



Tri Star Metals

Delivering Stainless, Aluminum & Nickel Solutions

Market Impact of New 232 Tariffs & Strategic Insights

Dear Valued Customers,

Last week, we provided a detailed update on the latest changes in trade policy. We'd like to follow up with an additional commentary on how these changes may impact the market.

For those who recall the original Section 232 tariffs in 2018, there was an immediate effect on pricing. Over time, many companies, including Tri Star, secured exclusions and leveraged the quota system, which helped mitigate the impact. By mid-2019, most of those price increases had subsided.

However, the current stance of the Trump Administration indicates that this round of Section 232 tariffs will not include exclusions or quota options. While this is subject to change, the policy—at least for now—appears firm. This underscores the importance of closely monitoring trade developments.

Tri Star has one of the top steel trade law firms on retainer, ensuring we stay informed and well-connected in Washington. Additionally, TSM actively participates in multiple trade associations including WPA, PMPA, IFI to name a few. Our Vice President of Nickel Products, Nick Pigott, leads the Stainless Division of the Wire Producers Association (WPA), allowing us to gain direct industry insights. Through these channels, we will continue providing timely updates as new information becomes available.

Mitigation Strategies & Market Outlook

- **Existing Exclusions:** TSM has some exclusions in place, which we will maximize to help offset price increases. However, these exclusions will begin expiring in the coming months.
- **Domestic Supply Chain:** Anticipating these tariffs, we have steadily increased purchasing from domestic mills since last year.
- **Global Sourcing:** Our global buying presence enables us to adapt should certain countries gain a trade advantage due to tariff shifts.
- **Pricing Impact:** Like most steel companies, we use an average-costing inventory model. Starting in March, higher-priced raw materials impacted by tariffs will begin affecting our costs. We expect industry-wide price increases throughout the year.
- **Customer Recommendations:** Given the anticipated cost increases, we strongly advise customers to evaluate their needs and consider placing orders or blanket orders sooner rather than later.

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TSM is aggressively expanding inventory and capacity to support customers shifting toward domestic supply chains. We are also pleased that this tariff announcement includes downstream products made of steel—this marks the first time such measures have provided protection for the products our customers manufacture. We hope this will help hedge against rising steel costs.

Our product management team collectively brings over 200 years of global steel industry experience. We welcome the opportunity to discuss your specific needs and concerns. Please reach out to your TSM Sales Professional to arrange a call or video conference.

We will continue to provide updates as more information becomes available.

Sincerely,

COMPANY VIDEO [Tri Star Metals LLC – YouTube](#)

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