Metals | November 2025

Industry Update

Tariffs & The Impact on Imported Metals

Timeline of Section 232 tariffs

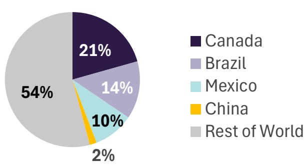
March 2018	March 2025	June 2025	August 2025
Initial rollout of Section 232 tariffs, including steel (25%) and aluminum (10%)	Aluminum tariffs increased to 25% and all exemptions were eliminated	Tariffs on aluminum and steel were increased to 50%	407 new HTSUS subheadings added to the Section 232 tariffs

- Beyond commodity-specific trade policy under Section 232 of the U.S. Trade Act, metal sourcing dynamics have been further impacted by continuous shifts in tariff rates on foreign trade partners (Section 301).
- The U.S. can lean on its North American trade partners for primary materials, but businesses further down supply chains are more reliant on China, who remains a key trade partner, despite the current administrations focus to reduce import reliance.
- Imports have been volatile in 2025 as companies remain reactive to changes in trade policy. Nonferrous metal imports, especially copper, have been significantly pushed forward to meet the rapid growth in technology infrastructure development. On the other hand, ferrous metals imports have declined as domestic capacity is more stabilized, especially in a weaker demand environment.

Primary Products

Ferrous Metals

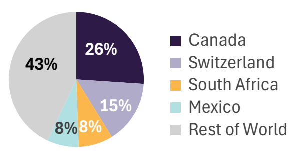
2024 Total: $34.8B



	YTD 2025	vs YTD 2024	% of 2025 Imports
Canada	$3.3	(29%) ▼	17%
Brazil	$2.7	(10%) ▼	14%
Mexico	$1.5	(29%) ▼	8%
China	$0.3	(20%) ▼	2%
Rest of World	$10.9	(2%) ▼	59%
Total	$19	(12%) ▼	

Nonferrous Metals

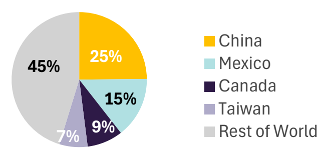
2024 Total: $93.6B



	YTD 2025	vs YTD 2024	% of 2025 Imports
Canada	$12.2	35% ▲	10%
Switzerland	$54.2	1,598% ▲	42%
South Africa	$8.3	118% ▲	6%
Mexico	$4.8	33% ▲	4%
Rest of World	$48.5	35% ▲	38%
Total	$128	166% ▲	

Fabricated Metals

2024 Total: $98.2B



	YTD 2025	vs YTD 2024	% of 2025 Imports
China	$12.3	(5%) ▼	23%
Mexico	$7.9	(13%) ▼	15%
Canada	$4.1	(4%) ▼	7%
Taiwan	$3.8	(16%) ▼	7%
Rest of World	$26.0	1% ▲	48%
Total	$54	(5%) ▼	

Note: The U.S. Census Bureau has delayed releasing August and September International Trade results due to the government shutdown. As a result, year-to-date values are through July.

Key Economic Indicators

	Latest	vs. Last Year	Commentary
Core Inflation	3.0%	▼	Core CPI remains elevated yet below expected levels
Unemployment Rate	4.4%	▲	September jobs report exceeded expectations, but labor participation continues to decline
10-Year Treasury Yield	4.1%	▼	10-year yield slide as market expectations of a December rate cute rise
Durable Goods Order(1)	$311.8	▲	Durable goods increased after two months of consecutive declines
ISM Manufacturing Index	48.7	▲	Manufacturing activity has remained in contractionary territory for eight consecutive months
U.S. Construction Spending(1)	$2,169.5	▼	Private sector spending has been muted while public construction spending remains stable
Dodge Momentum Index	283.3	▲	Planning activity remains strong YTD despite decreasing October results

(1) $ in millions

Note: Arrow colors are representative of the perceived impact to freight markets. ■ = positive impact, ■ = negative impact

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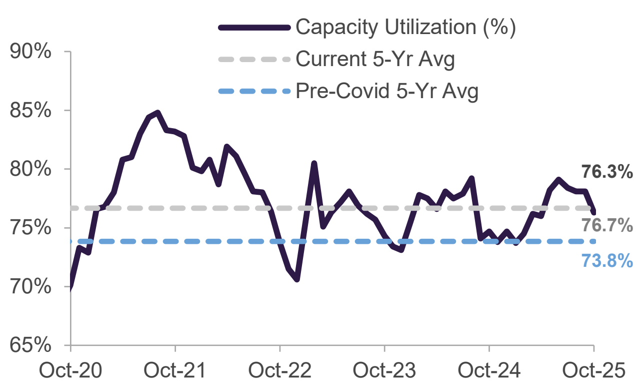
U.S. Steel Market

- **Demand Outlook:** Domestic steel demand has been impacted by prolonged macro uncertainty, especially with weakness in core end-markets like nonresidential construction and auto. However, most consumers of steel products are moving forward with the need to establish U.S. sourcing to counter expectations of tariffs staying in place, which is mitigant broader market weakness. Looking forward, a more normalized macro environment and a subsequent rise in industrial production will be key catalysts.
- **Pricing:** With tariffs on steel imports now at 50%, U.S. producers stand to see long-run benefits from pricing competitiveness. Current prices remain volatile due shifts in tariffs rates coupled with mixed demand.
- **Foreign Trade Dynamics:** Continued flow of foreign direct investments should be expected as direct competitors look to maintain exposure to U.S. markets – evident by Nippon Steel's investment in U.S. Steel. Simultaneously, distributors and wholesalers are actively analyzing their go-forward sourcing strategies.
- **Capacity:** The U.S. steel industry will see significant capacity expansion in the coming years with a focus to further shift production to electric arc furnace (EAF) technology. Companies have announced plans to add ~23 million in EAF capacity through 2029.

+23MM
Announced new EAF capacity
2026-2029

+200bps
Y/Y change in capacity utilization
Oct 2025

Domestic Steel Capacity Utilization



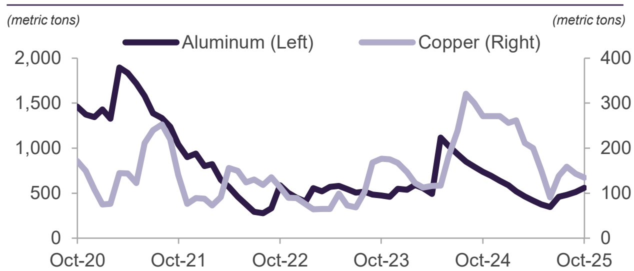
Steel & Steel Scrap Prices

	3Q 2025	vs. 3Q 2024	3Q 2026E
Flat Steel Products ($ per short ton)			
Hot-Rolled Coil	$836	1.6% ▲	$850
Cold-Rolled Coil	$1,046	6.5% ▲	$1,050
Galvanized Coil	$1,066	10.0% ▲	$1,075
Plate	$1,093	10.2% ▲	$1,050
Steel Scrap ($ per long ton)			
Shredded	$380	1.6% ▲	$425
HMS	$330	6.5% ▲	$365
Busheling	$420	9.7% ▲	$455

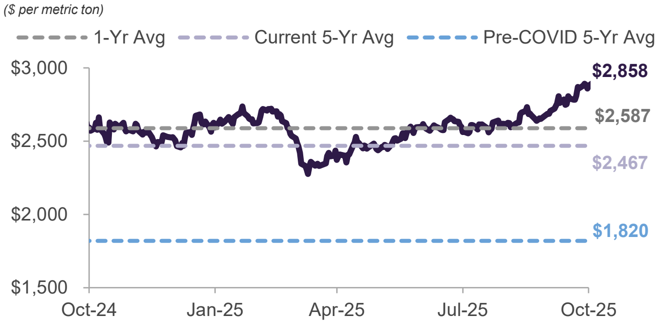
U.S. Nonferrous Metals Market

- **Demand Outlook:** Nonferrous demand is surging with new opportunities to meet the needs of advanced manufacturing, technology infrastructure, and renewable energy projects. The power requirements to meet these initiatives provide added headwinds.
- **Capacity:** Nonferrous capacity is insufficient to meet U.S. consumption, driving needs for imported supply. Notable aluminum smelting projects will ramp up in the coming years, more than doubling current capacity levels. U.S. copper mining activity is accelerating to meet anticipated demand.
- **Sustainability:** Public and private pressures to reduce U.S. carbon intensity are driving investments in low-carbon production and recycling.

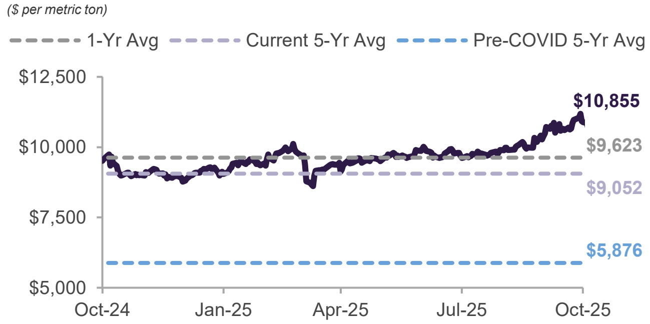
LME Inventory Levels



LME Aluminum Pricing



LME Copper Pricing



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Notable Domestic Investments

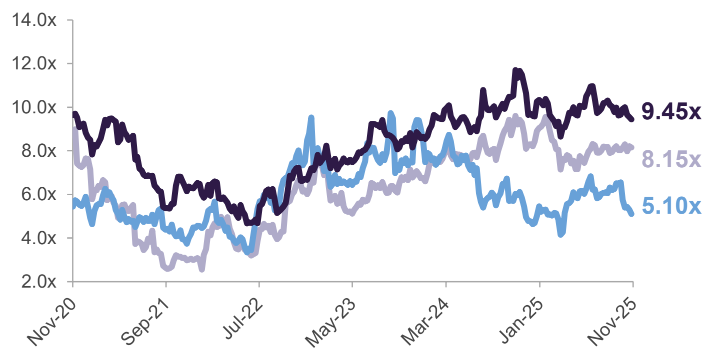
Several new projects aim to reduce reliance on imported metals by expanding and optimizing domestic production to meet long-term demand

Steel			Aluminum		Copper
ArcelorMittal	**Hyundai Motor Company**	**Nippon Steel / U.S. Steel**	**Century Aluminum**	**Emirates Global Aluminum**	**Arizona Sonoran Copper**
Full ownership of steel mill in Calvert, AL	$5.8B steel manufacturing facility in Louisiana	$14B multi-year capex plan with $11B invested by 2028 year-end	Aluminum "green" smelter in the Ohio/Mississippi River Basins	Aluminum smelter in Inola, OK	Cactus Mine Project expands in Casa Grande, AZ
ArcelorMittal acquired Nippon Steel's 50% stake in the AM/NS Calvert steel mill	Hyundai's first steel facility in North America creating a made-in-America supply chain	Growth capex plans are projected to add $2.5B of incremental run-rate EBITDA, per Nippon	The nation's first "green" smelter aiming to double domestic aluminum production	The $4 billion smelter will be the largest in the US and is projected to nearly double national capacity	Arizona Sonoran Copper purchased 2,123 acres of privately owned land for the Cactus Mine project

Public Company Valuations

Valuations of steel and metal service center companies have steadily increased over the past three years, while nonferrous valuations have been volatile over the same time frame

Metals Industry – Historical EV / Forward EBITDA



	1-Yr	3-Yr	5-Yr
Metal Service Centers	9.9x	9.4x	8.6x
Steel Products	8.1x	7.6x	6.5x
Aluminum/Brass/Copper	5.7x	6.6x	5.9x

***Steel**: STLD, IIIN, NUE, CLF, CMC, MTUS*
***Aluminum / Brass / Copper**: KALU, CENX, CSTM, AA*
***Metal Service Centers**: RS, RYI, WS, ZEUS, RUS*

Notable M&A Activity

2025 M&A activity has been characterized by strategic consolidation amidst geopolitical uncertainty. Pushes for domestic production has left companies aiming to strengthen their domestic footprint through geographical expansion, process consolidation, and product diversification

Date	Target	Acquiror	Details
Oct-25	OLYMPICSTEEL	RYERSON	Merger will create North America's second-largest metals service center
Aug-25	NEW PROCESS Metal Solutions	SDI Steel Dynamics	Remaining 55% ownership interest of the metal's solutions company
Jun-25	USS U. S. Steel	NIPPON STEEL	Steel product manufacturer and supplier for various industries
Nov-24	STELCO	CLIFFS	Flat-rolled, coated, and cold steel producer

Data updated as of 11/21/2025
Sources: Bloomberg, U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, Federal Reserve Bank of St. Louis, Federal Reserve Board, Fast Markets, AISI, Institute of Supply Chain Management, LSEG Workspace, Equity Research Reports, Company Publications, London Mercantile Exchange, Journal of Commerce, Platts

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