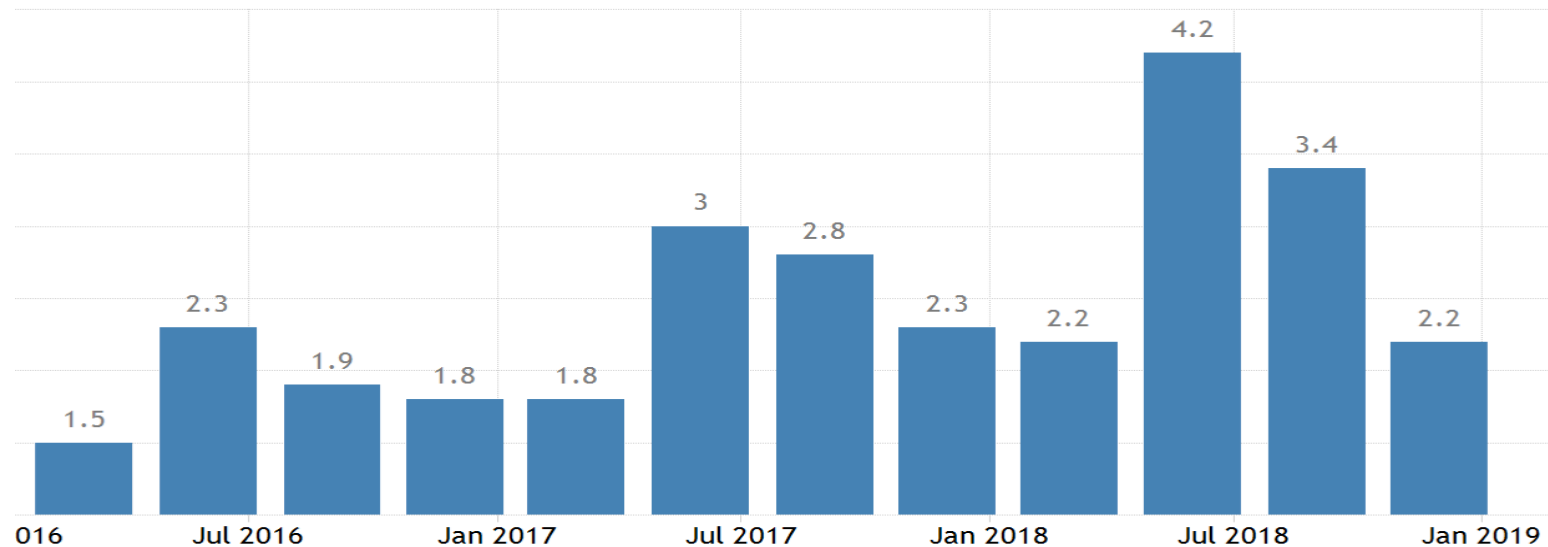


U.S. GDP GROWTH RATE

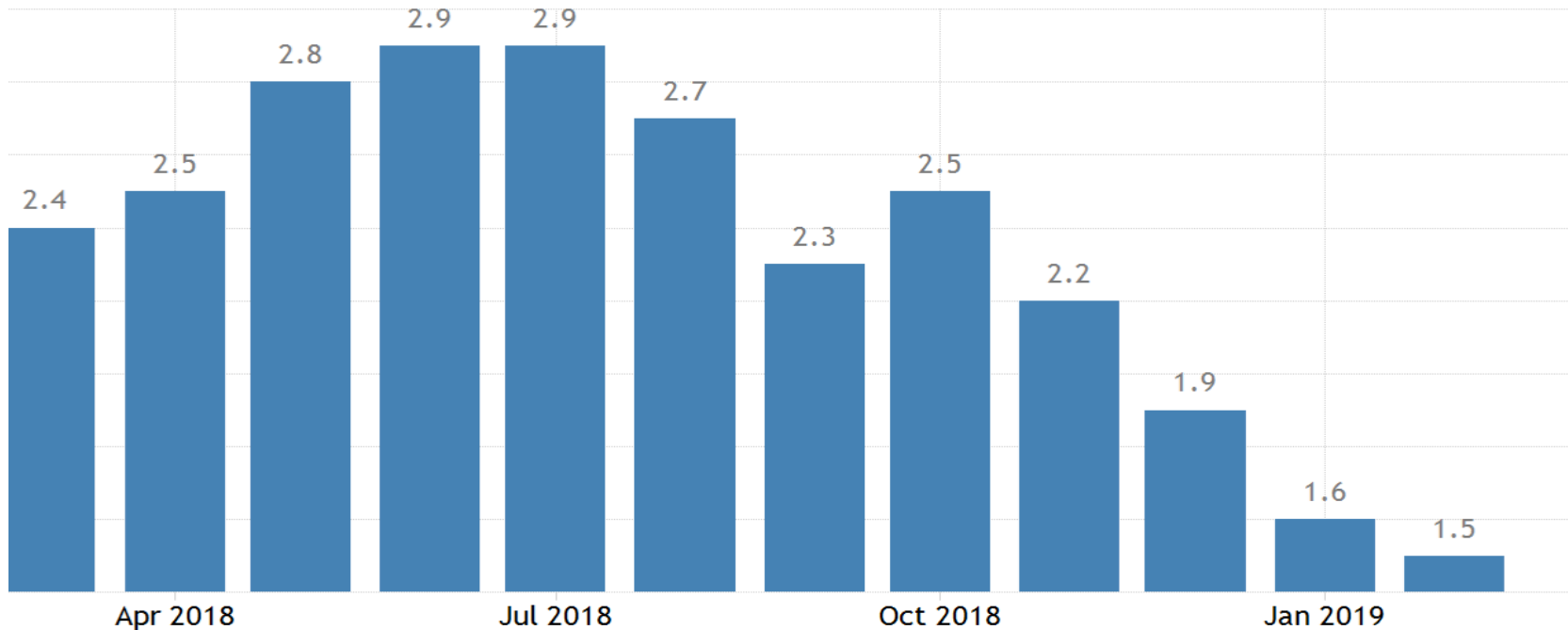
The US economy advanced an annualized 2.2 percent on quarter in the fourth quarter of 2018. It compares with market expectations of 2.4 percent. On the other hand, the drag from net trade was smaller than anticipated as exports rose more and imports increased at a softer pace. Considering full 2018, the economy advanced 2.9 percent, the most since 2015, and above 2.2 percent in 2017. GDP Growth Rate in the United States averaged 3.22 percent from 1947 until 2018, reaching an all time high of 16.70 percent in the first quarter of 1950 and a record low of -10 percent in the first quarter of 1958.



SOURCE: TRADINGECONOMICS.COM | U.S. BUREAU OF ECONOMIC ANALYSIS

U.S. INFLATION RATE

Consumer prices in the United States increased 1.5 percent year-on-year in February of 2019, following a 1.6 percent rise in January and below market expectations of 1.6 percent. It is the lowest inflation rate since September of 2016, mainly due to a fall in cost of gasoline and clothing while prices of electricity stalled.

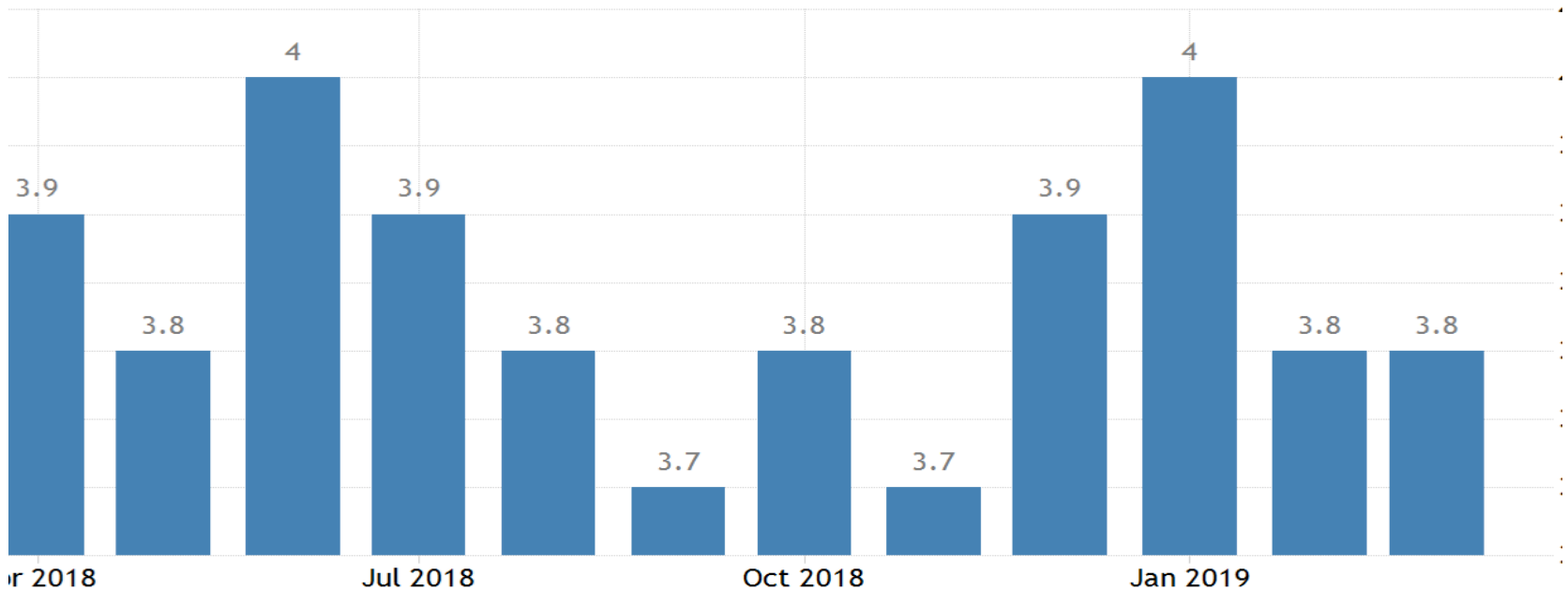


SOURCE: TRADINGECONOMICS.COM | U.S. BUREAU OF LABOR STATISTICS

U.S. UNEMPLOYMENT RATE

The US unemployment rate came in at 3.8 percent in March 2019, unchanged from the previous month's figure and in line with market expectations.

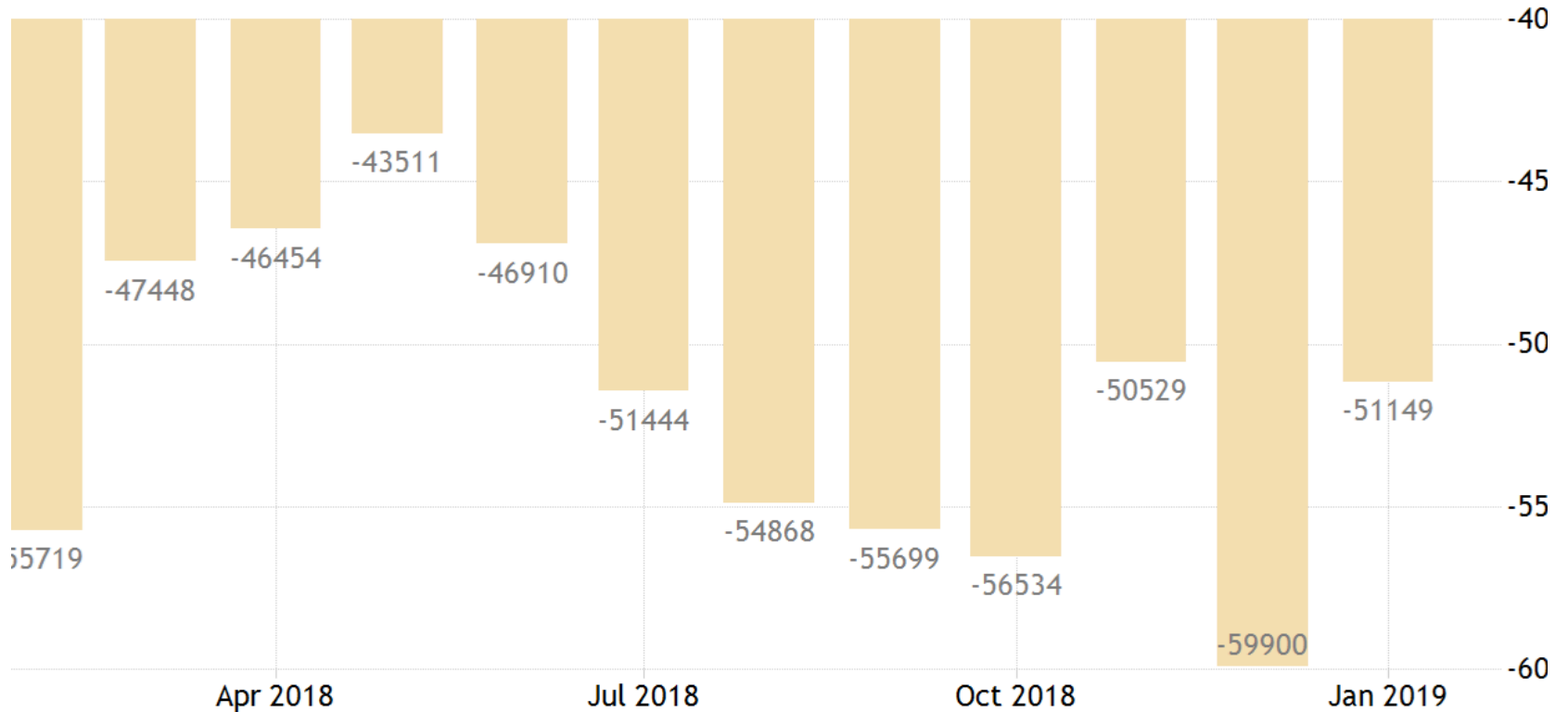
Unemployment Rate in the United States averaged 5.76 percent from 1948 until 2019, reaching an all time high of 10.80 percent in November of 1982 and a record low of 2.50 percent in May of 1953.



SOURCE: TRADINGECONOMICS.COM | U.S. BUREAU OF LABOR STATISTICS

U.S. BALANCE OF TRADE

The trade deficit in the United States narrowed to USD 51.1 billion in January of 2019 from an upwardly revised USD 59.9 billion in the previous month, which was the largest since 2008.



SOURCE: TRADINGECONOMICS.COM | U.S. CENSUS BUREAU

United States Economic Data

United States - Economic Forecasts - 2018 - 2020 Outlook

Overview	Actual	Q3/18	Q4/18	Q1/19	Q2/19	2020
GDP Growth Rate	4.2	2.6	2.8	2.7	2.6	2 percent
Unemployment Rate	3.9	3.9	3.9	3.8	3.8	4.5 percent
Inflation Rate	2.7	2.7	2.6	2.5	2.8	2.5 percent
Interest Rate	2.25	2.25	2.5	2.5	2.75	3.5 percent
Balance of Trade	-50082	-47450	-45000	-52000	-47000	-53000 USD Million
Government Debt to GDP	105.4	108	108	108	108	109 percent

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This page has economic forecasts for the United States including a long-term outlook for the next decades,

plus medium-term expectations for the next four quarters and short-term market predictions for the next release affecting the the United States economy.

Trade Developments in the USA

Introduction

- Four selected steel products
 - Wire rod
 - Rebar
 - Hot rolled coil (HRC)
 - Hot dipped galvanized (HDG)
- Five-year analysis 2014 – 2018
 - Total market size (domestic shipments less exports plus imports)
 - Imports by major world region
 - Imports by major Asian countries
- Brief review of trade cases
 - AD & CVD trade cases finalized and in place – product & country specific
 - Section 232 in progress – all products with certain exclusions

Note – all data is in short tons (2,000 pounds)

- KT = Thousand short tons
- MT = Million short tons

Trade Developments in the USA

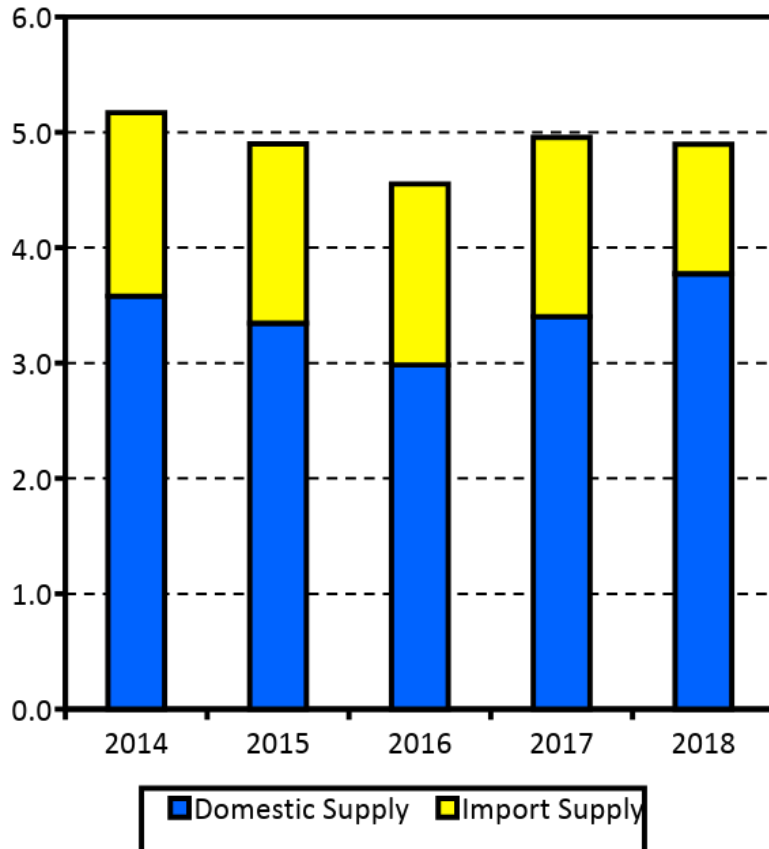
Section 232 update

- 25% tariffs on all steel product categories
 - March 23, 2018 – most countries except Canada, Mexico, and Europe
 - June 1, 2018 – Canada, Mexico, and Europe included
- Country exceptions
 - South Korea – quota of 70% of 2015-2017 average imports
 - Brazil – quota of 2015-2017 average imports – 70% finished; 100% semi-finished
 - Argentina – quota of 135% of 2015-2017 average imports
 - Australia – exempt from tariffs & quotas
 - Turkey – duties increased from 25% to 50% due to currency devaluation
- Product exclusions
 - Determined on a case by case basis for the company filing the request
 - Number of requests have been in the thousands
 - Example long product: Grade 1080 wire rod used for tire cord – not made in the U.S.
 - Example flat product: laminated tin free steel used for cans – not made in the U.S.

Wire Rod

The U.S. wire rod market is about 5.0 MT

Wire Rod Market – MT



Description	2014	2015	2016	2017	2018
Shipments	3.7	3.4	3.1	3.5	3.9
Less Export	0.1	0.1	0.1	0.1	0.1
Domestic Supply	3.6	3.3	3.0	3.4	3.8
Plus Imports	1.6	1.6	1.6	1.6	1.1
Total Market	5.2	4.9	4.6	5.0	4.9
Export %	4%	3%	3%	3%	2%
Import %	31%	32%	34%	31%	23%

Source: AISI, estimates

Wire Rod

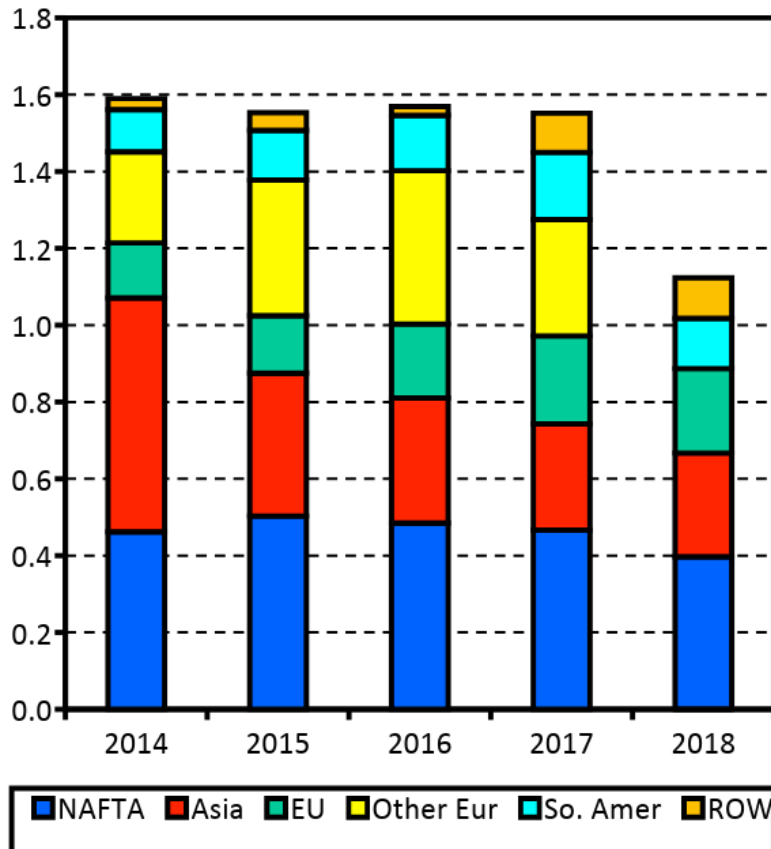
Significant trade cases since 2000

- 2002 trade case & subsequent five-year reviews
 - Various AD & CVD rates
 - Brazil, Indonesia, Mexico, Moldova, Trinidad & Tobago, Ukraine
- 2015 – China
- 2018 trade case
 - Various AD & CVD rates
 - Belarus, Italy, Korea, Russia, South Africa, Spain, Turkey, Ukraine, UAE, UK
- Section 232
 - Currently in progress
 - Product exclusions evaluated on case by case basis for individual companies

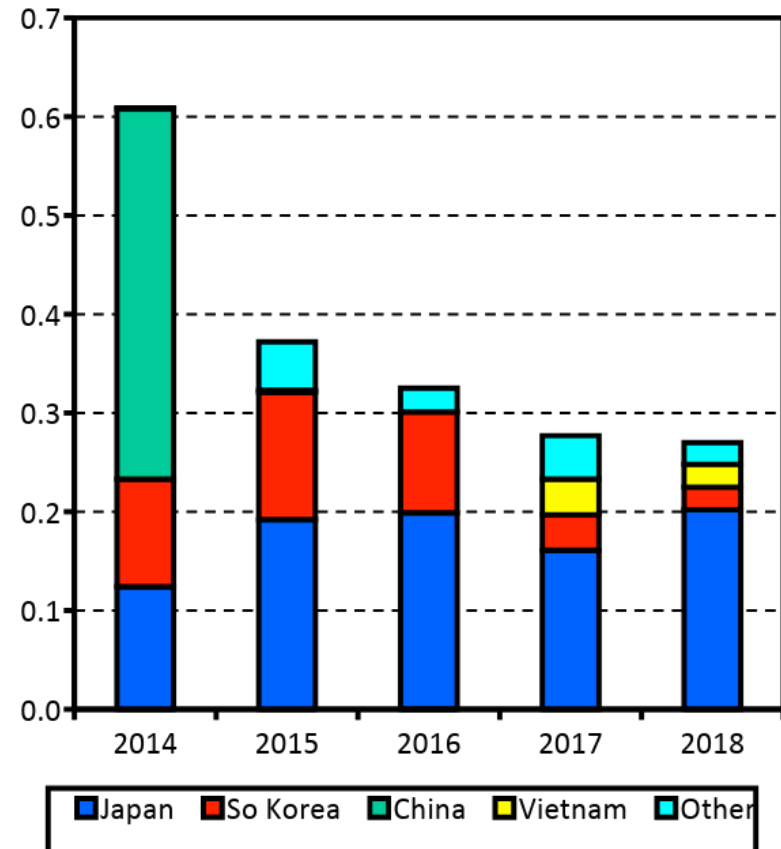
Wire Rod

Asian countries have historically been significant importers

Imports By Major Region – MT



Imports By Asian Countries – MT

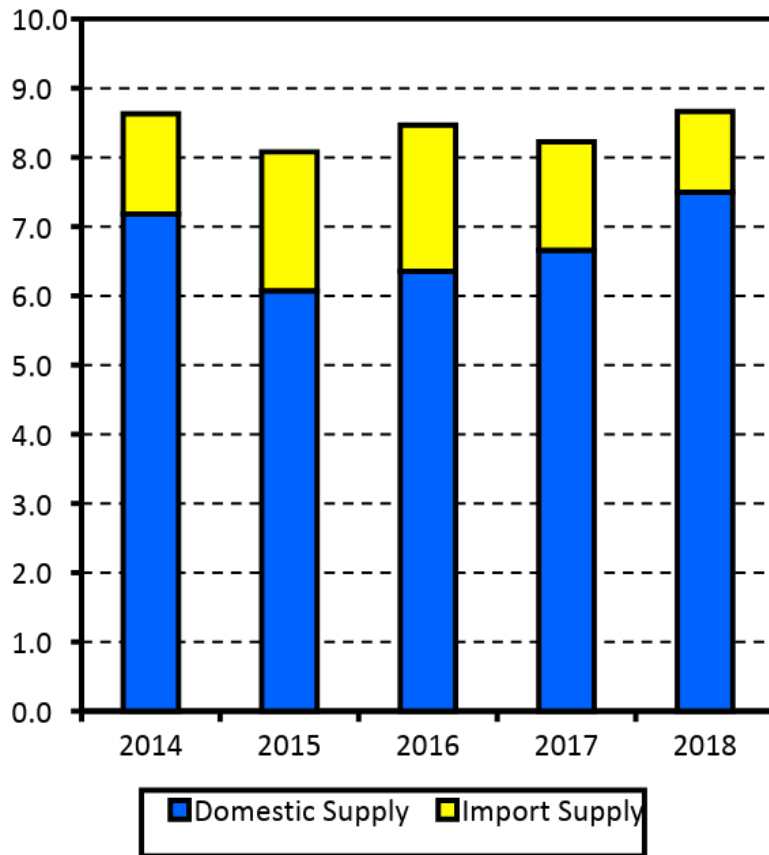


Source: AISI

Rebar

The U.S. rebar market is about 8.5 MT

Rebar Market – MT



Description	2014	2015	2016	2017	2018
Shipments	7.7	6.5	6.7	7.0	7.8
Less Export	0.5	0.4	0.3	0.4	0.3
Domestic Supply	7.2	6.1	6.4	6.6	7.5
Plus Imports	1.4	2.0	2.1	1.6	1.2
Total Market	8.6	8.1	8.5	8.2	8.7
Export %	7%	6%	4%	5%	4%
Import %	17%	25%	25%	19%	13%

Source: AISI, estimates

Rebar

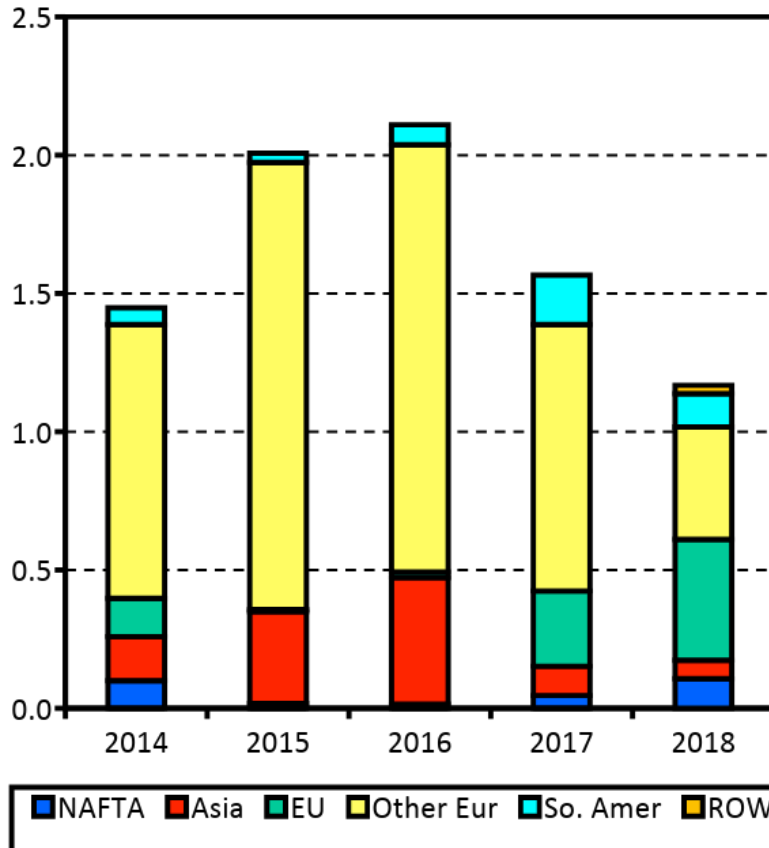
Significant trade cases since 2000

- 2002 trade case & subsequent five-year reviews
 - Various AD & CVD rates
 - Belarus, China, Indonesia, Latvia, Moldova, Poland, Ukraine
- 2014
 - Various AD & CVD rates
 - Mexico, Turkey
- 2017 trade case
 - Various AD & CVD rates
 - Mexico, Taiwan, Turkey
- Section 232
 - Currently in progress
 - Minimal to no activity for rebar products

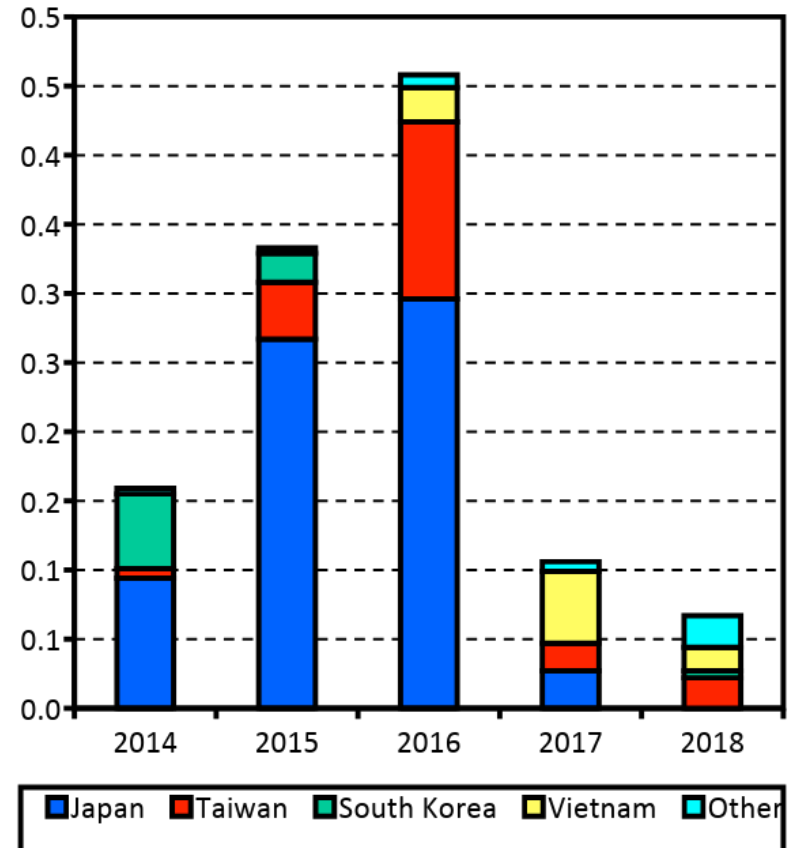
Rebar

Asian countries have historically not been significant importers

Imports By Major Region – MT



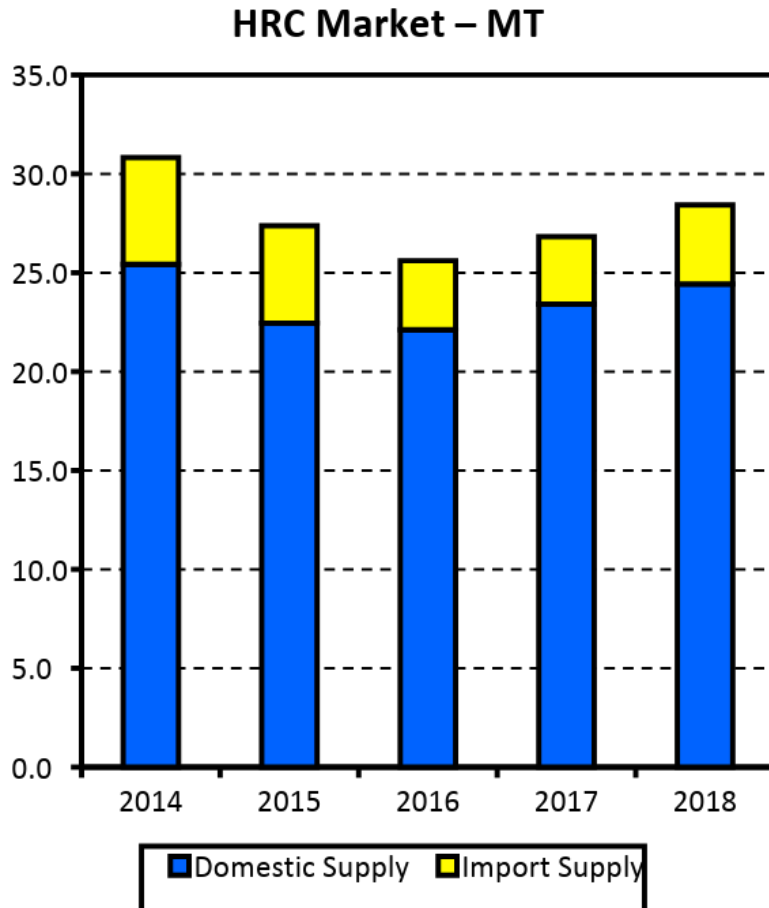
Imports By Asian Countries – MT



Source: AISI

Hot Rolled Coil

The U.S. HRC market is about 28.5 MT



Description	2014	2015	2016	2017	2018
Shipments	27.0	23.8	23.5	25.2	25.7
Less Export	1.6	1.3	1.4	1.8	1.2
Domestic Supply	25.4	22.5	22.1	23.4	24.5
Net Imports*	5.4	4.9	3.5	3.4	4.0
Total Market	30.8	27.3	25.6	26.8	28.5
Gross Imports	6.6	6.0	4.4	3.7	4.3
West Feedstock	1.2	1.1	0.9	0.3	0.3
*Net Imports	5.4	4.9	3.5	3.4	4.0
Export %	6%	5%	6%	7%	5%
Import %	17%	18%	14%	13%	14%

Source: AISI, estimates

West feedstock = HRC imports to UPI & Steelscope for re-rolling and coating

Hot Rolled Coil

Hot rolled trade case 2016 impacted Asia & other countries

Country	Company	AD	CVD
South Korea*	POSCO	4.61%	58.68%
	Hyundai	9.49%	3.89%
	All Others	6.05%	3.89%
Japan*	JFE	7.51%	--
	NSSMC	4.99%	--
	All Others	5.58%	--
Netherlands	Tata	3.73%	--
	All Others	3.73%	--
Turkey	Colakoglu	6.77%	0.34%
	Erdemir	4.15%	6.01%
	All Others	6.41%	6.01%
Australia*	BlueScope	29.58%	--
	All Others	29.58%	--
Brazil*	CSN	33.14%	11.30%
	Usiminas	34.28%	11.09%
	All Others	33.14%	11.20%
UK	Tata	33.06%	--
	All Others	33.06%	--

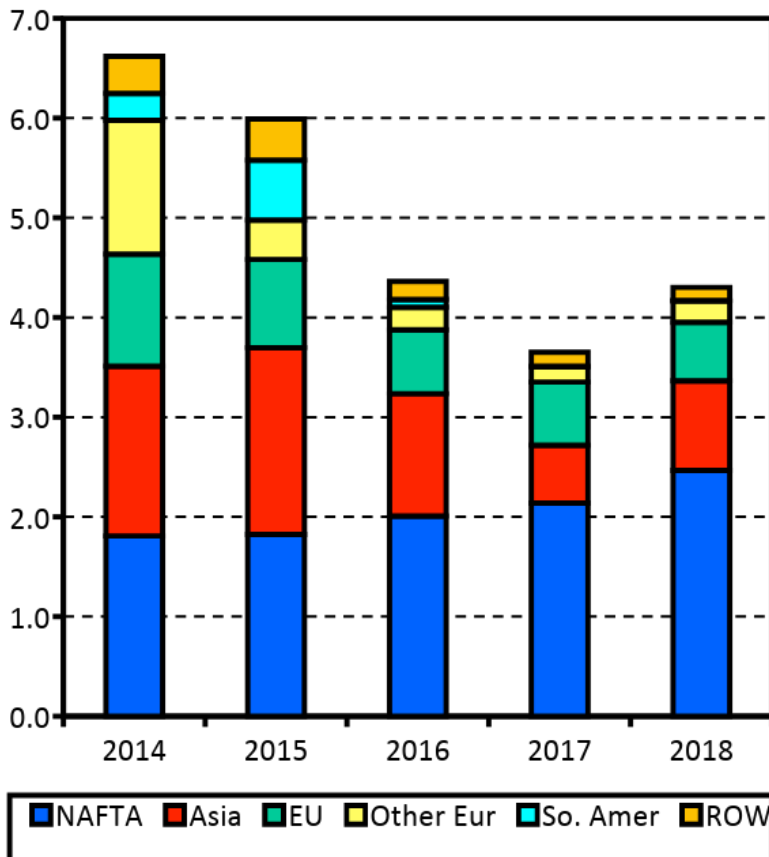
Source: U.S. Dept. of Commerce.

*Includes feedstock supply (So. Korea to UPI, Australia & Japan to Steelscape, and Brazil to CSN, LLC)

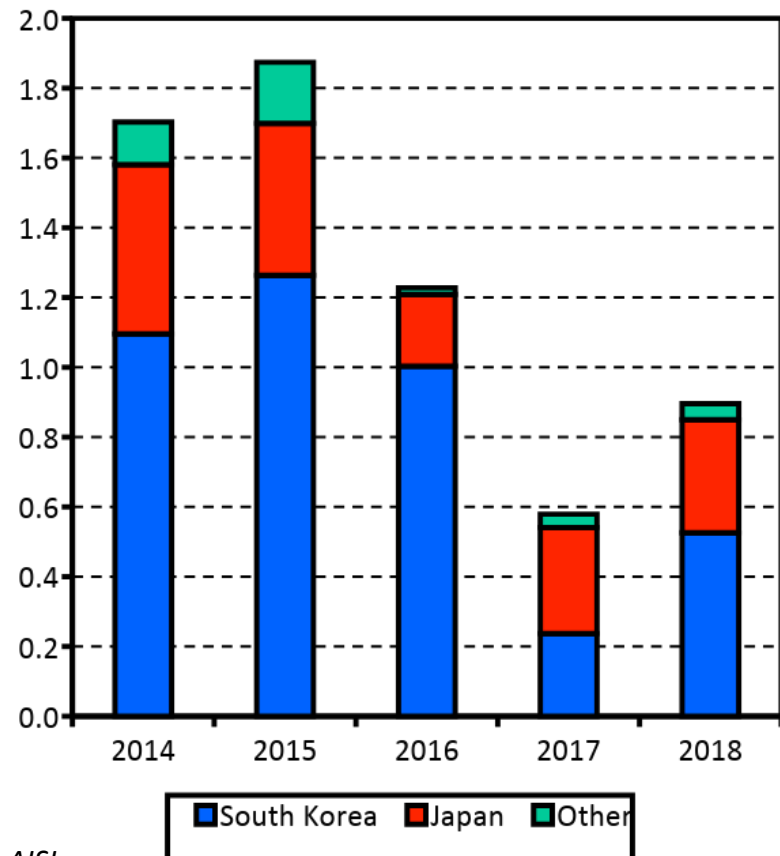
Hot Rolled Coil

Asian countries have mostly supplied feedstock to the West

Gross Imports By Major Region – MT



Gross Imports By Asian Countries – MT



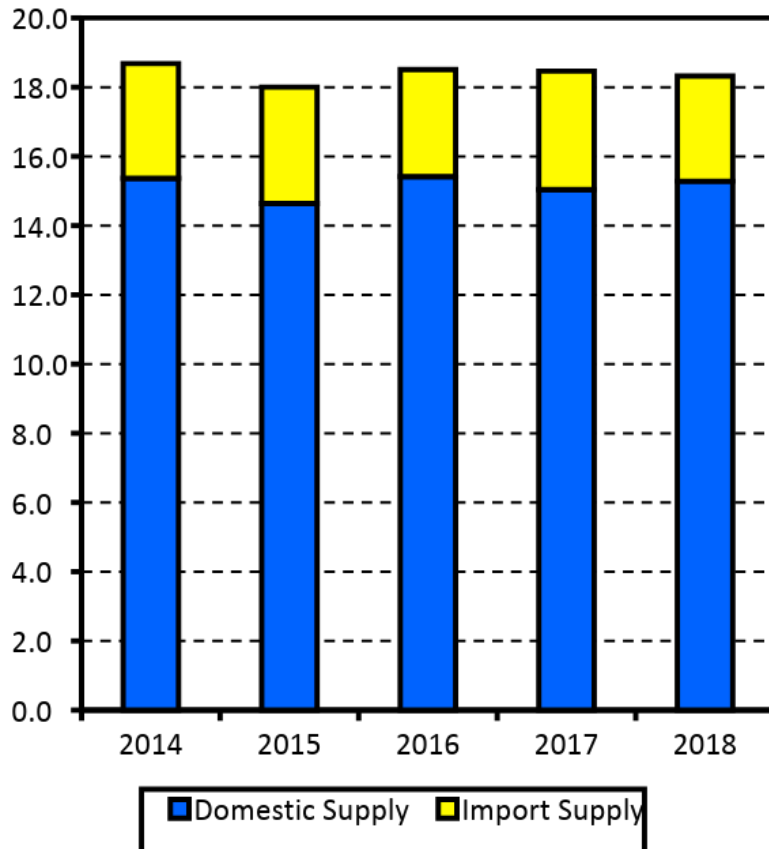
Source: AISI

Gross imports include HRC feedstock to West Coast (South Korea to UPI and BlueScope & NSSMC to Steelscape)

Hot Dipped Galvanized

The U.S. HDG market is about 18.5 MT

HDG Market – MT



Description	2014	2015	2016	2017	2018
Shipments	16.7	15.9	16.7	16.5	16.6
Less Export	1.3	1.3	1.3	1.5	1.3
Domestic Supply	15.4	14.6	15.4	15.0	15.3
Plus Imports	3.3	3.4	3.1	3.4	3.0
Total Market	18.7	18.0	18.5	18.4	18.3
Export %	9%	9%	8%	9%	8%
Import %	18%	19%	17%	19%	17%

Source: AISI, estimates

Hot Dipped Galvanized

CORE trade case 2016 impacted mostly Asian countries

Country	Company	AD	CVD
China	Yieh Phui	209.97%	39.05%
	Angyang	209.97%	241.07%
	Baosteel	209.97%	241.07%
	Duferco	209.97%	241.07%
	Changshu	209.97%	241.07%
	Handen	209.97%	241.07%
	All Others	209.97%	39.05%
South Korea	Dongkuk/Union	8.75%	0.72%
	Hyundai	47.80%	--
	All Others	28.28%	1.19%
Taiwan	Yieh Phui	10.34%	--
	All Others	10.34%	--
India	JSW	4.43%	29.49%
	Uttam Galva	3.05%	8.00%
	All Others	3.86%	18.73%
Italy	Acciaieria Arvedi	12.63%	0.48%
	Marcegaglia	92.12%	0.07%
	Ilva	--	38.51%
	All Others	12.63%	13.02%
Vietnam (2018)*	Anti-Circumvention – Chinese HRC	199.43%	39.05%

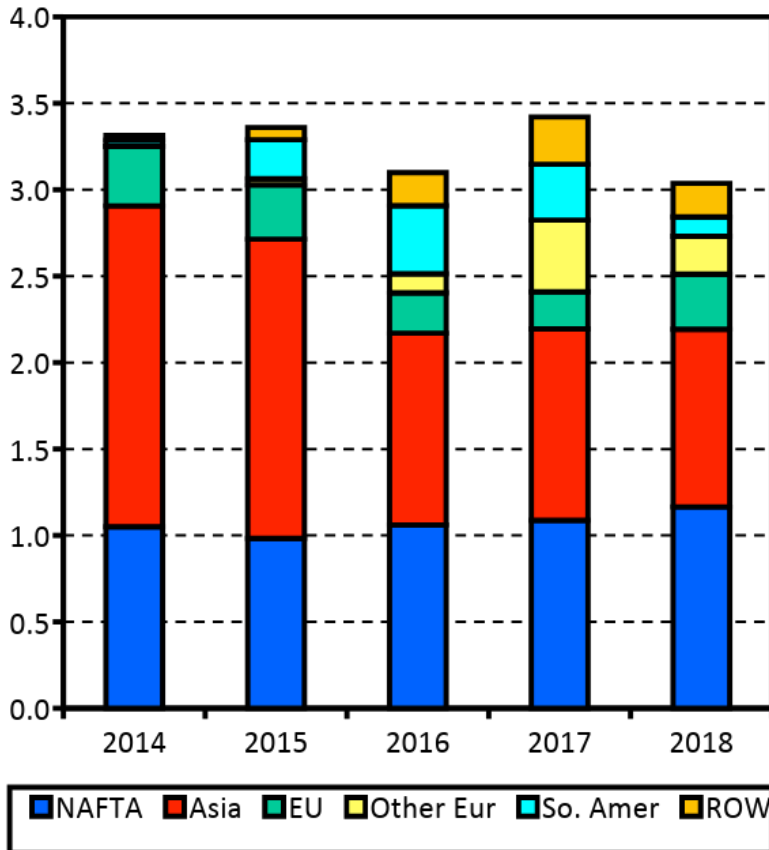
Source: U.S. Dept. of Commerce. CORE includes HDG, EGL, and OMC (AZ & Aluminized)

*Additional anti-circumvention investigation with substrate from South Korea & Taiwan is in progress

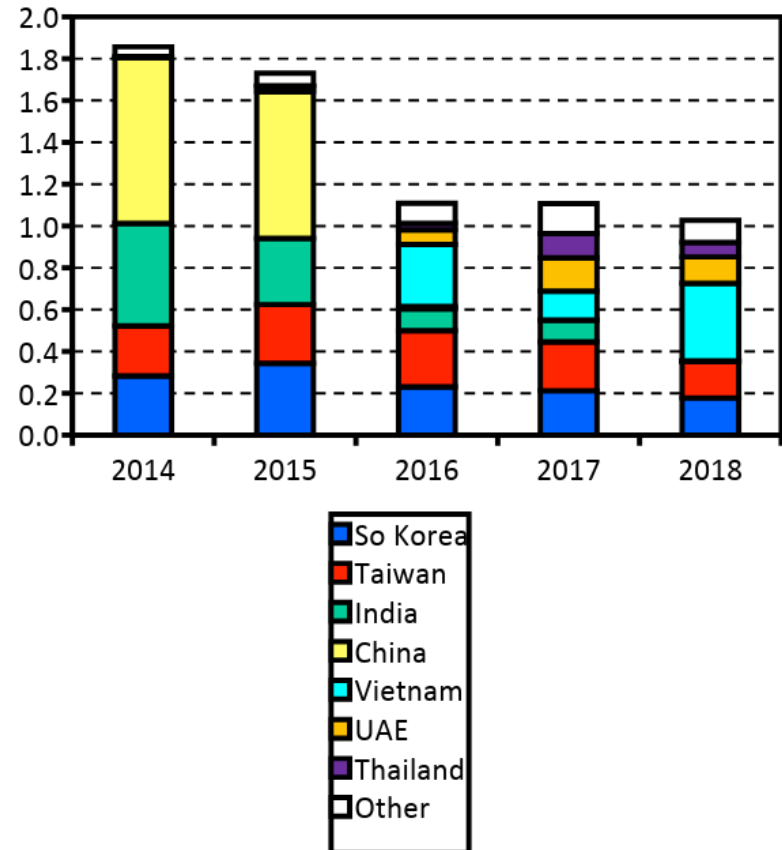
Hot Dipped Galvanized

Asian countries have historically have been significant importers

Imports By Major Region – MT



Imports By Asian Countries – MT



Source: AISI

THANK YOU!

- Enrique Gasca Neri
- XSteel USA
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