

FORECAST REPORT | OCTOBER 2025



Monthly Metal Buying Outlook

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Editor's Highlights

Highlights during the month of September

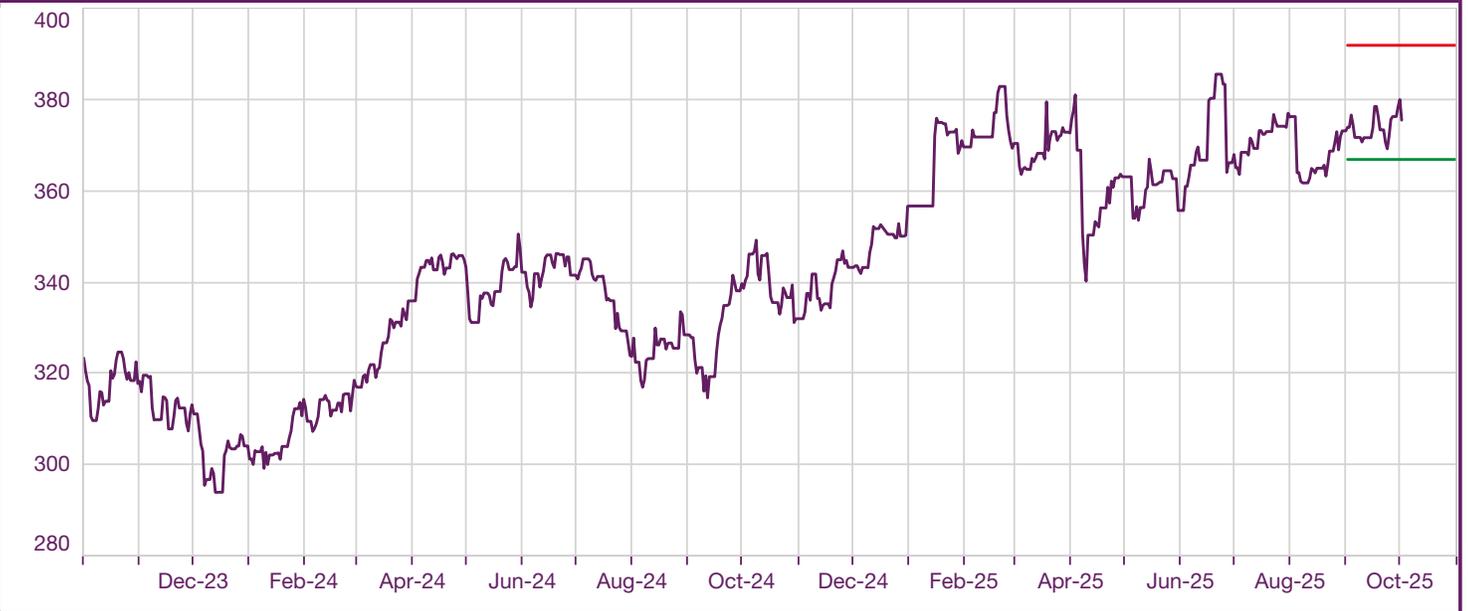
- President Trump unveiled a new series of tariffs on a broad range of goods in late September. Those included a 100% duty on branded drugs and a 25% tariff on heavy-duty trucks to take effect on October 1. No further trade deals with the U.S. were reached during the month, although negotiations remain ongoing. Mexico appears likely to pass tariff increases on steel and aluminum, among other products, a move likely aimed to appease U.S. concerns over China. India noted that discussions remain “constructive,” although the U.S. signaled a deal would require curbs to Russian oil purchases. Meanwhile, U.S. and European officials met in an effort to restart negotiations to reduce tariffs imposed on steel and aluminum exports via a potential quota arrangement. Further trade deals would lower domestic metal prices.
- The Federal Reserve lowered its target range for the federal funds rate by 0.25 percentage points, its first rate cut since December 2024. The group cited slower economic growth, rising unemployment risks and persistent but elevated inflation in its decision. The Fed also signaled that additional cuts may be forthcoming as it seeks to balance inflation and employment objectives amidst rising uncertainty. Anticipation of the cut offered a modest lift to base metal prices during the first half of the month. However, sticky inflation, which is expected to persist over the next few years, will likely see a tempered approach by the Fed, offering a limited impact on markets.
- China disappointed markets with limited stimulus signals despite weak economic data. In August, both industrial output and consumption showed their worst performance since the start of the year, which followed an increasingly soft performance in July. Markets anticipated this would trigger Chinese officials to institute more significant monetary support, as seen in years past. Analysts now expect the PBOC to offer only a small policy rate cut by the end of the year and a “modest” stimulus package estimated to be between 0.5-1 million yuan. China’s slowing growth will continue to place a cap on metal prices.
- The ISM Manufacturing PMI remained in contraction but continued to show improvement, increasing from 48.7 in August to 49.1 in September. Notably, the Production Index returned to growth, moving 3.2 percentage points higher to 51. The New Orders Index returned to contraction, moving 2.5 percentage points lower to 48.9.
- The China Caixin Manufacturing PMI remained in growth, rising from 50.5 in August to 51.2 in September.

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Editor's Highlights

Thomson Reuters / CoreCommodity CRB Index: October 01, 2025



**Note from the editor: While the CRB contains no meaningful correlation between industrial metal prices and commodity prices, there is an inverse correlation with China FXI shares.*

- The CRB moved sideways, with a modest 0.42% rise to 375.62. Rising metal and energy prices offset a decline in agriculture prices.
- The U.S. dollar index remained within range, falling by a modest 0.52% to close September at 97.272.
- The China FXI continued to rise, increasing 5.73% to 41.14.



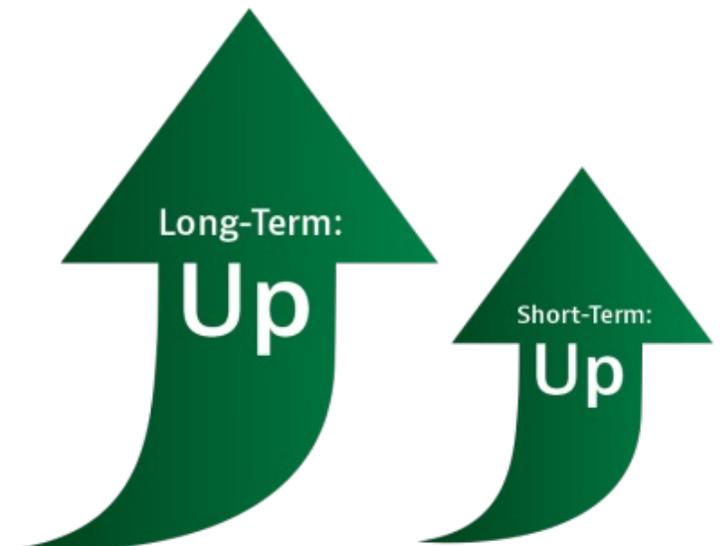
Resistance: 392
Support: 367

Editor's Highlights

PowerShares DB Base Metal Fund: October 01, 2025



- The DBB trended up, rising by 4.21% to 20.54.
- LME zinc prices experienced the largest increase of the overall index, accelerating from the previous month with a 4.83% rise.
- LME copper price continued to rise, with a 4.61% increase.
- LME aluminum prices moved sideways with a modest 2.37% increase.



LME Aluminum: October 01, 2025



Market Commentary

Aluminum prices posted a moderate but steady advance throughout September, with the 3-month contract climbing 2.37% to close the month within range at \$2,678/mt. The most pronounced gains occurred mid-month, before a mild pullback in the final days. Meanwhile, the Midwest Premium remained bullish, closing the month above last month's short-term resistance level at a new all-time high of \$0.7535/mt. This reflects a 9.02% month-over-month increase. In contrast, the SHFE aluminum contract was notably stable, ending September almost unchanged from its starting level at CNY 20,745, with only minor fluctuations and no clear directional momentum.

Supply concerns and the recent U.S. rate cut offered support to aluminum prices during the month. The rise in LME prices was supported by a surge in physical delivery requests and a sharp drawdown in LME warehouse inventories, particularly in Asia, which signaled persistent tightness in the physical market. The LME market structure remained in mild backwardation, with the cash contract trading at a premium to the 3-month, reflecting immediate supply concerns and a preference for prompt delivery. While LME stock levels showed a modest rebound over recent months, aided by increased exports from Canada to Europe, sanctions against Russia have led to significant drawdowns over recent years. Globally, the market is transitioning from chronic oversupply to a period of structural tightness. China's primary production has reached its 45-million-ton cap. While output continues to rise modestly, the country's exports of semi-finished products have declined as imports of primary aluminum have increased. This shift, combined with bauxite mining disruptions in Guinea and high energy costs, has contributed to the decline in exchange inventories and a bullish price outlook. However, demand conditions will continue to place a cap on global prices, particularly in the U.S., which is facing increased costs as a result of tariffs, causing Norsk Hydro to cut jobs amid weak demand.

Midwest Premium (USD/LB)

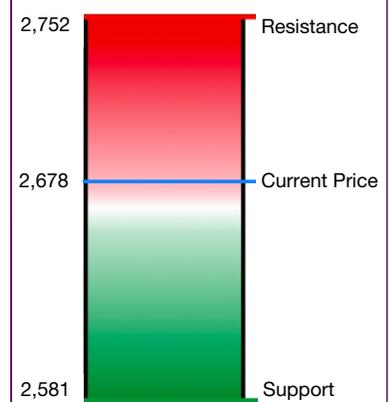


U.S. market conditions varied by product. Lead times for common alloys lengthened, while lead times for can sheet extrusions and billet trended shorter. As demand faces significant risks amid elevated costs, a recent fire at its Oswego facility caused Novelis to declare a force majeure. One service center noted this could pull the facility offline for an extended period, allowing other mills to take advantage of tighter supply conditions to potentially raise prices. The facility is responsible for a significant volume of automotive and can material. Q4 typically witnesses a slowdown in demand, which could offer a counterweight. Nonetheless, the wide delta between the Midwest Premium and its futures contracted during the month. Imports remain at a discount to domestic prices, with brokers quoting the top range for 5052 and 3003 coil at \$2.72/lb and \$2.68/lb, respectively.

Aluminum Drivers

- 1 Economic headwinds (-)
- 2 Soft demand (-)
- 3 Potential trade deals (-)
- 4 Bullish Midwest Premium (+)
- 5 Shorter mill lead times (-)
- 6 Sideways U.S. dollar (+)

Support and Resistance Indicator



Industrial Buying Strategy

Aluminum prices on the LME posted a moderate but steady advance throughout September, supported by tightening physical supply, a drawdown in exchange inventories and persistent backwardation. However, LME prices closed the month within range, while the Midwest Premium remains close to its likely peak. As such, industrial buying organizations may remain conservative and purchase as needed.

Comex Copper: October 01, 2025



Market Commentary

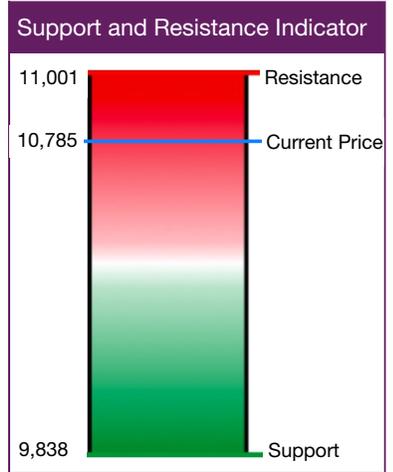
Comex copper prices maintained an upward trajectory, with the 3-month contract and the 15-day moving average rising above last month's resistance level to close at \$10,785/mt. This 8.34% month-over-month increase was accompanied by moderate fluctuations, reflecting ongoing market volatility. The LME 3-month copper contract mirrored the Comex trend, closing above range at \$10,332/mt, representing a 4.61% gain. The SHFE copper contract in China also traded up, ending at CNY 83,220/mt.

September's copper market was shaped by a confluence of supply-side disruptions, policy shifts and robust demand. A disaster at the second-largest copper mine, Freeport-McMoRan's Grasberg, triggered a force majeure. While mine disruptions do not typically impact prices, the scale of the loss at 600,000 tons of copper concentrates is unprecedented, worsening the already tight raw material market and triggering a price spike in late September. Meanwhile, the U.S. imposition of a 50% tariff on semi-finished copper products, while exempting raw materials, led to anticipatory stockpiling and a surge in Comex inventories. This created a temporary regional surplus in the U.S., while inventories in Europe and Asia remained comparatively tighter. The situation resulted in a historically wide spread between Comex and LME prices, which then narrowed as tariff details were clarified. Meanwhile, China's rare 4-5% month-on-month decline in refined copper output, attributed to new tax regulations and expanded smelter maintenance, removed approximately 500,000 tons from annualized supply. This intensified global tightness despite the country's annual output remaining on track for a record high. Recent disruptions notwithstanding, the global market remains well-supplied overall, which could undermine supply concerns that are currently offering support to prices.



On the demand front, global consumption surged by 8% in September, underpinned by infrastructure investments and the electrification of transport and industry, particularly in the U.S., EU and China. The U.S. market, in particular, saw strong demand from ongoing infrastructure projects and the rapid expansion of data centers, even as the new tariffs prompted a shift in sourcing strategies and increased costs for copper-intensive products. In Europe, policymakers are considering export restrictions on copper scrap to secure domestic supply, while China's aggressive procurement of European scrap has further tightened availability. Meanwhile, the Yangshan copper premium rose to its highest level in three months before retreating. However, slowing economic growth and hesitancy to release significant stimulus measures within China will remain a limiting factor to the current bullish sentiment. The market remains highly sensitive to further supply disruptions, regulatory changes and macroeconomic developments. The recent U.S. Federal Reserve rate cut offered support to prices, although further cuts are likely to remain tempered in the year ahead amid ongoing inflationary pressures.

Copper Drivers	
1	Economic headwinds (-)
2	Data center growth (+)
3	Global inventory levels (-)
4	Tight concentrate market (+)
5	Sideways U.S. dollar (+)



Industrial Buying Strategy

Copper prices maintained an upward trajectory throughout September, with both Comex and LME contracts posting modest month-over-month gains amid ongoing market volatility. Given the current environment, which is characterized by elevated but volatile prices, strong demand fundamentals and ongoing supply-side risks, industrial buying organizations may secure short-term 0-3 months requirements.

Stainless Steel 304 2B 14ga (\$/lb) and LME Nickel: October 01, 2025



Market Commentary

The stainless market appeared sideways to slightly weaker during the month. Despite soft conditions, buyers continued to lean toward domestically produced material, prioritizing supply chain resilience and minimizing risk associated with import purchasing. As a result, domestic 304 prices saw a slight decline in base price discounts (which causes prices to increase slightly), which was slightly offset by a lower surcharge. (Discount estimates are available for MetalMiner Insights subscribers.) At the service center level, inventories remain lean but stable. However, stocks at the master distributor level remain elevated. Service centers noted cold-rolled lead times ranged from 6-9 weeks at the start of September, while other suppliers estimated that those lead times decreased during the month. Lead times for long products averaged around 8 weeks. One supplier noted a slowdown in shipments and estimated capacity utilization levels at domestic mill levels to be around 75%, trending slightly lower than the 75-80% estimates heard in August.

While austenitic grades remained well-supplied in the U.S., ferritic supply appeared relatively tighter, particularly with regard to 441. Bright annealed products also remain tight despite Cliff's recent commissioning of its new annealing line in late June. However, tightness could ease as the market moves into the end-of-the-year slow season. Buyers may find opportunities for advantageous purchases in the coming months, particularly as NAS's Ghent cold rolling expansion nears its completion date. One supplier noted that this could see NAS offer more competitive pricing to fill the upcoming capacity. Despite weaker Q4 expectations, import levels over recent months remain considerably lower than where they stood last year. Buyers remain averse to locking in long-term offshore contracts, offering an advantage to domestic mills. Brokers also noted that depot pricing ranged from \$1.58-1.70/lb, depending on the gauge, showing no change from the previous month.

Overall, the NAS surcharge trended modestly lower throughout the month, falling 0.36% to \$0.8099/lb. This drag largely stems from a decline in the tariff component of the surcharge alongside drops in niobium, iron and manganese prices.



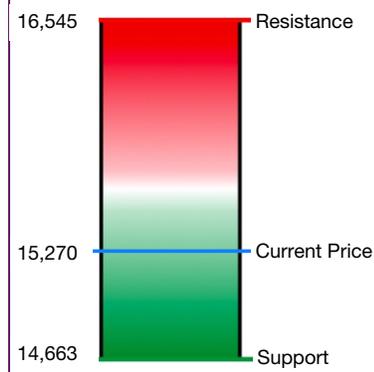
Nickel

Nickel price action was characterized by a mild downward trend on both the LME and SHFE. The LME 3-month contract ultimately closed 0.72% lower at \$15,270/mt. SHFE nickel prices mirrored this pattern, with a modest 0.41% decline to CNY 121,200/mt. Chinese NPI prices experienced a modest increase, rising 1.60% to CNY 950/mt.

Stainless Steel Drivers

- 1 Economic headwinds (-)
- 2 Soft demand (-)
- 3 Tighter ferritics supply (+)
- 4 Nickel surplus (-)
- 5 Shorter stainless lead times (-)
- 6 Potential steel quota arrangements (-)

Nickel Support and Resistance Indicator



Industrial Buying Strategy

Both the LME and SHFE nickel contracts closed the month lower amid persistent oversupply and weak demand fundamentals. Industrial buying organizations should continue to purchase as needed. Forward purchases beyond immediate requirements are not recommended at this time.

LME Lead: October 01, 2025

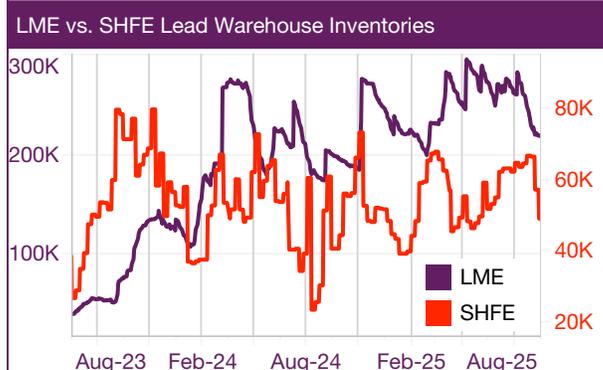


Market Commentary

During September 2025, the LME 3-month lead contract maintained a generally stable to slightly upward trajectory. The contract began the month with minor fluctuations and a brief mid-month dip, but ultimately recovered, closing within range at \$2,003/mt, reflecting a 0.81% modest month-over-month increase. In contrast, the SHFE lead contract in China demonstrated a more pronounced and sustained upward movement. After a period of stability, the contract experienced a significant mid-month jump, peaking before a slight pullback in the final days. The SHFE contract closed the month at CNY 16,895/mt, marking a modest 0.15% decrease.

September's price action suggests a market that is well-supplied but supported by steady demand, with no significant disruptions or speculative surges. Trading volumes on the LME remained muted, and the overall sentiment was one of cautious optimism, as technical indicators pointed to underlying support despite the lack of strong momentum. The divergence between LME and SHFE prices highlights stronger short-term demand in the Chinese market, likely driven by pre-holiday stockpiling and improved consumption in sectors such as e-bikes, even as operating rates at Chinese lead producers remained subdued.

In North America, automotive lead battery shipments continued to grow, underpinned by the ongoing need for replacement batteries in an aging vehicle fleet and the entrenched use of lead-acid batteries in auxiliary systems. While lithium-ion batteries are gaining ground in low-voltage applications, lead remains dominant in the SLI (starting, lighting, ignition) segment. However, the broader U.S. economic environment is showing signs of slowdown, with business activity moderating and persistent tariffs fueling input cost pressures. This has tempered industrial metals demand, including lead, and could limit upside price potential in the near term.

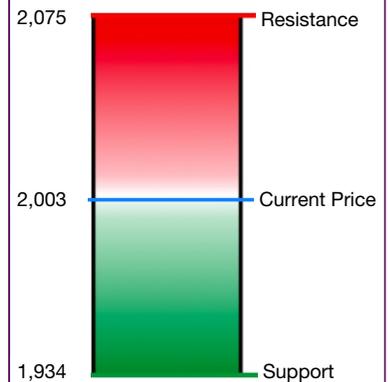


Inventory dynamics played a key role in supporting prices. LME lead inventories declined by 15.60% to 220,325 metric tons, while SHFE inventories in China also fell, reflecting tightness in both international and domestic markets. Downstream enterprises in China engaged in pre-holiday stockpiling, and primary lead smelters resumed production after maintenance, but the likelihood of a significant inventory buildup remained low. This environment, combined with just-in-time procurement and limited discounted cargoes, contributed to price resilience and cautious buying behavior. The market is expected to remain volatile, with prices likely to consolidate at elevated levels in the near term, barring any significant supply disruptions.

Lead Drivers

- 1 Economic headwinds (-)
- 2 Battery demand (+)
- 3 Supply surplus (-)
- 4 Steady production (-)
- 5 Sideways U.S. dollar (+)

Support and Resistance Indicator



Industrial Buying Strategy

Lead prices exhibited a generally stable to slightly upward movement during September, which has resulted in a continuation of the sideways trend. Given these conditions, industrial buying organizations may continue to purchase as needed until prices and the 15-day moving average break above resistance levels to confirm an uptrend.

LME Zinc: October 01, 2025



Market Commentary

September saw a decisive divergence in zinc price action between the LME and SHFE. The LME 3-month zinc contract posted a robust upward trend, with both prices and the 15-day moving average rising above last month's short-term resistance levels. Overall, prices rose 4.83% to close September at \$2,951/mt. The SHFE zinc contract remained subdued, falling by 3.34% to CNY 21,870/mt.

The price gap between LME and SHFE zinc has now reached its widest point in over two years, highlighting the emergence of a "two-speed" market. While LME prices benefited from global supply tightness and backwardation, signaling immediate supply constraints, SHFE prices were pressured by record-high Chinese production and rapidly building inventories. The SHFE market was weighed down by persistent domestic oversupply with record ore output and weak end-user demand, particularly from the construction and property sectors. This divergence is approaching a threshold that could make Chinese zinc exports economically viable, with major Chinese producers reportedly preparing for export opportunities, including potential deliveries to newly opened LME warehouses in Hong Kong. The market structure on the LME remains in backwardation, with cash prices exceeding futures, further underscoring the tightness outside China.

In the U.S., zinc market dynamics are being shaped by a combination of trade policy shifts, supply chain vulnerabilities and evolving demand patterns. The U.S. revised its reciprocal tariffs in September, excluding zinc powder from the list of taxed goods, which could ease import costs for domestic buyers. However, the U.S. remains heavily reliant on imports. 73% of refined zinc is sourced from Canada and Mexico, leaving the country exposed to ongoing trade negotiations and tariffs. Domestic demand from the automotive and construction sectors remains muted, with zinc oxide and dust markets showing only gradual recovery as inflationary pressures ease. Meanwhile, government infrastructure initiatives and Department of Energy funding for zinc-based technologies are expected to provide medium-term support, but high inventory levels and alternative material adoption are tempering immediate price rebounds.

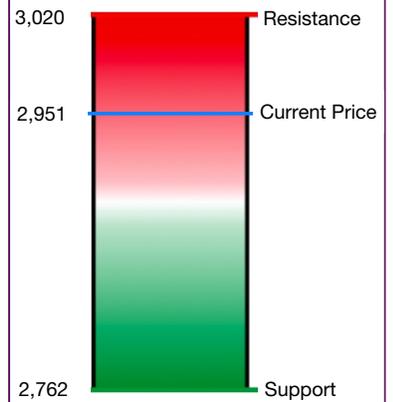


Europe continues to grapple with high energy costs and regulatory headwinds, notably the EU's Carbon Border Adjustment Mechanism (CBAM), which is set to include zinc by 2026 and is already raising production costs for high-emission producers. Regional price disparities are pronounced: Germany saw a 4% price increase in Q2 2025, driven by strong smelter demand and constrained supply, while the UK and other European markets remained relatively stable. Sanctions on Russian zinc have further tightened supply in Europe, contributing to higher prices and increased volatility. Despite these challenges, European industrial demand for zinc remains robust, particularly in galvanizing and advanced manufacturing. Still, the outlook is clouded by persistent energy price volatility and logistical bottlenecks.

Zinc Drivers

- 1 Economic headwinds (-)
- 2 Tighter LME supply (+)
- 3 Increased Chinese supply (-)
- 4 Soft demand (-)
- 5 Sideways U.S. dollar (+)

Support and Resistance Indicator



Industrial Buying Strategy

Zinc prices on the LME continued to trend upward throughout September, supported by tightening global inventories and market backwardation. This serves to underscore the immediate supply constraints outside China. Given the current environment, industrial buying organizations may wish to purchase ahead for 0-3 months.

LME Tin: October 01, 2025



Market Commentary

LME tin prices trended sideways with no month-over-month change, closing September within range at \$35,305/mt, potentially indicating the longer-term uptrend shows signs of stalling. The SHFE tin contract mirrored this weakness, with prices retreating 4.03% to end at CNY 278,060/mt.

Trading volumes on the LME were subdued and open interest fell, indicating cautious investor sentiment as funds exited positions in response to macroeconomic headwinds and persistent supply-side uncertainty. The market's volatility was underpinned by ongoing supply disruptions, most notably from Myanmar's Man Maw mine, which remains offline following a resource audit and earthquake-related infrastructure damage. Despite new mining permits issued in July, Myanmar's tin concentrate exports to China were down 94% year-on-year in July, forcing Chinese smelters to reduce capacity utilization and draw down inventories. Alternative suppliers such as the DRC, Australia and Nigeria have increased exports, but logistical, cost and quality challenges have limited their ability to fully offset Myanmar's shortfall. Indonesian refined tin exports rose 64% year-on-year. However, global supply chains remain fragile, with LME inventories down 42.71% from the start of the year as of late September. This is well above crisis levels but still tight by historical standards.

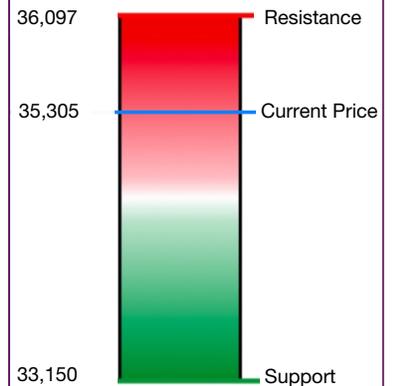
On the policy front, the U.S. imposed new tariffs of 19% and 25% on Indonesian and Malaysian tin imports, respectively. This will add to the complexity of global trade flows. Indonesia is actively negotiating for exemptions, but as of September, the tariffs remain in place, with ongoing talks and no resolution. Meanwhile, the U.S. is investing in domestic tin production, with construction underway on a \$65 million smelter in Virginia. Ultimately, the aim is to reduce import reliance and enhance supply chain resilience.

Demand-side conditions remain mixed. In the U.S., electronics and automotive sectors continue to drive tin consumption, supported by the expansion of semiconductor manufacturing under the CHIPS Act. However, the U.S. labor market showed signs of weakness, with non-farm payrolls underperforming and unemployment rising to 4.3%, fueling recession concerns and prompting expectations of a Federal Reserve rate cut. This has weakened the U.S. dollar, providing some support to commodity prices, but overall demand for tin in electronics and soldering remains subdued. In China, the traditional September-October peak season failed to materialize, with both industrial output and retail sales growth decelerating and the electronics sector entering its off-season. Europe's demand has been stable but unremarkable, with some substitution in packaging and electronics applications. In China, supply chain disruptions and maintenance outages in Yunnan and Guangxi provinces further constrained refined tin output, with September production expected to drop nearly 30% month-on-month. Scrap tin supply also tightened as smelter inventories fell below 30 days in some regions. These supply-side constraints have provided a floor for prices, even as demand remains tepid. The market as a whole is still highly sensitive to developments in Myanmar and the pace of alternative supply ramp-up.

Tin Drivers

- 1 Economic headwinds (-)
- 2 Mining constraints (+)
- 3 Semiconductor demand (+)
- 4 Soldering demand (+)
- 5 Sideways U.S. dollar (+)

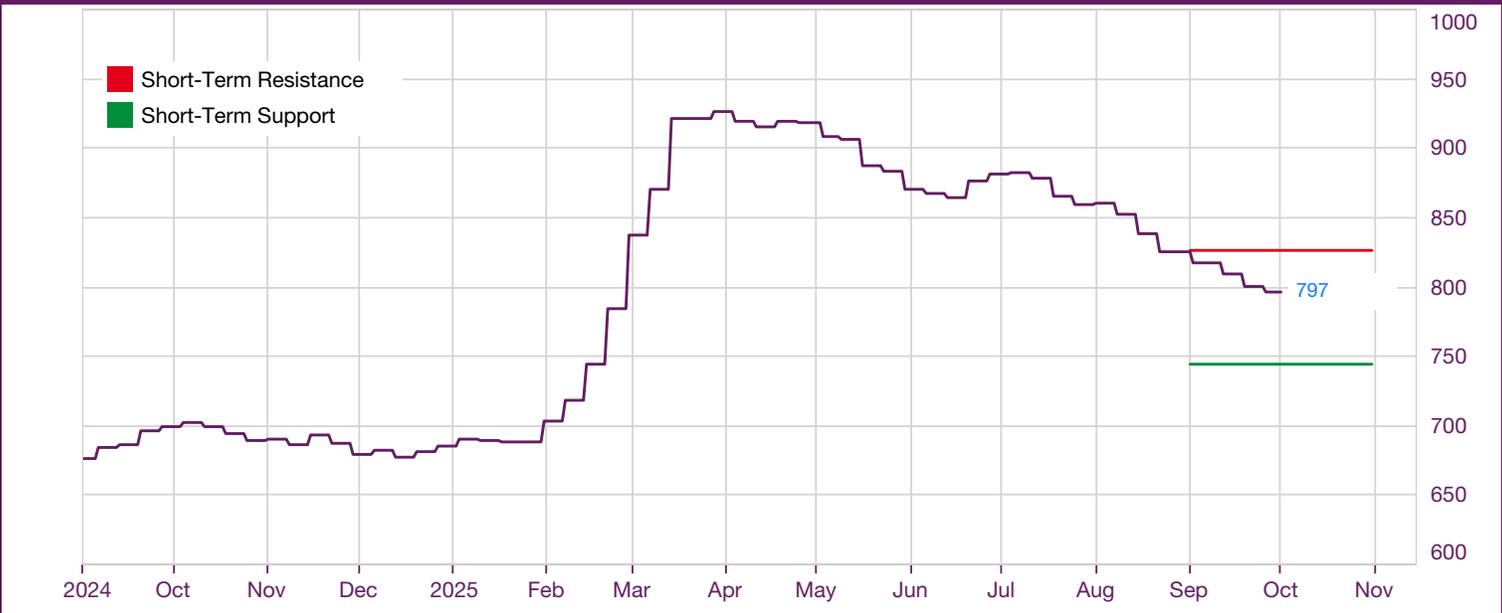
Support and Resistance Indicator



Industrial Buying Strategy

Tin prices held steady throughout September. Given the soft ascent, industrial buying organizations should remain ready to purchase 0-3 months ahead if the 15-day moving average breaches resistance levels.

MetalMiner IndX (SM) HRC: October 01, 2025



Market Commentary

The U.S. HRC spot market continued its downward trajectory, though the pace of the decline moderated compared to the sharper drops seen in August. Overall, prices fell 2.57% to close September within range at \$797/st. Meanwhile, mill lead times held steady at 4.7 weeks. This persistent softness in spot prices was not mirrored in the forward market, where the Comex HRC 3-month contract showed a mild upward trend. The latter ultimately closed at \$859/st, suggesting that market participants anticipate a potential stabilization or recovery in the months ahead. The divergence between spot and forward prices highlights ongoing uncertainty, with the spot market weighed down by weak demand and ample supply, while the futures market reflects cautious optimism for late-year improvement.

In contrast, Chinese HRC prices remained relatively stable throughout September, with only a slight 2.73% increase to CNY 3,496/mt. Despite ongoing production cuts, China's steel market remains oversupplied. In northern Europe, mills are now seeking about \$700/mt EXW for rolling and delivery in the autumn, unchanged from prices reported earlier in the month. Some mills are reportedly seeking \$735/mt, while Italian mills are reportedly seeking \$665-680/mt EXW.

The doubling of Section 232 tariffs to 50% in June continued to insulate domestic mills from import competition, creating an artificial floor for prices and allowing major producers like Nucor to maintain their HRC list price at \$875/st for the fifth consecutive week. However, actual spot transactions remain weak as service centers and buyers remain cautious amid poor end-user demand and expectations of further price declines. Inventory levels at service centers have remained stable, indicating that restocking is limited and just-in-time strategies prevail. The U.S. HRC market is also contending with a notable supply shift as planned mill outages are set to remove an estimated 700,000 tons of sheet supply in the coming months, potentially tightening the market as Q4 approaches. Despite these outages, lead times for HRC remain near multi-year lows, underscoring the lack of urgency among buyers. Imports remain subdued due to the high tariff environment, and landed costs for offshore HRC, especially from Europe and Japan, are significantly higher than domestic tags, further reducing import pressure. However, some Asian HRC prices are now theoretically lower

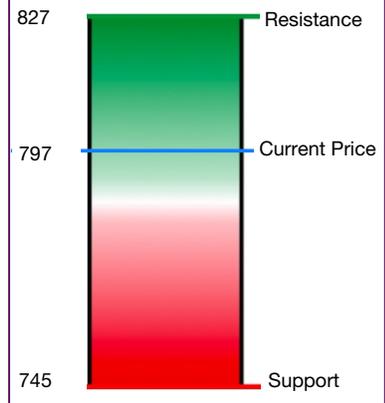


than U.S. domestic prices even after tariffs. This represents a reversal from previous years, which could increase import interest if domestic demand recovers. Looking ahead, market sentiment remains cautious, particularly amid the possibility of tariff rate quota arrangements. Mills are holding prices steady in an effort to support the market through contracting season, but price momentum signals expectations for further declines in the near term. Service centers are not aggressively restocking, and the Federal Reserve's recent 0.25% rate cut has yet to translate into a meaningful demand boost.

HRC Drivers

- 1 Economic headwinds (-)
- 2 Rising service center inventories (-)
- 3 Potential quota agreements (-)
- 4 Stable mill lead times (-)
- 5 Maintenance outages (+)
- 6 Soft demand (-)

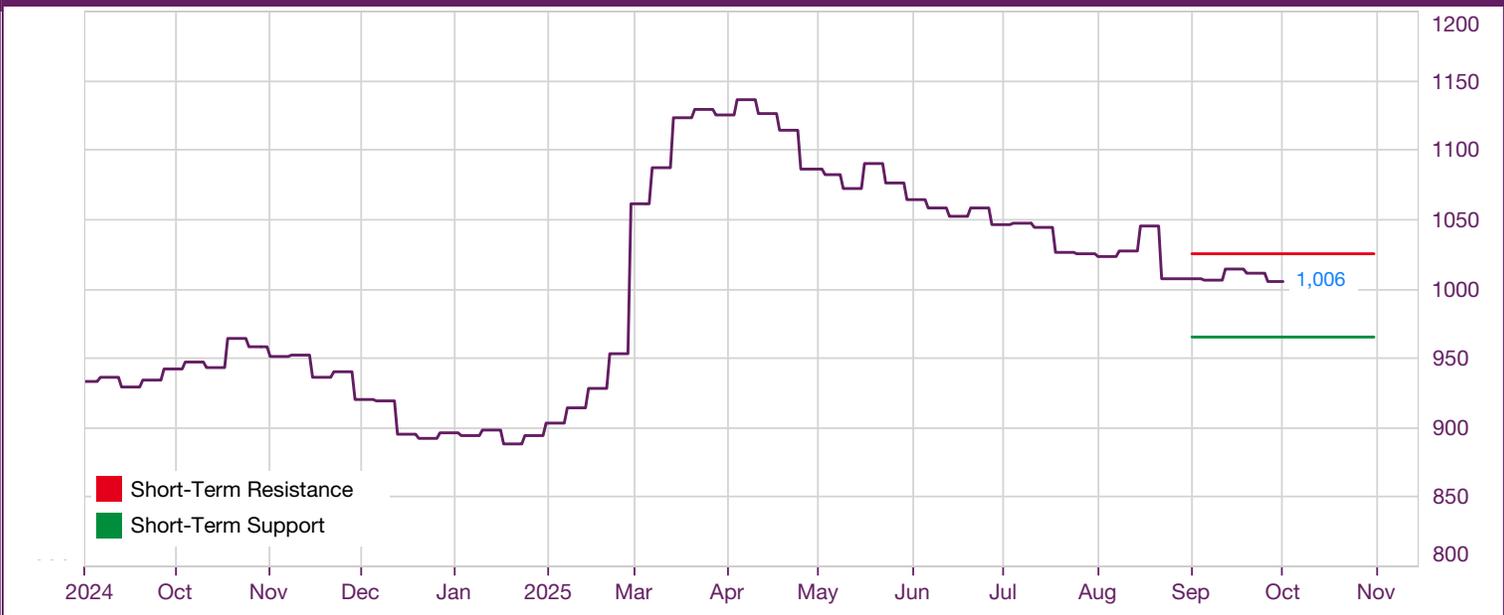
Support and Resistance Indicator



Industrial Buying Strategy

HRC spot prices continued to decline in September, though the pace of the drop moderated compared to August. While forward prices indicate some cautious optimism for stabilization, the spot market remains weighed down by weak demand and ample supply. As such, industrial buying organizations may continue to purchase as needed until a clear bottom is established or an uptrend is confirmed.

MetalMiner IndX (SM) CRC: October 01, 2025



Market Commentary

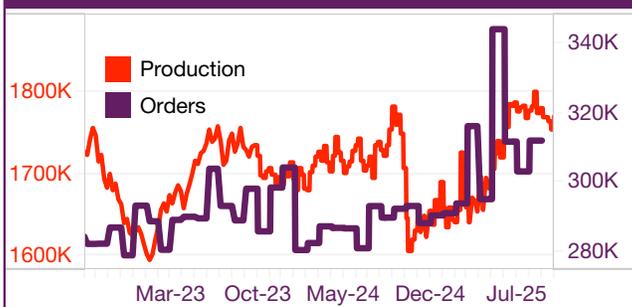
U.S. CRC prices exhibited a period of relative stability, with prices showing only minor downward momentum. Overall, prices fell by a mere 0.20% to close the month within range at \$1,006/st. Lead times remained steady, averaging slightly longer at 6.35 weeks from where they stood in August at 6.3 weeks.

Chinese CRC prices moved sideways, closing September at CNY 3,946/mt, an increase of 1.08%.

The stabilization in prices coincided with a slight reduction in U.S. raw steel production, which fell by 0.85% over the month, indicating that supply-side adjustments may have helped balance the market. Like other forms of steel, upcoming maintenance outages could offer additional support. Current outages are estimated to reduce output by around 700,000 tons over the next few months. This figure sits far short of the over 1.5 million tons taken offline in the fall of 2024, which helped prices form an uptrend. While cuts may help tighten the domestic market, the impact will likely prove limited amid lackluster demand conditions.

The U.S. administration's aggressive tariff stance has widened the price gap between domestic and imported CRC, with U.S. prices now theoretically 16% below imports on a landed basis. This has led to a notable reduction in steel imports, with CRC imports down 46% year-on-year in August. Mills have responded by offering more flexible pricing to fill order books, especially as demand from key sectors such as automotive and construction remains subdued. Meanwhile, the European Commission's initiation of new anti-dumping investigations and the upcoming Carbon Border Adjustment Mechanism (CBAM) are prompting European service centers to reduce import purchases, further supporting domestic prices but limiting upside due to weak end-use demand.

Domestic Raw Steel Production (tons) vs. Durable Goods New Orders
Source: AISI, Census Bureau

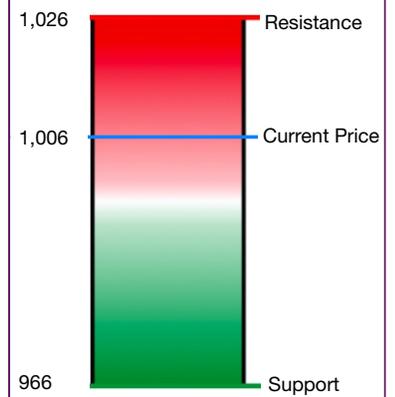


CRC shipments and production have remained resilient. However, inventories remain elevated at 58–60 days of flat-rolled supply and just-in-time replenishment continues to dominate purchasing strategies. The appliance market and durable goods sectors, both significant consumers of CRC, are facing headwinds from supply chain disruptions, rising input costs and inflationary pressures. Nonetheless, durable goods orders rose 2.9% in August, suggesting resilience and ongoing demand. While some incremental support may come from infrastructure and data center projects later in the year, the market is expected to remain rangebound, with mills continuing to negotiate prices to move inventory.

CRC Drivers

- 1 Economic headwinds (-)
- 2 Potential quota agreements (-)
- 3 Stable mill lead times (-)
- 4 Maintenance outages (+)
- 5 Soft demand (-)
- 6 Durable goods orders (+)

Support and Resistance Indicator



Industrial Buying Strategy

CRC steel prices in the U.S. traded largely sideways during September, with only a minor decrease. Given these factors, industrial buying organizations may continue to purchase as needed or for short-term requirements until prices and market indicators demonstrate a more definitive upward trend.

MetalMiner IndX (SM) HDG: October 01, 2025



Market Commentary

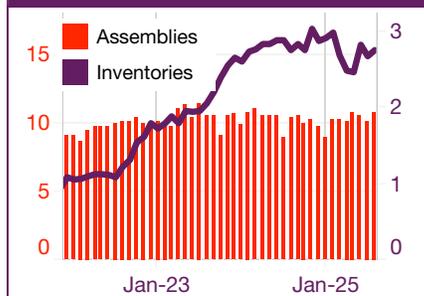
HDG prices maintained their steady downward price trend, closing within range at \$1,008/st, a 2.13% month-over-month decline. This persistent price erosion signals that the U.S. HDG market is under mounting pressure, with sellers struggling to find a price floor amid weak demand and ongoing supply adjustments. Mill lead times extended from 6.1 weeks at the close of August to 6.3 weeks at the end of September.

In contrast, China's HDG market saw a more muted and stable price movement. In total, the Chinese HDG price slipped 0.21% over the month, closing at CNY 4,760/mt.

Back in the U.S., the expansion of Section 232 tariffs to a wider range of steel derivatives—now up to 50% on 407 new product codes—has increased costs for downstream industries, including automotive and construction, and contributed to a 1.7% rise in consumer prices. These tariffs have also led to a notable reduction in HDG imports, which, despite a brief uptick in July, remain 40% below year-ago levels. Despite weak demand conditions, lower import levels have helped slow the overall downtrend among steel prices.

On the production side, U.S. mills have maintained elevated output, with raw steel production up 5.9% year-over-year in late September. However, this has coincided with historically short mill lead times and rising inventories as demand from key sectors, particularly construction, remains subdued. Maintenance outages will offer a muted impact over the next few months, which may help prices find a bottom but is unlikely to trigger an uptrend.

U.S. Motor Vehicle Assemblies: Autos and Light Trucks vs. New-Vehicle Inventories (Million Units) Sources: Federal Reserve, CoxAutomotive

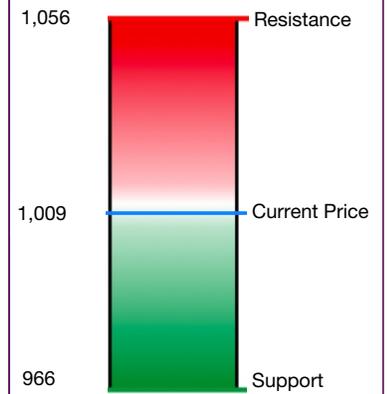


Meanwhile, the U.S. auto sector continues to face headwinds from higher input costs and supply chain disruptions. The expanded tariffs are estimated to add up to \$1,500 to the cost of a typical vehicle, prompting automakers to lock in longer-term supply contracts and diversify sourcing. Despite a modest recovery in production, auto sales remain tepid, with just-in-time inventory strategies prevailing and dealership inventories elevated. Data from Cox Automotive showed new vehicle inventories rose 4.8% month-over-month to 2.76 million units. Days' supply also rose, showing a 4.1% increase to 77 days. Assemblies witnessed a slight uptick in August, although automakers remain cautious with regard to demand conditions despite a strong September sales performance. Construction demand for HDG steel also remains weak, though infrastructure and data center projects are expected to provide some support later in the year. Service centers report stable but elevated inventories, contributing to a broadly bearish-to-stable outlook for HDG prices in the near term, although maintenance outages could offer some support.

HDG Drivers

- 1 Economic headwinds (-)
- 2 Potential quota agreements (-)
- 3 Stable mill lead times (-)
- 4 Maintenance outages (+)
- 5 Soft demand (-)
- 6 Auto sector risks (-)

Support and Resistance Indicator



Industrial Buying Strategy

HDG steel prices in the U.S. continued to decline with no clear evidence of a price floor. As such, industrial buying organizations may continue to purchase as needed until a bottom is confirmed. Larger or longer-term purchases should be deferred until there is clear evidence of price stabilization or a reversal in trend.

MetalMiner IndX (SM) Plate: October 01, 2025



Market Commentary

The U.S. plate market maintained its downtrend throughout September. While prices closed the month within range at their lowest level since February at \$1,041/st, this marked a 3.43% from the close of August. This contrasts with the more pronounced price drop observed in August, but nonetheless suggests prices remain in search of a new bottom. Mill lead times contracted by nearly a week, moving from 5.45 weeks at the end of August to 4.55 weeks at the close of September.

In comparison, Chinese plate prices showed a mild upward trend over the same period. Overall, prices rose by a modest 1.23% to close the month at CNY 3,626/mt. Despite the decrease, the overall trend remains sideways.

The broader market environment in the U.S. continues to be shaped by aggressive trade policies and subdued demand, particularly from the construction sector. The doubling of Section 232 tariffs to 50% in June 2025 has provided some support to domestic producers, but has also raised input costs for manufacturers and construction firms. Despite these measures, demand for steel plate remains lackluster, with mills reporting only a "steady trickle" of business and little post-summer momentum. The Architecture Billings Index (ABI) remained in contraction for the eighth consecutive month in August, moving to 47.2, as U.S. construction spending remained in decline in July.

Commercial construction price indices reflect this challenging environment. While tariffs have driven up domestic steel prices, the resulting cost increases have not translated into stronger demand. Instead, project backlogs remain stable but uninspiring, and service centers report that buyers are prioritizing traceability and certification, such as UL and NIJ standards for armor-grade plate, over volume purchases. Facing higher material costs and ongoing policy uncertainty, the U.S. construction sector has yet to see a meaningful rebound in steel plate orders, despite the Federal Reserve's recent rate cut. Market participants remain hopeful that further rate reductions could eventually unlock pent-up demand. However, for now, the sector continues to operate below historical norms. Wind tower developments, once expected to provide a significant boost to steel plate demand, have also faced setbacks. Several high-profile offshore wind projects have been delayed or canceled, with the Bureau of Ocean Energy Management citing "lack of interest" in recent auctions. This has left mills that expanded capacity in anticipation of wind sector growth facing excess supply, further contributing to the market's oversupplied condition. Meanwhile, the focus on high-value, certified steel plate products for defense and infrastructure applications is providing some support, but not enough to offset the broader demand malaise. As a result, mill lead times have shortened and service centers are maintaining lean inventories, awaiting clearer signals of recovery from end-use sectors.

Total U.S. Construction Spending vs. Architecture Billings Index Sources: Census Bureau, AIA

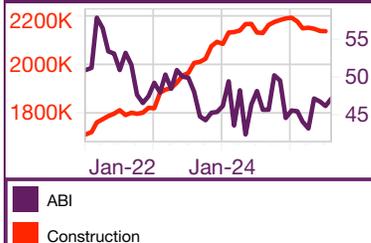


Plate Drivers	
1	Economic headwinds (-)
2	Potential quota agreements (-)
3	Maintenance outages (+)
4	Construction spending (-)
5	Shorter mill lead times (-)



Industrial Buying Strategy

Steel plate prices in the U.S. continued to trend slightly downward in September, with only modest declines and minimal volatility. This indicates a bearish market with persistent oversupply and weak demand. As such, industrial buying organizations may continue to purchase as needed.