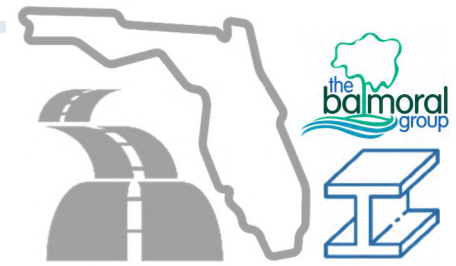


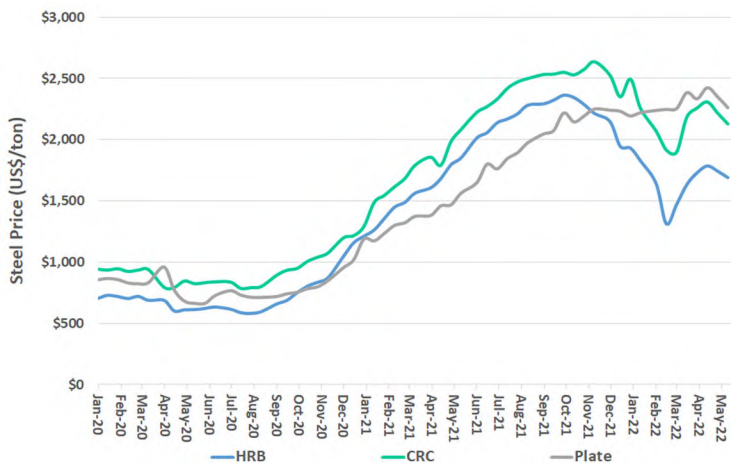
# May 2022: U.S. Steel Costs Remain Volatile



**Fabricators report increasing bid prices by 8% to 31% depending on the product last month in an effort to keep up with ever-changing material costs.** FDOT steel suppliers are concerned with rising shipping costs due to fuel price hikes, driver shortages affecting mill deliveries, and the availability of material at service centers. Russia's war in Ukraine has impacted global supply and demand over the last few months, contributing to commodity price increases. At the same time, many European nations are scaling back their need for Russian oil by turning to renewables instead. Suppliers report continued price increases as the costs for crude oil, iron ore, and steel remain unstable due to the war, the pandemic, and lingering shipping and transportation issues. Lack of supply, not demand, is constraining production at several locations.

May 2022 Survey Results	Structural Steel	Overhead Sign	Steel Plate	Steel Pipe	Square Tubing	Galvanizing
Price Change, April 2022	10%	13%	10%	10%	5%	3%
Expected Price Change, May 2022	8%	13%	4%	4%	8%	3%
Expected Price Change by End of June	11%	18%	8%	8%	11%	6%
Bid Price Change, April 2022	17%	31%	11%	17%	13%	8%
Production Change, April 2022	1%	-18%	-5%	-3%	5%	1%
Expected Production Change, May 2022	1%	-18%	-5%	-3%	5%	1%
Expected Production Change by End of June	-2%	-31%	-11%	-5%	8%	-2%

**SteelBenchmarker – US Steel Prices**



- Steel prices have begun falling after two months of increases; impacts relating to the war in Ukraine are easing in some markets.
- Steel costs remain elevated in May 2022; respectively 98%, 101%, and 173% higher than they were in November 2020.
- Through May, U.S. SteelBenchmarker prices average \$2,064 per ton, 15% higher than May 2021.
- World FOB steel prices have fallen to \$1,032 per ton in May (about half the cost of U.S. steel).
- Steel prices in China have declined to \$712 per ton in May 2022 due to decreased demand.

**Helpful Anecdotes:** (1) Reportedly, most material costs are still going up in small increments on a monthly basis. (2) According to one fabricator, the steel pipe market is the worst and experiencing larger monthly increases, if you can find the material at all. (3) Raw material shortages and staff turnover at distributors continue to increase inefficiency and delay deliveries, exacerbating the issue.