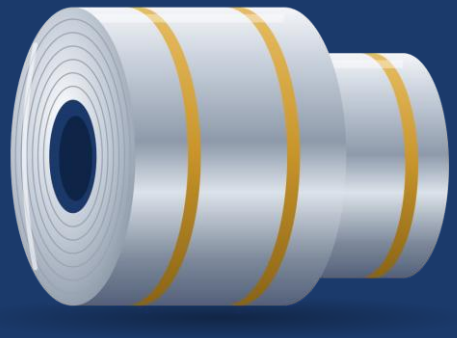
RM METALS



Analysis of North American Stainless Steel Markets

Presented by Sam Desai · CRU Conference · October 2026

www.rm-metals.com

40
YEARS IN BUSINESS

ISO
CERTIFIED

GLOBAL REACH
WORLDWIDE

Revised presentation · October 24, 2026 · North American Stainless Flat-Rolled Market Review

TODAY'S AGENDA

AGENDA

Analysis of North American Stainless Steel Markets · Sam Desai, RM Metals · Revised 10-24-2026

01

RM Metals

- Who we are
- Mills we source from
- Warehouse network

02

Supply and demand

- How America uses stainless
- U.S. consumption
- U.S. mills: now & next
- Flat-rolled imports 2023–26
- Import origins
- Imports after the 50% duty
- Tsingshan & Indonesian NPI

03

Current topics

- Foreign mills: what's new
- Historical pricing in N. America
- Mill price hikes & lead times
- Surcharges · Ni, Cr & Mo
- USMCA: Canada & Mexico
- Data centers & metals
- Freight & the U.S. dollar
- Processor M&A

04

Conclusion and looking ahead at 2027

- What to watch in 2027
- Key takeaways
- How RM Metals helps
- Questions & discussion

−23% Flat-rolled imports Jan–Jul '26 vs. '25

+21% 316/316L surcharge Nov '24 → Oct '26

+54% Molybdenum input cost, 2 years

400 U.S. data centers under construction

Sources: U.S. Census Bureau (Jul 2026 final); U.S. mill surcharge averages (Scott Stainless); mill alloy values (Combined Metals); dcmap.us (Oct 2026).

SECTION 01 OF 04

01

RM Metals

Who we are, where we buy and how we deliver — the lens for everything that follows.

01 02 03 04

IN THIS SECTION

04 Who we are

05 Mills we source from

06 Connected warehouse network



RM Metals warehouse — stainless coil ready to ship

WHO WE ARE

RM Metals — Our Story & Mission

ABOUT RM METALS

ISO Certified
Internationally recognized quality management standard

Est. 1986
Over 40 years serving the metals industry

HQ: New Jersey
Strategically located for East Coast + national reach

Global Sourcing
Asia, domestic US mills — best of both worlds

Product Range
Coil, sheet, plate — custom specs available

OUR JOURNEY — 40 YEARS

1986	Company founded — family business, built on trust
2001-08	Golden years of growth — market leadership established
2008-14	Navigated market downturns — emerged stronger
2015-25	Full-time leadership with global mill relationships
2026+	AI-powered growth strategy — next chapter begins

"Most important lesson: business is built on fairness, ethics, and long-term relationships."

MILLS WE SOURCE FROM

A curated global network of world-class stainless producers

INTERNATIONAL MILLS

POSCO (Korea)
World's #2 stainless producer — premium quality

Tsingshan (China)
World's #1 stainless producer — scale & range

YJN / Yongjin (China)
Precision cold-rolled stainless specialist

YUSCO (Taiwan)
Premier Taiwanese stainless cold-roller

Tung Mung (Taiwan)
High-quality stainless coil & strip

Bahru (Malaysia)
Southeast Asia's leading stainless mill

Jindal Stainless (India)
India's largest integrated stainless producer

SM Steel (Korea)
Korean stainless coil & sheet supplier

US DOMESTIC MILLS

North American Stainless (NAS)
Kentucky — largest US flat-rolled SS producer

Outokumpu Stainless USA
Premium European-quality domestic supply

ATI (Allegheny Technologies)
Specialty alloys, high-performance grades

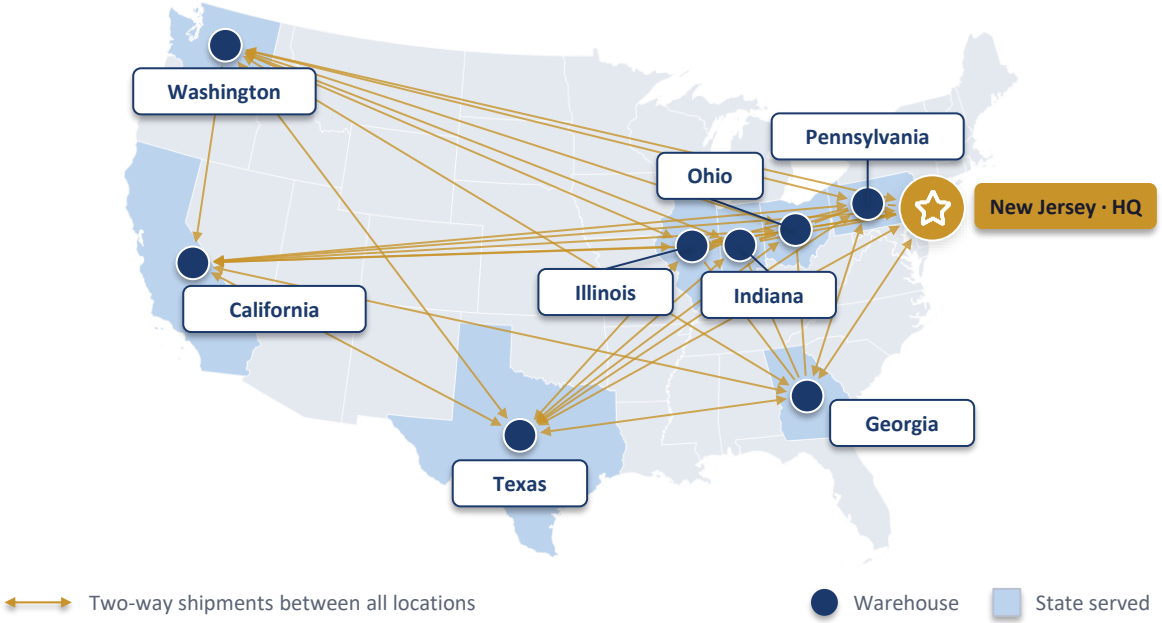
Cleveland Cliffs
Broad carbon + stainless steel capabilities

Rerollers
Elgiloy Metals, Ulbrich, Eagle Brass, RMP, SRM

CONNECTED WAREHOUSE NETWORK

Nine U.S. locations working as one distribution system — coast to coast

NATIONAL DISTRIBUTION NETWORK



9 Warehouse locations	**48** States served
2-5 Day delivery	**JIT** Inventory programs

HOW IT CONNECTS

- **HQ in New Jersey** buys from domestic & global mills
- **One inventory pool:** any site can fill any order
- **Ships site to site** between any two warehouses
- **Four regions:** West · South · Midwest · Northeast

SECTION 02 OF 04

02

Supply and demand

How America uses stainless, who makes it here, and what the 50% duty did to imports.

01 02 03 04

IN THIS SECTION

08 How America uses stainless

09 U.S. stainless consumption

10 U.S. flat-rolled mills: now & next

11 Flat-rolled imports 2023–2026

12 Import origins 2023–2026

13 Imports after the 50% duty

14 Tsingshan in Indonesia: NPI & hot band

HOW AMERICA USES STAINLESS

02 · DEMAND

Where flat-rolled stainless goes in the U.S. — main uses, grades and 2026 direction

	End market	Main uses	Typical grades	2026
	Data centers & power	Liquid-cooling loops, CDUs, enclosures, gensets	304 · 316L	▲
	Energy, LNG & hydrogen	Cryogenic tanks, heat exchangers, process pipe	304L · 316L · duplex	▲
	Food, beverage & pharma	Sanitary equipment, tanks, brewing, dairy	304 · 316L 2B / #4	▲
	Industrial tube & process	Welded tube, chemical plant, water treatment	304L · 316L · 2205	▲
	Appliances & cookware	Refrigerators, dishwashers, ranges, sinks	430 · 304 BA / #4	►
	Automotive & transport	Exhaust systems, trim, rail & truck	409 · 439 · 304	►
	Architecture & construction	Façades, elevators, rail, roofing	304 · 316 #4 / #8	▼

73% / 27%

Distributor vs. end-user share
(Outokumpu Americas)

DEMAND SIGNALS

- **Growth** is in cooling, energy and sanitary — 304L/316L.
- **430 & BA** steady with appliance reshoring.
- **Construction** soft on rates; #4/#8 orders smaller.
- **Auto** flat; EV shift trims exhaust tons

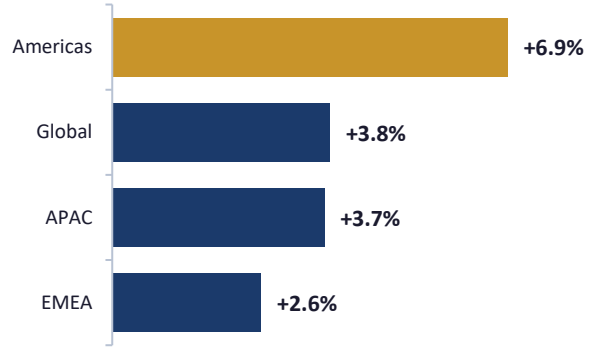
Sources: Outokumpu Q2 2026 market commentary; Acerinox Q1 2026; RM Metals customer order trends (direction ▲ growing ► steady ▼ softer).

U.S. STAINLESS CONSUMPTION

Demand growth, who buys, and how 2026 is tracking — Outokumpu, CRU and mill data

02 · DEMAND

2025 FLAT DEMAND GROWTH (%)



45.1 Mt

Global flat stainless consumption 2025 (+3.8%)

2.1 Mt

U.S. stainless melt 2025 (+7.6%)

THE OUTOKUMPU VIEW

- **Americas led the world** in 2025: +6.9% vs. +3.8% globally (CRU).
- **Outokumpu holds ≈ 24%** of the USMCA market.
- **73% via distributors,** 27% direct to end users in the Americas.
- **"Most protected market":** CRU expects U.S. domestic output to keep rising.
- **Q2 '26:** U.S. demand resilient — data centers & energy; Mexico improving.

2026 SO FAR

- **Q1 apparent use −11%** YoY, but +5% vs. Q4 '25.
- **Imports −33% in Q1;** import share ≈ 21% of U.S. flat market.
- **Service-center stocks** below historical averages.
- **Domestic mills** filling the gap — longer lead times on 316L & BA.
- **H2 tone:** steady volume, price driven by alloys.

Sources: Outokumpu.com (market outlook & Q2 2026 report, citing CRU Nov 2025); Acerinox Q1 2026 results; worldstainless (2025 melt); RM Metals market view.

U.S. FLAT-ROLLED MILLS: NOW & NEXT

U.S. MILLS

Every domestic stainless flat-rolled producer — what it is doing today and how it plans to grow

N. AMERICAN STAINLESS

Ghent, KY · Acerinox

TODAY

- ~50% of U.S. stainless output
- Broadest range: 200/300/400, BA, coil, sheet & plate

DOING NOW

- $250M expansion running since early 2026: new cold mill, temper mill, AP upgrades

GROWTH AHEAD

- Capacity 1.54 → 1.85M short t/yr (+20%) to fill as imports fall
- Acerinox calls the U.S. its core growth market



NAS · Ghent, KY

OUTOKUMPU CALVERT

Calvert, AL · Outokumpu

TODAY

- EAF/AOD melt shop (2013), up to 100% scrap
- Q2 '26 Americas deliveries: 153k t

DOING NOW

- New 180-t twin ladle furnace ordered Jul 2026 (Primetals)

GROWTH AHEAD

- Furnace start-up Mar 2028: more output, less energy
- $45M U.S. chromium/FeCr pilot H1 2027 → ~10 kt plant 2029–30



Outokumpu · Tornio works, Finland

CLEVELAND-CLIFFS

Coshocton & Mansfield, OH · Butler, PA

TODAY

- Chrome & chrome-nickel flat, BA, auto ferritics
- Stainless + electrical ≈ 4% of Q2 '26 tons

DOING NOW

- $150M vertical hydrogen BA line at Coshocton, running since mid-2025

GROWTH AHEAD

- Growth through mix: premium auto, appliance & BA grades
- No major new stainless capacity announced



Cleveland-Cliffs · Mansfield, OH

SPECIALTY & RE-ROLLERS

ATI · Ulbrich · Universal · Haynes

TODAY

- ATI out of standard stainless sheet — aerospace & Ni alloys

DOING NOW

- Ulbrich bought ATI Precision Rolled Strip; Universal → Aperam; Haynes → Acerinox

GROWTH AHEAD

- Aerospace & gas turbines for data-center power lift high-alloy demand
- Owners now global stainless groups



ATI · Midland, PA

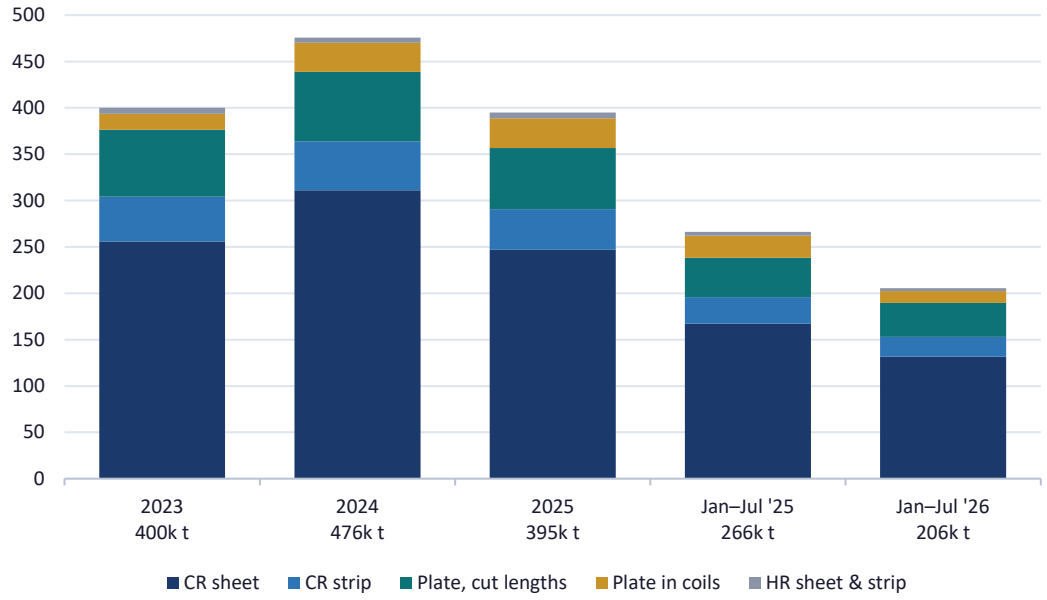
OUTLOOK: CRU sees U.S. domestic output rising in the most protected market — with NAS 20% bigger, mills compete harder for share in 2027.

Sources: Acerinox H1 2026 & Metalnomist; Outokumpu Q2 2026; Primetals/SteelOrbis; Cleveland-Cliffs Q2 2026 & FY2025 ARS. Photos (Wikimedia Commons): Santiago.m.marti, CC BY-SA 4.0; M. J. Putkonen, CC BY 3.0; OHWiki & Nyttend (public domain).

FLAT-ROLLED IMPORTS 2023-2026

U.S. stainless sheet, strip & plate imports for consumption — metric tons by product

STAINLESS FLAT-ROLLED IMPORTS ('000 t)



+19%
2024 vs. 2023

−17%
2025 vs. 2024

−23%
Jan–Jul '26 vs. '25

WHAT THE DATA SAYS

- **Peak, then retreat:** 2024 was the high at 476k t; the 50% duty cut 2025 to 395k t.
- **2026 run-rate ≈ 352k t:** the lowest of the four years.
- **CR sheet still 64%** of flat imports; down 21% YTD.
- **Plate in coils −46% YTD;** cut-length plate only −14%.
- **Value:** all stainless imports $1.86B Jan–Jul vs. $2.43B (−23%).

Source: U.S. Census Bureau, steel import monitoring Exhibit 1b (2023–2025 final; Jan–Jul 2026 final). 2026 run-rate = Jan–Jul annualized (RM Metals estimate).

IMPORT ORIGINS 2023-2026

U.S. stainless steel imports by country — all stainless products, '000 metric tons

	Origin	2023	2024	2025	Jan–Jul '25	Jan–Jul '26	Δ YTD
	Taiwan	140.6	161.1	162.1	105.7	80.0	–24%
	Finland	102.6	106.6	112.1	67.1	70.4	+5%
	India	76.5	94.0	126.2	82.4	63.3	–23%
	Indonesia	34.4	52.0	46.7	30.9	31.3	+1%
	Italy	75.7	71.4	52.6	38.3	28.5	–26%
	Japan	55.7	43.4	46.6	29.2	22.7	–22%
	United Kingdom	27.6	29.2	23.1	12.0	21.9	+83%
	Korea	31.0	35.3	30.4	20.6	20.6	0%
	Mexico	30.1	46.0	34.6	21.4	18.0	–16%
	Canada	35.1	32.5	22.3	15.7	15.9	+1%
	Sweden	42.5	37.9	28.9	20.9	13.1	–37%
	Germany	35.3	32.6	27.3	16.5	12.8	–22%
	China	43.6	49.0	31.9	22.2	12.7	–43%
	Total (all origins)	**933.6**	**1,022.8**	**969.7**	**629.4**	**516.4**	**–18%**

WHAT STANDS OUT

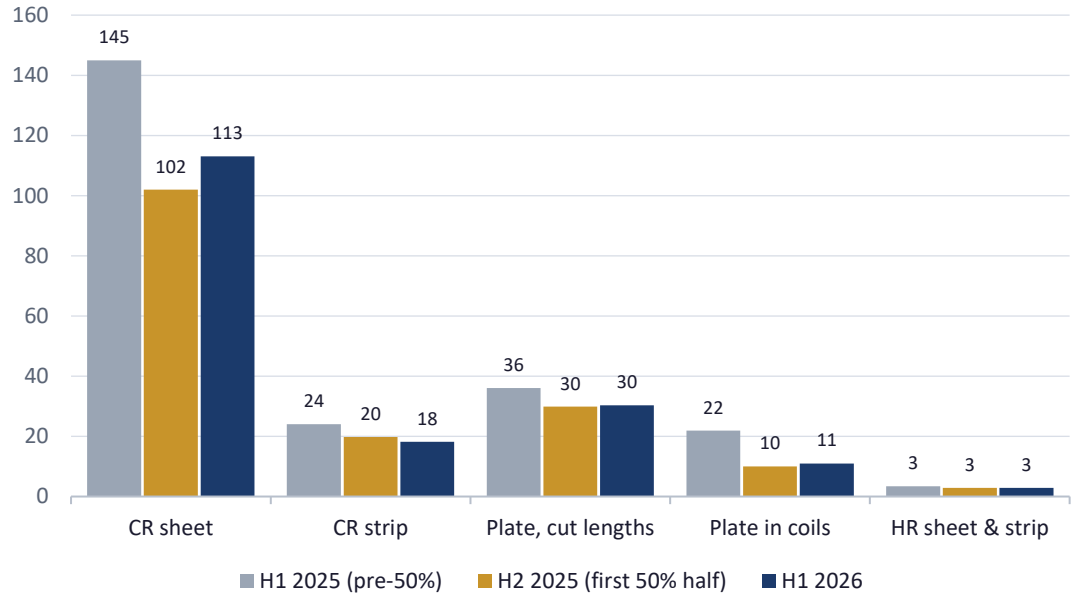
- **Taiwan still #1,** but –24% YTD — the first real drop in four years.
- **Finland now a close #2** (+5% YTD): Outokumpu Tornio feeding its U.S. system.
- **India: record 2025** (126k t, +34%) then –23% in 2026.
- **UK +83% YTD** under its lower 25% rate.
- **China –43% YTD:** under half its 2024 pace; Sweden –37%.
- **Total –18% YTD;** four-year low pace.

Source: U.S. Census Bureau, steel import monitoring Exhibit 2 (stainless, all products incl. long, pipe & tube) — 2023–2025 final; Jan–Jul 2026 final.

IMPORTS AFTER THE 50% DUTY

Before vs. after Section 232 doubled to 50% (June 4, 2025) — stainless flat-rolled, '000 t per half-year

HALF-YEAR IMPORTS BY PRODUCT ('000 t)



−29%
H2'25 vs. H1'25
(the trough)

+7%
H1'26 vs. H2'25
(partial rebound)

SECTION 232 TIMELINE

Mar 12, 2025	Country quotas & exemptions end; 25% for all
Jun 4, 2025	Rate doubles to 50% (UK stays 25%)
Apr 6, 2026	50% applied to full customs value
Jun 8, 2026	U.S.-metal threshold 95% → 85%; derivatives reset
Dec 31, 2027	Temporary reductions sunset

Source: U.S. Census Bureau (Exhibit 1b; H2'25 = 2025 annual − H1'25); White & Case (Jun 2025); White House/CBP (Apr 2026); Thompson Hine (Jun 2026).

TSINGSHAN IN INDONESIA: ORE TO HOT BAND

The world's #1 stainless producer turns nickel ore into hot band on Sulawesi — and ships it to cold rollers across Asia

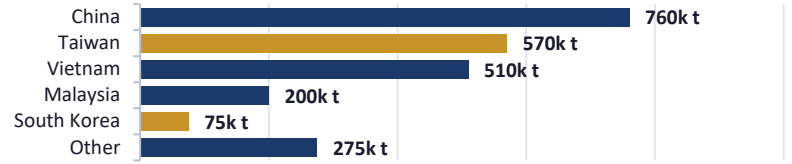
~15 Mt
Tsingshan stainless output per year — world #1

4.2 Mt
NPI capacity at IMIP 53 RKEF smelter lines

4.7 Mt
Indonesia stainless exports 2025 (flat & semis)

~9 Mt
Indonesia stainless capacity by 2027 (7.5 Mt in 2024)

WHERE THE HOT BAND GOES · JAN-SEP 2025



Total 2.39 Mt, +7% y/y. Gold = cold rollers that also ship to the U.S. — Indonesian hot band arrives here inside Taiwanese and Korean cold-rolled coil.


Morowali Industrial Park, Sulawesi


Weda Bay nickel site, Halmahera

THE NPI ROUTE: WHY IT IS THE LOW-COST MILL

Laterite ore → RKEF smelter → NPI hot metal 10–15% Ni → AOD melt shop → slab → Hot mill → HR coil

- **Ore to hot band in one park:** nickel pig iron is charged hot into the melt shop — no scrap, no nickel cathode. Wood Mackenzie calls Morowali the lowest-cost stainless operation in the world.
- **IMIP, Sulawesi:** 2,000 ha, ~85,000 workers, US$34B invested 2015–24; NPI is now 70% of the nickel stainless mills use (40% in 2018).
- **Still growing:** 2 Mt in 2017 → Glory Metal (with Jindal) 1.2 Mt melt shop, Mar 2026; POSCO JV 2 Mt under way.
- **Trade walls:** China 20.2% AD on Indonesian slab/HRC (extended 5 yrs, Jul 2025); EU duties on CR; India AD probe. U.S.: 31k t direct Jan–Jul '26 (#4 origin).
- **Ore risk:** 2026 mining quota cut to 260–270 Mt from 379 Mt in 2025 — tighter NPI supply lifts nickel and 304 costs.

Sources: KED Global; IMIP; CRU/MMTA; Wood Mackenzie; SteelOrbis/BigMint; Mysteel; JSL Global Commodities; SMM; U.S. Census. Photos: Morowali – Indonesian Ministry of Public Works (public domain); Weda Bay – M. E. Prasetyo, CC BY 2.0.

SECTION 03 OF 04

03

Current topics

What is moving the market now: price history, mills and price, surcharges, North American trade, data centers, freight, the dollar and M&A.

01 02 03 04

IN THIS SECTION

16 Foreign mills: what's new

17 Historical pricing in North America

18 U.S. mill price increases & lead times

19 Surcharges: 304 · 316L · 430

20 Nickel, chrome & moly vs. surcharge

21 USMCA: Canada & Mexico

22 Data centers: the metals inside

23 Freight & transportation costs

24 U.S. dollar & import buying power

25 Processor M&A 2025–2026

FOREIGN MILLS: WHAT'S NEW

A highlight on each major overseas producer — new coil lines, capacity and ownership

	Mill	What's new on coils & capacity	U.S. angle
	YUSCO (Yieh United)	NT$4B+ bright-annealed CR line; hot-mill upgrade (CSC rolls ~50 kt/mo meanwhile)	Taiwan #1 coil source; lowest Japan AD (3.86%)
	Walsin Lihwa	Pivot to aerospace & high-alloy; Taiwan export coil prices at a 1-year high	Less commodity 304 offered to U.S.
	Outokumpu	Tornio biocoke plant (low-CO_2); Avesta high-Ni alloys €30M phase 1 of €150M	Finland #2 U.S. origin, +5% YTD
	Jindal Stainless	CR capacity 2.05 → 2.67 Mt by FY28 ($94M); Jajpur 0.17 Mt CR + 1.1 Mt HRAP in FY27	Record 2025 to U.S.; −23% YTD
	Jindal–Tsingshan (Glory Metal)	1.2 Mt melt shop in Indonesia commissioned Mar 2026	More Indonesian slab & HR coil
	Tsingshan	Bought POSCO's Zhangjiagang & Qingdao stainless plants	Asian coil supply consolidating
	POSCO	2 Mt Indonesia JV with Tsingshan (Xinheng, 44.1%, ~$708M)	Korea steady: 20.6k t YTD
	Acerinox	Europa P4 line restarted after fire; Columbus adds electrical-steel coating line	H1'26 profit €77M — led by NAS (U.S.)
	Aperam	New 130-t AOD at Genk (Primetals, Feb 2026); €120M loan guarantee	Best quarter in 4 years
	Yongjin	Chinese precision strip maker: plant in Vietnam today; new Thailand plant opening — precision now, up to 60" wide later	Non-China origins for precision coil to U.S.

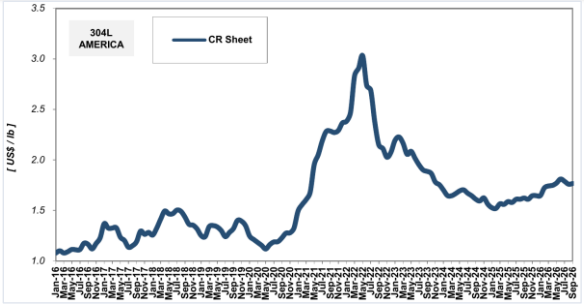
COIL TRADE WATCH: Japan put provisional anti-dumping duties on Taiwanese cold-rolled stainless from July 2026; Taiwan is probing Vietnamese CR (est. 31.36% margin). Displaced Asian coil looks for new homes.

Sources: company releases & results (YUSCO, Walsin Lihwa, Outokumpu, Jindal Stainless, POSCO, Acerinox, Aperam); SMM; Primetals; Japan MOF; Taiwan MOEA (2025–2026). Yongjin: RM Metals.

HISTORICAL PRICING IN NORTH AMERICA

Ten years of U.S. end-user prices, 304L and 316L cold-rolled sheet — January 2016 to September 2026

U.S. END-USER PRICE · CR SHEET ($/lb) · 2016-2026



304L · CR SHEET

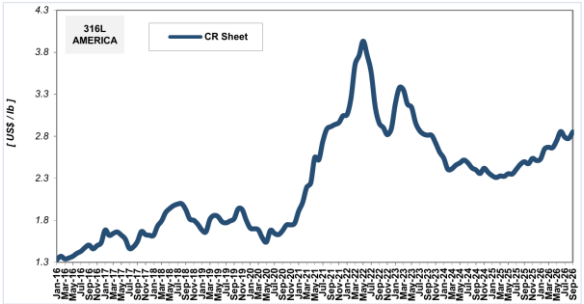
$1.77 /lb + Freight

Sep '26 end-user price

~$3.03 peak · May '22

~$1.53 low · Feb '25

~$1.08 start · Jan '16



316L · CR SHEET

$2.85 /lb + Freight

Sep '26 end-user price

~$3.92 peak · May '22

~$2.32 low · Feb '25

~$1.35 start · Jan '16

−42%	+23%	#1
304L vs. May '22 peak	316L off Feb '25 low	U.S. priciest of 4 regions

WHAT THE HISTORY SHOWS

- **2021–22 spike:** 304L CR peaked near $3.03/lb in May '22 — almost 3× Jan '16 (~$1.08).
- **2023–24 unwind:** a two-year slide to ~$1.53/lb by Feb '25.
- **2025–26 recovery:** 316L leads (+23%) vs. 304L (+16%) off the lows.
- **Highest-priced market:** U.S. 304 CR ≈ $3,900/t vs. Europe ~$3,260, APAC $2,929, China $2,233 (ex-mill).
- **Widest spread:** U.S. price over 18-8 scrap ~$2,500/t vs. ~$1,850 Europe, ~$800 China.

Source: SMR GmbH (Steel & Metals Market Research), Monthly Stainless Steel Price Census – American Report, September 2026, www.smr.at. Charts © SMR GmbH 2026. Peaks/lows approximate, read from SMR charts; $/t converted from SMR $/lb and €1 = $1.13.

U.S. MILL PRICE INCREASES 2026

Outokumpu, NAS, ATI & Cleveland-Cliffs — base price, extras and freight since January, and lead times today

2026 PRICE ANNOUNCEMENTS · BY SHIPMENT DATE

Effective	Mill	What changed
Apr 1	Outokumpu	**Discounts cut:** 201/201LN −2 pts; 409/441/439M −4 pts. 2205 +$5/cwt; light-gauge adders +$4/cwt; polish discount −20%; freight +8%.
May 1	NAS	**Extras up:** 7–9 ga width extra $42 → $60/cwt; polish discount −20%; other items case by case.
Jun 1	Outokumpu	**Freight:** truck & rail rates +12%; film adders raised.
Jun 1	ATI	**Price increase:** Specialty Rolled Products letter (May 29) — discounts reduced on specialty stainless & alloys.
Aug 1	Outokumpu	**CR discounts cut again:** 201 & 301 −4 pts; 316L −2; 430 −3; 441/439M −4. All hot-rolled +$2/cwt.
Aug 11	ATI	**Second price increase:** new SRP letter — further discount reductions.
Oct 1	NAS	**Base up:** 316 CR −2 pts, 430 CR −4 pts off discount; 17-4/416/410 bar +$0.075/lb. Fuel surcharge 29% → 58% since Jan.
2026	Cleveland-Cliffs	**Price increase:** stainless flat-rolled letters — discounts reduced, in line with ATI.

Jan–Mar: no base letters — price moved via surcharge. 304 is the exception: no mill has raised the 304 base in 2026 — watch late this year or January.

+9%
304 sheet
168.50 → 183.25

+18%
316L sheet
252.50 → 297.50

+3%
430 sheet
137.50 → 142.25

Transaction price, fob mill, $/cwt — Jan → Sep 2026 (Fastmarkets)

LEAD TIMES · OCTOBER 2026

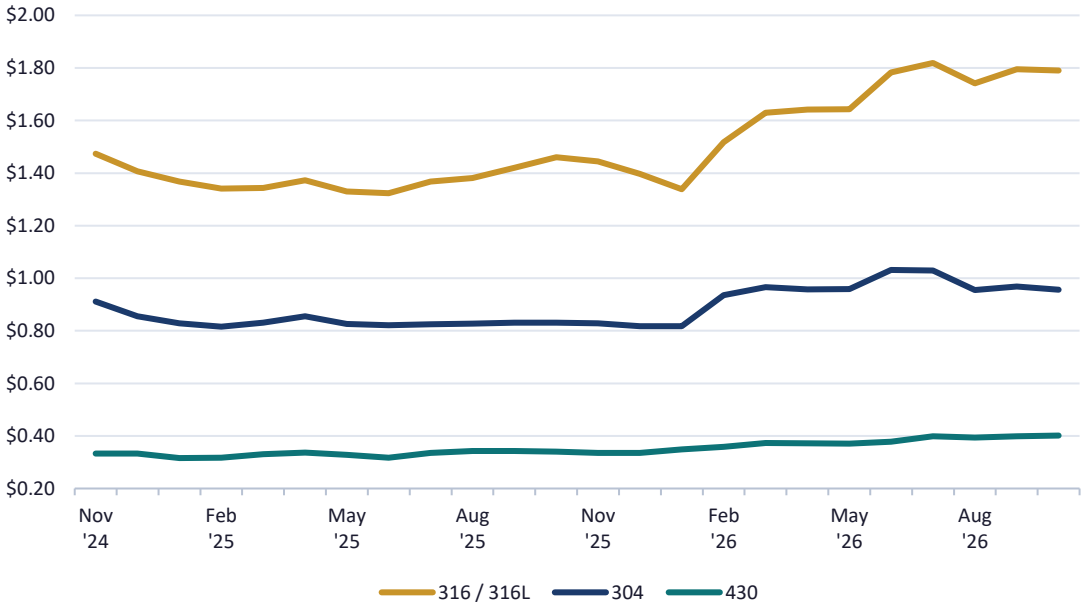
- **NAS flat:** CR 304L/316L 2B now quoting January 2027 (was ~6 weeks in Sept).
- **Outokumpu:** now quoting February 2027 — foreign mills also offering February delivery.
- **NAS long products:** December rolling now open.
- **Cleveland-Cliffs:** quotes need full end-user detail.
- **Result:** buyers are booking months ahead to hold a place in line.

Sources: Outokumpu letters (Mar 27, May 29, Jul 30); ATI SRP letters (May 29, Aug 11); NAS announcements (Apr 6, Sep 8, 2026) & fuel-surcharge notices; Fastmarkets; mill quotes to RM Metals.

SURCHARGES: 304 · 316L · 430

Average U.S. mill alloy surcharges, $ per lb — November 2024 to October 2026

MONTHLY SURCHARGE ($/lb)



+5%	+21%	+20%
304: $0.91→$0.96	316L: $1.47→$1.79	430: $0.33→$0.40

WHAT MOVED

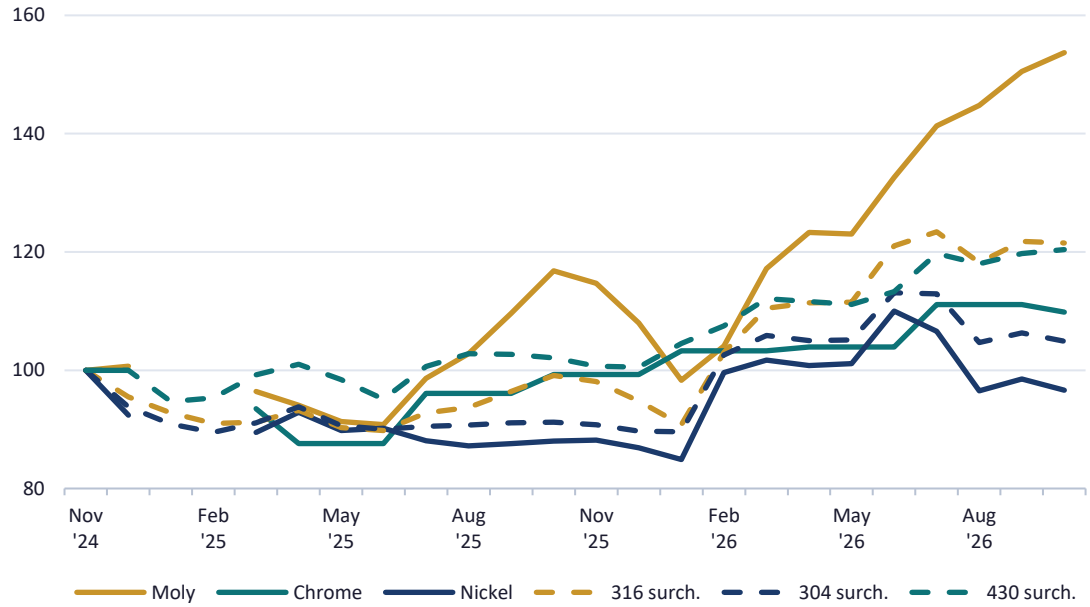
- **2025 was flat:** 304 held $0.82–0.86/lb from Feb to Dec.
- **2026 step-up:** 304 +26% Jan→Jun as nickel rose 30%.
- **316L premium** over 304 widened from $0.56 to $0.83/lb (moly).
- **430 +20%** to $0.40/lb, tracking chrome.
- **Oct '26:** NAS also raised its 316 CR base price.

Source: U.S. mill surcharge averages as published by Scott Stainless (monthly, $/lb); SMM (NAS base-price change, Oct 2026). 316 and 316L carry the same surcharge.

NICKEL, CHROME & MOLY vs. SURCHARGE

Mill alloy input values vs. grade surcharges — indexed, November 2024 = 100

INDEX, NOV-24 = 100 (solid = metal · dashed = surcharge)



Input / grade	Nov-24	Oct-26	Δ
Nickel ($/lb)	7.76	7.50	–3%
Chrome ($/lb)	1.53	1.68	+10%
Moly ($/lb)	21.83	33.56	+54%
304 surcharge	0.912	0.956	+5%
316L surcharge	1.474	1.790	+21%
430 surcharge	0.333	0.401	+20%

THE TAKEAWAY

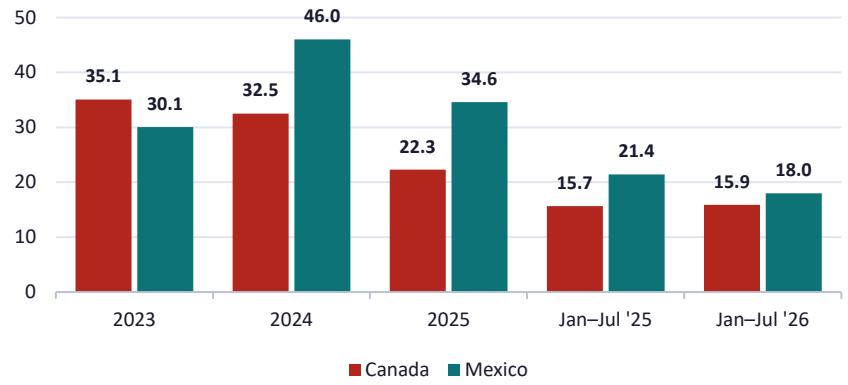
- **Moly drives 316L:** Mo +54% → surcharge +21%.
- **Nickel drives 304:** Ni still below Nov-24; 304's 2026 swing = nickel's spring rally.
- **Chrome drives 430.** Watch moly into 2027.

Sources: mill monthly alloy values from Combined Metals (CSC Bellwood) surcharge sheets — Jan & Feb 2025 not available (gap in lines); surcharges per Scott Stainless.

USMCA: CANADA & MEXICO

How our USMCA partners work with the U.S. under the 50% Section 232 duty — and where talks stand

STAINLESS IMPORTS FROM CANADA & MEXICO ('000 t)



−37%

Mexico steel exports to U.S. 2025, by value ($2.24B)

55%

Mexican steel capacity utilization

WHERE THE TALKS STAND

- **Jul 1, 2026 — USMCA joint review:** U.S. declined to extend; annual reviews now required.
- **May 26, 2026 — USTR Greer:** 232 tariffs stay even after a USMCA revamp.
- **U.S.–Mexico bilateral rounds;** Canada not at the table.
- **U.S. wants Mexico to mirror 232** on non-North American steel; quotas discussed; framework targeted by year-end.
- **Canada:** no formal review talks; tighter non-FTA quotas and more AD/CVD cases.

WHAT IT MEANS FOR U.S. BUYERS

- **Both partners still pay 50%:** Canada −36% vs. 2023; Mexico −25% in 2025.
- **A Mexico deal** could reopen a near-shore lane for coil & sheet.
- **Mirror tariffs** would close the door on Asian coil routed via Mexico.
- **Plan for annual reviews:** build tariff clauses into 2027 contracts.

Sources: U.S. Census Bureau Exhibit 2 (stainless, all products); USTR (May 26, 2026); Reuters/Mexican industry data (CANACERO); Canadian Dept. of Finance.

DATA CENTERS: THE METALS INSIDE

The largest financial bet in U.S. history — a $10T buildout, the biggest industrial boom since the railroads

3,172
Operating
49.2 GW

400
Under construction
69.6 GW

1,199
Planned
276.3 GW

346 GW
Pipeline under way
or planned

METALS IN A DATA CENTER

Structural steel
~10,000 t for a 75,000 m² facility — frames, decks, racks

Copper
20–40 t per MW — busway, cable, grounding, cooling coils

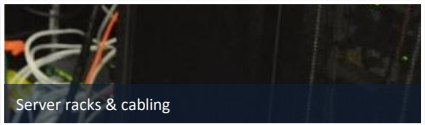
Electrical steel & aluminum
Transformers, switchgear, cable trays, heat-sink fins

Stainless steel
Liquid-cooling loops, CDUs, manifolds, tanks, enclosures

WHY STAINLESS MATTERS

- **AI racks are going liquid:** air can't remove 100+ kW per rack; coolant loops run on stainless.
- **304 & 316L** for CDUs, manifolds, secondary-loop pipe, heat exchangers and tanks.
- **Liquid-cooling market** ≈ $4B (2026) → $27B (2033).
- **60–75 t of minerals per MW** (WEF) — 70 GW building today.
- **For distributors:** steady pull on 304L/316L sheet, coil and tube for years.


Data-center server hall

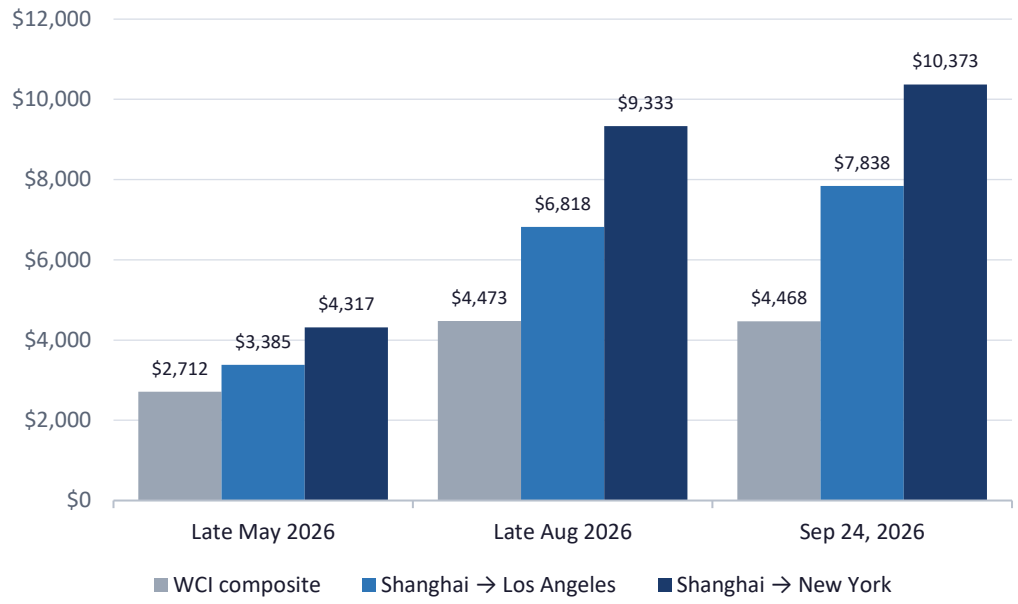

Server racks & cabling

Sources: dcmap.us U.S. data-center map (Oct 2026); Electric Choice tracker (~3,525 sites, 1,080+ coming — counts vary by tracker); WEF; Copper Development Association; MarketsandMarkets. Photos: Carl Lender, CC BY 2.0; Derrick Coetzee, CC0 (Wikimedia Commons).

FREIGHT & TRANSPORTATION COSTS

Container rates more than doubled after the Strait of Hormuz closure — adding real cost to imported coil

DREWRY SPOT RATES, $ PER 40-FT CONTAINER



$196
per t coil, Shanghai–NY
late May (est.)

$472
per t coil, Shanghai–NY
late Sept (est.)

IMPACT ON FLAT-ROLLED COIL

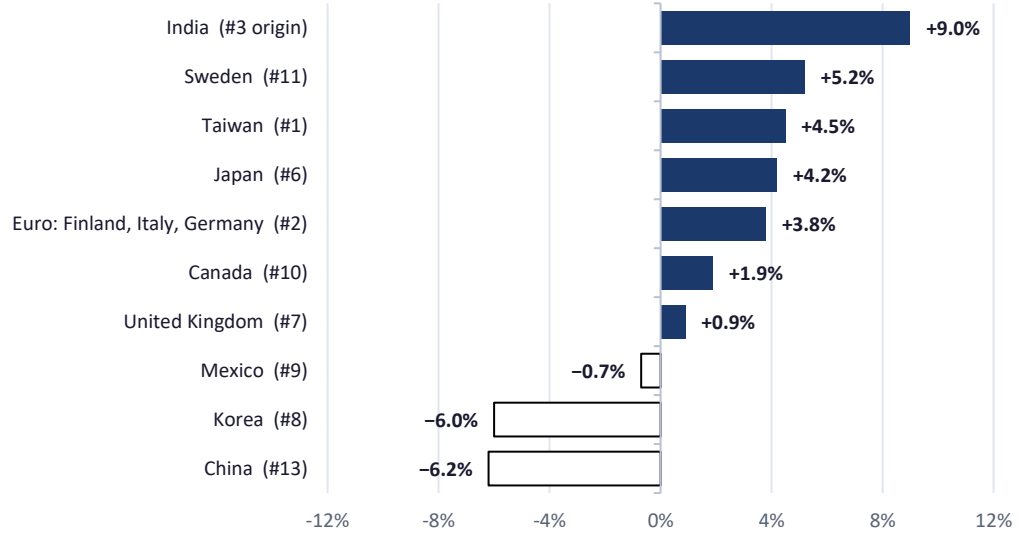
- **Cause:** Hormuz effectively closed since late Feb; bunker up ~70%; carriers blank sailings.
- **+$270/t:** East Coast landed-cost add for containerized coil (~22 t per box).
- **Mills feel it too:** Outokumpu cited higher freight in Q2.
- **Outlook:** Xeneta sees transpacific rates past their 2026 peak — still well above pre-war.

Source: Drewry World Container Index via Container News & DCN (May–Sep 2026); Lloyd's List (May 29, 2026); Xeneta (Oct 2, 2026); Outokumpu Q2 call. Per-ton math: RM Metals estimate at 22 t per 40-ft.

U.S. DOLLAR & IMPORT BUYING POWER

A firmer dollar buys more coil from most of our big origins — but duty and freight still decide the landed price

U.S. DOLLAR vs. SUPPLIER CURRENCIES · OCT '26 vs. OCT '25



Positive = the dollar buys more of that currency, so coil priced there costs less in US$. (#) = rank among U.S. stainless import origins, Jan–Jul 2026.

101.8

U.S. dollar index (DXY)
Oct 16 · +3.4% since Jan

3.75-4.00%

Fed funds after Sep 16 hike
— costlier to carry imports

WHAT IT MEANS FOR IMPORT BUYING

- **More buying power where it counts:** dollar up vs. Taiwan $ (+4.5%), euro (+3.8%) and rupee (+9.0%) — our #1–#3 origins.
- **Dearer from Korea & China:** won and yuan both ~6% stronger.
- **Scale check:** 4% FX on a $2,500/t FOB coil ≈ $100/t. The 50% duty adds ~$1,250/t and freight ~$270/t.
- **Money costs more:** a 3–4 month import pipeline is pricier to finance at 4%.
- **Outlook:** DXY seen 98–103 through Mar '27 — FX helps at the margin; duty and freight decide.

Sources: Federal Reserve H.10 (Oct 9, 2026 vs. Oct 10, 2025); Trading Economics DXY (Oct 16, 2026); Cambridge Currencies & MTFX outlooks; Census origin ranks; RM Metals duty/FX example.

PROCESSOR M&A: 2025-2026

Consolidation accelerated as tariffs shifted share toward domestic supply chains

2025

Jan	**Aperam closes Universal Stainless** — specialty stainless & alloy melter (PA).
Jan	**Norfolk Iron & Metal buys Straub Metal** — T409/T439 stainless sheet & coil.
Aug	**Steel Dynamics buys rest of New Process** — mill-owned distribution (55% stake).
Sep	**Kloeckner sells distribution sites** — Russel Metals adds 7 locations.
Oct	**Ryerson–Olympic Steel merger agreed** — incl. Olympic's stainless flat platform.
Dec	**Promet buys Heidtman's East Chicago plant** — processing capacity changes hands.

2026

Jan	**Worthington Steel bids for Kloeckner & Co** — ~$2.4B all-cash offer.
Feb	**Kloeckner Metals buys Camalloy** — stainless & aluminum service center (PA).
Feb 13	**Ryerson completes Olympic Steel** — one of North America's largest networks.
Mar	**Tube Supply acquires Kreher Steel** — bar, tube & wire distribution.
Jun 3	**Worthington closes Kloeckner (~62%)** — #2 North American service center, ~$9.5B.
H2	**Kloeckner delisting offer (€11/share)** — full integration path.

What it means: fewer, larger buyers with more negotiating power at the mills; mill-owned distribution (SDI) grows; independents win on niche specs, speed, BA/polished finishes and consignment.

Source: KPMG Corporate Finance Metals M&A newsletters (Q1'25–Q2'26); Worthington Steel 8-K/press (Jan 15 & Jun 3, 2026); Ryerson 10-Q (Q2'26); Kloeckner Metals (Feb 2, 2026).

SECTION 04 OF 04

04

Conclusion and looking ahead at 2027

Where U.S. demand grows in 2027 and the dates that will move price — then five things to take away.

01 02 03 04

IN THIS SECTION

27 2027: what to look out for

28 Key takeaways

29 Questions & discussion

2027: WHAT TO LOOK OUT FOR

Where U.S. flat-rolled stainless demand grows next year — and the dates and signals that will move price

WHERE U.S. FLAT-ROLLED DEMAND GROWS IN 2027

End market	2027 driver	Grades	2027
Data-center cooling	**70 GW under construction;** liquid-cooling loops, CDUs, manifolds and tanks.	304 · 316L	▲
LNG export	**Port Arthur Ph. 1, Rio Grande T1–2 and the last Golden Pass train start up;** U.S. LNG exports ~18.5 Bcf/d (EIA).	304L · 316L · duplex	▲
Pharma & biotech	**$235B+ pledged for U.S. plants** (J&J $55B, AstraZeneca $50B, Roche $50B) — built 2026–28.	316L 2B / #4	▲
Semiconductor fabs	**TSMC Arizona fab 2 targets 2027 output;** cleanroom fit-out and process piping.	316L · 304	▲
Appliances & auto	**Steady:** appliance reshoring holds 430/BA; EV shift trims exhaust tons.	430 · 409 · 304 BA	▶
Construction	**Soft:** higher rates hold back façades, elevators and roofing.	304 · 316 #4/#8	▼

The common thread: nearly every growth market buys 304L/316L — expect 316L to stay the tightest grade in 2027.

2027 WATCH LIST

Nov 15, 2026	Indonesia closes 2027 nickel-ore quota (RKAB) filings — approvals set nickel and 304 direction.
Jan 2027	Possible 304 base-price increase — the one grade no U.S. mill has raised in 2026.
Monthly	Molybdenum → 316L surcharge. Mo is up 54% in two years.
Through 2027	USMCA annual reviews and a U.S.–Mexico steel quota deal; 50% Section 232 stays.
Q1 2027	Mill books: NAS quoting January, Outokumpu February — Q1 already filling.
Rates & FX	Fed at 3.75–4.00% with a December hike in play; dollar seen 98–103.
Dec 31, 2027	Temporary Section 232 reductions sunset.

Sources: EIA (Apr 2026); DCAT Value Chain Insights (pharma pledges); Tom's Hardware/Nikkei (TSMC); dcmap.us; ESDM/TISCO (RKAB, Oct 2026); USTR/SteelOrbis (Jul 2026); MTFX; Thompson Hine (Sec. 232).

KEY TAKEAWAYS

Five things to take away from today

04 · CONCLUSION

1 **Imports at a four-year low**

≈352k t run-rate in 2026 vs. 476k t in 2024 — domestic mills fill the gap.

2 **Demand is holding**

Americas led global growth (+6.9%); data centers, energy & sanitary offset construction.

3 **Alloys set the price**

316L surcharge +21% on moly +54%; 304 follows nickel, 430 follows chrome.

4 **Foreign mills are re-tooling**

Jindal, YUSCO, Aperam & Tsingshan adding coil capacity; trade cases redirect Asian coil.

5 **North America is being renegotiated**

USMCA talks, 50% duty and freight make supply planning a year-round job.

HOW RM METALS HELPS

- Domestic + global mill access in one supplier
- Stock of 304L/316L for data-center, energy & sanitary jobs
- Surcharge-aware quoting — we watch Ni, Cr & Mo for you
- Consignment & JIT to absorb freight and duty swings
- Contract pricing options to help manage 2027 policy risk

"Business is built on fairness, ethics, and long-term relationships." — RM Metals

OUR PURPOSE

Excellence in Service & Quality

"Creating a new standard for Quality, Integrity & Reliability — that is our motto, our promise, and our commitment to every customer, every day."

THANK YOU

Questions & discussion — Sam Desai, RM Metals

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