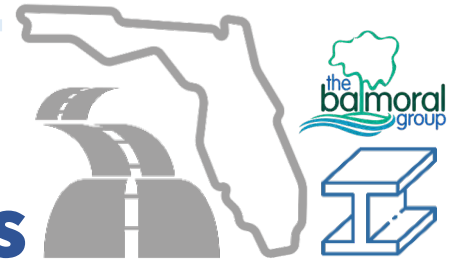
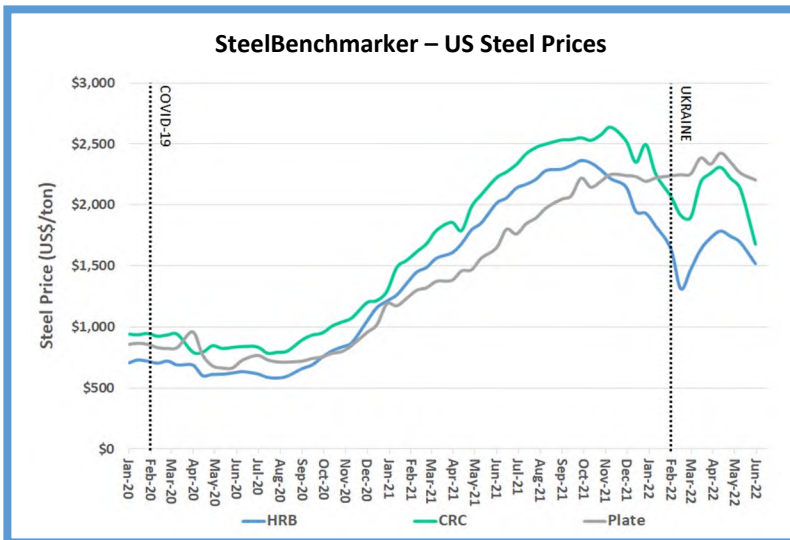


June 2022: Signs of Relief for US Steel Prices



Some steel fabricators report raw material costs rose 10%-15% through May, which they attribute to the war in Ukraine. However, price increases last month were not worse than expected. US benchmark steel prices have fallen for several steel products in June, showing some market recovery. Still, surveyed steel makers are expecting an increase in their costs over the next few months, indicating that FDOT’s bid prices may remain elevated well into fiscal year 2023. Fabricator price changes are quoted at 3% to 5% in June, while bid prices are estimated to rise between 3% to 8%. Industry outlooks for 2022 and 2023 remain highly uncertain as stable recovery from the pandemic becomes less likely due to geopolitics and rising inflation.

June 2022 Survey Results	Structural Steel	Steel Plate	Steel Pipe	Rebar/ Round Bar	Square Tubing	Galvanizing
Price Change, May 2022	3%	3%	3%	3%	8%	3%
Expected Price Change, June 2022	3%	3%	3%	3%	5%	3%
Expected Price Change by End of Sept.	11%	11%	8%	3%	13%	8%
Bid Price Change, May 2022	5%	5%	5%	3%	8%	8%
Production Change, May 2022	13%	8%	3%	3%	3%	8%
Expected Production Change, June 2022	3%	8%	3%	3%	3%	8%
Expected Production Change by End of Sept.	3%	8%	3%	3%	3%	3%



- Some benchmark steel prices are declining despite the continued conflict in Ukraine, which interrupted market corrections seen earlier this year.
- US Steel costs have improved but remain high in June; respectively 78% (HRB), 59% (CRC), and 167% (Plate) higher than November 2020 prices.
- Through June 2022, US steel prices average \$1,799 per ton, 10% lower than June 2021.
- World steel prices have fallen to \$858 per ton in June (about half the cost of US steel).
- Steel prices in China have declined to \$704 per ton in June 2022 amid decreased demand.

Helpful Anecdotes: (1) Material price increases were primary driver of production changes in May 2022 according to surveyed fabricators. (2) Steel makers are concerned about persistent supply chain break downs, labor force issues, and high demand. (3) Florida fabricators are looking ahead to a potential economic slow-down in the US, despite increased infrastructure funding being pumped into the economy by the federal government.