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Nucor yesterday raised its Weekly CSP by $10/st to $1,115/st, continuing the steady and disciplined climb that has defined the current sheet market. Expectations are high that tomorrow's Weekly Index will follow the same trend, as traders have become increasingly accustomed to the cadence of weekly increases. August and September 2026 futures are now within striking distance of the important psychological $1,200/st level.

The magnitude of the recent rally remains notable. Over the past eight weeks, Q3 2026 HRC futures have risen from $1,006/st to $1,189/st, a gain of $183/st, while Q4 2026 futures have advanced from $969/st to $1,134/st, up $165/st. Despite those gains, buyers have largely continued to focus on securing forward exposure amid concerns over limited spot availability, extended mill lead times, and ongoing trade policy uncertainty.

Current benchmark pricing stands at:

- Weekly Index: $1,098/st
- Platts: $1,100/st
- SMU: $1,105/st
- Nucor CSP: $1,115/st

The narrow spread between the major benchmarks reflects broad agreement on current spot market values and reinforces the view that recent price increases are being accepted across the supply chain.

Fundamentals remain supportive

Domestic sheet markets continue to benefit from constrained spot availability, historically lean service center inventories, extended mill lead times, and steady-to-improving demand.

Recent survey data suggests many market participants now expect sheet prices to peak later in the third quarter rather than during the traditional summer period, reinforcing the increasingly common "stronger-for-longer" pricing narrative.

SMU's latest survey of steel buyers highlighted a market that remains cautiously constructive. Most respondents expect prices to continue moving higher in the near term, citing supply constraints, tariff uncertainty, and limited spot availability.

Demand was generally described as stable to improving across both sheet and plate markets, while inventory conditions remain mixed depending on region and end-market exposure.

Imports are receiving increased attention.

As domestic prices continue to rise, imported material is becoming more attractive. Several buyers noted that large service centers and OEMs continue to place offshore orders, particularly where longer lead times can be accommodated.

While European offers remain close to domestic pricing after tariffs, Southeast Asian material continues to offer a substantial discount.

The price relationship remains striking.

With Asian HRC recently assessed near $517/st, adding the 50% Section 232 tariff and approximately $90/st in freight and import-related costs yields an estimated delivered cost of roughly $866/st.

Compared with the latest domestic HR average of $1,105/st, U.S.-produced hot rolled coil remains approximately $239/st higher. While lead-time risk and trade uncertainty continue to limit aggressive import buying, the economics are becoming increasingly difficult for buyers to ignore.

Raw materials

On the raw materials side, the June ferrous scrap market is settling largely sideways from May levels. Mills across the Midwest, South, Ohio Valley, and Pittsburgh regions have generally purchased scrap at unchanged prices, helping maintain healthy steelmaking margins.

The decision to hold scrap prices steady reflects improved scrap flows following winter disruptions, although concerns remain around tighter availability of prime grades such as busheling later this summer due to automotive shutdowns and seasonal slowdowns.

Lead times remain another key pillar supporting current pricing.

HRC lead times now extend slightly beyond seven weeks, the longest since late 2021, while cold-rolled and coated products remain above eight weeks. These extended order books continue to provide mills with significant leverage as bookings move deeper into the third quarter.

US Weekly Raw Steel Production

In the week ending June 6, 2026, domestic raw steel production was 1,877,000 net tons, with a capability utilisation rate of 81.3%.

Production was 1,782,000 net tons in the week ending June 6, 2025, when capability utilisation was 79.3%. Current production represents a 5.3% increase from the same period last year.

Production for the week ending June 6, 2026 was up 0.3% from the prior week ending May 30, 2026, when production totalled 1,872,000 net tons and capability utilisation was 81.1%.

Trade policy remains an important variable.

Section 232 tariffs continue to underpin domestic pricing, while recent adjustments affecting certain derivative products have introduced modest flexibility around the edges of the program.

At the same time, broader USMCA review discussions continue to focus on automotive content requirements, steel trade, and North American supply-chain security.

While the direct market impact remains uncertain, both developments continue to support the broader trend toward regionalized manufacturing and domestic sourcing.

Longer term, however, the global backdrop remains considerably less supportive.

The OECD's newly released Steel Outlook 2026 warns that global steel overcapacity continues to worsen, estimating excess capacity at approximately 640 million metric tons in 2025 and projecting that figure could expand to 745 million metric tons by 2028.

China remains the primary concern, accounting for more than half of the global capacity surplus. Although Chinese steelmaking capacity has not expanded materially in recent years, weak domestic demand has fuelled an aggressive export push, with Chinese steel exports reaching a record 131 million metric tons in 2025.

At the same time, the OECD forecasts global steel demand growth of only 0.9% annually through 2030, highlighting the growing disconnect between expanding supply and sluggish consumption.

Bottom Line

The domestic steel market remains fundamentally constructive.

Tight inventories, extended lead times, healthy demand, disciplined mill pricing, stable scrap costs, and supportive trade policy continue to underpin higher sheet prices.

However, after an eight-week rally that has added roughly $180/st to Q3 futures and pushed nearby contracts toward the $1,200/st threshold, the market is gradually shifting from a pure supply-tightness story toward a broader valuation discussion.

Imports are becoming increasingly competitive, global overcapacity remains a persistent long-term concern, and future gains may depend less on tightening fundamentals and more on buyers' willingness to continue accepting elevated domestic prices.

For now, the path of least resistance remains higher, but the debate is increasingly becoming one of value rather than availability.

HRC Stats as of close 08/06/26:

- Volume 735 (Down 853)
- Open Interest 41.225 (Up 315)
- June26 HRC $1,125 -$1
- July26 HRC $1,170 unch
- Aug26 HRC $1,199 +$3
- Sep26 HRC $1,198 +$3
- Q426 HRC $1,134 +$1
- Q127 HRC $1,046 unch
- Q227 HRC $1,028 unch

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