Market Insights

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EDITION

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Content

METALS MARKET OVERVIEW

As of late August 2025, the global steel and metals markets remain under pressure, with prices easing from early-year highs amid subdued demand, currency volatility, and persistent oversupply challenges. In North America, hot-rolled coil remained flat, while cold-rolled steel followed downward path compared to last month. North American Steel prices are expected to spiral down for the rest of the year into Q1 2026. Section 232 tariffs continue to provide a floor under domestic markets, but trade dynamics remain unsettled ahead of reciprocal measures and the USMCA review in 2026. In Asia, demand recovery is muted, with Chinese futures near 3,260 CNY/ton and Japanese and Korean mills operating at thin margins.

The freight market has shifted sharply since May's tariff-driven frontloading. Container freight markets also remain volatile — July saw softening rates due to weak demand, overcapacity, and operational disruptions. Early general rate increases, and peak season surcharges briefly lifted rates but faded as carriers resorted to blank sailings and ad-hoc capacity cuts. Both North Asia–West Coast and East Coast rates dropped sharply, reflecting bearish sentiment and excess vessel availability. Carrier utilization slipped to 80–90% in July and is projected to decline further in August to 75–86%. Meanwhile, weather disruptions in South China are tightening equipment availability, while tariff uncertainty continues to drive regional volatility.

At the macro level, inflation appears flat in headline terms, but producer (PPI) and consumer (CPI) prices remain elevated, squeezing manufacturing and distribution margins. Despite controlled inflation, the cost pass-through effect is limiting profitability across industrial sectors. Meanwhile, trade policy uncertainty has surged once again, with the U.S. trade policy uncertainty index spiking in July. Global PMI expectations have slipped toward multi-year lows, signaling a potential economic slowdown in the second half of 2025.

Looking forward, markets are closely watching the Federal Reserve. A rate cut could support growth but may come with a lagging effect on employment, where jobless claims are expected to rise modestly into late 2025. Against this backdrop, companies investing in AI-based forecasting tools, high-tech automation, and smart supplier portals will be best positioned to absorb volatility, protect margins, and strengthen supply chain resilience.

The *Purchasing Price Index*, which is a measure of the average change in the prices paid by the consumers for a market basket of goods and services **reflects deflationary trends m-o-m in Euro region whereas it started picking up inflationary signals in the North American market. [Exhibit 1]**

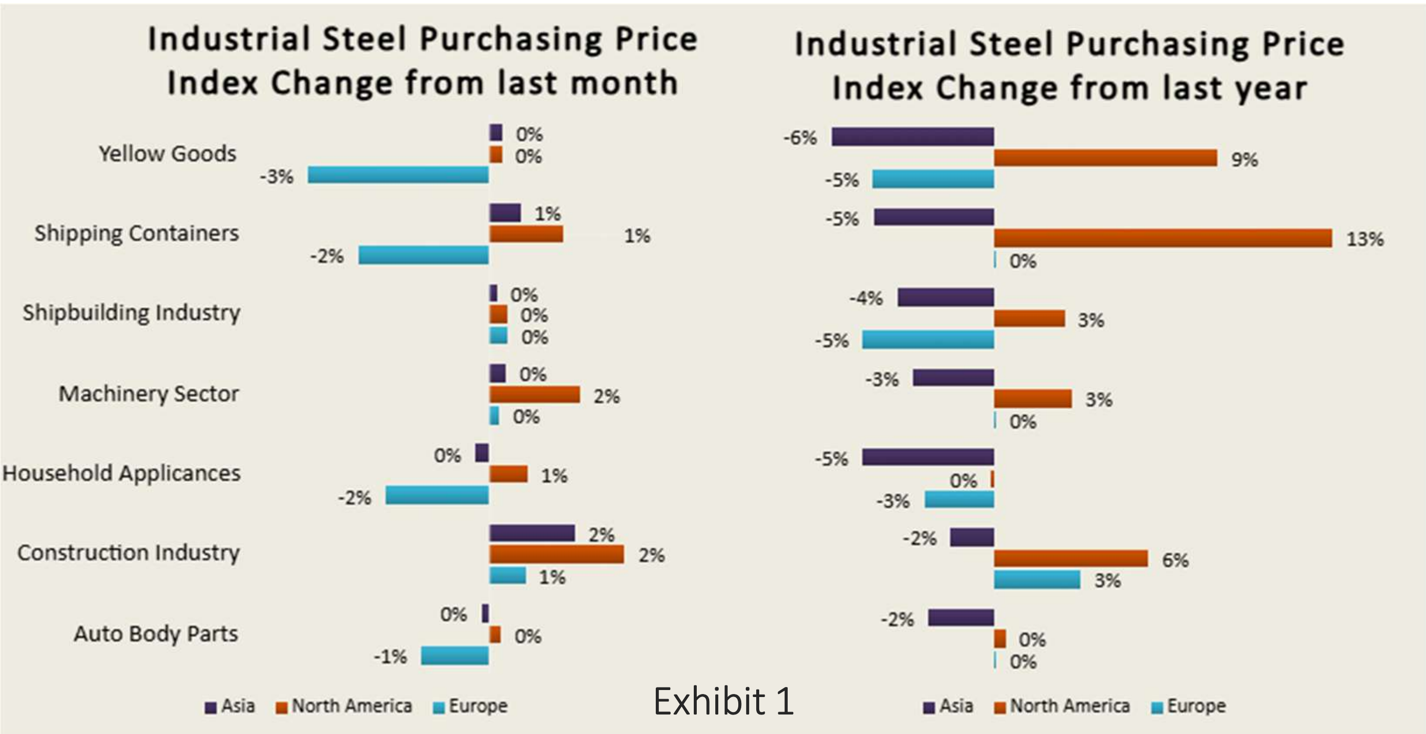


Exhibit 1

METALS MARKET OVERVIEW

Long Products:

- U.S. rebar and wire rod producers have implemented price hikes this month, driven by expectations of reduced imports under the 50% Section 232 tariffs. Buyers are advancing orders, tightening supply and extending mill lead times. Further price gains are likely, especially for cold heading material, despite Liberty Peoria's restart offering slight relief. Nucor is prioritizing long-term projects with limited spot availability, while Steel Dynamics' beam output is fully booked. Mexican bar imports are also expected to drop.
- In Northern Europe, service centers are buying only to cover orders amid weak demand and the summer slowdown. Mills have lowered prices but may cut production to avoid further drops. Saarstahl is quoting late-September deliveries, and ArcelorMittal Hamburg will pause operations next month for maintenance and low demand.

Exhibit 2

Base Metal- Click on the links below for each index	% Change prior 3 Years, same period	% Chg. V from last year, same period	% Chg from prior month
Steel Coil Hot Rolled	7.89%	30.09%	-2.86%
Import-HR Coil Korea	-54.31%	0.55%	1.49%
304 Stainless	-30.14%	-4.37%	3.51%
Wire Rod - Cold Heading	-15.79%	3.23%	0.00%
Scrap-#1 Busheling Chicago	-9.47%	13.16%	0.00%
Steel Coil - Cold Rolled	-18.11%	13.04%	0.00%
Nylon PA66	-12.94%	-12.94%	-1.33%
China Steel C1022	-11.69%	-5.33%	0.00%
A53 GradeB Houston	-37.50%	11%	0.00%
Plastic products - PPI -WPU072	-1.90%	-0.04%	-0.07%
Special Quality Steel Bar 4100	-21.76%	1.14%	0.76%
A53 GradeB Fob	-36.05%	0.00%	-3.51%
Import - LC Steel Wire Rod	-15.04%	18.52%	0.00%
Steel Scrap Cast Iron	15.56%	0.00%	8.33%
Rubber	-48.94%	-15.42%	1.53%
Nickel	-32.99%	-9.09%	-1.61%
Copper	-1.30%	9.21%	6.92%
HR Plate US	-40.02%	7.99%	0.00%
Aluminum	42.68%	-0.71%	0.00%
316L Stainless Steel	-4.39%	-4.39%	5.14%

Most indices are showing a significant drop over the prior 3-year-old price point, but they are still higher than the covid era, in most cases. * 2022 was the peak for metals market (historical peak in many cases), hence benchmarking against 3-year-old timeline, that is 2022, may not capture the full picture, showing an artificial deflation.

Flat Products:

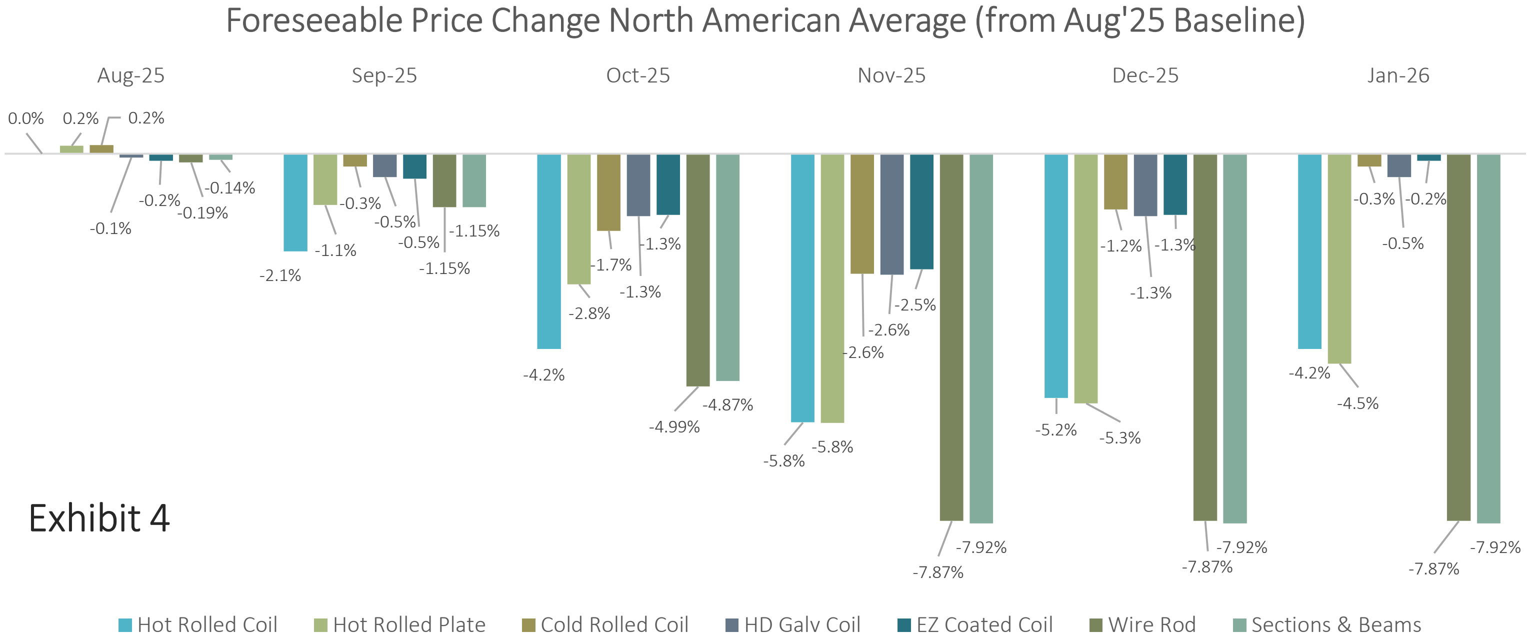
- US Section 232 tariff hikes failed to lift domestic steel coil prices in July, which stayed flat as mills offered bulk-order discounts to fill Q3 gaps. Uncertainty over tariffs kept buyers cautious, with weak demand from sectors like white goods. Scrap-based producers stayed active despite planned outages, keeping HRC lead times at 4–5 weeks, while Canadian and Mexican mills sold at a loss to retain market share.
- Plate prices held steady as expectations of lower imports offset seasonal slowdowns and weak demand from agriculture and delayed renewable projects.
- In Central Europe, spot coil prices fell sharply in July as mills cut rates to fill production gaps, pressuring contract negotiations. Demand stayed weak except for stable automotive orders in Czechia. Plate prices also dropped, with Italy hitting the lowest level since December 2020 amid high inventories and intense competition

Exhibit 3

- Labor and Secondary costs, which also translates to general inflation has also increased over the course of 5 years as well as during the 3-year and 1-year timelines

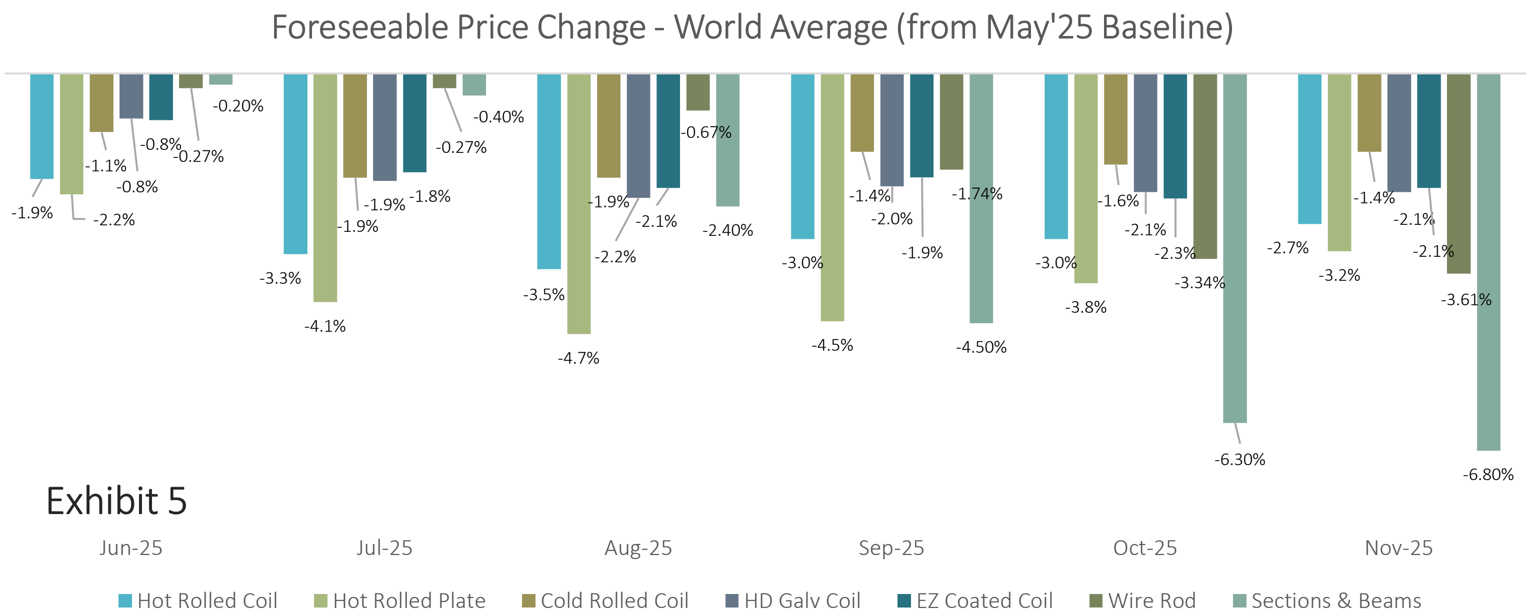
Base Metal- Click on the links below for each index	% Change prior 3 Years, same period	% Chg. V from last year, same period	% Chg from prior month
American Unit Labor Costs	10.79%	2.24%	0.00%
Average Wages - Taiwan	5.21%	2.90%	-0.02%
Average Wages - Vietnam	15.07%	5.50%	0.00%
Heat Treating	38.84%	6.35%	0.00%
Electroplating	16.10%	2.70%	0.00%
Metal Plating and Polishing	15.09%	2.52%	0.00%
Import - Steel Medium Plate	-43.83%	-2.15%	-5.21%
Import - Steel HR Coil	6.79%	28.15%	-2.26%

NEAR TERM FORECAST



[Exhibit 4] The near-term flat steel price outlook has been revised down after June's Section 232 tariff hike from 25% to 50% failed to lift U.S. prices in July. A 3–6% rise forecast for July instead occurred a month earlier. Long product prices, however, saw a slight upward revision, with beams and merchant bar rising 2–3.5% in July.

Steel prices are expected to decline modestly for the rest of 2025 but finish the year about 17% higher for flat products and 10% higher for long products compared to January, driven mainly by higher tariffs. Ample domestic supply, weak demand, and subdued global prices will limit further gains. US imports of flat steel products fell nearly 18% year-on-year in the first half of 2025, driven by a 37% drop in hot-dipped galvanized sheet and strip, according to preliminary US Census Bureau data. Long product imports declined 4.6%, with wire rod imports up 24%, hot rolled bar down 32%, and beam and rebar up 3%.



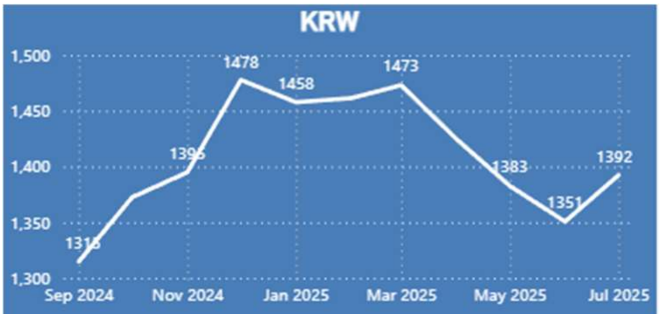
[Exhibit 5] Asian steel exporters face added pressure from volatile shipping prices and higher US import tariffs. On June 4, the US doubled Section 232 steel tariffs to 50%, with many downstream products also subject to upcoming "reciprocal" tariff negotiations, due August 1 for most countries and August 12 for China.

Many Asian countries are focusing on sustaining exports as their domestic markets face oversupply due to weak demand and competition from low-cost Chinese material. According to the China Iron and Steel Association (CISA), China's steel exports rose by 9.2% year-on-year in the first half of this year, reaching 58.2 million tonnes.

CURRENCY OVERVIEW

Significant gains have been observed in the greenback against major other currencies in the last month. USD has strengthened about 3.2% against Euro compared to last month whereas it is still 5.1% down compared to same time last year. USD has appreciated 3%, 1.91%, 2.3% and 2% against Korean Won, Canadian Dollar, Taiwanese Dollar and Indian rupees, respectively, in the last one month

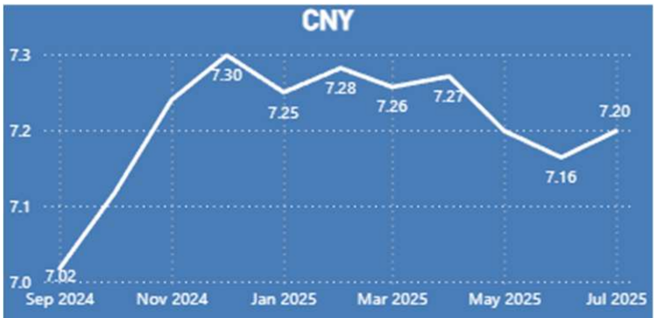
Exhibit 6



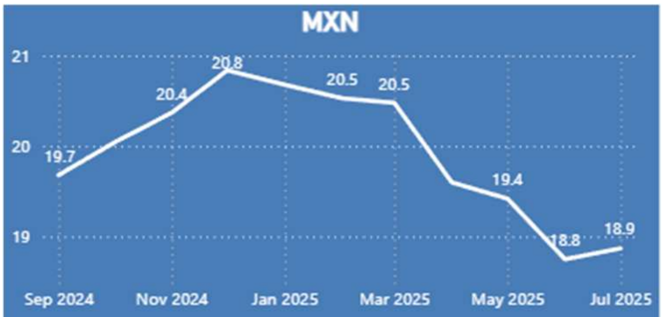
KRW % Change 1Y	KRW % Change 3M	KRW % Change 1M
1.62%	-2.28%	3.09%

VND % Change 1Y	VND % Change 3M	VND % Change 1M
4.54%	0.89%	0.37%

EUR % Change 1Y	EUR % Change 3M	EUR % Change 1M
-5.12%	-0.83%	3.22%



CNY % Change 1Y	CNY % Change 3M	CNY % Change 1M
-0.15%	-0.99%	0.49%



MXN % Change 1Y	MXN % Change 3M	MXN % Change 1M
1.29%	-3.72%	0.64%

CAD % Change 1Y	CAD % Change 3M	CAD % Change 1M
0.43%	0.51%	1.91%

TWD % Change 1Y	TWD % Change 3M	TWD % Change 1M
-8.39%	-6.59%	2.36%

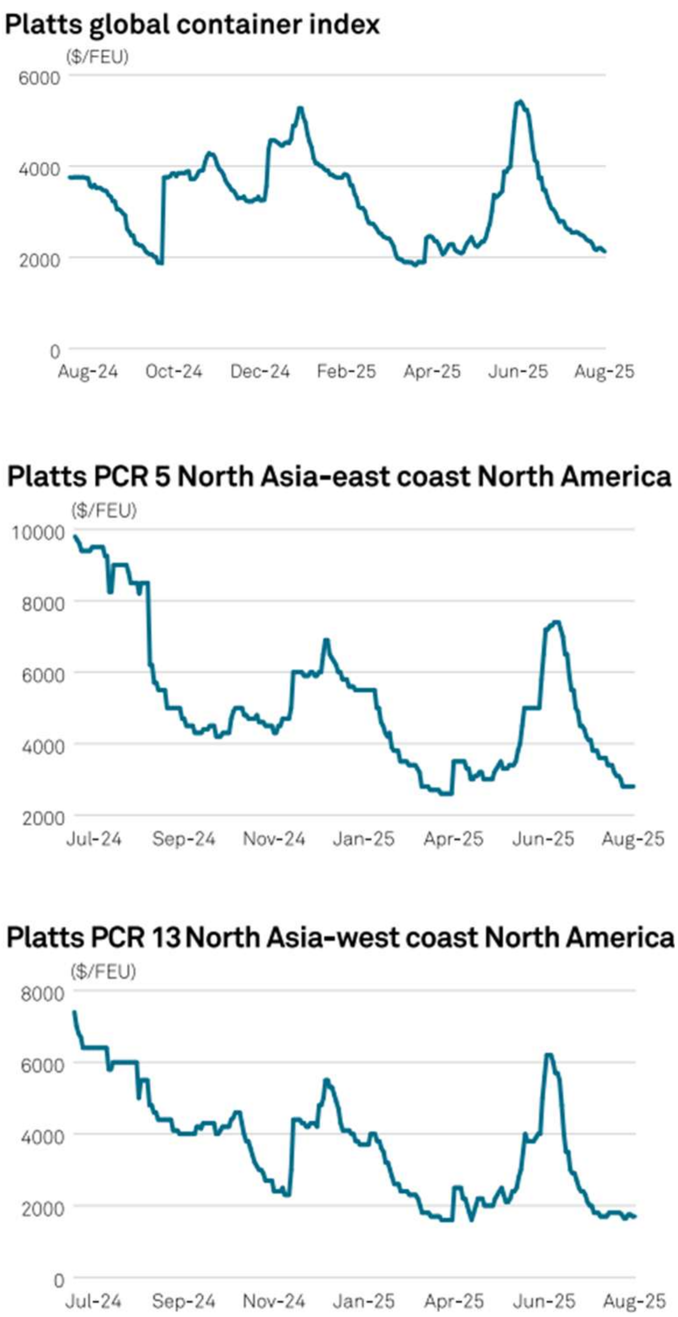
INR % Change 1Y	INR % Change 3M	INR % Change 1M
4.49%	3.46%	2.09%

Freight Update

Platts Containers update

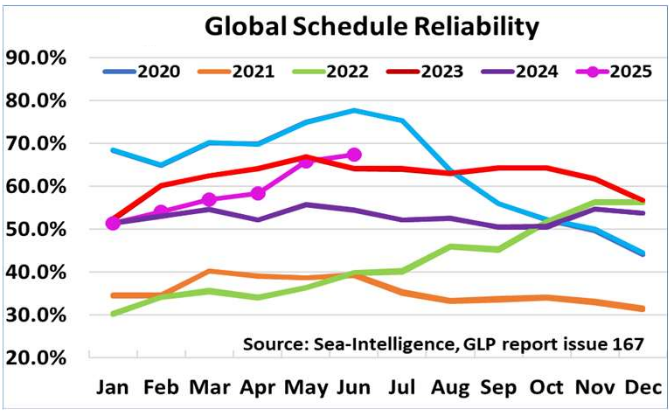
- Container freight markets saw a volatile July, with rates softening by month-end due to seasonal demand weakness, overcapacity, and operational disruptions. Early general rate increases (GRIs) and peak season surcharges (PSS) provided brief support but faded as weak fundamentals and shipper resistance drove corrections. Carriers used blank sailings and ad-hoc capacity cuts to maintain utilization, while weather, port congestion, and tariff uncertainty caused regional volatility.
- North American container freight rates fell in July as demand lagged behind available capacity, despite ongoing tariff concerns. Excess vessel availability on the West Coast drove softer rates and reinforced bearish sentiment, with supply outpacing demand more than on the East Coast. August demand is expected to remain similar to July, though some anticipate further declines.
- Container rates on the North Asia–West Coast North America route (PCR 13) fell $600 in July to $1,700/FEU. East Coast rates initially faced tighter space, sparking talk of a peak season surcharge, but this was dropped. Mid-month general rate increase attempts failed, though another GRI is possible in August, pending market acceptance.
- Carrier utilization in July was 80–90% but is expected to fall to 75–86% in August, reflecting overcapacity, while equipment availability is tightening due to South China weather disruptions.
- By late July, North Asia–East Coast rates (PCR 5) dropped $1,600 to $2,800/FEU. Trans-Atlantic rates remained stable despite a new 15% U.S. tariff on EU goods, with PCR 9 (North Continent–East Coast) slipping $100 to $1,600/FEU.

Exhibit 7



Ocean Freight Schedule Reliability

Exhibit 8



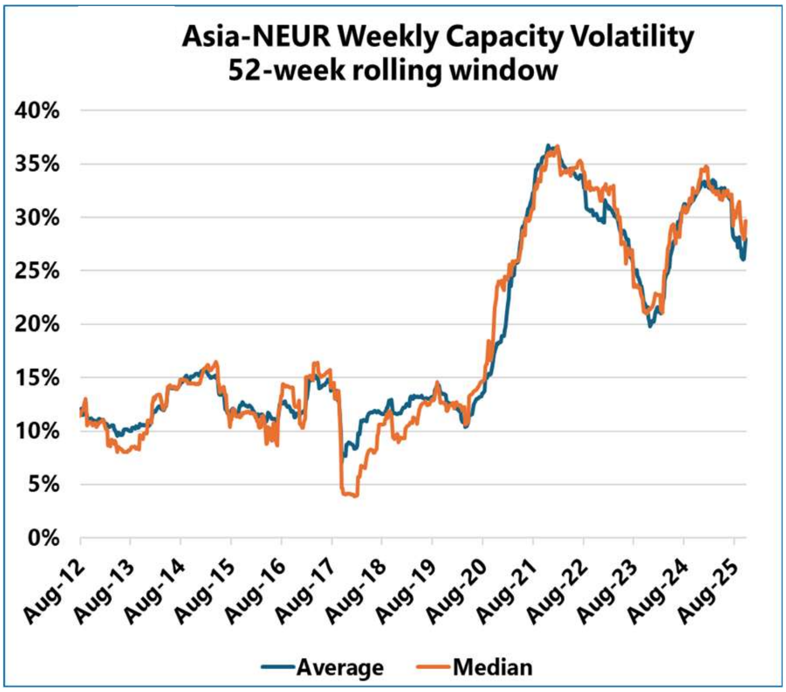
Sea-Intelligence's latest Global Liner Performance report (Issue 167) shows schedule reliability improved by 1.6 percentage points in June 2025, reaching 67.4% the highest since November 2023. This marks steady month-on-month gains since February. Year-on-year, reliability rose by 12.8 percentage points. Among the top 13 carriers, Maersk led with 81.0% reliability, followed by Hapag-Lloyd at 76.5%. Most others ranged between 60–70%, with Yang Ming lowest at 55.4%.

Source : https://www.sea-intelligence.com/

Freight Update

Unstable weekly capacity

Exhibit 7



Weekly capacity on individual liner services and find that, since the pandemic, it has become far more volatile and unpredictable on the major East/West trades. This heightened instability results in "lumpier" cargo flows into ports, with the Asia Europe trade lanes experiencing more than double the previous volatility a trend that has been a key driver of persistent port congestion.

Ideally, liner services provide steady and predictable weekly capacity. In reality, factors such as varying vessel sizes, blank sailings, and schedule delays cause weekly TEU capacity to fluctuate. To quantify this volatility, we measured the standard deviation of vessel capacity using a 52-week rolling window, which removes seasonal effects. The results point to a marked structural shift beginning in 2020.

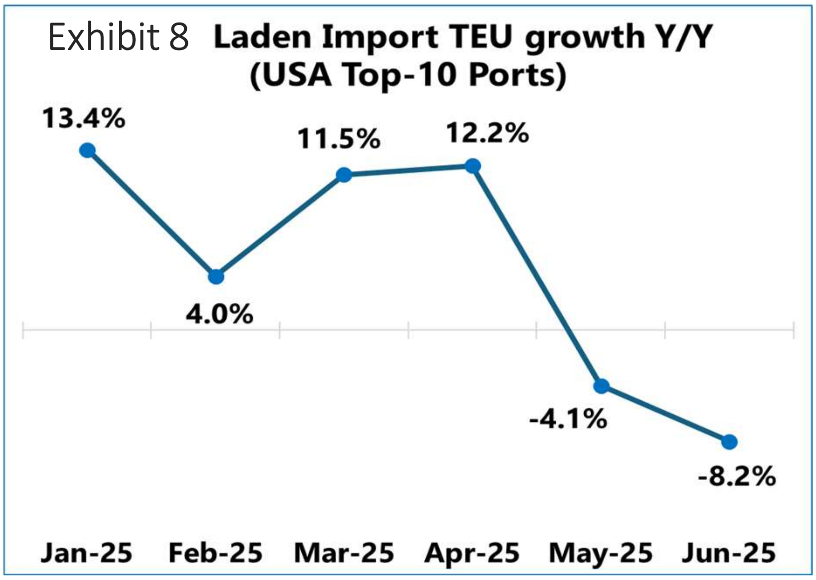
On the Asia–North Europe trade lane, as shown in Figure 1, volatility in the pre-pandemic years (2011–2019) averaged a stable 12.3%, typically ranging between 10% and 15%. In the 2021–2025 period, this more than doubled to 29.6%. The Asia–Mediterranean trade showed a nearly identical pattern.

While the Transpacific trades also experienced increased volatility, the change was less extreme. On both the Asia–North America West Coast and East Coast routes, pre-pandemic volatility of roughly 20% rose by about 50%, reaching around 30% a notable jump, though smaller than the surge seen on Asia–Europe services.

This greater "lumpiness" in cargo arrivals creates operational difficulties for ports and terminals, which are built to manage steady, predictable vessel and cargo flows. The data suggests that the sharp rise in weekly capacity volatility on Asia–Europe routes is a major underlying cause of Europe's ongoing port congestion issues.

2025 trade whiplash

Exhibit 8



The "trade whiplash" effect — a sharp boom-bust cycle in US imports — is already unfolding, raising concerns highlighted by the IMF in its latest World Economic Outlook.

Front-loading by importers to avoid tariffs drove a surge in early 2025, with laden imports through the top 10 US ports up +15.6% Y/Y in Jan–Apr, well above the pre-pandemic average of +4.8%. This was followed by a rapid downturn, with volumes falling -4.1% in May and -8.2% in June, compared to a pre-pandemic May–June average growth of +4.0%.

The IMF warns that continued trade tensions could cut global GDP by -0.2 points. Using a historical TEU/GDP multiplier, this equates to a -0.23% drop in container volumes — around 424,000 TEU lost in 2025 from the 2024 global total of 184.4M TEU.

Source : https://www.sea-intelligence.com/

Freight Update

Road Freight Update

Demand Remains Weak

Ryder's July report shows truckload demand is stagnant, aside from brief holiday surges. No major growth is expected before peak season, though intermodal may see gains from maritime imports.

Tender Rejections Rise Despite Flat Shipments

Trinity Logistics notes tender rejections exceeded 8% in early July, driven by summer driver shortages, carrier exits, and regulatory changes—despite steady import volumes.

Broader Market Pressures Persist

The Wall Street Journal highlights structural demand issues: the Cass Freight Index fell 4% YoY in May (28th straight decline), with high inventories, soft manufacturing, and falling spot rates continuing to weigh on the market.

Source : https://www.wsj.com/

Air Freight Update

International Air Freight 2025

Global air cargo volumes rose 5% year-on-year in July, as shippers turned to faster airfreight options to avoid potential U.S. tariffs, according to Xeneta's latest analysis.

Despite this growth, market sentiment remains cautious amid ongoing tariff negotiations in Washington, with a new deadline set for August 7. The uncertainty continues to cloud global trade, particularly in airfreight.

Breaking from the typical seasonal slowdown, July saw a stronger-than-expected demand increase following a modest 1% gain in June. This surge appears driven by tariff-related frontloading, mode shifting, and general market uncertainty, prompting faster shipments.

Cargo capacity grew by 3% year-on-year, while the 5% volume increase pushed the dynamic load factor back up to 58% matching last year's level and recovering from the 2-point drop seen in June. As noted earlier this year, air cargo is benefiting from the disruption caused by tariffs. While July's growth may be a welcome surprise, it doesn't reflect a rise in overall trade rather, it highlights the strategic ways companies are working around the added costs of tariffs.

Source : https://www.xeneta.com/

Average spot rates Shipping Containers

Transpacific rates peaked mid-July but declined steadily, with US West Coast rates now down 59% since the 5 June peak and expected to fall below USD 2,000 in early August. US East Coast rates have dropped 46% since 15 June and may dip below USD 3,500.

Both US-bound trades are now at their lowest levels since December 2023, with West Coast rates nearing pre-Red Sea crisis levels.

Far East to North Europe rates have stabilized at USD 3,358 after a sharp 78% rise through June, while Mediterranean rates have fallen 11% since 1 July to USD 3,662. The rate gap between North Europe and Mediterranean is now just USD 304 the narrowest since November 2024 and is expected to shrink further in August as Mediterranean rates ease.

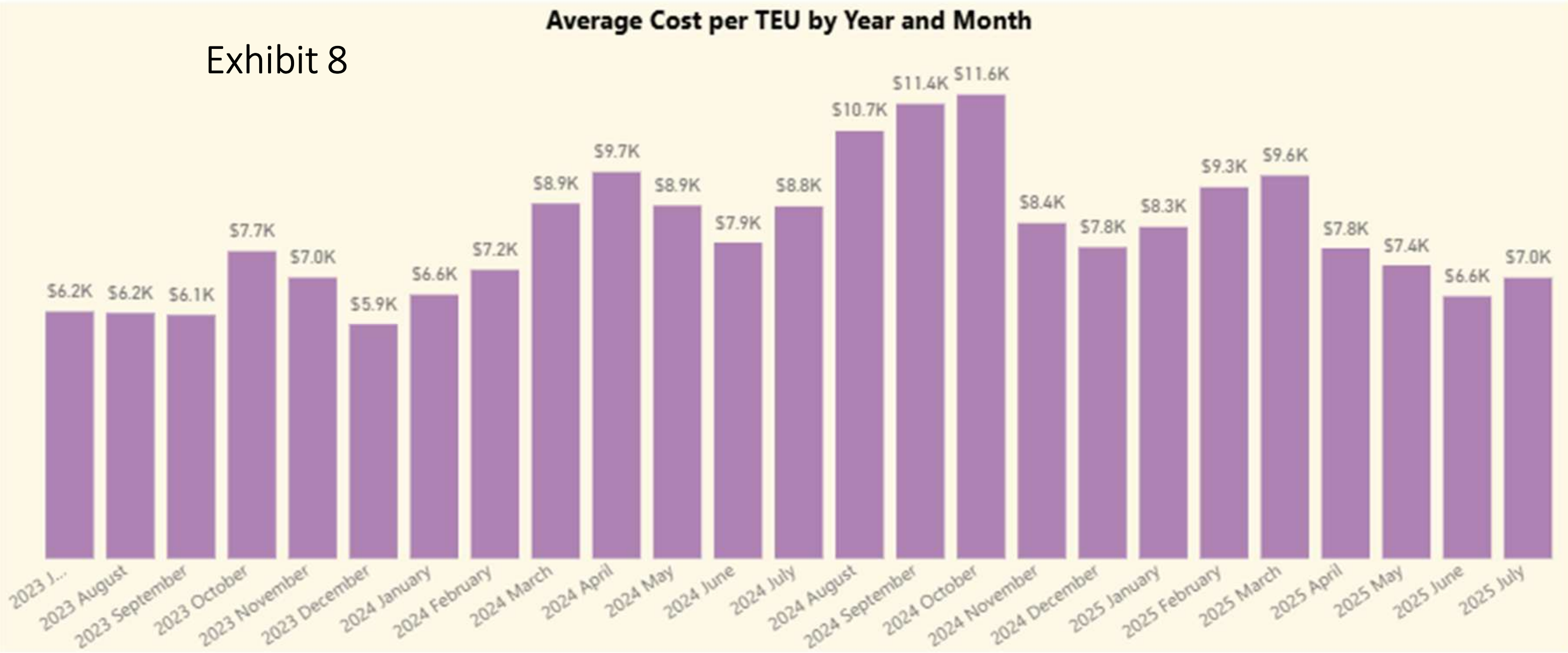
Spot rates from the Far East to the US have dropped sharply, hitting their lowest point since December 2023, and are nearing pre-Red Sea crisis levels—especially to the US West Coast. Further declines are expected in August.

While the US is securing new trade deals, they're unlikely to boost cargo volumes enough to stop rates from falling. Carriers are trying to manage capacity but may be forced to accept lower rates.

Shippers might benefit from cheaper freight, but it won't offset the financial hit from ongoing tariffs.

Business Freight Update

Exhibit 11 presents the Average Cost per TEU (Twenty-foot Equivalent) for FCL (Full-Container Load) and BCN (Buyers Consolidation) shipments for the business. **Freight rates increased in the month of July bringing them at par with April-May levels, increasing ~7% from June lows.**
(Note: Both 40’ & 20’ Container as 1 TEU unit. Previously 40’ Container was considered equivalent to 2 TEUs and 20’ Container as 1 TEU for calculating Average Cost/TEU)



Shipment distribution for Sept 2024 to August 2025 showing the most billed shipments are discharged at Los Angeles. These includes LCL, FCL, BCN, OBC shipment counts

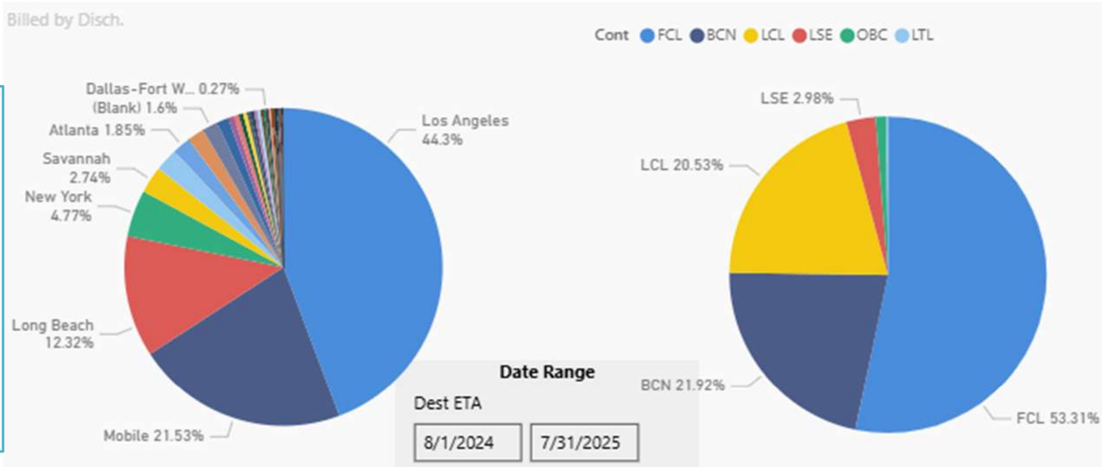
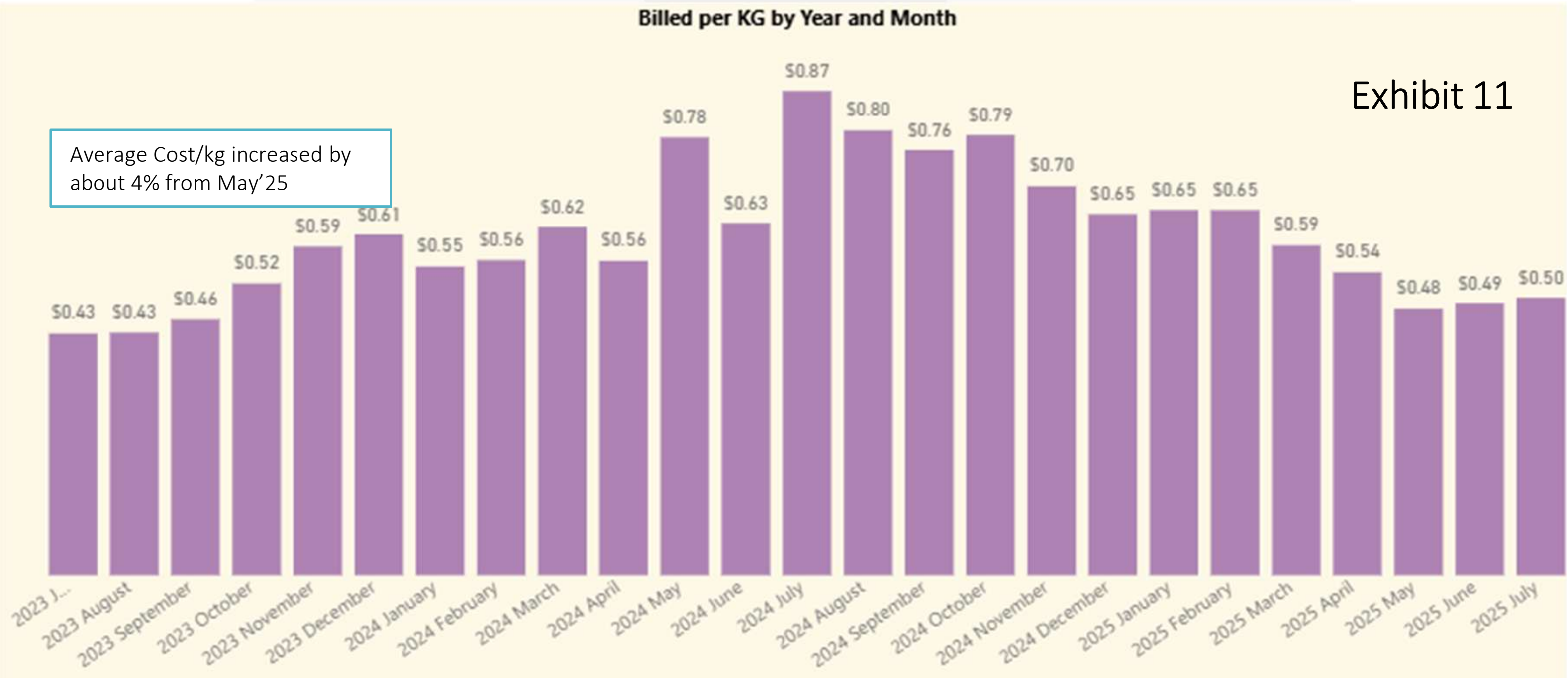


Exhibit 10

Shipment distribution by Shipment Type from Sept 2024 to Aug 2025



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