Did Steel Tariffs Pay Steel Shareholders? Four Section 232 Events on Real Market Data

Gaurav Gupta · Research note · 1 November 2026 · 5 US and 5 foreign steelmakers, market-model event study, daily total returns 1995–Oct 2026

+8.3 / +5.2 / +11.2%
US steel two-day abnormal return on the Mar 2018, Feb 2025 and Jun 2025 announcements (t 4–8)

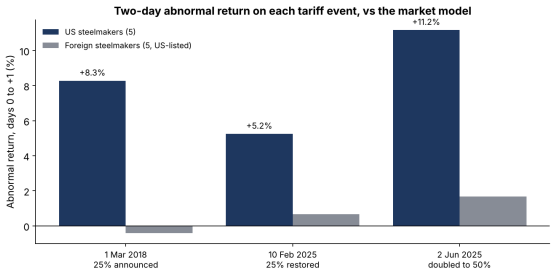
≈ 0
Foreign steelmakers' reaction to the same news

−1.9%
US steel vs S&P 500 one year after Mar 2018

+41.8 vs +18.8
Points ahead of S&P 500 since Feb 2025, US vs foreign steel

Event	US days 0–1	t	Foreign days 0–1	US days 2–20
1 Mar 2018, 25% announced	+8.3%	6.5	−0.4%	−5.8%
8 Mar 2018, signed with exemptions	−6.6%	−5.2	−5.3%	+0.1%
10 Feb 2025, 25% restored	+5.2%	4.1	+0.7%	+2.8%
2 Jun 2025, doubled to 50%	+11.2%	8.1	+1.7%	+2.3%

Long run (equal weight, minus S&P 500): after Mar 2018 US +5.1 / −0.5 / −1.9 pts at 3 / 6 / 12 months, −19.7 by Nov 2019; foreign −11.6 / −23.5 / −19.5. After Feb 2025 US −2.1 / −4.6 / +34.8, +41.8 to Oct 2026; foreign +7.8 / +3.6 / +41.2, +18.8 to Oct 2026.



Two-day abnormal return on each announcement: US (navy) vs foreign (grey).

SOURCES

- Prices and dividends for NUE, STLD, CMC, CLF, RS, MT, TX, GGB, SID, PKX, SPY, DBB: defeatbeta/yahoo-finance-data on Hugging Face (ODC-BY), sha256-pinned.
- Event dates: Proclamation 9705 (8 Mar 2018) and 1 Mar 2018 announcement; 10 Feb 2025 proclamation; 30 May 2025 announcement and 3 Jun 2025 proclamation (50% from 4 Jun).
- Methods: Fama, Fisher, Jensen and Roll (1969); Brown and Warner (1985); MacKinlay (1997); Barber and Lyon (1997).

METHOD

- Market model on SPY per stock, days −260 to −21 before each event.
- Abnormal return = actual − expected; CARs over 0–1, −1 to +3, 2–20, 0–10 days; Brown–Warner t.
- Robustness: two-factor model adding base metals (DBB); same conclusions.
- Long run: equal-weight buy-and-hold minus SPY.

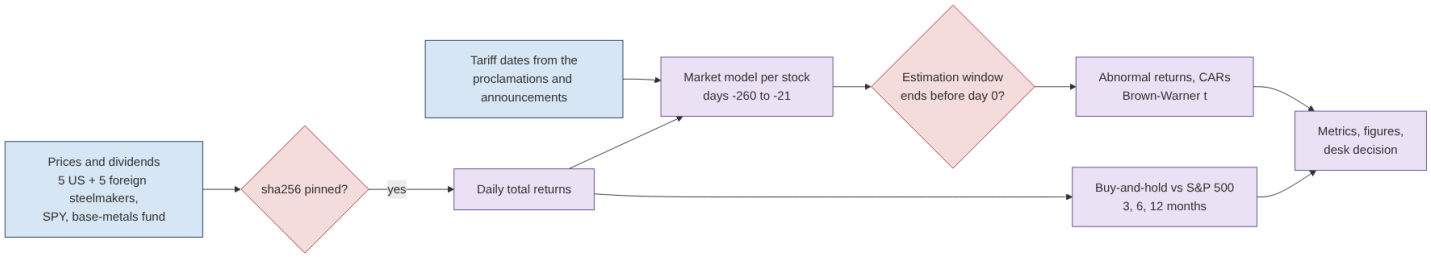
KEY CALCULATIONS

- Day 0 for the 50% doubling = 2 Jun 2025 (announced after the close on 30 May).
- US Steel excluded (takeover; delisted Jun 2025).
- Policy shock on a $1bn steel book: 5–11% ≈ $50–110M (illustrative).

RECOMMENDATIONS

- Treat tariff headlines as a two-day repricing; no edge after day one.
- Stress steel and steel-user exposures with measured 5–11% basket jumps, up to 27% for the most domestic name, both directions.
- Hold a tariff view as US vs foreign producers; the outright position is mostly the steel cycle.
- Commercial: a policy-event risk monitor for metals and industrial desks (illustrative pricing $60–120k a year per desk).

Independent research on public data, not investment advice; dollar figures are illustrative. Analysis, code, charts and text were produced with AI assistance and reviewed by the author. Code: github.com/guptagaurav-info/steel-tariff-event-study



Pipeline: sources (blue), code steps (lavender), checks (red).