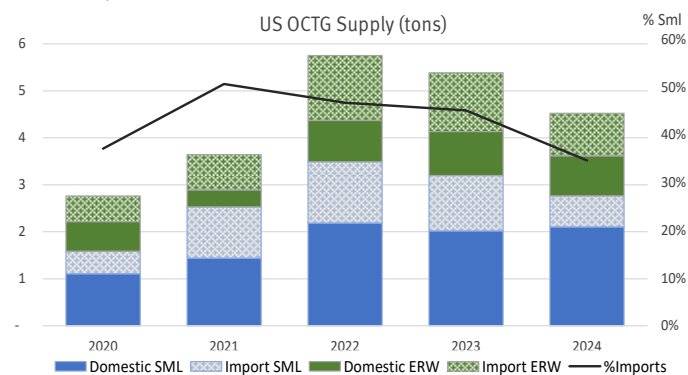


Executive Summary

Import volumes of OCTG decreased 36% to 1.6 million tons in 2024. Monthly volumes surged in January 2025 before the effective date of steel tariffs then retreated in February.

Domestic OCTG shipments were steady at 3 million tons and export volumes were down 9% leaving the total net supply to the US market at 4.3 million tons, down 16% from the previous year. Seamless products comprised 71% of domestic shipments and when combined with seamless imports were 61% of the total US gross supply. Domestic supply is also 92% alloy grade while imports are 66% carbon, leaving the gross supply in the US at 72% alloy.



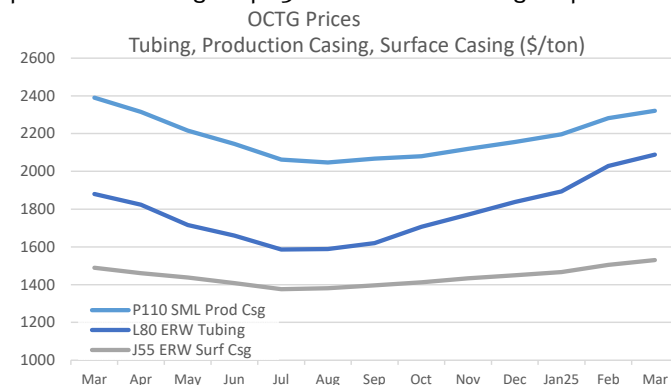
Imports by product type show casing volumes decreased 32% to 1.2 million tons in 2024 with 52% of the casing being ERW carbon and 33% being seamless alloy. The average value of casing imports decreased 23% to \$1,465/ton. Tubing import volumes decreased 48% to 0.3 million tons. Most (81%) of the tubing is classified as ERW carbon and the average valuation is \$1,770/ton, down 12% from the previous year's average. Drill pipe tonnage is seamless and alloy, and totaled 38,200 tons in 2024, which is a decrease of 19% from the previous year.

Tariffs on steel imports threaten many pipe suppliers with higher costs. OCTG is the fourth largest steel import market by volume and represents 6% of the total steel imports into the US. Steel slab, galvanized sheet and hot rolled coil are the top three and account for more than one-third of all steel import volumes. An unintended consequence may come from the removal of quotas, which may encourage higher OCTG import volumes later in 2025 from countries that can afford a 25% tariff.

Asia continues to be the largest supplying region of OCTG at 0.8 million tons in 2024, down 32% from the previous year. Most of the decrease were seamless volumes from Thailand and Japan, down 281,000 tons, combined. Taiwan supplies increased in 2024 by 66,000 tons. South Korea is the largest supplying nation, providing 450,000 tons, which is 53% of total Asia supplies and 29% of the total worldwide supplies to the US. Products from South Korea were predominantly ERW carbon with the tonnage split 67% casing and 33% tubing products. The value per ton decreased 30% for casing and 40% for tubing.

OCTG volumes and valuations from most other regions were also lower in 2024 including volumes from Europe, down 40%, Middle East and parts of Africa, which were down 82%. Volumes from Mexico were down 50%, attributed to a 45% AD duty and volumes from Canada were down 19%.

OCTG prices decreased through mid-2024, then inflected upward and continued to make gains into 2025 with the Pipe Logix Index realizing a cumulative gain of 17% by March 2025. ERW tubing prices of L80 grade have increased 32% in 8 months while production casing is up 13% and surface casing is up 11%.



Distributors' sentiment turned mildly bullish in July 2024 and grew to be strongly bullish by October and remains bullish through March 2025. Macroeconomic risks remain mixed with positive GDP and a forecast for minimal oil demand growth. Drilling activity has been steady for several months, but oil prices are showing weakness and may weaken drilling in oil basins, like the Permian, or shift rigs to gas basins if higher gas prices are sustained. Bullish sentiment and increasing cost trends lend support for higher OCTG prices in the near-term if drilling activity holds steady.

Introduction

The March issue of the OCTG Outlook is focused on import volumes during the prior year. Data from the Department of Commerce is analyzed by tariff codes and country of origin. The data is segmented by product category (casing, tubing and drill pipe), material (carbon or nonalloy, alloy, stainless), finish (plain end, threaded & coupled) and manufacturing type (ERW, seamless) and by source country. The permutations of data provide for many tables and charts. Thus, this report provides several different views of OCTG supply to identify significant changes and trends.

Steel tariffs, which are at the forefront of many OCTG market discussions, have been on and off over the past months but expected to remain effective at 25% on all steel import volumes. To understand the potential impact, it helps to first review the historical trends.

Imports by Product

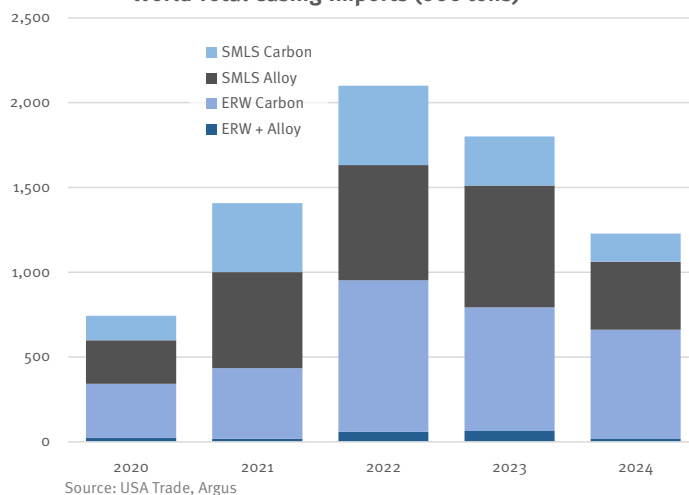
Casing Imports

Casing import volumes decreased by 573,600 tons or down 32% in 2024 to 1.2 million tons. Casing tonnage has been over 70% of the total OCTG import market for decades and accounted for 78% of the total in 2024.

Seamless casing totaled 567,000 tons or 46% of all casing import volumes in 2024, leaving 54% as ERW. Carbon totaled 810,000 tons, which was a decrease of 21% from the previous year and represented 66% of the total casing import volumes in 2024. One-third of the casing import volumes were seamless alloy and half of the casing was carbon ERW.

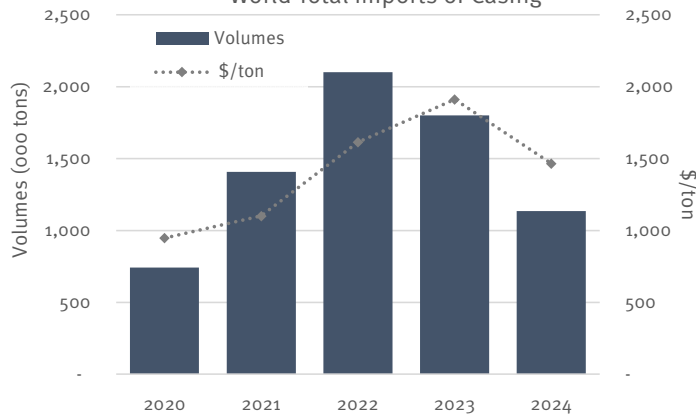
Since 2020 the percentage of import casing volumes that were both seamless and alloy has average 36% of the total casing imports while ERW carbon import volumes were 42% of the total.

World Total Casing Imports (ooo tons)



Another analysis of the casing market involves the trend in valuations or implied price. The total value of imported casing in 2024 was \$1.66 billion, which on volumes of 1.13 million tons, provides an implied average price of \$1,465/ton. This is down 23% from the price the previous year but 42% higher than the average price of \$1,030/ton during 2015 – 2020.

World Total Imports of Casing

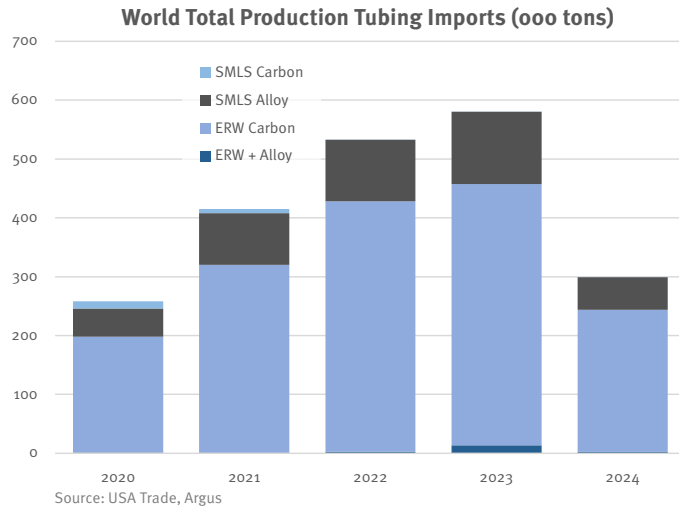


Tubing Imports

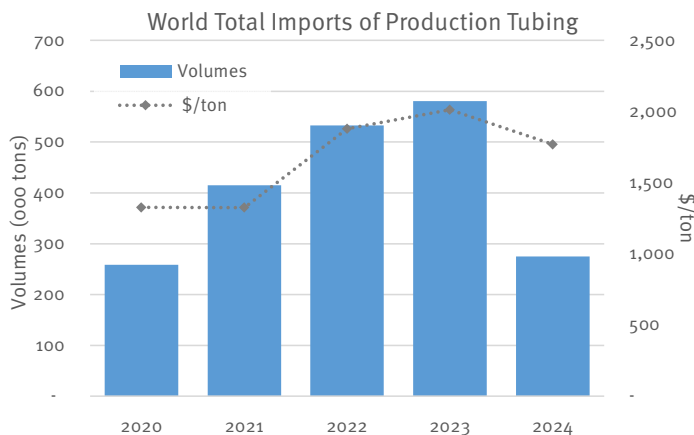
Tubing imports decreased by 281,300 tons or 48% to 299,100 tons in 2024. Tubing imports commonly represent 20%-25% of total OCTG import volumes each year but were 19% of the total in 2024.

ERW carbon tubing volumes were 241,400 tons in 2024, or 81% of the total tubing imports. Historically, ERW carbon has always accounted for the majority of tubing import volumes. ERW alloy tubing volumes were less than 1%.

The seamless tubing that was imported in 2024 totaled 55,600 tons and was all alloy grade. Seamless alloy products have been between 19% and 21% of the total tubing imports since 2020 and were 19% of the total in 2024.



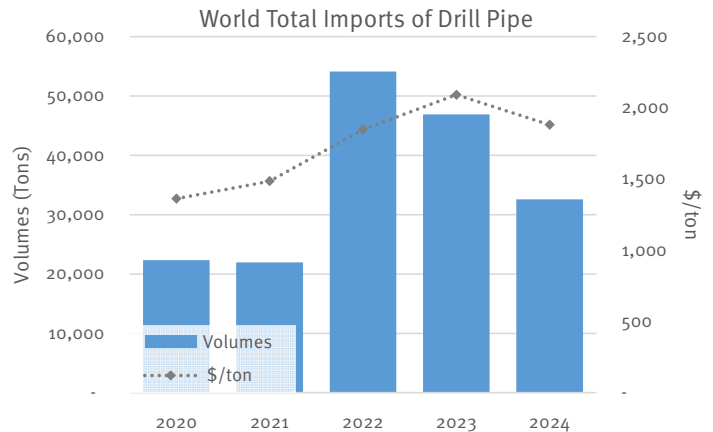
Valuations of tubing decreased in 2024 from the previous year. Tubing prices averaged \$1,770/ton during 2024, down 12% from the previous year but 33% higher than in 2020.



Drill Pipe

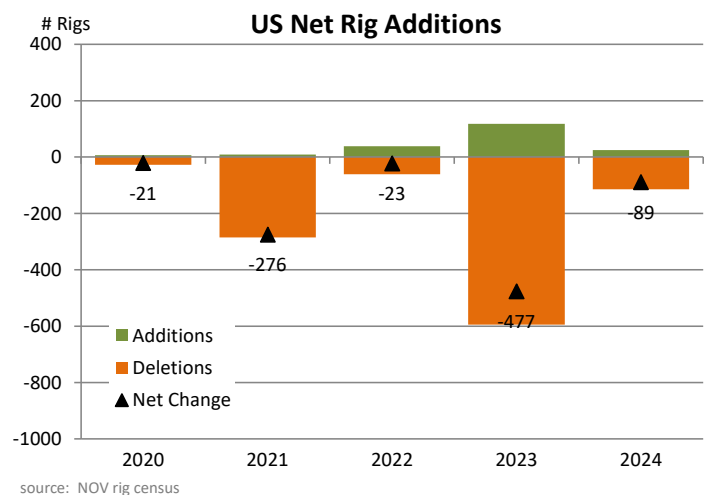
Import volumes of drill pipe were 38,200 tons in 2024, a decrease of 19% from the previous year. Such imports have represented a minimal volume for many years, averaging just 37,000 tons/year or around 2% of the total import volumes since 2020. Drill pipe imports were entirely seamless products in 2024, which is historically the case. These volumes were nearly all alloy, which is also normal.

The value of drill pipe decreased 38% in 2024 providing an average value of \$1,882/ton, which is a decrease of 10% from the previous year but 38% higher than in 2020.



Drill pipe demand is at least partially driven by the change in the number of *marketed* rigs. The total US rig market has been declining for many years with a steep decline in 2023 of 477 rigs and an additional loss in 2024 of 89 rigs, according to the latest NOV rig census. The census report also shows 15 rigs were reactivated in 2024, meaning returned to service through meaningful maintenance or capital spending.

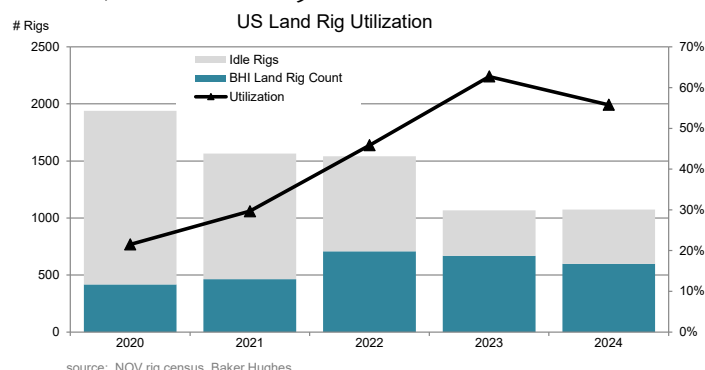
Conversely, there were 87 rigs removed from service in 2024 and 23 rigs were destroyed that cannot return to service. Thus, the total number of US rigs deleted from service was 114 rigs, reducing the total available by 89 rigs in 2024.



The net drilling rig fleet has decreased for 9 of the trailing 10 years. Cumulatively, 2,180 marketed rigs have been deleted from service since 2015.

Prior to 2017, when more than 100 new rigs were being added to the market, an average of 250 tons of drill pipe was imported for every new rig. Currently there are so few new rigs being added that it is more likely that imported drill pipe tonnage is only reflecting the replacement rate of drill pipe for existing rigs.

Utilization of drilling rigs, calculated by taking the Baker Hughes active land rig count in the US and dividing by the total land rigs available from the NOV rig census, decreased in 2024. This is the first decrease since 2020 with utilization of 56% in 2024, nearly on par with the utilization of 52% in 2019 though it is the result of fewer rigs available. The number of idle rigs, or rigs available but not active, has decreased 69% from the 2020 level.



The reduction in rigs has been disproportional for mechanical rigs, which are not as efficient as SCR rigs for drilling horizontal wells but tend to rent at a lower day-rate. The mechanical rig fleet and the SCR fleet both stood at 1,500 available rigs in 2012. The population decreased to just 192 mechanical rigs in 2024 and 882 available SCR rigs, leaving SCR rigs with 82% of the total US fleet.

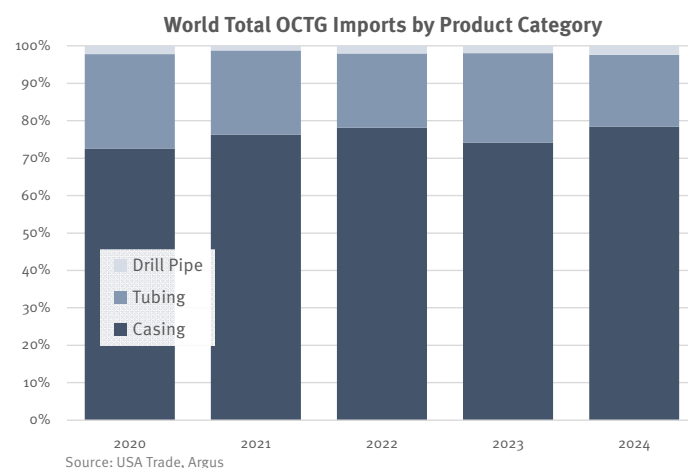
Rigs with greater depth capacity are also more desirable with 68% of the current fleet capable of drilling to depths greater than 16,000 feet. The number of deep rigs available has decreased by 43% since 2020 while the number of active deep rigs has *increased* 59%. The number of shallower rigs available in 2024 has decreased by 58% while the number of active shallow rigs has *increased* 21% since 2020.

Regionally, 2023 rig utilization was lowest in the West Coast at 24% (California and Alaska with 11 rigs active of 45 available). Rig utilization is highest for the Mid Continent at 78% (43 active of 55 available) and the Permian region at 77% with 319 active rigs of 413 available.

Total Import Volume Summary

Combining volumes for casing, tubing, and drill pipe, the three product types of OCTG, shows casing is the majority of OCTG imports, accounting for 78% of the total tonnage imported in 2024. That is up slightly from the 5-year average of 76%. Tubing was 19% in 2024, which is down slightly from the 5-year average of 22%. Drill pipe import volumes have averaged 2% or less of the total import volumes each year.

Total Imports of OCTG						
	Carbon (tons) (%)	Alloy (tons) (%)	Stainless (tons) (%)	Total (tons) (%)		
2024						
Casing	809,168 66%	411,534 34%	6,706 1%	1,227,407	78%	
Tubing	241,403 81%	37,345 12%	20,383 7%	299,130	19%	
Drill Pipe	757 2%	37,454 98%	5 0%	38,217	2%	
	<u>1,051,328</u> 67%	<u>486,333</u> 31%	<u>27,094</u> 2%	<u>1,564,754</u>	100%	

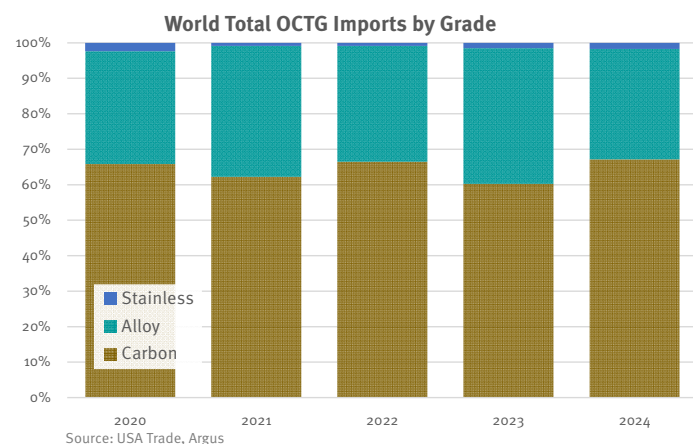


Historical Summary OCTG Imports World Total						
	Casing	Tubing	Drill Pipe	Total		
2020	742,875 73%	258,240 25%	22,345 2%	1,023,459		
2021	1,407,610 76%	414,806 22%	21,955 1%	1,844,370		
2022	2,100,253 78%	532,921 20%	54,128 2%	2,687,303		
2023	1,801,035 74%	580,413 24%	46,940 2%	2,428,388		
2024	1,227,407 78%	299,130 19%	38,217 2%	1,564,754		
Yr/Yr Chg	(573,628) 66%	(281,282) 33%	(8,723) 1%	(863,634)		
% Change	-32%	-48%	-19%	-36%		
5-year Ave	1,455,836 76%	417,102 22%	36,717 2%	1,909,655		

Imports by Type

Carbon and Alloy

Alloy imports were 486,300 tons in 2024, a decrease of 442,400 tons or down 48% from the previous year. Volumes of imported carbon products decreased by 412,700 tons or down 28% in 2024 to 1,051,300 tons. Stainless steel products totaled 27,100 tons in 2024, a 36% decrease from the previous year and represented just 1% of the total OCTG volume imported. The 5-year average by material grade is 64% carbon, 35% alloy and 1% stainless.



Historical Summary OCTG Imports World Total							
	Carbon		Alloy		Stainless		Total
2020	674,209	66%	325,242	32%	24,008	2%	1,023,459
2021	1,148,402	62%	679,796	37%	16,172	1%	1,844,370
2022	1,787,734	67%	876,778	33%	22,791	1%	2,687,303
2023	1,464,050	60%	928,747	38%	35,591	1%	2,428,388
2024	1,051,328	67%	486,333	31%	27,094	2%	1,564,754
Yr/Yr Change	(412,722)	48%	(442,415)	51%	(8,497)	1%	(863,634)
% Change	-28%		-48%		-24%		-36%
5-year Ave	1,225,144	64%	659,379	35%	25,131	1%	1,909,655

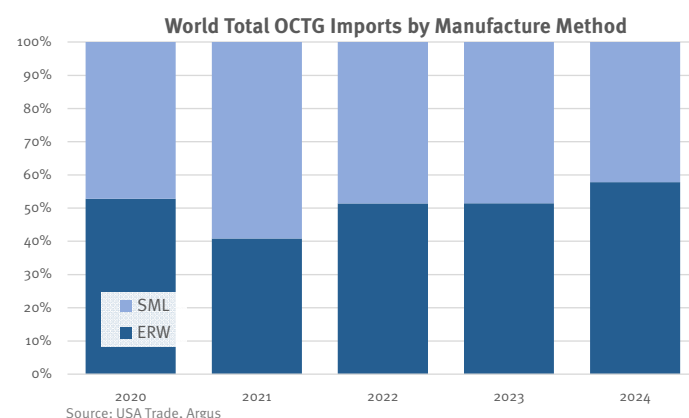
Most tubing import volumes are carbon grade, 81% in 2024, while casing imports were split 66% carbon and 35% alloy (including stainless). Drill pipe volumes were nearly all alloy grades.

Total Imports of OCTG							
	Carbon		Alloy		Stainless		Total
2024	(tons)	(%)	(tons)	(%)	(tons)	(%)	(tons) (%)
Casing	809,168	66%	411,534	34%	6,706	1%	1,227,407 78%
Tubing	241,403	81%	37,345	12%	20,383	7%	299,130 19%
Drill Pipe	757	2%	37,454	98%	5	0%	38,217 2%
	1,051,328	67%	486,333	31%	27,094	2%	1,564,754 100%

Seamless and ERW

Total OCTG import volumes were 58% ERW and 42% seamless in 2024. Since 2020, the average has been 51% ERW and 49% seamless. The change in import volumes from 2023 to 2024 included an ERW decrease of 346,600 tons or down 28% and a seamless decrease of 517,000 tons or down 44%.

Historical Summary OCTG Imports World Total					
	ERW		SML		Total
2020	540,743	53%	482,716	47%	1,023,459
2021	753,388	41%	1,090,982	59%	1,844,370
2022	1,381,015	51%	1,306,288	49%	2,687,303
2023	1,250,623	52%	1,177,765	48%	2,428,388
2024	903,991	58%	660,763	42%	1,564,754
Yr/Yr Change	(346,632)	40%	(517,002)	60%	(863,634)
% Change	-28%		-44%		-36%
5-year Ave	965,952	51%	943,703	49%	1,909,655

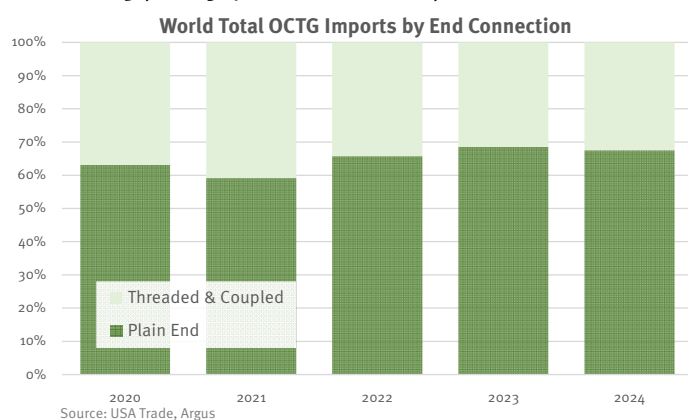


Casing import volumes were split 46% seamless and 54% ERW. Tubing import volumes were 81% ERW and 19% seamless. Drill pipe remains exclusively seamless.

Total Imports of OCTG					
	Seamless		ERW		Total
2024	(tons)	(%)	(tons)	(%)	(tons) (%)
Casing	566,945	46%	660,462	54%	1,227,407 78%
Tubing	55,601	19%	243,530	81%	299,130 19%
Drill Pipe	38,217	100%	-	0%	38,217 2%
	660,763	42%	903,991	58%	1,564,754 100%

Plain End and Threaded

The percentage of import OCTG volumes that were unfinished, having a plain end (PE), was 68% in 2024, leaving 32% of the market as threaded and coupled (TC). The tonnage of plain end pipe was 1,057,000 tons in 2024, a 36% decrease from the previous year. Threaded and coupled pipe import volumes decreased 34% to 507,800 tons in 2024.



Historical Summary OCTG Imports

	World Total				
	Plain End	Threaded+Coupled		Total	
2020	646,040	377,419	63%	1,023,459	37%
2021	1,090,485	753,885	59%	1,844,370	41%
2022	1,765,627	921,676	66%	2,687,303	34%
2023	1,663,888	764,500	69%	2,428,388	31%
2024	1,056,984	507,770	68%	1,564,754	32%
Yr/Yr Change	(606,904)	(256,730)	70%	(863,634)	30%
% Change	-36%	-34%		-36%	
5-year Ave	1,244,605	665,050	65%	1,909,655	35%

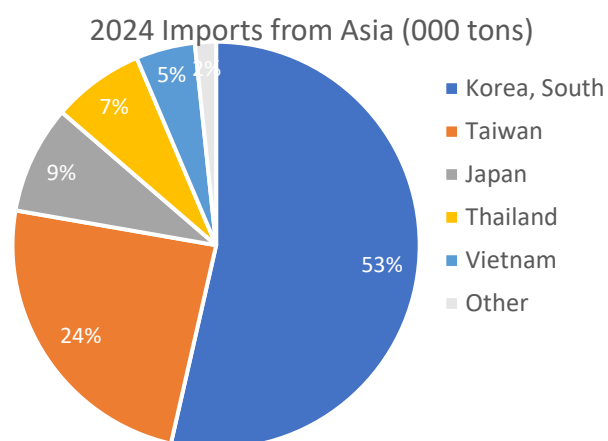
For casing imports, 61% of the volumes were plain end and 39% were threaded. Most (89%) of the tubing imports were plain end and drill pipe was entirely plain end.

Total Imports of OCTG						
	Plain End		Threaded & Coupled		Total	
2024	(tons)	(%)	(tons)	(%)	(tons)	(%)
Casing	753,728	61%	473,679	39%	1,227,407	78%
Tubing	265,039	89%	34,091	11%	299,130	19%
Drill Pipe	38,217	100%	-	0%	38,217	2%
	<u>1,056,984</u>	<u>68%</u>	<u>507,770</u>	<u>32%</u>	<u>1,564,754</u>	<u>100%</u>

Analysis by Region & Country

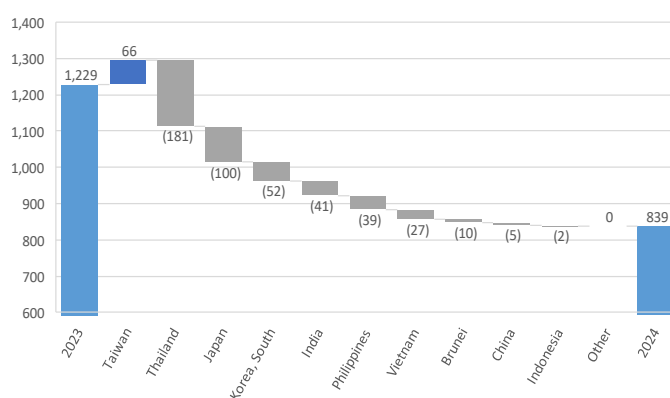
Asia

Imports from Asia totaled 839,100 tons in 2024, a 32% decrease from the previous year and representing more than 54% of the total import volumes into the US. South Korea continues to be the most significant Asian supplier at 449,500 tons, which was down 10% from the previous year. South Korea represented 53% of all volumes from Asia and 29% of the total import volumes from all countries supplied into the US in 2024.

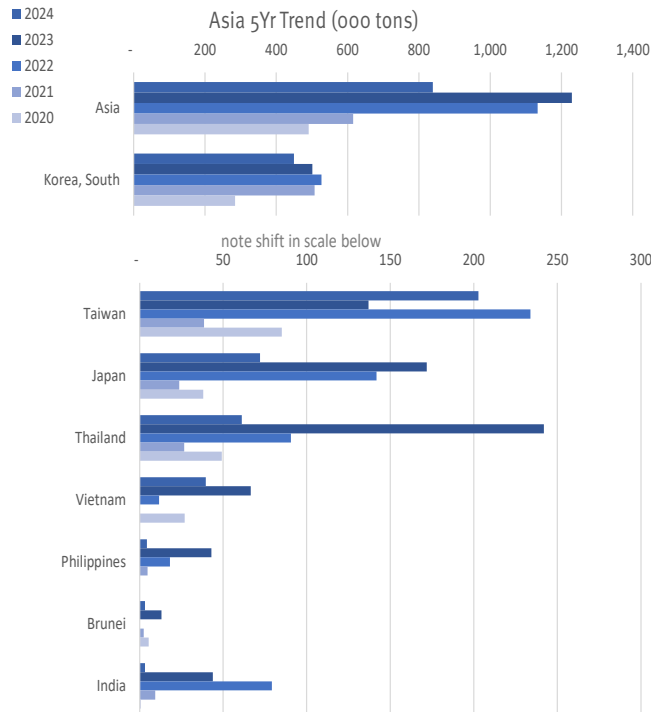


The largest increase from within Asia was volumes from Taiwan, which supplied 202,700 tons in 2024, an increase of 48% or 65,700 tons from the previous year. Conversely, volumes from Thailand, which surged in 2023, retreated to 61,200 tons in 2024, which is a 75% decrease from the previous year. Supplies from Japan were down 58% or 100,000 tons lower in 2024.

Asia Region - 2023 to 2024 Change (000 tons)

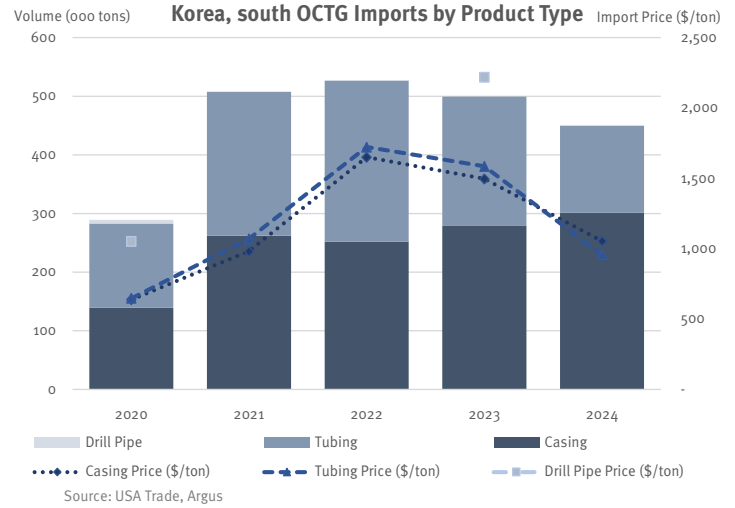


During the past 5 years, volumes from some countries in Asia have fluctuated greatly. Taiwanese supplies swung from 234,000 tons in 2022 to 137,000 tons in 2023 and back to 203,000 tons in 2024. Volumes from Thailand were only 90,000 tons in 2022 then surged to 241,900 tons in 2023 and back down to 61,000 tons in 2024. Japanese volumes were 142,000 tons in 2022, increased to 172,000 tons in 2023 then decreased to 72,000 tons in 2024. Volumes from South Korea have trended lower during the most recent 3 years, from 527,000 tons in 2022 to 450,000 tons in 2024.

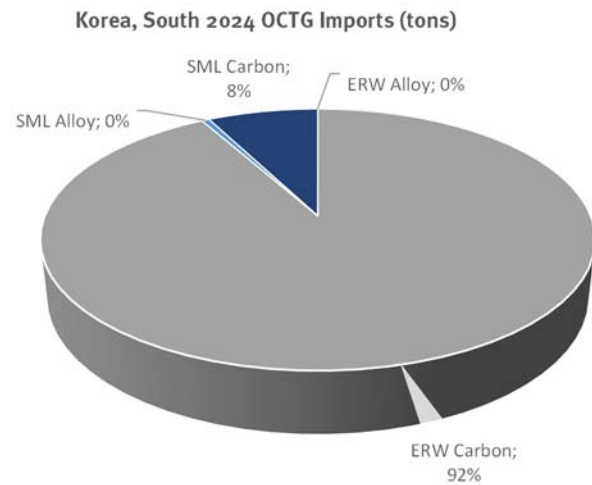


South Korea

For over a decade South Korea has been the largest supplying nation of OCTG material imported into the US. Products from South Korea were split in 2024 between casing (67%) and tubing volumes (33%). Drill pipe from South Korea is minimal. The average value per ton of casing and tubing decreased in 2024 with casing values down 30% to \$1,055/ton and tubing values down 40% to \$958/ton. However, the 2024 valuations were between 57% to 65% higher than the average value in 2020.



Nearly all casing volumes from South Korea were plain end, without couplings, and carbon grade. Most the volumes (92%) were of ERW manufacturing method and all of the ERW casing and tubing volumes were carbon.

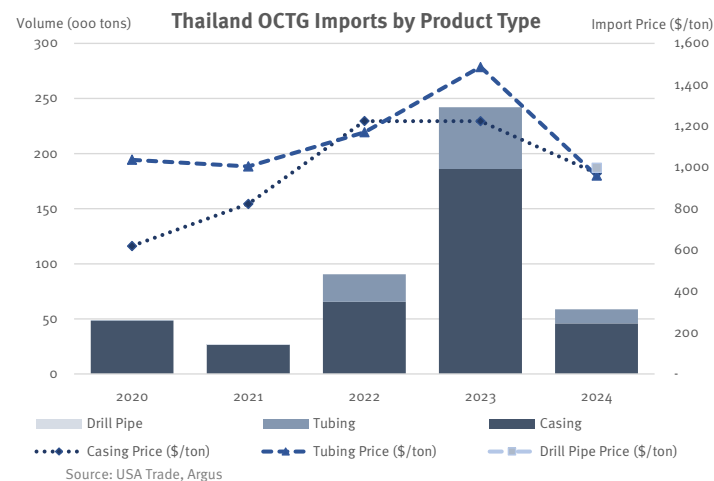


Source: USA Trade, Argus

Thailand

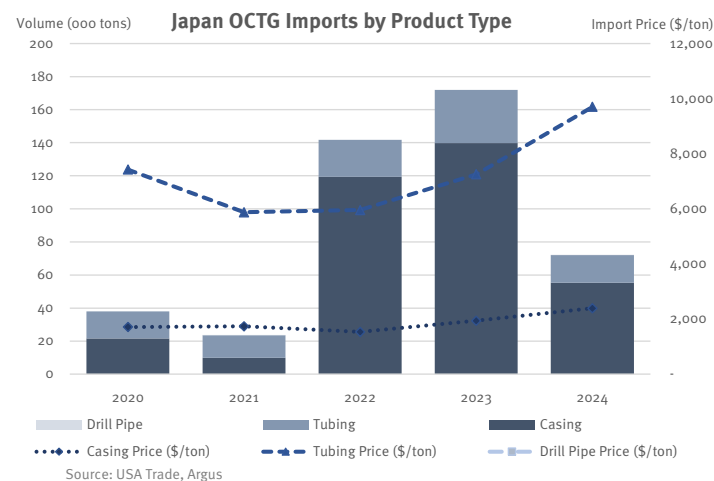
Volumes from Thailand surged to 241,900 tons in 2023 and dropped back to 61,200 tons in 2024 as a trade circumvention case unfolded. Casing volumes were down 75% or 140,300 tons lower in 2024 than the previous year. Such casing was 98% seamless and 69% alloy. The average value for casing decreased 21% to \$971/ton. Tubing products from Thailand were

62% seamless and 70% alloy. Average tubing values were down 35% to \$961/ton.



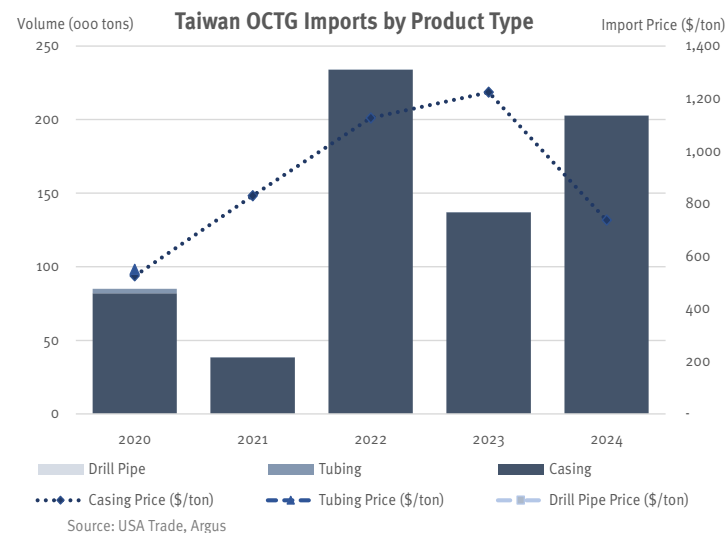
Japan

Total volumes from Japan were 72,100 tons and all of it was seamless and 27% was stainless, 65% alloy and the rest carbon. Casing items represented 77% of the total and they were 84% alloy, 5% stainless and 11% carbon. Casing volumes were split 72% plain end and 28% threaded and coupled. The 17,000 tons of tubing products supplied were nearly all stainless and threaded and coupled. Because most Japanese OCTG is high alloy or stainless, the valuations are higher than most countries. Tubing from Japan was valued at \$9,700/ton and casing averaged \$2,392/ton in 2024.



Taiwan

All volumes from Taiwan were casing products in 2024, same as the previous 3 years. Casing volumes increased 41% in 2024 to 202,700 tons. All the casing volumes were carbon, ERW, and nearly all was plain end. Prices for casing imported from Taiwan decreased 40% to \$737/ton in 2024.

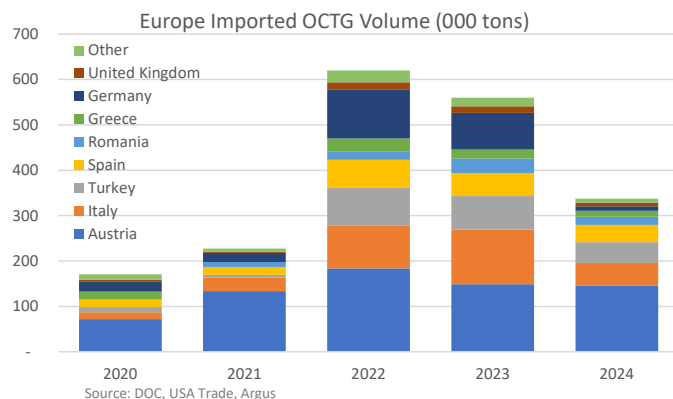


Europe

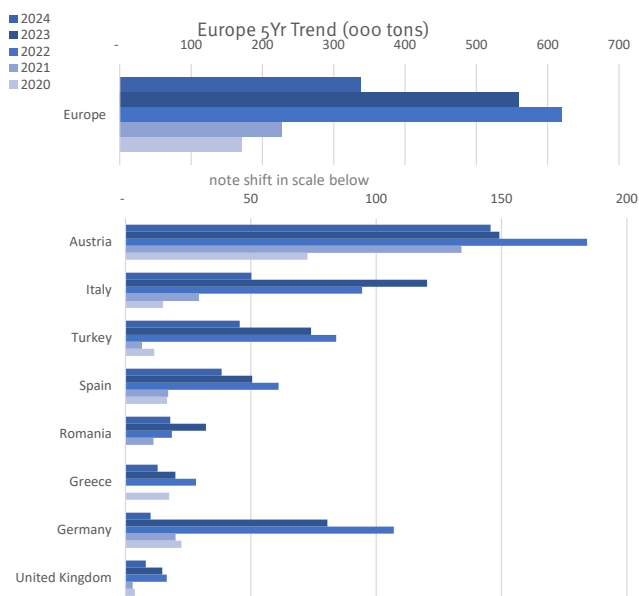
OCTG import supplies from Europe decreased 40% in 2024. Import volumes were 337,600 tons in 2024 compared to 560,200 tons the previous year. Most products from Europe were seamless and 74% of the products were casing items.

EU Imports of OCTG						
	Seamless		ERW		Total	
	(tons)	(%)	(tons)	(%)	(tons)	(%)
2024 Casing	193,260	78%	55,805	22%	249,065	74%
Tubing	25,307	39%	39,077	61%	64,384	19%
Drill Pipe	24,108	100%	-	0%	24,108	7%
	<u>242,675</u>	<u>72%</u>	<u>94,882</u>	<u>28%</u>	<u>337,557</u>	<u>100%</u>

Four countries accounted for 83% of the total European supply in 2024. Austria is the largest, accounting for 43% of the region with Italy at 15%, Turkey at 13%, and Spain at 11% of the region. Together, they also account for 18% of the total worldwide imports into the US.



Austria continues to be the largest supplying nation from Europe at 145,600 tons, down only 2% or 3,500 tons less than the previous year. Austria volumes represent 43% of the European volumes to the US and 9% of the total import volumes shipped into the US. Imports from Italy decreased 58% to 50,200 tons in 2024, representing 15% of the imports from Europe and 3% of the US total import volumes. Volumes from Turkey were down 38% to 45,600 tons.



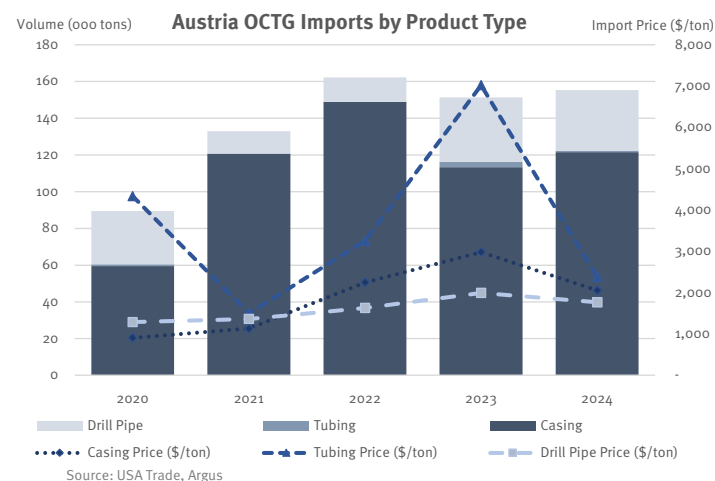
Austria

Austria tonnage was 83% casing, which was 40% alloy and 59% carbon. Drill pipe accounted for 16% of the tonnage, all of which was alloy. All the products from Austria were seamless. Casing

volumes from Austria totaled 121,400 tons in 2024, an increase of 7% from the previous year. Nearly all (97%) of the casing was threaded and coupled. Drill pipe tonnage of 23,400 was down 29% from the previous year and was all alloy, seamless and plain end. Tubing volumes were 1% of the Austria tonnage.

Austria Imports of OCTG						
	Carbon		Alloy		Stainless	Total
2024	(tons) (%)		(tons) (%)		(%)	(tons) (%)
Casing	71,648 59%		49,141 40%		681 1%	121,470 83%
Tubing	521 64%		296 36%		- 0%	818 1%
Drill Pipe	2 0%		23,364 100%		0 0%	23,366 16%
	72,171 50%		72,801 50%		681 0%	145,654 100%

Values for Austria's imports decreased in 2024. Casing values decreased 31% to \$2,055/ton. Drill pipe values decreased 11% to \$1,766/ton and tubing values averaged \$2,055/ton in 2024.



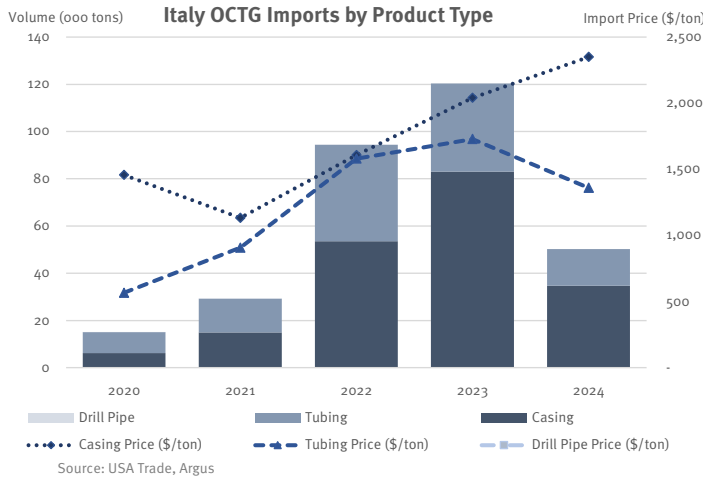
Italy

Italy supplies were much lower in 2024 versus 2023 and split between ERW versus seamless and carbon versus alloy. Of the 50,200 tons, 60% was alloy casing and 30% was carbon tubing. Only 14% of the casing tonnage (10% of the total tonnage) was carbon grade.

Italy Imports of OCTG						
	Carbon		Alloy		Stainless	Total
2024	(tons) (%)		(tons) (%)		(%)	(tons) (%)
Casing	4,819 14%		29,893 86%		- 0%	34,712 69%
Tubing	15,182 98%		26 0%		303 2%	15,510 31%
	20,001 40%		29,918 60%		303 1%	50,222 100%

Valuations of OCTG from Italy have increased sharply since 2020 though tubing prices decreased in 2024. Average casing price was \$2,350/ton in 2024, up 15% from the previous year and up

61% since 2020. Tubing valuations averaged \$1,360/ton in 2024, which is down 21% from the previous year but it is 140% higher than the 2020 valuation of \$567/ton.

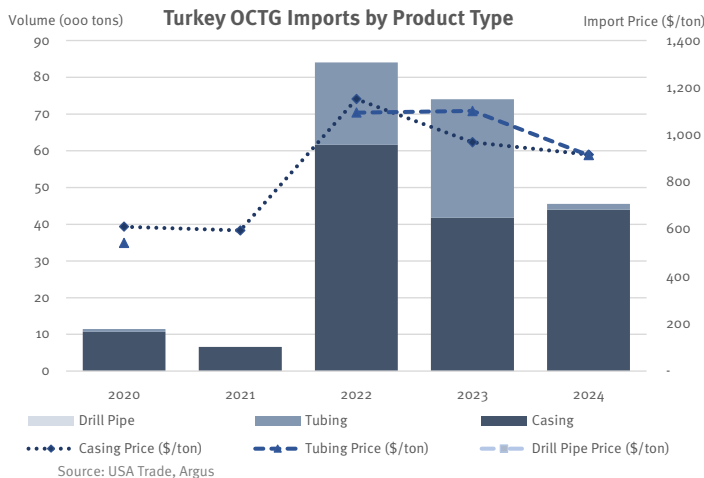


Turkey

Imports from Turkey were 45,600 tons in 2024, down 38% from the previous year with volumes of tubing nearly absent. Turkish OCTG was characterized as 96% casing and 85% carbon. All supplies from Turkey were ERW and all of it was plain end.

Turkey Imports of OCTG						
2024	Carbon (tons) (%)	Alloy (tons) (%)	Stainless (tons) (%)	Total (tons)		(%)
Casing	37,206 85%	6,744 15%	1 0%	43,952		96%
Tubing	1,606 100%	- 0%	1 0%	1,608		4%
	38,813 85%	6,744 15%	2 0%	45,559		100%

Average valuations of casing from Turkey were down 5% in 2024 to \$917/ton while average tubing values were down 17% to \$914/ton.

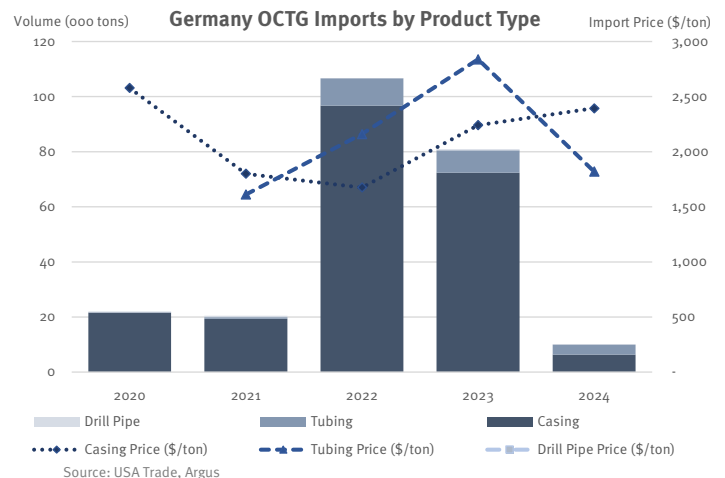


Germany

Import volumes from Germany surged in 2021 to 106,200 tons, decreased to 80,500 tons in 2023 and fell to just 10,000 tons in 2024. Alloy casing was the key supply in 2023, totaling 55,000 tons, but in 2024, such tonnage was just 4,300 tons, which still represented 64% of the total German supply. The casing mix was also described as 85% seamless and 80% threaded and coupled.

Germany Imports of OCTG									
2024	Carbon (tons) (%)	Alloy (tons) (%)	Stainless (tons) (%)	Total (tons)					
CSG Casing	1,891 30%	4,325 68%	138 2%	6,354					64%
TBG Tubing	48 1%	3,578 99%	5 0%	3,631					36%
DP Drill Pipe	11 81%	3 19%	- 0%	14					0%
	1,950 20%	7,905 79%	143 1%	9,998					100%

The value of German casing increased 7% in 2024 to \$2,393/ton. Tubing values decreased \$1,000/ton or down 36% in 2024 to \$1,820/ton.



Spain

Volumes from Spain totaled 38,400 tons in 2024, down 24% from the previous year as a small increase in casing volumes was more than offset by a 14,100 ton decrease in tubing volumes. Both casing and tubing were of alloy composition. Average values for casing products decreased 34% to \$1,544/ton and tubing values decreased 33% to \$1,879/ton.

Spain Imports of OCTG						
2024	Carbon (tons) (%)	Alloy (tons) (%)	Stainless (tons) (%)	Total (tons)		(%)
Casing	- 0%	23,158 100%	3 0%	23,161		60%
Tubing	- 0%	15,241 100%	1 0%	15,242		40%
	- 0%	38,399 100%	4 0%	38,403		100%

South America

Import volumes from South America are absent Argentina tonnage, which was more than 160,000 tons in 2021 but disappeared in 2022 as anti-dumping duties of 78% were levied. This leaves Brazil as the only significant OCTG supplier from South America. Colombia, the next largest South American supplier, supplied volumes of less than 2,000 tons in 2024.

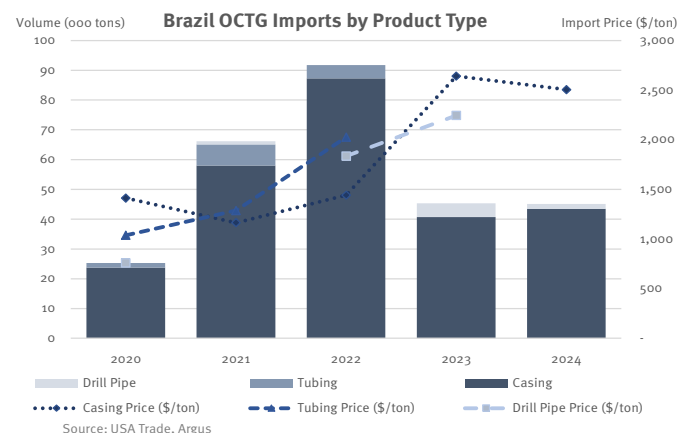
Volumes from this region were 96% casing products and mostly seamless.

	SAM Imports of OCTG				Total	
	Seamless		ERW			
2024	(tons)	(%)	(tons)	(%)	(tons)	(%)
Casing	39,904	92%	3,628	8%	43,532	96%
Tubing	647	36%	1,140	64%	1,787	4%
Drill Pipe	5	100%	-	0%	5	0%
	<u>40,556</u>	<u>89%</u>	<u>4,767</u>	<u>11%</u>	<u>45,323</u>	<u>100%</u>

Brazil

Brazil provided volumes of 43,400 tons in 2024, a 2% increase from the previous year. Most (87%) of the volumes were alloy (including stainless), seamless casing and most of that was plain end. Values of Brazilian imports eased in 2024 with casing prices down 5% compared to the previous year. Drill pipe and tubing volumes were minimal in 2024.

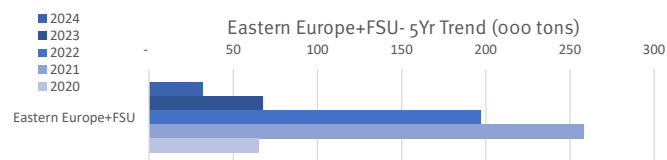
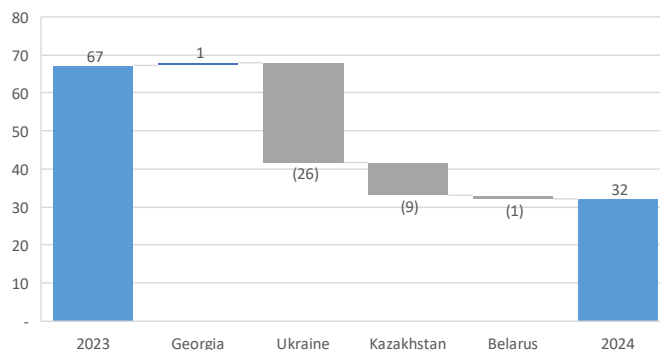
	Carbon		Alloy		Stainless		Total	
	(tons)	(%)	(tons)	(%)	(tons)	(%)	(tons)	(%)
2024								
Casing	3,400	8%	38,108	88%	1,924	4%	43,431	100%
Tubing	-	0%	22	100%	-	0%	22	0%
Drill Pipe	-	0%	-	0%	5	100%	5	0%
	<u>3,400</u>	<u>8%</u>	<u>38,130</u>	<u>88%</u>	<u>1,928</u>	<u>4%</u>	<u>43,458</u>	<u>100%</u>



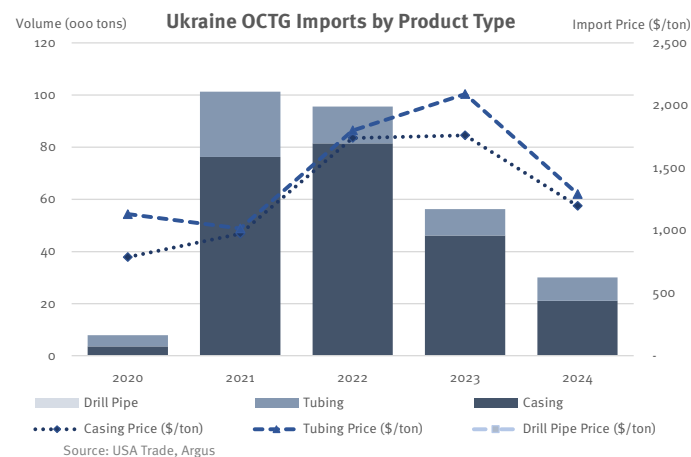
Eastern Europe & FSU

OCTG import volumes from this region were 32,000 tons in 2024, down 52% compared to the previous year. The war between Ukraine and Russia eliminated volumes from Russia and Belarus and continues to reduce volumes from Ukraine. Volumes from Georgia and Kazakhstan are minimal.

Eastern Europe+FSU Region - 2023 to 2024 Change (000 tons)



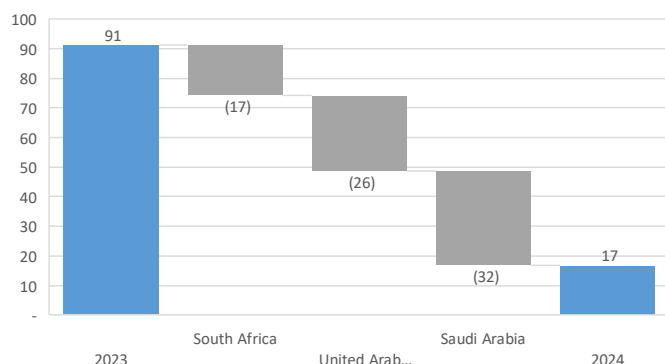
Lost volumes from Russia were mostly carbon and mostly casing. Volumes from Ukraine in 2024 were all carbon, 70% casing and the rest tubing. The casing was seamless, and the tubing was ERW. The average value of casing from Ukraine was \$1,198/ton and tubing value was \$1,293/ton.



Middle East and Other Source Countries

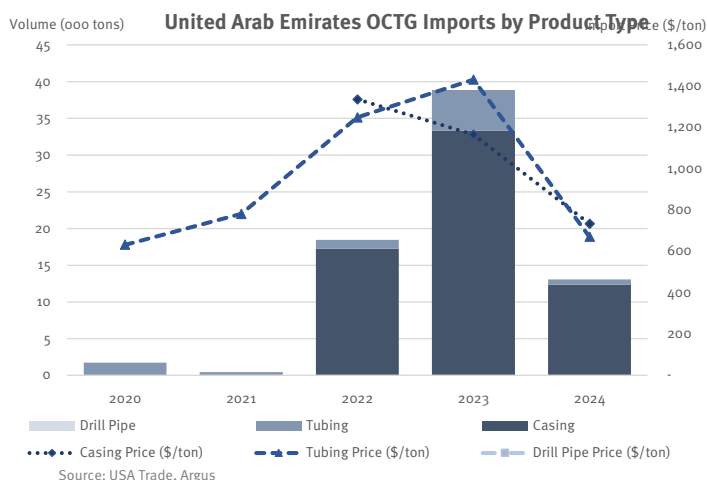
Volumes from the Middle East and parts of Africa were down 82% in 2024 mostly due to a large decline from United Arab Emirates, which represented 78% of the regional tonnage in 2024 at just 13,100 tons. Volumes from Saudi Arabia and South Africa were 1,500 tons and 2,200 tons, respectively.

Middle East Region - 2023 to 2024 Change (000 tons)



UAE

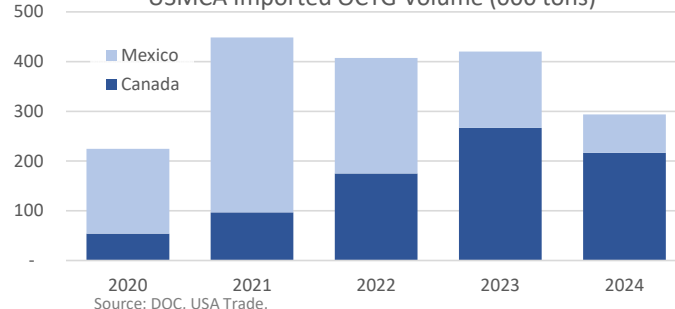
Supplies from the United Arab Emirates were down 66% from the previous year to less than 15,000 tons. All of the volumes were carbon, ERW, plain end, and most of it was casing. The values of casing from the UAE decreased 37% in 2024 to \$734/ton with tubing prices at \$671/ton.



USMCA

OCTG volumes from the North America trade region, Canada and Mexico, were down 30% to 293,900 tons in 2024.

USMCA Imported OCTG Volume (000 tons)

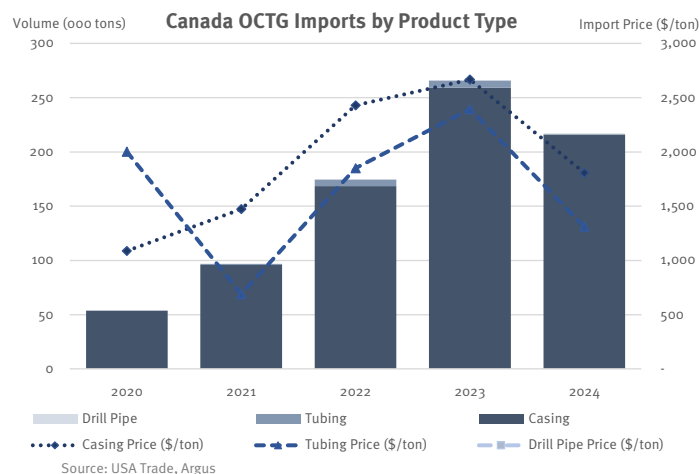


The products imported from Canada and Mexico were different. Half of the supplies from Canada were ERW casing products while supplies from Mexico were seamless alloy casing.

Canada

OCTG volumes from Canada decreased 19% in 2024 to 216,500 tons, which is the second highest volume level in a decade. All the tons were casing products as tubing and drill pipe import volumes fell to near zero. The casing was characterized as 51% alloy and 53% ERW. Nearly all of it was threaded and coupled. Valuations of casing from Canada decreased 32% in 2024 to \$1,807/ton.

	Canada Imports of OCTG			Total	
	Carbon (tons) (%)	Alloy (tons) (%)	Stainless (%)	(tons)	(%)
2024					
Casing	106,289 49%	109,771 51%	6 0%	216,066	100%
Tubing	205 85%	35 15%	0 0%	240	0%
Drill Pipe	27 17%	134 83%	- 0%	162	0%
	106,521 49%	109,940 51%	6 0%	216,468	100%



Mexico

Volumes from Mexico have declined dramatically due to the implementation of a 45% anti-dumping tariff in 2022. Volumes in 2021 were over 350,000 tons but totaled just 77,500 tons in 2024. The 2024 volumes were categorized as 88% casing items, 2% tubing and 10% drill pipe. Of the casing, all of it was seamless and 96% of it was alloy grade. Nearly all the casing was threaded and coupled. Tubing and casing volumes were minimal but what did arrive was seamless and alloy.

	Carbon		Alloy		Stainless	Total	
2024	(tons)	(%)	(tons)	(%)	(%)	(tons)	(%)
Casing	3,413	5%	64,983	95%	2	68,398	88%
Tubing	-	0%	1,479	100%	0	1,479	2%
Drill Pipe	20	0%	7,564	100%	-	7,584	10%
	3,434	4%	74,026	96%	2	77,461	100%

Values for all OCTG products from Mexico decreased in 2024 with casing prices down 14% to \$2,185/ton. Tubing prices decreased 1% to \$3,218/ton. Drill pipe values averaged \$2,469/ton in 2024, down 17% from the previous year.

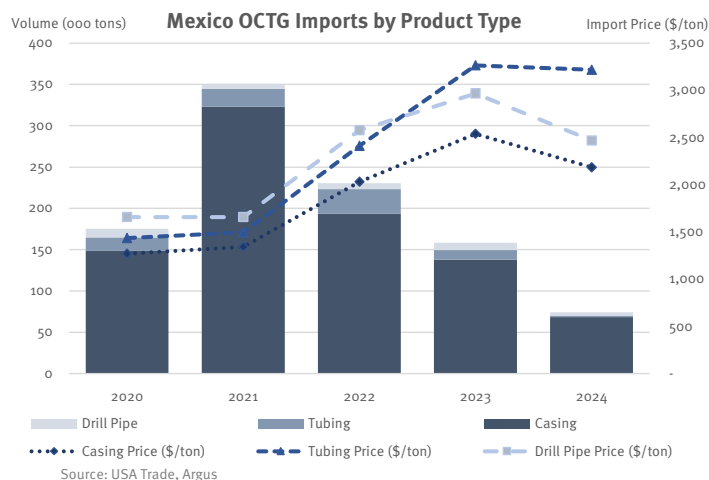


Table Details

The following tables present analysis by “Country of Origin” and by product type. For example, the table below is casing, and the first row shows that South Korea was the largest outside supplier of casing to the US at 301,204 tons in 2024, representing 25% of total casing volumes imported (see first row and last column of the following table). Further review shows that 20% of casing import volumes, or 243,715 tons, were alloy, seamless, threaded and coupled, of which Canada accounted for 101,277 tons of it (see 6th column on the table). Similar tables are included on the following pages for tubing and drill pipe.

2024 Casing Import Volumes (tons) YTD through 12/2024

	Non Alloy				Alloy + Stainless				Total	
	Seamless T&C	Seamless Plain End	ERW T&C	ERW Plain End	Seamless T&C	Seamless Plain End	ERW T&C	ERW Plain End		
Korea, South	2	34,342	-	266,833	-	-	-	27	301,204	25%
Canada	255	-	103,897	2,138	101,277	1,007	7,482	11	216,066	18%
Taiwan	2,556	-	10,457	189,730	0	-	-	-	202,744	17%
Austria	71,648	-	-	-	46,769	3,053	-	-	121,470	10%
Mexico	2,702	711	-	-	64,691	294	-	-	68,398	6%
Japan	4,246	1,553	102	-	11,012	38,298	117	4	55,333	5%
Thailand	639	12,693	-	1,027	-	31,518	-	-	45,876	4%
Turkey	-	-	-	37,206	-	1	-	6,744	43,952	4%
Brazil	127	834	2,440	-	4,054	34,789	1,188	-	43,431	4%
Italy	26	-	-	4,793	5,784	24,108	-	-	34,712	3%
Spain	-	-	-	-	2,656	20,505	-	-	23,161	2%
Ukraine	14,299	6,762	-	-	8	-	-	-	21,069	2%
United Arab Emirates	-	-	376	11,975	-	-	-	-	12,351	1%
United Kingdom	-	755	-	6,038	756	7	-	-	7,555	1%
Germany	1,610	-	281	-	2,567	1,240	656	-	6,354	1%
Romania	3,036	172	-	-	571	2,461	-	-	6,240	1%
France	-	1,489	-	-	2,120	5	-	0	3,614	0%
South Africa	-	2,243	-	-	-	-	-	-	2,243	0%
Philippines	-	-	-	2,235	-	-	-	-	2,235	0%
Vietnam	-	-	-	2,071	-	-	-	-	2,071	0%
Czech Republic	-	1,912	-	-	-	4	-	-	1,916	0%
Saudi Arabia	-	-	1,503	-	-	-	-	-	1,503	0%
Georgia	-	-	-	-	529	827	-	-	1,356	0%
Brunei	-	-	-	1,031	-	-	-	-	1,031	0%
China	27	10	-	-	679	167	-	1	884	0%
Other	292	2	-	94	242	5	-	4	636	0%
Total	101,465	63,476	119,056	525,171	243,715	158,290	9,443	6,792	1,227,403	
% of Total	8%	5%	10%	43%	20%	13%	1%	1%	100%	

Tubing

The largest source for tubing imports was South Korea by a wide margin. Vietnam, Japan, and Italy make up the distant 2nd, 3rd, and 4th in terms of total tubing volumes. South Korea provided 148,336 tons or 50% of the total 2024 tubing import volumes. South Korean tubing was mostly carbon, ERW, plain end (see 5th column). Tubing from Japan was seamless alloy.

2024 Tubing Import Volumes (tons) YTD through 12/2024

	Non Alloy				Alloy + Stainless				Total	
	Seamless T&C	Seamless Plain End	ERW T&C	ERW Plain End	Seamless T&C	Seamless Plain End	ERW T&C	ERW Plain End		
Korea, South	-	-	10,990	134,987	-	2,359	-	-	148,336	50%
Vietnam	-	-	-	37,468	-	-	-	-	37,468	13%
Japan	-	-	9	1	16,630	99	-	-	16,738	6%
Italy	-	-	-	15,182	302	26	-	0	15,510	5%
Spain	-	-	-	-	1	15,241	-	-	15,242	5%
Thailand	-	-	-	3,904	-	7,989	914	-	12,806	4%
Greece	-	-	-	12,724	-	-	-	-	12,724	4%
Romania	-	-	-	8,989	48	2,604	-	-	11,641	4%
Ukraine	-	-	-	8,981	0	-	-	-	8,981	3%
Germany	-	-	-	48	-	3,578	-	5	3,631	1%
Czech Republic	-	-	-	-	2,926	-	-	-	2,926	1%
Brunei	-	-	-	2,207	-	-	-	-	2,207	1%
Philippines	-	-	-	2,133	-	-	-	-	2,133	1%
Colombia	-	-	-	-	-	647	1,117	-	1,764	1%
Turkey	-	-	-	1,606	1	-	-	-	1,608	1%
Other									5,416	2%
Total	3	-	11,206	230,193	20,828	34,769	2,054	77	299,130	
	0%	0%	4%	77%	7%	12%	1%	0%	100%	

Drill Pipe

Imported drill pipe totaled 38,217 tons, essentially all of it was alloy, seamless and plain end. Austria provided 23,366 tons or 61% of the total import volumes of drill pipe. Mexico provided 7,584 tons and held the number 2 position with India and Thailand holding #3 and #4 import market share.

2024 Drill Pipe Import Volumes (tons) YTD through 12/2024

	Non Alloy				Alloy				Total	
	Seamless T&C	Seamless Plain End	ERW T&C	ERW Plain End	Seamless T&C	Seamless Plain End	ERW T&C	ERW Plain End		
Austria	-	2	-	-	-	23,365	-	-	23,366	61%
Mexico	-	20	-	-	-	7,564	-	-	7,584	20%
India	-	3	-	-	-	2,629	-	-	2,631	7%
Thailand	-	-	-	-	-	2,482	-	-	2,482	6%
China	-	588	-	-	-	657	-	-	1,245	3%
United Kingdom	-	40	-	-	-	494	-	-	534	1%
Canada	-	27	-	-	-	134	-	-	162	0%
Norway	-	-	-	-	-	128	-	-	128	0%
France	-	65	-	-	-	-	-	-	65	0%
Germany	-	11	-	-	-	3	-	-	14	0%
Other									6	0%
Total	-	757	-	-	-	37,459	-	-	38,217	
	0%	2%	0%	0%	0%	98%	0%	0%	100%	

All OCTG

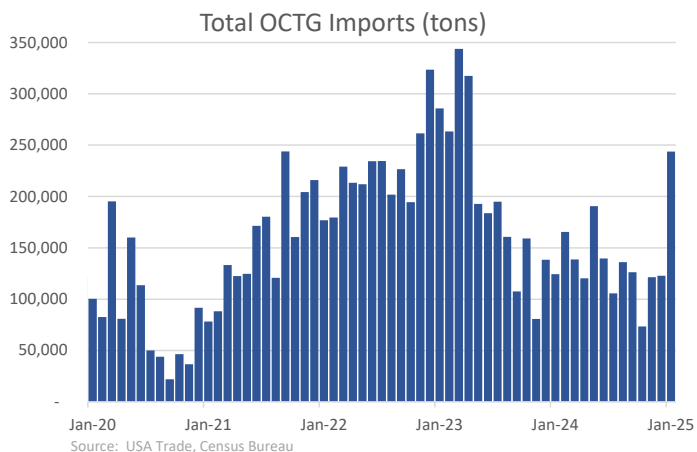
Combining the casing, tubing and drill pipe import volumes shows the top 25 supplying countries provided 1.6 million tons and accounts for 99.9% of the total imports in 2024. South Korea alone accounted for 29% of all imports.

2024 Import Volumes (tons) YTD through 12/2024

Country	Non Alloy				Alloy + Stainless				Total	
	Seamless T&C	Seamless Plain End	ERW T&C	ERW Plain End	Seamless T&C	Seamless Plain End	ERW T&C	ERW Plain End		
Korea, South	2	34,343	10,990	401,821	-	2,359	-	27	449,541	29%
Canada	255	27	104,101	2,138	101,279	1,149	7,482	36	216,468	14%
Taiwan	2,556	-	10,457	189,730	1	-	-	0	202,745	13%
Austria	71,648	2	-	521	46,937	26,545	-	-	145,654	9%
Mexico	2,702	731	-	-	64,691	9,336	-	-	77,461	5%
Japan	4,246	1,553	111	1	27,642	38,397	117	4	72,071	5%
Thailand	639	12,693	-	4,930	-	41,988	914	-	61,164	4%
Italy	26	-	-	19,975	6,087	24,134	-	0	50,222	3%
Turkey	-	-	-	38,813	1	1	-	6,744	45,559	3%
Brazil	127	834	2,440	-	4,054	34,794	1,210	-	43,458	3%
Vietnam	-	-	-	39,539	-	-	-	-	39,539	3%
Spain	-	-	-	-	2,657	35,745	-	-	38,403	2%
Ukraine	14,299	6,762	-	8,981	9	-	-	-	30,050	2%
Romania	3,036	172	-	8,989	618	5,065	-	-	17,880	1%
United Arab Emirates	-	-	376	12,691	0	-	-	-	13,068	1%
Greece	-	-	-	12,809	-	-	-	-	12,809	1%
Germany	1,610	11	281	48	2,567	4,820	656	5	9,998	1%
United Kingdom	-	795	-	6,038	756	501	-	-	8,089	1%
Czech Republic	-	1,912	-	-	2,926	4	-	-	4,842	0%
Philippines	-	-	-	4,367	-	-	-	-	4,367	0%
France	-	1,554	-	-	2,404	5	-	1	3,964	0%
Brunei	-	-	-	3,238	-	-	-	-	3,238	0%
India	13	5	-	155	25	2,960	-	-	3,157	0%
China	29	597	3	244	1,023	863	-	46	2,807	0%
South Africa	-	2,243	-	-	-	-	-	-	2,243	0%
Other	280	-	1,503	336	866	1,849	1,117	5	5,954	0%
Total	101,468	64,233	130,262	755,364	264,543	230,518	11,497	6,868	1,564,750	
	6%	4%	8%	48%	17%	15%	1%	0%	100%	

Imports by Month

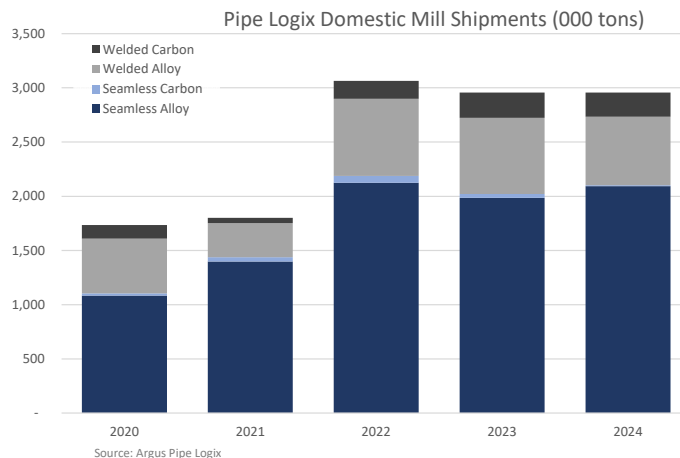
Monthly trends show import volumes peaked at 344,000 tons in March 2023, then decreased into 2024 to a low of 73,300 tons by October 2024. 2025 started with volumes jumping to 243,700 tons in January, which was double the volumes realized the month before. January volumes were not subject to the new 25% steel tariffs being assessed through Section 232. Most all the increase was attributed to a surge from South Korea in the general category of ERW casing. Preliminary license data for February, which is subject to the 25% steel tariffs, shows import volumes are back down near 110,000 tons, on par with December 2024 levels.



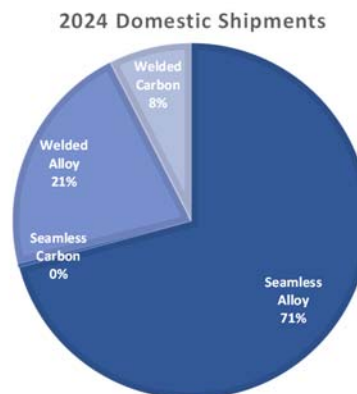
Domestic Shipments

Argus Pipe Logix gathers domestic mill shipment data directly to complete the measure of the total US supply. This data series is summarized in the monthly OCTG price report (Argus Pipe Logix Price Guide) and analyzed in more detail in this Outlook report.

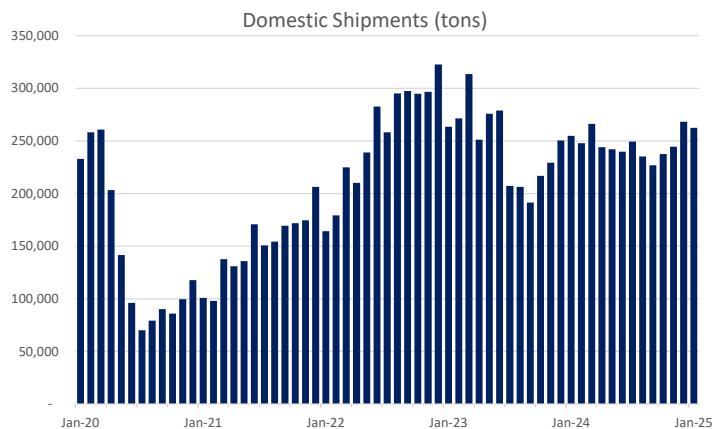
Domestic shipments for 2024 totaled 3 million tons of OCTG, unchanged from the previous year. The product mix changed slightly with seamless becoming all alloy and totaling 2.1 million tons, up 5% from the previous year and leaving seamless carbon volumes near zero. Welded carbon volumes totaled 221,800 tons in 2024, down 5% from the previous year. Welded alloy volumes were 632,000 tons, down 10% from the previous year.



Thus, the market split in 2024 was 76% seamless and 24% welded products. All the seamless products were of alloy grade and 74% of the welded shipments were alloy.

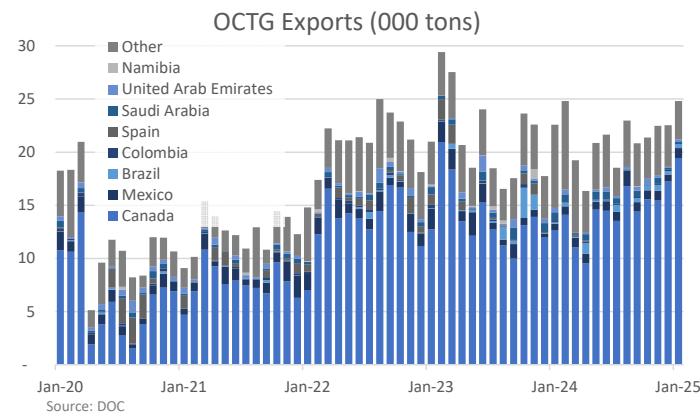


The monthly trends for domestic shipments have been mostly steady since December 2023, averaging 248,000 tons/month through January 2025. This is nearly on par with pre-Covid averages of 260,000 tons/month. The peak shipment tonnage was in December 2022 at 323,000 tons.



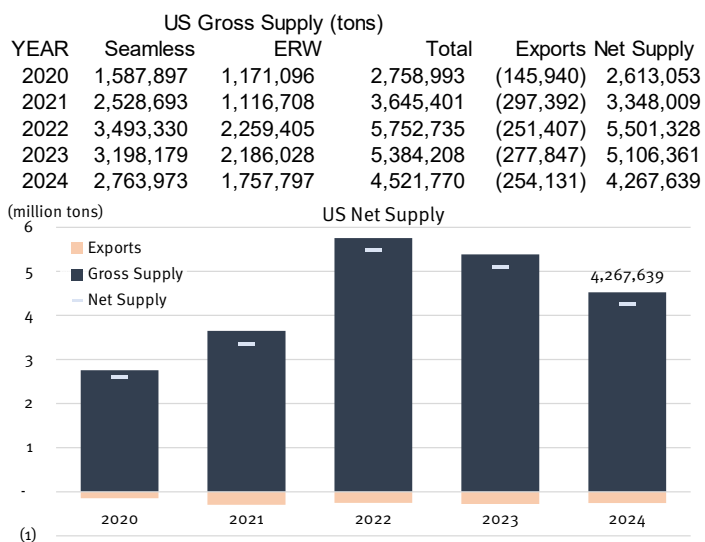
Exports

Exports of OCTG totaled 254,100 tons in 2024, down 1% from the previous year. The monthly trend peaked at 26,400 tons in February 2023 then hit a low of 16,000 tons in April 2024. Two-thirds of the OCTG exports go to Canada. Overall, export volumes are minimal compared to import volumes and thus the US maintains a large global trade deficit for OCTG.



Total US Net Supply

Combining imports and domestic shipments provides a gross OCTG supply of 4.5 million tons in 2024. Seamless comprised 61% of the gross supply and imports were 35% of the total gross supply. Taking out exports leaves the US net supply at 4.3 million tons, which is a 16% decrease from the total net supply the previous year.



Potential Tariff Impact

Steel tariffs were implemented, again, on March 12, 2025, at the rate of 25%. All exclusions from the tariff have been eliminated. At least that is how it stands today. There are many other variables involved in the Trump position on trade that are perplexing, and the direction is not obvious.

According to the ITA, 29 million tons of steel were imported in 2024. There are 57 different categories of steel imports with the top 3 categories accounting for 36% of the total tonnage. Steel slab imports were over 5.3 million tons in 2024. Galvanized sheet was 3.0 million tons and hot rolled sheets (not necessarily coils) were 2.1 million tons. OCTG is the 4th largest import category on the list and accounts for 6% of the total steel import supply into the US.

Canada is the largest steel supplying nation at 6.6 million tons, 16% of which is galvanized and 16% is hot rolled steel sheet. Only 3% of the steel tonnage from Canada is OCTG. Brazil is the 2nd largest steel supplying nation to the US at 5.0 million tons, where 83% of their supply is steel slab. Only 1% of the steel supply from Brazil is OCTG.

Mexico is 3rd at 3.5 million tons and most all of it is either steel slab, galvanized sheet or wire. OCTG represents 2% of the total steel tonnage from Mexico that is supplied to the US. South Korea is the 4th largest steel supplying nation to the US at 2.8 million tons. Their supply is characterized as 16% hot rolled steel sheet and 15% OCTG. Line pipe is also important to South Korean supplies and represents 16% of their total steel tonnage into the US.

Together, these four countries account for 60% of all steel tonnage imported into the US and half of the OCTG supply to the US (if you add tons from Taiwan, it would be 64% of the total steel import tonnage and 60% of the OCTG supply).

The renewed steel tariff is expected to initially impact OCTG supply in two ways. The first is the obvious, a price increase. The tariff will increase steel casing and tubing cost from all foreign supplying nations. The question remains as to who will

pay the higher cost. At least some of the increased cost is expected to be tested openly in the market with higher spot prices. As shown in a later section of this report, prices are already increasing in what might be considered anticipatory price movement.

Volumes and prices from key supplying countries of OCTG were analyzed in the previous pages. The value of OCTG imports from all countries totaled \$2.4 billion in 2024. That is a 50% decrease from the value in 2023. Given the volume of 1.6 million tons in 2024, versus 2.4 million tons in 2023, the average OCTG value decreased 22% to \$1,564/ton.

Adding 25% to the total OCTG value in 2024 would have been a tariff cost of \$600 million and put the average value per ton near \$1,900/ton. Of course, the volumes and valuations are expected to be different with tariffs in place.

Regionally, Asia provided over \$1 billion of OCTG trade. South Korea was \$450 million or 44% of the regional trade and 19% of the total OCTG trade with the US. Japan was \$280 million of OCTG imports and thus 28% of the Asian trade total. Taiwan was \$128 million in OCTG in 2024 or 13% of the Asian trade total.

European Union supplied \$635 million of OCTG in 2024 and thus suggests tariffs would be in the range of \$160 million. Austria is by far the largest supply by volume and accounted for \$250 million of trade in 2024, which is 39% of the European import total and 11% of the world import total.

Canada provided \$360 million of OCTG to the US in 2024, 15% of the total OCTG imports into the US. Mexico provided \$150 million of OCTG into the US in 2024, which is 6% of the world total. Brazil supplied \$100 million of OCTG in 2024.

Another part of the obvious impact of the tariffs is the increased cost for steel feedstock required for manufacturing pipe; namely HRC and steel billets. Since HRC and billets are cost components to manufacturing, a 25% tariff would impact market prices only to the fraction of manufacturing cost they represent.

Mexico and Canada dominate the market for supplying HRC to the US. A 25% tariff on the total value of HRC imports from Mexico and Canada in 2024 would have been \$164 million on HRC. This would translate into an additional \$216/ton in feedstock cost from Mexico and an additional \$237/ton onto the HRC imports from Canada. If HRC is half of the manufacturing cost, then pressure would be on OCTG prices for a 12½% increase.

	HRC 2024 Imports		
	tons	\$mil	\$/ton
Mexico	608,606	526	865
Canada	137,801	131	950
Others	3,834	3	1
Total	750,241	660	880

Steel billets are another feedstock that arrives in the US from many different supplying nations. Romania and Argentina appear to be the largest, supplying 416,000 tons and 141,000 tons, respectively, in 2024. Italy and Mexico are numbers 3 and 4 in supply of steel billets at 56,000 tons and 53,000 tons, respectively. If billets are one-third of the manufacturing cost for seamless pipe, then the 25% tariff would pressure OCTG prices higher by less than 9%.

The second, less obvious potential impact of this tariff maybe the unintended consequence of removing all exclusions. Several countries were under a strict volume quota, and this would eliminate the hard stop on the tonnage they could supply. Brazil, Argentina and South Korea fall into this category and while Argentina is further restricted due to a high AD tariff, Brazil and South Korea have complied to quotas that restricted their volumes to the US since 2018. They may find this as an opportunity to increase supply significantly.

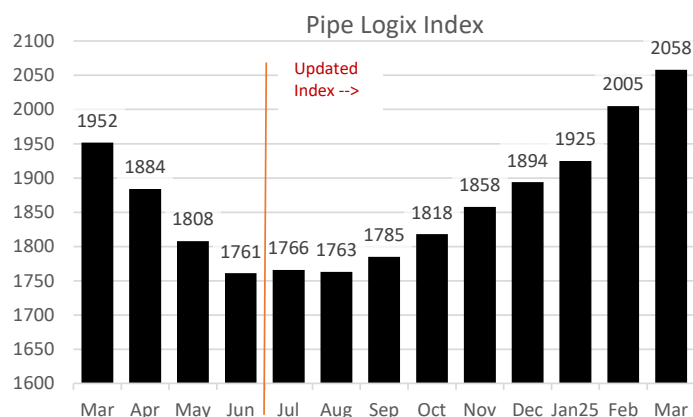
Removing the volume quotas may enable a dramatic increase in import volumes. South Korea in particular is known to have much higher production capacity, and the US and Canada are the key markets for its ERW products. In 2017, prior to the implementation of quotas, South Korea supplied 1.1 million tons of OCTG to the US, more than double the tons supplied in 2024. Pre-quota Brazil provided 170,000 tons of OCTG, and it was mostly alloy seamless casing items. It is also likely that a

sudden surge in import volumes from either country would be tested in trade courts for dumping and countervailing.

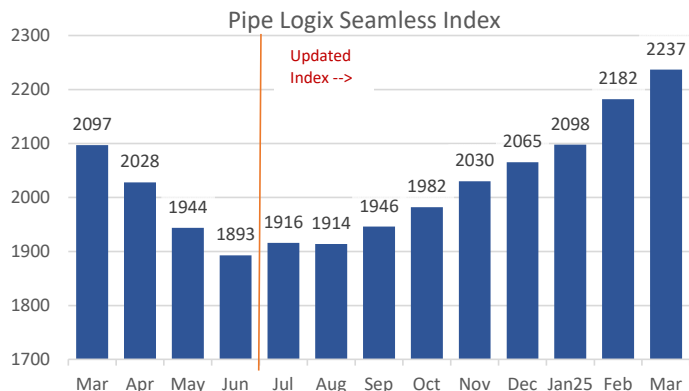
European countries were under a TRQ system, which was immediately followed by exclusions to their rates and quotas. Thus, the only impact of tariffs on European supplies is the increase in cost into the US market.

OCTG Price Trends

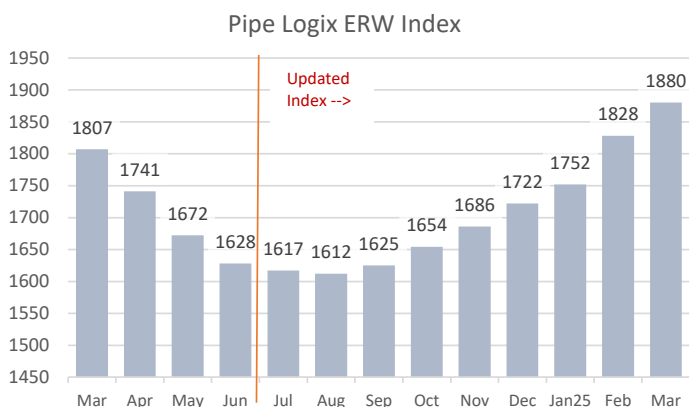
OCTG prices decreased through June 2024 for a total cycle decline of 54% from the peak in October 2022. The price inflection upward in 2024 was partially attributed to a change in the index composition in July but became an obvious market uptake by September. Price gains accelerated for the remainder of 2024 and into 2025. The March 2025 Pipe Logix Index was \$2,058/ton, up 17% from the June 2024 low.



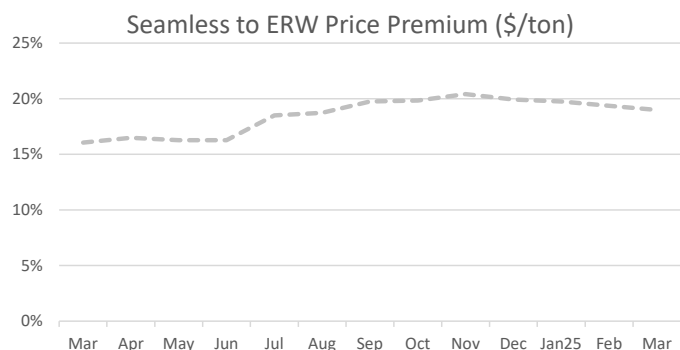
Seamless prices completed the down cycle with a June 2024 low that was 52% down from the peak in 2022. The March 2025 price was \$2,237/ton, which is up 2.5% from the previous month and up 18% from the low last June.



ERW prices hit a low in August 2024 at \$1,612/ton, completing a down cycle with a cumulative loss of 57% from the previous peak. The March 2025 price is up 2.8% from the previous month and up 17% from the August low. The most recent ERW Index is also 4% above the same month a year ago.



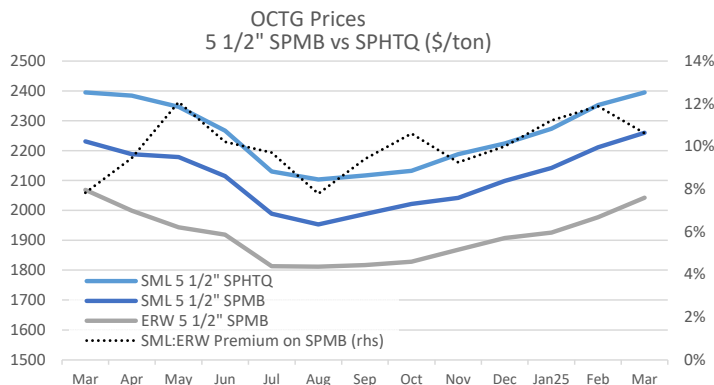
The premium for seamless products to ERW products has eased just below 20% during the first three months of 2025. That is up slightly from a premium of 17% in early 2024.



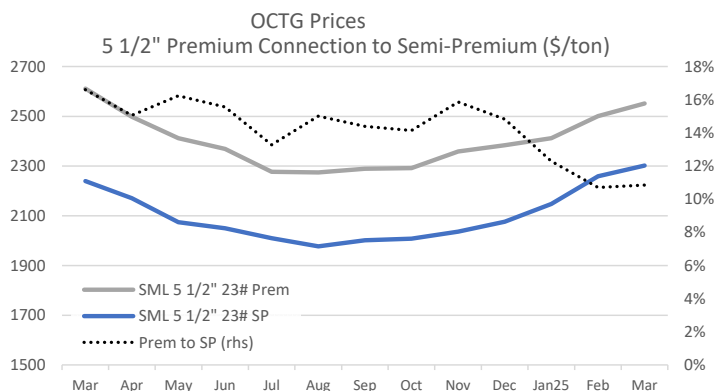
5 1/2" Production Casing Price Trends

Prices for 5 1/2" 20#/ft production casings all moved higher across the second half of 2024 and into 2025, though seamless items realized greater price acceleration than ERW. 5 1/2" 20# ERW with a modified buttress connection (SPMB) gained 13% from August 2024 through March 2025. The seamless 5 1/2" 20# with a SPMB connection gained 16% over the same time period and the seamless item with a SPHTQ (high torque) connection gained 14%.

While month-to-month price changes were choppy for each product, the general trend shows an increase in the premium for seamless to ERW since August 2024 from 8% to 11% in March 2025.



Premium connections on seamless 5 1/2" 23#/ft have realized a price gain of 12% since the low in August 2024. The same product with a semi-premium connection gained 16% over the same time frame, thus the price advantage for a premium connection decreased in percentage terms, from 16% in November to 11% in February and March 2025.

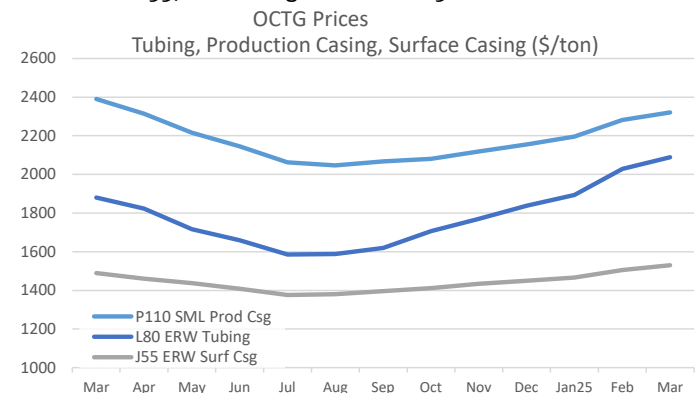


Casing and Tubing Price Trends

The momentum of price gains since mid-summer vary by product category. Tubing prices have increased the most, up 32% in 8 months. Pricing for L80 ERW tubing hit a low of \$1,586/ton in July 2024 and by March 2025 had increased \$503/ton to \$2,089/ton.

Production casing is up 13% from the lows in mid-2024. P110 seamless production casing reached a low of \$2,047/ton in August 2024 and increased to \$2,321/ton by March 2025, an increase of \$274/ton in 7 months.

Surface casing is up 11% from the 2024 low. J55 ERW surface casing averaged \$1,376/ton at the low in July 2024 and has increased \$155/ton through March 2025.

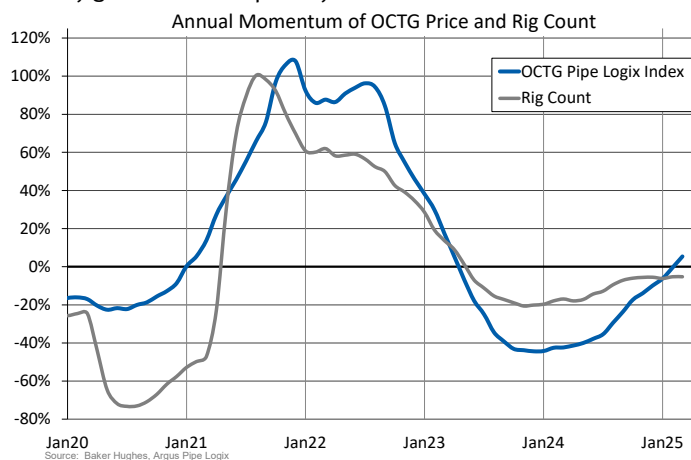


Price momentum, current month compared to same month the previous year, provides a technical measure of support for price trends. Historically, the price momentum for OCTG tends to follow the momentum inflections realized in the rig count. This bears witness in the downward inflection in 2020, the upward and downward inflections in 2021, and the upward inflection in 2024.

Most recently, the rig count momentum inflected at the beginning of 2024 with momentum gains continuing through mid-year. But during the 2nd half of 2024, the rig momentum stalled. The rig count momentum has been steady from July 2024 through March 2025 at -6% compared to the same month the previous year.

OCTG price momentum first inflected higher in February 2024 with momentum accelerating into 2025 and reaching 5% in

March 2025, having been -40% a year prior. The stalled rig count momentum suggest OCTG pricing gains are less supported by activity growth than in past cycles.



Industry Sentiment

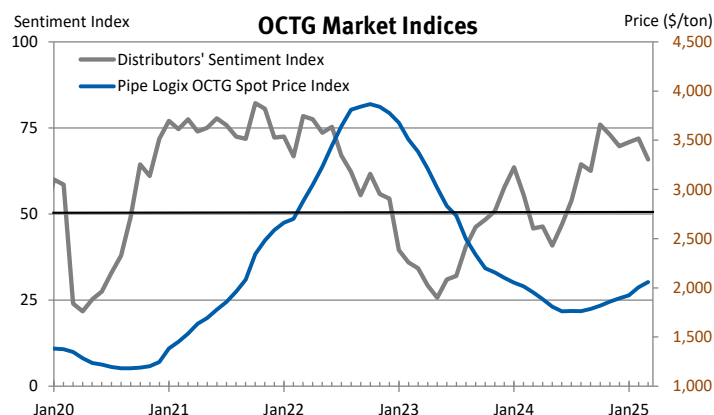
The Distributor's Index tracks sentiment of OCTG distributors each month in a diffusion index. The index provides a consolidation of expectations in the OCTG marketplace. The weighted sum of the categories is the Overall Distributor's Index. A score of above 50 is considered an expanding market and below 50 is a contracting market while near 50 is neutral.

In the most recent survey, distributor's sentiment scored 66, a bullish score. The index first became bullish with a score of 54 in July 2024, then 64 in August 2024 and 76 in October 2024. The index has continued to be above 60 each month through March 2025, though the March sentiment is down from the previous months, which scored over 70.

Comparing distributor's sentiment to OCTG prices shows correlations where sentiment tends to lead inflections in pricing. Sentiment was at a low of 26 in June 2023 and improved dramatically through the end of the year, reaching a high of 64 in January 2024. However, sentiment retreated in the first half of 2024, back to a bearish score of 41 by May. For the rest of 2024, sentiment scores increased, reaching a peak in 4Q 2024.

OCTG pricing began to increase in September 2024, 4 months after sentiment began to increase. The cumulative price gain is

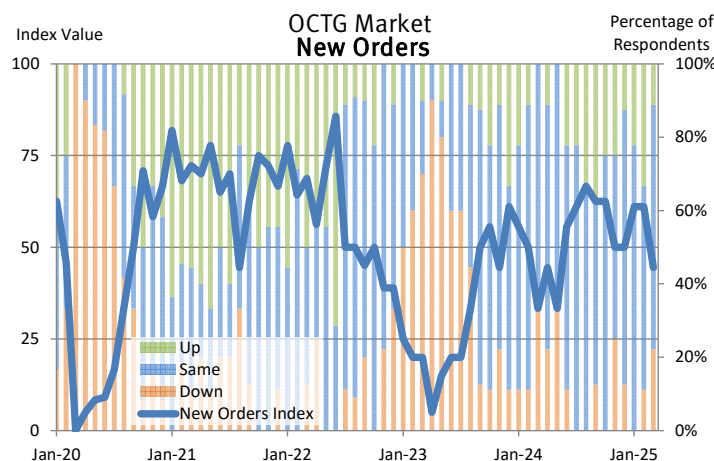
17% in 7 months. Continued bullish sentiment provides support for further price gains in the coming months.



At least 5 of the 7 components in the sentiment index have provided a bullish signal since September 2024. In January and February 2025, 6 of the components were bullish, though in March it was just 5 bullish and 2 bearish.

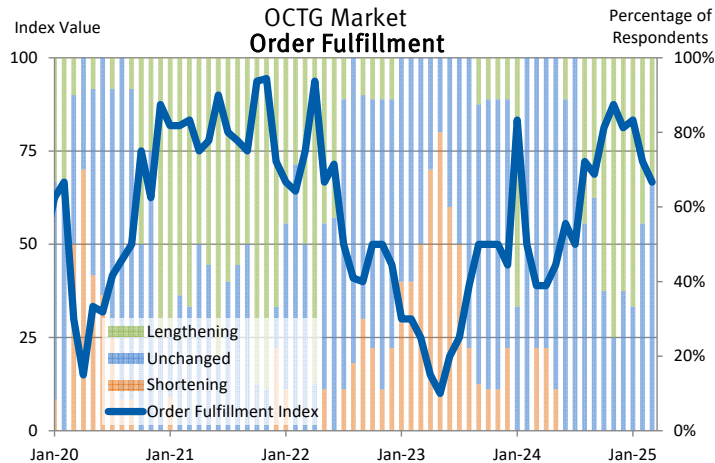
New Orders

In the latest survey, two-thirds of distributors surveyed reported that their orders are steady compared to the previous month. Over 20% say their order levels are lower, and the rest say their order levels are higher. As a result, March's score for New Orders was 44, a bearish indicator and down from a bullish score the previous two months.



Order Fulfillment

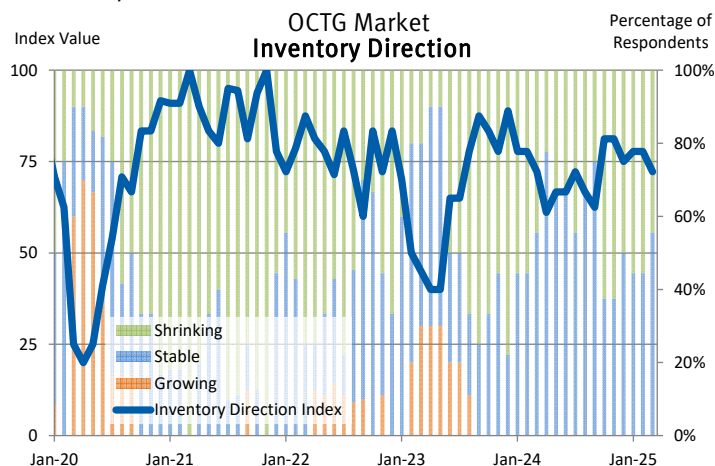
Order Fulfillment (the time to obtain product and fulfill orders) contributed to the false bullish score in 2023 with a temporary peak of 83 in January 2024 that fell to 39 just two months later. Order Fulfillment surged again to 88 in November 2024 then dropped back to a score of 67 in the most recent survey. Currently, two-thirds of the participants say the fulfillment time was unchanged from the previous month and the rest say fulfillment time is lengthening.



Three measures of inventory are components to the overall index of sentiment. The score of these three components is bullish.

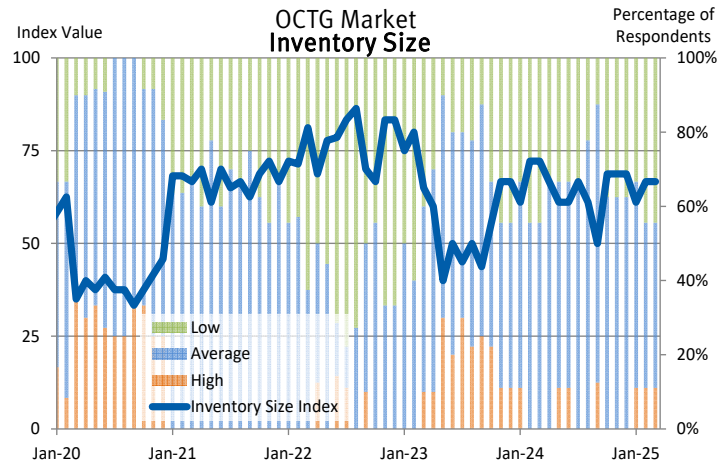
Inventory Direction

Inventory Direction has been a bullish index component since June 2023. While down from the peak of 89 in December 2023, the most recent score was strongly bullish at 72 in March. Over 40% of the distributors report their inventories as shrinking and the rest report stable inventories.



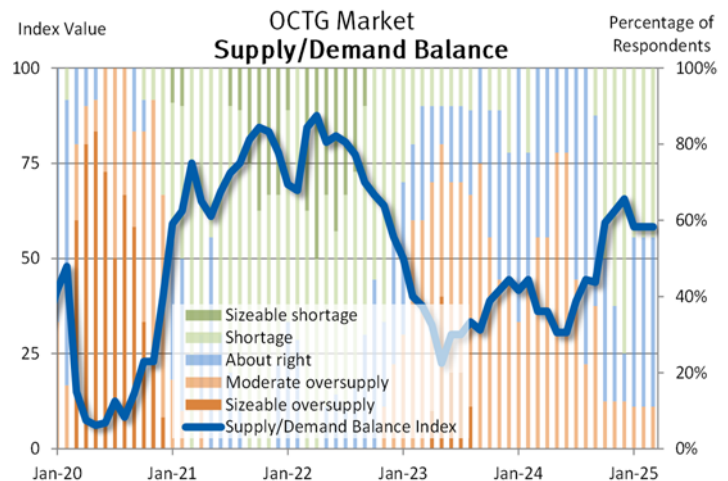
Inventory Size

Inventory Size has been bullish or neutral for 17 months. In the March 2025 survey, 44% of the distributors reported having low inventory levels. The result is a score of 67.



Supply Demand Balance

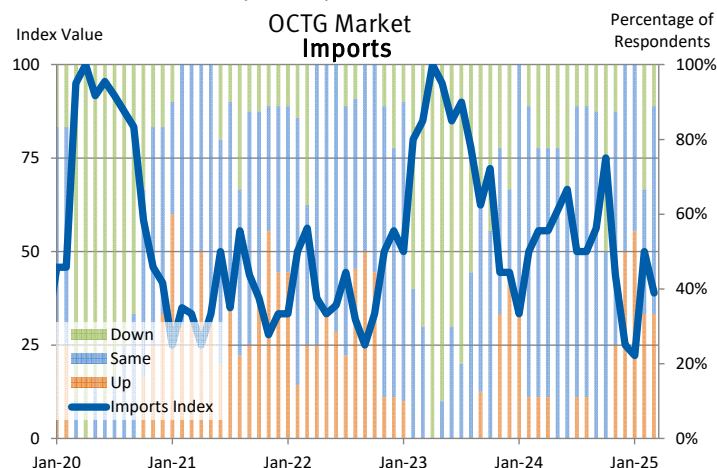
The final measure of inventory is the overall supply and demand balance, a big picture view of OCTG inventories. The overall market appears to be slightly undersupplied with 90% of the distributors saying it is “about right” or in “shortage.” The February score was 58, unchanged from the previous two months and the 5th month of bullish scores.



Imports

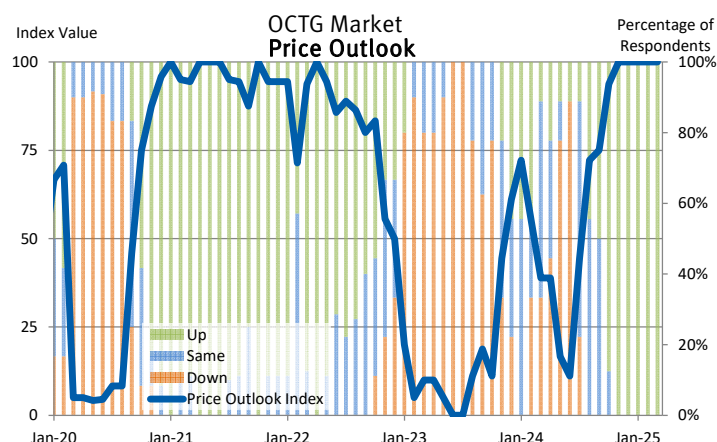
Imports, as a component to the index, was deeply bearish in January 2025, jumped to a neutral position in February and now back down to a bearish score of 39 in March. Perhaps the swings reflect the current chaos in trade and tariffs. Half of the survey

participants expect import volumes to be the same in the near-term and one-third expect import volumes to increase.



Price Outlook

The price outlook component tends to swing dramatically from extremely bullish scores to extremely bearish scores as witnessed with the up, down, up swings in 2020, 2023 and 2024, respectively. For the 5th month in a row, this component has scored a perfect 100 with all participants expecting higher prices in the near-term.

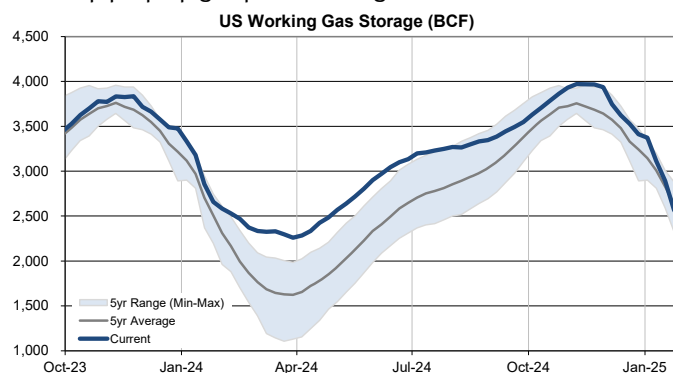


Market Drivers

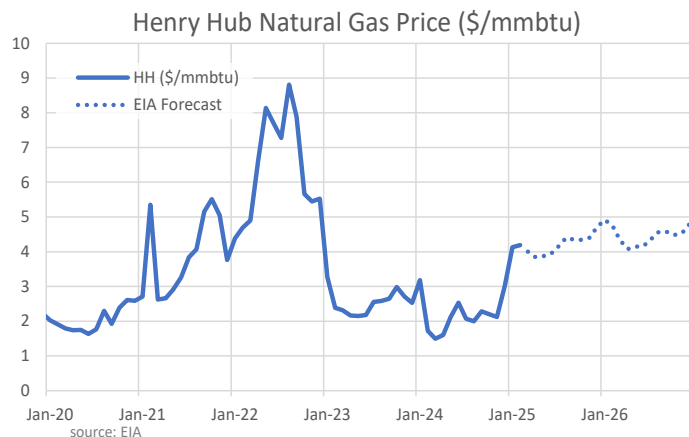
US Economy & Energy Markets

The US economy continues to grow according to GDP data, which ended last year at an annualized rate of 2.5%. However, consumer sentiment has fallen, down 22% in 3 months to a score of 58 in March 2025. Sentiment this low was last witnessed in late 2022. The Federal Reserve has voiced their lack of understanding what tariffs might do to the economy and thus have left the Fed Funds rate unchanged at 4.3% since January.

Gas storage has drawn down quickly and now sits 11% below the 5-year average at 1.7 TCF. Draws from inventory have averaged 172 BCF/week in 2025, which is 50% greater than the draws during the same period the previous year. Injection season typically begins in late March or early April. Lower storage volumes will increase demand for gas going into injection season and help prop up gas prices through the summer.



Spot natural gas prices have responded to lower storage and stronger demand with prices averaging \$4.19/mmbtu in February, which compares to just \$1.72/mmbtu a year ago. Forecasters have adjusted their outlooks for higher gas price across the summer. The new EIA forecast calls for gas price to average \$4.2/mmbtu in 2025 and \$4.5/mmbtu in 2026. The forecast continues to have a wide range of potential pricing, from \$2.0/mmbtu to over \$9.7/mmbtu by the end of 2026.

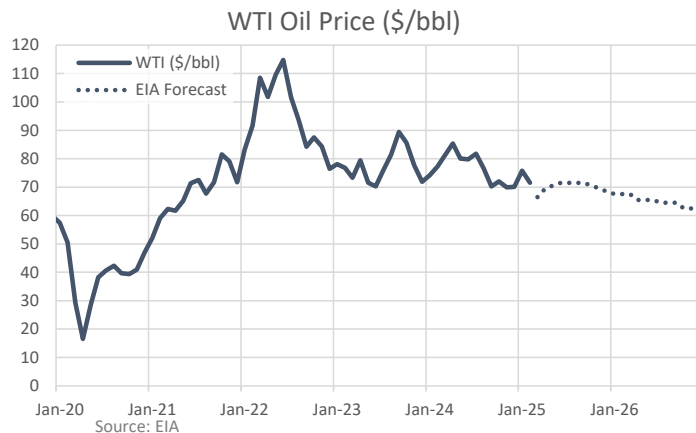


International gas prices are also higher with European gas price having averaged \$15.3/mmbtu in February, the first time it has been above \$15/mmbtu since February 2023. The differential between Europe gas and US Henry Hub has widened from an average of \$6.6/mmbtu in 1Q 2024 to \$10.8/mmbtu across January and February 2025.

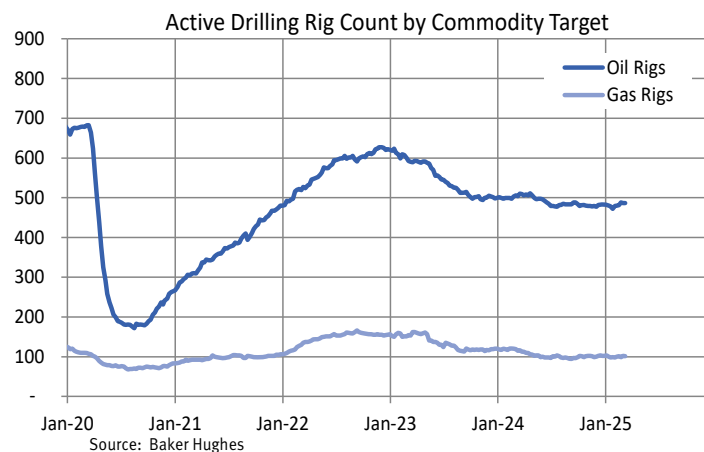
Depending on the forecaster, global oil demand is expected to grow by 1.0 mmbopd (IEA) or +1.45 mmbopd (OPEC+) or +1.3 mmbopd (EIA). More importantly, supply is expected to exceed demand in the back half of 2025, pressuring oil prices lower into 2026. OPEC+ has begun to unwind some of their 2.2 mmbopd production cuts and it will bring another 400 mbopd to the market in the near-term.

Petroleum and oil stocks in the US are little changed over the past year, near 1.6bnbo, which is down 24% from the peak in 2020. The decrease from 2020 reflects a 40% decline in the Strategic Petroleum Reserve and a 20% decline in the commercial crude inventory.

The Argus oil price forecast has been lowered due to oversupply as OPEC unwinds their cuts. WTI is now expected to average \$67/bbl in 2025 and \$66/bbl in 2026. The EIA forecasts WTI oil price to average \$70.7/bbl in 2025, down 8% from the previous year. Their forecast for 2026 is down another 8% to average \$65/bbl with WTI drifting to \$62/bbl by year's end.



There are 593 active drilling rigs in the US currently, down 5% from a year ago and down 24% from the peak in 2022. Drilling activity has been mostly steady since mid-2024, though a forecast for lower oil price in 2025 and 2026 is expected to pressure drilling activity and may push the rig count lower. Some analysts cite the potential for a 40-50 rig decrease to the US count. Higher gas prices may shift some activity to dry gas basins while drilling activity in oil centric basins softens.

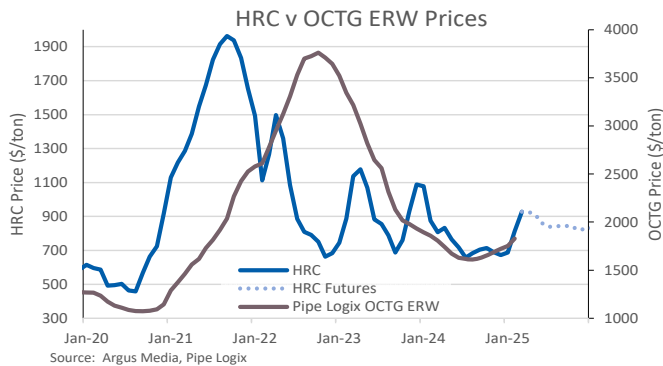


		Total Rigs	% Chg	Oil Rigs		% Chg	Gas Rigs		% Chg
Current	3/21/2025	593		486			102		
vs year ago	3/22/2024	624	-5%	509		-5%	112		-9%
vs peak on:	12/2/2022	784	-24%	12/2/2022	627	-22%	9/9/2022	166	-39%
vs trough on:	8/14/2020	244	143%	8/14/2020	172	183%	7/24/2020	68	50%

Manufacturing Material Cost

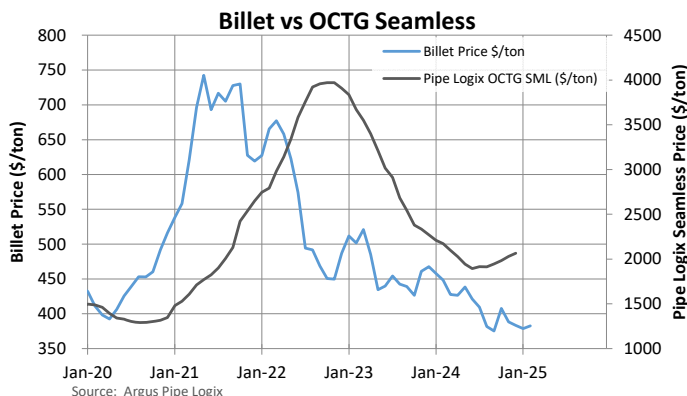
Hot Rolled Coil

Welded OCTG is made with hot rolled coils, thus changes in coil prices flow through OCTG prices. In 2025, HRC prices have surged, from \$688/ton in January, at the bottom of the 3-year trading range, to \$934/ton in March, nearing the top of the 3-year range, which is \$1,100/ton. The margin of ERW price to HRC price swung dramatically during 2021 and 2022 due to the different timing of HRC and ERW price trends. In 2024, the market settled back near the pre-Covid average ERW:HRC margin of 140%, suggesting the ERW prices will likely find support through higher HRC prices. However, Futures contracts indicate the market is oversupplied and HRC prices may soften in the 2nd half of 2025.



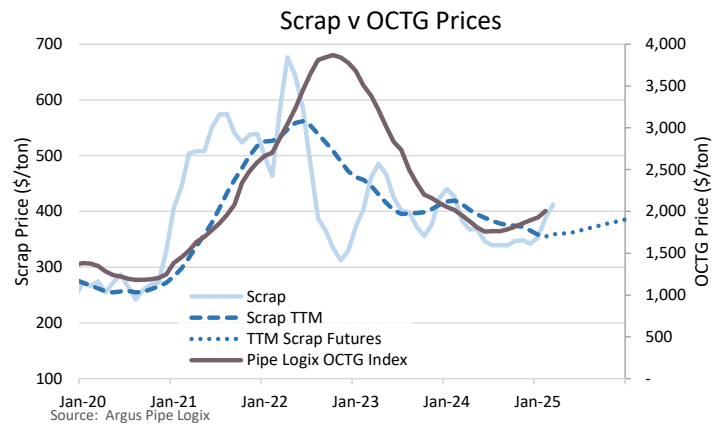
Billets

Steel billets are used for seamless OCTG manufacturing and thus billet cost is a key part of seamless pricing. There is a long lead-time between changes in billet prices and inflections in seamless OCTG prices. Billet prices were over \$500/ton (Tangshan ex-works_Argus) in March 2023 then decreased to average \$450/ton for the rest of 2023. In 2024, billet prices sank again, below \$400/ton by August and have averaged \$380/ton for the first two months of 2025.



Scrap Steel

Scrap prices are averaging \$417/ton in March 2025, up 23% from the low in September 2024. The trailing twelve months (TTM) average, previously a strong correlation for OCTG prices, crossed the Pipe Logix Index on the way down but Futures contracts indicate the TTM will begin increasing soon and continue higher through the rest of 2025, offering support for OCTG prices.



Iron Ore

Iron ore, which is key for integrated pipe mills, realized an average price of \$107/tonne in February, up from the October low of \$96/tonne but down from the peak of \$136/tonne in December 2023. Futures markets indicate prices will ease toward \$94/tonne by year's end and below \$90/tonne by 4Q 2026.

ISSN 2756-0724

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Chief operating officer: Matthew Burkley

Global compliance officer: Jeffrey Amos

Chief commercial officer: Jo Loudiadis

President, Expansion Sectors: Christopher Flook

SVP Consulting Services: Lloyd Thomas

VP Pipe and Tube: Kurt Minnich

Customer support and sales:

support@argusmedia.com

sales@argusmedia.com

London: Tel: +44 20 7780 4200

Houston: Tel: +1 713 968 0000

Singapore: Tel: +65 6496 9966