MSCI provides its members with a number of metrics to assist you in evaluating business conditions in the Metals Service Center Distribution Channel. MSCI Metals Tendencies Report (MTR) is an opinion survey of service center executives from MSCI member companies and is designed to provide an early indication of future business conditions. They survey includes questions covering Shipments, On Order, and Employment plans for Carbon, Stainless, and Aluminum products sold through the distribution channel in both the United States and the Canadian markets.

Each chart displays a “Diffusion Index” by month for the individual questions in the survey. Most questions in the survey ask respondents to express their outlook for the next three months as “significantly above”, “above”, “no change”, “below” or “significantly below” current conditions.

To measure an “average” of these responses, we subtract the “below” and “significantly below” responses from the “above” and “significantly above” responses and divide by the number of respondents, arriving at a “Diffusion Index.” This index would take the value +2 if everyone answered “significantly above”, -2 if everyone answered “significantly below” and some value in between if responses are mixed:

**Bars above zero indicate a tendency for better conditions in the future.** A higher bar indicates more respondents agree with the sentiment.

**Bars on the zero line indicates equally positive and negative opinion.**

**Bars below zero indicate a tendency for worse conditions in the future.** A lower bar indicates more respondents agree with the sentiment.

As of the end of November MSCI survey participants expect:

1) U.S. shipments of Carbon and Aluminum products to increase from current level over the next three months, seasonally adjusted basis
2) U.S. shipments of Stainless products to remain near current level over the next three months, seasonally adjusted basis
3) Aluminum shipments in Canada to remain near current level over the next three months from current levels, seasonally adjusted basis
4) Shipments of Carbon and Stainless products in Canada to decrease from current level over the next three months, seasonally adjusted basis
5) In the U.S., On Order from suppliers expected to continue to remain near current levels for all three groups of metals, seasonally adjusted basis
6) On Order from suppliers in Canada expected to decline for Carbon and Stainless while Aluminum orders are expected to increase, seasonally adjusted basis
7) Employment to remain near current levels in the U.S. and decline from current levels in Canada
Over the next three months industry shipments are expected to increase from current levels.

Over the next three months tons on order from suppliers are expected to remain near current levels.

Over the next three months industry shipments are expected to remain near current levels.

Over the next three months tons on order from suppliers are expected to remain near current levels.

Over the next three months industry shipments are expected to increase from current levels.

Over the next three months tons on order from suppliers are expected to remain near current levels.

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Over the next three months industry shipments are expected to decrease from current levels.

Over the next three months tons on order from suppliers are expected to decrease from current levels.

Over the next three months industry shipments are expected to increase from current levels.

Over the next three months tons on order from suppliers are expected to increase from current levels.
Over the next three months the workforce at Metal Service Centers is expected to remain near current levels.

Over the next three months the workforce at Metal Service Centers is expected to decline from current levels.