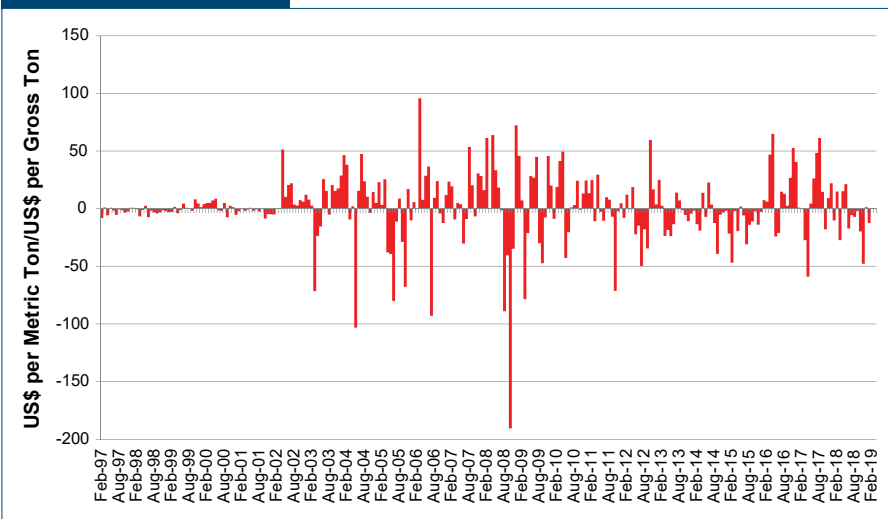
has reversed about 21 times, for an average duration of 10 months. Interestingly, the HRB export price declined from the summer of 2018 until late 2018; hence, if by May 2019 there's no improvement, this would be a duration of about 11 months.

Figure 1



USA hot-rolled band, FOB the steel plant (month-to-month price change).

Figure 2



China hot-rolled band price, ex-works excluding 17% VAT (month-to-month price change).



is a leading steel information service in Englewood Cliffs, N.J., USA

WSD's steel experience, steel database and availability of steel statistics are the principles for performing steel forecasts, studies and analysis for international clients. WSD seeks to understand how the "pricing power" of steel companies the world over will be impacted by changes in the steel industry's structure. The views and opinions expressed in this article are solely those of World Steel Dynamics and not necessarily those of AIST.

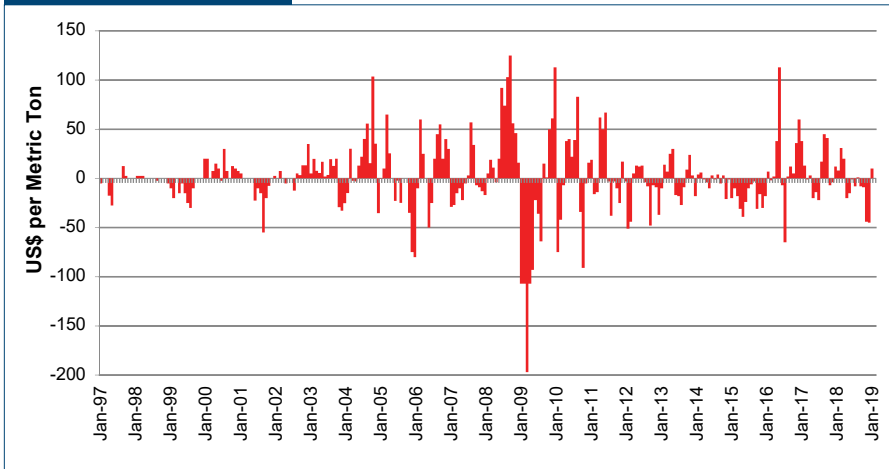


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Figure 3



World export price for hot-rolled band, FOB port of export (month-to-month price change).

Products for which prices are highly volatile include prime scrap, obsolete scrap, iron ore, coking coal, metallurgical coal and commodity-grade steel products.

Hence, given the regularity of swings in price direction, this is one of the reasons in January 2019 that WSD forecasted a sizable rise in the HRB export price by about May 2019.

This report includes forward-looking statements that are based on current expectations about future events and are subject to uncertainties and factors relating to operations and the business environment, all of which are difficult to predict. Although WSD believes that the expectations reflected in its forward-looking statements are reasonable, they can be affected by inaccurate assumptions made or by known or unknown risks and uncertainties, including, among other things, changes in prices, shifts in demand, variations in supply, movements in international currency, developments in technology, actions by governments and/or other factors. ♦

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