JUNE 2025

GA GROUP

Monitor
Metals

TANGLED UP IN TARIFFS

Q1 STEEL PRICES RALLY PRE-TARIFFS
Buyers stock up ahead of mid-March import tariffs and anticipated price hikes

TARIFF UNCERTAINTY PROMPTS CAUTION
Volatile and convoluted tariffs, as well as related economic concerns, strain the market in Q2

ALUMINUM PREMIUM SOARS TO RECORD HIGH
The Midwest Transaction Premium remains elevated amid tariff-related supply chain havoc

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Deals are a moving target with a constantly shifting mix of people, numbers and timing. We are here to simplify this process for you. Our associates are experts at analyzing situations and quantifying values you need on the most complex deals, so you can leverage our extensive industry knowledge to close the deal.

Trend Tracker

	Ferrous Metal	Non-ferrous Metal
NOLVs	Increasing ▲	Mixed ▲▼
Sales Trends	Decreasing ▼	Mixed ▲▼
Gross Margin	Mixed ▲▼	Mixed ▲▼
Inventory	Increasing ▲	Consistent ▬
Market Prices	Mixed ▲▼	Mixed ▲▼

NOLVS

- **Ferrous:** NOLVs increased for March and April effective dates as market prices climbed in Q1 2025 through April ahead of tariffs, while in the preceding months companies stocked lower-cost inventories.

- **Non-ferrous:** NOLVs were mixed, depending on the metal and appraisal timing, given tariff-related price volatility. Domestic aluminum companies achieved more positive NOLVs in the first half of 2025 due to soaring Midwest transaction prices.

SALES TRENDS

- **Ferrous:** Sales decreased, with volumes flat to slightly down versus the prior year. Pricing largely remained below year-ago levels, though recent price increases improved more recent dollar trends.

- **Non-ferrous:** Sales trends were mixed. Aluminum and copper sales were buoyed by higher market prices year-over-year, while other non-ferrous metal sales were hampered by price trends. Volumes were flat to slightly down amid tariff-related economic uncertainty.

GROSS MARGIN

- **Ferrous:** Gross margins were mixed. Margins decreased for higher-cost inventory sourced at elevated market prices in the first of half of 2024, but increased for lower-cost inventory sourced just ahead of anticipated tariffs and recent market price hikes.

- **Non-ferrous:** Gross margins are mixed. Aluminum and copper margins were positively impacted by stabilizing or rising domestic market prices. Other non-ferrous metal prices were consistent or slightly lower.

INVENTORY

- **Ferrous:** Inventory levels increased in Q1 2025 and into April, as service centers and distributors pulled forward orders that would normally occur in Q2, in efforts to secure lower-cost inventory ahead of anticipated tariffs.

- **Non-ferrous:** Inventory levels are consistent, as companies largely managed inventory levels to be in line with current demand, given an unpredictable policy environment. However, inventory for aluminum and copper increased slightly after the announcement of expanded Section 232 tariffs on aluminum and a Section 232 investigation on copper.

PRICING

- **Ferrous:** Prices were mixed. Prices climbed rapidly in the first four months of 2025, with mill lead times extending and distributors pulling forward orders ahead of tariffs. While prices slipped as demand subsided and mill times shortened since late April, the recent doubling of Section 232 tariffs, effective June 4, poses an unpredictable pricing environment.

- **Non-ferrous:** Prices are mixed. Domestic aluminum prices increased, with the Midwest transaction premium elevated near the record levels reached in March in response to expanded Section 232 tariffs. However, most other non-ferrous metal prices declined versus the prior year, with mixed performance in recent months based on global economic uncertainty.

Overview

Steel and aluminum prices increased in Q1 2025, ahead of anticipated tariffs. Section 232 tariffs of 25% on all steel and aluminum imports took effect March 12. However, the volatile and convoluted nature of tariff announcements have left the metal markets reeling with uncertainty.

TARIFF OVERVIEW

Throughout 2025 thus far, a flurry of tariff news sparked market uncertainty as the current U.S. administration announced, delayed, implemented, clarified, and revised tariffs. Metals market participants largely stocked up ahead of anticipated tariffs, but have otherwise proceeded with caution amid the tangled web of tariffs and unclear economic ramifications. Tariffs now target virtually all countries, with varying levels of tariffs and various product exemptions, effectively ending the U.S.'s era of free trade, although this is subject to change as challenges to the tariffs make their way through federal courts.

Most impactful to the metals industry were the tariffs of 25% on all steel and aluminum imports effective March 12, 2025, significantly expanding Section 232 tariffs first implemented in 2018 by eliminating exceptions, exemptions, and other loopholes that companies or countries have used to avoid tariffs in the past. Effective June 4, Section 232 tariffs were doubled to 50%, with the U.K. temporarily exempt pending the finalization of a potential trade deal. Copper imports are not yet subject to tariffs, but are under national security investigation to be considered for Section 232 tariffs. Report findings are due by November 22, 2025.

The U.S. administration's executive order on April 29, 2025, clarified that expanded Section 232 tariffs do not stack on top of the International Emergency Economic Powers Act ("IEEPA") tariffs on goods from Canada, Mexico, and China effective earlier in March. Most metals were also exempt from the sweeping universal 10% IEEPA tariffs effective April 5, as well as the higher reciprocal tariffs on "bad actors" that were largely delayed. However, ferrous scrap and other recycled commodities are reportedly subject to these tariffs. On May 28, the U.S. Court of International Trade blocked IEEPA tariffs, arguing they exceeded presidential authority; however, on May 29, a federal appeals court paused the ruling and temporarily reinstated the tariffs, setting the stage for a legal battle. The back-to-back rulings contributed to continued tariff volatility and economic uncertainty.

The U.S. faces retaliatory tariffs on a slew of goods. In particular, the trade war with China escalated with exorbitant tariff rates, threatening to upend global supply chains, until a mid-May talk temporarily lowered tariffs between the countries. However, the truce has proven tenuous. China is the world's largest consumer of metals, and without a more permanent agreement, trade tensions could decimate China's demand for metals and metal-intensive products, hinder global economic growth, and further stoke volatility in commodity prices.

Domestic steel and aluminum prices have soared since the beginning of 2025, given expectations of higher import prices related to tariffs, which favorably impacted domestic mills. Still, tariffs could significantly impact metal end-markets and U.S. economic conditions generally.

While U.S. inflation rates recently stabilized, inflation may rebound should tariffs remain in effect for a period of time, boosting the cost of goods. After implementing three interest rate cuts in the second half of 2024, the Federal Reserve held interest rates steady in the first five months of 2025 amid the specter of tariff-fueled inflation.

Overview

METALS OVERVIEW

SteelBenchmarker prices for hot rolled steel — a bellwether for steel pricing in general — soared 34% from $688 per net ton on January 13, 2025 to $925 by April 28, 2025, driven by the announcement and implementation of U.S. tariffs on all steel imports. Expected tariffs boosted the pricing outlook for domestic steel as it becomes more competitive in relation to imports. In order to secure lower-cost inventories, service centers and distributors pulled forward orders that would normally occur in Q2. Hot rolled steel prices dipped to $901 by May 26 as stocking eased and buyers took a wait-and-see approach given tariff volatility. On May 30, the U.S administration announced a doubling of steel and aluminum tariffs to 50% effective June 4, which could cause prices to rise again.

According to the American Iron and Steel Institute ("AISI"), steel shipments from mills in March 2025 increased 5.3% from the prior year and 9.8% versus the prior month, before falling 1.9% month-over-month in April 2025. Year-to-date shipments through April 2024 were up 2.1% versus the same period in 2024. The Metals Service Center Institute reported that steel shipments from U.S. service centers increased 1.1% in April 2025 versus April 2024.

Steel imports also climbed ahead of expanded Section 232 tariffs. The U.S. Census Bureau reported that in March 2025, total and finished steel imports increased 11.4% and 11.9%, respectively, month-over-month, including increases of 85.9% for rebar, 47.9% for line pipe, 40.5% for oil country tubular goods ("OCTG"), 39.9% for sheets/strip and all other metal coated items, and 23.2% for cold rolled sheets. In April 2025, total and finished steel imports fell 17.1% and 11.8%, respectively, month-over-month to avoid the impact of tariffs implemented in March. Over the 12 months ended April 2025, total and finished steel imports were down 0.7% and up 1.1%, respectively, versus the prior 12-month period. Finished steel imports held an estimated market share of 20% in April 2025.

Global steel output in April 2025 decreased 0.3% versus April 2024, according to the World Steel Association. Crude steel production for China, which accounts for over half of global steel output, was consistent with April 2024.

Pricing for aluminum and copper on the London Metal Exchange ("LME") increased over Q1 2025 in anticipation of tariffs, including skyrocketing premiums for the aluminum Midwest transaction premium, although copper was ultimately not subject to tariffs but is currently under investigation for potential Section 232 tariffs. Aluminum and copper prices were mixed in April and May. Other non-ferrous metals showed mixed trends in Q1 and through May given global economic uncertainty and unclear end-market impacts from various tariffs.

Metal demand is driven by demand from various manufacturing and construction sectors. The purchasing managers index ("PMI") is an indicator of manufacturing demand. In May 2025, the U.S. Institute for Supply Management's® ("ISM") manufacturing PMI® reached 48.5%, down 0.2 percentage points from the April reading. The May reading reflected contraction in the U.S. manufacturing sector for the third consecutive month, following only two months of expansion preceded by 26 straight months of contraction.

In April 2025, U.S. automotive production totaled 115.6 thousand units per the U.S. Bureau of Economic Analysis, an increase of 0.9% from March 2025 and 2.2% from April 2024. However, year-to-date through April 2025, domestic automotive production totaled 431.3 thousand units, down 13.8% from the same period in 2024.

Dodge Construction Network reported that U.S construction starts — including non-residential, non-building, and residential starts — decreased 9% in April 2025 versus the prior month, attributed to planning delays amid tariff volatility and related economic uncertainty. Construction starts increased only 2% for the 12 months ended April 2025 versus the same period in 2024.

According to Baker Hughes, the U.S. drilling rig count totaled 563 oil and gas rigs for the week ended May 30, 2025, down 6.2% from the prior year and relatively consistent with the prior week. After rising in Q1 2025 ahead of tariffs, OCTG prices softened in more recent months.

Carbon Steel

SCRAP

	Ferrous Shredded Scrap Price Trend
12-month	Decreasing ▼
Three-month	Decreasing ▼
One-month	Decreasing ▼

On May 26, 2025, the SteelBenchmarker price for U.S. shredded scrap (East of the Mississippi) reached $378 per gross ton, down from $393 the prior year, $431 three months earlier, and $419 the prior month.

Ferrous scrap prices increased in Q1 2025 as imminent tariffs incentivized mills to secure as much domestic scrap volume as possible, given that import orders could be subject to tariffs upon arrival. Winter weather also tightened scrap supplies early in the quarter. Uncertainty regarding tariffs delayed the March scrap trade.

While the current U.S. administration initially announced potential tariffs on scrap metal in February, the actual implementation has been delayed multiple times. According to the Recycled Materials Association, ferrous scrap was finally hit with tariffs as part of the universal and additional reciprocal tariffs announced on April 2. This announcement came just ahead of the April trade negotiations for ferrous scrap, injecting the market with further confusion, which slowed both domestic and export activity while depressing prices.

Ferrous scrap prices fell further in May amid soft export activity and the looming seasonal summer slowdown. In addition, the scrap market remains plagued by the unpredictability regarding whether tariffs will stick, given the current administration's streak of quick policy reversals and recent legal rulings.

In industry news, a new study from French consulting firm Laplace Conseil indicated that sufficient domestic ferrous scrap is available for electric arc furnaces ("EAFs") to supply nearly all the steel needed by the U.S.

The finding supports the steel industry's continued shift away from traditional blast furnaces toward more environmentally friendly EAFs, which will boost scrap demand. The Steel Manufacturers Association ("SMA") projects EAF-made steel will increase from an estimated 70% of U.S. steel production currently to 90% by 2040. Steelmakers have been acquiring scrap companies to proactively secure scrap assets and avoid shortages.

"The study from Laplace Conseil confirms what steelmakers in America and around the world already know: the future of steel is in recycling, not mining," said SMA President Philip K. Bell.

UTILIZATION RATES

The optimal capacity utilization rate for steel plants is at least 80%. U.S. steel capacity utilization rates dipped below 75% toward the end of 2024 and in early 2025. However, rates have more recently crept above 75% again.

The AISI reported that U.S. raw steel production totaled 1.8 million net tons for the week ended May 31, 2025, up 2.8% from the prior year and 0.7% from the prior week. Capacity utilization reached 78.2%, up from 76.9% the prior year and 77.6% the prior week. Adjusted year-to-date production through May 31, 2025 totaled 36.5 million net tons at a capacity utilization rate of 75.3%, down 0.5% from the same period last year, when the rate was 76.1%.

Week Ended	Raw Steel Production (In Millions of Net Tons)	Steel Capacity Utilization
January 25, 2025	1.641	73.7%
February 22, 2025	1.659	74.5%
March 29, 2025	1.697	76.2%
April 26, 2025	1.706	76.0%
May 31, 2025	1.757	78.2%
YTD May 31, 2025	36.287	75.3%

Carbon Steel

CARBON STEEL SHEET COIL

	Flat Rolled Steel Coil Price Trend
12-month	Increasing ▲
Three-month	Increasing ▲
One-month	Mixed ▲▼

SteelBenchmarker prices for U.S. hot rolled coil (East of the Mississippi) reached $901 per net ton on May 26, 2025, increasing from $761 the prior year and $775 three months earlier, but down from $925 the prior month. SteelBenchmarker prices for U.S. cold rolled coil reached $1,102 per net ton on May 26, 2025 increasing from $992 the prior year, $1,047 three months earlier, and $971 the prior month.

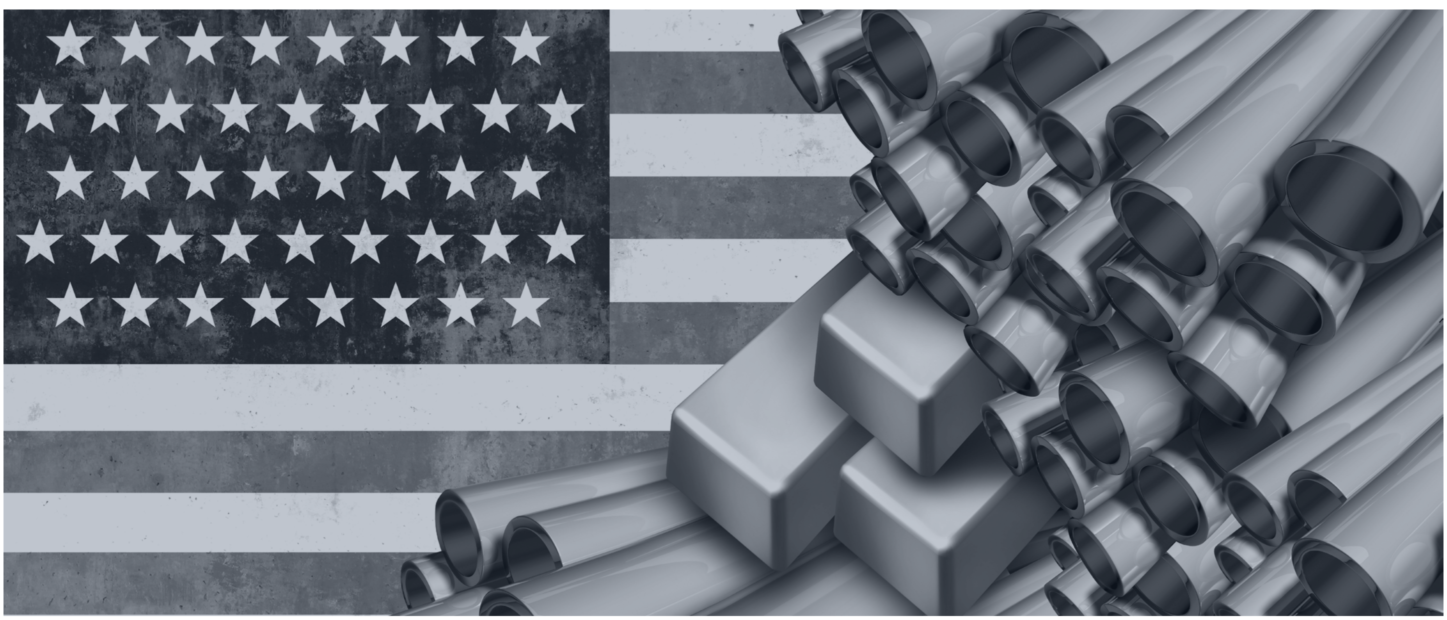
Hot rolled coil prices soared in Q1 2025, fueled by a string of tariff announcements, with buyers pulling forward Q2 orders to secure lower-cost inventory ahead of tariff implementation and price hikes. Ultimately, only the expanded Section 232 tariffs applied to steel, which was exempt from other tariffs.

Hot rolled coil prices continued to rise in April, albeit at a slower pace as stocking eased, with prices dipping in May. Buyers took a wait-and-see approach given tariff volatility. In addition, companies have been observing the economic impacts of tariffs before calculating their next moves.

On May 30, the U.S President announced a doubling of steel and aluminum tariffs to 50% effective June 4, which could also buoy domestic steel prices again. Importers are bemoaning the sudden move, which prevented advance planning of purchases.

In steel industry news, Japan-based Nippon Steel's proposed acquisition of U.S. Steel — which was blocked in early January by the previous U.S. administration due to national security concerns — is set to move forward despite the current administration's earlier opposition to the deal.

On May 30, the U.S. President visited U.S. Steel's Irvin Works plant in Pennsylvania, touting a deal whereby U.S. Steel would "still be controlled by the USA" and pledging "no layoffs and no outsourcing whatsoever." The deal reportedly entails Nippon Steel investing $14 billion, including $2.2 billion to boost steel production in Pittsburgh's Mon Valley and $7 billion to modernize steel mills, expand ore mines, and build facilities. However, the official details of the deal were not yet finalized at the time of the President's announcement.



Carbon Steel

STEEL PLATE

	Steel Plate Price Trend
12-month	Increasing ▲
Three-month	Increasing ▲
One-month	Consistent ▬

SteelBenchmarker prices for U.S. standard steel plate (East of the Mississippi) reached $1,241 per net ton on May 26, 2025, increasing from $1,234 the prior year and $1,016 three months earlier, though relatively consistent with $1,243 the prior month.

Steel plate prices jumped more than 40% over Q1 2025 as mills implemented a series of price hikes in anticipation of tariffs, while buyers sought to secure lower-cost supplies earlier in 2025.

Prices slipped in April and were relatively consistent in May given a quiet market post-tariffs, although plate demand remained above 2024 levels. The unclear economic and end-market impacts of various tariffs, as well as the volatility of these tariffs, prompted caution, while the lack of new major infrastructure projects funded by the federal government softened the demand outlook. As Section 232 tariffs have been doubled to 50% effective June 4, plate prices may increase again.

REBAR

	Rebar Price Trend
12-month	Increasing ▲
Three-month	Increasing ▲
One-month	Consistent ▬

Domestic rebar prices increased gradually over Q1 2025 amid tepid improvement in commercial construction demand and rising scrap prices. Rebar prices were slow to grow as domestic buyers waited on the sidelines for tariff volatility to play out. However, imports increased.

U.S. rebar imports surged 41.3% for the rolling average three months ended March 2025 versus the prior rolling average three months ended December 2024 as buyers rushed to secure imports ahead of tariff implementation. In April, imports fell 36.1% versus the prior month.

In April and May, rebar pricing and demand remained muted, with slower-than-usual construction activity for the spring season, given tariff turbulence and related economic uncertainty. In addition, supplies remained plentiful, while pricing for shredded scrap — an input in rebar production — has declined in recent months. The recent doubling of Section 232 tariffs poses a wildcard for the market.

Carbon Steel

OCTG

	OCTG Price Trend
12-month	Decreasing ▼
Three-month	Increasing ▲
One-month	Decreasing ▼

In May 2025, J55 ERW prices were below average year-ago levels, but generally increased from levels three months earlier, though dipping from the prior month.

OCTG prices ticked up in early 2025 amid cautious optimism surrounding the new U.S. administration's potential energy policy, which the market anticipated would lead to increased drilling rigs and activity, as well as the expectation of tariffs. The market felt some confusion in February as a rash of shifting tariff announcements posed unclear ramifications. Prices enjoyed a larger bump in mid-March after initial IEEPA tariffs and Section 232 tariffs actually went into effect, although the White House clarified at the end of April that the Section 232 tariffs are not cumulative with IEEPA tariffs.

Approximately 50% of domestic OCTG supply is imported, according to historical Census Bureau data. U.S. OCTG and line pipe imports jumped 77.0% and 60.1%, respectively, for the rolling average three months ended March 2025 versus the prior rolling average three months ended December 2024 amid panic-buying ahead of tariff implementation. In April, OCTG imports increased 25.7% versus the prior month, while line pipe imports fell 34.3%. Tariffs on imported OCTG, paired with tariffs on imported hot rolled coil used by domestic OCTG producers, are set to escalate costs for U.S. oilfield companies.

Domestic OCTG pricing sputtered in April as uncertainty reigned once more, with the U.S. administration at times making conflicting statements within the same day regarding the universal and reciprocal IEEPA tariffs announced early in the month. Ultimately, most metal imports, as well as imports of oil, gas, and refined products, were exempted from the sweeping April tariffs.

However, weakening oil prices and rig count trends amid erratic tariff policies kept domestic OCTG prices relatively flat in April and dampened prices in May.

West Texas Intermediate ("WTI") oil prices have slumped from a monthly average of $75.74 per barrel in January 2025 to $63.54 in May, dipping below the 2024 average of $77 per barrel. While the May average remained above the pre-pandemic 2019 average of $57 per barrel, WTI prices did touch $58.50 on May 5, spooking the industry. According to the Federal Reserve Bank of Dallas, the "break-even price" for crude oil, reflecting the price for which a company can drill a well and still make a profit, is $58 per barrel for large operators in the Permian Basin and $67 per barrel for smaller operators.

Oil prices have been weighed down by concerns about the impact of expansive tariffs on global economic growth, as well as an end to oil production cuts by the Organization of the Petroleum Exporting Countries and its allies ("OPEC+"). Effective May 2025, OPEC+ began increasing production by 411,000 barrels per day, with the increase extending at least into July.

U.S drilling activity continues to stabilize after heavy drops in recent years. According to Baker Hughes, the U.S. drilling rig count totaled 563 rigs for the week ended May 30, 2025, down 6.2% from the prior year and relatively consistent with the prior week. However, the U.S. is still producing a record level of crude oil, driven by technological efficiencies that boosted oil production from each well, offsetting the decline in the number of active wells. The U.S. Energy Information Administration forecasts U.S. crude oil production of 13.4 million barrels per day in 2025, which would top its 2024 record of 13.2 million barrels per day.

OCTG prices may potentially receive a boost from the doubling of Section 232 tariffs effective June 4.

Aluminum

	Aluminum Price Trend
12-month	Decreasing ▼
Three-month	Decreasing ▼
One-month	Increasing ▲

In May 2025, average LME prices for aluminum were 4.8% below year-ago levels and 8.0% below pricing three months earlier, though up from the prior month.

Aluminum prices increased over Q1 2025 in anticipation of expanded Section 232 tariffs, which were finally implemented on March 12, 2025. Pre-tariff stocking was more measured than the panic-buying seen in the initial iteration of Section 232 tariffs in 2018, with suppliers considering the level of added costs they will be able to pass on to their customers.

In April, monthly aluminum prices dipped versus March as stocking eased once the Section 232 tariffs went into effect, and given economic uncertainty related to reciprocal tariffs and the mounting trade war with China, the world's largest consumer and producer of aluminum. In May, aluminum prices recovered as talks between the U.S. and China temporarily rolled back astronomical tariff rates to lower (though still significant) amounts.

As of May 30, 2025, the LME aluminum cash official price settled at $1.11 per pound. It remains to be seen how the recently doubled Section 232 tariffs will impact pricing.

Overall aluminum demand remains relatively steady, although tariffs and other government policies could hinder downstream industries. In particular, aluminum end-markets with low margins, such as the automotive and construction sectors, may have little room to absorb price increases related to tariffs. Aluminum demand from the emerging electric vehicle ("EV") and solar sectors may be dented by any government actions to reverse clean energy incentives and investments, a move the current administration has threatened.

Still, there is ample room for domestic demand growth for U.S. product, as J.P. Morgan estimated that 70% of U.S. primary aluminum demand is imported. However, according to the Aluminum Association, five new U.S. smelters would be necessary to meet the existing demand for primary aluminum.

Industrial Labs forecasts domestic demand for primary aluminum could jump by nearly 40% over the next decade. As smelters are costly and take years to build, aluminum recycling will also be key to filling supply gaps. If aluminum tariffs remain in place over the next five to 10 years, it remains to be seen whether the U.S. can rebuild its domestic aluminum sector in time to meet surging demand for the metal.

	MWTP Trend
12-month	Increasing ▲
Three-month	Increasing ▲
One-month	Decreasing ▼

Given threats of tariffs since just after the November 2024 election, the Midwest Transaction Premium ("MWTP") began rising at the start of 2025, prior to the official tariff announcements. According to Mining.com, the MWTP surged more than 70% through mid-March, when Section 232 tariffs finally took effect and the MWTP peaked at an all-time high. The premium then dipped in April and May.

However, in May 2025, the monthly average MWTP remained elevated, with only a modest decline since March. In addition to tariff costs, the soaring premium appears to also build in costs related to the havoc tariffs have wreaked in the global supply chain, such as hastened and then paused import shipments, longer routes for ships, and supply fluctuations by region as sourcing adjustments were made. The elevated premium is expected to squeeze downstream industries. Aluminum billet premiums have also climbed in recent months amid tariffs and higher demand from extruders.

Copper

	Copper Price Trend
12-month	Decreasing ▼
Three-month	Increasing ▲
One-month	Consistent ▬

In May 2025, average LME prices for copper were 2.8% below year-ago levels and 2.0% above pricing three months earlier, though relatively consistent with the prior month.

Copper prices rallied over the first quarter of 2025, riding the wave of metal stockpiling sparked by the threat of tariffs. Ultimately, however, copper tariffs were not included under the expanded Section 232 tariffs effective on March 12. The possibility of tariffs has not completely disappeared, however, as the U.S. Commerce Department launched an investigation under Section 232 at the end of February to determine if copper imports should be subject to tariffs of as much as 25%. The probe is expected to reach a conclusion well before its November 22 deadline.

Prices dropped in April as copper dodged universal and reciprocal tariffs, while the U.S. trade war with China intensified. China, the world's largest importer and consumer of copper, was hit with tariffs of 145% on U.S. imports of Chinese goods, which the markets feared would slash the country's manufacturing demand and spur a global economic slowdown. China's manufacturing PMI dropped to a 16-month low in April, below forecasts, while the global manufacturing PMI also fell.

In May, prices stabilized as U.S. copper stocks remained plentiful, while trade tensions eased between the U.S. and China. The two administrations met for trade talks, resulting in a lowering of reciprocal tariffs for 90 days effective May 12. The 145% tariffs on Chinese goods dropped to 30%, while the 125% tariffs on U.S. goods fell to 10%.

More recently, however, the U.S. and China accused each other of violating the trade truce, threatening a return to a trade war. In addition, China's copper stockpiles are being depleted and could potentially be exhausted by mid-June, according to commodities trading house Mercuria. In the longer term, copper supplies remain in jeopardy given the continued transitions toward copper-intensive green energy and digital applications, while it remains unclear if mining companies can expand output in time to fill the supply gap.

As of May 30, 2025, the LME cash official copper price settled at $4.36 per pound. J.P. Morgan forecasts copper prices will average $3.76 per pound in Q2 2025 amid a reduced demand growth forecast of 1.9% for 2025 versus 2024, with the caveat that prices could recover above $4.00 per pound if trade tensions with China ease and opportunistic buying improves. Alternatively, according to Chilean mineral consulting firm GEM, "If the trade war triggers a recession, prices could tumble to as low as $3.00 a pound."

Zinc

	Zinc Price Trend
12-month	Decreasing ▼
Three-month	Decreasing ▼
One-month	Increasing ▲

In May 2025, average zinc prices on the LME were 10.5% below year-ago levels and 5.5% below prices three months earlier, though slightly higher than the prior month.

Monthly average LME zinc prices fluctuated in the first five months of 2025 amid balanced market fundamentals, a rash of tariffs, and fluctuating economic implications. The 25% tariffs on automotive imports (with some exceptions), effective May 3, 2025, may stifle demand for zinc oxide used in tires and coatings.

In addition, in response to reciprocal tariffs, China issued steep retaliatory tariffs on April 15 that encompassed U.S. zinc concentrates. The move hindered Teck Resources' Red Dog mine in Alaska, the world's largest zinc mine, as China balked at taking Red Dog's material; over 20% of Teck's mined zinc production is typically sold to Chinese smelters, per Shanghai Metals Market. On May 12, the U.S. and China deescalated tariffs for 90 days after a trade talk; however, Red Dog's concentrate is typically shipped in July and August when passage conditions improve, which may fall after the 90-day window.

Based on an April 2025 report, the International Lead and Zinc Study Group projects global demand for refined zinc will rise 1.0% this year, while global zinc mine production rises 4.3% and global refined zinc output climbs 1.8%, aided by higher treatment charges. As of May 30, 2025, the LME cash official zinc price settled at $1.19 per pound.

Nickel

	Nickel Price Trend
12-month	Decreasing ▼
Three-month	Consistent ▬
One-month	Increasing ▲

In May 2025, average nickel prices on the LME were 10.5% below year-ago levels and relatively consistent with levels three months earlier, though higher than the prior month.

In Q1 2025, LME nickel prices largely hovered around $7.00 per pound, despite ample supplies, amid tariff-related ambiguity. Prices spiked briefly in early March amid speculation of higher mining royalties in Indonesia that could raise production costs, as well as a proposed nickel ore export ban in the Philippines, the world's second-largest nickel producer.

According to Benchmark Mineral Intelligence, Indonesia — the world's top nickel producer — imported 10.2 million metric tons of nickel ore from the Philippines in 2024 to help offset supply disruptions. The Indonesian royalty increase went into effect on April 11, boosting the current 10% rate to between 14% and 19%, based on the nickel price, while lower-quality nickel mattes for battery applications will register a 2% royalty. However, nickel prices largely fell in April, as nickel was among the metals exempted from the universal and higher reciprocal tariffs announced in early April, while supplies remained high.

In addition, the substantial overall U.S. tariff burden on Chinese imports following reciprocal tariffs raised the alarm of shrinking manufacturing activity in China, the world's largest consumer of nickel. Chinese demand for stainless steel is the primary driver of nickel demand. China's economy was already sputtering in recent years given its embattled property sector, and the trade war slashed international demand for Chinese goods.

Nickel *(continued)*

Nickel prices climbed in May, as the U.S. reduced tariffs on Chinese goods on May 12 for the next 90 days, improving short-term demand prospects, until trade tensions resurfaced by the end of the month and the legality of IEEPA tariffs came into question by the Court of International Trade.

According to the International Nickel Study Group, the global nickel market is slated to log a surplus of 198,000 metric tons in 2025, which would represent an increase of nearly 11% from the surplus of 179,000 metric tons recorded in 2024 and mark the fourth consecutive annual surplus.

The oversupply is driven by Indonesia's nickel boom as production rapidly expanded amid the rise of EVs, suppressing pricing in recent years. Nickel prices have fallen nearly 50% since 2022. Indonesia is the world's largest nickel producer, supplying more than half of global mined nickel and nearly half of global refined nickel.

However, languishing prices, paired with sluggish demand, have prompted some unprofitable Indonesian smelters to shut down. It remains to be seen if Indonesia moves forward with more substantial production cuts this year.

While China's EV batteries are increasingly transitioning to nickel-free battery chemistries such as lithium-ferro-phosphate ("LFP"), a lower-cost environmentally friendly alternative, the market share for LFP is relatively minor in North America and Europe. Moreover, a potential expansion in U.S. LFP investment has stalled. Tax credits generated by the 2022 U.S. Inflation Reduction Act ("IRA") sparked a battery boom that fueled prospects of a U.S. LFP manufacturing buildout. However, domestic battery manufacturers are now reversing or scaling back their LFP ambitions, as the current U.S. administration has threatened to repeal many IRA tax credits.

As of May 30, 2025, the LME cash official nickel price settled at $6.86 per pound.

Stainless Steel

	Stainless Steel Price Trend
12-month	Decreasing ▼
Three-month	Decreasing ▼
One-month	Decreasing ▼

Stainless steel prices exhibited minor fluctuations in Q1 2025 amid economic and trade uncertainty.

Stainless steel pricing experienced a bump in March as demand strengthened briefly, while April and May prices dipped with demand.

Stainless steel demand has continued to weaken due to slow manufacturing activity in China, the world's largest consumer of stainless steel, particularly in the nation's construction and appliance sectors, given China's beleaguered property market.

In addition, stainless steel continues to experience an oversupply. China's stainless steel output increased an estimated 10.6% in Q1 2025 versus Q1 2024, according to the Shanghai Metal Market.

In late May, China-based Tsingshan Holding Group Co., the world's largest producer of stainless steel, suspended some stainless steel production lines in Indonesia as a means to shore up stainless steel pricing, although the move could place downward pressure on the nickel market.

Monitor Information

The *Metals Monitor* provides market value trends in both ferrous and non-ferrous metals. The commodity nature of steel scrap, aluminum ingot, copper cathode, zinc, and nickel often results in volatile market values. Our *Metals Monitor* reflects pricing and market trends in order to reflect significant developments in the metals markets. The information contained herein is based on a composite of GA's industry expertise, contact with industry personnel, liquidation and appraisal experience, and data compiled from a variety of well-respected sources.

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Experience

GA's extensive record of metals inventory valuations features companies throughout the entire metal supply chain, including foreign and domestic metal and steel-producing mills; metal converters that produce tubing and pipe, as well as expanded, grating, and perforated metal types; metal service centers/processors and distributors; structural and custom fabricators and stampers; manufacturers that utilize metals as raw materials; and scrap yards, recyclers, dealers, and brokers. GA has also appraised precious and specialty metals. GA has appraised metal products with applications in a wide variety of industries.

A sampling of GA's extensive appraisal experience includes:

- Steel mini-mills and producers of flat rolled steel products.
- Globally recognized vertically integrated manufacturers and distributors of steel tube, including OCTG.
- A vertically integrated producer of aluminum with over $1 billion in sales annually and over $130 million in inventory.
- A number of the largest scrap recycling processors in the U.S.
- Well-known service centers across the nation, including a multi-division full-line steel service center.

Moreover, GA's Wholesale & Industrial Solutions group provides wholesale and industrial liquidation services independently of GA and has liquidated a number of companies with metal products, including a structural steel company, Charleston Aluminum, Advanced Composites, Aluminum Skylight & Specialty Corporation, Anello Corporation, Apex Pattern, Balox Fabricators, BJS Industries, Buckner Foundry, Crown City Plating, GE Roto Flow, Laird Technology, Maddox Metal Works, Miller Pacific Steel, R.D. Black Sheet Metal, Valley Brass Foundry, and Southline Steel.

GA has also been involved in liquidations of metalworking equipment for companies such as Adams Campbell Company, CAMtech Precision Manufacturing, Inc., Gregg Industries, Inc., International Piping Systems, Heat Transfer Products, PMC Machining and Manufacturing, Sherrill Manufacturing, Trans-Matic Manufacturing, Veristeel, Inc., and Weiland Steel, Inc. GA also maintains a staff of experienced metals experts with personal contacts within the metals industry that we utilize for insight and perspective on recovery values.

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About GA Group

GA Group is a privately-held financial services company offering a comprehensive set of tailored solutions to meet our clients diverse needs. Our teams value, monetize, lend against or acquire assets across a broad range of sectors from both healthy and distressed companies.

GA Group and its predecessors are celebrating 50 years of client service and its current leadership has over 100 years of collective experience in the industry. GA Group is majority-owned by Oaktree Capital Management.

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